

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

**In the Matter of Adjustment of Rates        )**  
**of Jackson Energy Cooperative                )**

**Case No. 2013-00219**

**APPLICATION**

Jackson Energy Cooperative (herein designated as “Jackson Energy”) hereby makes application for an adjustment of rates, as follows:

1. Jackson informs the commission that it is engaged in the business of operation of a retail electric distributions system in portions of seven (7) counties in Kentucky and does hereby propose to adjust rates, effective **September 15, 2013** in conformity with the attached schedule. In this proposed adjustment of rates, Jackson Energy is proposing to increase its rates over a three consecutive year period and the total sum of this increase in revenue requirements for this three year period would be significantly less than the amount that would be requested in a more traditional rate application. Additionally, Jackson Energy is proposing to increase solely its customer charges and not to increase any demand or energy rates.
2. The name and post office address of the applicant is Jackson Energy Cooperative, 115 Jackson Energy Lane McKee, Kentucky 40447 [807 KAR 5:001, Section 14(1)].
3. The Articles of Incorporation and all amendments thereto for Jackson Energy are included in this application in Exhibit U [807 KAR 5:001, Section 14(2)].
4. The application is supported by a twelve month historical test period ending December 31, 2012 and includes adjustments for known and measurable changes [807 KAR 5:001, Section 16(1)(a)1].
5. Jackson Energy states that the reasons the rate adjustment are required pursuant to 807 KAR Section 16(1)(b)1 are as follows:

- a. Jackson Energy's last filed an increase in rates in Case No. 2007-00333. Since then, Jackson Energy has incurred increases in the cost of power, materials, equipment, labor, taxes, interest, debt service and other fixed and variable costs.
  - b. The financial condition of Jackson Energy deteriorated significantly during the test year, and continues on this trend.
  - c. Jackson Energy had a Times Interest Earned Ratio ("TIER") of 1.72X [a TIER of 0.85X excluding G&T capital credits], for the test year ending December 31 2012. The TIER was 2.15X for calendar year of 2011 [a TIER of 1.20X excluding G&T capital credits]. Jackson Energy is required under its mortgage agreement to maintain both a Net TIER of 1.25 and an operating TIER of 1.10, based on an average of two of the three most current years.
  - d. Jackson Energy requires this rate adjustment to meet the terms of the mortgage agreement and to maintain its financial stability and integrity.
  - e. The Board of Directors of Jackson Energy at its meeting on **June 4, 2013**, received the current financial condition of Jackson Energy and the need for a rate adjustment to maintain the financial stability and integrity of the Cooperative. The Board of Directors adopted a motion directing the administrative staff and consultants to proceed with the necessary application and filings with the Public Service Commission to adjust the rates of Jackson Energy. A copy of the motion is attached as Exhibit F.
6. Annual reports, including the most recent calendar year, are on file with the Commission in accordance with 807 KAR 5:006, Section 3(1).
  7. Jackson Energy is not a limited partnership [807 KAR 5:001, Section 16(1)(b)2].
  8. Jackson Energy files with this application a Certificate of Good Standing dates within 60 days of the date of this application and attached as Exhibit A. [807 KAR 5:001, Section 16(1)(b)(2)].
  9. Jackson Energy does not conduct business under an assumed name [807 KAR 5:001, Section 16(1)(b)3].



10. The proposed tariff is attached in a form that complies with 807 KAR 5:001 with an effective date not less than 30 days from the date of this application [807 KAR 5:001, Section 16(1)(b)4].
11. The proposed tariff changes, identified in compliance with 807 KAR 5:001, are shown by providing the present and proposed tariffs in comparative form on the same sheet, side by side, or on facing sheets, side by side, as Exhibit C [807 KAR 5:001, Section 16(1)(b)5b].
12. Jackson Energy has given notice to its members of the filing of this application in accordance with 807 KAR 5:001, Section 16 (3) and (4). A copy of the notice is attached as Exhibit D [807 KAR 5:001, Section 16(1)(b)6].
13. Jackson Energy filed with the Commission a written notice of intent to file a rate application at least 30 days weeks prior to filing this application. The notice of intent stated the rate application would be supported by a historical test period and was served upon the Office of the Attorney General (“OAG”), Utility Intervention and Rate Division is shown as Exhibit E [807 KAR 5:001, Section 16(2)].
14. A complete description and qualified explanation for all proposed adjustments with proper support for any proposed changes in price or activity levels, and any other factors which may affect the adjustment, including a Revenue Analysis shown as Exhibit G [807 KAR 5:001, Section (16)(9)(a)].
15. The prepared testimony of each witness supporting the application are attached as Exhibits H [807 KAR 5:001, Section 16(9)(b)].
16. A statement estimating the effect the new rates will have upon the revenues of Jackson Energy, including, at a minimum, the total amount of revenues resulting from the increase or decrease and the percentage of the increases or decreases and the percentage of the increase or decrease is shown by Exhibit G [807 KAR 5:001, Section 16(9)(d)].
17. The effect upon the average bill for each customer classification to which the proposed rate change will apply is shown by Exhibits I [807 KAR 5:001, Section 16(9)(e)].

18. An analysis of customers' bills in such detail that revenues from present and proposed rates can be readily determined for each customer class is shown by Exhibit J [807 KAR 5:001, Section 16(9)(g)].
19. A summary of the Cooperative's determination of its revenue requirements based on return on net investment rate base, return on capitalization, interest coverage, debt service coverage or operating ratio, with supporting schedules is shown by Exhibit K [ 807 KAR 5:001, Section 16(9)(h)].
20. A reconciliation of the rate base and capital used to determine its revenue requirements is shown by Exhibit L [807 KAR 5:001, Section 16(9)(i)].
21. A current chart of accounts is shown by Exhibit M [807 KAR 5:001, Section 16(9)(j)].
22. The independent auditor's report is attached as Exhibit N [807 KAR 5:001, Section 16(9)(k)].
23. The Federal Energy Regulatory Commission or Federal Communications Commission have not audited Jackson Energy and no audit reports exist [807 KAR 5:001, Section 16(9)(l)].
24. No Federal Energy Regulatory Commission Form 1 exists as to Jackson Energy [807 KAR 5:001, Section 10(6)(m)].
25. Jackson Energy performed a depreciation study and is including the study in Exhibit Z [807 KAR 5:001, Section 16(9)(n)].
26. A list of commercially available or in-house developed computer software, programs, and models used in the development of the schedules and work papers associated with the filing of this application are attached as Exhibit O [807 KAR 5:001, Section 16(9)(o)].
27. No stock or bond offerings have been made by Jackson [807 KAR 5:001, Section 16(9)(p)].

28. Annual Reports to members for 2012 and 2011 are attached as Exhibit P [807 KAR 5:001, Section 16(9)(q)].
29. The monthly managerial reports providing financial results of operations for the twelve (12) months in the test period are attached as Exhibit Q [807 KAR 5:001, Section 16(9)(r)].
30. No Securities and Exchange Commission Annual Reports exist as to Jackson because it is not regulated by that regulated body [807 KAR 5:001, Section 16(9)(s)].
31. Jackson Energy had no amounts charged or allocated to it by an affiliate or general or home office and did not pay monies to an affiliate or general or home office during the test period or during the previous three (3) calendar years as Exhibit T [807 KAR 5:001, Section 16(9)(t)].
32. A cost of service study based on a methodology generally accepted within the electric industry and based on current and reliable data for the test period is attached as Exhibit R [807 KAR 5:001, Section 16(9)(u)].
33. Jackson Energy is not a Local Exchange Carrier or Company as set forth in 807 KAR 5:001, Section 16(9)(v)].
34. A detailed income statement and balance sheet reflecting the impact of all proposed adjustments is attached as Exhibit S [807 KAR 5:001, Section 16(10)(a)].
35. No “proposed pro forma adjustments reflecting plant additions” exist or apply to Jackson [807 KAR 5:001, Section (16)(10)b].
36. No pro forma adjustment encompassing the operating budget for each month of the period [807 KAR 5:001, Section (16)(10)(d)].
37. No customers will be added to the test period end level of customers so there is no related revenue requirements impact. [807 KAR 5:001, Section (16)(10)(e)].

38. Additional financial exhibits required by 807 KAR 5:001, Section 16, financial information covering twelve (12) month historical test period ending May 31, 2012, and other information required to be filed is attached by exhibits, as follows:

Exhibit U By-Laws

Exhibit V Detailed comparative income statement, statement of cash flows and balance sheet

Exhibit W Trial balance at end of test year

Exhibit X Capital structure

Exhibit Y Equity management plan

Exhibit Z Depreciation Study

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

Dated: August 7, 2013.

Jackson Energy Cooperative

Carol Wright

Carol Wright, President/CEO

COUNSEL:

Clayton Oswald

Clayton Oswald  
Attorney for Jackson Energy Cooperative

I, Carol Wright, President/CEO, state that the statements contained in the foregoing application are true to the best of my information and belief.

Carol Wright

Carol Wright, President/CEO  
Jackson Energy Cooperative

Subscribed and sworn to before me by Carol Wright, as President/CEO of Jackson Energy Cooperative this 7<sup>th</sup> day of August, 2013.

Spisal Baker # 411515

Notary Public, Kentucky State At Large

My Commission Expires: 1/19/2014

**Commonwealth of Kentucky**  
**Alison Lundergan Grimes, Secretary of State**

Alison Lundergan Grimes  
Secretary of State  
P. O. Box 718  
Frankfort, KY 40602-0718  
(502) 564-3490  
<http://www.sos.ky.gov>

**Certificate of Existence**

Authentication number: 140893

Visit <https://app.sos.ky.gov/ftshow/certvalidate.aspx> to authenticate this certificate.

I, Alison Lundergan Grimes, Secretary of State of the Commonwealth of Kentucky, do hereby certify that according to the records in the Office of the Secretary of State,

**JACKSON ENERGY COOPERATIVE CORPORATION**

is a corporation duly incorporated and existing under KRS Chapter 14A and KRS Chapter 273, whose date of incorporation is July 26, 1938 and whose period of duration is perpetual.

I further certify that all fees and penalties owed to the Secretary of State have been paid; that Articles of Dissolution have not been filed; and that the most recent annual report required by KRS 14A.6-010 has been delivered to the Secretary of State.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal at Frankfort, Kentucky, this 12<sup>th</sup> day of July, 2013, in the 222<sup>nd</sup> year of the Commonwealth.



*Alison Lundergan Grimes*

Alison Lundergan Grimes  
Secretary of State  
Commonwealth of Kentucky  
140893/0025630

Jackson Energy Cooperative Corporation

SCHEDULE 10  
RESIDENTIAL SERVICE

Availability

Available only to the consumers for residential uses.

Rate

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	
Customer Charge Per Month	\$12.44	\$14.44	\$16.44	I
All kWh	\$0.09849 per kWh	\$0.09849 per kWh	\$0.09849 per kWh	T

Minimum Charges

The minimum monthly charge is the customer charge.

Type of Service

Single-phase, 120/240 volt, 150 KVA or below.

Fuel Adjustment Clause

This tariff is subject to the Fuel Adjustment Clause rider.

Energy Emergency Control Program

This tariff is subject to the Energy Emergency Control Program Rider.

Environmental Surcharge

This tariff is subject to the Environmental Surcharge rider.

DATE OF ISSUE August 15, 2013

DATE EFFECTIVE September 20, 2013

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

President & CEO

Issued by authority of an Order of the Public Service Commission  
of Kentucky in Case No. 2013-00219 Dated \_\_\_\_\_

Jackson Energy Cooperative Corporation

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SCHEDULE 20  
COMMERCIAL SERVICE LESS THAN 50 KW

Availability

Available to commercial loads whose load requirements monthly average over a 12 month period is less than 50 kW. Service under this schedule is not available to seasonal customers unless otherwise provided for.

Rate

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	
Customer Charge Per Month	\$31.47	\$35.47	\$39.47	I
All kWh Per Month	\$0.08809 per kWh	\$0.08809 per kWh	\$0.08809 per kWh	T

Minimum Monthly Charge

The minimum monthly charge is the customer charge.

Fuel Adjustment Clause

This tariff is subject to the Fuel Adjustment Clause rider.

Energy Emergency Control Program

This tariff is subject to the Energy Emergency Control Program Rider.

Environmental Surcharge

This tariff is subject to the Environmental Surcharge rider.

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Jackson Energy Cooperative Corporation

SCHEDULE 40  
LARGE POWER LOADS 50 KW AND OVER

Availability

Available to large power loads whose load requirements monthly average over a 12 month period is 50 kW and over.

Rate

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	
Customer Charge Per Month	\$51.95	\$54.45	\$56.95	I
Demand Charge Per Month	\$ 6.59 per kW	\$ 6.59 per kW	\$ 6.59 per kW	T
All kWh Per Month	\$0.06579 per kWh	\$0.06579 per kWh	\$0.06579 per kWh	T

Determination of Billing Demand

The billing demand shall be the maximum kilowatt load used by the consumer for any period of fifteen consecutive minutes during the month for which the bill is rendered and adjusted for power factor as provided below.

Power Factor

The consumer agrees to maintain unity power factor as nearly as practicable. The Cooperative reserves the right to measure such power factor at the time of the maximum demand to determine if the power factor is less than 90%. Power factor penalty formula will be as follows:

$$\text{Power factor penalty} = \frac{(\text{maximum kW demand} \times 90\% \text{ pf}) - (\text{maximum kW demand}) \times \$/\text{kW}}{\text{actual power factor}}$$

Special Provisions

Primary Service: If service is furnished at available voltage, a discount of 5% shall apply to the demand and energy charges.

Minimum Monthly Charge

The minimum monthly charge is the customer charge.

Fuel Adjustment Clause

This tariff is subject to the Fuel Adjustment Clause rider.

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Jackson Energy Cooperative Corporation

SCHEDULE 46  
LARGE POWER RATE - 500 KW AND OVER

Availability

Available to all consumers whose load requirements monthly average over a 12 month period is 500 kW and over.

Rate

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
Customer Charge Per Month	\$1286.73	\$1493.60	\$1700.47
Demand Charge Per Month	\$ 6.84 per kW	\$ 6.84 per kW	\$ 6.84 per kW
All kWh Per Month	\$0.05102 per kWh	\$0.05102 per kWh	\$0.05102 per kWh

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Determination of Billing Demand

The monthly billing demand shall be the greater of (a) or (b) listed below:

- (a) The contract demand
- (b) The ultimate consumer's peak demand during the current month or preceding eleven months. The peak demand shall be the highest average rate at which energy is used during any fifteen-minute interval in the below listed hours for each month and adjusted for power factor as provided herein:

<u>Months</u>	<u>Hours Applicable for Demand Billing – EST</u>
October through April	7:00 a.m. to 12:00 noon 5:00 p.m. to 10:00 p.m.
May through September	10:00 a.m. to 10:00 p.m.

Power Factor

The consumer agrees to maintain unity power factor as nearly as practicable. The Cooperative reserves the right to measure such power factor at the time of the maximum demand to determine if the power factor is less than 90%. Power factor penalty formula will be as follows:

$$\text{Power factor penalty} = \frac{(\text{maximum kW demand} \times 90\% \text{ pf}) - (\text{maximum kW demand}) \times \$/\text{kW}}{\text{actual power factor}}$$

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Jackson Energy Cooperative Corporation

SCHEDULE 47  
LARGE POWER RATE - 500 KW AND OVER

Availability

Available to all consumers whose load requirements monthly average over a 12 month period is 500 kW and over.

Conditions

A contract shall be executed for service under this schedule.

Rate

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	
Customer Charge Per Month	\$1286.73	\$1493.60	\$1700.47	I
Demand Charge Per kW of Contract Demand	\$ 6.84 per kW	\$ 6.84 per kW	\$ 6.84 per kW	T
Demand Charge per kW for Billing Demand in Excess	\$ 9.50 per kW	\$ 9.50 per kW	\$ 9.50 per kW	T
All kWh Per Month	\$0.05206 per kWh	\$0.05206 per kWh	\$0.05206 per kWh	T

Determination of Billing Demand

The monthly billing demand shall be the contract demand plus any excess demand. Excess demand occurs when the ultimate consumer's peak demand during the current month exceeds the contract demand. The peak demand shall be the highest average rate at which energy is used during any fifteen-minute interval in the below listed hours for each month and adjusted for power factor as provided herein:

<u>Months</u>	<u>Hours Applicable for Demand Billing – EST</u>
October through April	7:00 a.m. to 12:00 noon 5:00 p.m. to 10:00 p.m.
May through September	10:00 a.m. to 10:00 p.m.

Power Factor

The consumer agrees to maintain unity power factor as nearly as practicable. The Cooperative reserves the right to measure such power factor at the time of the maximum demand to determine if the power factor is less than 90%. Power factor penalty formula will be as follows:

$$\text{Power factor penalty} = \frac{(\text{maximum kW demand} \times 90\% \text{ pf}) - (\text{maximum kW demand}) \times \$/\text{kW}}{\text{actual power factor}}$$

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Jackson Energy Cooperative Corporation

SCHEDULE 48  
LARGE POWER RATE – 5,000 KW AND OVER

Availability

Available to all consumers whose load requirements monthly average over a 12 month period is 5,000 kW and over.

Conditions

A contract shall be executed for service under this schedule.

Rate

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	
Customer Charge Per Month	\$1409.33	\$1616.20	\$1823.07	I
Demand Charge Per kW of Contract Demand	\$ 6.84 per kW	\$ 6.84 per kW	\$ 6.84 per kW	T
Demand Charge Per kW for Billing Demand in Excess of Contract Demand	\$ 9.50 per kW	\$ 9.50 per kW	\$ 9.50 per kW	T
All kWh Per Month	\$0.04542 per kWh	\$0.04542 per kWh	\$0.04542 per kWh	T

Determination of Billing Demand

The monthly billing demand shall be the contract demand plus any excess demand. Excess demand occurs when the ultimate consumer's peak demand during the current month exceeds the contract demand. The peak demand shall be the highest average rate at which energy is used during any fifteen-minute interval in the below listed hours for each month and adjusted for power factor as provided herein:

<u>Months</u>	<u>Hours Applicable for Demand Billing – EST</u>
October through April	7:00 a.m. to 12:00 noon 5:00 p.m. to 10:00 p.m.
May through September	10:00 a.m. to 10:00 p.m.

Power Factor

The consumer agrees to maintain unity power factor as nearly as practicable. The Cooperative reserves the right to measure such power factor at the time of the maximum demand to determine if the power factor is less than 90%. Power factor penalty formula will be as follows:

$$\text{Power factor penalty} = \frac{(\text{maximum kW demand} \times 90\% \text{ pf}) - (\text{maximum kW demand}) \times \$/\text{kW}}{\text{actual power factor}}$$

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Jackson Energy Cooperative Corporation

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SCHEDULE 50  
SCHOOLS, CHURCHES, COMMUNITY HALLS AND COMMUNITY PARKS

Availability

Non-commercial and non-industrial loads such as schools, churches, community buildings, parks and organizations shall be on this rate.

Rate

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	
Customer Charge Per Month	\$18.49	\$20.49	\$22.49	
All kWh Per Month	\$0.09483 per kWh	\$0.09483 per kWh	\$0.09483 per kWh	I T

Minimum Charges

The minimum monthly charge under the above rate shall be the customer charge.

Fuel Adjustment Clause

This tariff is subject to the Fuel Adjustment Clause rider.

Energy Emergency Control Program

This tariff is subject to the Energy Emergency Control Program Rider.

Environmental Surcharge

This tariff is subject to the Environmental Surcharge rider.

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Jackson Energy Cooperative Corporation

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SCHEDULE 52  
ALL ELECTRIC SCHOOLS (A.E.S.)

Availability

Available to all public or non-profit private schools whose total energy requirements, including but not limited to, heating, air-conditioning, lighting and water heating is supplied by electricity furnished by the Cooperative.

Rate

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 2</u>	
Customer Charge Per Month	\$47.96	\$51.96	\$55.96	I T
All kWh Per Month	\$0.07890 per kWh	\$0.07890 per kWh	\$0.07890 per kWh	

Minimum Charges

The minimum monthly charge will be the customer charge.

Fuel Adjustment Clause

This tariff is subject to the Fuel Adjustment Clause rider.

Energy Emergency Control Program

This tariff is subject to the Energy Emergency Control Program Rider.

Environmental Surcharge

This tariff is subject to the Environmental Surcharge rider.

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Jackson Energy Cooperative Corporation

SCHEDULE OL  
OUTDOOR LIGHTING SERVICE

Underground Service

If the consumer requests underground service then the consumer shall pay the monthly rate plus any additional charges as determined by the Cooperative. In addition the consumer shall furnish all ditching, back filling and repaving/seedling/sodding as necessary to comply with the Cooperative's specifications. Upon termination of this service the Cooperative shall not be required to remove underground wiring or conduits.

Fuel Adjustment Clause

This tariff is subject to the Fuel Adjustment Clause rider.

Energy Emergency Control Program

This tariff is subject to the Energy Emergency Control Program Rider.

Environmental Surcharge

This tariff is subject to the Environmental Surcharge rider.

**Rate Per Light Per Month**

Street Lighting:

			<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	
400 Watt Mercury Vapor	Cobra Head Light	CH1	\$15.45	\$15.75	\$16.05	I
200 Watt HPS 22,000 Lumens	Cobra Head Light	HP3	\$16.55	\$16.85	\$17.15	I
250 Watt HPS 27,500 Lumens	Cobra Head Light	CH2	\$13.12	\$13.42	\$13.72	I
400 Watt HPS 50,000 Lumens	Cobra Head Light	CH3	\$13.07	\$13.37	\$13.67	I

Residential & Commercial Standard Lighting:

			<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	
175 Watt Mercury Vapor	Security Light	MVL	\$ 9.30	\$ 9.45	\$ 9.60	I
400 Watt Mercury Vapor	Flood Light	DF1	\$17.68	\$17.98	\$18.28	I
1,000 Watt Mercury Vapor	Flood Light	DF2	\$35.16	\$36.06	\$36.96	I
100 Watt HPS 9,500 Lumens	Security Light	HP1	\$ 9.30	\$ 9.45	\$ 9.60	I
250 Watt HPS 27,500 Lumens	Flood Light	DF3	\$14.65	\$14.95	\$15.25	I
400 Watt HPS 50,000 Lumens	Flood Light	DF4	\$17.30	\$17.60	\$17.90	I

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Jackson Energy Cooperative Corporation

SCHEDULE OL  
OUTDOOR LIGHTING SERVICE

Specialty Lighting:

			<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	
175 Watt Mercury Vapor	Acorn Light	ACL	\$16.81	\$17.11	\$17.41	I
100 Watt HPS 9,500 Lumens	Acorn Light	ACH	\$11.64	\$11.94	\$12.24	I
100 Watt HPS 9,500 Lumens	Colonial Light	CPH	\$ 7.76	\$ 7.91	\$ 8.06	I
175 Watt Mercury Vapor	Colonial Light	CPL	\$ 9.16	\$ 9.31	\$ 9.46	I
400 Watt HPS 50,000 Lumens	Interstate Light	INT	\$20.92	\$21.52	\$22.12	I
70 Watt HPS 4,000 Lumens	Colonial Light	CL2	\$11.60	\$11.90	\$12.20	I

Poles shall be furnished by the Cooperative at the following rates per pole per month: T

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	
15 ft Aluminum Pole	\$ 4.83	\$ 4.98	\$ 5.13	I
30 ft Wood Pole	\$ 3.99	\$ 4.24	\$ 4.49	I
30 ft Aluminum Pole for Cobra Head	\$23.22	\$23.82	\$24.42	I
35 ft Aluminum Pole	\$28.34	\$28.94	\$29.54	I
35 ft Aluminum Pole for Cobra Head	\$22.84	\$23.44	\$24.04	I
40 ft Aluminum Pole	\$31.94	\$32.84	\$33.74	I
40 ft Aluminum Pole for Cobra Head	\$55.80	\$57.30	\$58.80	I
Power Installed Foundation	\$ 7.89	\$ 8.14	\$ 8.39	I

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Jackson Energy Cooperative Corporation

SCHEDULE 10  
RESIDENTIAL SERVICE

Availability

Available only to the consumers for residential uses.

Rate

<del>Customer Charge Per Month</del>			\$10.44	
All kWh			<del>\$0.09849 per kWh</del>	
	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	
Customer Charge Per Month	\$12.44	\$14.44	\$16.44	I
All kWh	\$0.09849 per kWh	\$0.09849 per kWh	\$0.09849 per kWh	T

Minimum Charges

The minimum monthly charge is the customer charge.

Type of Service

Single-phase, 120/240 volt, 150 KVA or below.

Fuel Adjustment Clause

This tariff is subject to the Fuel Adjustment Clause rider.

Energy Emergency Control Program

This tariff is subject to the Energy Emergency Control Program Rider.

Environmental Surcharge

This tariff is subject to the Environmental Surcharge rider.

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Jackson Energy Cooperative Corporation

SCHEDULE 20  
COMMERCIAL SERVICE LESS THAN 50 KW

Availability

Available to commercial loads whose load requirements monthly average over a 12 month period is less than 50 kW. Service under this schedule is not available to seasonal customers unless otherwise provided for.

Rate

	<del>Customer Charge Per Month</del>		<del>\$27.47</del>	
	<del>All kWh Per Month</del>		<del>\$0.08809 per kWh</del>	
		<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
Customer Charge Per Month		\$31.47	\$35.47	\$39.47
All kWh Per Month	\$0.08809 per kWh	\$0.08809 per kWh	\$0.08809 per kWh	I T

Minimum Monthly Charge

The minimum monthly charge is the customer charge.

Fuel Adjustment Clause

This tariff is subject to the Fuel Adjustment Clause rider.

Energy Emergency Control Program

This tariff is subject to the Energy Emergency Control Program Rider.

Environmental Surcharge

This tariff is subject to the Environmental Surcharge rider.

DATE OF ISSUE August 15, 2013

DATE EFFECTIVE September 20, 2013

ISSUED BY \_\_\_\_\_  
President & CEO

Issued by authority of an Order of the Public Service Commission  
of Kentucky in Case No. 2013-00219 Dated \_\_\_\_\_

Jackson Energy Cooperative Corporation

SCHEDULE 40  
LARGE POWER LOADS 50 KW AND OVER

Availability

Available to large power loads whose load requirements monthly average over a 12 month period is 50 kW and over.

Rate

~~Customer Charge Per Month \$49.45~~  
~~Demand Charge Per Month \$ 6.59 per kW~~  
~~All kWh Per Month \$0.06579 per kWh~~

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	
Customer Charge Per Month	\$51.95	54.45	\$56.95	I
Demand Charge Per Month	\$ 6.59 per kW	\$ 6.59 per kW	\$ 6.59 per kW	T
All kWh Per Month	\$0.06579 per kWh	\$0.06579 per kWh	\$0.06579 per kWh	T

Determination of Billing Demand

The billing demand shall be the maximum kilowatt load used by the consumer for any period of fifteen consecutive minutes during the month for which the bill is rendered and adjusted for power factor as provided below.

Power Factor

The consumer agrees to maintain unity power factor as nearly as practicable. The Cooperative reserves the right to measure such power factor at the time of the maximum demand to determine if the power factor is less than 90%. Power factor penalty formula will be as follows:

$$\text{Power factor penalty} = \frac{(\text{maximum kW demand} \times 90\% \text{ pf}) - (\text{maximum kW demand}) \times \$/\text{kWh}}{\text{actual power factor}}$$

Special Provisions

Primary Service: If service is furnished at available voltage, a discount of 5% shall apply to the demand and energy charges.

Minimum Monthly Charge

The minimum monthly charge is the customer charge.

Fuel Adjustment Clause

This tariff is subject to the Fuel Adjustment Clause rider.

DATE OF ISSUE August 15, 2013

DATE EFFECTIVE September 20, 2013

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

President & CEO

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Jackson Energy Cooperative Corporation

SCHEDULE 47  
LARGE POWER RATE - 500 KW AND OVER

Availability

Available to all consumers whose load requirements monthly average over a 12 month period is 500 kW and over.

Conditions

A contract shall be executed for service under this schedule.

Rate

~~Customer Charge Per Month \$1,079.86~~  
~~Demand Charge Per kW of Contract Demand \$ 6.84 per kW~~  
~~Demand Charge Per kW for Billing Demand in Excess of Contract Demand \$ 9.50 per kW~~  
~~All kWh Per Month \$ 0.05206 per kWh~~

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	
Customer Charge Per Month	\$1286.73	\$1493.60	\$1700.47	I
Demand Charge Per kW of Contract Demand	\$ 6.84 per kW	\$ 6.84 per kW	\$ 6.84 per kW	T
Demand Charge per kW for Billing Demand in Excess	\$ 9.50 per kW	\$ 9.50 per kW	\$ 9.50 per kW	T
All kWh Per Month	\$0.05206 per kWh	\$0.05206 per kWh	\$0.05206 per kWh	T

Determination of Billing Demand

The monthly billing demand shall be the contract demand plus any excess demand. Excess demand occurs when the ultimate consumer's peak demand during the current month exceeds the contract demand. The peak demand shall be the highest average rate at which energy is used during any fifteen-minute interval in the below listed hours for each month and adjusted for power factor as provided herein:

<u>Months</u>	<u>Hours Applicable for Demand Billing – EST</u>
October through April	7:00 a.m. to 12:00 noon 5:00 p.m. to 10:00 p.m.
May through September	10:00 a.m. to 10:00 p.m.

Power Factor

The consumer agrees to maintain unity power factor as nearly as practicable. The Cooperative reserves the right to measure such power factor at the time of the maximum demand to determine if the power factor is less than 90%. Power factor penalty formula will be as follows:

$$\text{Power factor penalty} = \frac{(\text{maximum kW demand} \times 90\% \text{ pf})}{\text{actual power factor}} - (\text{maximum kW demand}) \times \$/\text{kW}$$

DATE OF ISSUE August 15, 2013

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President & CEO

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Jackson Energy Cooperative Corporation

SCHEDULE 48  
LARGE POWER RATE – 5,000 KW AND OVER

Availability

Available to all consumers whose load requirements monthly average over a 12 month period is 5,000 kW and over.

Conditions

A contract shall be executed for service under this schedule.

Rate

~~Customer Charge Per Month~~ ~~\$1,202.46~~  
~~Demand Charge Per kW of Contract Demand~~ ~~\$ 6.84 per kW~~  
~~Demand Charge Per kW for Billing Demand in Excess~~  
~~of Contract Demand~~ ~~\$ 9.50 per kW~~  
~~All kWh Per Month~~ ~~\$ 0.04542 per kWh~~

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	
Customer Charge Per Month	\$1409.33	\$1616.20	\$1823.07	I
Demand Charge Per kW of Contract Demand	\$ 6.84 per kW	\$ 6.84 per kW	\$ 6.84 per kW	T
Demand Charge Per kW for Billing Demand in Excess of Contract Demand	\$ 9.50 per kW	\$ 9.50 per kW	\$ 9.50 per kW	T
All kWh Per Month	\$0.04542 per kWh	\$0.04542 per kWh	\$0.04542 per kWh	T

Determination of Billing Demand

The monthly billing demand shall be the contract demand plus any excess demand. Excess demand occurs when the ultimate consumer's peak demand during the current month exceeds the contract demand. The peak demand shall be the highest average rate at which energy is used during any fifteen-minute interval in the below listed hours for each month and adjusted for power factor as provided herein:

<u>Months</u>	<u>Hours Applicable for Demand Billing – EST</u>
October through April	7:00 a.m. to 12:00 noon 5:00 p.m. to 10:00 p.m.
May through September	10:00 a.m. to 10:00 p.m.

Power Factor

The consumer agrees to maintain unity power factor as nearly as practicable. The Cooperative reserves the right to measure such power factor at the time of the maximum demand to determine if the power factor is less than 90%. Power factor penalty formula will be as follows:

$$\text{Power factor penalty} = \frac{(\text{maximum kW demand} \times 90\% \text{ pf}) - (\text{maximum kW demand}) \times \$/\text{kW}}{\text{actual power factor}}$$

DATE OF ISSUE August 15, 2013

DATE EFFECTIVE September 20, 2013

ISSUED BY \_\_\_\_\_  
President & CEO

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Jackson Energy Cooperative Corporation

SCHEDULE 50  
SCHOOLS, CHURCHES, COMMUNITY HALLS AND COMMUNITY PARKS

Availability

Non-commercial and non-industrial loads such as schools, churches, community buildings, parks and organizations shall be on this rate.

Rate

<del>Customer Charge Per Month</del>	<del>\$16.49</del>			
<del>All kWh Per Month</del>	<del>\$0.09483 per kWh</del>			
	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	
Customer Charge Per Month	\$18.49	\$20.49	\$22.49	
All kWh Per Month	\$0.09483 per kWh	\$0.09483 per kWh	\$0.09483 per kWh	I T

Minimum Charges

The minimum monthly charge under the above rate shall be the customer charge.

Fuel Adjustment Clause

This tariff is subject to the Fuel Adjustment Clause rider.

Energy Emergency Control Program

This tariff is subject to the Energy Emergency Control Program Rider.

Environmental Surcharge

This tariff is subject to the Environmental Surcharge rider.

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President & CEO

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SCHEDULE 52  
ALL ELECTRIC SCHOOLS (A.E.S.)

Availability

Available to all public or non-profit private schools whose total energy requirements, including but not limited to, heating, air-conditioning, lighting and water heating is supplied by electricity furnished by the Cooperative.

Rate

<del>Customer Charge Per Month</del>	<del>\$43.96</del>			
<del>All kWh Per Month</del>	<del>\$0.07890 per kWh</del>			
	<u>Year 1</u>	<u>Year 2</u>	<u>Year 2</u>	
Customer Charge Per Month	\$47.96	\$51.96	\$55.96	I
All kWh Per Month	\$0.07890 per kWh	\$0.07890 per kWh	\$0.07890 per kWh	T

Minimum Charges

The minimum monthly charge will be the customer charge.

Fuel Adjustment Clause

This tariff is subject to the Fuel Adjustment Clause rider.

Energy Emergency Control Program

This tariff is subject to the Energy Emergency Control Program Rider.

Environmental Surcharge

This tariff is subject to the Environmental Surcharge rider.

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Jackson Energy Cooperative Corporation

SCHEDULE OL  
OUTDOOR LIGHTING SERVICE

Underground Service

If the consumer requests underground service then the consumer shall pay the monthly rate plus any additional charges as determined by the Cooperative. In addition the consumer shall furnish all ditching, back filling and repaving/seeding/sodding as necessary to comply with the Cooperative's specifications. Upon termination of this service the Cooperative shall not be required to remove underground wiring or conduits.

Fuel Adjustment Clause

This tariff is subject to the Fuel Adjustment Clause rider.

Energy Emergency Control Program

This tariff is subject to the Energy Emergency Control Program Rider.

Environmental Surcharge

This tariff is subject to the Environmental Surcharge rider.

**Rate Per Light Per Month**

**Street Lighting:**

<del>— 400 Watt Mercury Vapor</del>	<del>— Cobra Head Light</del>	<del>— CH1</del>	<del>— \$15.15</del>
<del>— 200 Watt HPS 22,000 Lumens</del>	<del>— Cobra Head Light</del>	<del>— HP3</del>	<del>— \$16.25</del>
<del>— 250 Watt HPS 27,500 Lumens</del>	<del>— Cobra Head Light</del>	<del>— CH2</del>	<del>— \$12.82</del>
<del>— 400 Watt HPS 50,000 Lumens</del>	<del>— Cobra Head Light</del>	<del>— CH3</del>	<del>— \$12.77</del>

**Residential & Commercial Standard Lighting:**

<del>— 175 Watt Mercury Vapor</del>	<del>— Security Light</del>	<del>— MVL</del>	<del>— \$ 9.15</del>
<del>— 400 Watt Mercury Vapor</del>	<del>— Flood Light</del>	<del>— DF1</del>	<del>— \$17.38</del>
<del>— 1,000 Watt Mercury Vapor</del>	<del>— Flood Light</del>	<del>— DF2</del>	<del>— \$34.26</del>
<del>— 100 Watt HPS 9,500 Lumens</del>	<del>— Security Light</del>	<del>— HP1</del>	<del>— \$ 9.15</del>
<del>— 250 Watt HPS 27,500 Lumens</del>	<del>— Flood Light</del>	<del>— DF3</del>	<del>— \$14.35</del>
<del>— 400 Watt HPS 50,000 Lumens</del>	<del>— Flood Light</del>	<del>— DF4</del>	<del>— \$17.00</del>

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Jackson Energy Cooperative Corporation

SCHEDULE OL  
OUTDOOR LIGHTING SERVICE

**Specialty Lighting:**

<del>175 Watt Mercury Vapor</del>	<del>Acorn Light</del>	<del>ACL</del>	<del>\$16.51</del>
<del>100 Watt HPS 9,500 Lumens</del>	<del>Acorn Light</del>	<del>ACH</del>	<del>\$11.34</del>
<del>100 Watt HPS 9,500 Lumens</del>	<del>Colonial Light</del>	<del>CPH</del>	<del>\$ 7.61</del>
<del>175 Watt Mercury Vapor</del>	<del>Colonial Light</del>	<del>CPL</del>	<del>\$ 9.01</del>
<del>400 Watt HPS 50,000 Lumens</del>	<del>Interstate Light</del>	<del>INT</del>	<del>\$20.32</del>
<del>70 Watt HPS 4,000 Lumens</del>	<del>Colonial Light</del>	<del>CL2</del>	<del>\$11.30</del>

**Street Lighting:**

			<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	
400 Watt Mercury Vapor	Cobra Head Light	CH1	\$15.45	\$15.75	\$16.05	I
200 Watt HPS 22,000 Lumens	Cobra Head Light	HP3	\$16.55	\$16.85	\$17.15	I
250 Watt HPS 27,500 Lumens	Cobra Head Light	CH2	\$13.12	\$13.42	\$13.72	I
400 Watt HPS 50,000 Lumens	Cobra Head Light	CH3	\$13.07	\$13.37	\$13.67	I

**Residential & Commercial Standard Lighting:**

			<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	
175 Watt Mercury Vapor	Security Light	MVL	\$ 9.30	\$9.45	\$ 9.60	I
400 Watt Mercury Vapor	Flood Light	DF1	\$17.68	\$17.98	\$18.28	I
1,000 Watt Mercury Vapor	Flood Light	DF2	\$35.16	\$36.06	\$36.96	I
100 Watt HPS 9,500 Lumens	Security Light	HP1	\$ 9.30	\$ 9.45	\$ 9.60	I
250 Watt HPS 27,500 Lumens	Flood Light	DF3	\$14.65	\$14.95	\$15.25	I
400 Watt HPS 50,000 Lumens	Flood Light	DF4	\$17.30	\$17.60	\$17.90	I

**Specialty Lighting:**

			<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	
175 Watt Mercury Vapor	Acorn Light	ACL	\$16.81	\$17.11	\$17.41	I
100 Watt HPS 9,500 Lumens	Acorn Light	ACH	\$11.64	\$11.94	\$12.24	I
100 Watt HPS 9,500 Lumens	Colonial Light	CPH	\$ 7.76	\$ 7.91	\$ 8.06	I
175 Watt Mercury Vapor	Colonial Light	CPL	\$ 9.16	\$ 9.31	\$ 9.46	I
400 Watt HPS 50,000 Lumens	Interstate Light	INT	\$20.92	\$21.52	\$22.12	I
70 Watt HPS 4,000 Lumens	Colonial Light	CL2	\$11.60	\$11.90	\$12.20	I

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

President & CEO

Issued by authority of an Order of the Public Service Commission  
of Kentucky in Case No. 2013-00219 Dated \_\_\_\_\_

Poles shall be furnished by the Cooperative at the following rates:

15 ft Aluminum Pole	\$ 4.68 per pole per month
30 ft Wood Pole	\$ 3.84 per pole per month
30 ft Aluminum Pole for Cobra Head	\$22.62 per pole per month
35 ft Aluminum Pole	\$27.74 per pole per month
35 ft Aluminum Pole for Cobra Head	\$27.24 per pole per month
40 ft Aluminum Pole	\$31.04 per pole per month
40 ft Aluminum Pole for Cobra Head	\$54.30 per pole per month
Power Installed Foundation	\$ 7.74 per pole per month

Poles shall be furnished by the Cooperative at the following rates per pole per month:

T

	Year 1	Year 2	Year 3	
15 ft Aluminum Pole	\$ 4.83	\$ 4.98	\$ 5.13	I
30 ft Wood Pole	\$ 3.99	\$ 4.24	\$ 4.49	I
30 ft Aluminum Pole for Cobra Head	\$23.22	\$23.82	\$24.42	I
35 ft Aluminum Pole	\$28.34	\$28.94	\$29.54	I
35 ft Aluminum Pole for Cobra Head	\$22.84	\$23.44	\$24.04	I
40 ft Aluminum Pole	\$31.94	\$32.84	\$33.74	I
40 ft Aluminum Pole for Cobra Head	\$55.80	\$57.30	\$58.80	I
Power Installed Foundation	\$ 7.89	\$ 8.14	\$ 8.39	I

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President & CEO

Issued by authority of an Order of the Public Service Commission  
of Kentucky in Case No. 2013-00219 Dated \_\_\_\_\_

**Official Notice**

Jackson Energy Cooperative, with its principal office at McKee Kentucky and with its address at 115 Jackson Energy Lane, McKee, Kentucky 40447, has filed with the Kentucky Public Service Commission in Case No. 2013-00219 an application to adjust its retail rates and charges. The need for this adjustment is due to an increase in Jackson Energy's expenses in the areas of wholesale power costs, interest, depreciation, and general operating expenses.

Jackson Energy is proposing to increase its rates over a three consecutive year period. Additionally, Jackson Energy is proposing to solely increase its customer charges and not to increase any demand or energy rates.

The rates contained in this notice are the rates proposed by Jackson Energy Cooperative but that the Kentucky Public Service Commission may order rates to be charged that differ from these proposed rates contained in this notice.

Any corporation, association, or person may within thirty (30) days after the initial publication or mailing of notice of the proposed rate changes, submit a written request to intervene to the Public Service Commission, 211 Sower Boulevard, P.O. Box 615, Frankfort, Kentucky 40602 that establishes the grounds for the request including the status and interest of the party, and states that intervention may be granted beyond the thirty (30) day period for good cause shown.

Written comments regarding the proposed rates may be submitted to the Public Service Commission by mail or through the Public Service Commission's Web site at <http://psc.ky.gov/>.

Any person may examine the rate application and any other documents the utility has filed with the Public Service Commission at the offices of Jackson Energy listed below and on the utility's Web site at [www.jacksonenergy.com](http://www.jacksonenergy.com)

Jackson Energy Cooperative  
115 Jackson Energy Lane  
McKee, Kentucky 40447  
606-364-1000

This filing and any other related documents can be found on the Public Service Commission's Web site at <http://psc.ky.gov/>.

The amount of the change requested in both dollar amounts and percentage change for customer classification to which the proposed change will apply is presented below:

<u>Rate Class</u>	<u>Year 1</u>		<u>Year 2</u>		<u>Year 3</u>	
	<u>Increase Dollar</u>	<u>Percent</u>	<u>Increase Dollar</u>	<u>Percent</u>	<u>Increase Dollar</u>	<u>Percent</u>
Rate 10 Residential, Farm and Non-Farm Service	\$ 1,118,150	1.7%	\$ 1,118,150	1.7%	\$ 1,118,150	1.7%
Rate 20 Commercial, Small Power, and Three-Phase Farm Service	\$ 165,184	2.6%	\$ 165,184	2.5%	\$ 165,184	2.5%
Rate 40 Large Power More than 50 kW but less than 275 kW	\$ 4,710	0.1%	\$ 4,710	0.1%	\$ 4,710	0.1%
Rate 46 Large Power - 500 kW and Over	\$ 4,965	0.4%	\$ 4,965	0.4%	\$ 4,965	0.4%
Rate 47 Large Power Rate 500 kW to 4,999 kW	\$ 7,447	0.3%	\$ 7,447	0.3%	\$ 7,447	0.3%
Rate 50 Schools, Churches and Community Halls	\$ 24,752	0.9%	\$ 24,752	0.9%	\$ 24,752	0.9%
Rate 52 All Electric Schools	\$ 1,196	0.1%	\$ 1,196	0.1%	\$ 1,196	0.1%
Rate OL Outdoor Lighting	\$ 43,596	1.7%	\$ 43,596	1.7%	\$ 43,596	1.7%

The present and proposed rate structure of Jackson Energy Cooperative are listed below:

<u>Rate Class</u>	<u>Present</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
<b><u>Rate 10 - Residential, Farm and Non-Farm Service</u></b>				
Customer charge	\$ 10.44	\$ 12.44	\$ 14.44	\$ 16.44
<b><u>Rate 20 - Commercial, Small Power, and Three-Phase Farm Service</u></b>				
Customer charge	\$ 27.47	\$ 31.47	\$ 35.47	\$ 39.47
<b><u>Rate 40 - Large Power more than 50 kW but less than 275 kW</u></b>				
Customer charge	\$ 49.45	\$ 51.95	\$ 54.45	\$ 56.95
<b><u>Rate 46 - Large Power Rate - 500 kW and Over</u></b>				
Customer Charge	\$ 1,079.86	\$ 1,286.73	\$ 1,493.60	\$ 1,700.47
<b><u>Rate 47 - Large Power Rate - 500 kW to 4,999 kW</u></b>				
Customer charge	\$ 1,079.86	\$ 1,286.73	\$ 1,493.60	\$ 1,700.47
<b><u>Rate 48 - Large Power Rate 5,000 kW and Larger</u></b>				
Customer charge	\$ 1,202.46	\$ 1,409.33	\$ 1,616.20	\$ 1,823.07
<b><u>Rate 50 - Schools, Churches and Community Halls</u></b>				
Customer Charge	\$ 16.49	\$ 18.49	\$ 20.49	\$ 22.49
<b><u>Rate 52 - All Electric Schools</u></b>				
Customer charge	\$ 43.96	\$ 47.96	\$ 51.96	\$ 55.96
<b><u>Street Lighting &amp; Security Lights</u></b>				
<b><u>Street Lighting</u></b>				
400 Watt Mercury Vapor Cobra Head Light CH1	\$ 15.15	\$ 15.45	\$ 15.75	\$ 16.05
200 Watt HPS 22,000 Lumens Cobra Head Light HP3	\$ 16.25	\$ 16.55	\$ 16.85	\$ 17.15
250 Watt HPS 27,500 Lumens Cobra Head Light CH2	\$ 12.82	\$ 13.12	\$ 13.42	\$ 13.72
400 Watt HPS 50,000 Lumens Cobra Head Light CH3	\$ 12.77	\$ 13.07	\$ 13.37	\$ 13.67
<b><u>Residential &amp; Commercial Standard Lighting:</u></b>				
175 Watt Mercury Vapor Security Light MVL \$ 9.15	\$ 9.15	\$ 9.30	\$ 9.45	\$ 9.60
400 Watt Mercury Vapor Flood Light DF1 \$17.38	\$ 17.38	\$ 17.68	\$ 17.98	\$ 18.28
1,000 Watt Mercury Vapor Flood Light DF2 \$34.26	\$ 34.26	\$ 35.16	\$ 36.06	\$ 36.96
100 Watt HPS 9,500 Lumens Security Light HP1 \$ 9.15	\$ 9.15	\$ 9.30	\$ 9.45	\$ 9.60
250 Watt HPS 27,500 Lumens Flood Light DF3 \$14.35	\$ 14.35	\$ 14.65	\$ 14.95	\$ 15.25
400 Watt HPS 50,000 Lumens Flood Light	\$ 17.00	\$ 17.30	\$ 17.60	\$ 17.90
<b><u>Specialty Lighting:</u></b>				
175 Watt Mercury Vapor Acorn Light ACL	\$ 16.51	\$ 16.81	\$ 17.11	\$ 17.41
100 Watt HPS 9,500 Lumens Acorn Light ACH	\$ 11.34	\$ 11.64	\$ 11.94	\$ 12.24
100 Watt HPS 9,500 Lumens Colonial Light CPH	\$ 7.61	\$ 7.76	\$ 7.91	\$ 8.06
175 Watt Mercury Vapor Colonial Light	\$ 9.01	\$ 9.16	\$ 9.31	\$ 9.46
400 Watt HPS 50,000 Lumens Interstate Light	\$ 20.32	\$ 20.92	\$ 21.52	\$ 22.12
70 Watt HPS 4000 Lumens	\$ 11.30	\$ 11.60	\$ 11.90	\$ 12.20
<b><u>Poles shall be furnished by the cooperative at the following rates:</u></b>				
15 ft Aluminum Pole	\$ 4.68	\$ 4.83	\$ 4.98	\$ 5.13
30 ft Wood Pole	\$ 3.84	\$ 3.99	\$ 4.24	\$ 4.49
30 ft Aluminum Pole for Cobra Head	\$ 22.62	\$ 23.22	\$ 23.82	\$ 24.42
35 ft Aluminum Pole	\$ 27.74	\$ 28.34	\$ 28.94	\$ 29.54
35 ft Aluminum Pole for Cobra Head	\$ 22.24	\$ 22.84	\$ 23.44	\$ 24.04
40 ft Aluminum Pole	\$ 31.04	\$ 31.94	\$ 32.84	\$ 33.74
40 ft Aluminum Pole for Cobra Head	\$ 54.30	\$ 55.80	\$ 57.30	\$ 58.80
Power Installed Foundation	\$ 7.74	\$ 7.89	\$ 8.14	\$ 8.39

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

<u>Rate Class</u>	Current Year		Year 1			Year 2			Year 3		
	Average kWh Usage	Dollar Amount of Average Usage	Increase Dollar	Percent	Dollar Amount of Average Usage	Increase Dollar	Percent	Dollar Amount of Average Usage	Increase Dollar	Percent	Dollar Amount of Average Usage
Rate 10 Residential, Farm and Non-Farm Service	1,080	\$ 116.84	\$ 2.00	1.7%	\$ 118.84	\$ 2.00	1.7%	\$ 120.84	\$ 2.00	1.7%	\$ 122.84
Rate 20 Commercial, Small Power, & Three-Phase Farm Service	1,448	\$ 155.00	\$ 4.00	2.6%	\$ 159.00	\$ 4.00	2.5%	\$ 163.00	\$ 4.00	2.5%	\$ 167.00
Rate 40 Large Power More than 50 kW but less than 275 kW	40,987	\$ 3,589.55	\$ 2.50	0.1%	\$ 3,592.05	\$ 2.50	0.1%	\$ 3,594.55	\$ 2.50	0.1%	\$ 3,597.05
Rate 46 Large Power - 500 kW and Over	874,687	\$ 58,491.97	\$ 206.87	0.4%	\$ 58,698.84	\$ 206.87	0.4%	\$ 58,905.71	\$ 206.87	0.4%	\$ 59,112.58
Rate 47 Large Power Rate 500 kW to 4,999 kW	1,102,358	\$ 73,969.62	\$ 206.87	0.3%	\$ 74,176.49	\$ 206.87	0.3%	\$ 74,383.36	\$ 206.87	0.3%	\$ 74,590.23
Rate 50 Schools, Churches and Community Halls	2,122	\$ 217.68	\$ 2.00	0.9%	\$ 219.68	\$ 2.00	0.9%	\$ 221.68	\$ 2.00	0.9%	\$ 223.68
Rate 52 All Electric Schools	36,829	\$ 2,949.75	\$ 4.00	0.1%	\$ 2,953.75	\$ 4.00	0.1%	\$ 2,957.75	\$ 4.00	0.1%	\$ 2,961.75
Rate OL Outdoor Lighting	77	\$9.86	\$ 0.17	1.7%	\$ 10.03	\$ 0.17	1.7%	\$ 10.19	\$ 0.17	1.7%	\$ 10.36



115 Jackson Energy Lane  
McKee, Kentucky 40447  
Telephone (606) 364-1000 • Fax (606) 364-1007

RECEIVED

JUN 11 2013

PUBLIC SERVICE  
COMMISSION

June 10, 2013

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

Dear Mr. Derouen:

This is to advise, in accordance with the Commission's Administrative Regulation 807 KAR 5:001, Section 16(2), that on or about July 12, 2013, Jackson Energy Cooperative (hereinafter Jackson Energy) intends to file an application for an increase in its retail rates based on a historical test year ending December 31, 2012. Jackson Energy intends to use the electronic filing procedure.

If you have any questions regarding this matter, please contact me.

Respectfully yours,

JACKSON ENERGY COOPERATIVE

A handwritten signature in black ink, appearing to read "Clayton Oswald", is written over a faint, larger version of the same signature.

Clayton Oswald  
Attorney

Copy to: Attorney General  
Office of Rate Intervention  
1024 Capital Center Drive  
Frankfort, KY 40601



Steve L. Beshear  
Governor

Leonard K. Peters  
Secretary  
Energy and Environment Cabinet



Commonwealth of Kentucky  
**Public Service Commission**

211 Sower Blvd.  
P.O. Box 615  
Frankfort Kentucky 40602-0615  
Telephone: (502) 564-3940  
Fax: (502) 564-3460  
psc.ky.gov

June 11, 2013

Exhibit E  
Page 2 of 2  
David L. Armstrong  
Chairman

James Gardner  
Vice Chairman

Linda Breathitt  
Commissioner

Clayton O Oswald  
Jackson Energy Cooperative Corporation  
115 Jackson Energy Lane  
McKee, KY 40447

RE: Case No. **2013-00219**

Jackson Energy Cooperative Corporation  
(General Rates)  
Notice of Intent to File Application for an Increase in Retail Rates

This letter is to acknowledge receipt of notice of intent to file an application in the above case. The notice was date-stamped received June 11, 2013 and has been assigned Case No. 2013-00219. In all future correspondence or filings in connection with this case, please reference the above case number.

All documents submitted to the Commission in this proceeding must comply with the rules of procedure adopted by the Commission found in 807 KAR 5:001. Any deviation from these rules must be submitted in writing to the Commission for consideration as required by 807 KAR 5:001 (21). Additionally, confidential treatment of any material submitted must follow the requirements found in 807 KAR 5:001 (13).

Materials submitted to the Commission which do not comply with the rules of procedure, or that do not have an approved deviation, are subject to rejection by Commission pursuant to 807 KAR 5:001 (3). In order to insure cases are processed in a timely manner and accurate reliable records are created, please make sure that the rules of procedure are followed. Should you have any questions, please contact the Division of Filings.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Derouen".

Jeff Derouen  
Executive Director

JD/rs

**JACKSON ENERGY COOPERATIVE  
CORPORATION**

**Resolution 2013-06-02**

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

**WHEREAS**, Jackson Energy Cooperative Corporation (Jackson Energy) was approved for a general rate increase in 2007, and

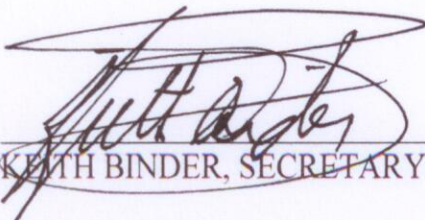
**WHEREAS**, since the last application for a rate increase, approximately six (6) years ago, various expenses of Jackson Energy have increased while growth has remained relatively slow, and

**WHEREAS**, to provide its members with a reliable source of power, it is the opinion of the Board of Directors of Jackson Energy that a rate increase is necessary to maintain Jackson Energy in a sound financial condition, and

**WHEREAS**, the Board of Directors of Jackson Energy hereby authorizes and directs its President & CEO, Carol Wright, to file with the Kentucky Public Service Commission for a rate increase.

**NOW, THEREFORE BE IT RESOLVED**, that this resolution was properly authorized by the Board of Directors during the regular monthly Board of Directors meeting held June 4, 2013.

I, Keith Binder, Secretary/Treasurer of the Jackson Energy Cooperative hereby certify that the foregoing is a full, true and correct copy of the Resolution duly passed by the Board of Directors of Jackson Energy Cooperative at a meeting duly called and held in compliance with the By-Laws of the Cooperative on the 4th day of June 2013, at which meeting a quorum was present, and that the Resolution as set out above appears in the minutes of that meeting in the Minute Book of the Cooperative dated this 4th day of June 2013.

  
\_\_\_\_\_  
KEITH BINDER, SECRETARY/TREASURER

**Jackson Energy Cooperative  
Case No 2013-00219  
Revenue Analysis Summary  
December 2012**

Rate 10 -Residential, Farm and Non-Farm Service  
Rate 11 - Residential, Farm and Non-Farm Service - Off Peak Retail Marketing Rate  
Rate 20 - Commercial, Small Power, and Three-Phase Farm Service  
Rate 22 - Commercial, Small Power, and Three-Phase Farm Service - Off Peak Retail Marketing Rate  
Rate 40 - Large Power More Than 50 KW But Less Than 275 KW  
Rate 46 - Large Power Rate - 500 KW And Over  
Rate 47 - Large Power Rate - 500 KW To 4,999 KW  
Rate 48 - Large Power Rate 5,000 kW and Larger  
Rate 50 - Schools, Churches and Community Halls  
Rate 52 - All Electric Schools  
Rate OL - Street Lighting & Security Lights

Current Year			
	<u>kWh</u>	<u>Revenue</u>	<u>Percent of Total</u>
	604,001,121	\$ 65,324,813	73.4%
	5,869,464	\$ 346,827	0.4%
	59,785,822	\$ 6,400,934	7.2%
	84,122	\$ 4,446	0.0%
	77,219,046	\$ 6,762,714	7.6%
	20,992,480	\$ 1,403,807	1.6%
	39,684,880	\$ 2,662,906	3.0%
	0	\$ -	0.0%
	26,256,407	\$ 2,693,975	3.0%
	11,011,808	\$ 881,976	1.0%
	19,750,121	\$ 2,544,294	2.9%
<b>TOTAL</b>	<b>864,655,271</b>	<b>\$ 89,026,692.41</b>	<b>100.0%</b>

**Jackson Energy Cooperative**  
**Case No 2013-00219**  
**Revenue Analysis Summary**  
**December 2012**

Rate 10 -Residential, Farm and Non-Farm Service  
Rate 11 - Residential, Farm and Non-Farm Service - Off Peak Retail Marketing Rate  
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Rate 47 - Large Power Rate - 500 KW To 4,999 KW  
Rate 48 - Large Power Rate 5,000 kW and Larger  
Rate 50 - Schools, Churches and Community Halls  
Rate 52 - All Electric Schools  
Rate OL - Street Lighting & Security Lights

**TOTAL**

Year 1				
	Revenue	Percent of Total	Increase	
			Amount	Percent
\$	66,442,963	73.5%	\$ 1,118,150	1.7%
\$	346,827	0.4%	\$ -	0.0%
\$	6,566,118	7.3%	\$ 165,184	2.6%
\$	4,446	0.0%	\$ -	0.0%
\$	6,767,424	7.5%	\$ 4,710	0.1%
\$	1,408,772	1.6%	\$ 4,965	0.4%
\$	2,670,354	3.0%	\$ 7,447	0.3%
\$	-	0.0%	\$ -	0.0%
\$	2,718,727	3.0%	\$ 24,752	0.9%
\$	883,172	1.0%	\$ 1,196	0.1%
\$	2,587,890	2.9%	\$ 43,596	1.7%
\$	90,396,693	100.0%	\$ 1,370,000	1.5%

Rate 10 -Residential, Farm and Non-Farm Service  
Rate 11 - Residential, Farm and Non-Farm Service - Off Peak Retail Marketing Rate  
Rate 20 - Commercial, Small Power, and Three-Phase Farm Service  
Rate 22 - Commercial, Small Power, and Three-Phase Farm Service - Off Peak Retail Marketing Rate  
Rate 40 - Large Power More Than 50 KW But Less Than 275 KW  
Rate 46 - Large Power Rate - 500 KW And Over  
Rate 47 - Large Power Rate - 500 KW To 4,999 KW  
Rate 48 - Large Power Rate 5,000 kW and Larger  
Rate 50 - Schools, Churches and Community Halls  
Rate 52 - All Electric Schools  
Rate OL - Street Lighting & Security Lights

**TOTAL**

Year 2				
	Revenue	Percent of Total	Increase	
			Amount	Percent
\$	67,561,113	73.6%	\$ 1,118,150	1.7%
\$	346,827	0.4%	\$ -	0.0%
\$	6,731,302	7.3%	\$ 165,184	2.5%
\$	4,446	0.0%	\$ -	0.0%
\$	6,772,134	7.4%	\$ 4,710	0.1%
\$	1,413,737	1.5%	\$ 4,965	0.4%
\$	2,677,801	2.9%	\$ 7,447	0.3%
\$	-	0.0%	\$ -	0.0%
\$	2,743,479	3.0%	\$ 24,752	0.9%
\$	884,368	1.0%	\$ 1,196	0.1%
\$	2,631,486	2.9%	\$ 43,596	1.7%
\$	91,766,693	100.0%	\$ 1,370,000.20	1.5%

**Jackson Energy Cooperative**  
**Case No 2013-00219**  
**Revenue Analysis Summary**  
**December 2012**

Year 3				
	<u>Revenue</u>	<u>Percent of Total</u>	<u>Increase Amount</u>	<u>Percent</u>
Rate 10 -Residential, Farm and Non-Farm Service	\$ 68,679,263	73.7%	\$ 1,118,150	1.7%
Rate 11 - Residential, Farm and Non-Farm Service - Off Peak Retail Marketing Rate	\$ 346,827	0.4%	\$ -	0.0%
Rate 20 - Commercial, Small Power, and Three-Phase Farm Service	\$ 6,896,486	7.4%	\$ 165,184	2.5%
Rate 22 - Commercial, Small Power, and Three-Phase Farm Service - Off Peak Retail Marketing Rate	\$ 4,446	0.0%	\$ -	0.0%
Rate 40 - Large Power More Than 50 KW But Less Than 275 KW	\$ 6,776,844	7.3%	\$ 4,710	0.1%
Rate 46 - Large Power Rate - 500 KW And Over	\$ 1,418,702	1.5%	\$ 4,965	0.4%
Rate 47 - Large Power Rate - 500 KW To 4,999 KW	\$ 2,685,248	2.9%	\$ 7,447	0.3%
Rate 48 - Large Power Rate 5,000 kW and Larger	\$ -	0.0%	\$ -	0.0%
Rate 50 - Schools, Churches and Community Halls	\$ 2,768,231	3.0%	\$ 24,752	0.9%
Rate 52 - All Electric Schools	\$ 885,564	1.0%	\$ 1,196	0.1%
Rate OL - Street Lighting & Security Lights	\$ 2,675,082	2.9%	\$ 43,596	1.7%
<b>TOTAL</b>	<b>\$ 93,136,693</b>	<b>100.0%</b>	<b>\$ 1,370,000.20</b>	<b>1.5%</b>

Total for Years				
	<u>Revenue</u>	<u>Percent of Total</u>	<u>Increase Amount</u>	<u>Percent</u>
Rate 10 -Residential, Farm and Non-Farm Service	\$ 202,683,340	73.6%	\$ 3,354,450	81.6%
Rate 11 - Residential, Farm and Non-Farm Service - Off Peak Retail Marketing Rate	\$ 1,040,480	0.4%	\$ -	0.0%
Rate 20 - Commercial, Small Power, and Three-Phase Farm Service	\$ 20,193,907	7.3%	\$ 495,552	12.1%
Rate 22 - Commercial, Small Power, and Three-Phase Farm Service - Off Peak Retail Marketing Rate	\$ 13,338	0.0%	\$ -	0.0%
Rate 40 - Large Power More Than 50 KW But Less Than 275 KW	\$ 20,316,401	7.4%	\$ 14,130	0.3%
Rate 46 - Large Power Rate - 500 KW And Over	\$ 4,241,211	1.5%	\$ 14,895	0.4%
Rate 47 - Large Power Rate - 500 KW To 4,999 KW	\$ 8,033,403	2.9%	\$ 22,342	0.5%
Rate 48 - Large Power Rate 5,000 kW and Larger	\$ -	0.0%	\$ -	0.0%
Rate 50 - Schools, Churches and Community Halls	\$ 8,230,438	3.0%	\$ 74,256	1.8%
Rate 52 - All Electric Schools	\$ 2,653,103	1.0%	\$ 3,588	0.1%
Rate OL - Street Lighting & Security Lights	\$ 7,894,457	2.9%	\$ 130,788	3.2%
<b>TOTAL</b>	<b>\$ 275,300,078</b>	<b>100.0%</b>	<b>\$ 4,110,001</b>	<b>1.5%</b>

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

**IN THE MATTER OF THE ADJUSTMENT                    )**  
**OF RATES OF JACKSON ELECCTIC                    ) CASE NO. 2013-00219**  
**ENERGY COOPERATIVE                                )**

**PREPARED TESTIMONY OF VIRGINIA CAROL WRIGHT**

Q1: State your name, position, and business address.

A1: I am Virginia Carol Wright, President and Chief Executive Officer (CEO) of Jackson Energy Cooperative. My business address is 115 Jackson Energy Lane McKee, KY 40447.

Q2: What is your educational background?

A2: I have a Bachelor of Science in Electrical Engineering from the University of Kentucky and a Master of Business Administration from Sullivan University.

Q3: What is your professional experience in the electrical utility industry?

A3: I have 23 years of experience in the electrical utility industry. I spent 10 years as a technical engineer with Kentucky Utilities. I spent the remaining 12 years in senior management positions at two Kentucky cooperatives. I have seven years of tenure at Jackson Energy Cooperative as Vice President of Engineering and Operations/Chief Operations Officer prior to being promoted to President and CEO in January 2013.

Q4: What is the purpose of this application?

A4: Jackson Energy Cooperative (Jackson Energy) is filing this application because we have received a letter from RUS indicating we are not in compliance with mortgage requirements, specifically Operating Times Interest Earned Revenue (OTIER).

See Exhibit H-A, RUS letter, Jackson Energy's response, and RUS's verification of acknowledgement.

Q5: What is the current situation at Jackson Energy?

A5: Jackson Energy is experiencing very low growth in new members. Our kWh sales are at an all-time low reaching 2003 levels and continue to diminish. Our service territory has some of the highest unemployment rates in the state (see attached Kentucky Unemployment Rates by County, Exhibit H-B) and several of our counties have 30% or more of the residents living below the national poverty level.

Q6: What is the impact of the Prepay Program on Jackson Energy's sales?

A6: Since the inception of the Prepay Program in June 2011, the members participating in the program have an average of 16% reduction in kWh usage. As we have passed the second year anniversary of the program, this percentage reduction in kWh usage has dropped to 9.5%. However, all Prepay members continue to avoid late fee charges, disconnect and reconnect fees, and are not required to pay a deposit.

The Prepay Program has been a success and our members are very satisfied with the program. Jackson Energy currently has over 3,000 members enrolled in this program and it continues to grow. As a true conservation program, Prepay has contributed to lower kWh sales. Jackson Energy Prepay members use an average of 171 kWh less per month. With 3,000 members currently enrolled, this is approximately 513,000 kWh less sales per month and could possibly equate to approximately \$600,000 less revenue per year.

Q7: Describe other DSM programs that Jackson Energy offers that impacts sales.

A7: Jackson Energy participates in several DSM programs such as: Tune-Up, Button-Up, Heat Pump Retrofit, Touchstone Energy Home, Electric Thermal Storage Program, and commercial lighting change-out program. In addition to these DSM programs, Jackson Energy offers free home energy audits to our members. Jackson Energy also participates in the SimpleSaver program which is the control of water heaters and air conditioners. Jackson Energy has also participated in the DSM collaborative for the past two years. As the collaborative team work is coming to a close, Jackson Energy appreciated the opportunity to participate and supports the efforts of this statewide initiative.

Q8: What is the impact of these DSM programs on sales?

A8: These DSM programs in conjunction with the Prepay program impacts kWh sales. Jackson Energy desires to recover our fixed costs by increasing the customer charge due to the impact of the DSM reduction in sales.

The PSC has supported this reasoning as stated in Grayson's recent Case No. 2012-00426, "the potential reduction in sales volumes provides strong reasons for increasing customer charges in order to improve the utility's recovery of its fixed costs, which is supported by the COSS".

Q9: Other than DSM, what else has contributed to the decline in energy sales overall?

A9: Overall residential energy sales have declined due to low growth. The lack of industry in our service territory is a contributing factor for very little or no increase in commercial and industrial sales.

Q10: What is Jackson Energy's plan to alleviate the overall decline in kWh sales for financial stability?

A10: Jackson Energy desires to have our rates reflect the cost of service and recover a larger portion of our fixed costs through the customer charge. As kWh sales continue to decline due to successful conservation efforts, like our Prepay Program and other DSM initiatives, our operating expenses continue to increase. The average inflation rate since our last rate increase was approximately 8.5%. With declining sales and low member growth, Jackson Energy desires to recover a larger portion of our fixed costs in the customer charge.

Q11: Describe Jackson Energy's plan to resolve its financial situation?



A11: Jackson Energy has developed a Strategic Financial Plan that will be used as a general guideline to remedy the current situation. Attached as Exhibit H-C is a copy this Strategic Financial Plan.

Q12: Describe Jackson Energy's plans for Economic Development.

A12: Jackson Energy has been a partner with the KY Economic Development Cabinet, KAED, and local Industrial Development Authorities. These relationships have been a valuable asset to our region and we will continue to foster these relationships.

However, we feel we need to take a personal initiative and develop a more aggressive approach to attract industry. This will be essential to our financial stability. Jackson Energy is developing a strategic plan to actively recruit industry into our service territory. Several counties in our service area do not have the expertise of an industrial recruiter and we feel we should take the lead role in developing these territories in conjunction with the partnership of the local officials.

Industrial recruitment will be essential to Jackson Energy's financial stability and will help alleviate the high unemployment rates our service territory is experiencing.

Q13: Why is this rate case different than the traditional filings in the utility industry?

A13: Jackson Energy is requesting all of the revenue increase in the customer charge of the different rate classes on file with the PSC. As we continue to promote energy conservation programs, we desire to recover our fixed costs in the customer charge. The increase is spread over a three year period utilizing gradualism. As stated earlier, our service territory has high unemployment and poverty rates. This gradualism will lessen the impact of the rate increase on our members.

In addition, the revenue requirement in this filing is less than a traditional 2.0 TIER. Jackson Energy feels that the three year period of increasing the customer charge will allow the economy to rebound, allow time for our economic recruitment initiatives to succeed, and allow time for Jackson Energy to implement other cost control initiatives.

At the end of the three year period, Jackson Energy will re-evaluate our financial position and if our efforts have not produced adequate revenue, we will assess our options for another rate increase. However, Jackson Energy feels that these three years will allow time to implement our strategic financial plan which should produce a positive financial impact on Jackson Energy.

Q14: Does this conclude your testimony?

A14: Yes it does.



United States Department of Agriculture  
Rural Development

FEB 19 2013

Ms. Carol Wright  
President & CEO  
Jackson Energy Cooperative  
Corporation  
115 Jackson Energy Lane  
McKee, Kentucky 40447-8847



Dear Ms. Wright:

We have completed our review of Jackson Energy Cooperative Corporation's (Jackson) December 31, 2012, Form 7, Financial and Statistical Report, and note that Jackson did not meet the minimum Operating Times Interest Earned Ratio (OTIER) of 1.1.

Please let us know what areas have had an adverse effect on Jackson's financial condition and outline the corrective measures that have been or will be implemented to correct the inadequate ratio(s). Include the projected OTIER for the year ending December 31, 2013.

We would appreciate receiving your response within 30 days from the date of this letter.

Sincerely,

*for*  
BRIAN D. JENKINS  
Chief, Operations Branch  
Northern Regional Division  
Electric Programs

Signed by  
Douglas P.  
Jenkins Acting  
Chief for  
Brian D. Jenkins

1400 Independence Ave, S.W. · Washington DC 20250-0700  
Web: <http://www.rurdev.usda.gov>

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1400 Independence Avenue, S.W., Washington, DC 20250-9410 or call (800) 795-3272 (Voice) or (202) 720-6382 (TDD).



115 Jackson Energy Lane  
McKee, Kentucky 40447  
Telephone (606) 364-1000 • Fax (606) 364-1007

March 7, 2013

Brian Jenkins  
Chief, Operations Branch  
USDA Rural Development  
Northern Regional Division  
1400 Independence Ave., S.W.  
Washington, DC 20250-0700

Mr. Jenkins:

Jackson Energy Cooperative is aware that the Operating Times Interest Earned Ratio (OTIER) reflected on the December 31, 2012 Form 7, Financial and Statistical Report did not meet the minimum requirement of 1.1.

The areas that have had an adverse effect on our financial condition are additional energy conservation efforts by our members and a very low growth in new members. Jackson Energy intends to meet with our consultant in March to review the rate options available that would directly impact our OTIER.

In addition, Jackson Energy has initiated cost control measures and is projecting a year ending, December 31, 2013, OTIER of 1.1.

If you have any additional questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in cursive script that reads "Carol Wright".

Carol Wright  
President & CEO





United States Department of Agriculture  
Rural Development

MAR 20 2013

Ms. Carol Wright  
President & CEO  
Jackson Energy Cooperative Corporation  
115 Jackson Energy Lane  
McKee, Kentucky 40447-8847

Dear Ms. Wright:

Thank you for your letter dated March 7, 2013, addressing the reasons that Jackson Energy Cooperative Corporation's (Jackson) Operating Times Interest Earned Ratio (OTIER) did not meet the minimum requirement of 1.1 for 2012. We understand that Jackson's operations have been adversely affected by member energy conservation and low growth in the area of new membership.

According to your letter, Jackson will be meeting with a consultant in March to review the rate options available. In addition, Jackson has initiated cost control measures in an effort to reduce expenses. This action indicates that Jackson's Board and management are cognizant of the problems facing the Cooperative and are taking appropriate measures to ensure continued financial viability.

We are forwarding a copy of this letter to your Chairman, Mr. Fred Callahan.

Sincerely,

A handwritten signature in blue ink that reads "Brian D. Jenkins".

BRIAN D. JENKINS  
Chief, Operations Branch  
Northern Regional Division  
Electric Programs

1400 Independence Ave, S.W. · Washington DC 20250-0700  
Web: <http://www.rurdev.usda.gov>

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1400 Independence Avenue, S.W., Washington, DC 20250-9410 or call (800) 795-3272 (Voice) or (202) 720-6382 (TDD).





## **JACKSON ENERGY COOPERATIVE**

### **STRATEGIC FINANCIAL PLAN**

**2013-2016**

#### **PURPOSE**

The primary purpose of this Financial Plan is to lay out the framework that Jackson Energy Cooperative (Jackson Energy) will utilize to build a more stable financial condition than currently exists. This plan does not supersede, nor does it replace, any of the current financial policies of Jackson Energy as approved by its Board of Directors. This plan is a supplement to those policies and has been developed for the purpose of charting a path that will put Jackson Energy's finances back into a condition that is consistent with those policies. Primary emphasis is placed on the rate path that Jackson Energy has chosen, because it is considered the major element in the task of improving Jackson Energy's current financial condition.

#### **A. Current Situation:**

Jackson Energy serves a section of Kentucky that is economically poor and stagnating in employment and wages. It is Jackson Energy's intention to be a leader, a partner and a visionary in the growth and improvement in the region of Kentucky it serves.

Jackson Energy's role in this effort will be to consolidate and multiply the resources of Jackson Energy which includes the following listed areas related to electric energy and its use:

- Community involvement
- Educational programs

- Demand side management
- Conservation and energy efficiency
- Cost-based rates
- Economic development

For the accomplishment of this vision, Jackson Energy needs to stabilize all facets of its organization for the long term through prudent financial stewardship with constancy in its rates and rate design. Constancy of rates which promote gradualism and continuity can best be attained through a very stable financial environment.

**B. Stable Fiscal Environment:**

Jackson Energy is currently in a period of no increase in energy sales and for the past few years, declining energy sales. Member growth is also nonexistent. It is Jackson Energy's intent to accomplish this stable fiscal environment in the following manner by improving its fiscal affairs:

- a. The reduction and or elimination of costs and expenses wherever reasonable
- b. The minimization of increases in costs and expenses where practical
- c. The minimization of increases in capital investment
- d. The promotion of load factor improvement with education, rate incentives, demand side management, etc.
- e. The allocation of revenue requirements (expenses plus margins) to each rate class based on an acceptable cost allocation methodology and consistent with board policy
- f. The matching of rate design with the appropriate cost driver:
  - ✓ Purchased power costs, which are a variable cost for a distribution cooperative, should be matched with an energy rate for those retail rate classes with a customer charge and an energy rate only.



- ✓ Distribution demand related costs should be matched with demand rates.
  - ✓ Consumer related costs should be matched with consumer or customer rates or charges.
- g. Develop economic development rates where a new member in the larger commercial and industrial rate classes is provided a rate discount that diminishes over a period of time such as five years. The same opportunity may be provided to current members who are increasing their current load by a specified amount. EKPC is developing this rate in cooperation with the cooperatives.

### **C. Accomplishing a Stable Financial Environment:**

Education, stewardship, and partnership are the means and the path that Jackson Energy will follow to establish its stable environment.

- Education:
  - Jackson Energy must educate its members in all rate classes of what it has to offer each of its members in regards to conservation, energy efficiency, rate options or choices, the proper usage of energy and that Jackson Energy is an energy provider but also an energy partner.
  
- Stewardship:
  - All segments of Jackson Energy's operations will be constantly reminded of their responsibility for the most efficient uses of the cooperative's assets, to minimize costs and expenses and to treat all members with respect and dignity. It is in the best interest of both employees and members to constantly maintain financial prudence.

➤ Partnerships:

- One of the cooperative principles that Jackson Energy embraces is community involvement. Jackson Energy participates in multiple charity and non-profit organizations in every community it serves. In addition, Jackson Energy will also increase our efforts to recruit large commercial and industrial customers into our region.

**D. The Rate Path Chosen:**

Jackson Energy is proposing a rate path that is significantly different than what has been utilized by Jackson Energy or other Cooperatives in the state of Kentucky. This proposal has three significant variations or differences from previous rate applications before the Kentucky Public Service Commission.

These differences are listed below:

- I. Jackson Energy is requesting that its increase in its base rates be implemented over a three year period.
- II. Jackson Energy's total increase in revenue after the completion of the three year phase-in, based on test year statement of operation results, will result in margins that are significantly less than normally approved by the Kentucky Commission in standard rate cases. The Times Interest Earned Ratio ("TIER") will be slightly less than 1.75X.
- III. Jackson Energy developed its proposed rate design in advance of any preparation of the rate application. Because of the current situation, Jackson Energy feels that it must place all of the proposed increase upon the fixed component of its rate structure which is the customer charge. In this manner, Jackson Energy will continue to receive the increased revenue without regard to changes in usage.

In year three of this plan, Jackson Energy will review the impacts of this strategic financial plan upon its financial condition. This review will determine what changes need to be made including a change in the current rate design of some of its rate classes, increase the revenue requirements for certain rate classes, or maybe no change is needed at all.

**E. Expected End Results:**

Jackson Energy feels that after the completion of this plan that:

- Some change in revenue requirements may be needed for some rate classes.
- No significant changes in total revenue requirements are anticipated.
- The economic development efforts, the DSM programs, and the education of its members will provide the opportunity to lower costs and improve revenue over this period.
- The anticipated turn around in the overall economy should also cause an increase in energy sales back to levels that were normal prior to the recession.

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

**IN THE MATTER OF THE ADJUSTMENT )**  
**OF RATES OF JACKSON ELECCTIC ) CASE NO. 2013-00219**  
**ENERGY COOPERATIVE )**

**PREPARED TESTIMONY OF MARY E. PURVIS**

Q1: State your name and business address.

A1: I am Mary Elizabeth Purvis and my business address is 4004 Port Royal Drive  
Richmond, KY 40475

Q2: What has been your role in this tariff?

A2: My role in this application has been to assist Jackson Energy Cooperative(“JEC”)  
to sponsor and to assist in the development of the cost of service study (“COSS”)  
filed with this Application and to assist in the design of the proposed rates.

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

A3: I am employed by Jim Adkins Consulting (JAC) to assist in utility rate cost of  
service studies, rate design, revenue requirement determination, financial  
forecasting, regulatory affairs and other matters pertaining to electric  
cooperatives. I am also an Instructor of Economics and Mathematics.

Q4: What is your educational background?

A4: I received a Bachelor’s Degree in Economics and Mathematics from Centre  
College. I also possess a Master’s Degree in Economics from the University of  
Georgia and a Master’s Degree in Business Administration from Morehead State  
University.

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

A5: Yes, I have appeared as a witness before this Commission.

Q6: Based on your computations, please tell the amount of additional revenue that JEC is seeking in this application?

A6: JEC is seeking an increase in the amount of \$4,110,000 over a three year period. The increase amount will be the same for each year, or \$1,370,000. All of the increases for each rate class will be placed on the customer charge with the exception being the lighting rate classes. For the lighting rate classes, the increase is placed on the single charge for lighting.

Q7: What is the basis for the amount of increase requested?

A7: The primary reason for the need to increase its rates is its results from operations during the test year where its net margins and adjusted net margins were a loss of \$3,866,334 and \$2,988,339 respectively. Because of the tough economics of JEC's service territory, the approach of a gradual adjustment to only the customer charge is being sought. These changes provide for a better alignment of the consumer related costs with the monthly customer charge and provide an increase in margins that is not usage and weather dependent. By gradually increasing the customer charges members benefit by a slow incremental change and are still able to control their bill by energy conservation.

Q8: What are the expense categories that have adjustments?

A8: Because of the approach of just changing the customer charge, no adjustments except to purchase power were necessary in order to calculate the consumer, demand and energy costs for each rate class.

Q9: What Times Interest Earned Ratio ("TIER") is JEC seeking in this application?

A9: JEC is using a TIER of 1.6X in Year 1, 1.42X in Year 2, and 1.67X in Year 3

Q10: What is the purpose of the cost of service study ("COSS") in this application, and has it been prepared in manner and approach similar to others that have been

completed for distribution cooperatives under the jurisdiction of this Commission?

A10: The COSS in this application has been completed in a manner that uses the same methodology and approach as the others that have completed for other distribution cooperatives specifically those by James R. Adkins. The purpose of the cost of service in this rate application is the following:

1. It provides the costs to serve each rate class as well as the total revenue requirements for each class;
2. It provides guidance in the development of the amount of rate increases for each rate class; and
3. It provides a breakdown of the cost to serve into segments that are useful for rate design purposes.

Q11: Please explain the Cost of Service Study (“COSS”) filed in this application?

A11: The COSS presented in this application follows the standard process of the functionalization of costs, the classification of costs and the allocation of costs to the various rate classes. This COSS contains seven (7) major sections in it. These sections are listed below:

Schedule 1

The integration of the test year revenue requirements with the test year adjustments. Only adjustment was purchased power.

Schedule 2:

The functionalization of costs into the appropriate functions of purchased power lines, transformers, services, meters, consumer services and accounting, and lighting

Schedule 3:

The classification of costs as either demand-related, energy-related or consumer-related

Schedule 4:

The allocation of the classified costs to the individual rate classes

Schedule 5:

The determination of the amount of rate increase for each rate class  
Schedule 6:  
The development of the proposed rate design.

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

Q12: Please explain Schedule 1 in the COSS?

A12: Schedule 1 is the determination of the overall revenue requirements for JEC presented by each expense account number. It presents the test year actual expenses, the adjustments to the test year, and the adjusted test year. It is presented in a manner that is utilized in the process used to complete the COSS. The adjusted test year amount provides the total revenue requirements for JEC.

Q13: Please explain Schedule 2 of the COSS?

A13: Schedule 2 is a functionalization of the expenses from Schedule 1 into their appropriate function. Schedule 2 also has a section with footnotes which identifies and explains the basis for how some of the test year expenses are allocated to the proper function. A section of this schedule also contains the allocation of the Net Investment Rate Base to its proper functions and it is utilized to allocate some of the test year expenses to the functional area. These functional areas are then classified as demand-related, energy-related or consumer-related in Schedule 3.

Q14: Would you explain Schedule 3?

A14: Schedule 3 is the classification of expenses as either demand-related, energy-related or consumer related. Distribution line expenses (poles and conduit) and distribution transformer expenses contain both demand-related expenses and consumer-related expenses. Distribution expenses for services, meters, and consumer services and accounting are all considered to be customer-related. Purchased power contains a demand-related component, which are the demand

charges, and an energy-related component, which are the energy charges. The distribution substations are considered to be demand-related.

Q15: What is the basis for the division of the distribution line expenses and the transformer expenses into a demand-related component and a customer-related component?

A15: The basis for the determination of the demand-related and customer related expenses are the use of one of two methods: 1) the minimum size method and 2) the 'Zero-intercept'. These methods are applied to data from JEC's Continuous Property Records ("CPRs") for Accounts 364-Poles, 365-Overhead Conductor, and 368-Transformers. The approach for the zero-intercept method is to determine the no load or zero demand component for each account. The zero load amounts is then utilized as a basis to determine the customer related investment and it's percent of the total investment for the accounts listed above. The residual amount and percentage is considered to be demand-related. For the minimum size method, the cost of the minimum size unit multiplied by the total number of units is utilized to determine the customer component of each investment while the remaining amount is considered demand related. Correspondingly, the expenses associated with these accounts are then proportioned as either demand related or consumer related based on the investment proportions. The zero-intercept method was used to determine the demand related and consumer related components for account 365-overhead conductor and for account 368-transformers. The minimum size method was used for account 364-poles. The percentages for the demand-related component and the customer-related component are then applied to the test year expenses to determine the amount of expenses that are demand-related and customer-related.

Q16: Explain Schedule 4?

A16: Schedule 4 is the allocation of the classified expenses to JEC's electric rate classes. The demand related expenses are allocated on two different bases, the



demand-related purchased power costs and the distribution demand-related costs for lines and transformers, and are allocated proportionally on the basis of the sum of each rate class's monthly peak demand for the test year. The purchased power energy-related costs are allocated to each rate class proportional on retail energy sales for the test period. The customer-related costs for each customer-related segment are allocated differently. For lines, the allocation is proportional based on number of customers. For transformers, the allocation is proportionally weighted based on the number of consumers and the investment in the minimum size transformer for each rate class.

For services, it is based on the number of customers and the minimum investment applied to the average length of the service for each rate class. For meters, the number of customers and the minimum size meter is used to allocate these expenses. For consumer services and accounting, the allocation is based on weighting factors that considers the number of consumers, the billing complexity or billing units per rate class for consumer records. Meter reading may also be utilized to differentiate the different types of meter data need from the various rate classes. The number of customers is also a factor in this to determine the appropriate allocation. Sections of this schedule contain the basis for the allocation of the classified expenses to each rate class.

Q18: What is included in Schedule 5?

A18: Schedule 5 provides a comparison of the revenue from the current rates for each rate class with costs to serve each rate class from Schedule 4. This is used to verify if the increases in the customer charge for each rate class is within the COSS. If there is justification to decrease the rates, JEC has determined that no rate class will receive a decrease in rates and these savings will be utilized to temper the amount of rate increase for other rate classes.

Q19: What is JEC proposing in the way of rate design for those classes receiving an increase in rates?

A19: JEC has chosen to move in the direction of by moderately increasing its customer charges and to move them closer to the customer related costs based on the COSS.

Q20: What is JEC proposing in regards to rate design?

A20: JEC is proposing a three year incremental increase in the customer charge only so to more closely reflect the true cost of service for all rate classes except lighting. Lighting is a fixed fee, so an incremental increase added to the monthly fee over three years is requested.

Q21: What is in JEC cost structure that makes increases in it customer charges realistic?

A21: In the short term, JEC's distribution costs are fixed and its only variable cost is the cost of its wholesale power. By placing more of its costs into a fixed rate component, less distribution costs will come from energy sales based on the volume of usage. And JEC will have less risk exposure to conservation and will be more prone and incentivized to enter into additional DSM programs and better able to assist it members to manage their electric bills.

Q23: Does this conclude your testimony?

A23: This concludes my testimony.

Affiant, Mary Elizabeth Purvis, states that the answers given by him to the foregoing questions are true and correct to the best of his knowledge and belief.

Mary Elizabeth Purvis  
Mary Elizabeth Purvis

Subscribed and sworn to before me by the affiant, Mary Elizabeth Purvis, this 7<sup>th</sup> day of August 2013.

Sisa Baker #411515  
Notary Public, Kentucky State at Large

My Commission Expires 1/19/2014

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

**IN THE MATTER OF THE ADJUSTMENT )  
OF RATES OF JACKSON ELECTRIC ) CASE NO. 2013-00219  
COOPERATIVE CORPORATION )**

**PREPARED TESTIMONY OF JAMES R. ADKINS**

Q1. State your name and business address.

R1. I am James R. Adkins and my business address is 1041  
Chasewood Way, Lexington, KY 40513-1731.

Q2. What has been your role in this application?

R2. My role in this application has been to assist Jackson Electric Cooperative in the  
development of this application, to assist in the developed of the rate design, and  
to supervise the completion of a Cost of Service Study

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

R3. I have spent the last thirty-six plus years dealing with electric utility rates. I was  
employed by EKPC as its Pricing Manager for almost twenty-five years. I spent a  
little over one year with the Prime Group, LLC and I have been self-employed for  
the last eleven years. Prior to my electric utility career, I was employed in the  
finance and accounting areas of the medical care field for close to eight years. I  
also served in the U.S. Army as an infantryman in the Republic of Vietnam in the  
late 1960s and I am a disabled veteran of that war.

Q4. What is your educational background?

R4. I received a Bachelors Degree in Commerce with a major In banking and finance in 1971 and a Masters of Science in Accounting in 1976. Both of my degrees were granted by the University of Kentucky. Since then, I have attended many seminars, conferences and courses on rate-making as well as a presenter at many conferences and seminars on electric utility rate-making, cost of service studies, and rate design.

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

R5. I have appeared as a witness before this Commission many times in utility rate applications, applications for certificates of public convenience and necessity, fuel adjustment clause hearings, and administrative cases. I have testified on the behalf of East Kentucky Power Cooperative ("EKPC") and for all of EKPC's member cooperatives and for other distribution cooperatives.

Q6. Do you agree with the approach taken by Jackson Energy in this application.

R6. I commend Jackson Energy for the approach taken in this application. It is unique approach especially for a distribution cooperative and it does have an element of risk. Two significant elements are contained in this application. One is the idea of an increase in rates for a period of three years with increases applied only to the customer charges for rate classes. The second significant item is the fact that the total revenue requirements will provide a Times Interest Earned Ratio ("TIER") of approximately 1.67X and it is significantly less than the normal TIER amount of 2.0X requested in most distribution rate cases.

Q7. What is the risk element that you mention above in your response to Question 6 above?

R7. The risk does exist that even with the proposed increase in rates and revenue requirements proposed in this application that Jackson Energy may not meet its financial needs or its mortgage requirements with the Rural Utilities Service ("RUS").

Q8. What is your opinion on the likelihood that Jackson Energy may meet its financial targets and mortgage requirements with this approach to rate-making and rate applications?

R8. It is my opinion that Jackson Energy will most likely meet its financial goals and its mortgage requirements. Attached as Exhibit JRA-1 is a Ten Year Financial Forecast completed by Jackson Energy that provides a strong indication that Jackson Energy will meet its financial goals and mortgage requirements. I feel that Jackson Energy will meet its targets for the following listed reasons.

- Future energy sales will most likely be greater than the test year energy sales;
- The overall economy should continue to improve which will be beneficial to Jackson Energy;
- The major impact of Jackson Energy's Prepay Program has already been felt by Jackson Energy;
- Jackson Energy's Strategic Financial Plan should will provide for a more stable expense and revenue situation; and
- The placement of all increase amounts on the customer charge will better enable Jackson Energy to absorb greater volatility in its

- energy sales. This places the increases on the fixed rate component or the customer charge and not the variable rate component of energy.

Q9. How was the Cost of Service Study (“COSS”) utilized in this application?

R9. The COSS has been used primarily as a guide in the development of the proposed increases in the customer charges that have been filed in this case. Listed below is a table that shows the present customer charges, the proposed customer charge at year 3 and the cost based customer charge.

<b>COPARISON OF CURRENT AND PROPOSED CUSTOMER CHARGES</b>				
	<b>Rate Class</b>	<b>Current</b>	<b>Proposed</b>	<b>Cost Based</b>
<b>10</b>	<b>Residential - Farm &amp; Non-Farm</b>	<b>\$ 10.44</b>	<b>\$ 16.44</b>	<b>\$ 29.40</b>
<b>20</b>	<b>Commercial &amp; Small Power</b>	<b>\$ 27.47</b>	<b>\$ 39.47</b>	<b>\$ 40.44</b>
<b>40</b>	<b>Large Power 50 kW and Larger</b>	<b>\$ 49.45</b>	<b>\$ 56.95</b>	<b>\$ 56.92</b>
<b>46</b>	<b>Large Power 500 kW and Larger</b>	<b>\$ 1,079.86</b>	<b>\$ 1,700.47</b>	<b>\$ 61.15</b>
<b>47</b>	<b>Large Power - 500 -4,999 kW</b>	<b>\$ 1,079.86</b>	<b>\$ 1,700.47</b>	<b>\$ 61.15</b>
<b>48</b>	<b>Large Power - 5,000 kW and Larger</b>	<b>\$ 1,202.46</b>	<b>\$ 1,823.07</b>	<b>NA</b>
<b>50</b>	<b>Schools, Community Halls &amp; Parks</b>	<b>\$ 16.49</b>	<b>\$ 22.49</b>	<b>\$ 33.41</b>
<b>52</b>	<b>All Electric Schools</b>	<b>\$ 43.96</b>	<b>\$ 55.96</b>	<b>\$ 55.64</b>

The amount of the customer charge increase has been guided by the current charge compared with the cost based charge. Additionally, the current level of margins for each rate class has been factored into the amount of increase.

Q10. All of the proposed customer charges are less than or consistent with the results of the COSS other than the proposed customer charges for Rate Classes 45, 47, and 48 which are large power rate classes. Why does such a difference exist for these classes.

R10. The proposed rates for these large power rate classes are based on a different rationale somewhat different than the normal methodology. Rate classes 46, 47, and 48 contain retail rates based on a special wholesale rate from its wholesale power supplier East Kentucky Power Cooperative ("EKPC"). It is assumed that the type of customers served by these rate schedules would be located next to or a short distance away from the substation and is the primary reason for the need for the substation serving them. EKPC has a separate monthly substation charge in its rate schedules and the customer charge for these rate classes attempts to recover some of these costs to Jackson Energy. EKPC's substation charges are listed below:

1. Meter Point Charge - \$144.00
2. Substation 1,000 – 2,999 kW - \$1,088
3. Substation 3,000 – 7,400 kW - \$2,737
4. Substation 7,500 – 14,999 kW - \$3,292
5. Substation 15,000 kW and Larger - \$5,310.

It is readily apparent from this rate schedule that the customer charge for rate classes 46, 47, and 48 does provide some means of recovering the costs of substations that provide service to them.

Q11. Has the current levels of margins influenced in any manner the proposed rate design?

R11. The current level of margins has been utilized to some degree in the amount of increase in the customer charge but it has had no influence on rate design.



Jackson Energy determined in advance the rate segment it wished to increase for each rate class and the amount. The COSS and current level of margins had some influence on the magnitude of the increase in the customer charge.

Q12. What has been the basis for the increase in the proposed lighting rates?

R12. The basis for the increase in the proposed lighting rates is one that is somewhat subjective. The rationale for the lighting rate increase is as follows:

<b>Current Rate</b>		<b>Increase</b>
<b>Range</b>		
<b>From</b>	<b>To</b>	<b>Amount</b>
\$ -	\$ 9.99	\$ 0.15
\$ 10.00	\$ 19.99	\$ 0.30
\$ 20.00	\$ 29.99	\$ 0.60
\$ 30.00	\$ 39.99	\$ 0.90
\$ 40.00	\$ 49.99	\$ 1.20
\$ 50.00	\$ 59.99	\$ 1.50

Q13. Please summarize your testimony.

R13. Jackson Energy is a different approach to revenue requirements and rate design in this application. One, Jackson Energy is proposing to raise its rates and revenue in a gradual manner. Two, Jackson Energy is proposing a total revenue requirement and a resulting increase amount that is significantly less than what other distribution cooperatives have used in the past. I believe that this approach has merit for Jackson Energy and is very well explained in the Testimony of Carol Wright and in Jackson Energy Strategic Financial Plan.

Q14. Does this conclude your testimony?

R14. This concludes my testimony.

**FINANCIAL FORECAST**  
**WITH CUSTOMER CHARGE INCREASE**

JACKSON ENERGY COOPERATIVE CORPORATION  
KY 3 JACKSON  
APRIL 3, 2013

Last Year	FUTURE YEARS										
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	
1. Equity Ratio (With Additional Revenue) (%)	31.70	33.05	33.70	37.37	35.23	35.93	36.50	36.79	36.99	37.10	37.22
2a. Debt Service Coverage (With Additional Revenue)	1.71	1.41	1.45	1.65	1.84	1.88	1.90	1.90	1.82	1.74	1.73
2b. Operating DSC (Including operating margins + G&T & lender Capital Credits paid)	1.14	1.14	1.41	1.61	1.81	1.84	1.87	1.86	1.78	1.71	1.69
3a. Times Interest Earned Ratio (With Added Revenue)	1.72	1.67	1.36	1.56	1.75	1.67	1.61	1.52	1.43	1.33	1.32
3b. Operating TIER (Including operating margins + G&T & lender Capital Credits paid)		<b>1.03</b>	<b>1.29</b>	<b>1.48</b>	<b>1.68</b>	<b>1.60</b>	<b>1.54</b>	<b>1.45</b>	<b>1.36</b>	<b>1.26</b>	<b>1.25</b>
4. Average Revenue Per KWH Sold (Cents)	11.22	11.14	11.22	11.33	11.45	11.45	11.45	11.42	11.42	11.42	11.50
5. Increase in Average Revenue Per KWH Sold (%)		<b>(0.67)</b>	0.68	1.03	1.05	<b>(0.01)</b>	0.00	<b>(0.30)</b>	0.01	0.01	0.67
6. Total Utility Plant Per KWH Sold (Cents)	25.30	23.59	23.68	24.28	24.64	25.09	25.47	25.76	26.25	26.76	27.48
7. Net General Funds to Total Utility Plant (%)	1.22	0.13	0.30	1.19	2.69	4.17	5.60	6.90	7.96	8.78	9.58
8. Accum. Prov. For Depreciation to Total Utility Plant (%)	26.36	28.73	31.03	33.12	35.18	37.20	39.19	41.01	42.79	44.56	46.31
9. Operations & Maintenance Expense per Consumer (\$)	211.12	219.04	219.20	220.22	223.49	226.85	230.30	233.82	237.44	241.13	241.43
10. Administrative & General Expense per Consumer(\$)	91.90	108.83	108.91	109.42	111.04	112.71	114.42	116.18	117.97	119.80	119.96
11. Plant Revenue Ratio	6.08	6.16	6.08	6.05	5.96	6.07	6.15	6.28	6.40	6.52	6.57
12. Rate of Return on Rate Base (With Add. Revenue) (%)		3.26	3.93	4.50	5.13	4.97	4.88	4.69	4.53	4.33	4.40
13. Rate Base = 104% of Net Utility Plant		165,578,935	164,025,094	163,439,140	162,683,424	161,754,801	160,650,070	160,405,976	159,950,989	159,280,893	158,391,385
14. Increase Over Present Retail Rates Required (%)		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.60</b>
15. Modified DSC (For RUS Use)		1.16	1.43	1.63	1.82	1.86	1.88	1.87	1.80	1.72	1.71
16. Modified TIER (Net of G&T & Other Capital Credits)		1.06	1.32	1.52	1.71	1.63	1.57	1.48	1.39	1.29	1.28





JACKSON ENERGY COOPERATIVE CORPORATION  
KY 3 JACKSON  
APRIL 3, 2013

FINANCIAL FORECAST  
WITH CUSTOMER CHARGE INCREASE

Last Year	FUTURE YEARS										
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	
<b>1. Residential</b>											
a. Total Annual KWH Sold	663,784,605	724,494,162	725,000,000	735,384,000	741,475,000	750,496,000	758,570,000	766,825,000	773,818,000	773,818,000	773,818,000
b. Average Revenue per KWH Sold	0.1172562	0.1172547	0.1172547	0.1172547	0.1172547	0.1172547	0.1172547	0.1172547	0.1172547	0.1172547	0.1172547
c. Fixed Monthly Charge per Consumer	0	0	2	4	6	6	6	6	6	6	6
d. Average Number of Consumers	47,647	47,647	47,975	48,232	48,480	48,719	48,952	49,179	49,401	49,620	50,620
e. Annual Revenue Less Flow Through Adjustment	77,832,875	84,950,346	86,161,058	87,374,392	89,717,790	91,523,727	92,486,786	93,470,707	94,306,437	94,378,437	
f. Flow Through Adjustment Revenue	0	0	0	0	0	0	0	0	0	0	0
g. Gross Annual Revenue	77,832,875	84,950,346	86,161,058	87,374,392	89,717,790	91,523,727	92,486,786	93,470,707	94,306,437	94,378,437	
<b>4. Commercial: 1,000 KVA or Less</b>											
a. Total Annual KWH Sold	137,525,091	154,758,000	155,403,000	156,086,000	157,387,000	158,007,000	158,611,000	159,200,000	159,778,000	159,778,000	
b. Average Revenue per KWH Sold	0.1052526	0.1014202	0.1014202	0.1014202	0.1014202	0.1014202	0.1014202	0.1014202	0.1014202	0.1014202	
c. Fixed Monthly Charge per Consumer	0	0	6	6	6	6	6	6	6	6	6
d. Average Number of Consumers	3,598	3,598	3,744	3,762	3,779	3,811	3,827	3,842	3,857	3,857	3,857
e. Annual Revenue Less Flow Through Adjustment	14,474,876	15,695,587	16,030,571	16,101,137	16,235,461	16,299,494	16,361,903	16,422,720	16,482,421	16,482,421	
f. Flow Through Adjustment Revenue	0	0	0	0	0	0	0	0	0	0	0
g. Gross Annual Revenue	14,474,876	15,695,587	16,030,571	16,101,137	16,235,461	16,299,494	16,361,903	16,422,720	16,482,421	16,482,421	
<b>5. Commercial: Over 1,000 KVA</b>											
a. Total Annual KWH Sold	60,754,784	67,748,000	85,347,000	86,393,000	88,114,000	88,825,000	97,720,000	98,282,000	98,788,000	98,788,000	
b. Average Revenue per KWH Sold	0.0721471	0.0718081	0.0718081	0.0718081	0.0718081	0.0718081	0.0718081	0.0718081	0.0718081	0.0718081	
c. Fixed Monthly Charge per Consumer	0	0	150	150	150	150	150	150	150	150	
d. Average Number of Consumers	5	5	6	6	6	6	7	7	7	7	
e. Annual Revenue Less Flow Through Adjustment	4,383,279	4,864,855	6,139,406	6,214,517	6,338,099	6,389,154	7,029,688	7,070,044	7,106,379	7,106,379	
f. Flow Through Adjustment Revenue	0	0	0	0	0	0	0	0	0	0	
g. Gross Annual Revenue	4,383,279	4,864,855	6,139,406	6,214,517	6,338,099	6,389,154	7,029,688	7,070,044	7,106,379	7,106,379	
<b>15. Total Revenue</b>											
a. Total Revenue from Sale of Electric Energy	96,691,030	105,510,788	108,331,035	109,690,046	112,167,585	114,212,375	115,878,377	116,963,471	117,895,237	117,967,237	
b. Other Operating Revenue	2,600,940	2,636,312	2,675,000	2,700,000	2,775,000	2,825,000	2,850,000	2,875,000	2,900,000	2,900,000	
c. Total Operating Revenue	99,291,970	108,147,100	111,006,035	112,390,046	114,942,585	117,037,375	118,728,377	119,838,471	120,795,237	120,867,237	

Financial Forecast  
For the Years 2013 - 2022  
Statement of Assumptions

Revenue & Power Bill: Dollars and kWh are from the 2013 Budget.  
2014 kWh and future kWh are from the 2010 Load Forecast with some minor adjustments.  
2014 revenue and future revenue amounts use the average \$ per kWh from the 2013 budget.

Residential Customer Charge increases \$2.00 in 2014, 2015 & 2016.  
Small Commercial Customer Charge increases \$6.00 in 2014.  
Large Commercial Customer Charge increases \$150.00 in 2014.

Expenses: 2013 expenses are from 2013 Budget.  
2014 thru 2015 expenses increase 1% per year.  
2016 and future expenses increase 2% per year.

Plant: Growth - 2013 thru 2014 \$7,000,000 per year.  
Growth - 2015 thru 2018 \$8,000,000 per year.  
Growth - 2019 thru 2022 \$9,000,000 per year.

Internally generated funds will finance \$3,000,000 of the plant growth each year.  
The remaining funds needed for plant growth financed at 5% interest rate.  
Existing debt financed at latest interest rate for each note.

Driver: The main driver is OTIER. The OTIER is set at 1.25 each year.

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

James R. Adkins  
James R Adkins

Subscribed and sworn to before me by the affiant, James R Adkins, this 7<sup>th</sup> day of August 2013.

Lisa Baker # 41515  
Notary Public, Kentucky State at Large

My Commission Expires 1/19/2014

**Jackson Energy Cooperative**  
**Case No 2013-00219**  
**Average Bill for Residential Rate Class**  
**Rate 10 - Residential, Farm and Non-Farm Service**

**Rate 10 - Residential Service**

**A. Rates:**

Customer Charge per Month  
Energy Charge per kWh

Current Rates	Proposed Rates		
	Year 1	Year 2	Year 3
\$ 10.44	\$ 12.44	\$ 14.44	\$ 16.44
\$ 0.09849	\$ 0.09849	\$ 0.09849	\$ 0.09849

**B. Impact Upon Members**

Current Year	Year 1				Year 2			Year 3			Total for Years		
	kWh	Revenue	Revenue	Amount	Percent	Revenue	Amount	Percent	Revenue	Amount	Percent	Revenue	Amount
0	\$ 10.44	\$ 12.44	\$ 2.00	19.2%	\$ 14.44	\$ 2.00	16.1%	\$ 16.44	\$ 2.00	13.9%	\$ 16.44	\$ 6.00	57.5%
25	\$ 12.90	\$ 14.90	\$ 2.00	15.5%	\$ 16.90	\$ 2.00	13.4%	\$ 18.90	\$ 2.00	11.8%	\$ 18.90	\$ 6.00	46.5%
50	\$ 15.36	\$ 17.36	\$ 2.00	13.0%	\$ 19.36	\$ 2.00	11.5%	\$ 21.36	\$ 2.00	10.3%	\$ 21.36	\$ 6.00	39.1%
100	\$ 20.29	\$ 22.29	\$ 2.00	9.9%	\$ 24.29	\$ 2.00	9.0%	\$ 26.29	\$ 2.00	8.2%	\$ 26.29	\$ 6.00	29.6%
150	\$ 25.21	\$ 27.21	\$ 2.00	7.9%	\$ 29.21	\$ 2.00	7.3%	\$ 31.21	\$ 2.00	6.8%	\$ 31.21	\$ 6.00	23.8%
200	\$ 30.14	\$ 32.14	\$ 2.00	6.6%	\$ 34.14	\$ 2.00	6.2%	\$ 36.14	\$ 2.00	5.9%	\$ 36.14	\$ 6.00	19.9%
250	\$ 35.06	\$ 37.06	\$ 2.00	5.7%	\$ 39.06	\$ 2.00	5.4%	\$ 41.06	\$ 2.00	5.1%	\$ 41.06	\$ 6.00	17.1%
300	\$ 39.99	\$ 41.99	\$ 2.00	5.0%	\$ 43.99	\$ 2.00	4.8%	\$ 45.99	\$ 2.00	4.5%	\$ 45.99	\$ 6.00	15.0%
350	\$ 44.91	\$ 46.91	\$ 2.00	4.5%	\$ 48.91	\$ 2.00	4.3%	\$ 50.91	\$ 2.00	4.1%	\$ 50.91	\$ 6.00	13.4%
400	\$ 49.84	\$ 51.84	\$ 2.00	4.0%	\$ 53.84	\$ 2.00	3.9%	\$ 55.84	\$ 2.00	3.7%	\$ 55.84	\$ 6.00	12.0%
450	\$ 54.76	\$ 56.76	\$ 2.00	3.7%	\$ 58.76	\$ 2.00	3.5%	\$ 60.76	\$ 2.00	3.4%	\$ 60.76	\$ 6.00	11.0%
500	\$ 59.69	\$ 61.69	\$ 2.00	3.4%	\$ 63.69	\$ 2.00	3.2%	\$ 65.69	\$ 2.00	3.1%	\$ 65.69	\$ 6.00	10.1%
600	\$ 69.53	\$ 71.53	\$ 2.00	2.9%	\$ 73.53	\$ 2.00	2.8%	\$ 75.53	\$ 2.00	2.7%	\$ 75.53	\$ 6.00	8.6%
700	\$ 79.38	\$ 81.38	\$ 2.00	2.5%	\$ 83.38	\$ 2.00	2.5%	\$ 85.38	\$ 2.00	2.4%	\$ 85.38	\$ 6.00	7.6%
800	\$ 89.23	\$ 91.23	\$ 2.00	2.2%	\$ 93.23	\$ 2.00	2.2%	\$ 95.23	\$ 2.00	2.1%	\$ 95.23	\$ 6.00	6.7%
900	\$ 99.08	\$ 101.08	\$ 2.00	2.0%	\$ 103.08	\$ 2.00	2.0%	\$ 105.08	\$ 2.00	1.9%	\$ 105.08	\$ 6.00	6.1%
1000	\$ 108.93	\$ 110.93	\$ 2.00	1.8%	\$ 112.93	\$ 2.00	1.8%	\$ 114.93	\$ 2.00	1.8%	\$ 114.93	\$ 6.00	5.5%
1100	\$ 118.78	\$ 120.78	\$ 2.00	1.7%	\$ 122.78	\$ 2.00	1.7%	\$ 124.78	\$ 2.00	1.6%	\$ 124.78	\$ 6.00	5.1%
1200	\$ 128.63	\$ 130.63	\$ 2.00	1.6%	\$ 132.63	\$ 2.00	1.5%	\$ 134.63	\$ 2.00	1.5%	\$ 134.63	\$ 6.00	4.7%
1300	\$ 138.48	\$ 140.48	\$ 2.00	1.4%	\$ 142.48	\$ 2.00	1.4%	\$ 144.48	\$ 2.00	1.4%	\$ 144.48	\$ 6.00	4.3%
1400	\$ 148.33	\$ 150.33	\$ 2.00	1.3%	\$ 152.33	\$ 2.00	1.3%	\$ 154.33	\$ 2.00	1.3%	\$ 154.33	\$ 6.00	4.0%
1500	\$ 158.18	\$ 160.18	\$ 2.00	1.3%	\$ 162.18	\$ 2.00	1.2%	\$ 164.18	\$ 2.00	1.2%	\$ 164.18	\$ 6.00	3.8%
1600	\$ 168.02	\$ 170.02	\$ 2.00	1.2%	\$ 172.02	\$ 2.00	1.2%	\$ 174.02	\$ 2.00	1.2%	\$ 174.02	\$ 6.00	3.6%
1700	\$ 177.87	\$ 179.87	\$ 2.00	1.1%	\$ 181.87	\$ 2.00	1.1%	\$ 183.87	\$ 2.00	1.1%	\$ 183.87	\$ 6.00	3.4%
1800	\$ 187.72	\$ 189.72	\$ 2.00	1.1%	\$ 191.72	\$ 2.00	1.1%	\$ 193.72	\$ 2.00	1.0%	\$ 193.72	\$ 6.00	3.2%
1900	\$ 197.57	\$ 199.57	\$ 2.00	1.0%	\$ 201.57	\$ 2.00	1.0%	\$ 203.57	\$ 2.00	1.0%	\$ 203.57	\$ 6.00	3.0%
2000	\$ 207.42	\$ 209.42	\$ 2.00	1.0%	\$ 211.42	\$ 2.00	1.0%	\$ 213.42	\$ 2.00	0.9%	\$ 213.42	\$ 6.00	2.9%
2500	\$ 256.67	\$ 258.67	\$ 2.00	0.8%	\$ 260.67	\$ 2.00	0.8%	\$ 262.67	\$ 2.00	0.8%	\$ 262.67	\$ 6.00	2.3%
3000	\$ 305.91	\$ 307.91	\$ 2.00	0.7%	\$ 309.91	\$ 2.00	0.6%	\$ 311.91	\$ 2.00	0.6%	\$ 311.91	\$ 6.00	2.0%

**Average Monthly Usage**

1080 \$ 116.84 \$ 118.84 \$ 2.00 1.7% \$ 120.84 \$ 2.00 1.7% \$ 122.84 \$ 2.00 1.7% \$ 122.84 \$ 6.00 5.1%



**Jackson Energy Cooperative**  
**Case No 2013-00219**  
**Average Bill for Residential Rate Class**  
**Rate 20 - Small Commercial**

**Rate 20 - Small Commercial**

**A. Rates:**

Customer Charge per Month  
Energy Charge per kWh

Current Rates	Proposed Rates		
	Year 1	Year 2	Year 3
\$ 27.47	\$ 31.47	\$ 35.47	\$ 39.47
\$ 0.08809	\$ 0.08809	\$ 0.08809	\$ 0.08809

**B. Impact Upon Members**

kWh	Current Year		Year 1			Year 2			Year 3			Total for Years		
	Revenue	Amount	Revenue	Amount	Percent	Revenue	Amount	Percent	Revenue	Amount	Percent	Revenue	Amount	Percent
0	\$ 27.47	\$ 4.00	\$ 31.47	\$ 4.00	14.6%	\$ 35.47	\$ 4.00	12.7%	\$ 39.47	\$ 4.00	11.3%	\$ 39.47	\$ 12.00	43.7%
25	\$ 29.67	\$ 4.00	\$ 33.67	\$ 4.00	13.5%	\$ 37.67	\$ 4.00	11.9%	\$ 41.67	\$ 4.00	10.6%	\$ 41.67	\$ 12.00	40.4%
50	\$ 31.87	\$ 4.00	\$ 35.87	\$ 4.00	12.5%	\$ 39.87	\$ 4.00	11.1%	\$ 43.87	\$ 4.00	10.0%	\$ 43.87	\$ 12.00	37.6%
100	\$ 36.28	\$ 4.00	\$ 40.28	\$ 4.00	11.0%	\$ 44.28	\$ 4.00	9.9%	\$ 48.28	\$ 4.00	9.0%	\$ 48.28	\$ 12.00	33.1%
150	\$ 40.68	\$ 4.00	\$ 44.68	\$ 4.00	9.8%	\$ 48.68	\$ 4.00	9.0%	\$ 52.68	\$ 4.00	8.2%	\$ 52.68	\$ 12.00	29.5%
200	\$ 45.09	\$ 4.00	\$ 49.09	\$ 4.00	8.9%	\$ 53.09	\$ 4.00	8.1%	\$ 57.09	\$ 4.00	7.5%	\$ 57.09	\$ 12.00	26.6%
250	\$ 49.49	\$ 4.00	\$ 53.49	\$ 4.00	8.1%	\$ 57.49	\$ 4.00	7.5%	\$ 61.49	\$ 4.00	7.0%	\$ 61.49	\$ 12.00	24.2%
300	\$ 53.90	\$ 4.00	\$ 57.90	\$ 4.00	7.4%	\$ 61.90	\$ 4.00	6.9%	\$ 65.90	\$ 4.00	6.5%	\$ 65.90	\$ 12.00	22.3%
350	\$ 58.30	\$ 4.00	\$ 62.30	\$ 4.00	6.9%	\$ 66.30	\$ 4.00	6.4%	\$ 70.30	\$ 4.00	6.0%	\$ 70.30	\$ 12.00	20.6%
400	\$ 62.71	\$ 4.00	\$ 66.71	\$ 4.00	6.4%	\$ 70.71	\$ 4.00	6.0%	\$ 74.71	\$ 4.00	5.7%	\$ 74.71	\$ 12.00	19.1%
450	\$ 67.11	\$ 4.00	\$ 71.11	\$ 4.00	6.0%	\$ 75.11	\$ 4.00	5.6%	\$ 79.11	\$ 4.00	5.3%	\$ 79.11	\$ 12.00	17.9%
500	\$ 71.52	\$ 4.00	\$ 75.52	\$ 4.00	5.6%	\$ 79.52	\$ 4.00	5.3%	\$ 83.52	\$ 4.00	5.0%	\$ 83.52	\$ 12.00	16.8%
600	\$ 80.32	\$ 4.00	\$ 84.32	\$ 4.00	5.0%	\$ 88.32	\$ 4.00	4.7%	\$ 92.32	\$ 4.00	4.5%	\$ 92.32	\$ 12.00	14.9%
700	\$ 89.13	\$ 4.00	\$ 93.13	\$ 4.00	4.5%	\$ 97.13	\$ 4.00	4.3%	\$ 101.13	\$ 4.00	4.1%	\$ 101.13	\$ 12.00	13.5%
800	\$ 97.94	\$ 4.00	\$ 101.94	\$ 4.00	4.1%	\$ 105.94	\$ 4.00	3.9%	\$ 109.94	\$ 4.00	3.8%	\$ 109.94	\$ 12.00	12.3%
900	\$ 106.75	\$ 4.00	\$ 110.75	\$ 4.00	3.7%	\$ 114.75	\$ 4.00	3.6%	\$ 118.75	\$ 4.00	3.5%	\$ 118.75	\$ 12.00	11.2%
1000	\$ 115.56	\$ 4.00	\$ 119.56	\$ 4.00	3.5%	\$ 123.56	\$ 4.00	3.3%	\$ 127.56	\$ 4.00	3.2%	\$ 127.56	\$ 12.00	10.4%
1100	\$ 124.37	\$ 4.00	\$ 128.37	\$ 4.00	3.2%	\$ 132.37	\$ 4.00	3.1%	\$ 136.37	\$ 4.00	3.0%	\$ 136.37	\$ 12.00	9.6%
1200	\$ 133.18	\$ 4.00	\$ 137.18	\$ 4.00	3.0%	\$ 141.18	\$ 4.00	2.9%	\$ 145.18	\$ 4.00	2.8%	\$ 145.18	\$ 12.00	9.0%
1300	\$ 141.99	\$ 4.00	\$ 145.99	\$ 4.00	2.8%	\$ 149.99	\$ 4.00	2.7%	\$ 153.99	\$ 4.00	2.7%	\$ 153.99	\$ 12.00	8.5%
1400	\$ 150.80	\$ 4.00	\$ 154.80	\$ 4.00	2.7%	\$ 158.80	\$ 4.00	2.6%	\$ 162.80	\$ 4.00	2.5%	\$ 162.80	\$ 12.00	8.0%
1500	\$ 159.61	\$ 4.00	\$ 163.61	\$ 4.00	2.5%	\$ 167.61	\$ 4.00	2.4%	\$ 171.61	\$ 4.00	2.4%	\$ 171.61	\$ 12.00	7.5%
1600	\$ 168.41	\$ 4.00	\$ 172.41	\$ 4.00	2.4%	\$ 176.41	\$ 4.00	2.3%	\$ 180.41	\$ 4.00	2.3%	\$ 180.41	\$ 12.00	7.1%
1700	\$ 177.22	\$ 4.00	\$ 181.22	\$ 4.00	2.3%	\$ 185.22	\$ 4.00	2.2%	\$ 189.22	\$ 4.00	2.2%	\$ 189.22	\$ 12.00	6.8%
1800	\$ 186.03	\$ 4.00	\$ 190.03	\$ 4.00	2.2%	\$ 194.03	\$ 4.00	2.1%	\$ 198.03	\$ 4.00	2.1%	\$ 198.03	\$ 12.00	6.5%
1900	\$ 194.84	\$ 4.00	\$ 198.84	\$ 4.00	2.1%	\$ 202.84	\$ 4.00	2.0%	\$ 206.84	\$ 4.00	2.0%	\$ 206.84	\$ 12.00	6.2%
2000	\$ 203.65	\$ 4.00	\$ 207.65	\$ 4.00	2.0%	\$ 211.65	\$ 4.00	1.9%	\$ 215.65	\$ 4.00	1.9%	\$ 215.65	\$ 12.00	5.9%
2500	\$ 247.70	\$ 4.00	\$ 251.70	\$ 4.00	1.6%	\$ 255.70	\$ 4.00	1.6%	\$ 259.70	\$ 4.00	1.6%	\$ 259.70	\$ 12.00	4.8%
3000	\$ 291.74	\$ 4.00	\$ 295.74	\$ 4.00	1.4%	\$ 299.74	\$ 4.00	1.4%	\$ 303.74	\$ 4.00	1.3%	\$ 303.74	\$ 12.00	4.1%

**Average Monthly Usage**

1448	\$ 155.00	\$ 159.00	\$ 4.00	2.6%	\$ 163.00	\$ 4.00	2.5%	\$ 167.00	\$ 4.00	2.5%	\$ 167.00	\$ 12.00	7.7%
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**Jackson Energy Cooperative**  
**Case No 2013-00219**  
**Average Bill for Residential Rate Class**  
**Rate 50 - churches, Schools, Community Halls**

**Rate 50 - Churches, Schools, Community Halls**

**A. Rates:**

	Current	Proposed Rates		
	Rates	Year 1	Year 2	Year 3
Customer Charge per Month	\$ 16.49	\$ 18.49	\$ 20.49	\$ 22.49
Energy Charge per kWh	\$ 0.09483	\$ 0.09483	\$ 0.09483	\$ 0.09483

**B. Impact Upon Members**

	Current Year		Year 1			Year 2			Year 3			Total for Years		
	kWh	Revenue	Revenue	Amount	Percent	Revenue	Amount	Percent	Revenue	Amount	Percent	Revenue	Amount	Percent
0	\$ 16.49	\$ 18.49	\$ 2.00	12.1%	\$ 20.49	\$ 2.00	10.8%	\$ 22.49	\$ 2.00	9.8%	\$ 22.49	\$ 6.00	36.4%	
25	\$ 18.86	\$ 20.86	\$ 2.00	10.6%	\$ 22.86	\$ 2.00	9.6%	\$ 24.86	\$ 2.00	8.7%	\$ 24.86	\$ 6.00	31.8%	
50	\$ 21.23	\$ 23.23	\$ 2.00	9.4%	\$ 25.23	\$ 2.00	8.6%	\$ 27.23	\$ 2.00	7.9%	\$ 27.23	\$ 6.00	28.3%	
100	\$ 25.97	\$ 27.97	\$ 2.00	7.7%	\$ 29.97	\$ 2.00	7.1%	\$ 31.97	\$ 2.00	6.7%	\$ 31.97	\$ 6.00	23.1%	
150	\$ 30.71	\$ 32.71	\$ 2.00	6.5%	\$ 34.71	\$ 2.00	6.1%	\$ 36.71	\$ 2.00	5.8%	\$ 36.71	\$ 6.00	19.5%	
200	\$ 35.46	\$ 37.46	\$ 2.00	5.6%	\$ 39.46	\$ 2.00	5.3%	\$ 41.46	\$ 2.00	5.1%	\$ 41.46	\$ 6.00	16.9%	
250	\$ 40.20	\$ 42.20	\$ 2.00	5.0%	\$ 44.20	\$ 2.00	4.7%	\$ 46.20	\$ 2.00	4.5%	\$ 46.20	\$ 6.00	14.9%	
300	\$ 44.94	\$ 46.94	\$ 2.00	4.5%	\$ 48.94	\$ 2.00	4.3%	\$ 50.94	\$ 2.00	4.1%	\$ 50.94	\$ 6.00	13.4%	
350	\$ 49.68	\$ 51.68	\$ 2.00	4.0%	\$ 53.68	\$ 2.00	3.9%	\$ 55.68	\$ 2.00	3.7%	\$ 55.68	\$ 6.00	12.1%	
400	\$ 54.42	\$ 56.42	\$ 2.00	3.7%	\$ 58.42	\$ 2.00	3.5%	\$ 60.42	\$ 2.00	3.4%	\$ 60.42	\$ 6.00	11.0%	
450	\$ 59.16	\$ 61.16	\$ 2.00	3.4%	\$ 63.16	\$ 2.00	3.3%	\$ 65.16	\$ 2.00	3.2%	\$ 65.16	\$ 6.00	10.1%	
500	\$ 63.91	\$ 65.91	\$ 2.00	3.1%	\$ 67.91	\$ 2.00	3.0%	\$ 69.91	\$ 2.00	2.9%	\$ 69.91	\$ 6.00	9.4%	
600	\$ 73.39	\$ 75.39	\$ 2.00	2.7%	\$ 77.39	\$ 2.00	2.7%	\$ 79.39	\$ 2.00	2.6%	\$ 79.39	\$ 6.00	8.2%	
700	\$ 82.87	\$ 84.87	\$ 2.00	2.4%	\$ 86.87	\$ 2.00	2.4%	\$ 88.87	\$ 2.00	2.3%	\$ 88.87	\$ 6.00	7.2%	
800	\$ 92.35	\$ 94.35	\$ 2.00	2.2%	\$ 96.35	\$ 2.00	2.1%	\$ 98.35	\$ 2.00	2.1%	\$ 98.35	\$ 6.00	6.5%	
900	\$ 101.84	\$ 103.84	\$ 2.00	2.0%	\$ 105.84	\$ 2.00	1.9%	\$ 107.84	\$ 2.00	1.9%	\$ 107.84	\$ 6.00	5.9%	
1000	\$ 111.32	\$ 113.32	\$ 2.00	1.8%	\$ 115.32	\$ 2.00	1.8%	\$ 117.32	\$ 2.00	1.7%	\$ 117.32	\$ 6.00	5.4%	
1100	\$ 120.80	\$ 122.80	\$ 2.00	1.7%	\$ 124.80	\$ 2.00	1.6%	\$ 126.80	\$ 2.00	1.6%	\$ 126.80	\$ 6.00	5.0%	
1200	\$ 130.29	\$ 132.29	\$ 2.00	1.5%	\$ 134.29	\$ 2.00	1.5%	\$ 136.29	\$ 2.00	1.5%	\$ 136.29	\$ 6.00	4.6%	
1300	\$ 139.77	\$ 141.77	\$ 2.00	1.4%	\$ 143.77	\$ 2.00	1.4%	\$ 145.77	\$ 2.00	1.4%	\$ 145.77	\$ 6.00	4.3%	
1400	\$ 149.25	\$ 151.25	\$ 2.00	1.3%	\$ 153.25	\$ 2.00	1.3%	\$ 155.25	\$ 2.00	1.3%	\$ 155.25	\$ 6.00	4.0%	
1500	\$ 158.74	\$ 160.74	\$ 2.00	1.3%	\$ 162.74	\$ 2.00	1.2%	\$ 164.74	\$ 2.00	1.2%	\$ 164.74	\$ 6.00	3.8%	
1600	\$ 168.22	\$ 170.22	\$ 2.00	1.2%	\$ 172.22	\$ 2.00	1.2%	\$ 174.22	\$ 2.00	1.2%	\$ 174.22	\$ 6.00	3.6%	
1700	\$ 177.70	\$ 179.70	\$ 2.00	1.1%	\$ 181.70	\$ 2.00	1.1%	\$ 183.70	\$ 2.00	1.1%	\$ 183.70	\$ 6.00	3.4%	
1800	\$ 187.18	\$ 189.18	\$ 2.00	1.1%	\$ 191.18	\$ 2.00	1.1%	\$ 193.18	\$ 2.00	1.0%	\$ 193.18	\$ 6.00	3.2%	
1900	\$ 196.67	\$ 198.67	\$ 2.00	1.0%	\$ 200.67	\$ 2.00	1.0%	\$ 202.67	\$ 2.00	1.0%	\$ 202.67	\$ 6.00	3.1%	
2000	\$ 206.15	\$ 208.15	\$ 2.00	1.0%	\$ 210.15	\$ 2.00	1.0%	\$ 212.15	\$ 2.00	1.0%	\$ 212.15	\$ 6.00	2.9%	
2500	\$ 253.57	\$ 255.57	\$ 2.00	0.8%	\$ 257.57	\$ 2.00	0.8%	\$ 259.57	\$ 2.00	0.8%	\$ 259.57	\$ 6.00	2.4%	
3000	\$ 300.98	\$ 302.98	\$ 2.00	0.7%	\$ 304.98	\$ 2.00	0.7%	\$ 306.98	\$ 2.00	0.7%	\$ 306.98	\$ 6.00	2.0%	

**Average Monthly Usage**

2122	\$ 217.68	\$ 219.68	\$ 2.00	0.9%	\$ 221.68	\$ 2.00	0.9%	\$ 223.68	\$ 2.00	0.9%	\$ 223.68	\$ 6.00	2.8%
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**Jackson Energy Cooperative  
Case No 2013-00219  
Revenue Analysis Summary  
December 2012**

Rate 10 -Residential, Farm and Non-Farm Service  
Rate 11 - Residential, Farm and Non-Farm Service - Off Peak Retail Marketing Rate  
Rate 20 - Commercial, Small Power, and Three-Phase Farm Service  
Rate 22 - Commercial, Small Power, and Three-Phase Farm Service - Off Peak Retail Marketing Rate  
Rate 40 - Large Power More Than 50 KW But Less Than 275 KW  
Rate 46 - Large Power Rate - 500 KW And Over  
Rate 47 - Large Power Rate - 500 KW To 4,999 KW  
Rate 48 - Large Power Rate 5,000 kW and Larger  
Rate 50 - Schools, Churches and Community Halls  
Rate 52 - All Electric Schools  
Rate OL - Street Lighting & Security Lights

Current Year			
	<u>kWh</u>	<u>Revenue</u>	<u>Percent of Total</u>
	604,001,121	\$ 65,324,813	73.4%
	5,869,464	\$ 346,827	0.4%
	59,785,822	\$ 6,400,934	7.2%
	84,122	\$ 4,446	0.0%
	77,219,046	\$ 6,762,714	7.6%
	20,992,480	\$ 1,403,807	1.6%
	39,684,880	\$ 2,662,906	3.0%
	0	\$ -	0.0%
	26,256,407	\$ 2,693,975	3.0%
	11,011,808	\$ 881,976	1.0%
	19,750,121	\$ 2,544,294	2.9%
<b>TOTAL</b>	<b>864,655,271</b>	<b>\$ 89,026,692.41</b>	<b>100.0%</b>

**Jackson Energy Cooperative**  
**Case No 2013-00219**  
**Revenue Analysis Summary**  
**December 2012**

Rate 10 -Residential, Farm and Non-Farm Service  
Rate 11 - Residential, Farm and Non-Farm Service - Off Peak Retail Marketing Rate  
Rate 20 - Commercial, Small Power, and Three-Phase Farm Service  
Rate 22 - Commercial, Small Power, and Three-Phase Farm Service - Off Peak Retail Marketing Rate  
Rate 40 - Large Power More Than 50 KW But Less Than 275 KW  
Rate 46 - Large Power Rate - 500 KW And Over  
Rate 47 - Large Power Rate - 500 KW To 4,999 KW  
Rate 48 - Large Power Rate 5,000 kW and Larger  
Rate 50 - Schools, Churches and Community Halls  
Rate 52 - All Electric Schools  
Rate OL - Street Lighting & Security Lights

**TOTAL**

Year 1					
	Revenue	Percent of Total	Increase		
			Amount	Percent	
\$	66,442,963	73.5%	\$	1,118,150	1.7%
\$	346,827	0.4%	\$	-	0.0%
\$	6,566,118	7.3%	\$	165,184	2.6%
\$	4,446	0.0%	\$	-	0.0%
\$	6,767,424	7.5%	\$	4,710	0.1%
\$	1,408,772	1.6%	\$	4,965	0.4%
\$	2,670,354	3.0%	\$	7,447	0.3%
\$	-	0.0%	\$	-	0.0%
\$	2,718,727	3.0%	\$	24,752	0.9%
\$	883,172	1.0%	\$	1,196	0.1%
\$	2,587,890	2.9%	\$	43,596	1.7%
\$	90,396,693	100.0%	\$	1,370,000	1.5%

Rate 10 -Residential, Farm and Non-Farm Service  
Rate 11 - Residential, Farm and Non-Farm Service - Off Peak Retail Marketing Rate  
Rate 20 - Commercial, Small Power, and Three-Phase Farm Service  
Rate 22 - Commercial, Small Power, and Three-Phase Farm Service - Off Peak Retail Marketing Rate  
Rate 40 - Large Power More Than 50 KW But Less Than 275 KW  
Rate 46 - Large Power Rate - 500 KW And Over  
Rate 47 - Large Power Rate - 500 KW To 4,999 KW  
Rate 48 - Large Power Rate 5,000 kW and Larger  
Rate 50 - Schools, Churches and Community Halls  
Rate 52 - All Electric Schools  
Rate OL - Street Lighting & Security Lights

**TOTAL**

Year 2					
	Revenue	Percent of Total	Increase		
			Amount	Percent	
\$	67,561,113	73.6%	\$	1,118,150	1.7%
\$	346,827	0.4%	\$	-	0.0%
\$	6,731,302	7.3%	\$	165,184	2.5%
\$	4,446	0.0%	\$	-	0.0%
\$	6,772,134	7.4%	\$	4,710	0.1%
\$	1,413,737	1.5%	\$	4,965	0.4%
\$	2,677,801	2.9%	\$	7,447	0.3%
\$	-	0.0%	\$	-	0.0%
\$	2,743,479	3.0%	\$	24,752	0.9%
\$	884,368	1.0%	\$	1,196	0.1%
\$	2,631,486	2.9%	\$	43,596	1.7%
\$	91,766,693	100.0%	\$	1,370,000.20	1.5%

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Year 3				
	<u>Revenue</u>	<u>Percent of Total</u>	<u>Increase Amount</u>	<u>Percent</u>
Rate 10 -Residential, Farm and Non-Farm Service	\$ 68,679,263	73.7%	\$ 1,118,150	1.7%
Rate 11 - Residential, Farm and Non-Farm Service - Off Peak Retail Marketing Rate	\$ 346,827	0.4%	\$ -	0.0%
Rate 20 - Commercial, Small Power, and Three-Phase Farm Service	\$ 6,896,486	7.4%	\$ 165,184	2.5%
Rate 22 - Commercial, Small Power, and Three-Phase Farm Service - Off Peak Retail Marketing Rate	\$ 4,446	0.0%	\$ -	0.0%
Rate 40 - Large Power More Than 50 KW But Less Than 275 KW	\$ 6,776,844	7.3%	\$ 4,710	0.1%
Rate 46 - Large Power Rate - 500 KW And Over	\$ 1,418,702	1.5%	\$ 4,965	0.4%
Rate 47 - Large Power Rate - 500 KW To 4,999 KW	\$ 2,685,248	2.9%	\$ 7,447	0.3%
Rate 48 - Large Power Rate 5,000 kW and Larger	\$ -	0.0%	\$ -	0.0%
Rate 50 - Schools, Churches and Community Halls	\$ 2,768,231	3.0%	\$ 24,752	0.9%
Rate 52 - All Electric Schools	\$ 885,564	1.0%	\$ 1,196	0.1%
Rate OL - Street Lighting & Security Lights	\$ 2,675,082	2.9%	\$ 43,596	1.7%
<b>TOTAL</b>	<b>\$ 93,136,693</b>	<b>100.0%</b>	<b>\$ 1,370,000.20</b>	<b>1.5%</b>

Total for Years				
	<u>Revenue</u>	<u>Percent of Total</u>	<u>Increase Amount</u>	<u>Percent</u>
Rate 10 -Residential, Farm and Non-Farm Service	\$ 202,683,340	73.6%	\$ 3,354,450	81.6%
Rate 11 - Residential, Farm and Non-Farm Service - Off Peak Retail Marketing Rate	\$ 1,040,480	0.4%	\$ -	0.0%
Rate 20 - Commercial, Small Power, and Three-Phase Farm Service	\$ 20,193,907	7.3%	\$ 495,552	12.1%
Rate 22 - Commercial, Small Power, and Three-Phase Farm Service - Off Peak Retail Marketing Rate	\$ 13,338	0.0%	\$ -	0.0%
Rate 40 - Large Power More Than 50 KW But Less Than 275 KW	\$ 20,316,401	7.4%	\$ 14,130	0.3%
Rate 46 - Large Power Rate - 500 KW And Over	\$ 4,241,211	1.5%	\$ 14,895	0.4%
Rate 47 - Large Power Rate - 500 KW To 4,999 KW	\$ 8,033,403	2.9%	\$ 22,342	0.5%
Rate 48 - Large Power Rate 5,000 kW and Larger	\$ -	0.0%	\$ -	0.0%
Rate 50 - Schools, Churches and Community Halls	\$ 8,230,438	3.0%	\$ 74,256	1.8%
Rate 52 - All Electric Schools	\$ 2,653,103	1.0%	\$ 3,588	0.1%
Rate OL - Street Lighting & Security Lights	\$ 7,894,457	2.9%	\$ 130,788	3.2%
<b>TOTAL</b>	<b>\$ 275,300,078</b>	<b>100.0%</b>	<b>\$ 4,110,001</b>	<b>1.5%</b>

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**Rate 10**  
**Residential, Farm and Non-Farm Service**

Billing Determinants	Number	Actual		Year 1		Year 2		Year 3	
		Rates	Revenues	Rates	Revenues	Rates	Revenues	Rates	Revenues
Customer Charge - January	559,075	\$10.44	\$5,836,743.00	\$12.44	\$6,954,893.00	\$14.44	\$8,073,043.00	\$16.44	\$9,191,193.00
Energy charge per kWh - January - Total From Base Rates	604,001,121	\$0.09849	\$59,488,070.41	\$0.09849	\$59,488,070.41	\$0.09849	\$59,488,070.41	\$0.09849	\$59,488,070.41
			<u>\$65,324,813.41</u>		<u>\$66,442,963.41</u>		<u>\$67,561,113.41</u>		<u>\$68,679,263.41</u>
Amount Increase					\$1,118,150.00		\$1,118,150.00		\$1,118,150.00
Percent Increase					1.7%		1.7%		1.7%
Average monthly bill Amount		\$	116.84	\$	118.84	\$	120.84	\$	122.84
Percent Increase					2.00		2.00		2.00
					1.7%		1.7%		1.7%

**Rate 11**  
**Residential, Farm and Non-Farm Service - Off Peak Retail Marketing Rate**

Billing Determinants	Number	Actual		Year 1		Year 2		Year 3	
		Rates	Revenues	Rates	Revenues	Rates	Revenues	Rates	Revenues
Energy charge per kWh - January - Total From Base Rates	5,869,464	\$0.05909	\$346,826.63	\$0.05909	\$346,826.63	\$0.05909	\$346,826.63	\$0.05909	\$346,826.63
			<u>\$346,826.63</u>		<u>\$346,826.63</u>		<u>\$346,826.63</u>		<u>\$346,826.63</u>

**Rate 20**  
**Commercial, Small Power, and Three-Phase Farm Service**

Billing Determinants	Number	Actual		Year 1		Year 2		Year 3	
		Rates	Revenues	Rates	Revenues	Rates	Revenues	Rates	Revenues
Customer Charge - January	41,296	\$27.47	\$1,134,401.12	\$31.47	\$1,299,585.12	\$35.47	\$1,464,769.12	\$39.47	\$1,629,953.12
Energy charge per kWh - January - Total From Base Rates	59,785,822	\$0.08809	\$5,266,533.06	\$0.08809	\$5,266,533.06	\$0.08809	\$5,266,533.06	\$0.08809	\$5,266,533.06
			<u>\$6,400,934.18</u>		<u>\$6,566,118.18</u>		<u>\$6,731,302.18</u>		<u>\$6,896,486.18</u>
Amount Increase					\$165,183.99		\$165,184.00		\$165,184.00
Percent Increase					2.58%		2.52%		2.45%
Average monthly bill Amount Increase		\$	155.00	\$	159.00	\$	163.00	\$	167.00
Percent Increase					4.00		4.00		4.00
					2.6%		2.5%		2.5%

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**Rate 22**

**Commercial, Small Power, and Three-Phase Farm Service - Off Peak Retail Marketing Rate**

Billing Determinants	Number	Actual		Year 1		Year 2		Year 3	
		Rates	Revenues	Rates	Revenues	Rates	Revenues	Rates	Revenues
Energy charge per kWh - January -	84,122	\$0.05285	\$4,445.85	\$0.05285	\$4,445.85	\$0.05285	\$4,445.85	\$0.05285	\$4,445.85
Total From Base Rates			<u>\$4,445.85</u>		<u>\$4,445.85</u>		<u>\$4,445.85</u>		<u>\$4,445.85</u>

**Rate 40**

**Large Power More Than 50 KW But Less Than 275 KW**

Billing Determinants	Number	Actual		Year 1		Year 2		Year 3	
		Rates	Revenues	Rates	Revenues	Rates	Revenues	Rates	Revenues
Customer Charge - January	1,884	\$49.45	\$93,163.80	\$51.95	\$97,873.80	\$54.45	\$102,583.80	\$56.95	\$107,293.80
Demand Charge - January -	241,169,793	\$6.59	\$1,589,308.94	\$6.59	\$1,589,308.94	\$6.59	\$1,589,308.94	\$6.59	\$1,589,308.94
Energy charge per kWh - January -	77,219,046	\$0.06579	\$5,080,241.04	\$0.06579	\$5,080,241.04	\$0.06579	\$5,080,241.04	\$0.06579	\$5,080,241.04
Total From Base Rates			<u>\$6,762,713.77</u>		<u>\$6,767,423.77</u>		<u>\$6,772,133.77</u>		<u>\$6,776,843.77</u>
Amount Increase					4,710.00		4,710.00		4,710.00
Percent Increase					0.07%		0.07%		0.07%
Average monthly bill		\$	3,589.55	\$	3,592.05	\$	3,594.55	\$	3,597.05
Amount Increase				\$	2.50	\$	2.50	\$	2.50
Percent Increase					0.1%		0.1%		0.1%

**Rate 46**

**Large Power Rate - 500 KW And Over**

Billing Determinants	Number	Actual		Year 1		Year 2		Year 3	
		Rates	Revenues	Rates	Revenues	Rates	Revenues	Rates	Revenues
Customer Charge - January	24	\$1,079.86	\$25,916.64	\$1,286.73	\$30,881.52	\$1,493.60	\$35,846.40	\$1,700.47	\$40,811.28
Demand Charge - January -	44,861,753	\$6.84	\$306,854.39	\$6.84	\$306,854.39	\$6.84	\$306,854.39	\$6.84	\$306,854.39
Energy charge per kWh - January -	20,992,480	\$0.05102	\$1,071,036.33	\$0.05102	\$1,071,036.33	\$0.05102	\$1,071,036.33	\$0.05102	\$1,071,036.33
Total From Base Rates			<u>\$1,403,807.36</u>		<u>\$1,408,772.24</u>		<u>\$1,413,737.12</u>		<u>\$1,418,702.00</u>
Amount Increase					4,964.88		4,964.88		4,964.88
Percent Increase					0.35%		0.35%		0.35%
Average monthly bill		\$	58,491.97	\$	58,698.84	\$	58,905.71	\$	59,112.58
Amount Increase				\$	206.87	\$	206.87	\$	206.87
Percent Increase					0.4%		0.4%		0.4%

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**Rate 47**  
**Large Power Rate - 500 KW To 4,999 KW**

Billing Determinants	Number	Actual		Year 1		Year 2		Year 3	
		Rates	Revenues	Rates	Revenues	Rates	Revenues	Rates	Revenues
Customer Charge - January	36	\$1,079.86	\$38,874.96	\$1,286.73	\$46,322.28	\$1,493.60	\$53,769.60	\$1,700.47	\$61,216.92
Demand Charge per contract - January -	61,200.000	\$6.84	\$418,608.00	\$6.84	\$418,608.00	\$6.84	\$418,608.00	\$6.84	\$418,608.00
Demand Charge over contract - January -	14,676.703	\$9.50	\$139,428.68	\$9.50	\$139,428.68	\$9.50	\$139,428.68	\$9.50	\$139,428.68
Energy charge per kWh - January -	39,684,880	\$0.05206	\$2,065,994.85	\$0.05206	\$2,065,994.85	\$0.05206	\$2,065,994.85	\$0.05206	\$2,065,994.85
Total From Base Rates			<u>\$2,662,906.49</u>		<u>\$2,670,353.81</u>		<u>\$2,677,801.13</u>		<u>\$2,685,248.45</u>
Amount Increase					7,447.32		7,447.32		7,447.32
Percent Increase					0.28%		0.28%		0.28%
Average monthly bill		\$	73,969.62	\$	74,176.49	\$	74,383.36	\$	74,590.23
Amount Increase				\$	206.87	\$	206.87	\$	206.87
Percent Increase					0.3%		0.3%		0.3%

**Rate 50**  
**Schools, Churches and Community Halls**

Billing Determinants	Number	Actual		Year 1		Year 2		Year 3	
		Rates	Revenues	Rates	Revenues	Rates	Revenues	Rates	Revenues
Customer Charge - January	12,376	\$16.49	\$204,080.24	\$18.49	\$228,832.24	\$20.49	\$253,584.24	\$22.49	\$278,336.24
Energy charge per kWh - January -	26,256,407	\$0.09483	\$2,489,895.08	\$0.09483	\$2,489,895.08	\$0.09483	\$2,489,895.08	\$0.09483	\$2,489,895.08
Total from base rates			<u>\$2,693,975.32</u>		<u>\$2,718,727.32</u>		<u>\$2,743,479.32</u>		<u>\$2,768,231.32</u>
Amount Increase					24,752.00		24,752.00		24,752.00
Percent Increase					0.9%		0.9%		0.9%
Average monthly bill		\$	217.68	\$	219.68	\$	221.68	\$	223.68
Amount Increase				\$	2.00	\$	2.00	\$	2.00
Percent Increase					0.9%		0.9%		0.9%

**Rate 52**  
**All Electric Schools**

Billing Determinants	Number	Actual		Year 1		Year 2		Year 3	
		Rates	Revenues	Rates	Revenues	Rates	Revenues	Rates	Revenues
Customer Charge - January	299	\$43.96	\$13,144.04	\$47.96	\$14,340.04	\$51.96	\$15,536.04	\$55.96	\$16,732.04
Energy charge per kWh - January -	11,011,808	\$0.07890	\$868,831.65	\$0.07890	\$868,831.65	\$0.07890	\$868,831.65	\$0.07890	\$868,831.65
Total from base rates			<u>\$881,975.69</u>		<u>\$883,171.69</u>		<u>\$884,367.69</u>		<u>\$885,563.69</u>
Amount Increase					1,196.00		1,196.00		1,196.00
Percent Increase					0.1%		0.1%		0.1%
Average monthly bill		\$	2,949.75	\$	2,953.75	\$	2,957.75	\$	2,961.75
Amount Increase				\$	4.00	\$	4.00	\$	4.00
Percent Increase					0.1%		0.1%		0.1%



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Rate  
Street Lighting & Security Lights

Billing Determinants	Number	Actual		Year 1		Year 2		Year 3	
		Rates	Revenues	Rates	Revenues	Rates	Revenues	Rates	Revenues
January -									
Sodium Vapor - 22,000 Lumens - Street Light	428	\$16.25	\$6,955.00	\$16.55	\$7,083.40	\$16.85	\$7,211.80	\$17.15	\$7,340.20
Sodium Vapor - 9,500 Lumens, 100W - Security Light	73,218	\$9.15	\$669,944.70	\$9.30	\$680,927.40	\$9.45	\$691,910.10	\$9.60	\$702,892.80
Sodium Vapor - 9,500 Lumens, 100W - Colonial (\$7.89+\$4.6	146	\$12.29	\$1,794.34	\$12.59	\$1,838.14	\$12.89	\$1,881.94	\$13.19	\$1,925.74
Sodium Vapor - 9,500 Lumens, 100W - Acorn(\$11.62+\$4.6	12	\$16.02	\$192.24	\$16.47	\$197.64	\$16.92	\$203.04	\$17.37	\$208.44
Mercury Vapor - 7,000 Lumens, 175W - Security Light	164,054	\$9.15	\$1,501,094.10	\$9.30	\$1,525,702.20	\$9.45	\$1,550,310.30	\$9.60	\$1,574,918.40
Mercury Vapor - 400W - Flood Light	5,084	\$17.38	\$88,359.92	\$17.68	\$89,885.12	\$17.98	\$91,410.32	\$18.28	\$92,935.52
Mercury Vapor - 1,000W - Flood Light	2,569	\$34.26	\$88,013.94	\$35.16	\$90,326.04	\$36.06	\$92,638.14	\$36.96	\$94,950.24
Mercury Vapor - 175W - Alcorn Light	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Mercury Vapor - 175W - Acorn Head Yard Light (\$17.00+\$4.6	550	\$21.19	\$11,654.50	\$21.64	\$11,902.00	\$22.09	\$12,149.50	\$22.54	\$12,397.00
Mercury Vapor - 175W - Colonial Light	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Mercury Vapor - 175W - Colonial Post Yard Light and Pole	1,685	\$13.69	\$23,067.65	\$13.99	\$23,573.15	\$14.29	\$24,078.65	\$14.59	\$24,584.15
Mercury Vapor - 400W - Copra Head Light	996	\$15.15	\$15,089.40	\$15.45	\$15,388.20	\$15.75	\$15,687.00	\$16.05	\$15,985.80
Mercury Vapor - 400W - Interstate Light	420	\$20.32	\$8,534.40	\$20.92	\$8,786.40	\$21.52	\$9,038.40	\$22.12	\$9,290.40
Sodium Vapor - 4,000 Lumens - Colonial	1,374	\$11.30	\$15,526.20	\$11.60	\$15,938.40	\$11.90	\$16,350.60	\$12.20	\$16,762.80
Sodium Vapor - 27,500 Lumens - Flood Light	2,066	\$14.35	\$29,647.10	\$14.65	\$30,266.90	\$14.95	\$30,886.70	\$15.25	\$31,506.50
Sodium Vapor - 50,000 Lumens - Flood Light	3,286	\$17.00	\$55,862.00	\$17.30	\$56,847.80	\$17.60	\$57,833.60	\$17.90	\$58,819.40
Sodium Vapor - 27,500 Lumens - Cobra Head	1,878	\$12.82	\$24,075.96	\$13.12	\$24,639.36	\$13.42	\$25,202.76	\$13.72	\$25,766.16
Sodium Vapor - 50,000 Lumens - Cobra Head	351	\$12.77	\$4,482.27	\$13.07	\$4,587.57	\$13.37	\$4,692.87	\$13.67	\$4,798.17
Sodium Vapor - 22,000 Lumens - Street Light	0	\$16.25	\$0.00	\$16.50	\$ -	\$16.75	\$0.00	\$17.00	\$0.00
Sodium Vapor - 9,500 Lumens, 100W - Security Light	0	\$9.15	\$0.00	\$9.30	\$ -	\$9.45	\$0.00	\$9.60	\$0.00
Sodium Vapor - 9,500 Lumens, 100W - Colonial (\$7.61+\$4.6	0	\$12.29	\$0.00	\$12.54	\$ -	\$12.79	\$0.00	\$13.04	\$0.00
Sodium Vapor - 9,500 Lumens, 100W - Acorn(\$11.34+\$4.6	0	\$16.02	\$0.00	\$16.27	\$ -	\$16.52	\$0.00	\$16.77	\$0.00
Mercury Vapor - 7,000 Lumens, 175W - Security Light	0	\$9.15	\$0.00	\$9.30	\$ -	\$9.45	\$0.00	\$9.60	\$0.00
Mercury Vapor - 400W - Flood Light	0	\$17.38	\$0.00	\$17.63	\$ -	\$17.88	\$0.00	\$18.13	\$0.00
Mercury Vapor - 1,000W - Flood Light	0	\$34.26	\$0.00	\$35.01	\$ -	\$35.76	\$0.00	\$36.51	\$0.00
Mercury Vapor - 175W - Alcorn Light	0	\$0.00	\$0.00	\$0.00	\$ -	\$0.00	\$0.00	\$0.00	\$0.00
Mercury Vapor - 175W - Acorn Head Yard Light (\$16.51+\$4.6	0	\$21.19	\$0.00	\$21.69	\$ -	\$22.19	\$0.00	\$22.69	\$0.00
Mercury Vapor - 175W - Colonial Light	0	\$0.00	\$0.00	\$0.00	\$ -	\$0.00	\$0.00	\$0.00	\$0.00
Mercury Vapor - 175W - Colonial Post Yard Light and Pole	0	\$13.69	\$0.00	\$13.94	\$ -	\$14.19	\$0.00	\$14.44	\$0.00
Mercury Vapor - 400W - Copra Head Light	0	\$15.15	\$0.00	\$15.40	\$ -	\$15.65	\$0.00	\$15.90	\$0.00
Mercury Vapor - 400W - Interstate Light	0	\$20.32	\$0.00	\$20.82	\$ -	\$21.32	\$0.00	\$21.82	\$0.00
Sodium Vapor - 4,000 Lumens - Colonial	0	\$11.30	\$0.00	\$11.55	\$ -	\$11.80	\$0.00	\$12.05	\$0.00
Sodium Vapor - 27,500 Lumens - Flood Light	0	\$14.35	\$0.00	\$14.60	\$ -	\$14.85	\$0.00	\$15.10	\$0.00
Sodium Vapor - 50,000 Lumens - Flood Light	0	\$17.00	\$0.00	\$17.25	\$ -	\$17.50	\$0.00	\$17.75	\$0.00
Sodium Vapor - 27,500 Lumens - Cobra Head	0	\$12.82	\$0.00	\$13.07	\$ -	\$13.32	\$0.00	\$13.57	\$0.00
Sodium Vapor - 50,000 Lumens - Cobra Head	0	\$12.77	\$0.00	\$13.02	\$ -	\$13.27	\$0.00	\$13.52	\$0.00
	<u>258,117</u>								
Total from Base Rates			<u>\$2,544,293.72</u>		<u>\$2,587,889.72</u>		<u>\$2,631,485.72</u>		<u>\$2,675,081.72</u>
Amount					\$43,596.00		\$43,596.00		\$43,596.00
Percent					1.71%		1.68%		1.66%

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TOTAL

Amount Increase  
Percent Increase

Actual	Year 1	Year 2	Year 3
Revenues	Revenues	Revenues	Revenues
\$89,026,692.41	\$90,396,692.61	\$91,766,692.81	\$93,136,693.01
	\$1,370,000.20	\$1,370,000.20	\$1,370,000.20
	1.54%	1.52%	1.49%

**JACKSON ENERGY COPPERATIVE  
CASE NO. 2013-00219**

**Determinatin of Revenue Requirements**

<b><u>Times Interest Earned Ratio (TIER)</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>	<b><u>2011</u></b>
Interest on Long Term Debt	6,141,668	6,201,059	6,189,998	5,682,593
Margins Excluding GTCCs	4,303,087	151,877	4,619,845	1,590,781
Times Interest Earned Ratio	1.70	1.02	1.75	1.28
 <b><u>Debt Service Coverage</u></b>				
Margins Excluding GTCCs	4,303,087	151,877	4,619,845	1,590,781
Interest on Long Term Debt	6,141,668	6,201,059	6,189,998	5,682,593
Depreciation Expense	7,791,843	7,820,281	8,096,234	8,398,524
Principal Payments on Long Term Debt	4,046,549	4,179,163	4,364,500	4,917,240
Debt Service Coverage	1.79	1.37	1.79	1.48

**JACKSON ENERGY COPPERATIVE  
CASE NO. 2013-00219**

**Determinatin of Revenue Requirements**

	2012			
	<u>Actual</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
<b><u>Times Interest Earned Ratio (TIER)</u></b>				
Interest on Long Term Debt	5,403,344	5,403,344	5,403,344	5,403,344
Margins Excluding GTCCs	(492,005)	877,995	2,247,995	3,617,996
Times Interest Earned Ratio	0.91	1.16	1.42	1.67
<b><u>Debt Service Coverage</u></b>				
Margins Excluding GTCCs	(492,005)	877,995	2,247,995	3,617,996
Interest on Long Term Debt	5,403,344	5,403,344	5,403,344	5,403,344
Depreciation Expense	8,726,653	8,726,653	8,726,653	8,726,653
Principal Payments on Long Term Debt	5,104,618	5,104,618	5,104,618	5,104,618
Debt Service Coverage	1.30	1.43	1.56	1.69

**Reconciliation of Net Investment Rate Base and Capital Structure**

Capital Structure Excluding GTCCs	\$	177,575,435
Reconciliation Items:		
Capital credits unpaid		(9,308,897)
Working capital requirements		2,415,844
Materials and supplies - 13 Month Average		1,325,826
Prepayments - 13 Month Average		214,138
Cash and temporary investments		(2,650,881)
Accounts receivable		(17,117,959)
Materials and supplies		(1,351,848)
Prepayments		(290,237)
Other deferred debits		(6,687,437)
Other Current Assets		(42,928)
Regulatory assets		(1,972,607)
Accumulated operating provisions		8,188,760
Notes payable		1,000,000
Accounts payable		9,260,932
Consumer deposits		1,094,290
Accrued expenses		2,395,830
Deferred and other credits		508,384
		<hr/>
Net Investment Rate Base	\$	<u><u>164,556,645</u></u>

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<u>Div</u>	<u>Account</u>	<u>Description</u>	<u>Type</u>	<u>Category</u>	<u>Group</u>	<u>Status</u>
0	107.1	CWIP - CONTRACT	Asset			Active
0	107.2	CWIP - COOPERATIVE	Asset			Active
0	107.21	CONSTRUCTION WORK IN PROGRESS - CONTRIBU	Asset			Active
0	107.3	CWIP - SPECIAL EQUIPMENT	Asset			Active
0	107.41	BLDG PROJECT-MCKEE DISTRICT	Asset			Active
0	107.42	BUILDING PROJECT - HEADQUARTERS	Asset			Active
0	107.44	BLDG PROJECT-LONDON DISTRICT	Asset			Active
0	108.31	ACCU PROV FOR DEPR-S & I -WOOD	Asset			Active
0	108.32	ACCUM PROV FOR DEPR-S&I-ELECTRIC	Asset			Active
0	108.33	ACCUM PROV FOR DEPR-S&I-MISC.	Asset			Active
0	108.4	ACCUM PROV FOR DEPR-GEN BLDG	Asset			Active
0	108.41	ACCUM PROV FOR DEPR-NEW WH MCKEE	Asset			Active
0	108.42	ACCUM PROV FOR DEPR-MCKEE RENOVA	Asset			Active
0	108.43	ACCUM PROV DEPR-LONDON RENOVATIO	Asset			Active
0	108.44	ACCUM PROV DEPR-NEW OFFICE	Asset			Active
0	108.45	ACCUM PROV DEPR-BVILLE SEV CENT	Asset			Active
0	108.46	ACCUM PROV FOR DEPR-COMPUTER CON	Asset			Active
0	108.47	ACCUM PROV FOR DEPR-ON LINE DEV	Asset			Active
0	108.48	ACCUM PROV FOR DEPR-HDQ OFFICE	Asset			Active
0	108.49	ACCUM PROV FOR DEPR-OTHER TRANSP	Asset			Active
0	108.5	ACCUM PROV DEPR-DISPATCH MISC	Asset			Active
0	108.51	ACCUM PROV DEPR-COMPUTER OFFICE	Asset			Active
0	108.59	ACCUM PROV FOR DEPR - AMR	Asset			Active
0	108.6	DISTRIBUTION PLANT-ACCUM PROV DE	Asset			Active
0	108.61	POLES,TOWERS,FIXTURES-ACCUM PROV	Asset			Active
0	108.62	OVHD CONDUCTORS & DEVICES-ACCUM	Asset			Active
0	108.63	URD CONDUIT-ACCUM PROV DEPR	Asset			Active
0	108.64	URD CONDUCTORS-ACCUM PROV DEPR	Asset			Active
0	108.65	LINE TRANSFORMERS-ACCUM PROV DEP	Asset			Active
0	108.66	ACCUM PROV FOR DEPR - SERVICES	Asset			Active
0	108.67	ACCUM PROV FOR DEPR - METERS	Asset			Active
0	108.68	INST ON CONS PREMISES-ACCUM PROV	Asset			Active
0	108.69	STREET LIGHTING & SIGNAL-ACCUM P	Asset			Active
0	108.7	GENERAL PLANT-ACCUM PROV DEPR	Asset		6 - ACCUM PROV FOR DEPRECIATION	Active
0	108.71	REMAINING VALUE-ACCUM PROV DEPR	Asset		6 - ACCUM PROV FOR DEPRECIATION	Active
0	108.72	TRANSPORT EQUIP-ACCUM PROV DEPR	Asset		6 - ACCUM PROV FOR DEPRECIATION	Active

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<u>Div</u>	<u>Account</u>	<u>Description</u>	<u>Type</u>	<u>Category</u>	<u>Group</u>	<u>Status</u>
0	108.73	STORES EQUIP-ACCUM PROV DEPR	Asset		6 - ACCUM PROV FOR DEPRECIATION	Active
0	108.74	TOOL,SHOP,GARAGE EQUIP-ACCUM PRO	Asset		6 - ACCUM PROV FOR DEPRECIATION	Active
0	108.75	LABORATORY EQUIP-ACCUM PROV DEPR	Asset		6 - ACCUM PROV FOR DEPRECIATION	Active
0	108.76	POWER OPERATED EQUIP-ACCUM PROV	Asset		6 - ACCUM PROV FOR DEPRECIATION	Active
0	108.77	COMMUNICATION EQUIP-ACCUM PROV D	Asset		6 - ACCUM PROV FOR DEPRECIATION	Active
0	108.78	MISC EQUIP-ACCUM PROV DEPRECIATI	Asset		6 - ACCUM PROV FOR DEPRECIATION	Active
0	108.79	REMAINING VALUE-ACCUM PROV DEPR	Asset			Active
0	108.8	RWIP - COOPERATIVE	Asset			Active
0	108.9	RWIP - CONTRACTOR	Asset			Active
0	123.01	KAEC BLDG NOTE-INVEST IN ASSOC C	Asset			Active
0	123.02	KAEC DEBENTURES - INVEST IN ASSO	Asset			Active
0	123.03	NRECA MINT PLAN-INVEST ASSOC COM	Asset			Active
0	123.04	JSPI-INVEST IN SUBSIDIARY COMPAN	Asset			Active
0	123.05	JACKSON ENERGY SERVICES-INVESTME	Asset		7 - INVESTMENTS	Active
0	123.06	ENVISION ENERGY SERVICES-INVESTM	Asset		7 - INVESTMENTS	Active
0	123.1	NISC-PAT CAPITAL FROM ASSOC COOP	Asset		7 - INVESTMENTS	Active
0	123.11	CFC-PAT CAPITAL ASSOC COMPANIES	Asset		7 - INVESTMENTS	Active
0	123.12	EKP-PAT CAPITAL ASSOC COMPANIES	Asset		7 - INVESTMENTS	Active
0	123.13	KAEC-PAT CAPITAL ASSOC COMPANIES	Asset		7 - INVESTMENTS	Active
0	123.14	UUS-PAT CAPITAL ASSOC COOP	Asset		7 - INVESTMENTS	Active
0	123.15	FEDERATED INSURAN-PAT CAPITAL AS	Asset		7 - INVESTMENTS	Active
0	123.16	COOPERATIVE SELF-PAT CAPITAL ASS	Asset		7 - INVESTMENTS	Active
0	123.17	COBANK-ASSOC COMPANIES-MEMBERSHIP	Asset		7 - INVESTMENTS	Active
0	123.21	CFC-CAPITAL TERM CERT SUBSCRIPTI	Liability		7 - INVESTMENTS	Active
0	123.22	CFC-INVESTMENT CTC	Asset		7 - INVESTMENTS	Active
0	123.23	EKP & CFC-INVEST ASSOC ORG-MEMBE	Asset		7 - INVESTMENTS	Active
0	123.24	INVESTMENTS IN ECONOMIC DEVELOP	Asset		5 - Economic Developement	Active
0	123.25	FEDERAL ECO DEV LOANS-INVESTMENT	Asset		5 - Economic Developement	Active
0	123.26	CFC MEMBER CAPITAL SECURITIES	Asset		7 - INVESTMENTS	Active
0	123.3	INVEST ASSOC ORG-NON-FED ECO DEV(REVOLV)	Asset		5 - Economic Developement	Active
0	124.0	OTHER INVESTMENTS	Asset		7 - INVESTMENTS	Active
0	124.1	OTHER INVEST-FEDERAL ECO DEV LOA	Asset		5 - Economic Developement	Active
0	124.11	OTHER INVEST-FED ECO DEV LOAN-KY HIGHLAN	Asset		5 - Economic Developement	Active
0	124.15	FEDERAL ECO DEV LOANS-OTHER INVESTMENTS	Asset		5 - Economic Developement	Active
0	124.2	OTHER INVEST-NON-FED ECO DEV LOAN	Asset		5 - Economic Developement	Active
0	124.25	NON-FEDERAL ECO DEV LOANS-OTHER INVESTME	Asset		5 - Economic Developement	Active

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Div	Account	Description	Type	Category	Group	Status
0	128.0	DEFERRED COMP-OTHER SPECIAL FUND	Asset			Active
0	128.1	DEFERRED COMP-RESERVE-OTHER SPEC	Asset			Active
0	128.2	NRECA MINT PLANT-OTHER SPECIAL F	Asset			Active
0	131.1	CASH - GENERAL AND OPERATING	Asset			Active
0	131.11	CASH - PAYROLL	Asset			Active
0	131.12	CASH - CAPITAL CREDIT	Asset			Active
0	131.13	CASH-GENERAL-LAUREL CO BRANCH	Asset			Active
0	131.14	CASH-ECONOMIC DEVELOPMENT FUNDS	Asset			Active
0	131.15	CASH-GENERAL-ESTILL CO PAYSTATIO	Asset			Active
0	131.16	CASH-GENERAL-CLAY CO PAYSTATION	Asset			Active
0	131.17	CASH-GENERAL-OWSLEY CO PAYSTATIO	Asset			Active
0	131.18	CASH-GENEAL-LEE CO ACCOUNT	Asset			Active
0	131.19	CASH-GENERAL-ROCKCASTLE CO PAYST	Asset			Active
0	131.2	CASH-CONSTRUCT FUND-TRUSTEE	Asset			Active
0	131.21	CASH-GENERAL-LAUREL CO PAYSTATIO	Asset			Active
0	131.22	CASH-CITIZENS BANK-PAYSTATION	Asset			Active
0	131.23	FLEXIBLE SPENDING ACCOUNT	Asset			Active
0	131.4	TRANSFER OF CASH	Asset			Active
0	134.0	OTHER SPECIAL DEPOSITS	Asset			Active
0	135.0	WORKING FUNDS	Asset			Active
0	135.1	WORKING FUNDS - TEMPORARY	Asset			Active
0	135.15	PETTY CASH-CORPORATE	Asset			Active
0	136.0	TEMPORARY CASH INVESTMENTS	Asset			Active
0	142.1	CUSTOMER ACCTS REC-ELECTRIC	Asset			Active
0	142.11	UNBILLED FUEL CHARGE COST APPLIE	Asset			Active
0	142.12	MARKETING LOAN PROG-OTHER A/R	Asset			Active
0	142.13	CUSTOMER ACCTS REC - UNAPPLIED	Asset			Active
0	142.15	CURRENT LOAN RECEIVABLES	Asset			Active
0	142.99	CLEARING-CUSTOMER ACCOUNTS	Asset			Active
0	143.0	OTHER ACCTS REC	Asset		1 - Accounts Receivable-Other 143.00-143.90	Active
0	143.01	OTHER ACCTS REC - POLE RENTALS	Asset		1 - Accounts Receivable-Other 143.00-143.90	Active
0	143.02	SALES TAX RECOVERY-OTHER A/R	Asset		1 - Accounts Receivable-Other 143.00-143.90	Active
0	143.03	BILLABLE LABOR-PROJ B-OTHER A/R	Asset		1 - Accounts Receivable-Other 143.00-143.90	Active
0	143.05	BOONEVILLE-OWSLEY CO INDUST-OTHE	Asset		1 - Accounts Receivable-Other 143.00-143.90	Active
0	143.06	JACKSON CO/MCKEE INDUSTRIAL-OTHE	Asset		1 - Accounts Receivable-Other 143.00-143.90	Active
0	143.07	OTHER ACCTS REC - TRAVEL ADVANCE	Asset		1 - Accounts Receivable-Other 143.00-143.90	Active



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<u>Div</u>	<u>Account</u>	<u>Description</u>	<u>Type</u>	<u>Category</u>	<u>Group</u>	<u>Status</u>
0	143.08	FEMA/DES RECVEIVABLE-OTHER A/R	Asset		1 - Accounts Receivable-Other 143.00-143.90	Active
0	143.09	TORNADA 2012 - FEMA/DES-OTHER ACCTS REC	Asset			Active
0	143.1	OTHER ACCTS REC - COLD CHECKS	Asset		1 - Accounts Receivable-Other 143.00-143.90	Active
0	143.11	CHOPTANK ELECTRIC-OTHER A/R	Asset		1 - Accounts Receivable-Other 143.00-143.90	Active
0	143.12	RAPPAHANNOCK ELECTRIC COOP-OTHER A/R	Asset		1 - Accounts Receivable-Other 143.00-143.90	Active
0	143.13	CLARK SNOWSTORM-OTHER A/R	Asset		1 - Accounts Receivable-Other 143.00-143.90	Active
0	143.14	BLUEGRASS ENERGY STORM - OTHER ACCTS REC	Asset		1 - Accounts Receivable-Other 143.00-143.90	Active
0	143.15	OTHER A/R - PIONEER ELECTRIC OHIO	Asset		1 - Accounts Receivable-Other 143.00-143.90	Active
0	143.16	WEST KY ELE COOP-OTHER A/R	Asset		1 - Accounts Receivable-Other 143.00-143.90	Active
0	143.17	BIG SANDY ELE COOP-OTHER A/R	Asset		1 - Accounts Receivable-Other 143.00-143.90	Active
0	143.18	OTHER A/R - WASHINGTON ELECTRIC COOP	Asset		1 - Accounts Receivable-Other 143.00-143.90	Active
0	143.19	DEMCO 2012 HURRICANE-OTHER A/R	Asset		1 - Accounts Receivable-Other 143.00-143.90	Active
0	143.22	OTHER ACCTS REC - COMPANION DENTAL	Asset		1 - Accounts Receivable-Other 143.00-143.90	Active
0	143.23	OTHER ACCTS REC - DAVIS VISION	Asset		1 - Accounts Receivable-Other 143.00-143.90	Active
0	143.24	OTHER ACCTS REC - AFLAC HOSPITAL	Asset		1 - Accounts Receivable-Other 143.00-143.90	Active
0	143.25	OTHER ACCTS REC - AFLAC CRITICAL ILLNESS	Asset		1 - Accounts Receivable-Other 143.00-143.90	Active
0	143.26	OTHER ACCTS REC - AFLAC ACCIDENT	Asset		1 - Accounts Receivable-Other 143.00-143.90	Active
0	143.27	OTHER ACCT REC-SIMPLICITY LONG TERM CARE	Asset		1 - Accounts Receivable-Other 143.00-143.90	Active
0	143.3	EMPLOYEE GROUP INSURAN-OTHER A/R	Asset		1 - Accounts Receivable-Other 143.00-143.90	Active
0	143.31	COLONIAL LIFE INSURAN-OTHER A/R	Asset		1 - Accounts Receivable-Other 143.00-143.90	Active
0	143.32	OTHER ACCTS REC - 401-K SAVINGS	Asset		1 - Accounts Receivable-Other 143.00-143.90	Active
0	143.33	RETIRED EMPLOYEE INS-OTHER A/R	Asset		1 - Accounts Receivable-Other 143.00-143.90	Active
0	143.35	OTHER ACCTS REC - METLIFE	Asset		1 - Accounts Receivable-Other 143.00-143.90	Active
0	143.36	PREPAID LEGAL SERVICES-OTHER ACCTS REC	Asset		1 - Accounts Receivable-Other 143.00-143.90	Active
0	143.37	FLEXIBLE SPENDING ACCOUNT-OTHER ACCT REC	Asset		1 - Accounts Receivable-Other 143.00-143.90	Active
0	143.4	BILLABLE LABOR-PROJ A-OTHER A/R	Asset		1 - Accounts Receivable-Other 143.00-143.90	Active
0	143.41	CONTRIB AID CONSTRUCT-OTHER A/R	Asset		1 - Accounts Receivable-Other 143.00-143.90	Active
0	143.42	OTHER A/R - MCKEE STORES SALES	Asset		1 - Accounts Receivable-Other 143.00-143.90	Active
0	143.43	OTHER A/R - LONDON STORES SALES	Asset		1 - Accounts Receivable-Other 143.00-143.90	Active
0	143.44	CURRENT LINE EXT LOANS-OTHER A/R	Asset		1 - Accounts Receivable-Other 143.00-143.90	Active
0	143.45	LINE EXT LOANS-OTHER A/R	Asset		1 - Accounts Receivable-Other 143.00-143.90	Active
0	143.46	OTHER ACCTS REC - BILLED LABOR	Asset		1 - Accounts Receivable-Other 143.00-143.90	Active
0	143.47	BEATTYVILLE WRHS SALES-OTHER A/R	Asset		1 - Accounts Receivable-Other 143.00-143.90	Active
0	143.5	ETS-MARKETING SALES-OTHER A/R	Asset		1 - Accounts Receivable-Other 143.00-143.90	Active
0	143.52	COST SHARE MARKETING-OTHER A/R	Asset		1 - Accounts Receivable-Other 143.00-143.90	Active
0	143.53	OTHER ACCTS REC - EMPLOYEES	Asset		1 - Accounts Receivable-Other 143.00-143.90	Active

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Div	Account	Description	Type	Category	Group	Status
0	143.54	SURGE SUPPRESSORS-OTHER A/R	Asset		1 - Accounts Receivable-Other 143.00-143.90	Active
0	143.56	OTHER ACCTS REC-KY ENERGY RETROFIT RIDER	Asset		1 - Accounts Receivable-Other 143.00-143.90	Active
0	143.57	CUSTOMER ACCTS REC/MACED PROGRAM	Asset			Active
0	143.6	EAST KY REBATES-OTHER A/R	Asset		1 - Accounts Receivable-Other 143.00-143.90	Active
0	143.61	CONTRACTOR MKT REBATES-OTHER A/R	Asset		1 - Accounts Receivable-Other 143.00-143.90	Active
0	143.62	OTHER A/R - STEFFES REBATE	Asset		1 - Accounts Receivable-Other 143.00-143.90	Active
0	143.63	BILL TO EMPLOYEES-OTHER A/R	Asset		1 - Accounts Receivable-Other 143.00-143.90	Active
0	143.64	CUMBERLAND VALLEY COOP-OTHER A/R	Asset		1 - Accounts Receivable-Other 143.00-143.90	Active
0	143.7	KAEC/CFC INTEGRITY FUNDS-OTHER A	Asset		1 - Accounts Receivable-Other 143.00-143.90	Active
0	143.9	CASH - VOID CHECKS	Asset		1 - Accounts Receivable-Other 143.00-143.90	Active
0	144.1	ACCUM PROV UNCOLL-CUSTOMER ACCTS	Asset			Active
0	144.4	ACCUM PROV UNCOLL-OTHER ACCTS	Asset			Active
0	146.1	SERVICE PLUS-HOME SECURITY	Asset			Active
0	146.11	JACKSON ENERGY SERVICES-OTHER A/	Asset			Active
0	146.22	SERVICE PLUS-JEC EMPLOYEE LOAN	Asset			Active
0	146.3	OTHER ACCTS REC - PROPANE	Asset			Active
0	146.6	SERVICE PLUS - ETS	Asset			Active
0	154.0	ELE PLANT MAT & OPER SUPPLIES	Asset			Active
0	154.1	GARAGE-OIL & GAS-PLANT MAT & OPE	Asset			Active
0	154.2	GARAGE PARTS PLANT MAT & OPER SU	Asset			Active
0	154.3	TOOLS-PLANT MAT & OPER SUPPLIES	Asset			Active
0	154.4	MISCELLANEOUS OVERHEAD MATERIAL	Asset			Active
0	154.5	MISC UNDERGROUND MATERIAL	Asset			Active
0	154.99	CLEARING-MATERIAL/SUPPLIES	Asset			Active
0	155.0	MERCHANDISING INVENTORY	Asset			Active
0	155.02	MERCHANDISING INVENTORY - ETS	Asset			Active
0	163.0	STORES EXPENSE - CLEARING	Asset			Active
0	165.1	PREPAID-INSURANCE	Asset		4 - 165.10-165.26	Active
0	165.11	PREPAID SPECIAL EARLY RETIREMENT	Asset		4 - 165.10-165.26	Active
0	165.15	PREPAID POSTAGE	Asset		4 - 165.10-165.26	Active
0	165.2	OTHER PREPAID ITEMS	Asset		4 - 165.10-165.26	Active
0	165.21	OTHER PREPAID - PSC ASSESSMENT	Asset		4 - 165.10-165.26	Active
0	165.22	KAEC/NRECA-DUES-OTHER PREPAID	Asset		4 - 165.10-165.26	Active
0	165.23	OTHER PREPAID - RENTS	Asset		4 - 165.10-165.26	Active
0	165.24	MAINTENANCE AGREE-OTHER PREPAID	Asset		4 - 165.10-165.26	Active
0	165.25	MEDICAL INSURANCE-OTHER PREPAID	Asset		4 - 165.10-165.26	Active

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Div	Account	Description	Type	Category	Group	Status
0	165.26	OTHER PREPAID - TRANSFORMER POOL	Asset		4 - 165.10-165.26	Active
0	171.0	INTEREST & DIVIDENDS RECEIVABLE	Asset			Active
0	181.0	UNAMORTIZED DEBT DISCOUNT & EXP	Asset			Active
0	182.3	NRECA COLA PAST SERVICE FUNDING	Asset			Active
0	183.0	PRELIMINARY SURVEY & INVESTIGATI	Asset			Active
0	184.1	TRANSPORTATION EXP-CLEARING	Asset			Active
0	184.11	PRTCC VEHICLE MAINTENANCE WORK	Asset			Active
0	184.2	RETIREMENT BENEFITS-CLEARING	Asset		11 - BENEFITS - CLEARING-184.20,184.22-184.	Active
0	184.21	PENDING CASH REVERSALS	Asset			Active
0	184.22	MEDICAL BENEFITS - CLEARING	Asset		11 - BENEFITS - CLEARING-184.20,184.22-184.	Active
0	184.23	401K BENEFITS - CLEARING	Asset		11 - BENEFITS - CLEARING-184.20,184.22-184.	Active
0	184.24	LIFE BENEFITS - CLEARING	Asset		11 - BENEFITS - CLEARING-184.20,184.22-184.	Active
0	184.25	FASB106 BENEFITS - CLEARING	Asset		11 - BENEFITS - CLEARING-184.20,184.22-184.	Active
0	184.26	OTHER BENEFITS - CLEARING	Asset		11 - BENEFITS - CLEARING-184.20,184.22-184.	Active
0	184.27	PREPAY RETIREMENT - CLEARING	Asset		11 - BENEFITS - CLEARING-184.20,184.22-184.	Active
0	184.28	LTD INSURANCE - CLEARING	Asset		11 - BENEFITS - CLEARING-184.20,184.22-184.	Active
0	184.29	STD INSURANCE - CLEARING	Asset		11 - BENEFITS - CLEARING-184.20,184.22-184.	Active
0	184.3	CLEARING ACCT-CONSUMER MTD END	Asset			Active
0	184.31	CLEARING NEW CONSUMER RATES	Asset			Active
0	184.32	CLEARING ACCT - CONSUMER REFUNDS	Asset			Active
0	186.0	MISC DEF. DR. PSC 2000-373 DEPR.	Asset			Active
0	186.1	LINE INSPECTIONS-MISC DEF DEBITS	Asset			Active
0	186.11	IN-HOUSE COMPUTER CONV-MISC DEF	Asset			Active
0	186.2	DEFERRED COMP-MISC DEFER DEBITS	Asset			Active
0	186.21	NRECA MINT PLAN-MISC DEF DEBITS	Asset			Active
0	186.22	RETIREMENT PREPAYMENT-MISC DEFER DEBITS	Asset			Active
0	186.3	ANNUAL MTG-MISC DEFERRED DEBITS	Asset			Active
0	186.35	MISC DEFERRED BEBITS - MARKETING	Asset			Active
0	186.4	MISC DEFERRED DEBITS - AUDIT	Asset			Active
0	186.45	LONG TERM DEBT EXP-MISC DEF DEBI	Asset			Active
0	186.5	RATE CASE EXP-MISC DEF DEBITS	Asset			Active
0	186.6	CADP SET UP FEE-MISC DEF DEBITS	Asset			Active
0	186.7	MISC DEFERRED DEBITS	Asset			Active
0	186.71	MISC DEFERRED DEBITS - VACATIONS	Asset			Active
0	186.8	NRECA MINT PLAN-MISC DEF DEBITS	Asset			Active
0	186.9	MAPPING PROJECT-MISC DEF DEBITS	Asset			Active

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Div	Account	Description	Type	Category	Group	Status
0	186.91	DIRECT LOAD CONTROL-MISC DEF DEB	Asset			Active
0	186.92	MISC DEFERRED DEBITS - SCADA	Asset			Active
0	200.1	MEMBERSHIPS	Liability			Active
0	201.1	PATRONS CAPITAL CREDITS	Liability		8 - EQUITIES	Active
0	201.2	PATRONAGE CAPITAL ASSIGNABLE	Liability		8 - EQUITIES	Active
0	201.3	LOSS OF MARGINS-PATRONS CAP CRED	Liability		8 - EQUITIES	Active
0	208.0	DONATED CAPITAL	Liability		8 - EQUITIES	Active
0	215.0	APPROPRIATED MARGINS	Liability		8 - EQUITIES	Active
0	216.1	UNAPPROP UNDISTRIB SUBSID EARNIN	Liability		8 - EQUITIES	Active
0	217.0	RETIRED CAPITAL CREDITS - GAIN	Liability		8 - EQUITIES	Active
0	217.1	RETIRED NO CHK-RETIRED CAP CREDI	Liability		8 - EQUITIES	Active
0	218.0	CAPITAL GAINS AND LOSSES	Liability		8 - EQUITIES	Active
0	219.1	OPERATING MARGINS	Liability		8 - EQUITIES	Active
0	219.2	NON-OPERATING MARGINS	Liability			Active
0	223.0	ADVANCES FROM ASSOC COMPANIES	Liability		8 - EQUITIES	Active
0	223.01	CFC 23 MO NOTE-ADVANCES-ASSOC CO	Liability		8 - EQUITIES	Active
0	223.34	EKP-MKT LOANS-ADVANCE ASSOC COMP	Liability		8 - EQUITIES	Active
0	224.11	OTHER LONG TERM DEBT-SUBSCRIPTIO	Liability		8 - EQUITIES	Active
0	224.12	OTHER LONG TERM DEBT - C F C	Liability		8 - EQUITIES	Active
0	224.13	C F C NOTES EXECUTED	Liability		8 - EQUITIES	Active
0	224.14	NRECA PENSION COST-LONG TERM DEB	Liability		8 - EQUITIES	Active
0	224.15	OTHER LONG TERM DEBT - TREASURY	Liability		8 - EQUITIES	Active
0	224.16	RUS ECO DEV NOTES EXECUTED-LTD	Liability		5 - Economic Development	Active
0	224.17	RUS NOTES EXECUTED-ECO DEV-DEBIT	Liability		5 - Economic Development	Active
0	224.18	RUS-ECONOMIC DEVELOPMENT GRANT	Liability		5 - Economic Development	Active
0	224.2	FEDERAL FINANCING BANK-LTD	Liability		8 - EQUITIES	Active
0	224.3	LONG TERM DEBT - R E A	Liability		8 - EQUITIES	Active
0	224.34	EKP MKT LOANS-OTHER LTD	Liability		8 - EQUITIES	Active
0	224.4	R E A NOTES EXECUTED	Liability		8 - EQUITIES	Active
0	224.5	RUS-DEFERRED-INTEREST ACCRUED	Liability		8 - EQUITIES	Active
0	224.6	RUS LTD-DEBIT-ADVANCE PYMT UNAPP	Liability		8 - EQUITIES	Active
0	228.3	ACCUM PROV-PENSIONS & BENEFITS	Liability		8 - EQUITIES	Active
0	231.0	NOTES PAYABLE	Liability			Active
0	232.1	ACCOUNTS PAYABLE - GENERAL	Liability			Active
0	232.11	ACCOUNTS PAYABLE - MISCELLANEOUS	Liability			Active
0	232.31	ACCOUNTS PAYABLE - MINT PLAN	Liability			Active

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Div	Account	Description	Type	Category	Group	Status
0	232.32	ACCT PAYABLE-EMPLOYEE INSURANCE	Liability			Active
0	232.33	ACCOUNTS PAYABLE - CHILD SUPPORT	Liability			Active
0	232.34	ACCOUNTS PAYABLE - ACRE	Liability			Active
0	232.35	ACCTS PAYABLE-GARNISHED WAGES	Liability			Active
0	232.36	METLIFE INS-ACCTS PAYABLE	Liability			Active
0	232.37	ROUNDUP PROGRAM-ACCTS PAYABLE	Liability			Active
0	232.38	MACED PROGRAM-ACCOUNTS PAYABLE	Liability			Active
0	232.41	CONTRACTOR PAYABLE - ETS LABOR	Liability			Active
0	232.43	ETS MATERIAL & INSPECT-PAYABLE	Liability			Active
0	232.45	SURGE SUPPRESSOR-LABOR PAYABLE	Liability			Active
0	232.5	SURGE SUPPRESSOR-MATERIAL PAYABL	Liability			Active
0	232.6	PARTIAL MEMBERSHIPS-ACCTS PAYABL	Liability			Active
0	232.7	ACCOUNTS PAYABLE - EMPLOYEE FUND	Liability			Active
0	232.8	WINTERCARE-ACCTS PAYABLE	Liability			Active
0	232.81	DOLLYWOOD PARK TICKETS-ACCTS PAY	Liability		04 - Theme Park Ticket Accounts 232.81-232.83	Active
0	232.82	KINGS ISLAND TICKETS-ACCT PAY	Liability		04 - Theme Park Ticket Accounts 232.81-232.83	Active
0	232.83	ACCOUNTS PAYABLE - SPLASH & PLAY	Liability		04 - Theme Park Ticket Accounts 232.81-232.83	Active
0	232.84	KENTUCKY KINGDON-ACCT PAYABLE	Liability			Active
0	232.85	KY STATE FAIR TICKET-ACCT PAY	Liability			Active
0	232.9	A/P-AMERICAN EXPRESS PURCHASES	Liability			Active
0	234.1	ACCOUNTS PAYABLE - HOME SECURITY	Liability			Active
0	234.2	SUBSIDIARY ELE GRILLS-ACCTS PAY	Liability			Active
0	234.51	ACCOUNTS PAYABLE - PROPANE PLUS	Liability			Active
0	234.52	ROUNDUP PROGRAM-ACCTS PAYABLE	Liability			Active
0	235.0	CONSUMER DEPOSITS	Liability			Active
0	236.1	ACCRUED PROPERTY TAX	Liability			Active
0	236.2	ACCRUED F U T A	Liability			Active
0	236.3	ACCRUED F I C A	Liability			Active
0	236.4	ACCRUED S U T A	Liability			Active
0	236.5	ACCRUED SALES TAX	Liability			Active
0	236.51	ACCRUED MADISON CO SCHOOL TAX	Liability		2 - School and City Tax Accts 236.51-236.66	Active
0	236.52	ACCRUED LONDON CITY TAX	Liability		2 - School and City Tax Accts 236.51-236.66	Active
0	236.53	ACCRUED ESTILL COUNTY SCHOOL TAX	Liability		2 - School and City Tax Accts 236.51-236.66	Active
0	236.54	ACCRUED LEE COUNTY SCHOOL TAX	Liability		2 - School and City Tax Accts 236.51-236.66	Active
0	236.56	ACCRUED CLAY COUNTY SCHOOL TAX	Liability		2 - School and City Tax Accts 236.51-236.66	Active
0	236.57	ACCRUED ROCKCASTLE CO SCHOOL TAX	Liability		2 - School and City Tax Accts 236.51-236.66	Active

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0	236.58	ACCRUED LAUREL COUNTY SCHOOL TAX	Liability		2 - School and City Tax Accts 236.51-236.66	Active
0	236.59	ACCRUED WOLFE COUNTY SCHOOL TAX	Liability		2 - School and City Tax Accts 236.51-236.66	Active
0	236.6	ACCRUED OWSLEY COUNTY SCHOOL TAX	Liability		2 - School and City Tax Accts 236.51-236.66	Active
0	236.61	ACCURED BREATHITT CO SHCOOL TAX	Liability		2 - School and City Tax Accts 236.51-236.66	Active
0	236.62	ACCRUED LESLIE COUNTY SCHOOL TAX	Liability		2 - School and City Tax Accts 236.51-236.66	Active
0	236.63	ACCRUED LINCOLN CO SCHOOL TAX	Liability		2 - School and City Tax Accts 236.51-236.66	Active
0	236.64	ACCRUED JACKSON CO SCHOOL TAX	Liability		2 - School and City Tax Accts 236.51-236.66	Active
0	236.65	ACCRUED CITY OF IRVINE TAX	Liability		2 - School and City Tax Accts 236.51-236.66	Active
0	236.66	ACCRUED CITY OF MT VERNON TAX	Liability		2 - School and City Tax Accts 236.51-236.66	Active
0	236.67	ACCRUED POWELL COUNTY SCHOOL TAX	Liability			Active
0	236.69	ACCRUED GARRARD CO SCHOOL TAX	Liability			Active
0	236.7	ACCRUED OCCUPATIONAL TAX	Liability			Active
0	236.71	ACCRUED CLAY CO OCCUPAT TAX	Liability			Active
0	236.72	ACCRUED JACKSON CO OCCUP TAX	Liability			Active
0	236.73	ACCRUED ESTILL CO OCCUPAT TAX	Liability			Active
0	236.74	ACCRUED LAUREL CO OCCUPAT TAX	Liability			Active
0	236.75	ACCRUED ROCKCASTLE CO OCCUPATION	Liability			Active
0	236.76	ACCRUED PULASKI CO SCHOOL TAX	Liability		2 - School and City Tax Accts 236.51-236.66	Active
0	237.1	ACCRUED INTEREST - R U S	Liability			Active
0	237.3	ACCRUED INTEREST - C F C	Liability			Active
0	237.31	CFC LINE OF CREDIT-OTHER INTERES	Liability			Active
0	237.32	OTHER INTERST ACCRUED - TREASURY	Liability			Active
0	237.33	EKP-OTHER INTEREST ACCRUED	Liability			Active
0	237.34	EKP-MKT LOANS EXP-OTHER INTEREST	Liability			Active
0	237.35	CFC SHORT TERM LOAN-OTHER INTERE	Liability			Active
0	237.36	FEDERAL FINANCING BANK-INTERST	Liability			Active
0	237.37	MACED LIABILITY - INTEREST	Liability			Active
0	237.4	CONSUMER DEPOSITS-OTHER INTEREST	Liability			Active
0	238.1	PATRONAGE CAPITAL PAYABLE	Liability			Active
0	238.2	PATRONAGE REFUNDS PAYABLE	Liability			Active
0	238.99	CAP CREDIT ESTATE RETIRE CKS	Liability			Active
0	241.0	FEDERAL INCOME TAX WITHHELD-PAYA	Liability			Active
0	241.1	STATE INCOME TAX WITHHELD-PAYABL	Liability			Active
0	242.21	ACCRUED PAYROLL	Liability			Active
0	242.3	ACCRUED SICK LEAVE - FROZEN	Liability			Active
0	242.32	ACCRUED PAID TIME OFF	Liability			Active

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0	242.4	ACCRUED INSURANCE	Liability			Active
0	242.99	CLEARING-ACCRUED PAYROLL	Liability			Active
0	252.0	CUSTOMER ADVANCE-CONSTRUCTION	Liability			Active
0	252.1	MOBILE HOMES-CUST ADVANCE-CONSTR	Liability			Active
0	253.0	OTHER DEFERRED CREDITS	Liability			Active
0	253.01	TRANSFORMER INSTALL-OTHER DEF CR	Liability			Active
0	253.02	METER INSTALLATION-OTHER DEFERRE	Liability			Active
0	253.03	OH COND & DEV INSTAL-OTHER DEF C	Liability			Active
0	253.04	MEDICAL PREMIUM REFUNDS-ODC	Liability			Active
0	253.1	CONSUMER ENERGY PREPAYMENTS	Liability			Active
0	253.2	MINT TRUST LIABILITY	Liability			Active
0	362.0	STATION EQUIPMENT - AMR	Asset		3 - Plant Accounts 362.00 - 398.10	Active
0	362.1	AMR SATELLITE SYSTEM-STATION EQU	Asset		3 - Plant Accounts 362.00 - 398.10	Active
0	364.0	POLES TOWERS AND FIXTURES	Asset		3 - Plant Accounts 362.00 - 398.10	Active
0	365.0	OVERHEAD CONDUCTORS AND DEVICES	Asset		3 - Plant Accounts 362.00 - 398.10	Active
0	366.0	UNDERGROUND CONDUIT	Asset		3 - Plant Accounts 362.00 - 398.10	Active
0	367.0	URD CONDUCTORS AND DEVICES	Asset		3 - Plant Accounts 362.00 - 398.10	Active
0	368.0	LINE TRANSFORMERS	Asset		3 - Plant Accounts 362.00 - 398.10	Active
0	369.0	SERVICES	Asset		3 - Plant Accounts 362.00 - 398.10	Active
0	370.0	METERS	Asset		3 - Plant Accounts 362.00 - 398.10	Active
0	370.01	AMR - METERS	Asset		3 - Plant Accounts 362.00 - 398.10	Active
0	371.0	SECURITY LIGHTS-CUSTOMER INSTALL	Asset		3 - Plant Accounts 362.00 - 398.10	Active
0	373.0	STREET LIGHTING	Asset		3 - Plant Accounts 362.00 - 398.10	Active
0	389.0	LAND AND LAND RIGHTS	Asset		3 - Plant Accounts 362.00 - 398.10	Active
0	390.0	STRUCTURES AND IMPROVEMENTS	Asset		3 - Plant Accounts 362.00 - 398.10	Active
0	390.01	STRUCTURES AND IMPROVEMENTS-WOOD	Asset		3 - Plant Accounts 362.00 - 398.10	Active
0	390.02	ELECTRICAL-STRUCTURES & IMPROVEM	Asset		3 - Plant Accounts 362.00 - 398.10	Active
0	390.03	MISC-STRUCTURES & IMPROVEMENTS	Asset		3 - Plant Accounts 362.00 - 398.10	Active
0	390.1	GENREAL COST OF BLDG PROJECT	Asset		3 - Plant Accounts 362.00 - 398.10	Active
0	390.11	NEW WAREHOUSE-MCKEE-BLDG PROJECT	Asset		3 - Plant Accounts 362.00 - 398.10	Active
0	390.12	MCKEE RENOVATION-BLDG PROJECT	Asset		3 - Plant Accounts 362.00 - 398.10	Active
0	390.13	LONDON REVOVATION-BLDG PROJECT	Asset		3 - Plant Accounts 362.00 - 398.10	Active
0	390.14	NEW OFFICE BLDG-BLDG PROJECT	Asset		3 - Plant Accounts 362.00 - 398.10	Active
0	390.15	BEATTYVILLE DIST SERVICE CENTER	Asset		3 - Plant Accounts 362.00 - 398.10	Active
0	391.0	OFFICE FURNITURE AND EQUIPMENT	Asset		3 - Plant Accounts 362.00 - 398.10	Active
0	391.01	COMPUTER-OFFICE FURNITURE & EQUI	Asset		3 - Plant Accounts 362.00 - 398.10	Active

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0	391.02	COMPUTER CONVERSION-OFFICE FURNI	Asset		3 - Plant Accounts 362.00 - 398.10	Active
0	391.1	ON-LINE DEVELOPMENT - E K P	Asset			Active
0	391.2	HEADQUARTERS-OFFICE FURNITURE &	Asset		3 - Plant Accounts 362.00 - 398.10	Active
0	392.0	TRANSPORTATION EQUIPMENT	Asset		3 - Plant Accounts 362.00 - 398.10	Active
0	392.01	TRANSPORTATION EQUIPMENT - OTHER	Asset		3 - Plant Accounts 362.00 - 398.10	Active
0	393.0	STORES EQUIPMENT	Asset		3 - Plant Accounts 362.00 - 398.10	Active
0	394.0	TOOLS SHOP AND GARAGE EQUIPMENT	Asset		3 - Plant Accounts 362.00 - 398.10	Active
0	395.0	LABORATORY EQUIPMENT	Asset		3 - Plant Accounts 362.00 - 398.10	Active
0	396.0	POWER OPERATED EQUIPMENT	Asset		3 - Plant Accounts 362.00 - 398.10	Active
0	397.0	COMMUNICATION EQUIPMENT	Asset		3 - Plant Accounts 362.00 - 398.10	Active
0	398.0	MISCELLANEOUS EQUIPMENT	Asset		3 - Plant Accounts 362.00 - 398.10	Active
0	398.1	DISPATCH BOARD-MISC EQUIP	Asset		3 - Plant Accounts 362.00 - 398.10	Active
0	403.6	DISTRIBUTION PLANT-DEPREC EXPENS	Expense	Operating		Active
0	403.7	GENERAL PLANT-DEPREC EXPENSE	Expense	Operating		Active
0	407.0	AMORT OF PROP LOSSES & UNRECOVER	Expense	Operating		Active
0	408.71	TAXES - OTHER - PSC ASSESSMENT	Expense	Operating		Active
0	415.02	REVENUE-SALE ELEC GRILL & OTHER	Income	Non Operating	12 - Revenue (Sales tax return) 415.00-415.99	Active
0	415.03	REVENUE FROM SALE OF ETS UNITS	Income	Non Operating	12 - Revenue (Sales tax return) 415.00-415.99	Active
0	415.04	REVENUE-1ST USA CREDIT CARD APPL	Income	Non Operating	12 - Revenue (Sales tax return) 415.00-415.99	Active
0	416.02	EXPENSES - GRILLS AND OTHER MISC	Expense	Non Operating	13 - Expense (Sales tax return) 416.00-416.07	Active
0	416.03	ETS EXPENSES	Expense	Non Operating	13 - Expense (Sales tax return) 416.00-416.07	Active
0	416.04	ETS/MARKETING EXPENSE	Expense	Non Operating	13 - Expense (Sales tax return) 416.00-416.07	Active
0	417.02	AFTER HOURS DISPATCHING INCOME	Expense	Non Operating		Active
0	417.03	SUBSIDIARIES-RENTAL INCOME & OTHE	Expense	Non Operating		Active
0	418.1	EQUITY IN EARNINGS-SUBSIDIARY CO	Income	Non Operating		Active
0	419.0	INTEREST AND DIVIDEND INCOME	Income	Non Operating		Active
0	419.1	MONEY MARKET ACCTS-INTEREST INCO	Income	Non Operating		Active
0	419.2	INTEREST INCOME - EMPLOYEE LOANS	Income	Non Operating		Active
0	419.5	INTEREST INCOME - ETS MARKETING	Income	Non Operating		Active
0	421.0	MISC NONOPERATING INCOME	Income	Non Operating		Active
0	421.02	MACED PROGRAM-MISC NONOPERATING INCOME	Income	Non Operating		Active
0	421.1	GAIN/LOSS ON DEPOSITION PROPERTY	Income	Non Operating		Active
0	423.0	G&T COOP CAPITAL CREDITS	Income	Operating		Active
0	424.0	OTHER CAP CREDITS & PAT CAPITAL	Income	Operating		Active
0	426.0	DONATIONS	Expense	Operating		Active
0	426.5	OTHER DEDUCTIONS	Expense	Operating		Active



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0	427.1	INTERST-RUS CONSTRUCTION LOANS	Expense	Operating		Active
0	427.2	INTEREST-CFC CONSTRUCTION LOANS	Expense	Operating		Active
0	427.32	INTEREST-TREASURY CONSTRUCT LOAN	Expense	Operating		Active
0	427.4	INTEREST-FFB CONSTRUCT LOANS	Expense	Operating		Active
0	427.5	INTEREST ON TREASURY LOANS	Expense	Operating		Active
0	431.0	CONSUMER DEPOSITS-OTHER INTERST	Expense	Operating		Active
0	431.11	EAST KY POWER-OTHER INTEREST EXP	Expense	Operating		Active
0	431.2	CFC LINE OF CREDIT-INTEREST EXP	Expense	Operating		Active
0	440.1	RESIDENTIAL SALES	Income	Operating		Active
0	440.11	ENVIRO SURCHARGE-RESIDENT SALES	Income	Operating		Active
0	442.1	SMALL COMMERCIAL-COMM/INDUST SAL	Income	Operating		Active
0	442.11	C & I SALES-SMALL COMMERCIAL-ENV	Income	Operating		Active
0	442.2	LARGE COMMERCIAL-COMM/INDUST SAL	Income	Operating		Active
0	442.21	ENVIRON SURCHARGE-LARGE COMM-C&I	Income	Operating		Active
0	444.0	PUBLIC STREET & HIGHWAY LIGHTING	Income	Operating		Active
0	445.0	OTHER SALES TO PUBLIC AUTHORITY	Income	Operating		Active
0	445.01	ENVIRON SURCHARGE-OTHER PUBLIC A	Income	Operating		Active
0	450.0	FORFEITED DISCOUNTS	Income	Operating		Active
0	451.0	MISCELLANEOUS SERVICE REVENUES	Income	Operating		Active
0	454.0	TELEPHONE CO-POLE ATTACHMENTS	Income	Operating		Active
0	456.0	OTHER ELECTRIC REVENUES	Income	Operating		Active
0	555.0	PURCHASED POWER	Expense	Operating		Active
0	555.01	ENVIRON SURCHARGE-PURCHASED POWE	Expense	Operating		Active
0	555.02	PURCHASED POWER-WELLHEAD ENERGY SYSTEMS	Expense	Operating		Active
0	580.0	OPERATION SUPERVISION & ENGINEER	Expense	Operating		Active
0	582.0	STATION EXPENSES	Expense	Operating		Active
0	583.0	OVERHEAD LINE EXPENSES	Expense	Operating		Active
0	583.01	LINE INSPECTIONS-INCL POLE INSPE	Expense	Operating		Active
0	583.1	TRANSFORMER OIL SCREENING EXPENS	Expense	Operating		Active
0	583.11	TRANSFORMER OIL SPILL	Expense	Operating		Active
0	583.12	TRANSFORMER OIL SPILL EXPENSES	Expense	Operating		Active
0	584.0	UNDERGROUND LINE EXPENSES	Expense	Operating		Active
0	584.01	UNDERGROUND LOCATE EXPENSE	Expense	Operating		Active
0	585.0	STREET LIGHTING & SIGNAL EXP	Expense	Operating		Active
0	586.0	METER EXPENSES	Expense	Operating		Active
0	586.01	RECONNECT, CONNECT & DISCONNECTS	Expense	Operating		Active

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0	586.1	PREPAID METERING	Expense	Operating		Active
0	586.15	SMART GRID-FEDERAL GRANT-PREPAY METERING	Expense	Operating		Active
0	587.0	CUSTOMERS INSTALLATIONS EXPENSES	Expense	Operating		Active
0	588.0	MISCELLANEOUS DISTRIBUTION EXPEN	Expense	Operating		Active
0	588.01	BUILDINGS & GROUNDS - JANITORIAL	Expense	Operating		Active
0	588.02	SAFETY PROGRAMS	Expense	Operating		Active
0	588.03	TVPPA APPRENTICESHIP PROGRAM	Expense	Operating		Active
0	588.04	POLE AND UNIT INVENTORY	Expense	Operating		Active
0	588.05	FOREIGN UTILITY COORDINATION	Expense	Operating		Active
0	588.06	MAPPING	Expense	Operating		Active
0	590.0	MAINTENANCE SUPERVISION & ENGINE	Expense	Operating		Active
0	593.0	MAINTENANCE OF OVERHEAD LINES	Expense	Operating		Active
0	593.01	EMERGENCY-MAINT OF OVH LINES	Expense	Operating		Active
0	593.02	AFTER INSPECTION	Expense	Operating		Active
0	593.03	MARCH 2012 LAUREL STORM	Expense	Operating		Active
0	593.04	MAINT OH LINES - ON CALL STANDBY	Expense	Operating		Active
0	593.05	JANUARY 2009 STORM	Expense	Operating		Active
0	593.06	MAJOR STORM	Expense	Operating		Active
0	593.1	RIGHT OF WAY-MAINT OF OVH LINES	Expense	Operating		Active
0	593.11	ROW AERIAL-MAINT OF OVH LINES	Expense	Operating		Active
0	593.12	ROW HAND CUT-MAINT OF OVH LINES	Expense	Operating		Active
0	593.13	COOP CREWS ROW CLEARING	Expense	Operating		Active
0	593.14	COOP CREWS-MAINT OF OVH LINES	Expense	Operating		Active
0	593.15	ROW SPRAYING-MAINT OF OVH LINES	Expense	Operating		Active
0	593.16	ROW-TRADE A TREE-MAINT OVH LINES	Expense	Operating		Active
0	593.17	MECHANICAL CUT-MAINT OVH LINES	Expense	Operating		Active
0	593.18	CIRCUIT CLEAR-MAINT OVH LINES	Expense	Operating		Active
0	593.19	EMERGENCY ROW CLEARING-ROW	Expense	Operating		Active
0	593.2	CRIP-MAINT OF OVH LINES	Expense	Operating		Active
0	593.21	HAZARD TREE MITIGATION PROJECT	Expense	Operating		Active
0	594.0	MAINTENANCE OF UNDERGROUND LINES	Expense	Operating		Active
0	594.01	EMERGENCY-MAINT URD LINES	Expense	Operating		Active
0	595.0	MAINTENANCE OF LINE TRANSFORMERS	Expense	Operating		Active
0	596.0	MAINTENANCE OF STREET LIGHTING	Expense	Operating		Active
0	597.0	MAINTENANCE OF METERS	Expense	Operating		Active
0	598.0	MAINT-MISC DISTRIBUTION PLANT	Expense	Operating		Active

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<u>Div</u>	<u>Account</u>	<u>Description</u>	<u>Type</u>	<u>Category</u>	<u>Group</u>	<u>Status</u>
0	901.0	CUSTOMER ACCOUNTS SUPERVISION	Expense	Operating		Active
0	902.0	METER READING EXPENSE	Expense	Operating		Active
0	903.0	CUSTOMER RECORDS & COLLECT EXP	Expense	Operating		Active
0	903.01	BANK DRAFTS	Expense	Operating		Active
0	903.02	BILLING	Expense	Operating		Active
0	903.03	CASHIER ACTIVITIES	Expense	Operating		Active
0	903.04	CALL GROUP	Expense	Operating		Active
0	903.05	COLD CHECKS	Expense	Operating		Active
0	903.1	CASH - OVER AND SHORT	Expense	Operating		Active
0	903.15	RECORDS MGMT-CONSUMER RECORDS	Expense	Operating		Active
0	903.2	CONSUMER ACCTG (DEP, MEM, TRLR FEE	Expense	Operating		Active
0	903.3	NONPAYMENT DISCONNECTS	Expense	Operating		Active
0	903.35	RECONNECTS OF NONPYMT DISCONNECT	Expense	Operating		Active
0	903.4	PAY CONTRACT/PLAN/BDGT BILLING	Expense	Operating		Active
0	903.45	PAY STATIONS	Expense	Operating		Active
0	903.5	CUSTOMER COLLECTION EXPENSES	Expense	Operating		Active
0	903.6	SERVICE ORDER PROCESSING	Expense	Operating		Active
0	903.65	MAIL PROCESSING-CONSUMER PYMTS	Expense	Operating		Active
0	903.7	DISPATCHING	Expense	Operating		Active
0	904.0	BAD DEBT / WRITE-OFF ACCRUAL	Expense	Operating		Active
0	907.0	CUSTOMER SERVICE SUPERVISION	Expense	Operating		Active
0	908.0	CUSTOMER ASSISTANCE EXPENSES	Expense	Operating		Active
0	908.1	GEO THERMAL	Expense	Operating		Active
0	908.2	HIGH EFFICIENCY HEAT PUMP	Expense	Operating		Active
0	908.3	ETS UNITS	Expense	Operating		Active
0	908.31	SURGE SUPPRESSORS	Expense	Operating		Active
0	908.32	MARKETING REBATES	Expense	Operating		Active
0	908.33	COLONIAL LIGHTING	Expense	Operating		Active
0	908.4	BUTTON UP	Expense	Operating		Active
0	908.41	WATER HEATER PROGRAM	Expense	Operating		Active
0	908.5	TUNE UP	Expense	Operating		Active
0	908.51	ENERGY AUDIT	Expense	Operating		Active
0	908.52	KY ENERGY RETROFIT RIDER	Expense	Operating		Active
0	908.55	TOUCHSTONE ENERGY HOME	Expense	Operating		Active
0	908.6	CALL BACK PROGRAM	Expense	Operating		Active
0	908.62	CONSUMER SURVEYS	Expense	Operating		Active

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Div	Account	Description	Type	Category	Group	Status
0	908.7	CONSUMER COMPLAINTS HANDLING	Expense	Operating		Active
0	908.8	MISC MARKETING ACTIVITIES	Expense	Operating		Active
0	908.81	CUSTOMER APPRECIATION DAYS	Expense	Operating		Active
0	908.82	SIMPLE SAVER PROGRAM	Expense	Operating		Active
0	908.93	EAST KY POWER COST SHARE MKTING	Expense	Operating		Active
0	909.0	INFORM.&INSTRUCT. ADVERTISE EXP	Expense	Operating		Active
0	909.1	LEADERSHIP	Expense	Operating		Active
0	909.2	KEY ACCOUNTS	Expense	Operating		Active
0	910.0	MISC CUST SERVICE & INFORM EXP	Expense	Operating		Active
0	910.01	INFO-TELEPH DIRECTORY-MISC CUST	Expense	Operating		Active
0	910.1	SCHOLARSHIPS	Expense	Operating		Active
0	910.11	COMMERCIAL-ECONOMIC DEVELPMENT	Expense	Operating		Active
0	910.13	ROUND-UP PROGRAM	Expense	Operating		Active
0	910.15	COMMUNITY EVENTS	Expense	Operating		Active
0	910.16	YOUTH SERVICES/SAFETY DEMO	Expense	Operating		Active
0	910.17	COMMUNICATIONS-MARKETING RELATED	Expense	Operating		Active
0	910.18	HEC GRANT - MISC CUST SERVICE/INFO	Expense	Operating		Active
0	912.0	DEMONSTRATING & SELLING EXPENSES	Expense	Operating		Active
0	913.0	ADVERTISING EXPENSES	Expense	Operating		Active
0	913.01	COST-SHARE ADVERTISING	Expense	Operating		Active
0	920.0	ADMINISTRAT. & GENERAL SALARIES	Expense	Operating	9 - 920.00-920.99 Transportation	Active
0	920.01	ACCTS PAY ADM & GEN LABOR	Expense	Operating	9 - 920.00-920.99 Transportation	Active
0	920.02	ACCTS REC OTHER INVOICING LABOR	Expense	Operating	9 - 920.00-920.99 Transportation	Active
0	920.03	BUDGETING PROCESS LABOR	Expense	Operating	9 - 920.00-920.99 Transportation	Active
0	920.04	MEETINGS LABOR	Expense	Operating	9 - 920.00-920.99 Transportation	Active
0	920.05	PAYROLL PROCESSING LABOR	Expense	Operating	9 - 920.00-920.99 Transportation	Active
0	920.07	MAIL PROCESSING LABOR-GEN. MAIL	Expense	Operating	9 - 920.00-920.99 Transportation	Active
0	920.08	MANAGEMENT/GENERAL STAFF LABOR	Expense	Operating	9 - 920.00-920.99 Transportation	Active
0	920.15	RECORDS MGMT LABOR-OTHER SRVS	Expense	Operating	9 - 920.00-920.99 Transportation	Active
0	920.2	INTERNAL AUDITING LABOR	Expense	Operating	9 - 920.00-920.99 Transportation	Active
0	920.25	LABOR-MGMT INFORMATION SYSTEM	Expense	Operating	9 - 920.00-920.99 Transportation	Active
0	920.3	LABOR-DATA PROC/COMPUTER OPERAT	Expense	Operating	9 - 920.00-920.99 Transportation	Active
0	920.4	STATISTICAL ANALYSIS LABOR	Expense	Operating	9 - 920.00-920.99 Transportation	Active
0	920.5	PERSONNEL SERVICES LABOR	Expense	Operating	9 - 920.00-920.99 Transportation	Active
0	920.51	COMMUNICATIONS-EMPLOYEE RELATED	Expense	Operating	9 - 920.00-920.99 Transportation	Active
0	920.6	SECRETARIAL SUPPORT LABOR	Expense	Operating	9 - 920.00-920.99 Transportation	Active

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<u>Div</u>	<u>Account</u>	<u>Description</u>	<u>Type</u>	<u>Category</u>	<u>Group</u>	<u>Status</u>
0	920.7	LABOR-GEN ACCOUNTING ACTIVITIES	Expense	Operating	9 - 920.00-920.99 Transportation	Active
0	920.8	TRAINING (SPECIFIC TOPICS) LABOR	Expense	Operating	9 - 920.00-920.99 Transportation	Active
0	920.81	SPECIAL PROJECT DIRECTOR LABOR	Expense	Operating	9 - 920.00-920.99 Transportation	Active
0	921.0	OFFICE SUPPLIES AND EXPENSES	Expense	Operating		Active
0	921.01	ACCTS PAY ADM & GEN NON-LABOR	Expense	Operating		Active
0	921.02	A/R OTHER INVOICING NON-LABOR	Expense	Operating		Active
0	921.03	BUDGETING PROCESS NON-LABOR	Expense	Operating		Active
0	921.04	MEETINGS NON-LABOR	Expense	Operating		Active
0	921.05	PAYROLL PROCESSING NON-LABOR	Expense	Operating		Active
0	921.07	GEN MAIL PROCESSING NON-LABOR	Expense	Operating		Active
0	921.08	MGMT/GENERAL STAFF NON-LABOR	Expense	Operating		Active
0	921.09	TELEPHONE EXPENSES	Expense	Operating		Active
0	921.1	COMPUTER EXPENSES	Expense	Operating		Active
0	921.25	MANAGEMENT INFORMATION SYSTEM	Expense	Operating		Active
0	921.3	NON-LABOR-DATA PROC/COMPU OPERA	Expense	Operating		Active
0	921.4	STATISTICAL ANALYSIS NON-LABOR	Expense	Operating		Active
0	921.5	PERSONNEL SERVICES NON-LABOR	Expense	Operating		Active
0	921.6	E&O OFFICE SUPPLIES & EXP-HEADQUARTERS	Expense	Operating		Active
0	921.62	E&O OFFICE SUPPLIES & EXP-MCKEE DIST.	Expense	Operating		Active
0	921.63	E&O OFFICE SUPPLIES & EXP-LAUREL DIST	Expense	Operating		Active
0	921.64	E&O OFFICE SUPPLIES & EXP-BEATTYVILLE	Expense	Operating		Active
0	921.65	E&O OFFICE SUPPLIES & EXP-MANCHESTER	Expense	Operating		Active
0	921.7	GENERAL ACCOUNTING ACTIVITIES	Expense	Operating		Active
0	921.8	NON-LABOR-TRAINING SPECIFIC	Expense	Operating		Active
0	923.0	OUTSIDE SERVICES EMPLOYED	Expense	Operating		Active
0	925.0	INJURIES AND DAMAGES	Expense	Operating		Active
0	926.0	EMPLOYEE PENSIONS AND BENEFITS	Expense	Operating		Active
0	926.01	BENEFITS - EMPLOYEE	Expense	Operating		Active
0	926.04	FLEXIBLE SPENDING ACCOUNT-EMPL BENEFITS	Expense	Operating		Active
0	928.0	REGULATORY COMMISSION EXPENSES	Expense	Operating		Active
0	929.0	DUPLICATE CHARGES - CREDIT	Expense	Operating		Active
0	930.01	FEMA ADMIN-EMERGENCY WORK	Expense	Operating		Active
0	930.02	FEMA ADMIN PERMANENT WORK	Expense	Operating		Active
0	930.2	INSTITUT ADVERT-PUBLIC RELATIONS	Expense	Operating		Active
0	930.21	DIRECTOR FEES/EXP-MISC GEN EXP	Expense	Operating		Active
0	930.22	DUES PAID ASSOC CO-MISC GEN EXP	Expense	Operating		Active

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<u>Div</u>	<u>Account</u>	<u>Description</u>	<u>Type</u>	<u>Category</u>	<u>Group</u>	<u>Status</u>
0	930.23	ANNUAL MTG & KY LIVING-MISC EXP	Expense	Operating		Active
0	930.24	MISC GEN EXP - CAPITAL CREDITS	Expense	Operating		Active
0	930.25	MEMBER PUBLICATIONS-MISC EXP	Expense	Operating		Active
0	930.26	EMPLOYEE PUBLICATIONS-MISC EXP	Expense	Operating		Active
0	930.27	BUILDING & GROUNDS-FARM	Expense	Operating		Active
0	930.28	BOARD APPROVED CONTINGENCY	Expense	Operating		Active
0	930.29	MISC. GENERAL EXPENSES	Expense	Operating		Active
0	931.0	RENTS	Expense	Operating		Active
0	935.0	MAINTENANCE OF GENERAL PLANT	Expense	Operating		Active
0	935.01	MAJOR PROJECTS-BLDG MAINTENANCE	Expense	Operating		Active
0	935.02	MCKEE BUILDING MAINTENANCE	Expense	Operating		Active
0	935.03	LONDON BUILDING MAINTENANCE	Expense	Operating		Active
0	935.04	BEATTYVILLE BUILDING MAINTENANCE	Expense	Operating		Active
0	935.05	CLAY CO OFFICE MAINTENANCE	Expense	Operating		Active
0	998.0	998 Clearing	Clearing			Active
0	998.1	Profit/Loss Clearing Operating	Clearing			Active
0	998.2	Profit/Loss Clearing Non Operati	Clearing			Active
0	999.0	999 Clearing	Clearing			Active

Total Accounts: 594

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Exhibit M**PARAMETERS ENTERED:**

**Account:** All  
**Status:** Active  
**Sort By:** Account  
**Departments:** No  
**Activities:** No  
**Financial Information:** No  
**Open Fields:** No

**Kentucky 3**  
**Jackson Energy Cooperative**  
**and Subsidiary**  
**McKee, Kentucky**

**Audited Financial Statements**  
**February 28, 2013 and 2012**

**ALAN M. ZUMSTEIN**  
**Certified Public Accountant**  
**1032 Chetford Drive**  
**Lexington, Kentucky 40509**



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**ALAN M. ZUMSTEIN**  
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• KENTUCKY SOCIETY OF CPA'S  
• INDIANA SOCIETY OF CPA'S  
• AICPA DIVISION FOR FIRMS

**Independent Auditor's Report**

To the Board of Directors  
Jackson Energy Cooperative  
McKee, Kentucky

**Report on the Financial Statements**

I have audited the accompanying consolidated financial statements of Jackson Energy Cooperative and Subsidiary, which comprise the balance sheets as of February 28, 2013 and 2012, and the related statements of revenue and comprehensive income, changes in equities, and cash flows for the years then ended, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

## **Opinion**

In my opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Jackson Energy Cooperative and Subsidiary as of February 28, 2013 and 2012, and the results of their operations and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, I have also issued a report dated May 16, 2013, on my consideration of Jackson Energy Cooperative's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance.

*Alan M. Zumstein*

Alan M. Zumstein, CPA  
May 16, 2013

**ALAN M. ZUMSTEIN**  
**CERTIFIED PUBLIC ACCOUNTANT**

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

Report on Internal Control Over Financial Reporting and on Compliance  
and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards*

To the Board of Directors  
Jackson Energy Cooperative

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Jackson Energy Cooperative, which comprise the balance sheets as of February 28, 2013 and 2012, and the related statements of revenue and comprehensive income, members' equities and cash flows for the years then ended, and related notes to the financial statements, and have issued my report thereon dated May 16, 2013.

**Internal Control Over Financial Reporting**

Management is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing my audit, I considered Jackson Energy's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Jackson Energy's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of Jackson Energy's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined previously.

To the Board of Directors  
Jackson Energy Cooperative  
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### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Jackson Energy's financial statements are free of material misstatement, I performed test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

This report is intended solely for the information and use of the audit committee, management, the Rural Utilities Service, and supplemental lenders, and is not intended to be and should not be used by anyone other than these specified parties.

*Alan M. Zumstein*

Alan M. Zumstein, CPA  
May 16, 2013

Jackson Energy Cooperative

Consolidated Balance Sheets, February 28, 2013 and 2012

<u>Assets</u>	<u>2013</u>	<u>2012</u>
Utility Plant, net	\$ 164,125,545	\$ 160,412,761
Investments and Other Assets:		
Associated organizations	39,400,307	34,155,050
Goodwill	262,177	262,177
	<u>39,662,484</u>	<u>34,417,227</u>
Current Assets:		
Cash and cash equivalents	2,204,248	6,639,792
Accounts receivable, less allowance for uncollectible accounts	17,589,637	15,616,073
Material and supplies	1,717,337	1,540,584
Prepayments	744,600	645,560
	<u>22,255,822</u>	<u>24,442,009</u>
Deferred Property Retirements	<u>8,434,385</u>	<u>8,973,177</u>
Total	<u>\$ 234,478,236</u>	<u>\$ 228,245,174</u>
<u>Members' Equities and Liabilities</u>		
Members' Equities:		
Memberships and capital	\$ 1,297,560	\$ 1,296,610
Patronage capital and retained earnings	70,939,930	69,691,007
Accumulated other comprehensive income	(1,381,211)	(1,582,811)
Other equities and minority interest	4,929,561	3,459,931
	<u>75,785,840</u>	<u>72,864,737</u>
Long Term Debt	<u>130,268,692</u>	<u>128,781,278</u>
Accumulated Postretirement Benefits	<u>8,240,510</u>	<u>7,918,704</u>
Current Liabilities:		
Accounts payable	8,647,193	7,852,171
Short term borrowings	1,710,282	754,328
Current portion of long term debt	5,345,000	5,095,000
Consumer deposits	1,037,175	1,628,346
Other current and accrued liabilities	3,115,333	3,047,763
	<u>19,854,983</u>	<u>18,377,608</u>
Consumer advances for construction	<u>328,211</u>	<u>302,847</u>
Total	<u>\$ 234,478,236</u>	<u>\$ 228,245,174</u>

The accompanying notes are an integral part of these statements.

Consolidated Statements of Revenue and Comprehensive Income  
for the years ended February 28, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Operating Revenues	<u>\$ 104,878,212</u>	<u>\$ 104,110,656</u>
Operating Expenses:		
Cost of purchases	68,796,243	68,851,696
Distribution - operations and maintenance	11,618,857	11,450,289
Consumer accounts	3,377,936	3,766,458
Sales	844,850	791,734
Administrative and general	4,839,876	4,357,131
Depreciation, excluding \$555,350 in 2013 and \$487,908 in 2012 charged to clearing accounts	8,516,652	8,171,246
Amortization of deferred property retirements	470,772	470,772
Taxes	145,757	170,238
Other	73,532	97,059
	<u>98,684,475</u>	<u>98,126,623</u>
Operating Margins before Interest Charges	6,193,737	5,984,033
Interest Charges:		
Interest on long-term debt	5,416,882	5,631,224
Other interest	40,051	100,631
	<u>5,456,933</u>	<u>5,731,855</u>
Operating Margins after Interest Charges	<u>736,804</u>	<u>252,178</u>
Net Operating Margins	<u>5,243,297</u>	<u>5,433,517</u>
Nonoperating Margins		
Interest income	164,675	177,289
Subsidiary and others	(101,688)	(5,650)
	<u>62,987</u>	<u>171,639</u>
Patronage Capital assigned, associated organizations	<u>4,506,493</u>	<u>5,181,339</u>
Net Margins	5,306,284	5,605,156
Other Comprehensive Income:		
Postretirement benefits	201,600	201,600
Noncontrolling interest	(41,424)	(10,278)
Total Comprehensive income	<u>\$ 5,466,460</u>	<u>\$ 5,796,478</u>

The accompanying notes are an integral part of these statements.

Statements of Changes in Members' Equity  
for the years ended February 28, 2012 and 2013

	<u>Memberships and Capital</u>	<u>Patronage Capital</u>	<u>Other Equity</u>	<u>Accumulated Other Comprehensive Income</u>	<u>Total Members' Equity</u>
Balance - Beginning of year	\$ 1,294,805	\$ 67,754,769	\$ 1,905,754	\$ (1,784,411)	\$ 69,170,917
Comprehensive income:					
Net margins		5,605,156			5,605,156
Postretirement benefit obligation					
Amortization				201,600	
Adjustments				-	201,600
Minority interests		(10,278)			(10,278)
Total comprehensive income					5,796,478
Refunds of capital credits		(3,466,105)			(3,466,105)
Transfers to other equity and minority interests		(192,535)			(192,535)
Memberships, net	1,805				1,805
Other equities			1,554,177		1,554,177
Balance - February 28, 2012	1,296,610	69,691,007	3,459,931	(1,582,811)	72,864,737
Comprehensive income:					
Net margins		5,306,284			5,306,284
Postretirement benefit obligation					
Amortization				201,600	
Adjustments				-	201,600
Minority interests		(41,424)			(41,424)
Total comprehensive income					5,466,460
Refunds of capital credits		(3,933,090)			(3,933,090)
Transfers to other equity and minority interests		(82,847)			(82,847)
Memberships, net	950				950
Other equities			1,469,630		1,469,630
Balance - February 28, 2013	\$ 1,297,560	\$ 70,939,930	\$ 4,929,561	\$ (1,381,211)	\$ 75,785,840

The accompanying notes are an integral part of the financial statements.



Consolidated Statements of Cash Flows  
for the years ended February 28, 2013 and 2012

	<u>2013</u>	<u>2012</u>
<b>Cash Flows from Operating Activities:</b>		
Net margins	\$ 5,306,284	\$ 5,605,156
Adjustments to reconcile to net cash provided by operating activities:		
Depreciation and amortization		
Charged to expense	8,987,424	8,642,018
Charged to clearing accounts	555,350	487,908
Patronage capital allocated	(4,506,493)	(5,181,339)
Accumulated postretirement benefits	523,406	507,786
Change in assets and liabilities:		
Receivables	(1,973,226)	581,712
Material and supplies	(176,753)	2,803
Prepayments	(31,020)	(1,917,758)
Payables	795,008	412,871
Consumer deposits and advances	(565,807)	(213,494)
Accrued expenses	67,570	187,272
	<u>8,981,743</u>	<u>9,114,935</u>
<b>Cash Flows from Investing Activities:</b>		
Plant additions	(11,343,543)	(12,098,933)
Plant removal costs	(1,591,475)	(1,174,977)
Salvage recovered from plant retirements	150,232	89,049
Other investments, net	(697,340)	(523,990)
	<u>(13,482,126)</u>	<u>(13,708,851)</u>
<b>Cash Flows from Financing Activities:</b>		
Memberships, capital and other equities	1,299,884	1,516,886
Retirement of patronage capital	(3,928,413)	(3,466,105)
Additional long-term borrowings	6,967,000	6,740,000
Payments on long-term debt	(5,229,586)	(5,012,444)
Short term borrowings (repayments)	955,954	304,328
	<u>64,839</u>	<u>82,665</u>
Net increase in cash	(4,435,544)	(4,511,251)
Cash and cash equivalents - beginning of period	<u>6,639,792</u>	<u>11,151,043</u>
Cash and cash equivalents - end of period	<u>\$ 2,204,248</u>	<u>\$ 6,639,792</u>
<b>Supplemental cash flows information:</b>		
Interest paid on long-term debt	\$ 5,421,595	\$ 5,708,298
Income taxes paid	\$ -	\$ 42,997

The accompanying notes are an integral part of these statements.

Notes to Financial Statements

**Note 1. Summary of Significant Accounting Policies**

Jackson Energy Cooperative (“Jackson Energy”) maintains its records in accordance with the policies prescribed or permitted by the Kentucky Public Service Commission (“PSC”) and the United States Department of Agriculture, Rural Utilities Service (“RUS”), which conform in all material respects with generally accepted accounting principles. The more significant of these policies are as follows:

**Principles of Consolidation** The accompanying consolidated financial statements include the accounts of Jackson Energy Cooperative, Jackson Energy Service Corporation (“Service Corporation”) and Jackson Energy Propane Plus, LLC (“Propane Plus”). Jackson Energy owns 75% and East Kentucky Power Cooperative (“East Kentucky”) owns 25% of Service Corporation’s outstanding stock. The Service Corporation owns 100% of the outstanding stock of Propane Plus. All significant inter company accounts and transactions have been eliminated. Jackson Energy uses an audit date of February 28. The Subsidiary operates on a fiscal year ending December 31. The consolidated financial statements reflect the year end of February 28 for Jackson Energy and December 31 for the Subsidiary, respectively.

**Utility Plant** Jackson Energy’s electric plant is stated at original cost, which is the cost when first dedicated to public service. Such amount includes applicable supervisory and overhead cost including any construction period interest and taxes. There was no interest required to be capitalized during the year.

Propane Plus’ fixed assets consist primarily of propane tanks located on customers’ premises, bulk tanks, and trucks used in the delivery of propane.

Utility plant consists of:

	<u>2013</u>	<u>2012</u>
Electric Plant:		
Distribution plant	\$196,271,410	\$189,892,918
General plant	<u>22,286,622</u>	<u>18,678,992</u>
	218,558,032	208,571,910
Plant under construction	<u>1,110,597</u>	<u>3,184,087</u>
	219,668,629	211,755,997
Less accumulated depreciation	<u>58,231,923</u>	<u>54,019,343</u>
Net electric plant	<u>161,436,706</u>	<u>157,736,654</u>
Propane Plant:		
Propane tanks on customers' premises	1,830,101	1,711,692
Bulk tanks	599,229	513,239
Delivery and other trucks	847,522	847,522
Buildings and land	559,566	555,950
Office and other equipment	<u>159,473</u>	<u>158,158</u>
	3,995,891	3,786,561
Less accumulated depreciation	<u>1,307,052</u>	<u>1,110,454</u>
Net propane plant	<u>2,688,839</u>	<u>2,676,107</u>
Net utility plant	<u>\$164,125,545</u>	<u>\$160,412,761</u>

## Notes to Financial Statements

### Note 1. Summary of Significant Accounting Policies, continued

The cost of maintenance and repairs, including renewals of minor items of property, is charged to operating expense. The cost of replacement of depreciable property units, as distinguished from minor items, is charged to electric plant. The units of property replaced or retired, including cost of removal, net of any salvage value, is charged to accumulated depreciation.

**Depreciation** Provision has been made for depreciation on the basis of the estimated lives of assets, using the straight-line method. Depreciation rates range from 1.44% to 10.0%, with a composite rate of 4.1% for distribution plant. General plant rates range from 2.5% to 20%. Propane Plus's depreciation is computed using the straight-line method over the useful lives of its assets.

**Cash and Cash Equivalents** Jackson Energy considers all short-term, highly liquid investments with original maturities of three months or less to be cash equivalents.

**Off Balance Sheet Risk** Jackson Energy has off-balance sheet risk in that they maintain cash deposits in financial institutions in excess of the amounts insured by the Federal Deposit Insurance Corporation (FDIC). At February 28, 2013, the financial institutions reported deposits in excess of the \$250,000 FDIC insured limit several times during the audit period. These financial institutions have strong credit ratings and management believes that credit risk related to the accounts is minimal.

**Estimates** The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates used in the preparation of the financial statements.

**Revenue** Jackson Energy records revenue as billed to its consumers based on monthly meter-reading cycles. All consumers are required to pay a refundable deposit, however, it may be waived under certain circumstances. Jackson Energy's sales are concentrated in a fifteen (15) county area of southeastern Kentucky. Consumers must pay their bill within 20 days of billing, at which time a disconnect notice is sent with payment to be within 10 days. If not paid, then consumers are subject to disconnect. Accounts are written off when they are deemed to be uncollectible. The allowance for uncollectible accounts is based on the aging of receivables. The balance in the allowance account was \$132,178 at 2013 and \$172,451 at 2012. There were no individual account balances that exceeded 10% of outstanding accounts receivable at February 28, 2013 or 2012.

Propane Plus recognizes revenue when earned, regardless of the period in which customers are billed. Propane sales are recognized when deliveries are made, tank rental each month, and sales of related accessories at the time of sale. Accounts are written off when they are deemed to be uncollectible. The allowance for uncollectible accounts is based on the aging of receivables. The balance in the allowance account was \$9,000 for 2012 and \$8,800 for 2011. There were no individual account balances that exceeded 10% of outstanding accounts receivable at December 31, 2012 or 2011.

The Companies are required to collect, on behalf of the Commonwealth of Kentucky, sales taxes based on 6 percent of gross sales from non-residential consumers, a 3 percent school tax from certain counties on most gross sales, and franchise fees in certain cities. The Company's policy is to exclude sales tax from revenue when collected and expenses when paid and instead, record collection and payment of sales taxes through a liability account.

**Advertising** Jackson Energy expenses advertising costs as incurred.

Notes to Financial Statements

**Note 1. Summary of Significant Accounting Policies, continued**

**Cost of Power** Jackson Energy is one of sixteen (16) members of East Kentucky. Under a wholesale power agreement, Jackson Energy is committed to purchase its electric power and energy requirements from East Kentucky until 2051. The rates charged by East Kentucky are subject to approval of the PSC. The cost of purchased power is recorded monthly during the period in which the energy is consumed, based upon billings from East Kentucky.

**Cost of Propane** Propane Plus purchases all of its propane requirements from an unrelated party through Kentucky Propane Plus, LLC, a related party. Propane is delivered in bulk tanks owned by Propane Plus, then delivered to customers on an as needed basis.

**Propane Inventory** Propane is measured at the end of each month and valued based on the current purchase price of propane.

**Fair Value Measurements** The Fair Value Measurements and Disclosures Topic of the FASB ASC 820, *Fair Value Measurements and Disclosures*, defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal, or most advantageous, market for the asset or liability in an orderly transaction between market participants at the measurement date. The Fair Values Measurements Topic establishes a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. This hierarchy requires entities to maximize the use of observable inputs when possible. The three levels of inputs used to measure fair value are as follows:

Level 1: Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities

Level 2: Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly.

Level 3: Prices or valuations that require inputs that are both significant to the fair value measure and unobservable.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The carrying amounts of Jackson Energy's cash and cash equivalents, other receivables, investments, inventories, other assets, trade accounts payable, accrued expenses and liabilities, and other liabilities approximate fair value due to their short maturity. Investments in associated organizations are not considered a financial instrument because they represent nontransferable interests in associated organizations. Other assets are not considered financial instruments because they represent activities specifically related to Jackson Energy. Long term debt can not be traded in the market, and is specifically for electric cooperatives and, therefore, a value other than its outstanding principal cannot be determined.

Jackson Energy may, and also does, invest idle funds in local banks and in National Rural Utilities Cooperative Finance Corporation ("CFC") commercial paper. The inputs used to measure idle funds are Level 1 measurements, as these funds are exchange traded funds in an active market.

**Goodwill** Goodwill was recorded in connection with the purchase of one-half (1/2) interest from an unrelated party on June 30, 2000. The excess of the purchase price over the value of assets acquired has been recorded as goodwill. Goodwill was tested for impairment and it was determined that goodwill has not been impaired; therefore, there was no impairment of goodwill for 2012 or 2011.

## Notes to Financial Statements

### Note 1. Summary of Significant Accounting Policies, continued

**Deferred Property Retirement** During 1994, Jackson Energy initiated a Geographic Information System (“GIS”) project to establish detailed maps of its distribution electric system and provide a database containing detailed information on the facilities and quantities installed. A physical inventory was performed and the difference between the facilities reported on the GIS base map and the accounting records resulted in an adjustment to decrease plant by \$14,535,593, and a reduction in accumulated depreciation of \$2,530,647. This resulted in a net adjustment of \$12,004,946. The PSC required this amount to be amortized over 25.5 years, which results in annual amortization of \$470,782.

**Risk Management** Jackson Energy is exposed to various forms of losses of assets associated with, but not limited to, fire, personal liability, theft, vehicular accidents, errors and omissions, fiduciary responsibility, workers compensation, etc. Each of these areas is covered through the purchase of commercial insurance.

**Environmental Contingency** Jackson Energy, from time to time, is required to work with and handle PCB’s, herbicides, automotive fluids, lubricants, and other hazardous materials in the normal course of business. As a result, there is a possibility that environmental conditions may arise which would require Jackson Energy to incur cleanup costs. The likelihood of such an event, or the amount of such costs, if any, cannot be determined at this time. However, management does not believe such costs, if any, would materially affect Jackson Energy’s financial position or its future cash flows.

**Income Tax Status** Jackson Energy is exempt from federal and state income taxes under provisions of Section 501(c)(12). Accordingly, the financial statements for Jackson Energy include no provision for income taxes. Income taxes for Service Corporation are provided on income as reported in the accompanying statements regardless of when such taxes are payable. Propane Plus is a limited liability company treated as a partnership for federal income tax purposes. All tax related issues would be passed on to Service Corporation. Propane Plus uses the same depreciation for book and taxes, therefore, deferred taxes are considered immaterial and are not recorded.

Effective January 1, 2008, Jackson Energy adopted the provisions of the *Income Taxes Topic* of the FASB ASC that pertains to accounting for uncertainty in income taxes. Jackson Energy had no prior unrecognized tax benefits as a result of the implementation. Management evaluates its potential exposures from tax positions taken that have or could be challenged by taxing authorities. These potential exposures result because taxing authorities may take positions that differ from those taken by management in the interpretation and application of statutes, regulations, and rules. There are no tax positions for which the ultimate deductibility is highly uncertain included in the accompanying financial statements. Jackson Energy recognizes interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses. Jackson Energy did not recognize any interest or penalties during the years ended December 31, 2012 or 2011. Jackson Energy’s income tax return is subject to possible examination by taxing authorities until the expiration of related statutes of limitations on the return, which is generally three years.

**Comprehensive Income** Comprehensive income includes both net margin and other comprehensive income. Other comprehensive income represents the change in funded status of the accumulated postretirement benefit obligation.

**Reclassifications** Comparative data for the prior year have presented in certain sections of the accompanying financial statements in order to provide an understanding of changes in the financial position and operations.

**Subsequent Events** Management has evaluated subsequent events through May 16, 2013, the date the financial statements were available to be issued. There were no significant subsequent events to report.



Notes to Financial Statements

**Note 2. Investments in Associated Organizations**

Jackson Energy records patronage capital assigned by associated organizations in the year in which such assignments are received. The Capital Term Certificates (“CTCs”) of CFC are recorded at cost. The CTCs were purchased from CFC as a condition of obtaining long-term financing. The CTCs bear interest at 0%, 3% and 5% and are scheduled to mature at varying times from 2020 to 2080. Member Capital Securities have a 7.5% fixed interest rate and mature 35 years from the issuance date. Interest is paid each April and October 1.

Investments in associated organizations consist of:

	<u>2013</u>	<u>2012</u>
East Kentucky, patronage capital	\$31,890,184	\$27,531,845
CFC - CTC's	1,892,412	1,932,691
CFC - Member Capital Securities	980,000	980,000
Other associated organizations	2,594,157	2,524,314
Economic development loans	2,043,554	1,186,200
	<u>\$39,400,307</u>	<u>\$34,155,050</u>

**Note 3. Patronage Capital**

Under provisions of the long-term debt agreement, return to patrons of capital contributed by them is limited to amounts which would not allow the total equities and margins to be less than 30% of total assets, except that distributions may be made to estates of deceased patrons. The debt agreement provides, however, that should such distributions to estates not exceed 25% of the net margins for the next preceding year, Jackson Energy may distribute the difference between 25% and the payments made to such estates. The equity at February 28, 2013 was 32% of total assets. Included in other equities is \$2,596,731 of losses from prior years' that is being carried forward to be offset with future years' non operating margins.

Patronage capital consists of:

	<u>2013</u>	<u>2012</u>
Assigned to date	\$93,550,929	\$89,041,661
Assignable	1,701,409	261,459
Prior year's deficits	(2,596,731)	(1,829,527)
Retired to date	(21,715,677)	(17,782,586)
	<u>\$70,939,930</u>	<u>\$69,691,007</u>

**Note 4. Long Term Debt**

All assets, except vehicles, are pledged as collateral on the long term debt to RUS, Federal Financing Bank (“FFB”), and CFC under a joint mortgage agreement. The Economic Development Loans are due to RUS and are secured by a portion of the assets pledged by Jackson Energy’s consumers. The amounts due East Kentucky are for the Residential Marketing Loan Program for consumers.

The interest rates on the notes to CFC are subject to change every seven years from the repricing date for each individual note. The long term debt is due in quarterly and monthly installments of varying amounts through 2039. Jackson Energy has loan funds available from FFB in the amount of \$8,000,000. RUS assess 12.5 basis points to administer the FFB loans.

During 2003, Jackson Energy refinanced \$27,128,547 of RUS 5% notes with variable rate and term notes. These notes are due in 15 annual installments of \$1,808,570 each.

Notes to Financial Statements

**Note 4. Long Term Debt, continued**

On September 12, 2000, East Kentucky issued a "Commercial Note With Guaranty" in the amount of \$817,852 to allow Service Corporation to purchase its one-half interest. The interest rate is variable, with the rate being the "Index Rate", as published in the Wall Street Journal, minus one-half percent. The rate at 2012 was 2.75% and 2011 was 2.75%.

Long term debt consists of:

	<u>2013</u>	<u>2012</u>
Notes due RUS, 4.125% to 5%	\$29,571,608	\$30,288,700
Notes due FFB, 0.122% to 5.353%	82,531,796	78,378,629
Economic Development, RUS, 0% interest	2,025,499	1,163,139
Notes due CFC:		
5.85% to 6.70%	11,274,680	11,935,510
Refinance RUS loans 5.30% to 6.05%	9,959,928	11,767,941
	<u>135,363,511</u>	<u>133,533,919</u>
Current portion	5,250,000	5,000,000
Long term portion for Jackson Energy	<u>130,113,511</u>	<u>128,533,919</u>
East Kentucky 2.75% (2.75% in 2010)	250,181	342,359
Current portion	95,000	95,000
Long term portion for Propane Plus	<u>155,181</u>	<u>247,359</u>
Total long term portion	<u>\$130,268,692</u>	<u>\$128,781,278</u>

As of February 28, 2013, the annual principal payments of Jackson Energy for the next five years are as follows: 2014 - \$5,250,000; 2015 - \$5,400,000; 2016 - \$5,600,000; 2017 - \$5,800,000; 2018 - \$5,900,000.

As of December 31, 2012, the annual principal payments of Propane Plus for the next five years are as follows: 2013 - \$95,000; 2014 - \$100,000; 2015 - \$55,000; 2016 - none.

**Note 5. Short Term Borrowings**

At February 28, 2013, Jackson Energy had a short term line of credit of \$10,000,000 available from CFC and \$5,000,000 from National Bank for Cooperative ("CoBank"). At February, 2013 there was \$1,000,000 advanced against the CFC line of credit with an interest rate of 2.90%.

Propane Plus has advanced funds from a related propane company to open facilities at a new location. \$30,000 has been advanced from a related propane company for a period of 6 months, with renewal for another 6 months. The note is due upon 30 days notice by the propane company. The note bears interest at 3% per year. The remaining advances are from two (2) Line of Credit loans from Cumberland Valley National Bank in the amount of \$400,000 and \$350,000, respectively. These notes are for a period of one year, with renewal options. The interest rate on both line of credit advances is the minimum of 5%.

Notes to Financial Statements

**Note 6. Pension Plan**

All eligible employees of Jackson participate in the NRECA Retirement and Security Plan (“R&S Plan”), a defined benefit pension plan qualified under section 401 and tax exempt under section 501(a) of the Internal Revenue Code. It is a multiemployer plan under the accounting standards. The Plan sponsor’s identification number is 53-0116145 and the Plan Number is 333. A unique characteristic of a multiemployer plan compared to a single employer plan is that all plan assets are available to pay benefits of any plan participant. Separate asset accounts are not maintained for participating employers. This means that assets contributed by one employer may be used to provide benefits to employees of other participating employers.

Jackson’s contributions to the R&S Plan in 2013 and 2012 represent less than 5 percent of the total contributions made to the plan by all participating employers. Jackson made contributions to the plan of \$2,442,964 in 2012 and \$2,264,685 in 2012. There have been no significant changes that affect the comparability of 2013 and 2012. During 2013, Jackson Energy purchased Cost of Living Allowance (“COLA”) benefits for participating employees at a cost of \$2,040,627. This amount is being amortized over 30 years.

In the R&S Plan, a “zone status” determination is not required, and therefore not determined, under the Pension Protection Act (“PPA”) of 2006. In addition, the accumulated benefit obligations and plan assets are not determined or allocated separately by individual employer. In total, the R&S Plan was between 65 percent and 80 percent funded at January 1, 2012 and 2011 based on the PPA funding target and PPA actuarial value of assets on those dates. Because the provisions of the PPA do not apply to the R&S Plan, funding improvement plans and surcharges are not applicable. Future contribution requirements are determined each year as part of the actuarial valuation of the plan and may change as a result of plan experience.

Propane Plus has a profit sharing plan of 10% of net profits, before the pension amount, where managers receive 5% of the plan amount and the remaining employees share the remaining 5%. The pension amount for 2012 was \$10,779 and 2011 was \$8,121.

**Note 7. Postretirement Benefits**

Jackson Energy sponsors a defined benefit plan that provides medical insurance coverage to retired employees, directors, and attorney and their dependents. The plan calls for benefits to be paid at retirement based primarily upon years of service with Jackson Energy. Participating retirees and dependents do not contribute to the projected cost of coverage. The following is a reconciliation of the postretirement obligation.

The funded status of the plan is as follows:

	<u>2013</u>	<u>2012</u>
Projected benefit obligation	(\$8,240,510)	(\$7,918,704)
Fair value of plan assets	-	-
Funded status	<u>(\$8,240,510)</u>	<u>(\$7,918,704)</u>



Notes to Financial Statements

**Note 7. Postretirement Benefits, continued**

The components of net periodic postretirement benefit costs are as follows:

	<u>2013</u>	<u>2012</u>
Benefit obligation - beginning of period	\$7,918,704	\$7,612,518
Net periodic benefit cost:		
Service cost	298,664	322,463
Interest cost	484,776	465,937
Amortize gains/losses	-	-
Net period cost	<u>783,440</u>	<u>788,400</u>
Accumulated comprehensive income	-	-
Benefit payments to participants	<u>(461,634)</u>	<u>(482,214)</u>
Benefit obligation - end of period	<u>\$8,240,510</u>	<u>\$7,918,704</u>

Projected retiree benefit payments for the next five years are expected to be as follows: 2014 - \$440,000; 2015 - \$434,000; 2016 - \$423,000; 2017 - \$420,000; 2018 - \$400,000.

The discount rate used in determining the APBO was 6.50% for 2013 and 2012. The health care cost trend rate used to compute the APBO in an 8% annual rate of increase for 2011, and decreasing gradually to 5.5%, then remain at that level thereafter.

**Note 11. Related Party Transactions**

Several of the Directors of Jackson Energy, its President & CEO, and another employee are on the boards of directors of various associated organizations.

**Note 12. Commitments**

Jackson Energy has various other agreements outstanding with local contractors. Under these agreements, the contractors will perform certain meter reading, construction, and maintenance work at specified hourly rates or unit cost, or on an as needed basis. The duration of these contracts are one to three years.

**Note 13. Leases**

Jackson Energy leases space for two (2) of its branch offices and a storage facility from unrelated parties. The leases are operating leases with monthly payments of \$1,600, \$200, and \$55 per month, respectively. The lease terms vary, and can be renewed, or cancelled, by either party with advance notice.

**Note 14. Rate Matters**

East Kentucky increased its base rates to Jackson Energy during August 2007, by 2%, in April 2008, by another 7%, and in January, 2012 by another 5%. Jackson Energy passed each of East Kentucky's increases on to its customers using the methodology prescribed by the PSC.

\* \* \* \* \*

**Independent Auditor's Report**

To the Board of Directors  
Jackson Energy Cooperative

My report on the audits of the consolidated financial statements of Jackson Energy Cooperative and Subsidiary as of February 28, 2013 and 2012 and for the years then ended appears on page 1. My audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The consolidating information is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, and cash flows of the individual companies. The supplementary consolidating information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in my opinion is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

*Alan M. Zumstein*  
Alan M. Zumstein, CPA  
May 16, 2013

Jackson Energy Cooperative and Subsidiary  
Consolidating Balance Sheet, February 28, 2013

	<u>Assets</u>	<u>Energy</u>	<u>Services</u>	<u>Propane</u>	<u>Eliminations</u>	<u>Consolidated</u>
Net Utility Plant	\$161,436,706			\$2,688,839		\$164,125,545
Investments and Other Assets:						
Associated organizations	39,400,307					39,400,307
Goodwill, net of amortization	1,767,412		2,355,635	262,177	(4,123,047)	262,177
Subsidiary	41,167,719		2,355,635	262,177	(4,123,047)	39,662,484
Current Assets:						
Cash and cash equivalents	2,037,118		1,070	166,060		2,204,248
Accounts receivable, less allowance for uncollectible accounts	17,412,387			177,406	(156)	17,589,637
Material and supplies, at average cost	1,485,856			231,481		1,717,337
Prepayments	701,428			43,172		744,600
Deferred charges	21,636,789		1,070	618,119	(156)	22,255,822
Total	8,434,385					8,434,385
Total	\$232,675,599		\$2,356,705	\$3,569,135	(\$4,123,203)	\$234,478,236
<u>Members' Equities and Liabilities</u>						
Members' and Stockholder's Equities:						
Memberships and capital	\$1,297,560		\$1,344,000	\$1,217,680	(\$2,561,680)	\$1,297,560
Patronage capital and retained earnings	70,939,930		423,412	1,142,376	(1,565,788)	70,939,930
Accum other comprehensive income	(1,381,211)					(1,381,211)
Minority interests and other equities	4,336,003		589,137		4,421	4,929,561
Total	75,192,282		2,356,549	2,360,056	(4,123,047)	75,785,840
Long Term Debt	130,113,511			155,181		130,268,692
Accumulated Postretirement Benefits	8,240,510					8,240,510
Current Liabilities:						
Accounts payable	8,398,577		156	248,616	(156)	8,647,193
Short term borrowings	1,000,000			710,282		1,710,282
Current portion of long term debt	5,250,000			95,000		5,345,000
Consumer deposits	1,037,175					1,037,175
Accrued expenses	3,115,333					3,115,333
Total	18,801,085		156	1,053,898	(156)	19,854,983
Consumer Advances for Construction	328,211					328,211
Total	\$232,675,599		\$2,356,705	\$3,569,135	(\$4,123,203)	\$234,478,236

The accompanying notes are an integral part of these statements.

Consolidating Statement of Revenue and Comprehensive Income  
for the year ended February 28, 2013

	<u>Energy</u>	<u>Services</u>	<u>Propane</u>	<u>Eliminations</u>	<u>Consolidated</u>
Operating Revenues	\$101,322,190		\$3,584,778	(\$28,756)	\$104,878,212
Operating Expenses:					
Cost of purchases	66,944,575		1,851,668		68,796,243
Distribution - operations and maintenance	10,717,512		901,345		11,618,857
Consumer accounts	3,170,163		207,773		3,377,936
Customer service and information	778,187		66,663		844,850
Administrative and general	4,741,453	4,778	122,401	(28,756)	4,839,876
Depreciation, excluding \$555,350 charged to clearing accounts	8,319,035		197,617		8,516,652
Amortization of deferred property retirements	470,772				470,772
Taxes	120,557		25,200		145,757
Other	73,532				73,532
	<u>95,335,786</u>	<u>4,778</u>	<u>3,372,667</u>	<u>(28,756)</u>	<u>98,684,475</u>
Operating Margins before Interest Charges	5,986,404	(4,778)	212,111		6,193,737
Interest Charges:					
Interest on long term debt	5,371,193		45,689		5,416,882
Other interest	40,051				40,051
	<u>5,411,244</u>		<u>45,689</u>		<u>5,456,933</u>
Operating Margins after Interest Charges	575,160	(4,778)	166,422		736,804
Nonoperating Margins:					
Interest income	164,477		198		164,675
Subsidiary and others	60,154	170,473	3,853	(336,168)	(101,688)
	<u>224,631</u>	<u>170,473</u>	<u>4,051</u>	<u>(336,168)</u>	<u>62,987</u>
Patronage Capital, associated organizations	4,506,493				4,506,493
Net Margins	5,306,284	165,695	170,473	(336,168)	5,306,284
Other Comprehensive Income:					
Postretirement benefits	201,600				201,600
Noncontrolling interests		(41,424)			(41,424)
Total Comprehensive Income	<u>\$5,507,884</u>	<u>\$124,271</u>	<u>\$170,473</u>	<u>(\$336,168)</u>	<u>\$5,466,460</u>

The accompanying notes are an integral part of these statements.

**ALAN M. ZUMSTEIN**  
**CERTIFIED PUBLIC ACCOUNTANT**

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

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

To the Board of Directors  
Jackson Energy Cooperative

I have audited the financial statements of Jackson Energy Cooperative for the year ended February 28, 2013, and have issued my report thereon dated May 16, 2013. I conducted my audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and 7 CFR Part 1773, Policy on audits of the Rural Utilities Service (RUS) Borrowers. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

In planning and performing my audit of the financial statements of the Cooperative for the year ended December 31, 2012, I considered its internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control over financial reporting.

My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be a material weakness. A material weakness is a condition in which the design or operation of the specific internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting that I consider to be a material weakness.

7 CFR Part 1773.3 requires comments on specific aspects of the internal control over financial reporting, compliance with specific RUS loan and security instrument provisions and other additional matters. I have grouped my comments accordingly. In addition to obtaining reasonable assurance about whether the financial statements are free from material misstatements, at your request, I performed tests of specific aspects of the internal control over financial reporting, of compliance with specific RUS loan and security instrument provisions and of additional matters. The specific aspects of the internal control over financial reporting, compliance with specific RUS loan and security instrument provisions, and additional matters tested include, among other things, the accounting procedures and records, material control, compliance with specific RUS loan and security instrument provisions set forth in 7 CFR Part 1773.3(d)(1) related transactions, depreciation rates, a schedule of deferred debits and credits and a schedule of investments, upon which I express an opinion. In addition, my audit of the financial statements also included the procedures specified in 7 CFR Part 1773.38-.45. My Objective was not to provide an opinion on these specific aspects of the internal control over financial reporting, compliance with specific RUS loan and security instrument provisions, or additional matters, and accordingly, I express no opinion thereon.

No reports, other than my independent auditor's report, and my independent auditor's report on internal control over financial reporting and compliance and other matters, all dated May 16, 2013, or summary of recommendations related to my audit have been furnished to management.

To the Board of Directors  
Jackson Energy Cooperative – 2

My comments on specific aspects of the internal control over financial reporting, compliance with specific RUS loan and security instrument provisions and other additional matters as required by 7 CFR Part 1773.33 are presented below.

### **Comments on Certain Specific Aspects of the Internal Control Over Financial Reporting**

I noted no matters regarding the Cooperative's internal control over financial reporting and its operation that I consider to be a material weakness as previously defined with respect to:

- The accounting procedures and records;
- the process for accumulating and recording labor, material and overhead costs, and the distribution of these costs to construction, retirement, and maintenance and other expense accounts, and;
- the material controls.

### **Comments on Compliance with Specific RUS Loan and Security Instrument Provisions**

At your request, I have performed the procedures enumerated below with respect to compliance with certain provisions of laws, regulations, and contracts. The procedures I performed are summarized as follows:

- Procedures performed with respect to the requirement for a borrower to obtain written approval of the mortgagee to enter into any contract for the operation or maintenance of property, or for the use of mortgaged property by others for the year ended February 28, 2013, of the Cooperative.
  1. The Cooperative has not entered into any contract during the year for the operation or maintenance of its property, or for the use of its property by others as defined in 1773.33(e)(1)(i).
- Procedures performed with respect to the requirement to submit RUS Financial and Operating Report, Electric Distribution to RUS:
  1. Agreed amounts reported in RUS Financial and Operating Report, Electric Distribution to the Cooperative's records as of December 31, 2012.

The results of my tests indicate that, with respect to the items tested, the Cooperative complied in all material respects, with the specific RUS loan and security instrument provisions referred to below. With respect to items not tested, nothing came to my attention that caused me to believe that the Cooperative had not complied, in all material respects, with those provisions. The specific provisions tested, as well as any exceptions noted, include the requirements that:

- The borrower has submitted its RUS Financial and Operating Report, Electric Distribution to RUS and the RUS Financial and Operating Report, Electric Distribution, as of December 31, 2012, represented by the borrower as having been submitted to RUS appears to be in agreement with its audited records in all material respects.
- During the period of this review, the Cooperative received no long term advances from CFC on loans controlled by the RUS/CFC Mortgage and Loan Agreement.

### **Comments on Other Additional Matters**

In connection with my audit of the Cooperative, nothing came to my attention that caused me to believe that the Cooperative failed to comply with respect to:

- The reconciliation of continuing property records to controlling general ledger plant accounts addressed at 7 CFR Part 1773.33(c)(1);

To the Board of Directors  
Jackson Energy Cooperative – 3

- The clearing of the construction accounts and the accrual of depreciation on completed construction addressed at 7 CFR Part 1773.33(c)(2);
- The retirement of plant addressed at 7 CFR 1773.33(c)(3) and (4);
- Approval of the sale, lease, or transfer of capital assets and disposition of proceeds for the sale or lease of plant, material, or scrap addressed at 7 CFR Part 1773.33(c)(5);
- The disclosure of material related party transactions, in accordance with Statement of Financial Accounting Standard No. 57, Related party Transactions, for the year ended February 28, 2013, in the financial statements referenced in the first paragraph of this report addressed at 7 CFR Part 1773.33(f);
- The depreciation rates addressed at 7 CFR Part 1773.33(g);
- The detailed schedule of deferred debits and deferred credits; and
- The detailed schedule of investments.

My audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The detailed schedule of deferred debits and deferred credits required by 7 CFR Part 1773(h) and provided below is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information has been subjected to the auditing procedures applied in my audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The deferred debits are as follows:

Deferred property retirements	\$6,473,115
Past service pension benefits	<u>1,961,270</u>
	<u>\$8,434,385</u>

The deferred credits are as follows:

Consumer advances for construction	<u>\$328,211</u>
------------------------------------	------------------

Jackson Energy is a 75% owner of Jackson Energy Services Corporation, which owns 100% of the stock of Jackson Energy Propane Plus, LLC. Jackson Propane distributes propane to residential and commercial customers in and around areas where Jackson Energy Cooperative provides electric service. Jackson Energy Cooperative's initial investment was \$9,000. The investment and profits (losses) are as follows:

	<u>Investment</u>	<u>Profits</u>
Beginning balance	\$1,344,000	\$299,141
Activity for 2013		<u>124,271</u>
Ending balance	<u>\$1,344,000</u>	<u>\$423,412</u>

This report is intended solely for the information and use of the Board of Directors, management, RUS, and supplemental lenders and is not intended to be and should not be used by anyone other than these specified parties.

*Alan M. Zumstein*

Alan M. Zumstein, CPA  
May 16, 2013

**COMPUTER SOFTWARE PROGAMS**

Jackson Energy has used Microsoft Excel, Microsoft Word and Adobe Acrobat in the preparation of this Application.



2012 annual report

your partner in power

75  
years



**JACKSON ENERGY**

A Touchstone Energy® Cooperative 

# For 75 Years—Your Partner in

**In 1938 people in the rural parts of our community could only dream about the benefits that electricity brought to life in town.**

They needed a partner who believed in them. Investor-owned power companies calculated that it wouldn't pay to string electric lines to remote houses. Those companies couldn't envision that farmers would ever use significant amounts of power.

So the people turned to their neighbors. They went from house to house, signing people up to form an electric cooperative. They created a partner they knew would believe in them because they owned it, and they were this new electric utility's only customers.

By and large, electric cooperatives have succeeded at the goal of bringing electricity to rural America, but that doesn't mean our work is done. From the beginning, our industry had a much more lofty goal than simply turning on the lights. The mission of electric cooperatives has been, and always will be, to improve the lives of the members we serve.



In the early days that mission was running lines and setting poles in rural America to, as farmer Charles Cornett from Clay County, Kentucky, said, "... bring the sunshine right in to the house." Having electricity at the Cornett dairy farm resulted in milking more cows, selling more milk, and having more money. Our co-op improved the quality of their lives.

Early annual meetings featured informational workshops showcasing new appliances and ways for families served by the new co-ops to use electricity.

Today, electric cooperatives not only keep the lights on, but our programs impact the lives of our members in ways that aren't related to the light switch.

Scholarship programs help ease the financial burden of families paying for college.

Economic development loans allow small businesses to expand and bring jobs to a region that is still dealing with double-digit unemployment.

Energy-efficiency programs put extra dollars in the wallets of our members each month, and programs like the Co-op Connections card help them save on prescriptions.

All of these programs provide a connection to our members that reinforces the ideal that cooperatives are different from for-profit businesses.

Seventy-five years after we brought the sunshine in to the homes of southeastern Kentucky, Jackson Energy



**Left:** Working with member homeowners to make the most efficient use of appliances and wisest use of electricity is a basic part of Jackson Energy Co-op's mission to be your partner in power. Here, Ryan Henderson, right, Jackson Energy Co-op Customer Service representative, talks with Tony and Teresa Boggs in their McKee home. Photo: Tim Webb

**Right Top:** Helping business members make the most efficient use of energy, as well as providing a variety of other assistance, is an important part of Jackson Energy Co-op's power partnership. Here, Carol Wright, Jackson Energy president and CEO, works with Tom Wilson, president of Phoenix Products Inc., of Sand Gap. Jackson Energy works with Phoenix Products on key financing steps to help the manufacturer of high-precision aerospace parts, like the hydraulic pump component they're holding, attract new business. Photo: Tim Webb

# Power



Cooperative continues serving its members by not only keeping the lights on, but also improving the quality of life in the communities we serve.

Jackson Energy is your partner in power. Whether it's the constant job of making sure that whenever you flip the switch you have electricity that is as reliable and affordable as possible, or offering advice on the safest and most efficient way to use energy, Jackson Energy is there.

This year's annual report proudly describes another successful year. As an electric utility, Jackson Energy's reliability record is a tiny fraction from perfect, and further improvements are a part of regular planning. As a not-for-profit, member-owned cooperative, the top priority is excellent service at reasonable costs.

And since all of the owners of your electric co-op are also its customers, it's local and it will stay local.

What all this adds up to is that you have your own personal partner in power just a phone call, an e-mail, or a visit away.

That's the big picture of what Jackson Energy strives for every day to bring you the most reliable and affordable electricity possible. The rest of this report highlights some of the ways Jackson Energy has worked this past year to be your partner in power.

## KEEPING COSTS LOW

Jackson Energy sees firsthand how many homes and businesses in the area struggle to make ends meet. So keeping the cost of electricity as low as possible is a constant focus. Fighting higher costs is a battle with many fronts, including efficient management of workers, and smart use of the latest productive technology.

One way Jackson Energy helps members manage their electric bills is with prepay. The cooperative's prepay program allows members to purchase electricity before they use it, and an in-home display provides information on how much electricity they use each day. More than 2,500 members now use prepay in their homes and monitor their electric usage with the display.

Jackson Energy also uses the latest industry technology, like automated meter infrastructure, to provide the power you need in your homes and businesses. Your cooperative is an industry leader in implementing the latest technology and equipment to improve service and keep costs low.

Jackson Energy also looks for innovative ways to provide power to our members. Your co-op has forged partnerships that use leading-edge technology, like a box that converts natural gas to electricity, as alternative power sources. These partnerships help us not only provide affordable, reliable power today and but also in the future.

## SUSTAINING THE ENVIRONMENT

Care for natural resources is a universal concern these days. One of the most important ways you and Jackson Energy can partner together to help the environment is to make sure you're making the most efficient use of your electricity.

Through regular information in *Kentucky Living* and on the Jackson Energy web site, your co-op provides a wealth of information on saving money through the most effective use of your electricity. We also offer rebates to help you pay for efficiency upgrades and advice on the best steps you can take to use electricity as efficiently as possible. You'll help the environment by not wasting energy.

## CARING FOR THE COMMUNITY

The past year brought into special focus the role Jackson Energy plays in the lives of neighbors and friends.

Weather brought heartbreaking news of tragedies from hurricanes in the south and east, to devastation from tornadoes in Kentucky. Jackson Energy helped respond, working with other co-ops to determine how to best help restore power and offer other assistance to victims both in and outside the state.

Responding to disasters is just one way Jackson Energy works in local communities. Every day, from providing scholarships for students, to employees volunteering for local

causes, your co-op is working to improve your community.

Our Operation Round-Up program is another way Jackson Energy is involved in your community. The voluntary program is funded by members like you who donate a few cents to the Operation Round-Up fund each month by rounding their electric bill up to an even dollar amount.

Operation Round-Up is celebrating its 10th year of providing grants to local communities. During that time, more than \$150,000 has been awarded to area nonprofit organizations. It's a program that has provided funding to improve local parks, volunteer fire departments, school programs, and countless other community services.

Jackson Energy is also working to bring new jobs to our area through economic development programs and by working with local industries to not only provide them the power they need, but also the funds they need to expand. Your cooperative offers business development loans to area industries that help them grow and bring new jobs to southeastern Kentucky.

### KEEPING EVERYONE SAFE

During this past year Jackson Energy can also report that safety has continued to be a constant focus.

For employees as well as members, the key to staying safe from the dangers of electricity is constant vigilance, never letting your guard down.

Jackson Energy also received accreditation this year from the National Rural Electric Cooperative Association for its safety program. The accreditation process is a rigorous examination of the cooperative's safety training, outreach, and practices.



To keep that awareness level high among co-op members, every communications medium gets used, from notices, ads, and stories in *Kentucky Living* magazine, to regular in-person safety demonstrations around the community, including in schools.

For the high-risk job that the utility linemen work at every day, Jackson Energy has made safety a requirement. These dedicated workers are provided with state-of-the-art training techniques developed with resources and support from state and national organizations.

Keeping employees, and you, safe and healthy will continue as one of the most important parts of the relationship with your partner in power.

## TIMELINE OF CELEBRATION FOR JACKSON ENERGY



**1938**

**July 28**  
A ceremony is held at the Jackson County Courthouse to incorporate Jackson County RECC.

**1950**

A new one-story brick office building opens in downtown McKee.

**1974**

Jackson County RECC opens a branch office in Laurel County.

**1989**

The new London District Office opens in London and replaces the branch office.

**1997**

Jackson County RECC changes its name to Jackson Energy.

**2001**

Jackson Energy opens a new corporate office on KY HWY 290 near Annville. Two years later, the McKee District Office opens on the property.

**2011**

Jackson Energy is the first utility in Kentucky to offer a prepay program to its members.

**2012**

Jackson Energy is serving **51,241 members** in Southeastern Kentucky.

## Jackson Energy Services Corporation

For the Year Ending December 31, 2012

### REVENUES:

Net Revenues Generation  
from Holding Operations .....\$170,471.70

Total Revenues .....\$170,471.70

### EXPENSES:

Office, Fee, License, Tax Expense ..... \$4,776.49

Total Expenses .....\$4,776.49

### NET OPERATION INCOME

Net Income (Loss) .....\$165,695.21

### BALANCE SHEET

December 31, 2012

#### ASSETS:

Cash ..... \$1,069.75  
Investment in Propane Company .....\$1,196,003.00  
Less Effect of Gain – Propane Company ....\$1,159,632.20

Total Assets .....\$2,356,704.95

#### LIABILITIES:

Accounts payable..... \$155.52

Total Liabilities .....\$155.52

#### STOCKHOLDERS' EQUITY:

Common Stock, 1792 shares, no par .....\$1,792,000.00  
Retained Earnings .....\$ 564,549.43

Total Stockholders' Equity .....\$2,356,549.43

Total Liabilities and Stockholders' Equity.....\$2,356,704.95



## Jackson Propane Plus LLC Income Statement

For the Year Ending  
December 31, 2012

### Revenues

Gross Revenue ..... \$3,588,828.57  
Less Cost of Goods Sold \$1,851,668.39  
Gross Profit ..... \$1,737,160.18

### Expenses

Operating Expenses .... \$1,566,688.48

Net Income ..... \$170,471.70

### BALANCE SHEET

December 31, 2012

#### ASSETS:

Current Assets..... \$574,947.32  
Fixed Assets ..... \$3,069,649.18  
Total Assets ..... \$3,644,596.50

#### LIABILITIES:

Current Liabilities ..... \$248,616.43  
Long-Term Liabilities ..... \$960,463.50  
Total Liabilities ..... \$1,209,079.93

#### STOCKHOLDERS' EQUITY:

Capital Stock..... \$1,293,140.89  
Retained Earnings..... \$1,142,375.68  
Total Stockholders'  
Equity ..... \$2,435,516.57  
Total Liabilities and  
Stockholders' Equity.... \$3,644,596.50

Jackson Energy Services Corporation is the sole owner of the subsidiary Jackson Propane Plus LLC. Jackson Propane Plus LLC provides propane gas, accessories, propane appliances and bottled water, and plans to continue to provide these products and services in the future.



## MEMBERS SERVED IN 2012

Clay County .....	8,322
Estill County.....	4,893
Jackson County .....	7,852
Laurel County.....	18,363
Lee County .....	3,233
Owsley County .....	2,597
Rockcastle County...	5,820
Other .....	161
Total.....	51,241

## ACCOUNTS BILLED

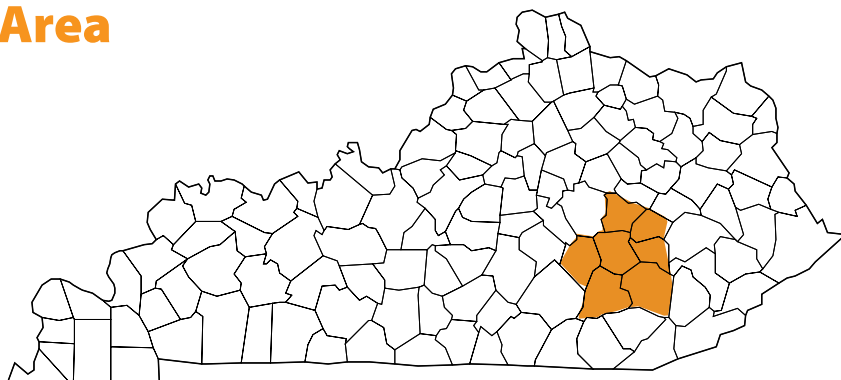
2012.....51,241

Average  
Kilowatt-hour Use  
(Residential per month)  
2012..... 1,119

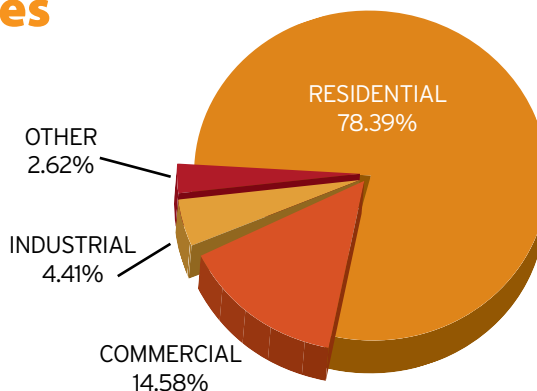
Miles of Line  
2012..... 5,668

Consumers Per Mile  
2012.....9.04

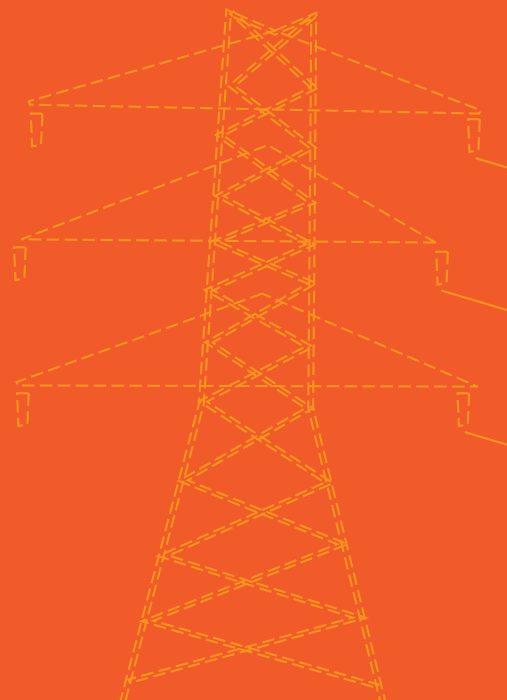
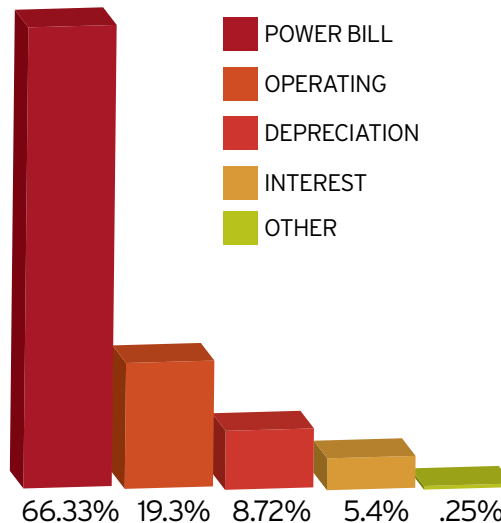
## Service Area



## Revenue Sources



## Major Costs



## Statement of Operations

For the Year Ending December 31, 2012

Operating Revenue .....	\$99,291,970
Operating Expense	
Purchased Power .....	\$66,412,945
Operating System .....	19,326,754
Depreciation .....	8,726,653
Interest on Loans .....	5,403,344
Other Deductions .....	255,474
Total Cost of Electric Service .....	\$100,125,170
Operating Margins .....	(833,200)
Non-Operating Margins .....	190,267
G & T Capital Credits .....	4,358,339
Other Capital Credits .....	150,928
Patronage Capital and Margins .....	3,866,334

## Balance Sheet

For the Year Ending December 31, 2012

ASSETS	
Total Utility Plant .....	\$218,141,345
Less Depreciation .....	57,505,856
Net Utility Plant .....	\$160,635,489
Investment in Assoc. Organization .....	\$41,199,079
Cash .....	2,650,881
Accounts Receivable .....	17,117,959
Inventory .....	1,351,848
Expenses Paid in Advance .....	290,237
Deferred Debits and Other Assets .....	8,702,972
Total Assets .....	\$231,948,465
LIABILITIES	
Consumer Deposits .....	1,094,290
Membership and Other Equities .....	73,538,760
Long-Term Debt .....	136,141,129
Notes and Accounts Payable .....	12,656,762
Other Current Liabilities .....	8,515,524
Total Liabilities .....	\$231,948,465





# JACKSON ENERGY

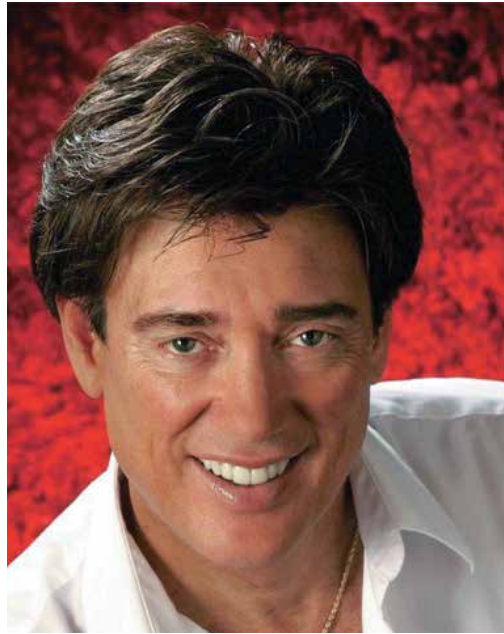
A Touchstone Energy® Cooperative 



# 2013 ANNUAL MEETING FRIDAY JUNE 28

Jackson Energy Farm  
McKee, KY

Registration: 2 p.m.-7 p.m.  
Business meeting: 7 p.m.



Featured Entertainment  
**Ronnie McDowell**

**TWO SHOWS!**  
6 p.m. & 8 p.m.

8 p.m. show is a Tribute to Elvis

**Fireworks at Dusk!**



**Free!**  
**Energy-saving  
light bulbs**  
for members who attend!

## BOARD OF DIRECTORS



Carol Wright  
President & CEO



Fred Callahan  
Chairman



Fred Brown  
Vice Chairman



Keith Binder  
Secretary-Treasurer



Jim Hays III



Sally Brewer



Landis Cornett



Steve Patton Jr.



Phil Thompson



Ted Cundiff



Clayton Oswald  
Attorney



# A POWERFUL HISTORY

A future built on a strong foundation



Jackson Energy Cooperative  
2011 ANNUAL REPORT



## THE BUSINESS OF RELIABLE AND AFFORDABLE ELECTRICITY

**T**he annual report for 2011 finds Jackson Energy in a strong position to continue the business of providing reliable and affordable electricity.

That kind of success has come as a result of the traditions and values that first started the co-op in 1938.

Jackson Energy was not founded to make money for shareholders.

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

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

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

In 2011, Jackson Energy employed those techniques of technical and organizational innovation to meet today's requirements.

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

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

Two major factors causing higher

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

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

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

### ON THE COVER

*The progression of Jackson Energy's powerful history is shown from Miss Jackson Energy in 1950 to the 2011 annual membership meeting. To the left, raising utility poles has come a long way. It can still be hard work, but these days it's aided by trucks with specially designed hoists.*

**RIGHT** Jackson Energy Co-op's historic values mean operating the utility with the latest technology, including global satellite mapping, computer-based communications, and automated electric metering systems. Photo: Tim Webb







*Jackson Energy is a community partner in economic development projects that help area businesses grow and expand. The co-op's rural development loan program has loaned \$2.8 million to area businesses.*

# A POWERFUL GIVING BACK TO LOCAL COMMUNITIES HISTORY

From school programs and tourism projects to volunteer fire departments and homeless shelters, Jackson Energy Cooperative's Operation Round-Up program has been giving back to local communities since 2003.

Operation Round-Up is a voluntary program that enables Jackson Energy members to donate spare change each month to the Round-Up fund. Members literally round up their electric bill to an even dollar amount, and the difference in their monthly electric bill and the even dollar amount is placed into a trust fund. For example, if a member's bill was \$130.55, they would pay \$131, and 45 cents is donated to Operation Round-Up.

The money is administered by

a volunteer board with representatives from each of the seven primary counties served by the cooperative. The board members meet quarterly to review grant applications that are submitted from throughout the Jackson Energy service area.

By giving a little—an average of 50 cents a month—members are able to support worthwhile programs in their communities. Since 2003, more than \$135,000 has been awarded in the form of grants to nonprofit community organizations. For more information on Operation Round-Up, visit our Web site, [www.jacksonenergy.com](http://www.jacksonenergy.com). Members can download a grant application from the Web site as well as the form to join the program as a monthly contributor.

Jackson Energy is also a community partner in economic development projects. Since 1994 the cooperative has helped area industrial authority agencies and businesses expand with economic development loans.

Through the U.S. Department of Agriculture Rural Utilities Service, the cooperative has helped businesses acquire \$2.8 million in low- or no-interest rural development program loans. These loans have enabled six area businesses to purchase new equipment and bring new jobs to southeastern Kentucky.

"The loan program is another way Jackson Energy is working for our members," says President & CEO Don Schaefer.



## ALWAYS A PART OF OUR COMMUNITY

### MORE THAN 70 YEARS OF PROUD HISTORY

*In 1938, our parents and grandparents came together to incorporate Jackson County RECC, which later became Jackson Energy. The first pole was set in 1939, and by the end of that year, the cooperative had 380 members receiving service. Today, the co-op serves more than 51,250 members in all or parts of 15 counties, over 5,676 miles of line.*

The world headquarters for Jackson Energy is located right here in our community.

It always has been and it always will be.

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

That means that for Jackson Energy to thrive, the community must thrive. You see the results of that local concern in the importance the

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

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

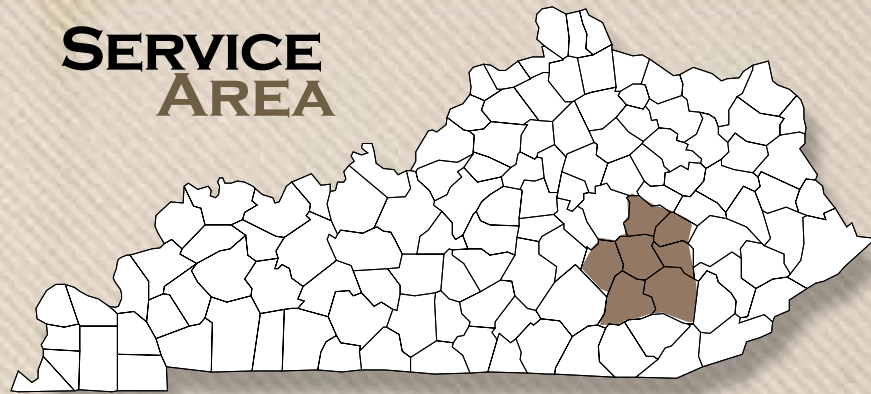
That's the way it's been since the beginning of Jackson Energy. It's a powerful history of success since its beginning, through 2011, and far into the future.



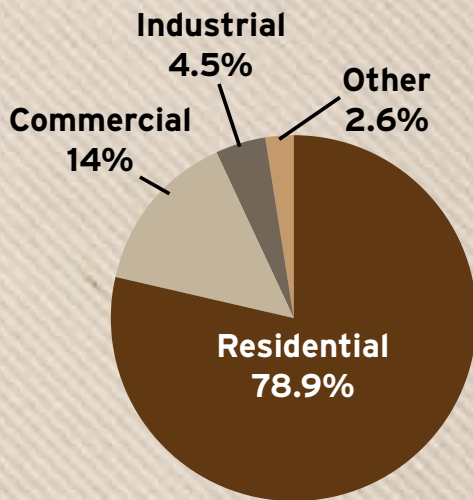
*From teaching schoolchildren about light bulbs when co-ops first started, to sponsoring scholarship visits to the World War II Memorial and other educational and historical sites in Washington, D.C., Jackson Energy continues its proud historical traditions.*



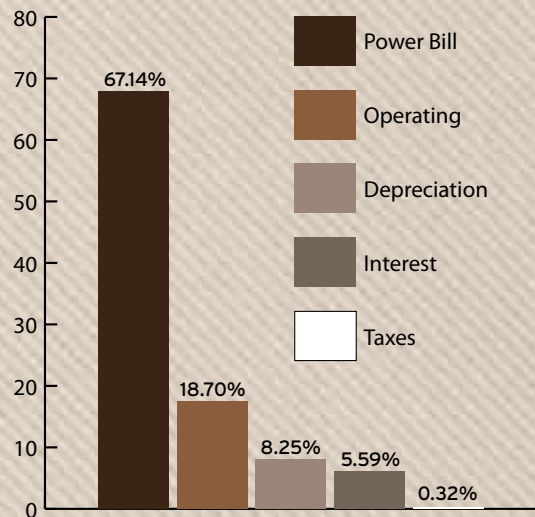




## REVENUE SOURCES



## MAJOR COSTS



### Members Served in 2011

Clay County .....	8,365
Estill County .....	4,869
Jackson County .....	7,931
Laurel County .....	18,237
Lee County .....	3,253
Owsley County .....	2,606
Rockcastle County .....	5,833
Other .....	163
<b>Total.....</b>	<b>51,257</b>

### Accounts Billed

2011 .....51,257

### Average Kilowatt-hour Use (Residential per month)

2011 .....1,174

### Miles of Line

2011 .....5,676

### Consumers Per Mile

2011 .....9.03



# STATEMENT OF OPERATIONS

For the Year Ending December 31, 2011

Operating Revenue..... \$102,885,943

## Operating Expense

Purchased Power ..... \$68,306,508

Operating System..... 19,028,483

Depreciation..... 8,398,524

Taxes ..... 107,126

Interest on Loans ..... 5,682,593

Other Deductions..... 222,376

Total Cost of Electric Service..... \$101,745,610

Operating Margins ..... 1,140,333

Non-Operating Margins ..... 202,813

Other Capital Credits ..... 5,176,308

Patronage Capital and Margins..... 6,519,454

# BALANCE SHEET

For the Year Ending December 31, 2011

## ASSETS

Total Utility Plant ..... \$210,341,888

Less Depreciation ..... 53,170,182

Net Utility Plant..... \$157,171,706

Investment in Assoc. Organization..... \$35,809,687

Cash..... 8,741,190

Owed to Co-op & Notes Receivable ..... 17,316,726

Inventory ..... 1,152,438

Expenses Paid in Advance..... 150,826

Deferred Debits and Other Assets..... 7,217,587

Total Assets..... \$227,560,160

## LIABILITIES

Consumer Deposits..... 1,611,847

Membership and Other Equities ..... 72,081,509

Long-Term Debt ..... 134,278,747

Notes and Accounts Payable..... 9,058,436

Other Current Liabilities..... 10,529,621

Total Liabilities..... \$227,560,160



**JACKSON ENERGY SERVICES CORPORATION**  
**INCOME STATEMENT**

For the period ending December 31, 2011

**REVENUES:**

Net Revenues Generation from Holding Operations .....	\$87,719.43
<b>Total Revenues .....</b>	<b>\$ 87,719.43</b>

**EXPENSES**

Office, Fee, License, Tax Expense.....	\$48,520.61
<b>Total Expenses .....</b>	<b>\$48,520.61</b>

**NET OPERATING INCOME**

<b>Net Income (Loss) .....</b>	<b>\$39,198.82</b>
--------------------------------	--------------------

**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 .	\$989,160.50
<b>Total Assets.....</b>	<b>\$2,191,185.33</b>

**LIABILITIES**

Accounts payable – to JEC .....	\$331.11
<b>Total Liabilities.....</b>	<b>\$331.11</b>

**STOCKHOLDERS' EQUITY**

Common Stock, 1592 shares, no par .....	\$1,792,000.00
Retained Earnings .....	\$398,854.22
<b>Total Stockholders' Equity.....</b>	<b>\$2,190,854.22</b>
<b>Total Liabilities and Stockholders' Equity .....</b>	<b>\$2,191,185.33</b>

**JACKSON PROPANE PLUS LLC**  
**INCOME STATEMENT**

For the period ending December 31, 2011

**REVENUES**

Gross Revenue .....	\$3,816,524.64
Less Cost of Goods Sold .....	\$2,199,675.53
<b>Gross Profit.....</b>	<b>\$1,616,849.11</b>

**EXPENSES**

Operating Expenses .....	\$1,529,129.68
<b>Net Income .....</b>	<b>\$87,719.43</b>

**BALANCE SHEET**

December 31, 2011

**ASSETS**

Current Assets .....	\$549,271.20
Fixed Assets .....	\$3,062,716.95
<b>Total Assets.....</b>	<b>\$3,611,988.15</b>

**LIABILITIES**

Current Liabilities .....	\$250,256.72
Long-Term Liabilities .....	\$1,096,686.56
<b>Total Liabilities.....</b>	<b>\$1,346,943.28</b>

**STOCKHOLDERS' EQUITY**

Capital Stock .....	\$1,293,140.89
Retained Earnings .....	\$971,903.98
<b>Total Stockholders' Equity.....</b>	<b>\$2,265,044.87</b>
<b>Total Liabilities and Stockholders' Equity.....</b>	<b>\$3,611,988.15</b>

Jackson Energy Services Corporation is the sole owner of the subsidiary Jackson Propane Plus LLC. Jackson Propane Plus LLC provides propane gas, accessories, propane appliances and bottled water, and plans to continue to provide these products and services in the future.



# JACKSON ENERGY COOPERATIVE

# ANNUAL MEETING 2012

## THURSDAY, JUNE 28



Jackson Energy Farm  
McKee, KY  
Registration: 7:30 a.m.-4:30 p.m.  
London, Beattyville, and  
Manchester offices  
7:30 a.m.-7 p.m.  
McKee District office  
Business meeting: 7 p.m.

Featured Entertainment 8 p.m.  
**Candy Christmas.**



**FREE!  
ENERGY-SAVING  
LIGHT  
BULBS**

for members who attend!



**FIREWORKS  
AT DUSK**

## BOARD OF DIRECTORS



Don Schaefer  
President & CEO



Fred Callahan  
Chairman



Fred Brown  
Vice Chairman



Keith Binder  
Secretary-Treasurer



Jim Hays III



Dale Madden



Landis Cornett



Steve Patton Jr.



Phil Thompson



Ted Cundiff



Warren Keller  
Attorney



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UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE  <b>FINANCIAL AND OPERATING REPORT                  ELECTRIC DISTRIBUTION</b>	BORROWER DESIGNATION KY0003  PERIOD ENDED <b>January, 2012</b>  BORROWER NAME Jackson Energy Cooperative Corporation
INSTRUCTIONS - See help in the online application.	

This information is analyzed and used to determine the submitter's financial situation and feasibility for loans and guarantees. You are required by contract and applicable regulations to provide the information. The information provided is subject to the Freedom of Information Act (5 U.S.C. 552)

**CERTIFICATION**

**We recognize that statements contained herein concern a matter within the jurisdiction of an agency of the United States and the making of a false, fictitious or fraudulent statement may render the maker subject to prosecution under Title 18, United States Code Section 1001.**


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

**ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1718 OF 7 CFR CHAPTER XVII**

(check one of the following)

All of the obligations under the RUS loan documents have been fulfilled in all material respects.

There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in Part D of this report.

 3/14/12  
DATE

**PART A. STATEMENT OF OPERATIONS**

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	12,259,044	10,536,521	12,290,085	10,536,521
2. Power Production Expense				
3. Cost of Purchased Power	8,666,582	7,138,434	8,781,430	7,138,434
4. Transmission Expense				
5. Regional Market Expense				
6. Distribution Expense - Operation	505,320	437,177	576,467	437,177
7. Distribution Expense - Maintenance	342,788	304,805	438,651	304,805
8. Customer Accounts Expense	297,095	229,671	327,553	229,671
9. Customer Service and Informational Expense	53,478	75,317	76,196	75,317
10. Sales Expense				
11. Administrative and General Expense	455,314	390,664	409,459	390,664
<b>12. Total Operation &amp; Maintenance Expense (2 thru 11)</b>	<b>10,320,577</b>	<b>8,576,068</b>	<b>10,609,756</b>	<b>8,576,068</b>
13. Depreciation and Amortization Expense	689,413	716,561	724,230	716,561
14. Tax Expense - Property & Gross Receipts				
15. Tax Expense - Other				
16. Interest on Long-Term Debt	509,210	470,367	461,676	470,367
17. Interest Charged to Construction - Credit				
18. Interest Expense - Other	8,652	14,386	9,000	14,386
19. Other Deductions	6,961	7,972	6,088	7,972
<b>20. Total Cost of Electric Service (12 thru 19)</b>	<b>11,534,813</b>	<b>9,785,354</b>	<b>11,810,750</b>	<b>9,785,354</b>
<b>21. Patronage Capital &amp; Operating Margins (1 minus 20)</b>	<b>724,231</b>	<b>751,167</b>	<b>479,335</b>	<b>751,167</b>
22. Non Operating Margins - Interest	15,941	13,416	14,320	13,416
23. Allowance for Funds Used During Construction				
24. Income (Loss) from Equity Investments				
25. Non Operating Margins - Other	3,326	68		68
26. Generation and Transmission Capital Credits				
27. Other Capital Credits and Patronage Dividends	(2,447)	2,585		2,585
28. Extraordinary Items				
<b>29. Patronage Capital or Margins (21 thru 28)</b>	<b>741,051</b>	<b>767,236</b>	<b>493,655</b>	<b>767,236</b>

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE			BORROWER DESIGNATION		
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION			KX0003		
INSTRUCTIONS - See help in the online application.			PERIOD ENDED		
			January, 2012		
PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT					
ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	64	52	5. Miles Transmission		
2. Services Retired	35	42	6. Miles Distribution – Overhead	5,386.49	5,384.51
3. Total Services in Place	56,936	57,113	7. Miles Distribution - Underground	279.45	291.60
4. Idle Services (Exclude Seasonals)	5,216	5,743	8. Total Miles Energized (5 + 6 + 7)	5,665.94	5,676.11
PART C. BALANCE SHEET					
ASSETS AND OTHER DEBITS			LIABILITIES AND OTHER CREDITS		
1. Total Utility Plant in Service	207,824,536		30. Memberships		1,294,740
2. Construction Work in Progress	3,196,395		31. Patronage Capital		69,449,991
3. Total Utility Plant (1 + 2)	211,020,931		32. Operating Margins - Prior Years		0
4. Accum. Provision for Depreciation and Amort.	53,650,180		33. Operating Margins - Current Year		753,751
5. Net Utility Plant (3 - 4)	157,370,751		34. Non-Operating Margins		13,484
6. Non-Utility Property (Net)	0		35. Other Margins and Equities		1,311,587
7. Investments in Subsidiary Companies	1,643,141		36. Total Margins & Equities (30 thru 35)		72,823,553
8. Invest. in Assoc. Org. - Patronage Capital	30,031,690		37. Long-Term Debt - RUS (Net)		29,662,773
9. Invest. in Assoc. Org. - Other - General Funds	0		38. Long-Term Debt - FFB - RUS Guaranteed		76,400,650
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	2,941,981		39. Long-Term Debt - Other - RUS Guaranteed		0
11. Investments in Economic Development Projects	1,179,815		40. Long-Term Debt Other (Net)		21,852,167
12. Other Investments	11,015		41. Long-Term Debt - RUS - Econ. Devel. (Net)		1,076,926
13. Special Funds	0		42. Payments – Unapplied		0
14. Total Other Property & Investments (6 thru 13)	35,807,642		43. Total Long-Term Debt (37 thru 41 - 42)		128,992,516
15. Cash - General Funds	3,252,344		44. Obligations Under Capital Leases - Noncurrent		0
16. Cash - Construction Funds - Trustee	0		45. Accumulated Operating Provisions and Asset Retirement Obligations		7,892,425
17. Special Deposits	420		46. Total Other Noncurrent Liabilities (44 + 45)		7,892,425
18. Temporary Investments	3,000,000		47. Notes Payable		0
19. Notes Receivable (Net)	0		48. Accounts Payable		8,155,223
20. Accounts Receivable - Sales of Energy (Net)	17,049,284		49. Consumers Deposits		1,613,772
21. Accounts Receivable - Other (Net)	632,430		50. Current Maturities Long-Term Debt		5,142,995
22. Renewable Energy Credits	0		51. Current Maturities Long-Term Debt - Economic Development		87,510
23. Materials and Supplies - Electric & Other	1,233,003		52. Current Maturities Capital Leases		0
24. Prepayments	253,789		53. Other Current and Accrued Liabilities		2,875,484
25. Other Current and Accrued Assets	55,182		54. Total Current & Accrued Liabilities (47 thru 53)		17,874,984
26. Total Current and Accrued Assets (15 thru 25)	25,476,452		55. Regulatory Liabilities		0
27. Regulatory Assets	2,034,958		56. Other Deferred Credits		301,353
28. Other Deferred Debits	7,195,028		57. Total Liabilities and Other Credits (36 + 43 + 46 + 54 thru 56)		227,884,831
29. Total Assets and Other Debits (5+14+26 thru 28)	227,884,831				

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE <b>FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION</b>	BORROWER DESIGNATION  KY0003
INSTRUCTIONS - See help in the online application.	PERIOD ENDED January, 2012

**PART D. NOTES TO FINANCIAL STATEMENTS**

Number of Members for January 2012 - 51,257

Equity to Total Assets - 31.96%

T.I.E.R. - January 2012 - 2.63

T.I.E.R. - Year to Date - 2.63 - Net

T.I.E.R. - Year to Date - 2.60 - Operating

T.I.E.R. - Year to Date - 2.63 - Modified



According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0032. The time required to complete this information collection is estimated to average 15 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE  <b>FINANCIAL AND OPERATING REPORT                  ELECTRIC DISTRIBUTION</b>	BORROWER DESIGNATION KY0003
	PERIOD ENDED February, 2012
	BORROWER NAME Jackson Energy Cooperative Corporation

INSTRUCTIONS - See help in the online application.

This information is analyzed and used to determine the submitter's financial situation and feasibility for loans and guarantees. You are required by contract and applicable regulations to provide the information. The information provided is subject to the Freedom of Information Act (5 U.S.C. 552)

**CERTIFICATION**

We recognize that statements contained herein concern a matter within the jurisdiction of an agency of the United States and the making of a false, fictitious or fraudulent statement may render the maker subject to prosecution under Title 18, United States Code Section 1001.

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

**ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1718 OF 7 CFR CHAPTER XVII**

(check one of the following)

All of the obligations under the RUS loan documents have been fulfilled in all material respects.

There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in Part D of this report.



4-11-2012  
DATE

**PART A. STATEMENT OF OPERATIONS**

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	21,467,185	18,905,552	22,642,221	8,369,031
2. Power Production Expense				
3. Cost of Purchased Power	15,041,730	13,387,242	16,345,624	6,248,808
4. Transmission Expense				
5. Regional Market Expense				
6. Distribution Expense - Operation	729,683	857,580	981,518	420,403
7. Distribution Expense - Maintenance	672,410	712,220	971,004	407,415
8. Customer Accounts Expense	604,215	524,653	641,344	294,982
9. Customer Service and Informational Expense	82,281	118,095	146,403	42,778
10. Sales Expense				
11. Administrative and General Expense	751,699	707,393	942,172	316,728
<b>12. Total Operation &amp; Maintenance Expense (2 thru 11)</b>	<b>17,882,018</b>	<b>16,307,183</b>	<b>20,028,065</b>	<b>7,731,114</b>
13. Depreciation and Amortization Expense	1,380,367	1,434,576	1,451,164	718,015
14. Tax Expense - Property & Gross Receipts				
15. Tax Expense - Other				
16. Interest on Long-Term Debt	1,002,245	908,143	887,047	437,776
17. Interest Charged to Construction - Credit				
18. Interest Expense - Other	17,082	22,241	18,000	7,855
19. Other Deductions	40,044	10,199	12,452	2,227
<b>20. Total Cost of Electric Service (12 thru 19)</b>	<b>20,321,756</b>	<b>18,682,342</b>	<b>22,396,728</b>	<b>8,896,987</b>
<b>21. Patronage Capital &amp; Operating Margins (1 minus 20)</b>	<b>1,145,429</b>	<b>223,210</b>	<b>245,493</b>	<b>(527,956)</b>
22. Non Operating Margins - Interest	30,266	26,091	28,640	12,675
23. Allowance for Funds Used During Construction				
24. Income (Loss) from Equity Investments				
25. Non Operating Margins - Other	2,508	9,573		9,504
26. Generation and Transmission Capital Credits				
27. Other Capital Credits and Patronage Dividends	(2,447)	2,585		
28. Extraordinary Items				
<b>29. Patronage Capital or Margins (21 thru 28)</b>	<b>1,175,756</b>	<b>261,459</b>	<b>274,133</b>	<b>(505,777)</b>

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE			BORROWER DESIGNATION KY0003		
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION			PERIOD ENDED February, 2012		
INSTRUCTIONS - See help in the online application.					
PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT					
ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	85	92	5. Miles Transmission		
2. Services Retired	111	177	6. Miles Distribution - Overhead	5,384.12	5,379.81
3. Total Services in Place	56,881	57,018	7. Miles Distribution - Underground	281.57	292.01
4. Idle Services (Exclude Seasonals)	5,381	5,681	8. Total Miles Energized (5 + 6 + 7)	5,665.69	5,671.82
PART C. BALANCE SHEET					
ASSETS AND OTHER DEBITS			LIABILITIES AND OTHER CREDITS		
1. Total Utility Plant in Service	208,571,910		30. Memberships		1,296,610
2. Construction Work in Progress	3,184,087		31. Patronage Capital		69,429,547
3. Total Utility Plant (1 + 2)	211,755,997		32. Operating Margins - Prior Years		0
4. Accum. Provision for Depreciation and Amort.	54,019,343		33. Operating Margins - Current Year		225,795
5. Net Utility Plant (3 - 4)	157,736,654		34. Non-Operating Margins		35,664
6. Non-Utility Property (Net)	0		35. Other Margins and Equities		1,329,988
7. Investments in Subsidiary Companies	1,643,141		36. Total Margins & Equities (30 thru 35)		72,317,604
8. Invest. in Assoc. Org. - Patronage Capital	30,026,869		37. Long-Term Debt - RUS (Net)		29,590,068
9. Invest. in Assoc. Org. - Other - General Funds	0		38. Long-Term Debt - FFB - RUS Guaranteed		76,400,650
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	2,941,981		39. Long-Term Debt - Other - RUS Guaranteed		0
11. Investments in Economic Development Projects	1,175,185		40. Long-Term Debt Other (Net)		21,234,051
12. Other Investments	11,015		41. Long-Term Debt - RUS - Econ. Devel. (Net)		1,058,499
13. Special Funds	0		42. Payments - Unapplied		0
14. Total Other Property & Investments (6 thru 13)	35,798,191		43. Total Long-Term Debt (37 thru 41 - 42)		128,283,268
15. Cash - General Funds	2,491,613		44. Obligations Under Capital Leases - Noncurrent		0
16. Cash - Construction Funds - Trustee	0		45. Accumulated Operating Provisions and Asset Retirement Obligations		7,918,704
17. Special Deposits	420		46. Total Other Noncurrent Liabilities (44 + 45)		7,918,704
18. Temporary Investments	4,000,000		47. Notes Payable		0
19. Notes Receivable (Net)	0		48. Accounts Payable		7,602,038
20. Accounts Receivable - Sales of Energy (Net)	14,720,723		49. Consumers Deposits		1,628,346
21. Accounts Receivable - Other (Net)	718,984		50. Current Maturities Long-Term Debt		5,146,011
22. Renewable Energy Credits	0		51. Current Maturities Long-Term Debt - Economic Development		104,640
23. Materials and Supplies - Electric & Other	1,314,872		52. Current Maturities Capital Leases		0
24. Prepayments	228,160		53. Other Current and Accrued Liabilities		3,047,763
25. Other Current and Accrued Assets	67,359		54. Total Current & Accrued Liabilities (47 thru 53)		17,528,798
26. Total Current and Accrued Assets (15 thru 25)	23,542,131		55. Regulatory Liabilities		0
27. Regulatory Assets	2,029,290		56. Other Deferred Credits		302,847
28. Other Deferred Debits	7,244,955		57. Total Liabilities and Other Credits (36 + 43 + 46 + 54 thru 56)		226,351,221
29. Total Assets and Other Debits (5+14+26 thru 28)	226,351,221				

<p>UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE <b>FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION</b></p>	<p>BORROWER DESIGNATION  KY0003</p>
<p>INSTRUCTIONS - See help in the online application.</p>	<p>PERIOD ENDED February, 2012</p>

**PART D. NOTES TO FINANCIAL STATEMENTS**

Number of Members for February 2012 - 51,191

Equity to Total Assets - 31.95%

T.I.E.R. - February 2012 - (.16)

T.I.E.R. - Year to Date - 1.29 - Net

T.I.E.R. - Year to Date - 1.25 - Operating

T.I.E.R. - Year to Date - 1.29 - Modified



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UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE  <b>FINANCIAL AND OPERATING REPORT                  ELECTRIC DISTRIBUTION</b>	BORROWER DESIGNATION KY0003
	PERIOD ENDED March, 2012
	BORROWER NAME Jackson Energy Cooperative Corporation
INSTRUCTIONS - See help in the online application.	

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We recognize that statements contained herein concern a matter within the jurisdiction of an agency of the United States and the making of a false, fictitious or fraudulent statement may render the maker subject to prosecution under Title 18, United States Code Section 1001.

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

**ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1718 OF 7 CFR CHAPTER XVII**

(check one of the following)

All of the obligations under the RUS loan documents have been fulfilled in all material respects.

There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in Part D of this report.



5/14/12  
DATE

**PART A. STATEMENT OF OPERATIONS**

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	29,554,531	25,478,815	31,168,266	6,573,263
2. Power Production Expense				
3. Cost of Purchased Power	20,224,137	18,121,393	22,740,333	4,734,151
4. Transmission Expense				
5. Regional Market Expense				
6. Distribution Expense - Operation	1,141,404	1,250,726	1,370,759	393,146
7. Distribution Expense - Maintenance	1,103,209	1,234,514	1,423,943	522,293
8. Customer Accounts Expense	940,804	770,008	958,153	245,355
9. Customer Service and Informational Expense	150,645	177,408	227,621	59,312
10. Sales Expense				
11. Administrative and General Expense	1,130,180	1,040,141	1,352,653	332,748
<b>12. Total Operation &amp; Maintenance Expense (2 thru 11)</b>	<b>24,690,379</b>	<b>22,594,190</b>	<b>28,073,462</b>	<b>6,287,005</b>
13. Depreciation and Amortization Expense	2,072,583	2,155,154	2,180,797	720,578
14. Tax Expense - Property & Gross Receipts				
15. Tax Expense - Other				
16. Interest on Long-Term Debt	1,433,943	1,357,796	1,369,640	449,654
17. Interest Charged to Construction - Credit				
18. Interest Expense - Other	26,044	30,060	27,000	7,819
19. Other Deductions	45,620	14,902	18,746	4,703
<b>20. Total Cost of Electric Service (12 thru 19)</b>	<b>28,268,569</b>	<b>26,152,102</b>	<b>31,669,645</b>	<b>7,469,759</b>
<b>21. Patronage Capital &amp; Operating Margins (1 minus 20)</b>	<b>1,285,962</b>	<b>(673,287)</b>	<b>(501,379)</b>	<b>(896,496)</b>
22. Non Operating Margins - Interest	44,711	38,861	42,960	12,770
23. Allowance for Funds Used During Construction				
24. Income (Loss) from Equity Investments				
25. Non Operating Margins - Other	5,520	14,387		4,814
26. Generation and Transmission Capital Credits	1			
27. Other Capital Credits and Patronage Dividends	27,047	2,585		
28. Extraordinary Items				
<b>29. Patronage Capital or Margins (21 thru 28)</b>	<b>1,363,241</b>	<b>(617,454)</b>	<b>(458,419)</b>	<b>(878,912)</b>



UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE			BORROWER DESIGNATION		
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION			KY0003		
INSTRUCTIONS - See help in the online application.			PERIOD ENDED		
			March, 2012		
PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT					
ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	140	156	5. Miles Transmission		
2. Services Retired	183	275	6. Miles Distribution - Overhead	5,382.93	5,377.29
3. Total Services in Place	56,864	56,984	7. Miles Distribution - Underground	283.16	292.79
4. Idle Services (Exclude Seasonals)	5,118	5,828	8. Total Miles Energized (5 + 6 + 7)	5,666.09	5,670.08
PART C. BALANCE SHEET					
ASSETS AND OTHER DEBITS			LIABILITIES AND OTHER CREDITS		
1. Total Utility Plant in Service	209,401,920		30. Memberships		1,296,955
2. Construction Work in Progress	3,370,767		31. Patronage Capital		69,354,658
3. Total Utility Plant (1 + 2)	212,772,687		32. Operating Margins - Prior Years		0
4. Accum. Provision for Depreciation and Amort.	54,335,568		33. Operating Margins - Current Year		(670,702)
5. Net Utility Plant (3 - 4)	158,437,119		34. Non-Operating Margins		53,248
6. Non-Utility Property (Net)	0		35. Other Margins and Equities		1,344,355
7. Investments in Subsidiary Companies	1,643,141		36. Total Margins & Equities (30 thru 35)		71,378,514
8. Invest. in Assoc. Org. - Patronage Capital	30,018,213		37. Long-Term Debt - RUS (Net)		29,532,826
9. Invest. in Assoc. Org. - Other - General Funds	0		38. Long-Term Debt - FFB - RUS Guaranteed		76,389,446
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	2,937,874		39. Long-Term Debt - Other - RUS Guaranteed		0
11. Investments in Economic Development Projects	1,910,555		40. Long-Term Debt Other (Net)		21,234,051
12. Other Investments	11,015		41. Long-Term Debt - RUS - Econ. Devel. (Net)		1,780,072
13. Special Funds	0		42. Payments - Unapplied		0
14. Total Other Property & Investments (6 thru 13)	36,520,798		43. Total Long-Term Debt (37 thru 41 - 42)		128,936,395
15. Cash - General Funds	3,262,605		44. Obligations Under Capital Leases - Noncurrent		0
16. Cash - Construction Funds - Trustee	0		45. Accumulated Operating Provisions and Asset Retirement Obligations		7,944,999
17. Special Deposits	420		46. Total Other Noncurrent Liabilities (44 + 45)		7,944,999
18. Temporary Investments	4,000,000		47. Notes Payable		0
19. Notes Receivable (Net)	0		48. Accounts Payable		6,434,885
20. Accounts Receivable - Sales of Energy (Net)	11,204,061		49. Consumers Deposits		1,592,676
21. Accounts Receivable - Other (Net)	757,149		50. Current Maturities Long-Term Debt		5,159,585
22. Renewable Energy Credits	0		51. Current Maturities Long-Term Debt - Economic Development		121,770
23. Materials and Supplies - Electric & Other	1,297,934		52. Current Maturities Capital Leases		0
24. Prepayments	279,866		53. Other Current and Accrued Liabilities		3,361,372
25. Other Current and Accrued Assets	79,562		54. Total Current & Accrued Liabilities (47 thru 53)		16,670,288
26. Total Current and Accrued Assets (15 thru 25)	20,881,597		55. Regulatory Liabilities		0
27. Regulatory Assets	2,023,623		56. Other Deferred Credits		296,950
28. Other Deferred Debits	7,364,009		57. Total Liabilities and Other Credits (36 + 43 + 46 + 54 thru 56)		225,227,146
29. Total Assets and Other Debits (5+14+26 thru 28)	225,227,146				

<p>UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE <b>FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION</b></p>	<p>BORROWER DESIGNATION  KY0003</p>
<p>INSTRUCTIONS - See help in the online application.</p>	<p>PERIOD ENDED March, 2012</p>

**PART D. NOTES TO FINANCIAL STATEMENTS**

Number of Members for March 2012 - 51,183

Equity to Total Assets - 31.69

T.I.E.R. - March 2012 - (.95)

T.I.E.R. - Year to Date - .55 - Net

T.I.E.R. - Year to Date - .50 - Operating

T.I.E.R. - Year to Date - .54 - Modified

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0032. The time required to complete this information collection is estimated to average 15 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE  <b>FINANCIAL AND OPERATING REPORT                  ELECTRIC DISTRIBUTION</b>	BORROWER DESIGNATION KY0003
	PERIOD ENDED April, 2012
	BORROWER NAME Jackson Energy Cooperative Corporation
INSTRUCTIONS - See help in the online application.	

This information is analyzed and used to determine the submitter's financial situation and feasibility for loans and guarantees. You are required by contract and applicable regulations to provide the information. The information provided is subject to the Freedom of Information Act (5 U.S.C. 552)

**CERTIFICATION**

We recognize that statements contained herein concern a matter within the jurisdiction of an agency of the United States and the making of a false, fictitious or fraudulent statement may render the maker subject to prosecution under Title 18, United States Code Section 1001.

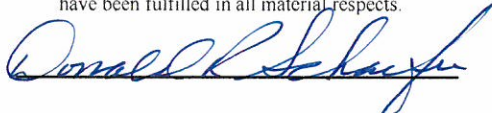
We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

**ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1718 OF 7 CFR CHAPTER XVII**

(check one of the following)

All of the obligations under the RUS loan documents have been fulfilled in all material respects.

There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in Part D of this report.

  
DATE

6-7-2012  
DATE

**PART A. STATEMENT OF OPERATIONS**

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	36,292,465	32,050,669	38,207,509	6,571,854
2. Power Production Expense				
3. Cost of Purchased Power	24,614,460	22,248,379	27,625,344	4,126,986
4. Transmission Expense				
5. Regional Market Expense				
6. Distribution Expense - Operation	1,548,622	1,662,263	1,877,677	411,537
7. Distribution Expense - Maintenance	1,690,301	1,572,469	1,869,815	337,955
8. Customer Accounts Expense	1,347,442	1,144,251	1,273,400	374,243
9. Customer Service and Informational Expense	185,159	256,493	300,959	79,085
10. Sales Expense				
11. Administrative and General Expense	1,418,644	1,339,031	1,747,855	298,891
<b>12. Total Operation &amp; Maintenance Expense (2 thru 11)</b>	<b>30,804,628</b>	<b>28,222,886</b>	<b>34,695,050</b>	<b>5,628,697</b>
13. Depreciation and Amortization Expense	2,766,659	2,878,499	2,913,132	723,344
14. Tax Expense - Property & Gross Receipts				
15. Tax Expense - Other				
16. Interest on Long-Term Debt	1,918,385	1,810,152	1,814,037	452,356
17. Interest Charged to Construction - Credit				
18. Interest Expense - Other	34,802	37,707	36,000	7,647
19. Other Deductions	50,362	17,476	24,952	2,574
<b>20. Total Cost of Electric Service (12 thru 19)</b>	<b>35,574,836</b>	<b>32,966,720</b>	<b>39,483,171</b>	<b>6,814,618</b>
<b>21. Patronage Capital &amp; Operating Margins (1 minus 20)</b>	<b>717,629</b>	<b>(916,051)</b>	<b>(1,275,662)</b>	<b>(242,764)</b>
22. Non Operating Margins - Interest	63,386	51,762	57,280	12,901
23. Allowance for Funds Used During Construction				
24. Income (Loss) from Equity Investments				
25. Non Operating Margins - Other	8,517	(88,425)		(102,812)
26. Generation and Transmission Capital Credits	0			
27. Other Capital Credits and Patronage Dividends	27,047	2,585		
28. Extraordinary Items				
<b>29. Patronage Capital or Margins (21 thru 28)</b>	<b>816,579</b>	<b>(950,129)</b>	<b>(1,218,382)</b>	<b>(332,675)</b>



UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE			BORROWER DESIGNATION		
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION			KY0003		
INSTRUCTIONS - See help in the online application.			PERIOD ENDED		
			April, 2012		
PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT					
ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	175	194	5. Miles Transmission		
2. Services Retired	201	370	6. Miles Distribution - Overhead	5,383.22	5,374.55
3. Total Services in Place	56,881	56,927	7. Miles Distribution - Underground	284.37	293.12
4. Idle Services (Exclude Seasonals)	5,075	6,012	8. Total Miles Energized (5 + 6 + 7)	5,667.59	5,667.67
PART C. BALANCE SHEET					
ASSETS AND OTHER DEBITS			LIABILITIES AND OTHER CREDITS		
1. Total Utility Plant in Service	209,260,630		30. Memberships		1,296,835
2. Construction Work in Progress	3,650,776		31. Patronage Capital		69,306,238
3. Total Utility Plant (1 + 2)	212,911,406		32. Operating Margins - Prior Years		0
4. Accum. Provision for Depreciation and Amort.	54,387,919		33. Operating Margins - Current Year		(913,466)
5. Net Utility Plant (3 - 4)	158,523,487		34. Non-Operating Margins		(36,663)
6. Non-Utility Property (Net)	0		35. Other Margins and Equities		1,354,123
7. Investments in Subsidiary Companies	1,643,140		36. Total Margins & Equities (30 thru 35)		71,007,067
8. Invest. in Assoc. Org. - Patronage Capital	30,018,213		37. Long-Term Debt - RUS (Net)		29,471,588
9. Invest. in Assoc. Org. - Other - General Funds	0		38. Long-Term Debt - FFB - RUS Guaranteed		75,927,352
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	2,937,874		39. Long-Term Debt - Other - RUS Guaranteed		0
11. Investments in Economic Development Projects	1,905,926		40. Long-Term Debt Other (Net)		21,234,051
12. Other Investments	11,015		41. Long-Term Debt - RUS - Econ. Devel. (Net)		1,778,775
13. Special Funds	0		42. Payments - Unapplied		0
14. Total Other Property & Investments (6 thru 13)	36,516,168		43. Total Long-Term Debt (37 thru 41 - 42)		128,411,766
15. Cash - General Funds	3,606,425		44. Obligations Under Capital Leases - Noncurrent		0
16. Cash - Construction Funds - Trustee	0		45. Accumulated Operating Provisions and Asset Retirement Obligations		7,971,311
17. Special Deposits	420		46. Total Other Noncurrent Liabilities (44 + 45)		7,971,311
18. Temporary Investments	2,000,000		47. Notes Payable		0
19. Notes Receivable (Net)	0		48. Accounts Payable		5,043,392
20. Accounts Receivable - Sales of Energy (Net)	10,168,218		49. Consumers Deposits		1,530,956
21. Accounts Receivable - Other (Net)	940,524		50. Current Maturities Long-Term Debt		5,161,889
22. Renewable Energy Credits	0		51. Current Maturities Long-Term Debt - Economic Development		121,770
23. Materials and Supplies - Electric & Other	1,252,018		52. Current Maturities Capital Leases		0
24. Prepayments	256,537		53. Other Current and Accrued Liabilities		3,172,380
25. Other Current and Accrued Assets	18,548		54. Total Current & Accrued Liabilities (47 thru 53)		15,030,387
26. Total Current and Accrued Assets (15 thru 25)	18,242,690		55. Regulatory Liabilities		0
27. Regulatory Assets	2,017,954		56. Other Deferred Credits		296,571
28. Other Deferred Debits	7,416,803		57. Total Liabilities and Other Credits (36 + 43 + 46 + 54 thru 56)		222,717,102
29. Total Assets and Other Debits (5+14+26 thru 28)	222,717,102				

<p>UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE <b>FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION</b></p>	<p>BORROWER DESIGNATION  KY0003</p>
<p>INSTRUCTIONS - See help in the online application.</p>	<p>PERIOD ENDED April, 2012</p>

**PART D. NOTES TO FINANCIAL STATEMENTS**

Number of Members for April 2012 - 51,263

Equity to Total Assets - 31.88%

T.I.E.R. - April 2012 - .26

T.I.E.R. - Year to Date - .48 - Net

T.I.E.R. - Year to Date - .49 - Operating

T.I.E.R. - Year to Date - .47 - Modified

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0032. The time required to complete this information collection is estimated to average 15 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE  <b>FINANCIAL AND OPERATING REPORT                  ELECTRIC DISTRIBUTION</b>	BORROWER DESIGNATION KY0003
	PERIOD ENDED May, 2012
	BORROWER NAME Jackson Energy Cooperative Corporation

INSTRUCTIONS - See help in the online application.

This information is analyzed and used to determine the submitter's financial situation and feasibility for loans and guarantees. You are required by contract and applicable regulations to provide the information. The information provided is subject to the Freedom of Information Act (5 U.S.C. 552)

**CERTIFICATION**

We recognize that statements contained herein concern a matter within the jurisdiction of an agency of the United States and the making of a false, fictitious or fraudulent statement may render the maker subject to prosecution under Title 18, United States Code Section 1001.

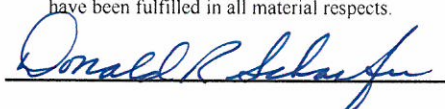
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**ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1718 OF 7 CFR CHAPTER XVII**

(check one of the following)

All of the obligations under the RUS loan documents have been fulfilled in all material respects.

There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in Part D of this report.



7-12-12  
DATE

**PART A. STATEMENT OF OPERATIONS**

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	43,660,900	39,250,461	46,029,417	7,199,792
2. Power Production Expense				
3. Cost of Purchased Power	29,106,950	26,981,560	32,516,796	4,733,181
4. Transmission Expense				
5. Regional Market Expense				
6. Distribution Expense - Operation	1,906,153	2,128,228	2,281,250	465,965
7. Distribution Expense - Maintenance	2,142,560	2,093,166	2,450,291	520,697
8. Customer Accounts Expense	1,660,830	1,252,419	1,597,527	108,168
9. Customer Service and Informational Expense	192,587	317,077	367,950	60,585
10. Sales Expense				
11. Administrative and General Expense	1,700,601	1,757,476	2,164,646	418,445
<b>12. Total Operation &amp; Maintenance Expense (2 thru 11)</b>	<b>36,709,681</b>	<b>34,529,926</b>	<b>41,378,460</b>	<b>6,307,041</b>
13. Depreciation and Amortization Expense	3,462,652	3,602,615	3,648,168	724,116
14. Tax Expense - Property & Gross Receipts				
15. Tax Expense - Other				
16. Interest on Long-Term Debt	2,355,663	2,257,794	2,260,892	447,642
17. Interest Charged to Construction - Credit				
18. Interest Expense - Other	43,591	44,831	45,000	7,124
19. Other Deductions	52,136	28,322	31,238	10,846
<b>20. Total Cost of Electric Service (12 thru 19)</b>	<b>42,623,723</b>	<b>40,463,488</b>	<b>47,363,758</b>	<b>7,496,769</b>
<b>21. Patronage Capital &amp; Operating Margins (1 minus 20)</b>	<b>1,037,177</b>	<b>(1,213,027)</b>	<b>(1,334,341)</b>	<b>(296,977)</b>
22. Non Operating Margins - Interest	86,682	64,311	71,600	12,549
23. Allowance for Funds Used During Construction				
24. Income (Loss) from Equity Investments				
25. Non Operating Margins - Other	(13,808)	(114,877)		(26,452)
26. Generation and Transmission Capital Credits				
27. Other Capital Credits and Patronage Dividends	27,047	2,585		
28. Extraordinary Items				
<b>29. Patronage Capital or Margins (21 thru 28)</b>	<b>1,137,098</b>	<b>(1,261,008)</b>	<b>(1,262,741)</b>	<b>(310,880)</b>



UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE  <b>FINANCIAL AND OPERATING REPORT</b> <b>ELECTRIC DISTRIBUTION</b>	BORROWER DESIGNATION  KY0003
INSTRUCTIONS - See help in the online application.	PERIOD ENDED  May, 2012

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

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	210	243	5. Miles Transmission		
2. Services Retired	242	470	6. Miles Distribution - Overhead	5,382.13	5,371.17
3. Total Services in Place	56,875	56,876	7. Miles Distribution - Underground	284.71	293.66
4. Idle Services (Exclude Seasonals)	5,014	6,093	8. Total Miles Energized (5 + 6 + 7)	5,666.84	5,664.83

**PART C. BALANCE SHEET**

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	209,386,712	30. Memberships	1,295,380
2. Construction Work in Progress	4,106,152	31. Patronage Capital	65,888,056
3. Total Utility Plant (1 + 2)	213,492,864	32. Operating Margins - Prior Years	0
4. Accum. Provision for Depreciation and Amort.	54,538,372	33. Operating Margins - Current Year	(1,210,443)
5. Net Utility Plant (3 - 4)	158,954,492	34. Non-Operating Margins	(50,566)
6. Non-Utility Property (Net)	0	35. Other Margins and Equities	2,059,227
7. Investments in Subsidiary Companies	1,643,141	36. Total Margins & Equities (30 thru 35)	67,981,654
8. Invest. in Assoc. Org. - Patronage Capital	30,018,213	37. Long-Term Debt - RUS (Net)	29,409,411
9. Invest. in Assoc. Org. - Other - General Funds	0	38. Long-Term Debt - FFB - RUS Guaranteed	75,927,352
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	2,937,874	39. Long-Term Debt - Other - RUS Guaranteed	0
11. Investments in Economic Development Projects	1,901,296	40. Long-Term Debt Other (Net)	20,620,598
12. Other Investments	11,015	41. Long-Term Debt - RUS - Econ. Devel. (Net)	1,760,348
13. Special Funds	0	42. Payments - Unapplied	0
14. Total Other Property & Investments (6 thru 13)	36,511,539	43. Total Long-Term Debt (37 thru 41 - 42)	127,717,709
15. Cash - General Funds	1,154,782	44. Obligations Under Capital Leases - Noncurrent	0
16. Cash - Construction Funds - Trustee	0	45. Accumulated Operating Provisions and Asset Retirement Obligations	7,998,426
17. Special Deposits	420	46. Total Other Noncurrent Liabilities (44 + 45)	7,998,426
18. Temporary Investments	1,000,000	47. Notes Payable	0
19. Notes Receivable (Net)	0	48. Accounts Payable	6,097,841
20. Accounts Receivable - Sales of Energy (Net)	10,325,520	49. Consumers Deposits	1,416,599
21. Accounts Receivable - Other (Net)	941,654	50. Current Maturities Long-Term Debt	5,161,191
22. Renewable Energy Credits	0	51. Current Maturities Long-Term Debt - Economic Development	138,900
23. Materials and Supplies - Electric & Other	1,378,117	52. Current Maturities Capital Leases	0
24. Prepayments	238,560	53. Other Current and Accrued Liabilities	3,128,145
25. Other Current and Accrued Assets	30,751	54. Total Current & Accrued Liabilities (47 thru 53)	15,942,676
26. Total Current and Accrued Assets (15 thru 25)	15,069,804	55. Regulatory Liabilities	0
27. Regulatory Assets	2,012,286	56. Other Deferred Credits	291,275
28. Other Deferred Debits	7,383,619	57. Total Liabilities and Other Credits (36 + 43 + 46 + 54 thru 56)	219,931,740
29. Total Assets and Other Debits (5+14+26 thru 28)	219,931,740		



UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE <b>FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION</b>	BORROWER DESIGNATION  KY0003
INSTRUCTIONS - See help in the online application.	PERIOD ENDED May, 2012

**PART D. NOTES TO FINANCIAL STATEMENTS**

Number of Members for May 2012 - 51,222

Equity to Total Assets - 30.91%

T.I.E.R. - May 2012 - .31

T.I.E.R. - Year to Date - .44 - Net

T.I.E.R. - Year to Date - .46 - Operating

T.I.E.R. - Year to Date - .44 - Modified

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0032. The time required to complete this information collection is estimated to average 15 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE  <b>FINANCIAL AND OPERATING REPORT                  ELECTRIC DISTRIBUTION</b>	BORROWER DESIGNATION KY0003
	PERIOD ENDED June, 2012
	BORROWER NAME Jackson Energy Cooperative Corporation

INSTRUCTIONS - See help in the online application.

This information is analyzed and used to determine the submitter's financial situation and feasibility for loans and guarantees. You are required by contract and applicable regulations to provide the information. The information provided is subject to the Freedom of Information Act (5 U.S.C. 552)

**CERTIFICATION**

We recognize that statements contained herein concern a matter within the jurisdiction of an agency of the United States and the making of a false, fictitious or fraudulent statement may render the maker subject to prosecution under Title 18, United States Code Section 1001.


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

**ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1718 OF 7 CFR CHAPTER XVII**

(check one of the following)

All of the obligations under the RUS loan documents have been fulfilled in all material respects.

There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in Part D of this report.

  
DATE

8/6/12  
DATE

**PART A. STATEMENT OF OPERATIONS**

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	51,386,259	47,637,839	54,518,098	8,387,378
2. Power Production Expense				
3. Cost of Purchased Power	34,482,852	32,267,039	38,206,450	5,285,479
4. Transmission Expense				
5. Regional Market Expense				
6. Distribution Expense - Operation	2,313,217	2,514,055	2,661,458	385,827
7. Distribution Expense - Maintenance	2,918,118	2,636,045	2,989,381	542,879
8. Customer Accounts Expense	1,926,563	1,512,692	1,914,349	260,273
9. Customer Service and Informational Expense	318,389	392,619	454,265	75,541
10. Sales Expense				
11. Administrative and General Expense	2,173,811	2,191,506	2,724,313	434,030
12. <b>Total Operation &amp; Maintenance Expense (2 thru 11)</b>	44,132,950	41,513,956	48,950,216	6,984,029
13. Depreciation and Amortization Expense	4,159,238	4,327,738	4,385,906	725,123
14. Tax Expense - Property & Gross Receipts				
15. Tax Expense - Other		120,557	110,000	120,557
16. Interest on Long-Term Debt	2,862,958	2,712,380	2,726,209	454,586
17. Interest Charged to Construction - Credit				
18. Interest Expense - Other	52,308	51,551	54,000	6,720
19. Other Deductions	78,701	29,529	37,653	1,207
20. <b>Total Cost of Electric Service (12 thru 19)</b>	51,286,155	48,755,711	56,263,984	8,292,222
21. <b>Patronage Capital &amp; Operating Margins (1 minus 20)</b>	100,104	(1,117,872)	(1,745,886)	95,156
22. Non Operating Margins - Interest	103,070	76,778	85,920	12,467
23. Allowance for Funds Used During Construction				
24. Income (Loss) from Equity Investments				
25. Non Operating Margins - Other	(11,434)	(113,487)		1,390
26. Generation and Transmission Capital Credits				
27. Other Capital Credits and Patronage Dividends	27,047	2,585		
28. Extraordinary Items				
29. <b>Patronage Capital or Margins (21 thru 28)</b>	218,787	(1,151,996)	(1,659,966)	109,013

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE			BORROWER DESIGNATION		
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION			KY0003		
INSTRUCTIONS - See help in the online application.			PERIOD ENDED		
			June, 2012		
PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT					
ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	293	317	5. Miles Transmission		
2. Services Retired	300	524	6. Miles Distribution - Overhead	5,381.77	5,370.65
3. Total Services in Place	56,900	56,896	7. Miles Distribution - Underground	285.49	294.87
4. Idle Services (Exclude Seasonals)	5,032	6,187	8. Total Miles Energized (5 + 6 + 7)	5,667.26	5,665.52
PART C. BALANCE SHEET					
ASSETS AND OTHER DEBITS			LIABILITIES AND OTHER CREDITS		
1. Total Utility Plant in Service	210,251,521		30. Memberships		1,296,090
2. Construction Work in Progress	4,292,352		31. Patronage Capital		65,839,748
3. Total Utility Plant (1 + 2)	214,543,873		32. Operating Margins - Prior Years		0
4. Accum. Provision for Depreciation and Amort.	54,975,939		33. Operating Margins - Current Year		(1,115,287)
5. Net Utility Plant (3 - 4)	159,567,934		34. Non-Operating Margins		(36,708)
6. Non-Utility Property (Net)	0		35. Other Margins and Equities		2,059,601
7. Investments in Subsidiary Companies	1,643,141		36. Total Margins & Equities (30 thru 35)		68,043,444
8. Invest. in Assoc. Org. - Patronage Capital	30,018,213		37. Long-Term Debt - RUS (Net)		29,347,736
9. Invest. in Assoc. Org. - Other - General Funds	0		38. Long-Term Debt - FFB - RUS Guaranteed		75,881,601
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	2,937,874		39. Long-Term Debt - Other - RUS Guaranteed		0
11. Investments in Economic Development Projects	1,896,666		40. Long-Term Debt Other (Net)		20,620,598
12. Other Investments	11,020		41. Long-Term Debt - RUS - Econ. Devel. (Net)		1,897,951
13. Special Funds	0		42. Payments - Unapplied		0
14. Total Other Property & Investments (6 thru 13)	36,506,914		43. Total Long-Term Debt (37 thru 41 - 42)		127,747,886
15. Cash - General Funds	1,072,897		44. Obligations Under Capital Leases - Noncurrent		0
16. Cash - Construction Funds - Trustee	0		45. Accumulated Operating Provisions and Asset Retirement Obligations		8,025,368
17. Special Deposits	420		46. Total Other Noncurrent Liabilities (44 + 45)		8,025,368
18. Temporary Investments	0		47. Notes Payable		0
19. Notes Receivable (Net)	0		48. Accounts Payable		6,617,434
20. Accounts Receivable - Sales of Energy (Net)	11,702,705		49. Consumers Deposits		1,346,109
21. Accounts Receivable - Other (Net)	960,684		50. Current Maturities Long-Term Debt		5,209,264
22. Renewable Energy Credits	0		51. Current Maturities Long-Term Debt - Economic Development		0
23. Materials and Supplies - Electric & Other	1,378,622		52. Current Maturities Capital Leases		0
24. Prepayments	220,584		53. Other Current and Accrued Liabilities		3,691,424
25. Other Current and Accrued Assets	42,956		54. Total Current & Accrued Liabilities (47 thru 53)		16,864,231
26. Total Current and Accrued Assets (15 thru 25)	15,378,868		55. Regulatory Liabilities		0
27. Regulatory Assets	2,006,617		56. Other Deferred Credits		308,894
28. Other Deferred Debits	7,529,490		57. Total Liabilities and Other Credits (36 + 43 + 46 + 54 thru 56)		220,989,823
29. Total Assets and Other Debits (5+14+26 thru 28)	220,989,823				

<p>UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE <b>FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION</b></p>	<p>BORROWER DESIGNATION  KY0003</p>
<p>INSTRUCTIONS - See help in the online application.</p>	<p>PERIOD ENDED June, 2012</p>

**PART D. NOTES TO FINANCIAL STATEMENTS**

Number of Members for June 2012 - 51,219

Equity of Total Assets - 30.79

T.I.E.R. - June 2012 - 1.24

T.I.E.R. - Year to Date - .58 - Net

T.I.E.R. - Year to Date - .59 - Operating

T.I.E.R. - Year to Date - .57 - Modified



According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0032. The time required to complete this information collection is estimated to average 15 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE  <b>FINANCIAL AND OPERATING REPORT                  ELECTRIC DISTRIBUTION</b>	BORROWER DESIGNATION KY0003
	PERIOD ENDED July, 2012
	BORROWER NAME Jackson Energy Cooperative Corporation

INSTRUCTIONS - See help in the online application.

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**CERTIFICATION**

We recognize that statements contained herein concern a matter within the jurisdiction of an agency of the United States and the making of a false, fictitious or fraudulent statement may render the maker subject to prosecution under Title 18, United States Code Section 1001.

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

**ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1718 OF 7 CFR CHAPTER XVII**

(check one of the following)

All of the obligations under the RUS loan documents have been fulfilled in all material respects.

There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in Part D of this report.



9-12-12  
DATE

**PART A. STATEMENT OF OPERATIONS**

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	60,051,391	56,369,420	63,593,488	8,731,581
2. Power Production Expense				
3. Cost of Purchased Power	40,615,812	38,257,487	44,269,118	5,990,448
4. Transmission Expense				
5. Regional Market Expense				
6. Distribution Expense - Operation	2,692,779	2,923,736	3,063,592	409,682
7. Distribution Expense - Maintenance	3,409,317	3,371,243	3,515,861	735,198
8. Customer Accounts Expense	2,146,324	1,781,664	2,236,314	268,972
9. Customer Service and Informational Expense	377,813	484,522	525,611	91,903
10. Sales Expense				
11. Administrative and General Expense	2,546,820	2,524,718	3,139,196	333,212
<b>12. Total Operation &amp; Maintenance Expense (2 thru 11)</b>	<b>51,788,865</b>	<b>49,343,370</b>	<b>56,749,692</b>	<b>7,829,415</b>
13. Depreciation and Amortization Expense	4,858,263	5,056,419	5,126,346	728,680
14. Tax Expense - Property & Gross Receipts				
15. Tax Expense - Other	107,127	120,557	110,000	
16. Interest on Long-Term Debt	3,344,073	3,166,881	3,178,724	454,501
17. Interest Charged to Construction - Credit				
18. Interest Expense - Other	61,021	53,521	63,000	1,969
19. Other Deductions	88,055	41,763	43,793	12,234
<b>20. Total Cost of Electric Service (12 thru 19)</b>	<b>60,247,404</b>	<b>57,782,511</b>	<b>65,271,555</b>	<b>9,026,799</b>
<b>21. Patronage Capital &amp; Operating Margins (1 minus 20)</b>	<b>(196,013)</b>	<b>(1,413,091)</b>	<b>(1,678,067)</b>	<b>(295,218)</b>
22. Non Operating Margins - Interest	118,238	89,033	100,240	12,255
23. Allowance for Funds Used During Construction				
24. Income (Loss) from Equity Investments				
25. Non Operating Margins - Other	(8,519)	(107,972)		5,514
26. Generation and Transmission Capital Credits				
27. Other Capital Credits and Patronage Dividends	27,047	2,585		
28. Extraordinary Items				
<b>29. Patronage Capital or Margins (21 thru 28)</b>	<b>(59,247)</b>	<b>(1,429,445)</b>	<b>(1,577,827)</b>	<b>(277,449)</b>

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE  <b>FINANCIAL AND OPERATING REPORT</b> <b>ELECTRIC DISTRIBUTION</b>	BORROWER DESIGNATION  KY0003
INSTRUCTIONS - See help in the online application.	PERIOD ENDED  July, 2012

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

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	340	440	5. Miles Transmission		
2. Services Retired	323	554	6. Miles Distribution – Overhead	5,381.89	5,372.69
3. Total Services in Place	56,924	56,989	7. Miles Distribution - Underground	286.84	295.72
4. Idle Services (Exclude Seasonals)	5,364	6,229	8. <b>Total Miles Energized</b> (5 + 6 + 7)	5,668.73	5,668.41

**PART C. BALANCE SHEET**

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	210,927,838	30. Memberships	1,295,500
2. Construction Work in Progress	4,560,521	31. Patronage Capital	65,776,103
3. <b>Total Utility Plant (1 + 2)</b>	215,488,359	32. Operating Margins - Prior Years	0
4. Accum. Provision for Depreciation and Amort.	55,438,986	33. Operating Margins - Current Year	(1,410,506)
5. <b>Net Utility Plant (3 - 4)</b>	160,049,373	34. Non-Operating Margins	(18,939)
6. Non-Utility Property (Net)	0	35. Other Margins and Equities	2,071,729
7. Investments in Subsidiary Companies	1,643,140	36. <b>Total Margins &amp; Equities (30 thru 35)</b>	67,713,887
8. Invest. in Assoc. Org. - Patronage Capital	30,017,713	37. Long-Term Debt - RUS (Net)	29,289,567
9. Invest. in Assoc. Org. - Other - General Funds	0	38. Long-Term Debt - FFB - RUS Guaranteed	81,427,142
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	2,937,874	39. Long-Term Debt - Other - RUS Guaranteed	0
11. Investments in Economic Development Projects	1,871,497	40. Long-Term Debt Other (Net)	20,620,598
12. Other Investments	11,020	41. Long-Term Debt - RUS - Econ. Devel. (Net)	1,713,216
13. Special Funds	0	42. Payments – Unapplied	0
14. <b>Total Other Property &amp; Investments</b> (6 thru 13)	36,481,244	43. <b>Total Long-Term Debt</b> (37 thru 41 - 42)	133,050,523
15. Cash - General Funds	2,554,530	44. Obligations Under Capital Leases - Noncurrent	0
16. Cash - Construction Funds - Trustee	0	45. Accumulated Operating Provisions and Asset Retirement Obligations	8,053,196
17. Special Deposits	420	46. <b>Total Other Noncurrent Liabilities (44 + 45)</b>	8,053,196
18. Temporary Investments	3,000,000	47. Notes Payable	0
19. Notes Receivable (Net)	0	48. Accounts Payable	8,101,036
20. Accounts Receivable - Sales of Energy (Net)	12,587,357	49. Consumers Deposits	1,283,748
21. Accounts Receivable - Other (Net)	1,088,686	50. Current Maturities Long-Term Debt	5,208,002
22. Renewable Energy Credits	0	51. Current Maturities Long-Term Debt - Economic Development	173,160
23. Materials and Supplies - Electric & Other	1,420,900	52. Current Maturities Capital Leases	0
24. Prepayments	177,314	53. Other Current and Accrued Liabilities	3,065,050
25. Other Current and Accrued Assets	55,156	54. <b>Total Current &amp; Accrued Liabilities</b> (47 thru 53)	17,830,996
26. <b>Total Current and Accrued Assets</b> (15 thru 25)	20,884,363	55. Regulatory Liabilities	0
27. Regulatory Assets	2,000,949	56. Other Deferred Credits	308,173
28. Other Deferred Debits	7,540,846	57. <b>Total Liabilities and Other Credits</b> (36 + 43 + 46 + 54 thru 56)	226,956,775
29. <b>Total Assets and Other Debits</b> (5+14+26 thru 28)	226,956,775		



<p>UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE <b>FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION</b></p>	<p>BORROWER DESIGNATION  KY0003</p>
<p>INSTRUCTIONS - See help in the online application.</p>	<p>PERIOD ENDED July, 2012</p>

**PART D. NOTES TO FINANCIAL STATEMENTS**

Number of Members for July 2012 - 51,347

Equity to Total Assets - 29.84

T.I.E.R. - July 2012 - .39

T.I.E.R. - Year to Date - .55 - Net

T.I.E.R. - Year to Date - .55 - Operating

T.I.E.R. - Year to Date - .55 - Modified

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UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE  <b>FINANCIAL AND OPERATING REPORT                  ELECTRIC DISTRIBUTION</b>	BORROWER DESIGNATION KY0003
	PERIOD ENDED August, 2012
	BORROWER NAME Jackson Energy Cooperative Corporation

INSTRUCTIONS - See help in the online application.

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**CERTIFICATION**

We recognize that statements contained herein concern a matter within the jurisdiction of an agency of the United States and the making of a false, fictitious or fraudulent statement may render the maker subject to prosecution under Title 18, United States Code Section 1001.

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

**ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1718 OF 7 CFR CHAPTER XVII**

(check one of the following)

All of the obligations under the RUS loan documents have been fulfilled in all material respects.

There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in Part D of this report.

*Sharon K. Carson*

10/11/12  
DATE

**PART A. STATEMENT OF OPERATIONS**

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	68,373,251	64,183,167	71,878,873	7,813,748
2. Power Production Expense				
3. Cost of Purchased Power	46,516,294	43,600,538	50,490,912	5,343,051
4. Transmission Expense				
5. Regional Market Expense				
6. Distribution Expense - Operation	3,095,059	3,322,924	3,475,717	399,187
7. Distribution Expense - Maintenance	4,037,370	3,792,083	4,045,164	420,839
8. Customer Accounts Expense	2,385,765	2,066,916	2,568,415	285,253
9. Customer Service and Informational Expense	469,284	525,932	620,186	41,410
10. Sales Expense				
11. Administrative and General Expense	2,890,037	2,881,187	3,538,174	356,469
<b>12. Total Operation &amp; Maintenance Expense (2 thru 11)</b>	<b>59,393,809</b>	<b>56,189,580</b>	<b>64,738,568</b>	<b>6,846,209</b>
13. Depreciation and Amortization Expense	5,559,635	5,787,334	5,869,486	730,915
14. Tax Expense - Property & Gross Receipts				
15. Tax Expense - Other	107,126	120,557	110,000	
16. Interest on Long-Term Debt	3,805,660	3,617,584	3,621,525	450,703
17. Interest Charged to Construction - Credit				
18. Interest Expense - Other	69,547	53,627	72,000	107
19. Other Deductions	92,272	54,016	50,136	12,254
<b>20. Total Cost of Electric Service (12 thru 19)</b>	<b>69,028,049</b>	<b>65,822,698</b>	<b>74,461,715</b>	<b>8,040,188</b>
<b>21. Patronage Capital &amp; Operating Margins (1 minus 20)</b>	<b>(654,798)</b>	<b>(1,639,531)</b>	<b>(2,582,842)</b>	<b>(226,440)</b>
22. Non Operating Margins - Interest	133,027	101,965	114,560	12,932
23. Allowance for Funds Used During Construction				
24. Income (Loss) from Equity Investments				
25. Non Operating Margins - Other	(6,414)	(104,180)		3,793
26. Generation and Transmission Capital Credits				
27. Other Capital Credits and Patronage Dividends	27,047	2,585		
28. Extraordinary Items				
<b>29. Patronage Capital or Margins (21 thru 28)</b>	<b>(501,138)</b>	<b>(1,639,161)</b>	<b>(2,468,282)</b>	<b>(209,715)</b>

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE			BORROWER DESIGNATION		
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION			KY0003		
INSTRUCTIONS - See help in the online application.			PERIOD ENDED		
			August, 2012		
PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT					
ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	423	514	5. Miles Transmission		
2. Services Retired	371	593	6. Miles Distribution – Overhead	5,382.23	5,373.48
3. Total Services in Place	56,959	57,024	7. Miles Distribution - Underground	287.65	296.08
4. Idle Services (Exclude Seasonals)	5,437	6,372	8. Total Miles Energized (5 + 6 + 7)	5,669.88	5,669.56
PART C. BALANCE SHEET					
ASSETS AND OTHER DEBITS			LIABILITIES AND OTHER CREDITS		
1. Total Utility Plant in Service	211,378,523		30. Memberships	1,296,815	
2. Construction Work in Progress	4,497,407		31. Patronage Capital	65,708,381	
3. Total Utility Plant (1 + 2)	215,875,930		32. Operating Margins - Prior Years	0	
4. Accum. Provision for Depreciation and Amort.	55,887,861		33. Operating Margins - Current Year	(1,636,946)	
5. Net Utility Plant (3 - 4)	159,988,069		34. Non-Operating Margins	(2,215)	
6. Non-Utility Property (Net)	0		35. Other Margins and Equities	2,073,624	
7. Investments in Subsidiary Companies	1,643,141		36. Total Margins & Equities (30 thru 35)	67,439,659	
8. Invest. in Assoc. Org. - Patronage Capital	30,015,237		37. Long-Term Debt - RUS (Net)	29,231,182	
9. Invest. in Assoc. Org. - Other - General Funds	0		38. Long-Term Debt - FFB - RUS Guaranteed	81,427,142	
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	2,937,874		39. Long-Term Debt - Other - RUS Guaranteed	0	
11. Investments in Economic Development Projects	1,856,573		40. Long-Term Debt Other (Net)	19,998,455	
12. Other Investments	11,020		41. Long-Term Debt - RUS - Econ. Devel. (Net)	1,694,789	
13. Special Funds	0		42. Payments – Unapplied	0	
14. Total Other Property & Investments (6 thru 13)	36,463,845		43. Total Long-Term Debt (37 thru 41 - 42)	132,351,568	
15. Cash - General Funds	2,151,226		44. Obligations Under Capital Leases - Noncurrent	0	
16. Cash - Construction Funds - Trustee	0		45. Accumulated Operating Provisions and Asset Retirement Obligations	8,080,507	
17. Special Deposits	420		46. Total Other Noncurrent Liabilities (44 + 45)	8,080,507	
18. Temporary Investments	2,000,000		47. Notes Payable	0	
19. Notes Receivable (Net)	0		48. Accounts Payable	6,727,199	
20. Accounts Receivable - Sales of Energy (Net)	11,391,496		49. Consumers Deposits	1,256,478	
21. Accounts Receivable - Other (Net)	1,477,693		50. Current Maturities Long-Term Debt	5,207,297	
22. Renewable Energy Credits	0		51. Current Maturities Long-Term Debt - Economic Development	180,012	
23. Materials and Supplies - Electric & Other	1,459,598		52. Current Maturities Capital Leases	0	
24. Prepayments	164,396		53. Other Current and Accrued Liabilities	3,288,660	
25. Other Current and Accrued Assets	67,360		54. Total Current & Accrued Liabilities (47 thru 53)	16,659,646	
26. Total Current and Accrued Assets (15 thru 25)	18,712,189		55. Regulatory Liabilities	0	
27. Regulatory Assets	1,995,281		56. Other Deferred Credits	304,159	
28. Other Deferred Debits	7,676,155		57. Total Liabilities and Other Credits (36 + 43 + 46 + 54 thru 56)	224,835,539	
29. Total Assets and Other Debits (5+14+26 thru 28)	224,835,539				

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE <b>FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION</b>	BORROWER DESIGNATION  KY0003
INSTRUCTIONS - See help in the online application.	PERIOD ENDED August, 2012

**PART D. NOTES TO FINANCIAL STATEMENTS**

Number of Members for August 2012 - 51,209

T.I.E.R. - August 2012 - .53

T.I.E.R. - .55 - Net

T.I.E.R. - .55 - Operating

T.I.E.R. - .55 - Modified



According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0032. The time required to complete this information collection is estimated to average 15 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE  <b>FINANCIAL AND OPERATING REPORT                  ELECTRIC DISTRIBUTION</b>	BORROWER DESIGNATION <span style="float: right;">KY0003</span> <hr/> PERIOD ENDED September, 2012 <hr/> BORROWER NAME Jackson Energy Cooperative Corporation
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INSTRUCTIONS - See help in the online application.

This information is analyzed and used to determine the submitter's financial situation and feasibility for loans and guarantees. You are required by contract and applicable regulations to provide the information. The information provided is subject to the Freedom of Information Act (5 U.S.C. 552)

**CERTIFICATION**

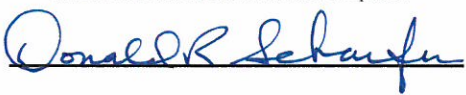
**We recognize that statements contained herein concern a matter within the jurisdiction of an agency of the United States and the making of a false, fictitious or fraudulent statement may render the maker subject to prosecution under Title 18, United States Code Section 1001.**

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

**ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1718 OF 7 CFR CHAPTER XVII**  
*(check one of the following)*

All of the obligations under the RUS loan documents have been fulfilled in all material respects.

There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in Part D of this report.



11/8/12  
DATE

**PART A. STATEMENT OF OPERATIONS**

ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	75,160,546	70,849,223	79,082,501	6,666,056
2. Power Production Expense				
3. Cost of Purchased Power	51,097,914	48,206,680	55,489,379	4,606,142
4. Transmission Expense				
5. Regional Market Expense				
6. Distribution Expense - Operation	3,449,935	3,716,494	3,880,550	393,570
7. Distribution Expense - Maintenance	4,297,083	4,122,323	4,584,921	330,241
8. Customer Accounts Expense	2,657,537	2,310,433	2,892,831	243,516
9. Customer Service and Informational Expense	498,670	641,162	710,309	115,230
10. Sales Expense				
11. Administrative and General Expense	3,270,188	3,319,047	3,999,220	437,860
<b>12. Total Operation &amp; Maintenance Expense (2 thru 11)</b>	<b>65,271,327</b>	<b>62,316,139</b>	<b>71,557,210</b>	<b>6,126,559</b>
13. Depreciation and Amortization Expense	6,263,857	6,519,848	6,615,329	732,514
14. Tax Expense - Property & Gross Receipts				
15. Tax Expense - Other	107,126	120,557	110,000	
16. Interest on Long-Term Debt	4,269,081	4,067,049	4,082,514	449,465
17. Interest Charged to Construction - Credit				
18. Interest Expense - Other	77,900	53,730	81,000	103
19. Other Deductions	110,736	60,359	56,449	6,343
<b>20. Total Cost of Electric Service (12 thru 19)</b>	<b>76,100,027</b>	<b>73,137,682</b>	<b>82,502,502</b>	<b>7,314,984</b>
<b>21. Patronage Capital &amp; Operating Margins (1 minus 20)</b>	<b>(939,481)</b>	<b>(2,288,459)</b>	<b>(3,420,001)</b>	<b>(648,928)</b>
22. Non Operating Margins - Interest	147,789	114,727	128,880	12,762
23. Allowance for Funds Used During Construction				
24. Income (Loss) from Equity Investments				
25. Non Operating Margins - Other	(11,848)	(107,720)		(3,541)
26. Generation and Transmission Capital Credits				
27. Other Capital Credits and Patronage Dividends	220,292	124,571	200,000	121,986
28. Extraordinary Items				
<b>29. Patronage Capital or Margins (21 thru 28)</b>	<b>(583,248)</b>	<b>(2,156,881)</b>	<b>(3,091,121)</b>	<b>(517,721)</b>

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE  <b>FINANCIAL AND OPERATING REPORT</b> <b>ELECTRIC DISTRIBUTION</b>	BORROWER DESIGNATION  KY0003
INSTRUCTIONS - See help in the online application.	PERIOD ENDED  September, 2012

PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT					
ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	502	596	5. Miles Transmission		
2. Services Retired	411	708	6. Miles Distribution – Overhead	5,382.61	5,369.98
3. Total Services in Place	56,998	56,991	7. Miles Distribution - Underground	288.61	297.16
4. Idle Services (Exclude Seasonals)	5,624	6,260	8. <b>Total Miles Energized</b> (5 + 6 + 7)	5,671.22	5,667.14

PART C. BALANCE SHEET					
ASSETS AND OTHER DEBITS			LIABILITIES AND OTHER CREDITS		
1. Total Utility Plant in Service	212,001,596		30. Memberships		1,296,370
2. Construction Work in Progress	4,288,860		31. Patronage Capital		65,681,221
<b>3. Total Utility Plant (1 + 2)</b>	<b>216,290,456</b>		32. Operating Margins - Prior Years		0
4. Accum. Provision for Depreciation and Amort.	56,116,503		33. Operating Margins - Current Year		(2,163,888)
<b>5. Net Utility Plant (3 - 4)</b>	<b>160,173,953</b>		34. Non-Operating Margins		7,007
6. Non-Utility Property (Net)	0		35. Other Margins and Equities		2,761,353
7. Investments in Subsidiary Companies	1,643,141		<b>36. Total Margins &amp; Equities (30 thru 35)</b>		<b>67,582,063</b>
8. Invest. in Assoc. Org. - Patronage Capital	30,076,230		37. Long-Term Debt - RUS (Net)		29,168,841
9. Invest. in Assoc. Org. - Other - General Funds	0		38. Long-Term Debt - FFB - RUS Guaranteed		81,382,794
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	2,937,874		39. Long-Term Debt - Other - RUS Guaranteed		0
11. Investments in Economic Development Projects	2,129,573		40. Long-Term Debt Other (Net)		19,998,455
12. Other Investments	11,020		41. Long-Term Debt - RUS - Econ. Devel. (Net)		1,896,510
13. Special Funds	0		42. Payments – Unapplied		0
<b>14. Total Other Property &amp; Investments</b> (6 thru 13)	<b>36,797,838</b>		<b>43. Total Long-Term Debt</b> (37 thru 41 - 42)		<b>132,446,600</b>
15. Cash - General Funds	3,173,803		44. Obligations Under Capital Leases - Noncurrent		0
16. Cash - Construction Funds - Trustee	0		45. Accumulated Operating Provisions and Asset Retirement Obligations		8,107,818
17. Special Deposits	420		<b>46. Total Other Noncurrent Liabilities (44 + 45)</b>		<b>8,107,818</b>
18. Temporary Investments	1,000,000		47. Notes Payable		0
19. Notes Receivable (Net)	0		48. Accounts Payable		6,047,149
20. Accounts Receivable - Sales of Energy (Net)	10,696,671		49. Consumers Deposits		1,208,773
21. Accounts Receivable - Other (Net)	1,626,420		50. Current Maturities Long-Term Debt		5,253,996
22. Renewable Energy Credits	0		51. Current Maturities Long-Term Debt - Economic Development		193,716
23. Materials and Supplies - Electric & Other	1,433,311		52. Current Maturities Capital Leases		0
24. Prepayments	151,478		53. Other Current and Accrued Liabilities		3,368,745
25. Other Current and Accrued Assets	79,563		<b>54. Total Current &amp; Accrued Liabilities</b> (47 thru 53)		<b>16,072,379</b>
<b>26. Total Current and Accrued Assets</b> (15 thru 25)	<b>18,161,666</b>		55. Regulatory Liabilities		0
27. Regulatory Assets	1,989,612		56. Other Deferred Credits		309,718
28. Other Deferred Debits	7,395,509		<b>57. Total Liabilities and Other Credits</b> (36 + 43 + 46 + 54 thru 56)		<b>224,518,578</b>
<b>29. Total Assets and Other Debits</b> (5+14+26 thru 28)	<b>224,518,578</b>				



UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE <b>FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION</b>	BORROWER DESIGNATION  KY0003
INSTRUCTIONS - See help in the online application.	PERIOD ENDED September, 2012

**PART D. NOTES TO FINANCIAL STATEMENTS**

Number of Members for September 2012 - 51,344

Equity to Total Assets - 30.1%

T.I.E.R. - September 2012 - .18

T.I.E.R. - .47 - Net

T.I.E.R. - .44 - Operating

T.I.E.R.- .44 - Modified

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0032. The time required to complete this information collection is estimated to average 15 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE  <b>FINANCIAL AND OPERATING REPORT                  ELECTRIC DISTRIBUTION</b>	BORROWER DESIGNATION KY0003
	PERIOD ENDED October, 2012
	BORROWER NAME Jackson Energy Cooperative Corporation
INSTRUCTIONS - See help in the online application.	

This information is analyzed and used to determine the submitter's financial situation and feasibility for loans and guarantees. You are required by contract and applicable regulations to provide the information. The information provided is subject to the Freedom of Information Act (5 U.S.C. 552)

**CERTIFICATION**

We recognize that statements contained herein concern a matter within the jurisdiction of an agency of the United States and the making of a false, fictitious or fraudulent statement may render the maker subject to prosecution under Title 18, United States Code Section 1001.

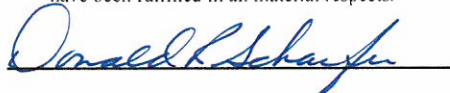
We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

**ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1718 OF 7 CFR CHAPTER XVII**

(check one of the following)

All of the obligations under the RUS loan documents have been fulfilled in all material respects.

There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in Part D of this report.



12-12-12  
DATE

**PART A. STATEMENT OF OPERATIONS**

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	82,916,083	79,124,570	87,060,891	8,275,347
2. Power Production Expense				
3. Cost of Purchased Power	55,839,370	53,080,551	60,503,547	4,873,872
4. Transmission Expense				
5. Regional Market Expense				
6. Distribution Expense - Operation	3,853,269	4,156,562	4,293,809	440,068
7. Distribution Expense - Maintenance	4,556,964	4,777,563	5,032,351	655,239
8. Customer Accounts Expense	2,973,962	2,596,878	3,230,110	286,445
9. Customer Service and Informational Expense	557,015	731,375	801,554	90,213
10. Sales Expense				
11. Administrative and General Expense	3,607,350	3,729,696	4,403,714	410,649
<b>12. Total Operation &amp; Maintenance Expense (2 thru 11)</b>	<b>71,387,930</b>	<b>69,072,625</b>	<b>78,265,085</b>	<b>6,756,486</b>
13. Depreciation and Amortization Expense	6,972,947	7,254,598	7,363,873	734,751
14. Tax Expense - Property & Gross Receipts				
15. Tax Expense - Other	107,126	120,557	110,000	
16. Interest on Long-Term Debt	4,735,260	4,514,766	4,530,468	447,717
17. Interest Charged to Construction - Credit				
18. Interest Expense - Other	86,007	53,830	90,000	99
19. Other Deductions	115,601	61,329	62,651	969
<b>20. Total Cost of Electric Service (12 thru 19)</b>	<b>83,404,871</b>	<b>81,077,705</b>	<b>90,422,077</b>	<b>7,940,022</b>
<b>21. Patronage Capital &amp; Operating Margins (1 minus 20)</b>	<b>(488,788)</b>	<b>(1,953,135)</b>	<b>(3,361,186)</b>	<b>335,325</b>
22. Non Operating Margins - Interest	154,679	127,198	143,200	12,471
23. Allowance for Funds Used During Construction				
24. Income (Loss) from Equity Investments				
25. Non Operating Margins - Other	(10,960)	(105,013)		2,708
26. Generation and Transmission Capital Credits				
27. Other Capital Credits and Patronage Dividends	222,679	126,159	200,000	1,587
28. Extraordinary Items				
<b>29. Patronage Capital or Margins (21 thru 28)</b>	<b>(122,390)</b>	<b>(1,804,791)</b>	<b>(3,017,986)</b>	<b>352,091</b>

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE			BORROWER DESIGNATION		
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION			KY0003		
INSTRUCTIONS - See help in the online application.			PERIOD ENDED		
			October, 2012		
PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT					
ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	580	680	5. Miles Transmission		
2. Services Retired	463	768	6. Miles Distribution - Overhead	5,382.84	5,370.75
3. Total Services in Place	57,024	57,015	7. Miles Distribution - Underground	289.37	298.10
4. Idle Services (Exclude Seasonals)	5,563	6,345	8. Total Miles Energized (5 + 6 + 7)	5,672.21	5,668.85
PART C. BALANCE SHEET					
ASSETS AND OTHER DEBITS			LIABILITIES AND OTHER CREDITS		
1. Total Utility Plant in Service	212,555,442		30. Memberships		1,297,075
2. Construction Work in Progress	4,326,696		31. Patronage Capital		65,638,847
3. Total Utility Plant (1 + 2)	216,882,138		32. Operating Margins - Prior Years		0
4. Accum. Provision for Depreciation and Amort.	56,559,506		33. Operating Margins - Current Year		(1,826,975)
5. Net Utility Plant (3 - 4)	160,322,632		34. Non-Operating Margins		22,185
6. Non-Utility Property (Net)	0		35. Other Margins and Equities		2,764,301
7. Investments in Subsidiary Companies	1,643,141		36. Total Margins & Equities (30 thru 35)		67,895,433
8. Invest. in Assoc. Org. - Patronage Capital	30,076,230		37. Long-Term Debt - RUS (Net)		29,109,974
9. Invest. in Assoc. Org. - Other - General Funds	0		38. Long-Term Debt - FFB - RUS Guaranteed		80,922,781
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	2,901,703		39. Long-Term Debt - Other - RUS Guaranteed		0
11. Investments in Economic Development Projects	2,110,036		40. Long-Term Debt Other (Net)		19,998,455
12. Other Investments	11,020		41. Long-Term Debt - RUS - Econ. Devel. (Net)		1,878,083
13. Special Funds	0		42. Payments - Unapplied		0
14. Total Other Property & Investments (6 thru 13)	36,742,130		43. Total Long-Term Debt (37 thru 41 - 42)		131,909,293
15. Cash - General Funds	1,366,672		44. Obligations Under Capital Leases - Noncurrent		0
16. Cash - Construction Funds - Trustee	0		45. Accumulated Operating Provisions and Asset Retirement Obligations		8,135,129
17. Special Deposits	420		46. Total Other Noncurrent Liabilities (44 + 45)		8,135,129
18. Temporary Investments	2,500,000		47. Notes Payable		0
19. Notes Receivable (Net)	0		48. Accounts Payable		6,229,563
20. Accounts Receivable - Sales of Energy (Net)	11,070,792		49. Consumers Deposits		1,163,840
21. Accounts Receivable - Other (Net)	1,604,984		50. Current Maturities Long-Term Debt		5,254,941
22. Renewable Energy Credits	0		51. Current Maturities Long-Term Debt - Economic Development		200,568
23. Materials and Supplies - Electric & Other	1,307,518		52. Current Maturities Capital Leases		0
24. Prepayments	139,666		53. Other Current and Accrued Liabilities		3,037,783
25. Other Current and Accrued Assets	18,553		54. Total Current & Accrued Liabilities (47 thru 53)		15,886,695
26. Total Current and Accrued Assets (15 thru 25)	18,008,605		55. Regulatory Liabilities		0
27. Regulatory Assets	1,983,943		56. Other Deferred Credits		323,765
28. Other Deferred Debits	7,093,005		57. Total Liabilities and Other Credits (36 + 43 + 46 + 54 thru 56)		224,150,315
29. Total Assets and Other Debits (5+14+26 thru 28)	224,150,315				

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE <b>FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION</b>	BORROWER DESIGNATION  KY0003
INSTRUCTIONS - See help in the online application.	PERIOD ENDED October, 2012

**PART D. NOTES TO FINANCIAL STATEMENTS**

Number of Members for October 2012 - 51,321

Equity to Total Assets - 30.29%

T.I.E.R. - October 2012 - 1.79

T.I.E.R. - .60 - Net

T.I.E.R. - .57 - Operating

T.I.E.R. - .57 - Modified



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UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE  <b>FINANCIAL AND OPERATING REPORT                  ELECTRIC DISTRIBUTION</b>	BORROWER DESIGNATION KY0003
	PERIOD ENDED November, 2012
	BORROWER NAME Jackson Energy Cooperative Corporation

INSTRUCTIONS - See help in the online application.

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**CERTIFICATION**

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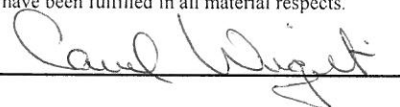
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**ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1718 OF 7 CFR CHAPTER XVII**

(check one of the following)

All of the obligations under the RUS loan documents have been fulfilled in all material respects.

There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in Part D of this report.



1-9-13  
DATE

**PART A. STATEMENT OF OPERATIONS**

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	92,090,198	88,177,911	97,611,314	9,053,341
2. Power Production Expense				
3. Cost of Purchased Power	61,544,913	59,457,195	66,641,884	6,376,643
4. Transmission Expense				
5. Regional Market Expense				
6. Distribution Expense - Operation	4,209,878	4,554,362	4,681,044	397,800
7. Distribution Expense - Maintenance	5,148,358	5,199,663	5,480,832	422,100
8. Customer Accounts Expense	3,196,062	2,872,487	3,561,429	275,610
9. Customer Service and Informational Expense	569,475	731,787	871,417	413
10. Sales Expense				
11. Administrative and General Expense	3,900,059	4,150,590	4,816,567	420,894
<b>12. Total Operation &amp; Maintenance Expense (2 thru 11)</b>	<b>78,568,745</b>	<b>76,966,084</b>	<b>86,053,173</b>	<b>7,893,460</b>
13. Depreciation and Amortization Expense	7,684,138	7,991,097	8,115,117	736,499
14. Tax Expense - Property & Gross Receipts				
15. Tax Expense - Other	107,126	120,557	110,000	
16. Interest on Long-Term Debt	5,204,829	4,958,488	4,956,767	443,721
17. Interest Charged to Construction - Credit				
18. Interest Expense - Other	94,034	53,927	99,000	98
19. Other Deductions	116,235	73,975	69,018	12,646
<b>20. Total Cost of Electric Service (12 thru 19)</b>	<b>91,775,107</b>	<b>90,164,128</b>	<b>99,403,075</b>	<b>9,086,424</b>
<b>21. Patronage Capital &amp; Operating Margins (1 minus 20)</b>	<b>315,091</b>	<b>(1,986,217)</b>	<b>(1,791,761)</b>	<b>(33,083)</b>
22. Non Operating Margins - Interest	167,581	139,820	157,520	12,623
23. Allowance for Funds Used During Construction				
24. Income (Loss) from Equity Investments				
25. Non Operating Margins - Other	(9,951)	(98,496)		6,517
26. Generation and Transmission Capital Credits				
27. Other Capital Credits and Patronage Dividends	222,679	126,159	200,000	
28. Extraordinary Items				
<b>29. Patronage Capital or Margins (21 thru 28)</b>	<b>695,400</b>	<b>(1,818,734)</b>	<b>(1,434,241)</b>	<b>(13,943)</b>

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE			BORROWER DESIGNATION		
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION			KY0003		
INSTRUCTIONS - See help in the online application.			PERIOD ENDED		
			November, 2012		
PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT					
ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	641	732	5. Miles Transmission		
2. Services Retired	484	829	6. Miles Distribution - Overhead	5,384.19	5,369.76
3. Total Services in Place	57,064	57,006	7. Miles Distribution - Underground	289.96	299.24
4. Idle Services (Exclude Seasonals)	5,600	6,558	8. Total Miles Energized (5 + 6 + 7)	5,674.15	5,669.00
PART C. BALANCE SHEET					
ASSETS AND OTHER DEBITS			LIABILITIES AND OTHER CREDITS		
1. Total Utility Plant in Service	212,909,363		30. Memberships		1,297,715
2. Construction Work in Progress	4,416,690		31. Patronage Capital		65,625,033
3. Total Utility Plant (1 + 2)	217,326,053		32. Operating Margins - Prior Years		0
4. Accum. Provision for Depreciation and Amort.	57,062,424		33. Operating Margins - Current Year		(1,860,058)
5. Net Utility Plant (3 - 4)	160,263,629		34. Non-Operating Margins		41,324
6. Non-Utility Property (Net)	0		35. Other Margins and Equities		2,787,951
7. Investments in Subsidiary Companies	1,643,141		36. Total Margins & Equities (30 thru 35)		67,891,965
8. Invest. in Assoc. Org. - Patronage Capital	30,076,230		37. Long-Term Debt - RUS (Net)		29,047,180
9. Invest. in Assoc. Org. - Other - General Funds	0		38. Long-Term Debt - FFB - RUS Guaranteed		80,922,781
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	2,901,702		39. Long-Term Debt - Other - RUS Guaranteed		0
11. Investments in Economic Development Projects	2,095,129		40. Long-Term Debt Other (Net)		19,383,002
12. Other Investments	11,020		41. Long-Term Debt - RUS - Econ. Devel. (Net)		1,859,656
13. Special Funds	0		42. Payments - Unapplied		0
14. Total Other Property & Investments (6 thru 13)	36,727,222		43. Total Long-Term Debt (37 thru 41 - 42)		131,212,619
15. Cash - General Funds	2,665,531		44. Obligations Under Capital Leases - Noncurrent		0
16. Cash - Construction Funds - Trustee	0		45. Accumulated Operating Provisions and Asset Retirement Obligations		8,162,235
17. Special Deposits	420		46. Total Other Noncurrent Liabilities (44 + 45)		8,162,235
18. Temporary Investments	0		47. Notes Payable		0
19. Notes Receivable (Net)	0		48. Accounts Payable		7,643,129
20. Accounts Receivable - Sales of Energy (Net)	13,237,267		49. Consumers Deposits		1,124,035
21. Accounts Receivable - Other (Net)	1,286,966		50. Current Maturities Long-Term Debt		5,263,702
22. Renewable Energy Credits	0		51. Current Maturities Long-Term Debt - Economic Development		207,420
23. Materials and Supplies - Electric & Other	1,255,529		52. Current Maturities Capital Leases		0
24. Prepayments	305,366		53. Other Current and Accrued Liabilities		2,852,647
25. Other Current and Accrued Assets	30,741		54. Total Current & Accrued Liabilities (47 thru 53)		17,090,933
26. Total Current and Accrued Assets (15 thru 25)	18,781,820		55. Regulatory Liabilities		0
27. Regulatory Assets	1,978,275		56. Other Deferred Credits		325,655
28. Other Deferred Debits	6,932,461		57. Total Liabilities and Other Credits (36 + 43 + 46 + 54 thru 56)		224,683,407
29. Total Assets and Other Debits (5+14+26 thru 28)	224,683,407				



<p>UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE</p> <p><b>FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION</b></p>	<p>BORROWER DESIGNATION</p> <p>KY0003</p>
<p>INSTRUCTIONS - See help in the online application.</p>	<p>PERIOD ENDED</p> <p>November, 2012</p>
<p><b>PART D. NOTES TO FINANCIAL STATEMENTS</b></p>	
<p>Number of Members for November 2012 - 51,204</p> <p>Equity to Total Assets - 30.22%</p> <p>T.I.E.R. - November 2012 - .97</p> <p>T.I.E.R. - .63 - Net</p> <p>T.I.E.R. - .60 - Operating</p> <p>T.I.E.R. - .61 - Modified</p>	

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0032. The time required to complete this information collection is estimated to average 15 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE  <b>FINANCIAL AND OPERATING REPORT                  ELECTRIC DISTRIBUTION</b>	BORROWER DESIGNATION KY0003
	PERIOD ENDED December, 2012
	BORROWER NAME Jackson Energy Cooperative Corporation

INSTRUCTIONS - See help in the online application.  
 This information is analyzed and used to determine the submitter's financial situation and feasibility for loans and guarantees. You are required by contract and applicable regulations to provide the information. The information provided is subject to the Freedom of Information Act (5 U.S.C. 552)

**CERTIFICATION**

We recognize that statements contained herein concern a matter within the jurisdiction of an agency of the United States and the making of a false, fictitious or fraudulent statement may render the maker subject to prosecution under Title 18, United States Code Section 1001.

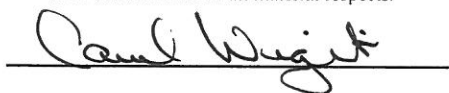
We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

**ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1718 OF 7 CFR CHAPTER XVII**

(check one of the following)

All of the obligations under the RUS loan documents have been fulfilled in all material respects.

There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in Part D of this report.



2-14-13  
DATE

**PART A. STATEMENT OF OPERATIONS**

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	102,885,943	99,291,970	110,782,562	11,114,059
2. Power Production Expense				
3. Cost of Purchased Power	68,306,508	66,412,945	75,066,410	6,955,751
4. Transmission Expense				
5. Regional Market Expense				
6. Distribution Expense - Operation	4,577,313	4,868,071	5,057,066	313,709
7. Distribution Expense - Maintenance	5,818,541	5,951,960	5,934,552	752,297
8. Customer Accounts Expense	3,641,686	3,120,184	3,887,251	247,696
9. Customer Service and Informational Expense	690,359	811,685	937,236	79,898
10. Sales Expense				
11. Administrative and General Expense	4,300,584	4,574,854	5,191,400	424,264
<b>12. Total Operation &amp; Maintenance Expense (2 thru 11)</b>	<b>87,334,991</b>	<b>85,739,699</b>	<b>96,073,915</b>	<b>8,773,615</b>
13. Depreciation and Amortization Expense	8,398,524	8,726,653	8,869,065	735,556
14. Tax Expense - Property & Gross Receipts				
15. Tax Expense - Other	107,126	120,557	110,000	
16. Interest on Long-Term Debt	5,682,593	5,403,344	5,426,378	444,857
17. Interest Charged to Construction - Credit				
18. Interest Expense - Other	95,473	54,021	108,000	94
19. Other Deductions	126,903	80,896	75,231	6,921
<b>20. Total Cost of Electric Service (12 thru 19)</b>	<b>101,745,610</b>	<b>100,125,170</b>	<b>110,662,589</b>	<b>9,961,043</b>
<b>21. Patronage Capital &amp; Operating Margins (1 minus 20)</b>	<b>1,140,333</b>	<b>(833,200)</b>	<b>119,973</b>	<b>1,153,016</b>
22. Non Operating Margins - Interest	180,807	161,289	171,840	21,469
23. Allowance for Funds Used During Construction				
24. Income (Loss) from Equity Investments	29,399	124,271		124,271
25. Non Operating Margins - Other	(7,393)	(95,293)		3,203
26. Generation and Transmission Capital Credits	4,928,673	4,358,339	3,000,000	4,358,339
27. Other Capital Credits and Patronage Dividends	247,635	150,928	200,000	24,770
28. Extraordinary Items				
<b>29. Patronage Capital or Margins (21 thru 28)</b>	<b>6,519,454</b>	<b>3,866,334</b>	<b>3,491,813</b>	<b>5,685,068</b>

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE			BORROWER DESIGNATION		
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION			KY0003		
INSTRUCTIONS - See help in the online application.			PERIOD ENDED		
			December, 2012		
PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT					
ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	696	807	5. Miles Transmission		
2. Services Retired	500	919	6. Miles Distribution -- Overhead	5,385.39	5,372.52
3. Total Services in Place	57,103	56,991	7. Miles Distribution - Underground	290.76	295.30
4. Idle Services (Exclude Seasonals)	5,658	6,554	8. Total Miles Energized (5 + 6 + 7)	5,676.15	5,667.82
PART C. BALANCE SHEET					
ASSETS AND OTHER DEBITS			LIABILITIES AND OTHER CREDITS		
1. Total Utility Plant in Service	217,147,938		30. Memberships		1,297,295
2. Construction Work in Progress	993,407		31. Patronage Capital		65,571,275
3. Total Utility Plant (1 + 2)	218,141,345		32. Operating Margins - Prior Years		0
4. Accum. Provision for Depreciation and Amort.	57,505,856		33. Operating Margins - Current Year		3,676,066
5. Net Utility Plant (3 - 4)	160,635,489		34. Non-Operating Margins		190,268
6. Non-Utility Property (Net)	0		35. Other Margins and Equities		2,803,856
7. Investments in Subsidiary Companies	1,767,412		36. Total Margins & Equities (30 thru 35)		73,538,760
8. Invest. in Assoc. Org. - Patronage Capital	34,449,002		37. Long-Term Debt - RUS (Net)		28,978,448
9. Invest. in Assoc. Org. - Other - General Funds	0		38. Long-Term Debt - FFB - RUS Guaranteed		80,398,907
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	2,901,702		39. Long-Term Debt - Other - RUS Guaranteed		0
11. Investments in Economic Development Projects	2,069,943		40. Long-Term Debt Other (Net)		19,383,002
12. Other Investments	11,020		41. Long-Term Debt - RUS - Econ. Devel. (Net)		1,841,229
13. Special Funds	0		42. Payments - Unapplied		0
14. Total Other Property & Investments (6 thru 13)	41,199,079		43. Total Long-Term Debt (37 thru 41 - 42)		130,601,586
15. Cash - General Funds	2,650,461		44. Obligations Under Capital Leases - Noncurrent		0
16. Cash - Construction Funds - Trustee	0		45. Accumulated Operating Provisions and Asset Retirement Obligations		8,188,760
17. Special Deposits	420		46. Total Other Noncurrent Liabilities (44 + 45)		8,188,760
18. Temporary Investments	0		47. Notes Payable		1,000,000
19. Notes Receivable (Net)	0		48. Accounts Payable		9,260,932
20. Accounts Receivable - Sales of Energy (Net)	15,666,174		49. Consumers Deposits		1,094,290
21. Accounts Receivable - Other (Net)	1,451,785		50. Current Maturities Long-Term Debt		5,325,271
22. Renewable Energy Credits	0		51. Current Maturities Long-Term Debt - Economic Development		214,272
23. Materials and Supplies - Electric & Other	1,351,848		52. Current Maturities Capital Leases		0
24. Prepayments	290,237		53. Other Current and Accrued Liabilities		2,395,830
25. Other Current and Accrued Assets	42,928		54. Total Current & Accrued Liabilities (47 thru 53)		19,290,595
26. Total Current and Accrued Assets (15 thru 25)	21,453,853		55. Regulatory Liabilities		0
27. Regulatory Assets	1,972,607		56. Other Deferred Credits		328,764
28. Other Deferred Debits	6,687,437		57. Total Liabilities and Other Credits (36 + 43 + 46 + 54 thru 56)		231,948,465
29. Total Assets and Other Debits (5+14+26 thru 28)	231,948,465				

<p>UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE <b>FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION</b></p>	<p>BORROWER DESIGNATION  KY0003</p>
<p>INSTRUCTIONS - See help in the online application.</p>	<p>PERIOD ENDED December, 2012</p>
<p><b>PART D. NOTES TO FINANCIAL STATEMENTS</b></p>	
<p>Number of Members for December 2012 - 51,241</p> <p>Equity to Total Assets - 31.70%</p> <p>T.I.E.R. - December 2012 - 13.78</p> <p>T.I.E.R. - 1.72 - Net</p> <p>T.I.E.R. - .85 - Operating</p> <p>T.I.E.R. - .88 - Modified</p>	

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE <b>FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION</b>	BORROWER DESIGNATION  KY0003
INSTRUCTIONS - See help in the online application.	PERIOD ENDED December, 2012
<b>PART D. CERTIFICATION LOAN DEFAULT NOTES</b>	

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE  <b>FINANCIAL AND OPERATING REPORT                  ELECTRIC DISTRIBUTION</b>	BORROWER DESIGNATION KY0003
INSTRUCTIONS - See help in the online application.	PERIOD ENDED December, 2012

**PART E. CHANGES IN UTILITY PLANT**

PLANT ITEM	BALANCE BEGINNING OF YEAR (a)	ADDITIONS (b)	RETIREMENTS (c)	ADJUSTMENTS AND TRANSFERS (d)	BALANCE END OF YEAR (e)
1. Distribution Plant	188,737,845	8,747,791	2,453,403		195,032,233
2. General Plant	11,210,654	2,659,149	813,453		13,056,350
3. Headquarters Plant	7,359,539	1,757,357	57,538		9,059,358
4. Intangibles	0				0
5. Transmission Plant	0				0
6. Regional Transmission and Market Operation Plant					
7. All Other Utility Plant	0				0
<b>8. Total Utility Plant in Service (1 thru 7)</b>	<b>207,308,038</b>	<b>13,164,297</b>	<b>3,324,394</b>		<b>217,147,941</b>
9. Construction Work in Progress	3,033,850	(2,040,443)			993,407
<b>10. Total Utility Plant (8 + 9)</b>	<b>210,341,888</b>	<b>11,123,854</b>	<b>3,324,394</b>		<b>218,141,348</b>

**PART F. MATERIALS AND SUPPLIES**

ITEM	BALANCE BEGINNING OF YEAR (a)	PURCHASED (b)	SALVAGED (c)	USED (NET) (d)	SOLD (e)	ADJUSTMENT (f)	BALANCE END OF YEAR (g)
1. Electric	1,146,498	1,990,652	34,675	1,835,888	13,460	19,860	1,342,337
2. Other	5,940	7,979		4,884		476	9,511

**PART G. SERVICE INTERRUPTIONS**

ITEM	AVERAGE MINUTES PER CONSUMER BY CAUSE					TOTAL (e)
	POWER SUPPLIER (a)	MAJOR EVENT (b)	PLANNED (c)	ALL OTHER (d)		
1. Present Year	33.750	100.370	10.060	173.110	317.290	
2. Five-Year Average	31.610	293.720	8.430	425.590	759.350	

**PART H. EMPLOYEE-HOUR AND PAYROLL STATISTICS**

1. Number of Full Time Employees	134	4. Payroll - Expensed	5,482,325
2. Employee - Hours Worked - Regular Time	279,357	5. Payroll - Capitalized	2,255,434
3. Employee - Hours Worked - Overtime	22,274	6. Payroll - Other	1,282,272

**PART I. PATRONAGE CAPITAL**

ITEM	DESCRIPTION	THIS YEAR (a)	CUMULATIVE (b)
1. Capital Credits - Distributions	a. General Retirements	3,349,936	10,776,486
	b. Special Retirements	566,395	10,704,707
	<b>c. Total Retirements (a + b)</b>	<b>3,916,331</b>	<b>21,481,193</b>
2. Capital Credits - Received	a. Cash Received From Retirement of Patronage Capital by Suppliers of Electric Power		
	b. Cash Received From Retirement of Patronage Capital by Lenders for Credit Extended to the Electric System	60,993	
	<b>c. Total Cash Received (a + b)</b>	<b>60,993</b>	

**PART J. DUE FROM CONSUMERS FOR ELECTRIC SERVICE**

1. Amount Due Over 60 Days	\$ 97,309	2. Amount Written Off During Year	\$ 46,753
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UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE					BORROWER DESIGNATION KY0003				
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION									
INSTRUCTIONS - See help in the online application					PERIOD ENDED December, 2012				
PART K. kWh PURCHASED AND TOTAL COST									
No	ITEM	SUPPLIER CODE	RENEWABLE ENERGY PROGRAM NAME	RENEWABLE FUEL TYPE	kWh PURCHASED	TOTAL COST	AVERAGE COST (Cents/kWh)	INCLUDED IN TOTAL COST - FUEL COST ADJUSTMENT	INCLUDED IN TOTAL COST - WHEELING AND OTHER CHARGES
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	East Kentucky Power Coop, Inc (KY0059)	5580			910,346,840	66,261,774	7.28	(953,395)	9,935,514
2	East Kentucky Power Coop, Inc (KY0059)	5580	Green Power	Methane - landfill gas	186,500	4,430	2.38		
3	*Miscellaneous	700000			2,297,760	146,741	6.39		
	Total				912,831,100	66,412,945	7.28	(953,395)	9,935,514

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE  <b>FINANCIAL AND OPERATING REPORT                  ELECTRIC DISTRIBUTION</b>		BORROWER DESIGNATION  KY0003
INSTRUCTIONS - See help in the online application		PERIOD ENDED December, 2012
<b>PART K. kWh PURCHASED AND TOTAL COST</b>		
<b>No</b>	<b>Comments</b>	
1		
2		
3	Wellhead Energy Services, LLC	

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE <b>FINANCIAL AND OPERATING REPORT                  ELECTRIC DISTRIBUTION</b>		BORROWER DESIGNATION KY0003	
INSTRUCTIONS - See help in the online application.		PERIOD ENDED December, 2012	
<b>PART L. LONG-TERM LEASES</b>			
No	NAME OF LESSOR (a)	TYPE OF PROPERTY (b)	RENTAL THIS YEAR (c)
	<b>TOTAL</b>		

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE  <b>FINANCIAL AND OPERATING REPORT                  ELECTRIC DISTRIBUTION</b>		BORROWER DESIGNATION KY0003	
INSTRUCTIONS - See help in the online application.		PERIOD ENDED December, 2012	
<b>PART M. ANNUAL MEETING AND BOARD DATA</b>			
1. Date of Last Annual Meeting 6/28/2012	2. Total Number of Members 51,219	3. Number of Members Present at Meeting 914	4. Was Quorum Present? Y
5. Number of Members Voting by Proxy or Mail 0	6. Total Number of Board Members 9	7. Total Amount of Fees and Expenses for Board Members \$ 212,246	8. Does Manager Have Written Contract? N

**RUS Financial and Operating Report Electric Distribution**

**Revision Date 2010**

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE <b>FINANCIAL AND OPERATING REPORT                  ELECTRIC DISTRIBUTION</b>			BORROWER DESIGNATION KY0003		
INSTRUCTIONS - See help in the online application.			PERIOD ENDED December, 2012		
<b>PART N. LONG-TERM DEBT AND DEBT SERVICE REQUIREMENTS</b>					
No	ITEM	BALANCE END OF YEAR (a)	INTEREST (Billed This Year) (b)	PRINCIPAL (Billed This Year) (c)	TOTAL (Billed This Year) (d)
1	Rural Utilities Service (Excludes RUS - Economic Development Loans)	28,978,448	1,391,392	708,605	2,099,997
2	National Rural Utilities Cooperative Finance Corporation	19,383,002	1,401,964	2,471,948	3,873,912
3	CoBank, ACB	0	0	0	0
4	Federal Financing Bank	80,398,907	2,621,589	1,846,833	4,468,422
5	RUS - Economic Development Loans	1,841,229		77,232	77,232
6	Payments Unapplied				
	<b>TOTAL</b>	<b>130,601,586</b>	<b>5,414,945</b>	<b>5,104,618</b>	<b>10,519,563</b>

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION KY0003		
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		PERIOD ENDED December, 2012		
INSTRUCTIONS - See help in the online application.				
PART O. POWER REQUIREMENTS DATABASE - ANNUAL SUMMARY				
CLASSIFICATION	CONSUMER SALES & REVENUE DATA	DECEMBER (a)	AVERAGE NO. CONSUMERS SERVED (b)	TOTAL YEAR TO DATE (c)
1. Residential Sales (excluding seasonal)	a. No. Consumers Served	47,592	47,647	
	b. kWh Sold			663,784,605
	c. Revenue			77,832,875
2. Residential Sales - Seasonal	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
3. Irrigation Sales	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
4. Comm. and Ind. 1000 KVA or Less	a. No. Consumers Served	3,644	3,598	
	b. kWh Sold			137,525,091
	c. Revenue			14,474,876
5. Comm. and Ind. Over 1000 KVA	a. No. Consumers Served	5	5	
	b. kWh Sold			60,754,784
	c. Revenue			4,383,279
6. Public Street & Highway Lighting	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
7. Other Sales to Public Authorities	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
8. Sales for Resale - RUS Borrowers	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
9. Sales for Resale - Other	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
10.	<b>Total No. of Consumers (lines 1a thru 9a)</b>	51,241	51,250	
11.	<b>Total kWh Sold (lines 1b thru 9b)</b>			862,064,480
12.	<b>Total Revenue Received From Sales of Electric Energy (lines 1c thru 9c)</b>			96,691,030
13.	Transmission Revenue			
14.	Other Electric Revenue			2,600,940
15.	kWh - Own Use			1,084,874
16.	Total kWh Purchased			912,831,100
17.	Total kWh Generated			
18.	Cost of Purchases and Generation			66,412,945
19.	Interchange - kWh - Net			
20.	Peak - Sum All kW Input (Metered) Non-coincident <input type="checkbox"/> Coincident <input checked="" type="checkbox"/>			221,760



UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE  <b>FINANCIAL AND OPERATING REPORT                  ELECTRIC DISTRIBUTION</b>	BORROWER DESIGNATION KY0003
INSTRUCTIONS - See help in the online application.	PERIOD ENDED December, 2012

PART P. ENERGY EFFICIENCY PROGRAMS						
CLASSIFICATION	ADDED THIS YEAR			TOTAL TO DATE		
	No. of Consumers <i>(a)</i>	Amount Invested <i>(b)</i>	Estimated MMBTU Savings <i>(c)</i>	No. of Consumers <i>(d)</i>	Amount Invested <i>(e)</i>	Estimated MMBTU Savings <i>(f)</i>
1. Residential Sales (excluding seasonal)	142	477,814	2,857	236	794,114	673,239
2. Residential Sales - Seasonal						
3. Irrigation Sales						
4. Comm. and Ind. 1000 KVA or Less	4	13,459	928	4	13,459	928
5. Comm. and Ind. Over 1000 KVA						
6. Public Street and Highway Lighting						
7. Other Sales to Public Authorities						
8. Sales for Resale – RUS Borrowers						
9. Sales for Resale – Other						
<b>10. Total</b>	<b>146</b>	<b>491,273</b>	<b>3,785</b>	<b>240</b>	<b>807,573</b>	<b>674,167</b>

RUS Financial and Operating Report Electric Distribution

Revision Date 2010

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION KY0003			
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION INVESTMENTS, LOAN GUARANTEES AND LOANS		PERIOD ENDED December, 2012			
INSTRUCTIONS - Reporting of investments is required by 7 CFR 1717, Subpart N. Investment categories reported on this Part correspond to Balance Sheet items in Part C. Identify all investments in Rural Development with an 'X' in column (e). Both 'Included' and 'Excluded' Investments must be reported. See help in the online application.					
<b>PART Q. SECTION I. INVESTMENTS (See Instructions for definitions of Income or Loss)</b>					
No	DESCRIPTION (a)	INCLUDED (\$) (b)	EXCLUDED (\$) (c)	INCOME OR LOSS (\$) (d)	RURAL DEVELOPMENT (e)
<b>2</b>	<b>Investments in Associated Organizations</b>				
	Patronage Capital - EKP		31,890,182		
	Patronage Capital - NISC	164,690			
	Patronage Capital - CFC		1,118,239		
	Patronage Capital - FREIC	152,201			
	Patronage Capital - KAEC	150,663			
	Patronage Capital - UUS	973,026			
	CFC Capital Term Certificate		1,892,412		
	Membership - EKP	100			
	Membership - CFC		1,000		
	Subsidiary - Jackson Energy Services Corp	1,767,412			
	Investment in Envision Energy	27,190			
	CFC Member Capital Securities		980,000		
	Membership - CoBank		1,000		
	Totals	3,235,282	35,882,833		
<b>3</b>	<b>Investments in Economic Development Projects</b>				
	Investments in Economic Development Projects		2,069,943		X
	Totals		2,069,943		
<b>4</b>	<b>Other Investments</b>				
	Certificate of Deposit	5,000			
	Other Investments - Shares	6,020			
	Totals	11,020			
<b>6</b>	<b>Cash - General</b>				
	Cash - Operating	2,650,461			
	Totals	2,650,461			
<b>7</b>	<b>Special Deposits</b>				
	Memberships	420			
	Totals	420			
<b>9</b>	<b>Accounts and Notes Receivable - NET</b>				
	Other Accts Rec - General & Marketing	539,988			
	Other Accts Rec - Pole Rental	921,913			
	Other Accts Rec - Insurance	(10,117)			
	Totals	1,451,784			
<b>11</b>	<b>TOTAL INVESTMENTS (1 thru 10)</b>	7,348,967	37,952,776		

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE  <b>FINANCIAL AND OPERATING REPORT                  ELECTRIC DISTRIBUTION                  INVESTMENTS, LOAN GUARANTEES AND LOANS</b>		BORROWER DESIGNATION KY0003			
		PERIOD ENDED December, 2012			
INSTRUCTIONS - Reporting of investments is required by 7 CFR 1717, Subpart N. Investment categories reported on this Part correspond to Balance Sheet items in Part C. Identify all investments in Rural Development with an 'X' in column (e). Both 'Included' and 'Excluded' Investments must be reported. See help in the online application.					
<b>PART Q. SECTION II. LOAN GUARANTEES</b>					
No	ORGANIZATION (a)	MATURITY DATE (b)	ORIGINAL AMOUNT (S) (c)	LOAN BALANCE (S) (d)	RURAL DEVELOPMENT (e)
	<b>TOTAL</b>				
	TOTAL (Included Loan Guarantees Only)				

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE  <b>FINANCIAL AND OPERATING REPORT                  ELECTRIC DISTRIBUTION                  INVESTMENTS, LOAN GUARANTEES AND LOANS</b>		BORROWER DESIGNATION KY0003			
		PERIOD ENDED December, 2012			
INSTRUCTIONS - Reporting of investments is required by 7 CFR 1717, Subpart N. Investment categories reported on this Part correspond to Balance Sheet items in Part C. Identify all investments in Rural Development with an 'X' in column (e). Both 'Included' and 'Excluded' Investments must be reported. See help in the online application.					
<b>SECTION III. RATIO</b>					
RATIO OF INVESTMENTS AND LOAN GUARANTEES TO UTILITY PLANT [Total of Included Investments (Section I, 11b) and Loan Guarantees - Loan Balance (Section II, 5d) to Total Utility Plant (Line 3, Part C) of this report]					3.37 %
<b>SECTION IV. LOANS</b>					
No	ORGANIZATION (a)	MATURITY DATE (b)	ORIGINAL AMOUNT (\$) (c)	LOAN BALANCE (\$) (d)	RURAL DEVELOPMENT (e)
	<b>TOTAL</b>				

# **JACKSON ENERGY COOPERATIVE**

**CASE NO, 2013-00219**

## **COST OF SERVICE STUDY**

**June 2013 - Mary Elizabeth Purvis & James Adkins**

**JACKSON ENERGY COOPERATIVE  
CASE NO. 2013-00219**

Exhibit R  
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Witness: Jim Adkins

**TEST YEAR REVENUE REQUIREMENTS WITH ADJUSTMENTS**

<b>TEST YEAR EXPENSES</b>					
1	2	3	4	5	6
7	8	9	10	11	12
13	14	15	16	17	18
19	20	21	22	23	24
25	26	27	28	29	30
31	32	33	34	35	36
37	38	39	40	41	42
43	44	45	46	47	48
49	50	51	52	53	54
55	56	57	58	59	60
61	62	63	64	65	66
67	68	69	70	71	72
73	74	75	76	77	78
79	80	81	82	83	84
85	86	87	88	89	90
91	92	93	94	95	96
97	98	99	100	101	102
103	104	105	106	107	108
109	110	111	112	113	114
115	116	117	118	119	120
121	122	123	124	125	126
127	128	129	130	131	132
133	134	135	136	137	138
139	140	141	142	143	144
145	146	147	148	149	150
151	152	153	154	155	156
157	158	159	160	161	162
163	164	165	166	167	168
169	170	171	172	173	174
175	176	177	178	179	180
181	182	183	184	185	186
187	188	189	190	191	192
193	194	195	196	197	198
199	200	201	202	203	204
205	206	207	208	209	210
211	212	213	214	215	216
217	218	219	220	221	222
223	224	225	226	227	228
229	230	231	232	233	234
235	236	237	238	239	240
241	242	243	244	245	246
247	248	249	250	251	252
253	254	255	256	257	258
259	260	261	262	263	264
265	266	267	268	269	270
271	272	273	274	275	276
277	278	279	280	281	282
283	284	285	286	287	288
289	290	291	292	293	294
295	296	297	298	299	300
301	302	303	304	305	306
307	308	309	310	311	312
313	314	315	316	317	318
319	320	321	322	323	324
325	326	327	328	329	330
331	332	333	334	335	336
337	338	339	340	341	342
343	344	345	346	347	348
349	350	351	352	353	354
355	356	357	358	359	360
361	362	363	364	365	366
367	368	369	370	371	372
373	374	375	376	377	378
379	380	381	382	383	384
385	386	387	388	389	390
391	392	393	394	395	396
397	398	399	400	401	402
403	404	405	406	407	408
409	410	411	412	413	414
415	416	417	418	419	420
421	422	423	424	425	426
427	428	429	430	431	432
433	434	435	436	437	438
439	440	441	442	443	444
445	446	447	448	449	450
451	452	453	454	455	456
457	458	459	460	461	462
463	464	465	466	467	468
469	470	471	472	473	474
475	476	477	478	479	480
481	482	483	484	485	486
487	488	489	490	491	492
493	494	495	496	497	498
499	500	501	502	503	504
505	506	507	508	509	510
511	512	513	514	515	516
517	518	519	520	521	522
523	524	525	526	527	528
529	530	531	532	533	534
535	536	537	538	539	540
541	542	543	544	545	546
547	548	549	550	551	552
553	554	555	556	557	558
559	560	561	562	563	564
565	566	567	568	569	570
571	572	573	574	575	576
577	578	579	580	581	582
583	584	585	586	587	588
589	590	591	592	593	594
595	596	597	598	599	600
601	602	603	604	605	606
607	608	609	610	611	612
613	614	615	616	617	618
619	620	621	622	623	624
625	626	627	628	629	630
631	632	633	634	635	636
637	638	639	640	641	642
643	644	645	646	647	648
649	650	651	652	653	654
655	656	657	658	659	660
661	662	663	664	665	666
667	668	669	670	671	672
673	674	675	676	677	678
679	680	681	682	683	684
685	686	687	688	689	690
691	692	693	694	695	696
697	698	699	700	701	702
703	704	705	706	707	708
709	710	711	712	713	714
715	716	717	718	719	720
721	722	723	724	725	726
727	728	729	730	731	732
733	734	735	736	737	738
739	740	741	742	743	744
745	746	747	748	749	750
751	752	753	754	755	756



**JACKSON ENERGY COOPERATIVE  
CASE NO. 2013-00219**

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**TEST YEAR REVENUE REQUIREMENTS WITH ADJUSTMENTS**

45				-
46	920	Administrative Salaries	2,116,841	2,116,841
47	921	Office Supplies	744,250	744,250
48	923	Outside Services	118,341	118,341
49	924	Property Ins	-	-
50	925	Injuries & Damages	26,498	26,498
51	926	Employ Pensions & Benef	154,468	154,468
52	928	Regulatory Exp	16,364	16,364
53	929	Duplicate Charges	(84,878)	(84,878)
54	930	Misc General Exp	877,135	877,135
55	931	Rents	22,200	22,200
56	935	Maintenance of Gen. Plant	583,634	583,634
57		<b>Total Admin &amp; General</b>	4,574,854	4,574,854
58				-
59	403.6	Deprec. Distribution Plant	7,662,551	7,662,551
60	403.7	Deprec. General Plant	593,331	593,331
	407.0	Amort of Prop Losses and Undercovery	470,772	
61		<b>Total Depreciation</b>	8,726,653	8,726,653
62				-
63	408.71	PSC Assessment & Sales Taxes	120,557	120,557
64	408.5	Miscellaneous Amortization	0	-
65	425-426	Contributions	80,896	80,896
66		<b>Total Miscellaneous</b>	201,453	201,453
67				-
68	427.1	Interest - RUS Constuc	1,391,392	1,391,392
69	427.2	Interest - CFC	1,390,363	1,390,363
70	427.4	Interest - FFB	2,621,589	2,621,589
71		<b>Total Interest on LTD</b>	5,403,344	5,403,344
72				-
73	431	Other Interest Expense	54,021	54,021
74				-
75				-
76		<b>Total ST Interest</b>	54,021	54,021
77				-
78		<b>Total Costs</b>	100,125,171	92,464,096
79		<b>Margin Requirements</b>	3,617,966	3,617,966
80		<b>Total Revenue Require.</b>	103,743,137	96,082,062
81				-
82		<b>Less; Misc Income</b>		-
83	450	Forfeited Discounts	1,124,919	1,124,919
84	451	Misc Service Revenue	326,810	326,810
85	452	Return Check Charge	-	-
86	454	Rent from Electric Prop.	915,266	915,266
	456	Other Electric Revenue	233,945	233,945
87		<b>Total Misc Income</b>	2,600,940	2,600,940
88				-
89		<b>Less: Other Income</b>		-
90	415	Net Revenue from Merchandising	8,776	8,776
	416	Cost of Merchandising	(4,727)	(4,727)
	417	Revenue from Non-utility Operations	14,340	14,340
	418	Revenue from Non-operating rentals	124,271	124,271
91	419	Interest Income	161,290	161,290
92	421	Misc. Non-operating Income	(113,682)	(113,682)
	423	G&T Capital Credits	4,358,339	(4,358,339)
93	424	Other Capital Credits	150,928	150,928
94		<b>Total Other Income</b>	4,699,535	(4,358,339)
95				-
96		<b>Revenue Requirements</b>		-
97		from Rates	96,442,662	4,358,339 (7,661,075) 93,139,925
98				
99		<b>TIER</b>	1.67	

**JACKSON ENERGY COOPERATIVE  
CASE NO. 2013-XXXXX**

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**ALLOCATION OF TEST YEAR ADJUSTMENTS TO VARIOUS ACCOUNTS**

				Wages & Salaries Adj.	Payroll Tax Adj.	FAS 106 Adj.	Retirement Adj.	Health Insurance Adj.		
		<u>Amount</u>	<u>Percent</u>							<u>Total</u>
580.00	Supervision, operations		#DIV/0!	#REF!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!		#REF!
583.00	Overhead line		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!		#DIV/0!
586.00	Meter		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!		#DIV/0!
587.00	Installations		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!		#DIV/0!
588.00	Miscellaneous distribution		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!		#DIV/0!
590.00	Supervision, maintenance		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!		#DIV/0!
593.00	Maintenance		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!		#DIV/0!
594.00	Underground		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!		#DIV/0!
595.00	Transformers		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!		#DIV/0!
596.00	Street lights		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!		#DIV/0!
597.00	Meters		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!		#DIV/0!
598.00	Miscellaneous maintenance		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!		#DIV/0!
901.00	Supervision		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!		#DIV/0!
902.00	Meter reading		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!		#DIV/0!
903.00	Consumer records		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!		#DIV/0!
907.00	Supervision, Customer service		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!		#DIV/0!
908.00	Consumer accounting		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!		#DIV/0!
909.00	Consumer information		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!		#DIV/0!
910.00	Misc customer information		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!		#DIV/0!
920.00	Administrative		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!		#DIV/0!
930.00	Miscellaneous		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!		#DIV/0!
935.00	Maintenance general plant		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!		#DIV/0!
	Total	0	#DIV/0!	#REF!	#REF!	#DIV/0!	#DIV/0!	#DIV/0!	#	#REF!

**JACKSON ENERGY COOPERATIVE**  
**CASE NO. 2013-00219**  
**FUNCTIONALIZATION OF TEST YEAR EXPENSES**

Exhibit R  
Schedule 2.1  
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Acct No.	Description	Expenses		FUNCTIONALIZATION								Alloc. Basis		
		Adjusted Test Year	Purchased Power	Stations	Lines	Trans-formers	Services	Meters	Consumer Services & Accounting	Security Lighting	Street Lighting		Total	
555	Purchased Power													
	Demand Charges	13,020,019	13,020,019										13,020,019	
	Metering Point & Substations C	1,321,044	1,321,044										1,321,044	
	Energy Charges	44,259,636	44,259,636										44,259,636	
	Renewable Resource Energy	4,430	4,430										4,430	
	WellHeads	146,741	146,741										146,741	
	Total Purchased Power	58,751,870	58,751,870										58,751,870	DA
580	Operations Supv & Eng	87,148		579	38,919	-	6,154	37,288	-	4,208	-		87,148	2
581	Load Dispatching	-		-									-	DA
582	Station Expense	24,929		24,929									24,929	DA
583	Overhead Line Exp.	1,885,386			1,627,952		257,434						1,885,386	1
584	Underground Line Exp	56,911			49,140		7,771						56,911	1
585	Street Lights	-											-	DA
586	Meter Expense	1,606,799						1,606,799					1,606,799	DA
587	Consumer Installations	181,345								181,345			181,345	DA
588	Misc. Distribution Exp	1,025,553		6,808	457,997	-	72,425	438,800	-	49,524	-		1,025,553	2
589	Rents	-											-	DA
	Total Dist. Operations	4,868,071		32,316	2,174,008	-	343,784	2,082,887	-	235,077	-		4,868,071	
590	Maint Supv & Eng	-		-	-	-	-	-	-	-	-		-	3
592	Maint of Station Equip	-		-									-	DA
593	Maint. Overhead Lines	5,660,660			4,887,743		772,917						5,660,660	1
594	Maint of Underground Lines	5,731			4,948		782						5,731	1
595	Maint Line Transformers	16,591				16,591							16,591	DA
596	Maint of Street Lights	23,458									23,458		23,458	DA
597	Maintenance of Meters	-											-	DA
598	Maint Misc Distrib Plant	245,521		-	243,527	826	-	-	-	-	1,168		245,521	3
	Total Dist. Maint.	5,951,960		-	5,136,218	17,417	773,700	-	-	-	24,626		5,951,960	
901	Supervision	75,527								75,527			75,527	DA
902	Meter Reading Expense	37,553								37,553			37,553	DA
903	Cons Recds & Collections	3,111,178								3,111,178			3,111,178	DA
904	Uncollectible Accounts	(104,074)								(104,074)			(104,074)	DA
	Total Consumer Accts	3,120,184								3,120,184			3,120,184	
907	Customer Information	3,544								3,544			3,544	DA
908	Customer Accounting	252,730								252,730			252,730	DA
909	Consumer Information	36,751								36,751			36,751	DA
910	Mis. Customer Information	370,042								370,042			370,042	DA
912	Key Accounts Expenses	-								-			-	DA
913	Advertising	148,618								148,618			148,618	DA
	Total Customer Serv.	811,685								811,685			811,685	

**JACKSON ENERGY COOPERATIVE**  
**CASE NO. 2013-00219**  
**FUNCTIONALIZATION OF TEST YEAR EXPENSES**

Exhibit R  
Schedule 2.1  
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Witness: Jim Adkins

Acct No.	Description	FUNCTIONALIZATION											Alloc. Basis
		Expenses											
		Adjusted Test Year	Purchased Power	Stations	Lines	Trans-formers	Services	Meters	Consumer Services & Accounting	Security Lighting	Street Lighting	Total	
920	Administrative Salaries	2,116,841		4,637	1,048,989	2,499	160,355	298,886	564,208	33,733	3,534	2,116,841	7
921	Office Supplies	744,250		1,630	368,809	879	56,378	105,084	198,367	11,860	1,242	744,250	7
923	Outside Services	118,341		259	58,643	140	8,965	16,709	31,542	1,886	198	118,341	7
924	Property Ins	-		-	-	-	-	-	-	-	-	-	7
925	Injuries & Damages	26,498		58	13,131	31	2,007	3,741	7,063	422	44	26,498	7
926	Employ Pensions & Benef	154,468		338	76,546	182	11,701	21,810	41,171	2,461	258	154,468	7
928	Regulatory Exp	16,364		36	8,109	19	1,240	2,311	4,362	261	27	16,364	7
929	Duplicate Charges	(84,878)		(186)	(42,061)	(100)	(6,430)	(11,984)	(22,623)	(1,353)	(142)	(84,878)	7
930	Misc General Exp	877,135		1,921	434,660	1,036	66,445	123,847	233,786	13,977	1,464	877,135	7
931	Rents	22,200		49	11,001	26	1,682	3,135	5,917	354	37	22,200	7
935	Maintenance of Gen. Plant	583,634		1,279	289,217	689	44,211	82,406	155,558	9,300	974	583,634	4
	Total Admin & General	4,574,854	-	10,022	2,267,044	5,401	346,554	645,944	1,219,350	72,902	7,637	4,574,854	
		-											
404	Deprec. Distribution Plant	7,662,551		66,759	5,004,883	1,118,542	791,441	466,194	-	203,786	10,946	7,662,551	6
404	Deprec. General Plant	593,331		1,300	294,022	701	44,946	83,775	158,142	9,455	990	593,331	6
407	Amort of Prop Loasses and Unc	470,772		1,031	233,289	556	35,662	66,470	125,476	7,502	786	470,772	6
	Total Depreciation	8,726,653		69,090	5,532,194	1,119,798	872,049	616,439	283,619	220,743	12,723	8,726,653	
		-											
409	PSC Assessment & Sales Tax	120,557											
409	Miscellaneous Amortization	-											
425-4	Contributions	80,896											
	Total Miscellaneous	201,453		1,638	128,744	26,800	20,312	13,703	4,799	5,166	292	201,453	5
		-											
427	Interest - RUS Constuc	1,391,392											
427	Interest - CFC	1,390,363											
427	Interest - FFB	2,621,589											
	Total Interest on LTD	5,403,344	-	43,926	3,453,137	718,827	544,797	367,548	128,720	138,554	7,835	5,403,344	5
		-											
431	Other Interest Expense	54,021											
	Total ST Interest	54,021		439	34,524	7,187	5,447	3,675	1,287	1,385	78	54,021	5
		-											
	Total Costs	92,464,096	58,751,870	157,431	18,725,868	1,895,430	2,906,641	3,730,196	5,569,643	673,827	53,191	92,464,096	
	Margin Requirements	3,617,966	-	29,412	2,312,148	481,311	364,785	246,103	86,188	92,773	5,246	3,617,966	
	Total Revenue Require.	96,082,062	58,751,870	186,843	21,038,016	2,376,741	3,271,426	3,976,299	5,655,830	766,600	58,437	96,082,062	
												96,082,062	

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**FUNCTIONALIZATION OF TEST YEAR EXPENSES**

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<b>FOOTNOTES</b>							
1 Line Expenses are Allocated between Lines and Services Based on Plant Investment.							
	<u>\$\$\$</u>	<u>%</u>					
Poles and Conductor	127,387,548	86.35%					
Services	20,144,271	13.65%					
Total	147,531,819	100.00%					
2 <u>Allocation of Dist. Oper. Supervision &amp; Miscellaneous Expenses</u>							
	<u>Actual</u>	<u>%</u>	<u>Superv</u>	<u>Miscell. Exp.</u>	<u>Rents</u>		
Stations	24,929	0.66%	579	6,808	-		
Lines	1,677,092	44.66%	38,919	457,997	-		
Transformers	-	0.00%	-	-	-		
Services	265,205	7.06%	6,154	72,425	-		
Meters	1,606,799	42.79%	37,288	438,800	-		
Consumer Services & Acct	-	0.00%	-	-	-		
Security Lighting	181,345	4.83%	4,208	49,524	-		
Street Lighting	-	0.00%	-	-	-		
	3,755,370	100%	87,148	1,025,553	-		
			87,148	1,025,553	-		
3 <u>Allocation of Dist. Maint. Supervision &amp; Miscellaneous Expenses</u>							
	<u>Actual</u>	<u>%</u>	<u>Superv</u>	<u>Misc. Exp.</u>			
Stations	-	0.00%	-	-			
Lines	4,892,691	99.19%	-	243,527			
Transformers	16,591	0.34%	-	826			
Services	-	0.00%	-	-			
Meters	-	0.00%	-	-			
Consumer Services & Acct	-	0.00%	-	-			
Security Lighting	-	-	-	-			
Street Lighting	23,458	0.48%	-	1,168			
	4,932,740	100%	-	245,521			
			-	245,521			
4 General Plant Allocation Comes From the Rate Base Schedule Line General Plant Percent							
5 Rate Base Allocation Comes from the Rate Base Schedule Line Rate Base Percent.							
6 Depreciation Expense Allocation Comes from the Net Plant Percent in Rate Base							
Rate Base Data	<u>Total</u>	<u>Lines</u>	<u>Services</u>	<u>Outdoor Lighting</u>	<u>Lines</u>	<u>Services</u>	<u>Outdoor Lighting</u>
Poles, Towers and Fixtures	61,967,294	61,967,294	-	-	100.0%	-	0.0%
Overhead Conductor	1,807,320	1,807,320	-	-	100.0%	-	0.0%
Services	20,144,271	-	20,144,271	-	-	100.0%	0.0%
	83,918,885	63,774,614	20,144,271	-	76.0%	24.0%	0.0%

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<b>FOOTNOTES</b>										
7 Admin & General Expense Allocation except General Plant										
<u>Acct.</u>	<u>Description</u>	<u>Stations</u>	<u>Lines</u>	<u>Trans- formers</u>	<u>Services</u>	<u>Meters</u>	<u>Consumer Services &amp; Accounting</u>	<u>Security Lighting</u>	<u>Street Lighting</u>	<u>Total</u>
580	Operations Supv & Eng	579	38,919	-	6,154	37,288	-	4,208	-	87,148
581	Load Dispatching	-	-	-	-	-	-	-	-	-
582	Station Expense	24,929	-	-	-	-	-	-	-	24,929
583	Overhead Line Exp.	-	1,627,952	-	257,434	-	-	-	-	1,885,386
584	Underground Line Exp	-	49,140	-	7,771	-	-	-	-	56,911
585	Street Lights	-	-	-	-	-	-	-	-	-
586	Meter Expense	-	-	-	-	1,606,799	-	-	-	1,606,799
587	Consumer Installations	-	-	-	-	-	-	181,345	-	181,345
588	Misc. Distribution Exp	6,808	457,997	-	72,425	438,800	-	49,524	-	1,025,553
589	Rents	-	-	-	-	-	-	-	-	-
		<u>32,316</u>	<u>2,174,008</u>	<u>-</u>	<u>343,784</u>	<u>2,082,887</u>	<u>-</u>	<u>235,077</u>	<u>-</u>	<u>4,868,071</u>
590	Maint Supv & Eng	-	-	-	-	-	-	-	-	-
592	Maint of Station Equip	-	-	-	-	-	-	-	-	-
593	Maint. Overhead Lines	-	4,887,743	-	772,917	-	-	-	-	5,660,660
594	Maint of Underground Lines	-	4,948	-	782	-	-	-	-	5,731
595	Maint Line Transformers	-	-	16,591	-	-	-	-	-	16,591
596	Maint of Street Lights	-	-	-	-	-	-	-	23,458	23,458
597	Maintenance of Meters	-	-	-	-	-	-	-	-	-
598	Maint Misc Distrib Plant	-	243,527	826	-	-	-	-	1,168	245,521
	Total Dist. Maint.	<u>-</u>	<u>5,136,218</u>	<u>17,417</u>	<u>773,700</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,626</u>	<u>5,951,960</u>
901	Supervision	-	-	-	-	-	75,527	-	-	75,527
902	Meter Reading Expense	-	-	-	-	-	37,553	-	-	37,553
903	Cons Recds & Collections	-	-	-	-	-	3,111,178	-	-	3,111,178
904	Uncollectible Accounts	-	-	-	-	-	(104,074)	-	-	(104,074)
	Total Consum Accts	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,120,184</u>	<u>-</u>	<u>-</u>	<u>3,120,184</u>
907	Customer Information	-	-	-	-	-	3,544	-	-	3,544
908	Customer Accounting	-	-	-	-	-	252,730	-	-	252,730
909	Consumer Information	-	-	-	-	-	36,751	-	-	36,751
910	Mis. Customer Information	-	-	-	-	-	370,042	-	-	370,042
912	Key Accounts Expenses	-	-	-	-	-	-	-	-	-
913	Advertising	-	-	-	-	-	148,618	-	-	148,618
	Total Customer Serv.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>811,685</u>	<u>-</u>	<u>-</u>	<u>811,685</u>
	Total all Expenses	32,316	7,310,226	17,417	1,117,484	2,082,887	3,931,869	235,077	24,626	14,751,900
	Functions as % of Total	0.22%	49.55%	0.12%	7.58%	14.12%	26.65%	1.59%	0.17%	100.00%



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**FUNCTIONALIZATION SUMMARY**

							Consumer			
	Purchased						Services &	Outdoor	Street	
Expense	Power	Stations	Lines	Transformers	Services	Meters	Accounting	Lighting	Lighting	Total
Purchased Power	58,751,870									58,751,870
Distribution Operations		32,316	2,174,008	-	343,784	2,082,887	-	235,077	-	4,868,071
Distribution Maintenance		-	5,136,218	17,417	773,700	-	-	-	24,626	5,951,960
Consumer Accounts		-	-	-	-	-	3,120,184	-	-	3,120,184
Customer Service		-	-	-	-	-	811,685	-	-	811,685
Administrative & General		10,022	2,267,044	5,401	346,554	645,944	1,219,350	72,902	7,637	4,574,854
Depreciation		69,090	5,532,194	1,119,798	872,049	616,439	283,619	220,743	12,723	8,726,653
Miscellaneous		1,638	128,744	26,800	20,312	13,703	4,799	5,166	292	201,453
Interest on Long Term Debt		43,926	3,453,137	718,827	544,797	367,548	128,720	138,554	7,835	5,403,344
Short Term Interest		439	34,524	7,187	5,447	3,675	1,287	1,385	78	54,021
Total Costs	58,751,870	157,431	18,725,868	1,895,430	2,906,641	3,730,196	5,569,643	673,827	53,191	92,464,096
Margin Requirements	-	29,412	2,312,148	481,311	364,785	246,103	86,188	92,773	5,246	3,617,966
Revenue Requirements	58,751,870	186,843	21,038,016	2,376,741	3,271,426	3,976,299	5,655,830	766,600	58,437	96,082,062





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**CLASSIFICATION OF EXPENSES**

			Consumer Related Costs	Demand Related Costs	Total
	2				
<u>Expense</u>	<u>Lines</u>		<u>Costs</u>	<u>Costs</u>	<u>Total</u>
Purchased Power	-		-	-	-
Distibution Operations	2,174,008		587,095	1,586,913	2,174,008
Distribution Maintenance	5,136,218		1,387,046	3,749,172	5,136,218
Consumer Accounts	-		-	-	-
Customer Service	-		-	-	-
Administative & General	2,267,044		612,220	1,654,825	2,267,044
Depreciation	5,532,194		1,493,980	4,038,214	5,532,194
Miscellaneous	128,744		34,767	93,976	128,744
Interest on Long Term Debt	3,453,137		932,526	2,520,611	3,453,137
Short Term Interest	34,524		9,323	25,200	34,524
<b>Total Costs</b>	<b>18,725,868</b>		<b>5,056,957</b>	<b>13,668,911</b>	<b>18,725,868</b>
Margin Requirements	2,312,148		624,400	1,687,748	2,312,148
Revenue Requirements	21,038,016		5,681,357	15,356,659	21,038,016
			Consumer Related Costs	Demand Related Costs	Total
	3				
<u>Expense</u>	<u>Transformers</u>		<u>Costs</u>	<u>Costs</u>	<u>Total</u>
Purchased Power	-		-	-	-
Distibution Operations	-		-	-	-
Distribution Maintenance	17,417		3,677	13,740	17,417
Consumer Accounts	-		-	-	-
Customer Service	-		-	-	-
Administative & General	5,401		1,140	4,261	5,401
Depreciation	1,119,798		236,402	883,396	1,119,798
Miscellaneous	26,800		5,658	21,142	26,800
Interest on Long Term Debt	718,827		151,753	567,074	718,827
Short Term Interest	7,187		1,517	5,669	7,187
<b>Total Costs</b>	<b>1,895,430</b>		<b>400,147</b>	<b>1,495,283</b>	<b>1,895,430</b>
Margin Requirements	481,311		101,610	379,701	481,311
Revenue Requirements	2,376,741		501,757	1,874,984	2,376,741
			Energy Related Costs	Demand Related Costs	Total
Purchased Power	58,751,870		44,410,807	14,341,063	58,751,870



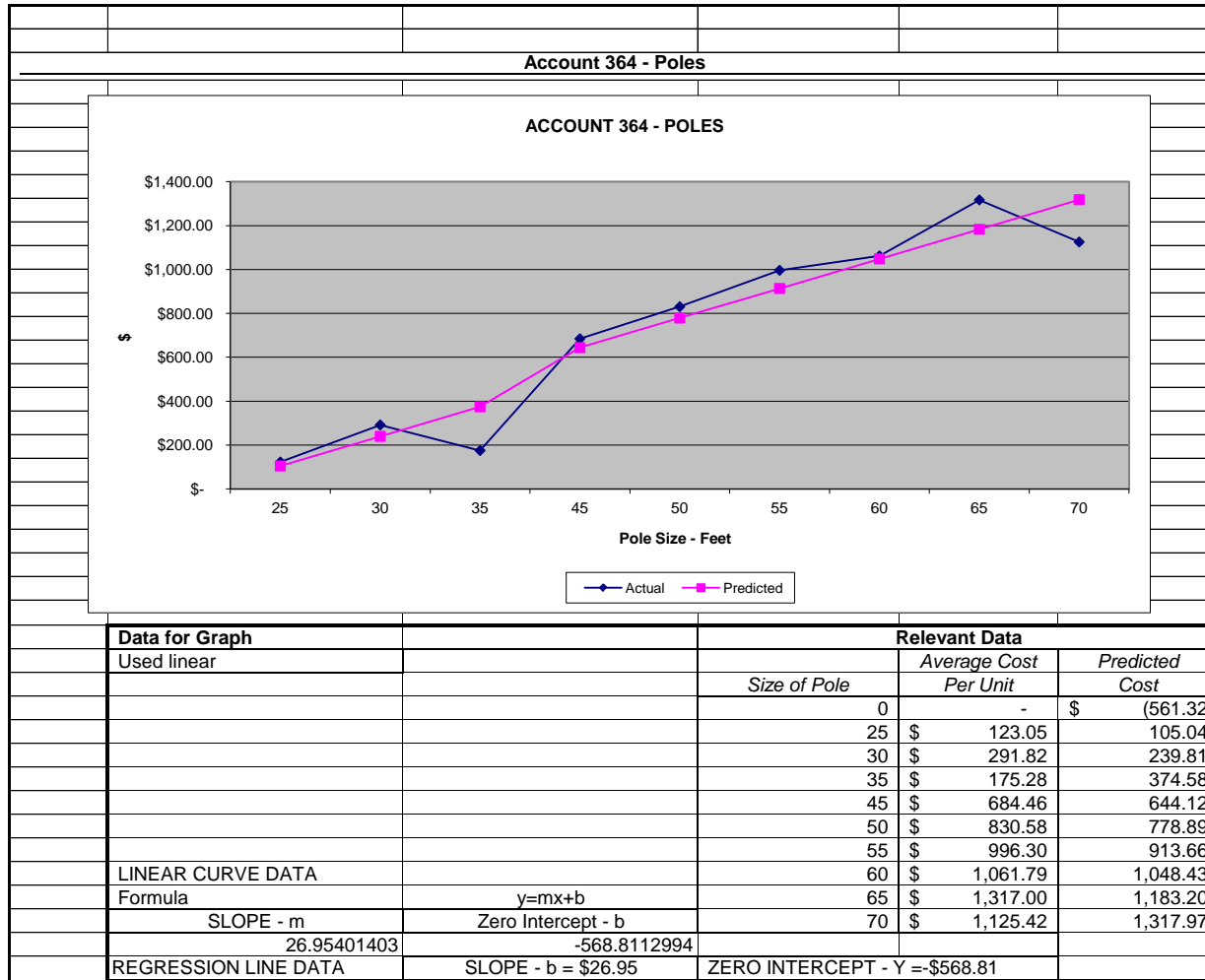




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DEMAND AND CONSUMER RELATED INVESTMENTS



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**DEMAND AND CONSUMER RELATED INVESTMENTS**

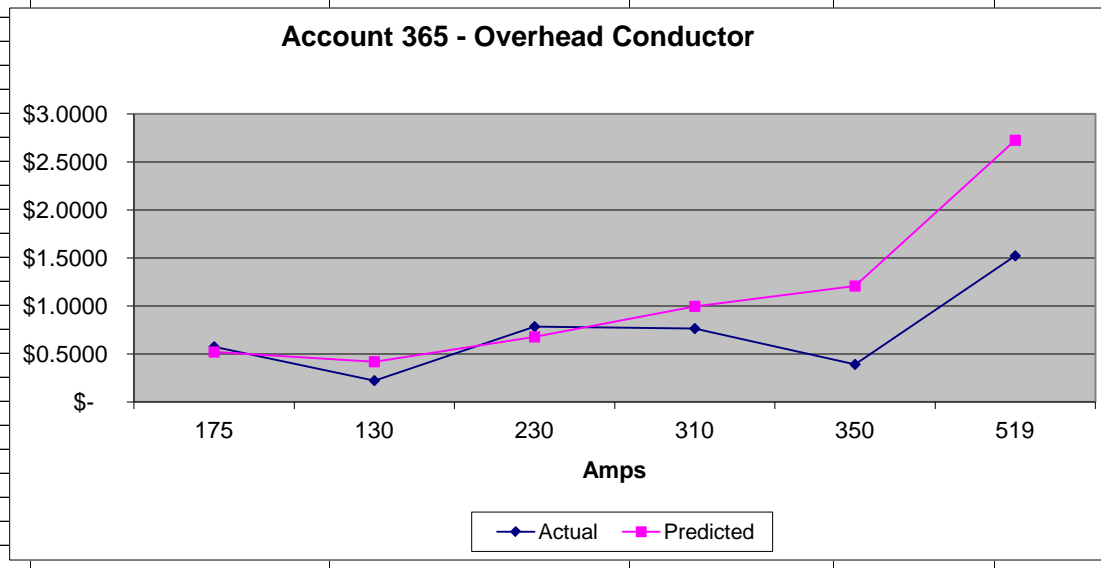
<b>ACCOUNT 365 - CONDUCTOR</b>					
1. Actual Data					
Conductor	Investment	Number of Units	Unit Cost	Amps	
2 ACSR	3,049,770	5,307,825	\$ 0.5746	175	
4 ACSR	2,090,418	9,414,165	\$ 0.2221	130	
4/0 ACSR	8,824	22,607	\$ 0.3903	350	
3/0 ACSR	2,379,273	3,114,564	\$ 0.7639	310	
1/0 ACSR	11,636,283	14,838,347	\$ 0.7842	230	
336.4 ACSR	10,503,010	6,903,435	\$ 1.5214	519	
477 ACSR	107,587	69,343	\$ 1.5515		
6ACWC	1,085,942	7,024,702	\$ 0.1546	140	
8 ACWC	1,008,219	6,631,761	\$ 0.1520	100	
6 BARE COPPER	21,795	7224	\$ 3.0170		
350 MCM URD PRIMARY	270,150	36,488	\$ 7.4038		
500 MCM URD PRIMARY	21,779	9,076	\$ 2.3996		
2 AL. CONCENTRIC URD	621	607	\$ 1.0226		
1/0 7 STRAND COPPER	42,697	93,562	\$ 0.4563		
1/0 15 KV URD PRIMARY	3,412,123	977,707	\$ 3.4899		
2/0 15KV URD PRIMARY	1,480	2,061	\$ 0.7180		
556.5 ACSR	7,282	51,336	\$ 0.1419		
397.5 SPACER CABLE	257,121	120,150	\$ 2.1400		
750 MCM URD PRIMARY	103,712	7,635	\$ 13.5838		
<b>SUBTOTAL</b>	36,008,085	54,632,595	\$ 0.6591		
All other OH Conductor Invest.	25,959,209				
<b>TOTAL</b>	61,967,294		0.66		

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DEMAND AND CONSUMER RELATED INVESTMENTS

<b>2. Demand and Consumer Investment Percents</b>			
Use linest Line			
Formula	$y=b*m^x$		
Intercept	0.223398954		
Slope	1.004831245		
Use zero intercept			0.22340
Amount of Conduit			54,632,595
Consumer Related Investment			12,204,865
Total Investment in conductor			36,008,085
<b>Percent Customer Related</b>			<b>33.89%</b>
<b>Percent Demand Related</b>			<b>66.11%</b>

CONDUCTOR DATA FOR GRAPH PURPOSES



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**DEMAND AND CONSUMER RELATED INVESTMENTS**

<b>Data for Graph</b>					
	Conuctor	Per Unit Cost	Amp Size	Predict Valeu	
	2 ACSR	\$ 0.5746	175	0.52	
	4 ACSR	\$ 0.2221	130	0.42	
	1/0 ACSR	\$ 0.7842	230	0.68	
	3/0 ACSR	\$ 0.7639	310	1.00	
	4/0 ACSR	\$ 0.3903	350	1.21	
	336.4 ACSR	\$ 1.5214	519	2.73	
	6ACWC	\$ 0.1546	140	0.44	
	8 ACWC	\$ 0.1520	100	0.36	
<b>Breakdown of Lines into Demand Related and Consumer Related Components</b>					
Acct No.	Total Investment	Consumer-Related		Demand-Related	
		Percent	Amount	Percent	Amount
364.00	63,612,934	33.89%	21,561,469.84	66.11%	42,051,464
365.00	61,967,294	19.93%	12,351,712.90	80.07%	49,615,581
	125,580,228		33,913,182.74		91,667,045
%	100.00%		27.01%		72.99%

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**DEMAND AND CONSUMER RELATED INVESTMENTS**

ACCOUNT 368 - TRANSFORMERS				
Type of Transformer	Size In KVA	Number of Transformers	Total Cost	Per Unit Cost
1.5 KVA	1.5	1	91	90.85
1.5 KVA CSP	1.5	15	1,753	116.85
3 KVA CONV	3	72	8,123	112.82
5 KVA CONV	5	165	19,276	116.82
10 KVA CSP	10	6,125	2,257,643	368.59
10 KVA CONV	10	512	183,803	358.99
15 KVA CONV	15	618	245,777	397.70
15 KVA CSP	15	14,892	6,963,602	467.61
15 KVA PADMOUNT	15	54	51,089	946.10
25 KVA CSP	25	8,401	4,674,806	556.46
25 KVA CONV	25	663	323,009	487.19
37.5 KVA CSP	37.5	1,506	1,192,755	792.00
37.5 KVA CONV	37.5	354	174,381	492.60
25 KVA PADMOUNT	25	1,063	1,146,116	1,078.19
37.5 KVA PADMOUNT	37.5	233	259,626	1,114.27
45 KVA PADMOUNT	45	1	4,223	4,223.38
50 KVA CSP	50	237	227,535	960.06
50 KVA CONV	50	485	365,958	754.55
50 KVA PADMOUNT	50	121	169,302	1,399.19
75 KVA CONV	75	172	196,978	1,145.22
75 KVA CSP	75	18	20,778	1,154.33
75 KVA PADMOUNT	75	63	147,253	2,337.34
100 KVA CONV	100	72	121,691	1,690.15
100 KVA PADMOUNT	100	37	78,841	2,130.83
112 KVA CONV	112	1	3,714	3,714.42
112 KVA PADMOUNT	112	30	112,042	3,734.72
150 KVA PADMOUNT	150	9	50,225	5,580.54
167 KVA CONV	167	58	128,576	2,216.83
167 KVA PADMOUNT	167	23	64,625	2,809.78
225 KVA 3 PH PM	225	7	40,529	5,789.87
300 KVA PADMOUNT	300	32	173,938	5,435.57
333 KVA CONV	333	20	105,291	5,264.55
500 KVA PADMOUNT	500	40	242,278	6,056.94
750 KVA 3 PH	750	18	160,390	8,910.56
1000 KVA 3 PH PADMOUNT	1000	20	209,139	10,456.96
1500 KVA PADMOUNT	1500	7	95,099	13,585.60
2000 KVA PADMOUNT	2000	4	73,297	18,324.13
2500 KVA CONV	2500	1	18,535	18,535.26

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**DEMAND AND CONSUMER RELATED INVESTMENTS**

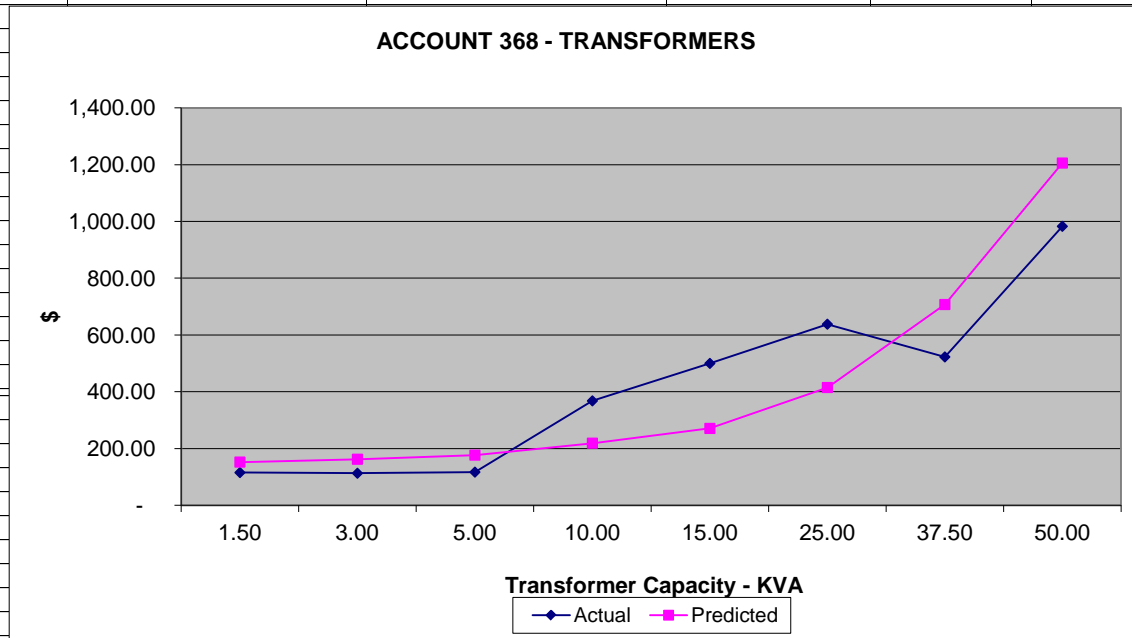
ACCONT 368 - TRANSFORMERS CONTINUED				
Type of Transformer	Size In KVA	Number of Transformers	Total Cost	Per Unit Cost
2500 KVA PADMOUNT	2500	14	303,744	21,696.01
15 KVA COV 1B	15	2,246	1,641,886	731.03
25 KVA COV 1B	25	1,333	1,166,902	875.40
37.5 KVA COV 1B	37.5	46	46,636	1,013.83
50 KVA COV 1B	50	206	268,079	1,301.35
DOE 10 KVA	10	1,056	870,040	823.90
DOE 15 KVA	15	702	649,804	925.65
DOE 50 KVA	50	102	188,500	1,848.04
DOE 10 KVA	10	17	15,222	895.39
DOE 15 KVA 2B	15	4	44,222	11,055.38
DOE 50 KVA 2B	50	2	4,195	2,097.74
DOE 75 KVA 2B	75	10	30,104	3,010.44
DOE 100 KVA 2B	100	9	33,006	3,667.37
DOE 167 KVA 2B	167	8	38,900	4,862.44
DOE 250 KVA 2B	250	3	17,200	5,733.44
DOE 15 KVA PADMOUNT	15	133	205,633	1,546.11
DOE 50 KVA PADMOUNT	50	27	58,702	2,174.15
DOE 75 KVA PADMOUNT	75	3	9,734	3,244.73
DOE 25 KVA PADMOUNT	25	7	11,789	1,684.08
DOE 25 KVA 2B	25	10	12,533	1,253.27
DOE 100 KVA PADMOUNT	100	2	28,912	14,455.81
DOE 1500 KVA PADMOUNT	1500	2	35,866	17,933.20
DOE 300 KVA PADMOUNT	300	2	15,951	7,975.44
DOE 500 KVA PADMOUNT	500	2	19,671	9,835.44
SubTotal		42,096	26,029,316	
All Other Transformer Investment			2,440,545	
Total			28,469,861	
<b>2. Demand and Consumer Investment Percents</b>				
Regression Equation	y=bm^x			
Intercept		142.776373		142.776373
m		1.043593514		1.043593514
Use Intercept				142.78
Number of Transformers				42,096
Consumer Related Investment				6,010,314
Total Investment in transformers				28,469,860.96
<b>Percent Customer Related</b>				<b>21.11%</b>
<b>Percent Demand Related</b>				<b>78.89%</b>

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**DEMAND AND CONSUMER RELATED INVESTMENTS**

ACCOUNT 368 - TRANSFORMERS			
Data for Graph	Transformer Size	Actual Cost Per Unit	Predicted Cost
	1.50	115.23	152.21
	3.00	112.82	162.27
	5.00	116.82	176.73
	10.00	367.85	218.76
	15.00	499.85	270.79
	25.00	637.94	414.90
	37.50	522.61	707.27
	50.00	982.72	1,205.66





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<b>ALLOCATION OF EXPENSES TO RATE CLASSES</b>														
Function	Classifi- cation	Amount	10		11		20		22		40		46	
			Green Power	Residential Farm & Non Farm	Residential ETS	Comm. Sml Pow & 3 Phase Farr	Comm & Sml Pow ETS	Large Power < Than 50 kW	Large Power >500 kW					
Purchased Power	Demand	13,020,019		9,979,772	-	758,287	-	1,001,914	276,998					
Purchased Power	Energy	44,410,807	4,430	31,414,934	289,632	3,109,070	4,375	4,015,658	902,134					
Metering & Substation Stations	Demand	1,321,044		1,028,516	-	78,149	-	103,257	19,552					
Lines	Demand	186,843		136,953	-	13,434	-	15,555	2,778					
Transformers	Consumer	5,681,357		5,109,500	-	382,409	-	17,562	220					
Transformers	Demand	15,356,659		11,256,209	-	1,104,155	-	1,278,437	228,307					
Services	Consumer	501,757		430,736	-	44,887	-	8,788	-					
Meters	Demand	1,874,984		1,608,369	-	101,321	-	77,412	-					
Consumer Services & Accounting	Consumer	3,271,426		2,690,704	6,300	453,104	520	9,248	-					
Lighting	Consumer	3,976,299		3,514,729	82,298	263,052	1,208	35,383	442					
Revenue Requirements	Lighting	825,037		4,688,645	41,170	526,366	604	36,259	806					
		96,082,062	4,430	71,859,066	419,400	6,834,232	6,707	6,599,472	1,431,237					
<b>SUMMARY</b>														
	Amount	10		11		20		22		40		46		
		Green Power	Residential Farm & Non Farm	Residential ETS	Comm. Sml Pow & 3 Phase Farr	Comm & Sml Pow ETS	Large Power < Than 50 kW	Large Power >500 kW						
Consumer Related	19,086,669	-	16,434,314	129,768	1,669,816	2,333	107,240	1,468						
Demand Related	31,759,549	-	24,009,818	-	2,055,346	-	2,476,574	527,635						
Energy Related	44,410,807	4,430	31,414,934	289,632	3,109,070	4,375	4,015,658	902,134						
Lighting	825,037													
Revenue Requirements	96,082,062	4,430	71,859,066	419,400	6,834,232	6,707	6,599,472	1,431,237						

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<b>ALLOCATION OF EXPENSES TO RATE CLASSES</b>											
Function	Classifi- cation	47	50	52	-	Total		46	47		Total
		Large Power 500-4999 KW	Schl. Community Halls & Parks	All Electric Schools	Outdoor Lights	Energy for Sched E	Envirowatts	500 kW & Over (C)	500-4,999 kW (B)	Wellhead	Energy kWh
Purchased Power	Demand	487,557	253,833	126,656	135,002	12,255,464		276,998	487,557	-	13,020,019
Purchased Power	Energy	1,705,425	1,365,424	572,652	1,027,075	41,798,818	4,430	902,134	1,705,425	-	44,410,807
Metering & Substation Stations	Demand	38,443	26,160	13,053	13,913	1,263,048	-	19,552	38,443		1,321,044
Lines	Consumer	5,673	5,109	4,165	3,175	178,391	-	2,778	5,673		186,843
Lines	Consumer	329	111,518	2,634	57,186	5,680,808	-	220	329		5,681,357
Transformers	Demand	466,304	419,894	342,362	260,992	14,662,048	-	228,307	466,304		15,356,659
Transformers	Consumer	-	13,090	2,743	1,515	501,757	-	-	-		501,757
Services	Demand	-	48,376	26,910	12,596	1,874,984	-	-	-		1,874,984
Meters	Consumer	-	58,726	5,820	47,003	3,271,426	-	-	-		3,271,426
Consumer Services & Accounting	Consumer	663	76,711	1,812	-	3,975,193	-	442	663		3,976,299
Lighting	Lighting	1,209	153,498	3,626	203,648	5,653,816	-	806	1,209		5,655,830
Revenue Requirements					825,037	825,037	-				825,037
		2,705,604	2,532,337	1,102,435	2,587,142	91,940,791	4,430	1,431,237	2,705,604	-	96,082,062
		47	50	52	-	Total	-	46	47	-	-
		Large Power	Schl. Community	All Electric	Outdoor	Energy for	-	500 kW &	500-4,999 kW	-	Total
		500-4999 KW	Halls & Parks	Schools	Lights	Sched E	Envirowatts	Over (C)	(B)	Wellhead	Energy kWh
Consumer Related		2,201	413,542	16,635	309,351	19,083,000	-	1,468	2,201	-	19,086,669
Demand Related		997,978	753,371	513,148	425,680	30,233,936	-	527,635	997,978	-	31,759,549
Energy Related		1,705,425	1,365,424	572,652	1,027,075	41,798,818	4,430	902,134	1,705,425	-	44,410,807
Lighting		-	-	-	825,037	825,037	-	-	-	-	825,037
Revenue Requirements		2,705,604	2,532,337	1,102,435	2,587,142	91,940,791	4,430	1,431,237	2,705,604	-	96,082,062



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**LOAD DATA USED IN THE ALLOCATION OF THE DEMAND RELATED AND ENERGY RELATED COSTS**

Witness: Jim Adkins

<b>MONTHLY CONTRIBUTIONS TO EKPC COINCIDENT PEAK DEMAND - KW</b>								
	0	10	11	20	22	40	46	47
	Green	Residential	Residential	Comm. Sml Pow	Comm & Sml Pow	Large Power	Large Power	Large Power
Month	Power	Farm & Non Farm	ETS	& 3 Phase Farm	ETS	< Than 50 kW	>500 kW	500-4999 KW
January	0	131,330	-	10,129	-	14,308	2,374	5,190
February	0	164,950	-	13,551	-	15,813	2,402	4,699
March	0	132,308	-	10,995	-	13,511	2,328	4,628
April	0	104,790	-	11,112	-	16,590	1,931	4,954
May	0	124,897	-	8,856	-	11,056	2,875	3,802
June	0	145,912	-	11,740	-	11,073	2,789	5,307
July	0	145,613	-	12,007	-	10,479	2,662	4,013
August	0	128,570	-	8,207	-	10,639	3,093	5,855
September	0	119,873	-	9,599	-	11,356	2,563	5,790
October	0	112,272	-	7,217	-	11,112	2,482	4,871
November	0	143,012	-	7,947	-	17,516	2,310	5,028
December	0	126,304	-	8,681	-	15,153	2,225	4,914
	-	1,579,831	-	120,039	-	158,606	30,033	59,050
Allocation %		81.43%	0.00%	6.19%	0.00%	8.18%		
	0.00%	77.86%	0.00%	5.92%	0.00%	7.82%	1.48%	2.91%

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**LOAD DATA USED IN THE ALLOCATION OF THE DEMAND RELATED AND ENERGY RELATED COSTS**

Witness: Jim Adkins

MONTHLY PEAK DEMANDS FOR EACH RATE CLASS								
	0	10	11	20	22	40	46	47
	Green	Residential	Residential	Comm. Sml Pow	Comm & Sml Pow	Large Power	Large Power	Large Power
Month	Power	Farm & Non Farm	ETS	& 3 Phase Farm	ETS	< Than 50 kW	>500 kW	500-4999 KW
January	-	169,053	-	16,862	-	15,926	2,898	6,093
February	-	196,462	-	16,742	-	16,466	2,931	5,979
March	-	146,642	-	13,936	-	16,447	2,930	6,438
April	-	109,911	-	13,019	-	16,590	3,139	6,268
May	-	141,868	-	13,601	-	17,732	3,268	6,352
June	-	180,812	-	16,717	-	16,337	3,312	6,589
July	-	180,870	-	18,579	-	17,912	3,544	6,825
August	-	156,480	-	17,111	-	20,085	3,546	6,816
September	-	134,748	-	14,384	-	18,840	3,345	6,779
October	-	112,272	-	12,914	-	17,399	2,921	6,280
November	-	143,012	-	11,720	-	17,744	2,804	6,167
December	-	171,866	-	15,298	-	17,956	2,763	5,805
	-	1,843,996	-	180,883	-	209,434	37,401	76,390
		76.77%	0.00%	7.53%	0.00%	8.72%		
		73.30%	0.00%	7.19%	0.00%	8.32%	1.49%	3.04%







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**LOAD DATA USED IN THE ALLOCATION OF THE DEMAND RELATED AND ENERGY RELATED COSTS**

MONTHLY CONTRIBUTIONS TO EKPC COINCIDENT PEAK DEMAND - KW									
	50	52	0	Total	0	46	47		
Month	Schl. Community Halls & Parks	All Electric Schools	Outdoor Lights	Energy for Sched E	0 Envirowatts	500 kW & Over (C)	500-4,999 kW (B)		Total
January	3,464	2,131	3,578	164,940	0	2,374	5,190		172,504
February	4,122	2,089	3,577	204,102	0	2,402	4,699		211,203
March	3,756	2,052	3,576	166,199	0	2,328	4,628		173,155
April	2,848	1,645	-	136,983	0	1,931	4,954		143,868
May	3,061	1,164	-	149,033	0	2,875	3,802		155,710
June	4,160	1,418	-	174,303	0	2,789	5,307		182,399
July	4,233	1,311	-	173,643	0	2,662	4,013		180,318
August	3,211	1,569	-	152,196	0	3,093	5,855		161,144
September	3,765	1,646	-	146,239	0	2,563	5,790		154,591
October	2,255	1,310	3,551	137,716	0	2,482	4,871		145,068
November	2,384	1,797	3,546	176,202	0	2,310	5,028		183,540
December	2,924	1,919	3,543	158,524	0	2,225	4,914		165,662
	40,183	20,050	21,371	1,940,081	-	30,033	59,050		2,029,164
Allocation %	2.07%	1.03%	1.10%	=sum(		33.71%	66.29%		
			100.00%						
	1.98%	0.99%	1.05%	95.61%	0.00%	1.48%	2.91%		100.00%
			100.00%						

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**LOAD DATA USED IN THE ALLOCATION OF THE DEMAND RELATED AND ENERGY RELATED COSTS**

			0						
<b>MONTHLY PEAK DEMANDS FOR EACH RATE CLASS</b>									
	50	52	0	Total	0	46	47		
	Schl. Community Halls & Parks	All Electric Schools	Outdoor Lights	Energy for Sched E	0 Envirowatts	500 kW & Over (C)	500-4,999 kW (B)		Total
January	7,326	6,124	3,578	218,870	0	2,898	6,093		227,861
February	7,334	6,090	3,577	246,671	0	2,931	5,979		255,582
March	6,554	5,106	3,576	192,262	0	2,930	6,438		201,629
April	4,806	4,422	3,569	152,317	0	3,139	6,268		161,724
May	4,609	4,233	3,570	185,613	0	3,268	6,352		195,233
June	4,845	3,463	3,567	225,741	0	3,312	6,589		235,642
July	5,292	3,692	3,565	229,910	0	3,544	6,825		240,280
August	5,737	4,013	3,558	206,983	0	3,546	6,816		217,346
September	5,305	4,008	3,555	180,841	0	3,345	6,779		190,965
October	5,279	4,497	3,551	155,911	0	2,921	6,280		165,112
November	5,319	4,752	3,546	186,094	0	2,804	6,167		195,065
December	6,380	5,686	3,543	220,728	0	2,763	5,805		229,297
	68,787	56,086	42,756	2,401,942	-	37,401	76,390		2,515,733
	2.86%	2.34%	1.78%	100.00%		41.98%	85.75%		
	2.73%	2.23%	1.70%	100.00%					200.00%

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**LOAD DATA USED IN THE ALLOCATION OF THE DEMAND RELATED AND ENERGY RELATED COSTS**

SUM OF MONTHLY CUSTOMER DEMANDS FOR EACH CLASS - KW									
	Schl. Community Halls & Parks	52 All Electric Schools	0 Outdoor Lights	Total Energy for Sched E	0 Envirowatts	46 500 kW & Over (C)	46 500 kW & Over (C)	0	- - Total
January	12,879	8,698	3,578	564,892	0	2,898	6,093		573,882
February	13,897	9,350	3,577	558,998	0	2,931	5,979		567,909
March	14,131	9,132	3,576	554,988	0	2,930	6,438		564,355
April	12,414	7,290	3,569	538,102	0	3,139	6,268		547,509
May	13,869	7,255	3,570	485,632	0	3,268	6,352		495,252
June	13,348	5,435	3,567	510,408	0	3,312	6,589		520,308
July	13,463	5,193	3,565	510,722	0	3,544	6,825		521,092
August	14,166	5,573	3,558	498,618	0	3,546	6,816		508,980
September	14,154	6,282	3,555	507,305	0	3,345	6,779		517,429
October	14,754	8,863	3,551	558,064	0	2,921	6,280		567,264
November	13,415	8,986	3,546	502,545	0	2,804	6,167		511,516
December	13,711	9,285	3,543	573,997	0	2,763	5,805		582,566
	164,202	91,342	42,756	6,364,270	-	37,401	76,390		6,478,062
0.00%	2.58%	1.44%	0.67%	100.00%	1.44%	41.98%	85.75%		
	6.53%	3.63%	1.70%	257.50%					515.00%
				6,364,270					

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**ALLOCATION OF CONSUMER RELATED COSTS**

**A. Lines (poles and conduit)**

		Number of Consumers	Relative Weight	Allocation Percent
10	Residential	46,551	-	89.93%
11	Residential ETS	-	-	0.00%
20	Small Commercial	3,484	-	6.73%
22	Small Commercial ETS	-	-	0.00%
40	Large Power <50	160	-	0.31%
46	Large Power 50-500	2	-	0.00%
47	Large Power 500-4999	3	-	0.01%
50	Schools, Churches	1,016	-	1.96%
52	All Electric Schools	24	-	0.05%
-	Out Door Lighting	521	-	1.01%
				0.00%
				0.00%
				0.00%
		51,761	-	100.0000%

**B. Transformers**

		1	2	3	4	5	6
		Minimum Size Transform.	Cost of Minimum Transform.	Weighted Cost Min = 1	Number of Customers	Relative Weight	Allocation Percent
10	Residential	10 KVA	\$ 358.99	1.00	46,551	46,551	85.85%
11	Residential ETS	10 KVA	\$ 358.99	1.00	-	-	0.00%
20	Small Commercial	15 KVA	499.85	1.39	3,484	4,851	8.95%
22	Small Commercial ETS	10 KVA	358.99	1.00	-	-	0.00%
40	Large Power <50	100 KVA	2,130.83	5.94	160	950	1.75%
46	Large Power 50-500	1000 KVA	10,456.96	29.13	-	-	0.00%
47	Large Power 500-4999	1000 KVA	10,456.96	29.13	-	-	0.00%
50	Schools, Churches	15 KVA	499.85	1.39	1,016	1,415	2.61%
52	All Electric Schools	300 KVA	4,433.66	12.35	24	296	0.55%
-	Out Door Lighting	3 KVA	112.82	0.31	521	164	0.30%
-	-						
-	-						
-	-						
					51,756.00	54,226.56	100.00%

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**ALLOCATION OF CONSUMER RELATED COSTS**

**C. Services**

		1	2	3	4	5	6	
		Minimum Size Service	Cost Per Unit	Average Length of Service	Cost of Service	Number of Customers	Relative Weight	Allocation Percent
10	Residential	<u>1/0 AI</u>	\$ 2.44	<u>100</u>	\$ 244.00	46,551	11,358,444	82.25%
11	Residential ETS	<u>1/0 AI</u>	\$ 2.44	<u>10</u>	24.40	1,090	26,596	0.19%
20	Small Commercial	<u>1/0 AI</u>	\$ 2.44	<u>225</u>	549.00	3,484	1,912,716	13.85%
22	Small Commercial ETS	<u>1/0 AI</u>	\$ 2.44	<u>10</u>	24.40	90	2,196	0.02%
40	Large Power <50		\$ 2.44	<u>100</u>	244.00	160	39,040	0.28%
46	Large Power 50-500	<u>NA</u>		<u>NA</u>		2	-	0.00%
47	Large Power 500-4999	<u>NA</u>		<u>NA</u>		3	-	0.00%
50	Schools, Churches	<u>1/0 AI</u>	\$ 2.44	<u>100</u>	244.00	1,016	247,904	1.80%
52	All Electric Schools	<u>4/0 AI</u>	4.55	<u>225</u>	1,023.75	24	24,570	0.18%
-	Out Door Lighting	<u>4/0 AI</u>	\$ 0.92	<u>10</u>	9.20	21,567	198,416	1.44%
-	-							0.00%
-	-							0.00%
-	-							0.00%
						73,987.00	13,809,882	100.00%

**D. Meters**

		1	2	3	4	5	6
		Minimum Size Meter	Cost of Minimum Meter	Weighted Cost Meter	Number of Customers	Relative Weight	Allocation Percent
10	Residential	200	124.13	1.00	46,551	46,551.00	88.392%
11	Residential ETS	200	124.13	1.00	1,090	1,090.00	2.070%
20	Small Commercial	200	124.13	1.00	3,484	3,484.00	6.615%
22	Small Commercial ETS	200	124.13	1.00	16	16.00	0.030%
40	Large Power <50	2.5	363.57	2.93	160	468.63	0.890%
46	Large Power 50-500	2.5	363.57	2.93	2	5.86	0.011%
47	Large Power 500-4999	2.5	363.57	2.93	3	8.79	0.017%
50	Schools, Churches	200	124.13	1.00	1,016	1,016.00	1.929%
52	All Electric Schools	200	124.13	1.00	24	24.00	0.046%
-	Out Door Lighting	200	124.13	1.00	-	-	0.000%
-	-		-	-	-	-	0.000%
-	-		-	-	-	-	0.000%
-	-		-	-	-	-	0.000%
					52,346.00	52,664.28	100.0%

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**ALLOCATION OF CONSUMER RELATED COSTS**

**E. Consumer & Accounting Services**

		1	2	3	4	5	6
Rate Class		<u>Billing Factor</u>	<u>Multiplier</u>	<u>1 x 2 Records</u>	<u>Number of Customers</u>	<u>3 x 4 Total</u>	<u>Allocation Percent</u>
10	Residential	4	2.00	8.00	46,551	372,408	82.90%
11	Residential ETS	3	1.00	3.00	1,090	3,270	0.73%
20	Small Commercial	4	3.00	12.00	3,484	41,808	9.31%
22	Small Commercial ETS	3	1.00	3.00	16	48	0.01%
40	Large Power <50	6	3.00	18.00	160	2,880	0.64%
46	Large Power 50-500	8	4.00	32.00	2	64	0.01%
47	Large Power 500-4999	8	4.00	32.00	3	96	0.02%
50	Schools, Churches	4	3.00	12.00	1,016	12,192	2.71%
52	All Electric Schools	4	3.00	12.00	24	288	0.06%
-	Out Door Lighting	3	0.25	0.75	21,567	16,175	3.60%
					73,913	449,229	100%

**JACKSON ENERGY COOPERATIVE**  
**CASE NO. 2013-00219 COSTS TO SERVE EACH RATE CLASS AND COST BASED RATES**

Revised Exhibit R  
 Schedule 5  
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 Witness: Jim Adkins

	10	11	20	22	40	46	47
	Residential	Residential	Comm. Sml Pow	Comm & Sml Po	Large Power	Large Power	Large Power
	Farm & Non Farm	ETS	& 3 Phase Farm	ETS	< Than 50 kW	>500 kW	500-4999 KW
Revenue from Rates	65,324,813	346,827	6,400,934	4,446	6,762,714	1,403,807	2,662,906
Less Purchased Power Costs							
Demand	9,979,772	-	758,287	-	1,001,914	276,998	487,557
Energy	31,419,364	289,632	3,109,070	4,375	4,015,658	902,134	1,705,425
Total	41,399,135	289,632	3,867,357	4,375	5,017,572	1,179,132	2,192,982
Gross Margin	23,925,678	57,195	2,533,577	71	1,745,142	224,675	469,925
Less Distribution Costs							
Demand Related							
Stations	136,953	-	13,434	-	15,555	2,778	5,673
Lines	11,256,209	-	1,104,155	-	1,278,437	228,307	466,304
Transformers	1,608,369	-	101,321	-	77,412	-	-
Total	13,001,531	-	1,218,909	-	1,371,403	231,085	471,977
Consumer Related							
Lines	5,109,500	-	382,409	-	17,562	220	329
Transformers	430,736	-	44,887	-	8,788	-	-
Services	2,690,704	6,300	453,104	520	9,248	-	-
Meters	3,514,729	82,298	263,052	1,208	35,383	442	663
Consumer Svc & Accouting	4,688,645	41,170	526,366	604	36,259	806	1,209
Outdoor Lighting							-
Total Consumer Related	16,434,314	129,768	1,669,816	2,333	107,240	1,468	2,201
Total Distribution Costs	29,435,845	129,768	2,888,726	2,333	1,478,643	232,553	474,179
Income from Rate Revenue	(5,510,167)	(72,573)	(355,149)	(2,261)	266,499	(7,878)	(4,254)
Other Revenue	2,262,177	12,010	221,662	154	234,191	-	-
Net Margins	(3,247,990)	(60,562)	(133,486)	(2,107)	500,689	(7,878)	(4,254)
<b>BILLING UNITS</b>							
Consumer Charge Units	559,075		41,296		1,884	24	36
Energy kWh	604,001,121	5,869,464	59,785,822	84,122	77,219,046	20,992,480	39,684,880
Demand kW					241,170	44,862	75,877
<b>COST BASED RATES</b>							
Customer Charge	\$ 29.40	\$ -	\$ 40.44	\$ -	\$ 56.92	\$ 61.15	\$ 61.15
Energy Charge	\$ 0.09176	\$ 0.04935	\$ 0.08638	\$ 0.05200	\$ 0.08408	\$ 0.06811	\$ 0.06812
Demand Charge					\$ 9.84	\$ 11.33	\$ 12.65



**JACKSON ENERGY COOPERATIVE**  
**CASE NO. 2013-00219 COSTS TO SERVE EACH RATE CLASS AND COST BASED RATES**

Revised Exhibit R  
 Schedule 5  
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 Witness: Jim Adkins

	50	52		Total	46	47	
	Schl. Community	All Electric	Outdoor	Energy for	500 kW &	500-4,999 kW	Total
	Halls & Parks	Schools	Lights	Sched E	Over (C)	(B)	Energy kWh
Revenue from Rates	2,693,975	881,976	2,544,294	84,959,979	1,403,807	2,662,906	89,026,692
Less Purchased Power Costs							
Demand	253,833	126,656	135,002	12,255,464	276,998	487,557	13,020,019
Energy	1,365,424	572,652	1,027,075	41,803,248	902,134	1,705,425	44,410,807
Total	1,619,257	699,308	1,162,077	54,058,712	1,179,132	2,192,982	57,430,826
Gross Margin	1,074,719	182,667	1,382,217	30,901,266	224,675	469,925	31,595,866
Less Distribution Costs							
Demand Related							
Stations	5,109	4,165	3,175	178,391	2,778	5,673	186,843
Lines	419,894	342,362	260,992	14,662,048	228,307	466,304	15,356,659
Transformers	48,376	26,910	12,596	1,874,984	-	-	1,874,984
	473,378	373,438	276,764	16,715,424	231,085	471,977	17,418,486
Consumer Related							
Lines	111,518	2,634	57,186	5,680,808	220	329	5,681,357
Transformers	13,090	2,743	1,515	501,757	-	-	501,757
Services	58,726	5,820	47,003	3,271,426	-	-	3,271,426
Meters	76,711	1,812	-	3,975,193	442	663	3,976,299
Consumer Svc & Accouting	153,498	3,626	203,648	5,653,816	806	1,209	5,655,830
Outdoor Lighting		-	825,037	825,037	-	-	825,037
Total Consumer Related	413,542	16,635	1,134,388	19,908,037	1,468	2,201	19,911,706
Total Distribution Costs	886,920	390,073	1,411,152	36,623,460	232,553	474,179	37,330,192
Income from Rate Revenue	187,798	(207,406)	(28,935)	(5,722,194)	(7,878)	(4,254)	(5,734,326)
Other Revenue	93,291	30,543	88,108	2,942,137	-	-	2,942,137
Net Margins	281,090	(176,864)	59,173	(2,780,057)	(7,878)	(4,254)	(2,792,189)

**BILLING UNITS**

Consumer Charge Units	12,376	299	258,117
Energy kWh	26,256,407	11,011,808	19,750,121
Demand kW			

**COST BASED RATES**

Customer Charge	\$ 33.41	\$ 55.64	\$ 4.39
Energy Charge	\$ 0.08070	\$ 0.09860	\$ 0.11533
Demand Charge			

**Jackson Energy Cooperative**  
**Case No. 2013-00219**  
**Statement of Operations, Adjusted**

	<u>Actual</u>		<u>Adjusted</u>		<u>First Year</u>	<u>Adjustment</u>	<u>Second Year</u>	<u>Adjustment</u>	<u>Third Year</u>
	<u>Test Year</u>	<u>Adjustment</u>	<u>Test Year</u>	<u>Adjustment</u>					
Operating Revenues:									
Base rates	89,026,692		89,026,692	1,370,000	90,396,693	1,370,000	91,766,693	1,370,000	93,136,693
Fuel adjustment	(1,164,623)		(1,164,623)		(1,164,623)		(1,164,623)		(1,164,623)
Environmental surcharge	8,830,751		8,830,751		8,830,751		8,830,751		8,830,751
Other electric revenue	2,599,150		2,599,150		2,599,150		2,599,150		2,599,150
	<u>99,291,970</u>		<u>99,291,970</u>	<u>1,370,000</u>	<u>100,661,970</u>	<u>1,370,000</u>	<u>102,031,970</u>	<u>1,370,000</u>	<u>103,401,971</u>
Operating Expenses:									
Cost of power:	66,412,945		66,412,945		66,412,945		66,412,945		66,412,945
Distribution - operations	4,868,071		4,868,071		4,868,071		4,868,071		4,868,071
Distribution - maintenance	5,951,960		5,951,960		5,951,960		5,951,960		5,951,960
Consumer accounts	3,120,184		3,120,184		3,120,184		3,120,184		3,120,184
Customer service	811,685		811,685		811,685		811,685		811,685
Sales	-		-		-		-		-
Administrative and general	4,574,854		4,574,854		4,574,854		4,574,854		4,574,854
Total operating expenses	<u>85,739,699</u>	<u>-</u>	<u>85,739,699</u>		<u>85,739,699</u>		<u>85,739,699</u>		<u>85,739,699</u>
Depreciation	8,726,653		8,726,653		8,726,653		8,726,653		8,726,653
Taxes - other	120,557		120,557		120,557		120,557		120,557
Interest on long-term debt	5,403,344		5,403,344		5,403,344		5,403,344		5,403,344
Interest expense - other	54,021		54,021		54,021		54,021		54,021
Other deductions	80,896		80,896		80,896		80,896		80,896
Total cost of electric service	<u>100,125,170</u>	<u>-</u>	<u>100,125,170</u>		<u>100,125,170</u>		<u>100,125,170</u>		<u>100,125,170</u>
Utility operating margins	(833,200)		(833,200)	1,370,000	536,800	1,370,000	1,906,800	1,370,000	3,276,801
Nonoperating margins, interest	161,289		161,289		161,289		161,289		161,289
Income from Equity Investments	124,271		124,271		124,271		124,271		124,271
Nonoperating margins, other	(95,293)		(95,293)		(95,293)		(95,293)		(95,293)
G & T capital credits	4,358,339	(4,358,339)	-		-		-		-
Patronage capital credits	150,928		150,928		150,928		150,928		150,928
Net Margins	<u>3,866,334</u>	<u>(4,358,339)</u>	<u>(492,005)</u>		<u>877,995</u>	<u>1,370,000</u>	<u>2,247,995</u>	<u>1,370,000</u>	<u>3,617,996</u>
TIER	1.72		0.91		1.16		1.42		1.67
OTIER	0.85		0.85		1.10		1.35		1.61

**Jackson Energy Cooperative**  
**Case No. 2013-00219**  
**Balance Sheet, Adjusted**  
**December 31, 2013**

	Actual Test Year	Adjustments to Test Year	Adjusted Test Year 1	Adjustments to Test Year	Adjusted Test Year 2	Adjustments to Test Year	Adjusted Test Year 2
<b><u>ASSETS</u></b>							
Electric Plant:							
In service	217,147,938		217,147,938		217,147,938		217,147,938
Under construction	993,407		993,407		993,407		993,407
	<u>218,141,345</u>		<u>218,141,345</u>		<u>218,141,345</u>		<u>218,141,345</u>
Less accumulated depreciation	57,505,856	-	57,505,856		57,505,856		57,505,856
	<u>160,635,489</u>	-	<u>160,635,489</u>		<u>160,635,489</u>		<u>160,635,489</u>
Investments	41,199,079		41,199,079		41,199,079		41,199,079
Current Assets:							
Cash and temporary investments	2,650,881	1,370,000	4,020,881	1,370,000	5,390,881	1,370,000	6,760,881
Accounts receivable, net	17,117,959		17,117,959		17,117,959		17,117,959
Material and supplies	1,351,848		1,351,848		1,351,848		1,351,848
Prepayments and current assets	333,165		333,165		333,165		333,165
	<u>21,453,853</u>		<u>22,823,853</u>	1,370,000	<u>24,193,853</u>	1,370,000	<u>25,563,853</u>
Deferred debits and Regulatory Assets	8,660,044	-	8,660,044		8,660,044		8,660,044
Total	<u>231,948,465</u>	-	<u>233,318,465</u>	1,370,000	<u>234,688,465</u>	1,370,000	<u>236,058,465</u>
<b><u>MEMBERS' EQUITIES AND LIABILITIES</u></b>							
Margins:							
Memberships	1,297,295		1,297,295		1,297,295		1,297,295
Patronage capital	72,241,465	1,370,000	73,611,465	1,370,000	74,981,465	1,370,000	76,351,465
	<u>73,538,760</u>	1,370,000	<u>74,908,760</u>	1,370,000	<u>76,278,760</u>	1,370,000	<u>77,648,760</u>
Long Term Debt	136,141,129		136,141,129		136,141,129		136,141,129
Accumulated Operating Provisions	8,188,760		8,188,760		8,188,760		8,188,760
Current Liabilities:							
Short term borrowings	1,000,000		1,000,000		1,000,000		1,000,000
Accounts payable	9,260,932		9,260,932		9,260,932		9,260,932
Consumer deposits	1,094,290		1,094,290		1,094,290		1,094,290
Accrued expenses	2,395,830		2,395,830		2,395,830		2,395,830
	<u>13,751,052</u>		<u>13,751,052</u>		<u>13,751,052</u>		<u>13,751,052</u>
Deferred credits	328,764		328,764		328,764		328,764
Total	<u>231,948,465</u>	1,370,000	<u>233,318,465</u>	1,370,000	<u>234,688,465</u>	1,370,000	<u>236,058,465</u>

**AFFILIATE ALLOCATIONS**

Jackson Energy has not had any amounts charged or allocated to it by an affiliate or general or home office or paid monies to an affiliate or general or home office during the test period or during the previous three (3) calendar years.

ARTICLES OF INCORPORATION

OF

JACKSON COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

July 26 1933

Copy attest:

*Charles D. Arnett*  
SECRETARY OF STATE  
Secretary of State

Copy for Incorporators

ARTICLES OF INCORPORATION

OF

JACKSON COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

The incorporators whose names are hereunto signed, being natural persons and citizens of the Commonwealth of Kentucky, have executed these Articles of Incorporation for the purpose of forming a cooperative corporation not organized for pecuniary profit pursuant to the "Rural Electric Cooperative Corporation Act" which was passed by the General Assembly of Kentucky at special Session, 1936, and approved on January 18, 1937, in accordance with the following provisions:

ARTICLE 1

The name of the Corporation shall be "Jackson County Rural Electric Cooperative Corporation".

ARTICLE 11

The purpose or purposes for which the Corporation is formed are to promote and encourage the fullest possible use of electric energy in the Commonwealth of Kentucky by making electric energy available by production, transmission or distribution, or both, to or by otherwise securing the same for the inhabitants of and persons in rural areas of the Commonwealth of Kentucky at the lowest cost consistent with sound business methods and prudent management of the business of the Corporation and also ~~by~~ making available to the said inhabitants as aforesaid electrical devices, equipment, wiring, appliances, fixtures and supplies and all kinds of tools, equipment and machinery (including any fixtures or property or both which may by its use be conducive to a more complete use of electricity or electric energy) operated by electricity or electric energy and, without limiting the <sup>generality</sup> ~~generality~~ of the foregoing:

- (a) to generate, manufacture, purchase, acquire and accumulate electric energy for its members and non-members to the extent permitted by the Act under which the Corpora-

tion is formed and to transmit, distribute, furnish, sell and dispose of such electric energy to its members and non-members to the extent permitted by the Act under which the Corporation is formed, and to construct, erect, purchase, lease as lessee and in any manner acquire, own, hold, maintain, operate, sell, dispose of, lease as lessor, exchange and mortgage plants, buildings, works, machinery, supplies, apparatus, equipment and electric transmission and distribution lines or systems necessary, convenient or useful for carrying out and accomplishing any or all of the foregoing purposes;

- (b) to acquire, own, hold, use, exercise and, to the extent permitted by law, to sell, mortgage, pledge, hypothecate and in any manner dispose of franchises, rights, privileges, licenses, rights of way and easements necessary, useful or appropriate to accomplish any or all of the purposes of the Corporation;
- (c) to purchase, receive, lease as lessee, or in any other manner acquire, own, hold, maintain, use, convey, sell, lease as lessor, exchange, mortgage, pledge or otherwise dispose of any and all real and personal property or any interest therein necessary, useful or appropriate to enable the Corporation to accomplish any or all of its purposes;
- (d) to assist its members to wire their premises and install therein electrical and plumbing appliances, fixtures, machinery, supplies, apparatus and equipment of any and all kinds and character (including, without limiting the generality of the foregoing, such as are applicable to water supply and sewage disposal) and, in connection



therewith and for such purposes, to purchase, acquire, lease, sell, distribute, install and repair electrical and plumbing appliances, fixtures, machinery, supplies, apparatus and equipment of any and all kinds and character (including, without limiting the generality of the foregoing, such as are applicable to water supply and sewage disposal) and to receive, acquire, endorse, pledge, guarantee, hypothecate, transfer or otherwise dispose of notes and other evidences of indebtedness and all security therefor;

- (e) to borrow money, to make and issue bonds, notes and other evidences of indebtedness, secured or unsecured, for moneys borrowed or in payment for property acquired, or for any of the other objects or purposes of the Corporation; to secure the payment of such bonds, notes or other evidences of indebtedness by mortgage or mortgages, or deed or deeds of trust upon, or by the pledge of or other lien upon, any or all of the property, rights, privileges or permits of the Corporation, wheresoever situated, acquired or to be acquired;
- (f) to do and perform, either for itself or its members, any and all acts and things, and to have and exercise any and all powers, as may be necessary or convenient to accomplish any or all of the foregoing purposes or as may be permitted by the Act under which the Corporation is formed, and to exercise any of its powers anywhere.

ARTICLE 111

The principal office of the Corporation shall be located at McKee , in the County of Jackson, Commonwealth of Kentucky.

ARTICLE IV

The operations of the Corporation are to be conducted in the Counties of Jackson Clay and Laurel, and in such other counties as such operations may from time to time become necessary or desirable in the interest of this Corporation or of its members.

ARTICLE V

The number of directors of the Corporation shall be seven.

*(Now nine)*

ARTICLE VI

The names and post office addresses of the directors who are to manage the affairs of the Corporation until the first annual meeting of the members or until their successors shall have been elected and shall have qualified, are:

<u>Name</u>	<u>Post Office Address</u>
<u>Coleman Reynolds</u>	<u>McKee, Kentucky</u>
<u>D. O. Collier</u>	<u>McKee, Kentucky</u>
<u>George Sparks</u>	<u>Erlon, Kentucky</u>
<u>L. H. Sparks</u>	<u>McKee, Kentucky</u>
<u>R. H. Johnston</u>	<u>Annville, Kentucky</u>
<u>W. R. Feltner</u>	<u>Onsida, Kentucky</u>
<u>J. R. Moberly</u>	<u>Oakley, Kentucky</u>

ARTICLE VII

The duration of the Corporation is: perpetual.

ARTICLE VIII

Section 1. The Corporation shall have no capital stock, and the property rights and interests of each member shall be equal.

Section 2. The subscribers to these Articles of Incorporation shall be members of the Corporation. In addition to the undersigned incorporators any person, firm, association, corporation, business trust, partnership or body politic may become a member in the Corporation by: (a) paying in full such membership fee as shall be specified in the bylaws of the Corporation; (b) agreeing to purchase from the Corporation the amount of electric energy hereinafter

in Section 3 of this Article specified; and (c) agreeing to comply with and be bound by these Articles of Incorporation and the bylaws of the Corporation and any amendments thereto and by such rules and regulations as may from time to time be adopted by the Board of Directors of the Corporation; provided, however, that no person, firm, association, corporation, business trust, partnership or body politic except the undersigned incorporators shall become a member in the Corporation unless and until he or it has been accepted for membership by the affirmative vote of a majority of the members of the Board of Directors of the Corporation provided further, however, that if any applicant's application for membership has not been accepted or has been rejected by the Board of Directors prior to the first meeting of the members following the date of the application, such application shall be submitted to such meeting by the Board of Directors and subject to compliance with the conditions set forth in subdivisions (a), (b) and (c) of this section, such application for membership may be accepted by a vote of the members at such meeting, and the action of the members with respect thereto shall be final. The Secretary of the Corporation shall give any such applicant at least ten (10) days prior notice of the date of the members' meeting at which his application will be submitted and such applicant may be present and heard at the meeting.

Section 3. Each member shall, as soon as electric energy shall be available, purchase from the Corporation monthly not less than the minimum amount of electric energy which shall from time to time be determined by a resolution of the Board of Directors of the Corporation and shall pay therefor, and for all additional electric energy used by such member, the price which from time to time shall be fixed therefor by resolution of the Board of Directors. Each member shall also pay all obligations which may from time to time become due and payable by such member to the Corporation as and when the same shall become due and payable.

Section 4. The Board of Directors may, by the affirmative vote of not less than two-thirds (2/3) of the members thereof, expel any member of the Corporation who shall have violated or refused to comply with any of the provisions of the Articles of Incorporation or the bylaws of the Corporation or any rules or regulations adopted from time to time by the Board of Directors. Any member so expelled may be reinstated as a member by a vote of the members at any annual or special meeting of the members. The action of the members with respect to any such reinstatement shall be final



Section 5. Any member of the Corporation may withdraw from membership upon payment in full of all of his debts and liabilities to the Corporation and upon compliance with and performance of such terms and conditions as the Board of Directors may prescribe.

Section 6. Membership in the Corporation and the certificate representing the same shall not be transferable, and upon the death, cessation of existence, expulsion or withdrawal of a member, the membership of such member shall thereupon terminate, and his or its certificate of membership shall be surrendered to the Corporation. Subject to the payment of all debts and liabilities of a member to the Corporation, upon any such termination of membership and the surrender of his or its membership certificate, the Corporation shall pay to such member or his personal representative, an amount equal to the membership fee paid by such member. Termination of membership by death, cessation of existence, expulsion or withdrawal shall operate as a release of all right, title and interest of the member in the property and assets of the Corporation; provided, however, that such termination of membership shall not release the member from the debts or liabilities of such member to the Corporation. In case of a lost, destroyed or mutilated certificate, a new certificate may be issued therefor upon such terms and such indemnity to the Corporation as the Board of Directors may prescribe.

Section 7. Membership in the Corporation shall be evidenced by a certificate of membership which shall be in such form and shall contain such provisions as shall be determined by the Board of Directors not contrary to or inconsistent with the Articles of Incorporation or the bylaws of the Corporation. Such certificate shall be signed by such officer as shall be specified in the bylaws and shall be sealed with its corporate seal.

Section 8. No membership shall be issued for less than the membership fee specified in the bylaws of the Corporation, nor until such membership fee has been fully paid for in cash and such payment has been deposited with the Treasurer of the Corporation.

Section 9. No member shall be entitled to more than one (1) vote upon each matter submitted to a vote at any meeting of the members of the Corporation regardless of the number of memberships held by a member in the Corporation.

Section 10. At all meetings of members, a member may vote by proxy executed in writing by the member. Such proxy shall be filed with the Secretary of the Corporation before or at the time of the meeting. No proxy shall be voted at any meeting of the members unless it shall designate the particular meeting at which it is to be voted, and no proxy shall be voted at any meeting other than the one so designated or any adjournment of such meeting. No person shall vote as proxy for more than three members at any meeting of the members and no proxy shall be valid after sixty days from the date of its execution. The presence of a member at a meeting of the members shall revoke any and all proxies theretofore executed by him and such member shall be entitled to vote at such meeting in the same manner and with the same effect as if he had not executed a proxy.

ARTICLE IX

Section 1. The bylaws of the Corporation may fix such other terms and conditions upon which members shall be admitted to and retain membership in the Corporation not inconsistent with these Articles of Incorporation or the Act under which it is organized.

Section 2. The Board of Directors shall have power to make and adopt such rules and regulations not inconsistent with these Articles of Incorporation or the bylaws of the Corporation as it may deem advisable for the management, administration and regulation of the business and affairs of the Corporation.

Section 3. Neither the incorporators nor any other members thereof the Corporation shall be personally responsible for any debt, obligation or liability of the Corporation.

Section 4. Directors of the Corporation shall be members thereof.

ARTICLE X

The Corporation may amend, alter, change or repeal any provision contained in these Articles of Incorporation in the manner now or hereafter prescribed by law.

IN WITNESS WHEREOF, we hereunto subscribe our names this 25 day of July, 1938.

Coleman Reynolds  
R. H. Johnston  
D. G. Collier  
George Sparks  
W. R. Feltner  
J. R. Moberly  
L. H. Sparks

STATE OF KENTUCKY )  
                          ) SS.  
COUNTY OF Jackson

I, Edward R. Hays, a Notary Public in and for said county and state do hereby certify that this instrument of writing from J. R. Moberly, W. R. Feltner, R. H. Johnston, L. H. Sparks, George Sparks, Coleman Reynolds and D. G. Collier, was this day produced to me by the above parties and was acknowledged by the said J. R. Moberly, W. R. Feltner, R. H. Johnston, L. H. Sparks, George Sparks, Coleman Reynolds and D. G. Collier to be their act and deed.

Given under my hand and seal this 25 day of July, 1938.  
My Commission expires 8-7-1940

(NOTARIAL SEAL)

Edward R. Hays  
Notary Public in and for Jackson  
County, Kentucky



*Recorded misc. Book 5  
Page 163-164*

*Recorded  
misc. Book No. 5  
page 163-164*

ARTICLES OF AMENDMENT

to

ARTICLES OF INCORPORATION

of

JACKSON COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

KNOW ALL MEN BY THESE PRESENTS:

THAT, we, L. H. Sparks, President, and Farris Morris, Secretary, of Jackson County Rural Electric Cooperative Corporation, a Kentucky Corporation, with its principal office at McKee, Jackson County, Kentucky, do hereby certify that a regular annual meeting of the members of the Cooperative was held on July 27 and 28, 1950, at McKee, Kentucky, pursuant to notice to each member specifying the date and purpose of said meeting, one of which was to amend the Articles of Incorporation; that said amendments had previously been approved unanimously by the Board of Directors at its regular monthly meeting, and these amendments were presented to the members in the following Resolutions:

RESOLVED; that Article V of the Articles of Incorporation be amended to read as follows: "The number of Directors of the Corporation shall be nine".

RESOLVED; that Article VIII, Section 4 of the Articles of Incorporation be amended to read as follows: "The Board of Directors may, by the affirmative vote of not less than two-thirds (2/3) of the members thereof, expel any member of the Corporation who shall have violated or refused to comply with any of the provisions of the Articles of Incorporation or the bylaws of the Corporation or any rules or regulations adopted from time to time by the Board of Directors. Any members so expelled may be reinstated as a member by the Board by a two-thirds (2/3) vote of its members."

The Resolutions were unanimously adopted by the vote of the members, and said amendments were ordered to be recorded, as amendments, to the original Articles of Incorporation.

A true copy ATTEST:

Farris Morris  
FARRIS MORRIS, Secretary

L. H. Sparks  
L. H. SPARKS, President



ARTICLES OF AMENDMENT

COMMONWEALTH OF KENTUCKY  
COUNTY OF JACKSON

Personally appeared before me, Lee Roy Cole, a Notary Public, in and for the State and County aforesaid, whose commission as such, expires on the 31st day of August, 19 74. L. H. SPARKS and FARRIS MORRIS, each known by me to be President and Secretary, respectively, of Jackson County Rural Electric Cooperative Corporation, who signed and acknowledged the foregoing Amendments to the Articles of Incorporation, to be their free, voluntary act and deed, as members and officers of said corporation, and the free and voluntary act and deed of the members thereof.

Given under my hand and seal, this 30th day of September, 1971.

Lee Roy Cole  
NOTARY PUBLIC

ORIGINAL COPY  
FILED AND RECORDED

James H. ...

OCT 4 1971

SECRETARY OF STATE OF KENTUCKY  
FRANKFORT, KENTUCKY

BY John Bond  
ASSOCIATE SECRETARY OF STATE

ARTICLES OF AMENDMENT  
TO  
ARTICLES OF INCORPORATION  
OF  
JACKSON COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

RECEIVED & FILED  
*Ce 8/30*  
Aug 29 11 47 AM '97  
JOHN Y. BROWN III  
SECRETARY OF STATE  
COMM. OF KENTUCKY  
BY *Andre Kelly*

KNOW ALL MEN BY THESE PRESENTS:

THAT, we, Douglas P. Leary, President, and Jim Hays, Secretary, of Jackson County Rural Electric Cooperative Corporation, a Kentucky Corporation, with its principal office at McKee, Jackson County, Kentucky, do hereby certify that a regular meeting of the members of the Cooperative was held on June 13, 1997, at McKee, Kentucky, pursuant to notice to each member specifying the date and purpose of said meeting, one of which was to amend the Articles of Incorporation; that said amendments had previously been approved unanimously by the Board of Directors at its regular monthly meeting, and these Amendments were presented to the members in the following Resolutions:

**RESOLVED**, that Article I of the Articles of Incorporation of the corporation be amended to read in its entirety as follows:  
The name of the Corporation shall be: "Jackson Energy Cooperative Corporation".

**RESOLVED**, that the officers of the corporation are hereby authorized to take any and all actions necessary, appropriate, or convenient to give effect to the foregoing resolution.

The Resolutions were unanimously adopted by the vote of the members, and said amendments were ordered to be recorded, as Articles of Amendment to the original Articles of Incorporation and the Amended Articles of Incorporation.

*Douglas P. Leary*  
DOUGLAS P. LEARY, PRESIDENT

A True Copy Attest:

*Jim Hays*  
JIM HAYS, SECRETARY





THIS INSTRUMENT PREPARED BY:



MARY-ANN SMYTH  
TAYLOR, KELLER AND DUNAWAY  
802 NORTH MAIN STREET  
POST OFFICE BOX 905  
LONDON, KENTUCKY 40743-0905  
TELEPHONE: (606) 878-8844  
FACSIMILE: (606) 878-5547

STATE OF KENTUCKY )  
  )  
COUNTY OF JACKSON )

I, Gerry Dean, Clerk of the Court of the County aforesaid, hereby certify that the foregoing Articles of Amendment to Articles of Incorporation were received and lodged for record in my office, and that I have truly recorded them, together with this and the foregoing certificate thereon endorsed at 10:06 ~~a.m.~~/p.m., in ~~Articles of Incorporation~~ Book 16, at Page 484, in my said office.

MISCELLANEOUS

WITNESS MY HAND this the 5 day of September, 1997.

JACKSON COUNTY COURT CLERK

BY: Bridgette McKinney, D.C.



# JACKSON ENERGY COOPERATIVE

## BYLAWS

### ARTICLE I: MEMBERSHIP

#### **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.

#### **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.

#### **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.

#### **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.

#### **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.

#### **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.



**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.

**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.

**ARTICLE II: MEMBER MEETINGS**

**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.

**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.

**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.

**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.

**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.

**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 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.



**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.

**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 (30) 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.

#### **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 members in Laurel County not residing in District 3.

### **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.

### **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.

### **ARTICLE III: DIRECTORS**

#### **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.

#### **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.

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.

**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(s) 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.

**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.

**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.

**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.

**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.

#### **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.

#### **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.

### **ARTICLE IV: BOARD OF DIRECTORS MEETINGS**

#### **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.

#### **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.

#### **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.

#### **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.

#### **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.

#### **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.

### **ARTICLE V: OFFICERS**

#### **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.

#### **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.

#### **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.



#### **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 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 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.

#### **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.

#### **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.

#### **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.

#### **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.

#### **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.

#### **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.

## **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.

## **ARTICLE VI: CONTRACTS, CHECKS, AND DEPOSITS**

### **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.

## **ARTICLE VII: NON-PROFIT OPERATION**

### **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.



## **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 patrons' 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.

#### **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.

#### **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.

#### **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."

**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.

Jackson Energy Cooperative  
Case No. 2013-00219  
Statement of Operations  
December 31, 2012

Exhibit V  
Page 1 of 3  
Witness: Jim Adkins

	<u>2012</u>	<u>2011</u>
8 Operating Revenue	<u>\$99,291,970</u>	<u>\$102,885,943</u>
9		
10 Operating Expenses:		
11 Cost of Purchased Power	\$66,412,945	\$68,306,508
12 Distribution - Operations	\$4,868,071	\$4,577,313
13 Distribution - Maintenance	\$5,951,960	\$5,818,541
14 Consumer Accounts	\$3,120,184	\$3,641,686
15 Customer Service & Information	\$811,685	\$690,359
16 Administrative & General	<u>\$4,574,854</u>	<u>\$4,300,584</u>
17 Total Operations & Maintenance Expenses	\$85,739,699	\$87,334,991
18		
19 Depreciation & Amortization	\$8,726,653	\$8,398,524
20 Taxes - Other	\$120,557	\$107,126
21 Interest on Long Term Debt	\$5,403,344	\$5,682,593
22 Other Interest Expense	\$54,021	\$95,473
23 Other Deductions	<u>\$80,896</u>	<u>\$126,903</u>
24 Total Cost of Electric Service	<u>\$100,125,170</u>	<u>\$101,745,610</u>
25		
26 Operating Margins	(\$833,200)	\$1,140,333
27		
28 Non Operating Margins - Interest	\$161,289	\$180,807
29 Income (Loss) from Equity Investments	\$124,271	\$29,399
30 Non Operating Margins - Other	(\$95,293)	(\$7,393)
31 G & T Patronage Capital	\$4,358,339	\$4,928,673
32 Other Patronage Capital	<u>\$150,928</u>	<u>\$247,635</u>
33		
34 Patronage Capital or Margins	<u>\$3,866,334</u>	<u>\$6,519,454</u>
35		

Jackson Energy Cooperative  
Case No. 2013-00219  
Balance Sheet  
December 31, 2012

Exhibit V  
Page 2 of 3  
Witness: Jim Adkins

	<u>2012</u>	<u>2011</u>
<u>ASSETS</u>		
Total Utility Plant in Service	\$217,147,938	\$207,308,038
Construction Work in Progress	\$993,407	\$3,033,850
Total Utility Plant	<u>\$218,141,345</u>	<u>\$210,341,888</u>
Less Accumulated Provision for Depreciation	\$57,505,856	\$53,170,182
Net Utility Plant	<u>\$160,635,489</u>	<u>\$157,171,706</u>
Investments	<u>\$41,199,079</u>	<u>\$35,809,687</u>
Cash	\$2,650,461	\$3,740,770
Special Deposits & Temporary Investments	\$420	\$5,000,420
Accounts Receivable - Net	\$15,666,174	\$16,001,264
Accounts Receivable - Other	\$1,451,785	\$1,315,462
Materials & Supplies	\$1,351,848	\$1,152,438
Prepayments	\$290,237	\$107,843
Other Current & Accrued Assets	\$42,928	\$42,983
Total Current & Accrued Assets	<u>\$21,453,853</u>	<u>\$27,361,180</u>
Regulatory Assets	\$1,972,607	\$0
Other Deferred Deb its	<u>\$6,687,437</u>	<u>\$7,217,587</u>
Total Assets & Other Debits	<u><u>\$231,948,465</u></u>	<u><u>\$227,560,160</u></u>
<u>LIABILITIES</u>		
Memberships	\$1,297,295	\$1,295,830
Patronage Capital	\$72,241,465	\$70,785,679
Total Margins & Equities	<u>\$73,538,760</u>	<u>\$72,081,509</u>
Long Term Debt	<u>\$136,141,129</u>	<u>\$134,278,747</u>
Accumulated Operating Provision	<u>\$8,188,760</u>	<u>\$7,866,281</u>
Notes Payable	\$1,000,000	\$0
Accounts Payable	\$9,260,932	\$9,058,436
Consumer Deposits	\$1,094,290	\$1,611,847
Other Current & Accrued Liabilities	\$2,395,830	\$2,362,792
Total Current & Accrued Liabilities	<u>\$13,751,052</u>	<u>\$13,033,075</u>
Deferred Credits	<u>\$328,764</u>	<u>\$300,548</u>
Total Liabilities & Other Credits	<u><u>\$231,948,465</u></u>	<u><u>\$227,560,160</u></u>

Jackson Energy Cooperative  
Case No. 2013-00219  
Statement of Cash Flows  
December 31, 2012

Exhibit V  
Page 3 of 3  
Witness: Jim Adkins

	<u>2012</u>	<u>2011</u>	
8	Operating Activities:		
9	Patronage Capital or Margins	\$3,866,334	\$6,519,454
10	Depreciation & Amortization Expense	\$8,726,653	\$8,398,524
11	Cost of Removal less Salvage	(\$4,390,979)	(\$3,059,388)
12	Temporary Investments	\$5,000,000	\$4,500,000
13	Accounts Receivable - Net	\$335,090	\$136,018
14	Accounts Receivable - Other	(\$136,323)	(\$273,277)
15	Materials & Supplies	(\$199,410)	\$222,785
16	Prepayments	(\$182,393)	\$233,887
17	Other Current & Accrued Assets	\$54	(\$12,235)
18	Regulatory Assets	(\$1,972,607)	\$0
19	Deferred Debits	\$530,150	\$258,412
20	(Increase) Decrease in Operating Assets	<u>\$11,576,569</u>	<u>\$16,924,180</u>
22	Accumulated Operating Provisions	\$322,479	\$300,951
23	Notes Payable	\$1,000,000	\$0
24	Accounts Payable	\$202,496	(\$2,110,869)
25	Other Current & Accrued Liabilities	\$33,038	\$176,252
26	Other Deferred Credits	\$28,216	(\$28,798)
27	Increase (Decrease) in Operating Liabilities	<u>\$1,586,229</u>	<u>(\$1,662,464)</u>
29	Cash from Operating Activities	<u>\$13,162,798</u>	<u>\$15,261,716</u>
31	Investing Activities:		
32	Utility Plant	(\$9,839,899)	(\$7,381,407)
33	Construction Work in Progress	\$2,040,443	(\$1,578,914)
34	Other Investments	(\$5,389,393)	(\$5,741,782)
36	Cash from Investing Activities	<u>(\$13,188,849)</u>	<u>(\$14,702,103)</u>
38	Financing Activities:		
39	Margins & Equities	(\$2,409,084)	(\$1,770,636)
40	Long Term Debt	\$1,862,383	\$1,822,760
41	Consumer Deposits	(\$517,557)	(\$163,132)
43	Cash from Financing Activities	<u>(\$1,064,258)</u>	<u>(\$111,008)</u>
45	Cash from all activities	(\$1,090,309)	\$448,605
47	Cash - Beginning of Period	<u>\$3,740,770</u>	<u>\$3,292,165</u>
49	Cash - End of Period	<u><u>\$2,650,461</u></u>	<u><u>\$3,740,770</u></u>



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General Ledger  
Account Balance

Exhibit W  
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Summary For DEC 2012 To DEC 2012

Div	Account	Description	Rpt	Ln	Beginning Balance	Debit	Credit	(Difference) Net Activity	Ending Balance
0	107.1	CWIP - CONTRACT	Bal	2	417,299.81	66,229.85	-32,980.97	33,248.88	450,548.69
0	107.2	CWIP - COOPERATIVE	Bal	2	2,215,960.42	448,060.82	-2,118,399.21	-1,670,338.39	545,622.03
0	107.21	CONSTRUCTION WORK IN PROGRESS - CON	Bal	2	-2,763.69	0.00	0.00	0.00	-2,763.69
0	107.22	CONSTRUCTION WORK IN PROGRESS -	Bal	2	0.00	0.00	0.00	0.00	0.00
0	107.23	CONSTRUCTION WORK IN PROGRESS -	Bal	2	0.00	0.00	0.00	0.00	0.00
0	107.25	CONSTRUCTION WORK IN PROGRESS-EL	Bal	2	0.00	0.00	0.00	0.00	0.00
0	107.3	CWIP - SPECIAL EQUIPMENT	Bal	2	0.00	109,761.08	-109,761.08	0.00	0.00
0	107.41	BLDG PROJECT-MCKEE DISTRICT	Bal	2	0.00	0.00	0.00	0.00	0.00
0	107.42	BUILDING PROJECT - HEADQUARTERS	Bal	2	0.00	0.00	0.00	0.00	0.00
0	107.43	BUILDING PROJECT - BEATTYVILLE D	Bal	2	0.00	0.00	0.00	0.00	0.00
0	107.44	BLDG PROJECT-LONDON DISTRICT	Bal	2	1,786,193.76	0.00	-1,786,193.76	-1,786,193.76	0.00
0	108.25	RETIREMENT WORK IN PROGRESS-OVER	Bal	4	0.00	0.00	0.00	0.00	0.00
0	108.31	ACCUM PROV FOR DEPR-S & I -WOOD	Bal	4	0.00	0.00	0.00	0.00	0.00
0	108.32	ACCUM PROV FOR DEPR-S&I-ELECTRIC	Bal	4	0.00	0.00	0.00	0.00	0.00
0	108.33	ACCUM PROV FOR DEPR-S&I-MISC.	Bal	4	0.00	0.00	0.00	0.00	0.00
0	108.4	ACCUM PROV FOR DEPR-GEN BLDG	Bal	4	0.00	0.00	0.00	0.00	0.00
0	108.41	ACCUM PROV FOR DEPR-NEW WH MCKEE	Bal	4	0.00	0.00	0.00	0.00	0.00
0	108.42	ACCUM PROV FOR DEPR-MCKEE RENOVA	Bal	4	0.00	0.00	0.00	0.00	0.00
0	108.43	ACCUM PROV DEPR-LONDON RENOVATIO	Bal	4	0.00	0.00	0.00	0.00	0.00
0	108.44	ACCUM PROV DEPR-NEW OFFICE	Bal	4	0.00	0.00	0.00	0.00	0.00
0	108.45	ACCUM PROV DEPR-BVILLE SEV CENT	Bal	4	0.00	0.00	0.00	0.00	0.00
0	108.46	ACCUM PROV FOR DEPR-COMPUTER CON	Bal	4	0.00	0.00	0.00	0.00	0.00
0	108.47	ACCUM PROV FOR DEPR-ON LINE DEV	Bal	4	0.00	0.00	0.00	0.00	0.00
0	108.48	ACCUM PROV FOR DEPR-HDQ OFFICE	Bal	4	0.00	0.00	0.00	0.00	0.00
0	108.49	ACCUM PROV FOR DEPR-OTHER TRANSP	Bal	4	0.00	0.00	0.00	0.00	0.00
0	108.5	ACCUM PROV DEPR-DISPATCH MISC	Bal	4	0.00	0.00	0.00	0.00	0.00
0	108.51	ACCUM PROV DEPR-COMPUTER OFFICE	Bal	4	0.00	0.00	0.00	0.00	0.00
0	108.59	ACCUM PROV FOR DEPR - AMR	Bal	4	-652,744.28	0.00	-9,396.85	-9,396.85	-662,141.13
0	108.6	DISTRIBUTION PLANT-ACCUM PROV DE	Bal	4	0.00	0.00	0.00	0.00	0.00
0	108.61	POLES,TOWERS,FIXTURES-ACCUM PROV	Bal	4	-22,809,352.82	118,509.09	-225,052.83	-106,543.74	-22,915,896.56
0	108.62	OVHD CONDUCTORS & DEVICES-ACCUM	Bal	4	-12,100,989.95	41,366.39	-197,823.09	-156,456.70	-12,257,446.65
0	108.63	URD CONDUIT-ACCUM PROV DEPR	Bal	4	0.00	0.00	0.00	0.00	0.00
0	108.64	URD CONDUCTORS-ACCUM PROV DEPR	Bal	4	-223,402.33	1,339.38	-5,297.00	-3,957.62	-227,359.95

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General Ledger  
Account Balance

Exhibit W  
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Summary For DEC 2012 To DEC 2012

Div	Account	Description	Rpt	Ln	Beginning Balance	Debit	Credit	(Difference) Net Activity	Ending Balance
0	108.65	LINE TRANSFORMERS-ACCUM PROV DEP	Bal	4	-7,338,906.60	59,765.08	-67,963.29	-8,198.21	-7,347,104.81
0	108.66	ACCUM PROV FOR DEPR - SERVICES	Bal	4	-4,169,731.19	68,006.03	-81,364.07	-13,358.04	-4,183,089.23
0	108.67	ACCUM PROV FOR DEPR - METERS	Bal	4	-2,374,851.64	14,994.94	-62,595.87	-47,600.93	-2,422,452.57
0	108.68	INST ON CONS PREMISES-ACCUM PROV	Bal	4	-586,434.86	33,046.00	-22,499.80	10,546.20	-575,888.66
0	108.69	STREET LIGHTING & SIGNAL-ACCUM P	Bal	4	-51,357.81	502.54	-1,208.79	-706.25	-52,064.06
0	108.7	GENERAL PLANT-ACCUM PROV DEPR	Bal	4	-1,751,309.71	0.00	-13,574.19	-13,574.19	-1,764,883.90
0	108.71	REMAINING VALUE-ACCUM PROV DEPR	Bal	4	-1,282,484.45	801.93	-14,128.38	-13,326.45	-1,295,810.90
0	108.72	TRANSPORT EQUIP-ACCUM PROV DEPR	Bal	4	-2,619,788.00	0.00	-45,773.98	-45,773.98	-2,665,561.98
0	108.73	STORES EQUIP-ACCUM PROV DEPR	Bal	4	-160,654.57	0.00	-894.84	-894.84	-161,549.41
0	108.74	TOOL,SHOP,GARAGE EQUIP-ACCUM PRO	Bal	4	-141,092.59	0.00	-1,650.14	-1,650.14	-142,742.73
0	108.75	LABORATORY EQUIP-ACCUM PROV DEPR	Bal	4	-187,406.15	6,816.00	-2,636.22	4,179.78	-183,226.37
0	108.76	POWER OPERATED EQUIP-ACCUM PROV	Bal	4	-49,160.69	0.00	-25.83	-25.83	-49,186.52
0	108.77	COMMUNICATION EQUIP-ACCUM PROV D	Bal	4	-412,090.71	0.00	-8,346.06	-8,346.06	-420,436.77
0	108.78	MISC EQUIP-ACCUM PROV DEPRECIATI	Bal	4	-408,446.67	0.00	-7,458.88	-7,458.88	-415,905.55
0	108.79	REMAINING VALUE-ACCUM PROV DEPR	Bal	4	0.00	0.00	0.00	0.00	0.00
0	108.8	RWIP - COOPERATIVE	Bal	4	245,950.09	111,558.47	-135,200.51	-23,642.04	222,308.05
0	108.81	RETIREMENT WORK IN PROGRESS-SPEC	Bal	4	0.00	0.00	0.00	0.00	0.00
0	108.9	RWIP - CONTRACTOR	Bal	4	11,831.26	9,197.46	-6,445.22	2,752.24	14,583.50
0	123.01	KAEC BLDG NOTE-INVEST IN ASSOC C	Bal	10	0.00	0.00	0.00	0.00	0.00
0	123.02	KAEC DEBENTURES - INVEST IN ASSO	Bal	10	0.00	0.00	0.00	0.00	0.00
0	123.03	NRECA MINT PLAN-INVEST ASSOC COM	Bal	10	0.00	0.00	0.00	0.00	0.00
0	123.04	JSPI-INVEST IN SUBSIDIARY COMPAN	Bal	7	0.00	0.00	0.00	0.00	0.00
0	123.05	JACKSON ENERGY SERVICES-INVESTME	Bal	7	1,643,140.68	124,271.41	0.00	124,271.41	1,767,412.09
0	123.06	ENVISION ENERGY SERVICES-INVESTM	Bal	10	27,190.00	0.00	0.00	0.00	27,190.00
0	123.1	NISC-PAT CAPITAL FROM ASSOC COOP	Bal	8	141,919.86	22,769.89	0.00	22,769.89	164,689.75
0	123.11	CFC-PAT CAPITAL ASSOC COMPANIES	Bal	8	1,118,238.60	0.00	0.00	0.00	1,118,238.60
0	123.12	EKP-PAT CAPITAL ASSOC COMPANIES	Bal	8	27,531,845.16	4,483,380.39	-125,041.83	4,358,338.56	31,890,183.72
0	123.13	KAEC-PAT CAPITAL ASSOC COMPANIES	Bal	8	150,662.60	0.00	0.00	0.00	150,662.60
0	123.14	UUS-PAT CAPITAL ASSOC COOP	Bal	8	973,026.03	0.00	0.00	0.00	973,026.03
0	123.15	FEDERATED INSURAN-PAT CAPITAL AS	Bal	8	160,537.96	0.00	-8,337.00	-8,337.00	152,200.96
0	123.16	COOPERATIVE SELF-PAT CAPITAL ASS	Bal	8	0.00	0.00	0.00	0.00	0.00
0	123.17	COBANK-ASSOC COMPANIES-MEMBERSHI	Bal	10	1,000.00	0.00	0.00	0.00	1,000.00
0	123.21	CFC-CAPITAL TERM CERT SUBSCRIPTI	Bal	40	0.00	0.00	0.00	0.00	0.00

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Div	Account	Description	Rpt	Ln	Beginning Balance	Debit	Credit	(Difference) Net Activity	Ending Balance
0	123.22	CFC-INVESTMENT CTC	Bal	10	1,892,412.34	0.00	0.00	0.00	1,892,412.34
0	123.23	EKP & CFC-INVEST ASSOC ORG-MEMBE	Bal	10	1,100.00	0.00	0.00	0.00	1,100.00
0	123.24	INVESTMENTS IN ECONOMIC DEVELOP	Bal	11	1,428,610.00	0.00	-20,556.00	-20,556.00	1,408,054.00
0	123.25	FEDERAL ECO DEV LOANS-INVESTMENT	Bal	11	0.00	0.00	0.00	0.00	0.00
0	123.26	CFC MEMBER CAPITAL SECURITIES	Bal	10	980,000.00	0.00	0.00	0.00	980,000.00
0	123.3	INVEST ASSOC ORG-NON-FED ECO DEV(RE	Bal	11	236,127.39	0.00	-2,777.07	-2,777.07	233,350.32
0	124.0	OTHER INVESTMENTS	Bal	12	11,020.18	0.00	0.00	0.00	11,020.18
0	124.1	OTHER INVEST-FEDERAL ECO DEV LOA	Bal	11	110,169.00	0.00	-1,297.00	-1,297.00	108,872.00
0	124.11	OTHER INVEST-FED ECO DEV LOAN-KY HI	Bal	11	0.00	0.00	0.00	0.00	0.00
0	124.15	FEDERAL ECO DEV LOANS-OTHER INVEST	Bal	11	227,000.00	0.00	0.00	0.00	227,000.00
0	124.2	OTHER INVEST-NON-FED ECO DEV LOAN	Bal	11	47,222.12	0.00	-555.56	-555.56	46,666.56
0	124.25	NON-FEDERAL ECO DEV LOANS-OTHER IN	Bal	11	46,000.00	0.00	0.00	0.00	46,000.00
0	128.0	DEFERRED COMP-OTHER SPECIAL FUND	Bal	13	0.00	0.00	0.00	0.00	0.00
0	128.1	DEFERRED COMP-RESERVE-OTHER SPEC	Bal	13	0.00	0.00	0.00	0.00	0.00
0	128.2	NRECA MINT PLANT-OTHER SPECIAL F	Bal	13	0.00	0.00	0.00	0.00	0.00
0	131.1	CASH - GENERAL AND OPERATING	Bal	15	1,992,919.22	12,964,968.44	-13,303,979.85	-339,011.41	1,653,907.81
0	131.11	CASH - PAYROLL	Bal	15	500.00	464,467.62	-464,467.62	0.00	500.00
0	131.12	CASH - CAPITAL CREDIT	Bal	15	139.50	52,317.08	-52,062.73	254.35	393.85
0	131.13	CASH-GENERAL-LAUREL CO BRANCH	Bal	15	0.00	0.00	0.00	0.00	0.00
0	131.14	CASH-ECONOMIC DEVELOPMENT FUNDS	Bal	15	0.00	0.00	0.00	0.00	0.00
0	131.15	CASH-GENERAL-ESTILL CO PAYSTATIO	Bal	15	37,603.51	144,773.50	-116,560.14	28,213.36	65,816.87
0	131.16	CASH-GENERAL-CLAY CO PAYSTATION	Bal	15	178,894.64	486,461.92	-451,966.56	34,495.36	213,390.00
0	131.17	CASH-GENERAL-OWSLEY CO PAYSTATIO	Bal	15	8,744.08	2.97	0.00	2.97	8,747.05
0	131.18	CASH-GENEAL-LEE CO ACCOUNT	Bal	15	88,183.14	339,306.61	-276,148.63	63,157.98	151,341.12
0	131.19	CASH-GENERAL-ROCKCASTLE CO PAYST	Bal	15	26,580.65	45,166.53	-31,483.87	13,682.66	40,263.31
0	131.2	CASH-CONSTRUCT FUND-TRUSTEE	Bal	16	0.00	0.00	0.00	0.00	0.00
0	131.21	CASH-GENERAL-LAUREL CO PAYSTATIO	Bal	15	243,731.00	1,595,300.28	-1,408,771.43	186,528.85	430,259.85
0	131.22	CASH-CITIZENS BANK-PAYSTATION	Bal	15	73,082.80	17,515.79	-75,000.00	-57,484.21	15,598.59
0	131.23	FLEXIBLE SPENDING ACCOUNT	Bal	15	7,602.24	58,846.00	-3,755.40	55,090.60	62,692.84
0	131.4	TRANSFER OF CASH	Bal	15	0.00	2,856,732.03	-2,856,732.03	0.00	0.00
0	134.0	OTHER SPECIAL DEPOSITS	Bal	17	420.00	0.00	0.00	0.00	420.00
0	135.0	WORKING FUNDS	Bal	15	7,250.00	0.00	0.00	0.00	7,250.00
0	135.1	WORKING FUNDS - TEMPORARY	Bal	15	0.00	0.00	0.00	0.00	0.00

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0	135.15	PETTY CASH-CORPORATE	Bal	15	300.00	0.00	0.00	0.00	300.00
0	136.0	TEMPORARY CASH INVESTMENTS	Bal	18	0.00	3,000,000.00	-3,000,000.00	0.00	0.00
0	142.09	ACCOUNT NOT USED	Bal	20	0.00	0.00	0.00	0.00	0.00
0	142.1	CUSTOMER ACCTS REC-ELECTRIC	Bal	20	13,255,015.70	11,237,041.61	-9,046,285.82	2,190,755.79	15,445,771.49
0	142.11	UNBILLED FUEL CHARGE COST APPLIE	Bal	20	112,561.00	255,024.00	0.00	255,024.00	367,585.00
0	142.12	MARKETING LOAN PROG-OTHER A/R	Bal	21	0.00	0.00	0.00	0.00	0.00
0	142.13	CUSTOMER ACCTS REC - UNAPPLIED	Bal	20	-14,532.14	14,532.14	-28,482.27	-13,950.13	-28,482.27
0	142.15	CURRENT LOAN RECEIVABLES	Bal	21	0.00	0.00	0.00	0.00	0.00
0	142.99	CLEARING-CUSTOMER ACCOUNTS	Bal	20	0.00	4,962.60	-4,962.60	0.00	0.00
0	143.0	OTHER ACCTS REC	Bal	21	0.00	0.00	0.00	0.00	0.00
0	143.01	OTHER ACCTS REC - POLE RENTALS	Bal	21	793,056.74	940,190.20	-811,333.57	128,856.63	921,913.37
0	143.02	SALES TAX RECOVERY-OTHER A/R	Bal	21	0.00	0.00	0.00	0.00	0.00
0	143.03	BILLABLE LABOR-PROJ B-OTHER A/R	Bal	21	0.00	0.00	0.00	0.00	0.00
0	143.05	BOONEVILLE-OWSLEY CO INDUST-OTHE	Bal	21	7,740.25	0.00	0.00	0.00	7,740.25
0	143.06	JACKSON CO/MCKEE INDUSTRIAL-OTHE	Bal	21	0.00	0.00	0.00	0.00	0.00
0	143.07	OTHER ACCTS REC - TRAVEL ADVANCE	Bal	21	0.00	0.00	0.00	0.00	0.00
0	143.08	FEMA/DES RECVEIVABLE-OTHER A/R	Bal	21	-297,047.68	383,454.83	0.00	383,454.83	86,407.15
0	143.09	TORNADA 2012 - FEMA/DES-OTHER ACCTS	Bal	21	436,761.10	0.00	-383,454.83	-383,454.83	53,306.27
0	143.1	OTHER ACCTS REC - COLD CHECKS	Bal	21	104.00	0.00	-100.00	-100.00	4.00
0	143.11	CHOPTANK ELECTRIC-OTHER A/R	Bal	21	0.00	0.00	0.00	0.00	0.00
0	143.12	RAPPAHANNOCK ELECTRIC COOP-OTHER	Bal	21	0.00	0.00	0.00	0.00	0.00
0	143.13	CLARK SNOWSTORM-OTHER A/R	Bal	21	0.00	0.00	0.00	0.00	0.00
0	143.14	BLUEGRASS ENERGY STORM - OTHER ACC	Bal	21	0.00	24,066.55	-391.56	23,674.99	23,674.99
0	143.15	OTHER A/R - PIONEER ELECTRIC OHIO	Bal	21	0.00	0.00	0.00	0.00	0.00
0	143.16	WEST KY ELE COOP-OTHER A/R	Bal	21	0.00	0.00	0.00	0.00	0.00
0	143.17	BIG SANDY ELE COOP-OTHER A/R	Bal	21	0.00	0.00	0.00	0.00	0.00
0	143.18	OTHER A/R - WASHINGTON ELECTRIC COO	Bal	21	0.00	0.00	0.00	0.00	0.00
0	143.19	DEMCO 2012 HURRICANE-OTHER A/R	Bal	21	0.00	0.00	0.00	0.00	0.00
0	143.2	OTHER ACCTS REC - EMPLOYEE COMPU	Bal	21	0.00	0.00	0.00	0.00	0.00
0	143.21	OTHER ACCTS REC - CURRENT COMPUT	Bal	21	0.00	0.00	0.00	0.00	0.00
0	143.22	OTHER ACCTS REC - COMPANION DENTAL	Bal	21	0.00	0.00	0.00	0.00	0.00
0	143.23	OTHER ACCTS REC - DAVIS VISION	Bal	21	0.00	0.00	0.00	0.00	0.00
0	143.24	OTHER ACCTS REC - AFLAC HOSPITAL	Bal	21	0.00	0.00	0.00	0.00	0.00

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0	143.25	OTHER ACCTS REC - AFLAC CRITICAL ILLN	Bal	21	0.00	0.00	0.00	0.00	0.00
0	143.26	OTHER ACCTS REC - AFLAC ACCIDENT	Bal	21	0.00	0.00	0.00	0.00	0.00
0	143.27	OTHER ACCT REC-SIMPLICITY LONG TERM	Bal	21	0.00	0.00	0.00	0.00	0.00
0	143.3	EMPLOYEE GROUP INSURAN-OTHER A/R	Bal	21	-10,153.20	3,182.26	-3,145.91	36.35	-10,116.85
0	143.31	COLONIAL LIFE INSURAN-OTHER A/R	Bal	21	-18.62	124.62	-106.00	18.62	0.00
0	143.32	OTHER ACCTS REC - 401-K SAVINGS	Bal	21	0.00	39,123.11	-39,123.11	0.00	0.00
0	143.33	RETIRED EMPLOYEE INS-OTHER A/R	Bal	21	0.00	0.00	0.00	0.00	0.00
0	143.34	OTHER ACCTS REC - DIRECTOR CHARG	Bal	21	0.00	0.00	0.00	0.00	0.00
0	143.35	OTHER ACCTS REC - METLIFE	Bal	21	0.00	0.00	0.00	0.00	0.00
0	143.36	PREPAID LEGAL SERVICES-OTHER ACCTS	Bal	21	0.61	119.55	-120.13	-0.58	0.03
0	143.37	FLEXIBLE SPENDING ACCOUNT-OTHER AC	Bal	21	5,226.38	0.00	-5,226.38	-5,226.38	0.00
0	143.4	BILLABLE LABOR-PROJ A-OTHER A/R	Bal	21	0.00	0.00	0.00	0.00	0.00
0	143.41	CONTRIB AID CONSTRUCT-OTHER A/R	Bal	21	77,538.99	11,283.02	-35,441.28	-24,158.26	53,380.73
0	143.42	OTHER A/R - MCKEE STORES SALES	Bal	21	5,431.52	11,212.73	-16,501.25	-5,288.52	143.00
0	143.43	OTHER A/R - LONDON STORES SALES	Bal	21	4,151.09	263.47	-3,164.56	-2,901.09	1,250.00
0	143.44	CURRENT LINE EXT LOANS-OTHER A/R	Bal	21	0.00	0.00	0.00	0.00	0.00
0	143.45	LINE EXT LOANS-OTHER A/R	Bal	21	0.00	0.00	0.00	0.00	0.00
0	143.46	OTHER ACCTS REC - BILLED LABOR	Bal	21	0.00	0.00	0.00	0.00	0.00
0	143.47	BEATTYVILLE WRHS SALES-OTHER A/R	Bal	21	0.00	0.00	0.00	0.00	0.00
0	143.5	ETS-MARKETING SALES-OTHER A/R	Bal	21	2,160.82	1,436.09	-1,796.91	-360.82	1,800.00
0	143.51	OTHER ACCTS REC - ETS INSTALLATI	Bal	21	0.00	0.00	0.00	0.00	0.00
0	143.52	COST SHARE MARKETING-OTHER A/R	Bal	21	0.00	0.00	0.00	0.00	0.00
0	143.53	OTHER ACCTS REC - EMPLOYEES	Bal	21	15,795.50	4,558.04	-2,191.77	2,366.27	18,161.77
0	143.54	SURGE SUPPRESSORS-OTHER A/R	Bal	21	0.00	0.00	0.00	0.00	0.00
0	143.55	OTHER ACCTS REC - ETS SALES	Bal	21	0.00	0.00	0.00	0.00	0.00
0	143.56	OTHER ACCTS REC-KY ENERGY RETROFIT	Bal	21	41,504.43	27,330.66	-9,115.20	18,215.46	59,719.89
0	143.57	CUSTOMER ACCTS REC/MACED PROGRAM	Bal	21	214,033.40	15,655.77	-1,118.07	14,537.70	228,571.10
0	143.6	EAST KY REBATES-OTHER A/R	Bal	21	1,817.55	194.46	-1,817.55	-1,623.09	194.46
0	143.61	CONTRACTOR MKT REBATES-OTHER A/R	Bal	21	0.00	0.00	0.00	0.00	0.00
0	143.62	OTHER A/R - STEFFES REBATE	Bal	21	0.00	0.00	0.00	0.00	0.00
0	143.63	BILL TO EMPLOYEES-OTHER A/R	Bal	21	100.00	4,269.81	-2,738.05	1,531.76	1,631.76
0	143.64	CUMBERLAND VALLEY COOP-OTHER A/R	Bal	21	0.00	0.00	0.00	0.00	0.00
0	143.7	KAEC/CFC INTEGRITY FUNDS-OTHER A	Bal	21	0.00	0.00	0.00	0.00	0.00

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0	143.8	OTHER ACCTS REC - DIVERSIFIED SE	Bal	21	0.00	0.00	0.00	0.00	0.00
0	143.9	CASH - VOID CHECKS	Bal	15	0.00	0.00	0.00	0.00	0.00
0	143.98	Missing Description	Bal	1	0.00	0.00	0.00	0.00	0.00
0	144.1	ACCUM PROV UNCOLL-CUSTOMER ACCTS	Bal	20	-115,777.26	9,891.83	-12,814.44	-2,922.61	-118,699.87
0	144.4	ACCUM PROV UNCOLL-OTHER ACCTS	Bal	21	-11,372.29	16,948.69	-1,728.97	15,219.72	3,847.43
0	146.0	SERVICE PLUS-GEN BUSINESS SERVIC	Bal	21	0.00	0.00	0.00	0.00	0.00
0	146.1	SERVICE PLUS-HOME SECURITY	Bal	21	0.00	0.00	0.00	0.00	0.00
0	146.11	JACKSON ENERGY SERVICES-OTHER A/	Bal	21	135.52	20.00	0.00	20.00	155.52
0	146.2	ARO - SUBSIDIARY-ELECTRIC GRILLS	Bal	21	0.00	0.00	0.00	0.00	0.00
0	146.22	SERVICE PLUS-JEC EMPLOYEE LOAN	Bal	21	0.00	0.00	0.00	0.00	0.00
0	146.3	OTHER ACCTS REC - PROPANE	Bal	21	0.00	0.00	0.00	0.00	0.00
0	146.31	OTHER ACCTS REC-PROPANE-BILLABLE	Bal	21	0.00	0.00	0.00	0.00	0.00
0	146.32	OTHER ACCTS REC-PROPANE-BILLABLE	Bal	21	0.00	0.00	0.00	0.00	0.00
0	146.33	OTHER ACCTS REC-PROPANE-BILLABLE	Bal	21	0.00	0.00	0.00	0.00	0.00
0	146.34	OTHER ACCTS REC-PROPANE-BILLABLE	Bal	21	0.00	0.00	0.00	0.00	0.00
0	146.4	SERVICE PLUS-TREE TRIMMING	Bal	21	0.00	0.00	0.00	0.00	0.00
0	146.45	SERVICE PLUS - LONG DISTANCE SER	Bal	21	0.00	0.00	0.00	0.00	0.00
0	146.5	SERVICE PLUS - POWER QUALITY	Bal	21	0.00	0.00	0.00	0.00	0.00
0	146.55	SERVICE PLUS - LOANS AND FINANCI	Bal	21	0.00	0.00	0.00	0.00	0.00
0	146.6	SERVICE PLUS - ETS	Bal	21	0.00	0.00	0.00	0.00	0.00
0	146.9	JACKSON ENERGY SERVICES	Bal	21	0.00	0.00	0.00	0.00	0.00
0	154.0	ELE PLANT MAT & OPER SUPPLIES	Bal	23	961,362.59	303,899.00	-240,481.60	63,417.40	1,024,779.99
0	154.1	GARAGE-OIL & GAS-PLANT MAT & OPE	Bal	23	0.00	0.00	0.00	0.00	0.00
0	154.2	GARAGE PARTS PLANT MAT & OPER SU	Bal	23	91,303.31	28,009.33	-23,230.80	4,778.53	96,081.84
0	154.3	TOOLS-PLANT MAT & OPER SUPPLIES	Bal	23	171,079.48	695.51	-3,637.97	-2,942.46	168,137.02
0	154.4	MISCELLANEOUS OVERHEAD MATERIAL	Bal	23	0.00	0.00	0.00	0.00	0.00
0	154.5	MISC UNDERGROUND MATERIAL	Bal	23	0.00	0.00	0.00	0.00	0.00
0	154.99	CLEARING-MATERIAL/SUPPLIES	Bal	23	18,135.40	171,420.36	-141,618.65	29,801.71	47,937.11
0	155.0	MERCHANDISING INVENTORY	Bal	23	0.00	0.00	0.00	0.00	0.00
0	155.01	MERCHANDISING INVENTORY - SURGE	Bal	23	0.00	0.00	0.00	0.00	0.00
0	155.02	MERCHANDISING INVENTORY - ETS	Bal	23	9,574.15	2,668.27	-2,731.04	-62.77	9,511.38
0	163.0	STORES EXPENSE - CLEARING	Bal	23	4,073.95	74,331.97	-73,005.28	1,326.69	5,400.64
0	163.01	MCKEE STORES EXPENSE - CLEARING	Bal	23	0.00	0.00	0.00	0.00	0.00



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0	163.02	LAUREL STORES EXPENSE - CLEARING	Bal	23	0.00	0.00	0.00	0.00	0.00
0	163.03	BEATTYVILLE STORES EXPENSE - CLE	Bal	23	0.00	0.00	0.00	0.00	0.00
0	163.04	IRVINE STORES EXPENSE - CLEARING	Bal	23	0.00	0.00	0.00	0.00	0.00
0	163.05	CLAY CO STORES EXPENSE - CLEARIN	Bal	23	0.00	0.00	0.00	0.00	0.00
0	163.06	ROCKCASTLE CO STORES EXPENSE - C	Bal	23	0.00	0.00	0.00	0.00	0.00
0	163.09	UNUSED	Bal	23	0.00	0.00	0.00	0.00	0.00
0	163.1	PURCHASING ACTIVITIES	Bal	23	0.00	0.00	0.00	0.00	0.00
0	163.2	MISC. MATERIALS STORES EXPENSE -	Bal	23	0.00	0.00	0.00	0.00	0.00
0	163.5	JANITORAL SUPPLIES - STORES EXPE	Bal	23	0.00	0.00	0.00	0.00	0.00
0	165.1	PREPAID-INSURANCE	Bal	24	299,561.40	7,866.82	-20,784.63	-12,917.81	286,643.59
0	165.11	PREPAID SPECIAL EARLY RETIREMENT	Bal	24	0.00	0.00	0.00	0.00	0.00
0	165.15	PREPAID POSTAGE	Bal	24	0.00	0.00	0.00	0.00	0.00
0	165.2	OTHER PREPAID ITEMS	Bal	24	0.00	0.00	0.00	0.00	0.00
0	165.21	OTHER PREPAID - PSC ASSESSMENT	Bal	24	0.00	0.00	0.00	0.00	0.00
0	165.22	KAEC/NRECA-DUES-OTHER PREPAID	Bal	24	0.00	0.00	0.00	0.00	0.00
0	165.23	OTHER PREPAID - RENTS	Bal	24	0.00	0.00	0.00	0.00	0.00
0	165.24	MAINTENANCE AGREE-OTHER PREPAID	Bal	24	0.00	0.00	0.00	0.00	0.00
0	165.25	MEDICAL INSURANCE-OTHER PREPAID	Bal	24	2,212.00	151,213.16	-153,425.16	-2,212.00	0.00
0	165.26	OTHER PREPAID - TRANSFORMER POOL	Bal	24	3,593.12	0.00	0.00	0.00	3,593.12
0	171.0	INTEREST & DIVIDENDS RECEIVABLE	Bal	25	30,740.65	12,350.03	-162.19	12,187.84	42,928.49
0	171.1	INTEREST RECEIVABLE-SUPER NOW CH	Bal	25	0.00	0.00	0.00	0.00	0.00
0	171.12	INTEREST RECEIVABLE-MARKETING LO	Bal	25	0.00	0.00	0.00	0.00	0.00
0	171.5	INTEREST RECEIVABLE - ETS LOAN P	Bal	25	0.00	0.00	0.00	0.00	0.00
0	181.0	UNAMORTIZED DEBT DISCOUNT & EXP	Bal	28	0.00	0.00	0.00	0.00	0.00
0	181.01	UNAMORTIZED DEBT EXPENSE - LOAN	Bal	28	0.00	0.00	0.00	0.00	0.00
0	182.3	NRECA COLA PAST SERVICE FUNDING	Bal	27	1,978,275.09	0.00	-5,668.41	-5,668.41	1,972,606.68
0	183.0	PRELIMINARY SURVEY & INVESTIGATI	Bal	28	0.00	0.00	0.00	0.00	0.00
0	184.1	TRANSPORTATION EXP-CLEARING	Bal	28	1,426.84	136,032.08	-137,218.22	-1,186.14	240.70
0	184.11	PRTCC VEHICLE MAINTENANCE WORK	Bal	28	-822.87	224.13	-3.16	220.97	-601.90
0	184.12	BUILDINGS & GROUNDS MAINT OF GAR	Bal	28	0.00	0.00	0.00	0.00	0.00
0	184.13	CDL ACTIVITY	Bal	28	0.00	0.00	0.00	0.00	0.00
0	184.2	RETIREMENT BENEFITS-CLEARING	Bal	28	180,652.42	237,947.19	-418,599.61	-180,652.42	0.00
0	184.21	PENDING CASH REVERSALS	Bal	28	160,396.61	136,221.45	-160,396.61	-24,175.16	136,221.45

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Div	Account	Description	Rpt	Ln	Beginning Balance	Debit	Credit	(Difference) Net Activity	Ending Balance
0	184.22	MEDICAL BENEFITS - CLEARING	Bal	28	0.00	0.00	0.00	0.00	0.00
0	184.23	401K BENEFITS - CLEARING	Bal	28	0.00	0.00	0.00	0.00	0.00
0	184.24	LIFE BENEFITS - CLEARING	Bal	28	0.00	0.00	0.00	0.00	0.00
0	184.25	FASB106 BENEFITS - CLEARING	Bal	28	0.00	0.00	0.00	0.00	0.00
0	184.26	OTHER BENEFITS - CLEARING	Bal	28	0.00	0.00	0.00	0.00	0.00
0	184.27	PREPAY RETIREMENT - CLEARING	Bal	28	0.00	0.00	0.00	0.00	0.00
0	184.28	LTD INSURANCE - CLEARING	Bal	28	0.00	0.00	0.00	0.00	0.00
0	184.29	STD INSURANCE - CLEARING	Bal	28	0.00	0.00	0.00	0.00	0.00
0	184.3	CLEARING ACCT-CONSUMER MTD END	Bal	28	0.00	6,917.78	-6,917.78	0.00	0.00
0	184.31	CLEARING NEW CONSUMER RATES	Bal	28	0.00	0.00	0.00	0.00	0.00
0	184.32	CLEARING ACCT - CONSUMER REFUNDS	Bal	28	0.00	0.00	0.00	0.00	0.00
0	186.0	MISC DEF. DR. PSC 2000-373 DEPR.	Bal	28	6,590,808.00	0.00	-39,231.00	-39,231.00	6,551,577.00
0	186.1	LINE INSPECTIONS-MISC DEF DEBITS	Bal	28	0.00	0.00	0.00	0.00	0.00
0	186.11	IN-HOUSE COMPUTER CONV-MISC DEF	Bal	28	0.00	0.00	0.00	0.00	0.00
0	186.2	DEFERRED COMP-MISC DEFER DEBITS	Bal	28	0.00	0.00	0.00	0.00	0.00
0	186.21	NRECA MINT PLAN-MISC DEF DEBITS	Bal	28	0.00	0.00	0.00	0.00	0.00
0	186.22	RETIREMENT PREPAYMENT-MISC DEFER D	Bal	28	0.00	0.00	0.00	0.00	0.00
0	186.3	ANNUAL MTG-MISC DEFERRED DEBITS	Bal	28	0.00	0.00	0.00	0.00	0.00
0	186.35	MISC DEFERRED BEBITS - MARKETING	Bal	28	0.00	0.00	0.00	0.00	0.00
0	186.4	MISC DEFERRED DEBITS - AUDIT	Bal	28	0.00	0.00	0.00	0.00	0.00
0	186.45	LONG TERM DEBT EXP-MISC DEF DEBI	Bal	28	0.00	0.00	0.00	0.00	0.00
0	186.5	RATE CASE EXP-MISC DEF DEBITS	Bal	28	0.00	0.00	0.00	0.00	0.00
0	186.6	CADP SET UP FEE-MISC DEF DEBITS	Bal	28	0.00	0.00	0.00	0.00	0.00
0	186.7	MISC DEFERRED DEBITS	Bal	28	0.00	0.00	0.00	0.00	0.00
0	186.71	MISC DEFERRED DEBITS - VACATIONS	Bal	28	0.00	0.00	0.00	0.00	0.00
0	186.8	NRECA MINT PLAN-MISC DEF DEBITS	Bal	28	0.00	0.00	0.00	0.00	0.00
0	186.9	MAPPING PROJECT-MISC DEF DEBITS	Bal	28	0.00	0.00	0.00	0.00	0.00
0	186.91	DIRECT LOAD CONTROL-MISC DEF DEB	Bal	28	0.00	0.00	0.00	0.00	0.00
0	186.92	MISC DEFERRED DEBITS - SCADA	Bal	28	0.00	0.00	0.00	0.00	0.00
0	200.1	MEMBERSHIPS	Bal	30	-1,297,715.00	11,290.00	-10,870.00	420.00	-1,297,295.00
0	201.1	PATRONS CAPITAL CREDITS	Bal	31	-67,454,558.42	53,758.30	0.00	53,758.30	-67,400,800.12
0	201.2	PATRONAGE CAPITAL ASSIGNABLE	Bal	31	-1.83	0.00	-3,676,065.98	-3,676,065.98	-3,676,067.81
0	201.3	LOSS OF MARGINS-PATRONS CAP CRED	Bal	31	1,829,527.22	0.00	-190,268.28	-190,268.28	1,639,258.94

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Div	Account	Description	Rpt	Ln	Beginning Balance	Debit	Credit	(Difference) Net Activity	Ending Balance
0	208.0	DONATED CAPITAL	Bal	35	-214,226.68	0.00	-1,219.59	-1,219.59	-215,446.27
0	215.0	APPROPRIATED MARGINS	Bal	35	1,431,611.00	0.00	-16,800.00	-16,800.00	1,414,811.00
0	216.1	UNAPPROP UNDISTRIB SUBSID EARNIN	Bal	35	-39,265.83	0.00	0.00	0.00	-39,265.83
0	217.0	RETIRED CAPITAL CREDITS - GAIN	Bal	35	-3,873,594.44	3,385.90	-1,303.13	2,082.77	-3,871,511.67
0	217.1	RETIRED NO CHK-RETIRED CAP CREDI	Bal	35	-79,671.31	32.44	0.00	32.44	-79,638.87
0	218.0	CAPITAL GAINS AND LOSSES	Bal	35	-12,803.96	0.00	0.00	0.00	-12,803.96
0	219.1	OPERATING MARGINS	Bal	31	0.00	0.00	0.00	0.00	0.00
0	219.2	NON-OPERATING MARGINS	Bal	31	0.00	0.00	0.00	0.00	0.00
0	223.0	ADVANCES FROM ASSOC COMPANIES	Bal	47	0.00	0.00	-1,000,000.00	-1,000,000.00	-1,000,000.00
0	223.01	CFC 23 MO NOTE-ADVANCES-ASSOC CO	Bal	47	0.00	0.00	0.00	0.00	0.00
0	223.34	EKP-MKT LOANS-ADVANCE ASSOC COMP	Bal	47	0.00	0.00	0.00	0.00	0.00
0	224.11	OTHER LONG TERM DEBT-SUBSCRIPTIO	Bal	40	0.00	0.00	0.00	0.00	0.00
0	224.12	OTHER LONG TERM DEBT - C F C	Bal	40	-21,852,581.54	0.00	0.00	0.00	-21,852,581.54
0	224.13	C F C NOTES EXECUTED	Bal	40	0.00	0.00	0.00	0.00	0.00
0	224.14	NRECA PENSION COST-LONG TERM DEB	Bal	40	0.00	0.00	0.00	0.00	0.00
0	224.15	OTHER LONG TERM DEBT - TREASURY	Bal	40	0.00	0.00	0.00	0.00	0.00
0	224.16	RUS ECO DEV NOTES EXECUTED-LTD	Bal	41	-1,540,076.00	11,575.00	0.00	11,575.00	-1,528,501.00
0	224.17	RUS NOTES EXECUTED-ECO DEV-DEBIT	Bal	41	0.00	0.00	0.00	0.00	0.00
0	224.18	RUS-ECONOMIC DEVELOPMENT GRANT	Bal	41	-527,000.00	0.00	0.00	0.00	-527,000.00
0	224.2	FEDERAL FINANCING BANK-LTD	Bal	38	-82,996,895.63	465,099.90	0.00	465,099.90	-82,531,795.73
0	224.3	LONG TERM DEBT - R E A	Bal	37	-30,136,969.03	65,936.65	0.00	65,936.65	-30,071,032.38
0	224.34	EKP MKT LOANS-OTHER LTD	Bal	40	0.00	0.00	0.00	0.00	0.00
0	224.4	R E A NOTES EXECUTED	Bal	37	0.00	0.00	0.00	0.00	0.00
0	224.5	RUS-DEFERRED-INTEREST ACCRUED	Bal	37	0.00	0.00	0.00	0.00	0.00
0	224.6	RUS LTD-DEBIT-ADVANCE PYMT UNAPP	Bal	37	369,781.30	0.00	0.00	0.00	369,781.30
0	228.3	ACCUM PROV-PENSIONS & BENEFITS	Bal	45	-8,162,234.84	39,174.33	-65,700.00	-26,525.67	-8,188,760.51
0	231.0	NOTES PAYABLE	Bal	47	0.00	0.00	0.00	0.00	0.00
0	232.1	ACCOUNTS PAYABLE - GENERAL	Bal	48	-7,422,882.20	8,039,929.53	-9,396,637.17	-1,356,707.64	-8,779,589.84
0	232.11	ACCOUNTS PAYABLE - MISCELLANEOUS	Bal	48	0.00	0.00	0.00	0.00	0.00
0	232.3	ACCOUNTS PAYABLE - PAYROLL SAVIN	Bal	48	0.00	0.00	0.00	0.00	0.00
0	232.31	ACCOUNTS PAYABLE - MINT PLAN	Bal	48	-656.25	416.67	0.00	416.67	-239.58
0	232.32	ACCT PAYABLE-EMPLOYEE INSURANCE	Bal	48	0.00	0.00	0.00	0.00	0.00
0	232.33	ACCOUNTS PAYABLE - CHILD SUPPORT	Bal	48	-473.84	710.76	-473.84	236.92	-236.92

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Div	Account	Description	Rpt	Ln	Beginning Balance	Debit	Credit	(Difference) Net Activity	Ending Balance
0	232.34	ACCOUNTS PAYABLE - ACRE	Bal	48	-990.68	0.00	-198.48	-198.48	-1,189.16
0	232.35	ACCTS PAYABLE-GARNISHED WAGES	Bal	48	0.00	0.00	0.00	0.00	0.00
0	232.36	METLIFE INS-ACCTS PAYABLE	Bal	48	-307.17	990.07	-682.90	307.17	0.00
0	232.37	ROUNDUP PROGRAM-ACCTS PAYABLE	Bal	48	0.00	0.00	0.00	0.00	0.00
0	232.38	MACED PROGRAM-ACCOUNTS PAYABLE	Bal	48	-214,033.40	1,118.07	-15,655.77	-14,537.70	-228,571.10
0	232.4	CONTRACTOR MARKETING INCENTIVES	Bal	48	0.00	0.00	0.00	0.00	0.00
0	232.41	CONTRACTOR PAYABLE - ETS LABOR	Bal	48	0.00	0.00	0.00	0.00	0.00
0	232.42	MARKETING LOAN FILING FEE PAYABL	Bal	48	0.00	0.00	0.00	0.00	0.00
0	232.43	ETS MATERIAL & INSPECT-PAYABLE	Bal	48	0.00	0.00	0.00	0.00	0.00
0	232.44	CONTRACTOR SERVICE CALLS PAYABLE	Bal	48	0.00	0.00	0.00	0.00	0.00
0	232.45	SURGE SUPPRESSOR-LABOR PAYABLE	Bal	48	0.00	0.00	0.00	0.00	0.00
0	232.46	ETS INSTALLATION - CONTRACTOR LA	Bal	48	0.00	0.00	0.00	0.00	0.00
0	232.47	ETS WARRANTY - CONTRACTOR LABOR	Bal	48	0.00	0.00	0.00	0.00	0.00
0	232.48	ETS NONWARRANTY - CONTRACTOR LAB	Bal	48	0.00	0.00	0.00	0.00	0.00
0	232.49	ETS MATERIALS - CONTRACTOR PAYAB	Bal	48	0.00	0.00	0.00	0.00	0.00
0	232.5	SURGE SUPPRESSOR-MATERIAL PAYABL	Bal	48	0.00	0.00	0.00	0.00	0.00
0	232.6	PARTIAL MEMBERSHIPS-ACCTS PAYABL	Bal	48	0.00	0.00	0.00	0.00	0.00
0	232.7	ACCOUNTS PAYABLE - EMPLOYEE FUND	Bal	48	0.00	0.00	0.00	0.00	0.00
0	232.8	WINTERCARE-ACCTS PAYABLE	Bal	48	0.00	0.00	0.00	0.00	0.00
0	232.81	DOLLYWOOD PARK TICKETS-ACCTS PAY	Bal	48	0.00	0.00	0.00	0.00	0.00
0	232.82	KINGS ISLAND TICKETS-ACCT PAY	Bal	48	0.00	0.00	0.00	0.00	0.00
0	232.83	ACCOUNTS PAYABLE - SPLASH & PLAY	Bal	48	0.00	0.00	0.00	0.00	0.00
0	232.84	KENTUCKY KINGDON-ACCT PAYABLE	Bal	48	0.00	0.00	0.00	0.00	0.00
0	232.85	KY STATE FAIR TICKET-ACCT PAY	Bal	48	0.00	0.00	0.00	0.00	0.00
0	232.9	A/P-AMERICAN EXPRESS PURCHASES	Bal	48	-3,785.60	3,985.60	-248,772.83	-244,787.23	-248,572.83
0	234.1	ACCOUNTS PAYABLE - HOME SECURITY	Bal	48	0.00	0.00	0.00	0.00	0.00
0	234.2	SUBSIDIARY ELE GRILLS-ACCTS PAY	Bal	48	0.00	0.00	0.00	0.00	0.00
0	234.3	ACCOUNTS PAYABLE - WORLD COM	Bal	48	0.00	0.00	0.00	0.00	0.00
0	234.4	ACCOUNTS PAYABLE - TREE TRIMMING	Bal	48	0.00	0.00	0.00	0.00	0.00
0	234.5	ACCOUNTS PAYABLE - THERMOGAS INC	Bal	48	0.00	0.00	0.00	0.00	0.00
0	234.51	ACCOUNTS PAYABLE - PROPANE PLUS	Bal	48	0.00	0.00	0.00	0.00	0.00
0	234.52	ROUNDUP PROGRAM-ACCTS PAYABLE	Bal	48	0.09	0.00	-2,533.02	-2,533.02	-2,532.93
0	235.0	CONSUMER DEPOSITS	Bal	49	-1,124,035.00	73,331.98	-43,586.98	29,745.00	-1,094,290.00

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0	236.1	ACCRUED PROPERTY TAX	Bal	53	-255,176.11	320,619.77	-65,443.66	255,176.11	0.00
0	236.2	ACCRUED F U T A	Bal	53	-68.96	0.00	-13.39	-13.39	-82.35
0	236.3	ACCRUED F I C A	Bal	53	0.00	87,513.92	-87,513.92	0.00	0.00
0	236.4	ACCRUED S U T A	Bal	53	-134.94	157.25	-22.31	134.94	0.00
0	236.5	ACCRUED SALES TAX	Bal	53	-202,995.51	67,617.92	-78,075.20	-10,457.28	-213,452.79
0	236.51	ACCRUED MADISON CO SCHOOL TAX	Bal	53	-113.53	47.00	-74.31	-27.31	-140.84
0	236.52	ACCRUED LONDON CITY TAX	Bal	53	-5,453.10	5,453.10	-5,962.36	-509.26	-5,962.36
0	236.53	ACCRUED ESTILL COUNTY SCHOOL TAX	Bal	53	-38,992.78	18,209.90	-24,788.81	-6,578.91	-45,571.69
0	236.54	ACCRUED LEE COUNTY SCHOOL TAX	Bal	53	-28,321.07	13,469.77	-17,707.01	-4,237.24	-32,558.31
0	236.55	ACCRUED ESTILL COUNTY OCCUPATION	Bal	53	0.00	0.00	0.00	0.00	0.00
0	236.56	ACCRUED CLAY COUNTY SCHOOL TAX	Bal	53	-79,306.63	37,680.27	-48,152.81	-10,472.54	-89,779.17
0	236.57	ACCRUED ROCKCASTLE CO SCHOOL TAX	Bal	53	-50,581.55	22,816.24	-33,272.21	-10,455.97	-61,037.52
0	236.58	ACCRUED LAUREL COUNTY SCHOOL TAX	Bal	53	-204,271.54	98,897.14	-131,892.25	-32,995.11	-237,266.65
0	236.59	ACCRUED WOLFE COUNTY SCHOOL TAX	Bal	53	-108.12	51.36	-63.52	-12.16	-120.28
0	236.6	ACCRUED OWSLEY COUNTY SCHOOL TAX	Bal	53	-22,000.96	9,992.64	-13,716.23	-3,723.59	-25,724.55
0	236.61	ACCURED BREATHITT CO SHCOOL TAX	Bal	53	-47.30	24.88	-23.74	1.14	-46.16
0	236.62	ACCRUED LESLIE COUNTY SCHOOL TAX	Bal	53	-481.00	182.77	-289.85	-107.08	-588.08
0	236.63	ACCRUED LINCOLN CO SCHOOL TAX	Bal	53	-27.75	13.18	-18.63	-5.45	-33.20
0	236.64	ACCRUED JACKSON CO SCHOOL TAX	Bal	53	-67,914.96	32,639.26	-44,909.87	-12,270.61	-80,185.57
0	236.65	ACCRUED CITY OF IRVINE TAX	Bal	53	-448.65	448.65	-509.92	-61.27	-509.92
0	236.66	ACCRUED CITY OF MT VERNON TAX	Bal	53	-1,430.45	1,430.45	-1,586.70	-156.25	-1,586.70
0	236.67	ACCRUED POWELL COUNTY SCHOOL TAX	Bal	53	-247.11	104.17	-159.45	-55.28	-302.39
0	236.68	ACCRUED BREATHITT COUNTY OCCUPAT	Bal	53	0.00	0.00	0.00	0.00	0.00
0	236.69	ACCRUED GARRARD CO SCHOOL TAX	Bal	53	-47.99	16.22	-28.22	-12.00	-59.99
0	236.7	ACCRUED OCCUPATIONAL TAX	Bal	53	0.00	0.00	0.00	0.00	0.00
0	236.71	ACCRUED CLAY CO OCCUPAT TAX	Bal	53	-1,362.54	1,895.83	-533.29	1,362.54	0.00
0	236.72	ACCRUED JACKSON CO OCCUP TAX	Bal	53	-8,324.58	14,441.96	-6,117.38	8,324.58	0.00
0	236.73	ACCRUED ESTILL CO OCCUPAT TAX	Bal	53	-969.95	1,368.97	-399.02	969.95	0.00
0	236.74	ACCRUED LAUREL CO OCCUPAT TAX	Bal	53	-2,097.24	3,487.27	-1,390.03	2,097.24	0.00
0	236.75	ACCRUED ROCKCASTLE CO OCCUPATION	Bal	53	-1,357.05	1,913.17	-556.12	1,357.05	0.00
0	236.76	ACCRUED PULASKI CO SCHOOL TAX	Bal	53	-12.31	5.71	-9.49	-3.78	-16.09
0	237.1	ACCRUED INTEREST - R U S	Bal	53	0.00	117,380.89	-117,380.89	0.00	0.00
0	237.3	ACCRUED INTEREST - C F C	Bal	53	0.00	0.00	-111,080.34	-111,080.34	-111,080.34

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0	237.31	CFC LINE OF CREDIT-OTHER INTERES	Bal	53	0.00	0.00	0.00	0.00	0.00
0	237.32	OTHER INTERST ACCRUED - TREASURY	Bal	53	0.00	0.00	0.00	0.00	0.00
0	237.33	EKP-OTHER INTEREST ACCRUED	Bal	53	0.00	0.00	0.00	0.00	0.00
0	237.34	EKP-MKT LOANS EXP-OTHER INTEREST	Bal	53	0.00	0.00	0.00	0.00	0.00
0	237.35	CFC SHORT TERM LOAN-OTHER INTERE	Bal	53	0.00	0.00	0.00	0.00	0.00
0	237.36	FEDERAL FINANCING BANK-INTERST	Bal	53	-438,453.44	654,849.05	-216,395.61	438,453.44	0.00
0	237.37	MACED LIABILITY - INTEREST	Bal	53	0.00	574.29	-574.29	0.00	0.00
0	237.4	CONSUMER DEPOSITS-OTHER INTEREST	Bal	53	-23,561.56	1,155.01	-94.26	1,060.75	-22,500.81
0	238.1	PATRONAGE CAPITAL PAYABLE	Bal	53	0.00	0.00	0.00	0.00	0.00
0	238.2	PATRONAGE REFUNDS PAYABLE	Bal	53	0.00	0.00	0.00	0.00	0.00
0	238.99	CAP CREDIT ESTATE RETIRE CKS	Bal	53	-881.06	53,546.09	-52,558.88	987.21	106.15
0	241.0	FEDERAL INCOME TAX WITHHELD-PAYA	Bal	53	0.00	86,288.06	-86,288.06	0.00	0.00
0	241.1	STATE INCOME TAX WITHHELD-PAYABL	Bal	53	0.00	34,220.91	-34,220.91	0.00	0.00
0	242.2	ACCRUED PAYROLL - MANDATORY SAVI	Bal	53	0.00	0.00	0.00	0.00	0.00
0	242.21	ACCRUED PAYROLL	Bal	53	-165,596.84	165,596.84	-227,239.42	-61,642.58	-227,239.42
0	242.3	ACCRUED SICK LEAVE - FROZEN	Bal	53	0.00	0.00	0.00	0.00	0.00
0	242.31	ACCRUAL ACCOUNT NOT USED	Bal	53	0.00	0.00	0.00	0.00	0.00
0	242.32	ACCRUED PAID TIME OFF	Bal	53	-1,251,859.98	70,636.71	-58,867.42	11,769.29	-1,240,090.69
0	242.4	ACCRUED INSURANCE	Bal	53	0.00	0.00	0.00	0.00	0.00
0	242.99	CLEARING-ACCRUED PAYROLL	Bal	53	0.00	1,036,580.50	-1,036,580.50	0.00	0.00
0	252.0	CUSTOMER ADVANCE-CONSTRUCTION	Bal	56	0.00	0.00	0.00	0.00	0.00
0	252.1	MOBILE HOMES-CUST ADVANCE-CONSTR	Bal	56	-28,081.99	1,083.79	-7,654.77	-6,570.98	-34,652.97
0	253.0	OTHER DEFERRED CREDITS	Bal	56	-297,573.56	3,462.80	0.00	3,462.80	-294,110.76
0	253.01	TRANSFORMER INSTALL-OTHER DEF CR	Bal	56	0.00	0.00	0.00	0.00	0.00
0	253.02	METER INSTALLATION-OTHER DEFERRE	Bal	56	0.00	0.00	0.00	0.00	0.00
0	253.03	OH COND & DEV INSTAL-OTHER DEF C	Bal	56	0.00	0.00	0.00	0.00	0.00
0	253.04	MEDICAL PREMIUM REFUNDS-ODC	Bal	56	0.00	0.00	0.00	0.00	0.00
0	253.1	CONSUMER ENERGY PREPAYMENTS	Bal	56	0.00	0.00	0.00	0.00	0.00
0	253.2	MINT TRUST LIABILITY	Bal	56	0.00	0.00	0.00	0.00	0.00
0	253.3	OTHER DEFERRED CREDITS-LOAN CONV	Bal	56	0.00	0.00	0.00	0.00	0.00
0	362.0	STATION EQUIPMENT - AMR	Bal	1	1,614,752.15	8,502.08	0.00	8,502.08	1,623,254.23
0	362.1	AMR SATELLITE SYSTEM-STATION EQU	Bal	1	75,936.54	0.00	0.00	0.00	75,936.54
0	364.0	POLES TOWERS AND FIXTURES	Bal	1	63,513,570.01	161,822.14	-62,458.30	99,363.84	63,612,933.85



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Div	Account	Description	Rpt	Ln	Beginning Balance	Debit	Credit	(Difference) Net Activity	Ending Balance
0	365.0	OVERHEAD CONDUCTORS AND DEVICES	Bal	1	61,789,432.53	202,280.89	-24,419.61	177,861.28	61,967,293.81
0	366.0	UNDERGROUND CONDUIT	Bal	1	0.00	0.00	0.00	0.00	0.00
0	367.0	URD CONDUCTORS AND DEVICES	Bal	1	1,806,000.29	2,325.27	-1,005.34	1,319.93	1,807,320.22
0	368.0	LINE TRANSFORMERS	Bal	1	28,398,376.49	131,017.74	-59,533.27	71,484.47	28,469,860.96
0	369.0	SERVICES	Bal	1	20,060,620.47	112,908.90	-29,258.16	83,650.74	20,144,271.21
0	370.0	METERS	Bal	1	1,650,471.34	0.00	-2,907.20	-2,907.20	1,647,564.14
0	370.01	AMR - METERS	Bal	1	10,230,385.71	0.00	-12,087.74	-12,087.74	10,218,297.97
0	371.0	SECURITY LIGHTS-CUSTOMER INSTALL	Bal	1	5,151,251.46	53,286.41	-17,650.99	35,635.42	5,186,886.88
0	373.0	STREET LIGHTING	Bal	1	278,394.46	679.09	-462.45	216.64	278,611.10
0	389.0	LAND AND LAND RIGHTS	Bal	1	199,154.59	0.00	0.00	0.00	199,154.59
0	390.0	STRUCTURES AND IMPROVEMENTS	Bal	1	6,890,132.03	1,612,392.89	0.00	1,612,392.89	8,502,524.92
0	390.01	STRUCTURES AND IMPROVEMENTS-WOOD	Bal	1	93,965.44	0.00	0.00	0.00	93,965.44
0	390.02	ELECTRICAL-STRUCTURES & IMPROVEM	Bal	1	12,240.00	0.00	0.00	0.00	12,240.00
0	390.03	MISC-STRUCTURES & IMPROVEMENTS	Bal	1	214,841.66	0.00	0.00	0.00	214,841.66
0	390.1	GENREAL COST OF BLDG PROJECT	Bal	1	0.00	0.00	0.00	0.00	0.00
0	390.11	NEW WAREHOUSE-MCKEE-BLDG PROJECT	Bal	1	0.00	0.00	0.00	0.00	0.00
0	390.12	MCKEE RENOVATION-BLDG PROJECT	Bal	1	0.00	0.00	0.00	0.00	0.00
0	390.13	LONDON REVOVATION-BLDG PROJECT	Bal	1	36,629.75	0.00	0.00	0.00	36,629.75
0	390.14	NEW OFFICE BLDG-BLDG PROJECT	Bal	1	0.00	0.00	0.00	0.00	0.00
0	390.15	BEATTYVILLE DIST SERVICE CENTER	Bal	1	0.00	0.00	0.00	0.00	0.00
0	391.0	OFFICE FURNITURE AND EQUIPMENT	Bal	1	359,958.80	120,532.91	-801.93	119,730.98	479,689.78
0	391.01	COMPUTER-OFFICE FURNITURE & EQUI	Bal	1	790,931.90	18,818.92	0.00	18,818.92	809,750.82
0	391.02	COMPUTER CONVERSION-OFFICE FURNI	Bal	1	456,803.68	0.00	0.00	0.00	456,803.68
0	391.1	ON-LINE DEVELOPMENT - E K P	Bal	1	0.00	0.00	0.00	0.00	0.00
0	391.2	HEADQUARTERS-OFFICE FURNITURE &	Bal	1	232,124.02	0.00	0.00	0.00	232,124.02
0	392.0	TRANSPORTATION EQUIPMENT	Bal	1	5,509,406.40	378,352.00	0.00	378,352.00	5,887,758.40
0	392.01	TRANSPORTATION EQUIPMENT - OTHER	Bal	1	139,698.32	0.00	0.00	0.00	139,698.32
0	393.0	STORES EQUIPMENT	Bal	1	264,444.33	7,459.79	0.00	7,459.79	271,904.12
0	394.0	TOOLS SHOP AND GARAGE EQUIPMENT	Bal	1	331,478.53	0.00	0.00	0.00	331,478.53
0	395.0	LABORATORY EQUIPMENT	Bal	1	287,087.34	0.00	-6,816.00	-6,816.00	280,271.34
0	396.0	POWER OPERATED EQUIPMENT	Bal	1	49,292.73	0.00	0.00	0.00	49,292.73
0	397.0	COMMUNICATION EQUIPMENT	Bal	1	723,750.95	1,584,166.94	0.00	1,584,166.94	2,307,917.89
0	398.0	MISCELLANEOUS EQUIPMENT	Bal	1	1,748,230.63	61,430.13	0.00	61,430.13	1,809,660.76

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Div	Account	Description	Rpt	Ln	Beginning Balance	Debit	Credit	(Difference) Net Activity	Ending Balance
0	398.1	DISPATCH BOARD-MISC EQUIP	Bal	1	0.00	0.00	0.00	0.00	0.00
0	403.6	DISTRIBUTION PLANT-DEPREC EXPENS	Inc	13	7,013,360.99	649,189.59	0.00	649,189.59	7,662,550.58
0	403.7	GENERAL PLANT-DEPREC EXPENSE	Inc	13	546,195.32	47,135.27	0.00	47,135.27	593,330.59
0	407.0	AMORT OF PROP LOSSES & UNRECOVER	Inc	13	431,541.00	39,231.00	0.00	39,231.00	470,772.00
0	408.1	TAXES - PROPERTY	Inc	14	0.00	0.00	0.00	0.00	0.00
0	408.2	TAXES - F U T A	Inc	15	0.00	0.00	0.00	0.00	0.00
0	408.3	TAXES - F I C A	Inc	15	0.00	0.00	0.00	0.00	0.00
0	408.4	TAXES - SUTA	Inc	15	0.00	0.00	0.00	0.00	0.00
0	408.7	TAXES - OTHER - CITY OCCUPATIONA	Inc	15	0.00	0.00	0.00	0.00	0.00
0	408.71	TAXES - OTHER - PSC ASSESSMENT	Inc	15	120,557.14	0.00	0.00	0.00	120,557.14
0	408.72	TAXES - OTHER - OCCUPATIONAL & L	Inc	15	0.00	0.00	0.00	0.00	0.00
0	408.73	TAXES - OTHER - BREATHITT CO OCC	Inc	15	0.00	0.00	0.00	0.00	0.00
0	415.01	REVENUE FROM SALE OF PREPAID PHO	Inc	25	0.00	0.00	0.00	0.00	0.00
0	415.02	REVENUE-SALE ELEC GRILL & OTHER	Inc	25	0.00	0.00	0.00	0.00	0.00
0	415.03	REVENUE FROM SALE OF ETS UNITS	Inc	25	-7,260.28	0.00	-1,516.09	-1,516.09	-8,776.37
0	415.04	REVENUE-1ST USA CREDIT CARD APPL	Inc	25	0.00	0.00	0.00	0.00	0.00
0	415.05	ETS METER LEASE	Inc	25	0.00	0.00	0.00	0.00	0.00
0	415.06	REVENUE FROM ETS MATERIALS MARKU	Inc	25	0.00	0.00	0.00	0.00	0.00
0	415.07	REVENUE FROM SALE OF SURGE SUPPR	Inc	25	0.00	0.00	0.00	0.00	0.00
0	416.02	EXPENSES - GRILLS AND OTHER MISC	Inc	25	0.00	0.00	0.00	0.00	0.00
0	416.03	ETS EXPENSES	Inc	25	-3,365.55	0.00	0.00	0.00	-3,365.55
0	416.04	ETS/MARKETING EXPENSE	Inc	25	6,749.68	1,343.14	0.00	1,343.14	8,092.82
0	416.05	GEOHERMAL EXPENSES	Inc	25	0.00	0.00	0.00	0.00	0.00
0	416.06	ETS WARRANTY LABOR - CONTRACTOR	Inc	25	0.00	0.00	0.00	0.00	0.00
0	416.07	EXPENSES - SURGE SUPPRESSORS	Inc	25	0.00	0.00	0.00	0.00	0.00
0	417.01	REBATE ON LONG DISTANCE SERVICE	Inc	25	0.00	0.00	0.00	0.00	0.00
0	417.02	AFTER HOURS DISPATCHING INCOME	Inc	25	-4,650.00	0.00	-450.00	-450.00	-5,100.00
0	417.03	SUBSIDIARIES-RENTAL INCOME & OTHE	Inc	25	-9,220.00	0.00	-20.00	-20.00	-9,240.00
0	418.1	EQUITY IN EARNINGS-SUBSIDIARY CO	Inc	24	0.00	0.00	-124,271.41	-124,271.41	-124,271.41
0	419.0	INTEREST AND DIVIDEND INCOME	Inc	22	-139,159.98	0.00	-21,424.07	-21,424.07	-160,584.05
0	419.1	MONEY MARKET ACCTS-INTEREST INCO	Inc	22	-622.91	0.00	-37.39	-37.39	-660.30
0	419.12	INTEREST INCOME - MARKETING LOAN	Inc	22	0.00	0.00	0.00	0.00	0.00
0	419.2	INTEREST INCOME - EMPLOYEE LOANS	Inc	22	-37.44	0.00	-7.73	-7.73	-45.17

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0	419.5	INTEREST INCOME - ETS MARKETING	Inc	22	0.00	0.00	0.00	0.00	0.00
0	419.51	INTEREST INCOME - LOANS/LINE EXT	Inc	22	0.00	0.00	0.00	0.00	0.00
0	421.0	MISC NONOPERATING INCOME	Inc	25	-48.62	0.00	-184.04	-184.04	-232.66
0	421.01	MISC NONOPERATING INCOME - REFIN	Inc	25	0.00	0.00	0.00	0.00	0.00
0	421.02	MACED PROGRAM-MISC NONOPERATING I	Inc	25	-7,744.27	0.00	-670.96	-670.96	-8,415.23
0	421.1	GAIN/LOSS ON DEPOSITION PROPERTY	Inc	25	124,034.85	1,673.54	-3,378.75	-1,705.21	122,329.64
0	423.0	G&T COOP CAPITAL CREDITS	Inc	26	0.00	125,041.83	-4,483,380.39	-4,358,338.56	-4,358,338.56
0	424.0	OTHER CAP CREDITS & PAT CAPITAL	Inc	27	-126,158.51	0.00	-24,769.89	-24,769.89	-150,928.40
0	426.0	DONATIONS	Inc	19	15,981.01	1,200.00	0.00	1,200.00	17,181.01
0	426.3	PENALTIES	Inc	19	0.00	0.00	0.00	0.00	0.00
0	426.5	OTHER DEDUCTIONS	Inc	19	57,993.53	5,721.61	0.00	5,721.61	63,715.14
0	427.1	INTERST-RUS CONSTRUCTION LOANS	Inc	16	1,274,010.69	117,380.89	0.00	117,380.89	1,391,391.58
0	427.2	INTEREST-CFC CONSTRUCTION LOANS	Inc	16	1,279,282.89	111,080.34	0.00	111,080.34	1,390,363.23
0	427.3	INTEREST ON EKP MARKETING LOANS	Inc	16	0.00	0.00	0.00	0.00	0.00
0	427.32	INTEREST-TREASURY CONSTRUCT LOAN	Inc	16	0.00	0.00	0.00	0.00	0.00
0	427.4	INTEREST-FFB CONSTRUCT LOANS	Inc	16	2,405,193.83	216,395.61	0.00	216,395.61	2,621,589.44
0	427.5	INTEREST ON TREASURY LOANS	Inc	16	0.00	0.00	0.00	0.00	0.00
0	428.0	AMORTIZATION OF DEBT DISCOUNT AN	Inc	19	0.00	0.00	0.00	0.00	0.00
0	428.01	AMORT OF DEBT EXP - LOAN CONVERS	Inc	19	0.00	0.00	0.00	0.00	0.00
0	431.0	CONSUMER DEPOSITS-OTHER INTERST	Inc	18	53,927.09	94.26	0.00	94.26	54,021.35
0	431.1	OTHER INTEREST EXPENSE - BANK NO	Inc	18	0.00	0.00	0.00	0.00	0.00
0	431.11	EAST KY POWER-OTHER INTEREST EXP	Inc	18	0.00	0.00	0.00	0.00	0.00
0	431.2	CFC LINE OF CREDIT-INTEREST EXP	Inc	18	0.00	0.00	0.00	0.00	0.00
0	431.34	OTHER INTEREST EXPENSE - MARKETI	Inc	18	0.00	0.00	0.00	0.00	0.00
0	435.1	CUMULATIVE EFFECT OF PRIOR YEARS	Inc	28	0.00	0.00	0.00	0.00	0.00
0	440.09	ESTIMATED ELECTRIC SALES REVENUE	Inc	1	0.00	0.00	0.00	0.00	0.00
0	440.1	RESIDENTIAL SALES	Inc	1	-59,229,967.52	12,709.62	-7,844,193.69	-7,831,484.07	-67,061,451.59
0	440.11	ENVIRO SURCHARGE-RESIDENT SALES	Inc	1	-5,830,818.22	1,430.99	-913,572.30	-912,141.31	-6,742,959.53
0	442.1	SMALL COMMERCIAL-COMM/INDUST SAL	Inc	1	-5,913,902.46	3,502.24	-610,529.68	-607,027.44	-6,520,929.90
0	442.11	C & I SALES-SMALL COMMERCIAL-ENV	Inc	1	-581,818.59	0.00	-70,919.63	-70,919.63	-652,738.22
0	442.2	LARGE COMMERCIAL-COMM/INDUST SAL	Inc	1	-9,790,010.60	6,733.79	-908,523.58	-901,789.79	-10,691,800.39
0	442.21	ENVIRON SURCHARGE-LARGE COMM-C&I	Inc	1	-887,917.26	0.00	-104,768.58	-104,768.58	-992,685.84
0	444.0	PUBLIC STREET & HIGHWAY LIGHTING	Inc	1	0.00	0.00	0.00	0.00	0.00

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Div	Account	Description	Rpt	Ln	Beginning Balance	Debit	Credit	(Difference) Net Activity	Ending Balance
0	445.0	OTHER SALES TO PUBLIC AUTHORITIE	Inc	1	-3,296,497.58	0.00	-365,676.12	-365,676.12	-3,662,173.70
0	445.01	ENVIRON SURCHARGE-OTHER PUBLIC A	Inc	1	-323,705.40	0.00	-42,585.34	-42,585.34	-366,290.74
0	450.0	FORFEITED DISCOUNTS	Inc	1	-1,027,197.65	1,653.93	-99,375.44	-97,721.51	-1,124,919.16
0	451.0	MISCELLANEOUS SERVICE REVENUES	Inc	1	-300,704.72	0.00	-26,104.91	-26,104.91	-326,809.63
0	454.0	TELEPHONE CO-POLE ATTACHMENTS	Inc	1	-778,085.33	783,845.33	-921,026.04	-137,180.71	-915,266.04
0	454.01	POLE ATTACHMENTS - CABLE COMPANI	Inc	1	0.00	0.00	0.00	0.00	0.00
0	456.0	OTHER ELECTRIC REVENUES	Inc	1	-217,285.44	325.83	-16,985.59	-16,659.76	-233,945.20
0	456.02	OTHER ELECTRIC REVENUES - ETS	Inc	1	0.00	0.00	0.00	0.00	0.00
0	555.0	PURCHASED POWER	Inc	3	51,784,297.00	5,867,437.00	0.00	5,867,437.00	57,651,734.00
0	555.01	ENVIRON SURCHARGE-PURCHASED POWE	Inc	3	7,544,897.00	1,069,573.00	0.00	1,069,573.00	8,614,470.00
0	555.02	PURCHASED POWER-WELLHEAD ENERGY	Inc	3	128,000.40	18,740.80	0.00	18,740.80	146,741.20
0	580.0	OPERATION SUPERVISION & ENGINEER	Inc	6	77,627.00	9,520.95	0.00	9,520.95	87,147.95
0	580.01	GATEWAY PROJECT	Inc	6	0.00	0.00	0.00	0.00	0.00
0	580.02	ELECTRICAL SYSTEMS OPERATIONS -	Inc	6	0.00	0.00	0.00	0.00	0.00
0	582.0	STATION EXPENSES	Inc	6	24,929.30	0.00	0.00	0.00	24,929.30
0	583.0	OVERHEAD LINE EXPENSES	Inc	6	1,561,085.68	80,508.12	-25,747.55	54,760.57	1,615,846.25
0	583.01	LINE INSPECTIONS-INCL POLE INSPE	Inc	6	157,476.61	14,160.49	0.00	14,160.49	171,637.10
0	583.1	TRANSFORMER OIL SCREENING EXPENS	Inc	6	96,347.58	1,555.29	0.00	1,555.29	97,902.87
0	583.11	TRANSFORMER OIL SPILL	Inc	6	0.00	0.00	0.00	0.00	0.00
0	583.12	TRANSFORMER OIL SPILL EXPENSES	Inc	6	0.00	0.00	0.00	0.00	0.00
0	584.0	UNDERGROUND LINE EXPENSES	Inc	6	21,437.49	2,602.08	0.00	2,602.08	24,039.57
0	584.01	UNDERGROUND LOCATE EXPENSE	Inc	6	31,523.49	1,347.64	0.00	1,347.64	32,871.13
0	585.0	STREET LIGHTING & SIGNAL EXP	Inc	6	0.00	0.00	0.00	0.00	0.00
0	586.0	METER EXPENSES	Inc	6	760,660.85	71,465.22	-70.00	71,395.22	832,056.07
0	586.01	RECONNECT, CONNECT & DISCONNECTS	Inc	6	654,160.71	57,626.59	0.00	57,626.59	711,787.30
0	586.1	PREPAID METERING	Inc	6	56,534.58	6,420.59	0.00	6,420.59	62,955.17
0	586.15	SMART GRID-FEDERAL GRANT-PREPAY ME	Inc	6	0.00	0.00	0.00	0.00	0.00
0	587.0	CUSTOMERS INSTALLATIONS EXPENSES	Inc	6	174,053.00	7,292.26	0.00	7,292.26	181,345.26
0	588.0	MISCELLANEOUS DISTRIBUTION EXPEN	Inc	6	449,190.14	59,672.77	-500.00	59,172.77	508,362.91
0	588.01	BUILDINGS & GROUNDS - JANITORIAL	Inc	6	0.00	0.00	0.00	0.00	0.00
0	588.02	SAFETY PROGRAMS	Inc	6	271,490.03	12,318.34	-44.00	12,274.34	283,764.37
0	588.03	TVPPA APPRENTICESHIP PROGRAM	Inc	6	14,575.63	44.48	0.00	44.48	14,620.11
0	588.04	POLE AND UNIT INVENTORY	Inc	6	0.00	0.00	0.00	0.00	0.00

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Div	Account	Description	Rpt	Ln	Beginning Balance	Debit	Credit	(Difference) Net Activity	Ending Balance
0	588.05	FOREIGN UTILITY COORDINATION	Inc	6	0.00	0.00	0.00	0.00	0.00
0	588.06	MAPPING	Inc	6	203,270.01	15,536.07	0.00	15,536.07	218,806.08
0	588.07	BUILDINGS & GROUNDS-JANITORIAL A	Inc	6	0.00	0.00	0.00	0.00	0.00
0	590.0	MAINTENANCE SUPERVISION & ENGINE	Inc	7	0.00	0.00	0.00	0.00	0.00
0	593.0	MAINTENANCE OF OVERHEAD LINES	Inc	7	806,218.47	99,940.71	0.00	99,940.71	906,159.18
0	593.01	EMERGENCY-MAINT OF OVH LINES	Inc	7	1,289,192.20	108,122.42	-713.51	107,408.91	1,396,601.11
0	593.02	AFTER INSPECTION	Inc	7	6,045.96	0.00	0.00	0.00	6,045.96
0	593.03	MARCH 2012 LAUREL STORM	Inc	7	0.00	0.00	0.00	0.00	0.00
0	593.04	MAINT OH LINES - ON CALL STANDBY	Inc	7	100,885.94	9,567.64	0.00	9,567.64	110,453.58
0	593.05	JANUARY 2009 STORM	Inc	7	0.00	0.00	0.00	0.00	0.00
0	593.06	MAJOR STORM	Inc	7	0.00	0.00	0.00	0.00	0.00
0	593.1	RIGHT OF WAY-MAINT OF OVH LINES	Inc	7	0.00	0.00	0.00	0.00	0.00
0	593.11	ROW AERIAL-MAINT OF OVH LINES	Inc	7	200.00	0.00	0.00	0.00	200.00
0	593.12	ROW HAND CUT-MAINT OF OVH LINES	Inc	7	316,590.61	35,092.71	0.00	35,092.71	351,683.32
0	593.13	COOP CREWS ROW CLEARING	Inc	7	0.00	0.00	0.00	0.00	0.00
0	593.14	COOP CREWS-MAINT OF OVH LINES	Inc	7	113,268.32	9,702.83	0.00	9,702.83	122,971.15
0	593.15	ROW SPRAYING-MAINT OF OVH LINES	Inc	7	416,120.71	0.00	0.00	0.00	416,120.71
0	593.16	ROW-TRADE A TREE-MAINT OVH LINES	Inc	7	200.00	400.00	0.00	400.00	600.00
0	593.17	MECHANICAL CUT-MAINT OVH LINES	Inc	7	0.00	0.00	0.00	0.00	0.00
0	593.18	CIRCUIT CLEAR-MAINT OVH LINES	Inc	7	1,872,186.03	468,198.79	0.00	468,198.79	2,340,384.82
0	593.19	EMERGENCY ROW CLEARING-ROW	Inc	7	0.00	0.00	0.00	0.00	0.00
0	593.2	CRIP-MAINT OF OVH LINES	Inc	7	0.00	0.00	0.00	0.00	0.00
0	593.21	HAZARD TREE MITIGATION PROJECT	Inc	7	9,440.00	0.00	0.00	0.00	9,440.00
0	593.9	MAINTENANCE OVERHEAD LINES	Inc	7	0.00	0.00	0.00	0.00	0.00
0	594.0	MAINTENANCE OF UNDERGROUND LINES	Inc	7	4,654.97	1,075.62	0.00	1,075.62	5,730.59
0	594.01	EMERGENCY-MAINT URD LINES	Inc	7	0.00	0.00	0.00	0.00	0.00
0	595.0	MAINTENANCE OF LINE TRANSFORMERS	Inc	7	14,710.43	1,880.43	0.00	1,880.43	16,590.86
0	596.0	MAINTENANCE OF STREET LIGHTING	Inc	7	22,088.32	1,369.60	0.00	1,369.60	23,457.92
0	597.0	MAINTENANCE OF METERS	Inc	7	0.00	0.00	0.00	0.00	0.00
0	598.0	MAINT-MISC DISTRIBUTION PLANT	Inc	7	227,861.02	17,659.56	0.00	17,659.56	245,520.58
0	901.0	CUSTOMER ACCOUNTS SUPERVISION	Inc	8	74,613.60	913.45	0.00	913.45	75,527.05
0	902.0	METER READING EXPENSE	Inc	8	35,010.63	2,542.44	0.00	2,542.44	37,553.07
0	903.0	CUSTOMER RECORDS & COLLECT EXP	Inc	8	148,985.23	18,373.02	-1,425.19	16,947.83	165,933.06

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Div	Account	Description	Rpt	Ln	Beginning Balance	Debit	Credit	(Difference) Net Activity	Ending Balance
0	903.01	BANK DRAFTS	Inc	8	10,653.74	739.31	0.00	739.31	11,393.05
0	903.02	BILLING	Inc	8	372,954.56	34,260.28	0.00	34,260.28	407,214.84
0	903.03	CASHIER ACTIVITIES	Inc	8	556,420.45	46,454.91	-288.58	46,166.33	602,586.78
0	903.04	CALL GROUP	Inc	8	494,248.23	39,606.60	0.00	39,606.60	533,854.83
0	903.05	COLD CHECKS	Inc	8	5,478.06	444.38	0.00	444.38	5,922.44
0	903.1	CASH - OVER AND SHORT	Inc	8	704.53	22.33	-163.02	-140.69	563.84
0	903.15	RECORDS MGMT-CONSUMER RECORDS	Inc	8	49,085.73	5,543.88	0.00	5,543.88	54,629.61
0	903.2	CONSUMER ACCTG (DEP, MEM, TRLR FEE	Inc	8	14,293.86	1,501.55	0.00	1,501.55	15,795.41
0	903.3	NONPAYMENT DISCONNECTS	Inc	8	2,555.42	65.37	0.00	65.37	2,620.79
0	903.35	RECONNECTS OF NONPYMT DISCONNECT	Inc	8	8,652.87	175.05	0.00	175.05	8,827.92
0	903.4	PAY CONTRACT/PLAN/BDGT BILLING	Inc	8	0.00	0.00	0.00	0.00	0.00
0	903.45	PAY STATIONS	Inc	8	22,999.10	2,205.42	0.00	2,205.42	25,204.52
0	903.5	CUSTOMER COLLECTION EXPENSES	Inc	8	310,247.40	132,810.21	-112,569.88	20,240.33	330,487.73
0	903.6	SERVICE ORDER PROCESSING	Inc	8	201,976.48	13,974.24	0.00	13,974.24	215,950.72
0	903.65	MAIL PROCESSING-CONSUMER PYMTS	Inc	8	29,673.61	1,142.31	0.00	1,142.31	30,815.92
0	903.7	DISPATCHING	Inc	8	637,356.13	63,546.47	-1,526.35	62,020.12	699,376.25
0	904.0	BAD DEBT / WRITE-OFF ACCRUAL	Inc	8	-103,422.43	892.91	-1,544.73	-651.82	-104,074.25
0	907.0	CUSTOMER SERVICE SUPERVISION	Inc	9	3,238.97	305.30	0.00	305.30	3,544.27
0	907.9	CUSTOMER SERVICE SUPERVISION - J	Inc	9	0.00	0.00	0.00	0.00	0.00
0	908.0	CUSTOMER ASSISTANCE EXPENSES	Inc	9	0.00	0.00	0.00	0.00	0.00
0	908.1	GEOTHERMAL	Inc	9	104.09	0.00	0.00	0.00	104.09
0	908.2	HIGH EFFICIENCY HEAT PUMP	Inc	9	-15,688.42	3,176.66	-8,670.00	-5,493.34	-21,181.76
0	908.3	ETS UNITS	Inc	9	5,748.72	779.65	0.00	779.65	6,528.37
0	908.31	SURGE SUPPRESSORS	Inc	9	0.00	0.00	0.00	0.00	0.00
0	908.32	MARKETING REBATES	Inc	9	0.00	0.00	0.00	0.00	0.00
0	908.33	COLONIAL LIGHTING	Inc	9	126.25	0.00	0.00	0.00	126.25
0	908.34	WILLY WATTS PROGRAM	Inc	9	0.00	0.00	0.00	0.00	0.00
0	908.4	BUTTON UP	Inc	9	-7,130.96	2,546.90	-925.98	1,620.92	-5,510.04
0	908.41	WATER HEATER PROGRAM	Inc	9	0.00	0.00	0.00	0.00	0.00
0	908.5	TUNE UP	Inc	9	-1,077.13	0.00	0.00	0.00	-1,077.13
0	908.51	ENERGY AUDIT	Inc	9	60,377.46	6,632.27	0.00	6,632.27	67,009.73
0	908.52	KY ENERGY RETROFIT RIDER	Inc	9	39,834.41	274.14	0.00	274.14	40,108.55
0	908.55	TOUCHSTONE ENERGY HOME	Inc	9	15,295.63	1,236.90	0.00	1,236.90	16,532.53



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Div	Account	Description	Rpt	Ln	Beginning Balance	Debit	Credit	(Difference) Net Activity	Ending Balance
0	908.6	CALL BACK PROGRAM	Inc	9	0.00	0.00	0.00	0.00	0.00
0	908.62	CONSUMER SURVEYS	Inc	9	7,194.31	0.00	0.00	0.00	7,194.31
0	908.7	CONSUMER COMPLAINTS HANDLING	Inc	9	10,020.14	68.66	0.00	68.66	10,088.80
0	908.8	MISC MARKETING ACTIVITIES	Inc	9	78,276.38	4,639.56	0.00	4,639.56	82,915.94
0	908.81	CUSTOMER APPRECIATION DAYS	Inc	9	49,394.56	465.54	0.00	465.54	49,860.10
0	908.82	SIMPLE SAVER PROGRAM	Inc	9	0.00	30.00	0.00	30.00	30.00
0	908.9	CUSTOMER ASSISTANCE EXP. - J.S.P	Inc	9	0.00	0.00	0.00	0.00	0.00
0	908.91	CUSTOMER ASSISTANCE - HOME SECUR	Inc	9	0.00	0.00	0.00	0.00	0.00
0	908.92	CUSTOMER ASSISTANCE - TREE TOPPI	Inc	9	0.00	0.00	0.00	0.00	0.00
0	908.93	EAST KY POWER COST SHARE MKTING	Inc	9	0.00	0.00	0.00	0.00	0.00
0	909.0	INFORM.&INSTRUCT. ADVERTISE EXP	Inc	9	20,058.21	1,597.13	0.00	1,597.13	21,655.34
0	909.1	LEADERSHIP	Inc	9	2,288.98	0.00	0.00	0.00	2,288.98
0	909.2	KEY ACCOUNTS	Inc	9	12,806.56	0.00	0.00	0.00	12,806.56
0	910.0	MISC CUST SERVICE & INFORM EXP	Inc	9	29,782.75	2,064.09	-7.00	2,057.09	31,839.84
0	910.01	INFO-TELEPH DIRECTORY-MISC CUST	Inc	9	4,978.88	462.74	0.00	462.74	5,441.62
0	910.1	SCHOLARSHIPS	Inc	9	37,695.15	333.22	-477.00	-143.78	37,551.37
0	910.11	COMMERCIAL-ECONOMIC DEVELPMENT	Inc	9	115,383.36	9,325.23	0.00	9,325.23	124,708.59
0	910.12	MARKETING LOAN PROGRAM EXPENSE	Inc	9	0.00	0.00	0.00	0.00	0.00
0	910.13	ROUND-UP PROGRAM	Inc	9	1,507.02	400.00	0.00	400.00	1,907.02
0	910.15	COMMUNITY EVENTS	Inc	9	38,675.37	5,768.06	0.00	5,768.06	44,443.43
0	910.16	YOUTH SERVICES/SAFETY DEMO	Inc	9	21,246.61	2,987.83	0.00	2,987.83	24,234.44
0	910.17	COMMUNICATIONS-MARKETING RELATED	Inc	9	0.00	0.00	0.00	0.00	0.00
0	910.18	HEC GRANT - MISC CUST SERVICE/INFO	Inc	9	63,558.98	36,357.03	0.00	36,357.03	99,916.01
0	912.0	DEMONSTRATING & SELLING EXPENSES	Inc	9	0.00	0.00	0.00	0.00	0.00
0	913.0	ADVERTISING EXPENSES	Inc	9	138,090.95	18,291.01	-7,763.89	10,527.12	148,618.07
0	913.01	COST-SHARE ADVERTISING	Inc	9	0.00	0.00	0.00	0.00	0.00
0	920.0	ADMINISTRAT. & GENERAL SALARIES	Inc	11	164,614.41	15,665.34	-342.75	15,322.59	179,937.00
0	920.01	ACCTS PAY ADM & GEN LABOR	Inc	11	106,516.52	9,477.73	0.00	9,477.73	115,994.25
0	920.02	ACCTS REC OTHER INVOICING LABOR	Inc	11	0.00	0.00	0.00	0.00	0.00
0	920.03	BUDGETING PROCESS LABOR	Inc	11	11,135.87	1,266.52	0.00	1,266.52	12,402.39
0	920.04	MEETINGS LABOR	Inc	11	0.00	0.00	0.00	0.00	0.00
0	920.05	PAYROLL PROCESSING LABOR	Inc	11	5,889.60	455.39	0.00	455.39	6,344.99
0	920.07	MAIL PROCESSING LABOR-GEN. MAIL	Inc	11	6,687.47	1,090.54	0.00	1,090.54	7,778.01

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Div	Account	Description	Rpt	Ln	Beginning Balance	Debit	Credit	(Difference) Net Activity	Ending Balance
0	920.08	MANAGEMENT/GENERAL STAFF LABOR	Inc	11	529,029.34	62,843.02	-2,080.17	60,762.85	589,792.19
0	920.1	SPECIAL PROJECTS - BUILDING	Inc	11	0.00	0.00	0.00	0.00	0.00
0	920.15	RECORDS MGMT LABOR-OTHER SRVS	Inc	11	0.00	0.00	0.00	0.00	0.00
0	920.2	INTERNAL AUDITING LABOR	Inc	11	0.00	0.00	0.00	0.00	0.00
0	920.25	LABOR-MGMT INFORMATION SYSTEM	Inc	11	127,393.24	11,812.05	0.00	11,812.05	139,205.29
0	920.3	LABOR-DATA PROC/COMPUTER OPERAT	Inc	11	336,619.02	33,893.33	0.00	33,893.33	370,512.35
0	920.4	STATISTICAL ANALYSIS LABOR	Inc	11	16,216.87	2,022.89	0.00	2,022.89	18,239.76
0	920.5	PERSONNEL SERVICES LABOR	Inc	11	142,947.59	13,662.39	0.00	13,662.39	156,609.98
0	920.51	COMMUNICATIONS-EMPLOYEE RELATED	Inc	11	2,206.85	55.29	0.00	55.29	2,262.14
0	920.6	SECRETARIAL SUPPORT LABOR	Inc	11	0.00	0.00	0.00	0.00	0.00
0	920.7	LABOR-GEN ACCOUNTING ACTIVITIES	Inc	11	455,248.91	44,772.04	-785.37	43,986.67	499,235.58
0	920.8	TRAINING (SPECIFIC TOPICS) LABOR	Inc	11	2,787.16	3,096.44	0.00	3,096.44	5,883.60
0	920.81	SPECIAL PROJECT DIRECTOR LABOR	Inc	11	10,874.35	1,769.40	0.00	1,769.40	12,643.75
0	920.9	ADMINISTRATIVE & GENERAL EXPENSE	Inc	11	0.00	0.00	0.00	0.00	0.00
0	921.0	OFFICE SUPPLIES AND EXPENSES	Inc	11	324,801.66	25,249.23	-6,514.64	18,734.59	343,536.25
0	921.01	ACCTS PAY ADM & GEN NON-LABOR	Inc	11	38.35	0.00	0.00	0.00	38.35
0	921.02	A/R OTHER INVOICING NON-LABOR	Inc	11	0.00	0.00	0.00	0.00	0.00
0	921.03	BUDGETING PROCESS NON-LABOR	Inc	11	44.76	0.00	0.00	0.00	44.76
0	921.04	MEETINGS NON-LABOR	Inc	11	0.00	0.00	0.00	0.00	0.00
0	921.05	PAYROLL PROCESSING NON-LABOR	Inc	11	0.00	0.00	0.00	0.00	0.00
0	921.07	GEN MAIL PROCESSING NON-LABOR	Inc	11	13,725.48	1,129.57	0.00	1,129.57	14,855.05
0	921.08	MGMT/GENERAL STAFF NON-LABOR	Inc	11	26,814.86	2,497.35	0.00	2,497.35	29,312.21
0	921.09	TELEPHONE EXPENSES	Inc	11	161,651.41	19,339.84	-186.70	19,153.14	180,804.55
0	921.1	COMPUTER EXPENSES	Inc	11	15,502.94	1,452.92	0.00	1,452.92	16,955.86
0	921.25	MANAGEMENT INFORMATION SYSTEM	Inc	11	0.00	0.00	0.00	0.00	0.00
0	921.3	NON-LABOR-DATA PROC/COMPU OPERA	Inc	11	322.70	3,022.81	0.00	3,022.81	3,345.51
0	921.4	STATISTICAL ANALYSIS NON-LABOR	Inc	11	0.00	0.00	0.00	0.00	0.00
0	921.5	PERSONNEL SERVICES NON-LABOR	Inc	11	41,796.11	1,766.74	0.00	1,766.74	43,562.85
0	921.6	E&O OFFICE SUPPLIES & EXP-HEADQUART	Inc	11	35,272.53	3,039.43	0.00	3,039.43	38,311.96
0	921.62	E&O OFFICE SUPPLIES & EXP-MCKEE DIST.	Inc	11	23,812.25	2,468.42	0.00	2,468.42	26,280.67
0	921.63	E&O OFFICE SUPPLIES & EXP-LAUREL DIST	Inc	11	14,807.92	1,744.99	0.00	1,744.99	16,552.91
0	921.64	E&O OFFICE SUPPLIES & EXP-BEATTYVILL	Inc	11	11,112.25	1,300.99	0.00	1,300.99	12,413.24
0	921.65	E&O OFFICE SUPPLIES & EXP-MANCHESTE	Inc	11	6,009.85	590.84	0.00	590.84	6,600.69

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Div	Account	Description	Rpt	Ln	Beginning Balance	Debit	Credit	(Difference) Net Activity	Ending Balance
0	921.7	GENERAL ACCOUNTING ACTIVITIES	Inc	11	10,849.77	785.37	0.00	785.37	11,635.14
0	921.8	NON-LABOR-TRAINING SPECIFIC	Inc	11	0.00	0.00	0.00	0.00	0.00
0	923.0	OUTSIDE SERVICES EMPLOYED	Inc	11	109,547.09	8,794.24	0.00	8,794.24	118,341.33
0	923.9	OUTSIDE SERVICES EMPLOYED - JACK	Inc	11	0.00	0.00	0.00	0.00	0.00
0	925.0	INJURIES AND DAMAGES	Inc	11	20,459.65	6,038.60	0.00	6,038.60	26,498.25
0	926.0	EMPLOYEE PENSIONS AND BENEFITS	Inc	11	8,264.00	0.00	0.00	0.00	8,264.00
0	926.01	BENEFITS - EMPLOYEE	Inc	11	118,826.68	35,025.89	-4,303.65	30,722.24	149,548.92
0	926.02	WORKERS COMPENSATION	Inc	11	0.00	0.00	0.00	0.00	0.00
0	926.03	HOLIDAYS (INCL BIRTHDAY,FLTG HOL	Inc	11	0.00	0.00	0.00	0.00	0.00
0	926.04	FLEXIBLE SPENDING ACCOUNT-EMPL BEN	Inc	11	-7,102.24	9,027.80	-5,270.92	3,756.88	-3,345.36
0	928.0	REGULATORY COMMISSION EXPENSES	Inc	11	16,330.08	34.33	0.00	34.33	16,364.41
0	929.0	DUPLICATE CHARGES - CREDIT	Inc	11	-77,045.44	0.00	-7,832.91	-7,832.91	-84,878.35
0	930.0	FEMA ADMIN-DEBRIS REMOVAL	Inc	11	0.00	0.00	0.00	0.00	0.00
0	930.01	FEMA ADMIN-EMERGENCY WORK	Inc	11	2,273.86	0.00	0.00	0.00	2,273.86
0	930.02	FEMA ADMIN PERMANMENT WORK	Inc	11	0.00	0.00	0.00	0.00	0.00
0	930.2	INSTITUT ADVERT-PUBLIC RELATIONS	Inc	11	823.12	12,675.04	0.00	12,675.04	13,498.16
0	930.21	DIRECTOR FEES/EXP-MISC GEN EXP	Inc	11	193,982.46	18,905.48	-642.08	18,263.40	212,245.86
0	930.22	DUES PAID ASSOC CO-MISC GEN EXP	Inc	11	172,745.63	0.00	0.00	0.00	172,745.63
0	930.23	ANNUAL MTG & KY LIVING-MISC EXP	Inc	11	115,543.34	0.00	0.00	0.00	115,543.34
0	930.24	MISC GEN EXP - CAPITAL CREDITS	Inc	11	57,111.86	2,224.19	-1,400.19	824.00	57,935.86
0	930.25	MEMBER PUBLICATIONS-MISC EXP	Inc	11	251,604.47	24,660.78	0.00	24,660.78	276,265.25
0	930.26	EMPLOYEE PUBLICATIONS-MISC EXP	Inc	11	18,168.25	4,875.74	0.00	4,875.74	23,043.99
0	930.27	BUILDING & GROUNDS-FARM	Inc	11	3,431.09	53.03	0.00	53.03	3,484.12
0	930.28	BOARD APPROVED CONTINGENCY	Inc	11	0.00	0.00	0.00	0.00	0.00
0	930.29	MISC. GENERAL EXPENSES	Inc	11	99.09	0.00	0.00	0.00	99.09
0	931.0	RENTS	Inc	11	20,350.00	1,850.00	0.00	1,850.00	22,200.00
0	932.0	MAINTENANCE OF GENERAL PLANT	Inc	11	0.00	0.00	0.00	0.00	0.00
0	935.0	MAINTENANCE OF GENERAL PLANT	Inc	11	284,857.19	21,310.59	0.00	21,310.59	306,167.78
0	935.01	MAJOR PROJECTS-BLDG MAINTENANCE	Inc	11	0.00	0.00	0.00	0.00	0.00
0	935.02	MCKEE BUILDING MAINTENANCE	Inc	11	75,977.74	22,557.88	-95.84	22,462.04	98,439.78
0	935.03	LONDON BUILDING MAINTENANCE	Inc	11	108,633.33	9,901.05	0.00	9,901.05	118,534.38
0	935.04	BEATTYVILLE BUILDING MAINTENANCE	Inc	11	30,365.45	3,736.69	-0.58	3,736.11	34,101.56
0	935.05	CLAY CO OFFICE MAINTENANCE	Inc	11	20,613.38	8,450.21	-2,673.15	5,777.06	26,390.44

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Summary For DEC 2012 To DEC 2012

Div	Account	Description	Rpt	Ln	Beginning Balance	Debit	Credit	(Difference) Net Activity	Ending Balance
0	936.0	Missing Description	Inc	1	0.00	0.00	0.00	0.00	0.00
0	998.0	998 Clearing		0	0.00	0.00	0.00	0.00	0.00
0	998.1	Profit/Loss Clearing Operating	Bal	31	0.00	3,676,065.98	0.00	3,676,065.98	3,676,065.98
0	998.2	Profit/Loss Clearing Non Operati	Bal	34	0.00	190,268.28	0.00	190,268.28	190,268.28
0	999.0	999 Clearing		0	0.00	0.00	0.00	0.00	0.00
<b>Total:</b>						73,173,707.18	-73,173,707.18		

**Balance Sheet Accounts:** 3,866,334.26

**Margins Year-To-Date:** -3,866,334.26

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# General Ledger Account Balance

Exhibit W  
Page: 23 of 23

**PARAMETERS ENTERED:**

**Period:** DEC 2012 To DEC 2012  
**Division:** All  
**Account:** All  
**Department:** All  
**Sort By:** Acct/Div

**JACKSON ENERGY COOPERATIVE  
CASE NO. 2013-00219**

**CAPITAL STRUCTURE AND RATE BASE**

**Capital Structure and Return On**

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Long Term Debt	120,853,541	126,525,080	132,441,720	134,201,611
Distribution Equity	42,654,137	42,436,100	44,729,519	48,868,805
Total Capitalization	<u>163,507,678</u>	<u>168,961,180</u>	<u>177,171,239</u>	<u>183,070,416</u>
Interest on LTD	6,141,668	6,201,059	6,189,998	5,682,593
Adjusted Margins	4,303,087	151,877	4,619,845	1,590,781
Total	<u>10,444,755</u>	<u>6,352,936</u>	<u>10,809,843</u>	<u>7,273,374</u>
Return on Capital	6.39%	3.76%	6.10%	3.97%

**Determination of Distribution Equity**

Total Equity	59,585,390	62,219,727	67,332,691	76,400,650
Less GTCCs	16,931,253	19,783,627	22,603,172	27,531,845
Distribution Equity	<u>42,654,137</u>	<u>42,436,100</u>	<u>44,729,519</u>	<u>48,868,805</u>

**Net Investment Rate Base**

Total Electric Plant	189,265,594	194,283,076	201,281,567	210,341,888
Material & Supplies	1,294,340	1,223,151	1,375,223	1,152,438
Prepayments	102,426	375,128	341,730	107,843
Working Capital	2,006,083	2,288,990	2,204,473	2,378,560
Subtotal	<u>192,668,443</u>	<u>198,170,345</u>	<u>205,202,993</u>	<u>213,980,729</u>
Less				
Accumulated Deprec	39,852,173	43,875,178	47,831,046	53,170,182
Consumer Advances	-	-	-	-
Total	<u>152,816,270</u>	<u>154,295,167</u>	<u>157,371,947</u>	<u>160,810,547</u>
Return	6.83%	4.12%	6.87%	4.52%



**JACKSON ENERGY COOPERATIVE**  
**CASE NO. 2013-00219**

**CAPITAL STRUCTURE AND RATE BASE**

**Capital Structure and Return On**

	Actual <u>Test Year</u>	Year 1 <u>Increase</u>	Year 2 <u>Increase</u>	Year 3 <u>Increase</u>
Long Term Debt	\$ 135,926,857	\$ 135,926,857	\$ 135,926,857	\$ 135,926,857
Distribution Equity	41,648,578	43,018,578	44,388,578	45,758,578
Total Capitalization	<u>\$ 177,575,435</u>	<u>\$ 178,945,435</u>	<u>\$ 180,315,435</u>	<u>\$ 181,685,435</u>
Interest on LTD	5,403,344	5,403,344	5,403,344	5,403,344
Adjusted Margins	(492,005)	877,995	2,247,995	3,617,996
Total	<u>4,911,339</u>	<u>6,281,339</u>	<u>7,651,339</u>	<u>9,021,340</u>
Return on Capital	2.77%	3.51%	4.24%	4.97%

**Determination of Distribution Equity**

Total Equity	73,538,760
Less GTCCs	<u>31,890,182</u>
Distribution Equity	<u>41,648,578</u>

**Net Investment Rate Base**

Total Electric Plant	218,141,346
Material & Supplies	1,325,826
Prepayments	214,138
Working Capital	<u>2,415,844</u>
Subtotal	222,097,155
Less	
Accumulated Deprec	57,505,856
Consumer Advances	<u>34,653</u>
Total	<u>164,556,646</u>
Return	2.98%

# JACKSON ENERGY COOPERATIVE CORPORATION

## BOARD POLICY NO. B200

### SUBJECT: CAPITAL MANAGEMENT

#### I. OBJECTIVES:

- A. To assure the financial strength of the Cooperative, in order to provide high quality electric services to members, and at the same time, provide power at cost, consistent with Cooperative philosophy.
- B. To develop an approach to long range financial planning which will assure that the Cooperative meets its financial responsibilities to both lending entities and member-owners through equity and margin planning.
- C. To comply with the various regulations and operational practices prescribed by RUS, Kentucky Public Service Commission and other agencies as required.

#### II. POLICY:

##### A. Equity and TIER Levels

It will be the goal of the Cooperative to achieve and maintain a target Equity Ratio of 30-40% excluding Generation and Transmission Capital Credits (GTCC's) and a TIER Ratio of 1.50 to 2.00 including GTCC's.

- B. A long range financial plan will be developed and updated periodically that will guide and insure that the Cooperative meet all of its financial obligations which include the following:
  - 1. A minimum current ratio (current assets divided by current liabilities) of 1.0 as target measure for cash.
  - 2. A DSC (Debt Service Coverage) minimum level of 1.25 or an operating DSC minimum of 1.10 to meet loan eligibility requirements as a borrower of RUS and CFC. Maintaining these minimum levels will assure that funds are available for debt retirement.
  - 3. Access to timely loan fund balances and sources to meet needed plant additions.
  - 4. Availability of funds for an established capital credit retirement program.

5. Revenue requirements necessary to meet margins, equity, TIER and capital credit rotation requirements.

C. Capital Credit Retirements

1. In addition to estate retirements, the Cooperative will consider general retirement of capital credits each year.
2. The Board may elect to dispense with capital credit general retirements if they feel that the financial conditions are not advantageous to the Cooperative to do so. The Board may elect the appropriate method at the time of the retirement.
3. Capital credits may be retired on a general basis, provided that mortgage requirements would be met. These include a TIER minimum of 1.25 and an equity level of no less than 30% after the retirement. Equity level is defined as Total Margins and Equity divided by Total Assets from the RUS Form 7.
4. Capital credits will be allocated to members on the basis of margins contributed per rate.

D. Policy Performance Review

A long range financial study and a review of the equity and equity management performance as well as the cash working capital level shall be conducted at least annually and reported to the Board of Directors in April of each year.

**III. RESPONSIBILITY:**

- A. The President and CEO is responsible for the administration of this policy and for recommending needed revisions to the Board of Directors.
- B. The Board of Directors shall determine that the Cooperative's Capital Management Policy meets the needs of the member-owners.

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**CHAIRMAN OF THE BOARD**

**ADOPTED:** March 8, 1996

**REVIEWED:** June 6, 2007

**REVISED:** March 10, 2000; February 14, 2003; March 12, 2004; August 13, 2004;  
June 10, 2005; June 3, 2009; June 1, 2011

# **Jackson Energy Cooperative**

Service Life and Net Salvage Study

December 31, 2011

James R. Adkins, Consulting  
Lexington, Kentucky

# Jackson Energy Cooperative

## INDEX

Description	Section
Introduction	1
Scope	2
Summary of Findings	3
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Mortality Characteristics	5
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Data Used for the Study, By Account	7

# Jackson Energy Cooperative

## Distribution Plant Depreciation Study

As of December 31, 2011

### INTRODUCTION

This depreciation study was performed for Jackson Energy Cooperative Corporation (“Jackson Energy”) in McKee, Kentucky. The purpose of the study was as follows:

1. To recommend appropriate depreciation rates based on estimates of average life mortality characteristics and net salvage that will fully recover the cost of the property, adjusted for net salvage over its estimated life.
2. To determine the adequacy of the book reserve for depreciation at a point in time by comparing it with a theoretical reserve based on the same average lives, mortality characteristics, and net salvage as used to determine the recommended depreciation rates.
3. To determine if necessary some method to adjust the book reserve for past over or under accruals as indicated by comparison with the theoretical reserve requirement.
4. To review in detail the history, status, procedures and policies of Jackson Energy’s depreciation functions, records, and operating techniques.

Jackson Energy has had two (2) depreciation studies performed, which have been approximately ten and five years ago. Since there are many factors affecting estimates of depreciation rates and accrued depreciation, and these factors are constantly changing, a depreciation study only represents the best judgment at the time the study is performed. Actual results may vary from the forecasts and variations may be material. A review of depreciation should be made at least every five (5) years so that Jackson Energy’s depreciation practices reflect those changes.



## Jackson Energy Cooperative

### DEPRECIATION

Book depreciation is merely the recognition in financial statements that physical assets are being consumed in the process of providing a service or product. Generally accepted accounting principles require the recording of depreciation provisions to be systematic and rational. In order to be systematic and rational, depreciation should to the extent possible, match either the consumption of the facilities or the revenues generated by the facilities. Accounting theory requires the matching of expenses with either consumption or revenues to ensure that financial statements reflect the results of operations and changes in financial position as accurately as possible. The matching principle is often referred to as the cause and effect principle, thus, both the cause and the effect are required to be recognized for financial statement purposes.

Because price regulation and not the market place controls revenues, for utility accounting purposes consumption is important and is usually assumed to occur at a constant rate. The key to the validity of the utility book depreciation accounting lies in accurately measuring property consumption through determining its mortality characteristics. The term "mortality characteristics" encompasses average service life and dispersion (variation) of retirements around average service life, as well as salvage and cost of removal (net salvage).

### DEPRECIATION DEFINITIONS

The Uniform System of Accounts prescribed for electric borrowers of the Rural Utilities Service ("RUS") states that depreciation "as applicable to depreciable electric plant, means the loss in service value not restored by current maintenance, incurred in connection with the consumption for prospective retirement of electric plant in the course of service from causes which are known to be in current operation and against which the utility is not protected by insurance. Among the causes to be given consideration are

## Jackson Energy Cooperative

wear and tear, decay, action of the elements, inadequacy, obsolescence, changes in the art, changes in demand, and requirements of public authorities”.

Service value as defined “means the difference between original cost and net salvage of electric plant”.

Net Salvage value is the salvage value of property retired less cost of removal. Salvage value means the amount received for the property retired, and cost of removal means the cost of demolishing, dismantling, tearing down, or otherwise removing electric plant, including the cost of transportation and handling incidental thereto. Thus, salvage is what will actually be received and cost of removal is what will actually be incurred, both measured at the price level at the time of receipt, or incurrence that is required to be recognized by the company through capital recovery.

## Jackson Energy Cooperative

### SCOPE

The study included construction and retirement activity for distribution plant from 1939 through 2011. Jackson Energy has maintained its plant and depreciation records in accordance with the Uniform System of Accounts as issued by RUS. As such, Jackson Energy's plant records are maintained on a mass property, average historical cost basis in its continuing property records ("CPR's"). Jackson Energy maintained CPR's on the construction unit cost basis until the mid 1980's, at which time they were converted to the record unit basis for CPR's. This conversion process caused moneys to shift from different plant accounts, i.e., from Account 364 to Account 365, etc. As a result, plant additions and retirements were recalculated for the years prior to the conversion to give effect as if Jackson Energy had used record unit CPR's from its inception.

The study was performed utilizing a computer program which incorporated the "Iowa Type Survivor Curves". These curves are frequently used by utilities for analyzing depreciation of property recorded on a mass basis. The curves analyze the life of mass property accounted for on the vintage basis. Vintage accounting is a system where plant is accounted for by year of installation and its life is tagged as such through retirement. Since vintage accounting is not required by the uniform system of accounts, this type of record was not maintained for the mass items. The study therefore used the technique of creating simulated plant records on a vintage basis.

The computer program used utilized incorporates the Simulated Plant Record ("SPR") method of analyzing data. Studies have shown that mass property kept on a vintage record basis generally fits one of 31 Iowa Type Survivor Curves. Through additional studies it has been shown that if plant is retired but it was not recorded on a vintage basis, it would still follow the pattern of one of these curves. The SPR method of analyzing the

## Jackson Energy Cooperative

data tests the additions, retirements, and plant balances for each year to fit the data to the best curve for analysis.

The result of simulating the plant balances and the depreciation reserve, and allocating the net salvage is to be able to develop the average plant lives and calculate the plant balances, reserve balances, and annual depreciation accruals for distribution assets in service.

The most likely retirement patterns and average service lives were developed based on the SPR analysis. This information was then analyzed for appropriateness and a curve and service life was selected for each account.

The study of depreciation also utilizes the estimates of net salvage for the primary plant accounts. Net salvage is the result of combining salvage received for plant removed from service and the cost of removal. These records were not maintained on a primary account basis since it was not required by the uniform system of accounts. As part of this study, both the cost of removal and salvage were allocated to the primary plant accounts on a percentage basis. The percentages were based on a review of salvage and cost of removal accounts at Jackson Energy for a five (5) year period.

When utilizing the whole life method of accounting for depreciation, it is necessary to determine the adequacy of the depreciation reserve for each account. Jackson Energy does not maintain separate accumulated depreciation reserve accounts for each of its distribution plant accounts. The calculation of the net salvage is performed on an average of the original cost of units of property retired on a monthly basis. This method does not give consideration for the net salvage ratio being different than the ratio of original cost each month. Therefore, it is necessary to develop a calculated depreciation reserve for each individual account. This was done by utilizing the average service life developed above, along with the net salvage ratio (as noted above) and applying the rate to the historical additions and the simulated retirements to date to obtain the calculated depreciation reserve.

## Jackson Energy Cooperative

The depreciation expense and the depreciation reserve were calculated on a composite basis for each account historically used by Jackson Energy. For comparative purposes the depreciation expense was calculated for each year based on the proposed rates in this study, and the composite rate was calculated and compared to the current composite rate.

Starting in 2007 and through 2010, Jackson Energy changed out its existing meters with automated metering information (“AMI”) devices. There was not enough activity, nor any retirements of AMI’s, in Account 370, Meters to generate acceptable simulated plant study results. Therefore, it was estimated that Account 370, Meters would use a useful life of 15 years. This is consistent with other electric cooperatives in Kentucky that have recently installed AMI devices. The equipment installed at the substations recorded in Account 362 relate to AMI and will be depreciated over the same live as AMI devices.

The following is a summary of the proposed composite depreciation rates and the RUS recommended maximum and minimum rates.

<u>Account Number</u>	<u>Description</u>	<u>Proposed Rate</u>	<u>Current Rate</u>	<u>RUS</u>	
				<u>Low</u>	<u>High</u>
362	Station Equipment	6.67%	6.67%	3.00%	4.00%
364	Poles, Towers & Fixtures	3.79%	4.21%	3.00%	4.00%
365	Overhead Conductors & Devices	4.43%	3.61%	2.30%	2.80%
366	Underground Conduit	2.00%	2.00%	2.40%	2.90%
367	Underground Conductors & Devices	5.82%	3.52%	2.40%	2.90%
368	Line Transformers	3.85%	2.56%	2.60%	3.10%
369	Services	4.96%	4.78%	3.10%	3.60%
370	Meters	6.67%	6.67%	2.90%	3.40%
371	Installations on Customers' Premises	8.30%	5.02%	3.90%	4.40%
373	Street Lighting & Signal Systems	4.90%	5.21%	3.90%	4.40%

## Jackson Energy Cooperative

1. The "Proposed" rates are the rates determined from this depreciation study.
2. The "Current Rates" are those currently in effect. The rate is used for all distribution plant accounts
3. The "RUS Low and High" range are those included in RUS Bulletin 183-1, Depreciation Rates and Procedures. The ranges were developed by RUS in the 1960's as a result of the study of rural electric borrowers. As per the bulletin, rates can be selected from within the range of rates without prior RUS approval. The bulletin further provides for rates higher or lower than those in the range when supported by a depreciation study. However, the Kentucky Public Service Commission does not allow for changing rates without the support of a depreciation study.

The study findings are based upon many factors and assumptions which were discussed with Jackson Energy's personnel during my visit. Any changes in the assumptions could significantly impact the results of the study findings. In the future, as plant is added and retired, and methods and technology change, appropriate revisions to the study findings may be necessary. Jackson Energy should consider the effects of such changes on an ongoing basis.

Jackson Energy also considered the Whole Life Method of calculating the annual depreciation, with the Net Salvage Ratio as ordered by the Kentucky Public Service Commission in Case No. 2000-373, Adjustment of Rates of Jackson Energy Cooperative. This method of recognizing net salvage ratio is in essence the average of the last five (5) years salvage and removal costs that have been recognized in the accumulated depreciation account.

Based on the lives of the assets and the current reserve ratio to total distribution plant, Jackson Energy has decided to use these rates as a result of this study.



Jackson Energy Cooperative  
Adjust Rates with Net Salvage  
as of December 31, 2011

Account Number	Description	Balance Dec 31, 2010	Average Service Life	No Net Salvage			Net Salvage Percent	With Net Salvage			Existing		
				Accrual	Rate	Rate		Rate	Accrual	Rate	Rate	Accrual	Rate
362	Station Equipment	1,535,955	15	102,397	6.67%	6.67%	0.00%	102,397	6.67%	102,397	6.67%	102,448	
364	Poles, Towers & Fixtures	62,440,392	32	1,951,262	3.13%	3.13%	0.67%	2,368,360	3.79%	2,368,360	4.21%	2,628,741	
365	Overhead Conductors & Devices	59,610,526	27	2,207,797	3.70%	3.70%	0.72%	2,639,175	4.43%	2,639,175	3.61%	2,151,940	
366	Underground Conduit	0	50	0	0.00%	0.00%	0.00%	0	0.00%	0	2.00%	0	
367	Underground Conductors & Devices	1,693,128	19	89,112	5.26%	5.26%	0.56%	98,537	5.82%	98,537	3.52%	59,598	
368	Line Transformers	27,923,009	26	1,073,962	3.85%	3.85%	0.00%	1,073,962	3.85%	1,073,962	2.56%	714,829	
369	Services	19,346,249	23	841,141	4.35%	4.35%	0.61%	959,604	4.96%	959,604	4.78%	924,751	
370	Meters	11,062,420	15	737,495	6.67%	6.67%	0.00%	737,495	6.67%	737,495	6.67%	737,863	
371	Installations on Customers' Premises	4,852,281	13	373,252	7.69%	7.69%	0.61%	402,964	8.30%	402,964	5.02%	243,585	
373	Street Lighting & Signal Systems	273,883	23	11,908	4.35%	4.35%	0.56%	13,433	4.90%	13,433	5.21%	14,269	
Total		188,737,843		7,285,930				8,293,530		8,293,530		7,475,576	
											4.39%	3.96%	

Compoiste rate

Jackson Energy Cooperative  
Calculation of Rates Using Last Five Year  
Net Salvage Amount and Percents  
as of December 31, 2011

Account Number	Description	(a) Balance Dec 31, 2011	(b) Net Salvage Ratio	(c) = (a) x (b) Net Salvage Amount	(d) Ratio to Total	(e) Net Salvage Allocation	(f) = (a) / (e) Net Salvage Percentage
362	Station Equipment	1,535,955	0%	0	0.00%	0	0.00%
364	Poles, Towers & Fixtures	62,440,392	60%	37,464,235	41.40%	417,098	0.67%
365	Overhead Conductors & Devices	59,610,526	65%	38,746,842	42.81%	431,378	0.72%
366	Underground conduit	0	0%	0	0.00%	0	0.00%
367	Underground Conductors & Devices	1,693,128	50%	846,564	0.94%	9,425	0.56%
368	Line Transformers	27,923,009	0%	0	0.00%	0	0.00%
369	Services	19,346,249	55%	10,640,437	11.76%	118,462	0.61%
370	Meters	11,062,420	0%	0	0.00%	0	0.00%
371	Installations on Customers' Premises	4,852,281	55%	2,668,755	2.95%	29,712	0.61%
373	Street lights	273,883	50%	136,942	0.15%	1,525	0.56%
	Total	188,737,843		90,503,774		1,007,600	
	Five year average net salvage amount					1,007,600	

Jackson Energy Cooperative  
Mortality Characteristics  
as of December 31, 2011

Account Number	Description	Proposed			Current		
		Average Service Life	Iowa Curve Type	Depreciation Rate	Average Service Life	Iowa Curve Type	Depreciation Rate
362	Station Equipment	15	S3	6.67%	15	S3	6.67%
364	Poles, Towers & Fixtures	32	L0	3.79%	29	L1.5	4.21%
365	Overhead Conductors & Devices	27	L0	4.43%	31	R1	3.61%
366	Underground Conduit	50	S2	2.00%	50	S2	2.00%
367	Underground Conductors & Devices	19	R1	5.82%	30	R2	3.52%
368	Line Transformers	26	S0	3.85%	39	R1	2.56%
369	Services	23	L0	4.96%	28	R0.5	4.78%
370	Meters	15	S3	6.67%	15	S3	6.67%
371	Installations on Customers' Premises	13	S0	8.30%	21	R1	5.02%
373	Street Lighting & Signal Systems	23	L0	4.90%	21	R1	5.21%