



EAST KENTUCKY POWER COOPERATIVE

RECEIVED

MAR 20 2009

PUBLIC SERVICE  
COMMISSION

March 20, 2009

Mr. Jeff Derouen  
Executive Director  
Kentucky Public Service Commission  
P.O. Box 615  
211 Sower Boulevard  
Frankfort, KY 40502

Dear Mr. Derouen:

Re: East Kentucky Power Cooperative, Inc. Financial Information

In accordance with the Public Service Commission Order in Case No. 2006-00472,  
please find attached the following:

- Monthly accounting of expenses and revenues in a monthly format and a 12-month ending format
- Monthly budget information for calendar year 2009
- Calculation of TIER and DSC for the 12-month period ending February 28, 2009

If you have any questions, please contact me at (859) 745-9670.

Very truly yours,

A handwritten signature in cursive script that reads "Ann F. Wood".

Ann F. Wood  
Manager, Regulatory Services

Attachments

**EAST KENTUCKY POWER COOPERATIVE, INC.  
STATEMENT OF OPERATIONS**

	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	12 month period ended 2/28/09
<b>Electric Energy Revenues</b>													
Power Sales--Member Cooperatives	64,847,294	54,574,551	50,892,743	59,560,163	70,734,556	61,848,728	58,825,573	57,382,315	68,664,583	77,500,226	86,754,361	71,689,652	783,274,745
Power Sales--Off-System	275,937	113,358	107,143	783,528	348,490	635,872	235,612	341,799	222,613	146,171	205,282	360,378	3,776,183
<b>Total Electric Energy Revenue</b>	<b>65,123,231</b>	<b>54,687,909</b>	<b>50,999,886</b>	<b>60,343,691</b>	<b>71,083,046</b>	<b>62,484,600</b>	<b>59,061,185</b>	<b>57,724,114</b>	<b>68,887,196</b>	<b>77,646,397</b>	<b>86,959,643</b>	<b>72,050,030</b>	<b>787,050,928</b>
Other Operating Revenue--Income	1,412,388	1,302,476	1,328,458	1,153,039	1,317,680	1,227,128	1,335,912	1,698,347	1,635,289	1,248,597	1,479,875	1,477,092	16,616,282
<b>Total Operating Revenue &amp; Patronage Capital</b>	<b>66,535,619</b>	<b>55,990,385</b>	<b>52,328,344</b>	<b>61,496,730</b>	<b>72,400,726</b>	<b>63,711,728</b>	<b>60,397,098</b>	<b>59,422,461</b>	<b>70,522,485</b>	<b>78,894,994</b>	<b>88,439,518</b>	<b>73,527,122</b>	<b>803,667,211</b>
<b>Operation Expenses</b>													
Production Costs Excluding Fuel	4,353,783	5,502,131	3,029,000	5,467,035	5,273,816	5,220,004	4,919,042	4,648,307	3,648,887	5,891,511	4,199,627	4,483,853	56,636,997
Fuel	21,425,750	17,730,799	17,666,369	27,430,102	26,063,661	28,883,360	28,940,116	23,910,131	28,233,774	29,064,640	31,555,233	22,305,947	303,209,882
Other Power Supply	23,369,523	14,251,143	12,216,635	19,116,700	17,356,320	11,754,407	8,990,888	10,403,694	11,213,791	7,188,296	23,184,792	13,116,863	172,163,051
Transmission	2,079,030	2,306,809	2,452,064	2,696,433	2,532,837	1,798,669	2,065,974	2,151,773	1,944,441	2,261,790	2,054,654	1,239,018	25,583,493
Distribution	39,029	52,295	81,300	75,941	92,831	48,560	63,745	87,172	57,603	45,981	51,446	40,878	736,781
Customer Service & Information	198,876	126,612	131,435	104,207	80,949	100,816	93,082	645,675	283,534	476,132	145,719	35,532	2,422,569
Sales	2,053	1,684	2,148	1,650	1,724	1,921	1,334	4,124	1,242	1,457	847	422	20,607
Administration & General	1,959,893	1,911,678	1,897,296	1,038,722	2,796,082	1,638,095	1,773,841	2,029,242	2,207,677	1,843,836	2,381,539	2,154,909	23,632,808
<b>Total Operation Expenses</b>	<b>53,427,938</b>	<b>41,883,151</b>	<b>37,476,247</b>	<b>55,930,791</b>	<b>54,198,220</b>	<b>49,445,831</b>	<b>46,848,022</b>	<b>43,880,119</b>	<b>47,590,949</b>	<b>46,773,644</b>	<b>63,573,857</b>	<b>43,377,421</b>	<b>584,406,188</b>
<b>Maintenance Expenses</b>													
Production	3,486,154	6,864,728	8,571,826	7,700,939	2,316,676	7,988,975	3,573,146	1,382,324	1,820,132	3,610,515	1,315,271	2,357,703	50,988,391
Transmission	258,669	361,362	381,960	362,270	291,919	180,688	660,748	289,088	324,307	434,913	198,165	256,276	4,000,365
Distribution	93,694	104,482	76,331	117,798	174,734	89,168	88,483	101,289	78,275	47,079	85,289	60,219	1,116,841
General Plant	48,244	52,148	63,585	55,308	108,026	50,776	55,472	40,119	41,880	102,019	40,752	60,605	718,934
<b>Total Maintenance Expenses</b>	<b>3,886,761</b>	<b>7,382,720</b>	<b>9,093,703</b>	<b>8,236,315</b>	<b>2,891,354</b>	<b>8,309,608</b>	<b>4,377,850</b>	<b>1,812,820</b>	<b>2,264,593</b>	<b>4,194,526</b>	<b>1,639,477</b>	<b>2,734,804</b>	<b>56,824,531</b>
<b>Operating Expenses</b>													
Depreciation/Amortization	3,460,188	3,544,371	3,391,904	3,499,217	3,417,768	3,393,608	3,378,028	3,389,238	3,421,616	3,423,598	3,912,615	4,200,636	42,432,788
Taxes	9,252	-	-	-	-	-	-	-	-	-	-	-	9,252
Interest on Long-Term Debt	9,002,520	8,530,089	8,898,220	8,847,599	9,096,952	9,272,395	9,216,080	9,865,518	9,614,994	9,925,678	9,899,310	8,957,757	111,127,111
Other Interest Expense	1,420	1,823	2,358	1,353	1,778	2,069	998	6,683	-	6,067	-	380.15	24,929
Other Deductions	150,264	153,478	(199,368)	78,169	91,179	111,483	71,082	111,848	136,141	7,549,539	(5,892)	118,474	8,366,397
<b>Total Operating Expenses</b>	<b>12,623,644</b>	<b>12,229,761</b>	<b>12,093,115</b>	<b>12,426,338</b>	<b>12,607,678</b>	<b>12,779,555</b>	<b>12,666,188</b>	<b>13,373,287</b>	<b>13,172,750</b>	<b>20,904,881</b>	<b>13,806,033</b>	<b>13,277,247</b>	<b>161,960,477</b>
<b>Total Cost of Electric Service</b>	<b>69,938,343</b>	<b>61,495,632</b>	<b>58,663,064</b>	<b>76,593,444</b>	<b>69,697,252</b>	<b>70,534,993</b>	<b>63,892,059</b>	<b>59,066,226</b>	<b>63,028,292</b>	<b>71,873,051</b>	<b>79,019,367</b>	<b>59,389,472</b>	<b>803,191,196</b>
<b>Operating Margins (Deficit)</b>	<b>(3,402,724)</b>	<b>(5,505,247)</b>	<b>(6,334,720)</b>	<b>(15,096,714)</b>	<b>2,703,475</b>	<b>(6,823,265)</b>	<b>(3,494,962)</b>	<b>356,236</b>	<b>7,494,193</b>	<b>7,021,943</b>	<b>9,420,151</b>	<b>14,137,650</b>	<b>476,015</b>
<b>Non-Operating Items</b>													
Interest Income	506,932	419,255	449,387	555,526	422,244	480,880	469,784	455,806	445,006	417,897	285,400	267,038	5,175,155
Allowance for Funds Used													
During Construction	2,438,416	2,581,689	2,576,670	2,748,292	2,727,110	2,874,747	3,019,293	1,555,346	1,624,057	1,593,762	1,681,697	1,676,680	27,097,757
Other Non-Operating Income	(2,792)	5,954	(1,772)	35,576	(1,522)	(4,016)	44	3,331	(6,468)	(2,817)	14,822	14,339	54,680
Other Capital Credits/Patronage	37,177	1,596	797	797	2,669	280	6,410	94,988	556	97	200	-	144,771
<b>Total Non-Operating Items</b>	<b>2,979,733</b>	<b>3,008,496</b>	<b>3,024,285</b>	<b>3,340,191</b>	<b>3,150,501</b>	<b>3,351,891</b>	<b>3,495,531</b>	<b>2,109,471</b>	<b>2,063,150</b>	<b>2,008,939</b>	<b>1,982,120</b>	<b>1,958,057</b>	<b>32,472,363</b>
<b>Net Patronage Capital &amp; Margins (Deficit)</b>	<b>(422,992)</b>	<b>(2,496,752)</b>	<b>(3,310,436)</b>	<b>(11,756,522)</b>	<b>5,853,975</b>	<b>(3,471,374)</b>	<b>570</b>	<b>2,465,706</b>	<b>9,557,343</b>	<b>9,030,882</b>	<b>11,402,271</b>	<b>16,095,706</b>	<b>32,948,378</b>

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STATEMENT OF OPERATIONS

	JAN-09 Budget	FEB-09 Budget	MAR-09 Budget	APR-09 Budget	MAY-09 Budget	JUNE-09 Budget	JULY-09 Budget	AUG-09 Budget	SEPT-09 Budget	OCT-09 Budget	NOV-09 Budget	DEC-09 Budget	Totals
<b>Electric Energy Revenues</b>													
Power Sales-Member Coops - Basic Rate	\$67,596,887	\$58,249,335	\$55,918,875	\$45,258,767	\$51,556,634	\$57,156,085	\$64,207,458	\$63,093,475	\$55,368,408	\$50,408,730	\$58,304,823	\$70,960,121	\$698,079,598
Power Sales-Member Coops - Fuel Clause	18,918,964	16,612,637	15,648,235	10,146,902	7,092,394	4,839,308	5,695,708	9,418,926	7,092,765	4,579,464	4,936,575	12,775,630	117,757,508
Power Sales-Member Coops - Environmental Surcharge	8,373,474	6,836,506	6,383,542	4,995,560	6,588,954	7,767,296	8,888,698	9,507,524	8,197,366	7,038,178	7,838,500	10,742,159	93,157,757
Power Sales-Member Coops - Steam	1,258,451	1,177,342	1,175,454	1,052,570	982,008	861,269	860,969	933,981	905,265	964,278	912,316	1,147,638	12,231,541
Power Sales - Off System	229,621	187,701	373,633	285,302	884,451	1,332,340	1,119,946	1,159,704	1,311,731	1,001,815	253,615	272,436	8,412,295
Wheeling Revenue	273,233	209,530	174,516	169,864	178,298	201,540	197,760	223,545	198,933	173,994	176,604	188,281	2,366,098
Other Operating Revenue - Income	29,960	29,960	29,960	29,960	30,467	30,467	30,467	30,467	30,467	30,767	30,767	30,767	364,476
<b>Total Operating Revenue &amp; Patronage Capital</b>	<b>\$96,680,590</b>	<b>\$83,303,011</b>	<b>\$79,704,215</b>	<b>\$61,938,925</b>	<b>\$67,313,206</b>	<b>\$72,188,305</b>	<b>\$81,001,006</b>	<b>\$84,367,622</b>	<b>\$73,104,935</b>	<b>\$64,197,226</b>	<b>\$72,453,200</b>	<b>\$96,117,032</b>	<b>\$932,369,273</b>
<b>Operation Expenses</b>													
Production Costs Excludes Fuel	\$5,615,836	\$5,537,943	\$5,827,521	\$5,299,836	\$5,284,831	\$5,730,341	\$5,963,173	\$6,097,276	\$5,537,794	\$5,164,210	\$5,729,729	\$7,569,936	\$69,358,426
Fuel	43,676,574	38,317,643	37,171,105	29,042,999	28,551,568	32,218,785	38,694,455	38,663,291	31,216,736	28,713,801	34,125,227	41,568,111	419,860,295
Other Power Supply	16,165,885	12,064,709	9,233,114	6,291,944	4,693,386	4,898,895	6,389,885	6,244,943	4,775,392	4,667,144	8,529,164	8,611,411	92,565,872
Transmission	2,934,450	2,655,693	2,640,183	2,478,898	2,607,845	2,339,085	2,296,773	2,310,751	2,236,265	2,463,173	2,232,054	2,360,643	29,555,813
Distribution	93,146	85,218	203,041	86,840	90,836	80,153	99,467	79,095	78,540	79,871	79,132	92,111	1,147,450
Customer Accounts	0	0	0	0	0	0	0	0	0	0	0	0	0
Customer Service & Information	166,110	144,127	156,221	141,363	145,175	137,026	134,417	136,972	138,785	138,738	137,263	173,049	1,749,246
Sales	417	833	833	833	833	833	833	833	833	833	833	833	10,000
Administration and General	3,466,071	2,121,227	2,714,099	2,142,720	1,967,628	2,133,529	3,042,756	1,782,730	2,071,089	1,858,633	2,092,466	1,867,540	27,260,488
<b>Total Operation Expenses</b>	<b>\$72,118,489</b>	<b>\$60,927,393</b>	<b>\$57,946,117</b>	<b>\$45,485,433</b>	<b>\$43,342,102</b>	<b>\$47,538,647</b>	<b>\$56,621,759</b>	<b>\$53,315,891</b>	<b>\$46,055,434</b>	<b>\$43,086,403</b>	<b>\$52,925,868</b>	<b>\$62,244,054</b>	<b>\$641,607,590</b>
<b>Maintenance Expenses</b>													
Production	\$2,613,667	\$5,331,218	\$4,125,751	\$4,447,973	\$6,300,043	\$5,000,712	\$3,484,652	\$3,647,219	\$3,681,656	\$6,539,943	\$4,522,574	\$3,667,580	\$53,363,008
Transmission Expense	277,230	396,870	398,274	396,736	398,880	466,784	396,736	396,264	396,524	400,679	395,546	522,563	4,863,086
Distribution Expense	65,407	83,309	82,855	81,841	82,559	81,855	81,841	82,000	81,855	84,805	81,862	102,816	993,005
General Plant	208,778	78,961	98,482	88,732	78,961	103,942	159,232	77,590	79,242	78,137	77,888	135,638	1,265,583
<b>Total Maintenance Expenses</b>	<b>\$3,165,102</b>	<b>\$5,890,358</b>	<b>\$4,705,362</b>	<b>\$5,015,282</b>	<b>\$6,860,443</b>	<b>\$5,673,293</b>	<b>\$4,122,461</b>	<b>\$4,203,073</b>	<b>\$4,239,277</b>	<b>\$7,103,564</b>	<b>\$5,077,870</b>	<b>\$4,428,597</b>	<b>\$60,484,682</b>
<b>Fixed Costs</b>													
Depreciation/Amortization	\$3,897,075	\$3,907,477	\$3,926,452	\$5,494,810	\$5,504,925	\$5,723,016	\$5,723,300	\$5,723,363	\$6,063,468	\$6,109,495	\$6,109,495	\$6,450,578	\$64,633,454
Taxes	0	0	800	0	0	0	0	0	0	0	0	0	800
Interest on Long-Term Debt	9,974,568	9,764,378	10,242,971	10,650,813	10,779,503	10,667,749	11,140,546	11,139,513	11,027,355	11,290,717	11,168,148	11,288,671	129,134,932
Interest During Construction	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Interest Expense	3,397	3,068	3,397	3,288	3,397	3,288	3,397	3,397	3,288	3,397	3,288	3,397	39,999
Other Deductions	190,007	223,812	223,728	223,526	(76,248)	224,378	224,386	223,747	223,728	224,014	223,616	259,251	2,397,945
<b>Total Fixed Costs</b>	<b>\$14,065,047</b>	<b>\$13,898,735</b>	<b>\$14,397,348</b>	<b>\$16,372,437</b>	<b>\$16,211,577</b>	<b>\$16,618,431</b>	<b>\$17,091,629</b>	<b>\$17,090,020</b>	<b>\$17,317,839</b>	<b>\$17,627,623</b>	<b>\$17,504,547</b>	<b>\$18,001,897</b>	<b>\$196,197,130</b>
<b>Total Cost of Electric Service</b>	<b>\$89,348,638</b>	<b>\$80,716,486</b>	<b>\$77,048,827</b>	<b>\$66,873,152</b>	<b>\$66,414,122</b>	<b>\$69,830,371</b>	<b>\$77,835,849</b>	<b>\$74,608,984</b>	<b>\$67,612,550</b>	<b>\$67,817,590</b>	<b>\$75,508,285</b>	<b>\$84,674,548</b>	<b>\$898,289,402</b>
<b>Operating Margins</b>	<b>\$7,331,952</b>	<b>\$2,586,525</b>	<b>\$2,655,388</b>	<b>(\$4,934,227)</b>	<b>\$899,084</b>	<b>\$2,357,934</b>	<b>\$3,165,157</b>	<b>\$9,758,638</b>	<b>\$5,492,385</b>	<b>(\$3,620,364)</b>	<b>(\$3,055,085)</b>	<b>\$11,442,484</b>	<b>\$34,079,871</b>
<b>Non-Operating Items</b>													
Interest Income	\$340,662	\$330,916	\$340,355	\$336,987	\$340,005	\$336,637	\$348,197	\$348,066	\$344,753	\$347,842	\$344,532	\$347,623	\$4,106,575
Allowance for Funds used for Construction	1,931,936	1,765,374	1,976,025	0	0	0	0	0	0	0	0	0	5,673,335
Other Non-Operating Income	(2,454)	(2,046)	(2,201)	(2,097)	(2,145)	(2,150)	(2,100)	(2,103)	(2,219)	(2,194)	(2,116)	(2,586)	(26,411)
Other Capital Credits/Patronage Dividends	4,166	4,166	4,166	4,166	4,166	4,166	4,166	4,166	4,166	4,166	4,166	4,174	250,000
<b>Total Non-Operating Items</b>	<b>\$2,274,310</b>	<b>\$2,098,410</b>	<b>\$2,318,345</b>	<b>\$339,056</b>	<b>\$342,026</b>	<b>\$338,653</b>	<b>\$350,263</b>	<b>\$350,129</b>	<b>\$346,700</b>	<b>\$349,814</b>	<b>\$346,582</b>	<b>\$349,211</b>	<b>\$10,003,499</b>
<b>Net Patronage Capital &amp; Margins(Deficits)</b>	<b>\$9,606,262</b>	<b>\$4,684,935</b>	<b>\$4,973,733</b>	<b>(\$4,595,171)</b>	<b>\$1,241,110</b>	<b>\$2,696,587</b>	<b>\$3,515,420</b>	<b>\$10,308,767</b>	<b>\$5,839,085</b>	<b>(\$3,270,550)</b>	<b>(\$2,708,503)</b>	<b>\$11,791,695</b>	<b>\$44,083,370</b>