


OWEN Electric

A Touchstone Energy Cooperative 

May 27, 2011

RECEIVED

MAY 31 2011

PUBLIC SERVICE
COMMISSION

The Honorable Mr. Jeff Derouen
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard, P.O. Box 615
Frankfort, Kentucky 40602-0615

**Re: Application of Owen Electric Cooperative for an Adjustment of Rates PSC Case No.
2011-00037**

Dear Mr. Derouen:

Enclosed for filing are an original and ten copies of information requested by Commission staff to correct filing deficiencies noted in the application of Owen Electric Cooperative for an adjustment of rates. Please feel free to call if you have any questions or concerns.

Respectfully yours,



Mark A Stallons
President & CEO
Owen Electric Cooperative, Inc.

Enclosures

Cc Attorney General
Utility Intervention and Rate Division
1024 Capital Center Drive
Frankfort, KY 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 W. Gardner
Vice Chairman

Charles R. Borders
Commissioner

May 25, 2011

Honorable James M Crawford
Crawford & Baxter, P.S.C. Attorneys at Law
523 Highland Avenue
P. O. Box 353
Carrollton, KY 41008

Mark Stallons
Owen Electric Cooperative, Inc.
8205 Highway 127 North
P. O. Box 400
Owenton, KY 40359

RE: Case No 2011-00037
Filing Deficiencies

The Commission Staff has reviewed Owen Electric Cooperative, Inc.'s application in the above case. This filing is rejected for the reasons set forth below.

Filing deficiencies pursuant to:

(1) 807 KAR 5:001, Section 10(6)(q) - Annual report to shareholders, or members, and statistical supplements covering 2 years prior to application filing date. The annual reports to members filed in Case No. 2008-00154, which are cited in your application, do not comply with the requirement that they be the reports for the two years prior to filing the current application.

(2) 807 KAR 5:001, Section 10(6)(r) - Monthly managerial reports providing financial results for 12 months in test period. The monthly managerial reports filed in Case No. 2008-00154, which are cited in your application, do not comply with the requirement that they be the reports for the 12 months of the test period in the current case.

The statutory time period in which the Commission must process this case will not commence until the above-mentioned information is filed with the Commission. If your filing contains a proposed effective date, the rejection of your filing for reasons of deficiencies voids the proposed effective date. When you file the required information to correct the deficiencies you may refile your proposed tariff with a new proposed effective date that is at least 30 days

from the date you file the required information. You are requested to file 10 copies of this information within 15 days of date of this letter.

In all future correspondence or filings connected with this case, please reference the above case number. If you need further assistance, please contact my staff at 502-564-3940.

Sincerely,

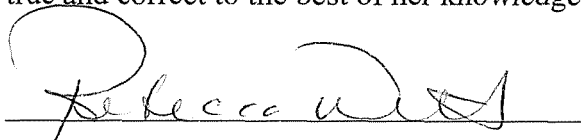


Linda Faulkner
Filings Division Director

LF/rs

cc: Parties of Record

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



Rebecca Witt, Senior Vice President of Corporate Services

Subscribed and sworn to before me by the affiant, Rebecca Witt, this 27th
day of May, 2011.

Notary Laura M. Suggins

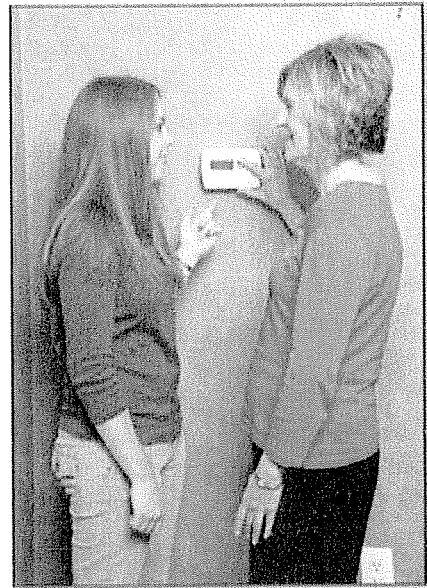
State-at-Large

My Commission expires May 2, 2012 .

OWEN Electric

Exhibit 1
Page 1 of 14

Your Link to the Future



2009 Annual Report

Smart energy

The foundation for the future of electricity

We've lived a lot of changes during the past year: an uncertain economy, the power of Mother Nature both around the world and here in Kentucky, and public policy leaders struggling to find the best ways to protect both the environment and our energy supplies.

In these difficult times, Owen Electric Cooperative knows you especially need to count on having electricity, and that it needs to give you good value. Owen Electric has spent the past year focused on keeping its electric service as reliable and affordable as possible, and on building for the future so that members will continue to receive the best combination of quality and service.

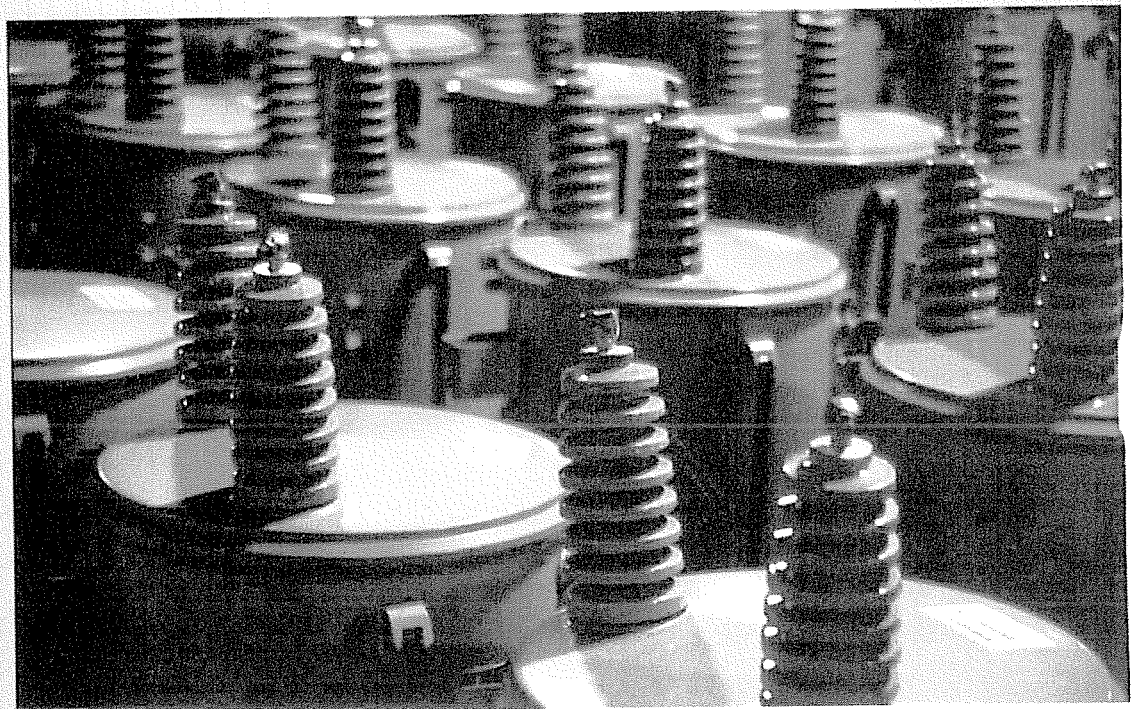
Providing both excellence and economy these days calls for being a leader in finding and using the latest technology. To stay cutting edge, Owen Electric uses telecommunications and the Internet for fast and flexible customer service;

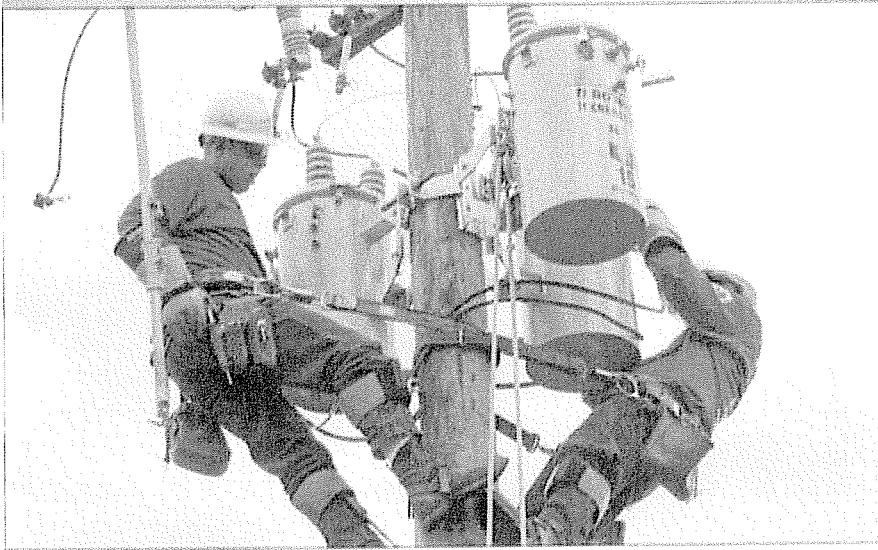
advanced electric meters and digital mapping to keep electricity flowing efficiently and to spot and solve problems quickly; and the latest in how to clear vegetation from around power lines to avoid interruptions in electric service.

The following pages of this annual report describe other ways Owen Electric has worked during the past year to remain your link to the future.

On the cover

Welcome to this year's report to the membership, with a photo of co-op systems operator Kevin Miller with the Owen Electric Co-op outage management system, and at the top of the page, Owen Electric customer service representatives Megan Slayback and Lesa Marston, with an energy-saving thermostat that helps members control their electricity costs. Photos by David Modica.





One of the ways Owen Electric Co-op line workers keep their safety awareness sharp is to participate in state and international "Lineman's Rodeos," friendly competitions of maintenance skills that emphasize safe work practices. In this photo, lineman John Lilly and service technician Mark Greene participate in the 2009 Kentucky Lineman's Rodeo in Winchester.

Everyday connections to the future

You need to be able to use your electricity all the time, so that means Owen Electric Cooperative needs to be up and running 24/7, which it accomplishes with a stunning record of reliability. Here are some of the ingredients to that success for the past year and the years to come.

Safety

Owen Electric makes a priority of preaching and practicing habits to keep both employees and members safe and healthy around electricity. Regular line worker training, insistence on work practices and wearing the proper gear, and even the friendly competition of an annual lineman's rodeo that awards points for safety, are ways the co-op works to keep employees healthy. Owen Electric also joined co-ops across the state in an awareness campaign to keep members aware of ways to avoid dangerous situations around electricity.

Reliability

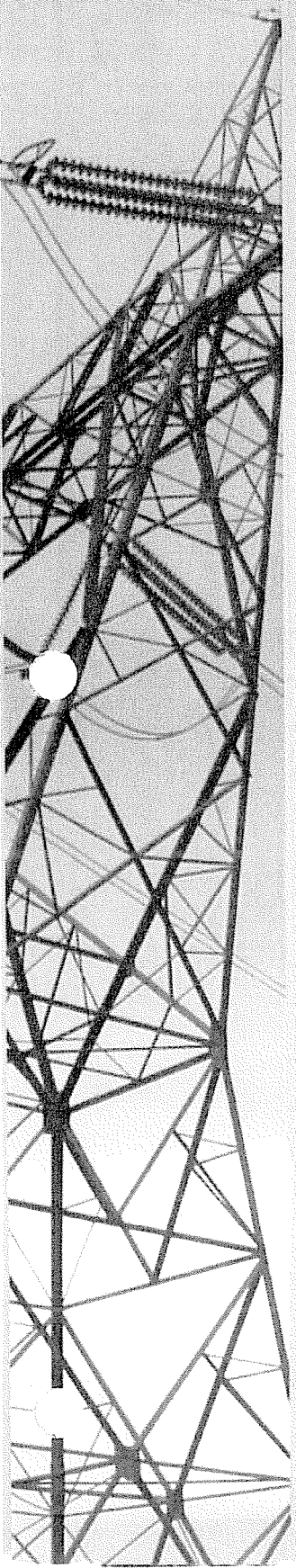
Well-maintained poles, wires, and transformers form a foundation of assuring you have electricity when you need it. Owen Electric Co-op keeps these pieces of the system in state-of-the-art working order. Computerized mapping systems allow any problems to be diagnosed and fixed quickly. Keeping trees away from power lines is a key part of the priority of keeping the

lights on, and Owen Electric devotes considerable resources to monitoring vegetation and regularly clearing it from power line rights-of-way.

Customer service

New and developing technology allows Owen Electric to stay in close contact with its large and growing membership. Among that technology are high-tech meters that accurately analyze electricity use, advanced databases that can quickly provide information on billing questions, and a Web site, www.owenelectric.com, making basic information available.





A network for the future

Energy is in the news these days, and for good reasons. As the nation plans its energy future, questions emerge about whether we'll have enough, and how it will affect the environment. Owen Electric is a part of state and national co-op utility organizations that bring the best results from work all around the world, for use in our own hometowns.

Energy efficiency

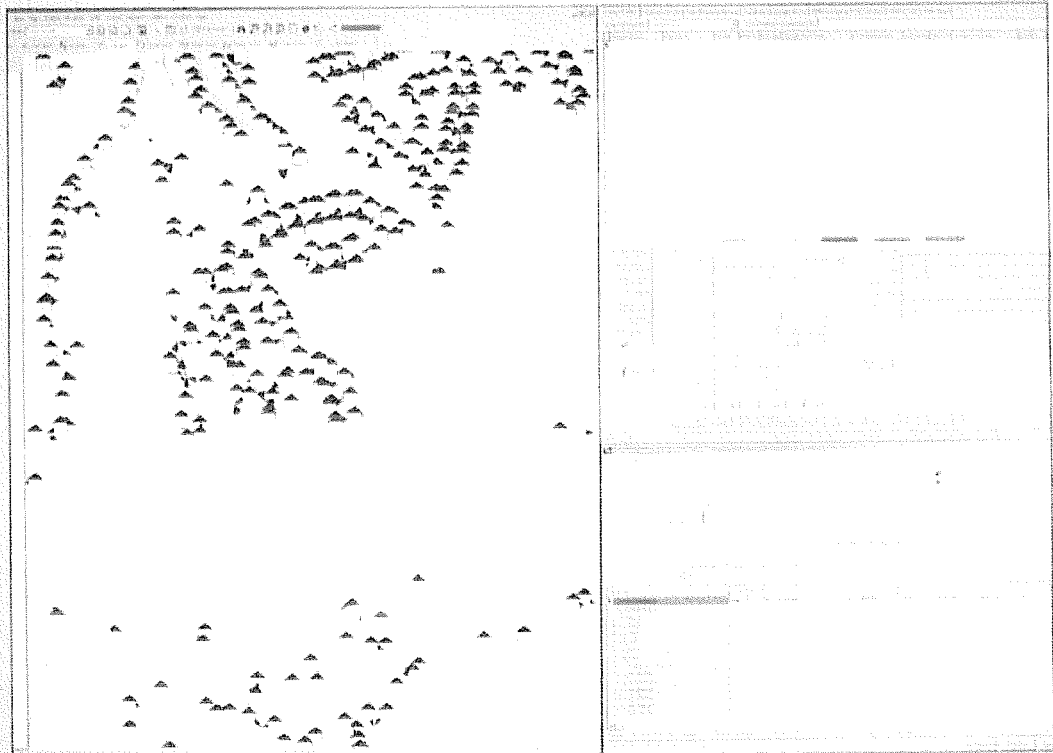
Owen Electric believes it makes sense in several ways to make the most productive use possible out of our energy resources. Owen Electric helps you save money on your electric bill through free energy analyses, and weatherization programs, like Button Up. Environmental concerns that often take the form of laws and regulations make use of alternative forms of energy a strong mission. That's why Owen Electric offers a way for you to buy electricity made from renewable energy, through a program called EnviroWatts. As people in the community and across our state

and nation use more and more electricity, Owen Electric is involved with several groups and pilot programs developing innovative ways to make the most efficient use of our energy and making wiser decisions in regard to energy use.

Policy and politics

High-level debates in Washington, D.C., and Frankfort can result in laws and rules that affect the cost and service of your electricity. In the past year, Owen Electric has asked you to contact elected officials to make sure that public policy changes don't hurt the reliability and affordability of your electric service. Owen Electric is a part of state and national groups that keep watch over Congress and the legislature to protect your power. This important political and policy work has paid off in protecting energy cost and supply for our community, and across the state of Kentucky.

Owen Electric Co-op's outage management system helps keep electricity flowing reliably and efficiently.



Your Board of Directors

Official Business Meeting Agenda ANNUAL MEETING OF MEMBERS

Owen Electric Cooperative

Where: Grant County High School
When: June 25, 2010
Registration Time: 4:30 p.m.
Voting will take place from 4:30-7:00 p.m.
Business Meeting Time: 7:00 p.m.

The annual meeting of the members of Owen Electric Cooperative will be held at Grant County High School, Dry Ridge, Kentucky, at 7:00 p.m., Eastern Daylight Time, Friday, June 25, 2010. The business session will be held for the purpose of taking the following actions:

- Report of the Officers and Directors
- Announce the result of the election of two (2) Directors to serve for three (3) years each
- To consider any and all other business that may properly come before the meeting or any adjournment or adjournments thereof

In connection with the election of Directors scheduled for this meeting, the following cooperative members have been nominated by the Committee of Nominations appointed by the Board of Directors of the corporation pursuant to its bylaws.

For Three-Year Terms:
Ann Bond, District 1
Robert True, District 3

In connection with the election of Directors scheduled for this meeting, the following cooperative members have been nominated by petition in accordance with the bylaws.

For Three-Year Terms:
Tona Barkley, District 1
Dallas Ratliff, District 3

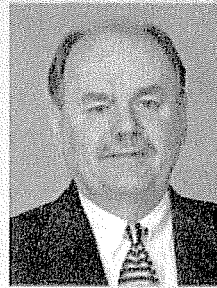
Registration of members and voting will start at 4:30 p.m., Eastern Daylight Time, Friday, June 25, 2010.

All members must register in order to be eligible to participate in the business meeting and prize drawings and receive appreciation gifts. **(Proper ID required for registration and voting.)**

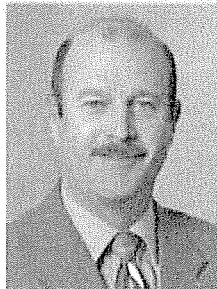
A program of entertainment will be presented.
Owen Electric Cooperative, Inc.
Eddie McCord, Secretary



Frank Jackson
Chairman



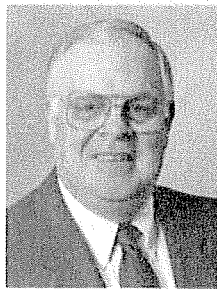
John R. Grant
Vice Chairman



Eddie McCord
Secretary/Treasurer



Ann D. Bond



Robert True



Stanley Gosney



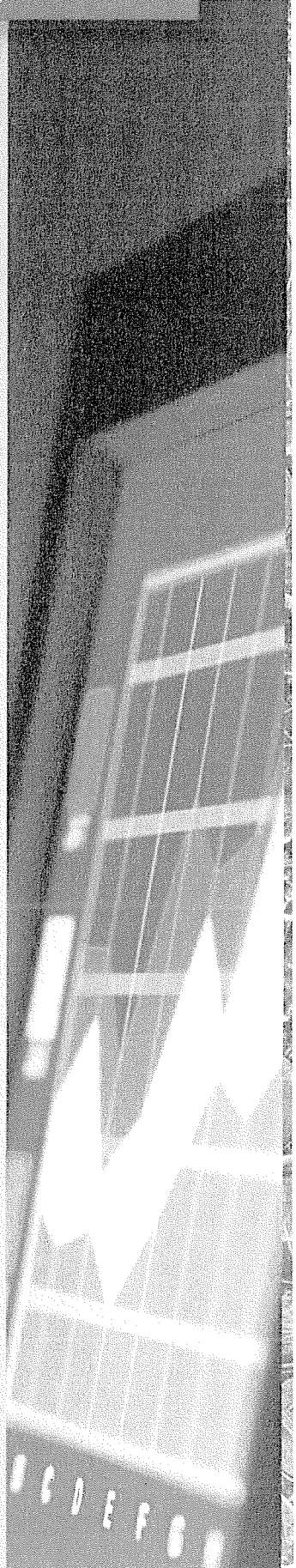
Hope Kinman



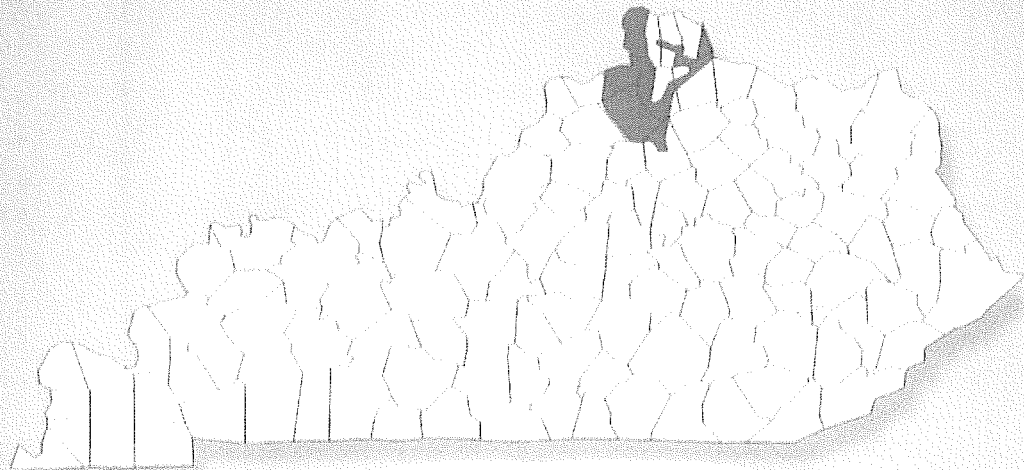
James M. Crawford
Attorney



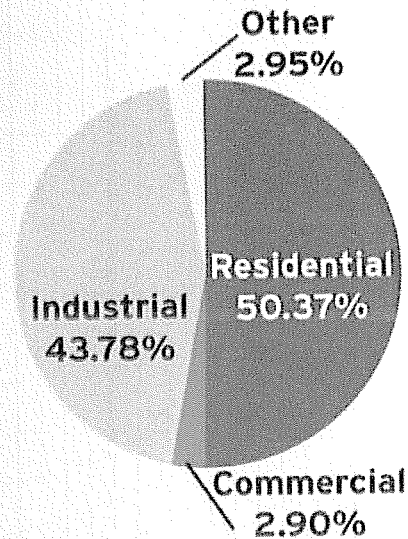
Mark Stallons
President & CEO



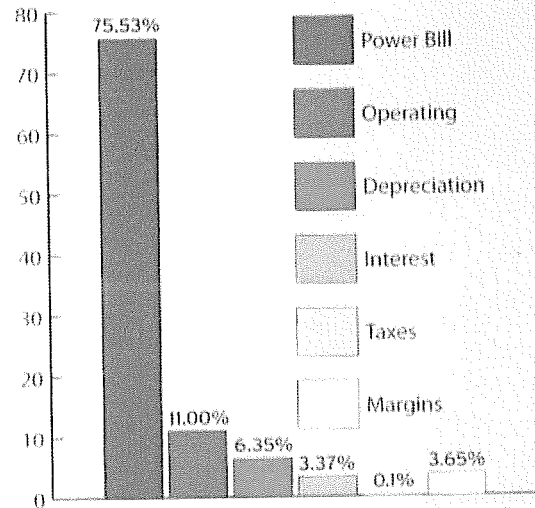
Statistical Results



Revenue Sources



Major Costs



Members Served in 2009

| | |
|------------------|---------------|
| Boone County | 20,275 |
| Kenton County | 11,612 |
| Grant County | 6,946 |
| Owen County | 5,056 |
| Pendleton County | 3,487 |
| Campbell County | 3,531 |
| Gallatin County | 3,337 |
| Scott County | 1,835 |
| Carroll County | 1,112 |
| Total | 57,191 |

Accounts Billed

2009 57,191

Average Kilowatt-hour Use

(Residential per month)

2009 1,092

Miles of Line

2009 4,486

Consumers Per Mile

2009 13

Financial Results

STATEMENT OF OPERATIONS

For the Year Ending December 31, 2009

| | |
|--|---------------|
| Operating Revenue..... | \$141,746,617 |
| Operating Expense | |
| Purchased Power | \$110,001,447 |
| Operating System..... | 16,007,958 |
| Depreciation..... | 9,253,930 |
| Taxes..... | 138,361 |
| Interest on Loans | 4,847,297 |
| Other Deductions | 70,399 |
| Total Cost of Electric Service..... | \$140,319,392 |
| Operating Margins..... | \$1,427,225 |
| Non-Operating Margins | 105,017 |
| G & T Capital Credits | 3,551,381 |
| Other Capital Credits..... | 244,923 |
| Patronage Capital and Margins ... | \$5,328,546 |

BALANCE SHEET

For the Year Ending December 31, 2009

| | |
|---|---------------|
| ASSETS | |
| Total Utility Plant | \$207,873,254 |
| Less Depreciation..... | 75,981,487 |
| Net Utility Plant | \$131,891,767 |
| Investment in | |
| Assoc. Organization..... | \$27,115,211 |
| Cash | 2,498,002 |
| Notes Receivable | 0 |
| Accounts Receivable | 8,192,421 |
| Inventory..... | 971,283 |
| Expenses Paid in Advance | 540,027 |
| Deferred Debits and Other Assets | 346,237 |
| Total Assets..... | \$171,554,948 |
| LIABILITIES | |
| Consumer Deposits | \$2,702,977 |
| Membership and Other Equities..... | 58,254,456 |
| Long-Term Debt | 94,201,556 |
| Notes and Accounts Payable | 4,691,941 |
| Other Current Liabilities..... | 3,656,932 |
| Noncurrent Liabilities..... | 8,047,086 |
| Total Liabilities..... | \$171,554,948 |



2010 Annual Meeting

OWEN Electric

A Division of Energy Corporation

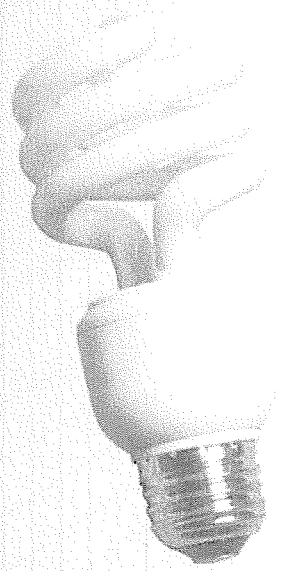
Friday, June 25

Grant County High School
Dry Ridge, KY

Registration and voting:
4:30-7:00 p.m.

(proper ID required for registration)

Business meeting: 7:00 p.m.



Featured Entertainment
Pay It Fourward

Free!
Energy-saving
light bulbs


for members who
attend!

Caricaturist
Denny Whalen



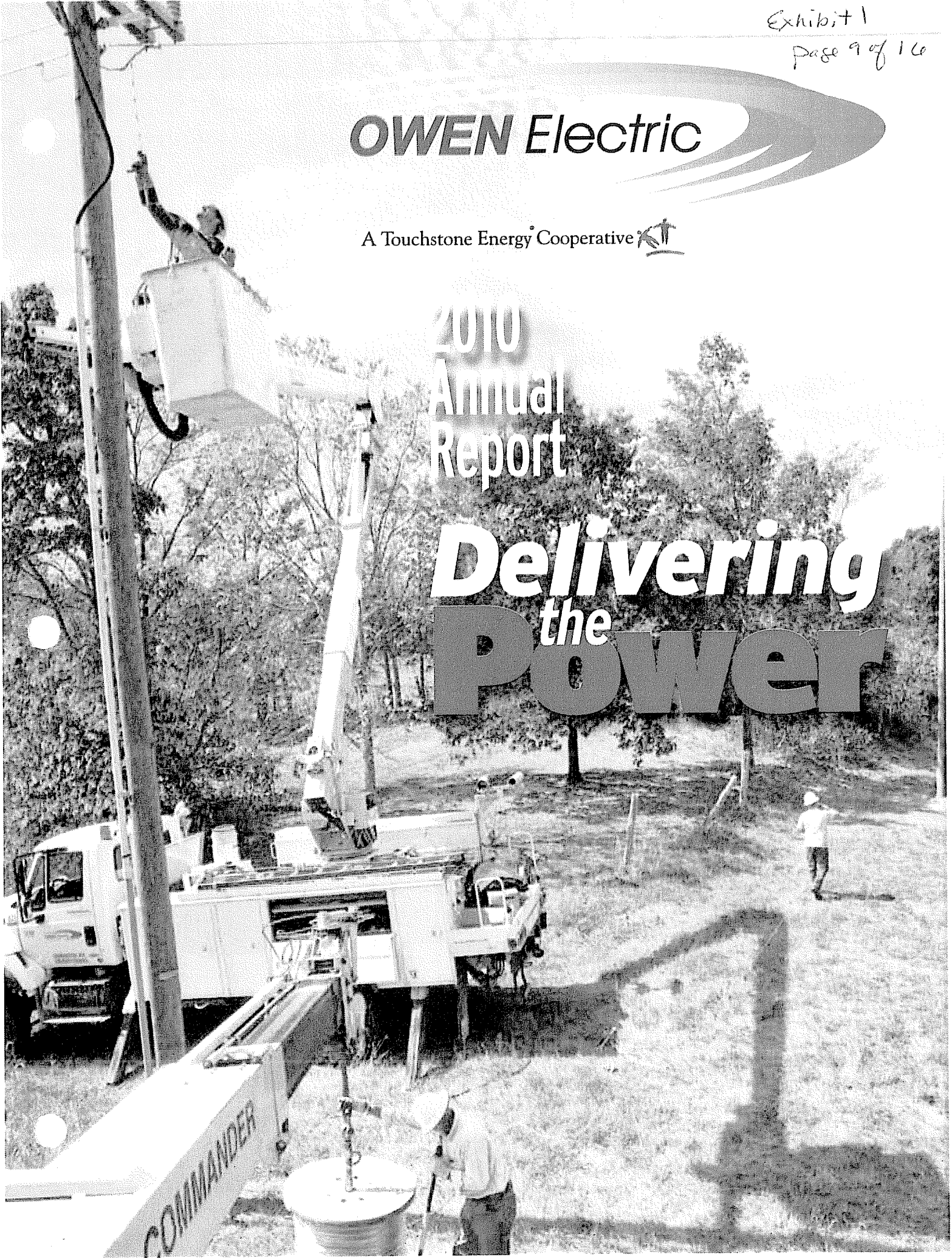
- meal provided • appreciation gifts •
- inflatables by Inflatable Fun Factory •
- prize drawings • buckets and bulbs •

OWEN Electric

A Touchstone Energy Cooperative 

2010
Annual
Report

**Delivering
the
Power**



The report of the past year's successful operations at Owen Electric Cooperative includes attention to the latest utility technology, as well as the hard, dangerous, physical labor of putting up poles and stringing lines.

Delivering the Power

IT'S A HIGH-TECH, PUSHBUTTON WORLD.

TV remotes change channels with hardly a twitch of our hand. Tiny phones bring the world to our fingertips. The microwave heats the soup and the fridge cools the soda without striking a match or hauling a block of ice.

These everyday amazements come so easily we forget how they get to us.

To string the power lines, wood poles weighing 1,200 pounds need to be raised every 100-300 feet. Before that, a hole needs to be drilled, 5-7 feet deep, through whatever clay or rock the ground offers. Transformers, weighing 400 pounds each, need to be hoisted to the top of the 40-foot-high poles so the high-voltage current can be stepped down to make it usable in your house.

All this lifting and hauling happens in most any weather—especially if a storm knocks out your power. Then, fallen trees must be cleared, poles put back up, and lines restrung no matter how many are

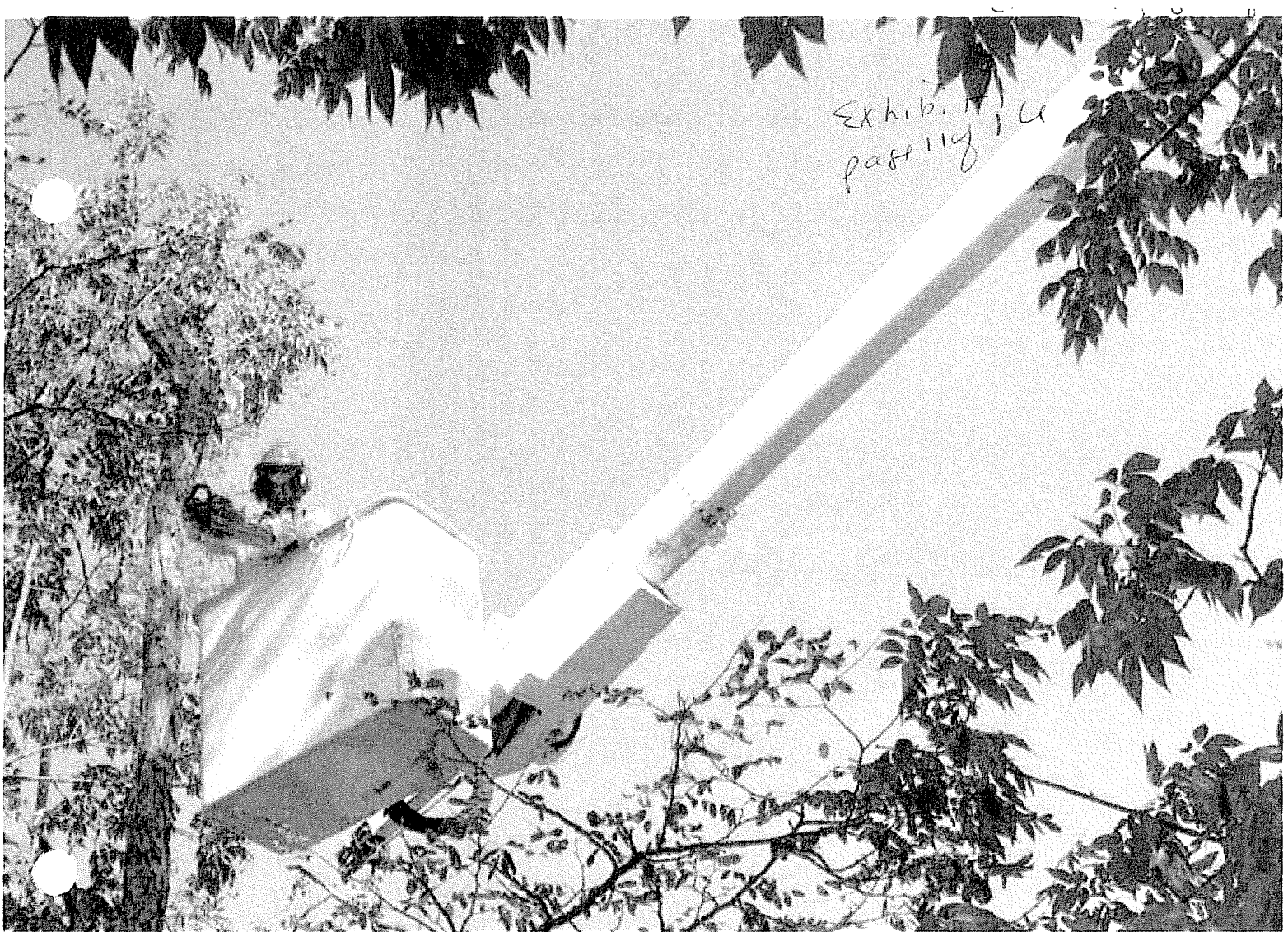
down, no matter if there's a bone-chilling blizzard, or a downpour on a hot, steamy day.

Add to all that the constant hazard of working around electricity, where skipping even the smallest safety procedure can result in permanent injury or death.

This year's annual report on Owen Electric pays tribute to the hard-working crews who keep our lights on day and night. It also serves as a reminder that even as we implement the latest technology, from satellite-based system monitoring to smart grid energy management systems, it is also taking care of the side of the business that calls for old-fashioned dedication to the tough, physical work of keeping your electricity reliable and affordable.

Delivering local values

Keeping your electricity reliable and affordable means running an extremely complex business at a high level at all times. In 2010, Owen Electric



Keeping your electricity flowing means year-round trimming of vegetation that could damage power lines. Here, Owen Electric Cooperative lineman Cody Beckham removes threatening branches near distribution lines.

posted another successful year.

Credit for that outstanding performance goes to a world-class staff. Maintaining the highest-quality electric service calls for competence, dedication, and constant attention to the co-op members. That consistent level of excellence is achieved in a variety of functions, from the people who greet you in the lobby and on the phone, to the billing, accounting, and member services staffs, technology experts, energy advisors, and administrative personnel, as well as the linemen and system operators.

In addition to placing a priority on first-rate employees, in 2010 safety continued to be a fundamental value for Owen Electric. Safety is a well-promoted watchword around the cooperative. It's a list of strictly enforced procedures for lineworkers on the job. Those regular reminders get reinforced with instruction, classwork, and training using local, state, and even national resources.

And our safety sense doesn't stop with its employ-

ees. Part of recognizing the power of electricity includes keeping co-op members and the general public safe as well. In the past year, Owen Electric has worked with co-ops all across Kentucky, to launch a strengthened safety awareness program that includes coordinated statewide announcements on radio stations and advertisements in *Kentucky Living* magazine.

A great staff and safety for employees and members will continue to be trademarks of the values of Owen Electric.

On the cover

Owen Electric Co-op line crews follow strict safety procedures to keep workers safe. Here, a line crew takes the time and works carefully to avoid accidents as part of a project to replace a pole for residential service. Photos by David Modica.

Harnessing state and national strength

The extreme complexity of generating and delivering reliable and affordable electric power calls for Owen Electric Cooperative to channel the resources of several state and national groups to our own community.

Your local co-op has great connections.

As one of the national Touchstone Energy co-ops, Owen Electric can access a strong national network of high standards and expertise that directly benefits our community.

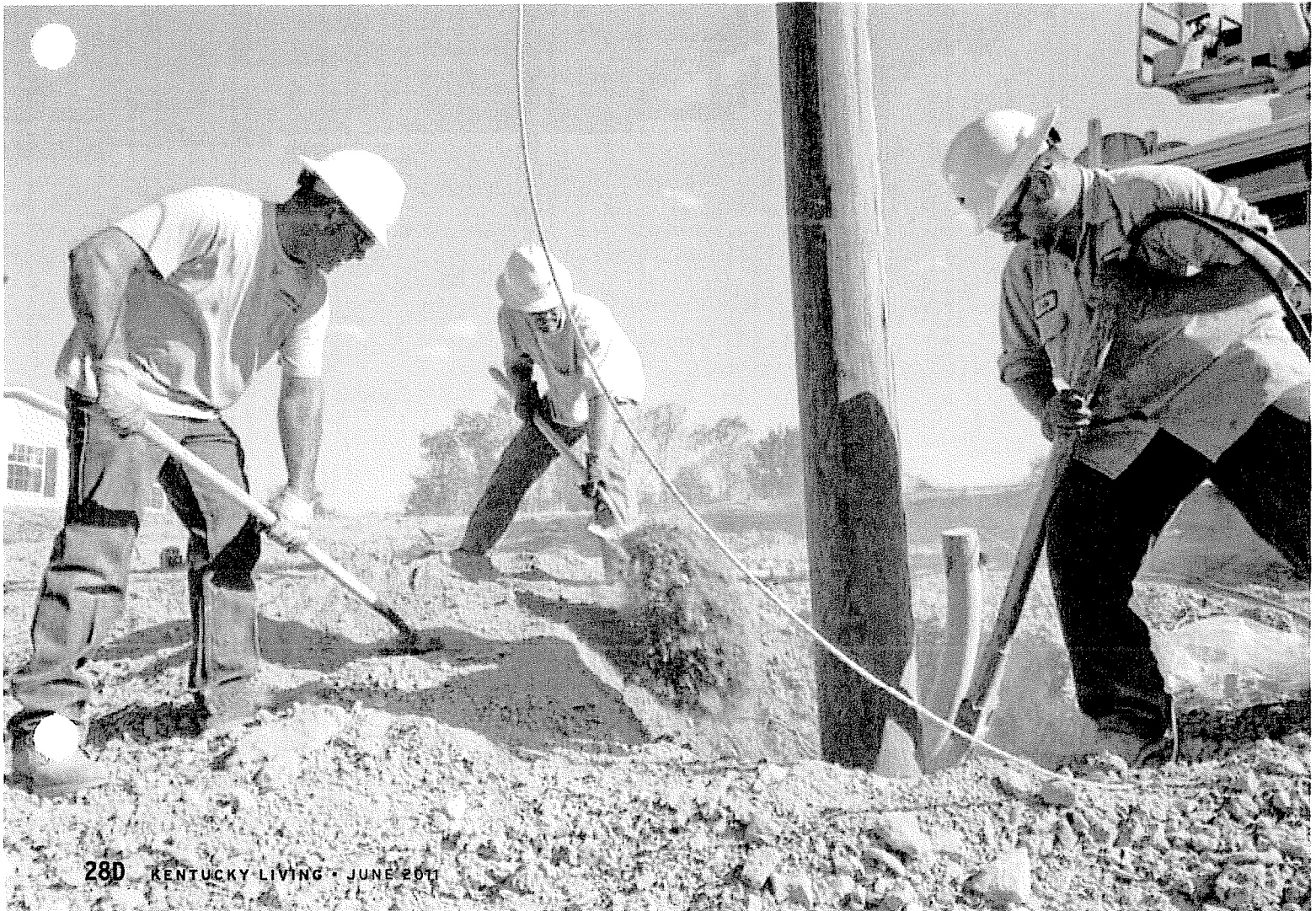
Owen Electric's regional electric generation and transmission power provider ensures a stable supply of electricity at the best possible price, and supports a wide range of home energy-efficiency programs.

State and national electric co-op organizations supplement that network. The Kentucky Association of Electric Cooperatives offers a clearinghouse of information, safety training and consultation, and *Kentucky Living* magazine. The National Rural Electric Cooperative Association provides similar support, plus

employee benefits programs and a technical research and development program to improve the quality of electric service.

These state and national organizations also play effective roles in representing your interests before elected officials and policy makers in Frankfort and Washington, D.C. As energy and environmental issues become front-page news more regularly, it's important that you have a voice to help make sure that electricity in Kentucky is reliable and affordable. Through Owen Electric Cooperative, your interests are heard at the highest levels.

Replacing an old distribution line pole, like this Owen Electric Co-op project to disconnect a line and replace a pole for residential service, involves several hours of drilling a replacement hole, removing the old pole, and hoisting the new pole. Setting the pole in this photo are lineman Travis Duvall, foreman Aaron Alexander, and lineman Cody Beckham.



of **Board** **Directors**

Official Business Meeting Agenda

ANNUAL MEETING OF MEMBERS

Owen Electric Cooperative Inc.

The annual meeting of the members of Owen Electric Cooperative will be held at Grant County High School, Dry Ridge, Kentucky, at 7:00 p.m., Eastern Daylight Time, Friday, June 24, 2011. The business session will be held for the purpose of taking the following actions:

- Report of the Officers and Directors.
- The election of three (3) Directors to serve for three (3) years each.
- To consider any and all other business that may properly come before the meeting or any adjournment or adjournments thereof.

In connection with the election of Directors scheduled for this meeting, the following cooperative members have been nominated by the Committee of Nominations appointed by the Board of Directors of the corporation pursuant to its bylaws.

For Three-Year Terms
Alan Ahrman District 4
John Grant District 5
Hope Kinman District 7

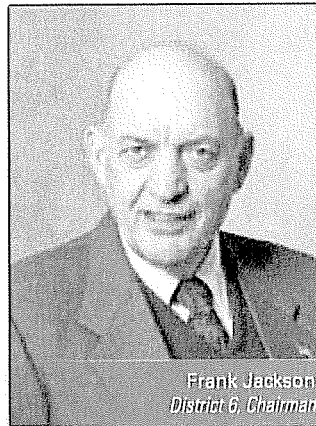
Registration of members will start at 4:30 p.m., Eastern Daylight Time, Friday, June 24, 2011.

All members must register in order to be eligible to participate in the business meeting and prize drawings and receive appreciation gifts. (Proper ID required for registration)

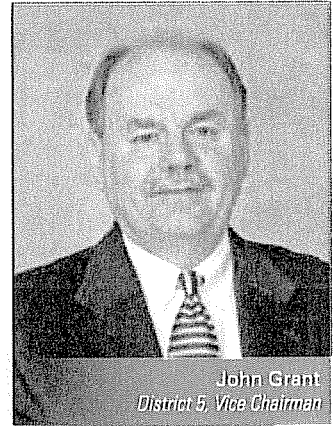
A program of entertainment will be presented.

Owen Electric Cooperative, Inc.

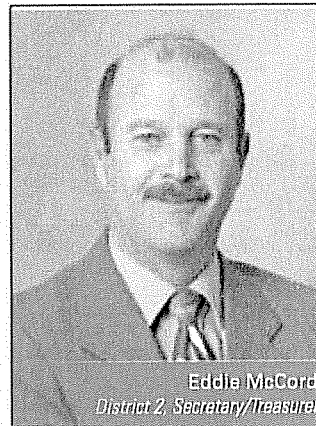
Eddie McCord, Secretary



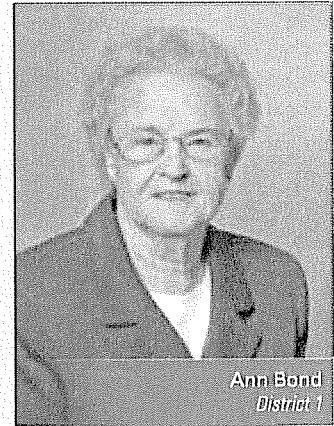
Frank Jackson
District 6, Chairman



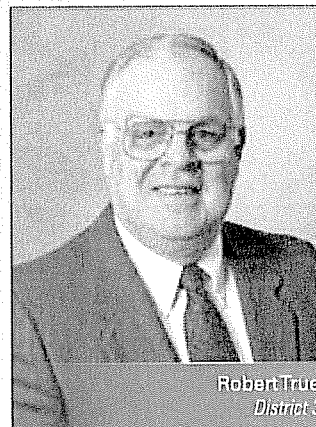
John Grant
District 5, Vice Chairman



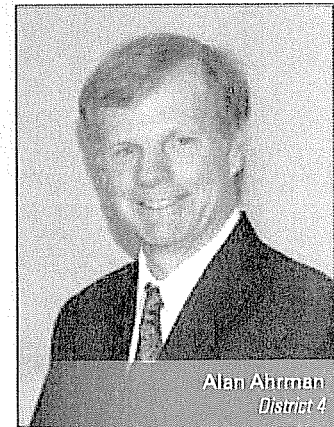
Eddie McCord
District 2, Secretary/Treasurer



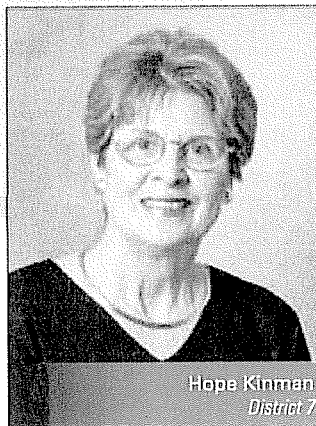
Ann Bond
District 1



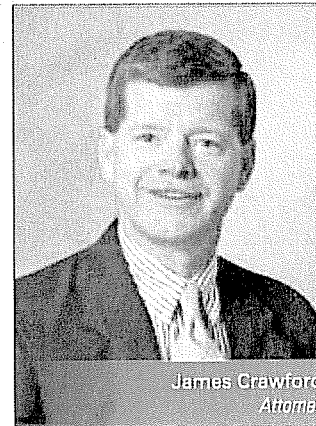
Robert True
District 3



Alan Ahrman
District 4



Hope Kinman
District 7

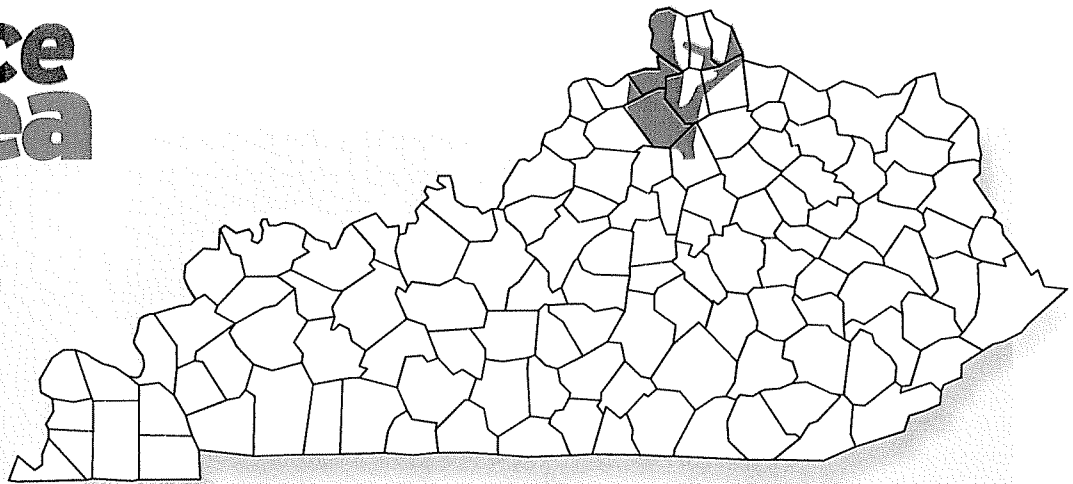


James Crawford
Attorney

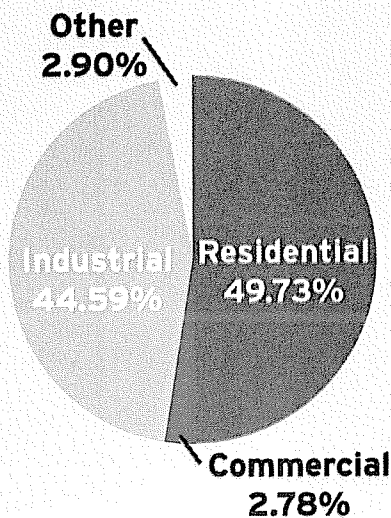


Mark Stallons
President and CEO

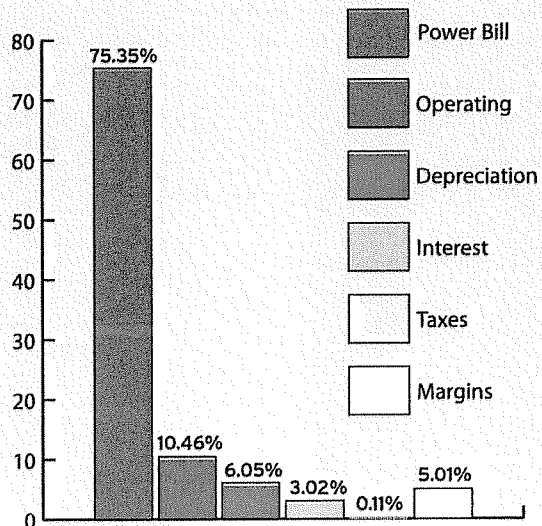
Service Area



Revenue Sources



Major Costs



Members Served in 2010

| | |
|-------------------|---------------|
| Boone..... | 20,425 |
| Kenton..... | 11,710 |
| Grant..... | 6,953 |
| Owen..... | 5,021 |
| Campbell..... | 3,535 |
| Pendleton..... | 3,492 |
| Gallatin..... | 3,282 |
| Scott..... | 1,816 |
| Carroll..... | 1,054 |
| Total..... | 57,288 |

Accounts Billed

2010 57,288

Average Kilowatt-hour Use

(Residential per month)

2010 1,179

Miles of Line

2010 4,493

Consumers Per Mile

2010 13

of **Statement** **Operations**

For the Year Ending December 31, 2010

| | |
|---|----------------------|
| Operating Revenue..... | \$156,031,216 |
| Operating Expense | |
| Purchased Power | \$120,929,457 |
| Operating System..... | 16,779,874 |
| Depreciation..... | 9,706,032 |
| Taxes | 227,945 |
| Interest on Loans | 4,741,708 |
| Other Deductions | 100,101 |
| Total Cost of Electric Service | \$152,485,117 |
| | |
| Operating Margins..... | 3,546,099 |
| Non-Operating Margins | 59,998 |
| G & T Capital Credits | 3,999,550 |
| Other Capital Credits..... | 422,159 |
| Patronage Capital and Margins | 8,027,806 |

Balance **Sheet**

For the Year Ending December 31, 2010

ASSETS

| | |
|--------------------------------|----------------------|
| Total Utility Plant | \$217,086,977 |
| Less Depreciation..... | 83,535,212 |
| Net Utility Plant | \$133,551,765 |


Investment in

| | |
|--|----------------------|
| Assoc. Organization..... | \$31,265,016 |
| Cash | 1,891,296 |
| Accounts Receivable | 9,540,307 |
| Inventory..... | 902,385 |
| Expenses Paid in Advance | 315,155 |
| Deferred Debits and Other Assets..... | 497,008 |
| Total Assets..... | \$177,962,932 |

LIABILITIES

| | |
|--|----------------------|
| Consumer Deposits | 2,741,394 |
| Membership and Other Equities | 65,109,703 |
| Long-Term Debt | 91,022,188 |
| Notes and Accounts Payable | 6,934,309 |
| Other Current Liabilities..... | 3,580,884 |
| Noncurrent Liabilities..... | 8,574,454 |
| Total Liabilities..... | \$177,962,932 |

OWEN Electric

A Touchstone Energy Cooperative 

Annual Meeting

2011

Friday, June 24

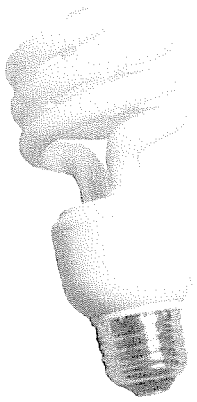
Grant County High School
Dry Ridge, KY

Registration: 4:30 p.m.

Business meeting: 7:00 p.m.



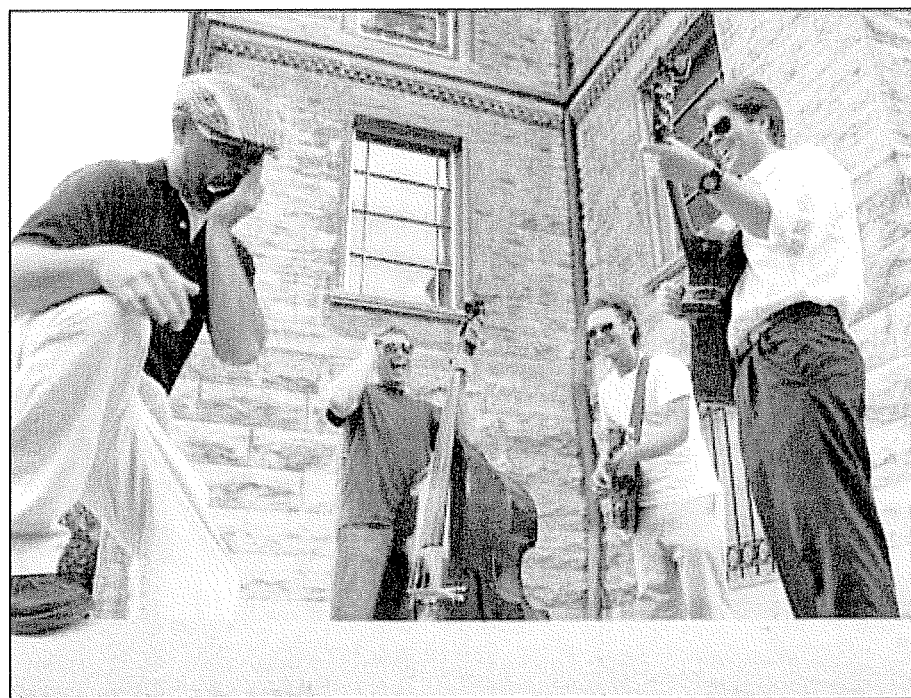
Children's Entertainment
Inflation Fun Factory



**Free!
Energy-saving
light bulbs**

for members who
attend!

- *bounce inflatables*
- *meal provided*
- *appreciation gifts*
- *prize drawings*
- *buckets and bulbs*
- *kids' photo with bucket and lineman*



Featured Entertainment
The Downtown County Band

Exhibit 2
Page 1 of 24

PART A. STATEMENT OF OPERATIONS

| LINE NO | LAST YEAR A | YEAR TO DATE THIS YEAR B | BUDGET C | THIS MONTH D | % FROM BUDGET | % CHANGE FROM LAST YEAR |
|---------|----------------|--------------------------------|---------------|-----------------|---------------|-------------------------|
| 1.0 | 14,054,886.84 | 14,300,253.75 | 14,270,965.00 | 14,300,253.75 | .2 | 1.7 |
| 2.0 | .00 | .00 | .00 | .00 | .0 | .0 |
| 3.0 | 10,568,236.00 | 10,482,780.00 | 11,439,287.00 | 10,482,780.00 | 8.4 | .8 |
| 4.0 | .00 | .00 | .00 | .00 | .0 | .0 |
| 5.0 | .00 | .00 | .00 | .00 | .0 | .0 |
| 6.0 | 383,695.25 | 421,292.75 | 367,370.00 | 421,292.75 | 14.7 | 9.8 |
| 7.0 | 129,652.89 | 359,891.70 | 274,920.00 | 359,891.70 | 30.9 | 177.6 |
| 8.0 | 217,840.04 | 189,554.79 | 290,293.00 | 189,554.79 | 34.7 | 13.0 |
| 9.0 | 51,517.17 | 50,154.53 | 47,276.00 | 50,154.53 | 6.1 | 2.6 |
| 10.0 | .00 | .00 | .00 | .00 | .0 | .0 |
| 11.0 | 222,493.82 | 218,265.90 | 264,937.00 | 218,265.90 | 17.6 | 1.9 |
| 12.0 | 11,573,435.17 | 11,721,939.67 | 12,684,083.00 | 11,721,939.67 | 7.6 | 1.3 |
| 13.0 | 705,959.14 | 751,066.83 | 755,570.00 | 751,066.83 | .6 | 6.4 |
| 14.0 | .00 | .00 | .00 | .00 | .0 | .0 |
| 15.0 | 19,552.62 | 11,161.41 | 11,984.00 | 11,161.41 | 6.9 | 42.9 |
| 16.0 | 367,172.07 | 376,397.70 | 369,948.00 | 376,397.70 | 1.7 | 2.5 |
| 17.0 | .00 | .00 | .00 | .00 | .0 | .0 |
| 18.0 | 34,423.41 | 35,617.21 | 28,511.00 | 35,617.21 | 24.9 | 3.5 |
| 19.0 | 28,831.55 | 14,828.39 | 25,001.00 | 14,828.39 | 40.7 | 48.6 |
| 20.0 | 12,729,373.96 | 12,911,011.21 | 13,875,097.00 | 12,911,011.21 | 6.9 | 1.4 |
| 21.0 | 1,325,512.88 | 1,389,242.54 | 395,868.00 | 1,389,242.54 | 250.9 | 4.8 |
| 22.0 | 10,680.75 | 5,511.81 | 8,936.00 | 5,511.81 | 38.3 | 48.4 |
| 23.0 | .00 | .00 | .00 | .00 | .0 | .0 |
| 24.0 | .00 | .00 | .00 | .00 | .0 | .0 |
| 25.0 | 278.14 | 1,177.28 | 4,400.00 | 1,177.28 | 126.8 | 323.3 |
| 26.0 | .00 | .00 | .00 | .00 | .0 | .0 |
| 27.0 | .00 | .00 | .00 | .00 | .0 | .0 |
| 28.0 | .00 | .00 | .00 | .00 | .0 | .0 |
| 29.0 | 1,336,471.77 | 1,395,931.63 | 400,404.00 | 1,395,931.63 | 248.6 | 4.4 |

RATIOS

| | | | | |
|--------------------------------------|-------|-------|-------|-------|
| TIER | 4.640 | 4.709 | 2.082 | 4.709 |
| MARGINS TO REVENUE | .095 | .098 | .028 | .098 |
| POWER COST TO REVENUE | .752 | .733 | .802 | .733 |
| INTEREST EXPENSE TO REVENUE | .026 | .026 | .026 | .026 |
| CURRENT ASSETS : CURRENT LIABILITIES | .9254 | | | |
| MARGINS & EQUITIES AS % OF ASSETS | .3369 | | | |
| LONG TERM DEBT AS % OF PLANT | .4431 | | | |
| GENERAL FUNDS TO TOTAL PLANT | .5613 | | | |
| QUICK ASSET RATIO | .8563 | | | |

Exhibit 2
 Page 2 of 24

| LINE NO | ASSETS AND OTHER DEBITS | LIABILITIES AND OTHER CREDITS |
|---------|-------------------------------------|--|
| 1.0 | TOTAL UTILITY PLANT IN SERVICE | 1,136,565.00- |
| 2.0 | CONSTRUCTION WORK IN PROGRESS | 49,940,906.25- |
| 3.0 | TOTAL UTILITY PLANT | .00 |
| 4.0 | ACCUM PROV FOR DEP & AMORT | 1,556,789.13- |
| 5.0 | NET UTILITY PLANT | 1,164,035.34- |
| | | 2,279,067.77- |
| | | 56,077,363.49- |
| 6.0 | NON-UTILITY PROPERTY (NET) | |
| 7.0 | INVEST IN SUBSIDIARY COMPANIES | |
| 8.0 | INV IN ASSOC ORG - PAT CAPITAL | 61,982,356.74- |
| 9.0 | INV IN ASSOC ORG OTHER GEN FND | .00) |
| 10.0 | INV IN ASSOC ORG - NON GEN FND | .00 |
| 11.0 | INV IN ECON DEVEL PROJECTS | .00 |
| 12.0 | OTHER INVESTMENTS | 26,015,348.02- |
| 13.0 | SPECIAL FUNDS | .00 |
| 14.0 | TOT OTHER PROP & INVESTMENTS | .00 |
| | | 87,997,704.76- |
| 15.0 | CASH - GENERAL FUNDS | |
| 16.0 | CASH - CONSTRUCTION FUND TRUST | |
| 17.0 | SPECIAL DEPOSITS | 6,583,151.51- |
| 18.0 | TEMPORARY INVESTMENTS | |
| 19.0 | NOTES RECEIVABLE (NET) | |
| 20.0 | ACCTS RECV - SALES ENERGY (NET) | 5,025,758.82- |
| 21.0 | ACCTS RECV - OTHER (NET) | 4,489,967.57- |
| 22.0 | RENEWABLE ENERGY CREDITS | 2,580,806.84- |
| 23.0 | MATERIAL & SUPPLIES-ELEC & OTH | .00 |
| 24.0 | PREPAYMENTS | .00 |
| 25.0 | OTHER CURRENT & ACCR ASSETS | 3,134,951.18- |
| 26.0 | TOTAL CURRENT & ACCR ASSETS | 15,231,484.41- |
| 27.0 | REGULATORY ASSETS | .00 |
| 28.0 | OTHER DEFERRED DEBITS | 556,306.01- |
| 29.0 | TOTAL ASSETS & OTHER DEBITS | 166,446,010.18- |
| | | ===== |
| | | ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION |
| 58.0 | BALANCE BEGINNING OF YEAR | .00 |
| 59.0 | AMOUNT RECEIVED THIS YEAR (NET) | 923,036.34 |
| 60.0 | TOTAL CONTRIBUTIONS IN AID OF CONST | 923,036.34 |

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

Exhibit 2
 Page 3 of 24

PART A. STATEMENT OF OPERATIONS

| LINE NO | YEAR TO DATE | | | THIS MONTH | % FROM BUDGET | % CHANGE FROM LAST YEAR |
|---------|---------------|---------------|---------------|---------------|---------------|-------------------------|
| | LAST YEAR | THIS YEAR | BUDGET | | | |
| 1.0 | 27,845,110.90 | 27,524,574.27 | 28,577,339.00 | 13,224,320.52 | 3.7- | 1.2- |
| 2.0 | .00 | .00 | .00 | .00 | .0 | .0 |
| 3.0 | 22,287,862.00 | 21,685,723.00 | 22,820,987.00 | 11,202,943.00 | 5.0- | 2.7- |
| 4.0 | .00 | .00 | .00 | .00 | .0 | .0 |
| 5.0 | .00 | .00 | .00 | .00 | .0 | .0 |
| 6.0 | 740,345.20 | 866,391.39 | 734,740.00 | 445,098.64 | 17.9 | 17.0 |
| 7.0 | 467,548.30 | 981,193.80 | 549,840.00 | 621,302.10 | 78.5 | 109.9 |
| 8.0 | 555,381.22 | 475,428.52 | 580,586.00 | 285,873.73 | 18.1- | 14.4- |
| 9.0 | 96,190.97 | 94,717.49 | 94,552.00 | 44,562.96 | .2 | 1.5- |
| 10.0 | .00 | .00 | .00 | .00 | .0 | .0 |
| 11.0 | 538,287.81 | 442,333.22 | 531,731.00 | 224,067.32 | 16.8- | 17.8- |
| 12.0 | 24,685,615.50 | 24,545,787.42 | 25,312,436.00 | 12,823,847.75 | 3.0- | .6- |
| 13.0 | 1,416,550.56 | 1,506,667.11 | 1,511,140.00 | 755,600.28 | .3- | 6.4 |
| 14.0 | .00 | .00 | .00 | .00 | .0 | .0 |
| 15.0 | 22,211.80 | 22,288.75 | 23,968.00 | 11,127.34 | 7.0- | .3 |
| 16.0 | 702,953.87 | 715,416.54 | 736,744.00 | 339,018.84 | 2.9- | 1.8 |
| 17.0 | .00 | .00 | .00 | .00 | .0 | .0 |
| 18.0 | 66,414.67 | 64,581.38 | 57,022.00 | 28,964.17 | 13.3 | 2.8- |
| 19.0 | 42,741.43 | 17,762.85 | 38,710.00 | 2,934.46 | 54.1- | 58.4- |
| 20.0 | 26,936,487.83 | 26,872,504.05 | 27,680,020.00 | 13,961,492.84 | 2.9- | .2- |
| 21.0 | 908,623.07 | 652,070.22 | 897,319.00 | 737,172.32 | 27.3- | 28.2- |
| 22.0 | 20,726.87 | 11,124.72 | 17,872.00 | 5,612.91 | 37.8- | 46.3- |
| 23.0 | .00 | .00 | .00 | .00 | .0 | .0 |
| 24.0 | .00 | .00 | .00 | .00 | .0 | .0 |
| 25.0 | 1,167.94 | 2,110.90 | 8,800.00 | 933.62 | 124.0- | 80.7 |
| 26.0 | .00 | .00 | .00 | .00 | .0 | .0 |
| 27.0 | .00 | 41,123.00 | .00 | 41,123.00 | 100.0 | 100.0 |
| 28.0 | .00 | .00 | .00 | .00 | .0 | .0 |
| 29.0 | 930,517.88 | 706,428.84 | 906,391.00 | 689,502.79 | 22.1- | 24.1- |

RATIOS

| | | | | |
|--------------------------------------|--------|-------|-------|--------|
| TIER | 2.324 | 1.987 | 2.230 | 1.034- |
| MARGINS TO REVENUE | .033 | .026 | .032 | .052 |
| POWER COST TO REVENUE | .800 | .788 | .799 | .847 |
| INTEREST EXPENSE TO REVENUE | .025 | .026 | .026 | .026 |
| CURRENT ASSETS : CURRENT LIABILITIES | .8493 | | | |
| MARGINS & EQUITIES AS % OF ASSETS | .3292 | | | |
| LONG TERM DEBT AS % OF PLANT | .4394 | | | |
| GENERAL FUNDS TO TOTAL PLANT | 1.2395 | | | |
| QUICK ASSET RATIO | .7915 | | | |

PART C. BALANCE SHEET

| LINE NO | ASSETS AND OTHER DEBITS | LIABILITIES AND OTHER CREDITS |
|---------|---|---|
| 1.0 | TOTAL UTILITY PLANT IN SERVICE 196,802,677.45 | 30.0 MEMBERSHIPS 1,137,985.00- |
| 2.0 | CONSTRUCTION WORK IN PROGRESS 3,092,792.91 | 31.0 PATRONAGE CAPITAL 49,886,350.57- |
| 3.0 | TOTAL UTILITY PLANT 199,895,470.36 | 32.0 OPERATING MARGINS - PRIOR YEAR .00 |
| 4.0 | ACCUM PROV FOR DEP & AMORT 70,093,149.64- | 33.0 OPERATING MARGINS-CURRENT YEAR 1,556,789.13- |
| 5.0 | NET UTILITY PLANT 129,802,320.72 | 34.0 NON-OPERATING MARGINS 467,986.02- |
| | | 35.0 OTHER MARGINS & EQUITIES 2,282,489.13- |
| | | 36.0 TOTAL MARGINS & EQUITIES 55,331,599.85- |
| 6.0 | NON-UTILITY PROPERTY (NET) .00 | |
| 7.0 | INVEST IN SUBSIDIARY COMPANIES .00 | |
| 8.0 | INV IN ASSOC ORG - PAT CAPITAL 20,215,716.29 | 37.0 LONG TERM DEBT - RUS (NET) 61,965,229.70- |
| 9.0 | INV IN ASSOC ORG OTHR GEN FND .00 | (PAYMENTS-UNAPPLIED .00) |
| 10.0 | INV IN ASSOC ORG - NON GEN FND 2,465,268.82 | 38.0 LNG-TERM DEBT-FFB-RUS GUAR .00 |
| 11.0 | INV IN ECON DEVEL PROJECTS .00 | 39.0 LONG-TERM DEBT OTHER-RUS GUAR .00 |
| 12.0 | OTHER INVESTMENTS 316,098.48 | 40.0 LONG TERM DEBT - OTHER (NET) 25,860,638.05- |
| 13.0 | SPECIAL FUNDS 26,675.77 | 41.0 LNG-TERM DEBT-RUS-ECON DEV NET .00 |
| 14.0 | TOT OTHER PROP & INVESTMENTS 23,023,759.36 | 42.0 PAYMENTS - UNAPPLIED .00 |
| | | 43.0 TOTAL LONG TERM DEBT 87,825,867.75- |
| 15.0 | CASH - GENERAL FUNDS 2,153,591.73 | |
| 16.0 | CASH - CONSTRUCTION FUND TRUST .00 | |
| 17.0 | SPECIAL DEPOSITS 1,450.00 | 44.0 OBLIGATION UNDER CAPITAL LEASE .00 |
| 18.0 | TEMPORARY INVESTMENTS 8,072.00 | 45.0 ACCUM OPERATING PROVISIONS 6,612,378.35- |
| 19.0 | NOTES RECEIVABLE (NET) .00 | 46.0 TOTAL OTHER NONCURR LIABILITY 6,612,378.35- |
| 20.0 | ACCTS REC - SALES ENERGY (NET) 9,992,989.86 | |
| 21.0 | ACCTS REC - OTHER (NET) 917,356.70 | 47.0 NOTES PAYABLE 7,954,924.99- |
| 22.0 | RENEWABLE ENERGY CREDITS .00 | 48.0 ACCOUNTS PAYABLE 4,110,521.97- |
| 23.0 | MATERIAL & SUPPLIES-ELEC & OTH 1,027,161.40 | 49.0 CONSUMER DEPOSITS 2,614,519.06- |
| 24.0 | PREPAYMENTS 632,467.50 | 50.0 CURR MATURITIES LONG-TERM DEBT .00 |
| 25.0 | OTHER CURRENT & ACCR ASSETS 350,781.19 | 51.0 CURR MATURIT LT DEBT ECON DEV .00 |
| 26.0 | TOTAL CURRENT & ACCR ASSETS 15,083,870.38 | 52.0 CURR MATURITIES CAPITAL LEASES .00 |
| | | 53.0 OTHER CURRENT & ACCRUED LIAB 3,079,754.20- |
| | | 54.0 TOTAL CURRENT & ACCRUED LIAB 17,759,720.22- |
| 27.0 | REGULATORY ASSETS .00 | |
| 28.0 | OTHER DEFERRED DEBITS 175,921.72 | 55.0 REGULATORY LIABILITIES .00 |
| | | 56.0 OTHER DEFERRED CREDITS 556,306.01- |
| 29.0 | TOTAL ASSETS & OTHER DEBITS 168,085,872.18 | 57.0 TOTAL LIABILITIES & OTH CREDIT 168,085,872.18- |

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

ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION
 58.0 BALANCE BEGINNING OF YEAR .00
 59.0 AMOUNT RECEIVED THIS YEAR (NET) 939,223.99
 60.0 TOTAL CONTRIBUTIONS IN AID OF CONST 939,223.99

Exhibit 2
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PART A. STATEMENT OF OPERATIONS

| LINE NO | LAST YEAR A | THIS YEAR B | BUDGET C | THIS MONTH D | % FROM BUDGET | % CHANGE FROM LAST YEAR |
|---------|----------------|----------------|----------------|-----------------|---------------|-------------------------|
| 1.0 | 41,358,620.38 | 38,434,640.53 | 42,551,760.00 | 10,910,066.26 | 9.7- | 7.1- |
| 2.0 | .00 | .00 | .00 | .00 | .0 | .0 |
| 3.0 | 33,373,015.00- | 30,874,209.00- | 34,082,785.00- | 9,188,486.00- | 9.4- | 7.5- |
| 4.0 | .00 | .00 | .00 | .00 | .0 | .0 |
| 5.0 | .00 | .00 | .00 | .00 | .0 | .0 |
| 6.0 | 1,110,449.28- | 1,303,492.04- | 1,102,110.00- | 437,100.65- | 18.3 | 17.4 |
| 7.0 | 595,642.18- | 772,708.86- | 862,760.00- | 208,484.94 | 10.4- | 29.7 |
| 8.0 | 790,135.08- | 763,050.60- | 870,879.00- | 287,622.08- | 12.4- | 3.4- |
| 9.0 | 136,377.05- | 141,638.10- | 141,828.00- | 46,920.61- | .1- | 3.9 |
| 10.0 | .00 | .00 | .00 | .00 | .0 | .0 |
| 11.0 | 801,028.34- | 660,147.72- | 800,365.00- | 217,814.50- | 17.5- | 17.6- |
| 12.0 | 36,806,646.93- | 34,515,246.32- | 37,860,727.00- | 9,969,458.90- | 8.8- | 6.2- |
| 13.0 | 2,130,541.67- | 2,267,479.21- | 2,266,710.00- | 760,812.10- | .0 | 6.4 |
| 14.0 | .00 | .00 | .00 | .00 | .0 | .0 |
| 15.0 | 35,435.80- | 34,187.63- | 35,952.00- | 11,898.88- | 4.9- | 3.5- |
| 16.0 | 1,070,761.62- | 1,094,148.21- | 1,143,846.00- | 378,731.67- | 4.3- | 2.2 |
| 17.0 | .00 | .00 | .00 | .00 | .0 | .0 |
| 18.0 | 107,475.34- | 100,880.95- | 85,533.00- | 36,299.57- | 17.9 | 6.1- |
| 19.0 | 47,805.58- | 25,554.88- | 45,711.00- | 7,792.03- | 44.1- | 46.5- |
| 20.0 | 40,198,666.94- | 38,037,497.20- | 41,438,479.00- | 11,164,993.15- | 8.2- | 5.4- |
| 21.0 | 1,159,953.44 | 397,143.33 | 1,113,281.00 | 254,926.89- | 64.3- | 65.8- |
| 22.0 | 30,247.52 | 16,353.80 | 26,808.00 | 5,229.08 | 39.0- | 45.9- |
| 23.0 | .00 | .00 | .00 | .00 | .0 | .0 |
| 24.0 | .00 | .00 | .00 | .00 | .0 | .0 |
| 25.0 | 2,192.41 | 45,381.20 | 13,200.00- | 43,270.30 | 443.8- | 1969.9 |
| 26.0 | .00 | .00 | .00 | .00 | .0 | .0 |
| 27.0 | 6,178.93 | 62,771.02 | 50,000.00 | 21,648.02 | 25.5 | 915.9 |
| 28.0 | .00 | .00 | .00 | .00 | .0 | .0 |
| 29.0 | 1,198,572.30 | 521,649.35 | 1,176,889.00 | 184,779.49- | 55.7- | 56.5- |

RATIOS

| | | | | |
|--------------------------------------|--------|-------|-------|------|
| TIER | 2.119 | 1.477 | 2.029 | .512 |
| MARGINS TO REVENUE | .029 | .014 | .028 | .017 |
| POWER COST TO REVENUE | .807 | .803 | .801 | .842 |
| INTEREST EXPENSE TO REVENUE | .026 | .028 | .027 | .035 |
| CURRENT ASSETS : CURRENT LIABILITIES | .8368 | | | |
| MARGINS & EQUITIES AS % OF ASSETS | .3332 | | | |
| LONG TERM DEBT AS % OF PLANT | .4376 | | | |
| GENERAL FUNDS TO TOTAL PLANT | 1.0191 | | | |
| QUICK ASSET RATIO | .7728 | | | |

Exhibit 2
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PART C. BALANCE SHEET

| LINE NO | ASSETS AND OTHER DEBITS | LIABILITIES AND OTHER CREDITS |
|---------|---|---|
| 1.0 | TOTAL UTILITY PLANT IN SERVICE 197,625,303.11 | 30.0 MEMBERSHIPS 1,138,075.00- |
| 2.0 | CONSTRUCTION WORK IN PROGRESS 2,669,089.69 | 31.0 PATRONAGE CAPITAL 49,866,543.23- |
| 3.0 | TOTAL UTILITY PLANT 200,294,392.80 | 32.0 OPERATING MARGINS - PRIOR YEAR .00 |
| 4.0 | ACCUM. PROV. FOR DEP. & AMORT. 70,791,418.50- | 33.0 OPERATING MARGINS-CURRENT YEAR 1,556,789.13- |
| 5.0 | NET UTILITY PLANT 129,502,974.30 | 34.0 NON-OPERATING MARGINS 2,234,707.15- |
| 6.0 | NON-UTILITY PROPERTY (NET) .00 | 35.0 OTHER MARGINS & EQUITIES 2,329,787.61- |
| 7.0 | INVEST IN SUBSIDIARY COMPANIES .00 | 36.0 TOTAL MARGINS & EQUITIES 55,125,902.12- |
| 8.0 | INV IN ASSOC ORG - PAT CAPITAL 20,210,307.21 | 37.0 LONG TERM DEBT - RUS (NET) 61,790,737.28- |
| 9.0 | INV IN ASSOC ORG - PAT CAPITAL 2,480,432.18 | (PAYMENTS-UNAPPLIED .00) |
| 10.0 | INV IN ASSOC ORG - NON GEN FND .00 | 38.0 LNG-TERM DEBT-FFB-RUS GUAR .00 |
| 11.0 | INV IN ECON DEVEL PROJECTS .00 | 39.0 LONG-TERM DEBT OTHER-RUS GUAR .00 |
| 12.0 | OTHER INVESTMENTS 316,398.48 | 40.0 LONG TERM DEBT - OTHER (NET) 25,860,638.05- |
| 13.0 | SPECIAL FUNDS 26,675.77 | 41.0 LNG-TERM DEBT-RUS-ECON DEV NET .00 |
| 14.0 | TOT OTHER PROP & INVESTMENTS 1,724,757.23 | 42.0 PAYMENTS - UNAPPLIED .00 |
| 15.0 | CASH - GENERAL FUNDS 1,450.00 | 43.0 TOTAL LONG TERM DEBT 87,651,375.33- |
| 16.0 | CASH - CONSTRUCTION FUND TRUST 1,450.00 | 44.0 OBLIGATION UNDER CAPITAL LEASE .00 |
| 17.0 | SPECIAL DEPOSITS 1,450.00 | 45.0 ACCUM OPERATING PROVISIONS 6,662,175.38- |
| 18.0 | TEMPORARY INVESTMENTS .00 | 46.0 TOTAL OTHER NONCURR LIABILITY 6,662,175.38- |
| 19.0 | NOTES RECEIVABLE (NET) .00 | 47.0 NOTES PAYABLE 6,481,051.99- |
| 20.0 | ACCTS REC - SALES ENERGY (NET) 7,603,716.99 | 48.0 ACCOUNTS PAYABLE 3,296,156.79- |
| 21.0 | ACCTS REC - OTHER (NET) 1,681,986.73 | 49.0 CONSUMER DEPOSITS 2,606,784.02- |
| 22.0 | RENEWABLE ENERGY CREDITS .00 | 50.0 CURR MATURITIES LONG-TERM DEBT .00 |
| 23.0 | MATERIAL & SUPPLIES-ELEC & OTH 989,028.92 | 51.0 CURR MATURIT LT DEBT ECON DEV .00 |
| 24.0 | PREPAYMENTS 544,589.27 | 52.0 CURR MATURITIES CAPITAL LEASES .00 |
| 25.0 | OTHER CURRENT & ACCR ASSETS 376,137.08 | 53.0 OTHER CURRENT & ACCRUED LIAB 3,056,891.31- |
| 26.0 | TOTAL CURRENT & ACCR ASSETS 12,921,666.22 | 54.0 TOTAL CURRENT & ACCRUED LIAB 15,440,884.11- |
| 27.0 | REGULATORY ASSETS .00 | 55.0 REGULATORY LIABILITIES .00 |
| 28.0 | OTHER DEFERRED DEBITS 20,642.71- | 56.0 OTHER DEFERRED CREDITS 557,474.51- |
| 29.0 | TOTAL ASSETS & OTHER DEBITS 165,437,811.45 | 57.0 TOTAL LIABILITIES & OTH CREDIT 165,437,811.45- |

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

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

ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION
 58.0 BALANCE BEGINNING OF YEAR .00
 59.0 AMOUNT RECEIVED THIS YEAR (NET) 1,490,630.59
 60.0 TOTAL CONTRIBUTIONS IN AID OF CONST 1,490,630.59

=====

SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT _____ DATE _____
 SIGNATURE OF MANAGER _____ DATE _____

Exhibit 2
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Exhibit 2
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PART A. STATEMENT OF OPERATIONS

| LINE NO | DESCRIPTION | YEAR TO DATE | | | THIS MONTH | % FROM BUDGET | % CHANGE FROM LAST YEAR |
|---------|---|----------------|----------------|----------------|----------------|---------------|-------------------------|
| | | A LAST YEAR | B THIS YEAR | C BUDGET | | | |
| 1.0 | OPERATING REVENUE & PATRONAGE CAPITAL..... | 53,911,122.82 | 48,991,286.02 | 56,196,067.00 | 10,556,645.49 | 12.8- | 9.1- |
| 2.0 | POWER PRODUCTION EXPENSE..... | .00 | .00 | .00 | .00 | .0 | .0 |
| 3.0 | COST OF PURCHASED POWER..... | 44,226,702.00- | 39,764,191.00- | 45,509,445.00- | 8,889,982.00- | 12.6- | 10.1- |
| 4.0 | TRANSMISSION EXPENSE..... | .00 | .00 | .00 | .00 | .0 | .0 |
| 5.0 | REGIONAL MARKET OPERATIONS EXPENSE..... | .00 | .00 | .00 | .00 | .0 | .0 |
| 6.0 | DISTRIBUTION EXPENSE-OPERATION..... | 1,497,307.93- | 1,747,094.50- | 1,469,480.00- | 443,602.46- | 18.9 | 16.7 |
| 7.0 | DISTRIBUTION EXPENSE-MAINTENANCE..... | 859,864.33- | 1,035,450.23- | 1,162,680.00- | 262,741.37- | 10.9- | 20.4 |
| 8.0 | CONSUMER ACCOUNTS EXPENSE..... | 1,069,504.37- | 1,043,084.27- | 1,161,172.00- | 280,033.67- | 10.2- | 2.5- |
| 9.0 | CUSTOMER SERVICE & INFORMATIONAL EXPENSE..... | 179,632.01- | 184,699.48- | 189,104.00- | 43,061.38- | 2.3- | 2.8 |
| 10.0 | SALES EXPENSE..... | .00 | .00 | .00 | .00 | .0 | .0 |
| 11.0 | ADMINISTRATIVE & GENERAL EXPENSE..... | 1,056,553.32- | 913,835.76- | 1,072,678.00- | 253,688.04- | 14.8- | 13.5- |
| 12.0 | TOTAL OPERATIONS & MAINTENANCE EXPENSE.... | 48,889,563.96- | 44,688,355.24- | 50,564,559.00- | 10,173,108.92- | 11.6- | 8.6- |
| 13.0 | DEPRECIATION & AMORTIZATION EXPENSE..... | 2,847,926.49- | 3,031,477.22- | 3,022,280.00- | 763,998.01- | .3 | 6.4 |
| 14.0 | TAX EXPENSE - PROPERTY & GROSS RECEIPTS.. | .00 | .00 | .00 | .00 | .0 | .0 |
| 15.0 | TAX EXPENSE - OTHER..... | 46,536.71- | 46,086.51- | 47,936.00- | 11,898.88- | 3.9- | 1.0- |
| 16.0 | INTEREST ON LONG TERM DEBT..... | 1,427,316.97- | 1,459,739.50- | 1,547,795.00- | 365,591.29- | 5.7- | 2.3 |
| 17.0 | INTEREST CHARGED TO CONSTRUCTION - CREDIT | .00 | .00 | .00 | .00 | .0 | .0 |
| 18.0 | INTEREST EXPENSE - OTHER..... | 139,953.78- | 133,097.44- | 114,044.00- | 32,216.49- | 16.7 | 4.9- |
| 19.0 | OTHER DEDUCTIONS..... | 51,256.98- | 28,067.38- | 52,712.00- | 2,512.50- | 46.8- | 45.2- |
| 20.0 | TOTAL COST OF ELECTRIC SERVICE..... | 53,402,554.89- | 49,386,823.29- | 55,349,326.00- | 11,349,326.09- | 10.8- | 7.5- |
| 21.0 | PATRONAGE CAPITAL & OPERATING MARGINS..... | 508,567.93 | 395,537.27- | 846,741.00 | 792,680.60- | 146.7- | 177.8- |
| 22.0 | NON OPERATING MARGINS - INTEREST..... | 36,753.88 | 21,766.07 | 35,744.00 | 5,412.27 | 39.1- | 40.8- |
| 23.0 | ALLOW. FOR FUNDS USED DURING CONSTRUCTION | .00 | .00 | .00 | .00 | .0 | .0 |
| 24.0 | INCOME (LOSS) FROM EQUITY INVESTMENTS..... | .00 | .00 | .00 | .00 | .0 | .0 |
| 25.0 | NON OPERATING MARGINS - OTHER..... | 3,266.60 | 42,673.36 | 17,600.00- | 2,707.84- | 342.5- | 1206.4 |
| 26.0 | GENERATION & TRANSMISSION CAPITAL CREDITS | .00 | .00 | .00 | .00 | .0 | .0 |
| 27.0 | OTHER CAPITAL CREDITS & PATRONAGE DIVID.. | 6,178.93 | 62,771.02 | 50,000.00 | .00 | 25.5 | 915.9 |
| 28.0 | EXTRAORDINARY ITEMS..... | .00 | .00 | .00 | .00 | .0 | .0 |
| 29.0 | PATRONAGE CAPITAL OR MARGINS..... | 554,767.34 | 268,326.82- | 914,885.00 | 789,976.17- | 129.3- | 148.4- |

RATIOS

| | | | | |
|--------------------------------------|--------|------|-------|--------|
| TIER | 1.389 | .816 | 1.591 | 1.161- |
| MARGINS TO REVENUE | .010 | .005 | .016 | .075 |
| POWER COST TO REVENUE | .820 | .812 | .810 | .842 |
| INTEREST EXPENSE TO REVENUE | .026 | .030 | .028 | .035 |
| CURRENT ASSETS : CURRENT LIABILITIES | .7892 | | | |
| MARGINS & EQUITIES AS % OF ASSETS | .3294 | | | |
| LONG TERM DEBT AS % OF PLANT | .4366 | | | |
| GENERAL FUNDS TO TOTAL PLANT | 1.1229 | | | |
| QUICK ASSET RATIO | .7256 | | | |

| LINE NO | ASSETS AND OTHER DEBITS | LIABILITIES AND OTHER CREDITS |
|---------|---|---|
| 1.0 | TOTAL UTILITY PLANT IN SERVICE 198,149,598.52 | 30.0 MEMBERSHIPS 1,138,710.00- |
| 2.0 | CONSTRUCTION WORK IN PROGRESS 2,580,776.65 | 31.0 PATRONAGE CAPITAL 49,847,517.30- |
| 3.0 | TOTAL UTILITY PLANT 200,730,375.17 | 32.0 OPERATING MARGINS - PRIOR YEAR .00 |
| 4.0 | ACCUM PROV FOR DEP & AMORT 71,425,363.70- | 33.0 OPERATING MARGINS-CURRENT YEAR 1,556,789.13- |
| 5.0 | NET UTILITY PLANT 129,305,011.47 | 34.0 NON-OPERATING MARGINS 557,973.45 |
| | | 35.0 OTHER MARGINS & EQUITIES 2,331,760.64- |
| | | 36.0 TOTAL MARGINS & EQUITIES 54,316,803.62- |
| 6.0 | NON-UTILITY PROPERTY (NET) .00 | |
| 7.0 | INVEST IN SUBSIDIARY COMPANIES .00 | |
| 8.0 | INV IN ASSOC ORG - PAT CAPITAL 20,210,307.21 | 37.0 LONG TERM DEBT - RUS (NET) 61,774,540.02- |
| 9.0 | INV IN ASSOC ORG OTHER GEN FND .00 | (PAYMENTS-UNAPPLIED .00) |
| 10.0 | INV IN ASSOC ORG - NON GEN FND 2,480,432.18 | 38.0 LNG-TERM DEBT-FEB-RUS GUAR .00 |
| 11.0 | INV IN ECON DEVEL PROJECTS .00 | 39.0 LONG-TERM DEBT OTHER-RUS GUAR .00 |
| 12.0 | OTHER INVESTMENTS 316,398.48 | 40.0 LONG TERM DEBT - OTHER (NET) 25,860,638.05- |
| 13.0 | SPECIAL FUNDS 26,675.77 | 41.0 LNG-TERM DEBT-RUS-ECON DEV NET .00 |
| 14.0 | TOT OTHER PROP & INVESTMENTS 23,033,813.64 | 42.0 PAYMENTS - UNAPPLIED .00 |
| | | 43.0 TOTAL LONG TERM DEBT 87,635,178.07- |
| 15.0 | CASH - GENERAL FUNDS 1,937,622.39 | |
| 16.0 | CASH - CONSTRUCTION FUND TRUST .00 | |
| 17.0 | SPECIAL DEPOSITS 1,450.00 | 44.0 OBLIGATION UNDER CAPITAL LEASE .00 |
| 18.0 | TEMPORARY INVESTMENTS .00 | 45.0 ACCUM OPERATING PROVISIONS 6,711,973.41- |
| 19.0 | NOTES RECEIVABLE (NET) .00 | 46.0 TOTAL OTHER NONCURR LIABILITY 6,711,973.41- |
| 20.0 | ACCTS REC - SALES ENERGY(NET) 7,313,301.14 | |
| 21.0 | ACCTS REC - OTHER (NET) 1,359,005.49 | 47.0 NOTES PAYABLE 5,836,940.99- |
| 22.0 | RENEWABLE ENERGY CREDITS .00 | 48.0 ACCOUNTS PAYABLE 3,770,877.68- |
| 23.0 | MATERIAL & SUPPLIES-ELEC & OTH 999,314.71 | 49.0 CONSUMER DEPOSITS 2,620,771.31- |
| 24.0 | PREPAYMENTS 456,107.34 | 50.0 CURR MATURITIES LONG-TERM DEBT .00 |
| 25.0 | OTHER CURRENT & ACCR ASSETS 323,070.00 | 51.0 CURR MATURIT LT DEBT ECON DEV .00 |
| 26.0 | TOTAL CURRENT & ACCR ASSETS 12,389,871.07 | 52.0 CURR MATURITIES CAPITAL LEASES .00 |
| | | 53.0 OTHER CURRENT & ACCRUED LIAB 3,469,867.03- |
| | | 54.0 TOTAL CURRENT & ACCRUED LIAB 15,698,457.01- |
| 27.0 | REGULATORY ASSETS .00 | |
| 28.0 | OTHER DEFERRED DEBITS 192,312.20 | 55.0 REGULATORY LIABILITIES .00 |
| | | 56.0 OTHER DEFERRED CREDITS 558,596.27- |
| 29.0 | TOTAL ASSETS & OTHER DEBITS 164,921,008.38 | 57.0 TOTAL LIABILITIES & OTH CREDIT 164,921,008.38- |

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

ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION
 58.0 BALANCE BEGINNING OF YEAR .00
 59.0 AMOUNT RECEIVED THIS YEAR (NET) 1,495,025.78
 60.0 TOTAL CONTRIBUTIONS IN AID OF CONST 1,495,025.78

Exhibit 2
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Exhibit 2
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PART A. STATEMENT OF OPERATIONS

| LINE NO | LAST YEAR A | THIS YEAR B | BUDGET C | THIS MONTH D | % FROM BUDGET | % CHANGE FROM LAST YEAR |
|---------|----------------|----------------|----------------|-----------------|---------------|-------------------------|
| 1.0 | 65,395,062.83 | 59,393,123.18 | 69,001,303.00 | 10,401,837.16 | 13.9- | 9.2- |
| 2.0 | .00 | .00 | .00 | .00 | .0 | .0 |
| 3.0 | 54,010,948.00- | 47,742,541.00- | 56,124,104.00- | 7,978,350.00- | 14.9- | 11.6- |
| 4.0 | .00 | .00 | .00 | .00 | .0 | .0 |
| 5.0 | 1,471,556.73- | 2,173,996.61- | 1,836,850.00- | 426,902.11- | 18.4 | 47.7 |
| 6.0 | 1,146,595.16- | 1,362,056.22- | 1,475,600.00- | 326,605.99- | 7.7- | 18.8 |
| 7.0 | 1,399,926.37- | 1,375,854.82- | 1,451,465.00- | 332,770.55- | 5.2- | 1.7- |
| 8.0 | 223,672.51- | 227,394.67- | 236,380.00- | 42,695.19- | 3.8- | 1.7 |
| 9.0 | .00 | .00 | .00 | .00 | .0 | .0 |
| 10.0 | 1,325,584.61- | 1,157,783.01- | 1,347,976.00- | 243,947.25- | 14.1- | 12.7- |
| 11.0 | | | | | | |
| 12.0 | 59,578,283.38- | 54,039,626.33- | 62,472,375.00- | 9,351,271.09- | 13.5- | 9.3- |
| 13.0 | 3,567,251.44- | 3,798,554.63- | 3,777,850.00- | 767,077.41- | .5 | 6.5 |
| 14.0 | .00 | .00 | .00 | .00 | .0 | .0 |
| 15.0 | 57,637.61- | 57,985.39- | 59,920.00- | 11,898.88- | 3.2- | .6 |
| 16.0 | 1,781,060.20- | 1,824,101.16- | 1,948,592.00- | 364,361.66- | 6.4- | 2.4 |
| 17.0 | .00 | .00 | .00 | .00 | .0 | .0 |
| 18.0 | 187,106.95- | 165,721.04- | 142,555.00- | 32,623.60- | 16.3 | 11.4- |
| 19.0 | 55,994.69- | 31,232.32- | 59,713.00- | 3,164.94- | 47.7- | 44.2- |
| 20.0 | 65,227,334.27- | 59,917,220.87- | 68,461,005.00- | 10,530,397.58- | 12.5- | 8.1- |
| 21.0 | 167,728.56 | 524,097.69- | 540,298.00 | 128,560.42- | 197.0- | 412.5- |
| 22.0 | 46,077.35 | 27,374.77 | 44,680.00 | 5,608.70 | 38.7- | 40.6- |
| 23.0 | .00 | .00 | .00 | .00 | .0 | .0 |
| 24.0 | .00 | .00 | .00 | .00 | .0 | .0 |
| 25.0 | 4,113.30 | 20,683.58 | 22,000.00- | 21,989.78- | 194.0- | 402.8 |
| 26.0 | .00 | .00 | .00 | .00 | .0 | .0 |
| 27.0 | 6,178.93 | 62,771.02 | 50,000.00 | .00 | 25.5 | 915.9 |
| 28.0 | .00 | .00 | .00 | .00 | .0 | .0 |
| 29.0 | 224,098.14 | 413,268.32- | 612,978.00 | 144,941.50- | 167.4- | 284.4- |

RATIOS

| | | | | |
|--------------------------------------|--------|------|-------|------|
| TIER | 1.126 | .773 | 1.315 | .602 |
| MARGINS TO REVENUE | .003 | .007 | .009 | .014 |
| POWER COST TO REVENUE | .826 | .804 | .813 | .767 |
| INTEREST EXPENSE TO REVENUE | .027 | .031 | .028 | .035 |
| CURRENT ASSETS : CURRENT LIABILITIES | .7126 | | | |
| MARGINS & EQUITIES AS % OF ASSETS | .3280 | | | |
| LONG TERM DEBT AS % OF PLANT | .4282 | | | |
| GENERAL FUNDS TO TOTAL PLANT | 1.0496 | | | |
| QUICK ASSET RATIO | .6595 | | | |

| LINE NO | ASSETS AND OTHER DEBITS | LIABILITIES AND OTHER CREDITS |
|---------|---|---|
| 1.0 | TOTAL UTILITY PLANT IN SERVICE 198,440,126.36 | 30.0 MEMBERSHIPS 1,140,710.00- |
| 2.0 | CONSTRUCTION WORK IN PROGRESS 2,951,770.90 | 31.0 PATRONAGE CAPITAL 49,840,153.21- |
| 3.0 | TOTAL UTILITY PLANT 201,391,897.26 | 32.0 OPERATING MARGINS - PRIOR YEAR .00 |
| 4.0 | ACCUM PROV FOR DEP & AMORT 71,904,880.51- | 33.0 OPERATING MARGINS-CURRENT YEAR 1,556,789.13- |
| 5.0 | NET UTILITY PLANT 129,487,016.75 | 34.0 NON-OPERATING MARGINS 686,533.87 |
| | | 35.0 OTHER MARGINS & EQUITIES 2,314,229.36- |
| | | 36.0 TOTAL MARGINS & EQUITIES 54,165,347.83- |
| 6.0 | NON-UTILITY PROPERTY (NET) .00 | 37.0 LONG TERM DEBT - RUS (NET) 61,758,803.82- |
| 7.0 | INVEST IN SUBSIDIARY COMPANIES .00 | (PAYMENTS-UNAPPLIED) .00 |
| 8.0 | INV IN ASSOC ORG - PAT CAPITAL 20,210,307.21 | 38.0 LNG-TERM DEBT-FFB-RUS GUAR .00 |
| 9.0 | INV IN ASSOC ORG OTHR GEN FND .00 | 39.0 LONG-TERM DEBT OTHER-RUS GUAR .00 |
| 10.0 | INV IN ASSOC ORG - NON GEN FND 2,480,432.18 | 40.0 LONG TERM DEBT - OTHER (NET) 24,484,210.26- |
| 11.0 | INV IN ECON DEVEL PROJECTS .00 | 41.0 LNG-TERM DEBT-RUS-ECON DEV NET .00 |
| 12.0 | OTHER INVESTMENTS 316,398.48 | 42.0 PAYMENTS - UNAPPLIED .00 |
| 13.0 | SPECIAL FUNDS 26,675.77 | 43.0 TOTAL LONG TERM DEBT 86,243,014.08- |
| 14.0 | TOT OTHER PROP & INVESTMENTS 1,797,472.74 | 44.0 OBLIGATION UNDER CAPITAL LEASE .00 |
| 15.0 | CASH - GENERAL FUNDS 1,450.00 | 45.0 ACCUM OPERATING PROVISIONS 6,757,845.42- |
| 16.0 | CASH - CONSTRUCTION FUND TRUST .00 | 46.0 TOTAL OTHER NONCURR LIABILITY 6,757,845.42- |
| 17.0 | SPECIAL DEPOSITS 1,450.00 | 47.0 NOTES PAYABLE 7,661,847.99- |
| 18.0 | TEMPORARY INVESTMENTS .00 | 48.0 ACCOUNTS PAYABLE 3,579,045.44- |
| 19.0 | NOTES RECEIVABLE (NET) .00 | 49.0 CONSUMER DEPOSITS 2,648,619.74- |
| 20.0 | ACCTS REC - SALES ENERGY (NET) 7,357,810.93 | 50.0 CURR MATURITIES LONG-TERM DEBT .00 |
| 21.0 | ACCTS REC - OTHER (NET) 1,626,875.06 | 51.0 CURR MATURIT LT DEBT ECON DEV .00 |
| 22.0 | RENEWABLE ENERGY CREDITS .00 | 52.0 CURR MATURITIES CAPITAL LEASES .00 |
| 23.0 | MATERIAL & SUPPLIES-ELEC & OTH 928,361.95 | 53.0 OTHER CURRENT & ACCRUED LIAB 3,586,379.87- |
| 24.0 | PREPAYMENTS 390,187.25 | 54.0 TOTAL CURRENT & ACCRUED LIAB 17,475,893.04- |
| 25.0 | OTHER CURRENT & ACCR ASSETS 351,411.71 | 55.0 REGULATORY LIABILITIES .00 |
| 26.0 | TOTAL CURRENT & ACCR ASSETS 12,453,569.64 | 56.0 OTHER DEFERRED CREDITS 507,963.78- |
| 27.0 | REGULATORY ASSETS .00 | 57.0 TOTAL LIABILITIES & OTH CREDIT 165,150,064.15- |
| 28.0 | OTHER DEFERRED DEBITS 175,664.12 | |
| 29.0 | TOTAL ASSETS & OTHER DEBITS 165,150,064.15 | |

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

ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION
 58.0 BALANCE BEGINNING OF YEAR .00
 59.0 AMOUNT RECEIVED THIS YEAR (NET) 1,505,083.74
 60.0 TOTAL CONTRIBUTIONS IN AID OF CONST 1,505,083.74

Exhibit 2
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PART A. STATEMENT OF OPERATIONS

| LINE NO | YEAR TO DATE | | | BUDGET C | THIS MONTH D | % FROM BUDGET | % CHANGE FROM LAST YEAR |
|---------|---------------|---------------|---------------|---------------|--------------|---------------|-------------------------|
| | LAST YEAR A | THIS YEAR B | | | | | |
| 1.0 | 77,725,803.86 | 69,961,830.27 | 82,849,828.00 | 10,568,707.09 | 15.6- | 10.0- | |
| 2.0 | .00 | .00 | .00 | .00 | .0 | 12.2- | |
| 3.0 | 63,332,423.00 | 55,620,639.00 | 66,680,071.00 | 7,878,098.00 | .0 | .0 | |
| 4.0 | .00 | .00 | .00 | .00 | .0 | .0 | |
| 5.0 | .00 | .00 | .00 | .00 | .0 | .0 | |
| 6.0 | 2,110,324.26 | 2,593,537.42 | 2,204,220.00 | 419,540.81 | 17.7 | 22.9 | |
| 7.0 | 1,526,644.89 | 1,770,054.63 | 1,811,520.00 | 407,938.41 | 2.3- | 15.9 | |
| 8.0 | 1,631,534.19 | 1,677,075.64 | 1,741,758.00 | 301,220.82 | 3.7- | 2.8 | |
| 9.0 | 256,763.88 | 278,284.65 | 283,656.00 | 50,889.98 | 1.9- | 8.4 | |
| 10.0 | .00 | .00 | .00 | .00 | .0 | .0 | |
| 11.0 | 1,551,753.88 | 1,426,177.60 | 1,649,477.00 | 268,394.59 | 13.5- | 8.1- | |
| 12.0 | 70,409,444.10 | 63,365,768.94 | 74,370,702.00 | 9,326,142.61 | 14.8- | 10.0- | |
| 13.0 | 4,296,277.41 | 4,567,293.93 | 4,533,420.00 | 768,739.30 | .7 | 6.3 | |
| 14.0 | .00 | .00 | .00 | .00 | .0 | .0 | |
| 15.0 | 68,738.48 | 69,884.25 | 71,904.00 | 11,898.86 | 2.8- | 1.7 | |
| 16.0 | 2,131,377.65 | 2,184,387.64 | 2,346,236.00 | 360,286.48 | 6.9- | 2.5 | |
| 17.0 | .00 | .00 | .00 | .00 | .0 | .0 | |
| 18.0 | 228,845.64 | 198,455.16 | 171,066.00 | 32,734.12 | 16.0 | 13.3- | |
| 19.0 | 57,096.57 | 34,324.93 | 66,714.00 | 3,092.61 | 48.5- | 39.9- | |
| 20.0 | 77,191,779.85 | 70,420,114.85 | 81,560,042.00 | 10,502,893.98 | 13.7- | 8.8- | |
| 21.0 | 534,024.01 | 458,284.58 | 1,289,786.00 | 65,813.11 | 135.5- | 185.8- | |
| 22.0 | 53,227.94 | 32,780.55 | 53,616.00 | 5,405.78 | 38.9- | 38.4- | |
| 23.0 | .00 | .00 | .00 | .00 | .0 | .0 | |
| 24.0 | .00 | .00 | .00 | .00 | .0 | .0 | |
| 25.0 | 4,675.06 | 21,961.84 | 26,400.00 | 1,278.26 | 183.2- | 369.8 | |
| 26.0 | .00 | .00 | .00 | .00 | .0 | .0 | |
| 27.0 | 6,178.93 | 62,771.02 | 250,000.00 | .00 | 74.9- | 915.9 | |
| 28.0 | .00 | .00 | .00 | .00 | .0 | .0 | |
| 29.0 | 598,105.94 | 340,771.17 | 1,567,002.00 | 72,497.15 | 121.7- | 157.0- | |

RATIOS

| | | | | |
|--------------------------------------|--------|------|-------|-------|
| TIER | 1.281 | .844 | 1.668 | 1.201 |
| MARGINS TO REVENUE | .008 | .005 | .019 | .007 |
| POWER COST TO REVENUE | .815 | .795 | .805 | .745 |
| INTEREST EXPENSE TO REVENUE | .027 | .031 | .028 | .034 |
| CURRENT ASSETS : CURRENT LIABILITIES | 1.3848 | | | |
| MARGINS & EQUITIES AS % OF ASSETS | .3255 | | | |
| LONG TERM DEBT AS % OF PLANT | .4698 | | | |
| GENERAL FUNDS TO TOTAL PLANT | 1.7790 | | | |
| QUICK ASSET RATIO | 1.2869 | | | |

Exhibit 2
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| LINE NO | ASSETS AND OTHER DEBITS | LIABILITIES AND OTHER CREDITS |
|---------|---|---|
| 1.0 | TOTAL UTILITY PLANT IN SERVICE 199,241,857.87 | 30.0 MEMBERSHIPS 1,142,665.00- |
| 2.0 | CONSTRUCTION WORK IN PROGRESS 3,047,190.16 | 31.0 PATRONAGE CAPITAL 49,827,254.00- |
| 3.0 | TOTAL UTILITY PLANT 202,289,048.03 | 32.0 OPERATING MARGINS - PRIOR YEAR .00 |
| 4.0 | ACCUM PROV FOR DEP & AMORT 72,494,350.84- | 33.0 OPERATING MARGINS-CURRENT YEAR 1,556,789.13- |
| 5.0 | NET UTILITY PLANT 129,794,697.19 | 34.0 NON-OPERATING MARGINS 620,720.76 |
| | | 35.0 OTHER MARGINS & EQUITIES 2,320,214.42- |
| | | 36.0 TOTAL MARGINS & EQUITIES 54,226,201.79- |
| 6.0 | NON-UTILITY PROPERTY (NET) .00 | |
| 7.0 | INVEST IN SUBSIDIARY COMPANIES .00 | |
| 8.0 | INV IN ASSOC ORG - PAT CAPITAL 20,210,307.21 | 37.0 LONG TERM DEBT - RUS (NET) 70,541,837.58- |
| 9.0 | INV IN ASSOC ORG OTHR GEN FND .00 | (PAYMENTS-UNAPPLIED .00) |
| 10.0 | INV IN ASSOC ORG - NON GEN FND 2,286,992.79 | 38.0 LNG-TERM DEBT-FFB-RUS GUAR .00 |
| 11.0 | INV IN ECON DEVEL PROJECTS .00 | 39.0 LONG-TERM DEBT OTHER-RUS GUAR .00 |
| 12.0 | OTHER INVESTMENTS 316,398.48 | 40.0 LONG TERM DEBT - OTHER (NET) 24,484,210.26- |
| 13.0 | SPECIAL FUNDS 26,675.77 | 41.0 LNG-TERM DEBT-RUS-ECON DEV NET .00 |
| 14.0 | TOT OTHER PROP & INVESTMENTS 22,840,374.25 | 42.0 PAYMENTS - UNAPPLIED .00 |
| | | 43.0 TOTAL LONG TERM DEBT 95,026,047.84- |
| 15.0 | CASH - GENERAL FUNDS 3,282,395.12 | |
| 16.0 | CASH - CONSTRUCTION FUND TRUST .00 | |
| 17.0 | SPECIAL DEPOSITS 1,450.00 | 44.0 OBLIGATION UNDER CAPITAL LEASE .00 |
| 18.0 | TEMPORARY INVESTMENTS .00 | 45.0 ACCUM OPERATING PROVISIONS 6,811,567.47- |
| 19.0 | NOTES RECEIVABLE (NET) .00 | 46.0 TOTAL OTHER NONCURR LIABILITY 6,811,567.47- |
| 20.0 | ACCTS REC - SALES ENERGY (NET) 7,100,457.70 | |
| 21.0 | ACCTS REC - OTHER (NET) 1,747,612.47 | 47.0 NOTES PAYABLE 25.01 |
| 22.0 | RENEWABLE ENERGY CREDITS .00 | 48.0 ACCOUNTS PAYABLE 3,821,634.30- |
| 23.0 | MATERIAL & SUPPLIES-ELEC & OTH 974,983.79 | 49.0 CONSUMER DEPOSITS 2,695,861.86- |
| 24.0 | PREPAYMENTS 371,111.18 | 50.0 CURR MATURITIES LONG-TERM DEBT .00 |
| 25.0 | OTHER CURRENT & ACCR ASSETS 317,126.80 | 51.0 CURR MATURIT LT DEBT ECON DEV .00 |
| 26.0 | TOTAL CURRENT & ACCR ASSETS 13,795,137.06 | 52.0 CURR MATURITIES CAPITAL LEASES .00 |
| | | 53.0 OTHER CURRENT & ACCRUED LIAB 3,444,668.29- |
| | | 54.0 TOTAL CURRENT & ACCRUED LIAB 9,962,139.44- |
| 27.0 | REGULATORY ASSETS .00 | |
| 28.0 | OTHER DEFERRED DEBITS 165,396.54 | 55.0 REGULATORY LIABILITIES .00 |
| 29.0 | TOTAL ASSETS & OTHER DEBITS 166,595,605.04 | 56.0 OTHER DEFERRED CREDITS 569,648.50- |
| | | 57.0 TOTAL LIABILITIES & OTH CREDIT 166,595,605.04- |

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

ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION
 58.0 BALANCE BEGINNING OF YEAR .00
 59.0 AMOUNT RECEIVED THIS YEAR (NET) 1,524,425.28
 60.0 TOTAL CONTRIBUTIONS IN AID OF CONST 1,524,425.28

Exhibit 2
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Exhibit 2
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PART A. STATEMENT OF OPERATIONS

| LINE NO | LAST YEAR A | THIS YEAR B | BUDGET C | THIS MONTH D | % FROM BUDGET | % CHANGE FROM LAST YEAR |
|---------|----------------|----------------|----------------|-----------------|---------------|-------------------------|
| 1.0 | 91,491,253.09 | 82,315,476.98 | 97,461,502.00 | 12,353,646.71 | 15.5- | 10.0- |
| 2.0 | .00 | .00 | .00 | .00 | .0 | .0 |
| 3.0 | 74,188,874.00- | 64,953,990.00- | 77,648,266.00- | 9,333,351.00- | 16.3- | 12.4- |
| 4.0 | .00 | .00 | .00 | .00 | .0 | .0 |
| 5.0 | .00 | .00 | .00 | .00 | .0 | .0 |
| 6.0 | 2,431,046.63- | 3,050,213.13- | 2,571,690.00- | 456,675.71- | 18.6 | 25.5 |
| 7.0 | 2,024,181.16- | 2,162,788.38- | 2,194,440.00- | 392,733.75- | 1.4- | 6.8 |
| 8.0 | 1,903,928.01- | 1,902,226.73- | 2,032,051.00- | 225,151.09- | 6.4- | 1- |
| 9.0 | 307,298.73- | 322,608.28- | 330,932.00- | 44,323.63- | 2.5- | 5.0 |
| 10.0 | .00 | .00 | .00 | .00 | .0 | .0 |
| 11.0 | 1,832,849.91- | 1,615,897.58- | 1,946,093.00- | 189,719.98- | 17.0- | 11.8- |
| 12.0 | 82,688,178.44- | 74,007,724.10- | 86,723,472.00- | 10,641,955.16- | 14.7- | 10.5- |
| 13.0 | 5,025,364.79- | 5,339,400.17- | 5,288,990.00- | 772,106.24- | 1.0 | 6.2 |
| 14.0 | .00 | .00 | .00 | .00 | .0 | .0 |
| 15.0 | 79,839.35- | 81,297.02- | 83,888.00- | 11,412.77- | 3.1- | 1.8 |
| 16.0 | 2,494,029.93- | 2,595,146.97- | 2,756,976.00- | 410,759.33- | 5.9- | 4.1 |
| 17.0 | .00 | .00 | .00 | .00 | .0 | .0 |
| 18.0 | 272,578.18- | 212,961.10- | 199,577.00- | 14,505.94- | 6.7 | 21.9- |
| 19.0 | 61,581.91- | 41,566.30- | 73,715.00- | 7,241.37- | 43.6- | 32.5- |
| 20.0 | 90,621,572.60- | 82,278,095.66- | 95,126,618.00- | 11,857,980.81- | 13.5- | 9.2- |
| 21.0 | 869,680.49 | 37,381.32 | 2,334,884.00 | 495,665.90 | 98.4- | 95.7- |
| 22.0 | 60,110.12 | 39,124.72 | 62,552.00 | 6,344.17 | 37.5- | 34.9- |
| 23.0 | .00 | .00 | .00 | .00 | .0 | .0 |
| 24.0 | .00 | .00 | .00 | .00 | .0 | .0 |
| 25.0 | 11,840.30 | 23,344.59 | 30,800.00- | 1,382.75 | 175.8- | 97.2 |
| 26.0 | .00 | .00 | .00 | .00 | .0 | .0 |
| 27.0 | 668,954.40 | 62,771.02 | 490,000.00 | .00 | 87.2- | 90.6- |
| 28.0 | .00 | .00 | .00 | .00 | .0 | .0 |
| 29.0 | 1,610,585.31 | 162,621.65 | 2,856,636.00 | 503,392.82 | 94.3- | 89.9- |

RATIOS

| | | | | |
|--------------------------------------|--------|-------|-------|-------|
| TIER | 1.646 | 1.063 | 2.036 | 2.226 |
| MARGINS TO REVENUE | .018 | .002 | .029 | .041 |
| POWER COST TO REVENUE | .811 | .789 | .797 | .756 |
| INTEREST EXPENSE TO REVENUE | .027 | .032 | .038 | .033 |
| CURRENT ASSETS : CURRENT LIABILITIES | 1.3620 | | | |
| MARGINS & EQUITIES AS % OF ASSETS | .3257 | | | |
| LONG TERM DEBT AS % OF PLANT | .4672 | | | |
| GENERAL FUNDS TO TOTAL PLANT | 1.7626 | | | |
| QUICK ASSET RATIO | 1.2731 | | | |

PART C. BALANCE SHEET

| LINE NO | ASSETS AND OTHER DEBITS | LIABILITIES AND OTHER CREDITS | |
|---------|--------------------------------|-------------------------------------|-----------------|
| 1.0 | TOTAL UTILITY PLANT IN SERVICE | 30.0 MEMBERSHIPS | 1,143,830.00- |
| 2.0 | CONSTRUCTION WORK IN PROGRESS | 31.0 PATRONAGE CAPITAL | 49,810,664.21- |
| 3.0 | TOTAL UTILITY PLANT | 32.0 OPERATING MARGINS - PRIOR YEAR | .00 |
| 4.0 | ACCUM PROV FOR DEP & AMORT | 33.0 OPERATING MARGINS-CURRENT YEAR | 1,556,789.13- |
| 5.0 | NET UTILITY PLANT | 34.0 NON-OPERATING MARGINS | 125,054.86 |
| | | 35.0 OTHER MARGINS & EQUITIES | 2,327,020.28- |
| | | 36.0 TOTAL MARGINS & EQUITIES | 54,713,248.76- |
| 6.0 | NON-UTILITY PROPERTY (NET) | | |
| 7.0 | INVEST IN SUBSIDIARY COMPANIES | 37.0 LONG TERM DEBT - RUS (NET) | 70,526,023.27- |
| 8.0 | INV IN ASSOC ORG - PAT CAPITAL | (PAYMENTS-UNAPPLIED | .00) |
| 9.0 | INV IN ASSOC ORG OTHER GEN FND | 38.0 LNG-TERM DEBT-FEB-RUS GUAR | .00 |
| 10.0 | INV IN ASSOC ORG - NON GEN FND | 39.0 LONG-TERM DEBT OTHER-RUS GUAR | .00 |
| 11.0 | INV IN ECON DEVEL PROJECTS | 40.0 LONG TERM DEBT - OTHER (NET) | 24,484,210.26- |
| 12.0 | OTHER INVESTMENTS | 41.0 LNG-TERM DEBT-RUS-ECON DEV NET | .00 |
| 13.0 | SPECIAL FUNDS | 42.0 PAYMENTS - UNAPPLIED | .00 |
| 14.0 | TOT OTHER PROP & INVESTMENTS | 43.0 TOTAL LONG TERM DEBT | 95,010,233.53- |
| 15.0 | CASH - GENERAL FUNDS | | |
| 16.0 | CASH - CONSTRUCTION FUND TRUST | 44.0 OBLIGATION UNDER CAPITAL LEASE | .00 |
| 17.0 | SPECIAL DEPOSITS | 45.0 ACCUM OPERATING PROVISIONS | 6,893,537.05- |
| 18.0 | TEMPORARY INVESTMENTS | 46.0 TOTAL OTHER NONCURR LIABILITY | |
| 19.0 | NOTES RECEIVABLE (NET) | | |
| 20.0 | ACCTS REC - SALES ENERGY (NET) | 47.0 NOTES PAYABLE | .00 |
| 21.0 | ACCTS REC - OTHER (NET) | 48.0 ACCOUNTS PAYABLE | 4,727,171.52- |
| 22.0 | RENEWABLE ENERGY CREDITS | 49.0 CONSUMER DEPOSITS | 2,753,827.30- |
| 23.0 | MATERIAL & SUPPLIES-ELEC & OTH | 50.0 CURR MATURITIES LONG-TERM DEBT | .00 |
| 24.0 | PREPAYMENTS | 51.0 CURR MATURE LT DEBT ECON DEV | .00 |
| 25.0 | OTHER CURRENT & ACCR ASSETS | 52.0 CURR MATURITIES CAPITAL LEASES | .00 |
| 26.0 | TOTAL CURRENT & ACCR ASSETS | 53.0 OTHER CURRENT & ACCRUED LIAB | 3,325,998.67- |
| | | 54.0 TOTAL CURRENT & ACCRUED LIAB | 10,806,997.49- |
| 27.0 | REGULATORY ASSETS | | |
| 28.0 | OTHER DEFERRED DEBITS | 55.0 REGULATORY LIABILITIES | .00 |
| | | 56.0 OTHER DEFERRED CREDITS | 569,960.10- |
| 29.0 | TOTAL ASSETS & OTHER DEBITS | 57.0 TOTAL LIABILITIES & OTH CREDIT | 167,993,976.93- |

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

ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION
58.0 BALANCE BEGINNING OF YEAR .00
59.0 AMOUNT RECEIVED THIS YEAR (NET) 1,535,951.91
60.0 TOTAL CONTRIBUTIONS IN AID OF CONST 1,535,951.91

Exhibit 2
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Exhibit 2
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PART A. STATEMENT OF OPERATIONS

| LINE NO | DESCRIPTION | LAST YEAR A | THIS YEAR B | BUDGET C | THIS MONTH D | % FROM BUDGET | % CHANGE FROM LAST YEAR |
|---------|---|-----------------|----------------|-----------------|-----------------|---------------|-------------------------|
| 1.0 | OPERATING REVENUE & PATRONAGE CAPITAL | 104,577,071.62 | 95,130,097.14 | 113,024,474.00 | 12,814,620.16 | 15.8- | 9.0- |
| 2.0 | POWER PRODUCTION EXPENSE | .00 | .00 | .00 | .00 | .0 | .0 |
| 3.0 | COST OF PURCHASED POWER | 85,622,135.00- | 74,480,229.00- | 89,771,519.00- | 9,526,239.00- | 17.0- | 13.0- |
| 4.0 | TRANSMISSION EXPENSE | .00 | .00 | .00 | .00 | .0 | .0 |
| 5.0 | REGIONAL MARKET OPERATIONS EXPENSE | .00 | .00 | .00 | .00 | .0 | .0 |
| 6.0 | DISTRIBUTION EXPENSE-OPERATION | 2,811,679.93- | 3,503,563.53- | 2,939,206.00- | 453,350.40- | 19.2 | 24.6 |
| 7.0 | DISTRIBUTION EXPENSE-MAINTENANCE | 2,363,617.77- | 2,572,558.40- | 2,614,360.00- | 409,770.02- | 1.6- | 8.8 |
| 8.0 | CONSUMER ACCOUNTS EXPENSE | 2,164,062.75- | 2,258,287.74- | 2,322,344.00- | 356,061.01- | 2.8- | 4.4 |
| 9.0 | CUSTOMER SERVICE & INFORMATIONAL EXPENSE | 346,569.51- | 366,616.07- | 378,208.00- | 44,007.79- | 3.1- | 5.8 |
| 10.0 | SALES EXPENSE | .00 | .00 | .00 | .00 | .0 | .0 |
| 11.0 | ADMINISTRATIVE & GENERAL EXPENSE | 2,105,840.92- | 1,864,795.25- | 2,227,461.00- | 248,897.67- | 16.3- | 11.4- |
| 12.0 | TOTAL OPERATIONS & MAINTENANCE EXPENSE | 95,413,905.88- | 85,046,049.99- | 100,253,098.00- | 11,038,325.89- | 15.2- | 10.9- |
| 13.0 | DEPRECIATION & AMORTIZATION EXPENSE | 5,758,608.37- | 6,113,281.28- | 6,044,560.00- | 773,881.11- | 1.1 | 6.2 |
| 14.0 | TAX EXPENSE - PROPERTY & GROSS RECEIPTS | .00 | .00 | .00 | .00 | .0 | .0 |
| 15.0 | TAX EXPENSE - OTHER | 90,940.22- | 92,709.79- | 95,872.00- | 11,412.77- | 3.3- | 1.9 |
| 16.0 | INTEREST ON LONG TERM DEBT | 2,843,421.86- | 2,988,299.59- | 3,164,563.00- | 393,152.62- | 5.6- | 5.1 |
| 17.0 | INTEREST CHARGED TO CONSTRUCTION - CREDIT | .00 | .00 | .00 | .00 | .0 | .0 |
| 18.0 | INTEREST EXPENSE - OTHER | 315,239.63- | 227,743.13- | 228,088.00- | 14,782.03- | .2- | 27.8- |
| 19.0 | OTHER DEDUCTIONS | 76,764.93- | 60,024.44- | 94,716.00- | 18,458.14- | 36.6- | 21.8- |
| 20.0 | TOTAL COST OF ELECTRIC SERVICE | 104,498,880.89- | 94,528,108.22- | 109,880,897.00- | 12,250,012.56- | 14.0- | 9.5- |
| 21.0 | PATRONAGE CAPITAL & OPERATING MARGINS | 78,190.73 | 601,988.92 | 3,143,577.00 | 564,607.60 | 80.9- | 669.9 |
| 22.0 | NON OPERATING MARGINS - INTEREST | 67,293.72 | 45,644.78 | 71,488.00 | 6,520.06 | 36.2- | 32.2- |
| 23.0 | ALLOW. FOR FUNDS USED DURING CONSTRUCTION | .00 | .00 | .00 | .00 | .0 | .0 |
| 24.0 | INCOME (LOSS) FROM EQUITY INVESTMENTS | .00 | .00 | .00 | .00 | .0 | .0 |
| 25.0 | NON OPERATING MARGINS - OTHER | 11,857.21 | 24,181.10 | 35,200.00- | 836.51 | 168.7- | 103.9 |
| 26.0 | GENERATION & TRANSMISSION CAPITAL CREDITS | .00 | .00 | .00 | .00 | .0 | .0 |
| 27.0 | OTHER CAPITAL CREDITS & PATRONAGE DIVID. | 668,954.40 | 62,771.02 | 490,000.00 | .00 | 87.2- | 90.6- |
| 28.0 | EXTRAORDINARY ITEMS | .00 | .00 | .00 | .00 | .0 | .0 |
| 29.0 | PATRONAGE CAPITAL OR MARGINS | 826,296.06 | 734,585.82 | 3,669,865.00 | 571,964.17 | 80.0- | 11.1- |

RATIOS

| | | | | |
|--------------------------------------|--------|-------|-------|-------|
| TIER | 1.291 | 1.246 | 2.160 | 2.455 |
| MARGINS TO REVENUE | .008 | .008 | .032 | .045 |
| POWER COST TO REVENUE | .819 | .783 | .794 | .743 |
| INTEREST EXPENSE TO REVENUE | .027 | .031 | .031 | .031 |
| CURRENT ASSETS : CURRENT LIABILITIES | 1.3741 | | | |
| MARGINS & EQUITIES AS % OF ASSETS | .3292 | | | |
| LONG TERM DEBT AS % OF PLANT | .4636 | | | |
| GENERAL FUNDS TO TOTAL PLANT | 1.8730 | | | |
| QUICK ASSET RATIO | 1.2792 | | | |

PART C. BALANCE SHEET

| LINE NO | ASSETS AND OTHER DEBITS | LIABILITIES AND OTHER CREDITS |
|---------|---|---|
| 1.0 | TOTAL UTILITY PLANT IN SERVICE 201,171,477.84 | 30.0 MEMBERSHIPS 1,143,450.00- |
| 2.0 | CONSTRUCTION WORK IN PROGRESS 3,404,028.62 | 31.0 PATRONAGE CAPITAL 49,795,006.15- |
| 3.0 | TOTAL UTILITY PLANT 204,575,506.46 | 32.0 OPERATING MARGINS - PRIOR YEAR .00 |
| 4.0 | ACCUM PROV FOR DEP & AMORT 73,806,340.67- | 33.0 OPERATING MARGINS-CURRENT YEAR 1,556,789.13- |
| 5.0 | NET UTILITY PLANT 130,769,165.79 | 34.0 NON-OPERATING MARGINS 439,552.74- |
| | | 35.0 OTHER MARGINS & EQUITIES 2,426,919.12- |
| 6.0 | NON-UTILITY PROPERTY (NET) .00 | 36.0 TOTAL MARGINS & EQUITIES 55,361,717.14- |
| 7.0 | INVEST IN SUBSIDIARY COMPANIES .00 | |
| 8.0 | INV IN ASSOC ORG - PAT CAPITAL 20,185,919.69 | 37.0 LONG TERM DEBT - RUS (NET) 70,510,170.59- |
| 9.0 | INV IN ASSOC ORG OTHER GEN FND .00 | (PAYMENTS-UNAPPLIED) .00 |
| 10.0 | INV IN ASSOC ORG - NON GEN FND 2,286,992.79 | 38.0 LNG-TERM DEBT-FFB-RUS GUAR .00 |
| 11.0 | INV IN ECON DEVEL PROJECTS .00 | 39.0 LONG-TERM DEBT OTHER-RUS GUAR .00 |
| 12.0 | OTHER INVESTMENTS 316,398.48 | 40.0 LONG TERM DEBT - OTHER (NET) 24,329,353.07- |
| 13.0 | SPECIAL FUNDS 26,675.77 | 41.0 LNG-TERM DEBT-RUS-ECON DEV NET .00 |
| 14.0 | TOT OTHER PROP & INVESTMENTS 22,815,986.73 | 42.0 PAYMENTS - UNAPPLIED .00 |
| | | 43.0 TOTAL LONG TERM DEBT 94,839,523.66- |
| 15.0 | CASH - GENERAL FUNDS 3,515,261.92 | |
| 16.0 | CASH - CONSTRUCTION FUND TRUST .00 | 44.0 OBLIGATION UNDER CAPITAL LEASE .00 |
| 17.0 | SPECIAL DEPOSITS 1,450.00 | 45.0 ACCUM OPERATING PROVISIONS 6,913,483.31- |
| 18.0 | TEMPORARY INVESTMENTS .00 | 46.0 TOTAL OTHER NONCURR LIABILITY 6,913,483.31- |
| 19.0 | NOTES RECEIVABLE (NET) .00 | |
| 20.0 | ACCTS REC - SALES ENERGY (NET) 8,622,188.00 | 47.0 NOTES PAYABLE .00 |
| 21.0 | ACCTS REC - OTHER (NET) 483,193.08 | 48.0 ACCOUNTS PAYABLE 4,294,096.10- |
| 22.0 | RENEWABLE ENERGY CREDITS .00 | 49.0 CONSUMER DEPOSITS 2,730,952.95- |
| 23.0 | MATERIAL & SUPPLIES-ELEC & OTH 993,382.68 | 50.0 CURR MATURITIES LONG-TERM DEBT .00 |
| 24.0 | PREPAYMENTS 513,673.94 | 51.0 CURR MATURIT LT DEBT ECON DEV .00 |
| 25.0 | OTHER CURRENT & ACCR ASSETS 254,997.33 | 52.0 CURR MATURITIES CAPITAL LEASES .00 |
| 26.0 | TOTAL CURRENT & ACCR ASSETS 14,384,146.95 | 53.0 OTHER CURRENT & ACCRUED LIAB 3,442,689.87- |
| | | 54.0 TOTAL CURRENT & ACCRUED LIAB 10,467,738.92- |
| 27.0 | REGULATORY ASSETS .00 | |
| 28.0 | OTHER DEFERRED DEBITS 190,422.89 | 55.0 REGULATORY LIABILITIES .00 |
| | | 56.0 OTHER DEFERRED CREDITS 577,259.33- |
| 29.0 | TOTAL ASSETS & OTHER DEBITS 168,159,722.36 | 57.0 TOTAL LIABILITIES & OTH CREDIT 168,159,722.36- |
| | | ===== |
| | | ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION |
| | | 58.0 BALANCE BEGINNING OF YEAR .00 |
| | | 59.0 AMOUNT RECEIVED THIS YEAR (NET) 1,551,605.80 |
| | | 60.0 TOTAL CONTRIBUTIONS IN AID OF CONST 1,551,605.80 |

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

Exhibit 2
page 16 of 24

Exhibit 2
Page 17 of 24

PART A. STATEMENT OF OPERATIONS

| LINE NO | LAST YEAR A | THIS YEAR B | BUDGET C | THIS MONTH D | % FROM BUDGET | % CHANGE FROM LAST YEAR |
|---------|----------------|----------------|----------------|-----------------|---------------|-------------------------|
| 1.0 | 116,743,707.64 | 108,631,322.27 | 127,070,657.00 | 13,501,225.13 | 14.5- | 6.9- |
| 2.0 | .00 | .00 | .00 | .00 | .0 | .0 |
| 3.0 | 94,951,344.00 | 84,571,284.00 | 101,031,666.00 | 10,091,055.00 | 16.3- | 10.9- |
| 4.0 | .00 | .00 | .00 | .00 | .0 | .0 |
| 5.0 | .00 | .00 | .00 | .00 | .0 | .0 |
| 6.0 | 3,129,404.70 | 3,949,281.29 | 3,306,576.00 | 445,717.76 | 19.4 | 26.2 |
| 7.0 | 2,996,537.86 | 2,814,023.40 | 2,974,280.00 | 241,465.00 | 5.4- | 6.1- |
| 8.0 | 2,469,764.29 | 2,480,059.44 | 2,612,637.00 | 221,771.70 | 5.1- | 4.4 |
| 9.0 | 387,511.06 | 404,069.59 | 425,484.00 | 37,453.52 | 5.0- | 4.3 |
| 10.0 | .00 | .00 | .00 | .00 | .0 | .0 |
| 11.0 | 2,356,075.12 | 2,061,914.93 | 2,500,037.00 | 197,119.68 | 17.5- | 12.5- |
| 12.0 | 106,290,637.03 | 96,280,632.65 | 112,850,680.00 | 11,234,582.66 | 14.7- | 9.4- |
| 13.0 | 6,495,004.03 | 6,892,602.61 | 6,800,130.00 | 779,321.33 | 1.4 | 6.1 |
| 14.0 | .00 | .00 | .00 | .00 | .0 | .0 |
| 15.0 | 102,041.09 | 104,122.56 | 107,856.00 | 11,412.77 | 3.5- | 2.0 |
| 16.0 | 3,187,353.37 | 3,379,701.59 | 3,568,998.00 | 391,402.00 | 5.3- | 6.0 |
| 17.0 | .00 | .00 | .00 | .00 | .0 | .0 |
| 18.0 | 363,605.20 | 240,745.49 | 256,599.00 | 13,002.36 | 6.2- | 33.8- |
| 19.0 | 78,348.47 | 61,613.61 | 101,717.00 | 1,589.17 | 39.4- | 21.4- |
| 20.0 | 116,516,989.19 | 106,959,418.51 | 123,685,980.00 | 12,431,310.29 | 13.5- | 8.2- |
| 21.0 | 226,718.45 | 1,671,903.76 | 3,384,677.00 | 1,069,914.84 | 50.6- | 637.4 |
| 22.0 | 74,361.87 | 51,946.61 | 80,424.00 | 6,301.83 | 35.4- | 30.1- |
| 23.0 | .00 | .00 | .00 | .00 | .0 | .0 |
| 24.0 | .00 | .00 | .00 | .00 | .0 | .0 |
| 25.0 | 11,696.90 | 24,888.30 | 39,600.00 | 707.20 | 162.8- | 112.8 |
| 26.0 | .00 | .00 | .00 | .00 | .0 | .0 |
| 27.0 | 742,911.76 | 100,431.51 | 850,000.00 | 37,660.49 | 88.2- | 86.5- |
| 28.0 | .00 | .00 | .00 | .00 | .0 | .0 |
| 29.0 | 1,055,688.98 | 1,849,170.18 | 4,275,501.00 | 1,114,584.36 | 56.7- | 75.2 |

RATIOS

| | | | | |
|--------------------------------------|--------|-------|-------|-------|
| TIER | 1.331 | 1.547 | 2.198 | 3.848 |
| MARGINS TO REVENUE | .009 | .017 | .034 | .083 |
| POWER COST TO REVENUE | .813 | .779 | .795 | .747 |
| INTEREST EXPENSE TO REVENUE | .027 | .031 | .028 | .029 |
| CURRENT ASSETS : CURRENT LIABILITIES | 1.4360 | | | |
| MARGINS & EQUITIES AS % OF ASSETS | .3331 | | | |
| LONG TERM DEBT AS % OF PLANT | .4613 | | | |
| GENERAL FUNDS TO TOTAL PLANT | 2.3753 | | | |
| QUICK ASSET RATIO | 1.3412 | | | |

PART C. BALANCE SHEET

| LINE NO | ASSETS AND OTHER DEBITS | LIABILITIES AND OTHER CREDITS |
|---------|---|---|
| 1.0 | TOTAL UTILITY PLANT IN SERVICE 202,551,376.45 | 30.0 MEMBERSHIPS 1,133,640.00- |
| 2.0 | CONSTRUCTION WORK IN PROGRESS 2,686,920.84 | 31.0 PATRONAGE CAPITAL 49,784,742.31- |
| 3.0 | TOTAL UTILITY PLANT 205,238,297.29 | 32.0 OPERATING MARGINS - PRIOR YEAR .00 |
| 4.0 | ACCUM PROV FOR DEP & AMORT 74,310,553.06- | 33.0 OPERATING MARGINS-CURRENT YEAR 1,556,789.13- |
| 5.0 | NET UTILITY PLANT 130,927,744.23 | 34.0 NON-OPERATING MARGINS 1,547,128.07- |
| 6.0 | NON-UTILITY PROPERTY (NET) .00 | 35.0 OTHER MARGINS & EQUITIES 2,433,110.56- |
| 7.0 | INVEST IN SUBSIDIARY COMPANIES .00 | 36.0 TOTAL MARGINS & EQUITIES 56,455,410.07- |
| 8.0 | INV IN ASSOC ORG - PAT CAPITAL 20,216,048.48 | 37.0 LONG TERM DEBT - RUS (NET) 70,341,232.08- |
| 9.0 | INV IN ASSOC ORG - PAT CAPITAL 20,216,048.48 | (PAYMENTS-UNAPPLIED .00) |
| 10.0 | INV IN ASSOC ORG - NON GEN FND 2,286,992.79 | 38.0 LNG-TERM DEBT-FFB-RUS GUAR .00 |
| 11.0 | INV IN ECON DEVEL PROJECTS .00 | 39.0 LONG-TERM DEBT OTHER-RUS GUAR .00 |
| 12.0 | OTHER INVESTMENTS 316,398.48 | 40.0 LONG TERM DEBT - OTHER (NET) 24,329,353.07- |
| 13.0 | SPECIAL FUNDS 26,675.77 | 41.0 LNG-TERM DEBT-RUS-ECON DEV NET .00 |
| 14.0 | TOT OTHER PROP & INVESTMENTS 4,558,704.35 | 42.0 PAYMENTS - UNAPPLIED .00 |
| 15.0 | CASH - GENERAL FUNDS 4,558,704.35 | 43.0 TOTAL LONG TERM DEBT 94,670,585.15- |
| 16.0 | CASH - CONSTRUCTION FUND TRUST .00 | 44.0 OBLIGATION UNDER CAPITAL LEASE .00 |
| 17.0 | SPECIAL DEPOSITS 1,450.00 | 45.0 ACCUM OPERATING PROVISIONS 6,964,425.63- |
| 18.0 | TEMPORARY INVESTMENTS .00 | 46.0 TOTAL OTHER NONCURR LIABILITY 6,964,425.63- |
| 19.0 | NOTES RECEIVABLE (NET) .00 | 47.0 NOTES PAYABLE 3.00 |
| 20.0 | ACCTS REC - SALES ENERGY (NET) 8,814,689.32 | 48.0 ACCOUNTS PAYABLE 4,641,855.44- |
| 21.0 | ACCTS REC - OTHER (NET) 408,654.00 | 49.0 CONSUMER DEPOSITS 2,702,488.63- |
| 22.0 | RENEWABLE ENERGY CREDITS .00 | 50.0 CURR MATURITIES LONG-TERM DEBT .00 |
| 23.0 | MATERIAL & SUPPLIES-ELEC & OTH 1,024,777.18 | 51.0 CURR MATURIT LT DEBT ECON DEV .00 |
| 24.0 | PREPAYMENTS 434,574.57 | 52.0 CURR MATURITIES CAPITAL LEASES .00 |
| 25.0 | OTHER CURRENT & ACCR ASSETS 283,176.66 | 53.0 OTHER CURRENT & ACCRUED LIAB 3,467,772.09- |
| 26.0 | TOTAL CURRENT & ACCR ASSETS 15,526,026.08 | 54.0 TOTAL CURRENT & ACCRUED LIAB 10,812,113.16- |
| 27.0 | REGULATORY ASSETS .00 | 55.0 REGULATORY LIABILITIES .00 |
| 28.0 | OTHER DEFERRED DEBITS 181,807.44 | 56.0 OTHER DEFERRED CREDITS 579,159.26- |
| 29.0 | TOTAL ASSETS & OTHER DEBITS 169,481,693.27 | 57.0 TOTAL LIABILITIES & OTH CREDIT 169,481,693.27- |

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

ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION
 58.0 BALANCE BEGINNING OF YEAR .00
 59.0 AMOUNT RECEIVED THIS YEAR (NET) 1,605,720.39
 60.0 TOTAL CONTRIBUTIONS IN AID OF CONST 1,605,720.39

Exhibit 2
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PART A. STATEMENT OF OPERATIONS

| LINE NO | LAST YEAR A | THIS YEAR B | BUDGET C | THIS MONTH D | % FROM BUDGET | % CHANGE FROM LAST YEAR |
|---------|----------------|----------------|----------------|-----------------|---------------|-------------------------|
| 1.0 | 126,703,713.64 | 119,849,568.33 | 140,252,145.00 | 11,218,246.06 | 14.5- | 5.4- |
| 2.0 | .00 | .00 | .00 | .00 | .0 | .0 |
| 3.0 | 104,177,565.00 | 93,686,227.00 | 112,090,905.00 | 9,114,943.00 | 16.4- | 10.1- |
| 4.0 | .00 | .00 | .00 | .00 | .0 | .0 |
| 5.0 | 3,535,464.01 | 4,430,121.75 | 3,673,946.00 | 480,840.46 | 20.6 | 25.3 |
| 6.0 | 3,466,249.74 | 3,093,954.45 | 3,249,200.00 | 279,931.05 | 4.8- | 10.7- |
| 7.0 | 2,747,268.94 | 2,758,291.82 | 2,902,930.00 | 278,232.38 | 5.0- | .4 |
| 8.0 | 439,516.05 | 451,925.04 | 472,760.00 | 47,855.45 | 4.4- | 2.8 |
| 9.0 | .00 | .00 | .00 | .00 | .0 | .0 |
| 10.0 | 2,598,529.51 | 2,259,621.23 | 2,771,728.00 | 197,706.30 | 18.5- | 13.0- |
| 11.0 | | | | | | |
| 12.0 | 116,964,593.25 | 106,680,141.29 | 125,161,469.00 | 10,399,508.64 | 14.8- | 8.8- |
| 13.0 | 7,235,741.79 | 7,676,749.14 | 7,555,700.00 | 784,146.53 | 1.6 | 6.1 |
| 14.0 | .00 | .00 | .00 | .00 | .0 | .0 |
| 15.0 | 113,141.96 | 115,535.31 | 119,840.00 | 11,412.75 | 3.6- | 2.1 |
| 16.0 | 3,545,388.14 | 3,782,064.56 | 3,970,280.00 | 402,362.97 | 4.7- | 6.7 |
| 17.0 | .00 | .00 | .00 | .00 | .0 | .0 |
| 18.0 | 376,443.62 | 254,875.84 | 285,110.00 | 14,130.35 | 10.6- | 32.3- |
| 19.0 | 94,293.85 | 63,063.70 | 108,718.00 | 1,450.09 | 42.0- | 33.1- |
| 20.0 | 128,329,602.61 | 118,572,429.84 | 137,201,117.00 | 11,613,011.33 | 13.6- | 7.6- |
| 21.0 | 1,625,888.97 | 1,277,138.49 | 3,051,028.00 | 394,765.27 | 58.1- | 178.6- |
| 22.0 | 80,428.74 | 58,457.83 | 89,360.00 | 6,511.22 | 34.6- | 27.3- |
| 23.0 | .00 | .00 | .00 | .00 | .0 | .0 |
| 24.0 | 259,780.28 | 16,255.40 | 44,000.00 | 8,632.90 | 136.9- | 93.7- |
| 25.0 | .00 | .00 | .00 | .00 | .0 | .0 |
| 26.0 | 971,169.58 | 244,922.72 | 850,000.00 | 144,491.21 | 71.2- | 74.8- |
| 27.0 | .00 | .00 | .00 | .00 | .0 | .0 |
| 28.0 | | | | | | |
| 29.0 | 314,510.37 | 1,596,774.44 | 3,946,388.00 | 252,395.74 | 59.5- | 607.7- |

RATIOS

| | | | | |
|--------------------------------------|--------|-------|-------|------|
| TIER | .911 | 1.422 | 1.994 | .373 |
| MARGINS TO REVENUE | .002 | .013 | .028 | .022 |
| POWER COST TO REVENUE | .822 | .782 | .799 | .813 |
| INTEREST EXPENSE TO REVENUE | .028 | .032 | .028 | .036 |
| CURRENT ASSETS : CURRENT LIABILITIES | 1.3717 | | | |
| MARGINS & EQUITIES AS % OF ASSETS | .3324 | | | |
| LONG TERM DEBT AS % OF PLANT | .4590 | | | |
| GENERAL FUNDS TO TOTAL PLANT | 2.5361 | | | |
| QUICK ASSET RATIO | 1.2750 | | | |

Exhibit 2
 Page 19 of 24

| LINE NO | ASSETS AND OTHER DEBITS | LIABILITIES AND OTHER CREDITS |
|---------|---|---|
| 1.0 | TOTAL UTILITY PLANT IN SERVICE 202,874,062.50 | 30.0 MEMBERSHIPS 1,107,092.09- |
| 2.0 | CONSTRUCTION WORK IN PROGRESS 3,281,503.98 | 31.0 PATRONAGE CAPITAL 51,877,814.66- |
| 3.0 | TOTAL UTILITY PLANT 206,155,566.48 | 32.0 OPERATING MARGINS - PRIOR YEAR .00 |
| 4.0 | ACCUM PROV FOR DEP & AMORT 74,834,908.86- | 33.0 OPERATING MARGINS-CURRENT YEAR .00 |
| 5.0 | NET UTILITY PLANT 131,320,657.62 | 34.0 NON-OPERATING MARGINS 740,277.24- |
| | | 35.0 OTHER MARGINS & EQUITIES 2,439,749.79- |
| | | 36.0 TOTAL MARGINS & EQUITIES 56,164,933.78- |
| 6.0 | NON-UTILITY PROPERTY (NET) .00 | |
| 7.0 | INVEST IN SUBSIDIARY COMPANIES .00 | |
| 8.0 | INV IN ASSOC ORG - PAT CAPITAL 20,288,294.08 | 37.0 LONG TERM DEBT - RUS (NET) 70,290,526.40- |
| 9.0 | INV IN ASSOC ORG OTHR GEN FND .00 | (PAYMENTS-UNAPPLIED .00) |
| 10.0 | INV IN ASSOC ORG - NON GEN FND 2,286,992.79 | 38.0 LNG-TERM DEBT-FEB-RUS GUAR .00 |
| 11.0 | INV IN ECON DEVEL PROJECTS .00 | 39.0 LONG-TERM DEBT OTHER-RUS GUAR .00 |
| 12.0 | OTHER INVESTMENTS 316,398.48 | 40.0 LONG TERM DEBT - OTHER (NET) 24,329,353.07- |
| 13.0 | SPECIAL FUNDS 26,675.77 | 41.0 LNG-TERM DEBT-RUS-ECON DEV NET .00 |
| 14.0 | TOT OTHER PROP & INVESTMENTS 4,912,000.32 | 42.0 PAYMENTS - UNAPPLIED .00 |
| | | 43.0 TOTAL LONG TERM DEBT 94,619,879.47- |
| 15.0 | CASH - GENERAL FUNDS 1,450.00 | |
| 16.0 | CASH - CONSTRUCTION FUND TRUST .00 | 44.0 OBLIGATION UNDER CAPITAL LEASE .00 |
| 17.0 | SPECIAL DEPOSITS 1,450.00 | 45.0 ACCUM OPERATING PROVISIONS 7,015,645.91- |
| 18.0 | TEMPORARY INVESTMENTS .00 | 46.0 TOTAL OTHER NONCURR LIABILITY 7,015,645.91- |
| 19.0 | NOTES RECEIVABLE (NET) 7,511,768.14 | |
| 20.0 | ACCTS RECV - SALES ENERGY (NET) 417,157.76 | 47.0 NOTES PAYABLE 3.00 |
| 21.0 | ACCTS RECV - OTHER (NET) 1,022,309.18 | 48.0 ACCOUNTS PAYABLE 4,031,211.69- |
| 22.0 | RENEWABLE ENERGY CREDITS 366,834.96 | 49.0 CONSUMER DEPOSITS 2,684,369.21- |
| 23.0 | MATERIAL & SUPPLIES-ELEC & OTH 281,820.49 | 50.0 CURR MATURITIES LONG-TERM DEBT .00 |
| 24.0 | PREPAYMENTS 281,820.49 | 51.0 CURR MATURIT LT DEBT ECON DEV .00 |
| 25.0 | OTHER CURRENT & ACCR ASSETS 14,513,340.85 | 52.0 CURR MATURITIES CAPITAL LEASES .00 |
| 26.0 | TOTAL CURRENT & ACCR ASSETS 209,386.15 | 53.0 OTHER CURRENT & ACCRUED LIAB 3,865,294.16- |
| | | 54.0 TOTAL CURRENT & ACCRUED LIAB 10,580,872.06- |
| 27.0 | REGULATORY ASSETS .00 | |
| 28.0 | OTHER DEFERRED DEBITS 209,386.15 | 55.0 REGULATORY LIABILITIES .00 |
| | | 56.0 OTHER DEFERRED CREDITS 580,414.52- |
| 29.0 | TOTAL ASSETS & OTHER DEBITS 168,961,745.74 | 57.0 TOTAL LIABILITIES & OTH CREDIT 168,961,745.74- |

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

 SIGNATURE OF MANAGER

 DATE

 DATE

ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION

58.0 BALANCE BEGINNING OF YEAR .00

59.0 AMOUNT RECEIVED THIS YEAR (NET) 1,618,617.47

60.0 TOTAL CONTRIBUTIONS IN AID OF CONST 1,618,617.47

Exhibit 2
 Page 20 of 24

Exhibit 2
 page 21 of 24

PART A. STATEMENT OF OPERATIONS

| LINE NO | DESCRIPTION | A LAST YEAR | B THIS YEAR | C BUDGET | D THIS MONTH | % FROM BUDGET | % CHANGE FROM LAST YEAR |
|---------|---|----------------|----------------|----------------|-----------------|---------------|-------------------------|
| 1.0 | OPERATING REVENUE & PATRONAGE CAPITAL..... | 137,261,597.50 | 130,221,545.49 | 153,292,671.00 | 10,371,977.16 | 15.1- | 5.1- |
| 2.0 | POWER PRODUCTION EXPENSE..... | .00 | .00 | .00 | .00 | .0 | .0 |
| 3.0 | COST OF PURCHASED POWER..... | 112,886,522.00 | 101,349,783.00 | 122,551,748.00 | 7,663,556.00 | 17.3- | 10.2- |
| 4.0 | TRANSMISSION EXPENSE..... | .00 | .00 | .00 | .00 | .0 | .0 |
| 5.0 | REGIONAL MARKET OPERATIONS EXPENSE..... | .00 | .00 | .00 | .00 | .0 | .0 |
| 6.0 | DISTRIBUTION EXPENSE-OPERATION..... | 3,914,205.20 | 4,874,993.57 | 4,041,316.00 | 444,871.82 | 20.6 | 24.5 |
| 7.0 | DISTRIBUTION EXPENSE-MAINTENANCE..... | 3,698,930.44 | 3,439,695.17 | 3,524,120.00 | 345,740.72 | 2.4- | 7.0- |
| 8.0 | CONSUMER ACCOUNTS EXPENSE..... | 2,993,533.78 | 3,047,334.75 | 3,193,223.00 | 289,042.93 | 4.6- | 1.8 |
| 9.0 | CUSTOMER SERVICE & INFORMATIONAL EXPENSE..... | 477,459.34 | 495,456.75 | 520,036.00 | 43,531.71 | 4.7- | 3.8 |
| 10.0 | SALES EXPENSE..... | .00 | .00 | .00 | .00 | .0 | .0 |
| 11.0 | ADMINISTRATIVE & GENERAL EXPENSE..... | 2,842,302.31 | 2,464,635.35 | 3,040,698.00 | 205,014.12 | 18.9- | 13.3- |
| 12.0 | TOTAL OPERATIONS & MAINTENANCE EXPENSE.... | 126,812,953.07 | 115,671,898.59 | 136,871,141.00 | 8,991,757.30 | 15.5- | 8.8- |
| 13.0 | DEPRECIATION & AMORTIZATION EXPENSE..... | 7,978,584.10 | 8,463,328.25 | 8,311,270.00 | 786,579.11 | 1.8 | 6.1 |
| 14.0 | TAX EXPENSE - PROPERTY & GROSS RECEIPTS.. | .00 | .00 | .00 | .00 | .0 | .0 |
| 15.0 | TAX EXPENSE - OTHER..... | 124,233.43 | 126,948.10 | 131,824.00 | 11,412.79 | 3.7- | 2.2 |
| 16.0 | INTEREST ON LONG TERM DEBT..... | 3,916,978.27 | 4,163,810.75 | 4,368,410.00 | 381,746.19 | 4.7- | 6.3 |
| 17.0 | INTEREST CHARGED TO CONSTRUCTION - CREDIT | .00 | .00 | .00 | .00 | .0 | .0 |
| 18.0 | INTEREST EXPENSE - OTHER..... | 402,361.74 | 268,194.06 | 313,621.00 | 13,318.22 | 14.5- | 33.3- |
| 19.0 | OTHER DEDUCTIONS..... | 95,121.35 | 66,886.88 | 115,719.00 | 3,823.18 | 42.2- | 29.7- |
| 20.0 | TOTAL COST OF ELECTRIC SERVICE..... | 139,330,231.96 | 128,761,066.63 | 150,111,985.00 | 10,188,636.79 | 14.2- | 7.6- |
| 21.0 | PATRONAGE CAPITAL & OPERATING MARGINS.... | 2,068,634.46 | 1,460,478.86 | 3,180,686.00 | 183,340.37 | 54.1- | 170.6- |
| 22.0 | NON OPERATING MARGINS - INTEREST..... | 86,937.94 | 64,713.26 | 98,296.00 | 6,255.43 | 34.2- | 25.6- |
| 23.0 | ALLOW. FOR FUNDS USED DURING CONSTRUCTION | .00 | .00 | .00 | .00 | .0 | .0 |
| 24.0 | INCOME (LOSS) FROM EQUITY INVESTMENTS..... | .00 | .00 | .00 | .00 | .0 | .0 |
| 25.0 | NON OPERATING MARGINS - OTHER..... | 261,738.01 | 17,175.30 | 48,400.00 | 919.90 | 135.5- | 93.4- |
| 26.0 | GENERATION & TRANSMISSION CAPITAL CREDITS | .00 | .00 | .00 | .00 | .0 | .0 |
| 27.0 | OTHER CAPITAL CREDITS & PATRONAGE DIVID.. | 971,169.58 | 244,922.72 | 850,000.00 | .00 | 71.2- | 74.8- |
| 28.0 | EXTRAORDINARY ITEMS..... | .00 | .00 | .00 | .00 | .0 | .0 |
| 29.0 | PATRONAGE CAPITAL OR MARGINS..... | 748,788.93 | 1,787,290.14 | 4,080,582.00 | 190,515.70 | 56.2- | 338.7- |

RATIOS

| | | | | |
|--------------------------------------|--------|-------|-------|-------|
| TIER | .809 | 1.429 | 1.934 | 1.499 |
| MARGINS TO REVENUE | .005 | .014 | .027 | .018 |
| POWER COST TO REVENUE | .822 | .778 | .799 | .739 |
| INTEREST EXPENSE TO REVENUE | .029 | .032 | .028 | .037 |
| CURRENT ASSETS : CURRENT LIABILITIES | 1.3924 | | | |
| MARGINS & EQUITIES AS % OF ASSETS | .3348 | | | |
| LONG TERM DEBT AS % OF PLANT | .4563 | | | |
| GENERAL FUNDS TO TOTAL PLANT | 2.5185 | | | |
| QUICK ASSET RATIO | 1.2960 | | | |

FINANCIAL AND STATISTICAL REPORT
FROM 01/09 THRU 11/

PART C. BALANCE SHEET

| LINE NO | ASSETS AND OTHER DEBITS | LIABILITIES AND OTHER CREDITS |
|---------|---|---|
| 1.0 | TOTAL UTILITY PLANT IN SERVICE 203,667,160.90 | 30.0 MEMBERSHIPS 1,108,487.09- |
| 2.0 | CONSTRUCTION WORK IN PROGRESS 3,224,758.79 | 31.0 PATRONAGE CAPITAL 51,864,467.66- |
| 3.0 | TOTAL UTILITY PLANT 206,891,919.69 | 32.0 OPERATING MARGINS - PRIOR YEAR .00 |
| 4.0 | ACCUM PROV FOR DEP & AMORT 75,500,065.55- | 33.0 OPERATING MARGINS -CURRENT YEAR .00 |
| 5.0 | NET UTILITY PLANT 131,391,854.14 | 34.0 NON-OPERATING MARGINS 923,617.61- |
| 6.0 | NON-UTILITY PROPERTY (NET) .00 | 35.0 OTHER MARGINS & EQUITIES 2,454,470.44- |
| 7.0 | INVEST IN SUBSIDIARY COMPANIES .00 | 36.0 TOTAL MARGINS & EQUITIES 56,351,042.80- |
| 8.0 | INV IN ASSOC ORG - PAT CAPITAL 20,288,294.08 | 37.0 LONG TERM DEBT - RUS (NET) 70,235,677.84- |
| 9.0 | INV IN ASSOC ORG OTHR GEN FND .00 | (PAYMENTS-UNAPPLIED .00) |
| 10.0 | INV IN ASSOC ORG - NON GEN FND 2,286,992.79 | 38.0 LNG-TERM DEBT-FFB-RUS GUAR .00 |
| 11.0 | INV IN ECON DEVEL PROJECTS .00 | 39.0 LONG-TERM DEBT OTHER-RUS GUAR .00 |
| 12.0 | OTHER INVESTMENTS 316,398.48 | 40.0 LONG TERM DEBT - OTHER (NET) 24,172,173.74- |
| 13.0 | SPECIAL FUNDS 26,675.77 | 41.0 LNG-TERM DEBT-RUS-ECON DEV NET .00 |
| 14.0 | TOT OTHER PROP & INVESTMENTS 22,918,361.12 | 42.0 PAYMENTS - UNAPPLIED .00 |
| 15.0 | CASH - GENERAL FUNDS 4,894,227.35 | 43.0 TOTAL LONG TERM DEBT 94,407,851.58- |
| 16.0 | CASH - CONSTRUCTION FUND TRUST .00 | 44.0 OBLIGATION UNDER CAPITAL LEASE .00 |
| 17.0 | SPECIAL DEPOSITS 1,450.00 | 45.0 ACCUM OPERATING PROVISIONS 7,066,866.19- |
| 18.0 | TEMPORARY INVESTMENTS .00 | 46.0 TOTAL OTHER NONCURR LIABILITY 7,066,866.19- |
| 19.0 | NOTES RECEIVABLE (NET) .00 | 47.0 NOTES PAYABLE 3.00 |
| 20.0 | ACCTS RECV - SALES ENERGY (NET) 6,900,219.86 | 48.0 ACCOUNTS PAYABLE 3,865,913.90- |
| 21.0 | ACCTS RECV - OTHER (NET) 407,607.01 | 49.0 CONSUMER DEPOSITS 2,696,566.27- |
| 22.0 | RENEWABLE ENERGY CREDITS .00 | 50.0 CURR MATURITIES LONG-TERM DEBT .00 |
| 23.0 | MATERIAL & SUPPLIES-ELEC & OTH 956,292.43 | 51.0 CURR MATURIT LT DEBT ECON DEV .00 |
| 24.0 | PREPAYMENTS 335,362.72 | 52.0 CURR MATURITIES CAPITAL LEASES .00 |
| 25.0 | OTHER CURRENT & ACCR ASSETS 309,999.35 | 53.0 OTHER CURRENT & ACCRUED LIAB 3,351,852.96- |
| 26.0 | TOTAL CURRENT & ACCR ASSETS 13,805,158.72 | 54.0 TOTAL CURRENT & ACCRUED LIAB 9,914,330.13- |
| 27.0 | REGULATORY ASSETS .00 | 55.0 REGULATORY LIABILITIES .00 |
| 28.0 | OTHER DEFERRED DEBITS 215,536.87 | 56.0 OTHER DEFERRED CREDITS 590,820.15- |
| 29.0 | TOTAL ASSETS & OTHER DEBITS 168,330,910.85 | 57.0 TOTAL LIABILITIES & OTH CREDIT 168,330,910.85- |
| | | ===== |
| | | ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION |
| | | 58.0 BALANCE BEGINNING OF YEAR .00 |
| | | 59.0 AMOUNT RECEIVED THIS YEAR (NET) 1,622,691.93 |
| | | 60.0 TOTAL CONTRIBUTIONS IN AID OF CONST 1,622,691.93 |
| | | ===== |

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 | DESCRIPTION | LAST YEAR A | THIS YEAR B | DATE | BUDGET C | THIS MONTH D | % FROM BUDGET | % CHANGE FROM LAST YEAR |
|---------|---|----------------|----------------|------|----------------|-----------------|---------------|-------------------------|
| 1.0 | OPERATING REVENUE & PATRONAGE CAPITAL | 149,713,621.51 | 141,746,616.52 | | 167,756,966.00 | 11,525,071.03 | 15.5- | 5.3- |
| 2.0 | POWER PRODUCTION EXPENSE | .00 | .00 | | .00 | .00 | .0 | .0 |
| 3.0 | COST OF PURCHASED POWER | 121,334,659.00 | 110,001,447.00 | | 133,314,304.00 | 8,651,664.00 | 17.5- | 9.3- |
| 4.0 | TRANSMISSION EXPENSE | .00 | .00 | | .00 | .00 | .0 | .0 |
| 5.0 | REGIONAL MARKET OPERATIONS EXPENSE | .00 | .00 | | .00 | .00 | .0 | .0 |
| 6.0 | DISTRIBUTION EXPENSE-OPERATION | 4,406,425.92 | 5,379,575.00 | | 4,408,686.00 | 504,581.43 | 22.0 | 22.1 |
| 7.0 | DISTRIBUTION EXPENSE-MAINTENANCE | 3,699,968.34 | 3,863,513.95 | | 3,829,041.00 | 423,818.78 | .9 | 4.4 |
| 8.0 | CONSUMER ACCOUNTS EXPENSE | 3,314,082.63 | 3,427,327.57 | | 3,483,527.00 | 379,992.82 | 1.6- | 3.4 |
| 9.0 | CUSTOMER SERVICE & INFORMATIONAL EXPENSE | 538,819.77 | 559,353.16 | | 567,310.00 | 63,896.41 | 1.4- | 3.8 |
| 10.0 | SALES EXPENSE | .00 | .00 | | .00 | .00 | .0 | .0 |
| 11.0 | ADMINISTRATIVE & GENERAL EXPENSE | 3,162,106.65 | 2,778,188.65 | | 3,307,445.00 | 313,553.30 | 16.0- | 12.1- |
| 12.0 | TOTAL OPERATIONS & MAINTENANCE EXPENSE | 136,456,062.31 | 126,009,405.33 | | 148,910,313.00 | 10,337,506.74 | 15.4- | 7.7- |
| 13.0 | DEPRECIATION & AMORTIZATION EXPENSE | 8,726,238.54 | 9,253,929.78 | | 9,066,843.00 | 790,601.53 | 2.1 | 6.0 |
| 14.0 | TAX EXPENSE - PROPERTY & GROSS RECEIPTS | .00 | .00 | | .00 | .00 | .0 | .0 |
| 15.0 | TAX EXPENSE - OTHER | 133,220.59 | 138,360.87 | | 143,804.00 | 11,412.77 | 3.8- | 3.9 |
| 16.0 | INTEREST ON LONG TERM DEBT | 4,295,139.65 | 4,564,974.13 | | 4,763,387.00 | 401,163.38 | 4.2- | 6.3 |
| 17.0 | INTEREST CHARGED TO CONSTRUCTION - CREDIT | .00 | .00 | | .00 | .00 | .0 | .0 |
| 18.0 | INTEREST EXPENSE - OTHER | 441,700.93 | 282,322.51 | | 342,137.00 | 14,128.45 | 17.5- | 36.1- |
| 19.0 | OTHER DEDUCTIONS | 101,794.47 | 70,399.15 | | 122,712.00 | 3,512.27 | 42.6- | 30.8- |
| 20.0 | TOTAL COST OF ELECTRIC SERVICE | 150,154,156.49 | 140,319,391.77 | | 163,349,196.00 | 11,558,325.14 | 14.1- | 6.5- |
| 21.0 | PATRONAGE CAPITAL & OPERATING MARGINS | 440,534.98 | 1,427,224.75 | | 4,407,770.00 | 33,254.11 | 67.6- | 424.0- |
| 22.0 | NON OPERATING MARGINS - INTEREST | 200,439.58 | 96,037.60 | | 107,237.00 | 31,324.34 | 10.4- | 52.1- |
| 23.0 | ALLOW. FOR FUNDS USED DURING CONSTRUCTION | .00 | .00 | | .00 | .00 | .0 | .0 |
| 24.0 | INCOME (LOSS) FROM EQUITY INVESTMENTS | .00 | .00 | | .00 | .00 | .0 | .0 |
| 25.0 | NON OPERATING MARGINS - OTHER | 468,177.15 | 8,979.56 | | 52,792.00 | 8,195.74 | 117.0- | 98.1- |
| 26.0 | GENERATION & TRANSMISSION CAPITAL CREDITS | .00 | .00 | | .00 | .00 | .0 | .0 |
| 27.0 | OTHER CAPITAL CREDITS & PATRONAGE DIVID. | 1,997,324.11 | 3,796,303.97 | | 850,000.00 | 3,551,381.25 | 346.6 | 90.1 |
| 28.0 | EXTRAORDINARY ITEMS | .00 | .00 | | .00 | .00 | .0 | .0 |
| 29.0 | PATRONAGE CAPITAL OR MARGINS | 2,225,405.86 | 5,328,545.88 | | 5,312,215.00 | 3,541,255.74 | .3 | 139.4 |

RATIOS

| | | | | |
|--------------------------------------|--------|-------|-------|-------|
| TIER | 1.518 | 2.167 | 2.115 | 9.827 |
| MARGINS TO REVENUE | .015 | .038 | .032 | .307 |
| POWER COST TO REVENUE | .810 | .776 | .795 | .751 |
| INTEREST EXPENSE TO REVENUE | .029 | .032 | .028 | .035 |
| CURRENT ASSETS : CURRENT LIABILITIES | 1.2015 | | | |
| MARGINS & EQUITIES AS % OF ASSETS | .3396 | | | |
| LONG TERM DEBT AS % OF PLANT | .4532 | | | |
| GENERAL FUNDS TO TOTAL PLANT | 1.3751 | | | |
| QUICK ASSET RATIO | 1.1084 | | | |

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PART C. BALANCE SHEET

| LINE NO | ASSETS AND OTHER DEBITS | LIABILITIES AND OTHER CREDITS |
|---------|-------------------------------------|-------------------------------|
| 1.0 | TOTAL UTILITY PLANT IN SERVICE | 1,114,450.00- |
| 2.0 | CONSTRUCTION WORK IN PROGRESS | 51,091,709.12- |
| 3.0 | TOTAL UTILITY PLANT | .00 |
| 4.0 | ACCUM PROV FOR DEP & AMORT | 4,441,744.75- |
| 5.0 | NET UTILITY PLANT | 1,606,552.02- |
| 6.0 | NON-UTILITY PROPERTY (NET) | |
| 7.0 | INVEST IN SUBSIDIARY COMPANIES | |
| 8.0 | INV IN ASSOC ORG - PAT CAPITAL | 70,029,382.14- |
| 9.0 | INV IN ASSOC ORG OTHR GEN FND | (PAYMENTS-UNAPPLIED .00) |
| 10.0 | INV IN ASSOC ORG - NON GEN FND | |
| 11.0 | INV IN ECON DEVEL PROJECTS | |
| 12.0 | OTHER INVESTMENTS | |
| 13.0 | SPECIAL FUNDS | |
| 14.0 | TOT OTHER PROP & INVESTMENTS | 94,201,555.88- |
| 15.0 | CASH - GENERAL FUNDS | |
| 16.0 | CASH - CONSTRUCTION FUND TRUST | |
| 17.0 | SPECIAL DEPOSITS | |
| 18.0 | TEMPORARY INVESTMENTS | |
| 19.0 | NOTES RECEIVABLE (NET) | |
| 20.0 | ACCTS REC - SALES ENERGY(NET) | |
| 21.0 | ACCTS REC - OTHER (NET) | |
| 22.0 | RENEWABLE ENERGY CREDITS | |
| 23.0 | MATERIAL & SUPPLIES-ELEC & OTH | |
| 24.0 | PREPAYMENTS | |
| 25.0 | OTHER CURRENT & ACCR ASSETS | |
| 26.0 | TOTAL CURRENT & ACCR ASSETS | |
| 27.0 | REGULATORY ASSETS | |
| 28.0 | OTHER DEFERRED DEBITS | |
| 29.0 | TOTAL ASSETS & OTHER DEBITS | |
| 30.0 | MEMBERSHIPS | |
| 31.0 | PATRONAGE CAPITAL | |
| 32.0 | OPERATING MARGINS - PRIOR YEAR | |
| 33.0 | OPERATING MARGINS-CURRENT YEAR | |
| 34.0 | NON-OPERATING MARGINS | |
| 35.0 | OTHER MARGINS & EQUITIES | |
| 36.0 | TOTAL MARGINS & EQUITIES | |
| 37.0 | LONG TERM DEBT - RUS (NET) | |
| 38.0 | LNG-TERM DEBT-FFB-RUS GUAR | |
| 39.0 | LONG-TERM DEBT OTHER-RUS GUAR | |
| 40.0 | LONG TERM DEBT - OTHER (NET) | |
| 41.0 | LNG-TERM DEBT-RUS-ECON DEV NET | |
| 42.0 | PAYMENTS - UNAPPLIED | |
| 43.0 | TOTAL LONG TERM DEBT | |
| 44.0 | OBLIGATION UNDER CAPITAL LEASE | |
| 45.0 | ACCUM OPERATING PROVISIONS | |
| 46.0 | TOTAL OTHER NONCURR LIABILITY | |
| 47.0 | NOTES PAYABLE | |
| 48.0 | ACCOUNTS PAYABLE | |
| 49.0 | CONSUMER DEPOSITS | |
| 50.0 | CURR MATURITIES LONG-TERM DEBT | |
| 51.0 | CURR MATURIT LT DEBT ECON DEV | |
| 52.0 | CURR MATURITIES CAPITAL LEASES | |
| 53.0 | OTHER CURRENT & ACCRUED LIAB | |
| 54.0 | TOTAL CURRENT & ACCRUED LIAB | |
| 55.0 | REGULATORY LIABILITIES | |
| 56.0 | OTHER DEFERRED CREDITS | |
| 57.0 | TOTAL LIABILITIES & OTH CREDIT | |
| 58.0 | BALANCE BEGINNING OF YEAR | |
| 59.0 | AMOUNT RECEIVED THIS YEAR (NET) | |
| 60.0 | TOTAL CONTRIBUTIONS IN AID OF CONST | |

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SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT _____

DATE _____

SIGNATURE OF MANAGER _____

DATE _____

Exhibit 2
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