

Jackson Energy Cooperative
Case No. 2013-00219
Response to Commission Staff First Data Request

Item No. 1
Page 1 of 1
Witness: Jim Adkins

Q1: Provide, in comparative form, a detailed income statement, a statement of cash flows, and a balance sheet for the test year and the 12-month period immediately preceding the test year.

A1: Please see Exhibit V of the Application.

Jackson Energy Cooperative
Case No. 2013-00219
Response to Commission Staff First Data Request

Item No. 2
Page 1 of 2
Witness: Jim Adkins

Q2: Provide Jackson's rate of return on net investment rate base for the test year and the five most recent calendar years. Include the data used to calculate each return.

A2: Please see Item 2 page 2.

JACKSON ENERGY COOPERATIVE CORPORATION

Item No. 2

Page 1 of 2

CASE NO. 2013-00219

Witness: Jim Adkins

RESPONSE TO COMMISSION STAFF'S FIRST DATA REQUEST

NET INVESTMENT RATE BASE AND RETURN THEREON

						Test Year
<u>Net Investment Rate Base</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Total Electric Plant	184,075,473	189,265,594	194,283,076	201,281,567	210,341,888	218,141,346
Material & Supplies	1,354,206	1,294,340	1,223,151	1,375,223	1,152,438	1,325,826
Prepayments	358,083	102,426	375,128	341,730	107,843	214,138
Working Capital	1,923,324	2,006,083	2,288,990	2,204,473	2,378,560	2,415,844
Subtotal	187,711,086	192,668,443	198,170,345	205,202,993	213,980,729	222,097,155
Less						
Accumulated Deprec	36,118,782	39,852,173	43,875,178	47,831,046	53,170,182	57,505,856
Consumer Advances	289,525.21	365,719	399,412	685,497	408,327	34,653
Total	151,302,779	152,450,551	153,895,755	156,686,450	160,402,220	164,556,646
Interest on LTD	5,992,564	6,141,668	6,201,059	6,189,998	5,682,593	5,403,344
Adjusted Margins	(984,498)	4,303,087	151,877	4,619,845	1,590,781	(492,005)
Total	5,008,066	10,444,755	6,352,936	10,809,843	7,273,374	4,911,339
Return	3.31%	6.85%	4.13%	6.90%	4.53%	2.98%

Jackson Energy Cooperative
Case No. 2013-00219
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Item No. 3
Page 1 of 1
Witness: Jim Adkins

Q3: Provide Jackson's times interest earned ratio and debt service coverage ratio, as calculated by the Rural Utilities Service ("RUS"), for the test year and the five most recent calendar years. Include the data used to calculate each ratio.

A3: Please see Exhibit K of the Application.

Jackson Energy Cooperative
Case No. 2013-00219
Response to Commission Staff First Data Request

Item No. 4
Page 1 of 19
Witness: Jim Adkins

Q4: Provide “Kentucky’s Electrical Cooperatives Operating Expense and Statistical Comparisons” for the two most recent years available.

A4: Please see Item No 4 page 2.

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>
TOTAL EKPC	521,151	520,484	518,889	517,103	508,550	2.5 %
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>
TOTAL BIG RIVERS	112,887	112,410	111,944	111,694	110,584	2.1 %
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>
TOTAL TVA	199,299	199,224	198,637	198,172	197,034	1.1 %
OVERALL TOTAL	833,337	832,118	829,470	826,969	816,168	2.1 %

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>
AVERAGE EKPC	\$325	\$319	\$303	\$284	\$269	20.8 %
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>
AVERAGE BIG RIVERS	\$340	\$329	\$321	\$323	\$295	15.3 %
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>
AVERAGE TVA	\$419	\$357	\$364	\$355	\$314	33.4 %
OVERALL AVERAGE	\$346	\$329	\$318	\$303	\$281	23.1 %

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
YOUTH 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>
TOTAL EKPC	56,044	55,869	55,643	55,358	54,931	2.0 %
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>
TOTAL BIG RIVERS	12,939	12,893	12,887	12,860	13,204	-2.0 %
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>
TOTAL TVA	20,934	20,926	20,914	20,879	20,650	1.4 %
OVERALL TOTAL	89,917	89,688	89,444	89,097	88,785	1.3 %

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>
AVERAGE EKPC	9.3	9.3	9.3	9.3	9.3	0.0 %
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>
AVERAGE BIG RIVERS	8.7	8.7	8.7	8.7	8.4	3.6 %
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>
AVERAGE TVA	9.5	9.5	9.5	9.5	9.5	0.0 %
OVERALL AVERAGE	9.3	9.3	9.3	9.3	9.2	1.1 %

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>
AVERAGE EKPC	\$2,946	\$2,919	\$2,778	\$2,596	\$2,451	20.2 %
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>
AVERAGE BIG RIVERS	\$3,087	\$2,970	\$2,913	\$2,915	\$2,531	22.0 %
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>
AVERAGE TVA	\$3,374	\$3,000	\$3,005	\$2,982	\$2,691	25.4 %
OVERALL AVERAGE	\$3,052	\$2,944	\$2,840	\$2,716	\$2,512	21.5 %

**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 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
ULT RIVER ELECTRIC	66,517,122	65,700,823	59,096,481	59,871,443	57,330,349	16.0
HELBY 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
TOTAL EKPC	\$732,097,152	\$725,664,973	\$656,629,484	\$655,916,732	\$605,049,733	21.0 %
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
TOTAL BIG RIVERS	\$112,833,340	\$114,563,582	\$100,917,791	\$101,550,735	\$97,721,824	15.5 %
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
TOTAL TVA	\$284,303,841	\$284,036,188	\$254,467,403	\$254,321,516	\$227,021,646	25.2 %
ERALL TOTAL	\$1,129,234,333	\$1,124,264,743	\$1,012,014,678	\$1,011,788,983	\$929,793,203	21.5 %

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

AVERAGE EXPENSE PER CONSUMER EKPC				AVERAGE EXPENSE PER CONSUMER TVA			
	<u>2011</u>	<u>2010</u>	<u>CHANGE</u>		<u>2011</u>	<u>2010</u>	<u>CHANGE</u>
DISTRIBUTION OPERATION	\$ 75.00	\$ 73.00	\$ 2.00	DISTRIBUTION OPERATION	\$ 109.00	\$ 95.00	\$ 14.00
DISTRIBUTION MAINTENANCE	\$ 103.00	\$ 102.00	\$ 1.00	DISTRIBUTION MAINTENANCE	\$ 144.00	\$ 119.00	\$ 25.00
ACCOUNTING	\$ 61.00	\$ 60.00	\$ 1.00	ACCOUNTING	\$ 57.00	\$ 56.00	\$ 1.00
CONSUMER INFORMATION	\$ 12.00	\$ 13.00	\$ (1.00)	CONSUMER INFORMATION	\$ 23.00	\$ 8.00	\$ 15.00
ADMINISTRATION	\$ 74.00	\$ 71.00	\$ 3.00	ADMINISTRATION	\$ 86.00	\$ 79.00	\$ 7.00
TOTAL PER CONSUMER	\$ 325.00	\$ 319.00	\$ 6.00	TOTAL PER CONSUMER	\$ 419.00	\$ 357.00	\$ 62.00

OTHER STATISTICAL INFORMATION				OTHER STATISTICAL INFORMATION			
NUMBER OF EMPLOYEES	1,207	1,206	1	NUMBER OF EMPLOYEES	517	516	\$ 1.00
MILES OF LINE	56,044	55,869	175	MILES OF LINE	20,934	20,926	\$ 8.00
CONSUMERS BILLED	521,151	520,484	667	CONSUMERS BILLED	199,299	199,224	\$ 75.00
MILES OF LINE PER EMPLOYEE	46.7	46.6	0.1	MILES OF LINE PER EMPLOYEE	40.7	40.6	\$ 0.10
CONSUMER PER EMPLOYEE	434	434	0	CONSUMER PER EMPLOYEE	387	387	\$ -
DENSITY CONSUMERS PER MILE	9.3	9.3	0	DENSITY CONSUMERS PER MILE	9.5	9.5	\$ -

AVERAGE EXPENSE PER CONSUMER BIG RIVERS				AVERAGE EXPENSE PER CONSUMER OVERALL AVERAGE			
	<u>2011</u>	<u>2010</u>	<u>CHANGE</u>		<u>2011</u>	<u>2010</u>	<u>CHANGE</u>
DISTRIBUTION OPERATION	\$ 90.00	\$ 83.00	\$ 7.00	DISTRIBUTION OPERATION	\$ 84.00	\$ 79.00	\$ 5.00
DISTRIBUTION MAINTENANCE	\$ 131.00	\$ 128.00	\$ 3.00	DISTRIBUTION MAINTENANCE	\$ 115.00	\$ 109.00	\$ 6.00
ACCOUNTING	\$ 49.00	\$ 49.00	\$ -	ACCOUNTING	\$ 58.00	\$ 58.00	\$ -
CONSUMER INFORMATION	\$ 7.00	\$ 6.00	\$ 1.00	CONSUMER INFORMATION	\$ 14.00	\$ 11.00	\$ 3.00
ADMINISTRATION	\$ 63.00	\$ 63.00	\$ -	ADMINISTRATION	\$ 75.00	\$ 72.00	\$ 3.00
TOTAL PER CONSUMER	\$ 340.00	\$ 329.00	\$ 11.00	TOTAL PER CONSUMER	\$ 346.00	\$ 329.00	\$17.00

OTHER STATISTICAL INFORMATION				OTHER STATISTICAL INFORMATION			
NUMBER OF EMPLOYEES	291	293	(2)	NUMBER OF EMPLOYEES	2015	2015	0
MILES OF LINE	12,939	12,893	46	MILES OF LINE	89,917	89,688	229
CONSUMERS BILLED	112,887	112,410	477	CONSUMERS BILLED	833,337	832,118	1,219
MILES OF LINE PER EMPLOYEE	44.5	43.9	0.6	MILES OF LINE PER EMPLOYEE	44.6	44.5	0
CONSUMER PER EMPLOYEE	388	382	6	CONSUMER PER EMPLOYEE	413	413	0
DENSITY CONSUMERS PER MILE	8.7	8.7	0	DENSITY CONSUMERS PER MILE	9.3	9.3	0

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	928	367	948	3,779	110	4,650	52,419	85,884,006	136.5
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	45	480	2,767	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	26,199,358	132.8
GRAYSON RECC	461	1,189	1,650	423	112	778	2,993	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	38,974,091	136.2
JACKSON ENERGY COOP	803	1,029	1,832	641	117	758	3,348	134	5,676	47,627	81,136,113	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	634	728	1,362	516	94	739	2,711	74	4,040	44,449	66,517,122	124.7
SHELBY ENERGY COOP	745	913	1,658	329	88	467	2,542	36	2,097	14,904	25,853,776	144.6
SOUTH KENTUCKY RECC	521	884	1,405	619	98	629	2,751	145	6,755	60,730	84,493,130	115.9
TAYLOR COUNTY RECC	567	551	1,118	351	32	447	1,948	52	3,210	22,668	29,703,937	109.2
EKPC GROUP AVERAGE	679	920	1,599	555	118	674	2,946	75	3,503	30,147	45,756,072	126.5
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	1,816	486	47	486	2,837	147	7,047	45,294	56,283,522	103.6
MEADE COUNTY RECC	871	948	1,819	460	96	517	2,892	64	2,974	26,402	27,479,674	96.7
BIG RIVERS GROUP AVERAGE	835	1,178	2,013	435	61	578	3,087	97	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	180	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	56,860,768	145.5
OVERALL AVERAGE	742	1,000	1,742	526	119	665	3,052	84	3,747	30,909	47,051,431	126.9

20
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	8.6
CUMBERLAND VALLEY ELECTRIC	54	111	165	78	5	53	301	55	2,614	23,884	47.5	431	9.1
FARMERS RECC	57	108	165	44	5	86	300	65	3,591	24,683	55.2	380	6.9
FLEMING-MASON ENERGY	73	115	188	74	8	59	329	52	3,550	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	106	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	382	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	289	133	4,509	57,596	33.9	433	12.8
SALT RIVER ELECTRIC	54	82	116	44	8	63	231	74	4,040	47,411	54.8	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	64	280	145	6,755	66,361	46.6	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	75	103	178	61	12	74	325	75	3,503	32,572	48.7	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
PENNYRILLE RECC	99	99	198	48	10	69	325	120	5,089	48,985	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	56	370	89	4,079	38,154	45.8	429	9.4
TVA GROUP AVERAGE	109	144	253	57	23	86	418	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

2012
KENTUCKY ELECTRIC COOPERATIVES
AVERAGE EXPENSE PER CONSUMER
STATISTICAL COMPARISONS

<u>COOPERATIVE</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>% CHANGE FROM 2008</u>
BIG SANDY	\$335	\$328	\$358	\$315	\$291	15.1 %
BLUE GRASS ENERGY	307	319	320	303	291	5.5
CLARK ENERGY COOP	315	303	295	283	253	24.5
CUMBERLAND VALLEY	314	301	309	299	267	17.6
FARMERS	291	300	289	248	262	11.1
FLEMING-MASON	357	329	317	325	291	22.7
GRAYSON	492	476	423	398	373	31.9
INTER-COUNTY	347	349	328	321	300	15.7
JACKSON ENERGY	377	371	344	358	311	21.2
LICKING VALLEY	331	317	316	303	270	22.6
NOLIN	402	411	408	363	349	15.2
OWEN	291	289	292	281	266	9.4
SALT RIVER ELECTRIC	216	231	223	237	228	-5.3
SHELBY ENERGY	349	348	352	327	295	18.3
SOUTH KENTUCKY	264	280	291	270	264	0.0
TAYLOR COUNTY	<u>245</u>	<u>244</u>	<u>237</u>	<u>220</u>	<u>215</u>	<u>14.0</u>
AVERAGE EKPC	\$328	\$325	\$319	\$303	\$284	15.5 %
JACKSON PURCHASE	\$334	\$353	\$319	\$348	\$338	-1.2 %
KENERGY	352	362	372	345	363	-3.0
MEADE COUNTY	<u>315</u>	<u>302</u>	<u>294</u>	<u>271</u>	<u>267</u>	<u>18.0</u>
AVERAGE BIG RIVERS	\$333	\$340	\$329	\$321	\$323	3.1 %
HICKMAN-FULTON	\$648	\$759	\$522	\$595	\$525	23.4 %
PENNYRILE	319	325	287	290	274	16.4
TRI-COUNTY	297	290	284	270	258	15.1
WARREN	347	345	336	333	331	4.8
WEST KENTUCKY	<u>334</u>	<u>370</u>	<u>353</u>	<u>329</u>	<u>384</u>	<u>-13.0</u>
AVERAGE TVA	\$390	\$419	\$357	\$364	\$355	9.9 %
OVERALL AVERAGE	\$341	\$346	\$329	\$318	\$303	12.5 %

2012
KENTUCKY ELECTRIC COOPERATIVES
AVERAGE EXPENSE PER MILE OF LINE
STATISTICAL COMPARISONS

<u>COOPERATIVE</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>% CHANGE FROM 2008</u>
BIG SANDY	\$4,280	\$4,207	\$4,611	\$4,070	\$3,744	14.3 %
BLUE GRASS ENERGY	3,627	3,779	3,798	3,617	3,486	4.0
CLARK ENERGY COOP	2,682	2,595	2,542	2,435	2,182	22.9
CUMBERLAND VALLEY	2,824	2,727	2,805	2,720	2,442	15.6
FARMERS	1,996	2,061	1,985	1,704	1,793	11.3
FLEMING-MASON	2,382	2,209	2,135	2,199	1,976	20.5
GRAYSON	3,047	2,963	2,645	2,523	2,379	28.1
INTER-COUNTY	2,326	2,341	2,211	2,189	2,061	12.9
JACKSON ENERGY	3,410	3,348	3,118	3,246	2,837	20.2
LICKING VALLEY	2,818	2,710	2,721	2,615	2,330	20.9
NOLIN	4,484	4,527	4,469	3,946	3,786	18.4
OWEN	3,728	3,693	3,735	3,584	3,394	9.8
SALT RIVER ELECTRIC	2,539	2,711	2,612	2,767	2,658	-4.5
SHELBY ENERGY	2,548	2,542	2,572	2,396	2,157	18.1
SOUTH KENTUCKY	2,590	2,751	2,870	2,667	2,618	-1.1
TAYLOR COUNTY	<u>1,960</u>	<u>1,948</u>	<u>1,886</u>	<u>1,748</u>	<u>1,703</u>	<u>15.1</u>
AVERAGE EKPC	\$2,953	\$2,946	\$2,919	\$2,778	\$2,596	13.8 %
JACKSON PURCHASE	\$3,340	\$3,532	\$3,197	\$3,493	\$3,403	-1.9 %
KENERGY	2,759	2,837	2,919	2,698	2,839	-2.8
MEADE COUNTY	<u>3,032</u>	<u>2,892</u>	<u>2,794</u>	<u>2,547</u>	<u>2,503</u>	<u>21.1</u>
AVERAGE BIG RIVERS	\$3,044	\$3,087	\$2,970	\$2,913	\$2,915	4.4 %
HICKMAN-FULTON	\$3,395	\$4,037	\$2,835	\$3,236	\$2,882	17.8 %
PENNYRILE	2,945	3,000	2,644	2,665	2,505	17.6
TRI-COUNTY	2,761	2,674	2,623	2,481	2,375	16.3
WARREN	3,742	3,695	3,586	3,535	3,496	7.0
WEST KENTUCKY	<u>3,128</u>	<u>3,462</u>	<u>3,313</u>	<u>3,105</u>	<u>3,649</u>	<u>-14.3</u>
AVERAGE TVA	\$3,195	\$3,374	\$3,000	\$3,005	\$2,982	7.1 %
OVERALL AVERAGE	\$3,014	\$3,052	\$2,944	\$2,840	\$2,716	11.0 %

<u>COOPERATIVE</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	% CHANGE <u>FROM 2008</u>
BIG SANDY	13.0	13.0	12.9	12.9	12.8	1.6 %
BLUE GRASS ENERGY	11.8	11.8	11.9	11.9	12.0	-1.7
CLARK ENERGY COOP	8.5	8.6	8.6	8.6	8.6	-1.2
CUMBERLAND VALLEY	9.0	9.1	9.1	9.1	9.1	-1.1
FARMERS	6.9	6.9	6.9	6.9	6.8	1.5
FLEMING-MASON	6.7	6.7	6.7	6.8	6.8	-1.5
GRAYSON	6.2	6.2	6.3	6.3	6.4	-3.1
INTER-COUNTY	6.7	6.7	6.7	6.8	6.9	-2.9
JACKSON ENERGY	9.0	9.0	9.1	9.1	9.1	-1.1
LICKING VALLEY	8.5	8.6	8.6	8.6	8.6	-1.2
NOLIN	11.2	11.0	11.0	10.9	10.9	2.8
OWEN	12.8	12.8	12.8	12.8	12.8	0.0
SALT RIVER ELECTRIC	11.8	11.7	11.7	11.7	11.7	0.9
SHELBY ENERGY	7.3	7.3	7.3	7.3	7.3	0.0
SOUTH KENTUCKY	9.8	9.8	9.9	9.9	9.9	-1.0
TAYLOR COUNTY	<u>8.0</u>	<u>8.0</u>	<u>8.0</u>	<u>7.9</u>	<u>7.9</u>	<u>1.3</u>
AVERAGE EKPC	9.3	9.3	9.3	9.3	9.3	0.0 %
JACKSON PURCHASE	10.0	10.0	10.0	10.0	10.1	-1.0 %
KENERGY	7.8	7.8	7.8	7.8	7.8	0.0
MEADE COUNTY	<u>9.6</u>	<u>9.6</u>	<u>9.5</u>	<u>9.4</u>	<u>9.4</u>	<u>2.1</u>
AVERAGE BIG RIVERS	8.7	8.7	8.7	8.7	8.7	0.0 %
HICKMAN-FULTON	5.2	5.3	5.4	5.4	5.5	-5.5 %
PENNYRILE	9.2	9.2	9.2	9.2	9.2	0.0
TRI-COUNTY	9.3	9.2	9.2	9.2	9.2	1.1
WARREN	10.8	10.7	10.7	10.6	10.6	1.9
WEST KENTUCKY	<u>9.4</u>	<u>9.4</u>	<u>9.4</u>	<u>9.4</u>	<u>9.5</u>	<u>-1.1</u>
AVERAGE TVA	9.6	9.5	9.5	9.5	9.5	1.1 %
OVERALL AVERAGE	9.3	9.3	9.3	9.3	9.3	0.0 %

2012
KENTUCKY ELECTRIC COOPERATIVES
MILES OF LINE
STATISTICAL COMPARISONS

<u>COOPERATIVE</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>% CHANGE FROM 2008</u>
BIG SANDY	1,033	1,030	1,027	1,025	1,027	0.6 %
BLUE GRASS ENERGY	4,682	4,650	4,632	4,593	4,566	2.5
CLARK ENERGY COOP	3,052	3,042	3,036	3,035	3,014	1.3
CUMBERLAND VALLEY	2,626	2,614	2,616	2,609	2,592	1.3
FARMERS	3,602	3,591	3,577	3,555	3,539	1.8
FLEMING-MASON	3,560	3,550	3,537	3,517	3,506	1.5
GRAYSON	2,485	2,485	2,483	2,474	2,466	0.8
INTER-COUNTY	3,779	3,765	3,748	3,733	3,687	2.5
JACKSON ENERGY	5,668	5,676	5,664	5,663	5,663	0.1
LICKING VALLEY	2,047	2,039	2,031	2,026	2,023	1.2
NOLIN	3,011	2,991	2,980	2,959	2,939	2.4
OWEN	4,514	4,509	4,493	4,486	4,451	1.4
SALT RIVER ELECTRIC	4,068	4,040	4,016	3,982	3,953	2.9
SHELBY ENERGY	2,104	2,097	2,096	2,088	2,078	1.3
SOUTH KENTUCKY	6,759	6,755	6,735	6,715	6,685	1.1
TAYLOR COUNTY	<u>3,218</u>	<u>3,210</u>	<u>3,198</u>	<u>3,183</u>	<u>3,169</u>	<u>1.5</u>
TOTAL EKPC	56,208	56,044	55,869	55,643	55,358	1.5 %
JACKSON PURCHASE	2,923	2,918	2,909	2,900	2,891	1.1 %
KENERGY	7,068	7,047	7,010	7,009	6,997	1.0
MEADE COUNTY	<u>2,970</u>	<u>2,974</u>	<u>2,974</u>	<u>2,978</u>	<u>2,972</u>	<u>-0.1</u>
TOTAL BIG RIVERS	12,961	12,939	12,893	12,887	12,860	0.8 %
HICKMAN-FULTON	704	691	684	688	689	2.2 %
PENNYRILE	5,092	5,089	5,100	5,099	5,075	0.3
TRI-COUNTY	5,451	5,449	5,451	5,464	5,467	-0.3
WARREN	5,623	5,626	5,622	5,617	5,615	0.1
WEST KENTUCKY	<u>4,091</u>	<u>4,079</u>	<u>4,069</u>	<u>4,046</u>	<u>4,033</u>	<u>1.4</u>
TOTAL TVA	20,961	20,934	20,926	20,914	20,879	0.4 %
OVERALL TOTAL	90,130	89,917	89,688	89,444	89,097	1.2 %

2012
KENTUCKY ELECTRIC COOPERATIVES
TOTAL AVERAGE NUMBER OF CONSUMERS BILLED
STATISTICAL COMPARISONS

<u>COOPERATIVE</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>% CHANGE FROM 2008</u>
BIG SANDY	13,199	13,213	13,226	13,244	13,211	-0.1 %
BLUE GRASS ENERGY	55,297	55,087	54,980	54,816	54,694	1.1
CLARK ENERGY COOP	25,980	26,041	26,154	26,123	26,006	-0.1
CUMBERLAND VALLEY	23,613	23,684	23,749	23,737	23,695	-0.3
FARMERS	24,710	24,683	24,574	24,439	24,226	2.0
FLEMING-MASON	23,758	23,827	23,822	23,792	23,804	-0.2
GRAYSON	15,389	15,470	15,533	15,678	15,722	-2.1
INTER-COUNTY	25,338	25,250	25,256	25,461	25,353	-0.1
JACKSON ENERGY	51,250	51,224	51,338	51,338	51,644	-0.8
LICKING VALLEY	17,426	17,428	17,493	17,485	17,453	-0.2
NOLIN	33,580	32,948	32,638	32,159	31,885	5.3
OWEN	57,809	57,596	57,478	57,223	56,794	1.8
SALT RIVER ELECTRIC	47,805	47,411	47,046	46,501	46,071	3.8
SHELBY ENERGY	15,360	15,315	15,311	15,291	15,191	1.1
SOUTH KENTUCKY	66,327	66,361	66,430	66,317	66,276	0.1
TAYLOR COUNTY	<u>25,728</u>	<u>25,613</u>	<u>25,456</u>	<u>25,285</u>	<u>25,078</u>	<u>2.6</u>
TOTAL EKPC	522,569	521,151	520,484	518,889	517,103	1.1 %
JACKSON PURCHASE	29,241	29,199	29,152	29,109	29,092	0.5 %
KENERGY	55,419	55,210	54,991	54,839	54,736	1.2
MEADE COUNTY	<u>28,592</u>	<u>28,478</u>	<u>28,267</u>	<u>27,996</u>	<u>27,866</u>	<u>2.6</u>
TOTAL BIG RIVERS	113,252	112,887	112,410	111,944	111,694	1.4 %
HICKMAN-FULTON	3,689	3,675	3,716	3,742	3,782	-2.5 %
PENNYRILE	47,013	46,965	46,984	46,862	46,419	1.3
TRI-COUNTY	50,679	50,240	50,340	50,223	50,331	0.7
WARREN	60,641	60,265	59,995	59,627	59,317	2.2
WEST KENTUCKY	<u>38,310</u>	<u>38,154</u>	<u>38,189</u>	<u>38,183</u>	<u>38,323</u>	<u>0.0</u>
TOTAL TVA	200,332	199,299	199,224	198,637	198,172	1.1 %
OVERALL TOTAL	836,153	833,337	832,118	829,470	826,969	1.1 %

2012
KENTUCKY ELECTRIC COOPERATIVES
TOTAL RESIDENTIAL REVENUES
STATISTICAL COMPARISONS

<u>COOPERATIVE</u>	<u>2011</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>% CHANGE FROM 2008</u>
BIG SANDY	\$18,915,867	\$19,254,338	\$19,504,677	\$17,723,822	\$16,830,290	12.4 %
BLUE GRASS ENERGY	82,219,020	85,884,006	84,916,241	76,618,866	75,708,257	8.6
CLARK ENERGY COOP	35,261,019	36,708,481	35,307,191	30,986,423	31,325,955	12.6
CUMBERLAND VALLEY	30,386,944	31,460,869	32,537,708	29,727,049	29,511,472	3.0
FARMERS	31,180,284	32,782,120	33,283,884	28,960,218	27,656,329	12.7
FLEMING-MASON	29,690,084	28,199,358	28,565,335	26,445,334	27,400,745	8.4
GRAYSON	21,816,428	21,978,172	22,417,367	20,375,694	19,326,239	12.9
INTER-COUNTY	36,934,661	38,974,091	38,111,051	34,703,753	35,150,797	5.1
JACKSON ENERGY	77,832,875	81,135,113	81,946,986	73,894,381	76,960,445	1.1
LICKING VALLEY	21,314,628	21,839,711	22,255,988	19,780,129	19,074,236	11.7
NOLIN	47,495,013	48,149,006	48,360,150	43,698,352	44,216,213	7.4
OWEN	79,578,364	79,163,922	77,481,108	71,405,333	68,931,115	15.4
SALT RIVER ELECTRIC	65,507,556	66,517,122	65,700,823	59,096,481	59,871,443	9.4
SHELBY ENERGY	23,937,841	25,853,776	23,574,557	21,062,573	21,021,450	13.9
SOUTH KENTUCKY	80,375,682	84,493,130	82,781,238	73,895,399	76,437,150	5.2
TAYLOR COUNTY	<u>28,434,719</u>	<u>29,703,937</u>	<u>28,920,669</u>	<u>28,255,677</u>	<u>26,494,596</u>	<u>7.3</u>
TOTAL EKPC	\$710,880,985	\$732,097,152	\$725,664,973	\$656,629,484	\$655,916,732	8.4 %
JACKSON PURCHASE	\$31,043,685	\$29,070,144	\$31,240,203	\$27,283,351	\$27,275,780	13.8 %
KENERGY	58,093,381	56,283,522	57,146,551	50,349,518	50,078,902	16.0
MEADE COUNTY	<u>27,769,525</u>	<u>27,479,674</u>	<u>26,176,828</u>	<u>23,284,922</u>	<u>24,196,053</u>	<u>14.8</u>
TOTAL BIG RIVERS	\$116,906,591	\$112,833,340	\$114,563,582	\$100,917,791	\$101,550,735	15.1 %
HICKMAN-FULTON	\$5,599,551	\$5,999,873	\$5,138,805	\$5,138,805	\$5,096,364	9.9 %
PENNYRILE	62,724,839	65,110,934	64,755,328	58,273,701	58,879,793	6.5
TRI-COUNTY	62,236,827	65,426,019	70,308,752	59,900,263	59,815,321	4.0
WARREN	86,515,348	89,954,828	85,524,135	79,490,494	79,120,223	9.3
WEST KENTUCKY	<u>54,479,631</u>	<u>57,812,187</u>	<u>58,309,168</u>	<u>51,664,140</u>	<u>51,409,815</u>	<u>6.0</u>
TOTAL TVA	\$271,556,196	\$284,303,841	\$284,036,188	\$254,467,403	\$254,321,516	6.8 %
OVERALL TOTAL	\$1,099,343,772	\$1,129,234,333	\$1,124,264,743	\$1,012,014,678	\$1,011,788,983	8.7 %

**KENTUCKY ELECTRIC COOPERATIVES
OPERATING EXPENSE AND STATISTICAL COMPARISONS
2012 - 2011 ANNUAL COMPARISON**

**AVERAGE EXPENSE PER CONSUMER
EKPC**

	<u>2012</u>	<u>2011</u>	<u>CHANGE</u>
DISTRIBUTION OPERATION	\$ 76.00	\$ 75.00	\$ 1.00
DISTRIBUTION MAINTENANCE	\$ 107.00	\$ 103.00	\$ 4.00
ACCOUNTING	\$ 58.00	\$ 61.00	\$ (3.00)
CONSUMER INFORMATION	\$ 13.00	\$ 12.00	\$ 1.00
ADMINISTRATION	\$ 74.00	\$ 74.00	\$ -
TOTAL PER CONSUMER	\$ 328.00	\$ 325.00	\$ 3.00

**AVERAGE EXPENSE PER CONSUMER
TVA**

	<u>2012</u>	<u>2011</u>	<u>CHANGE</u>
DISTRIBUTION OPERATION	\$ 102.00	\$ 109.00	\$ (7.00)
DISTRIBUTION MAINTENANCE	\$ 136.00	\$ 144.00	\$ (8.00)
ACCOUNTING	\$ 55.00	\$ 57.00	\$ (2.00)
CONSUMER INFORMATION	\$ 10.00	\$ 23.00	\$ (13.00)
ADMINISTRATION	\$ 87.00	\$ 86.00	\$ 1.00
TOTAL PER CONSUMER	\$ 390.00	\$ 419.00	\$ (29.00)

OTHER STATISTICAL INFORMATION

NUMBER OF EMPLOYEES	1,192	1,207	(15)
MILES OF LINE	56,208	56,044	164
CONSUMERS BILLED	522,569	521,151	1,418
MILES OF LINE PER EMPLOYEE	46.8	46.7	0.1
CONSUMER PER EMPLOYEE	435	434	1
DENSITY CONSUMERS PER MILE	9.3	9.3	0

OTHER STATISTICAL INFORMATION

NUMBER OF EMPLOYEES	525	517	\$ 8.00
MILES OF LINE	20,961	20,934	\$ 27.00
CONSUMERS BILLED	200,332	199,299	\$ 1,033.00
MILES OF LINE PER EMPLOYEE	39.9	40.7	\$ (0.80)
CONSUMER PER EMPLOYEE	382	387	\$ (5.00)
DENSITY CONSUMERS PER MILE	9.6	9.5	\$ 0.10

**AVERAGE EXPENSE PER CONSUMER
BIG RIVERS**

	<u>2012</u>	<u>2011</u>	<u>CHANGE</u>
DISTRIBUTION OPERATION	\$ 83.00	\$ 90.00	\$ (7.00)
DISTRIBUTION MAINTENANCE	\$ 130.00	\$ 131.00	\$ (1.00)
ACCOUNTING	\$ 49.00	\$ 49.00	\$ -
CONSUMER INFORMATION	\$ 6.00	\$ 7.00	\$ (1.00)
ADMINISTRATION	\$ 65.00	\$ 63.00	\$ 2.00
TOTAL PER CONSUMER	\$ 333.00	\$ 340.00	\$ (7.00)

**AVERAGE EXPENSE PER CONSUMER
OVERALL AVERAGE**

	<u>2012</u>	<u>2011</u>	<u>CHANGE</u>
DISTRIBUTION OPERATION	\$ 82.00	\$ 84.00	\$ (2.00)
DISTRIBUTION MAINTENANCE	\$ 116.00	\$ 115.00	\$ 1.00
ACCOUNTING	\$ 56.00	\$ 58.00	\$ (2.00)
CONSUMER INFORMATION	\$ 11.00	\$ 14.00	\$ (3.00)
ADMINISTRATION	\$ 76.00	\$ 75.00	\$ 1.00
TOTAL PER CONSUMER	\$ 341.00	\$ 346.00	(\$5.00)

OTHER STATISTICAL INFORMATION

NUMBER OF EMPLOYEES	291	291	0
MILES OF LINE	12,961	12,939	22
CONSUMERS BILLED	113,252	112,887	365
MILES OF LINE PER EMPLOYEE	44.5	44.5	0.0
CONSUMER PER EMPLOYEE	389	388	1
DENSITY CONSUMERS PER MILE	8.7	8.7	0

OTHER STATISTICAL INFORMATION

NUMBER OF EMPLOYEES	2008	2015	(7)
MILES OF LINE	90,130	89,917	213
CONSUMERS BILLED	836,153	833,337	2,816
MILES OF LINE PER EMPLOYEE	44.7	44.6	0
CONSUMER PER EMPLOYEE	415	413	2
DENSITY CONSUMERS PER MILE	9.3	9.3	0

2012
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	63	103	166	66	9	94	335	40	1,033	13,199	26.0	330	13.0
BLUE GRASS ENERGY COOP	44	108	152	50	26	79	307	105	4,682	55,297	44.6	527	11.8
CLARK ENERGY COOP	76	122	198	52	10	55	315	52	3,052	25,980	58.7	500	8.5
CUMBERLAND VALLEY ELECTRIC	56	120	176	77	8	53	314	52	2,626	23,613	50.5	454	9.0
FARMERS RECC	58	98	156	44	5	86	291	64	3,602	24,710	56.3	386	6.9
FLEMING-MASON ENERGY	83	132	215	76	9	57	357	52	3,560	23,758	68.5	457	6.7
GRAYSON RECC	73	217	290	68	14	120	492	47	2,485	15,389	52.9	327	6.2
INTER-COUNTY ENERGY	94	73	167	68	21	91	347	64	3,779	25,338	59.1	396	6.7
JACKSON ENERGY COOP	95	116	211	61	16	89	377	134	5,668	51,250	42.3	382	9.0
LICKING VALLEY RECC	91	111	202	55	3	71	331	44	2,047	17,426	47.0	396	8.5
NOLIN RECC	105	109	214	71	25	92	402	97	3,011	33,580	31.0	346	11.2
OWEN EC	90	62	152	64	12	63	291	133	4,514	57,809	33.9	435	12.8
SALT RIVER ELECTRIC	57	49	106	40	9	61	216	73	4,068	47,805	55.7	655	11.8
SHELBY ENERGY COOP	103	127	230	38	22	59	349	37	2,104	15,360	56.9	415	7.3
SOUTH KENTUCKY RECC	53	96	149	54	9	52	264	146	6,759	66,327	46.3	454	9.8
TAYLOR COUNTY RECC	67	67	134	39	4	68	245	52	3,218	25,728	61.9	495	8.0
EKPC GROUP AVERAGE	76	107	183	58	13	74	328	75	3,513	32,661	46.8	435	9.3
JACKSON PURCHASE ENERGY	92	128	220	36	3	75	334	73	2,923	29,241	40.0	2135	10.0
KENERGY CORP	68	155	223	60	6	63	352	146	7,068	55,419	48.4	380	7.8
MEADE COUNTY RECC	90	108	198	50	10	57	315	72	2,970	28,592	41.0	397	9.6
BIG RIVERS GROUP AVERAGE	83	130	213	49	6	65	333	97	4,320	37,751	44.5	389	8.7
HICKMAN-FULTON COUNTIES RECC	147	263	410	56	9	173	648	16	704	3,689	44.0	231	5.2
PENNYRILE RECC	101	90	191	48	10	70	319	128	5,092	47,013	39.8	367	9.2
TRI-COUNTY EMC	87	112	199	45	12	41	297	130	5,451	50,679	41.9	390	9.3
WARREN RECC	94	90	184	59	13	91	347	161	5,623	60,641	34.9	377	10.8
WEST KENTUCKY RECC	80	124	204	66	5	59	334	90	4,091	38,310	45.5	426	9.4
TVA GROUP AVERAGE	102	136	238	55	10	87	390	105	4,192	40,066	39.9	382	9.6
OVERALL AVERAGE	82	116	198	56	11	76	341	84	3,755	34,840	44.7	415	9.3

2
**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	805	1,316	2,121	843	115	1,201	4,280	40	1,033	12,093	18,915,867	130.4
BLUE GRASS ENERGY COOP	520	1,276	1,796	591	307	933	3,627	105	4,682	52,597	82,219,020	130.3
CLARK ENERGY COOP	647	1,039	1,686	443	85	468	2,682	52	3,052	24,234	35,261,019	121.3
CUMBERLAND VALLEY ELECTRIC	504	1,079	1,563	692	72	477	2,824	52	2,626	22,049	30,386,944	114.9
FARMERS RECC	398	672	1,070	302	34	590	1,996	64	3,602	22,837	31,180,284	113.8
FLEMING-MASON ENERGY	554	881	1,435	507	60	380	2,382	52	3,560	22,137	29,690,064	111.8
GRAYSON RECC	452	1,344	1,796	421	87	743	3,047	47	2,485	14,197	21,816,428	128.1
INTER-COUNTY ENERGY	630	489	1,119	456	141	610	2,326	64	3,779	23,920	36,934,661	128.7
JACKSON ENERGY COOP	859	1,049	1,908	552	145	805	3,410	134	5,668	47,647	77,832,875	136.1
LICKING VALLEY RECC	775	945	1,720	468	26	604	2,818	44	2,047	16,248	21,314,628	109.3
NOLIN RECC	1171	1,216	2,387	792	279	1,026	4,484	97	3,011	31,541	47,495,013	125.5
OWEN EC	1153	794	1,947	820	154	807	3,728	133	4,514	55,237	79,578,364	120.1
SALT RIVER ELECTRIC	670	576	1,246	470	106	717	2,539	73	4,068	44,777	65,507,556	121.9
SHELBY ENERGY COOP	752	927	1,679	277	161	431	2,548	37	2,104	14,903	23,937,841	133.9
SOUTH KENTUCKY RECC	520	942	1,462	530	88	510	2,590	146	6,759	60,678	80,375,662	110.4
TAYLOR COUNTY RECC	536	536	1,072	312	32	544	1,960	52	3,218	22,699	28,434,719	104.4
EKPC GROUP AVERAGE	684	943	1,627	530	118	678	2,953	75	3,513	30,487	44,430,062	121.4
JACKSON PURCHASE ENERGY	920	1,280	2,200	360	30	750	3,340	73	2,923	25,944	31,043,685	99.7
KENERGY CORP	533	1,215	1,748	470	47	494	2,759	146	7,068	45,229	58,093,381	107.0
MEADE COUNTY RECC	866	1,040	1,906	481	96	549	3,032	72	2,970	26,503	27,769,525	87.3
BIG RIVERS GROUP AVERAGE	773	1,178	1,951	437	58	598	3,044	97	4,320	32,559	38,968,864	99.7
HICKMAN-FULTON COUNTIES RECC	770	1,378	2,148	293	47	907	3,395	16	704	2,802	5,599,551	166.5
PENNYRILE RECC	933	831	1,764	443	92	646	2,945	128	5,092	37,717	62,724,839	138.6
TRI-COUNTY EMC	809	1,041	1,850	418	112	381	2,761	130	5,451	41,138	62,236,827	126.1
WARREN RECC	1014	971	1,985	636	140	981	3,742	161	5,623	50,545	86,515,348	142.6
WEST KENTUCKY RECC	749	1,161	1,910	618	47	553	3,128	90	4,091	30,413	54,479,631	149.3
TVA GROUP AVERAGE	855	1,076	1,931	482	88	694	3,195	105	4,192	32,523	54,311,239	139.2
OVERALL AVERAGE	731	1,000	1,731	508	104	671	3,014	84	3,755	31,170	45,805,991	122.5

Jackson Energy Cooperative
Case No. 2013-00219
Response to Commission Staff First Data Request

Item No. 5
Page 1 of 3
Witness: Jim Adkins

Q5: Provide Jackson's capital structure at the end of each of the periods shown in Format 5.

A5: Please see Item 5 pages 2 and 3

JACKSON ENERGY COOPERATIVE CORPORATION

CASE NO. 2013-00219

RESPONSE TO COMMISSION STAFF'S FIRST DATA REQUEST

**COMPARATIVE CAPITAL STRUCTURE
FOR THE PERIODS AS SHOWN**

Line No	Type of Capital	10th Year		9th Year		8th Year		7th Year		6th Year		5th Year	
		Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
1	Long Term Debt	95,014	62.9%	101,150	64.7%	104,357	64.2%	114,787	64.4%	116,493	64.5%	120,930	66.2%
2	Short Term Debt	7,990	5.3%	1,250	0.8%	5,220	3.2%	6,400	3.6%	6,450	3.6%	6,900	3.8%
3	Preferred or Preference Stock												
4	Common Equity	48,153	31.9%	54,022	34.5%	52,913	32.6%	57,155	32.0%	57,800	32.0%	54,797	30.0%
5	Other Itemize by Type												
6	Total Capitalization	151,157	100.0%	156,422	100.0%	162,489	100%	178,341	100%	180,743	100%	182,626	100%

Line No	Type of Capital	4th Year		3rd Year		2nd Year		1st Year		Test Year		Last Available Quarter		Average Testy Year	
		Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
1	Long Term Debt	120,865	63.8%	126,532	67.0%	132,456	66.3%	134,279	65.1%	136,141	64.6%	140,875	64.9%	135,398	66.0%
2	Short Term Debt	9,100	4.8%	-	0.0%	-	0.0%	-	0.0%	1,000	0.5%	3,000	1.4%	77	0.0%
3	Preferred or Pref. Stock														
4	Common Equity	59,585	31.4%	62,220	33.0%	67,333	33.7%	72,082	34.9%	73,539	34.9%	73,180	33.7%	69,823	34.0%
5	Other Itemize by Type														
6	Total Capitalization	189,550	100.0%	188,752	100%	199,789	100%	206,360	100%	210,680	100%	217,055	100%	205,298	100.0%

JACKSON ENERGY COOPERATIVE CORPORATION

CASE NO. 2013-00219

RESPONSE TO COMMISSION STAFF'S FIRST DATA REQUEST

Calculation of Average Test Period Capital Structure
12 Months Ended December 31, 2012

Line No.	Item (a)	Total Capital (b)	Long Term Debt [c]	Short Term Debt (d)	Preferred Stock [e]	Common Stock (f)	Retained Earnings [g]	Total Common Equity [h]
1	Balance Beginning of Year	206,360	134,279	-				72,082
2	1st Month	207,047	134,223	-				72,824
3	2nd Month	205,852	133,534	-				72,318
4	3rd Month	205,596	134,218	-				71,379
5	4th Month	204,702	133,695	-				71,007
6	5th Month	200,999	133,018	-				67,982
7	6th Month	201,001	132,957	-				68,043
8	7th Month	206,146	138,432	-				67,714
9	8th Month	205,179	137,739	-				67,440
10	9th Month	205,476	137,894	-				67,582
11	10th Month	205,260	137,365	-				67,895
12	11th Month	204,576	136,684	-				67,892
13	12th Month	210,680	136,141	1,000				73,539
14	Total Line 1 through Line 13	2,668,873	1,760,178	1,000	-	-	-	907,695
15	Average Balance (Line 14/13)	205,298	135,398	77	-	-	-	69,823
16	Average Capitalization Ratios	100.0%	66.0%	0.0%	0.0%	0.0%	0.0%	34.0%
17	End of period capitalization ratio	100.0%	64.6%	0.5%	0.0%	0.0%	0.0%	34.9%

Jackson Energy Cooperative
Case No. 2013-00219
Response to Commission Staff First Data Request

Item No. 6
Page 1 of 5
Witness: Jim Adkins

Q6: Provide the following:

- a. List all outstanding issues of long-term debt as of the end of the latest calendar year and the end of the test period together with the related information as shown in Format 6a. A separate schedule is to be provided for each time period. Report in Column (k) of Format 6a, Schedule 2, the actual dollar amount of debt cost of the test year. Compute the actual and annualized composite debt cost rates and report them in Column (j) of Format 6a, Schedule 2.
- b. Provide an analysis of end-of-period short-term debt and a calculation of the average and end-of-period cost rates as shown in Format 6b.

A6: a. Please see Item 6 page 2.

b. Please see Item 6 page 5.

JACKSON ENERGY COOPERATIVE CORPORATION
CASE NO. 2013-00219
SCHEDULE OF OUTSTANDING LONG-TERM DEBT
FOR THE TEST YEAR ENDED DECEMBER 31, 2012

Item 6a

Page 2 of 5

Witness: Jim Adkins

							Test Year
	Type of	Date of	Date of	Outstanding	Interest	Annualized	Interest
	Debt Issued	Issue	Maturity	Amount	Rate	Cost	Cost
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
10	RUS Loans:						
12	B390	11/6/1997	5/1/2032	\$2,132,539	4.375%	\$93,299	\$94,928
13	B391	3/2/1998	5/1/2032	\$1,415,068	4.125%	\$58,372	\$59,421
14	B392	3/23/1998	5/1/2032	\$924,747	4.125%	\$38,146	\$38,831
15	B395	3/23/1998	5/1/2032	\$1,197,855	4.125%	\$49,412	\$50,299
16	B396	9/16/1998	5/1/2032	\$942,190	4.500%	\$42,399	\$43,128
17	B397	10/28/1998	5/1/2032	\$2,340,652	4.375%	\$102,404	\$104,192
18	B580	5/31/1996	1/14/2029	\$545,341	5.000%	\$27,267	\$27,861
19	1B400	3/15/2006	3/31/2039	\$4,600,760	4.740%	\$218,076	\$220,226
20	1B401	8/31/2006	8/31/2039	\$4,608,823	4.880%	\$224,911	\$227,086
21	1B402	5/7/2007	5/7/2040	\$7,550,064	4.800%	\$362,403	\$365,952
22	1B403	2/1/2008	2/1/2041	\$3,581,894	4.350%	\$155,812	\$157,446
23	1B404	2/27/2008	2/27/2041	\$231,099	4.660%	\$10,769	\$10,877
25	SUBTOTAL			\$30,071,032		\$1,383,270	\$1,400,247
27	LESS ADVANCE PAYMENTS APPLIED			\$369,781	5.000%	\$18,489	\$8,855
29	TOTAL RUS			\$29,701,251		\$1,364,781	\$1,391,392
32	RUS - ECONOMIC DEVELOPMENT NOTES:						
34	RD	2/3/2010	2/3/2020	\$110,169	0.000%	\$0	\$0
35	RD	2/3/2010	2/3/2020	\$300,000	0.000%	\$0	\$0
36	RD	11/7/2011	11/7/2021	\$678,332	0.000%	\$0	\$0
37	RD	3/16/2012	3/16/2022	\$740,000	0.000%	\$0	\$0
38	RD	9/13/2012	9/13/2022	\$227,000	0.000%	\$0	\$0
40	TOTAL ECON. DEV.			\$2,055,501		\$0	\$0

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FFB NOTES:

Item 6a
Page 3 of 5
Witness: Jim Adkins

H0010	5/11/1999	12/31/2032	\$2,377,258	3.022%	\$71,841	\$72,885
H0015	8/16/1999	12/31/2032	\$1,546,753	0.229%	\$3,542	\$3,135
H0020	11/30/1999	12/31/2032	\$1,570,503	3.288%	\$51,638	\$52,355
H0025	2/1/2000	12/31/2032	\$1,955,582	3.377%	\$66,040	\$66,943
H0030	7/28/2000	12/31/2032	\$1,570,503	3.288%	\$51,638	\$52,355
H0035	1/8/2001	12/31/2032	\$3,912,758	3.377%	\$132,134	\$133,940
H0040	3/20/2001	12/31/2032	\$1,411,481	3.022%	\$42,655	\$43,275
H0045	11/26/2001	12/31/2035	\$3,258,372	4.635%	\$151,026	\$152,098
H0050	1/10/2002	12/31/2035	\$2,443,779	4.635%	\$113,269	\$114,074
H0055	3/8/2002	12/31/2035	\$3,828,587	4.635%	\$177,455	\$178,715
H0060	7/12/2002	12/31/2035	\$1,629,186	4.635%	\$75,513	\$76,049
H0065	10/22/2002	12/31/2035	\$2,036,482	4.635%	\$94,391	\$95,061
H0070	2/5/2003	12/31/2035	\$1,629,235	4.635%	\$75,515	\$76,051
H0075	9/22/2003	12/31/2035	\$6,065,177	4.635%	\$281,121	\$283,118
H0080	6/4/2004	12/31/2038	\$2,672,671	4.630%	\$123,745	\$124,283
H0085	8/30/2004	12/31/2038	\$4,454,451	4.630%	\$206,241	\$207,138
H0090	1/4/2005	12/31/2038	\$2,672,671	4.630%	\$123,745	\$124,283
H0095	2/22/2005	12/31/2038	\$3,563,561	4.630%	\$164,993	\$165,710
H0100	7/20/2005	12/31/2038	\$3,257,095	4.630%	\$150,803	\$151,459
H0105	6/1/2009	12/31/2042	\$9,506,503	4.316%	\$410,301	\$411,187
H0110	1/25/2010	12/31/2042	\$4,655,355	0.299%	\$13,920	\$9,347
H0115	6/18/2010	12/31/2042	\$4,513,833	0.299%	\$13,496	\$9,063
F0120	11/10/2011	12/31/2043	\$6,000,000	0.299%	\$17,940	\$11,865
F0125	7/17/2012	12/31/2043	\$6,000,000	0.263%	\$15,780	\$7,200
TOTAL FFB			\$82,531,796		\$2,628,742	\$2,621,589

CFC NOTES:

Witness: Jim Adkins

12001	2/28/1978	4/22/2013	\$13,233	5.900%	\$781	\$2,344
15001	12/21/1979	12/21/2014	\$99,420	5.950%	\$5,915	\$7,681
18001	1/6/1982	1/6/2017	\$381,812	6.000%	\$22,909	\$25,538
21001	9/4/1986	9/4/2021	\$393,170	6.100%	\$23,983	\$25,201
22001	11/15/1989	11/15/2024	\$1,154,527	6.200%	\$71,581	\$72,192
23001	3/31/1992	3/31/2027	\$1,657,630	6.700%	\$111,061	\$110,649
24001	10/11/1994	10/11/2029	\$2,866,904	6.700%	\$192,083	\$190,673
24003	9/6/1995	9/6/1930	\$678,000	6.300%	\$42,714	\$42,360
25001	8/31/1997	8/31/1932	\$4,199,060	6.300%	\$264,541	\$261,052
30010	10/31/2003	11/30/2013	\$1,365,978	5.700%	\$77,861	\$98,219
30011	11/15/1989	11/30/2014	\$1,808,569	5.850%	\$105,801	\$103,012
30012	6/15/1992	11/30/2015	\$1,808,569	5.900%	\$106,706	\$103,919
30013	10/11/1994	11/30/2016	\$1,808,569	5.950%	\$107,610	\$104,826
30014	9/6/1995	11/30/2017	\$1,808,570	6.000%	\$108,514	\$105,732
30015	8/31/1997	11/30/2018	\$1,808,570	6.050%	\$109,418	\$106,639
TOTAL			\$21,852,581		\$1,351,478	\$1,360,037
INTEREST ON LOANS PAID OFF IN 2012						\$30,326
TOTAL CFC			\$21,852,581		\$1,351,478	\$1,390,363
TOTAL LONG-TERM DEBT			\$136,141,129		\$5,345,001	\$5,403,344

JACKSON ENERGY COOPERATIVE CORPORATION
CASE NO. 2013-00219
SCHEDULE OF OUTSTANDING SHORT-TERM DEBT
FOR THE TEST YEAR ENDED DECEMBER 31, 2012

EXHIBIT 6b
PAGE OF

Type of Debt Issued (a)	Date of Issue (b)	Date of Maturity (c)	Outstanding Amount (d)	Interest Rate (e)	Annualized Cost (f)	Test Year Interest Cost (g)
CFC Line of Credit	12/27/2012	1/8/2013	\$1,000,000	2.900%	\$29,000	\$397

Jackson Energy Cooperative
Case No. 2013-00219
Response to Commission Staff First Data Request

Item No. 7
Page 1 of 1
Witness: Jim Adkins

Q7: Provide a trial balance as of the last day of the test year showing account number, subaccount number, account title, subaccount title, and amount. The trial balance shall include all asset, liability, capital, income, and expense accounts used by Jackson. All income statement accounts should show activity for 12 months. Show the balance in each control account and all underlying subaccounts per company books.

A7: Please see Exhibit W of the Application.

Jackson Energy Cooperative
Case No. 2013-00219
Response to Commission Staff First Data Request

Item No. 8
Page 1 of 2
Witness: Jim Adkins

Q8: Provide the following:

- a. A schedule, as shown in Format 8, comparing the balances for each balance sheet account or subaccount included in Jackson's chart of accounts for each month of the test year to the same month of the 12-month period immediately preceding the test year.
- b. A schedule, as shown in Format 8, comparing each income statement account or subaccount included in Jackson's chart of accounts for each month of the test year to the same month of the 12-month period immediately preceding the test year. The amounts should reflect the income or expense activity of each month, rather than the commutative balances as of the end of the particular month.
- c. A listing, with descriptions of all activities, initiatives, or programs undertaken or continued by Jackson since its last general rate case for the purpose of minimizing costs or improving the efficiency of its operations and maintenance activities.

- A8:
- a. Please see Item 8A page 1.
 - b. Please see Item 8B page 1.
 - c. Jackson Energy has worked in several areas to minimize costs or improve efficiency.

Personnel:

Employee vacancies have been reviewed carefully and positions were eliminated that could be filled with existing employees by expanding their current duties. There are some vacancies that currently exist in district operations. Until the workload in these districts increase, these positions will remain vacant. In addition, since January of 2013, there has been a hiring freeze initiated. There are pending retirements in 2013 and those positions will be filled by expanding existing employees' duties. Jackson Energy will continue to evaluate all vacant positions to either eliminate or hold the position open until our financial position improves. Jackson Energy also uses some part-time labor for peak activity in lieu of permanent, full-time hires. Customer Service Representatives in the centralized Call Center were relocated into the District Offices permitted dual utilization of labor – performing call and cashier duties.

Jackson Energy Cooperative
Case No. 2013-00219
Response to Commission Staff First Data Request

Item No. 8
Page 2 of 2
Witness: Jim Adkins

Fleet:

Since 2007, 11 vehicles were eliminated from the company fleet. The reduction in the number of vehicles in the company fleet reduces operating expenses and directly impacts our financial ratios. As employees retire, each position assigned a company vehicle will be reviewed and a decision will be made to maintain or eliminate the vehicle.

Mobile Workforce:

Mobile Workforce was initiated in 2009. This eliminates all paper service orders and field work is communicated real time via cell service to laptops placed in service trucks. This has streamlined operations and reduced windshield time. Service technicians can plan their daily route without back tracking the same area twice in one day which saves on fuel.

Construction Work Plan (CWP):

The 4 year CWP (construction work plan) has been implemented at a slower rate due to extremely low growth. The CWP will be extended into a 5 year plan and will extend the timeframe required to initiate a new CWP and loan funds. A new 4 year CWP will be created in 2014 and the total amount to be financed will be significantly less due to low growth and no large capital projects anticipated. This will decrease the amount of loan funds required, which lowers the amount of interest expense paid by Jackson Energy.

Prepay Program:

The successful implementation of the prepay meter program has resulted in reduced bad debt and interest expense on deposits.

Customer Bills and Payment Methods:

Jackson Energy accepts many forms of electronic payments which reduce the direct labor involved in taking customer payments in person or by mail. During this time the remittance processing which was contracted to a firm in Arizona was brought in-house with no personnel addition. Jackson Energy also promotes the electronic delivery of bill statements versus paper mailing.

Jackson Energy Cooperative
Comparison of Test Year Account Balances with
those of the Preceding Year - Balance Sheet
December 31, 2012

Acct #	Description	January Month 1	February Month 2	March Month 3	April Month 4	May Month 5	June Month 6	July Month 7	August Month 8	September Month 9	October Month 10	November Month 11	December Month 12
362	AMR	1,460,019	1,480,159	1,480,159	1,480,159	1,480,159	1,500,829	1,607,358	1,582,873	1,610,539	1,610,539	1,614,752	1,623,254
	Prior year	1,460,019	1,460,019	1,460,019	1,460,019	1,460,019	1,460,019	1,460,019	1,460,019	1,460,019	1,460,019	1,460,019	1,460,019
	Change	0	20,140	20,140	20,140	20,140	40,810	147,339	122,854	150,520	150,520	154,733	163,235
362.1	AMR Satellite systems	75,937	75,937	75,937	75,937	75,937	75,937	75,937	75,937	75,937	75,937	75,937	75,937
	Prior year	75,937	75,937	75,937	75,937	75,937	75,937	75,937	75,937	75,937	75,937	75,937	75,937
	Change	0	0	0	0	0	0	0	0	0	0	0	0
364	Poles, towers & fixtures	62,546,555	62,619,234	62,772,938	62,799,499	62,858,388	62,950,953	63,090,374	63,193,871	63,333,986	63,497,089	63,513,570	63,612,934
	Prior year	61,253,179	61,264,304	61,451,679	61,567,668	61,645,313	61,774,077	61,827,454	61,955,539	62,106,184	62,190,545	62,355,953	62,440,395
	Change	1,293,376	1,354,930	1,321,259	1,231,831	1,213,075	1,176,876	1,262,920	1,238,332	1,227,802	1,306,544	1,157,617	1,172,539
365	Overhead conduct & devices	59,754,290	60,105,331	60,434,501	60,496,875	60,580,138	60,762,516	61,029,636	61,159,385	61,456,809	61,710,099	61,789,433	61,967,294
	Prior year	57,425,233	57,531,531	57,656,687	57,921,537	58,087,382	58,257,148	58,407,756	58,716,397	58,995,941	59,101,903	59,459,681	59,610,525
	Change	2,329,057	2,573,800	2,777,814	2,575,338	2,492,756	2,505,368	2,621,880	2,442,988	2,460,868	2,608,196	2,329,752	2,356,769
367	Underground cond & devices	1,696,908	1,757,606	1,761,163	1,761,454	1,762,122	1,769,779	1,770,906	1,772,096	1,784,275	1,793,394	1,806,000	1,807,320
	Prior year	1,534,825	1,564,171	1,568,594	1,579,564	1,605,352	1,615,187	1,650,373	1,663,065	1,669,333	1,673,710	1,678,921	1,693,126
	Change	162,083	193,435	192,569	181,890	156,770	154,592	120,533	109,031	114,942	119,684	127,079	114,194
368	Transformers	28,039,367	28,164,350	28,244,149	28,211,050	28,260,078	28,289,960	28,289,720	28,378,531	28,428,383	28,433,031	28,398,377	28,469,861
	Prior year	27,470,510	27,503,309	27,577,732	27,577,050	27,546,236	27,648,521	27,655,717	27,704,471	27,855,145	27,813,094	27,891,919	27,923,008
	Change	568,857	661,041	666,417	634,000	713,842	641,439	634,003	674,060	573,238	619,937	506,458	546,853
369	Services	19,419,147	19,434,156	19,507,777	19,523,816	19,574,525	19,664,516	19,781,673	19,852,199	19,913,001	20,013,455	20,060,620	20,144,271
	Prior year	18,502,836	18,519,092	18,617,575	18,677,096	18,726,506	18,849,664	18,908,428	19,006,889	19,078,177	19,171,117	19,266,534	19,346,249
	Change	916,311	915,064	890,202	846,720	848,019	814,852	873,245	845,310	834,824	842,338	794,086	798,022
370	Meters	1,630,534	1,630,534	1,630,534	1,643,782	1,649,252	1,643,463	1,643,463	1,645,510	1,645,511	1,650,471	1,650,471	1,647,564
	Prior year	1,619,224	1,621,388	1,621,388	1,621,388	1,624,523	1,619,389	1,619,390	1,619,390	1,620,068	1,630,534	1,630,534	1,630,534
	Change	11,310	9,146	9,146	22,394	24,729	24,074	24,073	26,120	25,443	19,937	19,937	17,030
370.01	Meters - AMR	9,410,323	9,450,192	9,460,237	9,646,646	9,637,023	10,040,204	10,052,726	10,058,206	10,073,319	10,031,520	10,230,386	10,218,298
	Prior year	8,557,520	8,675,731	8,677,859	8,820,630	8,722,880	8,834,654	9,035,992	9,202,722	9,194,156	9,339,688	9,339,688	9,431,886
	Change	852,803	774,461	782,378	826,016	914,143	1,205,550	1,016,734	855,484	879,163	691,832	890,698	786,412
371	Security lights	4,884,983	4,898,075	4,926,150	4,940,115	4,965,536	4,989,400	5,017,934	5,057,544	5,096,036	5,127,117	5,151,251	5,186,887
	Prior year	4,518,524	4,531,476	4,566,194	4,585,776	4,613,742	4,651,066	4,670,100	4,706,053	4,739,515	4,774,068	4,807,431	4,852,281
	Change	366,459	366,599	359,956	354,339	351,794	338,334	347,834	351,491	356,521	353,049	343,820	334,606
373	Street lighting	277,344	277,344	277,344	277,344	278,116	278,698	278,698	278,698	278,280	278,280	278,394	278,611
	Prior year	239,943	239,943	258,528	269,056	269,056	269,056	269,783	269,783	269,783	271,097	272,887	273,883
	Change	37,401	37,401	18,816	8,288	9,060	9,642	8,915	8,915	8,497	7,183	5,507	4,728
389	Land	199,155	199,155	199,155	199,155	199,155	199,155	199,155	199,155	199,155	199,155	199,155	199,155
	Prior year	199,155	199,155	199,155	199,155	199,155	199,155	199,155	199,155	199,155	199,155	199,155	199,155
	Change	0	0	0	0	0	0	0	0	0	0	0	0
390	Structures and improvements	6,843,214	6,848,403	6,858,519	6,862,507	6,865,232	6,868,342	6,871,645	6,871,645	6,877,191	6,890,132	6,890,132	8,502,525
	Prior year	6,706,047	6,726,275	6,731,217	6,731,217	6,743,825	6,743,825	6,749,076	6,754,086	6,758,246	6,752,557	6,752,557	6,788,956
	Change	137,167	122,128	127,302	131,290	121,407	124,517	122,569	117,559	118,945	137,575	137,575	1,713,569
390.01	Bldg - Wood	93,965	93,965	93,965	93,965	93,965	93,965	93,965	93,965	93,965	93,965	93,965	93,965
	Prior year	86,690	86,690	91,165	93,965	93,965	93,965	93,965	93,965	93,965	93,965	93,965	93,965
	Change	7,275	7,275	2,800	0	0	0	0	0	0	0	0	0
390.02	Bldg - Electric	12,240	12,240	12,240	12,240	12,240	12,240	12,240	12,240	12,240	12,240	12,240	12,240
	Prior year	12,240	12,240	12,240	12,240	12,240	12,240	12,240	12,240	12,240	12,240	12,240	12,240
	Change	0	0	0	0	0	0	0	0	0	0	0	0
390.03	Bldg - Miscellaneous	228,591	228,591	235,518	214,502	214,502	214,502	214,842	214,842	214,842	214,842	214,842	214,842

Jackson Energy Cooperative
Comparison of Test Year Account Balances with
those of the Preceding Year - Balance Sheet
December 31, 2012

Item 8A
page 2 of 16

Acct #	Description	January Month 1	February Month 2	March Month 3	April Month 4	May Month 5	June Month 6	July Month 7	August Month 8	September Month 9	October Month 10	November Month 11	December Month 12
	Prior year	225,966	225,966	227,595	228,591	228,591	228,591	228,591	228,591	228,591	228,591	228,591	228,591
	Change	2,625	2,625	7,923	(14,089)	(14,089)	(14,089)	(13,749)	(13,749)	(13,749)	(13,749)	(13,749)	(13,749)
390.13	Bldg - London	36,630	36,630	36,630	36,630	36,630	36,630	36,630	36,630	36,630	36,630	36,630	36,630
	Prior year	36,630	36,630	36,630	36,630	36,630	36,630	36,630	36,630	36,630	36,630	36,630	36,630
	Change	0	0	0	0	0	0	0	0	0	0	0	0
391.00	Office furniture	358,390	358,390	358,390	364,414	364,414	364,414	358,319	358,319	358,319	359,959	359,959	479,690
	Prior year	365,382	365,382	365,382	365,382	360,846	360,846	360,846	360,846	360,846	359,801	359,158	358,390
	Change	(6,992)	(6,992)	(6,992)	(968)	3,568	3,568	(2,527)	(2,527)	(2,527)	158	801	121,300
391.01	Computer equipment	730,028	748,514	745,651	745,980	739,894	755,456	755,457	770,856	770,856	778,194	790,932	809,751
	Prior year	683,387	678,040	673,040	674,201	674,201	682,200	685,088	666,378	665,198	682,308	682,341	730,028
	Change	46,641	70,474	72,611	71,779	65,693	73,256	70,369	104,478	105,658	95,886	108,591	79,723
391.02	Computer Conversion	456,804	456,804	456,804	456,804	456,804	456,804	456,804	456,804	456,804	456,804	456,804	456,804
	Prior year	456,804	456,804	456,804	456,804	456,804	456,804	456,804	456,804	456,804	456,804	456,804	456,804
	Change	0	0	0	0	0	0	0	0	0	0	0	0
391.2	Headquarters furniture	232,124	232,124	232,124	232,124	232,124	232,124	232,124	232,124	232,124	232,124	232,124	232,124
	Prior year	232,124	232,124	232,124	232,124	232,124	232,124	232,124	232,124	232,124	232,124	232,124	232,124
	Change	0	0	0	0	0	0	0	0	0	0	0	0
392	Transportation equip	5,648,349	5,660,876	5,766,274	5,336,282	5,475,545	5,485,079	5,485,079	5,509,406	5,509,406	5,509,406	5,509,406	5,887,758
	Prior year	4,763,814	4,763,814	4,925,116	4,937,748	4,990,148	4,992,544	4,992,544	4,992,544	4,992,544	5,381,815	5,403,089	5,648,350
	Change	884,535	897,062	841,158	398,534	485,397	492,535	492,535	516,862	516,862	127,591	106,317	239,408
392.01	Transportation - other	133,627	133,627	133,627	133,627	137,796	137,796	139,698	139,698	139,698	139,698	139,698	139,698
	Prior year	132,824	132,824	133,627	133,627	133,627	133,627	133,627	133,627	133,627	133,627	133,627	133,627
	Change	803	803	0	0	4,169	4,169	6,071	6,071	6,071	6,071	6,071	6,071
393	Stores	262,843	269,876	269,876	264,444	264,444	264,444	264,444	264,444	264,444	264,444	264,444	271,904
	Prior year	262,843	262,843	262,843	262,843	262,843	262,843	262,843	262,843	262,843	262,843	262,843	262,843
	Change	0	7,033	7,033	1,601	1,601	1,601	1,601	1,601	1,601	1,601	1,601	9,061
394	Tools, shop and garage	311,460	311,460	318,477	323,320	323,320	323,320	323,320	322,041	331,478	331,479	331,479	331,478
	Prior year	311,460	311,460	311,460	311,460	311,460	311,460	311,460	311,460	311,460	311,460	311,460	311,460
	Change	0	0	7,017	11,860	11,860	11,860	11,860	10,581	20,018	20,019	20,019	20,018
395	Laboratory	271,105	271,105	279,985	294,163	294,163	294,163	294,163	294,163	294,163	294,163	287,087	280,271
	Prior year	265,561	265,561	265,561	265,561	265,561	266,914	266,914	271,105	271,105	271,105	271,105	271,105
	Change	5,544	5,544	14,424	28,602	28,602	27,249	27,249	23,058	23,058	23,058	15,982	9,166
396	Power operated	49,293	49,293	49,293	49,293	49,293	49,293	49,293	49,293	49,293	49,293	49,293	49,293
	Prior year	49,293	49,293	49,293	49,293	49,293	49,293	49,293	49,293	49,293	49,293	49,293	49,293
	Change	0	0	0	0	0	0	0	0	0	0	0	0
397	Communication equip	996,664	996,666	1,012,521	1,012,521	732,129	723,751	723,751	723,751	723,751	723,751	723,751	2,307,918
	Prior year	1,165,627	1,212,381	1,217,381	1,071,956	992,351	992,351	992,351	992,351	992,351	992,351	992,351	994,419
	Change	(168,963)	(215,715)	(204,860)	(59,435)	(260,222)	(268,600)	(268,600)	(268,600)	(268,600)	(268,600)	(268,600)	1,313,499
398	Miscellaneous	1,764,647	1,771,273	1,771,982	1,771,982	1,773,788	1,773,788	1,778,484	1,774,297	1,741,161	1,748,231	1,748,231	1,809,661
	Prior year	1,736,234	1,736,234	1,736,234	1,737,294	1,737,294	1,738,653	1,739,821	1,746,780	1,746,770	1,758,588	1,762,215	1,762,215
	Change	28,413	35,039	35,748	34,688	36,494	35,135	38,663	27,517	(5,609)	(10,357)	(13,984)	47,446
****	Total Electric Plant in Service	207,824,536	208,571,910	209,401,920	209,260,630	209,386,712	210,251,521	210,927,838	211,378,523	212,001,596	212,555,442	212,909,363	217,147,938
	Prior year	200,349,831	200,740,617	201,459,059	201,955,812	202,157,904	202,848,783	203,384,321	204,181,087	204,868,050	205,716,969	206,479,052	207,308,038
	Change	7,474,705	7,831,293	7,942,861	7,304,818	7,228,808	7,402,738	7,543,517	7,197,436	7,133,546	6,838,473	6,430,311	9,839,900
107.10	CWIP - Contractor	367,550	321,735	400,237	404,566	522,909	539,295	604,435	677,080	449,289	371,886	417,300	450,549
	Prior year	229,583	240,930	241,567	274,879	245,383	288,894	347,784	298,211	212,355	224,001	370,560	355,967

Jackson Energy Cooperative
Comparison of Test Year Account Balances with
those of the Preceding Year - Balance Sheet
December 31, 2012

Item 8A
page 3 of 16

Acct #	Description	January Month 1	February Month 2	March Month 3	April Month 4	May Month 5	June Month 6	July Month 7	August Month 8	September Month 9	October Month 10	November Month 11	December Month 12
	Change	137,967	80,805	158,670	129,687	277,526	250,401	256,651	378,869	236,934	147,885	46,740	94,582
107.20	Work in progress	2,450,340	2,387,377	2,374,662	2,411,113	2,518,047	2,482,563	2,478,883	2,168,160	2,128,378	2,171,380	2,215,960	545,622
	Prior year	1,150,660	1,367,161	1,196,858	1,306,820	1,249,421	1,167,457	1,292,203	1,153,337	1,114,208	1,314,254	2,297,292	2,473,737
	Change	1,299,680	1,020,216	1,177,804	1,104,293	1,268,626	1,315,106	1,186,680	1,014,823	1,014,170	857,126	(81,332)	(1,928,115)
107.21	Work in progress - Contributions	(1,751)	0	0	(1,577)	(1,577)	(2,764)	(2,764)	(2,764)	(2,764)	(2,764)	(2,764)	(2,764)
	Prior year	0	0	0	0	0	0	0	0	0	0	0	0
	Change	(1,751)	0	0	(1,577)	(1,577)	(2,764)	(2,764)	(2,764)	(2,764)	(2,764)	(2,764)	(2,764)
107.44	CWIP - London District Warehouse	380,256	474,975	595,868	836,674	1,066,773	1,273,258	1,479,967	1,654,931	1,713,957	1,786,194	1,786,194	0
	Prior year	0	3,500	3,500	3,500	15,054	18,995	18,995	48,724	48,724	48,724	52,795	204,146
	Change	380,256	471,475	592,368	833,174	1,051,719	1,254,263	1,460,972	1,606,207	1,665,233	1,737,470	1,733,399	(204,146)
****	Total CWIP	3,196,395	3,184,087	3,370,767	3,650,776	4,106,152	4,292,352	4,560,521	4,497,407	4,288,860	4,326,696	4,416,690	993,407
	Prior year	1,380,243	1,611,591	1,441,925	1,585,199	1,509,858	1,475,346	1,658,982	1,500,272	1,375,287	1,586,979	2,720,647	3,033,850
	Change	1,816,152	1,572,496	1,928,842	2,065,577	2,596,294	2,817,006	2,901,539	2,997,135	2,913,573	2,739,717	1,696,043	(2,040,443)
108.59	Res - AMR	(609,534)	(618,070)	(626,719)	(635,368)	(644,017)	(652,665)	(661,429)	(627,616)	(636,836)	(646,209)	(652,744)	(662,141)
	Prior year	(507,092)	(515,628)	(524,165)	(532,702)	(541,239)	(549,776)	(558,312)	(566,849)	(575,386)	(583,923)	(592,460)	(600,997)
	Change	(102,442)	(102,442)	(102,554)	(102,666)	(102,778)	(102,889)	(103,117)	(60,767)	(61,450)	(62,286)	(60,284)	(61,144)
108.61	Res - Poles, Towers & Fixtures	(21,843,185)	(21,932,848)	(22,000,135)	(22,087,804)	(22,202,090)	(22,310,459)	(22,427,311)	(22,568,669)	(22,543,760)	(22,645,754)	(22,809,353)	(22,915,897)
	Prior year	(20,183,740)	(20,321,426)	(20,438,299)	(20,608,487)	(20,735,248)	(20,856,241)	(21,017,177)	(21,135,871)	(21,274,848)	(21,418,467)	(21,532,165)	(21,703,996)
	Change	(1,659,445)	(1,611,422)	(1,561,836)	(1,479,317)	(1,466,842)	(1,454,218)	(1,410,134)	(1,432,798)	(1,268,912)	(1,227,287)	(1,277,188)	(1,211,901)
108.62	Res - Overhead Conductors & Devices	(10,982,082)	(11,097,933)	(11,146,932)	(11,272,724)	(11,415,206)	(11,542,412)	(11,667,356)	(11,810,715)	(11,833,588)	(11,950,031)	(12,100,990)	(12,257,447)
	Prior year	(9,491,557)	(9,634,333)	(9,722,559)	(9,861,052)	(9,931,523)	(10,054,950)	(10,196,957)	(10,341,869)	(10,462,964)	(10,593,570)	(10,706,838)	(10,854,230)
	Change	(1,490,525)	(1,463,600)	(1,424,373)	(1,411,672)	(1,483,683)	(1,487,462)	(1,470,399)	(1,468,846)	(1,370,624)	(1,356,461)	(1,394,152)	(1,403,217)
108.64	Res - Underground Conductors & Devices	(212,493)	(184,625)	(189,234)	(193,151)	(198,317)	(203,486)	(208,676)	(213,871)	(217,627)	(218,711)	(223,402)	(227,360)
	Prior year	(174,518)	(178,560)	(182,693)	(184,517)	(181,537)	(185,934)	(188,449)	(192,715)	(197,260)	(202,156)	(204,899)	(207,527)
	Change	(37,975)	(6,065)	(6,541)	(8,634)	(16,780)	(17,552)	(20,227)	(21,156)	(20,367)	(16,555)	(18,503)	(19,833)
108.65	Res - Line Transformers	(6,978,415)	(7,015,013)	(7,075,087)	(7,101,818)	(7,124,445)	(7,136,312)	(7,164,447)	(7,224,789)	(7,252,011)	(7,317,926)	(7,338,907)	(7,347,105)
	Prior year	(6,513,176)	(6,569,422)	(6,596,514)	(6,613,623)	(6,635,065)	(6,659,853)	(6,718,827)	(6,778,173)	(6,836,799)	(6,847,002)	(6,905,748)	(6,912,327)
	Change	(465,239)	(445,591)	(478,573)	(488,195)	(489,380)	(476,459)	(446,620)	(446,616)	(415,212)	(470,924)	(433,159)	(434,778)
108.66	Res - Services	(3,953,473)	(3,952,660)	(3,967,610)	(3,983,571)	(3,995,445)	(4,034,122)	(4,083,478)	(4,129,029)	(4,111,129)	(4,140,047)	(4,169,731)	(4,183,089)
	Prior year	(3,501,847)	(3,523,858)	(3,547,428)	(3,606,659)	(3,636,898)	(3,662,444)	(3,713,925)	(3,739,669)	(3,776,930)	(3,814,979)	(3,858,878)	(3,908,705)
	Change	(451,626)	(428,802)	(420,182)	(376,912)	(358,547)	(371,678)	(369,553)	(389,360)	(334,199)	(325,068)	(310,853)	(274,384)
108.67	Res - Meters	(1,969,839)	(2,027,808)	(2,085,998)	(2,144,244)	(2,139,528)	(2,193,033)	(2,254,547)	(2,276,074)	(2,313,153)	(2,333,098)	(2,374,852)	(2,422,453)
	Prior year	(1,538,799)	(1,588,549)	(1,638,701)	(1,684,901)	(1,732,896)	(1,760,398)	(1,709,338)	(1,747,299)	(1,789,593)	(1,825,851)	(1,883,925)	(1,933,314)
	Change	(431,040)	(439,259)	(447,297)	(459,343)	(406,632)	(432,635)	(545,209)	(528,775)	(523,560)	(507,247)	(490,927)	(489,139)
108.68	Res - Installations on Consumer Premises	(716,034)	(673,482)	(637,746)	(628,448)	(618,384)	(610,244)	(613,349)	(614,679)	(600,379)	(587,448)	(586,435)	(575,889)
	Prior year	(702,664)	(704,181)	(698,856)	(705,401)	(702,853)	(698,727)	(707,164)	(708,212)	(711,851)	(704,064)	(708,632)	(713,756)
	Change	(13,370)	30,699	61,110	76,953	84,469	88,483	93,815	93,533	111,472	116,616	122,197	137,867
108.69	Res - Street Lighting & Signal Systems	(45,810)	(47,014)	(48,218)	(49,422)	(48,870)	(49,405)	(50,615)	(51,825)	(51,794)	(53,002)	(51,358)	(52,064)
	Prior year	(35,272)	(36,314)	(36,692)	(37,814)	(38,982)	(40,151)	(41,319)	(42,490)	(43,662)	(43,771)	(44,948)	(45,653)
	Change	(10,538)	(10,700)	(11,526)	(11,608)	(9,888)	(9,254)	(9,296)	(9,335)	(8,132)	(9,231)	(6,410)	(6,411)
108.70	Res - Buildings	(1,674,954)	(1,687,963)	(1,701,051)	(1,656,970)	(1,670,451)	(1,683,957)	(1,697,464)	(1,710,979)	(1,724,406)	(1,737,858)	(1,751,310)	(1,764,884)
	Prior year	(1,543,109)	(1,555,419)	(1,567,792)	(1,580,179)	(1,592,578)	(1,605,108)	(1,617,642)	(1,629,101)	(1,641,707)	(1,636,384)	(1,649,060)	(1,661,954)
	Change	(131,845)	(132,544)	(133,259)	(76,791)	(77,873)	(78,849)	(79,822)	(81,878)	(82,699)	(101,474)	(102,250)	(102,930)
108.71	Res - Office equip	(1,140,561)	(1,157,016)	(1,171,096)	(1,177,536)	(1,189,463)	(1,206,293)	(1,218,481)	(1,232,899)	(1,249,672)	(1,266,477)	(1,282,484)	(1,295,811)
	Prior year	(1,013,572)	(1,028,162)	(1,043,650)	(1,059,158)	(1,055,558)	(1,071,161)	(1,086,699)	(1,070,784)	(1,085,413)	(1,093,718)	(1,108,732)	(1,124,198)
	Change	(126,989)	(128,854)	(127,446)	(118,378)	(133,905)	(135,132)	(131,782)	(162,115)	(164,259)	(172,759)	(173,752)	(171,613)

		January Month 1	February Month 2	March Month 3	April Month 4	May Month 5	June Month 6	July Month 7	August Month 8	September Month 9	October Month 10	November Month 11	December Month 12
Acct #	Description												
108.72	Res - Transportation	(2,431,165)	(2,477,588)	(2,524,988)	(2,300,174)	(2,345,868)	(2,391,617)	(2,437,484)	(2,483,352)	(2,529,541)	(2,575,234)	(2,619,788)	(2,665,562)
	Prior year	(1,953,389)	(1,989,680)	(2,026,629)	(2,064,731)	(2,103,345)	(2,141,879)	(2,180,415)	(2,218,951)	(2,257,487)	(2,296,024)	(2,339,990)	(2,383,955)
	Change	(477,776)	(487,908)	(498,359)	(235,443)	(242,523)	(249,738)	(257,069)	(264,401)	(272,054)	(279,210)	(279,798)	(281,607)
108.73	Res - Stores	(155,506)	(156,392)	(157,278)	(154,608)	(155,472)	(156,336)	(157,200)	(158,063)	(158,927)	(159,791)	(160,654)	(161,549)
	Prior year	(145,198)	(146,069)	(146,935)	(147,792)	(148,649)	(149,506)	(150,363)	(151,220)	(152,077)	(152,934)	(153,791)	(154,649)
	Change	(10,308)	(10,323)	(10,343)	(6,816)	(6,823)	(6,830)	(6,837)	(6,843)	(6,850)	(6,857)	(6,863)	(6,900)
108.74	Res - Tools	(127,813)	(129,287)	(130,760)	(132,283)	(133,806)	(135,324)	(136,954)	(136,142)	(137,792)	(139,442)	(141,092)	(142,743)
	Prior year	(110,131)	(111,605)	(113,078)	(114,552)	(116,025)	(117,498)	(118,972)	(120,446)	(121,919)	(123,392)	(124,866)	(126,339)
	Change	(17,682)	(17,682)	(17,682)	(17,731)	(17,781)	(17,826)	(17,982)	(15,696)	(15,873)	(16,050)	(16,226)	(16,404)
108.75	Res - Laboratory	(176,635)	(177,641)	(178,647)	(179,781)	(180,916)	(182,050)	(183,184)	(184,318)	(185,452)	(186,587)	(187,406)	(183,226)
	Prior year	(164,626)	(165,616)	(166,606)	(167,595)	(168,585)	(169,575)	(170,573)	(171,593)	(172,611)	(173,617)	(174,623)	(175,629)
	Change	(12,009)	(12,025)	(12,041)	(12,186)	(12,331)	(12,475)	(12,611)	(12,725)	(12,841)	(12,970)	(12,783)	(7,597)
108.76	Res - Power equip	(48,902)	(48,928)	(48,954)	(48,980)	(49,006)	(49,032)	(49,057)	(49,083)	(49,109)	(49,135)	(49,161)	(49,186)
	Prior year	(45,088)	(45,406)	(45,724)	(46,042)	(46,360)	(46,678)	(46,996)	(47,314)	(47,632)	(47,949)	(48,267)	(48,585)
	Change	(3,814)	(3,522)	(3,230)	(2,938)	(2,646)	(2,354)	(2,061)	(1,769)	(1,477)	(1,186)	(894)	(601)
108.77	Res - Communication	(583,232)	(591,954)	(600,923)	(609,909)	(368,394)	(370,360)	(378,706)	(387,053)	(395,399)	(403,745)	(412,091)	(420,437)
	Prior year	(694,983)	(701,669)	(708,397)	(569,700)	(524,267)	(530,332)	(536,397)	(542,461)	(548,526)	(557,176)	(565,826)	(574,511)
	Change	111,751	109,715	107,474	(40,209)	155,873	159,972	157,691	155,408	153,127	153,431	153,735	154,074
108.78	Res - Miscellaneous	(355,367)	(362,955)	(366,361)	(375,184)	(382,786)	(390,389)	(397,964)	(403,374)	(393,587)	(401,004)	(408,447)	(415,905)
	Prior year	(272,887)	(280,263)	(287,640)	(295,016)	(302,398)	(307,229)	(314,619)	(322,054)	(329,489)	(336,995)	(344,521)	(352,045)
	Change	(82,480)	(82,692)	(78,721)	(80,168)	(80,388)	(83,160)	(83,345)	(81,320)	(64,098)	(64,009)	(63,926)	(63,860)
108.80	Retire work in progress	323,875	276,175	320,622	342,608	323,910	318,153	311,715	327,185	235,428	238,774	245,950	222,308
	Prior year	269,602	282,027	273,332	298,795	280,592	275,787	292,305	281,626	271,082	266,776	255,882	284,573
	Change	54,273	(5,852)	47,290	43,813	43,318	42,366	19,410	45,559	(35,654)	(28,002)	(9,932)	(62,265)
108.90	RWIP - Contractor	30,945	43,659	1,547	1,448	182	3,404	37,001	47,484	32,231	13,219	11,831	14,584
	Prior year	18,149	19,253	10,182	18,361	20,740	32,570	51,098	40,645	27,316	27,887	31,001	27,615
	Change	12,796	24,406	(8,635)	(16,913)	(20,558)	(29,166)	(14,097)	6,839	4,915	(14,668)	(19,170)	(13,031)
****	Total Reserve for Depreciation	(53,650,180)	(54,019,343)	(54,335,568)	(54,387,919)	(54,538,372)	(54,975,939)	(55,438,986)	(55,887,861)	(56,116,503)	(56,559,506)	(57,062,424)	(57,505,856)
	Prior year	(48,303,897)	(48,794,880)	(49,208,844)	(49,562,765)	(49,892,674)	(50,299,083)	(50,730,741)	(51,204,800)	(51,727,756)	(52,157,309)	(52,661,286)	(53,170,182)
	Change	(5,346,283)	(5,224,463)	(5,126,724)	(4,825,154)	(4,645,698)	(4,676,856)	(4,708,245)	(4,683,061)	(4,388,747)	(4,402,197)	(4,401,138)	(4,335,674)
123.05	Invest in subsidiary	1,643,141	1,643,141	1,643,141	1,643,140	1,643,141	1,643,141	1,643,141	1,643,141	1,643,141	1,643,141	1,643,141	1,767,412
	Prior year	1,613,742	1,613,741	1,613,741	1,613,741	1,613,741	1,613,742	1,613,742	1,613,742	1,613,742	1,613,742	1,613,742	1,643,141
	Change	29,399	29,400	29,400	29,399	29,400	29,399	29,399	29,399	29,399	29,399	29,399	124,271
123.06	Invest in Envision Energy	27,190	27,190	27,190	27,190	27,190	27,190	27,190	27,190	27,190	27,190	27,190	27,190
	Prior year	24,826	24,826	24,826	24,826	24,826	24,826	24,826	24,826	24,826	24,826	24,826	24,605
	Change	2,364	2,364	2,364	2,364	2,364	2,364	2,364	2,364	2,364	2,364	2,364	2,585
123.10	Invest in CADP	146,741	141,920	141,920	141,920	141,920	141,920	141,920	141,920	141,920	141,920	141,920	164,690
	Prior year	126,320	123,785	123,785	123,785	123,785	123,785	123,785	123,785	123,785	123,785	123,785	146,741
	Change	20,421	18,135	18,135	18,135	18,135	18,135	18,135	18,135	18,135	18,135	18,135	17,949
123.11	CFC Patronage Cap	1,057,245	1,057,245	1,057,245	1,057,245	1,057,245	1,057,245	1,057,245	1,057,245	1,118,238	1,118,239	1,118,239	1,118,239
	Prior year	975,732	975,732	975,732	975,732	975,732	975,732	975,732	975,732	1,057,245	1,057,245	1,057,245	1,057,245
	Change	81,513	81,513	81,513	81,513	81,513	81,513	81,513	81,513	60,993	60,994	60,994	60,994
123.12	Invest in EKPC	27,531,845	27,531,845	27,531,845	27,531,845	27,531,845	27,531,845	27,531,845	27,531,845	27,531,845	27,531,845	27,531,845	31,890,184
	Prior year	22,603,172	22,603,173	22,603,173	22,603,173	22,603,173	22,603,173	22,603,173	22,603,173	22,603,173	22,603,173	22,603,173	27,531,845
	Change	4,928,673	4,928,672	4,928,672	4,928,672	4,928,672	4,928,672	4,928,672	4,928,672	4,928,672	4,928,672	4,928,672	4,358,339

Jackson Energy Cooperative
Comparison of Test Year Account Balances with
those of the Preceding Year - Balance Sheet
December 31, 2012

Acct #	Description	January Month 1	February Month 2	March Month 3	April Month 4	May Month 5	June Month 6	July Month 7	August Month 8	September Month 9	October Month 10	November Month 11	December Month 12
123.13	Invest in KAEC pat cap	150,663	150,663	150,663	150,663	150,663	150,663	150,663	150,663	150,663	150,663	150,663	150,663
	Prior year	150,663	150,663	150,663	150,663	150,663	150,663	150,663	150,663	150,663	150,663	150,662	150,663
	Change	0	0	0	0	0	0	0	0	0	0	1	0
123.14	Invest in UUS pat cap	973,026	973,026	973,026	973,026	973,026	973,026	973,026	973,026	973,026	973,026	973,026	973,026
	Prior year	948,851	948,851	948,851	948,851	948,851	948,851	948,851	948,851	973,026	973,026	973,026	973,026
	Change	24,175	24,175	24,175	24,175	24,175	24,175	24,175	24,175	0	0	0	0
123.15	Invest in Federated Ins	172,170	172,170	163,514	163,514	163,514	163,514	163,014	160,538	160,538	160,538	160,538	152,201
	Prior year	157,320	157,320	180,122	180,122	180,122	180,122	180,122	180,122	180,122	180,122	180,122	172,170
	Change	14,850	14,850	(16,608)	(16,608)	(16,608)	(16,608)	(17,108)	(19,584)	(19,584)	(19,584)	(19,584)	(19,969)
123.17	Invest in CoBank	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
	Prior year	0	0	0	0	0	1,000	1,000	1,000	1,000	1,000	1,000	1,000
	Change	1,000	1,000	1,000	1,000	1,000	0	0	0	0	0	0	0
123.22	CFC Cap Term Cert	1,932,691	1,932,691	1,928,584	1,928,584	1,928,584	1,928,584	1,928,584	1,928,584	1,928,584	1,892,412	1,892,412	1,892,412
	Prior year	1,972,717	1,972,716	1,968,863	1,968,863	1,968,863	1,968,863	1,968,863	1,968,863	1,968,863	1,968,863	1,932,691	1,932,691
	Change	(40,026)	(40,025)	(40,279)	(40,279)	(40,279)	(40,279)	(40,279)	(40,279)	(40,279)	(76,451)	(40,279)	(40,279)
123.23	Memberships	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
	Prior year	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
	Change	0	0	0	0	0	0	0	0	0	0	0	0
123.24	Invest in Econ. Development	740,000	740,000	1,480,000	1,480,000	1,480,000	1,480,000	1,459,460	1,449,166	1,449,166	1,438,888	1,428,610	1,408,054
	Prior year	0	0	0	0	0	0	0	0	0	0	740,000	740,000
	Change	740,000	740,000	1,480,000	1,480,000	1,480,000	1,480,000	1,459,460	1,449,166	1,449,166	1,438,888	688,610	668,054
123.26	CFC Member Cap. Sec.	980,000	980,000	980,000	980,000	980,000	980,000	980,000	980,000	980,000	980,000	980,000	980,000
	Prior year	980,000	980,000	980,000	980,000	980,000	980,000	980,000	980,000	980,000	980,000	980,000	980,000
	Change	0	0	0	0	0	0	0	0	0	0	0	0
123.3	Economic Develop Loans	263,898	261,121	258,344	255,567	252,790	250,012	247,235	244,458	244,458	238,904	236,127	233,350
	Prior year	300,000	294,446	291,669	288,891	286,114	283,337	280,560	277,783	275,006	272,229	269,452	266,675
	Change	(36,102)	(33,325)	(33,325)	(33,324)	(33,324)	(33,325)	(33,325)	(33,325)	(30,548)	(33,325)	(33,325)	(33,325)
124.00	Other investments	11,015	11,015	11,015	11,015	11,015	11,020	11,020	11,020	11,020	11,020	11,020	11,020
	Prior year	11,015	11,015	11,015	11,015	11,015	11,015	11,015	11,015	11,015	11,015	11,015	11,015
	Change	0	0	0	0	0	5	5	5	5	5	5	5
124.10	Other Inv.- Fed.Eco.Loan	123,139	121,842	120,545	119,248	117,951	116,654	115,357	114,060	114,060	111,466	110,169	108,872
	Prior year	140,000	137,406	136,109	134,812	133,515	132,218	130,920	129,624	128,327	127,030	125,733	124,436
	Change	(16,861)	(15,564)	(15,564)	(15,564)	(15,564)	(15,564)	(15,563)	(15,564)	(14,267)	(15,564)	(15,564)	(15,564)
124.15	Other Inv.- Fed.Eco.Loan	0	0	0	0	0	0	0	0	227,000	227,000	227,000	227,000
	Prior year	0	0	0	0	0	0	0	0	0	0	0	0
	Change	0	0	0	0	0	0	0	0	227,000	227,000	227,000	227,000
124.20	Other Inv.- Non-Fed.Eco.Loan	52,778	52,222	51,666	51,111	50,555	50,000	49,444	48,889	48,889	47,778	47,222	46,666
	Prior year	60,000	58,889	58,333	57,778	57,222	56,666	56,111	55,555	54,999	54,444	53,889	53,334
	Change	(7,222)	(6,667)	(6,667)	(6,667)	(6,667)	(6,666)	(6,667)	(6,666)	(6,110)	(6,666)	(6,667)	(6,668)
124.25	Other Inv.- Fed.Eco.Loan	0	0	0	0	0	0	0	0	46,000	46,000	46,000	46,000
	Prior year	0	0	0	0	0	0	0	0	0	0	0	0
	Change	0	0	0	0	0	0	0	0	46,000	46,000	46,000	46,000
****	Total Investments	35,807,642	35,798,191	36,520,798	36,516,168	36,511,539	36,506,914	36,481,244	36,463,845	36,797,838	36,742,130	36,727,222	41,199,079
	Prior year	30,065,458	30,053,663	30,067,982	30,063,352	30,058,722	30,055,093	30,050,463	30,045,834	30,146,892	30,142,263	30,841,461	35,809,687
	Change	5,742,184	5,744,528	6,452,816	6,452,816	6,452,817	6,451,821	6,430,781	6,418,011	6,650,946	6,599,867	5,885,761	5,389,392
131.10	Cash - general funds	2,309,774	1,631,060	2,358,969	3,016,654	1,053,604	1,314,178	2,450,245	1,798,758	2,252,671	930,538	1,992,919	1,653,908

		January	February	March	April	May	June	July	August	September	October	November	December
Acct #	Description	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
	Prior year	1,339,898	1,702,942	1,415,322	2,684,311	976,740	1,683,725	1,848,259	643,745	923,061	863,335	1,743,235	2,491,337
	Change	969,876	(71,882)	943,647	332,343	76,864	(369,547)	601,986	1,155,013	1,329,610	67,203	249,684	(837,429)
131.11	Payroll	500	500	500	500	500	500	500	500	500	500	500	500
	Prior year	500	500	500	500	500	500	500	500	500	500	215,020	500
	Change	0	0	0	0	0	0	0	0	0	0	(214,520)	0
131.12	Capital credit	19,308	19,318	4,255	500	(540,030)	(601,928)	(663,439)	(672,997)	1,957	562	139	394
	Prior year	1,479	1,479	500	833	504	(1,236,332)	(1,100,390)	(1,097,073)	(1,075,392)	73,476	19,608	19,314
	Change	17,829	17,839	3,755	(333)	(540,534)	634,404	436,951	424,076	1,077,349	(72,914)	(19,469)	(18,920)
131.14	Economic Development	0	0	0	0	0	0	0	0	0	0	0	0
	Prior year	0	0	0	0	0	0	0	0	32,438	0	0	0
	Change	0	0	0	0	0	0	0	0	(32,438)	0	0	0
131.15	Estill County	78,770	125,864	57,244	58,040	52,856	23,714	35,145	72,005	82,483	19,432	37,604	65,817
	Prior year	93,130	141,846	99,418	121,593	33,610	139,271	100,406	26,301	52,269	69,733	67,070	70,894
	Change	(14,360)	(15,982)	(42,174)	(63,553)	19,246	(115,557)	(65,261)	45,704	30,214	(50,301)	(29,466)	(5,077)
131.16	Clay County	146,331	206,010	193,549	46,912	117,604	78,374	195,919	228,948	204,445	42,996	178,895	213,390
	Prior year	77,157	167,870	132,606	248,250	159,911	218,146	174,291	90,753	187,368	108,624	115,486	241,693
	Change	69,174	38,140	60,943	(201,338)	(42,307)	(139,772)	21,628	138,195	17,077	(65,628)	63,409	(28,303)
131.17	Owsley County	8,704	8,708	8,713	8,718	8,722	8,727	8,732	8,735	8,738	8,741	8,744	8,747
	Prior year	8,647	8,651	8,656	8,661	8,666	8,670	8,675	8,680	8,684	8,689	8,694	8,698
	Change	57	57	57	57	56	57	57	55	54	52	50	49
131.18	Lee County	119,942	156,398	125,055	35,231	111,033	66,435	103,600	136,431	144,307	76,729	88,183	151,341
	Prior year	71,072	141,483	53,197	157,174	91,457	203,199	115,987	56,153	68,641	110,921	109,992	161,847
	Change	48,870	14,915	71,858	(121,943)	19,576	(136,764)	(12,387)	80,278	75,666	(34,192)	(21,809)	(10,506)
131.19	Rockcastle County	42,439	100,954	54,240	90,094	24,512	23,872	66,800	116,149	54,563	89,066	26,581	40,263
	Prior year	88,180	54,899	105,553	49,912	84,164	120,658	57,518	99,366	70,899	107,231	43,906	89,549
	Change	(45,741)	46,055	(51,313)	40,182	(59,652)	(96,786)	9,282	16,783	(16,336)	(18,165)	(17,325)	(49,286)
131.20	Construction	0	0	0	0	0	0	0	0	0	0	0	0
	Prior year	0	38,459	0	0	51,459	0	0	0	0	0	0	0
	Change	0	(38,459)	0	0	(51,459)	0	0	0	0	0	0	0
131.21	Laurel County paystation	412,902	114,792	310,638	187,098	232,720	122,822	306,145	396,749	354,459	114,512	243,731	430,260
	Prior year	209,947	547,944	256,043	270,419	306,055	174,588	389,532	206,407	204,400	226,164	296,232	628,123
	Change	202,955	(433,152)	54,595	(83,321)	(73,335)	(51,766)	(83,387)	190,342	150,059	(111,652)	(52,501)	(197,863)
131.22	Citizens Bank paystation	42,907	57,242	78,675	91,912	54,270	6,384	24,425	39,490	49,257	63,173	73,083	15,598
	Prior year	42,092	64,490	89,894	9,375	24,063	36,492	50,042	64,472	78,515	93,031	103,712	20,765
	Change	815	(7,248)	(11,219)	82,537	30,207	(30,108)	(25,617)	(24,982)	(29,258)	(29,858)	(30,629)	(5,167)
131.23	Flexible Spending Account	63,217	63,217	63,217	63,216	31,441	22,269	18,908	18,908	12,873	12,873	7,602	62,693
	Prior year	0	0	0	0	0	0	0	0	0	0	500	500
	Change	63,217	63,217	63,217	63,216	31,441	22,269	18,908	18,908	12,873	12,873	7,102	62,193
131.4	Transfer of Cash	0	0	0	0	0	0	0	0	0	0	0	0
	Prior year	0	0	0	0	0	0	0	0	0	0	(214,520)	0
	Change	0	0	0	0	0	0	0	0	0	0	214,520	0
134.00	Special deposits	420	420	420	420	420	420	420	420	420	420	420	420
	Prior year	420	420	420	420	420	420	420	420	420	420	420	420
	Change	0	0	0	0	0	0	0	0	0	0	0	0
135.00	Working funds	7,250	7,250	7,250	7,250	7,250	7,250	7,250	7,250	7,250	7,250	7,250	7,250
	Prior year	7,250	7,250	7,250	7,250	7,250	7,250	7,250	7,250	7,250	7,250	7,250	7,250

Jackson Energy Cooperative
Comparison of Test Year Account Balances with
those of the Preceding Year - Balance Sheet
December 31, 2012

Item 8A
page 7 of 16

Acct #	Description	January Month 1	February Month 2	March Month 3	April Month 4	May Month 5	June Month 6	July Month 7	August Month 8	September Month 9	October Month 10	November Month 11	December Month 12
	Change	0	0	0	0	0	0	0	0	0	0	0	0
135.15	Petty Cash - Corporate	300	300	300	300	300	300	300	300	300	300	300	300
	Prior year	290	300	260	300	300	300	300	300	300	300	300	300
	Change	10	0	40	0	0	0	0	0	0	0	0	0
****	Total Cash	3,252,764	2,492,033	3,263,025	3,606,845	1,155,202	1,073,317	2,554,950	2,151,646	3,174,223	1,367,092	2,665,951	2,650,881
	Prior year	1,940,062	2,878,533	2,169,619	3,558,998	1,745,099	1,356,887	1,652,790	107,274	559,353	1,669,674	2,516,905	3,741,190
	Change	1,312,702	(386,500)	1,093,406	47,847	(589,897)	(283,570)	902,160	2,044,372	2,614,870	(302,582)	149,046	(1,090,309)
****	136 Temporary investments	3,000,000	4,000,000	4,000,000	2,000,000	1,000,000	0	3,000,000	2,000,000	1,000,000	2,500,000	0	0
	Prior year	8,600,000	8,000,000	10,500,000	9,500,000	11,000,000	8,000,000	6,500,000	6,000,000	4,000,000	4,500,000	8,000,000	5,000,000
	Change	(5,600,000)	(4,000,000)	(6,500,000)	(7,500,000)	(10,000,000)	(8,000,000)	(3,500,000)	(4,000,000)	(3,000,000)	(2,000,000)	(8,000,000)	(5,000,000)
142.10	Accounts receivable	17,089,340	14,893,606	11,540,818	10,773,310	11,040,518	12,375,683	13,266,661	12,058,319	11,080,283	11,272,593	13,255,016	15,445,771
	Prior year	19,665,117	17,100,953	14,021,930	12,237,481	11,978,412	12,099,488	12,900,427	13,182,745	11,465,374	11,535,563	13,869,582	16,037,298
	Change	(2,575,777)	(2,207,347)	(2,481,112)	(1,464,171)	(937,894)	276,195	366,234	(1,124,426)	(385,091)	(262,970)	(614,566)	(591,527)
142.11	Unbilled fuel charge applied to revenue	137,261	19,357	(155,808)	(352,764)	(467,410)	(441,105)	(480,563)	(481,194)	(257,542)	(65,274)	112,561	367,585
	Prior year	(1,532,288)	(1,288,253)	(1,432,170)	(1,339,517)	(1,325,020)	(794,638)	(139,936)	(87,538)	7,988	(25,907)	140,894	213,518
	Change	1,669,549	1,307,610	1,276,362	986,753	857,610	353,533	(340,627)	(393,656)	(265,530)	(39,367)	(28,333)	154,067
142.13	Customer Accts Rec - Unapplied	(14,369)	(22,063)	(12,908)	(12,857)	(6,491)	(12,379)	(9,739)	(13,598)	(8,442)	(12,965)	(14,532)	(28,482)
	Prior year	(33,862)	(30,291)	(25,659)	(19,708)	(12,601)	(17,621)	(10,561)	(18,299)	(13,827)	(13,882)	(16,333)	(14,945)
	Change	19,493	8,228	12,751	6,851	6,110	5,242	822	4,701	5,385	917	1,801	(13,537)
142.99	Clearing - Customer Accounts	(865)	2,274	0	0	0	0	(9,566)	(9,566)	0	0	0	0
	Prior year	(125)	0	(50)	(50)	(50)	(104)	(105)	(105)	(105)	(912)	0	0
	Change	(740)	2,274	50	50	50	104	(9,461)	(9,461)	105	912	0	0
143.00	Other receivables	0	0	0	0	0	0	0	0	0	0	0	0
	Prior year	0	575	0	0	0	0	121	0	0	0	0	0
	Change	0	(575)	0	0	0	0	(121)	0	0	0	0	0
143.01	Pole rentals	74,981	147,199	220,493	290,957	362,853	434,903	507,887	576,327	648,081	715,319	793,057	921,913
	Prior year	728,126	144,741	205,156	269,443	323,826	388,528	454,836	520,061	588,016	650,112	722,130	847,606
	Change	(653,145)	2,458	15,337	21,514	39,027	46,375	53,051	56,266	60,065	65,207	70,927	74,307
143.05	Booneville-Owsley Co. Industrial	7,740	7,740	7,740	7,740	7,740	7,740	7,740	7,740	7,740	7,740	7,740	7,740
	Prior year	7,740	7,740	7,740	7,740	7,740	7,740	7,740	7,740	7,740	7,740	7,740	7,740
	Change	0	0	0	0	0	0	0	0	0	0	0	0
143.07	Travel advances	0	0	0	0	0	0	0	0	0	0	0	0
	Prior year	0	0	0	0	0	0	0	1,500	698	0	0	0
	Change	0	0	0	0	0	0	0	(1,500)	(698)	0	0	0
143.08	FEMA funds	86,407	86,407	86,407	86,407	86,407	86,407	86,407	86,407	86,407	86,407	(297,048)	86,407
	Prior year	86,407	86,407	86,407	86,407	86,407	86,407	86,407	86,407	86,407	86,407	86,407	86,407
	Change	0	0	0	0	0	0	0	0	0	0	(383,455)	0
143.09	Tornado 2012 - FEMA	0	0	0	0	0	(11,943)	(32,461)	436,761	436,761	436,761	436,761	53,306
	Prior year	0	0	0	0	0	0	0	0	0	0	0	0
	Change	0	0	0	0	0	(11,943)	(32,461)	436,761	436,761	436,761	436,761	53,306
143.10	Cold Checks	560	560	560	560	560	560	560	560	560	0	104	4
	Prior year	241	241	241	241	457	457	457	457	457	560	560	560
	Change	319	319	319	319	103	103	103	103	103	(560)	(456)	(556)
143.11	Choptank Electric	0	0	0	0	0	0	0	0	0	0	0	0
	Prior year	0	0	0	0	0	0	0	34,659	36,163	7,738	7,738	0
	Change	0	0	0	0	0	0	0	(34,659)	(36,163)	(7,738)	(7,738)	0

Jackson Energy Cooperative
Comparison of Test Year Account Balances with
those of the Preceding Year - Balance Sheet
December 31, 2012

Item 8A
page 8 of 16

Acct #	Description	January Month 1	February Month 2	March Month 3	April Month 4	May Month 5	June Month 6	July Month 7	August Month 8	September Month 9	October Month 10	November Month 11	December Month 12
143.12	Rappahannock Electric Coop	0	0	0	0	0	0	0	0	0	0	0	0
	Prior year	0	0	0	0	0	0	0	26,029	62,585	7,458	7,458	0
	Change	0	0	0	0	0	0	0	(26,029)	(62,585)	(7,458)	(7,458)	0
143.13	Clark Snowstorm	0	0	8,020	0	0	0	0	0	0	0	0	0
	Prior year	0	0	0	0	0	0	0	0	0	0	0	0
	Change	0	0	8,020	0	0	0	0	0	0	0	0	0
143.14	Blue Grass Storm	0	0	0	0	0	0	0	0	0	0	0	23,675
	Prior year	0	0	0	0	0	0	0	0	0	0	0	0
	Change	0	0	0	0	0	0	0	0	0	0	0	23,675
143.15	Pioneer Electric Ohio	0	0	0	0	0	22,738	58,121	0	0	0	0	0
	Prior year	0	0	0	0	0	0	0	0	0	0	0	0
	Change	0	0	0	0	0	22,738	58,121	0	0	0	0	0
143.18	Washington Electric Ohio	0	0	0	0	0	0	52,902	0	0	0	0	0
	Prior year	0	0	0	0	0	0	0	0	0	0	0	0
	Change	0	0	0	0	0	0	52,902	0	0	0	0	0
143.19	DEMCO - 2012 Hurricane	0	0	0	0	0	0	0	43,975	101,389	0	0	0
	Prior year	0	0	0	0	0	0	0	0	0	0	0	0
	Change	0	0	0	0	0	0	0	43,975	101,389	0	0	0
143.30	Employee group health	(11,231)	(10,699)	(10,072)	(10,067)	(10,045)	(10,023)	(10,001)	(9,837)	(9,737)	(9,651)	(10,153)	(10,117)
	Prior year	(10,373)	(10,400)	(10,690)	(10,664)	(10,936)	95,478	(10,867)	(10,882)	(10,813)	(10,774)	(10,736)	(10,691)
	Change	(858)	(299)	618	597	891	(105,501)	866	1,045	1,076	1,123	583	574
143.31	Colonial life	0	0	0	(18)	(19)	(19)	(19)	(19)	(19)	(19)	(19)	0
	Prior year	0	0	0	0	0	0	0	0	0	0	0	0
	Change	0	0	0	(18)	(19)	(19)	(19)	(19)	(19)	(19)	(19)	0
143.32	401(k)	54	54	0	0	0	0	0	0	0	0	0	0
	Prior year	0	0	0	0	0	0	0	0	(29)	108	54	54
	Change	54	54	0	0	0	0	0	0	29	(108)	(54)	(54)
143.36	Prepaid Legal Services	0	0	0	0	0	0	0	1	1	1	1	0
	Prior year	0	0	0	0	0	0	0	0	0	0	0	0
	Change	0	0	0	0	0	0	0	1	1	1	1	0
143.37	Flexible Spending Acct.	57,491	52,264	47,038	41,811	36,585	31,358	26,132	20,906	15,679	10,453	5,226	0
	Prior year	0	0	0	0	0	0	0	0	0	0	0	0
	Change	57,491	52,264	47,038	41,811	36,585	31,358	26,132	20,906	15,679	10,453	5,226	0
143.41	Contributions in aid	181,678	182,702	161,001	244,866	213,059	169,119	173,568	79,876	117,057	84,726	77,539	53,381
	Prior year	133,509	94,546	95,881	96,507	96,582	95,899	81,318	220,461	215,209	181,818	194,115	178,661
	Change	48,169	88,156	65,120	148,359	116,477	73,220	92,250	(140,585)	(98,152)	(97,092)	(116,576)	(125,280)
143.42	Miscellaneous stores	33	(69)	(69)	628	1,787	696	673	673	1,162	7,713	5,431	143
	Prior year	759	689	593	1,867	630	790	618	782	582	878	11,820	(69)
	Change	(726)	(758)	(662)	(1,239)	1,157	(94)	55	(109)	580	6,835	(6,389)	212
143.43	Miscellaneous stores	4,115	3,375	3,483	3,544	4,538	4,123	3,560	3,494	3,524	3,630	4,151	1,250
	Prior year	3,475	3,046	3,723	3,288	3,046	3,512	4,230	3,569	3,046	3,939	3,976	3,246
	Change	640	329	(240)	256	1,492	611	(670)	(75)	478	(309)	175	(1,996)
143.46	Billed Labor	0	0	0	7,994	0	0	0	0	0	0	0	0
	Prior year	0	0	0	0	0	0	0	0	0	28,552	0	0
	Change	0	0	0	7,994	0	0	0	0	0	(28,552)	0	0

Jackson Energy Cooperative
Comparison of Test Year Account Balances with
those of the Preceding Year - Balance Sheet
December 31, 2012

Item 8A
page 9 of 16

Acct #	Description	January Month 1	February Month 2	March Month 3	April Month 4	May Month 5	June Month 6	July Month 7	August Month 8	September Month 9	October Month 10	November Month 11	December Month 12
143.47	Cost share	200	0	0	0	0	0	297	0	3,187	26	0	0
	Prior year	0	2,067	32	751	0	0	0	0	0	0	200	54
	Change	200	(2,067)	(32)	(751)	0	0	297	0	3,187	26	(200)	(54)
143.50	Marketing loans	5,161	5,161	5,161	3,161	3,161	3,161	3,161	3,161	2,361	2,161	2,161	1,800
	Prior year	7,266	5,986	5,627	5,587	5,580	5,580	5,361	5,361	5,361	5,241	5,241	5,483
	Change	(2,105)	(825)	(466)	(2,426)	(2,419)	(2,419)	(2,200)	(2,200)	(3,000)	(3,080)	(3,080)	(3,683)
143.52	Cost share	0	0	5,678	0	135	0	0	0	0	0	0	0
	Prior year	0	0	161	0	0	0	0	0	0	0	0	0
	Change	0	0	5,517	0	135	0	0	0	0	0	0	0
143.53	Employees	25,521	23,307	23,969	21,774	21,085	18,485	15,154	16,633	13,256	13,455	15,795	18,162
	Prior year	11,983	11,335	13,243	9,454	7,896	8,846	12,638	11,593	12,819	11,357	14,018	26,250
	Change	13,538	11,972	10,726	12,320	13,189	9,639	2,516	5,040	437	2,098	1,777	(8,088)
143.56	KY Energy Retrofit Rider	128,570	69,807	53,599	52,388	38,945	17,471	7,277	9,718	2,433	40,773	41,504	59,720
	Prior year	0	0	0	0	0	(1,823)	26,638	35,406	71,726	76,562	98,741	127,110
	Change	128,570	69,807	53,599	52,388	38,945	19,294	(19,361)	(25,688)	(69,293)	(35,789)	(57,237)	(67,390)
143.57	MACED Program	71,318	149,563	147,235	179,640	180,269	192,799	192,255	208,445	202,439	208,147	214,033	228,571
	Prior year	0	0	0	0	0	0	(41)	0	13,640	15,647	41,376	45,483
	Change	71,318	149,563	147,235	179,640	180,269	192,799	192,296	208,445	188,799	192,500	172,657	183,088
143.60	EKPC rebates	3,936	4,423	2,247	12,882	2,398	1,788	1,949	1,749	2,883	4,153	1,818	195
	Prior year	3,382	8,209	6,711	3,954	2,804	2,474	3,041	5,049	12,757	4,106	4,019	1,536
	Change	554	(3,786)	(4,464)	8,928	(406)	(686)	(1,092)	(3,300)	(9,874)	47	(2,201)	(1,341)
143.61	Contractor	900	900	600	300	700	0	0	0	0	0	0	0
	Prior year	0	300	900	600	0	0	0	0	0	0	0	600
	Change	900	600	(300)	(300)	700	0	0	0	0	0	0	(600)
143.63	Bill to employees	1,690	2,966	1,590	2,075	105	348	2,527	1,052	1,605	3,576	100	1,632
	Prior year	2,367	2,905	4,156	4,565	4,532	5,322	709	3,800	2,083	3,080	630	3,695
	Change	(677)	61	(2,566)	(2,490)	(4,427)	(4,974)	1,818	(2,748)	(478)	496	(530)	(2,063)
144.10	Provision for uncollectibles	(162,083)	(172,451)	(168,041)	(238,754)	(241,097)	(219,493)	(179,435)	(162,463)	(117,628)	(123,562)	(115,777)	(118,700)
	Prior year	(158,070)	(188,643)	(239,406)	(357,530)	(464,184)	(528,103)	(396,009)	(329,309)	(270,743)	(264,726)	(260,983)	(234,607)
	Change	(4,013)	16,192	71,365	118,776	223,087	308,610	216,574	166,846	153,115	141,164	145,206	115,907
144.4	Uncoll. - Other A/R	(6,987)	(7,426)	(7,864)	(8,303)	(8,741)	(9,180)	(9,618)	(10,057)	(10,495)	(10,934)	(11,372)	3,847
	Prior year	19,917	(5,359)	(5,797)	(6,235)	(6,674)	(6,426)	(6,864)	(7,303)	(7,741)	(8,180)	(8,618)	(9,057)
	Change	(26,904)	(2,067)	(2,067)	(2,068)	(2,067)	(2,754)	(2,754)	(2,754)	(2,754)	(2,754)	(2,754)	12,904
146.11	Jackson Energy Services	293	313	333	112	132	152	106	126	146	116	136	156
	Prior year	150	170	398	370	390	451	119	471	588	209	229	331
	Change	143	143	(65)	(258)	(258)	(299)	(13)	(345)	(442)	(93)	(93)	(175)
146.30	Propane	0	437	0	1,356	0	0	508	0	0	431	0	0
	Prior year	0	604	753	58	204	0	261	0	115	730	0	463
	Change	0	(167)	(753)	1,298	(204)	0	247	0	(115)	(299)	0	(463)
****	Total Receivables	17,681,714	15,439,707	11,961,210	11,108,742	11,267,174	12,663,389	13,676,043	12,869,189	12,323,091	12,675,776	14,524,233	17,117,959
	Prior year	18,935,721	15,947,568	12,739,880	10,994,609	10,699,041	11,452,257	13,020,538	13,692,654	12,290,096	12,303,424	14,920,258	17,316,726
	Change	(1,254,007)	(507,861)	(778,670)	114,133	568,133	1,211,132	655,505	(823,465)	32,995	372,352	(396,025)	(198,767)
154.00	Material & supplies	991,017	1,029,986	1,034,063	993,088	1,096,963	1,047,428	1,107,709	1,126,377	1,066,495	1,033,969	961,363	1,024,780
	Prior year	1,188,660	1,111,804	1,048,644	1,026,404	1,050,762	1,032,574	1,085,918	1,011,397	999,511	955,971	926,546	929,814
	Change	(197,643)	(81,818)	(14,581)	(33,316)	46,201	14,854	21,791	114,980	66,984	77,998	34,817	94,966
154.20	Gas and parts	83,525	81,937	89,570	86,257	89,357	92,311	99,679	97,870	106,644	90,483	91,303	96,082

Jackson Energy Cooperative
Comparison of Test Year Account Balances with
those of the Preceding Year - Balance Sheet
December 31, 2012

Acct #	Description	January Month 1	February Month 2	March Month 3	April Month 4	May Month 5	June Month 6	July Month 7	August Month 8	September Month 9	October Month 10	November Month 11	December Month 12
	Prior year	98,000	104,345	97,297	97,519	90,665	87,897	75,527	80,283	79,123	80,031	80,599	85,100
	Change	(14,475)	(22,408)	(7,727)	(11,262)	(1,308)	4,414	24,152	17,587	27,521	10,452	10,704	10,982
154.30	Tools	123,142	152,639	157,077	165,343	195,643	217,950	212,188	209,508	199,812	170,581	171,080	168,137
	Prior year	132,822	133,703	129,973	126,446	136,814	142,478	168,003	168,511	135,534	128,438	131,458	128,237
	Change	(9,680)	18,936	27,104	38,897	58,829	75,472	44,185	40,997	64,278	42,143	39,622	39,900
154.99	Material & supplies	20,292	37,148	3,878	(7,587)	(19,267)	7,704	(7,204)	13,034	47,577	(805)	18,135	47,937
	Prior year	6,624	39,618	8,042	(20,587)	(1,978)	12,952	17,293	843	27,352	(3,987)	23,866	(661)
	Change	13,668	(2,470)	(4,164)	13,000	(17,289)	(5,248)	(24,497)	12,191	20,225	3,182	(5,731)	48,598
155.02	ETS units	9,428	8,735	8,495	8,495	8,495	8,495	8,495	8,495	8,461	8,201	9,574	9,511
	Prior year	8,313	8,993	8,399	8,122	7,872	7,872	7,872	7,872	7,740	8,289	7,001	5,940
	Change	1,115	(258)	96	373	623	623	623	623	721	(88)	2,573	3,571
163.00	Stores	5,599	4,427	4,851	6,422	6,926	4,734	33	4,314	4,322	5,089	4,074	5,401
	Prior year	5,519	3,264	23,214	3,872	3,641	4,183	5,567	4,428	5,931	5,234	4,034	4,008
	Change	80	1,163	(18,363)	2,550	3,285	551	(5,534)	(114)	(1,609)	(145)	40	1,393
****	Total Material & Supplies	1,233,003	1,314,872	1,297,934	1,252,018	1,378,117	1,378,622	1,420,900	1,459,598	1,433,311	1,307,518	1,255,529	1,351,848
	Prior year	1,439,938	1,401,727	1,315,569	1,241,776	1,287,776	1,287,956	1,360,180	1,273,334	1,255,191	1,173,976	1,173,504	1,152,438
	Change	(206,935)	(86,855)	(17,635)	10,242	90,341	90,666	60,720	186,264	178,120	133,542	82,025	199,410
165.10	Insurance	250,196	224,567	276,273	252,944	234,967	216,991	173,721	160,803	147,885	134,967	299,561	286,644
	Prior year	297,634	257,131	216,628	176,125	385,038	342,027	219,510	179,351	139,192	99,033	101,478	103,923
	Change	(47,438)	(32,564)	59,645	76,819	(150,071)	(125,036)	(45,789)	(18,548)	8,693	35,934	198,083	182,721
165.25	Medical insurance	0	0	0	0	0	0	0	0	0	1,106	2,212	0
	Prior year	0	0	0	0	0	0	0	0	0	0	327	327
	Change	0	0	0	0	0	0	0	0	0	1,106	1,885	(327)
165.26	Transformers	3,593	3,593	3,593	3,593	3,593	3,593	3,593	3,593	3,593	3,593	3,593	3,593
	Prior year	3,593	3,593	3,593	3,593	3,593	3,593	3,593	3,593	3,593	3,593	3,593	3,593
	Change	0	0	0	0	0	0	0	0	0	0	0	0
171.00	Interest	55,182	67,359	79,562	18,548	30,751	42,956	55,156	67,360	79,563	18,553	30,741	42,928
	Prior year	42,913	55,085	67,255	10,160	31,971	45,367	58,758	72,154	85,550	18,575	30,779	42,983
	Change	12,269	12,274	12,307	8,388	(1,220)	(2,411)	(3,602)	(4,794)	(5,987)	(22)	(38)	(55)
****	Total Prepayments	308,971	295,519	359,428	275,085	269,311	263,540	232,470	231,756	231,041	158,219	336,107	333,165
	Prior year	344,140	315,809	287,476	189,878	420,602	390,987	281,861	255,098	228,335	121,201	136,177	150,826
	Change	(35,169)	(20,290)	71,952	85,207	(151,291)	(127,447)	(49,391)	(23,342)	2,706	37,018	199,930	182,339
182.3	COLA Past Service Funding	2,034,958	2,029,290	2,023,623	2,017,954	2,012,286	2,006,617	2,000,949	1,995,280	1,989,612	1,983,944	1,978,275	1,972,607
	Prior year	0	0	0	0	0	0	0	0	0	0	0	0
	Change	2,034,958	2,029,290	2,023,623	2,017,954	2,012,286	2,006,617	2,000,949	1,995,280	1,989,612	1,983,944	1,978,275	1,972,607
184.10	Transportation clearing	2,284	(10,610)	2,156	4,353	2,784	2,728	2,771	1,212	(991)	1,448	1,427	241
	Prior year	8,218	(28,737)	(27,382)	(20,320)	(5,564)	7,795	7,974	4,296	4,327	4,360	(15,974)	4,182
	Change	(5,934)	18,127	29,538	24,673	8,348	(5,067)	(5,203)	(3,084)	(5,318)	(2,912)	17,401	(3,941)
184.11	PRTCC Vehicle Maintenance Work	0	0	0	0	0	0	0	597	7,209	3,912	(823)	(602)
	Prior year	0	0	0	0	0	0	0	0	0	0	0	0
	Change	0	0	0	0	0	0	0	597	7,209	3,912	(823)	(602)
184.20	Employee benefits	65,962	159,453	240,488	369,563	459,077	557,947	657,681	753,681	561,488	372,868	180,652	0
	Prior year	88,818	177,161	277,214	367,399	460,686	443,184	638,186	730,046	539,462	363,283	178,362	5,630
	Change	(22,856)	(17,708)	(36,726)	2,164	(1,609)	114,763	19,495	23,635	22,026	9,585	2,290	(5,630)
186.21	Pending Cash Reversals	143,951	152,512	216,709	177,462	95,809	181,852	132,662	212,165	158,533	84,737	160,397	136,221
	Prior year	112,550	267,359	116,427	166,087	157,374	77,589	131,809	85,497	159,821	156,278	81,554	185,712

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Jackson Energy Cooperative
Comparison of Test Year Account Balances with
those of the Preceding Year - Balance Sheet
December 31, 2012

Item 8A
page 12 of 16

Acct #	Description	January Month 1	February Month 2	March Month 3	April Month 4	May Month 5	June Month 6	July Month 7	August Month 8	September Month 9	October Month 10	November Month 11	December Month 12
****	Total Other Equities	1,311,587	1,329,988	1,344,355	1,354,123	2,059,227	2,059,601	2,071,729	2,073,624	2,761,353	2,764,301	2,787,951	2,803,856
	Prior year	(434,644)	(416,091)	(400,572)	(385,001)	(366,067)	148,104	161,586	169,762	183,581	1,249,124	1,258,041	1,268,674
	Change	1,746,231	1,746,079	1,744,927	1,739,124	2,425,294	1,911,497	1,910,143	1,903,862	2,577,772	1,515,177	1,529,910	1,535,182
*****	Total Margins & Equities	72,056,318	72,056,145	71,995,968	71,957,196	69,242,663	69,195,439	69,143,332	69,078,820	69,738,944	69,700,223	69,710,699	69,672,426
	Prior year	67,303,198	67,284,311	67,246,511	67,231,635	67,197,915	64,746,084	64,694,653	64,643,440	64,602,558	65,629,197	65,612,246	65,562,055
	Change	4,753,120	4,771,834	4,749,457	4,725,561	2,044,748	4,449,355	4,448,679	4,435,380	5,136,386	4,071,026	4,098,453	4,110,371
**** 223	Notes payable - short term	0	0	0	0	0	0	0	0	0	0	0	1,000,000
223.00	Prior year	0	0	0	0	0	0	0	0	0	0	0	0
	Change	0	0	0	0	0	0	0	0	0	0	0	1,000,000
224.12	CFC notes executed	24,324,529	23,703,451	23,703,451	23,703,451	23,086,911	23,086,911	23,086,911	22,461,644	22,461,644	22,461,644	21,852,581	21,852,581
	Prior year	26,802,898	26,184,170	26,184,170	26,184,170	25,564,846	25,564,846	25,564,845	24,936,935	24,936,935	24,936,935	24,324,529	24,324,530
	Change	(2,478,369)	(2,480,719)	(2,480,719)	(2,480,719)	(2,477,935)	(2,477,935)	(2,477,934)	(2,475,291)	(2,475,291)	(2,475,291)	(2,471,948)	(2,471,949)
224.16	Economic Development	864,436	863,139	1,601,842	1,600,545	1,599,248	1,597,951	1,586,376	1,574,801	1,563,226	1,551,651	1,540,076	1,528,501
	Prior year	140,000	138,703	137,406	136,109	134,812	133,515	132,218	130,921	129,624	128,327	867,030	865,733
	Change	724,436	724,436	1,464,436	1,464,436	1,464,436	1,464,436	1,454,158	1,443,880	1,433,602	1,423,324	673,046	662,768
224.18	Economic Development	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	527,000	527,000	527,000	527,000
	Prior year	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
	Change	0	0	0	0	0	0	0	0	227,000	227,000	227,000	227,000
224.20	FFB notes executed	78,378,629	78,378,629	78,378,629	77,916,534	77,916,534	77,916,534	83,458,403	83,458,403	83,458,403	82,996,896	82,996,896	82,531,796
	Prior year	74,126,049	74,126,049	73,674,342	73,674,342	73,674,342	73,240,283	73,240,283	73,240,283	72,800,691	72,800,691	72,800,691	78,378,629
	Change	4,252,580	4,252,580	4,704,287	4,242,192	4,242,192	4,676,251	10,218,120	10,218,120	10,657,712	10,196,205	10,196,205	4,153,167
224.30	RUS notes executed	30,707,279	30,644,930	30,590,058	30,531,125	30,471,337	30,411,984	30,360,702	30,309,270	30,249,280	30,192,852	30,136,969	30,071,032
	Prior year	31,370,284	31,306,685	31,254,695	31,198,566	31,146,152	31,089,618	31,036,790	30,983,744	30,926,604	30,873,147	30,815,593	30,761,707
	Change	(663,005)	(661,755)	(664,637)	(667,441)	(674,815)	(677,634)	(676,088)	(674,474)	(677,324)	(680,295)	(678,624)	(690,675)
224.60	Advance payments unapplied	(351,852)	(356,230)	(356,230)	(356,230)	(356,230)	(356,230)	(360,707)	(365,241)	(365,241)	(365,241)	(369,781)	(369,781)
	Prior year	(334,796)	(338,923)	(338,923)	(338,923)	(343,195)	(343,195)	(343,195)	(347,520)	(347,519)	(347,520)	(351,852)	(351,852)
	Change	(17,056)	(17,307)	(17,307)	(17,307)	(13,035)	(13,035)	(17,512)	(17,721)	(17,722)	(17,721)	(17,929)	(17,929)
****	Total long term debt	134,223,021	133,533,919	134,217,750	133,695,425	133,017,800	132,957,150	138,431,685	137,738,877	137,894,312	137,364,802	136,683,741	136,141,129
	Prior year	132,404,435	131,716,684	131,211,690	131,154,264	130,476,957	129,985,067	129,930,941	129,244,363	128,746,335	128,691,580	128,755,991	134,278,747
	Change	1,818,586	1,817,235	3,006,060	2,541,161	2,540,843	2,972,083	8,500,744	8,494,514	9,147,977	8,673,222	7,927,750	1,862,382
**** 228	Postretirement benefits	7,892,425	7,918,704	7,944,999	7,971,311	7,998,426	8,025,368	8,053,196	8,080,507	8,107,818	8,135,129	8,162,235	8,188,760
228.30	Prior year	7,588,913	7,612,518	7,636,741	7,660,965	7,685,398	7,710,396	7,735,325	7,761,531	7,787,736	7,813,942	7,840,075	7,866,281
	Change	303,512	306,186	308,258	310,346	313,028	314,972	317,871	318,976	320,082	321,187	322,160	322,479
232.10	Accounts payable - general	7,925,896	7,343,396	6,161,272	4,586,864	5,736,186	6,073,805	7,714,345	6,272,768	5,654,535	5,970,089	7,422,882	8,779,590
	Prior year	9,328,977	7,146,376	6,089,919	5,016,516	5,145,227	6,608,797	6,951,713	7,216,099	5,758,799	5,592,572	7,997,067	8,948,074
	Change	(1,403,081)	197,020	71,353	(429,652)	590,959	(534,992)	762,632	(943,331)	(104,264)	377,517	(574,185)	(168,484)
232.31	Mint plan	656	656	656	656	656	240	656	656	656	239	656	239
	Prior year	656	656	656	656	656	656	656	656	656	656	656	656
	Change	0	0	0	0	0	(416)	0	0	0	(417)	0	(417)
232.33	Child support	711	0	0	0	0	0	474	237	711	0	474	237
	Prior year	0	0	0	474	237	474	0	474	474	237	0	237
	Change	711	0	0	(474)	(237)	(474)	474	237	237	(237)	474	0
232.34	Acre	1,458	1,650	1,843	2,035	2,324	0	154	308	500	694	991	1,189
	Prior year	1,615	1,813	2,014	2,213	2,411	2,702	2,897	389	584	778	972	1,263
	Change	(157)	(163)	(171)	(178)	(87)	(2,702)	(2,743)	(81)	(84)	(84)	19	(74)

Jackson Energy Cooperative
Comparison of Test Year Account Balances with
those of the Preceding Year - Balance Sheet
December 31, 2012

Item 8A
page 13 of 16

Acct #	Description	January Month 1	February Month 2	March Month 3	April Month 4	May Month 5	June Month 6	July Month 7	August Month 8	September Month 9	October Month 10	November Month 11	December Month 12
232.35	Garnished	0	0	0	0	0	0	0	0	0	0	0	0
	Prior year	19	0	0	2,219	2,591	925	0	0	1,850	925	2,775	0
	Change	(19)	0	0	(2,219)	(2,591)	(925)	0	0	(1,850)	(925)	(2,775)	0
232.36	MetLife life ins	339	307	307	307	307	307	307	307	307	307	307	0
	Prior year	309	309	309	265	242	277	288	(352)	384	384	354	339
	Change	30	(2)	(2)	42	65	30	19	659	(77)	(77)	(47)	(339)
232.38	MACED Program	71,318	149,563	147,206	180,420	181,105	192,798	182,688	198,889	203,420	208,147	214,033	228,571
	Prior year	0	0	0	0	0	0	0	0	13,674	15,587	41,338	45,483
	Change	71,318	149,563	147,206	180,420	181,105	192,798	182,688	198,889	189,746	192,560	172,695	183,088
232.60	Partialmemberships	8,174	8,174	8,174	8,174	8,174	8,174	8,174	8,174	8,174	8,174	0	0
	Prior year	8,174	8,174	8,174	8,174	8,174	8,174	8,174	8,174	8,174	8,174	8,174	8,174
	Change	0	0	0	0	0	0	0	0	0	0	(8,174)	(8,174)
232.81	Dollywood	0	0	0	0	0	0	0	0	0	0	0	0
	Prior year	0	0	0	583	2,070	4,255	4,119	990	308	0	0	0
	Change	0	0	0	(583)	(2,070)	(4,255)	(4,119)	(990)	(308)	0	0	0
232.82	Kings Island	0	0	0	0	0	0	0	0	0	0	0	0
	Prior year	0	0	0	168	1,843	1,170	2,022	197	145	0	0	0
	Change	0	0	0	(168)	(1,843)	(1,170)	(2,022)	(197)	(145)	0	0	0
232.83	Splash & Play	0	0	0	0	0	0	0	0	0	0	0	0
	Prior year	0	0	0	0	0	355	865	154	154	0	0	0
	Change	0	0	0	0	0	(355)	(865)	(154)	(154)	0	0	0
232.90	Amer. Express Purchases	146,671	98,292	113,229	262,748	169,089	342,110	194,238	245,860	178,846	41,913	3,786	248,573
	Prior year	31,734	33,295	177,583	202,130	113,004	58,281	343,092	229,887	51,834	244,926	87,685	52,020
	Change	114,937	64,997	(64,354)	60,618	56,085	283,829	(148,854)	15,973	127,012	(203,013)	(83,899)	196,553
234.52	Round-up	0	0	2,198	2,188	0	0	0	0	0	0	0	2,533
	Prior year	0	0	1,961	1,945	1,983	0	0	0	0	2,257	0	2,190
	Change	0	0	237	243	(1,983)	0	0	0	0	(2,257)	0	343
****	Total Payables	8,155,223	7,602,038	6,434,885	5,043,392	6,097,841	6,617,434	8,101,036	6,727,199	6,047,149	6,229,563	7,643,129	9,260,932
	Prior year	9,371,484	7,190,623	6,280,616	5,235,343	5,278,438	6,686,066	7,313,826	7,456,194	5,837,036	5,866,496	8,139,021	9,058,436
	Change	(1,216,261)	411,415	154,269	(191,951)	819,403	(68,632)	787,210	(728,995)	210,113	363,067	(495,892)	202,496
****	235 Customer deposits	1,613,772	1,628,346	1,592,676	1,530,956	1,416,599	1,346,109	1,283,748	1,256,478	1,208,773	1,163,840	1,124,035	1,094,290
235.00	Prior year	1,771,848	1,818,832	1,840,069	1,847,879	1,837,034	1,806,508	1,798,498	1,734,513	1,678,546	1,675,711	1,653,713	1,611,847
	Change	(158,076)	(190,486)	(247,393)	(316,923)	(420,435)	(460,399)	(514,750)	(478,035)	(469,773)	(511,871)	(529,678)	(517,557)
236.10	Acc property taxes	226,728	368,730	432,288	574,290	716,292	858,294	442,459	584,461	370,046	245,398	255,176	0
	Prior year	284,334	284,004	426,006	568,008	710,007	852,009	994,011	592,015	163,013	147,304	33,781	84,726
	Change	(57,606)	84,726	6,282	6,282	6,285	6,285	(551,552)	(7,554)	207,033	98,094	221,395	(84,726)
236.20	Acc FUTA tax	3,820	5,425	2,719	(2,906)	(2,852)	(2,915)	(2,899)	34	44	25	69	82
	Prior year	4,773	6,880	7,118	7	29	104	114	202	229	254	75	162
	Change	(953)	(1,455)	(4,399)	(2,913)	(2,881)	(3,019)	(3,013)	(168)	(185)	(229)	(6)	(80)
236.30	Acc FICA tax	(113)	(945)	(945)	(1,186)	(1,186)	(1,186)	(1,397)	0	0	(579)	0	0
	Prior year	0	0	(314)	(564)	(677)	(1,164)	(1,164)	(1,164)	0	0	0	832
	Change	(113)	(945)	(631)	(622)	(509)	(22)	(233)	1,164	0	(579)	0	(832)
236.40	Acc SUTA tax	6,414	10,973	0	125	216	0	66	97	0	42	135	0
	Prior year	6,003	9,577	(43)	36	72	0	142	271	0	41	104	0
	Change	411	1,396	43	89	144	0	(76)	(174)	0	1	31	0
236.50	Sales tax	175,302	169,897	173,290	179,967	185,949	188,512	199,473	192,183	189,140	199,961	202,995	213,453

Jackson Energy Cooperative
Comparison of Test Year Account Balances with
those of the Preceding Year - Balance Sheet
December 31, 2012

Item 8A
page 14 of 16

Acct #	Description	January Month 1	February Month 2	March Month 3	April Month 4	May Month 5	June Month 6	July Month 7	August Month 8	September Month 9	October Month 10	November Month 11	December Month 12
	Prior year	161,940	151,224	147,405	136,004	148,317	144,896	153,066	163,624	151,794	160,853	54,621	173,935
	Change	13,362	18,673	25,885	43,963	37,632	43,616	46,407	28,559	37,346	39,108	148,374	39,518
236.51	Madison school tax	153	142	106	84	83	87	104	108	90	86	113	141
	Prior year	154	156	124	93	78	78	84	94	91	83	99	130
	Change	(1)	(14)	(18)	(9)	5	9	20	14	(1)	3	14	11
236.52	London city tax	11,863	5,217	5,230	5,537	5,828	6,329	6,436	6,161	5,085	5,106	5,453	5,962
	Prior year	5,774	5,168	5,435	5,290	5,841	5,426	5,455	6,240	5,323	5,300	5,532	5,927
	Change	6,089	49	(205)	247	(13)	903	981	(79)	(238)	(194)	(79)	35
236.53	Estill school tax	49,440	45,280	36,082	31,518	32,953	37,683	42,590	41,072	34,076	33,139	38,993	45,572
	Prior year	55,475	49,684	40,215	34,447	32,816	34,711	37,166	40,227	35,821	33,155	38,132	45,001
	Change	(6,035)	(4,404)	(4,133)	(2,929)	137	2,972	5,424	845	(1,745)	(16)	861	571
236.54	Lee school tax	35,581	33,220	27,391	24,359	25,299	28,031	30,728	29,894	25,776	25,079	28,321	32,558
	Prior year	38,457	34,899	28,897	25,259	24,326	25,490	26,730	28,869	26,507	25,240	28,475	32,665
	Change	(2,876)	(1,679)	(1,506)	(900)	973	2,541	3,998	1,025	(731)	(161)	(154)	(107)
236.56	Clay school tax	94,897	84,591	68,978	62,459	64,584	71,422	79,847	78,002	66,271	67,617	79,307	89,779
	Prior year	100,817	90,546	75,543	66,740	64,259	66,677	69,708	74,788	68,905	67,385	78,024	89,555
	Change	(5,920)	(5,955)	(6,565)	(4,281)	325	4,745	10,139	3,214	(2,634)	232	1,283	224
236.57	Rockcastle school tax	66,228	61,984	48,309	39,678	41,022	45,520	51,036	49,879	41,830	41,417	50,582	61,038
	Prior year	77,122	68,939	54,556	44,462	39,853	41,117	44,397	49,184	44,787	41,186	47,947	58,889
	Change	(10,894)	(6,955)	(6,247)	(4,784)	1,169	4,403	6,639	695	(2,957)	231	2,635	2,149
236.58	Laurel school tax	256,616	225,091	177,016	159,574	170,067	191,552	207,205	199,117	170,586	175,189	204,272	237,267
	Prior year	285,905	247,085	199,344	174,518	169,543	178,369	184,561	195,841	179,552	172,450	202,079	239,244
	Change	(29,289)	(21,994)	(22,328)	(14,944)	524	13,183	22,644	3,276	(8,966)	2,739	2,193	(1,977)
236.59	Wolfe school tax	148	144	117	99	95	99	114	119	102	97	108	120
	Prior year	153	145	123	103	93	96	105	119	110	103	111	126
	Change	(5)	(1)	(6)	(4)	2	3	9	0	(8)	(6)	(3)	(6)
236.60	Owsley school tax	27,869	26,080	20,886	17,746	18,100	19,749	21,878	21,555	18,600	18,357	22,001	25,725
	Prior year	31,418	28,586	23,253	19,514	17,964	18,349	19,348	21,262	19,751	18,612	21,383	25,378
	Change	(3,549)	(2,506)	(2,367)	(1,768)	136	1,400	2,530	293	(1,151)	(255)	618	347
236.61	Breathitt school tax	53	51	49	49	54	64	70	70	62	54	47	46
	Prior year	53	55	56	60	61	63	71	81	78	64	55	52
	Change	0	(4)	(7)	(11)	(7)	1	(1)	(11)	(16)	(10)	(8)	(6)
236.62	Leslie school tax	(5,906)	347	558	415	393	400	463	480	386	342	481	588
	Prior year	0	0	0	0	0	0	0	0	0	0	0	0
	Change	(5,906)	347	558	415	393	400	463	480	386	342	481	588
236.63	Lincoln school tax	37	33	26	22	22	26	29	27	23	24	28	33
	Prior year	58	48	34	27	25	25	23	25	21	21	25	31
	Change	(21)	(15)	(8)	(5)	(3)	1	6	2	2	3	3	2
236.64	Jackson Co. school tax	86,567	74,421	57,362	50,653	52,024	58,356	62,690	59,080	51,802	56,313	67,915	80,186
	Prior year	0	0	0	2	3	5	29,625	59,149	84,475	56,758	68,560	81,067
	Change	86,567	74,421	57,362	50,651	52,021	58,351	33,065	(69)	(32,673)	(445)	(645)	(881)
236.65	Irvine city tax	539	381	384	387	441	518	591	519	377	385	449	510
	Prior year	635	489	437	363	446	461	556	575	399	421	471	558
	Change	(96)	(108)	(53)	24	(5)	57	35	(56)	(22)	(36)	(22)	(48)
236.66	Mt Vernon city tax	1,463	1,289	1,068	1,055	1,298	1,399	1,490	1,381	1,151	1,227	1,430	1,587
	Prior year	1,749	1,510	1,255	1,078	1,142	1,182	1,280	1,502	1,160	1,248	1,299	1,524

December 31, 2012													
Acct #	Description	January Month 1	February Month 2	March Month 3	April Month 4	May Month 5	June Month 6	July Month 7	August Month 8	September Month 9	October Month 10	November Month 11	December Month 12
	Change	(286)	(221)	(187)	(23)	156	217	210	(121)	(9)	(21)	131	63
236.67	Powell Co school tax	0	147	246	194	191	219	268	273	219	198	247	302
	Prior year	0	0	0	0	0	0	0	0	0	0	0	0
	Change	0	147	246	194	191	219	268	273	219	198	247	302
236.69	Garrard Co school tax	0	44	66	44	40	41	56	53	36	31	48	60
	Prior year	0	0	0	0	0	0	0	0	0	0	0	0
	Change	0	44	66	44	40	41	56	53	36	31	48	60
236.71	Clay Co. Occupational	523	1,037	0	526	1,309	0	741	1,255	0	545	1,363	0
	Prior year	466	923	0	506	1,082	0	514	992	0	528	1,046	0
	Change	57	114	0	20	227	0	227	263	0	17	317	0
236.72	Jackson Co. Occupational	3,253	6,479	0	3,310	8,243	0	3,770	7,054	0	3,307	8,325	0
	Prior year	3,157	6,192	0	3,145	6,263	0	3,185	6,285	(29,514)	3,246	6,442	0
	Change	96	287	0	165	1,980	0	585	769	29,514	61	1,883	0
236.73	Estill Co. Occupational	398	764	0	359	918	0	501	877	0	392	970	0
	Prior year	369	728	0	366	754	0	409	801	0	376	753	0
	Change	29	36	0	(7)	164	0	92	76	0	16	217	0
236.74	Laurel Co. Occupational	0	0	0	1,194	0	0	0	0	1,383	1,357	2,097	0
	Prior year	0	0	0	1,084	1,104	0	0	0	0	0	0	0
	Change	0	0	0	110	(1,104)	0	0	0	1,383	1,357	2,097	0
236.75	Rockcastle Co. Occupational	498	992	0	540	1,342	0	818	1,370	0	536	1,357	0
	Prior year	449	894	0	491	982	0	506	999	0	476	954	0
	Change	49	98	0	49	360	0	312	371	0	60	403	0
236.76	Pulaski Co. School Tax	0	8	12	10	10	12	13	11	9	10	12	16
	Prior year	0	0	0	0	0	0	0	0	0	0	0	0
	Change	0	8	12	10	10	12	13	11	9	10	12	16
237.10	RUS interest	(54,429)	0	0	0	0	0	0	0	0	0	0	0
	Prior year	0	0	0	0	0	0	0	0	0	0	0	0
	Change	(54,429)	0	0	0	0	0	0	0	0	0	0	0
237.30	CFC interest	242,448	0	119,789	239,579	0	116,920	233,840	0	115,723	226,398	0	111,080
	Prior year	265,854	0	135,592	271,184	0	128,395	256,790	0	125,533	248,019	0	122,681
	Change	(23,406)	0	(15,803)	(31,605)	0	(11,475)	(22,950)	0	(9,810)	(21,621)	0	(11,601)
237.36	FFB interest	230,785	441,278	651,771	217,257	434,514	657,289	219,096	438,193	657,680	219,227	438,453	0
	Prior year	259,176	518,352	0	230,735	432,727	0	231,305	452,090	0	222,907	457,632	0
	Change	(28,391)	(77,074)	651,771	(13,478)	1,787	657,289	(12,209)	(13,897)	657,680	(3,680)	(19,179)	0
237.37	MACED interest	0	0	(17)	424	449	0	0	0	509	0	0	0
	Prior year	0	0	0	0	0	0	0	0	0	0	38	0
	Change	0	0	(17)	424	449	0	0	0	509	0	(38)	0
237.40	Customer deposit interest	439	8,055	15,194	21,248	25,779	30,291	29,874	28,253	26,739	25,118	23,562	22,501
	Prior year	430	8,645	16,787	24,505	31,655	38,444	45,295	50,647	55,619	60,743	65,548	63,730
	Change	9	(590)	(1,593)	(3,257)	(5,876)	(8,153)	(15,421)	(22,394)	(28,880)	(35,625)	(41,986)	(41,229)
238.99	Cap. Cr. Estate Retired Cks	378	(1,841)	(1,913)	(1,850)	(1,870)	(2,055)	0	0	0	(92)	881	(106)
	Prior year	979	0	0	333	4	0	(92)	(324)	(409)	(3,772)	(1,280)	(959)
	Change	(601)	(1,841)	(1,913)	(2,183)	(1,874)	(2,055)	92	324	0	0	0	0
241.00	Federal income tax withheld	0	0	0	0	0	0	0	0	0	0	0	0
	Prior year	0	0	0	0	0	0	0	0	0	0	0	(832)
	Change	0	0	0	0	0	0	0	0	0	0	0	832

Jackson Energy Cooperative
Comparison of Test Year Account Balances with
those of the Preceding Year - Balance Sheet
December 31, 2012

Item 8A
page 16 of 16

<u>Acct #</u>	<u>Description</u>	<u>January Month 1</u>	<u>February Month 2</u>	<u>March Month 3</u>	<u>April Month 4</u>	<u>May Month 5</u>	<u>June Month 6</u>	<u>July Month 7</u>	<u>August Month 8</u>	<u>September Month 9</u>	<u>October Month 10</u>	<u>November Month 11</u>	<u>December Month 12</u>
241.10	State income tax withheld	(832)	0	0	0	0	0	0	0	0	0	0	0
	Prior year	0	0	0	0	0	0	0	0	0	0	0	0
	Change	(832)	0	0	0	0	0	0	0	0	0	0	0
242.21	Accrued payroll	230,468	287,536	324,054	355,876	136,298	185,509	234,854	340,746	348,328	456,565	165,597	227,239
	Prior year	175,101	185,869	273,229	314,633	66,806	148,676	159,263	271,485	318,456	352,588	101,552	162,703
	Change	55,367	101,667	50,825	41,243	69,492	36,833	75,591	69,261	29,872	103,977	64,045	64,536
242.32	Accrued paid time off	1,183,856	1,190,913	1,201,256	1,189,744	1,210,240	1,199,258	1,198,246	1,206,336	1,242,672	1,234,912	1,251,860	1,240,091
	Prior year	1,144,937	1,159,893	1,165,774	1,163,056	1,185,132	1,173,662	1,155,210	1,154,314	1,178,975	1,175,024	1,190,699	1,175,667
	Change	38,919	31,020	35,482	26,688	25,108	25,596	43,036	52,022	63,697	59,888	61,161	64,424
****	Total Current & Accrued Liabilities	2,875,484	3,047,763	3,361,372	3,172,380	3,128,145	3,691,424	3,065,050	3,288,660	3,368,745	3,037,783	2,852,647	2,395,830
	Prior year	2,905,738	2,860,491	2,600,826	3,085,485	2,940,707	2,857,071	3,417,663	3,170,193	2,430,676	2,790,613	2,404,157	2,362,792
	Change	(30,254)	187,272	760,546	86,895	187,438	834,353	(352,613)	118,467	938,069	247,170	448,490	33,038
252.10	Advance for construction	34,488	35,982	35,429	35,050	29,754	24,787	24,066	22,609	26,295	26,618	28,082	34,653
	Prior year	50,291	47,840	49,029	50,603	47,659	48,034	46,692	44,252	42,944	40,244	35,121	33,683
	Change	(15,803)	(11,858)	(13,600)	(15,553)	(17,905)	(23,247)	(22,626)	(21,643)	(16,649)	(13,626)	(7,039)	970
253.00	Advance for construction	266,865	266,865	261,521	261,521	261,521	284,107	284,107	281,550	283,423	297,147	297,573	294,111
	Prior year	278,015	278,015	285,630	293,469	294,594	296,516	296,516	296,516	296,516	296,516	296,516	266,865
	Change	(11,150)	(11,150)	(24,109)	(31,948)	(33,073)	(12,409)	(12,409)	(14,966)	(13,093)	631	1,057	27,246
****252.1	Consumer advances for construction	301,353	302,847	296,950	296,571	291,275	308,894	308,173	304,159	309,718	323,765	325,655	328,764
	Prior year	328,306	325,855	334,659	344,072	342,253	344,550	343,208	340,768	339,460	336,760	331,637	300,548
	Change	(26,953)	(23,008)	(37,709)	(47,501)	(50,978)	(35,656)	(35,035)	(36,609)	(29,742)	(12,995)	(5,982)	28,216
*****	Total Equities & Liabilities	227,117,596	226,089,762	225,844,600	223,667,231	221,192,749	222,141,818	228,386,220	226,474,700	226,675,459	225,955,105	226,502,141	228,082,131
	Prior year	221,673,922	218,809,314	217,151,112	216,559,643	215,758,702	214,135,742	215,234,114	214,351,002	211,422,347	212,804,299	214,736,840	221,040,706
	Change	5,443,674	7,280,448	8,693,488	7,107,588	5,434,047	8,006,076	13,152,106	12,123,698	15,253,112	13,150,806	11,765,301	7,041,425

Jackson Energy Cooperative
Comparison of Test Year Income Statement Account
Balances with those of the Preceding Year
December 31, 2012

Item 8B
page 1 of 14

Acct #	Description	2012 January Month 1	February Month 2	March Month 3	April Month 4	May Month 5	June Month 6	July Month 7	August Month 8	September Month 9	October Month 10	November Month 11	December Month 12	Total
440.10	Residential	7,444,397	5,878,171	4,307,293	4,266,504	4,674,090	5,618,109	5,785,389	5,087,581	4,278,380	5,551,316	6,338,738	7,831,483	67,061,451
	Prior year	8,890,845	6,703,941	5,680,094	4,456,104	4,939,311	5,275,731	5,971,781	5,470,843	4,364,558	5,225,980	6,368,354	7,656,777	71,004,319
	Change	(1,446,448)	(825,770)	(1,372,801)	(189,600)	(265,221)	342,378	(186,392)	(383,262)	(86,178)	325,336	(29,616)	174,706	(3,942,868)
440.11	Residential - Environmental Surcharge	811,667	473,265	316,629	376,142	475,210	632,443	604,020	484,829	376,560	570,078	709,976	912,141	6,742,960
	Prior year	822,628	270,919	236,701	325,072	394,007	453,362	496,778	542,047	377,124	487,746	706,192	877,192	5,989,768
	Change	(10,961)	202,346	79,928	51,070	81,203	179,081	107,242	(57,218)	(564)	82,332	3,784	34,949	753,192
442.10	Small commercial	597,294	522,746	492,731	497,545	530,327	562,428	581,779	554,981	506,696	533,972	533,404	607,027	6,520,930
	Prior year	672,905	596,029	549,120	514,390	544,287	548,003	586,319	593,429	519,291	517,387	558,602	662,615	6,862,377
	Change	(75,611)	(73,283)	(56,389)	(16,845)	(13,960)	14,425	(4,540)	(38,448)	(12,595)	16,585	(25,198)	(55,588)	(341,447)
442.21	Small commercial - environmental surcharge	64,906	42,749	36,440	43,994	54,213	63,878	61,250	53,838	45,090	55,113	60,347	70,920	652,738
	Prior year	62,012	23,972	23,090	37,812	43,755	47,910	49,018	59,264	45,401	48,685	62,337	361	503,617
	Change	2,894	18,777	13,350	6,182	10,458	15,968	12,232	(5,426)	(311)	6,428	(1,990)	70,559	149,121
442.20	Large commercial	868,604	809,526	834,762	835,357	893,922	905,334	1,014,953	960,865	880,453	1,013,624	772,611	901,790	10,691,801
	Prior year	1,010,338	963,914	977,964	828,091	850,957	840,424	922,985	963,923	896,293	854,607	848,555	846,170	10,804,221
	Change	(141,734)	(154,388)	(143,202)	7,266	42,965	64,910	91,968	(3,058)	(15,840)	159,017	(75,944)	55,620	(112,420)
442.21	Large commercial - environmental surcharge	95,225	65,703	61,341	73,399	91,002	102,442	106,394	92,989	78,101	33,540	87,781	104,769	992,686
	Prior year	92,144	39,200	41,259	60,359	68,159	73,028	72,573	98,933	77,988	80,117	94,872	97,124	895,756
	Change	3,081	26,503	20,082	13,040	22,843	29,414	33,821	(5,944)	113	(46,577)	(7,091)	7,645	96,930
445.00	Public authority	364,051	301,925	265,655	263,218	250,476	288,779	334,326	333,059	276,431	294,977	323,603	365,676	3,662,176
	Prior year	401,171	341,468	306,708	281,828	295,737	277,502	340,710	354,015	280,833	285,189	310,221	343,183	3,818,565
	Change	(37,120)	(39,543)	(41,053)	(18,610)	(45,261)	11,277	(6,384)	(20,956)	(4,402)	9,788	13,382	22,493	(156,389)
445.00	Public authority - environmental surcharge	39,879	24,424	19,534	23,202	25,592	32,653	35,054	31,998	24,583	30,440	36,346	42,585	366,290
	Prior year	37,485	14,165	12,818	20,739	23,708	24,087	28,805	35,273	24,481	26,745	34,662	39,490	322,458
	Change	2,394	10,259	6,716	2,463	1,884	8,566	6,249	(3,275)	102	3,695	1,684	3,095	43,832
450.00	Forfeit Discounts	138,873	126,491	130,944	81,780	77,660	68,587	89,178	84,592	85,636	72,996	70,460	97,721	1,124,918
	Prior year	170,367	156,470	143,522	108,759	99,508	75,284	92,654	99,111	97,287	100,585	91,135	101,216	1,335,898
	Change	(31,494)	(29,979)	(12,578)	(26,979)	(21,848)	(6,697)	(3,476)	(14,519)	(11,651)	(27,589)	(20,675)	(3,495)	(210,980)
451.00	Miscellaneous Services	25,327	28,564	21,654	24,304	27,075	24,276	30,951	31,035	25,602	31,181	30,734	26,105	326,808
	Prior year	18,207	6,740	30,759	23,635	26,560	29,079	22,470	24,094	23,097	30,055	18,210	19,012	271,918
	Change	7,120	21,824	(9,105)	669	515	(4,803)	8,481	6,941	2,505	1,126	12,524	7,093	54,890
454.00	Rent form electric property	70,735	70,735	70,735	70,735	70,735	70,735	70,735	70,735	70,735	70,735	70,735	137,181	915,266
	Prior year	65,096	65,096	65,096	65,096	65,096	65,096	65,096	65,096	65,096	65,095	65,096	132,769	848,824
	Change	5,639	5,639	5,639	5,639	5,639	5,639	5,639	5,639	5,639	5,640	5,639	4,412	66,442
456.00	Other electric revenue	15,563	24,732	15,545	15,674	29,490	17,714	17,552	27,246	17,789	17,375	18,606	16,660	233,946
	Prior year	15,846	26,227	20,216	16,048	17,351	15,853	15,943	15,832	15,846	33,346	15,879	19,835	228,222
	Change	(283)	(1,495)	(4,671)	(374)	12,139	1,861	1,609	11,414	1,943	(15,971)	2,727	(3,175)	5,724
***	Total Revenues	10,536,521	8,369,031	6,573,263	6,571,854	7,199,792	8,387,378	8,731,581	7,813,748	6,666,056	8,275,347	9,053,341	11,114,058	99,291,970
	Prior year	12,259,044	9,208,141	8,087,347	6,737,933	7,368,436	7,725,359	8,665,132	8,321,860	6,787,295	7,755,537	9,174,115	10,795,744	102,885,943
	Change	(1,722,523)	(839,110)	(1,514,084)	(166,079)	(168,644)	662,019	66,449	(508,112)	(121,239)	519,810	(120,774)	318,314	(3,593,973)
555.00	Purchased Power	6,238,217	5,561,233	4,260,094	3,643,107	4,110,925	4,519,609	5,184,342	4,658,090	4,021,317	4,178,190	5,409,173	5,867,436	57,651,733
	Prior year	7,555,265	5,987,768	4,868,416	3,935,809	3,991,240	4,691,351	5,367,731	5,204,775	4,103,857	4,218,411	4,955,342	5,860,085	60,740,050
	Change	(1,317,048)	(426,535)	(608,322)	(292,702)	119,685	(171,742)	(183,389)	(546,685)	(82,540)	(40,221)	453,831	7,351	(3,088,317)
555.01	Purchased power - environmental surcharge	886,397	672,305	459,197	470,639	614,116	763,748	806,106	675,830	568,164	678,064	950,331	1,069,573	8,614,470

Item 8B
page 2 of 14

December 31, 2012		2012												Total
Acct #	Description	January Month 1	February Month 2	March Month 3	April Month 4	May Month 5	June Month 6	July Month 7	August Month 8	September Month 9	October Month 10	November Month 11	December Month 12	
	Prior year	1,111,317	387,380	313,991	454,514	501,250	673,151	750,859	684,377	462,873	506,585	735,811	885,400	7,467,508
	Change	(224,920)	284,925	145,206	16,125	112,866	90,597	55,247	(8,547)	105,291	171,479	214,520	184,173	1,146,962
555.02	Purchased power - Wellhead Energy	13,820	15,270	14,860	13,240	8,140	2,122	0	9,131	16,661	17,618	17,139	18,741	146,742
	Prior year	0	0	0	0	0	11,400	14,370	11,330	14,890	16,460	14,390	16,110	98,950
	Change	13,820	15,270	14,860	13,240	8,140	(9,278)	(14,370)	(2,199)	1,771	1,158	2,749	2,631	47,792
*** 555	Total Purchase Power	7,138,434	6,248,808	4,734,151	4,126,986	4,733,181	5,285,479	5,990,448	5,343,051	4,606,142	4,873,872	6,376,643	6,955,750	66,412,945
	Prior year	8,666,582	6,375,148	5,182,407	4,390,323	4,492,490	5,375,902	6,132,960	5,900,482	4,581,620	4,741,456	5,705,543	6,761,595	68,306,508
	Change	(1,528,148)	(126,340)	(448,256)	(263,337)	240,691	(90,423)	(142,512)	(557,431)	24,522	132,416	671,100	194,155	(1,893,563)
580.00	Operations - Supervision & engineering	7,843	5,338	3,820	4,341	5,312	3,175	7,859	6,960	7,013	14,537	11,429	9,521	87,148
	Prior year	4,306	3,112	3,144	4,960	4,213	4,990	5,007	3,732	4,195	6,045	3,511	8,379	55,594
	Change	3,537	2,226	676	(619)	1,099	(1,815)	2,852	3,228	2,818	8,492	7,918	1,142	31,554
582.00	Station Expense	5,420	12,302	0	1,369	3,585	0	200	0	75	914	1,064	0	24,929
	Prior year	0	279	0	0	0	1,926	0	0	1,257	1,098	2,976	0	7,536
	Change	5,420	12,023	0	1,369	3,585	(1,926)	200	0	(1,182)	(184)	(1,912)	0	17,393
583.00	Overhead Line Exp	145,317	139,262	133,093	149,214	129,959	158,241	149,581	146,250	125,012	149,548	135,607	54,761	1,615,845
	Prior year	248,682	27,992	144,844	120,476	134,602	109,286	129,717	133,167	124,639	139,981	122,952	75,321	1,511,659
	Change	(103,365)	111,270	(11,751)	28,738	(4,643)	48,955	19,864	13,083	373	9,567	12,655	(20,560)	104,186
583.01	Line Inspections (Including pole inspections)	14,827	13,761	12,898	12,222	16,139	14,646	13,748	14,704	14,969	15,776	13,788	14,160	171,638
	Prior year	14,391	14,272	16,051	9,742	10,066	17,306	14,657	15,385	15,597	15,668	11,486	18,335	172,956
	Change	436	(511)	(3,153)	2,480	6,073	(2,660)	(909)	(681)	(628)	108	2,302	(4,175)	(1,318)
583.10	Transformer oil screening	2,182	1,625	10,670	1,749	58,472	2,368	1,598	2,158	4,087	9,004	2,434	1,555	97,902
	Prior year	2,020	2,308	4,573	55,351	3,070	3,658	3,052	1,221	5,188	1,690	2,996	3,079	88,206
	Change	162	(683)	6,097	(53,602)	55,402	(1,290)	(1,454)	937	(1,101)	7,314	(562)	(1,524)	9,696
584.00	Underground line exp	1,831	1,423	1,894	1,759	2,380	1,657	2,361	1,763	1,688	3,192	1,491	2,602	24,041
	Prior year	5,950	563	1,648	4,334	1,187	2,626	5,249	1,187	1,300	2,116	1,187	1,928	29,275
	Change	(4,119)	860	246	(2,575)	1,193	(969)	(2,888)	576	388	1,076	304	674	(5,234)
584.01	Underground locate exp	1,841	483	4,282	2,590	255	5,849	2,755	4,185	3,848	3,452	1,982	1,348	32,870
	Prior year	1,475	1,816	2,698	2,894	2,983	3,540	4,080	3,449	3,053	3,194	2,559	2,079	33,820
	Change	366	(1,333)	1,584	(304)	(2,728)	2,309	(1,325)	736	795	258	(577)	(731)	(950)
586.00	Meter exp	61,121	66,890	56,196	66,847	77,443	58,659	92,996	65,455	63,207	81,463	70,383	71,395	832,055
	Prior year	60,590	48,663	80,105	51,119	69,156	96,479	57,922	71,690	56,859	58,065	66,290	74,911	791,849
	Change	531	18,227	(23,909)	15,728	8,287	(37,820)	35,074	(6,235)	6,348	23,398	4,093	(3,516)	40,206
586.01	Reconnects & connects, routine disconnects	52,095	58,999	53,787	64,711	71,074	49,735	49,791	64,506	59,398	65,833	64,232	57,627	711,788
	Prior year	63,259	60,385	69,888	56,139	56,115	68,785	55,227	58,753	66,343	71,054	46,598	77,652	750,198
	Change	(11,164)	(1,386)	(16,101)	8,572	14,959	(19,050)	(5,436)	5,753	(6,945)	(5,221)	17,634	(20,025)	(38,410)
586.10	Prepaid Metering exp	5,017	3,870	2,183	1,890	2,690	8,050	1,490	602	9,914	10,477	10,352	6,421	62,956
	Prior year	2,774	2,568	4,032	6,685	1,717	4,241	15,393	4,547	1,278	1,544	3,582	6,464	54,825
	Change	2,243	1,302	(1,849)	(4,795)	973	3,809	(13,903)	(3,945)	8,636	8,933	6,770	(43)	8,131
586.15	Smart Grid-Federal Grant-Prepaid	0	0	0	0	0	0	0	0	0	0	0	0	0
	Prior year	0	42	0	0	(42)	0	133	(133)	0	0	0	0	0
	Change	0	(42)	0	0	42	0	(133)	133	0	0	0	0	0
587.00	Customer installation	15,823	15,823	15,823	15,823	15,823	15,823	15,823	15,823	15,823	15,823	15,823	7,292	181,345
	Prior year	31,657	0	15,823	15,823	15,823	15,823	15,823	15,823	15,823	15,823	15,823	5,854	179,919

Jackson Energy Cooperative
Comparison of Test Year Income Statement Account
Balances with those of the Preceding Year
December 31, 2012

Item 8B
page 3 of 14

Acct #	Description	2012 January Month 1	February Month 2	March Month 3	April Month 4	May Month 5	June Month 6	July Month 7	August Month 8	September Month 9	October Month 10	November Month 11	December Month 12	Total
	Change	(15,834)	15,823	0	0	0	0	0	0	0	0	0	1,438	1,427
588.00	Miscellaneous	34,402	29,795	44,951	46,928	47,820	37,664	46,847	47,233	41,955	38,350	33,244	59,173	508,362
	Prior year	31,955	30,876	34,433	33,377	31,093	37,791	45,038	44,144	31,251	35,367	42,326	47,180	444,831
	Change	2,447	(1,081)	10,518	13,551	16,727	(127)	1,809	3,089	10,704	2,983	(9,082)	11,993	63,531
588.02	Safety	67,289	39,473	36,156	21,294	15,972	15,431	11,743	13,217	17,681	14,668	18,568	12,274	283,766
	Prior year	17,990	18,835	19,546	29,040	14,952	20,839	14,696	27,770	11,702	36,662	16,010	26,743	254,785
	Change	49,299	20,638	16,610	(7,746)	1,020	(5,408)	(2,953)	(14,553)	5,979	(21,994)	2,558	(14,469)	28,981
588.03	NUS training	0	0	0	6,650	608	0	0	0	6,780	538	0	44	14,620
	Prior year	0	0	0	3,800	0	309	0	0	0	49	5,780	0	9,938
	Change	0	0	0	2,850	608	(309)	0	0	6,780	489	(5,780)	44	4,682
588.06	Mapping	22,169	31,359	17,393	14,150	18,433	14,529	12,890	16,331	22,120	16,493	17,403	15,536	218,806
	Prior year	20,272	12,652	14,936	13,478	12,596	19,465	13,568	21,544	16,392	14,978	12,533	19,509	191,923
	Change	1,897	18,707	2,457	672	5,837	(4,936)	(678)	(5,213)	5,728	1,515	4,870	(3,973)	26,883
****	Total Operations	437,177	420,403	393,146	411,537	465,965	385,827	409,682	399,187	393,570	440,068	397,800	313,709	4,868,071
	Prior year	505,321	224,363	411,721	407,218	357,531	407,064	379,562	402,279	354,877	403,334	356,609	367,434	4,577,313
	Change	(68,144)	196,040	(18,575)	4,319	108,434	(21,237)	30,120	(3,092)	38,693	36,734	41,191	(53,725)	290,758
593.00	Maintenance of overhead lines	76,649	74,908	63,041	56,663	94,064	42,658	56,201	51,494	54,233	131,840	104,468	99,942	906,161
	Prior year	145,858	60,801	78,162	29,790	52,933	65,513	56,095	60,754	62,606	51,426	17,883	40,267	722,088
	Change	(69,209)	14,107	(15,121)	26,873	41,131	(22,855)	106	(9,260)	(8,373)	80,414	86,585	59,675	184,073
593.01	Maintenance of lines - emergency	75,157	123,293	134,658	70,043	110,602	89,103	345,103	96,522	112,644	78,240	53,827	107,410	1,396,602
	Prior year	54,720	86,238	76,897	224,588	99,999	283,296	147,416	106,930	108,716	77,212	57,954	105,872	1,429,838
	Change	20,437	37,055	57,761	(154,545)	10,603	(194,193)	197,687	(10,408)	3,928	1,028	(4,127)	1,538	(33,236)
593.02	Maintenance of lines - after inspection	0	2,054	0	0	1,673	0	0	1,043	0	317	960	0	6,047
	Prior year	1,055	0	1,547	0	2,112	740	690	423	427	1,071	0	1,326	9,391
	Change	(1,055)	2,054	(1,547)	0	(439)	(740)	(690)	620	(427)	(754)	960	(1,326)	(3,344)
593.03	Maintenance of lines - Storm	0	0	44,749	0	0	0	0	(44,749)	0	0	0	0	0
	Prior year	0	0	0	0	0	0	0	0	0	0	0	0	0
	Change	0	0	44,749	0	0	0	0	(44,749)	0	0	0	0	0
593.04	Maint. of lines - On Call Standby	10,053	13,260	6,955	9,719	7,473	7,708	3,980	10,334	8,925	9,289	13,188	9,568	110,452
	Prior year	10,405	9,789	11,924	5,281	5,954	5,168	5,199	9,003	7,122	9,577	7,077	12,928	99,427
	Change	(352)	3,471	(4,969)	4,438	1,519	2,540	(1,219)	1,331	1,803	(288)	6,111	(3,360)	11,025
593.10	Right of way - coop crews	0	0	0	0	0	0	0	0	0	0	0	0	0
	Prior year	0	0	0	0	0	0	71	0	0	0	0	0	71
	Change	0	0	0	0	0	0	(71)	0	0	0	0	0	(71)
593.11	Right of way - Aerial	0	0	0	0	0	0	0	200	0	0	0	0	0
	Prior year	0	0	0	0	0	0	0	0	0	0	0	0	0
	Change	0	0	0	0	0	0	0	200	0	0	0	0	0
593.12	Right of way - Hand cut	29,079	25,888	34,323	26,958	35,166	27,209	29,315	25,069	23,973	44,421	15,189	35,093	351,683
	Prior year	31,009	25,768	24,848	33,409	17,877	71,810	(9,844)	37,070	17,909	31,889	36,481	38,278	356,504
	Change	(1,930)	120	9,475	(6,451)	17,289	(44,601)	39,159	(12,001)	6,064	12,532	(21,292)	(3,185)	(4,821)
593.14	Right of way - spraying	10,025	10,874	11,342	7,224	11,260	9,481	11,104	10,663	10,478	10,307	10,510	9,703	122,971
	Prior year	9,661	9,506	11,252	9,256	7,639	12,820	9,965	10,629	8,607	9,806	8,470	12,389	120,000
	Change	364	1,368	90	(2,032)	3,621	(3,339)	1,139	34	1,871	501	2,040	(2,686)	2,971

Jackson Energy Cooperative
Comparison of Test Year Income Statement Account
Balances with those of the Preceding Year
December 31, 2012

Item 8B
page 4 of 14

Acct #	Description	2012 January Month 1	February Month 2	March Month 3	April Month 4	May Month 5	June Month 6	July Month 7	August Month 8	September Month 9	October Month 10	November Month 11	December Month 12	Total
593.15	Right of way - spraying	0	0	0	0	89,326	149,125	100,737	76,932	0	0	0	0	416,120
	Prior year	0	0	0	0	64,763	106,076	132,807	107,843	26,940	0	0	100	438,529
	Change	0	0	0	0	24,563	43,049	(32,070)	(30,911)	(26,940)	0	0	(100)	(22,409)
593.16	Right of way - Trade-A-Tree	0	0	0	0	0	0	200	0	0	0	0	400	600
	Prior year	0	0	183	274	359	0	260	13	159	0	0	0	1,248
	Change	0	0	(183)	(274)	(359)	0	(60)	(13)	(159)	0	0	400	(648)
593.18	Right of way - Machine trim	79,095	135,888	200,690	144,207	141,834	196,413	165,723	160,999	100,142	352,474	194,723	468,199	2,340,387
	Prior year	69,195	121,024	199,252	270,365	185,357	192,947	126,681	264,378	0	57,547	441,660	432,836	2,361,242
	Change	9,900	14,864	1,438	(126,158)	(43,523)	3,466	39,042	(103,379)	100,142	294,927	(246,937)	35,363	(20,855)
593.21	Hazard Tree Mitigation Program	0	0	0	0	0	0	4,130	4,720	0	590	0	0	9,440
	Prior year	0	0	0	0	0	5,740	0	6,888	0	660	0	0	13,288
	Change	0	0	0	0	0	(5,740)	4,130	(2,168)	0	(70)	0	0	(3,848)
594.00	Underground - Routine	0	0	0	2,650	0	673	509	0	0	822	0	1,075	5,729
	Prior year	738	1,502	1,188	850	382	185	2,151	248	126	259	1,156	1,919	10,704
	Change	(738)	(1,502)	(1,188)	1,800	(382)	488	(1,642)	(248)	(126)	563	(1,156)	(844)	(4,975)
594.01	Underground - emergency	0	0	0	0	0	0	0	0	0	0	0	0	0
	Prior year	0	0	0	0	0	150	0	0	0	0	0	0	150
	Change	0	0	0	0	0	(150)	0	0	0	0	0	0	(150)
595.00	Transformers	2,891	3,408	0	0	5,055	642	0	0	0	2,713	0	1,880	16,589
	Prior year	0	0	294	0	0	5,116	2,023	3,554	3,035	1,825	0	0	15,847
	Change	2,891	3,408	(294)	0	5,055	(4,474)	(2,023)	(3,554)	(3,035)	888	0	1,880	742
596.00	Street lighting	0	0	0	0	122	0	4,051	5,433	5,445	4,805	2,232	1,370	23,458
	Prior year	0	0	883	0	438	355	0	87	0	0	0	329	2,092
	Change	0	0	(883)	0	(316)	(355)	4,051	5,346	5,445	4,805	2,232	1,041	21,366
598.00	Miscellaneous	21,856	17,842	26,535	20,491	24,122	19,867	14,145	22,179	14,401	19,421	27,003	17,659	245,521
	Prior year	20,147	14,994	24,369	13,279	14,446	25,641	17,685	20,233	24,066	18,609	20,713	23,940	238,122
	Change	1,709	2,848	2,166	7,212	9,676	(5,774)	(3,540)	1,946	(9,665)	812	6,290	(6,281)	7,399
***	Total Maintenance	304,805	407,415	522,293	337,955	520,697	542,879	735,198	420,839	330,241	655,239	422,100	752,299	5,951,960
	Prior year	342,788	329,622	430,799	587,092	452,259	775,557	491,199	628,053	259,713	259,881	591,394	670,184	5,818,541
	Change	(37,983)	77,793	91,494	(249,137)	68,438	(232,678)	243,999	(207,214)	70,528	395,358	(169,294)	82,115	133,419
901.00	Supervision	8,635	9,394	8,824	3,282	6,717	11,260	7,614	10,117	6,815	961	995	913	75,527
	Prior year	9,001	8,710	8,962	8,625	6,430	11,389	8,449	9,680	9,196	8,878	7,424	12,227	108,971
	Change	(366)	684	(138)	(5,343)	287	(129)	(835)	437	(2,381)	(7,917)	(6,429)	(11,314)	(33,444)
902.00	Meter reading	3,038	2,438	2,592	2,990	4,100	2,630	3,925	2,364	2,147	2,188	6,598	2,542	37,552
	Prior year	2,514	2,932	2,400	2,306	2,271	3,576	2,492	2,710	2,322	2,324	4,224	5,686	35,757
	Change	524	(494)	192	684	1,829	(946)	1,433	(346)	(175)	(136)	2,374	(3,144)	1,795
903.00	Consumer records & collection	15,679	10,494	14,390	13,113	13,388	16,970	12,113	12,165	13,335	13,895	13,443	16,948	165,933
	Prior year	12,893	10,997	10,659	12,953	10,293	9,478	11,958	10,773	11,265	10,347	16,569	13,673	141,858
	Change	2,786	(503)	3,731	160	3,095	7,492	155	1,392	2,070	3,548	(3,126)	3,275	24,075
903.01	Bank drafts	1,069	1,102	1,026	1,354	1,023	726	1,033	935	799	852	736	739	11,394
	Prior year	888	1,038	676	713	752	612	732	967	1,057	1,053	390	1,439	10,317
	Change	181	64	350	641	271	114	301	(32)	(258)	(201)	346	(700)	1,077

Jackson Energy Cooperative
Comparison of Test Year Income Statement Account
Balances with those of the Preceding Year
December 31, 2012

Item 8B
page 5 of 14

Acct #	Description	2012 January Month 1	February Month 2	March Month 3	April Month 4	May Month 5	June Month 6	July Month 7	August Month 8	September Month 9	October Month 10	November Month 11	December Month 12	Total
903.02	Billing	35,810	34,798	4,060	64,066	33,550	33,762	34,052	32,842	32,993	33,273	33,749	34,260	407,215
	Prior year	34,673	34,606	33,766	33,630	2,491	34,620	62,235	34,902	34,341	34,356	3,252	66,669	409,541
	Change	1,137	192	(29,706)	30,436	31,059	(858)	(28,183)	(2,060)	(1,348)	(1,083)	30,497	(32,409)	(2,326)
903.03	Cashier activities	49,137	50,766	51,570	48,784	54,749	52,419	49,258	52,955	45,509	49,069	52,204	46,166	602,586
	Prior year	47,097	50,180	51,514	53,120	42,419	61,326	52,561	50,840	60,768	52,494	42,295	67,339	631,953
	Change	2,040	586	56	(4,336)	12,330	(8,907)	(3,303)	2,115	(15,259)	(3,425)	9,909	(21,173)	(29,367)
903.04	Call group	51,358	47,010	46,078	44,928	50,102	43,400	47,269	38,828	36,138	42,565	46,573	39,607	533,856
	Prior year	47,590	44,992	45,164	44,283	35,721	54,250	43,032	45,291	48,867	45,400	33,689	54,325	542,604
	Change	3,768	2,018	914	645	14,381	(10,850)	4,237	(6,463)	(12,729)	(2,835)	12,884	(14,718)	(8,748)
903.05	Cold checks	489	478	429	488	577	353	822	562	370	532	376	444	5,920
	Prior year	351	505	391	540	419	591	658	470	476	415	472	630	5,918
	Change	138	(27)	38	(52)	158	(238)	164	92	(106)	117	(96)	(186)	2
903.10	Cash - over and short	14	(74)	618	(33)	(504)	(235)	366	497	158	(46)	(56)	(140)	565
	Prior year	(52)	96	46	34	238	135	26,120	(90)	(151)	147	402	69	26,994
	Change	66	(170)	572	(67)	(742)	(370)	(25,754)	587	309	(193)	(458)	(209)	(26,429)
903.15	Records management - consumer	5,613	5,906	5,818	5,719	1,730	104	1,281	7,597	3,554	4,946	6,817	5,544	54,629
	Prior year	4,893	5,595	5,496	5,282	4,380	4,883	1,069	715	3,234	4,923	3,927	7,399	51,796
	Change	720	311	322	437	(2,650)	(4,779)	212	6,882	320	23	2,890	(1,855)	2,833
903.20	Consumer accounting	1,158	1,197	1,293	1,627	1,729	1,542	1,245	1,216	1,215	1,236	834	1,502	15,794
	Prior year	2,404	1,668	1,817	1,675	940	1,351	1,808	1,770	1,838	1,563	1,527	1,470	19,831
	Change	(1,246)	(471)	(524)	(48)	789	191	(563)	(554)	(623)	(327)	(693)	32	(4,037)
903.30	Nonpayment disconnects	0	238	190	66	717	342	125	123	380	0	375	65	2,621
	Prior year	248	64	975	162	90	196	0	0	0	256	991	60	3,042
	Change	(248)	174	(785)	(96)	627	146	125	123	380	(256)	(616)	5	(421)
903.35	Reconnect of nonpayment disconnects	3,120	2,440	666	357	203	164	458	364	295	124	460	175	8,826
	Prior year	2,168	2,441	2,922	1,444	1,053	2,446	2,564	644	394	1,892	1,884	330	20,182
	Change	952	(1)	(2,256)	(1,087)	(850)	(2,282)	(2,106)	(280)	(99)	(1,768)	(1,424)	(155)	(11,356)
903.40	Pay contracts/plans/budget billing	0	0	0	0	0	0	0	0	0	0	0	0	0
	Prior year	352	682	220	75	0	0	0	0	0	0	0	99	1,428
	Change	(352)	(682)	(220)	(75)	0	0	0	0	0	0	0	(99)	(1,428)
903.45	Pay stations	1,986	2,541	2,376	1,053	2,562	2,169	2,335	1,899	2,240	1,296	2,543	2,206	25,206
	Prior year	2,130	1,979	2,654	2,105	1,126	3,118	2,247	2,237	3,187	2,099	1,881	2,711	27,474
	Change	(144)	562	(278)	(1,052)	1,436	(949)	88	(338)	(947)	(803)	662	(505)	(2,268)
903.50	Customer collections	32,998	31,643	30,935	27,412	27,778	24,595	24,024	30,489	23,090	29,567	27,717	20,240	330,488
	Prior year	37,337	24,402	32,096	34,415	27,954	36,418	29,146	26,654	20,065	41,731	23,539	36,457	370,214
	Change	(4,339)	7,241	(1,161)	(7,003)	(176)	(11,823)	(5,122)	3,835	3,025	(12,164)	4,178	(16,217)	(39,726)
903.60	Service order processing	18,632	20,097	18,344	16,511	22,968	17,606	17,860	20,533	16,677	17,197	15,552	13,974	215,951
	Prior year	16,158	17,032	17,274	16,709	13,409	19,342	17,269	19,882	17,674	17,147	14,627	19,823	206,346
	Change	2,474	3,065	1,070	(198)	9,559	(1,736)	591	651	(997)	50	925	(5,849)	9,605
903.65	Mail processing - consumers	2,613	3,073	3,044	3,187	3,194	2,814	3,174	3,354	2,567	1,612	1,042	1,142	30,816
	Prior year	3,970	3,643	4,090	3,092	2,615	4,185	3,194	3,148	3,383	3,969	2,980	4,311	42,580
	Change	(1,357)	(570)	(1,046)	95	579	(1,371)	(20)	206	(816)	(2,357)	(1,938)	(3,169)	(11,764)
903.70	Dispatching	59,563	53,366	43,474	57,052	63,586	57,145	63,795	54,939	61,169	58,822	64,446	62,020	699,377

Jackson Energy Cooperative
Comparison of Test Year Income Statement Account
Balances with those of the Preceding Year
December 31, 2012

Item 8B
page 6 of 14

Acct #	Description	2012 January Month 1	February Month 2	March Month 3	April Month 4	May Month 5	June Month 6	July Month 7	August Month 8	September Month 9	October Month 10	November Month 11	December Month 12	Total
	Prior year	64,365	53,937	54,428	58,610	43,108	73,316	58,660	54,413	59,222	59,063	40,715	82,414	702,251
	Change	(4,802)	(571)	(10,954)	(1,558)	20,478	(16,171)	5,135	526	1,947	(241)	23,731	(20,394)	(2,874)
904.00	Uncollectible accounts	(61,241)	18,075	9,628	82,287	(180,001)	(7,493)	(1,777)	13,474	(5,935)	28,356	1,206	(651)	(104,072)
	Prior year	8,115	41,621	61,040	126,865	117,678	(55,498)	(104,433)	(25,565)	(5,366)	28,368	21,312	68,492	282,629
	Change	(69,356)	(23,546)	(51,412)	(44,578)	(297,679)	48,005	102,656	39,039	(569)	(12)	(20,106)	(69,143)	(386,701)
***	Total Consumer Accounts	229,671	294,982	245,355	374,243	108,168	260,273	268,972	285,253	243,516	286,445	275,610	247,696	3,120,184
	Prior year	297,095	307,120	336,590	406,638	313,387	265,734	219,761	239,441	271,772	316,425	222,100	445,623	3,641,686
	Change	(67,424)	(12,138)	(91,235)	(32,395)	(205,219)	(5,461)	49,211	45,812	(28,256)	(29,980)	53,510	(197,927)	(521,502)
907.00	Supervision	225	225	225	225	225	280	549	369	305	305	305	305	3,543
	Prior year	573	175	275	225	225	225	225	193	150	150	150	150	2,716
	Change	(348)	50	(50)	0	0	55	324	176	155	155	155	155	827
908.10	Geothermal	0	0	0	0	104	0	0	0	0	0	0	0	104
	Prior year	0	0	0	0	0	0	0	0	0	0	0	0	0
	Change	0	0	0	0	104	0	0	0	0	0	0	0	104
908.20	High efficiency heat pumps	2,256	(4,280)	(9,846)	(2,877)	(4,044)	2,763	1,410	(1,832)	608	163	(10)	(5,494)	(21,183)
	Prior year	6,226	5,512	8,970	6,592	6,625	5,443	3,990	2,450	1,974	2,900	2,844	4,687	58,213
	Change	(3,970)	(9,792)	(18,816)	(9,469)	(10,669)	(2,680)	(2,580)	(4,282)	(1,366)	(2,737)	(2,854)	(10,181)	(79,396)
908.30	ets units	1,318	115	53	169	114	0	0	0	983	1,920	1,077	780	6,529
	Prior year	544	127	268	105	160	91	109	52	0	721	902	925	4,004
	Change	774	(12)	(215)	64	(46)	(91)	(109)	(52)	983	1,199	175	(145)	2,525
908.33	Colonial lighting	0	0	0	0	0	0	0	126	0	0	0	0	126
	Prior year	0	0	0	0	0	0	0	0	0	0	0	0	0
	Change	0	0	0	0	0	0	0	126	0	0	0	0	126
908.40	Button up	1,820	(306)	(3,476)	(1,273)	(2,115)	(1,097)	(364)	(119)	96	1,591	(1,887)	1,621	(5,509)
	Prior year	1,061	1,566	629	219	(33)	923	1,195	446	(1,073)	595	303	610	6,441
	Change	759	(1,872)	(4,105)	(1,492)	(2,082)	(2,020)	(1,559)	(565)	1,169	996	(2,190)	1,011	(11,950)
908.50	Tune up	(230)	(485)	(386)	(400)	1,374	(900)	0	(50)	0	0	0	0	(1,077)
	Prior year	(70)	295	(40)	(120)	(80)	0	0	0	0	0	0	51	36
	Change	(160)	(780)	(346)	(280)	1,454	(900)	0	(50)	0	0	0	(51)	(1,113)
908.51	Energy Audit	2,955	3,315	4,311	1,891	4,917	6,671	5,889	8,829	7,316	8,107	6,176	6,632	67,009
	Prior year	4,531	6,878	2,912	2,536	3,566	2,014	877	2,325	4,881	3,119	1,670	4,757	40,066
	Change	(1,576)	(3,563)	1,399	(645)	1,351	4,657	5,012	6,504	2,435	4,988	4,506	1,875	26,943
908.52	KY Energy Retrofit Rider	9,414	9,244	4,942	5,777	2,814	1,137	2,334	2,591	746	414	420	274	40,107
	Prior year	0	0	0	(9,218)	10,586	31,294	(19,329)	10,852	8,944	7,755	5,618	8,008	54,510
	Change	9,414	9,244	4,942	14,995	(7,772)	(30,157)	21,663	(8,261)	(8,198)	(7,341)	(5,198)	(7,734)	(14,403)
908.55	Touchstone energy home	865	1,277	2,031	2,513	1,853	1,106	316	1,367	1,522	1,668	777	1,237	16,532
	Prior year	786	1,264	1,351	2,060	2,122	1,267	709	1,786	1,189	1,565	1,386	539	16,024
	Change	79	13	680	453	(269)	(161)	(393)	(419)	333	103	(609)	698	508
908.62	Consumer surveys	0	0	0	1,766	1,766	0	1,766	0	0	130	1,766	0	7,194
	Prior year	0	0	0	0	0	0	0	4,250	525	0	4,250	180	9,205
	Change	0	0	0	1,766	1,766	0	1,766	(4,250)	(525)	130	(2,484)	(180)	(2,011)
908.70	Consumer complaint handling	965	3,473	637	928	660	1,225	554	805	246	528	0	69	10,090
	Prior year	2,053	1,130	650	555	440	614	319	412	358	926	403	910	8,770

Jackson Energy Cooperative
Comparison of Test Year Income Statement Account
Balances with those of the Preceding Year
December 31, 2012

Item 8B

page 7 of 14

Acct #	Description	2012 January Month 1	February Month 2	March Month 3	April Month 4	May Month 5	June Month 6	July Month 7	August Month 8	September Month 9	October Month 10	November Month 11	December Month 12	Total
	Change	(1,088)	2,343	(13)	373	220	611	235	393	(112)	(398)	(403)	(841)	1,320
908.80	Consumer assistance	9,591	8,247	8,365	13,737	12,069	2,957	4,053	1,805	6,007	5,758	5,687	4,640	82,916
	Prior year	4,012	5,140	11,326	4,374	2,217	4,063	3,484	3,793	6,212	5,417	8,583	14,391	73,012
	Change	5,579	3,107	(2,961)	9,363	9,852	(1,106)	569	(1,988)	(205)	341	(2,896)	(9,751)	9,904
908.81	Cuatomer Appreciation Days	0	0	0	0	0	88	5,491	18,661	8,713	15,938	506	466	49,863
	Prior year	576	0	0	0	2,656	16,900	18,119	1,387	2,608	0	338	350	42,934
	Change	(576)	0	0	0	(2,656)	(16,812)	(12,628)	17,274	6,105	15,938	168	116	6,929
908.82	Simple Saver Program	0	4,621	(4,621)	0	0	1,390	(7)	(5)	24	(1,402)	0	30	30
	Prior year	0	6,212	(4,492)	0	0	1,414	(23)	13	4	(1,408)	0	0	1,720
	Change	0	(1,591)	(129)	0	0	(24)	16	(18)	20	6	0	30	(1,690)
909.00	Informations expense	1,585	1,421	4,459	424	5,184	497	1,221	2,088	1,089	1,150	940	1,597	21,655
	Prior year	1,878	822	1,145	1,600	4,682	771	124	479	591	689	572	1,729	15,082
	Change	(293)	599	3,314	(1,176)	502	(274)	1,097	1,609	498	461	368	(132)	6,573
909.10	Leadership	440	914	286	0	648	0	0	0	0	0	0	0	2,288
	Prior year	479	0	0	0	0	0	0	0	0	0	300	1,069	1,848
	Change	(39)	914	286	0	648	0	0	0	0	0	(300)	(1,069)	440
909.20	Key accounts	588	3,134	3,057	1,592	1,117	185	820	300	0	2,013	0	0	12,806
	Prior year	1,419	2,681	2,662	2,516	310	1,064	0	1,998	1,386	747	404	604	15,791
	Change	(831)	453	395	(924)	807	(879)	820	(1,698)	(1,386)	1,266	(404)	(604)	(2,985)
910.00	Miscellaneous consumer exp	2,210	744	5,216	3,403	4,061	3,992	2,920	1,547	1,600	2,405	1,686	2,057	31,841
	Prior year	931	804	528	212	10	450	2,082	2,927	125	1,140	5,145	1,205	15,559
	Change	1,279	(60)	4,688	3,191	4,051	3,542	838	(1,380)	1,475	1,265	(3,459)	852	16,282
910.01	Telephone directories	1,274	322	318	334	318	279	318	413	116	808	480	463	5,443
	Prior year	1,274	311	311	311	311	311	389	311	390	385	374	417	5,095
	Change	0	11	7	23	7	(32)	(71)	102	(274)	423	106	46	348
910.10	Scholarships	840	1,567	1,018	1,448	3,461	10,689	2,852	7,215	13,560	1,473	(6,429)	(144)	37,550
	Prior year	2,192	1,330	482	1,504	867	10,236	3,662	8,159	59	175	64	2,791	31,521
	Change	(1,352)	237	536	(56)	2,594	453	(810)	(944)	13,501	1,298	(6,493)	(2,935)	6,029
910.11	Economic (commercial) development	9,403	7,915	11,124	10,413	18,967	5,953	9,986	10,186	8,075	10,181	13,180	9,325	124,708
	Prior year	10,119	5,695	6,736	6,932	6,639	8,333	8,049	16,046	11,628	10,400	7,182	13,563	111,322
	Change	(716)	2,220	4,388	3,481	12,328	(2,380)	1,937	(5,860)	(3,553)	(219)	5,998	(4,238)	13,386
910.13	Round up	520	0	0	524	82	0	125	90	0	167	0	400	1,908
	Prior year	100	205	36	100	0	0	100	60	0	120	0	0	721
	Change	420	(205)	(36)	424	82	0	25	30	0	47	0	400	1,187
910.15	Community events	2,617	5,883	3,764	4,015	3,532	2,407	2,149	3,435	5,738	2,223	2,912	5,768	44,443
	Prior year	1,709	4,270	3,785	2,862	1,426	2,193	1,486	6,152	5,807	3,985	2,918	2,965	39,558
	Change	908	1,613	(21)	1,153	2,106	214	663	(2,717)	(69)	(1,762)	(6)	2,803	4,885
910.16	Youth services/safety demos	395	1,189	2,985	224	0	0	1,602	2,080	3,145	5,199	4,429	2,988	24,236
	Prior year	0	378	620	0	0	858	0	0	0	563	1,105	1,696	5,220
	Change	395	811	2,365	224	0	(858)	1,602	2,080	3,145	4,636	3,324	1,292	19,016
910.18	HEC Grant	9,823	(18,940)	13,950	20,360	(7,529)	23,871	36,507	(31,078)	42,129	17,423	(42,959)	36,357	99,914
	Prior year	9,284	(18,835)	27,033	7,919	(52,259)	28,062	26,718	18,641	(25,092)	7,860	(38,261)	38,788	29,858
	Change	539	(105)	(13,083)	12,441	44,730	(4,191)	9,789	(49,719)	67,221	9,563	(4,698)	(2,431)	70,056

Jackson Energy Cooperative
Comparison of Test Year Income Statement Account
Balances with those of the Preceding Year
December 31, 2012

Item 8B

Page 8 of 14

Acct #	Description	2012 January Month 1	February Month 2	March Month 3	April Month 4	May Month 5	June Month 6	July Month 7	August Month 8	September Month 9	October Month 10	November Month 11	December Month 12	Total
***	Total Customer Service and Information	58,874	29,595	48,412	65,193	49,578	63,493	80,491	28,823	102,018	78,162	(10,944)	69,371	663,066
	Prior year	49,677	25,960	65,187	31,284	(9,530)	116,526	52,285	82,732	20,666	47,804	6,250	100,385	589,226
	Change	9,197	3,635	(16,775)	33,909	59,108	(53,033)	28,206	(53,909)	81,352	30,358	(17,194)	(31,014)	73,840
913.00	Advertising	16,443	13,183	10,900	13,892	11,007	12,048	11,412	12,587	13,212	12,051	11,357	10,527	148,619
	Prior year	3,801	2,843	3,177	3,229	16,959	9,276	7,139	8,740	8,720	10,541	6,210	20,498	101,133
	Change	12,642	10,340	7,723	10,663	(5,952)	2,772	4,273	3,847	4,492	1,510	5,147	(9,971)	47,486
***	Total Sales	16,443	13,183	10,900	13,892	11,007	12,048	11,412	12,587	13,212	12,051	11,357	10,527	148,619
	Prior year	3,801	2,843	3,177	3,229	16,959	9,276	7,139	8,740	8,720	10,541	6,210	20,498	101,133
	Change	12,642	10,340	7,723	10,663	(5,952)	2,772	4,273	3,847	4,492	1,510	5,147	(9,971)	47,486
920.00	Office salaries	16,040	13,076	13,857	12,601	15,435	13,228	15,648	17,556	13,954	15,140	18,081	15,323	179,939
	Prior year	2,917	6,690	8,434	6,787	5,733	7,308	6,091	5,705	3,362	11,151	12,184	19,326	95,688
	Change	13,123	6,386	5,423	5,814	9,702	5,920	9,557	11,851	10,592	3,989	5,897	(4,003)	84,251
920.01	Accounts Payable	9,839	10,373	8,507	9,625	10,639	9,173	9,343	9,406	9,194	9,984	10,434	9,478	115,995
	Prior year	7,178	9,191	9,709	9,035	7,426	11,684	9,265	9,066	9,822	8,323	7,418	12,680	110,797
	Change	2,661	1,182	(1,202)	590	3,213	(2,511)	78	340	(628)	1,661	3,016	(3,202)	5,198
920.03	Budgeting	0	897	0	0	133	729	1,913	503	3,433	3,113	415	1,267	12,403
	Prior year	163	1,225	179	66	492	0	583	1,024	1,077	3,831	336	644	9,620
	Change	(163)	(328)	(179)	(66)	(359)	729	1,330	(521)	2,356	(718)	79	623	2,783
920.05	Payroll processing	379	406	912	350	508	753	595	292	370	1,003	322	455	6,345
	Prior year	5,229	1,647	1,338	1,511	1,792	1,316	1,633	1,492	2,508	357	752	555	20,130
	Change	(4,850)	(1,241)	(426)	(1,161)	(1,284)	(563)	(1,038)	(1,200)	(2,138)	646	(430)	(100)	(13,785)
920.07	Mail processing - general mail	383	438	430	352	454	378	0	0	617	1,900	1,738	1,091	7,781
	Prior year	0	0	0	0	0	0	0	0	402	437	349	444	1,632
	Change	383	438	430	352	454	378	0	0	215	1,463	1,389	647	6,149
920.08	Mgt/general staff labor	53,718	46,251	49,710	50,173	52,173	43,167	46,636	45,573	50,217	30,476	60,934	60,763	589,791
	Prior year	51,228	44,379	46,715	41,359	34,263	62,137	39,637	47,502	38,284	50,217	34,995	68,468	559,184
	Change	2,490	1,872	2,995	8,814	17,910	(18,970)	6,999	(1,929)	11,933	(19,741)	25,939	(7,705)	30,607
920.25	Management information systems	12,123	7,746	10,799	11,496	13,068	10,534	11,575	12,692	12,662	12,508	12,188	11,812	139,203
	Prior year	11,680	8,502	11,003	9,960	8,717	14,182	10,328	12,134	12,160	11,620	8,590	15,392	134,268
	Change	443	(756)	(204)	1,536	4,351	(3,648)	1,247	558	502	888	3,598	(3,580)	4,935
920.30	Data processing	27,846	27,871	29,279	26,602	32,278	25,695	27,342	29,744	33,576	37,680	38,706	33,893	370,512
	Prior year	24,070	26,235	30,581	24,859	18,263	34,910	23,272	27,514	32,198	27,055	22,266	36,333	327,556
	Change	3,776	1,636	(1,302)	1,743	14,015	(9,215)	4,070	2,230	1,378	10,625	16,440	(2,440)	42,956
920.40	Statistical analysis	1,383	2,503	1,772	1,306	916	1,078	1,157	1,283	1,894	1,164	1,760	2,023	18,239
	Prior year	1,736	2,343	1,494	2,053	1,470	836	1,281	1,337	1,171	1,116	2,351	1,509	18,697
	Change	(353)	160	278	(747)	(554)	242	(124)	(54)	723	48	(591)	514	(458)
920.50	Personnel services	11,936	12,214	10,610	13,311	15,789	10,589	12,279	14,209	14,308	12,397	15,306	13,662	156,610
	Prior year	10,526	2,775	2,989	2,732	1,512	3,944	2,082	3,554	7,506	11,677	9,410	13,793	72,500
	Change	1,410	9,439	7,621	10,579	14,277	6,645	10,197	10,655	6,802	720	5,896	(131)	84,110
920.51	Secretarial support	0	0	0	0	0	0	0	0	331	1,876	0	55	2,262
	Prior year	0	0	0	0	0	0	0	0	0	0	0	0	0
	Change	0	0	0	0	0	0	0	0	331	1,876	0	55	2,262

Jackson Energy Cooperative
Comparison of Test Year Income Statement Account
Balances with those of the Preceding Year
December 31, 2012

Item 8B
page 9 of 14

Acct #	Description	2012 January Month 1	February Month 2	March Month 3	April Month 4	May Month 5	June Month 6	July Month 7	August Month 8	September Month 9	October Month 10	November Month 11	December Month 12	Total
920.70	General accounting activities	37,515	37,152	36,548	36,507	44,739	36,603	41,262	49,907	47,312	39,904	47,798	43,987	499,234
	Prior year	46,177	45,784	50,122	38,655	38,718	63,438	41,846	50,958	50,467	38,136	28,939	51,871	545,111
	Change	(8,662)	(8,632)	(13,574)	(2,148)	6,021	(26,835)	(584)	(1,051)	(3,155)	1,768	18,859	(7,884)	(45,877)
920.80	Training Labor	0	0	0	0	0	0	0	0	1,323	391	1,074	3,097	5,885
	Prior year	0	0	0	0	0	0	0	0	0	0	0	0	0
	Change	0	0	0	0	0	0	0	0	1,323	391	1,074	3,097	5,885
920.81	Special Projects Director Labor	0	0	0	0	0	0	0	0	0	3,870	7,005	1,769	12,644
	Prior year	0	0	0	0	0	0	0	0	0	0	0	0	0
	Change	0	0	0	0	0	0	0	0	0	3,870	7,005	1,769	12,644
921.00	Office supplies	22,628	27,464	22,585	19,061	39,278	43,112	21,869	19,863	44,712	31,282	32,949	18,735	343,538
	Prior year	24,228	26,355	32,559	26,304	21,597	46,152	21,503	30,051	27,238	24,492	34,461	29,078	344,018
	Change	(1,600)	1,109	(9,974)	(7,243)	17,681	(3,040)	366	(10,188)	17,474	6,790	(1,512)	(10,343)	(480)
921.01	Accounts Payable - Non labor	0	0	0	0	0	38	0	0	0	0	0	0	38
	Prior year	0	26	0	0	0	0	0	0	0	0	0	3,249	3,275
	Change	0	(26)	0	0	0	38	0	0	0	0	0	(3,249)	(3,237)
921.03	Budget Processing labor	0	0	0	0	0	0	0	0	0	45	0	0	45
	Prior year	0	0	0	0	0	0	0	0	0	0	0	31	31
	Change	0	0	0	0	0	0	0	0	0	45	0	(31)	14
921.04	Meetings - Non labor	0	0	0	0	0	0	0	0	0	0	0	0	0
	Prior year	0	0	133	(133)	0	0	0	0	0	0	0	0	0
	Change	0	0	(133)	133	0	0	0	0	0	0	0	0	0
921.07	General Mail - Non labor	3,333	586	50	2,104	174	3,193	1,210	1,085	(234)	1,116	1,109	1,130	14,856
	Prior year	1,816	640	792	1,909	58	81	169	1,864	110	3,607	101	139	11,286
	Change	1,517	(54)	(742)	195	116	3,112	1,041	(779)	(344)	(2,491)	1,008	991	3,570
921.08	Mgr/general staff - Non labor	2,213	2,187	3,392	375	495	446	417	477	425	13,665	2,722	2,497	29,311
	Prior year	666	482	2,839	1,600	1,831	2,750	2,345	2,673	2,114	3,159	2,218	3,069	25,746
	Change	1,547	1,705	553	(1,225)	(1,336)	(2,304)	(1,928)	(2,196)	(1,689)	10,506	504	(572)	3,565
921.09	Telephone Expenses	14,989	15,041	14,956	11,281	18,015	16,029	15,401	15,195	13,707	14,364	12,672	19,153	180,803
	Prior year	9,739	10,710	10,992	18,864	14,684	14,658	14,616	14,500	14,508	14,680	14,535	14,636	167,122
	Change	5,250	4,331	3,964	(7,583)	3,331	1,371	785	695	(801)	(316)	(1,863)	4,517	13,681
921.10	Computer Expenses	802	350	895	2,794	568	48	3,779	662	2,015	2,811	780	1,453	16,957
	Prior year	0	1,231	1,341	1,231	1,231	1,479	1,268	620	692	674	253	2,133	12,153
	Change	802	(881)	(446)	1,563	(663)	(1,431)	2,511	42	1,323	2,137	527	(680)	4,804
921.30	Computer Operations - Non Labor	58	0	0	0	0	0	0	0	265	0	0	3,023	3,346
	Prior year	0	0	0	0	0	805	0	0	0	114	0	0	919
	Change	58	0	0	0	0	(805)	0	0	265	(114)	0	3,023	2,427
921.50	Personnel services - Non labor	6,463	2,748	2,210	2,849	(6,941)	2,407	1,395	3,413	4,015	18,250	4,986	1,767	43,562
	Prior year	120	1,109	3,110	3,095	398	2,616	5,513	3,286	3,391	4,564	1,639	2,615	31,456
	Change	6,343	1,639	(900)	(246)	(7,339)	(209)	(4,118)	127	624	13,686	3,347	(848)	12,106
921.60	Secretarial Support - Non labor	3,316	3,773	2,975	2,996	3,109	3,181	3,586	3,291	3,156	2,853	3,036	3,039	38,311
	Prior year	3,347	3,861	2,810	2,745	2,806	3,078	3,436	3,424	3,810	5,004	3,252	3,321	40,894
	Change	(31)	(88)	165	251	303	103	150	(133)	(654)	(2,151)	(216)	(282)	(2,583)
921.62	Office Sup & Exp - McKee Dist.	2,376	2,799	2,017	1,875	1,970	1,883	2,337	2,131	2,104	1,930	2,390	2,468	26,280

Jackson Energy Cooperative
Comparison of Test Year Income Statement Account
Balances with those of the Preceding Year
December 31, 2012

Item 8B
page 10 of 14

Acct #	Description	2012 January Month 1	February Month 2	March Month 3	April Month 4	May Month 5	June Month 6	July Month 7	August Month 8	September Month 9	October Month 10	November Month 11	December Month 12	Total
	Prior year	2,572	2,927	2,079	1,878	1,711	1,838	2,069	1,899	1,759	1,882	1,844	2,417	24,875
	Change	(196)	(128)	(62)	(3)	259	45	268	232	345	48	546	51	1,405
921.63	Office Sup & Exp - Laurel Dist.	2,578	1,357	1,097	1,098	1,067	1,048	1,126	674	1,815	1,325	1,622	1,745	16,552
	Prior year	2,398	1,941	1,478	1,437	1,379	1,468	1,556	1,590	1,268	1,279	824	606	17,224
	Change	180	(584)	(381)	(339)	(312)	(420)	(430)	(916)	547	46	798	1,139	(672)
921.64	Office Sup & Exp - Beattyville Dist.	1,111	1,181	898	916	976	1,006	1,060	1,012	962	831	1,160	1,301	12,414
	Prior year	1,410	1,483	918	1,018	1,012	987	1,077	1,078	1,021	923	955	1,144	13,026
	Change	(299)	(302)	(20)	(102)	(36)	19	(17)	(66)	(59)	(92)	205	157	(612)
921.65	Office Sup & Exp - Manchester Dist.	618	113	611	500	563	761	630	710	655	389	461	591	6,602
	Prior year	428	388	439	503	138	652	801	559	566	485	499	111	5,569
	Change	190	(275)	172	(3)	425	109	(171)	151	89	(96)	(38)	480	1,033
921.70	General accounting - Non labor	791	974	1,570	0	0	0	0	0	0	6,448	1,066	785	11,634
	Prior year	0	0	1,537	516	836	736	1,137	959	1,045	977	998	952	9,693
	Change	791	974	33	(516)	(836)	(736)	(1,137)	(959)	(1,045)	5,471	68	(167)	1,941
923.00	Outside services	5,742	5,784	5,343	2,527	8,097	10,562	8,105	21,076	7,317	28,806	6,186	8,794	118,339
	Prior year	525	4,957	4,707	5,647	7,041	16,440	15,122	8,318	5,744	9,380	1,511	15,136	94,528
	Change	5,217	827	636	(3,120)	1,056	(5,878)	(7,017)	12,758	1,573	19,426	4,675	(6,342)	23,811
925.00	Injuries and damages	2,898	1,343	(3)	2,145	3,130	1,965	2,728	2,271	999	1,469	1,515	6,039	26,499
	Prior year	2,374	2,590	1,732	3,262	2,559	2,932	5,167	2,760	1,499	1,528	2,034	1,874	30,311
	Change	524	(1,247)	(1,735)	(1,117)	571	(967)	(2,439)	(489)	(500)	(59)	(519)	4,165	(3,812)
926.00	Employee pensions & benefits	1,456	646	2,852	274	1,573	632	369	152	0	43	267	0	8,264
	Prior year	87	5	0	0	2	0	0	46	0	127	5	102	374
	Change	1,369	641	2,852	274	1,571	632	369	106	0	(84)	262	(102)	7,890
926.01	Employee benefits	7,802	6,670	10,380	8,039	8,012	5,319	6,284	9,518	22,071	9,227	25,505	30,722	149,549
	Prior year	5,086	5,807	11,528	8,179	10,253	9,203	10,226	8,661	24,247	16,378	27,298	646	137,512
	Change	2,716	863	(1,148)	(140)	(2,241)	(3,884)	(3,942)	857	(2,176)	(7,151)	(1,793)	30,076	12,037
926.04	Flexible Spending Account	(62,717)	0	0	1	31,775	9,172	3,361	0	6,035	0	5,271	3,757	(3,345)
	Prior year	0	0	0	0	0	0	0	0	0	0	0	0	0
	Change	(62,717)	0	0	1	31,775	9,172	3,361	0	6,035	0	5,271	3,757	(3,345)
928.00	Regulatory commission expenses	2,947	1,313	2,827	66	526	1,045	1,748	4,060	71	297	1,430	34	16,364
	Prior year	2,054	4,301	2,859	437	167	2,781	3,320	3,429	1,178	1,247	176	1,758	23,707
	Change	893	(2,988)	(32)	(371)	359	(1,736)	(1,572)	631	(1,107)	(950)	1,254	(1,724)	(7,343)
929.00	Duplicate charges	(9,541)	(7,582)	(6,342)	(5,981)	(6,258)	(6,220)	(7,378)	(6,733)	(7,211)	(6,214)	(7,585)	(7,833)	(84,878)
	Prior year	(8,953)	(8,083)	(6,074)	(5,596)	(5,517)	(6,048)	(6,764)	(6,691)	(6,071)	(5,833)	(5,157)	(6,406)	(77,193)
	Change	(588)	501	(268)	(385)	(741)	(172)	(614)	(42)	(1,140)	(381)	(2,428)	(1,427)	(7,685)
930.01	FEMA Administration	0	0	0	1,871	1,581	0	122	(2,945)	1,001	644	0	0	2,274
	Prior year	0	0	0	0	0	0	0	0	0	0	0	0	0
	Change	0	0	0	1,871	1,581	0	122	(2,945)	1,001	644	0	0	2,274
930.02	FEMA Administration	0	0	0	23	23	91	0	(137)	0	0	0	0	0
	Prior year	0	0	0	0	0	0	0	0	0	0	0	0	0
	Change	0	0	0	23	23	91	0	(137)	0	0	0	0	0
930.20	Institutional advertising	0	0	397	0	0	50	183	0	0	0	194	12,675	13,499
	Prior year	50	414	0	453	351	0	0	(669)	0	894	0	0	1,493

Jackson Energy Cooperative
Comparison of Test Year Income Statement Account
Balances with those of the Preceding Year
December 31, 2012

Item 8B
page 11 of 14

Acct #	Description	2012 January Month 1	February Month 2	March Month 3	April Month 4	May Month 5	June Month 6	July Month 7	August Month 8	September Month 9	October Month 10	November Month 11	December Month 12	Total
	Change	(50)	(414)	397	(453)	(351)	50	183	669	0	(894)	194	12,675	12,006
930.21	Director fees and exp	17,011	18,078	21,171	15,840	17,077	17,279	19,319	14,271	15,525	18,198	20,212	18,263	212,244
	Prior year	19,529	19,178	23,289	15,755	16,008	17,859	18,701	16,931	25,511	22,479	21,855	21,095	238,190
	Change	(2,518)	(1,100)	(2,118)	85	1,069	(580)	618	(2,660)	(9,986)	(4,281)	(1,643)	(2,832)	(25,946)
930.22	Association dues	127,180	0	0	0	0	0	0	0	45,566	0	0	0	172,746
	Prior year	127,180	0	0	0	0	0	0	0	46,466	0	0	0	173,646
	Change	0	0	0	0	0	0	0	0	(900)	0	0	0	(900)
930.23	Annual meeting	142	451	9,271	1,694	10,100	83,243	10,344	190	0	110	0	0	115,545
	Prior year	3,235	0	4,280	506	8,591	68,085	28,764	13,313	0	(575)	(4,062)	(566)	121,571
	Change	(3,093)	451	4,991	1,188	1,509	15,158	(18,420)	(13,123)	0	685	4,062	566	(6,026)
930.24	Capital credits	1,137	2,079	1,816	1,969	27,563	8,190	5,416	1,959	3,340	2,778	866	824	57,937
	Prior year	1,394	1,416	1,777	1,374	1,333	28,766	28,210	(14,295)	4,334	1,807	374	1,716	58,206
	Change	(257)	663	39	595	26,230	(20,576)	(22,794)	16,254	(994)	971	492	(892)	(269)
930.25	Member publications	20,545	22,452	22,484	23,962	23,855	21,967	21,060	22,558	25,475	24,115	23,133	24,661	276,267
	Prior year	19,427	20,297	25,249	23,230	24,424	663	20,368	43,187	26,464	21,444	20,142	33,895	278,790
	Change	1,118	2,155	(2,765)	732	(569)	21,304	692	(20,629)	(989)	2,671	2,991	(9,234)	(2,523)
930.26	Employee publications	998	989	2,569	970	1,059	2,611	887	1,497	3,485	787	2,314	4,876	23,042
	Prior year	5,330	3,037	3,009	1,123	2,378	5,211	2,488	1,975	3,196	1,990	4,205	5,427	39,369
	Change	(4,332)	(2,048)	(440)	(153)	(1,319)	(2,600)	(1,601)	(478)	289	(1,203)	(1,891)	(551)	(16,327)
930.27	Bldg & grounds - farm	644	121	159	117	75	723	113	305	994	106	74	53	3,484
	Prior year	48	46	46	1,473	1,031	700	35	270	1,447	83	56	73	5,308
	Change	596	75	113	(1,356)	(956)	23	78	35	(453)	23	18	(20)	(1,824)
930.29	Miscellaneous	0	0	0	0	0	0	0	99	0	0	0	0	99
	Prior year	0	0	0	0	0	210	128	120	0	0	0	0	458
	Change	0	0	0	0	0	(210)	(128)	(21)	0	0	0	0	(359)
931.00	Rents	250	250	250	250	250	250	250	13,050	1,850	1,850	1,850	1,850	22,200
	Prior year	0	0	0	0	0	0	0	0	250	250	250	250	1,000
	Change	250	250	250	250	250	250	250	13,050	1,600	1,600	1,600	1,600	21,200
935.00	Maintenance of general plant	23,957	26,458	23,045	22,324	24,542	34,119	23,578	23,976	25,837	24,419	32,603	21,311	306,169
	Prior year	34,007	20,635	59,026	24,562	26,822	36,425	33,852	37,260	18,786	25,136	23,996	21,783	362,290
	Change	(10,050)	5,823	(35,981)	(2,238)	(2,280)	(2,306)	(10,274)	(13,284)	7,051	(717)	8,607	(472)	(56,121)
935.02	Maintenance of general plant - McKee offices	9,223	8,263	7,580	5,912	7,150	10,155	5,617	5,488	5,261	5,120	6,209	22,462	98,440
	Prior year	25,710	7,907	5,855	4,308	7,141	5,987	4,809	2,876	5,080	4,253	6,127	9,336	89,389
	Change	(16,487)	356	1,725	1,604	9	4,168	808	2,612	181	867	82	13,126	9,051
935.03	Maintenance of general plant - London offices	4,191	6,495	9,673	6,496	8,881	5,044	7,689	10,357	13,878	27,814	8,115	9,901	118,534
	Prior year	8,271	10,925	6,112	3,630	2,606	3,546	7,699	(392)	758	6,604	2,321	4,403	56,483
	Change	(4,080)	(4,430)	3,561	2,866	6,275	1,498	(10)	10,749	13,120	21,210	5,794	5,498	62,051
935.04	Maintenance of general plant - Beattyville offices	2,705	3,117	2,333	1,831	2,249	1,415	1,438	3,982	1,855	1,774	7,665	3,736	34,100
	Prior year	1,137	2,572	9,305	688	8,994	2,329	8,231	1,842	3,647	3,248	1,171	3,751	46,915
	Change	1,568	545	(6,972)	1,143	(6,745)	(914)	(6,793)	2,140	(1,792)	(1,474)	6,494	(15)	(12,815)
935.05	Maintenance of general plant - Clay county offices	1,656	2,301	1,263	389	1,779	1,339	1,419	1,797	1,723	2,591	4,356	5,777	26,390
	Prior year	1,195	457	2,190	1,449	1,706	1,066	1,145	1,487	1,136	961	1,239	1,736	15,767
	Change	461	1,844	(927)	(1,060)	73	273	274	310	587	1,630	3,117	4,041	10,623

Jackson Energy Cooperative
Comparison of Test Year Income Statement Account
Balances with those of the Preceding Year
December 31, 2012

Item 8B
page 12 of 14

Acct #	Description	2012 January Month 1	February Month 2	March Month 3	April Month 4	May Month 5	June Month 6	July Month 7	August Month 8	September Month 9	October Month 10	November Month 11	December Month 12	Total
***	Total Administrative & General	390,664	316,728	332,748	298,891	418,445	434,030	333,212	356,469	437,860	410,649	420,894	424,264	4,574,854
	Prior year	455,314	296,385	378,481	288,464	281,957	473,210	373,009	343,217	380,151	337,161	292,710	400,525	4,300,584
	Change	(64,650)	20,343	(45,733)	10,427	136,488	(39,180)	(39,797)	13,252	57,709	73,488	128,184	23,739	274,270
403.60	Distribution depreciation	628,043	629,617	631,633	633,809	635,225	636,065	639,821	642,126	643,659	645,827	647,535	649,191	7,662,551
	Prior year	604,660	606,073	607,372	609,207	611,600	612,156	614,622	616,816	619,805	621,892	623,796	626,163	7,374,162
	Change	23,383	23,544	24,261	24,602	23,625	23,909	25,199	25,310	23,854	23,935	23,739	23,028	288,389
403.70	General depreciation	49,287	49,167	49,714	50,304	49,660	49,827	49,628	49,558	49,624	49,693	49,733	47,135	593,330
	Prior year	45,522	45,650	45,613	45,638	45,163	45,199	45,172	45,325	45,186	47,967	48,163	48,992	553,590
	Change	3,765	3,517	4,101	4,666	4,497	4,628	4,456	4,233	4,438	1,726	1,570	(1,857)	39,740
407.00	Unrecovered plant	39,231	39,231	39,231	39,231	39,231	39,231	39,231	39,231	39,231	39,231	39,231	39,231	470,772
	Prior year	39,231	39,231	39,231	39,231	39,231	39,231	39,231	39,231	39,231	39,231	39,231	39,231	470,772
	Change	0	0	0	0	0	0	0	0	0	0	0	0	0
***	Total Depreciation	716,561	718,015	720,578	723,344	724,116	725,123	728,680	730,915	732,514	734,751	736,499	735,557	8,726,653
	Prior year	689,413	690,954	692,216	694,076	695,994	696,586	699,025	701,372	704,222	709,090	711,190	714,386	8,398,524
	Change	27,148	27,061	28,362	29,268	28,122	28,537	29,655	29,543	28,292	25,661	25,309	21,171	328,129
408.71	Regulatory assessment	0	0	0	0	0	120,557	0	0	0	0	0	0	120,557
	Prior year	0	0	0	0	0	0	107,126	0	0	0	0	0	107,126
	Change	0	0	0	0	0	120,557	(107,126)	0	0	0	0	0	13,431
***	Total Tax Expense - Other	0	0	0	0	0	120,557	0	0	0	0	0	0	120,557
	Prior year	0	0	0	0	0	0	107,126	0	0	0	0	0	107,126
	Change	0	0	0	0	0	120,557	(107,126)	0	0	0	0	0	13,431
427.10	REA interest	119,815	107,517	119,372	115,310	114,456	114,891	118,485	118,277	114,254	117,816	113,820	117,381	1,391,394
	Prior year	122,692	106,517	122,253	118,115	117,557	117,710	121,416	116,873	117,103	120,786	112,358	120,358	1,413,738
	Change	(2,877)	1,000	(2,881)	(2,805)	(3,101)	(2,819)	(2,931)	1,404	(2,849)	(2,970)	1,462	(2,977)	(22,344)
427.20	NRU CFC interest	119,766	119,766	119,789	119,789	115,929	116,920	116,920	113,330	115,723	110,675	110,675	111,080	1,390,362
	Prior year	127,342	127,342	135,592	135,592	117,729	128,395	128,395	123,928	125,533	122,487	122,486	122,681	1,517,502
	Change	(7,576)	(7,576)	(15,803)	(15,803)	(1,800)	(11,475)	(11,475)	(10,598)	(9,810)	(11,812)	(11,811)	(11,601)	(127,140)
427.40	FFB interest	230,786	210,493	210,493	217,257	217,257	222,775	219,096	219,096	219,488	219,226	219,226	216,395	2,621,588
	Prior year	259,176	259,176	173,853	230,735	201,992	261,189	231,305	220,785	220,785	222,907	234,725	234,725	2,751,353
	Change	(28,390)	(48,683)	36,640	(13,478)	15,265	(38,414)	(12,209)	(1,689)	(1,297)	(3,681)	(15,499)	(18,330)	(129,765)
***	Total Interest on Long-Term Debt	470,367	437,776	449,654	452,356	447,642	454,586	454,501	450,703	449,465	447,717	443,721	444,856	5,403,344
	Prior year	509,210	493,035	431,698	484,442	437,278	507,294	481,116	461,586	463,421	466,180	469,569	477,764	5,682,593
	Change	(38,843)	(55,259)	17,956	(32,086)	10,364	(52,708)	(26,615)	(10,883)	(13,956)	(18,463)	(25,848)	(32,908)	(279,249)
431.00	Interest - customer deposits	14,386	7,855	7,819	7,647	7,124	6,720	1,969	107	103	99	98	94	54,021
	Prior year	8,652	8,430	8,962	8,758	8,789	8,717	8,713	8,526	8,353	8,107	8,027	1,439	95,473
	Change	5,734	(575)	(1,143)	(1,111)	(1,665)	(1,997)	(6,744)	(8,419)	(8,250)	(8,008)	(7,929)	(1,345)	(41,452)
431.20	Short-term loans - CFC	0	0	0	0	0	0	0	0	0	0	0	0	0
	Prior year	0	0	0	0	0	0	0	0	0	0	0	0	0
	Change	0	0	0	0	0	0	0	0	0	0	0	0	0
***	Total Interest - Other	14,386	7,855	7,819	7,647	7,124	6,720	1,969	107	103	99	98	94	54,021
	Prior year	8,652	8,430	8,962	8,758	8,789	8,717	8,713	8,526	8,353	8,107	8,027	1,439	95,473
	Change	5,734	(575)	(1,143)	(1,111)	(1,665)	(1,997)	(6,744)	(8,419)	(8,250)	(8,008)	(7,929)	(1,345)	(41,452)

Item 8B
page 13 of 14

December 31, 2012		2012												Total
Acct #	Description	January Month 1	February Month 2	March Month 3	April Month 4	May Month 5	June Month 6	July Month 7	August Month 8	September Month 9	October Month 10	November Month 11	December Month 12	
426.00	Donations	100	1,600	1,593	1,630	1,435	1,390	1,940	2,190	250	969	2,884	1,200	17,181
	Prior year	400	1,150	2,282	325	1,774	550	500	4,113	650	550	400	800	13,494
	Change	(300)	450	(689)	1,305	(339)	840	1,440	(1,923)	(400)	419	2,484	400	3,687
426.50	Other Deductions	7,872	627	3,110	944	9,411	(183)	10,294	10,064	6,093	0	9,762	5,721	63,715
	Prior year	6,561	31,933	3,293	4,417	0	26,016	8,854	104	17,814	4,315	234	9,868	113,409
	Change	1,311	(31,306)	(183)	(3,473)	9,411	(26,199)	1,440	9,960	(11,721)	(4,315)	9,528	(4,147)	(49,694)
***	Total Other Deductions	7,972	2,227	4,703	2,574	10,846	1,207	12,234	12,254	6,343	969	12,646	6,921	80,896
	Prior year	6,961	33,083	5,575	4,742	1,774	26,566	9,354	4,217	18,464	4,865	634	10,668	126,903
	Change	1,011	(30,856)	(872)	(2,168)	9,072	(25,359)	2,880	8,037	(12,121)	(3,896)	12,012	(3,747)	(46,007)
****	Total Cost of Electric Service	9,785,354	8,896,987	7,469,759	6,814,618	7,496,769	8,292,222	9,026,799	8,040,188	7,314,984	7,940,022	9,086,424	9,961,044	100,125,170
	Prior year	11,534,814	8,786,943	7,946,813	7,306,266	7,048,888	8,662,432	8,961,249	8,780,645	7,071,979	7,304,844	8,370,236	9,970,501	101,745,610
	Change	(1,749,460)	110,044	(477,054)	(491,648)	447,881	(370,210)	65,550	(740,457)	243,005	635,178	716,188	(9,457)	(1,620,440)
****	Operating Margins	751,167	(527,956)	(896,496)	(242,764)	(296,977)	95,156	(295,218)	(226,440)	(648,928)	335,325	(33,083)	1,153,014	(833,200)
	Prior year	724,230	421,198	140,534	(568,333)	319,548	(937,073)	(296,117)	(458,785)	(284,684)	450,693	803,879	825,243	1,140,333
	Change	26,937	(949,154)	(1,037,030)	325,569	(616,525)	1,032,229	899	232,345	(364,244)	(115,368)	(836,962)	327,771	(1,973,533)
419.00	Interest and dividend income	13,345	12,616	12,702	12,850	12,487	12,417	12,204	12,874	12,724	12,414	12,527	21,423	160,583
	Prior year	15,772	14,184	14,313	18,575	23,190	16,254	15,055	14,690	14,665	6,806	12,813	13,173	179,490
	Change	(2,427)	(1,568)	(1,611)	(5,725)	(10,703)	(3,837)	(2,851)	(1,816)	(1,941)	5,608	(286)	8,250	(18,907)
419.10	Interest on money market accounts	71	59	68	51	62	50	51	58	38	57	58	37	660
	Prior year	131	142	132	99	106	115	113	100	80	84	76	52	1,230
	Change	(60)	(83)	(64)	(48)	(44)	(65)	(62)	(42)	(42)	(27)	(18)	(15)	(570)
419.20	Interest on employee computer loans	0	0	0	0	0	0	0	0	0	0	38	8	46
	Prior year	38	0	0	0	0	19	0	0	17	0	13	0	87
	Change	(38)	0	0	0	0	(19)	0	0	(17)	0	25	8	(41)
***	Total Non Operating Margins - Interest	13,416	12,675	12,770	12,901	12,549	12,467	12,255	12,932	12,762	12,471	12,623	21,468	161,289
	Prior year	15,941	14,326	14,445	18,674	23,296	16,388	15,168	14,790	14,762	6,890	12,902	13,225	180,807
	Change	(2,525)	(1,651)	(1,675)	(5,773)	(10,747)	(3,921)	(2,913)	(1,858)	(2,000)	5,581	(279)	8,243	(19,518)
418.10	Subsidiary Earnings	0	0	0	0	0	0	0	0	0	0	0	124,271	124,271
	Prior year	0	0	0	0	0	0	0	0	0	0	0	29,399	29,399
	Change	0	0	0	0	0	0	0	0	0	0	0	94,872	94,872
***	Total Income (Loss) from Equity Investments	0	0	0	0	0	0	0	0	0	0	0	124,271	124,271
	Prior year	0	0	0	0	0	0	0	0	0	0	0	29,399	29,399
	Change	0	0	0	0	0	0	0	0	0	0	0	94,872	94,872
415.03	Sale of ETS units	3,057	902	464	0	0	0	0	0	60	904	1,874	1,516	8,777
	Prior year	3,711	650	672	295	256	0	0	0	164	982	1,735	1,499	9,964
	Change	(654)	252	(208)	(295)	(256)	0	0	0	(104)	(78)	139	17	(1,187)
416.03	ETS expense	2,889	0	0	0	0	0	0	0	0	476	0	0	3,365
	Prior year	0	0	0	0	0	0	0	0	0	(1,824)	0	0	(1,824)
	Change	2,889	0	0	0	0	0	0	0	0	2,300	0	0	5,189
416.04	ETS marketing	(3,129)	(828)	(240)	0	0	0	0	0	(35)	(826)	(1,692)	(1,343)	(8,093)
	Prior year	(3,354)	(699)	(594)	(277)	(250)	0	0	0	(132)	(728)	(1,423)	(1,257)	(8,714)
	Change	225	(129)	354	277	250	0	0	0	97	(98)	(269)	(86)	621
417.02	After hour dispatching	350	350	350	450	450	450	450	450	450	450	450	450	5,100

Jackson Energy Cooperative
Comparison of Test Year Income Statement Account
Balances with those of the Preceding Year
December 31, 2012

Item 8B
page 14 of 14

Acct #	Description	2012 January Month 1	February Month 2	March Month 3	April Month 4	May Month 5	June Month 6	July Month 7	August Month 8	September Month 9	October Month 10	November Month 11	December Month 12	Total
	Prior year	350	350	350	350	350	350	350	350	350	350	350	350	4,200
	Change	0	0	0	100	100	100	100	100	100	100	100	100	900
417.03	Rental income - Propane	670	2,070	720	720	720	720	720	20	1,420	20	1,420	20	9,240
	Prior year	2,520	2,520	2,520	2,520	2,520	2,520	2,520	2,520	670	670	670	670	22,840
	Change	(1,850)	(450)	(1,800)	(1,800)	(1,800)	(1,800)	(1,800)	(2,500)	750	(650)	750	(650)	(13,600)
421.00	(Gain)/loss on plant disposed	13	33	130	38	45	94	43	30	52	(478)	46	184	230
	Prior year	99	673	63	109	62	406	45	63	52	102	50	44	1,768
	Change	(86)	(640)	67	(71)	(17)	(312)	(2)	(33)	0	(580)	(4)	140	(1,538)
421.02	MACED Progra	1,117	3,377	0	1,350	576	0	0	545	195	288	297	671	8,416
	Prior year	0	0	0	0	0	0	0	586	0	0	0	1,378	1,964
	Change	1,117	3,377	0	1,350	576	0	0	(41)	195	288	297	(707)	6,452
421.10	(Gain)/loss on plant disposed	(4,899)	3,600	3,390	(105,370)	(28,243)	126	4,301	2,748	(5,683)	1,874	4,122	1,706	(122,328)
	Prior year	0	(4,312)	0	0	(25,263)	(902)	0	(1,414)	(6,538)	1,336	(373)	(125)	(37,591)
	Change	(4,899)	7,912	3,390	(105,370)	(2,980)	1,028	4,301	4,162	855	538	4,495	1,831	(84,737)
***	Nonoperating margins -other	68	9,504	4,814	(102,812)	(26,452)	1,390	5,514	3,793	(3,541)	2,708	6,517	3,204	(95,293)
	Prior year	3,326	(818)	3,011	2,997	(22,325)	2,374	2,915	2,105	(5,434)	888	1,009	2,559	(7,393)
	Change	(3,258)	10,322	1,803	(105,809)	(4,127)	(984)	2,599	1,688	1,893	1,820	5,508	645	(87,900)
423.00	Patronage capital - East KY	0	0	0	0	0	0	0	0	0	0	0	4,358,339	4,358,339
	Prior year	0	0	0	0	0	0	0	0	0	0	0	4,928,673	4,928,673
	Change	0	0	0	0	0	0	0	0	0	0	0	(570,334)	(570,334)
***	Total G & T Capital Credits	0	0	0	0	0	0	0	0	0	0	0	4,358,339	4,358,339
	Prior year	0	0	0	0	0	0	0	0	0	0	0	4,928,673	4,928,673
	Change	0	0	0	0	0	0	0	0	0	0	0	(570,334)	(570,334)
424.00	Patronage capital - other	2,585	0	0	0	0	0	0	0	121,986	1,587	0	24,770	150,928
	Prior year	(2,447)	0	29,494	0	0	0	0	0	193,246	2,387	0	24,955	247,635
	Change	5,032	0	(29,494)	0	0	0	0	0	(71,260)	(800)	0	(185)	(96,707)
***	Total Other Patronage Capital	2,585	0	0	0	0	0	0	0	121,986	1,587	0	24,770	150,928
	Prior year	(2,447)	0	29,494	0	0	0	0	0	193,246	2,387	0	24,955	247,635
	Change	5,032	0	(29,494)	0	0	0	0	0	(71,260)	(800)	0	(185)	(96,707)

Jackson Energy Cooperative
Case No. 2013-00219
Response to Commission Staff First Data Request

Item No. 9
Page 1 of 1
Witness: Jim Adkins

Q9: Provide the following information for each item of electric property or plant held for future use at the end of the test year;

- a. Description of property;
- b. Location;
- c. Date purchased;
- d. Cost;
- e. Estimated date to be placed in service;
- f. Brief description of intended use; and
- g. Current status of each project.

A9: Jackson Energy has no property held for future use.

Jackson Energy Cooperative
Case No. 2013-00219
Response to Commission Staff First Data Request

Item No. 10
Page 1 of 1
Witness: Jim Adkins

Q10: List all non-utility property, related property taxes, and the accounts where amounts are recorded for the test period. Include a description of the property, the date purchased, and the cost.

A10: Jackson Energy has no non-utility property.

Jackson Energy Cooperative
Case No. 2013-00219
Response to Commission Staff First Data Request

Item No. 11
Page 1 of 1
Witness: Jim Adkins

Q11: Provide all studies, including all applicable work papers, which are the basis of jurisdictional plant allocations and expense account allocations.

A11: Jackson Energy has no basis for jurisdiction plant allocation and expense account allocations.

Jackson Energy Cooperative
Case No. 2013-00219
Response to Commission Staff First Data Request

Item No. 12
Page 1 of 76
Witness: Jim Adkins

Q12: Provide Jackson's current bylaws. Indicate any changes to the bylaws since Jackson's most recent general rate case.

A12: Please see Exhibit U of the Application for current by laws and Item No. 12 page 2 for changes since Jackson Energy's last general rate case..

BYLAWS REVISION

ARTICLE I: MEMBERSHIP

NEW:

Section 1. Requirements

Any person, partnership, association, corporation, body politic, or subdivision thereof may become a member of the Cooperative provided that he:

- a. Applies in writing;
- b. Agrees to purchase electricity or any other service from the Cooperative as stated in these Bylaws;
- c. Agrees to be bound by the Articles of Incorporation, Bylaws, and all other rules of the Cooperative; and
- d. Has the legal capacity to enter into a binding contract.

No person, partnership, association, corporation, body politic, or subdivision thereof may have more than one membership in the Cooperative, regardless of the number of accounts or service connections he has with the Cooperative.

All accounts must be in the name of one person or entity. Accounts in the name of more than one person prior to the adoption of these Bylaws shall continue, but only the first named person on the account is considered a member of the Cooperative for purposes of voting and other rights of members.

Section 2. Application

Membership in the Cooperative will be considered by the Board of Directors upon submission by the applicant of an application which will be supplied by the Cooperative, the terms and provisions of which are subject to change from time to time by the Board of Directors. The Board of Directors may deny membership to an applicant for good cause as defined and found by the Board of Directors.

The Cooperative may allow an applicant to receive electric or other service even though an application has not been submitted or approved, provided that an application is submitted and approved within a reasonable time after service begins.

REPLACES:

Article I, Section 1. Qualifications and Obligations

Any person, firm, corporation or body politic may become a member in the Cooperative by: (a) Paying the required membership fee; (b) agreeing to purchase from the Cooperative electric energy as hereinafter specified; and (c) agreeing to comply with

and be bound by the Articles of Incorporation of the Cooperative and these bylaws and any amendments thereto and such rules and regulations as may from time to time be adopted by the Board of Directors, provided, however, that no person, firm, corporation or body politic shall become a member unless and until he or it has been accepted for membership by the Board of Directors or the members. At such meeting of the members, all applications received more than ninety (90) days prior to such meeting and which have not been accepted by the Board of Directors as members subject to compliance by the applicant with the conditions set forth in subdivisions (a) (b) (c) of this section, such application for membership may be accepted by a vote of the members at such meeting.

A husband and wife constitute one member, and their application for a joint membership may be accepted in accordance with the foregoing provisions of this section, provided, the husband and wife comply jointly with the provisions of the above sections (a) (b) and (c).

NOTES:

With this change, there will be no joint husband and wife memberships, other than those already existing.

NEW:

Section 3. Membership Fees and Deposits

All applicants shall pay a membership fee in order to become a member of the Cooperative. The amount of the fee will be set by the Board of Directors. Members of the Cooperative are subject to the imposition of other fees, including, without limitation, interest, penalties, re-connection fees, extension fees, service charges, and court costs.

REPLACES:

Article 1, Section 2. Membership Fee; Consumer Deposit, Service Connection Fee and Line Extension Fees; Facility Moving Expense Charge

The membership fee shall be as fixed from time to time by the Board of Directors and approved by the Public Service Commission of Kentucky. The membership fee (together with any consumer deposit, service connection fee, line extension fee, facility moving expense charge, or any combination thereof, if required by the Cooperative) shall entitle the member to one service connection. A service connection fee, in such amount as shall be prescribed by the Cooperative (together with a consumer deposit, line extension fee, or facility moving expense charge or any combination thereof, if required by the Cooperative), shall be paid by the member for each additional service connection requested by him/her.

NEW:

Section 4. Provision of Electricity and Other Services

The Cooperative shall use reasonable diligence to furnish members with adequate and dependable electric service. The Cooperative does not guarantee a continuous and uninterrupted supply of electricity or other services. The Cooperative is not liable for damages, costs, or expenses caused by inadequate or fluctuating electricity or other services unless such damages, costs, or expenses are caused by the gross negligence or willful misconduct of the Cooperative.

REPLACES:

ARTICLE XV

LIABILITY FOR DAMAGES

The Cooperative shall not be liable to its members for personal injuries or damage to property resulting from the use of electric current furnished through the equipment of the Cooperative on member's premises, except in the event of the Cooperative's negligence and the member shall save the Cooperative harmless from injuries to the person or damages to the property of third persons resulting from such use of current.

ARTICLE XVI

CONTINUITY OF SERVICE

All reasonable efforts will be made to supply continuous and uninterrupted service. However, the Cooperative shall have the right to suspend the supply of electric energy for the purpose of making repairs, betterment or extensions.

NOTES:

These sections are moved to this area of the Bylaws.

NEW:

Section 5. Purchase of Electricity and Other Services

Each member shall purchase from the Cooperative all electric power and energy purchased for use on all premises to which electric service is furnished by the Cooperative, unless the Board of Directors shall waive such requirement. Production of electricity or other energy by a member by facilities to be interconnected with Cooperative facilities shall be subject to regulations as shall be fixed by the Board of Directors, and in any event, all such interconnection facilities are subject to inspection by the Cooperative and must meet all applicable safety codes and regulations.

REPLACES:

Article 1, Section 5. Purchase of Electric Energy

Each member shall, as soon as electric energy is available, purchase from the Cooperative all electric energy used on the premises specified in his application for membership, and shall pay therefore monthly rates which, from time to time, shall be fixed by the Board of Directors, and established by order of Public Service Commission if required by law, provided, however, that the Board of Directors may limit the amount of electric energy which the cooperative shall be required to furnish to any one member. It is expressly understood that amounts paid for electric energy in excess of the cost of service are furnished by members as capital and each member shall be credited with the capital so furnished, as provided by these Bylaws. Each member shall pay to the Cooperative a minimum amount per month regardless of the amount of electric energy consumed, as shall be fixed by the Board of Directors from time to time. Each member shall also pay all amounts owed by him to the Cooperative as and when the same shall be due and payable.

NOTES:

The change allows for the possibility of interconnection by members.

NEW:

Section 6. Termination of Membership

A member may withdraw from the Cooperative upon terms and conditions as specified by the Board of Directors.

The Board of Directors may expel a member by the vote of not less than two-thirds of the members of the Board of Directors for failure to comply with the Bylaws or any other rules and regulations adopted by the Board of Directors. Before such expulsion, the member is entitled to a hearing before the Board of Directors, if requested by the member. An expelled member may be reinstated by the Board of Directors by a majority vote.

Upon the withdrawal, death, cessation of existence, or expulsion of a member, the membership of that member will terminate. Termination of membership does not release the member or his estate from any debts owed to the Cooperative.

REPLACES:

Article 1, Section 3. Termination of Membership

(a) Any member may withdraw from membership upon compliance with such uniform terms and conditions as the board may prescribe. The board may, by the affirmative vote of not less than two-thirds (2/3rds) of all the members of the board, expel any member who fails to comply with any of the provisions of the Articles of Incorporation, Bylaws, or rules or Regulations adopted by the board, but only if such member shall have been given written notice by the Cooperative that such failure makes him liable to expulsion and such failure shall have continued for at least ten (10) days after such notice was given. Any expelled member may be reinstated by affirmative vote of not less than two-thirds (2/3rds) of the members of the Board of directors. The membership of a member who for a period of six (6) months after service is available to him, has not purchased electric energy from the Cooperative, or of a member who has ceased to purchase energy from the Cooperative, may be cancelled by resolution of the Board.

(b) Upon withdrawal, death, cessation of existence or expulsion of a member the membership of such member shall thereupon terminate, and said termination shall be noted on the Cooperative's records. Termination of membership in any manner shall not release a member or his estate from any debts due the Cooperative.

(c) In case of withdrawal or termination of membership in any manner, the Cooperative shall repay to the member the amount of the membership fee paid by him, provided, however, that the Cooperative shall deduct from the amount of the membership fee the amount of any debts or obligations owed by the member to the Cooperative.

NEW:

Section 7. Wiring of Premises, Damage to Cooperative Property

Each member is responsible for ensuring that his premises are wired in accordance with the specifications of the National Electric Code and any other applicable laws and regulations. Each member shall be responsible for and shall indemnify the Cooperative and its contractors against death, injury, loss, or damage resulting from any defect in or improper use or maintenance of the premises and any wiring connected thereto. Each member shall make available to the Cooperative a suitable location for the placement of Cooperative facilities, such as meters, and the member shall permit the Cooperative and its contractors access to such facilities at all times without interference.

Members shall refrain from causing damage to or otherwise interfering with the Cooperative's facilities in any way, and shall use best efforts to prevent others from doing so. In the event of damage to Cooperative facilities, the member or any other person on the premises shall indemnify the Cooperative and its contractors against death, injury, loss, or damage resulting from the member's negligence.

REPLACES:

Article XV. Liability for Damages

The cooperative shall not be liable to its members for personal injuries or damage to property resulting from the use of electric current furnished through the equipment of the Cooperative on member's premises, except in the event of the Cooperative's negligence and the member shall save the Cooperative harmless from injuries to the person or damages to the property of third persons resulting from such use of current.

NOTES:

Expands the existing section to include standards for the wiring of member premises.

NEW:

Section 8. Access to Member Property

Without compensation, each member shall grant to the Cooperative free access onto his land or premises for the purpose of placing, locating, building, constructing, operating, replacing, rebuilding, relocating, repairing, improving, enlarging, extending, and maintaining on, over, or under such land or premises, or removing there from its electric distribution or other system or facilities, such as lines, poles, wires, anchors, and other facilities. The Board of Directors, after a hearing upon request of the member, may expel any member or discontinue service to any member who fails or refuses to comply with this Bylaw.

REPLACES:

None.

NOTES:

This is a new section that further clarifies the right of the Cooperative and its contractors to enter upon members' property to perform necessary work.

NEW:

Section 9. Rights and Liabilities of Members

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

REPLACES:

None.

NOTES:

This section has been added for the protection of members' individually owned property to prevent execution upon that property by creditors of the Cooperative

DELETED SECTIONS FROM ARTICLE I:

Section 4. Conversion of Membership

(a) An unmarried member, should he/she marry, becomes a joint member with his or her spouse when both comply with the Articles of Incorporation, bylaws, Rules and Regulations adopted by the Board of Directors. The changed status of membership shall then be noted in the records of the Cooperative.

(b) When a membership is held jointly by a husband and wife, upon death of either, such membership shall be deemed to be held solely by the survivor with the same effect as though such membership had been originally issued solely to him or her, as the case may be, and this change of membership status shall be noted on the Cooperative's records, provided, however, that the estate of the deceased shall not be released from any membership debts or liabilities to the Cooperative.

NOTES:

Automatic joint memberships are eliminated when they are based only on the status of marriage.

ARTICLE II: MEMBER MEETINGS

NEW:

Section 1. Annual Meeting

There will be a meeting of the members once per calendar year at a time and place set by the Board of Directors. The meeting will be held in a county served by the Cooperative. The purpose of the annual meeting will include election of directors, passing upon financial reports, and such other business as the Board of Directors shall designate.

REPLACES:

Section 1. Annual Meeting

The Board of Directors shall set the date and place within a county served by the Cooperative, of the Annual Membership Meeting no less than sixty (60) days prior to the holding of said Annual Membership Meeting, which date and place shall be designated in the notice of the meeting, for the purpose of electing board members, passing upon reports for the previous fiscal year and transacting such other business as may come before the meeting. It shall be the responsibility of the board to make adequate plans and preparations for the Annual Meeting. Failure to hold the Annual Meeting at the designated time shall not work a forfeiture or dissolution of the Cooperative.

NOTES:

This section is being modified, as are most in this Article, to try to simplify the rules governing member meetings and elections held at member meetings.

NEW:

Section 2. Special Meeting

A special meeting of the members may be called by the Board of Directors upon a majority vote, or by a written request of ten percent or more of the members or for any other purpose stated in the Bylaws. The Secretary shall cause notice to be sent to the members as set forth in section 3.

REPLACES:

Special meetings of the members may be called by resolution of the board, or upon a written request signed by any five (5) board members, or by ten per centum (10%) or more of all the members, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. The Board of Directors shall designate the place at which the special meeting shall be held in a county served by the Cooperative.

NEW:

Section 3. Notice of Member Meetings

A notice stating the place, date, and time of the meeting, and if required, the purpose for which the meeting is called, shall be delivered to the members in a manner reasonably calculated to reach the members, which may, but is not required to, include publication in the Kentucky Living Magazine.

The notice shall be delivered to members not less than five (5) and no more than forty (40) days prior to the date of the meeting. Notice shall be deemed delivered when it is mailed to the address of the member stated in the Cooperative's records, or when the notice however delivered, is received.

REPLACES:

Section 3. Notice of Members Meeting

Written or printed notice stating the place, date and hour of the meeting and, in case of a special meeting, the purpose of which the meeting is called, shall be given to each member not less than five (5) days nor more than forty (40) days before the date of the meeting. At the direction of the Secretary or the persons calling such meeting notice thereof may be delivered personally, mailed or published in the official monthly publication of the Cooperative. If mailed or published in the official monthly publication of the Cooperative, such notice shall be deemed to be delivered when the notice or publication is deposited in the United States mail addressed to the member at his address as it appears on the record of the Cooperative with postage thereon paid. A joint membership notice given to either husband or wife shall be deemed notice to both joint members. The failure of any member to receive notice of an Annual or Special Meeting of the members shall not invalidate any action which may be taken by members of any such meeting.

NEW:

Section 4. Quorum

A quorum for the transaction of business at a member meeting shall be the lesser of one half of one percent of the total number of members as reflected in the Cooperative's records, or fifty (50) members.

If less than a quorum is present at any meeting, a majority of members present may without further notice adjourn the meeting to another time and date not more than forty-five days later, provided that the Secretary shall notify any absent members of the time, date, and place of such meeting by delivering notice to the members as set out in these Bylaws.

REPLACES:

Section 4. Quorum

Business may not be transacted at any meeting of the members unless there are present in person at least 50 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 thirty (30) 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 of this Article.

NEW:

Section 5. Voting

Each member is entitled to one vote upon each matter submitted to a vote at a member meeting. All matters shall be decided by vote of a majority of the members, unless otherwise provided in the Bylaws, Articles of Incorporation, or other law.

Non-individual entities, such as corporations, churches, and unincorporated associations are entitled to one vote, provided that the entity submits a written statement appointing an individual to vote for the member and that such statement is presented to the Cooperative's corporate office no later than 12:00 p.m. the day before the meeting.

There shall be no voting by proxy.

All business conducted at a member meeting shall be voted upon in person by the members.

REPLACES:

Section 5. Voting

Each member presently receiving electric service shall be entitled to one vote and not more upon each matter submitted to a vote at a meeting of the members except as is otherwise provided in Section 7, Article II, hereof. At all meetings of the members at which a quorum is present all questions shall be decided by a vote of a majority of the members voting thereon in person, except as otherwise provided by law, the Articles of Incorporation of the Cooperative, or these Bylaws. Each membership is entitled to one vote except where a husband and wife hold more than one membership, in which case, each is entitled to one vote regardless of number of memberships, and each must be personally present to cast his vote.

Section 7. Firm, Partnership, Corporation or Body Politic

Any firm, partnership, corporation, church, fraternal organization or body politic who is a member under the terms and provisions of these Bylaws may vote at any special or annual meeting upon any matter submitted to the meeting for a vote with the same right and privilege as an individual or joint membership except, however, such firm, partnership, corporation, church, fraternal organization or body politic, shall be entitled to cast only one (1) vote regardless of the number of memberships held. Any person casting the vote of such firm, partnership, corporation, church, fraternal organization or body politic must be clothed with authority by resolution or written statement from an authorized Board of Directors, or agreement by such firm, partnership, corporation, church, fraternal organization or body politic authorizing such person to cast said vote at such special or annual meeting.

DELETED:

Section 6. Proxies

At any meeting of the members or adjournment thereof, any member may vote by proxy, but only if such proxy (a) is registered with the Secretary or his/her duly designated registrar before the starting time of the meeting or any adjournment thereof, or, if such proxy is to be voted on any matter the carrying of which requires the affirmative votes of more than a simple majority of the members voting at any meeting of the members, is registered with the Cooperative at its principal office during office hours on or before the third business day not preceding the date of the meeting or any adjournment thereof, as the case may be, (b) is executed by the member in writing and designates the holder thereof (and, if the member so desires, an alternative holder thereof and/or conferring upon the holder(s) full power of substitution) which holder(s) (or substitute(s), if any) shall be the member's spouse, an adult close relative (of legal age) residing in the same household as the member or another member who is a natural person, and (c) specifies the particular meeting and/or any adjournment thereof at which it is to be voted and is dated not more than ninety (90) days prior to the date of such meeting or any adjournment thereof; provided, that any mailed proxies not otherwise dated shall be deemed dated as postmarked if postmark is satisfactorily evidenced; and provided further, that any proxy valid at any meeting shall be valid at any adjournment thereof unless the proxy itself specifies otherwise or is subsequently revoked by another proxy or by the presence in person of the member at such adjournment. A proxy may be unlimited as to the matters on which it may be voted or it may be restricted; a proxy containing no restriction shall be deemed to be unlimited. In the event a member executes two or more proxies for the same meeting or for any adjournment thereof, the most recently dated proxy shall revoke all others; if such proxies carry the same date and held by different persons, none of them will be valid or recognized. The presence in person of a member at a meeting or any adjournment thereof shall revoke any proxy theretofore executed by him/her for such meeting or such adjournment thereof, as the case may be, and he/she shall be entitled to vote in the same manner with the same effect as if he/she had not executed a proxy. No member may vote as proxy for more than three (3) members at any meeting of the members. Notwithstanding the foregoing provisions of this section whenever a member is absent from a meeting of such members but whose spouse attends such meeting, such spouse shall be deemed to hold and may exercise and vote, the proxy of such member at the same extent that such member could vote if present in person, unless such member has given written proxy to some other person eligible to vote such proxy.

NOTES:

Removes voting by proxy and requires in person voting. Requires entities to file a statement of authority for the individual voting by noon the day prior to the meeting.

NEW:

Section 6. Director Nominations by Committee

It shall be the duty of the Board of Directors to appoint, not less than sixty (60) days and not more than ninety (90) days before the date of a meeting at which the election of directors will be announced, a Nominations Committee, consisting of nine (9) members of the Cooperative who are not current Cooperative employees, agents, officers, directors or director candidates, or close relatives or members of the same household of current Cooperative employees, agents, officers, directors or director candidates, and who are selected so that each of the Cooperative's director districts are represented. The Committee will prepare and post at the Cooperative's principal office at least fifty (50) days prior to the meeting a list of nominations for directors to be elected, listing separately the nominee(s) for each director district. The Committee may include as many nominees as it deems desirable for each district.

Section 7. Director Nominations by Petition

A member may be nominated by a membership petition signed by five hundred (500) or more members. The petition shall contain each signing member's full name, address, telephone number, account number, and signature. The petition must be delivered to the Cooperative's principal office at least sixty (60) days before the member meeting. The Secretary shall post all qualified nominees in the same way as nominees by Committee.

Section 8. Election of Directors

All voting for candidates for directors shall be exclusively in person voting at the annual meeting, or such other time and place designated by the Board of Directors. Each member may cast only one vote for each director district. All members may vote for directors even though the member resides outside the director's district. If a member has multiple accounts, the member is entitled to only one vote. For any pre-existing joint memberships, the first person listed on the account will be the only person who may vote.

After the Credentials and Elections Committee has certified the names of the candidates nominated by petition, it shall be the responsibility of that Committee to prepare the ballot to be used at the annual meeting, which shall contain the names of those persons nominated by Committee and by petition. The ballot shall state which candidate was so nominated. The candidates' names will be placed on the ballot in alphabetical order.

The Secretary of the Cooperative shall include with the notice of the meeting a statement of the number of directors to be elected and showing separately the nominations made by Committee and nominations made by petition, if any, and stating the address of each nominee and the director district from which each must be elected,

showing clearly those nominated by petition and those nominated by the Nominating Committee.

If a nominee of the Nominating Committee is the only nomination for a director position in a particular district, and no nominating petitions have been filed with the Secretary as provided in the Bylaws, the Secretary shall certify and announce at the annual meeting and such nominee or nominees shall be deemed elected to the Board of Directors without being placed on the ballot and without an election.

Any objection or protest to the election must be filed in writing at the Cooperative's corporate office to the attention of the Elections and Credentials Committee within three (3) days after the election.

REPLACES:

Section 10. Nomination and Election of Directors

It shall be the duty of the Board of Directors to appoint, no less than sixty (60) days nor more than ninety (90) days prior to the date of a meeting of the members at which directors are to be elected, a Committee on Nomination, consisting of nine (9) members of the Cooperative who are not existing Cooperative employees, agents, officers, directors or known candidates for directors, who are not close relatives or members of the same household thereof, and who are so selected that each of the Cooperative's Director Districts shall have representation thereon in proportion to the number of authorized directors from or with respect to such district. The Committee shall prepare and post at the principal office of the Cooperative at least fifty (50) days prior to the meeting a list of nominations for directors to be elected, listing separately the nominee(s) for each Director District from or with respect to which a director must, pursuant to this Article, be elected at the meeting. The Committee may include as many nominees for any director to be elected as it deems desirable. Any five hundred (500) or more members of the Cooperative, acting together, may make an additional nomination in writing over their signatures, listing their nominee in like manner, and by delivering same to the principal office of the Cooperative not less than forty (40) days prior to the meeting, and the Secretary shall post such nomination at the same place where the list of nominations made by the Committee is posted. The names of all qualified nominee(s), as according to the qualifications outlined in Article II, Section 2 of these Bylaws, shall be placed on the official ballot which shall be prepared by or under the direction of the Secretary. The Secretary shall mail to the members with the notice of the meeting, or separately, but at least seven (7) days prior to the date of the meeting, a statement of the names and addresses of all nominee(s) for each Director District from or with respect to which one or more directors must be elected, showing clearly those nominated by the Committee and those nominated by petition, if any. Each eligible member of the Cooperative present at the meeting shall be entitled to vote for one nominee for each Director District. The nominee from each Director District receiving the highest number of votes at such meeting shall be elected director.

NOTES:

This section retains in person voting, adds the account number requirement for petitions for nomination, and changes the time requirement to sixty days prior to the meeting for the submission of nominations to coincide with the publication of the meeting in Kentucky Living, so that a separate mailing is not needed.

NEW:

Section 9. Credentials and Election Committee

If there are two or more nominees for a director position, or there are other disputed matters submitted to a vote by the membership, at least thirty days before the member meeting, the Board shall appoint a Credentials and Election Committee, which shall have at least three (3) but no more than five (5) members who are members of the Cooperative, but are not members of the Nominating Committee or current Cooperative employees, agents, officers, directors, or candidates for director, and who are not close relatives or members of the same household of current Cooperative employees, agents, officers, directors, or candidates for director. Prior to the member meeting, the Committee shall elect a chairperson and secretary. The Board may appoint such a Committee at any other time that it deems desirable.

The Committee shall have the following duties and responsibilities:

- a. To examine and audit petitions for the nomination of directors to ensure that such petitions comply with the Bylaws and other rules of the Cooperative and applicable law;
- b. To pass upon the validity of the signature, printed names, addresses, telephone numbers, and account numbers on the petitions to determine if those signing are qualified members in good standing with the Cooperative;
- c. If a signee to a petition is disapproved, the Committee shall state in writing the reason or reasons for such disapproval;
- d. To determine if the required number of members have signed the petition after having deducted from the petition the names disapproved;
- e. Upon completion of the examination and audit of any petitions, certify to the Secretary of the Cooperative the name or names of those persons properly nominated by petition, so that those names may be placed on the official ballot;
- f. To rule upon any protest or objection to any aspect of the director election as set forth in the Bylaws;
- g. To tabulate all votes cast on the official ballot;
- h. To establish and approve the manner of conducting member registration;
- i. To rule upon the legitimacy of any ballot cast;

j. To rule upon any objections or protests to an election which shall include hearing evidence presented by the challenger to the election results in person, by counsel, or both, and any opposing evidence, within thirty (60) days after the election, which may alter the results of the election, or set the results aside and order a new election at a special meeting.

k. All action taken by the Committee requires a majority vote of a quorum. A majority of the members of the Committee constitutes a quorum;

l. In conducting its business, the Committee may seek the advice of legal counsel, and the assistance of the management and staff of the Cooperative as it sees fit.

REPLACES:

Section 8. Credentials and Election Committee

The Board shall consider before each annual meeting or special meeting of members whether it is necessary to appoint a credentials or election committee. If a petition has been filed under the provisions of Article II, Section 10, of these Bylaws nominating a member to serve as a director or if the Board deems it necessary, because of contested matters on the agenda or other good cause, the Board of Directors shall, pursuant to the provisions hereinafter set out, at least thirty (30) days before any meeting of the members, appoint a Credentials and Election Committee. The Committee shall consist of an uneven number of Cooperative members not less than three (3) nor more than five (5) who are not members of the Nominating Committee or are not existing Cooperative employees, agents, officers, directors or known candidates for director, and who are not close relatives or members of the Board shall have agreed for the equitable representation of the several areas served by the Cooperative. The Committee shall elect its own chairman and secretary prior to the member meeting. It shall be the responsibility of the Committee to establish or approve the manner of conducting member registration and any ballot or voting, to pass upon all questions that may arise with respect to the registration or members in person, to count all ballots or other votes cast in any election or in any other matter, to rule upon the effect of any ballots or other votes irregularly or indecisively marked or cast, to rule upon all other questions that may arise relating to member voting and the election of directors (including but not limited to the validity of petitions of nomination, proxies, or the qualifications of candidates and the regularity of the nominations and election of directors), and to pass upon any protest or objection filed with respect to any election or affecting the result of any election. In the exercise of its responsibility, the Committee shall have available to it the advice of counsel provided by the Cooperative. In the event a protest or objection is filed concerning any election, such protest or objection must be filed in writing with the Committee at the Cooperative's main office within three (3) business days following the adjournment of the meeting in which the voting is conducted. The Committee shall thereupon be reconvened, upon notice from the Committee Chairman, not less than seven (7) days after such protest or objection is filed. The Committee shall hear such evidence as is presented by the

protestor(s) or objector(s), who may be heard in person, represented by counsel, or both, any opposing evidence; and the Committee, by vote of a majority or those present and voting, shall, within a reasonable time, but not later than thirty (30) days after such hearing, render its decision, the result of which may be to affirm the election, to change the outcome thereof, or to set it aside. The Committee may not affirmatively act on any matter unless a majority of the Committee is present. The Committee's decision (as reflected by a majority of those actually present and voting) on all matters covered by this Section shall be final.

NEW:

Section 10. Voting Districts

The territory served by the Cooperative shall be divided into nine voting districts, with each district to be represented by one director as follows:

District 1: All members in Jackson County residing East and North of Hwy. 421, beginning at the Rockcastle and Jackson County boundary line and running with Hwy. 421 to its junction with Hwy. 587; thence running East with Hwy. 587 to its junction with Hwy. 1119; thence running South with Hwy. 1119 to its junction with Hwy. 1118; thence Northwest with Hwy. 1118 to its junction with Hwy. 421; thence South with Hwy. 421 to the Clay and Jackson County boundary line.

District 2: All members in Jackson County not residing in District 1.

District 3: All members in Laurel County residing North of Hwy. 1956, beginning at the Laurel and Rockcastle County boundary line and running with Hwy. 1956 to its junction with Hwy. 80; thence running east with Hwy. 80 to the Laurel and Clay County boundary line.

District 4: All members residing in Estill and Powell Counties.

District 5: All members residing in Rockcastle, Lincoln, Garrard, Pulaski, and Madison Counties.

District 6: All members residing in Clay and Leslie Counties.

District 7: All members residing in Owsley and Breathitt Counties.

District 8: All member residing in Lee and Wolfe Counties.

District 9: All member in Laurel County not residing in District 3.

REPLACES:

Section 9. Voting Districts.

The territory served or to be served by the Jackson Energy Cooperative Corporation shall be divided into nine (9) Districts. Each district shall be represented by one (1) Director. The Districts are numbered and described as follows:

District No. 1 – Eastern Jackson County – shall be composed of all the members in Jackson County residing East and North of Kentucky Highway No. 421 beginning at the Rockcastle and Jackson County boundary line and running with Highway No. 421 to its junction with Highway No. 587; thence running East with highway No. 587 to its junction with County Road No. 1119; thence running South with County Road No. 1119 to its intersection with County road No. 1118 to its intersection with Kentucky Highway No. 421; thence South with Kentucky Highway No. 421 to the Clay and Jackson County boundary line.

District No. 2 – Western Jackson County – shall be composed of all members in Jackson County residing outside District 1.

District No. 3 – Shall be composed of all the members residing in Laurel County North of Highway 80.

District No. 4 – Shall be composed of all members residing in Estill and Powell Counties.

District No. 5 – Shall be composed of all members residing in Rockcastle, Lincoln, Garrard, Pulaski and Madison Counties.

District No. 6 – Shall be composed of all members residing in Clay and Leslie Counties.

District No. 7 – Shall be composed of all the members residing in Owsley and Breathitt Counties.

District No. 8 – Shall be composed of all the members residing in Lee and Wolfe Counties.

District No. 9 – Shall be composed of all members residing in Laurel County South of Highway No. 80.

NOTES:

Slightly reforms the Laurel County Districts.

NEW:

Section 11. Agenda

The Board of Directors shall prepare the agenda for the meeting including items to be voted upon and persons who shall speak at the meeting. Any five hundred (500) members, acting together, may make a proposal to have a legitimate matter placed upon the agenda for voting by written request to the Secretary. The members must submit a petition with their names, signatures, addresses, telephone numbers, and account numbers. No matter shall be voted upon at the meeting unless it has been placed on the agenda at least sixty days prior to the meeting.

If any member or other person who is not listed on the Cooperative's agenda desires to address the membership at the meeting, such person must submit a written request, along with the signatures, names, account numbers, addresses, and telephone numbers of two hundred (200) members, stating the reasons for the request, to the Cooperative at least sixty (60) days prior to the meeting. It is in the discretion of the Board of Directors as to whether to grant the request. The topic to be addressed by the speaker must pertain to Cooperative business and the speaker will be limited to an address of five (5) minutes in length.

REPLACES:

Section 11. 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. Said requested proposal should be placed on the order of business which is mailed in timely matter to the members prior to the Annual Meeting.

NOTES:

Adds a 500 member requirement to propose an item to be placed on the agenda for the annual meeting and requires sixty days' notice instead of forty.

NEW:

Section 12. Order of Business

The order of business at the annual meeting and, if possible, at all other meetings of the members shall be as follows:

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 unapproved minutes of previous meeting(s) of the members and the taking of necessary action thereon.
4. Presentation and consideration of, and action upon, reports of officers, directors, and committees.
5. Report on election of directors.
6. Unfinished business.
7. New business.
8. Adjournment.

REPLACES:

Section 12. Order of Business

The order of business at the Annual Meeting of the members, and so far as possible at all other meetings of the members, shall be essentially as follows:

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 meetings, as the case may be.
3. Reading of unapproved minutes of previous meeting of the members and the taking of necessary action thereon.
4. Presentation and consideration of, and acting upon, reports of officers, directors and committees.

5. Election of Directors.
6. Unfinished business.
7. New business.
8. Adjournment.

ARTICLE III: DIRECTORS

NEW:

Section 1. General Powers

The business and affairs of the Cooperative shall be managed by a Board of nine (9) Directors which shall exercise all the powers of the Cooperative except such as the Bylaws or Articles of Incorporation of the Cooperative confer upon or reserve to the members.

REPLACES:

No changes to Section 1 of the existing bylaws.

NEW:

Section 2. Qualification

No person shall be eligible to become or remain a member of the Board of Directors of the Cooperative who:

- a. Is not a member in good standing, resident in the area served by the Cooperative, and a resident of the district for which he is elected;
- b. Does not receive electric service from the Cooperative;
- c. Does not have the legal capacity to enter into a binding contract;
- d. Is an employee, former employee, or retired employee of the Cooperative, or an employee or former employee, or retired employee of the former Cooperative in the event of a consolidation;
- e. Is a close relative of an employee or director of the Cooperative;
- f. Has entered a plea of guilty to, or no contest to, or been convicted of, a felony; or
- g. Who is an incumbent or a candidate for an elected public office for which a salary is paid.

A “close relative” is defined as 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, uncle, aunt, nephew, or niece.

No member of the Board of Directors may use his position on the Board for personal or political gain. Such action is expressly prohibited and may result in his removal from the Board.

Any person elected to the Board of Directors may be subject to a background check.

Nothing contained in this Section shall affect in any manner the validity of any action taken at any meeting of the Board of Directors.

Section 3. Tenure

Directors shall serve for a term of three years. The directors’ terms shall be staggered terms with elections being held each year, if applicable, in the following

rotations: first, districts 1, 3, and 5; second, districts 2, 4, and 6; and third, districts 7, 8, and 9.

REPLACES:

Section 2. Qualification and Tenure

No person shall be eligible to become or remain a director of the Cooperative who is a close relative of an incumbent director or of an employee of the Cooperative, or is not a member in good standing of the Cooperative and receiving service therefrom at his/her primary residential abode; residing within the Director District from which he/she is being considered, nominated or elected, and being of legal age.

Beginning at the Annual Meeting of the Cooperative held in 1950, Directors shall be elected by ballot from the membership as follows:

(a) One (1) Director each from Districts 1, 3 and 5 to serve for a period of three (3) years or until their successors have been elected and shall have qualified.

(b) One (1) Director each from Districts 2, 4 and 6 to serve for a period of three years or until their successors have been elected and shall have qualified.

(c) One (1) Director each from Districts 7, 8 and 9 to serve for a period of three (3) years or until their successors have been elected and shall have qualified.

At each Annual Meeting after 1950, three (3) Directors shall be elected from the membership by ballot to succeed those Directors whose terms of office shall have expired, to serve for a period of three (3) years, or until their successors have been elected.

No person shall be eligible to become or remain a board member of the Cooperative who is incumbent of, or a candidate for an elective public office in connection with which a salary is paid or, who is not a member and bona fide resident in the area served or to be served by the Cooperative; or is in any way employed by or financially interested in a competing enterprise or a business selling electric energy or supplies to the Cooperative, or a business primarily engaged in selling electrical or plumbing appliances, fixtures or supplies to the members of the Cooperative, or has ever been an employee of the Cooperative. If not otherwise disqualified, members of the Boards of Education, Trustees, City Councilmen, and Committeemen serving on agricultural agencies, are eligible to become members of the Board. Upon establishment of the fact that a board member is holding the office in violation of any of the foregoing provisions, the Board shall remove such member from office.

Nothing contained in this Section shall effect in any manner whatsoever the validity of any action taken at any meeting of the Board.

No close or near relative of a Director may be employed by the Cooperative. For the purpose of these Bylaws a close or near relative is defined as that relationship, either by blood or marriage, nearer or closer than a first cousin but not including first cousins and lesser relationships.

Any member of the Board of Directors failing to attend three regular consecutive monthly meetings, unless excused by the Board for reasons satisfactory to it, shall be deemed to have vacated office. When a membership is held jointly by a husband and wife, either one, but not both, may be elected a Director, provided, however, that neither one shall be eligible to become or remain a Director or hold a position of trust in the Cooperative unless both shall meet the qualifications hereinabove set forth. Nothing in this Section contained shall, or shall be construed to affect in any matter whatsoever the validity of any action taken at any meeting of the Board of Directors.

NOTES:

The new section clarifies and simplifies the existing section and adds the possibility of a background check.

NEW:

Section 4. Removal of a Director by Members

Any member may bring charges against a director by filing such charges with the Secretary together with a petition signed by ten percent (10%) of the membership requesting the removal of the director in question. The petition shall state the name, signature, address, telephone number, and account number of each person signing, and the reason removal for which removal is sought. The removal shall be voted upon at the next annual or special meeting of the members. The notice of the meeting shall be delivered in the same way as the notice of any meeting.

The director against whom removal is sought shall be informed of the charges in writing and shall have an opportunity at the meeting to be heard in person or by counsel and shall be allowed to present evidence with respect to the charges.

A vote of two-thirds of the membership at the meeting, assuming a quorum is present, is required to remove the member. The voting at the meeting shall be done by ballot.

REPLACES:

Section 3. Removal of Directors and Officers.

Any member may bring charges against an officer or director by filing such charges in writing with the Secretary, together with a petition signed by ten per centum (10%) of the membership requesting the removal of the officer or director in question. The removal shall be voted upon at the next regular or special meeting of the members and any vacancy created by such removal may be filled by the members at such meeting; provided, however, that the new director must reside in the same district as the director in respect of whom the vacancy occurs. The director or officer against whom such charges have been brought shall be informed in writing of the charges previous to the meeting and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence; and the person or persons bringing the charges against him shall have the same opportunity.

NOTES:

Requires additional information on the petition for removal so that the signees may be verified as members of the Cooperative.

NEW:

Section 5. Removal of a Director for Absence

Any board member who is absent from three (3) consecutive regular meetings of the board, unless excused by a majority vote of the other board members, may be deemed to have vacated his office if so determined by a majority vote of the board.

REPLACES:

This section replaces a paragraph of the existing Section 2 on Qualification and Tenure of Board members.

NEW:

Section 6. Removal of a Director by the Board of Directors

A director may be removed by a vote of two-thirds of all the directors at two (2) consecutive board meetings for cause. Cause is defined as any unlawful action affecting the cooperative or any malfeasance in that office which interrupts or interferes with the performance of the business of the Cooperative or with the director's duties.

REPLACES:

There is no existing Bylaw provision on this issue.

NEW:

Section 7. Board Vacancies

A vacant director position may be filled by the majority vote of the remaining directors, and that director shall serve for the unexpired term of his predecessor. The replacement director must reside in the same director district as his predecessor.

REPLACES:

Section 4. Vacancies.

Subject to the provisions of these Bylaws with respect to the removal of Directors, vacancies occurring in the Board of Directors shall be filled by a majority vote of the remaining Directors and any Director thus elected shall serve the unexpired term of the vacancy or until his successor has been elected and shall have qualified. The member elected as Director to fill the vacancy must reside in the same District as the Director of whose office he succeeds.

NOTES:

The new Section is only a simplification of the existing Section.

NEW:

Section 8. Compensation

The members of the Board of Directors shall not receive a salary for their services, except that the Board of Directors may by resolution authorize a fixed sum for each monthly meeting and for each day spent on Cooperative business, such as attendance at meetings, conferences, and training programs or performing committee assignments when authorized by the Board of Directors. If authorized by the Board of Directors, a director may be reimbursed for expenses actually and necessarily incurred in carrying out Cooperative business. No director shall receive compensation for serving the Cooperative in any other capacity.

REPLACES:

Section 5. Compensation.

Directors as such shall not receive any salary for their service, but by resolution of the Board of Directors a fixed sum and expense of attendance, if any, may be allowed for attendance at each local, regional, state, and national meeting of the Board of Directors, and except in emergencies, no Director shall receive compensation for serving the Cooperative in any other capacity. By special resolution, the Board may authorize payment of the expenses of invited guests to meetings involving the interests of the Cooperative.

NOTES:

No substantive changes.

NEW:

Section 9. Rules and Regulations

The Board of Directors may make and adopt such rules and regulations, not inconsistent with law, the Articles of Incorporation, or the Bylaws, as it may deem advisable for the management, administration, and regulation of the business of the Cooperative.

REPLACES:

Section 9. Rules and Regulations

The Board of Directors shall have power to make and adopt such rules and regulations, not inconsistent with law, the Articles of Incorporation of the Cooperative or these Bylaws, as it may deem advisable for the management, administration and regulation of the business and affairs of the Cooperative.

NOTES:

No substantive changes.

NEW:

Section 10. Accounting System and Reports

The Board of Directors shall cause to be established and maintained a complete accounting system, which, among other things, subject to applicable laws, rules, and regulations, shall conform to such accounting system as may from time to time be designated by the Administrator of the Rural Utilities Service of the United States of America.

The Board of Directors shall, after the close of each fiscal year, cause to be made a full and complete audit of the accounts, books, and financial condition of the Cooperative as of the end of each fiscal year. A summary of the audited reports shall be submitted to the members at the following annual meeting.

REPLACES:

Section 7. Accounting System and Reports.

The Board of Directors shall cause to be established and maintained a complete accounting system, which, among other things, subject to applicable laws and rules and regulations shall conform to such accounting system as may from time to time be designated by the Administrator of the Rural Utilities Service of the United States of America. The Board of Directors shall, after the close of each fiscal year, cause to be made a full and complete audit of the accounts, books, and financial condition of the Cooperative as of the end of each fiscal year. A summary of the audited reports shall be submitted to the members at the following Annual Meeting.

NOTES:

No substantive changes.

DELETED:

Section 8. Change in Rates.

Written notice shall be given to the administrator of the Rural Utilities Service of the United States of America not less than ninety (90) days prior to the date upon which any proposed change in rates charged by the Cooperative for electric energy becomes effective.

NOTES:

This section is deleted as already being required by RUS regulations.

ARTICLE IV: BOARD OF DIRECTORS MEETINGS

NEW:

Section 1. Regular Meetings

A regular meeting of the Board of Directors shall be held without notice immediately after, and at the same place as, the annual meeting of the members.

A regular meeting of the Board of Directors may also be held monthly at such time and place in Jackson County as the Board of Directors may provide, however it is in the discretion of the Board of Directors to change the time and location of the meeting. Such monthly meetings may be held without notice other than a resolution of the Board fixing the time and place thereof.

REPLACES:

Section 1. Regular Meetings.

A regular meeting of the Board of Directors shall be held without notice other than this Bylaw, immediately after, and at the same place as the Annual Meeting of the members. A regular meeting of the Board of Directors shall also be held monthly at such time and place in McKee, Jackson County, Kentucky, as the Board of Directors may provide by resolution. Such regular monthly meetings may be held without notice other than such resolution fixing the time and place thereof.

NOTES:

No substantive changes.

NEW:

Section 2. Special Meetings

Special meetings of the Board of Directors may be called by the Chairman of the Board or by a simple majority of directors. The person or persons who called the meeting shall fix the time and place of the meeting.

REPLACES:

Section 2. Special Meetings.

Special meetings of the Board of Directors may be called by the Chairman of the Board or any five (5) Directors. The person or persons authorized to call special meetings of the Board of Directors may fix the time and place (which shall be in McKee, Jackson County, Kentucky, or such other place as may be designated by the Chairman of the Board only) for the holding of any special meeting of the Board of Directors called by them.

NOTES:

No substantive changes.

NEW:

Section 3. Attendance at Board Meetings

Any Cooperative member who wishes to attend a meeting of the Board of Directors must make a written request to attend the meeting at the Cooperative's corporate office ten (10) days prior to the meeting, stating the reasons why the member seeks to attend the meeting. It is in the discretion of the Board of Directors whether to grant the request.

Any Cooperative member who wishes to speak at a meeting of the Board of Directors must make a written request to speak at the meeting at the Cooperative's corporate office ten (10) days prior to the meeting, stating the reasons why the member seeks to speak at the meeting and the subject matter that will be discussed by the speaker. It is in the discretion of the Board to grant the request and to limit the length of the address to the Board.

NOTES:

This is a new section.

NEW:

Section 4. Notice

Notice of a meeting of the Board of Directors shall be given at least five (5) days prior to the meeting by written notice delivered personally or mailed. If mailed, the notice is deemed received when deposited in the U.S. mail. The attendance at a meeting of a director shall constitute a waiver of such notice of meeting, except when a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called or convened.

REPLACES:

Section 3. Notice.

Notice of the time, place and purpose of any special meeting of the Board of Directors shall be given at least five (5) days previous thereto, by written notice, delivered personally or mailed, to each Director at his last known address. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with postage thereon prepaid. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except in case a Director shall attend a meeting for the express purpose of objecting to the transaction of any business because the meeting shall not have been lawfully called or convened.

NOTES:

No substantive changes.

NEW:

Section 5. Quorum

A majority of the Board of Directors shall constitute a quorum, however, if less than a majority of the directors is present at a meeting, a majority of those present may adjourn the meeting without further notice.

REPLACES:

Section 4. Quorum.

A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, provided, that if less than a majority of the Directors is present at said meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice; and provided further, that the Secretary shall notify any absent board members of the time and place of such adjourned meeting.

NOTES:

No substantive changes.

NEW:

Section 6. Manner of Acting

Unless otherwise stated in the Bylaws, Articles of Incorporation, or applicable law, the act of a majority of the directors at a meeting at which a quorum is present shall be the act of the Board of Directors.

REPLACES:

Section 5. Manner of Acting.

The act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

NOTES:

No substantive changes.

ARTICLE V: OFFICERS

NEW:

Section 1. Number

The officers of the Cooperative shall be a Chairman of the Board, Vice Chairman of the Board, Secretary, and Treasurer, each of whom shall be elected by the Board from time to time. The office of Secretary and Treasurer may be held by the same person.

REPLACES:

Section 1. Number and Duties.

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

NOTES:

No substantive changes.

NEW:

Section 2. Election and Term of Office

The Board of directors shall elect officers at a meeting of the Board of Directors to be held after each annual meeting. A vacancy in any office shall be filled by the Board of Directors for the unexpired portion of the term, with the terms being coextensive with the term of office of the director serving in that position.

REPLACES:

Section 2. Election and Term of Office.

The officers shall be elected, by ballot, annually by and from the Board of Directors at the first meeting of the Board of Directors held after each Annual Meeting of the members. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until the first meeting of the Board of Directors following the next succeeding Annual Meeting of the members or until his successor shall have been duly elected and shall have qualified, subject to the provisions of these Bylaws with respect to the removal of officers.

NOTES:

No substantive changes, only simplification.

NEW:

Section 3. Removal of Officers

The Board of Directors may remove any officer elected or appointed by the Board of Directors if the Board believes removal to be in the best interests of the Cooperative.

REPLACES:

Section 3. Removal.

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

NOTES:

No substantive changes.

NEW:

Section 4. Chairman of the Board

The Chairman of the Board shall:

- a. Be the principal officer of the Cooperative and unless otherwise determined by the Board of Directors, shall preside at all meetings of the members and the Board of Directors;
- b. 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 of an instrument shall be expressly delegated by the Board of Directors or by the Bylaws to some other officer or agent of the Cooperative;
- 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; and
- d. While presiding at a meeting of the members or of the Board of Directors, choose to vacate the chair, and the Vice-Chairman is absent or chooses not to preside, the Chairman shall designate another person as Chairman for any part or all of the remainder of the meeting.

REPLACES:

Section 5. Chairman of the Board.

The Chairman of the Board: (a) Shall be the chief and principal officer of the Cooperative and shall preside or designate some other individual to preside at all meetings of the members and of the Board of Directors, and (b) in general shall perform all duties incident to the office of Chairman of the Board, and such other duties as may be prescribed by the Board of Directors from time to time.

NOTES:

This Section is expanded to further set out the duties of the Chairman, in accordance with NRECA recommendations.

NEW:

Section 5. 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 who so acting shall have all the powers of and be subject to all the restrictions upon the Chairman. The Vice-Chairman shall also perform such other duties as from time to time may be assigned to him by the Board of Directors.

REPLACES:

Section 6. Vice-Chairman of the Board.

In the absence of the Chairman of the Board, 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 the power of and be subject to all the restrictions upon the Chairman, and shall perform such other duties as may from time to time be assigned to him by the Board of Directors.

NOTES:

No substantive changes.

NEW:

Section 6. Secretary

The Secretary shall be responsible for:

- a. Keeping, or causing to be kept, the minutes of meetings of the members and of the Board of Directors in books provided for that purpose;
- b. Seeing that all notices are duly given in accordance with the Bylaws or as required by law;
- c. The safekeeping of the corporate books and records and the Seal of the Cooperative and to all documents, the execution of which on behalf of the Cooperative under its Seal is duly authorized with the provisions of the Bylaws.
- d. Keeping, or causing to be kept, a register of the names and addresses of all members;
- e. Keeping, or causing to be kept, on file at all times a complete copy of the Articles of Incorporation and Bylaws of the Cooperative containing all amendments thereto (which copy shall always be open to the inspection of any member) and at the expense of the Cooperative, furnishing a copy of the Bylaws and all amendments thereto to any member upon request; and
- f. In general, performing all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the Board of Directors.

REPLACES:

Section 7. Secretary.

The Secretary shall be responsible for: (a) Keeping the minutes of the meetings of the members and of the Board in books provided for that purpose; (b) seeing that all notices are duly given in accordance with these Bylaws, or as required by law; (c) the safekeeping of the corporate books and records, and the seal of the Cooperative, and affixing the seal of the Cooperative to all papers, instruments and documents of membership prior to the issue thereof, the execution of which on behalf of the Cooperative under its seal, is duly authorized in accordance with the provisions of the Bylaws; (d) keeping a register of the names and post office addresses of all members; (e) keeping on file at all times a complete copy of the Articles of Incorporation and Bylaws

of the Cooperative containing all amendments thereto (which copy shall always be open to the inspection of any members) and at the expense of the Cooperative, furnishing a copy of the Bylaws, and of all amendments thereto, to any members upon request; (f) having general charge of the books of the Cooperative in which records of the members are kept; and (g) in general, performing all duties incident to the office of Secretary, and such other duties as from time to time may be assigned to him by the Board.

NOTES:

No substantive changes.

NEW:

Section 7. Treasurer

The Treasurer shall be responsible for:

- a. Custody of all funds and securities of the Cooperative;
- b. The receipt of and the issuance of receipts for all monies due and payable to the Cooperative and for the deposit of all such monies in the name of the Cooperative in such bank or banks as shall be selected in accordance with the Bylaws; and
- c. The general performance of all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the Board of Directors.

REPLACES:

Section 8. Treasurer.

The Treasurer shall be responsible for: (a) Custody of all funds and securities of the Cooperative; (b) the receipt of and the issuance of receipts for all monies due and payable to the Cooperative, and for the deposit of all such monies in the name of the Cooperative in such bank or banks as shall be selected in accordance with the provisions of these Bylaws; and (c) the general performance of all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the Board.

NOTES:

No substantive changes.

NEW:

Section 8. Delegation of Secretary's and Treasurer's Responsibilities

Notwithstanding the duties, responsibilities, and authorities of the Secretary and Treasurer, the Board of Directors, by resolution may, except as precluded by law, delegate in whole or in part, the responsibility and authority for, and the regular or routine administration of, one or more of each such officer's 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 shall be released from such duties, responsibilities, and authorities.

REPLACES:

Section 9. 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 Section 7 and 8 above, 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 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 shall be released from such duties, responsibilities, and authorities.

NOTES:

No substantive changes.

NEW:

Section 9. President and CEO

The Board of Directors may appoint a President and Chief Executive Officer (CEO) who may be, but shall not be required to be, a member of the Cooperative. The President and CEO shall perform the duties of Chief Executive Officer and shall exercise such authority as the Board of Directors may determine.

REPLACES:

Section 10. President and Chief Executive Officer.

The Board of Directors may appoint an Executive who shall have the title of President and Chief Executive Officer (CEO) and who may be, but shall not be required to be, a member of the Cooperative. The President and Chief Executive Officer (CEO) has such general and complete authority as vested in him by the Board of Directors.

NOTES:

No substantive changes.

NEW:

Section 10. Bonds of Officers

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

Section 11. Compensation

The compensations of officers, agents, and employees shall be fixed by the Board of Directors.

Section 12. Reports

The officers of the Cooperative shall submit at each annual meeting of the members reports covering the business of the Cooperative at the close of such fiscal year.

REPLACES:

Section 11. Bonds of Officers.

The Board of Directors shall require the Treasurer or any other officer to the Cooperative charged with responsibility for the custody of any of its funds or property, to give bond in the 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.

Section 12. Compensation.

The compensation of officers, agents and employees shall be fixed by the Board of Directors.

Section 13. Reports.

The officers of the Cooperative shall submit at each Annual Meeting of the members reports covering the business of the Cooperative at the close of such fiscal year.

NOTES:

No substantive changes.

NEW:

Section 13. Indemnification of Directors, Officers and Employees

Every present or past director, officer, employee, or member of a board committee of the Cooperative shall be indemnified by the Cooperative against all judgments, penalties, fines, settlements, and reasonable expenses, including legal fees, incurred by him as a result of or in connection with any threatened, pending, or completed civil, criminal, administrative, or investigative proceeding to which he may be made a party by reason of his acting or having acted in his official capacity as a director, officer, employee, or member of a board committee of the Cooperative, or in any other capacity he may hold at the request of the Cooperative, as its representative in any affiliated organization, subject to the following conditions:

a. The director, officer, employee or committee member must have conducted himself in good faith (and reasonably believed his conduct was in the best interests of the Cooperative), and, in the absence of criminal proceedings, he must have had no reasonable cause to believe that his conduct was unlawful. When acting in his official capacity, he must have reasonably believed that his conduct was in the best interests of the Cooperative;

b. When acting in any other capacity, he must have reasonably believed that his conduct was at least not opposed to the best interests of the Cooperative;

c. If the proceeding was brought by or on behalf of the Cooperative, however, indemnification shall be made only with respect to reasonable expenses referenced above. No indemnification of any kind shall be made in any such proceeding in which the director, officer, employee, or member of a board committee shall have been adjudged liable to the Cooperative, except that no professional employee shall be liable to the Cooperative for any losses occasioned by his errors or omissions made in his official capacity with the Cooperative unless such losses were the result of his gross negligence or willful misconduct.

d. In no event, however, will indemnification be made with respect to any described proceeding once it has been determined that the director, officer, employee, or committee member improperly benefited from the receipt of an improper personal benefit.

e. In order for any person to receive indemnification under this Section, he shall vigorously assert and pursue any and all defenses to those claims, charges, or proceedings covered hereby which are reasonable and legally available and shall fully cooperate with the Cooperative or any attorneys involved in the defense of any such claim, charges, or proceedings.

No indemnification shall be made in any specific instance until it has been determined by the Cooperative that indemnification is permissible in that specific case under the standards set forth herein and that the expenses claimed are reasonable. These two determinations shall be made by a majority vote of at least a quorum of the Board of Directors consisting solely of directors who were not parties to the proceeding. If such a quorum cannot be obtained, a majority of at least a quorum of the Board of Directors, including directors who are parties, shall designate a Board Committee which shall consist solely of three or more directors who are not parties to the proceeding, and such Committee shall make said determinations by majority vote. If it is not possible to make said determinations by either of the above methods, then a special legal counsel selected by a majority vote of at least a quorum of the Board of Directors, including directors who may be parties, shall make said determinations. However, in making such determinations the termination of any proceeding by judgment, order, settlement, conviction or upon pleas of nolo contendere or its equivalent shall not, in and of itself, be conclusive that the person did not meet the standards set forth herein.

In addition to the indemnification provided herein, the Board of Directors may, as part of the ordinary course of business of the Cooperative, direct that insurance or self-funded liability protection shall be purchased or provided, to the extent reasonably practical, by the Cooperative that would protect it, its directors, officers, employees or committee members against liabilities and reasonable expenses arising out of the performance of their duties for the Cooperative.

NOTES:

This is a new Section.

DELETED:

Section 4. Vacancies.

Except as otherwise provided in these Bylaws, a vacancy in any office may be filled by the Board of Directors for the unexpired portion of the term.

NOTES:

This Section has been deleted as being unneeded, since Officers are elected by the Board of Directors anyway.

ARTICLE VI: CONTRACTS, CHECKS, AND DEPOSITS

NEW:

Section 1. Contracts

Except as otherwise provided in the Bylaws, the Board of Directors may authorize any officer(s) or agent(s) 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 2. Checks, Drafts, etc.

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

Section 3. Deposits

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

REPLACES:

Section 1. Contracts.

Except as otherwise provided in these Bylaws, the Board of Directors may authorize any officer or officers, agent or agents 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 2. 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 by such officer or officers, agent or agents, employee or employees of the Cooperative and in such manner as shall from time to time be determined by resolution of the Board of Directors.

Section 3. Deposits.

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

NOTES:

There are no substantive changes to this Article.

DELETED:

ARTICLE VII

MEMBERSHIP RECEIPTS

Section 1. Evidence of Membership.

Membership in the Cooperative shall be evidenced by a receipt 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 Articles of Incorporation of this Cooperative or by these Bylaws.

Section 2. Issue of Membership Receipts.

No membership receipt shall be issued until the payment of the full amount of the membership fee.

NOTES:

This Article has been deleted as being unneeded in light of other changes made to the Bylaws.

ARTICLE VII: NON-PROFIT OPERATION

NEW:

Section 1. 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, except as required by law.

REPLACES:

Section 1. 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.

NOTES:

There are no substantive changes.

NEW:

Section 2. 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 for the Cooperative. In order to induce patronage and to assure that the Cooperative will operate on a non-profit 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 allocate 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 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 has 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 part of the capital credited to the accounts of patrons, 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 be realized from the sale of any appreciated asset, such gains shall be distributed to all persons who were 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 credited to patron's accounts may be retired in full or in part. The Board of Directors shall determine the method, basis, priority and order of retirement, if any, for all amounts furnished as capital.

Capital credited to the account of each patron shall be assignable only on the books of the Cooperative pursuant to written instruction from the assignor and only to

successors in interest or successors in occupancy in all or part of such patron's premises served by the Cooperative unless the Board, acting under policies of general applications, shall determine otherwise.

Notwithstanding any other provision of the Bylaws, the Board of Directors at its discretion, shall have the power at any time upon the death of any patron, a natural person, if the legal representatives of his estate shall request in writing that the capital credited to any such patron be retired prior to the time such capital would otherwise be retired under the provisions of these Bylaws, to retire capital credited to any such patron immediately upon such terms and conditions as the Board of Directors, acting under policies of general application, and the legal representatives of such patron's estate shall agree upon; provided, however, that the financial condition of the Cooperative will not be impaired thereby; and provided, further that no payment of capital credits to the estate of a deceased member shall be made except to the extent said credits represent receipts in cash to the Cooperative.

The patrons of the Cooperative, by dealing with the Cooperative, acknowledge that the terms and provisions of the Articles of Consolidation 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. The provisions of the Article of the Bylaws shall be called to the attention of each patron of the Cooperative by posting in a conspicuous place in the Cooperative's office.

REPLACES:

Section 2. 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 for the Cooperative. In order to induce patronage and to assure that the Cooperative will operate on a non-profit 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 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 part of the capital credited to the accounts of patrons, 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. If, at any time prior to dissolution or liquidation, the board shall determine that the financial condition of the Cooperative will not be impaired thereby, the capital credited to patrons' accounts may be retired in full or in part.

Capital credited to the account of each patron shall be assignable only on the books of the Cooperative pursuant to written instruction from the assignor and only to successors in interest or successors in occupancy in all or a part of such patron's premises served by the Cooperative unless the board, acting under policies of general application, shall determine otherwise.

Notwithstanding any other provision of these Bylaws, the board at its discretion, shall have the power at any time upon the death of any patron, if the legal representatives of his estate shall request in writing that the capital credited to any such patron be retired prior to the time such capital would otherwise retired under the provisions of these Bylaws, to retire capital credited to any such patron immediately upon such terms and conditions as the board, acting under policies of general application, and the legal representatives of such patron's estate shall agree upon; provided, however, that the financial condition of the Cooperative will not be impaired thereby, and further provided that no payment of capital credits to the estate of a deceased member shall be made except to the extent said credits represent receipts in cash to the Cooperative.

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.

NOTES:

There are no substantive changes.

NEW:

ARTICLE VIII: WAIVER OF NOTICE OF MEETING

Any member or director may waive, in writing, any notice of a meeting required to be given by the Bylaws.

REPLACES:

ARTICLE IX

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.

NOTES:

There are no substantive changes.

NEW:

ARTICLE IX: DISPOSITION OF PROPERTY

The Cooperative may not sell, lease, or otherwise dispose of all or a substantial portion of its property or dissolve the Cooperative unless the Board of Directors is authorized so to do by a two-thirds (2/3) vote of the a quorum at a member meeting. Due notice shall be given to all members of the proposed sale, lease or other disposition of such property. The Board of Directors, without authorization by the members, shall have full power and authority to authorize the execution and delivery of a mortgage or mortgages or a deed or deeds of trust upon, or the pledging or encumbering of any or all of, the property, assets, rights, privileges, licenses, franchises, and permits of the Cooperative, whether acquired or to be acquired, and wherever situated , as well as the revenues and income therefrom, upon such terms and conditions as the Board of Directors shall determine, to secure any obligation of the Cooperative, any provisions of the Articles of Incorporation or Bylaws of the Cooperative notwithstanding.

REPLACES:

ARTICLE X

DISPOSITION OF PROPERTY

The Cooperative may not sell, mortgage, lease, or otherwise, dispose of or encumber all of its property unless such sale, mortgage, lease or other disposition or encumbrance is authorized at a meeting of the members thereof by the affirmative vote of not less than two-thirds (2/3rds) of all of the members of the Cooperative, and unless the notice of such proposed sale, mortgage, lease or other disposition or encumbrance shall have been contained in the notice of the meeting; provided, however, that notwithstanding anything herein contained, the board of the Cooperative, without authorization by the members thereof, shall have full power and authority to authorize the execution and delivery of a mortgage or mortgages or a deed or deeds of trust upon, or the pledging or encumbering of, any or all of the property, assets, rights, privileges, licenses, franchises and permits of the Cooperative, whether acquired or to be acquired, and wherever situated, as well as the revenues and income there from, all upon such terms and conditions as the board shall determine, to secure any indebtedness of the Cooperative to the United States of America, National Rural Utilities Cooperative Finance Corporation, or any instrumentality or agency thereof; provided further, that the board may, upon the authorization of a majority of those members of the Cooperative present at a meeting of the members thereof, sell, lease or otherwise dispose of all or a substantial portion of its property to another Cooperative or foreign corporation doing business in this state pursuant to the Act under which this Cooperative is incorporated.

NOTES:

Changes the requirement of 2/3 vote of the membership to a 2/3 vote of a quorum at a member meeting. Also allows Cooperative property to be mortgaged without such a vote to comply with RUS mortgage requirements.

DELETED:

ARTICLE XI

AREA COVERAGE

The board shall make diligent effort to see that electric service is extended to all unserved persons within the Cooperative service area who (a) desire such service and (b) meet all reasonable requirements established by the Cooperative as a condition of such service.

NOTES:

This Article is deleted because this is already required by State law and regulations and other sections of the Bylaws.

NEW:

ARTICLE X: FISCAL YEAR

The fiscal year of the Cooperative shall begin on the first day of January of each calendar year and end on the thirty-first day of December of that same year.

ARTICLE XI: MEMBERSHIP IN OTHER ORGANIZATIONS

The Cooperative shall not become a member of any other organization without an affirmative vote of the members at a meeting called as provided in the Bylaws, and the notice of said meeting shall specify that action is to be taken upon such proposed membership as an item of business, provided, however, that the Board of Directors shall have full power and authority to authorize the Cooperative to purchase stock in or to become a member of any corporation or cooperative organized on a non-profit basis for the purpose of engaging in or furthering the cause of rural electrification or rural economic development.

ARTICLE XII: SEAL

The corporate seal of the Cooperative shall be in the form of a circle and shall have inscribed thereon the name of the Cooperative and the words "CORPORATE SEAL, KENTUCKY."

REPLACES:

ARTICLE XII

FISCAL YEAR

The fiscal year of the Cooperative shall begin on the first (1st) day of January each calendar year and end on the thirty-first (31st) day of December of the same year.

ARTICLE XIII

MEMBERSHIP IN OTHER ORGANIZATIONS

The Cooperative shall not become a member of any other organization without an affirmative vote of the members at a meeting called as provided in these Bylaws, and the notice of said meeting shall specify that action is to be taken upon such proposed membership as an item of business, provided, however, that the Directors shall have full power and authority to authorize the Cooperative to purchase stock in or to become a member of any corporation or cooperative organized on a non-profit basis for the purpose of engaging in or furthering the cause of rural electrification.

ARTICLE XIV

SEAL

The corporate seal of the Cooperative shall be in the form of a circle and shall have inscribed thereon the name of the Cooperative and the words "CORPORATE SEAL, KENTUCKY."

NOTES:

The reasons for which the Cooperative may become a member of other organizations is expanded to include economic development as well as rural electrification.

NEW:

ARTICLE XIII: AMENDMENTS

The Bylaws may be altered, amended, or repealed by the affirmative vote of not less than two-thirds of all the directors at any regular meeting. The Bylaws may also be altered, amended, or repealed by vote of not less than two-thirds of all the directors at any special meeting, provided, a notice of such meeting shall have contained a copy of the proposed alteration, amendment, or repeal.

REPLACES:

ARTICLE XVII

AMENDMENTS

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

NOTES:

There are no substantive changes.

JACKSON ENERGY COOPERATIVE

BYLAWS

PROPOSED REVISIONS

ARTICLE II: MEMBER MEETINGS

Section 7. Director Nominations by Petition

~~———— A member may be nominated by a membership petition signed by five hundred (500) or more members. The petition shall contain each signing member's full name, address, telephone number, account number, and signature. The petition must be delivered to the Cooperative's principal office at least sixty (60) days before the member meeting. The Secretary shall post all qualified nominees in the same way as nominees by Committee.~~

A member may be nominated by a membership petition signed by five hundred (500) or more members. The petition shall be on a form provided by the Cooperative and shall contain each signing member's full name, address, telephone number, account number, and signature. If any of these items are missing with respect to a signature, it will not be considered a valid signature and will not be counted toward the five hundred (500) signatures required for a nomination by petition. All signatures shall be affixed on the petition within six (6) months of the date it is submitted. The petition must be submitted to the Cooperative's principal office at least sixty (60) days before the member meeting. The Secretary shall post all qualified nominees by petition in the same way as nominees by Committee.

REVISED ARTICLE III, SECTION II – DIRECTOR QUALIFICATIONS

Section 2. Qualification

No person shall be eligible to become or remain a member of the Board of Directors of the Cooperative who:

- a. Is not a member in good standing, resident in the area served by the Cooperative, and a resident of the district for which he is elected;
- b. Does not receive electric service from the Cooperative;
- c. Does not have the legal capacity to enter into a binding contract;
- d. Is an employee, former employee, or retired employee of the Cooperative, or an employee or former employee, or retired employee of the former Cooperative in the event of a consolidation;
- e. Is a close relative of an employee or director of the Cooperative;
- f. Has entered a plea of guilty to, or no contest to, or been convicted of, a felony; or
- g. Who is an incumbent or a candidate for an elected public office for which a salary is paid.

A “close relative” is defined as a person who by blood or in-law, including half, foster, step, and adoptive kin, is either a spouse, child, grandchild, parent, grandparent, brother, or sister, ~~uncle, aunt, nephew or niece~~.

No member of the Board of Directors may use his position on the Board for personal or political gain. Such action is expressly prohibited and may result in his removal from the Board.

Any person elected to the Board of Directors may be subject to a background check.

Nothing contained in this Section shall affect in any manner the validity of any action taken at any meeting of the Board of Directors.

Jackson Energy Cooperative
Case No. 2013-00219
Response to Commission Staff First Data Request

Item No. 12
Page 1 of 76
Witness: Jim Adkins

Q12: Provide Jackson's current bylaws. Indicate any changes to the bylaws since Jackson's most recent general rate case.

A12: Please see Exhibit U of the Application for current by laws and Item No. 12 page 2 for changes since Jackson Energy's last general rate case..

BYLAWS REVISION

ARTICLE I: MEMBERSHIP

NEW:

Section 1. Requirements

Any person, partnership, association, corporation, body politic, or subdivision thereof may become a member of the Cooperative provided that he:

- a. Applies in writing;
- b. Agrees to purchase electricity or any other service from the Cooperative as stated in these Bylaws;
- c. Agrees to be bound by the Articles of Incorporation, Bylaws, and all other rules of the Cooperative; and
- d. Has the legal capacity to enter into a binding contract.

No person, partnership, association, corporation, body politic, or subdivision thereof may have more than one membership in the Cooperative, regardless of the number of accounts or service connections he has with the Cooperative.

All accounts must be in the name of one person or entity. Accounts in the name of more than one person prior to the adoption of these Bylaws shall continue, but only the first named person on the account is considered a member of the Cooperative for purposes of voting and other rights of members.

Section 2. Application

Membership in the Cooperative will be considered by the Board of Directors upon submission by the applicant of an application which will be supplied by the Cooperative, the terms and provisions of which are subject to change from time to time by the Board of Directors. The Board of Directors may deny membership to an applicant for good cause as defined and found by the Board of Directors.

The Cooperative may allow an applicant to receive electric or other service even though an application has not been submitted or approved, provided that an application is submitted and approved within a reasonable time after service begins.

REPLACES:

Article I, Section 1. Qualifications and Obligations

Any person, firm, corporation or body politic may become a member in the Cooperative by: (a) Paying the required membership fee; (b) agreeing to purchase from the Cooperative electric energy as hereinafter specified; and (c) agreeing to comply with

and be bound by the Articles of Incorporation of the Cooperative and these bylaws and any amendments thereto and such rules and regulations as may from time to time be adopted by the Board of Directors, provided, however, that no person, firm, corporation or body politic shall become a member unless and until he or it has been accepted for membership by the Board of Directors or the members. At such meeting of the members, all applications received more than ninety (90) days prior to such meeting and which have not been accepted by the Board of Directors as members subject to compliance by the applicant with the conditions set forth in subdivisions (a) (b) (c) of this section, such application for membership may be accepted by a vote of the members at such meeting.

A husband and wife constitute one member, and their application for a joint membership may be accepted in accordance with the foregoing provisions of this section, provided, the husband and wife comply jointly with the provisions of the above sections (a) (b) and (c).

NOTES:

With this change, there will be no joint husband and wife memberships, other than those already existing.

NEW:

Section 3. Membership Fees and Deposits

All applicants shall pay a membership fee in order to become a member of the Cooperative. The amount of the fee will be set by the Board of Directors. Members of the Cooperative are subject to the imposition of other fees, including, without limitation, interest, penalties, re-connection fees, extension fees, service charges, and court costs.

REPLACES:

Article 1, Section 2. Membership Fee; Consumer Deposit, Service Connection Fee and Line Extension Fees; Facility Moving Expense Charge

The membership fee shall be as fixed from time to time by the Board of Directors and approved by the Public Service Commission of Kentucky. The membership fee (together with any consumer deposit, service connection fee, line extension fee, facility moving expense charge, or any combination thereof, if required by the Cooperative) shall entitle the member to one service connection. A service connection fee, in such amount as shall be prescribed by the Cooperative (together with a consumer deposit, line extension fee, or facility moving expense charge or any combination thereof, if required by the Cooperative), shall be paid by the member for each additional service connection requested by him/her.

NEW:

Section 4. Provision of Electricity and Other Services

The Cooperative shall use reasonable diligence to furnish members with adequate and dependable electric service. The Cooperative does not guarantee a continuous and uninterrupted supply of electricity or other services. The Cooperative is not liable for damages, costs, or expenses caused by inadequate or fluctuating electricity or other services unless such damages, costs, or expenses are caused by the gross negligence or willful misconduct of the Cooperative.

REPLACES:

ARTICLE XV

LIABILITY FOR DAMAGES

The Cooperative shall not be liable to its members for personal injuries or damage to property resulting from the use of electric current furnished through the equipment of the Cooperative on member's premises, except in the event of the Cooperative's negligence and the member shall save the Cooperative harmless from injuries to the person or damages to the property of third persons resulting from such use of current.

ARTICLE XVI

CONTINUITY OF SERVICE

All reasonable efforts will be made to supply continuous and uninterrupted service. However, the Cooperative shall have the right to suspend the supply of electric energy for the purpose of making repairs, betterment or extensions.

NOTES:

These sections are moved to this area of the Bylaws.

NEW:

Section 5. Purchase of Electricity and Other Services

Each member shall purchase from the Cooperative all electric power and energy purchased for use on all premises to which electric service is furnished by the Cooperative, unless the Board of Directors shall waive such requirement. Production of electricity or other energy by a member by facilities to be interconnected with Cooperative facilities shall be subject to regulations as shall be fixed by the Board of Directors, and in any event, all such interconnection facilities are subject to inspection by the Cooperative and must meet all applicable safety codes and regulations.

REPLACES:

Article 1, Section 5. Purchase of Electric Energy

Each member shall, as soon as electric energy is available, purchase from the Cooperative all electric energy used on the premises specified in his application for membership, and shall pay therefore monthly rates which, from time to time, shall be fixed by the Board of Directors, and established by order of Public Service Commission if required by law, provided, however, that the Board of Directors may limit the amount of electric energy which the cooperative shall be required to furnish to any one member. It is expressly understood that amounts paid for electric energy in excess of the cost of service are furnished by members as capital and each member shall be credited with the capital so furnished, as provided by these Bylaws. Each member shall pay to the Cooperative a minimum amount per month regardless of the amount of electric energy consumed, as shall be fixed by the Board of Directors from time to time. Each member shall also pay all amounts owed by him to the Cooperative as and when the same shall be due and payable.

NOTES:

The change allows for the possibility of interconnection by members.

NEW:

Section 6. Termination of Membership

A member may withdraw from the Cooperative upon terms and conditions as specified by the Board of Directors.

The Board of Directors may expel a member by the vote of not less than two-thirds of the members of the Board of Directors for failure to comply with the Bylaws or any other rules and regulations adopted by the Board of Directors. Before such expulsion, the member is entitled to a hearing before the Board of Directors, if requested by the member. An expelled member may be reinstated by the Board of Directors by a majority vote.

Upon the withdrawal, death, cessation of existence, or expulsion of a member, the membership of that member will terminate. Termination of membership does not release the member or his estate from any debts owed to the Cooperative.

REPLACES:

Article 1, Section 3. Termination of Membership

(a) Any member may withdraw from membership upon compliance with such uniform terms and conditions as the board may prescribe. The board may, by the affirmative vote of not less than two-thirds (2/3rds) of all the members of the board, expel any member who fails to comply with any of the provisions of the Articles of Incorporation, Bylaws, or rules or Regulations adopted by the board, but only if such member shall have been given written notice by the Cooperative that such failure makes him liable to expulsion and such failure shall have continued for at least ten (10) days after such notice was given. Any expelled member may be reinstated by affirmative vote of not less than two-thirds (2/3rds) of the members of the Board of directors. The membership of a member who for a period of six (6) months after service is available to him, has not purchased electric energy from the Cooperative, or of a member who has ceased to purchase energy from the Cooperative, may be cancelled by resolution of the Board.

(b) Upon withdrawal, death, cessation of existence or expulsion of a member the membership of such member shall thereupon terminate, and said termination shall be noted on the Cooperative's records. Termination of membership in any manner shall not release a member or his estate from any debts due the Cooperative.

(c) In case of withdrawal or termination of membership in any manner, the Cooperative shall repay to the member the amount of the membership fee paid by him, provided, however, that the Cooperative shall deduct from the amount of the membership fee the amount of any debts or obligations owed by the member to the Cooperative.

NEW:

Section 7. Wiring of Premises, Damage to Cooperative Property

Each member is responsible for ensuring that his premises are wired in accordance with the specifications of the National Electric Code and any other applicable laws and regulations. Each member shall be responsible for and shall indemnify the Cooperative and its contractors against death, injury, loss, or damage resulting from any defect in or improper use or maintenance of the premises and any wiring connected thereto. Each member shall make available to the Cooperative a suitable location for the placement of Cooperative facilities, such as meters, and the member shall permit the Cooperative and its contractors access to such facilities at all times without interference.

Members shall refrain from causing damage to or otherwise interfering with the Cooperative's facilities in any way, and shall use best efforts to prevent others from doing so. In the event of damage to Cooperative facilities, the member or any other person on the premises shall indemnify the Cooperative and its contractors against death, injury, loss, or damage resulting from the member's negligence.

REPLACES:

Article XV. Liability for Damages

The cooperative shall not be liable to its members for personal injuries or damage to property resulting from the use of electric current furnished through the equipment of the Cooperative on member's premises, except in the event of the Cooperative's negligence and the member shall save the Cooperative harmless from injuries to the person or damages to the property of third persons resulting from such use of current.

NOTES:

Expands the existing section to include standards for the wiring of member premises.

NEW:

Section 8. Access to Member Property

Without compensation, each member shall grant to the Cooperative free access onto his land or premises for the purpose of placing, locating, building, constructing, operating, replacing, rebuilding, relocating, repairing, improving, enlarging, extending, and maintaining on, over, or under such land or premises, or removing there from its electric distribution or other system or facilities, such as lines, poles, wires, anchors, and other facilities. The Board of Directors, after a hearing upon request of the member, may expel any member or discontinue service to any member who fails or refuses to comply with this Bylaw.

REPLACES:

None.

NOTES:

This is a new section that further clarifies the right of the Cooperative and its contractors to enter upon members' property to perform necessary work.

NEW:

Section 9. Rights and Liabilities of Members

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

REPLACES:

None.

NOTES:

This section has been added for the protection of members' individually owned property to prevent execution upon that property by creditors of the Cooperative

DELETED SECTIONS FROM ARTICLE I:

Section 4. Conversion of Membership

(a) An unmarried member, should he/she marry, becomes a joint member with his or her spouse when both comply with the Articles of Incorporation, bylaws, Rules and Regulations adopted by the Board of Directors. The changed status of membership shall then be noted in the records of the Cooperative.

(b) When a membership is held jointly by a husband and wife, upon death of either, such membership shall be deemed to be held solely by the survivor with the same effect as though such membership had been originally issued solely to him or her, as the case may be, and this change of membership status shall be noted on the Cooperative's records, provided, however, that the estate of the deceased shall not be released from any membership debts or liabilities to the Cooperative.

NOTES:

Automatic joint memberships are eliminated when they are based only on the status of marriage.

ARTICLE II: MEMBER MEETINGS

NEW:

Section 1. Annual Meeting

There will be a meeting of the members once per calendar year at a time and place set by the Board of Directors. The meeting will be held in a county served by the Cooperative. The purpose of the annual meeting will include election of directors, passing upon financial reports, and such other business as the Board of Directors shall designate.

REPLACES:

Section 1. Annual Meeting

The Board of Directors shall set the date and place within a county served by the Cooperative, of the Annual Membership Meeting no less than sixty (60) days prior to the holding of said Annual Membership Meeting, which date and place shall be designated in the notice of the meeting, for the purpose of electing board members, passing upon reports for the previous fiscal year and transacting such other business as may come before the meeting. It shall be the responsibility of the board to make adequate plans and preparations for the Annual Meeting. Failure to hold the Annual Meeting at the designated time shall not work a forfeiture or dissolution of the Cooperative.

NOTES:

This section is being modified, as are most in this Article, to try to simply the rules governing member meetings and elections held at member meetings.

NEW:

Section 2. Special Meeting

A special meeting of the members may be called by the Board of Directors upon a majority vote, or by a written request of ten percent or more of the members or for any other purpose stated in the Bylaws. The Secretary shall cause notice to be sent to the members as set forth in section 3.

REPLACES:

Special meetings of the members may be called by resolution of the board, or upon a written request signed by any five (5) board members, or by ten per centum (10%) or more of all the members, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. The Board of Directors shall designate the place at which the special meeting shall be held in a county served by the Cooperative.

NEW:

Section 3. Notice of Member Meetings

A notice stating the place, date, and time of the meeting, and if required, the purpose for which the meeting is called, shall be delivered to the members in a manner reasonably calculated to reach the members, which may, but is not required to, include publication in the Kentucky Living Magazine.

The notice shall be delivered to members not less than five (5) and no more than forty (40) days prior to the date of the meeting. Notice shall be deemed delivered when it is mailed to the address of the member stated in the Cooperative's records, or when the notice however delivered, is received.

REPLACES:

Section 3. Notice of Members Meeting

Written or printed notice stating the place, date and hour of the meeting and, in case of a special meeting, the purpose of which the meeting is called, shall be given to each member not less than five (5) days nor more than forty (40) days before the date of the meeting. At the direction of the Secretary or the persons calling such meeting notice thereof may be delivered personally, mailed or published in the official monthly publication of the Cooperative. If mailed or published in the official monthly publication of the Cooperative, such notice shall be deemed to be delivered when the notice or publication is deposited in the United States mail addressed to the member at his address as it appears on the record of the Cooperative with postage thereon paid. A joint membership notice given to either husband or wife shall be deemed notice to both joint members. The failure of any member to receive notice of an Annual or Special Meeting of the members shall not invalidate any action which may be taken by members of any such meeting.

NEW:

Section 4. Quorum

A quorum for the transaction of business at a member meeting shall be the lesser of one half of one percent of the total number of members as reflected in the Cooperative's records, or fifty (50) members.

If less than a quorum is present at any meeting, a majority of members present may without further notice adjourn the meeting to another time and date not more than forty-five days later, provided that the Secretary shall notify any absent members of the time, date, and place of such meeting by delivering notice to the members as set out in these Bylaws.

REPLACES:

Section 4. Quorum

Business may not be transacted at any meeting of the members unless there are present in person at least 50 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 thirty (30) 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 of this Article.

NEW:

Section 5. Voting

Each member is entitled to one vote upon each matter submitted to a vote at a member meeting. All matters shall be decided by vote of a majority of the members, unless otherwise provided in the Bylaws, Articles of Incorporation, or other law.

Non-individual entities, such as corporations, churches, and unincorporated associations are entitled to one vote, provided that the entity submits a written statement appointing an individual to vote for the member and that such statement is presented to the Cooperative's corporate office no later than 12:00 p.m. the day before the meeting.

There shall be no voting by proxy.

All business conducted at a member meeting shall be voted upon in person by the members.

REPLACES:

Section 5. Voting

Each member presently receiving electric service shall be entitled to one vote and not more upon each matter submitted to a vote at a meeting of the members except as is otherwise provided in Section 7, Article II, hereof. At all meetings of the members at which a quorum is present all questions shall be decided by a vote of a majority of the members voting thereon in person, except as otherwise provided by law, the Articles of Incorporation of the Cooperative, or these Bylaws. Each membership is entitled to one vote except where a husband and wife hold more than one membership, in which case, each is entitled to one vote regardless of number of memberships, and each must be personally present to cast his vote.

Section 7. Firm, Partnership, Corporation or Body Politic

Any firm, partnership, corporation, church, fraternal organization or body politic who is a member under the terms and provisions of these Bylaws may vote at any special or annual meeting upon any matter submitted to the meeting for a vote with the same right and privilege as an individual or joint membership except, however, such firm, partnership, corporation, church, fraternal organization or body politic, shall be entitled to cast only one (1) vote regardless of the number of memberships held. Any person casting the vote of such firm, partnership, corporation, church, fraternal organization or body politic must be clothed with authority by resolution or written statement from an authorized Board of Directors, or agreement by such firm, partnership, corporation, church, fraternal organization or body politic authorizing such person to cast said vote at such special or annual meeting.

DELETED:

Section 6. Proxies

At any meeting of the members or adjournment thereof, any member may vote by proxy, but only if such proxy (a) is registered with the Secretary or his/her duly designated registrar before the starting time of the meeting or any adjournment thereof, or, if such proxy is to be voted on any matter the carrying of which requires the affirmative votes of more than a simple majority of the members voting at any meeting of the members, is registered with the Cooperative at its principal office during office hours on or before the third business day not preceding the date of the meeting or any adjournment thereof, as the case may be, (b) is executed by the member in writing and designates the holder thereof (and, if the member so desires, an alternative holder thereof and/or conferring upon the holder(s) full power of substitution) which holder(s) (or substitute(s), if any) shall be the member's spouse, an adult close relative (of legal age) residing in the same household as the member or another member who is a natural person, and (c) specifies the particular meeting and/or any adjournment thereof at which it is to be voted and is dated not more than ninety (90) days prior to the date of such meeting or any adjournment thereof; provided, that any mailed proxies not otherwise dated shall be deemed dated as postmarked if postmark is satisfactorily evidenced; and provided further, that any proxy valid at any meeting shall be valid at any adjournment thereof unless the proxy itself specifies otherwise or is subsequently revoked by another proxy or by the presence in person of the member at such adjournment. A proxy may be unlimited as to the matters on which it may be voted or it may be restricted; a proxy containing no restriction shall be deemed to be unlimited. In the event a member executes two or more proxies for the same meeting or for any adjournment thereof, the most recently dated proxy shall revoke all others; if such proxies carry the same date and held by different persons, none of them will be valid or recognized. The presence in person of a member at a meeting or any adjournment thereof shall revoke any proxy theretofore executed by him/her for such meeting or such adjournment thereof, as the case may be, and he/she shall be entitled to vote in the same manner with the same effect as if he/she had not executed a proxy. No member may vote as proxy for more than three (3) members at any meeting of the members. Notwithstanding the foregoing provisions of this section whenever a member is absent from a meeting of such members but whose spouse attends such meeting, such spouse shall be deemed to hold and may exercise and vote, the proxy of such member at the same extent that such member could vote if present in person, unless such member has given written proxy to some other person eligible to vote such proxy.

NOTES:

Removes voting by proxy and requires in person voting. Requires entities to file a statement of authority for the individual voting by noon the day prior to the meeting.

NEW:

Section 6. Director Nominations by Committee

It shall be the duty of the Board of Directors to appoint, not less than sixty (60) days and not more than ninety (90) days before the date of a meeting at which the election of directors will be announced, a Nominations Committee, consisting of nine (9) members of the Cooperative who are not current Cooperative employees, agents, officers, directors or director candidates, or close relatives or members of the same household of current Cooperative employees, agents, officers, directors or director candidates, and who are selected so that each of the Cooperative's director districts are represented. The Committee will prepare and post at the Cooperative's principal office at least fifty (50) days prior to the meeting a list of nominations for directors to be elected, listing separately the nominee(s) for each director district. The Committee may include as many nominees as it deems desirable for each district.

Section 7. Director Nominations by Petition

A member may be nominated by a membership petition signed by five hundred (500) or more members. The petition shall contain each signing member's full name, address, telephone number, account number, and signature. The petition must be delivered to the Cooperative's principal office at least sixty (60) days before the member meeting. The Secretary shall post all qualified nominees in the same way as nominees by Committee.

Section 8. Election of Directors

All voting for candidates for directors shall be exclusively in person voting at the annual meeting, or such other time and place designated by the Board of Directors. Each member may cast only one vote for each director district. All members may vote for directors even though the member resides outside the director's district. If a member has multiple accounts, the member is entitled to only one vote. For any pre-existing joint memberships, the first person listed on the account will be the only person who may vote.

After the Credentials and Elections Committee has certified the names of the candidates nominated by petition, it shall be the responsibility of that Committee to prepare the ballot to be used at the annual meeting, which shall contain the names of those persons nominated by Committee and by petition. The ballot shall state which candidate was so nominated. The candidates' names will be placed on the ballot in alphabetical order.

The Secretary of the Cooperative shall include with the notice of the meeting a statement of the number of directors to be elected and showing separately the nominations made by Committee and nominations made by petition, if any, and stating the address of each nominee and the director district from which each must be elected,

showing clearly those nominated by petition and those nominated by the Nominating Committee.

If a nominee of the Nominating Committee is the only nomination for a director position in a particular district, and no nominating petitions have been filed with the Secretary as provided in the Bylaws, the Secretary shall certify and announce at the annual meeting and such nominee or nominees shall be deemed elected to the Board of Directors without being placed on the ballot and without an election.

Any objection or protest to the election must be filed in writing at the Cooperative's corporate office to the attention of the Elections and Credentials Committee within three (3) days after the election.

REPLACES:

Section 10. Nomination and Election of Directors

It shall be the duty of the Board of Directors to appoint, no less than sixty (60) days nor more than ninety (90) days prior to the date of a meeting of the members at which directors are to be elected, a Committee on Nomination, consisting of nine (9) members of the Cooperative who are not existing Cooperative employees, agents, officers, directors or known candidates for directors, who are not close relatives or members of the same household thereof, and who are so selected that each of the Cooperative's Director Districts shall have representation thereon in proportion to the number of authorized directors from or with respect to such district. The Committee shall prepare and post at the principal office of the Cooperative at least fifty (50) days prior to the meeting a list of nominations for directors to be elected, listing separately the nominee(s) for each Director District from or with respect to which a director must, pursuant to this Article, be elected at the meeting. The Committee may include as many nominees for any director to be elected as it deems desirable. Any five hundred (500) or more members of the Cooperative, acting together, may make an additional nomination in writing over their signatures, listing their nominee in like manner, and by delivering same to the principal office of the Cooperative not less than forty (40) days prior to the meeting, and the Secretary shall post such nomination at the same place where the list of nominations made by the Committee is posted. The names of all qualified nominee(s), as according to the qualifications outlined in Article II, Section 2 of these Bylaws, shall be placed on the official ballot which shall be prepared by or under the direction of the Secretary. The Secretary shall mail to the members with the notice of the meeting, or separately, but at least seven (7) days prior to the date of the meeting, a statement of the names and addresses of all nominee(s) for each Director District from or with respect to which one or more directors must be elected, showing clearly those nominated by the Committee and those nominated by petition, if any. Each eligible member of the Cooperative present at the meeting shall be entitled to vote for one nominee for each Director District. The nominee from each Director District receiving the highest number of votes at such meeting shall be elected director.

NOTES:

This section retains in person voting, adds the account number requirement for petitions for nomination, and changes the time requirement to sixty days prior to the meeting for the submission of nominations to coincide with the publication of the meeting in Kentucky Living, so that a separate mailing is not needed.

NEW:

Section 9. Credentials and Election Committee

If there are two or more nominees for a director position, or there are other disputed matters submitted to a vote by the membership, at least thirty days before the member meeting, the Board shall appoint a Credentials and Election Committee, which shall have at least three (3) but no more than five (5) members who are members of the Cooperative, but are not members of the Nominating Committee or current Cooperative employees, agents, officers, directors, or candidates for director, and who are not close relatives or members of the same household of current Cooperative employees, agents, officers, directors, or candidates for director. Prior to the member meeting, the Committee shall elect a chairperson and secretary. The Board may appoint such a Committee at any other time that it deems desirable.

The Committee shall have the following duties and responsibilities:

- a. To examine and audit petitions for the nomination of directors to ensure that such petitions comply with the Bylaws and other rules of the Cooperative and applicable law;
- b. To pass upon the validity of the signature, printed names, addresses, telephone numbers, and account numbers on the petitions to determine if those signing are qualified members in good standing with the Cooperative;
- c. If a signee to a petition is disapproved, the Committee shall state in writing the reason or reasons for such disapproval;
- d. To determine if the required number of members have signed the petition after having deducted from the petition the names disapproved;
- e. Upon completion of the examination and audit of any petitions, certify to the Secretary of the Cooperative the name or names of those persons properly nominated by petition, so that those names may be placed on the official ballot;
- f. To rule upon any protest or objection to any aspect of the director election as set forth in the Bylaws;
- g. To tabulate all votes cast on the official ballot;
- h. To establish and approve the manner of conducting member registration;
- i. To rule upon the legitimacy of any ballot cast;

j. To rule upon any objections or protests to an election which shall include hearing evidence presented by the challenger to the election results in person, by counsel, or both, and any opposing evidence, within thirty (60) days after the election, which may alter the results of the election, or set the results aside and order a new election at a special meeting.

k. All action taken by the Committee requires a majority vote of a quorum. A majority of the members of the Committee constitutes a quorum;

l. In conducting its business, the Committee may seek the advice of legal counsel, and the assistance of the management and staff of the Cooperative as it sees fit.

REPLACES:

Section 8. Credentials and Election Committee

The Board shall consider before each annual meeting or special meeting of members whether it is necessary to appoint a credentials or election committee. If a petition has been filed under the provisions of Article II, Section 10, of these Bylaws nominating a member to serve as a director or if the Board deems it necessary, because of contested matters on the agenda or other good cause, the Board of Directors shall, pursuant to the provisions hereinafter set out, at least thirty (30) days before any meeting of the members, appoint a Credentials and Election Committee. The Committee shall consist of an uneven number of Cooperative members not less than three (3) nor more than five (5) who are not members of the Nominating Committee or are not existing Cooperative employees, agents, officers, directors or known candidates for director, and who are not close relatives or members of the Board shall have agreed for the equitable representation of the several areas served by the Cooperative. The Committee shall elect its own chairman and secretary prior to the member meeting. It shall be the responsibility of the Committee to establish or approve the manner of conducting member registration and any ballot or voting, to pass upon all questions that may arise with respect to the registration or members in person, to count all ballots or other votes cast in any election or in any other matter, to rule upon the effect of any ballots or other votes irregularly or indecisively marked or cast, to rule upon all other questions that may arise relating to member voting and the election of directors (including but not limited to the validity of petitions of nomination, proxies, or the qualifications of candidates and the regularity of the nominations and election of directors), and to pass upon any protest or objection filed with respect to any election or affecting the result of any election. In the exercise of its responsibility, the Committee shall have available to it the advice of counsel provided by the Cooperative. In the event a protest or objection is filed concerning any election, such protest or objection must be filed in writing with the Committee at the Cooperative's main office within three (3) business days following the adjournment of the meeting in which the voting is conducted. The Committee shall thereupon be reconvened, upon notice from the Committee Chairman, not less than seven (7) days after such protest or objection is filed. The Committee shall hear such evidence as is presented by the

protestor(s) or objector(s), who may be heard in person, represented by counsel, or both, any opposing evidence; and the Committee, by vote of a majority or those present and voting, shall, within a reasonable time, but not later than thirty (30) days after such hearing, render its decision, the result of which may be to affirm the election, to change the outcome thereof, or to set it aside. The Committee may not affirmatively act on any matter unless a majority of the Committee is present. The Committee's decision (as reflected by a majority of those actually present and voting) on all matters covered by this Section shall be final.

NEW:

Section 10. Voting Districts

The territory served by the Cooperative shall be divided into nine voting districts, with each district to be represented by one director as follows:

District 1: All members in Jackson County residing East and North of Hwy. 421, beginning at the Rockcastle and Jackson County boundary line and running with Hwy. 421 to its junction with Hwy. 587; thence running East with Hwy. 587 to its junction with Hwy. 1119; thence running South with Hwy. 1119 to its junction with Hwy. 1118; thence Northwest with Hwy. 1118 to its junction with Hwy. 421; thence South with Hwy. 421 to the Clay and Jackson County boundary line.

District 2: All members in Jackson County not residing in District 1.

District 3: All members in Laurel County residing North of Hwy. 1956, beginning at the Laurel and Rockcastle County boundary line and running with Hwy. 1956 to its junction with Hwy. 80; thence running east with Hwy. 80 to the Laurel and Clay County boundary line.

District 4: All members residing in Estill and Powell Counties.

District 5: All members residing in Rockcastle, Lincoln, Garrard, Pulaski, and Madison Counties.

District 6: All members residing in Clay and Leslie Counties.

District 7: All members residing in Owsley and Breathitt Counties.

District 8: All member residing in Lee and Wolfe Counties.

District 9: All member in Laurel County not residing in District 3.

REPLACES:

Section 9. Voting Districts.

The territory served or to be served by the Jackson Energy Cooperative Corporation shall be divided into nine (9) Districts. Each district shall be represented by one (1) Director. The Districts are numbered and described as follows:

District No. 1 – Eastern Jackson County – shall be composed of all the members in Jackson County residing East and North of Kentucky Highway No. 421 beginning at the Rockcastle and Jackson County boundary line and running with Highway No. 421 to its junction with Highway No. 587; thence running East with highway No. 587 to its junction with County Road No. 1119; thence running South with County Road No. 1119 to its intersection with County road No. 1118 to its intersection with Kentucky Highway No. 421; thence South with Kentucky Highway No. 421 to the Clay and Jackson County boundary line.

District No. 2 – Western Jackson County – shall be composed of all members in Jackson County residing outside District 1.

District No. 3 – Shall be composed of all the members residing in Laurel County North of Highway 80.

District No. 4 – Shall be composed of all members residing in Estill and Powell Counties.

District No. 5 – Shall be composed of all members residing in Rockcastle, Lincoln, Garrard, Pulaski and Madison Counties.

District No. 6 – Shall be composed of all members residing in Clay and Leslie Counties.

District No. 7 – Shall be composed of all the members residing in Owsley and Breathitt Counties.

District No. 8 – Shall be composed of all the members residing in Lee and Wolfe Counties.

District No. 9 – Shall be composed of all members residing in Laurel County South of Highway No. 80.

NOTES:

Slightly reforms the Laurel County Districts.

NEW:

Section 11. Agenda

The Board of Directors shall prepare the agenda for the meeting including items to be voted upon and persons who shall speak at the meeting. Any five hundred (500) members, acting together, may make a proposal to have a legitimate matter placed upon the agenda for voting by written request to the Secretary. The members must submit a petition with their names, signatures, addresses, telephone numbers, and account numbers. No matter shall be voted upon at the meeting unless it has been placed on the agenda at least sixty days prior to the meeting.

If any member or other person who is not listed on the Cooperative's agenda desires to address the membership at the meeting, such person must submit a written request, along with the signatures, names, account numbers, addresses, and telephone numbers of two hundred (200) members, stating the reasons for the request, to the Cooperative at least sixty (60) days prior to the meeting. It is in the discretion of the Board of Directors as to whether to grant the request. The topic to be addressed by the speaker must pertain to Cooperative business and the speaker will be limited to an address of five (5) minutes in length.

REPLACES:

Section 11. 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. Said requested proposal should be placed on the order of business which is mailed in timely matter to the members prior to the Annual Meeting.

NOTES:

Adds a 500 member requirement to propose an item to be placed on the agenda for the annual meeting and requires sixty days' notice instead of forty.

NEW:

Section 12. Order of Business

The order of business at the annual meeting and, if possible, at all other meetings of the members shall be as follows:

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 unapproved minutes of previous meeting(s) of the members and the taking of necessary action thereon.
4. Presentation and consideration of, and action upon, reports of officers, directors, and committees.
5. Report on election of directors.
6. Unfinished business.
7. New business.
8. Adjournment.

REPLACES:

Section 12. Order of Business

The order of business at the Annual Meeting of the members, and so far as possible at all other meetings of the members, shall be essentially as follows:

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 meetings, as the case may be.
3. Reading of unapproved minutes of previous meeting of the members and the taking of necessary action thereon.
4. Presentation and consideration of, and acting upon, reports of officers, directors and committees.

5. Election of Directors.
6. Unfinished business.
7. New business.
8. Adjournment.

ARTICLE III: DIRECTORS

NEW:

Section 1. General Powers

The business and affairs of the Cooperative shall be managed by a Board of nine (9) Directors which shall exercise all the powers of the Cooperative except such as the Bylaws or Articles of Incorporation of the Cooperative confer upon or reserve to the members.

REPLACES:

No changes to Section 1 of the existing bylaws.

NEW:

Section 2. Qualification

No person shall be eligible to become or remain a member of the Board of Directors of the Cooperative who:

- a. Is not a member in good standing, resident in the area served by the Cooperative, and a resident of the district for which he is elected;
- b. Does not receive electric service from the Cooperative;
- c. Does not have the legal capacity to enter into a binding contract;
- d. Is an employee, former employee, or retired employee of the Cooperative, or an employee or former employee, or retired employee of the former Cooperative in the event of a consolidation;
- e. Is a close relative of an employee or director of the Cooperative;
- f. Has entered a plea of guilty to, or no contest to, or been convicted of, a felony; or
- g. Who is an incumbent or a candidate for an elected public office for which a salary is paid.

A “close relative” is defined as 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, uncle, aunt, nephew, or niece.

No member of the Board of Directors may use his position on the Board for personal or political gain. Such action is expressly prohibited and may result in his removal from the Board.

Any person elected to the Board of Directors may be subject to a background check.

Nothing contained in this Section shall affect in any manner the validity of any action taken at any meeting of the Board of Directors.

Section 3. Tenure

Directors shall serve for a term of three years. The directors’ terms shall be staggered terms with elections being held each year, if applicable, in the following

rotations: first, districts 1, 3, and 5; second, districts 2, 4, and 6; and third, districts 7, 8, and 9.

REPLACES:

Section 2. Qualification and Tenure

No person shall be eligible to become or remain a director of the Cooperative who is a close relative of an incumbent director or of an employee of the Cooperative, or is not a member in good standing of the Cooperative and receiving service therefrom at his/her primary residential abode; residing within the Director District from which he/she is being considered, nominated or elected, and being of legal age.

Beginning at the Annual Meeting of the Cooperative held in 1950, Directors shall be elected by ballot from the membership as follows:

(a) One (1) Director each from Districts 1, 3 and 5 to serve for a period of three (3) years or until their successors have been elected and shall have qualified.

(b) One (1) Director each from Districts 2, 4 and 6 to serve for a period of three years or until their successors have been elected and shall have qualified.

(c) One (1) Director each from Districts 7, 8 and 9 to serve for a period of three (3) years or until their successors have been elected and shall have qualified.

At each Annual Meeting after 1950, three (3) Directors shall be elected from the membership by ballot to succeed those Directors whose terms of office shall have expired, to serve for a period of three (3) years, or until their successors have been elected.

No person shall be eligible to become or remain a board member of the Cooperative who is incumbent of, or a candidate for an elective public office in connection with which a salary is paid or, who is not a member and bona fide resident in the area served or to be served by the Cooperative; or is in any way employed by or financially interested in a competing enterprise or a business selling electric energy or supplies to the Cooperative, or a business primarily engaged in selling electrical or plumbing appliances, fixtures or supplies to the members of the Cooperative, or has ever been an employee of the Cooperative. If not otherwise disqualified, members of the Boards of Education, Trustees, City Councilmen, and Committeemen serving on agricultural agencies, are eligible to become members of the Board. Upon establishment of the fact that a board member is holding the office in violation of any of the foregoing provisions, the Board shall remove such member from office.

Nothing contained in this Section shall effect in any manner whatsoever the validity of any action taken at any meeting of the Board.

No close or near relative of a Director may be employed by the Cooperative. For the purpose of these Bylaws a close or near relative is defined as that relationship, either by blood or marriage, nearer or closer than a first cousin but not including first cousins and lesser relationships.

Any member of the Board of Directors failing to attend three regular consecutive monthly meetings, unless excused by the Board for reasons satisfactory to it, shall be deemed to have vacated office. When a membership is held jointly by a husband and wife, either one, but not both, may be elected a Director, provided, however, that neither one shall be eligible to become or remain a Director or hold a position of trust in the Cooperative unless both shall meet the qualifications hereinabove set forth. Nothing in this Section contained shall, or shall be construed to affect in any matter whatsoever the validity of any action taken at any meeting of the Board of Directors.

NOTES:

The new section clarifies and simplifies the existing section and adds the possibility of a background check.

NEW:

Section 4. Removal of a Director by Members

Any member may bring charges against a director by filing such charges with the Secretary together with a petition signed by ten percent (10%) of the membership requesting the removal of the director in question. The petition shall state the name, signature, address, telephone number, and account number of each person signing, and the reason removal for which removal is sought. The removal shall be voted upon at the next annual or special meeting of the members. The notice of the meeting shall be delivered in the same way as the notice of any meeting.

The director against whom removal is sought shall be informed of the charges in writing and shall have an opportunity at the meeting to be heard in person or by counsel and shall be allowed to present evidence with respect to the charges.

A vote of two-thirds of the membership at the meeting, assuming a quorum is present, is required to remove the member. The voting at the meeting shall be done by ballot.

REPLACES:

Section 3. Removal of Directors and Officers.

Any member may bring charges against an officer or director by filing such charges in writing with the Secretary, together with a petition signed by ten per centum (10%) of the membership requesting the removal of the officer or director in question. The removal shall be voted upon at the next regular or special meeting of the members and any vacancy created by such removal may be filled by the members at such meeting; provided, however, that the new director must reside in the same district as the director in respect of whom the vacancy occurs. The director or officer against whom such charges have been brought shall be informed in writing of the charges previous to the meeting and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence; and the person or persons bringing the charges against him shall have the same opportunity.

NOTES:

Requires additional information on the petition for removal so that the signees may be verified as members of the Cooperative.

NEW:

Section 5. Removal of a Director for Absence

Any board member who is absent from three (3) consecutive regular meetings of the board, unless excused by a majority vote of the other board members, may be deemed to have vacated his office if so determined by a majority vote of the board.

REPLACES:

This section replaces a paragraph of the existing Section 2 on Qualification and Tenure of Board members.

NEW:

Section 6. Removal of a Director by the Board of Directors

A director may be removed by a vote of two-thirds of all the directors at two (2) consecutive board meetings for cause. Cause is defined as any unlawful action affecting the cooperative or any malfeasance in that office which interrupts or interferes with the performance of the business of the Cooperative or with the director's duties.

REPLACES:

There is no existing Bylaw provision on this issue.

NEW:

Section 7. Board Vacancies

A vacant director position may be filled by the majority vote of the remaining directors, and that director shall serve for the unexpired term of his predecessor. The replacement director must reside in the same director district as his predecessor.

REPLACES:

Section 4. Vacancies.

Subject to the provisions of these Bylaws with respect to the removal of Directors, vacancies occurring in the Board of Directors shall be filled by a majority vote of the remaining Directors and any Director thus elected shall serve the unexpired term of the vacancy or until his successor has been elected and shall have qualified. The member elected as Director to fill the vacancy must reside in the same District as the Director of whose office he succeeds.

NOTES:

The new Section is only a simplification of the existing Section.

NEW:

Section 8. Compensation

The members of the Board of Directors shall not receive a salary for their services, except that the Board of Directors may by resolution authorize a fixed sum for each monthly meeting and for each day spent on Cooperative business, such as attendance at meetings, conferences, and training programs or performing committee assignments when authorized by the Board of Directors. If authorized by the Board of Directors, a director may be reimbursed for expenses actually and necessarily incurred in carrying out Cooperative business. No director shall receive compensation for serving the Cooperative in any other capacity.

REPLACES:

Section 5. Compensation.

Directors as such shall not receive any salary for their service, but by resolution of the Board of Directors a fixed sum and expense of attendance, if any, may be allowed for attendance at each local, regional, state, and national meeting of the Board of Directors, and except in emergencies, no Director shall receive compensation for serving the Cooperative in any other capacity. By special resolution, the Board may authorize payment of the expenses of invited guests to meetings involving the interests of the Cooperative.

NOTES:

No substantive changes.

NEW:

Section 9. Rules and Regulations

The Board of Directors may make and adopt such rules and regulations, not inconsistent with law, the Articles of Incorporation, or the Bylaws, as it may deem advisable for the management, administration, and regulation of the business of the Cooperative.

REPLACES:

Section 9. Rules and Regulations

The Board of Directors shall have power to make and adopt such rules and regulations, not inconsistent with law, the Articles of Incorporation of the Cooperative or these Bylaws, as it may deem advisable for the management, administration and regulation of the business and affairs of the Cooperative.

NOTES:

No substantive changes.

NEW:

Section 10. Accounting System and Reports

The Board of Directors shall cause to be established and maintained a complete accounting system, which, among other things, subject to applicable laws, rules, and regulations, shall conform to such accounting system as may from time to time be designated by the Administrator of the Rural Utilities Service of the United States of America.

The Board of Directors shall, after the close of each fiscal year, cause to be made a full and complete audit of the accounts, books, and financial condition of the Cooperative as of the end of each fiscal year. A summary of the audited reports shall be submitted to the members at the following annual meeting.

REPLACES:

Section 7. Accounting System and Reports.

The Board of Directors shall cause to be established and maintained a complete accounting system, which, among other things, subject to applicable laws and rules and regulations shall conform to such accounting system as may from time to time be designated by the Administrator of the Rural Utilities Service of the United States of America. The Board of Directors shall, after the close of each fiscal year, cause to be made a full and complete audit of the accounts, books, and financial condition of the Cooperative as of the end of each fiscal year. A summary of the audited reports shall be submitted to the members at the following Annual Meeting.

NOTES:

No substantive changes.

DELETED:

Section 8. Change in Rates.

Written notice shall be given to the administrator of the Rural Utilities Service of the United States of America not less than ninety (90) days prior to the date upon which any proposed change in rates charged by the Cooperative for electric energy becomes effective.

NOTES:

This section is deleted as already being required by RUS regulations.

ARTICLE IV: BOARD OF DIRECTORS MEETINGS

NEW:

Section 1. Regular Meetings

A regular meeting of the Board of Directors shall be held without notice immediately after, and at the same place as, the annual meeting of the members.

A regular meeting of the Board of Directors may also be held monthly at such time and place in Jackson County as the Board of Directors may provide, however it is in the discretion of the Board of Directors to change the time and location of the meeting. Such monthly meetings may be held without notice other than a resolution of the Board fixing the time and place thereof.

REPLACES:

Section 1. Regular Meetings.

A regular meeting of the Board of Directors shall be held without notice other than this Bylaw, immediately after, and at the same place as the Annual Meeting of the members. A regular meeting of the Board of Directors shall also be held monthly at such time and place in McKee, Jackson County, Kentucky, as the Board of Directors may provide by resolution. Such regular monthly meetings may be held without notice other than such resolution fixing the time and place thereof.

NOTES:

No substantive changes.

NEW:

Section 2. Special Meetings

Special meetings of the Board of Directors may be called by the Chairman of the Board or by a simple majority of directors. The person or persons who called the meeting shall fix the time and place of the meeting.

REPLACES:

Section 2. Special Meetings.

Special meetings of the Board of Directors may be called by the Chairman of the Board or any five (5) Directors. The person or persons authorized to call special meetings of the Board of Directors may fix the time and place (which shall be in McKee, Jackson County, Kentucky, or such other place as may be designated by the Chairman of the Board only) for the holding of any special meeting of the Board of Directors called by them.

NOTES:

No substantive changes.

NEW:

Section 3. Attendance at Board Meetings

Any Cooperative member who wishes to attend a meeting of the Board of Directors must make a written request to attend the meeting at the Cooperative's corporate office ten (10) days prior to the meeting, stating the reasons why the member seeks to attend the meeting. It is in the discretion of the Board of Directors whether to grant the request.

Any Cooperative member who wishes to speak at a meeting of the Board of Directors must make a written request to speak at the meeting at the Cooperative's corporate office ten (10) days prior to the meeting, stating the reasons why the member seeks to speak at the meeting and the subject matter that will be discussed by the speaker. It is in the discretion of the Board to grant the request and to limit the length of the address to the Board.

NOTES:

This is a new section.

NEW:

Section 4. Notice

Notice of a meeting of the Board of Directors shall be given at least five (5) days prior to the meeting by written notice delivered personally or mailed. If mailed, the notice is deemed received when deposited in the U.S. mail. The attendance at a meeting of a director shall constitute a waiver of such notice of meeting, except when a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called or convened.

REPLACES:

Section 3. Notice.

Notice of the time, place and purpose of any special meeting of the Board of Directors shall be given at least five (5) days previous thereto, by written notice, delivered personally or mailed, to each Director at his last known address. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with postage thereon prepaid. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except in case a Director shall attend a meeting for the express purpose of objecting to the transaction of any business because the meeting shall not have been lawfully called or convened.

NOTES:

No substantive changes.

NEW:

Section 5. Quorum

A majority of the Board of Directors shall constitute a quorum, however, if less than a majority of the directors is present at a meeting, a majority of those present may adjourn the meeting without further notice.

REPLACES:

Section 4. Quorum.

A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, provided, that if less than a majority of the Directors is present at said meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice; and provided further, that the Secretary shall notify any absent board members of the time and place of such adjourned meeting.

NOTES:

No substantive changes.

NEW:

Section 6. Manner of Acting

Unless otherwise stated in the Bylaws, Articles of Incorporation, or applicable law, the act of a majority of the directors at a meeting at which a quorum is present shall be the act of the Board of Directors.

REPLACES:

Section 5. Manner of Acting.

The act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

NOTES:

No substantive changes.

ARTICLE V: OFFICERS

NEW:

Section 1. Number

The officers of the Cooperative shall be a Chairman of the Board, Vice Chairman of the Board, Secretary, and Treasurer, each of whom shall be elected by the Board from time to time. The office of Secretary and Treasurer may be held by the same person.

REPLACES:

Section 1. Number and Duties.

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

NOTES:

No substantive changes.

NEW:

Section 2. Election and Term of Office

The Board of directors shall elect officers at a meeting of the Board of Directors to be held after each annual meeting. A vacancy in any office shall be filled by the Board of Directors for the unexpired portion of the term, with the terms being coextensive with the term of office of the director serving in that position.

REPLACES:

Section 2. Election and Term of Office.

The officers shall be elected, by ballot, annually by and from the Board of Directors at the first meeting of the Board of Directors held after each Annual Meeting of the members. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until the first meeting of the Board of Directors following the next succeeding Annual Meeting of the members or until his successor shall have been duly elected and shall have qualified, subject to the provisions of these Bylaws with respect to the removal of officers.

NOTES:

No substantive changes, only simplification.

NEW:

Section 3. Removal of Officers

The Board of Directors may remove any officer elected or appointed by the Board of Directors if the Board believes removal to be in the best interests of the Cooperative.

REPLACES:

Section 3. Removal.

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

NOTES:

No substantive changes.

NEW:

Section 4. Chairman of the Board

The Chairman of the Board shall:

- a. Be the principal officer of the Cooperative and unless otherwise determined by the Board of Directors, shall preside at all meetings of the members and the Board of Directors;
- b. 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 of an instrument shall be expressly delegated by the Board of Directors or by the Bylaws to some other officer or agent of the Cooperative;
- 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; and
- d. While presiding at a meeting of the members or of the Board of Directors, choose to vacate the chair, and the Vice-Chairman is absent or chooses not to preside, the Chairman shall designate another person as Chairman for any part or all of the remainder of the meeting.

REPLACES:

Section 5. Chairman of the Board.

The Chairman of the Board: (a) Shall be the chief and principal officer of the Cooperative and shall preside or designate some other individual to preside at all meetings of the members and of the Board of Directors, and (b) in general shall perform all duties incident to the office of Chairman of the Board, and such other duties as may be prescribed by the Board of Directors from time to time.

NOTES:

This Section is expanded to further set out the duties of the Chairman, in accordance with NRECA recommendations.

NEW:

Section 5. 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 who so acting shall have all the powers of and be subject to all the restrictions upon the Chairman. The Vice-Chairman shall also perform such other duties as from time to time may be assigned to him by the Board of Directors.

REPLACES:

Section 6. Vice-Chairman of the Board.

In the absence of the Chairman of the Board, 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 the power of and be subject to all the restrictions upon the Chairman, and shall perform such other duties as may from time to time be assigned to him by the Board of Directors.

NOTES:

No substantive changes.

NEW:

Section 6. Secretary

The Secretary shall be responsible for:

- a. Keeping, or causing to be kept, the minutes of meetings of the members and of the Board of Directors in books provided for that purpose;
- b. Seeing that all notices are duly given in accordance with the Bylaws or as required by law;
- c. The safekeeping of the corporate books and records and the Seal of the Cooperative and to all documents, the execution of which on behalf of the Cooperative under its Seal is duly authorized with the provisions of the Bylaws.
- d. Keeping, or causing to be kept, a register of the names and addresses of all members;
- e. Keeping, or causing to be kept, on file at all times a complete copy of the Articles of Incorporation and Bylaws of the Cooperative containing all amendments thereto (which copy shall always be open to the inspection of any member) and at the expense of the Cooperative, furnishing a copy of the Bylaws and all amendments thereto to any member upon request; and
- f. In general, performing all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the Board of Directors.

REPLACES:

Section 7. Secretary.

The Secretary shall be responsible for: (a) Keeping the minutes of the meetings of the members and of the Board in books provided for that purpose; (b) seeing that all notices are duly given in accordance with these Bylaws, or as required by law; (c) the safekeeping of the corporate books and records, and the seal of the Cooperative, and affixing the seal of the Cooperative to all papers, instruments and documents of membership prior to the issue thereof, the execution of which on behalf of the Cooperative under its seal, is duly authorized in accordance with the provisions of the Bylaws; (d) keeping a register of the names and post office addresses of all members; (e) keeping on file at all times a complete copy of the Articles of Incorporation and Bylaws

of the Cooperative containing all amendments thereto (which copy shall always be open to the inspection of any members) and at the expense of the Cooperative, furnishing a copy of the Bylaws, and of all amendments thereto, to any members upon request; (f) having general charge of the books of the Cooperative in which records of the members are kept; and (g) in general, performing all duties incident to the office of Secretary, and such other duties as from time to time may be assigned to him by the Board.

NOTES:

No substantive changes.

NEW:

Section 7. Treasurer

The Treasurer shall be responsible for:

- a. Custody of all funds and securities of the Cooperative;
- b. The receipt of and the issuance of receipts for all monies due and payable to the Cooperative and for the deposit of all such monies in the name of the Cooperative in such bank or banks as shall be selected in accordance with the Bylaws; and
- c. The general performance of all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the Board of Directors.

REPLACES:

Section 8. Treasurer.

The Treasurer shall be responsible for: (a) Custody of all funds and securities of the Cooperative; (b) the receipt of and the issuance of receipts for all monies due and payable to the Cooperative, and for the deposit of all such monies in the name of the Cooperative in such bank or banks as shall be selected in accordance with the provisions of these Bylaws; and (c) the general performance of all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the Board.

NOTES:

No substantive changes.

NEW:

Section 8. Delegation of Secretary's and Treasurer's Responsibilities

Notwithstanding the duties, responsibilities, and authorities of the Secretary and Treasurer, the Board of Directors, by resolution may, except as precluded by law, delegate in whole or in part, the responsibility and authority for, and the regular or routine administration of, one or more of each such officer's 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 shall be released from such duties, responsibilities, and authorities.

REPLACES:

Section 9. 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 Section 7 and 8 above, 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 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 shall be released from such duties, responsibilities, and authorities.

NOTES:

No substantive changes.

NEW:

Section 9. President and CEO

The Board of Directors may appoint a President and Chief Executive Officer (CEO) who may be, but shall not be required to be, a member of the Cooperative. The President and CEO shall perform the duties of Chief Executive Officer and shall exercise such authority as the Board of Directors may determine.

REPLACES:

Section 10. President and Chief Executive Officer.

The Board of Directors may appoint an Executive who shall have the title of President and Chief Executive Officer (CEO) and who may be, but shall not be required to be, a member of the Cooperative. The President and Chief Executive Officer (CEO) has such general and complete authority as vested in him by the Board of Directors.

NOTES:

No substantive changes.

NEW:

Section 10. Bonds of Officers

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

Section 11. Compensation

The compensations of officers, agents, and employees shall be fixed by the Board of Directors.

Section 12. Reports

The officers of the Cooperative shall submit at each annual meeting of the members reports covering the business of the Cooperative at the close of such fiscal year.

REPLACES:

Section 11. Bonds of Officers.

The Board of Directors shall require the Treasurer or any other officer to the Cooperative charged with responsibility for the custody of any of its funds or property, to give bond in the 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.

Section 12. Compensation.

The compensation of officers, agents and employees shall be fixed by the Board of Directors.

Section 13. Reports.

The officers of the Cooperative shall submit at each Annual Meeting of the members reports covering the business of the Cooperative at the close of such fiscal year.

NOTES:

No substantive changes.

NEW:

Section 13. Indemnification of Directors, Officers and Employees

Every present or past director, officer, employee, or member of a board committee of the Cooperative shall be indemnified by the Cooperative against all judgments, penalties, fines, settlements, and reasonable expenses, including legal fees, incurred by him as a result of or in connection with any threatened, pending, or completed civil, criminal, administrative, or investigative proceeding to which he may be made a party by reason of his acting or having acted in his official capacity as a director, officer, employee, or member of a board committee of the Cooperative, or in any other capacity he may hold at the request of the Cooperative, as its representative in any affiliated organization, subject to the following conditions:

a. The director, officer, employee or committee member must have conducted himself in good faith (and reasonably believed his conduct was in the best interests of the Cooperative), and, in the absence of criminal proceedings, he must have had no reasonable cause to believe that his conduct was unlawful. When acting in his official capacity, he must have reasonably believed that his conduct was in the best interests of the Cooperative;

b. When acting in any other capacity, he must have reasonably believed that his conduct was at least not opposed to the best interests of the Cooperative;

c. If the proceeding was brought by or on behalf of the Cooperative, however, indemnification shall be made only with respect to reasonable expenses referenced above. No indemnification of any kind shall be made in any such proceeding in which the director, officer, employee, or member of a board committee shall have been adjudged liable to the Cooperative, except that no professional employee shall be liable to the Cooperative for any losses occasioned by his errors or omissions made in his official capacity with the Cooperative unless such losses were the result of his gross negligence or willful misconduct.

d. In no event, however, will indemnification be made with respect to any described proceeding once it has been determined that the director, officer, employee, or committee member improperly benefited from the receipt of an improper personal benefit.

e. In order for any person to receive indemnification under this Section, he shall vigorously assert and pursue any and all defenses to those claims, charges, or proceedings covered hereby which are reasonable and legally available and shall fully cooperate with the Cooperative or any attorneys involved in the defense of any such claim, charges, or proceedings.

No indemnification shall be made in any specific instance until it has been determined by the Cooperative that indemnification is permissible in that specific case under the standards set forth herein and that the expenses claimed are reasonable. These two determinations shall be made by a majority vote of at least a quorum of the Board of Directors consisting solely of directors who were not parties to the proceeding. If such a quorum cannot be obtained, a majority of at least a quorum of the Board of Directors, including directors who are parties, shall designate a Board Committee which shall consist solely of three or more directors who are not parties to the proceeding, and such Committee shall make said determinations by majority vote. If it is not possible to make said determinations by either of the above methods, then a special legal counsel selected by a majority vote of at least a quorum of the Board of Directors, including directors who may be parties, shall make said determinations. However, in making such determinations the termination of any proceeding by judgment, order, settlement, conviction or upon pleas of nolo contendere or its equivalent shall not, in and of itself, be conclusive that the person did not meet the standards set forth herein.

In addition to the indemnification provided herein, the Board of Directors may, as part of the ordinary course of business of the Cooperative, direct that insurance or self-funded liability protection shall be purchased or provided, to the extent reasonably practical, by the Cooperative that would protect it, its directors, officers, employees or committee members against liabilities and reasonable expenses arising out of the performance of their duties for the Cooperative.

NOTES:

This is a new Section.

DELETED:

Section 4. Vacancies.

Except as otherwise provided in these Bylaws, a vacancy in any office may be filled by the Board of Directors for the unexpired portion of the term.

NOTES:

This Section has been deleted as being unneeded, since Officers are elected by the Board of Directors anyway.

ARTICLE VI: CONTRACTS, CHECKS, AND DEPOSITS

NEW:

Section 1. Contracts

Except as otherwise provided in the Bylaws, the Board of Directors may authorize any officer(s) or agent(s) 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 2. Checks, Drafts, etc.

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

Section 3. Deposits

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

REPLACES:

Section 1. Contracts.

Except as otherwise provided in these Bylaws, the Board of Directors may authorize any officer or officers, agent or agents 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 2. 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 by such officer or officers, agent or agents, employee or employees of the Cooperative and in such manner as shall from time to time be determined by resolution of the Board of Directors.

Section 3. Deposits.

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

NOTES:

There are no substantive changes to this Article.

DELETED:

ARTICLE VII

MEMBERSHIP RECEIPTS

Section 1. Evidence of Membership.

Membership in the Cooperative shall be evidenced by a receipt 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 Articles of Incorporation of this Cooperative or by these Bylaws.

Section 2. Issue of Membership Receipts.

No membership receipt shall be issued until the payment of the full amount of the membership fee.

NOTES:

This Article has been deleted as being unneeded in light of other changes made to the Bylaws.

ARTICLE VII: NON-PROFIT OPERATION

NEW:

Section 1. 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, except as required by law.

REPLACES:

Section 1. 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.

NOTES:

There are no substantive changes.

NEW:

Section 2. 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 for the Cooperative. In order to induce patronage and to assure that the Cooperative will operate on a non-profit 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 allocate 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 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 has 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 part of the capital credited to the accounts of patrons, 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 be realized from the sale of any appreciated asset, such gains shall be distributed to all persons who were 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 credited to patron's accounts may be retired in full or in part. The Board of Directors shall determine the method, basis, priority and order of retirement, if any, for all amounts furnished as capital.

Capital credited to the account of each patron shall be assignable only on the books of the Cooperative pursuant to written instruction from the assignor and only to

successors in interest or successors in occupancy in all or part of such patron's premises served by the Cooperative unless the Board, acting under policies of general applications, shall determine otherwise.

Notwithstanding any other provision of the Bylaws, the Board of Directors at its discretion, shall have the power at any time upon the death of any patron, a natural person, if the legal representatives of his estate shall request in writing that the capital credited to any such patron be retired prior to the time such capital would otherwise be retired under the provisions of these Bylaws, to retire capital credited to any such patron immediately upon such terms and conditions as the Board of Directors, acting under policies of general application, and the legal representatives of such patron's estate shall agree upon; provided, however, that the financial condition of the Cooperative will not be impaired thereby; and provided, further that no payment of capital credits to the estate of a deceased member shall be made except to the extent said credits represent receipts in cash to the Cooperative.

The patrons of the Cooperative, by dealing with the Cooperative, acknowledge that the terms and provisions of the Articles of Consolidation 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. The provisions of the Article of the Bylaws shall be called to the attention of each patron of the Cooperative by posting in a conspicuous place in the Cooperative's office.

REPLACES:

Section 2. 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 for the Cooperative. In order to induce patronage and to assure that the Cooperative will operate on a non-profit 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 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 part of the capital credited to the accounts of patrons, 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. If, at any time prior to dissolution or liquidation, the board shall determine that the financial condition of the Cooperative will not be impaired thereby, the capital credited to patrons' accounts may be retired in full or in part.

Capital credited to the account of each patron shall be assignable only on the books of the Cooperative pursuant to written instruction from the assignor and only to successors in interest or successors in occupancy in all or a part of such patron's premises served by the Cooperative unless the board, acting under policies of general application, shall determine otherwise.

Notwithstanding any other provision of these Bylaws, the board at its discretion, shall have the power at any time upon the death of any patron, if the legal representatives of his estate shall request in writing that the capital credited to any such patron be retired prior to the time such capital would otherwise retired under the provisions of these Bylaws, to retire capital credited to any such patron immediately upon such terms and conditions as the board, acting under policies of general application, and the legal representatives of such patron's estate shall agree upon; provided, however, that the financial condition of the Cooperative will not be impaired thereby, and further provided that no payment of capital credits to the estate of a deceased member shall be made except to the extent said credits represent receipts in cash to the Cooperative.

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.

NOTES:

There are no substantive changes.

NEW:

ARTICLE VIII: WAIVER OF NOTICE OF MEETING

Any member or director may waive, in writing, any notice of a meeting required to be given by the Bylaws.

REPLACES:

ARTICLE IX

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.

NOTES:

There are no substantive changes.

NEW:

ARTICLE IX: DISPOSITION OF PROPERTY

The Cooperative may not sell, lease, or otherwise dispose of all or a substantial portion of its property or dissolve the Cooperative unless the Board of Directors is authorized so to do by a two-thirds (2/3) vote of the a quorum at a member meeting. Due notice shall be given to all members of the proposed sale, lease or other disposition of such property. The Board of Directors, without authorization by the members, shall have full power and authority to authorize the execution and delivery of a mortgage or mortgages or a deed or deeds of trust upon, or the pledging or encumbering of any or all of, the property, assets, rights, privileges, licenses, franchises, and permits of the Cooperative, whether acquired or to be acquired, and wherever situated , as well as the revenues and income therefrom, upon such terms and conditions as the Board of Directors shall determine, to secure any obligation of the Cooperative, any provisions of the Articles of Incorporation or Bylaws of the Cooperative notwithstanding.

REPLACES:

ARTICLE X

DISPOSITION OF PROPERTY

The Cooperative may not sell, mortgage, lease, or otherwise, dispose of or encumber all of its property unless such sale, mortgage, lease or other disposition or encumbrance is authorized at a meeting of the members thereof by the affirmative vote of not less than two-thirds (2/3rds) of all of the members of the Cooperative, and unless the notice of such proposed sale, mortgage, lease or other disposition or encumbrance shall have been contained in the notice of the meeting; provided, however, that notwithstanding anything herein contained, the board of the Cooperative, without authorization by the members thereof, shall have full power and authority to authorize the execution and delivery of a mortgage or mortgages or a deed or deeds of trust upon, or the pledging or encumbering of, any or all of the property, assets, rights, privileges, licenses, franchises and permits of the Cooperative, whether acquired or to be acquired, and wherever situated, as well as the revenues and income there from, all upon such terms and conditions as the board shall determine, to secure any indebtedness of the Cooperative to the United States of America, National Rural Utilities Cooperative Finance Corporation, or any instrumentality or agency thereof; provided further, that the board may, upon the authorization of a majority of those members of the Cooperative present at a meeting of the members thereof, sell, lease or otherwise dispose of all or a substantial portion of its property to another Cooperative or foreign corporation doing business in this state pursuant to the Act under which this Cooperative is incorporated.

NOTES:

Changes the requirement of 2/3 vote of the membership to a 2/3 vote of a quorum at a member meeting. Also allows Cooperative property to be mortgaged without such a vote to comply with RUS mortgage requirements.

DELETED:

ARTICLE XI

AREA COVERAGE

The board shall make diligent effort to see that electric service is extended to all unserved persons within the Cooperative service area who (a) desire such service and (b) meet all reasonable requirements established by the Cooperative as a condition of such service.

NOTES:

This Article is deleted because this is already required by State law and regulations and other sections of the Bylaws.

NEW:

ARTICLE X: FISCAL YEAR

The fiscal year of the Cooperative shall begin on the first day of January of each calendar year and end on the thirty-first day of December of that same year.

ARTICLE XI: MEMBERSHIP IN OTHER ORGANIZATIONS

The Cooperative shall not become a member of any other organization without an affirmative vote of the members at a meeting called as provided in the Bylaws, and the notice of said meeting shall specify that action is to be taken upon such proposed membership as an item of business, provided, however, that the Board of Directors shall have full power and authority to authorize the Cooperative to purchase stock in or to become a member of any corporation or cooperative organized on a non-profit basis for the purpose of engaging in or furthering the cause of rural electrification or rural economic development.

ARTICLE XII: SEAL

The corporate seal of the Cooperative shall be in the form of a circle and shall have inscribed thereon the name of the Cooperative and the words "CORPORATE SEAL, KENTUCKY."

REPLACES:

ARTICLE XII

FISCAL YEAR

The fiscal year of the Cooperative shall begin on the first (1st) day of January each calendar year and end on the thirty-first (31st) day of December of the same year.

ARTICLE XIII

MEMBERSHIP IN OTHER ORGANIZATIONS

The Cooperative shall not become a member of any other organization without an affirmative vote of the members at a meeting called as provided in these Bylaws, and the notice of said meeting shall specify that action is to be taken upon such proposed membership as an item of business, provided, however, that the Directors shall have full power and authority to authorize the Cooperative to purchase stock in or to become a member of any corporation or cooperative organized on a non-profit basis for the purpose of engaging in or furthering the cause of rural electrification.

ARTICLE XIV

SEAL

The corporate seal of the Cooperative shall be in the form of a circle and shall have inscribed thereon the name of the Cooperative and the words "CORPORATE SEAL, KENTUCKY."

NOTES:

The reasons for which the Cooperative may become a member of other organizations is expanded to include economic development as well as rural electrification.

NEW:

ARTICLE XIII: AMENDMENTS

The Bylaws may be altered, amended, or repealed by the affirmative vote of not less than two-thirds of all the directors at any regular meeting. The Bylaws may also be altered, amended, or repealed by vote of not less than two-thirds of all the directors at any special meeting, provided, a notice of such meeting shall have contained a copy of the proposed alteration, amendment, or repeal.

REPLACES:

ARTICLE XVII

AMENDMENTS

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

NOTES:

There are no substantive changes.

JACKSON ENERGY COOPERATIVE

BYLAWS

PROPOSED REVISIONS

ARTICLE II: MEMBER MEETINGS

Section 7. Director Nominations by Petition

~~———— A member may be nominated by a membership petition signed by five hundred (500) or more members. The petition shall contain each signing member's full name, address, telephone number, account number, and signature. The petition must be delivered to the Cooperative's principal office at least sixty (60) days before the member meeting. The Secretary shall post all qualified nominees in the same way as nominees by Committee.~~

A member may be nominated by a membership petition signed by five hundred (500) or more members. The petition shall be on a form provided by the Cooperative and shall contain each signing member's full name, address, telephone number, account number, and signature. If any of these items are missing with respect to a signature, it will not be considered a valid signature and will not be counted toward the five hundred (500) signatures required for a nomination by petition. All signatures shall be affixed on the petition within six (6) months of the date it is submitted. The petition must be submitted to the Cooperative's principal office at least sixty (60) days before the member meeting. The Secretary shall post all qualified nominees by petition in the same way as nominees by Committee.

REVISED ARTICLE III, SECTION II – DIRECTOR QUALIFICATIONS

Section 2. Qualification

No person shall be eligible to become or remain a member of the Board of Directors of the Cooperative who:

- a. Is not a member in good standing, resident in the area served by the Cooperative, and a resident of the district for which he is elected;
- b. Does not receive electric service from the Cooperative;
- c. Does not have the legal capacity to enter into a binding contract;
- d. Is an employee, former employee, or retired employee of the Cooperative, or an employee or former employee, or retired employee of the former Cooperative in the event of a consolidation;
- e. Is a close relative of an employee or director of the Cooperative;
- f. Has entered a plea of guilty to, or no contest to, or been convicted of, a felony; or
- g. Who is an incumbent or a candidate for an elected public office for which a salary is paid.

A “close relative” is defined as a person who by blood or in-law, including half, foster, step, and adoptive kin, is either a spouse, child, grandchild, parent, grandparent, brother, or sister, ~~uncle, aunt, nephew or niece~~.

No member of the Board of Directors may use his position on the Board for personal or political gain. Such action is expressly prohibited and may result in his removal from the Board.

Any person elected to the Board of Directors may be subject to a background check.

Nothing contained in this Section shall affect in any manner the validity of any action taken at any meeting of the Board of Directors.

Jackson Energy Cooperative
Case No. 2013-00219
Response to Commission Staff First Data Request

Item No. 13
Page 1 of 1
Witness: Jim Adkins

Q13: Provide Jackson's equity management plan. Indicate when the current plan was adopted and identify any changes made in the plan since the year utilized as the test year in Jackson's last rate case. Provide a five-year analysis of the amount of capital credits refunded to members under the plan and indicate the amounts related to general retirements and special retirements (i.e. estates of deceased patrons).

A13: Please see Exhibit Y of the Application for Jackson Energy's equity management plan, adoption date, and changes. Below are the general and special capital credits.

	<u>General</u>	<u>Special</u>	<u>Total</u>
2008	-	\$361,170	\$361,170
2009	-	\$430,009	\$430,009
2010	-	\$508,318	\$508,318
2011	\$2,894,387	\$599,944	\$3,494,331
2012	\$3,349,936	\$566,395	\$3,916,331

Jackson Energy Cooperative
Case No. 2013-00219
Response to Commission Staff First Data Request

Item No. 14
Page 1 of 27
Witness: Jim Adkins

Q14: Provide Jackson's written policies on the compensation of its attorneys, auditors, and all other professional service providers. Include a schedule of fees, per diems, and other compensation in effect during the test year. Include all agreements, contracts, memoranda of understanding, and any other documentation that explains the nature and type of reimbursement paid for professional services. If any changes occurred during the test year, indicate the effective date of these changes and the reason for these changes.

A14: The attached Board Policy No. B101 – Director and Attorney Compensation addresses attorney compensation (Item 14 pages 3-6). The policy was revised during the test year, but the revision did not affect the attorney compensation (Item 15 page 7-10). Per the policy, the attorney was paid a retainer of \$500 per month. Other attorney fees and expenses related to board activities other than the monthly board meetings were billable and paid for on an invoice basis.

The audit proposal shows the bid from the auditor for the audit of the financial statements for the year ending February 28, 2012. (Item 14 pages 11-17). The bid was \$12,000 which matches the actual amount billed as shown on the attached invoice (Item 14 page 24).

The attached audit engagement letter dated January, 2013, shows the agreement with the auditor to audit the majority of the months involved in the test year. This amount of \$13,200 covers the audit of the financial statements for the year ending February 28, 2013 (Item 14 page 18-23).

Jackson Energy pays a certified public accountant to prepare the income tax returns and the property tax returns. A copy of the invoice is included to show the amount. (Item 14 page 25)

Jackson Energy also engages a certified public accountant to perform various internal audits each year. The rate is \$55.00 per hour plus mileage as shown on the attached invoice. (Item 14 page 26)

Jackson Energy Cooperative
Case No. 2013-00219
Response to Commission Staff First Data Request

Item No. 14
Page 2 of 26
Witness: Jim Adkins

Jackson Energy had a consultant prepare a depreciation study as of December 31, 2011. The attached copy of the invoice shows the amount billed of \$20,000 for the study (Item 14 page 27).

JACKSON ENERGY COOPERATIVE CORPORATION

BOARD POLICY NO. B101

SUBJECT: DIRECTOR AND ATTORNEY COMPENSATION

I. OBJECTIVE:

To provide fair and equitable compensation for members of the Board of Directors of Jackson Energy Cooperative Corporation.

II. POLICY

A. Monthly Board Fees

1. A board fee of \$1,000.00 will be paid to each director elected or appointed on or after May 11, 2006.
2. A board fee of \$300.00 will be paid to each director elected or appointed before May 11, 2006.
3. The Board Chairman and Secretary/Treasurer will be paid an additional \$300.00 for time involved in carrying out official duties.
4. The Vice Chairman will be paid an additional \$300.00 when serving as chairman for time involved in carrying out official duties.
5. A director may be absent from two (2) regular board meetings each calendar year without loss of fee.

B. Health Insurance

1. A director elected or appointed on or after May 11, 2006 is not eligible for health insurance coverage for himself or his dependents.
2. A director elected or appointed before May 11, 2006 is eligible for health insurance as follows:
 - a. The director and his dependents are eligible to be covered under the terms and provisions of the Cooperative's Group Insurance Program.
 - b. A director who retires having reached the age of 55 and having completed ten (10) years or more of service with the

Cooperative is eligible, along with his dependents, to be covered under the terms and provisions of the Cooperative's Group Insurance Program.

- c. In lieu of coverage under the Cooperative's Group Insurance Program, a director may elect to receive a monthly payment equal to the avoided cost to the Cooperative of the coverage for that director. Once a director has made this election, he cannot later choose to receive health insurance coverage.
- d. Any spouse of a deceased director who was covered under the Cooperative's Group Insurance Program will continue to be eligible under the terms and provisions of the Program.
- e. Any spouse of a deceased director who was receiving a payment in lieu of coverage under the Cooperative's Group Insurance Program will continue to receive such payment.

C. 24-Hour Accident Insurance

The Cooperative will maintain 24-hour accident coverage for directors and the Cooperative attorney.

D. Business Travel Accident Insurance

The Cooperative will maintain business travel accident insurance for directors and the Cooperative attorney.

E. Liability Insurance

The Cooperative will maintain liability insurance for directors.

F. Board Per Diems

- 1. A per diem of \$200.00 will be paid to each director when attending special board meetings, such as the annual meeting and strategic planning meetings, required legal events, training, and electric cooperative association meetings.
- 2. The per diem will only be paid for the day(s) of the meeting and not for travel days to and from such meetings.

G. Board Travel Expenses

Travel and out-of-pocket expenses for attendance of such meetings and other duties will be reimbursed as follows:

1. Transportation Expenses
 - a. Travel for official business of the Cooperative, by personal automobile, will be reimbursed at the maximum rate per mile as established by the IRS, to be effective immediately upon notification that the rates have changed.
 - b. Travel by personal automobile is also authorized for those persons who prefer not to use public carriers. However, such personal mileage and expense for out-of-state trips cannot exceed the cost of air coach by the most direct route if plane service is available.
 - c. A car rental may be authorized in particular travel circumstances, such as travel to a remote location, travel that would otherwise require more expensive taxicab service, or travel for an extended stay.
2. Food, Lodging, and Entertainment Expenses
 - a. The Cooperative will reimburse the director for three meals, if needed, during each full day of authorized travel.
 - b. The Cooperative will provide and pay for single or double room accommodations.
 - c. The cost of a brief telephone call to an individual's family is authorized for each trip.
 - d. Alcoholic beverages and in-room food and beverage services are not authorized.
 - e. Movies, entertainment, and personal conveniences are not authorized.
 - f. Payment for entertainment expenses for non-directors is not authorized.
 - g. Reasonable and customary tips and gratuities are authorized.

3. Spouse Expense

In no event will the Cooperative pay the expenses of a director's spouse unless:

- a. The spouse is attending the meeting as a direct official representative of the Cooperative; or
- b. The spouse is invited or requested to attend the Cooperative associational meetings at which meals are served, giving the spouse no option or choice of meals.
- c. The spouse is invited to a cooperative function.

4. Documentation and Receipts

All legitimate travel expenses will be documented by a signed submission to the Cooperative on an information form provided by the Cooperative with receipts attached as appropriate.

H. Attorney Fees and Expenses

1. A retainer of \$500.00 will be paid per month to the attorney.
2. Fees and expenses related to board activities other than the monthly board meetings shall be billable and paid for on an invoice basis.

III. RESPONSIBILITY

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


CHAIRMAN OF THE BOARD

ADOPTED: May 8, 1992

REVIEWED: January 3, 2007; January 7, 2009

REVISED: January 10, 2003; December 12, 2003; August 13, 2004;
January 14, 2005; May 12, 2006; May 8, 2008; February 3, 2011

JACKSON ENERGY COOPERATIVE CORPORATION

BOARD POLICY NO. B101

SUBJECT: DIRECTOR AND ATTORNEY COMPENSATION

I. OBJECTIVE:

To provide fair and equitable compensation for members of the Board of Directors of Jackson Energy Cooperative Corporation.

II. POLICY

A. Monthly Board Fees

1. A board fee of \$1,200.00 will be paid to each director.
2. The Board Chairman and Secretary/Treasurer will be paid an additional \$300.00 for time involved in carrying out official duties.
3. The Vice Chairman will be paid an additional \$300.00 when serving as chairman for time involved in carrying out official duties.
4. A director may be absent from two (2) regular board meetings each calendar year without loss of fee.

B. Retirement

1. A director elected or appointed before May 11, 2006 who retires having reached the age of 55 and having completed fifteen (15) years or more of service with the Cooperative is eligible to receive a monthly payment equal to the board fee he/she was receiving at the time of retirement. Upon the death of the retired director, this payment will cease.

C. Health Insurance

1. A director is not eligible for the Cooperative's Group health insurance coverage for himself or his dependents.
2. Any spouse of a deceased director elected before May 11, 2006 will receive a monthly payment in the amount of the maximum cost of a Medicare supplement(s). If the widow(er) of a deceased director remarries, all payments by the Cooperative in his/her behalf will cease.

3. Any spouse of a deceased director elected after May 11, 2006 will not be eligible to receive a monthly payment in the amount of the maximum cost of a Medicare supplement(s).
4. Any director elected before May 11, 2006 and who is currently retired having reached the age of 55 and having completed ten (10) years or more of service with the Cooperative is eligible, along with his dependents, to be covered under the terms and provisions of the Cooperative's Group Insurance Program.
 - a. If the retired director is below age 65, the director and his dependents under age 65 are covered under the KREC Group Plan. This plan will be considered primary insurance.
 - b. If the retired director and/or his spouse is over age 65, the KREC Group Plan will be considered secondary and Medicare will be considered primary insurance.

D. 24-Hour Accident Insurance

The Cooperative will maintain 24-hour accident coverage for directors and the Cooperative attorney.

E. Business Travel Accident Insurance

The Cooperative will maintain business travel accident insurance for directors and the Cooperative attorney.

F. Liability Insurance

The Cooperative will maintain liability insurance for directors.

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Travel and out-of-pocket expenses for attendance of such meetings and other duties will be reimbursed as follows:

1. Transportation Expenses

- a. Travel for official business of the Cooperative, by personal automobile, will be reimbursed at the maximum rate per mile as established by the IRS, to be effective immediately upon notification that the rates have changed.
 - b. Travel by personal automobile is also authorized for those persons who prefer not to use public carriers. However, such personal mileage and expense for out-of-state trips cannot exceed the cost of air coach by the most direct route if plane service is available.
 - c. A car rental may be authorized in particular travel circumstances, such as travel to a remote location, travel that would otherwise require more expensive taxicab service, or travel for an extended stay.
2. Food, Lodging, and Entertainment Expenses
 - a. The Cooperative will reimburse the director for three meals, if needed, during each full day of authorized travel.
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 - d. Alcoholic beverages and in-room food and beverage services are not authorized.
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- a. The spouse is attending the meeting as a direct official representative of the Cooperative; or
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 - c. The spouse is invited to a cooperative function.
4. Documentation and Receipts

All legitimate travel expenses will be documented by a signed submission to the Cooperative on an information form provided by the Cooperative with receipts attached as appropriate.

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1. A retainer of \$500.00 will be paid per month to the attorney.
2. Fees and expenses related to board activities other than the monthly board meetings shall be billable and paid for on an invoice basis.

III. RESPONSIBILITY

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CHAIRMAN OF THE BOARD

ADOPTED: May 8, 1992

REVIEWED: January 3, 2007; January 7, 2009

REVISED: January 10, 2003; December 12, 2003; August 13, 2004;
January 14, 2005; May 12, 2006; May 8, 2008; February 3, 2011;
November 7, 2012

Audit Proposal for:
Jackson Energy Cooperative
McKee, Kentucky

For the year ending
February 28, 2012

Alan M. Zumstein
Certified Public Accountant
1032 Chetford Drive
Lexington, Kentucky 40509

ALAN M. ZUMSTEIN
CERTIFIED PUBLIC ACCOUNTANT

1032 CHETFORD DRIVE
LEXINGTON, KENTUCKY 40509
(859) 264-7147
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

August 9, 2011

To the Board of Directors
Jackson Energy Cooperative
115 Jackson Energy Lane
McKee, Kentucky 40447

I am submitting a bid to perform an audit of the financial statements of Jackson Energy Cooperative for the year ending February 28, 2012. My bid for these services is a fee not to exceed \$12,000 for Jackson Energy Cooperative and \$3,000 for its Subsidiary. This fee includes all out-of-pocket expenses. Audit fees for future years would not exceed an increase of \$300 per year. I estimate field work will take approximately 2 weeks, with a draft of the report issued to you within another week.

Services for the audit will include:

- An audit of the financial statements for the year ended February 28, 2012, in conformity with auditing standards generally accepted in the United States of America and specific RUS audit requirements as set out in 7 CFR Part 1773 – *RUS Policy on Audits of Electric and Telephone Borrowers*.
- A limited study and evaluation of Jackson Energy Cooperative's system of internal control structure.
- Presentation to the Board of Directors at an agreed upon time after completion of the audit. In any event, the completed report, along with the supplemental letter to management, would be submitted within three (3) months of February 28, 2012.

To the Board of Directors
Jackson Energy Cooperative
Page – 2

Since 1978 I have been performing services such as: audits, rate applications (including presentation before the Public Service Commission), and other utility accounting services. Presently I am auditing twenty-one (21) utilities. These utilities, having varying year ends, include sixteen (16) electric and five (5) telephone companies. The electric utilities range in size from three (3) cooperatives with over 50,000 members to four (4) with under 20,000 members. The utilities I audit include:

Big Sandy RECC	Paintsville, Kentucky
Blue Grass Energy	Nicholasville, Kentucky
Clark Energy Cooperative	Winchester, Kentucky
Cumberland Valley Electric	Gray, Kentucky
Fleming-Mason Energy	Flemingsburg, Kentucky
Grayson Rural Electric	Grayson, Kentucky
Inter-County Energy	Danville, Kentucky
Jackson Energy Cooperative	McKee, Kentucky
Jackson Purchase Energy	Paducah, Kentucky
Licking Valley Rural Electric	West Liberty, Kentucky
Meade County Rural Electric	Brandenburg, Kentucky
Nolin Rural Electric	Elizabethtown, Kentucky
Salt River Electric	Bardstown, Kentucky
Shelby Energy Cooperative	Shelbyville, Kentucky
South Kentucky Rural Electric	Somerset, Kentucky
Taylor County Rural Electric	Campbellsville, Kentucky
Coalfields Telephone Company	Harold, Kentucky
Foothills Telephone Cooperative	Staffordsville, Kentucky
Mountain Telephone Cooperative	West Liberty, Kentucky
Peoples Telephone Cooperative	McKee, Kentucky
Thacker-Grigsby Telephone Co	Hindman, Kentucky

To the Board of Directors
Jackson Energy Cooperative
Page – 3

In addition, I also audit a regional water commission that supplies water to three (3) water districts and also several small cable television companies.

I have filed and assisted with numerous rate applications before the Kentucky Public Service Commission for most of the electric cooperatives listed above. In each of these rate applications, I provided expert testimony as the consultant. During most of the rate applications new rates and charges were developed. I performed studies to adjust service charges, return check charges, and other non-recurring charges.

I prepare PSC annual reports, Kentucky property tax returns, underground cost differential tariffs, joint use pole rental charges, CATV attachments, and other accounting services for electric and telephone utilities. I have prepared computations for SFAS No. 106 – Employer's Accounting for Postretirement Benefits Other Than Pensions, and have assisted with the implementation and accounting for these benefits. I have also established continuing property records (CPRs) for an electric cooperative and assisted in conversion from construction unit records to record units. I have also assisted with the implementation and update of standard costs for construction and retirement units of plant. I prepare the IRS Form 990 for each of the cooperatives I audit. I estimate my fee for the preparation of income tax returns, property tax return, and IRS Form 990 to be \$2,000.

I prepare depreciation studies, which have been filed with and approved by the Rural Utilities Service and the Kentucky Public Service Commission.

When the telephone industry experienced its deregulation, I assisted each telephone company with its cost separation studies, cost allocation manuals, and implementation of new accounting practices.

To the Board of Directors
Jackson Energy Cooperative
Page – 4

I am familiar with various computer software providers. Computer systems I work with for electric cooperatives, include National Information Systems Cooperative (NISC), Southeastern Data Cooperative (SEDC), and Big Rivers Electric Corporation. The telephone companies use computer service centers and have in-house programmers.

I am the only independent CPA in Kentucky who regularly attends accounting meetings of both the Kentucky Association of Electric Cooperatives and the Kentucky Telephone Association. I am routinely requested to be a speaker and have made many presentations to both of these organizations. RUS presents seminars on a semi-annual basis for CPA firms who audit RUS borrowers and I have attended each of those seminars since 1986.

I do not require Jackson Energy Cooperative personnel to prepare any audit workpapers, however, if there are schedules Jackson Energy Cooperative wants to prepare for its own use, I would appreciate the use of those schedules.

As a routine part of my audit, I will review the accounting practices and procedures to determine if there are improved methods, and assist with the implementation. Generally there are no additional charges for this service.

I do not hire part-time employees, accounting majors directly from college, or other staff personnel to perform any of the audit work. I am the only auditor to perform your audit. Since I actually perform the audit and prepare the workpapers, the knowledge and experience I have obtained from other cooperatives, will benefit you, and the staff of Jackson Energy Cooperative.


To the Board of Directors
Jackson Energy Cooperative
Page – 5

There are no potential conflicts of interest or independence issues with regards to Jackson Energy Cooperative.

In accordance with RUS requirements found in 7 CFR part 1773, paragraph 1773.5, I have conformed with an approved peer review program for audits of RUS borrowers. I have successfully completed peer reviews of my accounting and auditing practice since 1984. As a member of the AICPA Division for Firms, I must submit to a peer review on a periodic basis. I have attached a copy of my most recent peer review report.

Should you have any questions, I would be pleased to discuss them with you at your convenience.

Respectfully submitted,


Alan M. Zumstein, CPA

Johnson

CERTIFIED PUBLIC ACCOUNTANT, PLLC & CONSULTING

System Review Report

April 6, 2011

To: Alan M. Zumstein, Certified Public Accountant and the Peer Review Committee of The Kentucky Association of Certified Public Accountants

I have reviewed the system of quality control for the accounting and auditing practice of Alan Zumstein, Certified Public Accountant, Firm number 1158849, in effect for the year ended September 30, 2010. My peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. My responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on my review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards* and audits of employee benefit plans.

In my opinion, the system of quality control for the accounting and auditing practice of Alan M. Zumstein, Certified Public Accountant, Firm number 1158849, in effect for the year ended September 30, 2010 has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*; *pass with deficiency (ies)* or *fail*. Alan M Zumstein, Certified Public Accountant, has received a peer review rating of *pass*.

Johnson Certified Public Accountant, PLLC and Consulting

Johnson, Certified Public Account, PLLC and Consulting



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North Carolina Society of CPAs
American Institute of CPAs

ALAN M. ZUMSTEIN
CERTIFIED PUBLIC ACCOUNTANT

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

MEMBER
• AMERICAN INSTITUTE OF CPA'S
• KENTUCKY SOCIETY OF CPA'S
• INDIANA SOCIETY OF CPA'S
• AICPA DIVISION FOR FIRMS

January 26, 2013

Carol Wright, President & CEO
Jackson Energy Cooperative, Inc.
115 Jackson Energy Lane
McKee, Kentucky 40447

Dear Ms. Wright:

This will confirm our understanding of the arrangements for my audit of the financial statements for the year ended February 28, 2013. I will audit the Corporation's balance sheet as of February 28, 2013, 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 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 Company'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 Company'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 Company'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 Company 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 Company received in communications from employees, former employees, regulators, or others. In addition, the Company'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.

Carol Wright, President & CEO
Jackson Energy Cooperative, Inc.
Page – 3

Other Engagement Matters and Limitations

In addition my engagement for the year ending February 28, 2013, I will prepare the IRS Form 990, property tax return, and PSC annual report. 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 the audit services will be \$13,200 for Jackson Energy Cooperative, Inc. and \$3,100 for Jackson Energy Services Corporation. 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: *Carol Wright* Date: 1-30-13

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

Witness: Jim Adkins

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, 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.

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

Jackson Energy Cooperative, Inc.

PR/Award Number or Project Name

Alan M. Zumstein, CPA

Name and Title

Alan M. Zumstein

Signature

January 26, 2013

Date

V-26001

Witness: Jim Adkins

Alan M. Zumstein, CPA
Certified Public Accountant

1032 Chetford Drive
Lexington, Kentucky 40509
859-264-7147
e-mail: zumstein@windstream.net

August 1, 2012

Jackson Energy Cooperative
115 Jackson Energy Lane
McKee, Kentucky 40447

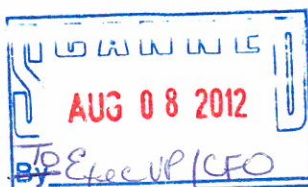
Professional services rendered to include:

Preparation of February 28, 2012 audit of financial statements
and presentation to the Board of Directors.

Amount due

\$12,000

Federal ID number 35-1877201



Goods Rec. _____	Inv. Post _____
Ext. Check _____	Pay Appr _____
Dept. Code _____	Date Appr _____
REC'D. AUG 01 2012	
Account No. _____	Activity Code _____

Alan M. Zumstein, CPA
Certified Public Accountant

1032 Chetford Drive
Lexington, Kentucky 40509
859-264-7147
zumstein@windstream.net

V-26001

Item 14
Page 25 of 27
Witness: Jim Adkins

May 10, 2012

Jackson Energy Cooperative
115 Jackson Energy Lane
McKee, Kentucky 40447

Professional services rendered to include:

Preparation of IRS Form 990, Federal Return of Organization
Exempt from Income Tax and Public Service Company
Property Tax Return

Amount due	<u>\$ 1,450</u>
------------	-----------------

Federal ID number 35-1877201

V-10073

Graham F. Johns, CPA
306 South Maple Street
Winchester, KY 40391

BILLED TO: Jackson Energy Cooperative
115 Jackson Energy Lane
McKee, KY 40447

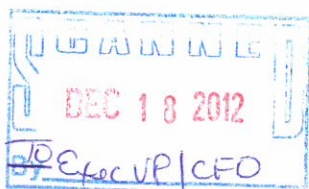
INVOICE NUMBER: JOO1
INVOICE DATE: 12/11/2012

<u>QUANTITY</u>	<u>DESCRIPTION</u>	<u>UNIT PRICE</u>	<u>AMOUNT</u>
	Internal Audit Work performed:		
	Right-of-Way Easements		
12 Hours	February 2012	\$55.00/hour	\$660.00
	Consumer Rate Verification		
16 Hours	May 2012	\$55.00/hour	\$880.00
	Vehicle Maintenance		
18 Hours	July-August 2012	\$55.00/hour	\$990.00
	Board Meeting (London)		
4 Hours	November 7, 2012	\$55.00/hour	\$220.00
126 Miles	Travel - February 10, 2012	\$0.555/mile	\$69.93
126 Miles	Travel - May 22, 2012	\$0.555/mile	\$69.93
126 Miles	Travel - July 31, 2012	\$0.555/mile	\$69.93
144 Miles	Travel - November 7, 2012	\$0.555/mile	<u>\$79.92</u>
TOTAL			\$3,039.71

Phone: (859) 745-2265

Cell: (859) 749-3699

gjohns818@yahoo.com



JAMES R. ADKINS CONSULTING, LLC
1041 Chasewood Way
Lexington, Kentucky 40513

October 5, 2012

Jackson Energy Cooperative
115 Jackson Energy Lane
McKee, Kentucky 40447

Professional services rendered to include:

Preparation of depreciation study to include calculation of service lives
and net salvage as of December 31, 2011.

Amount due

\$ 20,000



Jackson Energy Cooperative
Case No. 2013-00219
Response to Commission Staff First Data Request

Item No. 15
Page 1 of 9
Witness: Jim Adkins

Q15: Provide Jackson's policies specifying the compensation of directors and a schedule of standard directors' fees, per diems, and other compensation in effect during the test year. If changes occurred during the test year, indicate the effective date and the reason for the changes.

A15: Jackson Energy's Board Policy No. B101 – Director and Attorney Compensation addresses director compensation. The policy was revised on November 7, 2012. Prior to the revision, some board members received board fees only; others received board fees and health insurance. Also, board members after several years of service could retire and continue to receive a board fee. The policy was revised to provide a plan to phase out all health insurance and retirement board fee commitments.

Pages 2-5 of Item 15 provide the current board policy.

Pages 6-9 of Item 15 provide the prior board policy.

JACKSON ENERGY COOPERATIVE CORPORATION

BOARD POLICY NO. B101

SUBJECT: DIRECTOR AND ATTORNEY COMPENSATION

I. OBJECTIVE:

To provide fair and equitable compensation for members of the Board of Directors of Jackson Energy Cooperative Corporation.

II. POLICY

A. Monthly Board Fees

1. A board fee of \$1,200.00 will be paid to each director.
2. The Board Chairman and Secretary/Treasurer will be paid an additional \$300.00 for time involved in carrying out official duties.
3. The Vice Chairman will be paid an additional \$300.00 when serving as chairman for time involved in carrying out official duties.
4. A director may be absent from two (2) regular board meetings each calendar year without loss of fee.

B. Retirement

1. A director elected or appointed before May 11, 2006 who retires having reached the age of 55 and having completed fifteen (15) years or more of service with the Cooperative is eligible to receive a monthly payment equal to the board fee he/she was receiving at the time of retirement. Upon the death of the retired director, this payment will cease.

C. Health Insurance

1. A director is not eligible for the Cooperative's Group health insurance coverage for himself or his dependents.
2. Any spouse of a deceased director elected before May 11, 2006 will receive a monthly payment in the amount of the maximum cost of a Medicare supplement(s). If the widow(er) of a deceased director remarries, all payments by the Cooperative in his/her behalf will cease.

3. Any spouse of a deceased director elected after May 11, 2006 will not be eligible to receive a monthly payment in the amount of the maximum cost of a Medicare supplement(s).
4. Any director elected before May 11, 2006 and who is currently retired having reached the age of 55 and having completed ten (10) years or more of service with the Cooperative is eligible, along with his dependents, to be covered under the terms and provisions of the Cooperative's Group Insurance Program.
 - a. If the retired director is below age 65, the director and his dependents under age 65 are covered under the KREC Group Plan. This plan will be considered primary insurance.
 - b. If the retired director and/or his spouse is over age 65, the KREC Group Plan will be considered secondary and Medicare will be considered primary insurance.

D. 24-Hour Accident Insurance

The Cooperative will maintain 24-hour accident coverage for directors and the Cooperative attorney.

E. Business Travel Accident Insurance

The Cooperative will maintain business travel accident insurance for directors and the Cooperative attorney.

F. Liability Insurance

The Cooperative will maintain liability insurance for directors.

G. Board Per Diems

1. A per diem of \$200.00 will be paid to each director when attending special board meetings, such as the annual meeting and strategic planning meetings, required legal events, training, and electric cooperative association meetings.
2. The per diem will only be paid for the day(s) of the meeting and not for travel days to and from such meetings.

H. Board Travel Expenses

Travel and out-of-pocket expenses for attendance of such meetings and other duties will be reimbursed as follows:

1. Transportation Expenses

- a. Travel for official business of the Cooperative, by personal automobile, will be reimbursed at the maximum rate per mile as established by the IRS, to be effective immediately upon notification that the rates have changed.
- b. Travel by personal automobile is also authorized for those persons who prefer not to use public carriers. However, such personal mileage and expense for out-of-state trips cannot exceed the cost of air coach by the most direct route if plane service is available.
- c. A car rental may be authorized in particular travel circumstances, such as travel to a remote location, travel that would otherwise require more expensive taxicab service, or travel for an extended stay.

2. Food, Lodging, and Entertainment Expenses

- a. The Cooperative will reimburse the director for three meals, if needed, during each full day of authorized travel.
- b. The Cooperative will provide and pay for single or double room accommodations.
- c. The cost of a brief telephone call to an individual's family is authorized for each trip.
- d. Alcoholic beverages and in-room food and beverage services are not authorized.
- e. Movies, entertainment, and personal conveniences are not authorized.
- f. Payment for entertainment expenses for non-directors is not authorized.
- g. Reasonable and customary tips and gratuities are authorized.

3. Spouse Expense

In no event will the Cooperative pay the expenses of a director's spouse unless:

- a. The spouse is attending the meeting as a direct official representative of the Cooperative; or
 - b. The spouse is invited or requested to attend the Cooperative associational meetings at which meals are served, giving the spouse no option or choice of meals.
 - c. The spouse is invited to a cooperative function.
4. Documentation and Receipts

All legitimate travel expenses will be documented by a signed submission to the Cooperative on an information form provided by the Cooperative with receipts attached as appropriate.

I. Attorney Fees and Expenses

1. A retainer of \$500.00 will be paid per month to the attorney.
2. Fees and expenses related to board activities other than the monthly board meetings shall be billable and paid for on an invoice basis.

III. RESPONSIBILITY

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

CHAIRMAN OF THE BOARD

ADOPTED: May 8, 1992

REVIEWED: January 3, 2007; January 7, 2009

REVISED: January 10, 2003; December 12, 2003; August 13, 2004;
January 14, 2005; May 12, 2006; May 8, 2008; February 3, 2011;
November 7, 2012

JACKSON ENERGY COOPERATIVE CORPORATION

BOARD POLICY NO. B101

SUBJECT: DIRECTOR AND ATTORNEY COMPENSATION

I. OBJECTIVE:

To provide fair and equitable compensation for members of the Board of Directors of Jackson Energy Cooperative Corporation.

II. POLICY

A. Monthly Board Fees

1. A board fee of \$1,000.00 will be paid to each director elected or appointed on or after May 11, 2006.
2. A board fee of \$300.00 will be paid to each director elected or appointed before May 11, 2006.
3. The Board Chairman and Secretary/Treasurer will be paid an additional \$300.00 for time involved in carrying out official duties.
4. The Vice Chairman will be paid an additional \$300.00 when serving as chairman for time involved in carrying out official duties.
5. A director may be absent from two (2) regular board meetings each calendar year without loss of fee.

B. Health Insurance

1. A director elected or appointed on or after May 11, 2006 is not eligible for health insurance coverage for himself or his dependents.
2. A director elected or appointed before May 11, 2006 is eligible for health insurance as follows:
 - a. The director and his dependents are eligible to be covered under the terms and provisions of the Cooperative's Group Insurance Program.
 - b. A director who retires having reached the age of 55 and having completed ten (10) years or more of service with the

Cooperative is eligible, along with his dependents, to be covered under the terms and provisions of the Cooperative's Group Insurance Program.

- c. In lieu of coverage under the Cooperative's Group Insurance Program, a director may elect to receive a monthly payment equal to the avoided cost to the Cooperative of the coverage for that director. Once a director has made this election, he cannot later choose to receive health insurance coverage.
- d. Any spouse of a deceased director who was covered under the Cooperative's Group Insurance Program will continue to be eligible under the terms and provisions of the Program.
- e. Any spouse of a deceased director who was receiving a payment in lieu of coverage under the Cooperative's Group Insurance Program will continue to receive such payment.

C. 24-Hour Accident Insurance

The Cooperative will maintain 24-hour accident coverage for directors and the Cooperative attorney.

D. Business Travel Accident Insurance

The Cooperative will maintain business travel accident insurance for directors and the Cooperative attorney.

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- b. Travel by personal automobile is also authorized for those persons who prefer not to use public carriers. However, such personal mileage and expense for out-of-state trips cannot exceed the cost of air coach by the most direct route if plane service is available.
- c. A car rental may be authorized in particular travel circumstances, such as travel to a remote location, travel that would otherwise require more expensive taxicab service, or travel for an extended stay.

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All legitimate travel expenses will be documented by a signed submission to the Cooperative on an information form provided by the Cooperative with receipts attached as appropriate.

H. Attorney Fees and Expenses

1. A retainer of \$500.00 will be paid per month to the attorney.
2. Fees and expenses related to board activities other than the monthly board meetings shall be billable and paid for on an invoice basis.

III. RESPONSIBILITY

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


CHAIRMAN OF THE BOARD

ADOPTED: May 8, 1992

REVIEWED: January 3, 2007; January 7, 2009

REVISED: January 10, 2003; December 12, 2003; August 13, 2004;
January 14, 2005; May 12, 2006; May 8, 2008; February 3, 2011

Jackson Energy Cooperative
Case No. 2013-00219
Response to Commission Staff First Data Request

Item No. 16
Page 1 of 2
Witness: Jim Adkins

Q16: Provide the date, time and a general description of the activities at the most recent annual member's meeting. Indicate the number of new board members elected. For the most recent meeting and the five previous annual members' meeting, provide the number of members in attendance, the number of members voting for new board members, and the total cost of the annual meeting.

A16: General Description

Jackson Energy Cooperative conducted an annual member's meeting June 28, 2013 at our McKee, KY District office and adjoining properties. Member registration began at 2:30 pm on this date and registration ended at 7:00 pm. Coincidental with this registration process, voter passes were issued to members who were deemed eligible to cast votes in a contested Board Members election between two candidates. The voting process began at 2:30 pm and ended at 6:00 pm on this date. This election resulted in the election of one new board member (the incumbent board member was defeated) .

A member's business meeting was conducted beginning at 7:00pm. At the conclusion of the business meeting, musical entertainment was provided until approximately 9:30 pm at which time a 30 minute fireworks display concluded the member's meeting.

A large tent was erected on the McKee District office's adjoining property to contain the 1428 registered members in attendance. Smaller tents were erected adjacent to the large tent for the purpose of distribution of nominal gifts (plastic bucket and CFL bulbs) to members in attendance, for promotion of energy efficiency/round-up programs, and food concessions. A bloodmobile was also parked on site to permit members to donate blood at their discretion. A meal was provided for employees working at the meeting and special invited guests generally categorized as community leaders.

Jackson Energy Cooperative
Case No. 2013-00219
Response to Commission Staff First Data Request

Item No. 16
Page 2 of 2
Witness: Jim Adkins

Attendance & Costs

Year	Members Attending	Total Costs including labor
2013	1428	\$125,247.69
2012	1859	\$115,543.34
2011	1978	\$121,570.41
2010	1995	\$ 79,386.81
2009	1301	\$162,788.77
2008	1564	\$ 85,637.98

A contested Board Member Race occurred in 2009 with a total of 952 member votes being cast. The 2009 Board Member election resulted in re-election of the incumbent Board Member.

A contested Board Member race occurred in 2013 with a total of 802 member votes being cast. The 2013 Board Member election resulted in a new Board Member being elected (the Incumbent was defeated).

Jackson Energy Cooperative
Case No. 2013-00219
Response to Commission Staff First Data Request

Item No. 17
Page 1 of 3
Witness: Jim Adkins

Q17: Provide the following:

- a. A schedule showing, by customer class (e.g. residential, commercial, industrial, etc.), the amount and the percent of any proposed increase or decrease in revenue distributed to each class. Provide a detailed explanation of the methodology or basis used to allocate the requested increase or decrease in revenue to each of the respective customer classes.
- b. A schedule showing how the increase or decrease in (a) above was further distributed to each rate charge (e.g. customer or facility charge, kWh charge, etc.). Explain in detail the methodology or basis used to allocate the increase or decrease.
- c. If the rate schedule contains a demand charge, describe in detail how the proposed demand charge was determined. Provide all calculations, assumptions, workpapers, methodologies, etc. used in the development of the proposed demand charge.
- d. If the rate schedule contains a monthly customer charge, describe in detail how the proposed customer charge was determined. Provide all calculations, assumptions, workpapers, methodologies, etc. used in the development of the proposed customer charge.
- e. A reconciliation of Fuel Adjustment Clause ("FAC") revenue and expense for the test year. The net result of this adjustment should be to remove all FAC revenue and expense from test-year revenue and expense.
- f. A reconciliation of environmental Surcharge ("ES") revenue and expense for the test year. The net result of this adjustment should be to remove all ES revenue and expense from test-year revenue and expense.

A17: a. Please see table provided below:

Item No. 17
Page 2 of 3
Witness: Jim Adkins

b. Methodology for Determining the Increase Distribution of each Rate Charge

Jackson Energy is proposing to place the increase for each rate class on the customer charge for that rate class.

c. None of the proposed rates include an increase in the demand rates.

d. All of the proposed increase in the revenue requirements for all rate classes is being placed on the customer charge. It has been management's determination that this choice is best for Jackson Energy Cooperative

e & f. Provided below is the monthly revenue and expense for the Fuel Adjustment Clause and the Environmental Surcharge.

Jackson Energy Cooperative
Case No. 2013-00219
Response to Commission Staff First Data Request

Item No. 17
Page 3 of 3
Witness: Jim Adkins

Month	Fuel Adjustment			Environmental Surcharge	
	Revenue	Expense		Revenue	Expense
January	180,472	\$68,587		1,011,873	\$886,397
February	58,918	(\$49,230)		606,474	\$672,305
March	16,891	(\$106,578)		434,059	\$459,197
April	(28,467)	(\$246,186)		516,792	\$470,639
May	(98,232)	(\$221,224)		646,122	\$614,116
June	(337,663)	(\$219,881)		831,628	\$763,748
July	(232,264)	(\$260,682)		806,880	\$806,106
August	(185,151)	(\$220,512)		664,327	\$675,830
September	(172,463)	(\$37,030)		522,307	\$568,164
October	(175,206)	(\$28,244)		753,922	\$678,064
November	(149,399)	\$140,805		904,679	\$950,331
December	(42,057)	\$226,780		1,131,688	\$1,069,573
	(\$1,164,623)	(\$953,395)		\$8,830,751	\$8,614,470

Jackson Energy Cooperative
Case No. 2013-00219
Response to Commission Staff First Data Request

Item No. 18
Page 1 of 4
Witness: Jim Adkins

Q18: For each rate schedule (rate class), provide the following information for the test year:

- a. Number of customers;
- b. Kilowatt-hour sales;
- c. Rate schedule's percent of Jackson's total kilowatt-hour sales;
- d. Monthly peak kW demands for the rate schedule;
- e. Total revenue collected;
- f. Rate schedule's percent of Jackson's total revenues

A18: Please see Item No 18 page 2.

JACKSON ENERGY COOPERATIVE
CASE NO. 2013-00219

Item No. 18
Page 2 of 4
Witness: Jim Adkins

RESPONSE TO COMMISSION STAFF'S FIRST DATA REQUEST

REQUESTED DATA BY RATE CLASS

<u>Rate Class</u>	<u>a. Number of Customers</u>	<u>b. Energy Sales - kWh</u>	<u>c. Percent of Total kWh Sales</u>	<u>e. Total Revenue Collected</u>	<u>f. Percent of Total Revenue</u>
10 Residential	46,551	604,001,121	69.85%	71,217,298	73.69%
11 Residential ETS	1,090	5,869,464	0.68%	380,468	0.39%
20 Comm & Sml Pow	3,484	59,785,822	6.91%	6,945,746	7.19%
22 Comm & Sml Pow ETS	90	84,122	0.01%	5,212	0.01%
40 Large Power 50kW & >	160	77,219,046	8.93%	7,325,132	7.58%
46 Large Power 500 kW & greater	2	20,992,480	2.43%	1,521,936	1.57%
47 Large Power 500 kW to 4,999 kW	3	39,684,880	4.59%	2,846,843	2.95%
48 Large Power 5,000 kW & greater	-	-	0.00%	-	0.00%
52 Schools, churches & Comm Halls	1,016	26,256,407	3.04%	2,933,303	3.04%
52 All Electric Schools	24	11,011,808	1.27%	953,839	0.99%
OL Street & Security Lights	21,569	19,750,121	2.28%	2,509,497	2.60%
		864,655,271	100.00%	96,639,274	100.00%

Month

JACKSON ENERGY COOPERATIVE
CASE NO. 2013-00219

Item No. 18
Page 3 of 4
Witness: Jim Adkins

RESPONSE TO COMMISSION STAFF'S FIRST DATA REQUEST

RATE CLASS MONTHLY PEAK DEMAND - KW

	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>
10 Residential	169,053	196,462	146,642	109,911	141,868	180,812
11 Residential ETS	5,656	5,649	5,551	4,921	4,151	2,814
20 Comm & Sml Pow	16,862	16,742	13,936	13,019	13,601	16,717
22 Comm & Sml Pow ETS	70	70	77	63	49	35
40 Large Power 50kW & >	15,926	16,466	16,447	16,590	17,732	16,337
46 Large Power 500 kW & greater	2,898	2,931	2,930	3,139	3,268	3,312
47 Large Power 500 kW to 4,999 kW	6,093	5,979	6,438	6,268	6,352	6,589
48 Large Power 5,000 kW & greater						
52 Schools, churches & Comm Halls	7,326	7,334	6,554	4,806	4,609	4,845
52 All Electric Schools	6,124	6,090	5,106	4,422	4,233	3,463
OL Street & Security Lights	3,578	3,577	3,576	3,569	3,570	3,567

JACKSON ENERGY COOPERATIVE
CASE NO. 2013-00219

Item No. 18
Page 4 of 4
Witness: Jim Adkins

RESPONSE TO COMMISSION STAFF'S FIRST DATA REQUEST

RATE CLASS MONTHLY PEAK DEMAND - KW

	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>
10 Residential	180,870	156,480	134,748	112,272	143,012	171,866
11 Residential ETS	2,429	2,317	3,052	4,928	5,663	5,894
20 Comm & Sml Pow	18,579	17,111	14,384	12,914	11,720	15,298
22 Comm & Sml Pow ETS						
40 Large Power 50kW & >	17,912	20,085	18,840	17,399	17,744	17,956
46 Large Power 500 kW & greater	3,544	3,546	3,345	2,921	2,804	2,763
47 Large Power 500 kW to 4,999 kW	6,825	6,816	6,779	6,280	6,167	5,805
48 Large Power 5,000 kW & greater	28	28	35	49	84	84
52 Schools, churches & Comm Halls	5,292	5,737	5,305	5,279	5,319	6,380
52 All Electric Schools	3,692	4,013	4,008	4,497	4,752	5,686
OL Street & Security Lights	3,565	3,558	3,555	3,551	3,546	3,543

Jackson Energy Cooperative
Case No. 2013-00219
Response to Commission Staff First Data Request

Item No. 19
Page 1 of 2
Witness: Jim Adkins

Q19: Provide a schedule of purchased power costs for the test year and the 12-month period immediately preceding the test year, by vendor, separated into demand and energy components. Include kW and kWh purchased. Indicate any estimates used and explain their use in detail.

A19: Please see Item 19 page 2.

JACKSON ENERGY COOPERATIVE
POWER BILL COMPARISON

2012	KW	KWH	KW \$	KWH \$	METER POINT	Substation CHARGE	FUEL	Environmental Surcharge	TOTAL COST	Total Cost/KWH	Cost Without Fuel & ES Per KWH	(Included in Totals) Green Power KWH	\$
JANUARY	209,826	99,623,991	\$1,272,466	\$4,800,897.00	\$4,176	\$105,911	\$68,587	\$886,397	\$7,138,434.00	\$0.07165	\$0.06207	16,000	\$380
FEBRUARY	221,760	86,615,939	\$1,343,303	\$4,172,343.00	\$4,176	\$105,911	(\$49,230)	\$672,305	\$6,248,808.00	\$0.07214	\$0.06495	16,000	\$380
MARCH	180,516	66,026,444	\$1,094,767	\$3,176,678.00	\$4,176	\$105,911	(\$106,578)	\$459,197	\$4,734,151.00	\$0.07170	\$0.06636	16,000	\$380
APRIL	143,366	60,700,005	\$872,748	\$2,919,698.00	\$4,176	\$105,911	(\$246,186)	\$470,639	\$4,126,986.00	\$0.06799	\$0.06429	16,000	\$380
MAY	159,339	66,166,225	\$968,004	\$3,262,198.00	\$4,176	\$105,911	(\$221,224)	\$614,116	\$4,733,181.00	\$0.07153	\$0.06560	16,000	\$380
JUNE	182,422	71,192,143	\$1,109,779	\$3,521,745.60	\$4,176	\$105,911	(\$219,881)	\$763,748	\$5,285,478.60	\$0.07424	\$0.06660	16,000	\$380
JULY	183,916	85,192,060	\$1,119,633	\$4,215,304.00	\$4,176	\$105,911	(\$260,682)	\$806,106	\$5,990,448.00	\$0.07032	\$0.06391	16,000	\$380
AUGUST	170,325	75,658,726	\$1,036,091	\$3,741,555.20	\$4,176	\$105,911	(\$220,512)	\$675,830	\$5,343,051.20	\$0.07062	\$0.06460	16,000	\$380
SEPTEMBER	150,760	61,970,582	\$917,518	\$3,047,402.80	\$4,176	\$105,911	(\$37,030)	\$568,164	\$4,606,141.80	\$0.07433	\$0.06576	14,700	\$349
OCTOBER	154,581	65,956,143	\$938,926	\$3,175,038.60	\$4,176	\$105,911	(\$28,244)	\$678,064	\$4,873,871.60	\$0.07390	\$0.06404	14,600	\$347
NOVEMBER	193,253	83,088,672	\$1,170,792	\$4,004,628.20	\$4,176	\$105,911	\$140,805	\$950,331	\$6,376,643.20	\$0.07675	\$0.06361	14,600	\$347
DECEMBER	194,160	90,640,170	\$1,175,992	\$4,373,318.80	\$4,176	\$105,911	\$226,780	\$1,069,573	\$6,955,750.80	\$0.07674	\$0.06244	14,600	\$347
TOTAL	2,144,224	912,831,100	\$13,020,019	\$44,410,807.20	\$50,112	\$1,270,932	(\$953,395)	\$8,614,470	\$66,412,945.20	\$0.07275	\$0.06436	186,500	\$4,430

2011	KW	KWH	KW \$	KWH \$	METER POINT	Substation CHARGE	FUEL	Environmental Surcharge	TOTAL COST	Total Cost/KWH	Cost Without Fuel & ES Per KWH	(Included in Totals) Green Power KWH	\$
JANUARY	270,272	121,505,859	\$1,603,215	\$6,487,067.00	\$4,089	\$103,659	(\$642,765)	\$1,111,317	\$8,666,582.00	\$0.07133	\$0.06747	17,400	\$413
FEBRUARY	262,871	90,404,654	\$1,594,424	\$4,928,745.00	\$4,176	\$105,911	(\$645,488)	\$387,380	\$6,375,148.00	\$0.07052	\$0.07337	16,900	\$401
MARCH	175,023	82,365,706	\$1,066,779	\$4,478,232.00	\$4,176	\$105,911	(\$786,682)	\$313,991	\$5,182,407.00	\$0.06292	\$0.06866	16,900	\$401
APRIL	159,000	63,040,179	\$970,296	\$3,407,424.00	\$4,176	\$105,911	(\$552,835)	\$455,351	\$4,390,323.00	\$0.06964	\$0.07119	16,700	\$397
MAY	161,293	66,172,031	\$982,669	\$3,670,904.00	\$4,176	\$105,911	(\$772,185)	\$501,250	\$4,492,725.00	\$0.06789	\$0.07199	16,300	\$387
JUNE	168,485	72,609,989	\$1,023,968	\$3,591,149.00	\$4,176	\$105,911	(\$22,453)	\$673,151	\$5,375,902.00	\$0.07404	\$0.06508	16,300	\$387
JULY	180,792	86,613,050	\$1,099,915	\$4,289,347.00	\$4,176	\$105,911	(\$117,483)	\$750,859	\$6,132,725.00	\$0.07081	\$0.06349	16,000	\$380
AUGUST	174,320	81,116,955	\$1,060,227	\$4,015,846.00	\$4,176	\$105,911	\$29,945	\$684,377	\$5,900,482.00	\$0.07274	\$0.06393	16,000	\$380
SEPTEMBER	168,423	61,227,697	\$1,023,164	\$3,007,453.00	\$4,176	\$105,911	(\$21,957)	\$462,873	\$4,581,620.00	\$0.07483	\$0.06763	16,000	\$380
OCTOBER	155,824	66,135,134	\$945,555	\$3,183,179.00	\$4,176	\$105,911	(\$3,950)	\$506,585	\$4,741,456.00	\$0.07169	\$0.06409	16,000	\$380
NOVEMBER	191,461	73,755,838	\$1,160,623	\$3,554,178.00	\$4,176	\$105,911	\$144,844	\$735,811	\$5,705,543.00	\$0.07736	\$0.06542	16,000	\$380
DECEMBER	199,462	93,057,854	\$1,209,015	\$4,488,419.00	\$4,176	\$105,911	\$68,674	\$885,400	\$6,761,595.00	\$0.07266	\$0.06241	16,000	\$380
TOTAL	2,267,226	958,004,946	\$13,739,850	\$49,101,943.00	\$50,025	\$1,268,680	(\$3,322,335)	\$7,468,345	\$68,306,508.00	\$0.07130	\$0.06697	196,500	\$4,666

Jackson Energy Cooperative
Case No. 2013-00219
Response to Commission Staff First Data Request

Item No. 20
Page 1 of 1
Witness: Jim Adkins

Q20: Describe how the test-year capitalization rate was determined. If differing rates were used for specific expenses (i.e. payroll, transportation clearing accounts, depreciation, etc.), indicate the rate and how it was determined. Indicate all proposed changes to the test-year capitalization rate and how they were determined.

A20: No changes to the test-year capitalization rate were proposed.

Jackson Energy Cooperative
Case No. 2013-00219
Response to Commission Staff First Data Request

Item No. 21
Page 1 of 1
Witness: Jim Adkins

Q21: Provide the following:

- a. A schedule of salaries and wages for the test year and each of the three calendar years preceding the test year as shown in Format 22a. For each time period, provide the amount of overtime pay.
- b. A schedule showing the percentage of increase in salaries and wages for both union and non-union employees for the test year and the five preceding calendar year.

A21: Jackson Energy feels that such information is not relevant to the case since Jackson Energy made no adjustments to the case.

Jackson Energy Cooperative
Case No. 2013-00219
Response to Commission Staff First Data Request

Item No. 22
Page 1 of 1
Witness: Jim Adkins

Q22: Provide the following payroll information for each employee:

- a. The actual regular hours worked during the test year;
- b. The actual overtime hours worked during the test year;
- c. The test-year-end wages rate for each employee and the date of the last increase;
- d. a calculation of the percent of increase granted during the test year; and
- e. The annual percent of increase granted for both salaried and hourly employees for 2008 and 2012.

The information shall identify all the employees as either salaried or hourly, and as either full-time, part-time, or temporary. Employee numbers or other identifiers should be used instead of employee names. Include an explanation of how the overtime pay rate is determined. All employees terminated during the test year shall be identified (along with the month in which the termination occurred), as well as those employees who replaced terminated employees or were otherwise added to the payroll during the test year. If Jackson has more than 100 employees, the above information may be provided by employee classification.

A22: Jackson Energy feels that such information is not relevant to the case since Jackson Energy made no adjustments to the case.

Jackson Energy Cooperative
Case No. 2013-00219
Response to Commission Staff First Data Request

Item No. 23
Page 1 of 1
Witness: Jim Adkins

Q23: Provide the following payroll tax information:

- a. The base wages and salaries used to calculate the taxes, with an explanation of how the base wages and salaries were determined; and
- b. The tax rates in effect at the test-year-end.

A23: Jackson Energy feels that such information is not relevant to the case since Jackson Energy made no adjustments to the case.

Jackson Energy Cooperative
Case No. 2013-00219
Response to Commission Staff First Data Request

Item No. 24
Page 1 of 1
Witness: Jim Adkins

Q24: Provide the following tax data for the test year:

- a. A schedule of franchise fees paid to cities, towns, or municipalities during the test year, including the basis of these fees; and
- b. A analysis of other operating taxes imposed by Kentucky as shown in Format 25b.

- A24:
- a. Jackson Energy does not collect or pay any franchise fees.
 - b. Jackson Energy feels that this is not relevant to this case.

Jackson Energy Cooperative
Case No. 2013-00219
Response to Commission Staff First Data Request

Item No. 25
Page 1 of 3
Witness: Jim Adkins

Q25: Provide a statement of electric plant in service, per company books for the test year. This data shall be presented as shown in Format 26.

A25: Please see Item 25 page 2.

2300 Jackson Energy Cooperative Corporation 01/01/2012 - 12/31/2012
Electric Plant In Service (Ref Page: 4)

	Dept Rate	Balance Beg of Year	Additions	Retirements	ReClass (Debit-Credit)	Balance End of Year
Station and Equipment (362)	.0667	\$1,535,955.00	\$209,028.00	\$45,792.00	\$0.00	\$1,699,191.00
Poles Towers and Fixtures (364)	.0421	\$62,440,396.00	\$1,986,792.00	\$814,254.00	\$0.00	\$63,612,934.00
Overhead Conds and Devices (365)	.0361	\$59,610,525.00	\$2,860,471.00	\$503,702.00	\$0.00	\$61,967,294.00
Underground Conduit (366)						
Undergrnd Conds and Devices (367)	.0352	\$1,693,127.00	\$140,344.00	\$26,151.00	\$0.00	\$1,807,320.00
Line transformers (368)	.0256	\$27,923,008.00	\$864,553.00	\$317,701.00	\$0.00	\$28,469,860.00
Services (369)	.0478	\$19,346,249.00	\$1,100,583.00	\$302,561.00	\$0.00	\$20,144,271.00
Meters (370)	.0667	\$11,062,420.00	\$1,035,969.00	\$232,527.00	\$0.00	\$11,865,862.00
Instal on Cons Premises (371)	.0502	\$4,852,281.00	\$539,347.00	\$204,740.00	\$0.00	\$5,186,888.00
Leased Prop on Cons Pirms (372)						
St Ltg and Signal Systems (373)	.0521	\$273,884.00	\$10,702.00	\$5,975.00	\$0.00	\$278,611.00
Total Distribution Plant		\$188,737,845.00	\$8,747,789.00	\$2,453,403.00	\$0.00	\$195,032,231.00
GENERAL PLANT						
Land and Land Rights (389)		\$199,155.00	\$0.00	\$0.00	\$0.00	\$199,155.00
Structures and Improvements (390)	.0438	\$7,160,384.00	\$1,757,356.00	\$57,538.00	\$0.00	\$8,860,202.00
Office Furniture and Equip (391)	.118	\$1,777,345.00	\$229,962.00	\$28,939.00	\$0.00	\$1,978,368.00
Transportation Equipment (392)	.1587	\$5,781,976.00	\$675,472.00	\$429,991.00	\$0.00	\$6,027,457.00
Stores equipment (393)	.0468	\$262,842.00	\$14,494.00	\$5,432.00	\$0.00	\$271,904.00

2300 Jackson Energy Cooperative Corporation 01/01/2012 - 12/31/2012

Electric Plant In Service (Ref Page: 4)

	Depr Rate	Balance Beg of Year	Additions	Retirements	ReClass (Debit-Credit)	Balance End of Year
Tools Shop and Garage Equip (394)	.05	\$311,460.00	\$22,887.00	\$2,868.00	\$0.00	\$331,479.00
Laboratory Equipment (395)	.061	\$271,105.00	\$15,982.00	\$6,816.00	\$0.00	\$280,271.00
Power Operated Equip (396)	.012	\$49,293.00	\$0.00	\$0.00	\$0.00	\$49,293.00
Communication Equip (397)	.1434	\$994,419.00	\$1,602,269.00	\$288,770.00	\$0.00	\$2,307,918.00
Miscellaneous Equip (398)	.055	\$1,762,214.00	\$98,083.00	\$50,637.00	\$0.00	\$1,809,660.00
Total General Plant		\$18,570,193.00	\$4,416,505.00	\$870,991.00	\$0.00	\$22,115,707.00
TOTAL ELECTRIC PLANT IN SERVICE		\$207,308,038.00	\$13,164,294.00	\$3,324,394.00	\$0.00	\$217,147,938.00

Jackson Energy Cooperative
Case No. 2013-00219
Response to Commission Staff First Data Request

Item No. 26
Page 1 of 2
Witness: Jim Adkins

Q26: Provide a schedule of all employee benefits available to Jackson's employees. Include the number of employees at test-year-end covered under each benefit, the test-year-end actual cost of each benefit, the amount of the cost capitalized, the amount of the cost expensed, and the account numbers in which the capitalized or expensed costs were recorded.

A26: Please see Item No. 26 page 2.

JACKSON ENERGY COOPERATIVE
Case No. 2013-00219

Item 26
Page 2 of 2
Witness: Jim Adkins

		Benefits
A/C #	Description	Distribution
107	Construction Work in Progress	\$1,175,832
108	Retirement Work in Progress	\$407,016
143	Accounts Receivable - Other	\$103,273
146	Accounts Receivable - Subsidiary	\$1,468
163	Stores	\$170,228
184	Transportation	\$135,585
242	Employee Paid Time Off	\$489,335
580	Operations Engineering & Supervision	\$35,877
583	Overhead Line Expense	\$197,179
584	Underground Line Expense	\$2,784
586	Meter Expense	\$477,877
588	Miscellaneous Distribution Expenses	\$183,973
593	Maintenance of Overhead Lines	\$710,086
594	Maintenance of Underground Lines	\$1,897
596	Maintenance of Street Lights	\$7,245
598	Maintenance of Miscellaneous Distribution Plant	\$73,137
901	Customer Accounts Supervision	\$29,242
902	Meter Reading Expenses	\$4,535
903	Customer Records & Collection Expenses	\$899,423
908	Customer Assistance Expenses	\$104,549
909	Customer Information Expenses	\$10,737
910	Miscellaneous Customer Service Expenses	\$95,495
913	Advertising Expenses	\$2,729
920	Administrative & General Salaries	\$871,734
925	Injuries and Damages	\$7,646
926	Employee Pensions & Benefits	\$26,628
928	Regulatory Commission Expenses	\$7,320
930	Miscellaneous General Expenses	\$60,900
935	Maintenance of General Plant	\$36,465
Total		<u>\$6,330,195</u>

Benefits include the following:

Medical Insurance	\$1,273,901
Life Insurance & Disability, Business Travel Insurance	\$158,945
Retirement	\$2,358,516
Saving Plan (401-k)	\$167,104
Paid Time Off - Vacation & Sick leave	\$734,322
Postretirement Benefits	\$960,240
Workers' Compensation	(\$10,064)
Payroll Taxes	\$687,231
Total	<u>\$6,330,195</u>

Number of Employees	<u>136</u>
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Jackson Energy Cooperative
Case No. 2013-00219
Response to Commission Staff First Data Request

Item No. 27
Page 1 of 1
Witness: Jim Adkins

Q27: Provide a schedule reflecting the salaries and other compensation of each executive officer for the test year and two preceding calendar years. Include the percentage annual increase and the effective date of each increase, the job title, duty and responsibility of each officer, the number of employees who report to each executive officer, and to whom each executive officer reports. Also, for employees elected to executive officer status during the test year, provide the salaries, for the test year, for those persons whom the replaced.

A27: Jackson Energy feels that such information is not relevant to the case since Jackson Energy made no adjustments to the case.

Jackson Energy Cooperative
Case No. 2013-00219
Response to Commission Staff First Data Request

Item No. 28
Page 1 of 3
Witness: Jim Adkins

Q28: Provide a detailed analysis of advertising expenditures during the test year. Include a breakdown of Account No. 913, Advertising Expenses, as shown in Format 29, and show any advertising expenditures included in other expense accounts. Specify the purpose and expected benefit of each expenditure.

A28: Please see Item 28 page 2.

Account 913.00

Advertising Expenses

Date	Check Number	Payee	Amount	Description
1/1/2012	20090886	WKLB Radio Station	\$300.00	Radio Advertising
1/1/2012	20091017	The Sentinel-Echo	\$308.82	Newspaper Advertising
1/1/2012	20091015	Citizen Voice & Times	\$450.00	Newspaper Advertising
1/1/2012	20091016	Intermountain Publishing Co.	\$175.00	Newspaper Advertising
1/1/2012	20091060	The Sentinel-Echo	\$759.55	Newspaper Advertising
1/1/2012	20091061	The Sentinel-Echo	\$100.00	Newspaper Advertising
1/3/2012	20090631	VIC	\$6,159.92	Contract Services, Newspaper Advertising
1/16/2012	20090715	VIC	\$5,139.01	Contract Services, Newspaper & Radio Advertising
1/19/2012	20091016	London-Laurel County	\$50.00	Directories
1/27/2012	20090883	VIC	\$1,766.00	Contract Services
1/31/2012	20090993	WKLB Radio Station	\$200.00	Radio Advertising
1/31/2012	20091088	The Sentinel-Echo	\$506.46	Newspaper Advertising
1/31/2012			\$528.32	Labor & Benefits
2/1/2012	20090990	VIC	\$6,159.92	Contract Services, Newspaper Advertising
2/1/2012	20091387	Times-Tribune	\$53.00	Newspaper Advertising
2/1/2012	20091179	Dandy Broadcasting Inc.	\$170.00	Radio Advertising
2/1/2012	20091454	Three Forks Tradition	\$125.00	Newspaper Advertising
2/2/2012	20090997	Ebsco Industries, Inc.	\$364.00	Billboard Advertising
2/13/2012	20091040	South Laurel High School	\$100.00	Billboard Advertising
2/15/2012	20091456	VIC	\$4,266.09	Contract Services, Newspaper & Radio Advertising
2/17/2012	20091116	London-Laurel County	\$50.00	Directories
2/29/2012	20091381	The Sentinel-Echo	\$330.00	Newspaper Advertising
2/29/2012	20091396	WKLB Radio Station	\$200.00	Radio Advertising
2/29/2012	20091433	Dandy Broadcasting Inc.	\$252.00	Radio Advertising
2/29/2012			\$1,112.45	Labor & Benefits
3/1/2012	20091391	VIC	\$6,159.92	Contract Services, Newspaper Advertising
3/15/2012	20091521	VIC	\$4,489.58	Contract Services, Newspaper & Radio Advertising
3/22/2012	20091605	London-Laurel County	\$50.00	Directories
3/31/2012	20091718	WKLB Radio Station	\$200.00	Radio Advertising
4/1/2012	20091707	The Sentinel-Echo	\$275.00	Newspaper Advertising
4/1/2012	20092152	Manchester Enterprise	\$350.00	Newspaper Advertising
4/2/2012	20091716	VIC	\$6,501.11	Contract Services, Newspaper Advertising, Supplies
4/3/2012	20091684	Jackson County High School	\$70.00	Magazine Advertising
4/16/2012	20091815	VIC	\$5,976.64	Contract Services, Newspaper & Radio Advertising
4/20/2012	20091891	London-Laurel County	\$50.00	Directories
4/30/2012	20092186	The Sentinel-Echo	\$100.00	Newspaper Advertising
4/30/2012	20092235	Times-Tribune	\$569.30	Newspaper Advertising
5/1/2012	20092105	VIC	\$6,159.92	Contract Services, Newspaper Advertising
5/15/2012	20092277	VIC	\$4,265.52	Contract Services, Newspaper & Radio Advertising
5/18/2012	20092257	London-Laurel County	\$50.00	Directories
5/31/2012	20092561	The Sentinel-Echo	\$469.00	Newspaper Advertising
5/31/2012			\$62.35	Labor & Benefits
6/1/2012	20092473	VIC	\$6,159.92	Contract Services, Newspaper Advertising
6/15/2012	20092759	VIC	\$5,451.10	Contract Services, Radio Advertising, Newspaper Advertising
6/30/2012	20093050	The Sentinel-Echo	\$375.00	Newspaper Advertising
6/30/2012			\$62.09	Labor & Benefits
7/2/2012	20093059	VIC	\$6,159.92	Contract Services, Newspaper Advertising
7/16/2012	20093144	VIC	\$4,488.38	Contract Services, Radio Advertising, Newspaper Advertising
7/31/2012	20093435	The Sentinel-Echo	\$349.00	Newspaper Advertising
7/31/2012	20093540	Times-Tribune	\$60.00	Newspaper Advertising
7/31/2012			\$355.02	Labor & Benefits
8/1/2012	20093441	VIC	\$6,159.92	Contract Services, Newspaper Advertising
8/2/2012	20093771	Manchester Enterprise	\$565.00	Newspaper Advertising
8/10/2012	20093445	WKLB Radio Station	\$50.00	Radio Advertising
8/15/2012	20093603	VIC	\$4,488.78	Contract Services, Radio Advertising, Newspaper Advertising
8/17/2012	20093666	London-Laurel County	\$50.00	Directories
8/20/2012	20093550	North Laurel High School	\$75.00	Directories
8/31/2012	20093903	The Sentinel-Echo	\$300.00	Newspaper Advertising
8/31/2012			\$898.39	Labor & Benefits
9/1/2012	20093679	VIC	\$1,766.00	Directories

Total

Jackson Energy Cooperative
Case No. 2013-00219
Response to Commission Staff First Data Request

Item No. 29
Page 1 of 4
Witness: Jim Adkins

Q29: Provide an analysis of Account No. 930, Miscellaneous General Expenses, for the test year. Include a complete breakdown of this account as shown in Format 30. Include all detailed workpapers supporting this analysis. At a minimum, the workpapers shall show the date, vendor, reference (i.e., voucher no., etc), dollar amount, and a brief description of each expenditure. Detailed analysis is not required for amounts of less than 4100 provided the items are grouped by classes as shown in Format 30.

A29: Please see Item 29 page 2.

Witness: Jim Adkins

Account 930.01 FEMA Admin. - Emergency Work

Date	Check Number	Payee	Amount	Description
8/31/2012			\$628.42	Labor & Benefits
9/30/2012			\$1,001.11	Labor & Benefits
10/31/2012			<u>\$644.33</u>	Labor & Benefits
		Total	<u><u>\$2,273.86</u></u>	

Account 930.20 Institutional Advertising - Public Relations

Date	Check Number	Payee	Amount	Description
3/5/2012	20091448	Prime Time Advertising	\$396.45	Supplies
6/22/2012	20093033	London-Laurel County	\$50.00	Directories & Calendars
7/8/2012	20093209	University Advertising	\$183.00	Directories & Calendars
11/18/2012	20094918	VISA	\$8.70	Supplies
11/30/2012	20094979	J Frank Publishing	\$184.97	Supplies
12/1/2012	20095062	East Kentucky Power	\$262.67	Brochures
12/31/2012	20095506	Walsworth Publishing Co.	\$12,412.37	Supplies
			<u>\$0.00</u>	
		Total	<u><u>\$13,498.16</u></u>	

Account 930.22 Dues Paid to Associated Organizations

Date	Check Number	Payee	Amount	Description
1/12/2012	20090863	KAEC Inc.	\$127,179.63	Dues
9/10/2012	20093897	NRECA	\$45,566.00	Dues
			<u>\$0.00</u>	
			<u><u>\$172,745.63</u></u>	

Witness: Jim Adkins

Account 930.25

Member Publications

Date	Check Number	Payee	Amount	Description
1/19/2012	20090765	KAEC Inc.	\$19,025.98	Ky Living Magazine
1/31/2012			\$1,467.38	Labor & Benefits
1/31/2012			\$51.41	Items less than \$100
2/17/2012	20091339	VISA	\$1,411.69	Meeting Expenses
2/23/2012	20091280	KAEC Inc.	\$19,023.95	Ky Living Magazine
2/29/2012	20091349	Karen Combs	\$162.06	Meeting Expenses
2/29/2012			\$1,854.03	Labor & Benefits
3/21/2012	20091604	KAEC Inc.	\$21,785.21	Ky Living Magazine
3/31/2012			\$708.58	Labor & Benefits
3/31/2012			(\$9.45)	Items less than \$100
4/18/2012	20091886	KAEC Inc.	\$19,169.28	Ky Living Magazine
4/18/2012	20092024	VISA	\$1,664.17	Meeting Expenses
4/30/2012			\$3,032.35	Labor & Benefits
4/30/2012			\$96.57	Items less than \$100
5/20/2012	20092474	VISA	\$1,035.73	Meeting Expenses
5/20/2012	20092512	VISA	\$178.34	Meeting Expenses
2/24/2012	20092445	KAEC Inc.	\$19,140.25	Ky Living Magazine
5/30/2012	20092430	Karen Combs	\$384.61	Meeting Expenses
5/31/2012			\$3,115.81	Labor & Benefits
6/15/2012	20092732	KAEC Inc.	\$21,904.45	Ky Living Magazine
6/30/2012			\$62.09	Labor & Benefits
7/25/2012	20093312	KAEC Inc.	\$19,122.40	Ky Living Magazine
7/31/2012			\$1,937.17	Labor & Benefits
8/17/2012	20093589	KAEC Inc.	\$19,131.06	Ky Living Magazine
8/19/2012	20093680	VISA	\$422.20	Meeting Expenses
8/28/2012	20093810	W A Fisher Advertising	\$215.00	Supplies
8/31/2012			\$2,746.57	Labor & Benefits
8/31/2012			\$43.00	Items less than \$100
9/7/2012	20093741	Card Fulfillment Services	\$609.18	Supplies
9/12/2012	20093887	KAEC Inc.	\$21,874.11	Ky Living Magazine
9/18/2012	20094090	VISA	\$605.55	Meeting Expenses
9/30/2012			\$2,386.30	Labor & Benefits
10/11/2012	20094452	KAEC Inc.	\$19,099.99	Ky Living Magazine
10/19/2012	20094561	VISA	\$715.86	Meeting Expenses
10/31/2012			\$4,298.77	Labor & Benefits
11/5/2012	20094508	Karen Combs	\$793.65	Meeting Expenses
11/15/2012	20094883	KAEC Inc.	\$19,115.27	Ky Living Magazine
11/18/2012	20094918	VISA	\$138.62	Meeting expenses, Supplies
11/18/2012	20095021	VISA	\$262.49	Meeting expenses, Supplies
11/30/2012	20094872	Karen Combs	\$157.62	Meeting Expenses
11/30/2012			\$2,665.17	Labor & Benefits
12/19/2012	20095171	KAEC Inc.	\$21,913.21	Ky Living Magazine
12/19/2012	20095346	VISA	\$693.20	Meeting Expenses
12/19/2012	20095409	NRECA	\$150.00	Dues
12/31/2012			\$1,904.37	Labor & Benefits
			\$0.00	
		Total	\$276,265.25	

Witness: Jim Adkins

Account 930.26 Employee Publications

Date	Check Number	Payee	Amount	Description
1/31/2012			\$997.81	Labor & Benefits
2/29/2012			\$988.90	Labor & Benefits
3/1/2012		78 The Marlin Company	\$1,742.67	Billboard Advertising
3/31/2012			\$826.67	Labor & Benefits
4/30/2012			\$970.37	Labor & Benefits
5/31/2012			\$1,059.44	Labor & Benefits
6/1/2012		87 The Marlin Company	\$1,742.67	Billboard Advertising
6/30/2012			\$868.44	Labor & Benefits
7/31/2012			\$886.95	Labor & Benefits
8/31/2012			\$1,497.39	Labor & Benefits
9/1/2012		95 The Marlin Company	\$1,742.67	Billboard Advertising
9/30/2012			\$1,742.61	Labor & Benefits
10/31/2012			\$787.13	Labor & Benefits
11/18/2012	20094918	VISA	\$143.73	Supplies
11/30/2012			\$2,170.80	Labor & Benefits
12/1/2012		102 The Marlin Company	\$1,751.86	Billboard Advertising
12/4/2012	20094880	Kevin Hagan	\$75.00	Award
12/4/2012	20094896	Roger Medlock	\$150.00	Award
12/4/2012	20094925	Tim Floyd	\$50.00	Award
12/17/2012	20095431	Allegra Pring & Imaging	\$68.30	Supplies
12/19/2012	20095346	VISA	\$77.53	Supplies
12/31/2012			\$2,703.05	Labor & Benefits
			<u>\$0.00</u>	
		Total	<u>\$23,043.99</u>	

Account 930.29 Miscellaneous General Expenses

Date	Check Number	Payee	Amount	Description
8/19/2012	20093680	VISA	\$99.09	Meeting expenses
			\$0.00	Meeting expenses
			\$0.00	Meeting expenses
			<u>\$0.00</u>	Items less than \$100
		Total	<u>\$99.09</u>	

Jackson Energy Cooperative
Case No. 2013-00219

Item No. 30
Page 1 of 7

Response to Commission Staff First Data Request

Witness: Jim Adkins

Q30: Provide an analysis of Account No. 426, Other Income Deductions, for the test period. This analysis shall show a complete breakdown of this account as shown in Format 31, and further provide all detailed supporting workpapers. At a minimum, the workpapers should show the date, vendor, reference (i.e., voucher no., etc), dollar amount and brief description of each expenditure. Detailed analysis is not required for amounts of less than \$250 provided the times are grouped by classes as shown in Format 31.

A30: Please see Item No. 30 page 2.

JACKSON E. GY COOPERATIVE

08/14/2013 1:33:06 PM

General Ledger
Transaction Detail

Page: 1

JAN 2012 To DEC 2012

Date	Journal Description	Dept	Actv	Mod	Code	Reference	Debit	Credit	Balance
Account: 0 426.0 DONATIONS							Beginning Balance:		0.00
01/05/2012	47788 Invoice	71	501	AP		4 DONATION	100.00		100.00
	Ven: 9000006701 - MCKEE ELEMENTARY	Inv: 01052012				Check: 20090639 PO:			
Net Amount For JAN 2012: 100.00							100.00	0.00	
02/16/2012	49287 Invoice	71	501	AP		4 DONATION	100.00		200.00
	Ven: 1 - CLAY CO TIGER BASEBALL	Inv: 02162012				Check: 20091090 PO:			
02/16/2012	49287 Invoice	71	501	AP		4 DONATION	300.00		500.00
	Ven: 13140 - MOUNTAIN MUSHROOM FESTI	Inv: 02162012				Check: 20091120 PO:			
02/20/2012	49395 Invoice	10	501	AP		4 DONATION	100.00		600.00
	Ven: 4134 - DOWNTOWN BEATTYVILLE AL	Inv: 02202012				Check: 20091107 PO:			
02/20/2012	49395 Invoice	71	501	AP		4 DONATION	200.00		800.00
	Ven: 9000005988 - LEE COUNTY PROJECT PR	Inv: 022012				Check: 20091140 PO:			
02/22/2012	49395 Invoice	71	501	AP		4 ROTARY CLUB GOLF SCRAMBLE	400.00		1,200.00
	Ven: 12066 - LONDON ROTARY CLUB	Inv: 022212				Check: 20091117 PO:			
02/26/2012	49580 Invoice	71	501	AP		4 PROJECT GRADUATION 2012	100.00		1,300.00
	Ven: 1 - RCHS PROJECT GRADUATION 2012	Inv: 02262012				Check: 20091167 PO:			
02/27/2012	49580 Invoice	71	501	AP		4 DONATION	200.00		1,500.00
	Ven: 1 - BETH'S BLESSING	Inv: 02272012				Check: 20091164 PO:			
02/29/2012	49648 Invoice	71	501	AP		4 SIGN	200.00		1,700.00
	Ven: 1 - NORTH LAUREL SOFTBALL	Inv: 022912NLS				Check: 20091166 PO:			
Net Amount For FEB 2012: 1,600.00							1,600.00	0.00	
03/01/2012	49978 Invoice	71	501	AP		4 DONATION	100.00		1,800.00
	Ven: 1 - CLAY CO MIDDLE SCHOOL BASEB	Inv: 03012012CCMSB				Check: 20091243 PO:			
03/01/2012	50930 Charge	0	0	MI		5 CHARGE OUTS - 00000007	775.40		2,575.40
03/15/2012	50471 Invoice	71	501	AP		4 DONATION	399.00		2,974.40
	Ven: 1 - CHILD INC AUTISM AWARENESS	Inv: 03152012				Check: 20091423 PO:			
03/15/2012	50471 Invoice	71	501	AP		4 DONATION	250.00		3,224.40
	Ven: 9000008077 - LEE COUNTY RELAY FOR	Inv: 03152012				Check: 20091466 PO:			
03/19/2012	51293 Invoice	74	501	AP		4 382886	68.80		3,293.20
	Ven: 22021 - VISA	Inv: 0312382886				Check: 20091654 PO:			
Net Amount For MAR 2012: 1,593.20							1,593.20	0.00	
04/04/2012	51177 Invoice	71	501	AP		4 SPONSORSHIP	500.00		3,793.20
	Ven: 9000006430 - MEMORIAL HOSPITAL FO	Inv: 04042012				Check: 20091634 PO:			
04/05/2012	51293 Invoice	71	501	AP		4 12 BANQUET TICKETS	180.00		3,973.20
	Ven: 12001 - BEATTYVILLE-LEE COUNTY	Inv: 040512				Check: 20091649 PO:			
04/09/2012	51292 Invoice	71	501	AP		4 DONATION	50.00		4,023.20
	Ven: 1 - ROCKCASTLE COUNTY SPECIAL O	Inv: 04092012RCISO				Check: 20091661 PO:			
04/09/2012	51413 Invoice	10	501	AP		4 1ST PRIORITY GOLF SCRAMBLE	400.00		4,423.20
	Ven: 1 - FIRST PRIORITY TRI-COUNTY	Inv: 040912FPTC				Check: 20091659 PO:			
04/13/2012	51705 Invoice	20	501	AP		4 REIMBURSEMENT FOR EXPENSES	100.00		4,523.20
	Ven: 1 - MADDEN, FREDDIE	Inv: 041312FM				Check: 20091767 PO:			
04/24/2012	51973 Invoice	71	501	AP		4 DONATION	400.00		4,923.20
	Ven: 1 - OWSLEY CO DANIEL BOONE DAYS	Inv: 04242012OCDBD				Check: 20091859 PO:			

JACKSON COUNTY COOPERATIVE

08/14/2013 1:33:06 PM

General Ledger
Transaction Detail

Page: 2

JAN 2012 To DEC 2012

Date	Journal Description	Dept	Actv	Mod	Code	Reference	Debit	Credit	Balance
Account: 0 426.0 DONATIONS							Beginning Balance:		
04/30/2012	51663 Journal Entry 0412002	10	501	GL	3	0412002 Trf to Proper Dept		400.00	4,523.20
Ext Ref:	Doing journal entry to correct department. When invoice was keyed dept 10 was entered and should have been keyed to dept 71 instead of 10.								
04/30/2012	51663 Journal Entry 0412002	71	501	GL	3	0412002 Trf to Proper Dept	400.00		4,923.20
Ext Ref:	Doing journal entry to correct department. When invoice was keyed dept 10 was entered and should have been keyed to dept 71 instead of 10.								
Net Amount For APR 2012:							1,630.00		
05/08/2012	52629 Invoice	10	501	AP	4	DONATION 4-H	2,030.00	400.00	
Ven:	9000003758 - JACKSON COUNTY 4-H	Inv:	05082012			Check: 20092114 PO:	150.00		5,073.20
05/08/2012	52629 Invoice	71	501	AP	4	DONATION	100.00		5,173.20
Ven:	1 - LEE CO SADDLE CLUB	Inv:	05082012			Check: 20092041 PO:			
05/08/2012	52629 Invoice	71	501	AP	4	DONATION 4-H	150.00		5,323.20
Ven:	1 - LEE COUNTY 4-H	Inv:	05082012LC4H			Check: 20092042 PO:			
05/08/2012	52629 Invoice	71	501	AP	4	DONATION	100.00		5,423.20
Ven:	1 - RED LICK VALLEY BLUEGRASS FE	Inv:	05082012RLVBF			Check: 20092044 PO:			
05/09/2012	52917 Invoice	71	501	AP	4	SPONSORSHIP	250.00		5,673.20
Ven:	1 - ROCKCASTLE COUNTY FAIR BOAR	Inv:	05092012RCFB			Check: 20092156 PO:			
05/10/2012	52850 Invoice	71	501	AP	4	DONATION	150.00		5,823.20
Ven:	1 - ROCKCASTLE COUNTY 4-H COUNC	Inv:	051012RC4HC			Check: 20092155 PO:			
05/22/2012	53363 Invoice	71	501	AP	4	SPONSORSHIP	200.00		6,023.20
Ven:	1 - ROCKCASTLE HIGH CHEERLEADIN	Inv:	052212RHC			Check: 20092240 PO:			
05/22/2012	53363 Invoice	71	501	AP	4	DONATION	100.00		6,123.20
Ven:	9000006292 - LAUREL-LONDON OPTIMI	Inv:	05222012			Check: 20092280 PO:			
05/23/2012	53363 Invoice	71	501	AP	4	DONATION	75.00		6,198.20
Ven:	1 - CUMBERLAND HOMESCHOOL ATH	Inv:	05232012CHAT			Check: 20092236 PO:			
05/29/2012	53874 Invoice	71	501	AP	4	LONDON LIONS CLUB SCRAMBLE	160.00		6,358.20
Ven:	1 - LONDON LIONS CLUB	Inv:	052912LLCS			Check: 20092418 PO:			
Net Amount For MAY 2012:							1,435.00	0.00	
06/05/2012	54045 Invoice	71	501	AP	4	SPONSORSHIP	250.00		6,608.20
Ven:	1 - ESTILL COUNTY FAIR	Inv:	06052012ECF			Check: 20092416 PO:			
06/06/2012	54045 Invoice	71	501	AP	4	DONATION	140.00		6,748.20
Ven:	1 - BLUEGRASS STATE GAMES	Inv:	060612BGSG			Check: 20092414 PO:			
06/07/2012	54204 Invoice	71	501	AP	4	DONATION	300.00		7,048.20
Ven:	1 - SOUTH LAUREL GIRLS SOCCER	Inv:	06072012SLGS			Check: 20092515 PO:			
06/14/2012	54692 Invoice	71	501	AP	4	SPONSORSHIP JC FOOTBALL	200.00		7,248.20
Ven:	9000005669 - JACKSON CO HIGH SCHO	Inv:	06142012JCHS			Check: 20092666 PO:			
06/25/2012	54982 Invoice	71	501	AP	4	DONATION	500.00		7,748.20
Ven:	12065 - LEE CO MED SCHOLARSHIP FU	Inv:	06252012			Check: 20092740 PO:			
Net Amount For JUN 2012:							1,390.00	0.00	
07/03/2012	55661 Invoice	71	501	AP	4	DONATION	500.00		8,248.20
Ven:	10056 - JACKSON COUNTY KIWANIS C	Inv:	07032012			Check: 20092907 PO:			
07/03/2012	55661 Invoice	71	501	AP	4	SPONSORSHIP OF CLAY CO DAYS	300.00		8,548.20
Ven:	3124 - CLAY COUNTY DAYS	Inv:	07032012			Check: 20092894 PO:			
07/05/2012	55527 Invoice	20	501	AP	4	BANQUET SPONSORSHIP	500.00		9,048.20

JACKSON ELEMENTARY COOPERATIVE

08/14/2013 1:33:06 PM

General Ledger
Transaction Detail

Page: 3

JAN 2012 To DEC 2012

Date	Journal Description	Dept	Actv	Mod	Code	Reference	Debit	Credit	Balance
Account: 0 426.0 DONATIONS							Beginning Balance:		
Ven:	14020 - NORTH LAUREL HIGH SCHOOL	Inv:	070512			Check:	20092918	PO:	
07/10/2012	55899 Invoice	71	501	AP	4	SPONSOR	300.00		9,348.20
Ven:	1 - THE BACKPACK CLUB	Inv:	071012TBPC			Check:	20093004	PO:	
07/16/2012	55899 Invoice	71	501	AP	4	DONATION	100.00		9,448.20
Ven:	1 - JACKSON CO COACH PITCH ALL-ST	Inv:	07162012JCCPASB			Check:	20093001	PO:	
07/17/2012	55899 Invoice	71	501	AP	4	SPONSOR - REGISTRATION FEE	240.00		9,688.20
Ven:	1 - KSP POST 11 TROOPER ISLAND	Inv:	071712KP11TI			Check:	20093003	PO:	
Net Amount For JUL 2012: 1,940.00							1,940.00	0.00	
08/05/2012	58392 Invoice	71	501	AP	4	DONATION	1,000.00		10,688.20
Ven:	9000006096 - HOSPICE CARE PLUS	Inv:	08052012			Check:	20093726	PO:	
08/08/2012	56996 Invoice	71	501	AP	4	SILVER SPONSORSHIP	200.00		10,888.20
Ven:	8076 - HOSPICE CARE PLUS	Inv:	080812			Check:	20093306	PO:	
08/16/2012	57755 Invoice	71	501	AP	4	SPONSORSHIP	240.00		11,128.20
Ven:	1 - LAUREL CO LIFE CENTER	Inv:	081612LCLC			Check:	20093582	PO:	
08/20/2012	57474 Invoice	71	501	AP	4	FAIR SPONSOR	500.00		11,628.20
Ven:	9000007538 - JACKSON COUNTY FAIR	Inv:	08202012			Check:	20093549	PO:	
08/27/2012	57755 Invoice	71	501	AP	4	DONATION	150.00		11,778.20
Ven:	9000006337 - ROCKCASTLE CO KIWANI	Inv:	08272012			Check:	20093607	PO:	
08/30/2012	58101 Invoice	71	501	AP	4	SPONSORSHIP	100.00		11,878.20
Ven:	1 - SOULS HARBOR CHURCH	Inv:	08302012			Check:	20093649	PO:	
Net Amount For AUG 2012: 2,190.00							2,190.00	0.00	
09/12/2012	58645 Invoice	71	501	AP	4	SPONSORSHIP OF YOUTH SPORTS TEAM	250.00		12,128.20
Ven:	12075 - LEE COUNTY YOUTH SPORTS	Inv:	091212			Check:	20093891	PO:	
Net Amount For SEP 2012: 250.00							250.00	0.00	
10/01/2012	59700 Invoice	20	501	AP	4	SPONSOR OF ANNUAL US ENERGY COAL CLASSI	1,500.00		13,628.20
Ven:	1 - NORTH LAUREL HIGH SCHOOL BA	Inv:	100112NLHSBP			Check:	20094029	PO:	
10/04/2012	60004 Invoice	71	501	AP	4	DONATION	150.00		13,778.20
Ven:	1 - CRUISE IN THE VALLEY	Inv:	100412CITV			Check:	20094134	PO:	
10/19/2012	61381 Invoice	74	501	AP	4	382886	19.07		13,797.27
Ven:	22021 - VISA	Inv:	1012382886			Check:	20094599	PO:	
10/22/2012	60562 Invoice	71	501	AP	4	DONATION	50.00		13,847.27
Ven:	9000005651 - JOHNSON ELEMENTARY	Inv:	10222012			Check:	20094360	PO:	
10/23/2012	60602 Cash Register	20	501	GL	1	Cash Register		750.00	13,097.27
Ext Ref:	EKP								
Net Amount For OCT 2012: 969.07							1,719.07	750.00	
11/06/2012	61263 Invoice	71	501	AP	4	DONATION	250.00		13,347.27
Ven:	19107 - SOUTH LAUREL HIGH SCHOOL	Inv:	11062012			Check:	20094548	PO:	
11/16/2012	61622 Invoice	71	501	AP	4	DONATION	100.00		13,447.27
Ven:	1 - HUNTER HILLS 5K RACE	Inv:	111612HH			Check:	20094663	PO:	
11/16/2012	61622 Invoice	71	501	AP	4	DONATION	150.00		13,597.27
Ven:	1 - SHOP WITH A TROOPER	Inv:	11162012SWAT			Check:	20094664	PO:	
11/16/2012	61907 Invoice	20	501	AP	4	6510	250.00		13,847.27

JACKSON E. GY COOPERATIVE

08/14/2013 1:33:06 PM

General Ledger
Transaction Detail

Page: 4

JAN 2012 To DEC 2012

Date	Journal Description	Dept	Actv	Mod	Code	Jrnl Reference	Debit	Credit	Balance
Account: 0 426.0 DONATIONS							Beginning Balance:		
Ven: 12039 - LONDON-LAUREL COUNTY		Inv: 6510				Check: 20094765 PO:			
11/30/2012	62316 Direct Charge and Transfer	69	933	WO	5	ALL LABOR AND MATERIAL DONATED	2,133.74		15,981.01
Net Amount For NOV 2012: 2,883.74							2,883.74	0.00	
12/03/2012	62234 Invoice	71	501	AP	4	DONATION	1,000.00		16,981.01
Ven: 9000006096 - HOSPICE CARE PLUS		Inv: 12032012				Check: 20094924 PO:			
12/04/2012	62546 Invoice	71	501	AP	4	DONATION	100.00		17,081.01
Ven: 1 - ADOPT A CHILD FOR CHRISTMAS		Inv: 12042012AACFC				Check: 20094959 PO:			
12/04/2012	62546 Invoice	71	501	AP	4	DONATION	100.00		17,181.01
Ven: 1 - LAUREL COMMUNITY LIONS CLUB		Inv: 12042012LCLC				Check: 20094960 PO:			
Net Amount For DEC 2012: 1,200.00							1,200.00	0.00	
Subtotal For Account: 0 426.0							18,331.01	1,150.00	17,181.01
Account: 0 426.5 OTHER DEDUCTIONS							Beginning Balance:		
01/26/2012	48290 Direct Charge and Transfer	62	935	WO	5	WO VOIDED	677.50		677.50
01/31/2012	49264 Direct Charge and Transfer	62	935	WO	5	WO VOIDED	7,051.56		7,729.06
01/31/2012	49277 Direct Charge and Transfer	62	935	WO	5	VOIDING WO	142.90		7,871.96
Net Amount For JAN 2012: 7,871.96							7,871.96	0.00	
02/23/2012	49401 Direct Charge and Transfer	62	935	WO	5	WO VOIDED PER MARTY Y.	105.00		7,976.96
02/27/2012	49510 Direct Charge and Transfer	62	935	WO	5	WO VOIDED	149.85		8,126.81
02/29/2012	49612 Direct Charge and Transfer	62	935	WO	5	WO VOIDED PER MIKE	311.73		8,438.54
02/29/2012	49949 Direct Charge and Transfer	62	935	WO	5	WO VOIDED PER MIKE S.	60.45		8,498.99
Net Amount For FEB 2012: 627.03							627.03	0.00	
03/29/2012	50862 Direct Charge and Transfer	62	935	WO	5	WO VOIDED	2,963.17		11,462.16
03/31/2012	51802 Direct Charge and Transfer	62	935	WO	5	WO VOIDED	146.86		11,609.02
Net Amount For MAR 2012: 3,110.03							3,110.03	0.00	
04/30/2012	53317 Direct Charge and Transfer	62	935	WO	5	VOIDED WORK ORDER	943.75		12,552.77
Net Amount For APR 2012: 943.75							943.75	0.00	
05/30/2012	53707 Direct Charge and Transfer	62	935	WO	5	WO VOIDED	5,637.80		18,190.57
05/30/2012	53708 Direct Charge and Transfer	62	935	WO	5	CORRECTING MISTAKE		823.74	17,366.83
05/31/2012	54760 Direct Charge and Transfer	62	935	WO	5	WO VOIDED	2,457.83		19,824.66
05/31/2012	54791 Direct Charge and Transfer	62	935	WO	5	WO VOIDED	1,464.14		21,288.80
05/31/2012	54792 Direct Charge and Transfer	62	935	WO	5	WO VOIDED	88.93		21,377.73
05/31/2012	54793 Direct Charge and Transfer	62	935	WO	5	WO VOIDED	586.47		21,964.20
Net Amount For MAY 2012: 9,411.43							10,235.17	823.74	
06/30/2012	55730 Direct Charge and Transfer	62	935	WO	5	MIKE D REDREW OLD WO		586.47	21,377.73
06/30/2012	55950 Direct Charge and Transfer	62	935	WO	5	WO VOIDED	320.84		21,698.57
06/30/2012	56153 Direct Charge and Transfer	62	935	WO	5	WO VOIDED	82.15		21,780.72
Net Amount For JUN 2012: -183.48							402.99	586.47	
07/31/2012	56480 Direct Charge and Transfer	62	935	WO	5	WO VOIDED	1,650.50		23,431.22
07/31/2012	57137 Direct Charge and Transfer	62	935	WO	5	WO VOIDED	7,485.01		30,916.23
07/31/2012	57145 Direct Charge and Transfer	62	935	WO	5	WO VOIDED	1,158.00		32,074.23

JACKSON ENERGY COOPERATIVE

08/14/2013 1:33:06 PM

General Ledger
Transaction Detail

Page: 5

JAN 2012 To DEC 2012

Date	Journal Description	Dept	Actv	Mod	Jrnl Code	Reference	Debit	Credit	Balance
Account: 0 426.5 OTHER DEDUCTIONS							Beginning Balance:		
07/31/2012	57146 Direct Charge and Transfer	62	935	WO	5	WO VOIDED	0.32		32,074.55
Net Amount For JUL 2012: 10,293.83							10,293.83	0.00	
08/31/2012	58728 Direct Charge and Transfer	62	935	WO	5	WO VOIDED	9,795.58		41,870.13
08/31/2012	58744 Direct Charge and Transfer	62	935	WO	5	WO VOIDED	267.95		42,138.08
Net Amount For AUG 2012: 10,063.53							10,063.53	0.00	
09/30/2012	60015 Direct Charge and Transfer	62	935	WO	5	WO VOIDED	2,284.74		44,422.82
09/30/2012	60133 Direct Charge and Transfer	62	935	WO	5	WO VOIDED	2,014.29		46,437.11
09/30/2012	60168 Direct Charge and Transfer	62	935	WO	5	WO VOIDED	1,794.15		48,231.26
Net Amount For SEP 2012: 6,093.18							6,093.18	0.00	
11/29/2012	61914 Direct Charge and Transfer	62	935	WO	5	WO VOIDED	4,211.38		52,442.64
11/30/2012	62305 Direct Charge and Transfer	62	935	WO	5	WO VOIDED	5,550.89		57,993.53
Net Amount For NOV 2012: 9,762.27							9,762.27	0.00	
12/28/2012	63049 Direct Charge and Transfer	62	935	WO	5	WO VOIDED	430.81		58,424.34
12/31/2012	63613 Direct Charge and Transfer	62	935	WO	5	WO VOIDED	201.59		58,625.93
12/31/2012	63617 Direct Charge and Transfer	62	935	WO	5	WO VOIDED	938.68		59,564.61
12/31/2012	63774 Direct Charge and Transfer	62	935	WO	5	WO VOIDED	4,150.53		63,715.14
Net Amount For DEC 2012: 5,721.61							5,721.61	0.00	
Subtotal For Account: 0 426.5							65,125.35	1,410.21	63,715.14
Grand Total Beginning Balances:							0.00	0.00	
Grand Total Transactions: 97							83,456.36	2,560.21	
Grand Total:							83,456.36	2,560.21	80,896.15

JACKSON ENERGY COOPERATIVE

08/14/2013 1:33:06 PM

General Ledger

Page: 6

Transaction Detail

JAN 2012 To DEC 2012

PARAMETERS ENTERED:

Division: All
Accounts: 0 426.0, 0 426.5
Department: All
Activity: All
Sort By: Acct/Div
Date Selection: Period
Period: JAN 2012 To DEC 2012
Module: All
Journal Activity: All
Accounts With No Transactions: Yes
Extended Reference: Yes
Interface Detail: Yes
Group by Department: No

Jackson Energy Cooperative
Case No. 2013-00219
Response to Commission Staff First Data Request

Item No. 31
Page 1 of 1
Witness: Jim Adkins

Q31: Provide the name and personal mailing address of each member of Jackson's board of directors. Identify the members who represent the cooperative on the board of directors of East Kentucky Power Cooperative, Inc., ("East Kentucky"). If any changes occur in board membership during the course of these proceedings, update your response to this request.

A31: Chairman, Phillip Thompson, 896 East Level Green Road, Brodhead, Kentucky 40409

Vice Chairman, Landis Cornett, 11697 North Highway 421, Manchester, Kentucky
40962

Secretary-Treasurer, Keith Binder, 3325 Somerset Road, London, Kentucky 40741

Fred Callahan, PO Box 175, Booneville, Kentucky 41314

Fred Brown, 380 Doe Creek Road, Irvine, Kentucky 40336

Ted Cundiff, 101 Union Road, Beattyville, Kentucky 41311

Jim Hays III, 161 Kentucky Highway 587, McKee, Kentucky 40447

Steve Patton, Jr., 5013 Highway 490, East Bernstadt, Kentucky 40729

Gordon Phillips, PO Box 669, McKee, Kentucky 40447

Jackson Energy Cooperative
Case No. 2013-00219
Response to Commission Staff First Data Request

Item No. 32
Page 1 of 7
Witness: Jim Adkins

- Q32: Provide a detailed analysis of the total compensation paid to each member of the board of directors during the test year including all fees, fringe benefits, and expenses, with a description of the type of meetings, seminars, etc. attended by each member. Identify any compensation paid to Jackson's board members for serving on East Kentucky's board of directors. Do any of the listed expenses in this analysis include the costs for a director's spouse? If yes, list expenses for the directors' spouses separately.
- A32: The attached spreadsheet (Item 32 pages 2-6) shows the total compensation, fees, fringe benefits, and meeting expenses by board member. The spreadsheet also shows the expenses that were billed to East Kentucky Power Cooperative for Landis Cornett's expenses while representing East Kentucky Power. A second spreadsheet (Item 32 Page 7) shows expenses paid on behalf of directors' spouses.

Jackson Energy Cooperative
Case No. 2013-00219
Director Expenses

Keith Binder

Check Date	Check Number	Explanation	Regular Board Meeting	Other Board Meeting	Per Diem	Mileage	Air Fare	Luggage Fees	Meeting/Registration Fees	Hotel incl. meals charged by hotel	Parking	Taxi/Shuttle	Meals	Health Insurance	Health Insurance Reimbursement	Misc.	Total
1/3/2012	20090485	January Board Meeting	\$600.00			\$26.64									-\$85.52		\$541.12
2/1/2012	20090830	February Board Meeting	600.00			26.64									-85.52		541.12
3/9/2012	20091252	March Board Meeting	600.00			26.64									-85.52		541.12
4/2/2012	20091529	April Board Meeting	600.00			26.64									-85.52		541.12
5/9/2012	20092025	May Board Meeting	600.00			26.64									-85.52		541.12
6/4/2012	20092368	June Board Meeting	600.00			26.64									-85.52		541.12
6/22/2012	20092629	Annual Meeting		200.00		26.64											226.64
7/6/2012	20092802	July Board Meeting	600.00			0.00									-85.52		514.48
8/1/2012	20093149	August Board Meeting	600.00			26.64									-85.52		541.12
9/4/2012	20093609	September Board Meeting	600.00			26.64									-85.52		541.12
10/12/2012	20094142	October Board Meeting	600.00												-85.52		514.48
11/2/2012	20094435	November Board Meeting	600.00			26.64									-85.52		541.12
11/16/2012	20094648	Strategic Planning Meeting		200.00		26.64											226.64
12/3/2012	20094802	December Board Meeting	600.00			26.64									-85.52		541.12
12/14/2012	20094964	KAEC Meeting 11/18/12-11/20/12			400.00	166.50					250.74	24.00					841.24
Health Insurance - Gross Amount (983.66 x 12 months)																11,803.92	11,803.92
Paid directly by Cooperative on Behalf of Director:																	
7/19/2012	20093268	NRECA Regional Meeting							395.00								395.00
3/19/2012	20091654	NRECA Grassroots Legislative Conference 4/29/12-05/01/12						604.40									604.40
12/3/2012	20095117	KAEC Annual Meeting 11/18/12-11/20/12												118.00			118.00
	Total		\$7,200.00	\$400.00	\$400.00	\$486.18	\$604.40	\$0.00	\$395.00	\$250.74	\$24.00	\$0.00		\$118.00	\$0.00	\$10,777.68	\$20,656.00

Fred Brown

P

Check Date	Check Number	Explanation	Regular Board Meeting	Other Board Meeting	Per Diem	Mileage	Air Fare	Luggage Fees	Meeting/Registration Fees	Hotel incl. meals charged by hotel	Parking	Taxi/Shuttle	Meals	Health Insurance	Health Insurance Reimbursement	Misc.	Total
1/3/2012	20090486	January Board Meeting	\$300.00			\$38.85									-\$85.52		\$253.33
2/1/2012	20090831	February Board Meeting	300.00			38.85									-85.52		253.33
3/9/2012	20091254	March Board Meeting	300.00			38.85									-85.52		253.33
4/2/2012	20091530	April Board Meeting	300.00			38.85									-85.52		253.33
5/9/2012	20092026	May Board Meeting	300.00			38.85									-85.52		253.33
6/4/2012	20092369	June Board Meeting	300.00			38.85									-85.52		253.33
6/22/2012	20092631	Annual Meeting		200.00		38.85											238.85
7/6/2012	20092803	July Board Meeting	300.00			0.00									-85.52		214.48
8/1/2012	20093150	August Board Meeting	300.00			38.85									-85.52		253.33
8/10/2012	20093278	EKPC Annual Meeting 06/12/2012			200.00	41.63											241.63
9/4/2012	20093610	September Board Meeting	300.00			38.85									-85.52		253.33
10/5/2012	20094036	October Board Meeting	300.00			38.85									-85.52		253.33
11/2/2012	20094437	November Board Meeting	300.00			38.85									-85.52		253.33
11/16/2012	20094649	Strategic Planning Meeting		200.00		38.85											238.85
12/3/2012	20094803	December Board Meeting	300.00			38.85									-85.52		253.33
Health Insurance - Gross Amount (983.66 x 12 months)																11,803.92	11,803.92
Paid directly by Cooperative on Behalf of Director:																	
12/19/2012	20095346	KAEC Annual Meeting 11/18/12-11/20/12								125.37							125.37
12/3/2012	20095117	KAEC Annual Meeting 11/18/12-11/20/12												118.00			118.00
	Total		\$3,600.00	\$400.00	\$200.00	\$546.68	\$0.00	\$0.00	\$0.00	\$125.37	\$0.00	\$0.00		\$118.00	\$0.00	\$10,777.68	\$15,767.73

Fred Callahan

Check Date	Check Number	Explanation	Regular Board Meeting	Other Board Meeting	Per Diem	Mileage	Air Fare	Luggage Fees	Meeting/Registration Fees	Hotel incl. meals charged by hotel	Parking	Taxi/Shuttle	Meals	Health Insurance	Health Insurance Reimbursement	Misc.	Total
1/3/2012	20090487	January Board Meeting	\$600.00			\$27.20									-\$85.52		\$541.68
1/13/2012	20090588	KAEC Board Meeting				173.16					90.86						264.02
2/1/2012	20090832	February Board Meeting	600.00			27.20									-85.52		541.68
3/9/2012	20091260	March Board Meeting	600.00			27.20									-85.52		541.68
3/23/2012	20091428	NRECA Directors' Conference			400.00	869.13				650.09							1,919.22
3/23/2012	20091428	KAEC Board Meeting				124.32											124.32
4/2/2012	20091530	April Board Meeting	600.00			27.20									-85.52		541.68

7/19/2012	20093268	CFC Forum 07/08/12-07/11/12								1,429.65							1,429.65
8/10/2012	20093360	CFC Forum 2012 for East Kentucky Power Cooperative				99.90	423.20				56.00		86.61				665.71
		Total	\$0.00	\$0.00	\$0.00	\$519.48	\$423.20	\$90.00	\$0.00	\$2,262.61	\$153.00	\$60.00	\$343.73	\$0.00	\$0.00	\$15.15	\$3,867.17

Ted Cundiff

Check Date	Check Number	Explanation	Regular Board Meeting	Other Board Meeting	Per Diem	Mileage	Air Fare	Luggage Fees	Meeting/Registration Fees	Hotel incl. meals charged by hotel	Parking	Taxi/Shuttle	Meals	Health Insurance	Health Insurance Reimbursement	Misc.	Total
1/3/2012	20090488	January Board Meeting	\$1,000.00				\$53.28										\$1,053.28
2/1/2012	20090833	February Board Meeting	1,000.00				53.28										1,053.28
3/9/2012	20091264	March Board Meeting	1,000.00				53.28										1,053.28
4/2/2012	20091533	April Board Meeting	1,000.00				53.28										1,053.28
5/9/2012	20092028	May Board Meeting	1,000.00				53.28										1,053.28
6/4/2012	20092371	June Board Meeting	1,000.00				53.28										1,053.28
6/22/2012	20092637	Annual Meeting		200.00			53.28										253.28
7/6/2012	20092806	July Board Meeting	1,000.00														1,000.00
8/1/2012	20093152	August Board Meeting	1,000.00				53.28										1,053.28
9/4/2012	20093612	September Board Meeting	1,000.00				53.28										1,053.28
10/19/2012	20094222	October Board Meeting	1,000.00														1,000.00
11/2/2012	20094440	November Board Meeting	1,000.00				53.28										1,053.28
11/16/2012	20094652	Strategic Planning Meeting		200.00			53.28										253.28
12/3/2012	20094805	December Board Meeting	1,000.00				53.28										1,053.28
		Total		\$400.00	\$0.00	\$639.36	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$13,039.36

Jim Hays

Check Date	Check Number	Explanation	Regular Board Meeting	Other Board Meeting	Per Diem	Mileage	Air Fare	Luggage Fees	Meeting/Registration Fees	Hotel incl. meals charged by hotel	Parking	Taxi/Shuttle	Meals	Health Insurance	Health Insurance Reimbursement	Misc.	Total
1/3/2012	20090490	January Board Meeting	\$300.00											\$279.97			\$579.97
2/1/2012	20090835	February Board Meeting	300.00											279.97			579.97
3/9/2012	20091273	March Board Meeting	300.00											279.97			579.97
4/2/2012	20091536	April Board Meeting	300.00											279.97			579.97
5/9/2012	20092029	May Board Meeting	300.00											279.97			579.97
6/4/2012	20092373	June Board Meeting	300.00											279.97			579.97
7/6/2012	20092813	July Board Meeting	300.00											279.97			579.97
8/1/2012	20093154	August Board Meeting	300.00											279.97			579.97
9/4/2012	20093615	September Board Meeting	300.00											279.97			579.97
10/5/2012	20094048	October Board Meeting	300.00											279.97			579.97
11/2/2012	20094446	November Board Meeting	300.00											279.97			579.97
12/3/2012	20094807	December Board Meeting	300.00											279.97			579.97
		Total	\$3,600.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,359.64	\$0.00	\$0.00	\$6,959.64

Jim Hays III

Check Date	Check Number	Explanation	Regular Board Meeting	Other Board Meeting	Per Diem	Mileage	Air Fare	Luggage Fees	Meeting/Registration Fees	Hotel incl. meals charged by hotel	Parking	Taxi/Shuttle	Meals	Health Insurance	Health Insurance Reimbursement	Misc.	Total
1/3/2012	20090491	January Board Meeting	\$300.00				\$11.10										\$225.58
2/1/2012	20090836	February Board Meeting	300.00				11.10										225.58
3/9/2012	20091274	March Board Meeting	300.00				11.10										225.58
4/2/2012	20091537	April Board Meeting	300.00				11.10										225.58
5/9/2012	20092030	May Board Meeting	300.00				11.10										225.58
6/4/2012	20092374	June Board Meeting	300.00				11.10										225.58
6/22/2012	20092644	Annual Meeting		200.00			11.10										211.10
7/6/2012	20092814	July Board Meeting	300.00														300.00
8/1/2012	20093155	August Board Meeting	300.00				11.10										311.10
9/4/2012	20093616	September Board Meeting	300.00				11.10										311.10
10/5/2012	20094050	October Board Meeting	300.00				11.10										311.10
11/2/2012	20094447	November Board Meeting	300.00				11.10										311.10
12/3/2012	20094808	December Board Meeting	300.00				11.10										311.10
Health Insurance - Gross Amount (983.66 x 12 months)																	
			\$3,600.00	\$200.00	\$0.00	\$133.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$11,803.92	\$11,803.92
																\$10,777.68	\$14,710.88

Dale Madden

Check Date	Check Number	Explanation	Regular Board Meeting	Other Board Meeting	Per Diem	Mileage	Air Fare	Luggage Fees	Meeting/Registration Fees	Hotel incl. meals charged by hotel	Parking	Taxi/Shuttle	Meals	Health Insurance	Health Insurance Reimbursement	Misc.	Total
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	8,980.80
Steve Patton	

Phillip Thompson

Check Date	Check Number	Explanation	Regular Board Meeting	Other Board Meeting	Per Diem	Mileage	Air Fare	Luggage Fees	Meeting/Registration Fees	Hotel incl. meals charged by hotel	Parking	Taxi/Shuttle	Meals	Health Insurance	Health Insurance Reimbursement	Misc.	Total
1/3/2012	20090497	January Board Meeting	\$1,000.00			\$59.94											\$1,059.94
2/1/2012	20090842	February Board Meeting	1,000.00			59.94											1,059.94
3/9/2012	20091301	March Board Meeting	1,000.00			59.94											1,059.94
3/23/2012	20091455	NRECA Annual Meeting			600.00				50.00	895.04			38.27				1,583.31
3/23/2012	20091455	NRECA Directors' Conference			400.00					607.81	47.94		108.44				1,204.15
4/2/2012	20091547	April Board Meeting	1,000.00			59.94											1,059.94
5/9/2012	20092034	May Board Meeting	1,000.00			59.94											1,059.94
6/4/2012	20092378	June Board Meeting	1,000.00			59.94											1,059.94
6/22/2012	20092664	Annual Meeting		200.00		59.94											259.94
7/6/2012	20092838	July Board Meeting	1,000.00														1,000.00
8/1/2012	20093161	August Board Meeting	1,000.00			59.94											1,059.94
8/24/2012	20093542	EKPC Annual Meeting 06/12/2012			200.00	68.82											268.82
9/4/2012	20093624	September Board Meeting	1,000.00			59.94											1,059.94
10/5/2012	20094084	October Board Meeting	1,000.00			59.94											1,059.94
		NRECA Regional Meeting (\$453.43 for Director Phil Thompson was paid by Director Landis Cornett as shown above) Atlanta, GA 10/2/12-10/4/12			400.00	38.85					36.00		32.85				507.70
10/19/2012	20094260																
11/2/2012	20094472	November Board Meeting	1,000.00			59.94											1,059.94
11/16/2012	20094657	Strategic Planning Meeting		200.00		59.94											259.94
12/3/2012	20094813	December Board Meeting	1,000.00			59.94											1,059.94
12/14/2012	20095016	KAEC Annual Meeting			400.00	153.18				250.74	24.00						827.92
10/19/2012	20094561	NRECA Regional Meeting - hotel deposit								189.00							189.00

Paid directly by Cooperative on Behalf of Director:

1/19/2012	20091018 NRECA Directors' Conference - on Cooperative VISA							725.00	213.75							938.75
7/19/2012	20093268 NRECA Regional Meeting							395.00								395.00
11/18/2012	20095021 NRECA Annual Meeting							550.00								550.00
2/17/2012	20091339 NRECA Annual Meeting - hotel deposit								298.28							298.28
2/17/2012	20091339 NRECA Annual Meeting					393.20										393.20
12/3/2012	20095117 KREC Annual Meeting 11/18/12-11/20/12											118.00				118.00
	Total	\$12,000.00	\$400.00	\$2,000.00	\$1,080.03	\$393.20	\$50.00	\$1,670.00	\$2,454.62	\$107.94	\$0.00	\$297.56	\$0.00	\$0.00	\$0.00	\$20,453.35

EXPENSES FOR SPOUSES OF BOARD MEMBERS IN 2012

Check Date	Check Number	Explanation	Guest Name	Spouse/Guest of	Cost of Meals
12/3/2012	20095117	KAEC Annual Meeting 11/18/12-11/20/12	Louise Callahan	Fred Callahan	\$88.00
12/3/2012	20095117	KAEC Annual Meeting 11/18/12-11/20/12	Thelda Brown	Fred Brown	\$88.00
12/3/2012	20095117	KAEC Annual Meeting 11/18/12-11/20/12	Janice Binder	Keith Binder	\$88.00
12/3/2012	20095117	KAEC Annual Meeting 11/18/12-11/20/12	Noretta Thompson	Phil Thompson	\$88.00
12/3/2012	20095117	KAEC Annual Meeting 11/18/12-11/20/12	Ann Patton	Steve Patton	\$88.00
12/3/2012	20095117	KAEC Annual Meeting 11/18/12-11/20/12	Lona Cornett	Landis Cornett	\$50.00
Total					\$490.00

Health Insurance Premium Allowance for Noretta Thompson - Spouse of deceased Board Director, Don Thompson:

Check Date	Check Number	Explanation	Health Insurance
1/3/2013	20090498	January	279.97
2/1/2012	20090843	February	279.97
3/8/2012	20091302	March	279.97
4/2/2012	20091548	April	279.97
5/9/2012	20092035	May	279.97
6/4/2012	20092379	June	279.97
7/2/2012	20092839	July	279.97
8/1/2012	20093162	August	279.97
9/4/2012	20093625	September	279.97
10/1/2012	20094085	October	279.97
11/1/2012	20094473	November	279.97
12/3/2012	20094814	December	279.97
Total			\$3,359.64

Jackson Energy Cooperative
Case No. 2013-00219
Response to Commission Staff First Data Request

Item No. 1
Page 1 of 3
Witness: Jim Adkins

Q33: Provide a detailed analysis of expenses incurred during the test year for professional services, as shown in Format 34. Include detailed workpapers supporting this analysis which show the payee, dollar amount, reference (i.e. voucher no., etc.), account charged, hourly rates and time charged to the utility according to each invoice, and a brief description of the service provided. Identify all rate case work by case number.

A33: Legal

The attorney is paid a monthly retainer for work performed during the month to include attending the monthly Board of Directors meetings. Expenses are also paid for attending legal seminars for Cooperative business. The attorney charges for other legal services performed as needed. Those costs are charged to account 923.00.

Accounting and Auditing

Jackson Energy also engages a CPA to perform the annual audit. The CPA also prepares the income and property tax returns.

In addition to the annual audit, Jackson Energy hires a CPA to perform internal audits on various subjects.

The costs of the audits and tax returns are charged to account 923.00.

Depreciation Study and Rate Design

Jackson Energy paid a consultant to prepare an updated depreciation study and look at some rate design. Those costs were charged to account 923.00 and 588.00.

Refer to PSC's First Data Request for Item 14 for details on the expenses.

JACKSON ENERGY COOPERATIVE CORPORATION

Case No. 2013-00219

Professional Services Expenses
For the 12 Months Ended December 31, 2012

Line No.	Item (a)	Rate Case (b)	Annual Audit (c)	Other (d)	Total (e)
1	Legal			\$73,803.88	\$73,803.88
2	Engineering				\$0.00
3	Accounting		\$12,000.00	\$4,489.71	\$16,489.71
4	Other			\$22,585.00	\$22,585.00
5	Total	\$0.00	\$12,000.00	\$100,878.59	\$112,878.59

JACKSON ENERGY COOPERATIVE CORPORATION

Case No. 2013-00219

Professional Services Expenses Detail
For the 12 Months Ended

PAYEE	AMOUNT PAID	CHECK NUMBER	ACCOUNT CHARGED	DESCRIPTION
TAYLOR, KELLER, & OSWALD	\$526.64	20090496	923.00	Retainer & Mileage to Board Meeting
	526.64	20090841	923.00	Retainer & Mileage to Board Meeting
	526.64	20091299	923.00	Retainer & Mileage to Board Meeting
	526.64	20091546	923.00	Retainer & Mileage to Board Meeting
	526.64	20092033	923.00	Retainer & Mileage to Board Meeting
	526.64	20092377	923.00	Retainer & Mileage to Board Meeting
	500.00	20092836	923.00	Retainer
	526.64	20093160	923.00	Retainer & Mileage to Board Meeting
	526.64	20093623	923.00	Retainer & Mileage to Board Meeting
	526.64	20094083	923.00	Retainer & Mileage to Board Meeting
	526.64	20094469	923.00	Retainer & Mileage to Board Meeting
	526.64	20094812	923.00	Retainer & Mileage to Board Meeting
	4,873.57	20091131	923.00	Legal Services
	4,338.87	20091384	923.00	Legal Services
	4,815.95	20091709	923.00	Legal Services
	5,940.07	20092274	923.00	Legal Services
	4,143.18	20092661	923.00	Legal Services
	5,892.10	20092836	923.00	Legal Services
	7,096.73	20093343	923.00	Legal Services
	6,512.96	20093793	923.00	Legal Services
	6,212.15	20094258	923.00	Legal Services
	6,799.02	20094637	923.00	Legal Services
	5,658.89	20094915	923.00	Legal Services
	5,227.35	20095340	923.00	Legal Services
ALAN M. ZUMSTEIN	1,450.00	20092196	923.00	Tax Preparation
	12,000.00	20093353	923.00	Audit
JAMES R. ADKINS	20,000.00	20094265	923.00	Depreciation Study
	880.00	20095022	588.00	Rate Design
	1,705.00	20098709	588.00	Rate Design
GRAHAM F. JOHNS III	3,039.71	20095075	923.00	Internal Audits
TOTAL	\$112,878.59			

Jackson Energy Cooperative
Case No. 2013-00219
Response to Commission Staff First Data Request

Item No. 34
Page 1 of 2
Witness: Jim Adkins

Q34: Provide the following information concerning the costs for the preparation of this case:

- a. A detailed schedule of costs incurred to date. Include the date of the transaction, check number or other document reference, the vendor, amount, a description of the services performed, and the account number in which the expenditure was recorded. Indicate any costs incurred for this case during the test year. Include copies of invoices received from the vendors.
- b. An itemized estimate of the total cost to be incurred, detailed explanation of how the estimate was determined, and all supporting workpapers and calculations.
- c. Monthly updates of the actual costs incurred during the course of this proceeding, in the manner prescribed above.

Q34: a.

Item	Date	Check No.	Description	Amount	Total
Labor & Benefits					\$2,405.08
Transportation & Mileage					\$83.06
Miscellaneous - Meals, supplies, etc.					\$42.55
Total to Date					<u><u>\$2,530.69</u></u>

Jackson Energy Cooperative
Case No. 2013-00219
Response to Commission Staff First Data Request

Item No. 34
Page 2 of 2
Witness: Jim Adkins

- b. Provided below is an itemized estimate of the total cost to be incurred for this application.:

Rate Consulting:

Cost of Service Study	\$10,000	
Revenue Requirements & Rate Design	2,000	
Testimony	5,000	
Development of Application Documents	10,000	
Response to First Data Request	5,000	
Response to Other Data Requests	4,000	
PSC Hearing and Prep	2,000	
PSC Hear Data Request & Brief	<u>2,000</u>	
Total Rate Consulting Fees		\$40,000

Advertising :

Initial Advertising	\$13,000	
Hearing Notice	<u>4,000</u>	
Total Advertising		\$17,000

Attorney Fees \$10,000

Office Supplies \$2,500

Total Estimated Cost \$69,500

Jackson Energy Cooperative
Case No. 2013-00219
Response to Commission Staff First Data Request

Item No. 35
Page 1 of 1
Witness: Jim Adkins

Q35: Provide the estimated dates for draw downs of unadvanced load funds at the test-year-end and the proposed uses of these funds.

A35: Jackson Energy advance \$7,000,000 of loan funds on April 19, 2013. It is estimated that another \$1,000,000 will be advanced on or about December 31, 2013. These funds will be used to repay the short-term borrowings used to finance construction projects.

Jackson Energy Cooperative
Case No. 2013-00219
Response to Commission Staff First Data Request

Item No. 36
Page 1 of 2
Witness: Jim Adkins

Q36: Provide a list of depreciation expenses using Format 37.

A36: Please see Item 37 page 2.

A/C #	Description	Balance 12/31/2012	Depreciation Rate	Annual Depreciation	Test Year Expense	Exclude Items Fully Depreciated
362	Station Equipment	\$1,699,191	6.67%	\$113,336		
364	Poles, Towers & Fixtures	\$63,612,934	4.21%	\$2,678,105		
365	Overhead Conductors & Devices	\$61,967,294	3.61%	\$2,237,019		
366	Underground Conduit	\$0	2.00%	\$0		
367	Underground Conductor & Devices	\$1,807,320	3.52%	\$63,618		
368	Line Transformers	\$28,469,860	2.56%	\$728,828		
369	Services	\$20,144,271	4.78%	\$962,896		
370	Meters	\$1,647,564	4.17%	\$68,703		
370.01	Meters, AMR	\$10,218,298	6.67%	\$681,560		
371	Security Lights	\$5,186,888	5.02%	\$260,382		
373	Street Lights	\$278,611	5.21%	\$14,516		
Total		\$195,032,231		\$7,808,963	\$7,662,551	
389	Land & Land Rights	\$199,155	0.00%	\$0		
390	Structures & Improvements	\$8,860,202	1.98%	\$172,759	\$160,468	\$135,011
391	Office Furniture & Equipment	\$1,978,368	6.82%	\$82,081	\$197,591	\$774,841
392	Transportation Equipment	\$6,027,457	11.72%	\$637,568	\$550,656	\$587,459
393	Stores Equipment	\$271,904	5.00%	\$10,738	\$10,435	\$57,154
394	Tools, Shop & Garage Equipment	\$331,479	5.00%	\$15,087	\$18,825	\$29,744
395	Laboratory Equipment	\$280,271	6.67%	\$12,684	\$12,834	\$90,104
396	Power Operated Equipment	\$49,293	9.53%	\$310	\$601	\$46,040
397	Communication Equipment	\$2,307,918	10.00%	\$225,533	\$102,167	\$52,586
398	Miscellaneous Equipment	\$1,809,660	6.67%	\$114,984	\$90,411	\$85,763
Total		\$22,115,707		\$1,271,744	\$1,143,988	
Grand Total		\$217,147,938		\$9,080,707	\$8,806,539	

Jackson Energy Cooperative
Case No. 2013-00219
Response to Commission Staff First Data Request

Item No. 37
Page 1 of 1
Witness: Jim Adkins

Q37: Are the depreciation rates reflected in this filing identical to those most recently approved by the Commission?

- a. If yes, identify the case in which they were approved.
- b. If no, provide the depreciation study that supports the rates reflected in this filing.

A37: Yes, PSC Case No. 2007-00333.

Jackson Energy Cooperative
Case No. 2013-00219
Response to Commission Staff First Data Request

Item No. 38
Page 1 of 2
Witness: Jim Adkins

Q38: Provide information for plotting the depreciation guideline curves in accordance with RUS Bulletin 183-1, as shown in Format 39.

A38: Please see Item 38 page 2.

JACKSON ENERGY COOPERATIVE
Case No. 2013-00219
Depreciation Expenses

Item 38
Page 2 of 2
Witness: Jim Adkins

Year Ended	Depreciation Plant in Service	Accumulated Provision for Depreciation	Reserve Ratio	Ratio of Current Distribution Plant to Distribution Plant Ten Years Prior
2012	195032231	50406552	25.85%	1.52
2011	188737845	49568317	26.26%	1.54
2010	182238053	41969876	23.03%	1.57
2009	176535986	38063291	21.56%	1.64
2008	171487986	34533445	20.14%	1.72
2002	128037011	20043329	15.65%	
2001	122499529	17528160	14.31%	
2000	116277001	3168303	2.72%	
1999	107755935	3024991	2.81%	
1998	99438227	2640371	2.66%	

Jackson Energy Cooperative
Case No. 2013-00219
Response to Commission Staff First Data Request

Item No. 39
Page 1 of 1
Witness: Jim Adkins

Q39: For each charitable and political contribution (in cash or services), provide the amount, recipient and specific account charged.

A39: Refer to Question 30 of Commission's First Data Request.

Jackson Energy Cooperative
Case No. 2013-00219
Response to Commission Staff First Data Request

Item No. 40
Page 1 of 1
Witness: Jim Adkins

Q40: Describe Jackson's lobbying activities and provide a schedule showing the name and salary of each lobbyist; all company-paid or reimbursed expenses or allowances; and the account charged for all personnel for whom a principal function is lobbying, on the local, state, or national level; and indicate whether the lobbyist is an employee or an independent contractor. If any amounts are allocated, who a calculation of the factor used to allocate each amount.

A40: Jackson Energy does not engage in any lobbying activities.

Jackson Energy Cooperative
Case No. 2013-00219
Response to Commission Staff First Data Request

Item No. 41
Page 1 of 1
Witness: Jim Adkins

Q41: Provide complete details of the financial reporting and ratemaking treatment of Jackson's pension costs.

A41: Jackson Energy has a defined benefit and 401(k) pension plan. The treatment is the same for financial reporting as rate making purposes.

Jackson Energy Cooperative
Case No. 2013-00219
Response to Commission Staff First Data Request

Item No. 42
Page 1 of 11
Witness: Jim Adkins

Q42: Provide complete details of Jackson's financial reporting and rate-making treatment of Statement of Financial Accounting Standard ("SFAS") No. 106, "Postretirement Benefits Other Than Pensions," including:

- a. The date Jackson adopted or plans to adopt SFAS No. 106;
- b. All accounting entries made or to be made at the date of adoptions; and
- c. All actuarial studies and other documents used to determine the level of SFAS No. 106 cost recorded or to be recorded by Jackson.

A42: a. Jackson Energy implemented Statement of Financial Accounting Standard No. 106 (SFAS 106) as of January 1, 1995.

- b. The journal entry to record the expense for the initial year of 1994 is as follows:

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

- c. The updated study as of January 1, 2010, is included with this response on Item 42 page 2.

Jackson Energy Cooperative

McKee, Kentucky

Financial Accounting Standard No. 106 -
Employers' Accounting for Postretirement
Benefits Other Than Pensions

and

Financial Accounting Standard No. 158 -
Employers' Accounting for Defined Benefit Pension
and Other Postretirement Benefit Plans

as of January 1, 2010

as prepared by:
W. Dudley Shryock, CPA, PSC
Lawrenceburg, Kentucky

W. DUDLEY SHRYOCK, CPA, PSC
CERTIFIED PUBLIC ACCOUNTANTS

Item No. 42
Page 3 of 11
Witness: Jim Adkins

P.O. BOX 542
145 COLLEGE STREET
LAWRENCEBURG, KENTUCKY 40342

MEMBER AICPA

MEMBER KY SOCIETY
OF CPAS

August 6, 2010

Sharon K. Carson, Executive VP and CFO
Jackson Energy Cooperative
114 Jackson Energy Lane
McKee, Kentucky 40447

Dear Ms. Carson:

Please find enclosed the actuarial valuation results as of May 1, 2010 for Financial Accounting Standard No. 106 - Employers' Accounting for Postretirement Benefits Other than Pensions and the reporting requirements of Financial Accounting Standard No. 158, Employers' Accounting for Defined Benefit Pension and Other Postretirement Benefit Plans.

The annual accrual should be \$990,000 starting when you receive this.

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 1
Jackson Energy Cooperative
SFAS No. 106/158 Financial Statement Disclosures
January 1, 2010

Net Periodic Benefit Cost

1.	Service cost	\$	306,739
2.	Interest cost		480,086
3.	Expected return on plan assets		-
4.	Amortization of transition obligation		-
5.	Amortization gain / (loss)		201,728
6.	Net periodic benefit cost	\$	988,553

Change in Accumulated Benefit Obligation

1.	Accumulated benefit obligation, beginning	\$7,538,272
2.	Service cost	306,739
3.	Interest cost	480,086
4.	Expected return on plan assets	-
5.	Amortization of transition obligation	-
6.	Amortization gain / (loss)	201,728
7.	Plan amendments	-
8.	Disbursements	(524,081)
9.	Accumulated other comprehensive income, initial	-
10.	Accumulated other comprehensive income	-
11.	Accumulated benefit obligation, ending	\$ 8,002,744

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	\$ -

Exhibit 2
Jackson Energy Cooperative
SFAS No. 106/158 Financial Statement Disclosures
January 1, 2010

Benefit obligations at beginning of year

1.	Accumulated benefit obligation (APBO)	\$ 7,538,272
2.	Expected benefit obligation (EPBO)	\$12,574,446

Statement of funded status

1.	Accumulated benefit obligation (APBO)	\$ (8,002,744)
2.	Fair value of plan assets	-
3.	Funded status of plan	<u>\$ (8,002,744)</u>

Amounts recognized in the statement of financial position

1.	Noncurrent assets	\$ -
2.	Current liabilities	-
3.	Noncurrent liabilities	8,002,744
4.	Funded status	<u>\$ 8,002,744</u>

Amounts recognized in accumulated other comprehensive income

1.	Net loss (gain)	\$ 201,728
2.	Transition obligation	-
3.	Total	<u>\$ 201,728</u>

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

1.	Beginning of year	\$ (1,973,656)
2.	Net loss (gain)	<u>(2,209,554)</u>
3.	Amortization of net loss (gain)	201,728
4.	Amortization of transition obligation	-
5.	Total recognized in other comprehensive income	<u>(2,007,826)</u>
6.	End of year	<u>\$ (3,981,482)</u>

Jackson Energy Cooperative
Medical Insurance Premiums

Item No. 42
Page 6 of 11
Witness: Jim Adkins

SFAS 106 Obligation as of January 1, 2010

FAS 106 Expense Components

1. Service cost	\$ 306,739
2. Interest cost	480,086
3. Expected return on assets	-
4. Amortization of transition obligation	-
5. Amortization of actuarial (gain) / loss	<u>201,728</u>
6. Total FAS 106 expense	<u><u>\$ 988,553</u></u>
7. Expected pay-as-you-go expense	<u><u>\$ 524,081</u></u>

Amortization of Transition Obligation

1. Transition Obligation as of January 1, 1995	\$ -
2. Number of years in amortization	<u>-</u>
3. Annual amortization	<u><u>\$ -</u></u>

**Jackson Energy Cooperative
Medical Insurance Premiums**

Item No. 42
Page 7 of 11
Witness: Jim Adkins

SFAS 106 Obligation as of January 1, 2010

	<u>Employees</u>	<u>Directors</u>	<u>Total</u>
A. Accumulated Postretirement Benefit Obligations (APBO) as of January 1, 2010			
1. Actives not yet eligible	\$3,555,443	\$51,647	\$3,607,090
2. Actives fully eligible	622,224	101,032	723,256
3. Retirees and dependents	<u>3,140,555</u>	<u>67,371</u>	<u>3,207,926</u>
4. Total APBO	7,318,222	220,050	7,538,272
B. Future accruals	<u>4,980,289</u>	<u>55,885</u>	<u>5,036,174</u>
C. Total Expected Postretirement Benefit Obligations (EPBO) (A4 + B)	<u><u>\$12,298,511</u></u>	<u><u>\$275,935</u></u>	<u><u>\$12,574,446</u></u>
D. Reconciliation of Funded Status			
			January 1, <u>2010</u>
1. Accrued Postretirement Benefit Cost			\$ 5,328,718
2. Assets			<u>-</u>
3. Funded Status = (D1 + D2)			5,328,718
4. Unrecognized Transition Obligation			-
5. Unrecognized Gain/(Loss)			2,209,554
6. Unrecognized Prior Service Cost			-
7. APBO (D3 + D4 + D5 + D6)			<u><u>\$ 7,538,272</u></u>

**Jackson Energy Cooperative
Medical Insurance Premiums**

Item No. 42
Page 8 of 11
Witness: Jim Adkins

SFAS 106 Obligation as of January 1, 2010

Alternate assumptions:

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

	Current <u>Plan</u>	Alternate <u>Assumptions</u>	<u>% Change</u>
APBO	7,233,596	8,200,000	13.4%
EPBO	12,333,564	14,000,000	13.5%
SFAS 106 Expense	988,553	1,100,000	11.3%

Estimated payments for the next five (5) years is as follows:

2010	524,081
2011	524,588
2012	500,891
2013	441,093
2014	409,338
2015	372,756

Jackson Energy COOPERATIVE
FAS 106 Assumptions

Item No. 42
Page 9 of 11
Witness: Jim Adkins

Covered Groups

All eligible directors and employees.

Eligibility

Directors and employees retiring with at least ten (10) years of service and be age 55 or older.

Spouse

Jackson Energy pays family medical coverage for retirees and their dependents.

Medicare

At age 65 retirees will commence with Medicare coverage.

Contributions

For Directors whose term begins on or after May 11, 2006, the Cooperative will not provide medical insurance coverage for the director or their dependents.

Regular full-time employees hired on or after March 1, 2004, will be required to pay a part of their health insurance premium upon retirement. The amount of the payment will be determined when the employee retires.

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, withdrawals and mortality

Estimate that employees will retire at age 60 and will be replaced in the normal course of business and Directors at age 70.

Dependents and future retirees

Presently approximately 60% of retirees have dependent coverage.

Discount rate

6.50% per year.

Jackson Energy COOPERATIVE
FAS 106 Assumptions

Item No. 42
Page 10 of 11
Witness: Jim Adkins

Terminations

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

<u>Age</u>	<u>Rate</u>	<u>Number of Employees</u>
20	15%	12
30	7%	27
40	3%	41
50	1%	43
60	0%	<u>2</u>
		<u>125</u>

Medical inflation rate

8% per year in 2009 decreasing by 0.5% per year until 5.5% per year.

Eligibility classes

Based on the Directors, employees and retirees as of January 1, 2010 are as follows:

	<u>Employees</u>	<u>Directors</u>
Actives not fully eligible	115	2
Actives fully eligible	10	3
Retirees and dependent	<u>71</u>	<u>3</u>
Total	<u>196</u>	<u>8</u>

Jackson Energy Cooperative
FAS No. 106 Journal Entries
Monthly Journal Entry

			<u>Debit</u>	<u>Credit</u>
-1-				
Employee benefits	926.00	\$	80,020	
Director Expenses	930.40	\$	2,480	
Accum Other Comp Income	214.00			\$ 65,700
Accum Postretirmeent Benefits	228.30			\$ 16,800

Record monthly entry for FAS 106.

-2-				
Accum Other Comp Income	214.00	\$	2,209,554	
Accum Postretirmeent Benefits	228.30			\$ 2,209,554

Record adjustment to for postretirement benefits.

Jackson Energy Cooperative
Case No. 2013-00219
Response to Commission Staff First Data Request

Item No. 43
Page 1 of 1
Witness: Jim Adkins

Q43: Provide complete details of Jackson's financial reporting and rate-making treatment of SFAS No. 112, "Postemployment Benefits," including:

- a. The date that Jackson adopted SFAS No. 112;
- b. All accounting entries made at the date of adoption; and
- c. All actuarial studies and other documents used to determine the level of SFAS No. 112 cost recorded by Jackson.

A43: SFAS No. 112 does not apply to Jackson Energy.

Jackson Energy Cooperative
Case No. 2013-00219
Response to Commission Staff First Data Request

Item No. 44
Page 1 of 1
Witness: Jim Adkins

Q44: Provide complete details of Jackson's financial reporting and rate-making treatment of SFAS No. 143, "Accounting for Asset Retirement Obligations," including:

- a. The date that Jackson adopted the SFAS;
- b. All accounting entries made at the date of adoption;
- c. All studies and other documents used to determine the level of SFAS No. 143 cost recorded by Jackson; and
- d. A schedule comparing the depreciation rates utilized by Jackson prior to and after the adoption of SFAS No. 143. The schedule should identify the assets corresponding to the affected depreciation rates.

A44: SFAS No. 143 does not apply to Jackson Energy.

Jackson Energy Cooperative
Case No. 2013-00219
Response to Commission Staff First Data Request

Item No. 45
Page 1 of 1
Witness: Jim Adkins

Q45: Provide complete details of Jackson's financial reporting and rate-making treatment of SFAS No. 158, "Employer's Accounting for Defined Benefit Pension and Other Postretirement Plans," including:

- a. The date that Jackson adopted the SFAS;
- b. All accounting entries made at the date of adoption; and
- c. All studies and other documents used to determine the level of SFAS No. 158 cost recorded by Jackson.

A45: Since Jackson Energy's plan is a multiemployer plan, it is not required to recognize the overfunded or underfunded asset or liability on its financial statements. Jackson Energy does, however, report the overfunded or underfunded status in its notes to the financial statements in the annual audit.

Jackson Energy's retirement plan is a part of the National Rural Electric Cooperatives Association's (NRECA) pension plan. In 2013, NRECA offered a prepayment plan to help cooperatives remedy the underfunded condition. Jackson Energy made a prepayment of \$6,683,300 which resulted in an immediate reduction in the current and ongoing premiums. The Rural Utilities Service gave guidance as to the amortization of the prepayment. The prepayment is being amortized monthly over a period of 16 years.

Jackson Energy Cooperative
Case No. 2013-00219
Response to Commission Staff First Data Request

Item No. 46
Page 1 of 1
Witness: Jim Adkins

Q46: Provide any information, as soon as it is know, describing any events occurring after the test year that would have a material effect on net operating income, rate base, or cost of capital that is not incorporated in the filed testimony and exhibits.

A46: None are know at this time.

Jackson Energy Cooperative
Case No. 2013-00219
Response to Commission Staff First Data Request

Item No. 47
Page 1 of 1
Witness: Jim Adkins

Q47: Provide all current labor contracts and the most recent contracts in effect prior to the current contracts.

A47: Jackson Energy does not have any labor contracts.

Jackson Energy Cooperative
Case No. 2013-00219
Response to Commission Staff First Data Request

Item No. 48
Page 1 of 3
Witness: Jim Adkins

Q48: Regarding demand-side management, conservation and energy efficiency programs, provide the following:

- a. A list of all programs currently offered by Jackson;
- b. The total cost incurred for these programs during the test year and in each of the three most recent calendar years; and
- c. The total demand and energy reductions realized through these programs during the test year and in each of three most recent calendar years.

A48: The following is a list of DSM programs offered at Jackson Energy:

Button-up

A rebate incentive program designed to encourage customers to add insulation, caulking, or other air sealant measures to improve the heating/cooling envelope of their residence.

Heat Pump

A rebate incentives program designed to encourage customers to convert resistive heating equipment with high efficiency air-to-air heat pumps.

Tune-up

A rebate incentives program designed to encourage customers to seal leakage in heating/cooling ductwork

ETS

A rebate and alternate rate incentives program designed to encourage customers to install Electric Thermal Storage Units which are permitted to charge only in off peak time periods with discharge occurring during peak periods.

Jackson Energy Cooperative
Case No. 2013-00219
Response to Commission Staff First Data Request

Item No. 48
Page 2 of 3
Witness: Jim Adkins

Touchstone Energy Homes

A rebate incentives program designed to encourage customers to build new home to specified energy efficiency construction standards resulting in a 30% more energy efficient residence as compared to conventionally built homes.

- b. Please see Item No. 48 page 3.
- c. Please see Item No. 48 page 3.

Jackson Eenergy Cooperative
Case No. 2013-00219
Response to Commission Staff First Data Reques

Item No. 48
Page 3 of 3
Witness: Jim Adkins

b. Jackson Energy Demand Side Mgt. & Energy Efficiency Programs
New Installs by Year w/energy savings

Program	2010				2011				2012			
	# of Rebates	MWhs	Sum MWs	WIN MWs	# of Rebates	MWhs	Sum MWs	Win MWs	# of Rebates	MWhs	Sum MWs	Win MWs
Residential												
Button-Up	49	118	0.035	0.094	65	156	0.046	0.124	58	139.432	0.041	0.111
Button-Up w/Air Sealing					1	3	0.001	0.003	18	59.526	0.017	0.046
Heat Pump	8	57	0.001	0	25	177	0.005	0	50	353.75	0.009	0
Tune Up	38	51	0.015	0.041	8	11	0.003	0.009	11	14.894	0.004	0.012
ETS	4	(3.00)	0	0.027	0				1	(0.632)	0	0.007
Touchstone Energy Home	9	23	0.006	0.022	8	13	0.003	0.012	4	10.272	0.003	0.01
Dual Fuel					1	9	0	0.008				
CFLs*	6336	219	0.044	0.035	7008	242	0.048	0.039	7536	260	0.052	0.042
Commercial												
Commercial Advanced Lighting	0	0	0	0	7	410	0.07	0.038	4	272.05	0.046	0.025
Grand Totals		465	0.101	0.219		1021	0.176	0.233		1109.292	0.172	0.253

Jackson Energy also has previously installed 521 load control devices at consumer residences which control both water heaters and air conditioning units

* CFLs - Impacts are based on 69% installation of the total # reported.
Impacts are based on number of rebates processed for the programs

c. Costs associated with Energy Efficiency Programs

	2010	2011	2012
Button-up	\$11,073.44	\$6,441.71	-\$5,510.04 *
Heat Pump	\$58,213.16	\$58,213.16	-\$21,181.76 *
Tune-up	\$1,592.54	\$36.81	-\$1,077.13 *
ETS	\$6,575.08	\$4,003.83	\$6,528.37
Touchstone Energy Home	\$19,897.18	\$16,024.93	\$16,532.53
Dual Fuel	\$0.00	\$0.00	\$0.00
CFL's	\$10,771.00	\$11,212.80	\$11,304.00
Commercial Lighting	\$0.00	\$0.00	\$0.00

* Credit balances reflects difference between Jackson Energy's cost and East Kentucky Power re-payments which in 2012 included administrative and 15 year lost margin reimbursement.

Jackson Energy Cooperative
Case No. 2013-00219
Response to Commission Staff First Data Request

Item No. 49
Page 1 of 4
Witness: Jim Adkins

Q49: Provide separate schedules, for the test year and the 12-month period immediately preceding the test year, that show the following information regarding Jackson's investments in subsidiaries and joint ventures:

- a. Name of subsidiary or joint venture;
- b. Date of initial investment;
- c. Amount and type of investment;
- d. Balance sheet and income statement. Where only internal statements are prepared, furnish copies of these; and
- e. Name of officers of each of the subsidiaries or joint ventures, officer's annual compensation, and portion of compensation charged to the subsidiary.

A49: a. Jackson Energy Cooperative Corporation owns 75% of Jackson Energy Services Corporation. East Kentucky Power Corporation owns the other 25%. Jackson Energy Services Corporation owns 100% of Jackson Propane Plus, LLC.

- b. See Item 48 page 2.
- c. See Item 48 page 2.
- d. See Item 48 pages 3 and 4.
- e. See Item 28 page 2.

JACKSON ENERGY COOPERATIVE CORPORATION
Case No. 2013-00219

Subsidiary - Jackson Energy Services Corporation
For Test Year and One Year Prior

a. Name of Subsidiary: Jackson Energy Services Corporation

b. Date of Initial Investment 1998

c. Amount and Type of Investment	Year	Jackson Energy Cooperative Corporation	East Kentucky Power Cooperative	Total
Jackson Energy Services Stock	1998	\$9,000.00	\$3,000.00	\$12,000.00
Jackson Energy Services Stock	2002	\$1,185,000.00	\$395,000.00	\$1,580,000.00
Jackson Energy Services Stock	2005	\$150,000.00	\$50,000.00	\$200,000.00
Total		\$1,344,000.00	\$448,000.00	\$1,792,000.00

d. Balance Sheet and Income Statement See Item 49 Page 3

e. Officer Information

	Name	Annual Compensation from Subsidiaries	Annual Compensation from Jackson Energy Cooperative	Labor & Overheads Allocated to Subsidiary Operations	
2012	Donald Schaefer	\$0.00	\$181,905.34	\$1,899.49	
	Keith Binder	\$25.00	\$19,177.68	N/A	(\$8,400 fees; \$10,777.68 value of health insurance)
	Jim Hays III	\$25.00	\$14,577.68	N/A	(\$3,800 fees; \$10,777.68 value of health insurance)
	Chuck Caudill	\$0.00	\$0.00	N/A	Not a Jackson Energy employee or director
2011	Donald Schaefer	\$0.00	\$175,117.83	\$1,902.22	
	Keith Binder	\$25.00	\$18,977.68	N/A	(\$8,200 fees; \$10,777.68 value of health insurance)
	Jim Hays III	\$25.00	\$14,777.68	N/A	(\$4,000 fees; \$10,777.68 value of health insurance)
	Chuck Caudill	\$0.00	\$0.00	N/A	Not a Jackson Energy employee or director

* Jackson Energy uses its Cost Allocation Manual, filed with the Commission, to allocate direct labor with accompanying overheads to the subsidiary operations.

JACKSON ENERGY SERVICES CORPORATION
INCOME STATEMENT
FOR THE PERIOD ENDING DECEMBER 31, 2011

REVENUES:		
Net Revenues Generated from Holding Operations	87,719.43	
TOTAL REVENUES		87,719.43
EXPENSES:		
Office, Fee, License Expense	5,523.61	
Tax Expense	42,997.00	
TOTAL EXPENSES		<u>48,520.61</u>
NET OPERATING INCOME (LOSS)		39,198.82
		=====
Jackson Energy Cooperative @ 75%		29,399.12
EKPC @ 25%		9,799.71
		39,198.82

JACKSON ENERGY SERVICES CORPORATION
BALANCE SHEET
DECEMBER 31, 2011

ASSETS:		
Cash	1,021.83	
Investment in Propane Company	1,201,003.00	
Less Effect of Gain/Loss - Propane Company	<u>989,160.50</u>	
TOTAL ASSETS		2,191,185.33
		=====
LIABILITIES:		
Accounts Payable - to JEC	331.11	
TOTAL LIABILITIES		331.11
STOCKHOLDERS' EQUITY:		
Common Stock, 1592 shares, no par	1,792,000.00	
Retained Earnings	<u>398,854.22</u>	
TOTAL STOCKHOLDERS' EQUITY		<u>2,190,854.22</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		2,191,185.33
		=====
		=====

JACKSON ENERGY SERVICES CORPORATION
INCOME STATEMENT
FOR THE PERIOD ENDING DECEMBER 31, 2012

REVENUES:		
Net Revenues Generated from Holding Operations	170,471.70	
TOTAL REVENUES		170,471.70
EXPENSES:		
Office, Fee, License Expense	4,776.49	
Tax Expense	0.00	
TOTAL EXPENSES		<u>4,776.49</u>
NET OPERATING INCOME (LOSS)		165,695.21
		=====
Jackson Energy Cooperative @ 75%	124,271.41	
EKPC @ 25%	41,423.80	
Total @ 100%	165,695.21	

JACKSON ENERGY SERVICES CORPORATION
BALANCE SHEET
DECEMBER 31, 2012

ASSETS:		
Cash	1,069.75	
Investment in Propane Company	1,196,003.00	
Less Effect of Gain/Loss - Propane Company	<u>1,159,632.20</u>	
TOTAL ASSETS		2,356,704.95
		=====
LIABILITIES:		
Accounts Payable - to JEC	155.52	
TOTAL LIABILITIES		155.52
STOCKHOLDERS' EQUITY:		
Common Stock, 1592 shares, no par	1,792,000.00	
Retained Earnings	<u>564,549.43</u>	
TOTAL STOCKHOLDERS' EQUITY		<u>2,356,549.43</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		2,356,704.95
		=====

Jackson Energy Cooperative
Case No. 2013-00219
Response to Commission Staff First Data Request

Item No. 50
Page 1 of 2
Witness: Jim Adkins

Q50: Provide separate schedules showing all dividends or income of any type received by Jackson from its subsidiaries or joint ventures for the test year and the three years preceding the test year. Indicate how this income is reflected in the reports filed with the commission and any reports to Jackson's member customers.

A50: The attached schedule shows the income received by Jackson Energy from its subsidiary, Jackson Energy Services.

Jackson Energy Cooperative Corporation owns 75% of Jackson Energy Services Corporation. East Kentucky Power Corporation owns the other 25%. Jackson Energy Services Corporation owns 100% of Jackson Propane Plus, LLC. The net income of the propane company is recorded on the books of Jackson Energy Services. The 75% portion of the net income of Jackson Energy Services is recorded by Jackson Energy Cooperative in account 418.10 Equity in Earnings – Subsidiary Company. This activity appears on Line 24 of the December Statement of Operations of Jackson Energy Cooperative. The Statement of Operations is reported monthly to the Public Service Commission and in the Annual PSC Report. The Annual Report provided to Jackson's members also contains the results of the subsidiary operations.

JACKSON ENERGY COOPERATIVE CORPORATION

Case No. 2013-00219

Item 50

Page 2 of 2

Witness: Jim Adkins

Dividends or Income Received from Subsidiary - Jackson Energy Services Corporation

For Test Year and Three Years Prior

Type of Income	2012	2011	2010	2009
Jackson Energy's 75% of the Net Income of Jackson Energy Services Corporation	\$124,271	\$29,399	\$34,232	\$176,814

Jackson Energy Cooperative
Case No. 2013-00219
Response to Commission Staff First Data Request

Item No. 51
Page 1 of 1
Witness: Jim Adkins

Q51: Concerning non-regulated activities:

- a. Is Jackson engaged in any non-regulated activities? If yes, provide a detailed description of each non-regulated activity.
- b. Is Jackson engaged in any non-regulated activities through an affiliate? If yes, provide the name of each affiliate and the non-regulated activity in which it is engaged.
- c. Identify each service agreement with each affiliate and indicate whether the service agreement is on file with the Commission. Provide a copy of each service agreement not already on file with the Commission.
- d. Has Jackson loaned any money or property to any affiliate? If yes, describe in detail what was loaned, the terms of the loan, and the name of the affiliate.

A51: a. Jackson Energy is not engaged in any non-regulated activities.

- b. Yes, Jackson Energy Services and Jackson Propane Plus, LLC. The activity of Jackson Propane Plus, LLC is selling propane and propane appliances. Jackson Energy Services only owns the Jackson Propane Plus, LLC and has not activity of its own.
- c. There is no service agreement.
- d. Jackson Energy has not loaned any money or property to any affiliate.