

ORIGINAL

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE
COMMISSION
BIG SANDY RECC, CASE NO. 2010-00516
APRIL 25, 2011

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COMMISSION

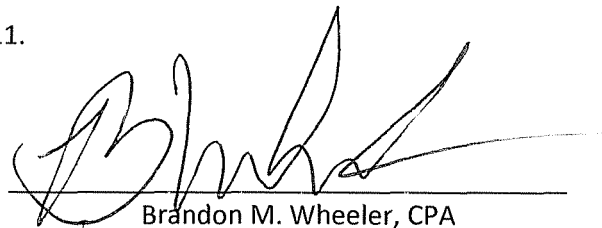
COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In The Matter Of Case No. 2010-00516:

AFFIDAVIT

Brandon M. Wheeler, CPA, being duly sworn states that he is the person who prepared and compiled Exhibit V through Z of Big Sandy RECC's responses dated April 25th, 2011 in Case No. 2010-00516; that he has read the same and knows the contents thereof; that the matters stated therein are true and correct to the best of his knowledge and belief.

Witness my signature this 26th day of April, 2011.



Brandon M. Wheeler, CPA

Subscribed and sworn to before me by Brandon M. Wheeler, CPA this 26th day of April, 2011.



Notary Public, State at Large

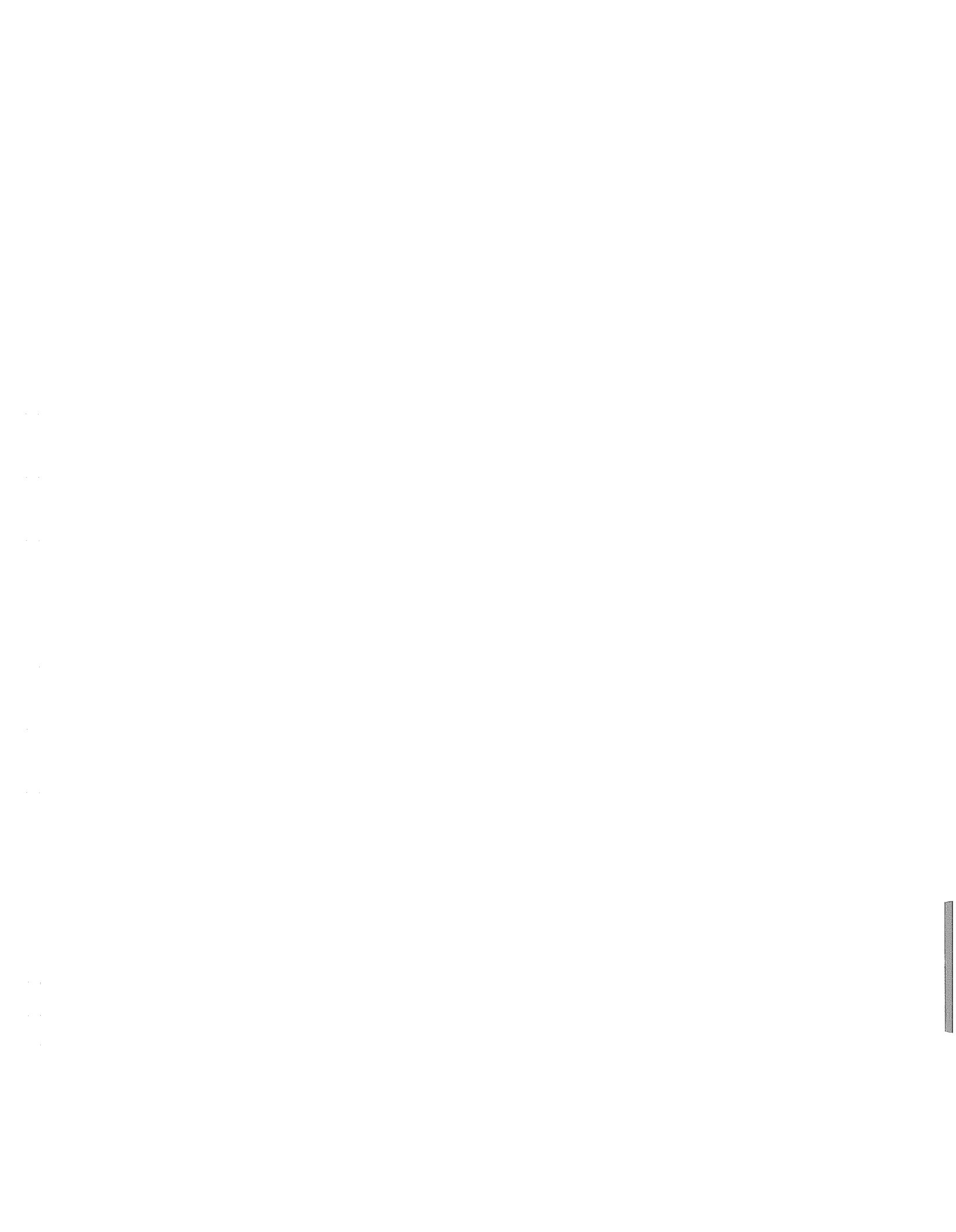
My commission expires: 4/12/12

BIG SANDY RECC
CASE NO. 2010-00516
April 25, 2011

Responses to Commission Questions.....Exhibit V
Big Sandy Estimated Property Taxes.....Exhibit W
Revised Balance Sheet 09/30/2010.....Exhibit X
Revised Schedule of O/S Debt 09/30/2010.....Exhibit Y
Financial Statements as of 03/31/2011.....Exhibit Z

The witness for all the above items is:

Brandon M. Wheeler, CPA



Big Sandy Rural Electric Cooperative Corporation

Responses to Commission Questions

April 25, 2011

1. In a letter received by the Commission on March 22, 2011, it was stated that “the administrative offices and payment center will remain at its present location.” Explain whether Big Sandy plans on retiring the existing warehouse and associated land once the new operations center is constructed.

Existing warehouse will be retired. The land will remain on the books.

- a. If the answer to item 1 is yes:
 1. Provide the amount that will be retired from Big Sandy’s books in A/C 390.10 – Structures & Improvements. **The amount that will be retired from account 390.10 –Structures and Improvements, for the warehouse is \$244,417.44.**
 2. Provide the amount that will be retired from Big Sandy’s books in A/C 389.00 – Land & Land Rights. **None**
 3. If the warehouse and land are to be sold, does Big Sandy anticipate any Gain/Loss on Disposition of Property? **Land and Warehouse will not be sold.**
 4. Provide the square footage of the current warehouse and acreage of the associated land. **Big Sandy’s current facilities are located on approximately 2.3 acres of property. This property contains an administration building, garage, and warehouse. The warehouse is located on approximately 7/10 acre which has an elevation drop of 10-14 feet. Due to the elevation, this portion of property is subject to flooding and is often saturated. The warehouse is a two story building with 2856 square feet on both levels. There is an adjoining tin covered storage shed of 988 square feet.**
- b. If the answer to item 1 is no, explain how Big Sandy will continue to use the present warehouse in the future. **Warehouse will be demolished, use of land has not been determined at this time.**
- c. State whether any remediation of the flooding problem was evaluated and the projected cost of such remediation. **Big Sandy evaluated the possibility of filling existing land at its main office, and to construct a new warehouse, however, part of the flooding problem lies with the City of Paintsville and their drainage system surrounding Big Sandy RECC’s existing lot. Big Sandy RECC cannot fill the City’s land or make improvements to the City’s drainage system. In March 2007, Big Sandy RECC**

contracted SA Architecture, Inc., to study our existing facilities and help design a solution to our warehouse problem and our need for additional office space and material storage space. According to their findings and estimates, the cost associated with site work to our existing land was \$275,000, if the City of Paintsville would approve the project. Costs associated with a new warehouse were estimated at \$1,020,000, with another 20% for contingencies and fees, which equaled \$259,000. Total costs for this project were \$1,554,000, and this option still didn't address the need for additional office space and acreage for material storage.

2. In the letter received by the Commission on March 22, 2011, it was stated that "Big Sandy has acquired 2.3 acres of property located 1.9 miles south from our Main Office complex on Kentucky Route 321." In the application, three acres of property was purchased October 12, 2010 for the new operations center. The letter also states that "the cost of the property and the site preparation is estimated at \$250,000."
 - a. What is the assessed or appraised value of the 2.3 acres and the purchase amount? **Purchase price was \$215,000, PVA assessed value is \$153,500. No appraisal was performed.**
 - b. Provide the name of the seller of the property. State whether the seller of the property has any affiliation with Big Sandy's officers, employees or board members, and the nature of the affiliation. **James Matney, no affiliation.**
 - c. Describe, in general, the evaluation process of determining the location and size of the property for the new operations center. **Land was evaluated based on availability, distance from main office, and sufficient space for new operations center.**
3. Explain whether the \$1.418 million cost of the new operations center includes needed office furniture and equipment, stores equipment, garage equipment, or other types of equipment and furnishings required in the day-to-day operations. **No, this is the estimated cost of construction only.**
 - a. If yes, provide a listing of included equipment including costs. **N/A**
 - b. If the answer to item 3 is no, provide a detailed listing of items and cost to properly stock the operations center with needed furnishings and equipment, and how will this cost be accounted for and financed. **The following is a list of estimated furnishings and equipment needed to properly stock the new operations center:**

Office furniture – 6 offices	\$ 10,000
Warehouse shelving & storage	\$ 20,000
Garage lifts and equipment	\$ 10,000
Miscellaneous	\$ 20,000
Total	\$ 60,000

4. Explain the amount of the annual depreciation expense and how the annual amount of depreciation expense was determined for the new operations center. **These costs will be**

- properly capitalized and financed through general funds based on the estimated cost of \$1,565,981 *.025 = \$39,149.53 annually for 40 years.**
5. Explain whether Big Sandy pays any property tax on in-service plant property and equipment since none was shown in the Application, Exhibit 2, Page 3 of 3, the Income Statement (Period from 10/2009 to 09/2010) in Tax Expense – Property & Gross Receipts. **Big Sandy pays property taxes each year in October. These amounts are accrued for during the year and are expensed to accounts: 107.21, 163, 583, 586, 587 and 930.**
 - a. If property tax is paid, how much was paid during the period of October 2009 to September 2010 for the existing warehouse and what account was charged? **Taxes paid on the warehouse:**
 - **City of Paintsville - \$69.60**
 - **Johnson County - \$725.21**
 - b. Explain what the annual estimated property taxes will be on the new operations center. **See Exhibit W.**
 - c. If no property taxes were paid by Big Sandy during this time period, explain why not. **N/A**
 6. The application states that 100 percent of the financing for this work will be with United States Rural Utilities Services (“RUS”).
 - a. Explain whether financing has been sought and approved by RUS. If not, explain Big Sandy’s time line for requesting and receiving approval of financing. **Funds will be financed by RUS with existing available “encumbered” loan funds.**
 - b. What will the approximate rate of interest be on this debt? **Current debt rates offered through RUS:**

• 1-Year	0.24%
• 5-Year	2.15%
• 10-Year	3.43%
• 20-Year	4.24%
• 30-Year	4.47%

Note> These rates change daily.

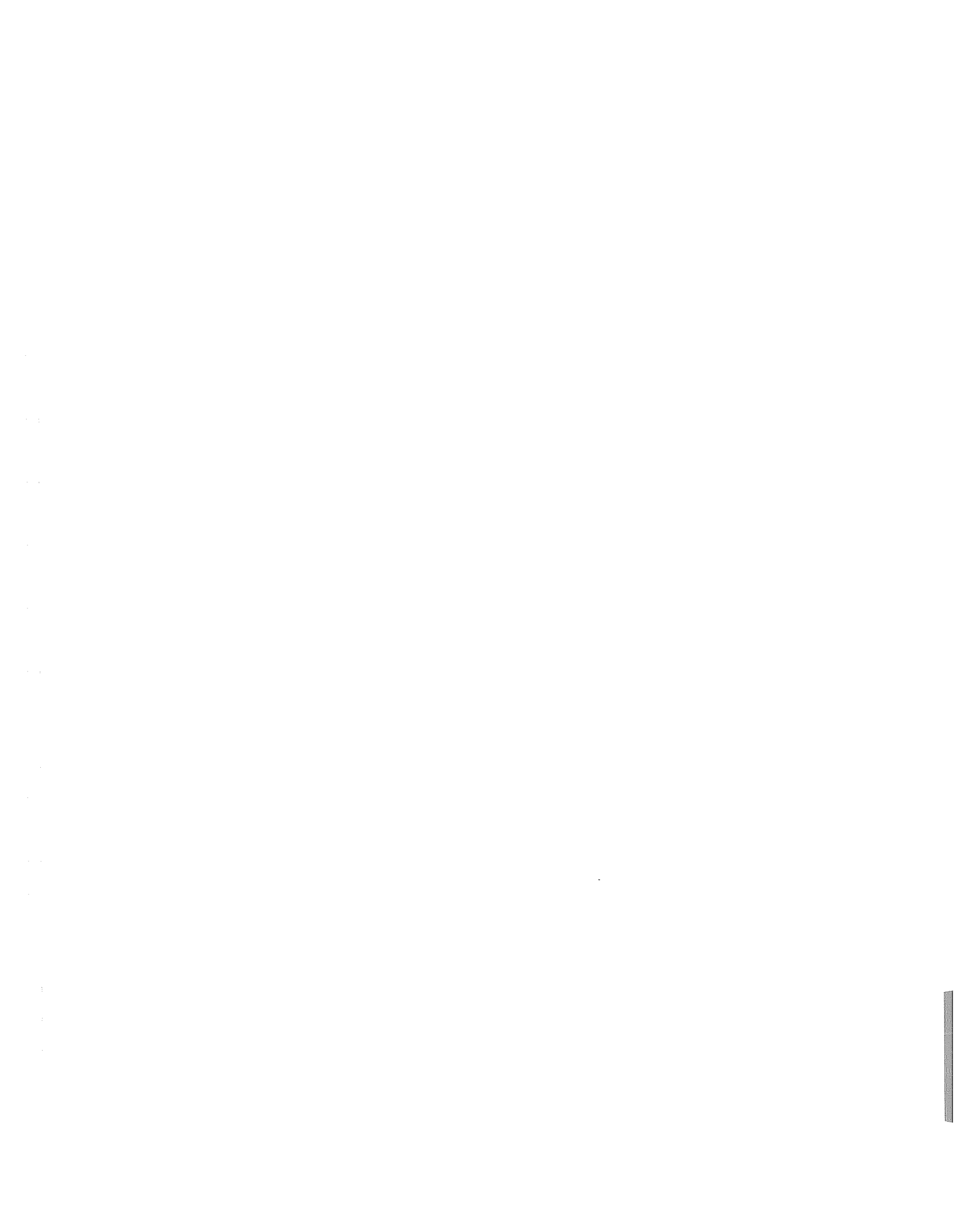
7. The projected cost of the operations center is \$1.418 million and is to be financed with RUS. Based on information presented in the Application, Exhibit 3, Page 2 of 3, Account 131.12 (Cash General Citizens Gen Check) has a negative balance of \$199,055.20 as of 09/30/2010. Also, there are two accounts in Account 136 (Temporary Investments) with a total balance of \$908363 as of 09/30/2010. **The previous Balance Sheet provided in the application, exhibit 3, which shows a negative cash balance, was produced in error. The revised Balance Sheet as of 9/30/2010 is shown as Exhibit X.**
8. Confirm that the account balance in Account 231.00 – Notes Payable is a positive or debit balance as of 09/30/2010. If the answer is yes and the account balance is positive or debit balance, explain why a normally negative or credit balance account has a positive or debit balance. **Previous Balance Sheet produced in error, see Exhibit X for revised Balance Sheet.**

9. Explain why the Long Term Debt amounts in the Application, Exhibit 1, Page 1 of 1, do not agree with the Long Term Debt amounts on the Balance Sheet in Exhibit 3, Page 1 of 3. **The Schedule of Long-Term Debt provided in the application, exhibit 1, is incorrect. See exhibit Y for the corrected schedule of Long-Term Debt, which will agree to the revised Balance Sheet shown as Exhibit X.**
10. Explain whether the construction of this proposed operations center will necessitate Big Sandy filing a general rate case and, if so, how much sooner a general rate case may be filed to recover the cost. **None anticipated.**
11. In the letter received by the Commission on March 22, 2011, a \$75,000 generator is listed as part of the proposed total cost of the new operations center.
 - a. Explain if this generator is for backup or emergency power. **This generator will be used as backup/emergency power.**
 - b. What will the fuel source be for this generator? **The fuel source for this generator will be natural gas.**
 - c. Who will the electric supplier be for the new operations center? **Kentucky Electric Power.**
12. In the Application, the proposed cost for the new operations center is \$1.0 million. Explain the reasons for the increase in cost to \$1.418 million in the letter received by the Commission on March 22, 2011. **More accurate cost estimates available.**
 - a. Did Big Sandy send a Request for Proposal ("RFP") to construct the proposed facilities? **RFP's currently in process, Big Sandy will provide copies when completed by architect.**
13. On the map labeled Boundary Survey for Big Sandy filed March 22, 2011, two additional metal buildings are identified just below and to the right of the proposed one-story metal building.
 - a. State whether these buildings currently exist on the property. **Buildings have been demolished.**
 - b. If existing, state the proposed use of these buildings or indicate if they will be removed. **N/A**
 - c. If not existing, state whether Big Sandy is proposing to build these metal buildings. If yes, state the cost for each of these buildings and explain whether the cost is included in the \$1.418 construction estimate. **N/A**
14. Provide Big Sandy's most recently available financial statements. **See exhibit Z.**



**BIG SANDY RECC
NEW OPERATIONS CENTER
ESTIMATED ANNUAL PROPERTY TAXES**

NAME OF DISTRICT COUNTY/SCHOOLS/SPECIALS		RATE (PER \$100 VALUE)	ASSESSED VALUE	TAX
COUNTY GENERAL	REAL	0.08700	1,815,981.00	1,579.90
COUNTY GENERAL	TANGIBLE	0.08700		
COMMON SCHOOL	REAL	0.35700	1,815,981.00	6,483.05
COMMON SCHOOL	TANGIBLE	0.35700		
LIBRARY	REAL	0.08500	1,815,981.00	1,543.58
LIBRARY	TANGIBLE	0.14630		
HEALTH	REAL	0.04000	1,815,981.00	726.39
HEALTH	TANGIBLE	0.04000		
EXTENSION	REAL	0.02500	1,815,981.00	454.00
EXTENSION	TANGIBLE	0.02970		
CONSERVATION DISTRICT	REAL	0.00700	1,815,981.00	127.12
				10,914.05



**Big Sandy RECC
Balance Sheet - Revised
9/30/2010**

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
TOTAL UTILITY PLANT IN SERVICE			
362.00 Station Equipment	353,138.97	MEMBERSHIPS	
364.00 Poles, Towers & Fixtures	12,087,436.24	200.10 Memberships	(232,505.00)
365.00 Overhead Conductors & Devices	10,802,018.09	PATRONAGE CAPITAL	
366.00 Underground Conduit	375,572.39	201.10 Patrons Capital Credits	(15,249,877.39)
367.00 Underground Conduit & Devices	284,263.77	OPERATING MARGINS - CURRENT YEAR	
368.00 Line Transformers	5,892,037.97	Patronage Capital & Operating Margins	(186,742.28)
369.00 Services	4,226,076.04	424.00 Other Capital Credits & Patronage Capital Allocation	-
370.00 Meters	3,174,419.96	NON-OPERATING MARGINS	
371.00 Installation On Consumer Premises	1,998,270.30	219.20 Non Operating Margins	(56,904.72)
389.00 Land & Land Rights	50,000.00	419.00 Interest & Dividend Income	(22,599.36)
390.10 Structures & Improvements	678,937.32	421.10 Gain on Disposition of Property	(11,949.50)
391.00 Office Furniture & Equipment	365,058.40	OTHER MARGINS & EQUITIES	
392.00 Transportation Equipment	1,553,579.90	208.00 Donated Capital	(49,025.02)
394.00 Tools, Shop, Garage Equipment	61,104.14	208.10 Donated Capital/Capital Credits	(14,686.04)
395.00 Laboratory Equipment	120,775.89	215.30 Other Comprehensive Income/FASB	799,878.00
396.00 Power Operated Equipment	31,965.64	217.00 Retired Capital Credit - Gain	(105,964.37)
397.00 Communications Equipment	59,289.47	217.10 Retired Capital Credit Gain - Discount	(245,876.95)
398.00 Miscellaneous Equipment	34,305.17	219.30 Other Margins	744,178.28
CONSTRUCTION WIP		TOTAL MARGINS & EQUITIES	
107.20 CWIP Force Account	70,893.78	(14,631,674.35)	
107.21 CWIP - Indirect	-		
107.31 CWIP - Office Remodel Project	186,931.33		
TOTAL UTILITY PLANT		LONG TERM DEBT - RUS	
42,378,072.77		224.30 Long Term Debt - RUS Notes Exec.	(9,488,349.39)
ACCUM. PROVISION FOR DEPREC. & AMORT.		LONG TERM DEBT - OTHER	
108.60 Accum. Prov. Depr. Dist. Plant	3,132,095.45	224.12 Other Long Term Debt - CFC	(2,478,276.13)
108.61 Accum. Depr. Dist. Plant A/C 364	(4,228,896.11)	224.13 CFC Notes Exec - Refinanced	(2,758,044.00)
108.62 Accum. Depr. Dist. Plant A/C 365	(3,666,873.24)	224.20 FFB Notes Exec.	(16,588,756.53)
108.63 Accum. Depr. Dist. Plant A/C 366	(80,081.98)	224.21 FFB Notes Exec. Construction	8,397,000.00
108.64 Accum. Depr. Dist. Plant A/C 367	(62,134.07)	TOTAL LONG TERM DEBT	
108.65 Accum. Depr. Dist. Plant A/C 368	(1,024,685.76)	(22,926,428.05)	
108.66 Accum. Depr. Dist. Plant A/C 369	(1,351,606.22)		
108.67 Accum. Depr. Dist. Plant A/C 370	(931,024.65)	ACCUM. OPERATING PROVISIONS	
108.68 Accum. Depr. Dist. Plant A/C 371	(676,866.67)	228.30 Accum. Prov. Pensions/Benefits	(1,544,629.80)
108.69 Accum. Depr. Dist. Plant A/C 372	(62,700.16)	TOTAL OTHER NONCURRENT LIABILITY	
108.70 Accum. Prov. Depr. General Plant	(1,463,729.09)	NOTES PAYABLE	
108.71 Accum. Depr. Gen. Plant A/C 380.10	(199,331.57)	231.00 Notes Payable	-
108.72 Accum. Depr. Gen. Plant A/C 391	(249,934.96)	ACCOUNTS PAYABLE	
108.73 Accum. Depr. Gen. Plant A/C 384	(47,189.48)	232.10 Accounts Payable General	(292,290.26)
108.74 Accum. Depr. Gen. Plant A/C 385	(60,347.61)	232.25 Accounts Payable Leased Vehicle	(157,245.35)
108.75 Accum. Depr. Gen. Plant A/C 386	(7,989.67)	232.40 Accounts Payable Wholesale Power	(1,202,613.00)
108.76 Accum. Depr. Gen. Plant A/C 397	(54,072.17)	232.50 Accounts Payable PSC Assessment	7,179.52
108.77 Accum. Depr. Gen. Plant A/C 398	(21,023.80)	232.70 Accounts Payable Secure Works	6,037.98
108.80 Retirement WIP	7,762.48	CONSUMER DEPOSITS	
NET UTILITY PLANT		235.00 Consumer Deposits	(395,602.00)
30,407,441.51		235.10 Consumer Deposits - Commercial	(226,707.00)
INVEST IN SUBSIDIARY COMPANIES			
123.11 Investments in Subsidiary Companies	25,000.00		
INVEST IN ASSOC ORG - PAT CAPITAL			
123.10 Patronage Cap. Assoc. Co-ops	6,448,425.54		

INVEST IN ASSOC. ORG. - OTHER GEN FUND					
123.23 Other Invest. Assoc. Org.	3,205.00				
INVEST IN ASSOC. ORG. - NON GEN FUND					
123.22 Invest. Cap. Term Cert. CFC	532,893.88				
OTHER INVESTMENTS					
124.00 Other Investments	5,500.00				
TOTAL OTHER PROPERTY & INVESTMENTS		7,016,024.42			
CASH - GENERAL FUNDS					
131.10 Cash General Payroll Checks	(2.50)				
131.12 Cash General Citizens Gen Check	372,960.40				
131.13 Cash General Flex - Spend	3,978.42				
135.00 Working Fund Petty Cash/ Sandra	100.00				
135.11 Working Fund - Change	100.00				
135.13 Working Fund - Change Barbara	100.00				
135.20 Working Fund - Change Denise	100.00				
135.30 Change Fund - Change Danise	500.00				
135.40 Working Fund - Change Rhea Lynn	100.00				
135.60 Working Fund - Change Phung	100.00				
CASH - CONSTRUCTION FUND TRUST					
131.20 Cash - Const. Fund Trustee	465.50				
SPECIAL DEPOSITS					
134.00 Other Special Deposits	20.00				
TEMPORARY INVESTMENTS					
136.00 Temporary Cash Investments	273,926.15				
136.20 Temp. Cash Invest. Money Market	563,093.26				
ACCOUNTS RECEIVABLE - SALES ENERGY					
142.10 Cons. Accts. Receivable Electric	2,405,630.13				
144.10 Accum Provision Uncollectible Accounts	(104,558.07)				
ACCOUNTS RECEIVABLE - OTHER					
143.00 Other Accounts Receivable	439,822.21				
143.40 American Funds Loans	54.22				
MATERIAL & SUPPLIES - ELECTRIC & OTHER					
154.00 Plant Material & Operating Supply	433,921.86				
163.00 Stores Expense Undisbursed					
PREPAYMENTS					
165.10 Prepayments - Insurance	16,478.01				
165.40 Other Prepayments	(0.75)				
165.50 Other Prepayments - Dues	8,181.82				
OTHER CURRENT & ACCRUED ASSETS					
171.00 Interest & Dividends Receivable	10,740.46				
TOTAL CURRENT & ACCRUED ASSETS		4,425,831.72			
OTHER DEFERRED DEBITS					
183.00 Prelim. Surveys & Investigative Charge	(4,221.09)				
184.00 Transportation Expense - Indirect	1,428.80				
TOTAL OTHER DEFERRED DEBITS		(2,792.29)			
TOTAL ASSETS & OTHER DEBITS		<u>41,846,505.36</u>			
OTHER CURRENT & ACCRUED LIABILITIES					
236.10 Accrued Property Tax	(74,434.35)				
236.50 Accrued State Sales Tax	(0.02)				
237.10 Accrued RUS Interest					
237.20 Accrued FFB Interest	(24,932.54)				
237.30 Accrued Interest - Other	(28,811.80)				
241.00 Tax Collection Payable	(24,829.72)				
242.10 BSRECC Flex Spending Plan	4,600.00				
242.14 Current Accrued Liab. - Dental Insurance	888.48				
242.17 Current Accrued Liab. 401(K) All Emp.	(0.45)				
242.19 American Funds 401(K) Outside	(432.73)				
242.20 Accrued Payroll	(176.21)				
242.30 Accrued Employee Vacation	(25,395.79)				
242.31 Accrued Employee Sick Leave	(135,161.12)				
242.50 Current Accrued Liab. Meeting - Audit	(145,748.95)				
242.60 Current Accrued Liab. Dependent Life	3,759.34				
0.07					
TOTAL CURRENT & ACCRUED LIABILITIES		(2,713,915.90)			
OTHER DEFERRED CREDITS					
252.00 Consumer Advance Construction					(29,857.26)
TOTAL LIABILITIES & OTHER CREDITS					<u>(41,846,505.36)</u>



Big Sandy Rural Electric Cooperative
Exhibit I - Revised
Case No. 2010-00516
Schedule of Outstanding Long-Term Debt
September 30, 2010

Type of Debt Issued	Date of Issue	Date of Maturity	Outstanding Amount	Interest Rate
<u>RUS Loans</u>				
1B270	Jan-96	Jan-11	\$ 304,680	3.375%
1B271	Jan-96	Jan-11	\$ 149,279	3.875%
1B272	Jan-96	Jan-11	\$ 362,306	3.875%
1B273	Jan-96	Jan-11	\$ 175,874	3.750%
1B275	Jan-96	Jan-11	\$ 370,339	2.750%
1B276	Jan-96	Jan-11	\$ 643,476	4.250%
1B280	Nov-04	Oct-39	\$ 1,388,383	2.490%
1B281	Nov-04	Oct-39	\$ 1,888,569	4.630%
1B282	Nov-04	Oct-39	\$ 1,427,632	4.930%
1B283	Nov-04	Oct-39	\$ 1,441,740	4.580%
1B284	Nov-04	Oct-39	\$ 1,336,072	4.570%
			<u>\$ 9,488,349</u>	
<u>FFB Loans</u>	Jan-99	Dec-33	\$ 8,201,759	4.472%
<u>CFC Loans</u>				
9007	Apr-77	Mar-12	\$ 43,384.00	6.350%
9011	Jul-79	Jun-14	\$ 109,568.00	6.300%
9014	Mar-82	Feb-17	\$ 173,056.00	6.300%
9015	Sep-84	Aug-19	\$ 152,370.00	6.300%
9016	Sep-89	Aug-24	\$ 467,258.00	6.350%
9014	Mar-93	Feb-28	\$ 598,134.00	6.350%
9018	Dec-95	Nov-30	\$ 934,507.00	6.460%
9021008	Jun-03	May-11	\$ 344,755.00	4.850%
9021009	Jun-03	May-12	\$ 344,755.00	5.100%
9021010	Jun-03	May-13	\$ 344,755.00	5.300%
9021011	Jun-03	May-14	\$ 344,755.00	5.500%
9021012	Jun-03	May-15	\$ 344,755.00	5.550%
9021013	Jun-03	May-16	\$ 344,755.00	5.650%
9021014	Jun-03	May-17	\$ 344,755.00	5.650%
9021015	Jun-03	May-18	\$ 344,758.00	5.700%
			<u>\$ 5,236,320</u>	
Total Long-Term Debt			<u>\$ 22,926,428</u>	



**Big Sandy RECC
Balance Sheet
As of March 31, 2011**

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
TOTAL UTILITY PLANT IN SERVICE			
362.00 Station Equipment	354,138.97		
364.00 Poles, Towers & Fixtures	12,337,688.92		(233,735.00)
365.00 Overhead Conductors & Devices	11,160,291.71		
366.00 Underground Conduit	390,799.82		
367.00 Underground Conduit & Devices	282,197.71		(16,192,932.18)
368.00 Line Transformers	5,954,979.88		
369.00 Services	4,306,792.03		
370.00 Meters	3,169,988.77		
371.00 Installation On Consumer Premises	2,004,472.15		
389.00 Land & Land Rights	270,053.83		
390.10 Structures & Improvements	681,147.32		
391.00 Office Furniture & Equipment	378,740.68		
392.00 Transportation Equipment	1,483,328.73		
394.00 Tools, Shop, Garage Equipment	65,169.45		
395.00 Laboratory Equipment	124,728.26		
396.00 Power Operated Equipment	31,965.64		
397.00 Communications Equipment	59,289.47		
398.00 Miscellaneous Equipment	28,541.69		
CONSTRUCTION/WIP			
107.20 CWIP Force Account	18,634.90		
107.21 CWIP - Indirect	188,931.33		(15,948,524.05)
107.31 CWIP - Office Remodel Project	43,291,481.26		(9,384,404.71)
TOTAL UTILITY PLANT			
ACCUM. PROVISION FOR DEPREC. & AMORT.			
108.60 Accum. Prov. Depr. Dist. Plant	3,505,385.29		
108.61 Accum. Depr. Dist. Plant A/C 364	(4,533,520.27)		
108.62 Accum. Depr. Dist. Plant A/C 365	(3,934,684.27)		
108.63 Accum. Depr. Dist. Plant A/C 366	(89,412.78)		
108.64 Accum. Depr. Dist. Plant A/C 367	(68,392.46)		
108.65 Accum. Depr. Dist. Plant A/C 368	(2,026,891.43)		
108.66 Accum. Depr. Dist. Plant A/C 369	(1,437,569.03)		
108.67 Accum. Depr. Dist. Plant A/C 370	(1,036,843.47)		
108.68 Accum. Depr. Dist. Plant A/C 371	(717,698.46)		
108.69 Accum. Depr. Dist. Plant A/C 362	(67,747.74)		
108.70 Accum. Prov. Depr. General Plant	(1,479,036.10)		
108.71 Accum. Depr. Gen. Plant A/C 390,10	(207,809.31)		
108.72 Accum. Depr. Gen. Plant A/C 391	(261,094.37)		
108.73 Accum. Depr. Gen. Plant A/C 394	(48,769.16)		
108.74 Accum. Depr. Gen. Plant A/C 395	(63,420.08)		
108.75 Accum. Depr. Gen. Plant A/C 396	(7,999.67)		
108.76 Accum. Depr. Gen. Plant A/C 397	(54,072.17)		
108.77 Accum. Depr. Gen. Plant A/C 398	(21,862.47)		
108.80 Retirement WIP	2,699.97		
		30,724,763.28	
NET UTILITY PLANT			
INVEST IN SUBSIDIARY COMPANIES			
123.11 Investments in Subsidiary Companies	25,000.00		
INVEST IN ASSOC. ORG. - PAT. CAPITAL			
123.10 Patronage Cap. Assoc. Co-ops	7,234,970.52		
MEMBERSHIPS			
200.10 Memberships			(233,735.00)
PATRONAGE CAPITAL			
201.10 Patrons Capital Credits			(16,192,932.18)
OPERATING MARGINS - CURRENT YEAR			
Patronage Capital & Operating Margins			(459,250.02)
424.00 Other Capital Credits & Patronage Capital Allocation			(23,626.58)
NON-OPERATING MARGINS			
219.20 Non-Operating Margins			(6,199.36)
419.00 Interest & Dividend Income			
421.10 Gain on Disposition of Property			
OTHER MARGINS & EQUITIES			
209.00 Donated Capital			(49,025.02)
208.10 Donated Capital/Capital Credits			(14,686.04)
215.30 Other Comprehensive Income/FASB			744,138.00
217.00 Retired Capital Credit - Gain			(105,564.37)
217.10 Retired Capital Credit Gain - Discount			(253,051.50)
219.30 Other Margins			645,408.02
TOTAL MARGINS & EQUITIES			(15,948,524.05)
LONG TERM DEBT - RUS			
224.30 Long Term Debt - RUS Notes Exec.			(9,384,404.71)
LONG TERM DEBT - OTHER			
224.12 Other Long Term Debt - CFC			(2,400,688.99)
224.13 CFC Notes Exec. - Refinanced			(2,758,044.00)
224.20 FFB Notes Exec.			(16,521,464.18)
224.21 FFB Notes Exec. Construction			8,397,000.00
TOTAL LONG TERM DEBT			(22,667,601.88)
ACCUM. OPERATING PROVISIONS			
228.30 Accum. Prov. Pensions/Benefits			(1,552,961.22)
TOTAL OTHER NONCURRENT LIABILITY			(1,552,961.22)
NOTES PAYABLE			
231.00 Notes Payable			(500,000.00)
ACCOUNTS PAYABLE			
232.10 Accounts Payable General			(218,283.13)
232.25 Accounts Payable Leased Vehicle			(145,987.51)
232.26 Accounts Payable Finance Vehicle			(7,095.11)
232.30 Accounts Payable Inspect/Spraying			(30,000.00)
232.40 Accounts Payable Wholesale Power			(1,414,812.00)
232.50 Accounts Payable PSC Assessment			(6,125.01)
232.70 Accounts Payable Secure Works			
CONSUMER DEPOSITS			
235.00 Consumer Deposits			(412,877.00)
235.10 Consumer Deposits - Commercial			(237,272.00)

INVEST IN ASSOC ORG - OTHER GEN FUND					
123.23 Other Invest. Assoc. O'rg.	3,205.00				
INVEST IN ASSOC ORG - NON GEN FUND					
123.22 Invest. Cap. Term Cert. CFC	531,907.20				
OTHER INVESTMENTS					
124.00 Other Investments	5,500.00				
TOTAL OTHER PROPERTY & INVESTMENTS		7,800,582.72			
CASH - GENERAL FUNDS					
131.10 Cash General Payroll Checks	977,895.95				
131.12 Cash General Citizens Gen Check	902.54				
131.13 Cash General Flex - Spend.	100.00				
135.00 Working Fund Petty Cash/ Sandra	200.00				
135.10 Change Fund - Prestonsburg Office	100.00				
135.11 Working Fund - Change	100.00				
135.13 Working Fund - Change Barbara	100.00				
135.20 Working Fund - Change Denise	500.00				
135.30 Change Fund - Painsville Office	100.00				
135.40 Working Fund - Change Rhea Lynn	100.00				
135.60 Working Fund - Change Pburg	100.00				
CASH - CONSTRUCTION FUND TRUST					
131.20 Cash - Const. Fund Trustee	465.50				
SPECIAL DEPOSITS					
134.00 Other Special Deposits	20.00				
TEMPORARY INVESTMENTS					
136.00 Temporary Cash Investments	274,267.79				
136.20 Temp. Cash Invest. Money Market	251,628.27				
ACCOUNTS RECEIVABLE - SALES ENERGY					
142.10 Cons. Accts. Receivable Electric	2,996,873.70				
144.10 Accum Provision Uncollectible Accounts	(133,896.61)				
ACCOUNTS RECEIVABLE - OTHER					
143.00 Other Accounts Receivable	141,661.00				
143.40 American Funds Loans	(118.80)				
MATERIAL & SUPPLIES - ELECTRIC & OTHER					
154.00 Plant Material & Operating Supply	428,138.97				
163.00 Stores Expense Undistributed					
PREPAYMENTS					
165.10 Prepayments - Insurance	70,256.00				
165.40 Other Prepayments	(0.48)				
165.50 Other Prepayments - Dues	32,946.37				
OTHER CURRENT & ACCRUED ASSETS					
171.00 Interest & Dividends Receivable	10,788.94				
TOTAL CURRENT & ACCRUED ASSETS		5,053,143.22			
OTHER DEFERRED DEBITS					
183.00 Prelim. Surveys & Investigative Charge	(7,035.15)				
184.00 Transportation Expense - Indirect	2,108.64				
TOTAL OTHER DEFERRED DEBITS		(4,926.51)			
TOTAL ASSETS & OTHER DEBITS		<u>43,573,562.71</u>			
OTHER CURRENT & ACCRUED LIABILITIES					
236.10 Accrued Property Tax	(74,715.88)				
236.50 Accrued State Sales Tax	(3,147.36)				
237.10 Accrued RUS Interest	(28,173.10)				
237.20 Accrued FFB Interest	(42,216.18)				
237.30 Accrued Interest - Other	(8,199.05)				
237.50 Accrued Interest - Other Consumer Deposits					
241.00 Tax Collection Payable	594.80				
242.10 BSRECC Flex Spending Plan	16.89				
242.14 Current Accrued Liab. - Dental Insurance	4,953.65				
242.15 Current Accrued Liab. - TWACS Support	14,266.21				
242.17 Current Accrued Liab. 401(K) All Emp.	(15,938.41)				
242.19 American Funds 401(k) Outside	(102,791.99)				
242.20 Accrued Payroll	(129,424.33)				
242.30 Accrued Employee Vacation	(259.60)				
242.31 Accrued Employee Sick Leave	(9,114.59)				
242.40 Employee Paid Health Insurance	0.24				
242.50 Current Accrued Liab. Meeting - Audit	2,275.87				
242.60 Current Accrued Liab. Dependent Life	(19.00)				
242.80 Current Accrued Liab. Credit Union					
242.90 Current Accrued Liab. Union Dues					
TOTAL CURRENT & ACCRUED LIABILITIES		(3,374,968.53)			
OTHER DEFERRED CREDITS					
252.00 Consumer Advance Construction		(29,507.03)			
TOTAL LIABILITIES & OTHER CREDITS		<u>(43,573,562.71)</u>			

Big Sandy RECC
Statement of Operations
As of March 31, 2011

OPERATING REVENUE AND PATRONAGE CAPITAL	
440.10 Residential Sales - Rural	5,952,491.73
442.10 Comm. & Indust. Sales - Small	441,601.59
442.20 Comm. & Indust. Sales - Large	1,155,507.27
450.00 Forfeited Discounts	134,393.54
451.00 Misc. Service Revenues	15,894.90
454.00 Rent From Electric Property	80,697.46
456.00 Other Electric Revenue	90.00
	<u>7,780,676.49</u>
COST OF PURCHASED POWER	
555.00 Purchased Power	5,454,154.00
DISTRIBUTION EXPENSE - OPERATION	
580.00 Operations & Supervision Engr.	10,758.74
583.00 Overhead Line Expense	28,971.55
586.00 Meter Expense	120,169.96
586.10 Meter Expense TWACS	23,349.01
587.00 Consumer Installation Expense	5,831.73
588.00 Mis. Distribution Expense	4,269.39
588.10 Mapping Expense/GPS System	63,453.10
589.00 Rents	-
DISTRIBUTION EXPENSE - MAINTENANCE	
590.00 Maint. Supervision Engr.	34,780.90
593.00 Maint. Overhead Lines	76,062.32
593.10 Maint. Overhead Lines R/W	47,613.01
593.20 Overhead Lines R/W - Contractor	105,487.52
595.00 Maint. Line Transformers	9,912.91
597.00 Maint. Of Meters	257.80
598.00 Maint. Misc. Distribution Plant.	17,001.59
CONSUMER ACCOUNTS EXPENSE	
902.00 Meter Reading Expense	13,174.93
903.00 Consumer Rec'd Collection Expense	164,349.52
903.10 Consumer Rec'd Collection Expense over/short	381.81
904.00 Uncollectible Accounts	19,500.00
CUSTOMER SERVICE & INFORMATIONAL EXPENSE	
908.00 Customer Assistance Expense	37,512.19
SALES EXPENSE	
913.00 Advertising Expense	3,107.12
ADMINISTRATIVE & GENERAL EXPENSE	
920.00 Administrative Salaries	156,890.23
921.00 Office Supplies & Expense	41,426.94
923.00 Outside Service Employed	16,148.47
925.00 Injuries & Damages	14,430.66
926.00 Employee Pension & Benefits	731.07
929.00 Dup. Charges Credit	-
930.10 General Advertising Expense	-
930.11 Directors Per Diem	13,200.00

930.12 Directors Mileage	270.81	
930.13 Directors Expenses	16,997.59	
930.20 Misc. General Expense	50,622.87	
931.00 Rents	1,165.00	
935.00 Maint. General Plant	9,184.71	
TOTAL OPERATIONS & MAINTENANCE EXPENSE	6,561,167.45	
DEPRECIATION & MAORTIZATION EXPENSE		
403.60 Depreciation Expense Distribution Plant	463,728.04	
403.70 Depreciation Expense General Plant	12,647.11	
TAX EXPENSE OTHER		
408.70 Taxes Other Regulatory Commision	6,125.01	
INTEREST ON LONG TERM DEBT		
427.10 Interest on RUS Construction Loan	96,414.29	
427.20 Interest on Other Long Term Debt	82,318.40	
427.30 Interest on FFB Notes	74,327.34	
INTEREST EXPENSE - OTHER		
431.00 Other Interest Expense	10,097.19	
431.10 Other Interest Expense Short Term Loan	1,895.28	
431.20 Interest Expense Inez 69kv Line Project	10,531.74	
431.30 Interest Expense Farm Credit Lease/Truck	1,156.42	
OTHER DEDUCTIONS		
426.10 Donations	1,018.20	
TOTAL COST OF ELECTRIC SERVICE	7,321,426.47	
PATRONAGE CAPITAL & OPERATING MARGINS	489,075.96	
	7,780,676.49	7,780,676.49
NON OPERATING MARGINS - INTEREST		
419.00 Interest & Dividend Income	(6,199.36)	
NON OPERATING MARGINS - OTHER		
421.10 Gain on Disposition of Property	-	
OTHER CAPITAL CREDITS & PATRONAGE DIVIDENDS		
424.00 Other Capital Credits & Patronage Capital Allocation	(23,626.58)	