

KENERGY CORP.
2015-00312 RATE APPLICATION
TRIAL BALANCE/CHART OF ACCOUNTS
FOR THE TWELVE MONTHS ENDING JUNE 30, 2015

102.000	ELECTRIC PLANT PURCHASED OR SOLD	\$	-
107.100	CONSTRUCTION W.I.P.-CONTRACTORS	\$	773,216.62
107.200	CONSTRUCTION W.I.P. - KENERGY	\$	363,195.30
107.202	DEFERRED LABOR-CONSTRUCTION	\$	-
107.210	FUELMASTER UPGRADE	\$	-
107.215	FUEL DISPENSER UPGRADE	\$	-
107.218	HENDERSON GATE PROJECT	\$	3,062.06
107.225	FACILITIES CAPITAL	\$	-
107.230	MARION OFFICE BUILDING	\$	-
107.235	Building Improvements-Lower Warehouse	\$	-
107.240	AS400 REPLACEMENT PROJECT	\$	-
107.245	PCI COMPLIANCE PROJECT	\$	17,976.41
107.250	OFFICE SECURITY	\$	-
107.255	ANALYSIS OF AMI/SMART GRID DEVELOPM	\$	-
107.260	FACILITIES PLANNING	\$	-
107.265	SUBSTATION OFFICE FIBER INSTALLATION	\$	-
107.270	MOBILE RADIO SYSTEM UPGRADE	\$	-
107.275	ETHERNET SUBSTATIONS COMMUNICATION	\$	-
107.280	AUTOMATIC GATE INSTALLATION	\$	-
107.285	ANALYSIS OF GIS CONVERSION	\$	-
107.290	SOUTHTOWN BLVD FIBER PROJECT	\$	-
107.295	AMI CAPITAL LABOR	\$	-
107.300	CONST W.I.P. SPECIAL EQUIPMENT	\$	-
107.301	CWIP-SPECIAL EQUIP IN PAYABLE ACCT	\$	-
107.310	CONST W.I.P. CONSUMER CONTRIBUTIONS	\$	(485,975.32)
107.400	CWIP-STORM DAMAGE	\$	-
107.500	LABOR AND OHS-INCLEMMENT WEATHER	\$	151,111.29
107.800	CATHODIC PROTECTION OF UG CABLE	\$	31.34
107.900	OVERHEADS - CONTRACTOR WORK ORDERS	\$	-
108.620	ACCUM PROVI DEPRECIATION-SUBSTATION	\$	(5,507,353.88)
108.621	ACCUM PROVI DEPRECIATION-SCADA	\$	(1,632,306.46)
108.622	ACCUM PROVI DEPRECIATION-MICROWAVE	\$	(457,067.80)
108.623	ACCUM PROVI DEPRECIATION-TOWERS	\$	(1,166,742.31)
108.624	ACCUM PROVI DEPR-OWENSBORO FIBER	\$	(825,238.55)
108.625	ACC PROVISION DEPR-SUBSTATION AMI	\$	-
108.630	ACCUM DEPR-FIBER EQUIPMENT IN SUBSTA	\$	(4,951.45)
108.664	ACCUM PROVI DEPRECIATION-POLES	\$	(27,459,232.92)
108.665	ACCUM PROVI DEPRECIATION-OH CONDUCT	\$	(18,672,704.08)
108.666	ACCUM PROVI DEPRECIATION-UG CONDUIT	\$	(12,721.41)
108.667	ACCUM PROVI DEPRECIATION-UG CONDUCT	\$	(5,222,723.42)
108.668	ACCUM PROVI DEPRECIATION-TRANSFORME	\$	(9,885,219.51)
108.669	ACCUM PROVI DEPRECIATION-SERVICES	\$	(10,733,344.86)

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108.670	ACCUM PROVI DEPRECIATION-METERS	\$ (1,377,504.16)
108.671	ACCUM PROV DEPR-INSTALL ON PREMISES	\$ (981,005.48)
108.672	ACCUM PROVI DEPRECIATION-AMI METERS	\$ (12,991.32)
108.673	ACCUM PROVI DEPRECIATION-STR LIGHTS	\$ (280,791.73)
108.674	ACCUM PROVI DEPR-AMI METERS-PILOT PROGRA	\$ (69,218.60)
108.700	ACC PROVISION DEPR-BUILDINGS	\$ (3,889,174.93)
108.710	ACC PROVISION DEPR-OFFICE EQUIPMENT	\$ (626,901.78)
108.720	ACC PROVISION DEPR-TRANSPORTATION	\$ (5,120,964.87)
108.730	ACC PROVISION DEPR STORES EQUIPMENT	\$ (110,294.03)
108.740	ACC PROV DEPR-SHOP & GARAGE EQUIP	\$ (175,571.91)
108.741	ACC PROVISION DEPR-TOOLS-WORK EQUIP	\$ (281,584.54)
108.750	ACC PROVISION DEPR-LABORATORY EQUIP	\$ (243,094.09)
108.760	ACC PROV DEPR-POWER OPERATED EQUIP	\$ (432,772.97)
108.761	ACC PROVISION DEPR-ROW EQUIPMENT	\$ (114,050.70)
108.770	ACC PROVISION DEPR-COMM EQUIPMENT	\$ (716,011.61)
108.780	ACC PROVISION DEPR-MISC EQUIPMENT	\$ (364,345.25)
108.800	KENERGY RETIREMENT WORK ORDERS	\$ 31,979.79
108.810	CONTRACTOR RETIREMENT WORK ORDERS	\$ 54,118.19
111.000	ACCUMULATED AMORT ELEC UTILITY PLT	\$ (19,355.24)
121.100	HOME SECURITY CPU	\$ 2,847.32
121.200	LIFEGARD UNITS	\$ 3,617.30
121.300	POINT-TO-POINT FIBER SERVICE ASSETS	\$ 8,962.33
121.400	ALL ASSETS RELATED TO WIRELESS ISP	\$ 49,973.20
122.100	DEPR RESERVE FOR HOME SECURITY	\$ (2,847.32)
122.200	DEPR RESERVE FOR LIFEGARD UNITS	\$ (3,617.30)
122.300	DEPRECIATION-POINT-TO-POINT FIBER	\$ (7,633.71)
122.400	DEPRECIATION ON ASSETS RELATED-ISP	\$ (49,973.20)
123.100	INV ASS ORG BIG RIVERS CAP CREDITS	\$ -
123.101	CONTRA-ACCOUNT TO 123.100	\$ -
123.110	INV ASS ORG OTHERS CAP CREDITS	\$ 883,285.99
123.220	INVESTMENT-CAP TERM CERTIFICATE CFC	\$ 1,333,063.00
123.221	INVESTMENT-CTC'S-CFC	\$ 961,864.70
123.222	CTC'S CFC 3% LOAN	\$ 233,950.00
123.223	CTC CFC NON-INTEREST BEARING	\$ -
123.230	OTHER INVEST'S ASSOC ORGANIZATIONS	\$ 1,025.00
123.233	INVESTMENT PCB CERTIFICATE	\$ 5,000.00
123.234	RECIPROCAL CONTRIBUTION-FEDERATED	\$ 661,486.00
123.235	INVESTMENT-COOPERATIVE RESPONSE CEN	\$ 13,465.38
124.100	INVESTMENT-COBANK	\$ 2,059,404.94
124.220	ECO DEV LOAN-FRESH MEAL SOLUTIONS	\$ -
124.240	ECO DEV LOAN-LITTLE KY SMOKEHOUSE	\$ -
124.290	ECONOMIC DEV LOAN-LITTLE KY SMOKEHO	\$ 56,018.41
124.400	INVEST-OHIO CO INDUSTRIAL DEVELOP	\$ 1,500.00

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124.500	INV-DAVISS CO INDUSTRIAL FOUNDATIO	\$	5,000.00
124.510	INV-HANCOCK CO INDUSTRIAL FOUNDATIO	\$	100.00
128.000	OTHER SPECIAL FUNDS (DEF. COMP.)	\$	-
131.110	CASH-GENERAL FUND-US BANK	\$	545,898.80
131.111	CASH-PAYROLL ACCOUNT-US BANK	\$	299,730.04
131.112	CASH-CAPITAL CREDIT ACCOUNT-US BANK	\$	221,507.40
131.113	CASH-SECTION 125 MED ACCT-US BANK	\$	47,696.79
131.114	CASH-CONSTRUCTION FUND-US BANK	\$	-
131.115	CASH-MARION BANK AND TRUST	\$	16,202.00
131.116	CASH-ZBA SECTION 125 MEDICAL-USBANK	\$	-
131.120	Cash - For Conversion	\$	-
131.125	CASH-FIELD AND MAIN	\$	7,033.01
131.130	CASH-SURPLUS ASSET SALES-US BANK	\$	6,374.94
131.135	CASH-MORGANFIELD NATIONAL BANK	\$	13,236.92
131.140	Cash - For Conversion	\$	-
131.145	CASH-DIXON BANK	\$	3,001.65
131.150	CASH CAPITAL CREDITS-AREA BANK	\$	351.51
131.155	CASH-OLD NATIONAL BANK-MMKT	\$	1,703.45
131.160	CASH-EDF CENTURY HAWESVILLE	\$	-
131.161	CASH-EDF CENTURY SEBREE	\$	-
131.162	CASH-KENERGY CENTURY HAWESVILLE	\$	-
131.163	CASH-KENERGY CENTURY SEBREE	\$	-
131.165	Cash - For Conversion	\$	-
131.170	Cash - For Conversion	\$	-
131.175	CASH-FIFTH THIRD BANK-HENDERSON	\$	2,520.00
131.180	CASH GEN FUND COMMONWEALTH COMM BK	\$	15,236.77
131.190	Cash - For Conversion	\$	-
131.195	Cash - For Conversion	\$	-
131.200	CASH-CONSTURCTION FUND-US BANK	\$	-
131.400	CASH TRANSFERS	\$	-
131.997	US BANK ELECTRONIC DEPOSITS	\$	-
131.998	CASH CLEARING ACCOUNT-HENDERSON	\$	-
131.999	CASH CLEARING ACCOUNT-OWENSBORO	\$	-
135.000	WORKING FUNDS-PETTY CASH-ETC	\$	8,350.00
136.000	TEMPORARY CASH INVESTMENTS	\$	6,547,046.72
142.099	ACC REC-CLEARING FOR CREDIT REFUNDS	\$	(11,251.43)
142.100	ACCOUNTS REC ELECTRIC CUSTOMERS	\$	3,036,481.22
142.101	ACCTS REC-CYCLE 3 (BILLED ON 3RD)	\$	-
142.103	ACCTS REC-CYCLE 3 (BILLED ON 3RD)	\$	-
142.106	ACCTS REC-CYCLE 6 (BILLED ON 6TH)	\$	-
142.108	ACCTS REC-CYCLE 8 (BILLED ON 8TH)	\$	-
142.110	ACCTS REC-CYCLE 10(BILLED ON 10TH)	\$	-
142.113	ACCTS REC-CYCLE 13 (BILLED ON 13TH)	\$	-

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142.115	ACCTS REC-CYCLE 15(BILLED ON 15TH)	\$	-
142.117	ACCTS REC-CYCLE 17(BILLED ON 17TH)	\$	-
142.120	ACCTS REC-CYCLE 20(BILLED ON 20TH)	\$	-
142.121	ACCTS REC-CYCLE 21 (BILLED ON 21ST)	\$	-
142.124	ACCTS REC-CYCLE 24 (BILLED ON 24TH)	\$	-
142.127	ACCTS REC-CYCLE 27 (BILLED 27TH)	\$	-
142.130	ACCTS REC-PAYMENT VOUCHERS-LIHEAP	\$	-
142.150	CONSUMER A/R ELECTRIC DISCONNECT	\$	-
142.160	ACC-REC ALERIS	\$	733,170.61
142.165	ACCTS REC-HOPKINS CO COAL	\$	2,192.69
142.170	ACC-REC DOMTAR	\$	660,888.39
142.174	ACC REC-CENTURY SEBREE	\$	5,614,902.20
142.175	ACCOUNTS REC-ALCAN	\$	-
142.176	ACCTS REC-ARMSTRONG-EQUALITY MINE	\$	89,611.19
142.178	ACCT REC-ARMSTRONG DOCK	\$	263,630.10
142.179	ACCT REC-ARMSTRONG LEWIS CREEK	\$	31,064.24
142.180	ACC-REC CENTURY HAWESVILLE	\$	6,731,204.45
142.181	ACCT REC-ACCURIDE	\$	149,977.70
142.182	ACCTS REC-ELK CREEK MINE-HOPKINS CO	\$	27,237.52
142.183	ACC REC-SEBREE MINING-KMMC	\$	2,214.74
142.184	ACCTS REC-ALLIED RESOURCES	\$	-
142.185	ACC REC-SEBREE MINING-STEAMPORT	\$	74,674.18
142.186	ACCT REC-DOTIKI	\$	1,264.19
142.187	ACCT REC-TYSON	\$	359,668.14
142.188	ACCT REC-AMG	\$	38,461.27
142.189	ACCTS REC-PENNYRILE ENERGY	\$	108,056.79
142.190	ACC-REC ALCOA AUTO CASTINGS	\$	2,614.33
142.191	ACCT REC-KMMC L L C	\$	-
142.192	ACCT REC-PATRIOT COAL	\$	-
142.193	ACCT REC-SOUTHWIRE	\$	231,941.38
142.194	ACC-REC ROLL COATER	\$	165,650.17
142.195	ACC-REC KIMBERLY CLARK	\$	1,146,643.92
142.197	ACCT REC-MIDWAY MINE AND PREP PLANT	\$	116,919.10
142.198	ACCT REC-VALLEY GRAIN	\$	64,808.60
142.200	CUSTOMER ACCOUNTS RECEIVABLE	\$	1,869,874.46
142.210	CONSUMER A/R RETURNED CHECKS	\$	207.00
142.270	ACCTS REC-POINT-TO-POINT FIBER SERV	\$	(65.25)
142.290	ACCTS REC-WIRELESS ISP	\$	-
142.999	MISC REC CLEARING FOR 142.200	\$	-
143.000	ACCOUNTS RECEIVABLE - EMPLOYEES	\$	121.55
143.098	MISC REC CLEARING FOR 143.000	\$	-
143.099	MISC REC CLEARING FOR 143.100	\$	90.80
143.100	ACCOUNTS RECEIVABLE - OTHER	\$	10,994.72

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143.200	ACCOUNTS REC-COBANK	\$	72,565.98
143.300	ACCOUNTS RECEIVABLE-OMU	\$	-
143.400	OTHER A/R-EMPLOYEE CONTRIBUTIONS	\$	(1,401.44)
143.500	ACCTS REC-LABOR-TOWER ATTACHMENTS	\$	-
143.600	ACCTS REC-CUSTOMER BILLINGS	\$	-
143.700	ACCTS REC-CONSUMER OWNED FACILITIES	\$	-
144.100	ACC PROV-UNCOLL ACCTS-BANKRUPTCY	\$	(4,259,514.12)
144.101	UNCLAIMED CONSUMER DEPOSITS	\$	(5,353.68)
144.102	UNCLAIMED CONSUMER ADVANCE PAYMENTS	\$	(62,407.10)
144.110	ACC PROVISION UNCOLL CONS ACCTS	\$	3,659,267.41
144.111	ACC. PROV. FOR UNCOLL.-COLLECT FEES	\$	50,048.64
146.000	A/R BIG RIVERS ELECTRIC CORP	\$	-
146.098	BREC REC CLEARING FOR 146.000	\$	264.16
146.099	BREC REC CLEARING FOR 146.100	\$	49,865.20
146.100	A/R-BREC INCENTIVE PROGRAM	\$	121,973.66
151.000	Fuel Inventory	\$	19,582.85
154.000	MATERIAL-SUPPLIES-ELECTRIC	\$	1,406,478.83
154.001	INVENTORY-OPEN STOCK	\$	-
154.002	MATERIAL-SPARE STORM INVENTORY	\$	126,315.78
154.010	INVENTORY-COPPER WIRE	\$	53,905.82
154.100	SPARE SUBSTATION EQUIPMENT	\$	314,082.24
154.999	MATERIAL-UNINVOICED	\$	(8,352.50)
155.000	MATERIALS FOR GT SYSTEMS	\$	2,555.82
155.200	INVENTORY-SURGE PROTECTORS	\$	-
155.300	FUEL	\$	-
156.000	OTHER MATERIALS AND SUPPLIES	\$	-
163.000	STORES EXPENSE - UNDISTRIBUTED	\$	-
163.100	STORES CLEARING - SPREAD ITEMS	\$	35,822.82
163.200	STORES EXPENSE-MAJOR STORM	\$	-
165.100	PREPAYMENTS - INSURANCE	\$	397,731.49
165.120	PREPAID INSURANCE-WORKERS COMP	\$	192,362.20
165.200	PREPAYMENTS - OTHER	\$	809,662.06
165.210	PREPAYMENTS - PENSION TRUST FUND	\$	-
165.220	PREPAYMENTS - EMPLOYEE INSURANCE	\$	-
171.000	INTEREST DIVIDENDS RECEIVABLE	\$	23,712.46
173.000	ACCRUED UTILITY REVENUES	\$	12,913,280.86
182.200	REGULATORY ASSET-AMI	\$	-
182.300	OTHER REGULATORY ASSETS	\$	-
183.100	LONG RANGE PLAN	\$	-
183.200	WORK PLAN 2013-2017	\$	90,962.39
183.600	WORK PLAN JULY 2010-JUNE 2013	\$	-
184.100	TRANSPORTATION EXPENSE CLEARING	\$	-
184.407	PROPERTY TAXES CLEARING ACCT	\$	-

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184.408	PAYROLL TAXES-CLEARING ACCOUNT	\$	-
184.409	PSC TAXES-CLEARING ACCOUNT	\$	-
184.924	BUSINESS LIABILITY INS-CLEARING	\$	-
184.926	HEALTH, LIFE DISAB INS-CLEARING ACC	\$	(9,432.69)
184.927	PENSION PLANS-CLEARING ACCT	\$	476,854.79
186.000	DEFERRED DEBIT-EMERG TRANSF PROGRAM	\$	-
186.110	POWER COST PREPMT/ENGY DEFERRED PMT	\$	-
186.200	PAST SERVICE PENSION COSTS-NRECA	\$	-
186.210	PENSION-DEFINED BEN(FORMER GR & HU)	\$	-
186.220	PENSION PREPAYMENT-RS PLAN	\$	1,115,580.00
200.100	MEMBERSHIPS ISSUED (\$5.00)	\$	(229,215.00)
200.110	MEMBERSHIPS ISSUED (\$25.00)	\$	-
200.120	MEMBERSHIPS (Unidentified at Conversion	\$	(135.00)
201.100	PATRONS CAPITAL CREDITS- (MEMBERS)	\$	(47,879,881.42)
201.101	PATRONS CAP CREDIT-FORMER HUEC D/S	\$	(2,262,256.61)
201.102	PATRONS CAP CREDIT-FORMER GREC D/S	\$	(4,605,709.22)
201.103	PATRONS CAP CREDIT-KENERGY D/SERVES	\$	(5,426,555.24)
201.110	PATRONS CAPITAL CREDITS (NON-MEMBER	\$	(1,171,294.25)
201.120	MEMBER-OTHER SERVICES	\$	25,962.01
201.200	PATRONAGE CAPITAL ASSIGNABLE	\$	(5,023,520.96)
201.201	PATRONAGE CAPITAL - PRIOR YEARS	\$	-
208.000	DONATED CAPITAL-OWENSBORO	\$	(18,537.43)
208.100	DONATED CAPITAL-HENDERSON	\$	(10,719.57)
217.000	RETIRED CAPITAL CREDITS-GAIN-OBORO	\$	(6,924,870.45)
217.100	RETIRED CAPITAL CREDITS GAIN-HENDER	\$	-
217.200	DECEASED MEMBERS RETAINED CAPITAL	\$	(1,058,922.70)
219.100	OPERATING MARGINS	\$	(78,650.91)
219.200	NON-OPERATING MARGINS	\$	(338.50)
219.400	OTHER MARG & EQUITIES-PRIOR PERIODS	\$	-
219.500	OTHER COMPREHENSIVE INCOME	\$	-
224.140	OTHER L T DEBT - MISCELLANEOUS	\$	(16,859,247.14)
224.141	OTHER L T DEBT- CFC	\$	(657,420.48)
224.150	NOTES EXECUTED-OTHER DEBT	\$	-
224.160	RUS ECONOMIC DEV LOAN-FRESH MEAL SO	\$	-
224.165	ECO DEV LOAN-LITTLE KY SMOKEHOUSE	\$	-
224.195	ECONOMIC DEV LOAN-LITTLE KY SMOKEHO	\$	-
224.200	CFC NOTES EXECUTED	\$	-
224.330	LT DEBT-RUS NOTES EXEC VARIOUS RATE	\$	(43,922,647.15)
224.350	RUS NOTES EXECUTED-5% (WEST)	\$	(1,761,660.10)
224.370	FEDERAL FINANCING BANK-NOTES EXECUT	\$	(94,726,174.31)
224.380	RUS TREASURY LOAN-NOTES EXECUTED	\$	(23,667,413.12)
224.400	RUS NOTES EXECUTED-CONST DEBT	\$	-
224.470	L T DEBT-FEDERAL FINANCING BANK	\$	9,000,000.00

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224.480	LT DEBT-RUS TREASURY LOAN	\$	-
224.500	INTEREST ACCRUED DEFERRED RUS NOTES	\$	-
224.600	RUS ADVANCED PAYMENTS UNAPPLIED	\$	38,375,946.27
228.100	ACCRUED LEAVE-K WEST EMPLOYEES	\$	(232,714.69)
228.250	POST RET HEALTH BENEFITS-DIRECTORS	\$	-
228.320	HEALTH INSURANCE-LTD EMPLOYEES	\$	-
228.330	ADDITIONAL MINIMUM LIABILITY-PENSIO	\$	-
228.340	PENSION-DEFINED BEN(FORMER GR EMP	\$	-
228.350	ADDITIONAL PENSION LIABILITY-HCE'S	\$	-
228.360	PENSION LIABILITY	\$	-
228.400	ACCUM MISC OPERATING PROVISIONS	\$	-
231.000	NOTES PAYABLE - SHORT TERM	\$	-
231.100	NOTES PAYBALE-RUS/COBANK	\$	(7,372,460.43)
232.100	ACCOUNTS PAYABLE GENERAL	\$	(26,203,201.28)
232.199	ACCOUNTS PAYABLE-CREDIT CARD TRANSACTION	\$	-
235.000	CONSUMERS DEPOSITS-OWENSBORO	\$	(2,711,676.55)
235.010	CONSUMER DEPOSITS (Unidentified at conv	\$	605.00
235.100	CONSUMER DEPOSIT-KMMC	\$	-
235.200	CONSUMER DEPOSIT-MIDWAY MINE	\$	(390,000.00)
235.250	CONSUMER DEPOSIT-ALERIS	\$	-
235.300	CONSUMER DEPOSIT-ACMI	\$	(7,152.32)
235.350	DEPOSIT-ALLIED RESOURCES	\$	-
235.400	CONSUMER DEPOSIT-SOUTHWIRE	\$	(265,545.00)
235.425	DEPOSIT-ACCURIDE	\$	(184,982.00)
235.500	CONSUMER DEPOSIT-ARMSTRONG COAL	\$	-
235.600	CONSUMER DEPOSIT-HOPKINS CO COAL	\$	(2,700.00)
235.650	DEPOSIT-AMG ALUMINUM	\$	(70,088.00)
235.700	DEPOSIT-SEBREE MINING-KMMC	\$	(7,646.07)
235.750	SEBREE MINING-ALLIED RESOURCES	\$	(193,817.78)
235.800	DEPOSIT-ARMSTRONG COAL-DOCK(2MO BIL	\$	(150,000.00)
235.810	DEPOSIT-ARMSTRONG COAL-LEWIS CREEK	\$	(35,600.00)
235.850	DEPOSIT-ARMSTRONG COAL-EQUALITY MIN	\$	(184,745.00)
235.900	DEPOSITS-PURCHASE POWER AGREEMENTS	\$	-
236.100	ACCRUED PROPERTY TAXES	\$	(926,191.67)
236.200	ACCRUED FED UNEMP TAXES	\$	-
236.300	ACCRUED SOCIAL SECURITY TAXES-FICA	\$	(17,779.23)
237.100	INTEREST ACCRUED-REA CONSTRUCTION	\$	(0.02)
237.200	INTEREST ACCRUED-COBANK	\$	(57,610.38)
237.210	INTEREST ACCRUED-FEDERAL FINANACING	\$	-
237.220	INTEREST ACCRUED-RUS TREASURY LOAN	\$	-
237.230	INTEREST ACCRUED-CFC	\$	(1,751.62)
237.300	INTEREST ACCR.-LINE OF CREDIT NOTES	\$	(489.80)
237.400	ACC INT EXP-CONSUMER DEPOSITS-OBORO	\$	(1,746.62)

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237.410	ACC INT EXPENSE-4 YR REV GUARANTEES	\$	3,965.76
237.420	ACCRUED INTEREST-KMMC DEPOSIT	\$	-
237.425	ACCRUE INTEREST EXP-ACCURIDE	\$	(37.09)
237.430	ACC INTEREST EXP-DEPOSIT-ARMSTRONG	\$	-
237.435	ACCRUED INTEREST EXP-ALERIS DEPOSIT	\$	-
237.440	ACCRUED INTEREST-ACMI (ALCOA)	\$	(5.49)
237.445	ACCRUED INTEREST-ALLIED RESOURCES	\$	-
237.450	ACCRUED INTEREST-ARMSTRONG-EQUALITY	\$	(74.10)
237.455	ACCRUE INTEREST EXP-AMG ALUMINUM	\$	(14.05)
237.460	ACCRUED INTEREST EXP-HOPKINS CO COA	\$	(1.63)
237.465	ACC INT EXP-SEBREE MINING-KMMC	\$	(1.53)
237.470	ACC INTEREST EXP ON DEP-MIDWAY MINE	\$	(192.34)
237.475	ACC INT EXP-SEBREE MINING-ALLIED RE	\$	(38.87)
237.480	ACC INTEREST EX-ARMSTRONG COAL-DOCK	\$	(89.26)
237.485	ACCRUED INT-ARMSTRONG COAL-LEWIS CK	\$	(70.10)
237.490	ACC INTEREST EXP ON DEP-SOUTHWIRE	\$	(264.50)
237.495	ACC INTEREST EXP ON ACCURIDE DEP	\$	(784.11)
238.100	PATRONAGE CAPITAL PAYABLE	\$	-
241.000	TAXES PAYABLE-SALES TAX	\$	9,228.72
241.010	SALES TAX PAYABLE-AUDIT ASSESSMENT	\$	-
241.100	TAXES PAYABLE-U S INCOME TAX W/HELD	\$	-
241.200	TAXES PAYABLE-KY INCOME TAX W/HELD	\$	-
241.250	TAXES PAYABLE-INDIANA TAX W/HELD	\$	-
241.300	TAXES PAYABLE-HANCOCK CO OCC TAX	\$	(933.70)
241.310	OHIO CO OCCUPATIONAL TAX	\$	(476.08)
241.320	CALDWELL COUNTY OCCUPATIONAL TAX	\$	(246.77)
241.330	MARION OCCUPATIONAL TAX	\$	(22.42)
241.340	MCLEAN COUNTY OCCUPATIONAL TAX	\$	(312.44)
241.350	ACCRUED GROSS REVENUE TAX-CRITTENDE	\$	(6,657.09)
241.360	ACCRUED GROSS REV TAX-UNION COUNTY	\$	-
241.370	DAVIESS CO OCCUPATIONAL TAX	\$	-
241.375	CRITTENDENT CO OCCUPATIONAL TAX	\$	314.28
241.380	UNION CO OCCUPATIONAL TAX	\$	(122.59)
241.390	CITY OF OWENSBORO OCCUPATIONAL TAX	\$	-
241.395	CITY OF HENDERSON-OCCUPATIONAL TAX	\$	-
241.400	TAXES PAYABLE-OHIO CO UTILITY	\$	(27,097.99)
241.450	ACCRUED GROSS REVENUE TAX-CALDWELL	\$	(3,776.44)
241.500	TAXES PAYABLE-HANCOCK CO UTILITY	\$	(23,510.37)
241.550	ACCRUED GROSS REVENUE TAX-UNION CO	\$	(9,361.45)
241.600	TAXES PAYABLE-DAVIESS CO UTILITY	\$	(88,737.34)
241.650	ACCRUED GROSS REV TAX-LIVINGSTON	\$	(19.41)
241.700	TAXES PAYABLE-MCLEAN CO UTILITY	\$	(17,597.42)
241.750	ACCRUED GROSS REV TAX-PROVIDENCE	\$	-

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241.800	TAXES PAYABLE-HENDERSON CO UTILITY	\$	(39,577.01)
241.850	ACCRUED GROSS REVENUE TAX-LYON CO	\$	(4,753.42)
241.870	TAXES PAYABLE-BRECKENRIDGE CO	\$	(11.24)
241.900	TAXES PAYABLE-WEBSTER CO UTILITY	\$	(17,054.06)
241.940	TAXES PAYABLE-CITY OF DIXON-FRANCHISE	\$	(492.72)
241.950	TAXES PAYABLE - HOPKINS CO. UTILITY	\$	0.39
241.960	TAXES PAYABLE-WHITESVILLE FRANCHISE	\$	(3,242.30)
241.970	TAXES PAYABLE-OWENSBORO FRANCHISE	\$	(46,881.66)
241.980	TAXES PAYABLE-HARTFORD FRANCHISE	\$	(805.37)
241.990	TAXES PAYABLE-BEAVER DAM FRANCHISE	\$	(4,366.49)
242.200	ACCRUED PAYROLL	\$	(554,959.74)
242.201	HOLIDAY PAY	\$	-
242.202	INCENTIVE PAY	\$	-
242.210	PAYROLL DEDUCTION-UNITED FUND	\$	(1.23)
242.220	PAYROLL DEDUCTION-CREDIT UNION	\$	-
242.230	PAYROLL DED-SURE CONTRUBUTION	\$	-
242.240	PAYROLL DED-CANCER & LIFE INS	\$	39,568.20
242.250	PAYABLE-DEFINED CONTR PENSION PLAN	\$	-
242.260	401K LOAN REPAYMENT	\$	7,014.33
242.270	SECTION 125 PREMIUM	\$	10,704.05
242.280	SECTION 125 MEDICAL SAVINGS	\$	(13,169.96)
242.300	ACCRUED VACATION	\$	(780,723.20)
242.410	WINTERCARE PAYABLE	\$	(75.54)
242.500	OTHER CURRENT/ACCRUED LIABILITIES	\$	-
242.998	Payroll Clearing	\$	-
242.999	PAYROLL CLEARING	\$	-
252.000	CONSUMER ADV FOR CONST-MOBILE HOMES	\$	(71,669.13)
252.100	CONSUMER ADV FOR CONST-TEMP SERVICE	\$	(930,589.46)
252.200	CUSTOMER CONTRIBUTIONS-NEW LINE	\$	(9,112.14)
252.250	CUSTOMERS CONTRI-4 YR GUARANTEES	\$	(161,854.00)
252.300	CONTRIBUTION-ARMSTRONG COAL	\$	(150,000.00)
252.350	CONTRIBUTION-ARMSTRONG C-EQUALITY M	\$	(210,000.00)
252.360	CONTRIBUTION-ARMSTRONG-LEWIS CREEK	\$	(477,000.00)
252.400	CONTRIBUTION-SOUTHWIRE	\$	-
253.000	ADVANCE JOINT-USE RENTAL	\$	252,344.42
253.100	CONSUMER ACCOUNT CR BALANCES-REFUND	\$	-
253.120	UNREDEEMED GIFT CERTIFICATES	\$	241.44
253.130	OTHER DEFERRED CR-SMELTER PSC ASSESSMENT	\$	(571,962.61)
253.150	CONSUMER CLEARING ACCOUNT-OTHER	\$	-
253.200	OTHER DEFERRED CREDITS-BREC ECO DEV	\$	34,000.02
253.250	DEFERRED CREDIT-BREC HANSON LEASE	\$	-
253.300	OTHER DEFERRED CREDITS-SPECIAL EQP	\$	(79,502.66)
253.350	INSTALL/REMOVAL LABOR AMI 3-PHASE METERS	\$	(8,949.92)

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253.351	INSTALL/REMOVAL LABOR AMI 1-PHASE METERS	\$	(119,230.92)
253.400	OTHER DEFERRED CREDIT-NISC PATRONAGE CAP	\$	(25,685.14)
302.000	FRANCHISES AND CONSENTS	\$	19,355.24
360.000	DIST PLANT-LAND AND LAND RIGHTS	\$	901,744.88
360.100	DIST PLANT-LAND AND LAND RIGHTS	\$	-
362.000	DIST PLANT-STATION EQUIPMENT	\$	20,839,141.69
362.100	DIST PLANT-SUPERVISORY CONTROL EQP	\$	1,700,393.88
362.200	MICROWAVE SYSTEM-EQUIPMENT	\$	481,561.05
362.223	MICROWAVE SYSTEM TOWERS	\$	1,411,546.77
362.300	FIBER EQUIPMENT INSTALLED IN SUBS	\$	54,222.99
362.400	DIST PLANT-OWENSBORO FIBER	\$	910,478.66
362.500	SUBSTATION AMI EQUIPMENT	\$	-
364.000	DIST PLANT-POLES-TOWERS-FIXTURES	\$	84,982,663.43
365.000	DIST PLANT-OVERHEAD CONDUCTORS	\$	59,266,010.51
365.999	OCRs-SPECIAL EQUIPMENT CLEARING	\$	-
366.000	UNDERGROUND CONDUIT	\$	14,166.24
367.000	DIST PLANT-UNDERGROUND CONDUCTORS	\$	17,954,090.39
368.000	DIST PLANT-LINE TRANSFORMERS	\$	37,369,692.78
368.999	TRANSFORMERS-SPECIAL EQUIPMENT CLEARING	\$	-
369.000	DIST PLANT-SERVICES	\$	29,423,511.35
370.000	DIST PLANT-METERS	\$	5,955,489.53
370.100	DIST PLANT-AMI METERS-PILOT PROGRAM	\$	157,901.46
370.200	DIST PLANT-AMI METERS	\$	3,803,280.52
370.999	METERS-SPECIAL EQUIPMENT CLEARING	\$	-
371.000	DIST PLANT-INSTALLED ON CONSUMER	\$	4,644,127.39
373.000	DIST PLANT-STREET&SIGNAL SYSTEMS	\$	925,068.57
389.000	GEN PLANT-LAND & LAND RIGHTS	\$	501,387.70
390.000	GEN PLANT-STRUCTURES & IMPROVEMENTS	\$	10,624,661.60
390.100	STRUCTURES & IMPROVEMENTS-MARION	\$	57,434.94
390.200	STRUCTURES & IMPROVEMENTS-STRUGIS	\$	39,350.59
391.000	GEN PLANT-OFFICE FURN & FIXTURES	\$	381,243.70
391.100	COMPUTER AND RELATED EQUIPMENT	\$	687,721.46
391.110	COMPUTER SOFTWARE	\$	144,629.29
391.150	FIBER OPTIC EQUIPMENT	\$	33,361.56
392.000	GEN PLANT-TRANSPORTATION EQUIPMENT	\$	8,484,132.79
392.100	GEN PLANT-R.O.W. TRANS EQUIPMENT	\$	-
393.000	GEN PLANT-STORES EQUIPMENT	\$	172,148.62
394.000	GEN PLANT-SHOP & GARAGE EQUIPMENT	\$	285,431.05
394.100	GEN PLANT-TOOLS & WORKING EQUIPMENT	\$	408,358.61
394.200	GEN PLT - ROW TOOLS & WORKING EQUIP	\$	9,417.60
395.000	GEN PLANT-LABORATORY EQUIPMENT	\$	388,984.44
395.100	LABORTORY EQUIPMENT-MICROWAVE SYS	\$	15,522.04
395.200	FIBER OPTIC TEST EQUIPMENT	\$	21,953.11

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396.000	GEN PLANT-POWER OPERATED EQUIPMENT	\$	286,632.16
396.100	GEN PLANT-RIGHT-OF-WAY EQUIPMENT	\$	114,050.70
396.200	GEN PLANT-POWER OPERATED EQUIPMENT	\$	365,180.42
396.300	GEN PLANT-TRACK VEHICLES	\$	213,134.16
397.000	GEN PLANT-COMMUNICATION EQUIPMENT	\$	1,722,253.28
397.100	GEN PLT-COMM EQUIP UNDER CAP LEASE	\$	-
397.200	GENERAL PLANT-FIBER OPTIC SONET	\$	272,599.66
398.000	GEN PLANT-MISCELLANEOUS EQUIPMENT	\$	83,271.98
398.100	GEN PLANT-GIS EQUIPMENT	\$	372,145.55
403.22	GENERAL PLANT DEPRECIATION-CLASS A	\$	-
403.23	GENERAL PLANT DEPRECIATION-CLASS B	\$	-
403.24	GENERAL PLANT DEPRECIATION-CLASS C	\$	-
403.25	DEPRE-DIST PLANT-CLASS C	\$	56,217.96
403.6	DEPRECIATION EXP-DISTRIBUTION PLANT	\$	9,978,547.24
403.7	DEPRECIATION EXP-GENERAL PLANT	\$	593,943.42
404	AMORTIZATION LIMITED TERM ELEC PLT	\$	-
407	AMORTIZATION OF REGULATORY ASSET-AMI	\$	-
408.12	PROPERTY TAXES-CLASS A	\$	-
408.121	PROPERTY TAXES-CENTURY HAWESVILLE	\$	152.86
408.122	PROPERTY TAXES-CENTURY SEBREE	\$	123.42
408.13	PROPERTY TAXES-CLASS B	\$	148.72
408.14	PROPERTY TAXES-CLASS C	\$	820.49
408.7	TAXES-OTHER	\$	-
408.71	REGULATORY ASSESSMENT TAX	\$	135,877.70
408.72	REGULATORY ASSESSMENT TAX-CLASS A	\$	-
408.721	REG ASSESSMENT TAX-H'VILLE SMELTER	\$	247,351.27
408.722	REG ASSESSMENT TAX-SEBREE SMELTER	\$	160,565.02
408.73	REGULATORY ASSESSMENT TAX-CLASS B	\$	31,117.32
408.74	REGULATORY ASSESSMENT TAX-CLASS C	\$	17,419.68
409.1	INCOME TAX EXPENSE	\$	56,042.00
415	REVENUES FROM GEOTHERMAL	\$	(55,206.41)
415.6	REVENUES-SURGE PROTECTOR SALES	\$	-
415.601	REVENUE-SURGE PROTECTORS LEASED	\$	-
416	COSTS & EXPENSES-GEOTHERMAL	\$	55,696.37
416.1	GENERAL MERCHANDISING ACTIVITIES	\$	-
416.6	COST & EXPENSES - SURGE PROTECTORS	\$	-
417	REVENUES-NON UTILITY OPS	\$	12.52
417.002	REVENUE-INTERNET-LOCAL/LONG DISTANC	\$	(6,210.18)
417.006	POINT-TO-POINT FIBER SERVICE-REVENU	\$	-
417.007	REVENUE-WIRELESS ISP	\$	-
417.1	EXPENSES-NON UTILITY OPS	\$	(22.39)
417.102	EXPENSES-INTERNET-LOCAL/LONG DISTAN	\$	201.14
417.105	EXPENSES-HOME SECURITY	\$	-

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417.106 EXPENSES-POINT TO POINT FIBER SERV	\$	-
417.107 EXPESES-WIRELESS ISP	\$	127.22
418.100 EQUITY IN EARNINGS OF SUBSIDIARY	\$	-
419.000 INTEREST-DIVIDEND INCOME	\$	(1,952,681.81)
419.100 INTEREST-COMMONWEALTH DEPOSIT	\$	-
421.000 MISC NON-OPERATING INC-DEDUCTIONS	\$	(288.43)
421.100 GAIN ON DISPOSITION OF PROPERTY	\$	(43,651.82)
421.200 LOSS ON DISPOSITION OF PROPERTY	\$	49,505.22
421.220 NON-OPERATING INCOME CLASS A	\$	-
421.230 NON-OPERATING INCOME CLASS B	\$	-
421.240 NON-OPERATING INCOME CLASS C	\$	-
423.000 G AND T COOP CAPITAL CREDITS	\$	-
423.100 CONTRA-ACCOUNT G & T CAPITAL CR	\$	-
424.000 OTHER CAPITAL CR ALLOCATIONS	\$	(227,280.75)
425.000 MISCELLANEOUS AMORTIZATION	\$	-
426.100 OTHER INCOME DEDUCTIONS-DONATIONS	\$	81,560.80
426.300 PENALTIES	\$	4,620.50
426.400 MISC INC DED-EXP FOR CIVIC POL ACT	\$	9,810.39
426.500 MISC INC DED-OTHER DEDUCTIONS	\$	2,067.22
427.100 INTEREST ON REA CONSTRUCTION LOAN	\$	779,013.12
427.125 INTEREST RUS-CLASS C	\$	55,914.06
427.200 INTEREST -LONG TERM DEBT-CFC	\$	25,094.66
427.210 INTEREST ON COBANK LOANS	\$	614,194.04
427.220 INTEREST-FEDERAL FINANCING BANK	\$	2,128,061.92
427.230 INTEREST-RUS TREASURY LOAN	\$	1,105,651.38
427.300 INTEREST ON CWIP	\$	-
431.000 INTEREST EXP - CONSUMER DEPOSITS	\$	4,860.87
431.010 INTEREST EXPENSE-RATE REFUND	\$	-
431.100 INTEREST EXPENSE-SHORT TERM LOANS	\$	36,186.00
431.200 INTEREST EXPENSE-KMMC DEPOSIT	\$	-
431.250 INTEREST EXPENSE-AMG ALUMINUM	\$	84.07
431.300 INTEREST EXPENSE-ARMSTRONG COAL	\$	-
431.350 INTEREST EXPENSE-ALERIS DEPOSIT	\$	-
431.400 INTEREST EXPENSE-ACMI (ALCOA)	\$	16.10
431.450 INTEREST EXPENSE-SOUTHWIRE DEPOSIT	\$	345.68
431.460 INTEREST EXP-SEBREE MINING-KMMC	\$	9.76
431.470 INT EXP-SEBREE MINING-ALLIED RES	\$	306.46
431.500 INTEREST EXP-ARMSTRONG-EQUALITY MIN	\$	194.64
431.550 INTEREST EXPENSE-ACCURIDE DEPOSIT	\$	221.94
431.600 INTEREST EXPENSE-HOPKINS CO COAL	\$	3.29
431.650 INTEREST EXPENSE-ALLIED RESOURCES	\$	-
431.700 INTEREST EXPENSE-MIDWAY MINE	\$	468.03
431.750 INTEREST EXPENSE-ARMSTRONG-LEWIS CK	\$	42.73

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431.800 INTEREST EXP-ARMSTRONG COAL-DOCK	\$	180.00
431.900 INTEREST EXPENSE-OTHER	\$	-
434.000 EXTRAORDINARY INCOME	\$	-
435.000 EXTRAORDINARY DEDUCTIONS	\$	-
435.100 CUMULATIVE EFFECT ON PRIOR YEARS	\$	-
440.000 CONSOLIDATION CREDIT	\$	-
440.100 REVENUE-RESIDENTIAL(EXCLUD SEASONAL	\$	(73,230,095.57)
440.200 REVENUE-RESIDENTIAL-SEASONAL	\$	(103,263.99)
442.100 REVENUE-COMMERCIAL-SINGLE PHASE	\$	(12,088,331.29)
442.101 REV-COMMERCIAL-3PHASE-UNDER 1000KW	\$	(14,952,887.95)
442.200 REV-COMMERCIAL-3PHASE(OVER 1000KW)3	\$	(6,562,159.82)
442.210 REVENUE-COMM-ALERIS	\$	(8,723,334.10)
442.214 REVENUE-CENTURY SEBREE-BREC	\$	(58,946,137.39)
442.215 REVENUE-CENTURY SEBREE-EDF	\$	(53,355,575.12)
442.216 REVENUE-CENTURY SEBREE-KENERGY	\$	(172,477.05)
442.219 REVENUE-ALCAN	\$	-
442.220 REVENUE-INDUSTRIAL-DOMTAR	\$	(8,449,086.39)
442.230 REVENUE-CENTURY HAWESVILLE-BREC	\$	(76,921,600.01)
442.231 REVENUE-CENTURY HAWESVILLE-EDF	\$	(69,150,676.95)
442.232 REVENUE-CENTURY HAWESVILLE-KENERGY	\$	(231,834.50)
442.240 REVENUE-INDUSTRIAL ALCOA AUTO CAST	\$	(32,148.17)
442.275 REVENUE-ARMSTRONG DOCK	\$	(3,299,250.30)
442.276 REVENUE-ARMSTRONG-EQUALITY MINE	\$	(982,760.99)
442.279 REVENUE-ARMSTRONG-LEWIS CREEK	\$	(530,324.93)
442.280 REVENUE-COMM- PRECOAT METALS	\$	(1,006,649.15)
442.290 REVENUE-INDUSTRIAL-KIMBERLY CLARK	\$	(13,924,685.22)
442.298 REVENUE-MIDWAY MINE & PREP PLANT	\$	(1,416,432.03)
442.801 REVENUE-ACCURIDE	\$	(1,557,698.36)
442.802 REVENUE-SEBREE MINING-KMMC	\$	(36,354.49)
442.803 REVENUE-SEBREE MINING-STEAMPORT	\$	(946,808.59)
442.804 REVENUE-ALLIED RESOURCES	\$	-
442.805 REVENUE-HOPKINS CO COAL	\$	(29,311.29)
442.806 REVENUE-DOTIKI #3	\$	(16,192.30)
442.807 REVENUE-TYSON	\$	(4,045,570.19)
442.808 REVENUE-AMG ALUMINUM	\$	(472,243.68)
442.809 REVENUE-ELK CREEK MINE-HOPKINS CO C	\$	(314,936.30)
442.810 REVENUE-KMMC L L C	\$	-
442.811 REVENUE-PATRIOT COAL	\$	(255.89)
442.812 REVENUE-SOUTHWIRE	\$	(2,546,742.62)
442.814 REVENUE-VALLEY GRAIN	\$	(817,274.09)
442.819 REVENUE-PENNYRILE	\$	(953,145.32)
444.000 REVENUE-PUBLIC STREET&HWY LIGHTS 5	\$	(386,926.10)
445.000 REVENUE-PUBLIC AUTHORITIES-SINGLE P	\$	(1,010,432.57)

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445.100 REVENUE-PUBLIC AUTHORITIES-3PHASE	\$ (3,207,470.08)
450.000 REVENUE-FORFEITED DISCOUNTS	\$ (564,446.75)
450.220 FORFEITED DISCOUNTS-CLASS A	\$ -
450.230 FORFEITED DISCOUNTS-CLASS B	\$ -
450.240 FORFEITED DISCOUNTS-CLASS C	\$ -
451.000 REVENUE-TURN-ON CHARGE	\$ (1,696.00)
451.100 REVENUE-RECONNECT CHARGE	\$ (53,522.00)
451.200 REVENUE-TERMINATION OR FIELD CONNEC	\$ (139,872.00)
451.220 MISC SERVICE REVENUES-CLASS A	\$ -
451.230 MISC SERVICE REVENUE-CLASS B	\$ -
451.240 MISC SERVICE REVENUE-CLASS C	\$ (1,633.74)
451.300 REVENUE-SPECIAL METER READING CHARG	\$ (179,648.00)
451.400 REVENUE-METER TEST CHARGE	\$ (1,200.00)
451.500 REVENUE-RETURNED CHECK CHARGE	\$ (10,908.00)
451.600 REVENUE-UNNECESSARY TRIP BY S/MAN	\$ (222.00)
451.700 REVENUE-S/C TO CHG S/L BULB TO LED	\$ (50.00)
454.000 REVENUE-RENT FROM BELL SOUTH ATTACH	\$ (584,465.78)
454.100 REVENUE-RENTAL FROM TOWER LEASES	\$ (199,068.77)
454.110 REVENUE-RENT-CABLE CO & OTHER TELEP	\$ (107,633.37)
454.120 REVEENE-FIBER LEASING	\$ (2,000.00)
454.200 REVENUE-RENTAL PERSONAL PROPERTY	\$ -
454.300 REVENUE-ERVIN CABLE	\$ (2,480.00)
456.000 KY SALES TAX RETURN COMPENSATION	\$ (550.73)
555.000 PURCHASED POWER RURAL	\$ 76,555,866.92
555.101 PURCHASED POWER-ACCURIDE	\$ 1,450,240.47
555.102 POWER COST-SEBREE MINING-KMMC	\$ 33,466.98
555.103 POWER COST-SEBREE MINING-STEAMPORT	\$ 898,148.43
555.104 PURCHASED POWER-ALLIED RESOURCES	\$ -
555.105 PURCHASED POWER-HOPKINS CO COAL	\$ 26,849.58
555.106 PURCHASED POWER-DOTIKI #3	\$ 14,341.62
555.107 PURCHASED POWER-TYSON	\$ 3,637,135.98
555.108 PURCHASED POWER-AMG ALLOYS	\$ 463,493.93
555.109 PURCHASE POWER-PENNYRILE ENERGY	\$ 908,087.84
555.110 PURCHASED POWER-KMMC L L C	\$ -
555.111 PURCHASED POWER-PATRIOT COAL	\$ 246.89
555.112 PURCHASED POWER-SOUTHWIRE	\$ 2,383,943.90
555.113 POWER COST-ELK CREEK MINE-HOPKINS C	\$ 293,980.74
555.114 PURCHASED POWER-VALLEY GRAIN	\$ 736,936.26
555.116 PURCHASED POWER-ARMSTRONG-EQUALITY	\$ 930,904.89
555.118 PURCHASED POWER-ARMSTRONG DOCK	\$ 3,129,926.19
555.119 PURCHASED POWER-ARMSTRONG LEWIS CRK	\$ 505,306.93
555.200 PURCHASED POWER-ALERIS	\$ 8,681,773.02
555.300 PURCHASED POWER-DOMTAR	\$ 8,342,007.50

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555.400 PURCHASED POWER-CENTURY HAWESVILLE-BREC	\$ 390,616.85
555.401 PURCHASED POWER-CENTURY HAWESVILLE-EDF	\$ 147,543,677.79
555.500 PURCHASED POWER---ALCOA AUTO CASTIN	\$ 29,655.05
555.600 PURCHASED POWER-CENTURY SEBREE-BREC	\$ 58,759,703.62
555.601 PURCHASED POWER-CENTURY SEBREE-EDF	\$ 51,195,770.83
555.603 PURCHASED POWER-BREC-ALCAN	\$ -
555.900 PURCHASED POWER- ROLL COATER	\$ 954,039.89
555.950 PURCHASED POWER-KIMBERLY CLARK	\$ 13,861,045.50
555.970 POWER COST-MIDWAY MINE & PREP PLANT	\$ 1,341,092.12
580.000 DISTRIBUTION-EXP-OPS-SUPERVISION	\$ -
581.000 LOAD DISPATCHING & VOLTAGE CONTROL	\$ -
582.000 DISTRIBUTION-EXP-OPS STATION EXP	\$ 276,277.82
582.200 DIST EXP OPR - MICROWAVE SYSTEM	\$ 43,790.95
582.250 EXP-LSE TOWER SPACE TO CELL PROVIDE	\$ -
583.000 DISTRIBUTION-EXP-OPS OVERHEAD LINE	\$ 1,105,008.11
583.100 OPERATION OVERHEAD LINES-MAJOR STOR	\$ -
583.200 OVERHEAD LINE EXP-SPECIAL EQUIPMENT	\$ -
583.300 OVERHEAD LINE EXP-PCB INSPECTIONS	\$ -
583.400 PSC LINE PATROL	\$ -
583.500 OSMOSE POLE INSPECTION-COOP LABOR	\$ -
584.000 DISTRIBUTION-EXP-OPS-UNDERGROUND	\$ 113,773.04
584.200 UNDERGROUND LINE EXP-SPECIAL EQUIP	\$ -
584.400 PSC LINE PATROL-UNDERGROUND	\$ -
586.000 DISTRIBUTION-EXP-OPS METERS	\$ (107,734.12)
586.100 DISTRIBUTION EXP-OPS SPECIAL TEST	\$ -
586.200 DISTRIBUTION EXPENSE-METERS-STORM	\$ -
587.000 DIST EXP-OPS CONSUMER INSTALLATION	\$ 28,876.39
588.000 DIST EXP-OPS MISCELLANEOUS DIST	\$ 2,535,840.12
588.200 DIST EXP-OPS-STORM-PHONES/DISPATCH	\$ -
588.210 DIST-EXP-OPS STORM-FEMA REIMBURSEME	\$ 628.16
590.000 DIST EXP-MAIN-SUPERVISION-ENG	\$ -
592.000 DIST EXP-MAIN-STATION EQUIPMENT	\$ 857,140.78
592.100 DIST EXP-MAIN-SUPERVISORY CONTROL	\$ 119,898.76
592.200 DIST EXP MAIN-MICROWAVE SYSTEM	\$ 100,914.41
592.250 DIST EXPENSE-STATION EQUIP-CLASS C	\$ 37,871.16
593.000 DIST EXP-MAIN-OVERHEAD LINES	\$ 3,437,713.13
593.200 DIST EXP-MAIN-STORM DAMAGE	\$ 524.12
593.250 DIST EXPENSE-OVERHEAD LINE-CLASS C	\$ 37,871.16
593.300 MAINTENANCE OF OVERHEAD LINES-ROW	\$ 3,103,307.37
593.400 REPAIRS/PSC LINE PATROL	\$ -
593.500 DIST EXP-MAIN-OVERHD LINES CREW 50	\$ -
593.600 DIST EXP-MAIN-OVERHD LINES CREW 55	\$ -
593.700 DIST EXP-MAIN-OH LINES TEMP CREWS	\$ -

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594.000	DIST EXP-MAIN-UNDERGROUND LINES	\$	304,457.17
595.000	DIST EXP-MAIN-LINE TRANSFORMERS	\$	175,140.97
596.000	DIST EXP-MAIN-ST LIGHTS-SIGNALS	\$	80,077.42
597.000	DIST EXP-MAIN-METERS	\$	62,480.39
598.000	DIST EXP-MISC DISTRIBUTION PLT	\$	305,700.05
901.000	CONSUMER ACC EXP-OPS SUPERVISION	\$	-
902.000	CONS ACC EXP-OPS ANN METER READING	\$	-
902.100	CONSUMER ACC EXP-OPS METER READING	\$	-
902.220	METER READING-CLASS A	\$	-
902.230	METER READING-CLASS B	\$	-
902.240	METER READING- CLASS C	\$	-
903.000	CONSUMER ACC EXP-OPS RECORD-COLLECT	\$	3,920,822.65
903.100	CONSUMER ACC EXP-OPS RECORD COLLECT	\$	-
903.200	DATA PROCESSING EXPENSE	\$	-
903.220	BILLING-CLASS A	\$	-
903.221	BILLING-CLASS A H'VILLE SMELTER	\$	1,476.94
903.222	BILINGS-CLASS A SEBREE SMELTER	\$	1,468.92
903.230	BILLING-CLASS B	\$	209.60
903.240	BILLING-CLASS C	\$	1,187.73
904.000	CONSUMER ACC EXP-OPS UNCOLLECT-ACCT	\$	310,460.00
904.220	BAD DEBT-CLASS A	\$	-
904.230	BAD DEBT-CLASS B	\$	-
904.240	BAD DEBT-CLASS C	\$	-
907.000	ADM/CONSUMER SVC AND INFOR. EXP.	\$	-
908.000	CUSTOMER ASSISTANCE EXPENSE	\$	153,787.86
908.100	CUSTOMER ASSIST EXP-RCS AUDIT	\$	-
908.200	CUSTOMER ASST EXP-CACS AUDIT	\$	-
908.220	CUSTOMER ASSISTANCE-CLASS A	\$	-
908.240	CUSTOMER ASSISTANCE-CLASS C	\$	-
908.300	GREC REBATES - WATER HEATERS	\$	-
908.400	CUSTOMER ASSISTANCE-KEY ACCOUNTS	\$	-
909.000	INFORMATIONAL ADVERTISING	\$	-
909.100	INFORMATION & ADVER EXP-RCS PROGRAM	\$	-
909.200	INFORMATION & ADV EXP-CACS PROGRAM	\$	-
909.300	INFORMATION & ADV - WATER HEATER	\$	-
910.000	MISC CUSTOMER SERVICE & INFO EXP	\$	(37.87)
910.100	MISC CUSTOMER SERV EXPENSE-RCS PROG	\$	-
910.200	MISC CUSTOMER SERV EXP-CACS PROGRAM	\$	-
910.300	COST AND EXPENSES - WATER HEATERS	\$	-
912.000	DEMONSTRATING AND SELLING EXPENSE	\$	122,442.93
913.000	MEMBER AND PUBLIC RELATION EXPENSES	\$	-
913.220	C & I PROGRAM-CLASS A	\$	-
913.221	C&I PROGRAM-CLASS A-H'VILLE SMELTER	\$	11.45

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913.222 C&I PROGRAM-CLASS A-SEBREE SMELTER	\$	11.45
913.230 C & I PROGRAM-CLASS B	\$	34.33
913.240 C & I PROGRAM-CLASS C	\$	194.44
920.000 ADM-GEN EXP-OPS-EXECUTIVE SALARY	\$	2,006,370.56
920.100 ADM-GEN EXPENSE-OPS-STAFF SALARIES	\$	-
920.200 ADM-GEN EXPENSE-OPS-GEN OFF SALARY	\$	-
920.220 DIRECT MANAGEMENT LABOR-CLASS A	\$	468.89
920.221 ALLOCATED GEN MANAGEMENT-CLASS A	\$	23.66
920.222 ALLOC GEN MGMT CLASS A-H'VILLE SMEL	\$	1,347.90
920.223 ALLOC GEN MGMT-CLASS A SEBREE SMEL	\$	1,313.53
920.230 DIRECT MANAGEMENT LABOR-CLASS B	\$	7,484.44
920.231 ALLOCATED GEN MANAGEMENT-CLASS B	\$	276.96
920.232 EMPLOYEE TRAINING & OTHER CLASS B	\$	-
920.240 DIRECT MANAGEMENT LABOR-CLASS C	\$	9,975.89
920.241 ALLOCATED GEN MANAGEMENT-CLASS C	\$	527.85
920.242 EMPLOYEE TRAINING & OTHER-CLASS C	\$	-
920.250 DIRECT MGMT LABOR-HAWESVILLE SMELTE	\$	24,748.69
920.260 DIRECT MGMT LABOR-SEBREE SMELTER	\$	24,065.75
920.300 ADM-GEN EXPENSE-OPS-OFFICE SALARIES	\$	-
921.000 ADM-GEN EXPENSE	\$	286,944.02
921.220 OFFICE EQUIP/SUPPLIES CLASS A	\$	-
921.221 OFFICE SUPPLIES CLASS A-H'VILLE SM	\$	2,068.26
921.222 OFFICE SUPPLIES-CLASS A-SEBREE SMEL	\$	1,736.27
921.230 OFFICE EQUIP/SUPPLIES CLASS B	\$	1,964.43
921.231 PRINTING CLASS B	\$	-
921.240 OFFICE EQUIP/SUPPLIES CLASS C	\$	11,612.00
921.241 PRINTING CLASS C	\$	-
923.000 OUTSIDE SERVICES - GENERAL	\$	121,292.05
923.100 OUTSIDE SVCS-DISPOSAL SITE CLEANUP	\$	-
923.200 OUTSIDE SVCS-HAWESVILLE MUNICIPAL	\$	-
923.220 DIRECT OUTSIDE SERVICES CLASS A	\$	300.00
923.221 OUTSIDE SERVS-CLASS A H'VILLE SMELT	\$	6,360.71
923.222 OUTSIDE SERVS-CLASS A-SEBREE SMELTE	\$	6,183.31
923.230 DIRECT OUTSIDE SERVICES CLASS B	\$	788.03
923.240 DIRECT OUTSIDE SERVICES CLASS C	\$	12,848.15
923.300 OUTSIDE SVCS-BREC BANKRUPTCY	\$	-
924.000 PROPERTY INSURANCE	\$	-
925.000 INJURIES AND DAMAGES	\$	-
925.250 ** BLANK **	\$	-
926.000 EMPLOYEE PENSIONS AND BENEFITS	\$	-
927.000 FRANCHISES-ANNUAL	\$	15,000.00
928.000 REGULATORY COMM. EXPENSE	\$	4,016.89
928.100 EXPENSES-2004 RATE CASE	\$	-

KENERGY CORP.
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928.200 2006 RATE CASE	\$	-
928.220 PSC EXPENSE-CLASS A	\$	-
928.230 PSC EXPENSE-CLASS B	\$	-
928.240 PSC EXPENSES-CLASS C	\$	-
928.300 EXPENSES-CASE #2006-00494	\$	-
928.500 2013 FLOW THRU CASE-H'VILL SMELTER	\$	-
928.600 2013 FLOW THRU CASE-SEBREE SMELTER	\$	781.76
928.610 2013 BREC CASE-SEBREE SMELTER	\$	(6.88)
930.100 GENERAL ADVERTISING EXPENSES	\$	10,924.19
930.200 MISC. GENERAL EXPENSES	\$	491,733.48
930.201 DUES ASSOC. & COMMUNITY AGENCY	\$	-
930.203 GENERAL EXPENSE-ANNUAL MTG & CAP CR	\$	-
930.204 GENERAL EXPENSE-OTHER	\$	-
930.210 DIRECTORS FEES & EXPENSES	\$	199,478.83
930.220 ADVERTISING GENERAL-CLASS A	\$	-
930.221 OTHER A & G CLASS A	\$	-
930.222 OTHER A&G-CLASS A H'VILLE SMELTER	\$	4,899.43
930.223 OTHER A&G-CLASS A SEBREE SMELTER	\$	4,110.72
930.230 ADVERTISING GENERAL-CLASS B	\$	-
930.231 OTHER A & G CLASS B	\$	4,599.43
930.240 ADVERTISING GENERAL-CLASS C	\$	-
930.241 OTHER A & G CLASS C	\$	27,557.59
935.000 MAINT OF GENERAL PLANT	\$	801,303.49
935.100 MAINT OF MOBILE RADIO SYSTEM	\$	-
935.220 BUILDINGS/GROUNDS CLASS A	\$	-
935.221 BLDGS/GROUNDS CLASS A-H'VILLE SMELT	\$	535.08
935.222 BLDGS/GROUNDS CLASS A-SEBREE SMELTE	\$	520.88
935.230 BUILDINGS/GROUNDS CLASS B	\$	116.05
935.240 BUILDING/GROUNDS CLASS C	\$	214.66

Kenergy Corp.

Audited Financial Statements
For the years ended December 31, 2014 and 2013

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Kenergy Corp.
Henderson, Kentucky

We have audited the accompanying financial statements of Kenergy Corp., which comprise the balance sheets as of December 31, 2014 and 2013, and the statements of revenue and expenses, changes in members' equity, and cash flows for the years ended December 31, 2014 and 2013, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 auditors' 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, we 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.

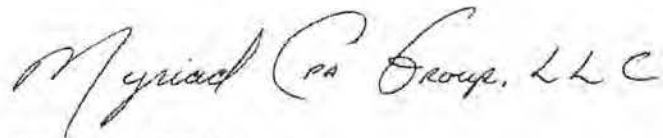
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Kenergy Corp. as of December 31, 2014 and 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

In accordance with *Government Auditing Standards*, we have also issued our report dated April 6, 2015, on our consideration of Kenergy's internal control over financial reporting and our tests of 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 our 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 the audit performed in accordance with *Government Auditing Standards*, and should be considered in assessing the results of our audit.

A handwritten signature in black ink that reads "Myriad CPA Group, LLC". The signature is written in a cursive, flowing style.

Myriad CPA Group, LLC
Henderson, Kentucky
April 6, 2015

Kenergy Corp.
Balance Sheets
As of December 31, 2014 and 2013

<u>ASSETS</u>	<u>2014</u>	<u>2013</u>
Utility Plant, Net	\$ 196,419,070	\$ 194,650,845
Investments	6,160,371	6,021,176
<u>Current Assets:</u>		
Cash and Cash Equivalents	1,800,247	2,692,236
Accounts Receivable, Less Allowance For Doubtful Accounts: 2014 \$253,247 and 2013 \$220,384		
Billed	23,489,181	34,199,576
Unbilled	13,792,077	14,035,872
Materials and Supplies	1,911,513	2,007,815
Other Current Assets	775,631	722,260
Total Current Assets	<u>41,768,649</u>	<u>53,657,759</u>
Other Assets	1,240,509	1,384,809
Total Assets	<u>\$ 245,588,599</u>	<u>\$ 255,714,589</u>
 <u>MEMBERS' EQUITY AND LIABILITIES</u>		
<u>Members' Equity:</u>		
Memberships	\$ 228,275	\$ 235,615
Patronage Capital	70,642,877	69,704,798
Other	6,850,735	5,531,226
Total Members' Equity	<u>77,721,887</u>	<u>75,471,639</u>
Long-Term Debt, Net of Current Portion	<u>127,809,454</u>	<u>124,784,646</u>
<u>Current Liabilities:</u>		
Accounts Payable	24,381,298	35,916,300
Consumer Deposits	4,235,535	4,072,092
Current Maturities of Long-Term Debt	7,377,553	7,401,438
Notes Payable	-	3,600,000
Other Current and Accrued Liabilities	1,396,563	1,964,216
Total Current Liabilities	<u>37,390,949</u>	<u>52,954,046</u>
Other Noncurrent Liabilities	<u>232,714</u>	<u>262,271</u>
Deferred Credits	<u>2,433,595</u>	<u>2,241,987</u>
Total Members' Equity and Liabilities	<u>\$ 245,588,599</u>	<u>\$ 255,714,589</u>

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

Kenergy Corp.
Statements of Revenue and Expenses
For the years ended December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
<u>Operating Revenue:</u>	\$ 472,546,305	\$ 504,751,233
<u>Operating Expenses:</u>		
Cost of Power	432,874,393	464,332,315
Distribution Operation	4,133,337	4,171,797
Distribution Maintenance	8,749,204	8,633,081
Customer Accounts	3,904,959	3,781,753
Consumer Service and Information	165,792	211,028
Sales	94,012	103,864
Administrative and General	3,999,061	4,168,772
Depreciation	10,419,490	9,950,789
Taxes	594,065	502,490
Other Deductions	<u>80,031</u>	<u>75,835</u>
Total Operating Expenses	<u>465,014,344</u>	<u>495,931,724</u>
<u>Operating Margin Before Interest Expense</u>	<u>7,531,961</u>	<u>8,819,509</u>
Interest on Long-Term Debt	4,677,863	4,831,795
Other Interest Expense	<u>66,338</u>	<u>27,163</u>
<u>Operating Margin</u>	<u>2,787,760</u>	<u>3,960,551</u>
<u>Nonoperating Margin:</u>		
Investment Income	1,972,516	1,896,715
Other Income (Expense)	<u>28,035</u>	<u>51,487</u>
Net Margin Before Operating Margins Assigned by Associated Organizations	<u>4,788,311</u>	<u>5,908,753</u>
Operating Margin Assigned by Associated Organizations	<u>235,209</u>	<u>185,044</u>
Net Margin	<u>\$ 5,023,520</u>	<u>\$ 6,093,797</u>

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

Kenergy Corp.
Statements of Changes in Members' Equity
For the years ended December 31, 2014 and 2013

	<u>Memberships</u>	<u>Patronage Capital</u>	<u>Other</u>	<u>Total</u>
Balance, January 1, 2013	\$ 243,200	\$ 67,211,031	\$ 4,313,931	\$ 71,768,162
Increase (Decrease) in Membership Fees	(7,585)	-	-	(7,585)
Net Margin	-	6,093,797	-	6,093,797
Patronage Capital Retired	-	(3,600,030)	-	(3,600,030)
Retired Capital Credits - Gain	-	-	1,217,295	1,217,295
Balance, December 31, 2013	\$ 235,615	\$ 69,704,798	\$ 5,531,226	\$ 75,471,639
Increase (Decrease) in Membership Fees	(7,340)	-	-	(7,340)
Net Margin	-	5,023,520	-	5,023,520
Patronage Capital Retired	-	(4,085,441)	-	(4,085,441)
Retired Capital Credits - Gain	-	-	1,319,509	1,319,509
Balance, December 31, 2014	<u>\$ 228,275</u>	<u>\$ 70,642,877</u>	<u>\$ 6,850,735</u>	<u>\$ 77,721,887</u>

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

Kenergy Corp.
Statements of Cash Flows
For the years ended December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
<u>Cash Flows From Operating Activities:</u>		
Net Margin	\$ 5,023,520	\$ 6,093,797
Adjustments to Reconcile Net Margin to Net Cash Provided by Operating Activities:		
Depreciation Charged to Operations	10,774,393	10,319,412
Noncash Assigned Capital Credits	(168,026)	(142,953)
(Increase) Decrease in:		
Accounts Receivable	10,710,397	6,142,591
Materials and Supplies	96,301	4,415
Other Current Assets	243,795	(3,645,314)
Accounts Payable	(11,535,002)	(3,777,985)
Other Current and Accrued Liabilities	(567,653)	85,063
Other Items, Net	175,609	(780,893)
Net Cash Provided (Used) by Operating Activities	<u>14,753,334</u>	<u>14,298,133</u>
<u>Cash Flows From Investing Activities:</u>		
Capital Expenditures, Net	(12,464,651)	(16,225,897)
(Increase) Decrease in:		
FEMA Receivable	-	164,419
Other Investment, Excluding Assigned Capital Credits	<u>(37,043)</u>	<u>(8,570)</u>
Net Cash Provided (Used) by Investing Activities	<u>(12,501,694)</u>	<u>(16,070,048)</u>
<u>Cash Flows From Financing Activities:</u>		
Additional Deposits, Net of Refunds	156,103	163,257
Proceeds From Long-Term Debt	8,000,000	24,394,196
Interest Income Added to Cushion of Credit Balance	(1,875,024)	(1,795,852)
Interest Expense Paid From Prior Note Payments	2,301,305	834,193
Principal Payments on Long-Term Debt	(7,100,596)	(6,950,311)
Principal Payments Paid From Prior Note Payments	2,740,515	845,565
Patronage Capital Retired	(2,765,932)	(2,382,735)
Payment-Cushion of Credit	(1,000,000)	(15,500,000)
Proceeds From Short-Term Notes Payable	-	3,600,000
Principal Payments on Short-Term Notes Payable	<u>(3,600,000)</u>	<u>-</u>
Net Cash Provided (Used) by Financing Activities	<u>(3,143,629)</u>	<u>3,208,313</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(891,989)	1,436,398
Cash and Cash Equivalents, Beginning of Year	<u>2,692,236</u>	<u>1,255,838</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,800,247</u>	<u>\$ 2,692,236</u>
<u>Supplemental Disclosure of Cash Flow Information:</u>		
Interest Paid, Net of Amounts Capitalized	<u>\$ 4,938,479</u>	<u>\$ 5,095,063</u>

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

Kenergy Corp.
Notes to the Financial Statements
December 31, 2014 and 2013

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business:

Kenergy is a nonprofit electric distribution cooperative association which provides electric power to approximately 56,158 residential, commercial, and industrial customers located in fourteen western Kentucky counties.

Basis of Accounting:

The accounting policies of Kenergy reflect those prescribed by the United States Department of Agriculture Rural Utilities Service (RUS) and the Kentucky Public Service Commission (KPSC), which conform with accounting principles generally accepted in the United States of America in all material respects.

Revenues:

Revenues are accrued when services are rendered based on rates authorized by the KPSC.

Utility Plant:

Utility plant is stated at original cost, net of contributions, which is the cost when first dedicated to public service. Kenergy capitalizes supervisory and overhead costs applicable to construction projects.

Maintenance and repairs of property units and renewals of minor items of property are charged to maintenance expense accounts. The costs of replacing complete property units are charged to utility plant accounts and the original cost of distribution plant property units retired and cost of removal, net of salvage value, are charged to accumulated depreciation.

Depreciation:

Depreciation is provided on the basis of the estimated useful lives of assets at straight-line rates, which for 2014 and 2013 were as follows:

Distribution Plant	1.90% to 6.70%
General Plant	2.00% to 20.00%

Kenergy uses the composite method of depreciation for distribution plant and the unit method of depreciation for general plant.

Investments:

As more fully described in the following notes, Kenergy's investment in a generation and transmission corporation is recorded at estimated net realizable value. All other investments of Kenergy are stated at cost, which approximates fair value.

Kenergy Corp.
Notes to the Financial Statements
December 31, 2014 and 2013

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents:

Cash and cash equivalents consist of cash on hand, money market funds, and investments with an original maturity of three months or less. The carrying amount reported in the balance sheet for cash and cash equivalents approximates fair value.

Investments in Associated Organizations

Investments in associated organizations include patronage capital, capital term certificates, and other investments. Patronage capital investments are stated at cost plus undistributed allocated equities from other cooperatives. Capital term certificates and other investments are carried at cost which approximates market.

Materials and Supplies:

Materials and supplies inventories are stated at the lower of cost or market using the average cost method.

Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure 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.

NOTE 2 – UTILITY PLANT

Utility plant at December 31, 2014 and 2013 consists of the following:

	<u>2014</u>	<u>2013</u>
Distribution Plant	\$262,342,709	\$252,914,368
General Plant	25,495,459	25,172,901
	<u>287,838,168</u>	<u>278,087,269</u>
Less: Accumulated Depreciation	(92,346,385)	(84,581,055)
Construction in Progress	927,287	1,144,631
	<u>927,287</u>	<u>1,144,631</u>
Total Utility Plant	<u>\$196,419,070</u>	<u>\$194,650,845</u>

Depreciation expense for the years ended December 31, 2014 and 2013 was \$11,062,959 and \$10,639,727, respectively.

Interest capitalized during 2014 and 2013 related to construction of utility plant was \$0 and \$0, respectively.

Kenergy Corp.
Notes to the Financial Statements
December 31, 2014 and 2013

NOTE 2 – UTILITY PLANT (CONTINUED)

A devastating ice storm occurred on January 26, 2009, resulting in approximately 3,600 poles and 1,100 transformers being replaced. The total storm costs were approximately \$32,000,000 with the Federal Emergency Management Agency (FEMA) being requested to reimburse nearly \$28,000,000, or 87%. The FEMA reimbursement monies were first applied to dollars expensed, leaving nearly \$4,000,000 of capitalized costs. At December 31, 2014, the FEMA receivable was approximately \$1,864,371. Kenergy expects to receive the remaining reimbursement during 2015.

NOTE 3 – INVESTMENTS

Generation and Transmission Corporation:

As discussed in preceding notes, Kenergy purchases electric power from Big Rivers Electric Corporation, a generation and transmission cooperative association, and EDF Trading North America, LLC, beginning January 1, 2015 (For the two smelter loads, see Note 6). The membership of Big Rivers Electric Corporation is comprised of Kenergy and two other distribution cooperatives.

The following is a summary at December 31, 2014 and 2013 of financial information pertaining to Big Rivers Electric Corporation:

	<u>2014</u>	<u>2013</u>
Balance Sheet Data	UNAUDITED	AUDITED
Assets:		
Current Assets	\$ 195,029,207	\$ 217,808,962
Noncurrent Assets	1,242,070,496	1,258,836,485
Total Assets	<u>\$ 1,437,099,703</u>	<u>\$ 1,476,645,447</u>
Liabilities:		
Current Liabilities	\$ 68,716,896	\$ 81,467,224
Noncurrent Liabilities	916,466,708	972,690,263
Total Liabilities	<u>985,183,604</u>	<u>1,054,157,487</u>
Equity:	<u>\$ 451,916,099</u>	<u>\$ 422,487,960</u>
Income Statement Data		
Revenues	<u>\$ 505,859,851</u>	<u>\$ 562,447,258</u>
Operating Margin	<u>\$ 27,768,047</u>	<u>\$ 4,655,509</u>
Net Margin	<u>\$ 32,667,439</u>	<u>\$ 8,639,491</u>

Big Rivers Electric Corporation experienced significant operating losses in prior years and had a net equities deficiency of (\$154,601,580) as of December 31, 2008.

Kenergy Corp.
Notes to the Financial Statements
December 31, 2014 and 2013

NOTE 3 – INVESTMENTS (CONTINUED)

On July 16, 2009, Big Rivers Electric Corporation completed a transaction referred to as the “unwind” with E.ON US. Under the unwind agreement, Big Rivers Electric Corporation assumed from E.ON US full responsibility for operating three generation facilities and the obligation to provide power to two aluminum smelters through Kenergy Corp. E.ON US provided cash payments, asset transfers, and other benefits to Big Rivers Electric Corporation, which resulted in Big Rivers Electric Corporation realizing income of \$537,978,261 in 2009. These funds allowed Big Rivers Electric Corporation to reduce its debt by \$140,180,652, provide \$252,855,791 in rate stabilization funds, and to increase its equity position to \$379,391,541 from a deficit of (\$154,601,580).

Under the Big Rivers Electric Corporation Joint Plan of Reorganization in 1998, member cooperatives of Big Rivers Electric Corporation were required to charge down their previously allocated capital credits to zero. After evaluating the key issues related to the unwind, Kenergy has elected to continue valuing the non-cash allocations at zero for financial reporting purposes, a practice which it has followed since 1998 when Big Rivers Electric Corporation emerged from bankruptcy protection. As of December 31, 2009, the non-cash allocations from Big Rivers Electric Corporation to Kenergy represented 69% of the total allocations. Big Rivers Electric Corporation, which allocates margins on the tax basis, has not made any allocations for the years ended December 31, 2010-2014 due to tax losses in those years.

Kenergy Corp. will continue to record memorandum entries in its patronage capital records to reflect the value of allocations received from Big Rivers Electric Corporation (Refer to Note 11 - Income Tax Status. See footnote 6 for discussion on the contract termination notices of the two smelters.).

Other Investments:

The more significant other investments are as follows:

Capital Term Certificates (CTC’s) of the National Rural Utilities Cooperative Finance Corporation are carried at cost which approximates market. The investment at December 31, 2014 and 2013 totaled \$2,528,878. The CTCs mature in varying amounts from 2020 to 2080 and bear interest at 0%, 3%, and 5% per year.

Investment in CoBank, an international cooperative bank, is a required investment, which is carried at cost and totaled \$2,035,216 and \$1,975,918 at December 31, 2014 and 2013, respectively. Under the terms of this Loan Base Capital Plan, Kenergy’s investment in CoBank (stock and allocated surplus from CoBank) is required to be 10% of Kenergy’s average loan balance due to CoBank for the past five years accumulated through equity issued as a patronage return. A summary of investments for the years ended December 31, 2014 and 2013 is as follows:

	<u>2014</u>	<u>2013</u>
<u>Patronage Capital Credits:</u>		
Co Bank	\$ 2,035,216	\$ 1,975,918
Federated	598,998	491,234
Other	883,286	846,243
	<u>3,517,500</u>	<u>3,313,395</u>
Other assets	113,993	178,903
Capital Term Certificates	<u>2,528,878</u>	<u>2,528,878</u>
	<u>\$ 6,160,371</u>	<u>\$ 6,021,176</u>

Kenergy Corp.
Notes to the Financial Statements
December 31, 2014 and 2013

NOTE 4 – LONG-TERM DEBT

Long-Term Debt at December 31st consists of:

	<u>2014</u>	<u>2013</u>
First mortgage notes payable to: RUS in quarterly and monthly installments of varying amounts through 2038 Interest rate term fixed to principle maturity:		
4.125% notes	\$ 1,379,626	\$ 1,432,430
5% notes	1,928,717	1,992,665
Treasury notes- average rate of 4.81% at December 31, 2014	24,412,827	24,885,478
5.125% notes	1,945,202	2,008,077
Laddered interest rate terms of 1- 9 years at an average rate of 1.18 % at December 31, 2014	43,758,628	45,637,459
Unapplied note prepayments-5%	(37,437,608)	(39,604,404)
	<u>35,987,392</u>	<u>36,351,705</u>
CoBank in quarterly and monthly installments of varying amounts through 2033: Interest rate term fixed to principle maturity: 3.43% average rate at December 31, 2014	10,920,484	12,848,046
Laddered interest rate terms of 3 to 6 years, average rate of 2.41% at December 31, 2014	9,783,297	10,419,847
	<u>20,703,781</u>	<u>23,267,893</u>
Rural Economic Development Zero- Interest Loan payable to RUS in monthly installments of varying amounts through May 2016	86,574	151,852
Federal Financing Bank in quarterly installments of varying amounts through December 2048 Interest rate term fixed to maturity: Average interest rate of 3.84%	55,615,413	48,679,446
Interest rate term of 90 days: 0.16% rate as of December 31, 2014	21,763,357	22,460,900
	<u>77,378,770</u>	<u>71,140,346</u>
CFC in quarterly installments with a 23-month term, two automatic 23- month term extensions, and a 2.2% interest rate	1,030,490	1,274,288
Total Long-Term Debt	135,187,007	132,186,084
Less Current Maturities	7,377,553	7,401,438
Long-Term Debt, Net of Current Portion	<u>\$ 127,809,454</u>	<u>\$ 124,784,646</u>

Kenergy Corp.
Notes to the Financial Statements
December 31, 2014 and 2013

NOTE 4 – LONG-TERM DEBT (CONTINUED)

Aggregate annual maturities of long-term debt at December 31, 2014 are:

	2015	\$	7,377,553
	2016		7,555,112
	2017		7,598,419
	2018		7,608,780
	2019		7,456,685
	Thereafter		97,590,458
		\$	135,187,007

Substantially all assets are pledged as security for the long-term debt to the Rural Utilities Service, Federal Financing Bank and CoBank.

NOTE 5 – SHORT-TERM BORROWINGS

Kenergy has unsecured line of credit agreements with financial institutions permitting short-term borrowings for general corporate purposes totaling \$35,000,000. Rates for such borrowings are variable. There was \$0 and \$3,600,000 outstanding under these agreements at December 31, 2014 and 2013, respectively. The rate at December 31, 2014 was 2.91%.

NOTE 6 – MAJOR CUSTOMER CONCENTRATIONS

Operating revenue for 2014 and 2013 includes approximately \$308.9 million and \$355.7 million, respectively, attributable to sales of power to two aluminum smelting customers. Accounts receivable from these customers totaled \$12.2 and \$23.0 million at December 31, 2014 and 2013, respectively. On August 20, 2012 and January 31, 2013, the two smelters provided one-year notices of termination of their contracts. Big Rivers Electric Corporation (see footnote 3) filed on January 15, 2013 a \$74 million rate increase. On October 29, 2013 the commission issued an order allowing \$54 million. On June 28, 2013 Big Rivers filed a second rate increase of \$70 million. On April 25, 2014, the commission issued an order allowing \$36 million. These rate increases are necessary to mitigate the loss of revenues from the two smelters as they purchase power on the open market. The loss of these two loads has no material impact on Kenergy's margins.

Operating revenue also includes sales of power to six other large industrial customers, totaling approximately 8.6% and 7.9% of Kenergy's operating revenue for 2014 and 2013, respectively.

NOTE 7 – COST OF POWER

Kenergy presently purchases all of its non-smelter power and energy requirements from Big Rivers Electric Corporation (Big Rivers) under wholesale power contracts which expire in 2043. Accounts payable under Big Rivers' contracts were \$10.6 and \$33.6 million at December 31, 2014 and 2013, respectively. Beginning January 1, 2015, Kenergy purchases its power requirements for the two smelters from EDF Trading North America, LLC.

Kenergy Corp.
Notes to the Financial Statements
December 31, 2014 and 2013

NOTE 8 – RETIREMENT PLANS

NRECA Retirement and Security Program

All eligible employees of the former Henderson Union Cooperative Corporation (HUEC) participate in the NRECA Retirement and Security Program (Program), a defined benefit pension plan qualified under Section 401 and tax-exempt under Section 501(a) of the Internal Revenue Code. Effective October 31, 2010, all employees in the former GREC plan were transferred to this NRECA plan.

A payment of \$690,000 to NRECA was made during 2011 in exchange for NRECA to assume future responsibility for benefit payments earned through October 31, 2010 of certain highly compensated employees. The plan assets of the former GREC plan were transferred to NRECA on January 7, 2014. In May 2014, Kenergy paid NRECA \$651,370 for the difference between plan assets and the benefit obligation that occurred between October 31, 2010 and January 1, 2014. Kenergy makes annual contributions to the Program equal to the amounts accrued for pension expense.

Non-SERP contributions were \$1,820,919 and \$958,520 for 2014 and 2013, respectively. In this multi-employer plan, which is available to all member cooperatives of NRECA, the accumulated benefits and plan assets are not determined or allocated separately by individual employer. On April 30, 2013, Kenergy made a prepayment of \$1,394,196 into the program, which will be included in pension expense over ten years and will serve to offset future pension expense and contribution requirements. Effective January 1, 2014, all participants of the Savings and Retirement Plan were transferred to this plan.

The Cooperatives contribution to the plan in 2014 and 2013 represented less than 5% of total contributions made to the plan by all participating employers.

Retirement Savings Plan

The Retirement Savings Plan is available for all eligible former HUEC employees and former GREC employees effective January 1, 2011. The plan allows participants to make contributions by salary reduction, pursuant to Section 401(k) of the Internal Revenue Code. Kenergy will match the contributions of each participant, up to 3% of the participant's base compensation. Kenergy contributed \$301,323 and \$140,744 for 2014 and 2013, respectively. Participants vest immediately in their contributions and the contributions of Kenergy.

Deferred Compensation Plan

The Kenergy Corp. 457(b) Deferred Compensation Plan allows designated senior management personnel the opportunity to make salary deferral contributions into a retirement plan once they reach the IRS limit on voluntary contributions into their 401(k) plan.

NOTE 9 – FINANCIAL INSTRUMENTS – FAIR VALUES

FASB ASC 820 "Fair Value Measurement," requires Kenergy to disclose estimated fair values of its financial instruments. Fair value estimates, methods, and assumptions are set forth below for Kenergy's financial instruments:

The carrying amounts of cash and cash equivalents, accounts receivable, other current assets, accounts payable, and other current liabilities approximate fair value because of the short-term maturity of those instruments. In management's opinion, the carrying value of long-term debt also approximates fair value.

Kenergy Corp.
Notes to the Financial Statements
December 31, 2014 and 2013

NOTE 9 – FINANCIAL INSTRUMENTS – FAIR VALUES (CONTINUED)

Kenergy's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and trade accounts receivable. Kenergy had cash deposits in a financial institution in excess of the amount insured by the Federal Depository Insurance Corporation (FDIC) at December 31, 2014 and 2013. The risk is managed by maintaining all deposits in high quality institutions. Kenergy routinely assesses the financial strength of its customers and, as a consequence, believes that its trade accounts receivable credit risk exposure is limited.

NOTE 10 – RELATED PARTY TRANSACTIONS

In previous years, Big Rivers provided billing, safety training, and other services to its three distribution cooperative members for which it was not reimbursed, and Big Rivers reimbursed its members for economic development costs. In 2013, Big Rivers began reimbursing Kenergy for certain billing and IT services which were previously incurred by Big Rivers. Services requested for reimbursement from Big Rivers during the years ended December 31, 2014 and 2013 totaled \$1,040,534 and \$1,000,438, respectively, of which \$57,539 and \$429,795, respectively, was included in accounts receivable. These amounts do not include the cost of computer programming, safety training and postage provided but not quantified.

NOTE 11 – INCOME TAX STATUS

Kenergy is exempt from federal and state income taxes under section 501(c)(12) of the Internal Revenue Code and, accordingly, the accompanying financial statements include no provision for such taxes. When applying the 85 percent test of IRC 501(c)(12), Kenergy excludes the Big Rivers Electric Corporation non-cash allocations from gross income. The Cooperative has evaluated its tax positions and determined that it has no uncertain tax positions as of December 31, 2014 and 2013. The Cooperative is no longer subject to federal tax examinations by the tax authorities for years before 2011.

NOTE 12 – LIMITATIONS ON DISTRIBUTIONS

Without the prior written approval of RUS, Kenergy shall not in any calendar year make any Distributions (exclusive of any Distributions to the estates of deceased natural patrons) to its members, stockholders, or consumers except as follows:

If, after giving effect to any such Distribution, the Equity of the Borrower shall be greater than or equal to 20% of its Total Assets and the aggregate of all Distributions made during that calendar year when added to such Distribution shall be less than or equal to 25% of the prior year's margins.

If, after giving effect to any such Distribution, the Equity of the Borrower shall be greater than 30% of its Total Assets; or

Provided however, that in no event shall Kenergy make any Distributions if there is unpaid, when due, any installment of principal of (premium, if any) or interest on any of its payment obligations secured by the mortgage, if the borrower is otherwise in default hereunder or if, after giving effect to any such Distribution, the Borrower's current and accrued assets would be less than its current and accrued liabilities.

Kenergy Corp.
Notes to the Financial Statements
December 31, 2014 and 2013

NOTE 13 – RISK MANAGEMENT

Kenergy is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Kenergy carries commercial insurance for all risks of loss, including workers' compensation, general liability and property loss insurance. As is customary in the utility industry, Utility Plant is not insured with the exception of substations. Settled claims resulting from these risks have not exceeded commercial insurance coverage in 2014 and 2013.

NOTE 14 – SUBSEQUENT EVENTS

Subsequent events have been considered and evaluated through April 6, 2015 the date these financial statements were available to be issued.



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INDEPENDENT AUDITOR'S 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 Audit Committee of Kenergy Corp.
Henderson, Kentucky

Ladies and Gentlemen:

We 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 Kenergy Corp., as of and for the year ended December 31, 2014, and the related notes to the financial statements and have issued our report thereon dated April 06, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Kenergy Corp.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Kenergy Corp.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Kenergy Corp.'s internal control.

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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

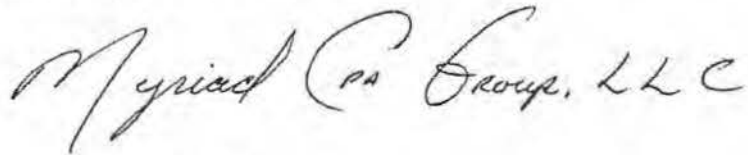
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Kenergy Corp.'s financial statements are free from material misstatement, we performed tests 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 our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Myriad CPA Group, LLC". The signature is written in a cursive, flowing style.

Myriad CPA Group, LLC
Henderson, Kentucky
April 06, 2015



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH ASPECTS OF
CONTRACTUAL AGREEMENTS AND REGULATORY REQUIREMENTS FOR ELECTRIC
BORROWERS**

To the Board of Directors
and Management of Kenergy Corp.
Henderson, Kentucky

Ladies and Gentlemen:

We have audited, 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, the financial statements of Kenergy Corp., which comprise the balance sheet as of December 31, 2014 and 2013, and the related statements of revenue and expense, changes in members' equity, changes in cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated April 6, 2015, on our consideration of Kenergy Corp.'s internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. No reports other than the reports referred to above have been furnished to management.

In connection with our audit, nothing came to our attention that caused us to believe that Kenergy Corp. failed to comply with the terms, covenants, provisions, or conditions of their loan, grant, and security instruments as set forth in 7 CFR Part 1773, *Policy on Audits of Rural Utilities Service Borrowers*, § 1773.33 and clarified in the RUS policy memorandum dated February 7, 2014, insofar as they relate to accounting matters as enumerated below. However, our audit was not directed primarily toward obtaining knowledge of noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding Kenergy Corp.'s noncompliance with the above-referenced terms, covenants, provisions, or conditions of the contractual agreements and regulatory requirements, insofar as they relate to accounting matters. In connection with our audit, we noted no matters regarding Kenergy Corp.'s accounting and records to indicate that Kenergy Corp. did not:

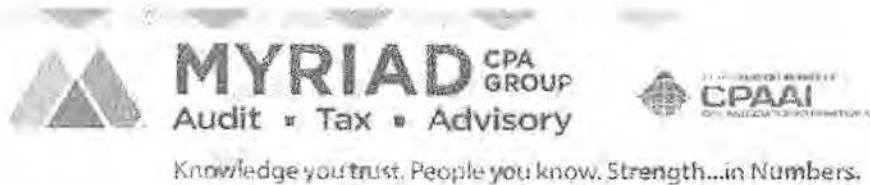
- Maintain adequate and effective accounting procedures;
- Utilize adequate and fair methods for accumulated and recording labor, material, and overhead costs, and distribution of these costs to construction, retirement, and maintenance or other expense accounts;
- Reconcile continuing property records to the controlling general ledger plant accounts;
- Clear construction accounts and accrue depreciation on completed construction;
- Record and properly price the retirement of the plant;

- Seek approval of the sale, lease or transfer of capital assets and disposition of proceeds for the sale or lease of plant, material, or scrap;
- Maintain adequate control over materials and supplies;
- Prepare accurate and timely Financial and Operating Reports;
- Obtain written RUS approval to enter into any contract for the management, operation, or maintenance of the borrower's system if the contract covers all or substantially all of the electric system;
- Disclose material related party transactions in the financial statements, in accordance with requirements for related parties in generally accepted accounting principles;
- Record depreciation in accordance with RUS requirements (See RUS Bulletin 183-1, Depreciation Rates and Procedures);
- Comply with the requirements for the detailed schedule of deferred debits and deferred credits; and
- Comply with the requirements for the detailed schedule of investments.

This report is intended solely for the information and use of the board of directors, management, and the RUS and supplemental lenders and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in cursive script that reads "Myriad CPA Group, LLC". The signature is written in black ink and is positioned above the typed name of the entity.

Myriad CPA Group, LLC
Henderson, Kentucky
April 6, 2015



To the Audit Committee of Kenergy Corp.
Henderson, Kentucky

Ladies and Gentlemen:

We have audited the financial statements of Kenergy Corp. for the year ended December 31, 2014, and have issued our report thereon dated April 06, 2015. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Governmental Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter dated November 14, 2013. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

You are responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Kenergy Corp. are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2014. We noted no transactions entered into by the Cooperative during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements and are based on your knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

Your estimate of the unbilled revenue is based on estimated electrical consumption per billing cycle multiplied by the applicable rate. We evaluated the key factors and assumptions used by management in developing the unbilled revenue estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no uncorrected misstatements.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated April 06, 2015.

This information is intended solely for the use of the Audit Committee, Board of Directors, and management of Kenergy Corp. and is not intended to be, and should not be, used by anyone other than these specified parties.

Myriad CPA Group, LLC

Myriad CPA Group, LLC
Henderson, Kentucky
April 06, 2015



MEMBER Matters

July 2015

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2015 Annual Meeting highlights

Hundreds of Kenergy members attended the co-op's 2015 Annual Meeting on June 9 at the Henderson Fine Art Center.

They enjoyed a meal, live entertainment, caricature artists and door prizes. Also, 26 students won college scholarships. Watch for an announcement in next month's newsletter. Or, in the meantime, you can view winners online at kenergycorp.com.

The Annual Meeting agenda included special recognition of Kenergy's 2015 Members of the Year — Jerry and Vickie Morris of Whitesville. On page 2 of this publication, members can read a story about this couple, who dedicate much of their free time to raising money to benefit many nonprofits.

During the business meeting, Greg Starheim and Bob Berry, CEOs of Kenergy and Big Rivers Electric Corp., respectively, gave business updates. Big Rivers is Kenergy's wholesale energy provider.

In a recap of Kenergy's 2014 accomplishments, Starheim noted:

- A \$3 million dollar retirement of equity.
- The addition of nearly 700 new services to Kenergy's system.
- The construction of more than 47 miles of new power line.

- The replacement of more than 600 defective poles.

"Consistent with our strategic goals of achieving best-in-class performance in our industry, Kenergy is making significant investments to improve service reliability and overall service to you," Starheim told members. "This includes a major investment in advanced metering that will allow Kenergy staff to detect outages immediately at their occurrence with no communication necessary from members ..."

In Berry's report to members, he highlighted the sale of electricity from Big River's D.B. Wilson Station.

"This transaction earned Big Rivers and its members approximately \$40 million over a 23-month timeframe," Berry said.

Of that amount, \$13 million may be passed back to members through a reduction in fuel-adjustment charges. If state regulators approve the reduction, it could impact members' bills as early as September.

"Big Rivers has also had some additional success," Berry said. "We entered into a nine-year contract to provide capacity and energy to three Nebraska entities, beginning in 2018."

The Nebraska deal will provide about \$65 million in margins over the term of the contract.



Members lined up all evening at the caricature artists' booths.

"Likewise, Big Rivers has requested the Kentucky Public Service Commission to allow us to return the \$65 million in margins to our members by flowing the margins through existing reserve accounts, which is a credit on your monthly bill," Berry told the audience.

To read a transcript of the June 9 speeches delivered by Starheim and Berry at Kenergy's Annual Meeting, go to kenergycorp.com.

KEEP YOUR COOL, CASH

Summer in Kentucky is wonderful, but it can mean higher utility bills.

Try these tips to stay cool without breaking the bank:

- Use circulating fans near open windows at night. This can rid your home of heat that builds up during the day. Also, ceiling fans help you feel cooler, which reduces the need to push the thermostat lower.
- Install a programmable thermostat. Program it to kick off the air conditioner when you are gone to work and turn the thermostat up at night while you are sleeping.
- Set the thermostat at 78 degrees or higher if you use ceiling fans.
- Clean your air conditioner filters.
- Buy Energy Star heating and cooling systems. Remember, Kenergy offers rebates to members who make wise energy choices. Go to kenergycorp.com and click on the Smart Savings button.



Kenergy announces its Members of the Year — Jerry and Vickie Morris of Whitesville, Page 2

2015 MEMBERS of the Year

The house that love built

Most people around Whitesville believe Jerry and Vickie Morris are angels.

If someone in the community needs help with medical bills, Jerry and Vickie host a barbecue cook-off to raise money. If a local group lacks funds for a Haiti mission, the couple orders chickens and Boston butts to grill and sell.

Last year, Jerry and Vickie raised at least \$200,000 for various causes and nonprofits, including St. Jude Children's Hospital and Trinity High School.

To recognize Jerry and Vickie's spirit of volunteerism and dedication to community, they were selected recently as Kenergy's 2015 Members of the Year. In their honor, the cooperative donated \$1,000 to

Angels for Ashley – a nonprofit foundation Jerry and Vickie founded in 2009.

The foundation is named in honor of Ashley Johnson, a Whitesville girl diagnosed at 2 months old with Lennox Gastaut Syndrome and severe epileptic encephalopathy.

Ashley turned 16 in May. She suffers from daily seizures and is confined to a wheelchair. At one time, her parents carried her everywhere inside their midcentury home. Its hallways were too narrow for Ashley's wheelchair.

"It took my husband and I both to get her in and out of the bathtub," says Ashley's mom, Charlotte Johnson.

In 2009, Ashley's family nearly won a spot on ABC's one-time popular TV show *Extreme Home Makeover*, which would



Jerry and Vickie Morris are Kenergy's Members of the Year. In 2009, the Whitesville couple founded Angels for Ashley, a nonprofit that built a 2,200-square-foot home for Ashley Johnson, 16, who is confined to a wheelchair. Angels for Ashley is building a house for another Whitesville resident this year. In addition, the nonprofit raises money for St. Jude Children's Research Hospital, Trinity High School and missions to Haiti, to name a few causes.

Kenergy's Member of the Year program also recognizes two runners-up who give tirelessly to their communities. This year's runners-up are Ron Estes of Henderson and Mary Buck of Hawesville.

Kenergy gave \$100 to the Salvation Army in Henderson to honor Ron's volunteer efforts there. And the co-op donated \$100 to Mission Flames, a group of six women who handcraft give-away items, such as caps for prenatal babies born in local hospitals.

have built a new home for Ashley and her family. But the show's producers chose another Daviess County family.

That's when Jerry – who owns Morris Construction in Whitesville – flew into action. He was determined to build the Johnsons a new home to accommodate Ashley's needs.

And the Angels for Ashley Foundation was born.

Charlotte Johnson's uncle donated land on Highway 54 for the new home. Before long, Jerry and Vickie had raised \$40,000.

Local companies donated cabinets, appliances and more.

Craftsmen donated their labor. "It was nothing to have 40 to 50 men here working on a

Saturday," Jerry says.

The house was framed and under roof in one day, and brick layers from five companies laid the brick in one day. Competing companies worked side-by-side.

The Johnson home was built with love and generosity from many people, Jerry says. It didn't cost the Johnson family a penny.

Construction started in November 2009. It was ready for the family to move into by February 2010.

The master bath features a large walk-in shower. Charlotte Johnson can bathe Ashley without assistance now, and no one carries Ashley from room to room because the house is

wheelchair accessible.

But Jerry and Vickie never rested on their laurels.

"After the house was built, they kept raising money for many local families in a financial crisis due to disease or natural disaster," says Ron Williams, Trinity High School principal. Williams nominated Jerry and Vickie for Members of the Year.

Now, a second Angels for Ashley home is in the works. The foundation and its many friends plan to build a home for Aaron Knott of Whitesville, who also is confined to a wheelchair.

"Every time I hear Angels for Ashley it touches a special place," Charlotte Johnson says. "It's pretty cool that it has lived on."



Charlotte Johnson, left, visits with Jerry and Vickie Morris in the living room of the house the Angels for Ashley foundation built for Ashley Johnson, 16, who is sitting in the center of the room. Vickie is feeding her 6-month-old granddaughter, Madelynn Morris.



In Ashley Johnson's bedroom, a large mural shows Ashley walking with the help of an angel.

IN THE KITCHEN

Super Salad

By Renee Beasley Jones, Communications/PR Manager



3 c chopped kale
1 c chopped red cabbage
½ c chopped carrots
2 scallions
½ large yellow bell pepper
1 c dried cranberries

1 c fresh or frozen blueberries
¼ c sunflower seeds
¼ c pumpkin seeds
1/4 c chopped almonds (optional)
Salt/pepper to taste
¼ c strawberry vinaigrette

Put the kale, cabbage, scallions, carrots, almonds and bell pepper into a food processor. Pulse until pieces are the size of a dime. Combine those ingredients with the cranberries, blueberries and seeds. Dress with any flavor of vinaigrette. Strawberry, raspberry and Asian are good pairings.

Kenergy will host Friday After 5 at the RiverPark Center on July 31. This event is free and open to the public. The classic rock group After Midnight will perform.

Visit our website: kenergycorp.com.
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Statement of Operations

In 2014, Kenergy posted another solid year financially.

Ending the fiscal year 2014, Kenergy reported \$5.0 million in net margins on \$472.5 million in revenue. Equity as a percentage of total capital was at 37.8 percent.

Last year, the cooperative returned another \$2.8 million in net patronage capital to its members.

The cold winter during the first quarter of 2014 was the largest driver of increased residential/commercial kilowatt hour sales, however overall kilowatt hour sales were down due to decreased industrial load.

As expected, in February 2014, the Century Sebree smelter stopped buying electricity from Kenergy's wholesale energy supplier Big Rivers Electric Corp. Kenergy continues its role as Century's retail electric utility with power supply from alternative sources.

When the smelters left Big Rivers' system, it created a massive loss of electrical load for Big Rivers. As a result, Big Rivers initiated wholesale power rate increases to its member-owners, including Kenergy, which were approved in part by the Kentucky Public Service Commission. In 2014, the entire increase related to Sebree smelter was offset by reserve fund credits on the bill.

STATEMENT OF OPERATIONS FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013		
	2014	2013
Electric Revenue	\$470,634,285	\$502,912,739
Miscellaneous	1,912,021	1,888,104
TOTAL OPERATING REVENUE	\$472,546,306	\$504,800,843
Cost of Purchased Power	\$432,874,394	\$464,932,815
Distribution Plant Expense	12,882,541	14,204,876
Customer Accounting & Collecting Expense	3,904,959	1,151,751
Customer Service & Information Expense	259,804	244,422
General Office, Administrative & General Expense	3,999,061	4,170,772
TOTAL OPERATING EXPENSE	\$453,920,759	\$485,482,810
Depreciation Expense	\$10,419,490	\$9,950,789
Interest on Long-Term Debt	4,677,863	1,831,905
Other Deductions	740,434	1,035,488
TOTAL COST OF ELECTRIC SERVICE	\$469,758,546	\$500,750,882
Operating Margins (Loss)	\$2,787,760	\$3,980,551
Non-Operating Margins	2,235,760	1,332,295
TOTAL MARGINS (Loss)	\$5,023,520	\$5,312,846
BALANCE SHEET		
ASSETS		
Total Utility Plant	\$288,765,455	\$279,121,809
Less Accumulated Provision for Depreciation	(92,346,385)	(89,841,095)
NET UTILITY PLANT	\$196,419,070	\$189,280,714
Investments	\$6,160,371	\$9,021,176
Cash & Cash Equivalents	1,800,247	1,691,289
Accounts Receivable	23,489,181	24,189,525
Other Assets	17,119,730	28,150,780
TOTAL ASSETS	\$245,588,599	\$255,714,589
MEMBERS' EQUITIES		
Memberships	\$228,275	289,815
Patronage Capital	70,642,877	69,784,785
Other	6,850,735	1,631,422
TOTAL MEMBERS' EQUITIES	\$77,721,887	\$75,471,639
LIABILITIES		
Long-Term Debt	\$127,809,454	\$126,789,846
Current Liabilities	37,390,949	\$2,854,146
Other	2,666,309	1,000,358
TOTAL LIABILITIES	\$167,866,712	\$130,244,350
TOTAL MEMBERS' EQUITIES & LIABILITIES	\$245,588,599	\$255,714,589



Want to beat the heat? Run appliances like dish washers and dryers late in the evening to keep the heat from affecting your comfort. Use cold water to wash clothes, and remember to unplug electric chargers, televisions, and any appliances when you are not using them.

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Mark Your Calendar

September 3
Member Appreciation Day

September 7
Offices Closed



MEMBER Matters

June 2014

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[FRANKFORT, KY]

PSC adjusts Big Rivers' rate

On April 25, the Kentucky Public Service Commission (PSC) adjusted the revenue and rates of Big Rivers Electric Corp. to reflect the January departure from its system of the Century Aluminum smelter in Sebree.

Big Rivers is Kenergy's wholesale power provider. Kenergy's wholesale energy costs account for 92 percent of the co-op's expenses.

With the PSC order, residential rates will increase to 11 cents per kilowatt hour — an increase of about 1.3 cents. However, residential members will not feel the effect of the rate increase until 2016. The PSC agreed to let Big Rivers use reserve funds to fully offset the increase for as long as possible.

Once reserve funds are exhausted, residential members will see monthly bills increase by about \$17 on average.

The PSC authorized Big Rivers to receive an additional \$36.16 million — or 13 percent — annually from the remaining members. That is about half the amount Big Rivers sought. Because of the loss of income from the Sebree smelter, Big Rivers' total revenue will decline substantially despite the rate increase.

In addition, the PSC approved

pass-through rate increases for the three electric distribution cooperatives that purchase power from Big Rivers — Jackson Purchase Energy Cooperative, Kenergy and Meade County Rural Electric Cooperative Corp.

The PSC order also initiates a focused management audit to review Big Rivers' plans for mitigating the combined effects of the departure of the Sebree smelter and the departure last year of Century Aluminum's smelter in Hawesville. Under the audit process set forth in state law, the PSC will select an independent consultant to conduct the review, with the utility paying for the audit.

The PSC said the audit "will review the strategic planning, management and decision-making of Big Rivers relating to its mitigation efforts." The major focus of the audit "will be on the steps that Big Rivers has undertaken or should undertake to mitigate any further financial impact" from the loss of the smelters, which together represented about two-thirds of Big River's former total load and revenue, the PSC said.

Big Rivers had applied to increase annual revenue by \$70.4 million. As allowed under Kentucky law, Big Rivers and the three distribution cooperatives



Trees and power lines don't mix. Avoid conflicts by planting the right tree in the right place.

put their proposed rates into effect on Feb. 1 and began billing at the higher rates. However, Big Rivers also offset the full amount of the increase using the reserve funds, so customers saw no change in rates.

The PSC order directs Big Rivers to replenish the reserve funds to reflect the difference between the proposed rates and the rates

Continued on page 2... PSC

[HENDERSON, KY]

PLANTING TREES, SHRUBS

Utility infrastructure may not be the best feature in yards, but it is necessary to deliver safe and reliable electricity.

During summer, many members plant trees and shrubs to hide pad-mounted transformers and other utility infrastructure. Little do they know what they're doing is against Kenergy policy and can affect the co-op's ability to turn off power quickly during emergencies, such as a house fire.

Here are rules about planting around Kenergy equipment:

- Don't plant anything within 8 feet of a transformer's front door. Linemen use 8-foot long "hot sticks" to energize and de-energize underground lines from those boxes.
- Don't plant anything within 3 feet of a transformer's sides.
- Don't plant trees under power lines.



Cole Hamilton, 19, of Daviess County is the youngest member of the Kentucky Nut Growers Association. Page 2

AMAZING Teens

[DAVIESS COUNTY, KY.]

In a nutshell

Cole Hamilton grows early-bearing pecan trees through grafting

All his life, Cole Hamilton wanted to do one thing: farm.

As a toddler, he coaxed his mom into reading tractor manuals at naptime.

"All he ever played with was tractors," says his mom, Kellie Hamilton.

But his parents, Jeff and Kellie Hamilton, owned only 2.5 acres near Meadow Lands Elementary. Logic says that's too little land for a wannabe farmer.

In this case, logic lost out to a determined boy with a one-track mind.

At age 9, Cole left behind make-believe farming to plant an orchard

of pecan trees in his backyard. The orchard now contains about 50 trees. Cole's Pecan Ridge started producing four years ago.

"I always wanted to farm more than anything," Cole says.

Cole is the two-time president of the Daviess County High School Future Farmers of America (FFA). He was the Vice President of the Green River Region of FFA.

This month, he plans to run for a statewide office in FFA.

Among many FFA awards, Cole has earned the Star Farmer and Star Agribusiness awards.

As a recent graduate of Daviess County High School, Cole has



Pecans come in all sizes. Varieties abound. Some have thin shells. Some have higher oil content. Cole Hamilton, 19, of Daviess County, is a walking encyclopedia of local pecan-growing facts.

PSC... continued from page 1

approved by the PSC, which were ordered effective retroactively to Feb. 1.

Century Aluminum's Sebree smelter stopped purchasing power from Kenergy's wholesale energy supplier, Big Rivers, on Jan. 31, the effective date of a contract allowing the smelter to buy power on the open market. The contract was approved by the PSC on Jan. 30.

The Hawesville smelter stopped buying power from Big Rivers on Aug. 20, 2013, and began buying it on the open market also under a contract approved by the PSC.

The PSC in October 2013 approved a rate increase that reflected the loss of the

revenue from the Hawesville smelter. That rate increase was not offset by reserve funds.

The reserve funds were established in 2009 as part of a complex transaction under which Big Rivers regained control of its generating facilities, which had been leased to a third party when Big Rivers went through a bankruptcy proceeding in the mid-1990s. The funds were established for the purpose of mitigating fuel and environmental cost increases.

Based on financial projections and estimates of future electric consumption, the rate offsets for residential and other small customers should last through the second quarter of

2016. Offsets for commercial and large industrial customers are estimated to last through the second quarter of next year.

Revenue Big Rivers receives for the Hawesville smelter's use of its transmission facilities will be used to partially replenish the reserves, allowing much smaller rate offsets to continue after the present reserves have been exhausted.

In trimming the revenue increase by \$34.2 million, the PSC made several adjustments. The largest of those was deferred depreciation expenses on Big Rivers' Wilson power plant and took into account transmission revenue from the Sebree smelter.

The PSC order sets no deadline for completion of the management audit. Such audits typically require about a year to complete.

Mitigation measures that could be examined in the audit could include selling power plants that are no longer needed and the possibility of using surplus generating capacity to profitably sell power to users outside the Big Rivers system, the PSC said.

Since rates will rise once the reserve funds are exhausted, now is the "appropriate time to review Big Rivers' mitigation efforts to determine (their) continued reasonableness," the PSC said.

earned a national FFA scholarship. Only 39 were awarded in Kentucky. He's the only Daviess County recipient this year.

He works part-time at H&R Agri-Power in Owensboro and is considering an agribusiness degree at Western Kentucky University. He wants to work in hybrid seed development to create row-crop species that are more tolerant to extreme shifts in weather.

Cole's pecan orchard is behind his many successes.

When his pecan trees are two years old, he grafts them. The technique tricks the tree into thinking its growth cycle is more advanced. Grafting shortens a tree's juvenile phase by several years, allowing it to produce in about half the time.

Cole harvests grafting wood, called scion, in winter and stores the pencil-sized scions in a refrigerator until early spring. He has put as many as three varieties on one rootstock, usually the variety Major.

Cole credits two men with his farming successes. His Papaw, Carl Ray of Philpot, who also owns an extensive pecan orchard. "He taught me everything I know (about grafting)," Cole is quick to admit.

Also, Cole will be forever grateful to Daviess County farmer Mack Estes, who farmed fields near Cole's home. At every opportunity, Estes stopped and offered Cole a ride on tractors and combines. On occasion, Estes would let Cole take the wheel. By taking time to make a little boy's day, Estes started a lifetime friendship and confirmed Cole's desire to farm.



By age 10, Cole Hamilton was a member of the Kentucky Nut Growers Association. Cole credits his Papaw, Carl Ray, of Daviess County, for teaching him everything he knows about pecans. Ray owns 13 acres with up to 400 nut trees in Philpot.

IN THE KITCHEN



Grafted pecan trees produce nuts in half the time because the tree bypasses the "juvenile" phase, which can last between five and nine years. Above, Cole demonstrates grafting techniques.

Cinnamon Candied Pecans

By Cole Hamilton of Daviess County



- 1 Tbsp cinnamon
- ¼ c sugar
- 1/8 tsp nutmeg
- 1 egg white
- 1 c pecan halves



Line a cookie sheet with foil and spray with a nonstick cooking spray. Mix the cinnamon, sugar and nutmeg in a quart Ziploc bag.

In a small bowl, lightly beat the egg white until fluffy. Stir the pecan halves in the egg white, making sure they are well coated. Toss the pecans into the spice mixture in the Ziploc bag and shake well.

Spread the pecans on the cookie sheet and bake for 20 minutes at 300 degrees. They may be stored in an air-tight container for later use.

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Statement of Operations

In 2013, Kenergy accomplished its corporate goals and posted a very strong year financially.

Ending the fiscal year 2013, Kenergy reported \$6.1 million in net margins on \$503 million in revenue. Equity as a percentage of total capital was at 37.7 percent.

Last year, the cooperative returned more than \$3 million in patronage capital to its members.

Weather was the largest driver of increased member kilowatt hour sales in 2013, as Kenergy's new-member growth has been somewhat subdued since the 2008 recession.

During 2013, Kenergy supplemented electric revenues by generating income through joint-use pole attachments and leasing agreements on our radio towers from communication companies.

As expected, in August, the Century Aluminum Hawesville smelter stopped buying electricity from Kenergy's wholesale energy supplier, Big Rivers Electric Corp. However, Kenergy continued its role as Century's retail electric utility with power supply from alternative sources. Similar developments are ongoing with the Century Sebree smelter, which was formerly an Alcan facility.

When the Century Hawesville smelter left Big Rivers' system, it created a massive loss of electrical load for Big Rivers. As a result, Big Rivers initiated a wholesale power rate increase to its member-owners, including Kenergy, which was approved in part by the Kentucky Public Service Commission. The increase resulted in a Kenergy retail rate increase of 16 percent for residential members.

While the rate increase was unwelcome, it is important to put it into perspective. Even after the increase, Kenergy's retail electric rates remain highly competitive to other utilities in Kentucky and the rest of the country.

As we work through future challenges, we thank Kenergy employees, directors and business partners who make us successful. We look forward to strong 2014.

STATEMENT OF OPERATIONS FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012		2013	2012
Electric Revenue		\$502,912,739	\$492,906,871
Miscellaneous		1,838,494	1,758,379
TOTAL OPERATING REVENUE		\$504,751,233	\$494,665,250
Cost of Purchased Power		\$464,332,315	\$456,369,581
Distribution Plant Expense		12,804,878	12,320,704
Customer Accounting & Collecting Expense		3,781,753	3,324,162
Customer Service & Information Expense		314,892	308,741
General Office, Administrative & General Expense		4,168,772	3,511,314
TOTAL OPERATING EXPENSE		\$485,402,610	\$475,834,502
Depreciation Expense		\$9,950,789	\$9,639,043
Interest on Long-Term Debt		4,831,795	5,089,130
Other Deductions		605,488	665,088
TOTAL COST OF ELECTRIC SERVICE		\$500,790,682	\$491,227,763
Operating Margins (Loss)		\$3,960,551	\$3,437,487
Non-Operating Margins		2,133,246	1,312,888
TOTAL MARGINS (Loss)		\$6,093,797	\$4,750,375
BALANCE SHEET			
ASSETS			
Total Utility Plant		\$279,231,900	\$266,739,225
Less Accumulated Provision for Depreciation		(84,581,055)	(77,387,993)
NET UTILITY PLANT		\$194,650,845	\$189,351,232
Investments		\$6,021,176	\$5,981,362
Cash & Cash Equivalents		2,692,235	1,255,838
Accounts Receivable		34,199,578	40,506,588
Other Assets		18,150,755	13,203,966
TOTAL ASSETS		\$255,714,589	\$250,298,986
MEMBERS' EQUITIES			
Memberships		\$235,615	\$243,200
Patronage Capital		69,704,798	67,211,031
Other		5,531,226	4,313,931
TOTAL MEMBERS' EQUITIES		\$75,471,639	\$71,768,162
LIABILITIES			
Long-Term Debt		\$124,784,646	\$123,930,340
Current Liabilities		52,954,046	52,013,752
Other		2,504,258	2,586,732
TOTAL LIABILITIES		\$180,242,950	\$178,530,824
TOTAL MEMBERS' EQUITIES & LIABILITIES		\$255,714,589	\$250,298,986

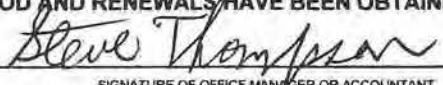
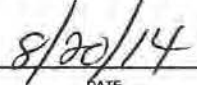

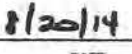
FINANCIAL AND STATISTICAL REPORT	BORROWER DESIGNATION KENTUCKY 65	
	BORROWER NAME AND ADDRESS KENERGY P.O. BOX 18 HENDERSON, KY 42420	

INSTRUCTIONS - Submit an original and two copies to RUS. Round all amounts to nearest dollar. For detailed instructions, see RUS Bulletin 1717B-2.	PERIOD ENDED JULY 31, 2014	RUS USE ONLY
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CERTIFICATION

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

 SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT	 DATE
 SIGNATURE OF MANAGER	 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.....	290,844,322	292,455,575	249,381,545	39,509,093
2. Power Production Expense.....				
3. Cost of Purchased Power.....	267,899,688	268,746,279	227,017,776	36,128,757
4. Transmission Expense.....				
5. Distribution Expense - Operation.....	2,306,823	2,527,237	2,455,911	434,669
6. Distribution Expense - Maintenance.....	5,305,067	5,411,323	5,666,797	951,826
7. Consumer Accounts Expense.....	1,915,945	2,258,367	2,058,447	346,790
8. Customer Service and Informational Expense.....	128,830	99,697	129,619	14,981
9. Sales Expense.....	60,487	53,125	55,824	5,899
10. Administrative and General Expense.....	2,392,686	2,372,201	2,186,481	374,204
11. Total Operation & Maintenance Expense (2 thru 10).....	280,009,526	281,468,229	239,570,855	38,257,126
12. Depreciation and Amortization Expense.....	5,758,708	6,039,690	5,933,350	870,709
13. Tax Expense - Property & Gross Receipts.....				
14. Tax Expense - Other.....	268,518	328,101	370,657	49,464
15. Interest on Long-Term Debt.....	2,850,922	2,688,409	2,704,321	388,709
16. Interest Charged to Construction - Credit.....				
17. Interest Expense - Other.....	2,371	45,068	3,150	8,433
18. Other Deductions.....	46,161	50,873	44,926	3,716
19. Total Cost of Electric Service (11 thru 18).....	288,936,206	290,620,370	248,627,259	39,578,157
20. Patronage Capital & Operating Margins (1 minus 19).....	1,908,116	1,835,205	754,286	(69,064)
21. Non-Operating Margins - Interest.....	1,013,828	1,169,469	1,108,333	162,962
22. Allowance for Funds Used During Construction.....				
23. Income (Loss) from Equity Investments.....				
24. Non-Operating Margins - Other.....	15,987	52,617	11,368	10,053
25. Generation and Transmission Capital Credits.....				
26. Other Capital Credits & Patronage Dividends.....	104,071	124,084	87,500	12,876
27. Extraordinary Items....(See Page 2, Part D).....				
28. Patronage Capital or Margins (20 thru 26).....	3,042,002	3,181,375	1,961,487	116,827

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	292	339	5. Miles Transmission		
2. Services Retired	610	136	6. Miles Distribution-Overhead	6,205	6,204
3. Total Services in Place	60,595	60,997	7. Miles Distribution-Underground	867	889
4. Idle Services (Exclude Seasonal)	4,903	5,148	8. Total Miles Energized (5+6+7)	7,072	7,093

FINANCIAL AND STATISTICAL REPORT	BORROWER DESIGNATION	
	KENERGY	
INSTRUCTIONS - See RUS Bulletin 1717B-2	PERIOD ENDED	RUS USE ONLY
	JULY 31, 2014	

PART C. BALANCE SHEET

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service.....	283,815,405	30. Memberships.....	235,805
2. Construction Work in Progress.....	1,548,147	31. Patronage Capital.....	65,686,738
3. Total Utility Plant (1+2).....	285,363,552	32. Operating Margins - Prior Years.....	78,651
4. Accum. Provision for Depreciation and Amort.....	89,402,458	33. Operating Margins - Current Years.....	1,959,288
5. Net Utility Plant (3-4).....	195,961,094	34. Non-Operating Margins.....	1,222,425
6. Non-Utility Property (Net).....	1,926	35. Other Margins and Equities.....	6,801,185
7. Investments in Subsidiary Companies.....		36. Total Margins & Equities (30 thru 35).....	75,784,092
8. Invest. In Assoc.Org.-Patronage Capital.....	846,244	37. Long-Term Debt - RUS (Net).....	11,330,414
9. Invest. In Assoc.Org-Other-General Funds.....	579,484	(Payments-Unapplied \$36,234,375)	
10. Invest. In Assoc.Org.-Other-Nongeneral Funds.....	4,542,734	38. Long-Term Debt - RUS - Econ. Devel. (Net)	46,760
11. Investments in Economic Development Projects.....	112,037	39. Long-Term Debt Other - REA Guaranteed	92,660,710
12. Other Investments.....	6,600	40. Long-Term Debt - Other (Net).....	20,111,676
13. Special Funds.....		41. Total Long-Term Debt (37 thru 40).....	124,149,560
14. Total Other Property and Investments (6 thru 13)...	6,089,025	42. Obligations Under Capital Leases.....	
15. Cash - General Funds.....	834,522	43. Accumulated Operating Provisions.....	259,752
16. Cash - Construction Funds - Trustee.....		44. Total Other Noncurrent Liabilities (42 + 43)....	259,752
17. Special Deposits.....		45. Notes Payable.....	12,701,438
18. Temporary Investments.....	2,311,584	46. Accounts Payable.....	25,338,967
19. Notes Receivable (Net).....		47. Consumer Deposits.....	4,156,006
20. Accounts Receivable - Sales of Energy (Net).....	21,534,391	48. Other Current and Accrued Liabilities.....	2,366,197
21. Accounts Receivable - Other (Net).....	2,240,611	49. Total Current & Accrued Liabilities (45 thru 48)	45,562,608
22. Materials and Supplies - Electric and Other.....	1,935,431	50. Deferred Credits.....	1,862,625
23. Prepayments.....	1,052,552	51. Accumulated Deferred Income Taxes.....	
24. Other Current and Accrued Assets.....	13,918,012	52. Total Liabilities and Other Credits	
25. Total Current and Accrued Assets (15 thru 24).....	43,827,103	(36 + 41 + 44 + 49 thru 51).....	247,618,637
26. Regulatory Assets.....		ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION	
27. Other Deferred Debits.....	1,741,415	53. Balance Beginning of Year.....	
28. Accumulated Deferred Income Taxes.....		54. Amount Received This Year(Net).....	
29. Total Assets and Other Debits (5+14+25 thru 28)	247,618,637	55. Total Contributions in Aid of Construction.....	

PART D. NOTES TO FINANCIAL STATEMENTS

THIS SPACE BELOW IS PROVIDED FOR IMPORTANT NOTES REGARDING THE FINANCIAL STATEMENT CONTAINED IN THIS REPORT.
 (IF ADDITIONAL SPACE IS NEEDED, USE SEPARATE SHEET.)

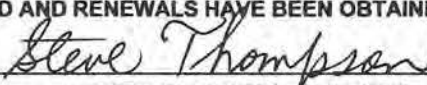

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CERTIFICATION

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

 _____ SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT	9/22/14 _____ DATE
 _____ SIGNATURE OF MANAGER	9/22/14 _____ 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.....	334,648,446	329,903,722	289,495,183	37,448,147
2. Power Production Expense.....				
3. Cost of Purchased Power.....	308,030,488	302,486,743	263,370,443	33,740,464
4. Transmission Expense.....				
5. Distribution Expense - Operation.....	2,681,942	2,897,269	2,796,828	370,032
6. Distribution Expense - Maintenance.....	6,095,549	6,294,304	6,375,350	882,981
7. Consumer Accounts Expense.....	2,221,660	2,579,929	2,349,355	321,562
8. Customer Service and Informational Expense.....	144,052	112,176	147,812	12,479
9. Sales Expense.....	69,082	58,059	60,894	4,934
10. Administrative and General Expense.....	2,702,255	2,705,848	2,390,757	333,647
11. Total Operation & Maintenance Expense (2 thru 10).....	321,945,028	317,134,328	277,491,439	35,666,099
12. Depreciation and Amortization Expense.....	6,588,515	6,912,378	6,795,752	872,688
13. Tax Expense - Property & Gross Receipts.....				
14. Tax Expense - Other.....	325,921	377,565	419,782	49,464
15. Interest on Long-Term Debt.....	3,261,935	3,077,792	3,115,185	389,383
16. Interest Charged to Construction - Credit.....				
17. Interest Expense - Other.....	2,852	59,905	3,600	14,837
18. Other Deductions.....	48,099	54,196	51,176	3,323
19. Total Cost of Electric Service (11 thru 18).....	332,172,350	327,616,164	287,876,934	36,995,794
20. Patronage Capital & Operating Margins (1 minus 19).....	2,476,096	2,287,558	1,618,249	452,353
21. Non-Operating Margins - Interest.....	1,184,604	1,331,019	1,266,666	161,550
22. Allowance for Funds Used During Construction.....				
23. Income (Loss) from Equity Investments.....				
24. Non-Operating Margins - Other.....	19,434	55,240	12,992	2,623
25. Generation and Transmission Capital Credits.....				
26. Other Capital Credits & Patronage Dividends.....	115,585	143,761	100,000	19,677
27. Extraordinary Items....(See Page 2, Part D).....				
28. Patronage Capital or Margins (20 thru 26).....	3,795,719	3,817,578	2,997,907	636,203

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	350	403	5. Miles Transmission		
2. Services Retired	643	148	6. Miles Distribution-Overhead	6,205	6,206
3. Total Services in Place	60,620	61,049	7. Miles Distribution-Underground	869	891
4. Idle Services (Exclude Seasonal)	4,939	5,185	8. Total Miles Energized (5+6+7)	7,074	7,097

FINANCIAL AND STATISTICAL REPORT	BORROWER DESIGNATION	
	KENERGY	
	PERIOD ENDED	RUS USE ONLY
INSTRUCTIONS - See RUS Bulletin 1717B-2	AUGUST 31, 2014	

PART C. BALANCE SHEET			
ASSETS AND OTHER DEBITS	LIABILITIES AND OTHER CREDITS		
1. Total Utility Plant in Service.....	284,648,291	30. Memberships.....	236,020
2. Construction Work in Progress.....	1,349,979	31. Patronage Capital.....	65,668,359
3. Total Utility Plant (1+2).....	285,998,270	32. Operating Margins - Prior Years.....	78,651
4. Accum. Provision for Depreciation and Amort.....	90,117,788	33. Operating Margins - Current Years.....	2,431,319
5. Net Utility Plant (3-4).....	195,880,482	34. Non-Operating Margins.....	1,386,598
6. Non-Utility Property (Net).....	1,926	35. Other Margins and Equities.....	6,630,459
7. Investments in Subsidiary Companies.....		36. Total Margins & Equities (30 thru 35).....	76,431,406
8. Invest. In Assoc.Org.-Patronage Capital.....	846,244	37. Long-Term Debt - RUS (Net).....	11,381,181
9. Invest. In Assoc.Org.-Other-General Funds.....	593,868	(Payments-Unapplied \$36,013,005)	
10. Invest. In Assoc.Org.-Other-Nongeneral Funds.....	4,548,027	38. Long-Term Debt - RUS - Econ. Devel. (Net)	41,667
11. Investments in Economic Development Projects.....	106,944	39. Long-Term Debt Other - REA Guaranteed	92,622,985
12. Other Investments.....	6,600	40. Long-Term Debt - Other (Net).....	19,918,234
13. Special Funds.....		41. Total Long-Term Debt (37 thru 40).....	123,964,067
14. Total Other Property and Investments (6 thru 13)...	6,103,609	42. Obligations Under Capital Leases.....	
15. Cash - General Funds.....	651,121	43. Accumulated Operating Provisions.....	259,752
16. Cash - Construction Funds - Trustee.....		44. Total Other Noncurrent Liabilities (42 + 43)....	259,752
17. Special Deposits.....		45. Notes Payable.....	14,701,438
18. Temporary Investments.....	3,563,218	46. Accounts Payable.....	31,564,416
19. Notes Receivable (Net).....		47. Consumer Deposits.....	4,179,471
20. Accounts Receivable - Sales of Energy (Net).....	27,522,398	48. Other Current and Accrued Liabilities.....	2,768,787
21. Accounts Receivable - Other (Net).....	2,262,510	49. Total Current & Accrued Liabilities (45 thru 48)	53,214,112
22. Materials and Supplies - Electric and Other.....	1,996,070	50. Deferred Credits.....	1,853,191
23. Prepayments.....	913,645	51. Accumulated Deferred Income Taxes.....	
24. Other Current and Accrued Assets.....	15,022,609	52. Total Liabilities and Other Credits	
25. Total Current and Accrued Assets (15 thru 24).....	51,931,571	(36 + 41 + 44 + 49 thru 51).....	255,722,528
26. Regulatory Assets.....		ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION	
27. Other Deferred Debits.....	1,806,866	53. Balance Beginning of Year.....	
28. Accumulated Deferred Income Taxes.....		54. Amount Received This Year(Net).....	
29. Total Assets and Other Debits (5+14+25 thru 28)	255,722,528	55. Total Contributions in Aid of Construction.....	

PART D. NOTES TO FINANCIAL STATEMENTS

THIS SPACE BELOW IS PROVIDED FOR IMPORTANT NOTES REGARDING THE FINANCIAL STATEMENT CONTAINED IN THIS REPORT.
(IF ADDITIONAL SPACE IS NEEDED, USE SEPARATE SHEET.)

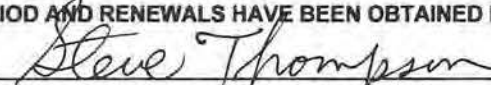
FINANCIAL AND STATISTICAL REPORT	BORROWER DESIGNATION KENTUCKY 65	
	BORROWER NAME AND ADDRESS KENERGY P.O. BOX 18 HENDERSON, KY 42420	


INSTRUCTIONS - Submit an original and two copies to RUS. Round all amounts to nearest dollar. For detailed instructions, see RUS Bulletin 1717B-2.	PERIOD ENDED SEPTEMBER 30, 2014	RUS USE ONLY
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CERTIFICATION

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


 SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT


 SIGNATURE OF MANAGER

10/17/14
 DATE

10/17/14
 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.....	374,762,881	363,903,417	326,759,858	33,999,695
2. Power Production Expense.....				
3. Cost of Purchased Power.....	345,481,199	333,798,083	298,231,420	31,311,340
4. Transmission Expense.....				
5. Distribution Expense - Operation.....	2,938,042	3,228,188	3,147,400	330,919
6. Distribution Expense - Maintenance.....	6,676,200	6,924,804	7,100,322	630,500
7. Consumer Accounts Expense.....	2,560,160	2,893,000	2,644,934	313,071
8. Customer Service and Informational Expense.....	159,496	124,662	166,591	12,486
9. Sales Expense.....	79,987	67,426	68,476	9,367
10. Administrative and General Expense.....	3,018,060	3,028,412	2,687,503	322,564
11. Total Operation & Maintenance Expense (2 thru 10).....	360,913,144	350,064,575	314,046,646	32,930,247
12. Depreciation and Amortization Expense.....	7,420,130	7,787,709	7,661,290	875,331
13. Tax Expense - Property & Gross Receipts.....				
14. Tax Expense - Other.....	383,323	445,671	486,582	68,106
15. Interest on Long-Term Debt.....	3,644,894	3,467,447	3,521,045	389,655
16. Interest Charged to Construction - Credit.....				
17. Interest Expense - Other.....	4,893	65,048	4,050	5,143
18. Other Deductions.....	58,467	55,582	57,464	1,386
19. Total Cost of Electric Service (11 thru 18).....	372,424,851	361,886,032	325,777,077	34,269,868
20. Patronage Capital & Operating Margins (1 minus 19).....	2,338,030	2,017,385	982,781	(270,173)
21. Non-Operating Margins - Interest.....	1,365,318	1,485,478	1,425,000	154,459
22. Allowance for Funds Used During Construction.....				
23. Income (Loss) from Equity Investments.....				
24. Non-Operating Margins - Other.....	45,007	56,753	14,616	1,513
25. Generation and Transmission Capital Credits.....				
26. Other Capital Credits & Patronage Dividends.....	129,526	180,702	112,500	36,941
27. Extraordinary Items....(See Page 2, Part D).....				
28. Patronage Capital or Margins (20 thru 26).....	3,877,881	3,740,318	2,534,897	(77,260)

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	412	473	5. Miles Transmission		
2. Services Retired	660	156	6. Miles Distribution-Overhead	6,205	6,207
3. Total Services in Place	60,665	61,111	7. Miles Distribution-Underground	872	896
4. Idle Services (Exclude Seasonal)	4,969	5,201	8. Total Miles Energized (5+6+7)	7,077	7,103

FINANCIAL AND STATISTICAL REPORT	BORROWER DESIGNATION	
	KENERGY	
	PERIOD ENDED	RUS USE ONLY
INSTRUCTIONS - See RUS Bulletin 1717B-2	SEPTEMBER 30, 2014	

PART C. BALANCE SHEET			
ASSETS AND OTHER DEBITS	LIABILITIES AND OTHER CREDITS		
1. Total Utility Plant in Service.....	285,518,844	30. Memberships.....	236,155
2. Construction Work in Progress.....	946,992	31. Patronage Capital.....	65,655,255
3. Total Utility Plant (1+2).....	286,465,836	32. Operating Margins - Prior Years.....	78,651
4. Accum. Provision for Depreciation and Amort.....	90,715,610	33. Operating Margins - Current Years.....	2,198,087
5. Net Utility Plant (3-4).....	195,750,226	34. Non-Operating Margins.....	1,542,570
6. Non-Utility Property (Net).....	1,926	35. Other Margins and Equities.....	6,665,992
7. Investments in Subsidiary Companies.....		36. Total Margins & Equities (30 thru 35).....	76,376,710
8. Invest. In Assoc.Org.-Patronage Capital.....	862,336	37. Long-Term Debt - RUS (Net).....	10,184,199
9. Invest. In Assoc.Org.-Other-General Funds.....	609,217	(Payments-Unapplied \$36,975,926)	
10. Invest. In Assoc.Org.-Other-Nongeneral Funds....	4,553,320	38. Long-Term Debt - RUS - Econ. Devel. (Net)	36,574
11. Investments in Economic Development Projects.....	101,852	39. Long-Term Debt Other - REA Guaranteed	100,143,799
12. Other Investments.....	6,600	40. Long-Term Debt - Other (Net).....	19,690,409
13. Special Funds.....		41. Total Long-Term Debt (37 thru 40).....	130,054,981
14. Total Other Property and Investments (6 thru 13)...	6,135,251	42. Obligations Under Capital Leases.....	
15. Cash - General Funds.....	124,904	43. Accumulated Operating Provisions.....	257,408
16. Cash - Construction Funds - Trustee.....		44. Total Other Noncurrent Liabilities (42 + 43).....	257,408
17. Special Deposits.....		45. Notes Payable.....	7,401,438
18. Temporary Investments.....	3,104,855	46. Accounts Payable.....	24,447,077
19. Notes Receivable (Net).....		47. Consumer Deposits.....	4,206,201
20. Accounts Receivable - Sales of Energy (Net).....	21,561,963	48. Other Current and Accrued Liabilities.....	2,165,147
21. Accounts Receivable - Other (Net).....	2,227,113	49. Total Current & Accrued Liabilities (45 thru 48)	38,219,863
22. Materials and Supplies - Electric and Other.....	1,822,155	50. Deferred Credits.....	1,838,371
23. Prepayments.....	792,711	51. Accumulated Deferred Income Taxes.....	
24. Other Current and Accrued Assets.....	13,572,032	52. Total Liabilities and Other Credits	
25. Total Current and Accrued Assets (15 thru 24).....	43,205,733	(36 + 41 + 44 + 49 thru 51).....	246,747,333
26. Regulatory Assets.....		ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION	
27. Other Deferred Debits.....	1,656,123	53. Balance Beginning of Year.....	
28. Accumulated Deferred Income Taxes.....		54. Amount Received This Year(Net).....	
29. Total Assets and Other Debits (5+14+25 thru 28)	246,747,333	55. Total Contributions in Aid of Construction.....	

PART D. NOTES TO FINANCIAL STATEMENTS

THIS SPACE BELOW IS PROVIDED FOR IMPORTANT NOTES REGARDING THE FINANCIAL STATEMENT CONTAINED IN THIS REPORT.
 (IF ADDITIONAL SPACE IS NEEDED, USE SEPARATE SHEET.)




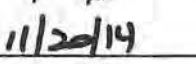
FINANCIAL AND STATISTICAL REPORT	BORROWER DESIGNATION KENTUCKY 65	
	BORROWER NAME AND ADDRESS KENERGY P.O. BOX 18 HENDERSON, KY 42420	

INSTRUCTIONS - Submit an original and two copies to RUS. Round all amounts to nearest dollar. For detailed instructions, see RUS Bulletin 1717B-2.	PERIOD ENDED OCTOBER 31, 2014	RUS USE ONLY
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CERTIFICATION

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

 SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT	 DATE
 SIGNATURE OF MANAGER	 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.....	415,934,867	399,664,701	364,067,938	35,761,284
2. Power Production Expense.....				
3. Cost of Purchased Power.....	383,547,061	366,852,580	332,277,951	33,054,497
4. Transmission Expense.....				
5. Distribution Expense - Operation.....	3,323,846	3,555,700	3,496,411	327,512
6. Distribution Expense - Maintenance.....	7,269,487	7,505,247	7,830,872	580,443
7. Consumer Accounts Expense.....	2,935,433	3,228,681	2,945,059	335,681
8. Customer Service and Informational Expense.....	170,748	140,319	185,757	15,657
9. Sales Expense.....	90,463	75,609	74,213	8,183
10. Administrative and General Expense.....	3,342,299	3,319,806	2,973,723	291,394
11. Total Operation & Maintenance Expense (2 thru 10).....	400,679,337	384,677,942	349,783,986	34,613,367
12. Depreciation and Amortization Expense.....	8,261,569	8,665,455	8,530,087	877,746
13. Tax Expense - Property & Gross Receipts.....				
14. Tax Expense - Other.....	423,049	495,135	535,707	49,464
15. Interest on Long-Term Debt.....	4,049,558	3,851,629	3,919,572	384,182
16. Interest Charged to Construction - Credit.....				
17. Interest Expense - Other.....	12,665	65,478	4,500	430
18. Other Deductions.....	62,979	67,806	63,714	12,224
19. Total Cost of Electric Service (11 thru 18).....	413,489,157	397,823,445	362,837,566	35,937,413
20. Patronage Capital & Operating Margins (1 minus 19).....	2,445,710	1,841,256	1,230,372	(176,129)
21. Non-Operating Margins - Interest.....	1,546,320	1,646,465	1,583,333	160,987
22. Allowance for Funds Used During Construction.....				
23. Income (Loss) from Equity Investments.....				
24. Non-Operating Margins - Other.....	48,724	59,277	16,240	2,524
25. Generation and Transmission Capital Credits.....				
26. Other Capital Credits & Patronage Dividends.....	141,075	202,936	125,000	22,234
27. Extraordinary Items.....(See Page 2, Part D).....				
28. Patronage Capital or Margins (20 thru 26).....	4,181,829	3,749,934	2,954,945	9,616

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	476	551	5. Miles Transmission		
2. Services Retired	679	167	6. Miles Distribution-Overhead	6,207	6,208
3. Total Services in Place	60,710	61,178	7. Miles Distribution-Underground	873	898
4. Idle Services (Exclude Seasonal)	5,011	5,195	8. Total Miles Energized (5+6+7)	7,080	7,106

FINANCIAL AND STATISTICAL REPORT	BORROWER DESIGNATION	
	KENERGY	
	PERIOD ENDED	RUS USE ONLY
INSTRUCTIONS - See RUS Bulletin 1717B-2	OCTOBER 31, 2014	

PART C. BALANCE SHEET			
ASSETS AND OTHER DEBITS	LIABILITIES AND OTHER CREDITS		
1. Total Utility Plant in Service.....	286,365,428	30. Memberships.....	236,295
2. Construction Work in Progress.....	1,059,712	31. Patronage Capital.....	65,641,787
3. Total Utility Plant (1+2).....	287,425,140	32. Operating Margins - Prior Years.....	78,651
4. Accum. Provision for Depreciation and Amort.....	91,431,584	33. Operating Margins - Current Years.....	2,044,191
5. Net Utility Plant (3-4).....	195,993,556	34. Non-Operating Margins.....	1,706,082
6. Non-Utility Property (Net).....	1,926	35. Other Margins and Equities.....	6,673,638
7. Investments in Subsidiary Companies.....		36. Total Margins & Equities (30 thru 35).....	76,380,644
8. Invest. In Assoc.Org.-Patronage Capital.....	863,615	37. Long-Term Debt - RUS (Net).....	9,982,294
9. Invest. In Assoc.Org.-Other-General Funds.....	623,601	(Payments-Unapplied \$37,128,700)	
10. Invest. In Assoc.Org.-Other-Nongeneral Funds.....	4,558,613	38. Long-Term Debt - RUS - Econ. Devel. (Net)	31,482
11. Investments in Economic Development Projects.....	96,759	39. Long-Term Debt Other - REA Guaranteed	100,105,752
12. Other Investments.....	6,600	40. Long-Term Debt - Other (Net).....	19,344,370
13. Special Funds.....		41. Total Long-Term Debt (37 thru 40).....	129,463,898
14. Total Other Property and Investments (6 thru 13)...	6,151,114	42. Obligations Under Capital Leases.....	
15. Cash - General Funds.....	227,204	43. Accumulated Operating Provisions.....	257,408
16. Cash - Construction Funds - Trustee.....		44. Total Other Noncurrent Liabilities (42 + 43)....	257,408
17. Special Deposits.....		45. Notes Payable.....	7,401,438
18. Temporary Investments.....	3,238,558	46. Accounts Payable.....	24,525,885
19. Notes Receivable (Net).....		47. Consumer Deposits.....	4,227,708
20. Accounts Receivable - Sales of Energy (Net).....	22,186,179	48. Other Current and Accrued Liabilities.....	1,916,992
21. Accounts Receivable - Other (Net).....	2,211,140	49. Total Current & Accrued Liabilities (45 thru 48)	38,072,023
22. Materials and Supplies - Electric and Other.....	1,927,877	50. Deferred Credits.....	1,785,997
23. Prepayments.....	671,888	51. Accumulated Deferred Income Taxes.....	
24. Other Current and Accrued Assets.....	11,801,927	52. Total Liabilities and Other Credits	
25. Total Current and Accrued Assets (15 thru 24).....	42,264,773	(36 + 41 + 44 + 49 thru 51).....	245,959,970
26. Regulatory Assets.....		ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION	
27. Other Deferred Debits.....	1,550,527	53. Balance Beginning of Year.....	
28. Accumulated Deferred Income Taxes.....		54. Amount Received This Year(Net).....	
29. Total Assets and Other Debits (5+14+25 thru 28)	245,959,970	55. Total Contributions in Aid of Construction.....	

PART D. NOTES TO FINANCIAL STATEMENTS

THIS SPACE BELOW IS PROVIDED FOR IMPORTANT NOTES REGARDING THE FINANCIAL STATEMENT CONTAINED IN THIS REPORT.
(IF ADDITIONAL SPACE IS NEEDED, USE SEPARATE SHEET.)


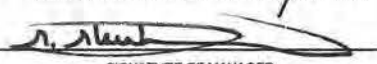
FINANCIAL AND STATISTICAL REPORT	BORROWER DESIGNATION KENTUCKY 65	
	BORROWER NAME AND ADDRESS KENERGY P.O. BOX 18 HENDERSON, KY 42420	

INSTRUCTIONS - Submit an original and two copies to RUS. Round all amounts to nearest dollar. For detailed instructions, see RUS Bulletin 1717B-2.	PERIOD ENDED NOVEMBER 30, 2014	RUS USE ONLY
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CERTIFICATION

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

 SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT	12/12/14 DATE
 SIGNATURE OF MANAGER	12/12/14 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.....	460,769,175	437,759,231	401,040,691	38,094,530
2. Power Production Expense.....				
3. Cost of Purchased Power.....	425,119,762	401,597,148	366,237,547	34,744,568
4. Transmission Expense.....				
5. Distribution Expense - Operation.....	3,644,680	3,892,261	3,821,047	336,561
6. Distribution Expense - Maintenance.....	7,826,788	8,073,332	8,540,290	568,085
7. Consumer Accounts Expense.....	3,291,504	3,537,853	3,222,726	309,172
8. Customer Service and Informational Expense.....	186,720	152,602	202,992	12,283
9. Sales Expense.....	98,066	81,365	79,065	5,756
10. Administrative and General Expense.....	3,625,380	3,625,196	3,232,952	305,390
11. Total Operation & Maintenance Expense (2 thru 10).....	443,792,900	420,959,757	385,336,619	36,281,815
12. Depreciation and Amortization Expense.....	9,104,973	9,534,508	9,401,956	869,053
13. Tax Expense - Property & Gross Receipts.....				
14. Tax Expense - Other.....	462,779	544,605	584,832	49,470
15. Interest on Long-Term Debt.....	4,438,697	4,221,530	4,314,632	369,901
16. Interest Charged to Construction - Credit.....				
17. Interest Expense - Other.....	20,430	65,903	4,950	425
18. Other Deductions.....	66,596	68,642	69,964	836
19. Total Cost of Electric Service (11 thru 18).....	457,886,375	435,394,945	399,712,953	37,571,500
20. Patronage Capital & Operating Margins (1 minus 19).....	2,882,800	2,364,286	1,327,738	523,030
21. Non-Operating Margins - Interest.....	1,717,542	1,803,073	1,741,666	156,608
22. Allowance for Funds Used During Construction.....				
23. Income (Loss) from Equity Investments.....				
24. Non-Operating Margins - Other.....	49,480	15,812	17,864	(43,465)
25. Generation and Transmission Capital Credits.....				
26. Other Capital Credits & Patronage Dividends.....	152,589	222,613	137,500	19,677
27. Extraordinary Items....(See Page 2, Part D).....				
28. Patronage Capital or Margins (20 thru 26).....	4,802,411	4,405,784	3,224,768	655,850

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	528	608	5. Miles Transmission		
2. Services Retired	720	185	6. Miles Distribution-Overhead	6,205	6,208
3. Total Services in Place	60,721	61,217	7. Miles Distribution-Underground	875	901
4. Idle Services (Exclude Seasonal)	5,006	5,143	8. Total Miles Energized (5+6+7)	7,080	7,109

FINANCIAL AND STATISTICAL REPORT	BORROWER DESIGNATION	
	KENERGY	
	PERIOD ENDED	RUS USE ONLY
INSTRUCTIONS - See RUS Bulletin 1717B-2	NOVEMBER 30, 2014	

PART C. BALANCE SHEET			
ASSETS AND OTHER DEBITS	LIABILITIES AND OTHER CREDITS		
1. Total Utility Plant in Service.....	287,058,333	30. Memberships.....	236,300
2. Construction Work in Progress.....	945,788	31. Patronage Capital.....	65,632,008
3. Total Utility Plant (1+2).....	288,004,121	32. Operating Margins - Prior Years.....	78,651
4. Accum. Provision for Depreciation and Amort.....	91,930,511	33. Operating Margins - Current Years.....	2,586,899
5. Net Utility Plant (3-4).....	196,073,610	34. Non-Operating Margins.....	1,819,224
6. Non-Utility Property (Net).....	1,926	35. Other Margins and Equities.....	6,678,418
7. Investments in Subsidiary Companies.....		36. Total Margins & Equities (30 thru 35).....	77,031,500
8. Invest. In Assoc.Org.-Patronage Capital.....	863,615	37. Long-Term Debt - RUS (Net).....	9,660,460
9. Invest. In Assoc.Org-Other-General Funds.....	637,985	(Payments-Unapplied \$37,277,174)	
10. Invest. In Assoc.Org.-Other-Nongeneral Funds.....	4,563,906	38. Long-Term Debt - RUS - Econ. Devel. (Net)	26,390
11. Investments in Economic Development Projects.....	91,667	39. Long-Term Debt Other - REA Guaranteed	100,064,323
12. Other Investments.....	6,600	40. Long-Term Debt - Other (Net).....	19,084,163
13. Special Funds.....		41. Total Long-Term Debt (37 thru 40).....	128,835,336
14. Total Other Property and Investments (6 thru 13).....	6,165,699	42. Obligations Under Capital Leases.....	
15. Cash - General Funds.....	206,001	43. Accumulated Operating Provisions.....	257,408
16. Cash - Construction Funds - Trustee.....		44. Total Other Noncurrent Liabilities (42 + 43).....	257,408
17. Special Deposits.....		45. Notes Payable.....	7,401,438
18. Temporary Investments.....	2,512,375	46. Accounts Payable.....	32,404,982
19. Notes Receivable (Net).....		47. Consumer Deposits.....	4,229,799
20. Accounts Receivable - Sales of Energy (Net).....	29,870,445	48. Other Current and Accrued Liabilities.....	2,091,850
21. Accounts Receivable - Other (Net).....	2,162,473	49. Total Current & Accrued Liabilities (45 thru 48)	46,128,069
22. Materials and Supplies - Electric and Other.....	1,817,095	50. Deferred Credits.....	1,695,093
23. Prepayments.....	550,166	51. Accumulated Deferred Income Taxes.....	
24. Other Current and Accrued Assets.....	13,109,563	52. Total Liabilities and Other Credits	
25. Total Current and Accrued Assets (15 thru 24).....	50,228,118	(36 + 41 + 44 + 49 thru 51).....	253,947,406
26. Regulatory Assets.....		ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION	
27. Other Deferred Debits.....	1,479,979	53. Balance Beginning of Year.....	
28. Accumulated Deferred Income Taxes.....		54. Amount Received This Year(Net).....	
29. Total Assets and Other Debits (5+14+25 thru 28)	253,947,406	55. Total Contributions in Aid of Construction.....	

PART D. NOTES TO FINANCIAL STATEMENTS

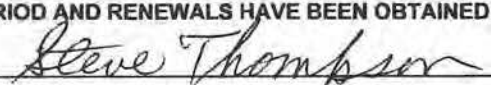

THIS SPACE BELOW IS PROVIDED FOR IMPORTANT NOTES REGARDING THE FINANCIAL STATEMENT CONTAINED IN THIS REPORT.
 (IF ADDITIONAL SPACE IS NEEDED, USE SEPARATE SHEET.)

FINANCIAL AND STATISTICAL REPORT	BORROWER DESIGNATION KENTUCKY 65	
	BORROWER NAME AND ADDRESS KENERGY P.O. BOX 18 HENDERSON, KY 42420	
INSTRUCTIONS - Submit an original and two copies to RUS. Round all amounts to nearest dollar. For detailed instructions, see RUS Bulletin 1717B-2.	PERIOD ENDED DECEMBER 31, 2014	RUS USE ONLY

CERTIFICATION

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

 SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT	1/26/15 DATE
 SIGNATURE OF MANAGER	1/26/15 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.....	504,751,233	472,546,305	440,726,464	34,787,074
2. Power Production Expense.....				
3. Cost of Purchased Power.....	464,332,315	432,874,393	401,922,956	31,277,245
4. Transmission Expense.....				
5. Distribution Expense - Operation.....	4,171,797	4,133,337	4,191,089	241,076
6. Distribution Expense - Maintenance.....	8,633,081	8,749,204	9,223,593	675,872
7. Consumer Accounts Expense.....	3,781,753	3,904,959	3,551,708	367,106
8. Customer Service and Informational Expense.....	211,028	165,792	224,030	13,190
9. Sales Expense.....	103,864	94,012	87,923	12,647
10. Administrative and General Expense.....	4,168,772	3,999,061	3,572,097	373,865
11. Total Operation & Maintenance Expense (2 thru 10).....	485,402,610	453,920,758	422,773,396	32,961,001
12. Depreciation and Amortization Expense.....	9,950,789	10,419,490	10,277,565	884,982
13. Tax Expense - Property & Gross Receipts.....				
14. Tax Expense - Other.....	502,490	594,065	633,959	49,460
15. Interest on Long-Term Debt.....	4,831,795	4,677,863	4,722,631	456,333
16. Interest Charged to Construction - Credit.....				
17. Interest Expense - Other.....	27,163	66,338	5,400	435
18. Other Deductions.....	75,835	80,031	76,252	11,389
19. Total Cost of Electric Service (11 thru 18).....	500,790,682	469,758,545	438,489,203	34,363,600
20. Patronage Capital & Operating Margins (1 minus 19).....	3,960,551	2,787,760	2,237,261	423,474
21. Non-Operating Margins - Interest.....	1,896,715	1,972,516	1,900,000	169,443
22. Allowance for Funds Used During Construction.....				
23. Income (Loss) from Equity Investments.....				
24. Non-Operating Margins - Other.....	51,487	28,035	19,148	12,223
25. Generation and Transmission Capital Credits.....				
26. Other Capital Credits & Patronage Dividends.....	185,044	235,209	150,000	12,596
27. Extraordinary Items....(See Page 2, Part D).....				
28. Patronage Capital or Margins (20 thru 26).....	6,093,797	5,023,520	4,306,409	617,736

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	626	698	5. Miles Transmission		
2. Services Retired	745	192	6. Miles Distribution-Overhead	6,205	6,209
3. Total Services in Place	60,794	61,300	7. Miles Distribution-Underground	879	904
4. Idle Services (Exclude Seasonal)	4,989	5,142	8. Total Miles Energized (5+6+7)	7,084	7,113

FINANCIAL AND STATISTICAL REPORT	BORROWER DESIGNATION	
	KENERGY	
	PERIOD ENDED	RUS USE ONLY
INSTRUCTIONS - See RUS Bulletin 1717B-2	DECEMBER 31, 2014	

PART C. BALANCE SHEET

ASSETS AND OTHER DEBITS	LIABILITIES AND OTHER CREDITS
1. Total Utility Plant in Service..... 287,838,168	30. Memberships..... 228,275
2. Construction Work in Progress..... 927,287	31. Patronage Capital..... 65,619,356
3. Total Utility Plant (1+2)..... 288,765,455	32. Operating Margins - Prior Years..... 78,651
4. Accum. Provision for Depreciation and Amort..... 92,346,385	33. Operating Margins - Current Years..... 3,022,969
5. Net Utility Plant (3-4)..... 196,419,070	34. Non-Operating Margins..... 2,000,890
6. Non-Utility Property (Net)..... 1,329	35. Other Margins and Equities..... 6,771,746
7. Investments in Subsidiary Companies.....	36. Total Margins & Equities (30 thru 35)..... 77,721,887
8. Invest. In Assoc.Org.-Patronage Capital..... 883,286	37. Long-Term Debt - RUS (Net)..... 9,292,428
9. Invest. In Assoc.Org-Other-General Funds..... 617,463	(Payments-Unapplied \$37,437,608)
10. Invest. In Assoc.Org -Other-Nongeneral Funds.... 4,565,119	38. Long-Term Debt - RUS - Econ. Devel. (Net)..... 25,463
11. Investments in Economic Development Projects.... 86,574	39. Long-Term Debt Other - REA Guaranteed..... 99,547,281
12. Other Investments..... 6,600	40. Long-Term Debt - Other (Net)..... 18,944,282
13. Special Funds.....	41. Total Long-Term Debt (37 thru 40)..... 127,809,454
14. Total Other Property and Investments (6 thru 13).... 6,160,371	42. Obligations Under Capital Leases.....
15. Cash - General Funds..... 807,279	43. Accumulated Operating Provisions..... 232,714
16. Cash - Construction Funds - Trustee.....	44. Total Other Noncurrent Liabilities (42 + 43).... 232,714
17. Special Deposits.....	45. Notes Payable..... 7,377,553
18. Temporary Investments..... 992,968	46. Accounts Payable..... 24,381,298
19. Notes Receivable (Net).....	47. Consumer Deposits..... 4,235,535
20. Accounts Receivable - Sales of Energy (Net)..... 20,658,545	48. Other Current and Accrued Liabilities..... 1,600,521
21. Accounts Receivable - Other (Net)..... 2,830,636	49. Total Current & Accrued Liabilities (45 thru 48) 37,594,907
22. Materials and Supplies - Electric and Other..... 1,911,513	50. Deferred Credits..... 2,229,637
23. Prepayments..... 775,631	51. Accumulated Deferred Income Taxes.....
24. Other Current and Accrued Assets..... 13,792,077	52. Total Liabilities and Other Credits
25. Total Current and Accrued Assets (15 thru 24)..... 41,768,649	(36 + 41 + 44 + 49 thru 51)..... 245,588,599
26. Regulatory Assets.....	ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION
27. Other Deferred Debits..... 1,240,509	53. Balance Beginning of Year.....
28. Accumulated Deferred Income Taxes.....	54. Amount Received This Year(Net).....
29. Total Assets and Other Debits (5+14+25 thru 28) 245,588,599	55. Total Contributions in Aid of Construction.....

PART D. NOTES TO FINANCIAL STATEMENTS

THIS SPACE BELOW IS PROVIDED FOR IMPORTANT NOTES REGARDING THE FINANCIAL STATEMENT CONTAINED IN THIS REPORT.
 (IF ADDITIONAL SPACE IS NEEDED, USE SEPARATE SHEET.)

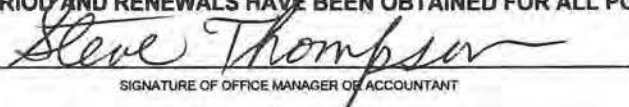

FINANCIAL AND STATISTICAL REPORT	BORROWER DESIGNATION KENTUCKY 65	
	BORROWER NAME AND ADDRESS KENERGY P.O. BOX 18 HENDERSON, KY 42420	

INSTRUCTIONS - Submit an original and two copies to RUS. Round all amounts to nearest dollar. For detailed instructions, see RUS Bulletin 1717B-2.	PERIOD ENDED JANUARY 31, 2015	RUS USE ONLY
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CERTIFICATION

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

 SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT	2/23/15 DATE
 SIGNATURE OF MANAGER	2/23/15 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.....	57,216,819	36,078,970	42,315,157	36,078,970
2. Power Production Expense.....				
3. Cost of Purchased Power.....	52,909,140	32,376,335	38,546,401	32,376,335
4. Transmission Expense.....				
5. Distribution Expense - Operation.....	375,619	404,650	354,484	404,650
6. Distribution Expense - Maintenance.....	735,908	583,482	708,808	583,482
7. Consumer Accounts Expense.....	341,039	361,400	356,711	361,400
8. Customer Service and Informational Expense.....	15,964	12,280	14,776	12,280
9. Sales Expense.....	7,077	14,494	9,138	14,494
10. Administrative and General Expense.....	364,744	340,501	327,413	340,501
11. Total Operation & Maintenance Expense (2 thru 10).....	54,749,491	34,093,142	40,317,731	34,093,142
12. Depreciation and Amortization Expense.....	856,852	887,744	891,992	887,744
13. Tax Expense - Property & Gross Receipts.....				
14. Tax Expense - Other.....	39,742	49,466	49,462	49,466
15. Interest on Long-Term Debt.....	392,464	404,595	377,795	404,595
16. Interest Charged to Construction - Credit.....				
17. Interest Expense - Other.....	6,564	921	6,564	921
18. Other Deductions.....	3,952	13,844	8,267	13,844
19. Total Cost of Electric Service (11 thru 18).....	56,049,065	35,449,712	41,651,811	35,449,712
20. Patronage Capital & Operating Margins (1 minus 19).....	1,167,754	629,258	663,346	629,258
21. Non-Operating Margins - Interest.....	170,992	167,240	145,833	167,240
22. Allowance for Funds Used During Construction.....				
23. Income (Loss) from Equity Investments.....				
24. Non-Operating Margins - Other.....	2,498	945	3,500	945
25. Generation and Transmission Capital Credits.....				
26. Other Capital Credits & Patronage Dividends.....	13,494	14,198	14,583	14,198
27. Extraordinary Items....(See Page 2, Part D).....				
28. Patronage Capital or Margins (20 thru 26).....	1,354,738	811,641	827,262	811,641

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	24	77	5. Miles Transmission		
2. Services Retired	23	5	6. Miles Distribution-Overhead	6,204	6,209
3. Total Services in Place	60,795	61,372	7. Miles Distribution-Underground	880	905
4. Idle Services (Exclude Seasonal)	4,933	5,160	8. Total Miles Energized (5+6+7)	7,084	7,114

FINANCIAL AND STATISTICAL REPORT	BORROWER DESIGNATION	
	KENERGY	
	PERIOD ENDED	RUS USE ONLY
INSTRUCTIONS - See RUS Bulletin 1717B-2	JANUARY 31, 2015	

PART C. BALANCE SHEET			
ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service.....	288,388,160	30. Memberships.....	228,430
2. Construction Work in Progress.....	1,143,924	31. Patronage Capital.....	70,620,474
3. Total Utility Plant (1+2).....	289,532,084	32. Operating Margins - Prior Years.....	78,651
4. Accum. Provision for Depreciation and Amort.....	93,163,543	33. Operating Margins - Current Years.....	643,457
5. Net Utility Plant (3-4).....	196,368,541	34. Non-Operating Margins.....	168,523
6. Non-Utility Property (Net).....	1,329	35. Other Margins and Equities.....	6,781,760
7. Investments in Subsidiary Companies.....		36. Total Margins & Equities (30 thru 35).....	78,521,295
8. Invest. In Assoc.Org.-Patronage Capital.....	883,286	37. Long-Term Debt - RUS (Net).....	8,961,778
9. Invest. In Assoc.Org.-Other-General Funds.....	627,630	(Payments-Unapplied \$37,596,590)	
10. Invest. In Assoc.Org.-Other-Nongeneral Funds.....	4,569,151	38. Long-Term Debt - RUS - Econ. Devel. (Net)	20,371
11. Investments in Economic Development Projects.....	81,481	39. Long-Term Debt Other - REA Guaranteed	99,508,753
12. Other Investments.....	6,600	40. Long-Term Debt - Other (Net).....	18,719,811
13. Special Funds.....		41. Total Long-Term Debt (37 thru 40).....	127,210,713
14. Total Other Property and Investments (6 thru 13).....	6,169,477	42. Obligations Under Capital Leases.....	
15. Cash - General Funds.....	887,299	43. Accumulated Operating Provisions.....	232,715
16. Cash - Construction Funds - Trustee.....		44. Total Other Noncurrent Liabilities (42 + 43).....	232,715
17. Special Deposits.....		45. Notes Payable.....	8,377,553
18. Temporary Investments.....	1,764,297	46. Accounts Payable.....	27,699,694
19. Notes Receivable (Net).....		47. Consumer Deposits.....	4,231,298
20. Accounts Receivable - Sales of Energy (Net).....	22,988,328	48. Other Current and Accrued Liabilities.....	1,776,958
21. Accounts Receivable - Other (Net).....	2,890,795	49. Total Current & Accrued Liabilities (45 thru 48)	42,085,503
22. Materials and Supplies - Electric and Other.....	1,934,474	50. Deferred Credits.....	2,334,770
23. Prepayments.....	787,153	51. Accumulated Deferred Income Taxes.....	
24. Other Current and Accrued Assets.....	15,300,481	52. Total Liabilities and Other Credits	
25. Total Current and Accrued Assets (15 thru 24).....	46,552,827	(36 + 41 + 44 + 49 thru 51).....	250,384,996
26. Regulatory Assets.....		ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION	
27. Other Deferred Debits.....	1,294,151	53. Balance Beginning of Year.....	
28. Accumulated Deferred Income Taxes.....		54. Amount Received This Year(Net).....	
29. Total Assets and Other Debits (5+14+25 thru 28)	250,384,996	55. Total Contributions in Aid of Construction.....	

PART D. NOTES TO FINANCIAL STATEMENTS

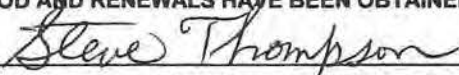
THIS SPACE BELOW IS PROVIDED FOR IMPORTANT NOTES REGARDING THE FINANCIAL STATEMENT CONTAINED IN THIS REPORT.
 (IF ADDITIONAL SPACE IS NEEDED, USE SEPARATE SHEET.)


FINANCIAL AND STATISTICAL REPORT	BORROWER DESIGNATION KENTUCKY 65	
	BORROWER NAME AND ADDRESS KENERGY P.O. BOX 18 HENDERSON, KY 42420	
INSTRUCTIONS - Submit an original and two copies to RUS. Round all amounts to nearest dollar. For detailed instructions, see RUS Bulletin 1717B-2.	PERIOD ENDED FEBRUARY 28, 2015	RUS USE ONLY

CERTIFICATION

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


3/24/15
 SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT DATE


3/24/15
 SIGNATURE OF MANAGER 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.....	103,404,033	74,711,967	81,060,616	38,632,997
2. Power Production Expense.....				
3. Cost of Purchased Power.....	95,636,945	67,260,095	73,989,645	34,883,760
4. Transmission Expense.....				
5. Distribution Expense - Operation.....	704,522	750,797	685,152	346,147
6. Distribution Expense - Maintenance.....	1,438,573	1,169,350	1,425,350	585,868
7. Consumer Accounts Expense.....	634,661	692,722	673,045	331,322
8. Customer Service and Informational Expense.....	30,555	22,853	28,420	10,573
9. Sales Expense.....	14,637	27,929	15,989	13,435
10. Administrative and General Expense.....	697,777	662,551	642,953	322,050
11. Total Operation & Maintenance Expense (2 thru 10).....	99,157,670	70,586,297	77,460,554	36,493,155
12. Depreciation and Amortization Expense.....	1,716,190	1,777,565	1,786,757	889,821
13. Tax Expense - Property & Gross Receipts.....				
14. Tax Expense - Other.....	79,484	98,932	98,924	49,466
15. Interest on Long-Term Debt.....	749,523	767,948	744,977	363,353
16. Interest Charged to Construction - Credit.....				
17. Interest Expense - Other.....	12,818	2,236	12,818	1,315
18. Other Deductions.....	12,743	20,220	17,034	6,376
19. Total Cost of Electric Service (11 thru 18).....	101,728,428	73,253,198	80,121,064	37,803,486
20. Patronage Capital & Operating Margins (1 minus 19).....	1,675,605	1,458,769	939,552	829,511
21. Non-Operating Margins - Interest.....	334,834	321,374	291,666	154,134
22. Allowance for Funds Used During Construction.....				
23. Income (Loss) from Equity Investments.....				
24. Non-Operating Margins - Other.....	5,424	1,356	7,000	411
25. Generation and Transmission Capital Credits.....				
26. Other Capital Credits & Patronage Dividends.....	26,388	28,896	29,166	14,698
27. Extraordinary Items....(See Page 2, Part D).....				
28. Patronage Capital or Margins (20 thru 26).....	2,042,251	1,810,395	1,267,384	998,754

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	45	150	5. Miles Transmission		
2. Services Retired	37	11	6. Miles Distribution-Overhead	6,204	6,210
3. Total Services in Place	60,802	61,439	7. Miles Distribution-Underground	881	906
4. Idle Services (Exclude Seasonal)	4,867	5,206	8. Total Miles Energized (5+6+7)	7,085	7,116

FINANCIAL AND STATISTICAL REPORT	BORROWER DESIGNATION	
	KENERGY	
	PERIOD ENDED	RUS USE ONLY
INSTRUCTIONS - See RUS Bulletin 1717B-2	FEBRUARY 28, 2015	

PART C. BALANCE SHEET			
ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service.....	289,243,784	30. Memberships.....	228,640
2. Construction Work in Progress.....	1,050,806	31. Patronage Capital.....	70,604,434
3. Total Utility Plant (1+2).....	290,294,590	32. Operating Margins - Prior Years.....	78,651
4. Accum. Provision for Depreciation and Amort.....	93,973,469	33. Operating Margins - Current Years.....	1,487,665
5. Net Utility Plant (3-4).....	196,321,121	34. Non-Operating Margins.....	323,069
6. Non-Utility Property (Net).....	1,329	35. Other Margins and Equities.....	6,790,076
7. Investments in Subsidiary Companies.....		36. Total Margins & Equities (30 thru 35).....	79,512,535
8. Invest. In Assoc.Org.-Patronage Capital.....	883,286	37. Long-Term Debt - RUS (Net).....	8,636,968
9. Invest. In Assoc.Org.-Other-General Funds.....	637,797	(Payments-Unapplied \$37,743,214)	
10. Invest. In Assoc.Org.-Other-Nongeneral Funds.....	4,573,182	38. Long-Term Debt - RUS - Econ. Devel. (Net)	15,278
11. Investments in Economic Development Projects.....	76,389	39. Long-Term Debt Other - REA Guaranteed	99,460,429
12. Other Investments.....	6,600	40. Long-Term Debt - Other (Net).....	18,456,748
13. Special Funds.....		41. Total Long-Term Debt (37 thru 40).....	126,569,423
14. Total Other Property and Investments (6 thru 13)...	6,178,583	42. Obligations Under Capital Leases.....	
15. Cash - General Funds.....	613,682	43. Accumulated Operating Provisions.....	232,715
16. Cash - Construction Funds - Trustee.....		44. Total Other Noncurrent Liabilities (42 + 43)....	232,715
17. Special Deposits.....		45. Notes Payable.....	9,377,553
18. Temporary Investments.....	1,380,182	46. Accounts Payable.....	32,709,262
19. Notes Receivable (Net).....		47. Consumer Deposits.....	4,231,821
20. Accounts Receivable - Sales of Energy (Net).....	30,040,642	48. Other Current and Accrued Liabilities.....	2,152,716
21. Accounts Receivable - Other (Net).....	2,949,055	49. Total Current & Accrued Liabilities (45 thru 48)	48,471,352
22. Materials and Supplies - Electric and Other.....	1,918,123	50. Deferred Credits.....	2,328,457
23. Prepayments.....	651,576	51. Accumulated Deferred Income Taxes.....	
24. Other Current and Accrued Assets.....	15,711,144	52. Total Liabilities and Other Credits	
25. Total Current and Accrued Assets (15 thru 24).....	53,264,404	(36 + 41 + 44 + 49 thru 51).....	257,114,482
26. Regulatory Assets.....		ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION	
27. Other Deferred Debits.....	1,350,374	53. Balance Beginning of Year.....	
28. Accumulated Deferred Income Taxes.....		54. Amount Received This Year(Net).....	
29. Total Assets and Other Debits (5+14+25 thru 28)	257,114,482	55. Total Contributions in Aid of Construction.....	

PART D. NOTES TO FINANCIAL STATEMENTS

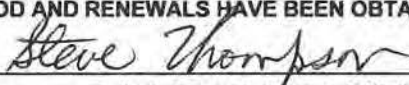
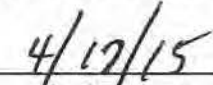
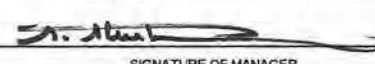
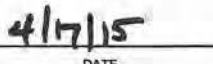
THIS SPACE BELOW IS PROVIDED FOR IMPORTANT NOTES REGARDING THE FINANCIAL STATEMENT CONTAINED IN THIS REPORT.
 (IF ADDITIONAL SPACE IS NEEDED, USE SEPARATE SHEET.)

FINANCIAL AND STATISTICAL REPORT	BORROWER DESIGNATION KENTUCKY 65	
	BORROWER NAME AND ADDRESS KENERGY P.O. BOX 18 HENDERSON, KY 42420	
INSTRUCTIONS - Submit an original and two copies to RUS. Round all amounts to nearest dollar. For detailed instructions, see RUS Bulletin 1717B-2.	PERIOD ENDED MARCH 31, 2015	RUS USE ONLY

CERTIFICATION

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

 SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT	 DATE
 SIGNATURE OF MANAGER	 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.....	144,378,578	108,030,154	121,541,227	33,318,187
2. Power Production Expense.....				
3. Cost of Purchased Power.....	133,149,796	97,759,856	111,228,288	30,499,761
4. Transmission Expense.....				
5. Distribution Expense - Operation.....	1,054,959	1,083,168	1,015,048	332,371
6. Distribution Expense - Maintenance.....	2,170,826	1,956,436	2,243,521	787,086
7. Consumer Accounts Expense.....	958,057	1,074,945	1,005,425	382,223
8. Customer Service and Informational Expense.....	43,862	35,003	43,113	12,150
9. Sales Expense.....	22,690	36,321	29,169	8,392
10. Administrative and General Expense.....	1,016,591	1,027,167	992,407	364,616
11. Total Operation & Maintenance Expense (2 thru 10).....	138,416,781	102,972,896	116,556,971	32,386,599
12. Depreciation and Amortization Expense.....	2,575,733	2,671,907	2,684,963	894,342
13. Tax Expense - Property & Gross Receipts.....				
14. Tax Expense - Other.....	119,226	148,398	148,386	49,466
15. Interest on Long-Term Debt.....	1,151,659	1,168,353	1,161,789	400,405
16. Interest Charged to Construction - Credit.....				
17. Interest Expense - Other.....	18,697	7,144	18,697	4,908
18. Other Deductions.....	28,444	32,599	24,619	12,379
19. Total Cost of Electric Service (11 thru 18).....	142,310,540	107,001,297	120,595,425	33,748,099
20. Patronage Capital & Operating Margins (1 minus 19).....	2,068,038	1,028,857	945,802	(429,912)
21. Non-Operating Margins - Interest.....	509,218	489,962	437,499	168,588
22. Allowance for Funds Used During Construction.....				
23. Income (Loss) from Equity Investments.....				
24. Non-Operating Margins - Other.....	6,637	9,215	10,500	7,859
25. Generation and Transmission Capital Credits.....				
26. Other Capital Credits & Patronage Dividends.....	72,580	56,288	43,749	27,392
27. Extraordinary Items....(See Page 2, Part D).....				
28. Patronage Capital or Margins (20 thru 26).....	2,656,473	1,584,322	1,437,550	(226,073)

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	74	200	5. Miles Transmission		
2. Services Retired	75	24	6. Miles Distribution-Overhead	6,204	6,208
3. Total Services in Place	60,793	61,476	7. Miles Distribution-Underground	881	907
4. Idle Services (Exclude Seasonal)	4,843	5,178	8. Total Miles Energized (5+6+7)	7,085	7,115

FINANCIAL AND STATISTICAL REPORT	BORROWER DESIGNATION	
	KENERGY	
	PERIOD ENDED	RUS USE ONLY
INSTRUCTIONS - See RUS Bulletin 1717B-2	MARCH 31, 2015	

PART C. BALANCE SHEET

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service.....	290,360,260	30. Memberships.....	228,835
2. Construction Work in Progress.....	1,953,434	31. Patronage Capital.....	70,592,609
3. Total Utility Plant (1+2).....	292,313,694	32. Operating Margins - Prior Years.....	78,651
4. Accum. Provision for Depreciation and Amort.....	94,670,280	33. Operating Margins - Current Years.....	1,085,145
5. Net Utility Plant (3-4).....	197,643,414	34. Non-Operating Margins.....	499,516
6. Non-Utility Property (Net).....	1,329	35. Other Margins and Equities.....	6,797,463
7. Investments in Subsidiary Companies.....		36. Total Margins & Equities (30 thru 35).....	79,282,219
8. Invest. In Assoc.Org.-Patronage Capital.....	883,286	37. Long-Term Debt - RUS (Net).....	8,304,572
9. Invest. In Assoc.Org-Other-General Funds.....	645,055	(Payments-Unapplied \$37,903,494)	
10. Invest. In Assoc.Org.-Other-Nongeneral Funds....	4,577,213	38. Long-Term Debt - RUS - Econ. Devel. (Net)	10,185
11. Investments in Economic Development Projects....	71,296	39. Long-Term Debt Other - REA Guaranteed	98,968,272
12. Other Investments.....	6,600	40. Long-Term Debt - Other (Net).....	18,220,494
13. Special Funds.....		41. Total Long-Term Debt (37 thru 40).....	125,503,523
14. Total Other Property and Investments (6 thru 13)...	6,184,779	42. Obligations Under Capital Leases.....	
15. Cash - General Funds.....	1,113,429	43. Accumulated Operating Provisions.....	232,715
16. Cash - Construction Funds - Trustee.....		44. Total Other Noncurrent Liabilities (42 + 43)....	232,715
17. Special Deposits.....		45. Notes Payable.....	9,277,553
18. Temporary Investments.....	994,495	46. Accounts Payable.....	25,178,525
19. Notes Receivable (Net).....		47. Consumer Deposits.....	4,242,068
20. Accounts Receivable - Sales of Energy (Net).....	21,333,612	48. Other Current and Accrued Liabilities.....	2,070,145
21. Accounts Receivable - Other (Net).....	2,616,477	49. Total Current & Accrued Liabilities (45 thru 48)	40,768,291
22. Materials and Supplies - Electric and Other.....	2,085,874	50. Deferred Credits.....	2,148,740
23. Prepayments.....	1,043,115	51. Accumulated Deferred Income Taxes.....	
24. Other Current and Accrued Assets.....	13,464,209	52. Total Liabilities and Other Credits	
25. Total Current and Accrued Assets (15 thru 24).....	42,651,211	(36 + 41 + 44 + 49 thru 51).....	247,935,488
26. Regulatory Assets.....		ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION	
27. Other Deferred Debits.....	1,456,084	53. Balance Beginning of Year.....	
28. Accumulated Deferred Income Taxes.....		54. Amount Received This Year(Net).....	
29. Total Assets and Other Debits (5+14+25 thru 28)	247,935,488	55. Total Contributions in Aid of Construction.....	

PART D. NOTES TO FINANCIAL STATEMENTS


THIS SPACE BELOW IS PROVIDED FOR IMPORTANT NOTES REGARDING THE FINANCIAL STATEMENT CONTAINED IN THIS REPORT.
(IF ADDITIONAL SPACE IS NEEDED, USE SEPARATE SHEET.)

FINANCIAL AND STATISTICAL REPORT	BORROWER DESIGNATION KENTUCKY 65	
	BORROWER NAME AND ADDRESS KENERGY P.O. BOX 18 HENDERSON, KY 42420	
INSTRUCTIONS - Submit an original and two copies to RUS. Round all amounts to nearest dollar. For detailed instructions, see RUS Bulletin 1717B-2.	PERIOD ENDED APRIL 30, 2015	RUS USE ONLY

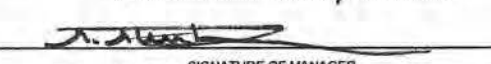
CERTIFICATION

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


 SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT

5/20/15
 DATE


 SIGNATURE OF MANAGER

5/20/15
 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.....	171,425,151	137,524,501	159,877,384	29,494,347
2. Power Production Expense.....				
3. Cost of Purchased Power.....	157,513,100	124,229,516	146,693,520	26,469,660
4. Transmission Expense.....				
5. Distribution Expense - Operation.....	1,430,035	1,350,007	1,355,998	266,839
6. Distribution Expense - Maintenance.....	3,051,904	2,799,215	3,101,276	842,779
7. Consumer Accounts Expense.....	1,279,370	1,447,954	1,334,912	373,009
8. Customer Service and Informational Expense.....	59,083	48,749	57,622	13,746
9. Sales Expense.....	27,976	48,548	35,083	12,227
10. Administrative and General Expense.....	1,342,911	1,364,449	1,367,180	337,282
11. Total Operation & Maintenance Expense (2 thru 10).....	164,704,379	131,288,438	153,945,591	28,315,542
12. Depreciation and Amortization Expense.....	3,437,454	3,568,376	3,586,579	896,469
13. Tax Expense - Property & Gross Receipts.....				
14. Tax Expense - Other.....	177,610	216,527	221,490	68,129
15. Interest on Long-Term Debt.....	1,531,609	1,551,544	1,521,092	383,191
16. Interest Charged to Construction - Credit.....				
17. Interest Expense - Other.....	29,046	9,395	29,045	2,251
18. Other Deductions.....	31,142	37,816	31,886	5,217
19. Total Cost of Electric Service (11 thru 18).....	169,911,240	136,672,096	159,335,683	29,670,799
20. Patronage Capital & Operating Margins (1 minus 19).....	1,513,911	852,405	541,701	(176,452)
21. Non-Operating Margins - Interest.....	673,451	653,706	583,332	163,744
22. Allowance for Funds Used During Construction.....				
23. Income (Loss) from Equity Investments.....				
24. Non-Operating Margins - Other.....	9,251	10,239	14,000	1,024
25. Generation and Transmission Capital Credits.....				
26. Other Capital Credits & Patronage Dividends.....	85,456	71,951	58,332	15,663
27. Extraordinary Items....(See Page 2, Part D).....				
28. Patronage Capital or Margins (20 thru 26).....	2,282,069	1,588,301	1,197,365	3,979

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	116	268	5. Miles Transmission		
2. Services Retired	93	33	6. Miles Distribution-Overhead	6,202	6,209
3. Total Services in Place	60,817	61,535	7. Miles Distribution-Underground	883	908
4. Idle Services (Exclude Seasonal)	4,915	5,196	8. Total Miles Energized (5+6+7)	7,085	7,117



FINANCIAL AND STATISTICAL REPORT	BORROWER DESIGNATION	
	KENERGY	
	PERIOD ENDED	RUS USE ONLY
INSTRUCTIONS - See RUS Bulletin 1717B-2	APRIL 30, 2015	

PART C. BALANCE SHEET

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service.....	290,849,757	30. Memberships.....	228,865
2. Construction Work in Progress.....	2,298,952	31. Patronage Capital.....	70,575,805
3. Total Utility Plant (1+2).....	293,148,709	32. Operating Margins - Prior Years.....	78,651
4. Accum. Provision for Depreciation and Amort.....	95,356,762	33. Operating Margins - Current Years.....	924,356
5. Net Utility Plant (3-4).....	197,791,947	34. Non-Operating Margins.....	664,284
6. Non-Utility Property (Net).....	1,329	35. Other Margins and Equities.....	6,805,921
7. Investments in Subsidiary Companies.....		36. Total Margins & Equities (30 thru 35).....	79,277,882
8. Invest. In Assoc.Org.-Patronage Capital.....	883,286	37. Long-Term Debt - RUS (Net).....	7,973,750
9. Invest. In Assoc.Org.-Other-General Funds.....	656,687	(Payments-Unapplied \$38,059,262)	
10. Invest. In Assoc.Org.-Other-Nongeneral Funds.....	4,581,245	38. Long-Term Debt - RUS - Econ. Devel. (Net)	5,093
11. Investments in Economic Development Projects.....	66,204	39. Long-Term Debt Other - REA Guaranteed	98,926,032
12. Other Investments.....	6,600	40. Long-Term Debt - Other (Net).....	17,989,752
13. Special Funds.....		41. Total Long-Term Debt (37 thru 40).....	124,894,627
14. Total Other Property and Investments (6 thru 13)...	6,195,351	42. Obligations Under Capital Leases.....	
15. Cash - General Funds.....	927,230	43. Accumulated Operating Provisions.....	232,715
16. Cash - Construction Funds - Trustee.....		44. Total Other Noncurrent Liabilites (42 + 43)....	232,715
17. Special Deposits.....		45. Notes Payable.....	9,077,553
18. Temporary Investments.....	1,826,976	46. Accounts Payable.....	23,162,588
19. Notes Receivable (Net).....		47. Consumer Deposits.....	4,160,957
20. Accounts Receivable - Sales of Energy (Net).....	21,323,475	48. Other Current and Accrued Liabilities.....	2,397,772
21. Accounts Receivable - Other (Net).....	1,938,498	49. Total Current & Accrued Liabilities (45 thru 48)	38,798,870
22. Materials and Supplies - Electric and Other.....	2,135,416	50. Deferred Credits.....	2,011,756
23. Prepayments.....	905,483	51. Accumulated Deferred Income Taxes.....	
24. Other Current and Accrued Assets.....	10,639,705	52. Total Liabilities and Other Credits	
25. Total Current and Accrued Assets (15 thru 24).....	39,696,783	(36 + 41 + 44 + 49 thru 51).....	245,215,850
26. Regulatory Assets.....		ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION	
27. Other Deferred Debits.....	1,531,769	53. Balance Beginning of Year.....	
28. Accumulated Deferred Income Taxes.....		54. Amount Received This Year(Net).....	
29. Total Assets and Other Debits (5+14+25 thru 28)	245,215,850	55. Total Contributions in Aid of Construction.....	

PART D. NOTES TO FINANCIAL STATEMENTS

THIS SPACE BELOW IS PROVIDED FOR IMPORTANT NOTES REGARDING THE FINANCIAL STATEMENT CONTAINED IN THIS REPORT.
 (IF ADDITIONAL SPACE IS NEEDED, USE SEPARATE SHEET.)

FINANCIAL AND STATISTICAL REPORT	BORROWER DESIGNATION KENTUCKY 65	
	BORROWER NAME AND ADDRESS KENERGY P.O. BOX 18 HENDERSON, KY 42420	
INSTRUCTIONS - Submit an original and two copies to RUS. Round all amounts to nearest dollar. For detailed instructions, see RUS Bulletin 1717B-2.	PERIOD ENDED MAY 31, 2015	RUS USE ONLY
CERTIFICATION We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge 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		
 SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT	 SIGNATURE OF MANAGER	6/23/15 DATE 6/23/15 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.....	214,092,361	171,664,296	199,256,082	34,139,795
2. Power Production Expense.....				
3. Cost of Purchased Power.....	197,103,309	155,400,673	183,282,678	31,171,157
4. Transmission Expense.....				
5. Distribution Expense - Operation.....	1,749,340	1,680,235	1,677,219	330,228
6. Distribution Expense - Maintenance.....	3,803,430	3,647,197	3,906,936	847,982
7. Consumer Accounts Expense.....	1,600,070	1,848,331	1,651,417	400,377
8. Customer Service and Informational Expense.....	72,301	60,337	71,643	11,588
9. Sales Expense.....	37,538	69,065	51,705	20,517
10. Administrative and General Expense.....	1,664,643	1,738,409	1,689,170	373,960
11. Total Operation & Maintenance Expense (2 thru 10).....	206,030,631	164,444,247	192,330,768	33,155,809
12. Depreciation and Amortization Expense.....	4,301,081	4,465,930	4,492,465	897,554
13. Tax Expense - Property & Gross Receipts.....				
14. Tax Expense - Other.....	220,253	266,061	270,952	49,534
15. Interest on Long-Term Debt.....	1,923,545	1,946,757	1,919,121	395,213
16. Interest Charged to Construction - Credit.....				
17. Interest Expense - Other.....	32,257	12,299	32,256	2,904
18. Other Deductions.....	35,266	46,167	42,385	8,351
19. Total Cost of Electric Service (11 thru 18).....	212,543,033	171,181,461	199,087,947	34,509,365
20. Patronage Capital & Operating Margins (1 minus 19).....	1,549,328	482,835	168,135	(369,570)
21. Non-Operating Margins - Interest.....	844,193	823,561	729,165	169,855
22. Allowance for Funds Used During Construction.....				
23. Income (Loss) from Equity Investments.....				
24. Non-Operating Margins - Other.....	15,577	10,189	17,500	(50)
25. Generation and Transmission Capital Credits.....				
26. Other Capital Credits & Patronage Dividends.....	98,332	87,614	72,915	15,663
27. Extraordinary Items....(See Page 2, Part D).....				
28. Patronage Capital or Margins (20 thru 26).....	2,507,430	1,404,199	987,715	(184,102)

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	174	348	5. Miles Transmission		
2. Services Retired	107	44	6. Miles Distribution-Overhead	6,202	6,210
3. Total Services in Place	60,861	61,604	7. Miles Distribution-Underground	884	907
4. Idle Services (Exclude Seasonal)	5,049	5,323	8. Total Miles Energized (5+6+7)	7,086	7,117

FINANCIAL AND STATISTICAL REPORT	BORROWER DESIGNATION	
	KENERGY	
	PERIOD ENDED	RUS USE ONLY
INSTRUCTIONS - See RUS Bulletin 1717B-2	May 31, 2015	

PART C. BALANCE SHEET			
ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service.....	291,473,849	30. Memberships.....	229,080
2. Construction Work in Progress.....	2,800,342	31. Patronage Capital.....	66,390,755
3. Total Utility Plant (1+2).....	294,274,191	32. Operating Margins - Prior Years.....	78,651
4. Accum. Provision for Depreciation and Amort.....	95,757,900	33. Operating Margins - Current Years.....	570,448
5. Net Utility Plant (3-4).....	198,516,291	34. Non-Operating Margins.....	834,089
6. Non-Utility Property (Net).....	1,329	35. Other Margins and Equities.....	7,993,188
7. Investments in Subsidiary Companies.....		36. Total Margins & Equities (30 thru 35).....	76,096,211
8. Invest. In Assoc.Org.-Patronage Capital.....	883,286	37. Long-Term Debt - RUS (Net).....	7,638,901
9. Invest. In Assoc.Org-Other-General Funds.....	668,319	(Payments-Unapplied \$38,220,883)	
10. Invest. In Assoc.Org.-Other-Nongeneral Funds.....	4,585,276	38. Long-Term Debt - RUS - Econ. Devel. (Net)	
11. Investments in Economic Development Projects.....	61,111	39. Long-Term Debt Other - REA Guaranteed	98,886,819
12. Other Investments.....	6,600	40. Long-Term Debt - Other (Net).....	17,738,220
13. Special Funds.....		41. Total Long-Term Debt (37 thru 40).....	124,263,940
14. Total Other Property and Investments (6 thru 13).....	6,205,921	42. Obligations Under Capital Leases.....	
15. Cash - General Funds.....	834,246	43. Accumulated Operating Provisions.....	232,715
16. Cash - Construction Funds - Trustee.....		44. Total Other Noncurrent Liabilities (42 + 43)....	232,715
17. Special Deposits.....		45. Notes Payable.....	8,477,553
18. Temporary Investments.....	1,674,971	46. Accounts Payable.....	26,138,441
19. Notes Receivable (Net).....		47. Consumer Deposits.....	4,189,581
20. Accounts Receivable - Sales of Energy (Net).....	21,456,790	48. Other Current and Accrued Liabilities.....	4,301,680
21. Accounts Receivable - Other (Net).....	1,988,211	49. Total Current & Accrued Liabilities (45 thru 48)	43,107,255
22. Materials and Supplies - Electric and Other.....	2,026,139	50. Deferred Credits.....	1,910,425
23. Prepayments.....	768,628	51. Accumulated Deferred Income Taxes.....	
24. Other Current and Accrued Assets.....	10,531,674	52. Total Liabilities and Other Credits	
25. Total Current and Accrued Assets (15 thru 24).....	39,280,659	(36 + 41 + 44 + 49 thru 51).....	245,610,546
26. Regulatory Assets.....		ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION	
27. Other Deferred Debits.....	1,607,675	53. Balance Beginning of Year.....	
28. Accumulated Deferred Income Taxes.....		54. Amount Received This Year(Net).....	
29. Total Assets and Other Debits (5+14+25 thru 28)	245,610,546	55. Total Contributions in Aid of Construction.....	

PART D. NOTES TO FINANCIAL STATEMENTS

THIS SPACE BELOW IS PROVIDED FOR IMPORTANT NOTES REGARDING THE FINANCIAL STATEMENT CONTAINED IN THIS REPORT.
 (IF ADDITIONAL SPACE IS NEEDED, USE SEPARATE SHEET.)

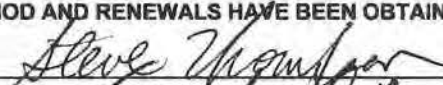
FINANCIAL AND STATISTICAL REPORT	BORROWER DESIGNATION KENTUCKY 65	
	BORROWER NAME AND ADDRESS KENERGY P.O. BOX 18 HENDERSON, KY 42420	

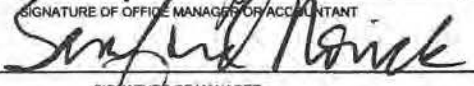
INSTRUCTIONS - Submit an original and two copies to RUS. Round all amounts to nearest dollar. For detailed instructions, see RUS Bulletin 1717B-2.	PERIOD ENDED JUNE 30, 2015	RUS USE ONLY
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CERTIFICATION

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


 SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT


 SIGNATURE OF MANAGER

7/17/15
 DATE

8/6/15
 DATE

PART A. STATEMENT OF OPERATIONS

ITEM	YEAR-TO-DATE			
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	THIS MONTH (d)
1. Operating Revenue and Patronage Capital.....	252,946,482	202,670,646	239,255,478	31,006,350
2. Power Production Expense.....				
3. Cost of Purchased Power.....	232,617,522	182,811,388	220,235,740	27,410,715
4. Transmission Expense.....				
5. Distribution Expense - Operation.....	2,092,568	1,955,691	2,007,049	275,456
6. Distribution Expense - Maintenance.....	4,459,497	4,333,389	4,760,816	686,192
7. Consumer Accounts Expense.....	1,911,577	2,242,243	1,979,243	393,912
8. Customer Service and Informational Expense.....	84,716	72,673	86,272	12,336
9. Sales Expense.....	47,226	75,906	59,753	6,841
10. Administrative and General Expense.....	1,997,997	2,093,425	2,012,081	355,016
11. Total Operation & Maintenance Expense (2 thru 10).....	243,211,103	193,584,715	231,140,954	29,140,468
12. Depreciation and Amortization Expense.....	5,168,981	5,378,199	5,404,342	912,269
13. Tax Expense - Property & Gross Receipts.....				
14. Tax Expense - Other.....	278,637	334,190	339,056	68,129
15. Interest on Long-Term Debt.....	2,299,700	2,329,768	2,330,705	383,011
16. Interest Charged to Construction - Credit.....				
17. Interest Expense - Other.....	36,635	13,216	36,634	917
18. Other Deductions.....	47,157	65,185	56,433	19,018
19. Total Cost of Electric Service (11 thru 18).....	251,042,213	201,705,273	239,308,124	30,523,812
20. Patronage Capital & Operating Margins (1 minus 19).....	1,904,269	965,373	(52,646)	482,538
21. Non-Operating Margins - Interest.....	1,006,507	986,673	874,998	163,112
22. Allowance for Funds Used During Construction.....				
23. Income (Loss) from Equity Investments.....				
24. Non-Operating Margins - Other.....	42,564	14,365	21,000	4,176
25. Generation and Transmission Capital Credits.....				
26. Other Capital Credits & Patronage Dividends.....	111,208	103,277	87,498	15,663
27. Extraordinary Items....(See Page 2, Part D).....				
28. Patronage Capital or Margins (20 thru 26).....	3,064,548	2,069,688	930,850	665,489

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	260	426	5. Miles Transmission		
2. Services Retired	127	50	6. Miles Distribution-Overhead	6,203	6,210
3. Total Services in Place	60,927	61,676	7. Miles Distribution-Underground	887	909
4. Idle Services (Exclude Seasonal)	5,070	5,364	8. Total Miles Energized (5+6+7)	7,090	7,119

FINANCIAL AND STATISTICAL REPORT	BORROWER DESIGNATION	
	KENERGY	
	PERIOD ENDED	RUS USE ONLY
INSTRUCTIONS - See RUS Bulletin 1717B-2	JUNE 30, 2015	

PART C. BALANCE SHEET			
ASSETS AND OTHER DEBITS	LIABILITIES AND OTHER CREDITS		
1. Total Utility Plant in Service.....	296,499,454	30. Memberships.....	229,350
2. Construction Work in Progress.....	822,618	31. Patronage Capital.....	66,343,256
3. Total Utility Plant (1+2).....	297,322,072	32. Operating Margins - Prior Years.....	78,651
4. Accum. Provision for Depreciation and Amort.....	96,309,142	33. Operating Margins - Current Years.....	1,068,649
5. Net Utility Plant (3-4).....	201,012,930	34. Non-Operating Margins.....	1,001,377
6. Non-Utility Property (Net).....	1,329	35. Other Margins and Equities.....	8,013,050
7. Investments in Subsidiary Companies.....		36. Total Margins & Equities (30 thru 35).....	76,734,333
8. Invest. In Assoc.Org.-Patronage Capital.....	883,286	37. Long-Term Debt - RUS (Net).....	7,308,361
9. Invest. In Assoc.Org.-Other-General Funds.....	679,951	(Payments-Unapplied \$38,375,946)	
10. Invest. In Assoc.Org.-Other-Nongeneral Funds....	4,589,308	38. Long-Term Debt - RUS - Econ. Devel. (Net)	
11. Investments in Economic Development Projects....	56,018	39. Long-Term Debt Other - REA Guaranteed	109,393,587
12. Other Investments.....	6,600	40. Long-Term Debt - Other (Net).....	17,516,668
13. Special Funds.....		41. Total Long-Term Debt (37 thru 40).....	134,218,616
14. Total Other Property and Investments (6 thru 13)...	6,216,492	42. Obligations Under Capital Leases.....	
15. Cash - General Funds.....	1,188,843	43. Accumulated Operating Provisions.....	232,715
16. Cash - Construction Funds - Trustee.....		44. Total Other Noncurrent Liabilities (42 + 43)....	232,715
17. Special Deposits.....		45. Notes Payable.....	7,372,460
18. Temporary Investments.....	6,547,047	46. Accounts Payable.....	26,203,201
19. Notes Receivable (Net).....		47. Consumer Deposits.....	4,203,348
20. Accounts Receivable - Sales of Energy (Net).....	19,024,067	48. Other Current and Accrued Liabilities.....	2,581,332
21. Accounts Receivable - Other (Net).....	2,124,491	49. Total Current & Accrued Liabilities (45 thru 48)	40,360,341
22. Materials and Supplies - Electric and Other.....	1,950,392	50. Deferred Credits.....	2,528,970
23. Prepayments.....	1,399,756	51. Accumulated Deferred Income Taxes.....	
24. Other Current and Accrued Assets.....	12,936,993	52. Total Liabilities and Other Credits	
25. Total Current and Accrued Assets (15 thru 24).....	45,171,589	(36 + 41 + 44 + 49 thru 51).....	254,074,975
26. Regulatory Assets.....		ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION	
27. Other Deferred Debits.....	1,673,964	53. Balance Beginning of Year.....	
28. Accumulated Deferred Income Taxes.....		54. Amount Received This Year(Net).....	
29. Total Assets and Other Debits (5+14+25 thru 28)	254,074,975	55. Total Contributions in Aid of Construction.....	

PART D. NOTES TO FINANCIAL STATEMENTS

THIS SPACE BELOW IS PROVIDED FOR IMPORTANT NOTES REGARDING THE FINANCIAL STATEMENT CONTAINED IN THIS REPORT.
 (IF ADDITIONAL SPACE IS NEEDED, USE SEPARATE SHEET.)

TEST PERIOD (12-Months ended June 30, 2015)
FORM 7 BUDGET AMOUNTS

LINE NO		JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY
1	Operating Revenue & Pat Capital	37,136,039	40,113,638	37,264,675	37,308,080	36,972,753	39,685,771	42,315,157	38,745,459
2									
3	Cost of Purchased Power	33,539,162	36,352,667	34,860,977	34,046,531	33,959,596	35,685,408	38,546,401	35,443,244
4									
5	Distribution Expense - Operation - 580	358,382	340,917	350,572	349,011	324,636	370,042	354,484	330,668
6	Distribution Expense - Maintenance - 590	767,975	708,553	724,972	730,550	709,418	683,303	708,808	716,542
7	Consumer Accounts Expense - 903	299,997	290,908	295,579	300,125	277,667	328,982	356,711	316,334
8	Customer Service and Info Expense - 908	19,235	18,193	18,779	19,166	17,235	21,038	14,776	13,644
9	Sales Expense -912	5,922	5,070	7,582	5,737	4,852	8,858	9,138	6,851
10	Admin & General Expense - 920-935	315,142	204,276	296,746	286,220	259,229	339,143	327,413	315,540
11	Total Operation & Main. Expnsense (2 - 10)	35,305,815	37,920,584	36,555,207	35,737,340	35,552,633	37,436,774	40,317,731	37,142,823
12	Depreciation & Amort. Expense	858,426	862,402	865,538	868,797	871,869	875,609	891,992	894,765
13	Tax Expense -Property & Gross Receipts								
14	Tax Expense - Other	49,125	49,125	66,800	49,125	49,125	49,127	49,462	49,462
15	Interest on Long-Term Debt	407,177	410,864	405,860	398,527	395,060	407,999	377,795	367,182
16	Interest Charged to Construction - Credit	0	0	0	0	0	0	0	0
17	Interest Expense - Other	450	450	450	450	450	450	6,564	6,254
18	Other Deductions	6,288	6,250	6,288	6,250	6,250	6,288	8,267	8,767
19	Total Cost of Electric Service (11 - 18)	36,627,281	39,249,675	37,900,143	37,060,489	36,875,387	38,776,247	41,651,811	38,469,253
20	Patronage Capital & Oper Margins (1 minus 19)	508,758	863,963	(635,468)	247,591	97,366	909,524	663,346	276,206
21	Non-Operating Margins - Interest	158,333	158,333	158,334	158,333	158,333	158,334	145,833	145,833
22									
23									
24	Non-Operating Margins - Other	1,624	1,624	1,624	1,624	1,624	1,284	3,500	3,500
25									
26	Other Capital Credits & Patronage Dividends	12,500	12,500	12,500	12,500	12,500	12,500	14,583	14,583
27									
28	Patronage Capital or Margins (20 - 26)	681,215	1,036,420	(463,010)	420,048	269,823	1,081,642	827,262	440,122

TEST PERIOD (12-Months ended June 30, 2015)
FORM 7 BUDGET AMOUNTS

LINE NO		MARCH	APRIL	MAY	JUNE	TOTAL
1	Operating Revenue & Pat Capital	40,480,611	38,336,157	39,378,698	39,999,396	467,736,434
2						
3	Cost of Purchased Power	37,238,643	35,465,232	36,589,158	36,953,062	428,680,081
4						
5	Distribution Expense - Operation - 580	329,896	340,950	321,221	329,830	4,100,609
6	Distribution Expense - Maintenance - 590	818,171	857,755	805,660	853,880	9,085,587
7	Consumer Accounts Expense - 903	332,380	329,487	316,505	327,826	3,772,501
8	Customer Service and Info Expense - 908	14,693	14,509	14,021	14,629	199,918
9	Sales Expense -912	13,180	5,914	16,622	8,048	97,774
10	Admin & General Expense - 920-935	349,454	374,773	321,990	322,911	3,712,837
11	Total Operation & Main. Expnsense (2 - 10)	39,096,417	37,388,620	38,385,177	38,810,186	449,649,307
12	Depreciation & Amort. Expense	898,206	901,616	905,886	911,877	10,606,983
13	Tax Expense -Property & Gross Receipts					
14	Tax Expense - Other	49,462	73,104	49,462	68,104	651,483
15	Interest on Long-Term Debt	416,812	359,303	398,029	411,584	4,756,192
16	Interest Charged to Construction - Credit	0	0	0	0	0
17	Interest Expense - Other	5,879	10,348	3,211	4,378	39,334
18	Other Deductions	7,585	7,267	10,499	14,048	94,047
19	Total Cost of Electric Service (11 - 18)	40,474,361	38,740,258	39,752,264	40,220,177	465,797,346
20	Patronage Capital & Oper Margins (1 minus 19)	6,250	(404,101)	(373,566)	(220,781)	1,939,088
21	Non-Operating Margins - Interest	145,833	145,833	145,833	145,833	1,824,998
22						
23						
24	Non-Operating Margins - Other	3,500	3,500	3,500	3,500	30,404
25						
26	Other Capital Credits & Patronage Dividends	14,583	14,583	14,583	14,583	162,498
27						
28	Patronage Capital or Margins (20 - 26)	170,166	(240,185)	(209,650)	(56,865)	3,956,988

2014 FORM 7 BUDGET AMOUNTS

LINE NO		JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST
1	Operating Revenue & Pat Capital	42,196,143	33,233,580	34,849,698	32,967,594	34,149,235	34,849,258	37,136,039	40,113,638
2									
3	Cost of Purchased Power	38,416,800	29,954,659	31,559,228	30,013,035	31,469,010	32,065,883	33,539,162	36,352,667
4									
5	Distribution Expense - Operation - 580	373,878	336,700	349,530	346,081	347,230	344,111	358,382	340,917
6	Distribution Expense - Maintenance - 590	754,421	717,304	867,941	830,638	883,058	845,460	767,975	708,553
7	Consumer Accounts Expense - 903	310,966	278,734	293,888	292,852	292,951	289,059	299,997	290,908
8	Customer Service and Info Expense - 908	19,337	17,343	18,551	18,511	18,487	18,155	19,235	18,193
9	Sales Expense -912	6,212	9,661	8,168	5,392	12,974	7,495	5,922	5,070
10	Admin & General Expense - 920-935	292,818	304,487	310,489	328,261	283,120	352,165	315,142	204,276
11	Total Operation & Main. Expnsense (2 - 10)	40,174,432	31,618,888	33,407,795	31,834,770	33,306,830	33,922,328	35,305,815	37,920,584
12	Depreciation & Amort. Expense	836,878	840,748	844,444	847,722	850,895	854,237	858,426	862,402
13	Tax Expense -Property & Gross Receipts								
14	Tax Expense - Other	47,697	47,697	47,697	65,372	47,697	65,372	49,125	49,125
15	Interest on Long-Term Debt	391,977	362,235	394,030	377,509	389,341	382,052	407,177	410,864
16	Interest Charged to Construction - Credit	0	0	0	0	0	0	0	0
17	Interest Expense - Other	450	450	450	450	450	450	450	450
18	Other Deductions	6,250	6,250	6,288	6,250	7,350	6,250	6,288	6,250
19	Total Cost of Electric Service (11 - 18)	41,457,684	32,876,268	34,700,704	33,132,073	34,602,563	35,230,689	36,627,281	39,249,675
20	Patronage Capital & Oper Margins (1 minus 19)	738,459	357,312	148,994	(164,479)	(453,328)	(381,431)	508,758	863,963
21	Non-Operating Margins - Interest	158,333	158,333	158,334	158,333	158,333	158,334	158,333	158,333
22									
23									
24	Non-Operating Margins - Other	1,624	1,624	1,624	1,624	1,624	1,624	1,624	1,624
25									
26	Other Capital Credits & Patronage Dividends	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500
27									
28	Patronage Capital or Margins (20 - 26)	910,916	529,769	321,452	7,978	(280,871)	(208,973)	681,215	1,036,420

2014 FORM 7 BUDGET AMOUNTS

LINE NO		SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
1	Operating Revenue & Pat Capital	37,264,675	37,308,080	36,972,753	39,685,771	440,726,464
2						
3	Cost of Purchased Power	34,860,977	34,046,531	33,959,596	35,685,408	401,922,956
4						
5	Distribution Expense - Operation - 580	350,572	349,011	324,636	370,042	4,191,090
6	Distribution Expense - Maintenance - 590	724,972	730,550	709,418	683,303	9,223,593
7	Consumer Accounts Expense - 903	295,579	300,125	277,667	328,982	3,551,708
8	Customer Service and Info Expense - 908	18,779	19,166	17,235	21,038	224,030
9	Sales Expense -912	7,582	5,737	4,852	8,858	87,923
10	Admin & General Expense - 920-935	296,746	286,220	259,229	339,143	3,572,096
11	Total Operation & Main. Expnsense (2 - 10)	36,555,207	35,737,340	35,552,633	37,436,774	422,773,396
12	Depreciation & Amort. Expense	865,538	868,797	871,869	875,609	10,277,565
13	Tax Expense -Property & Gross Receipts					0
14	Tax Expense - Other	66,800	49,125	49,125	49,127	633,959
15	Interest on Long-Term Debt	405,860	398,527	395,060	407,999	4,722,631
16	Interest Charged to Construction - Credit	0	0	0	0	0
17	Interest Expense - Other	450	450	450	450	5,400
18	Other Deductions	6,288	6,250	6,250	6,288	76,252
19	Total Cost of Electric Service (11 - 18)	37,900,143	37,060,489	36,875,387	38,776,247	438,489,203
20	Patronage Capital & Oper Margins (1 minus 19)	(635,468)	247,591	97,366	909,524	2,237,261
21	Non-Operating Margins - Interest	158,334	158,333	158,333	158,334	1,900,000
22						
23						
24	Non-Operating Margins - Other	1,624	1,624	1,624	1,284	19,148
25						
26	Other Capital Credits & Patronage Dividends	12,500	12,500	12,500	12,500	150,000
27						
28	Patronage Capital or Margins (20 - 26)	(463,010)	420,048	269,823	1,081,642	4,306,409

2015 FORM 7 BUDGET AMOUNTS

LINE NO		JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY
1	Operating Revenue & Pat Capital	42,315,157	38,745,459	40,480,611	38,336,157	39,378,698	39,999,396	42,558,771
2								
3	Cost of Purchased Power	38,546,401	35,443,244	37,238,643	35,465,232	36,589,158	36,953,062	38,908,399
4								
5	Distribution Expense - Operation - 580	354,484	330,668	329,896	340,950	321,221	329,830	346,896
6	Distribution Expense - Maintenance - 590	708,808	716,542	818,171	857,755	805,660	853,880	786,325
7	Consumer Accounts Expense - 903	356,711	316,334	332,380	329,487	316,505	327,826	335,407
8	Customer Service and Info Expense - 908	14,776	13,644	14,693	14,509	14,021	14,629	15,087
9	Sales Expense -912	9,138	6,851	13,180	5,914	16,622	8,048	6,451
10	Admin & General Expense - 920-935	327,413	315,540	349,454	374,773	321,990	322,911	465,289
11	Total Operation & Main. Expnsense (2 - 10)	40,317,731	37,142,823	39,096,417	37,388,620	38,385,177	38,810,186	40,863,854
12	Depreciation & Amort. Expense	891,992	894,765	898,206	901,616	905,886	911,877	917,924
13	Tax Expense -Property & Gross Receipts							
14	Tax Expense - Other	49,462	49,462	49,462	73,104	49,462	68,104	50,449
15	Interest on Long-Term Debt	377,795	367,182	416,812	359,303	398,029	411,584	374,062
16	Interest Charged to Construction - Credit	0	0	0	0	0	0	0
17	Interest Expense - Other	6,564	6,254	5,879	10,348	3,211	4,378	4,378
18	Other Deductions	8,267	8,767	7,585	7,267	10,499	14,048	16,962
19	Total Cost of Electric Service (11 - 18)	41,651,811	38,469,253	40,474,361	38,740,258	39,752,264	40,220,177	42,227,629
20	Patronage Capital & Oper Margins (1 minus 19)	663,346	276,206	6,250	(404,101)	(373,566)	(220,781)	331,142
21	Non-Operating Margins - Interest	145,833	145,833	145,833	145,833	145,833	145,833	145,833
22								
23								
24	Non-Operating Margins - Other	3,500	3,500	3,500	3,500	3,500	3,500	3,500
25								
26	Other Capital Credits & Patronage Dividends	14,583	14,583	14,583	14,583	14,583	14,583	14,583
27								
28	Patronage Capital or Margins (20 - 26)	827,262	440,122	170,166	(240,185)	(209,650)	(56,865)	495,058

2015 FORM 7 BUDGET AMOUNTS

LINE NO		AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
1	Operating Revenue & Pat Capital	45,198,431	43,145,346	43,055,549	41,863,518	44,989,565	500,066,658
2							
3	Cost of Purchased Power	41,574,186	40,561,644	40,029,560	38,879,600	41,203,543	461,392,672
4							
5	Distribution Expense - Operation - 580	323,632	331,649	313,315	307,885	389,762	4,020,188
6	Distribution Expense - Maintenance - 590	780,077	697,126	743,968	703,001	754,245	9,225,558
7	Consumer Accounts Expense - 903	315,607	327,078	322,211	311,322	410,340	4,001,208
8	Customer Service and Info Expense - 908	14,136	14,625	14,628	13,973	20,365	179,086
9	Sales Expense -912	7,100	8,218	9,637	5,337	11,233	107,729
10	Admin & General Expense - 920-935	301,186	362,573	338,735	320,316	407,962	4,208,142
11	Total Operation & Main. Expense (2 - 10)	43,315,924	42,302,913	41,772,054	40,541,434	43,197,450	483,134,583
12	Depreciation & Amort. Expense	923,803	929,648	935,362	941,005	946,924	10,999,008
13	Tax Expense -Property & Gross Receipts						0
14	Tax Expense - Other	50,449	69,091	50,449	50,449	50,445	660,388
15	Interest on Long-Term Debt	455,395	520,289	380,758	447,119	531,717	5,040,045
16	Interest Charged to Construction - Credit	0	0	0	0	0	0
17	Interest Expense - Other	4,500	3,500	7,773	7,400	6,241	70,426
18	Other Deductions	20,194	23,744	26,657	29,889	33,441	207,320
19	Total Cost of Electric Service (11 - 18)	44,770,265	43,849,185	43,173,053	42,017,296	44,766,218	500,111,770
20	Patronage Capital & Oper Margins (1 minus 19)	428,166	(703,839)	(117,504)	(153,778)	223,347	(45,112)
21	Non-Operating Margins - Interest	145,833	145,834	145,834	145,834	145,834	1,750,000
22							
23							
24	Non-Operating Margins - Other	3,500	3,500	3,500	3,500	2,603	41,103
25							
26	Other Capital Credits & Patronage Dividends	14,583	14,583	14,583	14,583	14,583	174,996
27							
28	Patronage Capital or Margins (20 - 26)	592,082	(539,922)	46,413	10,139	386,367	1,920,987