

Witness: Burns Mercer

Meade County Rural Electric Cooperative  
Case No. 2013-00033  
November 30, 2012

**Annual Meeting Information**

The most recent Meade County annual meeting was held June 25, 2012. The minutes of that annual meeting are attached, along with the insert in the Kentucky Living Magazine, describing the annual meeting.

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

<u>Year</u>	<u>Members Attending</u>	<u>Members Voting</u>	<u>Cost</u>
2012	521	-	\$ 20,309
2011	536	-	\$ 25,511
2010	557	-	\$ 19,285
2009	690	-	\$ 19,919
2008	844	-	\$ 20,086



# A POWERFUL HISTORY

A future built on a strong foundation



Meade County Rural Electric Cooperative  
2011 ANNUAL REPORT

*E. J. ...*  
*Electric P.C.*



# THE BUSINESS OF RELIABLE AND AFFORDABLE ELECTRICITY

The annual report for 2011 finds Meade County RECC in a strong position to continue the business of providing reliable and affordable electricity.

That kind of success has come as a result of the traditions and values that first started the co-op in 1937.

Meade County RECC was not founded to make money for shareholders.

Instead, the grandparents and great-grandparents of our community joined together for the sole purpose of bringing affordable electricity to the countryside.

To achieve that goal, they used a unique business model that matched their mission—a not-for-profit co-op owned by the members it served.

And they worked with other electric co-ops forming around the country to develop innovative technical solutions—the little-known job of distributing electricity into rural America required creative engineering work.

In 2011, Meade County RECC employed those techniques of technical and organizational innovation to meet today's requirements.

Rising costs are at the top of most of our minds these days, so that guides the focus of the cooperative. The high-tech present and future of the smart grid promises more efficient management of the flow and delivery of electricity. Meade County RECC has been keeping its system up to date with proven smart meters and other technology.

Savings are also available right in your own home through a variety of energy-efficient home improvements. Every month, *Kentucky Living* magazine delivers, right to your mailbox, numerous tips to save money on electricity. You can get specific questions answered about the best steps to take in your own house, by calling your cooperative.

Two major factors causing higher

electricity costs are the addition of electric generating capacity to meet growing demand, and increasing environmental rules for cleaner and greener energy.

Last year, Meade County RECC continued to meet these goals head-on. Home energy efficiency not only saves you money in your house, but can also slow the need for expensive new power plants. Meade County RECC has also worked to explore all available sources of energy. Coal will continue to generate nearly all our electricity at rates that are among the lowest in the nation. But green power, produced by burning wood scraps, is also available—just call and ask about the EnviroWatts program.

In today's economy, Meade County RECC finds success in relying on its historic values of dedication, first and foremost, to providing reliable and affordable electricity to the co-op members and our community.

## ON THE COVER

The progression of Meade County Rural Electric Cooperative's powerful history is shown from the 1950s to the 2009 annual membership meeting. To the left, raising utility poles has come a long way. It can still be hard work, but these days it's aided by trucks with specially designed hoists.

RIGHT Meade County Rural Electric Co-op's historic values mean operating the utility with the latest technology, including global satellite mapping, computer-based communications, and automated electric metering systems. Photo: David Modica

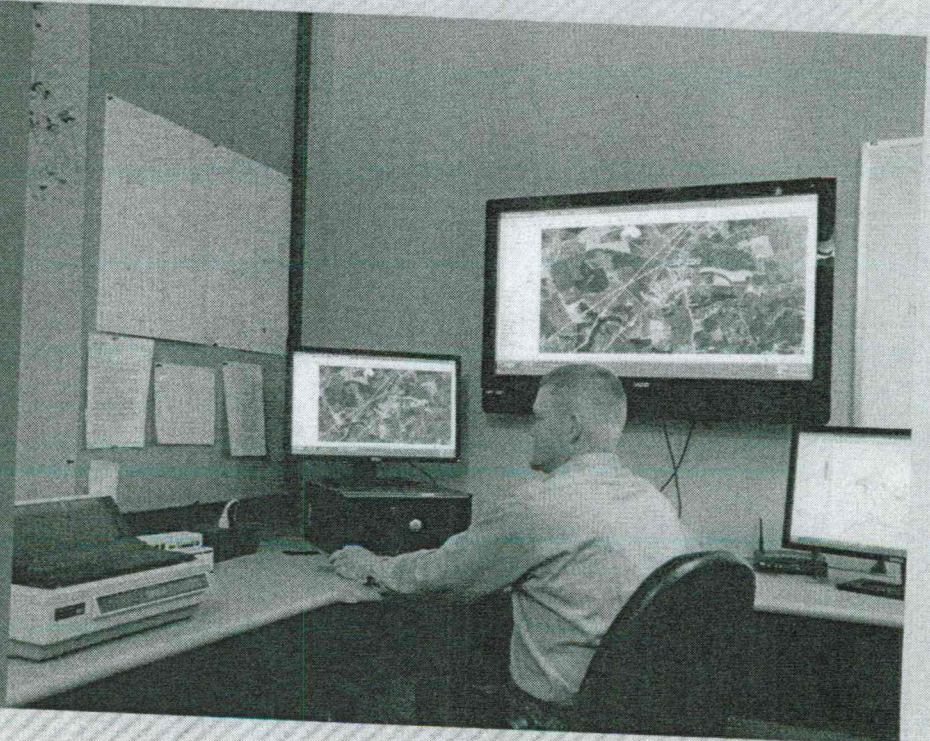


Exhibit P  
Page 279



Meade County Rural Electric Co-op uses a specially designed electric safety trailer loaded with equipment to impress audiences with dramatic, real-life demonstrations of the power of electricity, and how to use its power safely. Photo: Tammy Simmons



## KEEPING SAFETY TRADITIONS UP TO DATE

With reliable and affordable electricity, the centerpiece of what Meade County RECC does, safety is the top and constant concern of how that electricity gets delivered.

Electricity's power also makes it dangerous, even deadly, when it's misused.

So the cooperative continued in 2011 to keep its members aware of the importance of using electricity safely.

Regular safety notices, ads, and articles appeared in the pages of *Kentucky Living* about how to avoid electricity's hazards. Safety advice was also broadcast on the radio, and more detailed information is always available through the Internet on the

Meade County RECC Web site, [www.mcrecc.com](http://www.mcrecc.com).

Electric safety also gets up close and personal through Meade County RECC presentations to school groups, and at other locations where the cooperative uses a trailer loaded with small power lines and a model house, to dramatize the dangers of electricity in everyday life.

And if electric safety around the home deserves our respect and caution, the threats are even greater for Meade County RECC linemen, whose job it is to work every day maintaining the powerful equipment to keep it humming with electric current. That's why Meade County RECC pays special attention to the safety of the linemen doing this

important and dangerous work.

That attention starts with hiring the most qualified linemen, with high levels of technical knowledge as well as a feeling for the co-op members and attention to the details of safe work habits and practices, for their sake and the sake of their fellow workers.

Meade County RECC follows through on that start by providing continuing training to stay up to date with technical knowledge, practice to keep skills sharp, and programs to keep safety at the top of the mind at all times.

In 2011 and into the future, the cooperative continues to write a history of the safe use of electricity for members and employees.



## ALWAYS A PART OF OUR COMMUNITY

### 75 YEARS OF PROUD HISTORY

*In 1937, a group of our parents and grandparents came together to formally incorporate Meade County Rural Electric Cooperative. By the next year actual operations started, bringing light and power to what had been a dark countryside, through a single substation. Today, the co-op serves 28,511 members in all or parts of six counties, over 2,977 miles of line.*

The world headquarters for Meade County RECC is located right here in our community.

It always has been and it always will be.

That's because all its customers live here. And since all of those customers are also all of the owners, Meade County RECC is as much a part of our community as the community itself.

That means that for your cooperative to thrive, the community must thrive. You see the results of

that local concern in the importance the co-op places on providing reliable and affordable electricity for all its members. You see it in the support the co-op gives to area student scholarship and education programs. You see it after a storm when Meade County RECC crews work through the night, weekends, and bad weather to restore your electricity. You see it in the activities of the co-op employees, who spend time outside of work volunteering in a wide variety of local groups and activities working to improve life in our community.

Few businesses have annual meetings like this one. Every customer is invited, because they're all owners, and each has a vote for a director, who must be a member-consumer of the co-op.

That's the way it's been since the beginning of Meade County RECC. It's a powerful history of success since its beginning, through 2011, and far into the future.



*From teaching schoolchildren about light bulbs when co-ops first started, to sponsoring scholarship visits to the World War II Memorial and other educational and historical sites in Washington, D.C., Meade County Rural Electric Co-op continues its proud historical traditions.*




Exhibit P



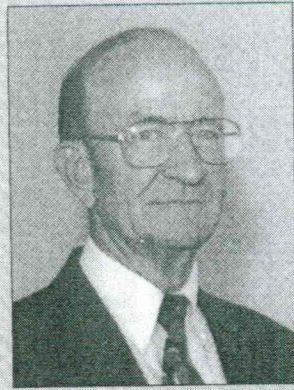


# Meade County RECC

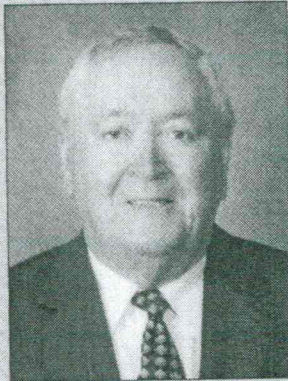
A Touchstone Energy® Cooperative 



Burns E. Mercer  
President and CEO



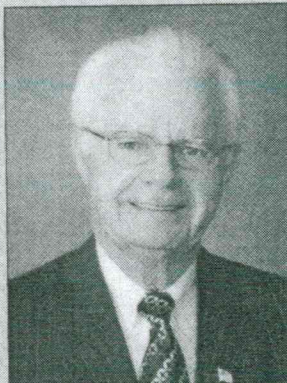
David T. Wilson  
Chairman



Dr. James G. Sills  
Vice Chairman



Darla Sipes  
Secretary-Treasurer



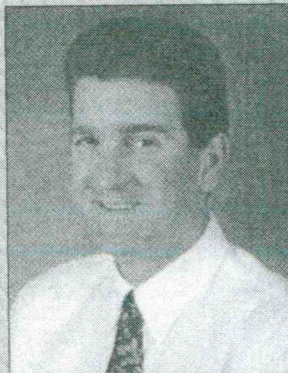
Paul E. Butler



Robert Rhodes



Ann Marie Williams



Stephen Barr



Tom Brite  
Attorney

## Official Business Meeting Agenda

# ANNUAL MEETING OF MEMBERS

## Meade County Rural Electric Cooperative Corporation

Where: Breckinridge County High School,  
Harned, KY

When: Monday, June 25

Registration Time: 5:30 CDT, 6:30 EDT

Business Meeting Time: 6:30 CDT, 7:30 EDT

The annual membership meeting of this co-op organizes to take action on the following matters:

1. Report on the number of members present in person in order to determine the existence of a quorum
2. Reading of the notice of the meeting and proof of the due publication or mailing thereof, or the waiver or waivers of notice of the meeting, as the case may be
3. Reading of approved meeting of the members and the taking of necessary action thereon
4. Presentation and consideration of reports of officers, trustees, and committees
5. Report on the election of board members
6. Unfinished business
7. New business (or other business if properly raised)
8. Adjournment

Exhibit P  
June 1, 2009





# Meade County RECC

A Touchstone Energy Cooperative

## SERVICE AREA



## MEMBERS SERVED IN 2011

Breckinridge.....	13,768
Grayson.....	1,523
Hancock.....	12
Hardin.....	74
Meade.....	11,919
Ohio.....	1,215
Total.....	28,511

## ACCOUNTS BILLED

2011.....	28,511
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## AVERAGE KILOWATT-HOUR USE

(Residential per month)

2011.....	1,365
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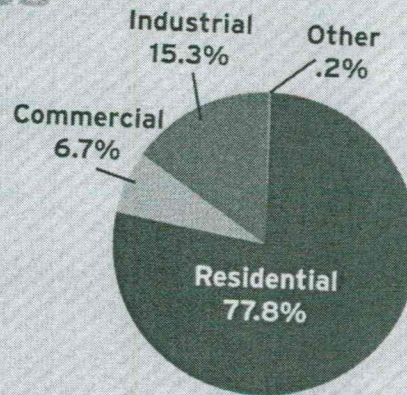
## MILES OF LINE

2011.....	2,977
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## CONSUMERS PER MILE

2011.....	9.6
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## REVENUE SOURCES



## MAJOR COSTS

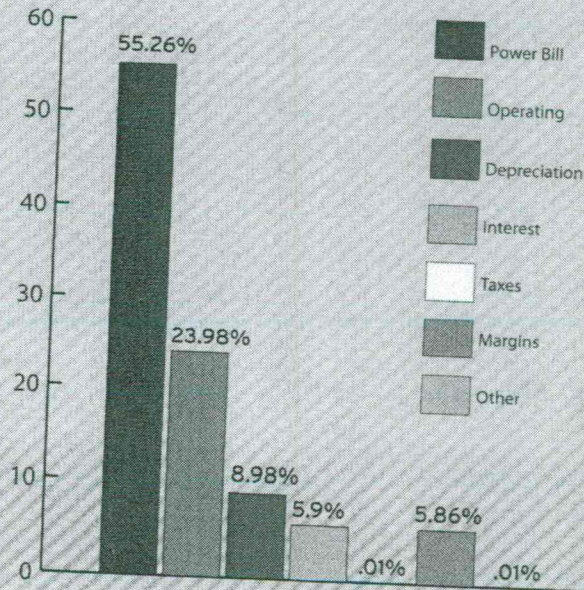


Exhibit P





# STATEMENT OF OPERATIONS

For the Year Ending December 31, 2011

Operating Revenue .....	\$35,779,927
Operating Expense	
Purchased Power .....	\$19,772,602
Operating System .....	8,580,088
Depreciation .....	3,213,864
Taxes .....	33,919
Interest on Loans .....	2,123,835
Other Deductions .....	21,733
Total Cost of Electric Service .....	\$33,746,040
Operating Margins .....	2,033,887
Non-Operating Margins .....	185,360
Other Capital Credits .....	92,150
Patronage Capital and Margins .....	\$2,311,397

# BALANCE SHEET

For the Year Ending December 31, 2011

<b>ASSETS</b>	
Total Utility Plant .....	\$100,542,751
Less Depreciation .....	28,322,225
Net Utility Plant .....	\$72,220,527
Investment in Assoc. Organization .....	\$2,330,536
Cash .....	9,205,303
Notes and Accounts Receivable .....	3,610,096
Inventory .....	1,429,239
Expenses Paid in Advance .....	130,397
Deferred Debits and Other Assets .....	570,451
Total Assets .....	\$89,496,548
<b>LIABILITIES</b>	
Consumer Deposits .....	765,897
Membership and Other Equities .....	27,486,487
Long-Term Debt .....	56,272,420
Notes and Accounts Payable .....	3,693,760
Other Current Liabilities and Accrued Liabilities .....	1,277,984
Total Liabilities .....	\$89,496,548


Exhibit P  
Dec 2011





Meade County RECC

# ANNUAL MEETING 2012

A Touchstone Energy® Cooperative 

## MONDAY JUNE 25

Breckinridge County High School—Harned, KY

Registration:

5:30 p.m. CDT, 6:30 EDT

Business meeting:

6:30 p.m. CDT, 7:30 EDT



Featured Entertainment

## Dove Brothers Band

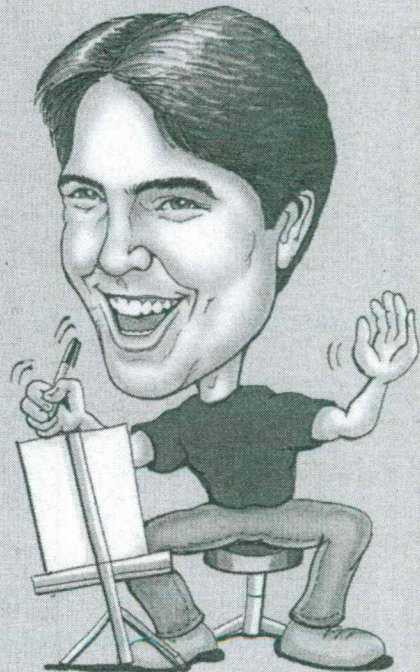


**FREE!**  
ENERGY-SAVING  
LIGHT BULBS

for members who attend!



- ☛ Buckets & Bulbs
- ☛ Health Screenings
- ☛ Refreshments
- ☛ Caricatures
- ☛ Door Prizes
- ☛ Local Gospel Group Heaven Sent



Caricaturist  
Denny Whalen



This data will be used by REA to review your financial situation. Your response is required (7 U.S.C. 901 et seq.) and is not confidential.

<p><b>USDA-REA</b></p> <p><b>FINANCIAL AND STATISTICAL REPORT</b></p> <p>INSTRUCTIONS: Submit an original and two copies to REA, round all amounts to nearest dollar. For detailed instructions, see REA Bulletin 1717B-2.</p>	<p><b>BORROWER DESIGNATION</b></p> <p>KY-18-MEADE</p> <p><b>BORROWER NAME AND ADDRESS</b></p> <p>MEADE COUNTY R. E. C. C- P. O. BOX 489 BRANDENBURG, KY 40108</p> <p><b>PERIOD ENDED</b> 31-Dec-11 <span style="float: right;"><b>IREA USE</b></span></p>
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**CERTIFICATION**

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

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

*[Handwritten Signature]*  
 \_\_\_\_\_  
 SIGNATURE MANAGER

DATE

11/16/12  
 \_\_\_\_\_  
 DATE

**PART A. STATEMENT OF OPERATIONS**

ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR	THIS YEAR	BUDGET	
	(a)	(b)	(c)	
1. Operating Revenue and Patronage Capital.....	34,633,262.06	35,779,927.29	3,379,220	3,716,361.11
2. Power Production Expense.....				
3. Cost of Purchased Power.....	19,150,753.00	19,772,602.15	2,168,841	1,748,165.40
4. Transmission Expense.....				
5. Distribution Expense - Operation.....	2,242,316.53	2,578,399.05	274,985	255,559.59
6. Distribution Expense - Maintenance.....	2,985,071.16	2,806,763.33	259,247	315,618.83
7. Customer Accounts Expense.....	1,318,368.16	1,363,809.05	142,061	135,875.48
8. Customer Service and Informational Expense.....	235,964.42	288,729.59	(10,322)	32,285.76
9. Sales Expense.....	1,729.11	1,744.63	(268)	1,571.64
10. Administrative and General Expense.....	1,526,637.29	1,540,642.82	198,018	186,872.42
11. Total Operation & Maintenance Expense (1 thru 10).....	27,460,839.67	28,352,690.62	3,032,562	2,675,949.12
12. Depreciation and Amortization Expense.....	3,053,340.84	3,213,863.73	273,654	274,435.11
13. Tax Expense - Property and Gross Receipts.....				
14. Tax Expense - Other.....	32,794.37	33,918.85	2,911	2,932.58
15. Interest on Long-Term Debt.....	2,192,937.77	2,123,834.64	198,276	211,929.69
16. Interest Charge to Construction - Credit.....				
17. Interest Expense - Other.....	21,216.93	11,082.24	2,449	4,595.64
18. Other Deductions.....	11,202.50	10,650.27	2,600	1,000.00
19. Total Cost of Electric Service (11 thru 18).....	32,772,332.08	33,746,040.35	3,512,452	3,170,842.14
20. Patronage Capital & Operating Margins (1 minus 19).....	1,860,929.98	2,033,886.94	(133,232)	545,518.97
21. Non-Operating Margins - Interest.....	146,256.95	179,775.90	9,098	19,946.88
22. Allowance for Funds Used During Construction.....				
23. Income (Loss) from Equity Investments.....				
24. Non-Operating Margins - Other.....	130,342.01	5,584.06	864	11,988.19
25. Generation and Transmission Capital Credits.....				
26. Other Capital Credits and Patronage Dividends.....	174,900.18	92,150.38	-	-
27. Extraordinary Items.....				
28. Patronage Capital or Margins (20 thru 27).....	\$2,312,429.12	\$2,311,397.28	(123,270)	577,454.04

**PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT**

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR	THIS YEAR		LAST YEAR	THIS YEAR
	(a)	(b)		(a)	(b)
1. New Services Connected	520	404	5. Miles Transmission		
2. Services Retired	319	300	6. Miles Distribution - Overhead	2,885	2,881
3. Total Services in Place	30,731	30,884	7. Miles Distribution - Underground	89	93
4. Idle Services (Exclude Seasonal)	2,315	2,355	8. Total Miles Energized (5 + 6 + 7)	2,974	2,974

Exhibit Q  
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FINANCIAL AND STATISTICAL REPORT

INSTRUCTIONS - See REA Bulletin 1717B-3

December 31, 2011

PART C. BALANCE SHEET

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service.....	98,622,168.13	30. Memberships.....	93,885.00
2. Construction Work in Progress.....	1,920,583.27	31. Patronage Capital.....	20,556,140.97
3. Total Utility Plant (1 + 2).....	100,542,751.40	32. Operating Margins - Prior Year.....	77,784.13
4. Accum. Provision for Depreciation and Amort.....	28,322,224.78	33. Operating Margins - current Year.....	2,126,037.32
5. Net Utility Plant (3 - 4).....	72,220,526.64	34. Non-Operating Margins.....	3,867,707.29
6. Non-Utility Property (Net).....	0.00	35. Other Margins and Equities.....	764,931.98
7. Investments in Subsidiary Companies.....	0.00	36. Total Margins & Equities (30 thru 35).....	27,486,486.69
8. Invest. in Assoc. Org. - Patronage Capital.....	1,073,849.53	37. Long-Term Debt - REA (Net).....	31,200,093.79
9. Invest. in Assoc. Org. - Other - General Funds.....	0.00	(Payments-Unapplied \$	
10. Invest. in Assoc. Org. - Other - Nongeneral Funds.....	1,256,686.25	38. Long-Term Debt - REA - Econ. Devel.	0.00
11. Investments in Economic Development Projects.....	0.00	39. Long-Term Debt - Other - REA Guar	17,758,735.92
12. Other Investments.....	0.00	40. Long-Term Debt - Other (Net).....	7,315,689.98
13. Special Funds.....	0.00	41. Total Long-Term Debt (37 thru 40).....	56,272,419.69
14. Total Other Property and Investments (6 thru 13).....	2,330,535.78	42. Obligations Under Capital Leases.....	0.00
15. Cash - General Funds.....	4,189,597.09	43. Accumulated Operating Provisions.....	1,314,903.30
16. Cash - Construction Funds - Trustee.....	118,500.00	44. Total Other Noncurrent Liab. (42 + 43)	1,314,903.30
17. Special Deposits.....	0.00	45. Notes Payable.....	0.00
18. Temporary Investments.....	4,897,206.20	46. Accounts Payable.....	2,378,856.94
19. Notes Receivable (Net).....	0.00	47. Consumers Deposits.....	765,897.00
20. Accounts Receivable - Sales of Energy (Net).....	3,254,973.17	48. Other Current and Accrued Liabilities.....	624,275.15
21. Accounts Receivable - Other (Net).....	355,122.40	49. Total Current & Accrued Liab (45 thru 48)	3,769,029.09
22. Materials and Supplies - Electric and Other.....	1,429,238.75	50. Deferred Credits.....	653,709.18
23. Prepayments.....	130,386.70	51. Accumulated Deferred Income Taxes...	0.00
24. Other Current and Accrued Assets.....	455,167.95	52. Total Liabilities and Other Credits.....	89,496,547.95
25. Total Current and Accrued Assets (15 thru 24).....	14,830,202.26	ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION	
26. Regulatory Assets.....	0.00	53. Balance Beginning of Year.....	
27. Other Deferred Debits.....	115,283.27	54. Amount Received This Year (Net).....	
28. Accumulated Deferred Income Taxes.....	0.00	55. Total Contributions in Aid of Construction.....	
29. Total Assets and Other Debits (5+14+25 thru 28).....	89,496,547.95		

PART D. NOTES TO FINANCIAL STATEMENTS

CLASS OF SERVICE	THIS MONTH			YEAR-TO-DATE			
	No. Receiving Service a	kWh Sold b	Amount c	No. Minimum Bills d	Avg. No. Receiving Serv. e	kWh Sold Cumulative f	Amount Cumulative g
1. Residential Sales (excl. arm.)	26,419	39,355,737	2,995,499.50	1,403	26,402	364,735,373	27,479,673.92
2. Residential Sales Seasonal							
3. Irrigation Sales							
4. Comm. & Ind. - 50 kVA or less	1,746	2,552,393	214,698.89	160	1,749	28,986,944	2,393,368.40
5. Comm. & Indus. - over 50 kVA	323	5,559,441	424,759.59	12	321	65,670,526	4,737,982.03
6. Public St. & Highway Lighting	6	99,230	7,167.89	6	6	1,057,133	74,925.27
7. Other Sales to Public Auth.							
8. Sales for Resale - REA Borr.							
9. Sales for Resale - Others							
10. Total Sales of Electric Energy (1 thru 9)	28,494	47,566,801	3,642,125.87	1,581	28,478	460,449,976	34,685,949.62
11. Other Electric Revenue			74,235.24				1,093,977.67
12. Total (10 + 11)			3,716,361.11				35,779,927.29

PART E. kWh AND kW STATISTICS\*

ITEM	THIS MONTH	YEAR-TO-DATE	ITEM	THIS MONTH	YEAR-TO-DATE
1. Net kWh Generated			6. Office Use	109,884	1,137,388
2. kWh Purchased	45,500,230	480,251,350	7. Total Unaccounted For (& 6)	(4 Less 5)	-2,176,455
3. Interchange kWh - Net			8. Percent System Loss (7/4) x 100	-4.78%	3.89%
4. Total kWh (1 thru 3)	45,500,230	480,251,350	9. Maximum Demand (kW)	88,200	120,033
5. Total kWh Sold	47,566,801	460,449,976	10. Month When Maximum Demand Occurred		2

Exhibit Q  
Page 2 of 24



This data will be used by REA to review your financial situation. Your response is required (7 U.S.C. 901 et seq.) and is not confidential.

<p style="text-align: center;"><b>USDA-REA</b></p> <p style="text-align: center;"><b>FINANCIAL AND STATISTICAL REPORT</b></p> <p>INSTRUCTIONS: Submit an original and two copies to REA, round all amounts to nearest dollar. For detailed instructions, see REA Bulletin 1717B-2.</p>	<p><b>BORROWER DESIGNATION</b> KY-18-MEADE</p> <p><b>BORROWER NAME AND ADDRESS</b> MEADE COUNTY R. E. C. C- P. O. BOX 489 BRANDENBURG, KY 40108</p> <p><b>PERIOD ENDED</b> _____ <b>REA USE</b> 31-Jan-12</p>
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**CERTIFICATION**

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

ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XV11, REA, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES

SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT

*[Handwritten Signature]*  
SIGNATURE MANAGER

DATE

2/15/12  
2/7/12  
DATE

**PART A. STATEMENT OF OPERATIONS**

ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR	THIS YEAR	BUDGET	
	(a)	(b)	(c)	
1. Operating Revenue and Patronage Capital.....	3,914,690.08	3,767,751.00	4,177,818	3,767,751.00
2. Power Production Expense.....				
3. Cost of Purchased Power.....	2,168,428.58	2,071,123.18	2,467,722	2,071,123.18
4. Transmission Expense.....				
5. Distribution Expense - Operation.....	231,835.98	229,025.19	249,828	229,025.19
6. Distribution Expense - Maintenance.....	200,131.05	210,242.20	218,473	210,242.20
7. Customer Accounts Expense.....	116,031.30	115,861.78	124,018	115,861.78
8. Customer Service and Informational Expense.....	26,028.64	24,434.60	29,741	24,434.60
9. Sales Expense.....	(217.79)	(329.28)	(240)	(329.28)
10. Administrative and General Expense.....	118,510.64	122,329.81	142,669	122,329.81
11. Total Operation & Maintenance Expense (2 thru 10).....	2,860,748.40	2,772,687.48	3,232,210	2,772,687.48
12. Depreciation and Amortization Expense.....	261,556.61	273,629.77	274,296	273,629.77
13. Tax Expense - Property and Gross Receipts.....				
14. Tax Expense - Other.....	2,715.51	2,923.97	2,797	2,923.97
15. Interest on Long-Term Debt.....	187,879.48	179,489.18	179,871	179,489.18
16. Interest Charge to Construction - Credit.....				
17. Interest Expense - Other.....	460.17	1,087.35	474	1,087.35
18. Other Deductions.....	750.00	-	750	0.00
19. Total Cost of Electric Service (11 thru 18).....	3,314,110.17	3,229,817.75	3,690,399	3,229,817.75
20. Patronage Capital & Operating Margins (1 minus 19)....	600,579.91	537,933.25	487,420	537,933.25
21. Non-Operating Margins - Interest.....	6,294.52	18,712.07	18,071	18,712.07
22. Allowance for Funds Used During Construction.....				
23. Income (Loss) from Equity Investments.....				
24. Non-Operating Margins - Other.....	(1,425.34)	-	-	-
25. Generation and Transmission Capital Credits.....				
26. Other Capital Credits and Patronage Dividends.....				
27. Extraordinary Items.....				
28. Patronage Capital or Margins (20 thru 27).....	\$605,449.09	\$556,645.32	505,491	556,645.32

**PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT**

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR	THIS YEAR		LAST YEAR	THIS YEAR
	(a)	(b)		(a)	(b)
1. New Services Connected	21	18	5. Miles Transmission		
2. Services Retired	18	11	6. Miles Distribution - Overhead	2,892	2,878
3. Total Services in Place	30,735	30,893	7. Miles Distribution - Underground	86	94
4. Idle Services (Exclude Seasonal)	2,312	2,347	8. Total Miles Energized (5 + 6 + 7)	2,978	2,972

*Exhibit A*  
*pg 3 of 24*



*INSTRUCTIONS - See REA Bulletin 1717B-2*

**PART C. BALANCE SHEET**

ASSETS AND OTHER DEBITS	LIABILITIES AND OTHER CREDITS		
1. Total Utility Plant in Service.....	99,079,520.58	30. Memberships.....	93,630.00
2. Construction Work in Progress.....	1,742,867.88	31. Patronage Capital.....	22,576,648.95
3. Total Utility Plant (1 + 2).....	100,822,388.46	32. Operating Margins - Prior Year.....	77,784.13
4. Accum. Provision for Depreciation and Amort.....	28,455,296.97	33. Operating Margins - current Year.....	537,933.25
5. Net Utility Plant (3 - 4).....	72,367,091.49	34. Non-Operating Margins.....	3,978,571.18
6. Non-Utility Property (Net).....	0.00	35. Other Margins and Equities.....	766,211.81
7. Investments in Subsidiary Companies.....	0.00	36. Total Margins & Equities (30 thru 35).....	28,030,779.32
8. Invest. in Assoc. Org. - Patronage Capital.....	1,073,849.53	37. Long-Term Debt - REA (Net).....	29,296,522.99
9. Invest. in Assoc. Org. - Other - General Funds.....	0.00	(Payments-Unapplied \$	
10. Invest. in Assoc. Org. - Other - Nongeneral Funds.....	1,256,686.25	38. Long-Term Debt - REA - Econ. Devel.	0.00
11. Investments in Economic Development Projects.....	0.00	39. Long-Term Debt - Other - REA Guar	17,756,735.92
12. Other Investments.....	0.00	40. Long-Term Debt - Other (Net).....	7,315,589.98
13. Special Funds.....	0.00	41. Total Long-Term Debt (37 thru 40).....	54,368,848.89
14. Total Other Property and Investments (6 thru 13).....	2,330,535.78	42. Obligations Under Capital Leases.....	0.00
15. Cash - General Funds.....	3,738,399.31	43. Accumulated Operating Provisions.....	1,319,901.42
16. Cash - Construction Funds - Trustee.....	0.00	44. Total Other Noncurrent Liab. (42 + 43)	1,319,901.42
17. Special Deposits.....	0.00	45. Notes Payable.....	0.00
18. Temporary Investments.....	3,547,010.96	46. Accounts Payable.....	2,579,133.11
19. Notes Receivable (Net).....	0.00	47. Consumers Deposits.....	753,545.00
20. Accounts Receivable - Sales of Energy (Net).....	3,814,846.55	48. Other Current and Accrued Liabilities.....	819,921.28
21. Accounts Receivable - Other (Net).....	358,448.49	49. Total Current & Accrued Liab (45 thru 48)	4,152,599.39
22. Materials and Supplies - Electric and Other.....	1,509,836.41	50. Deferred Credits.....	653,709.18
23. Prepayments.....	200,663.65	51. Accumulated Deferred Income Taxes.....	0.00
24. Other Current and Accrued Assets.....	550,229.13	52. Total Liabilities and Other Credits.....	88,525,838.20
25. Total Current and Accrued Assets (15 thru 24).....	13,719,434.50	(36 + 41 + 44 + 49 thru 51).....	
26. Regulatory Assets.....	0.00	<b>ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION</b>	
27. Other Deferred Debits.....	108,776.43	53. Balance Beginning of Year.....	
28. Accumulated Deferred Income Taxes.....	0.00	54. Amount Received This Year (Net).....	
29. Total Assets and Other Debits (5 + 14 + 25 thru 28).....	88,525,838.20	55. Total Contributions in Aid of Construction.....	

**PART D. NOTES TO FINANCIAL STATEMENTS**

CLASS OF SERVICE	THIS MONTH			YEAR-TO-DATE			
	No. Receiving Service a	kWh Sold b	Amount c	No. Minimum Bills d	Avg. No Receiving Serv. e	kWh Sold Cumulative f	Amount Cumulative g
1. Residential Sales (incl seas)	26,446	39,337,154	3,055,674.42	1,441	26,446	39,337,154	3,055,674.42
2. Residential Sales Seasonal							
3. Irrigation Sales							
4. Comm. & Ind. - 50 kVA or less	1,751	2,437,330	212,805.98	164	1,751	2,437,330	212,805.98
5. Comm. & Indus - over 50 kVA	326	5,119,587	389,851.46	12	326	5,119,587	389,851.46
6. Public St. & Highway Lighting	6	87,960	6,625.33	6	6	87,960	6,625.33
7. Other Sales to Public Auth.							
8. Sales for Resale - REA Borr.							
9. Sales for Resale - Others							
10. Total Sales of Electric Energy (1 thru 9)	28,529	46,982,031	3,664,957.19	1,623	28,529	46,982,031	3,664,957.19
11. Other Electric Revenue			102,793.81				102,793.81
12. Total (10 + 11)			3,767,751.00				3,767,751.00

**PART E. kWh AND kW STATISTICS\***

ITEM	THIS MONTH	YEAR-TO-DATE	ITEM	THIS MONTH	YEAR-TO-DATE
1. Net kWh Generated			6. Office Use	119,015	119,015
2. kWh Purchased	49,731,850	49,731,850	7. Total Unaccounted For (4 Less 5 & 6)	2,630,804	2,630,804
3. Interchange kWh - Net			8. Percent System Loss (7/4) x 100	5.29%	5.29%
4. Total kWh (1 thru 3)	49,731,850	49,731,850	9. Maximum Demand (kW)	88,200	88,200
5. Total kWh Sold	46,982,031	46,982,031	10. Month When Maximum Demand Occurred		1

*Exhibit A  
page 4 of 24*



This data will be used by REA to review your financial situation. Your response is required (7 U.S.C. 901 et seq.) and is not confidential.

<p style="text-align: center;"><b>USDA-REA</b></p> <p style="text-align: center;"><b>FINANCIAL AND STATISTICAL REPORT</b></p> <p>INSTRUCTIONS: Submit an original and two copies to REA, round all amounts to nearest dollar. For detailed instructions, see REA Bulletin 1717B-2.</p>	<p><b>BORROWER DESIGNATION</b> KY-18-MEADE</p> <p><b>BORROWER NAME AND ADDRESS</b> MEADE COUNTY R. E. C. C-- P. O. BOX 489 BRANDENBURG, KY 40108</p> <p><b>PERIOD ENDED</b> 29-Feb-12 <span style="float: right;"><b>REA USE</b></span></p>
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**CERTIFICATION**

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

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 MANAGER

DATE

DATE

3/19/12

3/19/12

**PART A. STATEMENT OF OPERATIONS**

ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR	THIS YEAR	BUDGET	
	(a)	(b)	(c)	
1. Operating Revenue and Patronage Capital.....	7,071,481.11	7,150,346.09	3,931,981	3,382,595.09
2. Power Production Expense.....				
3. Cost of Purchased Power.....	4,041,539.76	3,962,369.69	2,134,204	1,891,246.51
4. Transmission Expense.....				
5. Distribution Expense - Operation.....	463,458.77	500,596.68	272,615	271,571.49
6. Distribution Expense - Maintenance.....	409,590.48	470,544.06	209,611	260,301.86
7. Customer Accounts Expense.....	225,628.69	252,843.38	121,206	136,981.60
8. Customer Service and Informational Expense.....	52,236.44	51,589.14	34,484	27,154.54
9. Sales Expense.....	96.98	(1,526.94)	354	(1,197.66)
10. Administrative and General Expense.....	229,913.57	253,041.17	136,439	130,711.36
11. Total Operation & Maintenance Expense (2 thru 10).....	5,422,464.69	5,489,457.18	2,908,912	2,716,769.70
12. Depreciation and Amortization Expense.....	524,133.44	548,493.44	275,196	274,863.67
13. Tax Expense - Property and Gross Receipts.....				
14. Tax Expense - Other.....	5,414.49	5,830.07	2,780	2,906.10
15. Interest on Long-Term Debt.....	350,040.98	316,752.91	162,299	137,263.73
16. Interest Charge to Construction - Credit.....				
17. Interest Expense - Other.....	687.85	1,727.13	235	639.78
18. Other Deductions.....	750.00	750.00	-	750.00
19. Total Cost of Electric Service (11 thru 18).....	6,303,491.45	6,363,010.73	3,349,422	3,133,192.98
20. Patronage Capital & Operating Margins (1 minus 19)....	767,989.66	787,335.36	582,559	249,402.11
21. Non-Operating Margins - Interest.....	11,973.98	45,480.46	16,072	26,768.39
22. Allowance for Funds Used During Construction.....				
23. Income (Loss) from Equity Investments.....				
24. Non-Operating Margins - Other.....	(570.36)	894.07	-	894.07
25. Generation and Transmission Capital Credits.....				
26. Other Capital Credits and Patronage Dividends.....	(15,953.00)	-	-	-
27. Extraordinary Items.....				
28. Patronage Capital or Margins (20 thru 27).....	\$763,440.28	\$833,709.89	598,631	277,064.57

**PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT**

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR	THIS YEAR		LAST YEAR	THIS YEAR
	(a)	(b)		(a)	(b)
1. New Services Connected	38	50	5. Miles Transmission		
2. Services Retired	37	31	6. Miles Distribution - Overhead	2,885	2,875
3. Total Services in Place	30,723	30,912	7. Miles Distribution - Underground	90	94
4. Idle Services (Exclude Seasonal)	2,331	2,380	8. Total Miles Energized (5 + 6 + 7)	2,975	2,969

*Exhibit Q  
page 5 of 24*



USDA-REA  
FINANCIAL AND STATISTICAL REPORT

BORROWER DESIGNATION  
KY-18-MEADE  
PERIOD ENDED February 29, 2012  
REA USE ONLY

INSTRUCTIONS - See REA Bulletin 1717B-2

PART C. BALANCE SHEET

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service.....	99,663,688.22	30. Memberships.....	93,160.00
2. Construction Work in Progress.....	2,044,873.00	31. Patronage Capital.....	22,534,527.95
3. Total Utility Plant (1 + 2).....	101,708,561.22	32. Operating Margins - Prior Year.....	77,784.13
4. Accum. Provision for Depreciation and Amort.....	28,957,271.75	33. Operating Margins - current Year.....	1,036,737.47
5. Net Utility Plant (3 - 4).....	72,751,289.47	34. Non-Operating Margins.....	4,033,896.10
6. Non-Utility Property (Net).....	0.00	35. Other Margins and Equities.....	768,556.53
7. Investments in Subsidiary Companies.....	0.00	36. Total Margins & Equities (30 thru 35).....	28,544,662.18
8. Invest. in Assoc. Org. - Patronage Capital.....	1,073,849.53	37. Long-Term Debt - REA (Net).....	29,457,889.91
9. Invest. in Assoc. Org. - Other - General Funds.....	0.00	(Payments-Unapplied \$	
10. Invest. in Assoc. Org. - Other - Nongeneral Funds.....	1,256,686.25	38. Long-Term Debt - REA - Econ. Devel.	0.00
11. Investments in Economic Development Projects.....	0.00	39. Long-Term Debt - Other - REA Guar	21,756,735.92
12. Other Investments.....	0.00	40. Long-Term Debt - Other (Net).....	7,159,029.12
13. Special Funds.....	0.00	41. Total Long-Term Debt (37 thru 40).....	58,373,654.95
14. Total Other Property and Investments (6 thru 13).....	2,330,535.78	42. Obligations Under Capital Leases.....	0.00
15. Cash - General Funds.....	6,713,661.39	43. Accumulated Operating Provisions.....	1,330,241.30
16. Cash - Construction Funds - Trustee.....	0.00	44. Total Other Noncurrent Liab. (42 + 43)	1,330,241.30
17. Special Deposits.....	0.00	45. Notes Payable.....	0.00
18. Temporary Investments.....	4,950,375.68	46. Accounts Payable.....	2,406,816.77
19. Notes Receivable (Net).....	0.00	47. Consumers Deposits.....	783,839.00
20. Accounts Receivable - Sales of Energy (Net).....	3,467,595.71	48. Other Current and Accrued Liabilities.....	888,081.96
21. Accounts Receivable - Other (Net).....	405,612.55	49. Total Current & Accrued Liab (45 thru 48)	4,078,537.73
22. Materials and Supplies - Electric and Other.....	1,491,736.23	50. Deferred Credits.....	653,709.18
23. Prepayments.....	194,785.41	51. Accumulated Deferred Income Taxes...	0.00
24. Other Current and Accrued Assets.....	579,595.57	52. Total Liabilities and Other Credits.....	92,980,805.34
25. Total Current and Accrued Assets (15 thru 24).....	17,803,362.64	(36 + 41 + 44 + 49 thru 51).....	
26. Regulatory Assets.....	0.00	ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION	
27. Other Deferred Debits.....	95,637.45	53. Balance Beginning of Year.....	
28. Accumulated Deferred Income Taxes.....	0.00	54. Amount Received This Year (Net).....	
29. Total Assets and Other Debits (5 - 14 + 25 thru 28).....	92,980,805.34	55. Total Contributions in Aid of Construction.....	

PART D. NOTES TO FINANCIAL STATEMENTS

CLASS OF SERVICE	THIS MONTH			YEAR-TO-DATE			
	No. Receiving Service a	kWh Sold b	Amount c	No. Minimum Bills d	Avg. No Receiving Serv. e	kWh Sold Cumulative f	Amount Cumulative g
1. Residential Sales (excl seas.)	26,441	34,674,519	2,682,127.93	1,490	26,444	74,011,673	5,737,802.35
2. Residential Sales Seasonal							
3. Irrigation Sales							
4. Comm. & Ind. - 50 kVA or less	1,736	2,301,613	198,525.96	167	1,744	4,738,943	411,331.94
5. Comm. & Ind. - over 50 kVA	322	5,203,468	391,126.58	13	324	10,323,055	780,978.04
6. Public St. & Highway Lightng.	6	88,032	6,527.66	6	6	175,992	13,152.99
7. Other Sales to Public Auth.							
8. Sales for Resale - REA Borr.							
9. Sales for Resale - Others							
10. Total Sales of Electric Energy (1 thru 9)	28,505	42,267,632	3,278,308.13	1,676	28,518	89,249,663	6,943,265.32
11. Other Electric Revenue			104,286.96				207,080.77
12. Total (10 + 11)			3,382,595.09				7,150,346.09

PART E. kWh AND kW STATISTICS\*

ITEM	THIS MONTH	YEAR-TO-DATE	ITEM	THIS MONTH	YEAR-TO-DATE	
1. Net kWh Generated			6. Office Use	79,523	198,538	
2. kWh Purchased	42,332,140	92,063,990	7. Total Unaccounted For (& 6)	(4 Less 5	-15,015	2,615,789
3. Interchange kWh - Net			8. Percent System Loss (7/4) x 100	-0.04%	2.84%	
4. Total kWh (1 thru 3)	42,332,140	92,063,990	9. Maximum Demand (kW)	100,316	100,316	
5. Total kWh Sold	42,267,632	89,249,663	10. Month When Maximum Demand Occurred		1	

Exhibit Q  
Page 6 of 24



This data will be used by REA to review your financial situation. Your response is required (7 U.S.C. 901 et seq.) and is not confidential.

<p><b>USDA-REA</b></p> <p><b>FINANCIAL AND STATISTICAL REPORT</b></p> <p>INSTRUCTIONS: Submit an original and two copies to REA, round all amounts to nearest dollar. For detailed instructions, see REA Bulletin 1717B-2.</p>	<p><b>BORROWER DESIGNATION</b></p> <p>KY-18-MEADE</p> <p><b>BORROWER NAME AND ADDRESS</b></p> <p>MEADE COUNTY R. E. C.~ P. O. BOX 489 BRANDENBURG, KY 40108</p> <p>PERIOD ENDED <span style="float: right;">  REA USE</span></p> <p style="text-align: right;">31-Mar-12</p>
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**CERTIFICATION**

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

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 MANAGER

DATE

DATE

4/13/12

4/13/12

**PART A. STATEMENT OF OPERATIONS**

ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR	THIS YEAR	BUDGET	
	(a)	(b)	(c)	
1. Operating Revenue and Patronage Capital.....	9,771,992.02	9,575,588.97	3,182,427	2,425,242.88
2. Power Production Expense.....				
3. Cost of Purchased Power.....	5,527,063.29	5,465,881.11	1,807,233	1,503,511.42
4. Transmission Expense.....				
5. Distribution Expense - Operation.....	678,451.60	720,077.71	230,783	219,481.03
6. Distribution Expense - Maintenance.....	632,825.52	743,231.74	237,653	272,687.68
7. Customer Accounts Expense.....	351,281.62	367,554.18	127,848	114,710.80
8. Customer Service and Informational Expense.....	80,360.25	75,702.63	30,522	24,113.49
9. Sales Expense.....	(854.37)	(1,913.30)	(999)	(386.36)
10. Administrative and General Expense.....	375,920.50	387,785.75	147,914	134,744.58
11. Total Operation & Maintenance Expense (2 thru 10).....	7,645,048.41	7,758,319.82	2,580,954	2,268,862.64
12. Depreciation and Amortization Expense.....	787,436.62	824,211.79	276,096	275,718.35
13. Tax Expense - Property and Gross Receipts.....				
14. Tax Expense - Other.....	8,131.66	8,749.50	2,799	2,919.43
15. Interest on Long-Term Debt.....	535,532.08	535,610.57	179,240	218,857.66
16. Interest Charge to Construction - Credit.....				
17. Interest Expense - Other.....	1,121.13	2,204.30	446	477.17
18. Other Deductions.....	1,250.00	2,085.00	500	1,335.00
19. Total Cost of Electric Service (11 thru 18).....	8,978,519.90	9,131,180.98	3,040,035	2,768,170.25
20. Patronage Capital & Operating Margins (1 minus 19).....	793,472.12	444,407.99	142,392	(342,927.37)
21. Non-Operating Margins - Interest.....	27,313.36	73,172.86	15,847	27,692.40
22. Allowance for Funds Used During Construction.....				
23. Income (Loss) from Equity Investments.....				
24. Non-Operating Margins - Other.....	(687.82)	128,945.63	21,000	128,051.56
25. Generation and Transmission Capital Credits.....				
26. Other Capital Credits and Patronage Dividends.....	4,344.00	10,420.00		10,420.00
27. Extraordinary Items.....				
28. Patronage Capital or Margins (20 thru 27).....	\$824,441.66	\$656,946.48	179,239	(176,763.41)

**PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT**

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR	THIS YEAR		LAST YEAR	THIS YEAR
	(a)	(b)		(a)	(b)
1. New Services Connected	65	131	5. Miles Transmission		
2. Services Retired	50	75	6. Miles Distribution - Overhead	2,886	2,874
3. Total Services in Place	30,729	30,908	7. Miles Distribution - Underground	90	94
4. Idle Services (Exclude Seasonal)	2,331	2,421	8. Total Miles Energized (5 + 6 + 7)	2,976	2,968

*Exhibit Q  
page 7 of 24*



**PART C. BALANCE SHEET**

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service.....	99,725,268.00	30. Memberships.....	93,100.00
2. Construction Work in Progress.....	1,708,925.52	31. Patronage Capital.....	22,525,141.05
3. Total Utility Plant (1 + 2).....	101,434,193.52	32. Operating Margins - Prior Year.....	77,784.13
4. Accum. Provision for Depreciation and Amort.....	28,820,625.14	33. Operating Margins - current Year.....	454,827.99
5. Net Utility Plant (3 - 4).....	72,613,568.38	34. Non-Operating Margins.....	4,161,977.60
6. Non-Utility Property (Net).....	0.00	35. Other Margins and Equities.....	768,594.30
7. Investments in Subsidiary Companies.....	0.00	36. Total Margins & Equities (30 thru 35).....	28,081,425.07
8. Invest. in Assoc. Org. - Patronage Capital.....	1,079,059.53	37. Long-Term Debt - REA (Net).....	29,665,302.05
9. Invest. in Assoc. Org. - Other - General Funds.....	0.00	(Payments-Unapplied \$	0.00
10. Invest. in Assoc. Org. - Other - Nongeneral Funds.....	1,254,633.45	38. Long-Term Debt - REA - Econ. Devel.....	0.00
11. Investments in Economic Development Projects.....	0.00	39. Long-Term Debt - Other - REA Guar.....	19,694,899.13
12. Other Investments.....	0.00	40. Long-Term Debt - Other (Net).....	7,237,309.55
13. Special Funds.....	0.00	41. Total Long-Term Debt (37 thru 40).....	56,597,510.73
14. Total Other Property and Investments (6 thru 13).....	2,333,692.98	42. Obligations Under Capital Leases.....	0.00
15. Cash - General Funds.....	4,958,498.79	43. Accumulated Operating Provisions.....	1,330,241.30
16. Cash - Construction Funds - Trustee.....	0.00	44. Total Other Noncurrent Liab. (42 + 43).....	1,330,241.30
17. Special Deposits.....	0.00	45. Notes Payable.....	0.00
18. Temporary Investments.....	4,956,936.57	46. Accounts Payable.....	1,989,473.18
19. Notes Receivable (Net).....	0.00	47. Consumers Deposits.....	768,232.00
20. Accounts Receivable - Sales of Energy (Net).....	2,738,131.44	48. Other Current and Accrued Liabilities.....	900,167.95
21. Accounts Receivable - Other (Net).....	455,576.34	49. Total Current & Accrued Liab (45 thru 48).....	3,657,873.13
22. Materials and Supplies - Electric and Other.....	1,601,351.87	50. Deferred Credits.....	651,793.18
23. Prepayments.....	198,793.55	51. Accumulated Deferred Income Taxes.....	0.00
24. Other Current and Accrued Assets.....	366,301.27	52. Total Liabilities and Other Credits.....	90,318,843.41
25. Total Current and Accrued Assets (15 thru 24).....	15,275,589.83	(36 + 41 + 44 + 49 thru 51).....	
26. Regulatory Assets.....	0.00	<b>ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION</b>	
27. Other Deferred Debits.....	95,992.22	53. Balance Beginning of Year.....	
28. Accumulated Deferred Income Taxes.....	0.00	54. Amount Received This Year (Net).....	
29. Total Assets and Other Debits (5 + 14 + 25 thru 28).....	90,318,843.41	55. Total Contributions in Aid of Construction.....	

**PART D. NOTES TO FINANCIAL STATEMENTS**

CLASS OF SERVICE	THIS MONTH			YEAR-TO-DATE			
	No. Receiving Service a	kWh Sold b	Amount c	No. Minimum Bills d	Avg. No. Receiving Serv. e	kWh Sold Cumulative f	Amount Cumulative g
1. Residential Sales (excl. seas.)	26,420	21,934,505	1,789,781.57	1,347	26,456	95,946,178	7,527,583.92
2. Residential Sales Seasonal							
3. Irrigation Sales							
4. Comm. & Ind. - 50 kVA or less	1,738	1,993,691	172,530.96	156	1,745	6,732,634	583,862.90
5. Comm. & Indus-over 50 kVA	321	4,606,615	358,776.57	15	3,223	14,929,670	1,139,754.61
6. Public St. & Highway Lighting	6	88,270	6,407.61	6	6	264,262	19,560.60
7. Other Sales to Public Auth.							
8. Sales for Resale - REA Borr.							
9. Sales for Resale - Others							
10. Total Sales of Electric Energy (1 thru 9)	28,485	28,623,081	2,327,496.71	1,524	31,430	117,872,744	9,270,762.03
11. Other Electric Revenue			97,746.17				304,826.94
12. Total (10 + 11)			2,425,242.88				9,575,588.97

**PART E. kWh AND kW STATISTICS\***

ITEM	THIS MONTH	YEAR-TO-DATE	ITEM	THIS MONTH	YEAR-TO-DATE
1. Net kWh Generated			6. Office Use	69,989	268,527
2. kWh Purchased	32,145,840	124,209,830	7. Total Unaccounted For (& 6)	( 4 Less 5 ) 3,452,770	6,068,559
3. Interchange kWh - Net			8. Percent System Loss (7/4) x 100	10.74%	4.89%
4. Total kWh (1 thru 3)	32,145,840	124,209,830	9. Maximum Demand (kW)	100,316	100,316
5. Total kWh Sold	28,623,081	117,872,744	10. Month When Maximum Demand Occurred		1

*Exhibit Q*  
*Page 8 of 24*



This data will be used by REA to review your financial situation. Your response is required (7 U.S.C. 901 et seq.) and is not confidential.

<p style="text-align: center;"><b>USDA-REA</b></p> <p style="text-align: center;"><b>FINANCIAL AND STATISTICAL REPORT</b></p> <p>INSTRUCTIONS: Submit an original and two copies to REA, round all amounts to nearest dollar. For detailed instructions, see REA Bulletin 1717B-2.</p>	<p style="text-align: center;"><b>BORROWER DESIGNATION</b></p> <p style="text-align: center;">KY-18-MEAD</p> <p><b>BORROWER NAME AND ADDRESS</b></p> <p style="text-align: center;">MEADE COUNTY R. E. C. C- P. O. BOX 489 BRANDENBURG, KY 40108</p> <p style="text-align: center;"><b>PERIOD ENDED</b> 30-Apr-12 <span style="float: right;"><b>REA USE</b></span></p>
--	---

**CERTIFICATION**

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

**ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XV11, REA, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES**

SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT

*Benjamin W. Meade*

SIGNATURE MANAGER

DATE

5/21/12

DATE

**PART A. STATEMENT OF OPERATIONS**

ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR	THIS YEAR	BUDGET	
	(a)	(b)	(c)	
1. Operating Revenue and Patronage Capital.....	12,209,018.73	11,865,200.51	3,062,095	2,289,611.54
2. Power Production Expense.....				
3. Cost of Purchased Power.....	6,742,400.39	6,621,878.70	1,377,715	1,155,997.59
4. Transmission Expense.....				
5. Distribution Expense - Operation.....	877,971.60	901,691.13	218,113	181,613.42
6. Distribution Expense - Maintenance.....	867,870.02	951,285.56	237,611	208,053.82
7. Customer Accounts Expense.....	452,818.06	482,947.59	109,826	115,393.41
8. Customer Service and Informational Expense.....	106,830.81	97,318.51	28,942	21,615.88
9. Sales Expense.....	(637.93)	(2,333.78)	228	(420.48)
10. Administrative and General Expense.....	489,791.60	526,021.70	119,570	138,235.95
11. Total Operation & Maintenance Expense (3 thru 10).....	9,537,044.55	9,578,809.41	2,092,007	1,820,489.59
12. Depreciation and Amortization Expense.....	1,051,658.17	1,100,329.50	276,996	276,117.71
13. Tax Expense - Property and Gross Receipts.....				
14. Tax Expense - Other.....	10,860.18	11,688.27	2,810	2,938.77
15. Interest on Long-Term Debt.....	722,715.24	751,977.12	173,062	216,366.55
16. Interest Charge to Construction - Credit.....				
17. Interest Expense - Other.....	1,579.83	2,630.44	472	426.14
18. Other Deductions.....	2,250.00	3,466.60	1,000	1,381.60
19. Total Cost of Electric Service (11 thru 18).....	11,326,107.97	11,448,901.34	2,546,347	2,317,720.36
20. Patronage Capital & Operating Margins (1 minus 19).....	882,910.76	416,299.17	515,748	(28,108.82)
21. Non-Operating Margins - Interest.....	53,056.11	109,520.38	34,409	36,347.52
22. Allowance for Funds Used During Construction.....				
23. Income (Loss) from Equity Investments.....				
24. Non-Operating Margins - Other.....	(725.67)	135,941.81		6,996.18
25. Generation and Transmission Capital Credits.....				
26. Other Capital Credits and Patronage Dividends.....	4,344.00	10,420.00		
27. Extraordinary Items.....				
28. Patronage Capital or Margins (20 thru 27).....	\$939,585.20	\$672,181.36	550,157	15,234.88

**PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT**

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR	THIS YEAR		LAST YEAR	THIS YEAR
	(a)	(b)		(a)	(b)
1. New Services Connected	101	120	5. Miles Transmission		
2. Services Retired	82	69	6. Miles Distribution - Overhead	2,884	2,877
3. Total Services in Place	30,749	30,955	7. Miles Distribution - Underground	91	96
4. Idle Services (Exclude Seasonal)	2,327	2,403	8. Total Miles Energized (5 + 6 + 7)	2,975	2,973

*Exhibit Q  
page 9 of 24*



**PART C. BALANCE SHEET**

ASSETS AND OTHER DEBITS	LIABILITIES AND OTHER CREDITS
1. Total Utility Plant in Service.....	30. Memberships.....
2. Construction Work in Progress.....	31. Patronage Capital.....
3. Total Utility Plant (1 + 2).....	32. Operating Margins - Prior Year.....
4. Accum. Provision for Depreciation and Amort.....	33. Operating Margins - current Year.....
5. Net Utility Plant (3 - 4).....	34. Non-Operating Margins.....
6. Non-Utility Property (Net).....	35. Other Margins and Equities.....
7. Investments in Subsidiary Companies.....	36. Total Margins & Equities (30 thru 35).....
8. Invest. in Assoc. Org. - Patronage Capital.....	37. Long-Term Debt - REA (Net).....
9. Invest. in Assoc. Org. - Other - General Funds.....	(Payments-Unapplied \$.....)
10. Invest. in Assoc. Org. - Other - Nongeneral Funds.....	38. Long-Term Debt - REA - Econ. Devel.....
11. Investments in Economic Development Projects.....	39. Long-Term Debt - Other - REA Guar.....
12. Other Investments.....	40. Long-Term Debt - Other (Net).....
13. Special Funds.....	41. Total Long-Term Debt (37 thru 40).....
14. Total Other Property and Investments (6 thru 13).....	42. Obligations Under Capital Leases.....
15. Cash - General Funds.....	43. Accumulated Operating Provisions.....
16. Cash - Construction Funds - Trustee.....	44. Total Other Noncurrent Liab. (42 + 43).....
17. Special Deposits.....	45. Notes Payable.....
18. Temporary Investments.....	46. Accounts Payable.....
19. Notes Receivable (Net).....	47. Consumers Deposits.....
20. Accounts Receivable - Sales of Energy (Net).....	48. Other Current and Accrued Liabilities.....
21. Accounts Receivable - Other (Net).....	49. Total Current & Accrued Liab (45 thru 48).....
22. Materials and Supplies - Electric and Other.....	50. Deferred Credits.....
23. Prepayments.....	51. Accumulated Deferred Income Taxes.....
24. Other Current and Accrued Assets.....	52. Total Liabilities and Other Credits.....
25. Total Current and Accrued Assets (15 thru 24).....	(36 + 41 + 44 + 49 thru 51).....
26. Regulatory Assets.....	ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION
27. Other Deferred Debits.....	53. Balance Beginning of Year.....
28. Accumulated Deferred Income Taxes.....	54. Amount Received This Year (Net).....
29. Total Assets and Other Debits (5 + 14 + 25 thru 28).....	55. Total Contributions in Aid of Construction.....

**PART D. NOTES TO FINANCIAL STATEMENTS**

CLASS OF SERVICE	THIS MONTH			YEAR -TO-DATE			
	No. Receiving Service a	kWh Sold b	Amount c	No Minimum Bills d	Avg. No. Receiving Serv e	kWh Sold Cumulative f	Amount Cumulative g
1. Residential Sales (excl. secs.)	26,437	20,639,799	1,672,759.58	1,338	26,452	116,585,977	9,200,302.55
2. Residential Sales Seasonal							
3. Irrigation Sales							
4. Comm. & Ind. - 50 kVA or less	1,735	1,991,274	169,800.18	153	1,743	8,723,908	753,663.08
5. Comm. & Indus. - over 50 kVA	322	5,138,767	378,627.77	13	323	20,068,437	1,518,382.38
6. Public St. & Highway Lighting	6	87,836	6,218.67	6	6	352,098	25,779.27
7. Other Sales to Public Auth.							
8. Sales for Resale - REA Borr.							
9. Sales for Resale - Others							
10. Total Sales of Electric Energy (1 thru 9)	28,500	27,857,676	2,227,406.20	1,510	28,524	145,730,420	11,498,127.28
11. Other Electric Revenue			62,205.34				367,032.28
12. Total (10 + 11)			2,289,611.54				11,865,159.56

**PART E. kWh AND kW STATISTICS\***

ITEM	THIS MONTH	YEAR-TO-DATE	ITEM	THIS MONTH	YEAR-TO-DATE
1. Net kWh Generated			6. Office Use	48,745	317,272
2. kWh Purchased	29,297,740	153,507,570	7. Total Unaccounted For (& 6)	(4 Less 5) 1,391,319	7,459,878
3. Interchange kWh - Net			8. Percent System Loss (7/4) x 100	4.75%	4.86%
4. Total kWh (1 thru 3)	29,297,740	153,507,570	9. Maximum Demand (kW)	100,316	100,316
5. Total kWh Sold	27,857,676	145,730,420	10. Month When Maximum Demand Occurred		

*Exhibit Q*  
*page 10 of 24*



This data will be used by REA to review your financial situation. Your response is required (7 U.S.C. 901 et seq.) and is not confidential.

<p><b>USDA-REA</b></p> <p><b>FINANCIAL AND STATISTICAL REPORT</b></p> <p>INSTRUCTIONS: Submit an original and two copies to REA, round all amounts to nearest dollar. For detailed instructions, see REA Bulletin 1717B-2.</p>	<p><b>BORROWER DESIGNATION</b></p> <p>KY-18-MEADE</p> <p><b>BORROWER NAME AND ADDRESS</b></p> <p>MEADE COUNTY R. E. C. - P. O. BOX 489 BRANDENBURG, KY 40108</p> <p><b>PERIOD ENDED</b> 31-May-12 <span style="float: right;"><b>REA USE</b></span></p>
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**CERTIFICATION**

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

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 MANAGER

DATE

**PART A. STATEMENT OF OPERATIONS**

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR	THIS YEAR	BUDGET	
	(a)	(b)	(c)	
1. Operating Revenue and Patronage Capital.....	14,616,217.27	14,464,023.06	2,229,529	2,598,822.55
2. Power Production Expense.....				
3. Cost of Purchased Power.....	8,131,299.16	8,166,106.24	1,398,539	1,544,227.54
4. Transmission Expense.....				
5. Distribution Expense - Operation.....	1,080,280.64	1,126,515.55	256,321	224,824.42
6. Distribution Expense - Maintenance.....	1,110,469.07	1,218,485.64	272,108	267,200.08
7. Customer Accounts Expense.....	553,631.86	595,818.33	121,354	112,870.74
8. Customer Service and Informational Expense.....	131,312.03	120,825.87	32,233	23,507.36
9. Sales Expense.....	1,082.97	(1,139.58)	2,055	1,194.20
10. Administrative and General Expense.....	599,478.77	662,780.07	129,814	136,758.37
11. Total Operation & Maintenance Expense (2 thru 10).....	11,607,554.50	11,889,392.12	2,212,425	2,310,582.71
12. Depreciation and Amortization Expense.....	1,318,355.41	1,379,386.09	277,896	279,056.59
13. Tax Expense - Property and Gross Receipts.....				
14. Tax Expense - Other.....	13,619.51	14,626.80	2,842	2,938.53
15. Interest on Long-Term Debt.....	885,576.46	863,253.09	186,278	111,275.97
16. Interest Charge to Construction - Credit.....				
17. Interest Expense - Other.....	2,062.51	3,260.40	497	629.96
18. Other Deductions.....	2,401.79	3,566.60	133	100.00
19. Total Cost of Electric Service (11 thru 18).....	13,829,570.18	14,153,485.10	2,680,071	2,704,583.76
20. Patronage Capital & Operating Margins (1 minus 19)....	786,647.09	310,537.96	(450,542)	(105,761.21)
21. Non-Operating Margins - Interest.....	72,350.77	131,528.60	22,359	22,008.22
22. Allowance for Funds Used During Construction.....				
23. Income (Loss) from Equity Investments.....				
24. Non-Operating Margins - Other.....	(4,243.04)	135,941.81		
25. Generation and Transmission Capital Credits.....				
26. Other Capital Credits and Patronage Dividends.....	4,344.00			(10,420.00)
27. Extraordinary Items.....				
28. Patronage Capital or Margins (20 thru 27).....	\$859,098.82	\$578,008.37	(428,183)	(94,172.99)

**PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT**

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR	THIS YEAR		LAST YEAR	THIS YEAR
	(a)	(b)		(a)	(b)
1. New Services Connected	138	185	5. Miles Transmission		
2. Services Retired	119	96	6. Miles Distribution - Overhead	3,882	2,876
3. Total Services in Place	30,751	30,951	7. Miles Distribution - Underground	91	97
4. Idle Services (Exclude Seasonal)	2,338	2,388	8. Total Miles Energized (5 + 6 + 7)	2,973	2,973,123

*Exhibit Q  
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**PART C. BALANCE SHEET**

ASSETS AND OTHER DEBITS	LIABILITIES AND OTHER CREDITS
1. Total Utility Plant in Service.....	30. Memberships.....
101,209,173.71	92,545.00
2. Construction Work in Progress.....	31. Patronage Capital.....
1,236,000.97	22,496,563.60
3. Total Utility Plant (1 + 2).....	32. Operating Margins - Prior Year.....
102,445,174.68	77,784.13
4. Accum. Provision for Depreciation and Amort.....	33. Operating Margins - current Year.....
29,040,043.52	310,537.96
5. Net Utility Plant (3 - 4).....	34. Non-Operating Margins.....
73,405,131.16	4,227,329.52
6. Non-Utility Property (Net).....	35. Other Margins and Equities.....
0.00	771,053.64
7. Investments in Subsidiary Companies.....	36. Total Margins & Equities (30 thru 35) ..
0.00	27,975,813.85
8. Invest. in Assoc. Org. - Patronage Capital.....	37. Long-Term Debt - REA (Net).....
1,068,639.53	29,844,803.89
9. Invest. in Assoc. Org. - Other - General Funds.....	(Payments-Unapplied \$
0.00	0.00
10. Invest. in Assoc. Org. - Other - Nongeneral Funds.....	38. Long-Term Debt - REA - Econ. Devel. .
1,254,633.45	0.00
11. Investments in Economic Development Projects.....	39. Long-Term Debt - Other - REA Guar
0.00	19,694,899.13
12. Other Investments.....	40. Long-Term Debt - Other (Net).....
0.00	5,689,980.57
13. Special Funds.....	41. Total Long-Term Debt (37 thru 40).....
0.00	55,229,683.59
14. Total Other Property and Investments (6 thru 13).....	42. Obligations Under Capital Leases.....
2,323,272.98	0.00
15. Cash - General Funds.....	43. Accumulated Operating Provisions.....
2,700,645.52	1,345,742.29
16. Cash - Construction Funds - Trustee.....	44. Total Other Noncurrent Liab. (42 + 43)
0.00	1,345,742.29
17. Special Deposits.....	45. Notes Payable.....
0.00	0.00
18. Temporary Investments.....	46. Accounts Payable.....
6,019,180.90	2,247,646.54
19. Notes Receivable (Net).....	47. Consumers Deposits.....
0.00	775,133.00
20. Accounts Receivable - Sales of Energy (Net).....	48. Other Current and Accrued Liabilities.....
2,506,194.92	957,045.37
21. Accounts Receivable - Other (Net).....	49. Total Current & Accrued Liab (45 thru 48)
263,257.01	3,979,824.91
22. Materials and Supplies - Electric and Other.....	50. Deferred Credits.....
1,324,356.11	621,869.98
23. Prepayments.....	51. Accumulated Deferred Income Taxes...
150,852.44	0.00
24. Other Current and Accrued Assets.....	52. Total Liabilities and Other Credits.....
377,178.30	89,152,934.62
25. Total Current and Accrued Assets (15 thru 24).....	(36 + 41 + 44 + 49 thru 51).....
13,341,667.20	89,152,934.62
26. Regulatory Assets.....	<b>ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION</b>
0.00	53. Balance Beginning of Year.....
27. Other Deferred Debits.....	82,863.28
82,863.28	54. Amount Received This Year (Net).....
28. Accumulated Deferred Income Taxes.....	0.00
0.00	55. Total Contributions in Aid of Construction.....
29. Total Assets and Other Debits (5 + 14 + 25 thru 28).....	89,152,934.62

**PART D. NOTES TO FINANCIAL STATEMENTS**

CLASS OF SERVICE	THIS MONTH			YEAR -TO-DATE			
	No. Receiving Service a	kWh Sold b	Amount c	No. Minimum Bills d	Avg. No. Receiving Serv. e	kWh Sold Cumulative f	Amount Cumulative g
1. Residential Sales (excl seas.)	26,486	23,477,714	1,915,057.05	1,236	26,458	140,063,691	11,115,400.55
2. Residential Sales Seasonal							
3. Irrigation Sales							
4. Comm. & Ind. - 50 kVA or less	1,837	2,377,922	202,327.41	142	1,762	11,101,830	955,990.49
5. Comm. & Indus - over 50 kVA	323	4,909,134	380,810.74	10	323	24,977,571	1,899,193.12
6. Public St. & Highway Lighting	6	85,742	6,305.01	6	6	437,340	32,084.28
7. Other Sales to Public Auth.							
8. Sales for Resale - REA Borr.							
9. Sales for Resale - Others							
10. Total Sales of Electric Energy (1 thru 9)	28,652	30,850,512	2,504,500.21	1,394	28,549	176,580,932	14,002,668.44
11. Other Electric Revenue			94,322.34				461,354.62
12. Total (10 + 11)			2,598,822.55				14,464,023.06

**PART E. kWh AND kW STATISTICS\***

ITEM	THIS MONTH	YEAR-TO-DATE	ITEM	THIS MONTH	YEAR-TO-DATE
1. Net kWh Generated			6. Office Use	54,319	371,591
2. kWh Purchased	35,013,590	188,521,160	7. Total Unaccounted For (4 Less 5 & 6)	4,108,759	11,568,637
3. Interchange kWh - Net			8. Percent System Loss (7/4) x 100	11.73%	6.14%
4. Total kWh (1 thru 3)	35,013,590	188,521,160	9. Maximum Demand (kW)	100,316	100,316
5. Total kWh Sold	30,850,512	176,580,932	10. Month When Maximum Demand Occurred		1

*Exhibit*  
*Page 12 of 24*



This data will be used by REA to review your financial situation. Your response is required (7 U.S.C. 901 et seq.) and is not confidential.

<p><b>USDA-REA</b></p> <p><b>FINANCIAL AND STATISTICAL REPORT</b></p> <p>INSTRUCTIONS: Submit an original and two copies to REA, round all amounts to nearest dollar. For detailed instructions, see REA Bulletin 1717B-2.</p>	<p><b>BORROWER DESIGNATION</b> KY-18-MEADE</p> <p><b>BORROWER NAME AND ADDRESS</b> MEADE COUNTY R. E. C. C- P. O. BOX 489 BRANDENBURG, KY 40108</p> <p><b>PERIOD ENDED</b> 30-Jun-12 <span style="float: right;"><b>REA USE</b></span></p>
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**CERTIFICATION**

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

ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XV11, REA, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES

<p><i>Karin Larson</i></p> <p>_____ SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT</p>	<p>7/13/12 _____ DATE</p>
<p><i>Brian W. Jones</i></p> <p>_____ SIGNATURE MANAGER</p>	<p>7/13/12 _____ DATE</p>

**PART A. STATEMENT OF OPERATIONS**

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR	THIS YEAR	BUDGET	
	(a)	(b)	(c)	
1. Operating Revenue and Patronage Capital.....	17,500,666.23	17,553,106.93	2,808,555	3,089,083.87
2. Power Production Expense.....				
3. Cost of Purchased Power.....	9,673,233.99	9,993,193.91	1,778,587	1,827,087.67
4. Transmission Expense.....				
5. Distribution Expense - Operation.....	1,306,612.27	1,331,736.90	236,318	205,221.35
6. Distribution Expense - Maintenance.....	1,393,682.83	1,505,432.23	310,449	286,946.59
7. Customer Accounts Expense.....	685,660.81	708,514.41	136,397	112,696.08
8. Customer Service and Informational Expense.....	160,335.92	144,667.73	31,434	23,841.86
9. Sales Expense.....	241.15	(17.42)	(883)	1,122.16
10. Administrative and General Expense.....	762,615.72	835,453.16	159,682	172,673.09
11. Total Operation & Maintenance Expense (3 thru 10).....	13,982,382.69	14,518,980.92	2,651,984	2,629,588.80
12. Depreciation and Amortization Expense.....	1,585,868.46	1,659,132.26	278,796	279,746.17
13. Tax Expense - Property and Gross Receipts.....				
14. Tax Expense - Other.....	16,495.17	18,168.96	2,962	3,542.16
15. Interest on Long-Term Debt.....	1,066,280.97	1,057,720.33	171,658	194,467.24
16. Interest Charge to Construction - Credit.....				
17. Interest Expense - Other.....	2,649.55	3,942.24	605	681.84
18. Other Deductions.....	2,401.79	3,566.60	100	0.00
19. Total Cost of Electric Service (11 thru 18).....	16,656,078.63	17,261,511.31	3,106,106	3,108,026.21
20. Patronage Capital & Operating Margins (1 minus 19)....	844,587.62	291,595.62	(297,551)	(18,942.34)
21. Non-Operating Margins - Interest.....	85,693.95	154,480.98	21,765	22,952.38
22. Allowance for Funds Used During Construction.....				
23. Income (Loss) from Equity Investments.....				
24. Non-Operating Margins - Other.....	(4,678.11)	135,941.81	11,471	
25. Generation and Transmission Capital Credits.....				
26. Other Capital Credits and Patronage Dividends.....	15,480.75	21,934.00		21,934.00
27. Extraordinary Items.....				
28. Patronage Capital or Margins (20 thru 27).....	\$941,084.21	\$603,952.41	(264,315)	25,944.04

**PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT**

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR	THIS YEAR		LAST YEAR	THIS YEAR
	(a)	(b)		(a)	(b)
1. New Services Connected	175	218	5. Miles Transmission		
2. Services Retired	164	119	6. Miles Distribution - Overhead	2,882	2,874
3. Total Services in Place	30,757	30,966	7. Miles Distribution - Underground	91	97
4. Idle Services (Exclude Seasonal)	2,352	2,393	8. Total Miles Energized (5 + 6 + 7)	2,973	2,970,776

*Exhibit A  
Page 13 of 24*



FINANCIAL AND STATISTICAL REPORT

KY-18-MEADE

PERIOD ENDED

REA USE ONLY

INSTRUCTIONS - See REA Bulletin 171B-2

June 30, 2012

PART C. BALANCE SHEET

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service.....	101,699,236.59	30. Memberships.....	92,270.00
2. Construction Work in Progress.....	1,276,785.02	31. Patronage Capital.....	22,478,146.76
3. Total Utility Plant (1 + 2).....	102,976,021.61	32. Operating Margins - Prior Year.....	77,784.13
4. Accum. Provision for Depreciation and Amort.....	29,154,302.73	33. Operating Margins - current Year.....	313,529.62
5. Net Utility Plant (3 - 4).....	73,821,718.88	34. Non-Operating Margins.....	4,250,281.90
6. Non-Utility Property (Net).....	0.00	35. Other Margins and Equities.....	772,334.13
7. Investments in Subsidiary Companies.....	0.00	36. Total Margins & Equities (30 thru 35).....	27,984,346.54
8. Invest. in Assoc. Org. - Patronage Capital.....	1,087,606.23	37. Long-Term Debt - REA (Net).....	30,139,420.09
9. Invest. in Assoc. Org. - Other - General Funds.....	0.00	(Payments-Unapplied \$	0.00
10. Invest. in Assoc. Org. - Other - Nongeneral Funds.....	1,254,633.45	38. Long-Term Debt - REA - Econ. Devel.	0.00
11. Investments in Economic Development Projects.....	0.00	39. Long-Term Debt - Other - REA Guar	19,633,450.36
12. Other Investments.....	0.00	40. Long-Term Debt - Other (Net).....	5,689,960.57
13. Special Funds.....	0.00	41. Total Long-Term Debt (37 thru 40).....	55,462,851.02
14. Total Other Property and Investments (6 thru 13).....	2,342,239.68	42. Obligations Under Capital Leases.....	0.00
15. Cash - General Funds.....	1,754,290.77	43. Accumulated Operating Provisions.....	1,350,912.23
16. Cash - Construction Funds - Trustee.....	0.00	44. Total Other Noncurrent Liab. (42 + 43)	1,350,912.23
17. Special Deposits.....	0.00	45. Notes Payable.....	0.00
18. Temporary Investments.....	6,537,009.59	46. Accounts Payable.....	2,378,510.73
19. Notes Receivable (Net).....	0.00	47. Consumers Deposits.....	790,675.00
20. Accounts Receivable - Sales of Energy (Net).....	3,000,888.39	48. Other Current and Accrued Liabilities.....	1,050,647.62
21. Accounts Receivable - Other (Net).....	257,646.83	49. Total Current & Accrued Liab (45 thru 48)	4,219,833.35
22. Materials and Supplies - Electric and Other.....	1,238,459.90	50. Deferred Credits.....	618,021.48
23. Prepayments.....	153,292.27	51. Accumulated Deferred Income Taxes.....	0.00
24. Other Current and Accrued Assets.....	454,243.39	52. Total Liabilities and Other Credits.....	89,635,964.62
25. Total Current and Accrued Assets (15 thru 24).....	13,395,831.14	ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION	
26. Regulatory Assets.....	0.00	53. Balance Beginning of Year.....	
27. Other Deferred Debits.....	76,174.92	54. Amount Received This Year (Net).....	
28. Accumulated Deferred Income Taxes.....	0.00	55. Total Contributions in Aid of Construction.....	
29. Total Assets and Other Debits (5 + 1 + 25 thru 28).....	89,635,964.62		

PART D. NOTES TO FINANCIAL STATEMENTS

CLASS OF SERVICE	THIS MONTH			YEAR-TO-DATE			
	No. Receiving Service a	kWh Sold b	Amount c	No. Minimum Bills d	Avg. No. Receiving Serv. e	kWh Sold Cumulative f	Amount Cumulative g
1. Residential Sales (excl seas)	26,471	29,636,025	2,366,282.79	1,247	26.450	169,699,716	13,481,683.34
2. Residential Sales Seasonal							
3. Irrigation Sales							
4. Comm. & Ind - 50 kVA or less	1,743	2,649,991	226,236.50	156	1.757	13,751,821	1,182,226.99
5. Comm & Ind - over 50 kVA	323	5,311,327	410,495.37	11	323	30,288,898	2,309,688.49
6. Public St. & Highway Lighting	6	86,486	6,484.90	6	6	524,326	38,569.18
7. Other Sales to Public Auth							
8. Sales for Resale - REA Borr.							
9. Sales for Resale - Others							
10. Total Sales of Electric Energy (1 thru 9)	28,545	37,683,829	3,009,499.56	1,420	28.536	214,264,761	17,012,168.00
11. Other Electric Revenue			79,584.31				540,938.93
12. Total (10 + 11)			3,089,083.87				17,553,106.93

PART E. kWh AND kW STATISTICS\*

ITEM	THIS MONTH	YEAR-TO-DATE	ITEM	THIS MONTH	YEAR-TO-DATE
1. Net kWh (generated)			6. Office Use	45,249	416,840
2. kWh Purchased	38,409,450	226,930,610	7. Total Unaccounted For (& 6)	(4 Less 5) 680,372	12,249,009
3. Interchange kWh - Net			8. Percent System Loss (7/4) x 100	1.77%	5.40%
4. Total kWh (1 thru 3)	38,409,450	226,930,610	9. Maximum Demand (kW)	100,316	100,316
5. Total kWh Sold	37,683,829	214,264,761	10. Month When Maximum Demand Occurred		

Exhibit Q  
Page 14 of 24



This data will be used by REA to review your financial situation. Your response is required (7 U.S.C. 901 et seq.) and is not confidential.

<p><b>USDA-REA</b></p> <p><b>FINANCIAL AND STATISTICAL REPORT</b></p> <p>INSTRUCTIONS: Submit an original and two copies to REA, round all amounts to nearest dollar. For detailed instructions, see REA Bulletin 17179-2.</p>	<p><b>BORROWER DESIGNATION</b> KY-18-MEAD</p> <p><b>BORROWER NAME AND ADDRESS</b> MEADE COUNTY R. E. C. C- P. O. BOX 489 BRANDENBURG, KY 40108</p> <p><b>PERIOD ENDED</b> 31-Jul-12 <span style="float:right"><b>REA USE</b></span></p>
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**CERTIFICATION**

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

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]*  
SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT

*[Signature]*  
SIGNATURE MANAGER

8/20/12  
DATE

8/14/12  
DATE

**PART A. STATEMENT OF OPERATIONS**

ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR	THIS YEAR	BUDGET	
	(a)	(b)	(c)	
1. Operating Revenue and Patronage Capital.....	20,850,891.12	21,187,232.11	3,281,515	3,634,125.18
2. Power Production Expense.....				
3. Cost of Purchased Power.....	11,631,007.91	12,161,054.21	2,027,676	2,167,860.30
4. Transmission Expense.....				
5. Distribution Expense - Operation.....	1,474,322.66	1,495,490.67	197,903	163,753.77
6. Distribution Expense - Maintenance.....	1,645,821.24	1,775,055.42	267,728	269,623.19
7. Customer Accounts Expense.....	784,424.13	829,818.06	107,547	121,303.65
8. Customer Service and Informational Expense.....	182,860.51	175,448.28	29,009	30,780.55
9. Sales Expense.....	(57.49)	345.22	(332)	362.64
10. Administrative and General Expense.....	873,563.85	965,658.47	121,839	130,205.31
11. Total Operation & Maintenance Expense (2 thru 10).....	16,591,942.81	17,402,870.33	2,751,370	2,883,889.41
12. Depreciation and Amortization Expense.....	1,854,603.26	1,940,064.82	279,696	280,932.36
13. Tax Expense - Property and Gross Receipts.....				
14. Tax Expense - Other.....	19,397.10	21,666.48	2,989	3,497.52
15. Interest on Long-Term Debt.....	1,247,400.19	1,231,424.90	176,958	173,704.57
16. Interest Charge to Construction - Credit.....				
17. Interest Expense - Other.....	3,766.16	4,682.83	1,150	740.59
18. Other Deductions.....	7,350.00	4,191.60	5,100	625.00
19. Total Cost of Electric Service (11 thru 18).....	19,724,459.52	20,604,900.96	3,217,264	3,343,389.65
20. Patronage Capital & Operating Margins (1 minus 19)....	1,126,431.60	582,331.15	64,252	290,735.53
21. Non-Operating Margins - Interest.....	97,028.43	175,586.89	20,103	21,103.91
22. Allowance for Funds Used During Construction.....				
23. Income (Loss) from Equity Investments.....				
24. Non-Operating Margins - Other.....	(4,204.10)	135,941.81	-	-
25. Generation and Transmission Capital Credits.....				
26. Other Capital Credits and Patronage Dividends.....	15,480.75	21,934.00		
27. Extraordinary Items.....				
28. Patronage Capital or Margins (20 thru 27).....	\$1,234,736.68	\$915,793.85	84,355	311,841.44

**PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT**

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR	THIS YEAR		LAST YEAR	THIS YEAR
	(a)	(b)		(a)	(b)
1. New Services Connected	209	258	5. Miles Transmission		
2. Services Retired	196	138	6. Miles Distribution - Overhead	2,882	2,873
3. Total Services in Place	30,781	30,981	7. Miles Distribution - Underground	91	97
4. Idle Services (Exclude Seasonal)	2,338	2,406	8. Total Miles Energized (5 + 6 + 7)	2,973	2,971

*Exhibit Q*  
*Page 15 of 24*



INSTRUCTIONS - See REA Bulletin 17178-2

**PART C. BALANCE SHEET**

ASSETS AND OTHER DEBITS	LIABILITIES AND OTHER CREDITS		
1. Total Utility Plant in Service.....	102,129,734.04	30. Memberships.....	92,080.00
2. Construction Work in Progress.....	1,277,220.50	31. Patronage Capital.....	22,465,737.43
3. Total Utility Plant (1 + 2).....	103,406,954.54	32. Operating Margins - Prior Year.....	77,784.13
4. Accum. Provision for Depreciation and Amort.....	29,437,125.12	33. Operating Margins - current Year.....	604,265.15
5. Net Utility Plant (3 - 4).....	73,969,829.42	34. Non-Operating Margins.....	4,271,387.81
6. Non-Utility Property (Net).....	0.00	35. Other Margins and Equities.....	772,802.22
7. Investments in Subsidiary Companies.....	0.00	36. Total Margins & Equities (30 thru 35).....	28,284,056.74
8. Invest. in Assoc. Org. - Patronage Capital.....	1,087,606.23	37. Long-Term Debt - REA (Net).....	30,231,767.22
9. Invest. in Assoc. Org. - Other - General Funds.....	0.00	(Payments-Unapplied \$	0.00
10. Invest. in Assoc. Org. - Other - Nongeneral Funds.....	1,225,263.23	38. Long-Term Debt - REA - Econ. Devel.	0.00
11. Investments in Economic Development Projects.....	0.00	39. Long-Term Debt - Other - REA Guar	19,633,450.36
12. Other Investments.....	0.00	40. Long-Term Debt - Other (Net).....	5,689,980.57
13. Special Funds.....	0.00	41. Total Long-Term Debt (37 thru 40).....	55,555,198.15
14. Total Other Property and Investments (6 thru 13).....	2,312,869.46	42. Obligations Under Capital Leases.....	0.00
15. Cash - General Funds.....	3,202,153.77	43. Accumulated Operating Provisions.....	1,358,082.17
16. Cash - Construction Funds - Trustee.....	0.00	44. Total Other Noncurrent Liab. (42 + 43)	1,358,082.17
17. Special Deposits.....	0.00	45. Notes Payable.....	0.00
18. Temporary Investments.....	5,173,148.94	46. Accounts Payable.....	2,706,488.77
19. Notes Receivable (Net).....	0.00	47. Consumers Deposits.....	788,538.00
20. Accounts Receivable - Sales of Energy (Net).....	3,628,373.75	48. Other Current and Accrued Liabilities..	1,201,996.04
21. Accounts Receivable - Other (Net).....	247,233.76	49. Total Current & Accrued Liab (45 thru 48)	4,697,022.81
22. Materials and Supplies - Electric and Other.....	1,232,743.49	50. Deferred Credits.....	618,021.48
23. Prepayments.....	135,582.96	51. Accumulated Deferred Income Taxes...	0.00
24. Other Current and Accrued Assets.....	538,804.73	52. Total Liabilities and Other Credits.....	90,510,381.35
25. Total Current and Accrued Assets (15 thru 24).....	14,158,041.40	(36 + 41 + 44 + 49 thru 51).....	
26. Regulatory Assets.....	0.00	ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION	
27. Other Deferred Debits.....	69,641.07	53. Balance Beginning of Year.....	
28. Accumulated Deferred Income Taxes.....	0.00	54. Amount Received This Year (Net).....	
29. Total Assets and Other Debits (5 + 1 + 25 thru 28).....	90,510,381.35	55. Total Contributions in Aid of Construction.....	

**PART D. NOTES TO FINANCIAL STATEMENTS**

CLASS OF SERVICE	THIS MONTH			YEAR-TO-DATE			
	No. Receiving Service a	kWh Sold b	Amount c	No. Minimum Bills d	Avg No Receiving Serv. e	kWh Sold Cumulative f	Amount Cumulative g
1. Residential Sales (excl seam)	26,540	37,061,309	2,859,997.48	1,288	26,463	206,761,025	16,341,680.82
2. Residential Sales Seasonal							
3. Irrigation Sales							
4. Comm. & Ind. - 50 kVA or less	1,756	3,049,209	254,418.95	153	1,737	16,801,030	1,436,645.94
5. Comm. & Indus-over 50 kVA	328	5,571,099	423,515.11	12	324	35,859,997	2,733,203.60
6. Public St. & Highway Lighting	6	86,523	6,452.90	6	6	610,849	45,022.08
7. Other Sales to Public Auth.							
8. Sales for Resale - REA Bott.							
9. Sales for Resale - Others							
10. Total Sales of Electric Energy (1 thru 9)	28,630	45,768,140	3,544,384.44	1,459	28,550	260,032,901	20,556,552.44
11. Other Electric Revenue			89,740.74				630,679.67
12. Total (10 + 11)			3,634,125.18				21,187,232.11

**PART E. kWh AND kW STATISTICS\***

ITEM	THIS MONTH	YEAR-TO-DATE	ITEM	THIS MONTH	YEAR-TO-DATE
1. Net kWh Generated			6. Office Use	65,062	481,902
2. kWh Purchased	49,246,040	276,176,650	7. Total Unaccounted For (& 6)	(4 Less 5) 3,412,838	15,661,847
3. Interchange kWh - Net			8. Percent System Loss (7/4) x 100	6.93%	5.67%
4. Total kWh (1 thru 3)	49,246,040	276,176,650	9. Maximum Demand (kW)	101,281	101,424
5. Total kWh Sold	45,768,140	260,032,901	10. Month When Maximum Demand Occurred		6

*Exhibit Q  
Page 16 of 24*



This data will be used by REA to review your financial situation. Your response is required (7 U.S.C. 901 et seq.) and is not confidential.

<p><b>USDA-REA</b></p> <p><b>FINANCIAL AND STATISTICAL REPORT</b></p> <p>INSTRUCTIONS: Submit an original and two copies to REA, round all amounts to nearest dollar. For detailed instructions, see REA Bulletin 1717B-2.</p>	<p><b>BORROWER DESIGNATION</b></p> <p>KY-18-MEADE</p> <p><b>BORROWER NAME AND ADDRESS</b></p> <p>MEADE COUNTY R. E. C. C- P. O. BOX 489 BRANDENBURG, KY 40108</p> <p>PERIOD ENDED 31-Aug-12 <span style="float: right;">(REA USE)</span></p>
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**CERTIFICATION**

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

ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XV11, REA, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES

SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT

*Norm Brown*

DATE

9/12/12

SIGNATURE MANAGER

*Barry W. Jensen*

DATE

9/13/12

**PART A. STATEMENT OF OPERATIONS**

ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR	THIS YEAR	BUDGET	
	(a)	(b)	(c)	
1. Operating Revenue and Patronage Capital.....	24,178,415.28	24,587,403.10	3,631,305	3,400,170.99
2. Power Production Expense.....				
3. Cost of Purchased Power.....	13,421,369.73	14,065,933.93	2,057,701	1,904,879.72
4. Transmission Expense.....				
5. Distribution Expense - Operation.....	1,695,405.67	1,679,568.52	237,566	184,077.85
6. Distribution Expense - Maintenance.....	1,875,710.70	2,017,688.54	252,773	242,633.12
7. Customer Accounts Expense.....	913,424.45	941,310.13	133,692	111,492.07
8. Customer Service and Informational Expense.....	181,076.41	203,508.91	(2,016)	28,060.63
9. Sales Expense.....	(911.92)	1,330.74	(912)	985.52
10. Administrative and General Expense.....	1,001,248.49	1,091,152.99	131,780	125,494.52
11. Total Operation & Maintenance Expense (2 thru 10).....	19,087,323.53	20,000,493.76	2,810,583	2,597,623.43
12. Depreciation and Amortization Expense.....	2,124,152.56	2,221,845.86	280,596	281,781.04
13. Tax Expense - Property and Gross Receipts.....				
14. Tax Expense - Other.....	22,288.74	25,127.12	2,978	3,460.64
15. Interest on Long-Term Debt.....	1,403,273.05	1,404,594.58	184,415	173,169.68
16. Interest Charge to Construction - Credit.....				
17. Interest Expense - Other.....	4,775.47	5,783.96	1,040	1,101.13
18. Other Deductions.....	7,350.00	10,191.60	100	6,000.00
19. Total Cost of Electric Service (11 thru 18).....	22,649,163.35	23,668,036.88	3,279,713	3,063,135.92
20. Patronage Capital & Operating Margins (1 minus 19)....	1,529,251.93	919,366.22	351,592	337,035.07
21. Non-Operating Margins - Interest.....	109,087.84	195,388.94	21,238	19,802.05
22. Allowance for Funds Used During Construction.....				
23. Income (Loss) from Equity Investments.....				
24. Non-Operating Margins - Other.....	(4,158.59)	135,941.81	-	
25. Generation and Transmission Capital Credits.....				
26. Other Capital Credits and Patronage Dividends.....	15,480.75	21,934.00		
27. Extraordinary Items.....				
28. Patronage Capital or Margins (20 thru 27).....	\$1,649,661.93	\$1,272,630.97	372,830	356,837.12

**PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT**

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR	THIS YEAR		LAST YEAR	THIS YEAR
	(a)	(b)		(a)	(b)
1. New Services Connected	243	299	5. Miles Transmission		
2. Services Retired	209	165	6. Miles Distribution - Overhead	2,882	2,872
3. Total Services in Place	-30,811	31,014	7. Miles Distribution - Underground	92	98
4. Idle Services (Exclude Seasonal)	2,300	2,389	8. Total Miles Energized (5 + 6 + 7)	2,974	2,970

*Exhibit Q  
Page 17 of 24*



**PART C. BALANCE SHEET**

ASSETS AND OTHER DEBITS	LIABILITIES AND OTHER CREDITS
1. Total Utility Plant in Service.....	30. Memberships.....
102,542,821.35	91,555.00
2. Construction Work in Progress.....	31. Patronage Capital.....
1,226,965.25	22,434,157.15
3. Total Utility Plant (1 + 2).....	32. Operating Margins - Prior Year.....
103,769,786.60	77,784.13
4. Accum. Provision for Depreciation and Amort.....	33. Operating Margins - current Year.....
29,585,253.69	941,300.22
5. Net Utility Plant (3 - 4).....	34. Non-Operating Margins.....
74,184,532.91	4,291,189.86
6. Non-Utility Property (Net).....	35. Other Margins and Equities.....
0.00	774,083.32
7. Investments in Subsidiary Companies.....	36. Total Margins & Equities (30 thru 35).....
0.00	28,610,069.68
8. Invest. in Assoc. Org. - Patronage Capital.....	37. Long-Term Debt - REA (Net).....
1,087,606.23	30,325,354.27
9. Invest. in Assoc. Org. - Other - General Funds.....	(Payments-Unapplied \$
0.00	0.00
10. Invest. in Assoc. Org. - Other - Nongeneral Funds.....	38. Long-Term Debt - REA - Econ. Devel.
1,225,263.23	0.00
11. Investments in Economic Development Projects.....	39. Long-Term Debt - Other - REA Guar
0.00	19,633,450.36
12. Other Investments.....	40. Long-Term Debt - Other (Net).....
0.00	5,615,810.67
13. Special Funds.....	41. Total Long-Term Debt (37 thru 40).....
0.00	55,574,615.30
14. Total Other Property and Investments (6 thru 13).....	42. Obligations Under Capital Leases.....
2,312,869.46	0.00
15. Cash - General Funds.....	43. Accumulated Operating Provisions.....
2,574,176.76	1,361,252.11
16. Cash - Construction Funds - Trustee.....	44. Total Other Noncurrent Liab. (42 + 43)
0.00	1,361,252.11
17. Special Deposits.....	45. Notes Payable.....
0.00	0.00
18. Temporary Investments.....	46. Accounts Payable.....
5,431,798.73	2,615,445.28
19. Notes Receivable (Net).....	47. Consumers Deposits.....
0.00	794,453.00
20. Accounts Receivable - Sales of Energy (Net).....	48. Other Current and Accrued Liabilities.....
3,554,571.87	1,068,418.96
21. Accounts Receivable - Other (Net).....	49. Total Current & Accrued Liab (45 thru 48)
284,195.66	4,478,317.24
22. Materials and Supplies - Electric and Other.....	50. Deferred Credits.....
1,333,800.83	584,686.31
23. Prepayments.....	51. Accumulated Deferred Income Taxes...
309,659.33	0.00
24. Other Current and Accrued Assets.....	52. Total Liabilities and Other Credits.....
580,232.42	90,608,940.64
25. Total Current and Accrued Assets (15 thru 24).....	(36 + 41 + 44 + 49 thru 51)
14,048,435.60	0.00
26. Regulatory Assets.....	<b>ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION</b>
0.00	53. Balance Beginning of Year.....
27. Other Deferred Debits.....	0.00
83,102.67	54. Amount Received This Year (Net).....
28. Accumulated Deferred Income Taxes.....	0.00
0.00	55. Total Contributions in Aid of Construction.....
29. Total Assets and Other Debits (5 - 14 + 25 thru 28).....	90,608,940.64

**PART D. NOTES TO FINANCIAL STATEMENTS**

CLASS OF SERVICE	THIS MONTH			YEAR -TO-DATE			
	No. Receiving Service	kWh Sold	Amount	No. Minimum Bills	Avg. No. Receiving Serv.	kWh Sold Cumulative	Amount Cumulative
	a	b	c	d	e	f	g
1. Residential Sales (excl seas.)	26,544	30,938,663	2,550,043.65	1,257	26,473	237,699,688	18,891,724.47
2. Residential Sales Seasonal							
3. Irrigation Sales							
4. Comm. & Ind. -50 kVA or less	1,762	2,798,749	245,581.61	166	1,757	19,599,779	1,682,227.55
5. Comm. & Indus-over 50 kVA	330	6,491,954	493,527.97	10	325	42,351,951	3,226,731.57
6. Public St. & Highway Lighting	9	89,442	6,922.33	9	6	700,291	51,944.41
7. Other Sales to Public Auth.							
8. Sales for Resale - REA Borr.							
9. Sales for Resale - Others							
10. Total Sales of Electric Energy (1 thru 9)	28,645	40,318,808	3,296,075.56	1,442	28,561	300,351,709	23,852,628.00
11. Other Electric Revenue			104,095.43				734,775.10
12. Total (10 + 11)			3,400,170.99				24,587,403.10

**PART E. kWh AND kW STATISTICS\***

ITEM	THIS MONTH	YEAR-TO-DATE	ITEM	THIS MONTH	YEAR-TO-DATE
1. Net kWh Generated			6. Office Use	59,866	481,902
2. kWh Purchased	41,416,420	317,593,070	7. Total Unaccounted For (& 6)	( 4 Less 5 ) 1,037,746	16,759,459
3. Interchange kWh - Net			8. Percent System Loss (7/4) x 100	2.51%	5.28%
4. Total kWh (1 thru 3)	41,416,420	317,593,070	9. Maximum Demand (kW)	93,777	101,424
5. Total kWh Sold	40,318,808	300,351,709	10. Month When Maximum Demand Occurred		6

*Exhibit Q*  
*page 18 of 24*



This data will be used by REA to review your financial situation. Your response is required (7 U.S.C. 901 et seq.) and is not confidential.

<p><b>USDA-REA</b></p> <p><b>FINANCIAL AND STATISTICAL REPORT</b></p> <p>INSTRUCTIONS: Submit an original and two copies to REA, round all amounts to nearest dollar. For detailed instructions, see REA Bulletin 1717B-2.</p>	<p><b>BORROWER DESIGNATION</b> KY-18-MEADE</p> <p><b>BORROWER NAME AND ADDRESS</b> MEADE COUNTY R. E. C. C- P. O. BOX 489 BRANDENBURG, KY 40108</p> <p><b>PERIOD ENDED</b> 30-Sep-12 <span style="float: right;">  REA USE</span></p>
--	---

**CERTIFICATION**

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

**ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XV11, REA, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES**

SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT

DATE

SIGNATURE MANAGER

DATE

**PART A. STATEMENT OF OPERATIONS**

ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR	THIS YEAR	BUDGET	
	(a)	(b)	(c)	
1. Operating Revenue and Patronage Capital.....	26,866,990.76	27,272,819.99	3,457,070	2,685,416.89
2. Power Production Expense.....				
3. Cost of Purchased Power.....	15,124,127.85	15,620,567.41	1,582,789	1,554,633.48
4. Transmission Expense.....				
5. Distribution Expense - Operation.....	1,890,787.84	1,855,574.09	223,166	176,005.57
6. Distribution Expense - Maintenance.....	2,180,583.34	2,245,798.13	251,053	228,109.59
7. Customer Accounts Expense.....	1,023,821.57	1,052,676.29	100,797	111,366.16
8. Customer Service and Informational Expense.....	210,236.68	228,426.32	27,825	24,917.41
9. Sales Expense.....	(1,002.98)	961.55	(87)	(369.19)
10. Administrative and General Expense.....	1,122,313.46	1,213,621.18	123,199	122,468.19
11. Total Operation & Maintenance Expense (2 thru 10).....	21,550,867.76	22,217,624.97	2,308,741	2,217,131.21
12. Depreciation and Amortization Expense.....	2,395,134.63	2,505,130.50	281,496	283,284.64
13. Tax Expense - Property and Gross Receipts.....				
14. Tax Expense - Other.....	25,157.89	28,571.70	2,955	3,444.58
15. Interest on Long-Term Debt.....	1,586,543.20	1,574,498.37	178,086	169,903.79
16. Interest Charge to Construction - Credit.....				
17. Interest Expense - Other.....	5,608.20	6,526.88	858	742.92
18. Other Deductions.....	8,100.00	9,941.60	750	-250.00
19. Total Cost of Electric Service (11 thru 18).....	25,571,411.68	26,342,294.02	2,772,886	2,674,257.14
20. Patronage Capital & Operating Margins (1 minus 19)....	1,295,579.08	930,525.97	684,184	11,159.75
21. Non-Operating Margins - Interest.....	120,526.09	215,194.22	19,899	19,805.28
22. Allowance for Funds Used During Construction.....				
23. Income (Loss) from Equity Investments.....				
24. Non-Operating Margins - Other.....	(8,859.95)	139,471.12	-	3,529.31
25. Generation and Transmission Capital Credits.....				
26. Other Capital Credits and Patronage Dividends.....	20,321.75	49,928.89		27,994.89
27. Extraordinary Items.....				
28. Patronage Capital or Margins (20 thru 27).....	\$1,427,566.97	\$1,335,120.20	704,083	62,489.23

**PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT**

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR	THIS YEAR		LAST YEAR	THIS YEAR
	(a)	(b)		(a)	(b)
1. New Services Connected	294	334	5. Miles Transmission		
2. Services Retired	240	182	6. Miles Distribution - Overhead	2,882	2,872
3. Total Services in Place	30,832	31,036	7. Miles Distribution - Underground	92	99
4. Idle Services (Exclude Seasonal)	2,340	2,544	8. Total Miles Energized (5 + 6 + 7)	2,974	2,971

*Exhibit Q*  
*Page 19 of 24*

**PART C. BALANCE SHEET**

ASSETS AND OTHER DEBITS	LIABILITIES AND OTHER CREDITS
1. Total Utility Plant in Service.....	30. Memberships.....
102,967,058.24	91,185.00
2. Construction Work in Progress.....	31. Patronage Capital.....
1,112,871.85	22,427,139.52
3. Total Utility Plant (1 + 2).....	32. Operating Margins - Prior Year.....
104,079,930.09	77,784.13
4. Accum. Provision for Depreciation and Amort.....	33. Operating Margins - current Year.....
29,593,125.67	980,454.86
5. Net Utility Plant (3 - 4).....	34. Non-Operating Margins.....
74,486,804.42	4,314,524.45
6. Non-Utility Property (Net).....	35. Other Margins and Equities.....
0.00	775,528.15
7. Investments in Subsidiary Companies.....	36. Total Margins & Equities (30 thru 35).....
0.00	28,666,616.11
8. Invest. in Assoc. Org. - Patronage Capital.....	37. Long-Term Debt - REA (Net).....
1,101,603.67	30,622,218.45
9. Invest. in Assoc. Org. - Other - General Funds.....	(Payments-Unapplied \$
0.00	0.00
10. Invest. in Assoc. Org. - Other - Nongeneral Funds.....	38. Long-Term Debt - REA - Econ. Devel.
1,225,263.23	0.00
11. Investments in Economic Development Projects.....	39. Long-Term Debt - Other - REA Guar
0.00	19,571,345.42
12. Other Investments.....	40. Long-Term Debt - Other (Net).....
0.00	5,615,810.67
13. Special Funds.....	41. Total Long-Term Debt (37 thru 40).....
0.00	55,809,374.54
14. Total Other Property and Investments (6 thru 13).....	42. Obligations Under Capital Leases.....
2,326,866.90	0.00
15. Cash - General Funds.....	43. Accumulated Operating Provisions.....
3,989,721.29	1,366,695.00
16. Cash - Construction Funds - Trustee.....	44. Total Other Noncurrent Liab. (42 + 43)
0.00	1,366,695.00
17. Special Deposits.....	45. Notes Payable.....
0.00	0.00
18. Temporary Investments.....	46. Accounts Payable.....
4,095,245.33	1,995,267.71
19. Notes Receivable (Net).....	47. Consumers Deposits.....
0.00	791,666.00
20. Accounts Receivable - Sales of Energy (Net).....	48. Other Current and Accrued Liabilities.....
2,972,671.88	1,062,418.28
21. Accounts Receivable - Other (Net).....	49. Total Current & Accrued Liab (45 thru 48)
254,124.26	3,849,351.99
22. Materials and Supplies - Electric and Other.....	50. Deferred Credits.....
1,282,099.84	571,430.41
23. Prepayments.....	51. Accumulated Deferred Income Taxes.....
236,654.08	0.00
24. Other Current and Accrued Assets.....	52. Total Liabilities and Other Credits.....
562,720.35	90,263,468.05
25. Total Current and Accrued Assets (15 thru 24).....	(36 + 41 + 44 + 49 thru 51)
13,393,237.01	90,263,468.05
26. Regulatory Assets.....	ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION
0.00	
27. Other Deferred Debits.....	53. Balance Beginning of Year.....
56,559.72	0.00
28. Accumulated Deferred Income Taxes.....	54. Amount Received This Year (Net).....
0.00	0.00
29. Total Assets and Other Debits (5 + 14 + 25 thru 28).....	55. Total Contributions in Aid of Construction.....
90,263,468.05	0.00

**PART D. NOTES TO FINANCIAL STATEMENTS**

CLASS OF SERVICE	THIS MONTH			YEAR -TO-DATE			
	No. Receiving Service a	kWh Sold b	Amount c	No. Minimum Bills d	Avg. No. Receiving Serv. e	kWh Sold Cumulative f	Amount Cumulative g
1. Residential Sales (excl seas.)	26,551	23,767,149	1,969,829.96	1,242	26,482	261,466,837	20,861,554.43
2. Residential Sales Seasonal							
3. Irrigation Sales							
4. Comm. & Ind. - 50 kVA or less	1,761	2,310,921	201,717.27	153	1,758	21,910,700	1,883,944.82
5. Comm. & Indus-over 50 kVA	332	5,589,567	433,792.21	10	325	47,941,518	3,660,523.78
6. Public St. & Highway Lighting	9	90,113	6,734.67	9	7	790,404	58,679.08
7. Other Sales to Public Auth							
8. Sales for Resale - REA Borr.							
9. Sales for Resale - Others							
10. Total Sales of Electric Energy (1 thru 9)	28,653	31,757,750	2,612,074.11	1,414	28,572	332,109,459	26,464,702.11
11. Other Electric Revenue			73,342.78				808,117.88
12. Total (10 + 11)			2,685,416.89				27,272,819.99

**PART E. kWh AND kW STATISTICS\***

ITEM	THIS MONTH	YEAR-TO-DATE	ITEM	THIS MONTH	YEAR-TO-DATE
1. Net kWh Generated			6. Office Use	56,466	598,234
2. kWh Purchased	32,110,460	349,703,530	7. Total Unaccounted For (& 6)	( 4 Less 5 ) 296,244	16,995,837
3. Interchange kWh - Net			8. Percent System Loss (7/4) x 100	0.92%	4.86%
4. Total kWh (1 thru 3)	32,110,460	349,703,530	9. Maximum Demand (kW)	81,960	101,424
5. Total kWh Sold	31,757,750	332,109,459	10. Month When Maximum Demand Occurred		6

Exhibit Q  
Page 20 of 24



This data will be used by REA to review your financial situation. Your response is required (7 U.S.C. 901 et seq.) and is not confidential.

<p><b>USDA-REA</b></p> <p><b>FINANCIAL AND STATISTICAL REPORT</b></p> <p>INSTRUCTIONS: Submit an original and two copies to REA, round all amounts to nearest dollar. For detailed instructions, see REA Bulletin 1717B-2.</p>	<p><b>BORROWER DESIGNATION</b></p> <p>KY-18-MEADE</p> <p><b>BORROWER NAME AND ADDRESS</b></p> <p>MEADE COUNTY R. E. C. C- P. O. BOX 489 BRANDENBURG, KY 40108</p> <p>PERIOD ENDED <u>31-Oct-12</u> [REA USE]</p>
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**CERTIFICATION**

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

ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XV11, REA, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES

<p style="text-align: center;"><i>Nancy Brown</i></p> <p>_____ SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT</p>	<p style="text-align: center;"><u>11/16/12</u></p> <p>_____ DATE</p>
<p style="text-align: center;"><i>Ben W. Leaver</i></p> <p>_____ SIGNATURE MANAGER</p>	<p style="text-align: center;"><u>11/21/12</u></p> <p>_____ DATE</p>

**PART A. STATEMENT OF OPERATIONS**

ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR	THIS YEAR	BUDGET	
	(a)	(b)	(c)	
1. Operating Revenue and Patronage Capital.....	29,318,645.64	29,689,212.27	2,347,284	2,416,392.28
2. Power Production Expense.....				
3. Cost of Purchased Power.....	16,502,649.81	17,053,642.65	1,406,620	1,433,075.24
4. Transmission Expense.....				
5. Distribution Expense - Operation.....	2,121,126.62	2,085,288.17	250,281	229,714.08
6. Distribution Expense - Maintenance.....	2,378,418.70	2,558,494.03	213,214	312,695.90
7. Customer Accounts Expense.....	1,135,362.61	1,171,295.58	117,091	118,619.29
8. Customer Service and Informational Expense.....	235,786.34	221,625.46	27,295	(6,800.86)
9. Sales Expense.....	(498.09)	519.34	539	(442.21)
10. Administrative and General Expense.....	1,240,304.21	1,340,234.25	122,017	126,613.07
11. Total Operation & Maintenance Expense (2 thru 10).....	23,613,150.20	24,431,099.48	2,137,056	2,213,474.51
12. Depreciation and Amortization Expense.....	2,666,746.77	2,788,917.01	282,396	283,786.51
13. Tax Expense - Property and Gross Receipts.....				
14. Tax Expense - Other.....	28,052.98	32,055.34	2,982	3,483.64
15. Interest on Long-Term Debt.....	1,767,456.10	1,748,810.16	183,596	174,311.79
16. Interest Charge to Construction - Credit.....				
17. Interest Expense - Other.....	6,089.46	6,854.28	496	327.40
18. Other Deductions.....	8,650.27	10,441.60	567	500.00
19. Total Cost of Electric Service (11 thru 18).....	28,090,145.78	29,018,177.87	2,607,093	2,675,883.85
20. Patronage Capital & Operating Margins (1 minus 19)....	1,228,499.86	671,034.40	(259,809)	(259,491.57)
21. Non-Operating Margins - Interest.....	142,483.81	245,195.62	30,967	30,001.40
22. Allowance for Funds Used During Construction.....				
23. Income (Loss) from Equity Investments.....				
24. Non-Operating Margins - Other.....	(4,399.88)	139,471.12		
25. Generation and Transmission Capital Credits.....				
26. Other Capital Credits and Patronage Dividends.....	92,150.38	49,928.89	73,983	
27. Extraordinary Items.....				
28. Patronage Capital or Margins (20 thru 27).....	\$1,458,734.17	\$1,105,630.03	(154,859)	(229,490.17)

**PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT**

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR	THIS YEAR		LAST YEAR	THIS YEAR
	(a)	(b)		(a)	(b)
1. New Services Connected	294	334	5. Miles Transmission		
2. Services Retired	240	182	6. Miles Distribution - Overhead	2,882	2,872
3. Total Services in Place	30,832	31,036	7. Miles Distribution - Underground	92	99
4. Idle Services (Exclude Seasonal)	2,340	2,544	8. Total Miles Energized (5 + 6 + 7)	2,974	2,971

*Exhibit Q  
Page 21 of 24*

**PART C. BALANCE SHEET**

ASSETS AND OTHER DEBITS	LIABILITIES AND OTHER CREDITS
1. Total Utility Plant in Service.....	30. Memberships.....
103,224,994.52	90,815.00
2. Construction Work in Progress.....	31. Patronage Capital.....
1,602,152.52	22,402,143.11
3. Total Utility Plant (1 + 2).....	32. Operating Margins - Prior Year.....
104,827,147.04	77,784.13
4. Accum. Provision for Depreciation and Amort.....	33. Operating Margins - current Year.....
29,784,758.43	720,963.29
5. Net Utility Plant (3 - 4).....	34. Non-Operating Margins.....
75,042,388.61	4,344,525.85
6. Non-Utility Property (Net).....	35. Other Margins and Equities.....
0.00	776,745.52
7. Investments in Subsidiary Companies.....	36. Total Margins & Equities (30 thru 35).....
0.00	28,412,976.90
8. Invest. in Assoc. Org. - Patronage Capital.....	37. Long-Term Debt - REA (Net).....
1,101,603.67	30,716,829.31
9. Invest. in Assoc. Org. - Other - General Funds.....	(Payments-Unapplied \$
0.00	0.00
10. Invest. in Assoc. Org. - Other - Nongeneral Funds.....	38. Long-Term Debt - REA - Econ. Devel.
1,225,263.23	0.00
11. Investments in Economic Development Projects.....	39. Long-Term Debt - Other - REA Guar
0.00	19,571,345.42
12. Other Investments.....	40. Long-Term Debt - Other (Net).....
0.00	5,615,810.67
13. Special Funds.....	41. Total Long-Term Debt (37 thru 40).....
0.00	55,903,965.40
14. Total Other Property and Investments (6 thru 13).....	42. Obligations Under Capital Leases.....
2,326,866.90	0.00
15. Cash - General Funds.....	43. Accumulated Operating Provisions.....
3,325,137.98	1,372,137.89
16. Cash - Construction Funds - Trustee.....	44. Total Other Noncurrent Liab. (42 + 43)
0.00	1,372,137.89
17. Special Deposits.....	45. Notes Payable.....
0.00	0.00
18. Temporary Investments.....	46. Accounts Payable.....
4,732,906.97	2,121,403.19
19. Notes Receivable (Net).....	47. Consumers Deposits.....
0.00	794,797.00
20. Accounts Receivable - Sales of Energy (Net).....	48. Other Current and Accrued Liabilities..
2,447,560.40	687,356.15
21. Accounts Receivable - Other (Net).....	49. Total Current & Accrued Liab (45 thru 48)
285,609.97	3,603,556.34
22. Materials and Supplies - Electric and Other.....	50. Deferred Credits.....
970,897.35	579,707.41
23. Prepayments.....	51. Accumulated Deferred Income Taxes...
189,726.05	0.00
24. Other Current and Accrued Assets.....	52. Total Liabilities and Other Credits.....
472,257.51	89,872,363.94
25. Total Current and Accrued Assets (15 thru 24).....	
12,424,096.23	
26. Regulatory Assets.....	ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION
0.00	
27. Other Deferred Debits.....	53. Balance Beginning of Year.....
79,012.20	
28. Accumulated Deferred Income Taxes.....	54. Amount Received This Year (Net).....
0.00	
29. Total Assets and Other Debits (5 + 14 + 23 thru 28).....	55. Total Contributions in Aid of Construction.....
89,872,363.94	

**PART D. NOTES TO FINANCIAL STATEMENTS**

CLASS OF SERVICE	THIS MONTH			YEAR -TO-DATE			
	No. Receiving Service a	kWh Sold b	Amount c	No. Minimum Bills d	Avg. No. Receiving Serv. e	kWh Sold Cumulative f	Amount Cumulative g
1. Residential Sales (excl seas.)	26,553	20,628,288	1,740,896.22	1,206	26,489	282,095,125	22,602,450.65
2. Residential Sales Seasonal							
3. Irrigation Sales							
4. Comm. & Ind. - 50 kVA or less	1,744	1,840,460	165,260.07	145	1,756	23,751,160	2,049,204.89
5. Comm. & Indus. over 50 kVA	335	4,975,814	397,004.65	9	326	52,917,332	4,057,528.43
6. Public St. & Highway Lighting	9	85,460	6,368.47	9	7	875,864	65,047.55
7. Other Sales to Public Auth							
8. Sales for Resale - REA Borr.							
9. Sales for Resale - Others							
10. Total Sales of Electric Energy (1 thru 9)	28,641	27,530,022	2,309,529.41	1,369	28,578	359,639,481	28,774,231.52
11. Other Electric Revenue			106,862.87				914,980.75
12. Total (10 + 11)			2,416,392.28				29,689,212.27

**PART E. kWh AND kW STATISTICS\***

ITEM	THIS MONTH	YEAR-TO-DATE	ITEM	THIS MONTH	YEAR-TO-DATE
1. Net kWh Generated			6. Office Use	49,726	647,960
2. kWh Purchased	31,807,930	381,511,460	7. Total Unaccounted For & 6)	(4 Less 5	4,228,182
3. Interchange kWh - Net			8. Percent System Loss (7/4) x 100	13.29%	5.56%
4. Total kWh (1 thru 3)	31,807,930	381,511,460	9. Maximum Demand (kW)	69,934	101,424
5. Total kWh Sold	27,530,022	359,639,481	10. Month When Maximum Demand Occurred		6

EKub + Q  
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This data will be used by REA to review your financial situation. Your response is required (7 U.S.C. 901 et seq.) and is not confidential.

<p style="text-align: center;"><b>USDA-REA</b></p> <p style="text-align: center;"><b>FINANCIAL AND STATISTICAL REPORT</b></p> <p>INSTRUCTIONS: Submit an original and two copies to REA, round all amounts to nearest dollar. For detailed instructions, see REA Bulletin 1717B-2.</p>	<p><b>BORROWER DESIGNATION</b> KY-18-MEADE</p> <p><b>BORROWER NAME AND ADDRESS</b> MEADE COUNTY R. E. C. - P. O. BOX 489 BRANDENBURG, KY 40108</p> <p><b>PERIOD ENDED</b> 30-Nov-12 <span style="float: right;">  REA USE</span></p>
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**CERTIFICATION**

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

ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XV11, REA, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.

<p>Signature: <i>Baron Brown</i></p> <p>_____ SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT</p>	<p>DATE: 12/17/12</p>
<p>Signature: <i>Benny M. Meier</i></p> <p>_____ SIGNATURE MANAGER</p>	<p>DATE: 12/17/12</p>

**PART A. STATEMENT OF OPERATIONS**

ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR	THIS YEAR	BUDGET	
	(a)	(b)	(c)	
1. Operating Revenue and Patronage Capital.....	32,063,566.18	32,792,429.45	2,775,899	3,103,217.18
2. Power Production Expense.....				
3. Cost of Purchased Power.....	18,024,436.75	18,851,984.10	1,661,677	1,798,341.45
4. Transmission Expense.....				
5. Distribution Expense - Operation.....	2,322,839.46	2,329,107.99	233,095	243,819.82
6. Distribution Expense - Maintenance.....	2,491,144.50	2,785,414.36	203,828	226,920.33
7. Customer Accounts Expense.....	1,227,933.57	1,309,227.58	109,258	137,932.00
8. Customer Service and Informational Expense.....	256,443.83	252,671.70	25,227	31,046.24
9. Sales Expense.....	172.99	228.61	852	(290.73)
10. Administrative and General Expense.....	1,353,770.40	1,479,219.28	115,602	138,985.03
11. Total Operation & Maintenance Expense (2 thru 10).....	25,676,741.50	27,007,853.62	2,349,539	2,576,754.14
12. Depreciation and Amortization Expense.....	2,939,428.62	3,072,022.94	283,296	283,105.93
13. Tax Expense - Property and Gross Receipts.....				
14. Tax Expense - Other.....	30,986.27	35,557.15	3,080	3,501.81
15. Interest on Long-Term Debt.....	1,911,904.95	1,921,459.75	182,423	172,649.59
16. Interest Charge to Construction - Credit.....				
17. Interest Expense - Other.....	6,486.60	7,163.32	417	309.04
18. Other Deductions.....	9,650.27	12,441.60	1,000	2,000.00
19. Total Cost of Electric Service (11 thru 18).....	30,575,198.21	32,056,498.38	2,819,755	3,038,320.51
20. Patronage Capital & Operating Margins (1 minus 19)....	1,488,367.97	735,931.07	(43,856)	64,896.67
21. Non-Operating Margins - Interest.....	159,829.02	261,453.38	18,414	16,257.76
22. Allowance for Funds Used During Construction.....				
23. Income (Loss) from Equity Investments.....				
24. Non-Operating Margins - Other.....	(6,404.13)	139,471.12	-	
25. Generation and Transmission Capital Credits.....				
26. Other Capital Credits and Patronage Dividends.....	92,150.38	49,928.89	-	
27. Extraordinary Items.....				
28. Patronage Capital or Margins (20 thru 27).....	\$1,733,943.24	\$1,186,784.46	(25,442)	81,154.43

**PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT**

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR	THIS YEAR		LAST YEAR	THIS YEAR
	(a)	(b)		(a)	(b)
1. New Services Connected	371	424	5. Miles Transmission		
2. Services Retired	284	227	6. Miles Distribution - Overhead	2,881	2,871
3. Total Services in Place	30,865	31,088	7. Miles Distribution - Underground	93	99
4. Idle Services (Exclude Seasonal)	2,356	2,567	8. Total Miles Energized (5 + 6 + 7)	2,974	2,970

*Exhibit A  
page 23/24*

**PART C. BALANCE SHEET**

ASSETS AND OTHER DEBITS	LIABILITIES AND OTHER CREDITS
1. Total Utility Plant in Service.....	30. Memberships.....
2. Construction Work in Progress.....	31. Patronage Capital.....
3. Total Utility Plant (1 + 2).....	32. Operating Margins - Prior Year.....
4. Accum. Provision for Depreciation and Amort.....	33. Operating Margins - current Year.....
5. Net Utility Plant (3 - 4).....	34. Non-Operating Margins.....
6. Non-Utility Property (Net).....	35. Other Margins and Equities.....
7. Investments in Subsidiary Companies.....	36. Total Margins & Equities (30 thru 35).....
8. Invest. in Assoc. Org. - Patronage Capital.....	37. Long-Term Debt - REA (Net).....
9. Invest. in Assoc. Org. - Other - General Funds.....	(Payments-Unapplied \$.....)
10. Invest. in Assoc. Org. - Other - Nongeneral Funds.....	38. Long-Term Debt - REA - Econ. Devel.....
11. Investments in Economic Development Projects.....	39. Long-Term Debt - Other - REA Guar.....
12. Other Investments.....	40. Long-Term Debt - Other (Net).....
13. Special Funds.....	41. Total Long-Term Debt (37 thru 40).....
14. Total Other Property and Investments (6 thru 13).....	42. Obligations Under Capital Leases.....
15. Cash - General Funds.....	43. Accumulated Operating Provisions.....
16. Cash - Construction Funds - Trustee.....	44. Total Other Noncurrent Liab. (42 + 43).....
17. Special Deposits.....	45. Notes Payable.....
18. Temporary Investments.....	46. Accounts Payable.....
19. Notes Receivable (Net).....	47. Consumers Deposits.....
20. Accounts Receivable - Sales of Energy (Net).....	48. Other Current and Accrued Liabilities.....
21. Accounts Receivable - Other (Net).....	49. Total Current & Accrued Liab (45 thru 48).....
22. Materials and Supplies - Electric and Other.....	50. Deferred Credits.....
23. Prepayments.....	51. Accumulated Deferred Income Taxes.....
24. Other Current and Accrued Assets.....	52. Total Liabilities and Other Credits.....
25. Total Current and Accrued Assets (15 thru 24).....	(36 + 41 + 44 + 49 thru 51).....
26. Regulatory Assets.....	ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION
27. Other Deferred Debits.....	53. Balance Beginning of Year.....
28. Accumulated Deferred Income Taxes.....	54. Amount Received This Year (Net).....
29. Total Assets and Other Debits (5+14+25 thru 28).....	55. Total Contributions in Aid of Construction.....

**PART D. NOTES TO FINANCIAL STATEMENTS**

CLASS OF SERVICE	THIS MONTH			YEAR -TO-DATE			
	No. Receiving Service a	kWh Sold b	Amount c	No. Minimum Bills d	Avg. No. Receiving Serv. e	kWh Sold Cumulative f	Amount Cumulative g
1. Residential Sales (evol seas.)	26,547	30,059,210	2,414,050.62	1,258	26,494	313,214,670	25,016,501.27
2. Residential Sales Seasonal							
3. Irrigation Sales							
4. Comm. & Ind. - 50 kVA or less	1,737	2,047,306	183,100.07	169	1,755	25,919,569	2,232,304.96
5. Comm. & Indus - over 50 kVA	338	5,346,259	420,787.08	12	327	58,471,124	4,478,315.51
6. Public St. & Highway Lighting	6	86,689	6,554.53	6	7	964,841	71,602.08
7. Other Sales to Public Auth.							
8. Sales for Resale - REA Borr.							
9. Sales for Resale - Others							
10. Total Sales of Electric Energy (1 thru 9)	28,628	37,539,464	3,024,492.30	1,445	28,583	398,570,204	31,798,723.82
11. Other Electric Revenue			78,724.88				993,705.63
12. Total (10 + 11)			3,103,217.18				32,792,429.45

**PART E. kWh AND kW STATISTICS\***

ITEM	THIS MONTH	YEAR-TO-DATE	ITEM	THIS MONTH	YEAR-TO-DATE
1. Net kWh Generated			6. Office Use	71,456	719,416
2. kWh Purchased	39,652,230	421,163,690	7. Total Unaccounted For (& 6)	(4 Less 5) 2,041,310	21,874,070
3. Interchange kWh - Net			8. Percent System Loss (7/4) x 100	5.15%	5.15%
4. Total kWh (1 thru 3)	39,652,230	421,163,690	9. Maximum Demand (kW)	88,428	101,424
5. Total kWh Sold	37,539,464	398,570,204	10. Month When Maximum Demand Occurred		6

Exhibit Q  
Page 24 of 24



Meade County Rural Electric  
Case No. 2013-00033  
Statement of Operations, Adjusted

Exhibit S  
page 1 of 3  
Witnesses: Karen Brown  
& Jack Gaines

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	Actual Test Year a	Normalized Adjustments b	Normalized Test Year c	Proposed Flow Through d	Proposed Flow Through Test Year e	Proposed Increase f	Proposed Test Year g
<b>Operating Revenues:</b>							
Base rates	\$ 38,060,413	\$ 590,027	\$ 38,650,440	\$ 7,693,123	\$ 46,343,563	\$ 961,422	\$ 47,304,985
Unwind Factors	\$ (3,083,383)	\$ 586,761	\$ (2,496,622)	\$ -	\$ (2,496,622)	\$ -	\$ (2,496,622)
Unbilled Base Rate	\$ 499,785	\$ (432,386)	\$ 67,399	\$ 13,415	\$ 80,814	\$ 1,677	\$ 82,491
Unbilled Unwind Factors	\$ (35,965)	\$ 32,087	\$ (3,878)	\$ -	\$ (3,878)	\$ -	\$ (3,878)
Other electric revenue	1,067,941	-	1,067,941	-	1,067,941	-	1,067,941
	<u>36,508,791</u>	<u>776,489</u>	<u>37,285,280</u>	<u>7,706,538</u>	<u>44,991,818</u>	<u>963,099</u>	<u>45,954,917</u>
<b>Operating Expenses:</b>							
Cost of power	20,600,150	1,045,395	21,645,545	7,718,777	29,364,322	-	29,364,322
Distribution - operations	2,584,668	50,822	2,635,490	-	2,635,490	-	2,635,490
Distribution - maintenance	3,101,033	23,000	3,124,033	-	3,124,033	-	3,124,033
Consumer accounts	1,445,103	14,827	1,459,930	-	1,459,930	-	1,459,930
Customer service	284,958	3,851	288,809	-	288,809	-	288,809
Sales	1,800	-	1,800	-	1,800	-	1,800
Administrative and general	1,666,092	5,752	1,671,844	-	1,671,844	-	1,671,844
	<u>29,683,804</u>	<u>1,143,647</u>	<u>30,827,451</u>	<u>7,718,777</u>	<u>38,546,228</u>	<u>-</u>	<u>38,546,228</u>
<b>Total operating expenses</b>	<u>29,683,804</u>	<u>1,143,647</u>	<u>30,827,451</u>	<u>7,718,777</u>	<u>38,546,228</u>	<u>-</u>	<u>38,546,228</u>
Depreciation	3,346,458	100,567	3,447,025	-	3,447,025	-	3,447,025
Taxes - other	38,490	445	38,935	6,748	45,683	1,689	47,372
Interest on long-term debt	2,133,389	20,040	2,153,429	-	2,153,429	-	2,153,429
Interest expense - other	11,758	-	11,758	-	11,758	-	11,758
Other deductions	13,442	(13,442)	-	-	-	-	-
	<u>35,227,341</u>	<u>1,251,257</u>	<u>36,478,598</u>	<u>7,725,525</u>	<u>44,204,123</u>	<u>1,689</u>	<u>44,205,812</u>
<b>Total cost of electric service</b>	<u>35,227,341</u>	<u>1,251,257</u>	<u>36,478,598</u>	<u>7,725,525</u>	<u>44,204,123</u>	<u>1,689</u>	<u>44,205,812</u>
Utility operating margins	1,281,450	(474,768)	806,682	(18,987)	787,695	961,410	1,749,105
Nonoperating margins, interest	281,400	-	281,400	-	281,400	-	281,400
Nonoperating margins, other	151,459	(76,226)	75,233	-	75,233	-	75,233
Patronage capital credits	49,929	-	49,929	-	49,929	-	49,929
	<u>\$ 1,764,238</u>	<u>\$ (550,994)</u>	<u>\$ 1,213,244</u>	<u>\$ (18,987)</u>	<u>\$ 1,194,257</u>	<u>\$ 961,410</u>	<u>\$ 2,155,667</u>
<b>Net Margins</b>	<u>\$ 1,764,238</u>	<u>\$ (550,994)</u>	<u>\$ 1,213,244</u>	<u>\$ (18,987)</u>	<u>\$ 1,194,257</u>	<u>\$ 961,410</u>	<u>\$ 2,155,667</u>
TIER	1.83		1.56		1.55		2.00

Meade County Rural Electric  
Case No. 2013-00033  
Balance Sheet, Adjusted  
November 30, 2012

Exhibit S  
page 2 of 3  
Witness: Karen Brown

	<u>Actual Test Year</u>	<u>Adjustments to Test Year</u>	<u>Adjusted Test Year</u>
<b>Electric Plant:</b>			
In service	\$ 104,055,571		\$ 104,055,571
Under construction	1,175,799		1,175,799
	<u>105,231,370</u>		<u>105,231,370</u>
Less accumulated depreciation	29,844,020	105,839	29,949,860
	<u>75,387,350</u>	<u>(105,839)</u>	<u>75,281,511</u>
Investments	<u>2,326,867</u>		<u>2,326,867</u>
<b>Current Assets:</b>			
Cash and temporary investments	7,448,295		7,448,295
Accounts receivable, net	3,276,130		3,276,130
Material and supplies	958,923		958,923
Prepayments and current assets	831,159		831,159
	<u>12,514,507</u>		<u>12,514,507</u>
Net change in assets		<u>515,702</u>	<u>515,702</u>
<b>Total</b>	<u>\$ 90,228,724</u>	<u>\$ 409,863</u>	<u>\$ 90,638,587</u>
<b>Margins:</b>			
Memberships	\$ 90,490		\$ 90,490
Other equities	27,596,033		27,596,033
Patronage capital	785,860	\$409,863	1,195,723
	<u>28,472,383</u>	<u>409,863</u>	<u>28,882,247</u>
Long Term Debt	<u>55,921,877</u>		<u>55,921,877</u>
Accumulated postretirement benefits	<u>1,382,742</u>		<u>1,382,742</u>
<b>Current Liabilities:</b>			
Accounts payable	2,413,361		2,413,361
Consumer deposits	797,814		797,814
Accrued expenses	661,377		661,377
	<u>3,872,552</u>		<u>3,872,552</u>
Consumer advances for construction	<u>579,170</u>		<u>579,170</u>
<b>Total</b>	<u>90,228,724</u>	<u>409,863</u>	<u>90,638,587</u> \$

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Meade County Rural Electric  
Case No. 2013-00033  
Summary of Adjustments to Test Year

Exhibit S  
page 3 of 3  
Witnesses: Karen Brown & Jack Gaines

	Adj 1	Adj 2	Adj 3	Adj 4	Adj 5	Adj 6	Adj 7	Adj 8	Adj 9	Adj 10	Adj 11	Adj 12	Adj 13	Adj 14	Adj 15	Adj 16		EX R	EX R	
	Salaries	Payroll Taxes	Deprec	Property Tax	Interest	FAS 106 Cost	Retirement	Donations	Professional Fees	Directors	Misc Expenses	Rate Case	Self-insured Fund	Purchase Power	Normalize Revenue	PSC Assessment	Total	Flow Through	Distribution Additional Revenue	
Operating Revenues:																				
Base rates															590,027		590,027	7,693,123	961,422	
Unwind Factors															586,761		586,761			
Unbilled Base Rate															(432,386)		(432,386)	13,415	1,677	
Unbilled Unwind Factors															32,087		32,087			
Other electric revenue															0		0			
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	776,489	0	776,489	7,706,538	963,099	
Operating Expenses:																				
Cost of power														1,045,395			1,045,395	7,718,777		
Distribution - operations	6,298	28	1,928	32,817		1,732	8,020										50,822			
Distribution - maintenance	7,905	35	2,821			2,173	10,065										23,000			
Consumer accounts	5,758	25	129			1,583	7,331										14,827			
Customer service	1,440	6	176			396	1,833										3,851			
Sales		0	0			0	0										0			
Administrative and general	6,047	27	219	1,015		1,663	7,700		(3,840)	(11,906)	(10,172)	15,000					5,752			
Total operating expenses	27,448	121	5,272	33,832	0	7,546	34,950	0	(3,840)	(11,906)	(10,172)	15,000	0	1,045,395	0	0	1,143,647	7,718,777	0	
Depreciation			100,567														100,567			
Taxes - other																445	445	6,748	1,689	
Interest on long-term debt					20,040												20,040			
Interest expense - other																	0			
Other deductions								(13,442)									(13,442)			
Total cost of electric service	27,448	121	105,839	33,832	20,040	7,546	34,950	(13,442)	(3,840)	(11,906)	(10,172)	15,000	0	1,045,395	0	445	1,251,257	7,725,525	1,689	
Utility operating margins	(27,448)	(121)	(105,839)	(33,832)	(20,040)	(7,546)	(34,950)	13,442	3,840	11,906	10,172	(15,000)	0	(1,045,395)	776,489	(445)	(474,768)	(18,987)	961,410	
Nonoperating margins, interest																	0			
Nonoperating margins, other														(76,226)			(76,226)			
Patronage capital credits														0			0			
	0	0	0	0	0	0	0	0	0	0	0	0	(76,226)	0	0	0	(76,226)	0	0	
Net Margins	(27,448)	(121)	(105,839)	(33,832)	(20,040)	(7,546)	(34,950)	13,442	3,840	11,906	10,172	(15,000)	(76,226)	(1,045,395)	776,489	(445)	(550,994)	(18,987)	961,410	

Meade County Rural Electric Cooperative  
Case No. 2013-00033  
Monthly Operating Budget  
November 30, 2012

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	December	January	February	March	April	May	June	July	August	September	October	November	Total
Operating revenue	3,379,220	4,177,818	3,931,981	3,182,427	3,062,095	2,229,529	2,808,555	3,281,515	3,631,305	3,457,070	2,347,284	2,775,899	38,264,698
Operating expenses:													
Cost of power	2,168,841	2,467,722	2,134,204	1,807,233	1,377,715	1,398,539	1,778,587	2,027,676	2,057,701	1,582,789	1,406,620	1,661,677	21,869,304
Distribution-operations	274,985	249,828	272,615	230,783	218,113	256,321	236,318	197,903	237,566	223,166	250,281	233,095	2,880,974
Distribution-maintenan	259,247	218,473	209,611	237,653	237,611	272,108	310,449	267,728	252,773	251,053	213,214	203,828	2,933,748
Consumer accounts	142,061	124,018	121,206	127,848	109,826	121,354	136,397	107,547	133,692	100,797	117,091	109,258	1,451,095
Customer services	(10,322)	29,741	34,484	30,522	28,942	32,233	31,434	29,009	(2,016)	27,825	27,295	25,227	284,374
Sales	(268)	(240)	354	(999)	228	2,055	(883)	(332)	(912)	(87)	539	852	307
Administrative and gen	198,018	142,669	136,439	147,914	119,570	129,814	159,682	121,839	131,780	123,199	122,017	115,602	1,648,543
Total operation and r	3,032,562	3,232,211	2,908,913	2,580,954	2,092,005	2,212,424	2,651,984	2,751,370	2,810,584	2,308,742	2,137,057	2,349,539	31,068,345
Depreciation	273,654	274,296	275,196	276,096	276,996	277,896	278,796	279,696	280,596	281,496	282,396	283,296	3,340,410
Taxes-other	2,911	2,797	2,780	2,799	2,810	2,842	2,962	2,989	2,978	2,955	2,982	3,080	34,885
Interest on long term d	198,276	179,871	162,299	179,240	173,062	186,278	171,658	176,958	184,415	178,086	183,596	182,423	2,156,162
Interest expense - othe	2,449	474	235	446	472	497	605	1,150	1,040	858	496	417	9,139
Other deductions	2,600	750		500	1,000	133	100	5,100	100	750	567	1,000	12,600
Total cost of electric s	3,512,452	3,690,399	3,349,423	3,040,035	2,546,345	2,680,070	3,106,105	3,217,263	3,279,713	2,772,887	2,607,094	2,819,755	36,621,541
Utility operating margi	(133,232)	487,419	582,558	142,392	515,750	(450,541)	(297,550)	64,252	351,592	684,183	(259,810)	(43,856)	1,643,157
Nonoperating margins, i	9,098	18,071	16,072	15,847	34,409	22,359	21,765	20,103	21,238	19,899	30,967	18,414	248,242
Nonoperating margins, c	864			21,000			11,471				73,983		107,318
Patronage capital:													0
G & T													0
Others													0
	0	0	0	0	0	0	0	0	0	0	0	0	0
Net margins	(123,270)	505,490	598,630	179,239	550,159	(428,182)	(264,314)	84,355	372,830	704,082	(154,860)	(25,442)	1,998,717



# Meade County RECC Bylaws

Revision effective February 20, 2008

## ARTICLE I ~ Membership

### Section 1.01. Eligibility.

Any natural person, firm, association, corporation, or body politic or political subdivision or agency thereof (each hereinafter referred to as "person," "applicant," or "member") shall be eligible to become a member of, and, at one or more premises owned or directly occupied or used by the member, to receive electric service from Meade County RECC (hereinafter called the "Cooperative"); however, no person shall hold more than one membership in the Cooperative.

### Section 1.02. Application for Membership.

Application for membership -- wherein the applicant shall agree to purchase electric power and energy from the Cooperative and be bound by and to comply with all provisions of the Cooperative's Articles of Incorporation, Bylaws, and all rules, rate schedules and regulations adopted by the Board of Directors pursuant thereto (the obligations embraced by such agreement being hereinafter called "membership obligations") -- shall be made in writing on such form as is provided therefore by the Cooperative. With respect to any particular classification of service for which the Board of Directors shall require it, such application shall be accompanied by a supplemental contract, executed by the applicant on such form as is provided therefore by the Cooperative. The membership application shall be accompanied by any service security deposit, service connection deposit or fee, inspection fee, facility extension fee or contribution in aid of construction (hereinafter referred to as other deposits or fees) that may be required by the Cooperative. Deposits or fees shall be refunded in the event the application is denied by the Board.

### Section 1.03. Acceptance Into Membership.

Upon complying with the requirements set forth in Section 1.02, any applicant shall automatically become a member on the date of the connection for electric service; PROVIDED, that the Board of Directors may by resolution deny an application and refuse to extend service upon its determination that the applicant is not willing or is not able to satisfy and abide by the Cooperative's terms and conditions of membership or that such application should be denied for other good cause; PROVIDED FURTHER, that any person whose application, for sixty (60) days or longer, has been submitted but not denied by the Board of Directors and who has not been connected by the Cooperative for electric service may, by filing written request therefore with the Cooperative at least thirty (30) days prior to the next meeting of the Board of Directors, have the application submitted to and approved or disapproved by the vote of the Directors at such meeting.

#### **Section 1.04. Joint Membership.**

A husband and wife may apply for a joint membership. The words "member," "applicants," and "persons" as used in these bylaws shall include a husband and wife applying for or holding a joint membership, unless clearly distinguished in the text; and all provisions relating to the rights, powers, terms, conditions, obligations, responsibilities and liabilities of membership shall apply equally, severally and jointly to them. Without limiting the generality of the foregoing --

- (a) the presence at a meeting of either or both shall constitute the presence of one member and a joint waiver of notice of the meeting; and a revocation of any proxy vote executed or mailed by either or both;
- (b) the vote of either or both shall constitute, respectively, one joint vote: PROVIDED, that if both be present but in disagreement on such vote, each shall cast only one-half (1/2) vote;
- (c) notice to, or waiver of notice signed by, either or both shall constitute, respectively, a joint notice or waiver of notice;
- (d) suspension or termination in any manner of either shall constitute, respectively, suspension or termination of the joint membership;
- (e) each, but not both concurrently, shall be eligible to serve as a director of the Cooperative, but only if both meet the qualifications required therefore; and
- (f) neither will be permitted to have any additional service connections except through their one joint membership.

#### **Section 1.05. Conversion of Membership.**

Either membership may be converted to a joint membership upon the written request of the holder thereof and the agreement by such holder and his or her spouse to comply with the Articles of Incorporation, Bylaws, and Rules and Regulations adopted by the board. The outstanding membership certificate shall be surrendered, and shall be reissued by the Cooperative in such manner as shall indicate the changed membership status.

Upon the death of either spouse who is a party to the joint membership, such membership shall be held solely by the survivor or the administrator of the estate. The membership certificate shall be reissued in such manner as shall indicate the changed membership status, provided however, that the estate of the deceased shall not be released from any debts due the Cooperative.

Membership in the Cooperative shall not be transferable except as herein provided.



### **Section 1.06. Membership Contingent Upon Fees or Deposits.**

Payment of deposits and/or fees required shall entitle the member to one service connection. A service connection deposit and/or fee in such amount as shall be prescribed by the Cooperative and any other deposits and/or fees required shall be paid by the member for each additional service connection requested by the member.

### **Section 1.07. Termination of Membership.**

Any member may withdraw from membership upon compliance with such uniform terms and conditions as the Board may prescribe. The Board may, but only after due hearing if such is requested by the member, by the affirmative vote of not less than two-thirds of all members of the Board expel a member who fails to comply with any of the provisions of the Articles of Incorporation, Bylaws or Rules or Regulations adopted by the Board. Any expelled member may be reinstated by the vote of the Board or by vote of the members at any annual or special meeting. The membership of a member, who, for a period of six (6) months after service is available to said member, has not purchased electric energy from the Cooperative, or of a member who has ceased to purchase energy from the Cooperative, may be canceled by resolution of the Board.

Upon the withdrawal, death, cessation of existing or expulsion of a member, the membership of such member shall thereupon terminate, and a membership certificate of such member shall be surrendered forthwith to the Cooperative. Termination of membership in any manner shall not release a member or member's estate from any debts due the Cooperative.

In case of withdrawal or termination of membership in any manner, the Cooperative shall repay to the member the amount of membership fee paid by the member, provided, however, that the Cooperative shall deduct from the amount of membership fee, the amount of any debt or obligation owed by the member to the Cooperative.

### **Section 1.08. Service to Non-members.**

The Cooperative shall render service to its members only; provided, however, that service may be rendered with Board approval upon the same terms and conditions as are applicable to members, to governmental agencies and political subdivisions, and to other persons not in excess of ten percent (10%) of the number of its members; and provided further, that should the Cooperative acquire any electric facilities dedicated or devoted to the public use it may, for the purpose of continuing service and avoiding hardship and to an extent which together with all other persons served by the Cooperative on a non-member basis shall not exceed forty percent (40%) of the total number of persons served by the Cooperative, continue to serve the persons served directly from such facilities at the time of such acquisition without requiring that such persons become members; and provided further that such non-members shall have the right to become members upon nondiscriminatory terms.

**Section 1.09. Purchase of Electric Power and Energy; Power Production by Member; Application of Payments to All Accounts.**

The Cooperative shall use reasonable diligence to furnish its members with adequate and dependable electric service, although it cannot and therefore does not guarantee a continuous and uninterrupted supply thereof; and each member, for so long as such premises are owned or directly occupied or used by the member, shall purchase from the Cooperative all central station electric power and energy purchased for use on all premises to which electric service has been furnished by the Cooperative pursuant to said membership, unless and except to the extent that the Board of Directors may in writing waive such requirement, and shall pay therefore at the times, and in accordance with the rules, regulations, rate classifications and rate schedules (including any monthly minimum amount that may be charged without regard to the amount of electric power and energy actually used) established by the Board of Directors and, if in effect, in accordance with the provisions of any supplemental contract that may have been entered into as provided for in Section 1.02. Production or use of electric energy on such premises, regardless of the source thereof, by means of facilities which shall be interconnected with Cooperative facilities, shall be subject to appropriate regulations as shall be fixed from time to time by the Cooperative. Each member shall also pay all other amounts owed by said member to the Cooperative as and when they become due and payable. When the member has more than one service connection from the Cooperative, any payment by the member for service from the Cooperative shall, unless directed in writing by the member to the contrary, be deemed to be allocated and credited on a prorate basis to his outstanding accounts for all such service connections, notwithstanding that the Cooperative's actual accounting procedures do not reflect such allocation and proration.

**Section 1.10. Excess Payments to be Credited as Member-Furnished Capital.**

All amounts paid for electric service in excess of the cost thereof shall be furnished by members as capital, and each member shall be credited with the capital so furnished as provided in Article VII of these Bylaws.

**Section 1.11. Access to Lands and Premises.**

Without being paid compensation therefore each member shall grant and give to the Cooperative free access on to the member's lands and premises for the reasonable purpose of placing, locating, building, constructing, operating, replacing, rebuilding, relocation, repairing, improving, enlarging, extending and maintaining on, over or under such lands and premises, or removing therefrom its electric distribution system, new or existing lines, wires, poles, anchors and other necessary or appurtenant parts thereof. The Board of Directors may expel from membership and/or discontinue electric service to any member who fails or refuses to comply with the provisions of this Bylaw.



## **ARTICLE II ~ Rights and Liabilities of Members**

### **Section 2.01. Property Interest of Members.**

Upon dissolution, after all debts and liabilities of the Cooperative shall have been paid; and, all capital furnished through patronage shall have been retired as provided in these Bylaws, the remaining property and assets of the Cooperative shall be distributed among the members and former members in the proportion which the aggregate patronage of each bears to the total patronage of all members during the ten (10) years next preceding the date of the filing of the certificate of dissolution.

### **Section 2.02. Non-liability for Debts of the Cooperative.**

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

## **ARTICLE III ~ Meetings of Members**

### **Section 3.01. Annual Meetings.**

The annual meeting of the members shall be held each year, at such place in one of the counties in Kentucky within which the Cooperative serves, and beginning at such time, as the Board of Directors shall from year to year fix. It shall be the responsibility of the Board of Directors to make adequate plans and preparations for, the annual meeting and any special meeting. Failure to hold the annual meeting at the designated time and place shall not work a forfeiture or dissolution of the Cooperative.

### **Section 3.02. Special Meetings.**

A special meeting of the members may be called by a majority of the Board of Directors, or by petition signed by not less than twenty (20%) percent of the then-total members of the Cooperative, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided in Section 3.03. Such a meeting shall be held at such place in one of the counties in Kentucky within which the Cooperative serves, on such date, not sooner than thirty-five (35) days after the call for such meeting is made or a petition therefore is filed, and beginning at such hour as shall be designated by the Chairman or those calling or petitioning for the same.

### **Section 3.03. Notice of Member Meetings.**

Written or printed notice of the place, day and hour of the meeting and, the purpose or purposes of said meeting including an agenda shall be delivered to each member not less than seven (7) days nor, except as provided in Article VIII, more than forty-five (45) days prior to the date of the meeting, either personally or by mail, by or at the direction of the

Chairman or the Secretary (or, in the case of a special meeting, at the direction of those calling the meeting). Any such notice delivered by mail may be included with member service billings or as an integral part of or with the Cooperative's monthly newsletter and/or its monthly insert, if any, in the Kentucky Living. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the member at the member's address as it appears on the records of the Cooperative, with postage thereon prepaid and postmarked at least seven (7) days prior to the meeting date. In making such computation, the date of the meeting shall not be counted. The incidental and non-intended failure of any member to receive a notice deposited in the mail addressed to the member at the member's address as shown on the Cooperative's books shall not invalidate any action which may be taken by the members at any such meeting, and the attendance in person (or by proxy vote) of a member at any meeting of the members shall constitute a waiver of notice of such meeting unless such attendance shall be for the express purpose of objecting to the transaction of any business, or one or more items of business, on the ground that the meeting shall not have been lawfully called or convened. Any member attending any meeting for the purpose of making such objection shall notify the Secretary prior to or at the beginning of the meeting of the member's objection.

#### **Section 3.04. Quorum.**

Business may not be transacted at any meeting of the members unless there are present in person (or by proxy vote), at least one hundred (100) of the then-total members of the Cooperative, except that, if less than a quorum is present at any meeting, a majority of those present in person may without further notice adjourn the meeting to another time and date not less than forty-five (45) days later and to any place in one of the counties in Kentucky within which the Cooperative serves: PROVIDED, that the Secretary shall notify any absent members of the time, date and place of such adjourned meeting by delivering notice thereof as provided in Section 3.03. At all meetings of the members, whether a quorum be present or not, the Secretary shall annex to the meeting minutes, or incorporate therein by reference, a list of those members who were registered as present in person (or by proxy vote).

#### **Section 3.05. Voting.**

Each member shall be entitled to only one vote upon each matter submitted to a vote at any meeting of the members. Voting by members other than members who are natural persons shall be allowed upon the presentation to the Cooperative, prior to or upon registration at each member meeting, of satisfactory evidence entitling the person presenting the same to vote. At all meetings of the members, all questions shall be decided by a majority of the members voting thereon, except as otherwise provided by law or by the Cooperative's Articles of Incorporation or these Bylaws. Members may not cumulate their votes in person or by proxy or mail.



### **Section 3.06. Agenda.**

No proposal shall be voted upon at the Annual meeting unless it has been placed on the agenda at least forty (40) days prior to such meeting. Any legitimate proposal may be placed on the agenda by any member by filing a copy of the proposal with the Secretary within the time allowed, with a request that it be submitted to the Annual Meeting for consideration. Such legitimacy subject to rule by the Board Directors.

### **Section 3.07. Order of Business.**

The order of business at the annual meeting of the members and, insofar as practicable or desirable, at all other meetings of the members shall be essentially as follows:

- (a) Call of the roll;
- (b) Reading of the notice of the meeting and proof of the due giving thereof, or of the waiver or waivers of notice of the meeting, as the case may be;
- (c) Reading of unapproved minutes of previous meetings of the members and the taking of necessary action thereon;
- (d) Presentation and consideration of reports of officers, directors, and committees;
- (e) Election of directors; (or report on the election of directors);
- (f) Unfinished business;
- (g) New business; and
- (h) Adjournment.

## **ARTICLE IV ~ DIRECTORS**

### **Section 4.01. General Powers.**

The business and affairs of the Cooperative shall be managed by a Board of seven (7) directors. The Board shall exercise all of the powers of the Cooperative except such as are by law or by the Cooperative's Articles of Incorporation or Bylaws conferred upon or reserved to the members.

### **Section 4.02. Qualifications.**

No person shall be eligible to become or remain a director of the Cooperative who is a close relative of an incumbent director, or an employee, or employee's spouse (employee is defined as a current employee or former employee) of the Cooperative, or is not a

member in good standing of the Cooperative. No person shall be eligible to become or remain a director of, or to hold any other position of trust in, the Cooperative who is not of legal capacity age or who is in any way employed by or financially interested in the Cooperative or a competing energy supplier, or a business selling electric energy or supplies to the Cooperative, or a business primarily engaged in selling electrical appliances, fixtures or supplies to, among others, the members of the Cooperative, or any candidate or elected official for any local, state, or national office. Notwithstanding any of the foregoing provisions of this Section dealing with close relative relationships, no incumbent director shall lose eligibility to remain a director or to be re-elected as a director if such director becomes a close relative or another incumbent director or of a Cooperative employee (including a retired employee) because of a marriage to which such director was not a party. Upon establishment of the fact that a nominee for director lacks eligibility under this Section or as may be provided elsewhere in these Bylaws, it shall be the duty of the chairman presiding at the meeting at which such nominee would otherwise be voted upon to disqualify such nominee. Upon the establishment of the fact that any person being considered for, or already holding, a directorship or other position of trust in the Cooperative lacks eligibility under this Section, it shall be the duty of the Board of Directors to withhold such position from such person, or to cause such person to be removed therefrom, as the case may be. Nothing contained in this Section shall, or shall be construed to, affect in any manner whatsoever the validity of any action taken at any meeting of the Board of Directors, unless such action is taken with respect to a matter which is affected by the provisions of this Section and in which one or more of the directors have an interest adverse to that to the Cooperative.

#### **Section 4.03. Voting for Directors and Tenure.**

The representation of directors shall be geographically divided, and according to membership within the service area in accordance with a map in which county boundaries are not considered, and there shall be districts 1, 2, 3, 4, 5, 6, & 7, and the director shall represent the area from which said director is selected, and any qualified member from the area may be eligible to become a director. Director elections shall be rotated among the districts and they shall be chosen by vote of the membership. The person receiving the highest number of votes, shall be elected as director from the area, subject to other provisions of these bylaws.

Tenure for a full term on the Board of Directors shall be three (3) years.

When the election of directors cannot be held at the regular annual meeting of the members due to a quorum not being present, the directors then serving as directors of the Cooperative shall continue to serve as directors of the Cooperative representing their respective district for the incoming term of three (3) years. All directors shall serve until their successors shall have been elected and shall have qualified, subject to the provisions of these bylaws with respect to the directors.



#### **Section 4.04. Directorate Districts.**

**District No. 1**, described as follows: Beginning at a point at the junction of Highway 2731 and Highway 228 approximately 1.2 miles due north to the Ohio River then proceeding southwest to the junction of KY 228 and 2731, then proceeding southwest along Highway 2731 to the junction of Highway 2731 and 144, then proceeding west on Highway 144 to Payneville to the junction of 144 and 376, then proceeding southwest on 376 to Frymire and junction of 376 and 144, then continuing along 144 through Union Star to the junction of 144 and 259 then due west to the Ohio River to a point approximately 1 mile southwest of Ammons. All territory to the north and west of the aforementioned roads and bound on the west, north and east by the Ohio River and back to the point of beginning.

**District No. 2**, described as follows: Beginning from the point of District No. 1, at the junction of Highway 2731 and Highway 228 approximately 1.2 miles due north to the Ohio River then bordering along the boundary of District No. 1 to Union Star, then following along the north and east side of 86 to junction of 86 and 60 at Garfield, then east on 60 to Sinking Creek Hill/Dents Bridge Road to Rosetta Road through Bewleyville on 1238 to junction of 1238 and 941, then north on 941 to 144, west on 144 in Ekron to 941, then 941 to Brandenburg to Broadway, west on Broadway to Main Street and Main Street to the Ohio River and west along Ohio River to the point of beginning to include territory not served by LG&E Energy and all territory west and north of east side of boundary from Brandenburg to Garfield.

**District No. 3**, described as follows: All points to system boundary north and east of a point beginning on the Ohio River at the northern point of Main Street in Brandenburg and bordering District No. 2 to the junction of Highways 60 and 86 at Hensley and southeast on 86 to system boundary, namely Hardin County line.

**District No. 4**, described as follows: Beginning at a point approximately .7 mile east of Dyer on 86 and system boundary, then west along the boundary of District No.'s 3 and 2, to the junction of 86 and 261, then south on 261 through Hardinsburg to the junction of 261 and 108, then south on 108 to the junction of 108 and 105, then east on 105 to the junction of 105 and 79, then east on 79 to the junction of 79 and 259, then 259 to the junction of 259 and 401, then northeast on 401 to the junction of 401 and 84, .7 mile south of Hudson, then south on 84 approximately 3.4 miles to system boundary at Breckinridge/Hardin County line, then north along system boundary, Breckinridge/Hardin County line, to the point of beginning.

**District No. 5**, described as follows: Beginning at a point on the Ohio River approximately 2 miles west of the junction of 259 and 144, then following along the Ohio River in a southwest direction to system boundary approximately 2 miles west of Cloverport, then approximately 1.2 miles to the junction of 992 and 144, then east along 992 to the junction of 992 and 105, then southeast on 105 to the junction of 105 and 261 at McQuady, then east on 261, then north along the boundary of District No. 4, then northwest along the boundary of District No. 2 to Union Star, then west along boundary of District No. 1, to the point of beginning.

**District No. 6**, described as follows: Beginning at a point approximately 2 miles west of Cloverport then east along the boundary of District No. 5 to McQuady at the junction of 105 and 261, then southwest along 261 to the junction of 261 and 629, then south along 629 to Rockvale, then due south to system boundary, then west and north along system boundary to the point of beginning.

**District No. 7**, described as follows: Beginning at a point approximately 3 miles southeast of Hudson on 84 at system boundary, then west along boundary of District No. 4 to the junction of 108 and 261, then west and south along the boundary of District No. 6 to system boundary then east and north along system boundary to the point of beginning.

#### **Section 4.05. Nominations.**

(a) It shall be the duty of the Board of Directors to appoint, not less than forty-five (45) days nor more than ninety (90) days prior to the Annual Meeting of the members, a Committee on Nominations consisting of not less than five (5) nor more than eleven (11) members who shall be selected from different districts of the service area. No officer, employee or member of the Board of Directors of the Cooperative shall be appointed a member on the Committee of Nominations.

(b) It shall be the responsibility of the Committee on Nominations to select a candidate to run for office of Director for each district to fill the vacancy caused by the expiration of a Director's term. The Committee on Nominations shall prepare and post its nominations in a conspicuous manner in the lobby of the Cooperative Headquarters building in Brandenburg not later than 4:30 p.m. of the fortieth (40<sup>th</sup>) day prior to the date set for the Annual Meeting, at which election the Director(s) shall be announced.

(c) Any one hundred (100) or more qualified members of any district may, by written or printed petition, make other nominations from the membership of their district for the office of Director, by affixing their signatures and addresses to the petition. In no event shall a member sign a petition for more than one (1) candidate. In the event a member signs a petition for more than one (1) candidate, then his signature shall be invalid on all petitions signed by him.

(d) Petition or petitions by qualified members nominating candidates for the Office of Director shall be filed at the Headquarters Office of the Cooperative during regular office hours of the Cooperative, on or before the thirtieth (30<sup>th</sup>) day prior to the date set for the Annual Meeting and said nominating petitions shall be posted by the Secretary in a conspicuous manner in the lobby of the Cooperative/Headquarters not less than fifteen (15) days prior to the date set for the Annual Meeting if, after examination by the Provost, it is determined by said Provost that said petition or petitions meet the requirements of the Bylaws, Articles of Incorporation and the laws of the Commonwealth of Kentucky. A date of ninety (90) days prior to the Annual Meeting shall be established in determining whether a member is in good standing and qualified for the purposes of signing nominating petitions and/or voting in the election of Directors.

#### **Section 4.06. Appointment of Provost.**

The Board of Directors shall have the duty of naming a Provost, who shall be a Certified Public Accountant licensed by the Commonwealth of Kentucky, to be in charge of Directors' elections. The Provost shall have responsibilities and duties regarding nominating petitions as well as votes and the counting of votes.

#### **Section 4.07. Duties of Provost Regarding Nominations.**

The duties of the Provost regarding nominating petitions shall be as follows: (a) The Provost shall examine and audit the petition or petitions filed by the candidates for election to the office of Director to determine if the petition or petitions comply with the requirements of the Kentucky Revised Statutes, the Articles of Incorporation and these Bylaws.

(b) The Provost is granted the power and authority to pass upon and determine the validity of each of the signatures and addresses on the petition or petitions to determine if those signing are qualified members in good standing of the Cooperative and entitled to vote for the election of Directors.

(c) If the Provost disapproves a signature and/or address on a petition or petitions, he shall list the name in writing giving the reason or reasons why said signature and/or address was not approved.

(d) The Provost shall determine if the required number of qualified voting members have signed the petition or petitions after having deducted from the petition or petitions the names disapproved by him because the names and/or addresses on said petition or petitions fail to comply with the Kentucky Revised Statutes, the Articles of Incorporation of the Cooperative or these Bylaws. If the petition or petitions do not contain the signatures and addresses of the required number; then the Provost shall not certify to the Secretary of the Cooperative the name or names of the candidates on said petition or petitions to be placed upon the official ballot for the district.

(e) Upon the completion of the examination and audit of the petition or petitions by the Provost, he shall certify to the Secretary of the Cooperative the name or names of those persons properly nominated by petition or petitions so that those so nominated may be listed on the official ballot for the district.

(f) Should the Committee on Nominations select a candidate to run for office of Director from a district and should no candidate be nominated from the membership of the district by written or printed petition within the prescribed time as set forth in Section 4.05 of these Bylaws, then the Chairman of the Committee on Nominations shall certify to the Secretary of the Board that no petition has been filed within the prescribed time and that the candidate nominated by the Committee on Nominations for that district is therefore officially elected without opposition and it will be so announced at the Annual Meeting and



the nominee shall be deemed elected to the Board for that district without the necessity of mailing official ballots through the United States mail and following the election procedure set forth in these Bylaws.

#### **Section 4.08. Preparation of Official Ballot.**

(a) After the Provost has certified the names of the candidates nominated by petition or petitions to be placed upon the official ballot, it shall be the duty of the Secretary of the Cooperative to prepare a printed ballot of those persons duly nominated either by the Committee on Nominations or by nominating petition within ten (10) days after the nominating petitions are required to be filed. The printed ballot shall list separately the person nominated by the Nominating Committee and those persons nominated by petition in alphabetical order and labeled in such a manner as to note which candidate appears on the ballot by nomination of the Committee on Nominations and which appears on the ballot by nomination by petition. It shall be the further duty of the Secretary of the Cooperative to see that the official ballots are mailed to each active and qualified member at his or her address shown on the Cooperative records for those districts which are up for election not later than fifteen (15) days prior to said Annual Meeting at which the results of said election are to be announced. See Sample Official Ballot in Section 4.25.

(b) The official ballot shall be inscribed with instructions by the Secretary of the Cooperative that all official ballots must be returned by U.S. mail and received by the Provost of the Cooperative or his designee not less than five (5) days prior to said Annual Meeting. See Sample of Instructions for voting in Section 4.26.

#### **Section 4.09. Official Ballots.**

Each official ballot for each district shall be placed in an envelope labeled Ballot Envelope within a Return Envelope bearing postage prepaid, addressed to the Provost or his designee all in a Cover Envelope, all of which shall be mailed by the secretary of the cooperative or his designee to each member eligible to vote in the district.

#### **Section 4.10. Execution of Ballot.**

The official ballot shall be marked by the eligible member and then placed in a Ballot Envelope and sealed. The sealed Ballot Envelope, with the official ballot enclosed, shall then be placed in the Return Envelope addressed to the Provost with postage prepaid. The Ballot Envelope shall be signed by the member in the space provided on the Ballot Envelope so it can be determined by the Provost whether the person signing the Ballot Envelope is an eligible voting member of the Cooperative and the district. The Return Envelope shall then be mailed to the Provost or his designee at the address placed on the return envelope selected by the Provost.

#### **Section 4.11. Elections.**

The Provost shall count the ballots as expeditiously as possible following the placement in his hands of said ballots. The Provost shall give at least 24 hours verbal or written notice to each person nominated for Director the time and date when the counting of the ballots shall commence. During the counting of the ballots only the following persons may be present in the counting room:

- (a) personnel of the Cooperative directly engaged in the election process;
- (b) the Provost and his employees.
- (c) a person nominated for Director or one representative of such person properly authorized by the nominee in writing.

After the ballots have been duly counted, the results of the elections shall be announced at the subsequent annual meeting of members and the person from each district receiving the highest number of votes throughout the system shall be declared elected at the Annual Meeting. In the event of a tie vote the Director shall be selected by a toss of a coin. The following shall not be counted:

- (a) A vote marked for more than one candidate;
- (b) Ballots other than the official ballot;
- (c) Ballots not received through the US mail;
- (d) Ballots arriving late.

#### **Section 4.12. Counting of Votes by Provost.**

The duties of the Provost regarding votes and counting shall be as follows:

- (a) The Provost shall determine the post office address on the return envelopes and when received, place the envelopes in a locked ballot box or boxes.
- (b) The Provost shall unlock the box or boxes which contain the Return Envelopes and examine each Ballot Envelope to ascertain if it has been properly signed, mailed, and received at least five (5) days before the Annual Meeting.
- (c) Any and all Ballot Envelopes found by the Provost not to conform to the provisions and requirements of these Bylaws shall not be opened but shall be immediately placed in a locked ballot box or boxes labeled "Rejected Returned Envelopes or Ballots" which locked ballot box or boxes shall be retained by the Provost in safekeeping until sixty (60) days after the date of the completion of the accounting of the ballots.

(d) Any official ballot which is deemed invalid by the Provost for reasons set forth in these Bylaws shall be placed by the Provost in the locked ballot box or boxes labeled "Rejected Return Envelopes or Ballots".

(e) The Provost shall tabulate all valid votes on each official ballot. The Provost shall count the ballots labeled "Rejected Returned Envelopes or Ballots" only if the number of said ballots could make a difference in the outcome in the election. If said ballots could make a difference in the outcome of the election, the Provost shall make his determination as to the validity of said ballot(s) and include only those ballot(s) he determines to be valid in his final tally. After the Provost's determination as to the validity and tabulation of said ballot(s) such ballot(s) shall be returned to the box or boxes labeled "Rejected Return Envelopes or Ballots" which shall be kept locked.

(f) All box or boxes containing ballots shall be kept locked at all times except when the Provost is present.

(g) If the counting of the official ballots has not been completed at the time of adjournment of the counting, all official ballots unopened and uncounted shall be kept in the locked ballot box or boxes by the Provost until the counting of all official ballots is again begun in the presence of the Provost and this procedure shall continue until all valid official ballots have been counted and tabulated.

(h) The decision of the Provost as to the validity shall be final as to all ballots cast.

(i) The Provost shall place all official and valid ballots which have been counted in a locked ballot box or boxes labeled "Counted Ballots" and shall retain the "Counted Ballots" box or boxes together with the ballot box or boxes labeled "Rejected Return Envelopes or Ballots".

#### **Section 4.13. Certification of Election by Provost.**

The Provost shall promptly, upon completion of the counting of the membership votes, certify in writing to the Secretary of the Board the names of the candidates and the number of votes received by each and shall also certify the name of the person having been elected as Director for each district.

#### **Section 4.14. Procedure for Destroyed Ballot.**

In the event a voting member in good standing has his, her or its ballot inadvertently destroyed or the Return Envelope inadvertently destroyed, or the Cover Envelope with the covered contents therein was not received by the voting member, then upon the voting member having exhibited to the Provost his driver's license or a Social Security card, the Provost shall check the Cooperative's membership list to determine if he, she or it is a voting member in good standing. The Provost shall then cause the voting member to execute an Affidavit before a Notary Public at the office of the Provost, and if the Provost approves, he may then and there only deliver to the voting member a Return Envelope, a



Ballot Envelope and a ballot. However, no Affidavit Return Envelope, Ballot Envelope or ballot shall be delivered by the Provost after 4:30 p.m. on the sixth day prior to the Annual Meeting.

**Section 4.15. Custody of Keys to Ballot Boxes.**

The Provost shall be responsible for the custody of the keys to all ballot boxes.

**Section 4.16. Write-In Votes Prohibited.**

No write-in votes shall be permitted in the election of Directors.

**Section 4.17. Requesting Recount and Contesting Election of Director.**

A candidate for election as Director may within ten (10) days of the announcement of the election result request the Provost to recount the votes cast in his election. A person requesting a recount shall post a bond with the Provost in an amount to be determined by the Provost to equal the estimated cost of the recount. In the event the recount changes the election of a Director, then the cost thereof shall be paid by the Co-operative. However, in the event the recount does not change the election of the Director, the cost of the recount shall be paid by the candidate requesting the recount.

Any action to contest the election results of a Director as certified by the Provost shall be filed in the Meade Circuit Court not later than the 30<sup>th</sup> day following the Annual Meeting at which the election results were announced.

**Section 4.18. Removal of Directors by Members.**

Any member(s) may bring one or more charges for cause (malfeasance in office, unlawful acts, etc) against any one or more directors and may request the removal of such Director(s) by reason thereof by filing with the Secretary such charge(s) in writing signed by said member(s) together with a petition signed by not less than ten percent (10%) of the then-total members of the Cooperative, which petition calls for a special member meeting the stated purpose of which shall be to hear and act upon such charge(s), and which specifies the place, time and date thereof not sooner than twenty-five (25) days after the filing of such petition. Each page of the petition shall, in the forepart thereof, state the name(s) and address(es) of the member(s) filing such charge(s), a verbatim statement of such charge(s) and the name(s) of the director(s) against whom such charge(s) is (are) being made. The petition shall be signed by each member in the same name as is billed by the Cooperative and shall state the signatory's address as the same appears on such billings. A statement of such charge(s) verbatim, the name(s) of director(s) against whom the charge(s) have been made, of the member(s) filing the charge(s) and the purpose of the meeting shall be contained in the notice of the meeting; PROVIDED, that the notice shall set forth (in alphabetical order) only twenty (20) of the names of the members filing one or more charges if twenty (20) or more members file the same charge(s) against the same director(s). Such director(s) shall be informed in writing of the charge(s) after they

have been validly filed and at least twenty (20) days prior to the meeting of the members at which the charge(s) are to be considered, and shall have an opportunity at the meeting to be heard in person, by witnesses, by counsel or any combination of such, and to present evidence in respect to the charge(s); and the person(s) bringing the charge(s) shall have the same opportunity, but must be heard first. The question of the removal of such director(s) shall, separately for each if more than one has been charged, be considered and voted upon at such meeting; PROVIDED, that the question of the removal of a director shall not be voted upon at all unless some evidence in support of the charge(s) against said director shall have been presented during the meeting through oral statements, documents or otherwise, with the ruling concerning same to be made by the chairman of the special meeting. The chairman of the said meeting shall be a licensed attorney appointed by the attorney to the Board, and the Cooperative shall compensate said chairman for services.

#### **Section 4.19 Removal of Directors for Absence.**

Any Board member who is absent from three consecutive regular meetings of the Board, unless excused by the affirmative vote of majority of the other Board members, shall be deemed to have vacated his office. After declaring the vacancy to exist, the remaining Board members shall proceed to fill the vacancy.

#### **Section 4.20 Vacancies.**

All vacancies occurring in the Board of Directors shall be filled by a majority vote of the Board of Directors. A director thus elected shall serve out the unexpired term of the director whose office was originally vacated and until a successor is elected and qualified: PROVIDED, that such a director shall be from the same Directorate District as was the director whose office was vacated.

#### **Section 4.21 Compensation; Expenses.**

Directors shall, as determined by resolution of the Board of Directors, receive, on a per diem basis, a fixed fee, which may include insurance benefits, for attending meetings of the Board of Directors, and, when such has had the prior approval of the Board of Directors, for the performance of other Cooperative business. Directors shall also receive advancement or reimbursement of any travel and out-of-pocket expenses actually, necessarily and reasonably incurred in performing their duties. No close relative of a director shall be employed by the Cooperative and no director shall receive compensation for serving the Cooperative in any other capacity, unless the employment of such relative or the service of such director is temporary and shall be specifically authorized by a vote of the members upon their resolved determination that such was an emergency measure; PROVIDED FURTHER, that an employee shall not lose eligibility to continue in the employment of the Cooperative if such employee becomes a close relative of a director because of a marriage to which said employee was not a party.

#### **Section 4.22 Rules, Regulations, Rate Schedules and Contracts.**

The Board of Directors shall have power to make, adopt, amend, abolish and promulgate such rules, regulations, rate classifications, rate schedules, contracts, security deposits and any other types of deposits, payments or charges, including contributions in aid of construction, not inconsistent with law or the Cooperative's Articles of Incorporation or Bylaws, as it may deem advisable for the management, administration and regulation of the business and affairs of the Cooperative.

#### **Section 4.23 Accounting System and Reports.**

The Board of Directors shall cause to be established and maintained a complete accounting system of the Cooperative's financial operations and conditions, and shall, after the close of each fiscal year, cause to be made a full, complete and independent audit of the Cooperative's accounts, books and records reflecting financial operations during, and financial conditions as of the end of, such year. A full and accurate summary of such audit reports shall be submitted to the members at or prior to the succeeding annual meeting of the members. The Board may authorize special audits, complete or partial, at any time and for any specified period of time.

#### **Section 4.24 "Close Relative" Defined.**

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



**Section 4.25.**

**MEADE COUNTY RECC**  
**OFFICIAL BALLOT**  
**0000 ELECTION OF DIRECTORS**

I hereby vote for the following member to serve as Director representing District  
#\_\_\_\_\_.

**Nominated by Nominating Committee**

John Doe

**Nominated by Petition**

Jane Doe

Jerry Roe

**Section 4.26.**

**ELECTION OF DIRECTORS**

**INSTRUCTIONS FOR VOTING:**

1. Each member is entitled to one (1) vote. In order to cast your vote, please mark an "X" in the box to the left of your candidate's name.
2. Seal marked ballot in the ballot envelope.
3. Seal ballot envelope in envelope addressed to Meade County RECC. Sign and date in the space provided under your name and address on the ballot envelope. (The ballot will not be counted unless the Certification is properly signed and dated by the member.)
4. Print member's name and address, as it appears on the mailing label in the upper left corner of the return envelope.
5. Mail ballot by United States mail only. No postage is required.
6. Ballots must be returned no later than midnight, \_\_\_\_\_ (not less than five (5) days prior to the Membership Annual Meeting, \_\_\_\_\_.)

## **ARTICLE V ~ Meeting of the Directors**

### **Section 5.01. Regular Meetings.**

A regular meeting of the Board of Directors shall be held monthly at such date, time and place as shall be designated by the Board of Directors. Such regular monthly meeting may be held without notice other than such resolution fixing the date, time and place thereof, except when business to be transacted thereat shall require special notice: PROVIDED, that any director absent from any meeting of the Board at which a resolution initially determines or makes any change in the date, time or place of a regular meeting shall be entitled to receive written notice of such determination or change at least five (5) days prior to the next meeting of the Board; AND PROVIDED FURTHER, that, if a policy therefore is established by the Board, the Chairman may change the date, time or place of a regular monthly meeting for good cause and upon not less than five (5) days notice thereof to all directors.

### **Section 5.02. Special Meetings.**

A special meeting of the Board of Directors may be called by the Board of Directors, by the Chairman or by any majority of directors, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided in Section 5.03. The Board, the Chairman, or the directors calling the meeting shall fix the date, time and place for the meeting, which shall be held in one of the counties in Kentucky within which the Cooperative serves, unless all directors consent to its being held in some other place in Kentucky or elsewhere. Special meetings upon proper notice as otherwise provide in Section 5.03, may also be held via telephone conference call, without regard to the actual location of the directors at the time of such a telephone conference meeting, if all the directors consent thereto.

### **Section 5.03. Notice of Directors Meetings.**

Written notice of the date, time, place (or telephone conference call) and purpose or purposes of any special meeting of the Board and, when the business to be transacted thereat shall require such, of any regular meeting of the Board, shall be delivered to each director not less than five (5) days prior thereto, either personally or by mail, by or at the direction of the Secretary or, upon a default in this duty by the Secretary, by Secretary or those calling it in the case of a special meeting or by any director in the case of a meeting which date, time and place have already been fixed by Board resolution. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the director at said director's address as it appears on the records of the Cooperative, with first-class postage thereon prepaid, and postmarked at least



five (5) days prior to the meeting date. The attendance of a director at any meeting of the Board shall constitute a waiver of notice of such meeting unless such attendance shall be for the express purpose of objecting to the transaction of any business, or of one or more items of business, on the grounds that the meeting shall not have been lawfully called or convened.

#### **Section 5.04. Quorum.**

The presence in person of a majority of the directors in office shall be required for the transaction of business and the affirmative votes of a majority of the directors present and voting shall be required for any action to be taken, unless otherwise provided by statute or these Bylaws: PROVIDED, that a director who by law or these Bylaws is disqualified from voting on a particular matter shall not, with respect to consideration of and action upon that matter, be counted in determining the number of directors in office or present; AND PROVIDED FURTHER, that, if less than a quorum be present at a meeting, a majority of the directors present may adjourn the meeting from time to time, but shall cause the absent directors to be duly and timely notified of the date, time and place of such adjourned meeting.

### **ARTICLE VI ~ Officers; Miscellaneous**

#### **Section 6.01. Number and Title.**

The officers of the Cooperative shall be a Chairman, Vice Chairman, Secretary and Treasurer, and such other officers as may from time to time be determined by the Board of Directors. The offices of Secretary and Treasurer may be held by the same person.

#### **Section 6.02. Election and Term of Office.**

The four officers named in Section 6.01 shall be elected annually and without prior nomination, by and from the Board of Directors at the first meeting of the Board held after the annual meeting of the members. If the election of such officers shall not be held at such meeting, it shall be held as soon thereafter as conveniently may be. Each such officer shall hold office until the meeting of the Board first held after the next succeeding annual meeting of the members or until a successor shall have been duly elected and shall have qualified, subject to the provisions of the Bylaws with respect to the removal of directors and to the removal of officers by the Board of Directors. Any other officers may be elected by the Board from among such persons, and with such title, tenure, responsibilities and authorities, as the Board of Directors may from time to time deem advisable.

**Section 6.03. Removal.**

Any officer, agent or employee elected or appointed by the Board of Directors may be removed by the Board whenever in its judgment the best interests of the Cooperative will thereby be served.

**Section 6.04. Vacancies.**

A vacancy in any office elected or appointed by the Board of Directors shall be filled by the Board for the unexpired portion of the term.

**Section 6.05. Chairman.**

The Chairman shall—

(a) be the principal executive officer of the Board of Directors and shall preside at all meetings of the Board of Directors, and, unless determined otherwise by the Board of Directors, at all meetings of the members;

(b) sign, with the Secretary, certificates of membership. The issue of which shall have been authorized by resolution of the Board of Directors, and may sign any deeds, mortgages, deeds of trust, notes, bonds, contracts or other instruments authorized by the Board of Directors to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Cooperative, or shall be required by law to be otherwise signed or executed; and

(c) in general, perform all duties incident to the office of Chairman and such other duties as may be prescribed by the Board of Directors from time to time.

**Section 6.06. Vice Chairman.**

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

**Section 6.07. Secretary.**

The Secretary shall—

(a) keep, or cause to be kept, the minutes of meetings of the members and of the Board of Directors in one or more books provided for that purpose;

(b) see that all notices are duly given in accordance with these Bylaws or as required by law;

(c) be custodian of the corporate records and of the seal of the Cooperative and see that the seal of the Cooperative is affixed to all certificates of membership prior to the issue thereof and to all documents the execution of which, on behalf of the Cooperative under its seal, is duly authorized in accordance with the provisions of these Bylaws or is required by law;

(d) keep, or cause to be kept, a register of name and post office address of each member, which address shall be furnished to the Cooperative by such member;

(e) sign, with the Chairman, certificates of membership the issue of which shall have been authorized by resolution of the Board of Directors;

(f) have general charge of the books of the Cooperative in which a record of the members is kept;

(g) keep on file at all times a complete copy of the Cooperative's Article of Incorporation and Bylaws, together with all amendments thereto, which copies shall always be open to the inspection of any member, and, at the expense of the Cooperative, furnish a copy of such documents and of all amendments thereto upon request to any member; and

(h) in general, perform all duties incident to the office of the Secretary and such other duties as from time to time may be assigned to said officer by the Board of Directors.

#### **Section 6.08. Treasurer.**

The Treasurer shall—

(a) have charge and custody of and be responsible for all funds and securities of the Cooperative;

(b) receive and give receipts for monies due and payable to the Cooperative from any source whatsoever, and deposit or invest all such monies in the name of the Cooperative in such bank or banks or in such financial institutions or securities as shall be selected in accordance with the provisions of these Bylaws; and

(c) in general, perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to said officer by the Board of Directors.



### **Section 6.09. Delegation of Secretary's and Treasurer's Responsibilities.**

Notwithstanding the duties, responsibilities and authorities of the Secretary and of the Treasurer herein before provided in Sections 6.07 and 6.08, the Board of Directors by resolution may except as otherwise limited by law, delegate, wholly or in part, the responsibility and authority for, and the regular or routine administration of, one or more of each such officer's such duties to one or more agents, other officers or employees of the Cooperative who are not directors. To the extent that the Board does so delegate with respect to any such officer, that officer as such shall be released from such duties, responsibilities and authorities.

### **Section 6.10. President/Chief Executive Officer.**

The Board of Directors may appoint a President/CEO, who may be, but who shall not be required to be, a member of the Cooperative. Such officer shall perform such duties as the Board of Directors may from time to time require and shall have such authority as the Board of Directors may from time to time vest in said person.

### **Section 6.11. Bonds.**

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

### **Section 6.12. Indemnification of Officers, Directors, Employees and Agents.**

The Cooperative shall indemnify any person who was or is a party, or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative (other than an action by, or in the right of, the Cooperative) by reason of the fact that such person is or was a director, officer, employee or agent of the Cooperative, or who is or was serving at the request of the Cooperative as a director, officer, employee or agent of another cooperative, association, corporation, partnership, joint venture, trust or other enterprise, against expenses (including all cost of defense), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding, if such person acted in good faith and in a manner such person reasonably believed to be in, or not opposed to, the best interests of the Cooperative, and, with respect to any criminal action or proceeding, had no reasonable cause to believe the conduct of such person was unlawful. The

termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not of itself, create a presumption that the person did not act in good faith and in a manner which such person reasonably believed to be in, or not opposed to, the best interests of the Cooperative, and with respect to any criminal action or proceeding, had reasonable cause to believe that the conduct of such person was unlawful.

The Cooperative shall indemnify any person who was or is a party, or is threatened to be made a part to, any threatened, pending or completed action or suit by, or in the right of, the Cooperative to procure a judgment in its favor by reason of the fact that such person is, or was, a director, officer, employee or agent of the Cooperative, or is, or was, serving at the request of the Cooperative as a director, officer, employee or agent of another Cooperative, association, corporation, partnership, joint venture, trust or other enterprise, against expenses (including all cost of defense) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit, if such person acted in good faith and in a manner such person reasonably believed to be in, or not opposed to the best interests of the Cooperative, and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of the duty of such person to the Cooperative, unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability, but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity of such expenses as the court shall deem proper.

To the extent that a director, officer, employee or agent of the Cooperative has been successful, on the merits or otherwise, in the defense of any action, suit or proceeding referred to in paragraphs 1 and 2 of Section 6.12, in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including all cost of defense) actually and reasonably incurred by such person in connection therewith.

Any indemnification under paragraphs 1 and 2 of Section 6.12 (unless ordered by a court) shall be made by the Cooperative only as authorized in the specific case, upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because such person has met the applicable standard of conduct set forth in paragraphs 1 and 2. Such determination shall be made: a) by the Board of Directors by a majority vote of a quorum consisting of Directors who were not parties to such action, suit or proceeding, or b) if such a quorum is not obtainable, or, even if obtainable, a quorum of disinterested Directors so directs, by independent legal counsel in a written opinion, or c) by the members with preference being given to the above order.

Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Cooperative in advance of the final disposition of such action, suit or proceeding, as authorized by the Board of Directors in the specific case, upon receipt of an undertaking by or on behalf of the director, officer, employee or agent to repay such amount, unless it shall ultimately be determined that such person is entitled to be indemnified by the Cooperative as authorized in this Article.

The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any bylaw, agreement, vote of members or disinterested directors, or otherwise, both as to action in an official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee or agent, and shall inure to the benefit of the heirs, executors and administrators of such a person.

The Cooperative may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Cooperative, or who is or was serving at the request of the Cooperative as a director, officer, employee or agent of another cooperative, association, corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against such person and incurred by such person in any such capacity, or arising out of the status of such person as such, whether or not the Cooperative would have the power to indemnify, such person against such liability under the provisions of this Article.

### **Section 6.13. Reports.**

The officers of the Cooperative shall submit at each annual meeting of the member's reports covering the business of the Cooperative for the previous fiscal year and showing the condition of the Cooperative at the close of such fiscal year.

## **ARTICLE VII ~ Non-profit Operation**

### **Section 7.01. Interest or Dividends on Capital Prohibited.**

The Cooperative shall at all times be operated on a cooperative non-profit basis for the mutual benefit of its patrons. No interest or dividends shall be paid or payable by the Cooperative on any capital furnished by its patrons.

### **Section 7.02. Patronage Capital in Connection with Furnishing Electric Energy.**

In the furnishing of electric energy the Cooperative's operations shall be so conducted that all patrons will, through their patronage, furnish capital of the



Cooperative. In order to induce patronage and to assure that the Cooperative will operate on a nonprofit basis, the Cooperative is obligated to account on a patronage basis to all its patrons for all amounts received and receivable from the furnishing of electric energy in excess of operating costs and expenses properly chargeable against the furnishing of electric energy. All such amounts in excess of operating costs and expenses at the moment of receipt by the Cooperative are received with the understanding that they are furnished by the patrons as capital. The Cooperative is obligated to pay by credits to a capital account for each patron all such amounts in excess of operating costs and expenses. The books and records of the Cooperative shall be set up and kept in such a manner that at the end of each fiscal year the amount of capital, if any, so furnished by each patron is clearly reflected and credited in an appropriate record to the capital account of each patron. All such amounts credited to the capital account of any patron shall have the same status as though they had been paid to the patron in cash in pursuance of a legal obligation to do so and the patron had then furnished the Cooperative corresponding amounts for capital.

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

In the event of dissolution or liquidation of the Cooperative, after all outstanding indebtedness of the Cooperative shall have been paid, outstanding capital credits shall be retired without priority on a pro rata basis before any payments are made on account of property rights of members: PROVIDED, that insofar as gains may at that time be realized from the sale of any appreciated asset, such gains shall be distributed to all persons who were patrons during the period the asset was owned by the Cooperative in proportion to the amount of business done by such patrons during that period, insofar as is practicable, as determined by the Board of Directors before any payments are made on account of property rights of members. If, at any time prior to dissolution or liquidation, the Board of Directors shall determine that the financial condition of the Cooperative will not be impaired thereby, the capital then credited to patrons' accounts may be retired in full or in part. Any such retirements of capital shall be made in accordance with policies adopted by the Board of Directors at the time of payment: PROVIDED, however, that the Board of Directors shall have the power to adopt rules providing for the separate retirement of that portion ("power supply or other service or supply portion") of capital credited to the accounts of the patrons which corresponds to capital credited to the account of the Cooperative by an organization furnishing power supply or any other service or supply to the Cooperative. Such rules shall (a) establish a method for determining the portion of such capital credited to each patron for each applicable fiscal year, and (b) provide for separate identification

on the Cooperative's books of such portions of capital credited to the Cooperative's patrons.

Notwithstanding any other provisions of these Bylaws, the Board of Directors shall at its discretion have the power at any time upon the death of any patron who was a natural person, if the legal representatives of the estate shall request in writing that the capital so credited, be retired prior to the time such capital would otherwise be retired under the provisions of the Bylaws, to retire such capital immediately upon such terms and conditions as the Board of Directors, acting under policies of general application to situations of like kind, and such legal representatives, shall agree upon: PROVIDED, however, that the financial condition of the Cooperative will not be impaired thereby.

The Cooperative, before retiring any capital credited to any patron's account, may deduct therefrom any amount owing by such patron to the Cooperative, together with interest thereon at the Kentucky legal rate on judgments in effect when such amount became overdue, compounded annually.

The patrons of the Cooperative, by dealing with the Cooperative, acknowledge that the terms and provisions of the Articles of Incorporation and Bylaws shall constitute and be a contract between the Cooperative and each patron, and both the Cooperative and the patrons are bound by such contract, as fully as though each patron had individually signed a separate instrument containing such terms and provisions.

### **Section 7.03. Patronage Refunds in Connection with Furnishing Other Services.**

In the event that the Cooperative should engage in the business of furnishing goods or services other than electric energy, all amounts received and receivable therefrom which are in excess of costs and expenses properly chargeable against the furnishing of such goods or services shall, insofar as permitted by law, be prorated annually on a patronage basis and returned to those patrons from whom such amounts were obtained at such time and in such order or priority as the Board of Directors shall determine.

## **ARTICLE VIII ~ Disposition and Pledging of Property Distribution of Surplus Assets on Dissolution**

### **Section 8.01. Disposition and Pledging of Property.**

Not inconsistently with Kentucky Revised Statutes, Section 279.140 and paragraph 2 hereof, the Cooperative may authorize the sale, lease, lease-sale, exchange, transfer or other disposition of any of the Cooperative's properties and assets only upon the affirmative votes of not less than two-thirds of the then-total members of the Cooperative at a duly held meeting of the members. However,

the Board of Directors shall have full power and authority: a) to borrow monies from any source and in such amounts as the Board may from time to time determine; b) to mortgage or otherwise pledge or encumber any or all of the Cooperative's properties or assets as security therefore; and c) to lease, lease-sell, exchange, transfer or otherwise dispose of services and electric energy, property acquired for resale, merchandise, property not necessary or useful for the operation of the Cooperative: PROVIDED, that sales of such unnecessary property shall not in any one year exceed ten percent (10%) in value of all the property of the Cooperative other than merchandise and property acquired for resale.

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

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

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

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



determines and if such annual meeting is held not sooner than ninety (90) days after the giving of such notice.

(d) Any one hundred (100) or more members, by so petitioning the Board not less than twenty (20) days prior to the date of such special or annual meeting, may cause the Cooperative, with the cost to be borne by the Cooperative, to mail to all members any opposing or alternative positions which they may have to the proposals that have been submitted or any recommendations that the Board has made.

The provisions of the Section 8.01 shall not apply to a sale, lease, lease-sale, exchange, transfer or other disposition to one or more other electric cooperatives or if the substantive or actual legal effect thereof is to merge or consolidate with such other one or more electric cooperatives.

### **Section 8.02. Distribution of Surplus Assets on Dissolution.**

Upon the Cooperative's dissolution, any assets remaining after all liabilities or obligation of the Cooperative have been satisfied and discharged shall, to the extent practicable as determined by the Board of Directors, not inconsistently with the provisions of the third paragraph of Section 9.02 of these Bylaws, be distributed without priority but on a patronage basis among all persons who are members of the Cooperative: PROVIDED, HOWEVER, that, if in the judgment of the Board the amount of such surplus is too small to justify the expense of making such distribution, the Board may, in lieu thereof, donate, or provide for the donation of, such surplus to one or more nonprofit charitable or educational organizations that are exempt from Federal income taxation.

## **ARTICLE IX ~ Seal**

The Corporate seal of the Cooperative shall be in the form of a circle and shall have inscribed thereon the words "Seal, Meade County Rural Electric Cooperative Corporation."

## **ARTICLE X ~ Financial Transactions**

### **Section 10.01. Contracts.**

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

### **Section 10.02. Checks, Drafts, etc.**

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

### **Section 10.03. Deposits, Investments.**

All funds of the Cooperative shall be deposited or invested from time to time to the credit of the Cooperative in such bank or banks or in such financial securities or institution as the Board of Directors may select.

### **Section 10.04. Fiscal year.**

The Cooperative's fiscal year shall begin on the first day of the month of November of each year and end on the last day of the month of October following.

## **ARTICLE XI ~ Membership Certificates**

### **Section 11.01. Certificate of Membership.**

Membership in the Cooperative may, if the Board so resolves be evidenced by a certificate of membership, which shall be in such form and shall contain such provisions as shall be determined by the Board of Directors not contrary to, or inconsistent with, the Cooperative's Articles of Incorporation or its Bylaws. Such certificate, if authorized to be issued by the Board, shall be signed by the Chairman and by the Secretary, and the seal shall be affixed thereto: PROVIDED, that the seal and the signatures of the Chairman and the Secretary may be imprinted thereon by facsimile.

### **Section 11.02. Issue of Membership Certificates.**

No membership certificate shall be issued until any required service security deposits, facilities extension deposits, service connection fees, or contributions in aid of construction have been fully paid.

### **Section 11.03. Lost Certificate.**

In case of a lost, destroyed or mutilated certificate, a new certificate may be issued therefore upon such terms and such indemnity to the Cooperative as the Board of Directors may prescribe.

## **ARTICLE XII ~ Waiver of Notice**

Any member or director may waive in writing any notice of meetings required to be given by these bylaws. In case of a joint membership a waiver of notice signed by either husband or wife shall be deemed a waiver of notice of such meeting by both joint members.

## **ARTICLE XIII ~ Amendments**

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

## **ARTICLE XIV ~ Rules of Order**

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



Meade County Rural Electric Cooperative

Exhibit V

Case No. 2013-00033

page 1 of 3

Statement of Operations

Witness: Karen Brown

November 30, 2012

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	<u>2012</u>	<u>2011</u>
Operating revenue	<u>\$36,508,790</u>	<u>\$35,804,141</u>
Operating expenses:		
Cost of power	20,600,149	20,296,559
Distribution-operations	2,584,668	2,588,022
Distribution-maintenance	3,101,032	2,757,046
Consumer accounts	1,445,103	1,351,228
Consumer service	284,958	245,460
Sales	1,801	(86)
Administrative and general	<u>1,666,092</u>	<u>1,550,486</u>
	29,683,803	28,788,715
Depreciation and amortization	3,346,457	3,200,032
Taxes-other	38,490	33,711
Interest on long term debt	2,133,389	2,104,630
Other interest expense	11,758	6,914
Other deductions	<u>13,442</u>	<u>10,650</u>
	<u>35,227,339</u>	<u>34,144,652</u>
Utility operating margins	1,281,450	1,659,489
Nonoperating margins, interest	281,400	167,954
Income from equity investments	0	0
Nonoperating margins, other	151,459	106,733
G & T capital credits	0	0
Other capital credits	<u>49,929</u>	<u>92,149</u>
Net margins	<u><u>\$1,764,238</u></u>	<u><u>\$2,026,325</u></u>

Meade County Rural Electric Cooperative

Case No. 2013-00033

Balance Sheet

November 30, 2012

Exhibit V

page 2 of 3

Witness: Karen Brown

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<u>ASSETS</u>	<u>2012</u>	<u>2011</u>
Electric Plant:		
In service	\$104,055,571	\$98,544,628
Under construction	1,175,799	1,928,117
	<u>105,231,370</u>	<u>100,472,745</u>
Less accumulated depreciation	29,844,020	28,217,549
	<u>75,387,350</u>	<u>72,255,196</u>
Investments	<u>2,326,867</u>	<u>2,335,397</u>
Current Assets:		
Cash and temporary investments	7,448,295	8,682,737
Accounts receivable, net	3,276,131	2,933,565
Material and supplies	958,923	1,341,325
Prepayments	831,158	388,318
	<u>12,514,507</u>	<u>13,345,945</u>
Total Assets	<u>\$90,228,724</u>	<u>\$87,936,538</u>
 <u>MEMBERS' EQUITIES AND LIABILITIES</u>		
Margins and Equities:		
Memberships	\$90,490	\$94,145
Patronage capital	27,603,907	26,070,776
Other equities	777,986	763,611
	<u>28,472,383</u>	<u>26,928,532</u>
Long Term Debt	<u>55,921,877</u>	<u>56,045,714</u>
Accumulated Operating Provisions	<u>1,382,742</u>	<u>1,303,499</u>
Current Liabilities:		
Accounts payable	2,413,361	1,633,042
Consumer deposits	797,814	760,353
Accrued expenses	661,377	684,138
	<u>3,872,552</u>	<u>3,077,533</u>
Consumer advances	<u>579,170</u>	<u>581,260</u>
Total Members' Equities and Liabilities	<u>\$90,228,724</u>	<u>\$87,936,538</u>

Meade County Rural Electric Cooperative

Exhibit V

Case No. 2013-00033

page 3 of 3

Statement of Cash Flows

Witness: Karen Brown

November 30, 2012

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	<u>2012</u>	<u>2011</u>
<b>Cash Flows from Operating Activities:</b>		
Net margins	\$1,764,238	\$2,026,325
Adjustments to reconcile to net cash provided by operating activities:		
Depreciation		
Charged to expense	3,346,457	3,200,032
Charged to clearing accounts	288,371	238,425
Patronage capital credits	(49,929)	(92,149)
Accumulated postretirement benefits	79,243	(140,329)
Net change in current assets and liabilities:		
Receivables	(342,566)	(192,701)
Material and supplies	382,402	(88,482)
Prepayments and deferred debits	(442,840)	194,731
Accounts payables	780,319	126,656
Consumer deposits	37,461	49,749
Accrued expenses	(22,761)	232,131
Consumer advances	(2,090)	12,948
	<u>5,818,305</u>	<u>5,567,336</u>
<b>Cash Flows from Investing Activities:</b>		
Plant additions	(5,372,830)	(5,230,487)
Additional investments, net of receipts	58,459	78,477
	<u>(5,314,371)</u>	<u>(5,152,010)</u>
<b>Cash Flows from Financing Activities:</b>		
Memberships	(3,655)	(3,780)
Refund of capital credits	(176,471)	(196,586)
Other equities	32,045	16,702
Additional long-term borrowings	2,000,000	5,000,000
Advance payments on long term debt	(1,016,974)	(587,596)
Payments on long-term debt	(2,753,447)	(2,695,152)
	<u>(1,738,376)</u>	<u>1,533,588</u>
Net increase in cash	(1,234,442)	1,948,914
Cash balances - beginning	<u>8,682,737</u>	<u>6,733,823</u>
Cash balances - ending	<u>\$7,448,295</u>	<u>\$8,682,737</u>









Meade County RECC  
Case No. 2013-00033  
Comparative Balance Sheet Accounts

Account Title	Acct. #	December 1st Month	January 2nd Month	February 3rd Month	March 4th Month	April 5th Month	May 6th Month	June 7th Month	July 8th Month	August 9th Month	September 10th Month	October 11th Month	November 12th Month
144													
145	Construction WIP - building	107.130	-	-	-	-	-	-	-	35	47	-	23
146	Prior year		-	-	-	-	-	-	-	-	-	-	-
147	Change		-	-	-	-	-	-	-	35	47	-	23
148													
149	Construction WIP	107.200	78	59	(69)	29	(234)	(45)	3	32	(16)	13	95 (106)
150	Prior year		(90)	(10)	13	82	(410)	68	61	32	86	29	(62) (123)
151	Change		168	69	(82)	(54)	176	(113)	(58)	(0)	(102)	(15)	158 17
152													
153	Construction WIP-Cont.	107.210	79	(361)	226	7	(654)	192	25	(62)	(110)	(116)	378 (312)
154	Prior year		(17)	77	76	53	4	(86)	48	167	10	73	247 (425)
155	Change		96	(439)	150	(46)	(657)	278	(23)	(229)	(120)	(189)	131 113
156													
157	Construction WIP Special Equipmen	107.300	-	-	-	-	0	(0)	-	-	-	-	(1) 1
158	Prior year		-	-	0	(0)	-	-	-	-	-	-	(0) 0
159	Change		-	-	(0)	0	0	(0)	-	-	-	-	(1) 1
160													
161	WIP Contribution	107.310	(36)	111	(13)	(228)	292	8	(12)	1	10	(3)	(3) (2)
162	Prior year		3	3	(10)	(17)	(24)	(30)	(5)	(39)	(11)	(45)	95 (35)
163	Change		(39)	108	(3)	(211)	316	38	(8)	40	21	42	(98) 33
164													
165	WIP Contribution	107.320	(111)	(3)	(0)	(0)	0	(0)	13	(12)	4	(1)	(0) 2
166	Prior year		(1)	(5)	11	16	(21)	30	(3)	(17)	(6)	(0)	(0) 104
167	Change		(110)	1	(11)	(16)	21	(30)	16	5	9	(1)	(0) (102)
168													
169													
170	<b>Total CWIP</b>	12/11 -11/12	(8)	(178)	151	(185)	(590)	117	41	0	(50)	(114)	489 (426)
171	Prior year	12/10-11/11	(123)	71	84	163	(462)	(14)	89	139	95	55	290 (492)
172	Change		115	(249)	67	(348)	(128)	131	(48)	(139)	(145)	(169)	200 65
173													
174	Retirement Workorders	108.200	4	25	(25)	3	(6)	(5)	6	(6)	1	(3)	9 (10)
175	Prior year		(3)	(10)	3	12	6	(17)	8	(1)	8	4	(12) (33)
176	Change		7	35	(27)	(9)	(12)	12	(2)	(5)	(7)	(7)	21 23
177													
178	Retirement Workorders-Cont.	108.210	31	(35)	39	1	(116)	26	(13)	(15)	(17)	(9)	41 (51)
179	Prior year		(49)	26	(15)	6	13	(6)	13	54	(36)	10	74 (65)
180	Change		80	(61)	54	(5)	(129)	32	(26)	(69)	19	(18)	(33) 14
181													
182	Acc Prov Deprec of Dist Plt	108.600	1	0	(124)	1	1	0	(14)	(74)	(20)	1	1 2
183	Prior year		(15)	(109)	0	1	0	0	1	(5)	(90)	1	0 1
184	Change		15	109	(124)	(0)	0	0	(15)	(70)	70	(0)	1 1
185													
186	20" &25' Pole Depreciation	108.650	8	8	16	7	12	15	12	11	19	12	10 22
187	Prior year		19	14	10	5	9	10	14	11	10	12	9 19
188	Change		(12)	(6)	5	2	3	5	(2)	(0)	10	0	1 3
189													
190	30' Pole Depreciation	108.651	5	21	24	6	45	25	34	18	27	20	10 46







Meade County RECC  
Case No. 2013-00033  
Comparative Balance Sheet Accounts

Account Title	Acct. #	December 1st Month	January 2nd Month	February 3rd Month	March 4th Month	April 5th Month	May 6th Month	June 7th Month	July 8th Month	August 9th Month	September 10th Month	October 11th Month	November 12th Month
285													
286	Acc Deprec/Tool Shop & Garage	108.750	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
287	Prior year		(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
288	Change		0	0	0	0	0	0	0	0	0	(0)	(0)
289													
290	Acc Deprec/Lab. Equip.	108.760	-	-	-	-	-	-	-	-	-	-	-
291	Prior year		(0)	(0)	(0)	(0)	(0)	(0)	5	(0)	(0)	(0)	-
292	Change		0	0	0	0	0	0	(5)	0	0	0	-
293													
294	Acc Deprec/Communications Equip	108.780	(1)	(1)	(1)	(1)	(1)	(1)	(0)	(0)	(0)	(0)	(0)
295	Prior year		(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
296	Change		0	0	0	0	0	0	1	1	1	1	1
297													
298	Acc Dep./Misc	108.790	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
299	Prior year		(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
300	Change		(0)	(0)	(0)	(0)	-	-	-	-	-	-	-
301													
302	<b>Total Reserve for Depreciation</b>	12/11 -11/12	(105)	(133)	(251)	(114)	(60)	(159)	(114)	(283)	(148)	(8)	(192)
303	Prior year	12/10-11/11	(130)	(280)	(140)	(220)	(154)	(102)	(172)	(132)	(222)	(102)	(111)
304	Change		25	147	(111)	105	94	(58)	58	(151)	74	94	(81)
305													
306	Investment in Assoc Co	123.000	-	-	-	-	-	-	-	-	-	-	-
307	Prior year		-	-	-	-	-	-	-	-	-	-	-
308	Change		-	-	-	-	-	-	-	-	-	-	-
309													
310	Patronage Capital - Assoc Org.	123.100	(5)	-	-	5	-	(10)	19	-	-	14	-
311	Prior year		(7)	-	(16)	16	-	-	6	-	-	-	46
312	Change		3	-	16	(11)	-	(10)	13	-	-	14	(46)
313													
314	Big Rivers Patronage Capital	123.101	-	-	-	-	-	-	-	-	-	-	-
315			-	-	-	-	-	-	-	-	-	-	-
316	Change		-	-	-	-	-	-	-	-	-	-	-
317													
318	Invest in Assoc. Orf. -ORSC	123.110	-	-	-	-	-	-	-	-	-	-	-
319	Prior year		-	-	-	-	-	-	-	-	-	-	-
320	Change		-	-	-	-	-	-	-	-	-	-	-
321													
322	Invest in Subsidiary Co. -ORSC	123.120	-	-	-	-	-	-	-	-	-	-	-
323	Prior year		-	-	-	-	-	-	-	-	-	-	-
324	Change		-	-	-	-	-	-	-	-	-	-	-
325													
326	Subscriptions to Cap. Term Cert. CFC	123.210	-	-	-	-	-	-	-	-	-	-	-
327	Prior year		-	-	-	-	-	-	-	-	-	-	-
328	Change		-	-	-	-	-	-	-	-	-	-	-
329													
330	Invest in Cap. Term Cert. CFC	123.220	-	-	-	(2)	-	-	-	(29)	-	-	-
331	Prior year		-	-	-	(2)	-	-	-	(29)	-	-	-

Meade County RECC  
Case. No. 2013-00033  
Comparative Balance Sheet Accounts

Account Title	Acct. #	December 1st Month	January 2nd Month	February 3rd Month	March 4th Month	April 5th Month	May 6th Month	June 7th Month	July 8th Month	August 9th Month	September 10th Month	October 11th Month	November 12th Month
332 Change		-	-	-	(0)	-	-	-	-	-	-	-	-
333													
334 Other Invest. in Assoc. Org.	123.230	-	-	-	-	-	-	-	-	-	-	-	-
335 Prior year		-	-	-	-	-	-	-	-	-	-	-	-
336 Change		-	-	-	-	-	-	-	-	-	-	-	-
337													
338 Investment - Economic Devel Project	123.240	-	-	-	-	-	-	-	-	-	-	-	-
339 Prior year		-	-	-	-	-	-	-	-	-	-	-	-
340 Change		-	-	-	-	-	-	-	-	-	-	-	-
341													
342 Other Investments	124.200	-	-	-	-	-	-	-	-	-	-	-	-
343 Prior year		-	-	-	-	-	-	-	-	-	-	-	-
344 Change		-	-	-	-	-	-	-	-	-	-	-	-
345													
346 Other Spec. Funds - Defer Comp.	128.000	-	-	-	-	-	-	-	-	-	-	-	-
347 Prior year		-	-	-	-	-	-	-	-	-	-	-	-
348 Change		-	-	-	-	-	-	-	-	-	-	-	-
349													
350 Spec Funds Reserve Defer Comp.	128.100	-	-	-	-	-	-	-	-	-	-	-	-
351 Prior year		-	-	-	-	-	-	-	-	-	-	-	-
352 Change		-	-	-	-	-	-	-	-	-	-	-	-
353													
354 Other Special Funds - Mint Plan	128.200	-	-	-	-	-	-	-	-	-	-	-	-
355 Prior year		-	-	-	-	-	-	-	-	-	-	-	-
356 Change		-	-	-	-	-	-	-	-	-	-	-	-
357													
358 <b>Total Investments</b>	12/11 -11/12	(5)	-	-	3	-	(10)	19	(29)	-	14	-	-
359 Prior year	12/10-11/11	(7)	-	(16)	15	-	-	6	(29)	-	-	46	-
360 Change		3	-	16	(11)	-	(10)	13	-	-	14	(46)	-
361													
362 Cash Gen Fund - Meade Co. Bank	131.100	(74)	(501)	1,436	(315)	(163)	(2,175)	(983)	1,405	(183)	1,370	(706)	(1,140)
363 Prior year		765	(859)	538	(344)	(53)	395	(13)	4,330	(1,367)	92	2,574	(3,469)
364 Change		(839)	358	899	29	(110)	(2,571)	(971)	(2,925)	1,184	1,278	(3,280)	2,329
365													
366 Cash Gen Fund - First Federal	131.101	32	42	43	42	36	28	31	36	(459)	39	34	28
367 Prior year		31	44	(491)	49	34	(114)	29	32	39	38	33	28
368 Change		1	(2)	534	(7)	2	143	2	4	(498)	1	1	1
369													
370 Cash Gen Fund - Republic Bank	131.102	-	-	-	-	-	-	-	-	-	-	-	-
371 Prior year		-	-	-	-	-	-	-	-	-	-	-	-
372 Change		-	-	-	-	-	-	-	-	-	-	-	-
373													
374 Cash - Payroll Acct.	131.150	-	-	-	-	-	-	-	-	-	-	-	-
375 Prior year		-	-	-	-	-	-	-	-	-	-	-	-
376 Change		-	-	-	-	-	-	-	-	-	-	-	-
377													
378 Cash Gen Fund Farmers H-burg	131.160	4	(1)	(1)	(2)	4	(1)	(1)	(2)	3	(2)	(2)	4





Meade County RECC  
Case No. 2013-00033  
Comparative Balance Sheet Accounts

Account Title	Acct. #	December 1st Month	January 2nd Month	February 3rd Month	March 4th Month	April 5th Month	May 6th Month	June 7th Month	July 8th Month	August 9th Month	September 10th Month	October 11th Month	November 12th Month
426 Capital Refund Acct. MC Bk	131.170	-	-	-	-	-	-	-	-	-	-	-	-
427 Prior year		(0)	-	(0)	-	-	-	-	-	-	-	-	(0)
428 Change		0	-	0	-	-	-	-	-	-	-	-	0
429													
430 Temporary Cash Investments	136.000	-	-	-	-	-	-	-	-	-	-	-	-
431 Prior year		-	-	-	-	-	-	-	-	-	-	-	-
432 Change		-	-	-	-	-	-	-	-	-	-	-	-
433													
434 Temporary Investments	12/11 -11/12	554	(1,350)	702	708	562	500	518	(1,364)	259	(1,337)	638	493
435 Prior year	12/10-11/11	(1,511)	661	(2,068)	729	549	(1,571)	(482)	641	736	717	592	503
436 Change		2,066	(2,011)	2,770	(21)	13	2,071	1,000	(2,005)	(477)	(2,054)	46	(10)
437													
438 Customer Accts. Rec. Elec	142.000	629	564	(165)	(898)	(389)	125	500	633	(69)	(575)	(520)	465
439 Prior year		1,261	668	(641)	(834)	(250)	(285)	456	554	32	(640)	(405)	181
440 Change		(632)	(104)	476	(64)	(139)	410	44	79	(100)	65	(115)	284
441													
442 Accounts Rec.	142.150	(1)	(2)	(3)	(1)	(2)	(2)	(1)	(2)	(2)	(1)	(2)	(1)
443 Prior year		-	-	-	-	-	-	-	-	(1)	1	(2)	(1)
444 Change		(1)	(2)	(3)	(1)	(2)	(2)	(1)	(2)	(1)	(2)	0	(1)
445													
446 Accounts Rec. Other	143.100	37	(2)	6	75	(130)	8	6	(11)	14	(7)	29	9
447 Prior year		130	(118)	(20)	14	127	17	(130)	(1)	29	(156)	(28)	158
448 Change		(93)	117	26	61	(257)	(9)	136	(10)	(15)	148	57	(149)
449													
450 Accts Rec Employee's 401k	143.200	-	-	-	-	-	-	-	-	-	-	-	-
451 Prior year		-	-	-	-	-	-	-	-	-	-	-	-
452 Change		-	-	-	-	-	-	-	-	-	-	-	-
453													
454 Accts Rec Employee' Ins Major Med	143.300	0	1	1	1	2	(1)	1	1	1	1	1	(1)
455 Prior year		(1)	(0)	0	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
456 Change		1	1	1	1	2	(1)	1	1	1	1	1	(1)
457													
458 Accts Rec Ins Other Calico Cancer	143.310	(1)	-	-	-	-	-	-	-	-	-	1	(1)
459 Prior year		-	(0)	-	-	0	-	-	-	-	(2)	2	1
460 Change		(1)	0	-	-	(0)	-	-	-	-	2	(1)	(2)
461													
462 Accts Rec Life Ins Employees	143.320	(0)	0	0	0	0	(0)	0	0	0	0	0	(0)
463 Prior year		(0)	0	0	0	0	0	(0)	0	0	(0)	0	0
464 Change		(0)	(0)	0	(0)	(0)	(0)	0	(0)	0	0	(0)	(1)
465													
466 Accts Rec Directors' Ins Major Med	143.400	-	(0)	0	-	-	-	-	-	-	-	-	-
467 Prior year		-	-	-	-	-	-	-	-	-	-	-	-
468 Change		-	(0)	0	-	-	-	-	-	-	-	-	-
469													
470 Accts Rec Big Riv Rebates	143.510	-	(0)	(2)	(1)	(0)	-	-	-	-	-	(0)	(0)
471 Prior year		0	(0)	1	(1)	1	(3)	(1)	1	1	(1)	(0)	0
472 Change		(0)	0	(3)	0	(1)	3	1	(1)	(1)	1	0	(0)

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473													
474 Accts Rec	143.600	18	4	19	(2)	(0)	(71)	(12)	0	2	(3)	1	43
475 Prior year		(49)	40	1	(10)	(37)	1	1	(2)	2	3	(1)	40
476 Change		67	(36)	18	8	37	(72)	(13)	2	0	(6)	2	2
477													
478 Acc Prov for Uncoll Accts Cust	144.100	(5)	(3)	(5)	(4)	(1)	37	(4)	(4)	(4)	(5)	(3)	31
479 Prior year		36	(4)	(4)	(5)	(3)	28	(3)	(3)	(5)	(4)	(1)	44
480 Change		(41)	1	(1)	1	2	9	(1)	(0)	1	(1)	(2)	(13)
481													
482 Acc Prov for Uncoll Accts Bankrupt	144.110	(0)	(0)	(0)	-	-	0	-	(0)	(0)	(0)	(1)	(0)
483 Prior year		1	-	-	-	-	0	(0)	-	(0)	(0)	-	1
484 Change		(1)	(0)	(0)	-	-	(0)	0	(0)	0	0	(1)	(2)
485													
486 Reserve for Uncoll Accts Other	144.200	-	(0)	-	-	-	-	-	-	-	-	-	-
487 Prior year		6	(0)	-	-	-	-	-	-	-	-	(0)	8
488 Change		(6)	0	-	-	-	-	-	-	-	-	0	(8)
489													
490 Notes Receivable - KTI	145.000	-	-	-	-	-	-	-	-	-	-	-	-
491 Prior year		-	-	-	-	-	-	-	-	-	-	-	-
492 Change		-	-	-	-	-	-	-	-	-	-	-	-
493													
494 <b>Total Receivables</b>	12/11 -11/12	677	563	(150)	(830)	(520)	96	489	617	(57)	(592)	(494)	543
495 Prior year	12/10-11/11	1,384	586	(663)	(836)	(161)	(242)	321	548	58	(800)	(435)	433
496 Change		(707)	(22)	513	7	(359)	338	168	69	(115)	208	(59)	110
497													
498 Plant Matl & Oper Supplies	154.000	89	81	(9)	126	(274)	(29)	(86)	(6)	101	(52)	(311)	(12)
499 Prior year		(31)	99	(239)	14	65	90	44	139	(211)	22	(24)	121
500 Change		119	(18)	230	112	(339)	(119)	(129)	(145)	312	(73)	(287)	(133)
501													
502 Material & Supplies - Garages	154.100	(1)	-	-	-	-	-	-	-	-	-	-	-
503 Prior year		(0)	0	-	(0)	0	1	-	-	-	-	-	-
504 Change		(0)	(0)	-	0	(0)	(1)	-	-	-	-	-	-
505													
506 KTI Inventory	156.100	-	-	-	-	-	-	-	-	-	-	-	-
507 Prior year		-	-	-	-	-	-	-	-	-	-	-	-
508 Change		-	-	-	-	-	-	-	-	-	-	-	-
509													
510 Stores Expense - Clearing	163.000	-	-	-	(26)	26	0	(0)	-	-	-	-	-
511 Prior year		-	-	-	-	-	-	-	-	-	-	-	-
512 Change		-	-	-	(26)	26	0	(0)	-	-	-	-	-
513													
514 <b>Total Materials &amp; Supplies</b>	12/11 -11/12	88	81	(9)	101	(248)	(29)	(86)	(6)	101	(52)	(311)	(12)
515 Prior year	12/10-11/11	(31)	100	(239)	14	65	90	44	139	(211)	22	(24)	121
516 Change		119	(19)	230	86	(313)	(119)	(129)	(145)	312	(73)	(287)	(133)
517													
518 Prepayments Insurance	165.100	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	155	(14)	(14)	(14)
519 Prior year		(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	156	(14)	(14)	(14)







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614 Misc Deferred Debits-	186.650	-	-	-	-	-	-	-	-	-	-	-	-
615 Prior year		25	-	-	-	-	-	-	-	-	-	-	-
616 Change		(25)	-	-	-	-	-	-	-	-	-	-	-
617													
618 Misc Deferred Debit Patronage Cap	186.700	-	-	-	-	-	-	-	-	-	-	-	-
619 Prior year		-	-	-	-	-	-	-	-	-	-	-	-
620 Change		-	-	-	-	-	-	-	-	-	-	-	-
621													
622 Unamort Loss on Reacquired Debt 9	189.100	-	-	-	-	-	-	-	-	-	-	-	-
623 Prior year		-	-	-	-	-	-	-	-	-	-	-	-
624 Change		-	-	-	-	-	-	-	-	-	-	-	-
625													
626 Unamort Loss on Reacquired Debt 9	189.200	-	-	-	-	-	-	-	-	-	-	-	-
627 Prior year		-	-	-	-	-	-	-	-	-	-	-	-
628 Change		-	-	-	-	-	-	-	-	-	-	-	-
629													
630 Unamort Loss on Reacquired Debt 9	189.300	-	-	-	-	-	-	-	-	-	-	-	-
631 Prior year		-	-	-	-	-	-	-	-	-	-	-	-
632 Change		-	-	-	-	-	-	-	-	-	-	-	-
633													
634 Unamort Loss on Reacquired Debt 9	189.400	-	-	-	-	-	-	-	-	-	-	-	-
635 Prior year		-	-	-	-	-	-	-	-	-	-	-	-
636 Change		-	-	-	-	-	-	-	-	-	-	-	-
637													
638 Unamort Loss on Reacquired Debt 9	189.500	-	-	-	-	-	-	-	-	-	-	-	-
639 Prior year		-	-	-	-	-	-	-	-	-	-	-	-
640 Change		-	-	-	-	-	-	-	-	-	-	-	-
641													
642 <b>Total Deferred Debits</b>	12/11 -11/12	11	(7)	(7)	(6)	(7)	(6)	(7)	(7)	(7)	(7)	22	(7)
643 Prior year	12/10-11/11	37	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	34	(6)	(6)
644 Change		(26)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(41)	(0)	29
645				2,231	434	21	1,182	484	876	100	344	390	358
646 <b>TOTAL ASSETS &amp; DEBITS</b>	12/11 -11/12	1,560	(971)	2,227	(434)	19	(1,185)	483	874	99	(345)	(391)	356
647 Prior year	12/10-11/11	826	801	(2,786)	(192)	414	(1,208)	124	6,160	(221)	235	3,143	(2,515)
648 Change		734	(1,771)	5,013	(242)	(395)	24	359	(5,285)	320	(580)	(3,534)	2,871
649													
650 Memberships - Issued	200.100	0	0	0	0	0	0	0	0	0	0	0	0
651 Prior year		0	0	0	0	0	0	0	0	0	0	0	0
652 Change		0	0	(0)	(0)	0	(0)	-	(0)	0	0	0	0
653													
654 Memberships - Issued \$15.00	200.110	0	0	0	0	0	0	0	0	0	0	0	0
655 Prior year		0	0	0	0	0	0	0	0	0	0	0	0
656 Change		0	(0)	(0)	(0)	0	(0)	(0)	(0)	0	(0)	(0)	0
657													
658 Total memberships	****	0	0	0	0	0	0	0	0	1	0	0	0
659 Prior year		0	0	0	0	0	0	0	0	0	0	0	0
660 Change		0	0	(0)	(0)	0	(0)	(0)	(0)	0	-	(0)	0





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763 Total Long Term Debt	12/11 -11/12	(227)	1,904	(2,002)	(226)	(87)	1,454	(233)	(92)	(19)	(235)	(95)	(18)
764 Prior year	12/10-11/11	113	58	2,470	(193)	(98)	1,445	(199)	(5,104)	(31)	(206)	(3,856)	2,629
765 Change		(339)	1,845	(4,472)	(33)	11	10	(34)	5,011	12	(29)	3,761	(2,647)
766													
767 ACC PROV FOR PENSIONS & BEN	228.300	(11)	(5)	(5)	(5)	(5)	(10)	(5)	(5)	(5)	(5)	(5)	(11)
768 Prior year		(19)	(13)	(13)	(13)	(13)	(13)	(17)	(13)	(13)	(13)	(13)	(4)
769 Change		8	8	8	8	8	3	11	8	8	8	8	(7)
770													
771 ACC PROV DEFERRED COMP BEN	228.310	-	-	-	-	-	-	-	-	-	-	-	-
772 Prior year		-	-	-	-	-	-	-	-	-	-	-	-
773 Change		-	-	-	-	-	-	-	-	-	-	-	-
774													
775 Post Retirement Benefits	12/11 -11/12	(11)	(5)	(5)	(5)	(5)	(10)	(5)	(5)	(5)	(5)	(5)	(11)
776 Prior year	12/10-11/11	(19)	(13)	(13)	(13)	(13)	(13)	(17)	(13)	(13)	(13)	(13)	(4)
777 Change		8	8	8	8	8	3	11	8	8	8	8	(7)
778													
779 Notes Payable - CFC Line of Credit	231.000	-	-	-	-	-	-	-	-	-	-	-	-
780 Prior year		-	-	-	-	-	-	-	-	-	-	-	-
781 Change		-	-	-	-	-	-	-	-	-	-	-	-
782													
783 Accounts Payable - General	232.100	(671)	(125)	124	569	225	(553)	(131)	(353)	102	696	(256)	(242)
784 Prior year		(572)	16	435	594	(23)	(420)	145	(749)	582	(236)	405	217
785 Change		(99)	(141)	(311)	(25)	248	(133)	(276)	396	(480)	932	(662)	(459)
786													
791 Accounts Payable Capital Credits	232.120	-	-	-	-	-	-	-	-	-	-	-	-
792 Prior year		-	-	-	-	-	-	-	-	-	-	-	-
793 Change		-	-	-	-	-	-	-	-	-	-	-	-
794													
795 Accounts Payable - Homestead Funr	232.200	-	-	-	-	-	-	-	-	-	-	-	-
796 Prior year		-	-	-	-	-	-	-	-	-	-	-	-
797 Change		-	-	-	-	-	-	-	-	-	-	-	-
798													
799 401K Loans	232.210	0	0	-	(0)	0	0	-	(0)	-	(0)	-	-
800 Prior year		(0)	(0)	(0)	-	(1)	(0)	0	-	-	0	0	0
801 Change		0	1	0	(0)	1	1	(0)	(0)	-	(0)	(0)	(0)
802													
803 Accts Payable Other Cr Un Bd Prog	232.300	-	-	-	-	-	-	-	-	-	-	-	-
804 Prior year		-	-	-	-	-	-	-	-	-	-	-	-
805 Change		-	-	-	-	-	-	-	-	-	-	-	-
806													
807 Accounts Payable Wintercare	232.400	(0)	(0)	0	(0)	0	(0)	(0)	(0)	(0)	(0)	(0)	(0)
808 Prior year		(0)	0	(0)	(0)	0	(0)	(0)	(0)	(0)	(0)	(0)	(0)
809 Change		0	(0)	0	(0)	(0)	(0)	(0)	0	0	0	(0)	0
810													
811 Accounts Payable - ACRE	232.500	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	2	(0)	(0)	(0)
812 Prior year		(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	2	(0)	(0)	(0)
813 Change		0	0	0	0	(0)	(0)	0	(0)	(0)	(0)	(0)	(0)



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814														
815	Accounts Payable - Charitable Contr	232.600	(0)	(0)	(0)	(0)	(0)	(0)	1	(0)	(0)	(0)	(0)	
816	Prior year		(0)	(0)	(0)	(0)	(0)	(0)	1	(0)	(0)	(0)	(0)	
817	Change		0	0	-	-	-	(0)	(0)	-	-	-	(0)	
818														
819	Accounts Payable - Tree Trimming C	232.700	(50)	(75)	(38)	(65)	35	35	0	25	(13)	(75)	130	(50)
820	Prior year		(62)	(60)	(44)	(14)	(10)	127	(35)	81	(60)	46	78	(60)
821	Change		12	(15)	6	(51)	45	(92)	35	(56)	47	(120)	53	10
822														
823	Accounts Payable - Benefit Contract	232.800	(25)	-	-	-	-	-	-	-	-	-	-	-
824	Prior year		(50)	-	-	-	-	-	-	-	-	-	-	-
825	Change		25	-	-	-	-	-	-	-	-	-	-	-
826														
836	Total Payables	12/11 -11/12	(746)	(200)	86	503	260	(518)	(131)	(328)	91	620	(126)	(292)
837	Prior year	12/10-11/11	(685)	(45)	391	579	(34)	(294)	111	(668)	524	(191)	483	158
838	Change		(61)	(156)	(305)	(76)	294	(224)	(241)	340	(433)	811	(610)	(450)
839														
840	Customer Deposit	235.000	(6)	12	(15)	0	(7)	0	(16)	2	(6)	3	(3)	(3)
841	Prior year		6	(6)	(9)	(12)	(8)	(5)	1	(1)	1	(6)	(4)	(7)
842	Change		(11)	18	(6)	12	1	5	(17)	3	(7)	8	1	4
843														
844	Customer Deposit - INSPECTIONS	235.100	-	-	-	-	-	-	-	-	-	-	-	-
845	Prior year		-	-	-	-	-	-	-	-	-	-	-	-
846	Change		-	-	-	-	-	-	-	-	-	-	-	-
847														
848	Total Customer Deposits	12/11 -11/12	(6)	12	(15)	0	(7)	0	(16)	2	(6)	3	(3)	(3)
849	Prior year	12/10-11/11	6	(6)	(9)	(12)	(8)	(5)	1	(1)	1	(6)	(4)	(7)
850	Change		(11)	18	(6)	12	1	5	(17)	3	(7)	8	1	4
851														
852	Accrued Property Tax	236.100	(55)	(51)	(68)	(68)	(68)	(68)	(68)	(68)	191	(68)	485	(74)
853	Prior year		(75)	(67)	(67)	(67)	(67)	(67)	(67)	(67)	181	(67)	464	(67)
854	Change		20	17	(0)	(0)	(0)	(0)	(0)	(0)	10	(0)	21	(6)
855														
856	Accrued Federal Employment Tax	236.200	(0)	0	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
857	Prior year		(0)	0	-	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
858	Change		0	(0)	(0)	0	(0)	(0)	0	0	0	0	0	(0)
859														
860	Accrued US Soc Sec Tax FICA	236.300	-	(0)	0	(0)	-	-	-	-	-	-	-	3
861	Prior year		0	0	0	(0)	-	-	-	-	-	-	-	-
862	Change		(0)	(0)	0	0	-	-	-	-	-	-	-	3
863														
864	Accrued State Unemployment Tax	236.400	(0)	(3)	(3)	(0)	6	(0)	(0)	0	(0)	(0)	0	(0)
865	Prior year		(0)	(3)	(2)	(0)	6	(0)	(0)	0	(0)	(0)	0	(0)
866	Change		0	(0)	(0)	0	1	(0)	0	0	0	0	0	(0)
867														
868	Accrued State Sales Tax Consumers	236.500	(1)	(2)	1	2	(0)	(3)	(0)	(4)	(2)	4	2	(1)
869	Prior year		(1)	(2)	2	1	(1)	(7)	3	(1)	(2)	3	4	(0)

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870 Change		0	(0)	(1)	1	1	4	(3)	(3)	1	1	(2)	(0)
871													
872 Sales Tax -WildBlue	236.510	-	-	-	-	-	-	-	-	-	-	-	-
873 Prior year		0	(0)	0	(0)	(0)	0	-	-	-	-	-	-
874 Change		(0)	0	(0)	0	0	(0)	-	-	-	-	-	-
875													
876 Acc Gross Rev or Gross Rec Tax	236.600	(16)	(12)	9	26	6	(7)	(14)	(16)	7	19	8	(16)
877 Prior year		(34)	(5)	20	16	8	0	(14)	(14)	1	19	7	(9)
878 Change		18	(8)	(11)	9	(2)	(8)	0	(2)	5	(0)	1	(7)
879													
880 Accrued Taxes - Other PSC	236.700	(3)	(3)	(3)	(3)	(3)	(3)	(4)	42	(4)	(4)	(4)	(4)
881 Prior year		(3)	(3)	(3)	(3)	(3)	(3)	35	(3)	(3)	(3)	(3)	(3)
882 Change		(0)	(0)	(0)	(0)	(0)	(0)	(39)	45	(1)	(1)	(1)	(1)
883													
884 Franchise Tax	236.800	(0)	(0)	0	1	0	(0)	(1)	(1)	(0)	1	1	(0)
885 Prior year		(1)	(0)	0	0	(0)	0	(1)	(0)	(0)	1	1	(0)
886 Change		0	(0)	(0)	0	0	(0)	0	(0)	0	0	0	(0)
887													
888 Utility Taxes - City	236.900	(0)	(0)	0	0	(0)	(0)	(0)	(0)	0	0	1	(0)
889 Prior year		(0)	(0)	0	0	(0)	(0)	(1)	(0)	0	0	1	(0)
890 Change		0	(0)	(0)	0	0	(0)	0	(0)	(0)	0	0	(0)
891													
892 Int Accured REA Const Obligation	237.100	-	-	-	-	-	-	-	-	-	-	-	-
893 Prior year		-	-	-	-	-	-	-	-	-	-	-	-
894 Change		-	-	-	-	-	-	-	-	-	-	-	-
895													
896 Interest Accrued FFB Notes	237.200	66	(33)	(33)	66	(74)	-	74	(47)	(50)	97	(49)	(54)
897 Prior year		66	(33)	(33)	65	(33)	(33)	65	(32)	(34)	66	(33)	(33)
898 Change		0	(0)	(0)	0	(42)	33	9	(15)	(16)	31	(16)	(21)
899													
900 Interest Accrued - CFC	237.400	(39)	(39)	77	(38)	(38)	77	(19)	(19)	39	(19)	(19)	38
901 Prior year		(49)	(49)	97	(48)	(48)	96	(39)	(39)	79	(39)	(39)	78
902 Change		10	10	(20)	10	10	(20)	20	20	(40)	20	20	(40)
903													
908 Patronage Refunds	238.100	-	-	-	-	-	-	-	-	-	-	-	-
909 Prior year		0	0	0	-	(0)	0	22	-	-	-	-	-
910 Change		(0)	(0)	(0)	-	0	(0)	(22)	-	-	-	-	-
911													
912 Tax Coll Payable Emp Income Feder	241.100	-	-	(0)	0	-	-	-	-	-	-	-	5
913 Prior year		-	-	-	-	-	-	-	-	-	-	-	-
914 Change		-	-	(0)	0	-	-	-	-	-	-	-	5
915													
916 Tax Col Payable Emp Income State	241.200	(8)	16	(8)	-	-	-	-	-	-	-	-	-
917 Prior year		(7)	7	-	-	-	(7)	7	-	-	(7)	7	-
918 Change		(1)	8	(8)	-	-	7	(7)	-	-	7	(7)	-
919													
920 OCCUPATIONAL TAX PAYABLE	241.300	(0)	0	(0)	(0)	0	(0)	(0)	0	(0)	(0)	0	(0)

Meade County RECC  
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Account Title	Acct. #	December 1st Month	January 2nd Month	February 3rd Month	March 4th Month	April 5th Month	May 6th Month	June 7th Month	July 8th Month	August 9th Month	September 10th Month	October 11th Month	November 12th Month
921 Prior year		(0)	0	(0)	(0)	0	(0)	(0)	0	(0)	(0)	0	(0)
922 Change		(0)	0	0	0	(0)	(0)	0	(0)	(0)	(0)	(0)	(0)
923													
924 Accrued Payroll	242.200	105	(65)	(8)	(28)	(23)	146	(57)	(28)	(45)	5	(50)	120
925 Prior year		90	(45)	60	(103)	(25)	(0)	75	50	(87)	(17)	(32)	17
926 Change		15	(19)	(68)	75	2	146	(133)	(78)	43	22	(18)	103
927													
928 Accrued Prov. - Sick Leave	242.320	12	(14)	3	(2)	(0)	(2)	(2)	(12)	(1)	(27)	(0)	10
929 Prior year		0	(1)	0	(6)	(0)	(18)	(2)	(3)	(2)	(13)	(2)	(2)
930 Change		12	(14)	3	4	(0)	16	(0)	(9)	1	(14)	2	12
931													
932 Other Curr and Acc Liab Audit Exp	242.500	(1)	8	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
933 Prior year		6	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
934 Change		(7)	8	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
935													
940 O/H Distribution - 401K Company P	242.900	-	2	(1)	(1)	2	(2)	(1)	2	(1)	(1)	2	(2)
941 Prior year		-	3	-	-	(3)	-	-	3	-	-	(3)	(0)
942 Change		-	(1)	(1)	(1)	5	(2)	(1)	(1)	(1)	(1)	5	(1)
943													
944 Other Current & Accrued Liabilities	12/11 -11/12	60	(196)	(34)	(46)	(194)	137	(94)	(151)	134	6	375	26
945 Prior year	12/10-11/11	(7)	(196)	73	(145)	(167)	(38)	82	(107)	131	(59)	370	(21)
946 Change		67	1	(107)	99	(26)	175	(176)	(44)	2	65	5	47
947													
948 Total Current and Accrued Liabilities	12/11 -11/12	(691)	(384)	37	458	59	(381)	(240)	(477)	219	629	246	(269)
949 Prior year	12/10-11/11	(686)	(246)	454	422	(210)	(337)	194	(776)	656	(256)	849	130
950 Change		(5)	(137)	(417)	35	269	(44)	(434)	299	(437)	884	(604)	(399)
951													
952 Customers Advances for Constructio	252.000	(72)	-	-	2	16	14	4	-	33	13	(8)	1
953 Prior year		(5)	-	-	(3)	1	-	(2)	-	10	-	(61)	(1)
954 Change		(68)	-	-	5	15	14	6	-	24	13	53	2
955													
956 OTHER DEFERRED DEBITS - DSM	253.000	-	-	-	-	-	-	-	-	-	-	-	-
957 Prior year		-	-	-	-	-	-	-	-	-	-	-	-
958 Change		-	-	-	-	-	-	-	-	-	-	-	-
959													
960 Total Deferred Credits	12/11 -11/12	(72)	-	-	2	16	14	4	-	33	13	(8)	1
961 Prior year	12/10-11/11	(5)	-	-	(3)	1	-	(2)	-	10	-	(61)	(1)
962 Change		(68)	-	-	5	15	14	6	-	24	13	53	2
963													
964													
965 Total Liabilities and Other Credits	12/11 -11/12	(983)	1,527	(1,950)	258	(3)	1,090	(457)	(563)	258	408	162	(275)
966 Prior year	12/10-11/11	(581)	(195)	2,931	246	(305)	1,111	(28)	(5,878)	636	(459)	(3,067)	2,771
967 Change		(401)	1,723	(4,881)	12	302	(21)	(430)	5,315	(377)	867	3,229	(3,046)

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1 Deprec Expense - Dist Plant	403.60	253	254	255	256	257	259	261	262	263	264	266	266
2 Prior year		241	242	243	244	244	246	247	248	249	251	251	252
3 Change		13	12	12	12	12	13	13	14	14	14	14	14
4													
5 Deprec Expense - Gen Plant	403.70	21	20	20	20	19	20	19	19	18	19	18	17
6 Prior year		20	19	20	19	20	20	20	20	20	20	20	21
7 Change		1	0	0	0	(0)	(1)	(1)	(2)	(2)	(2)	(2)	(4)
8													
9 TOTAL DEPRECIATION	****	274	274	275	276	276	279	280	281	282	283	284	283
10 Prior year		261	262	263	263	264	267	268	269	270	271	272	273
11 Change		14	12	12	12	12	12	12	12	12	12	12	10
12													
13 Total Property Taxes	408.10	-	-	-	-	-	-	-	-	-	-	-	-
14 Prior year		-	-	-	-	-	-	-	-	-	-	-	-
15 Change		-	-	-	-	-	-	-	-	-	-	-	-
20													
21 US Soc Sec FICA	408.30	-	-	-	-	-	-	-	-	-	-	-	-
22 Prior year		-	-	-	-	-	-	-	-	-	-	-	-
23 Change		-	-	-	-	-	-	-	-	-	-	-	-
24													
25 Taxes- State Soc Sec Unemploymer	408.40	-	-	-	-	-	-	-	-	-	-	-	-
26 Prior year		-	-	-	-	-	-	-	-	-	-	-	-
27 Change		-	-	-	-	-	-	-	-	-	-	-	-
28													
29 Taxes-State Sales-Consumer	408.50	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
30 Prior year		(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
31 Change		(0)	(0)	(0)	(0)	(0)	(0)	0	0	(0)	(0)	(0)	(0)
32													
37 Taxes - Other	408.70	3	3	3	3	3	3	4	4	4	4	4	4
38 Prior year		3	3	3	3	3	3	3	3	3	3	3	3
39 Change		0	0	0	0	0	0	1	1	1	1	1	1
40													
41 TOTAL TAX EXPENSE - OTHER	****	3	3	3	3	3	3	4	3	3	3	3	4
42 Prior year		3	3	3	3	3	3	3	3	3	3	3	3
43 Change		0	0	0	0	0	0	1	1	1	1	1	1
44													
45 Revenue - Wildblue	417.00	-	-	-	-	-	-	-	-	-	-	-	-
46 Prior year		-	-	-	-	-	-	-	-	-	-	-	-
47 Change		-	-	-	-	-	-	-	-	-	-	-	-
48													
49 Revenue - Wildblue	417.00	-	-	0	-	-	-	-	-	-	-	-	-
50 Prior year		(8)	(8)	(8)	(8)	(7)	(2)	(6)	(6)	(6)	0	-	-
51 Change		8	8	9	8	7	2	6	6	6	(0)	-	-
52													
53 Revenue - Wildblue	417.00	-	-	-	-	-	-	-	-	-	-	-	-
54 Prior year		(0)	(0)	-	(0)	(0)	-	-	-	-	-	-	-
55 Change		0	0	-	0	0	-	-	-	-	-	-	-





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103 Change		-	-	-	-	-	-	-	-	-	-	-	-
104													
105 Expenses - Wildblue	417.11	-	-	-	-	-	-	-	-	-	-	-	-
106 Prior year		-	-	-	-	-	-	-	-	-	-	-	-
107 Change		-	-	-	-	-	-	-	-	-	-	-	-
108													
109 Expenses - Wildblue	417.11	-	-	-	-	-	-	-	-	-	-	-	-
110 Prior year		0	0	0	0	0	0	0	0	0	0	0	-
111 Change		(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	-
112													
113 Expenses - Wildblue	417.11	-	-	-	-	-	-	-	-	-	-	-	-
114 Prior year		-	-	-	-	-	-	-	-	-	-	-	-
115 Change		-	-	-	-	-	-	-	-	-	-	-	-
116													
117 Expenses - Wildblue	417.11	-	-	-	-	-	-	-	-	-	-	-	-
118 Prior year		-	-	-	-	-	-	-	-	-	-	-	-
119 Change		-	-	-	-	-	-	-	-	-	-	-	-
124													
125 Interest & Dividend Income	419.00	(7)	(7)	(7)	(7)	(19)	(8)	(7)	(7)	(7)	(7)	(18)	(6)
126 Prior year		(8)	(6)	(6)	(5)	(17)	(6)	(6)	(5)	(7)	(7)	(19)	(7)
127 Change		1	(1)	(1)	(2)	(2)	(2)	(1)	(1)	0	0	0	1
128													
129 Interest Income - Cushion of Credit	419.10	(13)	(12)	(20)	(20)	(17)	(14)	(16)	(15)	(13)	(13)	(12)	(10)
130 Prior year		(0)	(0)	(0)	(10)	(9)	(14)	(7)	(6)	(5)	(5)	(3)	(10)
131 Change		(12)	(12)	(20)	(10)	(9)	(1)	(9)	(9)	(8)	(9)	(9)	(0)
132													
133 Total Non-Operating Margins	****	(20)	(19)	(27)	(28)	(36)	(22)	(23)	(21)	(20)	(20)	(30)	(16)
134 Prior year		(8)	(6)	(6)	(15)	(26)	(19)	(13)	(11)	(12)	(11)	(22)	(17)
135 Change		(12)	(12)	(21)	(12)	(11)	(3)	(10)	(10)	(8)	(8)	(8)	1
136													
137 Misc Non-Operating Income	421.00	-	-	-	(76)	-	-	-	-	-	-	-	-
138 Prior year		(3)	-	-	-	-	(1)	-	-	-	-	-	-
139 Change		3	-	-	(76)	-	1	-	-	-	-	-	-
140													
141 Gain on Disposition of Property	421.10	(12)	-	(1)	(52)	(7)	-	-	-	-	(4)	-	-
142 Prior year		(115)	-	-	-	-	-	-	-	-	(0)	(5)	-
143 Change		103	-	(1)	(52)	(7)	-	-	-	-	(3)	5	-
144													
145 NON-OPERATING MARGINS - OTH	****	(12)	-	(1)	(128)	(7)	-	-	-	-	(4)	-	-
146 Prior year		(113)	1	(1)	0	0	4	0	(0)	(0)	5	(4)	2
147 Change		101	(1)	(0)	(128)	(7)	(4)	(0)	0	0	(8)	4	(2)
148													
149 Other Capital Creds & Patronage Ca	424.00	-	-	-	(10)	-	10	(22)	-	-	(28)	-	-
150 Prior year		-	-	16	(20)	-	-	(11)	-	-	(5)	(72)	-
151 Change		-	-	(16)	10	-	10	(11)	-	-	(23)	72	-
152													
153 OTHER CAPITAL CREDITS & PATRONAGE DIVIDEN		-	-	-	(10)	-	10	(22)	-	-	(28)	-	-



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201 TOTAL INTEREST ON LONG TERM	-	212	179	137	219	216	111	194	174	173	170	174	173
202 Prior year		193	188	162	185	187	163	181	181	156	183	181	144
203 Change		19	(8)	(25)	33	29	(52)	14	(7)	17	(13)	(7)	28
204													
205 Other Interest Expense	431.00	5	1	1	0	0	1	1	1	1	1	0	0
206 Prior year		0	0	0	0	0	0	1	1	1	1	0	0
207 Change		4	1	0	0	(0)	0	0	(0)	0	(0)	(0)	(0)
208													
209 TOTAL INTEREST - OTHER	****	5	1	1	0	0	1	1	1	1	1	0	0
210 Prior year		0	0	0	0	0	0	1	1	1	1	0	0
211 Change		4	1	0	0	(0)	0	0	(0)	0	(0)	(0)	(0)
212													
213 CHANGE IN ACCT PRIN - CUMULA	435.10	-	-	-	-	-	-	-	-	-	-	-	-
214 Prior year		-	-	-	-	-	-	-	-	-	-	-	-
215 Change		-	-	-	-	-	-	-	-	-	-	-	-
216													
217 Residential Sales - Rural	440.10	(2,602)	(2,650)	(2,306)	(1,514)	(1,405)	(1,617)	(2,011)	(2,424)	(2,119)	(1,614)	(1,502)	(2,097)
218 Prior year		(2,781)	(2,880)	(2,269)	(1,834)	(1,534)	(1,518)	(1,849)	(2,234)	(2,124)	(1,605)	(1,516)	(1,810)
219 Change		179	230	(38)	320	129	(99)	(162)	(190)	4	(9)	15	(288)
220													
221 Residential Sales - Towns & Village	440.30	(288)	(304)	(272)	(186)	(176)	(203)	(265)	(332)	(304)	(233)	(157)	(228)
222 Prior year		(240)	(252)	(220)	(173)	(187)	(181)	(250)	(299)	(293)	(229)	(177)	(207)
223 Change		(48)	(52)	(52)	(14)	11	(22)	(15)	(33)	(11)	(4)	20	(21)
224													
225 Comm & Industrial Sales Small	442.10	(215)	(213)	(198)	(172)	(170)	(202)	(226)	(254)	(245)	(202)	(165)	(183)
226 Prior year		(196)	(205)	(187)	(169)	(185)	(177)	(213)	(241)	(236)	(204)	(177)	(181)
227 Change		(19)	(7)	(11)	(3)	15	(25)	(13)	(13)	(9)	3	12	(2)
228													
229 Comm Sales Small Rate 5	442.11	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
230 Prior year		(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(1)	(0)	(0)
231 Change		(0)	(0)	(0)	(0)	(0)	0	0	(0)	(0)	1	0	0
232													
233 Comm Sales	442.12	(275)	(252)	(247)	(228)	(239)	(238)	(259)	(263)	(310)	(271)	(250)	(266)
234 Prior year		-	-	-	(254)	(269)	(240)	(249)	(248)	(277)	(272)	(249)	(242)
235 Change		(275)	(252)	(247)	26	31	2	(11)	(14)	(33)	1	(1)	(24)
236													
237 Comm & Industrial Large	442.20	(82)	(77)	(76)	(68)	(75)	(77)	(84)	(95)	(108)	(98)	(82)	(84)
238 Prior year		(401)	(421)	(335)	(61)	(55)	(67)	(79)	(78)	(90)	(84)	(73)	(69)
239 Change		319	344	260	(7)	(21)	(10)	(6)	(17)	(19)	(14)	(9)	(15)
240													
241 Comm & Industrial Large	442.30	(67)	(61)	(68)	(63)	(65)	(66)	(67)	(66)	(75)	(65)	(65)	(71)
242 Prior year		-	-	-	(60)	(66)	(55)	(56)	(60)	(67)	(65)	(65)	(65)
243 Change		(67)	(61)	(68)	17	22	(12)	(10)	(6)	(8)	0	1	(6)
244													
245 Public Street & Highway Lighting	444.00	(7)	(7)	(7)	(6)	(6)	(6)	(6)	(6)	(7)	(7)	(6)	(7)
246 Prior year		(7)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(7)	(6)	(6)
247 Change		(0)	(1)	(1)	(0)	(0)	(0)	(0)	(0)	(1)	(0)	(0)	(0)









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389 Maintenance - Chemicals	593.20	-	-	-	-	-	-	-	-	1	4	-	88
390 Prior year		-	-	-	-	-	-	-	0	21	7	76	-
391 Change		-	-	-	-	-	-	-	(0)	(20)	(2)	(76)	88
392													
393 Maintenance - Line Inspection	593.30	22	20	24	26	16	19	19	24	18	20	18	17
394 Prior year		19	16	20	19	22	19	27	22	20	21	21	19
395 Change		2	4	4	7	(6)	0	(8)	2	(2)	(2)	(2)	(2)
396													
397 Maintenance - Service Orders	593.40	25	23	22	19	24	29	25	22	30	23	22	25
398 Prior year		14	11	26	12	23	25	28	26	24	22	15	18
399 Change		10	12	(5)	7	1	4	(2)	(4)	5	1	7	7
400													
401 TREE REPLACEMENT PROGRAM	593.50	-	-	-	-	-	-	-	-	-	-	-	-
402 Prior year		-	-	-	-	-	-	-	-	-	-	-	-
403 Change		-	-	-	-	-	-	-	-	-	-	-	-
404													
405 Maintenance - Major Storm Damage	593.60	-	-	-	1	(0)	-	-	0	-	0	1	-
406 Prior year		-	0	-	-	3	1	(4)	-	-	-	-	(80)
407 Change		-	(0)	-	1	(3)	(1)	4	0	-	0	1	80
408													
409 Maintenance - U\G Lines	594.00	-	2	-	-	-	-	0	-	0	-	-	-
410 Prior year		3	-	0	(0)	1	0	-	-	-	0	2	-
411 Change		(3)	2	(0)	0	(1)	(0)	0	-	0	(0)	(2)	-
412													
413 Maintenance of Line Transformers	595.00	4	-	0	11	0	1	7	1	2	5	-	0
414 Prior year		0	2	0	-	7	-	4	1	0	17	1	4
415 Change		4	(2)	(0)	11	(6)	1	4	(0)	1	(12)	(1)	(3)
416													
417 Line Maintenance - PCB Expense	595.10	4	2	-	4	1	6	0	5	4	-	1	3
418 Prior year		0	5	1	3	2	3	1	3	5	0	4	-
419 Change		4	(4)	(1)	1	(0)	3	(1)	2	(0)	(0)	(3)	3
420													
421 Maintenance St Light & Sig Systems	596.00	2	3	2	1	6	2	0	2	0	2	3	2
422 Prior year		4	1	1	3	2	2	1	2	2	1	2	2
423 Change		(3)	1	1	(2)	3	0	(1)	(1)	(2)	0	1	0
424													
425 Maintenance of Meters	597.00	-	-	-	-	-	-	-	-	-	-	-	-
426 Prior year		-	-	-	-	-	-	-	-	-	-	-	-
427 Change		-	-	-	-	-	-	-	-	-	-	-	-
428													
429 Maintenance of Sec Lights	598.00	43	16	39	32	10	17	14	16	17	15	20	21
430 Prior year		37	28	17	17	15	23	20	17	18	18	21	27
431 Change		5	(13)	22	15	(5)	(5)	(6)	(1)	(1)	(3)	(1)	(6)
432													
433 TOTAL MAINTENANCE	****	316	210	260	273	208	267	287	270	243	228	313	227
434 Prior year		266	200	209	223	235	243	283	252	230	305	198	113
435 Change		50	10	51	49	(27)	25	4	17	13	(77)	115	114

Meade County RECC  
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Account Title	Acct. #	December 1st Month	January 2nd Month	February 3rd Month	March 4th Month	April 5th Month	May 6th Month	June 7th Month	July 8th Month	August 9th Month	September 10th Month	October 11th Month	November 12th Month
436													
437 Customer Accts Expense-Supervisio	901.00	11	9	9	7	6	8	5	7	6	6	6	9
438 Prior year		6	8	6	8	6	6	8	6	7	6	6	6
439 Change		5	1	3	(0)	0	2	(3)	1	(1)	(1)	(0)	3
440													
441 Meter Reading Expenses	902.00	18	7	9	7	8	8	10	14	13	11	14	17
442 Prior year		21	13	11	14	11	8	11	10	14	7	10	14
443 Change		(3)	(6)	(2)	(7)	(3)	(0)	(1)	4	(1)	4	4	3
444													
445 Special Meter Reading Expenses	902.10	-	5	2	8	10	7	7	7	9	9	10	0
446 Prior year		-	5	4	2	(2)	4	10	6	4	11	8	3
447 Change		-	1	(3)	6	12	3	(3)	1	5	(2)	1	(3)
448													
449 Customer Records & Collections Exp	903.00	29	23	24	25	23	16	18	19	15	16	18	39
450 Prior year		20	27	22	31	27	28	29	25	28	27	26	13
451 Change		10	(4)	2	(5)	(4)	(11)	(10)	(6)	(14)	(11)	(8)	26
452													
453 Coll Expenses Overages & Shortage	903.10	(0)	(0)	(0)	0	0	(0)	0	(0)	0	(0)	(0)	(0)
454 Prior year		0	-	(0)	0	0	0	(0)	0	0	0	0	(0)
455 Change		(0)	(0)	(0)	(0)	0	(0)	0	(0)	0	(0)	(0)	(0)
456													
457 Account Setup & Maintenance Office	903.20	1	1	1	1	1	0	0	0	-	-	-	-
458 Prior year		1	1	0	1	1	1	1	1	1	0	1	0
459 Change		0	1	1	(0)	(0)	(0)	(1)	(1)	(1)	(0)	(1)	(0)
460													
461 Sign-up New Members	903.20	8	7	9	7	11	7	8	8	7	6	7	8
462 Prior year		7	5	7	7	6	6	7	6	7	6	6	6
463 Change		1	1	3	0	5	2	1	2	(0)	0	1	2
464													
465 Disconnect (By Request)	903.20	3	3	4	3	4	3	3	3	2	2	3	3
466 Prior year		3	2	3	3	3	3	3	2	3	3	3	2
467 Change		0	0	1	(0)	1	0	(1)	0	(1)	(1)	0	1
468													
469 Misc Account Changes	903.20	2	2	2	2	1	1	2	1	2	1	2	3
470 Prior year		2	2	1	1	1	1	1	1	2	2	1	1
471 Change		(0)	0	1	0	0	1	1	1	(1)	(0)	1	1
472													
473 Set-up Accounts for Bank Draft	903.20	0	0	0	0	(0)	0	0	0	1	0	0	0
474 Prior year		1	0	0	0	0	0	0	0	0	0	1	1
475 Change		(0)	0	(0)	(0)	(1)	0	(0)	(0)	0	0	(0)	(0)
476		-	-	-	-	-	-	-	-	-	-	-	-
477 Process M/S Fees & Deposits	903.21	1	1	1	1	1	1	1	1	1	1	1	1
478 Prior year		1	0	0	0	0	1	1	0	1	1	1	1
479 Change		0	0	0	0	0	0	0	0	0	0	0	0
480		-	-	-	-	-	-	-	-	-	-	-	-
481 Process Levelized Billing	903.21	-	-	-	-	-	-	-	-	-	-	-	-
482 Prior year		0	1	0	1	1	0	0	0	0	0	0	0









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Account Title	Acct. #	December 1st Month	January 2nd Month	February 3rd Month	March 4th Month	April 5th Month	May 6th Month	June 7th Month	July 8th Month	August 9th Month	September 10th Month	October 11th Month	November 12th Month
624													
625 Maintenance Inactive/Delinquent Ac	903.71	0	0	0	0	0	0	0	0	0	0	0	0
626 Prior year		0	0	0	0	0	0	0	0	0	0	0	0
627 Change		0	0	0	0	0	0	0	(0)	0	(0)	(0)	0
628													
629 Other	903.71	0	0	1	1	3	1	1	1	1	1	1	1
630 Prior year		0	1	1	1	1	0	0	0	0	0	0	0
631 Change		0	(0)	0	0	2	1	0	1	1	1	1	1
632													
633 Un-Collectible Accounts	904.00	1	1	1	1	1	1	1	1	1	1	-	-
634 Prior year		1	1	1	1	1	1	1	1	1	1	1	1
635 Change		-	-	-	-	-	-	-	-	-	-	(1)	(1)
636													
637 TOTAL CONSUMER ACCOUNTS ****		136	116	137	115	115	113	113	121	111	111	119	138
638 Prior year		123	116	110	126	102	101	132	99	129	110	112	93
639 Change		13	(0)	27	(11)	14	12	(19)	23	(18)	1	7	45
640													
641 Misc Customer Accts Expense	905.00	-	-	-	-	-	-	-	-	-	-	-	-
642 Prior year		-	-	-	-	-	-	-	-	-	-	-	-
643 Change		-	-	-	-	-	-	-	-	-	-	-	-
644													
645 Supervision	907.00	1	1	1	1	1	1	1	1	1	1	1	1
646 Prior year		2	2	2	2	2	2	2	1	1	1	1	1
647 Change		(1)	(1)	(0)	(1)	(1)	(1)	(1)	0	0	0	0	0
648													
649 Customer Assistance Expense	908.00	15	9	10	8	8	9	9	10	10	9	(4)	12
650 Prior year		(5)	9	8	9	8	8	10	7	(2)	8	8	7
651 Change		19	0	2	(1)	0	1	(1)	3	12	1	(11)	4
652													
653 Water Heater Rebate Expense	908.10	-	-	-	-	-	-	-	-	-	-	-	-
654 Prior year		-	-	-	-	-	-	-	-	-	-	-	-
655 Change		-	-	-	-	-	-	-	-	-	-	-	-
656													
657 Geothermal Rebate Expense	908.20	-	-	-	-	-	-	-	-	-	-	-	-
658 Prior year		-	-	-	-	-	-	-	-	-	-	-	-
659 Change		-	-	-	-	-	-	-	-	-	-	-	-
660													
661 Air to Air Rebate Expense	908.30	-	-	-	-	-	-	-	-	-	-	-	-
662 Prior year		-	-	-	-	-	-	-	-	-	-	-	-
663 Change		-	-	-	-	-	-	-	-	-	-	-	-
664													
665 ALL SEASONS COMF HOME INCEI	908.40	-	-	-	-	-	-	-	-	-	-	-	-
666 Prior year		-	-	-	-	-	-	-	-	-	-	-	-
667 Change		-	-	-	-	-	-	-	-	-	-	-	-
668													
669 Information & Instruct Adv Exp	909.00	8	7	7	8	6	7	7	10	8	7	0	8
670 Prior year		(4)	6	9	7	10	7	7	7	0	12	9	7





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765 Planning	920.31	-	-	-	-	-	-	-	-	-	-	-	-
766 Prior year		-	-	-	-	-	-	-	-	-	-	-	-
767 Change		-	-	-	-	-	-	-	-	-	-	-	-
768													
769 Daily General AS400 Tasks	920.31	1	0	1	0	0	0	0	0	1	0	0	0
770 Prior year		0	0	0	1	0	0	0	1	0	0	0	0
771 Change		0	-	0	(0)	0	0	0	(0)	0	(0)	0	(0)
772													
773 Other	920.31	2	2	2	2	2	2	2	2	2	2	1	2
774 Prior year		3	3	3	3	2	2	2	3	2	2	2	1
775 Change		(1)	(1)	(0)	(1)	0	0	0	(0)	(0)	(1)	(1)	0
776													
777 Human Resources	920.40	-	-	-	-	-	-	-	-	-	-	-	-
778 Prior year		-	-	-	-	-	-	-	-	-	-	-	-
779 Change		-	-	-	-	-	-	-	-	-	-	-	-
780													
781 Benefit Administration	920.40	2	1	1	1	1	1	1	2	1	1	1	1
782 Prior year		1	1	1	1	1	1	1	1	1	1	1	1
783 Change		1	(0)	0	0	0	0	0	0	0	0	(0)	0
784													
785 Recruit, Interview, Orientation	920.40	-	0	0	-	-	-	-	-	-	-	-	-
786 Prior year		-	-	-	-	-	-	-	-	-	-	-	-
787 Change		-	0	0	-	-	-	-	-	-	-	-	-
788													
789 Policy Development, Job Desc., Etc.	920.40	-	0	0	-	-	-	-	-	-	-	-	-
790 Prior year		-	-	-	-	-	-	-	-	-	-	-	-
791 Change		-	0	0	-	-	-	-	-	-	-	-	-
792													
793 Other	920.40	1	2	2	1	1	1	1	1	1	1	1	1
794 Prior year		1	1	1	1	1	1	1	1	1	1	1	1
795 Change		(0)	0	1	(0)	0	0	1	0	0	0	0	(0)
796													
797 Reception/Cashier Areas	920.50	-	-	-	-	-	-	-	-	-	-	-	-
798 Prior year		1	1	1	0	-	-	-	-	-	-	-	-
799 Change		(1)	(1)	(1)	(0)	-	-	-	-	-	-	-	-
800													
801 Answering/Transferring Calls	920.50	4	4	5	4	3	4	4	4	4	5	4	5
802 Prior year		5	5	5	4	3	3	4	3	3	4	4	4
803 Change		(1)	(1)	1	(0)	(0)	1	0	1	1	1	1	1
804													
805 Taking Calls	920.50	7	7	10	6	6	7	8	7	7	7	7	10
806 Prior year		6	5	5	7	6	5	7	5	7	5	6	5
807 Change		1	2	5	(1)	0	2	1	3	(0)	1	2	5
808													
809 Directing Visitors/Customers	920.50	1	1	2	2	2	2	2	2	2	2	2	2
810 Prior year		1	1	1	1	1	1	2	1	1	1	1	1
811 Change		0	0	0	0	1	1	0	1	0	0	1	1



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812													
813 Other	920.50	1	1	2	1	1	1	1	1	1	1	1	1
814 Prior year		1	1	1	2	1	2	2	1	1	1	1	1
815 Change		(0)	1	1	(1)	(1)	(0)	(1)	1	0	1	0	0
816													
817 Office Supplies and Expenses	921.00	21	20	19	11	10	10	10	11	9	9	12	9
818 Prior year		16	11	11	13	9	13	11	11	11	14	11	11
819 Change		6	9	8	(2)	1	(4)	(1)	1	(2)	(4)	1	(2)
820													
821 A & G EXPENSES OTHER THAN S/	921.10	2	1	1	3	3	1	5	2	2	2	4	2
822 Prior year		0	1	1	2	2	1	3	2	4	0	2	1
823 Change		2	(0)	(0)	1	1	1	2	(1)	(3)	2	2	1
824													
825 A & G NON REGULATORY EXPENSE	921.12	-	-	-	-	-	-	-	-	-	-	-	-
826 Prior year		-	-	-	-	-	-	-	-	-	-	-	-
827 Change		-	-	-	-	-	-	-	-	-	-	-	-
828													
829 Outside Services Employed	923.00	3	6	2	3	1	2	3	1	2	4	5	1
830 Prior year		6	2	1	2	3	3	3	2	1	1	1	1
831 Change		(3)	4	0	2	(2)	(1)	1	(1)	1	2	4	0
832													
833 Outside Services Bankruptcy Costs	923.10	-	-	-	-	-	-	-	-	-	-	-	-
834 Prior year		-	-	-	-	-	-	-	-	-	-	-	-
835 Change		-	-	-	-	-	-	-	-	-	-	-	-
836													
841 Injuries and Damages	925.00	-	(8)	-	-	-	1	(2)	1	(0)	-	-	2
842 Prior year		0	-	-	0	0	-	1	8	(0)	-	-	-
843 Change		(0)	(8)	-	(0)	(0)	1	(3)	(8)	0	-	-	2
844													
845 Employee Pensions and Benefits	926.00	-	-	-	-	-	-	-	-	-	-	-	-
846 Prior year		-	-	-	-	-	-	-	-	-	-	-	-
847 Change		-	-	-	-	-	-	-	-	-	-	-	-
848													
849 Employee Pensions and Benefits	926.10	-	-	-	-	-	-	-	-	-	-	-	-
850 Prior year		-	-	-	-	-	-	-	-	-	-	-	-
851 Change		-	-	-	-	-	-	-	-	-	-	-	-
852													
853 Regulatory Commission Expense	928.00	0	0	-	1	-	-	-	-	-	1	-	-
854 Prior year		48	2	2	2	1	2	1	0	0	0	-	0
855 Change		(47)	(2)	(2)	(1)	(1)	(2)	(1)	(0)	(0)	1	-	(0)
856													
857 Duplicate Charges Credit - Own Use	929.00	(4)	(5)	(4)	(3)	(2)	(2)	(2)	(3)	(3)	(3)	(2)	(3)
858 Prior year		(6)	(6)	(6)	(4)	(4)	(4)	(4)	(4)	(3)	(3)	(3)	(3)
859 Change		1	1	2	1	2	1	2	1	(0)	0	0	(0)
860													
861 Misc General Expense Magazine	930.10	10	10	-	21	10	10	14	10	10	10	10	10
862 Prior year		10	10	10	10	10	10	14	10	10	10	10	10

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863 Change			0	(0)	(10)	10	0	0	0	0	0	0	0
864													
865 Misc General Expense	930.20		17	15	16	15	15	18	19	18	17	16	14
866 Prior year			13	15	18	16	15	14	19	14	15	14	14
867 Change			5	(0)	(2)	(0)	(0)	4	(0)	4	2	2	(0)
868													
869 Misc General Expense - non regulat	930.21		0	-	0	0	0	0	0	0	0	0	0
870 Prior year			1	0	0	0	0	2	0	1	0	6	0
871 Change			(0)	(0)	(0)	0	(0)	(2)	(0)	(1)	(0)	(5)	(0)
872													
873 Misc Gen Exp-Directors Fee Expens	930.30		12	8	8	13	6	7	12	6	6	8	7
874 Prior year			10	9	8	14	6	7	12	7	8	8	10
875 Change			2	(1)	(0)	(2)	0	(0)	0	(1)	(2)	0	(3)
876													
877 Misc Gen Expense - Annual Meeting	930.40		3	(1)	-	-	1	0	14	7	-	-	-
878 Prior year			-	-	-	-	1	0	19	1	1	-	-
879 Change			3	(1)	-	-	-	0	(6)	6	(1)	-	-
880													
881 Misc Gen Expense - Advertising	930.50		0	-	0	0	-	-	-	-	-	-	-
882 Prior year			0	-	-	-	-	-	-	-	-	-	-
883 Change			(0)	-	0	0	-	-	-	-	-	-	-
884													
885 Maintenance of General Property	935.00		27	10	8	7	25	23	16	7	6	8	6
886 Prior year			12	10	6	10	8	7	9	7	7	6	7
887 Change			16	(0)	2	(3)	17	16	7	0	(1)	2	(1)
888													
889 TOTAL ADMINISTRATIVE & GENE****			187	122	131	135	138	137	173	130	125	122	127
890 Prior year			197	119	111	146	114	110	163	111	128	121	118
891 Change			(10)	4	19	(11)	24	27	10	19	(2)	1	9
892													
893													
894													
895													
896 Net Margins			577	557	277	(177)	15	(94)	26	312	357	62	(229)
897 Prior year			292	605	158	61	115	(80)	82	294	415	(222)	31
898 Change			285	(49)	119	(238)	(100)	(14)	(56)	18	(58)	285	(261)

EXY  
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Meade County Rural Electric Cooperative Corporation  
Balance Sheet Trial Balance  
November 30, 2012

<u>Account</u>	<u>Description</u>	<u>Debit</u>	<u>Credit</u>
<b>Distribution Plant</b>			
360.00	Land	215,390.96	
362.00	Station eqt	7,506,031.86	
364.00	Poles, Towers Fixture	42,736,741.26	
365.00	OH Conductor	17,361,133.75	
367.00	UG Conductor	2,164,153.44	
368.00	Line Transformers	13,529,191.68	
369.00	Services	3,835,377.94	
370.00	Meters	5,869,411.35	
371.00	Security Lights	2,791,630.24	
373.00	Street Lights	129,120.63	
108.60	Res for Dep-Dist Plt		25,235,035.10
		<u>96,138,183.11</u>	<u>25,235,035.10</u>
<b>General Plant</b>			
389.00	Land	293,644.03	
390.00	Struct & Improve	374,630.25	391,654.07
390.10	Struct & Improve	2,810,345.91	1,335,089.05
391.10	Office Furniture	1,168,675.77	1,057,017.27
392.10	Transportation Eqt	2,756,026.69	1,441,577.77
393.10	Stores	33,933.69	30,680.12
394.10	Tools, Work Eqt	158,726.50	129,305.59
395.10	Laboratory	59,699.48	59,699.48
397.10	Communication	241,320.31	221,642.98
398.00	Miscellaneous	20,385.11	13,321.41
		<u>7,917,387.74</u>	<u>4,679,987.74</u>
		<u>104,055,570.85</u>	<u>29,915,022.84</u>
<b>CWIP</b>			
107.12	Accrued PR for 107.200	149,339.12	
107.20	Work orders	726,278.14	
107.21	Contractor	372,825.59	
107.30	Special Eqt	-	
107.31	Contributions	(72,643.40)	
		<u>1,175,799.45</u>	
<b>RWIP</b>			
108.20	Work orders	22,410.36	
108.21	Contractor	48,592.07	
		<u>71,002.43</u>	

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Meade County Rural Electric Cooperative Corporation  
Balance Sheet Trial Balance  
November 30, 2012

<u>Account</u>	<u>Description</u>	<u>Debit</u>	<u>Credit</u>
<b>Investments</b>			
123.00	Invest in Assoc Coop	1,130.00	
123.10	Pat Cap	1,101,603.67	
123.221	Inv Cap Term Cert	913,133.23	
123.221	CFC capital investment	310,000.00	
123.23	Other Assoc Organ	1,000.00	
		<u>2,326,866.90</u>	
<b>Cash Accounts</b>			
131.10	BankOne General Funds	1,574,503.49	
131.101	BankOne General Funds	256,228.96	
131.11	MM First St Bank	959,335.50	
131.12	MM Farmers H-burg	3,713,753.87	
131.13	MM Breck Bk of Cport	277,273.73	
131.14	MM F-ville	274,983.51	
131.16	Farmers H-burg	103,594.01	
131.17	Capital refund-Meade Co Bk	413.35	
131.19	Lietchfield Deposit Bank	286,108.99	
131.20	Trustee	-	
135.00	Working Funds	2,100.00	
		<u>7,448,295.41</u>	
<b>Temporary Investments</b>			
136.00	Temporary Invest	-	
<b>Accounts Receivables</b>			
142.00	Consumers	3,283,944.41	
173.00	Unbilled revenue	463,820.31	
143.10	Other	270,471.47	
143.30	Employee deductions	608.51	
143.51	Notes FmHA	7,361.42	
143.60	Customer assistance vouchers	44,267.61	
144.10	Allow for uncollect	(313,256.12)	
144.11	Allow for uncollect	(24,098.64)	
144.20	Allow for other AR	6,831.02	
		<u>3,739,949.99</u>	
<b>Material and Supplies</b>			
154.00	Material & Sup	958,922.95	
163.00	Stores Clearing	-	
		<u>958,922.95</u>	

Ex Y  
 95 347

Meade County Rural Electric Cooperative Corporation  
 Balance Sheet Trial Balance  
 November 30, 2012

<u>Account</u>	<u>Description</u>	<u>Debit</u>	<u>Credit</u>
<b>Other Current Assets</b>			
165.10	Insurance	112,873.36	
165.12	Worker's Comp	(36,300.76)	
165.20	NRECA dues	30,709.00	
165.22	Pension	45,599.96	
165.23	Health insurance	25,708.95	
165.30	KAEC dues	5,835.45	
165.50	Postage	894.16	
165.70	State sales tax	8,872.35	
171.00	Interest Rec CFC	3,328.73	
172.00	Rent Rec	97,399.21	
		<u>294,920.41</u>	
<b>Deferred Charges</b>			
184.00	Transportaion Clearing	-	
186.10	Liter's Quarry	40,416.08	
186.20	2 year work plan	30,589.22	
186.60	Deferred Comp	1,413.00	
		<u>72,418.30</u>	
<b>Memberships</b>			
200.10	Issued		14,680.00
200.11	Issued \$15		75,810.00
			<u>90,490.00</u>
<b>Patronage Capital</b>			
201.10	Credits		22,379,479.18
201.20	Assignable		-
208.00	Donated Capital		24,512.94
215.10	Other accum comp income		(170,711.25)
217.00	Retired Gain		924,184.79
219.10	Operating Margins		77,784.13
219.20	Non-operating margins		3,959,859.11
			<u>27,195,108.90</u>
<b>Long-term Debt</b>			
224.12	CFC		5,541,037.53
224.30	REA		33,250,075.22
224.40	Unadvanced		-
224..60	RUS Advance Pmts		(2,440,581.18)
224.151	FFB		27,381,345.42
224.152	Unadvanced		(7,810,000.00)
			<u>55,921,876.99</u>
<b>Accumulated Operating Provisions</b>			
228.30	Postretirement Benefits		1,382,741.89



Ex Y  
pg 4 of 7

Meade County Rural Electric Cooperative Corporation  
Balance Sheet Trial Balance  
November 30, 2012

<u>Account</u>	<u>Description</u>	<u>Debit</u>	<u>Credit</u>
<b>Acct Payable</b>			
232.10	Big Rivers & general		2,244,654.71
232.70	Right of way		89,172.54
232.80	Contract benefit		75,000.00
232.12	Misc		529.69
232.40	Wintercare		279.17
232.50	ACRE		2,626.89
234.20	Charitable contributions		1,097.50
			<u>2,413,360.50</u>
<b>Consumer Deposits</b>			
235.00	Consumer Deposits		<u>797,814.00</u>
<b>Accruals</b>			
236.10	Prop Tax		(59,736.55)
236.20	FUTA		518.15
236.30	FICA		(3,047.90)
236.40	SUTA		320.26
236.50	Sales Tax		28,178.15
236.60	Gross receipts		87,709.18
236.70	PSC		11,095.61
236.80	Other		2,492.83
236.90	City taxes		2,041.54
237.10	Interest RUS		-
237.20	Interest FFB		102,529.13
237.40	Interest CFC		-
			<u>172,100.40</u>
240.00	Matured Int		-
241.10	Fed WH		(5,225.00)
241.20	State WH		113.67
242.20	Payroll		74,654.18
242.32	Sick leave		413,346.88
242.50	Audit Exp		6,387.07
			<u>489,276.80</u>
			<u>661,377.20</u>
<b>Deferred Credits</b>			
252.00	Construction		<u>579,169.91</u>
		<u>120,143,746.69</u>	<u>118,956,962.23</u>
			1,186,784.46

Ex 4  
pg 5 of 7

Meade County Rural Electric Cooperative Corporation  
Income Statement Trial Balance  
November 30, 2012

<u>Account</u> <u>Number</u>	<u>Description</u>	<u>12 Mos</u> <u>11/30/2012</u>
<b>Operating Income</b>		
440.10	Residential Rural	23,862,567.25
440.30	Residential Towns & Villages	2,947,792.85
442.10	Small Commercial 2R Class 2	2,444,904.56
442.11	Comm Sales TOD Rate 3A Class 4	2,099.28
442.12	101 to 999 KVA 3S Class 7	3,096,947.79
442.20	Large Comm 3R C&I	1,006,878.88
442.30	Lg Pwr > 1,000 KVA 3T Class 8	799,248.43
444.00	Public Street Lgts	78,769.98
445.10	Public Bldg & Othr	1,201,640.67
		<u>35,440,849.69</u>
450.00	Penalties	590,923.41
451.00	Misc Svc Rev	219,380.21
452.00	Return check charge	12,275.00
454.00	Rent Elect Prop	245,362.25
		<u>36,508,790.56</u>
<b>Purchase Power</b>		
555.00	Purchase Power	20,600,149.50
<b>Distributions - Operations</b>		
580.00	Super & Eng	434,518.88
582.00	Station exp	58,788.54
583.00	OVH Line Exp	1,064,021.83
586.00	Meter Exp	371,949.72
587.00	Constr Install Eqt	34,507.12
588.00	Misc Distr Eqt	620,881.49
		<u>2,584,667.58</u>
<b>Distribution - Maintenance</b>		
590.00	Supervision	454,440.12
592.00	Station	219,992.17
593.00	OVH Lines	523,845.59
593.10	Maintenance	928,079.70
593.20	Chemicals	93,921.78
593.30	Line inspections	243,452.68
593.40	Service orders	287,082.81
593.60	Major storms	1,217.51
594.00	UG Line	2,024.04
595.00	Transformers	31,316.32
595.10	PCB expense	29,633.42
596.00	Security lights	24,764.82
598.00	Misc Dist Plant	261,262.23
		<u>3,101,033.19</u>

EK 4  
89677

Meade County Rural Electric Cooperative Corporation  
Income Statement Trial Balance  
November 30, 2012

<u>Account</u> <u>Number</u>	<u>Description</u>	<u>12 Mos</u> <u>11/30/2012</u>
<b>Consumer Accounts</b>		
901.00	Supervision	87,270.08
902.00	Meter Read Exp	210,009.90
903.00	Customer Collect	1,137,863.17
903.10	Cash Over\Short	(40.09)
904.00	Uncollectible A\C	10,000.00
		<u>1,445,103.06</u>
<b>Customer Information and Sales</b>		
907.00	Supervision	12,552.70
908.00	Customer Assist	102,360.87
909.00	Information Exp	84,049.97
910.00	Misc Cust Svc	85,993.92
914.00	Rev from contracting	(869.08)
915.00	Exp from contract	2,669.33
		<u>286,757.71</u>
<b>Administrative &amp; General</b>		
920.00	A & G Office Salaries	880,769.01
921.00	Office Sup & Exp	179,089.93
923.00	Outside Svc	35,055.91
924.00	Insurance Exp	0.00
925.00	Injury & Damage	(7,106.45)
926.00	Employee Benefits	0.00
928.00	Reg Commission Exp	2,222.50
929.00	Duplicate charges	(36,329.12)
930.10	Magazine	129,197.40
930.20	Misc Genrl Exp	202,515.81
930.30	Director fees	104,347.51
930.40	Annual meeting	23,472.86
935.00	Misc Genrl Plant	152,856.34
		<u>1,666,091.70</u>
<b>Depreciation</b>		
403.60	Distribution Plant	3,117,219.33
403.70	General Plant	229,238.72
		<u>3,346,458.05</u>
<b>Taxes</b>		
408.10	Property Tax	0.00
408.20	Payroll	0.00
408.50	Sales tax comp	(3,415.78)
408.70	PSC - Assess	41,905.51
		<u>38,489.73</u>

Meade County Rural Electric Cooperative Corporation  
Income Statement Trial Balance  
November 30, 2012

Ex Y  
49 777

<u>Account Number</u>	<u>Description</u>	<u>12 Mos 11/30/2012</u>
<b>Interest</b>		
427.10	RUS	1,265,560.69
427.20	CFC	271,187.66
427.30	FFB	596,641.09
		<u>2,133,389.44</u>
<b>Other Income and Expenses</b>		
417.	Non-op Income	1,323.43
421.00	Gain loss on plant disposal	(152,782.74)
426.40	Donations	13,441.60
431.00	Other Int Exp	11,758.96
		<u>(126,258.75)</u>
<b>Interest Income</b>		
419.00	Interest Income	<u>(281,400.26)</u>
<b>Patronage Capital</b>		
423.00	Big Rivers	0.00
424.00	Others	(49,928.89)
		<u>(49,928.89)</u>
		<u>1,764,238.50</u>
TIER		1.83

Meade County Rural Electric Cooperative

Case No. 2013 - 00033

Comparative Capital Structure (Excluding JDIC)

For the Periods as Shown

"000" Omitted

Line No.	Type of Capital	2002 10th Year		2003 9th Year		2004 8th Year		2005 7th Year		2006 6th Year		2007 5th Year	
		Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
1	Long Term Debt	30,443	58%	37,724	63%	38,956	67%	41,072	67%	45,504	54%	46,265	69%
2	Short Term Debt	3,693	7%	2,945	5%	0	0%	0	0%		0%	0	0%
3	Memberships	134	0%	131	0%	127	0%	121	0%	115	0%	110	0%
4	Patronage Capital	18,366	35%	18,829	32%	19,082	33%	19,877	33%	20,141	24%	20,718	31%
5	Other (Itemize by type)												
6	Total Capitalization	52,636	100%	59,629	100%	58,165	100%	61,070	100%	65,760	78%	67,093	100%

Line No.	Type of Capital	2008 4th Year		2009 3rd Year		2010 2nd Year		2011 1st Year		2012 Test year		Latest Quarter Nov, 2012		Average Test Year	
		Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
1	Long Term Debt	47,982	69%	51,093	69%	52,962	68%	56,272	67%	55,922	66%	55,878	66%	55,985	67%
2	Short Term Debt	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
3	Memberships	106	0%	101	0%	98	0%	94	0%	90	0%	91	0%	92	0%
4	Patronage Capital	21,900	31%	23,068	31%	25,256	32%	27,392	33%	28,382	34%	28,427	34%	28,028	33%
5	Other (Itemize by type)														
6	Total Capitalization	69,988	100%	74,262	100%	78,316	100%	83,758	100%	84,394	100%	84,396	100%	84,105	100%

Meade County Rural Electric Cooperative  
 Case No. 2013 - 00033  
 Calculation of Average Test Period Capital Structure  
 12 months ended November 30, 2012

Line No.	Item (a)	Total Capital (b)	Long-Term Debt (c)	Short-Term Debt (d)	Memberships (e)	Common Stock (f)	Patronage Capital (g)	Total Common Equity (h)
1	Balance Beginning of Test year	82,975	56,046		94		26,835	
2	1st month	83,758	56,272		94		27,392	
3	2nd month	82,400	54,369		94		27,937	
4	3rd month	86,919	58,374		93		28,452	
5	4th month	84,679	56,598		93		27,988	
6	5th month	84,767	56,684		93		27,990	
7	6st month	83,206	55,230		93		27,883	
8	7th month	83,447	55,463		92		27,892	
9	8th month	83,839	55,555		92		28,192	
10	9th month	84,185	55,575		92		28,518	
11	10th month	84,476	55,809		91		28,576	
12	11th month	84,317	55,904		91		28,322	
13	12th month	84,394	55,922		90		28,382	
14	Total (Line 1 through Line 13)	1,093,362	727,801	0	1,202	0	364,359	0
15	Average balance (Line 14/13)	84,105	55,985	0	92	0	28,028	0
16	Average capitalization ratios	100%	67%	0%	0%	0%	33%	0%
17	End of period capitalization ratios	100%	66%	0%	0%	0%	34%	0%



Meade County Rural Electric Cooperative  
Case No. 2013-00033  
November 30, 2012

Payroll Adjustment

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

Employees are granted wage rate increases on November 1 of each year, based on the Wage & Salary Plan. Additional increases are given to employees who are below the midpoint for their pay rates and job classifications. As part of the wage and salary plan, Meade County has established a "Performance Bonus Program" to reward employees based on certain preset parameters.

Meade County hires summer and part-time employees. These employees were normalized at the same rate and hours as the test year, as it is expected this will continue in future years.

Employees may accumulate up to 120 sick days to be paid upon retirement. They may also elect to be paid up to 5 days, or 40 hours, for unused vacation days. The Board has allowed this since it is determined to be more economical to pay accumulated sick days, and unused vacation, than to hire additional employees for the time off taken.

There are no union employees. Wage and salary increases are as follows:

	<u>Increase</u>
2012	3.00%
2011	2.00%
2010	2.00%
2009	0.00%
2008	3.00%

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

Projected wages	\$4,473,506
Actual wages for test year	<u>4,434,882</u>
Adjustment	<u><u>\$38,624</u></u>

The allocation is on the following page:

Meade County Rural Electric Cooperative  
Case No. 2013-00033

Allocation of increase in payroll:

	<u>Labor</u> <u>Distribution</u>	<u>Percent</u>	<u>Allocation</u>
107.2 Construction work in progress	843,313	19.0%	7,345
108.2 Retirement work in progress	207,249	4.7%	1,805
163.0 Stores	177,641	4.0%	1,547
184.1 Transportation	55,067	1.2%	480
580.0 Supervision, operations	261,163		
583.0 Overhead line	173,568		
586.0 Meter	94,594		
587.0 Installations	1,269		
588.0 Miscellaneous distribution	192,581	16.3%	6,298
590.0 Supervision, maintenance	272,267		
592.0 Station	17,997		
593.0 Maintenance	528,145		
596.0 Street lights	1,196		
598.0 Misc distribution plant	88,033	20.5%	7,905
901.0 Supervision	53,488		
902.0 Meter reading	22,556		
903.0 Consumer records	585,063	14.9%	5,758
907.0 Supervision, Customer service	9,351		
908.0 Consumer accounting	63,971		
909.0 Consumer information	34,136		
910.0 Misc customer information	57,866	3.7%	1,440
920.0 Administrative	602,077		
930.2 Miscellaneous	67,890		
930.4 Annual meeting	5,115		
935.00 Maintenance general plant	<u>19,286</u>	<u>15.7%</u>	<u>6,047</u>
<b>Total</b>	<u><b>4,434,882</b></u>	<u><b>100.0%</b></u>	<u><b>38,625</b></u>

Emp #	Hours Worked			Actual Test Year Wages					Wage Rate	Normalized Wages				
	Reg Hrs	OT Hrs	Double Time	Regular	Overtime	Double Time	Performance Bonus	Total		@ 2,080 Hours	Double Time	Performance Bonus	Total	
										11/30/12				
<b>Salary Employees</b>														
4	2,080.00	-	-	191,155	-	-	2,334	193,489	93.60	194,688	-	2,334	197,022	
37	2,080.00	-	-	97,077	-	-	2,334	99,411	47.53	98,862	-	2,334	101,196	
65	2,080.00	-	-	84,723	-	-	2,334	87,057	41.48	86,278	-	2,334	88,612	
70	2,080.00	-	-	118,910	-	-	2,334	121,244	58.23	121,118	-	2,334	123,452	
85	2,080.00	-	-	97,661	-	-	2,334	99,995	47.82	99,466	-	2,334	101,800	
91	2,080.00	-	-	84,723	-	-	2,334	87,057	41.48	86,278	-	2,334	88,612	
110	2,080.00	-	-	78,536	-	-	2,334	80,870	38.45	79,976	-	2,334	82,310	
112	2,080.00	-	-	126,616	-	-	2,334	128,950	61.99	128,939	-	2,334	131,273	
116	2,080.00	-	-	66,704	-	-	4,334	71,038	32.66	67,933	-	4,334	72,267	
132	2,080.00	6.50	-	59,018	276	-	2,334	61,628	28.90	60,112	282	2,334	62,728	
135	2,080.00	-	-	93,005	-	-	2,331	95,335	46.56	96,845	-	2,331	99,175	
146	2,080.00	-	-	78,536	-	-	2,334	80,870	38.45	79,976	-	2,334	82,310	
161	2,072.00	-	-	60,844	-	-	2,294	63,137	29.90	62,192	-	2,294	64,486	
<b>Subtotal</b>	<b>27,032.0</b>	<b>6.5</b>	<b>0.0</b>	<b>1,237,508</b>	<b>276</b>	<b>0</b>	<b>32,298</b>	<b>1,270,082</b>		<b>1,262,664</b>	<b>282</b>	<b>0</b>	<b>32,298</b>	<b>1,295,244</b>
<b>Hourly Employees:</b>														
68	2,080.00	22.50	-	66,704	1,082	-	2,334	70,120	32.66	67,933	1,102	2,334	71,369	
81	2,080.00	10.90	-	40,394	317	-	2,334	43,045	19.78	41,142	323	2,334	43,800	
83	2,080.00	245.00	-	51,872	9,157	-	2,334	63,363	25.40	52,832	9,335	2,334	64,501	
84	2,080.00	252.40	4.00	66,704	12,144	256	2,334	81,438	32.66	67,933	12,365	261	2,334	82,893
86	2,080.00	268.50	2.00	66,704	12,913	128	2,322	82,067	32.66	67,933	13,154	131	2,322	83,539
90	2,080.00	98.50	2.00	66,704	4,731	128	2,224	73,788	32.66	67,933	4,826	131	2,224	75,113
93	2,080.00	229.00	2.00	62,954	10,394	121	2,334	75,803	30.82	64,106	10,587	123	2,334	77,150
98	2,080.00	15.80	-	62,288	709	-	2,334	65,331	30.50	63,440	723	2,334	66,497	
101	2,080.00	-	-	61,078	-	-	2,334	63,412	29.90	62,192	-	2,334	64,526	
103	2,080.00	-	-	61,078	-	-	2,334	63,412	29.90	62,192	-	2,334	64,526	
107	2,080.00	16.60	-	49,994	594	-	2,299	52,887	26.02	54,122	648	2,299	57,069	
119	2,080.00	58.50	-	50,560	2,135	-	2,325	55,020	24.76	51,501	2,173	2,325	55,999	
120	2,080.00	270.70	10.00	66,704	13,009	645	2,334	82,692	32.66	67,933	13,262	653	2,334	84,182
122	2,080.00	202.00	-	45,288	6,595	-	2,334	54,217	22.17	46,114	6,718	2,334	55,165	
127	2,080.00	6.50	-	45,392	212	-	2,334	47,938	22.22	46,218	217	2,334	48,768	
131	2,080.00	12.60	-	41,101	373	-	2,334	43,808	20.12	41,850	380	2,334	44,564	
133	2,080.00	348.00	11.00	61,078	15,305	645	2,334	79,362	29.90	62,192	15,608	658	2,334	80,792

Emp #	Hours Worked			Actual Test Year Wages					Wage Rate	Normalized Wages				
	Reg Hrs	OT Hrs	Double Time	Regular	Overtime	Double Time	Performance Bonus	Total		@ 2,080 Hours	Double Time	Performance Bonus	Total	
										Regular				Overtime
134	2,080.00	8.50	-	45,392	278	-	2,334	48,004	22.22	46,218	283	-	2,334	48,835
139	2,080.00	581.50	21.00	62,288	26,117	1,264	2,334	92,003	30.50	63,440	26,604	1,281	2,334	93,659
140	2,080.00	9.50	-	40,331	276	-	2,334	42,942	19.39	40,331	276	-	2,334	42,942
143	2,080.00	636.00	18.50	65,707	30,171	1,174	2,334	99,387	32.66	67,933	31,158	1,208	2,334	102,633
145	2,080.00	206.50	4.00	61,078	9,084	235	2,334	72,731	29.90	62,192	9,262	239	2,334	74,027
148	2,080.00	12.50	-	42,768	385	-	2,334	45,487	20.94	43,555	393	-	2,334	46,282
149	2,080.00	372.90	6.00	61,078	16,408	352	2,334	80,172	29.90	62,192	16,725	359	2,334	81,609
154	2,080.00	306.50	18.00	60,522	13,379	1,062	2,318	77,281	29.90	62,192	13,747	1,076	2,318	79,333
158	2,080.00	6.50	-	40,394	189	-	2,334	42,917	19.78	41,142	193	-	2,334	43,669
160	2,080.00	169.00	-	61,078	7,448	-	2,334	70,861	29.90	62,192	7,580	-	2,334	72,106
162	2,080.00	315.00	7.00	57,437	13,074	385	2,334	73,230	28.98	60,278	13,693	406	2,334	76,711
163	2,080.00	223.80	7.00	57,437	9,244	406	2,321	69,407	28.98	60,278	9,729	406	2,321	72,733
167	2,080.00	10.00	-	40,459	291	-	2,334	43,084	20.19	41,995	303	-	2,334	44,632
168	2,080.00	11.50	-	48,808	402	-	2,334	51,544	25.57	53,186	441	-	2,334	55,961
169	2,080.00	270.80	10.00	51,911	10,165	530	2,334	64,940	28.05	58,344	11,394	561	2,334	72,633
170	2,080.00	7.50	-	37,419	202	-	2,252	39,874	17.99	37,419	202	-	2,252	39,874
171	2,080.00	189.00	-	50,371	6,862	-	2,334	59,567	24.66	51,293	6,991	-	2,334	60,618
173	2,080.00	5.00	-	29,290	105	-	2,334	31,729	14.34	29,827	108	-	2,334	32,269
179	2,080.00	16.80	-	35,963	435	-	2,256	38,654	17.77	36,962	448	-	2,256	39,665
180	2,080.00	534.00	21.00	47,446	18,219	978	2,334	68,977	23.90	49,712	19,144	1,004	2,334	72,194
182	2,080.00	340.50	4.00	51,911	12,801	205	2,334	67,251	28.05	58,344	14,327	224	2,334	75,229
183	2,080.00	374.60	10.00	47,446	12,831	454	2,334	63,066	23.90	49,712	13,429	478	2,334	65,953
184	2,080.00	6.00	-	31,138	134	-	2,334	33,605	16.29	33,883	147	-	2,334	36,364
186	2,080.00	13.00	-	47,896	454	-	2,334	50,684	25.57	53,186	499	-	2,334	56,018
192	2,080.00	10.30	-	37,520	278	-	2,334	40,132	18.62	38,730	288	-	2,334	41,351
152	2,072.00	111.50	-	48,820	3,939	-	2,334	55,094	24.66	51,293	4,124	-	2,334	57,751
166	2,071.00	48.00	-	46,195	1,619	-	2,334	50,148	24.56	51,085	1,768	-	2,334	55,187
130	2,056.00	6.90	-	39,866	201	-	2,334	42,401	19.39	40,331	201	-	2,334	42,866
151	1,992.00	8.50	-	38,625	247	-	2,305	41,178	19.39	40,331	247	-	2,305	42,884
82	1,946.00	32.00	2.00	66,844	1,595	133	2,334	70,906	38.00	79,040	1,824	152	2,334	83,350
191	1,899.00	4.50	-	29,782	114	-	-	29,896	18.62	38,730	126	-	0	38,855
136	1,639.90	129.50	4.50	48,175	5,703	264	2,334	56,476	29.90	62,192	5,808	269	2,334	70,603
193	1,564.20	8.50	-	25,238	218	-	-	25,456	17.99	37,419	229	-	0	37,649
189	1,264.00	3.50	-	21,432	94	-	-	21,526	18.75	39,000	98	-	0	39,098

Emp #	Hours Worked			Actual Test Year Wages					Wage Rate	Normalized Wages				
	Reg Hrs	OT Hrs	Double Time	Regular	Overtime	Double Time	Performance Bonus	Total		@ 2,080 Hours	Double Time	Performance Bonus	Total	
										11/30/12				
194	167.90	-	-	2,423	-	-	-	2,423	14.43	30,014		0	30,014	
<b>Subtotal</b>	<b>104,032.0</b>	<b>7,047.6</b>	<b>164.0</b>	<b>2,547,087</b>	<b>292,634</b>	<b>9,366</b>	<b>111,648.79</b>	<b>2,960,735</b>		<b>2,721,534</b>	<b>303,204</b>	<b>9,620</b>	<b>111,649</b>	<b>3,146,008</b>
<b>Part Time &amp; Summer Employees</b>														
177	1,051.00	-	-	12,024	-	-	-	12,024	11.65	12,244		0	12,244	
165	756.00	-	-	7,977	-	-	-	7,977	11.09	8,384		0	8,384	
164	615.00	-	-	6,483	-	-	-	6,483	11.09	6,820		0	6,820	
190	480.50	-	-	4,713	-	-	-	4,713	10.00	4,805		0	4,805	
<b>Subtotal</b>	<b>2,902.5</b>	<b>0.0</b>	<b>0.0</b>	<b>31,196</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>31,196</b>		<b>32,254</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>32,254</b>
<b>Retired Employees</b>														
38	2,080.00	-	-	84,723	-	-	2,334	87,057		0			0	
89	2,080.00	7.20	-	40,394	210	-	2,334	42,937		0	0		0	
126	2,080.00	5.00	-	40,394	145	-	2,334	42,873		0	0		0	
<b>Subtotal</b>	<b>6,240.0</b>	<b>12.2</b>	<b>0.0</b>	<b>165,510</b>	<b>355</b>	<b>0</b>	<b>7,002</b>	<b>172,868</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total</b>	<b>140,206.5</b>	<b>7,066.3</b>	<b>164.0</b>	<b>3,981,301</b>	<b>293,266</b>	<b>9,366</b>	<b>150,949</b>	<b>4,434,882</b>		<b>4,016,452</b>	<b>303,486</b>	<b>9,620</b>	<b>143,947</b>	<b>4,473,506</b>

Meade County Rural Electric Cooperative  
Case No. 2013-00033  
November 30, 2012

Emp #	Wage Rate 4/1/10	Wage Rate 11/1/11	Percent change	Wage Rate 11/30/12	Percent change	Reason for increase
<b>Salary Employees</b>						
4	89.09	91.76	3.0%	93.60	2.0%	
37	45.25	46.60	3.0%	47.53	2.0%	
65	39.48	40.67	3.0%	41.48	2.0%	
70	55.42	57.08	3.0%	58.23	2.0%	
85	45.51	46.88	3.0%	47.82	2.0%	
91	39.48	40.67	3.0%	41.48	2.0%	
110	36.60	37.70	3.0%	38.45	2.0%	
112	59.01	60.78	3.0%	61.99	2.0%	
116	30.52	32.02	4.9%	32.66	2.0%	
132	27.51	28.33	3.0%	28.90	2.0%	
135	43.69	44.56	2.0%	46.56	4.5%	Promotion
146	34.25	37.70	10.1%	38.45	2.0%	
161	27.39	29.32	7.0%	29.90	2.0%	
<b>Subtotal</b>						
<b>Hourly Employees:</b>						
68	31.09	32.02	3.0%	32.66	2.0%	
81	19.16	19.39	1.2%	19.78	2.0%	
83	23.56	24.90	5.7%	25.40	2.0%	
84	31.09	32.02	3.0%	32.66	2.0%	
86	31.09	32.02	3.0%	32.66	2.0%	
90	31.09	32.02	3.0%	32.66	2.0%	
93	29.34	30.22	3.0%	30.82	2.0%	
98	29.03	29.90	3.0%	30.50	2.0%	
101	28.46	29.32	3.0%	29.90	2.0%	
103	25.65	29.32	14.3%	29.90	2.0%	
107	19.81	23.87	20.5%	26.02	9.0%	Promotion
119	23.56	24.27	3.0%	24.76	2.0%	
120	31.09	32.02	3.0%	32.66	2.0%	
122	21.16	21.74	2.7%	22.17	2.0%	
127	21.16	21.79	3.0%	22.22	2.0%	
131	19.16	19.73	3.0%	20.12	2.0%	
133	28.46	29.32	3.0%	29.90	2.0%	
134	21.16	21.79	3.0%	22.22	2.0%	



Exhibit  
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Meade County Rural Electric Cooperative  
Case No. 2013-00033  
November 30, 2012

Emp #	Wage Rate 4/1/10	Wage Rate 11/1/11	Percent change	Wage Rate 11/30/12	Percent change	Reason for increase
139	29.03	29.90	3.0%	30.50	2.0%	
140	19.16	19.39	1.2%	19.39	0.0%	
143	30.22	32.02	6.0%	32.66	2.0%	
145	28.46	29.32	3.0%	29.90	2.0%	
148	19.94	20.53	3.0%	20.94	2.0%	
149	28.46	29.32	3.0%	29.90	2.0%	
154	28.46	29.03	2.0%	29.90	3.0%	
158	19.16	19.39	1.2%	19.78	2.0%	
160	27.58	29.32	6.3%	29.90	2.0%	
162	23.18	27.50	18.6%	28.98	5.4%	Merit increase
163	23.18	27.50	18.6%	28.98	5.4%	Merit increase
167	18.51	19.39	4.8%	20.19	4.1%	Merit increase
168	21.17	23.29	10.0%	25.57	9.8%	Merit increase
169	22.05	25.68	16.5%	28.05	9.2%	Merit increase
170	17.72	17.99	1.5%	17.99	0.0%	
171	22.76	24.18	6.2%	24.66	2.0%	
173	13.85	14.06	1.5%	14.34	2.0%	
179	15.50	17.25	11.3%	17.77	3.0%	Merit increase
180	20.64	22.72	10.1%	23.90	5.2%	Merit increase
182	22.05	25.68	16.5%	28.05	9.2%	Promotion
183	20.64	22.72	10.1%	23.90	5.2%	Merit increase
184	14.15	14.86	5.0%	16.29	9.6%	Promotion
186	17.72	23.29	31.4%	25.57	9.8%	Promotion
192	15.75	17.99	14.2%	18.62	3.5%	Merit increase
152	n/a	23.47	0.0%	24.66	5.1%	Merit increase
166	23.38	24.08	3.0%	24.56	2.0%	
130	18.45	19.01	3.0%	19.39	2.0%	
151	18.83	19.39	3.0%	19.39	0.0%	
82	36.16	37.24	3.0%	38.00	2.0%	
191	n/a	17.15	0.0%	18.62	8.6%	Merit increase
136	28.46	29.31	3.0%	29.90	2.0%	
193	n/a	0.00	0.0%	17.99	0.0%	
189	n/a	17.85	0.0%	18.75	5.0%	Merit increase
194	n/a	0.00	0.0%	14.43	0.0%	

Meade County Rural Electric Cooperative  
Case No. 2013-00033  
Employee Information  
November 30, 2012

The following is a list of employees added during the test year, and the employees that were replaced, or reason for hiring the employees.

<u>Employee Hired</u>	<u>Reason</u>
191	Replaced employee that retired in 2011
193	Replaced #89 who retired
189	Replaced #38 who retired
194	Replaced #126 who retired

The following is a list of employees that have retired, and the date.

<u>Employee Number</u>	<u>Month Retired</u>
38	Nov-13
89	Nov-13
126	Nov-13

Meade County Rural Electric Cooperative

Case No. 2013-00033

Exhibit 1

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Witness: Karen Brown

Analysis of Salaries and Wages  
For the calendar years 2009 through 2011  
and the Test year

Line No	Item (a)	Twelve Months Ended						Test year	
		2009		2010		2011		2012	
		Amount (f)	% (g)	Amount (h)	% (i)	Amount (j)	% (k)	Amount (l)	% (m)
1	Wages charged to expense:								
2	Distribution expense	2,060	32%	1,405	-32%	1,611	15%	1,631	1%
3	Customer accounts expense	595	-10%	568	-5%	625	10%	661	6%
4	Customer service and and inforri	144	97%	146	1%	158	8%	165	4%
5	Sales expense								
6	Administrative and general expenses:								
	(a) Administrative and general	517	8%	524	1%	548	5%	602	10%
	(b) Office supplies and expense								
	(c) Outside services employed								
	(d) Property insurance								
	(e) Injuries and damages								
	(f) Employees hospitalization and benefits								
	(g) Retirement and security								
	(h) Miscellaneous general	52	24%	58	12%	64	10%	73	14%
	(i) Maintenance of general plant	20	5%	19	-5%	20	5%	19	-5%
7	Total administrative and general expenses L6(a) to L6(i)	589	9%	601	-3%	632	5%	694	-3%
8	Charged to clearing and others	231	-5%	209	-10%	240	15%	233	-3%
9	Total salaries and wages charged to expense and other L2 to L6 + L7 + L8	3,619	17%	2,929	-19%	3,266	12%	3,384	4%
10	Wages capitalized	718	-11%	936	30%	966	3%	1,050	9%
11	Total salaries and wages	4,337	11%	3,865	-11%	4,232	9%	4,434	5%
12	Ratio of salaries and wages charged to expense to total wages L9 / L	83%		76%		77%		76%	
13	Ratio of salaries and wages capitalized to total wages L10 / L11	17%		24%		23%		24%	
14	Overtime wages	434	34%	218	-50%	266	22%	303	14%
15	Overtime hours	12,170		5,727		6,669		7,230	

Witness: Burns Mercer

Meade County Rural Electric Cooperative  
Case No. 2013-00033  
Compensation of Executive Officers  
November 30, 2012

	<----- <u>Salary</u>	Test Year Percent of <u>Increase</u>	-----> <u>Date</u>	Employees Who <u>Report</u>
President & CEO	194,688	2%	4/1/2010	all
VP, Engineering & Operations	128,939	2%	4/1/2010	46
VP, Finance & Administration	121,118	2%	4/1/2010	23
VP, Marketing	99,466	2%	4/1/2010	1

	<u>First Preceding Year</u>		
	<u>Salary</u>	Percent of <u>Increase</u>	<u>Date</u>
President & CEO	190,860	3%	4/1/2009
VP, Engineering & Operations	126,422	3%	4/1/2009
VP, Finance & Administration	118,726	3%	4/1/2009
VP, Marketing	97,510	3%	4/1/2009

	<u>Second Preceding Year</u>		
	<u>Salary</u>	Percent of <u>Increase</u>	<u>Date</u>
President & CEO	185,307	8%	4/1/2008
VP, Engineering & Operations	122,741	10%	4/1/2008
VP, Finance & Administration	115,274	10%	4/1/2008
VP, Marketing	94,661	3%	4/1/2008

Meade County Rural Electric Cooperative  
Case No. 2012-00033  
Duties and Responsibilities of Officers

President & CEO

It is the responsibility of the President/CEO to report directly to the Board of Directors in implementing the Board policies and directives.

VP, Engineering and Operations

Collaborates with Construction and Maintenance Supervisors, and contractors, on a daily basis for operational needs. Prepares and presents the President/CEO an annual capital budget. Plans and organizes to serve members with efficient work. Promotes fast, dependable electric service to the members and maintain power quality. Maintains knowledge of local and national laws and regulations governing the operations of Meade County. Reports directly to the President/CEO.

VP, Finance and Administration

Coordinates all audit efforts by various agencies. Maintains financial status of Meade County by developing budgets and financial statements. Collaborates with other VP's to fill any vacant positions. Assists and advises other departments as requested in the preparation of departmental budgets. Maintains all information related to accounting, as needed. Determines short term cash investments and long term cash requirements. Assists in the development of information necessary for long term loan applications. Reviews financial information to ensure compliance with regulatory agencies. Ensures that taxes are properly prepared and filed on a timely basis. Analyzes electric sales revenues, collections, delinquents, write-offs, and penalty charges for efficiencies. Maintains knowledge of laws and regulations governing the administration of Meade County. Directs preparation of daily cash transactions. Reports directly to the President/CEO.

VP, Marketing

Plans and organizes to serve member/owners with efficient work. Investigates member concerns that have not been satisfied by other employees. Encourages in economic development in the region. Maintains knowledge of laws and regulations governing the operations of Meade County. Participates in community events and programs. Reports directly to the President/CEO.

Meade County Rural Electric Cooperative  
Case No. 2013-00033  
**Payroll Taxes**

The employer's portion of FICA and medicare rates remain the same for 2013 as they were for 2012. The FICA rate is 6.2% and medicare is 1.45%. The wage limit increases from \$106,800 in 2012 to \$110,100 in 2013 for FICA; all wages are subject to medicare.

Federal unemployment rates are 0.80% for the first \$7,000 of wages and state unemployment rate is 1.05% for the first \$8,000 of wages.

Proposed FICA amounts

FICA	269,828	
Medicare	64,866	
	<u>334,693</u>	
Proposed FUTA	3,845	
Proposed SUTA	5,750	344,288
	<u>5,750</u>	<u>344,288</u>
Test year amount		
FICA	269,154	
Medicare	65,071	
	<u>334,225</u>	
Test year FUTA	3,635	
Test year SUTA	6,258	344,118
	<u>6,258</u>	<u>344,118</u>
Increase		<u>170</u>

**Adjustment:**

	<u>Percent</u>	<u>Amount</u>
107 Capitalized	23.69%	40
163 - 416 Clearing and others	5.25%	9
580 Operations	16.31%	28
590 Maintenance	20.47%	35
901 Consumer accounts	14.91%	25
908 Customer service	3.73%	6
910 Sales	0.00%	0
920 Administrative and general	15.66%	27
	<u>100.00%</u>	<u>\$170</u>

State unemployment (SUTA) wage rates are as follows:

2013	1.05%
2012	1.05%
2011	0.80%
2010	0.70%
2009	0.70%



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Emp #	Total	Social Security		Medicare Wages		Federal Unemployment		State Unemployment	
		Up to \$110,100	@ 6.20%	All Wages	@ 1.45%	Up to \$7,000	@ 0.80%	Up to \$8,000	@ 1.05%
37	101,196	101,196	6,274	101,196	1,467	7,000	56	8,000	84
65	88,612	88,612	5,494	88,612	1,285	7,000	56	8,000	84
70	123,452	110,100	6,826	123,452	1,790	7,000	56	8,000	84
85	101,800	101,800	6,312	101,800	1,476	7,000	56	8,000	84
91	88,612	88,612	5,494	88,612	1,285	7,000	56	8,000	84
110	82,310	82,310	5,103	82,310	1,193	7,000	56	8,000	84
112	131,273	110,100	6,826	131,273	1,903	7,000	56	8,000	84
116	72,267	72,267	4,481	72,267	1,048	7,000	56	8,000	84
132	62,728	62,728	3,889	62,728	910	7,000	56	8,000	84
135	99,175	99,175	6,149	99,175	1,438	7,000	56	8,000	84
146	82,310	82,310	5,103	82,310	1,193	7,000	56	8,000	84
161	64,486	64,486	3,998	64,486	935	7,000	56	8,000	84
<b>Subtotal</b>	<b>1,295,244</b>	<b>1,173,796</b>	<b>72,775</b>	<b>1,295,244</b>	<b>18,781</b>	<b>91,000</b>	<b>728</b>	<b>104,000</b>	<b>1,092</b>
<b>Hourly Employees:</b>									
68	71,369	71,369	4,425	71,369	1,035	7,000	56	8,000	84
81	43,800	43,800	2,716	43,800	635	7,000	56	8,000	84
83	64,501	64,501	3,999	64,501	935	7,000	56	8,000	84
84	82,893	82,893	5,139	82,893	1,202	7,000	56	8,000	84
86	83,539	83,539	5,179	83,539	1,211	7,000	56	8,000	84
90	75,113	75,113	4,657	75,113	1,089	7,000	56	8,000	84
93	77,150	77,150	4,783	77,150	1,119	7,000	56	8,000	84
98	66,497	66,497	4,123	66,497	964	7,000	56	8,000	84
101	64,526	64,526	4,001	64,526	936	7,000	56	8,000	84
103	64,526	64,526	4,001	64,526	936	7,000	56	8,000	84
107	57,069	57,069	3,538	57,069	827	7,000	56	8,000	84
119	55,999	55,999	3,472	55,999	812	7,000	56	8,000	84
120	84,182	84,182	5,219	84,182	1,221	7,000	56	8,000	84
122	55,165	55,165	3,420	55,165	800	7,000	56	8,000	84
127	48,768	48,768	3,024	48,768	707	7,000	56	8,000	84
131	44,564	44,564	2,763	44,564	646	7,000	56	8,000	84
133	80,792	80,792	5,009	80,792	1,171	7,000	56	8,000	84
134	48,835	48,835	3,028	48,835	708	7,000	56	8,000	84
139	93,659	93,659	5,807	93,659	1,358	7,000	56	8,000	84
140	42,942	42,942	2,662	42,942	623	7,000	56	8,000	84
143	102,633	102,633	6,363	102,633	1,488	7,000	56	8,000	84
145	74,027	74,027	4,590	74,027	1,073	7,000	56	8,000	84
148	46,282	46,282	2,869	46,282	671	7,000	56	8,000	84
149	81,609	81,609	5,060	81,609	1,183	7,000	56	8,000	84
154	79,333	79,333	4,919	79,333	1,150	7,000	56	8,000	84
158	43,669	43,669	2,707	43,669	633	7,000	56	8,000	84



Emp #	Total	Social Security		Medicare Wages		Federal Unemployment		State Unemployment	
		Up to	@	All	@	Up to	@	Up to	@
		\$110,100	6.20%	Wages	1.45%	\$7,000	0.80%	\$8,000	1.05%
126	0	0	0	0	0	0	0	0	0
<b>Subtotal</b>	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>4,473,506</b>	4,352,058	269,828	4,473,506	64,866	480,625	3,845	547,625	5,750

Meade County Rural Electric

Case No. 2013-00033

November 30, 2012

**Depreciation Expense**

Depreciation is computed on a composite basis. The ending plant balance is multiplied by rates that are within RUS approved guidelines. Depreciation rates and procedures follow RUS Bulletin 183-1. Meade County has never had a depreciation study performed, and is not submitting a study with this application.

In PSC Order dated March 28, 2011 in Case. No. 2010-00222 the Commission modified the original order dated February 17, 2011 "to the extent that Meade shall be required to perform a depreciation study within five years of the date of the Order".

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

Meade County Rural Electric  
Case No. 2013-00033  
Depreciation Adjustment  
November 30, 2012

7	Normalized depreciation accrual:		
8	Distribution plant	3,223,006	
9	General plant	581,983	
10	Less charged to clearing	<u>(354,120)</u>	
11			3,450,868
12			
13	Test year depreciation accrual:		
14	Distribution plant	3,117,219	
15	General plant	578,099	
16	Less charged to clearing	<u>(345,017)</u>	
17			3,350,301
18	Normalized depreciation expense adjustment		<u><u>100,567</u></u>
19			
20			
21	Transportation clearing:		
22	Normalized		354,120
23	Test year accrual		<u>345,017</u>
24			<u><u>9,103</u></u>

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

29	<u>Account</u>	<u>%</u>	<u>Amount</u>
31	Construction and retirement WIP	39%	\$3,507
32	Others	4%	324
33	Distribution - operations	21%	1,928
34	Distribution - maintenance	31%	2,821
35	Consumer accounts	1%	129
36	Consumer service and information	2%	176
37	Sales	0%	0
38	Administrative and general	2%	219
39			
40	Total	<u>100%</u>	<u>\$9,103</u>

Meade County Rural Electric  
Case No. 2013-00033  
November 30, 2012

Account Number	Description	30-Nov-12 Balance	Rate	Normalized Expense	Test Year Expense	Items Fully Depreciated
<b>Distribution plant:</b>						
360	Land	215,391				
362	Station equipment	7,506,032	3.36%	252,203	250,235	
364	Poles, towers & fixtures	42,736,741	3.36%	1,435,955	1,375,211	
365	Overhead conductors & devices	17,361,134	3.36%	583,334	554,917	
367	Underground conductor & device	2,164,153	3.36%	72,716	70,977	
368	Line transformers	13,529,192	3.36%	454,581	445,217	
369	Services	3,835,378	3.36%	128,869	126,921	
370	Meters	5,869,411	3.36%	197,212	198,144	
371	Security lights	2,791,630	3.36%	93,799	91,269	
373	Street lights	129,121	3.36%	4,338	4,328	
		<u>96,138,183</u>		<u>3,223,006</u>	<u>3,117,219</u>	
<b>General plant:</b>						
389	Land	293,644				
390	Structures and improvements	374,630	3.0%	11,239	9,351	
390.10	Structures and improvements	2,810,346	4.2%	118,035	117,898	
391	Office furn and eqt	1,168,676	8.0%	79,198	78,003	178,706
392	Transportation	2,756,027	15.0%	354,120	345,017	395,224
393	Stores	33,934	5.0%	1,411	1,982	5,706
394	Tools, shop and garage	158,727	6.7%	7,885	15,394	41,035
395	Laboratory	59,699	6.0%	0	0	59,699
397	Communications	241,320	8.0%	9,076	8,041	127,875
398	Miscellaneous	20,385	5.0%	1,019	2,413	0
		<u>7,917,388</u>		<u>581,983</u>	<u>578,099</u>	
	Total electric plant	<u>104,055,571</u>		<u>3,804,989</u>	<u>3,695,318</u>	

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



Meade County Rural Electric  
Case No. 2013-00033  
November 30, 2012

Exhibit 3  
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<b>Changes in electric plant:</b>		<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
360	Land	215,391	-	-	215,391
362	Station equipment	7,388,880	117,152	-	7,506,032
364	Poles, towers and fixtures	39,763,774	3,507,165	534,198	42,736,741
365	Overhead conductor and devices	15,957,852	1,663,317	260,035	17,361,134
367	Underground conductor and devices	2,056,180	110,301	2,328	2,164,153
368	Line transformers	12,969,449	747,715	187,972	13,529,192
369	Services	3,713,417	159,661	37,700	3,835,378
370	Meters	5,917,001	53,872	101,462	5,869,411
371	Security lights	2,631,892	195,203	35,465	2,791,630
373	Street lights	128,475	782	136	129,121
	<b>Subtotal distribution plant</b>	<b>90,742,311</b>	<b>6,555,168</b>	<b>1,159,296</b>	<b>96,138,183</b>
389	Land	293,644	-	-	293,644
390	Structures and improvements	374,630	-	-	374,630
390	Structures and improvements	2,810,346	-	-	2,810,346
391	Office furniture and equipment	1,140,745	27,931	-	1,168,676
392	Transportation equipment	2,708,641	542,610	495,224	2,756,027
393	Stores	33,934	-	-	33,934
394	Tools, shop and garage	137,031	21,696	-	158,727
395	Laboratory	59,699	-	-	59,699
397	Communication	223,263	18,057	-	241,320
398	Miscellaneous	20,385	-	-	20,385
	<b>Subtotal general plant</b>	<b>7,802,318</b>	<b>610,294</b>	<b>495,224</b>	<b>7,917,388</b>
	<b>Total electric plant in service</b>	<b>\$98,544,629</b>	<b>\$7,165,462</b>	<b>\$1,654,520</b>	<b>\$104,055,571</b>

Meade County Rural Electric  
Case No. 2013-00033  
November 30, 2012

Exhibit 3  
page 5 of 6

**Changes in reserve for depreciation:**

	<u>Beginning Balance</u>	<u>Accrual</u>	<u>Original Cost</u>	<u>Removal Cost</u>	<u>Gain/Loss Salvage</u>	<u>Net Charge</u>	<u>Ending Balance</u>
Distribution plant	23,868,649	3,117,219	1,159,296	926,561	335,024	1,750,833	25,235,035
Land							
Structures and improvements	382,303	9,351	-			-	391,654
Structures and improvements	1,218,020	117,069	-			-	1,335,089
Office furniture and equipment	981,620	75,397	-			-	1,057,017
Transportation equipment	1,537,335	345,017	495,224		390,904	390,904	1,441,578
Stores	28,697	1,983	-			-	30,680
Tools, shop and garage	113,655	15,651	-			-	129,306
Laboratory	59,699	-	-			-	59,699
Communication	214,268	7,375	-			-	221,643
Miscellaneous	10,909	2,412	-			-	13,321
Subtotal general plant	4,546,506	574,255	495,224	-	390,904	390,904	4,679,987
Retirement WIP	97,982			(26,980)		(26,980)	71,002
Total accumulated depreciation	28,317,173	3,691,474	1,654,520	953,541	725,928	2,168,717	29,844,020

Meade County Rural Electric

Case No. 2013-00033

Depreciation Guideline Curve

November 30, 2012

<u>Year Ended</u>	<u>Distribution Plant in Service</u>	<u>Accumulated Deprec for Distribution</u>	<u>Reserve Ratio</u>	<u>Ratio of Current Distribution Plant to Distribution Plant 10 Years Prior</u>
2011	90,890,418	23,849,492	26.24%	1.77
2010	86,747,806	22,082,839	25.46%	1.83
2009	82,006,321	20,716,588	25.26%	1.85
2008	79,412,895	19,148,191	24.11%	1.94
2007	76,020,263	17,461,623	22.97%	2.03
2001	51,255,660	11,264,997	21.98%	
2000	47,530,430	10,575,145	22.25%	
1999	44,363,056	9,937,785	22.40%	
1998	40,845,433	9,289,706	22.74%	
1997	37,522,573	8,632,283	23.01%	

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Witness: Karen Brown

Meade County Rural Electric  
Case No. 2013-00033  
Analysis of Other Operating Taxes

Adjust property taxes based on the increase in property values and reflect changes in rates by taxings districts.

2012 property taxes	831,355
2011 property taxes	<u>797,523</u>
Change	<u><u>33,832</u></u>

**Adjustment:**

		<u>Percent</u>	<u>Amount</u>
107	Capitalized	0.00%	0
163 - 416	Clearing and others	0.00%	0
580	Operations	97.00%	32,817
590	Maintenance	0.00%	0
901	Consumer accounts	0.00%	0
908	Customer service	0.00%	0
910	Sales	0.00%	0
920	Administrative and general	3.00%	1,015
		<u>100.00%</u>	<u>\$33,832</u>

Meade County Rural Electric  
Case No. 2012-00033  
Analysis of Other Operating Taxes  
12 Months Ended  
November 30, 2012

Line No.	<u>Item</u> (a)	<u>Charged Expense</u> (b)	<u>Charged to Construction</u> (c)	<u>Charged to Other Accounts</u> (d)	<u>Amounts Accrued</u> (e)	<u>Amount Paid</u> (f)
1.	Kentucky Retail:					
	(a) State Income					
	(b) Franchise Fees					
	(c) Ad Valorem	797,523			797,523	830,070
	(d) Payroll (Employer's Portion)	244,531	81,521	18,066	344,118	344,118
	(e) Other Taxes	38,490			38,490	38,490
2.	Total Retail (L1(a) through L1(e))	1,080,544	81,521	18,066	1,180,131	1,212,678
3.	Other Jurisdictions					
	Total Per Books (L2 and L3)	1,080,544	81,521	18,066	1,180,131	1,212,678

Meade County Rural Electric  
Case No. 2013-00033  
November 30, 2012

Taxing District	Assessment for 2012 Taxes			Assessment for 2011 Taxes			Increase Decrease in Taxes
	Assessed Value	Tax Rate	Tax Due	Assessed Value	Tax Rate	Tax Due	
<b>Breckinridge County</b>							
Real Estate - County	1,296,726	0.1120	1,452.33	1,355,713	0.1120	1,518.40	(66)
Real Estate - Common Sch	1,291,222	0.4980	6,430.29	1,352,951	0.4850	6,561.81	(132)
Real Estate - Library	1,296,726	0.0880	1,141.12	1,355,713	0.0780	1,057.46	84
Real Estate - Extension	1,296,726	0.0420	544.62	1,355,713	0.0420	569.40	(25)
Real Estate - Conservation	1,296,726	0.0100	129.67	1,355,713	0.0100	135.57	(6)
Real Estate - Health	1,296,726	0.0310	401.99	1,352,951	0.0300	405.89	(4)
Real Estate - Ind School	5,504	0.6440	35.45	2,762	0.6170	17.04	18
Tangible - County	27,608,186	0.1310	36,166.72	25,783,497	0.1310	33,776.38	2,390
Tangible - Common School	27,314,358	0.4980	136,025.50	25,499,232	0.4850	123,671.28	12,354
Tangible - Library	27,608,186	0.1534	42,350.96	25,783,497	0.1358	35,013.99	7,337
Tangible - Extension	27,608,186	0.0837	23,108.05	25,783,497	0.0837	21,580.79	1,527
Tangible - Health	27,608,186	0.0310	8,558.54	25,783,497	0.0300	7,735.05	823
Tangible - Ind School	293,828	0.6440	1,892.25	284,265	0.6170	1,753.92	138
<b>Grayson County</b>							
Real Estate - County	41,826	0.0640	26.77	41,826	0.0650	27.19	(0)
Real Estate - Common Sch	41,826	0.4420	184.87	41,826	0.4330	181.11	4
Real Estate - Hospital	41,826	0.0410	17.15	41,826	0.0410	17.15	0
Real Estate - Health	41,826	0.0260	10.87	41,826	0.0260	10.87	0
Real Estate - Extension	41,826	0.0300	12.55	41,826	0.0275	11.50	1
Real Estate - Library	41,826	0.0640	26.77	41,826	0.0600	25.10	2
Tangible - County	2,203,627	0.0790	1,740.87	2,037,073	0.0790	1,609.29	132
Tangible - Common School	2,203,627	0.4420	9,740.03	2,037,073	0.4330	8,820.53	920
Tangible - Health	2,203,627	0.0300	661.09	2,037,073	0.0300	611.12	50
Tangible - Hospital	2,203,627	0.0500	1,101.81	2,037,073	0.0500	1,018.54	83
Tangible - Extension	2,203,627	0.0489	1,077.57	2,037,073	0.0530	1,079.65	(2)
Tangible - Library	2,203,627	0.1037	2,285.16	2,037,073	0.1156	2,354.86	(70)
<b>Hancock County</b>							
Tangible - County	67,702	0.0560	37.91	62,696	0.0560	35.11	3
Tangible - School	67,702	0.5760	389.96	62,696	0.5560	348.59	41
Tangible - Health	67,702	0.0275	18.62	62,696	0.0275	17.24	1
Tangible - Library	67,702	0.1600	108.32	62,696	0.1573	98.62	10
page totals			275,677.82			250,063.41	25,614.41

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Meade County Rural Electric  
Case No. 2013-00033  
November 30, 2012

Taxing District	Assessment for 2012 Taxes			Assessment for 2011 Taxes			Increase Decrease in Taxes
	Assessed Value	Tax Rate	Tax Due	Assessed Value	Tax Rate	Tax Due	
<b>Hardin County</b>							
Tangible - County	119,032	0.1100	130.94	110,232	0.1200	132.28	(1)
Tangible - School	119,032	0.5870	698.72	110,232	0.5870	647.06	52
Tangible - Health	119,032	0.0220	26.19	110,232	0.0200	22.05	4
Tangible - Extension	119,032	0.0149	17.74	110,232	0.0146	16.09	2
<b>Meade County</b>							
Real Estate - County	734,886	0.2160	1,587.35	804,609	0.2160	1,737.96	(151)
Real Estate - Common Sch	734,886	0.4650	3,417.22	804,609	0.4650	3,741.43	(324)
Real Estate - Library	734,886	0.0980	720.19	804,609	0.0980	788.52	(68)
Real Estate - Health	734,886	0.0270	198.42	804,609	0.0270	217.24	(19)
Real Estate - Extension	734,886	0.0380	279.26	804,609	0.0390	313.80	(35)
Real Estate - Conservation	734,886	0.0080	58.79	804,609	0.0080	64.37	(6)
Real Estate - Meade Fire	0	0.0750	0.00	756,652	0.0750	567.49	(567)
Real Estate - Battletown Fi	3,500	0.1000	3.50	3,500	0.1000	3.50	0
Real Estate - Brandenburg	658,453	0.2070	1,363.00	728,177	0.2050	1,492.76	(130)
Tangible - County	20,555,283	0.3800	78,110.08	20,410,783	0.3800	77,560.98	549
Tangible - Common School	20,555,283	0.4870	100,104.23	20,410,783	0.4850	98,992.30	1,112
Tangible - Library	20,555,283	0.2000	41,110.57	20,410,783	0.2000	40,821.57	289
Tangible - Health	20,555,283	0.0283	5,817.15	20,410,783	0.0283	5,776.25	41
Tangible - Extension	20,555,283	0.0740	15,210.91	20,410,783	0.0750	15,308.09	(97)
Tangible - Flaherty Fire	5,873,667	0.0150	881.05	5,415,402	0.0150	812.31	69
Tangible - Meade Fire	6,716,486	0.0200	1,343.30	7,630,307	0.0200	1,526.06	(183)
Tangible - Ekron Fire	3,760,934	0.0800	3,008.75	3,505,143	0.0800	2,804.11	205
Tangible - Battletown Fire	834,759	0.1000	834.76	785,045	0.1000	785.05	50
Tangible - Payneville Fire	1,799,464	0.1000	1,799.46	1,655,842	0.1000	1,655.84	144
Tangible - Brandenburg Cit	2,197,362	0.3830	8,415.90	3,421,294	0.3830	13,103.56	(4,688)
Tangible - Ekron City	3,760,934	0.1400	5,265.31	3,505,143	0.1400	4,907.20	358
<b>Ohio County</b>							
Real Estate - County	9,528	0.0630	6.00	10,168	0.0660	6.71	(1)
Real Estate - Common Sch	9,528	0.4510	42.97	10,168	0.4510	45.86	(3)
Real Estate - Library	9,528	0.0640	6.10	10,168	0.0690	7.02	(1)
Real Estate - Health	9,528	0.0350	3.33	10,168	0.0350	3.56	(0)
Real Estate - Extension	9,528	0.0210	2.00	10,168	0.0230	2.34	(0)
Real Estate - Conservation	9,528	0.0060	0.57	10,168	0.0060	0.61	(0)
Tangible - County	2,720,170	0.0630	1,713.71	2,535,853	0.0660	1,673.66	40
Tangible - School	2,720,170	0.4510	12,267.97	2,535,853	0.4510	11,436.70	831
Tangible - Library	2,720,170	0.0640	1,740.91	2,535,853	0.0690	1,749.74	(9)
Tangible - Health	2,720,170	0.0350	952.06	2,535,853	0.0350	887.55	65
Tangible - Extension	2,720,170	0.0210	571.24	2,535,853	0.0230	583.25	(12)
page totals			287,709.60			290,194.84	(2,485.23)



Meade County Rural Electric  
Case No. 2013-00033  
November 30, 2012

Taxing District	Assessment for 2012 Taxes			Assessment for 2011 Taxes			Increase Decrease in Taxes
	Assessed Value	Tax Rate	Tax Due	Assessed Value	Tax Rate	Tax Due	
<b>City of Cloverport</b>							
Real Estate	5,504	0.3920	21.58	2,762	0.3710	10.25	11
Tangible	141,031	0.3620	510.53	142,764	0.3620	516.81	(6)
<b>City of Fordsville</b>							
Real Estate	9,528	0.1901	18.11	10,168	0.1931	19.63	(2)
Tangible	93,110	0.1602	149.19	86,754	0.2010	174.37	(25)
<b>City of Hardinsburg</b>							
Real Estate	1,253,939	0.2740	3,435.79	1,315,586	0.2700	3,552.08	(116)
Tangible	1,165,026	0.2740	3,192.17	1,187,548	0.2700	3,206.38	(14)
Special Fire Tax	2,418,965	0.0300	725.69	2,503,134	0.0300	750.94	(25)
<b>City of Irvington</b>							
Real Estate	2,036	0.3512	7.15	2,117	0.3155	6.68	0
Tangible	97,204	0.6470	628.91	90,017	0.6625	596.34	33
<b>Public Service Company Assessment:</b>							
Real Estate	2,082,966	0.1220	2,541.22	2,212,316	0.1220	2,699.03	(158)
Tangible Property	53,274,000	0.4500	239,733.00	50,940,134	0.4500	229,230.60	10,502
Manufacturing Machinery	11,336,103	0.1500	17,004.15	11,001,276	0.1500	16,501.91	502
this page			<u>267,967.49</u>			<u>257,265.02</u>	<u>10,702.48</u>
Total			<u>831,354.92</u>			<u>797,523.27</u>	<u>33,831.65</u>
Amount of Adjustment							<u>33,832</u>

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## Meade County Rural Electric

Case No. 2013-00033

**Adjustment for Interest on Long Term Debt**

November 30, 2012

The adjustment for interest on long-term debt results in an increase of \$20,040.

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

RUS loans	1,128,191
FFB loans	625,925
CFC loans	<u>255,785</u>
Total annualized interest	2,009,901
Test year interest expense	<u>1,989,861</u>
Adjustment	<u><u>20,040</u></u>

There was no interest on short term borrowings during the test year since there were no advances.

Meade County Rural Electric

Exhibit 5

Case No. 2013-00033

page 2 of 4

Schedule of Outstanding Long-Term Debt

Format 8a

November 30, 2012

Schedule 2

Type of Debt Issued (a)	Date of Issue (b)	Date of Maturity (c)	Outstanding Amount (d)	Cost Rate to Maturity (g)	Annualized Cost Col (d)x(g) (j)	Test Year Interest Cost
<b>RUS loans</b>						
B290	Jun-97	Jun-32	1,760,447	3.750%	66,017	67,337
B295	Jun-97	Jun-32	1,702,342	4.870%	82,904	84,562
B310	Oct-03	Oct-38	2,278,689	4.670%	106,415	108,543
B311	Oct-03	Oct-38	2,646,833	4.180%	110,638	112,850
B312	Oct-03	Oct-38	1,775,668	4.490%	79,727	81,322
B313	Oct-03	Oct-38	1,773,434	4.440%	78,740	80,315
B314	Oct-03	Oct-38	2,714,687	5.060%	137,363	140,110
B315	Oct-03	Oct-38	2,664,249	3.380%	90,052	91,853
B320	Dec-08	Dec-43	2,821,520	4.860%	137,126	138,868
B321	Dec-08	Dec-43	1,835,395	3.020%	55,429	56,538
B322	Dec-08	Dec-43	1,862,081	3.640%	67,780	69,135
B323	Dec-08	Dec-43	2,805,687	3.650%	102,408	104,456
B324	Dec-08	Dec-43	2,301,896	0.189%	4,351	8,506
B325	Dec-08	Dec-43	1,850,122	0.202%	3,739	6,901
B326	Dec-08	Dec-43	2,457,025	0.224%	5,504	9,066
	Advance payment		(2,440,581)			
			<u>30,809,494</u>		<u>1,128,191</u>	<u>1,160,363</u>
<b>FFB loans</b>						
H010	Nov-98	Oct-33	316,887	6.490%	20,566	21,903
H015	Sep-00	Aug-35	1,035,344	4.474%	46,321	49,332
H020	Sep-02	Aug-37	1,592,227	4.777%	76,061	81,005
H025	Sep-02	Aug-37	1,575,346	3.753%	59,123	62,966
F030	Mar-03	Feb-38	4,301,541	4.069%	175,030	186,407
F040	Mar-06	Feb-41	4,925,227	2.830%	139,384	148,444
F045	Mar-09	Feb-44	3,824,773	2.762%	105,640	11,388
F050	Mar-12	Feb-47	2,000,000	0.190%	3,800	3,105
			<u>19,571,345</u>		<u>625,925</u>	<u>564,550</u>
<b>CFC loans</b>						
9009-15	Jun-78	May-13	235,031	5.75%	13,514	14,897
9016	Jun-89	May-24	358,449	4.95%	17,743	18,315
9017	Mar-92	Feb-27	3,479,047	3.90%	135,683	140,009
9022009	Aug-04	Jul-09	0	6.80%	0	2,883
9022010	Aug-04	Jul-09	1,468,511	6.05%	88,845	88,845
			<u>5,541,038</u>		<u>255,785</u>	<u>264,948</u>
Total long term debt and annualized			<u>55,921,877</u>		<u>2,009,901</u>	<u>1,989,861</u>
Annualized cost rate [Total Col. (j) / Total Col. (d)]					3.59%	
Actual test year cost rate [Total Col (k) / Total Reported in Col (d)]					3.56%	

Meade County Rural Electric  
Case No. 2013-00033  
Schedule of Outstanding Long-Term Debt  
December 31, 2010

Exhibit 5  
page 3 of 4  
Format 8a  
Schedule 2

Type of Debt Issued (a)	Date of Issue (b)	Date of Maturity (c)	Outstanding Amount (d)	Cost Rate to Maturity (g)	Annualized Cost Col (d)x(g) (j)
<b>RUS loans</b>					
B290	Jun-97	Jun-32	1,815,905	3.750%	68,096
B295	Jun-97	Jun-32	1,749,772	4.870%	85,214
B310	Oct-03	Oct-38	2,319,836	4.670%	108,336
B311	Oct-03	Oct-38	2,698,270	4.180%	112,788
B312	Oct-03	Oct-38	1,808,652	4.490%	81,208
B313	Oct-03	Oct-38	1,806,544	4.440%	80,211
B314	Oct-03	Oct-38	2,761,034	5.060%	139,708
B315	Oct-03	Oct-38	2,722,954	3.380%	92,036
B320	Dec-08	Dec-43	2,862,649	4.860%	139,125
B321	Dec-08	Dec-43	1,872,106	3.020%	56,538
B322	Dec-08	Dec-43	1,895,572	3.640%	68,999
B323	Dec-08	Dec-43	2,855,906	3.650%	104,241
B324	Dec-08	Dec-43	2,357,084	0.189%	4,455
B325	Dec-08	Dec-43	1,893,538	0.202%	3,827
B326	Dec-08	Dec-43	2,512,629	0.224%	5,628
	Advance payment		(2,732,357)		
			<u>31,200,094</u>		<u>1,150,409</u>
<b>FFB loans</b>					
H010	Nov-98	Oct-33	328,493	6.490%	21,319
H015	Sep-00	Aug-35	1,055,748	4.474%	47,234
H020	Sep-02	Aug-37	1,622,424	4.777%	77,503
H025	Sep-02	Aug-37	1,609,329	3.753%	60,398
F030	Mar-03	Feb-38	4,390,742	4.069%	178,659
F040	Mar-06	Feb-41	5,000,000	2.830%	141,500
F045	Mar-09	Feb-44	3,750,000	2.762%	103,575
F050	Mar-12	Feb-47	0	0.190%	0
			<u>17,756,736</u>		<u>630,189</u>
<b>CFC loans</b>					
9009-15	Jun-78	May-13	345,062	5.75%	19,841
9016	Jun-89	May-24	393,872	4.95%	19,497
9017	Mar-92	Feb-27	3,639,634	3.90%	141,946
9022009	Aug-04	Jul-09	1,468,511	6.80%	99,859
9022010	Aug-04	Jul-09	1,468,511	6.05%	88,845
			<u>7,315,590</u>		<u>369,987</u>
Total long term debt and annuali:			<u>56,272,420</u>		<u>2,150,585</u>
Annualized cost rate [Total Col. (j) / Total Col. (d)]					3.82%
Actual test year cost rate [Total Col (k) / Total Reported in Col (d)]					

Meade County Rural Electric  
Case No. 2013-00033  
Schedule of Short Term Debt  
November 30, 2012

**Adjustment for Short Term Interest**

There were no short term borrowings during the test year.

Type of Debt <u>Instrument</u>	Date of <u>Issue</u>	Date of <u>Maturity</u>	Amount <u>Outstanding</u>	Interest <u>Rate</u>	Annualized <u>Cost</u>
(a)	(b)	(c)	(d)	(e)	(f)
CFC	n/a				0
Annualized cost rate [Total col. (f) / Total col. (d)]					0.00%
Actual interest paid, or accrued on Short Term Debt during the Test Year					0

Witness: Karen Brown

Meade County Rural Electric Cooperative  
Case No. 2013-00033  
Financial Accounting Standard No. 106  
Employer's Accounting for Postretirement Benefits

Meade County updated its study for SFAS No. 106, and has included the study with this application. Directors and the attorney are not provided with health insurance coverage when they retire, as a result, this study does not include amounts for Directors, attorneys, or their spouses.

Proposed annual cost	129,281
Test year accrual	<u>118,662</u>
Proposed adjustment	<u><u>10,619</u></u>

the adjustment is allocated as follows:

	<u>Percent</u>	<u>Amount</u>
107-108 Capitalized	23.69%	2,515
163 - 416 Clearing and others	5.25%	557
580 Operations	16.31%	1,732
590 Maintenance	20.47%	2,173
901 Consumer accounts	14.91%	1,583
908 Customer service	3.73%	396
910 Sales	0.00%	-
920 Administrative and general	15.66%	1,663
	<u>100.00%</u>	<u>\$ 10,619</u>

W. Dudley Shryock, CPA, PSC  
Certified Public Accountants  
P.O. Box 542  
Lawrenceburg, Kentucky 40342  
(502) 839-8112

Exhibit 6  
pg 2 of 8

Member AICPA

Member KY Society  
of CPA's

June 12, 2010

Karen Brown, VP of Accounting and Finance  
Meade County Rural Electric Cooperative  
Junction of Hwy 1051 & Hwy 79  
Brandenburg, Kentucky 40108

Dear Karen:

Please find enclosed the actuarial valuations as of December 31, 2012 for Financial Accounting Standards Board's Accounting Standards Codification ("ASC") - *Compensation - Retirement Plans*.

The accrual for 2013 includes current service and interest costs, and amortization of the actuarial gains and losses. Actuarial gains and losses occur when the estimates of lives, health care costs and interest rates change at a different rate than was estimated in the last study.

Employee benefit matrix	926.00	\$129,281	
Accum other comprehensive income	215.10		\$3,571
Accum postretirement benefits	228.30		\$125,710
To record accrual for 2013.			
Accum postretirement benefits	228.30	\$98,014	
Accumulated other comprehensive income	215.10		\$98,014
Adjust balances at December 31, 2012.			

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

Sincerely,

*W. Dudley Shryock*

W. Dudley Shryock, CPA, PSC



Exhibit 6  
Pg 3 of 8

Exhibit 1  
Meade County Rural Electric Cooperative  
SFAS No. 106/158 Financial Statement Disclosures  
as of January 1, 2012

**Net Periodic Benefit Cost**

1. Service cost	34,554
2. Interest cost	68,750
3. Expected return on plan assets	-
4. Amortization of transition obligation	-
5. Amortization gain / (loss)	15,358
6. Net periodic benefit cost	<u>\$ 118,662</u>

**Change in Accumulated Benefit Obligation**

1. Accumulated benefit obligation, beginning	\$ 1,314,903
2. Service cost	34,554
3. Interest cost	68,750
4. Expected return on plan assets	-
5. Amortization of transition obligation	-
6. Amortization gain / (loss)	15,358
7. Plan amendments	-
8. Disbursements	(45,378)
9. Accumulated other comprehensive income, initial	-
10. Accumulated other comprehensive income	<u>(98,014)</u>
11. Accumulated benefit obligation, ending	<u>\$ 1,290,173</u>

**Change in Fair Value of Plan Assets**

1. Fair value of plan assets, beginning	
2. Actual return on plan assets	
3. Employer contributions	
4. Benefits paid	
5. Administrative expenses	
6. Fair value of plan assets, ending	<u>\$ -</u>

Exhibit 2  
Meade County Rural Electric Cooperative  
SFAS No. 106/158 Financial Statement Disclosures  
as of January 1, 2012

**Benefit obligations at end of year**

1. Accumulated benefit obligation (APBO)	\$ 1,290,173
2. Expected benefit obligation (EPBO)	\$2,716,697

**Statement of funded status**

1. Accumulated benefit obligation (APBO)	\$(1,290,173)
2. Fair value of plan assets	-
3. Funded status of plan	<u>\$ (1,290,173)</u>

**Amounts recognized in the statement of financial position**

1. Noncurrent assets	\$ -
2. Current liabilities	-
3. Noncurrent liabilities	<u>1,290,173</u>
4. Funded status	\$ 1,290,173

**Amounts recognized in accumulated other comprehensive income**

1. Net loss (gain)	\$ (98,014)
2. Transition obligation	-
3. Total	<u>\$ (98,014)</u>

**Other changes in plan assets and benefit obligations  
recognized in other comprehensive income**

1. Beginning of year	<u>\$ (184,789)</u>
2. Net loss (gain)	98,014
3. Amortization of net loss (gain)	15,358
4. Amortization of transition obligation	-
5. Total recognized in other comprehensive income	<u>113,372</u>
6. End of year	\$ (71,417)

**Meade County Rural Electric Cooperative  
Medical Insurance Premiums  
FAS 106 Obligation as of December 31, 2012**

Exhibit 6  
Pg 5 of 8

A.	Accumulated Postretirement Benefit Obligation (APBO) as of January 1, 2012:	
	Actives not yet eligible	\$ 753,712
	Actives fully eligible	104,278
	Retirees and dependents	432,182
	Total APBO	<u>1,290,173</u>
B.	Future accruals	<u>1,426,524</u>
C.	Total Expected Postretirement Benefit Obligation (EPBO) (A4 + B)	<u><u>\$ 2,716,697</u></u>
D.	Reconciliation of Funded Status	
	Accrued Postretirement Benefit Cost	\$ 1,388,187
	Assets	<u>-</u>
	Funded Status = (D1 + D2)	1,388,187
	Unrecognized Transition Obligation	-
	Unrecognized (Gain) / Loss	(98,014)
	Unrecognized Prior Service Cost	-
	APBO	<u><u>\$ 1,290,173</u></u>
E.	Accrued Postretirement Benefit Cost	
	Balance January 1, 2012	\$ 1,314,903
	Accrual	118,662
	Payout	<u>(45,378)</u>
	Balance December 31, 2012	1,388,187
	Accumulated comprehensive income	<u>(98,014)</u>
	Adjusted Balance	1,290,173
	Accrual for 2013	129,281
	Estimated payout	<u>(48,211)</u>
	Estimated balance December 31, 2013	<u><u>\$ 1,371,243</u></u>

Exhibit 6  
Pg 6 of 8

**Meade County Rural Electric Cooperative**  
**Medical Insurance Premiums**  
**FAS 106 Obligation as of December 31, 2012**

**FAS 106 Expense Components**

Service cost	\$ 56,960
Interest cost	68,750
Expected return on assets	-
Amortization of transition obligation	-
Amortization of actuarial (gain) / loss	3,571
Total FAS 106 expense	<u>\$ 129,281</u>
Expected pay-as-you-go expense	<u>\$ 48,211</u>

**Alternate assumptions:**

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

	<u>Current</u> <u>Plan</u>	<u>Alternate</u> <u>Assumptions</u>	<u>% Change</u>
APBO	1,290,173	1,390,000	7.7%
EPBO	2,716,697	2,925,000	7.7%
FAS 106 Expense	129,281	140,000	8.3%

**Estimated future year's payments**

2013	\$ 48,211
2014	51,948
2015	51,190
2016	52,406
2017	53,404

# Meade County Rural Electric Cooperative

## FAS 106 Assumptions

- Covered Groups** All eligible employees.
- Eligibility** Employees who retire at age 62 and/or have 30 years of service with Meade County.
- Spouse** Spouses of retired employees can continue coverage at their own expense.
- Medicare** At age 65 retirees will commence with Medicare coverage.

**Contributions** Meade County will pay a single premium for employees reaching normal retirement age for employees based on the following schedule:

<u>Years of Service</u>	<u>Employer Contribution</u>
20 and over	50%
15 to 20	33%
10 to 15	25%
less than 10	0%

For employees hired after January 1, 2002, Meade County will not pay for premiums after Medicare eligibility age is reached. Meade County will pay premiums based on the above schedule until the employee reaches Medicare eligibility.

**Terminations** Rates vary by attained age for employees. Sample rates are as follows:

<u>Age</u>	<u>Rate</u>	<u>No. of Employees</u>
20	15%	7
30	7%	19
40	3%	19
50	1%	15
60	0%	7
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# Meade County Rural Electric Cooperative

Exhibit 6  
pg 8 of 8

## FAS 106 Assumptions

**Life Expectancies** Per annuity tables female employees can expect to live until age 78.2 and male employees can expect to live until age 73.8.

**Retirement, withdrawal and mortality** Estimate that employees will retire at age 62 and will be replaced in the normal course of business.

**Dependents and future retirees** Presently 30% of retirees have dependent coverage.

**Discount rate** 5.50% per year.

**Medical inflation rate** 8% per year decreasing by 0.25% per year until 5% per year.

**Eligibility classes** Based on the employees and retirees as of December 31, 2012 are as follows:

Actives not fully eligible	62
Actives fully eligible	5
Retirees	<u>21</u>
Total	<u><u>88</u></u>

Witness: Karen Brown

Meade County Rural Electric Cooperative  
Case No. 2013-00033

**Retirement and Security and 401(k) Plans**

Meade County provides pension benefits for substantially all employees through participation in the National Rural Electric Cooperative Association (NRECA) Retirement and Security (R&S) Program and the NRECA Savings Plan 401(k). It is the policy of Meade county to fund pension costs accrued. R&S contributions are based on base salary at a rate determined by NRECA. Employees hired after August 2002 can only participate in the 401(k) plan at a rate of 12%. The R&S plan does not allow for contributions after an employee has attained 30 years of service with Meade County.

The R&S rate for 2012 was 29.02% of base wages. For 2013 the rate increased to 31.61%. The adjustment is to normalize the R&S and 401(k) contributions using the rate for 2013 and normalized based wages for full-time salary and hourly employees.

Normalized on base wages:

R&S contributions	644,976	
401(k) contributions	<u>248,570</u>	893,546

Test year on base wages:

R&S contributions	587,456	
401(k) contributions	<u>256,909</u>	844,365

Proposed adjustment		<u><u>49,181</u></u>
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The adjustment is allocated as follows:

	<u>Percent</u>	<u>Amount</u>
107-108 Capitalized	23.69%	11,650
163 - 416 Clearing and others	5.25%	2,581
580 Operations	16.31%	8,020
590 Maintenance	20.47%	10,065
901 Consumer accounts	14.91%	7,331
908 Customer service	3.73%	1,833
910 Sales	0.00%	0
920 Administrative and general	15.66%	7,700
	<u>100.00%</u>	<u>\$49,181</u>



*pg 2 of 4*

Emp #	Total	Rates		Accruals	
		R & S	401(k)	R & S	401(k)
		31.61%			
<b>Salary Employees</b>					
4	197,022	-	3.00%	0	5,841
37	101,196	-	3.00%	0	2,966
65	88,612	0.00%	3.00%	0	2,588
70	123,452	31.61%	3.00%	38,286	3,634
85	101,800	31.61%	3.00%	31,441	2,984
91	88,612	31.61%	3.00%	27,273	2,588
110	82,310	31.61%	3.00%	25,280	2,399
112	131,273	31.61%	3.00%	40,758	3,868
116	72,267	31.61%	3.00%	21,474	2,038
132	62,728	31.61%	3.00%	19,001	1,803
135	99,175	31.61%	3.00%	30,613	2,905
146	82,310	-	12.00%	0	9,597
161	64,486	-	3.00%	0	1,866
<b>Subtotal</b>	<b>1,295,244</b>			<b>234,125</b>	<b>45,078</b>
<b>Hourly Employees:</b>					
68	71,369	-	3.00%	0	2,038
81	43,800	31.61%	3.00%	13,005	1,234
83	64,501	31.61%	3.00%	16,700	1,585
84	82,893	31.61%	3.00%	21,474	2,038
86	83,539	31.61%	3.00%	21,474	2,038
90	75,113	31.61%	3.00%	21,474	2,038
93	77,150	31.61%	3.00%	20,264	1,923
98	66,497	31.61%	3.00%	20,053	1,903
101	64,526	31.61%	3.00%	19,659	1,866
103	64,526	31.61%	3.00%	19,659	1,866
107	57,069	31.61%	3.00%	17,108	1,624
119	55,999	31.61%	3.00%	16,279	1,545
120	84,182	31.61%	3.00%	21,474	2,038
122	55,165	31.61%	3.00%	14,577	1,383
127	48,768	31.61%	3.00%	14,609	1,387
131	44,564	31.61%	3.00%	13,229	1,255
133	80,792	31.61%	3.00%	19,659	1,866
134	48,835	31.61%	3.00%	14,609	1,387

Meade County Rural Electric Cooperative  
Case No. 2013-00033  
November 30, 2012

Exhibit 7  
Retirement

*pr 3 of 4*

Emp #	Total	Rates		Accruals	
		R & S	401(k)	R & S	401(k)
		31.61%			
139	93,659	31.61%	3.00%	20,053	1,903
140	42,942	31.61%	3.00%	12,749	1,210
143	102,633	-	12.00%	0	8,152
145	74,027	31.61%	3.00%	19,659	1,866
148	46,282	31.61%	3.00%	13,768	1,307
149	81,609	31.61%	3.00%	19,659	1,866
154	79,333	31.61%	3.00%	19,659	1,866
158	43,669	-	12.00%	0	4,937
160	72,106	-	12.00%	0	7,463
162	76,711	-	12.00%	0	7,233
163	72,733	-	12.00%	0	7,233
167	44,632	-	12.00%	0	5,039
168	55,961	-	12.00%	0	6,382
169	72,633	-	12.00%	0	7,001
170	39,874	-	12.00%	0	4,490
171	60,618	-	12.00%	0	6,155
173	32,269	-	12.00%	0	3,579
179	39,665	-	12.00%	0	4,435
180	72,194	-	12.00%	0	5,965
182	75,229	-	12.00%	0	7,001
183	65,953	-	12.00%	0	5,965
184	36,364	-	12.00%	0	4,066
186	56,018	-	12.00%	0	6,382
192	41,351	-	12.00%	0	4,648
152	57,751	-	12.00%	0	6,155
166	55,187	-	12.00%	0	6,130
130	42,866	-	12.00%	0	4,840
151	42,884	-	12.00%	0	4,840
82	83,350	-	12.00%	0	9,485
191	38,855	-	12.00%	0	4,648
136	70,603	-	12.00%	0	7,463
193	37,649	-	12.00%	0	4,490
189	39,098	-	12.00%	0	4,680
194	30,014	-	12.00%	0	3,602

*Pg 4 of 4*

Emp #	Total	<u>Rates</u>		<u>Accruals</u>	
		R & S	401(k)	R & S	401(k)
		31.61%			
<b>Subtotal</b>	<b>3,146,008</b>			410,851	203,493
<b>Part Time &amp; Summer Employees</b>					
177	12,244				
165	8,384				
164	6,820				
190	4,805				
<b>Subtotal</b>	<b>32,254</b>			0	0
<b>Retired Employees</b>					
38	0			0	0
89	0			0	0
126	0			0	0
<b>Subtotal</b>	<b>0</b>			0	0
<b>Total</b>	<b>4,473,506</b>			<b>644,976</b>	<b>248,570</b>

Meade County Rural Electric  
Case No. 2013-00033

Account 426 - Other Income Deductions  
November 30, 2012

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Line No.	Item (a)	Amount (b)
1.	Donations	13,442
2.	Civic activities	
3.	Political activities	
4.	Other	<u>0</u>
5.	Total	<u><u>13,442</u></u>

Donations are removed for rate making purposes. The adjustment to remove the donations listed above.

## Meade County Rural Electric

Case No. 2013-00033

Donations Account 426.00

November 30, 2012

<u>Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Description</u>	<u>Amount</u>	
12/16/11	72098	WKU FOUNDATION	2011 WKU SISTERHOOD DONATION	1,000.00	x
2/7/12	72978	BRECKINRIDGE CO HIGH SCHOOL	2012 CHALLENGE DAY PROGRAM	500.00	x
2/24/12	73168	GOOD SAMARITAN CENTER	2012 DONATION	250.00	x
3/23/12	73576	M.A.C.(MEADE ACTIVITY CENTER)	MAC CENTER GALA TABLE FOR 8 (	775.00	x
3/30/12	73614	KY ASSOC OF ELECT COOPS INC	2012 LEADERSHIP KY CONTRIBUTI	500.00	x
4/6/12	73724	BRECKINRIDGE CO HIGH SCHOOL	2012 PROJECT GRADUATION	60.00	x
4/16/12	73816	TEAMWORK SPORTING GOODS	2012 REDS BASEBALL T-SHIRTS & (	381.60	x
5/25/12	74193	CAMP TESSA	2012 DONATION	100.00	x
7/20/12	74859	BRECK CO CHAMBER OF COMMER	3RD PRIZE SPONSORSHIP-ANNUAL	125.00	x
7/31/12	75054	BRECKINRIDGE CO HIGH SCHOOL	2013 CHALLENGE DAY PRGM	500.00	x
8/3/12	75080	CAMPBELLSVILLE UNIVERSITY	SCHOLARSHIP-EVAN T POLLOCK	1,000.00	x
8/3/12	75081	KENTUCKY WESLEYAN COLLEGE	SCHOLARSHIP-ARIELLE GEARY	1,000.00	x
8/3/12	75082	ELIZABETHTOWN COMMUNITY CC	SCHOLARSHIP-VERONICA CHISM	1,000.00	x
8/3/12	75083	BRESCIA UNIVERSITY	SCHOLARSHIP-PAIGE MINGUS	1,000.00	x
8/3/12	75084	UNIV.OF LOUISVILLE	SCHOLARSHIP-HALEY GROSSKOPF	1,000.00	x
9/7/12	75495	WESTERN KENTUCKY UNIVERSITY	SCHOLARSHIP EVAN T POLLOCK	1,000.00	x
9/13/12	75629	JUNIOR ACHIEVEMENT-BRECK DIS	2012 DONATION	750.00	x
10/19/12	75956	HARDINSBURG ROTARY CLUB	2012 DONATION	500.00	x
11/30/12	76365	BRECKINRIDGE MEM HOSP FOUNE	2012 DONATION	1,000.00	x
11/30/12	76399	WKU FOUNDATION	2012 WKU SISTERHOOD DONATION	1,000.00	x
				<u>13,441.60</u>	
		Remove for rate making		<u>13,441.60</u>	x

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Meade County Rural Electric Cooperative  
Case No. 2013-00033  
Professional Services

**Legal**

The attorney is paid a monthly retainer for work performed during the month, as well as, attending each monthly Board of Directors meeting. Expenses are also paid for attending legal seminars for Cooperative business.

Other legal services are provided as needed.

Attached is the Board policy on Attorney compensation.

**Accounting and Auditing**

Attached is a copy of the audit agreement for the latest audit as of October 31, 2012, which was performed by Alan Zumstein, CPA.

Meade County Rural Electric Cooperative  
Case No. 2013-00033  
Professional Services  
November 30, 2012

Format 33  
Exhibit 9  
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<u>Line</u>		<u>Rate</u>	<u>Annual</u>		
<u>Number</u>	<u>Item</u>	<u>Case</u>	<u>Audit</u>	<u>Other</u>	<u>Total</u>
1	Legal			22,526	22,526
2	Engineering				0
3	Accounting		8,300	780	9,080
4	Other			3,450	3,450
5	Total	0	8,300	26,756	35,056



Witness: Karen Brown

Meade County Rural Electric Cooperative

Case No. 2013-00033

Professional Services

November 30, 2012

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<u>Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Description</u>	<u>Amount</u>	
<b>Legal</b>					
<b>Thomas C. Brite</b>					
12/16/11	72081	KAEC	ANNUAL MTG MEALS	62.40	X
12/30/11	72219	NRECA	NRECA LEGAL SEMINAR REGISTI	550.00	X
12/16/11	72099		FEE	827.00	
12/22/11	72162		RETAINER	700.00	
1/11/12	72352	AMERICAN EXPRESS	KAEC ANNUAL MTG EXP	116.58	X
1/20/12	72758		RETAINER	700.00	
2/10/12	73010	AMERICAN EXPRESS	NRECA LEGAL SEMINAR	805.00	X
2/29/12	73271	NRECA	NRECA LEGAL SEMINAR EXP	50.00	X
2/24/12	73162		RETAINER	700.00	
2/24/12	73114	KAEC	KAEC LEGAL SEMINAR FEE	300.00	X
3/30/12	73600		NRECA LEGAL SEMINAR	1,139.66	X
3/23/12	73566		NRECA LEGAL SEMINAR MILEAC	66.60	X
3/23/12	73566		NRECA LEGAL SEMINAR PER DIE	750.00	X
3/23/12	73573		RETAINER	700.00	
5/11/12	74085		RETAINER	700.00	
5/25/12	74218		RETAINER	700.00	
6/25/12	74540		RETAINER	700.00	
7/6/12	74749		PROFESSIONAL SERVICES	1,572.55	
7/20/12	74905		RETAINER	700.00	
8/17/12	75293		RETAINER	700.00	
9/24/12	75689		RETAINER	700.00	
9/28/12	75769		FEE	250.00	
10/12/12	75910	NRECA	LEGAL MAGAZINE SUBSCRIPTIO	41.34	
10/19/12	75954		RETAINER	700.00	
10/12/12	75896		PROFESSIONAL SERVICES	2,556.45	
12/7/12	76585		RETAINER	700.00	
var	var	NRECA	ATTORNEY AD&D	21.31	
1/20/12	72743		APOGEE INTERACTIVE, IN REVIEW & REDESIGN NEW WEBS	3,450.00	
1/27/12	72855	KAEC	LEGAL ASSISTANCE-SALES & US	341.72	
5/25/12	74192		DRANE & COMPANY PLLC INTERNAL AUDIT FUNCTIONS	230.00	
7/6/12	74732	KAEC	LEGAL WORK ON SALES TAX	508.04	
8/24/12	75313		FROST BROWN TODD LLC EMPLOYMENT/EMPLOYEE ISSUE	987.00	
9/21/12	75677		DORSEY, KING, GRAY, NC 1/3 OF COST OF BREC HEARING	1,270.05	
10/5/12	75841	KAEC	LEGAL SERVICES PERTAINING TO	577.21	
10/26/12	76033		FROST BROWN TODD LLC EMPLOYMENT/EMPLOYEE ISSUE	129.00	
10/26/12	76034		FROST BROWN TODD LLC EMPLOYMENT/EMPLOYEE ISSUE	1,204.00	

Meade County Rural Electric Cooperative  
Case No. 2013-00033  
Professional Services  
November 30, 2012

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<u>Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Description</u>	<u>Amount</u>
<b>Other</b>				
1/29/2012	92905	ALAN ZUMSTEIN, CPA	ANNUAL AUDIT	8,300.00
5/22/2012	74276	ALAN ZUMSTEIN, CPA	IRS FORM 990	550.00
				<hr/>
				<u>35,055.91</u>
				<hr/>
				<u>3,840.24</u> x

ALAN M. ZUMSTEIN  
CERTIFIED PUBLIC ACCOUNTANT

Exhibit 9  
Pg 5 of 10

1032 CHETFORD DRIVE  
LEXINGTON, KENTUCKY 40509  
(859) 264-7147  
[zumstein@windstream.net](mailto:zumstein@windstream.net)

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

September 20, 2012

Burns E. Mercer, President/CEO  
Meade County Rural Electric Cooperative  
1351 Hwy 79  
Brandenburg, Kentucky 40108

Dear Mr. Mercer:

This will confirm our understanding of the arrangements for my audit of the financial statements for the year ended October 31, 2012. I will audit the Cooperative's balance sheet as of October 31, 2012, and the related statements of revenue and patronage capital and cash flows for the year then ended, for the purpose of expressing an opinion on them.

#### Audit Objective

The objective of my audit is the expression of an opinion about whether your financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. My audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of accounting records and other procedures I consider necessary to enable me to express such an opinion. If circumstances preclude me from issuing an unqualified opinion, I will discuss the reasons with you in advance. If, for any reason, I am unable to complete or are unable to form or have not formed an opinion, I may decline to express an opinion or to issue a report as a result of this engagement.

#### Audit Procedures

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Accordingly, the areas and number of transactions selected for testing will involve judgment. An audit also includes assessing the accounting principles used and significant estimates made by management.

I will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether caused by errors or fraud. Also, an audit is not designed to detect error or fraud that is immaterial to the financial statements. I will inform you of all matters of fraud that come to my attention. I will also inform you of illegal acts that come to my attention, unless they are clearly inconsequential.

My procedures will include tests of transactions recorded in the accounts, tests of the physical existence of inventory, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected customers, creditors, legal counsel, and financial institutions. At the conclusion of my audit, I will request certain written representations (a "representation letter") from you about the financial statements and related matters.

Because an audit is designed to provide reasonable, but not absolute, assurance and because I will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by me. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct or material effect on the financial statements. However, I will inform you and those charged with governance, defined as the person(s) with responsibility for overseeing the strategic direction of the entity and obligations related to the accountability of the entity, including oversight of the financial reporting process, of any material errors and any fraudulent reporting or misappropriations of assets that come to my attention. I will also inform you and those charged with governance of any violations of laws or governmental regulations that come to my attention, unless clearly inconsequential. My responsibility as auditor is limited to the period covered by my audit and does not extend to any later periods for which I am not engaged as auditor.

An audit includes obtaining an understanding of the entity and its environment, including its internal control sufficient to assess the risks of material misstatement of the financial statements due to error or fraud and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, we are responsible for communicating to you and those charged with governance internal control matters that are required to be communicated under Statement of Auditing Standards.

### **Management Responsibilities**

The Cooperative's management is responsible for the basic financial statements and all accompanying information as well as all assertions contained therein. Encompassed in that responsibility are the establishment and maintenance of effective internal control over financial reporting; the establishment and maintenance of proper accounting records; the selection of appropriate accounting principles; the safeguarding of assets; fair presentation of the financial statements with generally accepted accounting principles; and compliance with relevant laws and regulations. Management is also responsible for making all financial records and related information available to me and for the accurate and completeness of that information.

The Cooperative's management is responsible for adjusting the financial statements to correct material misstatement and for affirming to me in the representation letter that the effects of any uncorrected misstatements aggregated by me during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

The Cooperative's management is responsible for the design and implementation of programs and controls to prevent and detect fraud and for informing me about all known or suspected fraud or illegal acts affecting the Cooperative involving management, employees who have significant roles in internal control, and others where the fraud or illegal acts could have a material effect on the financial statements. Management's responsibilities include informing me of your knowledge of any allegations of fraud or suspected fraud or illegal acts affecting the Cooperative received in communications from employees, former employees, regulators, or others. In addition, the Cooperative's management is responsible for identifying and ensuring that the Corporation complies with applicable laws and regulations and for taking timely and appropriate steps to remedy any fraud, illegal acts, or violations of contracts or grant agreements, or abuse that I may report.

Management is responsible for making all management decisions and performing all management functions, for designating an individual with suitable skill knowledge, or experience to oversee the tax services or any other nonattest services I provide, and for evaluating the adequacy and results of those services and accepting responsibility for them.

### **Other Engagement Matters and Limitations**

In addition my engagement for the year ending October 31, 2012, I will prepare the IRS Form 990. Further, I will be available during the year to consult with you on the tax effects of any proposed transactions or contemplated changes in business policies.

### **Rural Utilities Services**

In accordance with requirements of the Rural Utilities Service (RUS), I assure you of the following:

- The audit is being performed as a requirement of RUS security instrument and any violation of RUS audit requirements shall place the RUS borrower in technical default of the RUS security instrument.
- The Auditor's Report will be signed by Alan M. Zumstein, CPA, who is a certified public accountant in good professional standing with the state licensing board.
- I will comply with U.S. generally accepted government auditing standards, the rules and regulations of professional conduct promulgated by the accountancy board of the state of Kentucky and the Code of Professional Ethics of the American Institute of CPAs.
- I am independent as defined and interpreted by the Professional Ethics Division of the AICPA and as defined by 7 CFR 1773.4(b).
- I belong to an approved peer review program (Private Companies Practice Section) and have received an unqualified opinion within three years of the "as of" date of the audit.
- The audit will be performed and the Auditor's Report, report on internal control over financial reporting and compliance and other matters, and management letter will be performed in accordance with requirements of RUS, will comply with U.S. generally accepted auditing standards and will be submitted to the Board of Directors within three months of the "as of" audit date.
- Audit work papers will be made available to RUS, Office of Inspector General (OIG) and the General Accounting Office (GAO). RUS, OIG, or GAO may photocopy all audit and compliance work papers as requested.
- I will disclose all disallowance's resulting from testing performed as set forth in 7 CFR 1773.40 and will follow the requirements of reporting irregularities and illegal acts outlined in 7 CFR 1773.7.
- I will report audit findings to the Board of Directors as required by 7 CFR 1773.25.

### **Audit Administration, Fees and Other**

I may from time to time, and depending on the circumstances, use third party service providers in serving your account. I may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, I maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, I will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and I will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that I am unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to sharing of your confidential information with the third party service provider. Furthermore, I will remain responsible for the work provided by any such third party providers.

Auditing standards generally accepted in the United States of America require that I communicate certain additional matters related to the conduct of my audit to those charged with governance. Such matters include (1) my responsibilities under auditing standards generally accepted in the United States of America; (2) an overview of the planned scope and timing of the audit; (3) significant findings from the audit, including,

among others: (a) the initial selection of and changes in significant accounting policies and their application; (b) the process used by management in formulating particularly sensitive accounting estimates and the basis for my conclusions regarding the reasonableness of those estimates; (c) significant difficulties that I encountered in dealing with management related to the performance of the audit; (d) audit adjustments that could, in my judgment, either individually or in the aggregate, have a significant effect on your financial reporting process and uncorrected misstatements that were determined by management to be immaterial, both individually and in the aggregate, to the financial statements taken as a whole; (e) any disagreements with management, whether or not satisfactorily resolved, about matters that individually or in the aggregate could be significant to the financial statements or my report; (f) management representations; (g) my views about matters that were the subject of management's consultation with other accountants about auditing or accounting matters; (h) major issues that were discussed with management in connection with the retention of my services, including, among other matters, any discussion regarding the application of accounting principles and auditing standards, and if applicable, events or conditions indicating there could be a substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time; and (4) other matters as considered necessary or required to be communicated under professional standards.

I understand that your employees will prepare all cash, accounts receivable, and other confirmations I request and will locate any documents selected by me for testing.

Fees for these services will be \$8,500 for each year. Invoices will be submitted as work progresses, and are payable upon presentation. Should any situation arise that would materially increase this fee, I will, of course, notify you.

If this letter correctly expresses your understanding of these arrangements, please indicate your approval by signing the enclosed copy and returning to me. I have also included a Certificate of Debarment and Suspension and my last peer review report and letter of comments, as required for audits of RUS borrowers.

Respectfully submitted,

*Alan M. Zumstein*

Alan M. Zumstein, CPA

Approved by:

By: *Burns E. Mercer* Date: 10/1/13

Exhibit 9  
pg 9 of 10

**CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER  
RESPONSIBILITY MATTERS - PRIMARY COVERED TRANSACTIONS**

**INSTRUCTIONS FOR CERTIFICATION**

- 1 By signing and submitting this proposal, the prospective primary participant is providing the certification set out below.
- 2 The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. The prospective participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
- 3 The certification in this clause is a material representation of fact upon which reliance was placed when the department or agency determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the federal Government, the department or agency may terminate this transaction for cause or default.
- 4 The prospective primary participant shall provide immediate written notice to the department or agency to which this proposal is submitted if any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
- 5 The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded, as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549. You may contact the department or agency to which this proposal is being submitted for assistance in obtaining a copy of those regulations.
- 6 The prospective primary participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR Part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency entering into this transaction.
- 7 The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certifications Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion - Lower Tier Covered Transaction," provided by the department or agency entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
- 8 A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR Part 9, subpart 9.4, debarred, suspended, ineligible or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its participants. Each participant may, but is not required to, check the List of Parties Excluded from Federal Procurement and Non-procurement Programs.
- 9 Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
- 10 Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a tier covered transaction with a person who is proposed for debarment under 48 CFR Part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.

Exhibit 9  
Pg 10 of 10

CERTIFICATION

(1) The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:

a. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any Federal department or agency;

b. Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contact under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification, or destruction of records, making false statements, or receiving stolen property;

c. Are not presently indicted for or otherwise criminally or civilly charged by a government entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and,

d. Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State, or local) terminated for cause or default.

(2) When the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

Alan M. Zumstein CPA  
Organization Name

Meade County Rural Electric Cooperative  
PR/Award Number or Project Name

Alan M. Zumstein, CPA  
Name and Title

Alan M. Zumstein  
Signature

September 20, 2012  
Date



Meade County Rural Electric

Case No. 2013-00033

Name of Board Members

November 30, 2012

**Chairman**

David Wilson 145 Molly Brown Rd Brandenburg, KY 40108

**Vice Chairman**

James Sills 362 Tules Creek Rd Hardinsburg, Ky 40143

**Secretary-Treasurer**

Darla Sipes 155 Black Jack Rd Ekron, KY 40117

Paul Butler 183 Davidson Ln Falls of Rough, KY 40119

Robert Rhodes PO Box 296 Hardinsburg, Ky 40143

Ann Williams 1567 Zion Church Rd Reynolds Station, KY 42368

Stephen Barr 1400 Ray Rd Payneville, KY 40157

**Big Rivers Electric Corporation**

James Sills

Paul Butler

**KAEC representative**

David Wilson

**NRECA representative**

Paul Butler

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Meade County Rural Electric  
Case No. 2013-00033  
**Adjustment for Director expenses**  
November 30, 2012

Certain expenses are generally disallowed for rate making purposes that are incurred for, and on behalf of, Directors of an electric cooperative. Meade County has made this adjustment to recognize those expenses.

KAEC annual meeting for non-representative:

Stephen Barr	397.70
Paul Butler	397.71
Robert Rhodes	1,252.28
James Sills	397.71
Darla Sipes	720.47
Anne Williams	890.29
Per diems:	
All directors	7,250.00
Christmas cards	600.00
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	11,906.16
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Meade County Rural Electric  
Case No. 2013-00033  
Director Fees and Expenses  
November 30, 2012

Exhibit 10  
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Witness: Karen Brown

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	Regular Board Mtg	Other Board Mtg	Per Diem	Mileage	Air Fare	Meeting Fees	Hotel	Meals	Health Insurance	Misc Expenses	Total
Stephen Barr	8,400	700	500	236	-	250	-	398	-	-	10,483
Paul Butler	8,400	700	-	519	-	-	-	398	-	-	10,017
Robert Rhodes	8,400	700	1,500	579	316	300	2,169	785	-	-	14,749
James Sills	8,400	700	-	333	-	-	-	398	-	-	9,831
Darla Sipes	8,400	700	1,500	331	316	850	2,055	785	-	-	14,937
David Wilson	8,400	700	3,250	591	316	1,359	1,663	619	-	-	16,898
Ann Williams	8,400	700	500	638	-	250	425	466	-	-	11,379
General expenses	-	-	-	-	-	-	-	-	-	16,053	16,053
<b>Total</b>	<b>58,800</b>	<b>4,900</b>	<b>7,250</b>	<b>3,228</b>	<b>947</b>	<b>3,009</b>	<b>6,312</b>	<b>3,849</b>	<b>-</b>	<b>16,053</b>	<b>104,348</b>

Meade County Rural Electric  
Case No. 2013-00033  
Director Fees and Expenses  
November 30, 2012

Date	Ck No.	Payee	Description	Regular Board Mtg	Other Board Mtg	Per Diem	Mileage	Air Fare	Meeting Fees	Hotel	Meals	Misc Expenses	Total
12/22/11	72157	STEPHEN BARR	REGULAR MTG	700									700
1/11/12	72352	AMERICAN EXPRESS	KAEC ANNUAL MTG								117		117
12/16/11	72081	KAEC	KAEC ANNUAL MTG								281		281
1/20/12	72752	STEPHEN BARR	REGULAR MTG	700			19						719
2/24/12	73157	STEPHEN BARR	REGULAR MTG	700			19						719
3/23/12	73571	STEPHEN BARR	REGULAR MTG	700			19						719
5/11/12	74079	STEPHEN BARR	REGULAR MTG	700			19						719
5/25/12	74213	STEPHEN BARR	REGULAR MTG	700			19						719
6/25/12	74517	STEPHEN BARR	REGULAR MTG	700			19						719
6/25/12	74534	STEPHEN BARR	MC ANNUAL MTG		700		19						719
7/20/12	74899	STEPHEN BARR	REGULAR MTG	700									700
8/17/12	75287	STEPHEN BARR	REGULAR MTG	700			19						719
9/24/12	75683	STEPHEN BARR	REGULAR MTG	700									700
9/28/12	75765	STEPHEN BARR	BIG RIVERS ANNUAL MTG			250							250
10/19/12	75949	STEPHEN BARR	REGULAR MTG	700			19						719
12/7/12	76579	STEPHEN BARR	REGULAR MTG	700			19						719
12/7/12	76579	STEPHEN BARR	KAEC DIRECTOR TRAINING			250	47		250				547
			SUBTOTAL BARR	8,400	700	500	236	0	250	0	398	0	10,483
12/22/11	72156	PAUL EDD BUTLER	REGULAR MTG	700			43						743
12/17/11	72081	KAEC	KAEC ANNUAL MTG								281		281
1/11/12	72352	AMERICAN EXPRESS	KAEC ANNUAL MTG								117		117
1/20/12	72751	PAUL EDD BUTLER	REGULAR MTG	700			43						743
2/24/12	73156	PAUL EDD BUTLER	REGULAR MTG	700			43						743
3/23/12	73567	PAUL EDD BUTLER	REGULAR MTG	700			43						743
5/11/12	74078	PAUL EDD BUTLER	REGULAR MTG	700			43						743
5/25/12	74212	PAUL EDD BUTLER	REGULAR MTG	700			43						743
6/25/12	74516	PAUL EDD BUTLER	REGULAR MTG	700			43						743
6/25/12	74533	PAUL EDD BUTLER	MC ANNUAL MTG		700		43						743
7/20/12	74898	PAUL EDD BUTLER	REGULAR MTG	700			43						743
8/17/12	75286	PAUL EDD BUTLER	REGULAR MTG	700			43						743
9/24/12	75682	PAUL EDD BUTLER	REGULAR MTG	700									700
10/19/12	75948	PAUL EDD BUTLER	REGULAR MTG	700			43						743
12/7/12	76578	PAUL EDD BUTLER	REGULAR MTG	700			43						743

Meade County Rural Electric  
 Case No. 2013-00033  
 Director Fees and Expenses  
 November 30, 2012

Date	Ck No.	Payee	Description	Regular Board Mtg	Other Board Mtg	Per Diem	Mileage	Air Fare	Meeting Fees	Hotel	Meals	Misc Expenses	Total
			SUBTOTAL BUTLER	8,400	700	0	519	0	0	0	398	0	10,017
12/9/11	71992	AMERICAN EXPRESS	NRECA REGIONAL MTG							219	128		347
12/23/11	72132	NRECA	KAEC ANNUAL MTG							509			509
12/22/11	72158	ROBERT A RHODES	REGULAR MTG	700			30						730
1/11/12	72352	AMERICAN EXPRESS	KAEC ANNUAL MTG							346	117		462
12/18/11	72081	KAEC	KAEC ANNUAL MTG								281		281
1/20/12	72753	ROBERT A RHODES	REGULAR MTG	700			30						730
2/10/12	73010	AMERICAN EXPRESS	NRECA DIRECTOR CONF					316					316
2/24/12	73126	AMERICAN EXPRESS	NRECA DIRECTOR CONF							298			298
2/24/12	73158	ROBERT A RHODES	REGULAR MTG	700			30						730
3/30/12	73613	VISA	NRECA DIRECTOR CONF				25			797	160		982
3/23/12	73564	ROBERT A RHODES	NRECA DIRECTOR CONF				78						78
3/23/12	73564	ROBERT A RHODES	NRECA DIRECTOR CONF			1,000							1,000
3/23/12	73565	ROBERT A RHODES	REGULAR MTG	700			30						730
5/13/12	74107	NRECA	NRECA DIRECTOR CONF								100		100
5/11/12	74080	ROBERT A RHODES	REGULAR MTG	700			30						730
5/25/12	74214	ROBERT A RHODES	REGULAR MTG	700			30						730
6/25/12	74518	ROBERT A RHODES	REGULAR MTG	700									700
6/25/12	74535	ROBERT A RHODES	MC ANNUAL MTG		700								700
7/20/12	74900	ROBERT A RHODES	REGULAR MTG	700									700
8/17/12	75288	ROBERT A RHODES	REGULAR MTG	700			30						730
9/24/12	75684	ROBERT A RHODES	REGULAR MTG	700			30						730
9/28/12	75764	ROBERT A RHODES	BIG RIVERS ANNUAL MTG			250	99						349
10/19/12	75950	ROBERT A RHODES	REGULAR MTG	700			30						730
11/30/12	76366	NRECA	NRECA DIRECTOR CONF						600				600
11/30/12	76367	NRECA	CREDIT FOR REG FEE						(550)				(550)
12/7/12	76580	ROBERT A RHODES	REGULAR MTG	700			30						730
12/7/12	76580	ROBERT A RHODES	KAEC DIRECTOR TRAINING			250	78		250				578
			SUBTOTAL PHODES	8,400	700	1,500	579	316	300	2,169	785	0	14,749
12/22/11	72159	JAMES G SILLS MD	REGULAR MTG	700			28						728
12/19/11	72081	KAEC	KAEC ANNUAL MTG								281		281
1/11/12	72352	AMERICAN EXPRESS	KAEC ANNUAL MTG								117		117
1/20/12	72754	JAMES G SILLS MD	REGULAR MTG	700			28						728

Meade County Rural Electric  
Case No. 2013-00033  
Director Fees and Expenses  
November 30, 2012

Date	Ck No.	Payee	Description	Regular Board Mtg	Other Board Mtg	Per Diem	Mileage	Air Fare	Meeting Fees	Hotel	Meals	Misc Expenses	Total
2/24/12	73159	JAMES G SILLS MD	REGULAR MTG	700			28						728
3/23/12	73568	JAMES G SILLS MD	REGULAR MTG	700			28						728
5/11/12	74081	JAMES G SILLS MD	REGULAR MTG	700			28						728
5/25/12	74215	JAMES G SILLS MD	REGULAR MTG	700			28						728
6/25/12	74519	JAMES G SILLS MD	REGULAR MTG	700									700
6/25/12	74536	JAMES G SILLS MD	MC ANNUAL MTG		700		28						728
7/20/12	74901	JAMES G SILLS MD	REGULAR MTG	700			28						728
8/17/12	75289	JAMES G SILLS MD	REGULAR MTG	700			28						728
9/24/12	75685	JAMES G SILLS MD	REGULAR MTG	700			28						728
10/19/12	75951	JAMES G SILLS MD	REGULAR MTG	700			28						728
12/7/12	76581	JAMES G SILLS MD	REGULAR MTG	700			28						728
			SUBTOTAL SILLS	8,400	700	0	333	0	0	0	398	0	9,831
12/9/11	71992	AMERICAN EXPRESS	NRECA REGIONAL MTG							220	128		347
12/24/11	72132	NRECA	NRECA DIRECTOR CONF							509			509
12/22/11	72160	DARLA SIPES	REGULAR MTG	700			12						712
12/20/11	72081	KAEC	KAEC ANNUAL MTG								281		281
1/11/12	72352	AMERICAN EXPRESS	KAEC ANNUAL MTG							323	117		439
1/20/12	72755	DARLA SIPES	REGULAR MTG	700			12						712
2/10/12	73010	AMERICAN EXPRESS	NRECA DIRECTOR CONF					316		298			614
2/24/12	73160	DARLA SIPES	REGULAR MTG	700			12						712
3/30/12	73613	VISA	NRECA DIRECTOR CONF				20			706	160		886
3/23/12	73569	DARLA SIPES	NRECA DIRECTOR CONF			1,000							1,000
3/23/12	73570	DARLA SIPES	REGULAR MTG	700			12						712
5/12/12	74107	NRECA	NRECA DIRECTOR CONF								100		100
5/11/12	74082	DARLA SIPES	REGULAR MTG	700			12						712
5/25/12	74216	DARLA SIPES	REGULAR MTG	700			12						712
6/25/12	74520	DARLA SIPES	REGULAR MTG	700			12						712
6/25/12	74537	DARLA SIPES	MC ANNUAL MTG		700								700
7/20/12	74902	DARLA SIPES	REGULAR MTG	700			12						712
8/17/12	75290	DARLA SIPES	REGULAR MTG	700			12						712
9/24/12	75686	DARLA SIPES	REGULAR MTG	700			12						712
9/28/12	75766	DARLA SIPES	BIG RIVERS ANNUAL MTG			250	114						364
10/19/12	75952	DARLA SIPES	REGULAR MTG	700			12						712
12/2/12	76366	NRECA	NRECA DIRECTOR CONF						600				600

Meade County Rural Electric  
 Case No. 2013-00033  
 Director Fees and Expenses  
 November 30, 2012

Date	Ck No.	Payee	Description	Regular Board Mtg	Other Board Mtg	Per Diem	Mileage	Air Fare	Meeting Fees	Hotel	Meals	Misc Expenses	Total
12/7/12	76582	DARLA SIPES	REGULAR MTG	700			12						712
12/7/12	76582	DARLA SIPES	KAEC DIRECTOR TRAINING			250	50		250				550
			SUBTOTAL SIPES	8,400	700	1,500	331	316	850	2,055	785	0	14,937
12/9/11	71992	AMERICAN EXPRESS	NRECA REGIONAL MTG							254	127		382
12/22/11	72132	NRECA	NRECA DIRECTOR CONF						509				509
12/22/11	72155	DAVID T WILSON	REGULAR MTG	700			9						709
12/22/11	72155	DAVID T WILSON	KAEC MTG			250	53						303
12/21/11	72081	KAEC	KAEC ANNUAL MTG								115		115
1/11/12	72352	AMERICAN EXPRESS	KAEC ANNUAL MTG							372	117		488
1/20/12	72756	DAVID T WILSON	REGULAR MTG	700			9						709
1/20/12	72756	DAVID T WILSON	KAEC MTG			250	53						303
2/10/12	73010	AMERICAN EXPRESS	NRECA DIRECTOR CONF					316		298			614
2/29/12	73289	DAVID T WILSON	REGULAR MTG	700			9						709
2/29/12	73289	DAVID T WILSON	KAEC MTG			250	53						303
3/30/12	73613	VISA	NRECA DIRECTOR CONF				20			738	160		918
3/23/12	73574	DAVID T WILSON	NRECA DIRECTOR CONF			1,000	50						1,050
3/23/12	73575	DAVID T WILSON	REGULAR MTG	700									700
3/23/12	73575	DAVID T WILSON	KAEC MTG			250	53						303
5/11/12	74107	NRECA	NRECA DIRECTOR CONF								100		100
5/11/12	74083	DAVID T WILSON	REGULAR MTG	700			9						709
5/25/12	74219	DAVID T WILSON	REGULAR MTG	700			9						709
6/25/12	74521	DAVID T WILSON	REGULAR MTG	700			9						709
6/25/12	74538	DAVID T WILSON	MC ANNUAL MTG		700								700
6/25/12	74538	DAVID T WILSON	KAEC MTG			250	53						303
7/20/12	74903	DAVID T WILSON	REGULAR MTG	700			9						709
8/17/12	75291	DAVID T WILSON	REGULAR MTG	700			9						709
9/24/12	75687	DAVID T WILSON	REGULAR MTG	700			9						709
9/28/12	75767	DAVID T WILSON	KAEC MTG			250	53						303
9/28/12	75767	DAVID T WILSON	BIG RIVERS ANNUAL MTG			250							250
10/19/12	75955	DAVID T WILSON	REGULAR MTG	700			9						709
10/19/12	75955	DAVID T WILSON	KAEC MTG			250	53						303
12/1/12	76366	NRECA	NRECA DIRECTOR CONF						600				600
12/7/12	76583	DAVID T WILSON	REGULAR MTG	700			9						709
12/7/12	76583	DAVID T WILSON	KAEC DIRECTOR TRAINING			250	51		250				551

Meade County Rural Electric  
 Case No. 2013-00033  
 Director Fees and Expenses  
 November 30, 2012

Date	Ck No.	Payee	Description	Regular Board Mtg	Other Board Mtg	Per Diem	Mileage	Air Fare	Meeting Fees	Hotel	Meals	Misc Expenses	Total
			SUBTOTAL WILSON	8,400	700	3,250	591	316	1,359	1,663	619	0	16,898
12/22/11	72161	ANN MARIE WILLIAMS	REGULAR MTG	700			53						753
12/22/11	72081	KY ASSOC OF ELECT C	KAEC ANNUAL MTG								281		281
1/11/12	72352	AMERICAN EXPRESS	KAEC ANNUAL MTG							425	185		609
1/20/12	72757	ANN MARIE WILLIAMS	REGULAR MTG	700			53						753
2/24/12	73161	ANN MARIE WILLIAMS	REGULAR MTG	700			53						753
3/23/12	73572	ANN MARIE WILLIAMS	REGULAR MTG	700			53						753
5/11/12	74084	ANN MARIE WILLIAMS	REGULAR MTG	700			53						753
5/25/12	74217	ANN MARIE WILLIAMS	REGULAR MTG	700									700
6/25/12	74522	ANN MARIE WILLIAMS	REGULAR MTG	700			53						753
6/25/12	74539	ANN MARIE WILLIAMS	MC ANNUAL MTG		700								700
7/20/12	74904	ANN MARIE WILLIAMS	REGULAR MTG	700									700
8/17/12	75292	ANN MARIE WILLIAMS	REGULAR MTG	700			53						753
9/24/12	75688	ANN MARIE WILLIAMS	REGULAR MTG	700			53						753
9/28/12	75768	ANN MARIE WILLIAMS	BIG RIVERS ANNUAL MTG			250							250
10/19/12	75953	ANN MARIE WILLIAMS	REGULAR MTG	700			53						753
12/7/12	76584	ANN MARIE WILLIAMS	REGULAR MTG	700			53						753
12/7/12	76584	ANN MARIE WILLIAMS	KAEC DIRECTOR TRAINING			250	106		250				606
			SUBTOTAL WILLIAMS	8,400	700	500	638	0	250	425	466	0	11,379
var	var	NRECA GROUP TRUST	DIRECTOR AD&D									156	156
12/28/11	72237	US BANK CORPORATE	CHRISTMAS GIFT CARDS									600	600
10/12/12	75910	NRECA	RE MAGAZINE SUBSCRIPTION									289	289
var	var	FEDERATED INS CO	DOM INSURANCE									15,008	15,008
			SUBTOTAL ALL	0	0	0	0	0	0	0	0	16,053	16,053
			TOTAL	58,800	4,900	7,250	3,228	947	3,009	6,312	3,849	16,053	104,348



Exhibit 10  
9 of 11

**MEADE COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION**

**POLICY NO. 107**

**SUBJECT: Board Member and Cooperative Attorney  
Compensation and Expenses**

Original Policy Effective Date: September 22, 1994  
Latest Revision: September 19, 2012

**I. PURPOSE**

To provide fair and equitable compensation for attendance of Directors and Attorney at Board, Committee, Member, Member Association, regulatory meetings, and seminars.

**II. POLICY**

Directors do not receive any salary for their services as such, except that the Board of Directors by resolution may authorize themselves and their attorney a fee for each day or part of a day, plus travel to and from their home and out-of-pocket expenses when attending board, committee, member, member association, regulatory meetings or seminars on official business of the Cooperative. Section 4.09 of Article IV of the Cooperative's Bylaws and Board Policy No. 107 authorize payment of a fee as compensation for Board member attendance at meetings of the Board and for the performance of their duties otherwise. By this Policy No. 107, the Cooperative establishes the standards and methods for paying such compensation and the conditions applying thereto as follows:

- A. Board members shall be paid a director's fee of \$700 per meeting for attendance at regular meetings of the Board and \$250 per meeting for attendance at special meetings authorized by the Chairman of the Board of Directors or designated committee meetings.

The Kentucky Association of Electric Cooperatives board representative will be reimbursed at a rate of \$500 per meeting with reimbursement by KAEC at a rate of \$250 per meeting.

- B. Effective January 1, 2013, Directors and covered dependents who are currently covered under the Cooperative's medical insurance plan, with such cost being paid by the Director, are eligible to continue that coverage until participant is Medicare eligible. After January 1, 2013, no current Director or covered dependents, will be eligible to enroll in the Cooperative medical insurance plan during open enrollment and no new

Exhibit 10  
10 of 11

Director or covered dependents, will be eligible for the Cooperative's medical insurance plan.

Directors are eligible for dental coverage, single or family, with such cost to be paid by the director.

The Cooperative will pay 100% of the Supplemental Accidental Death and Dismemberment Insurance and Business Travel Accident Insurance for each Director.

- C. Directors will be paid a per diem amount of \$250.00 per day for attendance at KAEC and NRECA annual meetings, and any other Board approved meeting, seminar, or function attended on behalf of Meade County RECC. Such days shall include days spent traveling not on the actual meeting day, provided that a Director shall be limited to one travel day per meeting if the meeting ends early enough on the last day that the Director can reasonable commence travel. The per diem fees and the expenses to which a Director is entitled under this policy for attendance at a meeting, seminar, or function shall be reduced to the extent of any like fees or expenses that the Director is paid by another organization for attendance at that meeting, seminar or function.
- D. Directors and attorney will be reimbursed for all legitimate expenses for attendance at official meetings upon submission of a detailed expense account with attached receipts, reviewed by the Secretary-Treasurer.
- E. No expenses will be paid for spouses of Directors or Attorney accompanying them to meetings.
- F. Commercial air round-trip coach will be utilized where available. If personal car is used, reimbursements shall not exceed round-trip airfare.
- G. No fee will be paid for attendance at advisory committee, banquets and appreciation dinners where there is no official meeting.
- H. Mile cost reimbursement will be at the rate set annually by the IRS.
- I. All compensation paid under this Policy shall, if the total thereof by law requires such, be reported on IRS Forms 1099 and 1096, a copy of the former being timely furnished to each Board member.
- J. Board members, upon ceasing to be such, may, by paying all premiums therefor, participate in the Cooperative's hospitalization/medical insurance plans for so long as and to the extent that such participation is required or allowed by law and by the Cooperative's insurance carrier.

Exhibit 10  
11 of 11

III. ADDITIONAL COMPENSATION FOR ATTORNEY

The Cooperative Attorney shall receive a per month retainer fee of \$700 and shall be paid for legal work at an hourly rate, both determined from time to time by action of the Board of Directors. Invoices showing all charges and hours worked shall be submitted monthly.

IV. RESPONSIBILITY

It shall be the responsibility of the Board of Directors to see that the provisions of this policy are carried out.

9-19-2012  
Revised Date

David T. Wilson  
David T. Wilson, Chairman

Meade County Rural Electric

Case No. 2013-00033

**Adjustment for miscellaneous expenses**

November 30, 2013

Certain advertising expenses are disallowed for rate making purposes that are not for safety, conservation, information or the annual meeting. These have been removed from Account 930.10, Advertising Expense, and Account 930.20, Miscellaneous General. Those removed include sponsorship of sports, church, civic and charitable related organizations.

Annual meeting scholarships, prizes and giveaways are also disallowed.

The amounts removed for rate making purposes is as follows:

Account 930.20, Miscellaneous general	
Account 930.20, Miscellaneous general	8,753
Account 930.40, Annual meeting	<u>1,419</u>
	<u><u>10,171</u></u>

Meade County Rural Electric  
Case No. 2013-00033  
Account 930 - Miscellaneous General Expenses  
November 30, 2013

Line No. —	Item (a)	Amount (b)
1.	Industry association dues	98,334
2.	Annual meeting	23,473
3.	Institutional advertising	
4.	Conservation advertising	
5.	Rate department load studies	
6.	Director's fees and expenses	104,348
7.	Kentucky Living Magazine	129,197
8.	Miscellaneous	104,182
9.	Total	459,534
10.	Amount assigned to KY retail	

Witness: Karen Brown

## Meade County Rural Electric

Case No. 2013-00033

Kentucky Living Magazine Account 930.10

November 30, 2013

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<u>Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Description</u>	<u>Amount</u>
12/22/2011	72125	KAEC	KY LIVING MAGAZINE	10,418.18
1/27/2012	72802	KAEC	KY LIVING MAGAZINE	10,412.63
2/29/2012	73264	KAEC	KY LIVING MAGAZINE	10,405.54
3/30/2012	73588	KAEC	KY LIVING MAGAZINE	10,408.56
4/30/2012	73877	KAEC	KY LIVING MAGAZINE	10,488.02
5/31/2012	74297	KAEC	KY LIVING MAGAZINE	10,478.84
6/28/2012	74619	KAEC	KY LIVING MAGAZINE	14,114.98
7/31/2012	75038	KAEC	KY LIVING MAGAZINE	10,492.08
8/24/2012	75330	KAEC	KY LIVING MAGAZINE	10,485.98
9/21/2012	75653	KAEC	KY LIVING MAGAZINE	10,495.66
10/19/2012	75966	KAEC	KY LIVING MAGAZINE	10,499.23
11/30/2012	76386	KAEC	KY LIVING MAGAZINE	10,497.70

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 129,197.40
 

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Disallow for rate making purposes

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## Meade County Rural Electric

Case No. 2013-00033

## Miscellaneous General Expenses Account 930.20

November 30, 2013

Date	Check Number	Payee	Description	Amount
12/16/11	98894	KY ASSOC OF ELECT COO	ANNUAL MTG MEALS	124.80
1/6/12	99098	DAVID W PACE	FOOD FOR SAFETY MTGS	43.04
12/7/11	98787	NRECA	WILLIE WIREHAND ORNAMENTS	876.51 x
12/7/11	98776	KY ASSOC FOR ECONOMI	MEMBERSHIP DUES	150.00
1/20/12	99508	NOLIN RECC	2012 YOUNG FARMERS BANQUET	83.14
3/7/12	100014	DAVID W PACE	BLUEGRASS CELLULAR	50.00
2/24/12	801655	US BANK CORPORATE PY	FOOD FOR EMPLOYEE TRAINING	27.00
2/7/12	99720	THE KROGER CO	SNACKS FOR SERVICE EXCELLENC	96.38
4/6/12	100341	DAVID W PACE	BLUEGRASS CELLULAR	50.00
3/16/12	100126	NRECA	2012 CONNECT CONF & EXPO	755.00
3/30/12	801673	US BANK CORPORATE PY	MIDWEST ENERGY STAR CONF-LO	256.32
3/16/12	100108	KY COUNCIL OF COOPER	2012 MEMBERSHIP DUES	250.00
3/23/12	100201	THE KROGER CO	CANDY FOR REALITY STORE	24.92 x
5/7/12	100577	DAVID W PACE	BLUEGRASS CELLULAR	50.00
4/30/12	100473	THE KROGER CO	FOOD FOR ECONOMIC DEVELOPMI	63.75
4/19/12	801688	INTERNAL REVENUE SER	2011 FORM 940 CREDIT REDUCTION	22.82
6/7/12	100860	DAVID W PACE	BLUEGRASS CELLULAR	50.00
5/29/12	100755	TIM GOSSETT	NRECA CONNECT CONF EXPENSES	589.45
5/31/12	801702	US BANK CORPORATE PY	KMSA-LODGING EXPENSE	390.75
5/31/12	801702	US BANK CORPORATE PY	MTG W/RUSS POGUE ON REBATES	18.35
5/31/12	801702	US BANK CORPORATE PY	NRECA CONNECT CONF-MEALS &	941.43
5/25/12	100688	BRECK CO CHAMBER OF	BUSINESS MEMBERSHIP	275.00 x
5/31/12	100798	VISA	FRANKFORT YOUTH TOUR MEAL	128.54 X
6/7/12	100860	DAVID W PACE	FRANKFORT ED MTG W/GERRY LY	28.89 x
6/7/12	100851	MEADE COUNTY FAIR INC	FAIR PASSES	80.00 x
6/15/12	100910	TIM GOSSETT	CHAMBER LUNCHEON 3/15/12	8.00 x
7/6/12	801721	US BANK CORPORATE PY	CONNECT CONF-MEALS & LODGIN	50.84
7/6/12	801721	US BANK CORPORATE PY	CREDIT FROM SHERATON HOTEL	(100.00)
6/15/12	100910	TIM GOSSETT	WELLNESS PROGRAM	196.00
5/31/12	100782	MEADE CO AREA CHAMB	MEMBERSHIP DUES	425.00 x
6/7/12	100814	BRECK CO CHAMBER OF	ANNUAL DINNER	200.00 x
6/15/12	100920	MEADE CO AREA CHAMB	GOLF HOLE SPONSORSHIP 6/8/12	150.00 x
6/15/12	100910	TIM GOSSETT	WASHINGTON YOUTH TOUR	210.00 x
6/28/12	101035	KY ASSOC OF ELECT COO	WASHINGTON YOUTH TOUR	3,975.00 x
6/28/12	101035	KY ASSOC OF ELECT COO	WASHINGTON YOUTH TOUR CRED	(900.00)
8/3/12	101404	DAVID W PACE	BLUEGRASS CELLULAR	100.00
8/3/12	101395	KYLE HEAVRIN	AT&T PHONE BILL	50.00
7/13/12	101178	TIM GOSSETT	BRECK COUNTY FAIR MEALS	100.00 x
7/13/12	101178	TIM GOSSETT	MEADE COUNTY FAIR MEALS	120.00 x
7/31/12	801735	US BANK CORPORATE PY	CANDY FOR FAIR BOOTH	23.47 x
8/3/12	101408	SAM'S CLUB	SUPPLIES FOR FAIR	31.10 x
8/7/12	101423	BRECKINRIDGE CO HIGH	FOOTBALL POSTER DONATION	200.00 x
8/3/12	101395	KYLE HEAVRIN	CHAMBER BREAKFAST	8.00 x

## Meade County Rural Electric

Case No. 2013-00033

## Miscellaneous General Expenses Account 930.20

November 30, 2013

Date	Check Number	Payee	Description	Amount
8/31/12	101654	KYLE HEAVRIN	AT&T PHONE BILL	50.00
8/31/12	101653	TIM GOSSETT	BLUEGRASS CELLULAR	100.00
8/31/12	101653	TIM GOSSETT	MEADE CO CHAMBER LUNCH	40.00 x
8/31/12	801750	US BANK CORPORATE PY	TOUCHSTONE ENERGY BALLOON	8.47 x
8/31/12	101664	KY ASSOC OF ELECT COO	KMSA FALL MEETING	200.00
8/31/12	101632	BRECK CO CHAMBER OF	CHAMBER BREAKFAST	16.00
8/31/12	801750	US BANK CORPORATE PY	NRECA CONNECT CONF EXPENSES	307.20
9/13/12	101827	DAVID W PACE	BLUEGRASS CELLULAR	50.00
9/28/12	101921	NRECA	WILLIE WIREHANDS	877.72 x
9/13/12	101821	MEADE CO AREA CHAMB	COMMUNITY DINNER	36.00 x
9/13/12	101827	DAVID W PACE	FRANKFORT/ED MTG	26.01 x
10/12/12	102076	DAVID W PACE	BLUEGRASS CELLULAR	50.00
11/7/12	102317	DAVID W PACE	BLUEGRASS CELLULAR	50.00
10/12/12	102073	NCAEC	SATISFACTION SUMMIT MTG FEE	250.00
10/26/12	801778	US BANK CORPORATE PY	NRECA ENERGY SUMMITT EXP	96.85
10/26/12	801778	US BANK CORPORATE PY	NRECA ENERGY SUMMITT-LODGIN	638.26
11/7/12	102309	MEADE CO AREA CHAMB	CHAMBER BREAKFAST	16.00 x
11/7/12	102266	KAREN BROWN	CELL PHONE REIMBURSEMENT	50.00
11/30/12	102499	MAINLY COUNTRY	2012 CHRISTMAS CARDS	182.96 x
11/30/12	102499	MAINLY COUNTRY	2012 CHRISTMAS CARDS	269.70 x
11/20/12	801793	US BANK CORPORATE PY	ADOBE EXPORT PDF	21.19
11/30/12	102480	TIM GOSSETT	BLUEGRASS CELLULAR	150.00
11/30/12	102534	VISA	SUPPLIES FOR PARADE FLOAT	63.83 x
12/7/12	102606	SAM'S CLUB	CANDY CANES FOR PARADE	84.59 x
11/30/12	102480	TIM GOSSETT	BRECK CO CHAMBER MEAL	16.00 x
11/20/12	801793	US BANK CORPORATE PY	KMSA CONF-MEALS & LODGING	508.63
12/7/12	102588	KY ASSOC OF ELECT COO	MEALS @ KAEC MTG-GOSSETT	100.00
11/30/12	102485	KYLE HEAVRIN	WELLNESS PROGRAM	200.00
11/16/12	102392	ALLISON REDMON	FOOD FOR IRVINGTON PARADE	31.14 x
11/20/12	801793	US BANK CORPORATE PY	SUPPLIES FOR XMAS PARADE	145.71 x
1/6/12	99078	HERALD NEWS PUBLISI	MERRY CHRISTMAS AD	90.00 x
2/24/12	99859	MEDIAWORKS ADVERT	EXTENDED REBATES	67.65
4/6/12	100324	HERALD NEWS PUBLISI	NEWSPAPER ADVERTISING	105.00
12/7/12	102580	HERALD NEWS PUBLISI	NEWSPAPER CONSERVATION A.	93.75
10/19/12	99504	NRECA	ANNUAL DUES	28,308.00
1/20/12	102135	KAEC	ANNUAL DUES	70,025.84
var	var	COOP LABOR AND BENEFITS		88,915.81
				<u>202,515.81</u>
		Items disallowed for rate making purposes		<u>8,752.56</u> x



Witness: Karen Brown

Meade County Rural Electric  
Case No. 2013-00033  
Annual Meeting - Account 930.40  
November 30, 2013

	<u>Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Description</u>	<u>Amount</u>	
11	4/20/2012	100403	A L APPEL GATE	FEE NOMINATING COMMITTEE ME	150.00	x
12	4/20/2012	100414	JOHN DITTO	FEE NOMINATING COMMITTEE ME	150.00	x
13	4/20/2012	100414	JOHN DITTO	MILEAGE	5.10	x
14	4/20/2012	100417	CLINTON FENTRESS	FEE NOMINATING COMMITTEE ME	150.00	x
15	4/20/2012	100417	CLINTON FENTRESS	MILEAGE	35.70	x
16	4/20/2012	100419	RICKY HAYNES	FEE NOMINATING COMMITTEE ME	150.00	x
17	4/20/2012	100419	RICKY HAYNES	MILEAGE	11.73	x
18	4/20/2012	100420	JOE HOBBS	FEE NOMINATING COMMITTEE ME	150.00	x
19	4/20/2012	100420	JOE HOBBS	MILEAGE	15.30	x
20	5/31/2012	100798	VISA	SUBWAY-NOMINATING COMMITTEE	40.86	x
21	6/15/2012	100928	PRINT SOLUTIONS	COMMUTER TUMBLER FOR ANNUA	4,114.92	
22	6/25/2012	100978	KAYE RICHARDSON	ANNUAL MEETING SHIRTS	2,153.92	
23	6/28/2012	101046	NEISHA NEVITT	2012 ANNUAL MTG MILEAGE-NEISHA	26.64	
24	6/28/2012	101066	ANNA SWANSON	2012 ANNUAL MTG MILEAGE-ANNA	26.64	
25	6/28/2012	101034	THE KROGER CO	SUPPLIES FOR ANNUAL MTG	55.20	
26	6/28/2012	101058	MELANIE RALEY	SANDWICHES & COOKIES FOR ANN	235.32	
27	6/28/2012	101000	JUDY BROWN	2012 ANNUAL MTG MILEAGE-JUDY	26.64	
28	7/6/2012	101152	THE WULF RADIO	ADVERTISING FOR ANNUAL MEETI	560.00	
29	7/6/2012	101117	LUCAS BROS HARDWARE	SUPPLIES FOR ANNUAL MTG	526.65	
30	7/6/2012	101147	JOHN STRANEY	2012 ANNUAL MTG MILEAGE-JOHN	26.64	
31	7/6/2012	101103	LAURA DUTSCHKE	ENTERTAINMENT 2012 MTG	250.00	
32	7/6/2012	101146	RICK STITH	SOUND SYSTEM 2012 ANNUAL MTG	150.00	
33	7/6/2012	101088	BRECKINRIDGE CO DAY	2012 ANNUAL MTG CONCESSION	225.00	
34	7/6/2012	101112	HERALD NEWS PUBLISHER	ADVERTISING FOR ANNUAL MTG	360.00	
35	7/6/2012	101128	OHIO COUNTY TIMES NEWS	ADVERTISING FOR ANNUAL MTG	310.50	
36	7/6/2012	101121	THE MEADE COUNTY NEWS	ADVERTISING FOR ANNUAL MTG	515.20	
37	7/6/2012	101153	WXBC RADIO	ADVERTISEMENT FOR ANNUAL MTG	385.00	
38	7/13/2012	101178	TIM GOSSETT	\$100 GIVEAWAY AT ANNUAL MTG	100.00	x
39	7/13/2012	101201	MEADE COUNTY COMM	ANNUAL MTG RADIO ADVERTISING	480.00	
40	7/13/2012	101222	TINA WHITMAN	ANNUAL MTG MILEAGE	14.43	
41	7/14/2012	999998	US BANK CORPORATE	MEAL EXPENSE FOR SETTING UP A	38.51	
42	7/15/2012	999998	US BANK CORPORATE	DRINKS FOR ANNUAL MTG	46.73	
43	7/16/2012	101372	VISA	WAL-MART-ANNUAL MTG PRIZES	360.40	x
44	8/7/2012	101447	KY ASSOC OF ELECT CO	ENTERTAINMENT FOR ANNUAL M	4,805.00	
45	8/7/2012	101447	KY ASSOC OF ELECT CO	2012 ANNUAL MTG POSTERS	118.56	
46	8/7/2012	101448	LUCAS BROS HARDWARE	BIKE AND HELMET PRIZE FOR ANN	99.62	x
47	var	var	LABOR AND BENEFITS		6,602.65	
48						
49						
50					<u>23,472.86</u>	x
51						
52			Disallow for rate making purposes		<u>1,418.71</u>	x
53						

Witness: Karen Brown

**Meade County Rural Electric Cooperative**  
**Case No. 2013-00033**  
**Rate Case Expenses**  
November 30, 2012

Estimated rate case costs:

Legal	\$3,000
Consulting	35,000
Advertising	5,000
Supplies and miscellaneous	<u>2,000</u>
Total	45,000
Number of years	<u>3</u>
Adjustment	<u><u>\$15,000</u></u>

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

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

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

## Meade County Rural Electric Cooperative

Case No. 2013-00033

November 30, 2012

## Self Insured Fund

Meade County, along with most other cooperatives in Kentucky, were experiencing high workers compensation rates in the 1980's. In order to reduce the rates, the Kentucky cooperatives formed a Self-Insured Workers' Compensation Fund that was administered through KAEC. Federated Insurance Company, among others, started insuring Kentucky cooperatives at a lower rate. As a result, the Kentucky workers' comp fund was dissolved. However, the assets of the fund could not be distributed until all potential claims had been resolved. During 2012, Federated Insurance Company worked out an arrangement to absolve the self-insured fund of any potential future claims. As a result, the assets of the fund were distributed during 2012. Meade County's portion of the assets in the fund were \$76,226. Meade County is proposing to remove these funds for rate-making purposes since the fund was dissolved over 5 years ago and this is the distribution from that fund.

2011  
KENTUCKY ELECTRIC COOPERATIVES  
AVERAGE EXPENSE PER CONSUMER  
STATISTICAL COMPARISONS

<u>COOPERATIVE</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>% CHANGE FROM 2007</u>
BIG SANDY	\$328	\$358	\$315	\$291	\$286	14.7 %
BLUE GRASS ENERGY	319	320	303	291	272	17.3
CLARK ENERGY COOP	303	295	283	253	240	26.3
CUMBERLAND VALLEY	301	309	299	267	259	16.2
FARMERS	300	289	248	262	259	15.8
FLEMING-MASON	329	317	325	291	280	17.5
GRAYSON	476	423	398	373	350	36.0
INTER-COUNTY	349	328	321	300	280	24.6
JACKSON ENERGY	371	344	358	311	301	23.3
LICKING VALLEY	317	316	303	270	260	21.9
NOLIN	411	408	363	349	342	20.2
OWEN	289	292	281	266	250	15.6
SALT RIVER ELECTRIC	231	223	237	228	196	17.9
SHELBY ENERGY	348	352	327	295	258	34.9
SOUTH KENTUCKY	280	291	270	264	262	6.9
TAYLOR COUNTY	<u>244</u>	<u>237</u>	<u>220</u>	<u>215</u>	<u>203</u>	<u>20.2</u>
<b>AVERAGE EKPC</b>	<b>\$325</b>	<b>\$319</b>	<b>\$303</b>	<b>\$284</b>	<b>\$269</b>	<b>20.8 %</b>
JACKSON PURCHASE	\$353	\$319	\$348	\$338	\$303	16.5 %
KENERGY	362	372	345	363	333	8.7
MEADE COUNTY	<u>302</u>	<u>294</u>	<u>271</u>	<u>267</u>	<u>251</u>	<u>20.3</u>
<b>AVERAGE BIG RIVERS</b>	<b>\$340</b>	<b>\$329</b>	<b>\$321</b>	<b>\$323</b>	<b>\$295</b>	<b>15.3 %</b>
HICKMAN-FULTON	\$759	\$522	\$595	\$525	\$433	75.3 %
PENNYRILE	325	287	290	274	254	28.0
TRI-COUNTY	290	284	270	258	244	18.9
WARREN	345	336	333	331	310	11.3
WEST KENTUCKY	<u>370</u>	<u>353</u>	<u>329</u>	<u>384</u>	<u>331</u>	<u>11.8</u>
<b>AVERAGE TVA</b>	<b>\$419</b>	<b>\$357</b>	<b>\$364</b>	<b>\$355</b>	<b>\$314</b>	<b>33.4 %</b>
<b>OVERALL AVERAGE</b>	<b>\$346</b>	<b>\$329</b>	<b>\$318</b>	<b>\$303</b>	<b>\$281</b>	<b>23.1 %</b>

**2011**  
**KENTUCKY ELECTRIC COOPERATIVES**  
**TOTAL AVERAGE NUMBER OF CONSUMERS BILLED**  
**STATISTICAL COMPARISONS**

<u>COOPERATIVE</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>% CHANGE FROM 2007</u>
BIG SANDY	13,213	13,226	13,244	13,211	13,138	0.6 %
BLUE GRASS ENERGY	55,087	54,980	54,816	54,694	54,021	2.0
CLARK ENERGY COOP	26,041	26,154	26,123	26,006	25,801	0.9
CUMBERLAND VALLEY	23,684	23,749	23,737	23,695	23,487	0.8
FARMERS	24,683	24,574	24,439	24,226	23,729	4.0
FLEMING-MASON	23,827	23,822	23,792	23,804	23,687	0.6
GRAYSON	15,470	15,533	15,678	15,722	15,631	-1.0
INTER-COUNTY	25,250	25,256	25,461	25,353	25,185	0.3
JACKSON ENERGY	51,224	51,338	51,338	51,644	51,244	0.0
LICKING VALLEY	17,428	17,493	17,485	17,453	17,272	0.9
NOLIN	32,948	32,638	32,159	31,885	31,422	4.9
OWEN	57,596	57,478	57,223	56,794	56,290	2.3
SALT RIVER ELECTRIC	47,411	47,046	46,501	46,071	45,453	4.3
SHELBY ENERGY	15,315	15,311	15,291	15,191	14,990	2.2
SOUTH KENTUCKY	66,361	66,430	66,317	66,276	62,408	6.3
TAYLOR COUNTY	<u>25,613</u>	<u>25,456</u>	<u>25,285</u>	<u>25,078</u>	<u>24,792</u>	<u>3.3</u>
<b>TOTAL EKPC</b>	<b>521,151</b>	<b>520,484</b>	<b>518,889</b>	<b>517,103</b>	<b>508,550</b>	<b>2.5 %</b>
JACKSON PURCHASE	29,199	29,152	29,109	29,092	28,747	1.6 %
KENERGY	55,210	54,991	54,839	54,736	54,337	1.6
MEADE COUNTY	<u>28,478</u>	<u>28,267</u>	<u>27,996</u>	<u>27,866</u>	<u>27,500</u>	<u>3.6</u>
<b>TOTAL BIG RIVERS</b>	<b>112,887</b>	<b>112,410</b>	<b>111,944</b>	<b>111,694</b>	<b>110,584</b>	<b>2.1 %</b>
HICKMAN-FULTON	3,675	3,716	3,742	3,782	3,770	-2.5 %
PENNYRILE	46,965	46,984	46,862	46,419	46,393	1.2
TRI-COUNTY	50,240	50,340	50,223	50,331	50,223	0.0
WARREN	60,265	59,995	59,627	59,317	58,591	2.9
WEST KENTUCKY	<u>38,154</u>	<u>38,189</u>	<u>38,183</u>	<u>38,323</u>	<u>38,057</u>	<u>0.3</u>
<b>TOTAL TVA</b>	<b>199,299</b>	<b>199,224</b>	<b>198,637</b>	<b>198,172</b>	<b>197,034</b>	<b>1.1 %</b>
<b>OVERALL TOTAL</b>	<b>833,337</b>	<b>832,118</b>	<b>829,470</b>	<b>826,969</b>	<b>816,168</b>	<b>2.1 %</b>

2011  
**KENTUCKY ELECTRIC COOPERATIVES**  
**MILES OF LINE**  
**STATISTICAL COMPARISONS**

<u>COOPERATIVE</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>% CHANGE FROM 2007</u>
BIG SANDY	1,030	1,027	1,025	1,027	1,022	0.8 %
BLUE GRASS ENERGY	4,650	4,632	4,593	4,566	4,535	2.5
CLARK ENERGY COOP	3,042	3,036	3,035	3,014	2,982	2.0
CUMBERLAND VALLEY	2,614	2,616	2,609	2,592	2,577	1.4
FARMERS	3,591	3,577	3,555	3,539	3,513	2.2
FLEMING-MASON	3,550	3,537	3,517	3,506	3,483	1.9
GRAYSON	2,485	2,483	2,474	2,466	2,454	1.3
INTER-COUNTY	3,765	3,748	3,733	3,687	3,630	3.7
JACKSON ENERGY	5,676	5,664	5,663	5,663	5,652	0.4
LICKING VALLEY	2,039	2,031	2,026	2,023	2,020	0.9
NOLIN	2,991	2,980	2,959	2,939	2,917	2.5
OWEN	4,509	4,493	4,486	4,451	4,428	1.8
SALT RIVER ELECTRIC	4,040	4,016	3,982	3,953	3,903	3.5
SHELBY ENERGY	2,097	2,096	2,088	2,078	2,065	1.5
SOUTH KENTUCKY	6,755	6,735	6,715	6,685	6,600	2.3
TAYLOR COUNTY	<u>3,210</u>	<u>3,198</u>	<u>3,183</u>	<u>3,169</u>	<u>3,150</u>	<u>1.9</u>
<b>TOTAL EKPC</b>	<b>56,044</b>	<b>55,869</b>	<b>55,643</b>	<b>55,358</b>	<b>54,931</b>	<b>2.0 %</b>
JACKSON PURCHASE	2,918	2,909	2,900	2,891	3,271	-10.8 %
KENERGY	7,047	7,010	7,009	6,997	6,974	1.0
MEADE COUNTY	<u>2,974</u>	<u>2,974</u>	<u>2,978</u>	<u>2,972</u>	<u>2,959</u>	<u>0.5</u>
<b>TOTAL BIG RIVERS</b>	<b>12,939</b>	<b>12,893</b>	<b>12,887</b>	<b>12,860</b>	<b>13,204</b>	<b>-2.0 %</b>
HICKMAN-FULTON	691	684	688	689	688	0.4 %
PENNYRILE	5,089	5,100	5,099	5,075	5,047	0.8
TRI-COUNTY	5,449	5,451	5,464	5,467	5,450	0.0
WARREN	5,626	5,622	5,617	5,615	5,584	0.8
WEST KENTUCKY	<u>4,079</u>	<u>4,069</u>	<u>4,046</u>	<u>4,033</u>	<u>3,881</u>	<u>5.1</u>
<b>TOTAL TVA</b>	<b>20,934</b>	<b>20,926</b>	<b>20,914</b>	<b>20,879</b>	<b>20,650</b>	<b>1.4 %</b>
<b>OVERALL TOTAL</b>	<b>89,917</b>	<b>89,688</b>	<b>89,444</b>	<b>89,097</b>	<b>88,785</b>	<b>1.3 %</b>

2011  
KENTUCKY ELECTRIC COOPERATIVES  
DENSITY CONSUMERS PER MILE  
STATISTICAL COMPARISONS.

<u>COOPERATIVE</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>% CHANGE FROM 2007</u>
BIG SANDY	13.0	12.9	12.9	12.8	12.8	1.6 %
BLUE GRASS ENERGY	11.8	11.9	11.9	12.0	11.9	-0.8
CLARK ENERGY COOP	8.6	8.6	8.6	8.6	8.7	-1.1
CUMBERLAND VALLEY	9.1	9.1	9.1	9.1	9.1	0.0
FARMERS	6.9	6.9	6.9	6.8	6.8	1.5
FLEMING-MASON	6.7	6.7	6.8	6.8	6.8	-1.5
GRAYSON	6.2	6.3	6.3	6.4	6.4	-3.1
INTER-COUNTY	6.7	6.7	6.8	6.9	6.9	-2.9
JACKSON ENERGY	9.0	9.1	9.1	9.1	9.1	-1.1
LICKING VALLEY	8.6	8.6	8.6	8.6	9.0	-4.4
NOLIN	11.0	11.0	10.9	10.9	10.8	1.9
OWEN	12.8	12.8	12.8	12.8	12.7	0.8
SALT RIVER ELECTRIC	11.7	11.7	11.7	11.7	11.7	0.0
SHELBY ENERGY	7.3	7.3	7.3	7.3	7.3	0.0
SOUTH KENTUCKY	9.8	9.9	9.9	9.9	9.5	3.2
TAYLOR COUNTY	<u>8.0</u>	<u>8.0</u>	<u>7.9</u>	<u>7.9</u>	<u>7.9</u>	<u>1.3</u>
<b>AVERAGE EKPC</b>	<b>9.3</b>	<b>9.3</b>	<b>9.3</b>	<b>9.3</b>	<b>9.3</b>	<b>0.0 %</b>
JACKSON PURCHASE	10.0	10.0	10.0	10.1	8.8	13.6 %
KENERGY	7.8	7.8	7.8	7.8	7.8	0.0
MEADE COUNTY	<u>9.6</u>	<u>9.5</u>	<u>9.4</u>	<u>9.4</u>	<u>9.3</u>	<u>3.2</u>
<b>AVERAGE BIG RIVERS</b>	<b>8.7</b>	<b>8.7</b>	<b>8.7</b>	<b>8.7</b>	<b>8.4</b>	<b>3.6 %</b>
HICKMAN-FULTON	5.3	5.4	5.4	5.5	5.5	-3.6 %
PENNYRILE	9.2	9.2	9.2	9.2	9.2	0.0
TRI-COUNTY	9.2	9.2	9.2	9.2	9.2	0.0
WARREN	10.7	10.7	10.6	10.6	10.5	1.9
WEST KENTUCKY	<u>9.4</u>	<u>9.4</u>	<u>9.4</u>	<u>9.5</u>	<u>9.8</u>	<u>-4.1</u>
<b>AVERAGE TVA</b>	<b>9.5</b>	<b>9.5</b>	<b>9.5</b>	<b>9.5</b>	<b>9.5</b>	<b>0.0 %</b>
<b>OVERALL AVERAGE</b>	<b>9.3</b>	<b>9.3</b>	<b>9.3</b>	<b>9.3</b>	<b>9.2</b>	<b>1.1 %</b>

2011  
KENTUCKY ELECTRIC COOPERATIVES  
AVERAGE EXPENSE PER MILE OF LINE  
STATISTICAL COMPARISONS

<u>COOPERATIVE</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>% CHANGE FROM 2007</u>
BIG SANDY	\$4,207	\$4,611	\$4,070	\$3,744	\$3,676	14.4 %
BLUE GRASS ENERGY	3,779	3,798	3,617	3,486	3,240	16.6
CLARK ENERGY COOP	2,595	2,542	2,435	2,182	2,077	24.9
CUMBERLAND VALLEY	2,727	2,805	2,720	2,442	2,360	15.6
FARMERS	2,061	1,985	1,704	1,793	1,749	17.8
FLEMING-MASON	2,209	2,135	2,199	1,976	1,905	16.0
GRAYSON	2,963	2,645	2,523	2,379	2,229	32.9
INTER-COUNTY	2,341	2,211	2,189	2,061	1,943	20.5
JACKSON ENERGY	3,348	3,118	3,246	2,837	2,730	22.6
LICKING VALLEY	2,710	2,721	2,615	2,330	2,224	21.9
NOLIN	4,527	4,469	3,946	3,786	3,684	22.9
OWEN	3,693	3,735	3,584	3,394	3,178	16.2
SALT RIVER ELECTRIC	2,711	2,612	2,767	2,658	2,282	18.8
SHELBY ENERGY	2,542	2,572	2,396	2,157	1,872	35.8
SOUTH KENTUCKY	2,751	2,870	2,667	2,618	2,477	11.1
TAYLOR COUNTY	<u>1,948</u>	<u>1,886</u>	<u>1,748</u>	<u>1,703</u>	<u>1,598</u>	<u>21.9</u>
<b>AVERAGE EKPC</b>	<b>\$2,946</b>	<b>\$2,919</b>	<b>\$2,778</b>	<b>\$2,596</b>	<b>\$2,451</b>	<b>20.2 %</b>
JACKSON PURCHASE	\$3,532	\$3,197	\$3,493	\$3,403	\$2,663	32.6 %
KENERGY	2,837	2,919	2,698	2,839	2,595	9.3
MEADE COUNTY	<u>2,892</u>	<u>2,794</u>	<u>2,547</u>	<u>2,503</u>	<u>2,334</u>	<u>23.9</u>
<b>AVERAGE BIG RIVERS</b>	<b>\$3,087</b>	<b>\$2,970</b>	<b>\$2,913</b>	<b>\$2,915</b>	<b>\$2,531</b>	<b>22.0 %</b>
HICKMAN-FULTON	\$4,037	\$2,835	\$3,236	\$2,882	\$2,373	70.1 %
PENNYRILE	3,000	2,644	2,665	2,505	2,334	28.5
TRI-COUNTY	2,674	2,623	2,481	2,375	2,248	19.0
WARREN	3,695	3,586	3,535	3,496	3,251	13.7
WEST KENTUCKY	<u>3,462</u>	<u>3,313</u>	<u>3,105</u>	<u>3,649</u>	<u>3,246</u>	<u>6.7</u>
<b>AVERAGE TVA</b>	<b>\$3,374</b>	<b>\$3,000</b>	<b>\$3,005</b>	<b>\$2,982</b>	<b>\$2,691</b>	<b>25.4 %</b>
<b>OVERALL AVERAGE</b>	<b>\$3,052</b>	<b>\$2,944</b>	<b>\$2,840</b>	<b>\$2,716</b>	<b>\$2,512</b>	<b>21.5 %</b>



**2011**  
**KENTUCKY ELECTRIC COOPERATIVES**  
**TOTAL RESIDENTIAL REVENUES**  
**STATISTICAL COMPARISONS**

<u>COOPERATIVE</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>% CHANGE</u> <u>FROM 2007</u>
BIG SANDY	\$19,254,338	\$19,504,677	\$17,723,822	\$16,830,290	\$15,853,498	21.5 %
BLUE GRASS ENERGY	85,884,006	84,916,241	76,618,866	75,708,257	68,578,375	25.2
CLARK ENERGY COOP	36,708,481	35,307,191	30,986,423	31,325,955	29,717,098	23.5
CUMBERLAND VALLEY	31,460,869	32,537,708	29,727,049	29,511,472	27,983,567	12.4
FARMERS	32,782,120	33,283,884	28,960,218	27,656,329	26,450,827	23.9
FLEMING-MASON	28,199,358	28,565,335	26,445,334	27,400,745	23,419,768	20.4
GRAYSON	21,978,172	22,417,367	20,375,694	19,326,239	18,131,615	21.2
INTER-COUNTY	38,974,091	38,111,051	34,703,753	35,150,797	33,391,723	16.7
JACKSON ENERGY	81,135,113	81,946,986	73,894,381	76,960,445	66,382,819	22.2
LICKING VALLEY	21,839,711	22,255,988	19,780,129	19,074,236	18,876,065	15.7
NOLIN	48,149,006	48,360,150	43,698,352	44,216,213	39,672,514	21.4
OWEN	79,163,922	77,481,108	71,405,333	68,931,115	66,458,715	19.1
SALT RIVER ELECTRIC	66,517,122	65,700,823	59,096,481	59,871,443	57,330,349	16.0
SHELBY ENERGY	25,853,776	23,574,557	21,062,573	21,021,450	19,684,110	31.3
SOUTH KENTUCKY	84,493,130	82,781,238	73,895,399	76,437,150	67,646,098	24.9
TAYLOR COUNTY	<u>29,703,937</u>	<u>28,920,669</u>	<u>28,255,677</u>	<u>26,494,596</u>	<u>25,472,592</u>	16.6
<b>TOTAL EKPC</b>	<b>\$732,097,152</b>	<b>\$725,664,973</b>	<b>\$656,629,484</b>	<b>\$655,916,732</b>	<b>\$605,049,733</b>	<b>21.0 %</b>
JACKSON PURCHASE	\$29,070,144	\$31,240,203	\$27,283,351	\$27,275,780	\$25,697,996	13.1 %
KENERGY	56,283,522	57,146,551	50,349,518	50,078,902	50,041,715	12.5
MEADE COUNTY	<u>27,479,674</u>	<u>26,176,828</u>	<u>23,284,922</u>	<u>24,196,053</u>	<u>21,982,113</u>	25.0
<b>TOTAL BIG RIVERS</b>	<b>\$112,833,340</b>	<b>\$114,563,582</b>	<b>\$100,917,791</b>	<b>\$101,550,735</b>	<b>\$97,721,824</b>	<b>15.5 %</b>
HICKMAN-FULTON	\$5,999,873	\$5,138,805	\$5,138,805	\$5,096,364	\$4,576,311	31.1 %
PENNYRILE	65,110,934	64,755,328	58,273,701	58,879,793	51,817,219	25.7
TRI-COUNTY	65,426,019	70,308,752	59,900,263	59,815,321	54,981,186	19.0
WARREN	89,954,828	85,524,135	79,490,494	79,120,223	69,955,053	28.6
WEST KENTUCKY	<u>57,812,187</u>	<u>58,309,168</u>	<u>51,664,140</u>	<u>51,409,815</u>	<u>45,691,877</u>	26.5
<b>TOTAL TVA</b>	<b>\$284,303,841</b>	<b>\$284,036,188</b>	<b>\$254,467,403</b>	<b>\$254,321,516</b>	<b>\$227,021,646</b>	<b>25.2 %</b>
<b>OVERALL TOTAL</b>	<b>\$1,129,234,333</b>	<b>\$1,124,264,743</b>	<b>\$1,012,014,678</b>	<b>\$1,011,788,983</b>	<b>\$929,793,203</b>	<b>21.5 %</b>

**KENTUCKY ELECTRIC COOPERATIVES  
OPERATING EXPENSE AND STATISTICAL COMPARISONS  
2011 - 2010 ANNUAL COMPARISON**

**AVERAGE EXPENSE PER CONSUMER  
EKPC**

	<u>2011</u>	<u>2010</u>	<u>CHANGE</u>
DISTRIBUTION OPERATION	\$ 75.00	\$ 73.00	\$ 2.00
DISTRIBUTION MAINTENANCE	\$ 103.00	\$ 102.00	\$ 1.00
ACCOUNTING	\$ 61.00	\$ 60.00	\$ 1.00
CONSUMER INFORMATION ADMINISTRATION	\$ 12.00	\$ 13.00	\$ (1.00)
	\$ 74.00	\$ 71.00	\$ 3.00
<b>TOTAL PER CONSUMER</b>	<b>\$ 325.00</b>	<b>\$ 319.00</b>	<b>\$ 6.00</b>

**AVERAGE EXPENSE PER CONSUMER  
TVA**

	<u>2011</u>	<u>2010</u>	<u>CHANGE</u>
DISTRIBUTION OPERATION	\$ 109.00	\$ 95.00	\$ 14.00
DISTRIBUTION MAINTENANCE	\$ 144.00	\$ 119.00	\$ 25.00
ACCOUNTING	\$ 57.00	\$ 56.00	\$ 1.00
CONSUMER INFORMATION ADMINISTRATION	\$ 23.00	\$ 8.00	\$ 15.00
	\$ 86.00	\$ 79.00	\$ 7.00
<b>TOTAL PER CONSUMER</b>	<b>\$ 419.00</b>	<b>\$ 357.00</b>	<b>\$ 62.00</b>

**OTHER STATISTICAL INFORMATION**

NUMBER OF EMPLOYEES	1,207	1,206	1
MILES OF LINE	56,044	55,869	175
CONSUMERS BILLED	521,151	520,484	667
MILES OF LINE PER EMPLOYEE	46.7	46.6	0.1
CONSUMER PER EMPLOYEE	434	434	0
DENSITY CONSUMERS PER MILE	9.3	9.3	0

**OTHER STATISTICAL INFORMATION**

NUMBER OF EMPLOYEES	517	516	\$ 1.00
MILES OF LINE	20,934	20,926	\$ 8.00
CONSUMERS BILLED	199,299	199,224	\$ 75.00
MILES OF LINE PER EMPLOYEE	40.7	40.6	\$ 0.10
CONSUMER PER EMPLOYEE	387	387	\$ -
DENSITY CONSUMERS PER MILE	9.5	9.5	\$ -

**AVERAGE EXPENSE PER CONSUMER  
BIG RIVERS**

	<u>2011</u>	<u>2010</u>	<u>CHANGE</u>
DISTRIBUTION OPERATION	\$ 90.00	\$ 83.00	\$ 7.00
DISTRIBUTION MAINTENANCE	\$ 131.00	\$ 128.00	\$ 3.00
ACCOUNTING	\$ 49.00	\$ 49.00	\$ -
CONSUMER INFORMATION ADMINISTRATION	\$ 7.00	\$ 6.00	\$ 1.00
	\$ 63.00	\$ 63.00	\$ -
<b>TOTAL PER CONSUMER</b>	<b>\$ 340.00</b>	<b>\$ 329.00</b>	<b>\$ 11.00</b>

**AVERAGE EXPENSE PER CONSUMER  
OVERALL AVERAGE**

	<u>2011</u>	<u>2010</u>	<u>CHANGE</u>
DISTRIBUTION OPERATION	\$ 84.00	\$ 79.00	\$ 5.00
DISTRIBUTION MAINTENANCE	\$ 115.00	\$ 109.00	\$ 6.00
ACCOUNTING	\$ 58.00	\$ 58.00	\$ -
CONSUMER INFORMATION ADMINISTRATION	\$ 14.00	\$ 11.00	\$ 3.00
	\$ 75.00	\$ 72.00	\$ 3.00
<b>TOTAL PER CONSUMER</b>	<b>\$ 346.00</b>	<b>\$ 329.00</b>	<b>\$ 17.00</b>

**OTHER STATISTICAL INFORMATION**

NUMBER OF EMPLOYEES	291	293	(2)
MILES OF LINE	12,939	12,893	46
CONSUMERS BILLED	112,887	112,410	477
MILES OF LINE PER EMPLOYEE	44.5	43.9	0.6
CONSUMER PER EMPLOYEE	388	382	6
DENSITY CONSUMERS PER MILE	8.7	8.7	0

**OTHER STATISTICAL INFORMATION**

NUMBER OF EMPLOYEES	2015	2015	0
MILES OF LINE	89,917	89,688	229
CONSUMERS BILLED	833,337	832,118	1,219
MILES OF LINE PER EMPLOYEE	44.6	44.5	0
CONSUMER PER EMPLOYEE	413	413	0
DENSITY CONSUMERS PER MILE	9.3	9.3	0

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2011  
KENTUCKY ELECTRIC COOPERATIVES  
OPERATING EXPENSE STATISTICAL COMPARISONS  
AVERAGE ANNUAL BASIS

COOPERATIVE NAME	DISTRIBUTION OPERATION PER MILE	DISTRIBUTION MAINTENANCE PER MILE	TOTAL OP. & MAINT. PER MILE	CONSUMER ACCOUNTING PER MILE	CONSUMER INFORMATION PER MILE	ADM. & GEN. EXPENSE PER MILE	TOTAL EXPENSE PER MILE	NUMBER OF EMPLOYEES	MILES OF LINE	RESIDENTIAL CONSUMERS BILLED	TOTAL RESIDENTIAL REVENUES	AVERAGE MONTHLY RES'L REV
BIG SANDY RECC	872	1,270	2,142	757	141	1,167	4,207	45	1,030	12,102	19,254,338	132.6
BLUE GRASS ENERGY COOP	592	1,244	1,836	628	367	948	3,779	110	4,650	52,419	85,884,008	139.5
CLARK ENERGY COOP	608	925	1,533	514	86	462	2,595	51	3,042	24,394	36,708,481	125.4
CUMBERLAND VALLEY ELECTRIC	489	1,006	1,495	707	46	480	2,727	55	2,614	22,183	31,460,869	118.2
FARMERS RECC	392	742	1,134	302	34	591	2,061	65	3,591	22,891	32,782,120	119.3
FLEMING-MASON ENERGY	490	772	1,262	497	54	396	2,209	52	3,550	17,693	28,199,358	132.8
GRAYSON RECC	461	1,189	1,650	423	112	778	2,963	46	2,485	14,225	21,978,172	128.8
INTER-COUNTY ENERGY	711	423	1,134	523	141	543	2,341	67	3,765	23,846	36,974,091	136.2
JACKSON ENERGY COOP	803	1,029	1,832	641	117	758	3,348	134	5,676	47,627	81,135,113	142.0
LICKING VALLEY RECC	744	923	1,667	436	43	564	2,710	45	2,039	16,244	21,839,711	112.0
NOLIN RECC	1091	1,322	2,413	815	297	1,002	4,527	97	2,991	30,926	48,149,006	129.7
OWEN EC	1137	792	1,929	818	141	805	3,693	133	4,509	55,052	79,163,922	119.8
SALT RIVER ELECTRIC	834	728	1,362	516	94	739	2,711	74	4,040	44,449	66,517,122	124.7
SHELBY ENERGY COOP	746	913	1,658	329	88	467	2,542	36	2,097	14,904	25,853,778	144.6
SOUTH KENTUCKY RECC	521	884	1,405	619	98	629	2,761	145	6,755	60,730	84,493,130	115.9
TAYLOR COUNTY RECC	587	551	1,118	351	32	447	1,948	52	3,210	22,666	29,703,937	109.2
EKPC GROUP AVERAGE	879	820	1,599	555	118	674	2,946	75	3,503	30,147	45,756,072	128.5
JACKSON PURCHASE ENERGY	1071	1,331	2,402	360	40	730	3,532	80	2,918	26,054	29,070,144	93.0
KENERGY CORP	564	1,254	1,818	486	47	486	2,837	147	7,047	45,294	56,283,522	103.6
MEADE COUNTY RECC	871	948	1,819	460	98	517	2,892	64	2,874	26,402	27,479,674	86.7
BIG RIVERS GROUP AVERAGE	835	1,178	2,013	435	61	578	3,067	87	4,313	32,583	37,611,113	96.2
HICKMAN-FULTON COUNTIES RECC	968	1,409	2,377	346	394	920	4,037	16	691	2,819	5,999,873	177.4
PENNYRILE RECC	914	914	1,828	443	92	637	3,000	120	5,089	37,649	65,110,934	144.1
TRI-COUNTY EMC	839	913	1,752	415	101	406	2,674	132	5,449	40,682	65,426,019	134.0
WARREN RECC	1028	975	2,003	589	150	953	3,695	160	5,626	50,126	89,954,828	149.6
WEST KENTUCKY RECC	702	1,534	2,236	655	47	524	3,462	89	4,079	30,445	57,812,187	158.2
TVA GROUP AVERAGE	890	1,149	2,039	490	157	688	3,374	103	4,187	32,344	56,860,766	146.5
OVERALL AVERAGE	742	1,000	1,742	526	119	665	3,052	84	3,747	30,909	47,051,431	128.9

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2011  
KENTUCKY ELECTRIC COOPERATIVES  
OPERATING EXPENSE STATISTICAL COMPARISONS  
AVERAGE ANNUAL BASIS

COOPERATIVE NAME	DISTRIBUTION OPERATION PER CONSUMER	DISTRIBUTION MAINTENANCE PER CONSUMER	TOTAL OP. & MAINT. PER CONSUMER	CONSUMER ACCOUNTING PER CONSUMER	CONSUMER INFORMATION PER CONSUMER	ADM. & GEN. EXPENSE PER CONSUMER	TOTAL EXPENSE PER CONSUMER	NUMBER OF EMPLOYEES	MILES OF LINE	NUMBER OF CONSUMERS BILLED	MILES OF LINE PER EMPLOYEE	CONSUMERS PER EMPLOYEE	DENSITY CONSUMERS PER MILE
BIG SANDY RECC	68	99	167	59	11	91	328	45	1,030	13,213	23.0	294	13.0
BLUE GRASS ENERGY COOP	50	105	155	53	31	80	319	110	4,650	55,087	42.3	501	11.8
CLARK ENERGY COOP	71	108	179	60	10	54	303	51	3,042	26,041	59.6	511	8.8
CUMBERLAND VALLEY ELECTRIC	54	111	165	78	5	53	301	55	2,614	23,684	47.5	431	9.1
FARMERS RECC	57	108	165	44	5	86	300	65	3,591	24,663	55.2	380	6.9
FLEMING-MASON ENERGY	73	115	188	74	8	59	329	52	3,560	23,827	68.3	458	6.7
GRAYSON RECC	74	191	265	68	18	125	476	46	2,485	15,470	54.0	336	6.2
INTER-COUNTY ENERGY	108	63	169	78	21	81	349	67	3,765	25,250	56.2	377	6.7
JACKSON ENERGY COOP	89	114	203	71	13	84	371	134	5,676	51,224	42.4	362	9.0
LICKING VALLEY RECC	87	108	195	51	5	66	317	45	2,039	17,428	45.0	387	8.6
NOLIN RECC	99	120	219	74	27	91	411	97	2,991	32,948	30.8	340	11.0
OWEN EC	89	62	151	64	11	63	269	133	4,509	57,596	33.9	433	12.8
SALT RIVER ELECTRIC	54	62	116	44	8	63	231	74	4,040	47,411	54.6	641	11.7
SHELBY ENERGY COOP	102	125	227	45	12	64	348	36	2,097	15,315	58.3	425	7.3
SOUTH KENTUCKY RECC	53	90	143	63	10	84	280	145	6,755	66,361	48.6	458	9.8
TAYLOR COUNTY RECC	71	69	140	44	4	56	244	52	3,210	25,613	61.7	493	8.0
EKPC GROUP AVERAGE	76	103	178	61	12	74	325	75	3,503	32,572	46.7	434	9.3
JACKSON PURCHASE ENERGY	107	133	240	36	4	73	353	80	2,918	29,199	36.5	365	10.0
KENERGY CORP	72	160	232	62	6	62	362	147	7,047	55,210	47.9	376	7.8
MEADE COUNTY RECC	91	99	190	48	10	54	302	64	2,974	28,478	46.0	445	9.6
BIG RIVERS GROUP AVERAGE	90	131	221	49	7	63	340	97	4,313	37,629	44.5	388	8.7
HICKMAN-FULTON COUNTIES RECC	182	265	447	65	74	173	759	16	691	3,675	43.2	230	5.3
PENNYRILE RECC	99	99	198	48	10	69	325	120	5,089	46,965	42.4	391	9.2
TRI-COUNTY EMC	91	99	190	45	11	44	290	132	5,449	50,240	41.3	381	9.2
WARREN RECC	96	91	187	55	14	89	345	160	5,626	60,265	35.2	377	10.7
WEST KENTUCKY RECC	75	164	239	70	5	58	370	89	4,079	38,154	45.8	429	9.4
TVA GROUP AVERAGE	109	144	253	57	23	86	419	103	4,187	39,860	40.7	387	9.5
OVERALL AVERAGE	84	115	199	58	14	75	346	84	3,747	34,722	44.6	413	9.3

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2010  
 KENTUCKY ELECTRIC COOPERATIVES  
 MILES OF LINE  
 STATISTICAL COMPARISONS

<u>COOPERATIVE</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>% CHANGE FROM 2006</u>
BIG SANDY	1,027	1,025	1,027	1,022	1,016	1.1 %
BLUE GRASS ENERGY	4,632	4,593	4,566	4,535	4,487	3.2
CLARK ENERGY COOP	3,036	3,035	3,014	2,982	2,966	2.4
CUMBERLAND VALLEY	2,616	2,609	2,592	2,577	2,559	2.2
FARMERS	3,577	3,555	3,539	3,513	3,481	2.8
FLEMING-MASON	3,537	3,517	3,506	3,483	3,456	2.3
GRAYSON	2,483	2,474	2,466	2,454	2,437	1.9
INTER-COUNTY	3,748	3,733	3,687	3,630	3,572	4.9
JACKSON ENERGY	5,664	5,663	5,663	5,652	5,621	0.8
LICKING VALLEY	2,031	2,026	2,023	2,020	2,014	0.8
NOLIN	2,980	2,959	2,939	2,917	2,841	4.9
OWEN	4,493	4,486	4,451	4,428	4,400	2.1 **
SALT RIVER ELECTRIC	4,016	3,982	3,953	3,903	3,847	4.4
SHELBY ENERGY	2,096	2,088	2,078	2,065	2,025	3.5
SOUTH KENTUCKY	6,735	6,715	6,685	6,600	6,540	3.0
TAYLOR COUNTY	<u>3,198</u>	<u>3,183</u>	<u>3,169</u>	<u>3,150</u>	<u>3,135</u>	<u>2.0</u>
<b>TOTAL EKPC</b>	<b>55,869</b>	<b>55,643</b>	<b>55,358</b>	<b>54,931</b>	<b>54,397</b>	<b>2.7 %</b>
JACKSON PURCHASE	2,909	2,900	2,891	3,271	3,244	-10.3 %
KENERGY	7,010	7,009	6,997	6,974	6,944	1.0
MEADE COUNTY	<u>2,974</u>	<u>2,978</u>	<u>2,972</u>	<u>2,959</u>	<u>2,937</u>	<u>1.3</u>
<b>TOTAL BIG RIVERS</b>	<b>12,893</b>	<b>12,887</b>	<b>12,860</b>	<b>13,204</b>	<b>13,125</b>	<b>-1.8 %</b>
HICKMAN-FULTON	684	688	689	688	685	-0.1 %
PENNYRILE	5,100	5,099	5,075	5,047	5,022	1.6
TRI-COUNTY	5,451	5,464	5,467	5,450	5,427	0.4
WARREN	5,622	5,617	5,615	5,584	5,556	1.2
WEST KENTUCKY	<u>4,069</u>	<u>4,046</u>	<u>4,033</u>	<u>3,881</u>	<u>3,970</u>	<u>2.5</u>
<b>TOTAL TVA</b>	<b>20,926</b>	<b>20,914</b>	<b>20,879</b>	<b>20,650</b>	<b>20,660</b>	<b>1.3 %</b>
<b>OVERALL TOTAL</b>	<b>89,688</b>	<b>89,444</b>	<b>89,097</b>	<b>88,785</b>	<b>88,182</b>	<b>1.7 %</b>

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

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2010  
**KENTUCKY ELECTRIC COOPERATIVES**  
**AVERAGE EXPENSE PER CONSUMER**  
**STATISTICAL COMPARISONS**

<u>COOPERATIVE</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>% CHANGE FROM 2006</u>
BIG SANDY	\$358	\$315	\$291	\$286	\$250	43.2 %
BLUE GRASS ENERGY	320	303	291	272	248	29.0
CLARK ENERGY COOP	295	283	253	240	237	24.5
CUMBERLAND VALLEY	309	299	267	259	264	17.0
FARMERS	289	248	262	259	223	29.6
FLEMING-MASON	317	325	291	280	294	7.8
GRAYSON	423	398	373	350	307	37.8
INTER-COUNTY	328	321	300	280	280	17.1
JACKSON ENERGY	344	358	311	301	300	14.7
LICKING VALLEY	316	303	270	260	250	26.4
NOLIN	408	363	349	342	327	24.8
OWEN	292	281	266	250	267	9.4
SALT RIVER ELECTRIC	223	237	228	196	187	19.3
SHELBY ENERGY	352	327	295	258	280	25.7
SOUTH KENTUCKY	291	270	264	262	251	15.9
TAYLOR COUNTY	<u>237</u>	<u>220</u>	<u>215</u>	<u>203</u>	<u>212</u>	<u>11.8</u>
<b>AVERAGE EKPC</b>	<b>\$319</b>	<b>\$303</b>	<b>\$284</b>	<b>\$269</b>	<b>\$262</b>	<b>21.8 %</b>
JACKSON PURCHASE	\$319	\$348	\$338	\$303	\$300	6.3 %
KENERGY	372	345	363	333	354	5.1
MEADE COUNTY	<u>294</u>	<u>271</u>	<u>267</u>	<u>251</u>	<u>250</u>	<u>17.6</u>
<b>AVERAGE BIG RIVERS</b>	<b>\$329</b>	<b>\$321</b>	<b>\$323</b>	<b>\$295</b>	<b>\$301</b>	<b>9.3 %</b>
HICKMAN-FULTON	\$522	\$595	\$525	\$433	\$460	13.5 %
PENNYRILE	287	290	274	254	235	22.1
TRI-COUNTY	284	270	258	244	240	18.3
WARREN	336	333	331	310	302	11.3
WEST KENTUCKY	<u>353</u>	<u>329</u>	<u>384</u>	<u>331</u>	<u>313</u>	<u>12.8</u>
<b>AVERAGE TVA</b>	<b>\$357</b>	<b>\$364</b>	<b>\$355</b>	<b>\$314</b>	<b>\$309</b>	<b>15.5 %</b>
<b>OVERALL AVERAGE</b>	<b>\$329</b>	<b>\$318</b>	<b>\$303</b>	<b>\$281</b>	<b>\$276</b>	<b>19.2 %</b>

2010  
KENTUCKY ELECTRIC COOPERATIVES  
AVERAGE EXPENSE PER MILE OF LINE  
STATISTICAL COMPARISONS

<u>COOPERATIVE</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>% CHANGE FROM 2006</u>
BIG SANDY	\$4,611	\$4,070	\$3,744	\$3,676	\$3,221	43.2 %
BLUE GRASS ENERGY	3,798	3,617	3,486	3,240	2,939	29.2
CLARK ENERGY COOP	2,542	2,435	2,182	2,077	2,038	24.7
CUMBERLAND VALLEY	2,805	2,720	2,442	2,360	2,404	16.7
FARMERS	1,985	1,704	1,793	1,749	1,499	32.4
FLEMING-MASON	2,135	2,199	1,976	1,905	1,987	7.4
GRAYSON	2,645	2,523	2,379	2,229	1,954	35.4
INTER-COUNTY	2,211	2,189	2,061	1,943	1,950	13.4
JACKSON ENERGY	3,118	3,246	2,837	2,730	2,715	14.8
LICKING VALLEY	2,721	2,615	2,330	2,224	2,121	28.3
NOLIN	4,469	3,946	3,786	3,684	3,528	26.7
OWEN	3,735	3,584	3,394	3,178	3,346	11.6 **
SALT RIVER ELECTRIC	2,612	2,767	2,658	2,282	2,187	19.4
SHELBY ENERGY	2,572	2,396	2,157	1,872	2,081	23.6
SOUTH KENTUCKY	2,870	2,667	2,618	2,477	2,375	20.8
TAYLOR COUNTY	<u>1,886</u>	<u>1,748</u>	<u>1,703</u>	<u>1,598</u>	<u>1,655</u>	<u>14.0</u>
<b>AVERAGE EKPC</b>	<b>\$2,919</b>	<b>\$2,778</b>	<b>\$2,596</b>	<b>\$2,451</b>	<b>\$2,374</b>	<b>23.0 %</b>
JACKSON PURCHASE	\$3,197	\$3,493	\$3,403	\$2,663	\$2,632	21.5 %
KENERGY	2,919	2,698	2,839	2,595	2,746	6.3
MEADE COUNTY	<u>2,794</u>	<u>2,547</u>	<u>2,503</u>	<u>2,334</u>	<u>2,300</u>	<u>21.5</u>
<b>AVERAGE BIG RIVERS</b>	<b>\$2,970</b>	<b>\$2,913</b>	<b>\$2,915</b>	<b>\$2,531</b>	<b>\$2,560</b>	<b>16.0 %</b>
HICKMAN-FULTON	\$2,835	\$3,236	\$2,882	\$2,373	\$2,509	13.0 %
PENNYRILE	2,644	2,665	2,505	2,334	2,147	23.1
TRI-COUNTY	2,623	2,481	2,375	2,248	2,192	19.7
WARREN	3,586	3,535	3,496	3,251	3,122	14.9
WEST KENTUCKY	<u>3,313</u>	<u>3,105</u>	<u>3,649</u>	<u>3,246</u>	<u>2,966</u>	<u>11.7</u>
<b>AVERAGE TVA</b>	<b>\$3,000</b>	<b>\$3,005</b>	<b>\$2,982</b>	<b>\$2,691</b>	<b>\$2,587</b>	<b>16.0 %</b>
<b>OVERALL AVERAGE</b>	<b>\$2,944</b>	<b>\$2,840</b>	<b>\$2,716</b>	<b>\$2,512</b>	<b>\$2,443</b>	<b>20.5 %</b>

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

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2010  
KENTUCKY ELECTRIC COOPERATIVES  
DENSITY CONSUMERS PER MILE  
STATISTICAL COMPARISONS

<u>COOPERATIVE</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>% CHANGE</u>	
					<u>2006</u>	<u>FROM 2006</u>
BIG SANDY	12.9	12.9	12.8	12.8	13.0	-0.8 %
BLUE GRASS ENERGY	11.9	11.9	12.0	11.9	11.9	0.0
CLARK ENERGY COOP	8.6	8.6	8.6	8.7	8.6	0.0
CUMBERLAND VALLEY	9.1	9.1	9.1	9.1	9.1	0.0
FARMERS	6.9	6.9	6.8	6.8	6.7	3.0
FLEMING-MASON	6.7	6.8	6.8	6.8	6.8	-1.5
GRAYSON	6.3	6.3	6.4	6.4	6.4	-1.6
INTER-COUNTY	6.7	6.8	6.9	6.9	7.0	-4.3
JACKSON ENERGY	9.1	9.1	9.1	9.1	9.1	0.0
LICKING VALLEY	8.6	8.6	8.6	9.0	8.0	7.5
NOLIN	11.0	10.9	10.9	10.8	10.8	1.9
OWEN	12.8	12.8	12.8	12.7	12.5	2.4 **
SALT RIVER ELECTRIC	11.7	11.7	11.7	11.7	11.7	0.0
SHELBY ENERGY	7.3	7.3	7.3	7.3	7.0	4.3
SOUTH KENTUCKY	9.9	9.9	9.9	9.5	9.5	4.2
TAYLOR COUNTY	<u>8.0</u>	<u>7.9</u>	<u>7.9</u>	<u>7.9</u>	<u>7.8</u>	<u>2.6</u>
<b>AVERAGE EKPC</b>	<b>9.3</b>	<b>9.3</b>	<b>9.3</b>	<b>9.3</b>	<b>9.2</b>	<b>1.1 %</b>
JACKSON PURCHASE	10.0	10.0	10.1	8.8	8.8	13.6 %
KENERGY	7.8	7.8	7.8	7.8	7.8	0.0
MEADE COUNTY	<u>9.5</u>	<u>9.4</u>	<u>9.4</u>	<u>9.3</u>	<u>9.2</u>	<u>3.3</u>
<b>AVERAGE BIG RIVERS</b>	<b>8.7</b>	<b>8.7</b>	<b>8.7</b>	<b>8.4</b>	<b>8.3</b>	<b>4.8 %</b>
HICKMAN-FULTON	5.4	5.4	5.5	5.5	5.5	-1.8 %
PENNYRILE	9.2	9.2	9.2	9.2	9.1	1.1
TRI-COUNTY	9.2	9.2	9.2	9.2	9.1	1.1
WARREN	10.7	10.6	10.6	10.5	10.3	3.9
WEST KENTUCKY	<u>9.4</u>	<u>9.4</u>	<u>9.5</u>	<u>9.8</u>	<u>9.5</u>	<u>-1.1</u>
<b>AVERAGE TVA</b>	<b>9.5</b>	<b>9.5</b>	<b>9.5</b>	<b>9.5</b>	<b>9.4</b>	<b>1.1 %</b>
<b>OVERALL AVERAGE</b>	<b>9.3</b>	<b>9.3</b>	<b>9.3</b>	<b>9.2</b>	<b>9.1</b>	<b>2.2 %</b>

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



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2010  
**KENTUCKY ELECTRIC COOPERATIVES**  
**TOTAL AVERAGE NUMBER OF CONSUMERS BILLED**  
**STATISTICAL COMPARISONS**

<u>COOPERATIVE</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>% CHANGE FROM 2006</u>
BIG SANDY	13,226	13,244	13,211	13,138	13,089	1.0 %
BLUE GRASS ENERGY	54,980	54,816	54,694	54,021	53,175	3.4
CLARK ENERGY COOP	26,154	26,123	26,006	25,801	25,508	2.5
CUMBERLAND VALLEY FARMERS	23,749	23,737	23,695	23,487	23,303	1.9
FLEMING-MASON	24,574	24,439	24,226	23,729	23,377	5.1
GRAYSON	23,822	23,792	23,804	23,687	23,364	2.0
INTER-COUNTY	15,533	15,678	15,722	15,631	15,517	0.1
JACKSON ENERGY	25,256	25,461	25,353	25,185	24,869	1.6
LICKING VALLEY	51,338	51,338	51,644	51,244	50,884	0.9
NOLIN	17,493	17,485	17,453	17,272	17,085	2.4
OWEN	32,638	32,159	31,885	31,422	30,649	6.5
SALT RIVER ELECTRIC	57,478	57,223	56,794	56,290	55,141	4.2
SHELBY ENERGY	47,046	46,501	46,071	45,453	44,979	4.6
SOUTH KENTUCKY	15,311	15,291	15,191	14,990	15,053	1.7
TAYLOR COUNTY	66,430	66,317	66,276	62,408	61,869	7.4
	<u>25,456</u>	<u>25,285</u>	<u>25,078</u>	<u>24,792</u>	<u>24,483</u>	<u>4.0</u>
<b>TOTAL EKPC</b>	<b>520,484</b>	<b>518,889</b>	<b>517,103</b>	<b>508,550</b>	<b>502,345</b>	<b>3.6 %</b>
JACKSON PURCHASE KENERGY	29,152	29,109	29,092	28,747	28,461	2.4 %
MEADE COUNTY	54,991	54,839	54,736	54,337	53,860	2.1
	<u>28,267</u>	<u>27,996</u>	<u>27,866</u>	<u>27,500</u>	<u>27,008</u>	<u>4.7</u>
<b>TOTAL BIG RIVERS</b>	<b>112,410</b>	<b>111,944</b>	<b>111,694</b>	<b>110,584</b>	<b>109,329</b>	<b>2.8 %</b>
HICKMAN-FULTON	3,716	3,742	3,782	3,770	3,736	-0.5 %
PENNYRILE	46,984	46,862	46,419	46,393	45,877	2.4
TRI-COUNTY	50,340	50,223	50,331	50,223	49,561	1.6
WARREN	59,995	59,627	59,317	58,591	57,431	4.5
WEST KENTUCKY	38,189	38,183	38,323	38,057	37,639	1.5
<b>TOTAL TVA</b>	<b>199,224</b>	<b>198,637</b>	<b>198,172</b>	<b>197,034</b>	<b>194,244</b>	<b>2.6 %</b>
<b>OVERALL TOTAL</b>	<b>832,118</b>	<b>829,470</b>	<b>826,969</b>	<b>816,168</b>	<b>805,918</b>	<b>3.3 %</b>

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**2010**  
**KENTUCKY ELECTRIC COOPERATIVES**  
**TOTAL RESIDENTIAL REVENUES**  
**STATISTICAL COMPARISONS**

<u>COOPERATIVE</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>% CHANGE FROM 2006</u>
BIG SANDY	\$19,504,677	\$17,723,822	\$16,830,290	\$15,853,498	\$14,192,128	37.4 %
BLUE GRASS ENERGY	84,916,241	76,618,866	75,708,257	68,578,375	61,513,915	38.0
CLARK ENERGY COOP	35,307,191	30,986,423	31,325,955	29,717,098	27,327,922	29.2
CUMBERLAND VALLEY	32,537,708	29,727,049	29,511,472	27,983,567	24,948,723	30.4
FARMERS	33,283,884	28,960,218	27,656,329	26,450,827	23,743,770	40.2
FLEMING-MASON	28,565,335	26,445,334	27,400,745	23,419,768	20,907,145	36.6
GRAYSON	22,417,367	20,375,694	19,326,239	18,131,615	16,223,795	38.2
INTER-COUNTY	38,111,051	34,703,753	35,150,797	33,391,723	28,203,005	35.1
JACKSON ENERGY	81,946,986	73,894,381	76,960,445	66,382,819	60,198,185	36.1
LICKING VALLEY	22,255,988	19,780,129	19,074,236	18,876,065	18,373,586	21.1
NOLIN	48,360,150	43,698,352	44,216,213	39,672,514	33,591,739	44.0
OWEN	77,481,108	71,405,333	68,931,115	66,458,715	58,817,668	31.7
SALT RIVER ELECTRIC	65,700,823	59,096,481	59,871,443	57,330,349	49,796,107	31.9
SHELBY ENERGY	23,574,557	21,062,573	21,021,450	19,684,110	17,784,401	32.6
SOUTH KENTUCKY	82,781,238	73,895,399	76,437,150	67,646,098	59,324,021	39.5
TAYLOR COUNTY	<u>28,920,669</u>	<u>28,255,677</u>	<u>26,494,596</u>	<u>25,472,592</u>	<u>22,725,012</u>	<u>27.3</u>
<b>TOTAL EKPC</b>	<b>\$725,664,973</b>	<b>\$656,629,484</b>	<b>\$655,916,732</b>	<b>\$605,049,733</b>	<b>\$537,671,122</b>	<b>35.0 %</b>
JACKSON PURCHASE	\$31,240,203	\$27,283,351	\$27,275,780	\$25,697,996	\$23,847,988	31.0 %
KENERGY	57,146,551	50,349,518	50,078,902	50,041,715	43,955,864	30.0
MEADE COUNTY	<u>26,176,828</u>	<u>23,284,922</u>	<u>24,196,053</u>	<u>21,982,113</u>	<u>20,297,372</u>	<u>29.0</u>
<b>TOTAL BIG RIVERS</b>	<b>\$114,563,582</b>	<b>\$100,917,791</b>	<b>\$101,550,735</b>	<b>\$97,721,824</b>	<b>\$88,101,224</b>	<b>30.0 %</b>
HICKMAN-FULTON	\$5,138,805	\$5,138,805	\$5,096,364	\$4,576,311	\$4,311,951	19.2 %
PENNYRILE	64,755,328	58,273,701	58,879,793	51,817,219	48,880,787	32.5
TRI-COUNTY	70,308,752	59,900,263	59,815,321	54,981,186	52,780,772	33.2
WARREN	85,524,135	79,490,494	79,120,223	69,955,053	64,825,495	31.9
WEST KENTUCKY	<u>58,309,168</u>	<u>51,664,140</u>	<u>51,409,815</u>	<u>45,691,877</u>	<u>41,190,556</u>	<u>41.6</u>
<b>TOTAL TVA</b>	<b>\$284,036,188</b>	<b>\$254,467,403</b>	<b>\$254,321,516</b>	<b>\$227,021,646</b>	<b>\$211,989,561</b>	<b>34.0 %</b>
<b>OVERALL TOTAL</b>	<b>\$1,124,264,743</b>	<b>\$1,012,014,678</b>	<b>\$1,011,788,983</b>	<b>\$929,793,203</b>	<b>\$837,761,907</b>	<b>34.2 %</b>

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**KENTUCKY ELECTRIC COOPERATIVES  
OPERATING EXPENSE AND STATISTICAL COMPARISONS  
2010 - 2009 ANNUAL COMPARISON**

**AVERAGE EXPENSE PER CONSUMER  
EKPC**

	<u>2010</u>	<u>2009</u>	<u>CHANGE</u>
DISTRIBUTION OPERATION	\$ 73.00	\$ 66.00	\$ 7.00
DISTRIBUTION MAINTENANCE	\$ 102.00	\$ 101.00	\$ 1.00
ACCOUNTING	\$ 60.00	\$ 56.00	\$ 4.00
CONSUMER INFORMATION	\$ 13.00	\$ 12.00	\$ 1.00
ADMINISTRATION	\$ 71.00	\$ 68.00	\$ 3.00
<b>TOTAL PER CONSUMER</b>	<b>\$ 319.00</b>	<b>\$ 303.00</b>	<b>\$ 16.00</b>

**AVERAGE EXPENSE PER CONSUMER  
TVA**

	<u>2010</u>	<u>2009</u>	<u>CHANGE</u>
DISTRIBUTION OPERATION	\$ 95.00	\$ 77.00	\$ 18.00
DISTRIBUTION MAINTENANCE	\$ 119.00	\$ 150.00	\$ (31.00)
ACCOUNTING	\$ 56.00	\$ 55.00	\$ 1.00
CONSUMER INFORMATION	\$ 8.00	\$ 8.00	\$ -
ADMINISTRATION	\$ 79.00	\$ 74.00	\$ 5.00
<b>TOTAL PER CONSUMER</b>	<b>\$ 357.00</b>	<b>\$ 364.00</b>	<b>\$ (7.00)</b>

**OTHER STATISTICAL INFORMATION**

NUMBER OF EMPLOYEES	1,206	1,223	(17)
MILES OF LINE	55,869	55,643	226
CONSUMERS BILLED	520,484	518,889	1,595
MILES OF LINE PER EMPLOYEE	46.6	45.8	0.8
CONSUMER PER EMPLOYEE	434	427	7
DENSITY CONSUMERS PER MILE	9.3	9.3	0

**OTHER STATISTICAL INFORMATION**

NUMBER OF EMPLOYEES	516	520	\$ (4.00)
MILES OF LINE	20,926	20,914	\$ 12.00
CONSUMERS BILLED	199,224	198,637	\$ 587.00
MILES OF LINE PER EMPLOYEE	40.6	40.2	\$ 0.40
CONSUMER PER EMPLOYEE	387	382	\$ 5.00
DENSITY CONSUMERS PER MILE	9.5	9.5	\$ -

**AVERAGE EXPENSE PER CONSUMER  
BIG RIVERS**

	<u>2010</u>	<u>2009</u>	<u>CHANGE</u>
DISTRIBUTION OPERATION	\$ 83.00	\$ 82.00	\$ 1.00
DISTRIBUTION MAINTENANCE	\$ 128.00	\$ 128.00	\$ -
ACCOUNTING	\$ 49.00	\$ 47.00	\$ 2.00
CONSUMER INFORMATION	\$ 6.00	\$ 6.00	\$ -
ADMINISTRATION	\$ 63.00	\$ 58.00	\$ 5.00
<b>TOTAL PER CONSUMER</b>	<b>\$ 329.00</b>	<b>\$ 321.00</b>	<b>\$ 8.00</b>

**AVERAGE EXPENSE PER CONSUMER  
OVERALL AVERAGE**

	<u>2010</u>	<u>2009</u>	<u>CHANGE</u>
DISTRIBUTION OPERATION	\$ 79.00	\$ 71.00	\$ 8.00
DISTRIBUTION MAINTENANCE	\$ 109.00	\$ 114.00	\$ (5.00)
ACCOUNTING	\$ 58.00	\$ 54.00	\$ 4.00
CONSUMER INFORMATION	\$ 11.00	\$ 11.00	\$ -
ADMINISTRATION	\$ 72.00	\$ 68.00	\$ 4.00
<b>TOTAL PER CONSUMER</b>	<b>\$ 329.00</b>	<b>\$ 318.00</b>	<b>\$ 11.00</b>

**OTHER STATISTICAL INFORMATION**

NUMBER OF EMPLOYEES	293	294	(1)
MILES OF LINE	12,893	12,887	6
CONSUMERS BILLED	112,410	111,944	466
MILES OF LINE PER EMPLOYEE	43.9	43.8	0.1
CONSUMER PER EMPLOYEE	382	381	1
DENSITY CONSUMERS PER MILE	8.7	8.7	0

**OTHER STATISTICAL INFORMATION**

NUMBER OF EMPLOYEES	2015	2037	(22)
MILES OF LINE	89,688	89,444	244
CONSUMERS BILLED	832,118	829,470	2,648
MILES OF LINE PER EMPLOYEE	44.5	43.8	1
CONSUMER PER EMPLOYEE	413	407	6
DENSITY CONSUMERS PER MILE	9.3	9.3	0

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2010  
 KENTUCKY ELECTRIC COOPERATIVES  
 OPERATING EXPENSE STATISTICAL COMPARISONS  
 AVERAGE ANNUAL BASIS

COOPERATIVE NAME	DISTRIBUTION OPERATION PER CONSUMER	DISTRIBUTION MAINTENANCE PER CONSUMER	TOTAL OP. & MAINT. PER CONSUMER	CONSUMER ACCOUNTING PER CONSUMER	CONSUMER INFORMATION PER CONSUMER	ADM. & GEN. EXPENSE PER CONSUMER	TOTAL EXPENSE PER CONSUMER	NUMBER OF EMPLOYEES	MILES OF LINE	NUMBER OF CONSUMERS BILLED	MILES OF LINE PER EMPLOYEE	CONSUMERS PER EMPLOYEE	DENSITY CONSUMERS PER MILE
BIG SANDY RECC	72	118	190	58	9	101	358	40	1,027	13,226	25.7	331	12.9
BLUE GRASS ENERGY COOP	52	107	159	54	30	77	320	111	4,632	54,980	41.7	495	11.9
CLARK ENERGY COOP	73	102	175	55	8	57	295	52	3,036	26,154	58.4	503	8.6
CUMBERLAND VALLEY ELECTRIC	54	122	176	74	6	53	309	55	2,616	23,749	47.6	432	9.1
FARMERS RECC	54	107	161	40	7	81	289	66	3,577	24,574	54.2	372	6.9
FLEMING-MASON ENERGY	64	111	175	75	8	59	317	51	3,537	23,822	69.4	467	6.7
GRAYSON RECC	72	158	230	64	17	112	423	47	2,483	15,533	52.8	330	6.3
INTER-COUNTY ENERGY	85	67	152	77	21	78	328	65	3,748	25,256	57.7	389	6.7
JACKSON ENERGY COOP	83	105	188	64	13	79	344	125	5,664	51,338	45.3	411	9.1
LICKING VALLEY RECC	87	110	197	46	10	63	316	48	2,031	17,493	42.0	364	8.6
NOLIN RECC	111	108	219	77	28	84	408	96	2,980	32,638	31.1	340	11.0
OWEN EC	95	66	161	65	10	56	292	134	4,493	57,478	33.5	429	12.8
SALT RIVER ELECTRIC	50	80	110	44	9	60	223	75	4,016	47,046	53.6	627	11.7
SHELBY ENERGY COOP	97	119	216	56	12	68	352	35	2,096	15,311	59.9	437	7.3
SOUTH KENTUCKY RECC	53	104	157	64	11	59	291	154	6,735	66,430	43.7	431	9.9
TAYLOR COUNTY RECC	65	68	133	44	5	55	237	52	3,198	25,456	61.5	490	8.0
EKPC GROUP AVERAGE	73	102	175	60	13	71	319	75	3,492	32,530	46.6	434	9.3
JACKSON PURCHASE ENERGY	90	110	200	39	5	75	319	81	2,909	28,152	35.9	360	10.0
KENERGY CORP	79	168	247	61	5	59	372	148	7,010	54,991	47.4	372	7.8
MEADE COUNTY RECC	79	106	185	47	8	54	294	64	2,974	28,267	46.0	442	9.5
BIG RIVERS GROUP AVERAGE	83	128	211	49	6	63	329	98	4,298	37,470	43.9	382	8.7
HICKMAN-FULTON COUNTIES RECC	130	183	313	58	3	148	522	16	684	3,716	42.8	232	5.4
PENNYRILE RECC	92	76	168	47	10	62	287	121	5,100	46,984	42.2	388	9.2
TRI-COUNTY EMC	81	96	177	53	11	43	284	136	5,451	50,340	40.1	370	9.2
WARREN RECC	92	89	181	55	13	87	336	158	5,622	59,995	35.6	380	10.7
WEST KENTUCKY RECC	78	150	228	65	5	55	353	85	4,069	38,189	47.9	449	9.4
TVA GROUP AVERAGE	95	119	214	56	8	79	357	103	4,185	39,845	40.6	387	9.5
OVERALL AVERAGE	79	109	188	58	11	72	329	84	3,737	34,672	44.5	413	9.3

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 KENTUCKY ELECTRIC COOPERATIVES  
 OPERATING EXPENSE STATISTICAL COMPARISONS  
 AVERAGE ANNUAL BASIS

COOPERATIVE NAME	DISTRIBUTION OPERATION PER MILE	DISTRIBUTION MAINTENANCE PER MILE	TOTAL OP. & MAINT. PER MILE	CONSUMER ACCOUNTING PER MILE	CONSUMER INFORMATION PER MILE	ADM. & GEN. EXPENSE PER MILE	TOTAL EXPENSE PER MILE	NUMBER OF EMPLOYEES	MILES OF LINE	RESIDENTIAL CONSUMERS BILLED	TOTAL RESIDENTIAL REVENUES	AVERAGE MONTHLY RES'L REV
BIG SANDY RECC	927	1,520	2,447	747	116	1,301	4,611	40	1,027	12,114	19,504,677	134.2
BLUE GRASS ENERGY COOP	617	1,270	1,887	641	356	914	3,798	111	4,632	52,322	84,916,241	135.3
CLARK ENERGY COOP	629	879	1,508	474	69	491	2,542	52	3,036	24,484	35,307,191	120.2
CUMBERLAND VALLEY ELECTRIC	490	1,108	1,598	672	54	481	2,805	55	2,616	22,261	32,537,708	121.6
FARMERS RECC	371	735	1,106	275	48	556	1,985	66	3,577	22,803	33,283,884	121.6
FLEMING-MASON ENERGY	431	748	1,179	505	54	397	2,135	51	3,537	17,722	28,565,335	134.3
GRAYSON RECC	450	988	1,438	400	106	701	2,645	47	2,483	14,260	22,417,367	131.0
INTER-COUNTY ENERGY	573	451	1,024	519	142	526	2,211	65	3,748	23,843	38,111,051	133.2
JACKSON ENERGY COOP	752	952	1,704	580	118	716	3,118	125	5,664	47,689	81,946,986	143.2
LICKING VALLEY RECC	749	947	1,696	396	88	543	2,721	48	2,031	16,297	22,255,988	113.8
NOLIN RECC	1216	1,183	2,399	843	307	920	4,469	96	2,980	30,670	48,360,150	131.4
OWEN EC	1215	844	2,059	832	128	716	3,735	134	4,493	54,991	77,481,108	117.4
SALT RIVER ELECTRIC	586	703	1,289	515	105	703	2,612	75	4,016	44,092	65,700,823	124.2
SHELBY ENERGY COOP	709	869	1,578	409	88	497	2,572	35	2,096	14,948	23,574,557	131.4
SOUTH KENTUCKY RECC	523	1,026	1,549	631	108	582	2,870	154	6,735	60,821	82,781,238	113.4
TAYLOR COUNTY RECC	517	541	1,058	350	40	438	1,886	52	3,198	22,532	28,920,669	107.0
EKPC GROUP AVERAGE	672	923	1,595	549	120	655	2,919	75	3,492	30,116	45,354,061	125.5
JACKSON PURCHASE ENERGY	902	1,102	2,004	391	50	752	3,197	81	2,909	26,053	31,240,203	99.9
KENERGY CORP	620	1,318	1,938	479	39	463	2,919	148	7,010	45,201	57,146,551	105.4
MEADE COUNTY RECC	751	1,007	1,758	447	76	513	2,794	64	2,974	26,213	26,176,828	83.2
BIG RIVERS GROUP AVERAGE	758	1,142	1,900	439	55	576	2,970	98	4,298	32,489	38,187,861	98.0
HICKMAN-FULTON COUNTIES RECC	706	994	1,700	315	16	804	2,835	16	684	2,853	5,138,805	150.1
PENNYRILE RECC	848	700	1,548	433	92	571	2,644	121	5,100	37,674	64,755,328	143.2
TRI-COUNTY EMC	748	887	1,635	489	102	397	2,623	136	5,451	40,718	70,308,752	143.9
WARREN RECC	982	950	1,932	587	139	928	3,586	158	5,622	49,886	85,524,135	142.9
WEST KENTUCKY RECC	732	1,408	2,140	610	47	516	3,313	85	4,069	30,534	58,309,168	159.1
TVA GROUP AVERAGE	803	988	1,791	487	79	643	3,000	103	4,185	32,333	56,807,238	146.4
OVERALL AVERAGE	710	964	1,674	523	104	643	2,944	84	3,737	30,874	46,844,364	126.4

Witness: Karen Brown

## Meade County Rural Electric Cooperative

Case No. 2013-00033

November 30, 2012

Attached is the Equity Management Plan. Meade County pays capital credits to its members in accordance with this Plan.

**Capital credits were paid as follows:**

	<u>General</u>	<u>Estates</u>	<u>Total</u>
2012	\$0	\$196,586	\$196,586
2011	0	207,721	207,721
2010	0	226,522	226,522
2009	0	172,093	172,093
2008	823,439	177,456	1,000,895
2007	529,408	177,715	707,123
Prior years	6,460,072	3,666,319	10,126,391
<b>Total</b>	<b><u>\$7,812,919</u></b>	<b><u>\$4,824,412</u></b>	<b><u>\$12,637,331</u></b>

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**MEADE COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION**

**POLICY NO. 201**

**SUBJECT: Capital Management**

**Original Policy Effective Date: September 22, 1994 (Original)**

**Latest Revision: July 20, 2005**

**I. PURPOSE**

Meade County Rural Electric Cooperative Corporation is a non-profit corporation organized under the laws of the State of Kentucky. In addition to these legal requirements, the Cooperative is guided in its operation by the various regulations and operational practices prescribed by the RUS and the Kentucky Public Service Commission. Beyond these legal and official requirements, the Cooperative has an obligation to its members to insure the financial integrity of the Cooperative so that it can provide high quality electric service to its members at the lowest possible long-term cost.

**II. POLICY**

It will be the policy of Meade County Rural Electric Cooperative Corporation to maintain current modified cash equity between 32 - 40%, continue capital credit rotation on at least a 20 year cycle, and maintain a modified cash TIER equal to or greater than mortgage requirements while also maintaining adequate cash reserves. Once achieved, those levels will be maintained to insure that the Cooperative's members receive electric service at cost.

**III. RESPONSIBILITY**

The President/CEO.

**IV. PROVISIONS**

Particular areas of concern included under this policy for which specific goals and practices need to be established are:

A. Develop a long range financial plan and goals that will guide and insure the Cooperative of meeting all of its financial obligations through sound financial planning, which includes the following:

1. Maintain necessary working capital and cash reserves.
2. Maintain necessary funds for the debt retirement.

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pg 3 of 4

3. Maintain access to timely loan funds balances and sources to meet needed plant additions.
  4. Insure that funds are available for an established capital credit retirement program.
  5. Maintain DSC (Debt Service Coverage Ratio) minimum level to meet loan eligibility requirements of all lenders.
  6. The Cooperative shall give primary consideration to safety and liquidity in the management of general funds. Funds shall be kept in CFC or in member investment programs of the G&T or in banks whose deposits are insured by FDIC, FSLIC, or invested in securities of the United States Government or institutions insured or guaranteed by the United States Government or by an instrumentality thereof. An investment is considered liquid when it can readily be converted into cash without loss of principal. Any investment in the equity of a publicly traded company or in a development subsidiary company set up by the Cooperative may be made only with the approval of the Board of Directors.
  7. A line of credit not greater than 10% of total utility plant, with CFC, shall be maintained to provide funds in the event they are needed for storm damage, temporary construction financing, pending advances of long term debt loan funds, or other unpredictable requirements.
  8. In considering the financing of distribution plant including system additions and improvements, all available sources of capital will be considered with primary consideration to be given to the RUS and CFC. The loan terms will be level debt payments (principal and interest) and no more than 50% of the Cooperative's total long-term debt will be financed at a variable interest rate
  9. Capitalized purchases shall include property with an expected life in service of more than one year and an original cost of no less than \$1,000.
- B. Develop a flexible capital credit rotation program on a minimum year cycle using FIFO method of rotation. Retirements are to be determined by the Board of Directors based on the financial condition of the Cooperative, with a goal of retiring capital credits on at least a 20 year rotation cycle.
- Consider using different rotation cycles including percentage, LIFO, or hybrids to maximize the value to the membership. Rotating capital credits



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is an effective way to regulate cash and show the membership they own the Cooperative.

- C. To reach and maintain the above goals by establishing a Capital Management Plan, which determines revenue requirements to meet margins, equity level, rotation of capital credits, debt service goals, and to forecast necessary retail rate increases.

In the implementation of this policy, it is recognized that the above goals need to be reviewed at least annually to adjust for certain variables (i.e., cost of debt capital, growth of electric plant, and margins).

This policy supersedes any existing policy, which may be in conflict with provisions of this policy.

Approved:

David T. Wilson 7-20-05  
David T. Wilson, Chairman

Meade County Rural Electric Cooperative  
Case No. 2013-00033  
Capitalization Policies

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Benefits  
Distribution

107.2 Construction work in progress	310,803
108.2 Retirement work in progress	76,382
163.0 Stores	65,470
184.1 Transportation	20,295
580.0 Supervision, operations	96,252
583.0 Overhead line	63,968
586.0 Meter	34,863
587.0 Installations	468
588.0 Miscellaneous distribution	70,976
590.0 Supervision, maintenance	100,344
592.0 Station	6,633
593.0 Maintenance	194,648
596.0 Street lights	441
598.0 Misc distribution plant	32,445
901.0 Supervision	19,713
902.0 Meter reading	8,313
903.0 Consumer records	215,625
907.0 Supervision, Customer service	3,446
908.0 Consumer accounting	23,577
909.0 Consumer information	12,581
910.0 Misc customer information	21,327
920.0 Administrative	221,895
930.2 Miscellaneous	25,021
930.4 Annual meeting	1,885
935.0 Maintenance general plant	7,104
	<hr/>
Total	<u>1,634,475</u>

Benefits include the following:

Medical, life, dental insurance	445,992
R & S retirement	587,456
Savings plan 401(k)	256,909
Payroll taxes	344,118
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1,634,475

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

The total number of employees is 68, with an average benefit cost of \$24,036.