



**Big Sandy Rural Electric  
Cooperative Corporation**

504 11th Street  
Paintsville, Kentucky 41240-1422  
(606) 789-4095 • Fax (606) 789-5454  
Toll Free (888) 789-RECC (7322)

**Branch Office:**

204 Glyn View Plaza  
Prestonsburg, Kentucky 41653  
(606) 886-2987

**RECEIVED**

**DEC 10 2008**

**PUBLIC SERVICE  
COMMISSION**

December 10, 2008

Ms. Stephanie Stumbo  
Executive Director  
Public Service Commission of Kentucky  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, Kentucky 40602

Re: Application of Big Sandy Rural Electric Cooperative for an Adjustment of  
Rates  
PSC Case No. 2008-00401

Dear Ms. Stumbo:

Enclosed for filing are ten copies of the application of Big Sandy Rural Electric Cooperative Corporation for an adjustment of rates. Please feel free to contact me if you have any questions or concerns.

Respectfully yours,

A handwritten signature in black ink, appearing to read "Albert A. Burchett".

Albert A. Burchett, Attorney at Law  
Counsel for Big Sandy Rural Electric Cooperative

Enclosures

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

DEC 10 2008

PUBLIC SERVICE  
COMMISSION

CASE NO. 2008-00401

IN THE MATTER OF ADJUSTMENT OF  
RATES OF BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

APPLICATION

Big Sandy Rural Electric Cooperative (herein designated as "Big Sandy Rural Electric") hereby makes application for an adjustment of rates, as follows:

1. Big Sandy Rural Electric informs the commission that it is engaged in the business of operation of a retail electric distributions system in eight (8) counties in southeastern Kentucky and does hereby propose to adjust rates, effective December 1, 2008, in conformity with the attached schedule.

2. The name and post office address of the applicant is Big Sandy Rural Electric Cooperative, 504 11<sup>th</sup> Street, Paintsville, Kentucky, 41240 [807 KAR 5:001, Section 8(1)].

3. The Articles of Incorporation and all amendments thereto for Big Sandy Rural Electric were filed with the commission in PSC Case No. 95-383, Adjustment of Rates of Big Sandy Rural Electric Cooperative Corporation. [807 KAR 5:001, Section 8(3)].

4. The application is supported by a twelve month historical test period ending August 31, 2008 and includes adjustments for known and measurable changes [807 KAR 5:001, Section 10(1)(a)].

5. Big Sandy Rural Electric states that the reasons the rate adjustment are required pursuant to 807 KAR Section 10(1)(a)(1) are as follows:

a. Big Sandy Rural Electric has incurred increases in the cost of power, materials, equipments, labor, taxes, interest, debt service and other fixed and variable costs. Big Sandy Rural Electric has been required to borrow funds to finance its construction projects.

b. The financial condition of Big Sandy Rural Electric has deteriorated substantially over the past few years.

c. Big Sandy Rural Electric had a Times Interest Earned Ration (TIER) of 1.06 for the test year ending August 31, 2008. The TIER was 1.27 for calendar year of 2007. Big Sandy Rural Electric is required under its mortgage agreement of maintain an operating TIER of 1.25, based on an average of two of the three most current years.

d. Big Sandy Rural Electric requires this rate adjustment to meet the terms of the mortgage agreement and to maintain its financial stability and integrity.

e. The Board of Directors of Big Sandy Rural Electric at its meeting on September 24, 2008 received the current financial condition of Big Sandy Rural Electric and the need for a rate adjustment to maintain the financial stability and integrity of the Cooperative. The Board of Directors adopted a resolution directing the administrative staff and consultants to proceed with the necessary application and filings with the Public Service Commission to adjust the rates of the Cooperative. A copy of the resolution is attached as Exhibit F.

6. Annual reports, including the most recent calendar year, are on file with the Commission in accordance with 807 KAR 5:006, Section 3(1) [807 KAR 5:001, Section 10(1)(a)2].

7. Big Sandy Rural Electric is not a limited partnership [807 KAR 5:001, Section 10(1)(a) 4].

8. Big Sandy Rural Electric files with this application a Certificate of Good Standing dates within 60 days of the date of this application and attached as Exhibit A. [807 KAR 5:001, Section 10(1)5].

9. Big Sandy Rural Electric does not conduct business under an assumed name [807 KAR 5:001, Section 10(1)(a)6].

10. The proposed tariff is attached as Exhibit B in a form that complies with 807 KAR 5:001 with an effective date not less than 30 days from the date of this application [807 KAR 5:001, Section 10(1)(a)7].

11. The proposed tariff changes, identified in compliance with 807 KAR 5:001, are shown by providing the present and proposed tariffs in comparative form on the same sheet, side by side, or on facing sheets, side by side, as Exhibit C [807 KAR 5:001, Section 10(1)(a)8].

12. Big Sandy Rural Electric has given notice to its members of the filing of this application in accordance with 807 KAR 5:001, Section 3-10 (3) and (4). A copy of the notice is attached as Exhibit D [807 KAR 5:001, Section 10(1)(a)9].

13. Big Sandy Rural Electric filed with the Commission a written notice of intent to file a rate application at least four (4) weeks prior to filing this application. The notice of intent stated the rate application would be supported by a historical test period and was served upon the Attorney General, Utility Intervention and Rate Division [807 KAR 5:001, Section 10(2)].

14. A complete description and qualified explanation for all proposed adjustments with proper support for any proposed changes in price or activity levels, and any other factors which may affect the adjustment, including a Revenue Analysis shown as Exhibit G [807 KAR 5:001, Section 10(6)(a)].

15. The prepared testimony of each witness supporting the application are attached as Exhibits H [807 KAR 5:001, Section 10(6)(b)].

16. A statement estimating the effect the new rates will have upon the revenues of Big Sandy Rural Electric, including, at a minimum, the total amount of revenues resulting from the increase or decrease and the percentage of the increases or decreases and the percentage of the increase or decrease is shown by Exhibit G [807 KAR 5:001, Section 10(6)(d)].

17. The effect upon the average bill for each customer classification to which the proposed rate change will apply is shown by Exhibit J [807 KAR 5:001, Section 10(6)(e)].

18. An analysis of customers' bills in such detail that revenues from present and proposed rates can be readily determined for each customer class is shown by Exhibit J [807 KAR 5:001, Section 10(6)(g)].

19. A summary of the Cooperative's determination of its revenue requirements based on return on net investment rate base, return on capitalization, interest coverage, debt service coverage or operating ratio, with supporting schedules is shown by Exhibit K [807 KAR 5:001, Section 10(6)(h)].

20. A reconciliation of the rate base and capital used to determine its revenue requirements is shown by Exhibit L [807 KAR 5:001, Section 10(6)(i)].

21. A current chart of accounts is shown by Exhibit M [807 KAR 5:001, Section 10(6)(j)].

22. The independent auditor's report is attached as Exhibit N [807 KAR 5:001, Section 10(6)(k)].

23. The Federal Energy Regulatory Commission or Federal Communications Commission have not audited Big Sandy Rural Electric and no audit reports exist [807 KAR 5:001, Section 10(6)(l)].

24. No Federal Energy Regulatory Commission Form 1 exists as to Big Sandy Rural Electric [807 KAR 5:001, Section 10(6)(m)].

25. The last depreciation study of Big Sandy Rural Electric is included with Exhibit 3 [807 KAR 5:001, Section 10(6)(n)].

26. A list of commercially available or in-house developed computer software, programs, and models used in the development of the schedules and work papers associated with the filing of this application are attached as Exhibit O [807 KAR 5:001, Section 10(6)(o)].

27. No stock or bond offerings have been made by Big Sandy Rural Electric [807 KAR 5:001, Section 10(6)(p)].

28. Annual Reports to members for 2008 and 2007 are attached as Exhibit P [807 KAR 5:001, Section 10(6)(q)].

29. The monthly managerial reports providing financial results of operations for the twelve (12) months in the test period are attached as Exhibit Q [807 KAR 5:001, Section 10(6)(r)].

30. No Securities and Exchange Commission Annual Reports exist as to Big Sandy Rural Electric because it is not regulated by that regulated body [807 KAR 5:001, Section 10(6)(s)].

31. Big Sandy Rural Electric had no amounts charged or allocated to it by an affiliate or general or home office and did not pay monies to an affiliate or general or home office during the test period or during the previous three (3) calendar years [807 KAR 5:001, Section 10(6)(t)].

32. A cost of service study based on a methodology generally accepted within the electric industry and based on current and reliable data for the test period is attached as Exhibit R [807 KAR 5:001, Section 10(6)(u)].

33. Big Sandy Rural Electric is not a Local Exchange Carrier or Company as set forth in 807 KAR 5:001, Section 10(6)(v)].

34. A detailed income statement and balance sheet reflecting the impact of all proposed adjustments is attached as Exhibit S [807 KAR 5:001, Section 10(7)(a)].

35. No “proposed pro forma adjustments reflecting plant additions” exist or apply to Big Sandy Rural Electric [807 KAR 5:001, Section (7)(c)].

36. The operating budget for each month of the period encompassing the pro forma adjustments is attached as Exhibit T [807 KAR 5:001, Section (7)(d)].

37. Additional financial exhibits required by 807 KAR 5:001, Section 10, financial information covering twelve (12) month historical test period ending August 31, 2008, and other information required to be filed is attached by exhibits, as follows:

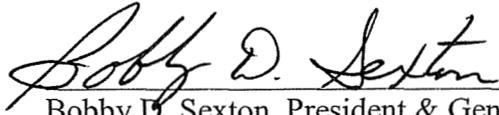
Exhibit U      Equity management plan

Exhibit V	Detailed comparative income statement, statement of cash flows and balance sheet
Exhibit W	Schedule showing monthly comparison of balance sheet accounts from Test year to Preceding year
Exhibit X	Schedule showing monthly comparison of income statement accounts from Test year to Preceding Year
Exhibit Y	Trial balance at end of test year
Exhibit Z	Capital structure
Exhibit 1	Adjustment for salaries and wages
Exhibit 2	Adjustment for payroll taxes
Exhibit 3	Adjustment for depreciation
Exhibit 4	Adjustment for property taxes
Exhibit 5	Adjustment for long term and short term interest
Exhibit 6	Adjustment for post-retirement benefits
Exhibit 7	Adjustment for retirement costs
Exhibit 8	Adjustment for donations
Exhibit 9	Adjustment for professional fees
Exhibit 10	Adjustment for director expenses
Exhibit 11	Adjustment for miscellaneous expenses
Exhibit 12	Adjustment for rate case expenses
Exhibit 13	Adjustment for cable television attachments
Exhibit 14	Adjustment for right of way clearing
Exhibit 15	Adjustment for other operating costs
Exhibit 16	Adjustment for normalized purchase power
Exhibit 17	Adjustment for normalized revenue
Exhibit 18	Adjustment for end of year customer growth
Exhibit 19	By Laws
Exhibit 20	KAEC Statistical Comparison
Exhibit 21	RUS Borrower's Statistical Profile
Exhibit 22	Capitalization policies and employee benefits
Exhibit 23	Union contract, current and previous

WHEREFORE, BIG SANDY RURAL ELECTRIC COOPERATIVE applies and requests approval of the adjustment of rates as set forth in this application and issuance of an order approving and authorizing the new rates at the earliest possible date.

Dated: December 8, 2008.

Big Sandy Rural Electric Cooperative



Bobby D. Sexton, President & General Manager

COUNSEL:

ALBERT A. BURCHETT

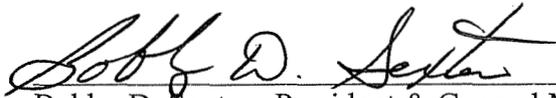
P.O. Box 346

Prestonsburg, Kentucky 41653



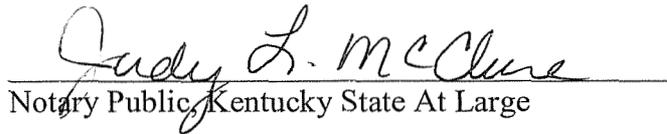
Albert A. Burchett, Attorney for  
Big Sandy Rural Electric Cooperative

I, Bobby D. Sexton, President & General Manager, state that the statements contained in the foregoing application are true to the best of my information and belief.



Bobby D. Sexton, President & General Manager  
Big Sandy Rural Electric Cooperative

Subscribed and sworn to before me by Bobby D. Sexton as President & General Manager of Big Sandy Rural Electric Cooperative this 8th day of December, 2008.



Notary Public, Kentucky State At Large

My Commission Expires: 6-19-2010

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DEC 10 2008

**PUBLIC SERVICE  
COMMISSION**

Commonwealth of Kentucky  
Trey Grayson, Secretary of State

11/14/2008

Division of Corporations  
Business Filings

P. O. Box 718  
Frankfort, KY 40602  
(502) 564-2848  
<http://www.sos.ky.gov>

**Certificate of Existence**

Authentication Number: 72501

Jurisdiction: Big Sandy Rural Electric Cooperative Corporation

Visit <http://apps.sos.ky.gov/business/obdb/certvalidate.aspx> to authenticate this certificate.

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

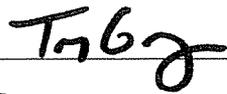
**BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION**

is a nonprofit corporation duly incorporated and existing under KRS Chapter 273, whose date of incorporation is September 5, 1940 and whose period of duration is perpetual.

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

IN WITNESS THEREOF, I have hereunto set my hand and affixed my Official Seal at Frankfort, Kentucky, this 14th day of November, 2008.



  
Trey Grayson  
Secretary of State  
Commonwealth of Kentucky  
72501/0004187





**Big Sandy Rural Electric  
Cooperative Corporation**

504 11th Street  
Paintsville, Kentucky 41240-1422  
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Toll Free (888) 789-RECC (7322)

**Branch Office:**

204 Glyn View Plaza  
Prestonsburg, Kentucky 41653  
(606) 886-2987

**October 31, 2008**

**Ms. Stephanie Stumbo  
Executive Director  
Public Service Commission  
211 Sower Boulevard  
Frankfort, KY 40602**

**RE: Big Sandy RECC Pass-Through of East Kentucky Power Cooperative, Inc.  
Wholesale Rate Adjustment – PSC Case No. 2008-00410**

**Dear Ms. Stumbo:**

**Big Sandy RECC hereby submits to the Public Service Commission (the “Commission”), its Proposed Tariffs and other information required by 807 KAR 5:007 in regard to the pass-through of any wholesale rate adjustment granted to East Kentucky Power Cooperative, Inc., (“EKPC”) in PSC Case No. 2008-00409. This filing includes the following:**

- 1. Big Sandy RECC Proposed Tariffs are attached as Exhibit 1.**
- 2. The name and filing address of the filing cooperative is:  
Big Sandy Rural Electric Cooperative Corporation  
504 11<sup>th</sup> Street  
Paintsville, KY 41240**
- 3. In accordance with the provisions of KRS 278.455 (2), Big Sandy RECC hereby states that the effects of the increase in rates from its wholesale supplier, EKPC, are being passed through to its retail tariffs on a proportional basis and that the rate design structure proposed for each retail rate schedule does not change the rate design currently in effect.**
- 4. A comparison of the current and proposed rates of Big Sandy RECC is attached as Exhibit 2.**
- 5. Attached as Exhibit 3 is a billing analysis which shows the existing and proposed rates for each rate class.**

Ms. Stephanie Stumbo  
Page 2  
October 31, 2008

6. Big Sandy RECC recognizes that this pass-through will only apply to rates effective dated December 1, 2008, and does not apply to any future EKPC rate design changes that may be approved by the Commission.

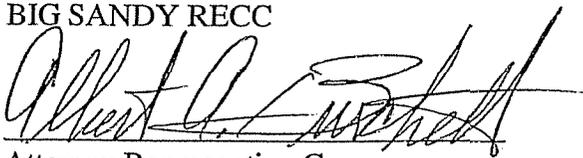
7. A certification that an original and five (5) copies of this filing have been filed with the Office of Rate Intervention, Office of the Attorney General, is attached as Exhibit 4.

8. Notice of the proposed rate change has been given, not more than thirty (30) days prior to October 31, 2008, by publication in a newspaper of general circulation in the affected area of Big Sandy RECC. A copy of this notice is attached as Exhibit 5.

Big Sandy RECC hereby requests that the Commission accept this filing and allow the pass-through to its retail rates of the wholesale rate adjustment granted to EKPC as of the effective date of such adjustment.

Respectfully submitted,

BIG SANDY RECC



Albert A. [unclear]  
Attorney Representing Coop

FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO. 2008-00410

ORIGINAL SHEET NO. 1

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

CANCELLING PSC NO. 2006-00511

ORIGINAL SHEET NO. 1

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CLASSIFICATION OF SERVICE

---

SCHEDULE A-1 FARM & HOME

RATE PER UNIT

---

APPLICABLE:

Entire territory served.

AVAILABILITY OF SERVICE:

Available to members of this Cooperative for Farm and Home use having a required transformer capacity not to exceed 50 KVA, subject to all rules and regulations established by the Cooperative.

TYPE OF SERVICE:

- A. Single-Phase, 120/240 volts, or
- B. Three-Phase, 240/480 volts, or
- C. Three-Phase, 120/208 wye volts

RATES:

Customer charge per delivery point	\$7.75 per month	I
Energy charge	0.07527 per KWH	I
Off peak energy charge	0.04516	I

Applicable only to programs which are expressly approved by the Commission to be offered under the Marketing Rate of East Kentucky Power Cooperative's Wholesale Power Rate Schedule A during the following off-peak hours. Energy furnished under this rate shall be separately metered for each point of delivery.

Months	Off-Peak Hours (EST)
October through April	12:00 noon to 5:00 PM 10:00 PM to 7:00 PM
May through September	10:00 PM to 10:00 AM

DATE OF ISSUE: OCTOBER 31, 2008  
ISSUED BY: \_\_\_\_\_

DATE EFFECTIVE: DECEMBER 1, 2008  
TITLE: PRESIDENT/GENERAL MANAGER

FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO. 2008-00410

ORIGINAL SHEET NO. 2

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

CANCELLING PSC NO. 2006-00511

ORIGINAL SHEET NO. 2

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 CLASSIFICATION OF SERVICE
 

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SCHEDULE A-1 FARM &amp; HOME

RATE PER UNIT

## MINIMUM CHARGES:

The minimum monthly charge under the above rate is \$7.75. For members requiring more than 15 KVA of transformer capacity, the minimum monthly charge shall be increased at the rate of 75 cents for each additional KVA or fraction thereof required.

I

## TERMS OF PAYMENT:

All of the above rates are net, the gross rates being seven percent (7%) higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.

## SPECIAL RULES:

- A. The rated capacity of a single-phase motor shall not be in excess of ten horsepower (10 hp).
- B. Motors having a rated capacity in excess of ten horsepower (10 hp) must be three phase.
- C. Service under this schedule is limited to customers whose load requirements can be met by transformers having a capacity not to exceed 50 KVA. Customers requiring more than 50 KVA shall be serviced under an appropriate schedule for larger power service.

## BUDGET BILLING:

Members having an opportunity to sign agreements with the Cooperative for spreading billing evenly over a twelve (12) month period. The billing is based on estimated consumption made by a Cooperative representative. In May, the end of the twelve-month

DATE OF ISSUE: OCTOBER 31, 2008

DATE EFFECTIVE: DECEMBER 1, 2008

ISSUED BY: \_\_\_\_\_

TITLE: PRESIDENT/GENERAL MANAGER

FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO. 2008-00410

ORIGINAL SHEET NO. 4

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

CANCELLING PSC NO. 2006-00511

ORIGINAL SHEET NO. 4

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CLASSIFICATION OF SERVICE

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SCHEDULE A-2 COMMERCIAL AND SMALL POWER      RATE PER UNIT

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APPLICABLE:

Entire territory served.

AVAILABILITY OF SERVICE:

Available to commercial loads having a required transformer capacity not to exceed 25 KVA

TYPE OF SERVICE:

Single-phase and Three-phase at a standard voltage

RATES:

Customer charge per delivery point	\$16.61	per month	I
Energy charge	.06804	per KWH	I
Demand charge	4.42	per KW	I

MINIMUM MONTHLY CHARGE:

The minimum monthly charge under the above rate shall be \$16.61 where 15 KVA or less of transformer capacity is required. For consumers requiring more than 15 KVA of transformer capacity, the minimum monthly charge shall be increased at the rate of 75 cents for each additional KVA or fraction thereof required. I

MINIMUM ANNUAL CHARGE FOR SEASONAL SERVICE:

Customers requiring service during, but not to exceed nine months per year may guarantee a minimum annual payment of twelve (12) times the minimum monthly charge determined in accordance with the foregoing section, in which case there shall be no minimum monthly charge.

DATE OF ISSUE: OCTOBER 31, 2008  
ISSUED BY: \_\_\_\_\_

DATE EFFECTIVE: DECEMBER 1, 2008  
TITLE: PRESIDENT/GENERAL MANAGER

FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO. 2008-00410

ORIGINAL SHEET NO. 7

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

CANCELLING PSC NO. 2006-00511

ORIGINAL SHEET NO. 7

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**CLASSIFICATION OF SERVICE**

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**SCHEDULE LP LARGE POWER SERVICE****RATE PER UNIT**

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**APPLICABLE:**

Entire territory served.

**AVAILABILITY OF SERVICE:**

Available to customers located on or near Seller's three-phase lines having a required transformer capacity not to exceed 750 KVA, subject of the established rules and regulations of seller.

**RATES:**

Demand Charge	\$ 5.64	per KW of billing	I
Secondary Meter Energy Charge	.05407	per KWH	I
Primary Meter Energy Charge	.05330	per KWH	I
Customer Charge Per Delivery Point	55.35	per Month	I

**DETERMINATION OF BILLING DEMAND:**

The billing demand shall be the maximum kilowatt demand established by the customer for any period of fifteen (15) consecutive minutes during the month for which the bill is rendered, as indicated or recorded by demand meter and adjusted for power factor as follows:

**POWER FACTOR ADJUSTMENT:**

The customer agrees to maintain unity power factor as nearly as practicable. Should the demand meter indicate that the average power factor is less than ninety percent (90%), the demand for billing purposes shall be the demand as indicated or recorded by the demand meter multiplied by ninety percent (90%) and divided by the percentage power factor.

DATE OF ISSUE: OCTOBER 31, 2008

DATE EFFECTIVE: DECEMBER 1, 2008

ISSUED BY: \_\_\_\_\_

TITLE: PRESIDENT/GENERAL MANAGER

FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO. 2008-00410

ORIGINAL SHEET NO. 8

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

CANCELLING PSC NO. 2006-00473

ORIGINAL SHEET NO. 8

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**CLASSIFICATION OF SERVICE**

---

**SCHEDULE LP LARGE POWER SERVICE****RATE PER UNIT**

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**FUEL ADJUSTMENT CLAUSE:**

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a 12-month moving average of such losses. This Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

**MINIMUM MONTHLY CHARGE:**

The minimum monthly charge shall be the highest one of the following charges as determined for the customer in question.

- (1) The minimum monthly charge specified in the contract for service.
- (2) A charge of seventy-five cents (\$.75) per KVA of installed transformer capacity.
- (3) A charge of Fifty One Dollars and twenty-nine cents (\$55.35).

I

**MINIMUM ANNUAL CHARGE FOR SEASONAL SERVICE:**

Customers requiring service only during certain seasons not exceeding nine (9) months per year may guarantee a minimum annual payment of twelve (12) times the minimum monthly charge determined in accordance with the foregoing section in which case there shall be no minimum monthly charge.

**TYPE OF SERVICE:**

Three-phase, 60 hertz, at Seller's standard voltage.

DATE OF ISSUE: OCTOBER 31, 2008  
ISSUED BY: \_\_\_\_\_

DATE EFFECTIVE: DECEMBER 1, 2008  
TITLE: PRESIDENT/GENERAL MANAGER

FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO. 2008-00410

ORIGINAL SHEET NO. 10

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

CANCELLING PSC NO. 2006-00511

ORIGINAL SHEET NO. 10

---

CLASSIFICATION OF SERVICE

---

SCHEDULE LPR LARGE POWER SERVICE

RATE PER UNIT

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APPLICABLE:

In all territory served.

AVAILABILITY OF SERVICE:

Available to all commercial and industrial customers whose power requirements shall exceed 750 KVA of transformer capacity.

CONDITIONS:

An "Agreement for Purchase of Power" shall be executed by the customer for service under this schedule.

CHARACTER OF SERVICE:

The electric service furnished under this schedule will be 60 hertz, alternating current and at available nominal voltage.

RATE:

Maximum Demand Charge:	\$ 5.64	per KW of billing demand	I
Secondary Meter Energy Charge:	.05154	per KWH	I
Primary Meter Energy Charge:	.05081	per KWH	I
Customer Charge Per Delivery Point:	\$83.04	per month	I

DETERMINATION OF BILLING DEMAND:

The billing demand shall be the maximum kilowatt demand established by the customer for any period of fifteen (15) consecutive minutes during the month for which the bill is

DATE OF ISSUE: OCTOBER 31, 2008  
ISSUED BY: \_\_\_\_\_

DATE EFFECTIVE: DECEMBER 1, 2008  
TITLE: PRESIDENT/GENERAL MANAGER

FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO. 2008-00410

ORIGINAL SHEET NO. 13

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

CANCELLING PSC NO. 2006-00511

ORIGINAL SHEET NO. 13

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CLASSIFICATION OF SERVICE

---

SCHEDULE YL-1

RATE PER UNIT

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APPLICABLE:

Entire territory served.

AVAILABILITY OF SERVICE:

Available to all members of the Cooperative subject to its established rules and regulations.

TYPE OF SERVICE:

Single-Phase, 120 volts, mercury vapor type or equivalent lighting unit.

RATES:

Flat rate per light per month as follows:

175	Watt	@	\$ 7.77	per month	I
400	Watt	@	11.48	per month	I
500	Watt	@	13.42	per month	I
1,500	Watt	@	30.64	per month	I
400 Watt Flood		@	15.74	per month	I

TERMS OF PAYMENT:

All of the above rates are net, the gross rates being seven percent (7%) higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.

FUEL ADJUSTMENT CLAUSE:

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not exceed 10%

DATE OF ISSUE: OCTOBER 31, 2008

DATE EFFECTIVE: DECEMBER 1, 2008

ISSUED BY: \_\_\_\_\_

TITLE: PRESIDENT/GENERAL MANAGER

## FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO. 2008-00410

ORIGINAL SHEET NO. 15

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

CANCELLING PSC NO. 2006-00511

ORIGINAL SHEET NO. 15

## CLASSIFICATION OF SERVICE

SCHEDULE IND 1

RATE PER UNIT

## APPLICABLE:

Applicable to contracts with contract demands of 1000 KW or greater with a monthly energy usage equal to or greater than 425 hours per KW of Billing Demand. These contracts will be a "two party" contract between the Cooperative and the ultimate consumer.

## AVAILABILITY:

Available to all members.

## MONTHLY RATE:

Demand Charge:	\$ 5.97	per KW of Billing Demand	I
Secondary Meter Energy Charge	.04648	per KWH	I
Primary Meter Energy Charge:	.04585	per KWH	I
Customer Charge:	166.06		I

## BILLING DEMAND:

The Kilowatt Demand shall be the greater of (A) or (B) listed below:

- A. The Contract Demand.
- B. The ultimate consumer's highest demand during the current month or preceding eleven months coincident with the load center's peak demand. The load center's peak demand is the highest average rate at which energy is used during any fifteen minute interval in the below listed hours for each month and adjusted for power factor as provided herein:

## Months:

October through April	7:00 AM to 12:00 Noon 5:00 PM to 10:00 PM
May through September	10:00 AM to 10:00 PM

DATE OF ISSUE: OCTOBER 31, 2008  
ISSUED BY: \_\_\_\_\_

DATE EFFECTIVE: DECEMBER 1, 2008  
TITLE: PRESIDENT/GENERAL MANAGER

FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO. 2008-00410

ORIGINAL SHEET NO. 19

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

CANCELLING PSC NO. 2006-00511

ORIGINAL SHEET NO. 19

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CLASSIFICATION OF SERVICE

---

SCHEDULE IND 2

RATE PER UNIT

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APPLICABLE:

Applicable to contracts with contract demands of 5000 KW or greater with a monthly energy usage equal to or greater than 425 hours per KW of Billing Demand. These contracts will be a "two party" contract between the Cooperative and the ultimate consumer.

AVAILABILITY:

Available to all members.

MONTHLY RATE:

Demand Charge:	\$ 5.97	per KW of Billing Demand	I
Secondary Meter Energy Charge	.04095	per KWH	I
Primary Meter Energy Charge	.04045	per KWH	I
Customer Charge	1,183.48		I

BILLING DEMAND:

The Kilowatt Demand shall be the greater of (A) or (B) listed below:

- A. The Contract Demand.
- B. The ultimate consumer's highest demand during the current month or preceding eleven months coincident with the load center's peak demand. The load center's peak demand is the highest average rate at which energy is used during any fifteen minute interval in the below listed hours for each month and adjusted for power factor as provided herein.

DATE OF ISSUE: OCTOBER 31, 2008  
ISSUED BY: \_\_\_\_\_

DATE EFFECTIVE: DECEMBER 1, 2008  
TITLE: PRESIDENT/GENERAL MANAGER

The present and proposed rates structures of Big Sandy Rural Electric Cooperative Corporation are listed below:

<u>Rate Class</u>	<u>Present</u>	<u>Proposed</u>
<b>Sch A-1 Farm &amp; Home</b>		
Customer charge per month	\$7.18	\$7.75
Energy charge per kWh	\$0.06974	\$0.07527
<b>Sch A-1 Off-Peak Energy Charge</b>		
Off-peak energy charge per kWh	\$0.04184	\$0.04516
<b>Sch A-2 Commercial &amp; Small Pwr</b>		
Customer charge per month	\$15.39	\$16.61
Energy charge per kWh	\$0.06304	\$0.06804
Demand charge per kW	\$4.10	\$4.42
<b>Sch LP Large Pwr Service</b>		
Demand charge	\$5.23	\$5.64
Secondary meter energy charge per kWh	\$0.05010	\$0.05407
Primary meter energy charge per kWh	\$0.04939	\$0.05330
Customer charge per month	\$51.29	\$55.35
<b>Sch LPR Large Pwr Service</b>		
Demand charge	\$5.23	\$5.64
Secondary meter energy charge per kWh	\$0.04776	\$0.05154
Primary meter energy charge per kWh	\$0.04708	\$0.05081
Customer charge per month	\$76.94	\$83.04
<b>Sch YL-1</b>		
175 Watt Mercury Vapor	\$7.20	\$7.77
400 Watt Mercury Vapor	\$10.64	\$11.48
500 Watt Mercury Vapor	\$12.43	\$13.42
1,500 Watt Mercury Vapor	\$28.39	\$30.64
400 Watt Flood	\$14.58	\$15.74
<b>Sch IND 1</b>		
Demand Charge	\$5.53	\$5.97
Secondary Meter Energy Charge per kWh	\$0.04307	\$0.04648
Primary Meter Energy Charge per kWh	\$0.04248	\$0.04585
Customer charge per month	\$153.87	\$166.06
<b>Sch IND 2</b>		
Demand Charge	\$5.53	\$5.97
Secondary Meter Energy Charge per kWh	\$0.03794	\$0.04095
Primary Meter Energy Charge per kWh	\$0.03748	\$0.04045
Customer charge per month	\$1,096.58	\$1,183.48

## Big Sandy RECC

## Billing Analysis

for the 12 months ended June 30, 2008

	Present Base Revenues	% of Total Revenue	Proposed Base Revenues	% of Total Revenue	\$ Increase	% Increase
Sch A-1 - Farm and Home	\$14,239,289	70.9%	\$15,368,484	70.86%	\$1,129,195	7.93%
Sch A-1 Farm & Home - Off-peak Energy Charge	\$2,822	0.0%	\$3,046	0.01%	\$224	7.93%
Sch A-2 Commercial and Small Power	\$1,300,025	6.5%	\$1,402,815	6.47%	\$102,790	7.91%
Sch LP Large Power Service (25-750 kV)	\$2,141,624	10.7%	\$2,310,730	10.65%	\$169,105	7.90%
Sch LPR Large Power Service (25-750 kVA)	\$1,708,707	8.5%	\$1,843,647	8.50%	\$134,940	7.90%
Sch Ind 1	\$0		\$0		\$0	0.00%
Sch Ind 2	\$0		\$0		\$0	0.00%
Sch YL-1:			\$0			
175 Watt	\$527,040		\$568,764		\$41,724	7.92%
400 Watt	\$137,384		\$148,230		\$10,846	7.89%
500 Watt	\$1,790		\$1,932		\$143	7.96%
1500 Watt	\$681		\$735		\$54	7.93%
400 Watt	\$37,441		\$40,420		\$2,979	7.96%
<b>Total Sch YL-1</b>	<b>\$704,336</b>	<b>3.50%</b>	<b>\$760,082</b>	<b>3.50%</b>	<b>\$55,746</b>	<b>7.91%</b>
<b>Total - All Rate Classes</b>	<b>\$20,096,804</b>	<b>100.00%</b>	<b>\$21,688,804</b>	<b>100.00%</b>	<b>\$1,591,999</b>	<b>7.92%</b>
<b>Total FAC Component</b>	<b>\$1,764,243</b>		<b>\$1,764,243</b>			
<b>Total Environmental Surcharge Component</b>	<b>\$1,413,335</b>		<b>\$1,413,335</b>			
<b>Total Including FAC &amp; Environmental Surcharge</b>	<b>\$23,274,382</b>		<b>\$24,866,382</b>		<b>\$1,591,999</b>	<b>6.40%</b>

Billing Analysis: Test Year Ending June 30, 2008

All Billing Units are the Sum of the 12 months ending June 30, 2008

Big Sandy RECC  
Sch A-1 - Farm and Home

Line

Billing Determinants (1)	Escalation (2)	Billing Units Escalated (3)=(1)*(1+(2))	Actual		Actual Component Base Rate	Proposed		Dollar Increase (8)	Percent Increase (9)	Proposed Component % of Base Rates
			Rate (4)	Revenues (5)=(4)*(3)		Rate (6)	Revenues (7)=(3)*(6)			
1. Customer Charge	144,456	1.00%	145,901	\$7.18	\$ 1,047,566	7.36%	\$7.75	\$ 1,130,729	\$ 83,163	7.36%
2. Energy Charge per kWh	185,993,872	1.70%	189,155,768	\$ 0.06974	\$ 13,191,723	92.64%	\$0.07527	\$ 14,237,755	\$ 1,046,031	92.64%
3. Billing Adjustments				\$ -	\$ -		\$ -	\$ -	\$ -	
4. Total from Base Rates					\$ 14,239,289	100.00%		\$ 15,368,484	\$ 1,129,195	7.93%
5. Plus Fuel Adjustment					\$ 1,349,226			\$ 1,349,226	\$ -	
6. Plus Environmental Surcharge					\$ 1,098,466			\$ 1,098,466	\$ -	
7. Green Power					\$ 1,595			\$ 1,595	\$ -	
8. Total Revenues					\$ 16,688,576			\$ 17,817,771	\$ 1,129,195	6.77%
9. Average		1,296			\$114.38			\$122.12	\$7.74	6.77%

Big Sandy RECC  
Sch A-1 Farm & Home - Off-peak Energy Charge

Billing Determinants (1)	Escalation (2)	Billing Units Escalated (3)=(1)*(1+(2))	Actual		Actual Component Base Rate	Proposed		Dollar Increase (8)	Percent Increase (9)	Proposed Component % of Base Rates
			Rate (4)	Revenues (5)=(4)*(3)		Rate (6)	Revenues (7)=(3)*(6)			
1. Customer Charge	0	1.00%	0	\$7.18	\$ -	0.00%	\$7.75	\$ -	\$ -	0.00%
2. Energy Charge per ETS kWh	66,324	1.70%	67,452	\$ 0.04184	\$ 2,822	100.00%	\$0.04516	\$ 3,046	\$ 224	100.00%
3. Billing Adjustments	60			\$ -	\$ -		\$ -	\$ -	\$ -	
4. Total from Base Rates					\$ 2,822	100.00%		\$ 3,046	\$ 224	7.93%
5. Fuel Adjustment					\$ -			\$ -	\$ -	
6. Environmental Surcharge					\$ -			\$ -	\$ -	
7. Total Revenues					\$ 2,822			\$ 3,046	\$ 224	7.93%
8. Average					\$ 47.04			\$ 50.77	\$ 3.73	7.93%

Big Sandy RECC  
Sch A-2 Commercial and Small Power

Billing Determinants (1)	Escalation (2)	Billing Units Escalated (3)=(1)*(1+(2))	Actual		Actual Component Base Rate	Proposed		Dollar Increase (8)	Percent Increase (9)	Proposed Component % of Base Rates
			Rate (4)	Revenues (5)=(4)*(3)		Rate (6)	Revenues (7)=(3)*(6)			
1. Customer Charge	11,616	1.55%	11,796	\$15.39	\$ 181,541	13.96%	\$16.61	\$ 195,932	\$ 14,391	13.97%
2. Demand Charge	59,691	1.20%	60,407	\$4.10	\$ 247,670	19.05%	\$4.42	\$ 267,000	\$ 19,330	19.03%
3. Energy Charge per kWh	13,582,766	1.70%	13,813,673	\$ 0.06304	\$ 870,814	66.98%	\$0.06804	\$ 939,882	\$ 69,068	67.00%
4. Billing Adjustments				\$ -	\$ -		\$ -	\$ -	\$ -	
5. Total from Base Rates					\$ 1,300,025	100.00%		\$ 1,402,815	\$ 102,790	7.91%
6. Fuel Adjustment					\$ 75,837			\$ 75,837	\$ -	
7. Environmental Surcharge					\$ 73,410			\$ 73,410	\$ -	
8. Total Revenues					\$ 1,449,272			\$ 1,552,062	\$ 102,790	7.09%
9. Average					\$ 122.86			\$ 131.57	\$ 8.71	7.09%

Big Sandy RECC  
Sch LP Large Power Service (25-750 kV)

	Billing Determinants (1)	Escalation (2)	Billing Units Escalated (3)=(1)*(1+(2))	Actual		Actual Component Base Rate	Proposed		Dollar Increase (8)	Percent Increase (9)	Proposed Component % of Base Rates
				Rate (4)	Revenues (5)=(4)*(3)		Rate (6)	Revenues (7)=(3)*(6)			
1. Customer Charge	1,872	0.00%	1,872	\$51.29	\$ 96,015	4.48%	\$55.35	\$ 103,615	\$ 7,600		4.48%
2. Demand Charge	108,661	1.20%	109,965	\$5.23	\$ 575,117	26.85%	\$5.64	\$ 620,202	\$ 45,086		26.84%
3. Secondary Meter Energy Charge per kWh	1,749,440	1.70%	1,779,180	\$ 0.05010	\$ 89,137	4.16%	\$0.05407	\$ 96,200	\$ 7,063		4.16%
4. Primary Meter Energy Charge per kWh	27,500,819	1.70%	27,968,333	\$ 0.04939	\$ 1,381,356	64.50%	\$0.05330	\$ 1,490,712	\$ 109,356		64.51%
5. Billing Adjustments					\$ -			\$ -	\$ -		
6. Total from Base Rates					\$ 2,141,624	100.00%		\$ 2,310,730	\$ 169,105	7.90%	100.00%
7. Fuel Adjustment					\$ 171,814			\$ 171,814	\$ -		
8. Environmental Surcharge					\$ 129,162			\$ 129,162	\$ -		
9. Total Revenues					\$ 2,442,600			\$ 2,611,706	\$ 169,105	6.92%	
10. Average					\$ 1,305			\$ 1,395	\$ 90	6.92%	

Big Sandy RECC  
Sch LPR Large Power Service (750 kVA and over)

	Billing Determinants (1)	Escalation (2)	Billing Units Escalated (3)=(1)*(1+(2))	Actual		Actual Component Base Rate	Proposed		Dollar Increase (8)	Percent Increase (9)	Proposed Component % of Base Rates
				Rate (4)	Revenues (5)=(4)*(3)		Rate (6)	Revenues (7)=(3)*(6)			
1. Customer Charge	24	0.00%	24	\$76.94	\$ 1,847	0.11%	\$83.04	\$ 1,993	\$ 146		0.11%
2. Demand Charge	98,838	1.20%	100,024	\$5.23	\$ 523,126	30.62%	\$5.64	\$ 564,136	\$ 41,010		30.60%
3. Secondary Meter Energy Charge per kWh	0	1.70%	0	\$ 0.04776	\$ -	0.00%	\$0.05154	\$ -	\$ -		0.00%
4. Primary Meter Energy Charge per kWh	24,722,764	1.70%	25,143,051	\$ 0.04708	\$ 1,183,735	69.28%	\$0.05081	\$ 1,277,518	\$ 93,784		69.29%
5. Billing Adjustments					\$ -			\$ -	\$ -		
6. Total from Base Rates					\$ 1,708,707	100.00%		\$ 1,843,647	\$ 134,940	7.90%	100.00%
7. Fuel Adjustment					\$ 167,366			\$ 167,366	\$ -		
8. Environmental Surcharge					\$ 112,297			\$ 112,297	\$ -		
9. Total Revenues					\$ 1,988,370			\$ 2,123,310	\$ 134,940	6.79%	
10. Average					\$ 82,849			\$ 88,471	\$ 5,622	6.79%	

Big Sandy RECC  
Sch Ind 1

	Billing Determinants (1)	Escalation (2)	Billing Units Escalated (3)=(1)*(1+(2))	Actual		Actual Component Base Rate	Proposed		Dollar Increase (8)	Percent Increase (9)	Proposed Component % of Base Rates
				Rate (4)	Revenues (5)=(4)*(3)		Rate (6)	Revenues (7)=(3)*(6)			
1. Customer Charge	0	0.00%	0	\$153.87	\$ -		\$166.06	\$ -	\$ -		
2. Demand Charge	0	1.20%	0	\$5.53	\$ -		\$5.97	\$ -	\$ -		
3. Secondary Meter Energy Charge per kWh	0	1.70%	0	\$ 0.04307	\$ -		\$0.04648	\$ -	\$ -		
4. Primary Meter Energy Charge per kWh	0	1.70%	0	\$ 0.04248	\$ -		\$0.04585	\$ -	\$ -		
5. Billing Adjustments					\$ -			\$ -	\$ -		
6. Total from Base Rates					\$ -			\$ -	\$ -		#DIV/0!
7. Fuel Adjustment					\$ -			\$ -	\$ -		
8. Environmental Surcharge					\$ -			\$ -	\$ -		
9. Total Revenues					\$ -			\$ -	\$ -		#DIV/0!
10. Average					#DIV/0!			#DIV/0!	#DIV/0!		#DIV/0!



All Billing Units are the Sum of the 12 months ending June 30, 2008

Big Sandy RECC  
Sch YL-1

Description	Annual Billing Units (1)	Rate per Lamp (2)	Annual Revenue (3)=(1)*(2)	Percent of Actual Base Revenues	Assigned kWh per Light (4)	Total kWh assigned to Lights (5)=(1)*(4)	Proposed Rate per Light (6)	Proposed Light Revenues (7)	Dollar Change (8)	Percent Change (9)	Percent of Proposed Base Revenues		
175 Watt Mercury V	73,200	\$ 7.20	\$527,040	74.83%	70	5,124,000	\$ 7.77	\$568,764	\$41,724	7.92%	74.83%	33,408.48	8.23
400 Watt Mercury V	12,912	\$ 10.64	\$137,384	19.51%	154	1,988,448	\$ 11.48	\$148,230	\$10,846	7.89%	19.50%	12,964.68	12.48
500 Watt Mercury V	144	\$ 12.43	\$1,790	0.25%	210	30,240	\$ 13.42	\$1,932	\$143	7.96%	0.25%	197.16	14.79
1500 Watt Mercury V	24	\$ 28.39	\$681	0.10%	630	15,120	\$ 30.64	\$735	\$54	7.93%	0.10%	98.58	34.75
400 Watt Flood Ligh	2,568	\$ 14.58	\$37,441	5.32%	154	395,472	\$ 15.74	\$40,420	\$2,979	7.96%	5.32%	2,578.48	16.74
<b>Total</b>	<b>88,848</b>		<b>\$704,336</b>	<b>100.00%</b>		<b>7,553,280</b>		<b>\$760,082</b>	<b>\$55,746</b>	<b>7.91%</b>	<b>100.00%</b>		
<b>Avg</b>			<b>\$7.93</b>					<b>\$8.55</b>	<b>\$0.63</b>	<b>7.91%</b>			

### NOTICE OF PROPOSED RATE CHANGE

In accordance with the requirements of the Public Service Commission of the Commonwealth of Kentucky as set forth in 807 KAR 5:007, Section 3, of the Rules and Regulations of the Public Service Commission, notice is hereby given to the member consumers of Big Sandy Rural Electric Cooperative Corporation of a proposed rate adjustment. An Application for Approval of Adjustment to Rates will be filed with the Public Service Commission on October 31, 2008, Case No. 2008-00410. The rates are being revised to reflect a change in wholesale rates pursuant to KRS 278.455(2). This adjustment will result in a general rate increase to the member-consumers of Big Sandy Rural Electric Cooperative Corporation. The amount and percent of increase by rate class are listed below:

<u>Rate Class</u>	<u>Increase</u>	<u>Percent</u>
Sch A-1 Farm & Home	\$1,129,195	6.77%
Sch A-1 Off-Peak Energy Charge	\$224	7.93%
Sch A-2 Commercial & Small Pwr	\$102,790	7.09%
Sch LP Large Pwr Service	\$169,105	6.92%
Sch LPR Large Pwr Service	\$134,940	6.79%
Sch YL-1	\$55,746	7.91%

The effects of the proposed rates on the average monthly bill by rate class are listed below:

<u>Rate Class</u>	<u>\$ Increase</u>	<u>Percent Increase</u>
Sch A-1 Farm & Home	\$7.74	6.77%
Sch A-1 Off-Peak Energy Charge	\$3.73	7.93%
Sch A-2 Commercial & Small Pwr	\$8.71	7.09%
Sch LP Large Pwr Service	\$90.00	6.92%
Sch LPR Large Pwr Service	\$5,622.00	6.79%
Sch YL-1	\$0.63	7.91%

The present and proposed rates structures of Big Sandy Rural Electric Cooperative Corporation are listed below:

<u>Rate Class</u>	<u>Present</u>	<u>Proposed</u>
<b>Sch A-1 Farm &amp; Home</b>		
Customer charge per month	\$7.18	\$7.75
Energy charge per kWh	\$0.06974	\$0.07527
<b>Sch A-1 Off-Peak Energy Charge</b>		
Off-peak energy charge per kWh	\$0.04184	\$0.04516
<b>Sch A-2 Commercial &amp; Small Pwr</b>		
Customer charge per month	\$15.39	\$16.61
Energy charge per kWh	\$0.06304	\$0.06804
Demand charge per kW	\$4.10	\$4.42

<u>Rate Class</u>	<u>Present</u>	<u>Proposed</u>
<b>Sch LP Large Pwr Service</b>		
Demand charge	\$5.23	\$5.64
Secondary meter energy charge per kWh	\$0.05010	\$0.05407
Primary meter energy charge per kWh	\$0.04939	\$0.05330
Customer charge per month	\$51.29	\$55.35
<b>Sch LPR Large Pwr Service</b>		
Demand charge	\$5.23	\$5.64
Secondary meter energy charge per kWh	\$0.04776	\$0.05154
Primary meter energy charge per kWh	\$0.04708	\$0.05081
Customer charge per month	\$76.94	\$83.04
<b>Sch YL-1</b>		
175 Watt Mercury Vapor	\$7.20	\$7.77
400 Watt Mercury Vapor	\$10.64	\$11.48
500 Watt Mercury Vapor	\$12.43	\$13.42
1,500 Watt Mercury Vapor	\$28.39	\$30.64
400 Watt Flood	\$14.58	\$15.74
<b>Sch IND 1</b>		
Demand Charge	\$5.53	\$5.97
Secondary Meter Energy Charge per kWh	\$0.04307	\$0.04648
Primary Meter Energy Charge per kWh	\$0.04248	\$0.04585
Customer charge per month	\$153.87	\$166.06
<b>Sch IND 2</b>		
Demand Charge	\$5.53	\$5.97
Secondary Meter Energy Charge per kWh	\$0.03794	\$0.04095
Primary Meter Energy Charge per kWh	\$0.03748	\$0.04045
Customer charge per month	\$1,096.58	\$1,183.48

The rates contained in this notice are the rates proposed by Big Sandy Rural Electric Cooperative Corporation. However, the Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice. Such actions may result in rates for consumers other than the rates in this notice.

Any person may examine the rate application at the main office of Big Sandy Rural Electric Cooperative Corporation at the following address:

Big Sandy Rural Electric Cooperative Corporation  
504 Eleventh Street  
Paintsville, KY 41240-1422  
(606) 789-4095  
bigsandyrecc.com

Any person may also examine the rate application at the office of the Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky.

FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO. 2006-00511

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

ORIGINAL SHEET NO. 1

CANCELLING PSC NO. 2006-00473

ORIGINAL SHEET NO. 1

CLASSIFICATION OF SERVICE

SCHEDULE A-1 FARM & HOME

RATE PER UNIT

APPLICABLE:

Entire territory served.

AVAILABILITY OF SERVICE:

Available to members of this Cooperative for Farm and Home use having a required transformer capacity not to exceed 50 KVA, subject to all rules and regulations established by the Cooperative.

TYPE OF SERVICE:

- A. Single-Phase, 120/240 volts, or
- B. Three-Phase, 240/480 volts, or
- C. Three-Phase, 120/208 wye volts

RATES:

Customer charge per delivery point	\$7.18 per month
Energy charge	0.06974 per KWH
Off peak energy charge	0.04184

Applicable only to programs which are expressly approved by the Commission to be offered under the Marketing Rate of East Kentucky Power Cooperative's Wholesale Power Rate Schedule A during the following off-peak hours. Energy furnished under this rate shall be separately metered for each point of delivery.

Months	Off-Peak Hours (EST)
October through April	12:00 noon to 5:00 PM 10:00 PM to 7:00 PM
May through September	10:00 PM to 10:00 AM

DATE OF ISSUE: JULY 25, 2007

DATE EFFECTIVE: AUGUST 01, 2007

ISSUED BY: *[Signature]*

TITLE: PRESIDENT/GENERAL MANAGER

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2006-00511, dated July 25, 2007.

FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

PSC NO. 2006-00511

ORIGINAL SHEET NO. 2

CANCELLING PSC NO. 2006-00473

ORIGINAL SHEET NO. 2

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CLASSIFICATION OF SERVICE

---

SCHEDULE A-1 FARM & HOME

RATE PER UNIT

---

MINIMUM CHARGES:

The minimum monthly charge under the above rate is \$7.18. For members requiring more than 15 KVA of transformer capacity, the minimum monthly charge shall be increased at the rate of 75 cents for each additional KVA or fraction thereof required.

TERMS OF PAYMENT:

All of the above rates are net, the gross rates being seven percent (7%) higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.

SPECIAL RULES:

- A. The rated capacity of a single-phase motor shall not be in excess of ten horsepower (10 hp).
- B. Motors having a rated capacity in excess of ten horsepower (10 hp) must be three phase.
- C. Service under this schedule is limited to customers whose load requirements can be met by transformers having a capacity not to exceed 50 KVA. Customers requiring more than 50 KVA shall be serviced under an appropriate schedule for larger power service.

BUDGET BILLING:

Members having an opportunity to sign agreements with the Cooperative for spreading billing evenly over a twelve (12) month period. The billing is based on estimated consumption made by a Cooperative representative. In May, the end of the twelve-month

DATE OF ISSUE: JULY 25, 2007

DATE EFFECTIVE: AUGUST 01, 2007

ISSUED BY: [Signature]

TITLE: PRESIDENT/GENERAL MANAGER

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2006-00511, dated July 25, 2007.

FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO. 2006-00511

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

ORIGINAL SHEET NO. 3

CANCELLING PSC NO. 2006-00473

ORIGINAL SHEET NO. 3

---

CLASSIFICATION OF SERVICE

---

SCHEDULE A-1 FARM & HOME

RATE PER UNIT

---

Period, the difference between payments and actual usage is adjusted by adding or crediting  
The difference of the regular electric service bill.

FUEL ADJUSTMENT CLAUSE:

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased  
by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the wholesale  
power supplier plus an allowance for line losses. The allowance for line losses will not exceed 10%  
and is based on a 12-month moving average of such losses. This Fuel Clause is subject to all other  
applicable provisions as set out in 807 KAR 5:056.

DATE OF ISSUE: JULY 25, 2007

ISSUED BY: [Signature]

DATE EFFECTIVE: AUGUST 01, 2007

TITLE: PRESIDENT/GENERAL MANAGER

Issued by authority of an Order of the Public Service Commission of Kentucky in Case  
No. 2006-00511, dated July 25, 2007.

FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO. 2006-00511

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

ORIGINAL SHEET NO. 4

CANCELLING PSC NO. 2006-00473

ORIGINAL SHEET NO. 4

---

CLASSIFICATION OF SERVICE

---

SCHEDULE A-2 COMMERCIAL AND SMALL POWER      RATE PER UNIT

---

APPLICABLE:

Entire territory served.

AVAILABILITY OF SERVICE:

Available to commercial loads having a required transformer capacity not to exceed 25 KVA

TYPE OF SERVICE:

Single-phase and Three-phase at a standard voltage

RATES:

Customer charge per delivery point	\$15.39	per month
Energy charge	.06304	per KWH
Demand charge	4.10	per KW

MINIMUM MONTHLY CHARGE:

The minimum monthly charge under the above rate shall be \$15.39 where 15 KVA or less of transformer capacity is required. For consumers requiring more than 15 KVA of transformer capacity, the minimum monthly charge shall be increased at the rate of 75 cents for each additional KVA or fraction thereof required.

MINIMUM ANNUAL CHARGE FOR SEASONAL SERVICE:

Customers requiring service during, but not to exceed nine months per year may guarantee a minimum annual payment of twelve (12) times the minimum monthly charge determined in accordance with the foregoing section, in which case there shall be no minimum monthly charge.

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TITLE: PRESIDENT/GENERAL MANAGER

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FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

PSC NO. 2006-00511

ORIGINAL SHEET NO. 5

CANCELLING PSC NO. 2006-00473

ORIGINAL SHEET NO. 5

---

CLASSIFICATION OF SERVICE

---

SCHEDULE A-2 COMMERCIAL AND SMALL POWER

RATE PER UNIT

---

FUEL ADJUSTMENT CLAUSE:

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale power Supplier for line losses will not exceed 10% and is based on a 12-month moving average of such losses. This Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

TEMPORARY SERVICE:

Temporary service shall be supplied in accordance with the foregoing rate except that there shall be an additional charge of one dollar and twenty-five cents (\$1.25) for each kilowatt or fraction thereof of connected load for each month or fraction thereof that service is connected. Bills will not be prorated for a fractional part of a month. The customer shall in addition, pay the total cost of connecting and disconnecting service less the value of materials returned to stock. The cooperative may require a deposit, in advance, of two-twelfth (2/12) of the estimated annual bill.

TERMS OF PAYMENT:

All of the above rates are net, the gross rates being seven percent (7%) higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.

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FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO. 2006-00511

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

ORIGINAL SHEET NO. 6

CANCELLING PSC NO. 2006-00473

ORIGINAL SHEET NO. 6

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CLASSIFICATION OF SERVICE

---

SCHEDULE A-2 COMMERCIAL AND SMALL POWER

RATE PER UNIT

---

SPECIAL RULES:

- A. The rated capacity of a single-phase motor shall not be in excess of ten Horsepower (10 hp).
- B. Motors having a rated capacity in excess of ten horsepower (10 hp) Must be three-phase.
- C. Service under this schedule is limited to customers whose load requirements can be met by transformers having a capacity not to exceed 25 KVA. Customers requiring more than 25 KVA shall be served under an appropriate schedule for large power service.

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TITLE: PRESIDENT/GENERAL MANAGER

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FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO. 2006-00511

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

ORIGINAL SHEET NO. 7

CANCELLING PSC NO. 2006-00473

ORIGINAL SHEET NO. 7

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CLASSIFICATION OF SERVICE

---

SCHEDULE LP LARGE POWER SERVICE

RATE PER UNIT

---

APPLICABLE:

Entire territory served.

AVAILABILITY OF SERVICE:

Available to customers located on or near Seller's three-phase lines having a required transformer capacity not to exceed 750 KVA, subject of the established rules and regulations of seller.

RATES:

Demand Charge	\$ 5.23	per KW of billing
Secondary Meter Energy Charge	.05010	per KWH
Primary Meter Energy Charge	.04939	per KWH
Customer Charge Per Delivery Point	51.29	per Month

DETERMINATION OF BILLING DEMAND:

The billing demand shall be the maximum kilowatt demand established by the customer for any period of fifteen (15) consecutive minutes during the month for which the bill is rendered, as indicated or recorded by demand meter and adjusted for power factor as follows:

POWER FACTOR ADJUSTMENT:

The customer agrees to maintain unity power factor as nearly as practicable. Should the demand meter indicate that the average power factor is less than ninety percent (90%), the demand for billing purposes shall be the demand as indicated or recorded by the demand meter multiplied by ninety percent (90%) and divided by the percentage power factor.

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TITLE: PRESIDENT/GENERAL MANAGER

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FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO. 2006-00511

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

ORIGINAL SHEET NO. 8

CANCELLING PSC NO. 2006-00473

ORIGINAL SHEET NO. 8

---

CLASSIFICATION OF SERVICE

---

SCHEDULE LP LARGE POWER SERVICE

RATE PER UNIT

---

FUEL ADJUSTMENT CLAUSE:

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a 12-month moving average of such losses. This Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

MINIMUM MONTHLY CHARGE:

The minimum monthly charge shall be the highest one of the following charges as determined for the customer in question.

- (1) The minimum monthly charge specified in the contract for service.
- (2) A charge of seventy-five cents (\$0.75) per KVA of installed transformer capacity.
- (3) A charge of Fifty Dollars (\$51.29).

MINIMUM ANNUAL CHARGE FOR SEASONAL SERVICE:

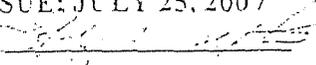
Customers requiring service only during certain seasons not exceeding nine (9) months per year may guarantee a minimum annual payment of twelve (12) times the minimum monthly charge determined in accordance with the foregoing section in which case there shall be no minimum monthly charge.

TYPE OF SERVICE:

Three-phase, 60 hertz, at Seller's standard voltage.

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TITLE: PRESIDENT/GENERAL MANAGER

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FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

PSC NO. 2006-00511

ORIGINAL SHEET NO. 9

CANCELLING PSC NO. 2006-00473

ORIGINAL SHEET NO. 9

---

CLASSIFICATION OF SERVICE

---

SCHEDULE LP LARGE POWER SERVICE

RATE PER UNIT

---

CONDITIONS OF SERVICE:

1. Motors having a rated capacity in excess of ten horsepower (10 hp) must be three-phase.
2. Both power and lighting shall be billed at the foregoing rate. If a separate meter is required for the lighting circuit, it shall be a kilowatt-hour meter only (not a demand meter). The registration of the two kilowatt-hour meters shall be added to obtain the total kilowatt hours used and the registration of the one demand meter shall determine the kilowatt demand for billing purposes.
3. All wiring, pole lines, and other electrical equipment beyond the metering point, shall be considered the distribution system of the customer and shall be furnished and maintained by the customer.
4. If service is furnished at primary distribution voltage, the primary meter energy charge shall apply.

TERMS OF PAYMENT:

All of the above rates are net, the gross rates being seven percent (7%) higher, In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.

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FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

PSC NO. 2006-00511

ORIGINAL SHEET NO. 10

CANCELLING PSC NO. 2006-00473

ORIGINAL SHEET NO. 10

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CLASSIFICATION OF SERVICE

---

SCHEDULE LPR LARGE POWER SERVICE

RATE PER UNIT

---

APPLICABLE:

In all territory served.

AVAILABILITY OF SERVICE:

Available to all commercial and industrial customers whose power requirements shall exceed 750 KVA of transformer capacity.

CONDITIONS:

An "Agreement for Purchase of Power" shall be executed by the customer for service under this schedule.

CHARACTER OF SERVICE:

The electric service furnished under this schedule will be 60 hertz, alternating current and at available nominal voltage.

RATE:

Maximum Demand Charge:	\$ 5.23	per KW of billing demand
Secondary Meter Energy Charge:	.04776	per KWH
Primary Meter Energy Charge:	.04708	per KWH
Customer Charge Per Delivery Point:	\$76.94	per month

DETERMINATION OF BILLING DEMAND:

The billing demand shall be the maximum kilowatt demand established by the customer for any period of fifteen (15) consecutive minutes during the month for which the bill is

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FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO. 2006-00511

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

ORIGINAL SHEET NO. 11

CANCELLING PSC NO. 2006-00473

ORIGINAL SHEET NO. 11

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CLASSIFICATION OF SERVICE

---

SCHEDULE LPR LARGE POWER SERVICE

RATE PER UNIT

---

rendered, as indicated or recorded by a demand meter and adjusted for power factor as provided below.

**POWER FACTOR ADJUSTMENT:**

The customer agrees to maintain unity power factor as nearly as practicable. Should the demand meter indicate that the average power factor is less than ninety percent (90%), the demand for billing purposes shall be the demand as indicated or recorded by the demand meter multiplied by ninety percent (90%), the demand for billing purposes shall be the demand as indicated or recorded by the demand meter multiplied by ninety percent (90%) and divided by the percentage power factor.

**MINIMUM CHARGES:**

The minimum monthly charge shall be the highest one of the following charges:

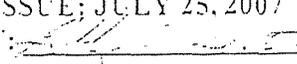
- (a) The minimum monthly charge as specified in the contract for service.
- (b) A charge of seventy-five cents (\$0.75) per KVA per month of contract capacity.

**FUEL COST ADJUSTMENT:**

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier plus an allowance for line losses.

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TITLE: PRESIDENT/GENERAL MANAGER

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FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

PSC NO. 2006-00511

ORIGINAL SHEET NO. 12

CANCELLING PSC NO. 2006-00473

ORIGINAL SHEET NO. 12

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CLASSIFICATION OF SERVICE

---

SCHEDULE LPR LARGE POWER SERVICE

RATE PER UNIT

---

The allowance for line losses will not exceed 10% and is based on a 12-month moving average of such losses. This Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

SPECIAL PROVISIONS:

1. Delivery Point – If service is furnished at secondary voltage, the delivery point shall be the metering point unless otherwise specified in the contract for service. All wiring, pole lines, and other electric equipment on the load side of the delivery point shall be the point of attachment of Seller's primary line to customer's transformer structure unless otherwise specified in the contract for service. All wiring, pole lines, and other electrical equipment (except metering equipment on the load side of the delivery point) shall be owned and maintained by the customer.
2. Lighting – Both power and lighting shall be billed at the foregoing rate.
3. Primary Service – If service is furnished at 7620/13200 volts or above, the Primary Meter Energy Charge shall apply.

TERMS OF PAYMENT:

All of the above rates are net, the gross rates being seven percent (7%) higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.

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TITLE: PRESIDENT/GENERAL MANAGER

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FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

PSC NO. 2006-00511

ORIGINAL SHEET NO. 13

CANCELLING PSC NO. 2006-00473

ORIGINAL SHEET NO. 13

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CLASSIFICATION OF SERVICE

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SCHEDULE YL-1

RATE PER UNIT

---

APPLICABLE:

Entire territory served.

AVAILABILITY OF SERVICE:

Available to all members of the Cooperative subject to its established rules and regulations.

TYPE OF SERVICE:

Single-Phase, 120 volts, mercury vapor type or equivalent lighting unit.

RATES:

Flat rate per light per month as follows:

175	Watt	@	\$ 7.20	per month
400	Watt	@	10.64	per month
500	Watt	@	12.43	per month
1,500	Watt	@	28.39	per month
400 Watt Flood		@	14.58	per month

TERMS OF PAYMENT:

All of the above rates are net, the gross rates being seven percent (7%) higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.

FUEL ADJUSTMENT CLAUSE:

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not exceed 10%

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TITLE: PRESIDENT/GENERAL MANAGER

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FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

PSC NO. 2006-00511

ORIGINAL SHEET NO. 14

CANCELLING PSC NO. 2006-00473

ORIGINAL SHEET NO. 14

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CLASSIFICATION OF SERVICE

---

SCHEDULE YL-1

RATE PER UNIT

---

and is based on a 12-month moving average of such losses. This Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

SPECIAL RULES:

Those members having primary metering or receiving service at a voltage other than approximately 120 volts shall not be eligible for service under this rate schedule except for special agreement.

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ISSUED BY: *William A. [Signature]*

TITLE: PRESIDENT/GENERAL MANAGER

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FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO. 2006-00511

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

ORIGINAL SHEET NO. 15

CANCELLING PSC NO. 2006-00473

ORIGINAL SHEET NO. 15

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CLASSIFICATION OF SERVICE

---

SCHEDULE IND 1

RATE PER UNIT

---

APPLICABLE:

Applicable to contracts with contract demands of 1000 KW or greater with a monthly energy usage equal to or greater than 425 hours per KW of Billing Demand. These contracts will be a "two party" contract between the Cooperative and the ultimate consumer.

AVAILABILITY:

Available to all members.

MONTHLY RATE:

Demand Charge:	\$ 5.53	per KW of Billing Demand
Secondary Meter Energy Charge	.04307	per KWH
Primary Meter Energy Charge:	.04248	per KWH
Customer Charge:	153.87	

BILLING DEMAND:

The Kilowatt Demand shall be the greater of (A) or (B) listed below:

- A. The Contract Demand.
- B. The ultimate consumer's highest demand during the current month or preceding eleven months coincident with the load center's peak demand. The load center's peak demand is the highest average rate at which energy is used during any fifteen minute interval in the below listed hours for each month and adjusted for power factor as provided herein:

Months:

October through April	7:00 AM to 12:00 Noon 5:00 PM to 10:00 PM
May through September	10:00 AM to 10:00 PM

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TITLE: PRESIDENT/GENERAL MANAGER

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FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO. 2006-00511

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

ORIGINAL SHEET NO. 16

CANCELLING PSC NO. 2006-00473

ORIGINAL SHEET NO. 16

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CLASSIFICATION OF SERVICE

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SCHEDULE IND 1

RATE PER UNIT

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MINIMUM MONTHLY CHARGE:

The Minimum monthly charge shall not be less than the sum of (A), (B) & (C) below:

- A. The product of the billing demand multiplies by the demand charge, plus
- B. The product of the billing demand multiplies by 425 hours and the energy charge per KWH,  
plus
- C. Consumer Charge

POWER FACTOR ADJUSTMENT:

The consumer agrees to maintain unity power factor as nearly as practicable. Should the demand meter indicate that the average power factor is less than ninety percent (90%), the demand for billing purposes shall be the demand as indicated or recorded by the demand meter multiplied by ninety percent (90%) and dividing this product by the actual power factor at the time of the monthly maximum demand.

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FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO. 2006-00511

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

ORIGINAL SHEET NO. 17

CANCELLING PSC NO. 2006-00473

ORIGINAL SHEET NO. 17

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CLASSIFICATION OF SERVICE

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SCHEDULE IND 1

RATE PER UNIT

---

FUEL ADJUSTMENT CLAUSE:

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier, plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a 12-month moving average of such losses. This fuel clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

SPECIAL PROVISIONS:

1. Delivery Point – If service is furnished at secondary voltage, the delivery point shall be the metering point unless otherwise specified in the contract for service. All wiring, pole lines, and other electric equipment on the load side of the delivery point shall be owned and maintained by the customer. If service is furnished at Seller's primary line voltage, the delivery point shall be the point of attachment of Seller's primary line to customer's transformer structure unless otherwise specified in the contract for service. All wiring, pole lines, and other electrical equipment (except metering equipment on the load side of the delivery point) shall be owned and maintained by the customer.
2. Lighting – Both power and lighting shall be billed at the foregoing rate.

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TITLE: PRESIDENT/GENERAL MANAGER

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FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

PSC NO. 2006-00511

ORIGINAL SHEET NO. 18

CANCELLING PSC NO. 2006-00473

ORIGINAL SHEET NO. 18

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CLASSIFICATION OF SERVICE

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SCHEDULE	IND 1	RATE PER UNIT
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3. Primary Service – If service is furnished at 7620/13200 volts or above, the Primary Meter Energy Charge shall apply.

TERMS OF PAYMENT:

All of the above rates are net, the gross rates being seven percent (7%) higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.

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DATE EFFECTIVE: AUGUST 01, 2007

TITLE: PRESIDENT/GENERAL MANAGER

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FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO. 2006-00511

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

ORIGINAL SHEET NO. 19

CANCELLING PSC NO. 2006-00473

ORIGINAL SHEET NO. 19

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CLASSIFICATION OF SERVICE

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SCHEDULE IND 2

RATE PER UNIT

---

APPLICABLE:

Applicable to contracts with contract demands of 5000 KW or greater with a monthly energy usage equal to or greater than 425 hours per KW of Billing Demand. These contracts will be a "two party" contract between the Cooperative and the ultimate consumer.

AVAILABILITY:

Available to all members.

MONTHLY RATE:

Demand Charge:	\$	5.53	per KW of Billing Demand
Secondary Meter Energy Charge		.03794	per KWH
Primary Meter Energy Charge		.03748	per KWH
Customer Charge		1,096.58	

BILLING DEMAND:

The Kilowatt Demand shall be the greater of (A) or (B) listed below:

- A. The Contract Demand.
- B. The ultimate consumer's highest demand during the current month or preceding eleven months coincident with the load center's peak demand. The load center's peak demand is the highest average rate at which energy is used during any fifteen minute interval in the below listed hours for each month and adjusted for power factor as provided herein.

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TITLE: PRESIDENT/GENERAL MANAGER

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FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO. 2005-00125

ORIGINAL SHEET NO. 1

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

CANCELLING PSC NO. 2004-00468

ORIGINAL SHEET NO. 1

CLASSIFICATION OF SERVICE

SCHEDULE A-1 FARM & HOME

RATE PER UNIT

APPLICABLE:

Entire territory served.

AVAILABILITY OF SERVICE:

Available to members of this Cooperative for Farm and Home use having a required transformer capacity not to exceed 50 KVA, subject to all rules and regulations established by the Cooperative.

TYPE OF SERVICE:

- A. Single-Phase, 120/240 volts, or
- B. Three-Phase, 240/480 volts, or
- C. Three-Phase, 120/208 wye volts

RATES:

Customer charge per delivery point	\$7.00 per month
Energy charge	0.06163 per KWH
Off peak energy charge	0.03698

Applicable only to programs which are expressly approved by the Commission to be offered under the Marketing Rate of East Kentucky Power Cooperative's Wholesale Power Rate Schedule A during the following off-peak hours. Energy furnished under this rate shall be separately metered for each point of delivery.

Months	Off-Peak Hours (EST)
October through April	12:00 noon to 5:00 PM 10:00 PM to 7:00 PM
May through September	10:00 PM to 10:00 AM

DATE OF ISSUE: SEPT 07, 2005  
ISSUED BY: *[Signature]*

DATE EFFECTIVE: OCTOBER 01, 2005  
TITLE: PRESIDENT/GENERAL MANAGER

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2005-00125, dated 9-29-05.

PUBLIC SERVICE COMMISSION  
KENTUCKY  
EFFECTIVE  
10/1/2005  
PURSUANT TO 807 KAR 5:011  
SECTION 9 (1)

By *[Signature]*  
Executive Director

FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO. 2005-00125

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

ORIGINAL SHEET NO. 2

CANCELLING PSC NO. 2004-00468

ORIGINAL SHEET NO. 2

CLASSIFICATION OF SERVICE

SCHEDULE A-1 FARM & HOME

RATE PER UNIT

MINIMUM CHARGES:

The minimum monthly charge under the above rate is \$7.00. For members requiring more than 15 KVA of transformer capacity, the minimum monthly charge shall be increased at the rate of 75 cents for each additional KVA or fraction thereof required.

TERMS OF PAYMENT:

All of the above rates are net, the gross rates being seven percent (7%) higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.

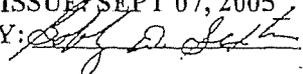
SPECIAL RULES:

- A. The rated capacity of a single-phase motor shall not be in excess of ten horsepower (10 hp).
- B. Motors having a rated capacity in excess of ten horsepower (10 hp) must be three phase.
- C. Service under this schedule is limited to customers whose load requirements can be met by transformers having a capacity not to exceed 50 KVA. Customers requiring more than 50 KVA shall be serviced under an appropriate schedule for larger power service.

BUDGET BILLING:

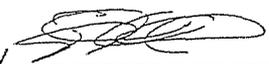
Members having an opportunity to sign agreements with the Cooperative for spreading billing evenly over a twelve (12) month period. The billing is based on estimated consumption made by a Cooperative representative. In May, the end of the twelve-month

DATE OF ISSUE: SEPT 07, 2005

ISSUED BY: 

DATE EFFECTIVE: OCTOBER 01, 2005  
TITLE: PRESIDENT/GENERAL MANAGER

Issued by authority of an Order of the Public Service Commission of Kentucky in  
Case No. 2005-00125, 9-29-05.

PUBLIC SERVICE COMMISSION	
KENTUCKY	
EFFECTIVE	
10/1/2005	
PURSUANT TO 807 KAR 5.011	
SECTION 9 (1)	
By 	Executive Director

FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO. 2005-00125

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

ORIGINAL SHEET NO. 3

CANCELLING PSC NO. 2004-00468

ORIGINAL SHEET NO. 3

CLASSIFICATION OF SERVICE

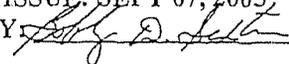
SCHEDULE A-1 FARM & HOME

RATE PER UNIT

Period, the difference between payments and actual usage is adjusted by adding or crediting  
The difference of the regular electric service bill.

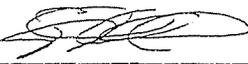
FUEL ADJUSTMENT CLAUSE:

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased  
by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the wholesale  
power supplier plus an allowance for line losses. The allowance for line losses will not exceed 10%  
and is based on a 12-month moving average of such losses. This Fuel Clause is subject to all other  
applicable provisions as set out in 807 KAR 5:056.

DATE OF ISSUE: SEPT 07, 2005,  
ISSUED BY: 

DATE EFFECTIVE: OCTOBER 01, 2005  
TITLE: PRESIDENT/GENERAL MANAGER

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PUBLIC SERVICE COMMISSION  
KENTUCKY  
EFFECTIVE  
10/1/2005  
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SECTION 9 (1)  
By   
Executive Director

FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO. 2005-00125

ORIGINAL SHEET NO. 4

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

CANCELLING PSC NO. 2004-00468

ORIGINAL SHEET NO. 4

CLASSIFICATION OF SERVICE

SCHEDULE A-2 COMMERCIAL AND SMALL POWER RATE PER UNIT

APPLICABLE:

Entire territory served.

AVAILABILITY OF SERVICE:

Available to commercial loads having a required transformer capacity not to exceed 25 KVA

TYPE OF SERVICE:

Single-phase and Three-phase at a standard voltage

RATES:

Customer charge per delivery point	\$15.00	per month
Energy charge	.05510	per KWH
Demand charge	4.00	per KW

MINIMUM MONTHLY CHARGE:

The minimum monthly charge under the above rate shall be \$10.00 where 15 KVA or less of transformer capacity is required. For consumers requiring more than 15 KVA of transformer capacity, the minimum monthly charge shall be increased at the rate of 75 cents for each additional KVA or fraction thereof required.

MINIMUM ANNUAL CHARGE FOR SEASONAL SERVICE:

Customers requiring service during, but not to exceed nine months per year may guarantee a minimum annual payment of twelve (12) times the minimum monthly charge determined in accordance with the foregoing section, in which case there shall be no minimum monthly charge.

DATE OF ISSUE: SEPT 07, 2005

ISSUED BY: *[Signature]*

DATE EFFECTIVE: OCTOBER 01, 2005

TITLE: PRESIDENT/GENERAL MANAGER

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PUBLIC SERVICE COMMISSION  
KENTUCKY  
EFFECTIVE  
10/1/2005  
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SECTION 9 (1)

By *[Signature]*  
Executive Director

FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO. 2005-00125

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

ORIGINAL SHEET NO. 5

CANCELLING PSC NO. 2004-00468

ORIGINAL SHEET NO. 5

CLASSIFICATION OF SERVICE

SCHEDULE A-2 COMMERCIAL AND SMALL POWER RATE PER UNIT

FUEL ADJUSTMENT CLAUSE:

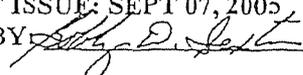
All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale power Supplier for line losses will not exceed 10% and is based on a 12-month moving average of such losses. This Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

TEMPORARY SERVICE:

Temporary service shall be supplied in accordance with the foregoing rate except that there shall be an additional charge of one dollar and twenty-five cents (\$1.25) for each kilowatt or fraction thereof of connected load for each month or fraction thereof that service is connected. Bills will not be prorated for a fractional part of a month. The customer shall in addition, pay the total cost of connecting and disconnecting service less the value of materials returned to stock. The cooperative may require a deposit, in advance, of two-twelfth (2/12) of the estimated annual bill.

TERMS OF PAYMENT:

All of the above rates are net, the gross rates being seven percent (7%) higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.

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TITLE: PRESIDENT/GENERAL MANAGER

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PUBLIC SERVICE COMMISSION  
KENTUCKY  
10/1/2005  
PURSUANT TO 807 KAR 5:011  
SECTION 9 (1)

By   
Executive Director

FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO. 2005-00125

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

ORIGINAL SHEET NO. 6

CANCELLING PSC NO. 2004-00468

ORIGINAL SHEET NO. 6

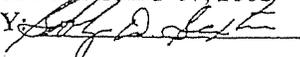
CLASSIFICATION OF SERVICE

SCHEDULE A-2 COMMERCIAL AND SMALL POWER      RATE PER UNIT

SPECIAL RULES:

- A. The rated capacity of a single-phase motor shall not be in excess of ten Horsepower (10 hp).
- B. Motors having a rated capacity in excess of ten horsepower (10 hp) Must be three-phase.
- C. Service under this schedule is limited to customers whose load requirements can be met by transformers having a capacity not to exceed 25 KVA. Customers requiring more than 25 KVA shall be served under an appropriate schedule for large power service.

DATE OF ISSUE: SEPT 07, 2005

ISSUED BY: 

DATE EFFECTIVE: OCTOBER 01, 2005

TITLE: PRESIDENT/GENERAL MANAGER

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2005-00125, dated 9-29-05.

PUBLIC SERVICE COMMISSION

KENTUCKY

EFFECTIVE  
10/1/2005

PURSUANT TO 807 KAR 5:011  
SECTION 9 (1)

By 

Executive Director

FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO. 2005-00125

ORIGINAL SHEET NO. 7

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

CANCELLING PSC NO. 2004-00468

ORIGINAL SHEET NO. 7

CLASSIFICATION OF SERVICE

SCHEDULE LP LARGE POWER SERVICE

RATE PER UNIT

APPLICABLE:

Entire territory served.

AVAILABILITY OF SERVICE:

Available to customers located on or near Seller's three-phase lines having a required transformer capacity not to exceed 750 KVA, subject of the established rules and regulations of seller.

RATES:

Demand Charge	\$ 5.10	per KW of billing
Secondary Meter Energy Charge	.04248	per KWH
Primary Meter Energy Charge	.04179	per KWH
Customer Charge Per Delivery Point	50.00	per Month

DETERMINATION OF BILLING DEMAND:

The billing demand shall be the maximum kilowatt demand established by the customer for any period of fifteen (15) consecutive minutes during the month for which the bill is rendered, as indicated or recorded by demand meter and adjusted for power factor as follows:

POWER FACTOR ADJUSTMENT:

The customer agrees to maintain unity power factor as nearly as practicable. Should the demand meter indicate that the average power factor is less than ninety percent (90%), the demand for billing purposes shall be the demand as indicated or recorded by the demand meter multiplied by ninety percent (90%) and divided by the percentage power factor.

DATE OF ISSUE: SEPT 07, 2005  
ISSUED BY: *Scott D. Smith*

DATE EFFECTIVE: OCTOBER 01, 2005  
TITLE: PRESIDENT/GENERAL MANAGER

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2005-00125, dated 9-29-05.

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE  
10/1/2005  
PURSUANT TO 807 KAR 5:011  
SECTION 9 (1)

By *[Signature]*  
Executive Director

FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO. 2005-00125

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

ORIGINAL SHEET NO. 8

CANCELLING PSC NO. 2004-00468

ORIGINAL SHEET NO. 8

CLASSIFICATION OF SERVICE

SCHEDULE LP LARGE POWER SERVICE

RATE PER UNIT

FUEL ADJUSTMENT CLAUSE:

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a 12-month moving average of such losses. This Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

MINIMUM MONTHLY CHARGE:

The minimum monthly charge shall be the highest one of the following charges as determined for the customer in question.

- (1) The minimum monthly charge specified in the contract for service.
- (2) A charge of seventy-five cents (\$.75) per KVA of installed transformer capacity.
- (3) A charge of Fifty Dollars (\$50.00).

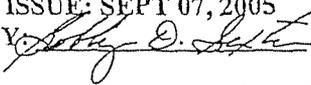
MINIMUM ANNUAL CHARGE FOR SEASONAL SERVICE:

Customers requiring service only during certain seasons not exceeding nine (9) months per year may guarantee a minimum annual payment of twelve (12) times the minimum monthly charge determined in accordance with the foregoing section in which case there shall be no minimum monthly charge.

TYPE OF SERVICE:

Three-phase, 60 hertz, at Seller's standard voltage.

DATE OF ISSUE: SEPT 07, 2005

ISSUED BY: 

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2005-00125, dated 9-29-05.

DATE EFFECTIVE: OCTOBER 01, 2005

TITLE: PRESIDENT/GENERAL MANAGER

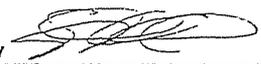
PUBLIC SERVICE COMMISSION

KENTUCKY

10/1/2005

SUBJECT: PURSUANT TO 807 KAR 5:011

SECTION 9 (1)

By 

Executive Director

FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO. 2005-00125

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

ORIGINAL SHEET NO. 9

CANCELLING PSC NO. 2004-00468

ORIGINAL SHEET NO. 9

CLASSIFICATION OF SERVICE

SCHEDULE LP LARGE POWER SERVICE

RATE PER UNIT

CONDITIONS OF SERVICE:

1. Motors having a rated capacity in excess of ten horsepower (10 hp) must be three-phase.
2. Both power and lighting shall be billed at the foregoing rate. If a separate meter is required for the lighting circuit, it shall be a kilowatt-hour meter only (not a demand meter). The registration of the two kilowatt-hour meters shall be added to obtain the total kilowatt hours used and the registration of the one demand meter shall determine the kilowatt demand for billing purposes.
3. All wiring, pole lines, and other electrical equipment beyond the metering point, shall be considered the distribution system of the customer and shall be furnished and maintained by the customer.
4. If service is furnished at primary distribution voltage, the primary meter energy charge shall apply.

TERMS OF PAYMENT:

All of the above rates are net, the gross rates being seven percent (7%) higher, In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.

DATE OF ISSUE: SEPT 07, 2005

ISSUED BY: *[Signature]*

DATE EFFECTIVE: OCTOBER 01, 2005

TITLE: PRESIDENT/GENERAL MANAGER

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2005-00125, dated 9-29-05.

PUBLIC SERVICE COMMISSION

KENTUCKY

ISSUED

10/1/2005

SURSUANT TO 807 KAR 5:011

SECTION 9 (1)

By

*[Signature]*  
Executive Director

FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO. 2005-00125

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

ORIGINAL SHEET NO. 10

CANCELLING PSC NO. 2004-00468

ORIGINAL SHEET NO. 10

CLASSIFICATION OF SERVICE

SCHEDULE LPR LARGE POWER SERVICE

RATE PER UNIT

APPLICABLE:

In all territory served.

AVAILABILITY OF SERVICE:

Available to all commercial and industrial customers whose power requirements shall exceed 750 KVA of transformer capacity.

CONDITIONS:

An "Agreement for Purchase of Power" shall be executed by the customer for service under this schedule.

CHARACTER OF SERVICE:

The electric service furnished under this schedule will be 60 hertz, alternating current and at available nominal voltage.

RATE:

Maximum Demand Charge:	\$ 5.10	per KW of billing demand
Secondary Meter Energy Charge:	.04020	per KWH
Primary Meter Energy Charge:	.03954	per KWH
Customer Charge Per Delivery Point:	\$75.00	per month

DETERMINATION OF BILLING DEMAND:

The billing demand shall be the maximum kilowatt demand established by the customer for any period of fifteen (15) consecutive minutes during the month for which the bill is

DATE OF ISSUE: SEPT 07, 2005

ISSUED BY: *[Signature]*

DATE EFFECTIVE: OCTOBER 01, 2005

TITLE: PRESIDENT/GENERAL MANAGER

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2005-00125, dated 9-29-05.

PUBLIC SERVICE COMMISSION

OF KENTUCKY

EFFECTIVE

10/1/2005

PURSUANT TO 807 KAR 5:011

SECTION 9 (1)

By

*[Signature]*

Executive Director

FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO. 2005-00125

ORIGINAL SHEET NO. 11

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

CANCELLING PSC NO. 2004-00468

ORIGINAL SHEET NO. 11

CLASSIFICATION OF SERVICE

SCHEDULE LPR LARGE POWER SERVICE

RATE PER UNIT

rendered, as indicated or recorded by a demand meter and adjusted for power factor as provided below.

POWER FACTOR ADJUSTMENT:

The customer agrees to maintain unity power factor as nearly as practicable. Should the demand meter indicate that the average power factor is less than ninety percent (90%), the demand for billing purposes shall be the demand as indicated or recorded by the demand meter multiplied by ninety percent (90%), the demand for billing purposes shall be the demand as indicated or recorded by the demand meter multiplied by ninety percent (90%) and divided by the percentage power factor.

MINIMUM CHARGES:

The minimum monthly charge shall be the highest one of the following charges:

- (a) The minimum monthly charge as specified in the contract for service.
- (b) A charge of seventy-five cents (\$.75) per KVA per month of contract capacity.

FUEL COST ADJUSTMENT:

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier plus an allowance for line losses.

DATE OF ISSUE: SEPT 07, 2005  
ISSUED BY: *[Signature]*

DATE EFFECTIVE: OCTOBER 01, 2005  
TITLE: PRESIDENT/GENERAL MANAGER

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2005-00125, dated 9-29-05.

PUBLIC SERVICE COMMISSION  
 KENTUCKY  
 EXECUTIVE DIRECTIVE  
 10/1/2005  
 PURSUANT TO 807 KAR 5:011  
 SECTION 9 (1)

By *[Signature]*  
Executive Director

FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO. 2005-00125

ORIGINAL SHEET NO. 12

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

CANCELLING PSC NO. 2004-00468

ORIGINAL SHEET NO. 12

CLASSIFICATION OF SERVICE

SCHEDULE LPR LARGE POWER SERVICE

RATE PER UNIT

The allowance for line losses will not exceed 10% and is based on a 12-month moving average of such losses. This Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

SPECIAL PROVISIONS:

1. Delivery Point – If service is furnished at secondary voltage, the delivery point shall be the metering point unless otherwise specified in the contract for service. All wiring, pole lines, and other electric equipment on the load side of the delivery point shall be the point of attachment of Seller's primary line to customer's transformer structure unless otherwise specified in the contract for service. All wiring, pole lines, and other electrical equipment (except metering equipment on the load side of the delivery point) shall be owned and maintained by the customer.
2. Lighting – Both power and lighting shall be billed at the foregoing rate.
3. Primary Service – If service is furnished at 7620/13200 volts or above, the Primary Meter Energy Charge shall apply.

TERMS OF PAYMENT:

All of the above rates are net, the gross rates being seven percent (7%) higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.

DATE OF ISSUE: SEPT 07, 2005

ISSUED BY: *Anthony D. Jett*

DATE EFFECTIVE: OCTOBER 01, 2005

TITLE: PRESIDENT/GENERAL MANAGER

EFFECTIVE  
10/1/2005

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PUBLIC SERVICE COMMISSION

OF KENTUCKY

EFFECTIVE

10/1/2005

PURSUANT TO 807 KAR 5:011

SECTION 9 (1)

By

*[Signature]*

Executive Director

FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO. 2005-00125

ORIGINAL SHEET NO. 13

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

CANCELLING PSC NO. 2004-00468

ORIGINAL SHEET NO. 13

CLASSIFICATION OF SERVICE

SCHEDULE YL-1

RATE PER UNIT

APPLICABLE:

Entire territory served.

AVAILABILITY OF SERVICE:

Available to all members of the Cooperative subject to its established rules and regulations.

TYPE OF SERVICE:

Single-Phase, 120 volts, mercury vapor type or equivalent lighting unit.

RATES:

Flat rate per light per month as follows:

175	Watt	@	\$ 6.57	per month
400	Watt	@	9.40	per month
500	Watt	@	10.78	per month
1,500	Watt	@	23.67	per month

TERMS OF PAYMENT:

All of the above rates are net, the gross rates being seven percent (7%) higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.

FUEL ADJUSTMENT CLAUSE:

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not exceed 10%

DATE OF ISSUE: SEPT 07, 2005

ISSUED BY: *[Signature]*

DATE EFFECTIVE: OCTOBER 01, 2005

TITLE: PRESIDENT/GENERAL MANAGER

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PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE  
10/1/2005  
PURSUANT TO 807 KAR 5:011  
SECTION 9 (1)

By *[Signature]*  
Executive Director

FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO. 2005-00125

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

ORIGINAL SHEET NO. 14

CANCELLING PSC NO. 2004-00468

ORIGINAL SHEET NO. 14

CLASSIFICATION OF SERVICE

SCHEDULE YL-1

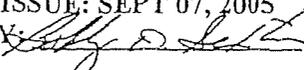
RATE PER UNIT

and is based on a 12-month moving average of such losses. This Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

SPECIAL RULES:

Those members having primary metering or receiving service at a voltage other than approximately 120 volts shall not be eligible for service under this rate schedule except for special agreement.

DATE OF ISSUE: SEPT 07, 2005

ISSUED BY: 

DATE EFFECTIVE: OCTOBER 01, 2005

TITLE: PRESIDENT/GENERAL MANAGER

10/1/2005

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2005-00125, dated 9-29-05.

PUBLIC SERVICE COMMISSION

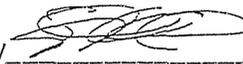
KENTUCKY

DATE EFFECTIVE

PURSUANT TO 807 KAR 5:011

SECTION 9 (1)

By



Executive Director

FOR ALL TERRITORIES SERVED

PSC NO. 2005-00125

FIRST REVISED SHEET NO. 15

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

CANCELLING PSC NO. 2005-00125

ORIGINAL SHEET NO. 15

CLASSIFICATION OF SERVICE

SCHEDULE IND 1

RATE PER UNIT

APPLICABLE:

Applicable to contracts with contract demands of 500 KW or greater with a monthly energy usage equal to or greater than 425 hours per KW of Billing Demand. These contracts will be a "two party" contract between the Cooperative and the ultimate consumer. C

AVAILABILITY:

Available to all members.

MONTHLY RATE:

Demand Charge:	\$ 5.39	per KW of Billing Demand
Secondary Meter Energy Charge	.03563	per KWH
Primary Meter Energy Charge:	.03506	per KWH
Customer Charge:	150.00	

BILLING DEMAND:

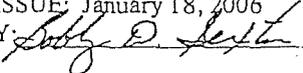
The Kilowatt Demand shall be the greater of (A) or (B) listed below:

- A. The Contract Demand.
- B. The ultimate consumer's highest demand during the current month or preceding eleven months. The peak demand is the highest average rate at which energy is used during any fifteen minute interval in the below listed hours for each month and adjusted for power factor as provided herein: C

Months:

October through April	7:00 AM to 12:00 Noon 5:00 PM to 10:00 PM
May through September	10:00 AM to 10:00 PM

DATE OF ISSUE: January 18, 2006

ISSUED BY: 

DATE EFFECTIVE: March 4, 2006

TITLE: PRESIDENT/GENERAL MANAGER

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE  
3/1/2006  
PURSUANT TO 807 KAR 5:011  
SECTION 9 (1)

By   
Executive Director

FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO. 2005-00125

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

ORIGINAL SHEET NO. 16

CANCELLING PSC NO. 2004-00468

ORIGINAL SHEET NO. 16

CLASSIFICATION OF SERVICE

SCHEDULE IND 1

RATE PER UNIT

MINIMUM MONTHLY CHARGE:

The Minimum monthly charge shall not be less than the sum of (A), (B) & (C) below:

- A. The product of the billing demand multiplies by the demand charge, plus
- B. The product of the billing demand multiplies by 425 hours and the energy charge per KWH, plus
- C. Consumer Charge

POWER FACTOR ADJUSTMENT:

The consumer agrees to maintain unity power factor as nearly as practicable. Should the demand meter indicate that the average power factor is less than ninety percent (90%), the demand for billing purposes shall be the demand as indicated or recorded by the demand meter multiplied by ninety percent (90%) and dividing this product by the actual power factor at the time of the monthly maximum demand.

DATE OF ISSUE: SEPT 07, 2005  
ISSUED BY: *[Signature]*

DATE EFFECTIVE: OCTOBER 01, 2005  
TITLE: PRESIDENT/GENERAL MANAGER

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2005-00125, dated 9-29-05.

PUBLIC SERVICE COMMISSION

OF KENTUCKY

EFFECTIVE

10/1/2005

PURSUANT TO 807 KAR 5:011

SECTION 9 (1)

By

*[Signature]*  
Executive Director

FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO. 2005-00125

ORIGINAL SHEET NO. 17

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

CANCELLING PSC NO. 2004-00468

ORIGINAL SHEET NO. 17

CLASSIFICATION OF SERVICE

SCHEDULE IND 1

RATE PER UNIT

FUEL ADJUSTMENT CLAUSE:

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier, plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a 12-month moving average of such losses. This fuel clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

SPECIAL PROVISIONS:

1. Delivery Point – If service is furnished at secondary voltage, the delivery point shall be the metering point unless otherwise specified in the contract for service. All wiring, pole lines, and other electric equipment on the load side of the delivery point shall be owned and maintained by the customer. If service is furnished at Seller's primary line voltage, the delivery point shall be the point of attachment of Seller's primary line to customer's transformer structure unless otherwise specified in the contract for service. All wiring, pole lines, and other electrical equipment (except metering equipment on the load side of the delivery point) shall be owned and maintained by the customer.
2. Lighting – Both power and lighting shall be billed at the foregoing rate.

DATE OF ISSUE: SEPT 07, 2005

ISSUED BY: *[Signature]*

DATE EFFECTIVE: OCTOBER 01, 2005

TITLE: PRESIDENT/GENERAL MANAGER

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2005-00125, dated 9-29-05.

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE  
10/1/2005

PURSUANT TO 807 KAR 5:011  
SECTION 9 (1)

By

*[Signature]*

Executive Director

FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO. 2005-00125

ORIGINAL SHEET NO. 18

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

CANCELLING PSC NO. 2004-00468

ORIGINAL SHEET NO. 18

CLASSIFICATION OF SERVICE

SCHEDULE IND 1

RATE PER UNIT

- 3. Primary Service – If service is furnished at 7620/13200 volts or above, the Primary Meter Energy Charge shall apply.

TERMS OF PAYMENT:

All of the above rates are net, the gross rates being seven percent (7%) higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.

DATE OF ISSUE: SEPT 07, 2005

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Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2005-00125, dated 9-29-05.

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TITLE: PRESIDENT/GENERAL MANAGER

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE  
10/1/2005  
PURSUANT TO 807 KAR 5:011  
SECTION 9 (1)

By   
Executive Director

FOR ALL TERRITORIES SERVED

PSC NO. 2005-00125

FIRST REVISED SHEET NO. 19

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

CANCELLING PSC NO. 2005-00125

ORIGINAL SHEET NO. 19

CLASSIFICATION OF SERVICE

SCHEDULE IND 2

RATE PER UNIT

APPLICABLE:

Applicable to contracts with contract demands of 5,000 KW or greater with a monthly energy usage equal to or greater than 425 hours per KW of Billing Demand. These contracts will be a "two party" contract between the Cooperative and the ultimate consumer.

AVAILABILITY:

Available to all members.

MONTHLY RATE:

Demand Charge:	\$ 5.39	per KW of Billing Demand
Secondary Meter Energy Charge	.03063	per KWH
Primary Meter Energy Charge:	.03018	per KWH
Customer Charge:	1,069.00	

BILLING DEMAND:

The Kilowatt Demand shall be the greater of (A) or (B) listed below:

- A. The Contract Demand.
- B. The ultimate consumer's highest demand during the current month or preceding eleven months. The peak demand is the highest average rate at which energy is used during any fifteen minute interval in the below listed hours for each month and adjusted for power factor as provided herein:

Months:

October through April	7:00 AM to 12:00 Noon 5:00 PM to 10:00 PM
May through September	10:00 AM to 10:00 PM

DATE OF ISSUE: January 18, 2006  
ISSUED BY: *[Signature]*

DATE EFFECTIVE: March 1, 2006  
TITLE: PRESIDENT/GENERAL MANAGER

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE  
3/1/2006  
PURSUANT TO 807 KAR 5:011  
SECTION 9 (1)

By *[Signature]*  
Executive Director

FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO. 2005-00125

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

ORIGINAL SHEET NO. 20

CANCELLING PSC NO. 2004-00468

ORIGINAL SHEET NO. 20

CLASSIFICATION OF SERVICE

SCHEDULE IND 2

RATE PER UNIT

Months:

October through April

7:00 AM to 12:00 Noon

5:00 PM to 10:00 PM

May through September

10:00 AM to 10:00 PM

MINIMUM MONTHLY CHARGE:

The minimum monthly charge shall not be less than the sum of (A), (B) & (C) below:

- A. The product of the billing demand multiplies by the demand charge, plus
- B. The product of the billing demand multiplies by 425 hours and the energy charge per KWH, plus
- C. Consumer charge.

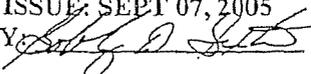
POWER FACTOR ADJUSTMENT:

The consumer agrees to maintain unity power factor as nearly as practicable. Should the demand meter indicate that the average power factor is less than ninety percent (90%), the demand for billing purposes shall be the demand as indicated or recorded by the demand meter multiplied by ninety percent (90%) and dividing this product by the actual power fact or at the time of the monthly maximum demand.

FUEL ADJUSTMENT CLAUSE:

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the wholesale power supplier, plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a 12-month

DATE OF ISSUE: SEPT 07, 2005

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DATE EFFECTIVE: OCTOBER 01, 2005

TITLE: PRESIDENT/GENERAL MANAGER

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PUBLIC SERVICE COMMISSION

OF KENTUCKY

EFFECTIVE  
10/1/2005

PURSUANT TO 807 KAR 5:011  
SECTION 9 (1)

By



Executive Director

FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO. 2005-00125

ORIGINAL SHEET NO. 21

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

CANCELLING PSC NO. 2004-00468

ORIGINAL SHEET NO. 21

CLASSIFICATION OF SERVICE

SCHEDULE IND 2

RATE PER UNIT

moving average of such losses. This fuel clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

SPECIAL PROVISIONS:

1. Delivery Point -- If service is furnished at secondary voltage, the delivery point shall be the metering point unless otherwise specified in the contract for service. All wiring, pole lines, and other electric equipment on the load side of the delivery point shall be owned and maintained by the customer. If service is furnished at Seller's primary line voltage, the delivery point shall be the point of attachment of Seller's primary line to customer's transformer structure unless otherwise specified in the contract for service. All wiring, pole lines, and other electrical equipment (except metering equipment on the load side of the delivery point) shall be owned and maintained by the customer.
2. Lighting -- Both power and lighting shall be billed at the foregoing rate.
3. Primary Service -- If service is furnished at 7620/13200 volts or above, the Primary Meter Energy Charge shall apply.

TERMS OF PAYMENT:

All of the above rates are net, the gross rates being seven percent (7%) higher. In the event the current monthly bill is not paid within 15 days form the date of the bill, the gross rates shall apply

DATE OF ISSUE: SEPT 07, 2005

ISSUED BY: *[Signature]*

DATE EFFECTIVE: OCTOBER 01, 2005

TITLE: PRESIDENT/GENERAL MANAGER

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PUBLIC SERVICE COMMISSION

KENTUCKY

EFFECTIVE

10/1/2005

PURSUANT TO 807 KAR 5:011

SECTION 9 (1)

By *[Signature]*

Executive Director

FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO. 2005-00125

ORIGINAL SHEET NO. 1

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

CANCELLING PSC NO. 95-383

ORIGINAL SHEET NO. 1

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CLASSIFICATION OF SERVICE

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SCHEDULE                      CATV TELEVISION ATTACHMENT TARIFF                      RATE PER UNIT

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APPLICABLE:

In all territory served by the company on poles owned and used by the Company for their electric plant.

AVAILABILITY:

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

RENTAL CHARGE:

The yearly rental charge shall be as follows:

	<u>Annual</u>
Two-party pole attachment	\$4.92
Three-party pole attachment	4.01
Two-party anchor attachment	2.13
Three-party anchor attachment	1.41
Two-party pole ground attachment	0.27
Three-party pole ground attachment	0.17

BILLING:

Rental charges shall be billed yearly in advance based on the number of pole attachments. The rental charges are net, the gross being ten percent (10%) higher. In the event the current annual bill is not paid within thirty (30) days from the date of the bill, the gross rate shall apply.

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**FORM FOR FILING RATE SCHEDULES**

**FOR ALL TERRITORIES SERVED**

**BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION**

**PSC NO.**

**ORIGINAL SHEET NO. 1**

**CANCELLING PSC NO. 2006-00511**

**ORIGINAL SHEET NO. 1**

**CLASSIFICATION OF SERVICE**

**SCHEDULE A-1 FARM & HOME**

**RATE PER UNIT**

**APPLICABLE:**

Entire territory served.

**AVAILABILITY OF SERVICE:**

Available to members of this Cooperative for Farm and Home use having a required transformer capacity not to exceed 50 KVA, subject to all rules and regulations established by the Cooperative.

**TYPE OF SERVICE:**

- A. Single-Phase, 120/240 volts, or
- B. Three-Phase, 240/480 volts, or
- C. Three-Phase, 120/208 wye volts

**RATES:**

Customer charge per delivery point	\$15.00 per month	I
Energy charge	0.07848 per KWH	I
Off peak energy charge	0.04709	I

Applicable only to programs which are expressly approved by the Commission to be offered under the Marketing Rate of East Kentucky Power Cooperative's Wholesale Power Rate Schedule A during the following off-peak hours. Energy furnished under this rate shall be separately metered for each point of delivery.

<b>Months</b>	<b>Off-Peak Hours (EST)</b>
October through April	12:00 noon to 5:00 PM 10:00 PM to 7:00 PM
May through September	10:00 PM to 10:00 AM

**DATE OF ISSUE: DECEMBER 10, 2008**  
**ISSUED BY: \_\_\_\_\_**

**DATE EFFECTIVE: JANUARY 10, 2009**  
**TITLE: PRESIDENT/GENERAL MANAGER**

**FORM FOR FILING RATE SCHEDULES**

**FOR ALL TERRITORIES SERVED**

**BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION**

**PSC NO.**

**ORIGINAL SHEET NO. 2**

**CANCELLING PSC NO. 2006-00511**

**ORIGINAL SHEET NO. 2**

**CLASSIFICATION OF SERVICE**

**SCHEDULE A-1 FARM & HOME**

**RATE PER UNIT**

**MINIMUM CHARGES:**

The minimum monthly charge under the above rate is \$15.00. For members requiring more than 15 KVA of transformer capacity, the minimum monthly charge shall be increased at the rate of 75 cents for each additional KVA or fraction thereof required. I

**TERMS OF PAYMENT:**

All of the above rates are net, the gross rates being seven percent (7%) higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.

**SPECIAL RULES:**

- A. The rated capacity of a single-phase motor shall not be in excess of ten horsepower (10 hp).
- B. Motors having a rated capacity in excess of ten horsepower (10 hp) must be three phase.
- C. Service under this schedule is limited to customers whose load requirements can be met by transformers having a capacity not to exceed 50 KVA. Customers requiring more than 50 KVA shall be serviced under an appropriate schedule for larger power service.

**BUDGET BILLING:**

Members having an opportunity to sign agreements with the Cooperative for spreading billing evenly over a twelve (12) month period. The billing is based on estimated consumption made by a Cooperative representative. In May, the end of the twelve-month

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**TITLE: PRESIDENT/GENERAL MANAGER**

FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

PSC NO.

ORIGINAL SHEET NO. 3

CANCELLING PSC NO. 2006-00511

ORIGINAL SHEET NO. 3

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CLASSIFICATION OF SERVICE

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SCHEDULE A-1 FARM & HOME

RATE PER UNIT

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Period, the difference between payments and actual usage is adjusted by adding or crediting  
The difference of the regular electric service bill.

**FUEL ADJUSTMENT CLAUSE:**

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased  
by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the wholesale  
power supplier plus an allowance for line losses. The allowance for line losses will not exceed 10%  
and is based on a 12-month moving average of such losses. This Fuel Clause is subject to all other  
applicable provisions as set out in 807 KAR 5:056.

DATE OF ISSUE: DECEMBER 10, 2008  
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DATE EFFECTIVE: JANUARY 10, 2009  
TITLE: PRESIDENT/GENERAL MANAGER

**FORM FOR FILING RATE SCHEDULES**

**FOR ALL TERRITORIES SERVED**

**BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION**

PSC NO.

ORIGINAL SHEET NO. 4

CANCELLING PSC NO. 2006-00511

ORIGINAL SHEET NO. 4

**CLASSIFICATION OF SERVICE**

**SCHEDULE A-2 COMMERCIAL AND SMALL POWER**

**RATE PER UNIT**

**APPLICABLE:**

Entire territory served.

**AVAILABILITY OF SERVICE:**

Available to commercial loads having a required transformer capacity not to exceed 25 KVA

**TYPE OF SERVICE:**

Single-phase and Three-phase at a standard voltage

**RATES:**

Customer charge per delivery point	\$20.00	per month	I
Energy charge	.07201	per KWH	I
Demand charge	5.00	per KW	I

**MINIMUM MONTHLY CHARGE:**

The minimum monthly charge under the above rate shall be \$20.00 where 15 KVA or less of transformer capacity is required. For consumers requiring more than 15 KVA of transformer capacity, the minimum monthly charge shall be increased at the rate of 75 cents for each additional KVA or fraction thereof required. I

**MINIMUM ANNUAL CHARGE FOR SEASONAL SERVICE:**

Customers requiring service during, but not to exceed nine months per year may guarantee a minimum annual payment of twelve (12) times the minimum monthly charge determined in accordance with the foregoing section, in which case there shall be no minimum monthly charge.

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DATE EFFECTIVE: JANUARY 10, 2009  
TITLE: PRESIDENT/GENERAL MANAGER

FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO.

**BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION**

ORIGINAL SHEET NO. 5

CANCELLING PSC NO. 2006-00511

ORIGINAL SHEET NO. 5

**CLASSIFICATION OF SERVICE**

**SCHEDULE A-2 COMMERCIAL AND SMALL POWER**

**RATE PER UNIT**

**FUEL ADJUSTMENT CLAUSE:**

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale power Supplier for line losses will not exceed 10% and is based on a 12-month moving average of such losses. This Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

**TEMPORARY SERVICE:**

Temporary service shall be supplied in accordance with the foregoing rate except that there shall be an additional charge of one dollar and twenty-five cents (\$1.25) for each kilowatt or fraction thereof of connected load for each month or fraction thereof that service is connected. Bills will not be prorated for a fractional part of a month. The customer shall in addition, pay the total cost of connecting and disconnecting service less the value of materials returned to stock. The cooperative may require a deposit, in advance, of two-twelfth (2/12) of the estimated annual bill.

**TERMS OF PAYMENT:**

All of the above rates are net, the gross rates being seven percent (7%) higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.

DATE OF ISSUE: DECEMBER 10, 2008

DATE EFFECTIVE: JANUARY 10, 2009

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TITLE: PRESIDENT/GENERAL MANAGER

**FORM FOR FILING RATE SCHEDULES**

**FOR ALL TERRITORIES SERVED**

**BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION**

**PSC NO.**

**ORIGINAL SHEET NO. 6**

**CANCELLING PSC NO. 2006-00511**

**ORIGINAL SHEET NO. 6**

**CLASSIFICATION OF SERVICE**

**SCHEDULE A-2 COMMERCIAL AND SMALL POWER**

**RATE PER UNIT**

**SPECIAL RULES:**

- A. The rated capacity of a single-phase motor shall not be in excess of ten Horsepower (10 hp).
- B. Motors having a rated capacity in excess of ten horsepower (10 hp) Must be three-phase.
- C. Service under this schedule is limited to customers whose load requirements can be met by transformers having a capacity not to exceed 25 KVA. Customers requiring more than 25 KVA shall be served under an appropriate schedule for large power service.

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**ISSUED BY: \_\_\_\_\_**

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**TITLE: PRESIDENT/GENERAL MANAGER**

**FORM FOR FILING RATE SCHEDULES**

**FOR ALL TERRITORIES SERVED**

**BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION**

**PSC NO.**

**ORIGINAL SHEET NO. 7**

**CANCELLING PSC NO. 2006-00511**

**ORIGINAL SHEET NO. 7**

**CLASSIFICATION OF SERVICE**

**SCHEDULE LP LARGE POWER SERVICE**

**RATE PER UNIT**

**APPLICABLE:**

Entire territory served.

**AVAILABILITY OF SERVICE:**

Available to customers located on or near Seller's three-phase lines having a required transformer capacity not to exceed 750 KVA, subject of the established rules and regulations of seller.

**RATES:**

Demand Charge	\$ 6.00	per KW of billing	I
Secondary Meter Energy Charge	.05500	per KWH	I
Primary Meter Energy Charge	.05420	per KWH	I
Customer Charge Per Delivery Point	62.00	per Month	I

**DETERMINATION OF BILLING DEMAND:**

The billing demand shall be the maximum kilowatt demand established by the customer for any period of fifteen (15) consecutive minutes during the month for which the bill is rendered, as indicated or recorded by demand meter and adjusted for power factor as follows:

**POWER FACTOR ADJUSTMENT:**

The customer agrees to maintain unity power factor as nearly as practicable. Should the demand meter indicate that the average power factor is less than ninety percent (90%), the demand for billing purposes shall be the demand as indicated or recorded by the demand meter multiplied by ninety percent (90%) and divided by the percentage power factor.

**DATE OF ISSUE: DECEMBER 10, 2008**  
**ISSUED BY: \_\_\_\_\_**

**DATE EFFECTIVE: JANUARY 10, 2009**  
**TITLE: PRESIDENT/GENERAL MANAGER**

Exh B  
8 of 21

FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO.

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

ORIGINAL SHEET NO. 8

CANCELLING PSC NO. 2006-00473

ORIGINAL SHEET NO. 8

CLASSIFICATION OF SERVICE

SCHEDULE LP LARGE POWER SERVICE

RATE PER UNIT

FUEL ADJUSTMENT CLAUSE:

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a 12-month moving average of such losses. This Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

MINIMUM MONTHLY CHARGE:

The minimum monthly charge shall be the highest one of the following charges as determined for the customer in question.

- (1) The minimum monthly charge specified in the contract for service.
- (2) A charge of seventy-five cents (\$.75) per KVA of installed transformer capacity.
- (3) A charge of Sixty-two Dollars (\$62.00).

I

MINIMUM ANNUAL CHARGE FOR SEASONAL SERVICE:

Customers requiring service only during certain seasons not exceeding nine (9) months per year may guarantee a minimum annual payment of twelve (12) times the minimum monthly charge determined in accordance with the foregoing section in which case there shall be no minimum monthly charge.

TYPE OF SERVICE:

Three-phase, 60 hertz, at Seller's standard voltage.

DATE OF ISSUE: DECEMBER 10, 2008

DATE EFFECTIVE: JANUARY 10, 2009

ISSUED BY: \_\_\_\_\_

TITLE: PRESIDENT/GENERAL MANAGER

**FORM FOR FILING RATE SCHEDULES**

**FOR ALL TERRITORIES SERVED**

**BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION**

**PSC NO.**

**ORIGINAL SHEET NO. 9**

**CANCELLING PSC NO. 2006-00511**

**ORIGINAL SHEET NO. 9**

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**CLASSIFICATION OF SERVICE**

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**SCHEDULE LP LARGE POWER SERVICE**

**RATE PER UNIT**

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**CONDITIONS OF SERVICE:**

1. Motors having a rated capacity in excess of ten horsepower (10 hp) must be three-phase.
2. Both power and lighting shall be billed at the foregoing rate. If a separate meter is required for the lighting circuit, it shall be a kilowatt-hour meter only (not a demand meter). The registration of the two kilowatt-hour meters shall be added to obtain the total kilowatt hours used and the registration of the one demand meter shall determine the kilowatt demand for billing purposes.
3. All wiring, pole lines, and other electrical equipment beyond the metering point, shall be considered the distribution system of the customer and shall be furnished and maintained by the customer.
4. If service is furnished at primary distribution voltage, the primary meter energy charge shall apply.

**TERMS OF PAYMENT:**

All of the above rates are net, the gross rates being seven percent (7%) higher, In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.

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**FORM FOR FILING RATE SCHEDULES**

**FOR ALL TERRITORIES SERVED**

**BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION**

PSC NO.

ORIGINAL SHEET NO. 10

CANCELLING PSC NO. 2006-00511

ORIGINAL SHEET NO. 10

**CLASSIFICATION OF SERVICE**

**SCHEDULE LPR LARGE POWER SERVICE**

**RATE PER UNIT**

**APPLICABLE:**

In all territory served.

**AVAILABILITY OF SERVICE:**

Available to all commercial and industrial customers whose power requirements shall exceed 750 KVA of transformer capacity.

**CONDITIONS:**

An "Agreement for Purchase of Power" shall be executed by the customer for service under this schedule.

**CHARACTER OF SERVICE:**

The electric service furnished under this schedule will be 60 hertz, alternating current and at available nominal voltage.

**RATE:**

Maximum Demand Charge:	\$ 6.00	per KW of billing demand	I
Secondary Meter Energy Charge:	.05100	per KWH	D
Primary Meter Energy Charge:	.04958	per KWH	D
Customer Charge Per Delivery Point:	\$83.04	per month	

**DETERMINATION OF BILLING DEMAND:**

The billing demand shall be the maximum kilowatt demand established by the customer for any period of fifteen (15) consecutive minutes during the month for which the bill is

**DATE OF ISSUE: DECEMBER 10, 2008**  
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**DATE EFFECTIVE: JANUARY 10, 2009**  
**TITLE: PRESIDENT/GENERAL MANAGER**

FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

PSC NO.

ORIGINAL SHEET NO. 11

CANCELLING PSC NO. 2006-00511

ORIGINAL SHEET NO. 11

CLASSIFICATION OF SERVICE

SCHEDULE LPR LARGE POWER SERVICE

RATE PER UNIT

rendered, as indicated or recorded by a demand meter and adjusted for power factor as provided below.

POWER FACTOR ADJUSTMENT:

The customer agrees to maintain unity power factor as nearly as practicable. Should the demand meter indicate that the average power factor is less than ninety percent (90%), the demand for billing purposes shall be the demand as indicated or recorded by the demand meter multiplied by ninety percent (90%), the demand for billing purposes shall be the demand as indicated or recorded by the demand meter multiplied by ninety percent (90%) and divided by the percentage power factor.

MINIMUM CHARGES:

The minimum monthly charge shall be the highest one of the following charges:

- (a) The minimum monthly charge as specified in the contract for service.
- (b) A charge of seventy-five cents (\$.75) per KVA per month of contract capacity.

FUEL COST ADJUSTMENT:

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier plus an allowance for line losses.

DATE OF ISSUE: DECEMBER 10, 2008  
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DATE EFFECTIVE: JANUARY 10, 2009  
TITLE: PRESIDENT/GENERAL MANAGER

**FORM FOR FILING RATE SCHEDULES**

**FOR ALL TERRITORIES SERVED**

**BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION**

**PSC NO.**

**ORIGINAL SHEET NO. 12**

**CANCELLING PSC NO. 2006-00511**

**ORIGINAL SHEET NO. 12**

**CLASSIFICATION OF SERVICE**

**SCHEDULE LPR LARGE POWER SERVICE**

**RATE PER UNIT**

The allowance for line losses will not exceed 10% and is based on a 12-month moving average of such losses. This Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

**SPECIAL PROVISIONS:**

1. **Delivery Point** – If service is furnished at secondary voltage, the delivery point shall be the metering point unless otherwise specified in the contract for service. All wiring, pole lines, and other electric equipment on the load side of the delivery point shall be the point of attachment of Seller’s primary line to customer’s transformer structure unless otherwise specified in the contract for service. All wiring, pole lines, and other electrical equipment (except metering equipment on the load side of the delivery point) shall be owned and maintained by the customer.
2. **Lighting** – Both power and lighting shall be billed at the foregoing rate.
3. **Primary Service** – If service is furnished at 7620/13200 volts or above, the Primary Meter Energy Charge shall apply.

**TERMS OF PAYMENT:**

All of the above rates are net, the gross rates being seven percent (7%) higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.

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FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

PSC NO.

ORIGINAL SHEET NO. 13

CANCELLING PSC NO. 2006-00511

ORIGINAL SHEET NO. 13

CLASSIFICATION OF SERVICE

SCHEDULE YL-1

RATE PER UNIT

APPLICABLE:

Entire territory served.

AVAILABILITY OF SERVICE:

Available to all members of the Cooperative subject to its established rules and regulations.

TYPE OF SERVICE:

Single-Phase, 120 volts, mercury vapor type or equivalent lighting unit.

RATES:

Flat rate per light per month as follows:

175	Watt	@	\$ 8.43	per month	I
400	Watt	@	12.46	per month	I
500	Watt	@	14.56	per month	I
1,500	Watt	@	33.24	per month	I
400 Watt Flood		@	17.08	per month	I

TERMS OF PAYMENT:

All of the above rates are net, the gross rates being seven percent (7%) higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.

FUEL ADJUSTMENT CLAUSE:

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not exceed 10%

DATE OF ISSUE: DECEMBER 10, 2008

DATE EFFECTIVE: JANUARY 10, 2009

ISSUED BY: \_\_\_\_\_

TITLE: PRESIDENT/GENERAL MANAGER

Exh B  
14 of 21

**FORM FOR FILING RATE SCHEDULES**

**FOR ALL TERRITORIES SERVED**

**BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION**

**PSC NO.**

**ORIGINAL SHEET NO. 14**

**CANCELLING PSC NO. 2006-00511**

**ORIGINAL SHEET NO. 14**

**CLASSIFICATION OF SERVICE**

**SCHEDULE YL-1**

**RATE PER UNIT**

and is based on a 12-month moving average of such losses. This Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

**SPECIAL RULES:**

Those members having primary metering or receiving service at a voltage other than approximately 120 volts shall not be eligible for service under this rate schedule except for special agreement.

**DATE OF ISSUE: DECEMBER 10, 2008**  
**ISSUED BY: \_\_\_\_\_**

**DATE EFFECTIVE: JANUARY 10, 2009**  
**TITLE: PRESIDENT/GENERAL MANAGER**

**FORM FOR FILING RATE SCHEDULES**

**FOR ALL TERRITORIES SERVED**

**BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION**

**PSC NO.**

**ORIGINAL SHEET NO. 15**

**CANCELLING PSC NO. 2006-00511**

**ORIGINAL SHEET NO. 15**

**CLASSIFICATION OF SERVICE**

**SCHEDULE IND 1**

**RATE PER UNIT**

**APPLICABLE:**

Applicable to contracts with contract demands of 1000 KW or greater with a monthly energy usage equal to or greater than 425 hours per KW of Billing Demand. These contracts will be a "two party" contract between the Cooperative and the ultimate consumer.

**AVAILABILITY:**

Available to all members.

**MONTHLY RATE:**

Demand Charge:	\$ 5.97	per KW of Billing Demand
Secondary Meter Energy Charge	.04648	per KWH
Primary Meter Energy Charge:	.04585	per KWH
Customer Charge:	166.06	

**BILLING DEMAND:**

The Kilowatt Demand shall be the greater of (A) or (B) listed below:

- A. The Contract Demand.
- B. The ultimate consumer's highest demand during the current month or preceding eleven months coincident with the load center's peak demand. The load center's peak demand is the highest average rate at which energy is used during any fifteen minute interval in the below listed hours for each month and adjusted for power factor as provided herein:

**Months:**

October through April	7:00 AM to 12:00 Noon 5:00 PM to 10:00 PM
May through September	10:00 AM to 10:00 PM

**DATE OF ISSUE: DECEMBER 10, 2008**  
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**DATE EFFECTIVE: JANUARY 10, 2009**  
**TITLE: PRESIDENT/GENERAL MANAGER**

Exh B  
16 of 21

**FORM FOR FILING RATE SCHEDULES**

**FOR ALL TERRITORIES SERVED**

**BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION**

**PSC NO.**

**ORIGINAL SHEET NO. 16**

**CANCELLING PSC NO. 2006-00511**

**ORIGINAL SHEET NO. 16**

**CLASSIFICATION OF SERVICE**

**SCHEDULE IND 1**

**RATE PER UNIT**

**MINIMUM MONTHLY CHARGE:**

The Minimum monthly charge shall not be less than the sum of (A), (B) & (C) below:

- A. The product of the billing demand multiplies by the demand charge, plus
- B. The product of the billing demand multiplies by 425 hours and the energy charge per KWH,  
plus
- C. Consumer Charge

**POWER FACTOR ADJUSTMENT:**

The consumer agrees to maintain unity power factor as nearly as practicable. Should the demand meter indicate that the average power factor is less than ninety percent (90%), the demand for billing purposes shall be the demand as indicated or recorded by the demand meter multiplied by ninety percent (90%) and dividing this product by the actual power factor at the time of the monthly maximum demand.

**DATE OF ISSUE: DECEMBER 10, 2008**  
**ISSUED BY: \_\_\_\_\_**

**DATE EFFECTIVE: JANUARY 10, 2009**  
**TITLE: PRESIDENT/GENERAL MANAGER**

FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO.

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

ORIGINAL SHEET NO. 17

CANCELLING PSC NO. 2006-00511

ORIGINAL SHEET NO. 17

CLASSIFICATION OF SERVICE

SCHEDULE IND 1

RATE PER UNIT

FUEL ADJUSTMENT CLAUSE:

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier, plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a 12-month moving average of such losses. This fuel clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

SPECIAL PROVISIONS:

1. Delivery Point – If service is furnished at secondary voltage, the delivery point shall be the metering point unless otherwise specified in the contract for service. All wiring, pole lines, and other electric equipment on the load side of the delivery point shall be owned and maintained by the customer. If service is furnished at Seller’s primary line voltage, the delivery point shall be the point of attachment of Seller’s primary line to customer’s transformer structure unless otherwise specified in the contract for service. All wiring, pole lines, and other electrical equipment (except metering equipment on the load side of the delivery point) shall be owned and maintained by the customer.
2. Lighting – Both power and lighting shall be billed at the foregoing rate.

DATE OF ISSUE: DECEMBER 10, 2008

DATE EFFECTIVE: JANUARY 10, 2009

ISSUED BY: \_\_\_\_\_

TITLE: PRESIDENT/GENERAL MANAGER

**FORM FOR FILING RATE SCHEDULES**

**FOR ALL TERRITORIES SERVED**

**PSC NO.**

**BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION**

**ORIGINAL SHEET NO. 18**

**CANCELLING PSC NO. 2006-00511**

**ORIGINAL SHEET NO. 18**

**CLASSIFICATION OF SERVICE**

**SCHEDULE IND 1**

**RATE PER UNIT**

- 3. Primary Service – If service is furnished at 7620/13200 volts or above, the Primary Meter Energy Charge shall apply.

**TERMS OF PAYMENT:**

All of the above rates are net, the gross rates being seven percent (7%) higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.

**DATE OF ISSUE: DECEMBER 10, 2008**

**DATE EFFECTIVE: JANUARY 10, 2009**

**ISSUED BY: \_\_\_\_\_**

**TITLE: PRESIDENT/GENERAL MANAGER**

FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

**BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION**

PSC NO.

ORIGINAL SHEET NO. 19

CANCELLING PSC NO. 2006-00511

ORIGINAL SHEET NO. 19

**CLASSIFICATION OF SERVICE**

**SCHEDULE IND 2**

**RATE PER UNIT**

**APPLICABLE:**

Applicable to contracts with contract demands of 5000 KW or greater with a monthly energy usage equal to or greater than 425 hours per KW of Billing Demand. These contracts will be a "two party" contract between the Cooperative and the ultimate consumer.

**AVAILABILITY:**

Available to all members.

**MONTHLY RATE:**

Demand Charge:	\$ 5.97	per KW of Billing Demand
Secondary Meter Energy Charge	.04095	per KWH
Primary Meter Energy Charge	.04045	per KWH
Customer Charge	1,183.48	

**BILLING DEMAND:**

The Kilowatt Demand shall be the greater of (A) or (B) listed below:

- A. The Contract Demand.
- B. The ultimate consumer's highest demand during the current month or preceding eleven months coincident with the load center's peak demand. The load center's peak demand is the highest average rate at which energy is used during any fifteen minute interval in the below listed hours for each month and adjusted for power factor as provided herein.

DATE OF ISSUE: DECEMBER 10, 2008

DATE EFFECTIVE: JANUARY 10, 2009

ISSUED BY: \_\_\_\_\_

TITLE: PRESIDENT/GENERAL MANAGER

FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO.

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

ORIGINAL SHEET NO. 20

CANCELLING PSC NO. 2006-00511

ORIGINAL SHEET NO. 20

CLASSIFICATION OF SERVICE

SCHEDULE IND 2

RATE PER UNIT

Months:

October through April

7:00 AM to 12:00 Noon

5:00 PM to 10:00 PM

May through September

10:00 AM to 10:00 PM

MINIMUM MONTHLY CHARGE:

The minimum monthly charge shall not be less than the sum of (A), (B) & (C) below:

- A. The product of the billing demand multiplies by the demand charge, plus
- B. The product of the billing demand multiplies by 425 hours and the energy charge per KWH, plus
- C. Consumer charge.

POWER FACTOR ADJUSTMENT:

The consumer agrees to maintain unity power factor as nearly as practicable. Should the demand meter indicate that the average power factor is less than ninety percent (90%), the demand for billing purposes shall be the demand as indicated or recorded by the demand meter multiplied by ninety percent (90%) and dividing this product by the actual power factor at the time of the monthly maximum demand.

FUEL ADJUSTMENT CLAUSE:

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the wholesale power supplier, plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a 12-month

DATE OF ISSUE: DECEMBER 10, 2008

DATE EFFECTIVE: JANUARY 10, 2009

ISSUED BY: \_\_\_\_\_

TITLE: PRESIDENT/GENERAL MANAGER

Exh B  
21 of 21

**FORM FOR FILING RATE SCHEDULES**

**FOR ALL TERRITORIES SERVED**

**BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION**

**PSC NO.**

**ORIGINAL SHEET NO. 21**

**CANCELLING PSC NO. 2006-00511**

**ORIGINAL SHEET NO. 21**

**CLASSIFICATION OF SERVICE**

<b>SCHEDULE</b>	<b>IND 2</b>	<b>RATE PER UNIT</b>
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moving average of such losses. This fuel clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

**SPECIAL PROVISIONS:**

1. **Delivery Point** – If service is furnished at secondary voltage, the delivery point shall be the metering point unless otherwise specified in the contract for service. All wiring, pole lines, and other electric equipment on the load side of the delivery point shall be owned and maintained by the customer. If service is furnished at Seller’s primary line voltage, the delivery point shall be the point of attachment of Seller’s primary line to customer’s transformer structure unless otherwise specified in the contract for service. All wiring, pole lines, and other electrical equipment (except metering equipment on the load side of the delivery point) shall be owned and maintained by the customer.
2. **Lighting** – Both power and lighting shall be billed at the foregoing rate.
3. **Primary Service** – If service is furnished at 7620/13200 volts or above, the Primary Meter Energy Charge shall apply.

**TERMS OF PAYMENT:**

All of the above rates are net, the gross rates being seven percent (7%) higher. In the event the current monthly bill is not paid within 15 days form the date of the bill, the gross rates shall apply

**DATE OF ISSUE: DECEMBER 10, 2008**  
**ISSUED BY: \_\_\_\_\_**

**DATE EFFECTIVE: JANUARY 10, 2009**  
**TITLE: PRESIDENT/GENERAL MANAGER**



Big Sandy Rural Electric Cooperative  
Case No. 2008-00401

The attached tariff pages represent the proposed rates in East Kentucky Power Cooperative Case No. 2008-00409 and Big Sandy Rural Electric Cooperative's flow thru in Case No. 2008-00410. Big Sandy has applied the proposed rates to these proposed rates.

Exh C  
2 of 33

FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

PSC NO.  
ORIGINAL SHEET NO. 1  
CANCELLING PSC NO. 2006-00511  
ORIGINAL SHEET NO. 1

CLASSIFICATION OF SERVICE

SCHEDULE A-1 FARM & HOME

RATE PER UNIT

APPLICABLE:

Entire territory served.

AVAILABILITY OF SERVICE:

Available to members of this Cooperative for Farm and Home use having a required transformer capacity not to exceed 50 KVA, subject to all rules and regulations established by the Cooperative.

TYPE OF SERVICE:

- A. Single-Phase, 120/240 volts, or
- B. Three-Phase, 240/480 volts, or
- C. Three-Phase, 120/208 wye volts

RATES:

Customer charge per delivery point	<del>\$7.75</del> per month	15.00	I
Energy charge	<del>0.07527</del> per KWH	0.07848	I
Off peak energy charge	<del>0.04516</del>	0.04709	I

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Applicable only to programs which are expressly approved by the Commission to be offered under the Marketing Rate of East Kentucky Power Cooperative's Wholesale Power Rate Schedule A during the following off-peak hours. Energy furnished under this rate shall be separately metered for each point of delivery.

Months	Off-Peak Hours (EST)
October through April	12:00 noon to 5:00 PM 10:00 PM to 7:00 PM
May through September	10:00 PM to 10:00 AM

DATE OF ISSUE: OCTOBER 31, 2008  
ISSUED BY: \_\_\_\_\_

DATE EFFECTIVE: DECEMBER 1, 2008  
TITLE: PRESIDENT/GENERAL MANAGER

Exh c  
3 of 33

FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO.

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

ORIGINAL SHEET NO. 2

CANCELLING PSC NO. 2006-00511

ORIGINAL SHEET NO. 2

CLASSIFICATION OF SERVICE

SCHEDULE A-1 FARM & HOME

RATE PER UNIT

MINIMUM CHARGES:

15.00

The minimum monthly charge under the above rate is ~~\$7.75~~. For members requiring more than 15 KVA of transformer capacity, the minimum monthly charge shall be increased at the rate of 75 cents for each additional KVA or fraction thereof required.

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TERMS OF PAYMENT:

All of the above rates are net, the gross rates being seven percent (7%) higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.

SPECIAL RULES:

- A. The rated capacity of a single-phase motor shall not be in excess of ten horsepower (10 hp).
- B. Motors having a rated capacity in excess of ten horsepower (10 hp) must be three phase.
- C. Service under this schedule is limited to customers whose load requirements can be met by transformers having a capacity not to exceed 50 KVA. Customers requiring more than 50 KVA shall be serviced under an appropriate schedule for larger power service.

BUDGET BILLING:

Members having an opportunity to sign agreements with the Cooperative for spreading billing evenly over a twelve (12) month period. The billing is based on estimated consumption made by a Cooperative representative. In May, the end of the twelve-month

DATE OF ISSUE: OCTOBER 31, 2008  
ISSUED BY: \_\_\_\_\_

DATE EFFECTIVE: DECEMBER 1, 2008  
TITLE: PRESIDENT/GENERAL MANAGER

C  
4 of 33

FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO.

ORIGINAL SHEET NO. 4

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

CANCELLING PSC NO. 2006-00511

ORIGINAL SHEET NO. 4

CLASSIFICATION OF SERVICE

SCHEDULE A-2 COMMERCIAL AND SMALL POWER      RATE PER UNIT

APPLICABLE:

Entire territory served.

AVAILABILITY OF SERVICE:

Available to commercial loads having a required transformer capacity not to exceed 25 KVA

TYPE OF SERVICE:

Single-phase and Three-phase at a standard voltage

RATES:

Customer charge per delivery point	20.00	<del>-\$16.61</del>	per month	I	I
Energy charge	0.07201	<del>-.06804</del>	per KWH	I	I
Demand charge	5.00	<del>-4.42</del>	per KW	I	I

MINIMUM MONTHLY CHARGE:

The minimum monthly charge under the above rate shall be <sup>20.00</sup>~~\$16.61~~ where 15 KVA or less of transformer capacity is required. For consumers requiring more than 15 KVA of transformer capacity, the minimum monthly charge shall be increased at the rate of 75 cents for each additional KVA or fraction thereof required.

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MINIMUM ANNUAL CHARGE FOR SEASONAL SERVICE:

Customers requiring service during, but not to exceed nine months per year may guarantee a minimum annual payment of twelve (12) times the minimum monthly charge determined in accordance with the foregoing section, in which case there shall be no minimum monthly charge.

DATE OF ISSUE: OCTOBER 31, 2008  
ISSUED BY: \_\_\_\_\_

DATE EFFECTIVE: DECEMBER 1, 2008  
TITLE: PRESIDENT/GENERAL MANAGER

C  
5 of 33

FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO.

ORIGINAL SHEET NO. 7

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

CANCELLING PSC NO. 2006-00511

ORIGINAL SHEET NO. 7

CLASSIFICATION OF SERVICE

SCHEDULE LP LARGE POWER SERVICE

RATE PER UNIT

APPLICABLE:

Entire territory served.

AVAILABILITY OF SERVICE:

Available to customers located on or near Seller's three-phase lines having a required transformer capacity not to exceed 750 KVA, subject of the established rules and regulations of seller.

RATES:

Demand Charge	\$ <del>5.64</del>	per KW of billing	6.00	I
Secondary Meter Energy Charge	<del>.05407</del>	per KWH	0.05500	I
Primary Meter Energy Charge	<del>.05330</del>	per KWH	0.05420	I
Customer Charge Per Delivery Point	<del>55.35</del>	per Month	62.00	I

1/1/11

DETERMINATION OF BILLING DEMAND:

The billing demand shall be the maximum kilowatt demand established by the customer for any period of fifteen (15) consecutive minutes during the month for which the bill is rendered, as indicated or recorded by demand meter and adjusted for power factor as follows:

POWER FACTOR ADJUSTMENT:

The customer agrees to maintain unity power factor as nearly as practicable. Should the demand meter indicate that the average power factor is less than ninety percent (90%), the demand for billing purposes shall be the demand as indicated or recorded by the demand meter multiplied by ninety percent (90%) and divided by the percentage power factor.

DATE OF ISSUE: OCTOBER 31, 2008  
ISSUED BY: \_\_\_\_\_

DATE EFFECTIVE: DECEMBER 1, 2008  
TITLE: PRESIDENT/GENERAL MANAGER

C  
6 of 33

FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO.

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

ORIGINAL SHEET NO. 8

CANCELLING PSC NO. 2006-00473

ORIGINAL SHEET NO. 8

CLASSIFICATION OF SERVICE

SCHEDULE LP LARGE POWER SERVICE

RATE PER UNIT

FUEL ADJUSTMENT CLAUSE:

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a 12-month moving average of such losses. This Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

MINIMUM MONTHLY CHARGE:

The minimum monthly charge shall be the highest one of the following charges as determined for the customer in question.

- (1) The minimum monthly charge specified in the contract for service.
- (2) A charge of seventy-five cents (\$.75) per KVA of installed transformer capacity.
- (3) A charge of ~~Fifty One Dollars and twenty-nine cents (\$55.35)~~ 62.00

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MINIMUM ANNUAL CHARGE FOR SEASONAL SERVICE:

Customers requiring service only during certain seasons not exceeding nine (9) months per year may guarantee a minimum annual payment of twelve (12) times the minimum monthly charge determined in accordance with the foregoing section in which case there shall be no minimum monthly charge.

TYPE OF SERVICE:

Three-phase, 60 hertz, at Seller's standard voltage.

DATE OF ISSUE: OCTOBER 31, 2008  
ISSUED BY: \_\_\_\_\_

DATE EFFECTIVE: DECEMBER 1, 2008  
TITLE: PRESIDENT/GENERAL MANAGER

C  
7 of 33

FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO.

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

ORIGINAL SHEET NO. 10

CANCELLING PSC NO. 2006-00511

ORIGINAL SHEET NO. 10

CLASSIFICATION OF SERVICE

SCHEDULE LPR LARGE POWER SERVICE

RATE PER UNIT

APPLICABLE:

In all territory served.

AVAILABILITY OF SERVICE:

Available to all commercial and industrial customers whose power requirements shall exceed 750 KVA of transformer capacity.

CONDITIONS:

An "Agreement for Purchase of Power" shall be executed by the customer for service under this schedule.

CHARACTER OF SERVICE:

The electric service furnished under this schedule will be 60 hertz, alternating current and at available nominal voltage.

RATE:

Maximum Demand Charge:	<del>\$ 5.64</del>	per KW of billing demand	6.00	I
Secondary Meter Energy Charge:	<del>0.05154</del>	per KWH	0.05100	I
Primary Meter Energy Charge:	<del>0.05081</del>	per KWH	0.04950	I
Customer Charge Per Delivery Point:	\$83.04	per month		I

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✓

DETERMINATION OF BILLING DEMAND:

The billing demand shall be the maximum kilowatt demand established by the customer for any period of fifteen (15) consecutive minutes during the month for which the bill is

DATE OF ISSUE: OCTOBER 31, 2008  
ISSUED BY: \_\_\_\_\_

DATE EFFECTIVE: DECEMBER 1, 2008  
TITLE: PRESIDENT/GENERAL MANAGER

C  
8 of 33

FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

PSC NO.

ORIGINAL SHEET NO. 13

CANCELLING PSC NO. 2006-00511

ORIGINAL SHEET NO. 13

CLASSIFICATION OF SERVICE

SCHEDULE YL-1

RATE PER UNIT

APPLICABLE:

Entire territory served.

AVAILABILITY OF SERVICE:

Available to all members of the Cooperative subject to its established rules and regulations.

TYPE OF SERVICE:

Single-Phase, 120 volts, mercury vapor type or equivalent lighting unit.

RATES:

Flat rate per light per month as follows:

175	Watt	@	<del>\$ 7.77</del>	per month	8.43	I
400	Watt	@	<del>11.48</del>	per month	12.46	I
500	Watt	@	<del>13.42</del>	per month	14.56	I
1,500	Watt	@	<del>30.64</del>	per month	33.24	I
400 Watt Flood		@	<del>15.74</del>	per month	17.03	I

TERMS OF PAYMENT:

All of the above rates are net, the gross rates being seven percent (7%) higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.

FUEL ADJUSTMENT CLAUSE:

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not exceed 10%

DATE OF ISSUE: OCTOBER 31, 2008  
ISSUED BY: \_\_\_\_\_

DATE EFFECTIVE: DECEMBER 1, 2008  
TITLE: PRESIDENT/GENERAL MANAGER

C  
9 of 33

FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO.

ORIGINAL SHEET NO. 15

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

CANCELLING PSC NO. 2006-00511

ORIGINAL SHEET NO. 15

CLASSIFICATION OF SERVICE

SCHEDULE IND 1

RATE PER UNIT

APPLICABLE:

Applicable to contracts with contract demands of 1000 KW or greater with a monthly energy usage equal to or greater than 425 hours per KW of Billing Demand. These contracts will be a "two party" contract between the Cooperative and the ultimate consumer.

AVAILABILITY:

Available to all members.

MONTHLY RATE:

Demand Charge:	\$ 5.97	per KW of Billing Demand	I
Secondary Meter Energy Charge	.04648	per KWH	I
Primary Meter Energy Charge:	.04585	per KWH	I
Customer Charge:	166.06		I

BILLING DEMAND:

The Kilowatt Demand shall be the greater of (A) or (B) listed below:

- A. The Contract Demand.
- B. The ultimate consumer's highest demand during the current month or preceding eleven months coincident with the load center's peak demand. The load center's peak demand is the highest average rate at which energy is used during any fifteen minute interval in the below listed hours for each month and adjusted for power factor as provided herein:

Months:

October through April	7:00 AM to 12:00 Noon 5:00 PM to 10:00 PM
May through September	10:00 AM to 10:00 PM

DATE OF ISSUE: OCTOBER 31, 2008  
ISSUED BY: \_\_\_\_\_

DATE EFFECTIVE: DECEMBER 1, 2008  
TITLE: PRESIDENT/GENERAL MANAGER

C  
10 of 33

FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO.

ORIGINAL SHEET NO. 19

CANCELLING PSC NO. 2006-00511

ORIGINAL SHEET NO. 19

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

CLASSIFICATION OF SERVICE

SCHEDULE IND 2

RATE PER UNIT

APPLICABLE:

Applicable to contracts with contract demands of 5000 KW or greater with a monthly energy usage equal to or greater than 425 hours per KW of Billing Demand. These contracts will be a "two party" contract between the Cooperative and the ultimate consumer.

AVAILABILITY:

Available to all members.

MONTHLY RATE:

Demand Charge:	\$ 5.97	per KW of Billing Demand	I
Secondary Meter Energy Charge	.04095	per KWH	I
Primary Meter Energy Charge	.04045	per KWH	I
Customer Charge	1,183.48		I

BILLING DEMAND:

The Kilowatt Demand shall be the greater of (A) or (B) listed below:

- A. The Contract Demand.
- B. The ultimate consumer's highest demand during the current month or preceding eleven months coincident with the load center's peak demand. The load center's peak demand is the highest average rate at which energy is used during any fifteen minute interval in the below listed hours for each month and adjusted for power factor as provided herein.

DATE OF ISSUE: OCTOBER 31, 2008  
ISSUED BY: \_\_\_\_\_

DATE EFFECTIVE: DECEMBER 1, 2008  
TITLE: PRESIDENT/GENERAL MANAGER

Big Sandy Rural Electric Cooperative  
Case No. 2008-00401

The attached tariff pages represent the proposed rates of Big Sandy Rural Electric compared to the existing rates and tariffs prior to the East Kentucky Power Cooperative flow thru rates. Big Sandy has also filed the proposed rates in comparison to the rates as proposed by Big Sandy to flow thru the East Kentucky rate increase.

C  
12 of 33

**FORM FOR FILING RATE SCHEDULES**

**FOR ALL TERRITORIES SERVED**

PSC NO. ~~2006-00511~~

2008-00401

ORIGINAL SHEET NO. 1

**BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION**

CANCELLING PSC NO. 2006-00473

ORIGINAL SHEET NO. 1

**CLASSIFICATION OF SERVICE**

**SCHEDULE A-1 FARM & HOME**

**RATE PER UNIT**

**APPLICABLE:**

Entire territory served.

**AVAILABILITY OF SERVICE:**

Available to members of this Cooperative for Farm and Home use having a required transformer capacity not to exceed 50 KVA, subject to all rules and regulations established by the Cooperative.

**TYPE OF SERVICE:**

- A. Single-Phase, 120/240 volts, or
- B. Three-Phase, 240/480 volts, or
- C. Three-Phase, 120/208 wye volts

**RATES:**

Customer charge per delivery point	<del>\$7.18</del> per month	14.00	I
Energy charge	0.06974 per KWH	0.07848	I
Off peak energy charge	0.04184	0.04709	I

Applicable only to programs which are expressly approved by the Commission to be offered under the Marketing Rate of East Kentucky Power Cooperative's Wholesale Power Rate Schedule A during the following off-peak hours. Energy furnished under this rate shall be separately metered for each point of delivery.

<b>Months</b>	<b>Off-Peak Hours (EST)</b>
October through April	12:00 noon to 5:00 PM 10:00 PM to 7:00 PM
May through September	10:00 PM to 10:00 AM

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C  
13 of 33

FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO. 2006-00511

**BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION**

ORIGINAL SHEET NO. 2

CANCELLING PSC NO. 2006-00473

ORIGINAL SHEET NO. 2

**CLASSIFICATION OF SERVICE**

**SCHEDULE A-1 FARM & HOME**

**RATE PER UNIT**

**MINIMUM CHARGES:**

15.00

The minimum monthly charge under the above rate is ~~\$7.18~~. For members requiring more than 15 KVA of transformer capacity, the minimum monthly charge shall be increased at the rate of 75 cents for each additional KVA or fraction thereof required.

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**TERMS OF PAYMENT:**

All of the above rates are net, the gross rates being seven percent (7%) higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.

**SPECIAL RULES:**

- A. The rated capacity of a single-phase motor shall not be in excess of ten horsepower (10 hp).
- B. Motors having a rated capacity in excess of ten horsepower (10 hp) must be three phase.
- C. Service under this schedule is limited to customers whose load requirements can be met by transformers having a capacity not to exceed 50 KVA. Customers requiring more than 50 KVA shall be serviced under an appropriate schedule for larger power service.

**BUDGET BILLING:**

Members having an opportunity to sign agreements with the Cooperative for spreading billing evenly over a twelve (12) month period. The billing is based on estimated consumption made by a Cooperative representative. In May, the end of the twelve-month

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FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO. 2006-00511

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

ORIGINAL SHEET NO. 3

CANCELLING PSC NO. 2006-00473

ORIGINAL SHEET NO. 3

**CLASSIFICATION OF SERVICE**

**SCHEDULE A-1 FARM & HOME**

**RATE PER UNIT**

Period, the difference between payments and actual usage is adjusted by adding or crediting  
The difference of the regular electric service bill.

**FUEL ADJUSTMENT CLAUSE:**

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased  
by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the wholesale  
power supplier plus an allowance for line losses. The allowance for line losses will not exceed 10%  
and is based on a 12-month moving average of such losses. This Fuel Clause is subject to all other  
applicable provisions as set out in 807 KAR 5:056.

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TITLE: PRESIDENT/GENERAL MANAGER

C  
15 of 33

FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO. 2006-00511

2008-00401

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

ORIGINAL SHEET NO. 4

CANCELLING PSC NO. 2006-00473

ORIGINAL SHEET NO. 4

CLASSIFICATION OF SERVICE

SCHEDULE A-2 COMMERCIAL AND SMALL POWER

RATE PER UNIT

APPLICABLE:

Entire territory served.

AVAILABILITY OF SERVICE:

Available to commercial loads having a required transformer capacity not to exceed 25 KVA

TYPE OF SERVICE:

Single-phase and Three-phase at a standard voltage

RATES:

Customer charge per delivery point	<del>\$15.39</del>	per month	20.00	H
Energy charge	<del>-.06304</del>	per KWH	0.9201	H
Demand charge	<del>4.10</del>	per KW	5.00	H

MINIMUM MONTHLY CHARGE:

20.00

The minimum monthly charge under the above rate shall be ~~\$15.39~~ where 15 KVA or less of transformer capacity is required. For consumers requiring more than 15 KVA of transformer capacity, the minimum monthly charge shall be increased at the rate of 75 cents for each additional KVA or fraction thereof required.

MINIMUM ANNUAL CHARGE FOR SEASONAL SERVICE:

Customers requiring service during, but not to exceed nine months per year may guarantee a minimum annual payment of twelve (12) times the minimum monthly charge determined in accordance with the foregoing section, in which case there shall be no minimum monthly charge.

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Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2006-00511, dated July 25, 2007.

16 of 33

FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO. 2006-00511

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

ORIGINAL SHEET NO. 5

CANCELLING PSC NO. 2006-00473

ORIGINAL SHEET NO. 5

**CLASSIFICATION OF SERVICE**

**SCHEDULE A-2 COMMERCIAL AND SMALL POWER      RATE PER UNIT**

**FUEL ADJUSTMENT CLAUSE:**

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale power Supplier for line losses will not exceed 10% and is based on a 12-month moving average of such losses. This Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

**TEMPORARY SERVICE:**

Temporary service shall be supplied in accordance with the foregoing rate except that there shall be an additional charge of one dollar and twenty-five cents (\$1.25) for each kilowatt or fraction thereof of connected load for each month or fraction thereof that service is connected. Bills will not be prorated for a fractional part of a month. The customer shall in addition, pay the total cost of connecting and disconnecting service less the value of materials returned to stock. The cooperative may require a deposit, in advance, of two-twelfth (2/12) of the estimated annual bill.

**TERMS OF PAYMENT:**

All of the above rates are net, the gross rates being seven percent (7%) higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.

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Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2006-00511, dated July 25, 2007.

17 of 33

FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO. 2006-00511

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

ORIGINAL SHEET NO. 6

CANCELLING PSC NO. 2006-00473

ORIGINAL SHEET NO. 6

**CLASSIFICATION OF SERVICE**

**SCHEDULE A-2 COMMERCIAL AND SMALL POWER      RATE PER UNIT**

**SPECIAL RULES:**

- A.      The rated capacity of a single-phase motor shall not be in excess of ten Horsepower (10 hp).
- B.      Motors having a rated capacity in excess of ten horsepower (10 hp) Must be three-phase.
- C.      Service under this schedule is limited to customers whose load requirements can be met by transformers having a capacity not to exceed 25 KVA. Customers requiring more than 25 KVA shall be served under an appropriate schedule for large power service.

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FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO. ~~2006-00511~~ 2003-00401

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

ORIGINAL SHEET NO. 7

CANCELLING PSC NO. 2006-00473

ORIGINAL SHEET NO. 7

CLASSIFICATION OF SERVICE

SCHEDULE LP LARGE POWER SERVICE

RATE PER UNIT

APPLICABLE:

Entire territory served.

AVAILABILITY OF SERVICE:

Available to customers located on or near Seller's three-phase lines having a required transformer capacity not to exceed 750 KVA, subject of the established rules and regulations of seller.

RATES:

Demand Charge	<del>\$ 5.23</del>	per KW of billing	6.00	M L L L
Secondary Meter Energy Charge	<del>0.5010</del>	per KWH	0.05500	
Primary Meter Energy Charge	<del>0.4939</del>	per KWH	0.05420	
Customer Charge Per Delivery Point	<del>51.29</del>	per Month	62.00	

DETERMINATION OF BILLING DEMAND:

The billing demand shall be the maximum kilowatt demand established by the customer for any period of fifteen (15) consecutive minutes during the month for which the bill is rendered, as indicated or recorded by demand meter and adjusted for power factor as follows:

POWER FACTOR ADJUSTMENT:

The customer agrees to maintain unity power factor as nearly as practicable. Should the demand meter indicate that the average power factor is less than ninety percent (90%), the demand for billing purposes shall be the demand as indicated or recorded by the demand meter multiplied by ninety percent (90%) and divided by the percentage power factor.

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FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO. 2006-00511

ORIGINAL SHEET NO. 8

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

CANCELLING PSC NO. 2006-00473

ORIGINAL SHEET NO. 8

CLASSIFICATION OF SERVICE

SCHEDULE LP LARGE POWER SERVICE

RATE PER UNIT

FUEL ADJUSTMENT CLAUSE:

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a 12-month moving average of such losses. This Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

MINIMUM MONTHLY CHARGE:

The minimum monthly charge shall be the highest one of the following charges as determined for the customer in question.

- (1) The minimum monthly charge specified in the contract for service.
- (2) A charge of seventy-five cents (\$.75) per KVA of installed transformer capacity.
- (3) A charge of Fifty One Dollars and twenty-nine cents (~~\$51.29~~). 62.00

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MINIMUM ANNUAL CHARGE FOR SEASONAL SERVICE:

Customers requiring service only during certain seasons not exceeding nine (9) months per year may guarantee a minimum annual payment of twelve (12) times the minimum monthly charge determined in accordance with the foregoing section in which case there shall be no minimum monthly charge.

TYPE OF SERVICE:

Three-phase, 60 hertz, at Seller's standard voltage.

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FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO. 2006-00511

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

ORIGINAL SHEET NO. 9

CANCELLING PSC NO. 2006-00473

ORIGINAL SHEET NO. 9

CLASSIFICATION OF SERVICE

SCHEDULE LP LARGE POWER SERVICE

RATE PER UNIT

CONDITIONS OF SERVICE:

1. Motors having a rated capacity in excess of ten horsepower (10 hp) must be three-phase.
2. Both power and lighting shall be billed at the foregoing rate. If a separate meter is required for the lighting circuit, it shall be a kilowatt-hour meter only (not a demand meter). The registration of the two kilowatt-hour meters shall be added to obtain the total kilowatt hours used and the registration of the one demand meter shall determine the kilowatt demand for billing purposes.
3. All wiring, pole lines, and other electrical equipment beyond the metering point, shall be considered the distribution system of the customer and shall be furnished and maintained by the customer.
4. If service is furnished at primary distribution voltage, the primary meter energy charge shall apply.

TERMS OF PAYMENT:

All of the above rates are net, the gross rates being seven percent (7%) higher, In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.

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FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO. ~~2006-00511~~ 2008-00401

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

ORIGINAL SHEET NO. 10

CANCELLING PSC NO. 2006-00473

ORIGINAL SHEET NO. 10

CLASSIFICATION OF SERVICE

SCHEDULE LPR LARGE POWER SERVICE

RATE PER UNIT

APPLICABLE:

In all territory served.

AVAILABILITY OF SERVICE:

Available to all commercial and industrial customers whose power requirements shall exceed 750 KVA of transformer capacity.

CONDITIONS:

An "Agreement for Purchase of Power" shall be executed by the customer for service under this schedule.

CHARACTER OF SERVICE:

The electric service furnished under this schedule will be 60 hertz, alternating current and at available nominal voltage.

RATE:

Maximum Demand Charge:	<del>\$5.23</del>	per KW of billing demand	6.00	I
Secondary Meter Energy Charge:	<del>.04776</del>	per KWH	0.05100	
Primary Meter Energy Charge:	<del>.04708</del>	per KWH	0.04958	
Customer Charge Per Delivery Point:	\$76.94	per month	83.04	1

DETERMINATION OF BILLING DEMAND:

The billing demand shall be the maximum kilowatt demand established by the customer for any period of fifteen (15) consecutive minutes during the month for which the bill is

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FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO. 2006-00511

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

ORIGINAL SHEET NO. 11

CANCELLING PSC NO. 2006-00473

ORIGINAL SHEET NO. 11

**CLASSIFICATION OF SERVICE**

**SCHEDULE LPR LARGE POWER SERVICE**

**RATE PER UNIT**

rendered, as indicated or recorded by a demand meter and adjusted for power factor as provided below.

**POWER FACTOR ADJUSTMENT:**

The customer agrees to maintain unity power factor as nearly as practicable. Should the demand meter indicate that the average power factor is less than ninety percent (90%), the demand for billing purposes shall be the demand as indicated or recorded by the demand meter multiplied by ninety percent (90%), the demand for billing purposes shall be the demand as indicated or recorded by the demand meter multiplied by ninety percent (90%) and divided by the percentage power factor.

**MINIMUM CHARGES:**

The minimum monthly charge shall be the highest one of the following charges:

- (a) The minimum monthly charge as specified in the contract for service.
- (b) A charge of seventy-five cents (\$.75) per KVA per month of contract capacity.

**FUEL COST ADJUSTMENT:**

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier plus an allowance for line losses.

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FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO. 2006-00511

ORIGINAL SHEET NO. 12

**BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION**

CANCELLING PSC NO. 2006-00473

ORIGINAL SHEET NO. 12

**CLASSIFICATION OF SERVICE**

**SCHEDULE LPR LARGE POWER SERVICE**

**RATE PER UNIT**

The allowance for line losses will not exceed 10% and is based on a 12-month moving average of such losses. This Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

**SPECIAL PROVISIONS:**

1. **Delivery Point** – If service is furnished at secondary voltage, the delivery point shall be the metering point unless otherwise specified in the contract for service. All wiring, pole lines, and other electric equipment on the load side of the delivery point shall be the point of attachment of Seller’s primary line to customer’s transformer structure unless otherwise specified in the contract for service. All wiring, pole lines, and other electrical equipment (except metering equipment on the load side of the delivery point) shall be owned and maintained by the customer.
2. **Lighting** – Both power and lighting shall be billed at the foregoing rate.
3. **Primary Service** – If service is furnished at 7620/13200 volts or above, the Primary Meter Energy Charge shall apply.

**TERMS OF PAYMENT:**

All of the above rates are net, the gross rates being seven percent (7%) higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.

**DATE OF ISSUE: JULY 25, 2007**  
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**TITLE: PRESIDENT/GENERAL MANAGER**

24 of 33

FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION

PSC NO. ~~2006-00511~~ 2003-00401

ORIGINAL SHEET NO. 13

CANCELLING PSC NO. 2006-00473

ORIGINAL SHEET NO. 13

CLASSIFICATION OF SERVICE

SCHEDULE YL-1

RATE PER UNIT

APPLICABLE:

Entire territory served.

AVAILABILITY OF SERVICE:

Available to all members of the Cooperative subject to its established rules and regulations.

TYPE OF SERVICE:

Single-Phase, 120 volts, mercury vapor type or equivalent lighting unit.

RATES:

Flat rate per light per month as follows:

175	Watt	@	<del>\$7.20</del>	per month	8.43	J   └─
400	Watt	@	<del>10.64</del>	per month	12.46	
500	Watt	@	<del>12.43</del>	per month	14.56	
1,500	Watt	@	<del>28.39</del>	per month	33.24	
400	Watt Flood	@	<del>14.58</del>	per month	17.09	

TERMS OF PAYMENT:

All of the above rates are net, the gross rates being seven percent (7%) higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.

FUEL ADJUSTMENT CLAUSE:

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not exceed 10%

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Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2006-00511, dated July 25, 2007.

25 of 33 C

**FORM FOR FILING RATE SCHEDULES**

**FOR ALL TERRITORIES SERVED**

**PSC NO. 2006-00511**

**BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION**

**ORIGINAL SHEET NO. 14**

**CANCELLING PSC NO. 2006-00473**

**ORIGINAL SHEET NO. 14**

**CLASSIFICATION OF SERVICE**

**SCHEDULE YL-1**

**RATE PER UNIT**

and is based on a 12-month moving average of such losses. This Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

**SPECIAL RULES:**

Those members having primary metering or receiving service at a voltage other than approximately 120 volts shall not be eligible for service under this rate schedule except for special agreement.

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FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO. 2006-00511

ORIGINAL SHEET NO. 15

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

CANCELLING PSC NO. 2006-00473

ORIGINAL SHEET NO. 15

CLASSIFICATION OF SERVICE

SCHEDULE IND 1

RATE PER UNIT

APPLICABLE:

Applicable to contracts with contract demands of 1000 KW or greater with a monthly energy usage equal to or greater than 425 hours per KW of Billing Demand. These contracts will be a "two party" contract between the Cooperative and the ultimate consumer.

AVAILABILITY:

Available to all members.

MONTHLY RATE:

Demand Charge:	\$ 5.53	per KW of Billing Demand
Secondary Meter Energy Charge	.04307	per KWH
Primary Meter Energy Charge:	.04248	per KWH
Customer Charge:	153.87	

BILLING DEMAND:

The Kilowatt Demand shall be the greater of (A) or (B) listed below:

- A. The Contract Demand.
- B. The ultimate consumer's highest demand during the current month or preceding eleven months coincident with the load center's peak demand. The load center's peak demand is the highest average rate at which energy is used during any fifteen minute interval in the below listed hours for each month and adjusted for power factor as provided herein:

Months:

October through April	7:00 AM to 12:00 Noon 5:00 PM to 10:00 PM
May through September	10:00 AM to 10:00 PM

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Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2006-00511, dated July 25, 2007.

27 of 33

FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO. 2006-00511

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

ORIGINAL SHEET NO. 16

CANCELLING PSC NO. 2006-00473

ORIGINAL SHEET NO. 16

**CLASSIFICATION OF SERVICE**

**SCHEDULE IND 1**

**RATE PER UNIT**

**MINIMUM MONTHLY CHARGE:**

The Minimum monthly charge shall not be less than the sum of (A), (B) & (C) below:

- A. The product of the billing demand multiplies by the demand charge, plus
- B. The product of the billing demand multiplies by 425 hours and the energy charge per KWH,  
plus
- C. Consumer Charge

**POWER FACTOR ADJUSTMENT:**

The consumer agrees to maintain unity power factor as nearly as practicable. Should the demand meter indicate that the average power factor is less than ninety percent (90%), the demand for billing purposes shall be the demand as indicated or recorded by the demand meter multiplied by ninety percent (90%) and dividing this product by the actual power factor at the time of the monthly maximum demand.

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**FORM FOR FILING RATE SCHEDULES**

**FOR ALL TERRITORIES SERVED**

**PSC NO. 2006-00511**

**ORIGINAL SHEET NO. 17**

**BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION**

**CANCELLING PSC NO. 2006-00473**

**ORIGINAL SHEET NO. 17**

**CLASSIFICATION OF SERVICE**

**SCHEDULE IND 1**

**RATE PER UNIT**

**FUEL ADJUSTMENT CLAUSE:**

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier, plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a 12-month moving average of such losses. This fuel clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

**SPECIAL PROVISIONS:**

1. **Delivery Point** – If service is furnished at secondary voltage, the delivery point shall be the metering point unless otherwise specified in the contract for service. All wiring, pole lines, and other electric equipment on the load side of the delivery point shall be owned and maintained by the customer. If service is furnished at Seller’s primary line voltage, the delivery point shall be the point of attachment of Seller’s primary line to customer’s transformer structure unless otherwise specified in the contract for service. All wiring, pole lines, and other electrical equipment (except metering equipment on the load side of the delivery point) shall be owned and maintained by the customer.
2. **Lighting** – Both power and lighting shall be billed at the foregoing rate.

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C

29 of 33

**FORM FOR FILING RATE SCHEDULES**

**FOR ALL TERRITORIES SERVED**

**BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION**

**PSC NO. 2006-00511**

**ORIGINAL SHEET NO. 18**

**CANCELLING PSC NO. 2006-00473**

**ORIGINAL SHEET NO. 18**

**CLASSIFICATION OF SERVICE**

**SCHEDULE IND 1**

**RATE PER UNIT**

- 3. **Primary Service – If service is furnished at 7620/13200 volts or above, the Primary Meter Energy Charge shall apply.**

**TERMS OF PAYMENT:**

**All of the above rates are net, the gross rates being seven percent (7%) higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.**

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**TITLE: PRESIDENT/GENERAL MANAGER**

**Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2006-00511, dated July 25, 2007.**

**FORM FOR FILING RATE SCHEDULES**

**FOR ALL TERRITORIES SERVED**

**PSC NO. 2006-00511**

**BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION**

**ORIGINAL SHEET NO. 19**

**CANCELLING PSC NO. 2006-00473**

**ORIGINAL SHEET NO. 19**

**CLASSIFICATION OF SERVICE**

**SCHEDULE IND 2**

**RATE PER UNIT**

**APPLICABLE:**

Applicable to contracts with contract demands of 5000 KW or greater with a monthly energy usage equal to or greater than 425 hours per KW of Billing Demand. These contracts will be a "two party" contract between the Cooperative and the ultimate consumer.

**AVAILABILITY:**

Available to all members.

**MONTHLY RATE:**

Demand Charge:	\$ 5.53	per KW of Billing Demand
Secondary Meter Energy Charge	.03794	per KWH
Primary Meter Energy Charge	.03748	per KWH
Customer Charge	1,096.58	

**BILLING DEMAND:**

The Kilowatt Demand shall be the greater of (A) or (B) listed below:

- A. The Contract Demand.
- B. The ultimate consumer's highest demand during the current month or preceding eleven months coincident with the load center's peak demand. The load center's peak demand is the highest average rate at which energy is used during any fifteen minute interval in the below listed hours for each month and adjusted for power factor as provided herein.

**DATE OF ISSUE: JULY 25, 2007**

**DATE EFFECTIVE: AUGUST 01, 2007**

**ISSUED BY: \_\_\_\_\_**

**TITLE: PRESIDENT/GENERAL MANAGER**

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2006-00511, dated July 25, 2007.

FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO. 2006-00511

ORIGINAL SHEET NO. 20

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

CANCELLING PSC NO. 2006-00473

ORIGINAL SHEET NO. 20

CLASSIFICATION OF SERVICE

SCHEDULE	IND 2	RATE PER UNIT
Months:		
	October through April	7:00 AM to 12:00 Noon 5:00 PM to 10:00 PM
	May through September	10:00 AM to 10:00 PM

MINIMUM MONTHLY CHARGE:

The minimum monthly charge shall not be less than the sum of (A), (B) & (C) below:

- A. The product of the billing demand multiplies by the demand charge, plus
- B. The product of the billing demand multiplies by 425 hours and the energy charge per KWH, plus
- C. Consumer charge.

POWER FACTOR ADJUSTMENT:

The consumer agrees to maintain unity power factor as nearly as practicable. Should the demand meter indicate that the average power factor is less than ninety percent (90%), the demand for billing purposes shall be the demand as indicated or recorded by the demand meter multiplied by ninety percent (90%) and dividing this product by the actual power fact or at the time of the monthly maximum demand.

FUEL ADJUSTMENT CLAUSE:

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the wholesale power supplier, plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a 12-month

DATE OF ISSUE: JULY 25, 2007  
ISSUED BY: \_\_\_\_\_

DATE EFFECTIVE: AUGUST 01, 2007  
TITLE: PRESIDENT/GENERAL MANAGER

C  
32 of 33

FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO. 2006-00511

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

ORIGINAL SHEET NO. 21

CANCELLING PSC NO. 2006-00473

ORIGINAL SHEET NO. 21

CLASSIFICATION OF SERVICE

SCHEDULE IND 2

RATE PER UNIT

moving average of such losses. This fuel clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

SPECIAL PROVISIONS:

1. Delivery Point – If service is furnished at secondary voltage, the delivery point shall be the metering point unless otherwise specified in the contract for service. All wiring, pole lines, and other electric equipment on the load side of the delivery point shall be owned and maintained by the customer. If service is furnished at Seller’s primary line voltage, the delivery point shall be the point of attachment of Seller’s primary line to customer’s transformer structure unless otherwise specified in the contract for service. All wiring, pole lines, and other electrical equipment (except metering equipment on the load side of the delivery point) shall be owned and maintained by the customer.
2. Lighting – Both power and lighting shall be billed at the foregoing rate.
3. Primary Service – If service is furnished at 7620/13200 volts or above, the Primary Meter Energy Charge shall apply.

TERMS OF PAYMENT:

All of the above rates are net, the gross rates being seven percent (7%) higher. In the event the current monthly bill is not paid within 15 days form the date of the bill, the gross rates shall apply

DATE OF ISSUE: JULY 25, 2007  
ISSUED BY: \_\_\_\_\_

DATE EFFECTIVE: AUGUST 01, 2007  
TITLE: PRESIDENT/GENERAL MANAGER

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2006-00511, dated July 25, 2007.

FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO. 2005-00125

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

ORIGINAL SHEET NO. 1

CANCELLING PSC NO. 95-383

ORIGINAL SHEET NO. 1

CLASSIFICATION OF SERVICE

SCHEDULE	CATV TELEVISION ATTACHMENT TARIFF	RATE PER UNIT
----------	-----------------------------------	---------------

APPLICABLE:

In all territory served by the company on poles owned and used by the Company for their electric plant.

AVAILABILITY:

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

RENTAL CHARGE:

The yearly rental charge shall be as follows:

	<u>Annual</u>		
Two-party pole attachment	<del>84.92</del>	6.64	I
Three-party pole attachment	<del>4.01</del>	4.87	I
Two-party anchor attachment	<del>2.13</del>		
Three-party anchor attachment	<del>1.41</del>		
Two-party pole-ground attachment	<del>0.27</del>		
Three-party pole-ground attachment	<del>0.17</del>		

BILLING:

Rental charges shall be billed yearly in advance based on the number of pole attachments. The rental charges are net, the gross being ten percent (10%) higher. In the event the current annual bill is not paid within thirty (30) days from the date of the bill, the gross rate shall apply.

DATE OF ISSUE: SEPT 07, 2005    DATE EFFECTIVE: OCTOBER 01, 2005  
ISSUED BY: \_\_\_\_\_    TITLE: PRESIDENT/GENERAL MANAGER

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2005-00125, dated 09/29/05.



Official Notice

Big Sandy Rural Electric Cooperative, with its principal office at Paintsville, Kentucky and with its address at 504 Eleventh Street, Paintsville, Kentucky 41240, intends to file with the Kentucky Public Service Commission in Case No. 2008-00401 an application to adjust its retail rates and charges. This adjustment will result in a general rate increase to the member-consumers of Big Sandy Rural Electric Cooperative.

The rates proposed in this application are the rates proposed by Big Sandy Rural Electric Cooperative. However, the Kentucky Public Service Commission may order rates to be charged that differ from these proposed rates. Such action may result in rates for consumers other than the rates in this application.

Any corporation, association, body politic or person may by motion within thirty (30) days after publication or mailing of notice of the proposed rate changes request leave to intervene. The motion shall be submitted to the Public Service Commission, 211 Sower Boulevard, P.O. Box 615, Frankfort, Kentucky 40602, and shall set forth the grounds for the request including the status and interest of the party. Any person who has been granted intervention by the Commission may obtain copies of the rate application and any other filings made by the utility by contacting David Estep, Big Sandy Rural Electric Cooperative, 504 Eleventh Street, Paintsville, Kentucky 41240.

Any person may examine the rate application and any other filings made by the utility at the office of Big Sandy Rural Electric Cooperative or at the Commission's Office.

Big Sandy Rural Electric Cooperative  
504 11th Street  
Paintsville, Kentucky 41240  
606-789-4095

Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort, Kentucky 40602  
502-564-3940

The amount and percent of increase are listed below:

<u>Rate Class</u>	<u>Increase</u>	
	<u>Dollar</u>	<u>Percent</u>
Schedule A-1, Farm & Home	\$1,628,879	11%
Schedule A-2, Commercial & Small Power	\$126,309	9%
Schedule LP, Large Power Service	\$79,892	3%
Schedule LPR, Large Power Service	-\$91	0%
Schedule YL-1, Outdoor Lighting Service	\$65,512	9%

The effect of the proposed rates on the average monthly bill by rate class are listed below:

<u>Rate Class</u>	<u>Increase</u>	
	<u>Dollar</u>	<u>Percent</u>
Schedule A-1, Farm & Home	\$11	11%
Schedule A-2, Commercial & Small Power	\$11	9%
Schedule LP, Large Power Service	\$46	3%
Schedule LPR, Large Power Service	-\$1	0%

The present and proposed rate structure of Big Sandy Rural Electric Cooperative are listed below:

<u>Rate Class</u>	<u>Rates</u>	
	<u>Present</u>	<u>Proposed</u>
Schedule A-1, Farm & Home		
Customer charge	\$7.75	\$15.00
Energy charge	\$0.07527	\$0.07848
Energy charge per ETS	\$0.04516	\$0.04709
Schedule A-2, Commercial and Small Power		
Customer charge	\$16.61	\$20.00
Demand charge	\$4.42	\$5.00
Energy charge	\$0.06804	\$0.07201
Schedule LP - Large Power Service		
Customer charge	\$55.35	\$62.00
Demand charge	\$5.64	\$6.00
Secondary meter energy charge	\$0.05407	\$0.05500
Primary meter energy charge	\$0.05330	\$0.05420
Schedule LPR - Large Power Service		
Customer charge	\$83.04	\$83.04
Demand charge	\$5.64	\$6.00
Secondary meter energy charge	\$0.05154	\$0.05100
Primary meter energy charge	\$0.05081	\$0.04958
Schedule YL-1, Outdoor Lighting Service		
175 Watt	\$7.77	\$8.43
400 Watt	\$11.48	\$12.46
500 Watt	\$13.42	\$14.56
1,500 Watt	\$30.64	\$33.24
400 Watt Flood	\$15.74	\$17.08
Cable Television Attachments, annual charge		
Two-party pole attachment	\$4.92	\$6.64
Three-party pole attachment	\$4.01	\$4.87
Two-party anchor attachment	\$2.13	-
Three-party anchor attachment	\$1.41	-
Two-party ground attachment	\$0.27	-
Three-party ground attachment	\$0.17	-





**Big Sandy Rural Electric  
Cooperative Corporation**

504 11th Street  
Paintsville, Kentucky 41240-1422  
(606) 789-4095 • Fax (606) 789-5454  
Toll Free (888) 789-RECC (7322)

**Branch Office:**

204 Glyn View Plaza  
Prestonsburg, Kentucky 41653  
(606) 886-2987

September 24, 2008

*Mailed  
9-26-08  
jm*

Stephanie L. Stumbo, Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort, Kentucky 40602

Dear Ms. Stumbo:

This is to advise, in accordance with the Commission's Administrative Regulation 807 KAR 5:001, Section 11(2), that on or about January 15, 2009, Big Sandy Rural Electric Cooperative Corporation intends to file an application for an increase in its retail rates based on a historical test year ending August 31, 2008.

If there are any questions concerning this matter, please contact me at your convenience.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Bobby D. Sexton".

Bobby D. Sexton, President & General Manager

Copy to:

Attorney General  
Utility Intervention and Rate Division  
1024 Capital Center Drive  
Frankfort, Kentucky 40601

Steven L. Beshear  
Governor

Leonard K. Peters  
Secretary  
Energy and Environment Cabinet



Commonwealth of Kentucky  
**Public Service Commission**  
211 Sower Blvd.  
P.O. Box 615  
Frankfort, Kentucky 40602-0615  
Telephone: (502) 564-3940  
Fax: (502) 564-3460  
psc.ky.gov

David L. Armstrong  
Chairman

James Gardner  
Vice-Chairman

John W. Clay  
Commissioner

September 29, 2008

Bobby D. Sexton  
President/General Manager  
Big Sandy R.E.C.C.  
504 11th Street  
Paintsville, KY 41240-1422

RE: Case No 2008-00401  
Big Sandy R.E.C.C.  
(General Rates)

Notice of Intent to File Application to Increase Retail Rates (Historical Test Year)

This letter is to acknowledge receipt of notice of intent to file an application in the above case. The notice was date-stamped received September 29, 2008 and has been assigned Case No 2008-00401. In all future correspondence or filings in connection with this case, please reference the above case number.

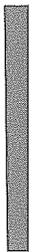
If you need further assistance, please contact my staff at (502) 564-3940.

Sincerely,

A handwritten signature in cursive script that reads "Stephanie Stumbo".

Stephanie Stumbo  
Executive Director

SS/rs



**BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION**

**Board Resolution**

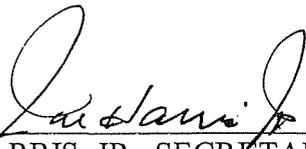
**AUTHORIZATION TO THE PRESIDENT & GENERAL MANAGER  
TO FILE FOR A RATE INCREASE WITH THE  
KENTUCKY PUBLIC SERVICE COMMISSION**

**WHEREAS**, to provide its members with a reliable source of power it is the opinion of the Board of Directors of Big Sandy Rural Electric Cooperative Corporation that a rate increase is necessary to maintain Big Sandy Rural Electric Cooperative in a sound financial condition, and

**WHEREAS**, the Board of Directors of Big Sandy Rural Electric Cooperative hereby authorizes and directs its President & General Manager, Bobby D. Sexton, to file with the Kentucky Public Service Commission for a rate increase.

**NOW, THEREFORE BE IT RESOLVED**, that this resolution was properly authorized by the Board of Directors during a monthly Board of Directors meeting held on September 24, 2008.

I, Joe W. Harris, Jr. Secretary/Treasurer of the Big Sandy Rural Electric Cooperative Corporation hereby certify that the foregoing is a full, true, and correct copy of the Resolution duly passed by the Board of Directors of Big Sandy Rural Electric Cooperative at a meeting duly called and held in compliance with the By-Laws of the Cooperative on the 24<sup>th</sup> day of September, 2008, at which meeting a quorum was present, and that the Resolution as set out above appears in the minutes of that meeting in the Minutes Book of the Cooperative dated this 24<sup>th</sup> day of September, 2008.

  
\_\_\_\_\_  
JOE W. HARRIS, JR., SECRETARY / TREASURER



Big Sandy Rural Electric  
Case No. 2008-00401  
Revenue Analysis  
August 31, 2008

Exhibit 6  
page 1 of 2  
Witness: Alan Zumstein

Rate Schedule	Kwh Useage	Test Year Revenue	Percent of Total	Normalized Case No. 2006-0511	Percent of Total	Normalized Case No. 2008-0410	Percent of Total	Proposed Revenue	Percent of Total	Increase	
										Amount	Percent
A-1, Farm and Home	180,351,531	\$13,619,913	69%	\$13,619,913	69%	\$14,699,990	69%	\$16,328,870	76%	\$1,628,879	11.1%
A-2, Commercial and Small Power	13,310,272	1,258,677	6%	1,258,678	6%	1,358,197	6%	1,484,506	7%	126,309	9.3%
LP, Large Power Service	31,079,924	2,216,821	11%	2,216,820	11%	2,391,953	11%	2,471,845	12%	79,892	3.3%
LPR, Large Power Service	30,573,620	1,997,333	10%	1,997,333	10%	2,155,123	10%	2,155,031	10%	(91)	0.0%
Schedule 6, Security Lights	7,504,455	713,922	4%	713,922	4%	770,426	4%	835,938	4%	65,512	8.5%
Envirowatts	58,800	1,661	0%	1,661	0%	1,661	0%	1,661	0%	0	0.0%
Rounding differences								518		518	
Total from base rates	<u>262,878,602</u>	19,808,328	100%	<u>\$19,808,328</u>	100%	<u>\$21,377,350</u>	100%	<u>\$23,278,370</u>	109%	<u>\$1,901,020</u>	8.9%
Fuel adjustment billed		1,461,065									
Environmental surcharge billed		<u>1,127,948</u>									
		\$22,397,340									
Increase				<u>\$0</u>		<u>\$1,569,022</u>		<u>\$1,901,020</u>			

Big Sandy Rural Electric  
Case No. 2008-00401  
Explanation of Changes

All revenues were normalized using rates that went into effect in connection with a flow through of East Kentucky Power Cooperative's increase in rates in EKPC's Case No. 2006-00509 and Big Sandy's flow through Case No. 2006-00511, effective August 1, 2007.

The proposed rate increase was allocated in the following manner:

**Schedule A-1 - Farm and Home**

The customer charge was increased based upon the Cost of Service Study. The remaining increase was through the energy charge.

**Schedule A-2 - Small Commercial**

The customer charge and demand charge were increased based upon the Cost of Service Study. The remaining increase was through the energy charge.

**Schedule LP - Large Power Rate**

The customer charge and demand charge were increased based upon the Cost of Service Study. The remaining increase was through the energy charge.

**Schedule LPR - Large Power Service**

The demand charge was increased and the energy charge decreased to make this schedule revenue neutral.

**Schedules 5, Street Lighting and 6, Security Lights**

All rates were increased by 8.5% based on the Cost of Service Study.

All Customer Charges were established in Big Sandy's last general rate increase, Case No. 95-383, dated October 7, 1995. These charges were ordered by the Kentucky Commission based on the Cost of Service Study filed with that general rate increase. A copy of that study is on file in that Case, noted by reference.

Big Sandy does not have monthly peak demands for rate schedules, only the amount of kw billed to each consumer.



E.H. H-1  
1 of 3

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

**IN THE MATTER OF ADJUSTMENT OF  
RATES OF BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION**

**CASE NO. 2008-00401**

PREPARED TESTIMONY OF BOBBY D. SEXTON

Q1. Would you please state your name and business address.

A1. Bobby D. Sexton, with a business address of 504 Eleventh Street, Paintsville, Kentucky 41240.

Q2. What is your occupation?

A2. President & General Manager for Big Sandy Rural Electric Cooperative ("Big Sandy Rural Electric").

Q3. How long have you been employed at Big Sandy Rural Electric?

A3. Approximately 5 years.

Q4. What is your professional background?

A4. I was employed for 26 years as a State Mine Inspector, served 6 years on the Board of Big Sandy Rural Electric and the past 5 years as the President & General Manager.

Q5. Are you familiar with the contents of the Notice Application of Big Sandy Rural Electric which has been filed with this Commission to Commence this Case?

A5. Yes,

Q6. Please state whether the statements of facts contained in this Notice are true.

A6. Yes. To the best of my knowledge and belief, the statements of facts contained in this Application are true.

Q7. Are you familiar with the exhibits which are filed with and form a part of the Notice Application of this Case?

A7. Yes. I worked with Alan Zumstein, CPA and Jim Adkins, Consultant, in the preparation of these exhibits, and I am familiar with them. In my opinion, the factual material contained in this Application are correct.

Q8. When was the last General Rate Application filed by Big Sandy Rural Electric?

A8. The last General Rate Application filed by Big Sandy Rural Electric was in 2004, in Case No. 2005-00125.

Q9. What is the purpose of this Notice of Application of Big Sandy Rural Electric to this Commission?

A9. To seek an increase in rates in an amount necessary to obtain a Times Interest Earned Ratio ("TIER") of 2.0.

Q10. What considerations were given to increase the rates and charges of Big Sandy Rural Electric .

A10. The purpose of this Application is to provide support the fact that Big Sandy Rural Electric needs the requested rate relief that is being sought in this rate application. Big Sandy Rural Electric has filed this application due to its need to meet certain financial ratios as required by its mortgage agreements with its lenders: the Rural Utilities Service ("RUS") and the National Rural Utilities Cooperative Finance Corporation ("CFC"). According to those mortgage agreements, Big Sandy Rural Electric is required to maintain a Net TIER of 1.25 and an Operating TIER of 1.1

In addition, this application is necessary for Big Sandy Rural Electric to pay capital credits and maintain adequate equity and cash reserves.

Q11. What is the Test Year used by Big Sandy Rural Electric for its financial data compiled to the Commission in the Application?

A11. The twelve months ended August 31, 2008 was selected as the Test Year. The management and Board of Directors of Big Sandy Rural Electric review the operations and TIER on a monthly basis. Noting the steady decline in margins and TIER, the Board of Directors

authorized an Application to be prepared to increase rates and charges sufficient to obtain a TIER of 2.0.

Q12. How was the proposed increase in revenues of \$1,901,020 allocated to rates?

A12. Big Sandy Rural Electric and Jim Adkins have prepared a Cost of Service Study and based its rate design on this study.

Q13. Why was a TIER of 2.0x requested?

A13. The financial condition of Big Sandy Rural Electric cooperative has deteriorated substantially since 2004. In order to continue to meet debt service obligations, operating costs and maintain the minimum joint mortgage agreement requirements, it was necessary to request a TIER of 2.0 in this Application.

Q14. In your opinion, are the adjusted rates requested in this Case by Big Sandy Rural Electric Cooperative necessary to maintain the financial integrity of the Cooperative?

A14. Yes. To enable Big Sandy Rural Electric to maintain its financial integrity, it is necessary that it be permitted to increase its rates as proposed in this Application.

Q15. Does this conclude your testimony in this case?

A15. Yes, it does.

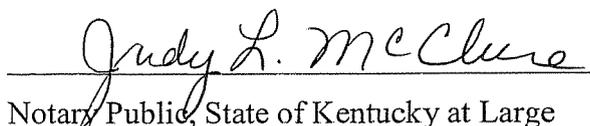
Affiant, Bobby D. Sexton, states that the answers given by him to the foregoing questions are true and correct to the best of her knowledge and belief.



Bobby D. Sexton, President & General Manager

Subscribed and sworn to before me by the affiant, Bobby D. Sexton, this 8<sup>th</sup> day of December, 2008.

My Commission expires 6-19-2010.



Notary Public, State of Kentucky at Large

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

**IN THE MATTER OF ADJUSTMENT OF  
RATES OF BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION**

**CASE NO. 2008-00401**

PREPARED TESTIMONY OF DAVID ESTEPP

Q1. Would you please state your name and business address.

A1. David Estep, with a business address of 504 Eleventh Street, Paintsville, Kentucky 41240.

Q2. What is your occupation and educational background?

A2. I am employed as Manager of Finance and Administration for Big Sandy Rural Electric Cooperative ("Big Sandy Rural Electric"). I have a B.A from Eastern Kentucky University with a major in Accounting.

Q3. How long have you been employed at Big Sandy Rural Electric?

A3. I have been employed by Big Sandy Rural Electric for approximately 15 years.

Q4. Are you familiar with accounting work and accounting procedures for rural electric cooperatives.

A4. Yes. I have had much prior experience in electric cooperative accounting and have done accounting work in the preparation of rate cases for Big Sandy Rural Electric for presentation to the Public Service Commission.

Q5. Did you prepare or assist in the preparation of the financial exhibits for Big Sandy Rural Electric filed with its Notice Application in this case?

A5. Yes, I worked with the assistance of Alan Zumstein, CPA and Jim Adkins, Consultant, in the preparation of these exhibits, and am familiar with them. In my opinion, the factual material contained in these exhibits is correct.

Q6. Please state whether the statements of facts contained in this Notice are true.

A6. Yes. To the best of my knowledge and belief, the statements of facts contained in this Application are true.

Q7. What is the purpose of this Notice of Application of Big Sandy Rural Electric to this Commission?

A7. To seek an increase in rates in an amount necessary to obtain a Times Interest Earned Ratio ("TIER") of 2.0.

Q8. What considerations were given to increase the rates and charges of Big Sandy Rural Electric .

A8. The mortgage agreements require that Big Sandy Rural Electric Cooperative maintain TIER of above 1.25 based on an average of two of the three most recent years

Q9. What is the Test Year used by Big Sandy Rural Electric for its financial data compiled to the Commission in the Application?

A9. The twelve months ended August 31, 2008 was selected as the Test Year. The management and Board of Directors of Big Sandy Rural Electric review the operations and TIER on a monthly basis. Noting the steady decline in margins and TIER, the Board of Directors authorized an Application to be prepared to increase rates and charges sufficient to obtain a TIER of 2.0.

Q10. How was the proposed increase in revenues of \$1,901,020 allocated to rates?

A10. Big Sandy Rural Electric and Jim Adkins have prepared a Cost of Service Study and based its rate design on this study.

Q11. Why was a TIER of 2.0x requested?

A11. The financial condition of Big Sandy Rural Electric cooperative has deteriorated substantially since 2004. In order to continue to meet debt service obligations, operating costs and maintain the minimum joint mortgage agreement requirements, it was necessary to request a TIER of 2.0 in this Application.

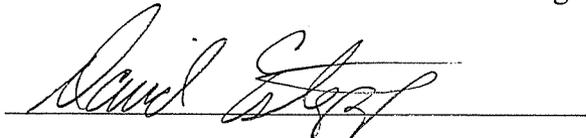
Q12. In your opinion, are the adjusted rates requested in this Case by Big Sandy Rural Electric Cooperative necessary to maintain the financial integrity of the Cooperative?

A12. Yes. To enable Big Sandy Rural Electric to maintain its financial integrity, it is necessary that it be permitted to increase its rates as proposed in this Application.

Q13. Does this conclude your testimony in this case?

A13. Yes, it does.

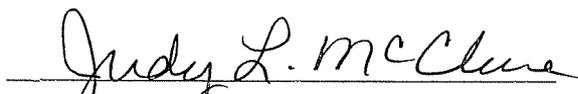
Affiant, David Estepp, states that the answers given by her to the foregoing questions are true and correct to the best of her knowledge and belief.



David Estepp, Manager of Finance and Administration

Subscribed and sworn to before me by the affiant, David Estepp, this 8<sup>th</sup> day of December, 2008.

My Commission expires 6-19-2010.



Notary Public, State of Kentucky at Large

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

**IN THE MATTER OF ADJUSTMENT OF  
RATES OF BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION**

**CASE NO. 2008-00401**

PREPARED TESTIMONY OF ALAN M. ZUMSTEIN

Q1. Would you please state your name, residence, and occupation.

A1. Alan M. Zumstein, my address is 1032 Chetford Drive, Lexington, Kentucky 40509. I am a self-employed Certified Public Accountant.

Q2. How long have you been practicing your profession?

A2. I have been self-employed for approximately twenty four years. Prior to that, I was employed by a local CPA firm for approximately six years.

Q3. Are you familiar with accounting work and accounting procedures for rural electric cooperatives.

A3. Yes. I have had much prior experience in electric cooperative accounting and have done accounting work in the preparation of rate cases for electric cooperative for presentation to the Public Service Commission.

Q4. Have you appeared before the Kentucky Public Service Commission and given testimony in electric cooperative cases?

A4. Yes, I have.

Q5. Did you prepare or assist in the preparation of the financial exhibits for Big Sandy Rural Electric filed with its Notice Application in this case?

A5. Yes.

Q6. What considerations were given to increase the rates and charges of Big Sandy Rural Electric.

A6. The mortgage agreements require that Big Sandy Rural Electric maintain a Times Interest Earned Ratio ("TIER") of above 1.25 based on an average of two of the three most recent years. The TIER for the Test Year of August 31, 2008 was 1.06. The TIER has consistently been below 1.40x since 2004. The TIER, giving effect to the normalized adjustments without an increase in revenues, as reflected in Exhibit S, page 2 of 4, would result in a TIER on only 0.24 for the Test Year.

Q7. Would you briefly describe the procedures used to arrive at the proposed increase in rates and charges.

A7. The margins and TIER of Big Sandy Rural Electric have been reviewed, and giving effect to the steady decline in TIER, it was determined that an application for increase in rates should be filed with the Kentucky Public Service Commission. The twelve months ended August 31, 2008 was selected as the Test Year. All revenues were normalized using rates that went into effect in connection with the roll-in of fuel into the base rates in Case No. 2006-00522, effective August 1, 2007 and the proposed rates in Case No. 2008-00410. Other expenses were normalized using rates and known changes, and adjusted as if they were in effect for the entire Test Year. The revenue proposed of \$1,901,020, or approximately 8.9% increase, would provide for a TIER of 2.0x.

Q8. How was the proposed increase in revenues of \$1,901,020 allocated to rates?

A8. Big Sandy Rural Electric and Jim Adkins have prepared a Cost of Service Study and based its rate design on this study.

Q9. Why was a TIER of 2.0x requested?

A9. The financial condition of Big Sandy Rural Electric cooperative has deteriorated substantially since 2004. In order to continue to meet debt service obligations, operating costs and maintain the minimum joint mortgage agreement requirements, it was necessary to request a TIER of 2.0x in this Application.

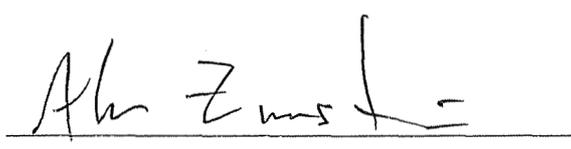
Q10. In your opinion, are the adjusted rates requested in this Case by Big Sandy Rural Electric necessary to maintain the financial integrity of the Cooperative?

A10. The financial exhibits as shown in the Application conclusively indicate the adjusted rates arising out of the Application are necessary to prevent problems of a deteriorating financial position.

Q11. Does this conclude your testimony in this case?

A11. Yes, it does.

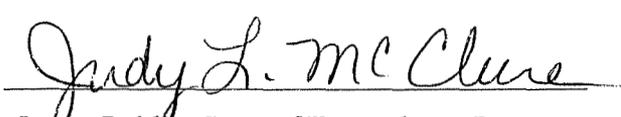
Affiant, Alan M. Zumstein, states that the answers given by him the foregoing questions are true and correct to the best of his knowledge and belief.



Alan M. Zumstein

Subscribed and sworn to before me by the affiant, Alan M. Zumstein, this 8<sup>th</sup> day of December, 2008.

My Commission expires 6-19-2010.



Notary Public, State of Kentucky at Large

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF THE ADJUSTMENT )  
OF RATES OF BIG SANDY RURAL ELECTRIC) CASE NO. 2008-00401  
COOPERATIVE CORPORATION )

PREPARED TESTIMONY OF JAMES R. ADKINS

Q1. State your name and business address.

A1. I am James R. Adkins and my business address is 1041 Chasewood Way, Lexington, KY 40513-1731.

Q2. What has been your role in this application?

A2. My role in this application has been to provide assistance and guidance in its development. Specifically, I am responsible for the Cost of Service Study contained in Exhibit R and the proposed rate design.

Q3. What is your professional experience in the area of electric utility rate-making?

A3. I have spent the last thirty-one plus years dealing with electric utility rates. I was employed by EKPC as its Pricing Manager for almost twenty-five years. I spent a little over one year with the Prime Group, LLC and I have been self-employed for the last five and one half years. Prior to my electric utility career, I was employed in the finance and accounting areas of the medical care field for close to eight years. I also served in the U.S. Army as an infantryman in the Republic of Vietnam in the late 1960s.

Q4. What is your educational background?

A4. I received a Bachelors Degree in Commerce with a major in banking and finance in 1971 and a Masters of Science in Accounting in 1976. Both of my degrees were granted by the University of Kentucky. Since then, I have attended several seminars, conferences and courses on rate-making as well as a presenter at many conferences and seminars of electric utility rate-making, cost of service, and rate design.

Q5. Have you ever appeared as a witness before this Commission?

A5. I have appeared as a witness before this Commission many times in rate applications, applications for certificates public convenience and necessity, fuel adjustment clause hearings, and administrative cases. I have testified on the behalf of East Kentucky Power Cooperative ("EKPC") and for all of EKPC's member cooperatives and for other distribution cooperatives.

Q6. What is the purpose of the cost of service study in this application?

A6. The purpose of the cost of service in this rate application has the following purposes: one) it has the purpose of determining the costs to serve each rate class as well as the total revenue requirements for each class; two) it has the purpose to assist in the amount of rate increases for each rate class; and three) it provides a breakdown of the cost to serve into segments that is useful for rate design.

Q7. Please explain the Cost of Service Study ("COSS") filed in this application?

A7. The COSS presented in this application follows the standard process of the functionalization of costs, the classification of costs and the allocation of costs to the various rate classes. This COSS has six (6) major sections in it. These sections are listed below:

- Test year revenue requirements;
- The functionalization of costs into the appropriate functions of purchased power, lines, transformers, services, meters, consumer services and accounting, and lighting;
- The classification of costs as either demand-related, energy-related or consumer-related;
- The allocation of the classified costs to the individual rate classes;
- The determination of the amount of rate increase for each rate class; and
- The development of the proposed rate design.

Each one of these sections will be discussed in its order within Exhibit R.

Q7. Please explain Schedule 1 in the COSS?

A7. Schedule 1 is display of the overall revenue requirements of Big Sandy RECC ("Big Sandy") presented by expense account number. It presents the test year actual expenses, the adjustments to the test year, and the adjusted test year. It is present in a manner that will be utilized in the COSS process. As a part of Schedule 1 is a schedule on payroll expenses that has been utilized in the allocation of the test year adjustments to appropriate expenses category. These payroll expenses are also utilized in the functionalization of the test year

expenses. The adjusted test year amount provides the total revenue requirements for Big Sandy.

Q8. Please explain Schedule 2 of the COSS?

A8. Schedule 2 is a functionalization of the expenses from Schedule 1 into their appropriate function. Schedule 2 also provides a section with footnotes which identifies and explains the basis for how some of the test year expenses are allocated to the proper function. A section of this schedule also contains the allocation of the Net Investment Rate Base to its proper functions and it is utilized to allocate some of the test year expenses to the functional area. These functional areas are classified in Schedule 3.

Q9. Would explain Schedule 3?

A9. Schedule 3 is the classification of expenses as being demand-related, energy-related or customer related. Distribution line expenses and distribution transformer expenses contain both demand-related expenses and consumer-related expenses. Distribution expenses for services, meters, and consumer services and accounting are all considered to be customer-related. Purchased power contains a demand-related component, which are the demand charges, and an energy-related component, which are the energy charges. The metering point and the substation charges are considered to be demand-related.

Q10. What is the basis for the division of the distribution line expenses and the transformer expenses into a demand-related component and a customer-related component?

Q11. The basis for the determination of the demand-related and energy related expenses is the use a method known as

the 'Y-intercept". This method is applied to data from Big Sandy's Continuous Property Records ("CPRs") for Accounts 364-Poles, 365-Overhead Conductor, and 368-Transformers. The approach of this technique is to determine the no load or no demand component for each account. The zero load amount is then utilized as a basis to determine the customer-related investment and its percent of the total investment for the accounts listed above. The residual amount and percentage is considered to be demand-related. For account 364 for poles, the unit cost of poles and the size of poles are plotted on a graph with a curve fitted this data. Similar information, unit costs and amp ratings, is used for account 365-Conductor for plotting and curve fitting. For account 368-Transformers, unit costs and KVA ratings are utilized. The percentages for the demand-related component and the customer-related component are then applied to the test year expenses to determine the amount of expenses that are demand-related and customer-related.

Q11. Explain the results of this demand and customer division from Schedule 3 for poles, conductor and transformers?

All. The results from Schedule 3 are as follows. Sections of Schedule 3 contains the information used in this determination along with a graph of these results. For poles and conductor, an exponential curve was a curve that resulted in a positive number for both accounts. The zero load investment for poles is \$81.35 per unit and this amount is then multiplied by the number of poles to determine the customer-related investment. That amount divided by the total investment in account 364 determines

the percentage of the investment that is customer-related. The residual amount is demand related. For overhead conductor, the zero load amount per unit is \$0.1318 per unit. Regression lines applied to both poles and conductor provided negative values at the Y-intercept. The exponential curve provided a positive number. However a regression line did provide a positive y-intercept for account 368-Transformers. This amount was \$85.73 per unit for transformers. Listed below are the percentage investments for poles, overhead conductor and transformers.

	Demand Related	Consumer Related	Total
Poles	20.22%	79.78%	100.00%
OH Conductor	88.27%	11.73%	100.00%
Transformers	84.25%	15.75%	100.00%

Three sections of Schedule 3 and three graphs of this data are provided as a part of this schedule.

Q12. Explain Schedule 4?

A12. Schedule 4 is the allocation of the classified expenses to Big Sandy's electric rate classes. The demand related expenses are allocated on two different bases. The demanded-related purchased power costs are allocated to the proper rate classes proportional to the sum of each rate class's contribution to EKPC's monthly billing peak. The demand-related costs for lines and transformers are allocated proportionally on the basis of each rate class's monthly peak demand for the test year. The purchased power

energy-related costs allocated to the rate classes proportional on retail energy sales.

The customer-related costs for each customer-related segment are allocated differently. For lines, the allocation is based on number of customers. For transformers, the allocation is based on the number of consumers and the investment in the minimum size transformer for each rate class. For services, it is based on the number of customers and the minimum investment applied to the average length of the service for each rate class. For meters, the number of customers and the minimum size meter is used to allocate these expenses. For consumer services and accounting, it is weighing factors based on billing units per rate class for consumer records and the number of factors for meter reading. The number of customers is also a factor in this to determine the proper allocation. Sections of this schedule contain the basis for the allocation of the classified expenses to each rate class.

Q13. What is included in Schedule 5?

A13. Schedule 5 provides the amount of increase that is being proposed for each rate class. The revenue requirements for each rate class minus the sum of the revenue from current rates and the other revenue provides the amount of over or under recovery by rate class. The other revenue has been allocated to each rate class proportionally on the basis of revenue from rates. The results of this schedule are that Schedules A-1, A-2, LP and YL-1 should have an increase in its rates. Schedule LPR is providing revenue in excess of its costs to serve.

It was determined to increase the rates for Schedules A-2, LP and YL-1 to full revenue requirements and the remainder of the increase is to be placed on Schedule A-1. Schedule A-1 does not move to the full cost to serve but it comes very close.

Q14. What is the purpose of Schedule 6?

A14. Schedule 6 provides the proposed rate design. For Schedule A-1, the customer charge has been set at \$15.00 while the full cost for the customer-related costs would be well in excess of \$20.00. The energy charge receives remaining costs. For Schedule A-2, the customer charge is set at \$20.00 with a much higher rate if all customer-related costs were included. The demand charge is increased to \$5.00 and the energy rate absorbing the other costs. For LP, the request customer charge and demand charge are \$62.00 and \$6.00 respectively. For rate LPR, the customer charge remains the same with the demand charge increasing to \$6.00. For both LP and PRP, the energy charges absorb the remaining costs.

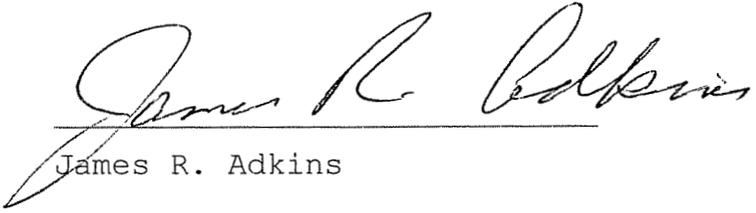
Q15. Please summarize the results of the COSS?

A15. The results of the COSS are that Schedule A-1 should receive the largest percentage increase while Schedule LPR will not receive any increase. For rate design, a significant increase in the customer charge is being sought for Schedule A-2 but it is still less than the cost to serve this component. Raising the customer charge will help to alleviate revenue and margin problems for the cooperative as consumers increase their conservation efforts.

Q16. Does this conclude your testimony?

A16. This concludes my testimony.

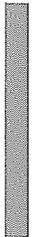
Affiant, James R. Adkins, states that the answers given by him in the foregoing questions are true and correct to the best of his knowledge and belief.

  
James R. Adkins

Subscribed and sworn to before me by the affiant, James R. Adkins, this 8<sup>th</sup> day of December, 2008

My Commission expires 6-19-2010 .

  
Notary Public, State of Kentucky at Large



Big Sandy Rural Electric  
Case No. 2008-00401  
Average Bill for Residential Rate Class  
Schedule I - Farm and Home

	<u>Present</u>	<u>Proposed</u>		
Customer charge	\$7.75	\$15.00		
Energy charge	\$0.07527	\$0.07848		
<u>kwh Useage</u>	<u>Existing Rate</u>	<u>Proposed Rate</u>	<u>Increase Amount</u>	<u>Percent</u>
0	\$7.75	\$15.00	\$7.25	48.3%
25	9.63	16.96	7.33	43.2%
50	11.51	18.92	7.41	39.2%
100	15.28	22.85	7.57	33.1%
150	19.04	26.77	7.73	28.9%
200	22.80	30.70	7.89	25.7%
250	26.57	34.62	8.05	23.3%
300	30.33	38.54	8.21	21.3%
350	34.09	42.47	8.37	19.7%
400	37.86	46.39	8.53	18.4%
450	41.62	50.32	8.69	17.3%
500	45.39	54.24	8.85	16.3%
600	52.91	62.09	9.18	14.8%
700	60.44	69.94	9.50	13.6%
800	67.97	77.78	9.82	12.6%
900	75.49	85.63	10.14	11.8%
1,000	83.02	93.48	10.46	11.2%
1,100	90.55	101.33	10.78	10.6%
1,200	98.07	109.18	11.10	10.2%
1,300	105.60	117.02	11.42	9.8%
1,400	113.13	124.87	11.74	9.4%
1,500	120.66	132.72	12.07	9.1%
1,600	128.18	140.57	12.39	8.8%
1,700	135.71	148.42	12.71	8.6%
1,800	143.24	156.26	13.03	8.3%
1,900	150.76	164.11	13.35	8.1%
2,000	158.29	171.96	13.67	7.9%
The average monthly useage	<b>1,245</b>	<b>101.50</b>	<b>112.75</b>	<b>11.25</b>
				<b>10.0%</b>



Big Sandy Rural Electric  
Case No. 2008-00401  
Revenue Analysis  
August 31, 2008

Exhibit 5  
page 1 of 7  
Witness: Alan Zumstein

Rate Schedule	Kwh Useage	Test Year Revenue	Percent of Total	Normalized Case No. 2006-0511	Percent of Total	Normalized Case No. 2008-0410	Percent of Total	Proposed Revenue	Percent of Total	Increase Amount	Increase Percent
A-1, Farm and Home	180,351,531	\$13,619,913	69%	\$13,619,913	69%	\$14,699,990	69%	\$16,328,870	76%	\$1,628,879	11.1%
A-2, Commercial and Small Power	13,310,272	1,258,677	6%	1,258,678	6%	1,358,197	6%	1,484,506	7%	126,309	9.3%
LP, Large Power Service	31,079,924	2,216,821	11%	2,216,820	11%	2,391,953	11%	2,471,845	12%	79,892	3.3%
LPR, Large Power Service	30,573,620	1,997,333	10%	1,997,333	10%	2,155,123	10%	2,155,031	10%	(91)	0.0%
Schedule 6, Security Lights	7,504,455	713,922	4%	713,922	4%	770,426	4%	835,938	4%	65,512	8.5%
Envirowatts	58,800	1,661	0%	1,661	0%	1,661	0%	1,661	0%	0	0.0%
Rounding differences								518		518	
Total from base rates	<u>262,878,602</u>	19,808,328	100%	<u>\$19,808,328</u>	100%	<u>\$21,377,350</u>	100%	<u>\$23,278,370</u>	109%	<u>\$1,901,020</u>	8.9%
Fuel adjustment billed		1,461,065									
Environmental surcharge billed		<u>1,127,948</u>									
Increase		\$22,397,340		<u>\$0</u>		<u>\$1,569,022</u>		<u>\$1,901,020</u>			

Schedule A1 - Farm and Home

Description	Billing Determinants	Test Year Revenues	Normalized Case No. 2006-00511		Normalized Case No. 2008-00410		Proposed	
			Rates	Revenues	Rates	Revenues	Rates	Revenues
Customer Charge	144,805	\$1,039,700	\$7.18	\$1,039,700	\$7.75	\$1,122,239	\$15.00	\$2,172,075
Energy charge per kWh	180,351,531	12,577,719	\$0.06974	12,577,716	\$0.07527	13,575,060	\$0.07848	14,153,988
Off peak energy charge	59,599	2,494	\$0.04184	2,494	\$0.04516	2,692	\$0.04709	2,806
				4				
Total from base rates		13,619,913		<u>\$13,619,913</u>		<u>\$14,699,990</u>		<u>\$16,328,870</u>
Fuel adjustment		1,008,962						
Environmental surcharge		808,549						
Total revenues		<u>\$15,437,424</u>						
Amount				\$0		\$1,080,077		\$1,628,879
Percent				0.0%		7.9%		11.1%
Average monthly bill		\$94.06		\$94.06		\$101.52		\$112.76
Amount				\$0.00		\$7.46		\$11.25
Percent				0.0%		7.9%		11.1%

Schedule A-2, Commercial and Small Power

Description	Billing Determinants	Test Year Revenues	Normalized Case No. 2006-00511		Normalized Case No. 2008-00410		Proposed	
			Rates	Revenues	Rates	Revenues	Rates	Revenues
			Customer Charge	11,633	\$179,032	\$15.39	\$179,032	\$16.61
Demand charge	58,675	\$240,566	\$4.10	240,566	\$4.42	259,342	\$5.00	293,374
Energy charge	13,310,272	839,079	\$0.06304	839,080	\$0.06804	905,631	\$0.07201	958,473
Total from base rates		1,258,677		<u>\$1,258,678</u>		<u>\$1,358,197</u>		<u>\$1,484,506</u>
Fuel adjustment		81,376						
Environmental surcharge		73,953						
Total revenues		<u>\$1,414,007</u>						
Amount				\$0		\$99,520		\$126,309
Percent				0.0%		7.9%		9.3%
Average monthly bill		\$108.20		\$108.20		\$116.75		\$127.61
Amount				\$0.00		\$8.55		\$10.86
Percent				0.0%		7.9%		9.3%

Schedule LP, Large Power Rate

Description	Billing Determinants	Test Year Revenues	Normalized Case No. 2006-00511		Normalized Case No. 2008-00410		Proposed	
			Rates	Revenues	Rates	Revenues	Rates	Revenues
Customer Charge	1,731	\$88,783	\$51.29	\$88,783	\$55.35	\$95,811	\$62.00	\$107,322
Demand Charge	110,441	577,604	\$5.23	577,604	\$5.64	622,885	\$6.00	662,644
Secondary meter charge per kwh	21,683,888	1,086,363	\$0.05010	1,086,363	\$0.05407	1,172,448	\$0.05500	1,192,614
Primary meter charge per kwh	9,396,036	464,071	\$0.04939	464,070	\$0.05330	500,809	\$0.05420	509,265
	<u>31,079,924</u>							
Total from base rates		2,216,821		<u>\$2,216,820</u>		<u>\$2,391,953</u>		<u>\$2,471,845</u>
Fuel adjustment		186,226						
Environmental surcharge		<u>130,003</u>						
Total revenues		<u>\$2,533,050</u>						
Amount				(\$0)		\$175,132		\$79,892
Percent				0.0%		7.9%		3.3%
Average monthly bill		\$1,280.66		\$1,280.66		\$1,381.83		\$1,427.99
Amount				(\$0.00)		\$101.17		\$46.15
Percent				0.0%		7.9%		3.3%

Schedule LPR - Large Power Service

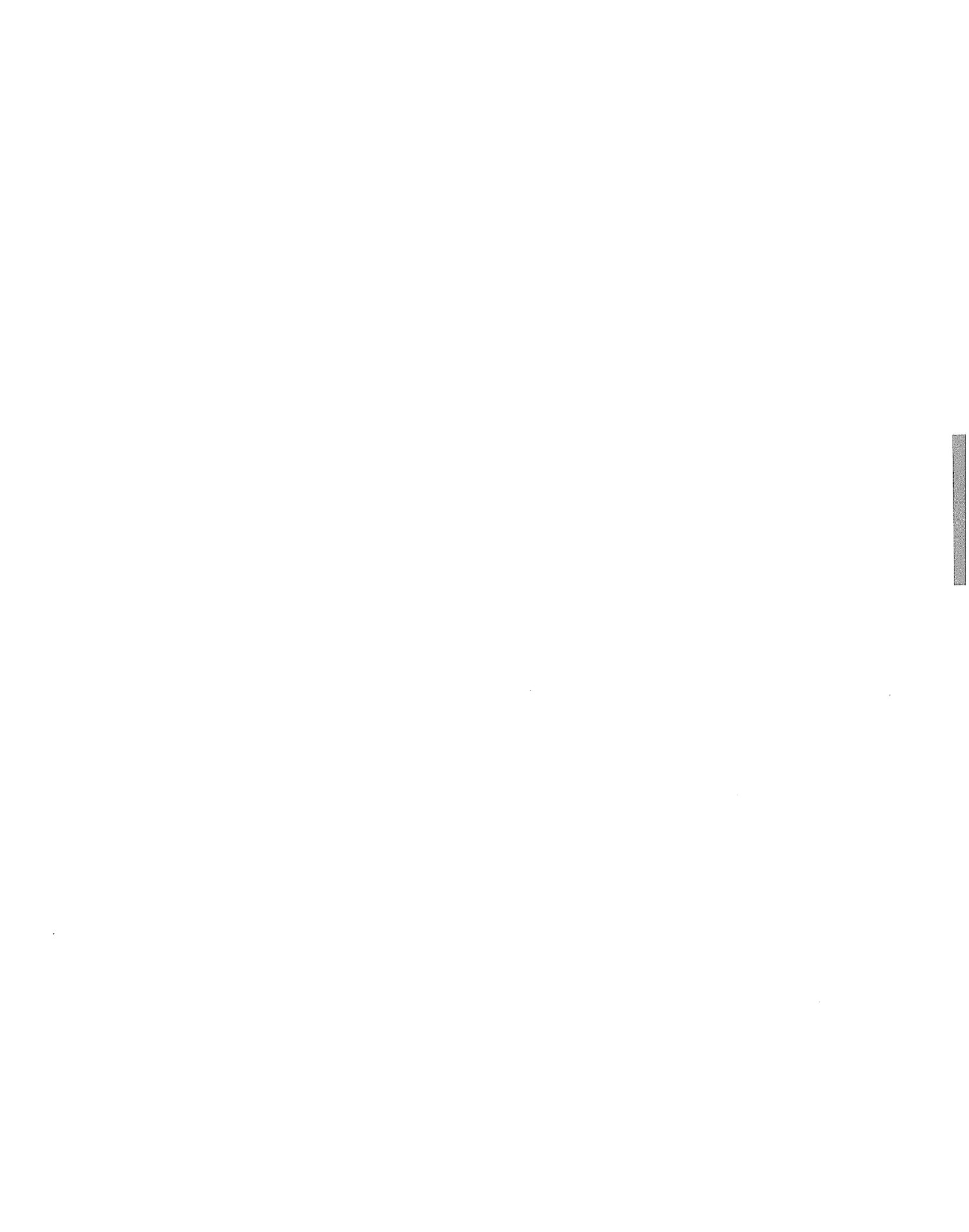
Description	Billing Determinants	Test Year Revenues	Normalized Case No. 2006-00511		Normalized Case No. 2008-00410		Proposed	
			Rates	Revenues	Rates	Revenues	Rates	Revenues
Customer Charge	168	\$12,926	\$76.94	\$12,926	\$83.04	\$13,951	\$83.04	\$13,951
Demand Charge	104,206.780	545,001	\$5.23	545,001	\$5.64	587,726	\$6.00	625,241
Secondary meter charge per kwh	0	0	\$0.04776	0	\$0.05154	0	\$0.05100	0
Primary meter charge per kwh	30,573,620	1,439,406	\$0.04708	1,439,406	\$0.05081	1,553,446	\$0.04958	1,515,840
	<u>30,573,620</u>			<u>0</u>		<u>0</u>		<u>0</u>
Total from base rates		1,997,333		<u>\$1,997,333</u>		<u>\$2,155,123</u>		<u>\$2,155,031</u>
Fuel adjustment		183,339						
Environmental surcharge		<u>114,555</u>						
Total revenues		<u>\$2,295,227</u>						
Amount				(\$0)		\$157,789		(\$91)
Percent				0.0%		7.9%		0.0%
Average monthly bill		\$11,888.89		\$11,888.89		\$12,828.11		\$12,827.57
Amount				(\$0.00)		\$939.22		(\$0.54)
Percent				0.0%		7.9%		0.0%

Schedule YL-1, Security Lights

Description	Billing Determinants	Test Year Revenues	Normalized Case No. 2006-00511		Normalized Case No. 2008-00410		Proposed	
			Rates	Revenues	Rates	Revenues	Rates	Revenues
175 Watt	74,455	536,076	\$7.20	536,076	\$7.77	578,515	\$8.43	627,656
400 Watt	12,965	137,948	\$10.64	137,948	\$11.48	148,838	\$12.46	161,544
500 Watt	144	1,790	\$12.43	1,790	\$13.42	1,932	\$14.56	2,097
1,500 Watt	24	681	\$28.39	681	\$30.64	735	\$33.24	798
400 Watt Flood	2,567	37,427	\$14.58	37,427	\$15.74	40,405	\$17.08	43,844
kWh	<u>7,504,455</u>							
Billing adjustments				<u>0</u>		<u>0</u>		<u>0</u>
Total from base rates		713,922		<u>\$713,922</u>		<u>\$770,426</u>		<u>\$835,938</u>
Fuel adjustment		1,162						
Environmental surcharge		<u>887</u>						
Total revenues		<u>\$715,971</u>						
Amount				\$0		\$56,504		\$65,512
Percent				0.00%		7.91%		8.50%

Envirowatts

Description	Billing Determinants	Test Year Revenues	Normalized Case No. 2006-00511		Normalized Case No. 2008-00410		Proposed	
			Rates	Revenues	Rates	Revenues	Rates	Revenues
Envirowatts		1,661	\$0.02825	1,661	\$0.02825	1,661	\$0.02825	1,661
kWh	<u>58,800</u>							
Billing adjustments				<u>0</u>		<u>0</u>		<u>0</u>
Total from base rates		1,661		<u>\$1,661</u>		<u>\$1,661</u>		<u>\$1,661</u>
Fuel adjustment								
Environmental surcharge								
Total revenues				<u>\$1,661</u>				
Amount				\$0		\$0		\$0
Percent				0.0%		0.0%		0.0%



**Big Sandy Rural Electric Cooperative****Case No. 2008-00401****Computation of Rate of Return****August 31, 2008**

	<u>Actual Test Year</u>	<u>Adjusted Test Year</u>
Net margins	\$62,339	\$1,082,329
Non-cash patronage dividends	-	0
Interest on long-term debt	<u>1,009,209</u>	<u>1,082,329</u>
Total	<u>1,071,548</u>	<u>2,164,658</u>
<b>Net rate base</b>	<u>30,399,812</u>	<u>30,477,768</u>
Rate of return	<u>3.52%</u>	<u>7.10%</u>
<b>Equity Capitalization</b>	<u>31,114,374</u>	<u>32,134,364</u>
Rate of return	<u>3.44%</u>	<u>6.74%</u>

**Big Sandy Rural Electric Cooperative**  
**Case No. 2008-00401**  
**Determination of Rate Base**  
**August 31, 2008**

	<u>Actual</u> <u>Test Year</u>	<u>Adjusted</u> <u>Test Year</u>
Gross rate base:		
Total electric plant	\$39,295,347	\$39,295,347
Material and supplies (13 months average for test year)	321,501	321,501
Prepayments (13 months average for test year)	58,493	58,493
Working capital: 12.5% of operating expense less cost of power	<u>466,184</u>	<u>544,140</u>
	40,141,524	40,219,480
Deductions from rate base:		
Accumulated depreciation	9,707,067	9,707,067
Consumer advances	<u>34,645</u>	<u>34,645</u>
Net rate base	<u>\$30,399,812</u>	<u>\$30,477,768</u>

	<u>Material</u>	<u>Prepayments</u>
August 2007	321,247	29,725
September	335,889	24,041
October	286,185	31,110
November	301,450	7,091
December	311,606	11,226
January 2008	322,977	128,129
February	317,782	107,730
March	337,221	87,577
April	327,730	96,734
May	325,324	77,815
June	333,451	58,895
July	334,906	65,621
August	323,742	34,711
Average	321,501	58,493

1 **Big Sandy Rural Electric Cooperative**

Exhibit K

2 **Case No. 2008-00401**

page 3 of 7

3 **Computation of Rate of Return**

Witness: Alan Zumstein

4 **August 31, 2008**

	Calendar Year					
Test Year	1st	2nd	3rd	4th	5th	
2008	2007	2006	2005	2004	2003	
Net margins	\$62,339	\$262,163	\$393,314	(\$376,364)	(\$347,303)	\$1,083,505
Interest on long-term debt	1,009,209	987,686	1,024,565	756,180	528,275	516,903
<b>Total</b>	<b>1,071,548</b>	<b>1,249,849</b>	<b>1,417,879</b>	<b>379,816</b>	<b>180,972</b>	<b>1,600,408</b>
Net rate base	30,399,812	29,952,352	28,180,963	26,271,597	24,440,181	23,347,798
<b>Rate of return</b>	<u>3.52%</u>	<u>4.17%</u>	<u>5.03%</u>	<u>1.45%</u>	<u>0.74%</u>	<u>6.85%</u>

	Calendar Year					
Test Year	1st	2nd	3rd	4th	5th	
2008	2007	2006	2005	2004	2003	
Return excluding G & T patronage dividends:						
Net margins	\$62,339	\$262,163	\$393,314	(\$376,364)	(\$347,303)	\$1,083,505
G & T patronage dividends	-	-	-	-	-	785,219
Interest on long-term debt	1,009,209	987,686	1,024,565	756,180	528,275	516,903
<b>Total</b>	<b>1,071,548</b>	<b>1,249,849</b>	<b>1,417,879</b>	<b>379,816</b>	<b>180,972</b>	<b>815,189</b>
Net rate base	30,399,812	29,952,352	28,180,963	26,271,597	24,440,181	23,347,798
<b>Rate of return, excluding G &amp; T</b>	<u>3.52%</u>	<u>4.17%</u>	<u>5.03%</u>	<u>1.45%</u>	<u>0.74%</u>	<u>3.49%</u>

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**Big Sandy Rural Electric Cooperative**  
**Case No. 2008-00401**  
**Determination of Rate Base**  
**August 31, 2008**

Exhibit K  
page 4 of 7  
Witness: Alan Zumstein

Test Year	Calendar Year					
	1st	2nd	3rd	4th	5th	
2008	2007	2006	2005	2004	2003	
<b>Gross rate base:</b>						
Total electric plant	\$39,295,347	\$38,553,391	\$36,563,256	\$34,420,750	\$32,452,833	\$31,047,889
Material and supplies (13 mo. ave test year)	321,501	311,606	276,293	298,902	200,594	212,567
Prepayments (13 mo. ave test year)	58,493	11,226	24,179	11,968	12,967	10,061
Working capital:						
12.5% of operating expense						
less cost of power	466,184	469,327	444,425	454,626	449,118	403,582
	<u>40,141,524</u>	<u>39,345,550</u>	<u>37,308,153</u>	<u>35,186,246</u>	<u>33,115,512</u>	<u>31,674,099</u>
<b>Deductions from rate base:</b>						
Accumulated depreciation	9,707,067	9,366,168	9,077,303	8,900,917	8,656,553	8,316,874
Consumer advances	34,645	27,030	49,887	13,732	18,778	9,427
	<u>9,741,712</u>	<u>9,393,198</u>	<u>9,127,190</u>	<u>8,914,649</u>	<u>8,675,331</u>	<u>8,326,301</u>
<b>Net rate base</b>	<u>\$30,399,812</u>	<u>\$29,952,352</u>	<u>\$28,180,963</u>	<u>\$26,271,597</u>	<u>\$24,440,181</u>	<u>\$23,347,798</u>

**Big Sandy Rural Electric Cooperative****Case No. 2008-00401****TIER and DSC Calculations****August 31, 2008**

	<u>Actual</u> <u>Test Year</u>	<u>Adjusted</u> <u>Test Year</u>
<b>TIER:</b>		
Margins, excluding G&T capital credits and extraordinary items	\$62,339	\$1,082,329
Interest on long term debt	1,009,209	1,082,329
<b>TIER</b>	<b>1.06</b>	<b>2.00</b>
<b>DSC:</b>		
Margins, excluding G&T capital credits	\$62,339	\$1,082,329
Depreciation expense	1,266,476	1,766,118
Interest on long term debt	1,009,209	1,082,329
Principal payment on long term debt	3,712,293	3,712,293
<b>DSC</b>	<b>0.50</b>	<b>0.82</b>

DSC = (Margins + depreciation + interest  
/ interest + principal payments)

Big Sandy Rural Electric Cooperative  
Case No. 2008-00401  
**TIER and DSC Calculations**  
August 31, 2008

Exhibit K  
page 6 of 7  
Witness: Alan Zumstein

Test Year 2008	Calendar Year				
	1st 2007	2nd 2006	3rd 2005	4th 2004	5th 2003

**TIER calculations:**

Margins, excluding G&T capital credits	\$62,339	\$262,163	\$393,314	(\$376,364)	(\$347,303)	\$298,286
Interest on long term debt	1,009,209	987,686	1,024,565	756,180	528,275	516,903
<b>Modified TIER</b>	1.06	1.27	1.38	0.50	0.34	1.58
Margins, including G&T capital credits	\$62,339	\$262,163	\$393,314	(\$376,364)	(\$347,303)	\$1,083,505
Interest on long term debt	1,009,209	987,686	1,024,565	756,180	528,275	516,903
<b>TIER</b>	1.06	1.27	1.38	0.50	0.34	3.10

**DSC calculations:**

$$\text{DSC} = \frac{\text{((Margins + depreciation + interest))}}{\text{(interest + principal payments)}}$$

Margins, excluding G&T capital credits	\$62,339	\$262,163	\$393,314	(\$376,364)	(\$347,303)	\$298,286
Depreciation expense	1,266,476	1,231,836	1,163,292	1,103,093	1,037,868	999,399
Interest on long term debt	1,009,209	987,686	1,024,565	756,180	528,275	516,903
Principal payment on long term debt	3,712,293	755,180	711,339	716,400	789,497	523,560
<b>Modified DSC</b>	<u>0.50</u>	<u>1.42</u>	<u>1.49</u>	<u>1.01</u>	<u>0.92</u>	<u>1.74</u>
Margins, including G&T capital credits	\$62,339	\$262,163	\$393,314	(\$376,364)	(\$347,303)	\$1,083,505
Depreciation expense	1,266,476	1,231,836	1,163,292	1,103,093	1,037,868	999,399
Interest on long term debt	1,009,209	987,686	1,024,565	756,180	528,275	516,903
Principal payment on long term debt	3,712,293	755,180	711,339	716,400	789,497	523,560
<b>DSC</b>	<u>0.50</u>	<u>1.42</u>	<u>1.49</u>	<u>1.01</u>	<u>0.92</u>	<u>2.50</u>

Big Sandy Rural Electric Cooperative  
Case No. 2008-00401  
Equity Capitalization  
August 31, 2008

Exhibit K  
page 7 of 7  
Witness: Alan Zumstein

Proposed	Test Year 2008	Calendar Year					
		2007	2006	2005	2004	2003	
<b>Equity Capitalization: without G&amp;T patronage capital</b>							
Total margins and equities	13,888,106	12,868,116	13,942,793	13,859,671	13,498,537	13,901,777	14,125,432
Less G&T Patronage capital	4,392,296	4,392,296	4,392,296	4,392,296	4,392,296	4,392,296	3,607,077
Long-term debt	9,495,810	8,475,820	9,550,497	9,467,375	9,106,241	9,509,481	10,518,355
Total	22,638,554	22,638,554	20,530,518	19,638,895	20,313,980	17,004,857	17,306,750
Equity capitalization ratio	<u>30%</u>	<u>27%</u>	<u>32%</u>	<u>33%</u>	<u>31%</u>	<u>36%</u>	<u>38%</u>
<b>Equity Capitalization: with G&amp;T patronage capital</b>							
Total margins and equities	13,888,106	12,868,116	13,942,793	13,859,671	13,498,537	13,901,777	14,125,432
Long-term debt	22,638,554	22,638,554	20,530,518	19,638,895	20,313,980	17,004,857	17,306,750
Total	36,526,660	35,506,670	34,473,311	33,498,566	33,812,517	30,906,634	31,432,182
Equity capitalization ratio	<u>38%</u>	<u>36%</u>	<u>40%</u>	<u>41%</u>	<u>40%</u>	<u>45%</u>	<u>45%</u>
<b>Equity to Total Assets: with G&amp;T patronage capital</b>							
Total margins and debt	36,526,660	35,506,670	34,473,311	33,498,566	33,812,517	30,906,634	31,432,182
Total assets	41,297,153	40,185,399	38,191,750	37,094,558	37,353,040	34,066,289	34,467,248
Total	77,823,813	75,692,069	72,665,061	70,593,124	71,165,557	64,972,923	65,899,430
Equity to total asset ratio	<u>47%</u>	<u>47%</u>	<u>47%</u>	<u>47%</u>	<u>48%</u>	<u>48%</u>	<u>48%</u>



**Big Sandy Rural Electric Cooperative**

**Case No. 2008-00401**

**Reconciliation of Rate Base and Capital**

**August 31, 2008**

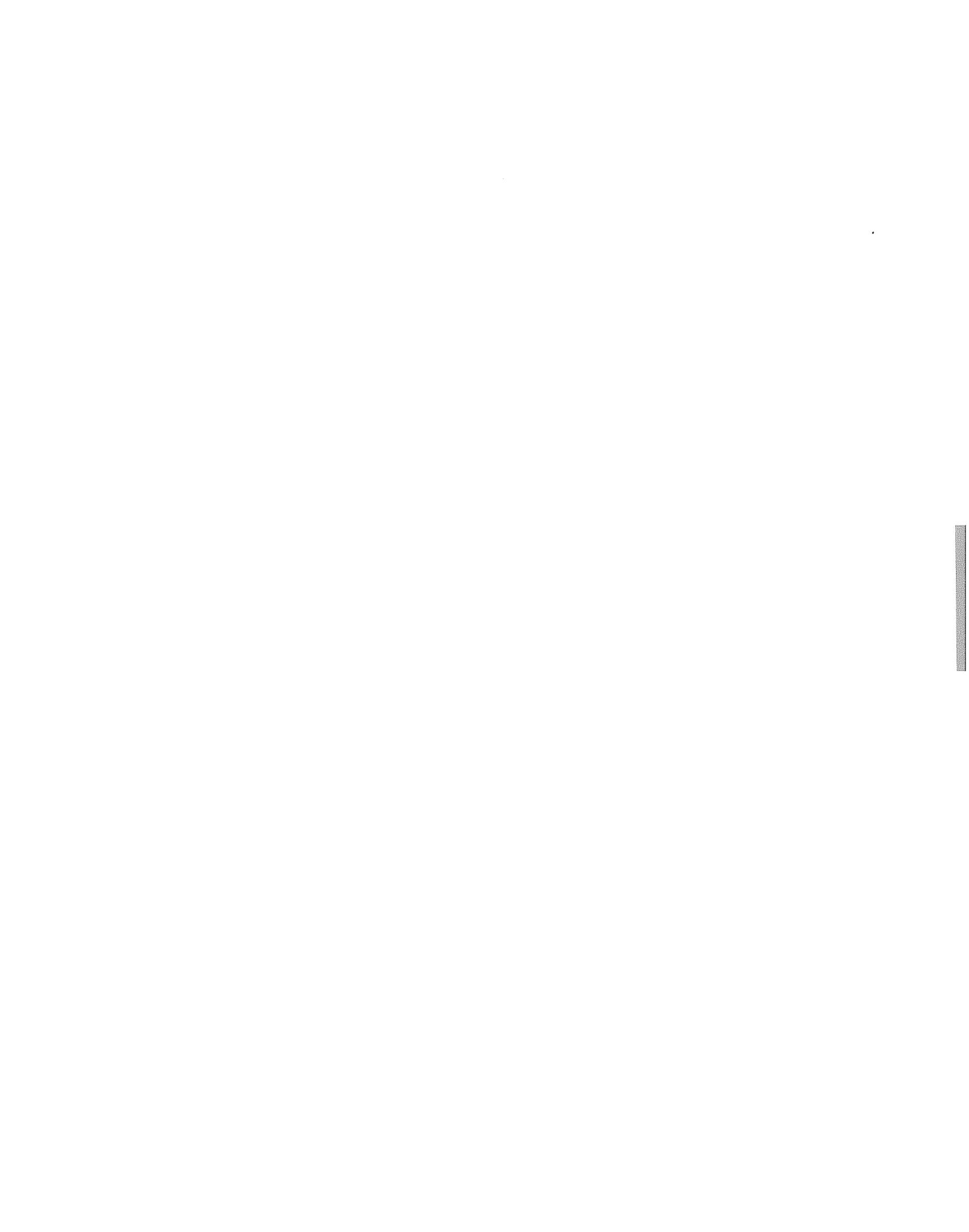
Reconciliation of Rate Base and Capital used to determine revenue requirements are as follows:

<b>Equity Capitalization, with</b>	
<b>G&amp;T capital credits</b>	35,506,670
G&T capital credits	<u>(4,392,296)</u>
	31,114,374

Reconciling items:

Capital credits from associated organizations	
(Allocated but unpaid)	(1,476,041)
Working capital requirements	466,184
Material and supplies, 13 month average	321,501
Prepayments, 13 month average	58,493
Cash and temporary investments	(1,649,042)
Accounts receivable	(2,474,053)
Other receivables	(232,485)
Material and supplies	(323,742)
Prepayments	(41,823)
Other deferred debits	(7,637)
Accumulated operating provisions	1,774,531
Notes payable	300,000
Accounts payable	1,500,455
Consumer deposits	577,110
Accrued expenses	491,988

<b>Net Rate Base</b>	<u><u>30,399,812</u></u>
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ACCOUNT	DESCRIPTION	---RUS---		---TVA---		MARGIN ACCOUNT	INACTIVE	BANK TRANSIT BANK ACCOUNT	BANK NAME
		B/S LINE	INC LINE	B/S LINE	INC LINE				
107.10	CWIP CONTRACTOR	2.00		2.00		107.10			
107.20	CWIP FORCE ACCOUNT	2.00		2.00		107.20			
107.21	CWIP - INDIRECT	2.00		2.00		107.21			
107.30	CWIP SPECIAL EQUIPMENT	2.00		2.00		107.30			
108.60	ACCUM PROV DEPR DIST PLANT	4.00		4.00		108.60			
108.61	ACCUM. DEPR. DIST. PLANT A/C 364	4.00		4.00		108.61			
108.62	ACCUM DEPR. DIST. PLANT A/C 365	4.00		4.00		108.62			
108.63	ACCUM. DEPR. DIST. PLANT A/C 366	4.00		4.00		108.63			
108.64	ACCUM DEPR. DIST. PLANT. A/C 367	4.00		4.00		108.64			
108.65	ACCUM. DEPR. DIST. PLANT A/C 368	4.00		4.00		108.65			
108.66	ACCUM. DEPR. DIST. PLANT. A/C 369	4.00		4.00		108.66			
108.67	ACCUM. DEPR. DIST. PLANT A/C 370	4.00		4.00		108.67			
108.68	ACCUM PERP. DIST. PLANT A/C 371	4.00		4.00		108.68			
108.69	ACCUM DEPR. DIST. PLANT A/C 362	4.00		4.00		108.69			
108.70	ACCUM PROV DEPR GENERAL PLANT	4.00		4.00		108.70			
108.71	ACCUM. DEPR. GEN. PLANT A/C 390.10	4.00		4.00		108.71			
108.72	ACCUM. DEPR. GEN. PLANT A/C 391	4.00		4.00		108.72			
108.73	ACCUM. DEPR. GEN. PLANT A/C 394	4.00		4.00		108.73			
108.74	ACCUM. DEPR. GEN. PLANT A/C 395	4.00		4.00		108.74			
108.75	ACCUM. DEPR. GEN. PLANT A/C 396	4.00		4.00		108.75			
108.76	ACCUM. DEPR. GEN. PLANT A/C 397	4.00		4.00		108.76			
108.77	ACCUM. DEPR. GEN. PLANT A/C 398	4.00		4.00		108.77			
108.80	RETIREMENT WIP	4.00		4.00		108.80			
108.81	RETIREMENT WIP - INDIRECT	4.00		4.00		108.81			
108.90	RETIREMENT WIP CONTRACTOR	4.00		4.00		108.90			
123.10	PATR CAP ASSOC CD OPS	8.00		8.00		123.10			

ACCOUNT	DESCRIPTION	---RUS---		---TVA---		MARGIN ACCOUNT	INACTIVE	BANK TRANSIT BANK ACCOUNT	BANK NAME
		B/S LINE	INC LINE	B/S LINE	INC LINE				
123.21	SUBSC CAP TERM CERT.CFC	39.00		40.00		123.21			
123.22	INVEST.CAP TERM CERT. CFC	10.00		10.00		123.22			
123.23	OTHER INVEST.ASSOC.ORGIZ.	9.00		9.00		123.23			
124.00	OTHER INVESTMENTS	12.00		12.00		124.00			
131.10	CASH GENERAL PAYROLL CHECKS	15.00		15.00		131.10		042103253 00014125	CITIZENS NATIONAL BANK
131.11	CASH GENERAL 1ST NATIONAL BANK	15.00		15.00		131.11		042103253 2000105	FIRST NATIONAL BANK
131.12	CASH GENERAL CITIZENS GEN CHECK	15.00		15.00		131.12		042103253 00014125	CITIZENS NATIONAL BANK
131.13	CASH-GENERAL BSRECC FLEX-SPEND.	15.00		15.00		131.13		042103253 00014125	CITIZENS NATIONAL
131.14	CASH GENERAL BB&T BANKING	15.00		15.00		131.14		042103253 5180074726	BB&T BANKING
131.20	CASH CONST.FUND TRUSTEE	16.00		16.00		131.20		0 2029871	FIRST NATIONAL BANK
131.40	TRANSFER OF CASH	15.00		15.00		131.40		0 2029871	FIRST NATIONAL BANK
134.00	OTHER SPECIAL DEPOSITS	17.00		17.00		134.00			
135.00	WORKING FUND PETTY CASH/SANDRA	15.00		15.00		135.00			
135.10	CHANGE FUND PRESTONSBURG OFFICE	15.00		15.00		135.10			
135.11	WORKING FUND-CHANGE	15.00		15.00		135.11			
135.12	WORKING FUND-CHANGE/	15.00		15.00		135.12			
135.13	WORKING FUND-CHANGE BARBARA	15.00		15.00		135.13			
135.20	WORKING FUND-CHANGE DENISE	15.00		15.00		135.20			
135.30	CHANGE FUND-PAINTSVILLE OFFICE	15.00		15.00		135.30			
135.40	WORKING FUND-CHANGE RHEA LYNN	15.00		15.00		135.40			
135.50	WORKING FUND-CHANGE	15.00		15.00		135.50			
135.60	WORKING FUND-CHANGE PRESTONSBURG	15.00		15.00		135.60			
135.70	WORKING FUND-CHANGE	15.00		15.00		135.70			
135.80	WORKING FUND-CHANGE PRESTONSBURG	15.00		15.00		135.80			
135.90	WORKING FUND-CHANGE PRESTONSBURG	15.00		15.00		135.90			
136.00	TEMPORARY CASH INVESTMENTS	18.00		18.00		136.00			

ACCOUNT	DESCRIPTION	---RUS---		---TVA---		MARGIN ACCOUNT	INACTIVE	BANK TRANSIT BANK ACCOUNT	BANK NAME
		B/S LINE	INC LINE	B/S LINE	INC LINE				
136.10	TEMP CASH INVST & MD CD'S	18.00		18.00		136.10			
136.20	TEMP CASH INVST MONEY MARKET	18.00		18.00		136.20			
136.30	TEMP CASH INVST CR UNION B DAVIS	18.00		18.00		136.30			
136.40	TEMP CASH INVS HOMESTEAD/B DAVIS	18.00		18.00		136.40			
142.10	CONS ACCTS RECEIVABLE ELECTRIC	20.00		20.00		142.10			
143.00	OTHER ACCOUNTS RECEIVABLE	21.00		21.00		143.00			
143.10	OTHER ACCTS RECIV-EXPENSE ADVANC	21.00		21.00		143.10			
143.20	OTHER ACCTS REC WINTER CARE	21.00		21.00		143.20			
143.30	ACCTS REC NRECA PERSONAL LOAN	21.00		21.00		143.30			
143.40	ACCTS REC OHIO NAT'L EMP LOANS	21.00		21.00		143.40			
143.50	RELAY FOR LIFE DONATION	21.00		21.00		143.50			
143.60	OTHER ACCTS REC TOOLS DEDUCTIONS	21.00		21.00		143.60			
143.90	CLEARING ACCT OUTAGE LBR /PAY	21.00		21.00		143.90			
144.10	ACCUM PROV UNCOLLECT ACCTS CR	20.00		20.00		144.10			
144.40	ACCUM PROV OTHER UNCOLLECT CR	21.00		21.00		144.40			
154.00	PLANT MATERIAL & OPERATING SUPPLY	22.00		22.00		154.00			
155.00	MERCHANDISE	22.00		22.00		155.00			
155.10	OTHR MERCHANDISE GAS/AUTO PARTS	22.00		22.00		155.10			
163.00	STORES EXPENSE UNDISTRIBUTED	22.00		22.00		163.00			
163.10	MINOR MATERIAL/ STORES EXPENSE	22.00		22.00		163.10			
165.10	PREPAYMENTS-INSURANCE	23.00		23.00		165.10			
165.20	OTHER PREPAYMENTS-LICENSE FEES	23.00		23.00		165.20			
165.30	OTHER PREPAY-REGISTRATIONS	23.00		23.00		165.30			
165.40	OTHR PREPAY/MRG OFFC DIRC INS	23.00		23.00		165.40			
165.50	OTHER PREPAY-DUES	23.00		23.00		165.50			
171.00	INTEREST & DIVIDENDS RECEIVABLE	24.00		24.00		171.00			

ACCOUNT	DESCRIPTION	---RUS---		---TVA---		MARGIN ACCOUNT	INACTIVE	BANK TRANSIT BANK ACCOUNT	BANK NAME
		B/S LINE	INC LINE	B/S LINE	INC LINE				
171.10	INTEREST & DIVIDENDS REC/OTHER	24.00		24.00		171.10			
183.00	PRELIM SERVAYS & INVESTGAT. CHGE	27.00		27.00		183.00			
184.00	TRANSPOTATION EXP. - INDIRECT	27.00		27.00		184.00			
184.10	TRANSPORTATION EXP CLEARING	27.00		27.00		184.10			
186.00	MISC. DEFERRED DEBITS	27.00		27.00		186.00			
186.10	MISC DEFERRED DEBITS-RATE CASE	27.00		27.00		186.10			
186.60	DEFERRED PAST SERVICE PENSION	27.00		27.00		186.60			
200.10	MEMBERSHIPS	29.00		29.00		200.10			
201.10	PATRONS CAPITAL CREDITS	30.00		30.00		201.10			
201.20	PATRONAGE CAPITAL CR ASSIGNABLE	30.00		30.00		201.20			
208.00	DONATED CAPITAL	34.00		34.00		208.00			
208.10	DONATED CAPITAL/CAPITAL CREDITS	34.00		34.00		208.10			
215.30	OTHER COMPREHENSIVE INCOME/FASB	34.00		34.00		215.30			
217.00	RETIRED CAPITAL CREDIT-GAIN	34.00		34.00		217.00			
217.10	RETIRED CAP. CR. GAIN-DISCOUNT \$	34.00		34.00		217.10			
219.10	OPERATING MARGINS	32.00		32.00		219.10			
219.20	NON OPERATING MARGINS	33.00		33.00		219.20			
219.30	OTHER MARGINS	34.00		34.00		219.30			
224.11	OTHER LONG TERM DEBT-SUBSC	39.00		40.00		224.11			
224.12	OTHER LONG TERM DEBT-CFC	39.00		40.00		224.12			
224.13	CFC NOTES EXUC -DEBIT/REFINANCED	39.00		40.00		224.13			
224.14	OTH LONG TERM DEBT-PAST SVC CDST	39.00		40.00		224.14			
224.15	NOTES EXECUTED-OTHER DEBIT	39.00		40.00		224.15			
224.20	FFB NOTES EXUC	39.00		40.00		224.20			
224.21	FFB NOTES EXUC CONST DEBT	39.00		40.00		224.21			
224.30	LONG TERM DEBT-RUS NOTES EXUC	36.00		36.00		224.30			

ACCOUNT	DESCRIPTION	---RUS---		---TVA---		MARGIN ACCOUNT	INACTIVE	BANK TRANSIT BANK ACCOUNT	BANK NAME
		B/S LINE	INC LINE	B/S LINE	INC LINE				
224.40	RUS NOTES EXUC CONST DEBT	36.00		36.00		224.40			
224.50	INT ACCR DEFERRED RUS CONST	36.00		36.00		224.50			
224.60	ADV PAY UNAPPLYD LONG TERM DEBT	36.00		36.00		224.60			
228.30	ACCUM PROV PENSIONS/BENEFITS	44.00		43.00		228.30			
231.00	NOTES PAYABLE	46.00		45.00		231.00			
232.10	ACCOUNTS PAYABLE GENERAL	47.00		46.00		232.10			
232.30	ACCTS PAYABLE INSPECT/SPRAYING	47.00		46.00		232.30			
232.40	ACCTS PAYABLE-WHOLESALE POWER	47.00		46.00		232.40			
232.50	ACCTS PAYABLE/PSC ASSMT	47.00		46.00		232.50			
232.60	ACCTS PAY/CFC/ZTC 11/03 TO 06/04	47.00		46.00		232.60			
232.70	ACCTS PAYABLE/AUTO PAYMENTS	47.00		46.00		232.70			
232.80	ACCTS PAYABLE CHILD SUPPORT	47.00		46.00		232.80			
234.00	ACCTS PAYABLE ASSOC COMPANIES	47.00		46.00		234.00			
235.00	CONSUMER DEPOSITS	48.00		47.00		235.00			
235.10	CONSUMER DEPOSITS-COMMERCIAL	48.00		47.00		235.10			
236.10	ACCURED PROPERTY TAX	52.00		51.00		236.10			
236.20	ACCRD US SOC SECURITY UNEMPLYMEN	52.00		51.00		236.20			
236.30	ACCRD US SOC SECURITY TAX FICA	52.00		51.00		236.30			
236.40	ACCRD STATE SOC SECURITY UNEMP	52.00		51.00		236.40			
236.50	ACCRUED STATE SALES TAX	52.00		51.00		236.50			
237.10	ACCRUED RUS INT CONST OBLIG	52.00		51.00		237.10			
237.20	FFB INTEREST ACCRUED	52.00		51.00		237.20			
237.30	OTHER INTEREST ACCRUED	52.00		51.00		237.30			
237.40	ACCRUED INT -SHORT TERM LOAN	52.00		51.00		237.40			
237.50	OTHER INT ACCRUED CONSUMER DEP	52.00		51.00		237.50			
238.10	PATRONAGE CAPITAL PAYABLE	52.00		51.00		238.10			

ACCOUNT	DESCRIPTION	---RUS---		---TVA---		MARGIN ACCOUNT	INACTIVE	BANK TRANSIT BANK ACCOUNT	BANK NAME
		B/S LINE	INC LINE	B/S LINE	INC LINE				
241.00	TAX COLLECTION PAYBLE FEDERAL	52.00		51.00		241.00			
241.10	SCHOOL TAX -MARTIN COUNTY	52.00		51.00		241.10			
241.11	MARTIN COUNTY OCCUPATIONAL TAX	52.00		51.00		242.11			
241.20	TAX COLLECTION PAY-CITY TAX	52.00		51.00		241.20			
241.30	TAX COLLECT PAYBLE ST INCOME TAX	52.00		51.00		241.30			
241.40	SCHOOL TAX-BREATHITT COUNTY	52.00		51.00		241.40			
241.50	SCHOOL TAX-JOHNSON COUNTY	52.00		51.00		241.50			
241.60	SCHOOL TAX LAWRENCE COUNTY	52.00		51.00		241.60			
241.70	SCHOOL TAX-MAGOFFIN COUNTY	52.00		51.00		241.70			
241.80	SCHOOL TAX-KNOTT COUNTY	52.00		51.00		241.80			
241.90	JOHNSON COUNTY OCCUPATIONAL TAX	52.00		51.00		241.90			
242.10	BSRECC FLEX-SPENDING PLAN	52.00		51.00		242.10			
242.11	CUR/ACCRUED LIAB-CANCER INS	52.00		51.00		242.11			
242.12	CURR ACCRD LIAB-COLONIAL INS	52.00		51.00		242.12			
242.13	CUR ACCRD LIAB/COMMONWEALTH INS	52.00		51.00		242.13			
242.14	CURR ACCRD LIAB/DENTAL INS	52.00		51.00		242.14			
242.15	CURR ACCRD LIAB/SAVINGS	52.00		51.00		242.15			
242.16	CURR ACCRD LIAB/AUTO USE	52.00		51.00		242.16			
242.17	CURR ACCRD LIAB 401K ALL EMP	52.00		51.00		242.17			
242.18	CURR ACCR LIB 401K OTSD/PAY DED.	52.00		51.00		242.18			
242.19	CURR ACCR LIAB OUTSD RETIRMT. %	52.00		52.00		242.19			
242.20	ACCRUED PAYROLL	52.00		51.00		242.20			
242.30	ACCRUED EMPLOYEE VACATION	52.00		51.00		242.30			
242.31	ACCRUED EMPLOYEE SICK LEAVE	52.00		51.00		242.31			
242.40	ACCRUED INS W.C	52.00		51.00		242.40			
242.50	CURR ACCRD LIAB MEETNG/AUDIT	52.00		51.00		242.50			

ACCOUNT	DESCRIPTION	----RUS----		----TVA----		MARGIN ACCOUNT	INACTIVE	BANK TRANSIT BANK ACCOUNT	BANK NAME
		B/S LINE	INC LINE	B/S LINE	INC LINE				
242.60	CURR. ACCRD LIAB/DEPENDENT LIFE	52.00		51.00		242.60			
242.80	CURR ACCRD LIAB/CREDIT UNION	52.00		51.00		242.80			
242.90	CURR ACCRD LIAB/UNION DUES	52.00		51.00		242.90			
252.00	CONSUMER ADVANCE CONSTRUCTION	55.00		54.00		252.00			
253.00	OTHER DEFERRED CREDITS	55.00		54.00		253.00			
360.00	LAND & LAND RIGHTS	1.00		1.00		360.00			
362.00	STATION EQUIPMENT	1.00		1.00		362.00			
364.00	POLES, TOWERS & FIXTURES	1.00		1.00		364.00			
365.00	OVERHEAD CONDUCTORS & DEVICES	1.00		1.00		365.00			
366.00	UNDERGROUND CONDUIT	1.00		1.00		366.00			
367.00	UNDERGROUND COND & DEVICES	1.00		1.00		367.00			
368.00	LINE TRANSFORMERS	1.00		1.00		368.00			
369.00	SERVICES	1.00		1.00		369.00			
370.00	METERS	1.00		1.00		370.00			
371.00	INST. ON CONSUMER PREMISES	1.00		1.00		371.00			
389.00	LAND & LAND RIGHTS	1.00		1.00		389.00			
390.10	STRUCTURES & IMPROVEMENTS	1.00		1.00		390.10			
391.00	OFFICE FURNITURE & EQUIPMENT	1.00		1.00		391.00			
392.00	TRANSPORTATION EQUIPMENT	1.00		1.00		392.00			
394.00	TOOLS, SHOP, GARAGE EQUIPMENT	1.00		1.00		394.00			
395.00	LABORATORY EQUIPMENT	1.00		1.00		395.00			
396.00	POWER OPERATED EQUIPMENT	1.00		1.00		396.00			
397.00	COMMUNICATIONS EQUIPMENT	1.00		1.00		397.00			
398.00	MISCELLANEOUS EQUIPMENT	1.00		1.00		398.00			
403.60	DEPR EXPENSE DISTRIBUTION PLANT	32.00	12.00	32.00	12.00	219.10			
403.70	DEPR EXPENSE GENERAL PLANT	32.00	12.00	32.00	12.00	219.10			

ACCOUNT	DESCRIPTION	---RUS---		---TVA---		MARGIN ACCOUNT	INACTIVE	BANK TRANSIT BANK ACCOUNT	BANK NAME
		B/S LINE	INC LINE	B/S LINE	INC LINE				
408.10	TAXES-PROPERTY	32.00	13.00	32.00	13.00	219.10			
408.20	TAXES US SOCIAL SECURITY UNEMP	32.00	14.00	32.00	14.00	219.10			
408.30	TAXES US SOCIAL SECURITY FICA	32.00	14.00	32.00	14.00	219.10			
408.40	TAXES STATE SOCIAL SEC UNEMP	32.00	14.00	32.00	14.00	219.10			
408.70	TAXES OTHER REGULATORY COMMSION.	32.00	14.00	32.00	14.00	219.10			
415.00	REVENUE FROM MERCHANDISING	33.00	24.00	33.00	24.00	219.10			
419.00	INTEREST & DIVIDEND INCOME	33.00	21.00	33.00	21.00	219.20			
421.10	GAIN ON DISPOSITION OF PROPERTY	33.00	24.00	33.00	24.00	219.20			
421.20	LOSS ON DISPOSITION OF PROPERTY	33.00	24.00	33.00	24.00	219.20			
423.00	GENERATION & TRANSM. CAPITAL CR.	32.00	25.00	32.00	25.00	219.10			
424.00	OTHR CAP CR. & PATR. CAP ALLOC	32.00	26.00	32.00	26.00	219.10			
426.10	DONATIONS	32.00	18.00	32.00	18.00	219.10			
426.30	PENALTIES	32.00	18.00	32.00	18.00	219.10			
426.40	EXPENDITURE CIVIC & POLITICAL	32.00	18.00	32.00	18.00	219.10			
426.50	OTHER DEDUCTIONS	32.00	18.00	32.00	18.00	219.10			
427.10	INT ON RUS CONSTRUCTION LOAN	32.00	15.00	32.00	15.00	219.10			
427.20	INT ON OTHER LONG TERM DEBT	32.00	15.00	32.00	15.00	219.10			
427.30	INTEREST ON FFB NOTES	32.00	15.00	32.00	15.00	219.10			
428.00	AMORT OF DEBT DISCOUNT	32.00	18.00	32.00	18.00	219.10			
431.00	OTHER INTEREST EXPENSE	32.00	17.00	32.00	17.00	219.10			
431.10	OTHER INT EXP SHORT TERM LOAN	32.00	17.00	32.00	17.00	219.10			
431.20	INTEREST EKP INEZ 69KV LINE PROJ	32.00	17.00	32.00	17.00	219.10			
435.10	CUMULATIVE EFFECTS PRIOR YEARS	32.00	27.00	32.00	27.00	219.20			
440.10	RESIDENTIAL SALES-RURAL	32.00	1.00	32.00	1.00	219.10			
442.10	COMM. & INDUST SALES-SMALL	32.00	1.00	32.00	1.00	219.10			
442.20	COMM. & INDUST SALES-LARGE	32.00	1.00	32.00	1.00	219.10			

ACCOUNT	DESCRIPTION	---RUS---		---TVA---		MARGIN ACCOUNT	INACTIVE	BANK TRANSIT BANK ACCOUNT	BANK NAME
		B/S LINE	INC LINE	B/S LINE	INC LINE				
450.00	FORFEITED DISCOUNTS	32.00	1.00	32.00	1.00	219.10			
451.00	MISC SERVICE REVENUES	32.00	1.00	32.00	1.00	219.10			
454.00	RENT FROM ELECTRIC PROPERTY	32.00	1.00	32.00	1.00	219.10			
456.00	OTHER ELECTRIC REVENUE	32.00	1.00	32.00	1.00	219.10			
555.00	PURCHASED POWER	32.00	3.00	32.00	3.00	219.10			
580.00	OPERATIONS & SUPERVSON ENGR	32.00	5.00	32.00	5.00	219.10			
582.00	STATION EXPENSE	32.00	5.00	32.00	5.00	219.10			
583.00	OVERHEAD LINE EXPENSE	32.00	5.00	32.00	5.00	219.10			
586.00	METER EXPENSE	32.00	5.00	32.00	5.00	219.10			
586.10	METER EXPENSE TWACS SYSTEM	32.00	5.00	32.00	5.00	219.10			
587.00	CONSUMER INSTALLATION EXPENSE	32.00	5.00	32.00	5.00	219.10			
588.00	MIS DISTRIBUTION EXPENSE	32.00	5.00	32.00	5.00	219.10			
588.10	MAPPING EXPENSE/GPS SYSTEM	32.00	5.00	32.00	5.00	219.10			
589.00	RENTS	32.00	5.00	32.00	5.00	219.10			
590.00	MAINT. SUPERVSN. ENGR	32.00	6.00	32.00	6.00	219.10			
592.00	MAINTENANCE STATION EQUIPMENT	32.00	6.00	32.00	6.00	219.10			
593.00	MAINT. OVERHEAD LINES	32.00	6.00	32.00	6.00	219.10			
593.10	MAINT. OVERHEAD LINES R/W	32.00	6.00	32.00	6.00	219.10			
593.20	OVERHEAD LINES R/W-CONTRACTOR	32.00	6.00	32.00	6.00	219.10			
595.00	MAINT LINE TRANSFORMERS	32.00	6.00	32.00	6.00	219.10			
597.00	MAINT. OF METERS	32.00	6.00	32.00	6.00	219.10			
598.00	MAINT. MISC. DISTRIBUTION PLANT	32.00	6.00	32.00	6.00	219.10			
901.00	SUPERVISION	32.00	7.00	32.00	7.00	219.10			
902.00	METER READING EXPENSE	32.00	7.00	32.00	7.00	219.10			
903.00	CONSUMER RECD'S COLLECTION EXP	32.00	7.00	32.00	7.00	219.10			
903.10	CONS. RECD'S EXP. OVER/SHORT	32.00	7.00	32.00	7.00	219.10			

ACCOUNT	DESCRIPTION	---RUS---		---TVA---		MARGIN ACCOUNT	INACTIVE	BANK TRANSIT BANK ACCOUNT	BANK NAME
		B/S LINE	INC LINE	B/S LINE	INC LINE				
904.00	UNCOLLECTIBLE ACCOUNTS	32.00	7.00	32.00	7.00	219.10			
908.00	CONSUMER ASSISTANCE EXPENSE	32.00	8.00	32.00	8.00	219.10			
909.00	INFORMATION & INSTRUCTION EXP	32.00	8.00	32.00	8.00	219.10			
912.00	DEMONSTRATING & SELLING EXP	32.00	9.00	32.00	9.00	219.10			
913.00	ADVERTISING EXPENSE	32.00	9.00	32.00	9.00	219.10			
920.00	ADMINISTRATIVE SALARIES	32.00	10.00	32.00	10.00	219.10			
921.00	OFFICE SUPPLIES & EXPENSE	32.00	10.00	32.00	10.00	219.10			
923.00	OUTSIDE SERVICE EMPLOYED	32.00	10.00	32.00	10.00	219.10			
924.00	PROPERTY INSURANCE	32.00	10.00	32.00	10.00	219.10			
925.00	INJURIES & DAMAGES	32.00	10.00	32.00	10.00	219.10			
926.00	EMPLOYEE PENSIONS & BENEFITS	32.00	10.00	32.00	10.00	219.10			
926.10	EMP PENSIONS & BENEFITS RETIR IN	32.00	10.00	32.00	10.00	219.10			
926.20	EMP PENSIONS/BENEFITS PAST SVC	32.00	10.00	32.00	10.00	219.10			
926.30	EMPLOYEE BENEFITS/SAVINGS	32.00	10.00	32.00	10.00	219.10			
928.00	REGULATORY COMMISSION EXP	32.00	10.00	32.00	10.00	219.10			
929.00	DUP. CHGES. CR. (CO-OP USED KWH)	32.00	10.00	32.00	10.00	219.10			
930.10	GENERAL ADVERTISING EXPENSE	32.00	10.00	32.00	10.00	219.10			
930.11	DIRECTORS PER DIEM	32.00	10.00	32.00	10.00	219.10			
930.12	DIRECTORS MILEAGE	32.00	10.00	32.00	10.00	219.10			
930.13	DIRECTORS EXPENSES	32.00	10.00	32.00	10.00	219.10			
930.20	MISC. GENERAL EXPENSE	32.00	10.00	32.00	10.00	219.10			
931.00	RENTS	32.00	10.00	32.00	10.00	219.10			
935.00	MAINT. GENERAL PLANT	32.00	10.00	32.00	10.00	219.10			
999.99	ACCOUNT FOR FIXED JOURNAL ENTRIE	.01	.01	.01	.01	999.99			



**Kentucky 58**  
**Big Sandy Rural Electric**  
**Cooperative Corporation**  
**Paintsville, Kentucky**  
**Audited Financial Statements**  
**December 31, 2007 and 2006**

## CONTENTS

Independent Auditor's Report	1
Report on Compliance and Internal Control Over Financial Reporting	2
Financial Statements:	
Balance Sheet	3
Statement of Revenue and Patronage Capital	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 12

**ALAN M. ZUMSTEIN**  
**CERTIFIED PUBLIC ACCOUNTANT**

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MEMBER:

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

**Independent Auditor's Report**

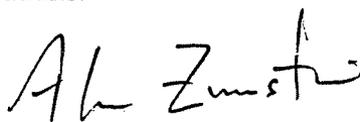
To the Board of Directors  
Big Sandy Rural Electric Cooperative Corporation

I have audited the balance sheets of Big Sandy Rural Electric Cooperative Corporation, as of December 31, 2007 and 2006, and the related statements income and retained earnings and cash flows for the years then ended. These financial statements are the responsibility of Big Sandy Rural Electric Cooperative Corporation's management. My responsibility is to express an opinion on these financial statements based on my audits.

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

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Big Sandy Rural Electric Cooperative Corporation as of December 31, 2007 and 2006, and the results of operations and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, I have also issued a report dated March 13, 2008, on my consideration of Big Sandy Rural Electric Cooperative Corporation's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of my audits.



Alan M. Zumstein  
March 13, 2008

**ALAN M. ZUMSTEIN**  
**CERTIFIED PUBLIC ACCOUNTANT**

1032 CHETFORD DRIVE  
LEXINGTON, KENTUCKY 40509  
(859) 264-7147

**MEMBER:**

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- AICPA DIVISION FOR FIRMS
- TENNESSEE STATE BOARD OF ACCOUNTANCY

To the Board of Directors  
Big Sandy Rural Electric Cooperative Corporation

I have audited the financial statements of Big Sandy Rural Electric Cooperative as of and for the years ended December 31, 2007 and 2006, and have issued my report thereon dated March 13, 2008. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing my audit, I considered Big Sandy Rural Electric's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Big Sandy Rural Electric's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of Big Sandy Rural Electric's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

### **Compliance and Other Matters**

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

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



Alan M. Zumstein

March 13, 2008

Big Sandy Rural Electric Cooperative Corporation

Balance Sheets, December 31, 2007 and 2006

<u>Assets</u>	<u>2007</u>	<u>2006</u>
Electric Plant, at original cost:		
In service	\$38,519,458	\$36,427,503
Under construction	33,934	135,753
	<u>38,553,392</u>	<u>36,563,256</u>
Less accumulated depreciation	9,366,168	9,077,302
	<u>29,187,224</u>	<u>27,485,954</u>
Investments, at cost	<u>5,853,646</u>	<u>5,840,057</u>
Current Assets:		
Cash and cash equivalents	597,797	442,337
Accounts receivable, less allowance for 2007 of \$76,014 and 2006 of \$48,159	2,663,872	3,004,376
Material and supplies, at average cost	311,606	276,293
Prepayments and others	27,500	45,541
	<u>3,600,775</u>	<u>3,768,547</u>
Total	<u>\$38,641,645</u>	<u>\$37,094,558</u>
<u>Members Equities and Liabilities</u>		
Members' Equities:		
Memberships	\$226,910	\$224,530
Patronage capital	14,263,526	14,222,348
Other equities	(396,289)	(587,207)
Accumulated other comprehensive income	(1,106,360)	-
	<u>12,987,787</u>	<u>13,859,671</u>
Long Term Debt	<u>19,583,715</u>	<u>18,878,895</u>
Accumulated Postretirement Benefits	<u>1,782,045</u>	<u>680,445</u>
Current Liabilities:		
Accounts payable	1,751,922	1,731,650
Short term borrowings	800,000	300,000
Current portion of long term debt	800,000	760,000
Consumer deposits	517,316	499,996
Accrued expenses	391,830	359,014
	<u>4,261,068</u>	<u>3,650,660</u>
Consumer Advances for Construction	<u>27,030</u>	<u>24,887</u>
Total	<u>\$38,641,645</u>	<u>\$37,094,558</u>

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

Statements of Revenue and Patronage Capital  
for the years ended December 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Operating Revenues	\$22,583,683	\$20,648,199
Operating Expenses:		
Cost of power	16,423,880	14,693,549
Distribution - operations	589,203	388,990
Distribution - maintenance	1,091,463	1,083,767
Consumer accounts	651,044	717,358
Customer service and information	89,014	134,812
Sales	980	3,242
Administrative and general	1,312,934	1,227,227
Depreciation, excluding \$161,282 in 2007 and \$140,238 in 2006 charged to clearing accounts	1,231,836	1,163,292
Taxes, other than income	20,945	19,141
	<u>21,411,299</u>	<u>19,431,378</u>
Operating Margins before Interest Charges	<u>1,172,384</u>	<u>1,216,821</u>
Interest Charges:		
Interest on long-term debt	987,686	1,024,565
Other interest charges	51,707	35,051
	<u>1,039,393</u>	<u>1,059,616</u>
Operating Margins after Interest Charges	<u>132,991</u>	<u>157,205</u>
Patronage Capital assigned	<u>59,768</u>	<u>66,888</u>
Net Operating Margins	<u>192,759</u>	<u>224,093</u>
Nonoperating Margins		
Principally interest income	59,524	69,738
Others	13,357	99,484
	<u>72,881</u>	<u>169,222</u>
Net Margins	265,640	393,315
Patronage Capital - beginning of year	14,222,348	13,503,476
Retirements to estates of deceased members	(47,467)	(50,807)
Non operating margins applied to prior deficits	(176,995)	376,364
Patronage Capital - end of year	<u>\$14,263,526</u>	<u>\$14,222,348</u>

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

Statements of Cash Flows  
for the years ended December 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Cash Flows from Operating Activities:		
Net margins	\$265,640	\$393,315
Adjustments to reconcile to net cash provided by operating activities:		
Depreciation		
Charged to expense	1,231,836	1,163,292
Charged to clearing accounts	140,238	140,238
Accumulated postretirement benefits	(4,760)	(1,322)
Patronage capital credits	(59,768)	(66,888)
Change in assets and liabilities:		
Receivables	340,504	1,022,479
Material and supplies	(35,313)	22,609
Prepayments	18,041	33,766
Payables	20,272	(319,270)
Consumer deposits and advances	19,463	30,591
Accrued expenses	32,816	45,471
	<u>1,968,969</u>	<u>2,464,281</u>
Cash Flows from Investing Activities:		
Construction of plant	(2,905,641)	(3,078,464)
Salvage, net of removal costs	(167,703)	(191,186)
Receipts of other investments, net	46,179	44,030
	<u>(3,027,165)</u>	<u>(3,225,620)</u>
Cash Flows from Financing Activities:		
Net increase in memberships	2,380	3,725
Other equities	13,923	14,900
Payments to estates of deceased members	(47,467)	(50,807)
Short term borrowings	500,000	300,000
Additional borrowings	1,500,000	-
Payments on long-term debt	(755,180)	(708,676)
Payments for cushion of credit	0	33,591
	<u>1,213,656</u>	<u>(407,267)</u>
Net increase in cash	155,460	(1,168,606)
Cash and cash equivalents - beginning	<u>442,337</u>	<u>1,610,943</u>
Cash and cash equivalents - end	<u>\$597,797</u>	<u>\$442,337</u>
Supplemental cash flows information:		
Interest paid on long-term debt	\$989,900	\$1,035,707

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

## Notes to Financial Statements

### 1. Summary of Significant Accounting Policies

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

#### Electric Plant

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

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

The major classifications of electric plant in service consisted of:

	<u>2007</u>	<u>2006</u>
Distribution plant	\$35,825,302	\$34,137,274
General plant	<u>2,694,156</u>	<u>2,290,229</u>
Total	<u>\$38,519,458</u>	<u>\$36,427,503</u>

#### Depreciation

Provision has been made for depreciation on the basis of the estimated lives of assets, using the straight-line method. Distribution plant depreciation is based on a composite rate of 3.35% per annum. Depreciation rates for general plant items range from 2.5% to 17%.

#### Cash and Cash Equivalents

Big Sandy considers all short-term, highly-liquid investments with original maturities of three months or less to be cash equivalents.

#### Off Balance Sheet Risk

Big Sandy has off-balance sheet risk in that they maintain cash deposits in financial institutions in excess of the amounts insured by the Federal Deposit Insurance Corporation (FDIC).

#### Advertising

Advertising costs are expensed as incurred.

Continued

**1. Summary of Significant Accounting Policies, continued**

**Revenue**

Big Sandy records revenue as billed to its consumers based on monthly meter readings. Certain consumers are required to pay a refundable deposit. Big Sandy's sales are concentrated in a six county area of western Kentucky. There were no consumers whose individual account balance exceeded 10% of outstanding accounts receivable at December 31, 2007 or 2006. Consumers must pay their bill within 20 days of billing, then are subject to disconnect after another 10 days. Accounts are written off when they are deemed to be uncollectible. The allowance for uncollectible accounts is based on the aging of receivables.

**Cost of Power**

Big Sandy is one of sixteen members of East Kentucky Power Cooperative, Inc. (East Kentucky). Under a wholesale power agreement, Big Sandy is committed to purchase its electric power and energy requirements from East Kentucky until 2041. The rates charged by East Kentucky are subject to approval of the PSC. The cost of power is recorded monthly during the period in which the energy is consumed, based upon billings from East Kentucky.

**Fair Value of Financial Instruments**

The carrying value of cash and temporary cash investments approximates fair value because of the short maturity of those instruments. The fair value of long term debt approximates the fair value because of the borrowing policies of Big Sandy. Investments in associated organizations are not considered a financial instrument because they represent a nontransferable interest in associated organizations.

Big Sandy will also invest idle funds in local banks. These investments are classified as held-to-maturity in accordance with Statement of Financial Accounting Standards (SFAS) No. 115. Held- to-maturity securities are presented at amortized cost. The fair value of held-to-maturity securities approximates cost at 2007 and 2006.

**Estimates**

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

**Income Tax Status**

Big Sandy is exempt from the payment of federal and state income taxes under provisions of Section 501(c)(12). Accordingly, the financial statements include no provisions for income taxes.

Continued

**1. Summary of Significant Accounting Policies, continued**

**Off Balance Sheet Risk**

Big Sandy has off balance sheet risk in that they maintain cash deposits in financial institutions in excess of the amounts insured by the Federal Deposit Insurance Corporation (FDIC). At December 31, 2007 and 2006, the financial institutions reported deposits in excess of the \$100,000 FDIC insured limit on several of the accounts.

**Risk Management**

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

**2. Investments in Associated Organizations**

The Capital Term Certificates (CTCs) of National Rural Utilities Cooperative Finance Corporation (CFC) are recorded at cost. The CTCs were purchased from CFC as a condition of obtaining long-term financing. The CTCs bear interest at 0%, 3% and 5% and are scheduled to mature at varying times from 2020 to 2080.

Big Sandy records patronage capital assigned by associated organizations in the year in which such assignments are received. Investments in associated organizations and other consisted of:

	<u>2007</u>	<u>2006</u>
Associated organizations:		
East Kentucky, patronage capital	\$4,961,362	\$4,961,362
CFC, patronage capital	117,753	111,026
CFC, CTC's	556,193	560,902
Other associated organizations	<u>218,338</u>	<u>206,767</u>
Total	<u>\$5,853,646</u>	<u>\$5,840,057</u>

**3. Patronage Capital**

Under provisions of the long-term debt agreement, return to patrons of capital contributed by them is limited to amounts which would not allow the total equities and margins to be less than 30% of total assets, except that distributions may be made to estates of deceased patrons. The debt agreement provides, however, that should such distributions to estates not exceed 25% of net margins for the next preceding year, Big Sandy may distribute the difference between 25% and the payments made to such estates. At December 31, 2007, the equities and margins were 34% of total assets. Prior year's deficits are recorded as other equity and are offset by future year's non operating margins.

Continued

Notes to Financial Statements, continued

**3. Patronage Capital**

Patronage capital consisted of:

	<u>2007</u>	<u>2006</u>
Assigned to date	\$16,216,178	\$15,999,859
Assignable margins	265,640	393,315
Retirements to date	<u>(2,218,292)</u>	<u>(2,170,826)</u>
Total	<u>\$14,263,526</u>	<u>\$14,222,348</u>

**4. Accumulated Other Comprehensive Income**

The changes in accumulated other comprehensive income, which includes the effects of applying the provisions of SFAS No. 158, follows.

	<u>2007</u>	<u>2006</u>
Balance, beginning of period	-	n/a
Adjustment to initially apply SFAS No. 158	<u>(1,106,360)</u>	
Balance, end of period	<u>(\$1,106,360)</u>	

**5. Long Term Debt**

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

	<u>2007</u>	<u>2006</u>
First mortgage notes due RUS:		
2.875% to 4.63%	<u>\$7,105,649</u>	<u>\$5,737,350</u>
First mortgage notes due FFB:		
4.472%	<u>6,596,398</u>	<u>6,729,733</u>
First mortgage notes due NRUCFC:		
7.00%	5,880	18,341
6.25 to 6.46% (4.10 to 6.40% in 2006)	2,883,474	3,016,404
Refinance RUS loans 2.8% - 5.7%	<u>3,792,314</u>	<u>4,137,067</u>
	<u>6,681,668</u>	<u>7,171,812</u>
	20,383,715	19,638,895
Less current portion	<u>800,000</u>	<u>760,000</u>
Total long term portion	<u>\$19,583,715</u>	<u>\$18,878,895</u>

The variable rate notes payable to NRUCFC adjusts monthly and may be converted to fixed at any time upon Board approval by Big Sandy.

Continued

**5. Long Term Debt, continued**

The long-term debt payable to RUS, FFB and CFC is due in quarterly and monthly installments of varying amounts through 2039. Big Sandy had unadvanced loan funds available from RUS in the amount of \$2,880,000 at December 31, 2007. These funds will be used for future plant additions.

During 2003, Big Sandy refinanced \$5,171,332 of RUS loans at 5% interest with funds advanced from CFC. The long term debt to pay RUS loans is due in 15 annual installments of \$344,756.

As of December 31, 2007, the annual current portion of long term debt outstanding for the next five years are as follows: 2008 - \$800,000; 2009 - \$820,000; 2010 - \$830,000; 2011 - \$850,000; 2012 - \$870,000.

**6. Short Term Borrowings**

At December 31, 2007, Big Sandy had a short-term line of credit of \$2,500,000 available from CFC and \$1,000,000 from National Bank for Cooperatives (CoBank). Big Sandy had advances against the CoBank loan in the amount of \$800,000 with an interest rate of 5.89%.

**7. Retirement Plans**

Retirement benefits for substantially all employees are provided by Big Sandy. Big Sandy has two pension plans, which have been qualified as tax exempt by the Internal Revenue Service. Retirement cost for union employees was \$55,664 for 2007 and \$56,421 for 2006 and for non-union employees was \$146,065 for 2007 and \$145,345 for 2006. It is the policy of Big Sandy to fund pension costs accrued. A portion of pension cost is allocated to construction overheads.

All eligible non-union employees of Big Sandy participate in the NRECA Retirement and Security Program, a defined benefit pension plan qualified under Section 401 and tax-exempt under Section 501(a) of the Internal Revenue Code. Big Sandy makes annual contributions to the Program equal to the amounts accrued for pension expense. In this multiple employer plan, which is available to all member cooperatives of NRECA, the accumulated benefits and plan assets are not determined or allocated separately by individual employer.

Union employees are covered by the Big Sandy RECC Pension Plan and Trust #2 pursuant to Section 401(k) of the Internal Revenue Code. Big Sandy contributes 5% of annual wages and employees may contribute up to 10% of annual wages. Contributions by Big Sandy vest based on years of service. Employee contributions vest immediately.

**8. Accumulated Postretirement Benefits**

Big Sandy sponsors a defined benefit plan that provides medical and life insurance for retirees and their dependents. Participating retirees and dependents do not contribute to the projected cost of coverage. Postretirement benefits are not funded.

Continued

Notes to Financial Statements, continued

**8. Accumulated Postretirement Benefits, continued**

The funded status of the plan was as follows:

	<u>2007</u>	<u>2006</u>
Projected benefit obligation	(\$1,782,045)	(\$680,445)
Plan assets at fair value	-	-
Funded status	<u>(\$1,782,045)</u>	<u>(\$680,445)</u>

The components of net periodic postretirement benefit costs are as follows:

	<u>2007</u>	<u>2006</u>
Net periodic benefit cost	\$174,000	\$174,000
Benefits paid to participants	178,760	175,322

Projected retiree benefit payments are expected to be as follows: 2008 - \$178,513; 2009 - \$183,479; 2010 - \$185,135; 2011 - \$186,709; 2011 - \$189,010.

For measurement purposes, a 8% annual rate of increase, decreasing by 0.5% until level at 5.5%, in the per capita cost of covered health care benefits was assumed. The discount rate used in determining the accumulated postretirement benefit obligation was 6.50% for 2007 and 2006. A portion of the benefit cost is recorded as overhead costs applicable to construction of electric plant.

In September 2006, the Financial Accounting Standards Board ("FASB") issued FASB Statement No. 158, Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans ("SFAS No. 158"). Big Sandy adopted SFAS No. 158 during the year. The incremental effect of applying SFAS No. 158 on individual line items in the Statement of Financial Position is as follows:

	Before Application of <u>Statement 158</u>	<u>Adjustments</u>	After Application of <u>Statement 158</u>
Accumulated postretirement benefits	\$675,685	\$1,106,360	\$1,782,045
Accumulated other comprehensive income	-	(1,106,360)	(1,106,360)
Total members' equities	14,094,147	(1,106,360)	12,987,787

**9. Lease**

Big Sandy leases space for its branch office from an unrelated party. The lease, dated July 1, 1987, is for a period of 3 years, with a renewal for an additional 3 years. The lease is an operating lease with monthly payments of \$625 per month.

Continued

**10. Related Party Transactions**

Several of the Directors of Big Sandy, the President and General Manager and another employee are on the Board of Directors of various associated organizations.

One of the owners of the construction contractor for Big Sandy is the brother of the President and General Manager of Big Sandy. The amount paid to the construction contractor was \$205,309 for 2007 and \$374,848 for 2006.

**11. Commitments and Contingencies**

Big Sandy is contingently liable as guarantor for approximately \$131,000 of long-term obligations of East Kentucky to RUS, CFC and institutional investors. Substantially all assets of Big Sandy are pledged as collateral for this guarantee, in addition to the pledge in the mortgage agreement referred to in Note 4. This contingent liability was part of an overall financing plan for the construction of generating facility near Maysville, Kentucky.

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

**12. Environmental Contingency**

Big Sandy from time to time is required to work with and handle PCBs, herbicides, automotive fluids, lubricants and other hazardous materials in the normal course of business. As a result, there is the possibility that environmental conditions may arise which would require Big Sandy to incur cleanup costs. The likelihood of such an event, or the amount of such costs, if any, cannot be determined at this time. However, management does not believe such costs, if any, would materially affect Big Sandy's financial position or its future cash flows.

**13. Labor Force**

Approximately 40% of Big Sandy's labor force is subject to a collective bargaining agreement. A three (3) year agreement was negotiated and approved for the period starting February 5, 2008 between Big Sandy and the International Brotherhood of Electric Workers (IBEW).



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16

Witness: Alan Zumstein

Big Sandy Rural Electric Cooperative  
Case No. 2008-00401  
August 31, 2008

**Computer Software Programs**

Big Sandy Rural Electric has used Microsoft Excel and Word in the preparation of this Application.



Witness: David Estep

Big Sandy Rural Electric Cooperative  
Case No. 2008-00401  
August 31, 2008

**Annual Meeting Information**

The most recent Big Sandy Rural Electric annual meeting was held May 15, 2008. The minutes of that annual meeting are attached, along with the insert in the Kentucky Living Magazine, describing the annual meeting.

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

<u>Year</u>	<u>Members Attending</u>	<u>Members Voting</u>	<u>Cost</u>
2008	517	0	\$24,029
2007	599	0	\$26,293
2006	594	0	\$24,499
2005	579	0	\$24,680
2004	568	0	\$19,878

**BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION**  
**ANNUAL MEETING OF MEMBERSHIP**  
**MAY 15, 2008**  
**MOUNTAIN ARTS CENTER, PRESTONSBURG, KY**

**CALL TO ORDER:** The meeting was called to order by Chairman, Wade May at 7:00PM. Chairman, Wade May turned the meeting over to Ron Sheets to act as Chairman.

**INVOCATION:** The Invocation was given by Bill Maxey.

Mr. Sheets addressed the members briefly, then announced that a quorum was present.

**FIOB: Resolution**

Mr. Sheets read the resolution setting the date and location of the 2008 Annual Meeting.

**NIOB: Notice of Meeting**

Mr. Sheets read the Affidavit of Mailing of Notice of Meeting.

**NIOB: Minutes**

Reading of the minutes of the 2007 Annual Meeting was waived by a motion, seconded and vote from the floor approved without reading . Motion carried unanimously.

**NIOB: Reports**

Mr. Sheets asked for any reports from Officers, Trustees and Committees with none forthcoming.

**NIOB: Introduction of Board, Attorney & President --General Manager**

Mr. Sheets introduced directors by District; Danny Wallen, Kelly Shepherd, Chairman Wade May, Bill Maxey, Joe W. Harris, Jr., Robert N. Moore, and Greg Davis. Mr. Sheets also introduced Attorney, Albert Burchett and President --General Manager, Bobby Sexton.

**NIOB: Election of Directors**

Mr. Sheets announced as elected, for District 1, Danny Wallen, and District 2, Kelly Shepherd without any opposition.

**NIOB: Recognition of Guests**

Mr. Sheets recognized State Representative, Hubert "Hubie" Collins, former President-General Manager, Bruce A. Davis and long-time member Neva Rowland. Our 2008 Annual Meeting made the 60<sup>th</sup> Annual Meeting Ms. Rowland had attended and she was awarded with appreciation, a print of "Our Power is Our People" for her dedication to our Co-Op.

**NIOB: Introduction of Bob Marshall**

Mr. Sheets introduced Bob Marshall, who spoke to our members regarding East Kentucky Power's clean coal generating facilities.

# BIG SANDY RURAL ELECTRIC Cooperative Corporation

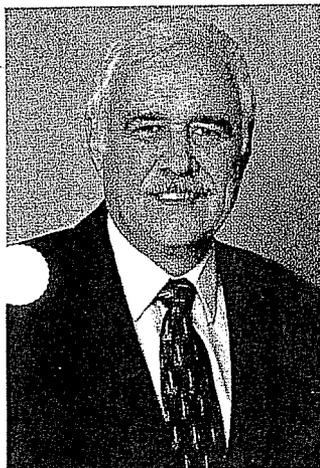
www.bigsandyrecc.com

## 2008 ANNUAL MEETING

THURSDAY, MAY 15

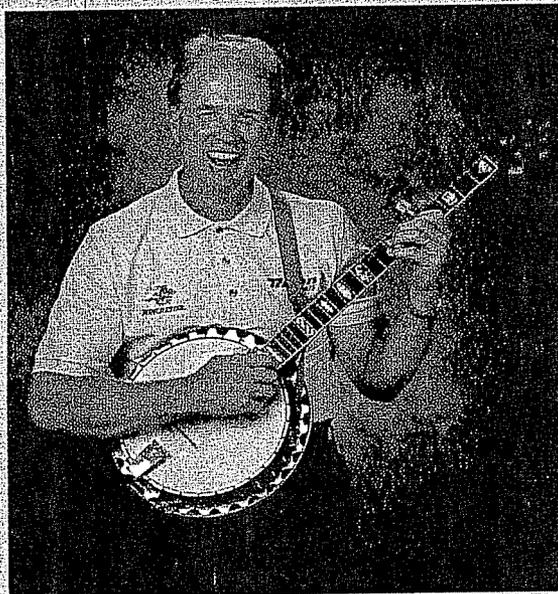
504 Eleventh Street  
Paintsville, KY 41240  
(606) 789-4095  
1-888-789-7322  
7:30 a.m. to 4:00 p.m.

Box 204, Glyn View Plaza  
Prestonsburg, KY 41653  
(606) 886-2987  
8:00 a.m. to 4:30 p.m.

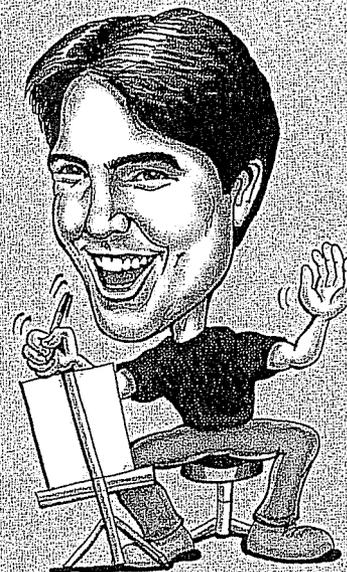


MANAGER'S COMMENTS  
By BOBBY SEXTON

### FEATURING



MIKE SNIDER AND THE MIKE  
SNIDER STRING BAND



CARICATURIST  
DENNY WHALEN

Dear Members:

We invite you to our 2008 annual meeting. This year's meeting will once again be held at the Mountain Arts Center in Prestonsburg. Our featured entertainment will be Mike Snider. Back by popular demand is Denny Whalen. Bring your family on Thursday, May 15, for fun and entertainment. We look forward to seeing you there!

Sincerely yours,

Bobby Sexton

**When:** Thursday, May 15

**Where:** Mountain Arts Center, Prestonsburg

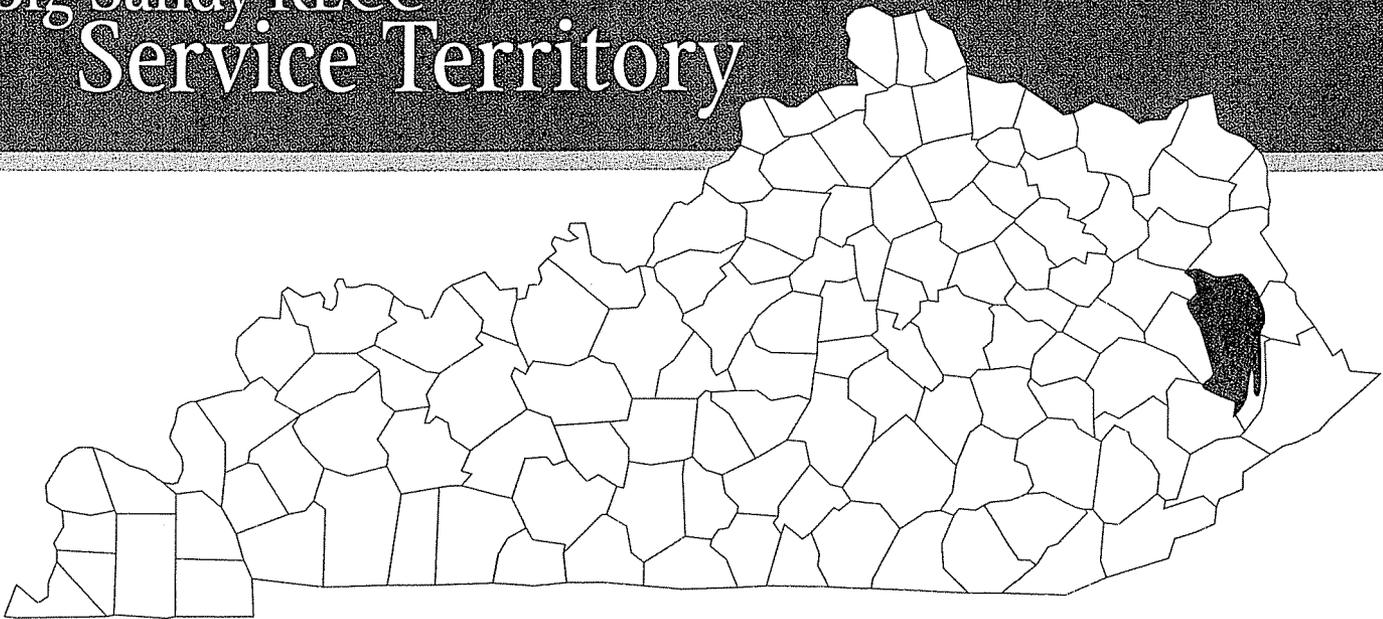
**Registration:** 6:00 p.m.

**Business meeting:** 7:00 p.m.

# Big Sandy RECC 2007 Annual Report



# Big Sandy RECC Service Territory



## Members served in 2007

Breathitt .....	15
Floyd.....	5,919
Johnson .....	5,522
Knott .....	345
Lawrence .....	530
Magoffin.....	1
Martin .....	872
Morgan.....	15

## Accounts billed

2007.....13,120

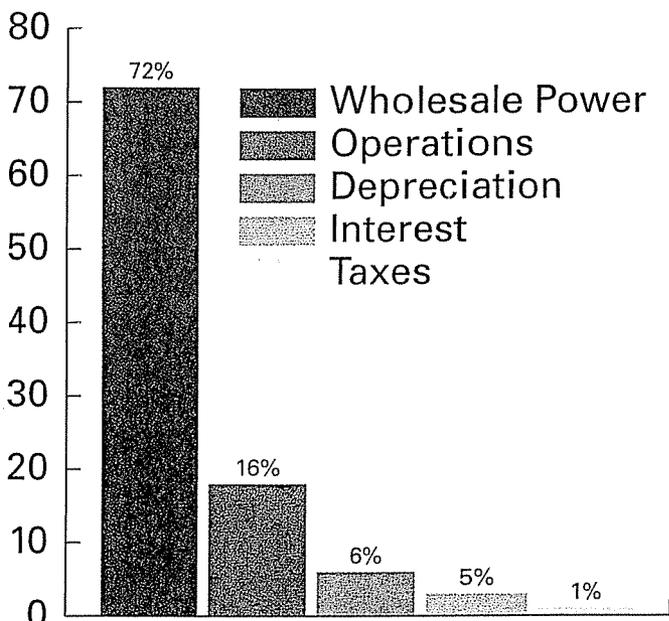
## Average Kilowatt-hour use (Residential per month)

2007..... 1,244

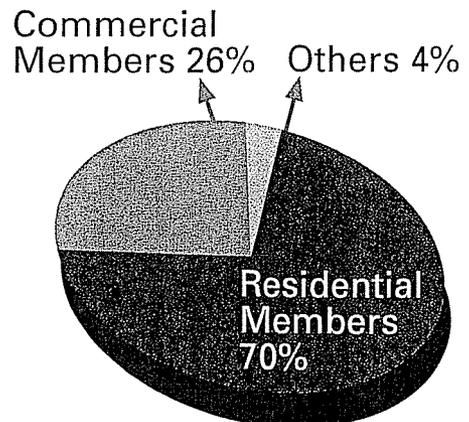
## Consumers per Mile

2007..... 12.94

## Major costs



## Revenue sources



# Big Sandy RECC Financial Results

# Your Board of Directors

## STATEMENT OF OPERATIONS

For the Year Ending December 31, 2007

Operating Revenue and Patronage Capital.....	\$22,583,683
Operating Expense	
Cost of Purchased Power.....	\$16,423,880
Operating the Electric System.....	3,644,644
Depreciation.....	1,231,836
Taxes.....	20,945
Interest on Loans.....	1,039,393
Other Deductions.....	89,994
 Total Cost of Electric Service.....	 \$22,450,692
 Patronage Capital & Operating Margins.....	 \$132,991
Non-Operating Margins.....	72,881
Capital Credits Assigned from Other Cooperatives.....	59,768
Patronage Capital or Margins.....	\$265,640

## BALANCE SHEET

For the Year Ending December 31, 2007

### WHAT WE OWN

Total Utility Plant.....	\$38,553,392
Less Depreciation.....	9,366,168
Net Utility Plant Book Value.....	\$29,187,224
 Non-Utility Property and Other Investments.....	 \$5,853,646
Cash and Reserves.....	597,797
Owed to Co-op on Accounts.....	2,663,872
Material in Inventory.....	311,606
Deferred Debits and Other Assets.....	27,500
 Total Assets.....	 \$38,641,645

### WHAT WE OWE

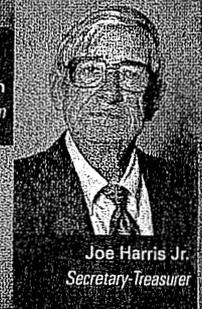
Membership and Other Equities.....	12,987,787
Long-Term Debt.....	19,583,715
Notes and Accounts Payable.....	3,351,922
Other Current and Accrued Liabilities.....	2,691,191
Deferred Credits and Miscellaneous.....	27,030
Total Liabilities and Equities.....	\$38,641,645



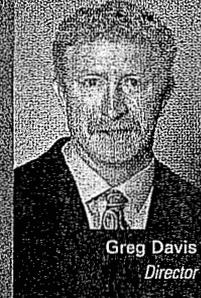
Wade May  
Chairman



Danny Wallen  
Vice Chairman



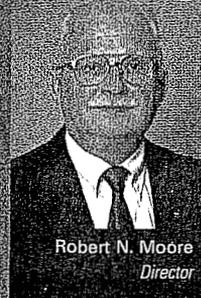
Joe Harris Jr.  
Secretary-Treasurer



Greg Davis  
Director



William Maxey  
Director



Robert N. Moore  
Director



Kelly Shepherd  
Director



Albert Burchett  
Attorney



Bobby Sexton  
President and  
General Manager



**Big Sandy Rural Electric  
Cooperative Corporation**

A Touchstone Energy® Partner 

12



# Big Sandy Rural Electric Cooperative Corporation

A Touchstone Energy® Partner 

## 2007 Annual Meeting

**Thursday, May 17**

*Mountain Arts Center  
Prestonsburg*

### Featuring

KY Opry Junior Pros  
Caricaturist Denny Whalen  
Allen Central High School ROTC

Registration:  
6:00 p.m.

Business meeting:  
7:00 p.m.

# KENTUCKY OPRY

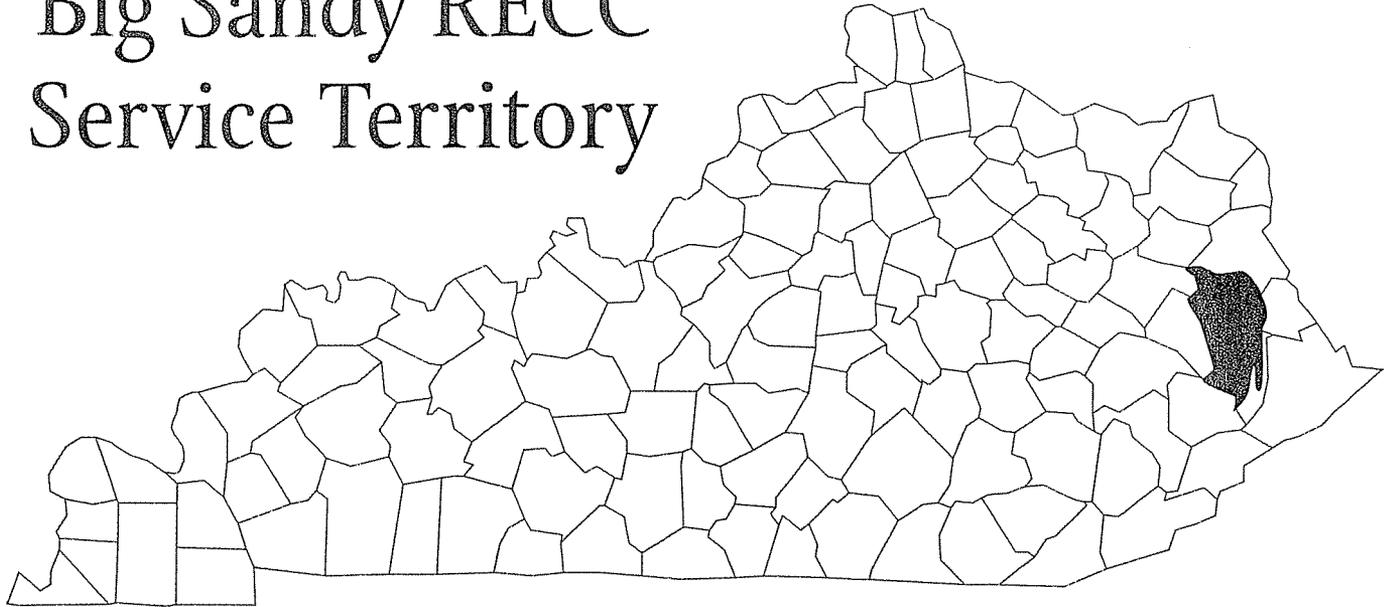


caricatures  
door prizes  
give-aways  
4 bicycles  
table displays

# Big Sandy RECC 2006 Annual Report

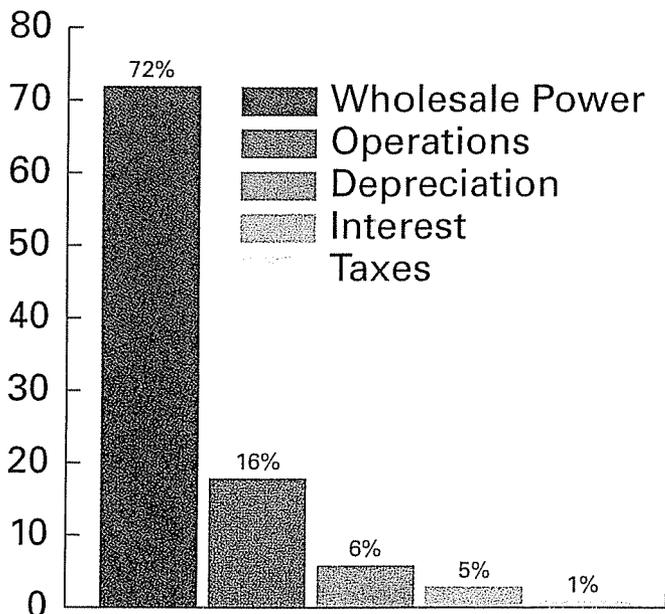


# Big Sandy RECC Service Territory

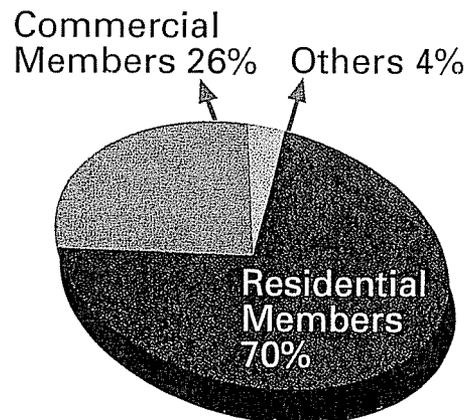


MEMBERS SERVED IN 2006	ACCOUNTS BILLED .....	13,099
Breathitt .....	15	
Floyd.....	5,889	AVERAGE
Johnson .....	5,448	KWH USAGE
Knott .....	335	Residential per month.....
Lawrence .....	527	1,244
Magoffin.....	1	CONSUMERS
Martin .....	878	PER MILE.....
Morgan.....	15	12.94

## major costs



## revenue sources



# Big Sandy RECC Financial Results

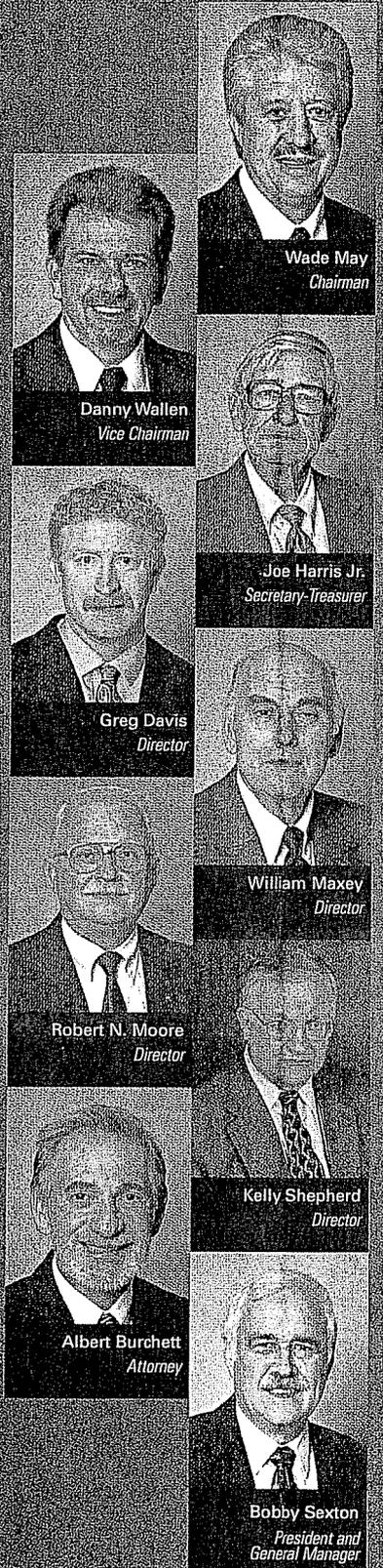
## STATEMENT OF OPERATIONS For the Year Ending December 31, 2006

Operating Revenue and Patronage Capital.....	\$29,648,199
Operating Expense	
Cost of Purchased Power.....	\$14,693,549
Operating the Electric System.....	3,555,396
Depreciation.....	1,163,292
Taxes.....	19,141
Interest on Loans.....	1,024,565
Other Deductions.....	42,824
<b>Total Cost of Electric Service.....</b>	<b>\$20,498,767</b>
Patronage Capital & Operating Margins.....	\$(149,432)
Non-Operating Margins.....	176,994
Capital Credits Assigned from Other Cooperatives.....	66,888
Patronage Capital or Margins.....	\$(393,314)

## BALANCE SHEET For the Year Ending December 31, 2006

WHAT WE OWN	
Total Utility Plant.....	\$36,563,256
Less Depreciation.....	9,077,303
Net Utility Plant Book Value.....	\$27,485,953
Non-Utility Property and Other Investments.....	
Cash and Reserves.....	\$5,840,057
Owed to Co-op on Accounts.....	442,337
Material in Inventory.....	3,004,377
Deferred Debits and Other Assets.....	276,293
45,541	
<b>Total Assets.....</b>	<b>\$37,094,558</b>
WHAT WE OWE	
Membership and Other Equities.....	13,859,671
Long-Term Debt.....	20,319,340
Notes and Accounts Payable.....	2,531,646
Other Current and Accrued Liabilities.....	334,014
Deferred Credits and Miscellaneous.....	\$49,887
<b>Total Liabilities and Equities.....</b>	<b>\$37,094,558</b>

## Your Board of Directors



PART A. STATEMENT OF OPERATIONS

LINE NO	YEAR TO DATE				THIS MONTH	% FROM BUDGET	% CHANGE FROM LAST YEAR
	LAST YEAR	THIS YEAR	BUDGET				
	A	B	C	D			
1.0	OPERATING REVENUE & PATRONAGE CAPITAL....	15,244,630.27	16,901,215.48	13,448,604.91	1,660,963.13	25.7	10.9
2.0	POWER PRODUCTION EXPENSE.....	.00	.00	.00	.00	.0	.0
3.0	COST OF PURCHASED POWER.....	10,896,801.00-	12,454,500.00-	8,841,355.00-	1,304,716.00-	40.9	14.3
4.0	TRANSMISSION EXPENSE.....	.00	.00	.00	.00	.0	.0
5.0	DISTRIBUTION EXPENSE-OPERATION.....	37,347.27	387,657.49-	362,105.55-	62,190.54-	7.1	1138.0-
6.0	DISTRIBUTION EXPENSE-MAINTENANCE.....	836,106.25-	824,192.43-	804,610.62-	77,430.16-	2.4	1.4-
7.0	CONSUMER ACCOUNTS EXPENSE.....	547,338.35-	503,574.10-	468,837.54-	50,800.41-	7.4	8.0-
8.0	CUSTOMER SERVICE & INFORMATIONAL EXPENSE.	97,684.91-	81,363.00-	91,494.54-	8,288.40-	11.1-	16.7-
9.0	SALES EXPENSE.....	2,528.76-	655.00-	.00	20.00-	100.0-	74.1-
10.0	ADMINISTRATIVE & GENERAL EXPENSE.....	914,802.24-	1,005,046.27-	867,398.31-	92,556.54-	15.9	9.9
11.0	TOTAL OPERATIONS & MAINTENANCE EXPENSE...	13,257,914.24-	15,256,988.29-	11,435,801.56-	1,596,002.05-	33.4	15.1
12.0	DEPRECIATION & AMORTIZATION EXPENSE.....	864,086.97-	917,848.65-	1,009,224.00-	103,975.37-	9.1-	6.2
13.0	TAX EXPENSE - PROPERTY & GROSS RECEIPTS..	.00	.00	.00	.00	.0	.0
14.0	TAX EXPENSE - OTHER.....	14,027.88-	15,361.93-	14,249.97-	1,861.32-	7.8	9.5
15.0	INTEREST ON LONG TERM DEBT.....	772,345.26-	746,739.97-	801,749.88-	81,262.33-	6.9-	3.3-
16.0	INTEREST CHARGED TO CONSTRUCTION - CREDIT	.00	.00	.00	.00	.0	.0
17.0	INTEREST EXPENSE - OTHER.....	22,481.00-	27,905.86-	23,924.97-	3,493.93-	16.6	24.1
18.0	OTHER DEDUCTIONS.....	6,609.22-	6,683.95-	5,437.44-	.00	22.9	1.1
19.0	TOTAL COST OF ELECTRIC SERVICE.....	14,937,464.57-	16,971,528.65-	13,290,387.82-	1,786,595.00-	27.7	13.6
20.0	PATRONAGE CAPITAL & OPERATING MARGINS....	307,165.70	70,313.17-	158,217.09	125,631.87-	144.4-	122.9-
21.0	NON OPERATING MARGINS - INTEREST.....	51,328.00	46,427.70	52,499.97	3,963.13	11.6-	9.5-
22.0	ALLOW. FOR FUNDS USED DURING CONSTRUCTION	.00	.00	.00	.00	.0	.0
23.0	INCOME (LOSS) FROM EQUITY INVESTMENTS....	.00	.00	.00	.00	.0	.0
24.0	NON OPERATING MARGINS - OTHER.....	6,158.04	.00	.00	.00	.0	100.0-
25.0	GENERATION & TRANSMISSION CAPITAL CREDITS	.00	.00	.00	.00	.0	.0
26.0	OTHER CAPITAL CREDITS & PATRONAGE DIVID..	63,489.26	97,336.47	.00	88,927.32	100.0	53.3
27.0	EXTRAORDINARY ITEMS.....	.00	.00	.00	.00	.0	.0
28.0	PATRONAGE CAPITAL OR MARGINS.....	428,141.00	73,451.00	210,717.06	32,741.42-	65.1-	82.8-
RATIOS							
	TIER	1.554	1.098	1.263	.597		
	MARGINS TO REVENUE	.028	.004	.016	.020		
	POWER COST TO REVENUE	.715	.737	.657	.786		
	INTEREST EXPENSE TO REVENUE	.051	.044	.060	.049		
	CURRENT ASSETS : CURRENT LIABILITIES	1.1099					
	MARGINS & EQUITIES AS % OF ASSETS	.3663					
	LONG TERM DEBT AS % OF PLANT	.5370					
	GENERAL FUNDS TO TOTAL PLANT	.8024					
	QUICK ASSET RATIO	.9926					

PART C. BALANCE SHEET

LINE NO	ASSETS AND OTHER DEBITS	LIABILITIES AND OTHER CREDITS
1.0	TOTAL UTILITY PLANT IN SERVICE 38,105,314.94	29.0 MEMBERSHIPS 224,260.00-
2.0	CONSTRUCTION WORK IN PROGRESS 45,880.65	30.0 PATRONAGE CAPITAL 14,008,528.09-
3.0	TOTAL UTILITY PLANT 38,151,195.59	31.0 OPERATING MARGINS - PRIOR YEAR .00
4.0	ACCUM PROV FOR DEP & AMORT 9,271,174.23-	32.0 OPERATING MARGINS-CURRENT YEAR 27,023.30-
5.0	NET UTILITY PLANT 28,880,021.36	33.0 NON-OPERATING MARGINS 46,427.70-
		34.0 OTHER MARGINS & EQUITIES 399,806.62
6.0	NON-UTILITY PROPERTY (NET) .00	35.0 TOTAL MARGINS & EQUITIES 13,906,432.47-
7.0	INVEST IN SUBSIDIARY COMPANIES .00	
8.0	INV IN ASSOC ORG - PAT CAPITAL 5,326,315.36	36.0 LONG TERM DEBT - RUS (NET) 7,137,229.30-
9.0	INV IN ASSOC ORG OTHR GEN FND 3,205.00	(PAYMENTS-UNAPPLIED .00 )
10.0	INV IN ASSOC ORG - NON GEN FND 556,193.26	37.0 LNG-TERM DEBT-FFB-RUS GUAR .00
11.0	INV IN ECON DEVEL PROJECTS .00	38.0 LONG-TERM DEBT OTHER-RUS GUAR .00
12.0	OTHER INVESTMENTS 5,500.00	39.0 LONG TERM DEBT - OTHER (NET) 13,348,964.66-
13.0	SPECIAL FUNDS .00	40.0 LNG-TERM DEBT-RUS-ECON DEV NET .00
14.0	TOT OTHER PROP & INVESTMENTS 5,891,213.62	41.0 PAYMENTS - UNAPPLIED .00
		42.0 TOTAL LONG TERM DEBT 20,486,193.96-
15.0	CASH - GENERAL FUNDS 114,072.33	
16.0	CASH - CONSTRUCTION FUND TRUST 477.50	43.0 OBLIGATION UNDER CAPITAL LEASE .00
17.0	SPECIAL DEPOSITS 20.00	44.0 ACCUM OPERATING PROVISIONS 679,881.41-
18.0	TEMPORARY INVESTMENTS 183,366.61	45.0 TOTAL OTHER NONCURR LIABILITY 679,881.41-
19.0	NOTES RECEIVABLE (NET) .00	
20.0	ACCTS RECV - SALES ENERGY(NET) 2,257,179.58	46.0 NOTES PAYABLE 400,000.00-
21.0	ACCTS RECV - OTHER (NET) 254,611.98	47.0 ACCOUNTS PAYABLE 1,495,598.30-
22.0	MATERIAL & SUPPLIES-ELEC & OTH 335,889.29	48.0 CONSUMER DEPOSITS 502,859.00-
23.0	PREPAYMENTS 24,040.56	49.0 CURR MATURITIES LONG-TERM DEBT .00
24.0	OTHER CURRENT & ACCR ASSETS 8,853.05	50.0 CURR MATURIT LT DEBT ECON DEV .00
25.0	TOTAL CURRENT & ACCR ASSETS 3,178,510.90	51.0 CURR MATURITIES CAPITAL LEASES .00
		52.0 OTHER CURRENT & ACCRUED LIAB 465,340.99-
26.0	REGULATORY ASSETS .00	53.0 TOTAL CURRENT & ACCRUED LIAB 2,863,798.29-
27.0	OTHER DEFERRED DEBITS 13,643.77	54.0 REGULATORY LIABILITIES .00
28.0	TOTAL ASSETS & OTHER DEBITS 37,963,389.65	55.0 OTHER DEFERRED CREDITS 27,083.52-
		56.0 TOTAL LIABILITIES & OTH CREDIT 37,963,389.65-
	=====	=====
		ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION
		57.0 BALANCE BEGINNING OF YEAR .00
		58.0 AMOUNT RECEIVED THIS YEAR (NET) 98,403.19
		59.0 TOTAL CONTRIBUTIONS IN AID OF CONST 98,403.19

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

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

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

\_\_\_\_\_  
DATE

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

\_\_\_\_\_  
DATE

PART A. STATEMENT OF OPERATIONS

LINE NO		YEAR TO DATE			THIS MONTH	% FROM BUDGET	% CHANGE FROM LAST YEAR
		LAST YEAR A	THIS YEAR B	BUDGET C			
1.0	OPERATING REVENUE & PATRONAGE CAPITAL....	16,817,964.14	18,457,609.58	14,747,677.90	1,556,394.10	25.2	9.7
2.0	POWER PRODUCTION EXPENSE.....	.00	.00	.00	.00	.0	.0
3.0	COST OF PURCHASED POWER.....	12,017,207.00-	13,524,580.00-	9,719,823.00-	1,070,080.00-	39.1	12.5
4.0	TRANSMISSION EXPENSE.....	.00	.00	.00	.00	.0	.0
5.0	DISTRIBUTION EXPENSE-OPERATION.....	8,304.07-	431,672.81-	402,339.50-	44,015.32-	7.3	5098.3
6.0	DISTRIBUTION EXPENSE-MAINTENANCE.....	906,100.45-	915,092.01-	894,011.80-	90,899.58-	2.4	1.0
7.0	CONSUMER ACCOUNTS EXPENSE.....	607,431.72-	553,376.43-	520,930.60-	49,802.33-	6.2	8.9-
8.0	CUSTOMER SERVICE & INFORMATIONAL EXPENSE.	108,849.69-	91,300.90-	101,660.60-	9,937.90-	10.2-	16.1-
9.0	SALES EXPENSE.....	2,618.76-	700.00-	.00	45.00-	100.0-	73.3-
10.0	ADMINISTRATIVE & GENERAL EXPENSE.....	1,013,404.91-	1,105,313.43-	963,775.90-	100,267.16-	14.7	9.1
11.0	TOTAL OPERATIONS & MAINTENANCE EXPENSE...	14,663,916.60-	16,622,035.58-	12,602,541.40-	1,365,047.29-	31.9	13.4
12.0	DEPRECIATION & AMORTIZATION EXPENSE.....	963,495.65-	1,022,367.50-	1,121,360.00-	104,518.85-	8.8-	6.1
13.0	TAX EXPENSE - PROPERTY & GROSS RECEIPTS..	.00	.00	.00	.00	.0	.0
14.0	TAX EXPENSE - OTHER.....	15,732.35-	17,223.25-	15,833.30-	1,861.32-	8.8	9.5
15.0	INTEREST ON LONG TERM DEBT.....	854,595.22-	832,806.54-	890,833.20-	86,066.57-	6.5-	2.5-
16.0	INTEREST CHARGED TO CONSTRUCTION - CREDIT	.00	.00	.00	.00	.0	.0
17.0	INTEREST EXPENSE - OTHER.....	26,699.17-	32,776.51-	26,583.30-	4,870.65-	23.3	22.8
18.0	OTHER DEDUCTIONS.....	6,709.22-	7,218.09-	6,041.60-	534.14-	19.5	7.6
19.0	TOTAL COST OF ELECTRIC SERVICE.....	16,531,148.21-	18,534,427.47-	14,663,192.80-	1,562,898.82-	26.4	12.1
=====							
20.0	PATRONAGE CAPITAL & OPERATING MARGINS....	286,815.93	76,817.89-	84,485.10	6,504.72-	190.9-	126.8-
21.0	NON OPERATING MARGINS - INTEREST.....	60,897.90	50,827.28	58,333.30	4,399.58	12.9-	16.5-
22.0	ALLOW. FOR FUNDS USED DURING CONSTRUCTION	.00	.00	.00	.00	.0	.0
23.0	INCOME (LOSS) FROM EQUITY INVESTMENTS....	.00	.00	.00	.00	.0	.0
24.0	NON OPERATING MARGINS - OTHER.....	6,158.04	.00	.00	.00	.0	100.0-
25.0	GENERATION & TRANSMISSION CAPITAL CREDITS	.00	.00	.00	.00	.0	.0
26.0	OTHER CAPITAL CREDITS & PATRONAGE DIVID..	63,489.26	97,336.47	.00	.00	100.0	53.3
27.0	EXTRAORDINARY ITEMS.....	.00	.00	.00	.00	.0	.0
28.0	PATRONAGE CAPITAL OR MARGINS.....	417,361.13	71,345.86	142,818.40	2,105.14-	50.0-	82.9-

RATIOS

TIER	1.488	1.086	1.160	.976
MARGINS TO REVENUE	.025	.004	.010	.001
POWER COST TO REVENUE	.715	.733	.659	.688
INTEREST EXPENSE TO REVENUE	.051	.045	.060	.055
CURRENT ASSETS : CURRENT LIABILITIES	1.0278			
MARGINS & EQUITIES AS % OF ASSETS	.3653			
LONG TERM DEBT AS % OF PLANT	.5339			
GENERAL FUNDS TO TOTAL PLANT	1.3030			
QUICK ASSET RATIO	.9314			

PART C. BALANCE SHEET

LINE NO	ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS		
1.0	TOTAL UTILITY PLANT IN SERVICE	38,300,816.87	29.0	MEMBERSHIPS	225,435.00-
2.0	CONSTRUCTION WORK IN PROGRESS	47,692.92	30.0	PATRONAGE CAPITAL	14,003,669.19-
3.0	TOTAL UTILITY PLANT	38,348,509.79	31.0	OPERATING MARGINS - PRIOR YEAR	.00
4.0	ACCUM PROV FOR DEP & AMORT	9,251,720.32-	32.0	OPERATING MARGINS-CURRENT YEAR	20,518.58-
5.0	NET UTILITY PLANT	29,096,789.47	33.0	NON-OPERATING MARGINS	50,827.28-
6.0	NON-UTILITY PROPERTY (NET)	.00	34.0	OTHER MARGINS & EQUITIES	398,330.49
7.0	INVEST IN SUBSIDIARY COMPANIES	.00	35.0	TOTAL MARGINS & EQUITIES	13,902,119.56-
8.0	INV IN ASSOC ORG - PAT CAPITAL	5,326,315.36	36.0	LONG TERM DEBT - RUS (NET)	7,127,020.53-
9.0	INV IN ASSOC ORG OTHR GEN FND	3,205.00		(PAYMENTS-UNAPPLIED	.00 )
10.0	INV IN ASSOC ORG - NON GEN FND	556,193.26	37.0	LNG-TERM DEBT-FFB-RUS GUAR	.00
11.0	INV IN ECON DEVEL PROJECTS	.00	38.0	LONG-TERM DEBT OTHER-RUS GUAR	.00
12.0	OTHER INVESTMENTS	5,500.00	39.0	LONG TERM DEBT - OTHER (NET)	13,348,964.66-
13.0	SPECIAL FUNDS	.00	40.0	LNG-TERM DEBT-RUS-ECON DEV NET	.00
14.0	TOT OTHER PROP & INVESTMENTS	5,891,213.62	41.0	PAYMENTS - UNAPPLIED	.00
15.0	CASH - GENERAL FUNDS	365,799.76	42.0	TOTAL LONG TERM DEBT	20,475,985.19-
16.0	CASH - CONSTRUCTION FUND TRUST	477.50	43.0	OBLIGATION UNDER CAPITAL LEASE	.00
17.0	SPECIAL DEPOSITS	20.00	44.0	ACCUM OPERATING PROVISIONS	678,240.96-
18.0	TEMPORARY INVESTMENTS	125,174.81	45.0	TOTAL OTHER NONCURR LIABILITY	678,240.96-
19.0	NOTES RECEIVABLE (NET)	.00	46.0	NOTES PAYABLE	800,000.00-
20.0	ACCTS RECV - SALES ENERGY (NET)	1,961,019.39	47.0	ACCOUNTS PAYABLE	1,253,298.43-
21.0	ACCTS RECV - OTHER (NET)	284,115.90	48.0	CONSUMER DEPOSITS	508,194.00-
22.0	MATERIAL & SUPPLIES-ELEC & OTH	286,185.31	49.0	CURR MATURITIES LONG-TERM DEBT	.00
23.0	PREPAYMENTS	31,110.08	50.0	CURR MATURIT LT DEBT ECON DEV	.00
24.0	OTHER CURRENT & ACCR ASSETS	58.35-	51.0	CURR MATURITIES CAPITAL LEASES	.00
25.0	TOTAL CURRENT & ACCR ASSETS	3,053,844.40	52.0	OTHER CURRENT & ACCRUED LIAB	409,860.84-
26.0	REGULATORY ASSETS	.00	53.0	TOTAL CURRENT & ACCRUED LIAB	2,971,353.27-
27.0	OTHER DEFERRED DEBITS	14,359.86	54.0	REGULATORY LIABILITIES	.00
28.0	TOTAL ASSETS & OTHER DEBITS	38,056,207.35	55.0	OTHER DEFERRED CREDITS	28,508.37-
			56.0	TOTAL LIABILITIES & OTH CREDIT	38,056,207.35-

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ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION		
57.0	BALANCE BEGINNING OF YEAR	.00
58.0	AMOUNT RECEIVED THIS YEAR (NET)	106,031.91
59.0	TOTAL CONTRIBUTIONS IN AID OF CONST	106,031.91

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

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

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

\_\_\_\_\_  
DATE

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

\_\_\_\_\_  
DATE

PART A. STATEMENT OF OPERATIONS

LINE NO		YEAR TO DATE			THIS MONTH	% FROM BUDGET	% CHANGE FROM LAST YEAR
		LAST YEAR A	THIS YEAR B	BUDGET C			
1.0	OPERATING REVENUE & PATRONAGE CAPITAL....	18,575,274.78	20,305,672.27	16,284,804.89	1,848,062.69	24.7	9.3
2.0	POWER PRODUCTION EXPENSE.....	.00	.00	.00	.00	.0	.0
3.0	COST OF PURCHASED POWER.....	13,178,535.00-	14,877,267.00-	10,730,228.00-	1,352,687.00-	38.6	12.9
4.0	TRANSMISSION EXPENSE.....	.00	.00	.00	.00	.0	.0
5.0	DISTRIBUTION EXPENSE-OPERATION.....	6,721.09-	508,285.48-	442,573.45-	76,612.67-	14.8	7462.5
6.0	DISTRIBUTION EXPENSE-MAINTENANCE.....	992,528.64-	985,594.08-	983,412.98-	70,502.07-	.2	.7-
7.0	CONSUMER ACCOUNTS EXPENSE.....	664,788.51-	599,931.46-	573,023.66-	46,555.03-	4.7	9.8-
8.0	CUSTOMER SERVICE & INFORMATIONAL EXPENSE.	120,732.95-	99,320.09-	111,826.66-	8,019.19-	11.2-	17.7-
9.0	SALES EXPENSE.....	2,658.76-	840.00-	.00	140.00-	100.0-	68.4-
10.0	ADMINISTRATIVE & GENERAL EXPENSE.....	1,109,623.12-	1,220,463.24-	1,060,153.49-	115,149.81-	15.1	10.0
11.0	TOTAL OPERATIONS & MAINTENANCE EXPENSE...	16,075,588.07-	18,291,701.35-	13,901,218.24-	1,669,665.77-	31.6	13.8
12.0	DEPRECIATION & AMORTIZATION EXPENSE.....	1,063,315.33-	1,127,059.24-	1,233,496.00-	104,691.74-	8.6-	6.0
13.0	TAX EXPENSE - PROPERTY & GROSS RECEIPTS..	.00	.00	.00	.00	.0	.0
14.0	TAX EXPENSE - OTHER.....	17,436.82-	19,084.57-	17,416.63-	1,861.32-	9.6	9.4
15.0	INTEREST ON LONG TERM DEBT.....	942,233.39-	900,096.07-	979,916.52-	67,289.53-	8.1-	4.5-
16.0	INTEREST CHARGED TO CONSTRUCTION - CREDIT	.00	.00	.00	.00	.0	.0
17.0	INTEREST EXPENSE - OTHER.....	30,999.04-	44,338.60-	29,241.63-	11,562.09-	51.6	43.0
18.0	OTHER DEDUCTIONS.....	7,773.56-	7,338.46-	6,645.76-	120.37-	10.4	5.6-
19.0	TOTAL COST OF ELECTRIC SERVICE.....	18,137,346.21-	20,389,618.29-	16,167,934.78-	1,855,190.82-	26.1	12.4
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20.0	PATRONAGE CAPITAL & OPERATING MARGINS....	437,928.57	83,946.02-	116,870.11	7,128.13-	171.8-	119.2-
21.0	NON OPERATING MARGINS - INTEREST.....	65,274.42	55,247.28	64,166.63	4,420.00	13.9-	15.4-
22.0	ALLOW. FOR FUNDS USED DURING CONSTRUCTION	.00	.00	.00	.00	.0	.0
23.0	INCOME (LOSS) FROM EQUITY INVESTMENTS....	.00	.00	.00	.00	.0	.0
24.0	NON OPERATING MARGINS - OTHER.....	6,158.04	.00	.00	.00	.0	100.0-
25.0	GENERATION & TRANSMISSION CAPITAL CREDITS	.00	.00	.00	.00	.0	.0
26.0	OTHER CAPITAL CREDITS & PATRONAGE DIVID..	63,489.26	97,336.47	.00	.00	100.0	53.3
27.0	EXTRAORDINARY ITEMS.....	.00	.00	.00	.00	.0	.0
28.0	PATRONAGE CAPITAL OR MARGINS.....	572,850.29	68,637.73	181,036.74	2,708.13-	62.1-	88.0-

RATIOS

TIER	1.608	1.076	1.185	.960
MARGINS TO REVENUE	.031	.003	.011	.001
POWER COST TO REVENUE	.709	.733	.659	.732
INTEREST EXPENSE TO REVENUE	.051	.044	.060	.036
CURRENT ASSETS : CURRENT LIABILITIES	.9997			
MARGINS & EQUITIES AS % OF ASSETS	.3639			
LONG TERM DEBT AS % OF PLANT	.5315			
GENERAL FUNDS TO TOTAL PLANT	1.0881			
QUICK ASSET RATIO	.9043			

PART C. BALANCE SHEET

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS		
LINE NO				
1.0	TOTAL UTILITY PLANT IN SERVICE	38,369,294.30	29.0 MEMBERSHIPS	225,259.00-
2.0	CONSTRUCTION WORK IN PROGRESS	61,398.15	30.0 PATRONAGE CAPITAL	13,997,885.42-
3.0	TOTAL UTILITY PLANT	38,430,692.45	31.0 OPERATING MARGINS - PRIOR YEAR	.00
4.0	ACCUM PROV FOR DEP & AMORT	9,305,927.74-	32.0 OPERATING MARGINS-CURRENT YEAR	13,390.45-
5.0	NET UTILITY PLANT	29,124,764.71	33.0 NON-OPERATING MARGINS	55,247.28-
			34.0 OTHER MARGINS & EQUITIES	396,288.93
6.0	NON-UTILITY PROPERTY (NET)	.00	35.0 TOTAL MARGINS & EQUITIES	13,895,493.22-
7.0	INVEST IN SUBSIDIARY COMPANIES	.00		
8.0	INV IN ASSOC ORG - PAT CAPITAL	5,326,315.36	36.0 LONG TERM DEBT - RUS (NET)	7,115,934.72-
9.0	INV IN ASSOC ORG OTHR GEN FND	3,205.00	(PAYMENTS-UNAPPLIED	.00 )
10.0	INV IN ASSOC ORG - NON GEN FND	556,193.26	37.0 LNG-TERM DEBT-FFB-RUS GUAR	.00
11.0	INV IN ECON DEVEL PROJECTS	.00	38.0 LONG-TERM DEBT OTHER-RUS GUAR	.00
12.0	OTHER INVESTMENTS	5,500.00	39.0 LONG TERM DEBT - OTHER (NET)	13,311,748.37-
13.0	SPECIAL FUNDS	.00	40.0 LNG-TERM DEBT-RUS-ECON DEV NET	.00
14.0	TOT OTHER PROP & INVESTMENTS	5,891,213.62	41.0 PAYMENTS - UNAPPLIED	.00
			42.0 TOTAL LONG TERM DEBT	20,427,683.09-
15.0	CASH - GENERAL FUNDS	267,968.24		
16.0	CASH - CONSTRUCTION FUND TRUST	477.50	43.0 OBLIGATION UNDER CAPITAL LEASE	.00
17.0	SPECIAL DEPOSITS	20.00	44.0 ACCUM OPERATING PROVISIONS	677,144.14-
18.0	TEMPORARY INVESTMENTS	141,497.58	45.0 TOTAL OTHER NONCURR LIABILITY	677,144.14-
19.0	NOTES RECEIVABLE (NET)	.00		
20.0	ACCTS RECV - SALES ENERGY (NET)	2,195,479.94	46.0 NOTES PAYABLE	800,000.00-
21.0	ACCTS RECV - OTHER (NET)	243,755.31	47.0 ACCOUNTS PAYABLE	1,512,020.88-
22.0	MATERIAL & SUPPLIES-ELEC & OTH	301,449.79	48.0 CONSUMER DEPOSITS	508,794.00-
23.0	PREPAYMENTS	7,090.60	49.0 CURR MATURITIES LONG-TERM DEBT	.00
24.0	OTHER CURRENT & ACCR ASSETS	1,712.26	50.0 CURR MATURIT LT DEBT ECON DEV	.00
25.0	TOTAL CURRENT & ACCR ASSETS	3,159,451.22	51.0 CURR MATURITIES CAPITAL LEASES	.00
			52.0 OTHER CURRENT & ACCRUED LIAB	339,718.60-
26.0	REGULATORY ASSETS	.00	53.0 TOTAL CURRENT & ACCRUED LIAB	3,160,533.48-
27.0	OTHER DEFERRED DEBITS	13,932.75		
28.0	TOTAL ASSETS & OTHER DEBITS	38,189,362.30	54.0 REGULATORY LIABILITIES	.00
			55.0 OTHER DEFERRED CREDITS	28,508.37-
			56.0 TOTAL LIABILITIES & OTH CREDIT	38,189,362.30-

ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION

57.0	BALANCE BEGINNING OF YEAR	.00
58.0	AMOUNT RECEIVED THIS YEAR (NET)	106,387.11
59.0	TOTAL CONTRIBUTIONS IN AID OF CONST	106,387.11

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

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

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SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT

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DATE

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SIGNATURE OF MANAGER

\_\_\_\_\_  
DATE

PART A. STATEMENT OF OPERATIONS

LINE NO	YEAR TO DATE				% FROM BUDGET	% CHANGE FROM LAST YEAR	
	LAST YEAR A	THIS YEAR B	BUDGET C	THIS MONTH D			
1.0	OPERATING REVENUE & PATRONAGE CAPITAL....	20,648,199.41	22,583,683.11	18,276,130.00	2,278,010.84	23.6	9.4
2.0	POWER PRODUCTION EXPENSE.....	.00	.00	.00	.00	.0	.0
3.0	COST OF PURCHASED POWER.....	14,693,549.00-	16,423,880.00-	12,121,865.00-	1,546,613.00-	35.5	11.8
4.0	TRANSMISSION EXPENSE.....	.00	.00	.00	.00	.0	.0
5.0	DISTRIBUTION EXPENSE-OPERATION.....	388,990.12-	589,202.51-	482,808.00-	80,917.03-	22.0	51.5
6.0	DISTRIBUTION EXPENSE-MAINTENANCE.....	1,083,766.76-	1,091,463.33-	1,072,815.00-	105,869.25-	1.7	.7
7.0	CONSUMER ACCOUNTS EXPENSE.....	717,357.74-	651,044.32-	625,117.00-	51,112.86-	4.1	9.2-
8.0	CUSTOMER SERVICE & INFORMATIONAL EXPENSE..	134,812.35-	89,013.93-	121,993.00-	10,306.16	27.0-	34.0-
9.0	SALES EXPENSE.....	3,241.76-	980.00-	.00	140.00-	100.0-	69.8-
10.0	ADMINISTRATIVE & GENERAL EXPENSE.....	1,227,226.81-	1,312,934.28-	1,156,532.00-	92,471.04-	13.5	7.0
11.0	TOTAL OPERATIONS & MAINTENANCE EXPENSE...	18,248,944.54-	20,158,518.37-	15,581,130.00-	1,866,817.02-	29.4	10.5
12.0	DEPRECIATION & AMORTIZATION EXPENSE.....	1,163,291.63-	1,231,836.09-	1,345,632.00-	104,776.85-	8.5-	5.9
13.0	TAX EXPENSE - PROPERTY & GROSS RECEIPTS..	.00	.00	.00	.00	.0	.0
14.0	TAX EXPENSE - OTHER.....	19,141.31-	20,945.86-	19,000.00-	1,861.29-	10.2	9.4
15.0	INTEREST ON LONG TERM DEBT.....	1,024,565.08-	987,685.95-	1,069,000.00-	87,589.88-	7.6-	3.6-
16.0	INTEREST CHARGED TO CONSTRUCTION - CREDIT	.00	.00	.00	.00	.0	.0
17.0	INTEREST EXPENSE - OTHER.....	35,051.10-	51,707.13-	31,900.00-	7,368.53-	62.1	47.5
18.0	OTHER DEDUCTIONS.....	7,773.56-	7,713.72-	7,250.00-	375.26-	6.4	.8-
19.0	TOTAL COST OF ELECTRIC SERVICE.....	20,498,767.22-	22,458,407.12-	18,053,912.00-	2,068,788.83-	24.4	9.6
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20.0	PATRONAGE CAPITAL & OPERATING MARGINS....	149,432.19	125,275.99	222,218.00	209,222.01	43.6-	16.2-
21.0	NON OPERATING MARGINS - INTEREST.....	69,738.24	59,524.41	70,000.00	4,277.13	15.0-	14.6-
22.0	ALLOW. FOR FUNDS USED DURING CONSTRUCTION	.00	.00	.00	.00	.0	.0
23.0	INCOME (LOSS) FROM EQUITY INVESTMENTS....	.00	.00	.00	.00	.0	.0
24.0	NON OPERATING MARGINS - OTHER.....	107,256.66	21,071.33	.00	21,071.33	100.0	80.4-
25.0	GENERATION & TRANSMISSION CAPITAL CREDITS	.00	.00	.00	.00	.0	.0
26.0	OTHER CAPITAL CREDITS & PATRONAGE DIVID..	66,887.26	59,768.45	.00	37,568.02-	100.0	10.6-
27.0	EXTRAORDINARY ITEMS.....	.00	.00	.00	.00	.0	.0
28.0	PATRONAGE CAPITAL OR MARGINS.....	393,314.35	265,640.18	292,218.00	197,002.45	9.1-	32.5-

RATIOS

TIER	1.384	1.269	1.273	3.249
MARGINS TO REVENUE	.019	.012	.016	.086
POWER COST TO REVENUE	.712	.727	.663	.679
INTEREST EXPENSE TO REVENUE	.050	.044	.058	.038
CURRENT ASSETS : CURRENT LIABILITIES	1.0367			
MARGINS & EQUITIES AS % OF ASSETS	.3361			
LONG TERM DEBT AS % OF PLANT	.5287			
GENERAL FUNDS TO TOTAL PLANT	1.5719			
QUICK ASSET RATIO	.9466			

PART C. BALANCE SHEET

LINE NO	ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS		
1.0	TOTAL UTILITY PLANT IN SERVICE	38,519,457.77	29.0	MEMBERSHIPS	226,910.00-
2.0	CONSTRUCTION WORK IN PROGRESS	33,933.59	30.0	PATRONAGE CAPITAL	13,997,885.42-
3.0	TOTAL UTILITY PLANT	38,553,391.36	31.0	OPERATING MARGINS - PRIOR YEAR	.00
4.0	ACCUM PROV FOR DEP & AMORT	9,366,168.18-	32.0	OPERATING MARGINS-CURRENT YEAR	185,044.44-
5.0	NET UTILITY PLANT	29,187,223.18	33.0	NON-OPERATING MARGINS	80,595.74-
6.0	NON-UTILITY PROPERTY (NET)	.00	34.0	OTHER MARGINS & EQUITIES	1,502,648.93
7.0	INVEST IN SUBSIDIARY COMPANIES	.00	35.0	TOTAL MARGINS & EQUITIES	12,987,786.67-
8.0	INV IN ASSOC ORG - PAT CAPITAL	5,288,747.34	36.0	LONG TERM DEBT - RUS (NET)	7,105,649.26-
9.0	INV IN ASSOC ORG OTHR GEN FND	3,205.00		(PAYMENTS-UNAPPLIED	.00 )
10.0	INV IN ASSOC ORG - NON GEN FND	556,193.26	37.0	LNG-TERM DEBT-FFB-RUS GUAR	.00
11.0	INV IN ECON DEVEL PROJECTS	.00	38.0	LONG-TERM DEBT OTHER-RUS GUAR	.00
12.0	OTHER INVESTMENTS	5,500.00	39.0	LONG TERM DEBT - OTHER (NET)	13,278,065.50-
13.0	SPECIAL FUNDS	.00	40.0	LNG-TERM DEBT-RUS-ECON DEV NET	.00
14.0	TOT OTHER PROP & INVESTMENTS	5,853,645.60	41.0	PAYMENTS - UNAPPLIED	.00
15.0	CASH - GENERAL FUNDS	437,329.56	42.0	TOTAL LONG TERM DEBT	20,383,714.76-
16.0	CASH - CONSTRUCTION FUND TRUST	477.50	43.0	OBLIGATION UNDER CAPITAL LEASE	.00
17.0	SPECIAL DEPOSITS	20.00	44.0	ACCUM OPERATING PROVISIONS	1,782,045.19-
18.0	TEMPORARY INVESTMENTS	159,969.93	45.0	TOTAL OTHER NONCURR LIABILITY	1,782,045.19-
19.0	NOTES RECEIVABLE (NET)	.00	46.0	NOTES PAYABLE	800,000.00-
20.0	ACCTS REC - SALES ENERGY (NET)	2,635,515.19	47.0	ACCOUNTS PAYABLE	1,751,921.88-
21.0	ACCTS REC - OTHER (NET)	28,356.59	48.0	CONSUMER DEPOSITS	517,316.00-
22.0	MATERIAL & SUPPLIES-ELEC & OTH	311,606.43	49.0	CURR MATURITIES LONG-TERM DEBT	.00
23.0	PREPAYMENTS	11,225.67	50.0	CURR MATURIT LT DEBT ECON DEV	.00
24.0	OTHER CURRENT & ACCR ASSETS	3,482.87	51.0	CURR MATURITIES CAPITAL LEASES	.00
25.0	TOTAL CURRENT & ACCR ASSETS	3,587,983.74	52.0	OTHER CURRENT & ACCRUED LIAB	391,829.91-
26.0	REGULATORY ASSETS	.00	53.0	TOTAL CURRENT & ACCRUED LIAB	3,461,067.79-
27.0	OTHER DEFERRED DEBITS	12,791.96	54.0	REGULATORY LIABILITIES	.00
28.0	TOTAL ASSETS & OTHER DEBITS	38,641,644.48	55.0	OTHER DEFERRED CREDITS	27,030.07-
			56.0	TOTAL LIABILITIES & OTH CREDIT	38,641,644.48-

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ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION		
57.0	BALANCE BEGINNING OF YEAR	.00
58.0	AMOUNT RECEIVED THIS YEAR (NET)	107,793.93
59.0	TOTAL CONTRIBUTIONS IN AID OF CONST	107,793.93

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

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

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 SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT

\_\_\_\_\_  
 DATE

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

\_\_\_\_\_  
 DATE

PART A. STATEMENT OF OPERATIONS

LINE NO	YEAR TO DATE			THIS MONTH	% FROM BUDGET	% CHANGE FROM LAST YEAR		
	LAST YEAR	THIS YEAR	BUDGET					
	A	B	C	D				
1.0	OPERATING REVENUE & PATRONAGE CAPITAL....	2,092,113.03	2,436,048.06	2,183,406.99	2,436,048.06	11.6	16.4	
2.0	POWER PRODUCTION EXPENSE.....	.00	.00	.00	.00	.0	.0	
3.0	COST OF PURCHASED POWER.....	1,608,487.00-	2,010,703.00-	1,567,758.00-	2,010,703.00-	28.3	25.0	
4.0	TRANSMISSION EXPENSE.....	.00	.00	.00	.00	.0	.0	
5.0	DISTRIBUTION EXPENSE-OPERATION.....	86,122.08-	98,046.33-	53,276.32-	98,046.33-	84.0	13.8	
6.0	DISTRIBUTION EXPENSE-MAINTENANCE.....	83,853.25-	83,190.88-	85,360.89-	83,190.88-	2.5-	.8-	
7.0	CONSUMER ACCOUNTS EXPENSE.....	61,715.15-	45,452.51-	52,235.55-	45,452.51-	13.0-	26.4-	
8.0	CUSTOMER SERVICE & INFORMATIONAL EXPENSE..	11,527.53-	8,516.88-	10,398.30-	8,516.88-	18.1-	26.1-	
9.0	SALES EXPENSE.....	40.00-	40.00-	.00	40.00-	100.0-	.0	
10.0	ADMINISTRATIVE & GENERAL EXPENSE.....	115,977.89-	99,695.87-	87,772.19-	99,695.87-	13.6	14.0-	
11.0	TOTAL OPERATIONS & MAINTENANCE EXPENSE...	1,967,722.90-	2,345,645.47-	1,856,801.25-	2,345,645.47-	26.3	19.2	
12.0	DEPRECIATION & AMORTIZATION EXPENSE.....	100,374.46-	105,213.90-	112,961.58-	105,213.90-	6.9-	4.8	
13.0	TAX EXPENSE - PROPERTY & GROSS RECEIPTS..	.00	.00	.00	.00	.0	.0	
14.0	TAX EXPENSE - OTHER.....	1,583.33-	1,750.00-	1,750.00-	1,750.00-	.0	10.5	
15.0	INTEREST ON LONG TERM DEBT.....	82,304.51-	88,418.81-	86,666.66-	88,418.81-	2.0	7.4	
16.0	INTEREST CHARGED TO CONSTRUCTION - CREDIT	.00	.00	.00	.00	.0	.0	
17.0	INTEREST EXPENSE - OTHER.....	4,340.93-	10,320.22-	6,333.33-	10,320.22-	63.0	137.7	
18.0	OTHER DEDUCTIONS.....	851.72-	1,362.09-	833.33-	1,362.09-	63.5	59.9	
19.0	TOTAL COST OF ELECTRIC SERVICE.....	2,157,177.85-	2,552,710.49-	2,065,346.15-	2,552,710.49-	23.6	18.3	
20.0	PATRONAGE CAPITAL & OPERATING MARGINS....	65,064.82-	116,662.43-	118,060.84	116,662.43-	198.8-	79.3	
21.0	NON OPERATING MARGINS - INTEREST.....	4,504.46	4,415.26	5,000.00	4,415.26	11.7-	2.0-	
22.0	ALLOW. FOR FUNDS USED DURING CONSTRUCTION	.00	.00	.00	.00	.0	.0	
23.0	INCOME (LOSS) FROM EQUITY INVESTMENTS....	.00	.00	.00	.00	.0	.0	
24.0	NON OPERATING MARGINS - OTHER.....	.00	.00	.00	.00	.0	.0	
25.0	GENERATION & TRANSMISSION CAPITAL CREDITS	.00	.00	.00	.00	.0	.0	
26.0	OTHER CAPITAL CREDITS & PATRONAGE DIVID..	.00	.00	.00	.00	.0	.0	
27.0	EXTRAORDINARY ITEMS.....	.00	.00	.00	.00	.0	.0	
28.0	PATRONAGE CAPITAL OR MARGINS.....	60,560.36-	112,247.17-	123,060.84	112,247.17-	191.2-	85.3	
RATIOS								
	TIER	.264	.269-	2.420	.269-			
	MARGINS TO REVENUE	.029	.046	.056	.046			
	POWER COST TO REVENUE	.769	.825	.718	.825			
	INTEREST EXPENSE TO REVENUE	.039	.036	.040	.036			
	CURRENT ASSETS : CURRENT LIABILITIES	.9804						
	MARGINS & EQUITIES AS % OF ASSETS	.3289						
	LONG TERM DEBT AS % OF PLANT	.5265						
	GENERAL FUNDS TO TOTAL PLANT	1.0691						
	QUICK ASSET RATIO	.9014						

PART C. BALANCE SHEET

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS		
LINE NO				
1.0	TOTAL UTILITY PLANT IN SERVICE	38,659,742.15	29.0 MEMBERSHIPS	227,375.00-
2.0	CONSTRUCTION WORK IN PROGRESS	34,188.19	30.0 PATRONAGE CAPITAL	13,994,719.77-
3.0	TOTAL UTILITY PLANT	38,693,930.34	31.0 OPERATING MARGINS - PRIOR YEAR	.00
4.0	ACCUM PROV FOR DEP & AMORT	9,424,900.73-	32.0 OPERATING MARGINS-CURRENT YEAR	68,382.01-
5.0	NET UTILITY PLANT	29,269,029.61	33.0 NON-OPERATING MARGINS	85,011.00-
			34.0 OTHER MARGINS & EQUITIES	1,501,808.23
6.0	NON-UTILITY PROPERTY (NET)	.00	35.0 TOTAL MARGINS & EQUITIES	12,873,679.55-
7.0	INVEST IN SUBSIDIARY COMPANIES	.00		
8.0	INV IN ASSOC ORG - PAT CAPITAL	5,288,747.34	36.0 LONG TERM DEBT - RUS (NET)	7,095,292.73-
9.0	INV IN ASSOC ORG OTHR GEN FND	3,205.00	(PAYMENTS-UNAPPLIED	.00 )
10.0	INV IN ASSOC ORG - NON GEN FND	556,193.26	37.0 LNG-TERM DEBT-FFB-RUS GUAR	.00
11.0	INV IN ECON DEVEL PROJECTS	.00	38.0 LONG-TERM DEBT OTHER-RUS GUAR	.00
12.0	OTHER INVESTMENTS	5,500.00	39.0 LONG TERM DEBT - OTHER (NET)	13,278,065.50-
13.0	SPECIAL FUNDS	.00	40.0 LNG-TERM DEBT-RUS-ECON DEV NET	.00
14.0	TOT OTHER PROP & INVESTMENTS	5,853,645.60	41.0 PAYMENTS - UNAPPLIED	.00
			42.0 TOTAL LONG TERM DEBT	20,373,358.23-
15.0	CASH - GENERAL FUNDS	223,367.46		
16.0	CASH - CONSTRUCTION FUND TRUST	477.50	43.0 OBLIGATION UNDER CAPITAL LEASE	.00
17.0	SPECIAL DEPOSITS	20.00	44.0 ACCUM OPERATING PROVISIONS	1,779,100.26-
18.0	TEMPORARY INVESTMENTS	181,604.35	45.0 TOTAL OTHER NONCURR LIABILITY	1,779,100.26-
19.0	NOTES RECEIVABLE (NET)	.00		
20.0	ACCTS RECV - SALES ENERGY(NET)	3,113,855.30	46.0 NOTES PAYABLE	800,000.00-
21.0	ACCTS RECV - OTHER (NET)	33,213.86	47.0 ACCOUNTS PAYABLE	2,278,051.65-
22.0	MATERIAL & SUPPLIES-ELEC & OTH	322,977.38	48.0 CONSUMER DEPOSITS	517,794.00-
23.0	PREPAYMENTS	128,128.60	49.0 CURR MATURITIES LONG-TERM DEBT	.00
24.0	OTHER CURRENT & ACCR ASSETS	5,253.48	50.0 CURR MATURIT LT DEBT ECON DEV	.00
25.0	TOTAL CURRENT & ACCR ASSETS	4,008,897.93	51.0 CURR MATURITIES CAPITAL LEASES	.00
			52.0 OTHER CURRENT & ACCRUED LIAB	493,360.69-
26.0	REGULATORY ASSETS	.00	53.0 TOTAL CURRENT & ACCRUED LIAB	4,089,206.34-
27.0	OTHER DEFERRED DEBITS	12,635.87		
28.0	TOTAL ASSETS & OTHER DEBITS	39,144,209.01	54.0 REGULATORY LIABILITIES	.00
			55.0 OTHER DEFERRED CREDITS	28,864.63-
			56.0 TOTAL LIABILITIES & OTH CREDIT	39,144,209.01-

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ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION		
57.0	BALANCE BEGINNING OF YEAR	.00
58.0	AMOUNT RECEIVED THIS YEAR (NET)	15,006.71
59.0	TOTAL CONTRIBUTIONS IN AID OF CONST	15,006.71

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

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

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SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT

\_\_\_\_\_  
DATE

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

\_\_\_\_\_  
DATE

PART A. STATEMENT OF OPERATIONS

LINE NO	YEAR TO DATE			THIS MONTH	% FROM BUDGET	% CHANGE FROM LAST YEAR
	LAST YEAR	THIS YEAR	BUDGET			
	A	B	C	D		
1.0	4,765,698.42	4,886,643.14	4,236,405.98	2,450,595.08	15.3	2.5
2.0	.00	.00	.00	.00	.0	.0
3.0	3,358,373.00-	3,735,604.00-	3,009,276.00-	1,724,901.00-	24.1	11.2
4.0	.00	.00	.00	.00	.0	.0
5.0	142,180.41-	161,495.97-	106,552.64-	63,449.64-	51.6	13.6
6.0	164,072.19-	155,745.54-	170,721.78-	72,554.66-	8.8-	5.1-
7.0	118,516.23-	97,740.07-	104,471.10-	52,287.56-	6.4-	17.5-
8.0	19,257.37-	16,226.10-	20,796.60-	7,709.22-	22.0-	15.7-
9.0	230.00-	140.00-	.00	100.00-	100.0-	39.1-
10.0	219,965.23-	196,326.69-	175,544.38-	96,630.82-	11.8	10.7-
11.0	4,022,594.43-	4,363,278.37-	3,587,362.50-	2,017,632.90-	21.6	8.5
12.0	200,026.01-	210,745.22-	225,923.16-	105,531.32-	6.7-	5.4
13.0	.00	.00	.00	.00	.0	.0
14.0	3,166.66-	3,500.00-	3,500.00-	1,750.00-	.0	10.5
15.0	162,658.11-	175,097.35-	173,333.32-	86,678.54-	1.0	7.6
16.0	.00	.00	.00	.00	.0	.0
17.0	9,149.97-	20,386.95-	12,666.66-	10,066.73-	60.9	122.8
18.0	1,208.95-	1,677.09-	1,666.66-	315.00-	.6	38.7
19.0	4,398,804.13-	4,774,684.98-	4,004,452.30-	2,221,974.49-	19.2	8.5
20.0	366,894.29	111,958.16	231,953.68	228,620.59	51.7-	69.5-
21.0	10,337.56	8,795.98	10,000.00	4,380.72	12.0-	14.9-
22.0	.00	.00	.00	.00	.0	.0
23.0	.00	.00	.00	.00	.0	.0
24.0	.00	.00	.00	.00	.0	.0
25.0	.00	.00	.00	.00	.0	.0
26.0	.00	12,826.15	.00	12,826.15	100.0	100.0
27.0	.00	.00	.00	.00	.0	.0
28.0	377,231.85	133,580.29	241,953.68	245,827.46	44.8-	64.6-
RATIOS						
TIER	3.319	1.763	2.396	3.836		
MARGINS TO REVENUE	.079	.027	.057	.100		
POWER COST TO REVENUE	.705	.764	.710	.704		
INTEREST EXPENSE TO REVENUE	.034	.036	.041	.035		
CURRENT ASSETS : CURRENT LIABILITIES	1.5110					
MARGINS & EQUITIES AS % OF ASSETS	.3303					
LONG TERM DEBT AS % OF PLANT	.5618					
GENERAL FUNDS TO TOTAL PLANT	2.0743					
QUICK ASSET RATIO	1.4037					

PART C. BALANCE SHEET

LINE NO	ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS		
1.0	TOTAL UTILITY PLANT IN SERVICE	38,793,046.45	29.0	MEMBERSHIPS	227,080.00-
2.0	CONSTRUCTION WORK IN PROGRESS	58,148.83	30.0	PATRONAGE CAPITAL	13,987,898.01-
3.0	TOTAL UTILITY PLANT	38,851,195.28	31.0	OPERATING MARGINS - PRIOR YEAR	.00
4.0	ACCUM PROV FOR DEP & AMORT	9,493,948.95-	32.0	OPERATING MARGINS-CURRENT YEAR	309,828.75-
5.0	NET UTILITY PLANT	29,357,246.33	33.0	NON-OPERATING MARGINS	89,391.72-
			34.0	OTHER MARGINS & EQUITIES	1,499,717.78
6.0	NON-UTILITY PROPERTY (NET)	.00	35.0	TOTAL MARGINS & EQUITIES	13,114,480.70-
7.0	INVEST IN SUBSIDIARY COMPANIES	.00			
8.0	INV IN ASSOC ORG - PAT CAPITAL	5,298,692.55	36.0	LONG TERM DEBT - RUS (NET)	8,583,195.93-
9.0	INV IN ASSOC ORG OTHR GEN FND	3,205.00		(PAYMENTS-UNAPPLIED	.00 )
10.0	INV IN ASSOC ORG - NON GEN FND	556,193.26	37.0	LNG-TERM DEBT-FFB-RUS GUAR	.00
11.0	INV IN ECON DEVEL PROJECTS	.00	38.0	LONG-TERM DEBT OTHER-RUS GUAR	.00
12.0	OTHER INVESTMENTS	5,500.00	39.0	LONG TERM DEBT - OTHER (NET)	13,241,580.86-
13.0	SPECIAL FUNDS	.00	40.0	LNG-TERM DEBT-RUS-ECON DEV NET	.00
14.0	TOT OTHER PROP & INVESTMENTS	5,863,590.81	41.0	PAYMENTS - UNAPPLIED	.00
			42.0	TOTAL LONG TERM DEBT	21,824,776.79-
15.0	CASH - GENERAL FUNDS	589,898.49			
16.0	CASH - CONSTRUCTION FUND TRUST	477.50	43.0	OBLIGATION UNDER CAPITAL LEASE	.00
17.0	SPECIAL DEPOSITS	20.00	44.0	ACCUM OPERATING PROVISIONS	1,778,615.67-
18.0	TEMPORARY INVESTMENTS	207,274.11	45.0	TOTAL OTHER NONCURR LIABILITY	1,778,615.67-
19.0	NOTES RECEIVABLE (NET)	.00			
20.0	ACCTS RECV - SALES ENERGY(NET)	3,178,613.77	46.0	NOTES PAYABLE	20.00
21.0	ACCTS RECV - OTHER (NET)	68,180.47	47.0	ACCOUNTS PAYABLE	1,924,613.39-
22.0	MATERIAL & SUPPLIES-ELEC & OTH	317,781.69	48.0	CONSUMER DEPOSITS	526,295.00-
23.0	PREPAYMENTS	107,730.15	49.0	CURR MATURITIES LONG-TERM DEBT	.00
24.0	OTHER CURRENT & ACCR ASSETS	7,024.09	50.0	CURR MATURIT LT DEBT ECON DEV	.00
25.0	TOTAL CURRENT & ACCR ASSETS	4,477,000.27	51.0	CURR MATURITIES CAPITAL LEASES	.00
			52.0	OTHER CURRENT & ACCRUED LIAB	512,097.80-
26.0	REGULATORY ASSETS	.00	53.0	TOTAL CURRENT & ACCRUED LIAB	2,962,986.19-
27.0	OTHER DEFERRED DEBITS	11,886.57	54.0	REGULATORY LIABILITIES	.00
28.0	TOTAL ASSETS & OTHER DEBITS	39,709,723.98	55.0	OTHER DEFERRED CREDITS	28,864.63-
			56.0	TOTAL LIABILITIES & OTH CREDIT	39,709,723.98-

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ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION		
57.0	BALANCE BEGINNING OF YEAR	.00
58.0	AMOUNT RECEIVED THIS YEAR (NET)	15,156.71
59.0	TOTAL CONTRIBUTIONS IN AID OF CONST	15,156.71

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

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

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

\_\_\_\_\_  
DATE

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

\_\_\_\_\_  
DATE

PART A. STATEMENT OF OPERATIONS

LINE NO	YEAR TO DATE			THIS MONTH	% FROM BUDGET	% CHANGE FROM LAST YEAR
	LAST YEAR	THIS YEAR	BUDGET			
	A	B	C	D		
1.0	6,469,491.05	7,026,434.18	5,936,310.97	2,139,791.04	18.4	8.6
2.0	.00	.00	.00	.00	.0	.0
3.0	4,790,168.00-	5,244,321.00-	4,225,794.00-	1,508,717.00-	24.1	9.5
4.0	.00	.00	.00	.00	.0	.0
5.0	48,278.27-	253,779.88-	159,828.96-	92,283.91-	58.8	425.7
6.0	280,062.62-	206,380.80-	256,082.67-	50,635.26-	19.4-	26.3-
7.0	179,793.88-	149,383.13-	156,706.65-	51,643.06-	4.7-	16.9-
8.0	25,663.79-	24,978.39-	31,194.90-	8,752.29-	19.9-	2.7-
9.0	305.00-	305.00-	.00	165.00-	100.0-	.0
10.0	334,464.73-	290,378.38-	263,316.57-	94,051.69-	10.3	13.2-
11.0	5,658,736.29-	6,169,526.58-	5,092,923.75-	1,806,248.21-	21.1	9.0
12.0	300,782.82-	316,502.61-	338,884.74-	105,757.39-	6.6-	5.2
13.0	.00	.00	.00	.00	.0	.0
14.0	4,749.99-	5,250.00-	5,250.00-	1,750.00-	.0	10.5
15.0	252,711.46-	264,596.27-	259,999.98-	89,498.92-	1.8	4.7
16.0	.00	.00	.00	.00	.0	.0
17.0	12,504.91-	29,269.84-	18,999.99-	8,882.89-	54.1	134.1
18.0	2,583.95-	2,043.32-	2,499.99-	366.23-	18.3-	20.9-
19.0	6,232,069.42-	6,787,188.62-	5,718,558.45-	2,012,503.64-	18.7	8.9
20.0	237,421.63	239,245.56	217,752.52	127,287.40	9.9	.8
21.0	16,499.16	13,031.60	15,000.00	4,235.62	13.1-	21.0-
22.0	.00	.00	.00	.00	.0	.0
23.0	.00	.00	.00	.00	.0	.0
24.0	.00	.00	.00	.00	.0	.0
25.0	.00	.00	.00	.00	.0	.0
26.0	8,409.15	27,811.22	.00	14,985.07	100.0	230.7
27.0	.00	.00	.00	.00	.0	.0
28.0	262,329.94	280,088.38	232,752.52	146,508.09	20.3	6.8
RATIOS						
TIER	2.038	2.059	1.895	2.637		
MARGINS TO REVENUE	.041	.040	.039	.068		
POWER COST TO REVENUE	.740	.746	.712	.705		
INTEREST EXPENSE TO REVENUE	.039	.038	.044	.042		
CURRENT ASSETS : CURRENT LIABILITIES	1.5611					
MARGINS & EQUITIES AS % OF ASSETS	.3352					
LONG TERM DEBT AS % OF PLANT	.5594					
GENERAL FUNDS TO TOTAL PLANT	2.1123					
QUICK ASSET RATIO	1.4370					

PART C. BALANCE SHEET

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS		
LINE NO				
1.0	TOTAL UTILITY PLANT IN SERVICE	38,874,075.09	29.0 MEMBERSHIPS	226,795.00-
2.0	CONSTRUCTION WORK IN PROGRESS	59,939.45	30.0 PATRONAGE CAPITAL	14,171,090.74-
3.0	TOTAL UTILITY PLANT	38,934,014.54	31.0 OPERATING MARGINS - PRIOR YEAR	.00
4.0	ACCUM PROV FOR DEP & AMORT	9,500,658.37-	32.0 OPERATING MARGINS-CURRENT YEAR	267,056.78-
5.0	NET UTILITY PLANT	29,433,356.17	33.0 NON-OPERATING MARGINS	13,031.60-
6.0	NON-UTILITY PROPERTY (NET)	.00	34.0 OTHER MARGINS & EQUITIES	1,418,679.54
7.0	INVEST IN SUBSIDIARY COMPANIES	.00	35.0 TOTAL MARGINS & EQUITIES	13,259,294.58-
8.0	INV IN ASSOC ORG - PAT CAPITAL	5,311,151.09	36.0 LONG TERM DEBT - RUS (NET)	8,571,042.46-
9.0	INV IN ASSOC ORG OTHR GEN FND	3,205.00	(PAYMENTS-UNAPPLIED	.00 )
10.0	INV IN ASSOC ORG - NON GEN FND	555,376.04	37.0 LNG-TERM DEBT-FFB-RUS GUAR	.00
11.0	INV IN ECON DEVEL PROJECTS	.00	38.0 LONG-TERM DEBT OTHER-RUS GUAR	.00
12.0	OTHER INVESTMENTS	5,500.00	39.0 LONG TERM DEBT - OTHER (NET)	13,207,321.49-
13.0	SPECIAL FUNDS	.00	40.0 LNG-TERM DEBT-RUS-ECON DEV NET	.00
14.0	TOT OTHER PROP & INVESTMENTS	5,875,232.13	41.0 PAYMENTS - UNAPPLIED	.00
15.0	CASH - GENERAL FUNDS	580,731.01	42.0 TOTAL LONG TERM DEBT	21,778,363.95-
16.0	CASH - CONSTRUCTION FUND TRUST	477.50	43.0 OBLIGATION UNDER CAPITAL LEASE	.00
17.0	SPECIAL DEPOSITS	20.00	44.0 ACCUM OPERATING PROVISIONS	1,778,131.08-
18.0	TEMPORARY INVESTMENTS	232,950.61	45.0 TOTAL OTHER NONCURR LIABILITY	1,778,131.08-
19.0	NOTES RECEIVABLE (NET)	.00	46.0 NOTES PAYABLE	20.00
20.0	ACCTS RECV - SALES ENERGY (NET)	2,904,566.72	47.0 ACCOUNTS PAYABLE	1,717,554.52-
21.0	ACCTS RECV - OTHER (NET)	89,085.62	48.0 CONSUMER DEPOSITS	523,705.00-
22.0	MATERIAL & SUPPLIES-ELEC & OTH	337,220.94	49.0 CURR MATURITIES LONG-TERM DEBT	.00
23.0	PREPAYMENTS	87,576.70	50.0 CURR MATURIT LT DEBT ECON DEV	.00
24.0	OTHER CURRENT & ACCR ASSETS	8,794.70	51.0 CURR MATURITIES CAPITAL LEASES	.00
25.0	TOTAL CURRENT & ACCR ASSETS	4,241,423.80	52.0 OTHER CURRENT & ACCRUED LIAB	475,625.37-
26.0	REGULATORY ASSETS	.00	53.0 TOTAL CURRENT & ACCRUED LIAB	2,716,864.89-
27.0	OTHER DEFERRED DEBITS	11,507.03	54.0 REGULATORY LIABILITIES	.00
28.0	TOTAL ASSETS & OTHER DEBITS	39,561,519.13	55.0 OTHER DEFERRED CREDITS	28,864.63-
			56.0 TOTAL LIABILITIES & OTH CREDIT	39,561,519.13-

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ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION	
57.0 BALANCE BEGINNING OF YEAR	.00
58.0 AMOUNT RECEIVED THIS YEAR (NET)	15,366.71
59.0 TOTAL CONTRIBUTIONS IN AID OF CONST	15,366.71

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

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

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

\_\_\_\_\_  
DATE

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

\_\_\_\_\_  
DATE

PART A. STATEMENT OF OPERATIONS

LINE NO	YEAR TO DATE			THIS MONTH	% FROM BUDGET	% CHANGE FROM LAST YEAR
	LAST YEAR A	THIS YEAR B	BUDGET C			
1.0	8,154,752.47	8,657,141.77	7,411,811.96	1,630,707.59	16.8	6.2
2.0	.00	.00	.00	.00	.0	.0
3.0	5,977,963.00-	6,452,572.00-	5,245,812.00-	1,208,251.00-	23.0	7.9
4.0	.00	.00	.00	.00	.0	.0
5.0	116,241.82-	326,370.64-	213,105.28-	72,590.76-	53.2	180.8
6.0	360,348.26-	265,128.41-	341,443.56-	58,747.61-	22.4-	26.4-
7.0	237,275.09-	201,846.57-	208,942.20-	52,463.44-	3.4-	14.9-
8.0	33,347.96-	33,097.83-	41,593.20-	8,119.44-	20.4-	.8-
9.0	350.00-	395.00-	.00	90.00-	100.0-	12.9
10.0	445,488.73-	385,048.81-	351,088.76-	94,670.43-	9.7	13.6-
11.0	7,171,014.86-	7,664,459.26-	6,401,985.00-	1,494,932.68-	19.7	6.9
12.0	402,272.93-	422,493.54-	451,846.32-	105,990.93-	6.5-	5.0
13.0	.00	.00	.00	.00	.0	.0
14.0	6,333.32-	7,000.00-	7,000.00-	1,750.00-	.0	10.5
15.0	340,221.74-	347,156.01-	346,666.64-	82,559.74-	.1	2.0
16.0	.00	.00	.00	.00	.0	.0
17.0	15,099.51-	38,970.55-	25,333.32-	9,700.71-	53.8	158.1
18.0	3,283.95-	2,868.32-	3,333.32-	825.00-	14.0-	12.7-
19.0	7,938,226.31-	8,482,947.68-	7,236,164.60-	1,695,759.06-	17.2	6.9
20.0	216,526.16	174,194.09	175,647.36	65,051.47-	.8-	19.6-
21.0	22,575.97	16,963.41	20,000.00	3,931.81	15.2-	24.9-
22.0	.00	.00	.00	.00	.0	.0
23.0	.00	.00	.00	.00	.0	.0
24.0	.00	.00	.00	.00	.0	.0
25.0	.00	.00	.00	.00	.0	.0
26.0	8,409.15	27,811.22	.00	.00	100.0	230.7
27.0	.00	.00	.00	.00	.0	.0
28.0	247,511.28	218,968.72	195,647.36	61,119.66-	11.9	11.5-

RATIOS

TIER	1.727	1.631	1.564	.260
MARGINS TO REVENUE	.030	.025	.026	.037
POWER COST TO REVENUE	.733	.745	.708	.741
INTEREST EXPENSE TO REVENUE	.042	.040	.047	.051
CURRENT ASSETS : CURRENT LIABILITIES	1.5517			
MARGINS & EQUITIES AS % OF ASSETS	.3366			
LONG TERM DEBT AS % OF PLANT	.5577			
GENERAL FUNDS TO TOTAL PLANT	2.2360			
QUICK ASSET RATIO	1.4169			

PART C. BALANCE SHEET

LINE NO	ASSETS AND OTHER DEBITS	LIABILITIES AND OTHER CREDITS
1.0	TOTAL UTILITY PLANT IN SERVICE 38,942,627.81	29.0 MEMBERSHIPS 226,260.00-
2.0	CONSTRUCTION WORK IN PROGRESS 80,876.48	30.0 PATRONAGE CAPITAL 14,164,646.60-
3.0	TOTAL UTILITY PLANT 39,023,504.29	31.0 OPERATING MARGINS - PRIOR YEAR .00
4.0	ACCUM PROV FOR DEP & AMORT 9,489,540.33-	32.0 OPERATING MARGINS-CURRENT YEAR 202,005.31-
5.0	NET UTILITY PLANT 29,533,963.96	33.0 NON-OPERATING MARGINS 16,963.41-
		34.0 OTHER MARGINS & EQUITIES 1,417,012.91
6.0	NON-UTILITY PROPERTY (NET) .00	35.0 TOTAL MARGINS & EQUITIES 13,192,862.41-
7.0	INVEST IN SUBSIDIARY COMPANIES .00	
8.0	INV IN ASSOC ORG - PAT CAPITAL 5,311,151.09	36.0 LONG TERM DEBT - RUS (NET) 8,557,826.86-
9.0	INV IN ASSOC ORG OTHR GEN FND 3,205.00	(PAYMENTS-UNAPPLIED .00 )
10.0	INV IN ASSOC ORG - NON GEN FND 555,376.04	37.0 LNG-TERM DEBT-FFB-RUS GUAR .00
11.0	INV IN ECON DEVEL PROJECTS .00	38.0 LONG-TERM DEBT OTHER-RUS GUAR .00
12.0	OTHER INVESTMENTS 5,500.00	39.0 LONG TERM DEBT - OTHER (NET) 13,207,321.49-
13.0	SPECIAL FUNDS .00	40.0 LNG-TERM DEBT-RUS-ECON DEV NET .00
14.0	TOT OTHER PROP & INVESTMENTS 5,875,232.13	41.0 PAYMENTS - UNAPPLIED .00
		42.0 TOTAL LONG TERM DEBT 21,765,148.35-
15.0	CASH - GENERAL FUNDS 608,526.72	
16.0	CASH - CONSTRUCTION FUND TRUST 477.50	43.0 OBLIGATION UNDER CAPITAL LEASE .00
17.0	SPECIAL DEPOSITS 20.00	44.0 ACCUM OPERATING PROVISIONS 1,774,994.81-
18.0	TEMPORARY INVESTMENTS 255,336.73	45.0 TOTAL OTHER NONCURR LIABILITY 1,774,994.81-
19.0	NOTES RECEIVABLE (NET) .00	
20.0	ACCTS RECV - SALES ENERGY(NET) 2,376,989.13	46.0 NOTES PAYABLE .00
21.0	ACCTS RECV - OTHER (NET) 108,296.27	47.0 ACCOUNTS PAYABLE 1,406,510.34-
22.0	MATERIAL & SUPPLIES-ELEC & OTH 327,729.82	48.0 CONSUMER DEPOSITS 535,910.00-
23.0	PREPAYMENTS 96,733.89	49.0 CURR MATURITIES LONG-TERM DEBT .00
24.0	OTHER CURRENT & ACCR ASSETS .00	50.0 CURR MATURIT LT DEBT ECON DEV .00
25.0	TOTAL CURRENT & ACCR ASSETS 3,774,110.06	51.0 CURR MATURITIES CAPITAL LEASES .00
		52.0 OTHER CURRENT & ACCRUED LIAB 489,898.35-
26.0	REGULATORY ASSETS .00	53.0 TOTAL CURRENT & ACCRUED LIAB 2,432,318.69-
27.0	OTHER DEFERRED DEBITS 10,882.74	
28.0	TOTAL ASSETS & OTHER DEBITS 39,194,188.89	54.0 REGULATORY LIABILITIES .00
		55.0 OTHER DEFERRED CREDITS 28,864.63-
		56.0 TOTAL LIABILITIES & OTH CREDIT 39,194,188.89-

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ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION		
57.0	BALANCE BEGINNING OF YEAR	.00
58.0	AMOUNT RECEIVED THIS YEAR (NET)	26,930.25
59.0	TOTAL CONTRIBUTIONS IN AID OF CONST	26,930.25

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

WE HEREBY CERTIFY THAT THE ENTRIES IN THIS REPORT ARE IN ACCORDANCE WITH THE ACCOUNTS AND OTHER RECORDS OF THE SYSTEM AND REFLECT THE STATUS OF THE SYSTEM TO THE BEST OF OUR KNOWLEDGE AND BELIEF.  
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\_\_\_\_\_  
SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT

\_\_\_\_\_  
DATE

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

\_\_\_\_\_  
DATE

PART A. STATEMENT OF OPERATIONS

LINE NO	YEAR TO DATE			THIS MONTH	% FROM BUDGET	% CHANGE FROM LAST YEAR	
	LAST YEAR	THIS YEAR	BUDGET				
	A	B	C	D			
1.0	OPERATING REVENUE & PATRONAGE CAPITAL....	9,704,004.45	10,122,859.95	8,800,835.95	1,465,718.18	15.0	4.3
2.0	POWER PRODUCTION EXPENSE.....	.00	.00	.00	.00	.0	.0
3.0	COST OF PURCHASED POWER.....	7,258,195.00-	7,550,203.00-	6,225,570.00-	1,097,631.00-	21.3	4.0
4.0	TRANSMISSION EXPENSE.....	.00	.00	.00	.00	.0	.0
5.0	DISTRIBUTION EXPENSE-OPERATION.....	213,831.17-	412,962.72-	266,381.60-	86,592.08-	55.0	93.1
6.0	DISTRIBUTION EXPENSE-MAINTENANCE.....	442,640.75-	340,548.56-	426,804.45-	75,420.15-	20.2-	23.1-
7.0	CONSUMER ACCOUNTS EXPENSE.....	299,383.02-	253,080.24-	261,177.75-	51,233.67-	3.1-	15.5-
8.0	CUSTOMER SERVICE & INFORMATIONAL EXPENSE..	42,748.52-	41,808.22-	51,991.50-	8,710.39-	19.6-	2.2-
9.0	SALES EXPENSE.....	420.00-	485.00-	.00	90.00-	100.0-	15.5
10.0	ADMINISTRATIVE & GENERAL EXPENSE.....	563,366.85-	486,537.95-	438,860.95-	101,489.14-	10.9	13.6-
11.0	TOTAL OPERATIONS & MAINTENANCE EXPENSE...	8,820,585.31-	9,085,625.69-	7,670,786.25-	1,421,166.43-	18.4	3.0
12.0	DEPRECIATION & AMORTIZATION EXPENSE.....	504,271.81-	528,706.25-	564,807.90-	106,212.71-	6.4-	4.8
13.0	TAX EXPENSE - PROPERTY & GROSS RECEIPTS..	.00	.00	.00	.00	.0	.0
14.0	TAX EXPENSE - OTHER.....	7,916.65-	8,750.00-	8,750.00-	1,750.00-	.0	10.5
15.0	INTEREST ON LONG TERM DEBT.....	428,569.86-	431,224.60-	433,333.30-	84,068.59-	.5-	.6
16.0	INTEREST CHARGED TO CONSTRUCTION - CREDIT	.00	.00	.00	.00	.0	.0
17.0	INTEREST EXPENSE - OTHER.....	17,709.78-	41,737.30-	31,666.65-	2,766.75-	31.8	135.7
18.0	OTHER DEDUCTIONS.....	6,383.95-	5,740.94-	4,166.65-	2,872.62-	37.8	10.1-
19.0	TOTAL COST OF ELECTRIC SERVICE.....	9,785,437.36-	10,101,784.78-	8,713,510.75-	1,618,837.10-	15.9	3.2
20.0	PATRONAGE CAPITAL & OPERATING MARGINS....	81,432.91-	21,075.17	87,325.20	153,118.92-	75.9-	125.9-
21.0	NON OPERATING MARGINS - INTEREST.....	29,109.17	20,672.80	25,000.00	3,709.39	17.3-	29.0-
22.0	ALLOW. FOR FUNDS USED DURING CONSTRUCTION	.00	.00	.00	.00	.0	.0
23.0	INCOME (LOSS) FROM EQUITY INVESTMENTS....	.00	.00	.00	.00	.0	.0
24.0	NON OPERATING MARGINS - OTHER.....	.00	.00	.00	.00	.0	.0
25.0	GENERATION & TRANSMISSION CAPITAL CREDITS	.00	.00	.00	.00	.0	.0
26.0	OTHER CAPITAL CREDITS & PATRONAGE DIVID..	8,409.15	27,811.22	.00	.00	100.0	230.7
27.0	EXTRAORDINARY ITEMS.....	.00	.00	.00	.00	.0	.0
28.0	PATRONAGE CAPITAL OR MARGINS.....	43,914.59-	69,559.19	112,325.20	149,409.53-	38.1-	258.4-

RATIOS

TIER	.898	1.161	1.259	.777-
MARGINS TO REVENUE	.005	.007	.013	.102
POWER COST TO REVENUE	.748	.746	.707	.749
INTEREST EXPENSE TO REVENUE	.044	.043	.049	.057

CURRENT ASSETS : CURRENT LIABILITIES	1.2938
MARGINS & EQUITIES AS % OF ASSETS	.3358
LONG TERM DEBT AS % OF PLANT	.5462
GENERAL FUNDS TO TOTAL PLANT	1.9962
QUICK ASSET RATIO	1.1692

PART C. BALANCE SHEET

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS		
LINE NO				
1.0	TOTAL UTILITY PLANT IN SERVICE	39,021,366.18	29.0 MEMBERSHIPS	226,750.00-
2.0	CONSTRUCTION WORK IN PROGRESS	104,400.01	30.0 PATRONAGE CAPITAL	14,156,774.40-
3.0	TOTAL UTILITY PLANT	39,125,766.19	31.0 OPERATING MARGINS - PRIOR YEAR	.00
4.0	ACCUM PROV FOR DEP & AMORT	9,566,195.42-	32.0 OPERATING MARGINS-CURRENT YEAR	48,886.39-
5.0	NET UTILITY PLANT		33.0 NON-OPERATING MARGINS	20,672.80-
		29,559,570.77	34.0 OTHER MARGINS & EQUITIES	1,415,113.44
6.0	NON-UTILITY PROPERTY (NET)	.00	35.0 TOTAL MARGINS & EQUITIES	13,037,970.15-
7.0	INVEST IN SUBSIDIARY COMPANIES	.00		
8.0	INV IN ASSOC ORG - PAT CAPITAL	5,311,151.09	36.0 LONG TERM DEBT - RUS (NET)	8,545,015.02-
9.0	INV IN ASSOC ORG OTHR GEN FND	3,205.00	(PAYMENTS-UNAPPLIED	.00 )
10.0	INV IN ASSOC ORG - NON GEN FND	555,376.04	37.0 LNG-TERM DEBT-FFB-RUS GUAR	.00
11.0	INV IN ECON DEVEL PROJECTS	.00	38.0 LONG-TERM DEBT OTHER-RUS GUAR	.00
12.0	OTHER INVESTMENTS	5,500.00	39.0 LONG TERM DEBT - OTHER (NET)	12,825,500.18-
13.0	SPECIAL FUNDS	.00	40.0 LNG-TERM DEBT-RUS-ECON DEV NET	.00
14.0	TOT OTHER PROP & INVESTMENTS	5,875,232.13	41.0 PAYMENTS - UNAPPLIED	.00
			42.0 TOTAL LONG TERM DEBT	21,370,515.20-
15.0	CASH - GENERAL FUNDS	498,643.16		
16.0	CASH - CONSTRUCTION FUND TRUST	477.50	43.0 OBLIGATION UNDER CAPITAL LEASE	.00
17.0	SPECIAL DEPOSITS	20.00	44.0 ACCUM OPERATING PROVISIONS	1,774,510.22-
18.0	TEMPORARY INVESTMENTS	273,678.66	45.0 TOTAL OTHER NONCURR LIABILITY	1,774,510.22-
19.0	NOTES RECEIVABLE (NET)	.00		
20.0	ACCTS REC - SALES ENERGY (NET)	2,067,694.84	46.0 NOTES PAYABLE	300,000.00-
21.0	ACCTS REC - OTHER (NET)	131,637.05	47.0 ACCOUNTS PAYABLE	1,284,291.91-
22.0	MATERIAL & SUPPLIES-ELEC & OTH	325,323.53	48.0 CONSUMER DEPOSITS	553,350.00-
23.0	PREPAYMENTS	77,814.60	49.0 CURR MATURITIES LONG-TERM DEBT	.00
24.0	OTHER CURRENT & ACCR ASSETS	1,777.91	50.0 CURR MATURIT LT DEBT ECON DEV	.00
25.0	TOTAL CURRENT & ACCR ASSETS	3,377,067.25	51.0 CURR MATURITIES CAPITAL LEASES	.00
			52.0 OTHER CURRENT & ACCRUED LIAB	472,454.07-
26.0	REGULATORY ASSETS	.00	53.0 TOTAL CURRENT & ACCRUED LIAB	2,610,095.98-
27.0	OTHER DEFERRED DEBITS	10,086.03		
28.0	TOTAL ASSETS & OTHER DEBITS	38,821,956.18	54.0 REGULATORY LIABILITIES	.00
			55.0 OTHER DEFERRED CREDITS	28,864.63-
			56.0 TOTAL LIABILITIES & OTH CREDIT	38,821,956.18-

ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION

57.0	BALANCE BEGINNING OF YEAR	.00
58.0	AMOUNT RECEIVED THIS YEAR (NET)	42,255.20
59.0	TOTAL CONTRIBUTIONS IN AID OF CONST	42,255.20

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

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

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

\_\_\_\_\_  
DATE

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

\_\_\_\_\_  
DATE

PART A. STATEMENT OF OPERATIONS

LINE NO	YEAR TO DATE			THIS MONTH	% FROM BUDGET	% CHANGE FROM LAST YEAR		
	LAST YEAR	THIS YEAR	BUDGET					
	A	B	C	D				
1.0	OPERATING REVENUE & PATRONAGE CAPITAL....	11,472,416.12	12,012,506.28	10,307,966.94	1,889,646.33	16.5	4.7	
2.0	POWER PRODUCTION EXPENSE.....	.00	.00	.00	.00	.0	.0	
3.0	COST OF PURCHASED POWER.....	8,436,401.00-	8,837,297.00-	7,298,988.00-	1,287,094.00-	21.1	4.8	
4.0	TRANSMISSION EXPENSE.....	.00	.00	.00	.00	.0	.0	
5.0	DISTRIBUTION EXPENSE-OPERATION.....	232,780.08-	471,534.17-	319,657.92-	58,571.45-	47.5	102.6	
6.0	DISTRIBUTION EXPENSE-MAINTENANCE.....	530,320.24-	436,669.20-	512,165.34-	96,120.64-	14.7-	17.7-	
7.0	CONSUMER ACCOUNTS EXPENSE.....	346,158.11-	301,641.85-	313,413.30-	48,561.61-	3.8-	12.9-	
8.0	CUSTOMER SERVICE & INFORMATIONAL EXPENSE..	50,560.85-	52,779.00-	62,389.80-	10,970.78-	15.4-	4.4	
9.0	SALES EXPENSE.....	445.00-	525.00-	.00	40.00-	100.0-	18.0	
10.0	ADMINISTRATIVE & GENERAL EXPENSE.....	660,168.46-	568,754.86-	526,633.14-	82,216.91-	8.0	13.8-	
11.0	TOTAL OPERATIONS & MAINTENANCE EXPENSE...	10,256,833.74-	10,669,201.08-	9,033,247.50-	1,583,575.39-	18.1	4.0	
12.0	DEPRECIATION & AMORTIZATION EXPENSE.....	606,948.19-	634,953.01-	677,769.48-	106,246.76-	6.3-	4.6	
13.0	TAX EXPENSE - PROPERTY & GROSS RECEIPTS..	.00	.00	.00	.00	.0	.0	
14.0	TAX EXPENSE - OTHER.....	9,777.97-	10,655.25-	10,500.00-	1,905.25-	1.5	9.0	
15.0	INTEREST ON LONG TERM DEBT.....	507,506.24-	516,286.87-	519,999.96-	85,062.27-	.7-	1.7	
16.0	INTEREST CHARGED TO CONSTRUCTION - CREDIT	.00	.00	.00	.00	.0	.0	
17.0	INTEREST EXPENSE - OTHER.....	19,237.15-	48,161.33-	37,999.98-	6,424.03-	26.7	150.4	
18.0	OTHER DEDUCTIONS.....	6,383.95-	5,840.94-	4,999.98-	100.00-	16.8	8.5-	
19.0	TOTAL COST OF ELECTRIC SERVICE.....	11,406,687.24-	11,885,098.48-	10,284,516.90-	1,783,313.70-	15.6	4.2	
20.0	PATRONAGE CAPITAL & OPERATING MARGINS....	65,728.88	127,407.80	23,450.04	106,332.63	443.3	93.8	
21.0	NON OPERATING MARGINS - INTEREST.....	33,828.43	24,034.66	30,000.00	3,361.86	19.9-	29.0-	
22.0	ALLOW. FOR FUNDS USED DURING CONSTRUCTION	.00	.00	.00	.00	.0	.0	
23.0	INCOME (LOSS) FROM EQUITY INVESTMENTS....	.00	.00	.00	.00	.0	.0	
24.0	NON OPERATING MARGINS - OTHER.....	.00	.00	.00	.00	.0	.0	
25.0	GENERATION & TRANSMISSION CAPITAL CREDITS	.00	.00	.00	.00	.0	.0	
26.0	OTHER CAPITAL CREDITS & PATRONAGE DIVID..	8,409.15	27,811.22	.00	.00	100.0	230.7	
27.0	EXTRAORDINARY ITEMS.....	.00	.00	.00	.00	.0	.0	
28.0	PATRONAGE CAPITAL OR MARGINS.....	107,966.46	179,253.68	53,450.04	109,694.49	235.4	66.0	
RATIOS								
	TIER	1.213	1.347	1.103	2.290			
	MARGINS TO REVENUE	.009	.015	.005	.058			
	POWER COST TO REVENUE	.735	.736	.708	.681			
	INTEREST EXPENSE TO REVENUE	.044	.043	.050	.045			
	CURRENT ASSETS : CURRENT LIABILITIES	1.2776						
	MARGINS & EQUITIES AS % OF ASSETS	.3362						
	LONG TERM DEBT AS % OF PLANT	.5442						
	GENERAL FUNDS TO TOTAL PLANT	1.5843						
	QUICK ASSET RATIO	1.1596						



PART A. STATEMENT OF OPERATIONS

LINE NO	YEAR TO DATE				THIS MONTH	% FROM BUDGET	% CHANGE FROM LAST YEAR
	LAST YEAR	THIS YEAR	BUDGET				
	A	B	C	D			
1.0	13,195,382.53	13,724,181.86	12,095,565.93	1,711,675.58	13.5		4.0
2.0	.00	.00	.00	.00	.0		.0
3.0	9,699,493.00-	10,357,767.00-	8,553,126.00-	1,520,470.00-	21.1		6.8
4.0	.00	.00	.00	.00	.0		.0
5.0	255,472.36-	551,980.01-	372,934.24-	80,445.84-	48.0		116.1
6.0	621,893.70-	547,345.64-	597,526.23-	110,676.44-	8.4-		12.0-
7.0	397,222.01-	348,803.36-	365,648.85-	47,161.51-	4.6-		12.2-
8.0	60,436.68-	61,709.97-	72,788.10-	8,930.97-	15.2-		2.1
9.0	465.00-	565.00-	.00	40.00-	100.0-		21.5
10.0	811,581.53-	662,535.84-	614,405.33-	93,780.98-	7.8		18.4-
11.0	11,846,564.28-	12,530,706.82-	10,576,428.75-	1,861,505.74-	18.5		5.8
12.0	710,255.90-	741,610.66-	790,731.06-	106,657.65-	6.2-		4.4
13.0	.00	.00	.00	.00	.0		.0
14.0	11,639.29-	12,560.50-	12,250.00-	1,905.25-	2.5		7.9
15.0	587,254.22-	602,266.17-	606,666.62-	85,979.30-	.7-		2.6
16.0	.00	.00	.00	.00	.0		.0
17.0	21,836.28-	52,107.92-	44,333.31-	3,946.59-	17.5		138.6
18.0	6,583.95-	6,640.94-	5,833.31-	800.00-	13.8		.9
19.0	13,184,133.92-	13,945,893.01-	12,036,243.05-	2,060,794.53-	15.9		5.8
20.0	11,248.61	221,711.15-	59,322.88	349,118.95-	473.7-		2071.0-
21.0	38,142.90	27,381.50	35,000.00	3,346.84	21.8-		28.2-
22.0	.00	.00	.00	.00	.0		.0
23.0	.00	.00	.00	.00	.0		.0
24.0	.00	.00	.00	.00	.0		.0
25.0	.00	.00	.00	.00	.0		.0
26.0	8,409.15	27,811.22	.00	.00	100.0		230.7
27.0	.00	.00	.00	.00	.0		.0
28.0	57,800.66	166,518.43-	94,322.88	345,772.11-	276.5-		388.1-
RATIOS							
TIER	1.098	.724	1.155	3.022-			
MARGINS TO REVENUE	.004	.012	.008	.202			
POWER COST TO REVENUE	.735	.755	.707	.888			
INTEREST EXPENSE TO REVENUE	.045	.044	.050	.050			
CURRENT ASSETS : CURRENT LIABILITIES	1.1435						
MARGINS & EQUITIES AS % OF ASSETS	.3277						
LONG TERM DEBT AS % OF PLANT	.5434						
GENERAL FUNDS TO TOTAL PLANT	1.7132						
QUICK ASSET RATIO	1.0368						

PART C. BALANCE SHEET

LINE NO	ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1.0	TOTAL UTILITY PLANT IN SERVICE	39,150,696.92	29.0	MEMBERSHIPS 227,525.00-
2.0	CONSTRUCTION WORK IN PROGRESS	60,746.99	30.0	PATRONAGE CAPITAL 14,151,813.75-
3.0	TOTAL UTILITY PLANT	39,211,443.91	31.0	OPERATING MARGINS - PRIOR YEAR .00
4.0	ACCUM PROV FOR DEP & AMORT	9,625,495.92-	32.0	OPERATING MARGINS-CURRENT YEAR 193,899.93
5.0	NET UTILITY PLANT	29,585,947.99	33.0	NON-OPERATING MARGINS 27,381.50-
			34.0	OTHER MARGINS & EQUITIES 1,413,409.76
6.0	NON-UTILITY PROPERTY (NET)	.00	35.0	TOTAL MARGINS & EQUITIES 12,799,410.56-
7.0	INVEST IN SUBSIDIARY COMPANIES	.00		
8.0	INV IN ASSOC ORG - PAT CAPITAL	5,311,151.09	36.0	LONG TERM DEBT - RUS (NET) 8,518,295.73-
9.0	INV IN ASSOC ORG OTHR GEN FND	3,205.00		(PAYMENTS-UNAPPLIED .00 )
10.0	INV IN ASSOC ORG - NON GEN FND	548,480.93	37.0	LNG-TERM DEBT-FFB-RUS GUAR .00
11.0	INV IN ECON DEVEL PROJECTS	.00	38.0	LONG-TERM DEBT OTHER-RUS GUAR .00
12.0	OTHER INVESTMENTS	5,500.00	39.0	LONG TERM DEBT - OTHER (NET) 12,790,859.90-
13.0	SPECIAL FUNDS	.00	40.0	LNG-TERM DEBT-RUS-ECON DEV NET .00
14.0	TOT OTHER PROP & INVESTMENTS	5,868,337.02	41.0	PAYMENTS - UNAPPLIED .00
			42.0	TOTAL LONG TERM DEBT 21,309,155.63-
15.0	CASH - GENERAL FUNDS	450,508.35	43.0	OBLIGATION UNDER CAPITAL LEASE .00
16.0	CASH - CONSTRUCTION FUND TRUST	477.50	44.0	ACCUM OPERATING PROVISIONS 1,771,887.95-
17.0	SPECIAL DEPOSITS	20.00	45.0	TOTAL OTHER NONCURR LIABILITY 1,771,887.95-
18.0	TEMPORARY INVESTMENTS	212,549.87		
19.0	NOTES RECEIVABLE (NET)	.00	46.0	NOTES PAYABLE 300,000.00-
20.0	ACCTS RECV - SALES ENERGY(NET)	2,293,184.22	47.0	ACCOUNTS PAYABLE 1,687,763.07-
21.0	ACCTS RECV - OTHER (NET)	226,945.98	48.0	CONSUMER DEPOSITS 567,817.38-
22.0	MATERIAL & SUPPLIES-ELEC & OTH	334,905.82	49.0	CURR MATURITIES LONG-TERM DEBT .00
23.0	PREPAYMENTS	65,621.48	50.0	CURR MATUREIT LT DEBT ECON DEV .00
24.0	OTHER CURRENT & ACCR ASSETS	5,333.73	51.0	CURR MATURITIES CAPITAL LEASES .00
25.0	TOTAL CURRENT & ACCR ASSETS	3,589,546.95	52.0	OTHER CURRENT & ACCRUED LIAB 583,476.68-
			53.0	TOTAL CURRENT & ACCRUED LIAB 3,139,057.13-
26.0	REGULATORY ASSETS	.00	54.0	REGULATORY LIABILITIES .00
27.0	OTHER DEFERRED DEBITS	9,274.91	55.0	OTHER DEFERRED CREDITS 33,595.60-
28.0	TOTAL ASSETS & OTHER DEBITS	39,053,106.87	56.0	TOTAL LIABILITIES & OTH CREDIT 39,053,106.87-

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ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION	
57.0	BALANCE BEGINNING OF YEAR .00
58.0	AMOUNT RECEIVED THIS YEAR (NET) 120,867.64
59.0	TOTAL CONTRIBUTIONS IN AID OF CONST 120,867.64

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

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

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

\_\_\_\_\_  
DATE

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

\_\_\_\_\_  
DATE

PART A. STATEMENT OF OPERATIONS

LINE NO	YEAR TO DATE				THIS MONTH	% FROM BUDGET	% CHANGE FROM LAST YEAR
	LAST YEAR A	THIS YEAR B	BUDGET C				
1.0	OPERATING REVENUE & PATRONAGE CAPITAL	15,240,252.35	15,657,779.31	13,791,629.92	1,933,597.45	13.5	2.7
2.0	POWER PRODUCTION EXPENSE	00	00	00	00	0	0
3.0	COST OF PURCHASED POWER	11,149,784.00	11,695,554.00	9,782,664.00	1,337,787.00	19.6	4.9
4.0	TRANSMISSION EXPENSE	00	00	00	00	0	0
5.0	DISTRIBUTION EXPENSE-OPERATION	325,466.95	635,566.77	426,210.56	83,586.76	49.1	95.3
6.0	DISTRIBUTION EXPENSE-MAINTENANCE	746,762.27	637,990.54	682,887.12	90,644.90	6.6	14.6
7.0	CONSUMER ACCOUNTS EXPENSE	452,773.69	411,159.73	417,884.40	62,356.37	1.6	9.2
8.0	CUSTOMER SERVICE & INFORMATIONAL EXPENSE	73,074.60	68,201.72	83,186.40	6,491.75	18.0	6.7
9.0	SALES EXPENSE	635.00	615.00	00	50.00	100.0	3.1
10.0	ADMINISTRATIVE & GENERAL EXPENSE	912,489.73	752,502.84	702,177.52	89,967.00	7.2	17.5
11.0	TOTAL OPERATIONS & MAINTENANCE EXPENSE	13,660,986.24	14,201,590.60	12,095,010.00	1,670,883.78	17.4	4.0
12.0	DEPRECIATION & AMORTIZATION EXPENSE	813,873.28	848,512.51	903,692.64	108,901.85	6.1	4.3
13.0	TAX EXPENSE - PROPERTY & GROSS RECEIPTS	00	00	00	00	0	0
14.0	TAX EXPENSE - OTHER	13,500.61	14,465.75	14,000.00	1,905.25	3.3	7.1
15.0	INTEREST ON LONG TERM DEBT	665,477.64	687,000.94	693,333.28	84,734.77	9	3.2
16.0	INTEREST CHARGED TO CONSTRUCTION - CREDIT	00	00	00	00	0	0
17.0	INTEREST EXPENSE - OTHER	24,411.93	56,135.88	50,666.64	4,027.96	10.8	130.0
18.0	OTHER DEDUCTIONS	6,683.95	6,640.94	6,666.64	00	4	6
19.0	TOTAL COST OF ELECTRIC SERVICE	15,184,933.65	15,814,346.62	13,763,369.20	1,868,453.61	14.9	4.1
20.0	PATRONAGE CAPITAL & OPERATING MARGINS	55,318.70	156,567.31	28,260.72	65,143.84	654.0	383.0
21.0	NON OPERATING MARGINS - INTEREST	42,464.57	31,646.76	40,000.00	4,265.26	20.9	25.5
22.0	ALLOW. FOR FUNDS USED DURING CONSTRUCTION	00	00	00	00	0	0
23.0	INCOME (LOSS) FROM EQUITY INVESTMENTS	00	00	00	00	0	0
24.0	NON OPERATING MARGINS - OTHER	00	00	00	00	0	0
25.0	GENERATION & TRANSMISSION CAPITAL CREDITS	00	00	00	00	0	0
26.0	OTHER CAPITAL CREDITS & PATRONAGE DIVID.	8,409.15	27,811.22	00	00	100.0	230.7
27.0	EXTRAORDINARY ITEMS	00	00	00	00	0	0
28.0	PATRONAGE CAPITAL OR MARGINS	106,192.42	97,109.33	68,260.72	69,409.10	242.3	191.4
RATIOS							
TIER		1.160	.859	1.098	1.819		
MARGINS TO REVENUE		.007	.006	.005	.036		
POWER COST TO REVENUE		.732	.747	.709	.692		
INTEREST EXPENSE TO REVENUE		.044	.044	.050	.044		
CURRENT ASSETS : CURRENT LIABILITIES		1.6453					
MARGINS & EQUITIES AS % OF ASSETS		.3202					
LONG TERM DEBT AS % OF PLANT		.5761					
GENERAL FUNDS TO TOTAL PLANT		4.2174					
QUICK ASSET RATIO		1.5324					

PART C. BALANCE SHEET

LINE NO	ASSETS AND OTHER DEBITS	LIABILITIES AND OTHER CREDITS
1.0	TOTAL UTILITY PLANT IN SERVICE 39,238,248.90	29.0 MEMBERSHIPS 228,465.00-
2.0	CONSTRUCTION WORK IN PROGRESS 57,098.26	30.0 PATRONAGE CAPITAL 14,149,309.39-
3.0	TOTAL UTILITY PLANT 39,295,347.16	31.0 OPERATING MARGINS - PRIOR YEAR .00
4.0	ACCUM PROV FOR DEP & AMORT 9,707,066.97-	32.0 OPERATING MARGINS-CURRENT YEAR 128,756.09
5.0	NET UTILITY PLANT 29,588,280.19	33.0 NON-OPERATING MARGINS 31,646.76-
6.0	NON-UTILITY PROPERTY (NET) .00	34.0 OTHER MARGINS & EQUITIES 1,412,548.82
7.0	INVEST IN SUBSIDIARY COMPANIES .00	35.0 TOTAL MARGINS & EQUITIES 12,868,116.24-
8.0	INV IN ASSOC ORG - PAT CAPITAL 5,311,151.09	36.0 LONG TERM DEBT - RUS (NET) 9,885,350.07-
9.0	INV IN ASSOC ORG OTHR GEN FND 3,205.00	(PAYMENTS-UNAPPLIED .00 )
10.0	INV IN ASSOC ORG - NON GEN FND 548,480.93	37.0 LNG-TERM DEBT-FFB-RUS GUAR .00
11.0	INV IN ECON DEVEL PROJECTS .00	38.0 LONG-TERM DEBT OTHER-RUS GUAR .00
12.0	OTHER INVESTMENTS 5,500.00	39.0 LONG TERM DEBT - OTHER (NET) 12,753,203.88-
13.0	SPECIAL FUNDS .00	40.0 LNG-TERM DEBT-RUS-ECON DEV NET .00
14.0	TOT OTHER PROP & INVESTMENTS 5,868,337.02	41.0 PAYMENTS - UNAPPLIED .00
15.0	CASH - GENERAL FUNDS 1,413,027.06	42.0 TOTAL LONG TERM DEBT 22,638,553.95-
16.0	CASH - CONSTRUCTION FUND TRUST 477.50	43.0 OBLIGATION UNDER CAPITAL LEASE .00
17.0	SPECIAL DEPOSITS 20.00	44.0 ACCUM OPERATING PROVISIONS 1,774,531.15-
18.0	TEMPORARY INVESTMENTS 235,517.47	45.0 TOTAL OTHER NONCURR LIABILITY 1,774,531.15-
19.0	NOTES RECEIVABLE (NET) .00	46.0 NOTES PAYABLE 300,000.00-
20.0	ACCTS RECV - SALES ENERGY(NET) 2,474,053.20	47.0 ACCOUNTS PAYABLE 1,500,454.45-
21.0	ACCTS RECV - OTHER (NET) 232,485.54	48.0 CONSUMER DEPOSITS 577,110.00-
22.0	MATERIAL & SUPPLIES-ELEC & OTH 323,741.72	49.0 CURR MATURITIES LONG-TERM DEBT .00
23.0	PREPAYMENTS 34,711.07	50.0 CURR MATURIT LT DEBT ECON DEV .00
24.0	OTHER CURRENT & ACCR ASSETS 7,111.64	51.0 CURR MATURITIES CAPITAL LEASES .00
25.0	TOTAL CURRENT & ACCR ASSETS 4,721,145.20	52.0 OTHER CURRENT & ACCRUED LIAB 491,988.33-
26.0	REGULATORY ASSETS .00	53.0 TOTAL CURRENT & ACCRUED LIAB 2,869,552.78-
27.0	OTHER DEFERRED DEBITS 7,637.02	54.0 REGULATORY LIABILITIES .00
28.0	TOTAL ASSETS & OTHER DEBITS 40,185,399.43	55.0 OTHER DEFERRED CREDITS 34,645.31-
		56.0 TOTAL LIABILITIES & OTH CREDIT 40,185,399.43-

ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION

57.0	BALANCE BEGINNING OF YEAR	.00
58.0	AMOUNT RECEIVED THIS YEAR (NET)	141,918.83
59.0	TOTAL CONTRIBUTIONS IN AID OF CONST	141,918.83

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

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

SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT

DATE



**BIG SANDY RECC**  
**CASE NO 2008-00401**  
**COST OF SERVICE STUDY**

**December 2008**

**J Adkins**

**TEST YEAR REVENUE REQUIREMENTS**

		<b>TEST YEAR EXPENSES</b>			
1	2				
3	4	5	6	7	
Acct	Description	Actual	Adjust	Adjusted	
No.		<u>Test Year</u>	<u>ments</u>	<u>Test Year</u>	
7	555	Purchased Power			
8		Base Rates	14,211,359	1,465,107	15,676,466
9		FAC & ES Clauses	2,758,291	(2,758,291)	-
11		<b>Total Purchased Power</b>	<u>16,969,650</u>	<u>(1,293,184)</u>	<u>15,676,466</u>
13	580	Operations Supv & Eng	76,778	9,831	86,609
15	582	Station Expense	-	-	-
16	583	Overhead Line Exp.	189,904	4,880	194,784
17	584	Underground Line Exp	-	-	-
18	586	Meter Expense	425,701	60,785	486,486
19	587	Consumer Installations	42,229	888	43,117
20	588	Misc. Distribution Exp	164,691	27,412	192,103
21	589	Rents	-	-	-
23		<b>Total Dist. Operations</b>	<u>899,303</u>	<u>103,795</u>	<u>1,003,098</u>
25	590	Maint Supv & Eng	75,345	4,749	80,095
27	592	Maint of Station Equip	3,409	219	3,628
28	593	Maint. Overhead Lines	777,629	442,102	1,219,731
29	594	Maint of Underground Lines	-	-	-
30	595	Maint Line Transformers	52,902	1,182	54,084
31	596	Maint of St Lg & Signal Sys	-	-	-
32	597	Maintenance of Meters	1,001	56	1,057
33	598	Maint Misc Distrib Plant	72,406	2,969	75,374
35		<b>Total Dist. Maint.</b>	<u>982,692</u>	<u>451,278</u>	<u>1,433,970</u>
37	901	Supervision	-		
39	902	Meter Reading Expense	57,204		57,204
40	903	Cons Recds & Collections	468,227	35,476	503,703
41	904	Uncollectible Accounts	84,000		84,000
43		<b>Total Consum Accts</b>	<u>609,430</u>	<u>35,476</u>	<u>644,906</u>
45	907	Customer Information	-		-
46	908	Customer Assistance	84,141	8,826	92,967
47	913	Sales	960		960
48	910	Miscellaneous Cust Inform.	-		-
50		<b>Total Customer Serv.</b>	<u>85,101</u>	<u>8,826</u>	<u>93,927</u>

**TEST YEAR REVENUE REQUIREMENTS**

		<b>TEST YEAR EXPENSES</b>			
	Acct	Description	Actual	Adjust	Adjusted
	No.		<u>Test Year</u>	<u>ments</u>	<u>Test Year</u>
1					
2					
3					
4					
51					
54	920	Administrative Salaries	618,796	13,030	631,826
55	921	Office Supplies	114,230	2,405	116,635
56	923	Outside Services	61,724	1,300	63,024
57	924	Property Ins	-	-	-
58	925	Injuries & Damages	32,599	686	33,285
59	926	Employ Pensions & Benef	(382)	(8)	(390)
60	928	Regulatory Exp	-	-	-
61	929	Duplicate Charges	(1,304)	(27)	(1,331)
62	930	Misc General Exp	275,697	5,805	281,502
63	931	Rents	21,503	453	21,955
64	935	Misc. General Plant	30,085	633	30,719
66		<b>Total Admin &amp; General</b>	<b>1,152,947</b>	<b>24,277</b>	<b>1,177,224</b>
67					
69	403	Deprec. Distribution Plant	1,202,311	506,486	1,708,797
70	403	Deprec. General Plant	64,165	(6,844)	57,321
71		<b>Total Depreciation</b>	<b>1,266,475</b>	<b>499,642</b>	<b>1,766,117</b>
73					
74	408	Taxes Other Than Inc. Taxes	21,911		21,911
75	416&426	Miscell. Income Deductions	7,671	(7,471)	200
77		<b>Total Miscellaneous</b>	<b>29,582</b>	<b>(7,471)</b>	<b>22,111</b>
78					
79	427.1	Interest - RUS Constuc	334,909		
81	427.3	Interest - FFB Notes	301,500		
82	427.2	Interest - Other LTD	372,800		
83		<b>Total Interest on LTD</b>	<b>1,009,209</b>	<b>73,120</b>	<b>1,082,329</b>
85					
86	431	Other Interest Expense	32,877		
87	431.1	Interest on Customer Dep.	23,602		
89	431.2	Other Interest	26,952		
90		<b>Total ST Interest</b>	<b>83,431</b>	<b>(8,428)</b>	<b>75,003</b>
91					
93		<b>Total Costs</b>	<b>23,087,821</b>	<b>(112,669)</b>	<b>22,975,152</b>
94		<b>Margin Requirements</b>	<b>1,009,209</b>	<b>73,120</b>	<b>1,082,329</b>
95		<b>Total Revenue Require.</b>	<b>24,097,030</b>	<b>(39,549)</b>	<b>24,057,481</b>
100					

**BIG SANDY RECC  
CASE NO. 2008-00401**

**PAYROLL EXPENSES**

**Used in the Allocation of the Test Year Adjusted Expenses**

Acct No.	Description	Total		Oper. Percent	Oper. Adjust.
		Wages	Percent		
580	Operations Supv & Eng	33,814	2.61%	9.47%	9,831
582	Station Expense				
583	Overhead Line Exp.	16,785	1.29%	4.70%	4,880
584	Underground Line Exp				
586	Meter Expense	209,076	16.12%	58.56%	60,785
587	Consumer Installations	3,054	0.24%	0.86%	888
588	Misc. Distribution Exp	94,285	7.27%	26.41%	27,412
	<b>Total Dist. Operations</b>	<b>357,014</b>	<b>27.53%</b>	<b>100.00%</b>	<b>103,795</b>
				<b>Maint. Percent</b>	<b>Maint. Adjust.</b>
590	Maint Supv & Eng	34,086	2.63%	14.18%	4,749
592	Maint of Station Equip	1,573	0.12%	0.65%	219
593	Maint. Overhead Lines	174,510	13.46%	72.60%	24,315
595	Maint Line Transformers	8,485	0.65%	3.53%	1,182
597	Maintenance of Meters	401	0.03%	0.17%	56
598	Maint Misc Distrib Plant	21,307	1.64%	8.86%	2,969
	<b>Total Dist. Maint.</b>	<b>240,362</b>	<b>18.53%</b>	<b>100.00%</b>	<b>33,491</b>
901	Supervision				
902	Meter Reading Expense	25,251	1.95%		
903	Cons Recds & Collections	167,296	12.90%		
	<b>Total Consum Accts</b>	<b>192,547</b>	<b>14.85%</b>		
907	Customer Information				
908	Customer Assistance	35,172	2.71%		
	<b>Total Customer Serv.</b>	<b>35,172</b>	<b>2.71%</b>		
920	Administrative Salaries	314,214	24.23%		
921	Office Supplies	156	0.01%		
926	Employ Pensions & Benef	152,657	11.77%		
935	Misc. General Plant	4,694	0.36%		
	<b>Total Admin &amp; General</b>	<b>471,721</b>	<b>36.38%</b>		
		<b>1,296,816</b>	<b>100.0%</b>		

**Used in the General Plant Allocation in Rate Base**

Payroll Summary	Actual	Percent	w/o A&G	Percent
Dist Operations	357,014	27.53%	357,014	43.27%
Dist. Maintenance	240,362	18.53%	240,362	29.13%
Consumer Accounts	192,547	14.85%	192,547	23.34%
Consumer Service	35,172	2.71%	35,172	4.26%
Admin. & General	471,721	36.38%		
	<b>1,296,816</b>	<b>100.00%</b>	<b>825,095</b>	<b>100.0%</b>

**BIG SANDY RECC  
CASE NO. 2008-00401**

**FUNCTIONALIZATION OF TEST YEAR EXPENSES**

1	Expenses			FUNCTIONALIZATION								
2	Acct	Description	Adjusted	Purchased		Trans-			Consumer			Alloc.
3	No.		Test Year	Power	Lines	formers	Services	Meters	Accounting	Lighting	Total	Basis
6	555	Purchased Power										
7		Base Rates	15,676,466	15,676,466							15,676,466	
8		FAC & ES Clauses	-	-							-	
9		<b>Total Purchased Power</b>	15,676,466	15,676,466							15,676,466	DA
11	580	Operations Supv & Eng	86,609		19,816		3,472	58,165		5,155	86,609	1 & 2
12	582	Station Expense	-								-	
13	583	Overhead Line Exp.	194,784		165,742		29,042				194,784	DA
14	584	Underground Line Exp	-								-	
15	586	Meter Expense	486,486					486,486			486,486	DA
16	587	Consumer Installations	43,117							43,117	43,117	DA
17	588	Misc. Distribution Exp	192,103		43,954		7,702	129,013		11,434	192,103	2
18	589	Rents	-								-	
19		<b>Total Dist. Operations</b>	1,003,098		229,512	-	40,215	673,664	-	59,706	1,003,098	
21	590	Maint Supv & Eng	80,095		69,150	3,388	7,491	66			80,095	3
22	592	Maint of Station Equip	3,628		3,628						3,628	DA
23	593	Maint. Overhead Lines	1,219,731		1,100,165		119,567				1,219,731	DA
24	594	Maint of Underground Lines	-								-	
25	595	Maint Line Transformers	54,084			54,084					54,084	DA
26	596	Maint of St Lg & Signal Sys	-								-	
27	597	Maintenance of Meters	1,057					1,057			1,057	DA
28	598	Maint Misc Distrib Plant	75,374		65,074	3,189	7,049	62			75,374	3
29		<b>Total Dist. Maint.</b>	1,433,970		1,238,017	60,661	134,106	1,185	-	-	1,433,970	
31	901	Supervision										
32	902	Meter Reading Expense	57,204						57,204		57,204	DA
33	903	Cons Recds & Collections	503,703						503,703		503,703	DA
34	904	Uncollectible Accounts	84,000						84,000		84,000	DA
35		<b>Total Consum Accts</b>	644,906						644,906		644,906	DA
37	907	Customer Information	-								-	
38	908	Customer Assistance	92,967						92,967		92,967	DA
39	913	Sales	960						960		960	DA
40	910	Miscellaneous Cust Inform.	-						-		-	
41		<b>Total Customer Serv.</b>	93,927						93,927		93,927	DA

**BIG SANDY RECC  
CASE NO. 2008-00401**

Exhibit R  
Schedule 2  
Page 6 of 31  
Witness: Jim Adkins

**FUNCTIONALIZATION OF TEST YEAR EXPENSES**

1			Expenses	FUNCTIONALIZATION								
2												
3	Acct	Description	Adjusted	Purchased		Trans-		Consumer			Alloc.	
4	No.		Test Year	Power	Lines	formers	Services	Meters	Accounting	Lighting	Total	Basis
43	920	Administrative Salaries	631,826									
44	921	Office Supplies	116,635									
45	923	Outside Services	63,024									
46	924	Property Ins	-									
47	925	Injuries & Damages	33,285									
48	926	Employ Pensions & Benef	(390)									
49	928	Regulatory Exp	-									
50	929	Duplicate Charges	(1,331)									
51	930	Misc General Exp	281,502									
52	931	Rents	21,955									
53	935	Misc. General Plant	30,719									
54		<b>Total Admin &amp; General</b>	<b>1,177,224</b>		<b>514,177</b>	<b>129,133</b>	<b>90,095</b>	<b>74,589</b>	<b>324,904</b>	<b>44,327</b>	<b>1,177,224</b>	<b>4 Gen Plt</b>
55												
56	403	Deprec. Distribution Plant	1,708,797		1,071,940	190,868	155,168	213,147	-	77,673	1,708,796	DA
57	403	Deprec. General Plant	57,321		25,036	6,288	4,387	3,632	15,820	2,158	57,321	4 GenPlt
58		<b>Total Depreciation</b>	<b>1,766,117</b>		<b>1,096,976</b>	<b>197,156</b>	<b>159,555</b>	<b>216,779</b>	<b>15,820</b>	<b>79,831</b>	<b>1,766,117</b>	
59												
60	408	Taxes Other Than Inc. Taxes	21,911									
61	16&42	Miscell. Income Deductions	200									
62		<b>Total Miscellaneous</b>	<b>22,111</b>		<b>13,083</b>	<b>3,286</b>	<b>2,292</b>	<b>1,898</b>	<b>423</b>	<b>1,128</b>	<b>22,111</b>	<b>Tot Plt</b>
63												
64	427.1	Interest - RUS Constuc										
65	427.3	Interest - FFB Notes										
66	427.2	Interest - Other LTD										
67		<b>Total Interest on LTD</b>	<b>1,082,329</b>		<b>636,669</b>	<b>156,814</b>	<b>110,465</b>	<b>102,413</b>	<b>22,111</b>	<b>53,858</b>	<b>1,082,329</b>	<b>5 Rt Base</b>
68												
69	431	Other Interest Expense										
70	431.1	Interest on Customer Dep.										
71	431.2	Other Interest										
72		<b>Total ST Interest</b>	<b>75,003</b>		<b>44,120</b>	<b>10,867</b>	<b>7,655</b>	<b>7,097</b>	<b>1,532</b>	<b>3,732</b>	<b>75,003</b>	<b>Rate Base</b>
73												
74		<b>Total Costs</b>	<b>22,975,152</b>	<b>15,676,466</b>	<b>3,772,554</b>	<b>557,916</b>	<b>544,384</b>	<b>1,077,625</b>	<b>1,103,623</b>	<b>242,583</b>	<b>22,975,151</b>	
75		<b>Margin Requirements</b>	<b>1,082,329</b>	<b>-</b>	<b>636,669</b>	<b>156,814</b>	<b>110,465</b>	<b>102,413</b>	<b>22,111</b>	<b>53,858</b>	<b>1,082,329</b>	
76		<b>Total Revenue Require.</b>	<b>24,057,481</b>	<b>15,676,466</b>	<b>4,409,223</b>	<b>714,729</b>	<b>654,849</b>	<b>1,180,037</b>	<b>1,125,734</b>	<b>296,441</b>	<b>24,057,480</b>	

FUNCTIONALIZATION OF TEST YEAR EXPENSES

FOOTNOTES					
1	Line Expenses are Allocated between Lines and Services Based on Plant Investment.				
2	<u>Allocation of Dist. Oper. Supervision &amp; Miscellaneous Expenses</u>				
		<u>Actual</u>	<u>%</u>	<u>Superv</u>	<u>Miscell. Exp.</u>
	Overhead Line Exp.	165,742	22.88%	19,816	43,954
	Overhead Line Exp.	29,042	4.01%	3,472	7,702
	Meter Expense	486,486	67.16%	58,165	129,013
	Consumer Installations	43,117	5.95%	5,155	11,434
		<u>724,386</u>	<u>100.0%</u>	<u>86,609</u>	<u>192,103</u>
3	<u>Allocation of Dist. Maint. Supervision &amp; Miscellaneous Expenses</u>				
		<u>Actual</u>	<u>%</u>	<u>Superv</u>	<u>Miscell. Exp.</u>
	Maint of Station Equip	3,628	0.28%	227	214
	Maint. Overhead Lines	1,100,165	86.05%	68,923	64,861
	Maint. Overhead Lines	119,567	9.35%	7,491	7,049
	Maint Line Transformers	54,084	4.23%	3,388	3,189
	Maintenance of Meters	1,057	0.08%	66	62
		<u>1,278,500</u>	<u>100.0%</u>	<u>80,095</u>	<u>75,374</u>
4	General Plant Allocation Comes From the Rate Base Schedule Line General Plant Percent				
5	Rate Base Allocation Comes from the Rate Base Schedule Line Rate Base Percent.				

**BIG SANDY RECC  
CASE NO. 2008-00401**

Exhibit R  
Schedule 2  
Page 8 of 31  
Witness: Jim Adkins

**RATE BASE ALLOCATION**

3	4	5	6	Distribution Plant Balances					
				7	8	9	10	11	12
Plant	Description	\$\$\$\$	Lines	Transformers	Services	Meters	Consumer & Accounting Services	Outdoor Lighting	
360	Land & Land Rights	-							
362	Station Equipment	353,139	353,139						
364	Poles, Towers and Fixtures	11,182,117	11,182,117					-	
365	Overhead Conductor	9,967,467	9,967,467						
366	Underground Conduit	290,134	290,134						
367	UG Conductor	235,933	235,933						
368	Line Transformers	5,532,409		5,532,409					
369	Services	3,859,904			3,859,904			-	
370	Meters	3,195,611				3,195,611			
371	Install. On Consumer Prem.	1,899,105						1,899,105	
373	Street Ltg & Signal Systems	-						-	
	Total Distribution Plant	36,515,819	22,028,790	5,532,409	3,859,904	3,195,611	-	1,899,105	
	Distribution Plant Percent	100.00%	60.3%	15.2%	10.6%	8.8%	0.0%	5.2%	
	Total General Plant	2,722,430	1,189,077	298,630	208,351	172,494	751,367	102,511	
	General Plant Percent	100.00%	43.7%	11.0%	7.7%	6.3%	27.6%	3.8%	
	Total Utility Plant	39,238,248	23,217,868	5,831,039	4,068,255	3,368,105	751,367	2,001,616	
	Utility Plant Percent	100.00%	59.17%	14.86%	10.37%	8.58%	1.91%	5.10%	
	Accum. Depreciation								
	Distribution Plant	9,172,252	5,613,215	1,493,894	1,013,384	539,740		512,019	
	General Plant	534,815	233,592	58,665	40,930	33,886	147,604	20,138	
	Net Plant	29,531,181	17,371,061	4,278,480	3,013,941	2,794,479	603,762	1,469,459	
	Net Plant Percent	100.00%	58.82%	14.49%	10.21%	9.46%	2.04%	4.98%	
	CWIP	57,098	34,445	8,651	6,036	4,997	-	2,970	
	Subtotal	29,588,279	17,405,506	4,287,130	3,019,976	2,799,476	603,762	1,472,428	
	Plus								
	Cash Working Capital	544,140	320,094	78,842	55,539	51,483	11,103	27,079	
	Materials & Supplies	321,501	189,125	46,583	32,815	30,419	6,560	15,999	
	Prepayments	58,493	34,409	8,475	5,970	5,534	1,194	2,911	
	Minus: Consumer Advances	34,645	20,900	5,249	3,662	3,032	-	1,802	
	Net Investment Rate Base	30,477,768	17,928,234	4,415,782	3,110,638	2,883,880	622,620	1,516,615	
	Rate Base Percent	100.00%	58.82%	14.49%	10.21%	9.46%	2.04%	4.98%	

**BIG SANDY RECC  
CASE NO. 2008-00401**

Exhibit R  
Schedule 2  
Page 9 of 31  
Witness: Jim Adkins

**FUNCTIONALIZATION SUMMARY**

Expense	Adjusted Expenses	Purchased Power	Lines	Transformers	Services	Meters	Consumer Services & Accounting	Lighting
Purchased Power	15,676,466	15,676,466						
Distribution Operations	1,003,098		229,512	-	40,215	673,664	-	59,706
Distribution Maintenance	1,433,970		1,238,017	60,661	134,106	1,185	-	-
Consumer Accounts	644,906						644,906	
Customer Service	93,927						93,927	
Administrative & General	1,177,224		514,177	129,133	90,095	74,589	324,904	44,327
Depreciation	1,766,117		1,096,976	197,156	159,555	216,779	15,820	79,831
Miscellaneous	22,111		13,083	3,286	2,292	1,898	423	1,128
Interest on Long Term Debt	1,082,329		636,669	156,814	110,465	102,413	22,111	53,858
Short Term Interest	75,003		44,120	10,867	7,655	7,097	1,532	3,732
Total Costs	22,975,152	15,676,466	3,772,554	557,916	544,384	1,077,625	1,103,623	242,583
Margin Requirements	1,082,329	-	636,669	156,814	110,465	102,413	22,111	53,858
Revenue Requirements	24,057,481	15,676,466	4,409,223	714,729	654,849	1,180,037	1,125,734	296,441

**BIG SANDY RECC  
CASE NO. 2008-00401**

Exhibit R  
Schedule 3  
Page 10 of 31  
Witness: Jim Adkins

**CLASSIFICATION OF EXPENSES**

		Consumer Related Costs	Demand Related Costs	Total
	<b>1</b>			
<u>Expense</u>	<u>Lines</u>			
Purchased Power	0	-	-	-
Distribution Operations	229,512	37,227	192,286	229,512
Distribution Maintenance	1,238,017	200,804	1,037,212	1,238,017
Consumer Accounts	-	-	-	-
Customer Service	-	-	-	-
Administrative & General	514,177	83,399	430,778	514,177
Depreciation	1,096,976	177,928	919,048	1,096,976
Miscellaneous	13,083	2,122	10,961	13,083
Interest on Long Term Debt	636,669	103,267	533,402	636,669
Short Term Interest	44,120	7,156	36,964	44,120
<b>Total Costs</b>	<b>3,772,554</b>	<b>611,902</b>	<b>3,160,652</b>	<b>3,772,554</b>
Margin Requirements	636,669	103,267	533,402	636,669
Revenue Requirements	<u>4,409,223</u>	<u>715,168</u>	<u>3,694,055</u>	<u>4,409,223</u>
	<b>2</b>	Consumer Related Costs	Demand Related Costs	Total
<u>Expense</u>	<u>Transformers</u>			
Purchased Power	-	-	-	-
Distribution Operations	-	-	-	-
Distribution Maintenance	60,661	9,552	51,109	60,661
Consumer Accounts	-	-	-	-
Customer Service	-	-	-	-
Administrative & General	129,133	20,334	108,799	129,133
Depreciation	197,156	31,045	166,111	197,156
Miscellaneous	3,286	517	2,768	3,286
Interest on Long Term Debt	156,814	24,693	132,121	156,814
Short Term Interest	10,867	1,711	9,156	10,867
<b>Total Costs</b>	<b>557,916</b>	<b>87,852</b>	<b>470,064</b>	<b>557,916</b>
Margin Requirements	156,814	24,693	132,121	156,814
Revenue Requirements	<u>714,729</u>	<u>112,544</u>	<u>602,185</u>	<u>714,729</u>
		Energy Related Costs	Demand Related Costs	
Purchased Power		11,728,776	3,947,691	15,676,467



**BIG SANDY RECC  
CASE NO. 2008-00401**

**CLASSIFICATION SUMMARY**

	<u>Consumer Related Costs</u>	<u>Demand Related Costs</u>	<u>Energy Related Costs</u>	<u>Lighting</u>	<u>Total</u>
Purchased Power	-	3,947,691	11,728,776	-	15,676,467
Lines	715,168	3,694,055	-	-	4,409,223
Transformers	112,544	602,185	-	-	714,729
Services	654,849	-	-	-	654,849
Meters	1,180,037	-	-	-	1,180,037
Consumer Services & Accounting	1,125,734	-	-	-	1,125,734
Lighting	-	-	-	296,441	296,441
	<b>3,788,333</b>	<b>8,243,931</b>	<b>11,728,776</b>	<b>296,441</b>	<b>24,057,481</b>

**DEMAND AND CONSUMER RELATED INVESTMENTS**

**Account 365 - Overhead Conductor**

1. Actual Data

Conductor	Investment	Number of Units	Unit Cost	Amp Ratings
8 ACWC	157,652	956,652	\$ 0.1648	100
4 ACSR	697,452	2,223,504	\$ 0.3137	130
6 ACWC	301,927	2,599,192	\$ 0.1162	140
2 ACSR	2,124,983	3,003,386	\$ 0.7075	175
1/0 ACSR	1,591,768	2,562,754	\$ 0.6211	230
3/0 ACSR	831,629	1,964,066	\$ 0.4234	310
4/0 ACSR	66,354	286,613	\$ 0.2315	350
336.4 ACSR	1,734,230	885,942	\$ 1.9575	519
#2-3 Strand Copper	17,655	45,143	\$ 0.3911	
#6HD Copper	473	9,737	\$ 0.0485	
#6 Steel	188	6,100	\$ 0.0308	
#3/0 Spacer Cable	229	174	\$ 1.3158	
#250+MCM	35,720	73,864	\$ 0.4836	
#397 ACSR	8,504	31,857	\$ 0.2670	
<b>SUBTOTAL</b>	<b>6,411,732</b>	<b>8,869,636</b>	<b>\$ 0.7229</b>	
All other OH Conductor Invest.	3,555,735			
<b>TOTAL</b>	<b>9,967,467</b>	<b>8,869,636</b>		

2. Demand and Consumer Investment Percents

Exponential Curve Formula	x-Variable	b-Constant	Y=(b*m^x)
	1.00442296	0.131800901	
Use "Y Intercept"			0.13180
Amount of Conduit			8,869,636
Consumer Related Investment			1,169,026
Total Investment			9,967,467
<b>Percent Customer Related</b>			<b>11.73%</b>
<b>Percent Demand Related</b>			<b>88.27%</b>

**DEMAND AND CONSUMER RELATED INVESTMENTS**

**Account 365 - Overhead Conductor**

**Breakdown of Lines into Demand Related and Consumer Related Components**

Conductor Poles	Total Investment	Consumer		Demand	
		Percent	Amount	Percent	Amount
	9,967,467	11.73%	1,169,026.02	88.27%	8,798,441
	11,182,117	20.22%	2,261,399.92	79.78%	8,920,717
	21,149,585		3,430,425.94		17,719,159
<b>Percent</b>			<b>16.22%</b>		<b>83.78%</b>

**3. Data for Graph**

Amp Ratings	Unit Cost	Predicted Cost
100	\$ 0.1648	0.205
130	\$ 0.3137	0.234
140	\$ 0.1162	0.244
175	\$ 0.7075	0.285
230	\$ 0.6211	0.364
310	\$ 0.4234	0.518
350	\$ 0.2315	0.618
519	\$ 1.9575	1.302

**DEMAND AND CONSUMER RELATED INVESTMENTS**

**Account 368-Transformers**

**1. Actual Data**

Transformers	Size for Regression	Investment	Number of Units	Unit Cost
5.00	5.00	32,444	177	183.30
10.00	10.00	56,464	156	361.95
15.00	15.00	80,394	172	467.41
25.00	25.00	119,537	208	574.70
37.50	37.50	111,056	168	661.05
50.00	50.00	421,569	506	833.14
50TWACS	50.00	27,840	36	773.33
75.00		67,201.65	55	1,221.85
100.00		98,428.27	65	1,514.28
167.00		131,854	66	1,997.79
225.00		3,572	1	3,572.00
225-333		66,906	23	2,908.96
500.00		108,877	21	5,184.61
833-1500		69,336	4	17,333.98
1.5 CSP	1.50	9,058	126	71.89
3 CSP	3.00	10,852	161	67.40
5 CSP	5.00	45,553	333	136.80
7.5 CSP	7.50	796	7	113.72
10 CSP	10.00	905,354	3,182	284.52
15 CSP	15.00	1,359,803	2,813	483.40
25 CSP	25.00	1,147,917	1,869	614.19
37.5 CSP	37.50	6,202	12	516.86
25 PAD	25.00	1,835	1	1,835.00
Subtotal		4,882,851	<u>10,162</u>	
All other Transformer Investmen		<u>649,558</u>		
Total		5,532,409		

**2. Demand and Consumer Investment Percents**

Regression Equation	x-Variable	a-Constant	Y=(a+bx)
	16.15	85.73	
Use "Y Intercept"			85.73
Number of transformers			10,162.00
Consumer Related Investment			871,158
Total Investment			5,532,409
<b>Percent Customer Related</b>			<b>15.75%</b>
<b>Percent Demand Related</b>			<b>84.25%</b>

DEMAND AND CONSUMER RELATED INVESTMENTS

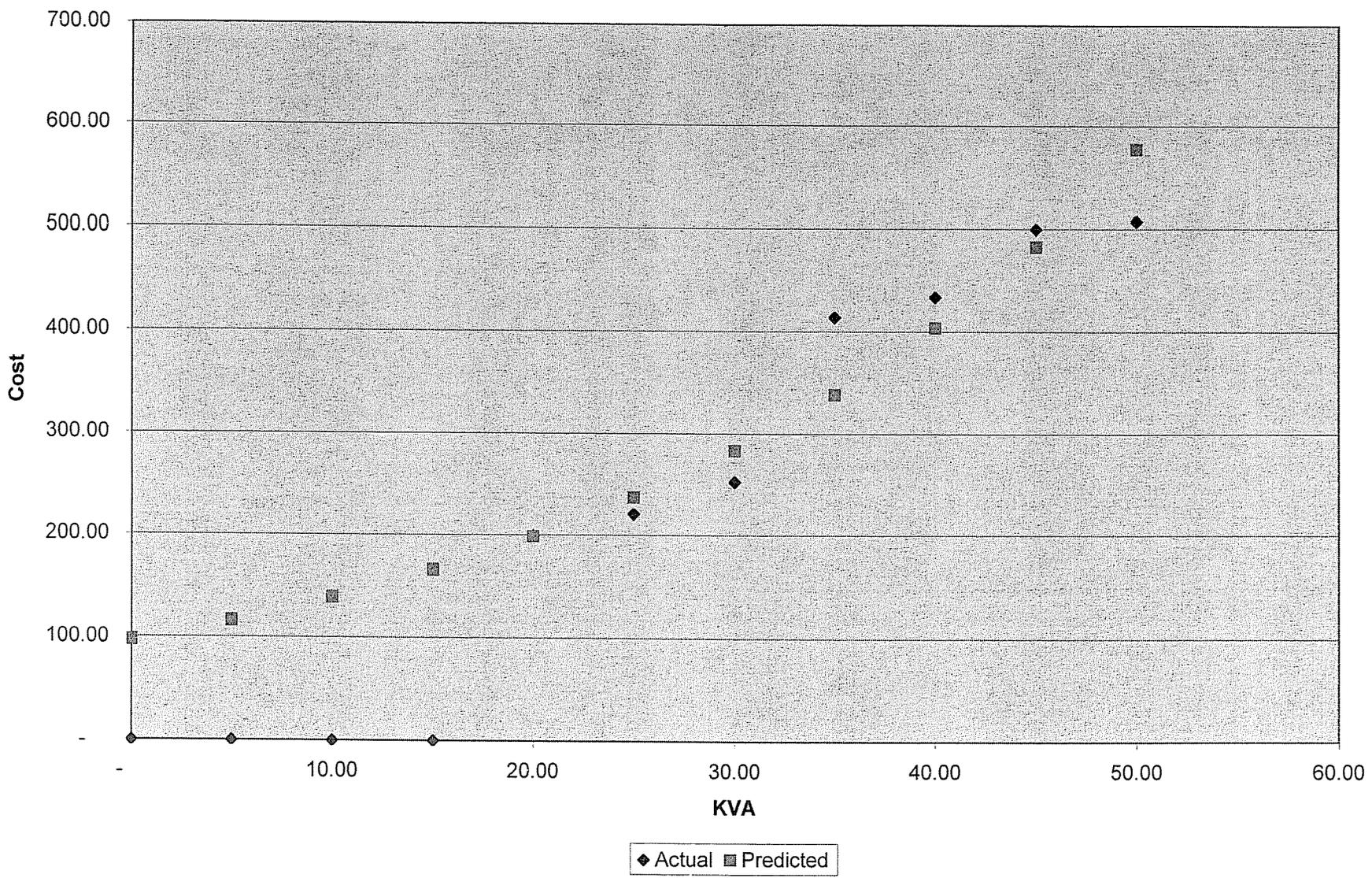
Account 368-Transformers

3. Data for Graph

Transformer	Investment	Number of Units	Unit Cost	
1.50	9,058	126	71.89	109.96
3.00	10,852	161	67.40	134.19
5.00	77,997	510	152.94	166.50
7.50	796	7	113.72	206.89
10.00	961,818	3,338	288.14	247.27
15.00	1,440,197	2,985	482.48	328.04
25.00	1,267,454	2,077	610.23	489.59
37.50	117,259	180	651.44	691.52
50.00	449,409	542	829.17	893.45

KXN/DIT VL  
Redco/E3  
17 of 31  
Witness: JAD6

### Account 364 - Poles



Ext of R  
Schedule 3  
18 of 31  
Witness: J. Allen

### Account 365 - Conductor

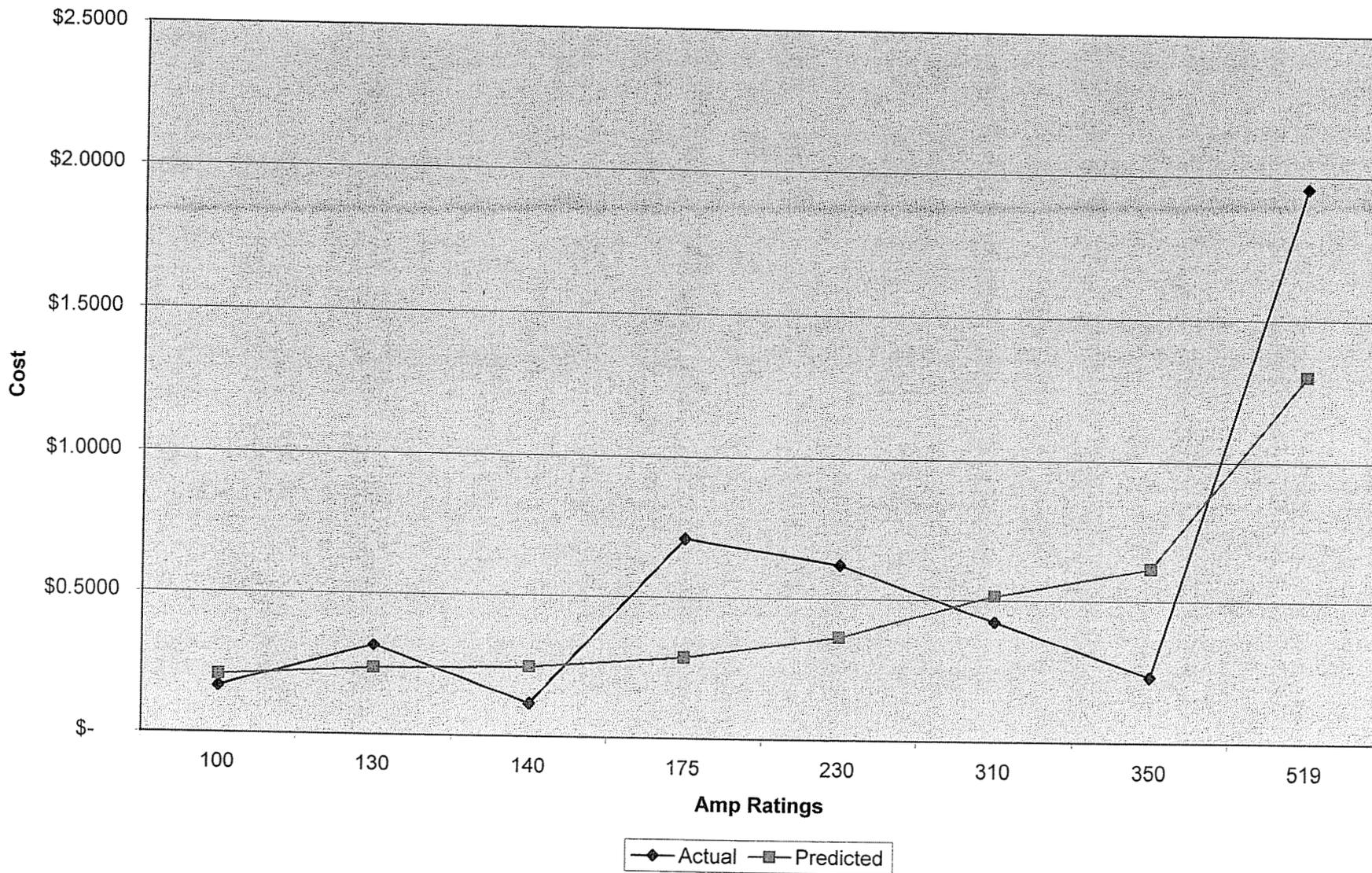
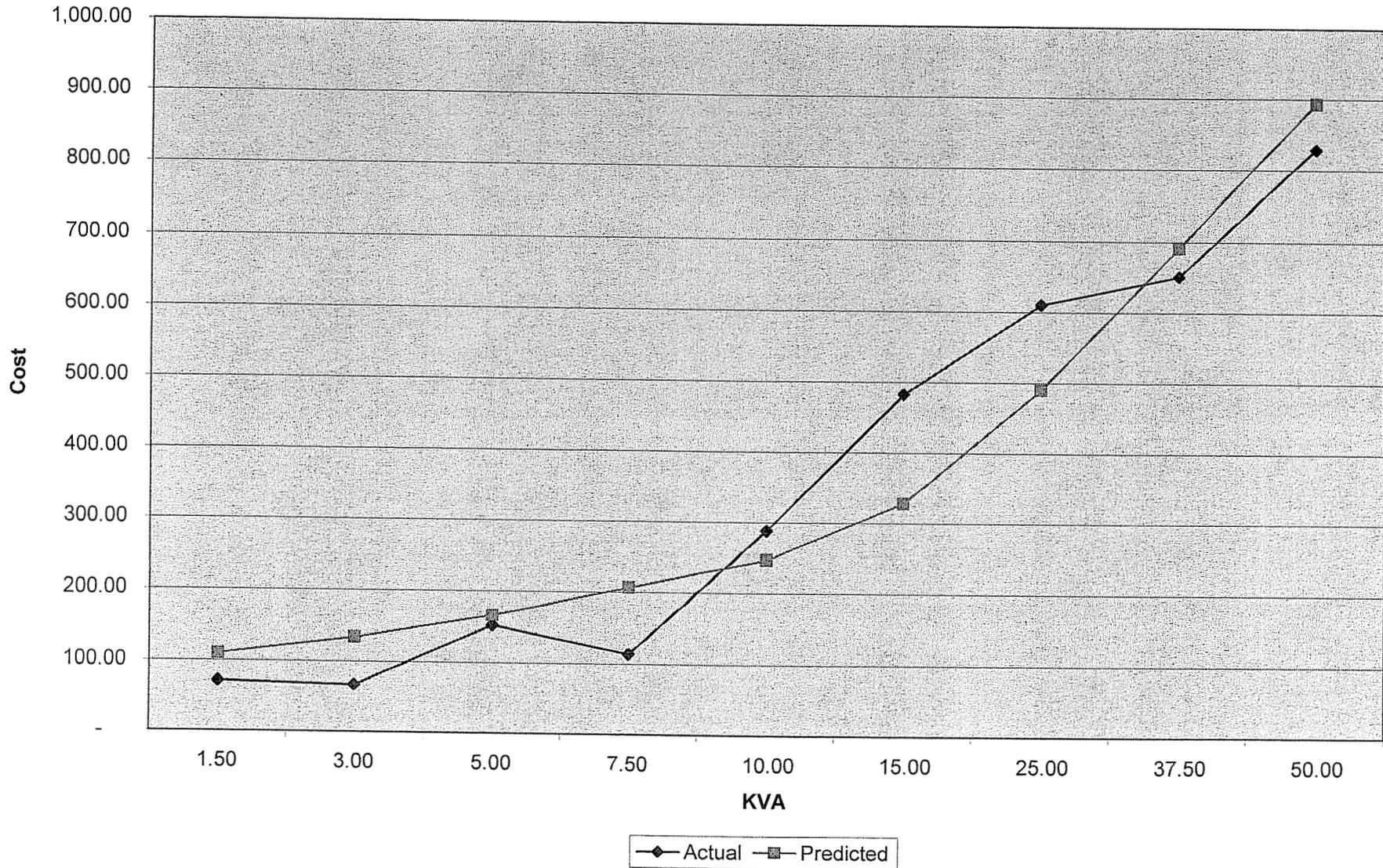


Exhibit R  
Schedule 3  
19 of 31  
Witness: J. Adkins

### Account 368 - Transformers



**DEMAND AND CONSUMER RELATED INVESTMENTS**

**Account 364 - Poles**

1. Actual Data

<u>Poles</u>	<u>Size</u>	<u>Investment</u>	<u>Number</u> of Units	<u>Unit Cost</u>
20 & 25 foot	25	1,729,059	8,679	199.22
30 foot	30	666,644	3,029	220.09
35 foot	35	1,328,043	5,259	252.53
40 foot	40	2,475,911	5,982	413.89
45 foot	45	1,422,561	3,282	433.44
50 foot	50	543,107	1,087	499.64
55 foot	55	244,068	481	507.42
<b>Subtotal</b>		8,409,394	27,799.00	
Other Investment for this Account		2,772,723		
<b>Total Investment</b>		11,182,117	27,799.00	

2. Demand and Consumer Investment Percents

Exponential Curve Formula	x-Variable	b-Constant	Y=(b*m^x)
	1.04	81.35	
Use "Y Intercept"			81.35
Number of poles			27,799.00
Consumer Related Investment			2,261,400
Total Investment			11,182,117
<b>Percent Customer Related</b>			<b>20.22%</b>
<b>Percent Demand Related</b>			<b>79.78%</b>

3. Data for Graph

<u>Pole Size</u>	<u>Unit Cost</u>	<u>Predicted</u>
-		81.35
5.00		97.20
10.00		116.14
15.00		138.77
20.00		165.81
25.00	199.22	198.12
30.00	220.09	236.72
35.00	252.53	282.85
40.00	413.89	337.96
45.00	433.44	403.82
50.00	499.64	482.50
55.00	507.42	576.52

**BIG SANDY RECC  
CASE NO. 2008-00401**

Exhibit R  
Schedule 4  
Page 21 of 37  
Witness: Jim Adkins

**ALLOCATION OF EXPENSES TO RATE CLASSES**

ALLOCATION TO RATE CLASSES									
Function	Classification	Amount	A-1 Farm & Home	A-1 - ETS	A-2 Comm & Sml Power	LP Large Power Rate	LPR Large Power Service	YL-1 Security Lights	Total
Purchased Power	Demand	3,947,691	2,761,185	-	285,533	476,998	367,854	56,121	3,947,691
Purchased Power	Energy	11,728,776	8,046,666	2,659	593,859	1,386,679	1,364,090	334,823	11,728,776
Lines	Consumer	715,168	652,327	-	52,314	7,882	756	1,890	715,168
Lines	Demand	3,694,055	2,386,410	1,959	313,509	489,449	397,533	105,194	3,694,055
Transformers	Consumer	112,544	97,845	-	12,890	1,482	-	327	112,544
Transformers	Demand	602,185	456,413	375	59,960	65,319	-	20,119	602,185
Services	Consumer	654,849	558,572	25	40,723	7,979	-	47,550	654,849
Meters	Consumer	1,180,037	997,449	-	79,991	93,620	8,977	-	1,180,037
Consumer Services & Accounting	Consumer	1,125,734	996,173	316	95,260	29,583	2,837	1,565	1,125,734
Lighting	Lighting	296,441						296,441	296,441
		24,057,481	16,953,041	5,334	1,534,038	2,558,992	2,142,047	864,029	24,057,481

SUMMARY OF ALLOCATED EXPENSES								
	Amount	A-1	A-1	A-2	LP	LPR	YL-1	Total
		Farm & Home	ETS	Comm & Sml Power	Large Power Rate	Large Power Service	Security Lights	
Consumer Related	3,788,333	3,302,367	341	281,177	140,547	12,570	51,331	3,788,333
Demand Related	8,243,931	5,604,008	2,334	659,002	1,031,766	765,387	181,434	8,243,931
Energy Related	11,728,776	8,046,666	2,659	593,859	1,386,679	1,364,090	334,823	11,728,776
Lighting	296,441						296,441	296,441
	24,057,481	16,953,041	5,334	1,534,038	2,558,992	2,142,047	864,029	24,057,481

**BIG SANDY RECC  
CASE NO. 2008-00401**

Exhibit R  
Schedule 4  
Page 22 of 31  
Witness: Jim Adkins

**LOAD DATA USED IN THE ALLOCATION OF THE DEMAND RELATED AND ENERGY RELATED COSTS**

**Energy Sales in kWh**

Month	A-1 Farm & Home	A-1 ETS	A-2 Comm & Sml Power	LP Large Power Rate	LPR Large Power Service	YL-1 Security Lights	Total
September	13,588,796	4,574	1,167,607	2,972,814	2,497,500	626,927	20,858,218
October	10,878,229	4,023	1,019,609	2,370,759	2,300,200	626,431	17,199,251
November	15,087,521	4,682	1,040,713	2,517,657	2,387,980	624,252	21,662,805
December	19,030,787	5,065	1,111,444	2,510,503	2,502,580	624,798	25,785,177
January	22,868,524	5,298	1,240,887	2,747,145	2,780,620	623,747	30,266,221
February	21,107,956	5,825	1,212,524	2,702,121	2,879,940	625,090	28,533,456
March	17,301,717	4,522	1,090,164	2,427,948	2,447,780	622,418	23,894,549
April	11,833,534	4,868	988,842	2,314,076	2,596,220	623,988	18,361,528
May	9,056,187	4,270	865,728	2,118,752	2,306,520	624,368	14,975,825
June	13,242,157	5,840	1,194,204	2,862,036	2,728,440	625,212	20,657,889
July	13,255,456	5,527	1,148,751	2,688,033	2,449,160	627,544	20,174,471
August	13,100,667	5,105	1,229,799	2,848,080	2,696,680	629,680	20,510,011
	180,351,531	59,599	13,310,272	31,079,924	30,573,620	7,504,455	262,879,401
Allocation Percent	68.61%	0.02%	5.06%	11.82%	11.63%	2.85%	100.00%

**BIG SANDY RECC  
CASE NO. 2008-00401**

Exhibit R  
Schedule 4  
Page 23 of 31  
Witness: Jim Adkins

**LOAD DATA USED IN THE ALLOCATION OF THE DEMAND RELATED AND ENERGY RELATED COSTS**

**Class Contributions to Wholesale Power Suppliers Billing Peak (CP) - kW**

Month	A-1 Farm & Home	A-1 0 ETS	A-2 Comm & Sml Power	LP Large Power Rate	LPR Large Power Service	YL-1 Security Lights	Total
September	33,014.00	-	3,690.00	5,827.00	3,839.00	-	46,370.00
October	30,731.00	-	3,320.00	6,107.00	4,302.00	-	44,460.00
November	35,402.00	-	3,781.00	8,224.00	6,425.00	2,786.00	56,618.00
December	42,704.00	-	4,030.00	7,364.00	5,846.00	1,589.00	61,533.00
January	55,873.00	-	4,474.00	7,644.00	5,827.00	1,589.00	75,407.00
February	46,610.00	-	3,890.00	7,511.00	5,743.00	1,584.00	65,338.00
March	45,385.00	-	3,777.00	5,894.00	3,162.00	-	58,218.00
April	31,342.00	-	4,484.00	7,133.00	5,172.00	1,583.00	49,714.00
May	25,255.00	-	3,096.00	4,620.00	4,473.00	-	37,444.00
June	35,245.00	-	4,129.00	6,038.00	4,994.00	-	50,406.00
July	35,417.00	-	4,031.00	5,772.00	4,278.00	-	49,498.00
August	32,275.00	-	3,755.00	5,475.00	5,790.00	-	47,295.00
	449,253.00	-	46,457.00	77,609.00	59,851.00	9,131.00	642,301.00
Allocation Percent	69.94%	0.00%	7.23%	12.08%	9.32%	1.42%	100.00%

**BIG SANDY RECC  
CASE NO. 2008-00401**

Exhibit R  
Schedule 4  
Page 24 of 31  
Witness: Jim Adkins

**LOAD DATA USED IN THE ALLOCATION OF THE DEMAND RELATED AND ENERGY RELATED COSTS**

**Sum of the Class Peak Demands for the Test Period- kW**

Month	A-1 Farm & Home	A-1 0 ETS	A-2 Comm & Sml Power	LP Large Power Rate	LPR Large Power Service	YL-1 Security Lights	Total
September	35,259	42	5,259	8,384	5,192	1,596	55,732
October	33,309	42	4,717	7,857	4,745	1,600	52,270
November	35,402	42	4,236	8,224	6,425	2,786	57,115
December	42,704	42	4,931	7,910	5,989	1,589	63,165
January	55,873	42	5,047	8,054	6,541	1,589	77,146
February	46,610	42	5,039	7,550	6,569	1,584	67,394
March	45,385	42	5,108	7,395	6,477	1,578	65,985
April	31,342	42	4,744	7,384	6,418	1,583	51,513
May	25,255	42	4,709	7,491	6,534	1,603	45,634
June	35,245	-	5,118	8,048	7,008	1,589	57,008
July	39,828	-	6,409	7,950	7,134	1,596	62,917
August	34,264	-	5,177	8,196	7,675	1,605	56,917
	460,476	378	60,494	94,443	76,707	20,298	712,796
Allocation % Lines	64.60%	0.05%	8.49%	13.25%	10.76%	2.85%	100.00%
Allocation % Transformers	460,476 75.79%	378 0.06%	60,494 9.96%	65,900 10.85%	0% 0.00%	20,298 3.34%	607,546 100.00%

**BIG SANDY RECC  
CASE NO. 2008-00401**

**ALLOCATION OF CONSUMER RELATED COSTS**

**A. Lines (poles and conduit)**

		Number of Consumers	Allocation Percent
A-1	Farm and Home	12,083	91.21%
A-1	ETS	-	0.00%
A-2	Commercial and Small Power	969	7.315%
LP	Large Power Rate	146	1.102%
LPR	Large Power Service	14	0.106%
YL-1	Security Lights	35	0.264%
		-	0.000%
		-	0.000%
		13,247	100.0%

**B. Transformers**

Rate Class	A-1 Farm & Home	A-1 ETS	A-2 Comm & Sml Power	LP Large Power Rate	LPR Large Power Service	YL-1 Security Lights	Total
Minimum Transformer Size	10 KVA		15 KVA	37.50	-	5 KVA	
Transformer Cost	\$ 284.52		\$ 467.41	\$ 516.86	\$ -	\$ 136.80	
Weights (10 KVA = 1.0)	1.00		1.64	1.82	-	0.48	
Number of Customers	12,083		969.0	101	-	84	13,236.74
Relative Weight	12,083		1,592	183	-	40	13,898.24
Allocation Per Cent	86.94%	0.00%	11.45%	1.32%	0.00%	0.29%	100.00%

**BIG SANDY RECC  
CASE NO. 2008-00401**

Exhibit R  
Schedule 4  
Page 26 of 31  
Witness: Jim Adkins

**ALLOCATION OF CONSUMER RELATED COSTS**

**C. Services**

	A-1 Farm & Home	A-1 ETS	A-2 Comm & Sml Power	LP Large Power Rate	LPR Large Power Service	YL-1 Security Lights	Total
Minimum Service Size	4 TP	4 TP	4 TP	2 TP	4/0 TP	4 TP	
Cost per Unit	\$ 0.80	0.80	\$ 0.80	\$ 2.02	\$ 2.99	\$ 0.80	
Average Length of Service	110.00	10.00	100.00	75.00	75.00	15.00	
Cost of Service	\$ 88.53	\$ 8.05	\$ 80.48	\$ 151.69	\$ 224.11	\$ 12.07	
Relative Cost	1.00	0.09	0.91	1.71	2.53	0.14	
Number of Customers/Units	12,083	6	969	101	-	7,543	
Relative Weight	12083	1	880.9090909	173	0	1029	14166
Allocation Percent	85.30%	0.00%	6.22%	1.22%	0.00%	7.26%	100.00%

**D. Meters**

	A-1 Farm & Home	A-1 ETS	A-2 Comm & Sml Power	LP Large Power Rate	LPR Large Power Service	YL-1 Security Lights	Total
Minimum Size Meter	30 Amp Twacs		31 Amp Twacs	2.5 Amp Twacs	2.5 Amp Twacs	NA	
Minimum Size Cost	\$ 170.96		\$ 170.96	\$ 1,328.02	\$ 1,328.02	\$ -	
Relative Cost	1.00		1.00	7.77	7.77	-	
Number of Customers	12,083		969	146	14	-	
Relative Weight	12,083.00		969.00	1,134.10	108.75	-	14,294.85
Allocation Percent	84.53%		6.78%	7.93%	0.76%	0.00%	100.00%

**BIG SANDY RECC  
CASE NO. 2008-00401**

**ALLOCATION OF CONSUMER RELATED COSTS**

**E. Consumer & Accounting Services**

Rate Class		Meter Reading		Consumer Assistance	Total	Allocation Percent
A-1	Farm and Home	44,662		419,577	464,239	88.49%
A-1	ETS	22		125	147	0.03%
A-2	Commercial and Small Powe	10,745		33,648	44,393	8.46%
LP	Large Power Rate	1,619		12,167	13,786	2.63%
LPR	Large Power Service	155		1,167	1,322	0.25%
YL-1	Security Lights	-		729	729	0.14%
		57,204		467,413	524,617	100%

**Meter Reading**

Rate Class		Factor		Number of Consumers	Relative Weight	Allocation Percent	Expense Allocated
A-1	Farm and Home	1.00		12,083	12,083	78.1%	44,662
A-1	ETS	1.00		6	6	0.0%	22
A-2	Commercial and Small Powe	3.00		969	2,907	18.8%	10,745
LP	Large Power Rate	3.00		146	438	2.8%	1,619
LPR	Large Power Service	3.00		14	42	0.3%	155
YL-1	Security Lights	-		35	-	0.0%	-
					15,476	100%	57,204

**BIG SANDY RECC  
CASE NO. 2008-00401**

Exhibit R  
Schedule 4  
Page 28 of 31  
Witness: Jim Adkins

**ALLOCATION OF CONSUMER RELATED COSTS**

**Consumer Records**

Rate Class	Factor	Number of Consumers	Relative Weight	Allocation Percent	Expense Allocated
A-1 Farm and Home	5.00	12,083	60,415	89.8%	419,577
A-1 ETS	3.00	6	18	0.0%	125
A-2 Commercial and Small Powe	5.00	969	4,845	7.2%	33,648
LP Large Power Rate	12.00	146	1,752	2.6%	12,167
LPR Large Power Service	12.00	14	168	0.2%	1,167
YL-1 Security Lights	3.00	35	105	0.2%	729
			67,303	100%	467,413

**BIG SANDY RECC  
CASE NO. 2008-00401**

Exhibit R  
Schedule 5  
Page 29 of 31  
Witness: Jim Adkins

**DETERMINATION OF INCREASE BY RATE CLASS**

	Enviro- Watts	A-1 Farm & Home	A-1 - ETS	A-2 Comm & Sml Power	LP Large Power Rate	LPR Large Power Service	YL-1 Security Lights	Total
<b>Revenue</b>								
Rates	1,661	14,697,299	2,692	1,358,197	2,391,953	2,155,123	770,428	21,377,353
Other Revenue		535,694	98	49,504	87,183	78,551	28,081	779,111
Total Revenue	1,661	15,232,993	2,790	1,407,701	2,479,136	2,233,674	798,509	22,156,464
Total Revenue Requirements	684	16,952,357	5,334	1,534,038	2,558,992	2,142,047	864,029	24,057,481
Revenue Over (Under) Requirements	977	(1,719,364)	(2,544)	(126,337)	(79,856)	91,627	(65,520)	(1,901,017)
Amount Increase		1,629,304		126,337	79,856		65,520	1,901,017
Revenue from Rates	1,661	16,326,603	2,692	1,484,534	2,471,809	2,155,123	835,948	23,278,370
Increase Percent		11.1%		9.3%	3.3%		8.5%	8.89%

**BIG SANDY RECC  
CASE NO. 2008-00401**

Exhibit R  
Schedule 6  
Page 30 of 31  
Witness: Jim Adkins

**PROPOSED RATE DESIGN**

SUMMARY OF ALLOCATED EXPENSES									
Function	Classification	Enviro-Watts	A-1 Farm & Home	A-1 - ETS	A-2 Comm & Sml Power	LP Large Power Rate	LPR Large Power Service	YL-1 Security Lights	Total
Purchased	Demand	684	2,761,185	-	285,533	476,998	367,854	56,121	3,947,691
Purchased	Energy		8,045,982	2,659	593,859	1,386,679	1,364,090	334,823	11,728,776
Lines	Consumer		652,327	-	52,314	7,882	756	1,890	715,168
Lines	Demand		2,386,410	1,959	313,509	489,449	397,533	105,194	3,694,055
Transform	Consumer		97,845	-	12,890	1,482	-	327	112,544
Transform	Demand		456,413	375	59,960	65,319	-	20,119	602,185
Services	Consumer		558,572	25	40,723	7,979	-	47,550	654,849
Meters	Consumer		997,449	-	79,991	93,620	8,977	-	1,180,037
Consumer	Services		-	-	-	-	-	-	-
& Acco	Consumer		996,173	316	95,260	29,583	2,837	1,565	1,125,734
Lighting	Lighting	-	-	-	-	-	-	296,441	296,441
		684	16,952,357	5,334	1,534,038	2,558,992	2,142,047	864,029	24,057,481

Billing Units							
	A-1 Farm & Home	A-1 - ETS	A-2 Comm & Sml Power	LP Large Power Rate	LPR Large Power Service	YL-1 Security Lights	
Customer Charges	144,805		11,633	1,731	168	175 Watt	74,455
Demand KW			58,675	110,441	104,207	400 Watt	12,965
Energy kWh	180,351,531	59,599	13,310,272	21,683,888	0	500 Watt	144
Primary Metered				9,396,036	30,573,620	1,500 Watt	24
Total				31,079,924	30,573,620	400 Watt Flood	2,567

**BIG SANDY RECC  
CASE NO. 2008-00401**

Exhibit R  
Schedule 6  
Page 31 of 31  
Witness: Jim Adkins

**PROPOSED RATE DESIGN**

	A-1 Farm & Home	A-1 - ETS	A-2 Comm & Sml Power	LP Large Power Rate	LPR Large Power Service	YL-1 Security Lights
<u>Customer Charge</u>						
Customer Costs						
Lines			52,314	7,882		Increase 65,520
Transformers	97,845		12,890	1,482		Rate Revenue 770428
Services	558,572		40,723	7,979		% Increase <u>8.50%</u>
Meters	997,449		79,991	93,620		
Total	1,653,867		185,917	110,963		Current Rates
Customer Charge Billing Units	144,805		11,633	1,731	168	175 Watt 7.77
Customer Charge	15.00		20.00	62.00	83.04	400 Watt 11.48
Revenue from Customer Charge	2,172,075		232,660	107,322	13,951	500 Watt 13.42
						1,500 Watt 30.64
						400 Watt Flood 15.74
Demand Charge						Proposed Rates
Rate			5.00	6.00	6.00	
Billing Units			58,675	110,441	104,207	175 Watt 8.43
Revenue			293,374	662,644	625,241	400 Watt 12.46
						500 Watt 14.56
						1,500 Watt 33.25
						400 Watt Flood 17.08
Energy Rate						
Revenue from Rates	16,326,603		1,484,534	2,471,809	2,155,123	
Less Customer Charge	2,172,075		232,660	107,322	13,951	
Less Demand Charge	-		293,374	662,644	625,241	
Revenue from Energy	14,154,528		958,500	1,701,844	1,515,932	
Energy kWh	180,351,531		13,310,272	21,683,888	0	
Primary Metered				9,396,036	30,573,620	
Energy Rate	0.07848	0.04709	0.07201			
Primary Metered Rate				0.05420	0.04958	
Secondary Metered Rate				0.05500	0.05100	



Big Sandy Rural Electric Cooperative  
Case No. 2008-00401  
Balance Sheet, Adjusted  
August 31, 2008

Exhibit S  
page 1 of 4  
Witness: Alan Zumstein

	<u>Actual Test Year</u>	<u>Adjustments to Test Year</u>	<u>Adjusted Test Year</u>
<u>ASSETS</u>			
Electric Plant:			
In service	39,238,249		39,238,249
Under construction	57,098		57,098
	<u>39,295,347</u>		<u>39,295,347</u>
Less accumulated depreciation	9,707,067		9,707,067
	<u>29,588,280</u>	<u>0</u>	<u>29,588,280</u>
Investments	<u>5,868,337</u>		<u>5,868,337</u>
Current Assets:			
Cash and temporary investments	1,649,042		1,649,042
Accounts receivable, net	2,706,538		2,706,538
Material and supplies	323,742		323,742
Prepayments and current assets	41,823		41,823
	<u>4,721,145</u>		<u>4,721,145</u>
Deferred debits and net change in assets	<u>7,637</u>	<u>1,111,754</u>	<u>1,119,391</u>
Total	<u>40,185,399</u>	<u>1,111,754</u>	<u>41,297,153</u>

MEMBERS' EQUITIES AND LIABILITIES

Margins:			
Memberships	228,465		228,465
Patronage capital	12,639,651	1,019,990	13,659,641
	<u>12,868,116</u>	<u>1,019,990</u>	<u>13,888,106</u>
Long Term Debt	<u>22,638,554</u>		<u>22,638,554</u>
Accumulated Operating Provisions	<u>1,774,531</u>	<u>91,764</u>	<u>1,866,295</u>
Current Liabilities:			
Short term borrowings	300,000		300,000
Accounts payable	1,500,455		1,500,455
Consumer deposits	577,110		577,110
Accrued expenses	491,988		491,988
	<u>2,869,553</u>		<u>2,869,553</u>
Deferred credits	<u>34,645</u>		<u>34,645</u>
Total	<u>40,185,399</u>	<u>1,111,754</u>	<u>41,297,153</u>

Big Sandy Rural Electric Cooperative  
Case No. 2008-00401

Statement of Operations, Adjusted

Exhibit S  
page 2 of 4

Witness: Alan Zumstein

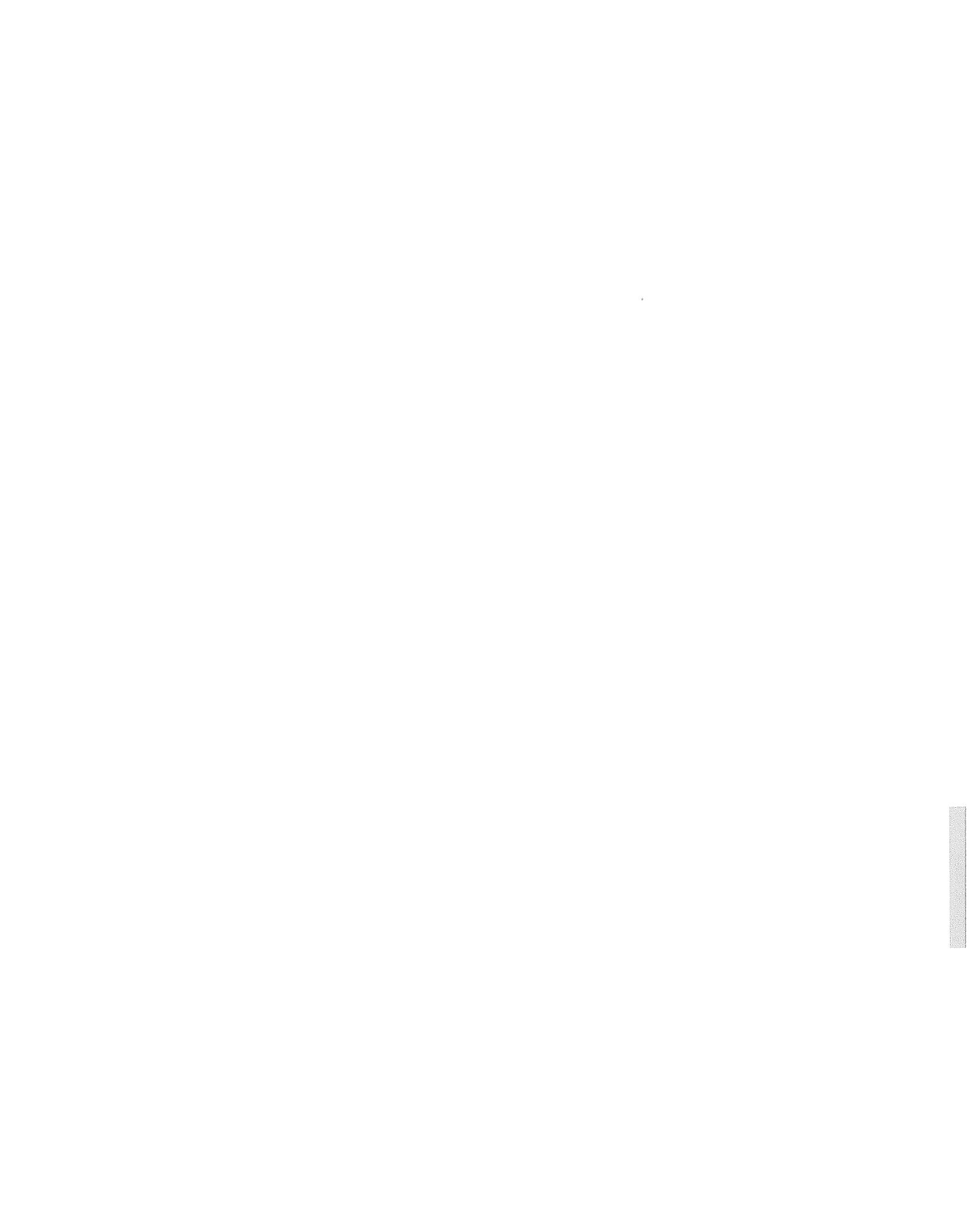
	<u>Actual Test Year</u>	<u>Normalized Adjustments</u>	<u>Normalized Test Year</u>	<u>Proposed Increase</u>	<u>Proposed Test Year</u>
<b>Operating Revenues:</b>					
Base rates	19,808,328	1,569,022	21,377,350	1,901,020	23,278,370
Fuel and surcharge	2,589,013	(2,589,013)	0		0
Other electric revenue	603,869	26,292	630,161		630,161
	<u>23,001,210</u>	<u>(993,699)</u>	<u>22,007,511</u>	<u>1,901,020</u>	<u>23,908,531</u>
<b>Operating Expenses:</b>					
Cost of power:					
Base rates	14,211,359	1,465,107	15,676,466		15,676,466
Fuel and surcharge	2,758,291	(2,758,291)	0		0
Distribution - operations	899,303	103,795	1,003,098		1,003,098
Distribution - maintenance	982,691	451,278	1,433,969		1,433,969
Consumer accounts	609,430	35,476	644,906		644,906
Customer service	84,140	8,826	92,966		92,966
Sales	960	0	960		960
Administrative and general	1,152,946	24,277	1,177,223		1,177,223
Total operating expenses	<u>20,699,120</u>	<u>(669,532)</u>	<u>20,029,588</u>	<u>0</u>	<u>20,029,588</u>
Depreciation	1,266,476	499,642	1,766,118		1,766,118
Taxes - other	21,911	0	21,911		21,911
Interest on long-term debt	1,009,209	73,120	1,082,329		1,082,329
Interest expense - other	83,431	(8,428)	75,003		75,003
Other deductions	7,671	(7,471)	200		200
Total cost of electric service	<u>23,087,818</u>	<u>(112,669)</u>	<u>22,975,149</u>	<u>0</u>	<u>22,975,149</u>
Utility operating margins	<u>(86,608)</u>	<u>(881,030)</u>	<u>(967,638)</u>	<u>1,901,020</u>	<u>933,382</u>
Nonoperating margins, interest	48,706	0	48,706		48,706
Nonoperating margins, other	21,071	0	21,071		21,071
Patronage capital credits	79,170	0	79,170		79,170
Net Margins	<u>\$62,339</u>	<u>(\$881,030)</u>	<u>(\$818,691)</u>	<u>\$1,901,020</u>	<u>\$1,082,329</u>
TIER	1.06		0.24		2.00



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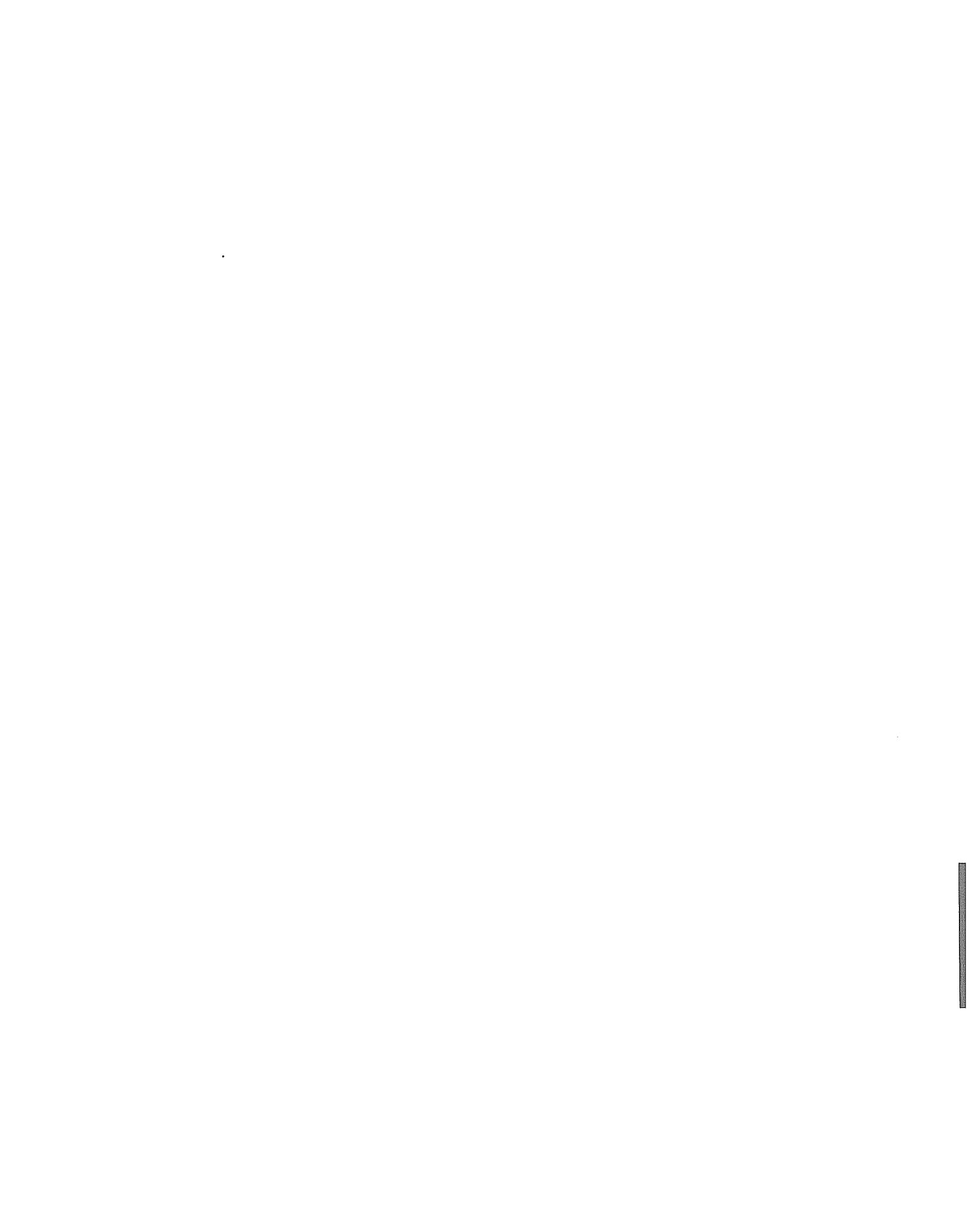
Big Sandy Rural Eelctric Cooperative  
Case No. 2008-00401  
**Proposed Revenues**  
August 31, 2008

Interest on long term debt	1,082,329
Normalized margins	<u>(818,691)</u>
Proposed increase in revenues over normalized revenues to attain a TIER of 2.0x	<u><u>\$1,901,020</u></u>



Big Sandy Rural Electric Cooperative  
Case No. 2008-00401  
Monthly Operating Budget  
August 31, 2008

	September	October	November	December	January	February	March	April	May	June	July	August	Total
Operating revenue	1,289,579	1,299,073	1,537,127	1,991,325	2,183,407	2,052,999	1,699,905	1,475,501	1,389,024	1,507,131	1,787,599	1,696,064	19,908,734
Operating expenses:													
Cost of power	752,799	878,468	1,010,405	1,391,637	1,567,758	1,441,518	1,216,518	1,020,018	979,758	1,073,418	1,254,138	1,229,538	13,815,973
Distribution-operations	40,234	40,234	40,233	40,235	53,276	53,277	53,276	53,276	53,277	53,276	53,276	53,277	587,147
Distribution-maintenance	89,402	89,401	89,401	89,402	85,361	85,361	85,361	85,361	85,360	85,361	85,361	85,361	1,040,493
Consumer accounts	52,094	52,093	52,093	52,093	52,235	52,236	52,236	52,235	52,236	52,235	52,236	52,235	626,257
Customer services	10,165	10,166	10,167	10,166	10,398	10,399	10,398	10,398	10,399	10,398	10,398	10,398	123,850
Sales	0	0	0	0	0	0	0	0	0	0	0	0	0
Administrative and general	96,377	96,378	96,377	96,379	87,772	87,772	87,772	87,773	87,772	87,772	87,772	87,773	1,087,689
Total operation and maintenance	1,041,071	1,166,740	1,298,676	1,679,912	1,856,800	1,730,563	1,505,561	1,309,061	1,268,802	1,362,460	1,543,181	1,518,582	17,281,409
Depreciation	112,136	112,136	112,136	112,136	112,962	112,961	112,962	112,961	112,962	112,961	112,962	112,962	1,352,237
Taxes-other	1,583	1,583	1,584	1,583	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	20,333
Interest on long term debt	89,083	89,083	89,083	89,084	86,667	86,666	86,667	86,667	86,666	86,667	86,667	86,666	1,049,666
Interest expense - other	2,659	2,658	2,659	2,658	6,333	6,334	6,333	6,333	6,333	6,334	6,333	6,334	61,301
Other deductions	604	605	604	604	833	833	834	833	834	833	833	834	9,084
Total cost of electric service	1,247,136	1,372,805	1,504,742	1,885,977	2,065,345	1,939,107	1,714,107	1,517,605	1,477,347	1,571,005	1,751,726	1,727,128	19,774,030
Utility operating margin	42,443	(73,732)	32,385	105,348	118,062	113,892	(14,202)	(42,104)	(88,323)	(63,874)	35,873	(31,064)	134,704
Nonoperating margins, interest	5,833	5,833	5,834	5,833	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	63,333
Nonoperating margins, other	0	0	0	0	0	0	0	0	0	0	0	0	0
Patronage capital:													
G & T	0	0	0	0	0	0	0	0	0	0	0	0	0
Others	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0
Net margins	48,276	(67,899)	38,219	111,181	123,062	118,892	(9,202)	(37,104)	(83,323)	(58,874)	40,873	(26,064)	198,037



Witness: Alan Zumstein

Big Sandy Rural Electric Cooperative  
Case No. 2008-00401  
August 31, 2008

Capital credits were paid as follows:

	<u>General</u>	<u>Estates</u>	<u>Total</u>
2008	\$0	\$32,762	\$32,762
2007	0	47,467	47,467
2006	0	50,807	50,807
2005	0	44,564	44,564
2004	0	51,718	51,718
2003	0	59,914	59,914
Prior years	<u>868,760</u>	<u>1,096,231</u>	<u>1,964,991</u>
Total	<u>\$868,760</u>	<u>\$1,383,463</u>	<u>\$2,252,223</u>

BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION

PAINTSVILLE, KENTUCKY

SUBJECT: Financial Management Plan  
Policy No. 300-100

I. OBJECTIVE

To establish sound principles and practices concerning the financial management of the Cooperative, to assure adequate levels of working capital and reserve funds, and to establish a policy for the investment and use of these funds. To provide appropriate financial management of the Cooperative, and assure security of the loans from RUS and CFC, including the retiring of such loans on schedule. To provide that service shall be rendered on a non-profit basis to the members at the lowest possible cost, consistent with an economically strong and well managed system.

II. SCOPE

This plan is based upon the assumption that RUS loans and CFC loans will continue to be available at reasonable interest rates and to be repaid within thirty-five (35) years.

A. ADDITIONS TO PLANT

1. Distribution Plant

All additions to distribution plant, including extensions, increases in capacity and replacement for which RUS and CFC loan funds are available shall be financed with loan funds. Upon completion and inspection of work orders, the accounting department will prepare the necessary documentation to be sent to RUS or the supplemental lender for reimbursement approval of work orders on the current work plan. General funds will be used for all construction and the accounting department will draw loan funds as needed to maintain adequate working capital.

2. General Plant

Additions to general plant will be financed from general funds.

B. RETIREMENT LOANS

Loans from RUS and CFC shall be retired according to the repayment schedule contained in the notes accompanying each loan, unless earlier retirement of any debt is economically beneficial and approved by the Board of Directors.

C. MAINTENANCE OF PLANT

The physical facilities of the Cooperative shall be maintained at their highest operational level consistent with sound economic practices. Funds shall be provided from general revenues for the renewal and replacement of plant due to ordinary wear and tear and obsolescence.

D. RATES

Rates shall be maintained at the lowest possible level that will provide adequate revenue to meet the financial needs of the Cooperative each year and on a continuing basis, shall be fair and equitable to all classifications of service and also provide incentive to the members to make the maximum beneficial use of the Cooperative's service.

E. WORKING CAPITAL AND RESERVES

The funds necessary for working capital, debt retirement, special funds, and other general funds used, shall be provided from general revenues. All other funds available from general revenues shall be used for plant additions and to retire patronage capital.

F. LINE OF CREDIT

The Cooperative will maintain a line of credit with CFC in sufficient amounts to insure adequate working capital.

## G. EQUITY MANAGEMENT

Equity management shall be based upon the interactions of past, present and projected future conditions, including but not limited to:

1. Actual equity levels, expressed as a percent of total assets and/or as a percent of total capital.
2. The rate of growth in rate base (new plant plus working capital) which is representative of anticipated future conditions is 4%.
3. The blended cost of interest on the various outstanding long term loans.
4. TIER objective that provides financial stability and minimizes both rate requirements and the cost of long term debt will be between 1.75 & 2.25.
5. Equity capital will be retired in such a manner so as not to jeopardize the financial stability of the Cooperative. Retirements will occur only when certain financial criteria have been met. For each year, the TIER must be at least 1.80, equity level must be at least 33%, and cash flow must be sufficient, meaning the cooperative will not have to borrow funds to pay Capital Credits. Then, the Cooperative will refund 30% of the previous year's margins in general retirement based on a 25 year cycle. All Patronage Capital retirements shall be consistent with bylaw provisions and other regulatory requirements and agreements.
6. To achieve an equitable basis, the present value of the capital credits allocated to the decedent's estate shall be computed on the basis of a Twenty-five (25) year cycle, with the allocation amount for the first year of the cycle having a discounted value of one and each succeeding year discounted at a rate equal to the "Time Value of Money Table", using a rate of 6%. An example of the discount table is attached hereto as Exhibit "A". The residual portion of the

estate's capital credits that is not retired as a result of discounting shall be accounted for as donated capital. The capital credits of any corporation or partnership member/consumer which has dissolved will be retired under the provisions of the bylaws of the Cooperative and will not be retired under the above plan for the retirement of capital credits for a Decedent's estate.

7. The optimum equity level projected for 1 through 6 above is 35%, excluding EKPC's Capital credits.

#### H. INVESTMENT OF AVAILABLE FUNDS

Securities in which funds are invested will, for safekeeping purposes, be kept in the custody of institutions designated for that purpose by the Board of Directors.

All available funds will be interest bearing except those funds in demand accounts required to offset banking fees. Those used for working capital, funds being temporarily retained for future retirement of patronage capital, and reserve funds shall be invested in securities issued, guaranteed or insured by the United States Government and/or NRUCFC Commercial Paper, or Certificate of Deposits, whichever provides the highest rate of return. These investments must be of the type that can be converted to cash as the funds are needed.

### III. PROCEDURE

The following practices shall be followed to implement the above policies. These practices must also remain within the guidelines of Big Sandy RECC's existing policy no. 300-095 "Financial Practices".

#### A. PLANNING

Long and short range plans shall be developed, reviewed with the Board of Directors and shall be analyzed periodically to determine if revisions are necessary to reflect changing circumstances and conditions.

##### 1. Long Range Engineering Planning

Long range engineering plans shall be prepared and maintained to reflect the anticipated system improvements and new construction necessary to adequately serve the

needs of the members. These plans shall provide a basis for scheduling loan applications, for minimizing obsolescence and provide a basis for financial, as well as, organizational planning. Specific requirements and procedures for the Long Range Engineering Plan are prescribed in policy no. 300-075.

## 2. Long Range Financial Planning

Long range financial plans, including capital operating and cash, projected at least ten years into the future, with more detailed financial plans for the first five years, shall be prepared, in accordance with RUS recommendations, which reflect anticipated additions to plant and the associated financing required. These long range financial plans shall also contain estimates of revenue and expenses to determine if the Cooperative's rates are appropriate. All Long Range Financial Plans will be submitted to the Board for its review and approval.

## 3. Annual Budget

An annual budget shall be prepared, prior to December 31 each year, which contains a detailed estimate of revenue and expenses for the coming year and an itemization of each capital project and commensurate cost, as well as an analysis of cash availability to meet capital projects. Variance reports will be available to the Board of Directors as requested.

## 4. Equity Management Planning

The equity management objectives of the Cooperative will be reviewed and considered in conjunction with long range forecasts, annual work plan, budget and retail rate development.

## 5. Billing and Collection

Consumer billing and collection policies will be developed and maintained in order to allow for levelized cash flow to assist in the elimination of short term borrowing of funds for general working capital.

## B. GENERAL FUNDS ADMINISTRATION

### 1. General Funds Level

The working capital and reserve funds required by the Cooperative are based on its experience and needs.

The Cooperative will maintain sufficient working capital and reserve funds to meet promptly its operating costs, taxes, quarterly debt service payments, routine construction and replacement costs, and for contingencies.

### 2. Deposits and Investments

Working capital and reserve funds shall be invested with primary considerations given to safety and liquidity. Cash funds shall be kept in banks whose deposits are insured by the FDIC or invested in securities of the United States Government, NRUCFC Commercial Paper, or Certificates of Deposit. Such approved financial institutions are listed in Policy No. 300-060. Investments shall be planned to mature or be converted into cash without loss to meet anticipated needs for funds.

### 3. Investment Activities Report

Investment activities and reports listing all investment purchases, sales and maturities will be available to each Director as requested.

### 4. Statement of Cash Flow

A statement of cash flow will be prepared and will be available for the Board of Directors as requested.

IV. RESPONSIBILITY

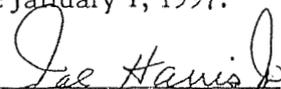
The Board of Directors shall be responsible for final approval and the use of investments having maturities in excess of six (6) months.

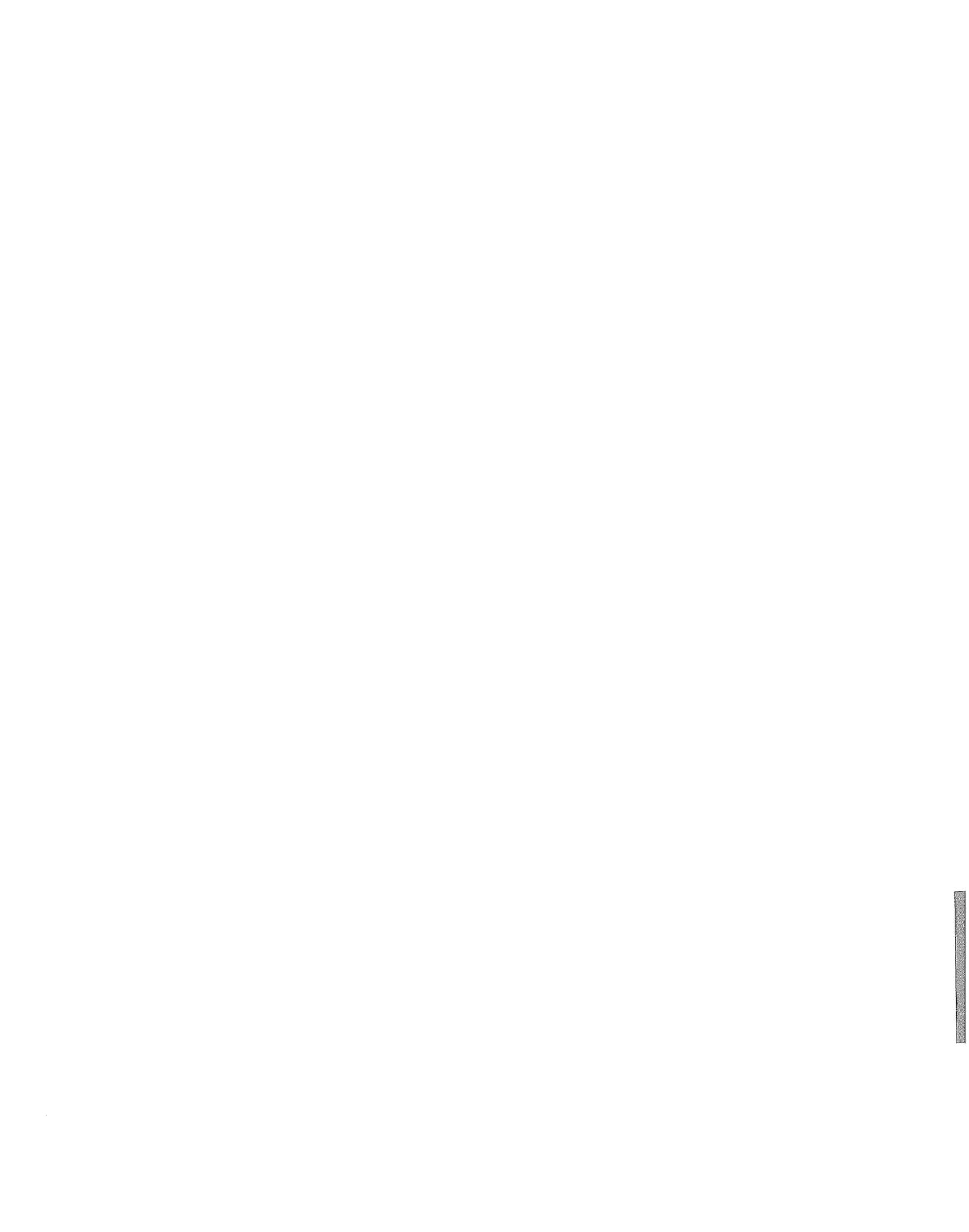
The Manager of Finances shall (1) see that the status of investment institutions used continually meet the policy criteria (2) audit the institutions' annual reports (3) request to add or delete institutions, and (4) that adherence of this policy is reported to the Board of Directors as requested.

This policy supersedes any existing policy which may be in conflict with the provisions of this policy.

SOURCE:

Adopted November 15, 1996.  
Effective January 1, 1997.

  
\_\_\_\_\_  
Joe Harris, Secretary



1 Big Sandy Rural Electric Cooperative  
2 Case No. 2008-00401  
3 Statement of Operations  
4 August 31, 2008

Exhibit V  
page 1 of 3  
Witness: Alan Zumstein

	<u>2008</u>	<u>2007</u>
8 Operating revenue	<u>\$23,001,210</u>	<u>\$21,943,547</u>
9		
10 Operating expenses:		
11 Cost of power	16,969,650	15,888,764
12 Distribution-operations	899,303	411,199
13 Distribution-maintenance	982,691	1,087,662
14 Consumer accounts	609,430	685,471
15 Consumer service	84,140	126,273
16 Sales	960	1,931
17 Administrative and general	<u>1,152,946</u>	<u>1,334,027</u>
18	<u>20,699,120</u>	<u>19,535,327</u>
19		
20 Depreciation and amortization	1,266,476	1,212,104
21 Taxes-other	21,911	20,319
22 Interest on long term debt	1,009,209	999,309
23 Other interest expense	83,431	40,118
24 Other deductions	<u>7,671</u>	<u>7,948</u>
25	<u>23,087,818</u>	<u>21,815,125</u>
26		
27 Utility operating margins	<u>(86,608)</u>	<u>128,422</u>
28		
29 Nonoperating margins, interest	48,706	65,001
30 Nonoperating margins, other	<u>21,071</u>	<u>0</u>
31	<u>69,777</u>	<u>65,001</u>
32 Patronage capital:		
33 G & T	-	-
34 Others	<u>79,170</u>	<u>64,208</u>
35	<u>79,170</u>	<u>64,208</u>
36		
37 Net margins	<u><u>\$62,339</u></u>	<u><u>\$257,631</u></u>
38		
39		

## 1 Big Sandy Rural Electric Cooperative

Exhibit V

2 Case No. 2008-00401

page 2 of 3

3 **Balance Sheet**

Witness: Alan Zumstein

4 August 31, 2008

	<u>2008</u>	<u>2007</u>
<u>ASSETS</u>		
Electric Plant:		
In service	\$39,238,249	\$37,976,547
Under construction	57,098	21,102
	<u>39,295,347</u>	<u>37,997,649</u>
Less accumulated depreciation	9,707,067	9,197,667
	<u>29,588,280</u>	<u>28,799,982</u>
Investments	<u>5,868,337</u>	<u>5,841,267</u>
Current Assets:		
Cash and temporary investments	1,649,042	399,047
Accounts receivable, net	2,474,053	2,557,134
Other receivables	232,485	221,631
Material and supplies	323,742	321,247
Prepayments	41,823	36,807
	<u>4,721,145</u>	<u>3,535,866</u>
Other deferred debits	<u>7,637</u>	<u>14,635</u>
Total Assets	<u>\$40,185,399</u>	<u>\$38,191,750</u>
<u>MEMBERS' EQUITIES AND LIABILITIES</u>		
Margins and Equities:		
Memberships	\$228,465	\$224,250
Patronage capital	12,639,651	13,718,543
	<u>12,868,116</u>	<u>13,942,793</u>
Long Term Debt	<u>22,638,554</u>	<u>20,530,518</u>
Accumulated Operating Provisions	<u>1,774,531</u>	<u>680,512</u>
Current Liabilities:		
Notes payable	300,000	400,000
Accounts payable	1,500,455	1,652,442
Consumer deposits	577,110	504,404
Accrued expenses	491,988	458,247
	<u>2,869,553</u>	<u>3,015,093</u>
Consumer advances	<u>34,645</u>	<u>22,834</u>
Total Members' Equities and Liabilities	<u>\$40,185,399</u>	<u>\$38,191,750</u>

49

## Big Sandy Rural Electric Cooperative

Exhibit V

Case No. 2008-00401

page 3 of 3

## Statement of Cash Flows

Witness: Alan Zumstein

August 31, 2008

	<u>2008</u>	<u>2007</u>
Cash Flows from Operating Activities:		
Net margins	\$62,339	\$257,631
Adjustments to reconcile to net cash provided by operating activities:		
Depreciation		
Charged to expense	1,266,476	1,212,104
Charged to clearing accounts	172,982	161,282
Patronage capital credits	(79,170)	(64,208)
Accumulated postretirement benefits	1,094,019	(6,401)
Net change in current assets and liabilities:		
Receivables	72,227	393,268
Material and supplies	(2,495)	(56,552)
Prepayments and deferred debits	1,982	146,302
Accounts payables	(151,987)	103,257
Consumer deposits	72,706	19,556
Accrued expenses	33,741	(40,078)
Consumer advances	11,811	(3,532)
	<u>2,554,631</u>	<u>2,122,629</u>
Cash Flows from Investing Activities:		
Plant additions	(2,334,597)	(3,214,948)
Salvage recovered from plant retired	106,841	106,841
Additional investments, net of receipts	52,100	47,097
	<u>(2,175,656)</u>	<u>(3,061,010)</u>
Cash Flows from Financing Activities:		
Net increase in memberships	4,215	345
Retirement of patronage capital	(1,141,231)	(74,587)
Additional long-term borrowings	2,880,000	1,500,000
Payments on long-term debt	(771,964)	(733,684)
Short term borrowings	(100,000)	100,000
	<u>871,020</u>	<u>792,074</u>
Net increase in cash	1,249,995	(146,307)
Cash balances - beginning	<u>399,047</u>	<u>545,354</u>
Cash balances - ending	<u>\$1,649,042</u>	<u>\$399,047</u>



Big Sandy Rural Electric Cooperative  
 Comparison of Test Year Account Balances with  
 those of the Preceding Year - Balance Sheet

Acct #	Description	September Month 1	October Month 2	November Month 3	December Month 4	January Month 5	February Month 6	March Month 7	April Month 8	May Month 9	June Month 10	July Month 11	August Month 12
362	Station equipment	353,139	353,139	353,139	353,139	353,139	353,139	353,139	353,139	353,139	353,139	353,139	353,139
	Prior year	342,899	342,899	342,899	342,900	353,139	353,139	353,139	353,139	353,139	353,139	353,139	353,139
	Change	10,240	10,240	10,240	10,239	0	0	0	0	0	0	0	0
364	Poles, towers & fixtures	10,808,960	10,841,637	10,867,528	10,895,990	10,942,328	10,976,709	11,041,007	11,088,415	11,111,687	11,145,228	11,156,094	11,182,117
	Prior year	10,454,045	10,484,763	10,516,514	10,539,512	10,567,788	10,586,730	10,604,084	10,624,179	10,682,258	10,712,941	10,741,284	10,784,070
	Change	354,915	356,874	351,014	356,478	374,540	389,979	436,923	464,236	429,429	432,287	414,810	398,047
365	Overhead conduct & devices	9,605,020	9,715,986	9,730,982	9,754,932	9,778,985	9,792,542	9,824,384	9,885,619	9,910,923	9,924,959	9,946,271	9,967,467
	Prior year	9,419,411	9,440,402	9,368,150	9,375,118	9,396,385	9,403,419	9,370,327	9,377,857	9,490,983	9,546,970	9,554,720	9,589,314
	Change	185,609	275,584	362,832	379,814	382,600	389,123	454,057	507,762	419,940	377,989	391,551	378,153
366	Underground conduit	255,341	261,155	266,932	272,465	277,056	277,444	277,444	280,124	281,916	282,795	284,054	290,134
	Prior year	221,402	223,451	226,371	229,506	230,970	235,390	235,895	241,359	244,378	247,622	250,479	252,006
	Change	33,939	37,704	40,561	42,959	46,086	42,054	41,549	38,765	37,538	35,173	33,575	38,128
367	Underground cond & devices	212,990	216,956	219,534	230,085	231,084	231,084	231,084	231,084	231,084	231,084	231,084	235,933
	Prior year	178,686	180,843	180,843	180,843	180,843	180,843	190,903	195,748	195,748	206,034	206,034	206,034
	Change	34,304	36,113	38,691	49,242	50,241	50,241	40,181	35,336	35,336	25,050	25,050	29,899
368	Transformers	5,306,277	5,359,781	5,389,064	5,435,362	5,453,524	5,476,183	5,487,684	5,493,091	5,501,374	5,515,006	5,523,480	5,532,409
	Prior year	5,031,030	5,062,386	5,078,071	5,090,701	5,147,842	5,156,369	5,210,970	5,220,237	5,236,192	5,269,911	5,284,338	5,300,094
	Change	275,247	297,395	310,993	344,661	305,682	319,814	276,714	272,854	265,182	245,095	239,142	232,315
369	Services	3,863,129	3,883,116	3,905,665	3,936,217	3,954,430	3,964,208	3,977,175	3,785,945	3,799,523	3,829,012	3,839,145	3,859,904
	Prior year	3,665,666	3,679,269	3,704,086	3,715,690	3,742,099	3,760,884	3,763,408	3,777,168	3,785,370	3,800,835	3,820,472	3,844,122
	Change	197,463	203,847	201,579	220,527	212,331	203,324	213,767	8,777	14,153	28,177	18,673	15,782
370	Meters	3,300,571	3,268,644	3,237,870	3,236,409	3,245,249	3,288,995	3,240,993	3,197,199	3,202,214	3,202,944	3,201,874	3,195,611
	Prior year	2,792,107	2,825,244	2,965,697	2,666,943	2,674,772	2,641,936	2,929,916	2,980,212	2,992,068	3,083,958	3,239,556	3,251,390
	Change	508,464	443,400	272,173	569,466	570,477	647,059	311,077	216,987	210,146	118,986	(37,682)	(55,779)
371	Security lights	1,698,975	1,699,490	1,704,425	1,710,703	1,719,389	1,708,189	1,716,345	1,889,103	1,889,516	1,894,580	1,893,383	1,899,105
	Prior year	1,690,350	1,693,838	1,698,301	1,698,150	1,688,743	1,694,673	1,693,970	1,692,740	1,692,047	1,694,479	1,692,959	1,695,466
	Change	8,625	5,652	6,124	12,553	30,646	13,516	22,375	196,363	197,469	200,101	200,424	203,639
389	Land	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
	Prior year	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
	Change	0	0	0	0	0	0	0	0	0	0	0	0
390	Structures & improve	678,937	678,937	678,937	678,937	678,937	678,937	678,937	678,937	678,937	678,937	678,937	678,937
	Prior year	678,937	678,937	678,937	678,937	678,937	678,937	678,937	678,937	678,937	678,937	678,937	678,937
	Change	0	0	0	0	0	0	0	0	0	0	0	0
391	Office furniture	376,364	376,364	376,364	376,364	405,479	405,893	406,161	420,249	420,824	377,734	424,478	424,736
	Prior year	359,080	359,080	359,080	359,080	359,080	363,815	386,498	386,498	386,498	386,498	386,498	376,364
	Change	17,284	17,284	17,284	17,284	46,399	42,078	19,663	33,751	34,326	(8,764)	37,980	48,372
392	Transportation	1,279,082	1,279,082	1,279,582	1,279,582	1,260,867	1,280,449	1,280,449	1,280,449	1,280,449	1,256,062	1,256,062	1,256,062
	Prior year	1,177,014	1,177,012	1,177,012	1,177,012	1,177,012	1,127,321	1,167,487	1,169,569	1,169,569	1,169,569	1,279,082	1,279,082
	Change	102,068	102,070	102,570	102,570	83,855	153,128	112,962	110,880	110,880	86,493	(23,020)	(23,020)
394	Tools, shop & garage	57,523	57,523	57,523	57,523	57,523	57,523	57,523	57,523	58,030	61,134	61,134	61,134
	Prior year	72,239	72,239	72,238	72,239	72,239	72,239	72,239	72,239	57,523	57,523	57,523	57,523
	Change	(14,716)	(14,716)	(14,715)	(14,716)	(14,716)	(14,716)	(14,716)	(14,716)	507	3,611	3,611	3,611

Big Sandy Rural Electric Cooperative  
 Comparison of Test Year Account Balances with  
 those of the Preceding Year - Balance Sheet

Acct #	Description	September Month 1	October Month 2	November Month 3	December Month 4	January Month 5	February Month 6	March Month 7	April Month 8	May Month 9	June Month 10	July Month 11	August Month 12
395	Laboratory	135,013	135,013	127,757	127,756	127,757	127,757	127,757	127,757	127,757	127,568	127,568	127,568
	Prior year	130,381	130,381	130,381	130,381	130,381	130,381	135,046	135,046	135,013	135,013	135,013	135,013
	Change	4,632	4,632	(2,624)	(2,625)	(2,624)	(2,624)	(7,289)	(7,289)	(7,256)	(7,445)	(7,445)	(7,445)
396	Power operated	31,966	31,966	31,966	31,966	31,966	31,966	31,966	31,966	31,966	31,966	31,966	31,966
	Prior year	28,463	28,463	28,463	28,463	28,463	28,463	28,463	31,966	31,966	31,966	31,966	31,966
	Change	3,503	3,503	3,503	3,503	3,503	3,503	3,503	0	0	0	0	0
397	Communication	57,723	57,723	57,723	57,723	57,723	57,723	57,723	57,723	57,723	57,723	57,723	57,723
	Prior year	57,723	57,723	57,723	57,723	57,723	57,723	57,723	57,723	57,723	57,723	57,723	57,723
	Change	0	0	0	0	0	0	0	0	0	0	0	0
398	Miscellaneous	34,305	34,305	34,305	34,305	34,305	34,305	34,305	34,305	34,305	34,305	34,305	34,305
	Prior year	34,305	34,305	34,305	34,305	34,305	34,305	34,305	34,305	34,305	34,305	34,305	34,305
	Change	0	0	0	0	0	0	0	0	0	0	0	0
****	Total Electric Plant in Serv	38,105,315	38,300,817	38,369,296	38,519,458	38,659,741	38,793,046	38,874,076	38,942,628	39,021,367	39,054,176	39,150,697	39,238,250
	Prior year	36,383,738	36,521,235	36,669,071	36,427,503	36,570,721	36,556,567	36,963,310	37,078,922	37,273,717	37,517,423	37,854,028	37,976,548
	Change	1,721,577	1,779,582	1,700,225	2,091,955	2,089,020	2,236,479	1,910,766	1,863,706	1,747,650	1,536,753	1,296,669	1,261,702
107.20	Construction work in progr	45,881	47,693	61,398	33,934	34,188	58,149	59,939	80,876	104,400	127,118	60,747	57,098
	Prior year	59,368	102,952	80,309	135,753	146,899	175,451	130,456	134,016	34,904	28,630	29,921	21,102
	Change	(13,487)	(55,259)	(18,911)	(101,819)	(112,711)	(117,302)	(70,517)	(53,140)	69,496	98,488	30,826	35,996
****	Total CWIP	45,881	47,693	61,398	33,934	34,188	58,149	59,939	80,876	104,400	127,118	60,747	57,098
	Prior year	59,368	102,952	80,309	135,753	146,899	175,451	130,456	134,016	34,904	28,630	29,921	21,102
	Change	(13,487)	(55,259)	(18,911)	(101,819)	(112,711)	(117,302)	(70,517)	(53,140)	69,496	98,488	30,826	35,996
108.6	Res - distribution plant	7,503,592	7,463,568	7,505,488	7,566,585	7,623,492	7,677,538	7,661,898	7,658,144	7,713,331	7,784,345	7,805,151	7,866,607
	Prior year	7,253,062	7,306,974	7,348,371	7,382,959	7,412,289	7,379,499	7,424,056	7,456,647	7,351,559	7,376,805	7,418,286	7,451,165
	Change	250,530	156,594	157,117	183,626	211,203	298,039	237,842	201,497	361,772	407,540	386,865	415,442
108.70	Res - general plant	1,294,376	1,308,624	1,315,622	1,308,805	1,306,846	1,321,378	1,335,910	1,321,912	1,336,444	1,279,684	1,294,216	1,308,748
	Prior year	1,340,577	1,352,081	1,364,570	1,275,959	1,288,448	1,256,747	1,269,789	1,282,474	1,280,421	1,293,116	1,276,016	1,280,129
	Change	(46,201)	(43,457)	(48,948)	32,846	18,398	64,631	66,121	39,438	56,023	(13,432)	18,200	28,619
108.71	Res - structures and improv	146,480	147,892	149,304	150,716	152,129	153,541	154,953	156,365	157,777	159,189	160,602	162,014
	Prior year	129,533	130,946	132,358	133,770	135,182	136,594	138,007	139,419	140,831	142,243	143,655	145,068
	Change	16,947	16,946	16,946	16,946	16,947	16,947	16,946	16,946	16,946	16,946	16,947	16,946
108.72	Res - office equipment	166,655	168,849	171,043	173,237	175,601	177,968	180,336	182,786	185,239	187,441	189,916	192,392
	Prior year	140,513	142,606	144,700	146,793	148,887	151,000	153,253	155,507	157,760	160,013	162,266	164,461
	Change	26,142	26,243	26,343	26,444	26,714	26,968	27,083	27,279	27,479	27,428	27,650	27,931
108.73	Res - tools	36,786	37,074	37,362	37,649	37,937	38,224	38,512	38,800	39,090	39,395	39,701	40,007
	Prior year	32,820	33,181	33,542	33,904	34,265	34,626	34,987	35,348	35,636	35,923	36,211	36,499
	Change	3,966	3,893	3,820	3,745	3,672	3,598	3,525	3,452	3,454	3,472	3,490	3,508
108.74	Res - laboratory	59,622	60,297	60,935	61,574	62,213	62,852	63,490	64,129	64,768	65,406	66,044	66,682
	Prior year	51,638	52,289	52,941	53,593	54,246	54,897	55,571	56,246	56,921	57,596	58,271	58,946
	Change	7,984	8,008	7,994	7,981	7,967	7,955	7,919	7,883	7,847	7,810	7,773	7,736
108.75	Res - power operated	7,054	7,480	7,906	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
	Prior year	4,497	4,497	4,497	4,497	4,497	4,497	4,497	4,923	5,349	5,775	6,202	6,628
	Change	2,557	2,983	3,409	3,503	3,503	3,503	3,503	3,077	2,651	2,225	1,798	1,372

Big Sandy Rural Electric Cooperative  
 Comparison of Test Year Account Balances with  
 those of the Preceding Year - Balance Sheet

Acct #	Description	September Month 1	October Month 2	November Month 3	December Month 4	January Month 5	February Month 6	March Month 7	April Month 8	May Month 9	June Month 10	July Month 11	August Month 12
108.76	Res - communication	44,501	44,885	45,270	45,654	46,039	46,423	46,807	47,192	47,576	47,961	48,345	48,730
	Prior year	39,888	40,272	40,657	41,041	41,425	41,810	42,194	42,579	42,963	43,348	43,732	44,116
	Change	4,613	4,613	4,613	4,613	4,614	4,613	4,613	4,613	4,613	4,613	4,613	4,614
108.77	Res - miscellaneous	15,105	15,276	15,448	15,620	15,791	15,963	16,134	16,306	16,477	16,649	16,820	16,992
	Prior year	13,046	13,218	13,390	13,561	13,733	13,904	14,076	14,247	14,419	14,590	14,762	14,934
	Change	2,059	2,058	2,058	2,059	2,058	2,059	2,058	2,059	2,058	2,059	2,058	2,058
108.80	RWIP - force account	2,996	2,224	2,450	1,672	3,146	7,936	5,381	4,092	2,506	15,514	3,299	3,104
	Prior year	563	2,741	4,839	8,775	(9,357)	(9,830)	9,989	9,688	6,087	1,905	2,529	4,278
	Change	2,433	(517)	(2,389)	(7,103)	12,503	17,766	(4,608)	(5,596)	(3,581)	13,609	770	(1,174)
****	Total Reserve for Deprecia	9,271,175	9,251,721	9,305,928	9,366,168	9,424,902	9,493,951	9,500,659	9,489,542	9,566,196	9,572,556	9,625,496	9,707,068
	Prior year	9,005,011	9,073,323	9,130,187	9,077,302	9,142,329	9,083,404	9,126,441	9,177,702	9,079,772	9,127,504	9,156,872	9,197,668
	Change	266,164	178,398	175,741	288,866	282,573	410,547	374,218	311,840	486,424	445,052	468,624	509,400
123.1	Invest in assoc organs	5,326,315	5,326,315	5,326,315	5,288,747	5,288,747	5,298,693	5,311,151	5,311,151	5,311,151	5,311,151	5,311,151	5,311,151
	Prior year	5,267,052	5,267,052	5,267,052	5,270,450	5,270,450	5,269,419	5,276,369	5,276,369	5,276,369	5,276,369	5,276,369	5,276,369
	Change	59,263	59,263	59,263	18,297	18,297	29,274	34,782	34,782	34,782	34,782	34,782	34,782
123.22	Invest in CTC's	556,193	556,193	556,193	556,193	556,193	556,193	555,376	555,376	555,376	555,376	548,481	548,481
	Prior year	560,901	560,901	560,901	560,901	560,901	560,901	560,134	560,134	560,134	560,134	556,193	556,193
	Change	(4,708)	(4,708)	(4,708)	(4,708)	(4,708)	(4,708)	(4,758)	(4,758)	(4,758)	(4,758)	(7,712)	(7,712)
123.23	Other invest in assoc	3,205	3,205	3,205	3,205	3,205	3,205	3,205	3,205	3,205	3,205	3,205	3,205
	Prior year	3,205	3,205	3,205	3,205	3,205	3,205	3,205	3,205	3,205	3,205	3,205	3,205
	Change	0	0	0	0	0	0	0	0	0	0	0	0
124.00	Other investmets	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500
	Prior year	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500
	Change	0	0	0	0	0	0	0	0	0	0	0	0
****	Total Investments	5,891,213	5,891,213	5,891,213	5,853,645	5,853,645	5,863,591	5,875,232	5,875,232	5,875,232	5,875,232	5,868,337	5,868,337
	Prior year	5,836,658	5,836,658	5,836,658	5,840,056	5,840,056	5,839,025	5,845,208	5,845,208	5,845,208	5,845,208	5,841,267	5,841,267
	Change	54,555	54,555	54,555	13,589	13,589	24,566	30,024	30,024	30,024	30,024	27,070	27,070
131.12	Citizens National	108,803	361,855	264,688	434,911	230,220	583,910	577,546	595,510	487,051	412,032	441,345	1,404,657
	Prior year	62,161	206,646	107,572	106,284	237,555	927,240	845,194	870,540	669,560	308,398	292,111	228,427
	Change	46,642	155,209	157,116	328,627	(7,335)	(343,330)	(267,648)	(275,030)	(182,509)	103,634	149,234	1,176,230
131.13	BB& T Flex	3,569	2,245	1,580	719	(8,553)	4,289	1,575	11,317	9,892	8,367	7,464	6,670
	Prior year						6,000	12,300			6,039	6,039	4,282
	Change	3,569	2,245	1,580	719	(8,553)	(1,711)	(10,725)	11,317	9,892	2,328	1,425	2,388
131.20	Cash - trustee	477	477	477	477	477	477	477	477	477	477	477	477
	Prior year	477	477	477	477	477	477	477	477	477	477	477	477
	Change	0	0	0	0	0	0	0	0	0	0	0	0
134.00	Special deposits	20	20	20	20	20	20	20	20	20	20	20	20
	Prior year	20	20	20	20	20	20	20	20	20	20	20	20
	Change	0	0	0	0	0	0	0	0	0	0	0	0
135.00	Working funds	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700
	Prior year	700	700	700	700	700	700	700	600	700	700	700	700
	Change	1,000	1,000	1,000	1,000	1,000	1,000	1,100	1,000	1,000	1,000	1,000	1,000

Big Sandy Rural Electric Cooperative  
 Comparison of Test Year Account Balances with  
 those of the Preceding Year - Balance Sheet

Acct #	Description	September Month 1	October Month 2	November Month 3	December Month 4	January Month 5	February Month 6	March Month 7	April Month 8	May Month 9	June Month 10	July Month 11	August Month 12
****	Total Cash	114,569	366,297	268,465	437,827	223,864	590,396	581,318	609,024	499,140	422,596	451,006	1,413,524
	Prior year	63,358	207,843	108,769	107,481	238,752	934,437	858,591	871,737	670,757	316,634	300,347	234,906
	Change	51,211	158,454	159,696	330,346	(14,888)	(344,041)	(277,273)	(262,713)	(171,617)	105,962	150,659	1,178,618
****	136.1 Temporary investments	183,367	125,175	141,498	159,970	181,604	207,274	232,951	255,337	273,679	189,947	212,550	235,517
	Prior year	293,300	307,390	320,236	334,857	99,838	115,243	135,495	151,221	166,787	180,371	147,799	164,141
	Change	(109,933)	(182,215)	(178,738)	(174,887)	81,766	92,031	97,456	104,116	106,892	9,576	64,751	71,376
142.1	Accounts receivable	2,326,030	2,033,372	2,262,240	2,711,529	3,187,642	3,255,815	2,984,054	2,456,625	2,140,240	2,509,356	2,352,388	2,539,593
	Prior year	2,722,392	2,488,390	2,718,686	3,004,442	3,258,677	4,022,031	3,247,113	2,938,632	2,385,320	2,493,756	2,330,659	2,618,433
	Change	(396,362)	(455,018)	(456,446)	(292,913)	(71,035)	(766,216)	(263,059)	(482,007)	(245,080)	15,600	21,729	(78,840)
143.00	Other receivables	245,804	275,308	234,947	27,794	32,651	67,617	88,523	107,733	131,074	159,067	226,383	231,923
	Prior year	199,816	254,180	144,255	47,816	100,023	54,337	83,108	127,610	147,698	169,382	188,830	212,823
	Change	45,988	21,128	90,692	(20,022)	(67,372)	13,280	5,415	(19,877)	(16,624)	(10,315)	37,553	19,100
143.30	Employee loans												
	Prior year	(158)		(158)									
	Change	158	0	158	0	0	0	0	0	0	0	0	0
143.40	Employee loans	563	563	563	563	563	563	563	563	563	563	563	563
	Prior year	413	367	321	276	232	188	144	100	56	580	563	563
	Change	150	196	242	287	331	375	419	463	507	(17)	0	0
144.10	Allow for uncollectibles	(60,606)	(64,107)	(58,515)	(76,014)	(73,787)	(77,201)	(79,488)	(79,636)	(72,545)	(65,784)	(59,204)	(65,539)
	Prior year	(34,258)	(37,239)	(44,377)	(48,159)	(55,897)	(61,141)	(60,269)	(63,243)	(52,485)	(43,239)	(46,775)	(53,054)
	Change	(26,348)	(26,868)	(14,138)	(27,855)	(17,890)	(16,060)	(19,219)	(16,393)	(20,060)	(22,545)	(12,429)	(12,485)
****	Total Recievables	2,511,791	2,245,136	2,439,235	2,663,872	3,147,069	3,246,794	2,993,652	2,485,285	2,199,332	2,603,202	2,520,130	2,706,540
	Prior year	2,888,205	2,705,698	2,818,727	3,004,375	3,303,035	4,015,415	3,270,096	3,003,099	2,480,589	2,620,479	2,473,277	2,778,765
	Change	(376,414)	(460,562)	(379,492)	(340,503)	(155,966)	(768,621)	(276,444)	(517,814)	(281,257)	(17,277)	46,853	(72,225)
154	Material & supplies	336,223	286,166	301,444	311,606	322,977	317,782	337,221	327,730	325,324	333,451	334,906	323,742
	Prior year	280,351	259,177	272,667	276,213	278,147	277,169	279,758	271,982	278,834	313,573	326,801	321,076
	Change	55,872	26,989	28,777	35,393	44,830	40,613	57,463	55,748	46,490	19,878	8,105	2,666
155.1	Merchandise	(334)	20	6									
	Prior year	29	21	5	80	54	107	(557)	16	6	(30)	37	171
	Change	(363)	(1)	1	(80)	(54)	(107)	557	(16)	(6)	30	(37)	(171)
****	Total Material & Supplies	335,889	286,186	301,450	311,606	322,977	317,782	337,221	327,730	325,324	333,451	334,906	323,742
	Prior year	280,380	259,198	272,672	276,293	278,201	277,276	279,201	271,998	278,840	313,543	326,838	321,247
	Change	55,509	26,988	28,778	35,313	44,776	40,506	58,020	55,732	46,484	19,908	8,068	2,495
165.1	Prepaid insurance	17,529	31,618	16,443	628	89,180	74,636	60,336	68,632	54,332	40,033	49,600	23,309
	Prior year	31,979	35,769	18,163	556	105,796	90,178	74,150	84,027	67,996	51,994	44,565	30,458
	Change	(14,450)	(4,151)	(1,720)	72	(16,616)	(15,542)	(13,814)	(15,395)	(13,664)	(11,961)	5,035	(7,149)
165.20	License fees	(4,659)	(7,455)	(10,251)									
	Prior year	18,638	16,774	14,910	13,046	11,183	9,319	7,455	5,591	3,728	1,864	0	(1,864)
	Change	(23,297)	(24,229)	(25,161)	(13,046)	(11,183)	(9,319)	(7,455)	(5,591)	(3,728)	(1,864)	0	1,864
165.40	DOM insurance	2	1,026	225		1,187	593		1,187	593		1,187	593
	Prior year	2	1,333	667	0	1,218	609	0	1,219	610	0	1,219	610
	Change	0	(307)	(442)	0	(31)	(16)	0	(32)	(17)	0	(32)	(17)

Big Sandy Rural Electric Cooperative  
 Comparison of Test Year Account Balances with  
 those of the Preceding Year - Balance Sheet

Exhibit W  
 page of  
 Witness: Alan Zumstein

Acct #	Description	September Month 1	October Month 2	November Month 3	December Month 4	January Month 5	February Month 6	March Month 7	April Month 8	May Month 9	June Month 10	July Month 11	August Month 12
165.50	Prepaid dues	11,170	5,922	674	10,598	37,762	32,501	27,240	26,916	22,889	18,862	14,835	10,808
	Prior year	26,847	23,325	19,803	10,577	37,256	32,008	26,760	21,512	16,264	11,016	5,768	521
	Change	(15,677)	(17,403)	(19,129)	21	506	493	480	5,404	6,625	7,846	9,067	10,287
****	Total Prepayments	24,042	31,111	7,091	11,226	128,129	107,730	87,576	96,735	77,814	58,895	65,622	34,710
	Prior year	77,466	77,201	53,543	24,179	155,453	132,114	108,365	112,349	88,598	64,874	51,552	29,725
	Change	(53,424)	(46,090)	(46,452)	(12,953)	(27,324)	(24,384)	(20,789)	(15,614)	(10,784)	(5,979)	14,070	4,985
171.00	Interest receivable	8,853	(58)	1,712	3,483	5,253	7,024	8,795		1,778	3,556	5,334	7,112
	Prior year	8,960	1,780	1,780	3,561	5,341	7,121	8,902	49	1,819	3,541	5,312	7,082
	Change	(107)	(58)	(68)	(78)	(88)	(97)	(107)	(49)	(41)	15	22	30
183.00	Preliminary survey and inv.	12,663	12,194	11,725	11,256	10,787	10,318	9,849	9,380	8,911	8,442	7,973	7,504
	Prior year	18,292	17,823	17,354	16,885	16,416	15,947	15,478	15,009	14,540	14,071	13,602	13,133
	Change	(5,629)	(5,629)	(5,629)	(5,629)	(5,629)	(5,629)	(5,629)	(5,629)	(5,629)	(5,629)	(5,629)	(5,629)
184.00	Transportation	980	2,165	2,207	1,536	1,848	1,568	1,658	1,502	1,155	1,518	1,302	132
	Prior year	1,739	2,818	(12,358)	916	1,086	2,606	932	1,702	1,154	1,115	1,017	1,503
	Change	(759)	(653)	14,565	620	762	(1,038)	726	(200)	1	403	285	(1,371)
186.00	Miscellaneous												
	Prior year	11,384	7,797										
	Change	(11,384)	(7,797)	0	0	0	0	0	0	0	0	0	0
186.10	Rate case									20			
	Prior year	1,057	1,057	1,057									
	Change	(1,057)	(1,057)	(1,057)	0	0	0	0	0	20	0	0	0
****	Total Deferred Debts	22,496	14,301	15,644	16,275	17,888	18,910	20,302	10,882	11,864	13,516	14,609	14,748
	Prior year	41,432	29,495	7,833	21,362	22,843	25,674	25,312	16,760	17,513	18,727	19,931	21,718
	Change	(18,936)	(15,194)	7,811	(5,087)	(4,955)	(6,764)	(5,010)	(5,878)	(5,649)	(5,211)	(5,322)	(6,970)
*****	Total Assets and Debts	37,963,388	38,056,208	38,189,362	38,641,645	39,144,203	39,709,721	39,561,608	39,194,187	38,821,956	39,105,577	39,053,108	40,185,398
	Prior year	36,918,894	36,974,347	37,037,631	37,094,557	37,513,469	38,987,798	38,489,593	38,307,608	37,777,141	37,778,385	37,888,088	38,191,751
	Change	1,044,494	1,081,861	1,151,731	1,547,088	1,630,734	721,923	1,072,015	886,579	1,044,815	1,327,192	1,165,020	1,993,647
****	Memberships issued	224,260	225,435	225,259	226,910	227,375	227,080	226,795	226,260	226,750	227,085	227,525	228,465
	Prior year	223,640	224,235	224,505	224,530	225,260	224,835	224,810	223,105	222,835	223,330	223,815	224,250
	Change	620	1,200	754	2,380	2,115	2,245	1,985	3,155	3,915	3,755	3,710	4,215
201.10	Patrons capital credits	14,008,528	14,003,669	13,997,885	13,997,885	13,994,720	13,987,898	14,171,091	14,164,647	14,156,774	14,155,073	14,151,814	14,149,309
	Prior year	13,844,092	13,833,937	13,831,104	13,829,033	13,827,199	13,821,308	13,967,320	14,031,527	14,025,787	14,020,344	14,017,440	14,013,408
	Change	164,436	169,732	166,781	168,852	167,521	166,590	203,771	133,120	130,987	134,729	134,374	135,901
201.20	Pat cap- assignable					265,640	265,640						
	Prior year					393,314	393,314						
	Change	0	0	0	0	(127,674)	(127,674)	0	0	0	0	0	0
219.10	Current year margins	73,451	71,346	68,638	265,640	(112,247)	133,580	280,088	218,969	69,559	179,254	(166,518)	(97,109)
	Prior year	428,141	417,361	572,850	393,314	(60,560)	377,232	262,330	247,511	(43,915)	107,966	57,801	106,192
	Change	(354,690)	(346,015)	(504,212)	(127,674)	(51,687)	(243,652)	17,758	(28,542)	113,474	71,288	(224,319)	(203,301)
****	Total Capital Credits	14,081,979	14,075,015	14,066,523	14,263,525	14,148,113	14,387,118	14,451,179	14,383,616	14,226,333	14,334,327	13,985,296	14,052,200
	Prior year	14,272,233	14,251,298	14,403,954	14,222,347	14,159,953	14,591,854	14,229,650	14,279,038	13,981,872	14,128,310	14,075,241	14,119,600
	Change	(190,254)	(176,283)	(337,431)	41,178	(11,840)	(204,736)	221,529	104,578	244,461	206,017	(89,945)	(67,400)

Big Sandy Electric Cooperative  
Comparison of Test Year Account Balances with  
those of the Preceding Year - Balance Sheet

Acct.#	Description	September Month 1	October Month 2	November Month 3	December Month 4	January Month 5	February Month 6	March Month 7	April Month 8	May Month 9	June Month 10	July Month 11	August Month 12
208.00	Donated capital	49,025	49,025	49,025	49,025	49,025	49,025	49,025	49,025	49,025	49,025	49,025	49,025
	Prior year	49,025	49,025	49,025	49,025	49,025	49,025	49,025	49,025	49,025	49,025	49,025	49,025
	Change	0	0	0	0	0	0	0	0	0	0	0	0
208.10	Donated capital - capital cr	14,686	14,686	14,686	14,686	14,686	14,686	14,686	14,686	14,686	14,686	14,686	14,686
	Prior year	14,686	14,686	14,686	14,686	14,686	14,686	14,686	14,686	14,686	14,686	14,686	14,686
	Change	0	0	0	0	0	0	0	0	0	0	0	0
215.30	Other comprehensive income				(1,106,360)	(1,106,360)	(1,106,360)	(1,106,360)	(1,106,360)	(1,106,360)	(1,106,360)	(1,106,360)	(1,106,360)
	Prior year				(1,106,360)	(1,106,360)	(1,106,360)	(1,106,360)	(1,106,360)	(1,106,360)	(1,106,360)	(1,106,360)	(1,106,360)
	Change	0	0	0	(1,106,360)	(1,106,360)	(1,106,360)	(1,106,360)	(1,106,360)	(1,106,360)	(1,106,360)	(1,106,360)	(1,106,360)
217.00	Retired gains	105,579	105,579	105,579	105,579	105,577	105,577	105,577	105,577	105,575	105,575	105,575	105,575
	Prior year	105,649	105,622	105,622	105,616	105,616	105,616	105,616	105,616	105,616	105,579	105,579	105,579
	Change	(70)	(43)	(43)	(37)	(39)	(39)	(39)	(39)	(41)	(4)	(4)	(4)
217.10	Retired gains - discounts	207,011	208,488	210,529	210,529	211,372	213,462	213,905	215,571	217,472	218,025	219,176	220,037
	Prior year	192,409	195,316	196,149	196,569	197,016	198,565	199,589	200,510	202,078	203,593	204,715	205,761
	Change	14,602	13,172	14,380	13,960	14,356	14,897	14,316	15,061	15,394	14,432	14,461	14,276
219.30	Prior year deficits	(776,108)	(776,108)	(776,108)	(776,108)	(776,108)	(776,108)	(695,512)	(695,512)	(695,512)	(695,512)	(695,512)	(695,512)
	Prior year	(953,103)	(953,103)	(953,103)	(953,103)	(953,103)	(953,103)	(709,221)	(776,108)	(776,108)	(776,108)	(776,108)	(776,108)
	Change	176,995	176,995	176,995	176,995	176,995	176,995	13,709	80,596	80,596	80,596	80,596	80,596
****	Total Other Equities	(399,807)	(398,330)	(396,289)	(1,502,649)	(1,501,808)	(1,499,718)	(1,418,679)	(1,417,013)	(1,415,114)	(1,414,561)	(1,413,410)	(1,412,549)
	Prior year	(591,334)	(588,454)	(587,621)	(587,207)	(586,760)	(585,211)	(340,305)	(406,271)	(404,703)	(403,225)	(402,103)	(401,057)
	Change	191,527	190,124	191,332	(915,442)	(915,048)	(914,507)	(1,078,374)	(1,010,742)	(1,010,411)	(1,011,336)	(1,011,307)	(1,011,492)
*****	Total Margins & Equities	13,906,432	13,902,120	13,895,493	12,987,786	12,873,680	13,114,480	13,259,295	13,192,863	13,037,969	13,146,851	12,799,411	12,868,116
	Prior year	13,904,539	13,887,079	14,040,838	13,859,670	13,798,453	14,231,478	14,114,155	14,095,872	13,800,004	13,948,415	13,896,953	13,942,793
	Change	1,893	15,041	(145,345)	(871,884)	(924,773)	(1,116,998)	(854,860)	(903,009)	(762,035)	(801,564)	(1,097,542)	(1,074,677)
224.12	CFC notes	2,926,573	2,926,573	2,889,357	2,889,357	2,889,357	2,852,872	2,852,872	2,852,872	2,815,806	2,815,806	2,815,806	2,778,150
	Prior year	3,104,054	3,069,674	3,034,745	3,034,745	3,034,745	2,999,258	2,999,258	2,999,258	2,963,204	2,963,204	2,963,204	2,926,573
	Change	(177,481)	(143,101)	(145,388)	(145,388)	(145,388)	(146,386)	(146,386)	(146,386)	(147,398)	(147,398)	(147,398)	(148,423)
224.14	RUS notes refinanced	3,792,310	3,792,310	3,792,310	3,792,310	3,792,310	3,792,310	3,792,310	3,792,310	3,447,555	3,447,555	3,447,555	3,447,555
	Prior year	4,102,687	4,137,066	4,137,066	4,137,066	4,137,066	4,137,066	4,137,066	4,137,066	3,792,310	3,792,310	3,792,310	3,792,310
	Change	(310,377)	(344,756)	(344,756)	(344,756)	(344,756)	(344,756)	(344,756)	(344,756)	(344,755)	(344,755)	(344,755)	(344,755)
224.20	FFB notes	6,630,081	6,630,081	6,630,081	6,596,398	6,596,398	6,596,398	6,562,139	6,562,139	6,562,139	6,527,499	6,527,499	6,527,499
	Prior year	6,761,126	6,761,126	6,761,126	6,729,733	6,729,733	6,729,733	6,696,337	6,696,337	6,696,337	6,663,393	6,663,393	6,663,393
	Change	(131,045)	(131,045)	(131,045)	(133,335)	(133,335)	(133,335)	(134,198)	(134,198)	(134,198)	(135,894)	(135,894)	(135,894)
224.30	RUS notes	10,017,229	10,007,020	9,995,935	9,985,649	9,975,293	9,963,196	9,951,042	9,937,827	9,925,015	9,911,197	9,898,296	9,885,350
	Prior year	10,142,168	10,137,627	10,125,712	10,117,350	10,108,961	10,095,684	10,085,756	10,074,945	10,062,035	10,051,150	10,041,076	10,028,242
	Change	(124,939)	(130,607)	(129,777)	(131,701)	(133,668)	(132,488)	(134,714)	(137,118)	(137,020)	(139,953)	(142,780)	(142,892)
224.40	Unadvanced	2,880,000	2,880,000	2,880,000	2,880,000	2,880,000	1,380,000	1,380,000	1,380,000	1,380,000	1,380,000	1,380,000	2,880,000
	Prior year	4,380,000	4,380,000	4,380,000	4,380,000	4,380,000	2,880,000	2,880,000	2,880,000	2,880,000	2,880,000	2,880,000	2,880,000
	Change	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	(2,880,000)
****	Total long term debt	20,486,193	20,475,984	20,427,683	20,383,714	20,373,358	21,824,776	21,778,363	21,765,148	21,370,515	21,322,057	21,309,156	22,638,554
	Prior year	19,730,035	19,725,493	19,678,649	19,638,894	19,630,505	21,081,741	21,038,417	21,027,606	20,633,886	20,590,057	20,579,983	20,530,518
	Change	756,158	750,491	749,034	744,820	742,853	743,035	739,946	737,542	736,629	732,000	729,173	2,108,036

Big Sandy Rural Electric Cooperative  
 Comparison of Test Year Account Balances with  
 those of the Preceding Year - Balance Sheet

Exhibit W  
 page of  
 Witness: Alan Zumstein

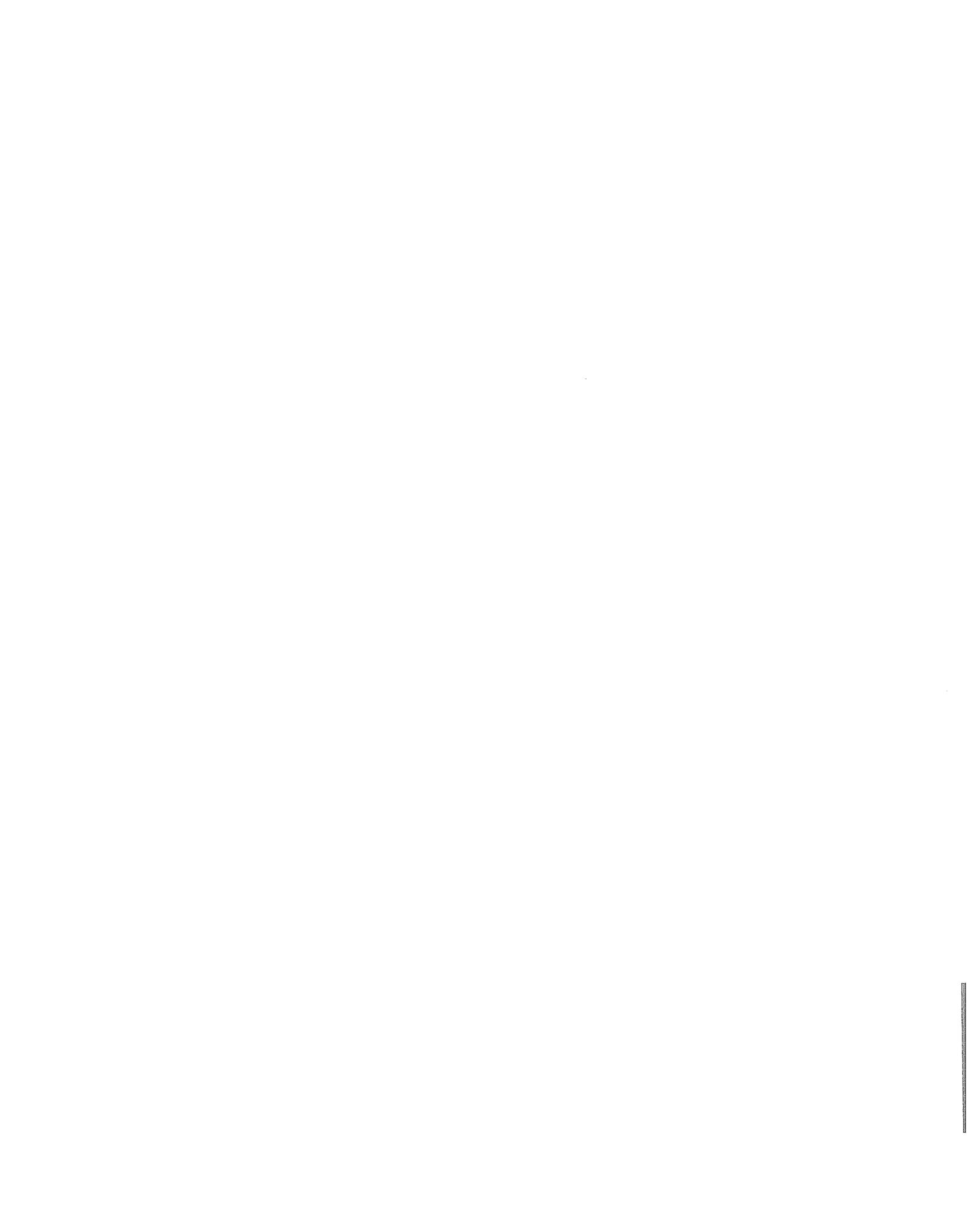
Acct #	Description	September Month 1	October Month 2	November Month 3	December Month 4	January Month 5	February Month 6	March Month 7	April Month 8	May Month 9	June Month 10	July Month 11	August Month 12
**** 228.3	Postretirement benefits	679,881	678,241	677,144	1,782,045	1,779,100	1,778,616	1,778,131	1,774,995	1,774,510	1,774,026	1,771,888	1,774,531
	Prior year	677,102	677,669	678,679	680,445	678,728	680,354	681,740	680,897	682,283	683,234	680,692	680,512
	Change	2,779	572	(1,535)	1,101,600	1,100,372	1,098,262	1,096,391	1,094,098	1,092,227	1,090,792	1,091,196	1,094,019
**** 231.0	Notes payable - short term	400,000	800,000	800,000	800,000	800,000				300,000	300,000	300,000	300,000
	Prior year	300,000	300,000	300,000	300,000	500,000				300,000	300,000	300,000	400,000
	Change	100,000	500,000	500,000	500,000	300,000	0	0	0	0	0	0	(100,000)
232.1	Accounts payable - general	213,291	201,682	173,310	205,309	263,515	192,066	197,358	182,926	167,494	198,932	185,083	176,899
	Prior year	311,793	182,423	280,879	216,637	274,150	179,678	232,986	223,378	341,027	350,589	470,125	228,504
	Change	(98,502)	19,259	(107,569)	(11,328)	(10,635)	12,388	(35,628)	(40,452)	(173,533)	(151,657)	(285,042)	(51,605)
232.30	Spraying	(16,282)	(14,198)	(12,115)		2,083	4,167	6,250	8,333	10,417	7,644	(8,264)	(6,611)
	Prior year	(21,936)	(14,624)	(7,312)		9,667	19,333	29,000	38,667	48,333	58,000	(24,512)	(18,365)
	Change	5,654	426	(4,803)	0	(7,584)	(15,166)	(22,750)	(30,334)	(37,916)	(50,356)	16,248	11,754
232.40	Purchased power	1,304,716	1,070,080	1,352,687	1,546,613	2,010,703	1,724,901	1,508,717	1,208,251	1,097,631	1,287,094	1,520,470	1,337,787
	Prior year	942,232	1,120,406	1,161,328	1,515,014	1,608,487	1,749,886	1,431,795	1,187,795	1,280,212	1,178,186	1,263,072	1,450,291
	Change	362,484	(50,326)	191,359	31,599	402,216	(24,985)	76,922	20,456	(182,581)	108,908	257,398	(112,504)
232.50	PSC assessment	(5,584)	(3,723)	(1,861)		1,750	3,500	5,250	7,000	8,750	(11,431)	(9,526)	(7,621)
	Prior year	(5,113)	(3,409)	(1,704)		1,583	3,167	4,750	6,333	7,917	(11,168)	(9,307)	(7,445)
	Change	(471)	(314)	(157)	0	167	333	500	667	833	(263)	(219)	(176)
232.80	Other	(543)	(543)				(543)	(543)	(543)	(543)	(543)	(543)	(543)
	Prior year	437											
	Change	(980)	(543)	0	0	0	543	543	543	543	543	543	543
****	Total Payables	1,495,598	1,253,298	1,512,021	1,751,922	2,278,051	1,924,634	1,717,575	1,406,510	1,284,292	1,482,239	1,687,763	1,500,454
	Prior year	1,227,413	1,284,796	1,433,191	1,731,651	1,893,887	1,951,521	1,697,988	1,455,630	1,676,946	1,575,064	1,698,835	1,652,442
	Change	268,185	(31,498)	78,830	20,271	384,164	(26,887)	19,587	(49,120)	(392,654)	(92,825)	(11,072)	(151,988)
**** 235	Customer deposits	502,859	508,194	508,794	517,316	517,794	526,295	523,705	535,910	553,350	561,390	567,817	577,110
	Prior year	487,895	492,725	494,041	499,996	500,961	500,686	501,320	505,510	503,349	499,879	506,547	504,404
	Change	14,964	15,469	14,753	17,320	16,833	25,609	22,385	30,400	50,001	61,511	61,270	72,706
236.1	Acc property taxes	77,730	(12,714)	(20,515)	9,000	30,103	50,727	65,223	85,817	96,824	117,840	137,788	60,178
	Prior year	154,705	173,445	47,039	9,100	29,146	49,423	53,926	73,672	93,949	114,226	38,617	57,510
	Change	(76,975)	(186,159)	(67,554)	(100)	957	1,304	11,297	12,145	2,875	3,614	99,171	2,668
236.2	Acc FUTA tax		13	13		1,167	1,969	3	86	146		44	63
	Prior year		9	16		1,431	2,256	33	135	149		13	31
	Change	0	4	(3)	0	(264)	(287)	(30)	(49)	(3)	0	31	32
236.3	Acc FICA tax											(1,997)	(1,997)
	Prior year											(1,997)	(1,997)
	Change	0	0	0	0	0	0	0	0	0	0	0	0
236.4	Acc SUTA tax		24	26		1,038	1,877		118	184		44	86
	Prior year		8	14		1,237	2,126		128	161		11	27
	Change	0	16	12	0	(199)	(249)	0	(10)	23	0	33	59
236.5	Sales tax		18,798	19,646	19,873	19,873	19,642	19,873					
	Prior year			17,673		(33)	26,184	1,288	1,243	1,243		19,334	
	Change	0	18,798	1,973	19,873	19,906	(6,542)	18,585	(1,243)	(1,243)	0	(19,334)	0

Big Sandy Rural Electric Cooperative  
 Comparison of Test Year Account Balances with  
 those of the Preceding Year - Balance Sheet

Acct #	Description	September Month 1	October Month 2	November Month 3	December Month 4	January Month 5	February Month 6	March Month 7	April Month 8	May Month 9	June Month 10	July Month 11	August Month 12
237.10	RUS interest												
	Prior year												
	Change	0	0	0	0	0	0	0	0	0	0	0	0
237.20	FFB interest	25,869	55,869	66,369	20,382	50,382	80,382	29,987	52,987	75,987	25,983	50,983	75,983
	Prior year	3,608	33,608	68,608	20,267	50,267	80,267	30,985	60,985	90,985	35,238	56,238	77,238
	Change	22,261	22,261	(2,239)	115	115	115	(998)	(7,998)	(14,998)	(9,255)	(5,255)	(1,255)
237.30	CFC interest	65,506	95,506	32,307	63,907	96,407	34,704	65,704	94,704	31,788	62,988	94,188	34,009
	Prior year	67,045	99,045	34,236	66,236	98,236	33,523	65,523	97,523	32,302	64,802	97,302	34,506
	Change	(1,539)	(3,539)	(1,929)	(2,329)	(1,829)	1,181	181	(2,819)	(514)	(1,814)	(3,114)	(497)
237.50	Interest on customer deposits	18,269	20,328	(3,297)		2,554	5,099	7,531	9,974	12,409	14,906	17,357	19,706
	Prior year	18,415	20,382	(2,317)		2,461	4,755	7,053	9,246	11,433	12,359	14,493	16,377
	Change	(146)	(54)	(980)	0	93	344	478	728	976	2,547	2,864	3,329
241.10	Martin school				3,942	3,942	3,942						
	Prior year												
	Change	0	0	0	3,942	3,942	3,942	0	0	0	0	0	0
241.20	City tax withholding		1,255	2,093		872	1,667		1,249	2,098		845	1,701
	Prior year		1,302	2,174		898	1,799		970	2,296		883	2,121
	Change	0	(47)	(81)	0	(26)	(132)	0	279	(198)	0	(38)	(420)
241.40	Breathitt school				63	63	63						
	Prior year												
	Change	0	0	0	63	63	63	0	0	0	0	0	0
241.50	Johnson school				23,565	23,565	23,565						
	Prior year												
	Change	0	0	0	23,565	23,565	23,565	0	0	0	0	0	0
241.60	Lawrence school				2,091	2,091	2,091						
	Prior year												
	Change	0	0	0	2,091	2,091	2,091	0	0	0	0	0	0
241.70	Magoffin school				2	2	2						
	Prior year												
	Change	0	0	0	2	2	2	0	0	0	0	0	0
241.80	Knott school				1,614	1,614	1,614						
	Prior year												
	Change	0	0	0	1,614	1,614	1,614	0	0	0	0	0	0
241.90	Johnson occupational		774	1,298		519	1,044		787	1,323		554	1,084
	Prior year		865	1,410		620	1,180		597	1,438		566	1,312
	Change	0	(91)	(112)	0	(101)	(136)	0	190	(115)	0	(12)	(228)
242.11	Cancer insurance	(1,143)	(426)	378	986	(12,271)	(2,416)	(3,165)	(4,687)	(4,198)	(3,691)	(2,689)	2,867
	Prior year	162				(4,821)	(9,362)	(7,893)	(6,424)	(4,221)	(3,087)	(1,618)	(2,217)
	Change	(1,305)	(426)	378	986	(7,450)	6,946	4,728	1,737	23	(604)	(1,071)	5,084
242.12	Colonial insurance	1	15	162	162	162	162	(1,291)	129	115	607	95	176
	Prior year	64	226	162	162	162	162	170	140	141	14	(14)	1
	Change	(63)	(211)	0	0	0	0	(1,461)	(11)	(26)	593	109	175

Big Sandy Rural Electric Cooperative  
 Comparison of Test Year Account Balances with  
 those of the Preceding Year - Balance Sheet

Acct#	Description	September Month 1	October Month 2	November Month 3	December Month 4	January Month 5	February Month 6	March Month 7	April Month 8	May Month 9	June Month 10	July Month 11	August Month 12
242.20	Accrued payroll	60,636	7,298	22,573	30,018	53,117	56,951	66,368	8,608	23,781	35,418	53,667	60,320
	Prior year	63,826		16,118	24,760	47,438	47,281	63,755	68,741	16,216	24,443	80,461	60,901
	Change	(3,190)	7,298	6,455	5,258	5,679	9,670	2,613	(60,133)	7,565	10,975	(26,794)	(581)
242.30	Vacation	104,623	106,470	99,204	96,432	95,726	108,620	116,887	121,830	123,702	117,980	118,518	121,135
	Prior year	102,325	98,997	95,246	91,662	91,959	98,440	102,480	100,614	102,120	100,402	95,139	99,089
	Change	2,298	7,473	3,958	4,770	3,767	10,180	14,407	21,216	21,582	17,578	23,379	22,046
242.31	Sick leave	114,905	114,905	114,905	112,977	112,977	112,977	112,977	112,977	112,977	112,977	112,977	112,977
	Prior year	102,200	102,200	102,200	114,905	114,905	114,905	114,905	114,905	114,905	114,905	114,905	114,905
	Change	12,705	12,705	12,705	(1,928)	(1,928)	(1,928)	(1,928)	(1,928)	(1,928)	(1,928)	(1,928)	(1,928)
242.50	Acc annual mtg & audit	(868)	1,958	4,783	7,100	9,659	7,618	3,077	5,636	(4,549)	(1,587)	972	3,532
	Prior year	695	2,630	4,765	6,900	2,122	4,168	6,380	2,305	(7,172)	(4,912)	(6,518)	(3,381)
	Change	(1,563)	(672)	18	200	7,537	3,450	(3,303)	3,331	2,623	3,325	7,490	6,913
242.60	Dependent life	6					(2)	(4)	34	65	103	130	168
	Prior year						1	1	2	2	3	120	6
	Change	6	0	0	0	0	(3)	(5)	32	63	100	10	162
242.80	Credit union	(200)	(200)	(200)	(200)	(200)	(200)	(7,544)	(350)	(200)	(160)		
	Prior year							(7,433)	(7,634)	(200)	(200)	(7,726)	(200)
	Change	(200)	(200)	(200)	(200)	(200)	(200)	(111)	7,284	0	40	7,726	200
242.90	Union dues	5	(12)	(29)	(85)	22	22	22	39	39	39	39	22
	Prior year												
	Change	5	(12)	(29)	(107)	(22)	(22)	(22)	(39)	(39)	(39)	(39)	(22)
****	Total Current & Accrued L	465,339	409,861	339,716	391,829	493,362	512,098	475,626	489,899	472,452	483,364	583,476	491,988
	Prior year	513,045	532,717	387,344	334,014	436,050	457,130	431,195	517,187	455,786	458,232	502,245	458,248
	Change	(47,706)	(122,856)	(47,628)	57,815	57,312	54,968	44,431	(27,288)	16,666	25,132	81,231	33,740
**** 252.0	Consumer advances for co	27,084	28,508	28,508	27,030	28,865	28,865	28,865	28,864	28,865	35,649	33,596	34,645
	Prior year	78,866	73,866	24,887	49,887	74,887	84,887	24,887	24,887	24,887	23,529	22,834	22,834
	Change	(51,782)	(45,358)	3,621	(22,857)	(46,022)	(56,022)	3,978	3,977	3,978	12,120	10,762	11,811
*****	Total Equities & Liabilities	37,963,386	38,056,206	38,189,359	38,641,642	39,144,210	39,709,764	39,561,560	39,194,189	38,821,953	39,105,576	39,053,107	40,185,398
	Prior year	36,918,895	36,974,345	37,037,629	37,094,557	37,513,471	38,987,797	38,489,702	38,307,589	37,777,141	37,778,410	37,888,089	38,191,751
	Change	1,044,491	1,081,861	1,151,730	1,547,085	1,630,739	721,967	1,071,858	886,600	1,044,812	1,327,166	1,165,018	1,993,647



Big Sandy Rural Electric Cooperative  
 Comparison of Test Year Income Statement Account  
 Balances with those of the Preceding Year

Acct #	Description	September Month 1	October Month 2	November Month 3	December Month 4	January Month 5	February Month 6	March Month 7	April Month 8	May Month 9	June Month 10	July Month 11	August Month 12	Total
440.10	Residential	1,091,162	1,012,220	1,297,593	1,694,100	1,849,123	1,821,509	1,551,358	1,088,626	913,274	1,253,247	1,154,213	1,276,089	16,002,514
	Prior year	932,542	1,016,457	1,220,014	1,585,337	1,532,169	2,047,860	1,243,252	1,159,323	1,003,802	1,171,023	1,191,890	1,409,105	15,512,774
	Change	158,620	(4,237)	77,579	108,763	316,954	(226,351)	308,106	(70,697)	(90,528)	82,224	(37,677)	(133,016)	489,740
442.10	Small commercial	118,622	115,955	113,398	185,538	126,691	138,818	120,408	108,468	110,390	131,763	119,648	138,634	1,528,333
	Prior year	106,560	108,295	111,691	109,315	113,709	132,832	113,250	117,063	115,680	125,835	122,652	136,578	1,413,460
	Change	12,062	7,660	1,707	76,223	12,982	5,986	7,158	(8,595)	(5,290)	5,928	(3,004)	2,056	114,873
442.20	Large commercial	401,565	380,681	382,135	374,566	401,365	431,781	410,856	373,704	389,144	460,425	389,956	470,312	4,866,490
	Prior year	326,303	358,210	326,638	353,752	394,098	426,325	295,927	356,203	384,086	421,034	359,025	450,062	4,451,663
	Change	75,262	22,471	55,497	20,814	7,267	5,456	114,929	17,501	5,058	39,391	30,931	20,250	414,827
450.00	Forfeit Discounts	17,990	17,249	22,455	0	28,911	29,783	28,704	29,783	21,960	14,494	20,128	18,339	249,796
	Prior year	19,106	15,994	29,739	25,497	23,371	36,397	20,664	21,654	16,501	20,759	20,173	20,442	270,297
	Change	(1,116)	1,255	(7,284)	(25,497)	5,540	(6,614)	8,040	8,129	5,459	(6,265)	(45)	(2,103)	(20,501)
451.00	Miscellaneous Service	7,638	6,422	4,053	0	6,990	5,735	5,526	7,126	7,981	6,628	4,792	7,284	70,175
	Prior year	14,094	6,288	4,416	7,675	4,960	6,305	6,833	7,152	5,347	5,835	5,420	4,876	79,201
	Change	(6,456)	134	(363)	(7,675)	2,030	(570)	(1,307)	(26)	2,634	793	(628)	2,408	(9,026)
454.00	Rent form electric prop	23,806	23,806	28,369	23,806	22,879	22,879	22,879	22,880	22,879	22,879	22,879	22,879	282,820
	Prior year	59,904	68,059	64,753	(8,652)	23,806	23,806	23,806	23,806	23,806	23,806	23,806	23,806	374,512
	Change	(36,098)	(44,253)	(36,384)	32,458	(927)	(927)	(927)	(926)	(927)	(927)	(927)	(927)	(91,692)
456.00	Other electric revenue	180	60	60		90	90	60	120	90	210	60	60	1,080
	Prior year	90	30	60		90	60	60	60	30	120	60	60	510
	Change	90	30	0	0	90	30	0	60	60	90	60	60	570
***	Total Revenues	1,660,963	1,556,393	1,848,063	2,278,010	2,436,049	2,450,595	2,139,791	1,630,707	1,465,718	1,889,646	1,711,676	1,933,597	23,001,208
	Prior year	1,458,599	1,573,333	1,757,311	2,072,924	2,092,113	2,673,585	1,703,792	1,685,261	1,549,252	1,768,412	1,722,966	2,044,869	22,102,417
	Change	202,364	(16,940)	90,752	205,086	343,936	(222,990)	435,999	(54,554)	(83,534)	121,234	(11,290)	(111,272)	898,791
***555.00	Total Purchase Power	1,304,716	1,070,080	1,352,687	1,546,613	2,010,703	1,724,901	1,508,717	1,208,251	1,097,631	1,287,094	1,520,470	1,337,787	16,969,650
	Prior year	942,232	1,120,406	1,161,328	1,515,014	1,608,487	1,749,886	1,431,795	1,187,795	1,280,232	1,178,206	1,263,092	1,450,291	15,888,764
	Change	362,484	(50,326)	191,359	31,599	402,216	(24,985)	76,922	20,456	(182,601)	108,888	257,378	(112,504)	1,080,886
580.00	Operations - Supervisi	6,042	3,524	7,233	7,194	6,281	7,284	6,417	6,846	6,540	5,925	7,879	5,614	76,779
	Prior year	6,473	6,410	6,611	6,687	6,338	7,237	6,326	7,394	6,939	6,013	5,569	7,260	79,257
	Change	(431)	(2,886)	622	507	(57)	47	91	(548)	(399)	(88)	2,310	(1,646)	(2,478)
583.00	Overhead Line Exp	14,486	12,998	15,596	17,136	24,465	12,971	13,252	16,610	16,247	15,196	17,945	13,004	189,906
	Prior year	13,975	8,405	10,289	25,335	11,546	26,489	16,054	14,013	19,360	12,138	11,285	17,479	186,368
	Change	511	4,593	5,307	(8,199)	12,919	(13,518)	(2,802)	2,597	(3,113)	3,058	6,660	(4,475)	3,538
586.00	Meter	28,083	14,911	40,396	41,961	44,948	16,395	40,248	47,788	37,191	36,895	38,902	37,981	425,699
	Prior year	(74,823)	19,407	(29,130)	338,111	51,710	8,088	(131,549)	30,620	49,490	(14,468)	(9,100)	44,323	282,679
	Change	102,906	(4,496)	69,526	(296,150)	(6,762)	8,307	171,797	17,168	(12,299)	51,363	48,002	(6,342)	143,020
587.00	Consumer Installation	3,528	3,143	3,937	6,713	3,477	2,905	2,894	3,164	3,059	3,693	2,862	2,853	42,228
	Prior year	2,829	3,114	2,624	3,186	3,181	3,299	3,651	3,571	4,403	4,981	3,701	3,505	42,045
	Change	699	29	1,313	3,527	296	(394)	(757)	(407)	(1,344)	(1,288)	(839)	(652)	183

Big Sandy Rural Electric Cooperative  
Comparison of Test Year Income Statement Account  
Balances with those of the Preceding Year

Acct #	Description	September Month 1	October Month 2	November Month 3	December Month 4	January Month 5	February Month 6	March Month 7	April Month 8	May Month 9	June Month 10	July Month 11	August Month 12	Total
588.00	Miscellaneous Distrib	10,053	9,439	9,450	7,913	18,875	23,894	29,473	(1,817)	23,556	(3,138)	12,858	24,134	164,690
	Prior year	8,852	8,315	8,024	8,950	13,347	10,946	11,616	12,366	17,398	10,285	11,237	(2,572)	118,764
	Change	1,201	1,124	1,426	(1,037)	5,528	12,948	17,857	(14,183)	6,158	(13,423)	1,621	26,706	45,926
***	Total Operations	62,192	44,015	76,612	80,917	98,046	63,449	92,284	72,591	86,593	58,571	80,446	83,586	899,302
	Prior year	(42,694)	45,651	(1,582)	382,269	86,122	56,059	(93,902)	67,964	97,590	18,949	22,692	69,995	709,113
	Change	104,886	(1,636)	78,194	(301,352)	11,924	7,390	186,186	4,627	(10,997)	39,622	57,754	13,591	190,189
590.00	Engineering & supervi	4,846	7,192	5,912	7,070	8,737	6,360	6,262	6,386	5,219	5,512	6,430	5,420	75,346
	Prior year	4,862	5,308	6,863	5,252	7,204	1,374	5,353	6,905	7,119	5,067	6,487	5,686	67,480
	Change	(16)	1,884	(951)	1,818	1,533	4,986	909	(519)	(1,900)	445	(57)	(266)	7,866
582.00	Station expense	152	117	248		773			229	954	445	381	109	3,408
	Prior year	668	187	942	1,260		1,805	53	377	872	681	194		7,039
	Change	(516)	(70)	(694)	(1,260)	773	(1,805)	(53)	(148)	82	(236)	187	109	(3,631)
593.00	Maintenance of overha	21,376	17,710	19,452	51,413	32,851	30,748	27,294	25,690	31,701	40,589	42,437	25,979	367,240
	Prior year	42,363	17,182	24,295	30,673	18,497	21,010	22,281	16,750	18,731	35,376	32,693	48,964	328,815
	Change	(20,987)	528	(4,843)	20,740	14,354	9,738	5,013	8,940	12,970	5,213	9,744	(22,985)	38,425
593.10	Right-of-way maintan	6,672	17,784	6,012	8,674	443	697	823	3,928	8,551	6,950	7,111	8,024	75,669
	Prior year	8,304	14,806	15,663	13,096	18,427	18,544	16,554	14,157	13,378	14,467	17,006	25,556	189,958
	Change	(1,632)	2,978	(9,651)	(4,422)	(17,984)	(17,847)	(15,731)	(10,229)	(4,827)	(7,517)	(9,895)	(17,532)	(114,289)
593.20	Contract right-of-way	26,544	31,699	29,968	27,461	29,368	24,966	11,270	13,022	20,157	34,809	43,343	42,113	334,720
	Prior year	29,331	24,158	30,716	29,973	29,671	21,486	63,396	30,310	34,780	21,964	28,361	37,678	381,824
	Change	(2,787)	7,541	(748)	(2,512)	(303)	3,480	(52,126)	(17,288)	(14,623)	12,845	14,982	4,435	(47,104)
595.00	Transformer maintenai	11,598	9,693	3,058	6,375	2,246	5,035	300	2,579	1,387	3,018	3,597	4,016	52,902
	Prior year	2,497	2,969	1,955	3,670	4,630	11,596	3,256	6,851	2,813	4,184	1,941	2,154	48,516
	Change	9,101	6,724	1,103	2,705	(2,384)	(6,561)	(2,956)	(4,272)	(1,426)	(1,166)	1,656	1,862	4,386
597.00	Meter maintenance					63			661			56	221	1,001
	Prior year		80	365		222				67		98		832
	Change	0	(80)	(365)	0	(159)	0	0	661	(67)	0	(42)	221	169
598.00	Miscellaneous distribu	6,242	6,705	5,853	4,876	8,710	4,748	4,685	6,254	7,451	4,798	7,321	4,763	72,406
	Prior year	5,214	5,305	5,629	7,315	5,201	4,404	5,097	4,936	4,532	5,940	4,794	4,831	63,198
	Change	1,028	1,400	224	(2,439)	3,509	344	(412)	1,318	2,919	(1,142)	2,527	(68)	9,208
***	Total Maintenance	77,430	90,900	70,503	105,869	83,191	72,554	50,634	58,749	75,420	96,121	110,676	90,645	982,692
	Prior year	93,239	69,995	86,428	91,239	83,852	80,219	115,990	80,286	82,292	87,679	91,574	124,869	1,087,662
	Change	(15,809)	20,905	(15,925)	14,630	(661)	(7,665)	(65,356)	(21,537)	(6,872)	8,442	19,102	(34,224)	(104,970)
902.00	Meter reading	5,458	1,065	3,184	7,503	2,798	7,063	6,484	6,867	4,174	3,639	4,657	4,310	57,202
	Prior year	14,376	11,017	10,591	8,197	12,665	9,330	11,320	8,309	10,600	4,760	8,235	6,687	116,087
	Change	(8,918)	(9,952)	(7,407)	(694)	(9,867)	(2,267)	(4,836)	(1,442)	(6,426)	(1,121)	(3,578)	(2,377)	(58,885)

Big Sandy Rural Electric Cooperative  
Comparison of Test Year Income Statement Account  
Balances with those of the Preceding Year

Exhibit X  
page of  
Witness: Alan Zumstein

Acct #	Description	September Month 1	October Month 2	November Month 3	December Month 4	January Month 5	February Month 6	March Month 7	April Month 8	May Month 9	June Month 10	July Month 11	August Month 12	Total
903.00	Consumer records & c	37,312	40,485	35,316	35,668	35,938	38,786	38,553	39,111	40,559	38,291	35,932	51,463	467,414
	Prior year	40,248	40,986	38,764	36,297	40,804	39,312	41,851	41,046	43,097	33,686	34,705	41,104	471,900
	Change	(2,936)	(501)	(3,448)	(629)	(4,866)	(526)	(3,298)	(1,935)	(2,538)	4,605	1,227	10,359	(4,486)
903.10	Cash short/over	30	253	55	(59)	217	(61)	106	(15)	1	131	72	83	813
	Prior year	53	91	2	76	246	159	106	127	410	329	124	(239)	1,484
	Change	(23)	162	53	(135)	(29)	(220)	0	(142)	(409)	(198)	(52)	322	(671)
904.00	Uncollectibles	8,000	8,000	8,000	8,000	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	84,000
	Prior year	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	96,000
	Change	0	0	0	0	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(12,000)
***	Total Consumer Accou	50,800	49,803	46,555	51,112	45,453	52,288	51,643	52,463	51,234	48,561	47,161	62,356	609,429
	Prior year	62,677	60,094	57,357	52,570	61,715	56,801	61,277	57,482	62,107	46,775	51,064	55,552	685,471
	Change	(11,877)	(10,291)	(10,802)	(1,458)	(16,262)	(4,513)	(9,634)	(5,019)	(10,873)	1,786	(3,903)	6,804	(76,042)
908.00	Consumer Assistance	8,288	9,938	8,019	(10,306)	8,517	7,710	8,752	8,119	8,710	10,971	8,931	6,492	84,141
	Prior year	15,335	9,910	10,628	10,977	11,427	7,130	6,406	7,684	9,401	7,812	9,876	11,963	118,549
	Change	(7,047)	28	(2,609)	(21,283)	(2,910)	580	2,346	435	(691)	3,159	(945)	(5,471)	(34,408)
909.00	Information and instruction													0
	Prior year	736	1,255	1,255	3,102	100	600						675	7,723
	Change	(736)	(1,255)	(1,255)	(3,102)	(100)	(600)	0	0	0	0	0	(675)	(7,723)
***	Total Customer Servic	8,288	9,938	8,019	(10,306)	8,517	7,710	8,752	8,119	8,710	10,971	8,931	6,492	84,141
	Prior year	16,071	11,165	11,883	14,079	11,527	7,730	6,406	7,684	9,401	7,812	9,876	12,638	126,272
	Change	(7,783)	(1,227)	(3,864)	(24,385)	(3,010)	(20)	2,346	435	(691)	3,159	(945)	(6,146)	(42,131)
913.00	Advertising	20	45	140	140	40	100	165	90	90	40	40	50	960
	Prior year	583	90	40	583	40	190	75	45	70	25	20	170	1,931
	Change	(563)	(45)	100	(443)	0	(90)	90	45	20	15	20	(120)	(971)
***	Total Sales	20	45	140	140	40	100	165	90	90	40	40	50	960
	Prior year	583	90	40	583	40	190	75	45	70	25	20	170	1,931
	Change	(563)	(45)	100	(443)	0	(90)	90	45	20	15	20	(120)	(971)
920.00	Administrative salaries	49,180	56,184	52,935	50,594	52,090	52,109	48,518	51,460	54,239	47,853	53,699	49,934	618,795
	Prior year	67,805	61,677	60,858	56,364	69,952	60,567	62,355	61,204	69,177	56,123	112,436	53,840	792,358
	Change	(18,625)	(5,493)	(7,923)	(5,770)	(17,862)	(8,458)	(13,837)	(9,744)	(14,938)	(8,270)	(58,737)	(3,906)	(173,563)
921.00	Office supplies & exp	10,642	12,707	10,476	(1,514)	11,205	7,662	7,744	10,493	10,597	13,011	6,662	14,544	114,229
	Prior year	8,765	10,226	7,366	11,111	12,468	11,441	9,754	11,873	12,457	10,472	9,286	14,988	130,207
	Change	1,877	2,481	3,110	(12,625)	(1,263)	(3,779)	(2,010)	(1,380)	(1,860)	2,539	(2,624)	(444)	(15,978)
923.00	Outside services	1,909	1,734	8,680	21,636	2,001	4,229	11,194	2,382	2,364	1,900	1,896	1,800	61,725
	Prior year	3,200	1,923	1,948	1,933	3,047	1,684	8,125	4,422	1,684	1,684	2,302	1,777	33,729
	Change	(1,291)	(189)	6,732	19,703	(1,046)	2,545	3,069	(2,040)	680	216	(406)	23	27,996
925.00	Injuries & damanges	2,514	3,288	3,288	3,318	2,524	2,524	2,524	2,524	2,524	2,524	2,524	2,524	32,600
	Prior year	2,401	2,401	2,401	2,401	2,507	2,507	3,027	2,507	2,507	2,507	2,506	2,507	30,179
	Change	113	887	887	917	17	17	(503)	17	17	17	18	17	2,421

Big Sandy Rural Electric Cooperative  
Comparison of Test Year Income Statement Account  
Balances with those of the Preceding Year

Exhibit X  
page of  
Witness: Alan Zumstein

Acct #	Description	September Month 1	October Month 2	November Month 3	December Month 4	January Month 5	February Month 6	March Month 7	April Month 8	May Month 9	June Month 10	July Month 11	August Month 12	Total
926.00	Employee benefits	226	(145)	7	(520)	300		41	(274)	(68)			50	(383)
	Prior year	(16)	(53)	159	12,643	28		(28)	37	(45)	1,878	(1,805)	(144)	12,654
	Change	242	(92)	(152)	(13,163)	272	0	69	(311)	(23)	(1,878)	1,805	194	(13,037)
929.00	Duplicate charge	(87)	(50)	(79)	(112)	(214)	(190)	(154)	(82)	(71)	(83)	(92)	(90)	(1,304)
	Prior year	(111)	(65)	(66)	(84)	(96)	(115)	(147)	(76)	(259)	(88)	(94)	(114)	(1,315)
	Change	24	15	(13)	(28)	(118)	(75)	(7)	(6)	188	5	2	24	11
930.10	General advertising		67								765			832
	Prior year	50								765				815
	Change	(50)	67	0	0	0	0	0	0	(765)	765	0	0	17
930.11	Directors per diem	2,100	5,100	1,525	2,100	7,940	4,200	2,100	5,300	5,000	2,300	1,680	2,100	41,445
	Prior year	6,000	3,283	2,272	745	2,100	4,500	4,100	7,700	6,575	2,300	3,500	2,100	45,175
	Change	(3,900)	1,817	(747)	1,355	5,840	(300)	(2,000)	(2,400)	(1,575)	0	(1,820)	0	(3,730)
930.12	Directors mileage	103	103	103	103	108	215	108	455	215	108	125	125	1,871
	Prior year	158	79	79	79	79	79	79	79	158	79	777	103	1,828
	Change	(55)	24	24	24	29	136	29	376	57	29	(652)	22	43
930.14	Directors expenses	3,111	1,539	7,514	2,818	1,541	3,336	2,229	4,229	3,744	973	1,742	1,465	34,241
	Prior year	2,158	1,425	5,133	6,027	3,733	2,913	2,164	3,053	3,568	1,543	1,548	3,243	36,508
	Change	953	114	2,381	(3,209)	(2,192)	423	65	1,176	176	(570)	194	(1,778)	(2,267)
930.20	Miscellaneous general	19,381	18,440	18,421	12,589	17,274	17,259	17,278	12,297	15,990	11,088	21,173	16,119	197,309
	Prior year	16,195	14,273	14,278	16,458	17,284	17,277	17,337	17,270	17,265	17,268	17,282	17,490	199,677
	Change	3,186	4,167	4,143	(3,869)	(10)	(18)	(59)	(4,973)	(1,275)	(6,180)	3,891	(1,371)	(2,368)
931.00	Rents	783	784	10,316	750	863	750	886	1,950	1,960	760	950	750	21,502
	Prior year	750	750	850	8,518	2,649	750	1,346	1,950	1,950	750	950	750	21,963
	Change	33	34	9,466	(7,768)	(1,786)	0	(460)	0	10	10	0	0	(461)
935.00	Maintenance of generat	2,694	515	1,963	708	4,065	4,537	1,584	3,938	4,993	1,017	3,423	647	30,084
	Prior year	1,758	2,683	940	1,408	2,226	2,384	6,388	1,005	2,078	2,287	2,725	4,368	30,250
	Change	936	(2,168)	1,023	(700)	1,839	2,153	(4,804)	2,933	2,915	(1,270)	698	(3,721)	(166)
***	Total Administrative &	92,556	100,266	115,149	92,470	99,697	96,631	94,052	94,672	101,487	82,216	93,782	89,968	1,152,946
	Prior year	109,113	98,602	96,218	117,603	115,977	103,987	114,500	111,024	117,880	96,803	151,413	100,908	1,334,028
	Change	(16,557)	1,664	18,931	(25,133)	(16,280)	(7,356)	(20,448)	(16,352)	(16,393)	(14,587)	(57,631)	(10,940)	(181,082)
403.60	Distribution depreciati	98,424	98,968	99,177	99,594	99,955	100,270	100,495	100,646	100,862	101,133	101,271	101,514	1,202,309
	Prior year	93,952	94,334	94,745	94,902	95,300	94,557	95,500	95,806	96,389	97,066	97,698	98,066	1,148,315
	Change	4,472	4,634	4,432	4,692	4,655	5,713	4,995	4,840	4,473	4,067	3,573	3,448	53,994
403.70	General depreciation	5,551	5,551	5,515	5,182	5,258	5,261	5,262	5,345	5,350	5,114	5,386	5,388	64,163
	Prior year	5,075	5,075	5,075	5,075	5,075	5,094	5,257	5,684	5,610	5,610	5,610	5,551	63,791
	Change	476	476	440	107	183	167	5	(339)	(260)	(496)	(224)	(163)	372
***	Total Depreciation	103,975	104,519	104,692	104,776	105,213	105,531	105,757	105,991	106,212	106,247	106,657	106,902	1,266,472
	Prior year	99,027	99,409	99,820	99,977	100,375	99,651	100,757	101,490	101,999	102,676	103,308	103,617	1,212,106
	Change	4,948	5,110	4,872	4,799	4,838	5,880	5,000	4,501	4,213	3,571	3,349	3,285	54,366

Big Sandy Rural Electric Cooperative  
Comparison of Test Year Income Statement Account  
Balances with those of the Preceding Year

Acct #	Description	September Month 1	October Month 2	November Month 3	December Month 4	January Month 5	February Month 6	March Month 7	April Month 8	May Month 9	June Month 10	July Month 11	August Month 12	Total
408.70	Regulatory	1,862	1,861	1,861	1,861	1,750	1,750	1,750	1,750	1,750	1,905	1,905	1,905	21,910
	Prior year	1,704	1,704	1,704	1,704	1,583	1,583	1,583	1,583	1,583	1,861	1,861	1,861	20,314
	Change	158	157	157	157	167	167	167	167	167	44	44	44	1,596
***	Total Tax Expense - O	1,862	1,861	1,861	1,861	1,750	1,750	1,750	1,750	1,750	1,905	1,905	1,905	21,910
	Prior year	1,704	1,704	1,704	1,704	1,583	1,583	1,583	1,583	1,583	1,861	1,861	1,861	20,314
	Change	158	157	157	157	167	167	167	167	167	44	44	44	1,596
427.10	RUS interest	25,262	26,067	25,190	25,990	25,919	24,179	33,499	30,560	29,869	28,862	29,779	29,735	334,911
	Prior year	19,611	20,250	19,638	20,332	20,305	18,354	31,053	25,510	26,348	25,436	26,248	26,223	279,308
	Change	5,651	5,817	5,552	5,658	5,614	5,825	2,446	5,050	3,521	3,426	3,531	3,512	55,603
427.20	CFC interest	31,000	30,000	31,600	31,600	32,500	32,500	31,000	29,000	31,200	31,200	31,200	30,000	372,800
	Prior year	32,000	32,000	33,000	32,000	32,000	32,000	32,000	32,000	32,000	32,500	32,500	31,000	385,000
	Change	(1,000)	(2,000)	(1,400)	(400)	500	500	(1,000)	(3,000)	(800)	(1,300)	(1,300)	(1,000)	(12,200)
427.30	FFB interest	25,000	30,000	10,500	30,000	30,000	30,000	25,000	23,000	23,000	25,000	25,000	25,000	301,500
	Prior year	30,000	30,000	35,000	30,000	30,000	30,000	27,000	30,000	30,000	21,000	21,000	21,000	335,000
	Change	(5,000)	0	(24,500)	0	0	0	(2,000)	(7,000)	(7,000)	4,000	4,000	4,000	(33,500)
***	Total Interest on Long-	81,262	86,067	67,290	87,590	88,419	86,679	89,499	82,560	84,069	85,062	85,979	84,735	1,009,211
	Prior year	81,611	82,250	87,638	82,332	82,305	80,354	90,053	87,510	88,348	78,936	79,748	78,223	999,308
	Change	4,651	3,817	4,152	5,258	6,114	6,325	1,446	2,050	2,721	2,126	2,231	2,512	43,403
431.00	Interest - customer dep	2,585	2,592	2,587	3,297	2,589	2,631	2,619	2,679	2,767	2,807	2,839	2,886	32,878
	Prior year	2,512	2,515	2,541	2,351	2,580	2,560	2,599	2,595	2,610	1,527	2,599	2,576	29,565
	Change	73	77	46	946	9	71	20	84	157	1,280	240	310	3,313
431.10	Short-term loans	909	2,279	8,976	4,071	7,732	7,436	6,265	7,021		3,616	1,108	1,142	50,555
	Prior year	624	1,703	1,759	1,701	1,761	2,249	756						10,553
	Change	285	576	7,217	2,370	5,971	5,187	5,509	7,021	0	3,616	1,108	1,142	40,002
***	Total Interest - Other	3,494	4,871	11,563	7,368	10,321	10,067	8,884	9,700	2,767	6,423	3,947	4,028	83,433
	Prior year	3,136	4,218	4,300	4,052	4,341	4,809	3,355	2,595	2,610	1,527	2,599	2,576	40,118
	Change	358	653	7,263	3,316	5,980	5,258	5,529	7,105	157	4,896	1,348	1,452	43,315
421.10	Gain on disposition				(21,071)									(21,071)
	Prior year				(101,099)									(101,099)
	Change	0	0	0	80,028	0	0	0	0	0	0	0	0	80,028
426.00	Donations		100	50		1,362	315	366	825	2,873	100	800		6,791
	Prior year	100	100	1,064		839	357	1,375	700	3,100		200	100	7,935
	Change	(100)	0	(1,014)	0	523	(42)	(1,009)	125	(227)	100	600	(100)	(1,144)
426.5	Other deductions		434	70	375									879
	Prior year					13								13
	Change	0	434	70	375	(13)	0	0	0	0	0	0	0	866
***	Total Other Deduction	0	534	120	(20,696)	1,362	315	366	825	2,873	100	800	0	(13,401)
	Prior year	100	100	1,064	(101,099)	852	357	1,375	700	3,100	0	200	100	(93,151)
	Change	(100)	434	(944)	80,403	510	(42)	(1,009)	125	(227)	100	600	(100)	79,750

Big Sandy Rural Electric Cooperative  
Comparison of Test Year Income Statement Account  
Balances with those of the Preceding Year

Exhibit X  
page of  
Witness: Alan Zumstein

Acct #	Description	September Month 1	October Month 2	November Month 3	December Month 4	January Month 5	February Month 6	March Month 7	April Month 8	May Month 9	June Month 10	July Month 11	August Month 12	Total
****	Total Cost of Electric	1,786,595	1,562,899	1,855,191	2,047,714	2,552,712	2,221,975	2,012,503	1,695,761	1,618,836	1,783,311	2,060,794	1,868,454	23,066,745
	Prior year	1,366,799	1,593,684	1,606,198	2,260,323	2,157,176	2,241,626	1,833,264	1,706,158	1,847,212	1,621,249	1,777,447	2,000,800	22,011,936
	Change	419,796	(30,785)	248,993	(212,609)	395,536	(19,651)	179,239	(10,397)	(228,376)	162,062	283,347	(132,346)	1,054,809
****	Operating Margins	(125,632)	(6,506)	(7,128)	230,296	(116,663)	228,620	127,288	(65,054)	(153,118)	106,335	(349,118)	65,143	(65,537)
	Prior year	91,800	(20,351)	151,113	(187,399)	(65,063)	431,959	(129,472)	(20,897)	(297,960)	147,163	(54,481)	44,069	90,481
	Change	(217,432)	13,845	(158,241)	417,695	(51,600)	(203,339)	256,760	(44,157)	144,842	(40,828)	(294,637)	21,074	(156,018)
419.00	Interest income	3,963	4,400	4,420	4,277	4,415	4,381	4,236	3,932	3,709	3,362	3,347	4,265	48,707
	Prior year	4,126	9,570	4,377	4,464	4,504	5,833	6,162	6,077	6,533	4,719	4,314	4,322	65,001
	Change	(163)	(5,170)	43	(187)	(89)	(1,452)	(1,926)	(2,145)	(2,824)	(1,357)	(967)	(57)	(16,294)
***	Total Non Operating In	3,963	4,400	4,420	4,277	4,415	4,381	4,236	3,932	3,709	3,362	3,347	4,265	48,707
	Prior year	4,126	9,570	4,377	4,464	4,504	5,833	6,162	6,077	6,533	4,719	4,314	4,322	65,001
	Change	(163)	(5,170)	43	(187)	(89)	(1,452)	(1,926)	(2,145)	(2,824)	(1,357)	(967)	(57)	(16,294)
424.40	Patronage capital - East KY													0
	Prior year													0
	Change	0	0	0	0	0	0	0	0	0	0	0	0	0
***	Total G & T Capital C	0	0	0	0	0	0	0	0	0	0	0	0	0
	Prior year	0	0	0	0	0	0	0	0	0	0	0	0	0
	Change	0	0	0	0	0	0	0	0	0	0	0	0	0
424.10	Patronage capital - oth	88,927			(37,568)		12,826	14,985						79,170
	Prior year	52,402			3,398		8,409	8,409						64,209
	Change	36,525	0	0	(40,966)	0	12,826	6,576	0	0	0	0	0	14,961
***	Total Other Patronage	88,927	0	0	(37,568)	0	12,826	14,985	0	0	0	0	0	79,170
	Prior year	52,402	0	0	3,398	0	8,409	8,409	0	0	0	0	0	64,209
	Change	36,525	0	0	(40,966)	0	12,826	6,576	0	0	0	0	0	14,961
*****	Net Margins	(32,742)	(2,106)	(2,708)	197,005	(112,248)	245,827	146,509	(61,122)	(149,409)	109,697	(345,771)	69,408	62,340
	Prior year	148,328	(10,781)	155,490	(179,537)	(60,559)	437,792	(114,901)	(14,820)	(291,427)	151,882	(50,167)	48,391	219,691
	Change	(181,070)	8,675	(158,198)	376,542	(51,689)	(191,965)	261,410	(46,302)	142,018	(42,185)	(295,604)	21,017	(157,351)



ACCOUNT	DESCRIPTION	AMOUNT
107.20	CWIP FORCE ACCOUNT	57,098.26
107.21	CWIP - INDIRECT	0.00
107.30	CWIP SPECIAL EQUIPMENT	0.00
108.60	ACCUM PROV DEPR DIST PLANT	1,599,679.49
108.61	ACCUM. DEPR. DIST. PLANT A/C 364	3,089,338.79-
108.62	ACCUM DEPR. DIST. PLANT A/C 365	2,686,266.62-
108.63	ACCUM. DEPR. DIST. PLANT A/C 366	47,761.28-
108.64	ACCUM DEPR. DIST. PLANT. A/C 367	44,652.98-
108.65	ACCUM. DEPR. DIST. PLANT A/C 368	1,493,894.27-
108.66	ACCUM. DEPR. DIST. PLANT. A/C 369	1,013,383.68-
108.67	ACCUM. DEPR. DIST. PLANT. A/C 370	539,739.65-
108.68	ACCUM PERP. DIST. PLANT A/C 371	512,018.77-
108.69	ACCUM DEPR. DIST. PLANT A/C 362	39,230.50-
108.70	ACCUM PROV DEPR GENERAL PLANT	1,308,748.25-
108.71	ACCUM. DEPR. GEN. PLANT A/C 390.10	162,013.84-
108.72	ACCUM. DEPR. GEN. PLANT A/C 391	192,392.21-
108.73	ACCUM. DEPR. GEN. PLANT A/C 394	40,006.74-
108.74	ACCUM. DEPR. GEN. PLANT. A/C 395	66,681.57-
108.75	ACCUM. DEPR. GEN. PLANT A/C 396	7,999.67-
108.76	ACCUM. DEPR. GEN. PLANT A/C 397	48,729.59-
108.77	ACCUM. DEPR. GEN. PLANT A/C 398	16,991.86-
108.80	RETIREMENT WIP	3,103.81
108.81	RETIREMENT WIP - INDIRECT	0.00
123.10	PATR CAP ASSOC CO OPS	5,311,151.09
123.22	INVEST. CAP. TERM CERT. CFC	548,480.93
123.23	OTHER INVEST. ASSOC. ORGIZ.	3,205.00
124.00	OTHER INVESTMENTS	5,500.00
131.10	CASH GENERAL PAYROLL CHECKS	0.00
131.12	CASH GENERAL CITIZENS GEN CHECK	1,404,657.20
131.13	CASH-GENERAL BSRECC FLEX-SPEND.	6,669.86
131.20	CASH CONST. FUND TRUSTEE	477.50
134.00	OTHER SPECIAL DEPOSITS	20.00
135.00	WORKING FUND PETTY CASH/SANDRA	100.00
135.10	CHANGE FUND PRESTONSBURG OFFICE	500.00
135.13	WORKING FUND-CHANGE BARBARA	100.00
135.20	WORKING FUND-CHANGE DENISE	100.00
135.30	CHANGE FUND-PAINTSVILLE OFFICE	500.00
135.40	WORKING FUND-CHANGE RHEA LYNN	100.00
135.60	WORKING FUND-CHANGE PRESTONSBURG	100.00
135.80	WORKING FUND-CHANGE PRESTONSBURG	100.00
135.90	WORKING FUND-CHANGE PRESTONSBURG	100.00
136.00	TEMPORARY CASH INVESTMENTS	23,088.72
136.20	TEMP. CASH INVST. MONEY MARKET	212,428.75
142.10	CONS. ACCTS. RECEIVABLE ELECTRIC	2,539,592.63
143.00	OTHER ACCOUNTS RECEIVABLE	231,922.54
143.10	OTHER ACCTS. RECIV-EXPENSE ADVANC	0.00
143.30	ACCTS. REC. NRECA PERSONAL LOAN	0.00
143.40	ACCTS. REC. OHIO NAT'L EMP. LDANS	0.00
143.50	RELAY FOR LIFE DONATION	563.00

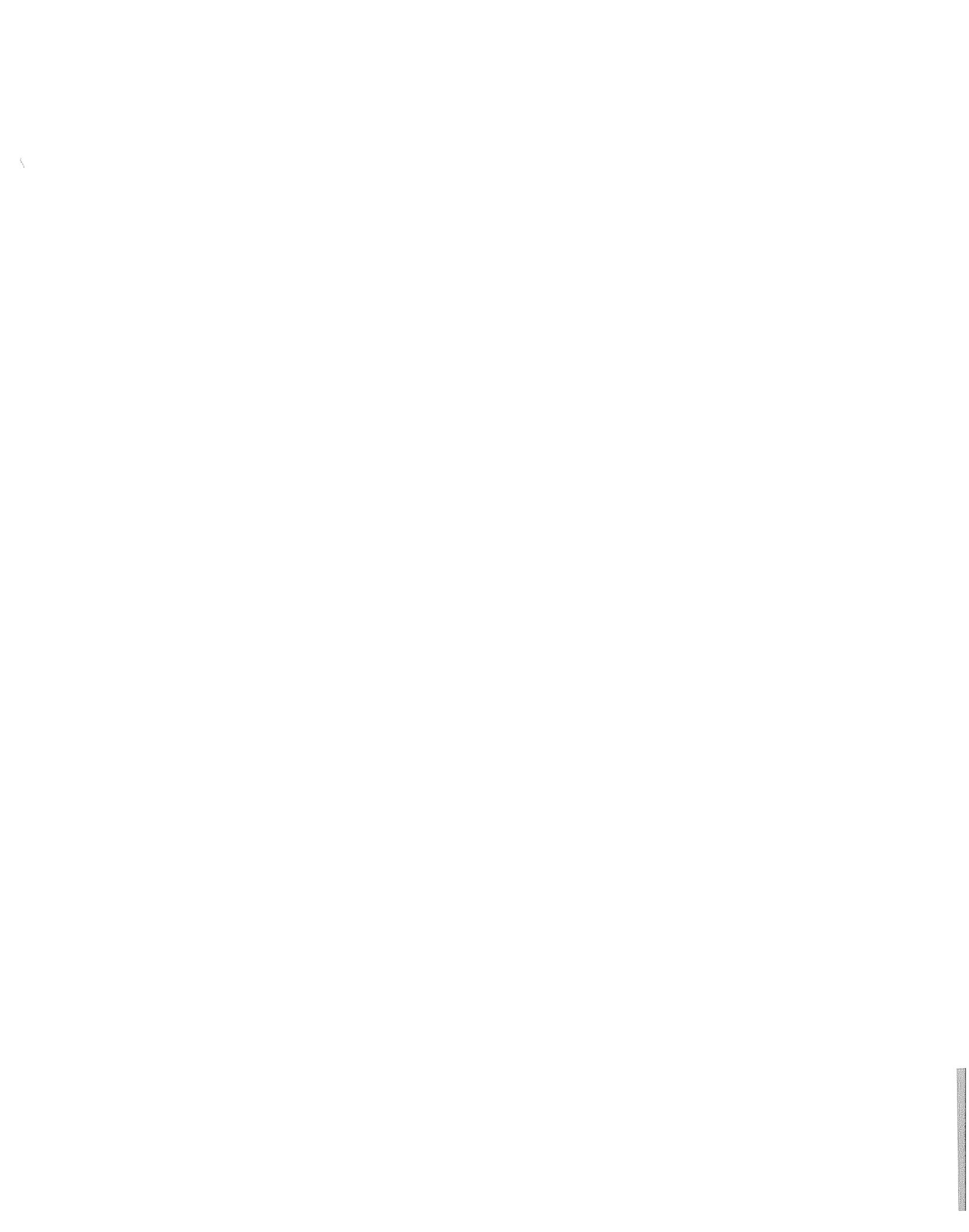
ACCOUNT	DESCRIPTION	AMOUNT
144.10	ACCUM PROV UNCOLLECT ACCTS CR	65,539.43-
154.00	PLANT MATERIAL & OPERATING SUPPLY	323,741.72
163.00	STORES EXPENSE UNDISTRIBUTED	0.00
163.10	MINOR MATERIAL/ STORES EXPENSE	0.00
165.10	PREPAYMENTS-INSURANCE	23,309.37
165.20	OTHER PREPAYMENTS-LICENSE FEES	0.00
165.40	OTHR PREPAY/MRG, OFFC, DIRC, INS	593.28
165.50	OTHER PREPAY-DUES	10,808.42
171.00	INTEREST & DIVIDENDS RECEIVABLE	7,111.64
183.00	PRELIM SERVAYS & INVESTGAT. CHGE	7,504.38
184.00	TRANSPOTATION EXP. - INDIRECT	132.64
184.10	TRANSPORTATION EXP CLEARING	0.00
186.10	MISC DEFERRED DEBITS-RATE CASE	0.00
200.10	MEMBERSHIPS	228,465.00-
201.10	PATRONS CAPITAL CREDITS	14,149,309.39-
208.00	DONATED CAPITAL	49,025.02-
208.10	DONATED CAPITAL/CAPITAL CREDITS	14,686.04-
215.30	OTHER COMPREHENSIVE INCOME/FASB	1,106,360.00
217.00	RETIRED CAPITAL CREDIT-GAIN	105,575.30-
217.10	RETIRED CAP.CR. GAIN-DISCOUNT \$	220,036.97-
219.10	OPERATING MARGINS	0.00
219.20	NON OPERATING MARGINS	0.00
219.30	OTHER MARGINS	695,512.15
224.12	OTHER LONG TERM DEBT-CFC	2,778,150.38-
224.13	CFC NOTES EXUC.-DEBIT/REFINANCED	3,447,554.98-
224.20	FFB NOTES EXUC.	6,527,498.52-
224.30	LONG TERM DEBT-RUS NOTES EXUC	9,885,350.07-
224.40	RUS NOTES EXUC CONST DEBT	0.00
228.30	ACCUM PROV PENSIONS/BENEFITS	1,774,531.15-
231.00	NOTES PAYABLE	300,000.00-
232.10	ACCOUNTS PAYABLE GENERAL	176,899.39-
232.30	ACCTS PAYABLE INSPECT/SPRAYING	6,610.95
232.40	ACCTS PAYABLE-WHOLESALE POWER	1,337,787.00-
232.50	ACCTS PAYABLE/PSC ASSMT	7,620.99
232.80	ACCTS PAYABLE CHILD SUPPORT	0.00
235.00	CONSUMER DEPOSITS	346,978.00-
235.10	CONSUMER DEPOSITS-COMMERCIAL	230,132.00-
236.10	ACCURED PROPERTY TAX	60,178.31-
236.20	ACCRD US SOC SECURITY UNEMPLMEN	62.79-
236.30	ACCRD US SOC SECURITY TAX FICA	1,997.00
236.40	ACCRD STATE SOC SECURITY UNEMP	86.33-
236.50	ACCURED STATE SALES TAX	0.00
237.10	ACCURED RUS INT CONST OBLIG	0.00
237.20	FFB INTEREST ACCRUED	75,983.49-
237.30	OTHER INTEREST ACCRUED	34,008.78-
237.50	OTHER INT ACCRUED CONSUMER DEP	19,706.83-
241.00	TAX COLLECTION PAYBLE FEDERAL	0.00
241.10	SCHOOL TAX -MARTIN COUNTY	0.00
241.11	MARTIN COUNTY OCCUPATIONAL TAX	0.00

ACCOUNT	DESCRIPTION	AMOUNT
241.20	TAX COLLECTION PAY-CITY TAX	1,700.58-
241.30	TAX COLLECT PAYBLE ST INCOME TAX	0.00
241.40	SCHOOL TAX-BREATHITT COUNTY	0.00
241.50	SCHOOL TAX-JOHNSON COUNTY	0.00
241.60	SCHOOL TAX LAWRENCE COUNTY	0.00
241.70	SCHOOL TAX-MAGOFFIN COUNTY	0.00
241.80	SCHOOL TAX-KNOTT COUNTY	0.00
241.90	JOHNSON COUNTY OCCUPATIONAL TAX	1,083.92-
242.10	BSRECC FLEX-SPENDING PLAN	1,677.13
242.11	CUR/ACCRUED LIAB-CANCER INS	108.40-
242.14	CURR.ACCRD.LIAB/DENTAL INS	176.04-
242.17	CURR.ACCRD.LIAB.401K ALL EMP	2,082.92-
242.18	CURR.ACCR.LIB.401K OTSD/PAY DED.	0.00
242.19	CURR.ACCR.LIAB.OTSD.RETIRMT.%	2,353.37-
242.20	ACCRUED PAYROLL	60,319.73-
242.30	ACCRUED EMPLOYEE VACATION	121,135.02-
242.31	ACCRUED EMPLOYEE SICK LEAVE	112,976.66-
242.50	CURR.ACCRD.LIAB.MEETING/AUDIT	3,531.15-
242.60	CURR.ACCRD.LIAB/DEPENDENT LIFE	168.14-
242.80	CURR.ACCRD.LIAB/CREDIT UNION	0.00
242.90	CURR.ACCRD.LIAB/UNION DUES	0.00
252.00	CONSUMER ADVANCE CONSTRUCTION	34,645.31-
362.00	STATION EQUIPMENT	353,138.97
364.00	POLES, TOWERS & FIXTURES	11,182,117.29
365.00	OVERHEAD CONDUCTORS & DEVICES	9,967,467.36
366.00	UNDERGROUND CONDUIT	290,133.68
367.00	UNDERGROUND COND. & DEVICES	235,932.96
368.00	LINE TRANSFORMERS	5,532,408.94
369.00	SERVICES	3,859,903.62
370.00	METERS	3,195,610.88
371.00	INST. ON CONSUMER PREMISES	1,899,105.01
389.00	LAND & LAND RIGHTS	50,000.00
390.10	STRUCTURES & IMPROVEMENTS	678,937.32
391.00	OFFICE FURNITURE & EQUIPMENT	424,735.60
392.00	TRANSPORTATION EQUIPMENT	1,256,061.57
394.00	TOOLS, SHOP, GARAGE EQUIPMENT	61,134.14
395.00	LABORATORY EQUIPMENT	127,567.85
396.00	POWER OPERATED EQUIPMENT	31,965.64
397.00	COMMUNICATIONS EQUIPMENT	57,722.90
398.00	MISCELLANEOUS EQUIPMENT	34,305.17
403.60	DEPR EXPENSE DISTRIBUTION PLANT	1,202,310.72
403.70	DEPR EXPENSE GENERAL PLANT	64,164.60
408.10	TAXES-PROPERTY	0.00
408.20	TAXES US SOCIAL SECURITY UMEMP	0.00
408.30	TAXES US SOCIAL SECURITY FICA	0.00
408.40	TAXES STATE SOCIAL SEC. UNEMP	0.00
408.70	TAXES OTHER REGULATORY COMMSION.	21,911.00
415.00	REVENUE FROM MERCHANDISING	0.00
419.00	INTEREST & DIVIDEND INCOME	48,706.60-
421.10	GAIN ON DISPOSITION OF PROPERTY	21,071.33-
421.20	LOSS ON DISPOSITION OF PROPERTY	0.00
423.00	GENERATION & TRANSM.CAPITAL CR.	0.00
424.00	OTHR CAP.CR.& PATR.CAP.ALLOC	79,170.52-
426.10	DONATIONS	6,790.94
426.30	PENALTIES	879.77
426.40	EXPENDITURE CIVIC & POLITICAL	0.00

ACCOUNT	DESCRIPTION	AMOUNT
		0.00
426.50	OTHER DEDUCTIONS	
427.10	INT ON RUS CONSTRUCTION LOAN	334,909.25
427.20	INT ON OTHER LONG TERM DEBT	372,800.00
427.30	INTEREST ON FFB NOTES	301,500.00
428.00	AMORT OF DEBT DISCOUNT	0.00
431.00	OTHER INTEREST EXPENSE	32,877.12
431.10	OTHER INT EXP.SHORT TERM LOAN	23,601.86
431.20	INTEREST EKP INEZ 69KV LINE PROJ	26,952.10
435.10	CUMULATIVE EFFECTS PRIOR YEARS	0.00
440.10	RESIDENTIAL SALES-RURAL	16,002,515.00-
442.10	COMM. & INDUST.SALES-SMALL	1,528,333.06-
442.20	COMM. & INDUST.SALES-LARGE	4,866,491.84-
450.00	FORFEITED DISCOUNTS	249,793.50-
451.00	MISC.SERVICE REVENUES	70,175.22-
454.00	RENT FROM ELECTRIC PROPERTY	282,821.45-
456.00	OTHER ELECTRIC REVENUE	1,080.00-
555.00	PURCHASED POWER	16,969,650.00
580.00	OPERATIONS & SUPERVSON ENGR.	76,777.74
582.00	STATION EXPENSE	0.00
583.00	OVERHEAD LINE EXPENSE	189,903.91
586.00	METER EXPENSE	354,789.72
586.10	METER EXPENSE TWACS SYSTEM	70,911.29
587.00	CONSUMER INSTALLATION EXPENSE	42,228.61
588.00	MIS.DISTRIBUTION EXPENSE	101,430.30
588.10	MAPPING EXPENSE/GPS SYSTEM	63,260.76
589.00	RENTS	0.00
590.00	MAINT.SUPERVSN.ENGR.	75,345.47
592.00	MAINTENANCE STATION EQUIPMENT	3,408.56
593.00	MAINT.OVERHEAD LINES	367,239.65
593.10	MAINT.OVERHEAD LINES R/W	75,667.75
593.20	OVERHEAD LINES R/W-CONTRACTOR	334,721.48
595.00	MAINT.LINE TRANSFORMERS	52,902.09
597.00	MAINT. OF METERS	1,001.00
598.00	MAINT.MISC.DISTRIBUTION PLANT	72,405.60
901.00	SUPERVISION	0.00
902.00	METER READING EXPENSE	57,203.53
903.00	CONSUMER RECD'S COLLECTION EXP	467,413.25
903.10	CONS.RECD'S EXP.OVER/SHORT	813.58
904.00	UNCOLLECTIBLE ACCOUNTS	84,000.00
908.00	CONSUMER ASSISTANCE EXPENSE	84,141.05
909.00	INFORMATION & INSTRUCTION EXP	0.00
912.00	DEMOSTRATING & SELLING EXP	0.00
913.00	ADVERTISING EXPENSE	960.00
920.00	ADMINISTRATIVE SALARIES	618,796.41
921.00	OFFICE SUPPLIES & EXPENSE	114,229.51
923.00	OUTSIDE SERVICE EMPLOYED	61,723.83
924.00	PROPERTY INSURANCE	0.00
925.00	INJURIES & DAMAGES	32,598.94
926.00	EMPLOYEE PENSIONS & BENEFITS	382.05-

ACCOUNT	DESCRIPTION	AMOUNT
926.10	EMP. PENSIONS & BENEFITS RETIR IN	0.00
926.20	EMP. PENSIONS/BENEFITS PAST SVC	0.00
926.30	EMPLOYEE BENEFITS/SAVINGS	0.00
928.00	REGULATORY COMMISSION EXP	0.00
929.00	DUP. CHGES. CR. (CO-OP USED KWH)	1,303.90-
930.10	GENERAL ADVERTISING EXPENSE	831.50
930.11	DIRECTORS PER DIEM	41,445.00
930.12	DIRECTORS MILEAGE	1,870.42
930.13	DIRECTORS EXPENSES	34,240.47
930.20	MISC. GENERAL EXPENSE	197,309.71
931.00	RENTS	21,502.50
935.00	MAINT. GENERAL PLANT	30,085.05
999.99	ACCOUNT FOR FIXED JOURNAL ENTRIE	0.00

ACCOUNTS 000.00 TO 399.99 62,338.43  
ACCOUNTS 400.00 TO 999.99 62,338.43-



Big Sandy Rural Electric Cooperative  
Case No. 2008 - 00401

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

Line No.	Type of Capital	1998 10th Year		1999 9th Year		2000 8th Year		2001 7th Year		2002 6th Year		2003 5th Year	
		Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
1	Long Term Debt	12,692	55%	13,053	55%	13,256	54%	16,119	57%	16,009	55%	17,307	55%
2	Short Term Debt	371	2%	403	2%	598	2%	419	1%	200	1%	0	0%
3	Memberships	203	1%	207	1%	208	1%	212	1%	215	1%	218	1%
4	Patronage Capital	9,726	42%	10,076	42%	10,457	43%	11,543	41%	12,860	44%	13,907	44%
5	Other (Itemize by type)		0%		0%		0%		0%		0%		0%
6	Total Capitalization	22,992	100%	23,739	100%	24,519	100%	28,293	100%	29,284	100%	31,432	100%

Line No.	Type of Capital	2004 4th Year		2005 3rd Year		2006 2nd Year		2007 1st Year		2008 Test year		Latest Quarter May 31, 2008		Average Test Year	
		Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
1	Long Term Debt	17,005	55%	20,314	60%	19,639	58%	20,384	60%	22,639	63%	21,757	62%	21,130	61%
2	Short Term Debt	0	0%	0	0%	300	1%	800	2%	300	1%	300	1%	400	1%
3	Memberships	219	1%	221	1%	225	1%	227	1%	228	1%	228	1%	226	1%
4	Patronage Capital	13,683	44%	13,277	39%	13,635	40%	12,761	37%	12,640	35%	12,710	36%	13,076	38%
5	Other (Itemize by type)		0%		0%		0%		0%		0%		0%	0	0%
6	Total Capitalization	30,907	100%	33,812	100%	33,799	100%	34,172	100%	35,807	100%	34,995	100%	34,832	100%

Big Sandy Rural Electric Cooperative  
 Case No. 2008 - 00401  
 Calculation of Average Test Period Capital Structure  
 12 months ended August 31, 2008

Line No.	Item (a)	Total Capital (b)	Long-Term Debt (c)	Short-Term Debt (d)	Memberships (e)	Common Stock (f)	Patronage Capital (g)	Total Common Equity (h)
1	Balance Beginning of Test year	34,874	20,531	400	224		13,719	
2	1st month	34,792	20,486	400	224		13,682	
3	2nd month	35,178	20,476	800	225		13,677	
4	3rd month	35,123	20,428	800	225		13,670	
5	4th month	34,172	20,384	800	227		12,761	
6	5th month	34,047	20,373	800	227		12,647	
7	6st month	34,939	21,825		227		12,887	
8	7th month	35,037	21,778		227		13,032	
9	8th month	34,958	21,765		226		12,967	
10	9th month	34,709	21,371	300	227		12,811	
11	10th month	34,769	21,322	300	227		12,920	
12	11th month	34,408	21,309	300	228		12,571	
13	12th month	35,807	22,639	300	228		12,640	
14	Total (Line 1 through Line 13)	452,813	274,687	5,200	2,942	0	169,984	0
15	Average balance (Line 14/13)	34,832	21,130	400	226	0	13,076	0
16	Average capitalization ratios	100%	61%	1%	1%	0%	38%	0%
17	End of period capitalization ratios	100%	63%	1%	1%	0%	35%	0%



Big Sandy Rural Electric Cooperative  
Case No. 2008-00401  
August 31, 2008

**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. Increases are granted each January 1. Overtime pay is calculated at 1-1/2 times regular pay rate for hours worked in excess of 8 hours per day.

Big Sandy has a part-time employee at its branch office. A right-of-way crew is hired during summer months on a part-time basis. These employees were normalized at the same rate and hours during the test year.

Outside, non-management employees belong to a bargaining unit.

Wage and salary increases are as follows:

	<u>Union</u>	<u>Non Union</u>	
2009	\$0.50	\$0.50	per hour
2008	\$0.50	\$0.50	per hour
2007	4.00%	4.00%	
2006	\$0.55	3.00%	
2005	3.00%	3.00%	

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

Projected wages	\$2,046,296
Actual wages for test year	<u>1,971,015</u>
Adjustment	<u><u>\$75,281</u></u>

The allocation is on the following page:

Big Sandy Rural Electric Cooperative  
Case No. 2008-00401

Allocation of increase in payroll:

		<u>Labor</u> <u>Distribution</u>	<u>Percent</u>	<u>Allocation</u>
107.20	Construction work in progress	354,818	18.0%	13,552
108.80	Retirement work in progress	109,208	5.5%	4,171
163.00	Stores	46,167	2.3%	1,763
184.00	Transportation	43,355	2.2%	1,656
242.52	Employee sick leave	120,651	6.1%	4,608
580.00	Operations	33,814		
583.00	Overhead line	16,785		
586.00	Meter	209,076		
587.00	Consumer installation	3,054		
588.00	Miscellaneous distribution	94,285	18.1%	13,636
590.00	Maintenance	34,086		
592.00	Station	1,573		
593.00	Overhead line	174,510		
595.00	Transformers	8,485		
597.00	Meters	401		
598.00	Miscellaneous maintenance	21,307	12.2%	9,180
902.00	Meter reading	25,251		
903.00	Consumer records	167,296	9.8%	7,354
908.00	Consumer assistance	35,172	1.8%	1,343
920.00	Administrative	314,214		
921.00	Office supply and expense	156		
926.00	Employee benefits	152,657		
935.00	Maintenance general plant	<u>4,694</u>	<u>23.9%</u>	<u>18,017</u>
	Total	<u>1,971,015</u>	<u>100.0%</u>	<u>75,280</u>

Big Sandy Rural Electric Cooperative  
Case No. 2008-00401  
Employee Earnings and Hours  
August 31, 2008

Employee Number	Hours Worked Test Year			Actual Test Year Wages				Wage Rate Sept 1, 2008	Normalized Wages @ 2,080 Hours			
	Regular	Overtime	Total	Regular	Overtime	Dispatch	Total		Regular	Overtime	Dispatch	Total
<b>Salaried Employees:</b>												
1	2,080.00		2,080.00	60,304		2,400	62,704	31.15	64,792		2,400	67,192
16	2,080.00		2,080.00	65,712		2,400	68,112	33.75	70,200		2,400	72,600
130	2,080.00		2,080.00	66,964			66,964	35.01	72,821			72,821
134	2,080.00		2,080.00	43,456			43,456	21.55	44,824			44,824
136	2,080.00		2,080.00	63,549			63,549	31.21	64,917			64,917
149	2,080.00		2,080.00	39,755			39,755	19.77	41,122			41,122
157	2,080.00		2,080.00	100,006			100,006	48.08	100,006			100,006
163	1,360.00		1,360.00	20,752			20,752	16.50	34,320			34,320
Subtotal	15,920.00	0.00	15,920.00	460,498	0	4,800	465,298		493,002	0	4,800	497,802
<b>Hourly Non-Bargaining</b>												
20	2,080.00	17.00	2,097.00	38,672	478	2,400	41,550	19.25	40,040	491	2,400	42,931
124	2,080.00	63.00	2,143.00	41,917	1,905		43,822	20.81	43,285	1,967		45,251
138	2,080.00	3.00	2,083.00	38,672	84		38,756	19.25	40,040	87		40,127
139	1,152.00		1,152.00	18,029			18,029	16.15	33,592	0		33,592
142	2,080.00	22.50	2,102.50	30,518	495		31,013	15.33	31,886	517		32,404
144	2,080.00	22.50	2,102.50	31,101	509		31,610	15.61	32,469	527		32,996
145	2,080.00	5.50	2,085.50	21,907	87		21,994	11.19	23,275	92		23,368
155	2,080.00	28.00	2,108.00	22,737	462		23,199	11.51	23,941	483		24,424
159	2,080.00	47.00	2,127.00	41,917	1,410		43,327	20.81	43,285	1,467		44,752
161	1,737.50	4.00	1,741.50	17,842	65		17,907	11.50	23,920	69		23,989
165	0.00		0.00	0			0	10.00	20,800	0		20,800
Subtotal	19,529.50	212.50	19,742.00	303,312	5,495	2,400	311,207		356,533	5,700	2,400	364,633

Big Sandy Rural Electric Cooperative  
Case No. 2008-00401  
Employee Earnings and Hours  
August 31, 2008

Employee Number	Hours Worked Test Year			Actual Test Year Wages				Wage Rate Sept 1, 2008	Normalized Wages @ 2,080 Hours			
	Regular	Overtime	Total	Regular	Overtime	Dispatch	Total		Regular	Overtime	Dispatch	Total

**Bargaining Unit**

3	2,080.00	3.50	2,083.50	52,862	135		52,997	26.13	54,350	137		54,488
5	2,076.00	99.00	2,175.00	50,476	3,602		54,078	25.03	52,062	3,717		55,779
8	2,080.00	6.50	2,086.50	50,592	239		50,831	25.03	52,062	244		52,306
10	2,080.00	846.50	2,926.50	50,575	30,889		81,464	25.03	52,062	31,782		83,844
11	2,080.00	285.50	2,365.50	50,575	10,434		61,009	25.03	52,062	10,719		62,781
13	2,080.00	5.00	2,085.00	48,411	174		48,585	23.99	49,899	180		50,079
14	2,086.00	84.00	2,170.00	55,374	3,352	2,400	61,126	27.26	56,701	3,435	2,400	62,536
15	2,076.00	70.00	2,146.00	55,106	2,791		57,897	27.26	56,701	2,862		59,563
17	2,012.00	244.50	2,256.50	49,760	8,954		58,714	25.03	52,062	9,180		61,242
18	2,080.00	9.50	2,089.50	50,574	350		50,924	25.03	52,062	357		52,419
22	2,080.00	21.50	2,101.50	49,950	777		50,727	24.73	51,438	798		52,236
23	2,076.00	13.00	2,089.00	43,065	404		43,469	21.46	44,637	418		45,055
24	2,080.00	360.00	2,440.00	52,863	13,743		66,606	26.13	54,350	14,110		68,461
25	2,080.00	183.50	2,263.50	50,575	6,699		57,274	25.03	52,062	6,890		58,952
31	2,002.00	19.50	2,021.50	48,290	703		48,993	24.78	51,542	725		52,267
38	2,076.00	142.00	2,218.00	50,477	5,178		55,655	25.03	52,062	5,331		57,394
40	2,086.00	34.00	2,120.00	50,200	1,223		51,423	24.78	51,542	1,264		52,806
41	2,076.00	25.00	2,101.00	49,957	906		50,863	24.78	51,542	929		52,472
43	2,086.00	4.50	2,090.50	50,200	162		50,362	24.78	51,542	167		51,710
45	2,086.00	16.50	2,102.50	45,061	537		45,598	23.20	48,256	574		48,830
Subtotal	41,458.00	2,473.50	43,931.50	1,004,943	91,252	2,400	1,098,595		1,039,002	93,819	2,400	1,135,221

**Summer and Part Time Employees:**

164	552.00	5.00	557.00	4,968	68		5,036	9.50	5,244	71		5,315
34	732.50	3.50	736.00	9,156	66		9,222	13.00	9,523	68		9,591
42	657.50		657.50	9,955			9,955	15.14	9,955	0		9,955
44	657.50		657.50	8,449			8,449	12.85	8,449	0		8,449
46	1,388.50	3.50	1,392.00	14,639	59		14,698	11.00	15,274	58		15,331
Subtotal	3,988.00	12.00	4,000.00	47,167	193	0	47,360		48,443	197	0	48,641

Big Sandy Rural Electric Cooperative  
Case No. 2008-00401  
Employee Earnings and Hours  
August 31, 2008

Employee Number	Hours Worked Test Year			Actual Test Year Wages				Wage Rate Sept 1, 2008	Normalized Wages @ 2,080 Hours			
	Regular	Overtime	Total	Regular	Overtime	Dispatch	Total		Regular	Overtime	Dispatch	Total
<b>Retirees:</b>												
156	1,038.00	0.50	1,038.50	11,265	8		11,273					
158	632.00	0.50	632.50	6,933	8		6,941					
160	2,036.00	3.00	2,039.00	30,273	68		30,341					
Subtotal	3,706.00	4.00	3,710.00	48,471	84	0	48,555	0	0	0	0	
<b>Total</b>	<b>84,601.50</b>	<b>2,702.00</b>	<b>87,303.50</b>	<b>1,864,391</b>	<b>97,024</b>	<b>9,600</b>	<b>1,971,015</b>	<b>1,936,979</b>	<b>99,716</b>	<b>9,600</b>	<b>2,046,296</b>	

Big Sandy Rural Electric Cooperative  
Case No. 2008-00401  
Employee Information  
August 31, 2008

The following is a list of employees added during the test year, and the employees that were replaced, or reason for hiring the employees.

<u>Employee Hired</u>	<u>Reason</u>
139	Replaced #160 who quit
161	Replaced #158 who quit
163	Replaced #133 who retired in April, 2007
165	Replaced #156 who quit

The following is a list of employees terminated, and the date.

<u>Employee Number</u>	<u>Month Terminated</u>
133	04/07
156	02/08
158	12/07
160	08/08

Big Sandy Rural Electric Cooperative  
Case No. 2008-00401

Exhibit 1  
page of  
Witness: Alan Zumstein

Analysis of Salaries and Wages  
For the calendar years 2003 through 2005  
and the Test year

Line No	Item (a)	Twelve Months Ended						Test year 2008	
		2005		2006		2007		Amount (l)	% (m)
		Amount (f)	% (g)	Amount (h)	% (i)	Amount (j)	% (k)		
1	Wages charged to expense:								
2	Distribution expense	563	22%	552	-2%	589	7%	597	1%
3	Customer accounts expense	255	-0%	244	-4%	210	-14%	193	-8%
4	Customer service and information	31	11%	33	6%	34	3%	35	3%
5	Sales expense								
6	Administrative and general expenses:								
	(a) Administrative and general	357	30%	368	3%	382	4%	314	-18%
	(b) Office supplies and expense								
	(c) Outside services employed								
	(d) Property insurance								
	(e) Injuries and damages								
	(f) Employees hospitalization and bene	182	-19%	139	-24%	171	23%	153	-11%
	(g) Retirement and security								
	(h) Miscellaneous general								
	(i) Maintenance of general plant	7	-76%	2	-71%	4	100%	5	25%
7	Total administrative and general expenses L6(a) to L6(i)	546	3%	509	-3%	557	9%	472	-3%
8	Charged to clearing and others	220	-20%	242	10%	247	2%	210	-15%
9	Total salaries and wages charged to expense and other L2 to L6 + L7 + L8	1,615	4%	1,580	-2%	1,637	4%	1,507	-8%
10	Wages capitalized	419	3%	510	22%	475	-7%	464	-2%
11	Total salaries and wages	2,034	4%	2,090	3%	2,112	1%	1,971	-7%
12	Ratio of salaries and wages charged to expense to total wages L9 / L11	79%		76%		78%		76%	
13	Ratio of salaries and wages capitalized to total wages L10 / L11	21%		24%		22%		24%	
14	Overtime wages	100	-1%	111	11%	96	-14%	97	1%
15	Overtime hours	3,025		3,322		2,750		2,702	

Big Sandy Rural Electric Cooperative  
Case No. 2008-00401  
Compensation of Executive Officers  
August 31, 2008

	<---- Salary	Test Year Percent of Increase	----> Date	Employees who Report
President & General Manager	100,006	0.0%	11/01/06	all
Manager, Finance & Administration	72,820	7.7%	09/03/08	all
Office Manager	64,915	1.6%	01/01/09	11
Plant Superintendent	70,200	6.3%	09/03/08	20

	<u>First Preceding Year</u>		
	<u>Salary</u>	Percent of <u>Increase</u>	<u>Date</u>
President & General Manager	100,006	0.0%	11/01/06
Manager, Finance & Administration	67,620	3.2%	01/01/08
Office Manager	63,875	1.7%	01/01/08
Plant Superintendent	66,040	1.6%	01/01/08

	<u>Second Preceding Year</u>		
	<u>Salary</u>	Percent of <u>Increase</u>	<u>Date</u>
President & General Manager	100,006	0.0%	11/01/06
Manager, Finance & Administration	65,540	4.0%	01/01/07
Office Manager	62,836	4.0%	01/01/07
Plant Superintendent	65,000	4.0%	01/01/07

Big Sandy Rural Electric Cooperative  
Case No. 2008-00401  
Compensation of Executive Officers  
August 31, 2008

**President & General Manager Duties and Responsibilities**

It is the responsibility of the President & General Manager to report directly to the Board of Directors in implementing the Board policies and directives.

**Manager, Finance and Accounting**

Coordinates all audit efforts by various agencies. Maintains financial status of Cooperative by developing budgets and financial statements. Collaborates with other Vice Presidents to fill vacant positions. Assists and advises other departments as requested in the preparation of departmental budgets. Maintains all information related to accounting as needed. Determine short term cash investments and long term cash requirements. Assists in the development of information necessary for long term loan applications. Review financial information to ensure compliance with regulatory agencies. Ensure taxes are properly prepared and filed on a timely basis. Reports directly to the President & General Manager.

**Office Manager**

Plan and organize to serve members with efficient work. Investigate member concerns that have not been satisfied by other employees. Analyze electric sales revenues, collections, delinquents, write-offs and penalty charges for efficiencies. Maintain knowledge of laws and regulations governing the operations of Big Sandy Rural Electric. Participate in community events and programs. Reports directly to the President & General Manager. Directs preparation of daily cash transactions. Certifies the monthly Uniform Fuel Adjustment regulation and submit to PSC. Reports directly to the President & General Manager.

**Plant Superintendent**

Collaborates with Construction and Maintenance Supervisors and Contractors on a daily basis for operational needs. Prepares and presents an annual capital and expense budget. Plan and organize to serve members with efficient work. Promote fast, dependable electric service to the members and maintain power quality. Maintain knowledge of local and national laws and regulations governing the operations of the Cooperative. Reports directly to the President & General Manager.



Big Sandy Rural Electric Cooperative  
Case No. 2008-00401  
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 0.80% for the first \$8,000 of wages.

Proposed FICA amounts

FICA	126,870	
Medicare	<u>29,671</u>	
	156,542	
Proposed FUTA	2,451	
Proposed SUTA	<u>2,795</u>	161,787

Test year amount

FICA and Medicare	149,315	
Test year FUTA	2,411	
Test year SUTA	<u>2,746</u>	154,472

Increase		<u><u>7,315</u></u>
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**Adjustment:**

		Percent	Amount
107	Capitalized	18.70%	1,368
163 - 416	Clearing and others	4.80%	351
580	Operations	22.80%	1,668
590	Maintenance	18.70%	1,368
901	Consumer accounts	16.40%	1,200
908	Customer service	5.20%	380
912	Sales	0.00%	0
920	Administrative and general	13.40%	980
		<u>100.00%</u>	<u>\$7,315</u>

State unemployment (SUTA) wage rates are as follows:

2008	0.80%
2007	0.70%
2006	0.70%
2005	0.70%
2004	0.60%

Big Sandy Rural Electric Cooperative  
Case No. 2008-00401  
Employee Earnings and Hours  
August 31, 2008

Emp No.	Normalized Wages	Social Security Wages		Medicare Wages		Federal Unemployment		State Unemployment	
		Up To	@	All Wages	1.45%	Up to		Up to	
		\$102,000	6.20%			\$7,000	0.80%	\$8,000	0.800%
<b>Salaried Employees:</b>									
1	67,192	67,192	4,166	67,192	974	7,000	56	8,000	64
16	72,600	72,600	4,501	72,600	1,053	7,000	56	8,000	64
130	72,821	72,821	4,515	72,821	1,056	7,000	56	8,000	64
134	44,824	44,824	2,779	44,824	650	7,000	56	8,000	64
136	64,917	64,917	4,025	64,917	941	7,000	56	8,000	64
149	41,122	41,122	2,550	41,122	596	7,000	56	8,000	64
157	100,006	100,006	6,200	100,006	1,450	7,000	56	8,000	64
163	34,320	34,320	2,128	34,320	498	7,000	56	8,000	64
Subtotal	497,802	497,802	30,864	497,802	7,218	56,000	448	64,000	512
<b>Hourly Non-Bargaining</b>									
20	42,931	42,931	2,662	42,931	622	7,000	56	8,000	64
124	45,251	45,251	2,806	45,251	656	7,000	56	8,000	64
138	40,127	40,127	2,488	40,127	582	7,000	56	8,000	64
139	33,592	33,592	2,083	33,592	487	7,000	56	8,000	64
142	32,404	32,404	2,009	32,404	470	7,000	56	8,000	64
144	32,996	32,996	2,046	32,996	478	7,000	56	8,000	64
145	23,368	23,368	1,449	23,368	339	7,000	56	8,000	64
155	24,424	24,424	1,514	24,424	354	7,000	56	8,000	64
159	44,752	44,752	2,775	44,752	649	7,000	56	8,000	64
161	23,989	23,989	1,487	23,989	348	7,000	56	8,000	64
165	20,800	20,800	1,290	20,800	302	7,000	56	8,000	64
Subtotal	364,633	364,633	22,607	364,633	5,287	77,000	616	88,000	704

Big Sandy Rural Electric Cooperative  
Case No. 2008-00401  
Employee Earnings and Hours  
August 31, 2008

Emp No.	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	0.800%
<b>Bargaining Unit</b>									
3	54,488	54,488	3,378	54,488	790	7,000	56	8,000	64
5	55,779	55,779	3,458	55,779	809	7,000	56	8,000	64
8	52,306	52,306	3,243	52,306	758	7,000	56	8,000	64
10	83,844	83,844	5,198	83,844	1,216	7,000	56	8,000	64
11	62,781	62,781	3,892	62,781	910	7,000	56	8,000	64
13	50,079	50,079	3,105	50,079	726	7,000	56	8,000	64
14	62,536	62,536	3,877	62,536	907	7,000	56	8,000	64
15	59,563	59,563	3,693	59,563	864	7,000	56	8,000	64
17	61,242	61,242	3,797	61,242	888	7,000	56	8,000	64
18	52,419	52,419	3,250	52,419	760	7,000	56	8,000	64
22	52,236	52,236	3,239	52,236	757	7,000	56	8,000	64
23	45,055	45,055	2,793	45,055	653	7,000	56	8,000	64
24	68,461	68,461	4,245	68,461	993	7,000	56	8,000	64
25	58,952	58,952	3,655	58,952	855	7,000	56	8,000	64
31	52,267	52,267	3,241	52,267	758	7,000	56	8,000	64
38	57,394	57,394	3,558	57,394	832	7,000	56	8,000	64
40	52,806	52,806	3,274	52,806	766	7,000	56	8,000	64
41	52,472	52,472	3,253	52,472	761	7,000	56	8,000	64
43	51,710	51,710	3,206	51,710	750	7,000	56	8,000	64
45	48,830	48,830	3,027	48,830	708	7,000	56	8,000	64
Subtotal	1,135,221	1,135,221	70,384	1,135,221	16,461	140,000	1,120	160,000	1,280
<b>Summer and Part Time Employees:</b>									
164	5,315	5,315	330	5,315	77	5,315	43	5,315	43
34	9,591	9,591	595	9,591	139	7,000	56	8,000	64
42	9,955	9,955	617	9,955	144	7,000	56	8,000	64
44	8,449	8,449	524	8,449	123	7,000	56	8,000	64
46	15,331	15,331	951	15,331	222	7,000	56	8,000	64
Subtotal	48,641	48,641	3,016	48,641	705	33,315	267	37,315	299

Big Sandy Rural Electric Cooperative  
 Case No. 2008-00401  
 Employee Earnings and Hours  
 August 31, 2008

Emp No.	Normalized Wages	Social Security Wages		Medicare Wages		Federal Unemployment		State Unemployment	
		Up To	@			Up to		Up to	
		\$102,000	6.20%	All Wages	1.45%	\$7,000	0.80%	\$8,000	0.800%

**Retirees:**

156  
 158  
 160

Subtotal	0	0	0	0	0	0	0	0	0
<b>Total</b>	2,046,296	2,046,296	126,870	2,046,296	29,671	306,315	2,451	349,315	2,795



Big Sandy Rural Electric Cooperative

Case No. 2008-00401

August 31, 2008

**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. Big Sandy Rural Electric has had a depreciation study performed as of December 31, 2007 and is submitting that study with this application.

Depreciation on transportation equipment is charged to a clearing account. Transportation costs are then cleared to various accounts based on time used 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.

Big Sandy Rural Electric Cooperative  
Case No. 2008-00401  
August 31, 2008

Schedule 3  
page 2 of 6

Account Number	Description	Test Year Balance	Rate	Normalized Expense	Test Year Expense	Exclude Items Fully Depreciated
<b>Distribution plant:</b>						
362	Station equipment	353,139	2.86%	10,100	11,654	
364	Poles, towers & fixtures	11,182,117	4.99%	557,988	367,442	
365	Overhead conductors & devices	9,967,467	4.84%	482,425	327,687	
366	Underground conduit	290,134	4.84%	14,042	8,945	
367	Underground conductor & devices	235,933	3.13%	7,385	7,292	
368	Line transformers	5,532,409	3.45%	190,868	181,236	
369	Services	3,859,904	4.02%	155,168	129,616	
370	Meters	3,195,611	6.67%	213,147	109,129	
371	Installations on customer premises	1,899,105	4.09%	77,673	59,310	
		<u>36,515,819</u>		<u>1,708,797</u>	<u>1,202,311</u>	
<b>General plant:</b>						
389	Land	50,000				
390	Structures and improvements	678,937	2.50%	16,973	16,946	
391	Office furn and eqt	424,736	6.00%	25,484	27,932	
392	Transportation	1,256,062	16.00%	129,876	172,982	444,338
394	Tools, shop and garage	61,134	5.00%	2,881	3,508	3,507
395	Laboratory	127,568	5.00%	6,312	7,735	1,325
396	Power operated	31,966	14.00%	3,709	1,372	5,475
397	Communications	57,723	7.00%	2,780	4,613	18,013
398	Miscellaneous	34,305	5.00%	1,518	2,058	3,952
		<u>2,722,431</u>		<u>189,533</u>	<u>237,146</u>	
	Total electric plant	<u>39,238,250</u>		<u>1,898,330</u>	<u>1,439,457</u>	

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

Big Sandy Rural Electric Cooperative  
Case No. 2008-00401  
August 31, 2008

	<u>Normalized</u>	<u>Test Year</u>	<u>Adjustment</u>
Total depreciation accruals	1,898,330	1,439,457	458,873
Less amount to transportation clearing	<u>133,585</u>	<u>174,354</u>	<u>(40,769)</u>
Depreciation expense	<u>1,764,745</u>	<u>1,265,103</u>	<u>499,642</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%	(\$14,037)
Others	1%	(481)
Distribution - operations	15%	(6,135)
Distribution - maintenance	27%	(10,969)
Consumer accounts	7%	(2,819)
Consumer service and information	6%	(2,328)
Administrative and general	<u>10%</u>	<u>(4,000)</u>
Total	<u>100%</u>	<u>(\$40,769)</u>

Big Sandy Rural Electric Cooperative  
Case No. 2008-00401  
**Depreciation Guideline Curve**  
August 31, 2008

Year	Distribution Plant in Service	Accumulated Deprec for Distribution	Reserve Ratio	Ratio of Current Distribution Plant to Distribution Plant 10 Years Prior
2007	35,825,302	7,566,585	21.12%	1.21
2006	34,137,274	7,382,959	21.63%	1.25
2005	31,940,918	7,213,319	22.58%	1.27
2004	30,123,865	7,026,718	23.33%	1.32
2003	28,915,792	6,576,124	22.74%	1.37
1997	29,557,342	3,642,560	12.32%	
1996	27,286,146	3,819,774	14.00%	
1995	25,134,250	4,360,987	17.35%	
1994	22,796,029	4,647,621	20.39%	
1993	21,100,693	4,451,559	21.10%	

Big Sandy Rural Electric Cooperative  
Case No. 2008-00401  
August 31, 2008

Exhibit 3  
page 5 of

1  
2  
3  
4  
5  
6  
7  
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12  
13  
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<b>Changes in electric plant:</b>		<u>Begin</u> <u>Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfer</u>	<u>End</u> <u>Balance</u>
362	Station equipment	353,139	0			353,139
364	Poles, towers and fixtures	10,784,070	533,560	135,513		11,182,117
365	Overhead conductor and devices	9,589,314	466,022	87,869		9,967,467
366	Underground conduit	252,006	38,128			290,134
367	Underground conductor and devices	206,034	29,899			235,933
368	Line transformers	5,300,094	256,849	24,534		5,532,409
369	Services	3,844,122	79,113	63,331		3,859,904
370	Meters	3,251,390	174,064	229,843		3,195,611
371	Security lights	1,695,466	263,560	59,921		1,899,105
	Subtotal distribution plant	35,275,635	1,841,195	601,011	0	36,515,819
389	Land	50,000	0			50,000
390	Structures and improvements	678,937	0			678,937
391	Office furn and eqt	376,364	98,612	50,240		424,736
392	Transportation	1,279,082	69,682	92,702		1,256,062
394	Tools, shop and garage	57,523	3,611			61,134
395	Laboratory	135,013	0	7,445		127,568
396	Power operated	31,966	0			31,966
397	Communication	57,723	0			57,723
398	Miscellaneous	34,305	0			34,305
	Subtotal general plant	2,700,913	171,905	150,387	0	2,722,431
	Total electric plant in service	37,976,548	2,013,100	751,398	0	39,238,250

Big Sandy Rural Electric Cooperative  
Case No. 2008-00401  
August 31, 2008

**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	7,451,165	1,202,311	601,011	292,699	106,841	786,869	7,866,607
Land							
Structures and improvements	595,206	16,946	0				612,152
Office furn and eqt	238,915	27,932	50,240				216,607
Transportation	747,289	172,982	92,702		6,025		833,594
Tools, shop and garage	36,398	3,508	0				39,906
Laboratory	69,953	7,735	7,445				70,243
Power operated	9,198	1,372	0				10,570
Communication	26,237	4,613	0				30,850
Other tangible	27,584	2,058	0				29,642
Subtotal general plant	1,750,780	237,146	150,387	0	6,025	0	1,843,564
Retirement WIP	4,278			(1,174)		(1,174)	3,104
Total accumulated depreciation	9,197,667	1,439,457	751,398	293,873	112,866	788,043	9,707,067

**Big Sandy Rural Electric  
Cooperative Corporation**

**Paintsville, Kentucky**

**Service Life and Salvage Study and  
Recommended Depreciation Accrual Rates  
as of December 31, 2007**

Prepared by:  
Jim Adkins Consulting  
Lexington, Kentucky

# INDEX

Description	Section
Introduction	1
Scope	2
Summary of Findings	3
Service Life Statistics	4
Remaining Life Calculations	5
Calculated Depreciation	6
Net Salvage Study	7
Calculation of Rates Using Last Five-Year Net Salvage Amount	8

# Big Sandy Rural Electric Cooperative

## Distribution Plant Depreciation Study

As of December 31, 2007

### **INTRODUCTION**

This depreciation study was performed for Big Sandy Rural Electric Cooperative (“Big Sandy”) in Paintsville, 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 reserve requirement.
4. To review in detail the history, status, procedures and policies of Big Sandy’s depreciation functions, records, and operating techniques.

Big Sandy has 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 Big Sandy’s depreciation practices reflect those changes.

# Big Sandy Rural Electric Cooperative

## DEPRECIATION

Book depreciation 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 statement 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 applicable to depreciable electric plant, means the loss in service value not restored by current maintenance, incurred in connection with the consumption for 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".

## Big Sandy Rural Electric Cooperative

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 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, salvage is what will actually be received and cost of removal is what 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.

# Big Sandy Rural Electric Cooperative

## SCOPE

The study included construction and retirement activity for distribution plant from 1951 through 2007. Big Sandy has maintained its plant and depreciation records in accordance with the Uniform System of Accounts as issued by RUS. As such, Big Sandy's plant records are maintained on a mass property, average historical cost basis in its continuing property records ("CPR's"). Big Sandy maintained 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 additions and retirements after 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 items. The study therefore used the technique of creating simulated plant records on a vintage basis.

The computer program used utilized 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 Type 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 tests the additions, retirements, and plant balances for each year to fit the data to the best curve for analysis.

## Big Sandy Rural Electric Cooperative

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.

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 Big Sandy 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. Big Sandy does not maintain 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 the 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.

## Big Sandy Rural Electric Cooperative

The depreciation expense and the depreciation reserve were calculated on a composite basis for each account historically used by Big Sandy. 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 2003 through 2006, Big Sandy changed out its existing meters and installed automated meter reading (“AMR”) devices. There was not enough activity, nor any retirements of AMR’s, in Account 370, Meters to generate acceptable simulated plant study results. Therefore, it was estimated that Account 370, Meters would use a useful life of 15 years. This is consistent with other electric cooperatives in Kentucky that have recently installed AMR devices. A review of Account 362, Substation Equipment reveals that all this equipment is for the AMR devices. Since there has not been enough activity to generate acceptable simulated plant study results, and the equipment is used for the AMR devices, it was determined that a useful life of 15 years would be used to remain consistent with the useful life for AMR devices.

The following is a summary of the proposed composite depreciation rates and the RUS recommended maximum and minimum rates. Presently, Big Sandy uses a rate of 3.33% for all distribution plant accounts.

<u>Distribution Account</u>	Proposed	Current	RUS	
	<u>Rate</u>	<u>Rate</u>	<u>Low</u>	<u>High</u>
362 Station Equipment	6.67%	3.33%	3.00%	4.00%
364 Poles, towers & fixtures	4.75%	3.33%	3.00%	4.00%
365 Overhead Conductors & devices	4.54%	3.33%	2.30%	2.80%
366 Underground Conduit	3.91%	3.33%	2.40%	2.90%
367 Underground Conductors & Device	2.78%	3.33%	2.40%	2.90%
368 Line Transformers	2.33%	3.33%	2.60%	3.10%
369 Services	4.97%	3.33%	3.10%	3.60%
370 Meters	6.67%	3.33%	2.90%	3.40%
371 Installations on Consumers’ Prem	6.35%	3.33%	3.90%	4.40%

## Big Sandy Rural Electric Cooperative

1. The “Proposed” rates are the rates determined from this depreciation study.
2. The “Current Rates” are those currently in effect. The rate is used for all distribution plant accounts
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 further 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 Big Sandy’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. Big Sandy should consider the effects of such changes on an ongoing basis.

Big Sandy 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 No. 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, Big Sandy has decided to use these rates as a result of this study.

## Big Sandy

### Calculated Annual Accrual Rates

Acct Distribution Plant Accounts	Survivor	Curve	Life	Net Salvage Percent	Original Cost	Book Accumulated Depreciation	Future Accruals	Composite Remaining Life	Calculated Annual Accrual Amount	Rate
362 Station Equipment	L5	8		0%	\$353,139	\$37,936	\$239,537	5.43	\$44,142	12.50%
364 Poles, Towers & Fixtures	S6	24		-75%	\$10,895,999	\$2,989,933	\$10,089,131	12.72	\$793,448	7.28%
365 Overhead Conductors & Devices	S6	25		-70%	\$9,754,932	\$2,373,721	\$9,466,812	14.28	\$663,005	6.80%
366 Underground Conduit	S1	29		0%	\$272,466	\$17,673	\$219,556	23.37	\$9,396	3.45%
367 Underground Conductors & Devices	R1.5	36		-60%	\$230,082	\$18,093	\$313,964	30.70	\$10,226	4.44%
368 Line Transformers	S0	43		0%	\$5,435,368	\$456,787	\$4,056,848	32.16	\$126,157	2.32%
369 Services	R2.5	22		-55%	\$3,936,218	\$714,568	\$3,959,272	14.28	\$277,232	7.04%
370 Meters	S6	4		0%	\$3,236,409	\$508,301	\$1,715,159	2.12	\$809,328	25.01%
371 Installations on Customers' Premises	S4	17		-60%	\$1,710,704	\$449,575	\$1,396,060	8.65	\$161,315	9.43%
Total Distribution Plant					<u>\$35,825,317</u>	\$7,566,585	<u>\$31,456,339</u>			

# Big Sandy

## 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	\$353,139	3.33%	\$11,760	12.50%	\$44,142	\$32,383	275%
364	Poles, Towers & Fixtures	\$10,895,999	3.33%	\$362,837	7.28%	\$793,448	\$430,611	119%
365	Overhead Conductors & Devices	\$9,754,932	3.33%	\$324,839	6.80%	\$663,005	\$338,166	104%
366	Underground Conduit	\$272,466	3.33%	\$9,073	4.44%	\$12,110	\$3,037	33%
367	Underground Conductors & Devices	\$230,082	3.33%	\$7,662	4.44%	\$10,226	\$2,564	33%
368	Line Transformers	\$5,435,368	3.33%	\$180,998	2.32%	\$126,157	-\$54,841	-30%
369	Service (Pole-to-House)	\$3,936,218	3.33%	\$131,076	7.04%	\$277,232	\$146,156	112%
370	Meters	\$3,236,409	3.33%	\$107,772	25.01%	\$809,328	\$701,556	651%
371	Installations on Customers' Premises	\$1,710,704	3.33%	\$56,966	9.43%	\$161,315	\$104,348	183%
	Total Distribution Plant	<u>\$35,825,317</u>		<u>\$1,192,983</u>		<u>\$2,896,964</u>	<u>\$1,703,981</u>	143%

# Big Sandy

## Accrued Depreciation - Calculated

Acct Distribution Plant Accounts	Survivor Curve	Life	Net Salvage Percent	Original Cost	Calculated		Book	
					Accrued Depreciation Amount	Percent	Accumulated Depreciation Amount	Percent
362 Station Equipment	L5	8	0%	\$353,139	\$113,602	0.50%	\$37,936	0.50%
364 Poles, Towers & Fixtures	S6	24	-75%	\$10,895,999	\$8,953,624	39.51%	\$2,989,933	39.51%
365 Overhead Conductors & Devices	S6	25	-70%	\$9,754,932	\$7,108,322	31.37%	\$2,373,721	31.37%
366 Underground Conduit	S1	29	0%	\$272,466	\$52,922	0.23%	\$17,673	0.23%
367 Underground Conductors & Devices	R1.5	36	-60%	\$230,082	\$54,180	0.24%	\$18,093	0.24%
368 Line Transformers	S0	43	0%	\$5,435,368	\$1,367,889	6.04%	\$456,787	6.04%
369 Service (Pole-to-House)	R2.5	22	-55%	\$3,936,218	\$2,139,838	9.44%	\$714,568	9.44%
370 Meters	S6	4	0%	\$3,236,409	\$1,522,153	6.72%	\$508,301	6.72%
371 Installations on Customers' Premises	S4	17	-60%	\$1,710,704	\$1,346,292	5.94%	\$449,575	5.94%
				<u>\$35,825,317</u>	<u>\$22,658,823</u>	<u>100.00%</u>	<u>\$7,566,585</u>	<u>100.00%</u>

# Big Sandy

## Service Life Statistics

Account: 362 Station Equipment

Historical Life Curve: L5

Historical Life: 8

	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
2007	\$353,139	0.5	0.060	1.000000	\$10,240	0.50	7.499	7.499
2006	\$342,899	1.5	0.190	1.000000	\$170	1.50	6.499	6.499
2005	\$342,729	2.5	0.310	1.000000	\$296,394	2.50	5.499	5.499
2004	\$46,335	3.5	0.440	1.000000	\$46,335	3.50	4.499	4.499
2003	\$0	4.5	0.560	0.998775	\$0	4.50	3.500	3.504
				<u>7.999192</u>	<u>\$353,139</u>			

# Big Sandy

## Service Life Statistics

Account: 364 Poles, Towers & Fixtures

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
2007	\$10,895,999	0.5	0.020	1.000000	\$542,193	0.50	23.500	23.500
2006	\$10,539,522	1.5	0.060	1.000000	\$554,771	1.50	22.500	22.500
2005	\$10,153,897	2.5	0.100	1.000000	\$468,423	2.50	21.500	21.500
2004	\$9,835,676	3.5	0.150	1.000000	\$430,698	3.50	20.500	20.500
2003	\$9,548,537	4.5	0.190	1.000000	\$388,276	4.50	19.500	19.500
2002	\$9,282,305	5.5	0.230	1.000000	\$382,156	5.50	18.500	18.500
2001	\$9,041,817	6.5	0.270	1.000000	\$399,031	6.50	17.500	17.500
2000	\$8,772,766	7.5	0.310	1.000000	\$525,414	7.50	16.500	16.500
1999	\$8,437,895	8.5	0.350	1.000000	\$458,091	8.50	15.500	15.500
1998	\$8,141,545	9.5	0.400	1.000000	\$607,497	9.50	14.500	14.500
1997	\$7,719,145	10.5	0.440	1.000000	\$605,338	10.50	13.500	13.500
1996	\$7,266,697	11.5	0.480	1.000000	\$522,205	11.50	12.500	12.500
1995	\$6,880,769	12.5	0.520	1.000000	\$649,750	12.50	11.500	11.500
1994	\$6,396,057	13.5	0.560	1.000000	\$459,069	13.50	10.500	10.500
1993	\$6,052,882	14.5	0.600	1.000000	\$491,540	14.50	9.500	9.500
1992	\$5,682,492	15.5	0.650	1.000000	\$341,065	15.50	8.500	8.500
1991	\$5,450,868	16.5	0.690	0.999992	\$375,825	16.50	7.500	7.500
1990	\$5,202,081	17.5	0.730	0.999892	\$447,252	17.50	6.500	6.501
1989	\$4,893,138	18.5	0.770	0.999079	\$451,847	18.50	5.501	5.506
1988	\$4,598,469	19.5	0.810	0.994600	\$329,794	19.50	4.504	4.528
1987	\$4,368,938	20.5	0.850	0.977126	\$426,360	20.48	3.518	3.600
1986	\$4,072,379	21.5	0.900	0.907091	\$432,701	21.42	2.576	2.840
1985	\$3,745,184	22.5	0.940	0.785586	\$221,262	22.27	1.729	2.201
1984	\$3,518,757	23.5	0.980	0.603840	\$155,873	22.97	1.035	1.714
1983	\$3,344,881	24.5	1.020	0.396160	\$110,504	23.47	0.535	1.350
1982	\$3,138,603	25.5	1.060	0.214414	\$72,009	23.77	0.229	1.070
1981	\$2,879,366	26.5	1.100	0.092909	\$24,821	23.92	0.076	0.815
1980	\$2,685,772	27.5	1.150	0.022874	\$6,058	23.98	0.018	0.781
1979	\$2,480,025	28.5	1.190	0.005400	\$1,498	24.00	0.004	0.692
1978	\$2,257,024	29.5	1.230	0.000921	\$232	24.00	0.001	0.627
1977	\$2,057,729	30.5	1.270	0.000108	\$21	24.00	0.000	0.580
1976	\$1,902,106	31.5	1.310	0.000008	\$2	24.00	0.000	0.547
1975	\$1,753,328	32.5	1.350	0.000000	\$0	24.00	0.000	0.509
1974	\$1,607,078	33.5	1.400	0.000000	\$0	24.00	0.000	0.509
1973	\$1,508,946	34.5	1.440	0.000000	\$0	24.00	0.000	0.503
1972	\$1,430,890	35.5	1.480	0.000000	\$0	24.00	0.000	0.501
1971	\$1,300,045	36.5	1.520	0.000000	\$0	24.00	0.000	0.500
1970	\$1,248,122	37.5	1.560	0.000000	\$0	24.00	0.000	0.500
1969	\$1,196,024	38.5	1.600	0.000000	\$0	24.00	0.000	0.500
1968	\$1,031,082	39.5	1.650	0.000000	\$0	24.00	0.000	0.500

# Big Sandy

## Service Life Statistics

Account: 364 Poles, Towers & Fixtures

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
1967	\$970,697	40.5	1.690	0.000000	\$0	24.00	0.000	0.500
1966	\$942,533	41.5	1.730	0.000000	\$0	24.00	0.000	0.000
1965	\$890,535	42.5	1.770	0.000000	\$0	24.00	0.000	0.000
1964	\$825,407	43.5	1.810	0.000000	\$0	24.00	0.000	0.000
1963	\$791,122	44.5	1.850	0.000000	\$0	24.00	0.000	0.000
1962	\$766,620	45.5	1.900	0.000000	\$0	24.00	0.000	0.000
1961	\$739,299	46.5	1.940	0.000000	\$0	24.00	0.000	0.000
1960	\$701,252	47.5	1.980	0.000000	\$0	24.00	0.000	0.000
1959	\$669,413	48.5	2.020	0.000000	\$0	24.00	0.000	0.000
1958	\$642,516	49.5	2.060	0.000000	\$0	24.00	0.000	0.000
1957	\$621,794	50.5	2.100	0.000000	\$0	24.00	0.000	0.000
1956	\$585,970	51.5	2.150	0.000000	\$0	24.00	0.000	0.000
1955	\$533,083	52.5	2.190	0.000000	\$0	24.00	0.000	0.000
1954	\$493,972	53.5	2.230	0.000000	\$0	24.00	0.000	0.000
1953	\$444,208	54.5	2.270	0.000000	\$0	24.00	0.000	0.000
1952	\$417,191	55.5	2.310	0.000000	\$0	24.00	0.000	0.000
1951	\$384,626	56.5	2.350	0.000000	\$0	24.00	0.000	0.000
1950	\$362,081	57.5	2.400	0.000000	\$0	24.00	0.000	0.000
1949	\$220,185	58.5	2.440	0.000000	\$0	24.00	0.000	0.000
1948	\$124,815	59.5	2.480	0.000000	\$0	24.00	0.000	0.000
1947	\$100,492	60.5	2.520	0.000000	\$0	24.00	0.000	0.000
1946	\$88,490	61.5	2.560	0.000000	\$0	24.00	0.000	0.000
1945	\$91,184	62.5	2.600	0.000000	\$0	24.00	0.000	0.000
1944	\$82,367	63.5	2.650	0.000000	\$0	24.00	0.000	0.000
1943	\$59,103	64.5	2.690	0.000000	\$0	24.00	0.000	0.000
1942	\$36,045	65.5	2.730	0.000000	\$0	24.00	0.000	0.000
1941	\$16,487	66.5	2.770	0.000000	\$0	24.00	0.000	0.000
1940	\$0	67.5	2.810	0.000000	\$0	24.00	0.000	0.000
				<u>24.000000</u>	<u>\$10,881,574</u>			

# Big Sandy

## Service Life Statistics

Account: 365 Overhead Conductors & Devices

Historical Life Curve: S6

Historical Life: 25

	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
2007	\$9,754,932	0.5	0.020	1.000000	\$571,361	0.50	24.500	24.500
2006	\$9,375,118	1.5	0.060	1.000000	\$603,833	1.50	23.500	23.500
2005	\$8,994,357	2.5	0.100	1.000000	\$449,682	2.50	22.500	22.500
2004	\$8,666,635	3.5	0.140	1.000000	\$358,013	3.50	21.500	21.500
2003	\$8,388,425	4.5	0.180	1.000000	\$339,817	4.50	20.500	20.500
2002	\$8,119,010	5.5	0.220	1.000000	\$420,241	5.50	19.500	19.500
2001	\$7,810,977	6.5	0.260	1.000000	\$429,368	6.50	18.500	18.500
2000	\$7,456,900	7.5	0.300	1.000000	\$749,059	7.50	17.500	17.500
1999	\$6,803,686	8.5	0.340	1.000000	\$373,653	8.50	16.500	16.500
1998	\$6,519,617	9.5	0.380	1.000000	\$465,118	9.50	15.500	15.500
1997	\$6,166,516	10.5	0.420	1.000000	\$418,783	10.50	14.500	14.500
1996	\$5,826,270	11.5	0.460	1.000000	\$543,600	11.50	13.500	13.500
1995	\$5,358,154	12.5	0.500	1.000000	\$557,843	12.50	12.500	12.500
1994	\$4,899,929	13.5	0.540	1.000000	\$298,720	13.50	11.500	11.500
1993	\$4,674,063	14.5	0.580	1.000000	\$392,146	14.50	10.500	10.500
1992	\$4,351,589	15.5	0.620	1.000000	\$179,665	15.50	9.500	9.500
1991	\$4,268,005	16.5	0.660	0.999999	\$304,292	16.50	8.500	8.500
1990	\$4,040,634	17.5	0.700	0.999984	\$426,263	17.50	7.500	7.500
1989	\$3,717,304	18.5	0.740	0.999808	\$531,056	18.50	6.500	6.501
1988	\$3,314,882	19.5	0.780	0.998519	\$357,466	19.50	5.501	5.509
1987	\$3,047,414	20.5	0.820	0.992025	\$200,397	20.49	4.506	4.542
1986	\$2,909,208	21.5	0.860	0.968674	\$193,440	21.47	3.525	3.639
1985	\$2,773,867	22.5	0.900	0.907091	\$111,966	22.41	2.587	2.852
1984	\$2,674,317	23.5	0.940	0.785586	\$190,789	23.26	1.741	2.216
1983	\$2,479,307	24.5	0.980	0.603840	\$140,454	23.95	1.046	1.733
1982	\$2,283,151	25.5	1.020	0.396160	\$86,492	24.45	0.546	1.379
1981	\$2,107,167	26.5	1.060	0.214414	\$36,355	24.76	0.241	1.124
1980	\$1,974,396	27.5	1.100	0.092909	\$12,815	24.91	0.087	0.941
1979	\$1,872,801	28.5	1.140	0.031326	\$5,890	24.97	0.025	0.809
1978	\$1,715,363	29.5	1.180	0.007975	\$1,297	24.99	0.006	0.712
1977	\$1,581,126	30.5	1.220	0.001481	\$184	25.00	0.001	0.641
1976	\$1,478,860	31.5	1.260	0.000192	\$20	25.00	0.000	0.590
1975	\$1,394,508	32.5	1.300	0.000016	\$2	25.00	0.000	0.554
1974	\$1,303,947	33.5	1.340	0.000001	\$0	25.00	0.000	0.530
1973	\$1,230,013	34.5	1.380	0.000000	\$0	25.00	0.000	0.514
1972	\$1,233,139	35.5	1.420	0.000000	\$0	25.00	0.000	0.506
1971	\$1,163,564	36.5	1.460	0.000000	\$0	25.00	0.000	0.502
1970	\$1,129,784	37.5	1.500	0.000000	\$0	25.00	0.000	0.500
1969	\$1,099,153	38.5	1.540	0.000000	\$0	25.00	0.000	0.500
1968	\$1,062,301	39.5	1.580	0.000000	\$0	25.00	0.000	0.500

# Big Sandy

## Service Life Statistics

Account: 365 Overhead Conductors & Devices

Historical Life Curve: S6

Historical Life: 25

	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
1967	\$1,027,019	40.5	1.620	0.000000	\$0	25.00	0.000	0.500
1966	\$980,641	41.5	1.660	0.000000	\$0	25.00	0.000	0.500
1965	\$927,485	42.5	1.700	0.000000	\$0	25.00	0.000	0.000
1964	\$863,869	43.5	1.740	0.000000	\$0	25.00	0.000	0.000
1963	\$826,774	44.5	1.780	0.000000	\$0	25.00	0.000	0.000
1962	\$812,994	45.5	1.820	0.000000	\$0	25.00	0.000	0.000
1961	\$791,387	46.5	1.860	0.000000	\$0	25.00	0.000	0.000
1960	\$748,376	47.5	1.900	0.000000	\$0	25.00	0.000	0.000
1959	\$722,684	48.5	1.940	0.000000	\$0	25.00	0.000	0.000
1958	\$699,413	49.5	1.980	0.000000	\$0	25.00	0.000	0.000
1957	\$676,446	50.5	2.020	0.000000	\$0	25.00	0.000	0.000
1956	\$648,422	51.5	2.060	0.000000	\$0	25.00	0.000	0.000
1955	\$568,209	52.5	2.100	0.000000	\$0	25.00	0.000	0.000
1954	\$518,493	53.5	2.140	0.000000	\$0	25.00	0.000	0.000
1953	\$457,262	54.5	2.180	0.000000	\$0	25.00	0.000	0.000
1952	\$441,534	55.5	2.220	0.000000	\$0	25.00	0.000	0.000
1951	\$403,724	56.5	2.260	0.000000	\$0	25.00	0.000	0.000
1950	\$384,064	57.5	2.300	0.000000	\$0	25.00	0.000	0.000
1949	\$213,479	58.5	2.340	0.000000	\$0	25.00	0.000	0.000
1948	\$119,537	59.5	2.380	0.000000	\$0	25.00	0.000	0.000
1947	\$103,681	60.5	2.420	0.000000	\$0	25.00	0.000	0.000
1946	\$92,816	61.5	2.460	0.000000	\$0	25.00	0.000	0.000
1945	\$78,976	62.5	2.500	0.000000	\$0	25.00	0.000	0.000
1944	\$47,246	63.5	2.540	0.000000	\$0	25.00	0.000	0.000
1943	\$33,387	64.5	2.580	0.000000	\$0	25.00	0.000	0.000
1942	\$21,038	65.5	2.620	0.000000	\$0	25.00	0.000	0.000
1941	\$9,597	66.5	2.660	0.000000	\$0	25.00	0.000	0.000
1940	\$0	67.5	2.700	0.000000	\$0	25.00	0.000	0.000
				25.000000	\$9,750,079			

# Big Sandy

## Service Life Statistics

Account: 366 Underground Conduit

Historical Life Curve: S1

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
2007	\$272,466	0.5	0.020	0.999982	\$42,958	0.50	28.500	28.501
2006	\$229,507	1.5	0.050	0.999770	\$27,469	1.50	27.500	27.506
2005	\$202,322	2.5	0.090	0.998819	\$38,235	2.50	26.501	26.532
2004	\$164,880	3.5	0.120	0.997390	\$33,428	3.50	25.503	25.569
2003	\$131,752	4.5	0.160	0.994277	\$29,710	4.49	24.507	24.648
2002	\$101,871	5.5	0.190	0.990894	\$10,613	5.49	23.514	23.730
2001	\$91,160	6.5	0.220	0.986512	\$12,502	6.47	22.526	22.834
2000	\$78,487	7.5	0.260	0.978993	\$70	7.46	21.543	22.005
1999	\$78,415	8.5	0.290	0.972024	\$0	8.43	20.567	21.159
1998	\$78,415	9.5	0.330	0.960883	\$11,992	9.40	19.601	20.399
1997	\$65,935	10.5	0.360	0.951105	\$7,453	10.36	18.645	19.603
1996	\$58,099	11.5	0.400	0.936146	\$8,382	11.30	17.701	18.909
1995	\$51,973	12.5	0.430	0.923482	\$729	12.23	16.771	18.161
1994	\$51,184	13.5	0.470	0.904686	\$0	13.14	15.857	17.528
1993	\$51,184	14.5	0.500	0.889181	\$8,091	14.04	14.960	16.825
1992	\$42,085	15.5	0.530	0.872500	\$2,794	14.92	14.080	16.137
1991	\$45,955	16.5	0.570	0.848489	\$5,748	15.78	13.219	15.580
1990	\$44,445	17.5	0.600	0.829210	\$14,343	16.62	12.380	14.930
1989	\$29,123	18.5	0.640	0.801906	\$0	17.44	11.565	14.422
1988	\$29,123	19.5	0.670	0.780301	\$0	18.23	10.774	13.807
1987	\$29,123	20.5	0.710	0.750114	\$593	18.99	10.008	13.343
1986	\$28,332	21.5	0.740	0.726524	\$0	19.73	9.270	12.759
1985	\$28,332	22.5	0.780	0.693944	\$0	20.44	8.560	12.335
1984	\$28,332	23.5	0.810	0.668763	\$0	21.12	7.878	11.781
1983	\$28,332	24.5	0.840	0.643032	\$16,598	21.78	7.223	11.232
1982	\$2,520	25.5	0.880	0.608010	\$0	22.40	6.597	10.850
1981	\$2,520	26.5	0.910	0.581320	\$0	23.00	6.002	10.325
1980	\$2,520	27.5	0.950	0.545332	\$0	23.56	5.439	9.974
1979	\$2,520	28.5	0.980	0.518156	\$0	24.09	4.907	9.471
1978	\$2,520	29.5	1.020	0.481844	\$0	24.59	4.407	9.147
1977	\$2,520	30.5	1.050	0.454668	\$0	25.06	3.939	8.664
1976	\$2,520	31.5	1.090	0.418680	\$0	25.50	3.502	8.365
1975	\$2,520	32.5	1.120	0.391990	\$0	25.90	3.097	7.901
1974	\$2,520	33.5	1.160	0.356968	\$0	26.28	2.723	7.627
1973	\$2,520	34.5	1.190	0.331237	\$0	26.62	2.378	7.181
1972	\$2,520	35.5	1.220	0.306056	\$771	26.94	2.060	6.730
1971	\$0	36.5	1.260	0.273476	\$0	27.23	1.770	6.472
				29.000000	\$272,478			

# Big Sandy

## Service Life Statistics

Account: 367 Underground Conductors & Devices

Historical Life Curve: R1.5

Historical Life: 36

	B Acct Data	C Beg Age	D C / "HL"	E Lookup	F Add x %Srvg	G "RL" Area	H "FL" Area	J "FL" / E
Year	Ending Balance	Age	Age/Life	Historical Percent Surviving	Simulated Plant Survivors	Realized Life (RL)	Future Unrealized Life	Remaining Life Years
2007	\$230,082	0.5	0.010	0.998235	\$50,353	0.50	35.482	35.544
2006	\$180,840	1.5	0.040	0.992733	\$7,182	1.49	34.486	34.739
2005	\$173,605	2.5	0.070	0.986907	\$4,155	2.48	33.496	33.941
2004	\$169,395	3.5	0.100	0.980745	\$14,424	3.47	32.512	33.151
2003	\$154,688	4.5	0.130	0.974236	\$2,370	4.45	31.535	32.369
2002	\$152,255	5.5	0.150	0.969696	\$44,619	5.42	30.563	31.518
2001	\$106,242	6.5	0.180	0.962577	\$48,641	6.38	29.597	30.748
2000	\$57,112	7.5	0.210	0.955073	\$6,129	7.34	28.638	29.985
1999	\$53,637	8.5	0.240	0.947171	\$0	8.29	27.687	29.231
1998	\$53,637	9.5	0.260	0.941674	\$783	9.24	26.742	28.399
1997	\$52,806	10.5	0.290	0.933074	\$5,331	10.18	25.805	27.656
1996	\$47,613	11.5	0.320	0.924034	\$3,093	11.10	24.877	26.922
1995	\$44,266	12.5	0.350	0.914529	\$5,034	12.02	23.957	26.196
1994	\$38,762	13.5	0.380	0.904532	\$6,089	12.93	23.048	25.480
1993	\$32,030	14.5	0.400	0.897579	\$6,998	13.83	22.147	24.674
1992	\$24,234	15.5	0.430	0.886691	\$0	14.73	21.255	23.971
1991	\$24,234	16.5	0.460	0.875221	\$5,952	15.61	20.374	23.278
1990	\$20,605	17.5	0.490	0.863133	\$3,044	16.48	19.504	22.597
1989	\$17,078	18.5	0.510	0.854713	\$0	17.34	18.645	21.815
1988	\$17,078	19.5	0.540	0.841512	\$3,312	18.18	17.797	21.149
1987	\$13,142	20.5	0.570	0.827594	\$8,526	19.02	16.963	20.497
1986	\$2,840	21.5	0.600	0.812921	\$984	19.84	16.143	19.857
1985	\$3,853	22.5	0.630	0.797460	\$3,073	20.64	15.337	19.233
1984	\$0	23.5	0.650	0.786697	\$0	21.44	14.545	18.489
				<u>35.980689</u>	<u>\$230,090</u>			

# Big Sandy

## Service Life Statistics

Account: 368 Line Transformers

Historical Life Curve: S0

Historical Life: 43

	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
2007	\$5,435,368	0.5	0.010	0.999791	\$397,857	0.50	42.500	42.509
2006	\$5,090,707	1.5	0.030	0.998562	\$194,023	1.50	41.501	41.561
2005	\$4,947,297	2.5	0.060	0.995195	\$192,630	2.50	40.504	40.700
2004	\$4,791,383	3.5	0.080	0.992090	\$147,726	3.49	39.510	39.825
2003	\$4,658,863	4.5	0.100	0.988370	\$165,878	4.48	38.520	38.973
2002	\$4,509,763	5.5	0.130	0.981735	\$168,761	5.46	37.535	38.234
2001	\$4,369,645	6.5	0.150	0.976658	\$236,356	6.44	36.556	37.430
2000	\$4,144,999	7.5	0.170	0.971092	\$249,883	7.42	35.582	36.641
1999	\$3,930,075	8.5	0.200	0.961881	\$179,324	8.38	34.616	35.987
1998	\$3,750,154	9.5	0.220	0.955198	\$196,211	9.34	33.657	35.236
1997	\$3,623,393	10.5	0.240	0.948103	\$230,217	10.29	32.705	34.496
1996	\$3,432,987	11.5	0.270	0.936730	\$213,209	11.24	31.763	33.908
1995	\$3,230,812	12.5	0.290	0.928684	\$168,717	12.17	30.830	33.198
1994	\$3,076,956	13.5	0.310	0.920285	\$199,563	13.09	29.906	32.496
1993	\$2,909,865	14.5	0.340	0.907058	\$145,874	14.01	28.992	31.963
1992	\$2,773,541	15.5	0.360	0.897840	\$160,223	14.91	28.090	31.286
1991	\$2,638,847	16.5	0.380	0.888318	\$114,184	15.80	27.197	30.616
1990	\$2,542,721	17.5	0.410	0.873492	\$98,317	16.68	26.316	30.127
1989	\$2,475,546	18.5	0.430	0.863264	\$124,099	17.55	25.447	29.478
1988	\$2,357,983	19.5	0.450	0.852774	\$133,293	18.41	24.589	28.835
1987	\$2,233,221	20.5	0.480	0.836572	\$166,935	19.26	23.745	28.383
1986	\$2,083,723	21.5	0.500	0.825475	\$133,520	20.09	22.914	27.758
1985	\$1,978,408	22.5	0.520	0.814154	\$164,396	20.91	22.094	27.137
1984	\$1,800,701	23.5	0.550	0.796777	\$106,206	21.71	21.288	26.718
1983	\$1,603,255	24.5	0.570	0.784942	\$105,365	22.50	20.497	26.113
1982	\$1,504,773	25.5	0.590	0.772918	\$92,453	23.28	19.719	25.512
1981	\$1,407,660	26.5	0.620	0.754550	\$95,098	24.05	18.955	25.121
1980	\$1,357,814	27.5	0.640	0.742098	\$102,271	24.79	18.206	24.534
1979	\$1,277,509	28.5	0.660	0.729490	\$112,534	25.53	17.471	23.949
1978	\$1,146,800	29.5	0.690	0.710307	\$67,501	26.25	16.751	23.582
1977	\$1,073,055	30.5	0.710	0.697351	\$87,145	26.95	16.047	23.011
1976	\$961,455	31.5	0.730	0.684271	\$47,116	27.64	15.356	22.442
1975	\$912,232	32.5	0.760	0.664440	\$60,818	28.32	14.682	22.096
1974	\$824,366	33.5	0.780	0.651091	\$41,234	28.98	14.024	21.539
1973	\$769,848	34.5	0.800	0.637649	\$13,928	29.62	13.380	20.983
1972	\$748,005	35.5	0.830	0.617331	\$32,349	30.25	12.752	20.657
1971	\$701,770	36.5	0.850	0.603694	\$36,946	30.86	12.142	20.112
1970	\$646,791	37.5	0.870	0.589995	\$12,575	31.46	11.545	19.568
1969	\$625,681	38.5	0.900	0.569347	\$8,825	32.03	10.965	19.259
1968	\$620,785	39.5	0.920	0.555527	\$10,519	32.60	10.403	18.726

# Big Sandy

## Service Life Statistics

Account: 368 Line Transformers

Historical Life Curve: S0

Historical Life: 43

	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
1967	\$610,737	40.5	0.940	0.541675	\$9,420	33.15	9.854	18.192
1966	\$595,393	41.5	0.970	0.520851	\$8,670	33.68	9.323	17.899
1965	\$578,748	42.5	0.990	0.506952	\$8,363	34.19	8.809	17.376
1964	\$566,246	43.5	1.010	0.493048	\$9,295	34.69	8.309	16.852
1963	\$550,817	44.5	1.030	0.479149	\$11,105	35.18	7.823	16.327
1962	\$529,909	45.5	1.060	0.458325	\$9,331	35.65	7.354	16.046
1961	\$510,928	46.5	1.080	0.444473	\$12,963	36.10	6.903	15.530
1960	\$497,424	47.5	1.100	0.430653	\$13,198	36.53	6.465	15.012
1959	\$467,181	48.5	1.130	0.410051	\$6,314	36.96	6.045	14.742
1958	\$453,924	49.5	1.150	0.396306	\$7,170	37.36	5.642	14.236
1957	\$437,141	50.5	1.170	0.382670	\$5,596	37.75	5.252	13.725
1956	\$422,948	51.5	1.200	0.362351	\$8,791	38.12	4.880	13.467
1955	\$400,160	52.5	1.220	0.348909	\$26,305	38.48	4.524	12.966
1954	\$326,994	53.5	1.240	0.335560	\$13,605	38.82	4.182	12.462
1953	\$286,680	54.5	1.270	0.315729	\$12,895	39.14	3.856	12.213
1952	\$247,438	55.5	1.290	0.302649	\$4,454	39.45	3.547	11.720
1951	\$232,868	56.5	1.310	0.289693	\$2,769	39.75	3.251	11.221
1950	\$223,604	57.5	1.340	0.270510	\$8,476	40.03	2.971	10.982
1949	\$193,092	58.5	1.360	0.257902	\$15,181	40.29	2.706	10.494
1948	\$134,568	59.5	1.380	0.245450	\$6,543	40.55	2.455	10.001
1947	\$107,911	60.5	1.410	0.227082	\$6,506	40.78	2.219	9.770
1946	\$80,237	61.5	1.430	0.215058	\$3,707	41.00	1.997	9.288
1945	\$63,000	62.5	1.450	0.203223	\$2,760	41.21	1.788	8.800
1944	\$49,417	63.5	1.480	0.185846	\$3,138	41.41	1.594	8.576
1943	\$32,530	64.5	1.500	0.174525	\$1,574	41.59	1.414	8.100
1942	\$23,509	65.5	1.520	0.163428	\$1,076	41.76	1.245	7.616
1941	\$16,928	66.5	1.550	0.147226	\$2,492	41.91	1.089	7.399
1940	\$0	67.5	1.570	0.136736	\$0	42.05	0.947	6.928
				<u>43.000046</u>	<u>\$5,435,779</u>			

# Big Sandy

## Service Life Statistics

Account: 369 Services

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
2007	\$3,936,218	0.5	0.020	0.998874	\$300,946	0.50	21.501	21.525
2006	\$3,715,690	1.5	0.070	0.995620	\$234,662	1.50	20.504	20.594
2005	\$3,546,866	2.5	0.110	0.992497	\$263,454	2.49	19.510	19.657
2004	\$3,359,128	3.5	0.160	0.987823	\$256,535	3.48	18.520	18.748
2003	\$3,165,329	4.5	0.200	0.983363	\$237,656	4.47	17.534	17.831
2002	\$2,986,708	5.5	0.250	0.976729	\$218,848	5.45	16.554	16.948
2001	\$2,819,560	6.5	0.300	0.968721	\$218,618	6.42	15.581	16.084
2000	\$2,647,273	7.5	0.340	0.961170	\$281,336	7.38	14.616	15.207
1999	\$2,447,891	8.5	0.390	0.950088	\$231,632	8.34	13.661	14.378
1998	\$2,267,102	9.5	0.430	0.939737	\$171,994	9.28	12.716	13.531
1997	\$2,148,207	10.5	0.480	0.924697	\$189,708	10.22	11.784	12.743
1996	\$2,000,619	11.5	0.520	0.910789	\$176,042	11.13	10.866	11.930
1995	\$1,857,246	12.5	0.570	0.890778	\$147,181	12.04	9.965	11.187
1994	\$1,733,388	13.5	0.610	0.872443	\$139,344	12.92	9.083	10.411
1993	\$1,607,132	14.5	0.660	0.846292	\$107,752	13.78	8.224	9.718
1992	\$1,515,447	15.5	0.700	0.822521	\$97,259	14.61	7.390	8.984
1991	\$1,436,791	16.5	0.750	0.788871	\$88,697	15.42	6.584	8.346
1990	\$1,362,522	17.5	0.800	0.750427	\$79,456	16.19	5.814	7.748
1989	\$1,288,641	18.5	0.840	0.715950	\$82,715	16.92	5.081	7.097
1988	\$1,211,832	19.5	0.890	0.667972	\$80,242	17.61	4.389	6.571
1987	\$1,121,699	20.5	0.930	0.625661	\$53,710	18.26	3.742	5.981
1986	\$1,070,422	21.5	0.980	0.568135	\$45,093	18.86	3.145	5.536
1985	\$1,026,155	22.5	1.020	0.518909	\$44,355	19.40	2.602	5.014
1984	\$965,474	23.5	1.070	0.454515	\$38,422	19.89	2.115	4.654
1983	\$905,216	24.5	1.110	0.401893	\$36,547	20.31	1.687	4.198
1982	\$840,296	25.5	1.160	0.336667	\$24,633	20.68	1.318	3.914
1981	\$783,919	26.5	1.200	0.286458	\$26,176	20.99	1.006	3.512
1980	\$713,059	27.5	1.250	0.228078	\$20,692	21.25	0.749	3.284
1979	\$635,783	28.5	1.300	0.176215	\$13,930	21.45	0.547	3.103
1978	\$571,287	29.5	1.340	0.140137	\$9,297	21.61	0.389	2.773
1977	\$515,566	30.5	1.390	0.102068	\$7,173	21.73	0.267	2.621
1976	\$455,716	31.5	1.430	0.077075	\$4,735	21.82	0.178	2.308
1975	\$404,661	32.5	1.480	0.052149	\$2,831	21.89	0.113	2.172
1974	\$359,349	33.5	1.520	0.036776	\$1,473	21.93	0.069	1.871
1973	\$326,351	34.5	1.570	0.022531	\$877	21.96	0.039	1.739
1972	\$297,650	35.5	1.610	0.014486	\$595	21.98	0.021	1.426
1971	\$267,884	36.5	1.660	0.007672	\$165	21.99	0.010	1.249
1970	\$250,952	37.5	1.700	0.004112	\$94	22.00	0.004	0.898
1969	\$235,777	38.5	1.750	0.001402	\$28	22.00	0.001	0.667
1968	\$225,383	39.5	1.800	0.000228	\$5	22.00	0.000	0.528

# Big Sandy

## Service Life Statistics

Account: 369 Services  
 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
1967	\$206,619	40.5	1.840	0.000006	\$0	22.00	0.000	0.500
1966	\$199,843	41.5	1.890	0.000000	\$0	22.00	0.000	0.000
1965	\$188,660	42.5	1.930	0.000000	\$0	22.00	0.000	0.000
1964	\$180,653	43.5	1.980	0.000000	\$0	22.00	0.000	0.000
1963	\$174,310	44.5	2.020	0.000000	\$0	22.00	0.000	0.000
1962	\$169,369	45.5	2.070	0.000000	\$0	22.00	0.000	0.000
1961	\$176,353	46.5	2.110	0.000000	\$0	22.00	0.000	0.000
1960	\$169,707	47.5	2.160	0.000000	\$0	22.00	0.000	0.000
1959	\$151,295	48.5	2.200	0.000000	\$0	22.00	0.000	0.000
1958	\$140,123	49.5	2.250	0.000000	\$0	22.00	0.000	0.000
1957	\$132,345	50.5	2.300	0.000000	\$0	22.00	0.000	0.000
1956	\$124,054	51.5	2.340	0.000000	\$0	22.00	0.000	0.000
1955	\$116,110	52.5	2.390	0.000000	\$0	22.00	0.000	0.000
1954	\$109,836	53.5	2.430	0.000000	\$0	22.00	0.000	0.000
1953	\$99,600	54.5	2.480	0.000000	\$0	22.00	0.000	0.000
1952	\$92,458	55.5	2.520	0.000000	\$0	22.00	0.000	0.000
1951	\$83,688	56.5	2.570	0.000000	\$0	22.00	0.000	0.000
1950	\$76,984	57.5	2.610	0.000000	\$0	22.00	0.000	0.000
1949	\$53,776	58.5	2.660	0.000000	\$0	22.00	0.000	0.000
1948	\$30,082	59.5	2.700	0.000000	\$0	22.00	0.000	0.000
1947	\$22,539	60.5	2.750	0.000000	\$0	22.00	0.000	0.000
1946	\$18,453	61.5	2.800	0.000000	\$0	22.00	0.000	0.000
1945	\$16,522	62.5	2.840	0.000000	\$0	22.00	0.000	0.000
1944	\$14,522	63.5	2.890	0.000000	\$0	22.00	0.000	0.000
1943	\$9,312	64.5	2.930	0.000000	\$0	22.00	0.000	0.000
1942	\$5,757	65.5	2.980	0.000000	\$0	22.00	0.000	0.000
1941	\$2,653	66.5	3.020	0.000000	\$0	22.00	0.000	0.000
1940	\$0	67.5	3.070	0.000000	\$0	22.00	0.000	0.000
				<u>22.000536</u>	<u>\$3,934,910</u>			

# Big Sandy

## Service Life Statistics

Account: 370 Meters

Historical Life Curve: S6

Historical Life: 4

	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
2007	\$3,236,409	0.5	0.130	1.000000	\$584,741	0.50	3.486	3.486
2006	\$2,964,854	1.5	0.380	1.000000	\$1,353,839	1.50	2.486	2.486
2005	\$2,193,883	2.5	0.630	1.000000	\$794,854	2.50	1.486	1.486
2004	\$1,665,518	3.5	0.880	0.944262	\$500,760	3.47	0.514	0.545
2003	\$1,180,358	4.5	1.130	0.042155	\$3,118	3.97	0.021	0.500
2002	\$1,127,292	5.5	1.380	0.000000	\$0	3.99	0.000	0.500
2001	\$1,106,871	6.5	1.630	0.000000	\$0	3.99	0.000	0.500
2000	\$1,074,557	7.5	1.880	0.000000	\$0	3.99	0.000	0.000
1999	\$1,070,160	8.5	2.130	0.000000	\$0	3.99	0.000	0.000
1998	\$1,031,161	9.5	2.380	0.000000	\$0	3.99	0.000	0.000
1997	\$1,033,348	10.5	2.630	0.000000	\$0	3.99	0.000	0.000
1996	\$982,497	11.5	2.880	0.000000	\$0	3.99	0.000	0.000
1995	\$948,044	12.5	3.130	0.000000	\$0	3.99	0.000	0.000
1994	\$898,563	13.5	3.380	0.000000	\$0	3.99	0.000	0.000
1993	\$869,895	14.5	3.630	0.000000	\$0	3.99	0.000	0.000
1992	\$857,383	15.5	3.880	0.000000	\$0	3.99	0.000	0.000
1991	\$839,709	16.5	4.130	0.000000	\$0	3.99	0.000	0.000
1990	\$801,898	17.5	4.380	0.000000	\$0	3.99	0.000	0.000
1989	\$774,292	18.5	4.630	0.000000	\$0	3.99	0.000	0.000
1988	\$747,562	19.5	4.880	0.000000	\$0	3.99	0.000	0.000
1987	\$722,762	20.5	5.130	0.000000	\$0	3.99	0.000	0.000
1986	\$680,445	21.5	5.380	0.000000	\$0	3.99	0.000	0.000
1985	\$652,813	22.5	5.630	0.000000	\$0	3.99	0.000	0.000
1984	\$521,838	23.5	5.880	0.000000	\$0	3.99	0.000	0.000
1983	\$492,510	24.5	6.130	0.000000	\$0	3.99	0.000	0.000
1982	\$446,322	25.5	6.380	0.000000	\$0	3.99	0.000	0.000
1981	\$434,685	26.5	6.630	0.000000	\$0	3.99	0.000	0.000
1980	\$399,647	27.5	6.880	0.000000	\$0	3.99	0.000	0.000
1979	\$373,272	28.5	7.130	0.000000	\$0	3.99	0.000	0.000
1978	\$351,088	29.5	7.380	0.000000	\$0	3.99	0.000	0.000
1977	\$317,438	30.5	7.630	0.000000	\$0	3.99	0.000	0.000
1976	\$289,766	31.5	7.880	0.000000	\$0	3.99	0.000	0.000
1975	\$262,407	32.5	8.130	0.000000	\$0	3.99	0.000	0.000
1974	\$241,926	33.5	8.380	0.000000	\$0	3.99	0.000	0.000
1973	\$219,243	34.5	8.630	0.000000	\$0	3.99	0.000	0.000
1972	\$205,088	35.5	8.880	0.000000	\$0	3.99	0.000	0.000
1971	\$190,991	36.5	9.130	0.000000	\$0	3.99	0.000	0.000
1970	\$176,415	37.5	9.380	0.000000	\$0	3.99	0.000	0.000
1969	\$165,280	38.5	9.630	0.000000	\$0	3.99	0.000	0.000
1968	\$157,701	39.5	9.880	0.000000	\$0	3.99	0.000	0.000

# Big Sandy

## Service Life Statistics

Account: 370 Meters

Historical Life Curve: S6

Historical Life: 4

	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
1967	\$147,769	40.5	10.130	0.000000	\$0	3.99	0.000	0.000
1966	\$145,451	41.5	10.380	0.000000	\$0	3.99	0.000	0.000
1965	\$140,947	42.5	10.630	0.000000	\$0	3.99	0.000	0.000
1964	\$138,697	43.5	10.880	0.000000	\$0	3.99	0.000	0.000
1963	\$133,801	44.5	11.130	0.000000	\$0	3.99	0.000	0.000
1962	\$133,416	45.5	11.380	0.000000	\$0	3.99	0.000	0.000
1961	\$126,181	46.5	11.630	0.000000	\$0	3.99	0.000	0.000
1960	\$124,274	47.5	11.880	0.000000	\$0	3.99	0.000	0.000
1959	\$122,535	48.5	12.130	0.000000	\$0	3.99	0.000	0.000
1958	\$120,623	49.5	12.380	0.000000	\$0	3.99	0.000	0.000
1957	\$118,428	50.5	12.630	0.000000	\$0	3.99	0.000	0.000
1956	\$115,452	51.5	12.880	0.000000	\$0	3.99	0.000	0.000
1955	\$110,325	52.5	13.130	0.000000	\$0	3.99	0.000	0.000
1954	\$95,683	53.5	13.380	0.000000	\$0	3.99	0.000	0.000
1953	\$81,135	54.5	13.630	0.000000	\$0	3.99	0.000	0.000
1952	\$72,296	55.5	13.880	0.000000	\$0	3.99	0.000	0.000
1951	\$64,172	56.5	14.130	0.000000	\$0	3.99	0.000	0.000
1950	\$56,723	57.5	14.380	0.000000	\$0	3.99	0.000	0.000
1949	\$52,084	58.5	14.630	0.000000	\$0	3.99	0.000	0.000
1948	\$43,167	59.5	14.880	0.000000	\$0	3.99	0.000	0.000
1947	\$34,012	60.5	15.130	0.000000	\$0	3.99	0.000	0.000
1946	\$22,604	61.5	15.380	0.000000	\$0	3.99	0.000	0.000
1945	\$22,280	62.5	15.630	0.000000	\$0	3.99	0.000	0.000
1944	\$18,011	63.5	15.880	0.000000	\$0	3.99	0.000	0.000
1943	\$11,500	64.5	16.130	0.000000	\$0	3.99	0.000	0.000
1942	\$6,720	65.5	16.380	0.000000	\$0	3.99	0.000	0.000
1941	\$3,216	66.5	16.630	0.000000	\$0	3.99	0.000	0.000
1940	\$0	67.5	16.880	0.000000	\$0	3.99	0.000	0.000
				3.986417	\$3,237,313			

# Big Sandy

## Service Life Statistics

Account: 371 Installations on Customers' Premises

Historical Life Curve: S4

Historical Life: 17

	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
2007	\$1,710,704	0.5	0.030	1.000000	\$76,936	0.50	16.500	16.500
2006	\$1,698,151	1.5	0.090	1.000000	\$65,520	1.50	15.500	15.500
2005	\$1,683,887	2.5	0.150	1.000000	\$92,596	2.50	14.500	14.500
2004	\$1,638,234	3.5	0.210	1.000000	\$87,240	3.50	13.500	13.500
2003	\$1,603,251	4.5	0.260	1.000000	\$96,824	4.50	12.500	12.500
2002	\$1,543,742	5.5	0.320	0.999998	\$89,621	5.50	11.500	11.500
2001	\$1,482,149	6.5	0.380	0.999974	\$95,032	6.50	10.500	10.500
2000	\$1,417,357	7.5	0.440	0.999790	\$136,336	7.50	9.500	9.502
1999	\$1,332,656	8.5	0.500	0.998901	\$146,147	8.50	8.501	8.510
1998	\$1,229,255	9.5	0.560	0.995778	\$151,158	9.50	7.503	7.535
1997	\$1,118,459	10.5	0.620	0.987221	\$141,717	10.49	6.512	6.596
1996	\$1,009,043	11.5	0.680	0.968017	\$121,855	11.47	5.534	5.717
1995	\$905,748	12.5	0.740	0.931544	\$98,467	12.42	4.585	4.921
1994	\$823,309	13.5	0.790	0.883389	\$84,963	13.32	3.677	4.162
1993	\$747,317	14.5	0.850	0.801117	\$69,489	14.17	2.835	3.539
1992	\$679,928	15.5	0.910	0.693247	\$55,608	14.91	2.088	3.011
1991	\$617,850	16.5	0.970	0.566701	\$39,909	15.54	1.458	2.572
1990	\$569,306	17.5	1.030	0.433299	\$25,503	16.04	0.958	2.210
1989	\$527,198	18.5	1.090	0.306753	\$22,083	16.41	0.588	1.916
1988	\$473,554	19.5	1.150	0.198883	\$10,049	16.67	0.335	1.684
1987	\$436,473	20.5	1.210	0.116611	\$3,945	16.82	0.177	1.519
1986	\$416,443	21.5	1.260	0.068456	\$1,788	16.92	0.085	1.235
1985	\$401,733	22.5	1.320	0.031983	\$837	16.97	0.034	1.073
1984	\$385,127	23.5	1.380	0.012779	\$236	16.99	0.012	0.935
1983	\$378,108	24.5	1.440	0.004222	\$87	17.00	0.003	0.816
1982	\$368,138	25.5	1.500	0.001099	\$22	17.00	0.001	0.715
1981	\$357,678	26.5	1.560	0.000210	\$4	17.00	0.000	0.626
1980	\$351,839	27.5	1.620	0.000026	\$1	17.00	0.000	0.508
1979	\$342,013	28.5	1.680	0.000000	\$0	17.00	0.000	0.744
1978	\$334,936	29.5	1.740	0.000000	\$0	17.00	0.000	0.511
1977	\$326,614	30.5	1.790	0.000000	\$0	17.00	0.000	0.500
1976	\$318,109	31.5	1.850	0.000000	\$0	17.00	0.000	0.500
1975	\$276,911	32.5	1.910	0.000000	\$0	17.00	0.000	0.000
1974	\$236,821	33.5	1.970	0.000000	\$0	17.00	0.000	0.000
1973	\$193,542	34.5	2.030	0.000000	\$0	17.00	0.000	0.000
1972	\$166,487	35.5	2.090	0.000000	\$0	17.00	0.000	0.000
1971	\$133,075	36.5	2.150	0.000000	\$0	17.00	0.000	0.000
1970	\$119,729	37.5	2.210	0.000000	\$0	17.00	0.000	0.000
1969	\$103,139	38.5	2.260	0.000000	\$0	17.00	0.000	0.000
1968	\$92,518	39.5	2.320	0.000000	\$0	17.00	0.000	0.000

# Big Sandy

## Service Life Statistics

Account: 371 Installations on Customers' Premises

Historical Life Curve: S4

Historical Life: 17

	B Acct Data	C Beg Age	D C / "HL"	E Lookup	F Add x %Svrg	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
1967	\$127,866	40.5	2.380	0.000000	\$0	17.00	0.000	0.000
1966	\$118,160	41.5	2.440	0.000000	\$0	17.00	0.000	0.000
1965	\$102,097	42.5	2.500	0.000000	\$0	17.00	0.000	0.000
1964	\$94,083	43.5	2.560	0.000000	\$0	17.00	0.000	0.000
1963	\$88,436	44.5	2.620	0.000000	\$0	17.00	0.000	0.000
1962	\$88,235	45.5	2.680	0.000000	\$0	17.00	0.000	0.000
1961	\$65,158	46.5	2.740	0.000000	\$0	17.00	0.000	0.000
1960	\$43,182	47.5	2.790	0.000000	\$0	17.00	0.000	0.000
1959	\$41,807	48.5	2.850	0.000000	\$0	17.00	0.000	0.000
1958	\$35,379	49.5	2.910	0.000000	\$0	17.00	0.000	0.000
1957	\$30,125	50.5	2.970	0.000000	\$0	17.00	0.000	0.000
1956	\$24,350	51.5	3.030	0.000000	\$0	17.00	0.000	0.000
1955	\$15,334	52.5	3.090	0.000000	\$0	17.00	0.000	0.000
1954	\$9,556	53.5	3.150	0.000000	\$0	17.00	0.000	0.000
1953	\$3,943	54.5	3.210	0.000000	\$0	17.00	0.000	0.000
1952	\$0	55.5	3.260	0.000000	\$0	17.00	0.000	0.000
				<u>16.999998</u>	<u>\$1,713,970</u>			

# Big Sandy

## Calculation of Composite Remaining Life

Account: 362      Station Equipment

Year	Simulated Plant Survivors	Historical Life (HL)	Rate	Accrual Amount	Remaining Life	Remaining Life Percent	Future Accrual
2007	\$10,240	8.00	12.50%	\$1,280.00	7.50	93.74%	\$9,599
2006	\$170	8.00	12.50%	\$21.25	6.50	81.24%	\$138
2005	\$296,394	8.00	12.50%	\$37,049.25	5.50	68.74%	\$203,741
2004	\$46,335	8.00	12.50%	\$5,791.87	4.50	56.24%	\$26,059
2003	\$0	8.00	12.50%	\$0.00	3.50	43.80%	\$0
				<u>\$44,142</u>			<u>\$239,537</u>
				Net Salvage Adjustment    0%			\$0
				<u>\$44,142</u>			<u>\$239,537</u>

Composite Remaining Life in Years      5.43

# Big Sandy

## Calculation of Composite Remaining Life

Account: 364      Poles, Towers & Fixtures

Year	Simulated Plant Survivors	Historical Life (HL)	Rate	Accrual Amount	Remaining Life	Remaining Life Percent	Future Accrual
2007	\$542,193	24.00	4.17%	\$22,591.38	23.50	97.92%	\$530,897
2006	\$554,771	24.00	4.17%	\$23,115.46	22.50	93.75%	\$520,098
2005	\$468,423	24.00	4.17%	\$19,517.63	21.50	89.58%	\$419,629
2004	\$430,698	24.00	4.17%	\$17,945.75	20.50	85.42%	\$367,888
2003	\$388,276	24.00	4.17%	\$16,178.17	19.50	81.25%	\$315,474
2002	\$382,156	24.00	4.17%	\$15,923.17	18.50	77.08%	\$294,579
2001	\$399,031	24.00	4.17%	\$16,626.29	17.50	72.92%	\$290,960
2000	\$525,414	24.00	4.17%	\$21,892.25	16.50	68.75%	\$361,222
1999	\$458,091	24.00	4.17%	\$19,087.13	15.50	64.58%	\$295,850
1998	\$607,497	24.00	4.17%	\$25,312.38	14.50	60.42%	\$367,029
1997	\$605,338	24.00	4.17%	\$25,222.42	13.50	56.25%	\$340,503
1996	\$522,205	24.00	4.17%	\$21,758.54	12.50	52.08%	\$271,982
1995	\$649,750	24.00	4.17%	\$27,072.92	11.50	47.92%	\$311,339
1994	\$459,069	24.00	4.17%	\$19,127.88	10.50	43.75%	\$200,843
1993	\$491,540	24.00	4.17%	\$20,480.83	9.50	39.58%	\$194,568
1992	\$341,065	24.00	4.17%	\$14,211.04	8.50	35.42%	\$120,794
1991	\$375,825	24.00	4.17%	\$15,659.37	7.50	31.25%	\$117,446
1990	\$447,252	24.00	4.17%	\$18,635.48	6.50	27.09%	\$121,145
1989	\$451,847	24.00	4.17%	\$18,826.94	5.51	22.94%	\$103,654
1988	\$329,794	24.00	4.17%	\$13,741.43	4.53	18.87%	\$62,224
1987	\$426,360	24.00	4.17%	\$17,765.01	3.60	15.00%	\$63,958
1986	\$432,701	24.00	4.17%	\$18,029.19	2.84	11.83%	\$51,196
1985	\$221,262	24.00	4.17%	\$9,219.24	2.20	9.17%	\$20,296
1984	\$155,873	24.00	4.17%	\$6,494.70	1.71	7.14%	\$11,129
1983	\$110,504	24.00	4.17%	\$4,604.34	1.35	5.62%	\$6,215
1982	\$72,009	24.00	4.17%	\$3,000.38	1.07	4.46%	\$3,210
1981	\$24,821	24.00	4.17%	\$1,034.19	0.82	3.40%	\$843
1980	\$6,058	24.00	4.17%	\$252.42	0.78	3.26%	\$197
1979	\$1,498	24.00	4.17%	\$62.43	0.69	2.88%	\$43
1978	\$232	24.00	4.17%	\$9.66	0.63	2.61%	\$6
1977	\$21	24.00	4.17%	\$0.88	0.58	2.42%	\$1
1976	\$2	24.00	4.17%	\$0.06	0.55	2.28%	\$0
1975	\$0	24.00	4.17%	\$0.00	0.51	2.12%	\$0
				\$453,399			\$5,765,218
				Net Salvage Adjustment    75%	\$340,049		\$4,323,913
				\$793,448			\$10,089,131

Composite Remaining Life in Years      12.72

# Big Sandy

## Calculation of Composite Remaining Life

Account: 365      Overhead Conductors & Devices

Year	Simulated Plant Survivors	Historical Life (HL)	Rate	Accrual Amount	Remaining Life	Remaining Life Percent	Future Accrual
2007	\$571,361	25.00	4.00%	\$22,854.44	24.50	98.00%	\$559,934
2006	\$603,833	25.00	4.00%	\$24,153.32	23.50	94.00%	\$567,603
2005	\$449,682	25.00	4.00%	\$17,987.28	22.50	90.00%	\$404,714
2004	\$358,013	25.00	4.00%	\$14,320.52	21.50	86.00%	\$307,891
2003	\$339,817	25.00	4.00%	\$13,592.68	20.50	82.00%	\$278,650
2002	\$420,241	25.00	4.00%	\$16,809.64	19.50	78.00%	\$327,788
2001	\$429,368	25.00	4.00%	\$17,174.72	18.50	74.00%	\$317,732
2000	\$749,059	25.00	4.00%	\$29,962.36	17.50	70.00%	\$524,341
1999	\$373,653	25.00	4.00%	\$14,946.12	16.50	66.00%	\$246,611
1998	\$465,118	25.00	4.00%	\$18,604.72	15.50	62.00%	\$288,373
1997	\$418,783	25.00	4.00%	\$16,751.32	14.50	58.00%	\$242,894
1996	\$543,600	25.00	4.00%	\$21,744.00	13.50	54.00%	\$293,544
1995	\$557,843	25.00	4.00%	\$22,313.72	12.50	50.00%	\$278,922
1994	\$298,720	25.00	4.00%	\$11,948.80	11.50	46.00%	\$137,411
1993	\$392,146	25.00	4.00%	\$15,685.84	10.50	42.00%	\$164,701
1992	\$179,665	25.00	4.00%	\$7,186.60	9.50	38.00%	\$68,273
1991	\$304,292	25.00	4.00%	\$12,171.67	8.50	34.00%	\$103,459
1990	\$426,263	25.00	4.00%	\$17,050.52	7.50	30.00%	\$127,881
1989	\$531,056	25.00	4.00%	\$21,242.24	6.50	26.01%	\$138,103
1988	\$357,466	25.00	4.00%	\$14,298.64	5.51	22.04%	\$78,773
1987	\$200,397	25.00	4.00%	\$8,015.88	4.54	18.17%	\$36,407
1986	\$193,440	25.00	4.00%	\$7,737.61	3.64	14.56%	\$28,160
1985	\$111,966	25.00	4.00%	\$4,478.63	2.85	11.41%	\$12,775
1984	\$190,789	25.00	4.00%	\$7,631.56	2.22	8.87%	\$16,914
1983	\$140,454	25.00	4.00%	\$5,618.15	1.73	6.93%	\$9,736
1982	\$86,492	25.00	4.00%	\$3,459.66	1.38	5.52%	\$4,772
1981	\$36,355	25.00	4.00%	\$1,454.19	1.12	4.50%	\$1,635
1980	\$12,815	25.00	4.00%	\$512.59	0.94	3.76%	\$482
1979	\$5,890	25.00	4.00%	\$235.59	0.81	3.23%	\$190
1978	\$1,297	25.00	4.00%	\$51.87	0.71	2.85%	\$37
1977	\$184	25.00	4.00%	\$7.35	0.64	2.57%	\$5
1976	\$20	25.00	4.00%	\$0.82	0.59	2.36%	\$0
1975	\$2	25.00	4.00%	\$0.08	0.55	2.22%	\$0
1974	\$0	25.00	4.00%	\$0.00	0.53	2.12%	\$0
				<u>\$390,003</u>			<u>\$5,568,713</u>
				Net Salvage Adjustment    70%	<u>\$273,002</u>		<u>\$3,898,099</u>
					<u>\$663,005</u>		<u>\$9,466,812</u>

Composite Remaining Life in Years      14.28

# Big Sandy

## Calculation of Composite Remaining Life

Account: 366      Underground Conduit

Year	Simulated Plant Survivors	Historical Life (HL)	Rate	Accrual Amount	Remaining Life	Remaining Life Percent	Future Accrual
2007	\$42,958	29.00	3.45%	\$1,481.32	28.50	98.28%	\$42,218
2006	\$27,469	29.00	3.45%	\$947.20	27.51	94.85%	\$26,054
2005	\$38,235	29.00	3.45%	\$1,318.44	26.53	91.49%	\$34,981
2004	\$33,428	29.00	3.45%	\$1,152.67	25.57	88.17%	\$29,473
2003	\$29,710	29.00	3.45%	\$1,024.48	24.65	84.99%	\$25,251
2002	\$10,613	29.00	3.45%	\$365.98	23.73	81.83%	\$8,685
2001	\$12,502	29.00	3.45%	\$431.11	22.83	78.74%	\$9,844
2000	\$70	29.00	3.45%	\$2.43	22.01	75.88%	\$53
1999	\$0	29.00	3.45%	\$0.00	21.16	72.96%	\$0
1998	\$11,992	29.00	3.45%	\$413.51	20.40	70.34%	\$8,435
1997	\$7,453	29.00	3.45%	\$257.00	19.60	67.60%	\$5,038
1996	\$8,382	29.00	3.45%	\$289.04	18.91	65.20%	\$5,465
1995	\$729	29.00	3.45%	\$25.13	18.16	62.62%	\$456
1994	\$0	29.00	3.45%	\$0.00	17.53	60.44%	\$0
1993	\$8,091	29.00	3.45%	\$278.99	16.82	58.02%	\$4,694
1992	\$2,794	29.00	3.45%	\$96.34	16.14	55.65%	\$1,555
1991	\$5,748	29.00	3.45%	\$198.20	15.58	53.72%	\$3,088
1990	\$14,343	29.00	3.45%	\$494.58	14.93	51.48%	\$7,384
1989	\$0	29.00	3.45%	\$0.00	14.42	49.73%	\$0
1988	\$0	29.00	3.45%	\$0.00	13.81	47.61%	\$0
1987	\$593	29.00	3.45%	\$20.46	13.34	46.01%	\$273
1986	\$0	29.00	3.45%	\$0.00	12.76	44.00%	\$0
1985	\$0	29.00	3.45%	\$0.00	12.34	42.53%	\$0
1984	\$0	29.00	3.45%	\$0.00	11.78	40.62%	\$0
1983	\$16,598	29.00	3.45%	\$572.34	11.23	38.73%	\$6,429
1982	\$0	29.00	3.45%	\$0.00	10.85	37.41%	\$0
1981	\$0	29.00	3.45%	\$0.00	10.33	35.61%	\$0
1980	\$0	29.00	3.45%	\$0.00	9.97	34.39%	\$0
1979	\$0	29.00	3.45%	\$0.00	9.47	32.66%	\$0
1978	\$0	29.00	3.45%	\$0.00	9.15	31.54%	\$0
1977	\$0	29.00	3.45%	\$0.00	8.66	29.87%	\$0
1976	\$0	29.00	3.45%	\$0.00	8.37	28.85%	\$0
1975	\$0	29.00	3.45%	\$0.00	7.90	27.24%	\$0
1974	\$0	29.00	3.45%	\$0.00	7.63	26.30%	\$0
1973	\$0	29.00	3.45%	\$0.00	7.18	24.76%	\$0
1972	\$771	29.00	3.45%	\$26.60	6.73	23.21%	\$179
1971	\$0	29.00	3.45%	\$0.00	6.47	22.32%	\$0
				<u>\$9,396</u>			<u>\$219,556</u>
				Net Salvage Adjustment      0%	<u>\$0</u>		<u>\$0</u>
					\$9,396		\$219,556

Composite Remaining Life in Years      23.37

# Big Sandy

## Calculation of Composite Remaining Life

Account: 367      Underground Conductors & Devices

Year	Simulated Plant Survivors	Historical Life (HL)	Rate	Accrual Amount	Remaining Life	Remaining Life Percent	Future Accrual
2007	\$50,353	36.00	2.78%	\$1,398.69	35.54	98.73%	\$49,716
2006	\$7,182	36.00	2.78%	\$199.51	34.74	96.50%	\$6,931
2005	\$4,155	36.00	2.78%	\$115.41	33.94	94.28%	\$3,917
2004	\$14,424	36.00	2.78%	\$400.66	33.15	92.09%	\$13,282
2003	\$2,370	36.00	2.78%	\$65.84	32.37	89.91%	\$2,131
2002	\$44,619	36.00	2.78%	\$1,239.41	31.52	87.55%	\$39,064
2001	\$48,641	36.00	2.78%	\$1,351.14	30.75	85.41%	\$41,544
2000	\$6,129	36.00	2.78%	\$170.24	29.99	83.29%	\$5,105
1999	\$0	36.00	2.78%	\$0.00	29.23	81.20%	\$0
1998	\$783	36.00	2.78%	\$21.74	28.40	78.89%	\$617
1997	\$5,331	36.00	2.78%	\$148.07	27.66	76.82%	\$4,095
1996	\$3,093	36.00	2.78%	\$85.91	26.92	74.78%	\$2,313
1995	\$5,034	36.00	2.78%	\$139.82	26.20	72.77%	\$3,663
1994	\$6,089	36.00	2.78%	\$169.15	25.48	70.78%	\$4,310
1993	\$6,998	36.00	2.78%	\$194.38	24.67	68.54%	\$4,796
1992	\$0	36.00	2.78%	\$0.00	23.97	66.59%	\$0
1991	\$5,952	36.00	2.78%	\$165.32	23.28	64.66%	\$3,848
1990	\$3,044	36.00	2.78%	\$84.56	22.60	62.77%	\$1,911
1989	\$0	36.00	2.78%	\$0.00	21.81	60.60%	\$0
1988	\$3,312	36.00	2.78%	\$92.01	21.15	58.75%	\$1,946
1987	\$8,526	36.00	2.78%	\$236.83	20.50	56.93%	\$4,854
1986	\$984	36.00	2.78%	\$27.35	19.86	55.16%	\$543
1985	\$3,073	36.00	2.78%	\$85.35	19.23	53.42%	\$1,642
1984	\$0	36.00	2.78%	\$0.00	18.49	51.36%	\$0
				<u>\$6,391</u>			<u>\$196,227</u>
				<u>\$3,835</u>			<u>\$117,736</u>
				<u>\$10,226</u>			<u>\$313,964</u>

Net Salvage Adjustment    60%      \$3,835      \$117,736  
\$10,226      \$313,964

Composite Remaining Life in Years      30.70

# Big Sandy

## Calculation of Composite Remaining Life

Account: 368 Line Transformers

Year	Simulated Plant Survivors	Historical Life (HL)	Rate	Accrual Amount	Remaining Life	Remaining Life Percent	Future Accrual
2007	\$397,857	43.00	2.33%	\$9,252.48	42.51	98.86%	\$393,314
2006	\$194,023	43.00	2.33%	\$4,512.15	41.56	96.65%	\$187,528
2005	\$192,630	43.00	2.33%	\$4,479.76	40.70	94.65%	\$182,325
2004	\$147,726	43.00	2.33%	\$3,435.49	39.83	92.62%	\$136,820
2003	\$165,878	43.00	2.33%	\$3,857.63	38.97	90.64%	\$150,345
2002	\$168,761	43.00	2.33%	\$3,924.68	38.23	88.92%	\$150,054
2001	\$236,356	43.00	2.33%	\$5,496.65	37.43	87.05%	\$205,738
2000	\$249,883	43.00	2.33%	\$5,811.24	36.64	85.21%	\$212,932
1999	\$179,324	43.00	2.33%	\$4,170.31	35.99	83.69%	\$150,079
1998	\$196,211	43.00	2.33%	\$4,563.05	35.24	81.94%	\$160,782
1997	\$230,217	43.00	2.33%	\$5,353.89	34.50	80.22%	\$184,686
1996	\$213,209	43.00	2.33%	\$4,958.35	33.91	78.86%	\$168,130
1995	\$168,717	43.00	2.33%	\$3,923.65	33.20	77.20%	\$130,257
1994	\$199,563	43.00	2.33%	\$4,641.00	32.50	75.57%	\$150,815
1993	\$145,874	43.00	2.33%	\$3,392.42	31.96	74.33%	\$108,431
1992	\$160,223	43.00	2.33%	\$3,726.12	31.29	72.76%	\$116,575
1991	\$114,184	43.00	2.33%	\$2,655.43	30.62	71.20%	\$81,298
1990	\$98,317	43.00	2.33%	\$2,286.44	30.13	70.06%	\$68,884
1989	\$124,099	43.00	2.33%	\$2,886.01	29.48	68.55%	\$85,074
1988	\$133,293	43.00	2.33%	\$3,099.83	28.83	67.06%	\$89,382
1987	\$166,935	43.00	2.33%	\$3,882.22	28.38	66.01%	\$110,190
1986	\$133,520	43.00	2.33%	\$3,105.11	27.76	64.55%	\$86,192
1985	\$164,396	43.00	2.33%	\$3,823.16	27.14	63.11%	\$103,749
1984	\$106,206	43.00	2.33%	\$2,469.92	26.72	62.14%	\$65,991
1983	\$105,365	43.00	2.33%	\$2,450.35	26.11	60.73%	\$63,987
1982	\$92,453	43.00	2.33%	\$2,150.08	25.51	59.33%	\$54,852
1981	\$95,098	43.00	2.33%	\$2,211.59	25.12	58.42%	\$55,557
1980	\$102,271	43.00	2.33%	\$2,378.41	24.53	57.06%	\$58,351
1979	\$112,534	43.00	2.33%	\$2,617.07	23.95	55.70%	\$62,677
1978	\$67,501	43.00	2.33%	\$1,569.79	23.58	54.84%	\$37,020
1977	\$87,145	43.00	2.33%	\$2,026.63	23.01	53.51%	\$46,635
1976	\$47,116	43.00	2.33%	\$1,095.73	22.44	52.19%	\$24,590
1975	\$60,818	43.00	2.33%	\$1,414.38	22.10	51.39%	\$31,253
1974	\$41,234	43.00	2.33%	\$958.94	21.54	50.09%	\$20,655
1973	\$13,928	43.00	2.33%	\$323.91	20.98	48.80%	\$6,797
1972	\$32,349	43.00	2.33%	\$752.31	20.66	48.04%	\$15,540
1971	\$36,946	43.00	2.33%	\$859.21	20.11	46.77%	\$17,281
1970	\$12,575	43.00	2.33%	\$292.43	19.57	45.51%	\$5,722
1969	\$8,825	43.00	2.33%	\$205.23	19.26	44.79%	\$3,953
1968	\$10,519	43.00	2.33%	\$244.63	18.73	43.55%	\$4,581
1967	\$9,420	43.00	2.33%	\$219.08	18.19	42.31%	\$3,985
1966	\$8,670	43.00	2.33%	\$201.62	17.90	41.63%	\$3,609

# Big Sandy

## Calculation of Composite Remaining Life

Account: 368      Line Transformers

Year	Simulated Plant Survivors	Historical Life (HL)	Rate	Accrual Amount	Remaining Life	Remaining Life Percent	Future Accrual
1965	\$8,363	43.00	2.33%	\$194.49	17.38	40.41%	\$3,380
1964	\$9,295	43.00	2.33%	\$216.16	16.85	39.19%	\$3,643
1963	\$11,105	43.00	2.33%	\$258.26	16.33	37.97%	\$4,217
1962	\$9,331	43.00	2.33%	\$217.00	16.05	37.32%	\$3,482
1961	\$12,963	43.00	2.33%	\$301.47	15.53	36.12%	\$4,682
1960	\$13,198	43.00	2.33%	\$306.94	15.01	34.91%	\$4,608
1959	\$6,314	43.00	2.33%	\$146.85	14.74	34.28%	\$2,165
1958	\$7,170	43.00	2.33%	\$166.74	14.24	33.11%	\$2,374
1957	\$5,596	43.00	2.33%	\$130.14	13.72	31.92%	\$1,786
1956	\$8,791	43.00	2.33%	\$204.43	13.47	31.32%	\$2,753
1955	\$26,305	43.00	2.33%	\$611.74	12.97	30.15%	\$7,932
1954	\$13,605	43.00	2.33%	\$316.39	12.46	28.98%	\$3,943
1953	\$12,895	43.00	2.33%	\$299.89	12.21	28.40%	\$3,663
1952	\$4,454	43.00	2.33%	\$103.58	11.72	27.25%	\$1,214
1951	\$2,769	43.00	2.33%	\$64.39	11.22	26.10%	\$722
1950	\$8,476	43.00	2.33%	\$197.13	10.98	25.54%	\$2,165
1949	\$15,181	43.00	2.33%	\$353.05	10.49	24.40%	\$3,705
1948	\$6,543	43.00	2.33%	\$152.16	10.00	23.26%	\$1,522
1947	\$6,506	43.00	2.33%	\$151.31	9.77	22.72%	\$1,478
1946	\$3,707	43.00	2.33%	\$86.21	9.29	21.60%	\$801
1945	\$2,760	43.00	2.33%	\$64.19	8.80	20.46%	\$565
1944	\$3,138	43.00	2.33%	\$72.99	8.58	19.94%	\$626
1943	\$1,574	43.00	2.33%	\$36.61	8.10	18.84%	\$297
1942	\$1,076	43.00	2.33%	\$25.01	7.62	17.71%	\$190
1941	\$2,492	43.00	2.33%	\$57.96	7.40	17.21%	\$429
1940	\$0	43.00	2.33%	\$0.00	6.93	16.11%	\$0
				\$126,157			\$4,056,848
				\$0			\$0
				\$126,157			\$4,056,848

Net Salvage Adjustment

0%

\$0

\$126,157

\$0

\$4,056,848

Composite Remaining Life in Years      32.16

# Big Sandy

## Calculation of Composite Remaining Life

Account: 369 Services

Year	Simulated Plant Survivors	Historical Life (HL)	Rate	Accrual Amount	Remaining Life	Remaining Life Percent	Future Accrual
2007	\$300,946	22.00	4.55%	\$13,679.35	21.53	97.84%	\$294,453
2006	\$234,662	22.00	4.55%	\$10,666.44	20.59	93.61%	\$219,665
2005	\$263,454	22.00	4.55%	\$11,975.20	19.66	89.35%	\$235,400
2004	\$256,535	22.00	4.55%	\$11,660.67	18.75	85.22%	\$218,613
2003	\$237,656	22.00	4.55%	\$10,802.56	17.83	81.05%	\$192,617
2002	\$218,848	22.00	4.55%	\$9,947.62	16.95	77.04%	\$168,596
2001	\$218,618	22.00	4.55%	\$9,937.18	16.08	73.11%	\$159,833
2000	\$281,336	22.00	4.55%	\$12,788.02	15.21	69.12%	\$194,465
1999	\$231,632	22.00	4.55%	\$10,528.75	14.38	65.36%	\$151,386
1998	\$171,994	22.00	4.55%	\$7,817.89	13.53	61.51%	\$105,785
1997	\$189,708	22.00	4.55%	\$8,623.10	12.74	57.92%	\$109,885
1996	\$176,042	22.00	4.55%	\$8,001.90	11.93	54.23%	\$95,464
1995	\$147,181	22.00	4.55%	\$6,690.06	11.19	50.85%	\$74,841
1994	\$139,344	22.00	4.55%	\$6,333.82	10.41	47.32%	\$65,944
1993	\$107,752	22.00	4.55%	\$4,897.80	9.72	44.17%	\$47,596
1992	\$97,259	22.00	4.55%	\$4,420.86	8.98	40.84%	\$39,718
1991	\$88,697	22.00	4.55%	\$4,031.67	8.35	37.94%	\$33,649
1990	\$79,456	22.00	4.55%	\$3,611.64	7.75	35.22%	\$27,983
1989	\$82,715	22.00	4.55%	\$3,759.78	7.10	32.26%	\$26,683
1988	\$80,242	22.00	4.55%	\$3,647.37	6.57	29.87%	\$23,966
1987	\$53,710	22.00	4.55%	\$2,441.36	5.98	27.19%	\$14,603
1986	\$45,093	22.00	4.55%	\$2,049.68	5.54	25.17%	\$11,348
1985	\$44,355	22.00	4.55%	\$2,016.15	5.01	22.79%	\$10,109
1984	\$38,422	22.00	4.55%	\$1,746.47	4.65	21.15%	\$8,128
1983	\$36,547	22.00	4.55%	\$1,661.23	4.20	19.08%	\$6,973
1982	\$24,633	22.00	4.55%	\$1,119.69	3.91	17.79%	\$4,383
1981	\$26,176	22.00	4.55%	\$1,189.80	3.51	15.97%	\$4,179
1980	\$20,692	22.00	4.55%	\$940.54	3.28	14.93%	\$3,088
1979	\$13,930	22.00	4.55%	\$633.17	3.10	14.10%	\$1,965
1978	\$9,297	22.00	4.55%	\$422.60	2.77	12.60%	\$1,172
1977	\$7,173	22.00	4.55%	\$326.07	2.62	11.91%	\$854
1976	\$4,735	22.00	4.55%	\$215.24	2.31	10.49%	\$497
1975	\$2,831	22.00	4.55%	\$128.66	2.17	9.87%	\$280
1974	\$1,473	22.00	4.55%	\$66.95	1.87	8.51%	\$125
1973	\$877	22.00	4.55%	\$39.84	1.74	7.90%	\$69
1972	\$595	22.00	4.55%	\$27.07	1.43	6.48%	\$39
1971	\$165	22.00	4.55%	\$7.52	1.25	5.68%	\$9
1970	\$94	22.00	4.55%	\$4.29	0.90	4.08%	\$4

# Big Sandy

## Calculation of Composite Remaining Life

Account: 369      Services

Year	Simulated Plant Survivors	Historical Life (HL)	Rate	Accrual Amount	Remaining Life	Remaining Life Percent	Future Accrual
1969	\$28	22.00	4.55%	\$1.30	0.67	3.03%	\$1
1968	\$5	22.00	4.55%	\$0.24	0.53	2.40%	\$0
1967	\$0	22.00	4.55%	\$0.00	0.50	2.27%	\$0
				<u>\$178,860</u>			<u>\$2,554,369</u>
			55%	<u>\$98,373</u>			<u>\$1,404,903</u>
				<u>\$277,232</u>			<u>\$3,959,272</u>
Composite Remaining Life in Years					14.28		

# Big Sandy

## Calculation of Composite Remaining Life

Account: 370      Meters

Year	Simulated Plant Survivors	Historical Life (HL)	Rate	Accrual Amount	Remaining Life	Remaining Life Percent	Future Accrual
2007	\$584,741	4.00	25.00%	\$146,185.25	3.49	87.16%	\$509,663
2006	\$1,353,839	4.00	25.00%	\$338,459.75	2.49	62.16%	\$841,552
2005	\$794,854	4.00	25.00%	\$198,713.49	1.49	37.16%	\$295,371
2004	\$500,760	4.00	25.00%	\$125,190.02	0.54	13.62%	\$68,184
2003	\$3,118	4.00	25.00%	\$779.62	0.50	12.50%	\$390
2002	\$0	4.00	25.00%	\$0.00	0.50	12.50%	\$0
				<u>\$809,328</u>			<u>\$1,715,159</u>
				Net Salvage Adjustment    0%			<u>\$0</u>
				<u>\$809,328</u>			<u>\$1,715,159</u>

Composite Remaining Life in Years                      2.12

# Big Sandy

## Calculation of Composite Remaining Life

Account: 371 Installations on Customers' Premises

Year	Simulated Plant Survivors	Historical Life (HL)	Rate	Accrual Amount	Remaining Life	Remaining Life Percent	Future Accrual
2007	\$76,936	17.00	5.88%	\$4,525.65	16.50	97.06%	\$74,673
2006	\$65,520	17.00	5.88%	\$3,854.12	15.50	91.18%	\$59,739
2005	\$92,596	17.00	5.88%	\$5,446.82	14.50	85.29%	\$78,979
2004	\$87,240	17.00	5.88%	\$5,131.76	13.50	79.41%	\$69,279
2003	\$96,824	17.00	5.88%	\$5,695.53	12.50	73.53%	\$71,194
2002	\$89,621	17.00	5.88%	\$5,271.81	11.50	67.65%	\$60,626
2001	\$95,032	17.00	5.88%	\$5,590.09	10.50	61.77%	\$58,698
2000	\$136,336	17.00	5.88%	\$8,019.79	9.50	55.89%	\$76,205
1999	\$146,147	17.00	5.88%	\$8,596.89	8.51	50.06%	\$73,161
1998	\$151,158	17.00	5.88%	\$8,891.65	7.54	44.33%	\$67,001
1997	\$141,717	17.00	5.88%	\$8,336.27	6.60	38.80%	\$54,988
1996	\$121,855	17.00	5.88%	\$7,167.94	5.72	33.63%	\$40,980
1995	\$98,467	17.00	5.88%	\$5,792.18	4.92	28.95%	\$28,506
1994	\$84,963	17.00	5.88%	\$4,997.80	4.16	24.49%	\$20,803
1993	\$69,489	17.00	5.88%	\$4,087.58	3.54	20.82%	\$14,464
1992	\$55,608	17.00	5.88%	\$3,271.07	3.01	17.71%	\$9,850
1991	\$39,909	17.00	5.88%	\$2,347.58	2.57	15.13%	\$6,038
1990	\$25,503	17.00	5.88%	\$1,500.16	2.21	13.00%	\$3,316
1989	\$22,083	17.00	5.88%	\$1,299.03	1.92	11.27%	\$2,489
1988	\$10,049	17.00	5.88%	\$591.13	1.68	9.90%	\$995
1987	\$3,945	17.00	5.88%	\$232.03	1.52	8.93%	\$352
1986	\$1,788	17.00	5.88%	\$105.16	1.24	7.27%	\$130
1985	\$837	17.00	5.88%	\$49.24	1.07	6.31%	\$53
1984	\$236	17.00	5.88%	\$13.86	0.93	5.50%	\$13
1983	\$87	17.00	5.88%	\$5.11	0.82	4.80%	\$4
1982	\$22	17.00	5.88%	\$1.28	0.72	4.21%	\$1
1981	\$4	17.00	5.88%	\$0.23	0.63	3.68%	\$0
1980	\$1	17.00	5.88%	\$0.03	0.51	2.99%	\$0
1979	\$0	17.00	5.88%	\$0.00	0.74	4.38%	\$0
				<u>\$100,822</u>			<u>\$872,538</u>
	Net Salvage Adjustment	60%		<u>\$60,493</u>			<u>\$523,523</u>
				<u>\$161,315</u>			<u>\$1,396,060</u>

Composite Remaining Life in Years 8.65

# Big Sandy

## Calculated Accrued Depreciation

Account: 362      Station Equipment

Year	Simulated Plant Survivors	Historical Life (HL)	Remaining Life	Factor	Future Accrual
2007	\$10,240	8.00	7.50	6.26%	\$641
2006	\$170	8.00	6.50	18.76%	\$32
2005	\$296,394	8.00	5.50	31.26%	\$92,653
2004	\$46,335	8.00	4.50	43.76%	\$20,276
2003	\$0	8.00	3.50	56.20%	\$0
	<u>\$353,139</u>				<u>\$113,602</u>
	Net Salvage Adjustment		0%		<u>\$0</u>
					<u>\$113,602</u>

# Big Sandy

## Calculated Accrued Depreciation

Account: 364 Poles, Towers & Fixtures

Year	Simulated Plant Survivors	Historical Life (HL)	Remaining Life	Factor	Future Accrual
2007	\$542,193	24.00	23.50	2.08%	\$11,296
2006	\$554,771	24.00	22.50	6.25%	\$34,673
2005	\$468,423	24.00	21.50	10.42%	\$48,794
2004	\$430,698	24.00	20.50	14.58%	\$62,810
2003	\$388,276	24.00	19.50	18.75%	\$72,802
2002	\$382,156	24.00	18.50	22.92%	\$87,577
2001	\$399,031	24.00	17.50	27.08%	\$108,071
2000	\$525,414	24.00	16.50	31.25%	\$164,192
1999	\$458,091	24.00	15.50	35.42%	\$162,241
1998	\$607,497	24.00	14.50	39.58%	\$240,468
1997	\$605,338	24.00	13.50	43.75%	\$264,835
1996	\$522,205	24.00	12.50	47.92%	\$250,223
1995	\$649,750	24.00	11.50	52.08%	\$338,411
1994	\$459,069	24.00	10.50	56.25%	\$258,226
1993	\$491,540	24.00	9.50	60.42%	\$296,972
1992	\$341,065	24.00	8.50	64.58%	\$220,271
1991	\$375,825	24.00	7.50	68.75%	\$258,379
1990	\$447,252	24.00	6.50	72.91%	\$326,107
1989	\$451,847	24.00	5.51	77.06%	\$348,192
1988	\$329,794	24.00	4.53	81.13%	\$267,571
1987	\$426,360	24.00	3.60	85.00%	\$362,402
1986	\$432,701	24.00	2.84	88.17%	\$381,505
1985	\$221,262	24.00	2.20	90.83%	\$200,966
1984	\$155,873	24.00	1.71	92.86%	\$144,744
1983	\$110,504	24.00	1.35	94.38%	\$104,289
1982	\$72,009	24.00	1.07	95.54%	\$68,799
1981	\$24,821	24.00	0.82	96.60%	\$23,977
1980	\$6,058	24.00	0.78	96.74%	\$5,861
1979	\$1,498	24.00	0.69	97.12%	\$1,455
1978	\$232	24.00	0.63	97.39%	\$226
1977	\$21	24.00	0.58	97.58%	\$20
1976	\$2	24.00	0.55	97.72%	\$1
1975	\$0	24.00	0.51	97.88%	\$0
	<u>\$10,881,574</u>				<u>\$5,116,356</u>
	Net Salvage Adjustment		75%		<u>\$3,837,267</u>
					<u>\$8,953,624</u>

# Big Sandy

## Calculated Accrued Depreciation

Account: 365      Overhead Conductors & Devices

Year	Simulated Plant Survivors	Historical Life (HL.)	Remaining Life	Factor	Future Accrual
2007	\$571,361	25.00	24.50	2.00%	\$11,427
2006	\$603,833	25.00	23.50	6.00%	\$36,230
2005	\$449,682	25.00	22.50	10.00%	\$44,968
2004	\$358,013	25.00	21.50	14.00%	\$50,122
2003	\$339,817	25.00	20.50	18.00%	\$61,167
2002	\$420,241	25.00	19.50	22.00%	\$92,453
2001	\$429,368	25.00	18.50	26.00%	\$111,636
2000	\$749,059	25.00	17.50	30.00%	\$224,718
1999	\$373,653	25.00	16.50	34.00%	\$127,042
1998	\$465,118	25.00	15.50	38.00%	\$176,745
1997	\$418,783	25.00	14.50	42.00%	\$175,889
1996	\$543,600	25.00	13.50	46.00%	\$250,056
1995	\$557,843	25.00	12.50	50.00%	\$278,921
1994	\$298,720	25.00	11.50	54.00%	\$161,309
1993	\$392,146	25.00	10.50	58.00%	\$227,445
1992	\$179,665	25.00	9.50	62.00%	\$111,392
1991	\$304,292	25.00	8.50	66.00%	\$200,832
1990	\$426,263	25.00	7.50	70.00%	\$298,382
1989	\$531,056	25.00	6.50	73.99%	\$392,952
1988	\$357,466	25.00	5.51	77.96%	\$278,693
1987	\$200,397	25.00	4.54	81.83%	\$163,990
1986	\$193,440	25.00	3.64	85.44%	\$165,281
1985	\$111,966	25.00	2.85	88.59%	\$99,191
1984	\$190,789	25.00	2.22	91.13%	\$173,875
1983	\$140,454	25.00	1.73	93.07%	\$130,718
1982	\$86,492	25.00	1.38	94.48%	\$81,720
1981	\$36,355	25.00	1.12	95.50%	\$34,720
1980	\$12,815	25.00	0.94	96.24%	\$12,332
1979	\$5,890	25.00	0.81	96.77%	\$5,699
1978	\$1,297	25.00	0.71	97.15%	\$1,260
1977	\$184	25.00	0.64	97.43%	\$179
1976	\$20	25.00	0.59	97.64%	\$20
1975	\$2	25.00	0.55	97.78%	\$2
1974	\$0	25.00	0.53	97.88%	\$0
	<u>\$9,750,079</u>				<u>\$4,181,366</u>
	Net Salvage Adjustment		70%		<u>\$2,926,956</u>
					<u><u>\$7,108,322</u></u>

# Big Sandy

## Calculated Accrued Depreciation

Account: 366      Underground Conduit

Year	Simulated Plant Survivors	Historical Life (HL)	Remaining Life	Factor	Future Accrual
2007	\$42,958	29.00	28.50	1.72%	\$740
2006	\$27,469	29.00	27.51	5.15%	\$1,415
2005	\$38,235	29.00	26.53	8.51%	\$3,254
2004	\$33,428	29.00	25.57	11.83%	\$3,954
2003	\$29,710	29.00	24.65	15.01%	\$4,459
2002	\$10,613	29.00	23.73	18.17%	\$1,929
2001	\$12,502	29.00	22.83	21.26%	\$2,658
2000	\$70	29.00	22.01	24.12%	\$17
1999	\$0	29.00	21.16	27.04%	\$0
1998	\$11,992	29.00	20.40	29.66%	\$3,557
1997	\$7,453	29.00	19.60	32.40%	\$2,415
1996	\$8,382	29.00	18.91	34.80%	\$2,917
1995	\$729	29.00	18.16	37.38%	\$272
1994	\$0	29.00	17.53	39.56%	\$0
1993	\$8,091	29.00	16.82	41.98%	\$3,397
1992	\$2,794	29.00	16.14	44.35%	\$1,239
1991	\$5,748	29.00	15.58	46.28%	\$2,660
1990	\$14,343	29.00	14.93	48.52%	\$6,959
1989	\$0	29.00	14.42	50.27%	\$0
1988	\$0	29.00	13.81	52.39%	\$0
1987	\$593	29.00	13.34	53.99%	\$320
1986	\$0	29.00	12.76	56.00%	\$0
1985	\$0	29.00	12.34	57.47%	\$0
1984	\$0	29.00	11.78	59.38%	\$0
1983	\$16,598	29.00	11.23	61.27%	\$10,169
1982	\$0	29.00	10.85	62.59%	\$0
1981	\$0	29.00	10.33	64.39%	\$0
1980	\$0	29.00	9.97	65.61%	\$0
1979	\$0	29.00	9.47	67.34%	\$0
1978	\$0	29.00	9.15	68.46%	\$0
1977	\$0	29.00	8.66	70.13%	\$0
1976	\$0	29.00	8.37	71.15%	\$0
1975	\$0	29.00	7.90	72.76%	\$0
1974	\$0	29.00	7.63	73.70%	\$0
1973	\$0	29.00	7.18	75.24%	\$0
1972	\$771	29.00	6.73	76.79%	\$592
1971	\$0	29.00	6.47	77.68%	\$0
	<u>\$272,478</u>				<u>\$52,922</u>
	Net Salvage Adjustment		0%		<u>\$0</u>
					<u>\$52,922</u>

# Big Sandy

## Calculated Accrued Depreciation

Account: 367      Underground Conductors & Devices

Year	Simulated Plant Survivors	Historical Life (HL)	Remaining Life	Factor	Future Accrual
2007	\$50,353	36.00	35.54	1.27%	\$637
2006	\$7,182	36.00	34.74	3.50%	\$252
2005	\$4,155	36.00	33.94	5.72%	\$238
2004	\$14,424	36.00	33.15	7.91%	\$1,142
2003	\$2,370	36.00	32.37	10.09%	\$239
2002	\$44,619	36.00	31.52	12.45%	\$5,555
2001	\$48,641	36.00	30.75	14.59%	\$7,097
2000	\$6,129	36.00	29.99	16.71%	\$1,024
1999	\$0	36.00	29.23	18.80%	\$0
1998	\$783	36.00	28.40	21.11%	\$165
1997	\$5,331	36.00	27.66	23.18%	\$1,236
1996	\$3,093	36.00	26.92	25.22%	\$780
1995	\$5,034	36.00	26.20	27.23%	\$1,371
1994	\$6,089	36.00	25.48	29.22%	\$1,779
1993	\$6,998	36.00	24.67	31.46%	\$2,202
1992	\$0	36.00	23.97	33.41%	\$0
1991	\$5,952	36.00	23.28	35.34%	\$2,103
1990	\$3,044	36.00	22.60	37.23%	\$1,133
1989	\$0	36.00	21.81	39.40%	\$0
1988	\$3,312	36.00	21.15	41.25%	\$1,366
1987	\$8,526	36.00	20.50	43.07%	\$3,672
1986	\$984	36.00	19.86	44.84%	\$441
1985	\$3,073	36.00	19.23	46.58%	\$1,431
1984	\$0	36.00	18.49	48.64%	\$0
	<u>\$230,090</u>				<u>\$33,863</u>
	Net Salvage Adjustment		60%		<u>\$20,318</u>
					<u>\$54,180</u>

# Big Sandy

## Calculated Accrued Depreciation

Account: 368      Line Transformers

Year	Simulated Plant Survivors	Historical Life (HL)	Remaining Life	Factor	Future Accrual
2007	\$397,857	43.00	42.51	1.14%	\$4,543
2006	\$194,023	43.00	41.56	3.35%	\$6,494
2005	\$192,630	43.00	40.70	5.35%	\$10,305
2004	\$147,726	43.00	39.83	7.38%	\$10,906
2003	\$165,878	43.00	38.97	9.36%	\$15,533
2002	\$168,761	43.00	38.23	11.08%	\$18,707
2001	\$236,356	43.00	37.43	12.95%	\$30,618
2000	\$249,883	43.00	36.64	14.79%	\$36,952
1999	\$179,324	43.00	35.99	16.31%	\$29,245
1998	\$196,211	43.00	35.24	18.06%	\$35,429
1997	\$230,217	43.00	34.50	19.78%	\$45,531
1996	\$213,209	43.00	33.91	21.14%	\$45,079
1995	\$168,717	43.00	33.20	22.80%	\$38,460
1994	\$199,563	43.00	32.50	24.43%	\$48,748
1993	\$145,874	43.00	31.96	25.67%	\$37,443
1992	\$160,223	43.00	31.29	27.24%	\$43,648
1991	\$114,184	43.00	30.62	28.80%	\$32,885
1990	\$98,317	43.00	30.13	29.94%	\$29,433
1989	\$124,099	43.00	29.48	31.45%	\$39,025
1988	\$133,293	43.00	28.83	32.94%	\$43,911
1987	\$166,935	43.00	28.38	33.99%	\$56,745
1986	\$133,520	43.00	27.76	35.45%	\$47,328
1985	\$164,396	43.00	27.14	36.89%	\$60,646
1984	\$106,206	43.00	26.72	37.86%	\$40,215
1983	\$105,365	43.00	26.11	39.27%	\$41,378
1982	\$92,453	43.00	25.51	40.67%	\$37,601
1981	\$95,098	43.00	25.12	41.58%	\$39,542
1980	\$102,271	43.00	24.53	42.94%	\$43,920
1979	\$112,534	43.00	23.95	44.30%	\$49,857
1978	\$67,501	43.00	23.58	45.16%	\$30,482
1977	\$87,145	43.00	23.01	46.49%	\$40,510
1976	\$47,116	43.00	22.44	47.81%	\$22,526
1975	\$60,818	43.00	22.10	48.61%	\$29,565
1974	\$41,234	43.00	21.54	49.91%	\$20,579
1973	\$13,928	43.00	20.98	51.20%	\$7,132
1972	\$32,349	43.00	20.66	51.96%	\$16,809
1971	\$36,946	43.00	20.11	53.23%	\$19,665
1970	\$12,575	43.00	19.57	54.49%	\$6,852
1969	\$8,825	43.00	19.26	55.21%	\$4,872
1968	\$10,519	43.00	18.73	56.45%	\$5,938
1967	\$9,420	43.00	18.19	57.69%	\$5,435
1966	\$8,670	43.00	17.90	58.37%	\$5,061

# Big Sandy

## Calculated Accrued Depreciation

Account: 368      Line Transformers

Year	Simulated Plant Survivors	Historical Life (HL)	Remaining Life	Factor	Future Accrual
1965	\$8,363	43.00	17.38	59.59%	\$4,984
1964	\$9,295	43.00	16.85	60.81%	\$5,652
1963	\$11,105	43.00	16.33	62.03%	\$6,889
1962	\$9,331	43.00	16.05	62.68%	\$5,849
1961	\$12,963	43.00	15.53	63.88%	\$8,281
1960	\$13,198	43.00	15.01	65.09%	\$8,590
1959	\$6,314	43.00	14.74	65.72%	\$4,150
1958	\$7,170	43.00	14.24	66.89%	\$4,796
1957	\$5,596	43.00	13.72	68.08%	\$3,810
1956	\$8,791	43.00	13.47	68.68%	\$6,038
1955	\$26,305	43.00	12.97	69.85%	\$18,373
1954	\$13,605	43.00	12.46	71.02%	\$9,662
1953	\$12,895	43.00	12.21	71.60%	\$9,233
1952	\$4,454	43.00	11.72	72.75%	\$3,240
1951	\$2,769	43.00	11.22	73.90%	\$2,046
1950	\$8,476	43.00	10.98	74.46%	\$6,312
1949	\$15,181	43.00	10.49	75.60%	\$11,476
1948	\$6,543	43.00	10.00	76.74%	\$5,021
1947	\$6,506	43.00	9.77	77.28%	\$5,028
1946	\$3,707	43.00	9.29	78.40%	\$2,906
1945	\$2,760	43.00	8.80	79.54%	\$2,195
1944	\$3,138	43.00	8.58	80.06%	\$2,512
1943	\$1,574	43.00	8.10	81.16%	\$1,278
1942	\$1,076	43.00	7.62	82.29%	\$885
1941	\$2,492	43.00	7.40	82.79%	\$2,063
1940	\$0	43.00	6.93	83.89%	\$0
	<u>\$5,424,738</u>				<u>\$1,367,889</u>
	Net Salvage Adjustment		0%		\$0
					<u>\$1,367,889</u>

# Big Sandy

## Calculated Accrued Depreciation

Account: 369 Services

Year	Simulated Plant Survivors	Historical Life (HL)	Remaining Life	Factor	Future Accrual
2007	\$300,946	22.00	21.53	2.16%	\$6,493
2006	\$234,662	22.00	20.59	6.39%	\$14,996
2005	\$263,454	22.00	19.66	10.65%	\$28,055
2004	\$256,535	22.00	18.75	14.78%	\$37,921
2003	\$237,656	22.00	17.83	18.95%	\$45,039
2002	\$218,848	22.00	16.95	22.96%	\$50,251
2001	\$218,618	22.00	16.08	26.89%	\$58,785
2000	\$281,336	22.00	15.21	30.88%	\$86,871
1999	\$231,632	22.00	14.38	34.64%	\$80,246
1998	\$171,994	22.00	13.53	38.49%	\$66,208
1997	\$189,708	22.00	12.74	42.08%	\$79,823
1996	\$176,042	22.00	11.93	45.77%	\$80,578
1995	\$147,181	22.00	11.19	49.15%	\$72,340
1994	\$139,344	22.00	10.41	52.68%	\$73,400
1993	\$107,752	22.00	9.72	55.83%	\$60,156
1992	\$97,259	22.00	8.98	59.16%	\$57,541
1991	\$88,697	22.00	8.35	62.06%	\$55,048
1990	\$79,456	22.00	7.75	64.78%	\$51,473
1989	\$82,715	22.00	7.10	67.74%	\$56,032
1988	\$80,242	22.00	6.57	70.13%	\$56,276
1987	\$53,710	22.00	5.98	72.81%	\$39,107
1986	\$45,093	22.00	5.54	74.83%	\$33,745
1985	\$44,355	22.00	5.01	77.21%	\$34,246
1984	\$38,422	22.00	4.65	78.85%	\$30,295
1983	\$36,547	22.00	4.20	80.92%	\$29,574
1982	\$24,633	22.00	3.91	82.21%	\$20,251
1981	\$26,176	22.00	3.51	84.03%	\$21,997
1980	\$20,692	22.00	3.28	85.07%	\$17,604
1979	\$13,930	22.00	3.10	85.90%	\$11,965
1978	\$9,297	22.00	2.77	87.40%	\$8,125
1977	\$7,173	22.00	2.62	88.09%	\$6,319
1976	\$4,735	22.00	2.31	89.51%	\$4,238
1975	\$2,831	22.00	2.17	90.13%	\$2,551
1974	\$1,473	22.00	1.87	91.49%	\$1,348
1973	\$877	22.00	1.74	92.10%	\$807
1972	\$595	22.00	1.43	93.52%	\$557
1971	\$165	22.00	1.25	94.32%	\$156
1970	\$94	22.00	0.90	95.92%	\$91

# Big Sandy

## Calculated Accrued Depreciation

Account: 369      Services

Year	Simulated Plant Survivors	Historical Life (HL)	Remaining Life	Factor	Future Accrual
1969	\$28	22.00	0.67	96.97%	\$28
1968	\$5	22.00	0.53	97.60%	\$5
1967	\$0	22.00	0.50	97.73%	\$0
	<u>\$3,934,910</u>				<u>\$1,380,541</u>
			Net Salvage Adjustment      55%		<u>\$759,297</u>
					<u>\$2,139,838</u>

# Big Sandy

## Calculated Accrued Depreciation

Account: 370      Meters

Year	Simulated Plant Survivors	Historical Life (HL)	Remaining Life	Factor	Future Accrual
2007	\$584,741	4.00	3.49	12.84%	\$75,078
2006	\$1,353,839	4.00	2.49	37.84%	\$512,287
2005	\$794,854	4.00	1.49	62.84%	\$499,483
2004	\$500,760	4.00	0.54	86.38%	\$432,576
2003	\$3,118	4.00	0.50	87.50%	\$2,729
2002	\$0	4.00	0.50	87.50%	\$0
	<u>\$3,237,313</u>				<u>\$1,522,153</u>
	Net Salvage Adjustment		0%		\$0
					<u>\$1,522,153</u>

# Big Sandy

## Calculated Accrued Depreciation

Account: 371      Installations on Customers' Premises

Year	Simulated Plant Survivors	Historical Life (HL)	Remaining Life	Factor	Future Accrual
2007	\$76,936	17.00	16.50	2.94%	\$2,263
2006	\$65,520	17.00	15.50	8.82%	\$5,781
2005	\$92,596	17.00	14.50	14.71%	\$13,617
2004	\$87,240	17.00	13.50	20.59%	\$17,961
2003	\$96,824	17.00	12.50	26.47%	\$25,630
2002	\$89,621	17.00	11.50	32.35%	\$28,995
2001	\$95,032	17.00	10.50	38.23%	\$36,334
2000	\$136,336	17.00	9.50	44.11%	\$60,131
1999	\$146,147	17.00	8.51	49.94%	\$72,986
1998	\$151,158	17.00	7.54	55.67%	\$84,157
1997	\$141,717	17.00	6.60	61.20%	\$86,728
1996	\$121,855	17.00	5.72	66.37%	\$80,875
1995	\$98,467	17.00	4.92	71.05%	\$69,961
1994	\$84,963	17.00	4.16	75.51%	\$64,159
1993	\$69,489	17.00	3.54	79.18%	\$55,025
1992	\$55,608	17.00	3.01	82.29%	\$45,758
1991	\$39,909	17.00	2.57	84.87%	\$33,870
1990	\$25,503	17.00	2.21	87.00%	\$22,187
1989	\$22,083	17.00	1.92	88.73%	\$19,595
1988	\$10,049	17.00	1.68	90.10%	\$9,054
1987	\$3,945	17.00	1.52	91.07%	\$3,592
1986	\$1,788	17.00	1.24	92.73%	\$1,658
1985	\$837	17.00	1.07	93.69%	\$784
1984	\$236	17.00	0.93	94.50%	\$223
1983	\$87	17.00	0.82	95.20%	\$83
1982	\$22	17.00	0.72	95.79%	\$21
1981	\$4	17.00	0.63	96.32%	\$4
1980	\$1	17.00	0.51	97.01%	\$1
1979	\$0	17.00	0.74	95.62%	\$0
	<u>\$1,713,970</u>				<u>\$841,433</u>
	Net Salvage Adjustment		60%		\$504,860
					<u>\$1,346,292</u>

Big Sandy  
Rural Electric Cooperative

Net Salvage Analysis

Year	Original Cost	Cost of Removal		Salvage		Net Salvage	
		Amount	Percent	Amount	Percent	Amount	Percent
1988	225,669		0%		0%	-	0%
1989	181,172		0%		0%	-	0%
1990	188,570		0%		0%	-	0%
1991	125,127		0%		0%	-	0%
1992	148,843		0%		0%	-	0%
1993	344,285		0%		0%	-	0%
1994	328,849		0%		0%	-	0%
1995	288,018		0%		0%	-	0%
1996	377,490	230,264	61%	81,100	21%	(149,164)	-40%
1997	346,639	242,229	70%	119,521	34%	(122,708)	-35%
1998	511,745	263,475	51%	132,068	26%	(131,407)	-26%
1999	378,309	558,452	148%	402,971	107%	(155,481)	-41%
2000	496,233	1,077,910	217%	163,449	33%	(914,461)	-184%
2001	319,824	984,555	308%	127,543	40%	(857,012)	-268%
2002	393,277	228,454	58%	113,044	29%	(115,410)	-29%
2003	332,458	246,561	74%	107,836	32%	(138,725)	-42%
2004	403,060	243,294	60%	109,120	27%	(134,174)	-33%
2005	700,948	293,197	42%	172,499	25%	(120,698)	-17%
2006	1,144,104	285,710	25%	139,725	12%	(145,985)	-13%
2007	890,068	353,327	40%	185,095	21%	(168,232)	-19%
Total	8,124,688	5,007,428	62%	1,853,971	23%	-3,153,457	-39%

**Three Year Moving Averages**

98 - 00	462,096	633,279	137%	232,829	50%	-400,450	-87%
99 - 01	398,122	873,639	219%	231,321	58%	-642,318	-161%
00 - 02	403,111	763,640	189%	134,679	33%	-628,961	-156%
01 - 03	348,520	486,523	140%	116,141	33%	-370,382	-106%
02 - 04	376,265	239,436	64%	110,000	29%	-129,436	-34%
03 - 05	478,822	261,017	55%	129,818	27%	-131,199	-27%
04 - 06	749,371	274,067	37%	140,448	19%	-133,619	-18%
05 - 07	911,707	310,745	34%	165,773	18%	-144,972	-16%

**Five Year Average**

2003 - 2007	694,128	284,418	41%	142,855	21%	-141,563	-20%
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**Ten Year Average**

98 - 2007	557,003	453,494	81%	165,335	30%	-288,159	-52%
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Big Sandy Rural Electric Cooperative  
 Calculation of Net Salvage Percent  
 as of December 31, 2007

<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 Percentage</u>
362	Station Equipment	353,139	0%	0	0.00%	0	0.00%
364	Poles, Towers & Fixtures	10,895,983	75%	8,171,987	44.58%	63,113	0.58%
365	Overhead Conductors & Devices	9,754,932	70%	6,828,452	37.25%	52,737	0.54%
366	Underground Conduit	272,466	0%	0	0.00%	0	0.00%
367	Underground Conductors & Devices	230,082	60%	138,049	0.75%	1,066	0.46%
368	Line Transformers	5,435,368	0%	0	0.00%	0	0.00%
369	Services	3,936,218	55%	2,164,920	11.81%	16,720	0.42%
370	Meters	3,236,409	0%	0	0.00%	0	0.00%
371	Installations on Customers' Premises	1,710,704	60%	1,026,422	5.60%	7,927	0.46%
Total		<u>35,825,301</u>		<u>18,329,831</u>		<u>141,563</u>	
Five year average net salvage amount						<u>141,563</u>	

Big Sandy Rural Electric Cooperative  
 Adjust Rates with Net Salvage  
 as of December 31, 2007

Account Number	Description	Balance Dec 31, 2006	Average Service Life	No Net Salvage		Net Salvage Percent	With Net Salvage		Existing	
				Accrual	Rate		Rate	Accrual	Rate	Accrual
362	Station Equipment	353,139	15	23,543	6.67%	0.00%	6.67%	23,543	3.30%	11,654
364	Poles, Towers & Fixtures	10,895,983	24	453,999	4.17%	0.58%	4.75%	517,112	3.30%	359,567
365	Overhead Conductors & Devices	9,754,932	25	390,197	4.00%	0.54%	4.54%	442,934	3.30%	321,913
366	Underground Conduit	272,466	29	9,395	3.45%	0.46%	3.91%	10,658	3.30%	8,991
367	Underground Conductors & Devices	230,082	36	6,391	2.78%	0.00%	2.78%	6,391	3.30%	7,593
368	Line Transformers	5,435,368	43	126,404	2.33%	0.00%	2.33%	126,404	3.30%	179,367
369	Services	3,936,218	22	178,919	4.55%	0.42%	4.97%	195,639	3.30%	129,895
370	Meters	3,236,409	15	215,761	6.67%	0.00%	6.67%	215,761	3.30%	106,801
371	Installations on Customers' Premises	<u>1,710,704</u>	17	<u>100,630</u>	5.88%	0.46%	6.35%	<u>108,557</u>	3.30%	<u>56,453</u>
Total		<u>35,825,301</u>		<u>1,481,696</u>				<u>1,623,455</u>		<u>1,170,581</u>
								Compoiste rate	4.53%	3.27%



Big Sandy Rural Electric Cooperative  
Case No. 2008-00401  
Analysis of Other Operating Taxes  
12 Months Ended  
August 31, 2008

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	248,736			248,736	310,372
	(d) Payroll (Employer's Portion)	118,171	28,886	7,415	154,472	180,425
	(e) Other Taxes	21,911			21,911	21,911
2.	Total Retail (L1(a) through L1(e))	388,818	28,886	7,415	425,119	512,708
3.	Other Jurisdictions					
	Total Per Books (L2 and L3)	388,818	28,886	7,415	425,119	512,708

Allocation of adjustment:

583	Overhead line exp	61%	8,185
584	Underground line exp	25%	3,296
586	Meter exp	3%	384
587	Customer installation exp	3%	364
588	Miscellaneous distribution exp	4%	484
903	Consumer records	3%	363
910	Misc customer service	1%	121
921	Office supply and exp	2%	239
		100%	13,436

Big Sandy Rural Electric Cooperative  
Case No. 2008-00401  
August 31, 2008

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	
<b>Floyd County</b>							
Tangible - County	6,671,146	0.1270	8,472.36	5,881,004	0.1470	8,645.08	(173)
Tangible - School	6,671,146	0.5320	35,490.50	5,881,004	0.5940	34,933.16	557
Tangible - Library	6,671,146	0.0743	4,956.66	5,881,004	0.0747	4,393.11	564
Tangible - Health	6,671,146	0.0400	2,668.46	5,881,004	0.0400	2,352.40	316
Tangible - Extension	6,671,146	0.0239	1,594.40	5,881,004	0.0250	1,470.25	124
Tangible FD - Allen	129,512	0.1000	129.51	115,469	0.1000	115.47	14
Tangible FD - Cow Creek	281,878	0.1000	281.88	251,314	0.1000	251.31	31
Tangible FD - David	577,089	0.1000	577.09	0	0.1000	0.00	577
Tangible FD - Garrett	460,909	0.1000	460.91	410,932	0.1000	410.93	50
Tangible FD - Maytown	73,274	0.1000	73.27	64,527	0.1000	64.53	9
Tangible FD - Middle Creek	460,909	0.1000	460.91	410,932	0.1000	410.93	50
<b>Johnson County</b>							
Real Estate - County	145,029	0.0950	137.78	273,950	0.0990	271.21	(133)
Real Estate - Common School	50,000	0.3890	194.50	161,975	0.4090	662.48	(468)
Real Estate - Independent School	95,029	0.7890	749.78	111,975	0.7690	861.09	(111)
Real Estate - Library	145,029	0.0680	98.62	273,950	0.0630	172.59	(74)
Real Estate - Health	145,029	0.0400	58.01	273,950	0.0400	109.58	(52)
Real Estate - Extension	145,029	0.0239	34.66	273,950	0.0228	62.46	(28)
Real Estate - Conservation	145,029	0.0070	10.15	273,950	0.0070	19.18	(9)
Tangible - County	10,367,972	0.0950	9,849.57	9,253,148	0.0990	9,160.62	689
Tangible - Common School	10,249,263	0.3960	40,587.08	9,168,157	0.4090	37,497.76	3,089
Tangible - Independent School	118,709	0.7890	936.61	84,991	0.7690	653.58	283
Tangible - Library	10,367,972	0.1165	12,078.69	9,253,148	0.1108	10,252.49	1,826
Tangible - Health	10,367,972	0.0400	4,147.19	9,253,148	0.0400	3,701.26	446
Tangible - Extension	10,367,972	0.0281	2,913.40	9,253,148	0.0275	2,544.62	369
<b>Knott County</b>							
Tangible - County	834,207	0.0993	828.37	761,286	0.1200	913.54	(85)
Tangible - School	834,207	0.3410	2,844.65	761,286	0.3600	2,740.63	104
Tangible - Extension	834,207	0.0335	279.46	761,286	0.0385	293.10	(14)
Tangible - Health	834,207	0.0310	258.60	761,286	0.0310	236.00	23
page totals			131,173.07			123,199.35	7,973.72

Big Sandy Rural Electric Cooperative  
Case No. 2008-00401  
August 31, 2008

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	
<b>Martin County</b>							
Tangible - County	1,146,750	0.1280	1,467.84	1,022,237	0.1280	1,308.46	159
Tangible - School	1,146,750	0.5310	6,089.24	1,022,237	0.5310	5,428.08	661
Tangible - Library	1,146,750	0.1151	1,319.91	1,022,237	0.0350	357.78	962
Tangible - Health	1,146,750	0.0350	401.36	1,022,237	0.0627	640.94	(240)
Tangible - Extension	1,146,750	0.0721	826.81	1,022,237	0.1097	1,121.39	(295)
<b>Lawrence County</b>							
Tangible - County	919,723	0.1700	1,563.53	819,860	0.1700	1,393.76	170
Tangible - School	919,723	0.4200	3,862.84	819,860	0.4200	3,443.41	419
Tangible - Library	919,723	0.1589	1,461.44	819,860	0.1589	1,302.76	159
Tangible - Health	919,723	0.0300	275.92	819,860	0.0300	245.96	30
Tangible - Extension	919,723	0.0545	501.25	819,860	0.0545	446.82	54
<b>Morgan County</b>							
Tangible - County	63,042	0.0560	35.30	56,206	0.0560	31.48	4
Tangible - School	63,042	0.4530	285.58	56,206	0.4530	254.61	31
Tangible - Library	63,042	0.0678	42.74	56,206	0.0678	38.11	5
Tangible - Health	63,042	0.0500	31.52	56,206	0.0500	28.10	3
Tangible - Extension	63,042	0.1857	117.07	56,206	0.1857	104.37	13
Tangible - Ambulance	63,042	0.0657	41.42	56,206	0.0657	36.93	4
<b>Breathitt County</b>							
Tangible - County	19,808	0.1120	22.18	17,660	0.1120	19.78	2
Tangible - School	19,808	0.4070	80.62	17,660	0.4070	71.88	9
Tangible - Library	19,808	0.0754	14.94	17,660	0.0838	14.80	0
Tangible - Health	19,808	0.0800	15.85	17,660	0.0400	7.06	9
Tangible - Extension	19,808	0.0768	15.21	17,660	0.0818	14.45	1
page totals			18,472.57			16,310.94	2,161.62

Big Sandy Rural Electric Cooperative  
Case No. 2008-00401  
August 31, 2008

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	
<b>Magoffin County</b>							
Tangible - County	3,619	0.4440	16.07	3,226	0.4718	15.22	1
Tangible - School	3,619	0.3980	14.40	3,226	0.4110	13.26	1
Tangible - Extension	3,619	0.0786	2.84	3,226	0.0935	3.02	(0)
Tangible - Health	3,619	0.0500	1.81	3,226	0.0500	1.61	0
Tangible - Library	3,619	0.0633	2.29	3,226	0.0720	2.32	(0)
<b>City of Paintsville</b>							
Real Estate	95,020	0.1550	147.28	111,975	0.1550	173.56	(26)
Tangible	118,709	0.1550	184.00	84,991	0.1550	131.74	52
<b>Public Service Company Assessment:</b>							
Real Estate	128,082	0.1240	158.82	145,029	0.1280	185.64	(27)
Tangible Property	20,697,971	0.4500	93,140.87	20,026,267	0.4500	90,118.20	3,023
Manufacturing Machinery	3,616,882	0.1500	5,425.32	3,432,281	0.1500	5,148.42	277
this page			<u>99,093.71</u>			<u>95,792.99</u>	<u>3,300.72</u>
Total			<u>248,739.35</u>			<u>235,303.27</u>	<u>13,436.07</u>
Amount of Adjustment							<u>13,436</u>

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## Big Sandy Rural Electric Cooperative

Case No. 2008-00401

August 31, 2008

**Adjustment for Interest on Long Term Debt**

The adjustment for interest on long-term debt results in an increase of \$73,120.

Interest on short term borrowings of \$23,602 has been removed. The interest on EKPC line for Inez has been annualized to increase this expense by \$15,174.

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

RUS loans	433,262
FFB loans	291,910
CFC loans	<u>357,157</u>
Total annualized interest	1,082,329
Test year interest expense	<u>1,009,209</u>
Adjustment	<u><u>73,120</u></u>

Big Sandy Rural Electric Cooperative  
Case No. 2008-00401  
Schedule of Outstanding Long-Term Debt  
August 31, 2008

Exhibit 5  
page 2 of 4  
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
<b>RUS loans</b>						
1B270	Jan-96	Jan-2031	325,043	4.500%	14,627	14,817
1B271	Jan-96	Jan-2031	545,032	3.875%	21,120	21,412
1B273	Jan-96	Jan-2031	187,559	3.750%	7,033	7,132
1B275	Jan-96	Jan-2031	398,128	2.875%	11,446	11,627
1B276	Jan-96	Jan-2031	683,617	4.250%	29,054	29,436
1B280	Nov-2004	Oct-2039	1,454,527	3.830%	55,708	56,209
1B281	Nov-2004	Oct-2039	1,950,465	4.630%	90,307	90,943
1B282	Nov-2004	Oct-2039	1,471,543	4.930%	72,547	73,025
1B283	Nov-2004	Oct-2039	2,869,436	4.580%	131,420	30,311
			<u>9,885,350</u>		<u>433,262</u>	<u>334,911</u>
<b>FFB loans</b>						
H0010	Jan-99	Dec-2033	6,527,499	4.472%	291,910	301,498
<b>CFC loans</b>						
9003	Sep-73	Aug-2008	0	7.00%	0	272
9005	Apr-75	Mar-2010	18,417	6.25%	1,151	1,506
9007	Apr-77	Mar-2012	95,206	6.35%	6,046	6,794
9011	Jul-79	Jun-2014	158,312	6.30%	9,974	10,672
9014	Mar-82	Feb-2017	213,628	6.30%	13,459	14,040
9015	Sep-84	Aug-2019	176,081	6.30%	11,093	11,433
9016	Sep-89	Aug-2024	506,330	6.35%	32,152	32,716
9017	Mar-93	Feb-2028	633,235	6.35%	40,210	40,717
9018	Dec-95	Nov-2030	976,940	6.46%	63,110	63,733
9021005	Jun-2003	May-2008	0	3.85%	0	10,954
9021006	Jun-2003	May-2009	344,755	4.30%	14,824	14,824
9021007	Jun-2003	May-2010	344,755	4.60%	15,859	15,859
9021008	Jun-2003	May-2011	344,755	4.85%	16,721	16,721
9021009	Jun-2003	May-2012	344,755	5.10%	17,583	17,583
9021010	Jun-2003	May-2013	344,755	5.30%	18,272	18,272
9021011	Jun-2003	May-2014	344,755	5.50%	18,962	18,962
9021012	Jun-2003	May-2015	344,755	5.55%	19,134	19,134
9021013	Jun-2003	May-2016	344,755	5.65%	19,479	19,479
9021014	Jun-2003	May-2017	344,755	5.65%	19,479	19,479
9021015	Jun-2003	May-2018	344,761	5.70%	19,651	19,651
			<u>6,225,705</u>		<u>357,157</u>	<u>372,800</u>
Total long term debt and annualized cost			<u>22,638,554</u>		<u>1,082,329</u>	<u>1,009,209</u>
Annualized cost rate [Total Col. (j) / Total Col. (d)]					4.78%	
Actual test year cost rate [Total Col (k) / Total Reported in Col (d)]					4.46%	

Big Sandy Rural Electric Cooperative  
Case No. 2008-00401  
Schedule of Outstanding Long-Term Debt  
December 31, 2007

Exhibit 5  
page 3 of 4  
Format 8a  
Schedule 1

Type of <u>Debt Issued</u> (a)	Date of <u>Issue</u> (b)	Date of <u>Maturity</u> (c)	Outstanding Amount (d)	Cost Rate to <u>Maturity</u> (g)	Annualized Cost <u>Col (d)x(g)</u> (j)
<b>RUS loans</b>					
1B270	Jan-96	Jan-2031	330,921	4.500%	14,891
1B271	Jan-96	Jan-2031	555,568	3.875%	21,528
1B273	Jan-96	Jan-2031	191,251	3.750%	7,172
1B275	Jan-96	Jan-2031	406,977	2.875%	11,701
1B276	Jan-96	Jan-2031	696,136	4.250%	29,586
1B280	Nov-2004	Oct-2039	1,472,588	3.830%	56,400
1B281	Nov-2004	Oct-2039	1,968,255	4.630%	91,130
1B282	Nov-2004	Oct-2039	1,483,953	4.930%	73,159
1B283	Nov-2004	Oct-2039	0		0
			<u>7,105,649</u>		<u>305,567</u>
<b>FFB loans</b>					
H0010	Jan-99	Dec-2033	<u>6,596,398</u>	4.472%	<u>294,991</u>
<b>CFC loans</b>					
9003	Sep-73	Aug-2008	5,880	7.00%	412
9005	Apr-75	Mar-2010	27,002	6.25%	1,688
9007	Apr-77	Mar-2012	113,017	6.35%	7,177
9011	Jul-79	Jun-2014	175,076	6.30%	11,030
9014	Mar-82	Feb-2017	227,582	6.30%	14,338
9015	Sep-84	Aug-2019	184,235	6.30%	11,607
9016	Sep-89	Aug-2024	519,759	6.35%	33,005
9017	Mar-93	Feb-2028	645,295	6.35%	40,976
9018	Dec-95	Nov-2030	991,510	6.46%	64,052
9021005	Jun-2003	May-2008	344,755	3.85%	13,273
9021006	Jun-2003	May-2009	344,755	4.30%	14,824
9021007	Jun-2003	May-2010	344,755	4.60%	15,859
9021008	Jun-2003	May-2011	344,755	4.85%	16,721
9021009	Jun-2003	May-2012	344,755	5.10%	17,583
9021010	Jun-2003	May-2013	344,755	5.30%	18,272
9021011	Jun-2003	May-2014	344,755	5.50%	18,962
9021012	Jun-2003	May-2015	344,755	5.55%	19,134
9021013	Jun-2003	May-2016	344,755	5.65%	19,479
9021014	Jun-2003	May-2017	344,755	5.65%	19,479
9021015	Jun-2003	May-2018	344,761	5.70%	19,651
			<u>6,681,667</u>		<u>377,518</u>
Total long term debt and annualized cost			<u>20,383,714</u>		<u>978,076</u>
Annualized cost rate [Total Col. (j) / Total Col. (d)]					4.80%
Actual test year cost rate [Total Col (k) / Total Reported in Col (d)]					

1 Big Sandy Rural Electric Cooperative  
 2 Case No. 2008-00401  
 3 Schedule of Short Term Debt  
 4 August 31, 2008

Exhibit 5  
 page 4 of 4  
 Format 8b

5  
 6 **Adjustment for Short Term Interest**

7  
 8 This adjustment is to remove interest on short term borrowings. It is presumed  
 9 that the short term borrowings will be repaid as a result of additional revenues  
 10 generated from this Application.

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13 Type of Debt Instrument	14 Date of Issue	15 Date of Maturity	16 Amount Outstanding	17 Interest Rate	18 Annualized Cost
19 (a)	20 (b)	21 (c)	22 (d)	23 (e)	24 (f)
25 CoBank	26 05/16/08	27 05/16/09	28 300,000.00	29 4.42%	30 13,260
31 Annualized cost rate [Total col. (f) / Total col. (d)]					32 4.42%
33 Actual interest paid, or accrued on Short Term Debt during the Test Year					34 23,602

35  
 36 Big Sandy pays East Kentucky Power Cooperative \$3,510.58 per month in interest  
 37 charges for a 69 KR transmission line to Inez, instead of building a substation in  
 38 that area. The adjustment to normalize other interest is as follows:

39

40 Annualized interest to EKPC	41 \$3,510.48	42 12	43 42,125.76
44 Interest paid during the test year			26,952.10
45 Increase in other interest expense			15,173.66

46 Other interest expense during the test year is as follows:

47

48 431.00, Customer deposits	32,877.12
49 431.10, Short term borrowings	23,601.86
50 431.20, EKPC Inez line	26,952.10
	83,431.08

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Big Sandy Rural Electric Cooperative  
Case No. 2008-00401  
August 31, 2008

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

Big Sandy has updated its study of SFAS No. 106. As a result, the annual accrual increased. Directors are not covered under SFAS No. 106, therefore, there are no costs associated with the directors.

Proposed annual cost	293,953
Test year accrual	<u>174,000</u>
Proposed adjustment	<u><u>119,953</u></u>

The adjustment is allocated as follows:

		<u>Percent</u>	<u>Amount</u>
107	Capitalized	18.70%	22,431
163 - 416	Clearing and others	4.80%	5,758
580	Operations	22.80%	27,349
590	Maintenance	18.70%	22,431
901	Consumer accounts	16.40%	19,672
908	Customer service	5.20%	6,238
912	Sales	0.00%	0
920	Administrative and general	13.40%	16,074
		<u>100.00%</u>	<u>\$119,953</u>

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Big Sandy Rural Electric Cooperative  
Case No. 2008-00401  
August 31, 2008

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

Big Sandy Rural Electric Rural Electric implemented Statement of Financial Accounting Standard No. 106 (SFAS 106) as of January 1, 1995.

The journal entry to record the expense for the initial year of 1995 is as follows:

	<u>Account</u>	<u>Debit</u>	<u>Credit</u>
Employee pension and benefits	926.00	476,200	
Accumulated provision for pensions and benefits	228.30		476,200

The updated study has been included with this response.

**ALAN M. ZUMSTEIN**  
**CERTIFIED PUBLIC ACCOUNTANT**

1032 CHETFORD DRIVE  
LEXINGTON, KENTUCKY 40509  
(859) 264-7147

MEMBER:

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

October 20, 2008

David Estep, Mgr of Finance & Administration  
Big Sandy Rural Electric Cooperative  
504 Eleventh Street  
Paintsville, Kentucky 41240

Dear David:

Please find enclosed the actuarial valuation results as of January 1, 2009 for Financial Accounting Standard No. 106 - Employers' Accounting for Postretirement Benefits Other than Pensions.

The annual accrual for 2009 should be \$293,953 starting when you receive this report.

The accrual includes current service and interest costs and amortization of the actuarial gains and losses. The increase in accrual is due to several reasons, the first of which is health insurance premiums have increased at a higher rate, there are more retirees opting for dependent care coverage and people are living longer.

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

Sincerely,

  
Alan M. Zumstein

**Big Sandy Rural Electric Cooperative  
Medical Insurance Premiums**

**FAS 106 Obligation as of January 1, 2008**

A.	Accumulated Postretirement Benefit Obligations (APBO) as of January 1, 2008	
	1. Actives not yet eligible	\$1,231,632
	2. Actives fully eligible	366,702
	3. Retirees and dependents	<u>1,439,023</u>
	4. Total APBO	3,037,357
B.	Future accruals	<u>2,274,922</u>
C.	Total Expected Postretirement Benefit Obligations (EPBO) (A4 + B)	<u><u>\$5,312,279</u></u>
D.	Reconciliation of Funded Status	
	1. Accrued Postretirement Benefit Cost	\$675,685
	2. Assets	<u>-</u>
	3. Funded Status = (D1 + D2)	675,685
	4. Unrecognized Transition Obligation	-
	5. Unrecognized (Gain) / Loss	2,361,672
	6. Unrecognized Prior Service Cost	-
	7. APBO	<u>-</u>
	(D3 + D4 + D5 + D6)	<u><u>\$3,037,357</u></u>

**Big Sandy Rural Electric Cooperative**  
**Medical Insurance Premiums**

**FAS 106 Obligation as of January 1, 2009**

A.	Accumulated Postretirement Benefit Obligations (APBO) as of January 1, 2009	
	1. Actives not yet eligible	\$1,287,242
	2. Actives fully eligible	387,924
	3. Retirees and dependents	<u>1,362,510</u>
	4. Total APBO	3,037,676
B.	Future accruals	<u>2,237,115</u>
C.	Total Expected Postretirement Benefit Obligations (EPBO) (A4 + B)	<u>\$5,274,791</u>
D.	Reconciliation of Funded Status	
	1. Accrued Postretirement Benefit Cost	\$659,000
	2. Assets	<u>-</u>
	3. Funded Status = (D1 + D2)	659,000
	4. Unrecognized Transition Obligation	-
	5. Unrecognized (Gain) / Loss	2,378,676
	6. Unrecognized Prior Service Cost	-
	7. APBO	<u>-</u>
	(D3 + D4 + D5 + D6)	<u>\$3,037,676</u>

**Big Sandy Rural Electric Cooperative  
Medical Insurance Premiums**

**FAS 106 Expense as of January 1, 2008**

A. Accrued Postretirement Benefit Cost

1. Balance January 1, 2008	675,685
2. Accrual for 2008	174,000
3. Payout for 2008	<u>(182,198)</u>
4. Balance December 31, 2008	667,487
5. Accrual for 2009	293,953
6. Estimated payout for 2009	<u>(172,296)</u>
7. Estimated balance December 31, 2009	<u><u>789,144</u></u>

**Big Sandy Rural Electric Cooperative  
Medical Insurance Premiums**

**FAS 106 Expense as of January 1, 2008**

**A. Development of Actuarial (Gain)/Loss during 2008**

1. Expected APBO as of December 31, 2008	\$732,000
2. Actual APBO as of January 1, 2009	<u>3,037,357</u>
3. Actuarial (gain)/loss as of January 1, 2009 = (2) - (1)	2,305,357
4. Unrecognized (gain)/loss as of December 31, 2008	<u>171,000</u>
5. Cumulative (gain)/loss = (3) + (4)	2,476,357
6. 10% corridor	<u>247,636</u>
7. (Gain)/Loss subject to amortization = (5) - (6)	2,228,721
8. Future working lifetime to expected retirement	<u>20</u>
9. Amortization of (gain)/loss = (7) / (8)	<u><u>\$111,436</u></u>

**B. Amortization of Transition Obligation**

1. Transition Obligation as of January 1, 1995	-
2. Number of years in amortization	<u>-</u>
3. Annual amortization	<u><u>-</u></u>

**Big Sandy Rural Electric Cooperative  
Medical Insurance Premiums**

**FAS 106 Expense as of January 1, 2008**

**FAS 106 Expense Components**

1. Service cost	\$76,128
2. Interest cost	106,389
3. Expected return on assets	-
4. Amortization of transition obligation	-
5. Amortization of actuarial (gain) / loss	<u>111,436</u>
6. Total FAS 106 expense	<u><u>\$293,953</u></u>
7. Expected pay-as-you-go expense	<u><u>\$182,198</u></u>

**Big Sandy Rural Electric Cooperative  
Medical Insurance Premiums**

**FAS 106 Expense as of January 1, 2008**

**Alternate assumptions:**

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

	Current	Alternate	
	<u>Plan</u>	<u>Assumptions</u>	<u>% Change</u>
APBO	3,037,357	3,475,000	14.4%
EPBO	5,312,279	6,100,000	14.8%
FAS 106 Expense	293,953	335,000	14.0%

Estimated payments for the next 5 years

2009	172,296
2010	167,327
2011	166,112
2012	157,939
2013	157,056

# Big Sandy Rural Electric Cooperative

## FAS 106 Assumptions

<b><u>Covered Groups</u></b>	All eligible employees.												
<b><u>Eligibility</u></b>	Employees who retire at age 62 and/or have 30 years of service.												
<b><u>Spouse</u></b>	Big Sandy Rural Electric pays family medical coverage for retirees and their dependents.												
<b><u>Medicare</u></b>	At age 65 retirees will commence with Medicare coverage.												
<b><u>Contributions</u></b>	Big Sandy Rural Electric pays all of the medical premiums for employees and his/her surviving spouse or dependents.												
<b><u>Life Expectancies</u></b>	Per annuity tables female employees can expect to live until age 78.2 and male employees can expect to live until age 73.8.												
<b><u>Retirement, withdrawals and mortality</u></b>	Estimate that employees will retire at age 62 and will be replaced in the normal course of business.												
<b><u>Terminations</u></b>	Rates vary by attained age for employees. Sample rates are as follows: <table><thead><tr><th><u>Age</u></th><th><u>Rate</u></th></tr></thead><tbody><tr><td>20</td><td>15%</td></tr><tr><td>30</td><td>7%</td></tr><tr><td>40</td><td>3%</td></tr><tr><td>50</td><td>1%</td></tr><tr><td>60</td><td>0%</td></tr></tbody></table>	<u>Age</u>	<u>Rate</u>	20	15%	30	7%	40	3%	50	1%	60	0%
<u>Age</u>	<u>Rate</u>												
20	15%												
30	7%												
40	3%												
50	1%												
60	0%												
<b><u>Dependents and future retirees</u></b>	Presently 65% of retirees have dependent coverage.												
<b><u>Discount rate</u></b>	6.5% per year.												

# Big Sandy Rural Electric Cooperative

## FAS 106 Assumptions

**Medical inflation rate** 8% per year decreasing by 0.5% per year until 5.5% per year.

**Computations of policy premiums** Policyholders

Family	\$1,052.55
Single	\$448.98
Retiree	\$303.65

There are presently 37 full-time employees, of which 25 have dependent coverage and 12 have single coverage.

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

Actives not fully eligible	34
Actives fully eligible	3
Retirees and dependents	<u>20</u>
Total	<u><u>57</u></u>



**Big Sandy Rural Electric Cooperative**  
**Case No. 2008-00401**  
**Retirement and Security**

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

The rate for 2008 was 18.39% of base wages. For the 2009, the rate is 20.78%. The adjustment is to normalize the R & S contributions using the rate for 2009 and normalized base wages for full-time salary and hourly employees.

The union pension plan was converted from a 401(k) plan with a contribution of 5% to a defined benefit plan with employees contributing 3% and Big Sandy contributing 6.4%.

	<u>Non-Union</u>	<u>Union</u>
Normalized base wages		
Salary employees	493,002	
Hourly employees	356,533	1,135,221
	<u>849,534</u>	<u>1,135,221</u>
Contribution rate for 2009	20.78%	6.40%
Proposed contribution cost	176,533	72,654
Test year R & S contributions	<u>137,086</u>	<u>50,707</u>
Proposed adjustment	<u>39,447</u>	<u>21,947</u>

The adjustment is allocated as follows:

<b>Adjustment:</b>	<u>Percent</u>	<u>Amount</u>
107 Capitalized	18.70%	11,481
163 - 416 Clearing and others	4.80%	2,947
580 Operations	22.80%	13,998
590 Maintenance	18.70%	11,481
901 Consumer accounts	16.40%	10,069
908 Customer service	5.20%	3,193
912 Sales	0.00%	0
920 Administrative and general	13.40%	8,227
	<u>100.00%</u>	<u>\$61,394</u>



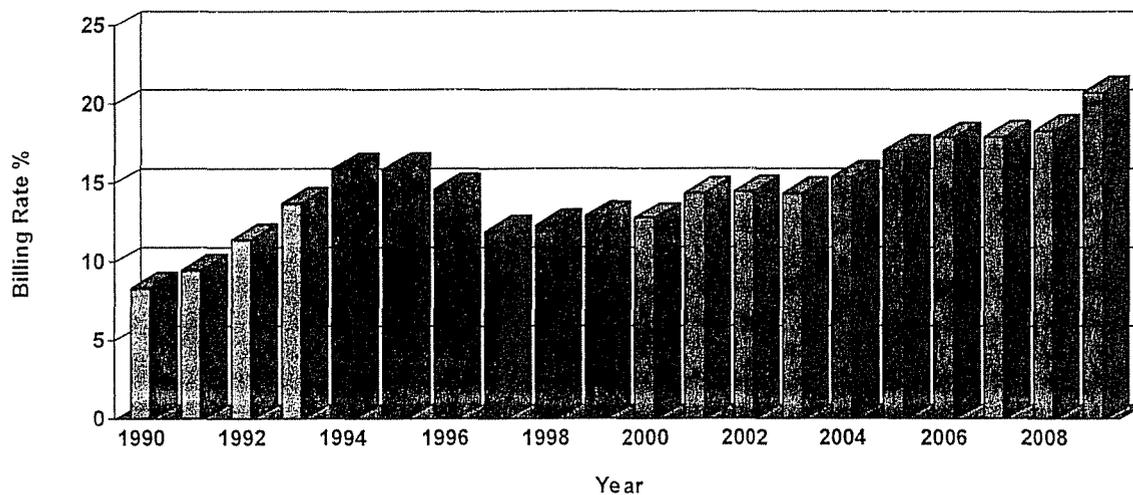
# NATIONAL RURAL ELECTRIC COOPERATIVE ASSOCIATION

## Retirement and Security Program

System #:	01-18058-001	Plan ID:	RNR01A
Name:	BIG SANDY RECC		

Year	Benefit Level	System Cost	Employee Contribution	Plan	COLA	Average Age	100% Death Benefit	Salary Type
1990	1.50	8.40	0.00	30	No	45	No	BS
1991	1.50	9.60	0.00	30	No	46	No	BS
1992	1.50	11.50	0.00	30	No	46	No	BS
1993	1.70	13.80	0.00	30	No	46	No	BS
1994	1.70	15.91	0.00	30	No	47	No	BS
1995	1.70	15.91	0.00	30	No	47	No	BS
1996	1.70	14.65	0.00	30	No	46	Yes	BS
1997	1.70	12.01	0.00	30	No	46	Yes	BS
1998	1.70	12.41	0.00	30	No	46	Yes	BS
1999	1.70	12.95	0.00	30	No	47	Yes	BS
2000	1.70	12.82	0.00	30	No	46	Yes	BS
2001	1.70	14.41	0.00	30	No	47	Yes	BS
2002	1.70	14.59	0.00	30	No	45	Yes	BS
2003	1.70	14.46	0.00	30	No	43	Yes	BS
2004	1.70	15.49	0.00	30	No	45	Yes	BS
2005	1.70	17.08	0.00	30	No	47	Yes	BS
2006	1.70	17.94	0.00	30	No	47	Yes	BS
2007	1.70	18.03	0.00	30	No	45	Yes	BS
2008	1.70	18.39	0.00	30	No	45	Yes	BS
2009	1.70	20.78	0.00	30	No	46	Yes	BS

Billing Rate History



Employee Contributions
  Pre Moratorium
  Moratorium (No Contributions)

Post Moratorium
  Partial Moratorium

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

BIG SANDY RECC  
01-18058-002  
Statement Date: 11/01/2008

DAVID ESTEPP  
BIG SANDY RECC  
504 11TH STREET  
PAINTSVILLE, KY 41240 1422

Total Bill Rate: 9.54  
  
Employee Rate: 3.00  
Employer Rate: 6.54

Plan: RS PLAN

Participant Name Social Security #	Employee Status	Salary Type	Employer Contribution	Employee Contribution	Total Cost
Moore, Frank xxx-xx-4442	E-A	43,597 Base	237.60	108.99	346.59
Pennington, Chester xxx-xx-8352	E-A	55,660 Base	303.35	139.15	442.50
Prater, Christopher xxx-xx-5777	E-A	51,022 Base	278.07	127.56	405.63
Prater, Manis xxx-xx-7281	E-A	49,982 Base	272.40	124.96	397.36
Ratliff, Hollie xxx-xx-7144	E-A	50,502 Base	275.24	126.26	401.50
Ratliff, Obie xxx-xx-2054	E-A	43,597 Base	237.60	108.99	346.59
Robinson, David xxx-xx-2651	E-A	51,022 Base	278.07	127.56	405.63
Ward, Steve xxx-xx-0048	E-A	50,502 Base	275.24	126.26	401.50

<b>Plan Total:</b> (Excludes Waived Participants)	<b>958,499</b>	<b>\$5,223.83</b>	<b>\$2,396.32</b>	<b>\$7,620.15</b>
<b>Sub-Group Total:</b> (Excludes Waived Participants)	<b>958,499</b>	<b>\$5,223.83</b>	<b>\$2,396.32</b>	<b>\$7,620.15</b>



Big Sandy Rural Electric  
Case No. 2008-00401  
**Adjustment for Donations**  
August 31, 2008

Donations are removed for rate making purposes. The adjustment to remove the donations is as below.

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**Big Sandy Rural Electric**  
**Case No. 2008-00401**  
**Donations Account 426.00**  
August 31, 2008

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<u>Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Amount</u>	<u>Description</u>
04/07/08	37330	KAEC	166.23	x Ky Chamber dues
01/15/08	36913	KAEC	1,362.09	x 4-H contribution
03/01/08	37130	Ky Council for Cooperatives	200.00	Membership dues
05/20/08	37619	Petty Cash	24.00	x Little League trash bags
06/03/08	37728	Visa	28.62	x Photos of Kids Day
04/18/08	37411	WMDJ Radio	250.00	x Kids Day in Park
07/03/08	37903	Ky Apple Festival	100.00	x Program book
10/08/07	36483	Ky Apple Festival	100.00	x Program book sponsor
07/03/08	37904	Floyd Co Emergnecy & Rescu	200.00	x Donation
04/23/08	37447	Johnson Central HS	25.00	x FFA Banquet donation
07/03/08	37906	Johnson Co Emergnecy & Re:	200.00	x Donation
03/06/08	37183	Stone Crest Golf Course	200.00	x Te monument
07/03/08	37912	Eastern Ky BOTW MC	50.00	x St Jude Child Hosp
05/13/08	37592	Kiwanis	100.00	x Sponsor ad
11/13/07	36652	Campbellsville Baptist Ch	50.00	x Donation memory of Wm Prathe
02/06/08	37056	Floyd Co 4-H	115.00	x Sponsor 1 child
04/02/08	37291	VFW Post	300.00	x National Guard Fund
04/07/08	37356	Prestonsburg HS	100.00	x Donation
04/23/08	37448	Shrine Circus Fund	150.00	x Donation
05/13/08	37594	Ky Mountain Saddle Club	100.00	x Donation
05/13/08	37595	Kendra Lyons	500.00	x Scholarship
05/13/08	37596	Jerrica Moore	500.00	x Scholarship
05/13/08	37597	Ashley Prater	500.00	x Scholarship
05/13/08	37600	Courtney Gullet	500.00	x Scholarship
05/13/08	37601	Celestine Ramey	500.00	x Scholarship
05/22/08	37638	Johnson Co 4-H	120.00	x Sponsor 1 child
06/17/08	37795	Martin Co Board of Ed	100.00	x Math Department
07/03/08	37916	Johnson Co Little League	100.00	x All-star donation 8 under
07/15/08	38038	Johnson Co Little League	100.00	x All-star donation 12 under
07/22/08	38060	Maranda Ferguson	50.00	x NYLS conference donation
11/12/07	wire	US Treasury	504.51	x 3rd party pay penalty
12/07/07	wire	EKPC	375.26	x Int on late bill
			<u>7,670.71</u>	
Remove for rate making			<u>7,470.71</u>	x

Big Sandy Rural Electric  
Case No. 2008-00401

Account 426 - Other Income Deductions  
August 31, 2008

Line No. <hr/>	Item (a)	Amount (b)
1.	Donations	7,471
2.	Civic activities	
3.	Political activities	
4.	Other	<hr/> 200
5.	Total	<hr/> <hr/> 7,671



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Big Sandy Rural Electric Cooperative  
Case No. 2008-00401  
Professional Services

**Legal**

The attorney is paid a monthly retainer for work performed during the month, as well as, attending each monthly Board of Directors meeting. Expenses are also paid for attending legal seminars for Cooperative business.

Other legal services are provided as needed.

Attached is the Board policy on Attorney compensation.

**Accounting and Auditing**

Attached is a copy of the audit agreement for the latest audit as of December 31, 2007, which was performed by Alan Zumstein, CPA.

Big Sandy Rural Electric Cooperative  
Case No. 2005-00187  
**Professional Services**  
August 31, 2008

Format 33  
Exhibit 9  
page 2 of 4

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<u>Line</u>		<u>Rate</u>	<u>Annual</u>			
<u>Number</u>	<u>Item</u>	<u>Case</u>	<u>Audit</u>	<u>Other</u>	<u>Total</u>	
1	Legal			54,384	54,384	
2	Engineering				0	
3	Accounting		7,100	400	7,500	
4	Other				0	
5	Total	0	7,100	54,784	61,884	

## Big Sandy Rural Electric Cooperative

Case No. 2008-00401

Professional Services

August 31, 2008

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<u>Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Hours &amp; Bill Rate</u>	<u>Amount</u>	<u>Description</u>
<b>Legal</b>					
<b>Albert A. Burchett</b>					
09/11/07	36324			200.00	Court case, Sept 7, 2007
10/01/07	36386			500.00	Retainer
10/05/07	36429	Ohio Nat'l Life Ins		49.65	x Life insurance premiums
10/08/07	36480	Visa		24.61	x Meal, KAEC mtg
11/01/07	36553			500.00	Retainer
11/13/07	36635			400.00	Union negotiations
11/21/07	36673			600.00	x KAEC annual mtg
12/01/07	36694			500.00	Retainer
12/01/07	36712			443.26	x Expenses, KAEC annual mtg
12/04/07	36725	Visa		16.68	Meal, union negotiation
12/18/07	36793	KVAT Food Store		45.00	x Christmas gift
01/04/08	36895	Visa		338.08	x Expense, KAEC atty mtg
01/04/08	36895	Visa		30.02	Meal, union negotiation
01/15/08	36913	KAEC		105.00	x Meals, KAEC annual mtg
01/22/08	36936			500.00	Retainer
02/01/08	36975			500.00	Retainer
02/06/08	36998			600.00	Contract negotiations
03/01/08	37126			500.00	Retainer
03/06/08	37181	Visa		6.32	Meal, union negotiation
04/01/08	37261			500.00	Retainer
04/01/08	37266	Ohio Nat'l Life Ins		192.61	x Life insurance premiums
02/01/08	37266	Ohio Nat'l Life Ins		192.61	x Life insurance premiums
05/01/08	37464			500.00	Retainer
06/01/08	37655			500.00	Retainer
06/03/08	37702			200.00	Court case June 4, 2008
07/01/08	37826			500.00	Retainer
07/01/08	37834	Ohio Nat'l Life Ins		192.61	x Life insurance premiums
08/01/08	38084			500.00	Retainer
09/01/08	38239			500.00	Retainer
09/04/08	38286	NRECA		43.00	Legal subscription
var		NRECA		15.06	Travel insurance
var		EKPC		7,303.04	x Health insurance premiums

Big Sandy Rural Electric Cooperative  
Case No. 2008-00401  
Professional Services  
August 31, 2008

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<u>Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Hours &amp; Bill Rate</u>	<u>Amount</u>	<u>Description</u>
<b>Frost, Brown &amp; Todd, Attorneys at Law</b>					
12/01/07	36709			5,534.85	Union contract negotiations
01/15/08	36926			9,278.91	Union contract negotiations
01/24/08	36970			10,059.55	Union contract negotiations
02/19/08	37112			2,215.52	Union contract negotiations
03/18/08	37244			9,492.42	Union contract negotiations
05/01/08	37490			487.50	Union contract negotiations
06/01/08	37685			262.50	Union contract negotiations
<b>Other</b>					
05/20/08	37623	Alan Zumstein, CPA		400.00	IRS Form 990
08/01/08	38102	Fleming-Mason Energy		55.00	x Golf scramble
04/01/08	37270	Alan Zumstein, CPA		7,100.00	Annual audit
				<u>61,883.80</u>	
Disallow for rate making purposes				<u>9,541.47</u>	x

**BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION**  
**POLICY STATEMENT NO. 400-005**  
**SECTION D**

**SUBJECT:**           **FUNCTIONS AND COMPENSATION OF  
COOPERATIVE ATTORNEYS**

- PURPOSE:**
- A.     To recognize the need for continuing legal guidance and counsel in the regular and special activities of the Cooperative, to insure maximum protection of the legal rights of the Cooperative, and to maintain operational conformity to the limitations prescribed by law.
  - B.     To provide for the functions of the legal consultant employed as the regular Cooperative Attorney(s) or a monthly retainer fee basis and for additional counsel as required from time to time.

**POLICY:**           It shall be the policy of Big Sandy RECC to maintain a continuing relationship with the Attorney or firm of attorneys for the purpose of procuring the necessary legal assistance and advice to protect the corporate interests of the Cooperative.

The Board of Directors shall designate the Cooperative Attorney(s) upon the recommendation of the President/General Manager.

- FUNCTIONS:**       The services required of the Attorney(s) will vary in nature and extent according to the conditions and problems that arise. These services can be divided into routine and special services.
- A.     Routine services shall be rendered on an annual retainer fee basis and shall include the following:
    - 1.     Attendance at regular and special Board Meetings, or meetings of committees of the Board, when requested by the Board or President/General Manager.
    - 2.     Review of minutes of all Board Meetings, regular or special, to check conformity with the bylaws and applicable state and federal law and regulations.

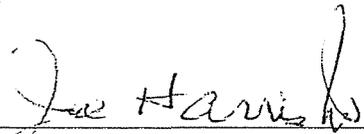
3. Review of minutes, resolutions, bylaw amendments, notice of meetings, and review of the proceedings of the Annual Meeting of Members, or of Special Meeting of Members, and attending such meetings to be available for consultation and participation if events warrant.
  4. Normal assistance and advice on tax matters, including reports and claims for exemption.
  5. Review and legal approval of contracts and other documents as to form, substance and execution.
  6. Miscellaneous letters and legal matters of a Minor nature not requiring an unusual amount of time, study and attention.
  7. Advice and consultation concerning Miscellaneous matters of cooperative business, including policy and personnel actions, as requested by the Board or President/General Manager.
  8. Attendance at association meetings pertaining to The activities of the Cooperative where special services are not required, and the choice of attending is left to the discretion of the attorney(s).
  9. Handling of loan documents and mortgages.
- B.
1. Attorney(s) may be requested by the Board of Directors to attend legal seminars, NRECA Annual Meetings and Regional Meetings. Such Meetings shall be compensated for at the rate of \$200.00 per day plus expenses. Expenses shall be reimbursed as described in Policy No. 400-010.
  2. Routine services shall be compensated for and Included in the retainer fee of \$500.00 per month. This amount shall become effective January 1, 1997.

3. The following benefits will be paid 100% of the Premium cost.

- (1) Group medical and hospitalization Insurance.
- (2) Business travel accident insurance.
- (3) Life insurance.
- (4) Effective January 19, 2001 life insurance and group medical/hospital insurance will be paid at 100% only for Cooperative Attorneys retained before 2001. All Attorneys retained for the first time subsequent to 1/19/01 are not entitled to these insurance benefits.

**RESPONSIBILITY:** The Board of Directors.

**SOURCE:**           REVISED    January 15, 1988  
                          REVISED    June 17, 1994  
                          REVISED    October 16, 1996  
                          REVISED    January 19, 2001  
                          REVISED    February 16, 2001  
                          REVISED    November 16, 2004

  
\_\_\_\_\_  
Joe W. Harris, Jr., Secretary

**ALAN M. ZUMSTEIN**  
**CERTIFIED PUBLIC ACCOUNTANT**

1032 CHETFORD DRIVE  
LEXINGTON, KENTUCKY 40509  
(859) 264-7147

October 22, 2007

MEMBER:

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

Bobby D. Sexton, President and General Manager  
Big Sandy Rural Electric Cooperative  
504 Eleventh Street  
Paintsville, Kentucky 41240

Dear Mr. Sexton:

I am pleased to confirm our understanding of the services I am to provide for Big Sandy Rural Electric Cooperative for the year ended December 31, 2007.

I will audit the Cooperative's balance sheet as of December 31, 2007, and the related statements of revenue and patronage capital and cash flows for the year then ended.

The objective of the audit is the expression of an opinion about whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. My audit will be conducted in accordance with U.S. generally accepted auditing standards and will include test of your accounting records and other procedures I consider necessary to enable me to express such an opinion. If my opinion is other than unqualified, I will discuss the reasons with you in advance. If, for any reason, I am unable to complete the audit or are unable to form or have not formed an opinion, I may decline to express an opinion or to issue a report as a result of this engagement.

My procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical evidence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected customers, creditors, and financial institutions. I will also request written representations from your attorney as part of the engagement. At the conclusion of my audit, I will require certain written representations from you about the financial statements and related matters.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, my audit will involve judgment about the number of transactions to be examined and the areas to be tested. Also, I will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (a) errors, (b) fraudulent financial reporting, (c) misappropriation of assets, or (d) violations of laws or governmental regulations that are attributable to the Cooperative or to acts by management or employees acting on behalf of the Cooperative.

Because an audit is designed to provide reasonable, but not absolute, assurance and because I will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by me. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, I will inform you of any material errors that come to my attention, and I will inform you of any fraudulent financial reporting or misappropriation of assets that comes to my attention. I will also inform you of any violations of laws or governmental regulations to come to my attention, unless clearly inconsequential. My responsibility as auditor is limited to the period covered by my audit and does not extend to any later periods for which I was not engaged as auditor.

My audit will include obtaining an understanding of the Cooperative and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, I will communicate to you and those charged with governance internal control related matters that are required to be communicated under professional standards.

I may from time to time, and depending on the circumstances, use third-party service providers in serving your account. I may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, I maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, I will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and I will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that I am unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, I will remain responsible for the work provided by any such third-party service providers.

You are responsible for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the fair presentation in the financial statements of financial position, results of operations and cash flows in conformity with U.S. generally accepted accounting principles. You are also responsible for management decisions and functions; for designating an individual with suitable skill, knowledge, or experience to oversee the tax services and any other nonattest services I provide; and for evaluation the adequacy and results of those services and accepting responsibility for them.

You are responsible for making all financial records and related information available to me and for the accuracy and completeness of that information. Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to me in the management representation letter that the effects of any uncorrected misstatements aggregated by me during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing me about all known or suspected fraud affecting the company involving (a) management, (b) employees who have significant roles in internal control, and (c) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing me of your knowledge of any allegations of fraud or suspected fraud affecting the company received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the Cooperative complies with applicable laws and regulations.

In accordance with the requirements of the Rural Utilities Service (RUS), I assure you of the following:

- The audit is being performed as a requirement of RUS security instrument and any violation of RUS audit requirements shall place the RUS borrower in technical default of the RUS security instrument.
- The Auditor's Report will be signed by Alan M. Zumstein, CPA, a certified public accountant in good professional standing with the state licensing board.
- I will comply with generally accepted government auditing standards, the rules and regulations of professional conduct promulgated by the accountancy board of the state of Kentucky and the Code of Professional Ethics of the American Institute of CPAs.
- I am independent as defined and interpreted by the Professional Ethics Division of the AICPA and as defined by 7 CFR 1773.4 (b).
- I belong to an approved peer review program (Private Companies Practice Section) and have received an unqualified opinion within three years of the "as of" date of the audit.
- The audit will be performed and the Auditor's Report, report on compliance, report on internal controls and management letter will be performed in accordance with requirements of RUS, will comply with generally accepted auditing standards and will be submitted to the Board of Directors within three months of the "as of" audit date.
- Audit work papers will be made available to RUS, Office of Inspector General (OIG) and the General Accounting Office (GAO). RUS, OIG or GAO may photocopy all audit and compliance workpapers as requested.
- I will disclose all disallowance's resulting from testing performed as set forth in 7 CFR 1773.40 and will follow the requirements of reporting irregularities and illegal acts outlined in 7 CFR 1773.7.
- I will report audit findings to the Board of Directors as required by 7 CFR 1773.25.

Fees for these services will be \$7,100. Invoices will be submitted as work progresses, and are payable on presentation. Should any situation arise that would materially increase this fee, I will, of course, notify you.

If this letter correctly expresses your understanding of these arrangements, please indicate your approval by signing the enclosed copy and returning to me. I have also included a Certification of Debarment and Suspension and my last peer review report and letter of comment, as required for audits of RUS borrowers.

Sincerely,



Alan M. Zumstein, CPA

Approved:

By:  \_\_\_\_\_

Date: 10/26/07



Big Sandy Rural Electric  
Case No. 2008-00401  
**Adjustment for Director expenses**  
August 31, 2008

Certain expenses are generally disallowed for rate making purposes that are incurred for, and on behalf of, Directors of an electric cooperative. Big Sandy has made this adjustment to recognize those expenses.

KAEC annual meeting for non-representative:	
Joe Harris	28.57
Per diems:	
All directors	11,400.00
Legislative Conference	
Robert Moore	1,513.03
General expenses for all employees	
Health insurance premiums	11,408.00
Christmas gifts	2,115.00
	<hr/>
	<u>26,464.60</u>



**BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION**  
**POLICY STATEMENT NO. 400-010**  
**SECTION D**

**SUBJECT:**           **BOARD OF DIRECTORS - COMPENSATION**

**OBJECTIVE:**       To provide fair and equitable compensation for members of the Board of Directors.

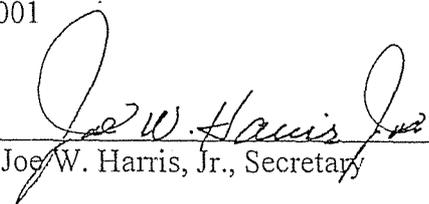
**POLICY:**

- A. Per Diem of \$300.00 plus mileage from the Director's home shall be paid to each Director for attending a regular or special Board Meeting.
- B. Directors authorized to attend any meeting, workshop, seminars, etc. shall be paid \$200.00 per day and shall be reimbursed for all legitimate expenses for attendance at such meetings. A detailed expense account, with receipts attached as appropriate shall be submitted to the Board for approval. No expenses will be paid for spouses of Directors accompanying them to meetings. Travel shall be reimbursed on the following basis.
  - 1. If commercial air travel is available, then without regard to the mode actually used, reimbursement shall be for the expenses actually incurred in an amount not to exceed round trip air coach fare, if the same is available; otherwise, first class fare, plus cost of transportation to and from airport and other expenses attendant to air travel.
  - 2. Mileage reimbursement, plus toll costs, for use of personal automobile shall be at the rate set forth in Policy No. 100-015, Section A.
  - 3. Expenses incurred for travel earlier than sufficient time to attend a meeting shall not be reimbursed.
- C. The following benefits will be paid 100% of the premium cost:
  - 1. Group medical and hospitalization insurance.
  - 2. Business travel accident insurance.
  - 3. 24-Hour accident insurance.

4. Effective January 19, 2001, group medical and hospitalization insurance will be paid on Directors elected or appointed before 2001. All Directors elected or appointed to the Board for the first time after 1/19/01 are excluded.

**RESPONSIBILITY:** It shall be the responsibility of the Chairman of the Board to see that the provisions of the policy are carried out.

**SOURCE:** ADOPTED: January 18, 1991  
AMENDED: December 16, 1993  
June 17, 1994  
April 19, 1996  
February 18, 2000  
January 19, 2001  
REVISED: February 16, 2001

  
\_\_\_\_\_  
Joe W. Harris, Jr., Secretary

Big Sandy Rural Electric  
Case No. 2008-00401  
**Director Fees and Expenses**  
August 31, 2008

Exhibit 10  
page of  
Witness: Alan Zumstein

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	Regular Board Mtg	Other Board Mtg	Per Diem	Mileage	Air Fare	Meeting Fees	Hotel	Meals	Health Insurance	Misc Expenses	Total
May, Wade	3,600	600	1,800	656	1,200	765	1,140	340	0	0	10,101
Wallen, Danny	3,600	600	0	172	0	0	0	0	0	0	4,372
Harris, Joe W.	3,600	600	600	257	0	0	0	29	0	0	5,086
Maxey, Bill	3,600	600	2,600	172	360	765	2,455	700	0	0	11,251
Davis, Greg	3,600	600	2,000	458	0	400	841	210	0	0	8,109
Moore, Robert	3,600	600	3,000	222	0	765	2,412	680	0	0	11,278
Shepherd, Kelly	3,600	600	1,400	114	388	400	823	239	0	0	7,565
General expenses	0	0	0	0	0	0	0	133	11,408	8,253	19,794
Total	25,200	4,200	11,400	2,050	1,948	3,095	7,671	2,331	11,408	8,253	77,556

Big Sandy Rural Electric  
Case No. 2008-00401  
Wade May

Exhibit 10  
page of  
Witness: Alan Zumstein

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<u>Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Explanation</u>	<u>Regular Bd Mtg</u>	<u>Other Bd Mtg</u>	<u>Per Diem</u>	<u>Mileage</u>	<u>Air Fare</u>	<u>Meeting Fees</u>	<u>Hotel</u>	<u>Meals</u>	<u>Total</u>
09/18/07	36365			300.00			8.73					308.73
10/08/07	36463	NRECA	NRECA director conf						365.00			365.00
10/08/07	36480	Visa	NRECA director conf							144.48	14.82	159.30
10/15/07	36510			300.00			8.73					308.73
10/26/07	36546		NRECA director conf			1,000.00						1,000.00
11/20/07	36671		Union contract	300.00			8.73					308.73
12/04/07	36725	Visa	NRECA director conf							45.00	52.98	97.98
12/04/07	36725	Visa	NRECA director conf							322.36	96.06	418.42
12/18/07	36805			300.00			8.73					308.73
01/22/08	36957			300.00			9.09					309.09
02/06/08	37005				300.00		9.09					309.09
02/18/08	37106			300.00			9.09					309.09
03/06/08	37181	Visa	NRECA director conf					360.00			25.01	385.01
03/18/08	37243			300.00			9.09					309.09
04/02/08	37290		NRECA director conf			800.00	347.40					1,147.40
04/18/08	37412			300.00			9.09					309.09
05/01/08	37473	Visa	NRECA director conf							526.08	151.00	677.08
05/13/08	37588		Annual mtg		300.00		9.09					309.09
05/20/08	37626			300.00			9.09					309.09
06/03/06	37728	Visa	CFC Financial Forum					840.00	400.00	102.12		1,342.12
06/17/08	37793			300.00			9.09					309.09
06/24/08	37812	Bobby Sexton	CFC Financial Forum				180.00					180.00
07/15/08	38029			300.00			10.53					310.53
08/19/08	38221			300.00			10.53					310.53
				3,600.00	600.00	1,800.00	656.10	1,200.00	765.00	1,140.04	339.87	10,101.01

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Big Sandy Rural Electric  
Case No. 2008-00401  
Danny Wallen

Exhibit 10  
page of  
Witness: Alan Zumstein

Date	Check Number	Payee	Explanation	Regular Bd Mtg	Other Bd Mtg	Per Diem	Mileage	Air Fare	Meeting Fees	Hotel	Meals	Total
04/18/08	37410			300.00			12.12					312.12
08/19/08	38220			300.00			14.04					314.04
12/18/07	36804			300.00			11.64					311.64
02/19/08	37101			300.00			12.12					312.12
02/06/08	37004		Union contract		300.00		12.12					312.12
01/22/08	36956			300.00			12.12					312.12
07/15/08	38025			300.00			14.04					314.04
06/17/08	37791			300.00			12.12					312.12
03/18/08	37241			300.00			12.12					312.12
05/13/08	37585		Annual mtg		300.00		12.12					312.12
05/20/08	37622			300.00			12.12					312.12
11/20/07	36669			300.00			11.64					311.64
10/15/07	36507			300.00			11.64					311.64
09/18/07	36363			300.00			11.64					311.64
												0.00
				3,600.00	600.00	0.00	171.60	0.00	0.00	0.00	0.00	4,371.60

Big Sandy Rural Electric  
Case No. 2008-00401  
**Joe W. Harris**

Exhibit 10  
page of  
Witness: Alan Zumstein

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<u>Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Explanation</u>	<u>Regular Bd Mtg</u>	<u>Other Bd Mtg</u>	<u>Per Diem</u>	<u>Mileage</u>	<u>Meeting Fees</u>	<u>Hotel</u>	<u>Meals</u>	<u>Health Ins</u>	<u>Total</u>
04/18/08	37395			300.00			18.18					318.18
08/19/08	38212			300.00			21.06					321.06
12/18/07	36794			300.00			17.46					317.46
02/19/08	37089			300.00			18.18					318.18
02/06/08	36999		Union contract		300.00		18.18					318.18
01/22/08	36939			300.00			18.18					318.18
07/15/08	38008			300.00			21.06					321.06
06/17/08	37780			300.00			18.18					318.18
03/18/08	37230			300.00			18.18					318.18
05/13/08	37575		Annual mtg		300.00		18.18					318.18
05/20/08	37611			300.00			18.18					318.18
11/21/07	36674		KAEC annual mtg			600.00						600.00
11/20/07	36663			300.00			17.46					317.46
10/15/07	36497			300.00			17.46					317.46
09/18/07	36356			300.00			17.46					317.46
01/04/08	36895	Visa	KAEC annual mtg							28.57		28.57 x 0.00
				3,600.00	600.00	600.00	257.40	0.00	0.00	28.57	0.00	5,085.97

Big Sandy Rural Electric  
Case No. 2008-00401  
**William Maxey**

Exhibit 10  
page of  
Wintess: Alan Zumstein

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<u>Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Explanation</u>	<u>Regular Bd Mtg</u>	<u>Other Bd Mtg</u>	<u>Per Diem</u>	<u>Mileage</u>	<u>Air Fare</u>	<u>Meeting Fees</u>	<u>Hotel</u>	<u>Meals</u>	<u>Total</u>
09/18/07	36360			300.00			11.64					311.64
10/08/07	36463	NRECA	NRECA director conf						365.00			365.00
10/08/07	36480	Visa	KAEC mtg							111.51	34.40	145.91
10/08/07	36480	Visa	NRECA director conf							144.48	42.34	186.82
10/15/07	36499			300.00			11.64					311.64
10/26/07	36544		NRECA director conf			1,000.00						1,000.00
11/05/07	36613	Visa	KAEC mtg							110.76	14.64	125.40
11/20/07	36665			300.00			11.64					311.64
12/04/07	36725	Visa	NRECA director conf							45.00	52.98	97.98
12/04/07	36725	Visa	KAEC annual mtg							243.73	88.25	331.98
12/04/07	36725	Visa	NRECA director conf							322.05	96.06	418.11
12/18/07	36797			300.00			11.64					311.64
04/04/08	36895	Visa	Energy Mgt Conf						400.00	315.74	40.18	755.92
01/22/08	36942			300.00			12.12					312.12
01/24/08	36962		Energy Mgt Conf			600.00						600.00
02/06/08	37001		Union contract		300.00		12.12					312.12
02/06/08	37049	Visa	KAEC mtg							111.51	23.27	134.78
02/19/08	37094			300.00			12.12					312.12
03/06/08	37181	Visa	NRECA director conf					360.00		187.17	28.48	575.65
03/06/08	37181	Visa	KAEC mtg								32.53	32.53
03/18/08	37234			300.00			12.12					312.12
04/02/08	37286		Director conf			800.00						800.00
04/18/08	37401			300.00			12.12					312.12
05/01/08	37473	Visa	NRECA director conf							527.03	150.97	678.00
05/01/08	37473	Visa	KAEC mtg							112.26	15.53	127.79
05/13/08	37578		Annual mtg		300.00		12.12					312.12
05/20/08	37615			300.00			12.12					312.12
06/10/08	37754		EKPC annual mtg			200.00						200.00
06/17/08	37785			300.00			12.12					312.12
07/03/08	37902	Visa	KAEC mtg								13.50	13.50
07/03/08	37902	Visa	KAEC mtg							112.26	29.20	141.46
07/15/08	38013			300.00			14.04					314.04
08/07/08	38114	Visa	KAEC mtg							111.51	37.18	148.69
08/19/08	38216			300.00			14.04					314.04
				3,600.00	600.00	2,600.00	171.60	360.00	765.00	2,455.01	699.51	11,251.12

Big Sandy Rural Electric  
Case No. 2008-00401  
**Greg Davis**

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<u>Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Explanation</u>	<u>Regular Bd Mtg</u>	<u>Other Bd Mtg</u>	<u>Per Diem</u>	<u>Mileage</u>	<u>Meeting Fees</u>	<u>Hotel</u>	<u>Meals</u>	<u>Total</u>
09/18/07	36361			300.00			31.04				331.04
10/15/07	36504			300.00			31.04				331.04
11/20/07	36667			300.00			31.04				331.04
11/21/07	36675		KAEC annual mtg			600.00					600.00
12/18/07	36802			300.00			31.04				331.04
01/04/08	36895	Visa	Energy Mgt conf					400.00	315.11	28.57	743.68
01/22/08	36952			300.00			32.32				332.32
01/24/08	36963		Energy Mgt conf			600.00					600.00
02/06/08	37002		Union contract		300.00		32.32				332.32
02/19/08	37098			300.00			32.32				332.32
03/06/08	37181	Visa	Energy Mgt conf							44.03	44.03
03/18/08	37237			300.00			32.32				332.32
04/02/08	37287		NRECA Director conf			800.00					800.00
04/18/08	37407			300.00			32.32				332.32
05/01/08	37473	Visa	NRECA Director conf						526.08	137.60	663.68
05/13/08	37583		Annual mtg		300.00		32.32				332.32
05/20/08	37620			300.00			32.32				332.32
06/17/08	37789			300.00			32.32				332.32
07/15/08	38021			300.00			37.44				337.44
08/19/08	38218			300.00			37.44				337.44
				3,600.00	600.00	2,000.00	457.60	400.00	841.19	210.20	8,108.99

Big Sandy Rural Electric  
Case No. 2008-00401  
**Robert Moore**

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Date	Check Number	Payee	Explanation	Regular Bd Mtg	Other Bd Mtg	Per Diem	Mileage	Meeting Fees	Hotel	Meals	Total
09/18/07	36362			300.00			15.04				315.04
10/08/07	36463	NRECA	NRECA Director conf					365.00			365.00
10/08/07	36480	Visa	NRECA Director conf						144.48		144.48
10/15/07	36505			300.00			15.04				315.04
10/26/07	36545		NRECA Director conf			1,000.00					1,000.00
11/20/07	36668		Unin contract	300.00			15.04				315.04
11/21/07	36676		KAEC annual mtg			600.00					600.00
12/04/07	36725	Visa	KAEC annual mtg						356.36	157.70	514.06
12/04/07	36725	Visa	NRECA Director conf						45.00	61.65	106.65
12/04/07	36725	Visa	NRECA Director conf						311.36	96.06	407.42
12/18/07	36803			300.00			15.04				315.04
01/04/08	36895	Visa	Energy Mgt conf					400.00	333.48	28.57	762.05
01/22/08	36953			300.00			15.66				315.66
01/24/08	36964		Energy Mgt Conf			600.00					600.00
02/06/08	37003				300.00		15.66				315.66
02/19/08	37099			300.00			15.66				315.66
03/06/08	37181	Visa	Energy Mgt conf							44.03	44.03
03/06/08	37168	KAEC	Legislative conf							65.44	65.44 x
03/18/08	37238			300.00			15.66				315.66
04/18/08	37408			300.00			15.66				315.66
05/13/08	37584		Annual mtg		300.00		15.66				315.66
05/19/08	37607		Legislative conf			800.00					800.00
05/20/08	37621			300.00			15.66				315.66
06/03/08	37728	Visa	Legislative conf						1,220.88	175.71	1,396.59 x
06/17/08	37790			300.00			15.66				315.66
07/03/08	37886	KAEC	Legislative conf							51.00	51.00 x
07/15/08	38022			300.00			18.14				318.14
08/19/08	38219			300.00			18.14				318.14
											0.00
				3,600.00	600.00	3,000.00	221.72	765.00	2,411.56	680.16	11,278.44

Big Sandy Rural Electric  
Case No. 2008-00401  
Kelly Shepherd

Exhibit 10  
page of  
Witness: Alan Zumstein

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Date	Check Number	Payee	Explanation	Regular Bd Mtg	Other Bd Mtg	Per Diem	Mileage	Air Fare	Meeting Fees	Hotel	Meals	Total
09/18/07	36358			300.00			7.76					307.76
10/15/07	36498			300.00			7.76					307.76
11/20/07	36664			300.00			7.76					307.76
12/18/07	36795			300.00			7.76					307.76
01/04/08	36895	Visa	Energy Mgt Conf						400.00	296.74	50.22	746.96
01/22/08	36940			300.00			8.08					308.08
01/24/08	36961		Energy Mgt Conf			600.00						600.00
02/06/08	37000		Union contract		300.00		8.08					308.08
02/19/08	37091			300.00			8.08					308.08
03/06/08	37181	Visa	Energy Mgt Conf								32.53	32.53
03/06/08	37181	Visa	NRECA Director conf					388.00			5.61	393.61
03/18/08	37231			300.00			8.08					308.08
04/02/08	37285		NRECA Director conf			800.00						800.00
04/18/08	37397			300.00			8.08					308.08
05/01/08	37473	Visa	NRECA Director conf							526.08	150.94	677.02
05/13/08	37576		Annual mtg		300.00		8.08					308.08
05/20/08	37612			300.00			8.08					308.08
06/17/08	37782			300.00			8.08					308.08
07/15/08	38009			300.00			9.36					309.36
08/19/08	38213			300.00			9.36					309.36
				3,600.00	600.00	1,400.00	114.40	388.00	400.00	822.82	239.30	7,564.52

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Big Sandy Rural Electric  
Case No. 2008-00401  
General Expenses  
August 31, 2008

Exhibit 10  
page of  
Witness: Alan Zumstein

Date	Check Number	Payee	Description	Regular Bd Mtg	Other Bd Mtg	Per Diem	Mileage	Air Fare	Meeting Fees	Hotel	Meals	Health Ins	Misc Expense	Total	
12/18/07	36793	KVAT Food Mart	Christmas gift										315.00	315.00 x	
09/04/08	38286	NRECA	RE Magazine										301.00	301.00	
12/04/07	36725	Visa	Christmas gifts										1,800.00	1,800.00 x	
06/24/08	37812	Bobby Sexton	Board meals								133.12			133.12	
var		NRECA	24-hr accident										91.86	91.86	
var		Federated	Director liability ins										5,745.60	5,745.60	
var		EKPC	Health Insurance premiums									11,407.66		11,407.66	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	133.12	11,407.66	8,253.46	19,794.24	
														Remove for rate making purposes	2,115.00 x



Big Sandy Rural Electric  
Case No. 2008-00401  
**Adjustment for miscellaneous expenses**  
August 31, 2008

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 Account 913.00, General Advertising Expense and Account 930.10, General Advertising Expenses. Those removed include sponsorship of sports, church, civic and charitable related organizations.

Annual meeting scholarships, prizes and giveaways are also disallowed.

The amounts removed for rate making purposes is as follows:

Account 913.00, General advertising	870
Account 930.10, General advertising	66
Account 930.23, Annual meeting	<u>2,079</u>
	<u><u>3,015</u></u>

Big Sandy Rural Electric  
Case No. 2008-00401  
Advertising - Account 913.00  
August 31, 2008

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<u>Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Amount</u>	<u>Description</u>
10/08/07	36459	Johnson Co Schools	25.00	x Eagle Express sponsor
10/08/07	36466	Paintsville Herald	20.00	x Church page sponsor
11/05/07	36600	Paintsville Herald	20.00	x Church page sponsor
12/07/07	36761	Paintsville Herald	90.00	Home conservation
12/07/07	36761	Paintsville Herald	50.00	x Church page sponsor
01/02/08	36853	Johnson Co Schools	100.00	x Eagle Express sponsor
01/04/08	36888	Paintsville Herald	40.00	x Church page sponsor
02/06/08	37038	Paintsville Herald	40.00	x Church page sponsor
03/06/08	37173	Paintsville Herald	50.00	x Church page sponsor
03/07/08	37199	Johnson Co Schools	50.00	x Eagle Express sponsor
04/07/08	37335	Paintsville Herald	40.00	x Church page sponsor
04/07/08	37340	SIP Broadcasting	125.00	x Girls Seet 16 sponsor
04/23/08	37444	Johnson Co Schools	50.00	x Eagle Express sponsor
05/05/08	37530	Paintsville Herald	40.00	x Church page sponsor
06/03/08	37711	Johnson Co Schools	50.00	x Eagle Express sponsor
06/03/08	37717	Paintsville Herald	40.00	x Church page sponsor
07/03/08	37891	Paintsville Herald	40.00	x Church page sponsor
08/08/08	38146	Paintsville Herald	40.00	x Church page sponsor
09/04/08	38287	Paintsville Herald	50.00	x Church page sponsor
			<u>960.00</u>	x
	Disallow for rate making purposes		<u>870.00</u>	x

Big Sandy Rural Electric  
Case No. 2008-00401  
General Advertising Expenses Account 930.10  
August 31, 2008

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<u>Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Amount</u>	<u>Description</u>
10/02/07	36405	Paintsville Rotary	16.50	x Apple Day sponsor
06/10/08	37756	Pinnacle Publishing	765.00	Telephone directory listing
10/02/07	36406	Our Lady of Mnts School	50.00	x Turtle race donation
			<hr/>	
			<u>831.50</u>	
		Disallow for rate making purposes	<u>66.50</u>	x

## Big Sandy Rural Electric

Case No. 2008-00401

## Miscellaneous General Expenses Account 930.20

August 31, 2008

<u>Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Amount</u>	<u>Description</u>
05/05/08	37523	KAEC	4,911.03	Ky Living Magazine
06/03/08	37712	KAEC	4,901.84	Ky Living Magazine
07/03/08	37886	KAEC	5,006.09	Ky Living Magazine
08/08/08	38140	KAEC	5,078.42	Ky Living Magazine
09/04/08	38279	KAEC	5,078.42	Ky Living Magazine
10/08/07	36460	KAEC	4,953.15	Ky Living Magazine
11/05/07	36595	KAEC	4,954.60	Ky Living Magazine
12/07/07	36755	KAEC	4,935.24	Ky Living Magazine
01/04/08	36885	KAEC	4,951.70	Ky Living Magazine
02/06/08	37031	KAEC	4,951.70	Ky Living Magazine
03/06/08	37168	KAEC	4,936.21	Ky Living Magazine
04/07/08	37330	KAEC	4,929.91	Ky Living Magazine
03/25/08	37254	Mountain Citizens	25.00	Subscription
01/15/08	36913	KAEC	21,291.24	Annual dues
09/11/07	36330	NRECA	13,972.64	Annual dues
var		Federated Rural Ins	39,528.68	Property insurance
var		County and state taxing districts	36,996.94	Property taxes allocated
		CFC	1,878.40	Integrity Fund contribution
			<u>173,281.21</u>	
Items disallowed for rate making purposes			<u>0.00</u> x	
Summary of Miscellaneous expenses:				
930.10	Advertising		831.50	
930.11	Directors expenses		77,555.89	
930.20	Annual meeting		24,028.50	
930.20	Miscellaneous		<u>173,281.21</u>	
	Total		<u>275,697.10</u>	

Big Sandy Rural Electric  
Case No. 2008-00401  
**Annual Meeting Expenses Account 930.20**  
August 31, 2008

<u>Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Amount</u>	<u>Description</u>
02/19/08	37086	Auda Bolden	132.32	x Nominating committee
02/19/08	37090	Joe Skaggs	112.12	x Nominating committee
02/19/08	37095	Newton Mfg	3,792.82	Caps with Big Sandy logo
02/19/08	37102	Danny Walters	112.12	x Nominating committee
02/19/08	37103	Orville Ousley	115.66	x Nominating committee
02/19/08	37107	Joe Colvin	109.09	x Nominating committee
02/19/08	37108	Herbert Wright	118.18	x Nominating committee
02/19/08	37111	Clay Spradlin	108.08	x Nominating committee
05/05/08	37544	Initially Yours	375.24	Employee shirts for identification
05/13/08	37586	WMDJ Radio	312.00	Advertising
05/13/08	37587	Mountain Arts Center	2,175.00	Rent location
05/13/08	37591	Aaron Davis	100.00	x Prize
05/16/08	37602	Made from Scratch	1,228.92	Meals
06/03/08	37717	Paintsville Herald	419.50	Advertising
06/03/08	37724	SIP Broadcasting	435.00	Advertising
06/03/08	37728	Visa	1,171.68	x Prizes and giveaways
06/03/08	37730	WQHY Radio	450.00	Advertising
06/03/08	37731	Mountain Citizens	330.74	Advertising
06/10/08	37750	Floyd Co Times	378.00	Advertising
06/10/08	37761	WKLW Radio	450.00	Advertising
07/03/08	37886	KAEC	41.98	Setups
07/03/08	37902	Visa	5.29	Hardware
		Labor and benefits	<u>11,554.76</u>	Employee labor and benefits
			<u><u>24,028.50</u></u>	
		Amounts to exclude for rate making purposes	<u><u>2,079.25</u></u>	x

Big Sandy Rural Electric  
Case No. 2008-00401

Account 930 - Miscellaneous General Expenses  
August 31, 2008

Line No. _____	Item (a)	Amount (b)
1.	Industry association dues	35,264
2.	Annual meeting	24,029
3.	Institutional advertising	67
4.	Conservation advertising	
5.	Rate departmenet load studies	
6.	Director's fees and expenses	77,556
7.	Dues and subscriptions	59,613
8.	Miscellaneous	79,168
9.	Total	275,697
10.	Amount assigned to KY retail	



Witness: Alan Zumstein

**Big Sandy Rural Electric Cooperative**

**Case No. 2008-00401**

**Rate Case Expenses**

August 31, 2008

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.



Big Sandy Rural Electric Cooperative  
CATV Pole Attachments  
December 31, 2007

*Additional revenues generated*

Description	Number	Charges		Revenue		Increase	
		Existing	Proposed	Existing	Proposed	Amount	Percent
2 party Pole Attachments	1,110	\$4.92	\$6.24	\$5,461	\$6,922	\$1,460	21%
2 party Anchor Attachments	190	2.13	3.00	405	570	\$166	29%
2 party Ground Attachments	206	0.27	0.28	56	58	\$2	4%
3 party Pole Attachments	10,984	4.01	4.84	44,046	53,117	\$9,071	17%
3 party Anchor Attachments	97	1.41	1.98	137	192	\$55	29%
3 party Ground Attachments	410	0.17	0.17	70	71	\$2	2%
Total				<u>\$50,104</u>	<u>\$60,859</u>	<u>\$10,755</u>	18%

Proposed combined attachment rates:

2 party Pole Attachments	1,110	\$6.64	\$7,370
3 party Pole Attachments	10,984	\$4.87	<u>53,492</u>
			<u>\$60,862</u>

Big Sandy Rural Electric Cooperative  
CATV Pole Attachments  
December 31, 2007

A. 1. Two-Party Pole Cost:

<u>Size</u>	<u>Quantity</u>	<u>Amount</u>	<u>Weighted Average Cost</u>
35' poles	5,303	\$1,310,148	
40' poles	5,878	\$2,347,549	
	<u>11,181</u>	<u>\$3,657,697</u>	<u>\$327.14</u>

2. Three-Party Pole Cost:

<u>Size</u>	<u>Quantity</u>	<u>Amount</u>	<u>Weighted Average Cost</u>
40' poles	5,878	\$2,347,549	
45' poles	3,264	\$1,392,655	
	<u>9,142</u>	<u>\$3,740,204</u>	<u>\$409.12</u>

3. Average cost of anchors \$32.78

B. 1. Pole Charge:

a. Two party =	\$327.14	85%	18.32%	0.1224	\$6.24
b. Three party =	\$409.12	85%	18.32%	0.0759	\$4.84

2. Pole Charge, with ground attachments:

a. Two party =	\$327.14	85%	\$12.50	18.32%	0.1224	\$0.28
b. Three party =	\$409.12	85%	\$12.50	18.32%	0.0759	\$0.17

3. Anchor Charge:

a. Two party =	\$32.78		18.32%	0.50	\$3.00
b. Three party =	\$32.78		18.32%	0.33	\$1.98

(1) Remove miscellaneous allocations to pole accounts when using Record Units in the continuing property record (CPR's) system, per PSC Administrative Case No. 251

Big Sandy Rural Electric Cooperative  
CATV Pole Attachments  
December 31, 2007

Fixed charges on investment from PSC Annual Report at December 31, 2007.

Total Distribution Expense	1,680,666	
Reference Page 14		
Customer Accounts Expense	651,044	
Reference Page 15		
Customer Service and Informational Expense	89,014	
Reference Page 15		
Administrative and General	1,312,934	
Reference Page 15		
Depreciation Expense	1,231,836	
Reference Page 13		
Taxes Other than Income Taxes	20,946	
Reference Page 13		
	<hr/>	
Sub total	4,986,440	
Divided by Total Utility Plant	38,553,391	12.93%
Line 2, Page 1		
Cost of Money		
Rate of Return on Investment allowed in the last General		
Rate Request, Case No 2005-00125	6.83%	
Net plant ratio adjustment:		
Distribution plant	<u>35,825,302</u>	
Accumulated depreciation	7,566,585	21.1%
Rate of return ( times 1 minus reserve ratio)		<hr/> 5.39%
Annual carrying charges		<hr/> <hr/> 18.32%



Big Sandy Rural Electric Cooperative  
PSC Case No. 2008-00401  
August 31, 2008

Right of Way

In accordance with Administrative Case No. 2006-00494, "An Investigation of the Reliability Measures of Kentucky's Jurisdictional Electric Distribution Utilities and Certain Reliability Maintenance Practices", Big Sandy has implemented a right of way program whereby is will commence a seven (7) year cycle of clearing its system.

Starting in 2007 and continuing through 2008, Big Sandy emphasized (a) hot spotting; (b) out of right of way danger trees; and (c) regular right of way clearing. In 2009, the right of way plan is to start cutting right of way by circuit (line sections) on a per mile basis, spraying herbicide, and side trimming of the herbicide areas.

Big Sandy has 1,021.77 miles of line at December 31, 2007. During 2009, the plan is to cut approximately 145 miles of line. One-hundred (100) miles will be cut by circuit (line sections) and the other 46 miles will be cut on a per hour basis. It is assumed that the contractor will be able to work approximatley 1,800 hours per year, per crew. There are two (2) crews included in the bid for 2008-2009. The spraying has been delayed while the cutting is being performed for 2008. It is anticipated spraying will resume in 2010 and future years.

	<u>Miles/ Hours</u>	<u>Cost per Mile/Hour</u>	<u>Total</u>
Line sections per mile	100	\$4,500	450,000
Side trimming (2 crews)	3,600	\$84.03	302,508
Herbicide spraying	0	\$1,650	<u>0</u>
			752,508
Amount paid contractor during test year			<u>334,721</u>
Increase			<u><u>417,787</u></u>

## AGREEMENT

THIS AGREEMENT made and entered into this 29th day of October, 2008 by and between Big Sandy Rural Electric Cooperative Corporation hereinafter referred to as "Co-Op" and W.W. Kendall & Co., Inc., Lawrenceville, GA hereinafter referred to as "Kendall".

WITNESSETH: That for and in consideration of the mutual covenants and agreements herein contained, the parties of the Co-Op and Kendall agree as follows:

1. That Kendall will continue clearing at the price listed below, until they get into areas where this price is not profitable. At that time we will discuss a price that would be profitable for that work area. If we are unable to agree on a price, at that time either party will be able to sign a thirty-day and out agreement.
2. The terms of this agreement shall be renewable at one-year intervals.
3. That the Co-Op shall pay to Kendall, \$ 4,500.00 per mile under this agreement for Cutting of a 35-foot Three phase and 30-foot single phase right-of-way for an estimated 75 miles.

*Handwritten:*  
11-6-08  
JP RW

### Time and Material Rates

Personnel Cost Per Hour	Equipment Rates Per Crew Hour
Foreman <u>22.03</u>	Bucket Truck <u>15.00</u>
B- Trimmer <u>17.50</u>	Life Truck <u>10.50</u>
A- Trimmer <u>19.25</u>	Large Chipper <u>6.50</u> (250 Brush Bandit)
Laborer <u>16.63</u>	Chipper <u>5.50</u> (200 Brush Bandit)
	Pickup 4X4 <u>11.00</u>
	Pickup 2X4 <u>9.50</u>
	Power Saw <u>1.25</u>

### Safety and Training

Kendall shall insure that all employees working on owner's property are fully trained in HEAP, Hazardous Communications, First Aid and CPR, and Defensive Driving and all other applicable safety standards required by the Commonwealth of Kentucky.

4. That Kendall shall furnish all equipment, labor, tools, material, including chemicals and necessary insurance to comply with all State, Federal and Local regulations, and shall furnish Co-Op proof of insurance herein.  
Kendall agrees to defend, indemnify, and hold harmless Big Sandy Rural Electric Cooperative Corporation and its directors, officers, agents, and employees from all claims of whatsoever nature or kind, including those brought by employees of Kendall or subcontractors arising



Big Sandy Rural Electric Cooperative  
PSC Case No. 2008-00401  
August 31, 2008

Big Sandy is sharing a safety director with Fleming Mason Energy, Grayson Rural Electric Cooperative and Licking Valley Rural Electric Cooperative. These four (4) cooperatives will divide the salary and benefits equally between them. Each of the cooperatives is aware of the need for this position, however, none of them can afford the entire cost individually. By sharing the cost four ways, it is economically feasible to hire an individual for this position.

Estimated salary	\$25 per hr.	52,000
Estimated benefits	63.87%	33,212
Estimated transportation costs		
16,000 miles @	\$0.485	<u>7,760</u>
		92,972
		25%
Big Sandy portion		<u><u>23,243</u></u>

Inconjunction with its mapping software, Big Sandy must pay an annual License Fee to partner Software.

Annual license fee		<u><u>3,000</u></u>
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The National Electric Safety Council is requiring cooperatives to test equipment and ensure that equipment and clothing meet the current code. Big Sandy will contract this service on an annual basis.

Estimated testing costs		
16 hours @	\$100	<u><u>1,600</u></u>

AT&T has increased the monthly T-1 trunk cost by \$1,000.

		<u><u>12,000</u></u>
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Total increase in operational costs on an annual basis. 39,843





Witness: Alan Zumstein

Big Sandy Rural Electric  
Case No. 2008-00401  
Purchased Power  
Test Year Billing Determinants  
August 31, 2008

	Billing Demand	Total KWH Billing			Green Power	Metering Point	Substation Charge	
	Schedule E	Schedule E		Total			2373	2855
		On-Peak	Off-Peak	Kwh				
September	44,508	11,691,405	7,466,176	19,157,581	2,400	8	1	7
October	37,464	8,217,554	9,955,803	18,173,357	2,400	8	1	7
November	57,514	10,493,551	12,816,837	23,310,388	2,400	8	1	7
December	61,941	12,466,733	15,280,467	27,747,200	2,400	8	1	7
January	75,701	14,561,810	18,234,101	32,795,911	2,400	8	1	7
February	65,324	12,332,842	15,578,125	27,910,967	2,400	8	1	7
March	59,891	10,809,005	13,963,941	24,772,946	2,400	8	1	7
April	46,990	8,213,820	10,163,503	18,377,323	2,400	8	1	7
May	37,823	9,530,226	7,860,253	17,390,479	2,400	8	1	7
June	49,853	12,876,855	7,955,199	20,832,054	2,400	8	1	7
July	47,780	13,949,519	8,455,185	22,404,704	2,400	8	1	7
August	46,899	13,473,165	8,241,241	21,714,406	2,400	8	1	7
Total	631,688	138,616,485	135,970,831	274,587,316	28,800	96	12	84

## Big Sandy Rural Electric

Case No. 2008-00401

Analysis of Fuel Adjustment and Environmental Surcharge

August 31, 2008

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>
January		121,692	167,438	124,399
February	147,053	107,364	61,062	93,546
March	77,349	110,776	29,604	106,426
April	43,053	113,831	26,082	110,971
May	11,117	125,676	196,449	140,799
June	173,498	106,825	190,911	102,071
July	187,627	92,163	136,002	90,213
August	121,119	66,014	167,786	68,173
September	172,417	54,864	139,473	58,205
October	210,965	77,248	104,785	74,110
November	62,688	72,245	269,977	90,109
December	<u>258,635</u>	<u>79,250</u>	<u>127,464</u>	<u>82,236</u>
Total	<u>1,461,066</u>	<u>1,127,947</u>	<u>1,617,033</u>	<u>1,141,258</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.



Big Sandy Rural Electric

Case No. 2008-00401

**Normalized Revenues**

August 31, 2008

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Base rates for the test year	19,808,328
Normalized revenues using rates effective Case No. 2006-0511	<u>19,808,328</u>
Normalized revenue adjustment	0
Normalize revenues using rates effective Case No. 2008-00410	21,377,350
Normalize for EKPC increase Case No. 2008-00409	1,569,022



Big Sandy Rural Electric  
Case No. 2008-00401  
End of Test Year Customer Adjustment

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	Sch A-1 Farm & <u>Home</u>	Sch A-2 Small <u>Commercial</u>	LP Large <u>Power</u>	LPR Large <u>Power</u>
August, 2007	12,011	970	141	15
September	12,014	971	141	15
October	12,066	973	145	14
November	12,055	969	142	14
December	12,096	970	143	14
January, 2008	12,109	984	144	14
February	12,067	969	145	14
March	12,046	961	144	14
April	12,059	963	144	13
May	12,058	972	144	15
June	12,060	964	147	13
July	12,092	968	146	14
August	12,083	969	146	14
Average	12,063	969	144	14
Increase	<u>20</u>	<u>0</u>	<u>2</u>	<u>0</u>
Test year base revenue	13,619,913	1,258,677	2,216,821	1,997,333
kwh useage	180,351,531	13,310,272	31,079,924	30,573,620
Average per kwh	0.07552	0.09456	0.07133	0.06533
Total billings	144,805	11,633	1,731	168
Average monthly kwh use	1,245	1,144	17,955	181,986
Increase in consumers, times average use, times average rate, times 12 months, equals additional revenues				
Increase in revenues	22,574	0	30,736	0
Increase in consumers, times average use, times average cost per kwh purchased, times 12 months, equals additional power cost				
Increase in power cost	15,470	0	22,302	0
Net increase	7,103	0	8,434	0
Adjustment	<u>15,537</u>			
Base power cost			14,211,359	
Kwh purchased			274,587,316	
Cost per kwh purchased			0.05176	



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Big Sandy Rural Electric Cooperative  
Case No. 2008-00401  
By - Laws Changes  
August 31, 2008

There have been no changes to the Bylaws since the last general rate request.

# Big Sandy Rural Electric Cooperative Corporation

## Bylaws

This edition of Bylaws supersedes all previous issues.

### ARTICLE I MEMBERSHIP

**SECTION 1. Requirements for Membership.** Any person, firm, association, corporation, or body politic or subdivision thereof will become a member of Big Sandy Rural Electric Cooperative Corporation hereinafter called the "Cooperative" upon receipt of electric service from the Cooperative, provided that he or it has first:

- (a) Made a written application for membership therein;
- (b) Agreed to purchase from the Cooperative electric energy as hereinafter specified;
- (c) Agreed to comply with and be bound by the articles of incorporation and bylaws of the Cooperative and any rules and regulations adopted by the Board of Directors; and
- (d) Paid the membership fee hereinafter specified.

No member may hold more than one membership in the Cooperative, and no membership in the Cooperative shall be transferable, except as provided in these bylaws.

**SECTION 2. Membership Certificates.** Membership in the Cooperative shall be evidenced by a membership certificate which shall be in such form and shall contain such provisions as shall be determined by the Board. Such certificates shall be signed by the Chairman and by the Secretary of the Cooperative and the corporate seal shall be affixed thereto. No membership certificate shall be issued for less than the membership fee fixed in these bylaws, nor until such membership fee has been fully paid for. In case a certificate is lost, destroyed or mutilated a new certificate may be issued therefor upon such uniform terms and indemnity to the Cooperative as the Board may prescribe.

**SECTION 3. Joint Membership.** A husband and wife may apply for a joint membership and, subject to their compliance with the requirements set forth in Section 1 of this article, may be accepted for such membership. The term "member" as used in these bylaws shall be deemed to include a husband and wife holding a joint membership and any provisions relating to the rights and liabilities of membership shall apply equally with respect to the holders of a joint membership. Without limiting the generality of the foregoing, the effect of the hereinafter specified actions by or in respect of the holders of a joint membership shall be as follows:

- (a) The presence at a meeting of either or both shall be regarded as the presence of one member and shall constitute a joint waiver of notice of the meeting;
- (b) The vote of either separately or both jointly shall constitute one joint voter;
- (c) A waiver of notice signed by either or both shall constitute a joint waiver;
- (d) Notice to either shall constitute notice to both;
- (e) Expulsion of either shall terminate the joint membership;
- (f) Withdrawal of either shall terminate the joint membership;
- (g) Either but not both may be elected or appointed as an officer or Board member, provided that both meet the qualifications for such office.

### SECTION 4. Conversion of Membership.

- (a) A membership may be converted to a joint membership upon the written request of the holder, thereof and the agreement by such holder and his or her spouse to comply with the articles of incorporation, bylaws and rules and regulations adopted by the Board. The outstanding membership certificate shall be surrendered, and shall be reissued by the Cooperative in such manner as shall indicate the changed membership status.
- (b) Upon the death of either spouse who is a party to the joint membership, such membership shall be held solely by the survivor. The outstanding membership certificate shall be surrendered, and shall be reissued in such manner as shall indicate the changed membership status, provided, however, that the estate of the deceased shall not be released from any debts due the Cooperative.

**SECTION 5. Membership Fees.** The membership fee shall be twenty-five dollars (\$25.00) upon the payment of which a member shall be eligible for one service connection.

**SECTION 6. Purchase of Electric Energy.** Each member shall, as soon as electric energy shall be available, purchase from the Cooperative all electric energy used on the premises specified in his application for membership, and shall pay therefor at rates which shall from time to time be fixed by the Board. It is expressly understood that amounts paid for electric energy in excess of cost of service are furnished by members as capital and each member shall be credited with the capital so furnished as provided in these bylaws. Each member shall pay to the Cooperative such minimum amount regardless of the amount of electric energy consumed, as shall be fixed by the Board from time to time. Each member shall also pay all amounts owed by him to the Cooperative as and when the same shall become due and payable.

### SECTION 7. Termination of Membership.

- (a) Any member may withdraw from the membership upon compliance with such uniform term and conditions as the Board may prescribe. The Board may, by the affirmative vote of not less than two-thirds of the members of the Board, expel any member who fails to comply with any of the provision of the articles of incorporation, bylaws or rules or regulations adopted by the Board, but only if such member shall have been given written notice by the Cooperative that such failure makes him liable to expulsion and such failure shall have continued for at least ten days after such notice was given. Any expelled member may be reinstated by vote of the Board or by vote of the members at any annual or special meeting. The membership of a member who for a period of six (6) months after service is available to him, has not purchased electric energy from the Cooperative, or of a member who has ceased to purchase energy from the Cooperative, may be cancelled by resolution of the Board.
- (b) Upon the withdrawal, death, cessation of existence or expulsion of a member the membership of such members shall thereupon terminate, and the membership certificate of such member shall be surrendered forthwith to the Cooperative. Termination of membership in any manner shall not release a member or his estate from any debts due the Cooperative.
- (c) In case of withdrawal or termination of membership in any manner, the Cooperative shall repay to the member the amount of the membership fee paid by him, provided, however, that the Cooperative shall deduct from the amount of the membership fee the amount of any debts or obligations owed by the member to the Cooperative.

**SECTION 8. Member to Grant Easements to Cooperative.** Each member shall, upon being requested to do so by the Cooperative, execute and deliver to the Cooperative grants of easement or right-of-way over, on and under such lands owned or leased by or mortgaged to the member, and in accordance with such reasonable terms and conditions, as the Cooperative shall require for the furnishing of electric service to him or other members or for the construction, operation, maintenance or relocation of the Cooperative's electric facilities.

### ARTICLE II RIGHTS AND LIABILITIES OF MEMBERS

**SECTION 1. Property Interest of Members.** Upon dissolution after (a) all debts and liabilities of the Cooperative shall have been paid, and (b) all capital furnished through patronage shall have been retired as provided in these bylaws, the remaining property and assets of the Cooperative shall be distributed among the members and former members in the proportion which the aggregate patronage of each bears to the total patronage of all members during the ten years next preceding the date of the filing of the certificate of dissolution, or if the Cooperative shall not have been in existence for such period, during the period of its existence.

**SECTION 2. Non-Liability for debts of the Cooperative.** The private property of the members shall be exempt from execution or other liability for the debts of the Cooperative and no member shall be liable or responsible for any debts or liabilities of the Cooperative.

### ARTICLE III MEETING OF MEMBERS

**SECTION 1. Annual Meeting.** The annual meeting of the members shall be held between May 1 and October 1 of each year, beginning with the



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2007  
KENTUCKY ELECTRIC COOPERATIVES  
AVERAGE EXPENSE PER CONSUMER  
STATISTICAL COMPARISONS

<u>COOPERATIVE</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>% CHANGE FROM 2003</u>
BIG SANDY	\$286	\$250	\$282	\$277	\$257	11.3 %
BLUE GRASS ENERGY	272	248	244	249	254	7.1
CLARK ENERGY COOP	240	237	241	248	269	-10.8
CUMBERLAND VALLEY	259	264	240	205	201	28.9
FARMERS	259	223	238	250	243	6.6
FLEMING-MASON	280	294	298	263	260	7.7
GRAYSON	350	307	309	318	304	15.1
INTER-COUNTY	280	280	272	249	253	10.7
JACKSON ENERGY	301	300	269	275	254	18.5
LICKING VALLEY	260	250	252	236	223	16.6
NOLIN	342	327	306	351	337	1.5
OWEN	250	267	237	253	246	1.6
SALT RIVER ELECTRIC	196	187	191	215	201	-2.5
SHELBY ENERGY	258	280	276	297	280	-7.9
SOUTH KENTUCKY	262	251	235	231	242	8.3
TAYLOR COUNTY	<u>203</u>	<u>212</u>	<u>195</u>	<u>192</u>	<u>191</u>	<u>6.3</u>
<b>AVERAGE EKPC</b>	<b>\$269</b>	<b>\$262</b>	<b>\$255</b>	<b>\$256</b>	<b>\$250</b>	<b>7.6 %</b>
JACKSON PURCHASE	\$303	\$300	\$269	\$239	\$238	27.3 %
KENERGY	333	354	347	311	274	21.5
MEADE COUNTY	<u>251</u>	<u>250</u>	<u>247</u>	<u>245</u>	<u>224</u>	<u>12.1</u>
<b>AVERAGE BIG RIVERS</b>	<b>\$295</b>	<b>\$301</b>	<b>\$288</b>	<b>\$265</b>	<b>\$245</b>	<b>20.4 %</b>
HICKMAN-FULTON	\$433	\$460	\$411	392	\$369	17.3 %
PENNYRILE	254	235	226	236	234	8.5
TRI-COUNTY	244	240	238	239	221	10.4
WARREN	310	302	294	289	263	17.9
WEST KENTUCKY	<u>331</u>	<u>313</u>	<u>329</u>	<u>288</u>	<u>284</u>	<u>16.5</u>
<b>AVERAGE TVA</b>	<b>\$314</b>	<b>\$309</b>	<b>\$300</b>	<b>\$289</b>	<b>\$274</b>	<b>14.6 %</b>
<b>OVERALL AVERAGE</b>	<b>\$281</b>	<b>\$276</b>	<b>\$270</b>	<b>\$264</b>	<b>\$255</b>	<b>10.2 %</b>

**2007**  
**KENTUCKY ELECTRIC COOPERATIVES**  
**DENSITY CONSUMERS PER MILE**  
**STATISTICAL COMPARISONS**

<u>COOPERATIVE</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>% CHANGE FROM 2003</u>
BIG SANDY	12.8	13.0	12.7	12.7	12.5	2.4 %
BLUE GRASS ENERGY	11.9	11.9	11.7	8.6	8.5	40.0 *
CLARK ENERGY COOP	8.7	8.6	8.6	8.6	8.5	2.4
CUMBERLAND VALLEY	9.1	9.1	9.1	10.1	9.9	-8.1
FARMERS	6.8	6.7	6.7	6.6	6.6	3.0
FLEMING-MASON	6.8	6.8	6.7	6.7	6.6	3.0
GRAYSON	6.4	6.4	6.3	6.3	6.2	3.2
INTER-COUNTY	6.9	7.0	7.0	7.1	7.1	-2.8
JACKSON ENERGY	9.1	9.1	9.0	9.0	9.0	1.1
LICKING VALLEY	9.0	8.0	8.0	8.0	8.3	8.4
NOLIN	10.8	10.8	10.5	10.4	10.2	5.9
OWEN	12.7	12.5	10.8	10.7	10.5	21.0 **
SALT RIVER ELECTRIC	11.7	11.7	11.5	11.4	11.2	4.5
SHELBY ENERGY	7.3	7.0	7.0	7.0	7.0	4.3
SOUTH KENTUCKY	9.5	9.5	9.4	9.4	9.4	1.1
TAYLOR COUNTY	<u>7.9</u>	<u>7.8</u>	<u>7.8</u>	<u>7.1</u>	<u>7.7</u>	<u>2.6</u>
<b>AVERAGE EKPC</b>	<b>9.3</b>	<b>9.2</b>	<b>9.0</b>	<b>8.8</b>	<b>8.7</b>	<b>6.9 %</b>
JACKSON PURCHASE	8.8	8.8	8.8	8.7	8.7	1.1 %
KENERGY	7.8	7.8	7.7	7.7	7.6	2.6
MEADE COUNTY	<u>9.3</u>	<u>9.2</u>	<u>9.2</u>	<u>9.1</u>	<u>9.1</u>	<u>2.2</u>
<b>AVERAGE BIG RIVERS</b>	<b>8.4</b>	<b>8.3</b>	<b>8.3</b>	<b>8.2</b>	<b>8.2</b>	<b>2.4 %</b>
HICKMAN-FULTON	5.5	5.5	5.5	5.5	5.5	0.0 %
PENNYRILE	9.2	9.1	9.1	9.0	8.9	3.4
TRI-COUNTY	9.2	9.1	9.2	9.1	9.1	1.1
WARREN	10.5	10.3	10.2	10.1	10.0	5.0
WEST KENTUCKY	<u>9.8</u>	<u>9.5</u>	<u>9.5</u>	<u>9.5</u>	<u>9.5</u>	<u>3.2</u>
<b>AVERAGE TVA</b>	<b>9.5</b>	<b>9.4</b>	<b>9.4</b>	<b>9.3</b>	<b>9.2</b>	<b>3.3 %</b>
<b>OVERALL AVERAGE</b>	<b>9.2</b>	<b>9.1</b>	<b>9.0</b>	<b>8.8</b>	<b>8.7</b>	<b>5.7 %</b>

\* NEW MAPPING SYSTEM INSTALLED IN 2005 - MORE ACCURATE COUNT

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

**2007**  
**KENTUCKY ELECTRIC COOPERATIVES**  
**MILES OF LINE**  
**STATISTICAL COMPARISONS**

<u>COOPERATIVE</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>% CHANGE FROM 2003</u>
BIG SANDY	1,022	1,016	1,012	1,003	1,001	2.1 %
BLUE GRASS ENERGY	4,535	4,487	4,440	5,912	5,847	-22.4 *
CLARK ENERGY COOP	2,982	2,966	2,935	2,900	2,865	4.1
CUMBERLAND VALLEY	2,577	2,559	2,529	2,503	2,479	4.0
FARMERS	3,513	3,481	3,447	3,416	3,382	3.9
FLEMING-MASON	3,483	3,456	3,421	3,386	3,346	4.1
GRAYSON	2,454	2,437	2,416	2,400	2,377	3.2
INTER-COUNTY	3,630	3,572	3,502	3,409	3,324	9.2
JACKSON ENERGY	5,652	5,621	5,597	5,552	5,486	3.0
LICKING VALLEY	2,020	2,014	2,006	2,002	1,991	1.5
NOLIN	2,917	2,841	2,841	2,802	2,763	5.6
OWEN	4,428	4,400	4,940	4,836	4,771	-7.2 **
SALT RIVER ELECTRIC	3,903	3,847	3,750	3,649	3,572	9.3
SHELBY ENERGY	2,065	2,025	2,008	1,978	1,952	5.8
SOUTH KENTUCKY	6,600	6,540	6,475	6,408	6,321	4.4
TAYLOR COUNTY	<u>3,150</u>	<u>3,135</u>	<u>3,094</u>	<u>3,067</u>	<u>3,038</u>	<u>3.7</u>
<b>TOTAL EKPC</b>	<b>54,931</b>	<b>54,397</b>	<b>54,413</b>	<b>55,223</b>	<b>54,515</b>	<b>0.8 %</b>
JACKSON PURCHASE	3,271	3,244	3,213	3,180	3,142	4.1 %
KENERGY	6,974	6,944	6,915	6,859	6,801	2.5
MEADE COUNTY	<u>2,959</u>	<u>2,937</u>	<u>2,893</u>	<u>2,866</u>	<u>2,821</u>	<u>4.9</u>
<b>TOTAL BIG RIVERS</b>	<b>13,204</b>	<b>13,125</b>	<b>13,021</b>	<b>12,905</b>	<b>12,764</b>	<b>3.4 %</b>
HICKMAN-FULTON	688	685	683	682	685	0.4 %
PENNYRILE	5,047	5,022	4,997	4,986	4,977	1.4
TRI-COUNTY	5,450	5,427	5,388	5,358	5,331	2.2
WARREN	5,584	5,556	5,504	5,449	5,418	3.1
WEST KENTUCKY	<u>3,881</u>	<u>3,970</u>	<u>3,940</u>	<u>3,908</u>	<u>3,878</u>	<u>0.1</u>
<b>TOTAL TVA</b>	<b>20,650</b>	<b>20,660</b>	<b>20,512</b>	<b>20,383</b>	<b>20,289</b>	<b>1.8 %</b>
<b>OVERALL TOTAL</b>	<b>88,785</b>	<b>88,182</b>	<b>87,946</b>	<b>88,511</b>	<b>87,568</b>	<b>1.4 %</b>

\* NEW MAPPING SYSTEM INSTALLED IN 2005 - MORE ACCURATE COUNT

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

**2007**  
**KENTUCKY ELECTRIC COOPERATIVES**  
**TOTAL AVERAGE NUMBER OF CONSUMERS BILLED**  
**STATISTICAL COMPARISONS**

<u>COOPERATIVE</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>% CHANGE FROM 2003</u>
BIG SANDY	13,138	13,089	12,888	12,705	12,509	5.0 %
BLUE GRASS ENERGY	54,021	53,175	52,068	50,774	49,421	9.3
CLARK ENERGY COOP	25,801	25,508	25,151	24,796	24,376	5.8
CUMBERLAND VALLEY	23,487	23,303	23,029	25,224	24,499	-4.1
FARMERS	23,729	23,377	23,013	22,680	22,238	6.7
FLEMING-MASON	23,687	23,364	22,993	22,580	22,122	7.1
GRAYSON	15,631	15,517	15,302	15,113	14,827	5.4
INTER-COUNTY	25,185	24,869	24,501	24,059	23,672	6.4
JACKSON ENERGY	51,244	50,884	50,438	49,926	49,336	3.9
LICKING VALLEY	17,272	17,085	16,921	16,794	16,597	4.1
NOLIN	31,422	30,649	29,780	29,050	28,301	11.0
OWEN	56,290	55,141	53,598	51,811	49,940	12.7
SALT RIVER ELECTRIC	45,453	44,979	42,997	41,458	39,876	14.0
SHELBY ENERGY	14,990	15,053	14,725	14,087	13,728	9.2
SOUTH KENTUCKY	62,408	61,869	60,922	60,128	59,081	5.6
TAYLOR COUNTY	<u>24,792</u>	<u>24,483</u>	<u>24,089</u>	<u>23,646</u>	<u>23,231</u>	<u>6.7</u>
<b>TOTAL EKPC</b>	<b>508,550</b>	<b>502,345</b>	<b>492,415</b>	<b>484,831</b>	<b>473,754</b>	<b>7.3 %</b>
JACKSON PURCHASE	28,747	28,461	28,105	27,704	27,343	5.1 %
KENERGY	54,337	53,860	53,264	52,592	51,869	4.8
MEADE COUNTY	<u>27,500</u>	<u>27,008</u>	<u>26,515</u>	<u>26,118</u>	<u>25,553</u>	<u>7.6</u>
<b>TOTAL BIG RIVERS</b>	<b>110,584</b>	<b>109,329</b>	<b>107,884</b>	<b>106,414</b>	<b>104,765</b>	<b>5.6 %</b>
HICKMAN-FULTON	3,770	3,736	3,739	3,752	3,766	0.1 %
PENNYRILE	46,393	45,877	45,367	44,653	44,028	5.4
TRI-COUNTY	50,223	49,561	49,308	48,867	48,483	3.6
WARREN	58,591	57,431	56,187	55,079	54,073	8.4
WEST KENTUCKY	<u>38,057</u>	<u>37,639</u>	<u>37,305</u>	<u>36,993</u>	<u>36,655</u>	<u>3.8</u>
<b>TOTAL TVA</b>	<b>197,034</b>	<b>194,244</b>	<b>191,906</b>	<b>189,344</b>	<b>187,005</b>	<b>5.4 %</b>
<b>OVERALL TOTAL</b>	<b>816,168</b>	<b>805,918</b>	<b>792,205</b>	<b>780,589</b>	<b>765,524</b>	<b>6.6 %</b>

**2007**  
**KENTUCKY ELECTRIC COOPERATIVES**  
**AVERAGE EXPENSE PER MILE OF LINE**  
**STATISTICAL COMPARISONS**

<u>COOPERATIVE</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>% CHANGE</u> <u>FROM 2003</u>
BIG SANDY	\$3,676	\$3,221	\$3,590	\$3,508	\$3,211	14.5 %
BLUE GRASS ENERGY	3,240	2,939	2,861	2,138	2,147	50.9 *
CLARK ENERGY COOP	2,077	2,038	2,065	2,120	2,290	-9.3
CUMBERLAND VALLEY	2,360	2,404	2,186	2,065	1,986	18.8
FARMERS	1,749	1,499	1,588	1,660	1,597	9.5
FLEMING-MASON	1,905	1,987	2,004	1,754	1,719	10.8
GRAYSON	2,229	1,954	1,957	2,003	1,896	17.6
INTER-COUNTY	1,943	1,950	1,904	1,757	1,801	7.9
JACKSON ENERGY	2,730	2,715	2,425	2,474	2,285	19.5
LICKING VALLEY	2,224	2,121	2,126	1,980	1,858	19.7
NOLIN	3,684	3,528	3,208	3,639	3,452	6.7
OWEN	3,178	3,346	2,572	2,711	2,575	23.4 **
SALT RIVER ELECTRIC	2,282	2,187	2,190	2,443	2,244	1.7
SHELBY ENERGY	1,872	2,081	2,024	2,115	1,970	-5.0
SOUTH KENTUCKY	2,477	2,375	2,211	2,167	2,263	9.5
TAYLOR COUNTY	<u>1,598</u>	<u>1,655</u>	<u>1,518</u>	<u>1,480</u>	<u>1,462</u>	<u>9.3</u>
<b>AVERAGE EKPC</b>	<b>\$2,451</b>	<b>\$2,374</b>	<b>\$2,277</b>	<b>\$2,251</b>	<b>\$2,172</b>	<b>12.8 %</b>
JACKSON PURCHASE	\$2,663	\$2,632	\$2,353	\$2,082	\$2,071	28.6 %
KENERGY	2,595	2,746	2,673	2,384	2,090	24.2
MEADE COUNTY	<u>2,334</u>	<u>2,300</u>	<u>2,264</u>	<u>2,233</u>	<u>2,028</u>	<u>15.1</u>
<b>AVERAGE BIG RIVERS</b>	<b>\$2,531</b>	<b>\$2,560</b>	<b>\$2,430</b>	<b>\$2,233</b>	<b>\$2,064</b>	<b>22.6 %</b>
HICKMAN-FULTON	\$2,373	\$2,509	\$2,250	\$2,157	\$2,029	17.0 %
PENNYRILE	2,334	2,147	2,052	2,114	2,070	12.8
TRI-COUNTY	2,248	2,192	2,179	2,180	2,010	11.8
WARREN	3,251	3,122	3,002	2,921	2,626	23.8
WEST KENTUCKY	<u>3,246</u>	<u>2,966</u>	<u>3,115</u>	<u>2,726</u>	<u>2,684</u>	<u>20.9</u>
<b>AVERAGE TVA</b>	<b>\$2,691</b>	<b>\$2,587</b>	<b>\$2,519</b>	<b>\$2,420</b>	<b>\$2,284</b>	<b>17.8 %</b>
<b>OVERALL AVERAGE</b>	<b>\$2,512</b>	<b>\$2,443</b>	<b>\$2,347</b>	<b>\$2,284</b>	<b>\$2,182</b>	<b>15.1 %</b>

\* NEW MAPPING SYSTEM INSTALLED IN 2005 - MORE ACCURATE COUNT

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

**2007**  
**KENTUCKY ELECTRIC COOPERATIVES**  
**TOTAL RESIDENTIAL REVENUES**  
**STATISTICAL COMPARISONS**

<u>COOPERATIVE</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>% CHANGE FROM 2003</u>
BIG SANDY	\$15,853,498	\$14,192,128	\$13,672,178	11,398,809	10,605,561	49.5 %
BLUE GRASS ENERGY	68,578,375	61,513,915	59,969,633	49,545,080	45,288,666	51.4
CLARK ENERGY COOP	29,717,098	27,327,922	26,203,306	22,143,145	20,514,937	44.9
CUMBERLAND VALLEY	27,983,567	24,948,723	22,940,517	19,173,225	18,027,748	55.2
FARMERS	26,450,827	23,743,770	22,712,747	19,208,242	17,815,396	48.5
FLEMING-MASON	23,419,768	20,907,145	20,393,262	18,430,538	15,570,174	50.4
GRAYSON	18,131,615	16,223,795	16,244,690	13,861,532	13,068,736	38.7
INTER-COUNTY	33,391,723	28,203,005	27,321,723	24,142,722	22,880,567	45.9
JACKSON ENERGY	66,382,819	60,198,185	61,806,841	51,653,862	48,569,903	36.7
LICKING VALLEY	18,876,065	18,373,586	16,742,467	14,263,281	13,170,886	43.3
NOLIN	39,672,514	33,591,739	34,383,316	28,076,279	25,415,952	56.1
OWEN	66,458,715	58,817,668	55,724,664	47,113,587	42,680,828	55.7
SALT RIVER ELECTRIC	57,330,349	49,796,107	48,015,562	39,732,157	36,031,040	59.1
SHELBY ENERGY	19,684,110	17,784,401	17,533,652	14,268,131	13,127,239	49.9
SOUTH KENTUCKY	67,646,098	59,324,021	55,802,486	48,838,870	44,138,209	53.3
TAYLOR COUNTY	<u>25,472,592</u>	<u>22,725,012</u>	<u>22,031,517</u>	<u>19,056,126</u>	<u>18,004,463</u>	<u>41.5</u>
<b>TOTAL EKPC</b>	<b>\$605,049,733</b>	<b>\$537,671,122</b>	<b>\$521,498,561</b>	<b>440,905,586</b>	<b>404,910,305</b>	<b>49.4 %</b>
JACKSON PURCHASE	\$25,697,996	\$23,847,988	\$24,496,967	22,841,472	22,574,806	13.8 %
KENERGY	50,041,715	43,955,864	45,323,132	42,207,989	41,020,077	22.0
MEADE COUNTY	<u>21,982,113</u>	<u>20,297,372</u>	<u>20,436,215</u>	<u>18,944,590</u>	<u>18,213,337</u>	<u>20.7</u>
<b>TOTAL BIG RIVERS</b>	<b>\$97,721,824</b>	<b>\$88,101,224</b>	<b>\$90,256,314</b>	<b>83,994,051</b>	<b>81,808,220</b>	<b>19.5 %</b>
HICKMAN-FULTON	\$4,576,311	\$4,311,951	\$4,190,389	4,000,868	3,805,948	20.2 %
PENNYRILE	51,817,219	48,880,787	44,135,641	41,000,292	38,718,311	33.8
TRI-COUNTY	54,981,186	52,780,772	47,841,610	44,800,930	42,833,960	28.4
WARREN	69,955,053	64,825,495	60,315,980	55,933,218	52,358,896	33.6
WEST KENTUCKY	<u>45,691,877</u>	<u>41,190,556</u>	<u>38,609,978</u>	<u>35,207,258</u>	<u>34,117,587</u>	<u>33.9</u>
<b>TOTAL TVA</b>	<b>\$227,021,646</b>	<b>\$211,989,561</b>	<b>\$195,093,598</b>	<b>180,942,566</b>	<b>171,834,702</b>	<b>32.1 %</b>
<b>OVERALL TOTAL</b>	<b>\$929,793,203</b>	<b>\$837,761,907</b>	<b>\$806,848,473</b>	<b>705,842,203</b>	<b>658,553,227</b>	<b>41.2 %</b>

**KENTUCKY ELECTRIC COOPERATIVES  
OPERATING EXPENSE AND STATISTICAL COMPARISONS  
2007 - 2006 ANNUAL COMPARISON**

**AVERAGE EXPENSE PER CONSUMER  
EKPC**

	<u>2007</u>	<u>2006</u>	<u>CHANGE</u>
DISTRIBUTION OPERATION	\$ 60.00	\$ 57.00	\$ 3.00
DISTRIBUTION MAINTENANCE	\$ 81.00	\$ 80.00	\$ 1.00
ACCOUNTING	\$ 54.00	\$ 53.00	\$ 1.00
CONSUMER INFORMATION	\$ 11.00	\$ 10.00	\$ 1.00
ADMINISTRATION	\$ 63.00	\$ 62.00	\$ 1.00
<b>TOTAL PER CONSUMER</b>	<b>\$ 269.00</b>	<b>\$ 262.00</b>	<b>\$ 7.00</b>

**AVERAGE EXPENSE PER CONSUMER  
TVA**

	<u>2007</u>	<u>2006</u>	<u>CHANGE</u>
DISTRIBUTION OPERATION	\$ 77.00	\$ 72.00	\$ 5.00
DISTRIBUTION MAINTENANCE	\$ 114.00	\$ 114.00	\$ -
ACCOUNTING	\$ 50.00	\$ 49.00	\$ 1.00
CONSUMER INFORMATION	\$ 10.00	\$ 8.00	\$ 2.00
ADMINISTRATION	\$ 63.00	\$ 66.00	\$ (3.00)
<b>TOTAL PER CONSUMER</b>	<b>\$ 314.00</b>	<b>\$ 309.00</b>	<b>\$ 5.00</b>

**OTHER STATISTICAL INFORMATION**

NUMBER OF EMPLOYEES	1,218	1,221	(3)
MILES OF LINE	54,931	54,397	534
CONSUMERS BILLED	508,550	502,345	6,205
MILES OF LINE PER EMPLOYEE	45.2	44.7	0.5
CONSUMER PER EMPLOYEE	418	413	5
DENSITY CONSUMERS PER MILE	9.3	9.2	0.1

**OTHER STATISTICAL INFORMATION**

NUMBER OF EMPLOYEES	513	507	6
MILES OF LINE	20,650	20,660	(10)
CONSUMERS BILLED	197,034	194,244	2,790
MILES OF LINE PER EMPLOYEE	40.1	40.9	(0.8)
CONSUMER PER EMPLOYEE	383	385	(2)
DENSITY CONSUMERS PER MILE	9.5	9.4	0.1

**AVERAGE EXPENSE PER CONSUMER  
BIG RIVERS**

	<u>2007</u>	<u>2006</u>	<u>CHANGE</u>
DISTRIBUTION OPERATION	\$ 69.00	\$ 70.00	\$ (1.00)
DISTRIBUTION MAINTENANCE	\$ 118.00	\$ 121.00	\$ (3.00)
ACCOUNTING	\$ 45.00	\$ 44.00	\$ 1.00
CONSUMER INFORMATION	\$ 8.00	\$ 8.00	\$ -
ADMINISTRATION	\$ 55.00	\$ 58.00	\$ (3.00)
<b>TOTAL PER CONSUMER</b>	<b>\$ 295.00</b>	<b>\$ 301.00</b>	<b>\$ (6.00)</b>

**AVERAGE EXPENSE PER CONSUMER  
OVERALL AVERAGE**

	<u>2007</u>	<u>2006</u>	<u>CHANGE</u>
DISTRIBUTION OPERATION	\$ 65.00	\$ 62.00	\$ 3.00
DISTRIBUTION MAINTENANCE	\$ 92.00	\$ 92.00	\$ -
ACCOUNTING	\$ 52.00	\$ 51.00	\$ 1.00
CONSUMER INFORMATION	\$ 10.00	\$ 9.00	\$ 1.00
ADMINISTRATION	\$ 62.00	\$ 62.00	\$ -
<b>TOTAL PER CONSUMER</b>	<b>\$ 281.00</b>	<b>\$ 276.00</b>	<b>\$ 5.00</b>

**OTHER STATISTICAL INFORMATION**

NUMBER OF EMPLOYEES	301	301	0
MILES OF LINE	13,204	13,125	79
CONSUMERS BILLED	110,584	109,329	1,255
MILES OF LINE PER EMPLOYEE	44.0	43.8	0.2
CONSUMER PER EMPLOYEE	369	364	5
DENSITY CONSUMERS PER MILE	8.4	8.3	0.1

**OTHER STATISTICAL INFORMATION**

NUMBER OF EMPLOYEES	2,032	2,029	3
MILES OF LINE	88,785	88,182	603
CONSUMERS BILLED	816,168	805,918	10,250
MILES OF LINE PER EMPLOYEE	43.5	43.2	0.3
CONSUMER PER EMPLOYEE	400	395	5
DENSITY CONSUMERS PER MILE	9.2	9.1	0.1

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	45	83	128	50	7	101	286	44	1,022	13,138	23.2	298	12.8
BLUE GRASS ENERGY COOP	51	81	132	44	19	77	272	114	4,535	54,021	39.8	474	11.9
CLARK ENERGY COOP	57	73	130	52	7	51	240	51	2,982	25,307	58.5	506	8.7
CUMBERLAND VALLEY ELECTRIC	48	88	136	65	7	51	259	56	2,577	23,437	46.0	419	9.1
FARMERS RECC	35	95	130	49	12	68	259	68	3,513	23,729	52.0	349	6.8
FLEMING-MASON ENERGY	55	96	151	67	7	55	280	52	3,483	23,687	67.0	456	6.8
GRAYSON RECC	65	130	195	56	14	85	350	44	2,454	15,631	55.8	355	6.4
INTER-COUNTY ENERGY	73	55	128	65	19	68	280	62	3,630	25,185	58.6	406	6.9
JACKSON ENERGY COOP	71	88	159	63	9	70	301	130	5,652	51,244	43.5	394	9.1
LICKING VALLEY RECC	74	82	156	43	7	54	260	45	2,020	17,272	45.0	384	9.0
NOLIN RECC	88	97	185	59	20	78	342	92	2,917	31,422	31.7	342	10.8
OWEN EC	70	57	127	62	7	54	250	138	4,428	56,290	32.1	408	12.7
SALT RIVER ELECTRIC	45	45	90	44	8	54	196	75	3,903	45,453	52.0	606	11.7
SHELBY ENERGY COOP	76	78	154	51	9	44	258	31	2,065	14,990	66.6	484	7.3
SOUTH KENTUCKY RECC	52	88	140	55	12	55	262	157	6,600	62,408	42.0	398	9.5
TAYLOR COUNTY RECC	56	56	112	39	5	47	203	59	3,150	24,792	53.4	420	7.9
EKPC GROUP AVERAGE	60	81	141	54	11	63	269	76	3,433	31,784	45.2	418	9.3
JACKSON PURCHASE ENERGY	66	118	184	39	10	70	303	79	3,271	28,747	41.4	364	8.8
KENERGY CORP	72	150	222	52	6	53	333	156	6,974	54,337	44.7	348	7.8
MEADE COUNTY RECC	68	87	155	44	9	43	251	66	2,959	27,500	45.0	417	9.3
BIG RIVERS GROUP AVERAGE	69	118	187	45	8	55	295	100	4,401	36,861	44.0	369	8.4
HICKMAN-FULTON COUNTIES RECC	87	204	291	44	9	89	433	16	688	3,770	43.0	236	5.5
PENNYRILE RECC	75	70	145	43	9	57	254	123	5,047	46,393	41.0	377	9.2
TRI-COUNTY EMC	81	64	145	49	11	39	244	139	5,450	50,223	39.2	361	9.2
WARREN RECC	74	84	158	53	15	84	310	151	5,584	58,591	37.0	388	10.5
WEST KENTUCKY RECC	69	149	218	62	6	45	331	84	3,881	38,057	46.2	453	9.8
TVA GROUP AVERAGE	77	114	191	50	10	63	314	103	4,130	39,407	40.1	383	9.5
OVERALL AVERAGE	65	92	157	52	10	62	281	85	3,699	34,007	43.5	400	9.2

2007  
**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	578	1,067	1,645	643	90	1,298	3,676	44	1,022	12,019	15,853,498	109.9
BLUE GRASS ENERGY COOP	608	965	1,573	524	226	917	3,240	114	4,535	51,794	68,578,375	110.3
CLARK ENERGY COOP	493	632	1,125	450	61	441	2,077	51	2,982	24,152	29,717,098	102.5
CUMBERLAND VALLEY ELECTRIC	437	802	1,239	592	64	465	2,360	56	2,577	22,021	27,983,567	105.9
FARMERS RECC	236	642	878	331	81	459	1,749	68	3,513	22,045	26,450,827	100.0
FLEMING-MASON ENERGY	374	653	1,027	456	48	374	1,905	52	3,483	17,627	23,419,768	110.7
GRAYSON RECC	414	828	1,242	357	89	541	2,229	44	2,454	14,342	18,131,615	105.4
INTER-COUNTY ENERGY	506	382	888	451	132	472	1,943	62	3,630	23,892	33,391,723	116.5
JACKSON ENERGY COOP	644	798	1,442	571	82	635	2,730	130	5,652	47,615	66,382,819	116.2
LICKING VALLEY RECC	633	701	1,334	368	60	462	2,224	45	2,020	16,125	18,876,065	97.6
NOLIN RECC	948	1,045	1,993	636	215	840	3,684	92	2,917	28,324	39,672,514	116.7
OWEN EC	890	725	1,615	788	89	686	3,178	138	4,428	54,003	66,458,715	102.6
SALT RIVER ELECTRIC	524	524	1,048	512	93	629	2,282	75	3,903	42,663	57,330,349	112.0
SHELBY ENERGY COOP	552	566	1,118	370	65	319	1,872	31	2,065	14,424	19,684,110	113.7
SOUTH KENTUCKY RECC	492	832	1,324	520	113	520	2,477	157	6,600	57,508	67,646,098	98.0
TAYLOR COUNTY RECC	441	441	882	307	39	370	1,598	59	3,150	22,031	25,472,592	96.4
EKPC GROUP AVERAGE	548	725	1,273	492	97	589	2,451	76	3,433	29,412	37,815,608	107.1
JACKSON PURCHASE ENERGY	580	1,037	1,617	343	88	515	2,663	79	3,271	25,782	25,697,996	83.1
KENERGY CORP	561	1,169	1,730	405	47	413	2,595	156	6,974	44,758	50,041,715	93.2
MEADE COUNTY RECC	632	809	1,441	409	84	400	2,334	66	2,959	25,453	21,982,113	72.0
BIG RIVERS GROUP AVERAGE	591	1,005	1,596	386	73	476	2,531	100	4,401	31,998	32,573,941	84.8
HICKMAN-FULTON COUNTIES RECC	477	1,118	1,595	241	49	488	2,373	16	688	2,954	4,576,311	129.1
PENNYRILE RECC	689	643	1,332	395	83	524	2,334	123	5,047	37,057	51,817,219	116.5
TRI-COUNTY EMC	746	590	1,336	452	101	359	2,248	139	5,450	40,763	54,981,186	112.4
WARREN RECC	776	881	1,657	556	157	881	3,251	151	5,584	48,774	69,955,053	119.5
WEST KENTUCKY RECC	677	1,461	2,138	608	59	441	3,246	84	3,881	30,694	45,691,877	124.1
TVA GROUP AVERAGE	673	939	1,612	450	90	539	2,691	103	4,130	32,048	45,404,329	118.1
OVERALL AVERAGE	580	805	1,385	470	92	565	2,512	85	3,699	30,284	38,741,383	106.6

**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>
<b>TOTAL EKPC</b>	<b>502,345</b>	<b>492,415</b>	<b>484,831</b>	<b>473,754</b>	<b>463,523</b>	<b>8.4 %</b>
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>
<b>TOTAL BIG RIVERS</b>	<b>109,329</b>	<b>107,884</b>	<b>106,414</b>	<b>104,765</b>	<b>103,484</b>	<b>5.6 %</b>
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>
<b>TOTAL TVA</b>	<b>194,244</b>	<b>191,906</b>	<b>189,344</b>	<b>187,005</b>	<b>185,633</b>	<b>4.6 %</b>
<b>OVERALL TOTAL</b>	<b>805,918</b>	<b>792,205</b>	<b>780,589</b>	<b>765,524</b>	<b>752,640</b>	<b>7.1 %</b>

**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>
<b>AVERAGE EKPC</b>	<b>\$262</b>	<b>\$255</b>	<b>\$256</b>	<b>\$250</b>	<b>\$235</b>	<b>11.5 %</b>
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>
<b>AVERAGE BIG RIVERS</b>	<b>\$301</b>	<b>\$288</b>	<b>\$265</b>	<b>\$245</b>	<b>\$226</b>	<b>33.2 %</b>
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>
<b>AVERAGE TVA</b>	<b>\$309</b>	<b>\$300</b>	<b>\$289</b>	<b>\$274</b>	<b>\$276</b>	<b>12.0 %</b>
<b>OVERALL AVERAGE</b>	<b>\$276</b>	<b>\$270</b>	<b>\$264</b>	<b>\$255</b>	<b>\$242</b>	<b>14.0 %</b>

**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>
<b>TOTAL EKPC</b>	<b>54,397</b>	<b>54,413</b>	<b>55,223</b>	<b>54,515</b>	<b>53,868</b>	<b>1.0 %</b>
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>
<b>TOTAL BIG RIVERS</b>	<b>13,125</b>	<b>13,021</b>	<b>12,905</b>	<b>12,764</b>	<b>12,639</b>	<b>3.8 %</b>
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>
<b>TOTAL TVA</b>	<b>20,660</b>	<b>20,512</b>	<b>20,383</b>	<b>20,289</b>	<b>20,191</b>	<b>2.3 %</b>
<b>OVERALL TOTAL</b>	<b>88,182</b>	<b>87,946</b>	<b>88,511</b>	<b>87,568</b>	<b>86,698</b>	<b>1.7 %</b>

\* 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>
<b>AVERAGE EKPC</b>	<b>9.2</b>	<b>9.0</b>	<b>8.8</b>	<b>8.7</b>	<b>8.6</b>	<b>7.0 %</b>
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>
<b>AVERAGE BIG RIVERS</b>	<b>8.3</b>	<b>8.3</b>	<b>8.2</b>	<b>8.2</b>	<b>8.2</b>	<b>1.2 %</b>
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>
<b>AVERAGE TVA</b>	<b>9.4</b>	<b>9.4</b>	<b>9.3</b>	<b>9.2</b>	<b>9.2</b>	<b>2.2 %</b>
<b>OVERALL AVERAGE</b>	<b>9.1</b>	<b>9.0</b>	<b>8.8</b>	<b>8.7</b>	<b>8.7</b>	<b>4.6 %</b>

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>
<b>AVERAGE EKPC</b>	<b>\$2,374</b>	<b>\$2,277</b>	<b>\$2,251</b>	<b>\$2,172</b>	<b>\$2,010</b>	<b>18.1 %</b>
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>
<b>AVERAGE BIG RIVERS</b>	<b>\$2,560</b>	<b>\$2,430</b>	<b>\$2,233</b>	<b>\$2,064</b>	<b>\$1,905</b>	<b>34.4 %</b>
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>
<b>AVERAGE TVA</b>	<b>\$2,587</b>	<b>\$2,519</b>	<b>\$2,420</b>	<b>\$2,284</b>	<b>\$2,279</b>	<b>13.5 %</b>
<b>OVERALL AVERAGE</b>	<b>\$2,443</b>	<b>\$2,347</b>	<b>\$2,284</b>	<b>\$2,182</b>	<b>\$2,053</b>	<b>19.0 %</b>

\* 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>
<b>TOTAL EKPC</b>	<b>\$537,671,122</b>	<b>\$521,498,561</b>	<b>440,905,586</b>	<b>404,910,305</b>	<b>395,455,416</b>	<b>36.0 %</b>
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>
<b>TOTAL BIG RIVERS</b>	<b>\$88,101,224</b>	<b>\$90,256,314</b>	<b>83,994,051</b>	<b>81,808,220</b>	<b>83,067,744</b>	<b>6.1 %</b>
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>
<b>TOTAL TVA</b>	<b>\$211,989,561</b>	<b>\$195,093,598</b>	<b>180,942,566</b>	<b>171,834,702</b>	<b>168,631,981</b>	<b>25.7 %</b>
<b>OVERALL TOTAL</b>	<b>\$837,761,907</b>	<b>\$806,848,473</b>	<b>705,842,203</b>	<b>658,553,227</b>	<b>647,155,141</b>	<b>29.5 %</b>

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

**AVERAGE EXPENSE PER CONSUMER  
EKPC**

	<u>2006</u>	<u>2005</u>	<u>CHANGE</u>
DISTRIBUTION OPERATION	\$ 57.00	\$ 57.00	\$ -
DISTRIBUTION MAINTENANCE	\$ 80.00	\$ 77.00	\$ 3.00
ACCOUNTING	\$ 53.00	\$ 50.00	\$ 3.00
CONSUMER INFORMATION	\$ 10.00	\$ 10.00	\$ -
ADMINISTRATION	\$ 62.00	\$ 61.00	\$ 1.00
<b>TOTAL PER CONSUMER</b>	<b>\$ 262.00</b>	<b>\$ 255.00</b>	<b>\$ 7.00</b>

**AVERAGE EXPENSE PER CONSUMER  
TVA**

	<u>2006</u>	<u>2005</u>	<u>CHANGE</u>
DISTRIBUTION OPERATION	\$ 72.00	\$ 72.00	\$ -
DISTRIBUTION MAINTENANCE	\$ 114.00	\$ 106.00	\$ 8.00
ACCOUNTING	\$ 49.00	\$ 50.00	\$ (1.00)
CONSUMER INFORMATION	\$ 8.00	\$ 9.00	\$ (1.00)
ADMINISTRATION	\$ 66.00	\$ 63.00	\$ 3.00
<b>TOTAL PER CONSUMER</b>	<b>\$ 309.00</b>	<b>\$ 300.00</b>	<b>\$ 9.00</b>

**OTHER STATISTICAL INFORMATION**

NUMBER OF EMPLOYEES	1,221	1,204	17
MILES OF LINE	54,397	54,413	(16)
CONSUMERS BILLED	502,345	492,415	9,930
MILES OF LINE PER EMPLOYEE	44.7	45.3	(0.6)
CONSUMER PER EMPLOYEE	413	410	3
DENSITY CONSUMERS PER MILE	9.2	9.0	0.2

**OTHER STATISTICAL INFORMATION**

NUMBER OF EMPLOYEES	507	518	(11)
MILES OF LINE	20,660	20,512	148
CONSUMERS BILLED	194,244	191,906	2,338
MILES OF LINE PER EMPLOYEE	40.9	39.4	1.5
CONSUMER PER EMPLOYEE	385	369	16
DENSITY CONSUMERS PER MILE	9.4	9.4	0.0

**AVERAGE EXPENSE PER CONSUMER  
BIG RIVERS**

	<u>2006</u>	<u>2005</u>	<u>CHANGE</u>
DISTRIBUTION OPERATION	\$ 70.00	\$ 64.00	\$ 6.00
DISTRIBUTION MAINTENANCE	\$ 121.00	\$ 116.00	\$ 5.00
ACCOUNTING	\$ 44.00	\$ 46.00	\$ (2.00)
CONSUMER INFORMATION	\$ 8.00	\$ 8.00	\$ -
ADMINISTRATION	\$ 58.00	\$ 54.00	\$ 4.00
<b>TOTAL PER CONSUMER</b>	<b>\$ 301.00</b>	<b>\$ 288.00</b>	<b>\$ 13.00</b>

**AVERAGE EXPENSE PER CONSUMER  
OVERALL AVERAGE**

	<u>2006</u>	<u>2005</u>	<u>CHANGE</u>
DISTRIBUTION OPERATION	\$ 62.00	\$ 61.00	\$ 1.00
DISTRIBUTION MAINTENANCE	\$ 92.00	\$ 88.00	\$ 4.00
ACCOUNTING	\$ 51.00	\$ 50.00	\$ 1.00
CONSUMER INFORMATION	\$ 9.00	\$ 10.00	\$ (1.00)
ADMINISTRATION	\$ 62.00	\$ 61.00	\$ 1.00
<b>TOTAL PER CONSUMER</b>	<b>\$ 276.00</b>	<b>\$ 270.00</b>	<b>\$ 6.00</b>

**OTHER STATISTICAL INFORMATION**

NUMBER OF EMPLOYEES	301	295	6
MILES OF LINE	13,125	13,021	104
CONSUMERS BILLED	109,329	107,884	1,445
MILES OF LINE PER EMPLOYEE	43.8	44.3	(0.5)
CONSUMER PER EMPLOYEE	364	367	(3)
DENSITY CONSUMERS PER MILE	8.3	8.3	0.0

**OTHER STATISTICAL INFORMATION**

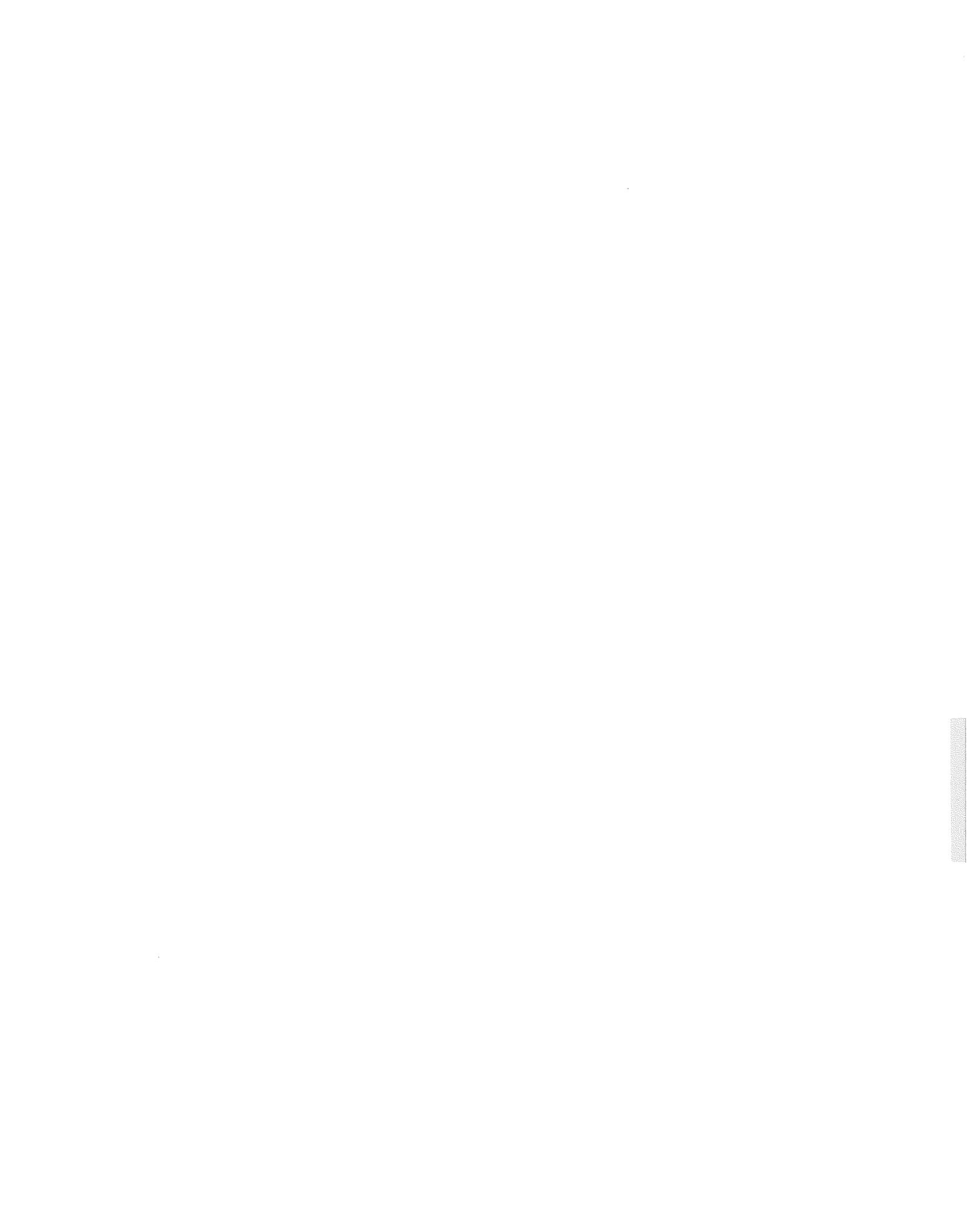
NUMBER OF EMPLOYEES	2,029	2,017	12
MILES OF LINE	88,182	87,946	236
CONSUMERS BILLED	805,918	792,205	13,713
MILES OF LINE PER EMPLOYEE	43.2	43.6	(0.4)
CONSUMER PER EMPLOYEE	395	393	2
DENSITY CONSUMERS PER MILE	9.1	9.0	0.1

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	33	2,968	25,522	56.0	431	2.5
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	486	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	24,483	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	360	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	36	240	137	5,427	49,561	39.6	362	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	14,192,126	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	24,948,723	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	5,821	47,410	60,198,185	105.8
LICKING VALLEY RECC	611	628	1,239	314	51	517	2,121	44	2,014	15,961	18,373,586	95.9
NOLIN RECC	852	982	1,834	636	227	831	3,528	93	2,841	28,643	33,591,739	97.7
OWEN EC	927	877	1,804	815	63	664	3,346	135	4,400	52,935	58,817,668	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
<b>EKPC GROUP AVERAGE</b>	<b>510</b>	<b>715</b>	<b>1,225</b>	<b>484</b>	<b>91</b>	<b>574</b>	<b>2,374</b>	<b>76</b>	<b>3,400</b>	<b>29,141</b>	<b>33,604,445</b>	<b>96.1</b>
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	43,955,864	82.5
MEADE COUNTY RECC	625	782	1,407	405	74	414	2,300	66	2,937	25,001	20,297,372	67.7
<b>BIG RIVERS GROUP AVERAGE</b>	<b>594</b>	<b>1,023</b>	<b>1,617</b>	<b>375</b>	<b>70</b>	<b>498</b>	<b>2,560</b>	<b>100</b>	<b>4,375</b>	<b>31,676</b>	<b>29,367,075</b>	<b>77.3</b>
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
<b>TVA GROUP AVERAGE</b>	<b>616</b>	<b>928</b>	<b>1,544</b>	<b>432</b>	<b>76</b>	<b>535</b>	<b>2,587</b>	<b>101</b>	<b>4,132</b>	<b>31,583</b>	<b>42,397,912</b>	<b>111.9</b>
<b>OVERALL AVERAGE</b>	<b>543</b>	<b>798</b>	<b>1,341</b>	<b>460</b>	<b>85</b>	<b>557</b>	<b>2,443</b>	<b>85</b>	<b>3,674</b>	<b>29,967</b>	<b>34,906,746</b>	<b>97.1</b>



REPORT NO. 168.1

BORROWER STATISTICAL PROFILE

12/13/07

KY 58 BIG SANDY RURAL E C CORP

SUPPLIED BY: East Kentucky Power Coop, Inc (KY059)

ITEM	BORROWER DATA			MEDIAN VALUES			STATE VALUES					FLAG
	2004	2005	2006	U.S.	PEER GROUP	STATE	MAX	Q3	Q1	MIN		
FINANCIAL RATIOS												
1. TIER (ONE YEAR)	0.34	0.50	1.38	2.26	1.26	1.28	3.37	1.56	0.91	0.27		
2. AVERAGE TIER	3.15	1.78	0.94	2.42	1.58	1.68	3.68	1.92	1.27	0.83	LO	
3. OTIER (ONE YEAR)	0.12	0.39	1.18	1.75	1.09	1.14	3.02	1.41	0.73	0.02		
4. AVERAGE OTIER	1.42	0.88	0.78	1.94	1.31	1.51	3.43	1.74	0.99	0.78	LO	
5. MTIER (ONE YEAR)	0.26	0.43	1.32	1.90	1.18	1.23	3.27	1.52	0.87	0.23		
6. DSC (ONE YEAR)	0.92	1.07	1.48	1.97	1.47	1.47	3.06	1.77	1.10	0.82		
7. AVERAGE DSC	2.40	1.68	1.28	2.14	1.58	1.65	3.16	2.02	1.40	1.21	LO	
8. ODSC (ONE YEAR)	0.84	1.01	1.36	1.70	1.36	1.36	2.85	1.80	1.06	0.33		
9. AVERAGE ODSC	1.56	1.27	1.18	1.86	1.50	1.58	3.02	1.95	1.35	0.80	LO	
10. MDSC (ONE YEAR)	0.89	1.03	1.44	1.76	1.43	1.43	3.01	1.76	1.08	0.78		
11. PRR (ONE YEAR)	6.87	6.79	6.14	6.39	6.59	6.58	7.89	7.17	5.98	5.63		
12. EQUITY RATIO	% 40.81	36.14	37.36	41.64	35.76	36.02	61.43	38.51	28.69	24.76		
13. MODIFIED EQUITY	% 25.46	22.09	23.15	32.83	22.88	24.21	47.31	33.81	19.50	12.06		
14. OPERATING REVENUE / MILE	\$ 16496.22	19178.91	20314.03	9056.65	14646.77	15544.25	46635.60	19129.31	11756.42	9292.12	HI	
15. GENERAL FUNDS/TOTAL PLANT	% 3.06	4.70	1.23	4.45	1.22	2.25	10.40	6.01	1.13	0.11		
16. CURRENT RATIO	1.52	1.67	1.04	1.34	1.01	1.01	3.04	1.66	0.72	0.49		
17. OPERATING MARGINS/RATE BASE%	-1.96	-1.84	0.52	1.93	0.23	0.38	4.19	1.15	-1.11	-7.00		
18. RATE OF RETURN ON RATE BASE%	0.31	1.16	4.24	4.95	3.61	3.61	7.46	4.63	2.56	0.53		
19. PAT.CAP.RETIRED/ TOT P.CAP.%	13.00	13.58	5.90	23.34	14.30	13.14	33.51	24.49	0.00	0.00		
20. PAT.CAP.RETIRED/NET MARGINS%	4.88	-12.83	-13.50	24.98	4.93	2.16	65.44	39.04	-0.02	-24.67	LO	
CONSUMER RATIOS												
21. AVG. TOTAL CONSUMERS SERVED	12705.00	12888.00	13089.00	12203.00	24676.00	27734.50	61869.00	51456.75	23348.75	13089.00		
22. CONSUMERS / MILE (DENSITY)	12.64	12.85	12.89	5.85	9.12	9.17	12.89	10.49	7.84	6.38	HI	
23. CONSUMERS / EMPLOYEE	290.43	295.41	297.70	278.58	407.94	398.69	599.71	450.83	359.77	297.70	LO	
24. LONG TERM DEBT / CONSUMER \$	1297.42	1507.40	1442.25	1788.94	1619.00	1589.40	2210.98	1826.00	1272.15	707.92		
25. DIST+GENERAL PLT/ CONSUMER \$	2481.36	2588.36	2725.29	3606.95	2856.70	2886.94	3830.04	3047.69	2644.68	2153.16		
26. NET MARGINS / AVG.CONSUMER \$	-27.34	-29.20	30.05	109.22	19.28	19.28	96.06	48.74	-7.46	-56.44		
27. AVG.MO.KWH/RESID CONS EX SEAS	1270.21	1317.17	1243.73	1160.92	1184.31	1222.56	1359.16	1262.84	1112.54	1042.95		
28. AVG.MO.KWH/RESID CONS	1270.21	1317.17	1243.73	1114.36	1176.25	1194.86	1359.16	1262.84	1100.13	1042.95		
29. CUST. ACCT. EXP./ AVG.CON \$	54.39	54.22	54.81	52.61	53.51	51.44	65.53	59.94	43.24	37.49		
30. ADM. & GEN. EXP./ AVG.CON \$	92.09	92.91	93.76	103.59	57.88	57.88	93.76	70.92	49.76	44.30	HI	
31. CUST SERV &INFO / AVG.CON \$	7.47	9.58	10.30	10.38	8.72	8.31	21.12	10.49	4.11	0.96		
32. O+M+A&G+CUST ACCT/AVG.CON \$	275.28	272.54	261.09	339.50	258.39	261.21	348.87	290.35	231.31	179.36		
33. PWR COST+TAX+DEP+INT/AVGCON\$	1065.00	1258.00	1291.20	1260.82	1342.09	1372.69	5704.14	1777.30	1200.73	749.41		

E-K 21

ITEM	BORROWER DATA			MEDIAN VALUES			STATE VALUES				FLAG
	2004	2005	2006	U.S.	PEER GROUP	STATE	MAX	Q3	Q1	MIN	
EMPLOYEE COSTS											
34. NUMBER OF EMPLOYEES	44.00	44.00	44.00	44.00	58.50	74.50	158.00	125.00	52.00	31.00	
35. AVERAGE RATE PER HOUR \$	20.81	21.07	21.85	24.43	24.02	24.75	32.01	25.85	21.81	20.23	
36. OVERTIME HOURS/TOTAL HOURS %	3.37	3.13	3.47	5.03	6.07	6.30	10.57	8.77	4.88	3.32	LO
37. CAPITLZD PAYROLL/TOTAL PAY %	20.68	20.57	24.36	23.55	26.37	27.27	35.80	31.95	23.86	17.81	
MWH SOLD											
38. MWH SOLD / 1000	254.53	258.62	249.71	237.94	498.63	686.54	9378.88	1129.27	431.69	249.71	
39. ANNUAL % CHANGE IN KWH SOLD%	-0.95	1.61	-3.44	1.60	-1.51	-1.34	5.26	0.71	-2.93	-4.34	LO
40. MWH / MILE OF LINE	251.85	255.61	245.67	99.74	181.89	193.60	1350.64	259.17	142.37	102.61	
41. REVENUE / MWH(RESD EX SEAS)\$	64.11	73.28	80.23	93.65	81.03	81.03	91.04	85.96	78.35	61.83	
42. OP.REV / MWH(TOTAL SALES) \$	65.50	75.03	82.69	87.15	78.61	78.09	90.55	83.35	71.19	34.53	
43. OP.REV LESS COST POWER/MWH \$	18.56	19.60	23.85	34.31	20.05	20.66	31.24	27.53	18.93	3.03	
44. COST OF POWER / MWH SOLD \$	46.94	55.44	58.84	55.93	57.33	57.33	61.66	59.09	54.10	31.50	
45. COMM+IND+IRR MWH/TOTAL MWH %	30.14	27.86	28.37	34.52	33.79	36.55	92.40	50.76	27.49	21.79	
46. O+M+A&G+CUST ACCT EXP /MWH \$	13.74	13.58	13.69	17.79	12.39	12.39	18.36	14.92	9.15	2.00	
PLANT INVESTMENT											
47. TOTAL PLANT / 1000	\$ 32452.83	34420.75	36563.26	50794.44	77543.44	87030.00	217727.31	162035.37	58176.50	36563.26	
48. TOTAL PLANT / MWH SOLD	\$ 127.50	133.10	146.42	220.51	141.18	141.18	214.29	180.21	111.49	23.21	
49. TOTAL PLANT / MILE OF LINE \$	32111.81	34020.33	35971.52	22102.83	27088.74	28240.59	39401.28	31875.08	24073.69	16796.30	HI
50. O+M EXP/ \$1000 TOTAL PLANT \$	50.42	46.96	40.28	43.67	46.47	47.52	67.00	53.31	42.65	33.05	LO
51. TAXES / \$1000 TOTAL PLANT \$	0.53	0.50	0.52	4.28	0.52	0.53	18.70	0.98	0.47	0.01	
52. ACCUM. DEPREC/PLANT IN SVC %	26.69	25.90	24.92	31.23	24.51	24.82	40.80	30.47	20.59	14.75	
53. NET NEW PLANT/TOTAL PLANT %	4.53	6.06	6.22	5.57	5.57	5.98	9.96	7.91	4.66	4.12	
54. GENERAL PLANT / CONSUMER \$	124.07	130.99	141.93	265.52	153.63	155.48	242.59	190.00	124.03	93.04	
55. HEADQTR PLANT / CONSUMER \$	56.83	56.08	55.65	129.33	104.33	112.68	308.14	143.06	62.77	21.14	LO
LONG TERM DEBT											
56. LONG TERM DEBT/TOTAL ASSETS%	48.67	52.45	50.93	46.61	51.52	51.52	61.53	56.73	47.67	30.92	
57. INTEREST L.T. /AVG L.T.DEBT%	3.16	4.18	5.32	5.26	5.29	5.29	6.13	5.48	5.06	4.56	
58. RUS DEBT / TOTAL L.T. DEBT %	51.75	63.53	64.72	80.67	83.68	80.61	92.87	87.22	66.58	49.14	LO
REVENUE											
59. INTEREST EXP. / OP.REVENUE %	3.17	3.90	4.96	5.16	4.96	4.95	7.65	6.84	3.06	1.60	
60. INT. EXP./OP.REV-POWER COST%	11.18	14.92	17.21	13.59	18.45	18.22	31.11	20.20	13.76	9.58	
61. COST OF POWER / OP.REVENUE %	71.66	73.88	71.16	60.87	74.05	74.05	91.24	75.09	66.85	56.80	
OPERATING RATIOS											
62. ELEC.INV. TURNOVER RATIO	-0.53	-0.69	1.45	1.69	2.36	2.35	7.19	2.72	1.89	0.95	LO
63. ELEC.INV. EOY /TOTAL PLANT %	0.62	0.87	0.76	1.24	0.71	0.71	2.16	0.82	0.55	0.31	
64. CONSTR W.I.P./PLT ADDITIONS%	0.89	1.65	3.90	25.41	14.95	17.99	70.92	26.59	6.68	-0.58	LO
65. NET NEW SERVICE/TOTAL SERV %	1.81	1.00	0.99	1.60	1.84	1.77	2.97	2.47	1.37	0.13	LO
66. IDLE SERVICE/TOTAL SERVICE %	14.79	15.84	16.00	8.02	9.07	8.87	17.63	13.61	5.72	1.96	HI
67. ANNUAL LOAD FACTOR	41.36	43.60	44.98	50.32	47.67	48.54	86.28	56.07	45.74	40.96	LO
68. SYSTEM LOSS %	6.24	6.52	5.72	5.95	4.61	4.61	6.51	5.38	3.01	-2.94	HI
69. TOT.HRS.OUTAGE PER CONS(1YR)	12.00	0.50	1.00	3.13	3.02	3.37	11.07	6.04	2.04	1.00	LO
70. AMT. OVER 60 DAYS/OPER.REV %	0.69	0.14	0.09	0.20	0.09	0.10	0.90	0.37	0.06	0.03	
71. AMT. WRITTEN OFF /OPER.REV %	0.60	0.68	0.55	0.18	0.39	0.31	0.63	0.43	0.23	0.06	HI
72. OTHER INTR INC-EXP/\$1000 PLT	2.17	0.24	0.95	2.60	0.76	1.39	34.76	3.96	-0.56	-2.50	

Loan, Operating, and Financial Statistics for RUS Borrowers

KENTUCKY

KENTUCKY

Item number and description	KY0057 Cumberland Valley R. E. Coop. Corp. Gray	KY0058 Big Sandy Rural Elec. Coop., Inc. Paintsville	KY0061 Grayson Rural Elec. Coop. Corp. Grayson	KY0064 Blue Grass Energy Corporation Nicholasville	KY0065 Kenergy Corporation Henderson
1 RUS LOANS APPROVED 12/31/06	24,734,084	23,083,919	38,009,683	89,921,147	167,785,758
2 OTHER LOANS APPROVED	27,131,495	12,040,681	15,178,619	53,062,979	47,379,060
3 DISTRIBUTION	51,590,889	34,879,169	52,977,533	142,392,163	214,814,915
4 GENERATION & TRANSMISSION					5,120
5 OTHER	274,690	245,431	210,769	591,963	345,383
6 RUS FUNDS ADVANCED	24,734,084	18,703,920	28,549,683	84,640,148	148,460,759
RUS DEBT SERVICE PYMTS					
7 INTEREST DUE & PAID	16,098,214	8,352,364	15,600,818	35,414,363	57,370,767
8 PRINCIPAL DUE & PAID	14,678,226	12,958,208	12,358,940	48,275,978	62,140,558
9 ADVANCE PAYMENTS	933,526				12,412,358
ASSETS & OTHER DEBITS 12/31/06					
10 UTILITY PLANT IN SERVICE	68,972,560	36,427,503	49,843,590	167,091,691	214,717,300
11 CONSTR WORK IN PROGRESS	331,733	135,753	583,649	5,140,369	3,010,053
12 TOTAL UTILITY PLANT	69,304,293	36,563,256	50,427,239	172,232,060	217,727,353
13 ACCUM PROV DEPREC & AMORT	25,167,648	9,077,303	7,354,029	36,886,666	48,193,715
14 NET UTILITY PLANT	44,136,645	27,485,953	43,073,210	135,345,394	169,533,638
15 INVEST IN ASSOC ORGANIZATION	10,416,442	5,834,557	5,390,093	21,340,046	4,869,868
16 OTHER PROPERTY & INVESTMENTS		5,500	98		3,812,010
17 CURRENT & ACCRUED ASSETS	6,285,384	3,750,747	5,309,881	11,289,905	34,028,281
18 DEFERRED DEBITS	589,825	17,801		512,439	17,050
19 TOTAL ASSETS & OTHER DEBITS	61,428,296	37,094,558	53,773,282	168,487,784	212,260,847
LIABILITIES & OTHER CREDITS 12/31/06					
20 MEMBERSHIPS	412,670	224,530	149,325	1,003,258	240,185
21 PATRONAGE CAP & OTHER EQTS	23,016,361	13,635,141	17,507,394	44,931,642	52,308,298
22 TOTAL EQUITY	23,429,031	13,859,671	17,656,719	45,934,900	52,548,483
23 RUS LONG-TERM DEBT	25,689,958	12,226,255	25,764,657	70,947,265	94,511,660
24 OTHER LONG-TERM DEBT	4,344,837	6,665,734	1,976,680	24,959,147	23,194,176
25 OTHER NONCURRENT LIAB	1,459,163	690,445	1,052,249	5,293,744	2,078,459
26 CURRENT & ACCRUED LIAB	6,474,941	3,612,566	7,048,323	20,639,890	39,126,954
27 DEFERRED CREDITS	30,366	49,887	274,654	712,838	801,115
28 TOTAL LIAB & OTHER CREDITS	61,428,296	37,094,558	53,773,282	168,487,784	212,260,847
REVENUES & EXPENSES 12/31/06					
29 OPER REV & PATRONAGE CAPITAL	38,814,111	20,648,199	22,646,189	89,360,905	323,837,577
30 OPERATING DEDUCTIONS TOTAL	37,091,437	19,431,378	21,121,866	84,599,920	321,061,893
31 COST OF POWER	28,668,028	14,693,549	14,834,604	66,355,815	295,460,224
32 DISTR EXPENSE - OPERATION	1,211,481	388,990	892,790	2,370,305	4,275,040
33 DISTR EXPENSE - MAINTENANCE	2,068,379	1,083,767	1,635,407	3,524,604	8,583,298
34 CUSTOMER ACCOUNTS	1,368,895	717,358	820,989	2,499,514	2,686,135
35 CUSTOMER SERV & INFO EXP	193,588	134,812	175,261	872,844	209,517
36 ADMIN & GENERAL EXPENSE	1,309,495	1,227,227	1,241,760	3,918,729	3,245,695
37 SALES EXPENSE		3,242	30,117		102,674
38 DEPREC & AMORT EXPENSE	2,235,508	1,163,292	1,465,821	5,055,679	6,227,515
39 TAX EXPENSE	36,063	19,141	25,117	2,430	271,795
40 UTILITY OPERATING MARGINS	1,722,674	1,216,821	1,524,323	4,760,985	2,775,684
41 NONOPERATING MARGINS	149,565	176,994	18,977	533,498	1,008,902
42 GEN & TRANS CAPITAL CREDITS					
43 OTHER CAP CR & PATRONAGE CAP	66,194	66,888	40,404	414,328	50,996
44 INT ON LONG-TERM DEBT - NET	1,604,208	1,024,565	1,438,084	4,420,976	5,183,057
45 OTHER DEDUCTIONS	59,402	42,824	201,788	174,335	246,961
46 NET MARGINS & PATRONAGE CAP	274,823	393,314	(56,168)	1,113,500	(1,594,436)
SALES STATISTICS 2006					
47 AVG NUMBER CONSUMERS SERVED					
48 RESDL SERV FARM & NONFARM	21,861	11,985	14,239	51,011	44,420
49 COMMERCIAL & INDUSTR. SMALL	1,426	1,103	1,276	2,100	9,333
50 COMMERCIAL & INDUSTR. LARGE	16	1	1	17	31
51 IRRIGATION					
52 OTHER ELECTRIC SERVICE			1	47	76
53 TO OTHERS FOR RESALE					
TOTAL	23,303	13,089	15,517	53,175	53,860
MWH SALES					
54 RESDL SERV FARM & NONFARM	309,629	178,873	178,207	766,303	710,953
55 COMMERCIAL & INDUSTR. SMALL	71,731	66,542	56,158	128,275	301,254
56 COMMERCIAL & INDUSTR. LARGE	112,331	4,293	15,636	282,633	8,365,158
57 IRRIGATION					
58 OTHER ELECTRIC SERVICE			83	980	1,512
59 TO OTHERS FOR RESALE					
TOTAL	493,691	249,708	250,083	1,176,191	9,378,877
REVENUES & PATRONAGE CAPITAL					
61 RESDL SERV FARM & NONFARM	24,948,723	14,351,000	16,223,795	61,513,915	43,955,864
62 COMMERCIAL & INDUSTR. SMALL	5,532,025	5,181,944	4,756,002	9,910,801	18,495,591
63 COMMERCIAL & INDUSTR. LARGE	7,232,500	250,464	899,817	15,381,364	259,910,318
64 IRRIGATION					
65 OTHER ELECTRIC SERVICE			9,170	212,796	204,207
66 TO OTHERS FOR RESALE					
TOTAL SALES OF ELEC ENERGY	37,713,248	19,783,408	21,888,784	87,018,876	322,565,980
68 OTHER OPERATING REVENUE	1,100,863	864,792	757,405	2,342,029	1,271,600
69 TOTAL OPERATING REVENUE	38,814,111	20,648,200	22,646,189	89,360,905	323,837,580
OTHER STATISTICS 12/31/06					
70 FULL TIME EMPLOYEES	52	44	44	115	156
71 TRANSMISSION MILES					
72 OVERHEAD DISTR MILES	2,463	1,016	2,406	4,255	6,206
73 UNDERGROUND DISTR MILES	96		31	232	728
74 CONSUMERS SERVED	23,430	13,099	15,546	53,567	54,095
75 CONSUMERS PER MILE	9.16	12.89	6.38	11.94	7.79
76 MWH GENERATED 2006					
77 MWH PURCHASED 2006	519,010	264,888	265,607	1,215,593	9,430,076
78 RESDL CONS MTHLY KWH 2006	1,180	1,244	1,043	1,252	1,334
79 TIMES INTEREST EARNED RATIO	1.17	1.38	0.96	1.25	0.70
80 DEBT SERVICE COVERAGE	1.51	1.48	1.23	1.47	1.01
81 DEBT SERVICE PYMTS - RUS	1,104,453	314,498	1,348,844	1,884,674	5,026,192
82 DEBT SERVICE PYMTS - OTHER	1,613,892	1,430,383	969,561	5,297,411	4,744,149
83 TOTAL EQUITY PCT OF ASSETS	38.14	37.36	32.84	27.26	24.76

SEE BORROWER NOTES AT END OF TABLES



Witness: Alan Zumstein

Big Sandy Rural Electric Cooperative  
 Case No. 2008-00401  
**Capitalization Policies**

Benefits  
Distribution

10	107.20	Construction work in progress	241,398
11	108.80	Retirement work in progress	74,299
12	163.00	Stores	31,409
13	184.00	Transportation	29,496
14	242.52	Employee sick leave	
15	580.00	Operations	23,005
16	583.00	Overhead line	11,420
17	586.00	Meter	142,243
18	587.00	Consumer installation	2,078
19	588.00	Miscellaneous distribution	64,146
20	590.00	Maintenance	23,190
21	592.00	Station	1,070
22	593.00	Overhead line	118,727
23	595.00	Transformers	5,773
24	597.00	Meters	273
25	598.00	Miscellaneous maintenance	14,496
26	902.00	Meter reading	17,179
27	903.00	Consumer records	113,819
28	908.00	Consumer assistance	23,929
29	920.00	Administrative	213,773
30	921.00	Office supply and expense	106
31	926.00	Employee benefits	103,859
32	935.00	Maintenance general plant	<u>3,194</u>
34		Total	<u>1,258,882</u>

Benefits include the following:

37	Medical insurance	596,097
38	Life insurance	19,939
39	Retirement, R&S	137,086
40	Retirement, union	50,707
41	Savings plan 401(k)	23,450
42	Postretirement benefits	174,000
43	Workers' compensation	103,131
44	Payroll taxes	<u>154,472</u>
46		<u>1,258,882</u>

Big Sandy 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

## Big Sandy Rural Electric Cooperative

Case No. 2008-00401

**Schedule of Employee Benefits**

August 31, 2008

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Benefits for the test year:	<u>Total</u>
Medical insurance	596,097
Life insurance	19,939
Retirement, R&S	137,086
Retirement, union	50,707
Savings plan 401(k)	23,450
Postretirement benefits	174,000
Workers' compensation	103,131
Payroll taxes	<u>154,472</u>
<b>Total</b>	<b><u><u>\$1,258,882</u></u></b>
Number of employees	39
Average annual cost per employee	\$32,279



**AGREEMENT**

**BETWEEN**

**BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION**

**AND**

**LOCAL UNION NO. 317**

**OF THE INTERNATIONAL BROTHERHOOD**

**OF ELECTRICAL WORKERS**

**Effective February 6, 2008 through February 5, 2011**

**TABLE OF CONTENTS**

ARTICLE I.	Recognition .....	1
ARTICLE II.	Grievance Procedure .....	3
ARTICLE III.	Vacation .....	5
ARTICLE IV.	Hours and Overtime .....	6
ARTICLE V.	Wages .....	8
ARTICLE VI.	Apprentices.....	12
ARTICLE VII.	Seniority .....	12
ARTICLE VIII.	Sick Leave .....	13
ARTICLE IX.	General Provisions .....	17
ARTICLE X.	Termination .....	21
ARTICLE XI.	Miscellaneous.....	22

## AGREEMENT

Effective February 6, 2008

THIS AGREEMENT, made and entered into this 6<sup>th</sup> day of February, 2008, by and between the BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION of Paintsville, Kentucky, hereinafter referred to as the COOPERATIVE and LOCAL UNION NO. 317 of the INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, hereinafter referred to as the UNION, as the collective bargaining representatives for the employees of the COOPERATIVE in the classifications listed in Article V, Section 1, of this Agreement.

### WITNESSETH

WHEREAS, the COOPERATIVE and the UNION have a common and sympathetic interest in the electrical industry, and together with the Public, will benefit from harmonious working arrangements for the adjustments of differences by rational and common sense methods, and therefore, for the purpose of facilitating the peaceful adjustments of differences that may arise from time to time, and to promote harmony and efficiency to the end that the COOPERATIVE, the UNION and the GENERAL PUBLIC may be benefitted the parties hereto contract and agree with each other as follows:

#### TO WIT; ARTICLE I. Recognition

Section 1. The UNION is hereby recognized as the sole exclusive bargaining agent for the collective bargaining purposes covering wages, hours and conditions of employment for all employees within the bargaining unit in view of the UNION'S certification by the N.L.R.B on the second day of June, 1950, in Case No. 9-RC-822.

Section 2. The UNION shall have the right to refer to the grievance procedure therein any complaint that the hiring policies of the EMPLOYER are discriminatory or unfair.

Section 3. The operation, control and management of the Company's facilities and operations, and all business and activities of the Company in connection therewith which are covered or affected by this Agreement, including the supervision and direction of the working forces at such facilities, operations and business, the right from time to time to make and enforce such reasonable rules applicable to employees covered by this Agreement, including rules concerning alcohol and substance abuse, and to enforce, change, abolish or modify existing rules applicable to employees covered by this Agreement, as it may from time to time deem necessary or advisable, are and shall continue to be solely and exclusively the functions and prerogatives of the management of the Cooperative, including the right to discipline or discharge for just cause (including violation of rules issued by the COOPERATIVE).

Section 3(a) All new employees shall be hired on a temporary basis, not to exceed ninety (90) working days actually worked.

During such ninety (90) working day probationary period, the COOPERATIVE may discharge or otherwise discipline, lay-off, transfer or assign such employees with or without cause, and such actions shall not be subject to the Grievance Procedure.

Section 4. All employees who are members of the UNION on the effective date of this Agreement shall be required to remain members of the UNION in good standing as a condition of employment within ninety (90) working days following dates of their employment or effective date of the Agreement, whichever is later. Any such workmen shall receive at least the minimum wages and work under the terms and conditions of this Agreement, with the exception of being covered under the fringe benefits of the Agreement. A new employee shall be employed

for a period of six months from the date of hiring before becoming covered under the fringe benefit package. Fringe benefits shall mean, sick leave, vacation, holidays, insurance, hospitalization, retirement benefits, and funeral leave. Seniority shall begin or commence at the date of hiring. The COOPERATIVE shall be required to make all payments required by law.

## ARTICLE II. Grievance Procedure

Section 1. Any complaint, grievance or dispute that may arise with respect to the application or performance of this Agreement between the COOPERATIVE and the UNION or its members shall be taken up for settlement in the simplest and most direct manner. Except whereby mutual consent another procedure is agreed upon, such matters shall be handled in accordance with the following:

1. Between the employee or employees concerned, together with the UNION'S steward if so desired, and the foreman or immediate supervisor of the aggrieved employee.
2. Should any matter not be adjusted in the 1st step above within forty-eight (48) hours, exclusive of Sundays and holidays, it shall be reduced to writing and referred to the Manager of the EMPLOYER and the Business Manager of the UNION.
3. All questions or disputes which are not adjusted as a result of the above procedure shall then be referred to a Joint Conference Committee of three (3) representatives of the UNION and three (3) representatives of the EMPLOYER. Each party shall have the privilege of changing representatives upon the proper notice to the other party. The Joint Conference Committee shall meet within forty-eight (48) hours after such notice is given either party. It shall select its own secretary and chairman.
4. If not satisfactorily adjusted after exhausting all of the above steps, the grievance or complaint shall be referred to arbitration provided such grievance involves an interpretation of

the meaning or application of the terms of the Agreement, according to the following procedures; within five (5) days, the parties shall jointly request the Federal Mediation and Conciliation Service to appoint a third member, both parties to be bound by such appointment. Each party shall defray the expenses of its own member of the Board of Arbitration and the fee and expenses of the third member shall be born equally by the parties, together with any incidental or general expenses in connection with the arbitration mutually agreed upon in advance. The majority decision of the Board shall be final and binding on both parties.

Section 2. In any discharge or disciplinary suspension case where the Arbitrator decides that the aggrieved employee should be awarded any back pay, the COOPERATIVE shall be entitled to full credit on such awards for the employee's gross interim earnings, unemployment compensation benefits, workers' compensation benefits received or receivable and any other compensation he receives from any form of employment during the period he was not working for the COOPERATIVE. Subject to the foregoing qualifications and limitations, the Arbitrator's award shall be final and binding upon the COOPERATIVE, the UNION and the aggrieved employee or employees.

Section 3. The UNION and employees agree that during the term of this Agreement neither the UNION, its officers, agents or members shall authorize, instigate, aid, condone or engage in any work stoppage, strike of any kind or description, including so-called sympathy strikes, or otherwise interrupt, impede or restrict services of the COOPERATIVE or engage in any activity which would tend to cause an interruption or delay in the accomplishment of the work and business of the COOPERATIVE.

The UNION and employees further agree that during the term of this Agreement, the UNION, its officers, agents or members will not honor or recognize any picket lines, or picketing

in any form, including picket lines or picketing out of so-called sympathy, except picketing at the COOPERATIVE's Eleventh Street, Paintsville, Kentucky, location which results from a lawful labor dispute between the COOPERATIVE and the UNION after this agreement has expired. No employee will be required to cross a picket line which would put him in physical jeopardy or the property of the COOPERATIVE in jeopardy, such contention having to be proved by the employee.

Any employee who engages in any conduct prohibited by this Section, or who fails or refuses to comply with any provision of this Section, shall be subject to appropriate discipline, including discharge, without warning, by the COOPERATIVE.

The COOPERATIVE agrees not to lock-out employees during the term of this Agreement.

### ARTICLE III. Vacation

Section 1. All employees within the bargaining unit shall be entitled to and shall receive vacations each year. The vacation for all those employees who have been regularly employed by the BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION for one year shall receive one (1) week or forty (40) hours vacation with pay and for those employees employed two (2) years to ten (10) years, three (3) weeks or one hundred twenty (120) hours. After ten (10) years employees shall receive an additional day of vacation for each year of employment with the COOPERATIVE. However employees hired on and after January 1, 2008, shall be entitled to a maximum of three (3) weeks or one hundred twenty (120) hours of vacation.

Section 2. The vacation period of each employee shall be set by the EMPLOYER with due respect to the desire, seniority and preference of the employee consistent with the efficient

operation of the BIG SANDY RURAL ELECTRIC COOPERATIVE. Employee will enter request to Management for vacation thirty (30) days prior to the date vacation is to start.

Section 3. If a vacation day falls on a holiday, another day shall be granted in lieu thereof.

Employees who leave the service of the COOPERATIVE and have a vacation due them, shall be compensated in pay the amount that has accrued up to the date of severance.

Section 4. Crew leaders, with eighteen (18) months seniority, as crew leaders, shall be paid his appropriate rate while on vacation or sick leave.

#### ARTICLE IV. Hours and Overtime

Section 1. No shift (whether an eight hour (8) hour shift or ten (10) hour shift) will start after 8:30 a.m., except new employees hired on and after January 1, 2008 will work the hours scheduled by the COOPERATIVE. The COOPERATIVE will give one (1) week notice of any change in the shift hours and such changed schedule will run for at least one (1) work week. During such shifts employees will be entitled to not more than thirty (30) minutes for a lunch period. Employees working ten (10) hour shifts will only receive over-time at time and one-half (1 ½) after ten (10) hours actually worked in a work day or after forty (40) hours actually worked in a workweek. Hours taken as holidays, vacation and funeral leave under this Agreement will count as hours worked for purposes of overtime.

When employees are called, out before or after the regularly scheduled working hours, or a trouble employee after his regular quitting time, they shall receive not less than two (2) hours time at the rate of time and one-half, except that if they worked longer than two (2) hours they shall receive time and one-half for the entire time worked until the regular scheduled work day begins, after which time the regular rate of pay will become effective. Overtime to begin at the time the employee is called out and ends when he reports back. When called out on Sunday and

legal holidays, they shall receive not less than two (2) hours time at the rate of time and one-half except that if they work longer than two (2) hours, they shall receive time and one-half for the entire time worked. Overtime to begin at the time of calling the employees out and ends when he reports back. All employees used shall be reimbursed for room and board occurring on all emergency work. It shall be the responsibility of the Manager of the COOPERATIVE to keep an accurate overtime list, and to distribute the overtime among the qualified employees in their classification as equal as possible, and to post said overtime list on the bulletin board before the tenth of each month, for the previous month.

Section 2. For all employees covered by this Agreement, kept as later provided, the regular work week shall be Monday through Friday. The regular work week shall not exceed forty (40) hours, and the regular work day shall not exceed eight (8) hours. All work in the excess of regularly scheduled hours in any one day or in any one week shall be paid at the rate of time and one-half (1 1/2). The COOPERATIVE shall give the employee three days prior notice for Saturday work except for breakdowns.

Section 3. The following days shall be recognized as paid holidays at the employee's straight time rate of pay, provided the holiday falls on a regular work day, or the holiday is recognized to fall on a regularly scheduled work day: New Years Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Day after Thanksgiving, Christmas Eve and Christmas Day. Holidays falling on Saturday or Sunday will be observed as the Nation observes them. Time and one-half to be paid in addition for all work performed on such holidays.

Section 4. Employees shall not be required to work outside during inclement weather except to restore service because of emergency conditions. Employees shall be assigned to work

inside or under shelter during such weather. Such assignments shall not be for more than the regular work day or work week. Thus the employee is assured of a full week's pay.

ARTICLE V. Wages

All employees covered by this Agreement effective February 6, 2008 will receive a fifty-cent (\$.50) per hour wage increase to the rate in effect on December 31, 2007. Effective January 1, 2009, all employees covered by this Agreement will receive a fifty-cent (\$.50) per hour wage increase. Effective January 1, 2010, all employees covered by this Agreement will receive a fifty-cent (\$.50) per hour wage increase.

Employees will be paid biweekly, which is every two weeks (i.e. every other Friday). If the payday falls on a holiday, the employee will be paid on the day before the holiday.

CLASSIFICATION

EFFECTIVE 2/6/08 thru 2/5/11

	Feb. 6, 2008 .50 cents	Jan. 1, 2009 .50 cents	Jan. 1, 2010 .50 cents
Lineman, 1st class (with less than 1 year experience with the company)	\$23.49	\$23.99	\$24.49
Serviceman, Journeyman/Lineman	\$24.53	\$25.03	\$25.53
Lineman, 1st class (with 1 year or longer experience with the company)	\$24.28	\$24.78	\$25.28
Transformer, Meterman Serviceman Journeyman w/license	\$25.63	\$26.13	\$26.63
Assistant Transformer Meterman Serviceman	\$24.69	\$25.19	\$25.69
Assistant Staking Engineer	\$24.53	\$25.03	\$25.53
Assistant Staking Engineer Helper	\$24.28	\$24.78	\$25.28
Warehouseman	\$24.23	\$24.73	\$25.23
Crew Leader	\$26.76	\$27.26	\$27.76
Mechanic (The wage rate for the Mechanic will be the same rate as that of the Lineman First Class, less than one (1) year)	\$23.49	\$23.99	\$24.49

CLASSIFICATION

EFFECTIVE 2/6/08 thru 2/5/11

	Feb. 6, 2008 .50 cents	Jan. 1, 2009 .50 cents	Jan. 1, 2010 .50 cents
APPRENTICES (Lineman, Serviceman and Meterman)			
1 <sup>st</sup> 6 months	\$18.93	\$19.43	\$19.93
2 <sup>nd</sup> 6 months	\$19.78	\$20.28	\$20.78
2 <sup>nd</sup> year	\$20.79	\$21.29	\$21.79
3 <sup>rd</sup> year	\$21.46	\$21.96	\$22.46
4 <sup>th</sup> year	\$22.70	\$23.20	\$23.70
Thereafter	\$24.28	\$24.78	\$25.28
<u>GROUNDMAN</u>			
1 <sup>st</sup> 6 months	\$16.86	\$17.36	\$17.86
2 <sup>nd</sup> 3 months	\$17.41	\$17.91	\$18.41
2 <sup>nd</sup> 6 months	\$18.35	\$18.85	\$19.35
2 <sup>nd</sup> year	\$19.34	\$19.84	\$20.34
3 <sup>rd</sup> year	\$19.78	\$20.28	\$20.78
4 <sup>th</sup> year	\$20.57	\$21.07	\$21.57
Thereafter	\$20.96	\$21.46	\$21.96

A mechanic may be hired at a rate established by the COOPERATIVE, under the following conditions: The employer may set the starting and quitting time, the first eight (8) hours worked will be the straight time rate of pay, any time worked past eight (8) hours will be at the time and one-half rate of pay. All other overtime and fringe benefit payments afforded other employees under the terms of this Agreement will apply to the mechanic. It is the understanding between both parties Local 317 and BIG SANDY RECC, that a mechanic is not to infringe on any other classifications work. Effective January 1, 2002, existing mechanic will be paid at a scale of Lineman 1st Class with less than 1 year experience with the company.

It is understood by Local 317 that BIG SANDY RECC will retain the right to employ temporary right of way employees.

Apprentices shall mean either apprentice lineman or apprentice meterman. Apprentice lineman shall be advanced only on a basis of the time served and ability. Recommendations for advancement shall be initialed by the UNION Labor Committee and submitted to Committee representing the EMPLOYER for approval. It is understood that if a groundman is advanced to an apprentice, that the time served as groundman up to and including two (2) years shall apply to his apprenticeship rating.

It is mutually understood between both parties that the EMPLOYER will contribute an amount equal to five percent (5%) of the employees monthly salary, toward purchasing a retirement plan for the employee with a reputable insurance company.

Effective February 6, 2008, each employee who is contributing or then contributes a minimum of one percent (1%) to the 401(k) Plan, will have an additional contribution of one percent (1%) of straight time pay made by the COOPERATIVE.

ARTICLE VI. Apprentices

Section 1. (a) An apprentice lineman is one who is learning line work and must serve as such for four (4) years before becoming a journeyman lineman. An apprentice working voltage in excess of 440 volts must be under the direct supervision of a journeyman.

Section 1. (b) An apprentice promoted from a lower rating to a higher rating, prior to promotion shall be required to take the I.B.E.W. test before promotion is put in effect and the COOPERATIVE Manager shall be advised by the UNION of such test.

Section 2. The ratio of apprentices to journeyman shall not be more than two (2) apprentices to one (1) journeyman or fraction thereof. Foreman to be counted as journeyman. No journeyman shall be displaced by an apprentice.

ARTICLE VII. Seniority

Section 1. Seniority of any employee coming within this Agreement shall accumulate from the first day of employment with the COOPERATIVE. Illness, injury or military service in time of national emergency shall not be considered as a break in seniority.

Section 2. Promotions to positions in the bargaining unit, demotion, lay-offs, however, that employees have sufficient ability and qualifications to perform the work required. Employees who have been laid off shall be called back to work and placed on jobs which they can perform in accordance with their previous seniority. Employees so recalled must report to work within five (5) working days after being notified of such recall and advise the COOPERATIVE immediately of their intentions to report. In case of lay-offs, seniority need not be carried over twelve (12) months. This paragraph shall cover employees working with the COOPERATIVE at the time this Agreement goes into effect and all employees that become regular employees.

Section 3. In the event it becomes necessary to lay off one (1) employee and there are two (2) employees having relatively equal ability and seniority, one of whom must be laid off, the decision as to which of the two (2) employees shall be affected, the lay-off shall be made by the Job Steward and the Manager. COOPERATIVE shall give employee to be laid off a minimum of one week notification prior to lay off.

A seniority list shall be made up by the COOPERATIVE within sixty (60) days after the date of this Agreement. A copy shall be furnished to the Secretary of the UNION and a copy posted on the bulletin board. This list shall be open for correction for a period of thirty (30) days thereafter, and if any employee does not make a protest in writing to the COOPERATIVE, with a copy to the UNION, within such thirty (30) day period after posting of such list, his seniority shall be as shown on list. The seniority list shall be brought up to date once each six (6) months thereafter.

Section 4. Through the representation of the UNION, employees shall have the right to hearing on any differences of opinion as to the competency of any employee to fill a new position of vacancy, or promotion or demotion, of discipline administered or lay-offs, or discharge or of discrimination. Such hearing shall follow the established grievance procedure. This paragraph is not to be interpreted as meaning the Local UNION has the right to a hearing on the competency of new employees hired by the COOPERATIVE. New employees shall mean those employees who have worked for less than ninety (90) days.

#### ARTICLE VIII. Sick Leave

Section 1. Employees compelled to be absent from regular duties because of illness or accident shall be compensated at the regular straight time rate of pay as follows:

On January 1st of each year, each employee then having completed one (1) years prior service, with the COOPERATIVE, shall be compensated for the first twenty (20) days of such illness occurring during the prospective year. On January 1<sup>st</sup> of each year, each employee then having completed one (1) years prior service with the COOPERATIVE, shall be compensated for the first twenty (20) days of such illness and can accumulate up to sixty (60) days sick leave with applicable rate of pay.

Should the employee become ill in the first months after this agreement is executed, the employee shall receive the maximum credit of twenty (20) days - should he have been employed for at least one year. During the prospective year, employees with less than one (1) years service on January 1st of each year shall be compensated based on the number of months prior service with the COOPERATIVE at the rate of one and two-thirds days each months prior service. If an employee is off work due to illness, he shall contact the COOPERATIVE, if possible, and if the Board of Directors required a doctors certificate, it shall be at the expense of the COOPERATIVE.

Any I.B.E.W. employee, employed by BIG SANDY RECC for 10 years or longer is to be paid at his regular hourly rate of pay for all sick leave due him up to thirty (30) days if he is laid off because of lack of work; or, under the same conditions, will be paid at his regular hourly rate of pay for sick leave due him, up to a maximum of forty-five (45) days, only if he retires at age 62 or above.

However covered employees hired on and after January 1, 2008 shall receive up to a maximum of five (5) days per year up to a maximum of thirty (30) days sick leave. Any sick days not used during a calendar year may be carried over to next year, but not to exceed the maximum of thirty (30) days.

Personal Days - Full days only, for personal use. Must be approved in advance by Superintendent. Time will be charged to employee's accumulated sick leave account:

Year	#of Personal Days
2008	3 days
2009	3 days
2010	3 days

The number of personal days each employee has accumulated as of January 1, 2008, will be the maximum that will be accumulated. Such days and all days earned subsequent to January 1, 2008, must be used before an employee retires or leaves the employee of the COOPERATIVE.

Section 2. The COOPERATIVE agrees to continue in effect for the term of this Agreement its present group insurance programs so as to make available to all regular full-time employees who have completed their probationary period, the COOPERATIVE's basic group insurance plans, as modified below:

The COOPERATIVE shall have the right to change insurance carriers for any of the group insurance programs as set forth in this Article at any time so long as the group insurance coverage is substantially equivalent.

The contracts between the COOPERATIVE and insurance carriers will govern in all matters related to the insurance plans provided herein. The exact coverage and the conditions for coverage of the aforesaid insurance will be determined by the terms and conditions of the policy or contract, and the COOPERATIVE will not under any circumstances be liable as an insurer of any of the benefits to employees.

The COOPERATIVE agrees to pay the entire cost of hospitalization insurance now in existence for its employees and family (as modified below concerning spouses).

The COOPERATIVE and the UNION believe rising health care costs must be addressed in the interest of the COOPERATIVE members. Effective upon ratification of this Agreement,

COOPERATIVE bargaining unit employees will be required to notify the COOPERATIVE about health care coverage available to their spouse through their employer. If an employee's spouse has a health care plan available through their employer, they will be required to obtain such insurance provided if such coverage is reasonably comparable.

The COOPERATIVE will augment additional cost of this provision up to \$200.00 per month per employee for employee-only coverage upon proof of such additional cost. Dependents of employees will continue to be covered by the COOPERATIVE'S healthcare plan.

Additionally, the COOPERATIVE will provide an incentive program for employees who elect to be covered under another health care plan. The incentive program may be adjusted from time to time as determined by the COOPERATIVE with the understanding the employees may opt back in to the COOPERATIVE plan when they desire subject to the enrollment procedures of the existing health care plan.

Nothing herein will require employees to provide health care coverage to dependents in conflict with court ordered requirements.

A spouse who loses insurance from their employer will be added to the COOPERATIVE's health insurance program within thirty (30) days of notice of termination of such coverage. An employee who has a spouse covered by the COOPERATIVE's health insurance program shall certify in writing yearly, during the month of January, that the spouse continues to be unemployed or is not eligible for health insurance from their employer.

Employees hired on and after January 1, 2008 will, at the time of retirement receive employee-only health insurance from the COOPERATIVE until they become eligible for Medicare or the Medicare-type program in effect at that time.

Section 3. Any employee will be granted a leave of absence with pay at his base hourly rate for any three (3) consecutive scheduled workdays upon presentation of evidence satisfactory to the COOPERATIVE for attending the funeral of a member of his immediate family. Immediate family shall mean wife, children, mother, father, sister, brother, mother-in-law or father-in-law.

An employee will be granted a leave of absence with pay at his base hourly rate for any three (3) consecutive scheduled workdays upon presentation of evidence satisfactory to the COOPERATIVE for admittance of a member of his immediate household to the hospital, or one day leave of absence for emergency room treatment or outpatient surgery at the hospital. Household shall mean wife and children.

#### ARTICLE IX. General Provisions

Section 1. This Agreement sets out the entire understanding between the COOPERATIVE and the UNION with respect to the unit of employees described in this Agreement. Neither party intends to be bound or obligated except to the extent that it has expressly so agreed herein and this Agreement shall be strictly construed. Neither the UNION nor the COOPERATIVE shall use or attempt to use in any arbitration or in any legal proceeding of any kind under this Agreement or which involves this Agreement any concession or change in language or position which the COOPERATIVE made or agreed to in the course of the negotiations for this Agreement, and evidence of any such concession or change in language opposition on the COOPERATIVE's part shall be inadmissible. This Agreement applies only to the collective bargaining unit defined in this Agreement. None of the benefits, rights or privileges accorded by this Agreement to the UNION or to any employee covered by this Agreement shall survive the expiration or termination of this Agreement.

It is distinctly understood and agreed to by the UNION that the COOPERATIVE shall not be obligated, contractually or otherwise, to continue in effect any custom, practice or benefit unless it has contractually obligated itself to do.

Section 2. The EMPLOYER shall furnish adequate safety appliances, excepting safety belts, climbers, hot shoes and body tools, which shall be supplied by all new employees. The EMPLOYER will pay 100% cost on the second tool belt, safety, climbers and hot shoes purchased. Members of the UNION shall cooperate in every way to minimize accidents and shall at all times use every effort for the preservation of the safety appliances and tools and shall use them when needed.

Section 3. No less than five (5) men will be used when erecting poles of greater length than twenty-five (25) feet by hand. This does not include poles erected by mechanized equipment.

Section 4. When higher than 220 volts are to be worked the journeyman assigned to the job shall exercise his judgement in determining the need of journeyman helpers. When an employee is assigned to a service truck and is called out after 4:00 P.M. on call out work, the employee assigned to the service truck and the employer, shall exercise their judgement in determining assistance the employee might need.

Section 5. It is agreed that should any job classification be omitted from Article V, Section 1, or created after the signing of this Agreement the parties hereto shall meet and amend this Agreement to include such classifications.

Section 6. The COOPERATIVE acknowledges receipt of a copy of the Constitution of the International Brotherhood of Electrical Workers.

Section 7. Promotions to positions within the bargaining unit, demotions, lay-offs, or transfers shall be based on seniority and classification provided, however, that employees must have sufficient ability to perform the work required within the classifications.

Section 8. No employee within the bargaining unit will be requested to take time off in lieu of overtime pay. The COOPERATIVE shall be the sole judge as to the necessity of overtime work, and the employee shall be obligated to work overtime when requested to do so. When possible, this request shall be made two (2) days prior to scheduled overtime. Overtime shall be divided equally among the employees in the district who perform the classification of the work required to be done on overtime.

Section 9. The COOPERATIVE shall provide exclusive bulletin space for the UNION and shall be located in the storeroom where employees will see same when entering or leaving storeroom.

Section 10. When an employee (journeyman) is designated by the COOPERATIVE Superintendent, Manager or General Foreman to fill the vacancy of foreman and/or crew leader for eight (8) consecutive hours (full day) such acting foreman and/or crew leader shall be paid at the higher rate of the one whose place he fills.

Section 11. The COOPERATIVE agrees that if and when it contracts with private contractors to do any of its work, that said private contractor will be informed that there is an existing contract between the COOPERATIVE and the INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS (Local UNION No. 317) and it is the understanding that no contracts will be let to private contractors while Local 317 employees are laid off, if so, the employees laid off will be re-called and placed to work in the classification they were last employed. This contract applies to maintenance employees. Any new construction of ten (10)

miles or more shall be called construction and a new contract shall be agreed to for these construction workers.

Section 12. The COOPERATIVE agrees to purchase five (5) work uniforms, and one work jacket, or seven (7) pants and seven (7) shirts, no jacket, per year for its employees.

Section 13. Negotiations shall be held during the regular working day between the hours of 7:30 A.M. and 4:00 P.M. at no lost time to the Local UNION's negotiating committee. The COOPERATIVE and the UNION will alternate paying for such lost time by the local UNION negotiating committee, with the COOPERATIVE paying for such lost time in the first negotiating session, the UNION paying for such lost time in the second negotiating session, and alternatively the COOPERATIVE and the UNION thereafter.

Section 14. The Employer agrees that it will make deductions from the pay of each member within the bargaining unit on the basis of individually signed payroll deduction authorization forms and will pay over the aggregate of such deductions to the Financial Secretary of the Local UNION designated against his receipt therefore in the name of the Local UNION. The Employer agrees to make this deduction monthly, as designated in the individually signed payroll deduction authorization, and to send a check for the total amount, together with a list of the individuals names from whom the deductions were made designating the amount deducted on each form, plus a list of names of the employees removed from or added to the payroll during the current month to the Financial Secretary designated by the UNION on or before the last day of each month in which deductions are made.

The UNION agrees to save the EMPLOYER harmless from any action growing out of these deductions and commenced by any employee against the EMPLOYER and assumes full

responsibility for the disposition of the funds so deducted once they have been turned over to the Financial Secretary of the UNION.

Section 15. All linemen first class and service men will be trained in performing "hot work" and such training will be directed by the COOPERATIVE. Time during which employees are being trained to perform "hot work" will be paid at their regular rate of pay for the time in such training. The only exception to the requirement to be trained and perform "hot work" will be for employees who are within three (3) years of retirement as of January 1, 2008. On days employees are actually performing "hot work" and those employees on the crew performing such "hot work", will be paid one dollar (\$1.00) per hour, in addition to their regular rate for all hours worked on that day.

ARTICLE X. Termination.

Section 1. The COOPERATIVE and the UNION each acknowledge that this Agreement has been reached as a result of collective bargaining in good faith by both parties hereto, and that both parties hereto have had the unlimited opportunity during negotiations to submit and discuss proposals on all subjects which are bargainable matters. While it is the intent and purpose of the parties hereto that each of them shall fully perform all obligations by them to be performed in accordance with the terms of this Agreement, the UNION and the COOPERATIVE agree that the COOPERATIVE shall not be obligated to bargain collectively with the UNION during the term of this Agreement on any matter pertaining to rates of pay, wages, hours of employment, or other conditions of employment, and the UNION and the COOPERATIVE hereby specifically waive any right which it might otherwise have to request or demand such bargaining and acknowledges that the COOPERATIVE's obligations during the term of this Agreement shall be limited to the performance and discharge of its obligations under this Agreement.

Section 2. This Agreement when signed by the COOPERATIVE and the UNION of their authorized representatives, and approved by the International Office of the UNION, takes effect from February 6, 2008, and remains in effect until February 5, 2011.

Section 3. Either party desiring changes must notify the other party in writing at least sixty (60) days prior to December 31, of any year. Such notice shall indicate what changes are desired. However, changes can be made at any time by mutual consent.

ARTICLE XI. Miscellaneous

Section 1. The COOPERATIVE and UNION agree that medical leave shall be made available to employees in accordance with the provisions of and regulations issued in accordance with the Family and Medical Leave Act ("FMLA") of 1993. An employee who qualifies for FMLA leave must use all accumulated sick days, personal days and vacation days concurrent with the FMLA leave.

Section 2. The COOPERATIVE and the UNION agree that the provisions of this Agreement shall be applied to all employees without discrimination on the basis of race, color, religion, sex, national origin or age (40 and over) as set forth in Title VII of the Civil Rights Act of 1964, as amended, and the Age Discrimination in Employment Act of 1968, as amended, respectively.

As used in this Agreement, the term "he" shall apply to and describe the male and/or female gender.

IN WITNESS WHEREOF, the parties have hereunto set their hands on quintuplicate

copies this \_\_\_\_\_ day of \_\_\_\_\_, 2008.

Brent Gray

Billy Castle

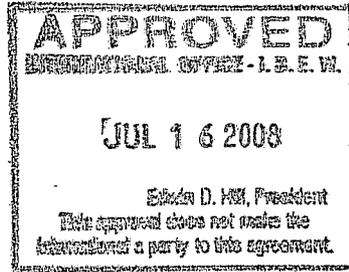
Mark Crider

Paul Herb

Bobby Sext

Joe Harris

Wade May



**IBEW  
LOCAL NO. 317  
January 1, 2002 through December 31, 2007**

AGREEMENT

Effective January 1, 2002

THIS AGREEMENT, made and entered into this 1st day of January, 2002, by and between the BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION of Paintsville, Kentucky, hereinafter referred to as the COOPERATIVE and LOCAL UNION NO. 317 of the INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, hereinafter referred to as the UNION, as the collective bargaining representatives for the employees of the COOPERATIVE in the classifications listed in Article V, Section 1, of this Agreement.

WITNESSETH:

WHEREAS, the COOPERATIVE and the UNION have a common and sympathetic interest in the electrical industry, and together with the Public, will benefit from harmonious working arrangements for the adjustments of differences by rational and common sense methods, and therefore, for the purpose of facilitating the peaceful adjustments of differences that may arise from time to time, and to promote harmony and efficiency to the end that the COOPERATIVE, the UNION and the GENERAL PUBLIC may be benefitted the parties hereto contract and agree with each other as follows:

TO WIT; ARTICLE I. Recognition

Section 1. The UNION is hereby recognized as the sole exclusive bargaining agent for the collective bargaining

purposes covering wages, hours and conditions of employment for all employees within the bargaining unit in view of the UNION'S certification by the N.L.R.B on the second day of June, 1950, in Case No. 9-RC-822.

Section 2. The UNION shall have the right to refer to the grievance procedure therein any complaint that the hiring policies of the EMPLOYER are discriminatory or unfair.

Section 3. The direction of the working force and the right to hire is lodged exclusively in the EMPLOYER, provided there is no discrimination and nothing is done in violation of this Agreement. All new employees shall be hired on a temporary basis, not to exceed 90 working days.

Section 3. (a) All employees who are members of the Union on the effective date of this Agreement shall be required to remain members of the Union in good standing as a condition of employment within ninety (90) working days following dates of their employment or effective date of the Agreement, whichever is later. Any such workmen shall receive at least the minimum wages and work under the terms and conditions of this Agreement, with the exception of being covered under the fringe benefits of the Agreement. A new employee shall be employed for a period of six months from the date of hiring before becoming covered under the fringe benefit package. Fringe benefits shall mean, sick leave, vacation, holidays, insurance, hospitalization, retirement

benefits, and funeral leave. Seniority shall begin or commence at the date of hiring. The Cooperative shall be required to make all payments required by law.

ARTICLE II. Grievance Procedure

Section 1. Any complaint, grievance or dispute that may arise with respect to the application or performance of this Agreement between the COOPERATIVE and the UNION or its members shall be taken up for settlement in the simplest and most direct manner. Except whereby mutual consent another procedure is agreed upon, such matters shall be handled in accordance with the following:

1. Between the employee or employees concerned, together with the UNION'S steward if so desired, and the foreman or immediate supervisor of the aggrieved employee.

2. Should any matter not be adjusted in the 1st step above within forty-eight (48) hours, exclusive of Sundays and holidays, it shall be reduced to writing and referred to the Manager of the EMPLOYER and the Business Manager of the UNION.

3. All questions or disputes which are not adjusted as a result of the above procedure shall then be referred to a Joint Conference Committee of three (3) representatives of the UNION and three (3) representatives of the EMPLOYER. Each party shall have the privilege of changing representatives upon the proper notice to the other party.

The Joint Conference Committee shall meet within forty-eight (48) hours after such notice is given either party. It shall select its own secretary and chairman.

4. If not satisfactorily adjusted after exhausting all of the above steps, the grievance or complaint shall be referred to arbitration provided such grievance involves an interpretation of the meaning or application of the terms of the Agreement, according to the following procedures; within five (5) days, the parties shall jointly request the Federal Mediation and Conciliation Service to appoint a third member, both parties to be bound by such appointment. Each party shall defray the expenses of its own member of the Board of Arbitration and the fee and expenses of the third member shall be born equally by the parties, together with any incidental or general expenses in connection with the arbitration mutually agreed upon in advance. The majority decision of the Board shall be final and binding on both parties.

Section 2. If, after investigation, the employee or employees are found to have been unjustly terminated or suspended such employee shall be reinstated without loss of seniority or pay from all time lost.

Section 3. The UNION agrees that it will not authorize a strike or work stoppage and the EMPLOYER agrees that he will not engage in a lockout because of any proposed changes

in this Agreement. The UNION further agrees that it will take every reasonable means which are within its power to induce employees who are members of the UNION, and subject to its discipline, engage in a strike or work stoppage in violation of this Agreement to return to work. There shall be no responsibility for the part of the UNION, its officers, representatives or affiliates for any strike or other interruptions of work unless specifically provided in this paragraph. In the event of any unauthorized strike which is defined as a strike not authorized by the UNION, the UNION agrees that the EMPLOYER shall have the right to suspend, discipline or discharge the employee or employees responsible for or participating in the strike, notwithstanding any other provisions of this contract to the contrary. All questions, disputes or controversies under this Agreement shall be settled and determined solely and exclusively by the conciliation and arbitration procedures provided in this Agreement.

ARTICLE III. Vacation

Section 1. All employees within the bargaining unit shall be entitled to and shall receive vacations each year. The vacation for all those employees who have been regularly employed by the BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION for one year shall receive one (1) week or forty (40) hours vacation with pay and for those employees employed

two (2) years to ten (10) years, three (3) weeks or one hundred twenty (120) hours. After ten (10) years employees shall receive an additional day of vacation for each year of employment with the COOPERATIVE.

Section 2. The vacation period of each employee shall be set by the EMPLOYER with due respect to the desire, seniority and preference of the employee consistent with the efficient operation of the BIG SANDY RURAL ELECTRIC COOPERATIVE. Employee will enter request to Management for vacation thirty (30) days prior to the date vacation is to start.

Section 3. If a vacation day falls on a holiday, another day shall be granted in lieu thereof.

Employees who leave the service of the COOPERATIVE and have a vacation due them, shall be compensated in pay the amount that has accrued up to the date of severance.

Section 4. Crew leaders, with eighteen (18) months seniority, as crew leaders, shall be paid his appropriate rate while on vacation or sick leave.

#### ARTICLE IV. Hours and Overtime

Section 1. Eight (8) hours work, between the hours of 7:30 a.m. and 4:00 p.m. with not more than thirty (30) minutes for a lunch period. When men are called out before or after the regularly scheduled working hours, or a troubleman after his regular quitting time, they shall

receive not less than two (2) hours time at the rate of time and one-half, except that if they worked longer than two (2) hours they shall receive time and one-half for the entire time worked until the regular scheduled work day begins, after which time the regular rate of pay will become effective. Overtime to begin at the time the employee is called out and ends when he reports back. When called out on Sunday and legal holidays, they shall receive not less than two (2) hours time at the rate of time and one-half except that if they work longer than two (2) hours, they shall receive time and one-half for the entire time worked. Overtime to begin at the time of calling the employees out and ends when he reports back. All employees used shall be reimbursed for room and board occurring on all emergency work. It shall be the responsibility of the Manager of the COOPERATIVE to keep an accurate overtime list, and to distribute the overtime among the qualified employees in their classification as equal as possible, and to post said overtime list on the bulletin board before the tenth of each month, for the previous month.

Section 2. For all employees covered by this Agreement, except as later provided, the regular work week shall be Monday through Friday. The regular work week shall not exceed forty (40) hours, and the regular work day shall not exceed eight (8) hours. All work in the excess of regularly

scheduled hours in any one day or in any one week shall be paid at the rate of time and one-half (1 1/2). The COOPERATIVE shall give the employee three days prior notice for Saturday work except for breakdowns.

Section 3. The following days shall be recognized as paid holidays at the employee's straight time rate of pay, provided the holiday falls on a regular work day, or the holiday is recognized to fall on a regularly scheduled work day: New Years Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Day after Thanksgiving, Christmas Eve and Christmas Day. Holidays falling on Saturday or Sunday will be observed as the Nation observes them. Time and one-half to be paid in addition for all work performed on such holidays.

Section 4. Employees shall not be required to work outside during inclement weather except to restore service because of emergency conditions. Employees shall be assigned to work inside or under shelter during such weather. Such assignments shall not be for more than the regular work day or work week. Thus the employee is assured of a full week's pay.

#### ARTICLE V. Wages

Section 1. Effective January 1, 2002, the following schedule shall apply to employees according to individual and appropriate occupational classifications. This means

payments in accordance with the following schedule:

Employees will be paid biweekly, which is every two weeks (i.e. every other Friday). If the payday falls on a holiday, the employee will be paid on the day before the holiday.

CLASSIFICATION

EFFECTIVE 1/1/02 thru 12/31/07

	<u>1<sup>st</sup> year</u> 4%	<u>2<sup>nd</sup> year</u> 3%	<u>3<sup>rd</sup> year</u> 3%	<u>4<sup>th</sup> year</u> 3%	<u>5<sup>th</sup> year</u> 3%	<u>6<sup>th</sup> year</u> 4%
Lineman, 1 <sup>st</sup> class (with less than 1 year experience with the company)	\$19.64	\$20.23	\$20.84	\$21.47	\$22.11	\$22.99
Serviceman, Journeman/Lineman	\$20.54	\$21.16	\$21.79	\$22.44	\$23.11	\$24.03
Lineman, 1 <sup>st</sup> class (with 1 year or longer experience with the company)	\$20.31	\$20.92	\$21.55	\$22.20	\$22.87	\$23.78
Transformer, Meterman Srviceman Journeyman w/license	\$21.48	\$22.12	\$22.78	\$23.46	\$24.16	\$25.13
Assistant Transformer Meterman Serviceman	\$20.66	\$21.28	\$21.92	\$22.58	\$23.26	\$24.19
Assistant Staking Engineer	\$20.54	\$21.16	\$21.79	\$22.44	\$23.11	\$24.03
Assistant Staking Engineer Helper	\$20.31	\$20.92	\$21.55	\$22.20	\$22.87	\$23.78
Warehouseman	\$20.27	\$20.88	\$21.51	\$22.16	\$22.82	\$23.73
Crew Leader	\$22.44	\$23.11	\$23.80	\$24.51	\$25.25	\$26.26
Right of Way	\$ 7.50	\$ 7.73	\$ 7.96	\$ 8.20	\$ 8.45	\$ 8.79

EFFECTIVE 1/1/02 thru 12/31/07

	<u>1<sup>st</sup> year</u> 4%	<u>2<sup>nd</sup> year</u> 3%	<u>3<sup>rd</sup> year</u> 3%	<u>4<sup>th</sup> year</u> 3%	<u>5<sup>th</sup> year</u> 3%	<u>6<sup>th</sup> year</u> 4%
<u>APPRENTICES</u> (Lineman, Serviceman and Meterman)						
1 <sup>st</sup> 6 months	\$15.74	\$16.21	\$16.70	\$17.20	\$17.72	\$18.43
2 <sup>nd</sup> 6 months	\$16.48	\$16.97	\$17.48	\$18.00	\$18.54	\$19.28
2 <sup>nd</sup> year	\$17.33	\$17.85	\$18.39	\$18.94	\$19.51	\$20.29
3 <sup>rd</sup> year	\$17.90	\$18.44	\$18.99	\$19.56	\$20.15	\$20.96
4 <sup>th</sup> year	\$18.97	\$19.54	\$20.13	\$20.73	\$21.35	\$22.20
Thereafter	\$20.31	\$20.92	\$21.55	\$22.20	\$22.87	\$23.78
<u>GROUNDMAN</u>						
1 <sup>st</sup> 6 months	\$13.98	\$14.40	\$14.83	\$15.27	\$15.73	\$16.36
2 <sup>nd</sup> 3 months	\$14.45	\$14.88	\$15.33	\$15.79	\$16.26	\$16.91
2 <sup>nd</sup> 6 months	\$15.24	\$15.70	\$16.17	\$16.66	\$17.16	\$17.85
2 <sup>nd</sup> year	\$16.10	\$16.58	\$17.08	\$17.59	\$18.12	\$18.84
3 <sup>rd</sup> year	\$16.48	\$16.97	\$17.48	\$18.00	\$18.54	\$19.28
4 <sup>th</sup> year	\$17.15	\$17.66	\$18.19	\$18.74	\$19.30	\$20.07
Thereafter	\$17.48	\$18.00	\$18.54	\$19.10	\$19.67	\$20.46

Right-of-Way (Crew Leader 25 cents above employees present rate of pay.)

Either party may reopen this Agreement for negotiations by giving written notice of its intent to negotiate at least sixty (60) days prior to December 31, 2007.

A mechanic may be hired at the following rate of \$10.00 per hour, and under the following conditions: The employer may set the starting and quitting time, the first eight (8) hours worked will be the straight time rate of pay, any time worked past eight (8) hours will be at the time and one-half rate of pay. All other overtime and fringe benefit payments afforded other employees under the terms of this Agreement will apply to the mechanic. It is the understanding between both parties Local 317 and BIG SANDY RECC, that a mechanic is not to infringe on any other classifications work. Effective January 1, 2002, existing mechanic will be paid at a scale of Lineman 1st Class with less than 1 year experience with the company. Any new mechanic hired after January 1, 2002 will be paid at \$10.00 per hour.

Right of way crew may become IBEW members, and receive equal benefits.

A right of way employee may be hired at the following rate of \$4.25 per hour and under the following conditions:

The first eight (8) hours worked will be the straight time rate of pay, and time worked past eight (8) hours will be the time and one half rate of pay. All other overtime and

fringe benefit payments afforded other employees under the terms of this agreement will apply to the right of way employees. It is the understanding between both parties Local 317 and BIG SANDY RECC, that the right of way employees are not to infringe on any other classifications work.

It is understood by Local 317 that BIG SANDY RECC will retain the right to employ temporary right of way employees.

Apprentices shall mean either apprentice lineman or apprentice meterman. Apprentice lineman shall be advanced only on a basis of the time served and ability. Recommendations for advancement shall be initialed by the Union Labor Committee and submitted to Committee representing the EMPLOYER for approval. It is understood that if a groundman is advanced to an apprentice, that the time served as groundman up to and including two (2) years shall apply to his apprenticeship rating.

It is mutually understood between both parties that the EMPLOYER will contribute an amount equal to five percent (5%) of the employees monthly salary, toward purchasing a retirement plan for the employee with a reputable insurance company.

Section 2. Christmas Bonus. The union employees shall receive a Christmas Bonus equal to office employees.

Section 3. Right-Of-Way. COOPERATIVE may use consumers to cut right-of-way, with I.B.E.W. supervision, if no

I.B.E.W. employees are laid off or if consumer does not replace I.B.E.W. member.

If I.B.E.W. members (COOPERATIVE employees) cut right of way, employees will be paid at employees classification rate.

#### ARTICLE VI. Apprentices

Section 1. (a) An apprentice lineman is one who is learning line work and must serve as such for four (4) years before becoming a journeyman lineman. An apprentice working voltage in excess of 440 volts must be under the direct supervision of a journeyman.

Section 1. (b) An apprentice promoted from a lower rating to a higher rating, prior to promotion shall be required to take the I.B.E.W. test before promotion is put in effect and the COOPERATIVE Manager shall be advised by the Union of such test.

Section 2. The ratio of apprentices to journeyman shall not be more than two (2) apprentices to one (1) journeyman or fraction thereof. Foreman to be counted as journeyman. No journeyman shall be displaced by an apprentice.

#### ARTICLE VII. Seniority

Section 1. Seniority of any employee coming within this Agreement shall accumulate from the first day of employment with the COOPERATIVE. Illness, injury or military service in time of national emergency shall not be considered as a break

in seniority.

Section 2. Promotions to positions in the bargaining unit, demotion, lay-offs, however, that employees have sufficient ability and qualifications to perform the work required. Employees who have been laid off shall be called back to work and placed on jobs which they can perform in accordance with their previous seniority. Employees so recalled must report to work within five (5) working days after being notified of such recall and advise the COOPERATIVE immediately of their intentions to report. In case of lay-offs, seniority need not be carried over twelve (12) months. This paragraph shall cover employees working with the COOPERATIVE at the time this Agreement goes into effect and all employees that become regular employees.

Section 3. In the event it becomes necessary to lay off one (1) employee and there are two (2) employees having relatively equal ability and seniority, one of whom must be laid off, the decision as to which of the two (2) employees shall be affected, the lay-off shall be made by the Job Steward and the Manager. COOPERATIVE shall give employee to be laid off a minimum of one week notification prior to lay off.

A seniority list shall be made up by the COOPERATIVE within sixty (60) days after the date of this Agreement. A copy shall be furnished to the Secretary of the UNION and a

copy posted on the bulletin board. This list shall be open for correction for a period of thirty (30) days thereafter, and if any employee does not make a protest in writing to the COOPERATIVE, with a copy to the UNION, within such thirty (30) day period after posting of such list, his seniority shall be as shown on list. The seniority list shall be brought up to date once each six (6) months thereafter.

Section 4. Through the representation of the UNION, employees shall have the right to hearing on any differences of opinion as to the competency of any employee to fill a new position of vacancy, or promotion or demotion, of discipline administered or lay-offs, or discharge or of discrimination. Such hearing shall follow the established grievance procedure. This paragraph is not to be interpreted as meaning the Local Union has the right to a hearing on the competency of new employees hired by the COOPERATIVE. New employees shall mean those employees who have worked for less than ninety (90) days.

#### ARTICLE VIII. Sick Leave

Section 1. Employees compelled to be absent from regular duties because of illness or accident shall be compensated at the regular straight time rate of pay as follows:

On January 1st of each year, each employee then having completed one (1) years prior service, with the COOPERATIVE,

shall be compensated for the first twenty (20) days of such illness occurring during the prospective year.

On January 1st of each year, each employee then having completed one (1) years prior service with the COOPERATIVE, shall be compensated for the first twenty (20) days of such illness and can accumulate up to sixty (60) days sick leave with applicable rate of pay.

Should the employee become ill in the first months after this agreement is executed, the employee shall receive the maximum credit of twenty (20) days - should he have been employed for at least one year. During the prospective year, employees with less than one (1) years service on January 1st of each year shall be compensated based on the number of months prior service with the COOPERATIVE at the rate of one and two-thirds days each months prior service. If an employee is off work due to illness, he shall contact the COOPERATIVE, if possible, and if the Board of Directors required a doctors certificate, it shall be at the expense of the COOPERATIVE.

Any I.B.E.W. employee, employed by BIG SANDY RECC for 10 years or longer is to be paid at his regular hourly rate of pay for all sick leave due him up to thirty (30) days if he is laid off because of lack of work; or, under the same conditions, will be paid at his regular hourly rate of pay for sick leave due him, up to a maximum of forty-five (45)

days, only if he retires at age 62 or above.

Personal Days - Full days only, for personal use. Must be approved in advance by Superintendent. Time will be charged to employee's accumulated sick leave account:

<u>Year</u>	<u># of Personal Days</u>
2002	3 days
2003	3 days
2004	3 days
2005	3 days
2006	3 days
2007	3 days

Unused days may be carried over to the following year.

Section 2. The COOPERATIVE agrees to pay the entire cost of hospitalization insurance now in existence for its employees and family. Effective November 1, 1972, the COOPERATIVE agrees to pay the entire cost of the retirement insurance now in effect for the employees.

Section 3. Any employee will be granted a leave of absence with pay at his base hourly rate for any three (3) consecutive scheduled workdays upon presentation of evidence satisfactory to the COOPERATIVE for attending the funeral of a member of his immediate family. Immediate family shall mean wife, children, mother, father, sister, brother, mother-in-law or father-in-law.

An employee will be granted a leave of absence with pay at his base hourly rate for any three (3) consecutive scheduled workdays upon presentation of evidence satisfactory to the COOPERATIVE for admittance of a member of his

immediate household to the hospital, or one day leave of absence for emergency room treatment or outpatient surgery at the hospital. Household shall mean wife and children.

ARTICLE IX. General Provisions

Section 1. All existing practices of the COOPERATIVE for the benefit and welfare of the employees, as of September 29, 1957, not specifically covered by the terms of this Agreement shall be continued until such time as, for just and lawful cause, the COOPERATIVE finds it necessary to change them. Should such change become necessary, the COOPERATIVE shall notify the UNION in advance and if the UNION so desires, it may negotiate concerning such matters.

Section 2. The EMPLOYER shall furnish adequate safety appliances, excepting safety belts, climbers, hot shoes and body tools, which shall be supplied by all new employees. The EMPLOYER will pay 100% cost on the second tool belt, safety, climbers and hot shoes purchased. Members of the UNION shall cooperate in every way to minimize accidents and shall at all times use every effort for the preservation of the safety appliances and tools and shall use them when needed.

Section 3. No less than five (5) men will be used when erecting poles of greater length than twenty-five (25) feet by hand. This does not include poles erected by mechanized equipment.

Section 4. When higher than 220 volts are to be worked

the journeyman assigned to the job shall exercise his judgement in determining the need of journeyman helpers. When an employee is assigned to a service truck and is called out after 4.00 P.M. on call out work, the employee assigned to the service truck and the employer, shall exercise their judgement in determining assistance the employee might need.

Section 5. It is agreed that should any job classification be omitted from Article V, Section 1, or created after the signing of this Agreement the parties hereto shall meet and amend this Agreement to include such classifications.

Section 6. The COOPERATIVE acknowledges receipt of a copy of the Constitution of the International Brotherhood of Electrical Workers.

Section 7. Promotions to positions within the bargaining unit, demotions, lay-offs, or transfers shall be based on seniority and classification provided, however, that employees must have sufficient ability to perform the work required within the classifications.

Section 8. No employee within the bargaining unit will be requested to take time off in lieu of overtime pay. The COOPERATIVE shall be the sole judge as to the necessity of overtime work, and the employee shall be obligated to work overtime when requested to do so. When possible, this request shall be made two (2) days prior to scheduled

overtime. Overtime shall be divided equally among the employees in the district who perform the classification of the work required to be done on overtime.

Section 9. The COOPERATIVE shall provide exclusive bulletin space for the UNION and shall be located in the storeroom where employees will see same when entering or leaving storeroom.

Section 10. When an employee (journeyman) is designated by the COOPERATIVE Superintendent, Manager or General Foreman to fill the vacancy of foreman and/or crew leader for eight (8) consecutive hours (full day) such acting foreman and/or crew leader shall be paid at the higher rate of the one whose place he fills.

Section 11. The COOPERATIVE agrees that if and when it contracts with private contractors to do any of its work, that said private contractor will be informed that there is an existing contract between the COOPERATIVE and the INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS (Local Union No. 317) and it is the understanding that no contracts will be let to private contractors while Local 317 employees are laid off, if so, the employees laid off will be re-called and placed to work in the classification they were last employed. This contract applies to maintenance employees. Any new construction of ten (10) miles or more shall be called construction and a new contract shall be agreed to for these

construction workers.

Section 12. The COOPERATIVE agrees to purchase five (5) work uniforms, and one work jacket, or seven (7) pants and seven (7) shirts, no jacket, per year for its employees.

Section 13. Negotiations shall be held during the regular working day between the hours of 7:30 A.M. and 4:00 P.M. at no lost time to the Local Union's negotiating committee. The COOPERATIVE and the UNION will alternate paying for such lost time by the local UNION negotiating committee, with the COOPERATIVE paying for such lost time in the first negotiating session, the UNION paying for such lost time in the second negotiating session, and alternatively the COOPERATIVE and the UNION thereafter.

Section 14. The Employer agrees that it will make deductions from the pay of each member within the bargaining unit on the basis of individually signed payroll deduction authorization forms and will pay over the aggregate of such deductions to the Financial Secretary of the Local Union designated against his receipt therefore in the name of the Local Union. The Employer agrees to make this deduction monthly, as designated in the individually signed payroll deduction authorization, and to send a check for the total amount, together with a list of the individuals names from whom the deductions were made designating the amount deducted

on each form, plus a list of names of the employees removed from or added to the payroll during the current month to the Financial Secretary designated by the UNION on or before the last day of each month in which deductions are made.

The UNION agrees to save the EMPLOYER harmless from any action growing out of these deductions and commenced by any employee against the EMPLOYER and assumes full responsibility for the disposition of the funds so deducted once they have been turned over to the Financial Secretary of the UNION.

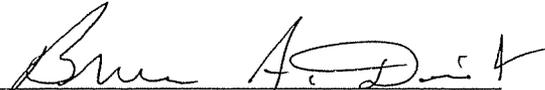
ARTICLE X. Termination

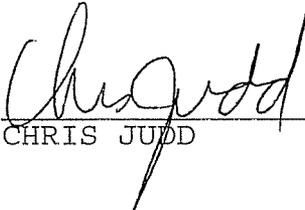
Section 1. This Agreement when signed by the COOPERATIVE and the UNION of their authorized representatives, and approved by the International Office of the Union, takes effect from January 1, 2002, and remains in effect until December 31, 2007. It shall continue for six (6) years as set out in the schedule of CLASSIFICATIONS unless changed in the way later provided.

Section 2. Either party desiring changes must notify the other party in writing at least sixty (60) days prior to December 31, of any year. Such notice shall indicate what changes are desired. However, changes can be made at any time by mutual consent.

IN WITNESS WHEREOF, the parties have hereunto set their hands on quintuplicate copies this 18th day of May, 2001.

  
KIRBY W CASTLE

  
WITNESSED BY: BRUCE DAVIS  
MANAGER

  
CHRIS JUDD

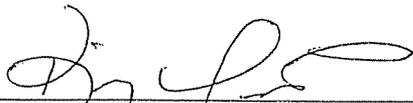
  
JOHN ED SHEPHERD, CHAIRMAN

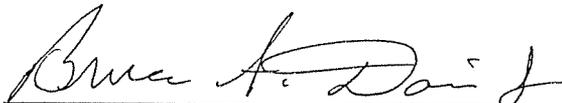
  
ROGER AKERS

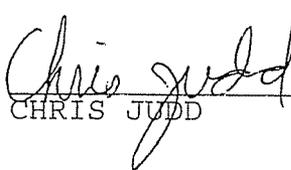
  
JOE HARRIS, SECRETARY

\_\_\_\_\_  
BRENT GRAY  
BUSINESS MANAGER

IN WITNESS WHEREOF, the parties have hereunto set their hands on quintuplicate copies this 18th day of May, 2001.

  
KIRBY W CASTLE

  
WITNESSED BY: BRUCE DAVIS  
MANAGER

  
CHRIS JUDD

  
JOHN ED SHEPHERD, CHAIRMAN

  
ROGER AKERS

  
JOE HARRIS, SECRETARY

  
BRENT GRAY  
BUSINESS MANAGER

**APPROVED**  
INTERNATIONAL OFFICE - I. B. E. W.  
JAN 28 2002  
Edwin D. HSL, President  
This approval does not make the  
International a party to this agreement.