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November 5, 2008

**FEDEX**

**RECEIVED**

NOV 06 2008

PUBLIC SERVICE  
COMMISSION

Ms. Stephanie Stumbo  
Public Service Commission  
211 Sower Boulevard  
Frankfort, Kentucky 40601

Re: PSC Case No. 2007-00455

Dear Ms. Stumbo:

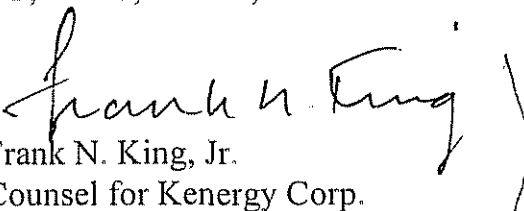
Enclosed for filing please find the original and six (6) copies of Response of Member Cooperatives to Attorney General's Supplemental Requests for Information (dated October 24, 2008). The undersigned hereby certifies that I am the preparer or the person supervising the preparation of this response and that each response therein is true and accurate to the best of my knowledge, information and belief formed after reasonable inquiry.

Your assistance in this matter is appreciated.

Very truly yours,

DORSEY, KING, GRAY, NORMENT & HOPGOOD

By

  
Frank N. King, Jr.  
Counsel for Kenergy Corp.

FNKJr/cds

Encls.

COPY/w/encls.: Service List  
Mr. Burns Mercer  
Mr. G. Kelly Nuckols  
Mr. Sanford Novick  
Mr. Jack D. Gaines  
Ms. Melissa Yates

RECEIVED

NOV 06 2008

PUBLIC SERVICE  
COMMISSION

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

In the Matter of:

The applications of Big Rivers Electric )  
 Corporation for: )  
 (I) Approval of Wholesale Tariff Additions )  
 for Big Rivers Electric Corporation, (II) )  
 Approval of Transactions, (III) Approval )  
 to Issue Evidences of Indebtedness, and (IV) )  
 Approval of Amendments to Contracts; and )  
 )  
 Of E.ON U.S. LLC, Western Kentucky )  
 Energy Corp. and LG&E Energy Marketing, )  
 Inc. for Approval of Transactions )

CASE No. 2007-00455

RESPONSE OF MEMBER COOPERATIVES TO  
ATTORNEY GENERAL'S SUPPLEMENTAL REQUESTS  
FOR INFORMATION  
(dated October 24, 2008)

REQUEST 1. Please update responses to all previous data requests from the Office of Attorney General with any additional responsive documents and information since the date of the last response to such data requests. If no update exists for a specific question, the responses indicating that fact can be grouped in a joint response.

RESPONSE:

The following (i) identifies each data request propounded to the Member Cooperatives by the Attorney General in this matter, and (ii) states whether or not an item in the data request should be updated in this response. If an item is updated, the reference to the updated item is indicated. If the response is "No update required," that means the

**RESPONSE OF MEMBER COOPERATIVES TO**  
**ATTORNEY GENERAL'S SUPPLEMENTAL REQUESTS**  
**FOR INFORMATION**  
**(dated October 24, 2008)**

**CASE NO. 2007-00455**

information provided by the Member Cooperatives or Big Rivers in response to the original data request, taken together with subsequent information filed by the Member Cooperatives or Big Rivers in this case, is complete.

**Attorney General's Initial Request for Information**  
**To Member Cooperatives dated February 1, 2008**

1. The only update is that the downgrades to AMBAC and AIG have affected the Member Cooperatives' view of the existing deal and its associated risks which contributed to a renewed support for the unwind transaction even though projected costs of the unwind have increased. There are no other updates required.
2. No update required.
3. No update required.

**Attorney General's Supplemental Requests for Information**  
**To Member Cooperatives dated February 27, 2008**

1. Copies of the power point presentations to the three Member Cooperative boards of directors are provided. They are: "Comparative Unwind Economics, 9/30/08—JPE," "Comparative Unwind Economics, 9/30/08—Kenergy," and "Comparative Unwind Economics, 9/30/08—Meade." No other updates are required.

**Witnesses:**           **Burns Mercer**  
                              **G. Kelly Nuckols**  
                              **Sanford Novick**  
                              **Jack D. Gaines**

**RESPONSE OF MEMBER COOPERATIVES TO**  
**ATTORNEY GENERAL'S SUPPLEMENTAL REQUESTS**  
**FOR INFORMATION**  
**(dated October 24, 2008)**

**CASE NO. 2007-00455**

**REQUEST 2.** Please state whether or not any further agreements or understandings exist between the member cooperatives and any other party or entity regarding the proposed transaction which have not been explicitly identified or presented to the Commission which could be construed or understood as a "side deal" as that term is commonly understood. If any such "side deal" does exist, identify each one and describe it in detail.

**RESPONSE:**

None.

**Witnesses:**           **Burns Mercer**  
                                  **G. Kelly Nuckols**  
                                  **Sanford Novick**  
                                  **Jack D. Gaines**

**RESPONSE OF MEMBER COOPERATIVES TO**  
**ATTORNEY GENERAL'S SUPPLEMENTAL REQUESTS**  
**FOR INFORMATION**  
**(dated October 24, 2008)**

**CASE NO. 2007-00455**

**REQUEST 3.** Please quantify the amount of additional equity capital which the member cooperatives currently could invest in BREC, and the source of such additional equity capital from the member cooperatives.

**RESPONSE:**

The Member Cooperatives have no additional equity capital that they could currently invest in Big Rivers. The Member Cooperatives expect to accumulate equity capital, in the form of patronage capital, in Big Rivers over time. The Member Cooperatives' only material means of raising additional equity capital would be to increase margins by increasing rates charged to their members.

**Witnesses:**           **Burns Mercer**  
                              **G. Kelly Nuckols**  
                              **Sanford Novick**  
                              **Jack D. Gaines**

**RESPONSE OF MEMBER COOPERATIVES TO**  
**ATTORNEY GENERAL'S SUPPLEMENTAL REQUESTS**  
**FOR INFORMATION**  
**(dated October 24, 2008)**

**CASE NO. 2007-00455**

**REQUEST 4.** Please provide a comparison of an average bill for a residential consumer in the member cooperative service area in 2009 (assuming modeled BREC rates) to most current average bills for residential consumers in the service areas of other regulated retail electric providers in Kentucky.

**RESPONSE:**

The July Comparison of Residential Electric Bills as of 7/1/08 as prepared by the Public Service Commission of Kentucky is attached. The rates shown for the Member Cooperatives will be unchanged in 2009 as a result of the unwind because the Member Rate Stability Mechanism will offset the effects of the other riders.

**Witness: Jack D. Gaines**

**RESPONSE OF MEMBER COOPERATIVES TO**  
**ATTORNEY GENERAL'S SUPPLEMENTAL REQUESTS**  
**FOR INFORMATION**  
**(dated October 24, 2008)**

**CASE NO. 2007-00455**

**REQUEST 5.** Describe and quantify how revisions to the Smelter Agreements accomplish “final resolution between Kenergy Corp. and the Smelters regarding certain patronage capital matters.” (Second Supplemental Testimony of C. William Blackburn, at page 4.)

**RESPONSE:**

The patronage capital matters involved assurances for both Kenergy and the smelters regarding the allocation and retirement of capital credits. Matters pertaining to payments on account of property rights also were included.

Proposed Smelter Agreements are included as Exhibit 81a and Exhibit 81b in Book 2 of 8 of Applicants' Motion to Amend and Supplement Application. Section 13.4 of each agreement contains identical provisions relating to patronage capital issues, and also to issues regarding payments on account of property rights. In sections 13.4.1 through 13.4.4 Kenergy and each smelter have specifically agreed to certain matters. These cover most if not all of the issues we believe could likely develop between Kenergy and the smelters on these matters after the Smelter Agreements are effective.

In section 13.4.5 Kenergy and each smelter recognize that the matters agreed upon in sections 13.4.1 through 13.4.5 are not the exclusive provisions for determining a smelter's entitlement to distributions of patronage capital or payments on account of property rights. Thus, if unanticipated issues develop later either Kenergy or a smelter would have the right to take whatever action it deemed appropriate to enforce its position.

**Witness:     Sanford Novick**

**RESPONSE OF MEMBER COOPERATIVES TO**  
**ATTORNEY GENERAL'S SUPPLEMENTAL REQUESTS**  
**FOR INFORMATION**  
**(dated October 24, 2008)**

CASE NO. 2007-00455

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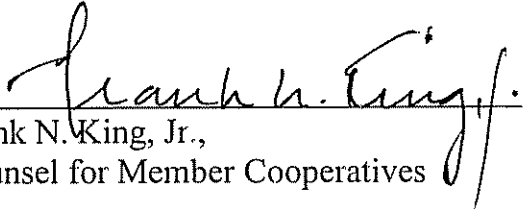
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Attorneys for Member Cooperatives

By \_\_\_\_\_

  
FRANK N. KING, JR.

**CERTIFICATE OF SERVICE**

I hereby certify that the foregoing was served on the persons named in the attached service list by mailing true and correct copies of same this the 5<sup>th</sup> day of November, 2008.

  
\_\_\_\_\_  
Frank N. King, Jr.,  
Counsel for Member Cooperatives



**PSC CASE NO. 2007-00455**  
**SERVICE LIST**

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Attorney for Henderson Municipal  
Power & Light

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  - c. Unwind vs. Smelter Sales Case (200MW) in Existing Transaction
4. Unwind - Economic Reserve Used to Smooth Rates
5. Balance Sheet Comparisons – Year by Year
6. Pros and Cons

Overview

- The following is intended to summarize current economics of the Unwind transaction, as well as to consider qualitative pros and cons
- It includes graphic comparison of Unwind rates to those projected for the Existing Transaction
- For both the Unwind Transaction and the Existing Transaction, the effect of the recent buy out of the PMCC lease is reflected

# Comparative Unwind Economics, 9/30/08

## 2. Case Summary

Case	Unwind Transaction Scenarios		Existing Transaction Scenarios		
	UW1	UW2	ET1	ET2	ET3
<b>Excess Energy</b>	Arbitrage Sales	Arbitrage Sales	Arbitrage Sales	All to Smelters (provided to KPSC 9/29/08)	200MW to Smelters
<b>Smelter Rate</b>	Per Contract	Per Contract	NA	Large Industrial	Large Industrial + \$0.25
<b>Market Purchase Requirements</b>	Yes	Yes	Yes	No	Yes
<b>Use of Economic Reserve</b>	Full	Gradual	NA	NA	NA
<b>PMCC Lease Buyout (\$M)</b>	214	214	214	214	214
Termination Payment (net)	(93)	(93)	(93)	(89)	(93)
GIC	(2)	(2)	(2)	(0)	(2)
Other	(60)	(60)	-	-	-
E.On Contribution	60	60	120	125	120
Net	(15)	(15)	(15)	(15)	(15)
PMCC Loan	45	45	105	110	105
Net Cash Flow	155	155	NA	NA	NA
<b>RUS Prepayment at Closing (\$M)</b>	155	155	NA	NA	NA

# Comparative Unwind Economics, 9/30/08

## 2. Case Summary (contd.)

Case	Unwind Transaction Scenarios		Existing Transaction Scenarios		
	UW1	UW2	ET1	ET2	ET3
<b>Excess Energy</b>	Arbitrage Sales	Arbitrage Sales	Arbitrage Sales	All to Smelters (provided to KPSC 9/29/08)	200MW to Smelters
<b>Smelter Rate</b>	Per Contract	Per Contract	NA	Large Industrial	Large Industrial + \$0.25
<b>Market Purchase Requirements</b>	Yes	Yes	Yes	No	Yes
<b>Use of Economic Reserve</b>	Full	Gradual	NA	NA	NA
<b>Weighted Average Member Rates (\$/ MWh)</b>					
Rural	49.35	49.31	41.76	45.70	47.73
Large Industrial	43.60	43.55	35.51	38.95	40.72
Blend	47.54	47.49	39.79	43.57	45.52
<b>Net Member Cost (\$M; PV)</b>					
Member Electricity Purchases	1,859	1,860	1,621	1,773	1,844
Cash After Tax	162	162	298	261	251
Net	1,698	1,698	1,323	1,511	1,593

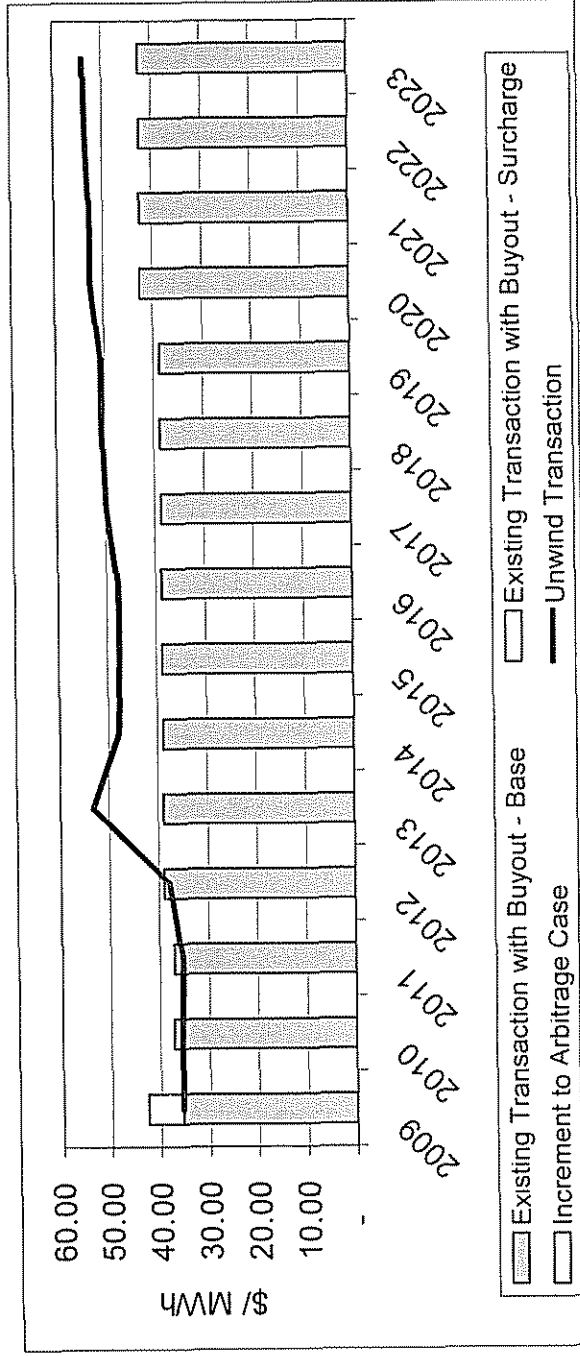
# Comparative Unwind Economics, 9/30/08

## 3a. Unwind vs. Arbitrage Case in Existing Transaction (ET1)

### i. Blended Member Rates

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<u>Member Rate Summary</u>															
Existing Transaction Base	35.45	35.42	35.39	38.90	38.87	38.84	38.81	38.79	38.76	38.74	38.72	42.55	42.52	42.50	42.48
% Change	7.14	1.67	1.63	10%	0%	0%	0%	0%	0%	0%	0%	10%	0%	0%	0%
Surcharge	-	-	-	-	-	-	-	-	-	-	-	-	(0.44)	(0.44)	(0.44)
Increment to Arbitrage Case	42.59	37.09	37.02	38.90	38.87	38.84	38.81	38.79	38.76	38.74	38.72	42.10	42.08	42.06	42.04
Total	39.32	39.79	39.79	39.79	39.79	39.79	39.79	39.79	39.79	39.79	39.79	39.79	39.79	39.79	39.79
Overall % Change	-13%	0%	0%	5%	0%	0%	0%	0%	0%	0%	0%	9%	0%	0%	0%
Unwind	47.54	35.42	35.29	37.76	53.23	47.85	47.49	47.63	49.92	50.56	50.82	52.67	52.88	53.55	53.97

Comparative Rate Graph:



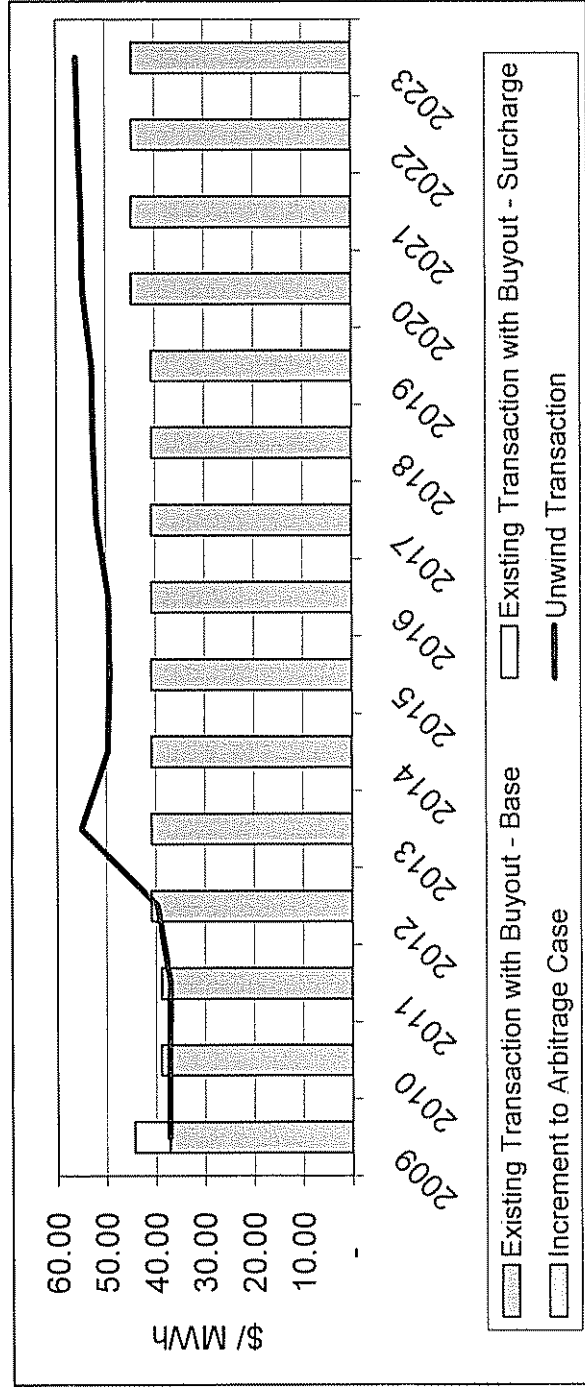
# Comparative Unwind Economics, 9/30/08

## 3a. Unwind vs. Arbitrage Case in Existing Transaction (ET1)

### ii. Rural Rates

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Member Rate Summary</b>															
Wtd. Avg.	37.22	37.19	37.17	40.85	40.83	40.80	40.77	40.74	40.72	40.70	40.68	44.69	44.67	44.65	44.63
Existing Transaction Base	37.22	37.19	37.17	40.85	40.83	40.80	40.77	40.74	40.72	40.70	40.68	44.69	44.67	44.65	44.63
% Change	0%	1.67	1.63	-	-	-	-	-	-	-	-	10%	0%	0%	0%
Surcharge	7.14	1.67	1.63	-	-	-	-	-	-	-	-	-	-	-	-
Increment to Arbitrage Case	(0.14)	-	-	-	-	-	-	-	-	-	-	(0.46)	(0.46)	(0.46)	(0.46)
Total	41.76	38.87	38.80	40.85	40.83	40.80	40.77	40.74	40.72	40.70	40.68	44.22	44.21	44.19	44.17
Overall % Change	-12%	0%	0%	5%	0%	0%	0%	0%	0%	0%	0%	9%	0%	0%	0%
Unwind	49.35	37.19	37.00	39.54	55.01	49.63	49.27	49.41	51.88	52.52	52.78	54.61	54.83	55.50	55.93

**Comparative Rate Graph:**

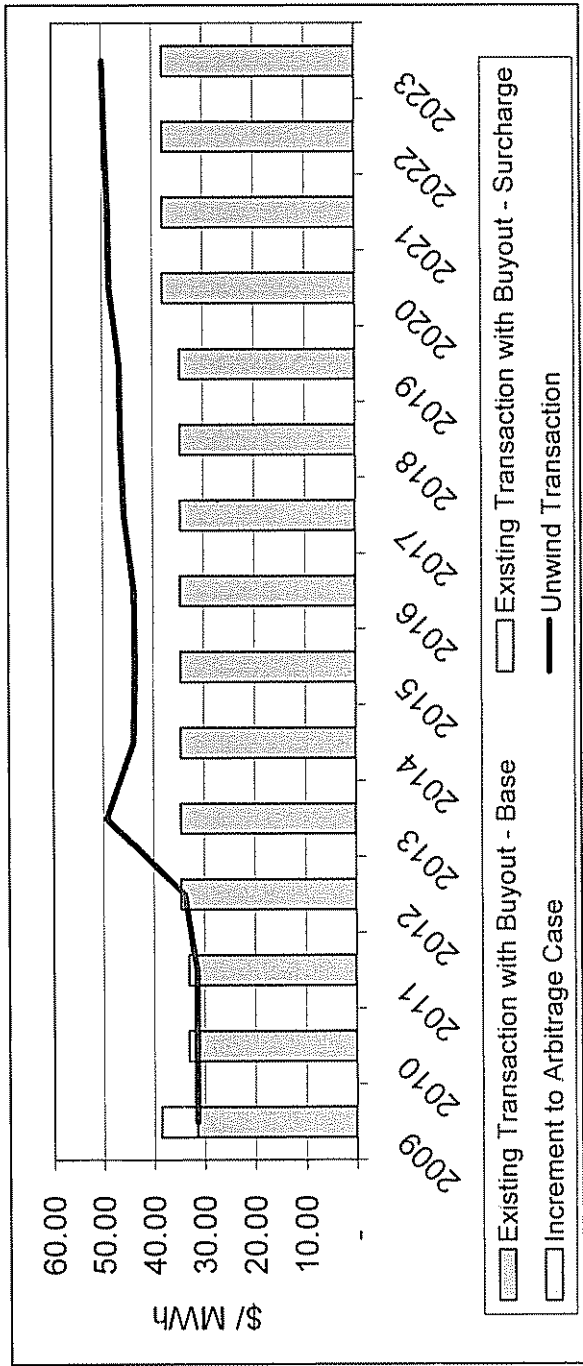


3a. Unwind vs. Arbitrage Case in Existing Transaction (ET1)

iii. Large Industrial Rates

	Wtd. Avg.																		
Existing Transaction																			
Base	35.06	31.39	31.40	31.39	34.54	34.53	34.54	34.53	34.53	34.53	34.53	34.53	34.53	37.97	37.97	37.97	37.97	37.97	37.97
% Change		0%	0%	0%	10%	0%	0%	0%	0%	0%	0%	0%	0%	10%	0%	0%	0%	0%	0%
Surcharge	0.58	7.14	1.67	1.63	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increment to Arbitrage Case	(0.12)	-	-	-	-	-	-	-	-	-	-	-	-	(0.39)	(0.39)	(0.39)	(0.39)	(0.39)	(0.39)
Total	35.51	38.54	33.07	33.03	34.54	34.53	34.54	34.53	34.53	34.53	34.53	34.53	34.53	37.60	37.57	37.57	37.57	37.57	37.57
Overall % Change		-14%	0%	0%	5%	0%	0%	0%	0%	0%	0%	0%	0%	9%	0%	0%	0%	0%	0%
Unwind	43.60	31.39	31.39	31.45	33.81	49.29	43.94	43.60	43.78	45.70	46.36	46.65	48.53	48.75	49.44	49.86			

Comparative Rate Graph:





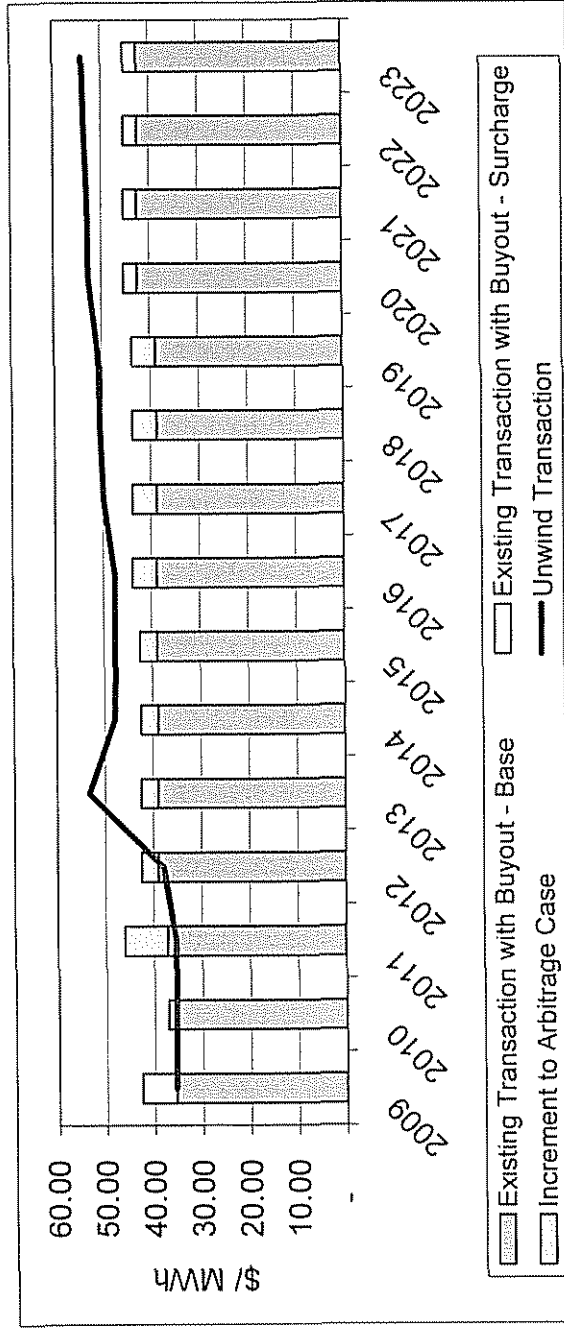
# Comparative Unwind Economics, 9/30/08

## 3b. Unwind vs. Excess Energy to Smelters/ no market purchases (ET2)

### i. Blended Member Rates

<u>Member Rate Summary</u>	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Wtd. Avg.	35.45	35.42	35.39	38.90	38.87	38.84	38.81	38.79	38.76	38.74	38.72	42.55	42.52	42.50	42.48
Existing Transaction Base	39.32	35.42	35.39	38.90	38.87	38.84	38.81	38.79	38.76	38.74	38.72	42.55	42.52	42.50	42.48
% Change	0.60	7.14	1.67	10%	0%	0%	0%	0%	0%	0%	0%	10%	0%	0%	0%
Surcharge	0.60	7.14	1.63	-	-	-	-	-	-	-	-	-	-	-	-
Increment to Arbitrage Case	3.65	-	8.98	3.54	3.53	3.53	3.53	5.06	5.06	5.06	5.05	2.79	2.79	2.79	2.79
Total	43.57	37.09	46.00	42.43	42.40	42.37	42.34	43.85	43.82	43.79	43.77	45.34	45.31	45.29	45.27
Overall % Change	-13%	-24%	-8%	0%	0%	0%	4%	0%	0%	0%	4%	0%	0%	0%	0%
Unwind	47.54	35.42	35.29	37.76	53.23	47.85	47.49	47.63	49.92	50.56	50.82	52.67	52.88	53.55	53.97

Comparative Rate Graph:



# Comparative Unwind Economics, 9/30/08

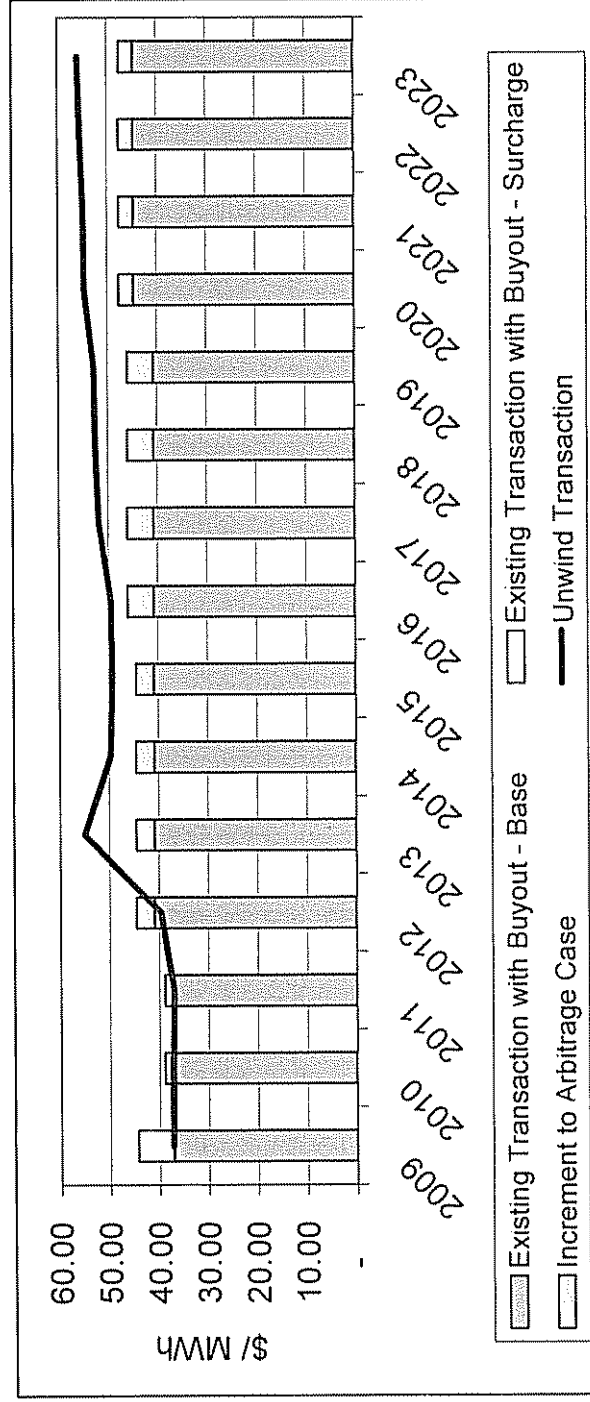
## 3b. Unwind vs. Excess Energy to Smelters/ no market purchases (ET2)

### ii. Rural Rates

**Member Rate Summary** Wtd. Avg.

Existing Transaction Base	41.29	37.22	37.19	37.17	40.85	40.83	40.80	40.77	40.74	40.72	40.70	40.68	44.69	44.67	44.65	44.63
% Change		0%	0%	10%	0%	0%	0%	0%	0%	0%	0%	0%	10%	0%	0%	0%
Surcharge	1.15	7.14	1.67	10.62	-	-	-	-	-	-	-	-	-	-	-	-
Increment to Arbitrage Case	3.27	-	-	-	3.71	3.71	3.71	3.71	5.32	5.32	5.31	5.31	2.93	2.93	2.93	2.93
Total	45.70	44.36	38.87	47.78	44.56	44.54	44.51	44.48	46.06	46.04	46.01	45.99	47.62	47.61	47.58	47.56
Overall % Change		-12%	23%	-7%	0%	0%	0%	0%	4%	0%	0%	0%	4%	0%	0%	0%
Unwind	49.35	37.22	37.19	37.00	39.54	55.01	49.63	49.27	49.41	51.88	52.52	52.78	54.61	54.83	55.50	55.93

**Comparative Rate Graph:**

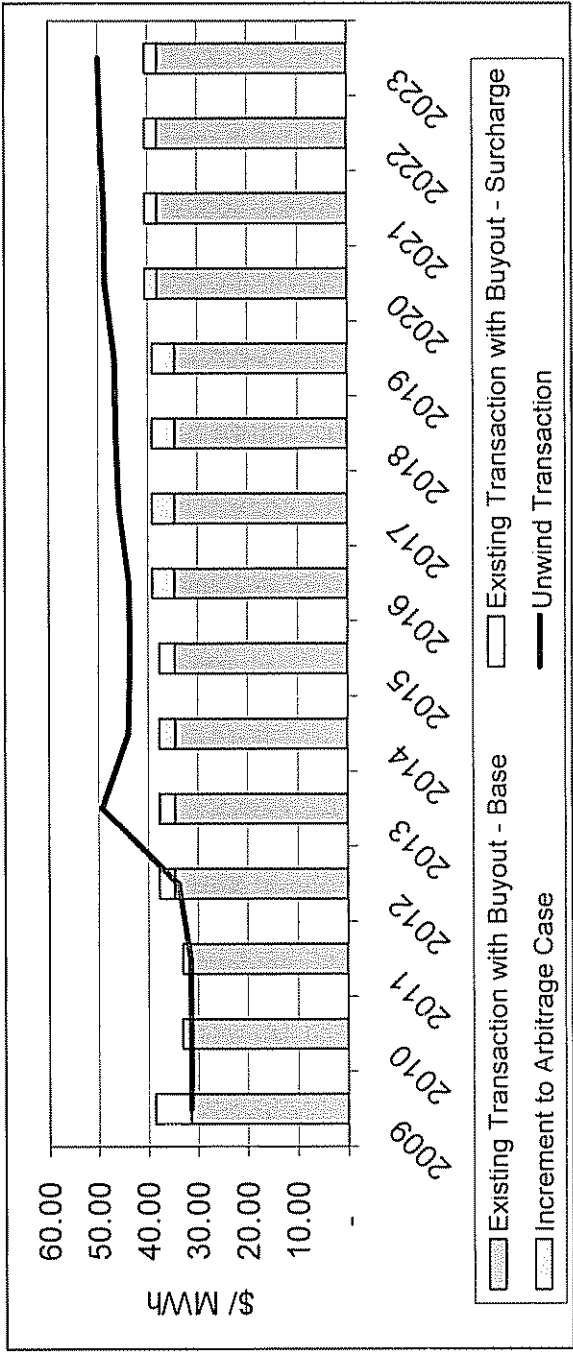


**3b. Unwind vs. Excess Energy to Smelters/ no market purchases (ET2)**

**iii. Large Industrial Rates**

<u>Member Rate Summary</u>	Wtd. Avg.													
Existing Transaction Base	31.39	31.40	31.39	34.54	34.53	34.54	34.53	34.53	34.53	34.53	34.53	37.97	37.97	
% Change	0%	1.67	0%	10%	0%	-	0%	0%	0%	0%	0%	0%	0%	
Surcharge	7.14	-	-	3.14	3.14	3.14	4.51	4.51	4.51	4.51	4.51	2.49	2.49	
Increment to Arbitrage Case	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total	38.54	33.07	42.01	37.68	37.67	37.67	39.06	39.04	39.04	39.04	40.49	40.46	40.46	
Overall % Change	-14%	-	27%	-10%	0%	0%	4%	0%	0%	0%	4%	0%	0%	
Unwind	43.60	31.39	31.45	33.81	49.29	43.94	43.60	43.78	45.70	46.36	46.65	48.53	49.44	49.86

**Comparative Rate Graph:**



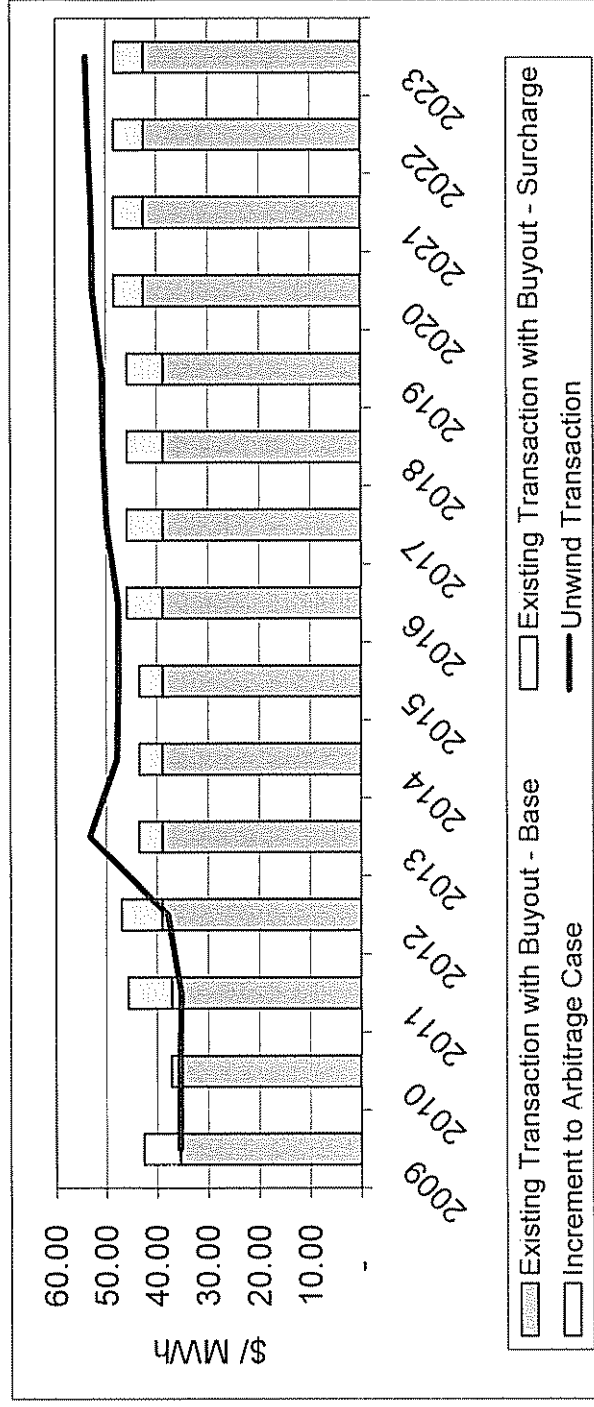
# Comparative Unwind Economics, 9/30/08

## 3c. Unwind vs. Smelter Sale Case (200MW) in Existing Transaction (ET3)

### i. Blended Member Rates

<u>Member Rate Summary</u>	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<u>Existing Transaction</u>															
Base	39.32	35.42	35.39	38.90	38.87	38.84	38.81	38.79	38.76	38.74	38.72	42.55	42.52	42.50	42.48
% Change		0%	0%	10%	0%	0%	0%	0%	0%	0%	0%	10%	0%	0%	0%
Surcharge	0.60	7.14	1.63	-	-	-	-	-	-	-	-	-	-	-	-
Increment to Arbitrage Case	5.60	-	8.71	8.05	4.59	4.59	4.59	7.10	7.09	7.09	7.09	5.89	5.89	5.88	5.88
Total	45.52	42.59	45.73	46.95	43.46	43.42	43.40	45.89	45.85	45.83	45.80	48.44	48.41	48.38	48.36
Overall % Change		-13%	23%	3%	-7%	0%	0%	6%	0%	0%	0%	6%	0%	0%	0%
<u>Unwind</u>															
	47.54	35.42	35.29	37.76	53.23	47.85	47.49	47.63	49.92	50.56	50.82	52.67	52.88	53.55	53.97

Comparative Rate Graph:



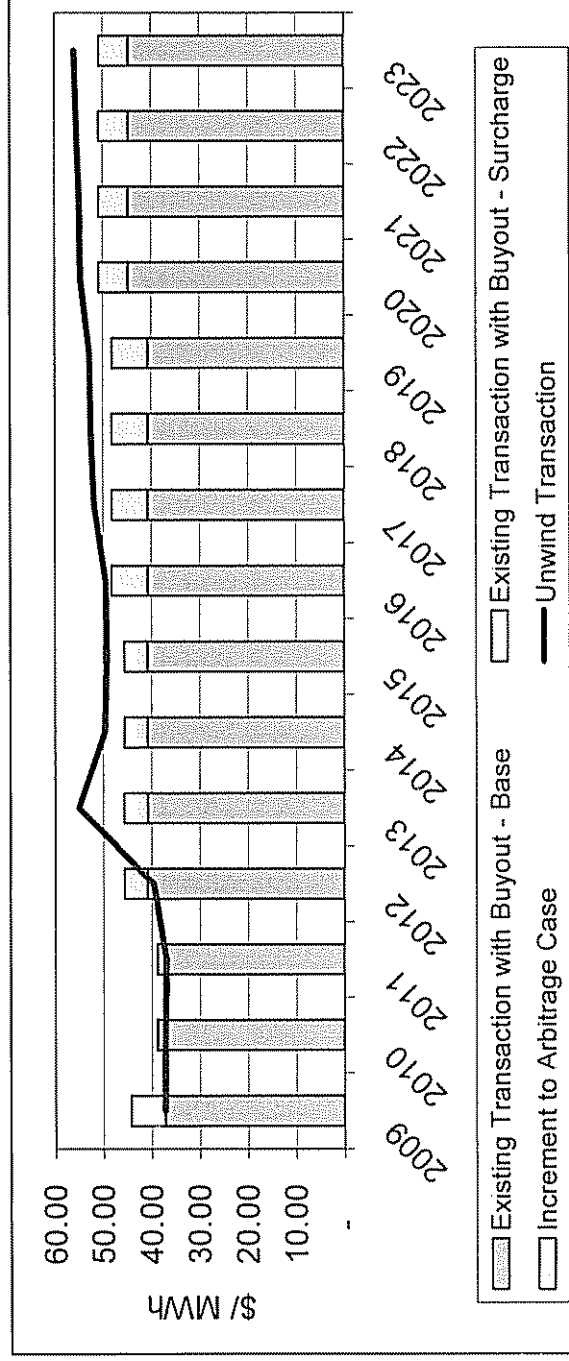
# Comparative Unwind Economics, 9/30/08

## 3c. Unwind vs. Smelter Sale Case (200MW) in Existing Transaction (ET3)

### ii. Rural Rates

		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Member Rate Summary</b>																
Wtd. Avg.																
Existing Transaction Base		37.22	37.19	37.17	40.85	40.83	40.80	40.77	40.74	40.72	40.70	40.68	44.69	44.67	44.65	44.63
% Change		0%	0%	0%	10%	0%	0%	0%	0%	0%	0%	0%	10%	0%	0%	0%
Surcharge		7.14	1.67	10.34	3.46	4.82	4.82	4.82	7.46	7.45	7.45	7.45	6.19	6.19	6.18	6.18
Increment to Arbitrage Case		-	-	-	4.83	4.82	4.82	4.82	4.82	4.82	4.81	48.12	50.88	50.86	50.83	50.81
Total		44.36	38.87	47.51	49.14	45.65	45.62	45.59	48.20	48.18	48.15	48.12	50.88	50.86	50.83	50.81
Overall % Change		-12%	22%	3%	-7%	0%	0%	0%	6%	0%	0%	0%	6%	0%	0%	0%
Unwind		49.35	37.19	37.00	39.54	55.01	49.63	49.27	49.41	51.88	52.52	52.78	54.61	54.83	55.50	55.93

**Comparative Rate Graph:**



3c. Unwind vs. Smelter Sale Case (200MW) in Existing Transaction (ET3)

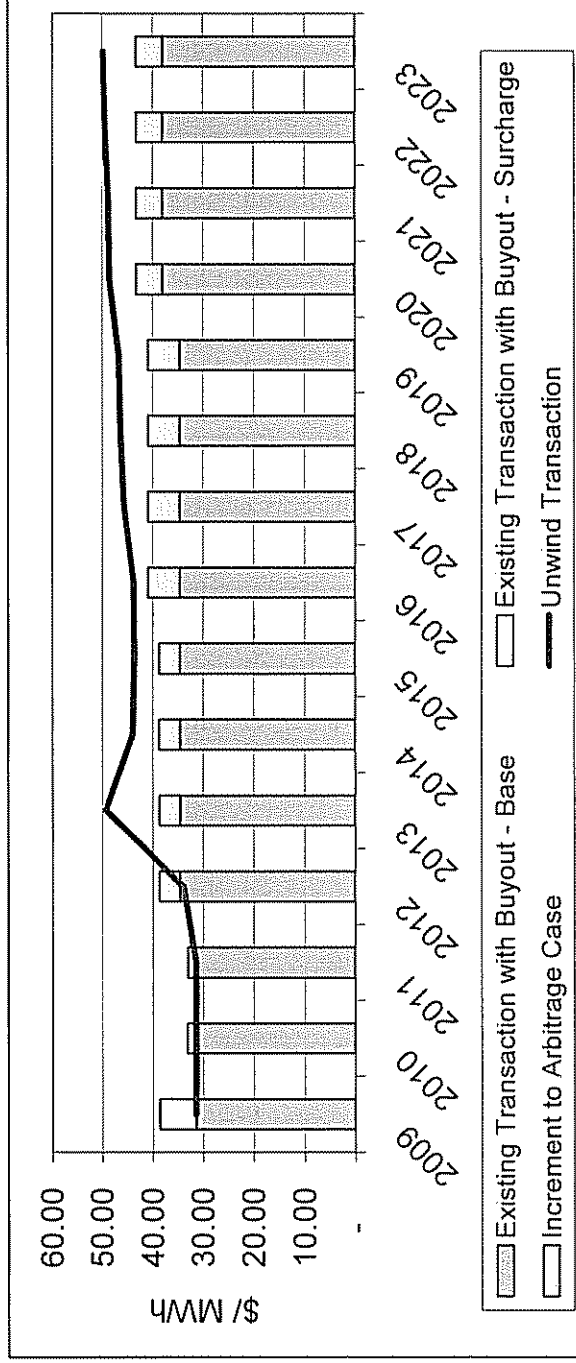
iii. Large Industrial Rates

Member Rate Summary

Wtd. Avg.

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Existing Transaction Base	31.39	31.40	31.39	34.54	34.53	34.54	34.53	34.55	34.53	34.53	34.53	34.53	37.99	37.97	37.97
% Change	0%	0%	0%	10%	0%	0%	0%	0%	0%	0%	0%	0%	10%	0%	0%
Surcharge	7.14	1.67	10.34	3.46	-	-	-	-	-	-	-	-	-	-	-
Increment to Arbitrage Case	-	-	-	4.08	4.08	4.08	4.08	6.32	6.32	6.32	6.32	6.32	5.26	5.26	5.26
Total	38.54	33.07	41.74	42.08	38.62	38.62	38.61	40.87	40.85	40.85	40.85	43.25	43.22	43.22	43.22
Overall % Change	-14%	26%	1%	-8%	0%	6%	0%	0%	0%	0%	0%	6%	0%	0%	0%
Unwind	43.60	31.39	31.45	33.81	49.29	43.94	43.60	43.78	45.70	46.36	46.65	48.53	48.75	49.44	49.86

Comparative Rate Graph:

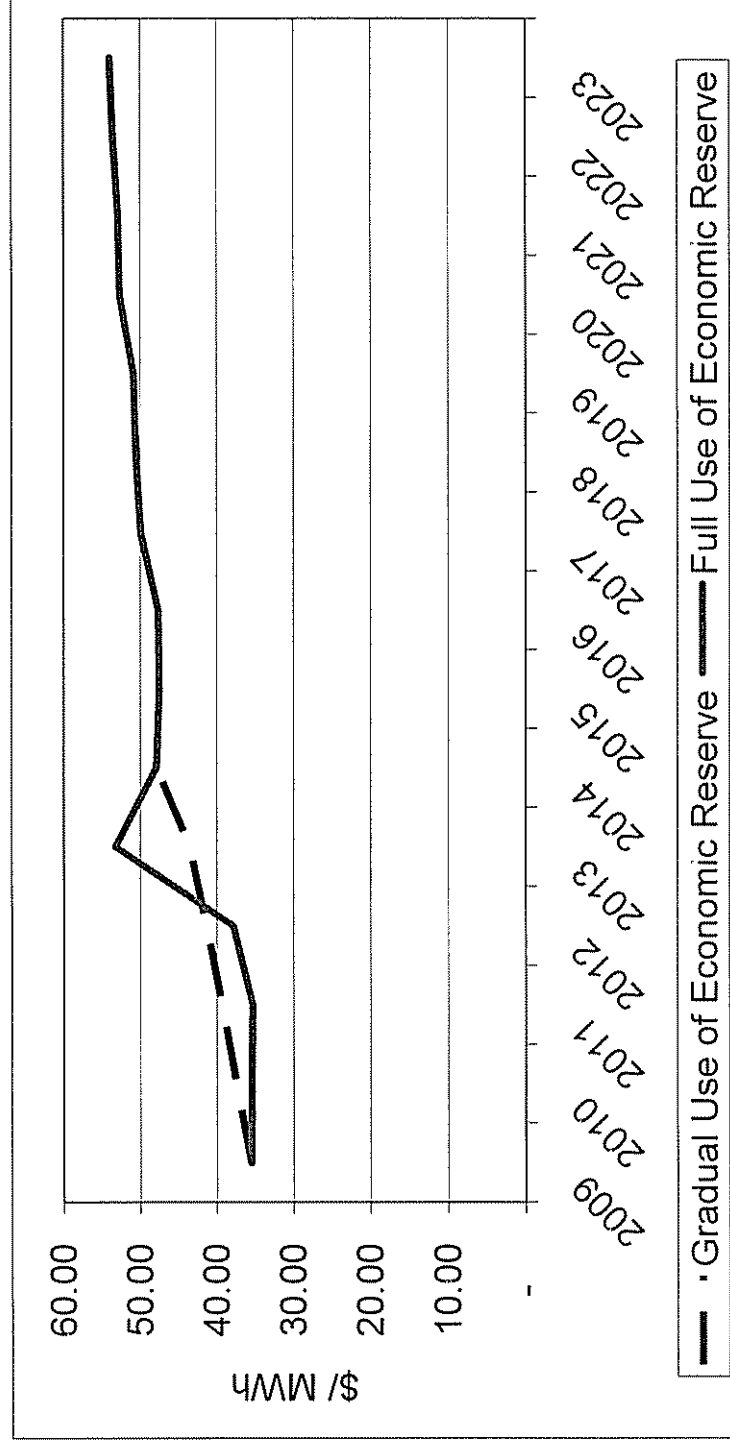


# Comparative Unwind Economics, 9/30/08

## 4. Unwind - Economic Reserve Used to Smooth Rates (UW2)

### i. Blended Member Rates

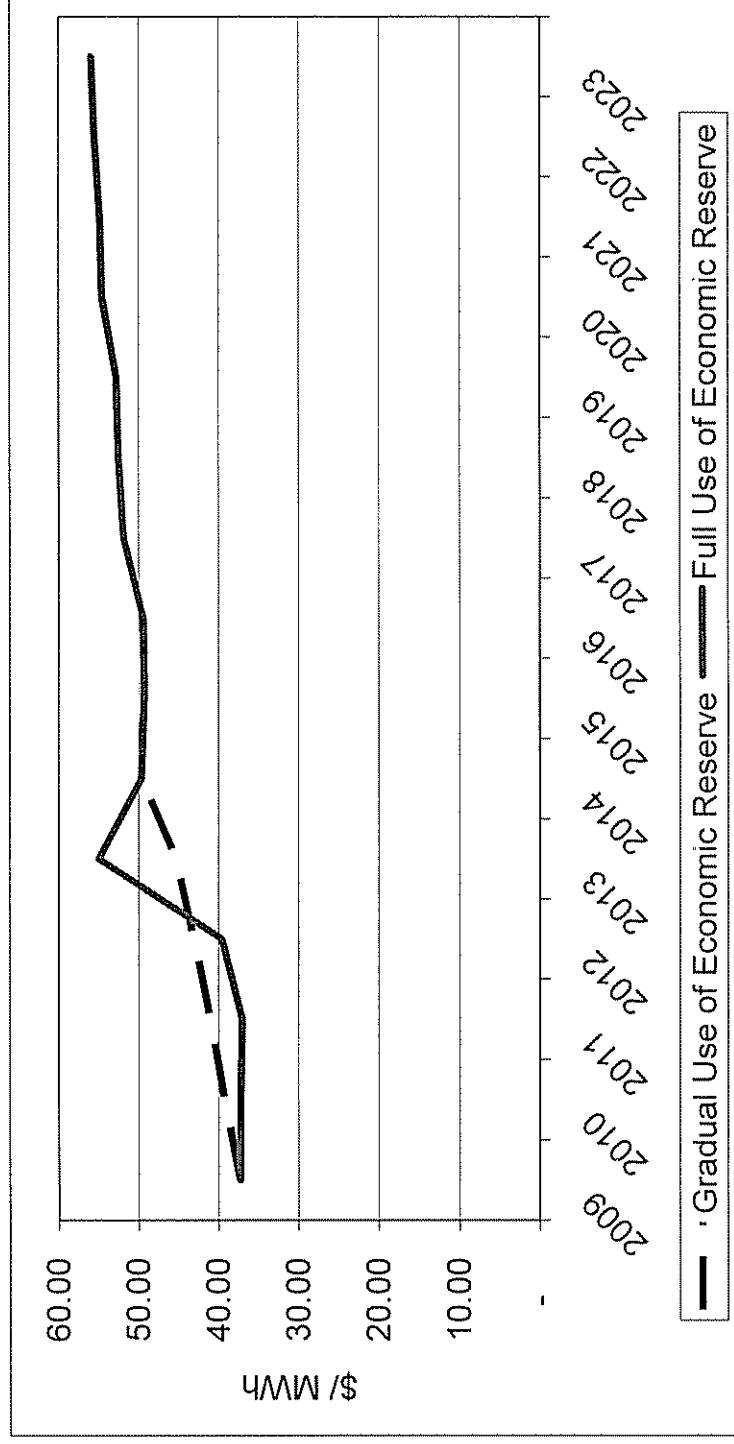
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Wtd Avg	35.45	35.42	35.29	37.76	53.23	47.85	47.49	47.63	49.92	50.56	50.82	52.67	52.88	53.55	53.97
Full Change	0%	0%	7%	41%	-10%	-1%	0%	0%	5%	1%	1%	4%	0%	1%	1%
Feathered	37.42	39.29	41.26	43.46	47.85	47.49	47.63	49.92	50.56	50.82	52.67	52.88	53.55	53.97	53.97
Change	6%	5%	5%	10%	-1%	-1%	0%	0%	5%	1%	1%	4%	0%	1%	1%



4. Unwind - Economic Reserve Used to Smooth Rates (UW2)

ii. Rural Rates

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Wtd Avg	37.22	37.19	37.00	39.54	55.01	49.63	49.27	49.41	51.88	52.52	52.78	54.61	54.83	55.50	55.93
Full Change		0%	-1%	7%	39%	-10%	-1%	0%	5%	1%	0%	3%	0%	1%	1%
Feathered	37.22	39.19	41.00	43.04	45.24	49.63	49.27	49.41	51.88	52.52	52.78	54.61	54.83	55.50	55.93
Change		5%	5%	5%	10%	-1%	-1%	0%	5%	1%	0%	3%	0%	1%	1%

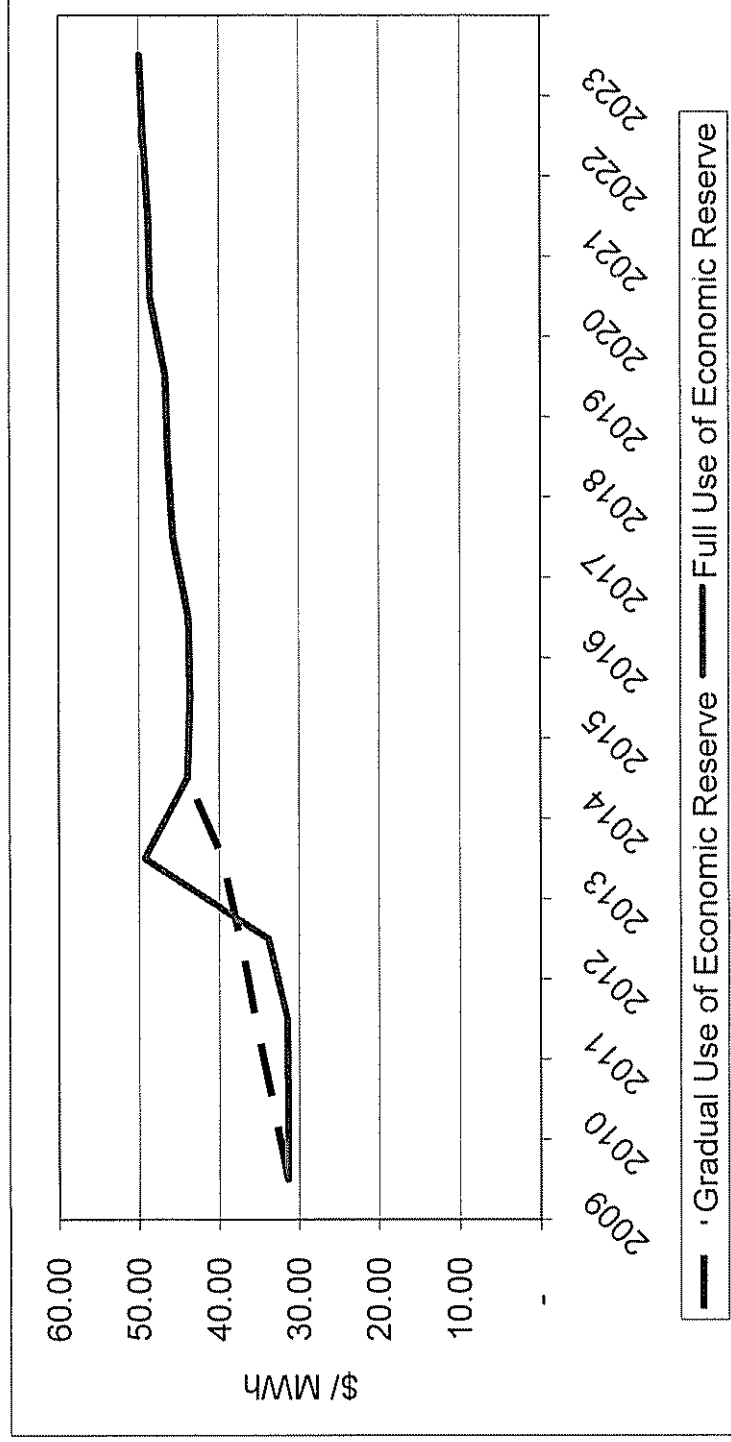




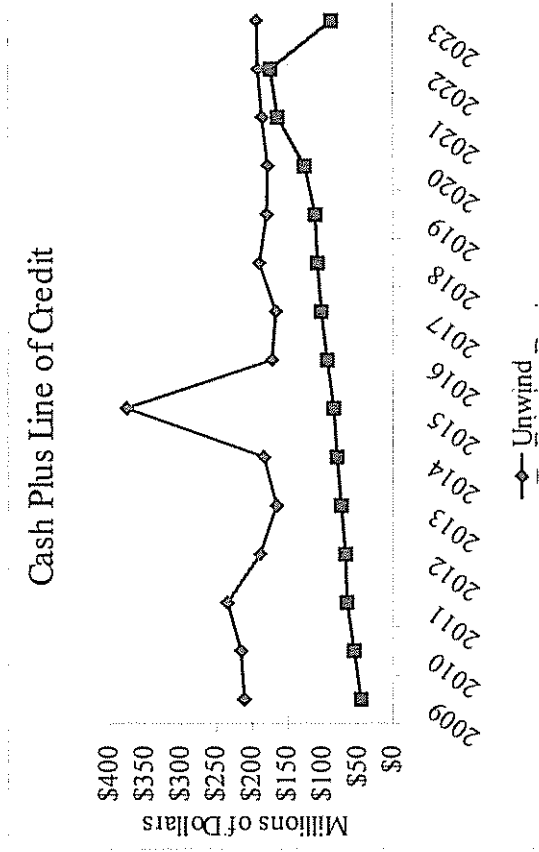
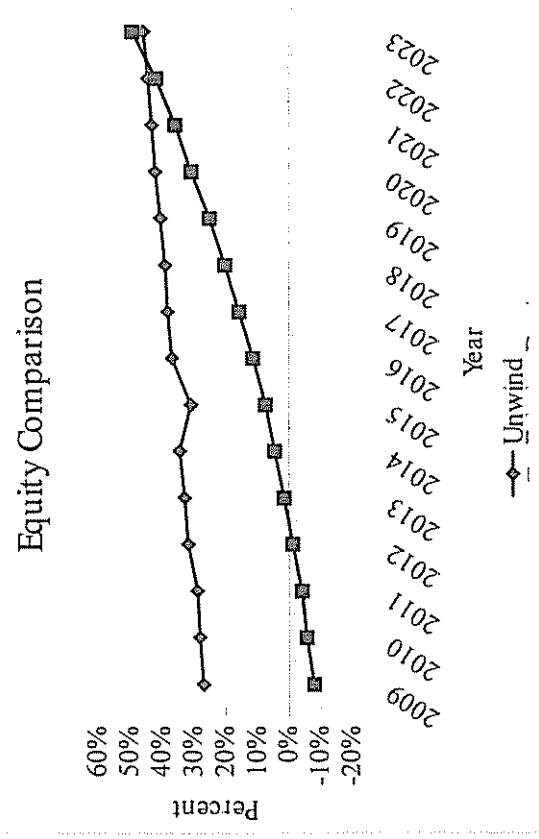
4. Unwind - Economic Reserve Used to Smooth Rates (UW2)

iii. Large Industrial Rates

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Wtd Avg	31.39	31.39	31.45	33.81	49.29	43.94	43.60	43.78	45.70	46.36	46.65	48.53	48.75	49.44	49.86
Change		0%	0%	8%	46%	-11%	-1%	0%	4%	1%	1%	4%	0%	1%	1%
Feathered	31.39	33.39	35.45	37.30	39.52	43.94	43.60	43.78	45.70	46.36	46.65	48.53	48.75	49.44	49.86
Change		6%	6%	5%	6%	11%	-1%	0%	4%	1%	1%	4%	0%	1%	1%



5. Balance Sheet Comparison



6. Pros and Cons

Item	Unwind		Status Quo	
	Pro	Con	Pro	Con
<b>Credit Rating</b>	XXX			XXX
Balance Sheet	X			X
Control of Plants	X			X
Rate Risk	X	X	X	X
Fuel Risk		XXX	XX	
Generation Risk		XXX	XX	
Carbon legislation Risk		XXX		X
Public Relations	X			X
Litigation Risk	X		X	X
Economic Development	X			X
Smelter Jobs	X			X

**Contents**

1. Overview
2. Case Summary
3. Rate Comparisons – Year by Year
  - a. Unwind vs. Arbitrage Sales Case in Existing Transaction
  - b. Unwind vs. Smelter Sales (All Excess) in Existing Transaction
4. Unwind - Economic Reserve Used to Smooth Rates
5. Balance Sheet Comparisons – Year by Year
6. Pros and Cons

Overview

- The following is intended to summarize current economics of the Unwind transaction, as well as to consider qualitative pros and cons
- It includes graphic comparison of Unwind rates to those projected for the Existing Transaction
- For both the Unwind Transaction and the Existing Transaction, the effect of the recent buy out of the PMCC lease is reflected

# Comparative Unwind Economics, 9/30/08

## 2. Case Summary

Case	Unwind Transaction Scenarios		Existing Transaction Scenarios		
	UW1	UW2	ET1	ET2	ET3
<b>Excess Energy</b>	Arbitrage Sales	Arbitrage Sales	Arbitrage Sales	All to Smelters <small>(provided to KPSC 9/29/08)</small>	200MW to Smelters
<b>Smelter Rate</b>	Per Contract	Per Contract	NA	Large Industrial	Large Industrial + \$0.25
<b>Market Purchase Requirements</b>	Yes	Yes	Yes	No	Yes
<b>Use of Economic Reserve</b>	Full	Gradual	NA	NA	NA
<b>PMCC Lease Buyout (\$M)</b>	214	214	214	214	214
Termination Payment (net)	(93)	(93)	(93)	(89)	(93)
GIC	(2)	(2)	(2)	(0)	(2)
Other	(60)	(60)	-	-	-
E.On Contribution	60	60	120	125	120
Net	(15)	(15)	(15)	(15)	(15)
PMCC Loan	45	45	105	110	105
Net Cash Flow	155	155	NA	NA	NA
<b>RUS Prepayment at Closing (\$M)</b>	155	155	NA	NA	NA

# Comparative Unwind Economics, 9/30/08

## 2. Case Summary (contd.)

Case	Unwind Transaction Scenarios		Existing Transaction Scenarios		
	UW1	UW2	ET1	ET2	ET3
<b>Excess Energy</b>	Arbitrage Sales	Arbitrage Sales	Arbitrage Sales	All to Smelters (provided to KPSC 9/29/08)	200MW to Smelters
<b>Smelter Rate</b>	Per Contract	Per Contract	NA	Large Industrial	Large Industrial + \$0.25
<b>Market Purchase Requirements</b>	Yes	Yes	Yes	No	Yes
<b>Use of Economic Reserve</b>	Full	Gradual	NA	NA	NA
<b>Weighted Average Member Rates (\$/ MWh)</b>					
Rural	49.35	49.31	41.76	45.70	47.73
Large Industrial	43.60	43.55	35.51	38.95	40.72
Blend	47.54	47.49	39.79	43.57	45.52
<b>Net Member Cost (\$M; PV)</b>					
Member Electricity Purchases	1,859	1,860	1,621	1,773	1,844
Cash After Tax	162	162	298	261	251
Net	1,698	1,698	1,323	1,511	1,593

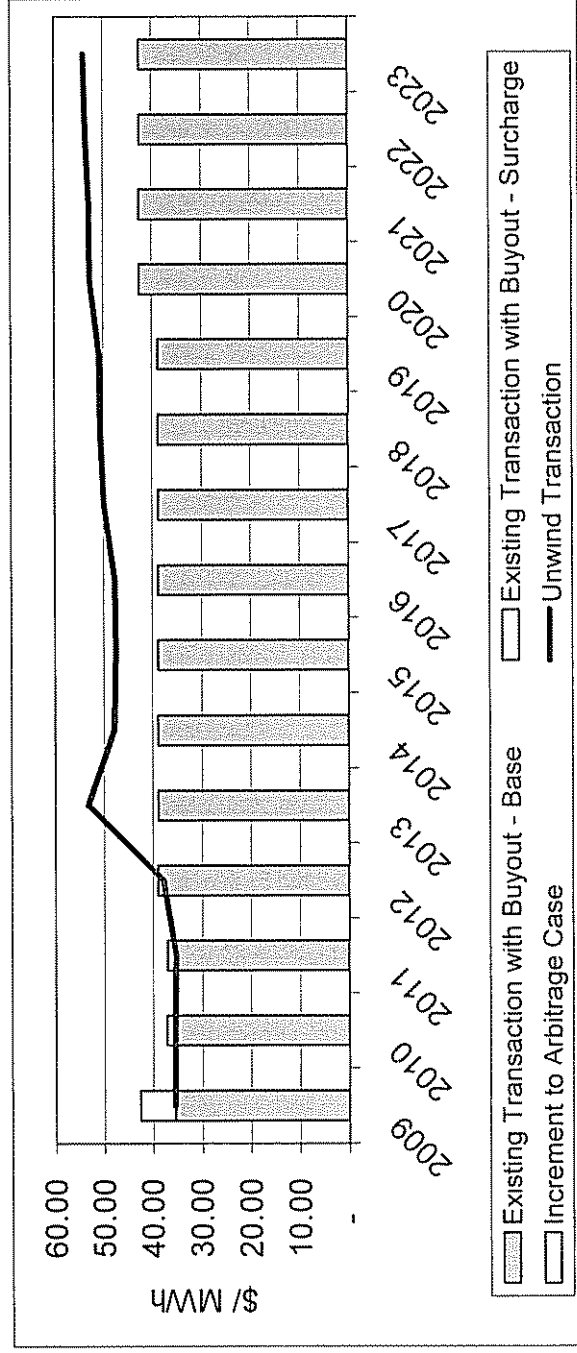
# Comparative Unwind Economics, 9/30/08

## 3a. Unwind vs. Arbitrage Case in Existing Transaction (ET1)

### i. Blended Member Rates

<u>Member Rate Summary</u>	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Existing Transaction</b>															
Base	35.45	35.42	35.39	38.90	38.87	38.84	38.81	38.79	38.76	38.74	38.72	42.55	42.52	42.50	42.48
% Change	0%	0%	0%	10%	0%	0%	0%	0%	0%	0%	0%	10%	0%	0%	0%
Surcharge	7.14	1.67	1.63	-	-	-	-	-	-	-	-	-	-	-	-
Increment to Arbitrage Case	(0.13)	-	-	-	-	-	-	-	-	-	-	(0.44)	(0.44)	(0.44)	(0.44)
Total	39.79	37.09	37.02	38.90	38.87	38.84	38.81	38.79	38.76	38.74	38.72	42.10	42.08	42.06	42.04
Overall % Change	-13%	0%	0%	5%	0%	0%	0%	0%	0%	0%	0%	9%	0%	0%	0%
Unwind	47.54	35.42	35.29	37.76	53.23	47.85	47.49	47.63	49.92	50.56	50.82	52.67	52.88	53.55	53.97

Comparative Rate Graph:





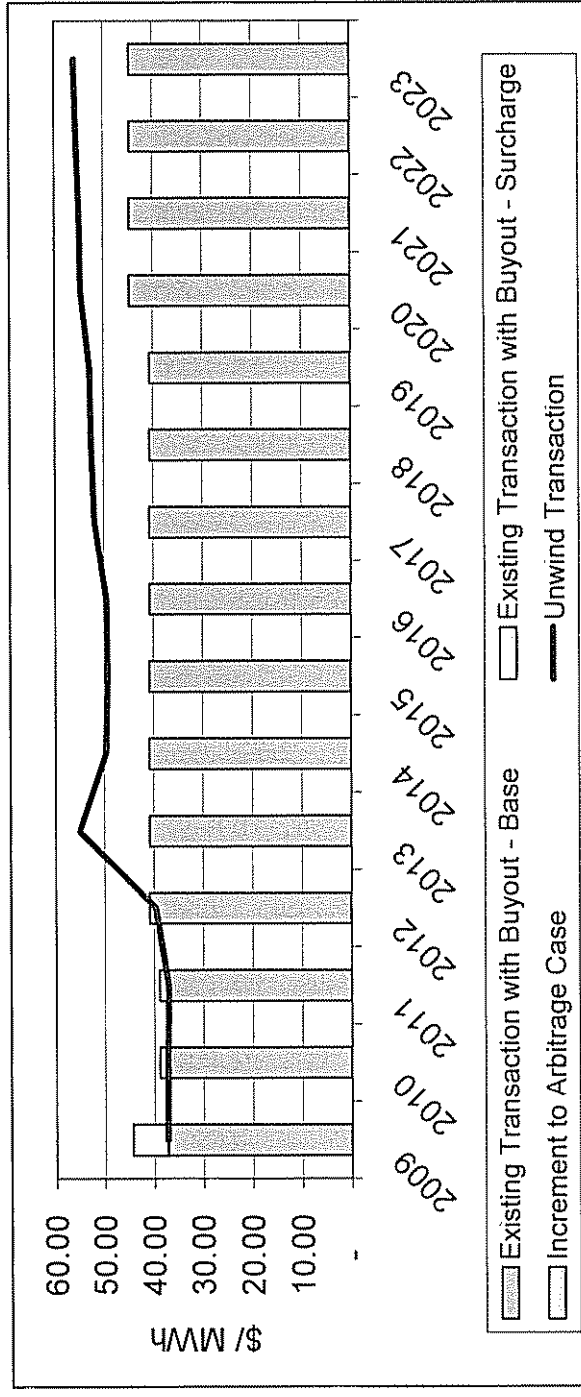
# Comparative Unwind Economics, 9/30/08

## 3a. Unwind vs. Arbitrage Case in Existing Transaction (ET1)

### ii. Rural Rates

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Member Rate Summary</b>															
Wtd. Avg.	37.22	37.19	37.17	40.85	40.83	40.80	40.77	40.74	40.72	40.70	40.68	44.69	44.67	44.65	44.63
Existing Transaction Base	37.22	37.19	37.17	40.85	40.83	40.80	40.77	40.74	40.72	40.70	40.68	44.69	44.67	44.65	44.63
% Change	0%	0%	0%	10%	0%	0%	0%	0%	0%	0%	0%	10%	0%	0%	0%
Surcharge	7.14	1.67	1.63	-	-	-	-	-	-	-	-	-	-	-	-
Increment to Arbitrage Case	(0.14)	-	-	-	-	-	-	-	-	-	-	(0.46)	(0.46)	(0.46)	(0.46)
Total	44.36	38.87	38.80	40.85	40.83	40.80	40.77	40.74	40.72	40.70	40.68	44.22	44.21	44.19	44.17
Overall % Change	-12%	0%	0%	5%	0%	0%	0%	0%	0%	0%	0%	9%	0%	0%	0%
Unwind	49.35	37.19	37.00	39.54	55.01	49.63	49.27	49.41	51.88	52.52	52.78	54.61	54.83	55.50	55.93

Comparative Rate Graph:

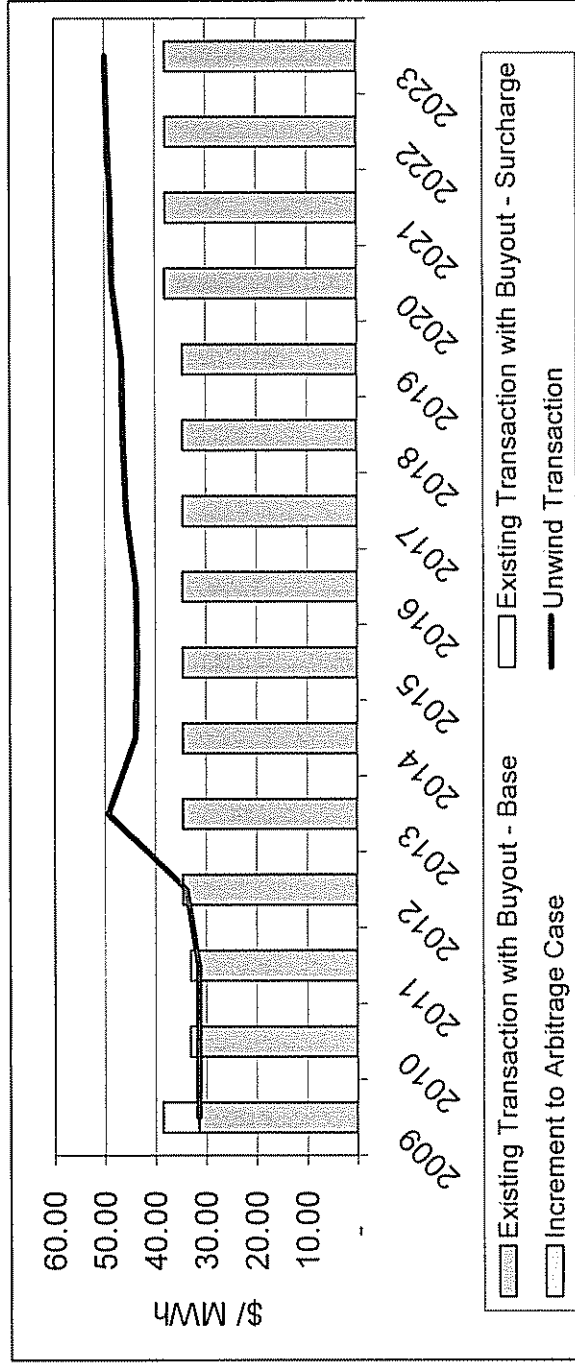


3a. Unwind vs. Arbitrage Case in Existing Transaction (ET1)

iii. Large Industrial Rates

	Wtd. Avg.													
Existing Transaction Base	31.39	31.40	31.39	34.54	34.53	34.54	34.53	34.53	34.53	34.53	34.53	37.97	37.97	
% Change	0%	0%	10%	0%	0%	0%	0%	0%	0%	0%	10%	0%	0%	
Surcharge	7.14	1.67	1.63	-	-	-	-	-	-	-	-	-	-	
Increment to Arbitrage Case	(0.12)	-	-	-	-	-	-	-	-	-	(0.39)	(0.39)	(0.39)	
Total	35.51	33.07	33.03	34.54	34.53	34.54	34.53	34.53	34.53	34.53	37.60	37.57	37.57	
Overall % Change	-14%	0%	5%	0%	0%	0%	0%	0%	0%	0%	9%	0%	0%	
Unwind	43.60	31.39	31.45	33.81	49.29	43.94	43.60	43.78	45.70	46.36	46.65	48.53	49.44	49.86

Comparative Rate Graph:



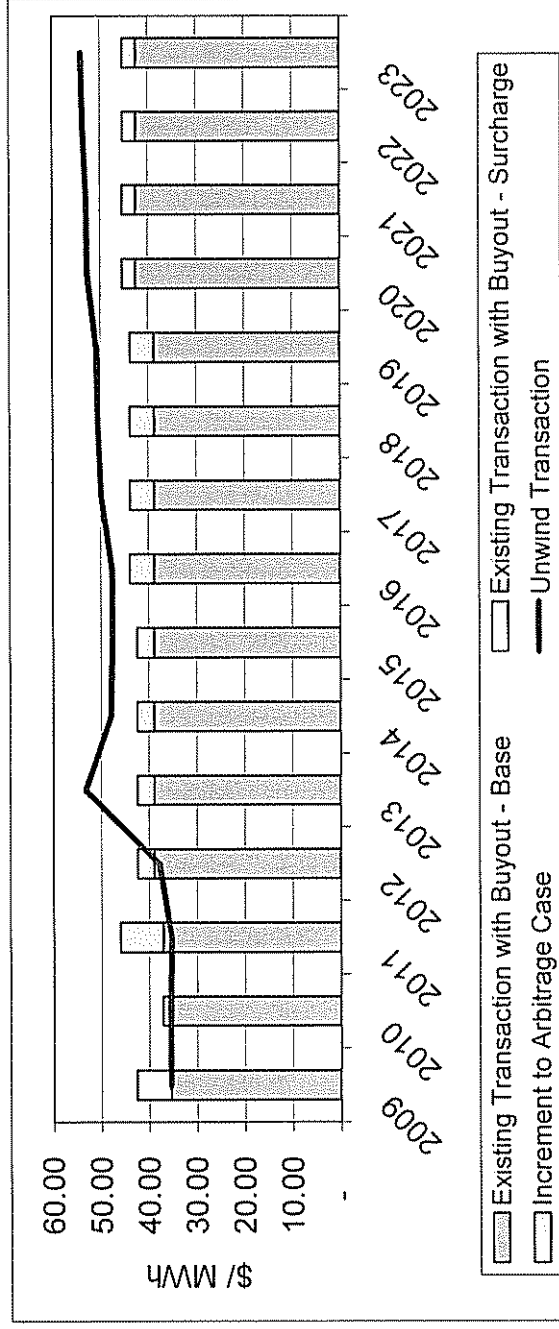
# Comparative Unwind Economics, 9/30/08

## 3b. Unwind vs. Excess Energy to Smelters/ no market purchases (ET2)

### i. Blended Member Rates

<u>Member Rate Summary</u>	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Existing Transaction Base	35.45	35.42	35.39	38.90	38.87	38.84	38.81	38.79	38.76	38.74	38.72	42.55	42.52	42.50	42.48
% Change	7.14	1.67	1.63	10%	0%	0%	0%	0%	0%	0%	0%	10%	0%	0%	0%
Surcharge	-	-	8.98	3.54	3.53	3.53	3.53	5.06	5.06	5.06	5.05	2.79	2.79	2.79	2.79
Increment to Arbitrage Case	42.59	37.09	46.00	42.43	42.40	42.37	42.34	43.85	43.82	43.79	43.77	45.34	45.31	45.29	45.27
Total	43.57	37.09	46.00	42.43	42.40	42.37	42.34	43.85	43.82	43.79	43.77	45.34	45.31	45.29	45.27
Overall % Change	-13%	24%	-8%	0%	0%	0%	0%	4%	0%	0%	0%	4%	0%	0%	0%
Unwind	47.54	35.42	35.29	37.76	53.23	47.85	47.49	47.63	49.92	50.56	50.82	52.67	52.88	53.55	53.97

Comparative Rate Graph:



# Comparative Unwind Economics, 9/30/08

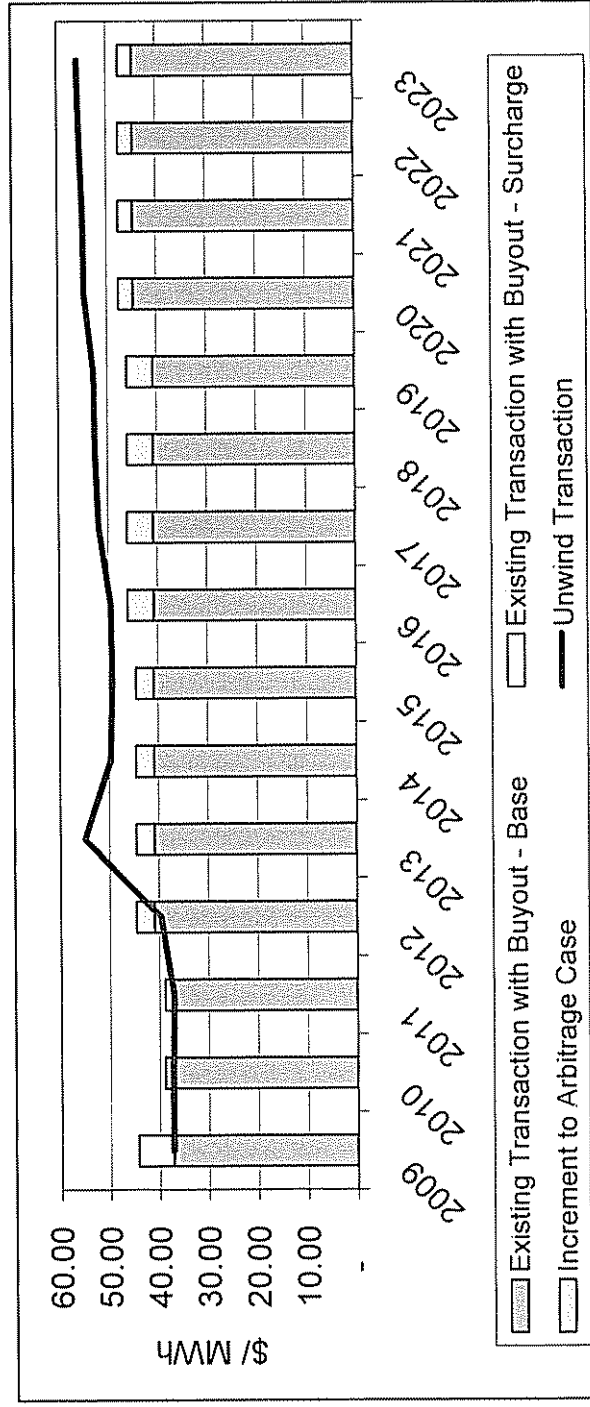
## 3b. Unwind vs. Excess Energy to Smelters/ no market purchases (ET2)

### ii. Rural Rates

Member Rate Summary      Wtd. Avg.

Existing Transaction	41.29	37.22	37.19	37.17	40.85	40.83	40.80	40.77	40.74	40.72	40.70	40.68	44.69	44.67	44.65	44.63
Base			0%	0%	10%	0%	0%	0%	0%	0%	0%	0%	10%	0%	0%	0%
% Change			1.67	10.62	-	-	-	-	-	-	-	-	-	-	-	-
Surcharge	1.15	7.14	-	-	3.71	3.71	3.71	3.71	5.32	5.32	5.31	5.31	2.93	2.93	2.93	2.93
Increment to Arbitrage Case	3.27	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	45.70	44.36	38.87	47.78	44.56	44.51	44.48	46.06	46.04	46.01	45.99	47.62	47.61	47.58	47.56	47.56
Overall % Change			-12%	23%	-7%	0%	0%	4%	0%	0%	0%	4%	0%	0%	0%	0%
Unwind	49.35	37.22	37.19	37.00	39.54	55.01	49.63	49.27	49.41	51.88	52.52	52.78	54.61	54.83	55.50	55.93

**Comparative Rate Graph:**



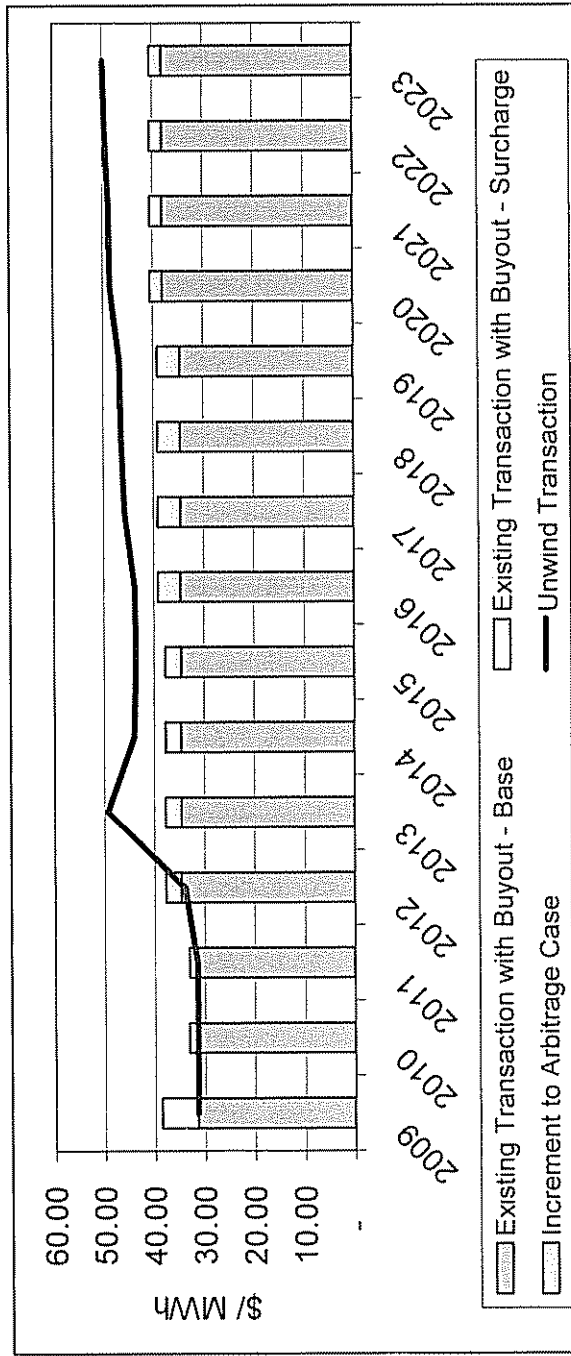
## Comparative Unwind Economics, 9/30/08

### 3b. Unwind vs. Excess Energy to Smelters/ no market purchases (ET2)

#### iii. Large Industrial Rates

	Wtd. Avg.																				
Existing Transaction Base	35.06	31.39	31.40	31.39	34.54	34.53	34.54	34.53	34.53	34.53	34.53	34.53	34.53	34.53	34.53	34.53	34.53	34.53	37.99	37.97	37.97
% Change		0%	0%	0%	10%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	10%	0%	0%
Surcharge	1.10	7.14	1.67	10.62	-	3.14	3.14	3.14	4.51	4.51	4.51	4.51	4.51	4.51	4.51	4.51	4.51	4.51	2.49	2.49	2.49
Increment to Arbitrage Case	2.79	-	-	-	3.14	3.14	3.14	3.14	3.14	3.14	3.14	3.14	3.14	3.14	3.14	3.14	3.14	3.14	2.49	2.49	2.49
Total	38.95	33.07	33.07	42.01	37.68	37.67	37.67	37.67	39.04	39.06	39.06	39.04	39.04	39.04	39.04	39.04	39.04	39.04	40.49	40.46	40.46
Overall % Change		-14%	-14%	27%	-10%	0%	0%	0%	4%	4%	4%	0%	0%	0%	0%	0%	0%	0%	4%	0%	0%
Unwind	43.60	31.39	31.39	31.45	33.81	49.29	43.94	43.60	43.78	45.70	46.36	46.65	48.53	48.75	49.44	49.86					

#### Comparative Rate Graph:

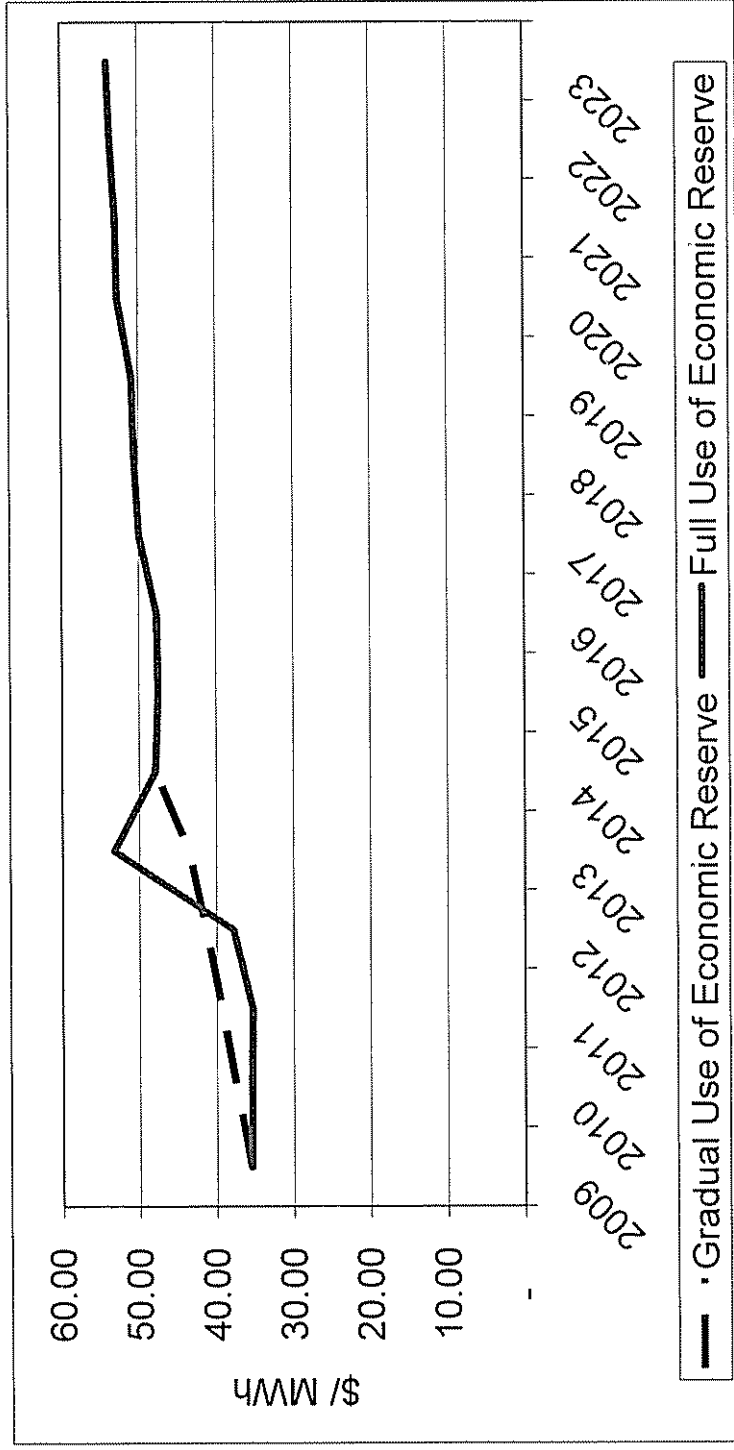


# Comparative Unwind Economics, 9/30/08

## 4. Unwind - Economic Reserve Used to Smooth Rates (UW2)

### i. Blended Member Rates

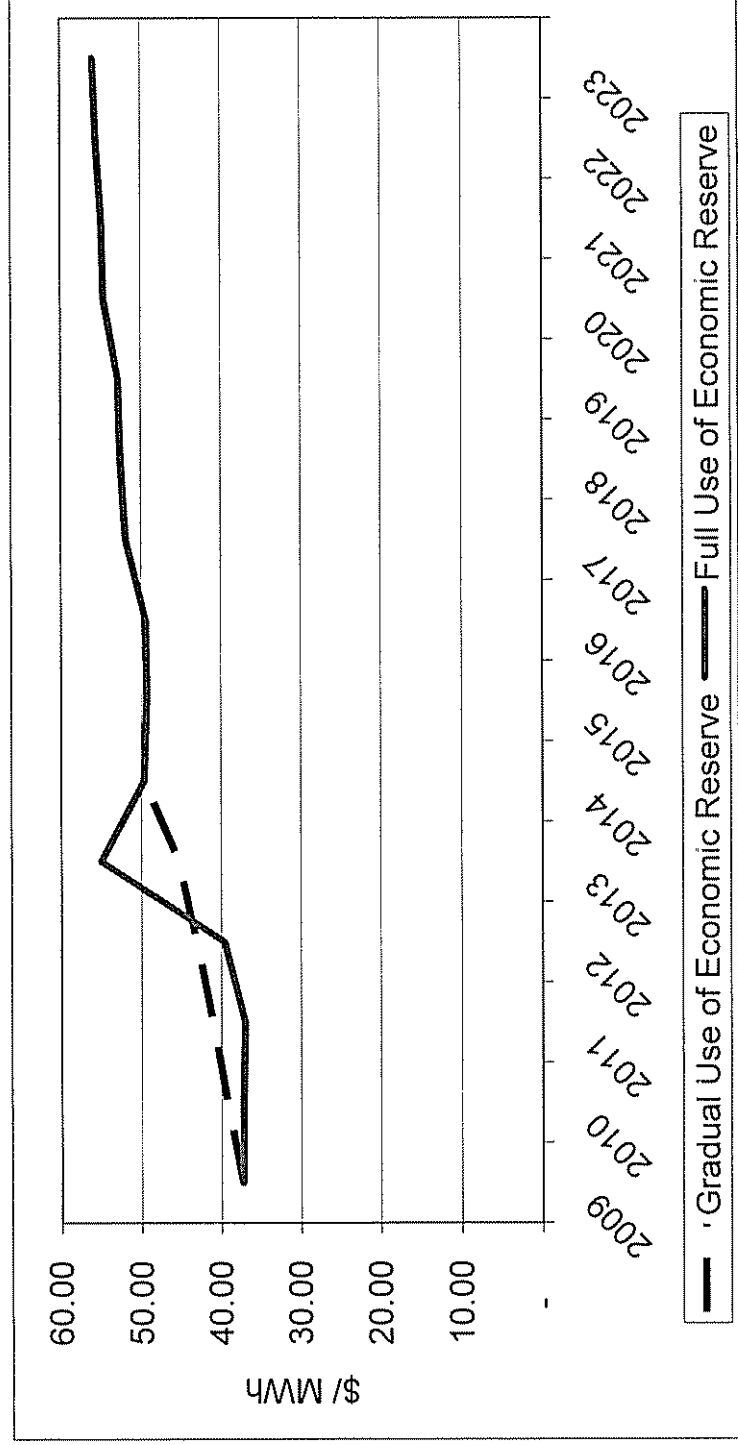
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Full	47.54	35.45	35.29	37.76	53.23	47.85	47.49	47.63	49.92	50.56	50.82	52.67	52.88	53.55	53.97
Change		0%	0%	7%	41%	-10%	-1%	0%	5%	1%	1%	4%	0%	1%	1%
Feathered	47.49	37.42	39.29	41.26	43.46	47.85	47.49	47.63	49.92	50.56	50.82	52.67	52.88	53.55	53.97
Change		6%	5%	5%	10%	10%	-1%	0%	5%	1%	1%	4%	0%	1%	1%



4. Unwind - Economic Reserve Used to Smooth Rates (UW2)

ii. Rural Rates

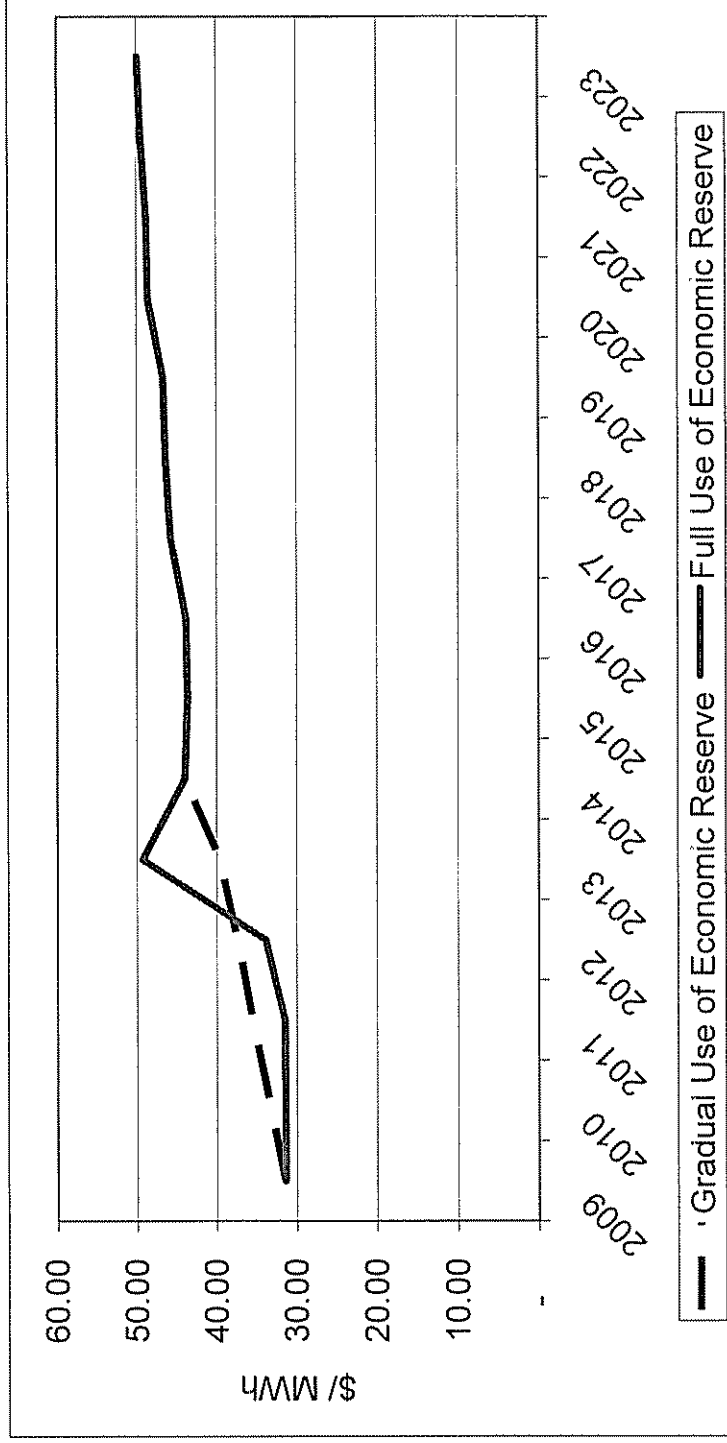
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Wtd Avg	37.22	37.19	37.00	39.54	55.01	49.63	49.27	49.41	51.88	52.52	52.78	54.61	54.83	55.50	55.93
Full	49.35	37.22	37.19	37.00	39.54	55.01	49.27	49.41	51.88	52.52	52.78	54.61	54.83	55.50	55.93
Change	0%	0%	-1%	7%	39%	-10%	-1%	0%	5%	1%	0%	3%	0%	1%	1%
Feathered	37.22	39.19	41.00	43.04	45.24	49.63	49.27	49.41	51.88	52.52	52.78	54.61	54.83	55.50	55.93
Change	5%	5%	5%	5%	10%	-1%	-1%	0%	5%	1%	0%	3%	0%	1%	1%



4. Unwind - Economic Reserve Used to Smooth Rates (UW2)

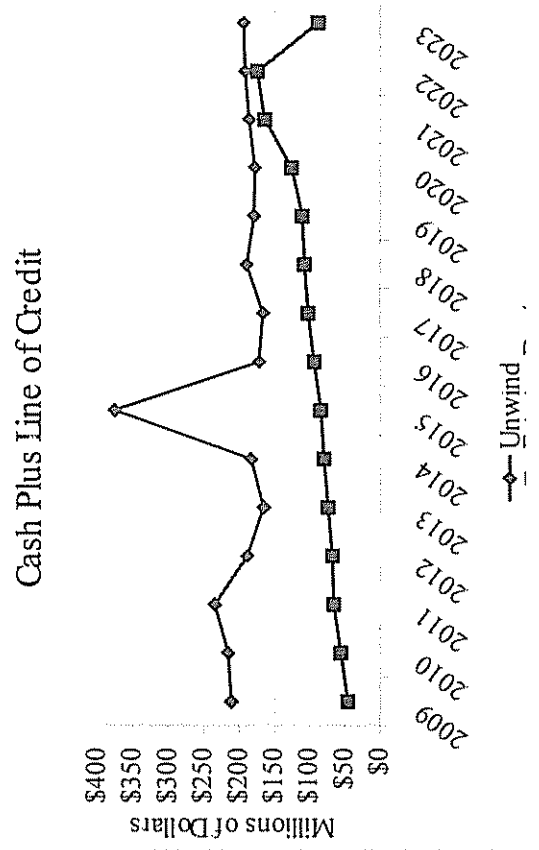
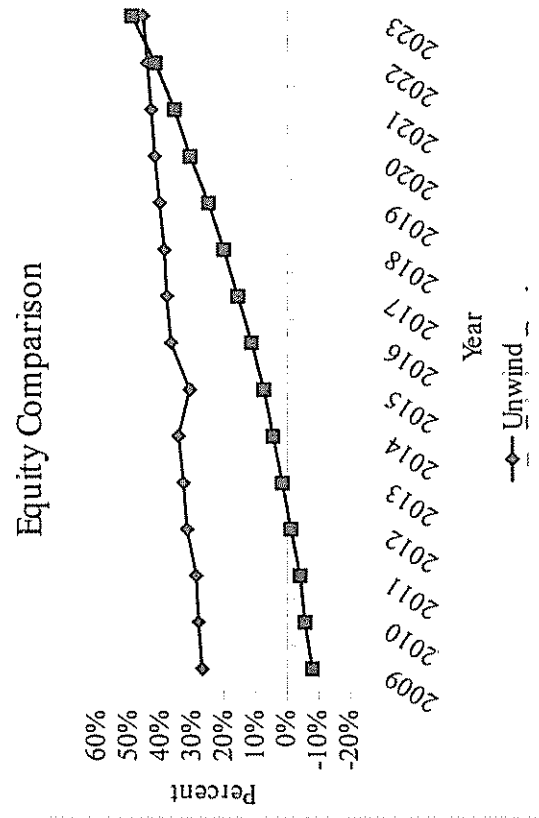
iii. Large Industrial Rates

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Wtd Avg	31.39	31.39	31.45	33.81	49.29	43.94	43.60	43.78	45.70	46.36	46.65	48.53	48.75	49.44	49.86
Full	43.60	31.39	31.39	31.45	33.81	49.29	43.94	43.78	45.70	46.36	46.65	48.53	48.75	49.44	49.86
Change	0%	0%	8%	46%	-11%	-1%	0%	4%	1%	1%	1%	4%	0%	1%	1%
Feathered	43.55	31.39	33.39	35.45	37.30	39.52	43.94	43.60	43.78	45.70	46.36	48.53	48.75	49.44	49.86
Change	6%	6%	5%	6%	11%	-1%	0%	4%	1%	1%	1%	4%	0%	1%	1%





5. Balance Sheet Comparison



6. Pros and Cons

Item	Unwind		Status Quo	
	Pro	Con	Pro	Con
<b>Credit Rating</b>	XXX			XXX
Balance Sheet	X			X
Control of Plants	X			X
Rate Risk	X	X	X	X
Fuel Risk		XXX	XX	
Generation Risk		XXX	XX	
Carbon legislation Risk		XXX		X
Public Relations	X	X	X	X
Litigation Risk	X			X
Economic Development	X			X
Smelter Jobs	X			X

**Contents**

1. Overview
2. Case Summary
3. Rate Comparisons – Year by Year
  - a. Unwind vs. Arbitrage Sales Case in Existing Transaction
  - b. Unwind vs. Smelter Sales (All Excess) in Existing Transaction
  - c. Unwind vs. Smelter Sales Case (200MW) in Existing Transaction
4. Unwind - Economic Reserve Used to Smooth Rates
5. Balance Sheet Comparisons – Year by Year
6. Pros and Cons

Overview

- The following is intended to summarize current economics of the Unwind transaction, as well as to consider qualitative pros and cons
- It includes graphic comparison of Unwind rates to those projected for the Existing Transaction
- For both the Unwind Transaction and the Existing Transaction, the effect of the recent buy out of the PMCC lease is reflected

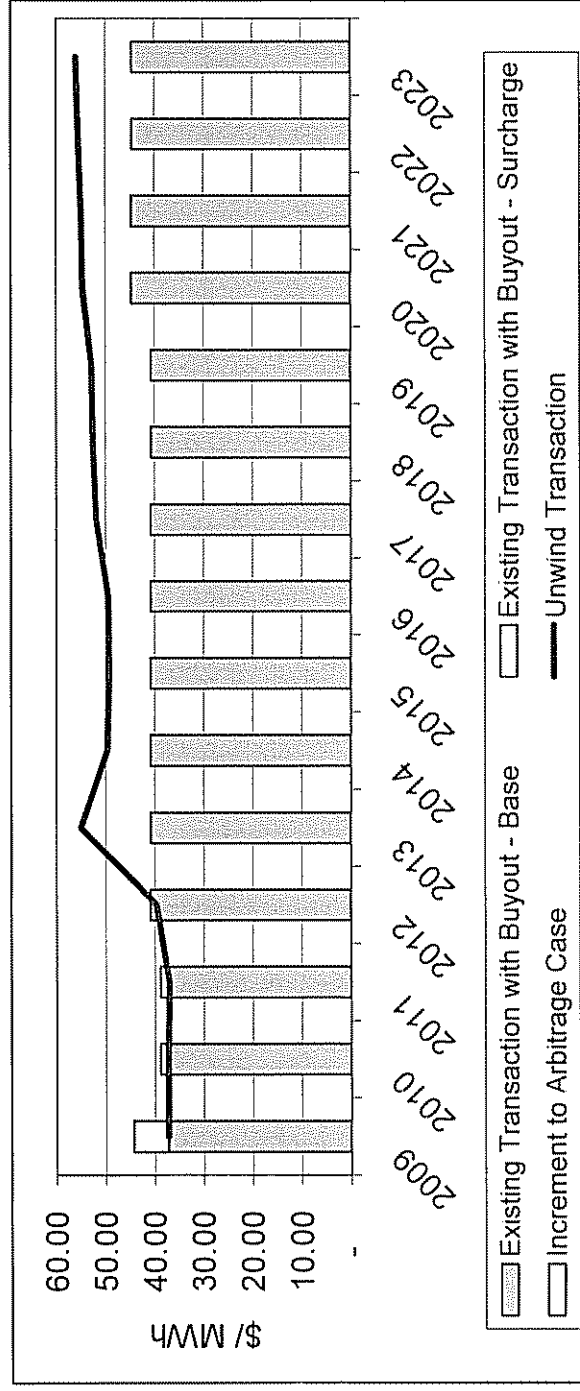
# Comparative Unwind Economics, 9/30/08

## 3a. Unwind vs. Arbitrage Case in Existing Transaction (ET1)

### ii. Rural Rates

<u>Member Rate Summary</u>	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Existing Transaction</b>															
Base	37.22	37.19	37.17	40.85	40.83	40.80	40.77	40.74	40.72	40.70	40.68	44.69	44.67	44.65	44.63
% Change	0%	0%	0%	10%	0%	0%	0%	0%	0%	0%	0%	10%	0%	0%	0%
Surcharge	7.14	1.67	1.63	-	-	-	-	-	-	-	-	-	-	-	-
Increment to Arbitrage Case	-	-	-	-	-	-	-	-	-	-	-	(0.46)	(0.46)	(0.46)	(0.46)
Total	44.36	38.87	38.80	40.85	40.83	40.80	40.77	40.74	40.72	40.70	40.68	44.22	44.21	44.19	44.17
Overall % Change	-12%	0%	0%	5%	0%	0%	0%	0%	0%	0%	0%	9%	0%	0%	0%
<b>Unwind</b>															
	37.22	37.19	37.00	39.54	55.01	49.63	49.27	49.41	51.88	52.52	52.78	54.61	54.83	55.50	55.93

**Comparative Rate Graph:**



# Comparative Unwind Economics, 9/30/08

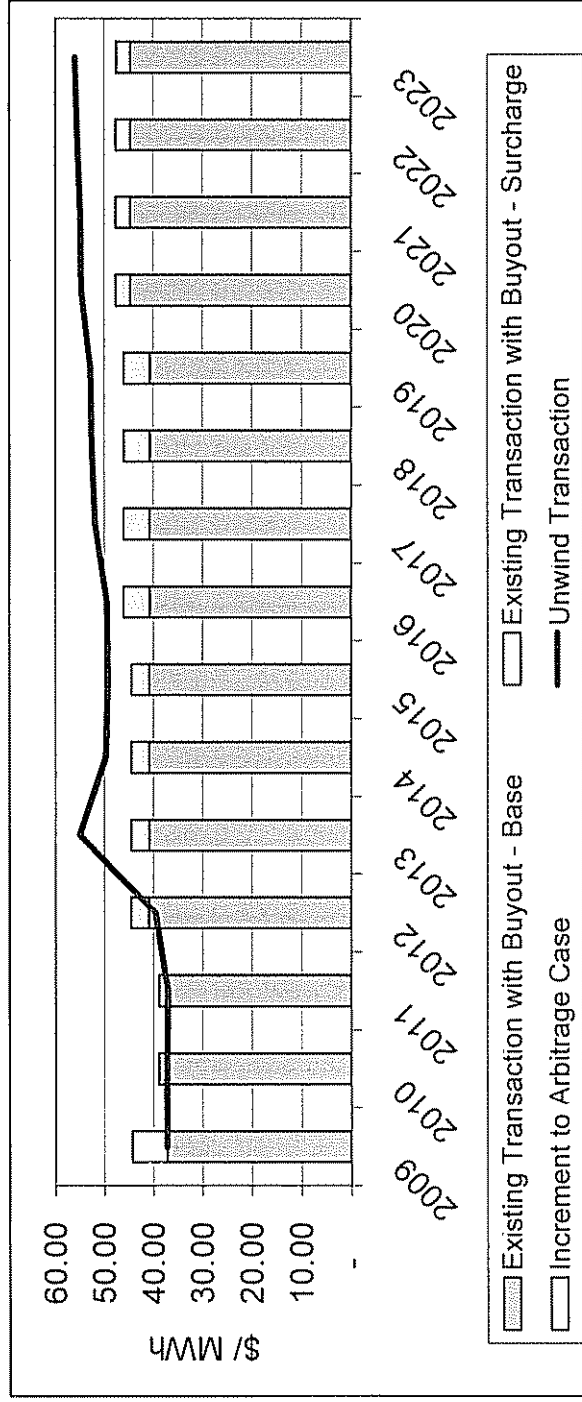
## 3b. Unwind vs. Excess Energy to Smelters/ no market purchases (ET2)

### ii. Rural Rates

Member Rate Summary Wtd. Avg.

Existing Transaction Base	41.29	37.22	37.19	37.17	40.85	40.83	40.80	40.77	40.74	40.72	40.70	40.68	44.69	44.67	44.65	44.63
% Change		0%	0%	10%	0%	0%	0%	0%	0%	0%	0%	0%	10%	0%	0%	0%
Surcharge	1.15	7.14	1.67	10.62	-	-	-	-	-	-	-	-	-	-	-	-
Increment to Arbitrage Case	3.27	-	-	-	3.71	3.71	3.71	3.71	5.32	5.32	5.31	5.31	2.93	2.93	2.93	2.93
Total	45.70	44.36	38.87	47.78	44.56	44.54	44.51	44.48	46.06	46.04	46.01	45.99	47.62	47.61	47.58	47.56
Overall % Change		-12%	23%	-7%	0%	0%	0%	0%	4%	0%	0%	0%	4%	0%	0%	0%
Unwind	49.35	37.22	37.19	37.00	39.54	55.01	49.63	49.27	49.41	51.88	52.52	52.78	54.61	54.83	55.50	55.93

Comparative Rate Graph:



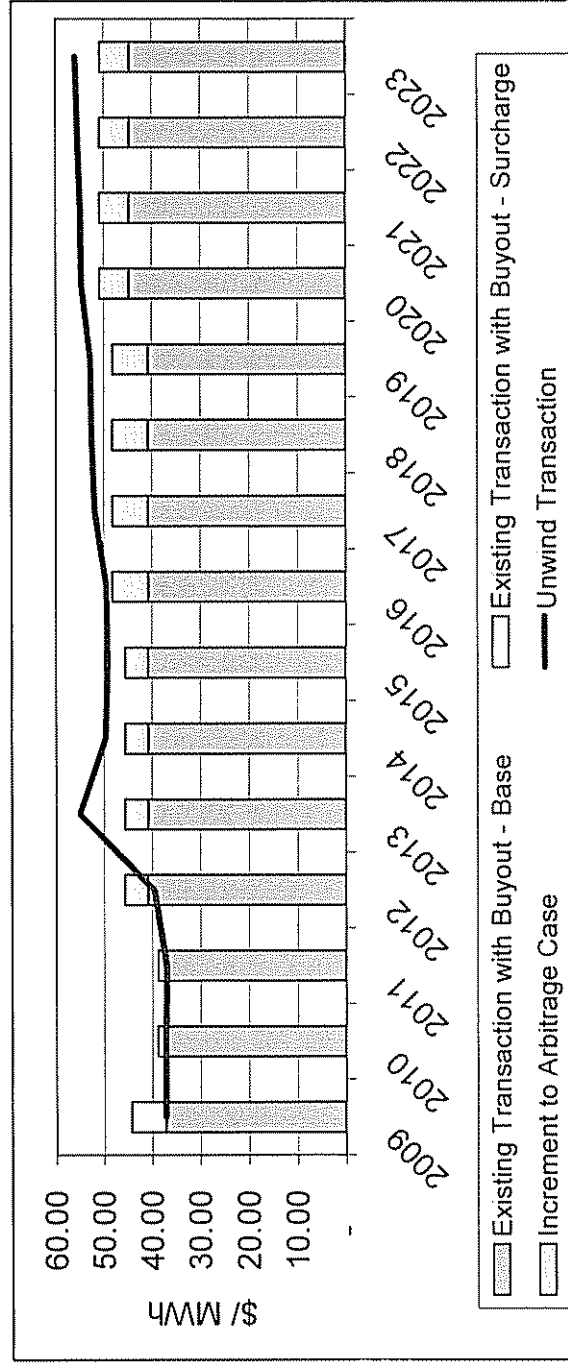
# Comparative Unwind Economics, 9/30/08

## 3c. Unwind vs. Smelter Sale Case (200MW) in Existing Transaction (ET3)

### ii. Rural Rates

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Member Rate Summary</b>															
Wtd. Avg.	37.22	37.19	37.17	40.85	40.83	40.80	40.77	40.74	40.72	40.70	40.68	44.69	44.67	44.65	44.63
Existing Transaction Base	37.22	37.19	37.17	40.85	40.83	40.80	40.77	40.74	40.72	40.70	40.68	44.69	44.67	44.65	44.63
% Change	0%	0%	0%	10%	0%	0%	0%	0%	0%	0%	0%	10%	0%	0%	0%
Surcharge	7.14	1.67	10.34	3.46	4.82	4.82	4.82	7.46	7.45	7.45	7.45	6.19	6.19	6.18	6.18
Increment to Arbitrage Case	-	-	-	4.83	4.82	4.82	4.82	7.46	7.45	7.45	7.45	6.19	6.19	6.18	6.18
Total	44.36	38.87	47.51	49.14	45.65	45.62	45.59	48.20	48.18	48.15	48.12	50.88	50.86	50.83	50.81
Overall % Change	-12%	-12%	22%	3%	-7%	0%	0%	6%	0%	0%	0%	6%	0%	0%	0%
Unwind	49.35	37.19	37.00	39.54	55.01	49.63	49.27	49.41	51.88	52.52	52.78	54.61	54.83	55.50	55.93

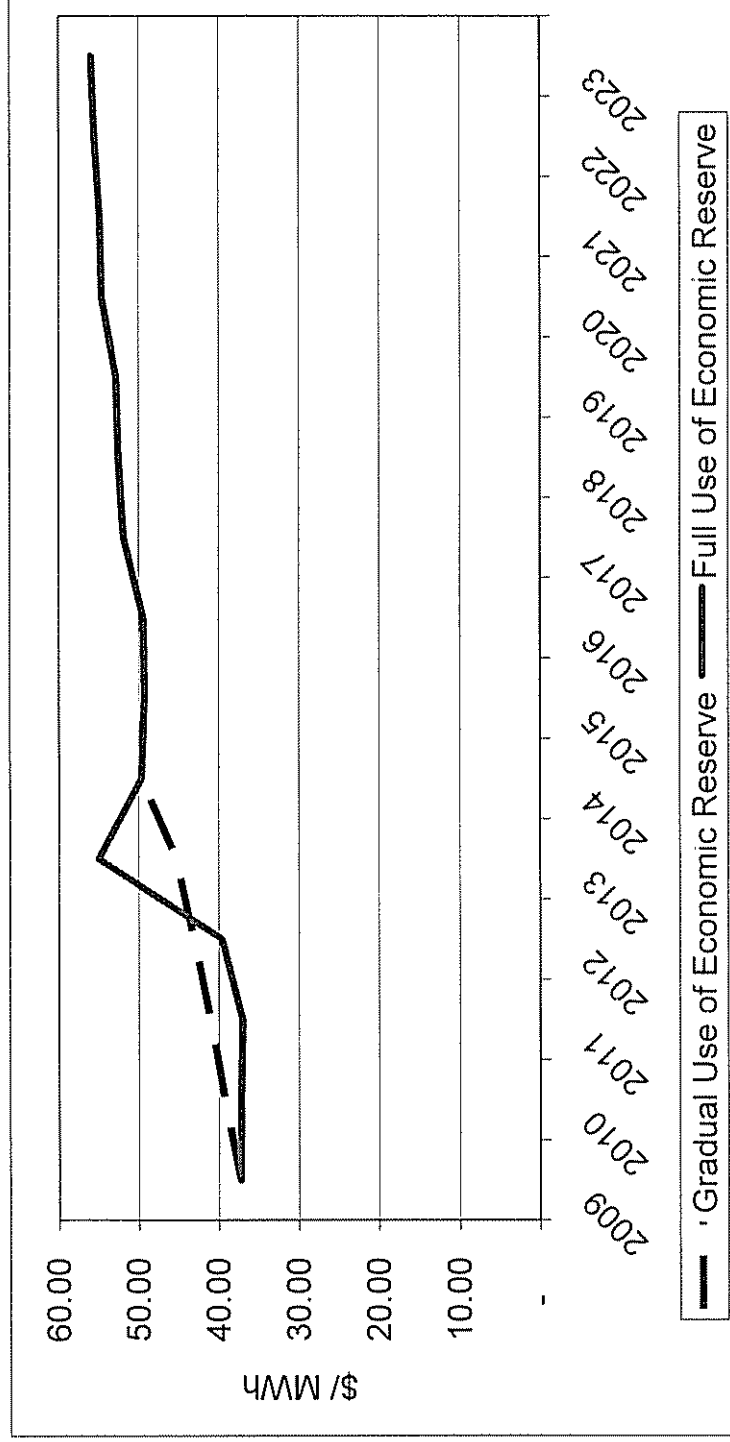
**Comparative Rate Graph:**



4. Unwind - Economic Reserve Used to Smooth Rates (UW2)

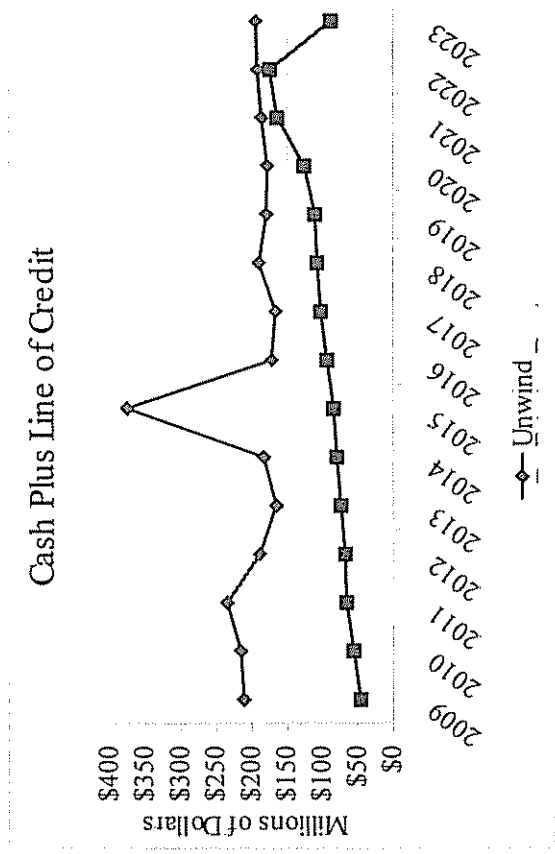
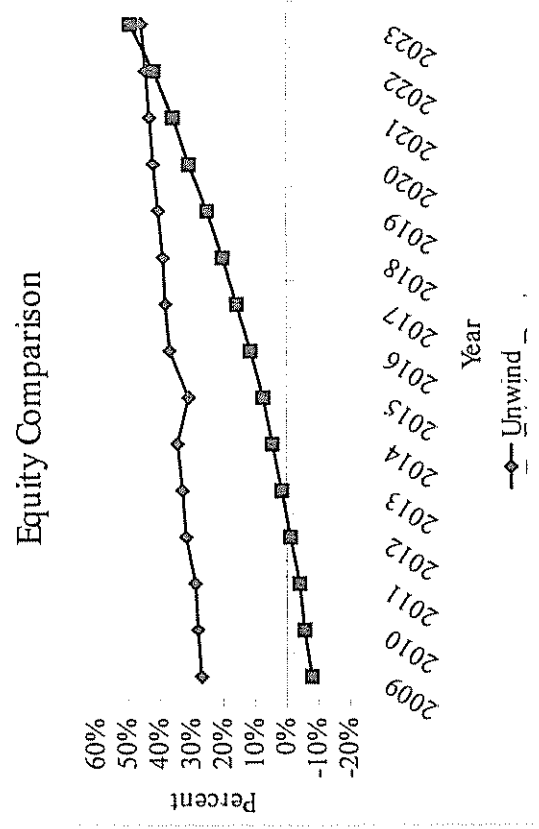
ii. Rural Rates

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Wtd Avg	37.22	37.19	37.00	39.54	55.01	49.63	49.27	49.41	51.88	52.52	52.78	54.61	54.83	55.50	55.93
Full Change		0%	-1%	7%	39%	-10%	-1%	0%	5%	1%	0%	3%	0%	1%	1%
Feathered	37.22	39.19	41.00	43.04	45.24	49.63	49.27	49.41	51.88	52.52	52.78	54.61	54.83	55.50	55.93
Change		5%	5%	5%	10%	-1%	-1%	0%	5%	1%	0%	3%	0%	1%	1%





5. Balance Sheet Comparison



## Net Member Value

- -\$359 million vs. Arbitrage Case
- -\$171 million vs. All Excess Energy to Smelters
- -\$89 million vs. 200 MW Firm to Smelters

6. Pros and Cons

Item	Unwind		Status Quo	
	Pro	Con	Pro	Con
<b>Credit Rating</b>	XXX			XXX
Balance Sheet	X			X
Control of Plants	X			X
Rate Risk	X	X	X	X
Fuel Risk		XXX	XX	
Generation Risk		XXX	XX	
Carbon legislation Risk		XXX		X
Public Relations	X	X	X	X
Litigation Risk	X			X
Economic Development	X			X
Smelter Jobs	X			X

COMPARISON OF RESIDENTIAL ELECTRIC BILLS AS OF 07/01/08

COMPANY	Util I D.	PURSUANT TO CASE NO.	MIMIMUM BILL	kWh INCL	Base Bill	FAC Charge
INVESTOR OWNED						
KENTUCKY POWER	300	2006-00507	\$ 5.86	0	\$70.61	\$11.31
KENTUCKY UTILITIES	400	2006-00509	\$ 5.00	0	\$61.46	\$0.90
L G & E	500	2006-00510	\$ 5.00	0	\$68.89	\$1.34
DUKE KENTUCKY	800	2006-00172	\$ 4.50	0	\$77.74	\$5.77
RURAL ELECTRIC						
Small - Less than 20,000 Customers						
BIG SANDY	1000	2006-00473	\$ 7.18	0	\$76.92	\$7.86
GRAYSON	1800	2006-00480	\$ 8.16	0	\$86.84	\$7.60
SHELBY ENERGY	3000	2006-00487	\$ 7.37	0	\$79.85	\$6.07
Medium - 20,000-30,000 Customers						
CLARK ENERGY	1200	2006-00476	\$ 5.48	0	\$81.36	\$7.26
CUMBERLAND ELECTRIC	1300	2006-00477	\$ 5.13	0	\$77.74	\$8.26
FARMERS	1500	2006-00478	\$ 7.48	50	\$73.37	\$6.06
FLEMING-MASON ENERGY	1600	2007-00022	\$ 9.75	0	\$85.39	\$6.31
INTER-COUNTY ENERGY	2200	2006-00481	\$ 5.69	0	\$79.11	\$7.13
JACKSON PURCHASE	2400	2007-00116	\$ 9.00	0	\$71.11	**
LICKING VALLEY	2500	2006-00483	\$ 7.17	0	\$80.56	\$6.06
MEADE COUNTY	2600	2006-00500	\$ 9.85	0	\$69.86	**
NOLIN	2700	2006-00466	\$ 8.13	0	\$81.54	\$7.06
TAYLOR COUNTY	3200	2006-00489	\$ 7.10	0	\$76.62	\$6.45
Large - 30,000 Customers and above						
BLUE GRASS ENERGY	2000200	2006-00475	\$ 5.44	0	\$73.79	\$7.11
BGE-Fox Creek District		2006-00475	\$ 5.53	30	\$76.20	\$7.11
HARRISON Elec customers	2000	2006-00475	\$ 9.10	0	\$83.61	\$7.11
JACKSON ENERGY	2300	2007-00333	\$ 9.50	0	\$95.13	\$6.46
KENERGY	2000100	2006-00369	\$ 9.91	0	\$69.87	**
OWEN ELECTRIC	2800	2006-00485	\$ 5.64	0	\$80.97	\$7.16
SALT RIVER ELECTRIC	2900	2006-00486	\$ 7.91	0	\$75.11	\$5.87
SOUTH KENTUCKY	3100	2006-00488	\$ 8.20	0	\$80.79	\$7.17

This schedule includes only the major components of a monthly residential electric bill as of April 1, 2008

Additional credits and/or charges may apply.

\* Does not participate in environmental surcharge mechanism.

\*\*Does not participate in fuel adjustment charge mechanism

Environ Mo Bill for  
Surcharge 1,000 kWh

\$3 33	\$85 25
\$3 28	\$65 64
\$1 03	\$71 26
*	\$83 50

\$3 49	\$88 27
\$3 75	\$98 19
\$3 96	\$89 88

\$3 51	\$92 13
\$3 68	\$89 68
\$3 54	\$82 97
\$4 51	\$96 21
\$3 26	\$89 50

*	\$71 11
\$3 50	\$90 11
*	\$69 86
\$3 88	\$92 48
\$3 72	\$86 79

\$3 54	\$84 44
\$3 66	\$86 97
\$4 01	\$94 73
\$4 05	\$105 64
*	\$69 87
\$4 11	\$92 24
\$3 62	\$84 60
\$3 68	\$91 64