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PUBLIC SERVICE
COMMISSION

**APPLICATION OF MEADE COUNTY RURAL
ELECTRIC COOPERATIVE CORPORATION
TO ADJUST ELECTRIC RATES**

CASE NO. 2010-000222

VOLUME 2

This data will be used by REA to review your financial situation. Your response is required (7 U.S.C. 901 et seq.) and is not confidential.

<p>USDA-REA</p> <p>FINANCIAL AND STATISTICAL REPORT</p> <p>INSTRUCTIONS: Submit an original and two copies to REA, round all amounts to nearest dollar. For detailed instructions, see REA Bulletin 1717B-2.</p>	<p>BORROWER DESIGNATION: KY-18-MEADE</p> <p>BORROWER NAME AND ADDRESS: MEADE COUNTY R. E. C. C., P. O. BOX 489, BRANDENBURG KY 40108</p> <p>PERIOD ENDED: 30-Apr-09 REA USE</p>
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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.

ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, REA, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.

SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT: *Karen Brown*

SIGNATURE MANAGER: *Brent E. Jensen*

DATE: 5/15/09

DATE: 5/18/09

PART A. STATEMENT OF OPERATIONS

ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR	THIS YEAR	BUDGET	
	(a)	(b)	(c)	
1. Operating Revenue and Patronage Capital	11,640,828.34	11,076,039.89	2,379,469	2,209,096.67
2. Power Production Expense				
3. Cost of Purchased Power	6,204,892.28	6,384,213.20	1,229,730	1,186,537.34
4. Transmission Expense				
5. Distribution Expense - Operation	732,812.10	589,386.02	176,897	162,875.16
6. Distribution Expense - Maintenance	924,119.10	680,078.40	213,016	198,316.32
7. Customer Accounts Expense	443,412.26	445,938.87	111,638	109,449.04
8. Customer Service and Informational Expense	96,370.32	85,109.78	23,145	23,265.17
9. Sales Expense	1,664.25	(2,228.77)	1,647	(695.17)
10. Administrative and General Expense	431,557.65	426,935.74	112,068	104,523.71
11. Total Operation & Maintenance Expense (2 thru 10)	8,834,827.96	8,609,433.24	1,868,141	1,784,271.57
12. Depreciation and Amortization Expense	935,522.49	978,015.47	245,255	215,561.95
13. Tax Expense - Property and Gross Receipts				
14. Tax Expense - Other	11,874.25	10,437.22	2,826	2,618.60
15. Interest on Long-Term Debt	763,062.55	769,998.84	195,072	198,134.17
16. Interest Charge to Construction - Credit				
17. Interest Expense - Other	11,045.59	9,389.23	3,197	931.12
18. Other Deductions	2,830.54	1,500.00	365	1,000.00
19. Total Cost of Electric Service (11 thru 18)	10,559,163.38	10,378,774.00	2,314,856	2,232,517.41
20. Patronage Capital & Operating Margins (1 minus 19)	1,081,664.96	697,265.89	61,613	-23,420.74
21. Non-Operating Margins - Interest	47,475.91	25,452.56	11,101	8,361.04
22. Allowance for Funds Used During Construction				
23. Income (Loss) from Equity Investments				
24. Non-Operating Margins - Other	(3,044.83)	9,135.19	1,326	5,828.62
25. Generation and Transmission Capital Credits				
26. Other Capital Credits and Patronage Dividends	22,536.00	12,764.00		
27. Extraordinary Items				
28. Patronage Capital or Margins (20 thru 27)	\$1,148,632.04	\$744,617.64	77,040	(9,228.08)

PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR	THIS YEAR		LAST YEAR	THIS YEAR
	(a)	(b)		(a)	(b)
1. New Services Connected	129	86	5 Miles Transmission		
2. Services Retired	55	48	6 Miles Distribution - Overhead	2,883	2,891
3. Total Services in Place	29,945	30,237	7 Miles Distribution - Underground	79	83
4. Idle Services (Exclude Seasonal)	2,128	2,322	8 Total Miles Energized (5 + 6 + 7)	2,962	2,973

PART C. BALANCE SHEET

ASSETS AND OTHER DEBITS	LIABILITIES AND OTHER CREDITS
1 Total Utility Plant in Service 87,407,015.79	30 Memberships 104,205.00
2 Construction Work in Progress 891,212.65	31 Patronage Capital 18,125,363.33
3 Total Utility Plant (1 + 2) 88,298,228.44	32 Operating Margins - Prior Year 77,784.13
4 Accum Provision for Depreciation and Amort 23,360,648.58	33 Operating Margins - current Year 710,029.89
5 Net Utility Plant (3 - 4) 64,937,579.86	34 Non-Operating Margins 3,018,517.17
6 Non-Utility Property (Net) 0.00	35 Other Margins and Equities 651,749.62
7 Investments in Subsidiary Companies 0.00	36 Total Margins & Equities (30 thru 35) 22,687,649.14
8 Invest in Assoc. Org - Patronage Capital 853,365.33	37 Long-Term Debt - REA (Net) 28,587,241.99
9 Invest. in Assoc. Org - Other - General Funds 0.00	(Payments-Unapplied \$ 0.00
10 Invest. in Assoc. Org - Other - Nongeneral Funds 1,348,311.35	38 Long-Term Debt - REA - Econ. Devel 9,626,339.67
11 Investments in Economic Development Projects 0.00	39 Long-Term Debt - Other - REA Guar 12,482,494.73
12 Other Investments 0.00	40 Long-Term Debt - Other (Net) 50,696,076.39
13 Special Funds 0.00	41 Total Long-Term Debt (37 thru 40) 0.00
14 Total Other Property and Investments (6 thru 13) 2,201,676.68	42 Obligations Under Capital Leases 876,707.46
15 Cash - General Funds 1,739,459.48	43 Accumulated Operating Provisions 876,707.46
16 Cash - Construction Funds - Trustee 0.00	44 Total Other Noncurrent Liab (42 + 43) 0.00
17 Special Deposits 0.00	45 Notes Payable 1,532,642.67
18 Temporary Investments 2,203,751.73	46 Accounts Payable 682,985.00
19 Notes Receivable (Net) 0.00	47 Consumers Deposits 966,306.26
20 Accounts Receivable - Sales of Energy (Net) 2,652,537.44	48 Other Current and Accrued Liabilities 3,181,933.93
21 Accounts Receivable - Other (Net) 3,475,286.36	49 Total Current & Accrued Liab (45 thru 48) 578,568.78
22 Materials and Supplies - Electric and Other 434,467.48	50 Deferred Credits 0.00
23 Prepayments 183,187.70	51 Accumulated Deferred Income Taxes 78,020,935.70
24 Other Current and Accrued Assets 82,122.21	52 Total Liabilities and Other Credits
25 Total Current and Accrued Assets (15 thru 24) 10,770,812.40	(36 - 41 - 44 - 49 thru 51)
26 Regulatory Assets 0.00	ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION
27 Other Deferred Debits 110,866.76	53 Balance Beginning of Year
28 Accumulated Deferred Income Taxes 0.00	54 Amount Received This Year (Net)
29 Total Assets and Other Debits (5 - 14 + 25 thru 28) 78,020,935.70	55 Total Contributions in Aid of Construction

PART D. NOTES TO FINANCIAL STATEMENTS

CLASS OF SERVICE	THIS MONTH			YEAR-TO-DATE			
	No Receiving Service	KWh Sold	Amount	No Minimum Bills	Avg No Receiving Sec	KWh Sold Cumulative	Amount Cumulative
	a	b	c	d	e	f	g
1 Residential Sales (incl secs 1)	25,787	22,597,378	1,629,251.60	1,330	25,847	123,878,847	8,530,797.17
2 Residential Sales Seasonal							
3 Irrigation Sales							
4 Comm & Ind - 50 KVA or less	1,690	2,006,318	155,622.01	138	1,693	8,751,867	671,731.03
5 Comm & Ind - over 50 KVA	346	4,609,121	317,052.58	18	348	21,041,310	1,503,396.25
6 Public St & Highway Lighting	6	86,334	5,655.90	6	6	341,994	22,591.65
7 Other Sales to Public Auth							
8 Sales for Resale - REA Borr							
9 Sales for Resale - Others							
10 Total Sales of Electric Energy (1 thru 9)	27,829	29,299,151	2,137,581.93	1,492	27,894	154,017,018	10,728,519.12
11 Other Electric Revenue			71,511.75				347,520.77
12 Total (10 + 11)			2,209,096.67				11,076,039.89

PART E. kWh AND kW STATISTICS*

ITEM	THIS MONTH	YEAR-TO-DATE	ITEM	THIS MONTH	YEAR-TO-DATE
1 Net kWh Generated			6 Office Use	95,996	514,016
2 kWh Purchased	31,025,590	161,630,169	7 Total Unaccounted For (4 Less 5 & 6)	1,630,443	7,099,133
3 Interchange kWh - Net			8 Percent System Loss (7/4) x 100	5.26%	4.39%
4 Total kWh (1 thru 3)	31,025,590	161,630,169	9 Maximum Demand (kW)	75,116	132,543
5 Total kWh Sold	29,299,151	154,017,018	10 Month When Maximum Demand Occurred		

This data will be used by REA to review your financial situation. Your response is required (7 U.S.C. 901 et seq.) and is not confidential.

<p>USDA-REA</p> <p>FINANCIAL AND STATISTICAL REPORT</p> <p>INSTRUCTIONS: Submit an original and two copies to REA, round all amounts to nearest dollar. For detailed instructions, see REA Bulletin 1717B-2</p>	<p>BORROWER DESIGNATION KY-18-MEADE</p> <p>BORROWER NAME AND ADDRESS MEADE COUNTY R. E. C. C- P. O. BOX 489 BRANDENBURG, KY 40108</p> <p>PERIOD ENDED 31-May-09 REA USE</p>
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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

ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XV11, REA, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES

Karen Brown

 SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT

Bruce E. Jensen

 SIGNATURE MANAGER

6/17/09

 DATE

6/19/09

 DATE

PART A. STATEMENT OF OPERATIONS

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR	THIS YEAR	BUDGET	
	(a)	(b)	(c)	
1. Operating Revenue and Patronage Capital.....	13,658,048.93	13,150,703.53	2,145,410	2,074,663.64
2. Power Production Expense.....				
3. Cost of Purchased Power.....	7,211,366.84	7,476,471.05	1,148,678	1,092,257.85
4. Transmission Expense.....				
5. Distribution Expense - Operation.....	876,541.66	754,879.30	159,082	165,493.28
6. Distribution Expense - Maintenance.....	1,110,065.42	866,970.87	229,118	186,892.47
7. Customer Accounts Expense.....	541,560.99	545,334.98	112,105	99,396.11
8. Customer Service and Informational Expense.....	116,554.87	105,978.90	21,900	20,869.12
9. Sales Expense.....	327.02	(2,784.77)	(1,451)	(556.00)
10. Administrative and General Expense.....	527,593.71	533,322.97	102,364	106,387.23
11. Total Operation & Maintenance Expense (2 thru 10).....	10,384,010.51	10,280,173.30	1,771,796	1,670,740.06
12. Depreciation and Amortization Expense.....	1,171,147.12	1,223,833.33	245,135	245,817.86
13. Tax Expense - Property and Gross Receipts.....				
14. Tax Expense - Other.....	14,841.82	13,074.06	2,816	2,636.84
15. Interest on Long-Term Debt.....	951,992.27	959,285.53	201,421	189,286.69
16. Interest Charge to Construction - Credit.....				
17. Interest Expense - Other.....	14,988.96	14,161.85	3,197	4,772.62
18. Other Deductions.....	4,507.06	1,606.00	1,388	106.00
19. Total Cost of Electric Service (11 thru 18).....	12,541,487.74	12,492,134.07	2,225,753	2,113,360.07
20. Patronage Capital & Operating Margins (1 minus 19)....	1,116,561.19	658,569.46	-80,343	-38,696.43
21. Non-Operating Margins - Interest.....	58,860.89	30,726.17	11,374	5,273.61
22. Allowance for Funds Used During Construction.....				
23. Income (Loss) from Equity Investments.....				
24. Non-Operating Margins - Other.....	(2,567.74)	10,871.71	477	1,736.52
25. Generation and Transmission Capital Credits.....				
26. Other Capital Credits and Patronage Dividends.....	22,536.00	12,764.00	-	-
27. Extraordinary Items.....				
28. Patronage Capital or Margins (20 thru 27).....	51,195,390.34	5712,931.34	(68,492)	(31,686.30)

PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR	THIS YEAR		LAST YEAR	THIS YEAR
	(a)	(b)		(a)	(b)
1. New Services Connected	170	110	5. Miles Transmission		
2. Services Retired	79	60	6. Miles Distribution - Overhead	2,884	2,892
3. Total Services in Place	29,975	30,243	7. Miles Distribution - Underground	79	83
4. Idle Services (Exclude Seasonal)	2,128	2,273	8. Total Miles Energized (5 + 6 + 7)	2,963	2,975

FINANCIAL AND STATISTICAL REPORT

KY-18-MEADE

PERIOD ENDED

REA USE ONLY

INSTRUCTIONS - See REA Bulletin 1717B-2

May 31, 2009

PART C BALANCE SHEET

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	87,501,737.89	30 Memberships	103,830.00
2. Construction Work in Progress	903,744.71	31 Patronage Capital	18,114,816.03
3. Total Utility Plant (1 + 2)	88,405,482.60	32 Operating Margins - Prior Year	77,784.13
4. Accum. Provision for Depreciation and Amort	23,564,370.37	33 Operating Margins - current Year	671,333.46
5. Net Utility Plant (3 - 4)	64,841,112.23	34 Non-Operating Margins	3,025,527.30
6. Non-Utility Property (Net)	0.00	35 Other Margins and Equities	649,103.02
7. Investments in Subsidiary Companies	0.00	36 Total Margins & Equities (30 thru 35)	22,642,393.94
8. Invest in Assoc. Org. - Patronage Capital	853,349.20	37 Long-Term Debt - REA (Net)	28,546,994.90
9. Invest in Assoc. Org. - Other - General Funds	0.00	(Payments-Unapplied \$)	
10. Invest in Assoc. Org. - Other - Nongeneral Funds	1,348,311.35	38 Long-Term Debt - REA - Econ. Devel.	0.00
11. Investments in Economic Development Projects	0.00	39 Long-Term Debt - Other - REA Guar	9,626,339.67
12. Other Investments	0.00	40 Long-Term Debt - Other (Net)	10,944,225.85
13. Special Funds	0.00	41. Total Long-Term Debt (37 thru 40)	49,117,560.42
14. Total Other Property and Investments (6 thru 13)	2,201,660.55	42 Obligations Under Capital Leases	0.00
15. Cash - General Funds	2,299,402.38	43. Accumulated Operating Provisions	882,835.54
16. Cash - Construction Funds - Trustee	0.00	44 Total Other Noncurrent Liab. (42 + 43)	882,835.54
17. Special Deposits	0.00	45 Notes Payable	0.00
18. Temporary Investments	620,317.85	46 Accounts Payable	1,658,258.39
19. Notes Receivable (Net)	0.00	47. Consumers Deposits	688,212.00
20. Accounts Receivable - Sales of Energy (Net)	2,137,905.21	48. Other Current and Accrued Liabilities	938,586.19
21. Accounts Receivable - Other (Net)	3,529,061.81	49. Total Current & Accrued Liab (45 thru 48)	3,285,056.58
22. Materials and Supplies - Electric and Other	486,773.32	50. Deferred Credits	582,587.08
23. Prepayments	159,964.19	51. Accumulated Deferred Income Taxes	0.00
24. Other Current and Accrued Assets	105,947.24	52. Total Liabilities and Other Credits	76,510,433.56
25. Total Current and Accrued Assets (15 thru 24)	9,339,372.00	(36 + 41 + 44 + 49 thru 51)	
26. Regulatory Assets	0.00	ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION	
27. Other Deferred Debits	128,288.78	53. Balance Beginning of Year	
28. Accumulated Deferred Income Taxes	0.00	54. Amount Received This Year (Net)	
29. Total Assets and Other Debits (5+14+25 thru 28)	76,510,433.56	55. Total Contributions in Aid of Construction	

PART D. NOTES TO FINANCIAL STATEMENTS

CLASS OF SERVICE	THIS MONTH			YEAR -TO-DATE			
	No. Receiving	kWh Sold	Amount	No. Minimum	Avg. No. Receiving Serv	kWh Sold	Amount
	a	b	c	d	e	f	g
1. Residential Sales (excl seas.)	25,856	19,602,045	1,449,788.61	1,222	25,849	143,480,892	9,980,585.78
2. Residential Sales Seasonal							
3. Irrigation Sales							
4. Comm. & Ind. - 50 kVA or less	1,697	2,191,550	167,748.55	122	1,694	10,943,417	839,479.40
5. Comm. & Indus. - over 50 kVA	347	5,354,753	378,989.36	15	348	26,396,063	1,882,385.61
6. Public St. & Highway Lighting	6	86,290	5,652.16	6	6	431,284	28,246.81
7. Other Sales to Public Auth.							
8. Sales for Resale - REA Borr.							
9. Sales for Resale - Others							
10. Total Sales of Electric Energy (1 thru 9)	27,906	27,234,638	2,002,178.48	1,365	27,897	181,251,656	12,730,697.60
11. Other Electric Revenue			72,485.16				420,005.93
12. Total (10 + 11)			2,074,663.64				13,150,703.53

PART E. kWh AND kW STATISTICS*

ITEM	THIS MONTH	YEAR-TO-DATE	ITEM	THIS MONTH	YEAR-TO-DATE
1. Net kWh Generated			6. Office Use	59,542	573,558
2. kWh Purchased	29,614,140	191,244,309	7. Total Unaccounted For (4 Less 5 & 6)	2,319,960	9,419,095
3. Inchange kWh - Net			8. Percent System Loss (7/4) x 100	7.83%	4.93%
4. Total kWh (1 thru 3)	29,614,140	191,244,309	9. Maximum Demand (kW)	66,231	132,545
5. Total kWh Sold	27,234,638	181,251,656	10. Month When Maximum Demand Occurred		

This data will be used by REA to review your financial situation. Your response is required (7 U.S.C. 901 et seq.) and is not confidential.

<p style="text-align: center;">USDA-REA</p> <p style="text-align: center;">FINANCIAL AND STATISTICAL REPORT</p> <p>INSTRUCTIONS: Submit an original and two copies to REA, round all amounts to nearest dollar. For detailed instructions, see REA Bulletin 1717B-2</p>	<p>BORROWER DESIGNATION KY-18-MEADE</p> <p>BORROWER NAME AND ADDRESS MEADE COUNTY R. E. C. C- P. O. BOX 489 BRANDENBURG, KY 40108</p> <p>PERIOD ENDED 30-Jun-09 REA USE</p>
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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

ALL INSURANCE REQUIRED BY PART 1788, OF 7 CFR CHAPTER XV11, REA, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES

<p style="text-align: center;"><i>Karen Brown</i></p> <p style="text-align: center;">SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT</p>	<p>7/29/09</p> <p>DATE</p>
<p style="text-align: center;"><i>Bernie E. Jensen</i></p> <p style="text-align: center;">SIGNATURE MANAGER</p>	<p>7/29/09</p> <p>DATE</p>

PART A. STATEMENT OF OPERATIONS

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR	THIS YEAR	BUDGET	
	(a)	(b)	(c)	
1. Operating Revenue and Patronage Capital.....	16,170,066.56	15,705,267.97	2,426,011	2,554,564.44
2. Power Production Expense.....				
3. Cost of Purchased Power.....	8,563,206.74	8,927,362.80	1,419,193	1,450,891.75
4. Transmission Expense.....				
5. Distribution Expense - Operation.....	1,025,457.89	931,116.29	174,920	176,236.99
6. Distribution Expense - Maintenance.....	1,284,606.38	1,064,606.83	204,384	197,635.96
7. Customer Accounts Expense.....	639,786.63	650,411.22	114,955	105,076.24
8. Customer Service and Informational Expense.....	138,691.07	131,544.27	24,793	25,565.37
9. Sales Expense.....	(638.33)	298.31	219	3,083.08
10. Administrative and General Expense.....	676,826.56	678,243.14	155,068	144,920.17
11. Total Operation & Maintenance Expense (2 thru 10).....	12,327,936.94	12,383,582.86	2,093,532	2,103,409.56
12. Depreciation and Amortization Expense.....	1,408,044.25	1,469,898.79	246,460	246,065.46
13. Tax Expense - Property and Gross Receipts.....				
14. Tax Expense - Other.....	17,472.47	15,870.47	2,835	2,796.41
15. Interest on Long-Term Debt.....	1,155,939.62	1,151,473.87	188,659	192,188.34
16. Interest Charge to Construction - Credit.....				
17. Interest Expense - Other.....	18,159.84	17,756.32	3,197	3,594.47
18. Other Deductions.....	4,557.06	2,056.34	2,602	450.34
19. Total Cost of Electric Service (11 thru 18).....	14,932,110.18	15,040,638.65	2,537,285	2,548,504.58
20. Patronage Capital & Operating Margins (1 minus 19)....	1,237,956.38	664,629.32	-111,274	6,059.86
21. Non-Operating Margins - Interest.....	67,510.48	35,620.00	8,668	4,893.83
22. Allowance for Funds Used During Construction.....				
23. Income (Loss) from Equity Investments.....				
24. Non-Operating Margins - Other.....	(2,066.27)	13,191.05	274	2,319.34
25. Generation and Transmission Capital Credits.....				
26. Other Capital Credits and Patronage Dividends.....	22,536.00	31,023.98	-	18,259.98
27. Extraordinary Items.....				
28. Patronage Capital or Margins (20 thru 27).....	\$1,325,936.59	\$744,464.35	(102,332)	31,533.01

PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR	THIS YEAR		LAST YEAR	THIS YEAR
	(a)	(b)		(a)	(b)
1. New Services Connected	226	141	5 Miles Transmission		
2. Services Retired	107	82	6 Miles Distribution - Overhead	2,886	2,892
3. Total Services in Place	29,995	30,271	7 Miles Distribution - Underground	79	83
4. Idle Services (Exclude Seasonal)	2,125	2,266	8. Total Miles Energized (5 + 6 + 7)	2,965	2,975

FINANCIAL AND STATISTICAL REPORT

KY-18-MEADE

PERIOD ENDED

REA USE ONLY

INSTRUCTIONS - See REA Bulletin 1717B-2

June 30, 2009

PART C. BALANCE SHEET

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	87,625,973.94	30. Memberships	103,515.00
2. Construction Work in Progress	967,225.44	31. Patronage Capital	18,100,997.50
3. Total Utility Plant (1 + 2)	88,593,199.38	32. Operating Margins - Prior Year	77,784.13
4. Accum. Provision for Depreciation and Amort	23,724,160.17	33. Operating Margins - current Year	695,653.30
5. Net Utility Plant (3 - 4)	64,869,039.21	34. Non-Operating Margins	3,032,740.47
6. Non-Utility Property (Net)	0.00	35. Other Margins and Equities	646,940.48
7. Investments in Subsidiary Companies	0.00	36. Total Margins & Equities (30 thru 35)	22,657,630.88
8. Invest. in Assoc. Org. - Patronage Capital	863,783.47	37. Long-Term Debt - REA (Net)	28,503,327.45
9. Invest. in Assoc. Org. - Other - General Funds	0.00	(Payments-Unapplied \$)	
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	1,348,311.35	38. Long-Term Debt - REA - Econ. Devel.	0.00
11. Investments in Economic Development Projects	0.00	39. Long-Term Debt - Other - REA Guar	9,571,660.34
12. Other Investments	0.00	40. Long-Term Debt - Other (Net)	10,944,225.85
13. Special Funds	0.00	41. Total Long-Term Debt (37 thru 40)	49,019,213.64
14. Total Other Property and Investments (6 thru 13)	2,212,094.82	42. Obligations Under Capital Leases	0.00
15. Cash - General Funds	1,318,558.49	43. Accumulated Operating Provisions	888,807.62
16. Cash - Construction Funds - Trustee	0.00	44. Total Other Noncurrent Liab (42 + 43)	888,807.62
17. Special Deposits	0.00	45. Notes Payable	0.00
18. Temporary Investments	1,016,084.75	46. Accounts Payable	1,734,906.53
19. Notes Receivable (Net)	0.00	47. Consumers Deposits	695,700.00
20. Accounts Receivable - Sales of Energy (Net)	2,779,917.06	48. Other Current and Accrued Liabilities	1,008,869.73
21. Accounts Receivable - Other (Net)	3,536,001.17	49. Total Current & Accrued Liab (45 thru 48)	3,439,476.26
22. Materials and Supplies - Electric and Other	466,998.25	50. Deferred Credits	587,087.08
23. Prepayments	138,375.89	51. Accumulated Deferred Income Taxes	0.00
24. Other Current and Accrued Assets	129,772.27	52. Total Liabilities and Other Credits	76,592,215.48
25. Total Current and Accrued Assets (15 thru 24)	9,385,707.88	(36 + 41 + 44 + 49 thru 51)	
26. Regulatory Assets	0.00	ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION	
27. Other Deferred Debits	125,373.57	53. Balance Beginning of Year	
28. Accumulated Deferred Income Taxes	0.00	54. Amount Received This Year (Net)	
29. Total Assets and Other Debits (3+14+25 thru 28)	76,592,215.48	55. Total Contributions in Aid of Construction	

PART D. NOTES TO FINANCIAL STATEMENTS

CLASS OF SERVICE	THIS MONTH			YEAR -TO-DATE			
	No. Receiving	kWh Sold	Amount	No. Minimum Bills	Avg. No Receiving Serv.	kWh Sold Cumulative	Amount Cumulative
	a	b	c	d	e	f	g
1. Residential Sales (excl seas)	25,927	26,658,702	1,874,329.25	1,207	25,862	170,139,594	11,854,915.03
2. Residential Sales Seasonal							
3. Irrigation Sales							
4. Comm. & Ind. - 50 kVA or less	1,709	2,641,606	197,152.69	140	1,697	13,585,023	1,036,632.09
5. Comm. & Indus. over 50 kVA	347	5,957,938	410,524.59	17	348	32,354,001	2,292,910.20
6. Public St. & Highway Lighting	6	86,290	5,652.16	6	6	517,574	33,898.97
7. Other Sales to Public Auth							
8. Sales for Resale - REA Borr							
9. Sales for Resale - Others							
10. Total Sales of Electric Energy (1 thru 9)	27,989	35,344,536	2,487,658.69	1,370	27,913	216,596,192	15,218,356.29
11. Other Electric Revenue			66,905.75				486,911.68
12. Total (10 + 11)			2,554,564.44				15,705,267.97

PART E. kWh AND kW STATISTICS*

ITEM	THIS MONTH	YEAR-TO-DATE	ITEM	THIS MONTH	YEAR-TO-DATE
1. Net kWh Generated			6. Office Use	112,596	686,154
2. kWh Purchased	38,368,850	229,613,159	7. Total Unaccounted For (& 6)	2,911,718	12,330,813
3. Interchange kWh - Net			8. Percent System Loss (7/4) x 100	7.59%	5.37%
4. Total kWh (1 thru 3)	38,368,850	229,613,159	9. Maximum Demand (kW)	90,659	132,545
5. Total kWh Sold	35,344,536	216,596,192	10. Month When Maximum Demand Occurred		

This data will be used by REA to review your financial situation. Your response is required (7 U.S.C. 901 et seq) and is not confidential.

<p>USDA-REA</p> <p>FINANCIAL AND STATISTICAL REPORT</p> <p>INSTRUCTIONS: Submit an original and two copies to REA, round all amounts to nearest dollar. For detailed instructions, see REA Bulletin 1717B-2</p>	<p>BORROWER DESIGNATION KY-18-MEADE</p> <p>BORROWER NAME AND ADDRESS MEADE COUNTY R. E. C. C- P. O. BOX 489 BRANDENBURG, KY 40108</p> <p>PERIOD ENDED 31-Jul-09 REA USE</p>
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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

ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, REA, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES

<p style="text-align: center;"><i>Baren Brown</i></p> <p style="text-align: center;">SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT</p>	<p style="text-align: center;">8/15/09</p> <p style="text-align: center;">DATE</p>
<p style="text-align: center;"><i>Brent E. W. Jensen</i></p> <p style="text-align: center;">SIGNATURE MANAGER</p>	<p style="text-align: center;">8/15/09</p> <p style="text-align: center;">DATE</p>

PART A. STATEMENT OF OPERATIONS				
ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR	THIS YEAR	BUDGET	
	(a)	(b)	(c)	
1. Operating Revenue and Patronage Capital.....	18,895,719.59	18,206,810.47	2,820,382	2,501,542.50
2. Power Production Expense.....				
3. Cost of Purchased Power.....	10,035,894.34	10,278,850.19	1,650,760	1,351,487.39
4. Transmission Expense.....				
5. Distribution Expense - Operation.....	1,173,599.02	1,131,374.68	199,842	200,258.39
6. Distribution Expense - Maintenance.....	1,489,452.18	1,320,952.63	233,428	256,345.80
7. Customer Accounts Expense.....	740,876.28	729,824.64	117,915	79,413.42
8. Customer Service and Informational Expense.....	163,030.07	158,638.06	36,336	27,093.79
9. Sales Expense.....	(1,708.53)	(294.78)	(1,162)	(593.09)
10. Administrative and General Expense.....	772,397.79	795,216.75	124,285	116,973.61
11. Total Operation & Maintenance Expense (2 thru 10).....	14,373,541.15	14,414,562.17	2,361,404	2,030,979.31
12. Depreciation and Amortization Expense.....	1,644,937.88	1,716,280.81	246,455	246,382.02
13. Tax Expense - Property and Gross Receipts.....				
14. Tax Expense - Other.....	20,049.86	18,623.73	3,022	2,753.26
15. Interest on Long-Term Debt.....	1,351,948.54	1,345,908.34	194,600	194,434.47
16. Interest Charge to Construction - Credit.....				
17. Interest Expense - Other.....	21,509.67	22,540.40	3,197	4,784.08
18. Other Deductions.....	5,057.06	2,806.34	78	750.00
19. Total Cost of Electric Service (11 thru 18).....	17,417,044.16	17,520,721.79	2,808,756	2,480,083.14
20. Patronage Capital & Operating Margins (1 minus 19)....	1,478,675.43	686,088.68	11,626	21,459.36
21. Non-Operating Margins - Interest.....	76,299.63	40,705.99	8,780	5,085.99
22. Allowance for Funds Used During Construction.....				
23. Income (Loss) from Equity Investments.....				
24. Non-Operating Margins - Other.....	(2,822.91)	14,920.02	(757)	1,728.97
25. Generation and Transmission Capital Credits.....				
26. Other Capital Credits and Patronage Dividends.....	37,740.07	31,023.98	15,204	-
27. Extraordinary Items.....				
28. Patronage Capital or Margins (20 thru 27).....	\$1,589,892.22	\$772,738.67	34,853	28,274.32

PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT					
ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR	THIS YEAR		LAST YEAR	THIS YEAR
	(a)	(b)		(a)	(b)
1. New Services Connected	304	206	5. Miles Transmission		
2. Services Retired	163	105	6. Miles Distribution - Overhead	2,889	2,895
3. Total Services in Place	30,030	30,271	7. Miles Distribution - Underground	80	84
4. Idle Services (Exclude Seasonal)	2,141	2,266	8. Total Miles Energized (5 + 6 + 7)	2,969	2,979

FINANCIAL AND STATISTICAL REPORT

KY-18-MEADE

PERIOD ENDED

REA USE ONLY

INSTRUCTIONS - See REA Bulletin 1717B-2

July 31, 2009

PART C. BALANCE SHEET

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service.....	87,945,592.87	30. Memberships.....	103,105.00
2. Construction Work in Progress.....	1,200,241.93	31. Patronage Capital.....	18,076,743.76
3. Total Utility Plant (1 + 2).....	89,145,834.80	32. Operating Margins - Prior Year.....	77,784.13
4. Accum. Provision for Depreciation and Amort.....	23,859,172.42	33. Operating Margins - current Year.....	717,112.66
5. Net Utility Plant (3 - 4).....	65,286,662.38	34. Non-Operating Margins.....	3,039,555.43
6. Non-Utility Property (Net).....	0.00	35. Other Margins and Equities.....	644,458.29
7. Investments in Subsidiary Companies.....	0.00	36. Total Margins & Equities (30 thru 35).....	22,658,759.27
8. Invest. in Assoc. Org. - Patronage Capital.....	863,783.47	37. Long-Term Debt - REA (Net).....	28,462,785.77
9. Invest. in Assoc. Org. - Other - General Funds.....	0.00	(Payments-Unapplied \$)	
10. Invest. in Assoc. Org. - Other - Nongeneral Funds.....	1,348,311.35	38. Long-Term Debt - REA - Econ. Devel.....	0.00
11. Investments in Economic Development Projects.....	0.00	39. Long-Term Debt - Other - REA Guar.....	9,571,660.34
12. Other Investments.....	0.00	40. Long-Term Debt - Other (Net).....	10,944,225.85
13. Special Funds.....	0.00	41. Total Long-Term Debt (37 thru 40).....	48,978,671.96
14. Total Other Property and Investments (6 thru 13).....	2,212,094.82	42. Obligations Under Capital Leases.....	0.00
15. Cash - General Funds.....	3,967,919.74	43. Accumulated Operating Provisions.....	898,478.10
16. Cash - Construction Funds - Trustee.....	0.00	44. Total Other Noncurrent Liab (42 + 43).....	898,478.10
17. Special Deposits.....	0.00	45. Notes Payable.....	0.00
18. Temporary Investments.....	621,092.91	46. Accounts Payable.....	1,858,445.74
19. Notes Receivable (Net).....	0.00	47. Consumers Deposits.....	697,652.00
20. Accounts Receivable - Sales of Energy (Net).....	2,530,670.12	48. Other Current and Accrued Liabilities.....	1,053,665.68
21. Accounts Receivable - Other (Net).....	1,220,995.78	49. Total Current & Accrued Liab (45 thru 48).....	3,609,763.42
22. Materials and Supplies - Electric and Other.....	508,988.30	50. Deferred Credits.....	588,624.64
23. Prepayments.....	225,910.02	51. Accumulated Deferred Income Taxes.....	0.00
24. Other Current and Accrued Assets.....	28,074.57	52. Total Liabilities and Other Credits.....	76,734,297.39
25. Total Current and Accrued Assets (15 thru 24).....	9,103,651.44	(36 + 41 + 44 + 49 thru 51).....	
26. Regulatory Assets.....	0.00	ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION	
27. Other Deferred Debits.....	131,888.75	53. Balance Beginning of Year.....	
28. Accumulated Deferred Income Taxes.....	0.00	54. Amount Received This Year (Net).....	
29. Total Assets and Other Debits (5 + 14 + 25 thru 28).....	76,734,297.39	55. Total Contributions in Aid of Construction.....	

PART D. NOTES TO FINANCIAL STATEMENTS

CLASS OF SERVICE	THIS MONTH			YEAR -TO-DATE			
	No Receiving	kWh Sold b	Amount c	No Minimum	Avg. No. Re-	kWh Sold	Amount
	Service a			Bills d	ceiving Serv. e	Cumulative f	Cumulative g
1. Residential Sales (excl seas.)	25,968	26,030,499	1,837,338.51	1,206	25,877	196,170,093	13,692,253.54
2. Residential Sales Seasonal							
3. Irrigation Sales							
4. Comm. & Ind. - 50 kVA or less	1,723	2,662,901	199,558.37	149	1,700	16,247,924	1,236,190.46
5. Comm. & Indus.-over 50 kVA	347	5,481,069	384,854.52	15	347	37,835,070	2,677,764.72
6. Public St. & Highway Lighting	6	86,290	5,652.16	6	6	603,864	39,551.13
7. Other Sales to Public Auth.							
8. Sales for Resale - REA Borr.							
9. Sales for Resale - Others							
10. Total Sales of Electric Energy (1 thru 9)	28,044	34,260,759	2,427,403.56	1,376	27,930	250,856,951	17,645,759.85
11. Other Electric Revenue			74,138.94				561,050.62
12. Total (10 + 11)			2,501,542.50				18,206,810.47

PART E. kWh AND kW STATISTICS*

ITEM	THIS MONTH	YEAR-TO-DATE	ITEM	THIS MONTH	YEAR-TO-DATE
1. Net kWh Generated			6. Office Use	93,930	780,084
2. kWh Purchased	36,688,670	266,301,829	7. Total Unaccounted For (4 Less 5 & 6)	2,333,981	14,664,794
3. Interchange kWh - Net			8. Percent System Loss (7/4) x 100	6.36%	5.51%
4. Total kWh (1 thru 3)	36,688,670	266,301,829	9. Maximum Demand (kW)	81.822	132,545
5. Total kWh Sold	34,260,759	250,856,951	10. Month When Maximum Demand Occurred		11

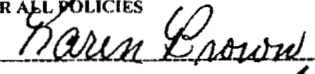
This data will be used by REA to review your financial situation. Your response is required (7 U.S.C. 901 et seq.) and is not confidential.

<p style="text-align: center;">USDA-REA</p> <p style="text-align: center;">FINANCIAL AND STATISTICAL REPORT</p> <p>INSTRUCTIONS Submit an original and two copies to REA, round all amounts to nearest dollar. For detailed instructions, see REA Bulletin 1717B-2</p>	<p><i>BORROWER DESIGNATION</i> KY-18-MEADE</p> <p><i>BORROWER NAME AND ADDRESS</i> MEADE COUNTY R. E. C. C- P. O. BOX 489 BRANDENBURG, KY 40108</p> <p><i>PERIOD ENDED</i> 31-Aug-09 <i>REA USE</i></p>
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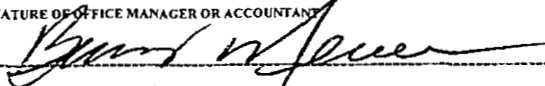
CERTIFICATION

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

ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, REA, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES



 SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT



 SIGNATURE MANAGER

DATE 9/15/09

 DATE 9/16/09

PART A. STATEMENT OF OPERATIONS

ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR	THIS YEAR	BUDGET	
	(a)	(b)	(c)	
1. Operating Revenue and Patronage Capital.....	21,622,891.88	20,915,611.71	2,945,694	2,708,801.24
2. Power Production Expense.....				
3. Cost of Purchased Power.....	11,464,771.70	11,755,497.59	1,627,854	1,476,647.40
4. Transmission Expense.....				
5. Distribution Expense - Operation.....	1,327,256.16	1,279,533.99	146,528	148,159.31
6. Distribution Expense - Maintenance.....	1,773,997.51	1,588,488.62	237,435	267,535.99
7. Customer Accounts Expense.....	844,114.38	801,433.80	113,879	71,609.16
8. Customer Service and Informational Expense.....	185,342.92	179,899.62	22,674	21,261.56
9. Sales Expense.....	(273.77)	(1,039.90)	1,471	(745.12)
10. Administrative and General Expense.....	872,377.89	903,303.88	85,680	108,087.13
11. Total Operation & Maintenance Expense (2 thru 10).....	16,467,586.79	16,507,117.60	2,235,521	2,092,555.43
12. Depreciation and Amortization Expense.....	1,883,258.39	1,963,670.04	247,940	247,389.23
13. Tax Expense - Property and Gross Receipts.....				
14. Tax Expense - Other.....	22,619.88	21,379.70	2,976	2,755.97
15. Interest on Long-Term Debt.....	1,530,781.60	1,525,571.32	194,458	179,662.98
16. Interest Charge to Construction - Credit.....				
17. Interest Expense - Other.....	25,280.15	26,831.96	3,197	4,291.56
18. Other Deductions.....	12,057.06	9,806.34	8,000	7,000.00
19. Total Cost of Electric Service (11 thru 18).....	19,941,583.87	20,054,376.96	2,692,092	2,533,655.17
20. Patronage Capital & Operating Margins (1 minus 19).....	1,681,308.01	861,234.75	253,602	175,146.07
21. Non-Operating Margins - Interest.....	85,294.75	46,383.69	8,986	5,677.70
22. Allowance for Funds Used During Construction.....				
23. Income (Loss) from Equity Investments.....				
24. Non-Operating Margins - Other.....	(1,554.56)	11,325.94	1,268	(3,594.08)
25. Generation and Transmission Capital Credits.....				
26. Other Capital Credits and Patronage Dividends.....	37,740.07	31,023.98	-	-
27. Extraordinary Items.....				
28. Patronage Capital or Margins (20 thru 27).....	\$1,802,788.27	\$949,968.36	263,856	177,229.69

PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR	THIS YEAR		LAST YEAR	THIS YEAR
	(a)	(b)		(a)	(b)
1. New Services Connected	373	271	5. Miles Transmission		
2. Services Retired	222	132	6. Miles Distribution - Overhead	2,889	2,896
3. Total Services in Place	30,068	30,271	7. Miles Distribution - Underground	81	84
4. Idle Services (Exclude Seasonal)	2,143	2,266	8. Total Miles Energized (5 + 6 + 7)	2,970	2,980

PART C. BALANCE SHEET

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1 Total Utility Plant in Service	88,507,208.29	30 Memberships	102,760.00
2 Construction Work in Progress	1,105,752.38	31 Patronage Capital	18,069,300.20
3 Total Utility Plant (1 + 2)	89,612,960.67	32 Operating Margins - Prior Year	77,784.13
4 Accum. Provision for Depreciation and Amort.	24,060,834.82	33 Operating Margins - current Year	892,258.73
5 Net Utility Plant (3 - 4)	65,552,125.85	34 Non-Operating Margins	3,041,639.05
6 Non-Utility Property (Net)	0.00	35 Other Margins and Equities	643,552.09
7 Investments in Subsidiary Companies	0.00	36 Total Margins & Equities (30 thru 35)	22,827,294.20
8 Invest. in Assoc. Org - Patronage Capital	863,783.47	37 Long-Term Debt - REA (Net)	28,422,101.93
9 Invest. in Assoc. Org - Other - General Funds	0.00	(Payments-Unapplied \$	
10 Invest. in Assoc. Org - Other - Nongeneral Funds	1,348,311.35	38 Long-Term Debt - REA - Econ. Devel.	0.00
11 Investments in Economic Development Projects	0.00	39 Long-Term Debt - Other - REA Guar	9,571,660.34
12 Other Investments	0.00	40 Long-Term Debt - Other (Net)	10,878,807.62
13 Special Funds	0.00	41 Total Long-Term Debt (37 thru 40)	48,872,569.89
14 Total Other Property and Investments (6 thru 13)	2,212,094.82	42 Obligations Under Capital Leases	0.00
15 Cash - General Funds	2,993,665.79	43 Accumulated Operating Provisions	904,393.74
16 Cash - Construction Funds - Trustee	0.00	44 Total Other Noncurrent Liab. (42 + 43)	904,393.74
17 Special Deposits	0.00	45 Notes Payable	0.00
18 Temporary Investments	1,127,748.38	46 Accounts Payable	2,065,081.07
19 Notes Receivable (Net)	0.00	47 Consumers Deposits	702,693.00
20 Accounts Receivable - Sales of Energy (Net)	2,802,295.63	48 Other Current and Accrued Liabilities	823,144.74
21 Accounts Receivable - Other (Net)	1,183,269.51	49 Total Current & Accrued Liab (45 thru 48)	3,590,918.81
22 Materials and Supplies - Electric and Other	517,900.72	50 Deferred Credits	585,464.64
23 Prepayments	203,482.44	51 Accumulated Deferred Income Taxes	0.00
24 Other Current and Accrued Assets	51,899.60	52 Total Liabilities and Other Credits	76,780,641.28
25 Total Current and Accrued Assets (15 thru 24)	8,880,262.07	ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION	
26 Regulatory Assets	0.00	53 Balance Beginning of Year	
27 Other Deferred Debits	136,158.54	54 Amount Received This Year (Net)	
28 Accumulated Deferred Income Taxes	0.00	55 Total Contributions in Aid of Construction	
29 Total Assets and Other Debits (5+14+25 thru 28)	76,780,641.28		

PART D. NOTES TO FINANCIAL STATEMENTS

CLASS OF SERVICE	THIS MONTH			YEAR-TO-DATE			
	No Receiving	kWh Sold	Amount	No Minimum	Avg No. Re-	kWh Sold	Amount
	Service a	b	c	Bills d	ceiving Serv. e	Cumulative f	Cumulative g
1 Residential Sales (excl seas)	25,971	28,714,066	1,998,299.03	1,256	25,889	224,884,159	15,690,552.57
2 Residential Sales Seasonal							
3 Irrigation Sales							
4 Comm. & Ind - 50 kVA or less	1,714	2,772,680	206,275.21	153	1,702	19,020,604	1,442,465.67
5 Comm. & Indus - over 50 kVA	348	6,125,394	424,544.76	13	348	43,960,464	3,102,309.48
6 Public St. & Highway Lighting	6	86,327	5,655.31	6	6	690,191	45,206.44
7 Other Sales to Public Auth							
8 Sales for Resale - REA Borr.							
9 Sales for Resale - Others							
10 Total Sales of Electric Energy (1 thru 9)	28,039	37,698,467	2,634,774.31	1,428	27,945	288,555,418	20,280,534.16
11 Other Electric Revenue			74,026.93				635,077.55
12 Total (10 + 11)			2,708,801.24				20,915,611.71

PART E. kWh AND kW STATISTICS*

ITEM	THIS MONTH	YEAR-TO-DATE	ITEM	THIS MONTH	YEAR-TO-DATE
1 Net kWh Generated			6 Office Use	97,387	877,471
2 kWh Purchased	39,823,580	306,125,409	7 Total Unaccounted For (4 Less 5 & 6)	2,027,726	16,692,520
3 Interchange kWh - Net			8 Percent System Loss (7/4) x 100	5.09%	5.45%
4 Total kWh (1 thru 3)	39,823,580	306,125,409	9 Maximum Demand (kW)	90,127	132,545
5 Total kWh Sold	37,698,467	288,555,418	10 Month When Maximum Demand Occurred		1

This data will be used by REA to review your financial situation. Your response is required (7 U.S.C. 901 et seq) and is not confidential.

<p>USDA-REA</p> <p>FINANCIAL AND STATISTICAL REPORT</p> <p>INSTRUCTIONS: Submit an original and two copies to REA, round all amounts to nearest dollar. For detailed instructions, see REA Bulletin 1717B-2</p>	<p>BORROWER DESIGNATION</p> <p>KY-18-MEADE</p> <p>BORROWER NAME AND ADDRESS</p> <p>MEADE COUNTY R. E. C. C- P. O. BOX 489 BRANDENBURG, KY 40108</p> <p>PERIOD ENDED: 30-Sep-09 (REA USE)</p>
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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

ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, REA, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES

<p style="text-align: center;"><i>Karen Brown</i></p> <p style="text-align: center;">SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT</p>	<p style="text-align: center;">10/21/09</p> <p style="text-align: center;">DATE</p>
<p style="text-align: center;"><i>Barry E. W. Jones</i></p> <p style="text-align: center;">SIGNATURE MANAGER</p>	<p style="text-align: center;">10/24/09</p> <p style="text-align: center;">DATE</p>

PART A. STATEMENT OF OPERATIONS

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR	THIS YEAR	BUDGET	
	(a)	(b)	(c)	
1. Operating Revenue and Patronage Capital.....	24,004,677.85	23,262,529.23	2,783,719	2,346,917.52
2. Power Production Expense.....				
3. Cost of Purchased Power.....	12,799,062.70	12,921,733.82	1,423,991	1,166,236.23
4. Transmission Expense.....				
5. Distribution Expense - Operation.....	1,467,979.82	1,448,111.65	127,526	168,577.66
6. Distribution Expense - Maintenance.....	1,951,961.05	1,800,168.57	186,009	211,679.95
7. Customer Accounts Expense.....	947,765.02	908,279.11	105,756	106,845.31
8. Customer Service and Informational Expense.....	201,154.21	200,748.78	15,100	20,849.16
9. Sales Expense.....	(922.18)	(813.98)	(619)	225.92
10. Administrative and General Expense.....	1,002,305.22	1,004,181.40	127,089	100,877.52
11. Total Operation & Maintenance Expense (2 thru 10).....	18,369,305.84	18,282,409.35	1,984,852	1,775,291.75
12. Depreciation and Amortization Expense.....	2,122,048.31	2,212,317.57	248,428	248,647.53
13. Tax Expense - Property and Gross Receipts.....				
14. Tax Expense - Other.....	25,189.69	24,124.30	2,981	2,744.60
15. Interest on Long-Term Debt.....	1,724,273.20	1,717,947.58	187,738	192,376.26
16. Interest Charge to Construction - Credit.....				
17. Interest Expense - Other.....	29,131.31	30,608.57	3,197	3,776.61
18. Other Deductions.....	13,157.06	9,906.34	500	100.00
19. Total Cost of Electric Service (11 thru 18).....	22,283,105.41	22,277,313.71	2,427,696	2,222,936.75
20. Patronage Capital & Operating Margins (1 minus 19)....	1,721,572.44	985,215.52	356,023	123,980.77
21. Non-Operating Margins - Interest.....	94,011.27	51,721.17	8,708	5,337.48
22. Allowance for Funds Used During Construction.....				
23. Income (Loss) from Equity Investments.....				
24. Non-Operating Margins - Other.....	(157.49)	13,662.36	1,397	2,336.42
25. Generation and Transmission Capital Credits.....				
26. Other Capital Credits and Patronage Dividends.....	85,848.67	62,553.05	-	31,529.07
27. Extraordinary Items.....				
28. Patronage Capital or Margins (20 thru 27).....	\$1,901,274.89	\$1,113,152.10	366,128	163,183.74

PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR	THIS YEAR		LAST YEAR	THIS YEAR
	(a)	(b)		(a)	(b)
1. New Services Connected	409	324	5. Miles Transmission		
2. Services Retired	250	171	6 Miles Distribution - Overhead	2,889	2,895
3. Total Services in Place	30,099	30,271	7 Miles Distribution - Underground	81	84
4. Idle Services (Exclude Seasonal)	2,177	2,266	8. Total Miles Energized (5 + 6 + 7)	2,970	2,979

PART C. BALANCE SHEET

ASSETS AND OTHER DEBITS	LIABILITIES AND OTHER CREDITS
1. Total Utility Plant in Service.....	30. Memberships.....
88,652,945.66	102,380.00
2. Construction Work in Progress.....	31. Patronage Capital.....
1,254,017.93	18,061,866.01
3. Total Utility Plant (1 + 2).....	32. Operating Margins - Prior Year.....
89,906,963.59	77,784.13
4. Accum. Provision for Depreciation and Amort.....	33. Operating Margins - current Year.....
24,238,392.52	1,047,768.57
5. Net Utility Plant (3 - 4).....	34. Non-Operating Margins.....
65,668,571.07	3,049,312.95
6. Non-Utility Property (Net).....	35. Other Margins and Equities.....
0.00	641,260.15
7. Investments in Subsidiary Companies.....	36. Total Margins & Equities (30 thru 35).....
0.00	22,980,371.81
8. Invest. in Assoc. Org. - Patronage Capital.....	37. Long-Term Debt - REA (Net).....
889,006.73	28,378,019.43
9. Invest. in Assoc. Org. - Other - General Funds.....	(Payments-Unapplied \$
0.00	0.00
10. Invest. in Assoc. Org. - Other - Nongeneral Funds.....	38. Long-Term Debt - REA - Econ. Devel.....
1,348,311.35	9,517,505.23
11. Investments in Economic Development Projects.....	39. Long-Term Debt - Other - REA Guar.....
0.00	10,878,807.62
12. Other Investments.....	40. Long-Term Debt - Other (Net).....
0.00	48,774,332.28
13. Special Funds.....	41. Total Long-Term Debt (37 thru 40).....
0.00	0.00
14. Total Other Property and Investments (6 thru 13).....	42. Obligations Under Capital Leases.....
2,237,318.08	910,365.82
15. Cash - General Funds.....	43. Accumulated Operating Provisions.....
2,551,243.46	910,365.82
16. Cash - Construction Funds - Trustee.....	44. Total Other Noncurrent Liab. (42 + 43).....
0.00	0.00
17. Special Deposits.....	45. Notes Payable.....
0.00	2,106,876.84
18. Temporary Investments.....	46. Accounts Payable.....
1,743,911.63	700,037.00
19. Notes Receivable (Net).....	47. Consumers Deposits.....
0.00	884,884.08
20. Accounts Receivable - Sales of Energy (Net).....	48. Other Current and Accrued Liabilities.....
2,363,362.05	3,691,797.92
21. Accounts Receivable - Other (Net).....	49. Total Current & Accrued Liab (45 thru 48).....
1,079,081.37	585,464.64
22. Materials and Supplies - Electric and Other.....	50. Deferred Credits.....
908,507.87	0.00
23. Prepayments.....	51. Accumulated Deferred Income Taxes.....
181,368.98	0.00
24. Other Current and Accrued Assets.....	52. Total Liabilities and Other Credits.....
75,724.63	76,942,332.47
25. Total Current and Accrued Assets (15 thru 24).....	ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION
8,903,199.99	53. Balance Beginning of Year.....
26. Regulatory Assets.....	0.00
0.00	54. Amount Received This Year (Net).....
27. Other Deferred Debits.....	0.00
133,243.33	55. Total Contributions in Aid of Construction.....
28. Accumulated Deferred Income Taxes.....	0.00
0.00	
29. Total Assets and Other Debits (5 + 14 + 25 thru 28).....	
76,942,332.47	

PART D. NOTES TO FINANCIAL STATEMENTS

CLASS OF SERVICE	THIS MONTH			YEAR-TO-DATE			
	No. Receiving	kWh Sold	Amount	No. Minimum	Avg. No Re-	kWh Sold	Amount
	Service			Bills	ceiving Serv.	Cumulative	Cumulative
a	b	c	d	e	f	g	
1. Residential Sales (excl seas.)	26,020	22,785,846	1,643,101.72	1,245	25,903	247,670,005	17,333,654.29
2. Residential Sales Seasonal							
3. Irrigation Sales							
4. Comm & Ind - 50 kVA or less	1,715	2,448,070	185,419.71	155	1,703	21,468,674	1,627,885.38
5. Comm & Indus - over 50 kVA	349	6,472,446	436,728.32	17	348	50,432,910	3,539,037.80
6. Public St. & Highway Lighting	6	86,220	5,646.25	6	6	776,411	50,852.69
7. Other Sales to Public Auth							
8. Sales for Resale - REA Borr.							
9. Sales for Resale - Others							
10. Total Sales of Electric Energy (1 thru 9)	28,090	31,792,582	2,270,896.00	1,423	27,960	320,348,000	22,551,430.16
11. Other Electric Revenue			76,021.52				711,099.07
12. Total (10 + 11)			2,346,917.52				23,262,529.23

PART E. kWh AND kW STATISTICS*

ITEM	THIS MONTH	YEAR-TO-DATE	ITEM	THIS MONTH	YEAR-TO-DATE
1. Net kWh Generated			6. Office Use	89,413	966,884
2. kWh Purchased	32,216,510	338,341,919	7. Total Unaccounted For (4 Less 5 & 6)	334,515	17,027,035
3. Interchange kWh - Net			8. Percent System Loss (7/4) x 100	1.04%	5.03%
4. Total kWh (1 thru 3)	32,216,510	338,341,919	9. Maximum Demand (kW)	69,065	132,545
5. Total kWh Sold	31,792,582	320,348,000	10. Month When Maximum Demand Occurred		

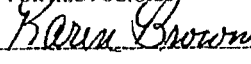
This data will be used by REA to review your financial situation. Your response is required (7 U.S.C. 901 et seq) and is not confidential.

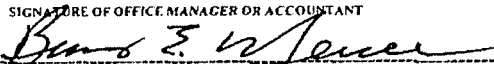
<p style="text-align: center;">USDA-REA</p> <p style="text-align: center;">FINANCIAL AND STATISTICAL REPORT</p> <p>INSTRUCTIONS: Submit an original and two copies to REA. Round all amounts to nearest dollar. For detailed instructions, see REA Bulletin 1717B-2.</p>	<p>BORROWER DESIGNATION KY-18-MAEDA</p> <p>BORROWER NAME AND ADDRESS MEADE COUNTY R. E. C. C- P O. BOX 489 BRANDENBURG, KY 40108</p> <p>PERIOD ENDED 31-Oct-09 REA USE</p>
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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.

ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XV11, REA, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.



 SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT


 SIGNATURE MANAGER

DATE 11/19/09

 DATE 11/20/09

 DATE

PART A. STATEMENT OF OPERATIONS

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR	THIS YEAR	BUDGET	
	(a)	(b)	(c)	
1. Operating Revenue and Patronage Capital.....	26,096,116.22	25,466,491.62	2,239,108	2,203,962.39
2. Power Production Expense.....				
3. Cost of Purchased Power.....	13,962,669.69	14,068,422.30	1,208,400	1,146,688.48
4. Transmission Expense.....				
5. Distribution Expense - Operation.....	1,642,084.17	1,650,824.38	165,081	202,712.73
6. Distribution Expense - Maintenance.....	2,162,393.55	2,070,270.19	229,386	270,101.62
7. Customer Accounts Expense.....	1,050,734.17	1,009,783.56	101,969	101,504.45
8. Customer Service and Informational Expense.....	220,646.24	224,485.42	18,128	23,736.64
9. Sales Expense.....	(2,233.94)	361.60	(1,220)	1,175.58
10. Administrative and General Expense.....	1,144,126.66	1,121,378.03	133,387	117,196.63
11. Total Operation & Maintenance Expense (2 thru 10).....	20,180,420.54	20,145,525.48	1,855,131	1,863,116.13
12. Depreciation and Amortization Expense.....	2,361,236.22	2,459,750.02	248,842	247,432.45
13. Tax Expense - Property and Gross Receipts.....				
14. Tax Expense - Other.....	27,774.06	26,891.66	2,989	2,767.36
15. Interest on Long-Term Debt.....	1,914,842.62	1,911,425.17	193,649	193,477.59
16. Interest Charge to Construction - Credit.....				
17. Interest Expense - Other.....	32,440.06	34,174.23	3,197	3,565.66
18. Other Deductions.....	13,657.06	10,406.34	513	500.00
19. Total Cost of Electric Service (11 thru 18).....	24,530,370.56	24,588,172.90	2,304,321	2,310,859.19
20. Patronage Capital & Operating Margins (1 minus 19).....	1,565,745.66	878,318.72	-65,213	-106,896.80
21. Non-Operating Margins - Interest.....	102,106.86	68,437.80	8,060	16,716.63
22. Allowance for Funds Used During Construction.....				
23. Income (Loss) from Equity Investments.....				
24. Non-Operating Margins - Other.....	1,816.39	15,322.70	2,001	1,660.34
25. Generation and Transmission Capital Credits.....				
26. Other Capital Credits and Patronage Dividends.....	183,837.94	128,923.67	48,150	66,370.62
27. Extraordinary Items.....				
28. Patronage Capital or Margins (20 thru 27).....	\$1,853,506.85	\$1,091,002.89	(7,002)	(22,149.21)

PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR	THIS YEAR		LAST YEAR	THIS YEAR
	(a)	(b)		(a)	(b)
1. New Services Connected	457	365	5 Miles Transmission		
2. Services Retired	272	198	6. Miles Distribution - Overhead	2,890	2,895
3. Total Services in Place	30,153	30,271	7 Miles Distribution - Underground	81	85
4. Idle Services (Exclude Seasonal)	2,199	2,266	8. Total Miles Energized (5 + 6 + 7)	2,971	2,980

PART C. BALANCE SHEET

ASSETS AND OTHER DEBITS	LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service.....	30 Memberships.....	
89,051,736.90	101,960.00	
2. Construction Work in Progress.....	31 Patronage Capital.....	
1,465,227.50	18,047,478.95	
3. Total Utility Plant (1 + 2).....	32 Operating Margins - Prior Year.....	
90,516,964.40	77,784.13	
4. Accum. Provision for Depreciation and Amort.....	33 Operating Margins - current Year.....	
24,325,629.05	1,007,242.39	
5. Net Utility Plant (3 - 4).....	34 Non-Operating Margins.....	
66,191,335.35	3,067,689.92	
6. Non-Utility Property (Net).....	35 Other Margins and Equities.....	
0.00	638,804.11	
7. Investments in Subsidiary Companies.....	36 Total Margins & Equities (30 thru 35).....	
0.00	22,940,959.50	
8. Invest. in Assoc. Org. - Patronage Capital.....	37 Long-Term Debt - REA (Net).....	
918,217.56	28,337,037.92	
9. Invest. in Assoc. Org. - Other - General Funds.....	(Payments-Unapplied \$.....)	
0.00	0.00	
10. Invest. in Assoc. Org. - Other - Nongeneral Funds.....	38 Long-Term Debt - REA - Econ. Devel.....	
1,318,941.13	9,517,505.23	
11. Investments in Economic Development Projects.....	39 Long-Term Debt - Other - REA Guar.....	
0.00	10,878,807.62	
12. Other Investments.....	40 Long-Term Debt - Other (Net).....	
0.00	48,733,350.77	
13. Special Funds.....	41 Total Long-Term Debt (37 thru 40).....	
0.00	0.00	
14. Total Other Property and Investments (6 thru 13).....	42 Obligations Under Capital Leases.....	
2,237,158.69	916,337.90	
15. Cash - General Funds.....	43 Accumulated Operating Provisions.....	
822,140.05	916,337.90	
16. Cash - Construction Funds - Trustee.....	44 Total Other Noncurrent Liab (42 + 43).....	
0.00	0.00	
17. Special Deposits.....	45 Notes Payable.....	
0.00	2,038,635.08	
18. Temporary Investments.....	46 Accounts Payable.....	
2,266,512.09	690,732.00	
19. Notes Receivable (Net).....	47 Consumers Deposits.....	
0.00	608,579.55	
20. Accounts Receivable - Sales of Energy (Net).....	48 Other Current and Accrued Liabilities.....	
2,140,724.74	3,337,946.63	
21. Accounts Receivable - Other (Net).....	49 Total Current & Accrued Liab (45 thru 48).....	
1,064,525.13	583,589.64	
22. Materials and Supplies - Electric and Other.....	50 Deferred Credits.....	
1,386,314.33	0.00	
23. Prepayments.....	51 Accumulated Deferred Income Taxes.....	
186,818.67	0.00	
24. Other Current and Accrued Assets.....	52 Total Liabilities and Other Credits.....	
79,577.27	76,512,184.44	
25. Total Current and Accrued Assets (15 thru 24).....	ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION	
7,946,612.28	53. Balance Beginning of Year.....	
26. Regulatory Assets.....	0.00	
27. Other Deferred Debits.....	54. Amount Received This Year (Net).....	
137,078.12		
28. Accumulated Deferred Income Taxes.....	55. Total Contributions in Aid of Construction.....	
0.00		
29. Total Assets and Other Debits (5 + 14 + 25 thru 28).....		
76,512,184.44		

PART D. NOTES TO FINANCIAL STATEMENTS

CLASS OF SERVICE	THIS MONTH			YEAR-TO-DATE		
	No. Receiving	kWh Sold	Amount	No. Minimum	Avg. No. Receiving	kWh Sold
	Service a			Bills d	ceiving Serv. c	Cumulative f
1. Residential Sales (excl seas.)	26,012	21,525,290	1,567,560.37	1,182	25,914	269,195,295
2. Residential Sales Seasonal						
3. Irrigation Sales						
4. Comm. & Ind. - 50 kVA or less	1,710	2,050,332	158,980.03	154	1,704	23,519,006
5. Comm. & Indus - over 50 kVA	346	5,615,275	400,792.69	11	348	56,048,185
6. Public St. & Highway Lighting	6	86,220	5,646.25	6	6	862,631
7. Other Sales to Public Auth.						
8. Sales for Resale - REA Borr.						
9. Sales for Resale - Others						
10. Total Sales of Electric Energy (1 thru 9)	28,074	29,277,117	2,132,979.34	1,353	27,972	349,625,117
11. Other Electric Revenue			70,983.05			782,082.12
12. Total (10 + 11)			2,203,962.39			25,466,491.62

PART E. kWh AND kW STATISTICS*

ITEM	THIS MONTH	YEAR-TO-DATE	ITEM	THIS MONTH	YEAR-TO-DATE
1. Net kWh Generated			6. Office Use	112,207	1,079,091
2. kWh Purchased	31,253,590	369,595,509	7. Total Unaccounted For (4 Less 5 & 6)	1,864,266	18,891,301
3. Interchange kWh - Net			8. Percent System Loss (7/4) x 100	5.96%	5.11%
4. Total kWh (1 thru 3)	31,253,590	369,595,509	9. Maximum Demand (kW)	69,078	132,545
5. Total kWh Sold	29,277,117	349,625,117	10. Month When Maximum Demand Occurred		1

This data will be used by REA to review your financial situation. Your response is required (7 U.S.C. 901 et seq) and is not confidential.

<p>USDA-REA</p> <p>FINANCIAL AND STATISTICAL REPORT</p> <p>INSTRUCTIONS: Submit an original and two copies to REA, round all amounts to nearest dollar. For detailed instructions, see REA Bulletin 1717B-2</p>	<p>BORROWER DESIGNATION KY-18-MEADE</p> <p>BORROWER NAME AND ADDRESS MEADE COUNTY R. E. C. C- P. O. BOX 489 BRANDENBURG, KY 40108</p> <p>PERIOD ENDED 30-Nov-09 REA USE</p>
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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

ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, REA, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES

Nancy Brown

 SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT

Becky Weaver

 SIGNATURE MANAGER

12/15/09

 DATE

12/15/09

 DATE

PART A. STATEMENT OF OPERATIONS

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR	THIS YEAR	BUDGET	
	(a)	(b)	(c)	
1. Operating Revenue and Patronage Capital.....	28,783,376.41	27,812,469.33	2,363,993	2,345,977.71
2. Power Production Expense.....				
3. Cost of Purchased Power.....	15,429,653.84	15,324,330.73	1,353,090	1,255,908.43
4. Transmission Expense.....				
5. Distribution Expense - Operation.....	1,807,767.82	1,800,541.72	197,027	149,717.34
6. Distribution Expense - Maintenance.....	2,361,133.91	2,264,499.08	256,611	194,228.89
7. Customer Accounts Expense.....	1,155,148.22	1,086,059.80	121,787	76,276.24
8. Customer Service and Informational Expense.....	244,117.29	240,319.42	26,874	15,834.00
9. Sales Expense.....	(799.27)	(394.77)	1,018	(756.37)
10. Administrative and General Expense.....	1,246,698.16	1,207,145.96	116,627	85,767.93
11. Total Operation & Maintenance Expense (2 thru 10).....	22,243,719.97	21,922,501.94	2,073,034	1,776,976.46
12. Depreciation and Amortization Expense.....	2,601,009.60	2,707,853.06	249,452	248,103.04
13. Tax Expense - Property and Gross Receipts.....				
14. Tax Expense - Other.....	30,381.10	29,662.87	3,053	2,771.21
15. Interest on Long-Term Debt.....	2,085,654.33	2,087,000.69	187,264	175,575.52
16. Interest Charge to Construction - Credit.....				
17. Interest Expense - Other.....	35,166.61	36,988.40	3,197	2,814.17
18. Other Deductions.....	13,657.06	10,559.34	-	153.00
19. Total Cost of Electric Service (11 thru 18).....	27,009,588.67	26,794,566.30	2,516,000	2,206,393.40
20. Patronage Capital & Operating Margins (1 minus 19) ...	1,773,787.74	1,017,903.03	-152,007	139,584.31
21. Non-Operating Margins - Interest.....	107,720.20	84,191.97	5,608	15,754.17
22. Allowance for Funds Used During Construction.....				
23. Income (Loss) from Equity Investments.....				
24. Non-Operating Margins - Other.....	641.48	18,140.52	(1,175)	2,817.82
25. Generation and Transmission Capital Credits.....				
26. Other Capital Credits and Patronage Dividends.....	183,837.94	128,923.67	98,000	-
27. Extraordinary Items.....				
28. Patronage Capital or Margins (20 thru 27).....	\$2,065,987.36	\$1,249,159.19	(49,574)	158,156.30

PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR	THIS YEAR		LAST YEAR	THIS YEAR
	(a)	(b)		(a)	(b)
1. New Services Connected	505	406	5. Miles Transmission		
2. Services Retired	283	214	6 Miles Distribution - Overhead	2,889	2,893
3 Total Services in Place	30,175	30,271	7 Miles Distribution - Underground	81	85
4. Idle Services (Exclude Seasonal)	2,192	2,266	8. Total Miles Energized (5 + 6 + 7)	2,970	2,978

USDA-REA	BORROWER DESIGNATION
FINANCIAL AND STATISTICAL REPORT	KY-18-MEADE
	PERIOD ENDED
	REA USE ONLY
INSTRUCTIONS - See REA Bulletin 1717B-2	November 30, 2009

PART C. BALANCE SHEET

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	89,155,023.15	30. Memberships	101,765.00
2. Construction Work in Progress	1,705,146.74	31. Patronage Capital	18,016,849.25
3. Total Utility Plant (1 + 2)	90,860,169.89	32. Operating Margins - Prior Year	77,784.13
4. Accum. Provision for Depreciation and Amort	24,354,600.19	33. Operating Margins - current Year	1,146,826.70
5. Net Utility Plant (3 - 4)	66,505,569.70	34. Non-Operating Margins	3,086,261.91
6. Non-Utility Property (Net)	0.00	35. Other Margins and Equities	636,734.84
7. Investments in Subsidiary Companies	0.00	36. Total Margins & Equities (30 thru 35)	23,066,221.83
8. Invest. in Assoc. Org. - Patronage Capital	918,217.56	37. Long-Term Debt - REA (Net)	28,566,201.61
9. Invest. in Assoc. Org. - Other - General Funds	0.00	(Payments-Unapplied \$	
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	1,318,941.13	38. Long-Term Debt - REA - Econ. Devel	0.00
11. Investments in Economic Development Projects	0.00	39. Long-Term Debt - Other - REA Guar	9,517,505.23
12. Other Investments	0.00	40. Long-Term Debt - Other (Net)	10,812,484.06
13. Special Funds	0.00	41. Total Long-Term Debt (37 thru 40)	48,896,190.90
14. Total Other Property and Investments (6 thru 13)	2,237,158.69	42. Obligations Under Capital Leases	0.00
15. Cash - General Funds	1,624,027.00	43. Accumulated Operating Provisions	922,309.98
16. Cash - Construction Funds - Trustee	0.00	44. Total Other Noncurrent Liab (42 + 43)	922,309.98
17. Special Deposits	0.00	45. Notes Payable	0.00
18. Temporary Investments	815,544.37	46. Accounts Payable	2,073,501.84
19. Notes Receivable (Net)	0.00	47. Consumers Deposits	693,657.00
20. Accounts Receivable - Sales of Energy (Net)	2,224,258.38	48. Other Current and Accrued Liabilities	439,632.53
21. Accounts Receivable - Other (Net)	1,096,276.66	49. Total Current & Accrued Liab (45 thru 48)	3,206,791.37
22. Materials and Supplies - Electric and Other	1,582,111.84	50. Deferred Credits	583,589.64
23. Prepayments	339,059.04	51. Accumulated Deferred Income Taxes	0.00
24. Other Current and Accrued Assets	103,425.13	52. Total Liabilities and Other Credits	76,675,103.72
25. Total Current and Accrued Assets (15 thru 24)	7,784,702.42	(36 + 41 + 44 + 49 thru 51)	
26. Regulatory Assets	0.00	ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION	
27. Other Deferred Debits	147,672.91	53. Balance Beginning of Year	
28. Accumulated Deferred Income Taxes	0.00	54. Amount Received This Year (Net)	
29. Total Assets and Other Debits (5 + 14 + 25 thru 28)	76,675,103.72	55. Total Contributions in Aid of Construction	

PART D. NOTES TO FINANCIAL STATEMENTS

CLASS OF SERVICE	THIS MONTH			YEAR -TO-DATE			
	No Receiving	kWh Sold	Amount	No Minimum	Avg. No Re-	kWh Sold	Amount
	Service			Bills	ceiving Serv.	Cumulative	
a	b	c	d	e	f	g	
1. Residential Sales (excl seas)	26,059	24,644,152	1,755,175.24	1,226	25,927	293,839,447	20,656,389.90
2. Residential Sales Seasonal							
3. Irrigation Sales							
4. Comm. & Ind. - 50 kVA or less	1,695	1,966,469	153,212.42	169	1,703	25,485,475	1,940,077.83
5. Comm. & Indus -over 50 kVA	343	5,509,126	368,116.73	11	347	61,557,311	4,307,947.22
6. Public St & Highway Lighting	6	86,347	5,654.19	6	6	948,978	62,153.13
7. Other Sales to Public Auth							
8. Sales for Resale - REA Borr.							
9. Sales for Resale - Others							
10. Total Sales of Electric Energy (1 thru 9)	28,103	32,206,094	2,282,158.58	1,412	27,983	381,831,211	26,966,568.08
11. Other Electric Revenue			63,819.13				845,901.25
12. Total (10 + 11)			2,345,977.71				27,812,469.33

PART E. kWh AND kW STATISTICS*

ITEM	THIS MONTH	YEAR-TO-DATE	ITEM	THIS MONTH	YEAR-TO-DATE
1. Net kWh Generated			6. Office Use	79,806	1,158,897
2. kWh Purchased	34,444,920	404,040,429	7. Total Unaccounted For (4 Less 5 & 6)	2,159,020	21,050,321
3. Interchange kWh - Net			8. Percent System Loss (7/4) x 100	6.27%	5.21%
4. Total kWh (1 thru 3)	34,444,920	404,040,429	9. Maximum Demand (kW)	75,064	132,545
5. Total kWh Sold	32,206,094	381,831,211	10. Month When Maximum Demand Occurred		1

This data will be used by REA to review your financial situation. Your response is required (7 U.S.C. 901 et seq) and is not confidential.

<p style="text-align: center;">USDA-REA</p> <p style="text-align: center;">FINANCIAL AND STATISTICAL REPORT</p> <p>INSTRUCTIONS: Submit an original and two copies to REA, round all amounts to nearest dollar. For detailed instructions, see REA Bulletin 1717B-2</p>	<p><i>BORROWER DESIGNATION</i> KY-18-MEADE</p> <p><i>BORROWER NAME AND ADDRESS</i> MEADE COUNTY R. E. C. C-- P. O. BOX 489 BRANDENBURG, KY 40108</p> <p style="text-align: right;"><i>PERIOD ENDED</i> 31-Dec-09 <i>REA USE</i></p>
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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

ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, REA, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES

Karen Brown
 SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT

Ernest E. Jones
 SIGNATURE MANAGER

 11/18/10
 DATE

 1/21/10
 DATE

PART A. STATEMENT OF OPERATIONS

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR	THIS YEAR	BUDGET	
	(a)	(b)	(c)	
1. Operating Revenue and Patronage Capital	32,094,557.68	31,096,639.63	2,899,665	3,284,170.30
2. Power Production Expense				
3. Cost of Purchased Power	17,376,984.46	17,145,755.57	1,673,151	1,821,424.84
4. Transmission Expense				
5. Distribution Expense - Operation	2,002,718.85	2,135,379.89	206,516	334,838.17
6. Distribution Expense - Maintenance	2,564,502.02	2,569,278.30	229,155	304,779.22
7. Customer Accounts Expense	1,279,006.62	1,253,664.69	108,485	167,604.89
8. Customer Service and Informational Expense	222,977.20	230,730.70	(21,148)	(9,588.72)
9. Sales Expense	717.66	(148.84)	582	245.93
10. Administrative and General Expense	1,375,780.49	1,392,256.01	112,678	185,110.05
11. Total Operation & Maintenance Expense (2 thru 10)	24,822,687.30	24,726,916.32	2,309,419	2,804,414.38
12. Depreciation and Amortization Expense	2,842,224.71	2,956,263.74	250,279	248,410.68
13. Tax Expense - Property and Gross Receipts				
14. Tax Expense - Other	32,993.77	32,461.65	2,863	2,798.78
15. Interest on Long-Term Debt	2,281,926.73	2,284,654.36	193,890	197,653.67
16. Interest Charge to Construction - Credit				
17. Interest Expense - Other	37,861.93	39,343.44	3,197	2,355.04
18. Other Deductions	14,657.06	13,059.34		2,500.00
19. Total Cost of Electric Service (11 thru 18)	30,032,351.50	30,052,698.85	2,759,648	3,258,132.55
20. Patronage Capital & Operating Margins (1 minus 19)	2,062,206.18	1,043,940.78	140,017	26,037.75
21. Non-Operating Margins - Interest	113,390.10	98,486.52	14,446	14,294.55
22. Allowance for Funds Used During Construction				
23. Income (Loss) from Equity Investments				
24. Non-Operating Margins - Other	795.87	19,509.17	(980)	1,368.65
25. Generation and Transmission Capital Credits				
26. Other Capital Credits and Patronage Dividends	183,837.94	128,923.67	-	-
27. Extraordinary Items				
28. Patronage Capital or Margins (20 thru 27)	\$2,360,230.09	\$1,290,860.14	153,483	41,700.95

PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR	THIS YEAR		LAST YEAR	THIS YEAR
	(a)	(b)		(a)	(b)
1. New Services Connected	541	443	5 Miles Transmission		
2. Services Retired	320	227	6 Miles Distribution - Overhead	2,890	2,893
3. Total Services in Place	30,183	30,271	7 Miles Distribution - Underground	82	85
4. Idle Services (Exclude Seasonal)	2,204	2,266	8. Total Miles Energized (5 + 6 + 7)	2,972	2,978

USDA-REA FINANCIAL AND STATISTICAL REPORT	BORROWER DESIGNATION KY-18-MEADE PERIOD ENDED December 31, 2009	REA USE ONLY
INSTRUCTIONS - See REA Bulletin 1717B-2		

PART C. BALANCE SHEET

ASSETS AND OTHER DEBITS	LIABILITIES AND OTHER CREDITS		
1. Total Utility Plant in Service.....	89,424,086.06	30 Memberships.....	101,405.00
2. Construction Work in Progress.....	1,738,636.65	31. Patronage Capital.....	18,004,787.23
3. Total Utility Plant (1 + 2).....	91,162,722.71	32. Operating Margins - Prior Year.....	77,784.13
4. Accum. Provision for Depreciation and Amort.....	24,560,837.57	33. Operating Margins - current Year.....	1,172,864.45
5. Net Utility Plant (3 - 4).....	66,601,885.14	34. Non-Operating Margins.....	3,101,925.11
6. Non-Utility Property (Net).....	0.00	35. Other Margins and Equities.....	710,507.60
7. Investments in Subsidiary Companies.....	0.00	36. Total Margins & Equities (30 thru 35).....	23,169,273.52
8. Invest. in Assoc. Org - Patronage Capital.....	918,217.56	37. Long-Term Debt - REA (Net).....	30,817,169.01
9. Invest. in Assoc. Org - Other - General Funds.....	0.00	(Payments-Unapplied \$.....	0.00
10. Invest. in Assoc. Org - Other - Nongeneral Funds.....	1,318,941.13	38. Long-Term Debt - REA - Econ. Devel.....	9,463,552.15
11. Investments in Economic Development Projects.....	0.00	39. Long-Term Debt - Other - REA Guar.....	10,812,484.06
12. Other Investments.....	0.00	40. Long-Term Debt - Other (Net).....	51,093,205.22
13. Special Funds.....	0.00	41. Total Long-Term Debt (37 thru 40).....	0.00
14. Total Other Property and Investments (6 thru 13).....	2,237,158.69	42. Obligations Under Capital Leases.....	990,637.69
15. Cash - General Funds.....	2,204,746.14	43. Accumulated Operating Provisions.....	990,637.69
16. Cash - Construction Funds - Trustee.....	0.00	44. Total Other Noncurrent Liab. (42 + 43).....	0.00
17. Special Deposits.....	0.00	45. Notes Payable.....	2,214,195.76
18. Temporary Investments.....	1,321,700.66	46. Accounts Payable.....	693,906.00
19. Notes Receivable (Net).....	0.00	47. Consumers Deposits.....	594,174.58
20. Accounts Receivable - Sales of Energy (Net).....	3,231,127.12	48. Other Current and Accrued Liabilities.....	3,502,276.34
21. Accounts Receivable - Other (Net).....	1,106,710.64	49. Total Current & Accrued Liab (45 thru 48).....	583,589.64
22. Materials and Supplies - Electric and Other.....	1,669,086.98	50. Deferred Credits.....	0.00
23. Prepayments.....	823,633.62	51. Accumulated Deferred Income Taxes.....	79,338,982.41
24. Other Current and Accrued Assets.....	6,675.72	52. Total Liabilities and Other Credits.....	
25. Total Current and Accrued Assets (15 thru 24).....	10,363,680.88	(36 + 41 + 44 + 49 thru 51).....	
26. Regulatory Assets.....	0.00	ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION.....	
27. Other Deferred Debits.....	136,257.70	53. Balance Beginning of Year.....	
28. Accumulated Deferred Income Taxes.....	0.00	54. Amount Received This Year (Net).....	
29. Total Assets and Other Debits (5 + 14 + 25 thru 28).....	79,338,982.41	55. Total Contributions in Aid of Construction.....	

PART D. NOTES TO FINANCIAL STATEMENTS

CLASS OF SERVICE	THIS MONTH			YEAR-TO-DATE			
	No. Receiving	kWh Sold	Amount	No. Minimum	Avg. No. Re-	kWh Sold	Amount
	Service			Bills	ceiving Ser-	Cumulative	Cumulative
	a	b	c	d	e	f	g
1. Residential Sales (excl. seas.)	26,074	39,196,751	2,628,532.12	1,367	25,940	333,036,198	23,284,922.02
2. Residential Sales Seasonal							
3. Irrigation Sales							
4. Comm. & Ind. - 50 kVA or less	1,700	2,350,795	178,118.64	167	1,703	27,836,270	2,118,196.47
5. Comm. & Indus. - over 50 kVA	341	5,872,568	399,262.41	12	347	67,429,879	4,707,209.63
6. Public St. & Highway Lighting	6	86,306	5,649.15	6	6	1,035,284	67,802.28
7. Other Sales to Public Auth.							
8. Sales for Resale - REA Borr.							
9. Sales for Resale - Others							
10. Total Sales of Electric Energy (1 thru 9)	28,121	47,506,420	3,211,562.32	1,552	27,996	429,337,631	30,178,130.40
11. Other Electric Revenue			72,607.98				918,509.23
12. Total (10 + 11)			3,284,170.30				31,096,639.63

PART E. kWh AND kW STATISTICS*

ITEM	THIS MONTH	YEAR-TO-DATE	ITEM	THIS MONTH	YEAR-TO-DATE
1. Net kWh Generated			6. Office Use	173,960	1,332,857
2. kWh Purchased	51,694,410	455,734,839	7. Total Unaccounted For (4 Less 5 & 6)	4,014,030	25,064,351
3. Interchange kWh - Net			8. Percent System Loss (7/4) x 100	7.76%	5.50%
4. Total kWh (1 thru 3)	51,694,410	455,734,839	9. Maximum Demand (kW)	104,050	132,545
5. Total kWh Sold	47,506,420	429,337,631	10. Month When Maximum Demand Occurred		1

This data will be used by REA to review your financial situation. Your response is required (7 U.S.C. 901 et seq.) and is not confidential.

<p style="text-align: center;">USDA-REA</p> <p style="text-align: center;">FINANCIAL AND STATISTICAL REPORT</p> <p style="font-size: small;">INSTRUCTIONS: Submit an original and two copies to REA, round all amounts to nearest dollar. For detailed instructions, see REA Bulletin 1717B-2.</p>	<p style="font-size: x-small;"><i>BORROWER DESIGNATION</i></p> <p style="text-align: center;">KY-18-MEADE</p> <p style="font-size: x-small;"><i>BORROWER NAME AND ADDRESS</i></p> <p style="text-align: center;">MEADE COUNTY R. E. C. C- P. O. BOX 489 BRANDENBURG, KY 40108</p> <p style="font-size: x-small;"><i>PERIOD ENDED</i> <i>REA USE</i></p> <p style="text-align: center;">31-Jan-10</p>
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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

ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, REA, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES

<p style="font-size: x-small;"><i>SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT</i></p> <p style="font-size: x-small;"><i>SIGNATURE MANAGER</i></p>	<p style="font-size: x-small;"><i>DATE</i></p> <p style="font-size: x-small;"><i>DATE</i></p>
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PART A. STATEMENT OF OPERATIONS				
ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR	THIS YEAR	BUDGET	
	(a)	(b)	(c)	
1. Operating Revenue and Patronage Capital.....	3,358,688.31	3,660,874.82	3,523,111	3,660,874.82
2. Power Production Expense.....				
3. Cost of Purchased Power.....	2,053,898.48	2,081,342.50	1,960,979	2,081,342.50
4. Transmission Expense.....				
5. Distribution Expense - Operation.....	200,624.72	215,748.29	252,526	215,748.29
6. Distribution Expense - Maintenance.....	224,957.54	217,660.50	382,635	217,660.50
7. Customer Accounts Expense.....	124,192.98	108,258.38	169,853	108,258.38
8. Customer Service and Informational Expense.....	28,071.86	22,763.46	38,739	22,763.46
9. Sales Expense.....	(620.63)	(1,389.10)	(856)	(1,389.10)
10. Administrative and General Expense.....	120,975.14	119,732.25	118,147	119,732.25
11. Total Operation & Maintenance Expense (1 thru 10).....	2,752,100.09	2,764,116.28	2,922,023	2,764,116.28
12. Depreciation and Amortization Expense.....	243,461.60	249,138.03	250,650	249,138.03
13. Tax Expense - Property and Gross Receipts.....				
14. Tax Expense - Other.....	2,604.53	2,766.16	2,348	2,766.16
15. Interest on Long-Term Debt.....	193,073.87	194,200.52	192,789	194,200.52
16. Interest Charge to Construction - Credit.....				
17. Interest Expense - Other.....	2,401.33	2,643.10	2,449	2,643.10
18. Other Deductions.....				
19. Total Cost of Electric Service (11 thru 18).....	3,193,641.42	3,212,864.09	3,370,259	3,212,864.09
20. Patronage Capital & Operating Margins (1 minus 19).....	165,046.89	448,010.73	152,852	448,010.73
21. Non-Operating Margins - Interest.....	5,424.17	13,226.36	14,833	13,226.36
22. Allowance for Funds Used During Construction.....				
23. Income (Loss) from Equity Investments.....				
24. Non-Operating Margins - Other.....	467.97	1,210.75	(2,856)	1,210.75
25. Generation and Transmission Capital Credits.....				
26. Other Capital Credits and Patronage Dividends.....				
27. Extraordinary Items.....				
28. Patronage Capital or Margins (20 thru 27).....	\$170,939.03	\$462,447.84	164,829	462,447.84

PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT					
ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR	THIS YEAR		LAST YEAR	THIS YEAR
	(a)	(b)		(a)	(b)
1. New Services Connected	26	19	5. Miles Transmission		
2. Services Retired	25	16	6. Miles Distribution - Overhead	2,890	2,892
3. Total Services in Place	30,171	30,271	7. Miles Distribution - Underground	82	86
4. Idle Services (Exclude Seasonal)	2,246	2,266	8. Total Miles Energized (5 + 6 + 7)	2,972	2,978

PART C BALANCE SHEET

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	89,945,747.09	30. Memberships	101,215.00
2. Construction Work in Progress	1,372,124.82	31. Patronage Capital	19,039,432.00
3. Total Utility Plant (1 + 2)	91,317,871.91	32. Operating Margins - Prior Year	77,784.13
4. Accum Provision for Depreciation and Amort	24,721,177.11	33. Operating Margins - current Year	448,010.73
5. Net Utility Plant (3 - 4)	66,596,694.80	34. Non-Operating Margins	3,245,285.89
6. Non-Utility Property (Net)	0.00	35. Other Margins and Equities	711,440.23
7. Investments in Subsidiary Companies	0.00	36. Total Margins & Equities (30 thru 35)	23,623,167.98
8. Invest. in Assoc. Org. - Patronage Capital	918,217.56	37. Long-Term Debt - REA (Net)	30,911,034.53
9. Invest. in Assoc. Org. - General Funds	0.00	(Payments-Unapplied \$	
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	1,318,941.13	38. Long-Term Debt - REA - Econ. Devel	0.00
11. Investments in Economic Development Projects	0.00	39. Long-Term Debt - Other - REA Guar	9,463,552.15
12. Other Investments	0.00	40. Long-Term Debt - Other (Net)	10,812,484.06
13. Special Funds	0.00	41. Total Long-Term Debt (37 thru 40)	51,187,070.74
14. Total Other Property and Investments (6 thru 13)	2,237,158.69	42. Obligations Under Capital Leases	0.00
15. Cash - General Funds	1,787,088.64	43. Accumulated Operating Provisions	1,004,183.01
16. Cash - Construction Funds - Trustee	0.00	44. Total Other Noncurrent Liab. (42 + 43)	1,004,183.01
17. Special Deposits	0.00	45. Notes Payable	0.00
18. Temporary Investments	1,904,189.42	46. Accounts Payable	2,405,650.84
19. Notes Receivable (Net)	0.00	47. Consumers Deposits	693,826.00
20. Accounts Receivable - Sales of Energy (Net)	3,949,662.13	48. Other Current and Accrued Liabilities	788,377.36
21. Accounts Receivable - Other (Net)	1,091,119.64	49. Total Current & Accrued Liab (45 thru 48)	3,887,854.20
22. Materials and Supplies - Electric and Other	1,735,268.18	50. Deferred Credits	583,589.64
23. Prepayments	822,627.87	51. Accumulated Deferred Income Taxes	0.00
24. Other Current and Accrued Assets	30,399.38	52. Total Liabilities and Other Credits	80,285,865.57
25. Total Current and Accrued Assets (15 thru 24)	11,320,355.26		
26. Regulatory Assets	0.00	ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION	
27. Other Deferred Debits	131,656.82	53. Balance Beginning of Year	
28. Accumulated Deferred Income Taxes	0.00	54. Amount Received This Year (Net)	
29. Total Assets and Other Debits (5 + 14 + 25 thru 28)	80,285,865.57	55. Total Contributions in Aid of Construction	

PART D. NOTES TO FINANCIAL STATEMENTS

CLASS OF SERVICE	THIS MONTH			YEAR -TO-DATE			
	No. Receiving Service	kWh Sold	Amount	No. Minimum Bills	Avg. No. Receiving Serv.	kWh Sold Cumulative	Amount Cumulative
	a	b	c	d	e	f	g
1. Residential Sales (excl seas)	26,042	44,999,507	2,977,367.80	1,464	26,042	44,999,507	2,977,367.80
2. Residential Sales Seasonal							
3. Irrigation Sales							
4. Comm & Ind - 50 kVA or less	1,703	2,574,809	191,793.73	179	1,703	2,574,809	191,793.73
5. Comm & Indus - over 50 kVA	346	5,766,575	391,647.19	16	346	5,766,575	391,647.19
6. Public St & Highway Lighting	6	86,397	5,656.83	6	6	86,397	5,656.83
7. Other Sales to Public Auth							
8. Sales for Resale - REA Borr.							
9. Sales for Resale - Others							
10. Total Sales of Electric Energy (1 thru 9)	28,097	53,427,288	3,566,465.55	1,665	28,097	53,427,288	3,566,465.55
11. Other Electric Revenue			94,409.27				94,409.27
12. Total (10 + 11)			3,660,874.82				3,660,874.82

PART E. kWh AND kW STATISTICS*

ITEM	THIS MONTH	YEAR-TO-DATE	ITEM	THIS MONTH	YEAR-TO-DATE
1. Net kWh Generated			6. Office Use	135,228	135,228
2. kWh Purchased	59,035,140	59,035,140	7. Total Unaccounted For (& 6)	(4 Less 5) 5,472,624	5,472,624
3. Interchange kWh - Net			8. Percent System Loss (7/4) x 100	9.27%	9.27%
4. Total kWh (1 thru 3)	59,035,140	59,035,140	9. Maximum Demand (kW)	118,998	118,998
5. Total kWh Sold	53,427,288	53,427,288	10. Month When Maximum Demand Occurred		

This data will be used by REA to review your financial situation. Your response is required (7 U.S.C. 901 et seq) and is not confidential.

<p style="text-align: center;">USDA-REA</p> <p style="text-align: center;">FINANCIAL AND STATISTICAL REPORT</p> <p>INSTRUCTIONS: Submit an original and two copies to REA, round all amounts to nearest dollar. For detailed instructions, see REA Bulletin 1717B-2</p>	<p>BORROWER DESIGNATION KY-18-MEADE</p> <p>BORROWER NAME AND ADDRESS MEADE COUNTY R. E. C. C- P. O. BOX 489 BRANDENBURG, KY 40108</p> <p>PERIOD ENDED 28-Feb-10 REA USE</p>
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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.

ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, REA, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES

SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT	3/17/10 DATE
SIGNATURE MANAGER	3/17/10 DATE

PART A. STATEMENT OF OPERATIONS

ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR	THIS YEAR	BUDGET	
	(a)	(b)	(c)	
1. Operating Revenue and Patronage Capital	6,426,147.01	7,229,233.91	3,174,858	3,568,359.09
2. Power Production Expense				
3. Cost of Purchased Power	3,675,456.48	3,957,735.16	1,723,111	1,876,392.66
4. Transmission Expense				
5. Distribution Expense - Operation	274,834.15	404,725.50	129,461	188,977.21
6. Distribution Expense - Maintenance	308,185.99	412,896.91	111,190	195,236.41
7. Customer Accounts Expense	230,896.76	216,892.77	107,972	108,634.39
8. Customer Service and Informational Expense	38,106.64	44,233.35	10,035	21,469.89
9. Sales Expense	(921.52)	(1,859.68)	(301)	(470.58)
10. Administrative and General Expense	215,467.43	234,808.61	95,395	115,076.36
11. Total Operation & Maintenance Expense (2 thru 10)	4,742,025.93	5,269,432.62	2,176,863	2,505,316.34
12. Depreciation and Amortization Expense	487,672.58	499,602.08	251,150	250,464.05
13. Tax Expense - Property and Gross Receipts				
14. Tax Expense - Other	5,209.13	5,529.09	2,821	2,762.93
15. Interest on Long-Term Debt	363,669.24	336,962.75	174,000	142,762.23
16. Interest Charge to Construction - Credit				
17. Interest Expense - Other	5,159.51	5,442.61	2,813	2,799.51
18. Other Deductions		1,070.00		1,070.00
19. Total Cost of Electric Service (11 thru 18)	5,603,736.39	6,118,039.15	2,607,647	2,905,175.06
20. Patronage Capital & Operating Margins (1 minus 19)	822,410.62	1,111,194.76	567,211	663,184.03
21. Non-Operating Margins - Interest	11,465.09	24,888.63	14,872	11,662.27
22. Allowance for Funds Used During Construction				
23. Income (Loss) from Equity Investments				
24. Non-Operating Margins - Other	3,225.20	2,962.69	(1,793)	1,751.94
25. Generation and Transmission Capital Credits				
26. Other Capital Credits and Patronage Dividends				
27. Extraordinary Items				
28. Patronage Capital or Margins (20 thru 27)	\$837,100.91	\$1,139,046.08	580,290	676,598.24

PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR	THIS YEAR		LAST YEAR	THIS YEAR
	(a)	(b)		(a)	(b)
1. New Services Connected	35	43	5 Miles Transmission		
2. Services Retired	29	44	6. Miles Distribution - Overhead	2,890	2,893
3. Total Services in Place	30,192	30,271	7 Miles Distribution - Underground	82	86
4. Idle Services (Exclude Seasonal)	2,311	2,266	8. Total Miles Energized (5 + 6 + 7)	2,972	2,979

FINANCIAL AND STATISTICAL REPORT

KY-18-MEADE

PERIOD ENDED

REA USE ONLY

INSTRUCTIONS - See REA Bulletin 1717B-2

February 28, 2010

PART C. BALANCE SHEET

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	90,111,819.27	30. Memberships	101,000.00
2. Construction Work in Progress	1,843,925.10	31. Patronage Capital	19,024,954.16
3. Total Utility Plant (1 + 2)	91,955,744.37	32. Operating Margins - Prior Year	77,784.13
4. Accum. Provision for Depreciation and Amort	24,931,191.08	33. Operating Margins - current Year	1,111,194.76
5. Net Utility Plant (3 - 4)	67,024,553.29	34. Non-Operating Margins	3,258,700.10
6. Non-Utility Property (Net)	0.00	35. Other Margins and Equities	713,565.23
7. Investments in Subsidiary Companies	0.00	36. Total Margins & Equities (30 thru 35)	24,287,198.38
8. Invest in Assoc. Org - Patronage Capital	918,217.56	37. Long-Term Debt - REA (Net)	30,971,833.25
9. Invest. in Assoc. Org - Other - General Funds	0.00	(Payments-Unapplied \$	
10. Invest. in Assoc. Org - Other - Nongeneral Funds	1,318,941.13	38. Long-Term Debt - REA - Econ. Devel.	0.00
11. Investments in Economic Development Projects	0.00	39. Long-Term Debt - Other - REA Guar.	9,463,552.15
12. Other Investments	0.00	40. Long-Term Debt - Other (Net)	10,745,242.58
13. Special Funds	0.00	41. Total Long-Term Debt (37 thru 40)	51,180,627.98
14. Total Other Property and Investments (6 thru 13)	2,237,158.69	42. Obligations Under Capital Leases	0.00
15. Cash - General Funds	1,166,198.84	43. Accumulated Operating Provisions	1,017,728.34
16. Cash - Construction Funds - Trustee	0.00	44. Total Other Noncurrent Liab. (42 + 43)	1,017,728.34
17. Special Deposits	0.00	45. Notes Payable	0.00
18. Temporary Investments	2,566,309.88	46. Accounts Payable	2,276,984.24
19. Notes Receivable (Net)	0.00	47. Consumers Deposits	699,151.00
20. Accounts Receivable - Sales of Energy (Net)	4,267,037.14	48. Other Current and Accrued Liabilities	753,228.84
21. Accounts Receivable - Other (Net)	1,142,360.93	49. Total Current & Accrued Liab (45 thru 48)	3,729,364.08
22. Materials and Supplies - Electric and Other	1,447,334.47	50. Deferred Credits	595,307.64
23. Prepayments	778,094.20	51. Accumulated Deferred Income Taxes	0.00
24. Other Current and Accrued Assets	54,123.04	52. Total Liabilities and Other Credits	80,810,226.42
25. Total Current and Accrued Assets (15 thru 24)	11,421,458.50	(36 + 41 + 44 + 49 thru 51)	
26. Regulatory Assets	0.00	ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION	
27. Other Deferred Debits	127,055.94	53. Balance Beginning of Year	
28. Accumulated Deferred Income Taxes	0.00	54. Amount Received This Year (Net)	
29. Total Assets and Other Debits (5 + 14 + 25 thru 28)	80,810,226.42	55. Total Contributions in Aid of Construction	

PART D. NOTES TO FINANCIAL STATEMENTS

CLASS OF SERVICE	THIS MONTH			YEAR-TO-DATE			
	No Receiving Service a	kWh Sold b	Amount c	No Minimum Bills d	Avg. No. Receiving Serv. e	kWh Sold Cumulative f	Amount Cumulative g
1. Residential Sales (excl seas.)	26,060	43,400,816	2,881,126.05	1,544	26,051	88,400,323	5,858,493.85
2. Residential Sales Seasonal							
Irrigation Sales							
Comm. & Ind. - 50 kVA or less	1,696	2,528,644	189,573.41	172	1,700	5,103,453	381,367.14
Comm. & Indus. - over 50 kVA	347	5,787,903	396,392.01	16	347	11,554,478	788,039.20
6. Public St. & Highway Lighting	6	86,376	5,655.06	6	6	172,773	11,311.89
Other Sales to Public Auth.							
Sales for Resale - REA Borr.							
Sales for Resale - Others							
10. Total Sales of Electric Energy (1 thru 9)	28,109	51,803,739	3,472,746.53	1,738	28,104	105,231,027	7,039,212.08
Other Electric Revenue			95,612.56				190,021.83
Total (10 + 11)			3,568,359.09				7,229,233.91

PART E. kWh AND kW STATISTICS*

ITEM	THIS MONTH	YEAR-TO-DATE	ITEM	THIS MONTH	YEAR-TO-DATE
Net kWh generated			6. Office Use	134,031	269,259
kWh Purchased	51,393,370	110,428,510	7. Total Unaccounted For (4 Less 5 & 6)	-544,400	4,928,224
3. Interchange kWh -			8. Percent System Loss (7/4) x 100	-1.06%	4.46%
Total kWh (1 thru 3)	51,393,370	110,428,510	9. Maximum Demand (kW)	112,343	118,998
Total kWh sold	51,803,739	105,231,027	10. Month When Maximum Demand Occurred		1

This data will be used by REA to review your financial situation. Your response is required (7 U.S.C. 901 et seq) and is not confidential.

<p>USDA-REA</p> <p>FINANCIAL AND STATISTICAL REPORT</p> <p>INSTRUCTIONS: Submit an original and two copies to REA. Round all amounts to nearest dollar. For detailed instructions, see REA Bulletin 1717B-2</p>	<p>BORROWER DESIGNATION</p> <p>KY-18-MEADE</p> <p>BORROWER NAME AND ADDRESS</p> <p>MEADE COUNTY R. E. C. C-- P. O. BOX 489 BRANDENBURG, KY 40108</p> <p>PERIOD ENDED: 31-Mar-10 (REA USE)</p>
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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

ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XV11, REA, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES

SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT:
Karen Brown

SIGNATURE MANAGER:
Grant E. W. Jener

DATE: 4/19/10

DATE: 4/15/10

PART A. STATEMENT OF OPERATIONS

ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR	THIS YEAR	BUDGET	
	(a)	(b)	(c)	
1. Operating Revenue and Patronage Capital.....	8,866,943.22	9,804,161.33	2,557,384	2,574,927.42
2. Power Production Expense.....				
3. Cost of Purchased Power.....	5,197,675.86	5,411,850.90	1,512,120	1,454,115.74
4. Transmission Expense.....				
5. Distribution Expense - Operation.....	426,510.86	564,373.16	167,355	159,647.66
6. Distribution Expense - Maintenance.....	481,762.08	618,553.61	218,825	205,656.70
7. Customer Accounts Expense.....	336,489.83	317,158.05	102,585	100,265.28
8. Customer Service and Informational Expense.....	61,844.61	65,875.59	21,825	21,642.24
9. Sales Expense.....	(1,533.60)	(695.14)	(1,202)	1,164.54
10. Administrative and General Expense.....	322,412.03	346,383.57	96,869	111,574.96
11. Total Operation & Maintenance Expense (2 thru 10).....	6,825,161.67	7,323,499.74	2,118,377	2,054,067.12
12. Depreciation and Amortization Expense.....	732,453.52	750,494.62	251,650	250,892.54
13. Tax Expense - Property and Gross Receipts.....				
14. Tax Expense - Other.....	7,818.62	8,289.15	2,813	2,760.06
15. Interest on Long-Term Debt.....	571,864.67	531,909.87	192,126	194,947.12
16. Interest Charge to Construction - Credit.....				
17. Interest Expense - Other.....	8,458.11	7,929.54	3,365	2,486.93
18. Other Deductions.....	500.00	2,570.00	1,937	1,500.00
19. Total Cost of Electric Service (11 thru 18).....	8,146,256.59	8,624,692.92	2,570,268	2,506,653.77
20. Patronage Capital & Operating Margins (1 minus 19).....	720,686.63	1,179,468.41	-12,884	68,273.65
21. Non-Operating Margins - Interest.....	17,088.52	37,648.99	13,856	12,760.36
22. Allowance for Funds Used During Construction.....				
23. Income (Loss) from Equity Investments.....				
24. Non-Operating Margins - Other.....	3,306.57	4,643.72	(1,108)	1,681.03
25. Generation and Transmission Capital Credits.....				
26. Other Capital Credits and Patronage Dividends.....	12,764.00	18,269.00	13,019	18,269.00
27. Extraordinary Items.....				
28. Patronage Capital or Margins (20 thru 27).....	\$753,845.72	\$1,240,030.12	12,883	100,984.04

PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR	THIS YEAR		LAST YEAR	THIS YEAR
	(a)	(b)		(a)	(b)
1. New Services Connected	54	77	5. Miles Transmission		
2. Services Retired	31	65	6. Miles Distribution - Overhead	2,890	2,893
3. Total Services in Place	30,211	30,466	7. Miles Distribution - Underground	82	86
4. Idle Services (Exclude Seasonal)	2,348	2,343	8. Total Miles Energized (5 + 6 + 7)	2,972	2,979

USDA-REA FINANCIAL AND STATISTICAL REPORT	BORROWER DESIGNATION KY-18-MEADE
	PERIOD ENDED March 31, 2010
RE USE ONLY	

INSTRUCTIONS - See REA Bulletin 1717B-2

PART C. BALANCE SHEET

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service.....	90,449,647.13	30. Memberships.....	100,805.00
2. Construction Work in Progress.....	1,951,042.35	31. Patronage Capital.....	19,017,512.32
3. Total Utility Plant (1 + 2).....	92,400,689.48	32. Operating Margins - Prior Year.....	77,784.13
4. Accum. Provision for Depreciation and Amort.....	25,102,749.02	33. Operating Margins - current Year.....	1,197,737.41
5. Net Utility Plant (3 - 4).....	67,297,940.46	34. Non-Operating Margins.....	3,273,141.49
6. Non-Utility Property (Net).....	0.00	35. Other Margins and Equities.....	715,634.49
7. Investments in Subsidiary Companies.....	0.00	36. Total Margins & Equities (30 thru 35).....	24,382,614.84
8. Invest. in Assoc. Org. - Patronage Capital.....	934,323.38	37. Long-Term Debt - REA (Net).....	33,861,355.93
9. Invest. in Assoc. Org. - Other - General Funds.....	0.00	(Payments-Unapplied \$	
10. Invest. in Assoc. Org. - Other - Nongeneral Funds.....	1,317,228.65	38. Long-Term Debt - REA - Econ. Devel.....	0.00
11. Investments in Economic Development Projects.....	0.00	39. Long-Term Debt - Other - REA Guar.....	9,406,806.47
12. Other Investments.....	0.00	40. Long-Term Debt - Other (Net).....	10,745,242.58
13. Special Funds.....	0.00	41. Total Long-Term Debt (37 thru 40).....	54,013,404.98
14. Total Other Property and Investments (6 thru 13).....	2,251,552.03	42. Obligations Under Capital Leases.....	0.00
15. Cash - General Funds.....	2,275,018.75	43. Accumulated Operating Provisions.....	1,031,273.67
16. Cash - Construction Funds - Trustee.....	2,636,000.00	44. Total Other Noncurrent Liab. (42 + 43).....	1,031,273.67
17. Special Deposits.....	0.00	45. Notes Payable.....	0.00
18. Temporary Investments.....	3,384,448.45	46. Accounts Payable.....	1,943,156.40
19. Notes Receivable (Net).....	0.00	47. Consumers Deposits.....	701,720.00
20. Accounts Receivable - Sales of Energy (Net).....	2,960,679.89	48. Other Current and Accrued Liabilities.....	815,275.46
21. Accounts Receivable - Other (Net).....	454,608.17	49. Total Current & Accrued Liab (45 thru 48).....	3,460,151.86
22. Materials and Supplies - Electric and Other.....	1,444,562.91	50. Deferred Credits.....	597,626.13
23. Prepayments.....	705,524.63	51. Accumulated Deferred Income Taxes.....	0.00
24. Other Current and Accrued Assets.....	-47,718.87	52. Total Liabilities and Other Credits.....	83,485,071.48
25. Total Current and Accrued Assets (15 thru 24).....	13,813,123.93	(36 + 41 + 44 + 49 thru 51).....	
26. Regulatory Assets.....	0.00	ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION	
27. Other Deferred Debits.....	122,455.06	53. Balance Beginning of Year.....	
28. Accumulated Deferred Income Taxes.....	0.00	54. Amount Received This Year (Net).....	
29. Total Assets and Other Debits (5 + 14 + 25 thru 28).....	83,485,071.48	55. Total Contributions in Aid of Construction.....	

PART D. NOTES TO FINANCIAL STATEMENTS

CLASS OF SERVICE	THIS MONTH			YEAR -TO-DATE			
	No. Receiving	kWh Sold	Amount	No. Minimum	Avg. No. Receiving	kWh Sold	Amount
	a	b	c	d	e	f	g
1. Residential Sales (excl seas.)	26,097	27,309,817	1,915,786.54	1,348	26,066	115,710,140	7,774,280.39
2. Residential Sales Seasonal							
3. Irrigation Sales							
4. Comm. & Ind. - 50 kVA or less	1,693	2,031,300	157,347.71	154	1,697	7,134,753	538,714.85
5. Comm. & Ind. - over 50 kVA	346	5,925,815	396,127.54	14	346	17,480,293	1,184,166.74
6. Public St. & Highway Lighting	6	86,376	5,655.06	6	6	259,149	16,966.95
7. Other Sales to Public Auth.							
8. Sales for Resale - REA Borr.							
9. Sales for Resale - Others							
10. Total Sales of Electric Energy (1 thru 9)	28,142	35,353,308	2,474,916.85	1,522	28,115	140,584,335	9,514,128.93
11. Other Electric Revenue			100,010.57				290,032.40
12. Total (10 + 11)			2,574,927.42				9,804,161.33

PART E. kWh AND kW STATISTICS*

ITEM	THIS MONTH	YEAR-TO-DATE	ITEM	THIS MONTH	YEAR-TO-DATE
1. Net kWh Generated			6. Office Use	121,190	390,449
2. kWh Purchased	38,028,116	148,456,626	7. Total Unaccounted For (& 6)	(4 Less 5 2,553,618	7,481,842
3. Interchange kWh - Net			8. Percent System Loss (7/4) x 100	6.72%	5.04%
4. Total kWh (1 thru 3)	38,028,116	148,456,626	9. Maximum Demand (kW)	92,041	118,998
5. Total kWh Sold	35,353,308	140,584,335	10. Month When Maximum Demand Occurred		1

**MEADE COUNTY RECC
CASE NO. 2010-00222**

COST OF SERVICE STUDY

July 2010 - J. Adkins

**MEADE COUNTY RECC
CASE NO. 2010-00222
PAYROLL INFORMATION FOR TEST PERIOD**

Exhibit R
Schedule 1.1
Page 4 of 41
Witness: Jim Adkins

a. Adjustments Allocated on Payroll				Adj. 1	Adj. 2	Adj. 6	Adj. 7	
Acct.	Description	Amount	Percent	Wages & Salaries	Payroll Taxes	FAS 106	Retire-ment	Total
580	Operations Supervision	205,169	7.38%	(764)	(63)	2,121	9,058	10,352
582	Sations	-	0.00%	-	-	-	-	-
583	Overhead Lines	166,671	6.00%	(620)	(51)	1,723	7,359	8,414
584	Underground Lines	-	0.00%	-	-	-	-	-
586	Meters	74,913	2.69%	(279)	(23)	774	3,307	3,780
587	Installations	2,231	0.08%	(8)	(1)	23	99	113
588	Miscellaneous Distribution	174,661	6.28%	(650)	(54)	1,806	7,711	8,813
		623,645	22%	(2,321)	(192)	6,447	27,534	31,468
590	Maintenance Supervision	219,362	7.89%	(817)	(68)	2,268	9,685	11,069
593	Overhead Lines	576,718	20.75%	(2,147)	(178)	5,962	25,462	29,100
594	Underground Lines	569	0.02%	(2)	(0)	6	25	29
595	Transformers	919	0.03%	(3)	(0)	9	41	46
596	Street Lights	1,264	0.05%	(5)	(0)	13	56	64
597	Meters	84	0.00%	(0)	(0)	1	4	
598	Miscellaneous Maintenance	70,711	2.54%	(263)	(22)	731	3,122	3,568
		869,628	0	(3,237)	(268)	8,990	38,395	43,875
901	Supervision	52,032	1.87%	(194)	(16)	538	2,297	2,625
902	Meter Reading	27,697	1.00%	(103)	(9)	286	1,223	1,398
903	Consumer Records	472,509	17.00%	(1,759)	(146)	4,885	20,862	23,842
904	Consumer Records	-	0.00%	-	-	-	-	-
		552,237	0	(2,056)	(170)	5,709	24,382	27,865
907	Supervision, Customer Service	12,911	0.46%	(48)	(4)	133	570	651
908	Consumer Accounting	65,185	2.34%	(243)	(20)	674	2,878	3,289
909	Consumer Information	20,381	0.73%	(76)	(6)	211	900	1,028
910	Mis. Customer Information	55,158	1.98%	(205)	(17)	570	2,435	2,783
912	Customer Demonstrations	-	0.00%	-	-	-	-	-
913	Advertising	-	0.00%	-	-	-	-	-
		153,635	0	(572)	(47)	1,588	6,783	7,752
920	Administrative	507,091	18.24%	(1,888)	(156)	5,242	22,388	25,587
926	Employee Benefits	-	0.00%	-	-	-	-	-
930	Misc. General Expenses	54,625	1.97%	(203)	(17)	565	2,412	2,756
935	Maintenance Gernal Plant	18,902	0.68%	(70)	(6)	195	835	954
		580,618	0	(2,161)	(179)	6,002	25,635	29,297
		2,779,762		(10,347)	(856)	28,736	122,728	140,261

MEADE COUNTY RECC
CASE NO. 2010-00222

Exhibit R
Schedule 2
Page 5 of 41
Witness: Jim Adkins

FUNCTIONALIZATION SUMMARY

Expense	Purchased Power	Stations	Lines	Transformers	Services
Purchased Power	17,359,930				
Distribution Operations		91,766	1,633,289	-	21,036
Distribution Maintenance		111,348	2,569,949	60,422	-
Consumer Accounts					
Customer Service					
Administrative & General		49,853	917,118	27,778	6,201
Depreciation		238,796	1,966,301	407,405	51,695
Miscellaneous		2,671	21,465	4,617	583
Interest on Long Term Debt		199,311	1,601,695	344,504	43,505
Short Term Interest		3,148	25,299	5,442	687
Total Costs	17,359,930	696,893	8,735,117	850,168	123,708
Margin Requirements	-	263,090	2,114,238	454,745	57,427
Revenue Requirements	17,359,930	959,983	10,849,355	1,304,913	181,135
		27.41%			

**MEADE COUNTY RECC
CASE NO. 2010-00222**

Exhibit R
Schedule 2
Page 6 of 41
Witness: Jim Adkins

FUNCTIONALIZATION SUMMARY

Expense	Meters	Consumer Services & Accounting	Outdoor Lighting	Total
Purchased Power				17,359,930
Distribution Operations	538,116	-	56,765	2,340,973
Distribution Maintenance	228	-	31,541	2,773,488
Consumer Accounts		1,263,323		1,263,323
Customer Service		244,620		244,620
Administrative & General	115,741	304,143	20,987	1,441,821
Depreciation	207,112	62,676	85,975	3,019,961
Miscellaneous	2,241	397	959	32,933
Interest on Long Term Debt	167,216	29,631	71,523	2,457,386
Short Term Interest	2,641	468	1,130	38,815
Total Costs	1,033,296	1,905,258	268,879	30,973,249
Margin Requirements	220,726	39,113	94,410	3,243,749
Revenue Requirements	1,254,021	1,944,371	363,289	34,216,998

MEADE COUNTY RECC
CASE NO. 2010-00222
FUNCTIONALIZATION OF TEST YEAR EXPENSES

Exhibit R
Schedule 2.1
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Witness: Jim Adkins

Acct No.	Description	Expenses	FUNCTIONS								Alloc. Basis	
		Adjusted Test Year	Purchased Power	Stations	Lines	Trans-formers	Services	Meters	Consumer Services & Accounting	Security Lighting		Total
	Purchased Power											
555	Demand Charges	7,698,658	7,698,658								7,698,658	
0	Energy Charges	9,661,172	9,661,172								9,661,172	
0	Renewable Resource Energy	100	100								100	
0	Total Purchased Power	17,359,930	17,359,930								17,359,930	DA
0	0	-									-	
580	Operations Supv & Eng	338,101		13,254	238,930	-	-	77,719		8,198	338,101	
581	Station Expense	51,597		51,597							51,597	DA
582	Overhead Line Exp.	930,175			909,139		21,036			-	930,175	DA
583	Underground Line Exp	-									-	DA
584	Street Lights	-									-	DA
585	Meter Expense	302,566						302,566			302,566	DA
586	Consumer Installations	31,917								31,917	31,917	DA
587	Misc. Distribution Exp	686,617		26,915	485,220	-	-	157,832		16,649	686,617	2
588	Rents	-									-	
589	Total Dist. Operations	2,340,973		91,766	1,633,289	-	21,036	538,116		56,765	2,340,973	
		-									-	
590	Maint Supv & Eng	363,027		14,575	336,385	7,909	-	30		4,128	363,027	3
591	Maint of Station Equip	87,900	-	87,900							87,900	DA
592	Maint. Overhead Lines	2,027,644			2,027,644						2,027,644	DA
593	Maint of Underground Lines	1,110			1,110						1,110	
594	Maint Line Transformers	47,698				47,698					47,698	DA
595	Maint of Security Lights	24,899								24,899	24,899	
596	Maintenance of Meters	180						180			180	DA
597	Maint Misc Distrib Plant	221,031		8,874	204,810	4,815	-	18		2,514	221,031	3
598	Total Dist. Maint.	2,773,488	-	111,348	2,569,949	60,422	-	228		31,541	2,773,488	
		-									-	
	Supervision	79,524								79,524	79,524	
901	Meter Reading Expense	122,908									122,908	DA
902	Cons Recds & Collections	971,055								971,055	971,055	DA
903	Uncollectible Accounts	89,836								89,836	89,836	DA
904	Total Consum Accts	1,263,323								1,263,323	1,263,323	DA
0	0	-									-	
0	Customer Information	20,918								20,918	20,918	
907	Customer Accounting	96,429								96,429	96,429	DA
908	Consumer Information	52,315								52,315	52,315	DA
909	Mis. Customer Information	74,268								74,268	74,268	
910	Expense from Contracting	690								690	690	
914	Total Customer Serv.	244,620								244,620	244,620	DA

MEADE COUNTY RECC
CASE NO. 2010-00222
FUNCTIONALIZATION OF TEST YEAR EXPENSES

Acct No.	Description	Expenses	FUNCTIONS									Alloc. Basis
		Adjusted Test Year	Purchased Power	Stations	Lines	Trans-formers	Services	Meters	Consumer Services & Accounting	Security Lighting	Total	
0												
920	Administrative Salaries	770,952		23,648	489,374	7,035	2,449	62,678	175,486	10,281	770,952	7
921	Office Supplies	165,138		5,065	104,824	1,507	525	13,426	37,589	2,202	165,138	7
923	Outside Services	19,741		606	12,531	180	63	1,605	4,494	263	19,741	7
924	Property Ins	-		-	-	-	-	-	-	-	-	7
925	Injuries & Damages	8,700		267	5,523	79	28	707	1,980	116	8,700	7
926	Employ Pensions & Benef	-		-	-	-	-	-	-	-	-	7
928	Regulatory Exp	978		30	621	9	3	80	223	13	978	7
929	Duplicate Charges	(47,884)		(1,469)	(30,395)	(437)	(152)	(3,893)	(10,899)	(639)	(47,884)	7
930	Misc General Exp	412,635		12,657	261,926	3,765	1,311	33,547	93,925	5,503	412,635	7
931	Rents	-		-	-	-	-	-	-	-	-	7
935	Maintenance of Gen. Plant	111,561		9,048	72,714	15,640	1,975	7,591	1,345	3,247	111,561	4
	Total Admin & General	1,441,821	-	49,853	917,118	27,778	6,201	115,741	304,143	20,987	1,441,821	4 Gen Plt
0												
0	Deprec. Distribution Plant	2,744,611		230,350	1,791,519	404,892	50,821	184,726	-	82,303	2,744,611	6
403.6	Deprec. General Plant	275,350		8,446	174,783	2,513	875	22,386	62,676	3,672	275,350	6
403.7	Total Depreciation	3,019,961		238,796	1,966,301	407,405	51,695	207,112	62,676	85,975	3,019,961	
0	0	-										
0	Sales Tax Comp	(2,784)										
408.5	PSC Assessment	35,717										
408.6	Contributions	0										
426	Total Miscellaneous	32,933		2,671	21,465	4,617	583	2,241	397	959	32,933	Tot Plt
0	0	-										
0	Interest - RUS Constuc	1,405,365										
427.1	Interest - FFB Notes	402,388										
427.1	Interest - CFC	649,633										
427.2	Total Interest on LTD	2,457,386	-	199,311	1,601,695	344,504	43,505	167,216	29,631	71,523	2,457,386	5
0	0	-										
0	Interest to Assoc. Org.	-										
430	Other Interest Expense	38,815										
431		-										
	Total ST Interest	38,815	-	3,148	25,299	5,442	687	2,641	468	1,130	38,815	Rate Base
	Total Costs	30,973,249	17,359,930	696,893	8,735,117	850,168	123,708	1,033,296	1,905,258	268,879	30,973,249	
	Margin Requirements	3,243,749	-	263,090	2,114,238	454,745	57,427	220,726	39,113	94,410	3,243,749	
	Total Revenue Require.	34,216,998	17,359,930	959,983	10,849,355	1,304,913	181,135	1,254,021	1,944,371	363,289	34,216,998	

MEADE COUNTY RECC
CASE NO. 2010-00222
FUNCTIONALIZATION OF TEST YEAR EXPENSES

FOOTNOTES										
1	Line Expenses are Allocated between Lines and Services Based on Plant Investment.				\$\$\$	%				
	Poles and Conductor				66,404,769	97.74%				
	Services				1,536,477	2.26%				
	Total				67,941,245	100.00%				
2	Allocation of Dist. Oper. Supervision & Miscellaneous Expenses				Actual	%	Superv	Miscell.		
	Stations				51,597	3.92%	13,254	26,915		
	Lines				930,175	70.67%	238,930	485,220		
	Transformers				-	0.00%	-	-		
	Services				-	0.00%	-	-		
	Meters				302,566	22.99%	77,719	157,832		
	Security Lighting				31,917	2.42%	8,198	16,649		
	Street Lighting				-	0.00%	-	-		
					1,316,255	100%	338,101	686,617		
3	Allocation of Dist. Maint. Supervision & Miscellaneous Expenses				Actual	%	Superv	Misc. Exp.		
	Stations				87,900	4.01%	14,575	8,874		
	Lines				2,028,753	92.66%	336,385	204,810		
	Transformers				47,698	2.18%	7,909	4,815		
	Services				-	0.00%	-	-		
	Meters				180	0.01%	30	18		
	Security Lighting				24,899	1.14%	4,128	2,514		
	Street Lighting				-	0.00%	-	-		
					2,189,430	100%	363,027	221,031		
4	General Plant Allocation Comes From the Rate Base Schedule Line General Plant Percent									
5	Rate Base Allocation Comes from the Rate Base Schedule Line Rate Base Percent.									
6	Depreciation Expense Allocation Comes from the Net Plant Percent in Rate Base									
	Rate Base Data	Total	Lines	Services	Outdoor Lighting	Lines	Services	Outdoor Lighting		
	Poles, Towers and Fixtures	16,129,440	16,129,440		-	100.0%		0.0%		
	Overhead Conductor	1,894,878	1,894,878		-	100.0%		0.0%		
	Services	1,536,477		1,536,477	-		100.0%	0.0%		
		19,560,795	18,024,318	1,536,477	-	92.1%	7.9%	0.0%		

MEADE COUNTY RECC
CASE NO. 2010-00222
FUNCTIONALIZATION OF TEST YEAR EXPENSES

FOOTNOTES										
Total Customer Serv.										
7	Admin & General Expense Allocation except General Plant			Trans-				Consumer	Security	
Acct.	Description	Stations	Lines	formers	Services	Meters	Services & Accounting	Lighting	Total	
580	Operations Supv & Eng	13,254	238,930	-	-	77,719		8,198	338,101	
581	Station Expense	51,597		-					51,597	
582	Overhead Line Exp.		909,139	-	21,036				930,175	
583	Underground Line Exp			-						
584	Street Lights			-						
585	Meter Expense			-		302,566			302,566	
586	Consumer Installations			-				31,917	31,917	
587	Misc. Distribution Exp	26,915	485,220	-		157,832		16,649	686,617	
588	Rents			-						
589	Total Dist. Operations	91,766	1,633,289	-	21,036	538,116		56,765	2,340,973	
590	Maint Supv & Eng	14,575	336,385	7,909		30		4,128	363,027	
591	Maint of Station Equip	87,900		-					87,900	
592	Maint. Overhead Lines		2,027,644	-					2,027,644	
593	Maint of Underground Lines		1,110	-					1,110	
594	Maint Line Transformers			47,698					47,698	
595	Maint of Security Lights			-				24,899	24,899	
596	Maintenance of Meters			-		180			180	
597	Maint Misc Distrib Plant	8,874	204,810	4,815		18		2,514	221,031	
598	Total Dist. Maint.	111,348	2,569,949	60,422		228		31,541	2,773,488	
	Supervision							79,524	79,524	
901	Meter Reading Expense							122,908	122,908	
902	Cons Recds & Collections							971,055	971,055	
903	Uncollectible Accounts							89,836	89,836	
904	Total Consum Accts							1,263,323	1,263,323	
	Customer Information									
907	Customer Accounting							20,918	20,918	
908	Consumer Information							96,429	96,429	
909	Mis. Customer Information							52,315	52,315	
910	Expense from Contracting							74,268	74,268	
914	Total Customer Serv.							243,930	243,930	
	Total all Expenses	203,114	4,203,239	60,422	21,036	538,344	1,507,253	88,306	6,621,714	
	Functions as % of Total	3.07%	63.48%	0.91%	0.32%	8.13%	22.76%	1.33%	100.00%	

MEADE COUNTY
CASE NO. 2010-00222
RATE BASE

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CLASSIFICATION OF RATE BASE						
	Consumer Related Costs	Demand Related Costs	Energy Related Costs	Security Lighting		Total
Stations		5,595,894				5,595,894
Lines	9,805,993	35,163,529				44,969,522
Transformers	2,823,703	6,848,658				9,672,360
Services	1,221,465					1,221,465
Meters	4,694,800					4,694,800
Consumer & Accounting Svc	831,935					831,935
Outdoor Lightin				2,008,081		2,008,081
	19,377,896	47,608,081	-	2,008,081		68,994,058

MEADE COUNTY
CASE NO. 2010-00222
RATE BASE

ALLOCATION OF RATE BASE TO RATE CLASSES								
Function	Classifi- cation	Amount	Green Power	1R Residential Schl & Chur	2R Commercial Rate	3R Gen Svc 0-999 kVa	3A TOD Rate	Outdoor Lighting
Stations	Demand	5,595,894		4,193,697	379,515	931,118	218	91,346
Lines	Consumer	9,805,993		8,849,096	573,731	351,970	1,017	30,179
Lines	Demand	35,163,529		26,352,392	2,384,800	5,850,966	1,370	574,001
Transformers	Consumer	2,823,703		1,884,461	217,604	708,193	6,868	6,576
Transformers	Demand	6,848,658		5,132,548	464,478	1,139,569	267	111,796
Services	Consumer	1,221,465		1,015,557	66,222	137,491	396	1,799
Meters	Consumer	4,694,800		4,195,956	272,045	226,567	232	-
Consumer & Accounting Services	Consumer	- 831,935		619,709	80,358	65,730	190	65,949
Outdoor Lighting	Lighting	2,008,081						2,008,081
		68,994,058	-	52,243,416	4,438,753	9,411,604	10,559	2,889,727

**MEADE COUNTY RECC
CASE NO. 2010-0022**

SUMMARY OF CLASSIFICATION OF EXPENSES

	<u>Consumer Related Costs</u>	<u>Demand Related Costs</u>	<u>Energy Related Costs</u>	<u>Security Lighting</u>	<u>Total</u>
Purchased Power	-	7,698,758	9,661,172	-	17,359,930
Stations		959,983			959,983
Lines	3,390,420	7,458,935	-	-	10,849,355
Transformers	380,950	923,963	-	-	1,304,913
Services	181,135	-	-	-	181,135
Meters	1,254,021	-		-	1,254,021
Consumer Services & Accounting	1,944,371	-	-		1,944,371
Lighting				363,289	363,289
	7,150,897	17,041,639	9,661,172	363,289	34,216,998

MEADE COUNTY RECC
CASE NO. 2010-00222

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CLASSIFICATION OF EXPENSES

Expense	2 Lines	Consumer	Demand	Total
		Related Costs	Related Costs	
Purchased Power	-	-	-	-
Distribution Operations	1,633,289	510,402	1,122,887	1,633,289
Distribution Maintenance	2,569,949	803,108	1,766,841	2,569,949
Consumer Accounts	-	-	-	-
Customer Service	-	-	-	-
Administrative & General	917,118	286,599	630,519	917,118
Depreciation	1,966,301	614,469	1,351,833	1,966,301
Miscellaneous	21,465	6,708	14,757	21,465
Interest on Long Term Debt	1,601,695	500,529	1,101,166	1,601,695
Short Term Interest	25,299	7,906	17,393	25,299
Total Costs	8,735,117	2,729,721	6,005,396	8,735,117
Margin Requirements	2,114,238	660,699	1,453,539	2,114,238
Revenue Requirements	10,849,355	3,390,420	7,458,935	10,849,355
Expense	3 Transformers	Consumer	Demand	Total
		Related Costs	Related Costs	
Purchased Power	-	-	-	-
Distribution Operations	-	-	-	-
Distribution Maintenance	60,422	17,639	42,783	60,422
Consumer Accounts	-	-	-	-
Customer Service	-	-	-	-
Administrative & General	27,778	8,109	19,669	27,778
Depreciation	407,405	118,936	288,469	407,405
Miscellaneous	4,617	1,348	3,269	4,617
Interest on Long Term Debt	344,504	100,573	243,931	344,504
Short Term Interest	5,442	1,589	3,853	5,442
Total Costs	850,168	248,194	601,974	850,168
Margin Requirements	454,745	132,756	321,989	454,745
Revenue Requirements	1,304,913	380,950	923,963	1,304,913
		Energy Related Costs	Demand Related Costs	
Purchased Power	17,359,930	9,661,172	7,698,758	17,359,930

CLASSIFICATION OF EXPENSES

		Consumer Related Costs			
				Consumer Services & Accounting	
Expense		Services	Meters		Total
Purchased Power		-	-	-	-
Distribution Operations		21,036	538,116	-	559,152
Distribution Maintenance		-	228	-	228
Consumer Accounts		-	-	1,263,323	1,263,323
Customer Service		-	-	244,620	244,620
Administrative & General		6,201	115,741	304,143	426,085
Depreciation		51,695	207,112	62,676	321,483
Miscellaneous		583	2,241	397	3,221
Interest on Long Term Debt		43,505	167,216	29,631	240,353
Short Term Interest		687	2,641	468	3,796
Total Costs		123,708	1,033,296	1,905,258	3,062,261
Margin Requirements		57,427	220,726	39,113	317,266
Revenue Requirements		181,135	1,254,021	1,944,371	3,379,527
			6		
		Stations	Lighting		
Expense					
Purchased Power			-		
Distribution Operations		91,766	56,765		
Distribution Maintenance		111,348	31,541		
Consumer Accounts		-	-		
Customer Service		-	-		
Administrative & General		49,853	20,987		
Depreciation		238,796	85,975		
Miscellaneous		2,671	959		
Interest on Long Term Debt		199,311	71,523		
Short Term Interest		3,148	1,130		
Total Costs		696,893	268,879		
Margin Requirements		263,090	94,410		
Revenue Requirements		959,983	363,289		

MEADE COUNTY RECC
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Exhibit R
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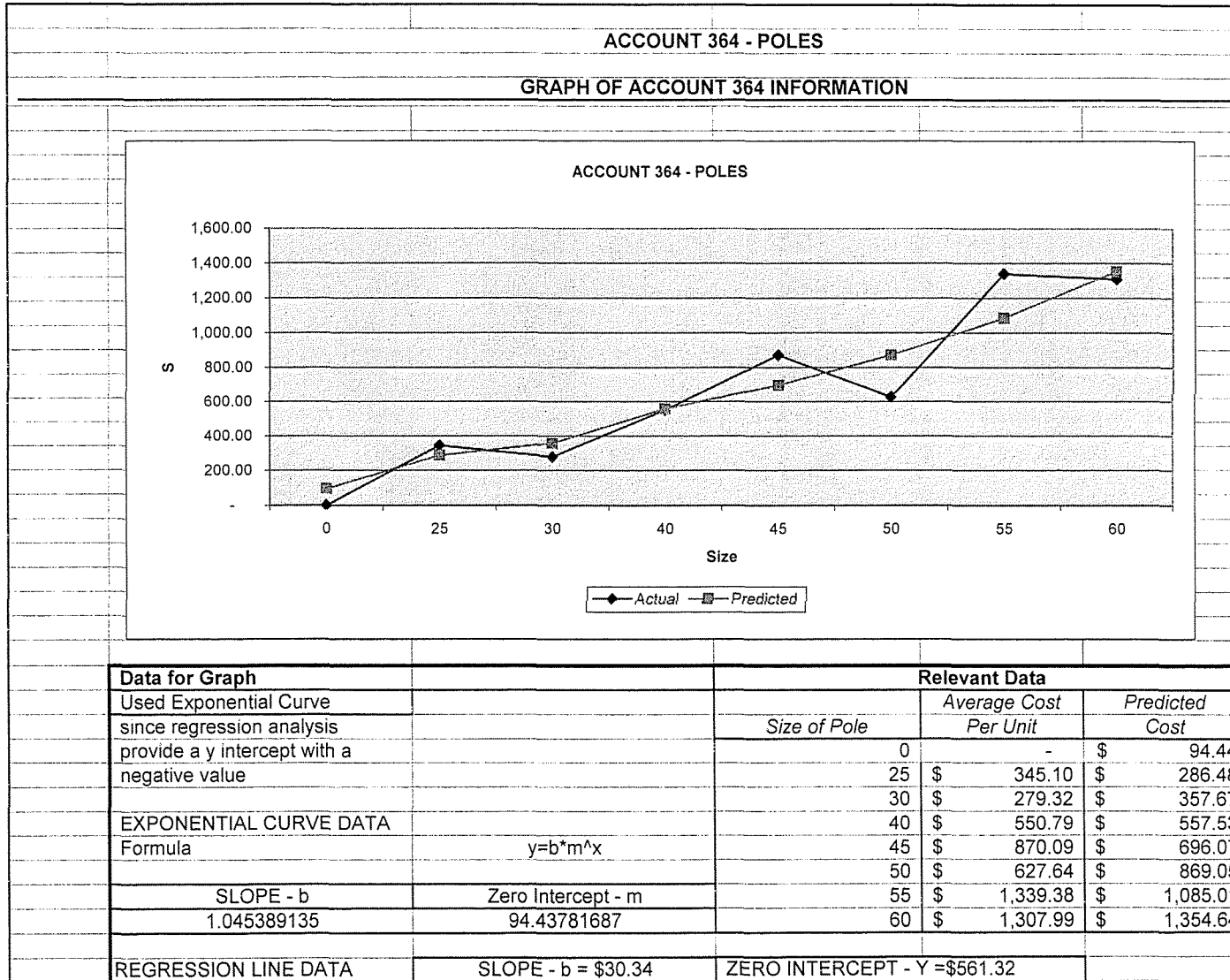
DEMAND AND CONSUMER RELATED INVESTMENTS

ACCOUNT 364 - POLES				
1. Actual Data				
Poles	Size	Investment	Number of Units	Unit Cost
20 & 25 feet	25.00	3,217,359.97	9,323	\$ 345.10
30 feet	30.00	6,553,302.73	23,462	\$ 279.32
35feet	35.00	1,067.84	1	\$ 1,067.84
40feet	40.00	15,427,532.59	28,010	\$ 550.79
45 feet	45.00	1,232,052.59	1,416	\$ 870.09
50 feet	50.00	1,299,211.80	2,070	\$ 627.64
55 feet	55	77,683.80	58	\$ 1,339.38
60 feet	60	86,327.55	66	\$ 1,307.99
65 feet	65		2	
70 feet	70		1	
75 feet	75	-	-	
Subtotal		27,894,539	64,409	
All other items		0		
Total Investment in Poles		27,894,539		
2. Determination of Demand and Consumer Related Investment				
		Formula	Slope	Y intercept
Exponential Curve		$y=b*m^x$	1.045	94.438
Use y-intercept				94.44
Number of poles				64,409.00
Consumer Related Investment				6,082,645
Total Investment in poles				27,894,539
Percent Customer Related				21.81%
Percent Demand Related				78.19%

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DEMAND AND CONSUMER RELATED INVESTMENTS



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DEMAND AND CONSUMER RELATED INVESTMENTS

ACCOUNT 365 - CONDUCTOR				
1. Actual Data				
Conductor	Investment	Number of Units	Unit Cost	Amps
4 ACWC	15,434	120,986	\$ 0.1276	
6A CWC	83,474	1,024,654	\$ 0.0815	125,000
8A CWC	175,285	3,358,702	\$ 0.0522	95,000
2-3 STR CU	13,134	162,907	\$ 0.0806	
4-7 STR CU	8,713	144,382	\$ 0.0603	
1-0 F CU	47,193	487,076	\$ 0.0969	
2 F	20,024	259,661	\$ 0.0771	
1/0 ACSR	503,877	2,381,650	\$ 0.2116	242,000
2/0 ACSR	615	8,066	\$ 0.0763	
3/0 ACSR	2,065,986	6,337,021	\$ 0.3260	315,000
2 ACSR	4,003,927	10,289,678	\$ 0.3891	184,000
4 ACSR	928,645	4,496,458	\$ 0.2065	140,000
1/0 TRIPLEX	193,561	160,973	\$ 1.2024	160,000
2 TRIPLEX	1,573,522	1,284,863	\$ 1.2247	120,000
4 TRIPLEX	213,849	359,205	\$ 0.5953	90,000
4 QPC	589	140	\$ 4.2076	
250 MCM	1,070	896	\$ 1.1946	
4/0 QPC	16,880	5,273	\$ 3.2011	
4/0 TPC	27,051	13,420	\$ 2.0157	
500 MCM	14,116	3,494	\$ 4.0400	334,000
750 MCM	259	757	\$ 0.3422	
795 MCM	817	80,817	\$ 0.0101	
D 3 #8 STEEL	1,999	45876	\$ 0.0436	
1/0 QUADRUPLEX	8,156	6,158	\$ 1.3245	
2 QUADRUPLEX	5,824	7,705	\$ 0.7559	
#4 DUPLEX	2,376	9,972	\$ 0.2383	
#6 DUPLEX	373,544	439,164	\$ 0.8506	70,000
PRIMARY 1/0 UG WIRE	121,346	58,147	\$ 2.0869	
336.4 WIRE	309,131	282,740	\$ 1.0933	519,000
336.4 QUAD WIRE	21,167	4,777	\$ 4.4310	
SUBTOTAL	10,751,562	31,835,618	\$ 0.3377	
All other OH Conductor Invest.	-			
TOTAL	10,751,562		0	

DEMAND AND CONSUMER RELATED INVESTMENTS

2. Demand and Consumer Investment Percents

Use Exponential Curve

Formula

$$y=b*m^x$$

Slope

1.002959426

Y-Intercept

0.1905

Use zero intercept

0.19055

Amount of Conduit

31,458,240.00

Consumer Related Investment

5,994,249

Total Investment in conductor

10,751,562

Percent Customer Related

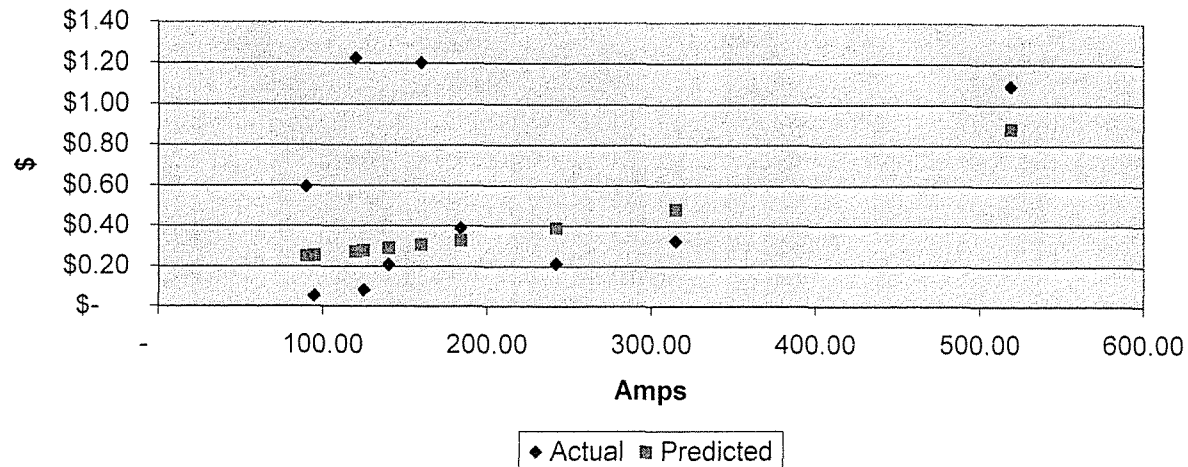
55.75%

Percent Demand Related

44.25%

GRAPH OF CONDUCTOR INFORMATION

ACCOUNT 365 - OVERHEAD CONDUCTOR



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DEMAND AND CONSUMER RELATED INVESTMENTS

Data for Graph					
Conuctor		Per Unit Cost	Wire Size	Predict Valeu	
4 TRIPLEX	\$	0.60	90.00	\$	0.2486
8 ACWC	\$	0.05	95.00	\$	0.2523
2 TRIPLEX	\$	1.22	120.00	\$	0.2716
6A CWC	\$	0.08	125.00	\$	0.2757
4 ACSR	\$	0.21	140.00	\$	0.2882
1/0 TRIPLEX	\$	1.20	160.00	\$	0.3057
2 ACSR	\$	0.39	184.00	\$	0.3282
1/0 ACSR	\$	0.21	242.00	\$	0.3896
3/0 ACSR	\$	0.33	315.00	\$	0.4833
336.4 WIRE	\$	1.09	519.00	\$	0.8832

Breakdown of Lines into Demand Related and Consumer Related Components					
Acct No.	Total Investment	Consumer-Related		Demand-Related	
		Percent	Amount	Percent	Amount
365.00	10,751,562	55.75%	5,994,249.44	44.25%	4,757,313
365.00	27,894,539	21.81%	6,082,645.35	78.19%	21,811,894
	38,646,101		12,076,894.79		26,569,206
%	100.00%		31.25%		68.75%

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DEMAND AND CONSUMER RELATED INVESTMENTS

ACCOUNT 368 - TRANSFORMERS					
Type of Transformer	Size In KVA	Number of Transformers	Total Cost	Per Unit Cost	
167 KVA	167	96	188,091.04	1,959.28	
1/2 CONV TRANS	0.5	126	43,997.29	349.18	
3 CONV TRANS	3	48	3,153	65.69	
5 CONV TRANS	5	139	15,685	112.84	
7 1/2 CONV TRANS	7.5	7	841	120.18	
10 CONV TRANS	10	340	102,456	301.34	
15 CONV TRANS	15	239	111,312	465.74	
25 CONV TRANS	25	295	162,395	550.49	
37 1/2 CONV TRANS	37.5	224	152,328	680.04	
50 CONV TRANS	50	179	119,225	666.06	
75 CONV	75	155	183,246	1,182.23	
100 CONV	100	129	166,326.71	1,289.35	
150 CONV	150	1	2,898.44	2,898.44	
250 CONV	250	37	116,519.85	3,149.19	
500 CONV	500	20	66,592.72	3,329.64	
1 1/2 CSP	1.5	84	16,316.84	194.25	
3 CSP	3	441	52,583.42	119.24	
5 CSP	5	450	83,074.46	184.61	
7 1/2 CSP	7.5	52	10,645.80	204.73	
10 CSP	10	4,023	1,537,611.80	382.21	
15 CSP	15	10,228	5,366,363.05	524.67	
25 CSP	25	3,615	2,460,791.14	680.72	
37 1/2 CSP	37.5	384	322,624.65	840.17	
50 CSP	50	195	176,007.66	902.60	
75 CSP	75		-		
333 CONV KVA	333	19	77,212.47	4,063.81	
SINGLE PHASE 25 KVA PADMO	25	27	41,773.03	1,547.15	
SINGLE PHASE 37.5 KVA PADM	37.5	53	54,586.54	1,029.93	
SINGLE PHASE 50 KVA PADMO	50	13	21,291.23	1,637.79	
SINGLE PHASE 75 KVA PADMO	75	1	2,228.39	2,228.39	
SINGLE PHASE 100 KVA PADM	100		0		
THREE PHASE 75 KVA PADMO	75	2	7,472.8	3,736.40	
THREE PHASE 112.5 KVA PADM	112.5		0		
THREE PHASE 150 KVA PADMO	150	2	11,898.00	5,949.00	
THREE PHASE 225 KVA PADMO	225		-		

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DEMAND AND CONSUMER RELATED INVESTMENTS

ACCONT 368 - TRANSFORMERS CONTINUED				
Type of Transformer	Size In KVA	Number of Transformers	Total Cost	Per Unit Cost
THREE PHASE 300 KVA PADMC	300	3	22,360.44	7,453.48
THREE PHASE 500 KVA PADMC	500	4	33,883.40	8,470.85
THREE PHASE 750 KVA PADMC	750	2	30,002.60	15,001.30
THREE PHASE 1000 KVA PADM	1000	1	12,717.80	12,717.80
THREE PHASE 1500 KVA PADM	1500	3	45,529.23	15,176.41
THREE PHASE 2000 KVA PADM	2000		0	
THREE PHASE 2500 KVA PADM	2500		0	
Total		21,637	11,822,043	131688.71
2. Demand and Consumer Investment Percents				
Regression Equation				
Zero Intercept				159.5078131
Slope - X Variable				14.52470892
Use Intercept				159.51
Number of Transformers				21,637
Consumer Related Investment				3,451,271
Total Investment in transformers				11,822,042.98
Percent Customer Related				29.19%
Percent Demand Related				70.81%

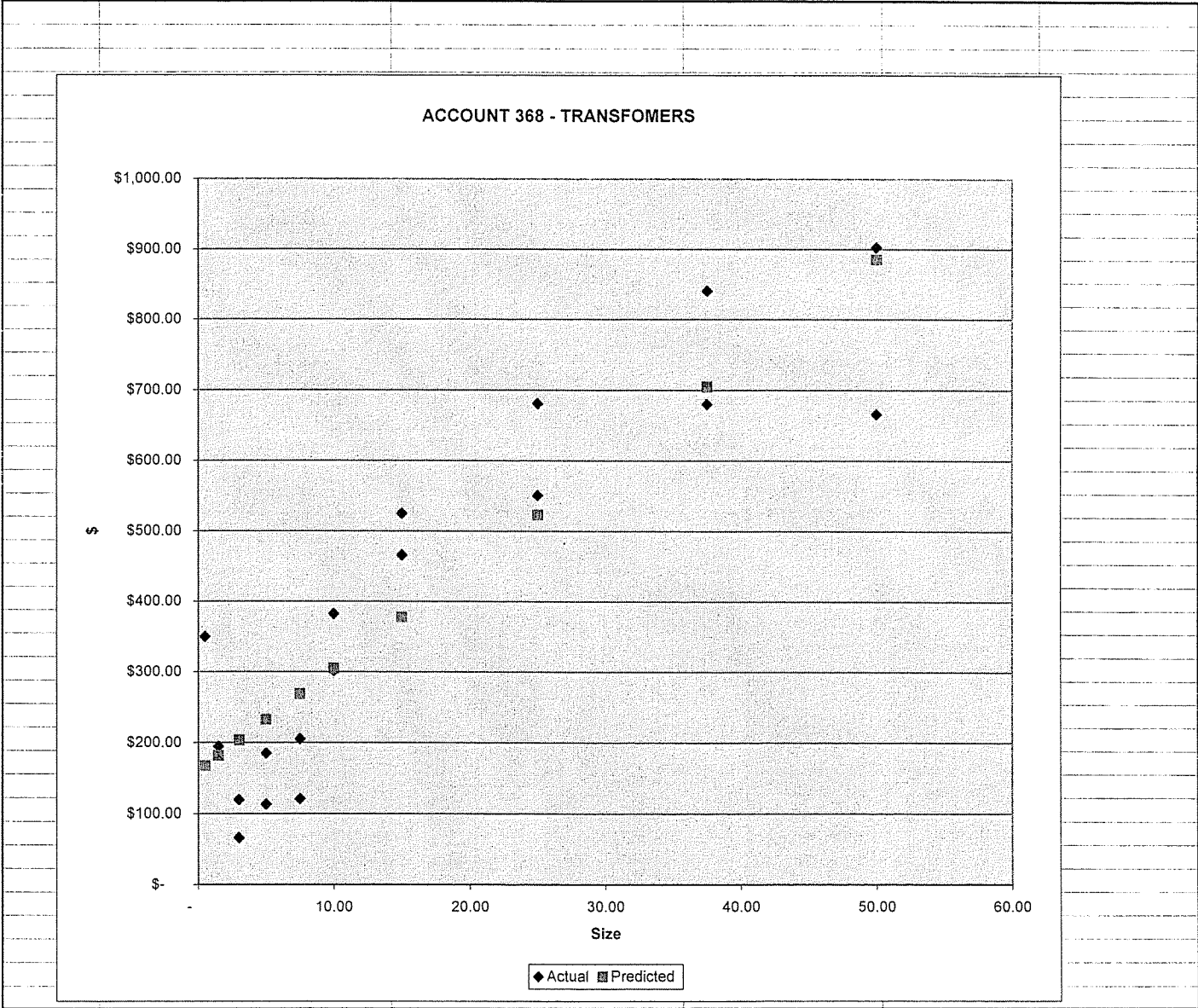
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DEMAND AND CONSUMER RELATED INVESTMENTS

ACCOUNT 368 - TRANSFORMERS				
Data for Graph				
Transformer Size	Unit Cost		Predicted	
0.50	\$	349.18	\$	166.77
1.50	\$	194.25	\$	181.29
3.00	\$	65.69	\$	203.08
3.00	\$	119.24	\$	203.08
5.00	\$	112.84	\$	232.13
5.00	\$	184.61	\$	232.13
7.50	\$	120.18	\$	268.44
7.50	\$	204.73	\$	268.44
10.00	\$	301.34	\$	304.75
10.00	\$	382.21	\$	304.75
15.00	\$	465.74	\$	377.38
15.00	\$	524.67	\$	377.38
25.00	\$	550.49	\$	522.63
25.00	\$	680.72	\$	522.63
37.50	\$	680.04	\$	704.18
37.50	\$	840.17	\$	704.18
50.00	\$	666.06	\$	885.74
50.00	\$	902.60	\$	885.74

DEMAND AND CONSUMER RELATED INVESTMENTS



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ALLOCATION OF EXPENSES TO RATE CLASSES								
Function	Classification	Amount	Green Power	1R Residential Schl & Chur	2R Commercial Rate	3R Gen Svc 0-999 kVa	3A TOD Rate	Outdoor Lighting
Purchased Power	Demand	7,698,758		5,769,634	522,132	1,281,020	300	125,673
Purchased Power	Energy	9,661,172	100	7,376,119	586,612	1,477,759	184	220,398
Stations	Demand	959,983		719,435	65,106	159,735	37	15,671
Lines	Consumer	3,390,420		3,059,573	198,368	121,694	352	10,434
Lines	Demand	7,458,935		5,589,904	505,867	1,241,115	291	121,758
Transformers	Consumer	380,950		254,236	29,357	95,543	927	887
Transformers	Demand	923,963		692,440	62,663	153,741	36	15,083
Services	Consumer	181,135		150,600	9,820	20,389	59	267
Meters	Consumer	1,254,021		1,120,776	72,666	60,518	62	-
Consumer Services & Accounting	Consumer	1,944,371		1,448,362	187,809	153,622	444	154,134
Lighting	Lighting	363,289						363,289
Revenue Requirements		34,216,998	100	26,181,078	2,240,401	4,765,134	2,691	1,027,593
				SUMMARY			SUMMARY	
		Amount		1R Residential Schl & Chur	2R Commercial Rate	3R Commercial Rate	3A TOD Rate	Outdoor Lighting
Consumer Related		7,150,897	-	6,033,546	498,020	451,766	1,843	165,722
Demand Related		17,041,639	-	12,771,413	1,155,769	2,835,610	664	278,184
Energy Related		9,661,172	100	7,376,119	586,612	1,477,759	184	220,398
Lighting		363,289						363,289
Revenue Requirements		34,216,998	100	26,181,078	2,240,401	4,765,134	2,691	1,027,593

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LOAD DATA USED IN THE ALLOCATION OF THE DEMAND RELATED AND ENERGY RELATED COSTS

ENERGY KWH						
Month	Residential Schls & Chrch	Commercial Service	General Service	TOD Rate	Lighing	Total
April	21,977,973	1,907,602	4,578,411	55	835,110	29,299,151
May	18,979,584	2,091,544	5,324,017	145	839,348	27,234,638
June	26,034,358	2,541,735	5,926,502	621	841,320	35,344,536
July	25,405,289	2,562,590	5,449,446	744	842,690	34,260,759
August	28,087,546	2,669,027	6,093,172	4,315	844,407	37,698,467
September	22,157,178	2,348,184	6,441,413	1,533	844,274	31,792,582
October	20,895,533	1,950,991	5,584,225	1,026	845,342	29,277,117
November	24,010,927	1,868,358	5,477,664	46	849,099	32,206,094
December	38,562,654	2,252,447	5,840,799	0	850,520	47,506,420
January	44,362,924	2,476,228	5,734,146	0	853,990	53,427,288
February	42,764,309	2,430,720	5,755,063	0	853,647	51,803,739
March	26,671,091	1,932,715	5,892,905	0	856,597	35,353,308
	339,909,366	27,032,141	68,097,763	8,485	10,156,344	445,204,099
Percentage	76.35%	6.07%	15.30%	0.00%	2.28%	100.00%
						-

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LOAD DATA USED IN THE ALLOCATION OF THE DEMAND RELATED AND ENERGY RELATED COSTS

SUM OF MONTHLY PEAK DEMANDS FOR EACH RATE CLASS - KW						
Month	Residential Schls & Chrch	Commercial Service	General Service	TOD Rate	Lighting	Total
April	59,951	5,824	13,621	0	2,058	75,116
May	52,669	6,332	15,663	1	1,029	66,231
June	69,689	7,559	17,296	3	1,029	90,659
July	68,209	7,620	16,004	4	1,029	81,822
August	74,546	7,902	17,748	26	1,029	90,127
September	60,445	7,037	18,687	8	1,029	69,065
October	57,387	5,949	16,368	4	2,058	69,078
November	64,911	5,717	16,071	0	2,058	75,064
December	98,729	6,773	17,049	-	2,058	104,050
January	111,747	7,380	16,774	-	2,058	118,998
February	108,185	7,254	16,833	-	2,058	112,343
March	71,248	5,894	17,203	-	2,058	92,041
	897,715	81,240	199,318	47	19,554	1,197,873
						1,044,594
Allocation %	74.94%	6.78%	16.64%	0.00%	1.63%	100%

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ALLOCATION OF CONSUMER RELATED COSTS

A. Lines (poles and conduit)							
				Factor	Number of Consumers	Relative Weight	Allocation Percent
1R	Resid. (Farm & Nonfarm) Schls & Church.			1.00	26,097	26,097.00	90.24%
2R	Commercial Rate - Single Phase			1.00	1,692	1,692.00	5.85%
3R	General Service 0-999 KVA - 3 Phase			1.00	346	1,038.00	3.59%
3A	TOD Rate			1.00	1	3.00	0.01%
B-1	Outdoor Lighting Service			1.00	89	89.00	0.31%
					0		0.00%
					0		0.00%
					28,225	28,919	100.0%

B. Transformers							
		1	2	3	4	5	6
		Minimum Size Transform.	Cost of Minimum Transform.	Weighted Cost Min = 1	Number of Customers	Relative Weight	Allocation Percent
1R	Resid. (Farm & Nonfarm) Schls & Chur	10 KVA	\$ 382.21	1.00	26,097	26,097	66.74%
2R	Commercial Rate - Single Phase	25 KVA	\$ 680.72	1.78	1,692	3,013	7.71%
3R	General Service 0-999 KVA - 3 Phase	Various	3,611.22	9.45	346	9,807	25.08%
3A	TOD Rate	50 KVA	12,117.80	31.70	1	95	0.24%
B-1	Outdoor Lighting Service	1.5 KVA	391.06	1.02	89	91	0.23%
		-	-	-	-	-	0.0%
		-	-	-	-	-	0.0%
					28,225.00	39,104.10	100.0%

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ALLOCATION OF CONSUMER RELATED COSTS

C. Services		1	2	3	4	5	6	
		Minimum Size Service	Cost Per Unit	Average Length of Service	Cost of Service	Number of Customers	Relative Weight	Allocation Percent
1R	Resid. (Farm & Nonfarm) Schls & Chur	4 Tplx	\$ 1.74	50	87.00	26,097	2,270,439	83.14%
2R	Commercial Rate - Single Phase	2 Tplx	1.75	50	87.50	1,692	148,050	5.42%
3R	General Service 0-999 KVA - 3 Phase	4 Quad	2.46	120	888.39	346	307,382	11.26%
3A	TOD Rate	4 Quad	2.46	120	885.60	1	886	0.03%
B-1	Outdoor Lighting Service	6 Dplx	1.13	40	45.20	89	4,023	0.15%
		-	-	-	-	-	-	0.00%
		-	-	-	-	4,134	-	0.00%
		-	-	-	-	-	-	0.00%
								0.00%
						32,359.00	2,730,780	100%
D. Meters		1	2	3	4	5	6	
		Minimum Size Meter	Cost of Minimum Meter	Weighted Cost Meter	Number of Customers	Relative Weight	Allocation Percent	
1R	Resid. (Farm & Nonfarm) Schls & Chur	200 Amp	183.79	1.00	26,097	26,097.00	89.375%	
2R	Commercial Rate - Single Phase	200 Amp	183.79	1.00	1,692	1,692.00	5.795%	
3R	General Service 0-999 KVA - 3 Phase	200 Amp	748.52	4.07	346	1,409.15	4.826%	
3A	TOD Rate	200 Amp-Pts	265.43	1.44	1	1.44	0.005%	
B-1	Outdoor Lighting Service		-	-	89	-	0.000%	
			-	-	-	-	0.000%	
			-	-	-	-	0.000%	
			-	-	-	-	0.000%	
			-	-	-	-	0.000%	
					28,225.00	29,199.59	100.0%	

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ALLOCATION OF CONSUMER RELATED COSTS

E. Consumer & Accounting Services						
Rate Class		Meter Reading	Consumers Records	Total	Allocation Percent	
1R	Resid. (Farm & Nonfarm) Schls & Church.	280,985	202,940	483,925	74.49%	
2R	Commercial Rate - Single Phase	36,435	26,315	62,751	9.66%	
3R	General Service 0-999 KVA - 3 Phase	29,803	21,525	51,328	7.90%	
3A	TOD Rate	86	62	148	0.02%	
B-1	Outdoor Lighting Service	-	51,499	51,499	7.93%	
-	-					
		347,309	302,342	649,651	100%	
Meter Reading						
Rate Class		Factor	Number of Consumers	Relative Weight	Allocation Percent	Expense Allocated
1R	Resid. (Farm & Nonfarm) Schls & Church.	1	26,097	26,097	80.9%	280,985
2R	Commercial Rate - Single Phase	2	1,692	3,384	10.5%	36,435
3R	General Service 0-999 KVA - 3 Phase	8	346	2,768	8.6%	29,803
B-1	TOD Rate	8	1	8	0.0%	86
	Outdoor Lighting Service	-	89	-	0.0%	-
-	-			32,257	100.0%	122,908
Consumer Records						
Rate Class		Factor	Number of Consumers	Relative Weight	Allocation Percent	Expense Allocated
1R	Resid. (Farm & Nonfarm) Schls & Church.	1.00	26,097	26,097	67.1%	202,940
2R	Commercial Rate - Single Phase	2.00	1,692	3,384	8.7%	26,315
3R	General Service 0-999 KVA - 3 Phase	8.00	346	2,768	7.1%	21,525
B-1	TOD Rate	8.00	1	8	0.0%	62
	Outdoor Lighting Service	0.50	13,245	6,623	17.0%	51,499
-	-					
-	-			38,880	100%	946,136

MEADE COUNTY RECC
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STATEMENT OF OPERATIONS

	1R	2R	3R.	3A	Outdoor	
	Residential	Sml Comm	3 Phase	TOD	Lighting	Total
Revenue From Rates	23,460,774	2,048,642	4,696,070	2,466	893,370	31,101,322
Purchased Power	13,145,853	1,108,744	2,758,778	484	346,071	17,359,930
Distribution Operations	1,869,315	144,563	248,767	134	78,195	2,340,973
Distribution Maintenance	2,176,337	178,642	352,898	201	65,411	2,773,488
Consumer Accounts	941,049	122,026	99,813	288	100,146	1,263,323
Customer Service	182,217	23,628	19,327	56	19,392	244,620
Administrative & General	1,123,826	101,291	159,116	154	57,434	1,441,821
Depreciation	2,316,896	193,416	385,319	468	123,862	3,019,961
Miscellaneous	25,247	2,100	4,228	5	1,352	32,933
Interest on Long Term Debt	1,883,915	156,688	315,476	386	100,921	2,457,386
Short Term Interest	29,757	2,475	4,983	6	1,594	38,815
Total Costs	23,694,411	2,033,572	4,348,705	2,182	894,378	30,973,249
Margins before Other Revenue	(233,637)	15,070	347,365	284	(1,008)	128,073
Other Revenue	1,334,260					1,334,260
Net Margins	1,100,623	15,070	347,365	284	(1,008)	1,462,333
TIER	1.58	1.10	2.10	1.74	0.99	1.60
Net Investment Rate Base	52,243,416	4,438,753	9,411,604	10,559	2,889,727	68,994,058
Return on Rate Base	5.71%	3.87%	7.04%	6.34%	3.46%	5.68%
Ratios After Rate Increase						
Rate Increase Amount	1,345,093	117,456	269,243	141	51,126	1,783,059
Net Margins	2,445,715	132,526	616,607	425	50,118	3,245,392
TIER	2.30	1.85	2.95	2.10	1.50	2.32
Return on Rate Base	8.29%	6.52%	9.90%	7.68%	5.23%	8.27%

CLASSIFICATION OF EXPENSES BY RATE CLASS

Rate 3R - General Service 0-999 kVa - 3 Phase										
Expense	Lines			Transformers		Services	Meters	Cons Acctg	Purchased Power	
	Stations	Demand	Cons.	Demand	Cons.				Demand	Energy
Purchased Power									1,281,020	1,477,759
Distribution Operations	15,269	186,841	18,320	-	-	2,368	25,969	-		
Distribution Maintenance	18,528	293,990	28,826	7,119	4,424	-	11	-		
Consumer Accounts	-	-	-	-	-	-	-	99,813		
Customer Service	-	-	-	-	-	-	-	19,327		
Administrative & General	8,295	104,914	10,287	3,273	2,034	698	5,586	24,030		
Depreciation	39,734	224,936	22,055	47,999	29,829	5,819	9,995	4,952		
Miscellaneous	444	2,455	241	544	338	66	108	31		
Interest on Long Term Debt	33,164	183,226	17,966	40,588	25,224	4,897	8,070	2,341		
Short Term Interest	524	2,894	284	641	398	77	127	37		
Total Costs	115,958	999,256	97,979	100,164	62,248	13,925	49,866	150,531	1,281,020	1,477,759
Margin Requirements	43,776	241,859	23,715	53,577	33,296	6,464	10,652	3,090		
Revenue Requirements	159,735	1,241,115	121,694	153,741	95,543	20,389	60,518	153,622	1,281,020	1,477,759

CLASSIFICATION OF EXPENSES BY RATE CLASS

Rate 3A - TOD Rate										
Expense	Stations	Lines		Transformers		Services	Meters	Cons Acctg	Purchased Power	
		Demand	Cons.	Demand	Cons.				Demand	Energy
Purchased Power									300	184
Distribution Operations	4	44	53	-	-	7	27	-		
Distribution Maintenance	4	69	83	2	43	-	0	-		
Consumer Accounts	-	-	-	-	-	-	-	288		
Customer Service	-	-	-	-	-	-	-	56		
Administrative & General	2	25	30	1	20	2	6	69		
Depreciation	9	53	64	11	289	17	10	14		
Miscellaneous	0	1	1	0	3	0	0	0		
Interest on Long Term Debt	8	43	52	10	245	14	8	7		
Short Term Interest	0	1	1	0	4	0	0	0		
Total Costs	27	234	283	23	604	40	51	435	300	184
Margin Requirements	10	57	69	13	323	19	11	9		
Revenue Requirements	37	291	352	36	927	59	62	444	300	184

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DETERMINATION OF INCREASE BY RATE CLASS

	Green Power	1R Residential Schl & Chur	2R Commercial Rate	3R Gen Svc 0-999 kVa	3A TOD Rate	Outdoor Lighting	Total
Total Revenue Requirements	100	26,181,078	2,240,401	4,765,134	2,691	1,027,593	34,216,998
Actual Revenue from Rates	-	23,460,774	2,048,642	4,696,070	2,466	891,727	31,099,679
Rates (Over) Under Rev. Requir.		2,720,304	191,759	69,064	225	135,866	3,117,319
Less Other Revenue	-	1,334,260	-	-	-	-	1,334,260
COSS Based Rev. Requir.		1,386,045	191,759	69,064	225	135,866	1,783,059
Percent Increase		5.91%	9.36%	1.47%	9.14%	15.24%	5.73%
Increase Percent Applied		5.73%	5.73%	5.73%	5.73%	5.73%	5.73%
Revised Increase based on equal percent increase	-	1,345,093	117,456	269,243	141	51,126	1,783,059
Increase Percent		5.73%	5.73%	5.73%	5.73%	5.73%	5.73%
Revenue Requirement from Rates		24,805,867	2,166,098	4,965,313	2,607	942,853	32,882,738

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PROPOSED RATE DESIGN

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Proposed Rate Design for Schedule 1R, 2R and Lighting

Schedule 1R - Proposed Increase Placed on Customer Charge

Increase for Rate Class	\$ 1,345,093
Current Revenue from Customer Charge	<u>3,071,949</u>
Proposed Revenue for Customer Charge	\$ 4,417,042
Number of Customer Charges for Test Year	311,873
Proposed Customer Charge	\$ 14.16
Proposed Energy Rate - Same as Current Energy Rate	\$ 0.06001

Schedule 2R - Proposed Increase Placed on Customer Charge

Increase for Rate Class	\$ 117,456
Current Revenue from Customer Charge	<u>\$303,720</u>
Proposed Revenue for Customer Charge	\$ 421,176
Number of Customer Charges for Test Year	20,425
Proposed Customer Charge	\$ 20.62
Proposed Energy Rate - Same as Current Energy Rate	\$ 0.06469

Schedule 3 A - TOD

Increase in Revenue Requirements	\$ 141
Number of Customer Billing Units	20
Increase in Customer Charge	7.06
Current Customer Charge	<u>\$53.68</u>
Proposed Customer Charge	<u><u>\$60.74</u></u>

MEADE COUNTY RECC
CASE NO. 2010-00222
PROPOSED RATE DESIGN

Proposed Rate Design for Schedule 1R, 2R and Lighting

Schedule 3R - General Service 3 Phase 0-999 KVA

Consumer Charge - Proportional on Investment to Serve Consumers

	0-100 kVA	101-1000 KVA	1001 KVA +	
Transformer Invest	902.60	5,949.00	16,941.70	
Service	885.60	885.60	1,126.80	
Total	1,788.20	6,834.60	18,068.50	
# of Customers	169	173	4	346
Total Investment	302,206	1,182,386	72,274	1,556,866
Proportion	19.4%	75.9%	4.6%	100.0%
Increase in Revenue				
for Rate Class	52,263	204,481	12,499	269,243
# of Customers	169	173	4	
Increase for Each	\$ 25.77	\$ 98.50	\$ 260.40	

Proposed Customer Charges

0-100 KVA Cust	\$ 60.47
101-1000 KVA Cust.	\$ 133.20
Over 1000 KVA Cust	\$ 295.10

**MEADE COUNTY RECC
CASE NO. 2010-00222
PROPOSED RATE DESIGN**

Exhibit R
Schedule 7
Page 44 of 41
Witness: Jim Adkins

Proposed Rate Design for Schedule 1R, 2R and Lighting

Increase in Outdoor Lighting Rates

Total Increase in Outdoor Lighting Revenue Requirements		\$ 51,170
Proposed pole rental fee	\$ 1.00	
Present pole rental fee	\$ 0.25	
Increase in pole rental fee	<u>\$ 0.75</u>	
Number of pole rental months for the test year	<u>30,652</u>	
Additional revenue from proposed pole rental fee		<u>\$ 22,989</u>
Increase allocated to the other outdoor lights		<u>\$ 28,181</u>
Total revenue from current rates for the other outdoor lights		
Total current revenue	\$ 893,370	
Less: Current revenue from pole rental	7,663	
Revenue from other outdoor lights		<u>\$ 885,707</u>
Percentage increase in other outdoor light rates		<u><u>3.18%</u></u>

175 W MV Unmetered	\$ 6.73	3.18%	6.93
175 W MV Unmetered - Pole Rental	\$ 6.73	3.18%	6.93
175W MV - city	\$ 5.91	3.18%	6.09
175W MV Metered	\$ 3.25	3.18%	3.35
175W MV Metered - Pole Rental	\$ 3.25	3.18%	3.35
400W MV Unmetered	\$ 9.56	3.18%	9.85
400W MV - city	\$ 8.81	3.18%	9.09
400W MV - Unmetered, Pole Rental	\$ 9.51	3.18%	9.80
400W MV Flood Light	\$ 9.51	3.18%	9.80
400w MV Metered	\$ 3.25	3.18%	3.35
400W MV, Metered - Pole Rental	\$ 3.25	3.18%	3.35
400W MVFL - Metered	\$ 3.25	3.18%	3.35
400W MVFL - Unmetered	\$ 9.56	3.18%	9.85
400W MVFL - Unmetered, Pole Rental	\$ 9.56	3.18%	9.85
400W MVFL, Metered - Pole Rental	\$ 3.25	3.18%	3.35

Meade County Rural Electric
Case No. 2010-00222
Statement of Operations, Adjusted

Exhibit S
page 1 of 4
Witness: Jim Adkins

	<u>Actual Test Year</u>	<u>Normalized Adjustments</u>	<u>Normalized Test Year</u>	<u>Proposed Increase</u>	<u>Proposed Test Year</u>
Operating Revenues:					
Base rates	\$31,101,322	(1,643)	31,099,679	1,783,058	32,882,737
Other electric revenue	932,536	127,403	1,059,939		1,059,939
	<u>32,033,858</u>	<u>125,760</u>	<u>32,159,618</u>	<u>1,783,058</u>	<u>33,942,676</u>
Operating Expenses:					
Cost of power	17,359,931	0	17,359,931		17,359,931
Distribution - operations	2,273,242	67,727	2,340,969		2,340,969
Distribution - maintenance	2,706,070	67,422	2,773,492		2,773,492
Consumer accounts	1,234,333	28,942	1,263,275		1,263,275
Customer service	234,762	5,405	240,167		240,167
Sales	690	3,812	4,502		4,502
Administrative and general	1,416,228	10,465	1,426,693		1,426,693
	<u>25,225,256</u>	<u>183,773</u>	<u>25,409,029</u>	<u>0</u>	<u>25,409,029</u>
Depreciation	2,974,304	45,656	3,019,960		3,019,960
Taxes - other	32,932	0	32,932		32,932
Interest on long-term debt	2,244,699	212,686	2,457,385		2,457,385
Interest expense - other	38,814	0	38,814		38,814
Other deductions	15,129	0	15,129		15,129
	<u>30,531,134</u>	<u>442,115</u>	<u>30,973,249</u>	<u>0</u>	<u>30,973,249</u>
Utility operating margins	<u>1,502,724</u>	<u>(316,355)</u>	<u>1,186,369</u>	<u>1,783,058</u>	<u>2,969,427</u>
Nonoperating margins, interest	119,046	0	119,046		119,046
Nonoperating margins, other	20,846	0	20,846		20,846
Patronage capital credits	134,429	0	134,429		134,429
	<u>\$1,777,045</u>	<u>(\$316,355)</u>	<u>\$1,460,690</u>	<u>\$1,783,058</u>	<u>\$3,243,748</u>
Net Margins					
TIER	1.79		1.59		2.32
OTIER	1.73		1.54		2.26

Meade County Rural Electric
Case No. 2010-00222
Balance Sheet, Adjusted
March 31, 2010

Exhibit S
page 2 of 4
Witness: Jim Adkins

	<u>Actual Test Year</u>	<u>Adjustments to Test Year</u>	<u>Adjusted Test Year</u>
<u>ASSETS</u>			
Electric Plant:			
In service	\$90,449,647		90,449,647
Under construction	1,951,042		1,951,042
	<u>92,400,689</u>		<u>92,400,689</u>
Less accumulated depreciation	25,102,749	89,655	25,192,404
	<u>67,297,940</u>	<u>(89,655)</u>	<u>67,208,285</u>
Investments	<u>2,251,552</u>		<u>2,251,552</u>
Current Assets:			
Cash and temporary investments	8,295,467		8,295,467
Accounts receivable, net	3,415,288		3,415,288
Material and supplies	1,444,563		1,444,563
Prepayments and current assets	780,261		780,261
	<u>13,935,579</u>		<u>13,935,579</u>
Net change in assets		<u>1,556,358</u>	<u>1,556,358</u>
Total	<u>83,485,071</u>	<u>1,466,703</u>	<u>84,951,774</u>
<u>MEMBERS' EQUITIES AND LIABILITIES</u>			
Margins:			
Memberships	\$100,805		100,805
Other equities	23,566,176		23,566,176
Patronage capital	715,634	1,466,703	2,182,337
	<u>24,382,615</u>	<u>1,466,703</u>	<u>25,748,513</u>
Long Term Debt	<u>54,013,405</u>		<u>54,013,405</u>
Accumulated postretirement benefits	<u>1,031,274</u>		<u>1,031,274</u>
Current Liabilities:			
Accounts payable	1,943,156		1,943,156
Consumer deposits	701,720		701,720
Accrued expenses	815,275		815,275
	<u>3,460,151</u>		<u>3,460,151</u>
Consumer advances for construction	<u>597,626</u>		<u>597,626</u>
Total	<u>83,485,071</u>	<u>1,466,703</u>	<u>84,850,969</u>

Meade County Rural Electric
Case No. 2010-00222
Summary of Adjustments to Test Year

Exhibit S
page 3 of 4
Witness: Jim Adkins

	Adj 1	Adj 2	Adj 3	Adj 4	Adj 5	Adj 6	Adj 7	Adj 8	Adj 9	Adj 10	Adj 11	Adj 12	Adj 13	Adj 14	Adj 15	Adj 16	Adj 17		
	<u>Salaries</u>	<u>Payroll Taxes</u>	<u>Deprec</u>	<u>Property Tax</u>	<u>Interest</u>	<u>FAS 106 Cost</u>	<u>Retirement</u>	<u>Donations</u>	<u>Professional Fees</u>	<u>Directors</u>	<u>Misc Expenses</u>	<u>Rate Case</u>	<u>CATV</u>	<u>Non-Recurring</u>	<u>Purchase Power</u>	<u>Normalize Revenue</u>	<u>Additional Revenue</u>	<u>Total</u>	
Operating Revenues:																			
Base rates																	(1,643)		(1,643)
Other electric revenue													25,219	50,636				51,548	127,403
	0	0	0	0	0	0	0	0	0	0	0	0	25,219	50,636	0	(1,643)	51,548	125,760	
Operating Expenses:																			
Cost of power															0				0
Distribution - operations	(2,321)	(192)	16,090	20,169		6,447	27,534												67,727
Distribution - maintenanc	(3,237)	(268)	23,543			8,990	38,394												67,422
Consumer accounts	(2,056)	(170)	1,077			5,709	24,382												28,942
Customer service	(291)	(24)	1,465			807	3,448												5,405
Sales	(281)	(23)				781	3,335												3,812
Administrative and gener:	(2,161)	(179)	1,824			6,002	25,635	(15,129)	(321)	(8,504)	(15,702)	19,000							10,465
Total operating expense:	(10,347)	(856)	43,999	20,169	0	28,736	122,728	(15,129)	(321)	(8,504)	(15,702)	19,000	0	0	0	0	0	0	183,773
Depreciation			45,656																45,656
Taxes - other																			0
Interest on long-term debt					212,686														212,686
Interest expense - other																			0
Other deductions																			0
Total cost of electric ser	(10,347)	(856)	89,655	20,169	212,686	28,736	122,728	(15,129)	(321)	(8,504)	(15,702)	19,000	0	0	0	0	0	0	442,115
Utility operating margin:	10,347	856	(89,655)	(20,169)	(212,686)	(28,736)	(122,728)	15,129	321	8,504	15,702	(19,000)	25,219	50,636	0	(1,643)	51,548		(316,355)
Nonoperating margins, interest																			0
Nonoperating margins, other																			0
Patronage capital credits																			0
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Margins	10,347	856	(89,655)	(20,169)	(212,686)	(28,736)	(122,728)	15,129	321	8,504	15,702	(19,000)	25,219	50,636	0	(1,643)	51,548		(316,355)

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Meade County Rural Electric
Case No. 2010-00222
Proposed Revenues
March 31, 2010

Interest on long term debt	2,457,385
Normalized margins	<u>1,460,690</u>
Proposed increase in revenues over normalized revenues to attain a TIER of 2.32	<u><u>\$1,783,058</u></u>

Meade County Rural Electric Cooperative
Case No. 2010-00222
Monthly Operating Budget
March 31, 2010

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	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>	<u>January</u>	<u>February</u>	<u>March</u>	<u>Total</u>
Operating revenue	2,379,469	2,145,410	2,426,011	2,820,382	2,945,694	2,783,719	2,239,108	2,363,993	2,899,665	3,523,111	3,174,858	2,557,384	32,258,804
Operating expenses:													
Cost of power	1,229,730	1,148,678	1,419,193	1,650,760	1,627,854	1,423,991	1,208,400	1,353,090	1,673,151	1,960,979	1,723,111	1,512,120	17,931,057
Distribution-operations	176,897	159,082	174,920	199,842	146,528	127,526	165,081	197,027	206,516	252,526	129,461	167,355	2,102,761
Distribution-maintenan	213,016	229,118	204,384	233,428	237,435	186,009	229,386	256,611	229,155	382,635	111,190	218,825	2,731,192
Consumer accounts	111,638	112,105	114,955	117,915	113,879	105,756	101,969	121,787	108,485	169,853	107,972	102,585	1,388,899
Customer services	23,145	21,900	24,793	36,336	22,674	15,100	18,128	26,874	(21,148)	38,739	10,035	21,825	238,401
Sales	1,647	(1,451)	219	(1,162)	1,471	(619)	(1,220)	1,018	582	(856)	(301)	(1,202)	(1,874)
Administrative and gen	112,068	102,364	155,068	124,285	85,680	127,089	133,387	116,627	112,678	118,147	95,395	96,869	1,379,657
Total operation and r	1,868,141	1,771,796	2,093,532	2,361,404	2,235,521	1,984,852	1,855,131	2,073,034	2,309,419	2,922,023	2,176,863	2,118,377	25,770,093
Depreciation	245,255	245,135	246,460	246,455	247,940	248,428	248,842	249,452	250,279	250,650	251,150	251,650	2,981,696
Taxes-other	2,826	2,816	2,835	3,022	2,976	2,981	2,989	3,053	2,863	2,348	2,821	2,813	34,343
Interest on long term d	195,072	201,421	188,659	194,600	194,458	187,738	193,649	187,264	193,890	192,789	174,000	192,126	2,295,666
Interest expense - othe	3,197	3,197	3,197	3,197	3,197	3,197	3,197	3,197	3,197	2,449	2,813	3,365	37,400
Other deductions	365	1,388	2,602	78	8,000	500	513	0	0	0	0	1,937	15,383
Total cost of electric s	2,314,856	2,225,753	2,537,285	2,808,756	2,692,092	2,427,696	2,304,321	2,516,000	2,759,648	3,370,259	2,607,647	2,570,268	31,134,581
Utility operating margi	64,613	(80,343)	(111,274)	11,626	253,602	356,023	(65,213)	(152,007)	140,017	152,852	567,211	(12,884)	1,124,223
Nonoperating margins, i	11,101	11,374	8,668	8,780	8,986	8,708	8,060	5,608	14,446	14,833	14,872	13,856	129,292
Nonoperating margins, c	1,326	477	274	(757)	1,268	1,397	2,001	(1,175)	(980)	(2,856)	(1,793)	(1,108)	(1,926)
Patronage capital:													
G & T	0	0	0	0	0	0	0	0	0	0	0	0	0
Others	0	0	0	15,204	0	0	48,150	98,000	0	0	0	13,019	174,373
	0	0	0	15,204	0	0	48,150	98,000	0	0	0	13,019	174,373
Net margins	77,040	(68,492)	(102,332)	34,853	263,856	366,128	(7,002)	(49,574)	153,483	164,829	580,290	12,883	1,425,962

Changes to Meade County RECC Bylaws:

The following sections were deleted: Section 3.06, Proxies and Section 3.07, Credentials and Election Committee.

“and receiving service therefrom at his primary residential abode” was deleted in Section 4.02. Qualifications.

Section 4.05. Nominations was changed and expanded.

The following sections were added:

Section 4.06. Appointment of Provost, Section 4.07. Duties of Provost Regarding Nominations, Section 4.08. Preparation of Official Ballot, Section 4.09. Official Ballots, Section 4.10. Execution of Ballot, Section 4.11. Elections, Section 4.12. Counting of Votes by Provost, Section 4.13. Certification of Election by Provost, Section 4.14. Procedure for Destroyed Ballot, Section 4.15. Custody of Keys to Ballot Boxes, Section 4.16. Write-In Votes Prohibited, Section and 4.17. Requesting Recount and contesting Election of Director, Section 4.25. Ballot, Section 4.26, Election of Directors, Instructions for Voting.

The following sections were renumbered:

4.18. Removal of Directors by Members (This was section 4.06), Section 4.19. Removal of Directors for Absence. (This was section 4.07) , Section 4.20. Vacancies. (This was Section 4.08), Section 4.21 Compensation; Expenses. (This was Section 4.09), Section 4.22 Rules, Regulations, Rate Schedules and Contracts, (This was Section 4.10), Section 4.23 Accounting System and Reports. (this was Section 4.11), Section 4.24 “Close Relative” Defined. (This was Section 4.12).

Meade County RECC Bylaws

Revision effective February 20, 2008

ARTICLE I ~ Membership

Section 1.01. Eligibility.

Any natural person, firm, association, corporation, or body politic or political subdivision or agency thereof (each hereinafter referred to as "person," "applicant," or "member") shall be eligible to become a member of, and, at one or more premises owned or directly occupied or used by the member, to receive electric service from Meade County RECC (hereinafter called the "Cooperative"); however, no person shall hold more than one membership in the Cooperative.

Section 1.02. Application for Membership.

Application for membership -- wherein the applicant shall agree to purchase electric power and energy from the Cooperative and be bound by and to comply with all provisions of the Cooperative's Articles of Incorporation, Bylaws, and all rules, rate schedules and regulations adopted by the Board of Directors pursuant thereto (the obligations embraced by such agreement being hereinafter called "membership obligations") -- shall be made in writing on such form as is provided therefore by the Cooperative. With respect to any particular classification of service for which the Board of Directors shall require it, such application shall be accompanied by a supplemental contract, executed by the applicant on such form as is provided therefore by the Cooperative. The membership application shall be accompanied by any service security deposit, service connection deposit or fee, inspection fee, facility extension fee or contribution in aid of construction (hereinafter referred to as other deposits or fees) that may be required by the Cooperative. Deposits or fees shall be refunded in the event the application is denied by the Board.

Section 1.03. Acceptance Into Membership.

Upon complying with the requirements set forth in Section 1.02, any applicant shall automatically become a member on the date of the connection for electric service; PROVIDED, that the Board of Directors may by resolution deny an application and refuse to extend service upon its determination that the applicant is not willing or is not able to satisfy and abide by the Cooperative's terms and conditions of membership or that such application should be denied for other good cause; PROVIDED FURTHER, that any person whose application, for sixty (60) days or longer, has been submitted but not denied by the Board of Directors and who has not been connected by the Cooperative for electric service may, by filing written request therefore with the Cooperative at least thirty (30) days prior to the next meeting of the Board of Directors, have the application submitted to and approved or disapproved by the vote of the Directors at such meeting.

Section 1.04. Joint Membership.

A husband and wife may apply for a joint membership. The words "member," "applicants," and "persons" as used in these bylaws shall include a husband and wife applying for or holding a joint membership, unless clearly distinguished in the text; and all provisions relating to the rights, powers, terms, conditions, obligations, responsibilities and liabilities of membership shall apply equally, severally and jointly to them. Without limiting the generality of the foregoing --

(a) the presence at a meeting of either or both shall constitute the presence of one member and a joint waiver of notice of the meeting; and a revocation of any proxy vote executed or mailed by either or both;

(b) the vote of either or both shall constitute, respectively, one joint vote: PROVIDED, that if both be present but in disagreement on such vote, each shall cast only one-half (1/2) vote;

(c) notice to, or waiver of notice signed by, either or both shall constitute, respectively, a joint notice or waiver of notice;

(d) suspension or termination in any manner of either shall constitute, respectively, suspension or termination of the joint membership;

(e) each, but not both concurrently, shall be eligible to serve as a director of the Cooperative, but only if both meet the qualifications required therefore; and

(f) neither will be permitted to have any additional service connections except through their one joint membership.

Section 1.05. Conversion of Membership.

Either membership may be converted to a joint membership upon the written request of the holder thereof and the agreement by such holder and his or her spouse to comply with the Articles of Incorporation, Bylaws, and Rules and Regulations adopted by the board. The outstanding membership certificate shall be surrendered, and shall be reissued by the Cooperative in such manner as shall indicate the changed membership status.

Upon the death of either spouse who is a party to the joint membership, such membership shall be held solely by the survivor or the administrator of the estate. The membership certificate shall be reissued in such manner as shall indicate the changed membership status, provided however, that the estate of the deceased shall not be released from any debts due the Cooperative.

Membership in the Cooperative shall not be transferable except as herein provided.

Section 1.06. Membership Contingent Upon Fees or Deposits.

Payment of deposits and/or fees required shall entitle the member to one service connection. A service connection deposit and/or fee in such amount as shall be prescribed by the Cooperative and any other deposits and/or fees required shall be paid by the member for each additional service connection requested by the member.

Section 1.07. Termination of Membership.

Any member may withdraw from membership upon compliance with such uniform terms and conditions as the Board may prescribe. The Board may, but only after due hearing if such is requested by the member, by the affirmative vote of not less than two-thirds of all members of the Board expel a member who fails to comply with any of the provisions of the Articles of Incorporation, Bylaws or Rules or Regulations adopted by the Board. Any expelled member may be reinstated by the vote of the Board or by vote of the members at any annual or special meeting. The membership of a member, who, for a period of six (6) months after service is available to said member, has not purchased electric energy from the Cooperative, or of a member who has ceased to purchase energy from the Cooperative, may be canceled by resolution of the Board.

Upon the withdrawal, death, cessation of existing or expulsion of a member, the membership of such member shall thereupon terminate, and a membership certificate of such member shall be surrendered forthwith to the Cooperative. Termination of membership in any manner shall not release a member or member's estate from any debts due the Cooperative.

In case of withdrawal or termination of membership in any manner, the Cooperative shall repay to the member the amount of membership fee paid by the member, provided, however, that the Cooperative shall deduct from the amount of membership fee, the amount of any debt or obligation owed by the member to the Cooperative.

Section 1.08. Service to Non-members.

The Cooperative shall render service to its members only; provided, however, that service may be rendered with Board approval upon the same terms and conditions as are applicable to members, to governmental agencies and political subdivisions, and to other persons not in excess of ten percent (10%) of the number of its members; and provided further, that should the Cooperative acquire any electric facilities dedicated or devoted to the public use it may, for the purpose of continuing service and avoiding hardship and to an extent which together with all other persons served by the Cooperative on a non-member basis shall not exceed forty percent (40%) of the total number of persons served by the Cooperative, continue to serve the persons served directly from such facilities at the time of such acquisition without requiring that such persons become members; and provided further that such non-members shall have the right to become members upon nondiscriminatory terms.

Section 1.09. Purchase of Electric Power and Energy; Power Production by Member; Application of Payments to All Accounts.

The Cooperative shall use reasonable diligence to furnish its members with adequate and dependable electric service, although it cannot and therefore does not guarantee a continuous and uninterrupted supply thereof; and each member, for so long as such premises are owned or directly occupied or used by the member, shall purchase from the Cooperative all central station electric power and energy purchased for use on all premises to which electric service has been furnished by the Cooperative pursuant to said membership, unless and except to the extent that the Board of Directors may in writing waive such requirement, and shall pay therefore at the times, and in accordance with the rules, regulations, rate classifications and rate schedules (including any monthly minimum amount that may be charged without regard to the amount of electric power and energy actually used) established by the Board of Directors and, if in effect, in accordance with the provisions of any supplemental contract that may have been entered into as provided for in Section 1.02. Production or use of electric energy on such premises, regardless of the source thereof, by means of facilities which shall be interconnected with Cooperative facilities, shall be subject to appropriate regulations as shall be fixed from time to time by the Cooperative. Each member shall also pay all other amounts owed by said member to the Cooperative as and when they become due and payable. When the member has more than one service connection from the Cooperative, any payment by the member for service from the Cooperative shall, unless directed in writing by the member to the contrary, be deemed to be allocated and credited on a prorate basis to his outstanding accounts for all such service connections, notwithstanding that the Cooperative's actual accounting procedures do not reflect such allocation and proration.

Section 1.10. Excess Payments to be Credited as Member-Furnished Capital.

All amounts paid for electric service in excess of the cost thereof shall be furnished by members as capital, and each member shall be credited with the capital so furnished as provided in Article VII of these Bylaws.

Section 1.11. Access to Lands and Premises.

Without being paid compensation therefore each member shall grant and give to the Cooperative free access on to the member's lands and premises for the reasonable purpose of placing, locating, building, constructing, operating, replacing, rebuilding, relocation, repairing, improving, enlarging, extending and maintaining on, over or under such lands and premises, or removing therefrom its electric distribution system, new or existing lines, wires, poles, anchors and other necessary or appurtenant parts thereof. The Board of Directors may expel from membership and/or discontinue electric service to any member who fails or refuses to comply with the provisions of this Bylaw.

ARTICLE II ~ Rights and Liabilities of Members

Section 2.01. Property Interest of Members.

Upon dissolution, after all debts and liabilities of the Cooperative shall have been paid; and, all capital furnished through patronage shall have been retired as provided in these Bylaws, the remaining property and assets of the Cooperative shall be distributed among the members and former members in the proportion which the aggregate patronage of each bears to the total patronage of all members during the ten (10) years next preceding the date of the filing of the certificate of dissolution.

Section 2.02. Non-liability for Debts of the Cooperative.

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

ARTICLE III ~ Meetings of Members

Section 3.01. Annual Meetings.

The annual meeting of the members shall be held each year, at such place in one of the counties in Kentucky within which the Cooperative serves, and beginning at such time, as the Board of Directors shall from year to year fix. It shall be the responsibility of the Board of Directors to make adequate plans and preparations for, the annual meeting and any special meeting. Failure to hold the annual meeting at the designated time and place shall not work a forfeiture or dissolution of the Cooperative.

Section 3.02. Special Meetings.

A special meeting of the members may be called by a majority of the Board of Directors, or by petition signed by not less than twenty (20%) percent of the then-total members of the Cooperative, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided in Section 3.03. Such a meeting shall be held at such place in one of the counties in Kentucky within which the Cooperative serves, on such date, not sooner than thirty-five (35) days after the call for such meeting is made or a petition therefore is filed, and beginning at such hour as shall be designated by the Chairman or those calling or petitioning for the same.

Section 3.03. Notice of Member Meetings.

Written or printed notice of the place, day and hour of the meeting and, the purpose or purposes of said meeting including an agenda shall be delivered to each member not less than seven (7) days nor, except as provided in Article VIII, more than forty-five (45) days prior to the date of the meeting, either personally or by mail, by or at the direction of the

Chairman or the Secretary (or, in the case of a special meeting, at the direction of those calling the meeting). Any such notice delivered by mail may be included with member service billings or as an integral part of or with the Cooperative's monthly newsletter and/or its monthly insert, if any, in the Kentucky Living. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the member at the member's address as it appears on the records of the Cooperative, with postage thereon prepaid and postmarked at least seven (7) days prior to the meeting date. In making such computation, the date of the meeting shall not be counted. The incidental and non-intended failure of any member to receive a notice deposited in the mail addressed to the member at the member's address as shown on the Cooperative's books shall not invalidate any action which may be taken by the members at any such meeting, and the attendance in person (or by proxy vote) of a member at any meeting of the members shall constitute a waiver of notice of such meeting unless such attendance shall be for the express purpose of objecting to the transaction of any business, or one or more items of business, on the ground that the meeting shall not have been lawfully called or convened. Any member attending any meeting for the purpose of making such objection shall notify the Secretary prior to or at the beginning of the meeting of the member's objection.

Section 3.04. Quorum.

Business may not be transacted at any meeting of the members unless there are present in person (or by proxy vote), at least one hundred (100) of the then-total members of the Cooperative, except that, if less than a quorum is present at any meeting, a majority of those present in person may without further notice adjourn the meeting to another time and date not less than forty-five (45) days later and to any place in one of the counties in Kentucky within which the Cooperative serves: PROVIDED, that the Secretary shall notify any absent members of the time, date and place of such adjourned meeting by delivering notice thereof as provided in Section 3.03. At all meetings of the members, whether a quorum be present or not, the Secretary shall annex to the meeting minutes, or incorporate therein by reference, a list of those members who were registered as present in person (or by proxy vote).

Section 3.05. Voting.

Each member shall be entitled to only one vote upon each matter submitted to a vote at any meeting of the members. Voting by members other than members who are natural persons shall be allowed upon the presentation to the Cooperative, prior to or upon registration at each member meeting, of satisfactory evidence entitling the person presenting the same to vote. At all meetings of the members, all questions shall be decided by a majority of the members voting thereon, except as otherwise provided by law or by the Cooperative's Articles of Incorporation or these Bylaws. Members may not cumulate their votes in person or by proxy or mail.

Section 3.06. Agenda.

No proposal shall be voted upon at the Annual meeting unless it has been placed on the agenda at least forty (40) days prior to such meeting. Any legitimate proposal may be placed on the agenda by any member by filing a copy of the proposal with the Secretary within the time allowed, with a request that it be submitted to the Annual Meeting for consideration. Such legitimacy subject to rule by the Board Directors.

Section 3.07. Order of Business.

The order of business at the annual meeting of the members and, insofar as practicable or desirable, at all other meetings of the members shall be essentially as follows:

- (a) Call of the roll;
- (b) Reading of the notice of the meeting and proof of the due giving thereof, or of the waiver or waivers of notice of the meeting, as the case may be;
- (c) Reading of unapproved minutes of previous meetings of the members and the taking of necessary action thereon;
- (d) Presentation and consideration of reports of officers, directors, and committees;
- (e) Election of directors; (or report on the election of directors);
- (f) Unfinished business;
- (g) New business; and
- (h) Adjournment.

ARTICLE IV ~ DIRECTORS

Section 4.01. General Powers.

The business and affairs of the Cooperative shall be managed by a Board of seven (7) directors. The Board shall exercise all of the powers of the Cooperative except such as are by law or by the Cooperative's Articles of Incorporation or Bylaws conferred upon or reserved to the members.

Section 4.02. Qualifications.

No person shall be eligible to become or remain a director of the Cooperative who is a close relative of an incumbent director, or an employee, or employee's spouse (employee is defined as a current employee or former employee) of the Cooperative, or is not a

member in good standing of the Cooperative. No person shall be eligible to become or remain a director of, or to hold any other position of trust in, the Cooperative who is not of legal capacity age or who is in any way employed by or financially interested in the Cooperative or a competing energy supplier, or a business selling electric energy or supplies to the Cooperative, or a business primarily engaged in selling electrical appliances, fixtures or supplies to, among others, the members of the Cooperative, or any candidate or elected official for any local, state, or national office. Notwithstanding any of the foregoing provisions of this Section dealing with close relative relationships, no incumbent director shall lose eligibility to remain a director or to be re-elected as a director if such director becomes a close relative or another incumbent director or of a Cooperative employee (including a retired employee) because of a marriage to which such director was not a party. Upon establishment of the fact that a nominee for director lacks eligibility under this Section or as may be provided elsewhere in these Bylaws, it shall be the duty of the chairman presiding at the meeting at which such nominee would otherwise be voted upon to disqualify such nominee. Upon the establishment of the fact that any person being considered for, or already holding, a directorship or other position of trust in the Cooperative lacks eligibility under this Section, it shall be the duty of the Board of Directors to withhold such position from such person, or to cause such person to be removed therefrom, as the case may be. Nothing contained in this Section shall, or shall be construed to, affect in any manner whatsoever the validity of any action taken at any meeting of the Board of Directors, unless such action is taken with respect to a matter which is affected by the provisions of this Section and in which one or more of the directors have an interest adverse to that to the Cooperative.

Section 4.03. Voting for Directors and Tenure.

The representation of directors shall be geographically divided, and according to membership within the service area in accordance with a map in which county boundaries are not considered, and there shall be districts 1, 2, 3, 4, 5, 6, & 7, and the director shall represent the area from which said director is selected, and any qualified member from the area may be eligible to become a director. Director elections shall be rotated among the districts and they shall be chosen by vote of the membership. The person receiving the highest number of votes, shall be elected as director from the area, subject to other provisions of these bylaws.

Tenure for a full term on the Board of Directors shall be three (3) years.

When the election of directors cannot be held at the regular annual meeting of the members due to a quorum not being present, the directors then serving as directors of the Cooperative shall continue to serve as directors of the Cooperative representing their respective district for the incoming term of three (3) years. All directors shall serve until their successors shall have been elected and shall have qualified, subject to the provisions of these bylaws with respect to the directors.

Section 4.04. Directorate Districts.

District No. 1, described as follows: Beginning at a point at the junction of Highway 2731 and Highway 228 approximately 1.2 miles due north to the Ohio River then proceeding southwest to the junction of KY 228 and 2731, then proceeding southwest along Highway 2731 to the junction of Highway 2731 and 144, then proceeding west on Highway 144 to Payneville to the junction of 144 and 376, then proceeding southwest on 376 to Frymire and junction of 376 and 144, then continuing along 144 through Union Star to the junction of 144 and 259 then due west to the Ohio River to a point approximately 1 mile southwest of Ammons. All territory to the north and west of the aforementioned roads and bound on the west, north and east by the Ohio River and back to the point of beginning.

District No. 2, described as follows: Beginning from the point of District No. 1, at the junction of Highway 2731 and Highway 228 approximately 1.2 miles due north to the Ohio River then bordering along the boundary of District No. 1 to Union Star, then following along the north and east side of 86 to junction of 86 and 60 at Garfield, then east on 60 to Sinking Creek Hill/Dents Bridge Road to Rosetta Road through Bewleyville on 1238 to junction of 1238 and 941, then north on 941 to 144, west on 144 in Ekron to 941, then 941 to Brandenburg to Broadway, west on Broadway to Main Street and Main Street to the Ohio River and west along Ohio River to the point of beginning to include territory not served by LG&E Energy and all territory west and north of east side of boundary from Brandenburg to Garfield.

District No. 3, described as follows: All points to system boundary north and east of a point beginning on the Ohio River at the northern point of Main Street in Brandenburg and bordering District No. 2 to the junction of Highways 60 and 86 at Hensley and southeast on 86 to system boundary, namely Hardin County line.

District No. 4, described as follows: Beginning at a point approximately .7 mile east of Dyer on 86 and system boundary, then west along the boundary of District No.'s 3 and 2, to the junction of 86 and 261, then south on 261 through Hardinsburg to the junction of 261 and 108, then south on 108 to the junction of 108 and 105, then east on 105 to the junction of 105 and 79, then east on 79 to the junction of 79 and 259, then 259 to the junction of 259 and 401, then northeast on 401 to the junction of 401 and 84, .7 mile south of Hudson, then south on 84 approximately 3.4 miles to system boundary at Breckinridge/Hardin County line, then north along system boundary, Breckinridge/Hardin County line, to the point of beginning.

District No. 5, described as follows: Beginning at a point on the Ohio River approximately 2 miles west of the junction of 259 and 144, then following along the Ohio River in a southwest direction to system boundary approximately 2 miles west of Cloverport, then approximately 1.2 miles to the junction of 992 and 144, then east along 992 to the junction of 992 and 105, then southeast on 105 to the junction of 105 and 261 at McQuady, then east on 261, then north along the boundary of District No. 4, then northwest along the boundary of District No. 2 to Union Star, then west along boundary of District No. 1, to the point of beginning.

District No. 6, described as follows: Beginning at a point approximately 2 miles west of Cloverport then east along the boundary of District No. 5 to McQuady at the junction of 105 and 261, then southwest along 261 to the junction of 261 and 629, then south along 629 to Rockvale, then due south to system boundary, then west and north along system boundary to the point of beginning.

District No. 7, described as follows: Beginning at a point approximately 3 miles southeast of Hudson on 84 at system boundary, then west along boundary of District No. 4 to the junction of 108 and 261, then west and south along the boundary of District No. 6 to system boundary then east and north along system boundary to the point of beginning.

Section 4.05. Nominations.

(a) It shall be the duty of the Board of Directors to appoint, not less than forty-five (45) days nor more than ninety (90) days prior to the Annual Meeting of the members, a Committee on Nominations consisting of not less than five (5) nor more than eleven (11) members who shall be selected from different districts of the service area. No officer, employee or member of the Board of Directors of the Cooperative shall be appointed a member on the Committee of Nominations.

(b) It shall be the responsibility of the Committee on Nominations to select a candidate to run for office of Director for each district to fill the vacancy caused by the expiration of a Director's term. The Committee on Nominations shall prepare and post its nominations in a conspicuous manner in the lobby of the Cooperative Headquarters building in Brandenburg not later than 4:30 p.m. of the fortieth (40th) day prior to the date set for the Annual Meeting, at which election the Director(s) shall be announced.

(c) Any one hundred (100) or more qualified members of any district may, by written or printed petition, make other nominations from the membership of their district for the office of Director, by affixing their signatures and addresses to the petition. In no event shall a member sign a petition for more than one (1) candidate. In the event a member signs a petition for more than one (1) candidate, then his signature shall be invalid on all petitions signed by him.

(d) Petition or petitions by qualified members nominating candidates for the Office of Director shall be filed at the Headquarters Office of the Cooperative during regular office hours of the Cooperative, on or before the thirtieth (30th) day prior to the date set for the Annual Meeting and said nominating petitions shall be posted by the Secretary in a conspicuous manner in the lobby of the Cooperative/Headquarters not less than fifteen (15) days prior to the date set for the Annual Meeting if, after examination by the Provost, it is determined by said Provost that said petition or petitions meet the requirements of the Bylaws, Articles of Incorporation and the laws of the Commonwealth of Kentucky. A date of ninety (90) days prior to the Annual Meeting shall be established in determining whether a member is in good standing and qualified for the purposes of signing nominating petitions and/or voting in the election of Directors.

Section 4.06. Appointment of Provost.

The Board of Directors shall have the duty of naming a Provost, who shall be a Certified Public Accountant licensed by the Commonwealth of Kentucky, to be in charge of Directors' elections. The Provost shall have responsibilities and duties regarding nominating petitions as well as votes and the counting of votes.

Section 4.07. Duties of Provost Regarding Nominations.

The duties of the Provost regarding nominating petitions shall be as follows: (a) The Provost shall examine and audit the petition or petitions filed by the candidates for election to the office of Director to determine if the petition or petitions comply with the requirements of the Kentucky Revised Statutes, the Articles of Incorporation and these Bylaws.

(b) The Provost is granted the power and authority to pass upon and determine the validity of each of the signatures and addresses on the petition or petitions to determine if those signing are qualified members in good standing of the Cooperative and entitled to vote for the election of Directors.

(c) If the Provost disapproves a signature and/or address on a petition or petitions, he shall list the name in writing giving the reason or reasons why said signature and/or address was not approved.

(d) The Provost shall determine if the required number of qualified voting members have signed the petition or petitions after having deducted from the petition or petitions the names disapproved by him because the names and/or addresses on said petition or petitions fail to comply with the Kentucky Revised Statutes, the Articles of Incorporation of the Cooperative or these Bylaws. If the petition or petitions do not contain the signatures and addresses of the required number; then the Provost shall not certify to the Secretary of the Cooperative the name or names of the candidates on said petition or petitions to be placed upon the official ballot for the district.

(e) Upon the completion of the examination and audit of the petition or petitions by the Provost, he shall certify to the Secretary of the Cooperative the name or names of those persons properly nominated by petition or petitions so that those so nominated may be listed on the official ballot for the district.

(f) Should the Committee on Nominations select a candidate to run for office of Director from a district and should no candidate be nominated from the membership of the district by written or printed petition within the prescribed time as set forth in Section 4.05 of these Bylaws, then the Chairman of the Committee on Nominations shall certify to the Secretary of the Board that no petition has been filed within the prescribed time and that the candidate nominated by the Committee on Nominations for that district is therefore officially elected without opposition and it will be so announced at the Annual Meeting and

the nominee shall be deemed elected to the Board for that district without the necessity of mailing official ballots through the United States mail and following the election procedure set forth in these Bylaws.

Section 4.08. Preparation of Official Ballot.

(a) After the Provost has certified the names of the candidates nominated by petition or petitions to be placed upon the official ballot, it shall be the duty of the Secretary of the Cooperative to prepare a printed ballot of those persons duly nominated either by the Committee on Nominations or by nominating petition within ten (10) days after the nominating petitions are required to be filed. The printed ballot shall list separately the person nominated by the Nominating Committee and those persons nominated by petition in alphabetical order and labeled in such a manner as to note which candidate appears on the ballot by nomination of the Committee on Nominations and which appears on the ballot by nomination by petition. It shall be the further duty of the Secretary of the Cooperative to see that the official ballots are mailed to each active and qualified member at his or her address shown on the Cooperative records for those districts which are up for election not later than fifteen (15) days prior to said Annual Meeting at which the results of said election are to be announced. See Sample Official Ballot in Section 4.25.

(b) The official ballot shall be inscribed with instructions by the Secretary of the Cooperative that all official ballots must be returned by U.S. mail and received by the Provost of the Cooperative or his designee not less than five (5) days prior to said Annual Meeting. See Sample of Instructions for voting in Section 4.26.

Section 4.09. Official Ballots.

Each official ballot for each district shall be placed in an envelope labeled Ballot Envelope within a Return Envelope bearing postage prepaid, addressed to the Provost or his designee all in a Cover Envelope, all of which shall be mailed by the secretary of the cooperative or his designee to each member eligible to vote in the district.

Section 4.10. Execution of Ballot.

The official ballot shall be marked by the eligible member and then placed in a Ballot Envelope and sealed. The sealed Ballot Envelope, with the official ballot enclosed, shall then be placed in the Return Envelope addressed to the Provost with postage prepaid. The Ballot Envelope shall be signed by the member in the space provided on the Ballot Envelope so it can be determined by the Provost whether the person signing the Ballot Envelope is an eligible voting member of the Cooperative and the district. The Return Envelope shall then be mailed to the Provost or his designee at the address placed on the return envelope selected by the Provost.

Section 4.11. Elections.

The Provost shall count the ballots as expeditiously as possible following the placement in his hands of said ballots. The Provost shall give at least 24 hours verbal or written notice to each person nominated for Director the time and date when the counting of the ballots shall commence. During the counting of the ballots only the following persons may be present in the counting room:

- (a) personnel of the Cooperative directly engaged in the election process;
- (b) the Provost and his employees.
- (c) a person nominated for Director or one representative of such person properly authorized by the nominee in writing.

After the ballots have been duly counted, the results of the elections shall be announced at the subsequent annual meeting of members and the person from each district receiving the highest number of votes throughout the system shall be declared elected at the Annual Meeting. In the event of a tie vote the Director shall be selected by a toss of a coin. The following shall not be counted:

- (a) A vote marked for more than one candidate;
- (b) Ballots other than the official ballot;
- (c) Ballots not received through the US mail;
- (d) Ballots arriving late.

Section 4.12. Counting of Votes by Provost.

The duties of the Provost regarding votes and counting shall be as follows:

- (a) The Provost shall determine the post office address on the return envelopes and when received, place the envelopes in a locked ballot box or boxes.
- (b) The Provost shall unlock the box or boxes which contain the Return Envelopes and examine each Ballot Envelope to ascertain if it has been properly signed, mailed, and received at least five (5) days before the Annual Meeting.
- (c) Any and all Ballot Envelopes found by the Provost not to conform to the provisions and requirements of these Bylaws shall not be opened but shall be immediately placed in a locked ballot box or boxes labeled "Rejected Returned Envelopes or Ballots" which locked ballot box or boxes shall be retained by the Provost in safekeeping until sixty (60) days after the date of the completion of the accounting of the ballots.

(d) Any official ballot which is deemed invalid by the Provost for reasons set forth in these Bylaws shall be placed by the Provost in the locked ballot box or boxes labeled "Rejected Return Envelopes or Ballots".

(e) The Provost shall tabulate all valid votes on each official ballot. The Provost shall count the ballots labeled "Rejected Returned Envelopes or Ballots" only if the number of said ballots could make a difference in the outcome in the election. If said ballots could make a difference in the outcome of the election, the Provost shall make his determination as to the validity of said ballot(s) and include only those ballot(s) he determines to be valid in his final tally. After the Provost's determination as to the validity and tabulation of said ballot(s) such ballot(s) shall be returned to the box or boxes labeled "Rejected Return Envelopes or Ballots" which shall be kept locked.

(f) All box or boxes containing ballots shall be kept locked at all times except when the Provost is present.

(g) If the counting of the official ballots has not been completed at the time of adjournment of the counting, all official ballots unopened and uncounted shall be kept in the locked ballot box or boxes by the Provost until the counting of all official ballots is again begun in the presence of the Provost and this procedure shall continue until all valid official ballots have been counted and tabulated.

(h) The decision of the Provost as to the validity shall be final as to all ballots cast.

(i) The Provost shall place all official and valid ballots which have been counted in a locked ballot box or boxes labeled "Counted Ballots" and shall retain the "Counted Ballots" box or boxes together with the ballot box or boxes labeled "Rejected Return Envelopes or Ballots".

Section 4.13. Certification of Election by Provost.

The Provost shall promptly, upon completion of the counting of the membership votes, certify in writing to the Secretary of the Board the names of the candidates and the number of votes received by each and shall also certify the name of the person having been elected as Director for each district.

Section 4.14. Procedure for Destroyed Ballot.

In the event a voting member in good standing has his, her or its ballot inadvertently destroyed or the Return Envelope inadvertently destroyed, or the Cover Envelope with the covered contents therein was not received by the voting member, then upon the voting member having exhibited to the Provost his driver's license or a Social Security card, the Provost shall check the Cooperative's membership list to determine if he, she or it is a voting member in good standing. The Provost shall then cause the voting member to execute an Affidavit before a Notary Public at the office of the Provost, and if the Provost approves, he may then and there only deliver to the voting member a Return Envelope, a

Ballot Envelope and a ballot. However, no Affidavit Return Envelope, Ballot Envelope or ballot shall be delivered by the Provost after 4:30 p.m. on the sixth day prior to the Annual Meeting.

Section 4.15. Custody of Keys to Ballot Boxes.

The Provost shall be responsible for the custody of the keys to all ballot boxes.

Section 4.16. Write-In Votes Prohibited.

No write-in votes shall be permitted in the election of Directors.

Section 4.17. Requesting Recount and Contesting Election of Director.

A candidate for election as Director may within ten (10) days of the announcement of the election result request the Provost to recount the votes cast in his election. A person requesting a recount shall post a bond with the Provost in an amount to be determined by the Provost to equal the estimated cost of the recount. In the event the recount changes the election of a Director, then the cost thereof shall be paid by the Co-operative. However, in the event the recount does not change the election of the Director, the cost of the recount shall be paid by the candidate requesting the recount.

Any action to contest the election results of a Director as certified by the Provost shall be filed in the Meade Circuit Court not later than the 30th day following the Annual Meeting at which the election results were announced.

Section 4.18. Removal of Directors by Members.

Any member(s) may bring one or more charges for cause (malfeasance in office, unlawful acts, etc) against any one or more directors and may request the removal of such Director(s) by reason thereof by filing with the Secretary such charge(s) in writing signed by said member(s) together with a petition signed by not less than ten percent (10%) of the then-total members of the Cooperative, which petition calls for a special member meeting the stated purpose of which shall be to hear and act upon such charge(s), and which specifies the place, time and date thereof not sooner than twenty-five (25) days after the filing of such petition. Each page of the petition shall, in the forepart thereof, state the name(s) and address(es) of the member(s) filing such charge(s), a verbatim statement of such charge(s) and the name(s) of the director(s) against whom such charge(s) is (are) being made. The petition shall be signed by each member in the same name as is billed by the Cooperative and shall state the signatory's address as the same appears on such billings. A statement of such charge(s) verbatim, the name(s) of director(s) against whom the charge(s) have been made, of the member(s) filing the charge(s) and the purpose of the meeting shall be contained in the notice of the meeting; PROVIDED, that the notice shall set forth (in alphabetical order) only twenty (20) of the names of the members filing one or more charges if twenty (20) or more members file the same charge(s) against the same director(s). Such director(s) shall be informed in writing of the charge(s) after they

have been validly filed and at least twenty (20) days prior to the meeting of the members at which the charge(s) are to be considered, and shall have an opportunity at the meeting to be heard in person, by witnesses, by counsel or any combination of such, and to present evidence in respect to the charge(s); and the person(s) bringing the charge(s) shall have the same opportunity, but must be heard first. The question of the removal of such director(s) shall, separately for each if more than one has been charged, be considered and voted upon at such meeting; PROVIDED, that the question of the removal of a director shall not be voted upon at all unless some evidence in support of the charge(s) against said director shall have been presented during the meeting through oral statements, documents or otherwise, with the ruling concerning same to be made by the chairman of the special meeting. The chairman of the said meeting shall be a licensed attorney appointed by the attorney to the Board, and the Cooperative shall compensate said chairman for services.

Section 4.19 Removal of Directors for Absence.

Any Board member who is absent from three consecutive regular meetings of the Board, unless excused by the affirmative vote of majority of the other Board members, shall be deemed to have vacated his office. After declaring the vacancy to exist, the remaining Board members shall proceed to fill the vacancy.

Section 4.20 Vacancies.

All vacancies occurring in the Board of Directors shall be filled by a majority vote of the Board of Directors. A director thus elected shall serve out the unexpired term of the director whose office was originally vacated and until a successor is elected and qualified: PROVIDED, that such a director shall be from the same Directorate District as was the director whose office was vacated.

Section 4.21 Compensation; Expenses.

Directors shall, as determined by resolution of the Board of Directors, receive, on a per diem basis, a fixed fee, which may include insurance benefits, for attending meetings of the Board of Directors, and, when such has had the prior approval of the Board of Directors, for the performance of other Cooperative business. Directors shall also receive advancement or reimbursement of any travel and out-of-pocket expenses actually, necessarily and reasonably incurred in performing their duties. No close relative of a director shall be employed by the Cooperative and no director shall receive compensation for serving the Cooperative in any other capacity, unless the employment of such relative or the service of such director is temporary and shall be specifically authorized by a vote of the members upon their resolved determination that such was an emergency measure; PROVIDED FURTHER, that an employee shall not lose eligibility to continue in the employment of the Cooperative if such employee becomes a close relative of a director because of a marriage to which said employee was not a party.

Section 4.22 Rules, Regulations, Rate Schedules and Contracts.

The Board of Directors shall have power to make, adopt, amend, abolish and promulgate such rules, regulations, rate classifications, rate schedules, contracts, security deposits and any other types of deposits, payments or charges, including contributions in aid of construction, not inconsistent with law or the Cooperative's Articles of Incorporation or Bylaws, as it may deem advisable for the management, administration and regulation of the business and affairs of the Cooperative.

Section 4.23 Accounting System and Reports.

The Board of Directors shall cause to be established and maintained a complete accounting system of the Cooperative's financial operations and conditions, and shall, after the close of each fiscal year, cause to be made a full, complete and independent audit of the Cooperative 's accounts, books and records reflecting financial operations during, and financial conditions as of the end of, such year. A full and accurate summary of such audit reports shall be submitted to the members at or prior to the succeeding annual meeting of the members. The Board may authorize special audits, complete or partial, at any time and for any specified period of time.

Section 4.24 "Close Relative" Defined.

As used in these Bylaws, "close relative" means a person who, by blood or in-law, including half, foster, step and adoptive kin, is either a spouse, child, grandchild, parent, grandparent, brother, sister, aunt, uncle, nephew or niece of the principal.

Section 4.25.

MEADE COUNTY RECC
OFFICIAL BALLOT
0000 ELECTION OF DIRECTORS

I hereby vote for the following member to serve as Director representing District #_____.

Nominated by Nominating Committee

John Doe

Nominated by Petition

Jane Doe

Jerry Roe

Section 4.26.

ELECTION OF DIRECTORS

INSTRUCTIONS FOR VOTING:

1. Each member is entitled to one (1) vote. In order to cast your vote, please mark an "X" in the box to the left of your candidate's name.
2. Seal marked ballot in the ballot envelope.
3. Seal ballot envelope in envelope addressed to Meade County RECC. Sign and date in the space provided under your name and address on the ballot envelope. (The ballot will not be counted unless the Certification is properly signed and dated by the member.)
4. Print member's name and address, as it appears on the mailing label in the upper left corner of the return envelope.
5. Mail ballot by United States mail only. No postage is required.
6. Ballots must be returned no later than midnight, _____ (not less than five (5) days prior to the Membership Annual Meeting, _____.)

ARTICLE V ~ Meeting of the Directors

Section 5.01. Regular Meetings.

A regular meeting of the Board of Directors shall be held monthly at such date, time and place as shall be designated by the Board of Directors. Such regular monthly meeting may be held without notice other than such resolution fixing the date, time and place thereof, except when business to be transacted thereat shall require special notice: PROVIDED, that any director absent from any meeting of the Board at which a resolution initially determines or makes any change in the date, time or place of a regular meeting shall be entitled to receive written notice of such determination or change at least five (5) days prior to the next meeting of the Board; AND PROVIDED FURTHER, that, if a policy therefore is established by the Board, the Chairman may change the date, time or place of a regular monthly meeting for good cause and upon not less than five (5) days notice thereof to all directors.

Section 5.02. Special Meetings.

A special meeting of the Board of Directors may be called by the Board of Directors, by the Chairman or by any majority of directors, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided in Section 5.03. The Board, the Chairman, or the directors calling the meeting shall fix the date, time and place for the meeting, which shall be held in one of the counties in Kentucky within which the Cooperative serves, unless all directors consent to its being held in some other place in Kentucky or elsewhere. Special meetings upon proper notice as otherwise provide in Section 5.03, may also be held via telephone conference call, without regard to the actual location of the directors at the time of such a telephone conference meeting, if all the directors consent thereto.

Section 5.03. Notice of Directors Meetings.

Written notice of the date, time, place (or telephone conference call) and purpose or purposes of any special meeting of the Board and, when the business to be transacted thereat shall require such, of any regular meeting of the Board, shall be delivered to each director not less than five (5) days prior thereto, either personally or by mail, by or at the direction of the Secretary or, upon a default in this duty by the Secretary, by Secretary or those calling it in the case of a special meeting or by any director in the case of a meeting which date, time and place have already been fixed by Board resolution. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the director at said director's address as it appears on the records of the Cooperative, with first-class postage thereon prepaid, and postmarked at least

five (5) days prior to the meeting date. The attendance of a director at any meeting of the Board shall constitute a waiver of notice of such meeting unless such attendance shall be for the express purpose of objecting to the transaction of any business, or of one or more items of business, on the grounds that the meeting shall not have been lawfully called or convened.

Section 5.04. Quorum.

The presence in person of a majority of the directors in office shall be required for the transaction of business and the affirmative votes of a majority of the directors present and voting shall be required for any action to be taken, unless otherwise provided by statute or these Bylaws: PROVIDED, that a director who by law or these Bylaws is disqualified from voting on a particular matter shall not, with respect to consideration of and action upon that matter, be counted in determining the number of directors in office or present; AND PROVIDED FURTHER, that, if less than a quorum be present at a meeting, a majority of the directors present may adjourn the meeting from time to time, but shall cause the absent directors to be duly and timely notified of the date, time and place of such adjourned meeting.

ARTICLE VI ~ Officers; Miscellaneous

Section 6.01. Number and Title.

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

Section 6.02. Election and Term of Office.

The four officers named in Section 6.01 shall be elected annually and without prior nomination, by and from the Board of Directors at the first meeting of the Board held after the annual meeting of the members. If the election of such officers shall not be held at such meeting, it shall be held as soon thereafter as conveniently may be. Each such officer shall hold office until the meeting of the Board first held after the next succeeding annual meeting of the members or until a successor shall have been duly elected and shall have qualified, subject to the provisions of the Bylaws with respect to the removal of directors and to the removal of officers by the Board of Directors. Any other officers may be elected by the Board from among such persons, and with such title, tenure, responsibilities and authorities, as the Board of Directors may from time to time deem advisable.

Section 6.03. Removal.

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

Section 6.04. Vacancies.

A vacancy in any office elected or appointed by the Board of Directors shall be filled by the Board for the unexpired portion of the term.

Section 6.05. Chairman.

The Chairman shall—

(a) be the principal executive officer of the Board of Directors and shall preside at all meetings of the Board of Directors, and, unless determined otherwise by the Board of Directors, at all meetings of the members;

(b) sign, with the Secretary, certificates of membership. The issue of which shall have been authorized by resolution of the Board of Directors, and may sign any deeds, mortgages, deeds of trust, notes, bonds, contracts or other instruments authorized by the Board of Directors to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Cooperative, or shall be required by law to be otherwise signed or executed; and

(c) in general, perform all duties incident to the office of Chairman and such other duties as may be prescribed by the Board of Directors from time to time.

Section 6.06. Vice Chairman.

In the absence of the Chairman, or in the event of his inability or refusal to act, the Vice Chairman shall perform the duties of the Chairman, and, when so acting, shall have all the powers of and be subject to all the restrictions upon the Chairman; and shall perform such other duties as from time to time may be assigned to said officer by the Board of Directors.

Section 6.07. Secretary.

The Secretary shall—

(a) keep, or cause to be kept, the minutes of meetings of the members and of the Board of Directors in one or more books provided for that purpose;

(b) see that all notices are duly given in accordance with these Bylaws or as required by law;

(c) be custodian of the corporate records and of the seal of the Cooperative and see that the seal of the Cooperative is affixed to all certificates of membership prior to the issue thereof and to all documents the execution of which, on behalf of the Cooperative under its seal, is duly authorized in accordance with the provisions of these Bylaws or is required by law;

(d) keep, or cause to be kept, a register of name and post office address of each member, which address shall be furnished to the Cooperative by such member;

(e) sign, with the Chairman, certificates of membership the issue of which shall have been authorized by resolution of the Board of Directors;

(f) have general charge of the books of the Cooperative in which a record of the members is kept;

(g) keep on file at all times a complete copy of the Cooperative's Article of Incorporation and Bylaws, together with all amendments thereto, which copies shall always be open to the inspection of any member, and, at the expense of the Cooperative, furnish a copy of such documents and of all amendments thereto upon request to any member; and

(h) in general, perform all duties incident to the office of the Secretary and such other duties as from time to time may be assigned to said officer by the Board of Directors.

Section 6.08. Treasurer.

The Treasurer shall—

(a) have charge and custody of and be responsible for all funds and securities of the Cooperative;

(b) receive and give receipts for monies due and payable to the Cooperative from any source whatsoever, and deposit or invest all such monies in the name of the Cooperative in such bank or banks or in such financial institutions or securities as shall be selected in accordance with the provisions of these Bylaws; and

(c) in general, perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to said officer by the Board of Directors.

Section 6.09. Delegation of Secretary's and Treasurer's Responsibilities.

Notwithstanding the duties, responsibilities and authorities of the Secretary and of the Treasurer herein before provided in Sections 6.07 and 6.08, the Board of Directors by resolution may except as otherwise limited by law, delegate, wholly or in part, the responsibility and authority for, and the regular or routine administration of, one or more of each such officer's such duties to one or more agents, other officers or employees of the Cooperative who are not directors. To the extent that the Board does so delegate with respect to any such officer, that officer as such shall be released from such duties, responsibilities and authorities.

Section 6.10. President/Chief Executive Officer.

The Board of Directors may appoint a President/CEO, who may be, but who shall not be required to be, a member of the Cooperative. Such officer shall perform such duties as the Board of Directors may from time to time require and shall have such authority as the Board of Directors may from time to time vest in said person.

Section 6.11. Bonds.

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

Section 6.12. Indemnification of Officers, Directors, Employees and Agents.

The Cooperative shall indemnify any person who was or is a party, or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative (other than an action by, or in the right of, the Cooperative) by reason of the fact that such person is or was a director, officer, employee or agent of the Cooperative, or who is or was serving at the request of the Cooperative as a director, officer, employee or agent of another cooperative, association, corporation, partnership, joint venture, trust or other enterprise, against expenses (including all cost of defense), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding, if such person acted in good faith and in a manner such person reasonably believed to be in, or not opposed to, the best interests of the Cooperative, and, with respect to any criminal action or proceeding, had no reasonable cause to believe the conduct of such person was unlawful. The

termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not of itself, create a presumption that the person did not act in good faith and in a manner which such person reasonably believed to be in, or not opposed to, the best interests of the Cooperative, and with respect to any criminal action or proceeding, had reasonable cause to believe that the conduct of such person was unlawful.

The Cooperative shall indemnify any person who was or is a party, or is threatened to be made a part to, any threatened, pending or completed action or suit by, or in the right of, the Cooperative to procure a judgment in its favor by reason of the fact that such person is, or was, a director, officer, employee or agent of the Cooperative, or is, or was, serving at the request of the Cooperative as a director, officer, employee or agent of another Cooperative, association, corporation, partnership, joint venture, trust or other enterprise, against expenses (including all cost of defense) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit, if such person acted in good faith and in a manner such person reasonably believed to be in, or not opposed to the best interests of the Cooperative, and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of the duty of such person to the Cooperative, unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability, but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity of such expenses as the court shall deem proper.

To the extent that a director, officer, employee or agent of the Cooperative has been successful, on the merits or otherwise, in the defense of any action, suit or proceeding referred to in paragraphs 1 and 2 of Section 6.12, in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including all cost of defense) actually and reasonably incurred by such person in connection therewith.

Any indemnification under paragraphs 1 and 2 of Section 6.12 (unless ordered by a court) shall be made by the Cooperative only as authorized in the specific case, upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because such person has met the applicable standard of conduct set forth in paragraphs 1 and 2. Such determination shall be made: a) by the Board of Directors by a majority vote of a quorum consisting of Directors who were not parties to such action, suit or proceeding, or b) if such a quorum is not obtainable, or, even if obtainable, a quorum of disinterested Directors so directs, by independent legal counsel in a written opinion, or c) by the members with preference being given to the above order.

Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Cooperative in advance of the final disposition of such action, suit or proceeding, as authorized by the Board of Directors in the specific case, upon receipt of an undertaking by or on behalf of the director, officer, employee or agent to repay such amount, unless it shall ultimately be determined that such person is entitled to be indemnified by the Cooperative as authorized in this Article.

The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any bylaw, agreement, vote of members or disinterested directors, or otherwise, both as to action in an official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee or agent, and shall inure to the benefit of the heirs, executors and administrators of such a person.

The Cooperative may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Cooperative, or who is or was serving at the request of the Cooperative as a director, officer, employee or agent of another cooperative, association, corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against such person and incurred by such person in any such capacity, or arising out of the status of such person as such, whether or not the Cooperative would have the power to indemnify, such person against such liability under the provisions of this Article.

Section 6.13. Reports.

The officers of the Cooperative shall submit at each annual meeting of the member's reports covering the business of the Cooperative for the previous fiscal year and showing the condition of the Cooperative at the close of such fiscal year.

ARTICLE VII ~ Non-profit Operation

Section 7.01. Interest or Dividends on Capital Prohibited.

The Cooperative shall at all times be operated on a cooperative non-profit basis for the mutual benefit of its patrons. No interest or dividends shall be paid or payable by the Cooperative on any capital furnished by its patrons.

Section 7.02. Patronage Capital in Connection with Furnishing Electric Energy.

In the furnishing of electric energy the Cooperative's operations shall be so conducted that all patrons will, through their patronage, furnish capital of the

Cooperative. In order to induce patronage and to assure that the Cooperative will operate on a nonprofit basis, the Cooperative is obligated to account on a patronage basis to all its patrons for all amounts received and receivable from the furnishing of electric energy in excess of operating costs and expenses properly chargeable against the furnishing of electric energy. All such amounts in excess of operating costs and expenses at the moment of receipt by the Cooperative are received with the understanding that they are furnished by the patrons as capital. The Cooperative is obligated to pay by credits to a capital account for each patron all such amounts in excess of operating costs and expenses. The books and records of the Cooperative shall be set up and kept in such a manner that at the end of each fiscal year the amount of capital, if any, so furnished by each patron is clearly reflected and credited in an appropriate record to the capital account of each patron. All such amounts credited to the capital account of any patron shall have the same status as though they had been paid to the patron in cash in pursuance of a legal obligation to do so and the patron had then furnished the Cooperative corresponding amounts for capital.

All other amounts received by the Cooperative from its operations in excess of costs and expenses shall, insofar as permitted by law, be (a) used to offset any losses incurred during the current or any prior fiscal year and (b) to the extent not needed for that purpose, allocated to its patrons on a patronage basis, and any amount so allocated shall be included as a part of the capital credited to the accounts of patron, as herein provided.

In the event of dissolution or liquidation of the Cooperative, after all outstanding indebtedness of the Cooperative shall have been paid, outstanding capital credits shall be retired without priority on a pro rata basis before any payments are made on account of property rights of members: PROVIDED, that insofar as gains may at that time be realized from the sale of any appreciated asset, such gains shall be distributed to all persons who were patrons during the period the asset was owned by the Cooperative in proportion to the amount of business done by such patrons during that period, insofar as is practicable, as determined by the Board of Directors before any payments are made on account of property rights of members. If, at any time prior to dissolution or liquidation, the Board of Directors shall determine that the financial condition of the Cooperative will not be impaired thereby, the capital then credited to patrons' accounts may be retired in full or in part. Any such retirements of capital shall be made in accordance with policies adopted by the Board of Directors at the time of payment: PROVIDED, however, that the Board of Directors shall have the power to adopt rules providing for the separate retirement of that portion ("power supply or other service or supply portion") of capital credited to the accounts of the patrons which corresponds to capital credited to the account of the Cooperative by an organization furnishing power supply or any other service or supply to the Cooperative. Such rules shall (a) establish a method for determining the portion of such capital credited to each patron for each applicable fiscal year, and (b) provide for separate identification

on the Cooperative's books of such portions of capital credited to the Cooperative's patrons.

Notwithstanding any other provisions of these Bylaws, the Board of Directors shall at its discretion have the power at any time upon the death of any patron who was a natural person, if the legal representatives of the estate shall request in writing that the capital so credited, be retired prior to the time such capital would otherwise be retired under the provisions of the Bylaws, to retire such capital immediately upon such terms and conditions as the Board of Directors, acting under policies of general application to situations of like kind, and such legal representatives, shall agree upon: PROVIDED, however, that the financial condition of the Cooperative will not be impaired thereby.

The Cooperative, before retiring any capital credited to any patron's account, may deduct therefrom any amount owing by such patron to the Cooperative, together with interest thereon at the Kentucky legal rate on judgments in effect when such amount became overdue, compounded annually.

The patrons of the Cooperative, by dealing with the Cooperative, acknowledge that the terms and provisions of the Articles of Incorporation and Bylaws shall constitute and be a contract between the Cooperative and each patron, and both the Cooperative and the patrons are bound by such contract, as fully as though each patron had individually signed a separate instrument containing such terms and provisions.

Section 7.03. Patronage Refunds in Connection with Furnishing Other Services.

In the event that the Cooperative should engage in the business of furnishing goods or services other than electric energy, all amounts received and receivable therefrom which are in excess of costs and expenses properly chargeable against the furnishing of such goods or services shall, insofar as permitted by law, be prorated annually on a patronage basis and returned to those patrons from whom such amounts were obtained at such time and in such order or priority as the Board of Directors shall determine.

ARTICLE VIII ~ Disposition and Pledging of Property Distribution of Surplus Assets on Dissolution

Section 8.01. Disposition and Pledging of Property.

Not inconsistently with Kentucky Revised Statutes, Section 279.140 and paragraph 2 hereof, the Cooperative may authorize the sale, lease, lease-sale, exchange, transfer or other disposition of any of the Cooperative's properties and assets only upon the affirmative votes of not less than two-thirds of the then-total members of the Cooperative at a duly held meeting of the members. However,

the Board of Directors shall have full power and authority: a) to borrow monies from any source and in such amounts as the Board may from time to time determine; b) to mortgage or otherwise pledge or encumber any or all of the Cooperative's properties or assets as security therefore; and c) to lease, lease-sell, exchange, transfer or otherwise dispose of services and electric energy, property acquired for resale, merchandise, property not necessary or useful for the operation of the Cooperative: PROVIDED, that sales of such unnecessary property shall not in any one year exceed ten percent (10%) in value of all the property of the Cooperative other than merchandise and property acquired for resale.

Supplementary to the First sentence of paragraph 1, and any other applicable provisions of law or these Bylaws, no sale, lease, lease-sale, exchange, transfer or other disposition of any of the Cooperative's properties and assets shall be authorized except in conformity with the following:

(a) If the Board of Directors looks with favor upon any proposal for such sale, lease, lease-sale, exchange, transfer or other disposition, it shall first cause three (3) independent, non-affiliated appraisers, expert in such matters, to render their individual opinions as to the value of the Cooperative with respect to such a sale, lease, lease-sale, exchange, transfer or other disposition and as to any other terms and conditions which should be considered. The three (3) such appraisers shall be designated by the Board of Directors.

(b) If the Board of Directors, after receiving such appraisals (and other terms and conditions which are submitted, if any), determines that the proposal should be submitted for consideration by the members, it shall first give every other electric cooperative corporately sited and operating in Kentucky (which has not made such an offer for such sale, lease, lease-sale, exchange, transfer or other disposition) an opportunity to submit competing proposals. Such opportunity shall be in the form of a written notice to such electric cooperative, which notice shall be attached to a copy of the proposal which the Cooperative has already received and copies of the respective reports of the three (3) appraisers. Such electric cooperative shall be given not less than thirty (30) days during which to submit competing proposals, and the actual minimum period within which proposals are to be submitted shall be stated in the written notice given to them.

(c) If the Board then determines that favorable consideration should be given to the initial or any subsequent proposal which has been submitted to it, it shall adopt a resolution recommending the sale and directing the submission of the proposal to a vote of the members at a duly held member meeting, and shall call a special meeting of the members for consideration thereof and action thereon, which meeting shall be held not sooner than ninety (90) days after the giving of such notice to the members: PROVIDED, that consideration and action by the members may be given at the next annual member meeting if the Board so

determines and if such annual meeting is held not sooner than ninety (90) days after the giving of such notice.

(d) Any one hundred (100) or more members, by so petitioning the Board not less than twenty (20) days prior to the date of such special or annual meeting, may cause the Cooperative, with the cost to be borne by the Cooperative, to mail to all members any opposing or alternative positions which they may have to the proposals that have been submitted or any recommendations that the Board has made.

The provisions of the Section 8.01 shall not apply to a sale, lease, lease-sale, exchange, transfer or other disposition to one or more other electric cooperatives or if the substantive or actual legal effect thereof is to merge or consolidate with such other one or more electric cooperatives.

Section 8.02. Distribution of Surplus Assets on Dissolution.

Upon the Cooperative's dissolution, any assets remaining after all liabilities or obligation of the Cooperative have been satisfied and discharged shall, to the extent practicable as determined by the Board of Directors, not inconsistently with the provisions of the third paragraph of Section 9.02 of these Bylaws, be distributed without priority but on a patronage basis among all persons who are members of the Cooperative: PROVIDED, HOWEVER, that, if in the judgment of the Board the amount of such surplus is too small to justify the expense of making such distribution, the Board may, in lieu thereof, donate, or provide for the donation of, such surplus to one or more nonprofit charitable or educational organizations that are exempt from Federal income taxation.

ARTICLE IX ~ Seal

The Corporate seal of the Cooperative shall be in the form of a circle and shall have inscribed thereon the words "Seal, Meade County Rural Electric Cooperative Corporation."

ARTICLE X ~ Financial Transactions

Section 10.01. Contracts.

Except as otherwise provided by law or these Bylaws, the Board of Directors may authorize any Cooperative officer, agent or employee to enter into any contract or execute and deliver any instrument in the name and on behalf of the Cooperative, and such authority may be general or confined to specific instances.

Section 10.02. Checks, Drafts, etc.

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

Section 10.03. Deposits, Investments.

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

Section 10.04. Fiscal year.

The Cooperative's fiscal year shall begin on the first day of the month of November of each year and end on the last day of the month of October following.

ARTICLE XI ~ Membership Certificates

Section 11.01. Certificate of Membership.

Membership in the Cooperative may, if the Board so resolves be evidenced by a certificate of membership, which shall be in such form and shall contain such provisions as shall be determined by the Board of Directors not contrary to, or inconsistent with, the Cooperative's Articles of Incorporation or its Bylaws. Such certificate, if authorized to be issued by the Board, shall be signed by the Chairman and by the Secretary, and the seal shall be affixed thereto: PROVIDED, that the seal and the signatures of the Chairman and the Secretary may be imprinted thereon by facsimile.

Section 11.02. Issue of Membership Certificates.

No membership certificate shall be issued until any required service security deposits, facilities extension deposits, service connection fees, or contributions in aid of construction have been fully paid.

Section 11.03. Lost Certificate.

In case of a lost, destroyed or mutilated certificate, a new certificate may be issued therefore upon such terms and such indemnity to the Cooperative as the Board of Directors may prescribe.

ARTICLE XII ~ Waiver of Notice

Any member or director may waive in writing any notice of meetings required to be given by these bylaws. In case of a joint membership a waiver of notice signed by either husband or wife shall be deemed a waiver of notice of such meeting by both joint members.

ARTICLE XIII ~ Amendments

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

ARTICLE XIV ~ Rules of Order

Parliamentary procedure at all meetings of the members, of the Board of Directors, of any committee provided for in these Bylaws and of any other committee of the members or Board of Directors which may from time to time be duly established shall be governed by the most recent edition of Robert's Rules of Order, except to the extent such procedure is otherwise determined by law or by the Cooperative's Articles of Incorporation or Bylaws.

PROPOSED CHANGES TO BYLAWS-
Effective February 21, 2008
Changes are highlighted in RED

Section 3.05. Voting.

Each member shall be entitled to only one vote upon each matter submitted to a vote at any meeting of the members. Voting by members other than members who are natural persons shall be allowed upon the presentation to the Cooperative, prior to or upon registration at each member meeting, of satisfactory evidence entitling the person presenting the same to vote. At all meetings of the members, all questions shall be decided by a majority of the members voting thereon, except as otherwise provided by law or by the Cooperative's Articles of Incorporation or these Bylaws. Members may not cumulate their votes in person or by proxy or mail.

Section 3.06. Proxies.

~~At all meetings of members, a member may vote by proxy executed in writing by the member. Such proxy shall be filed with the Secretary at least ten (10) days prior to the date of the meeting. No proxy shall be voted at any meeting of members unless it shall designate the particular meeting at which it is to be voted, and no proxy shall be voted at any meeting other than the one so designated or any adjournment of such meeting. No person shall vote as proxy for more than three (3) members at any meeting of the members except where such person is exercising a proxy in connection with a sale, mortgage, lease or other disposition or encumbrance of property to United States of America or any agency or instrumentality thereof, with the additional exception that any member may appoint any officer of the Board of Directors as their proxy to vote at any meeting of the members, and the officers so appointed individually shall not be limited to the number of votes they may cast by proxy. A proxy may be executed by either husband or wife of an active membership. The presence of either husband or wife at a meeting of the members shall revoke a proxy theretofore executed by either of them and such joint member or members shall be entitled to vote at such meeting in the same manner and with the same effect as if a proxy had not been executed.~~

Section 3.07. Credentials and Election Committee.

~~The Board of Directors shall appoint a Credentials and Election Committee in the case of a contested election. The Committee shall consist of an uneven number of Cooperative members not less than three (3) nor more than seven (7) who are not members of the Nominating Committee or existing Cooperative employees, agents, officers, directors or known candidates for director, and who are not close relatives or members of the same household thereof. In appointing the Committee, the Board shall have regard for the equitable representation of the several areas served by the Cooperative. The Committee shall elect its own chairman and secretary. It shall be the responsibility of the Committee to pass upon all questions that may arise with respect to the registration of members in person (or by proxy vote), to count all ballots or other votes cast in any election or in any other matter, to rule upon the effect of any ballots or other vote irregularly or indecisively marked or cast, to rule upon all other questions that may arise relating to member voting~~

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~~and the election of directors (including but not limited to the validity of petitions of nomination or the qualifications of candidates and the regularity of the nomination and election of directors), and to pass upon any protest or objection filed with respect to any election or conduct affecting the results of any election. In the exercise of its responsibility, the Committee shall have available to it the advice of counsel provided by the Cooperative. In the event a protest or objection is filed concerning any election, such protest or objection must be filed during, or within three (3) business days following the adjournment of the meeting in which the voting is conducted. The Committee shall thereupon be reconvened, upon notice from its chairman, not less than seven (7) days after such protest of objection is filed. The Committee shall hear such evidence as is presented by the protestor(s) or objector(s), who may be heard in person, by counsel, or both, and any opposing evidence; and the Committee, by a vote of a majority of those present and voting, shall, within a reasonable time but not later than thirty (30) days after such hearing, render its decision, the result of which may be to affirm the election, to change the outcome thereof, or to set it aside. The Committee may not affirmatively act on any matter unless a majority of the Committee is present. The Committee's decision (as reflected by a majority of those actually present and voting) on all matters covered by this Section shall be final.~~

Section 3.08. Agenda.

No proposal shall be voted upon at the Annual meeting unless it has been placed on the agenda at least forty (40) days prior to such meeting. Any legitimate proposal may be placed on the agenda by any member by filing a copy of the proposal with the Secretary within the time allowed, with a request that it be submitted to the Annual Meeting for consideration. Such legitimacy subject to rule by the Board Directors.

Section 3.09. Order of Business.

The order of business at the annual meeting of the members and, insofar as practicable or desirable, at all other meetings of the members shall be essentially as follows:

- (a) Call of the roll;
- (b) Reading of the notice of the meeting and proof of the due giving thereof, or of the waiver or waivers of notice of the meeting, as the case may be;
- (c) Reading of unapproved minutes of previous meetings of the members and the taking of necessary action thereon;
- (d) Presentation and consideration of reports of officers, directors, and committees;
- (e) Election of directors; (or report on the election of directors);

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- (f) Unfinished business;
- (g) New business; and
- (h) Adjournment.

ARTICLE IV -DIRECTORS

Section 4.01. General Powers.

The business and affairs of the Cooperative shall be managed by a Board of seven (7) directors. The Board shall exercise all of the powers of the Cooperative except such as are by law or by the Cooperative's Articles of Incorporation or Bylaws conferred upon or reserved to the members.

Section 4.02. Qualifications.

No person shall be eligible to become or remain a director of the Cooperative who is a close relative of an incumbent director, or an employee, or employee's spouse (employee is defined as a current employee or former employee) of the Cooperative, or is not a member in good standing of the Cooperative. ~~and receiving service therefrom at his primary residential abode.~~ No person shall be eligible to become or remain a director of, or to hold any other position of trust in, the Cooperative who is not of legal capacity age or who is in any way employed by or financially interested in the Cooperative or a competing energy supplier, or a business selling electric energy or supplies to the Cooperative, or a business primarily engaged in selling electrical appliances, fixtures or supplies to, among others, the members of the Cooperative, or any candidate or elected official for any local, state, or national office. Notwithstanding any of the foregoing provisions of this Section dealing with close relative relationships, no incumbent director shall lose eligibility to remain a director or to be re-elected as a director if such director becomes a close relative or another incumbent director or of a Cooperative employee (including a retired employee) because of a marriage to which such director was not a party. Upon establishment of the fact that a nominee for director lacks eligibility under this Section or as may be provided elsewhere in these Bylaws, it shall be the duty of the chairman presiding at the meeting at which such nominee would otherwise be voted upon to disqualify such nominee. Upon the establishment of the fact that any person being considered for, or already holding, a directorship or other position of trust in the Cooperative lacks eligibility under this Section, it shall be the duty of the Board of Directors to withhold such position from such person, or to cause such person to be removed therefrom, as the case may be. Nothing contained in this Section shall, or shall

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be construed to, affect in any manner whatsoever the validity of any action taken at any meeting of the Board of Directors, unless such action is taken with respect to a matter which is affected by the provisions of this Section and in which one or more of the directors have an interest adverse to that to the Cooperative.

Section 4.03. Voting for Directors and Tenure.

The representation of directors shall be geographically divided, and according to membership within the service area in accordance with a map in which county boundaries are not considered, and there shall be districts 1, 2, 3, 4, 5, 6, & 7, and the director shall represent the area from which said director is selected, and any qualified member from the area may be eligible to become a director. Director elections shall be rotated among the districts and they shall be chosen by vote of the membership. The person receiving the highest number of votes, shall be elected as director from the area, subject to other provisions of these bylaws.

Tenure for a full term on the Board of Directors shall be three (3) years.

When the election of directors cannot be held at the regular annual meeting of the members due to a quorum not being present, the directors then serving as directors of the Cooperative shall continue to serve as directors of the Cooperative representing their respective district for the incoming term of three (3) years. All directors shall serve until their successors shall have been elected and shall have qualified, subject to the provisions of these bylaws with respect to the directors.

Section 4.04. Directorate Districts.

District No. 1, described as follows: Beginning at a point at the junction of Highway 2731 and Highway 228 approximately 1.2 miles due north to the Ohio River then proceeding southwest to the junction of KY 228 and 2731, then proceeding southwest along Highway 2731 to the junction of Highway 2731 and 144, then proceeding west on Highway 144 to Payneville to the junction of 144 and 376, then proceeding southwest on 376 to Frymire and junction of 376 and 144, then continuing along 144 through Union Star to the junction of 144 and 259 then due west to the Ohio River to a point approximately 1 mile southwest of Ammons. All territory to the north and west of the aforementioned roads and bound on the west, north and east by the Ohio River and back to the point of beginning.

District No. 2, described as follows: Beginning from the point of District No. 1, at the junction of Highway 2731 and Highway 228 approximately 1.2 miles due north to the Ohio River then bordering along the boundary of District No. 1 to Union Star, then following along the north and east side of 86 to junction of 86 and 60 at Garfield, then

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east on 60 to Sinking Creek Hill/Dents Bridge Road to Rosetta Road through Bewleyville on 1238 to junction of 1238 and 941, then north on 941 to 144, west on 144 in Ekron to 941, then 941 to Brandenburg to Broadway, west on Broadway to Main Street and Main Street to the Ohio River and west along Ohio River to the point of beginning to include territory not served by LG&E Energy and all territory west and north of east side of boundary from Brandenburg to Garfield.

District No. 3, described as follows: All points to system boundary north and east of a point beginning on the Ohio River at the northern point of Main Street in Brandenburg and bordering District No. 2 to the junction of Highways 60 and 86 at Hensley and southeast on 86 to system boundary, namely Hardin County line.

District No. 4, described as follows: Beginning at a point approximately .7 mile east of Dyer on 86 and system boundary, then west along the boundary of District No.'s 3 and 2, to the junction of 86 and 261, then south on 261 through Hardinsburg to the junction of 261 and 108, then south on 108 to the junction of 108 and 105, then east on 105 to the junction of 105 and 79, then east on 79 to the junction of 79 and 259, then 259 to the junction of 259 and 401, then northeast on 401 to the junction of 401 and 84, .7 mile south of Hudson, then south on 84 approximately 3.4 miles to system boundary at Breckinridge/Hardin County line, then north along system boundary, Breckinridge/Hardin County line, to the point of beginning.

District No. 5, described as follows: Beginning at a point on the Ohio River approximately 2 miles west of the junction of 259 and 144, then following along the Ohio River in a southwest direction to system boundary approximately 2 miles west of Cloverport, then approximately 1.2 miles to the junction of 992 and 144, then east along 992 to the junction of 992 and 105, then southeast on 105 to the junction of 105 and 261 at McQuady, then east on 261, then north along the boundary of District No. 4, then northwest along the boundary of District No. 2 to Union Star, then west along boundary of District No. 1, to the point of beginning.

District No. 6, described as follows: Beginning at a point approximately 2 miles west of Cloverport then east along the boundary of District No. 5 to McQuady at the junction of 105 and 261, then southwest along 261 to the junction of 261 and 629, then south along 629 to Rockvale, then due south to system boundary, then west and north along system boundary to the point of beginning.

District No. 7, described as follows: Beginning at a point approximately 3 miles southeast of Hudson on 84 at system boundary, then west along boundary of District No. 4 to the junction of 108 and 261, then west and south along the boundary of District No. 6 to system boundary then east and north along system boundary to the point of beginning.

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Section 4.05. Nominations.

(a) It shall be the duty of the Board of Directors to appoint, not less than forty-five (45) days nor more than ninety (90) days prior to the Annual Meeting of the members, a Committee on Nominations consisting of not less than five (5) nor more than eleven (11) members who shall be selected from different districts of the service area. No officer, employee or member of the Board of Directors of the Cooperative shall be appointed a member on the Committee of Nominations.

(b) It shall be the responsibility of the Committee on Nominations to select a candidate to run for office of Director for each district to fill the vacancy caused by the expiration of a Director's term. The Committee on Nominations shall prepare and post its nominations in a conspicuous manner in the lobby of the Cooperative Headquarters building in Brandenburg not later than 4:30 p.m. of the fortieth (40th) day prior to the date set for the Annual Meeting, at which election the Director(s) shall be announced.

(c) Any one hundred (100) or more qualified members of any district may, by written or printed petition, make other nominations from the membership of their district for the office of Director, by affixing their signatures and addresses to the petition. In no event shall a member sign a petition for more than one (1) candidate. In the event a member signs a petition for more than one (1) candidate, then his signature shall be invalid on all petitions signed by him.

(d) Petition or petitions by qualified members nominating candidates for the Office of Director shall be filed at the Headquarters Office of the Cooperative during regular office hours of the Cooperative, on or before the thirtieth (30th) day prior to the date set for the Annual Meeting and said nominating petitions shall be posted by the Secretary in a conspicuous manner in the lobby of the Cooperative/Headquarters not less than fifteen (15) days prior to the date set for the Annual Meeting if, after examination by the Provost, it is determined by said Provost that said petition or petitions meet the requirements of the Bylaws, Articles of Incorporation and the laws of the Commonwealth of Kentucky. A date of ninety (90) days prior to the Annual Meeting shall be established in determining whether a member is in good standing and qualified for the purposes of signing nominating petitions and/or voting in the election of Directors.

Section 4.06. Appointment of Provost.

The Board of Directors shall have the duty of naming a Provost, who shall be a Certified Public Accountant licensed by the Commonwealth of Kentucky, to be in charge of Directors' elections. The Provost shall have responsibilities and duties regarding

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nominating petitions as well as votes and the counting of votes.

Section 4.07. Duties of Provost Regarding Nominations.

The duties of the Provost regarding nominating petitions shall be as follows:

(a) The Provost shall examine and audit the petition or petitions filed by the candidates for election to the office of Director to determine if the petition or petitions comply with the requirements of the Kentucky Revised Statutes, the Articles of Incorporation and these Bylaws.

(b) The Provost is granted the power and authority to pass upon and determine the validity of each of the signatures and addresses on the petition or petitions to determine if those signing are qualified members in good standing of the Cooperative and entitled to vote for the election of Directors.

(c) If the Provost disapproves a signature and/or address on a petition or petitions, he shall list the name in writing giving the reason or reasons why said signature and/or address was not approved.

(d) The Provost shall determine if the required number of qualified voting members have signed the petition or petitions after having deducted from the petition or petitions the names disapproved by him because the names and/or addresses on said petition or petitions fail to comply with the Kentucky Revised Statutes, the Articles of Incorporation of the Cooperative or these Bylaws. If the petition or petitions do not contain the signatures and addresses of the required number; then the Provost shall not certify to the Secretary of the Cooperative the name or names of the candidates on said petition or petitions to be placed upon the official ballot for the district.

(e) Upon the completion of the examination and audit of the petition or petitions by the Provost, he shall certify to the Secretary of the Cooperative the name or names of those persons properly nominated by petition or petitions so that those so nominated may be listed on the official ballot for the district.

(f) Should the Committee on Nominations select a candidate to run for office of Director from a district and should no candidate be nominated from the membership of the district by written or printed petition within the prescribed time as set forth in Section 4.05 of these Bylaws, then the Chairman of the Committee on Nominations shall certify to the Secretary of the Board that no petition has been filed within the prescribed time and that the candidate nominated by the Committee on Nominations for that district is therefore officially elected without opposition and it will be so announced at the Annual Meeting and the nominee shall be deemed elected to the Board for that district without the necessity of mailing official ballots through the United States mail and following the

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election procedure set forth in these Bylaws.

Section 4.08. Preparation of Official Ballot.

(a) After the Provost has certified the names of the candidates nominated by petition or petitions to be placed upon the official ballot, it shall be the duty of the Secretary of the Cooperative to prepare a printed ballot of those persons duly nominated either by the Committee on Nominations or by nominating petition within ten (10) days after the nominating petitions are required to be filed. The printed ballot shall list separately the person nominated by the Nominating Committee and those persons nominated by petition in alphabetical order and labeled in such a manner as to note which candidate appears on the ballot by nomination of the Committee on Nominations and which appears on the ballot by nomination by petition. It shall be the further duty of the Secretary of the Cooperative to see that the official ballots are mailed to each active and qualified member at his or her address shown on the Cooperative records for those districts which are up for election not later than fifteen (15) days prior to said Annual Meeting at which the results of said election are to be announced. See Sample Official Ballot in Section 4.25.

(b) The official ballot shall be inscribed with instructions by the Secretary of the Cooperative that all official ballots must be returned by U.S. mail and received by the Provost of the Cooperative or his designee not less than five (5) days prior to said Annual Meeting. See Sample of Instructions for voting in Section 4.26.

Section 4.09. Official Ballots.

Each official ballot for each district shall be placed in an envelope labeled Ballot Envelope within a Return Envelope bearing postage prepaid, addressed to the Provost or his designee all in a Cover Envelope, all of which shall be mailed by the secretary of the cooperative or his designee to each member eligible to vote in the district.

Section 4.10. Execution of Ballot.

The official ballot shall be marked by the eligible member and then placed in a Ballot Envelope and sealed. The sealed Ballot Envelope, with the official ballot enclosed, shall then be placed in the Return Envelope addressed to the Provost with postage prepaid. The Ballot Envelope shall be signed by the member in the space provided on the Ballot Envelope so it can be determined by the Provost whether the person signing the Ballot Envelope is an eligible voting member of the Cooperative and the district. The Return Envelope shall then be mailed to the Provost or his designee at the address placed on the return envelope selected by the Provost.

Section 4.11. Elections.

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The Provost shall count the ballots as expeditiously as possible following the placement in his hands of said ballots. The Provost shall give at least 24 hours verbal or written notice to each person nominated for Director the time and date when the counting of the ballots shall commence. During the counting of the ballots only the following persons may be present in the counting room:

(a) personnel of the Cooperative directly engaged in the election process;

(b) the Provost and his employees.

(c) a person nominated for Director or one representative of such person properly authorized by the nominee in writing.

After the ballots have been duly counted, the results of the elections shall be announced at the subsequent annual meeting of members and the person from each district receiving the highest number of votes throughout the system shall be declared elected at the Annual Meeting. In the event of a tie vote the Director shall be selected by a toss of a coin. The following shall not be counted:

(a) A vote marked for more than one candidate;

(b) Ballots other than the official ballot;

(c) Ballots not received through the US mail;

(d) Ballots arriving late.

Section 4.12. Counting of Votes by Provost.

The duties of the Provost regarding votes and counting shall be as follows:

(a) The Provost shall determine the post office address on the return envelopes and when received, place the envelopes in a locked ballot box or boxes.

(b) The Provost shall unlock the box or boxes which contain the Return Envelopes and examine each Ballot Envelope to ascertain if it has been properly signed, mailed, and received at least five (5) days before the Annual Meeting.

(c) Any and all Ballot Envelopes found by the Provost not to conform to the provisions and requirements of these Bylaws shall not be opened but shall be immediately placed in a locked ballot box or boxes labeled "Rejected Returned Envelopes or Ballots" which

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locked ballot box or boxes shall be retained by the Provost in safekeeping until sixty (60) days after the date of the completion of the accounting of the ballots.

(d) Any official ballot which is deemed invalid by the Provost for reasons set forth in these Bylaws shall be placed by the Provost in the locked ballot box or boxes labeled "Rejected Return Envelopes or Ballots".

(e) The Provost shall tabulate all valid votes on each official ballot. The Provost shall count the ballots labeled "Rejected Returned Envelopes or Ballots" only if the number of said ballots could make a difference in the outcome in the election. If said ballots could make a difference in the outcome of the election, the Provost shall make his determination as to the validity of said ballot(s) and include only those ballot(s) he determines to be valid in his final tally. After the Provost's determination as to the validity and tabulation of said ballot(s) such ballot(s) shall be returned to the box or boxes labeled "Rejected Return Envelopes or Ballots" which shall be kept locked.

(f) All box or boxes containing ballots shall be kept locked at all times except when the Provost is present.

(g) If the counting of the official ballots has not been completed at the time of adjournment of the counting, all official ballots unopened and uncounted shall be kept in the locked ballot box or boxes by the Provost until the counting of all official ballots is again begun in the presence of the Provost and this procedure shall continue until all valid official ballots have been counted and tabulated.

(h) The decision of the Provost as to the validity shall be final as to all ballots cast.

(i) The Provost shall place all official and valid ballots which have been counted in a locked ballot box or boxes labeled "Counted Ballots" and shall retain the "Counted Ballots" box or boxes together with the ballot box or boxes labeled "Rejected Return Envelopes or Ballots".

Section 4.13. Certification of Election by Provost.

The Provost shall promptly, upon completion of the counting of the membership votes, certify in writing to the Secretary of the Board the names of the candidates and the number of votes received by each and shall also certify the name of the person having been elected as Director for each district.

Section 4.14. Procedure for Destroyed Ballot.

In the event a voting member in good standing has his, her or its ballot inadvertently

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destroyed or the Return Envelope inadvertently destroyed, or the Cover Envelope with the covered contents therein was not received by the voting member, then upon the voting member having exhibited to the Provost his driver's license or a Social Security card, the Provost shall check the Cooperative's membership list to determine if he, she or it is a voting member in good standing. The Provost shall then cause the voting member to execute an Affidavit before a Notary Public at the office of the Provost, and if the Provost approves, he may then and there only deliver to the voting member a Return Envelope, a Ballot Envelope and a ballot. However, no Affidavit Return Envelope, Ballot Envelope or ballot shall be delivered by the Provost after 4:30 p.m. on the sixth day prior to the Annual Meeting.

Section 4.15. Custody of Keys to Ballot Boxes.

The Provost shall be responsible for the custody of the keys to all ballot boxes.

Section 4.16. Write-In Votes Prohibited.

No write-in votes shall be permitted in the election of Directors.

Section 4.17. Requesting Recount and Contesting Election of Director.

A candidate for election as Director may within ten (10) days of the announcement of the election result request the Provost to recount the votes cast in his election. A person requesting a recount shall post a bond with the Provost in an amount to be determined by the Provost to equal the estimated cost of the recount. In the event the recount changes the election of a Director, then the cost thereof shall be paid by the Cooperative. However, in the event the recount does not change the election of the Director, the cost of the recount shall be paid by the candidate requesting the recount.

Any action to contest the election results of a Director as certified by the Provost shall be filed in the Meade Circuit Court not later than the 30th day following the Annual Meeting at which the election results were announced.

Section 4.18. Removal of Directors by Members. (This was section 4.06)

Any member(s) may bring one or more charges for cause (malfeasance in office, unlawful acts, etc) against any one or more directors and may request the removal of such Director(s) by reason thereof by filing with the Secretary such charge(s) in writing signed by said member(s) together with a petition signed by not less than ten percent (10%) of the then-total members of the Cooperative, which petition calls for a special member meeting the stated purpose of which shall be to hear and act upon such charge(s), and which specifies the place, time and date thereof not sooner than twenty-

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five (25) days after the filing of such petition. Each page of the petition shall, in the forepart thereof, state the name(s) and address(es) of the member(s) filing such charge(s), a verbatim statement of such charge(s) and the name(s) of the director(s) against whom such charge(s) is (are) being made. The petition shall be signed by each member in the same name as is billed by the Cooperative and shall state the signatory's address as the same appears on such billings. A statement of such charge(s) verbatim, the name(s) of director(s) against whom the charge(s) have been made, of the member(s) filing the charge(s) and the purpose of the meeting shall be contained in the notice of the meeting; PROVIDED, that the notice shall set forth (in alphabetical order) only twenty (20) of the names of the members filing one or more charges if twenty (20) or more members file the same charge(s) against the same director(s). Such director(s) shall be informed in writing of the charge(s) after they have been validly filed and at least twenty (20) days prior to the meeting of the members at which the charge(s) are to be considered, and shall have an opportunity at the meeting to be heard in person, by witnesses, by counsel or any combination of such, and to present evidence in respect to the charge(s); and the person(s) bringing the charge(s) shall have the same opportunity, but must be heard first. The question of the removal of such director(s) shall, separately for each if more than one has been charged, be considered and voted upon at such meeting; PROVIDED, that the question of the removal of a director shall not be voted upon at all unless some evidence in support of the charge(s) against said director shall have been presented during the meeting through oral statements, documents or otherwise, with the ruling concerning same to be made by the chairman of the special meeting. The chairman of the said meeting shall be a licensed attorney appointed by the attorney to the Board, and the Cooperative shall compensate said chairman for services.

Section 4.19 Removal of Directors for Absence. (This was Section 4.07)

Any Board member who is absent from three consecutive regular meetings of the Board, unless excused by the affirmative vote of majority of the other Board members, shall be deemed to have vacated his office. After declaring the vacancy to exist, the remaining Board members shall proceed to fill the vacancy.

Section 4.20 Vacancies. (This was Section 4.08)

All vacancies occurring in the Board of Directors shall be filled by a majority vote of the Board of Directors. A director thus elected shall serve out the unexpired term of the director whose office was originally vacated and until a successor is elected and qualified: PROVIDED, that such a director shall be from the same Directorate District as was the director whose office was vacated.

Section 4.21 Compensation; Expenses. (This was Section 4.09)

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Directors shall, as determined by resolution of the Board of Directors, receive, on a per diem basis, a fixed fee, which may include insurance benefits, for attending meetings of the Board of Directors, and, when such has had the prior approval of the Board of Directors, for the performance of other Cooperative business. Directors shall also receive advancement or reimbursement of any travel and out-of-pocket expenses actually, necessarily and reasonably incurred in performing their duties. No close relative of a director shall be employed by the Cooperative and no director shall receive compensation for serving the Cooperative in any other capacity, unless the employment of such relative or the service of such director is temporary and shall be specifically authorized by a vote of the members upon their resolved determination that such was an emergency measure; PROVIDED FURTHER, that an employee shall not lose eligibility to continue in the employment of the Cooperative if such employee becomes a close relative of a director because of a marriage to which said employee was not a party.

Section 4.22 Rules, Regulations, Rate Schedules and Contracts. (This was Section 4.10)

The Board of Directors shall have power to make, adopt, amend, abolish and promulgate such rules, regulations, rate classifications, rate schedules, contracts, security deposits and any other types of deposits, payments or charges, including contributions in aid of construction, not inconsistent with law or the Cooperative's Articles of Incorporation or Bylaws, as it may deem advisable for the management, administration and regulation of the business and affairs of the Cooperative.

Section 4.23 Accounting System and Reports. (This was Section 4.11)

The Board of Directors shall cause to be established and maintained a complete accounting system of the Cooperative's financial operations and conditions, and shall, after the close of each fiscal year, cause to be made a full, complete and independent audit of the Cooperative 's accounts, books and records reflecting financial operations during, and financial conditions as of the end of, such year. A full and accurate summary of such audit reports shall be submitted to the members at or prior to the succeeding annual meeting of the members. The Board may authorize special audits, complete or partial, at any time and for any specified period of time.

Section 4.24 "Close Relative" Defined. (This was section 4.12)

As used in these Bylaws, "close relative" means a person who, by blood or in-law, including half, foster, step and adoptive kin, is either a spouse, child, grandchild, parent, grandparent, brother, sister, aunt, uncle, nephew or niece of the principal.

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Section 4.25.

**MEADE COUNTY RECC
OFFICIAL BALLOT
0000 ELECTION OF DIRECTORS**

I hereby vote for the following member to serve as Director representing District
#_____.

Nominated by Nominating Committee

John Doe

Nominated by Petition

Jane Doe

Jerry Roe

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Section 4.26.

ELECTION OF DIRECTORS

INSTRUCTIONS FOR VOTING:

1. Each member is entitled to one (1) vote. In order to cast your vote, please mark an "X" in the box to the left of your candidate's name.
2. Seal marked ballot in the ballot envelope.
3. Seal ballot envelope in envelope addressed to Meade County RECC. Sign and date in the space provided under your name and address on the ballot envelope. (The ballot will not be counted unless the Certification is properly signed and dated by the member.)
4. Print member's name and address, as it appears on the mailing label in the upper left corner of the return envelope.
5. Mail ballot by United States mail only. No postage is required.
6. Ballots must be returned no later than midnight, _____ (not less than five (5) days prior to the Membership Annual Meeting, _____).

1 Meade County Rural Electric Cooperative
2 Case No. 2010-00222
3 Statement of Operations
4 March 31, 2010

Exhibit V
page 1 of 3
Witness: Jim Adkins

	<u>2010</u>	<u>2009</u>
8 Operating revenue	<u>\$32,033,858</u>	<u>\$31,574,230</u>
9		
10 Operating expenses:		
11 Cost of power	17,359,931	17,487,941
12 Distribution-operations	2,273,242	1,866,836
13 Distribution-maintenance	2,706,070	2,313,778
14 Consumer accounts	1,234,333	1,273,810
15 Consumer service	234,762	209,916
16 Sales	690	(1,037)
17 Administrative and general	<u>1,416,228</u>	<u>1,370,663</u>
18	<u>25,225,256</u>	<u>24,521,907</u>
19		
20 Depreciation and amortization	2,974,304	2,874,895
21 Taxes-other	32,932	31,904
22 Interest on long term debt	2,244,699	2,284,530
23 Other interest expense	38,814	38,334
24 Other deductions	<u>15,129</u>	<u>13,211</u>
25	<u>30,531,134</u>	<u>29,764,781</u>
26		
27 Utility operating margins	1,502,724	1,809,449
28 Nonoperating margins, interest	119,046	94,142
29 Income from equity investments	0	0
30 Nonoperating margins, other	20,846	8,447
31 G & T capital credits	0	0
32 Other capital credits	<u>134,429</u>	<u>174,066</u>
33		
34 Net margins	<u>\$1,777,045</u>	<u>\$2,086,104</u>
35		
36		
37		

1 Meade County Rural Electric Cooperative

Exhibit V

2 Case No. 2010-00222

page 2 of 3

3 Balance Sheet

Witness: Jim Adkins

4 March 31, 2010

	<u>2010</u>	<u>2009</u>
<u>ASSETS</u>		
Electric Plant:		
In service	\$90,449,647	\$87,334,017
Under construction	<u>1,951,042</u>	<u>990,762</u>
	92,400,689	88,324,779
Less accumulated depreciation	<u>25,102,749</u>	<u>23,367,473</u>
	<u>67,297,940</u>	<u>64,957,306</u>
Investments	<u>2,251,552</u>	<u>2,201,677</u>
Current Assets:		
Cash and temporary investments	8,295,467	5,160,029
Accounts receivable, net	3,415,288	5,464,392
Material and supplies	1,444,563	477,902
Prepayments	<u>780,261</u>	<u>396,478</u>
	<u>13,935,579</u>	<u>11,498,801</u>
Total Assets	<u>\$83,485,071</u>	<u>\$78,657,784</u>
<u>MEMBERS' EQUITIES AND LIABILITIES</u>		
Margins and Equities:		
Memberships	\$100,805	\$104,720
Patronage capital	23,566,176	21,957,675
Other equities	<u>715,634</u>	<u>653,944</u>
	<u>24,382,615</u>	<u>22,716,339</u>
Long Term Debt	<u>54,013,405</u>	<u>50,739,451</u>
Accumulated Operating Provisions	<u>1,031,274</u>	<u>870,636</u>
Current Liabilities:		
Accounts payable	1,943,156	2,281,545
Consumer deposits	701,720	673,517
Accrued expenses	<u>815,275</u>	<u>799,452</u>
	<u>3,460,151</u>	<u>3,754,514</u>
Consumer advances	<u>597,626</u>	<u>576,844</u>
Total Members' Equities and Liabilities	<u>\$83,485,071</u>	<u>\$78,657,784</u>

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1 Meade County Rural Electric Cooperative
2 Case No. 2010-00222
3 Statement of Cash Flows
4 March 31, 2010

Exhibit V
page 3 of 3

Witness: Jim Adkins

	<u>2009</u>	<u>2008</u>
8 Cash Flows from Operating Activities:		
9 Net margins	\$1,777,045	\$2,086,104
10 Adjustments to reconcile to net cash provided		
11 by operating activities:		
12 Depreciation		
13 Charged to expense	2,974,304	2,874,895
14 Charged to clearing accounts	288,371	238,425
15 Patronage capital credits	(134,429)	(174,066)
16 Accumulated postretirement benefits	160,638	6,794
17 Net change in current assets and liabilities:		
18 Receivables	2,049,104	(1,784,835)
19 Material and supplies	(966,661)	65,691
20 Prepayments and deferred debits	(383,783)	14,356
21 Accounts payables	(338,389)	560,141
22 Consumer deposits	28,203	33,387
23 Accrued expenses	15,823	5,694
24 Consumer advances	20,782	(100,100)
25	<u>5,491,008</u>	<u>3,826,486</u>
26		
27 Cash Flows from Investing Activities:		
28 Plant additions	(5,529,745)	(5,283,727)
29 Additional investments, net of receipts	84,554	(183,809)
30	<u>(5,445,191)</u>	<u>(5,467,536)</u>
31		
32 Cash Flows from Financing Activities:		
33 Memberships	(3,915)	(4,980)
34 Refund of capital credits	(176,471)	(851,063)
35 Other equities	(184,333)	113,999
36 Additional long-term borrowings	7,136,000	5,000,000
37 Payments on long-term debt	(3,862,046)	(2,331,839)
38	<u>3,089,621</u>	<u>1,926,117</u>
39		
40 Net increase in cash	3,135,438	285,067
41		
42 Cash balances - beginning	<u>5,160,029</u>	<u>4,874,962</u>
43		
44 Cash balances - ending	<u>\$8,295,467</u>	<u>\$5,160,029</u>
45		
46		

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10/1/11

Account Title	Acct. #	April 1st Month	May 2nd Month	June 3rd Month	July 4th Month	August 5th Month	September 6th Month	October 7th Month
Land & Land Rights - D	360.000	212,649	212,649	212,649	212,649	212,649	212,649	212,649
Prior year	04/09 - 03/10	212,649	212,649	212,649	212,649	212,649	212,649	212,649
Change	04/08 - 03/09	-	-	-	-	-	-	-
Station Equipment Dist	362.000	6,964,231	6,964,231	6,964,231	6,964,231	6,964,231	6,964,231	6,964,231
Prior year		6,872,817	6,872,817	6,872,817	6,872,817	6,872,817	6,872,817	6,872,817
Change		91,414	91,414	91,414	91,414	91,414	91,414	91,414
Poles, Tower & Fixtures	364.000	34,574,805	34,614,449	34,694,041	34,830,455	35,061,597	35,144,176	35,215,734
Prior year		33,223,850	33,286,101	33,390,652	33,698,603	33,798,792	33,858,371	33,918,898
Change		1,350,955	1,328,348	1,303,389	1,131,852	1,262,806	1,285,804	1,296,835
Overhead Conductors C	365.000	15,536,193	15,546,449	15,569,935	15,625,083	15,717,551	15,743,322	15,773,497
Prior year		14,945,300	14,971,927	15,012,802	15,169,771	15,202,649	15,221,363	15,243,690
Change		590,892	574,522	557,134	455,312	514,902	521,959	529,807
Underground Conducto	367.000	1,810,732	1,815,554	1,820,646	1,834,018	1,840,343	1,847,145	1,858,163
Prior year		1,712,637	1,718,800	1,722,237	1,736,626	1,748,965	1,752,402	1,759,496
Change		98,095	96,754	98,409	97,392	91,379	94,744	98,667
Line Transformers	368.000	11,834,498	11,853,997	11,840,617	11,885,870	11,950,564	11,997,535	12,041,805
Prior year		11,362,010	11,512,260	11,504,670	11,518,748	11,514,616	11,530,953	11,546,070
Change		472,488	341,738	335,947	367,122	435,947	466,582	495,735
Services - Distribution	369.000	1,534,011	1,534,011	1,533,648	1,533,288	1,535,553	1,535,316	1,535,648
Prior year		1,528,409	1,528,409	1,528,409	1,527,917	1,527,917	1,527,917	1,527,858
Change		5,602	5,602	5,240	5,371	7,636	7,400	7,790
Meters - Distribution	370.000	5,396,882	5,415,295	5,425,532	5,495,887	5,586,374	5,552,128	5,554,669
Prior year		5,242,794	5,246,227	5,246,464	5,248,903	5,248,298	5,248,695	5,250,541
Change		154,089	169,069	179,067	246,984	338,076	303,434	304,127
Install On Consumers P	371.000	2,210,835	2,216,604	2,225,100	2,245,610	2,261,526	2,273,570	2,286,032
Prior year		2,066,935	2,072,288	2,085,588	2,105,873	2,117,701	2,121,618	2,134,119
Change		143,901	144,316	139,513	139,737	143,825	151,952	151,914
St Lighting & Signal Sys	373.000	128,475	128,475	128,475	128,475	128,475	128,475	128,475
Prior year		128,475	128,475	128,475	128,475	128,475	128,475	128,475
Change		-	-	-	-	-	-	-
Land & Land Rights - G	389.000	244,158	244,158	244,158	244,158	297,576	297,576	297,576
Prior year		246,058	246,058	244,158	244,158	244,158	244,158	244,158
Change		(1,900)	(1,900)	-	-	53,418	53,418	53,418

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Acct. #	November 8th Month	December 9th Month	January 10th Month	February 11th Month	March 12th Month
360.000	212,649	212,649	212,649	212,649	212,649
04/09 - 03/10	212,649	212,649	212,649	212,649	212,649
04/08 - 03/09	-	-	-	-	-
362.000	6,964,231	6,964,231	6,964,231	6,964,231	6,964,231
	6,872,817	6,964,231	6,964,231	6,964,231	6,964,231
	91,414	-	-	-	-
364.000	35,286,354	35,406,070	35,732,303	35,782,495	35,926,567
	34,268,809	34,370,124	34,449,140	34,484,239	34,595,223
	1,017,544	1,035,946	1,283,163	1,298,256	1,331,344
365.000	15,803,452	15,854,647	16,018,147	16,069,123	16,129,440
	15,322,256	15,361,696	15,387,477	15,400,344	15,447,994
	481,196	492,951	630,670	668,779	681,447
367.000	1,862,947	1,880,290	1,883,695	1,889,944	1,894,878
	1,768,281	1,782,139	1,795,521	1,797,611	1,807,521
	94,666	98,150	88,174	92,332	87,357
368.000	12,085,288	12,109,771	12,130,906	12,178,795	12,241,235
	11,593,421	11,632,046	11,687,326	11,829,458	11,814,135
	491,868	477,725	443,579	349,337	427,100
369.000	1,535,648	1,535,647	1,535,748	1,535,645	1,536,477
	1,532,386	1,533,716	1,533,716	1,533,716	1,533,736
	3,262	1,931	2,032	1,929	2,741
370.000	5,554,089	5,583,776	5,582,318	5,581,568	5,584,885
	5,251,338	5,263,480	5,263,296	5,276,222	5,401,140
	302,751	320,296	319,021	305,346	183,745
371.000	2,304,125	2,330,766	2,339,511	2,352,413	2,359,823
	2,149,968	2,164,339	2,183,505	2,183,917	2,197,611
	154,157	166,427	156,006	168,496	162,212
373.000	128,475	128,475	128,475	128,475	128,475
	128,475	128,475	128,475	128,475	128,475
	-	-	-	-	-
389.000	297,576	297,576	297,576	297,576	297,576
	244,158	244,158	244,158	244,158	244,158
	53,418	53,418	53,418	53,418	53,418

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Account Title	Acct. #	1st Month	2nd Month	3rd Month	4th Month	5th Month	6th Month	7th Month
Structures & Improveme	390.000	374,630	374,630	374,630	374,630	374,630	374,630	374,630
Prior year		374,630	374,630	374,630	374,630	374,630	374,630	374,630
Change		-	-	-	-	-	-	-
Structures & Improveme	390.100	2,739,931	2,739,931	2,739,931	2,739,931	2,739,931	2,739,931	2,810,346
Prior year		2,652,043	2,652,043	2,652,043	2,652,043	2,658,043	2,727,215	2,739,931
Change		87,888	87,888	87,888	87,888	81,888	12,716	70,414
Office Furnitue & Equip	391.000	-	-	-	-	-	-	-
Prior year		-	-	-	-	-	-	-
Change		-	-	-	-	-	-	-
Office Furnitue & Equip	391.100	1,038,947	1,038,947	1,038,947	1,038,947	1,038,947	1,043,945	1,054,821
Prior year		1,006,164	1,006,164	1,010,188	1,010,188	1,010,188	1,010,188	1,010,188
Change		32,783	32,783	28,759	28,759	28,759	33,756	44,632
Trans Equip Gen Plt	392.000	-	-	-	-	-	-	-
Prior year		-	-	-	-	-	-	-
Change		-	-	-	-	-	-	-
Trans Equip Gen Plt	392.100	2,351,264	2,347,582	2,358,659	2,337,587	2,337,587	2,338,642	2,483,789
Prior year		2,211,689	2,227,648	2,227,648	2,215,496	2,215,496	2,355,571	2,355,571
Change		139,575	119,934	131,011	122,090	122,090	(16,930)	128,217
Stores Equip - Gen Plt	393.000	-	-	-	-	-	-	-
Prior year		-	-	-	-	-	-	-
Change		-	-	-	-	-	-	-
Stores Equip - Gen Plt	393.100	33,934	33,934	33,934	33,934	33,934	33,934	33,934
Prior year		33,934	33,934	33,934	33,934	33,934	33,934	33,934
Change		-	-	-	-	-	-	-
Tool Shop & Gar Equip	394.000	-	-	-	-	-	-	-
Prior year		-	-	-	-	-	-	-
Change		-	-	-	-	-	-	-
Tool Shop & Gar Equip	394.100	119,749	119,749	119,749	119,749	119,749	119,749	119,749
Prior year		81,561	81,561	101,848	104,983	104,983	104,983	104,983
Change		38,188	38,188	17,901	14,767	14,767	14,767	14,767
Laboratory Equip - Gen	395.000	-	-	-	-	-	-	-
Prior year		-	-	-	-	-	-	-
Change		-	-	-	-	-	-	-
Laboratory Equip - Gen	395.100	64,587	64,587	64,587	64,587	64,587	64,587	64,587
Prior year		64,587	64,587	64,587	64,587	64,587	64,587	64,587
Change		-	-	-	-	-	-	-

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Acct. #	8th Month	9th Month	10th Month	11th Month	12th Month
390.000	374,630 374,630 -	374,630 374,630 -	374,630 374,630 -	374,630 374,630 -	374,630 374,630 -
390.100	2,810,346 2,739,931 70,414	2,810,346 2,739,931 70,414	2,810,346 2,739,931 70,414	2,810,346 2,739,931 70,414	2,810,346 2,739,931 70,414
391.000	-	-	-	-	-
391.100	1,105,169 1,010,188 94,981	1,105,169 1,056,377 48,792	1,105,169 1,058,627 46,543	1,103,886 1,058,627 45,259	1,103,886 1,038,947 64,939
392.000	-	-	-	-	-
392.100	2,370,370 2,399,951 (29,581)	2,370,370 2,291,076 79,294	2,370,370 2,291,076 79,294	2,370,370 2,291,076 79,294	2,424,876 2,378,861 46,015
393.000	-	-	-	-	-
393.100	33,934 33,934 -	33,934 33,934 -	33,934 33,934 -	33,934 33,934 -	33,934 33,934 -
394.000	-	-	-	-	-
394.100	119,749 108,061 11,689	119,749 111,771 7,979	119,749 119,749 -	119,749 119,749 -	119,749 119,749 -
395.000	-	-	-	-	-
395.100	64,587 64,587 -	64,587 64,587 -	64,587 64,587 -	64,587 64,587 -	64,587 64,587 -

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Acct. #	8th Month	9th Month	10th Month	11th Month	12th Month
396.000	-	-	-	-	-
396.100	-	-	-	-	-
397.000	-	-	-	-	-
397.100	223,263 223,263 -	223,263 223,263 -	223,263 223,263 -	223,263 223,263 -	223,263 223,263 -
398.100	18,141 13,241 4,900	18,141 13,241 4,900	18,141 13,241 4,900	18,141 13,241 4,900	18,141 13,241 4,900
AMOUNT IN SERVICE					
04/09 - 03/10	89,155,023	89,424,086	89,945,747	90,111,819	90,449,647
04/08 - 03/09	86,312,344 2,842,679	86,565,862 2,858,224	86,768,533 3,177,215	86,974,059 3,137,760	87,334,017 3,115,630
107.100	-	-	-	-	-
107.120	2,397 14,751 (12,354)	6,882 14,099 (7,216)	11,514 2,516 8,997	12,955 5,669 7,286	20,937 11,797 9,141
107.121	-	-	284 284	-	1,133 1,133
107.122	593 3,143 (2,550)	1,161 3,978 (2,816)	2,363 487 1,876	3,940 923 3,017	5,103 2,386 2,718
107.123	-	-	-	-	516 516
107.124	-	-	-	(50) 50	-

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Account Title	Acct. #	1st Month	2nd Month	3rd Month	4th Month	5th Month	6th Month	7th Month
Construction WIP - bulk	107.130			180	180	180	69,645	
Prior year		68,457	68,557	68,880	69,253	69,253		
Change		(68,457)	(68,557)	(68,700)	(69,073)	(69,073)	69,645	-
Construction WIP	107.140							
Prior year			(325,845)	(134,040)	(40,440)	(3,384)	2,094	
Change		-	325,845	134,040	40,440	3,384	(2,094)	-
Construction WIP	107.200	666,846	687,718	638,416	624,688	705,254	727,576	893,049
Prior year		170,732	213,553	282,134	245,100	231,473	335,111	419,313
Change		496,114	474,165	356,282	379,587	473,781	392,465	473,735
Construction WIP-Cont.	107.210	287,379	318,982	393,642	665,338	478,928	529,583	633,705
Prior year		316,244	369,852	494,966	270,613	518,424	589,841	696,886
Change		(28,866)	(50,871)	(101,324)	394,726	(39,495)	(60,258)	(63,182)
Construction W/P Speci	107.300							
Prior year								
Change		-	-	-	-	-	-	-
WIP Contribution	107.310	(96,688)	(144,313)	(116,200)	(119,379)	(114,044)	(112,238)	(105,355)
Prior year		(42,246)	(55,018)	(42,310)	(33,206)	(28,371)	(30,914)	(34,826)
Change		(54,441)	(89,295)	(73,890)	(86,173)	(85,673)	(81,323)	(70,529)
WIP Contribution	107.320	16,241	16,908	18,377	15,645	15,419	16,846	16,344
Prior year		13,478	21,720	8,514	8,372	12,021	8,096	10,099
Change		2,763	(4,812)	9,863	7,272	3,398	8,750	6,246
Total CWIP	04/09 - 03/10	891,213	903,745	967,225	1,200,242	1,105,752	1,254,018	1,465,228
Prior year	04/08 - 03/09	551,966	319,957	712,195	527,693	814,683	918,109	1,118,247
Change		339,246	583,788	255,030	672,549	291,070	335,909	346,981
Retirement Workorders	108.200	68,073	56,866	45,531	47,733	50,652	50,984	48,016
Prior year		22,223	26,862	27,576	26,901	23,468	59,471	57,895
Change		45,850	30,004	17,955	20,832	27,184	(8,487)	(9,878)
Retirement Workorders	108.210	48,760	50,959	59,086	88,209	61,129	77,264	116,581
Prior year		43,075	55,870	72,540	58,128	70,134	70,397	92,068
Change		5,685	(4,911)	(13,454)	30,081	(9,005)	6,867	24,513
Acc Prov Deprec of Dis	108.600	73,714	73,818	74,713	76,251	22,774	(31,554)	(36,270)
Prior year		66,417	66,802	67,005	67,728	69,647	69,960	70,097
Change		7,297	7,017	7,708	8,523	(46,873)	(101,514)	(106,368)
20" & 25' Pole Depreciat	108.650	844,437	850,289	863,482	876,685	888,561	900,131	912,891
Prior year		542,563	548,376	554,544	569,026	585,996	593,619	604,732
Change		301,874	301,914	308,938	307,659	302,565	306,512	308,159

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Acct. #	8th Month	9th Month	10th Month	11th Month	12th Month
107.130	-	-	-	-	-
107.140	-	-	-	-	-
107.200	942,492 360,274 582,218	963,985 246,979 717,006	953,614 234,027 719,587	1,033,800 212,921 820,879	1,121,008 598,383 522,625
107.210	849,595 306,552 543,044	895,954 317,940 578,014	496,682 378,371 118,311	841,864 412,676 429,187	851,925 407,947 443,977
107.300	-	-	346	0	-
107.310	(105,158) (49,945) (55,213)	(147,363) (41,247) (106,116)	(113,060) (33,972) (79,089)	(74,465) (34,344) (40,121)	(77,889) (39,050) (38,839)
107.320	15,228 17,229 (2,001)	18,017 7,727 10,290	20,383 10,108 10,276	25,831 9,324 16,507	28,309 9,299 19,010
04/09 - 03/10	1,705,147	1,738,637	1,372,125	1,843,925	1,951,042
04/08 - 03/09	652,003	549,476	591,536	607,171	990,762
	1,053,144	1,189,161	780,589	1,236,754	960,280
108.200	48,789 62,725 (13,937)	44,800 57,036 (12,236)	51,762 59,479 (7,717)	53,744 53,446 298	57,399 54,420 2,978
108.210	190,937 43,846 147,091	201,905 49,456 152,449	152,274 39,956 112,318	179,601 56,946 122,655	206,854 41,101 165,753
108.600	(35,661) 70,383 (106,044)	(36,315) 71,678 (107,993)	(42,297) 72,288 (114,585)	(40,934) 72,288 (113,222)	(40,430) 72,795 (113,225)
108.650	922,102 618,365 303,737	935,948 635,107 300,842	943,068 647,843 295,225	950,496 650,187 300,309	959,849 654,503 305,346

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Account Title	Acct. #	1st Month	2nd Month	3rd Month	4th Month	5th Month	6th Month	7th Month
30' Pole Depreciation	108.651	397,568	401,281	407,952	415,234	431,819	443,793	451,669
Prior year		267,826	273,422	281,302	301,562	315,803	323,624	330,241
Change		129,742	127,859	126,650	113,671	116,016	120,170	121,428
35' Pole Depreciation	108.652	33,573	33,573	33,573	33,573	33,573	33,573	33,573
Prior year		30,979	30,979	30,979	30,979	30,979	30,979	30,979
Change		2,594	2,594	2,594	2,594	2,594	2,594	2,594
40' Pole Depreciation	108.653	(787,926)	(785,509)	(782,866)	(780,421)	(770,357)	(764,800)	(763,149)
Prior year		(848,003)	(846,004)	(844,834)	(829,006)	(824,830)	(821,917)	(820,434)
Change		60,076	60,495	61,968	48,585	54,474	57,117	57,285
45' Pole Depreciation	108.654	323,079	325,339	328,299	332,143	335,527	339,908	342,360
Prior year		283,386	285,241	286,216	291,001	292,808	294,874	294,874
Change		39,693	40,098	42,083	41,142	42,719	45,034	47,486
50' Pole Depreciation	108.655	(110,708)	(110,708)	(110,708)	(110,708)	(110,264)	(110,264)	(110,264)
Prior year		(113,840)	(113,840)	(113,840)	(113,339)	(113,222)	(113,222)	(113,222)
Change		3,132	3,132	3,132	2,631	2,958	2,958	2,958
55' Pole Depreciation	108.656	20,308	20,308	20,308	20,308	20,308	20,308	20,308
Prior year		19,417	19,417	19,417	19,417	19,417	19,417	19,417
Change		891	891	891	891	891	891	891
60' Pole Depreciation	108.657	15,608	15,608	18,029	18,029	18,029	18,029	18,029
Prior year		14,164	14,164	14,164	14,164	14,164	14,164	14,164
Change		1,444	1,444	3,865	3,865	3,865	3,865	3,865
65' Pole Depreciation	108.658							
Prior year		-	-	-	-	-	-	-
Change		-	-	-	-	-	-	-
70' Pole Depreciation	108.659	(397,414)	(397,414)	(397,414)	(397,414)	(397,414)	(397,414)	(397,414)
Prior year		(397,414)	(397,414)	(397,414)	(397,414)	(397,414)	(397,414)	(397,414)
Change		-	-	-	-	-	-	-
75' Pole Depreciation	108.660							
Prior year		-	-	-	-	-	-	-
Change		-	-	-	-	-	-	-
Depreciation Station Eq	108.662	(2,670,372)	(2,689,872)	(2,709,372)	(2,728,872)	(2,748,372)	(2,767,872)	(2,787,371)
Prior year		(2,438,422)	(2,457,666)	(2,476,910)	(2,496,153)	(2,515,397)	(2,534,641)	(2,553,885)
Change		(231,951)	(232,206)	(232,462)	(232,718)	(232,974)	(233,230)	(233,486)
Depreciation Poles, Tov	108.664	(6,605,119)	(6,698,398)	(6,790,519)	(6,881,001)	(6,963,964)	(7,054,970)	(7,147,758)
Prior year		(5,558,549)	(5,646,973)	(5,736,481)	(5,811,039)	(5,897,089)	(5,987,117)	(6,078,065)
Change		(1,046,570)	(1,051,425)	(1,054,038)	(1,069,962)	(1,066,876)	(1,067,852)	(1,069,693)
Depreciation Overhead	108.665	(4,789,165)	(4,825,970)	(4,859,007)	(4,889,325)	(4,905,699)	(4,937,364)	(4,967,091)
Prior year		(4,510,437)	(4,543,077)	(4,574,064)	(4,580,123)	(4,602,594)	(4,637,883)	(4,672,386)
Change		(278,729)	(282,893)	(284,944)	(309,202)	(303,105)	(299,481)	(294,705)

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Acct. #	8th Month	9th Month	10th Month	11th Month	12th Month
108.651	462,568 363,874 98,694	472,190 375,153 97,038	495,873 383,999 111,874	500,144 384,840 115,304	508,533 393,941 114,592
108.652	33,573 30,979 2,594	33,573 31,885 1,688	33,573 31,885 1,688	33,573 31,885 1,688	33,573 33,573 -
108.653	(757,964) (804,781) 46,817	(754,991) (801,180) 46,188	(729,723) (800,051) 70,328	(728,280) (798,340) 70,060	(718,745) (789,774) 71,029
108.654	348,008 314,052 33,956	352,798 315,964 36,835	369,823 317,467 52,357	369,823 318,316 51,508	372,169 320,761 51,409
108.655	(110,264) (110,708) 444	(110,264) (110,708) 444	(109,823) (110,708) 884	(109,823) (110,708) 884	(109,823) (110,708) 884
108.656	20,308 20,308 -	21,556 20,308 1,248	21,556 20,308 1,248	21,556 20,308 1,248	21,556 20,308 1,248
108.657	18,029 14,164 3,865	18,029 14,164 3,865	19,240 14,164 5,076	19,240 15,608 3,631	19,240 15,608 3,631
108.658	-	-	-	-	-
108.659	(397,414) (397,414) -	(397,414) (397,414) -	(397,414) (397,414) -	(397,414) (397,414) -	(397,414) (397,414) -
108.660	-	-	-	-	-
108.662	(2,806,871) (2,573,129) (233,742)	(2,826,371) (2,592,373) (233,998)	(2,845,871) (2,611,873) (233,998)	(2,865,371) (2,631,373) (233,998)	(2,884,871) (2,650,872) (233,998)
108.664	(7,241,083) (6,146,330) (1,094,754)	(7,333,262) (6,237,016) (1,096,247)	(7,410,054) (6,328,711) (1,081,343)	(7,506,637) (6,422,439) (1,084,198)	(7,598,669) (6,512,816) (1,085,853)
108.665	(4,995,954) (4,628,569) (367,386)	(5,023,454) (4,659,933) (363,522)	(5,008,167) (4,690,150) (318,017)	(5,043,026) (4,729,417) (313,608)	(5,060,568) (4,758,391) (302,176)

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Account Title	Acct. #	1st Month	2nd Month	3rd Month	4th Month	5th Month	6th Month	7th Month
Depreciation Undergrou	108.667	(574,272)	(579,342)	(584,239)	(589,064)	(594,199)	(599,352)	(604,524)
Prior year		(516,938)	(521,603)	(526,377)	(531,199)	(536,062)	(540,900)	(544,637)
Change		(57,334)	(57,739)	(57,863)	(57,865)	(58,138)	(58,452)	(59,887)
Depreciation Transform	108.668	(4,117,401)	(4,150,538)	(4,163,054)	(4,196,208)	(4,229,489)	(4,262,950)	(4,272,037)
Prior year		(3,864,276)	(3,895,821)	(3,900,942)	(3,933,155)	(3,938,462)	(3,969,781)	(3,983,288)
Change		(253,125)	(254,717)	(262,112)	(263,053)	(291,026)	(293,169)	(288,749)
Depreciation Services	108.669	133,213	128,918	124,986	121,542	121,289	117,931	113,632
Prior year		157,249	152,970	148,691	147,012	142,734	138,456	135,025
Change		(24,036)	(24,052)	(23,705)	(25,470)	(21,445)	(20,525)	(21,393)
Depreciation Meters	108.670	(1,167,209)	(1,169,142)	(1,154,627)	(1,140,859)	(1,104,468)	(1,046,919)	(1,059,878)
Prior year		(1,020,652)	(1,034,870)	(1,048,714)	(1,062,774)	(1,075,771)	(1,089,432)	(1,103,410)
Change		(146,558)	(134,271)	(105,913)	(78,085)	(28,697)	42,513	43,532
Depreciation Security Li	108.671	(262,992)	(266,524)	(269,468)	(272,411)	(273,305)	(276,385)	(279,008)
Prior year		(236,782)	(239,803)	(239,433)	(240,073)	(240,271)	(244,719)	(248,208)
Change		(26,210)	(26,721)	(30,035)	(32,338)	(33,034)	(31,666)	(30,800)
Depreciation Street Ligt	108.673	(88,183)	(88,543)	(88,903)	(89,262)	(89,622)	(89,982)	(90,341)
Prior year		(83,866)	(84,226)	(84,586)	(84,945)	(85,305)	(85,665)	(86,025)
Change		(4,317)	(4,317)	(4,317)	(4,317)	(4,317)	(4,317)	(4,317)
Acc Prov for Deprec Ge	108.700	(358,147)	(358,926)	(359,706)	(360,485)	(361,264)	(362,043)	(362,823)
Prior year		(348,796)	(349,576)	(350,355)	(351,134)	(351,913)	(352,693)	(353,472)
Change		(9,351)	(9,351)	(9,351)	(9,351)	(9,351)	(9,351)	(9,351)
Acc Deprec/Structures i	108.710	(900,609)	(910,737)	(920,865)	(930,993)	(941,121)	(951,249)	(961,377)
Prior year		(781,844)	(791,470)	(801,096)	(810,723)	(820,349)	(830,025)	(839,841)
Change		(118,765)	(119,267)	(119,769)	(120,271)	(120,772)	(121,224)	(121,536)
Acc Deprec/Office Furn	108.720	(851,018)	(858,883)	(866,747)	(874,611)	(882,476)	(890,189)	(896,710)
Prior year		(790,161)	(797,178)	(798,335)	(805,023)	(811,695)	(818,362)	(825,002)
Change		(60,857)	(61,705)	(68,412)	(69,588)	(70,781)	(71,827)	(71,708)
Acc Deprec/Trans Equip	108.730	(1,292,184)	(1,281,493)	(1,290,245)	(1,291,821)	(1,313,963)	(1,335,390)	(1,282,372)
Prior year		(1,310,829)	(1,330,170)	(1,348,989)	(1,355,681)	(1,374,428)	(1,394,487)	(1,414,197)
Change		18,644	48,677	58,743	63,860	60,464	59,097	131,825
Acc Deprec/Stores Equi	108.740	(23,575)	(23,740)	(23,905)	(24,071)	(24,236)	(24,401)	(24,566)
Prior year		(21,657)	(21,790)	(21,922)	(22,088)	(22,253)	(22,418)	(22,583)
Change		(1,918)	(1,950)	(1,983)	(1,983)	(1,983)	(1,983)	(1,983)
Acc Deprec/Tool Shop i	108.750	(72,557)	(73,850)	(75,115)	(76,381)	(77,647)	(78,913)	(80,179)
Prior year		(59,752)	(60,354)	(61,310)	(62,332)	(63,354)	(64,372)	(65,389)
Change		(12,804)	(13,496)	(13,805)	(14,049)	(14,293)	(14,541)	(14,790)

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Acct. #	8th Month	9th Month	10th Month	11th Month	12th Month
108.667	(609,727) (549,564) (60,163)	(614,943) (554,515) (60,428)	(620,208) (559,505) (60,703)	(624,794) (564,532) (60,261)	(630,085) (569,211) (60,875)
108.668	(4,305,754) (4,015,509) (290,245)	(4,339,593) (4,047,970) (291,623)	(4,373,500) (4,080,540) (292,960)	(4,407,467) (4,077,539) (329,928)	(4,441,308) (4,084,322) (356,986)
108.669	109,483 148,581 (39,098)	105,695 144,612 (38,917)	102,370 140,317 (37,948)	98,650 136,023 (37,373)	95,343 136,467 (41,124)
108.670	(1,074,726) (1,116,502) 41,776	(1,088,078) (1,129,729) 41,651	(1,102,254) (1,144,019) 41,765	(1,116,336) (1,157,169) 40,833	(1,130,446) (1,159,386) 28,940
108.671	(282,992) (243,613) (39,379)	(287,336) (245,972) (41,364)	(290,796) (248,433) (42,363)	(293,555) (253,599) (39,956)	(294,763) (258,243) (36,520)
108.673	(90,701) (86,384) (4,317)	(91,061) (86,744) (4,317)	(91,421) (87,104) (4,317)	(91,780) (87,464) (4,317)	(92,140) (87,823) (4,317)
108.700	(363,602) (354,251) (9,351)	(364,381) (355,030) (9,351)	(365,160) (355,809) (9,351)	(365,939) (356,589) (9,351)	(366,719) (357,368) (9,351)
108.710	(971,652) (849,969) (121,682)	(981,926) (860,097) (121,829)	(992,201) (870,225) (121,976)	(1,002,476) (880,353) (122,122)	(1,012,750) (890,481) (122,269)
108.720	(903,276) (831,582) (71,694)	(909,686) (838,153) (71,533)	(916,093) (846,012) (70,081)	(921,120) (853,920) (67,200)	(927,398) (843,148) (84,250)
108.730	(1,193,775) (1,319,350) 125,575	(1,218,598) (1,232,614) 14,017	(1,243,420) (1,254,754) 11,334	(1,268,137) (1,275,932) 7,795	(1,293,599) (1,297,825) 4,226
108.740	(24,731) (22,749) (1,983)	(24,897) (22,914) (1,983)	(25,062) (23,079) (1,983)	(25,227) (23,244) (1,983)	(25,392) (23,410) (1,983)
108.750	(81,444) (66,405) (15,039)	(82,710) (67,477) (15,234)	(83,953) (68,622) (15,331)	(85,158) (69,933) (15,224)	(86,355) (71,245) (15,110)

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Acct. #	8th Month	9th Month	10th Month	11th Month	12th Month
108.760	(63,834) (58,851) (4,983)	(63,906) (59,335) (4,571)	(63,978) (59,819) (4,160)	(64,051) (60,302) (3,748)	(64,123) (60,786) (3,336)
108.780	(190,461) (178,281) (12,180)	(191,461) (179,315) (12,146)	(192,461) (180,340) (12,121)	(193,462) (181,359) (12,103)	(194,462) (182,378) (12,084)
108.790	(6,511) (4,885) (1,626)	(6,685) (5,001) (1,684)	(6,860) (5,117) (1,742)	(7,034) (5,233) (1,801)	(7,208) (5,349) (1,859)
04/09 - 03/10	(24,354,600)	(24,560,838)	(24,721,177)	(24,931,191)	(25,102,749)
04/08 - 03/09	(22,671,547) (1,683,053)	(22,768,128) (1,792,710)	(22,994,577) (1,726,600)	(23,197,012) (1,734,179)	(23,367,473) (1,735,276)
123.000	1,130 1,130 -	1,130 1,130 -	1,130 1,130 -	1,130 1,130 -	1,130 1,130 -
123.100	60,703,322 57,118,732 3,584,590	60,703,322 57,118,732 3,584,590	60,703,322 57,118,732 3,584,590	60,703,322 57,118,732 3,584,590	60,719,427 57,127,847 3,591,580
123.101	(59,785,104) (56,274,482) (3,510,622)	(59,785,104) (56,274,482) (3,510,622)	(59,785,104) (56,274,482) (3,510,622)	(59,785,104) (56,274,482) (3,510,622)	(59,785,104) (56,274,482) (3,510,622)
123.110	-	-	-	-	-
123.120	-	-	-	-	-
123.210	-	-	-	-	-
123.220	1,006,811 1,037,701 (30,890)	1,006,811 1,037,701 (30,890)	1,006,811 1,037,701 (30,890)	1,006,811 1,037,701 (30,890)	1,005,099 1,036,181 (31,083)
123.221	310,000 310,000	310,000 - 310,000	310,000 310,000	310,000 310,000 -	310,000 310,000 -

Account Title	Acct. #	1st Month	2nd Month	3rd Month	4th Month	5th Month	6th Month	7th Month
Other Invest. in Assoc. (123.230	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Prior year		1,000	1,000	1,000	1,000	1,000	1,000	1,000
Change		-	-	-	-	-	-	-
Investment - Economic	123.240							
Prior year								
Change		-	-	-	-	-	-	-
Other Investments	124.200							
Prior year								
Change		-	-	-	-	-	-	-
Other Spec. Funds - De	128.000							
Prior year								
Change		-	-	-	-	-	-	-
Spec Funds Reserve Di	128.100							
Prior year								
Change		-	-	-	-	-	-	-
Other Special Funds - M	128.200							
Prior year								
Change		-	-	-	-	-	-	-
Total Investments	04/09 - 03/10	2,201,677	2,201,661	2,212,095	2,212,095	2,212,095	2,237,318	2,237,159
Prior year	04/08 - 03/09	1,843,802	1,843,802	1,843,802	1,823,120	1,823,120	1,861,607	1,884,081
Change		357,875	357,859	368,293	388,975	388,975	375,711	353,077
Cash Gen Fund - Mead	131.100	1,240,288.27	2,003,695	998,527	3,680,404	2,667,638	2,173,303	401,052
Prior year		2,605,791	1,057,092	1,876,747	1,107,462	1,172,865	1,991,292	830,515
Change		(1,365,503)	946,604	(878,220)	2,572,942	1,494,772	182,012	(429,463)
Cash Gen Fund - First F	131.101	283,478.08	121,555	142,419	121,124	154,378	195,342	230,627
Prior year		256,033	297,213	323,040	361,171	136,291	183,359	220,228
Change		27,445	(175,658)	(180,621)	(240,047)	18,087	11,983	10,399
Cash Gen Fund - Repul	131.102							
Prior year								
Change		-	-	-	-	-	-	-
Cash - Payroll Acct.	131.150							
Prior year								
Change		-	-	-	-	-	-	-
Cash Gen Fund Farmer	131.160	104,612.80	103,016	101,585	104,936	104,268	101,937	101,346
Prior year		104,993	101,113	105,267	103,173	101,331	103,952	102,014
Change		(380)	1,903	(3,682)	1,763	2,937	(2,015)	(668)
Meade County Bank - C	131.180							
Prior year								
Change		-	-	-	-	-	-	-

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Acct. #	8th Month	9th Month	10th Month	11th Month	12th Month
123.230	1,000 1,000 -	1,000 1,000 -	1,000 1,000 -	1,000 1,000 -	1,000 1,000 -
123.240	-	-	-	-	-
124.200	-	-	-	-	-
128.000	-	-	-	-	-
128.100	-	-	-	-	-
128.200	-	-	-	-	-
04/09 - 03/10	2,237,159	2,237,159	2,237,159	2,237,159	2,251,552
04/08 - 03/09	1,884,081	1,884,081	1,884,081	2,194,081	2,201,677
	353,077	353,077	353,077	43,077	49,875
131.100	1,300,677 3,740,133 (2,439,456)	1,840,172 2,224,177 (384,005)	1,376,260 2,228,659 (852,399)	708,659 3,388,851 (2,680,191)	1,752,461 1,972,065 (219,604)
131.101	129,060 118,885 10,176	158,048 158,619 (571)	196,933 145,495 51,438	237,400 195,203 42,196	289,798 254,349 35,448
131.102	-	-	-	-	-
131.150	-	-	-	-	-
131.160	100,109 104,431 (4,323)	104,192 103,556 636	103,058 102,064 993	102,275 100,867 1,408	101,335 101,217 118
131.180	-	-	-	-	-

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Account Title	Acct. #	1st Month	2nd Month	3rd Month	4th Month	5th Month	6th Month	7th Month
Meade County Bank - C	131.190	108,280.33	68,336	73,228	58,656	64,583	77,861	86,315
Prior year		118,052	125,985	132,229	143,257	100,884	113,177	123,281
Change		(9,772)	(57,649)	(59,001)	(84,600)	(36,301)	(35,315)	(36,966)
Cash Const. Fund Trust	131.200							
Prior year								
Change		-	-	-	-	-	-	-
Transfer of Cash	131.400							
Prior year								
Change		-	-	-	-	-	-	-
Special Deposits	134.000							
Prior year								
Change		-	-	-	-	-	-	-
Working Funds Petty C:	135.000	2,800.00	2,800	2,800	2,800	2,800	2,800	2,800
Prior year		2,800	2,800	2,800	2,800	2,800	2,800	2,800
Change		-	-	-	-	-	-	-
Total Cash	04/09 - 03/10	1,739,459	2,299,402	1,318,558	3,967,920	2,993,666	2,551,243	822,140
Prior year	04/08 - 03/09	3,087,669	1,584,203	2,440,083	1,717,862	1,514,170	2,394,579	1,278,838
Change		(1,348,210)	715,200	(1,121,525)	2,250,058	1,479,495	156,664	(456,698)
Money Mkt. Fund First	131.110	673,709	125,064	203,746	153,403	246,689	367,867	468,391
Prior year		473,771	565,646	246,232	351,472	249,322	371,944	480,633
Change		199,938	(440,582)	(42,486)	(198,069)	(2,633)	(4,078)	(12,241)
Money Mkt. Fund Farm	131.120	1,031,416	255,454	520,961	235,248	584,592	1,001,111	1,364,124
Prior year		1,646,646	2,025,839	1,111,653	1,491,348	1,823,937	1,276,544	1,633,354
Change		(615,230)	(1,770,385)	(590,692)	(1,256,100)	(1,239,345)	(275,434)	(269,230)
Money Mkt. Fund Breck	131.130	242,539	124,038	149,922	109,911	142,839	182,539	214,374
Prior year		275,888	309,889	342,848	376,643	162,692	202,609	238,794
Change		(33,350)	(185,851)	(192,926)	(266,732)	(19,853)	(20,070)	(24,420)
Money Mkt. Fund Bk of	131.140	246,412	106,402	132,168	116,643	147,808	187,268	217,078
Prior year		247,210	287,361	317,481	353,048	135,265	175,699	212,475
Change		(798)	(180,960)	(185,313)	(236,405)	12,543	11,570	4,602
Capital Refund Acct. M	131.170	9,676	9,361	9,289	5,889	5,820	5,127	2,545
Prior year		4,490	4,298	4,052	3,940	3,778	3,742	3,711
Change		5,186	5,062	5,237	1,948	2,043	1,385	(1,166)
Temporary Cash Invest	136.000							
Prior year								
Change		-	-	-	-	-	-	-

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Acct. #	8th Month	9th Month	10th Month	11th Month	12th Month
131.190	91,381 69,149 22,232	99,534 76,520 23,013	108,038 87,027 21,011	115,065 92,916 22,148	128,625 104,874 23,751
131.200					2,636,000
	-	-	-	-	2,636,000
131.400					
	-	-	-	-	-
134.000					
	-	-	-	-	-
135.000	2,800 2,800 -	2,800 2,800 -	2,800 2,800 -	2,800 2,800 -	2,800 2,800 -
04/09 - 03/11	1,624,027	2,204,746	1,787,089	1,166,199	4,911,019
04/08 - 03/05	4,035,398	2,565,672	2,566,045	3,780,638	2,435,305
	(2,411,371)	(360,926)	(778,956)	(2,614,439)	2,475,714
131.110	256,262 260,314 (4,052)	348,497 364,153 (15,656)	458,391 337,395 120,996	598,250 456,344 141,906	753,751 581,174 172,577
131.120	289,533 394,770 (105,237)	647,536 790,526 (142,990)	1,058,791 722,131 336,660	1,502,937 1,210,047 292,890	2,077,297 1,703,118 374,179
131.130	143,859 116,308 27,551	172,662 149,700 22,962	203,892 133,493 70,399	243,488 172,877 70,611	285,364 212,920 72,444
131.140	124,364 116,713 7,651	152,137 147,994 4,143	182,345 133,914 48,431	220,880 174,948 45,931	267,315 216,979 50,335
131.170	1,527 3,340 (1,814)	868 37,854 (36,986)	770 16,750 (15,981)	755 12,280 (11,525)	721 10,532 (9,810)
136.000					
	-	-	-	-	-

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Account Title	Acct. #	1st Month	2nd Month	3rd Month	4th Month	5th Month	6th Month	7th Month
Temporary Investment	04/09 - 03/10	2,203,752	620,318	1,016,085	621,093	1,127,748	1,743,912	2,266,512
Prior year	04/08 - 03/09	2,648,005	3,193,033	2,022,265	2,576,450	2,374,993	2,030,538	2,568,967
Change		(444,254)	(2,572,715)	(1,006,180)	(1,955,357)	(1,247,245)	(286,627)	(302,454)
Customer Accts. Rec. E	142.000	2,998,655.81	2,457,461	3,108,777	2,870,098	3,152,375	2,724,636	2,510,441
Prior year		2,982,232	2,496,667	3,012,600	3,153,418	3,522,383	2,882,528	2,458,591
Change		16,424	(39,206)	96,177	(283,320)	(370,008)	(157,892)	51,850
Accounts Rec. Ret. Che	142.100							
Prior year								
Change		-	-	-	-	-	-	-
Accounts Rec. Other	143.100	3,467,304.77	3,520,753	3,528,269	1,212,660	1,175,281	1,072,193	1,059,130
Prior year		92,927	100,668	39,471	108,800	90,500	276,531	320,478
Change		3,374,377	3,420,085	3,488,798	1,103,860	1,084,781	795,662	738,651
Accts Rec Employee's 4	143.200							
Prior year								
Change		-	-	-	-	-	-	-
Accts Rec Employee' In	143.300	-5.88	500	1,037	(334)	106	545	985
Prior year		(656)	(215)	77	(1,456)	(1,164)	(873)	(581)
Change		650	714	961	1,122	1,270	1,418	1,566
Accts Rec Ins Other Ca	143.310					111		7
Prior year								
Change		-	-	-	-	111	-	7
Accts Rec Life Ins Empl	143.320	23.93	80	135	(3)	51	122	142
Prior year		(1,288)	(1,556)	(1,821)	(2,299)	(2,563)	(589)	(381)
Change		1,312	1,635	1,956	2,296	2,613	711	523
Accts Rec Directors' Ins	143.400							
Prior year								
Change		-	-	-	-	-	-	-
Accts Rec Widows Reti	143.500							
Prior year								
Change		-	-	-	-	-	-	-
Accts Rec Big Riv Reba	143.510	9,472.23	9,211	9,300	9,680	10,623	10,073	9,711
Prior year		5,859	6,376	7,623	7,556	8,179	8,568	10,015
Change		3,613	2,835	1,676	2,124	2,444	1,505	(303)
Acc Prov for Uncoll Acc	143.600	5,110.65	5,138	3,879	5,612	3,718	2,767	1,170
Prior year		2,440	2,421	1,777	2,166	3,513	629	1,382
Change		2,670	2,717	2,102	3,446	205	2,138	(212)
Acc Prov for Uncoll Acc	144.100	-321,322.36	(294,760)	(304,064)	(314,632)	(325,283)	(336,478)	(344,921)
Prior year		(257,128)	(232,111)	(240,647)	(249,790)	(261,108)	(269,815)	(278,064)
Change		(64,194)	(62,649)	(63,417)	(64,842)	(64,175)	(66,663)	(66,856)

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Acct. #	8th Month	9th Month	10th Month	11th Month	12th Month
04/09 - 03/10	815,544	1,321,701	1,904,189	2,566,310	3,384,448
04/08 - 03/09	891,445	1,490,227	1,343,684	2,026,496	2,724,724
	(75,901)	(168,526)	560,505	539,814	659,725
142.000	2,560,435	3,578,392	4,308,524	4,640,319	3,348,555
	3,141,269	3,776,997	4,232,114	3,990,003	3,081,064
	(580,834)	(198,605)	76,411	650,316	267,491
142.100	-	-	-	-	-
143.100	1,059,084	1,065,038	1,052,743	1,047,787	353,953
	316,904	304,398	419,494	2,183,753	2,684,652
	742,180	760,640	633,249	(1,135,965)	(2,330,699)
143.200	-	-	-	-	-
143.300	1,424		706	581	871
	(290)		(1,379)	(919)	(463)
	1,714	-	2,085	1,500	1,334
143.310	4		(2)		
		1,314			
	4	(1,314)	(2)	-	-
143.320	187		36	65	108
	(368)	93	(177)	(96)	(47)
	555	(93)	213	161	155
143.400	-	-	-	-	-
143.500	-	-	-	-	-
143.510	11,048	10,362	11,007	11,351	9,835
	10,643	9,685	10,076	10,624	9,222
	405	677	931	727	613
143.600	31,148	37,930	33,248	89,196	96,460
	48,327	941	34,881	47,640	32,224
	(17,179)	36,989	(1,633)	41,556	64,236
144.100	(311,461)	(322,366)	(333,963)	(348,330)	(362,924)
	(262,188)	(272,578)	(285,625)	(297,492)	(310,844)
	(49,274)	(49,788)	(48,338)	(50,838)	(52,079)

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Account Title	Acct. #	1st Month	2nd Month	3rd Month	4th Month	5th Month	6th Month	7th Month
Acc Prov for Uncoll Acc	144.110	-24,796.01	(24,796)	(24,796)	(24,796)	(24,796)	(24,796)	(24,796)
Prior year		(24,323)	(24,199)	(24,199)	(24,199)	(24,199)	(24,199)	(24,199)
Change		(473)	(597)	(597)	(597)	(597)	(597)	(597)
Reserve for Uncoll Acct	144.200	-6,619.34	(6,619)	(6,619)	(6,619)	(6,619)	(6,619)	(6,619)
Prior year		(8,903)	(8,903)	(5,993)	(5,993)	(5,993)	(5,993)	(5,993)
Change		2,284	2,284	(626)	(626)	(626)	(626)	(626)
Notes Receivable - KTI	145.000							
Prior year								
Change		-	-	-	-	-	-	-
Total Receivables	04/09 - 03/10	6,127,824	5,666,967	6,315,918	3,751,666	3,985,565	3,442,443	3,205,250
Prior year	04/08 - 03/09	2,791,160	2,339,148	2,788,888	2,988,202	3,329,547	2,866,787	2,481,247
Change		3,336,664	3,327,819	3,527,030	763,464	656,018	575,657	724,003
Plant Matl & Oper Supp	154.000	432,085.98	485,592	466,617	508,607	517,119	908,926	1,385,933
Prior year		493,449	539,887	502,329	498,845	408,199	360,902	329,978
Change		(61,363)	(54,295)	(35,712)	9,762	108,921	548,024	1,055,955
Material & Supplies - Gr	154.100	2,381.50	1,182	382	382	782	(419)	382
Prior year		2,782	3,982	1,582	2,782	1,982	3,982	3,182
Change		(400)	(2,800)	(1,200)	(2,400)	(1,200)	(4,400)	(2,800)
Stores Expense - Cleari	163.000							
Prior year								
Change		-	-	-	-	-	-	-
Total Materials & Supp	04/09 - 03/10	434,467	486,773	466,998	508,988	517,901	908,508	1,386,314
Prior year	04/08 - 03/09	496,231	543,869	503,910	501,626	410,180	364,883	333,159
Change		(61,763)	(57,095)	(36,912)	7,362	107,721	543,624	1,053,155
Prepayments Insurance	165.100	39,575.53	26,384	13,192	161,284	147,844	134,403	121,672
Prior year		42,794	28,530	14,265	158,302	145,110	131,918	118,727
Change		(3,219)	(2,146)	(1,073)	2,982	2,734	2,485	2,946
O/H Distribution - Work	165.120	60,921.88	50,059	38,700	3,067	(8,121)	(18,956)	(29,898)
Prior year		59,939	49,343	39,573	24,404	8,189	(3,872)	(13,849)
Change		983	716	(874)	(21,337)	(16,311)	(15,084)	(16,049)
Other Prepayments - Di	165.200	17,722.00	15,507	13,292	11,076	8,861	6,646	32,273
Prior year		17,665	15,457	13,249	11,041	8,833	6,624	30,999
Change		57	50	43	35	28	21	1,273

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Acct. #	8th Month	9th Month	10th Month	11th Month	12th Month
144.110	(24,715) (24,599) (116)	(24,899) (24,674) (225)	(24,899) (24,737) (161)	(24,952) (24,796) (156)	(24,952) (24,796) (156)
144.200	(6,619) (6,619) -	(6,619) (6,619) -	(6,619) (6,619) -	(6,619) (6,619) -	(6,619) (6,619) -
145.000	-	-	-	-	-
04/09 - 03/10	3,320,535	4,337,838	5,040,782	5,409,398	3,415,288
04/08 - 03/09	3,223,080	3,789,558	4,378,027	5,902,098	5,464,392
	97,455	548,280	662,755	(492,699)	(2,049,104)
154.000	1,580,180 441,386 1,138,794	1,667,955 491,441 1,176,514	1,735,737 532,434 1,203,303	1,448,203 926,621 521,582	1,443,356 474,320 969,036
154.100	1,932 4,382 (2,450)	1,132 1,982 (850)	(469) 3,182 (3,650)	(869) 3,182 (4,050)	1,207 3,582 (2,375)
163.000	-	-	-	-	-
04/09 - 03/10	1,582,112	1,669,087	1,735,268	1,447,334	1,444,563
04/08 - 03/09	445,767	493,423	535,615	929,803	477,902
	1,136,344	1,175,664	1,199,653	517,532	966,661
165.100	108,232 105,535 2,697	94,791 92,343 2,449	81,351 79,151 2,200	67,911 65,959 1,952	54,470 52,767 1,703
165.120	133,679 (23,889) 157,568	116,201 109,697 6,503	103,861 93,187 10,673	119,312 75,421 43,891	107,255 71,774 35,481
165.200	30,057 28,791 1,266	27,842 26,583 1,259	25,522 24,368 1,154	23,202 22,153 1,049	20,881 19,937 944

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Account Title	Acct. #	1st Month	2nd Month	3rd Month	4th Month	5th Month	6th Month	7th Month
O/H Distribution - Pensi	165.220	975.63	4,898	7,742	(3,793)	53	3,899	7,744
Prior year		(3,702)	(1,556)	589	(12,070)	(9,924)	(7,779)	(5,633)
Change		4,677	6,455	7,153	8,276	9,977	11,677	13,378
O/H Distribution - Life, I	165.230	10,998.34	16,970	23,371	16,192	22,871	29,019	35,908
Prior year		6,962	8,353	9,563	(1,477)	1,088	23,584	64,203
Change		4,036	8,617	13,808	17,669	21,783	5,435	(28,295)
Other Prepayments - Di	165.300	45,417.15	39,740	34,063	28,386	22,709	17,031	11,354
Prior year		44,605	39,029	33,453	27,878	22,302	16,727	11,151
Change		813	711	609	508	214	305	203
Other Prepayments - Pc	165.500	806.03	539	100	1,626	1,328	826	391
Prior year		1,811	1,397	926	510	214	1,860	1,346
Change		(1,005)	(858)	(826)	1,116	1,114	(1,034)	(955)
Other Prepayments	165.600							
Prior year								
Change		-	-	-	-	-	-	-
Prepayments Sales Tax	165.700	6,771.14	5,868	7,917	8,073	7,938	8,501	7,375
Prior year		6,764	6,643	6,800	8,447	8,811	9,187	8,465
Change		7	(775)	1,116	(374)	(873)	(685)	(1,091)
Total Prepayments	04/09 - 03/10	183,188	159,964	138,376	225,910	203,482	181,369	186,819
Prior year	04/08 - 03/09	176,839	147,194	118,420	217,035	184,623	178,249	215,408
Change		6,349	12,770	19,956	8,875	18,859	3,120	(28,590)
Interest & Dividend Rec	171.000	82.21	3,397	6,712	10,027	13,342	16,657	
Prior year			3,333	6,667	10,000	13,333	16,667	
Change		82	64	46	27	9	(9)	-
Int & Div Rec-Time Dep	171.100							
Prior year								
Change		-	-	-	-	-	-	-
Rent Receivable	172.000	82,040.00	102,550	123,060	18,047	38,557	59,067	79,577
Prior year		81,600	102,000	122,400	15,865	36,265	56,665	77,777
Change		440	550	660	2,182	2,292	2,402	1,800
Other Current Assets	04/09 - 03/10	82,122	105,947	129,772	28,075	51,900	75,725	79,577
Prior year	04/08 - 03/09	81,600	105,333	129,067	25,865	49,599	73,332	77,777
Change		522	614	706	2,209	2,301	2,393	1,800
Transportation Expense	184.100				(435)			
Prior year								
Change		-	-	-	(435)	-	-	-

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Acct. #	8th Month	9th Month	10th Month	11th Month	12th Month
165.220	11,590 (4,352) 15,942	577,333 577,333	534,423 (12,641) 547,064	491,513 (8,634) 500,147	448,604 (3,949) 452,553
165.230	42,503 68,504 (26,001)	-	5,375 (8,161) 13,537	10,221 (1,931) 12,152	14,420 4,462 9,958
165.300	5,677 5,576 102	-	63,280 62,449 831	57,527 56,771 756	51,774 51,094 680
165.500	137 1,014 (877)	1,647 400 1,247	1,382 1,932 (550)	814 1,625 (810)	384 1,214 (829)
165.600	-	-	-	-	-
165.700	7,184 7,343 (159)	5,820 7,065 (1,245)	7,434 7,468 (34)	7,594 7,464 130	7,736 7,222 514
04/09 - 03/10	339,059	823,634	822,628	778,094	705,525
04/08 - 03/09	188,522	236,088	247,752	218,828	204,522
	150,537	587,546	574,875	559,266	501,003
171.000	3,338 3,329 9	6,676 6,657 18	10,014 9,986 27	13,351 13,315 37	16,689 16,644 46
171.100	-	-	-	-	-
172.000	100,087 98,888 1,199	-	20,386 20,510 (124)	40,772 41,020 (248)	(64,408) 61,530 (125,938)
04/09 - 03/10	103,425	6,676	30,399	54,123	(47,719)
04/08 - 03/09	102,217	6,657	30,496	54,335	78,174
	1,208	18	(97)	(212)	(125,893)
184.100	-	-	-	-	-

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Account Title	Acct. #	1st Month	2nd Month	3rd Month	4th Month	5th Month	6th Month	7th Month
Miscellaneous Deferred	186.000							
Prior year								
Change		-	-	-	-	-	-	-
Misc Def Debits Transf	186.100	99,866.76	98,327	96,786	95,246	93,706	92,166	90,626
Prior year		117,623	116,174	114,724	113,275	111,825	110,376	108,927
Change		(17,757)	(17,847)	(17,938)	(18,029)	(18,120)	(18,210)	(18,301)
Misc Def Debits 2 Yr W	186.200		20,337	20,337	30,203	36,953	36,953	43,703
Prior year		1,267	634					
Change		(1,267)	19,704	20,337	30,203	36,953	36,953	43,703
P R S Study	186.300							
Prior year								
Change		-	-	-	-	-	-	-
Misc Deferred Debits-D	186.600	11,000.00	9,625	8,250	6,875	5,500	4,125	2,750
Prior year		10,332	9,040	7,748	6,456	5,164	3,872	2,580
Change		668	585	502	419	336	253	170
Misc Deferred Debit Pat	186.650							
Prior year								
Change		-	-	-	-	-	-	-
Misc Deferred Debit Pat	186.700							
Prior year								
Change		-	-	-	-	-	-	-
Total Deferred Debits	04/09 - 03/10	110,867	128,289	125,374	131,889	136,159	133,243	137,078
Prior year	04/08 - 03/09	129,222	125,847	122,472	119,731	116,989	114,248	111,507
Change		(18,356)	2,441	2,901	12,158	19,169	18,995	25,572
TOTAL ASSETS & DEB	04/09 - 03/10	78,020,936	76,510,434	76,592,215	76,734,297	76,780,641	76,942,332	76,512,184
Change	04/08 - 03/09	74,324,052	72,785,531	73,274,396	73,458,728	73,590,939	73,900,530	73,115,983
Change		3,696,884	3,724,903	3,317,820	3,275,569	3,189,703	3,041,803	3,396,201
Memberships - Issued	200.100	-17,445.00	(17,400)	(17,325)	(17,245)	(17,200)	(17,165)	(17,075)
Prior year		(18,390)	(18,310)	(18,235)	(18,135)	(18,045)	(17,995)	(17,885)
Change		945	910	910	890	845	830	810
Memberships - Issued \$	200.110	-86,760.00	(86,430)	(86,190)	(85,860)	(85,560)	(85,215)	(84,885)
Prior year		(90,885)	(90,510)	(90,255)	(89,745)	(89,445)	(89,325)	(88,995)
Change		4,125	4,080	4,065	3,885	3,885	4,110	4,110
Total memberships	****	(104,205)	(103,830)	(103,515)	(103,105)	(102,760)	(102,380)	(101,960)
Prior year		(109,275)	(108,820)	(108,490)	(107,880)	(107,490)	(107,320)	(106,880)
Change		5,070	4,990	4,975	4,775	4,730	4,940	4,920

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Acct. #	8th Month	9th Month	10th Month	11th Month	12th Month
186.000	-	-	-	-	-
186.100	89,085 107,477 (18,392)	87,545 106,028 (18,483)	85,908 104,487 (18,579)	84,272 102,947 (18,675)	82,635 101,407 (18,772)
186.200	57,213 57,213	57,213 57,213	55,623 55,623	54,034 54,034	52,445 52,445
186.300	-	-	-	-	-
186.600	1,375 1,288 87	16,500 16,500 -	15,125 15,125 -	13,750 13,750 -	12,375 12,375 -
186.650	-	(25,000) (25,000)	(25,000) (25,000)	(25,000) (25,000)	(25,000) (25,000)
186.700	-	-	-	-	-
04/09 - 03/10	147,673	136,258	131,657	127,056	122,455
04/08 - 03/09	108,765 38,908	122,528 13,730	119,612 12,044	116,697 10,359	113,782 8,673
04/09 - 03/10	76,675,104	79,338,982	80,285,866	80,810,226	83,485,071
04/08 - 03/09	75,172,075 1,503,029	74,935,444 4,403,539	75,470,806 4,815,060	79,607,193 1,203,033	78,657,783 4,827,289
200.100	(17,000) (17,820) 820	(16,925) (17,730) 805	(16,885) (17,680) 795	(16,835) (17,590) 755	(16,805) (17,495) 690
200.110	(84,765) (88,800) 4,035	(84,480) (88,425) 3,945	(84,330) (88,200) 3,870	(84,165) (87,810) 3,645	(84,000) (87,225) 3,225
****	(101,765) (106,620) 4,855	(101,405) (106,155) 4,750	(101,215) (105,880) 4,665	(101,000) (105,400) 4,400	(100,805) (104,720) 3,915

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Account Title	Acct. #	1st Month	2nd Month	3rd Month	4th Month	5th Month	6th Month	7th Month
Patrons' Capital Credits	201.100	-18,125,363.33	(18,114,816)	(18,100,998)	(18,076,744)	(18,069,300)	(18,061,866)	(18,047,479)
Prior year		(17,062,629)	(17,048,944)	(17,039,399)	(17,028,514)	(17,014,130)	(17,007,421)	(16,993,565)
Change		(1,062,734)	(1,065,872)	(1,061,599)	(1,048,230)	(1,055,170)	(1,054,445)	(1,053,914)
Patronage Capital - Ass	201.200							
Prior year		-	-	-	-	-	-	-
Change		-	-	-	-	-	-	-
Operating Margins	219.100	(77,784)	(77,784)	(77,784)	(77,784)	(77,784)	(77,784)	(77,784)
Prior year		(77,784)	(77,784)	(77,784)	(77,784)	(77,784)	(77,784)	(77,784)
Change		-	-	-	-	-	-	-
Operating Margins - plu	219.200	(2,983,929)	(2,983,929)	(2,983,929)	(2,983,929)	(2,983,929)	(2,983,929)	(2,983,929)
Prior year		(2,685,907)	(2,685,907)	(2,685,907)	(2,685,907)	(2,685,907)	(2,685,907)	(2,685,907)
Change		(298,022)	(298,022)	(298,022)	(298,022)	(298,022)	(298,022)	(298,022)
Donated Capital	208.000	-23,203.75	(22,926)	(22,928)	(22,927)	(24,573)	(24,573)	(24,558)
Prior year		(21,693)	(21,693)	(21,684)	(21,672)	(23,231)	(23,231)	(23,228)
Change		(1,510)	(1,232)	(1,243)	(1,255)	(1,342)	(1,342)	(1,330)
Retired Capital Credits	215.100	283,457.00	285,582	287,707	289,832	291,957	294,082	296,207
Prior year		283,457	285,582	287,707	289,832	291,957	294,082	296,207
Change								
Retired Capital Credits	217.000	-912,002.87	(911,760)	(911,720)	(911,363)	(910,936)	(910,769)	(910,453)
Prior year		(816,508)	(816,378)	(815,599)	(815,481)	(815,270)	(814,917)	(814,707)
Change		(95,495)	(95,381)	(96,121)	(95,882)	(95,666)	(95,852)	(95,746)
Total Other Equities	04/09 - 03/10	(651,750)	(649,103)	(646,940)	(644,458)	(643,552)	(641,260)	(638,804)
	04/08 - 03/09	(838,201)	(838,071)	(837,283)	(837,153)	(838,501)	(838,148)	(837,935)
Change		186,451	188,968	190,343	192,695	194,949	196,888	199,131
Operating Margins Curr		-744,617.64	(712,931)	(744,464)	(772,739)	(949,968)	(1,113,152)	(1,091,003)
Prior year		(1,148,632)	(1,195,390)	(1,325,937)	(1,589,892)	(1,802,788)	(1,901,275)	(1,853,507)
Change		404,014	482,459	581,472	817,154	852,820	788,123	762,504
Total Margins & Equiti	04/09 - 03/10	(22,687,649)	(22,642,394)	(22,657,631)	(22,658,759)	(22,827,294)	(22,980,372)	(22,940,960)
	04/08 - 03/09	(21,922,428)	(21,954,917)	(22,074,800)	(22,327,130)	(22,526,600)	(22,617,855)	(22,555,578)
Change		(765,221)	(687,477)	(582,831)	(331,629)	(300,694)	(362,517)	(385,382)
Other Long-Term Debt	224.120	-12,482,494.73	(10,944,226)	(10,944,226)	(10,944,226)	(10,878,808)	(10,878,808)	(10,878,808)
Prior year		(14,211,311)	(12,680,794)	(12,680,794)	(12,680,794)	(12,615,645)	(12,615,645)	(12,615,645)
Change		1,728,816	1,736,568	1,736,568	1,736,568	1,736,838	1,736,838	1,736,838
CFC Notes Executed - I	224.130							
Prior year		-	-	-	-	-	-	-
Change		-	-	-	-	-	-	-
Long-Term-Debt CTC's	224.110							
Prior year		-	-	-	-	-	-	-
Change		-	-	-	-	-	-	-

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Acct. #	8th Month	9th Month	10th Month	11th Month	12th Month
201.100	(18,016,849) (16,144,468) (1,872,382)	(18,004,787) (16,114,503) (1,890,284)	(19,039,432) (16,110,942) (2,928,490)	(19,024,954) (18,154,644) (870,310)	(19,017,512) (18,142,116) (875,396)
201.200	-	-	(2,360,210) 2,360,210	-	-
219.100	(77,784) (77,784) -	(77,784) (77,784) -	(77,784) (77,784) -	(77,784) (77,784) -	(77,784) (77,784) -
219.200	(2,983,929) (2,685,907) (298,022)	(2,983,929) (2,685,907) (298,022)	(3,230,849) (2,685,907) (544,942)	(3,230,849) (2,983,929) (246,919)	(3,230,849) (2,983,929) (246,919)
208.000	(24,543) (23,223) (1,320)	(24,543) (23,202) (1,341)	(24,540) (23,202) (1,338)	(24,540) (23,203) (1,337)	(24,540) (23,204) (1,336)
215.100	298,332 298,332	223,957 274,957 (51,000)	221,832 277,082 (55,250)	219,707 279,207 (59,500)	217,582 281,332 (63,750)
217.000	(910,523) (920,864) 10,340	(909,921) (913,409) 3,488	(908,732) (912,726) 3,993	(908,732) (912,400) 3,668	(908,677) (912,072) 3,395
04/09 - 03/10 04/08 - 03/09	(636,735) (944,087) 307,352	(710,508) (661,654) (48,853)	(711,440) (658,845) (52,595)	(713,565) (656,397) (57,169)	(715,634) (653,944) (61,691)
	(1,249,159) (2,065,987) 816,828	(1,290,860) (2,360,210) 1,069,350	(462,448) (170,939) (291,509)	(1,139,046) (837,101) (301,945)	(1,240,030) (753,846) (486,184)
04/09 - 03/10 04/08 - 03/09	(23,066,222) (22,024,853) (1,041,368)	(23,169,274) (22,006,214) (1,163,060)	(23,623,168) (22,170,508) (1,452,660)	(24,287,198) (22,815,255) (1,471,944)	(24,382,615) (22,716,339) (1,666,276)
224.120	(10,812,484) (12,549,550) 1,737,066	(10,812,484) (12,549,550) 1,737,066	(10,812,484) (12,549,550) 1,737,066	(10,745,243) (12,482,495) 1,737,252	(10,745,243) (12,482,495) 1,737,252
224.130	-	-	-	-	-
224.110	-	-	-	-	-

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Account Title	Acct. #	1st Month	2nd Month	3rd Month	4th Month	5th Month	6th Month	7th Month
REA\FFB Exec Debit	224.151	-9,626,339.67	(9,626,340)	(9,571,660)	(9,571,660)	(9,571,660)	(9,517,505)	(9,517,505)
Prior year		(9,839,190)	(9,839,190)	(9,786,447)	(9,786,447)	(9,786,447)	(9,734,273)	(9,734,273)
Change		212,851	212,851	214,787	214,787	214,787	216,767	216,767
FFB Notes Executed	224.152							
Prior year								
Change		-	-	-	-	-	-	-
Long Term Debt REA C	224.300	-35,723,241.99	(35,682,995)	(35,639,327)	(35,598,786)	(35,558,102)	(35,514,019)	(35,473,038)
Prior year		(36,130,727)	(36,106,972)	(36,080,718)	(36,056,766)	(36,026,079)	(35,992,331)	(35,959,228)
Change		407,485	423,977	441,390	457,981	467,977	478,311	486,191
REA Notes Executed C	224.400	7,136,000.00	7,136,000	7,136,000	7,136,000	7,136,000	7,136,000	4,636,000
Prior year		12,136,000	12,136,000	12,136,000	12,136,000	12,136,000	12,136,000	12,136,000
Change		(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)	(7,500,000)
Interest Accrued Deferr	224.500							
Prior year								
Change		-	-	-	-	-	-	-
REA\FFB Exec Debit	224.600							2,500,000
Prior year								
Change		-	-	-	-	-	-	2,500,000
Long-Term Debt REA/F	224.700							
Prior year								
Change		-	-	-	-	-	-	-
Unamortized Disc on LT	226.100							
Prior year								
Change		-	-	-	-	-	-	-
Unamortized Disc on LT	226.200							
Prior year								
Change		-	-	-	-	-	-	-
Unamortized Disc on LT	226.300							
Prior year								
Change		-	-	-	-	-	-	-
Unamortized Disc on LT	226.400							
Prior year								
Change		-	-	-	-	-	-	-
Unamortized Disc on LT	226.500							
Prior year								
Change		-	-	-	-	-	-	-

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Acct. #	8th Month	9th Month	10th Month	11th Month	12th Month
224.151	(9,517,505) (9,734,273) 216,767	(9,463,552) (9,681,550) 217,998	(9,463,552) (9,463,552)	(9,463,552) (9,681,550) 217,998	(9,406,806) (9,626,340) 219,533
224.152	-	-	(9,681,550) 9,681,550	-	-
224.300	(35,422,488) (35,923,213) 500,725	(35,375,054) (35,887,273) 512,219	(35,322,488) (35,851,476) 528,989	(35,235,645) (35,806,576) 570,931	(35,182,745) (35,766,616) 583,871
224.400	4,636,000 10,136,000 (5,500,000)	2,636,000 10,136,000 (7,500,000)	2,636,000 10,136,000 (7,500,000)	2,636,000 7,136,000 (4,500,000)	 7,136,000 (7,136,000)
224.500	-	-	-	-	-
224.600	2,220,287 2,220,287	1,921,885 1,921,885	1,775,453 1,775,453	1,627,812 1,627,812	1,321,389 1,321,389
224.700	-	-	-	-	-
226.100	-	-	-	-	-
226.200	-	-	-	-	-
226.300	-	-	-	-	-
226.400	-	-	-	-	-
226.500	-	-	-	-	-

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Account Title	Acct. #	1st Month	2nd Month	3rd Month	4th Month	5th Month	6th Month	7th Month
Total Long Term Debt	04/09 - 03/10	(50,696,076)	(49,117,560)	(49,019,214)	(48,978,672)	(48,872,570)	(48,774,332)	(48,733,351)
Prior year	04/08 - 03/09	(48,045,228)	(46,490,956)	(46,411,959)	(46,388,008)	(46,292,172)	(46,206,248)	(46,173,146)
Change		(2,650,849)	(2,626,605)	(2,607,255)	(2,590,664)	(2,580,398)	(2,568,084)	(2,560,204)
ACC PROV FOR PENS	228.300	-876,707.46	(882,836)	(888,808)	(898,478)	(904,394)	(910,366)	(916,338)
Prior year		(566,196)	(566,858)	(567,287)	(569,228)	(569,657)	(570,087)	(570,516)
Change		(310,511)	(315,978)	(321,521)	(329,250)	(334,736)	(340,279)	(345,822)
ACC PROV DEFERREI	228.310							
Prior year								
Change		-	-	-	-	-	-	-
Post Retirement Bene	04/09 - 03/10	(876,707)	(882,836)	(888,808)	(898,478)	(904,394)	(910,366)	(916,338)
Prior year	04/08 - 03/09	(566,196)	(566,858)	(567,287)	(569,228)	(569,657)	(570,087)	(570,516)
Change		(310,511)	(315,978)	(321,521)	(329,250)	(334,736)	(340,279)	(345,822)
Notes Payable - CFC Li	231.000							
Prior year								
Change		-	-	-	-	-	-	-
Accounts Payable - Ger	232.100	-1,292,309.98	(1,541,539)	(1,558,679)	(1,649,924)	(1,796,867)	(1,936,126)	(1,907,982)
Prior year		(1,332,396)	(1,302,179)	(1,743,424)	(1,640,933)	(1,941,571)	(2,133,411)	(1,719,974)
Change		40,086	(239,360)	184,745	(8,991)	144,704	197,285	(188,008)
Accounts Payable Capit	232.120							
Prior year								
Change		-	-	-	-	-	-	-
Accounts Payable - Hor	232.200							
Prior year								
Change		-	-	-	-	-	-	-
401K Loans	232.210	1,286.52	1,287	1,287	1,328	1,328	1,128	1,073
Prior year		3,338	3,385	3,385	3,272	2,362	2,362	2,170
Change		(2,051)	(2,098)	(2,098)	(1,944)	(1,034)	(1,234)	(1,097)
Accts Payable Other Cr	232.300							
Prior year								
Change		-	-	-	-	-	-	-
Accounts Payable Wint	232.400	-238.97	(240)	(252)	(253)	(234)	(218)	(309)
Prior year		(191)	(214)	(270)	(249)	(195)	(255)	(245)
Change		(48)	(26)	18	(4)	(39)	37	(64)
Accounts Payable - AC	232.450	-470.74	(521)	(572)	(625)	(625)	(728)	(776)
Prior year		(9)	(27)	(57)	(89)	(128)	(168)	(206)
Change		(462)	(494)	(515)	(536)	(498)	(560)	(570)

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Acct. #	8th Month	9th Month	10th Month	11th Month	12th Month
04/09 - 03/10	(48,896,191)	(51,093,205)	(51,187,071)	(51,180,628)	(54,013,405)
04/08 - 03/09	(48,071,036)	(47,982,374)	(47,946,577)	(50,834,621)	(50,739,451)
	(825,155)	(3,110,831)	(3,240,494)	(346,007)	(3,273,954)
228.300	(922,310)	(990,638)	(1,004,183)	(1,017,728)	(1,031,274)
	(571,600)	(848,297)	(858,208)	(864,564)	(870,636)
	(350,710)	(142,341)	(145,975)	(153,164)	(160,638)
228.310	-	-	-	-	-
04/09 - 03/10	(922,310)	(990,638)	(1,004,183)	(1,017,728)	(1,031,274)
04/08 - 03/09	(571,600)	(848,297)	(858,208)	(864,564)	(870,636)
	(350,710)	(142,341)	(145,975)	(153,164)	(160,638)
231.000	-	-	-	-	-
232.100	(1,883,093)	(2,162,501)	(2,326,327)	(2,119,875)	(1,807,309)
	(2,060,031)	(2,136,597)	(2,299,470)	(2,975,269)	(2,100,942)
	176,937	(25,904)	(26,857)	855,394	293,633
232.120	-	-	-	-	-
232.200	-	-	-	-	-
232.210	1,073	1,073	1,073	1,015	1,015
	2,211	2,211	1,828	1,648	1,287
	(1,138)	(1,138)	(755)	(633)	(271)
232.300	-	-	-	-	-
232.400	(307)	(484)	(337)	(285)	(242)
	(344)	(411)	(321)	(272)	(266)
	37	(73)	(16)	(13)	24
232.450	(831)	(882)	(931)	(983)	(1,036)
	(246)	(287)	(333)	(377)	(421)
	(585)	(596)	(598)	(606)	(616)

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Account Title	Acct. #	1st Month	2nd Month	3rd Month	4th Month	5th Month	6th Month	7th Month
Accounts Payable - AC	232.500	-1,926.00	(2,105)	(2,284)	(15)	(201)	(389)	(572)
Prior year		(1,984)	(2,159)	(2,252)	(205)	(395)	(580)	(760)
Change		58	54	(32)	190	194	191	188
Accounts Payable - Che	232.600	-1,087.50	(233)	(26)	(102)	(153)	(204)	(255)
Prior year		(633)	(688)	(483)	(565)	(620)	(675)	(730)
Change		(455)	455	457	463	467	471	475
Accts Payable Asso Co	232.700	-237,896.00	(114,907)	(174,381)	(208,855)	(268,329)	(170,340)	(129,814)
Prior year		(177,332)	(221,665)	(138,360)	(142,743)	(99,387)	(143,720)	(148,103)
Change		(60,564)	106,758	(36,022)	(66,113)	(168,942)	(26,620)	18,289
Total Payables	04/09 - 03/10	(1,532,643)	(1,658,258)	(1,734,907)	(1,858,446)	(2,065,081)	(2,106,877)	(2,038,635)
Prior year	04/08 - 03/09	(1,509,206)	(1,523,547)	(1,881,460)	(1,781,511)	(2,039,934)	(2,276,447)	(1,867,847)
Change		(23,436)	(134,712)	146,553	(76,935)	(25,147)	169,571	(170,788)
Customer Deposit	235.000	-678,095.00	(683,322)	(690,810)	(692,762)	(697,803)	(695,147)	(685,842)
Prior year		(632,569)	(661,232)	(668,021)	(672,804)	(672,891)	(664,846)	(665,296)
Change		(45,526)	(22,090)	(22,789)	(19,958)	(24,912)	(30,301)	(20,546)
Customer Deposit - INS	235.100	-4,890.00	(4,890)	(4,890)	(4,890)	(4,890)	(4,890)	(4,890)
Prior year		(5,070)	(5,070)	(5,070)	(5,070)	(5,070)	(4,890)	(4,890)
Change		180	180	180	180	180	-	-
Total Customer Depos	04/09 - 03/10	(682,985)	(688,212)	(695,700)	(697,652)	(702,693)	(700,037)	(690,732)
Prior year	04/08 - 03/09	(637,639)	(666,302)	(673,091)	(677,874)	(677,961)	(669,736)	(670,186)
Change		(45,346)	(21,910)	(22,609)	(19,778)	(24,732)	(30,301)	(20,546)
Accrued Property Tax	236.100	-210,800.00	(263,500)	(316,200)	(368,900)	(196,171)	(248,871)	138,049
Prior year		(210,695)	(263,364)	(316,033)	(368,702)	(200,560)	(253,229)	142,265
Change		(105)	(136)	(167)	(198)	4,389	4,358	(4,216)
Accrued Federal Emplo	236.200	-183.18	(233)	(317)	(424)	(459)	(472)	(482)
Prior year		(140)	(180)	(238)	(403)		(47)	(75)
Change		(43)	(53)	(79)	(21)	(459)	(426)	(406)
Accrued US Soc Sec Tax	236.300							5,324
Prior year								(5,324)
Change		-	-	-	-	-	-	
Accrued State Unemplo	236.400	-314.86	(380)	(490)	(434)	(503)	(530)	(284)
Prior year		(1,336)	(1,376)	(1,434)	(453)	(561)	(634)	(325)
Change		1,021	996	944	19	57	104	41
Accrued State Sales Tax	236.500	-19,613.16	(23,642)	(24,081)	(23,812)	(24,847)	(22,581)	(22,119)
Prior year		(21,814)	(22,305)	(25,623)	(26,335)	(26,599)	(24,827)	(22,719)
Change		2,201	(1,337)	1,542	2,523	1,752	2,246	600
Sales Tax -WildBlue	236.510	-35.82	(36)	(9)		(179)	(36)	(24)
Prior year		(12)	(60)	(84)	(60)	(24)	(36)	(24)
Change		(24)	24	75	60	(155)	-	-

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Acct. #	8th Month	9th Month	10th Month	11th Month	12th Month
232.500	(750) (940) 190	(1,019) (1,120) 101	(1,199) (1,390) 191	(1,379) (1,570) 191	(1,559) (1,748) 189
232.600	(306) (785) 479	(383) (840) 458	(434) (923) 489	(485) (978) 493	(536) (1,033) 497
232.700	(189,288) 84,282 (273,570)	(50,000) (50,000)	(77,497) (77,888) 391	(154,993) (118,948) (36,045)	(133,490) (178,422) 44,932
04/09 - 03/11 04/08 - 03/09	(2,073,502) (1,975,852) (97,650)	(2,214,196) (2,137,044) (77,152)	(2,405,651) (2,378,496) (27,155)	(2,276,984) (3,095,765) 818,781	(1,943,156) (2,281,545) 338,388
235.000	(688,767) (668,009) (20,758)	(689,016) (656,821) (32,195)	(688,936) (661,252) (27,684)	(694,261) (665,100) (29,161)	(696,830) (668,627) (28,203)
235.100	(4,890) (4,890) -	(4,890) (4,890) -	(4,890) (4,890) -	(4,890) (4,890) -	(4,890) (4,890) -
04/09 - 03/11 04/08 - 03/09	(693,657) (672,899) (20,758)	(693,906) (661,711) (32,195)	(693,826) (666,142) (27,684)	(699,151) (669,990) (29,161)	(701,720) (673,517) (28,203)
236.100	95,025 71,725 23,300	-	(56,286) (52,700) (3,586)	(112,572) (105,400) (7,172)	(168,858) (158,100) (10,758)
236.200	(487) (103) (384)	(29) 29	-	(383) (103) (280)	(53) (147) 94
236.300	-	(0) (0)	(0) (0)	-	-
236.400	(296) (356) 60	(339) (382) 43	(3,261) (3,451) 191	(5,156) (4,434) (722)	(5,676) (5,768) 92
236.500	(19,477) (21,976) 2,499	(22,714) (22,732) 18	(23,051) (22,769) (282)	(23,316) (22,405) (911)	(20,774) (21,391) 617
236.510	(12) (48) 36	(24) (54) 30	(48) (60) 12	(12) (12) (12)	(12) (84) 72

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Account Title	Acct. #	1st Month	2nd Month	3rd Month	4th Month	5th Month	6th Month	7th Month
Acc Gross Rev or Gros	236.600	-63,322.20	(59,157)	(73,704)	(71,946)	(78,137)	(67,181)	(62,943)
Prior year		(64,388)	(57,611)	(72,644)	(78,675)	(78,483)	(68,189)	(59,811)
Change		1,065	(1,546)	(1,059)	6,728	346	1,008	(3,132)
Accrued Taxes - Other I	236.700	-30,965.38	(33,804)	(806)	(3,806)	(6,805)	(9,805)	(12,805)
Prior year		(30,612)	(33,804)	(2,576)	(5,415)	(8,254)	(11,093)	(13,932)
Change		(354)	-	1,770	1,609	1,449	1,288	1,127
Franchise Tax	236.800	-1,980.76	(1,948)	(2,402)	(2,462)	(2,688)	(2,384)	(1,929)
Prior year		(2,032)	(1,907)	(2,495)	(2,658)	(2,713)	(2,514)	(1,974)
Change		51	(41)	93	195	25	130	45
Utility Taxes - City	236.900	-1,405.76	(1,644)	(2,058)	(2,066)	(2,296)	(1,796)	(1,213)
Prior year		(1,543)	(1,420)	(1,933)	(2,078)	(2,161)	(2,060)	(1,558)
Change		137	(224)	(124)	12	(136)	264	345
Int Accured REA Const	237.100							
Prior year								
Change		-	-	-	-	-	-	-
Interest Accrued FFB N	237.200	-34,104.56	(68,209)		(33,911)	(67,821)		(33,718)
Prior year		(29,757)	(59,513)		(34,672)	(69,345)		(34,672)
Change		(4,348)	(8,696)	-	762	1,524	-	954
Interest Accrued - CFC	237.400	(131,280)		(59,302)	(118,603)		(58,977)	(117,954)
Prior year		(149,747)		(69,493)	(138,985)		(69,145)	(138,290)
Change		18,467	-	10,191	20,382	-	10,168	20,337
Patronage Refunds	238.100	(33,256)	(32,928)	(32,825)	(29,323)	(29,255)	(28,604)	(25,496)
Prior year		(20,710)	(20,518)	(20,271)	(20,165)	(20,003)	(19,968)	(19,936)
Change		(12,546)	(12,410)	(12,554)	(9,158)	(9,252)	(8,636)	(5,560)
Tax Coll Payable Emp I:	241.100							
Prior year								5,557
Change		-	-	-	-	-	-	(5,557)
Tax Col Payable Emp Ir	241.200							
Prior year								1,876
Change		-	-	-	-	-	-	(1,876)
OCCUPATIONAL TAX	241.300	-2,49	(5)	(7)	(39)	(67)	(84)	(16)
Prior year		(3)	(13)	(60)	(10)	(45)	(59)	(62)
Change		0	8	53	(29)	(23)	(25)	47
Accrued Payroll	242.200	-110,671.64	(122,739)	(164,034)	(63,618)	(77,319)	(104,691)	(126,501)
Prior year		(101,319)	(107,666)	(137,582)	(15,471)	(61,560)	(88,992)	(119,121)
Change		(9,353)	(15,073)	(26,452)	(48,147)	(15,759)	(15,699)	(7,380)

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Acct. #	8th Month	9th Month	10th Month	11th Month	12th Month
236.600	(67,420) (77,698) 10,278	(95,268) (96,083) 815	(106,120) (98,064) (8,056)	(103,376) (87,680) (15,696)	(73,409) (69,751) (3,658)
236.700	(15,805) (16,771) 966	(18,805) (19,610) 805	(21,805) (22,449) 644	(24,805) (25,288) 483	(27,805) (28,126) 322
236.800	(1,959) (2,179) 220	(2,436) (2,512) 76	(2,650) (2,603) (48)	(2,690) (2,469) (221)	(2,145) (2,005) (141)
236.900	(1,057) (1,775) 718	(1,905) (1,994) 90	(2,066) (2,066) (0)	(2,099) (2,033) (66)	(1,669) (1,818) 149
237.100	-	-	-	-	-
237.200	(67,437) (69,160) 1,723	-	(33,526) (34,301) 774	(67,052) (68,601) 1,549	-
237.400	-	(58,647) (65,976) 7,329	(117,295) (131,953) 14,658	-	(58,313) (65,640) 7,326
238.100	(23,722) (727,905) 704,183	(22,942) (61,868) 38,926	(22,819) (40,740) 17,921	(22,787) (36,068) 13,281	(22,713) (34,168) 11,455
241.100	-	-	-	-	-
241.200	-	(6,808) (6,808)	(13,693) (13,693)	4,980 (4,980)	(6,656) (6,656)
241.300	(38) (68) 30	(63) (71) 9	(32) (6) (26)	(108) (6) (102)	(139) (139) (0)
242.200	(13,033) (92,824) 79,791	(38,359) (115,131) 76,772	(64,705) (131,793) 67,088	(65,382) (69,058) 3,677	(101,984) (86,296) (15,688)

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Account Title	Acct. #	1st Month	2nd Month	3rd Month	4th Month	5th Month	6th Month	7th Month
Accrued Prov. - Sick Le	242.320	(326,371)	(327,737)	(329,387)	(330,447)	(332,097)	(333,747)	(335,397)
Prior year		(328,187)	(329,681)	(331,201)	(332,788)	(334,272)	(335,729)	(337,390)
Change		1,816	1,944	1,814	2,340	2,175	1,982	1,993
Other Curr and Acc Liat	242.500	(2,000)	(2,625)	(3,250)	(3,875)	(4,500)	(5,125)	(5,750)
Prior year		(2,392)	(2,990)	(3,588)	(4,186)	(4,784)	(5,382)	(5,980)
Change		392	365	338	311	284	257	230
Other Curr and Acc Liat	242.510							
Prior year								
Change		-	-	-	-	-	-	-
O/H Distribution - 401K	242.900							
Prior year								
Change		-	-	-	-	-	-	-
Other Current & Accru	04/09 - 03/10	(966,306)	(938,586)	(1,008,870)	(1,053,666)	(823,145)	(884,884)	(608,580)
Prior year	04/08 - 03/09	(964,685)	(902,407)	(985,254)	(1,031,056)	(809,363)	(881,904)	(600,847)
Change		(1,621)	(36,179)	(23,615)	(22,610)	(13,782)	(2,980)	(7,732)
Total Current and Acc	04/09 - 03/10	(3,181,934)	(3,285,057)	(3,439,476)	(3,609,763)	(3,590,919)	(3,691,798)	(3,337,947)
Prior year	04/08 - 03/09	(3,111,530)	(3,092,256)	(3,539,805)	(3,490,441)	(3,527,258)	(3,828,087)	(3,138,881)
Change		(70,404)	(192,800)	100,329	(119,323)	(63,661)	136,289	(199,066)
Customers Advances fc	252.000	(530,429)	(534,447)	(538,947)	(540,485)	(537,325)	(537,325)	(535,450)
Prior year		(630,529)	(632,404)	(632,404)	(635,781)	(627,112)	(630,112)	(629,722)
Change		100,101	97,957	93,457	95,297	89,787	92,787	94,272
OTHER DEFERRED DI	253.000	(48,140)	(48,140)	(48,140)	(48,140)	(48,140)	(48,140)	(48,140)
Prior year		(48,140)	(48,140)	(48,140)	(48,140)	(48,140)	(48,140)	(48,140)
Change		-	-	-	-	-	-	-
Total Deferred Credits	04/09 - 03/10	(578,569)	(582,587)	(587,087)	(588,625)	(585,465)	(585,465)	(583,590)
Prior year	04/08 - 03/09	(678,669)	(680,544)	(680,544)	(683,921)	(675,252)	(678,252)	(677,862)
Change		100,101	97,957	93,457	95,297	89,787	92,787	94,272
Total Liabilities and Oth	04/09 - 03/10	(78,020,936)	(76,510,434)	(76,592,215)	(76,734,297)	(76,780,641)	(76,942,332)	(76,512,184)
Prior year	04/08 - 03/09	(74,324,052)	(72,785,531)	(73,274,396)	(73,458,728)	(73,590,939)	(73,900,530)	(73,115,983)
Change		(3,696,883)	(3,724,903)	(3,317,820)	(3,275,569)	(3,189,703)	(3,041,803)	(3,396,201)
		0	0	(0)	-	-	0	(0)
		0	-	-	0	-	-	-

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Acct. #	8th Month	9th Month	10th Month	11th Month	12th Month
242.320	(317,540) (321,785) 4,244	(318,865) (323,398) 4,533	(321,171) (324,834) 3,662	(322,993) (324,721) 1,728	(323,919) (324,644) 726
242.500	(6,375) (6,578) 203	(7,000) (7,000) -	150 (125) 275	(500) (750) 250	(1,150) (1,375) 225
242.510	-	-	-	-	-
242.900	-	-	-	-	-
04/09 - 03/10	(439,633)	(594,175)	(788,377)	(753,229)	(815,275)
04/08 - 03/09	(1,267,500) 827,867	(716,841) 122,666	(867,911) 79,534	(744,034) (9,194)	(799,452) (15,824)
04/09 - 03/10	(3,206,791)	(3,502,276)	(3,887,854)	(3,729,364)	(3,460,152)
04/08 - 03/09	(3,916,251) 709,460	(3,515,596) 13,320	(3,912,549) 24,695	(4,509,790) 780,426	(3,754,513) 294,362
252.000	(535,450) (540,194) 4,744	(535,450) (534,824) (626)	(535,450) (534,824) (626)	(547,168) (534,824) (12,344)	(549,486) (528,704) (20,782)
253.000	(48,140) (48,140) -	(48,140) (48,140) -	(48,140) (48,140) -	(48,140) (48,140) -	(48,140) (48,140) -
04/09 - 03/10	(583,590)	(583,590)	(583,590)	(595,308)	(597,626)
04/08 - 03/09	(588,334) 4,744	(582,964) (626)	(582,964) (626)	(582,964) (12,344)	(576,844) (20,782)
04/09 - 03/10	(76,675,104)	(79,338,982)	(80,285,866)	(80,810,226)	(83,485,071)
04/08 - 03/09	(75,172,075) (1,503,029) -	(74,935,444) (4,403,539) -	(75,470,806) (4,815,060) -	(79,607,193) (1,203,033) -	(78,657,783) (4,827,289) -
	-	(0)	-	-	-

Exhibit
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Account Title	Acct. #	April 1st Acct Activity	May 2nd Acct Activity	June 3rd Acct Activity	July 4th Acct Activity	August 5th Acct Activity	September 6th Acct Activity	October 7th Acct Activity	November 8th Acct Activity	December 9th Acct Activity
Deprec Expense - Dist Plant	403.600	223,692	223,974	224,249	224,566	225,520	226,929	227,321	227,803	228,269
Prior year		215,437	215,833	216,544	216,978	218,422	218,849	219,135	219,470	220,886
Change		8,255	8,141	7,705	7,588	7,099	8,081	8,185	8,334	7,383
Deprec Expense - Gen Plant	403.700	21,870	21,844	21,816	21,816	21,869	21,718	20,112	20,300	20,142
Prior year		20,301	19,792	20,353	19,916	19,899	19,941	20,053	20,304	20,349
Change		1,569	2,052	1,463	1,900	1,970	1,777	59	-4	-208
TOTAL DEPRECIATION	****	245,562	245,818	246,065	246,382	247,389	248,648	247,432	248,103	248,411
Prior year		235,738	235,625	236,897	236,894	238,321	238,790	239,188	239,773	241,235
Change		9,823	10,193	9,168	9,488	9,069	9,858	8,245	8,330	7,176
Total Property Taxes	408.100	-	-	-	-	-	-	-	-	-
Prior year		-	-	-	-	-	-	-	-	-
Change		0	0	0	0	0	0	0	0	0
Taxes-US Soc Sec Unemployment	408.200	-	-	-	-	-	-	-	-	-
Prior year		-	-	-	-	-	-	-	-	-
Change		0	0	0	0	0	0	0	0	0
US Soc Sec FICA	408.300	-	-	-	-	-	-	-	-	-
Prior year		-	-	-	-	-	-	-	-	-
Change		0	0	0	0	0	0	0	0	0
Taxes- State Soc Sec Unemployment	408.400	-	-	-	-	-	-	-	-	-
Prior year		-	-	-	-	-	-	-	-	-
Change		0	0	0	0	0	0	0	0	0
Taxes-State Sales-Consumer	408.500	(220)	(202)	(243)	(247)	(244)	(255)	(233)	(229)	(201)
Prior year		(228)	(225)	(228)	(262)	(269)	(269)	(255)	(232)	(226)
Change		7	23	-15	15	25	14	22	3	25
Taxes-Gross Recpts Tax School Tax	408.600	-	-	-	-	-	-	-	-	-
Prior year		-	-	-	-	-	-	-	-	-
Change		0	0	0	0	0	0	0	0	0
Taxes - Other	408.700	2,839	2,839	3,040	3,000	3,000	3,000	3,000	3,000	3,000
Prior year		3,193	3,193	2,859	2,839	2,839	2,839	2,839	2,839	2,839
Change		-354	-354	181	161	161	161	161	161	161
TOTAL TAX EXPENSE - OTHER	****	2,619	2,637	2,796	2,753	2,756	2,745	2,767	2,771	2,799
Prior year		2,965	2,968	2,631	2,577	2,570	2,570	2,584	2,607	2,613
Change		-346.53	-330.73	165.76	175.87	185.95	174.79	182.99	164.17	186.11

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Acct. #	January 10th Acct Activity	February 11th Acct Activity	March 12th Acct Activity	Acct Activity TOTAL
403.600	229,022 221,761 7,262	230,483 222,300 8,183	230,952 222,875 8,077	2,722,781 2,628,489 94,292
403.700	20,116 21,701 -1,585	19,981 21,911 -1,930	19,941 21,906 -1,965	251,524 246,425 5,099
****	249,138 243,462 5,676	250,464 244,211 6,253	250,893 244,781 6,112	2,974,305 2,874,914 99,391
408.100	- - 0	- - 0	- - 0	0 0 0
408.200	- - 0	- - 0	- - 0	0 0 0
408.300	- - 0	- - 0	- - 0	0 0 0
408.400	- - 0	- - 0	- - 0	0 0 0
408.500	(234) (234) 1	(237) (234) -3	(240) (229) -10	-2,784 -2,891 107
408.600	- - 0	- - 0	- - 0	0 0 0
408.700	3,000 2,839 161	3,000 2,839 161	3,000 2,839 161	35,717 34,795 922
****	2,766 2,605 161.63	2,763 2,605 158.33	2,760 2,609 150.57	32,932 31,903 1028.91

exp
pg 3

Account Title	Acct. #	1st Acct Activity	2nd Acct Activity	3rd Acct Activity	4th Acct Activity	5th Acct Activity	6th Acct Activity	7th Acct Activity	8th Acct Activity	9th Acct Activity
Revenue - Wildblue	417.000	-	-	-	-	-	-	-	-	-
Prior year		27	-	(27)	-	-	-	28	-	-
Change		-27	0	27	0	0	0	-28	0	0
Revenue - Wildblue	417.001	(12,720)	(11,924)	(12,193)	(11,751)	(11,976)	(12,448)	(12,652)	(12,073)	(12,153)
Prior year		(12,603)	(12,865)	(13,053)	(12,909)	(13,496)	(13,762)	(12,893)	(11,243)	(12,373)
Change		-117	941	861	1,157	1,521	1,314	241	-830	220
Revenue - Wildblue	417.002	(438)	(438)	(298)	-	(2,190)	(438)	(292)	(146)	(292)
Prior year		(199)	(995)	(1,395)	(995)	(398)	-	(398)	(795)	(894)
Change		-239	557	1,097	995	-1,792	-438	106	649	602
Revenue - Wildblue	417.003	-	-	-	-	-	-	-	-	-
Prior year		-	-	(179)	-	-	-	-	-	-
Change		0	0	179	0	0	0	0	0	0
Revenue - Wildblue	417.004	(20)	(40)	(260)	-	-	(120)	780	(900)	-
Prior year		-	(40)	-	(40)	-	-	-	-	(20)
Change		-20	0	-260	40	0	-120	780	-900	20
Revenue - Wildblue	417.100	-	-	-	-	-	-	(800)	800	-
Prior year		-	-	-	-	-	-	-	-	-
Change		0	0	0	0	0	0	-800	800	0
COS Expenses - Wildblue	417.101	7,238	7,192	7,254	7,199	7,118	7,137	7,447	7,521	7,309
Prior year		7,044	7,683	7,519	7,753	7,929	8,134	7,562	7,708	6,741
Change		194	-492	-265	-554	-811	-998	-116	-188	568
Expenses - Wildblue	417.102	1,272	1,272	848	-	6,694	1,272	981	559	848
Prior year		424	2,316	2,544	2,312	848	1,461	848	2,296	2,544
Change		848	-1,044	-1,696	-2,312	5,846	-189	133	-1,737	-1,696
Expenses - Wildblue	417.103	716	-	358	358	2,148	537	1,074	179	358
Prior year		895	537	1,253	895	537	537	358	537	716
Change		-179	-537	-895	-537	1,611	0	716	-358	-358
Expenses - Wildblue	417.104	-	-	-	-	-	-	-	-	-
Prior year		-	-	-	-	-	-	-	-	-
Change		0	0	0	0	0	0	0	0	0
Expenses - Wildblue	417.105	36	75	80	52	15	47	50	70	34
Prior year		162	154	136	151	103	122	101	63	33
Change		-126	-80	-56	-99	-88	-75	-51	7	2
Expenses - Wildblue	417.106	687	971	741	731	536	508	353	294	504
Prior year		165	184	252	588	535	298	381	212	660
Change		522	788	489	143	1	210	-28	82	-156
Expenses - Wildblue	417.107	618	861	837	1,192	951	921	979	603	1,527
Prior year		830	894	808	973	989	836	907	929	1,214
Change		-212	-33	30	220	-38	85	72	-326	313

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Acct. #	10th Acct Activity	11th Acct Activity	12th Acct Activity	Acct Activity TOTAL
417.000	- (12,582) 12,582	- 12,582 -12,582	- - 0	0 28 -28
417.001	(11,769) (730) -11,039	(11,584) (24,256) 12,672	(11,301) (10,730) -571	-144,544 -150,915 6,371
417.002	(584) - -584	(146) (730) 584	(146) (1,022) 876	-5,408 -7,821 2,413
417.003	- - 0	- - 0	- - 0	0 -179 179
417.004	20 (200) 220	- (40) 40	- (100) 100	-540 -440 -100
417.100	- - 0	- - 0	- - 0	0 0 0
417.101	7,242 7,528 -286	7,284 7,493 -209	7,371 7,429 -59	87,310 90,525 -3,215
417.102	1,696 2,267 -571	424 - 424	574 3,113 -2,539	16,440 20,973 -4,533
417.103	358 716 -358	537 716 -179	- 1,253 -1,253	6,623 8,950 -2,327
417.104	- - 0	- - 0	- - 0	0 0 0
417.105	71 88 -16	117 31 86	112 - 112	760 1,144 -384
417.106	468 421 47	391 492 -101	442 721 -278	6,626 4,907 1,718
417.107	952 1,129 -177	931 965 -33	963 634 329	11,337 11,108 229

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Acct. #	10th Acct Activity	11th Acct Activity	12th Acct Activity	Acct Activity TOTAL
417.108	-	-	-	0
	-	-	-	0
	0	0	0	0
417.109	-	-	-	0
	-	-	-	0
	0	0	0	0
417.110	-	-	-	0
	-	-	-	0
	0	0	0	0
417.111	334	294	305	3,756
	896	90	336	14,214
	-562	204	-31	-10,458
417.112	-	-	-	0
	-	-	-	0
	0	0	0	0
417.113	-	-	-	0
	-	-	-	0
	0	0	0	0
417.114	-	-	-	414
	-	-	-	1,075
	0	0	0	-661
418.100	-	-	-	0
	-	-	-	0
	0	0	0	0
419.000	(5,065)	(4,960)	(5,848)	-76,781
	(5,424)	(6,041)	(5,623)	-94,142
	359	1,081	-224	17,361
419.100	(8,161)	(6,702)	(6,913)	-42,266
	-	-	-	0
	-8,161	-6,702	-6,913	-42,266
****	-13,226	-11,662	-12,760	-119,047
	-5,424	-6,041	-5,623	-94,142
	-7,802	-5,621	-7,137	-24,905
421.000	-	-	-	-3,620
	-	(100)	(1,715)	-2,015
	0	100	1,715	-1,605
421.100	-	-	-	0
	-	-	-	0
	0	0	0	0

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Account Title	Acct. #	1st Acct Activity	2nd Acct Activity	3rd Acct Activity	4th Acct Activity	5th Acct Activity	6th Acct Activity	7th Acct Activity	8th Acct Activity	9th Acct Activity
NON-OPERATING MARGINS - OTHER ****		-5,829	-1,737	-2,319	-1,729	3,594	-2,336	-1,660	-2,818	-1,369
		-1,299	-477	-501	757	-1,268	-1,397	-1,974	1,175	-154
		-4,530	-1,259	-1,818	-2,486	4,862	-939	314	-3,993	-1,214
Other Capital Creds & Patronage Cap	424.000	-	-	(18,260)	-	-	(31,529)	(66,371)	-	-
Prior year		-	-	-	(15,204)	-	(48,109)	(97,989)	-	-
Change		0	0	-18,260	15,204	0	16,580	31,619	0	0
OTHER CAPITAL CREDITS & PATRONAGE DIVIDEI		0	0	-18,260	0	0	-31,529	-66,371	0	0
		0	0	0	-15,204	0	-48,109	-97,989	0	0
		0	0	-18,260	15,204	0	16,580	31,619	0	0
Penalties	426.300	-	-	-	-	-	-	-	-	-
Prior year		-	-	-	-	-	-	-	-	-
Change		0	0	0	0	0	0	0	0	0
Expenditures For Civic Pol Etc	426.400	1,000	106	450	750	7,000	100	500	153	2,500
Prior year		884	1,677	50	500	7,000	1,100	500	-	1,000
Change		116	-1,571	400	250	0	-1,000	0	153	1,500
TOTAL OTHER DEDUCTIONS ****		1,000	106	450	750	7,000	100	500	153	2,500
Prior year		884	1,677	50	500	7,000	1,100	500	0	1,000
Change		116	-1,571	400	250	0	-1,000	0	153	1,500
Interest on REA Const Loan	427.100	98,390	101,517	98,097	101,222	101,080	97,682	100,783	98,461	101,330
Prior year		89,170	92,040	88,978	91,844	91,177	88,117	86,752	83,839	94,444
Change		9,220	9,477	9,119	9,379	9,903	9,565	14,031	14,622	6,886
Interest on Long-term Debt CFC	427.200	65,640	53,665	59,302	59,302	44,672	58,977	58,977	43,396	58,647
Prior year		74,874	67,133	69,493	69,493	52,983	69,145	69,145	52,485	65,976
Change		-9,234	-13,468	-10,191	-10,191	-8,311	-10,168	-10,168	-9,089	-7,329
Interest On FFB Note	427.300	34,105	34,105	34,790	33,911	33,911	35,718	33,718	33,718	37,676
Prior year		29,757	29,757	45,477	34,672	34,672	36,230	34,672	34,488	35,852
Change		4,348	4,348	-10,687	-762	-762	-512	-954	-769	1,824
TOTAL INTEREST ON LONG TERM DEBT		198,134	189,287	192,188	194,434	179,663	192,376	193,478	175,576	197,654
		193,800	188,930	203,947	196,009	178,833	193,492	190,569	170,812	196,272
		4,334	357	-11,759	-1,574	830	-1,115	2,908	4,764	1,381
Other Interest Expense	431.000	931	4,773	3,594	4,784	4,292	3,777	3,566	2,814	2,355
Prior year		3,059	3,943	3,171	3,350	3,770	3,851	3,309	2,727	2,695
Change		-2,128	829	424	1,434	521	-75	257	88	-340
TOTAL INTEREST - OTHER ****		931	4,773	3,594	4,784	4,292	3,777	3,566	2,814	2,355
Prior year		3,059	3,943	3,171	3,350	3,770	3,851	3,309	2,727	2,695
Change		-2,128	829	424	1,434	521	-75	257	88	-340

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Acct. #	10th Acct Activity	11th Acct Activity	12th Acct Activity	Acct Activity TOTAL
****	-1,211	-1,752	-1,681	-20,846
	-468	-2,757	-81	-8,446
	-743	1,005	-1,600	-12,400
424.000	-	-	(18,269)	-134,429
	-	-	(12,764)	-174,066
	0	0	-5,505	39,637
AGE DIVIDEI	0	0	-18,269	-134,429
	0	0	-12,764	-174,066
	0	0	-5,505	39,637
426.300	-	-	-	0
	-	-	-	0
	0	0	0	0
426.400	-	1,070	1,500	15,129
	-	-	500	13,211
	0	1,070	1,000	1,919
****	-	1,070	1,500	15,129
	-	0	500	13,211
	0	1,070	1,000	1,919
427.100	102,027	67,501	101,444	1,169,533
	92,797	83,694	108,704	1,091,556
	9,230	-16,193	-7,260	77,977
427.200	58,647	41,735	58,313	661,273
	65,976	52,601	65,640	774,944
	-7,329	-10,866	-7,326	-113,671
427.300	33,526	33,526	35,190	413,893
	34,301	34,301	33,851	418,029
	-774	-774	1,338	-4,136
3T	194,201	142,762	194,947	2,244,700
	193,074	170,595	208,195	2,284,529
	1,127	-27,833	-13,248	-39,830
431.000	2,643	2,800	2,487	38,815
	2,401	2,758	3,299	38,333
	242	41	-812	482
****	2,643	2,800	2,487	38,815
	2,401	2,758	3,299	38,333
	242	41	-812	482

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Account Title	Acct. #	1st Acct Activity	2nd Acct Activity	3rd Acct Activity	4th Acct Activity	5th Acct Activity	6th Acct Activity	7th Acct Activity	8th Acct Activity	9th Acct Activity
CHANGE IN ACCT PRIN - CUMULATIVE	435.100	-	-	-	-	-	-	-	-	-
Prior year		-	-	-	-	-	-	-	-	-
Change		0	0	0	0	0	0	0	0	0
Residential Sales - Rural	440.100	(1,466,414)	(1,301,533)	(1,675,852)	(1,633,067)	(1,768,989)	(1,456,076)	(1,417,889)	(1,591,590)	(2,401,703)
Prior year		(1,466,242)	(1,271,950)	(1,636,833)	(1,809,243)	(1,771,262)	(1,464,117)	(1,324,795)	(1,867,371)	(2,417,010)
Change		-171	-29,583	-39,019	176,176	2,273	8,041	-93,094	275,781	15,307
Residential Sales - Towns & Village	440.300	(148,730)	(134,424)	(180,167)	(185,810)	(208,490)	(169,836)	(136,462)	(149,211)	(207,741)
Prior year		(148,202)	(123,946)	(182,451)	(199,674)	(204,977)	(179,617)	(133,286)	(172,947)	(224,863)
Change		-528	-10,478	2,284	13,864	-3,513	9,782	-3,176	23,736	17,121
Comm & Industrial Sales Small	442.100	(155,539)	(167,631)	(196,832)	(198,347)	(205,175)	(184,239)	(158,684)	(153,146)	(178,062)
Prior year		(157,591)	(157,245)	(194,097)	(208,588)	(211,217)	(186,516)	(159,744)	(164,264)	(182,128)
Change		2,052	-10,386	-2,734	10,240	6,043	2,277	1,060	11,119	4,066
Comm Sales Small Rate 5	442.110	(83)	(117)	(321)	(1,211)	(1,101)	(1,180)	(296)	(67)	(56)
Prior year		(1,062)	(1,064)	(1,232)	(1,302)	(1,256)	(1,349)	(1,319)	(1,110)	(995)
Change		979	947	911	91	155	168	1,022	1,043	938
Comm & Industrial Large	442.200	(347,052)	(378,989)	(410,525)	(384,855)	(424,545)	(436,728)	(400,793)	(368,117)	(399,262)
Prior year		(375,710)	(373,920)	(411,557)	(407,570)	(431,262)	(448,404)	(381,291)	(396,122)	(384,054)
Change		28,658	-5,070	1,033	22,716	6,717	11,676	-19,502	28,005	-15,209
Public Street & Highway Lighting	444.000	(5,656)	(5,652)	(5,652)	(5,652)	(5,655)	(5,646)	(5,646)	(5,654)	(5,649)
Prior year		(5,399)	(5,423)	(5,449)	(5,514)	(5,562)	(5,579)	(5,648)	(5,646)	(5,642)
Change		-257	-229	-203	-139	-93	-67	2	-8	-8
Sales to Public Bldgs & Other Auths	445.000	(14,108)	(13,831)	(18,310)	(18,462)	(20,819)	(17,190)	(13,209)	(14,373)	(19,088)
Prior year		(13,886)	(13,110)	(18,027)	(20,853)	(21,186)	(18,738)	(14,641)	(16,500)	(19,558)
Change		-222	-722	-283	2,391	367	1,548	1,431	2,127	470
Forfeited Discounts	450.000	(38,896)	(36,058)	(30,230)	(39,963)	(38,925)	(42,230)	(36,307)	(32,057)	(39,182)
Prior year		(49,610)	(34,699)	(27,139)	(37,800)	(45,431)	(42,828)	(35,492)	(28,541)	(47,019)
Change		10,714	-1,359	-3,090	-2,163	6,506	599	-815	-3,516	7,837
Misc Service Revenue	451.000	(11,591)	(12,225)	(14,120)	(11,620)	(12,560)	(12,610)	(10,760)	(10,860)	(11,001)
Prior year		(13,240)	(13,040)	(12,785)	(12,425)	(12,250)	(10,425)	(13,355)	(11,545)	(9,745)
Change		1,649	815	-1,335	805	-310	-2,185	2,595	685	-1,256
Returned Check Revenue	452.000	(518)	(692)	(546)	(546)	(532)	(672)	(406)	(392)	(448)
Prior year		(714)	(924)	(546)	(784)	(868)	(812)	(756)	(602)	(602)
Change		196	232	0	238	336	140	350	210	154
Rent From Electric Property	454.000	(20,510)	(23,510)	(22,010)	(22,010)	(22,010)	(20,510)	(23,510)	(20,510)	(21,977)
Prior year		(21,900)	(21,900)	(21,900)	(21,900)	(21,900)	(23,400)	(21,112)	(22,612)	(19,568)
Change		1,390	-1,610	-110	-110	-110	2,890	-2,398	2,102	-2,409

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Acct. #	10th Acct Activity	11th Acct Activity	12th Acct Activity	Acct Activity TOTAL
435.100	-	-	-	0
	-	-	-	0
	0	0	0	0
440.100	(2,714,708)	(2,619,990)	(1,732,479)	-21,780,290
	(2,468,075)	(2,150,927)	(1,621,932)	-21,269,759
	-246,632	-469,063	-110,547	-510,531
440.300	(241,842)	(240,748)	(168,010)	-2,171,472
	(234,113)	(217,210)	(156,499)	-2,177,786
	-7,730	-23,538	-11,511	6,314
442.100	(191,737)	(189,517)	(157,291)	-2,136,201
	(184,920)	(170,731)	(158,259)	-2,135,301
	-6,818	-18,787	968	-900
442.110	(56)	(56)	(56)	-4,601
	(995)	(995)	(210)	-12,887
	938	938	154	8,286
442.200	(391,647)	(396,392)	(396,128)	-4,735,033
	(380,318)	(382,402)	(393,623)	-4,766,234
	-11,329	-13,990	-2,504	31,201
444.000	(5,657)	(5,655)	(5,655)	-67,830
	(5,646)	(5,646)	(5,646)	-66,800
	-11	-9	-9	-1,030
445.000	(20,818)	(20,388)	(15,297)	-205,895
	(19,542)	(18,054)	(15,194)	-209,288
	-1,276	-2,334	-103	3,393
450.000	(64,485)	(64,020)	(65,601)	-527,953
	(34,524)	(89,570)	(50,680)	-523,334
	-29,961	25,550	-14,921	-4,619
451.000	(8,740)	(9,385)	(12,090)	-137,563
	(7,790)	(9,340)	(14,640)	-140,580
	-950	-45	2,550	3,017
452.000	(798)	(322)	(434)	-6,306
	(756)	(574)	(602)	-8,540
	-42	252	168	2,234
454.000	(20,386)	(21,886)	(21,886)	-260,714
	(22,010)	(22,010)	(23,510)	-263,721
	1,624	124	1,624	3,007

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Account Title	Acct. #	1st Acct Activity	2nd Acct Activity	3rd Acct Activity	4th Acct Activity	5th Acct Activity	6th Acct Activity	7th Acct Activity	8th Acct Activity	9th Acct Activity
TOTAL REVENUES	****	2,209,097	2,074,664	2,554,564	2,501,543	2,708,801	2,346,918	2,203,962	2,345,978	3,284,170
Prior year		2,253,557	2,017,221	2,512,018	2,725,653	2,727,172	2,381,786	2,091,438	2,687,260	3,311,181
Change		-44,460	57,443	42,547	-224,111	-18,371	-34,868	112,524	-341,282	-27,011
Purchased Power	555.000	1,186,537	1,092,258	1,450,892	1,351,487	1,476,647	1,166,236	1,146,688	1,255,908	1,821,425
Prior year		1,118,173	1,006,475	1,351,840	1,472,688	1,428,877	1,334,291	1,163,607	1,466,984	1,947,331
Change		68,364	85,783	99,052	-121,200	47,770	-168,055	-16,919	-211,076	-125,906
Operation-Suprvision & Engineering	580.000	23,990	26,117	25,621	31,201	25,008	24,727	25,949	16,293	49,129
Prior year		22,790	21,278	22,553	29,541	25,328	17,178	23,041	26,232	28,314
Change		1,200	4,839	3,068	1,660	-320	7,549	2,908	-9,938	20,815
Station Equipment	582.000	3,689	3,689	3,689	3,689	3,689	4,950	5,462	4,202	6,717
Prior year		3,815	3,930	3,687	3,687	3,687	3,687	4,942	5,021	5,021
Change		-126	-241	2	2	2	1,264	521	-818	1,696
Overhead Line Expense	583.000	60,381	55,993	63,507	65,947	55,423	72,277	97,256	66,964	128,895
Prior year		60,147	58,754	66,961	67,492	60,871	50,410	77,563	71,406	85,979
Change		234	-2,762	-3,454	-1,545	-5,448	21,866	19,693	-4,442	42,916
Radio Dispatching	583.001	-	-	-	-	-	-	-	-	561
Prior year		-	-	-	-	-	-	-	-	-
Change		0	0	0	0	0	0	0	0	561
Making Repair Job Orders	583.002	-	-	-	-	-	-	-	-	748
Prior year		-	-	-	-	-	-	-	-	-
Change		0	0	0	0	0	0	0	0	748
Squeeze ups	583.003	(19,813)	-	-	-	-	-	-	-	-
Prior year		-	-	-	-	-	-	-	-	-
Change		-19,813	0	0	0	0	0	0	0	0
Other	583.004	-	-	-	-	-	-	-	-	323
Prior year		-	-	-	-	-	-	-	-	-
Change		0	0	0	0	0	0	0	0	323
Overhead Line Expense - Big Rivers	583.100	-	-	-	-	-	-	-	-	-
Prior year		-	-	-	-	-	-	-	-	-
Change		0	0	0	0	0	0	0	0	0
Line Inspections	583.300	20,036	350	100	111	52	2,284	3,944	1,226	22,939
Prior year		2,520	1,022	-	1,646	878	128	1,461	2,833	33,897
Change		17,515	-672	100	-1,535	-826	2,156	2,483	-1,607	-10,958
St Lighting & Signal System Expense	585.000	-	-	-	-	-	-	-	-	-
Prior year		-	-	-	-	-	-	-	-	-
Change		0	0	0	0	0	0	0	0	0
Meter Expense	586.000	27,304	18,404	31,904	45,604	26,229	27,449	16,582	10,152	24,950
Prior year		20,859	17,260	18,357	9,613	27,399	27,511	15,608	16,411	27,934
Change		6,445	1,143	13,547	35,991	-1,170	-62	974	-6,259	-2,985

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Acct. #	10th Acct Activity	11th Acct Activity	12th Acct Activity	Acct Activity TOTAL
****	3,660,875	3,568,359	2,574,927	32,033,858
	3,358,688	3,067,459	2,440,796	31,574,229
	302,187	500,900	134,131	459,628
555.000	2,081,343	1,876,393	1,454,116	17,359,931
	2,053,898	1,621,558	1,522,219	17,487,941
	27,444	254,835	-68,104	-128,011
580.000	25,866	25,530	28,317	327,749
	31,199	10,465	29,335	287,254
	-5,333	15,065	-1,018	40,495
582.000	3,940	3,940	3,940	51,597
	3,689	3,689	3,689	48,543
	251	251	251	3,054
583.000	70,542	54,370	57,847	849,400
	73,532	27,628	62,937	763,681
	-2,991	26,742	-5,090	85,720
583.001	-	232	(232)	561
	-	-	-	0
	0	232	-232	561
583.002	-	368	(368)	748
	-	-	-	0
	0	368	-368	748
583.003	-	-	-	-19,813
	-	-	-	0
	0	0	0	-19,813
583.004	-	230	(230)	323
	-	-	-	0
	0	230	-230	323
583.100	-	-	-	0
	-	-	-	0
	0	0	0	0
583.300	21,284	12,975	5,242	90,542
	19,224	589	-	64,199
	2,059	12,386	5,242	26,343
585.000	-	-	-	0
	-	-	-	0
	0	0	0	0
586.000	22,865	27,283	16,675	295,401
	16,593	5,058	14,890	217,494
	6,273	22,225	1,785	77,907

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Account Title	Acct. #	1st Acct Activity	2nd Acct Activity	3rd Acct Activity	4th Acct Activity	5th Acct Activity	6th Acct Activity	7th Acct Activity	8th Acct Activity	9th Acct Activity
Setting/Disconnecting Meters	586.001	-	-	-	-	-	-	-	-	3,384
Prior year		-	-	-	-	-	-	-	-	-
Change		0	0	0	0	0	0	0	0	3,384
Meter Changes	586.002	-	-	-	-	-	-	-	-	-
Prior year		-	-	-	-	-	-	-	-	-
Change		0	0	0	0	0	0	0	0	0
Tamper Situations	586.003	-	-	-	-	-	-	-	-	-
Prior year		-	-	-	-	-	-	-	-	-
Change		0	0	0	0	0	0	0	0	0
Cut Loose Service	586.004	-	-	-	-	-	-	-	-	-
Prior year		-	-	-	-	-	-	-	-	-
Change		0	0	0	0	0	0	0	0	0
Other	586.005	-	-	-	-	-	-	-	-	-
Prior year		-	-	-	-	-	-	-	-	-
Change		0	0	0	0	0	0	0	0	0
Consumer Installation Expense	587.000	2,259	2,295	2,339	2,527	2,598	2,408	3,424	2,557	4,243
Prior year		2,235	2,257	2,354	2,326	2,312	2,238	2,983	3,031	3,099
Change		24	38	-15	201	286	169	441	-474	1,143
Misc Distribution Expense	588.000	45,029	58,646	49,078	51,180	35,160	34,482	50,095	48,323	92,949
Prior year		58,052	39,227	35,005	33,836	33,182	39,570	48,506	40,750	10,706
Change		-13,023	19,419	14,073	17,344	1,978	-5,088	1,589	7,572	82,243
Security Light Set/Disconnect	588.001	-	-	-	-	-	-	-	-	-
Prior year		-	-	-	-	-	-	-	-	-
Change		0	0	0	0	0	0	0	0	0
Rents - Operations	589.000	-	-	-	-	-	-	-	-	-
Prior year		-	-	-	-	-	-	-	-	-
Change		0	0	0	0	0	0	0	0	0
TOTAL OPERATIONS	****	162,875	165,493	176,237	200,258	148,159	168,578	202,713	149,717	334,838
Prior year		170,418	143,730	148,916	148,141	153,657	140,724	174,104	165,684	194,951
Change		(7,543)	21,764	27,321	52,117	(5,498)	27,854	28,608	(15,966)	139,887
Maintenance-Supervision & Engineering	590.000	25,450	28,428	27,991	33,023	26,733	26,312	28,089	17,450	51,439
Prior year		27,738	26,775	26,834	27,409	28,603	19,880	25,793	28,774	20,837
Change		-2,287	1,653	1,157	5,614	-1,870	6,433	2,296	-11,324	30,603
Maintenance of Station Equipment	592.000	11,731	2,479	8,301	16,521	8,016	4,339	4,620	9,493	11,971
Prior year		8,061	8,407	9,585	21,112	8,831	14,198	4,068	9,657	5,593
Change		3,670	-5,928	-1,284	-4,591	-815	-9,859	552	-163	6,378

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Acct. #	10th Acct Activity	11th Acct Activity	12th Acct Activity	Acct Activity TOTAL
586.001	-	2,467	(2,467)	3,384
	-	-	-	0
	0	2,467	-2,467	3,384
586.002	-	155	(155)	0
	-	-	-	0
	0	155	-155	0
586.003	-	-	-	0
	-	-	-	0
	0	0	0	0
586.004	-	-	-	0
	-	-	-	0
	0	0	0	0
586.005	-	-	-	0
	-	-	-	0
	0	0	0	0
587.000	2,437	2,277	2,441	31,805
	2,387	2,211	2,266	29,699
	50	66	175	2,106
588.000	68,814	59,149	48,639	641,545
	54,000	24,570	38,560	455,966
	14,814	34,579	10,079	185,579
588.001	-	-	-	0
	-	-	-	0
	0	0	0	0
589.000	-	-	-	0
	-	-	-	0
	0	0	0	0
****	215,748	188,977	159,648	2,273,242
	200,625	74,209	151,677	1,866,836
	15,124	114,768	7,971	406,406
590.000	28,293	27,646	31,104	351,958
	33,926	10,224	31,521	308,314
	-5,634	17,422	-418	43,644
592.000	3,183	2,497	4,751	87,900
	2,542	8,056	5,278	105,386
	641	-5,559	-527	-17,486

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Account Title	Acct. #	1st Acct Activity	2nd Acct Activity	3rd Acct Activity	4th Acct Activity	5th Acct Activity	6th Acct Activity	7th Acct Activity	8th Acct Activity	9th Acct Activity
Maintenance Overhead Lines	593.000	31,654	35,234	38,600	35,225	35,287	29,283	38,720	29,966	65,032
Prior year		39,391	30,521	42,852	43,539	42,216	39,849	32,047	18,950	33,986
Change		-7,737	4,713	-4,252	-8,314	-6,929	-10,566	6,673	11,016	31,046
Maintenance - Office	593.001	-	-	-	-	-	-	-	-	109
Prior year		-	-	-	-	-	-	-	-	19
Change		0	0	0	0	0	0	0	0	90
Maintenance - Field	593.002	-	-	-	-	-	-	-	-	-
Prior year		-	-	-	-	-	-	-	-	-
Change		0	0	0	0	0	0	0	0	0
Maintenance	593.100	65,802	69,371	67,241	102,326	130,672	95,492	66,120	62,926	65,670
Prior year		73,225	65,231	50,288	51,449	65,764	57,789	84,126	82,202	87,439
Change		-7,424	4,139	16,953	50,877	64,907	37,702	-18,007	-19,276	-21,769
Maintenance - Chemicals	593.200	-	-	-	-	-	-	78,450	-	488
Prior year		2,055	-	(2,055)	-	85,459	-	-	-	-
Change		-2,055	0	2,055	0	-85,459	0	78,450	0	488
Maintenance - Line Inspection	593.300	15,359	18,741	21,581	21,061	21,383	18,815	17,418	12,176	25,388
Prior year		16,388	18,908	17,050	20,816	17,381	14,460	16,485	16,456	16,548
Change		-1,029	-167	4,531	245	4,001	4,355	933	-4,280	8,839
Maintenance - Service Orders	593.400	13,160	15,215	14,246	27,943	28,848	21,744	21,050	38,190	39,281
Prior year		13,756	17,985	16,464	19,625	22,286	12,980	24,136	19,142	11,574
Change		-596	-2,771	-2,218	8,318	6,563	8,764	-3,087	19,048	27,707
TREE REPLACEMENT PROGRAM	593.500	-	-	-	-	-	-	-	-	-
Prior year		-	-	-	-	-	-	-	-	-
Change		0	0	0	0	0	0	0	0	0
Maintenance - Major Storm Damage	593.600	-	-	-	-	-	-	-	635	6,579
Prior year		(517)	(3,111)	-	2,035	(2,035)	-	-	2,949	-
Change		517	3,111	0	-2,035	2,035	0	0	-2,313	6,579
Maintenance - U/G Lines	594.000	(131)	-	-	-	-	-	-	59	1,152
Prior year		-	10	-	-	-	-	259	220	988
Change		-131	-10	0	0	0	0	-259	-161	165
Maintenance of Line Transformers	595.000	10,912	459	2,360	-	-	233	474	1,081	3,801
Prior year		50	25	-	61	3,474	2,223	378	594	4,165
Change		10,862	434	2,360	-61	-3,474	-1,991	96	486	-364
Line Maintenance - PCB Expense	595.100	1,326	-	2,173	3,365	936	353	(1,604)	2,455	-
Prior year		805	1,277	1,182	2,557	1,698	2,467	1,245	1,837	255
Change		521	-1,277	991	808	-761	-2,114	-2,849	618	-255
Maintenance St Light & Sig Systems	596.000	4,282	(9)	2,175	1,034	2,885	1,710	1,006	2,084	5,045
Prior year		384	1,613	450	1,492	1,023	1,853	2,624	3,852	1,966
Change		3,898	-1,622	1,725	-458	1,861	-142	-1,618	-1,768	3,079

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Acct. #	10th Acct Activity	11th Acct Activity	12th Acct Activity	Acct Activity TOTAL
593.000	38,759	29,646	25,090	432,496
	38,108	8,771	22,417	392,648
	651	20,875	2,673	39,848
593.001	-	22	(22)	109
	-	-	-	19
	0	22	-22	90
593.002	-	-	-	0
	-	-	-	0
	0	0	0	0
593.100	81,586	81,405	81,722	970,332
	98,580	45,047	64,769	825,911
	-16,994	36,357	16,954	144,421
593.200	-	-	-	78,938
	-	-	-	85,459
	0	0	0	-6,521
593.300	15,917	13,795	15,348	216,981
	14,144	6,536	17,419	192,593
	1,773	7,259	-2,071	24,388
593.400	28,355	20,115	24,327	292,475
	12,756	1,508	16,266	188,479
	15,599	18,606	8,061	103,996
593.500	-	-	-	0
	-	-	-	0
	0	0	0	0
593.600	-	-	-	7,214
	-	-	-	-679
	0	0	0	7,893
594.000	-	-	-	1,081
	236	-	-	1,713
	-236	0	0	-632
595.000	5,294	5,112	1,571	31,296
	-	-	-	10,971
	5,294	5,112	1,571	20,325
595.100	739	244	6,368	16,356
	2,662	1,019	-	17,004
	-1,923	-775	6,368	-648
596.000	1,818	589	2,281	24,899
	(17)	-	939	16,179
	1,834	589	1,342	8,720

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Acct. #	10th Acct Activity	11th Acct Activity	12th Acct Activity	Acct Activity TOTAL
597.000	-	-	-	116
	-	-	-	80
	0	0	0	36
598.000	13,717	14,167	13,115	193,920
	22,020	2,067	14,967	169,703
	-8,303	12,100	-1,851	24,217
****	217,661	195,236	205,657	2,706,070
	224,958	83,228	173,576	2,313,778
	-7,297	112,008	32,081	392,292
901.000	7,124	5,856	6,550	76,899
	8,650	4,873	6,997	78,617
	-1,526	983	-448	-1,718
902.000	1,296	(111)	10,836	64,330
	9,379	2,855	6,825	78,857
	-8,083	-2,966	4,012	-14,528
902.100	2,911	5,026	27	57,181
	11,111	13,263	14,712	141,991
	-8,200	-8,238	-14,685	-84,810
903.000	32,546	35,097	14,421	281,907
	18,080	17,849	12,566	212,120
	14,466	17,248	1,855	69,787
903.100	(58)	78	21	93
	(30)	-	-	68
	-28	78	21	25
903.200	20,509	739	42,424	206,481
	21,306	17,573	16,643	194,818
	-797	-16,833	25,782	11,663
903.201	-	5,263	(5,263)	8,557
	-	-	-	8,105
	0	5,263	-5,263	452
903.202	-	2,102	(2,102)	2,862
	-	-	-	2,801
	0	2,102	-2,102	61
903.203	-	1,919	(1,919)	2,181
	-	-	-	1,508
	0	1,919	-1,919	674

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Account Title	Acct. #	1st Acct Activity	2nd Acct Activity	3rd Acct Activity	4th Acct Activity	5th Acct Activity	6th Acct Activity	7th Acct Activity	8th Acct Activity	9th Acct Activity
Set-up Accounts for Bank Draft	903.204	-	-	-	-	-	-	-	-	612
Prior year		-	-	-	-	-	-	-	-	471
Change		0	0	0	0	0	0	0	0	142
Process M/S Fees & Deposits	903.205	-	-	-	-	-	-	-	-	848
Prior year		-	-	-	-	-	-	-	-	331
Change		0	0	0	0	0	0	0	0	517
Process Levelized Billing	903.206	-	-	-	-	-	-	-	-	-
Prior year		-	-	-	-	-	-	-	-	-
Change		0	0	0	0	0	0	0	0	0
Process Disconnects/Final Bills	903.207	-	-	-	-	-	-	-	-	384
Prior year		-	-	-	-	-	-	-	-	-
Change		0	0	0	0	0	0	0	0	384
Apply Miscellaneous Charges	903.208	-	-	-	-	-	-	-	-	107
Prior year		-	-	-	-	-	-	-	-	94
Change		0	0	0	0	0	0	0	0	13
Filing/Scanning	903.209	-	-	-	-	-	-	-	-	3,883
Prior year		-	-	-	-	-	-	-	-	1,806
Change		0	0	0	0	0	0	0	0	2,077
Other Account Maintenance	903.210	-	-	-	-	-	-	-	-	8,417
Prior year		-	-	-	-	-	-	-	-	6,156
Change		0	0	0	0	0	0	0	0	2,262
Billing	903.300	6,688	5,771	6,689	7,182	5,735	5,684	5,363	4,111	229
Prior year		7,783	6,838	6,879	7,546	7,016	6,647	7,405	5,747	145
Change		-1,095	-1,068	-190	-364	-1,281	-962	-2,043	-1,636	84
Enter Meter Readings	903.301	-	-	-	-	-	-	-	-	4,395
Prior year		-	-	-	-	-	-	-	-	2,582
Change		0	0	0	0	0	0	0	0	1,813
Adjust Amounts Billed	903.302	-	-	-	-	-	-	-	-	-
Prior year		-	-	-	-	-	-	-	-	17
Change		0	0	0	0	0	0	0	0	-17
Respond to Bill Inquiry Letter/Phone	903.303	-	-	-	-	-	-	-	-	5,245
Prior year		-	-	-	-	-	-	-	-	4,870
Change		0	0	0	0	0	0	0	0	375
Perform Monthly Billing	903.304	(544)	-	611	(611)	-	-	-	-	-
Prior year		-	-	-	-	-	-	-	-	32
Change		-544	0	611	-611	0	0	0	0	-32

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Acct. #	10th Acct Activity	11th Acct Activity	12th Acct Activity	Acct Activity TOTAL
903.204	-	339	(339)	612
	-	-	-	471
	0	339	-339	142
903.205	-	374	(374)	848
	-	-	-	331
	0	374	-374	517
903.206	-	70	(70)	0
	-	-	-	0
	0	70	-70	0
903.207	-	141	(141)	384
	-	-	-	0
	0	141	-141	384
903.208	-	61	(61)	107
	-	-	-	94
	0	61	-61	13
903.209	-	2,784	(2,784)	3,883
	-	-	-	1,806
	0	2,784	-2,784	2,077
903.210	-	6,917	(6,917)	8,417
	-	-	-	6,156
	0	6,917	-6,917	2,262
903.300	6,104	145	11,885	65,584
	9,595	7,595	6,827	80,024
	-3,492	-7,450	5,058	-14,439
903.301	-	2,468	(2,468)	4,395
	-	-	-	2,582
	0	2,468	-2,468	1,813
903.302	-	-	-	0
	-	-	-	17
	0	0	0	-17
903.303	-	2,951	(2,951)	5,245
	-	-	-	4,870
	0	2,951	-2,951	375
903.304	-	-	-	-544
	-	-	-	32
	0	0	0	-575

Acct. #	10th Acct Activity	11th Acct Activity	12th Acct Activity	Acct Activity TOTAL
903.305	-	186	(186)	289
	-	-	-	1,374
	0	186	-186	-1,085
903.400	-	-	-	1,028
	412	132	-	544
	-412	-132	0	484
903.401	-	-	-	0
	-	-	-	0
	0	0	0	0
903.402	-	-	-	0
	-	-	-	0
	0	0	0	0
903.403	-	-	-	0
	-	-	-	92
	0	0	0	-92
903.500	23,510	193	47,422	259,022
	29,944	28,039	26,416	269,175
	-6,433	-27,846	21,006	-10,153
903.501	-	4,266	(4,266)	7,445
	-	-	-	5,912
	0	4,266	-4,266	1,533
903.502	-	-	-	10
	-	-	-	0
	0	0	0	10
903.503	-	3,385	(3,385)	6,186
	-	-	-	4,278
	0	3,385	-3,385	1,908
903.504	-	3,374	(3,374)	5,162
	-	-	-	4,745
	0	3,374	-3,374	417
903.505	-	775	(775)	1,448
	-	-	-	903
	0	775	-775	545
903.506	-	9,223	(9,223)	16,100
	-	-	-	14,061
	0	9,223	-9,223	2,039
903.507	-	887	(887)	1,406
	-	-	-	928
	0	887	-887	478

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Acct. #	10th Acct Activity	11th Acct Activity	12th Acct Activity	Acct Activity TOTAL
903.600	3,478	-	6,498	39,052
	6,083	4,472	5,083	56,452
	-2,606	-4,472	1,415	-17,400
903.601	-	-	-	0
	-	-	-	0
	0	0	0	0
903.602	-	596	(596)	1,024
	-	-	-	1,376
	0	596	-596	-352
903.603	-	1,167	(1,167)	3,049
	-	-	-	2,247
	0	1,167	-1,167	802
903.604	-	218	(218)	125
	-	-	-	419
	0	218	-218	-294
903.605	-	-	-	0
	-	-	-	0
	0	0	0	0
903.606	-	766	(766)	1,669
	-	-	-	554
	0	766	-766	1,115
903.607	-	351	(351)	260
	-	-	-	637
	0	351	-351	-377
903.700	1,526	-	1,379	9,353
	284	552	931	4,328
	1,242	-552	448	5,024
903.701	-	-	-	0
	-	-	-	0
	0	0	0	0
903.702	-	134	(134)	153
	-	-	-	0
	0	134	-134	153
903.703	-	77	(77)	885
	-	-	-	104
	0	77	-77	781
903.704	-	-	-	0
	-	-	-	0
	0	0	0	0

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Acct. #	10th Acct Activity	11th Acct Activity	12th Acct Activity	Acct Activity TOTAL
903.705	-	294	(294)	480
	-	-	-	215
	0	294	-294	265
903.706	-	181	(181)	975
	-	-	-	0
	0	181	-181	975
904.000	9,314	10,343	10,071	89,836
	9,379	9,551	8,543	90,173
	-66	791	1,528	-338
905.000	-	-	-	-48
	-	-	-	0
	0	0	0	-48
****	108,258	108,634	100,265	1,234,333
	124,193	106,704	105,593	1,273,810
	-15,935	1,931	-5,328	-39,476
	-	-	-	0
	-	-	-	0
	0	0	0	0
907.000	1,650	1,486	1,548	18,849
	1,952	798	1,964	17,990
	-302	687	-416	859
908.000	8,078	7,188	7,777	93,140
	12,239	3,980	9,468	87,562
	-4,161	3,208	-1,691	5,578
909.000	4,951	6,056	5,080	51,287
	5,390	2,668	5,035	45,371
	-438	3,388	45	5,916
910.000	8,084	6,740	7,238	71,486
	8,491	2,589	7,271	58,992
	-406	4,152	-33	12,494
****	22,763	21,470	21,642	234,762
	28,072	10,035	23,738	209,916
	-5,308	11,435	-2,096	24,846
912.000	-	-	-	0
	-	-	-	0
	0	0	0	0

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Acct. #	10th Acct Activity	11th Acct Activity	12th Acct Activity	Acct Activity TOTAL
913.000	-	-	-	0
	-	-	-	0
	0	0	0	0
914.000	(8)	(20)	(8)	-1,127
	(4)	(8)	(27)	-819
	-4	-12	20	-308
914.100	(1,382)	(451)	(450)	-8,176
	(617)	(1,974)	(811)	-11,685
	-765	1,523	360	3,509
915.000	-	-	1,622	11,899
	-	-	-	1,231
	0	0	1,622	10,667
915.100	-	-	-	-1,906
	-	1,680	226	10,236
	0	-1,680	-226	-12,142
****	-1,389	-471	1,165	690
	-621	-301	-612	-1,037
	-768	-170	1,777	1,727
920.000	35,092	38,166	38,645	443,222
	39,590	28,264	34,102	379,264
	-4,498	9,902	4,543	63,958
920.200	1,425	-	1,845	14,513
	6,783	810	1,638	16,678
	-5,359	-810	207	-2,165
920.201	-	-	-	0
	-	-	-	0
	0	0	0	0
920.202	-	897	(897)	1,881
	-	-	-	2,036
	0	897	-897	-155
920.203	-	-	-	0
	-	-	-	0
	0	0	0	0
920.204	-	-	-	0
	-	-	-	0
	0	0	0	0
920.205	-	-	-	698
	-	-	-	1,477
	0	0	0	-779

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Acct. #	10th Acct Activity	11th Acct Activity	12th Acct Activity	Acct Activity TOTAL
920.206	-	61	(61)	107
	-	-	-	165
	0	61	-61	-58
920.300	14,454	-	18,535	111,433
	10,538	7,896	9,623	133,181
	3,915	-7,896	8,912	-21,747
920.301	-	-	-	0
	-	-	-	0
	0	0	0	0
920.302	-	865	(865)	1,342
	-	-	-	937
	0	865	-865	404
920.303	-	63	(63)	1,270
	-	-	-	0
	0	63	-63	1,270
920.304	-	4,286	(4,286)	5,506
	-	-	-	5,159
	0	4,286	-4,286	346
920.305	-	-	-	0
	-	-	-	0
	0	0	0	0
920.306	-	504	(504)	2,777
	-	-	-	790
	0	504	-504	1,987
920.307	-	4,116	(4,116)	4,677
	-	-	-	4,954
	0	4,116	-4,116	-277
920.400	2,166	-	3,323	18,249
	1,876	1,278	937	17,250
	290	-1,278	2,386	999
920.401	-	889	(889)	1,397
	-	-	-	633
	0	889	-889	764
920.402	-	-	-	0
	-	-	-	0
	0	0	0	0

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Acct. #	10th Acct Activity	11th Acct Activity	12th Acct Activity	Acct Activity TOTAL
920.403	-	-	-	0
	-	-	-	0
	0	0	0	0
920.404	-	798	(798)	1,421
	-	-	-	850
	0	798	-798	571
920.500	10,718	-	19,677	119,163
	11,577	8,275	11,253	109,224
	-859	-8,275	8,424	9,938
920.501	-	4,385	(4,385)	8,204
	-	-	-	4,602
	0	4,385	-4,385	3,603
920.502	-	3,443	(3,443)	6,263
	-	-	-	4,285
	0	3,443	-3,443	1,978
920.503	-	533	(533)	1,284
	-	-	-	1,305
	0	533	-533	-21
920.504	-	1,286	(1,286)	1,958
	-	-	-	1,462
	0	1,286	-1,286	496
921.000	13,603	14,686	14,519	143,144
	13,215	14,187	18,737	147,254
	388	499	-4,218	-4,110
921.100	4,069	288	772	21,924
	1,925	543	1,109	30,638
	2,144	-255	-336	-8,714
921.120	-	-	-	70
	-	-	-	86
	0	0	0	-16
923.000	1,468	1,446	1,788	20,062
	1,375	1,328	1,347	22,086
	93	118	441	-2,024
923.100	-	674	(674)	0
	-	-	-	0
	0	674	-674	0

Account Title	Acct. #	1st Acct Activity	2nd Acct Activity	3rd Acct Activity	4th Acct Activity	5th Acct Activity	6th Acct Activity	7th Acct Activity	8th Acct Activity	9th Acct Activity
Property Insurance	924.000	-	-	-	-	-	-	-	-	-
Prior year		-	-	-	-	-	-	-	-	-
Change		0	0	0	0	0	0	0	0	0
Injuries and Damages	925.000	656	1,150	1,556	2,802	-	-	1,421	-	442
Prior year		695	-	-	-	252	(256)	-	-	-
Change		-38	1,150	1,556	2,802	-252	256	1,421	0	442
Employee Pensions and Benefits	926.000	-	-	-	-	-	-	-	-	-
Prior year		-	-	-	-	-	-	1,866	607	-
Change		0	0	0	0	0	0	-1,866	-607	0
Employee Pensions and Benefits	926.100	-	-	-	-	-	-	-	-	-
Prior year		-	-	-	-	-	-	-	-	-
Change		0	0	0	0	0	0	0	0	0
Regulatory Commission Expense	928.000	-	-	440	400	-	-	-	138	-
Prior year		11	-	134	64	-	-	-	633	322
Change		-11	0	306	336	0	0	0	-495	-322
Duplicate Charges Credit - Own Use	929.000	(3,671)	(2,196)	(4,257)	(3,460)	(3,611)	(3,237)	(4,117)	(2,910)	(6,129)
Prior year		(3,511)	(3,411)	(3,458)	(3,439)	(3,438)	(4,050)	(3,479)	(4,328)	(5,605)
Change		-160	1,215	-799	-21	-173	813	-638	1,419	-524
Misc General Expense Magazine	930.100	10,048	10,040	13,630	10,070	10,086	10,091	10,104	10,131	10,125
Prior year		9,786	9,806	13,581	10,037	10,050	10,068	10,071	10,061	10,055
Change		262	234	50	33	36	23	33	70	69
Misc General Expense	930.200	13,332	12,089	17,416	14,028	14,385	11,937	16,669	10,887	13,976
Prior year		11,332	11,348	14,764	10,455	7,422	9,926	17,948	12,045	8,019
Change		2,000	741	2,653	3,573	6,963	2,011	-1,279	-1,158	5,957
Misc General Expense - non regulatory	930.210	1,988	1,508	87	138	117	-	37	32	178
Prior year		-	337	-	-	542	1,645	62	93	99
Change		1,988	1,170	87	138	-425	-1,645	-25	-62	79
Misc Gen Exp-Directors Fee Expense	930.300	6,338	6,588	11,211	6,560	6,361	8,010	7,095	8,820	11,227
Prior year		6,413	6,317	11,257	6,683	6,333	11,575	8,779	9,239	13,788
Change		-74	271	-46	-124	28	-3,565	-1,684	-419	-2,561
Misc Gen Expense - Annual Meeting	930.400	835	-	8,241	1,981	8,862	-	-	-	-
Prior year		835	-	8,536	631	-	10,084	-	-	-
Change		0	0	-295	1,350	8,862	-10,084	0	0	0
Misc Gen Expense - Advertising	930.500	-	-	-	94	-	-	98	99	188
Prior year		-	-	-	-	94	-	-	-	392
Change		0	0	0	94	-94	0	98	99	-205
Maintenance of General Property	935.000	10,427	6,997	8,054	10,187	11,628	5,650	10,323	10,411	11,133
Prior year		5,894	10,684	31,553	6,550	9,129	6,143	38,121	7,760	6,193
Change		4,533	-3,687	-23,499	3,636	2,499	-493	-27,798	2,651	4,939

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Acct. #	10th Acct Activity	11th Acct Activity	12th Acct Activity	Acct Activity TOTAL
924.000	-	-	-	0
	-	-	-	0
	0	0	0	0
925.000	674	(674)	674	8,700
	-	-	-	691
	674	-674	674	8,010
926.000	-	-	-	0
	-	-	-	2,473
	0	0	0	-2,473
926.100	-	-	-	0
	-	-	-	0
	0	0	0	0
928.000	-	-	-	978
	-	-	(7,463)	-6,300
	0	0	7,463	7,278
929.000	(4,768)	(4,894)	(4,634)	-47,884
	(4,910)	(7,247)	(4,479)	-51,355
	142	2,354	-155	3,472
930.100	10,142	10,137	10,141	124,744
	10,054	10,063	10,053	123,685
	88	74	88	1,059
930.200	13,830	13,268	15,136	166,954
	13,317	9,169	13,122	138,866
	513	4,099	2,014	28,088
930.210	-	-	165	
	877	911	359	4,927
	-877	-911	-194	-677
930.300	6,616	9,976	8,079	96,882
	6,814	12,105	10,019	109,323
	-197	-2,129	-1,940	-12,441
930.400	22	11	-	19,953
	-	-	-	20,086
	22	11	0	-133
930.500	-	-	-	478
	-	-	-	486
	0	0	0	-8
935.000	10,222	9,867	5,709	110,607
	7,943	6,911	6,588	143,468
	2,279	2,956	-879	-32,861

Account Title	Acct. #	1st Acct Activity	2nd Acct Activity	3rd Acct Activity	4th Acct Activity	5th Acct Activity	6th Acct Activity	7th Acct Activity	8th Acct Activity	9th Acct Activity
TOTAL ADMINISTRATIVE & GENERAL ****		104,524	106,387	144,920	116,974	108,087	100,878	117,197	85,768	185,110
		104,029	96,036	149,233	95,571	99,980	129,927	141,821	102,572	129,082
		495	10,351	-4,313	21,402	8,107	-29,050	-24,625	-16,804	56,028
Net Margins		-9,228	-31,687	31,533	28,274	177,230	163,184	-22,149	158,156	41,701
Prior year		120,661	46,758	130,546	263,956	212,896	98,487	-47,768	212,481	294,223
Change		-129,889	-78,445	-99,013	-235,681	-35,667	64,697	25,619	-54,324	-252,522
per Form 7 difference		-9,228 0	-31,686 0	31,533 0	28,274 0	177,230 0	163,184 0	-22,149 0	158,156 0	41,701 0
Prior year Form 7 difference		120,661 0	46,758 0	130,546 0	263,956 0	212,896 0	98,487 0	-47,768 0	212,481 0	294,223 0

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Acct. #	10th Acct Activity	11th Acct Activity	12th Acct Activity	Acct Activity TOTAL
****	119,732	115,076	111,575	1,416,228
	120,975	94,492	106,945	1,370,663
	-1,243	20,584	4,630	45,564
	462,448	676,598	100,984	1,777,044
	170,939	666,162	-83,255	2,086,085
	291,509	10,436	184,239	-309,041
	462,448	676,598	100,984	
	0	0	0	
	170,939	666,162	-83,255	
	0	0	0	

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Meade County Rural Electric Cooperative Corporation
Income Statement, Trial Balance
March 31, 2010

<u>Account Number</u>	<u>Description</u>	<u>12 Mos March 31, 2010</u>
Operating Income		
440.10	Residential Rural	21,780,289.57
440.30	Residential Towns	2,171,472.45
442.10	Small Commercial	2,136,201.02
442.11	Small Com Rate 5	4,601.29
442.20	Large Commercial	4,735,032.50
444.00	Public Street Lgts	67,830.48
445.10	Public Bldg & Othr	205,894.82
		<u>31,101,322.13</u>
450.00	Penalties	527,952.81
451.00	Misc Svc Rev	137,562.67
452.00	Return check charge	6,306.00
454.00	Rent Elect Prop	260,714.13
		<u>32,033,857.74</u>
Purchase Power		
555.00	Purchase Power	<u>17,359,930.61</u>
Distributions - Operations		
580.00	Super & Eng	327,748.86
582.00	Station exp	51,597.36
583.00	O\H Line Exp	921,760.66
584.00	U\G Line Exp	0.00
585.00	Str Ltg & Signal	0.00
586.00	Meter Exp	298,785.70
587.00	Constr Install Eqt	31,804.61
588.00	Misc Distr Eqt	641,545.00
		<u>2,273,242.19</u>
Distribution - Maintenance		
590.00	Supervision	351,958.47
592.00	Station	87,899.64
593.00	O\H Lines	432,604.22
593.10	Maintenance	970,332.21
593.20	Chemicals	78,937.50
593.30	Line inspections	216,981.25
593.40	Service orders	292,474.62
593.60	Major storms	7,214.06
594.00	U\G Line	1,080.83
595.00	Transformers	31,295.80
595.10	PCB expense	16,356.03
596.00	Security lights	24,899.04
597.00	Meters	116.11
598.00	Misc Dist Plant	193,920.05
		<u>2,706,069.83</u>

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Meade County Rural Electric Cooperative Corporation
Income Statement, Trial Balance
March 31, 2010

Account Number	Description	12 Mos March 31, 2010
Consumer Accounts		
901.00	Supervision	76,898.69
902.00	Meter Read Exp	121,510.51
903.00	Customer Collect	946,043.17
903.10	Cash Over\Short	93.00
904.00	Uncollectible A/C	89,835.54
		<u>1,234,380.91</u>
Customer Information and Sales		
907.00	Supervision	18,801.01
908.00	Customer Assist	93,139.81
909.00	Information Exp	51,286.96
910.00	Misc Cust Svc	71,485.90
914.00	Rev from contracting	(9,302.61)
915.00	Exp from contract	9,992.23
		<u>235,403.30</u>
Administrative & General		
920.00	A & G Office Salaries	745,364.79
921.00	Office Sup & Exp	143,144.06
921.10	A & G other than salaries	21,993.64
923.00	Outside Svc	20,062.16
925.00	Injury & Damage	8,700.36
928.00	Reg Commission Exp	978.10
929.00	Duplicate charges	(47,883.70)
930.10	Magazine	124,744.07
930.20	Misc Genrl Exp	173,351.35 171,204.17
930.30	Director fees	123,672.31 96,881.86
930.40	Annual meeting	(8,507.01) 20,430.62
935.00	Misc Genrl Plant	110,607.42
		<u>1,416,227.55</u>
Depreciation		
403.60	Distribution Plant	2,722,780.55
403.70	General Plant	251,524.29
		<u>2,974,304.84</u>
Taxes		
408.10	Property Tax	0.00
408.20	Payroll	0.00
408.50	Sales tax comp	(2,784.46)
408.70	PSC - Assess	35,716.64
		<u>32,932.18</u>
Interest		
427.10	RUS	1,169,532.91
427.20	CFC	661,273.46
427.30	FFB	413,893.19
		<u>2,244,699.56</u>

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Meade County Rural Electric Cooperative Corporation
Income Statement, Trial Balance
March 31, 2010

<u>Account Number</u>	<u>Description</u>	<u>12 Mos March 31, 2010</u>
Other Income and Expenses		
417.001	Wildblue revenue	(144,543.55)
417.002	Wildblue equipment	(5,408.00)
417.004	Wildblue service chges	(540.00)
417.101	Wildblue cost of svc	87,310.42
417.102	Wildblue cost of eqpt	16,440.05
417.103	Wildblue installs	6,623.00
417.105	Wildblue cust support	759.63
417.106	Wildblue A&G billing	6,625.68
417.107	Wildblue other cust	11,336.62
417.111	Wildblue A&G billing	3,755.83
417.114	Service calls	414.00
421.00	Gain loss on plant disposal	(3,620.00)
426.40	Civil Political contr	15,129.34
431.00	Other Int Exp	38,814.87
		<u>33,097.89</u>
Interest Income		
419.00	Interest Income	<u>119,046.99</u>
Patronage Capital		
424.00	Assoc organizations	<u>134,428.67</u>
		<u>134,428.67</u>
	Net margins	<u><u>1,777,044.54</u></u>

Meade County Rural Electric Cooperative Corporation
 Balance Sheet, Trial Balance
 March 31, 2010

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<u>Account</u>	<u>Description</u>	<u>March 31, 2010</u>	
		<u>Debit</u>	<u>Credit</u>
Distribution Plant			
360.00	Land	212,648.96	
362.00	Station eqt	6,964,230.76	
364.00	Poles, Towers Fixture	35,926,566.59	
365.00	OAH Conductor	16,129,440.39	
367.00	UG Conductor	1,894,877.76	
368.00	Line Transformers	12,241,234.72	
369.00	Services	1,536,476.59	
370.00	Meters	5,584,885.22	
371.00	Security Lights	2,359,823.33	
373.00	Street Lights	128,475.33	
108.60	Res for Dep-Dist Plt		21,388,996.33
		82,978,659.65	21,388,996.33
General Plant			
389.00	Land	297,576.12	
390.00	Struct & Improve	374,630.25	366,718.71
390.10	Struct & Improve	2,810,345.91	1,012,750.26
391.10	Office Furniture	1,103,886.16	927,398.05
392.10	Transportation Eqt	2,424,875.74	1,293,598.83
393.10	Stores	33,933.69	25,392.44
394.10	Tools, Work Eqt	119,749.46	86,354.75
395.10	Laboratory	64,586.83	64,122.67
397.10	Communication	223,262.67	194,461.83
398.00	Miscellaneous	18,140.65	7,208.21
		7,470,987.48	3,978,005.75
		90,449,647.13	25,367,002.08
CWIP			
107.12	Accrued PR for 107.200	55,998.44	
107.20	Work orders	1,121,007.96	
107.21	Contractor	851,924.53	
107.30	Special Eqt		
107.31	Contributions	(77,888.58)	
		1,951,042.35	
RWIP			
108.20	Work orders	57,398.70	
108.21	Contractor	206,854.36	
		264,253.06	
Investments			
123.00	Invest in Assoc Coop	1,130.00	
123.10	Pat Cap	60,719,427.38	
123.101	Big Rivers - contra	(59,785,104.00)	
123.221	Inv Cap Term Cert	1,005,098.65	
123.221	CFC capital investment	310,000.00	
123.23	Other Assoc Organ	1,000.00	
		2,251,552.03	

Meade County Rural Electric Cooperative Corporation
Balance Sheet, Trial Balance
March 31, 2010

Ex Y
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<u>Account</u>	<u>Description</u>	<u>March 31, 2010</u>	
		<u>Debit</u>	<u>Credit</u>
Cash Accounts			
131.10	BankOne General Funds	1,752,460.81	
131.101	BankOne General Funds	289,797.67	
131.11	MM First St Bank	753,751.11	
131.12	MM Farmers H-burg	2,077,297.30	
131.13	MM Breck Bk of Cport	285,363.92	
131.14	MM F-ville	267,314.69	
131.16	Farmers H-burg	101,335.38	
131.17	Capital refund-Meade Co Bk	721.43	
131.19	Lietchfield Deposit Bank	128,624.89	
131.20	Trustee	2,636,000.00	
135.00	Working Funds	2,800.00	
		<u>8,295,467.20</u>	
Temporary Investments			
136.00	Temporary Invest	-	
Accounts Receivables			
142.00	Consumers	3,348,555.27	
143.10	Other	353,953.45	
143.30	Employee Med Ins	871.05	
143.31	Cancer Ins	0.00	
143.32	Life ins	108.03	
143.51	Notes FmHA	9,834.89	
143.60	Voucher assistance	96,460.09	
144.10	Allow for uncollect	(362,923.66)	
144.11	Allow for uncollect	(24,951.72)	
144.20	Allow for other AR	(6,619.34)	
		<u>3,415,288.06</u>	
Material and Supplies			
154.00	Material & Sup	1,443,356.41	
163.00	Stores Clearing	1,206.50	
		<u>1,444,562.91</u>	
Other Current Assets			
165.10	Insurance	54,470.36	
165.12	Worker's Comp	107,254.76	
165.20	NRECA dues	20,881.49	
165.22	Pension	448,603.53	
165.23	Health insurance	14,419.64	
165.30	KAEC dues	51,774.34	
165.50	Postage	384.49	
165.70	State sales tax	7,736.02	
171.00	Interest Rec CFC	16,689.30	
172.00	Rent Rec	(64,408.17)	
		<u>657,805.76</u>	
Deferred Charges			
184.00	Transportaion Clearing	-	
186.10	Liter's Quarry	82,635.16	
186.20	2 year work plan	52,444.90	
186.60	Deferred Comp	12,375.00	
186.65	Deferred Comp	(25,000.00)	
		<u>122,455.06</u>	

Meade County Rural Electric Cooperative Corporation
 Balance Sheet, Trial Balance
 March 31, 2010

*Exhibit
 page 7?*

		<u>March 31, 2010</u>	
<u>Account</u>	<u>Description</u>	<u>Debit</u>	<u>Credit</u>
Memberships			
200.10	Issued		16,805.00
200.11	Issued \$15		84,000.00
			<u>100,805.00</u>
Patronage Capital			
201.10	Credits		19,017,512.32
201.20	Assignable		1,240,030.12
208.00	Donated Capital		24,539.92
215.10	Other accum comp income		(217,582.00)
217.00	Retired Gain		908,676.57
219.10	Operating Margins		77,784.13
219.20	Non-operating margins		3,230,848.78
			<u>24,281,809.84</u>
Long-term Debt			
224.12	CFC		10,745,242.58
224.30	REA		35,182,744.91
224.40	Unadvanced		0.00
224..60	RUS Advance Pmts		(1,321,388.98)
224.151	FFB		9,406,806.47
224.152	Unadvanced		0.00
			<u>54,013,404.98</u>
Accumulated Operating Provisions			
228.30	Postretirement Benefits		1,031,273.67
Acct Payable			
232.10	Big Rivers & general		1,807,308.84
232.70	Right of way		133,489.53
232.12	Misc		(1,015.16)
232.40	Wintercare		242.27
232.50	ACRE		1,036.42
234.20	Charitable contributions		2,094.50
			<u>1,943,156.40</u>
Consumer Deposits			
235.00	Consumer Deposits		701,720.00

Meade County Rural Electric Cooperative Corporation
 Balance Sheet, Trial Balance
 March 31, 2010

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<u>Account</u>	<u>Description</u>	<u>March 31, 2010</u>	
		<u>Debit</u>	<u>Credit</u>
Accruals			
236.10	Prop Tax		168,857.76
236.20	FUTA		52.72
236.30	FICA		0.00
236.40	SUTA		5,675.51
236.50	Sales Tax		20,786.43
236.60	Gross receipts		73,408.71
236.70	PSC		27,804.56
236.80	Other		2,145.46
236.90	City taxes		1,669.05
237.10	Interest RUS		0.00
237.20	Interest FFB		0.00
237.40	Interest CFC		58,313.45
238.20	Patronage cap payable		22,713.26
			<u>381,426.91</u>
240.00	Matured Int		0.00
241.10	Fed WH		0.00
241.20	State WH		6,656.00
241.30	Local w/h		139.44
242.20	Payroll		101,984.32
242.32	Sick leave		323,918.79
242.50	Audit Exp		1,150.00
			<u>433,848.55</u>
			<u>815,275.46</u>
Deferred Credits			
252.00	Construction		549,486.13
253.00	Mis Deferred credits ROW		48,140.00
			<u>597,626.13</u>
		<u>108,852,073.56</u>	<u>108,852,073.56</u>

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Meade County Rural Electric Cooperative
Case No. 2010 - 00222

Comparative Capital Structure (Excluding JDIC)
For the Periods as Shown
"000" Omitted

Line No.	Type of Capital	2000 10th Year		2001 9th Year		2002 8th Year		2003 7th Year		2004 6th Year		2005 5th Year	
		Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
1	Long Term Debt	26,822	58%	29,250	59%	30,443	58%	37,724	63%	38,956	67%	41,072	67%
2	Short Term Debt	3,150	7%	2,650	5%	3,693	7%	2,945	5%	0	0%	0	0%
3	Memberships	139	0%	137	0%	134	0%	131	0%	127	0%	121	0%
4	Patronage Capital	16,515	35%	17,788	36%	18,366	35%	18,829	32%	19,082	33%	19,877	33%
5	Other (Itemize by type)												
6	Total Capitalization	46,626	100%	49,825	100%	52,636	100%	59,629	100%	58,165	100%	61,070	100%

Line No.	Type of Capital	2006 4th Year		2007 3rd Year		2008 2nd Year		2009 1st Year		2010 Test year		Latest Quarter Mar 31, 2010		Average Test Year	
		Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
1	Long Term Debt	45,504	69%	46,265	69%	47,982	69%	51,093	69%	54,013	69%	52,127	68%	50,100	69%
2	Short Term Debt		0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
3	Memberships	115	0%	110	0%	106	0%	101	0%	101	0%		0%		0%
4	Patronage Capital	20,141	31%	20,718	31%	21,900	31%	23,068	31%	24,282	31%	23,997	32%	23,024	31%
5	Other (Itemize by type)														
6	Total Capitalization	65,760	100%	67,093	100%	69,988	100%	74,262	100%	78,396	100%	76,124	100%	73,124	100%

Meade County Rural Electric Cooperative
 Case No. 2010 - 00222
 Calculation of Average Test Period Capital Structure
 12 months ended March 31, 2010

Line No.	Item (a)	Total Capital (b)	Long-Term Debt (c)	Short-Term Debt (d)	Memberships (e)	Common Stock (f)	Patronage Capital (g)	Total Common Equity (h)
1	Balance Beginning of Test year	73,455	50,739		105		22,611	
2	1st month	73,384	50,696		104		22,584	
3	2nd month	71,760	49,118		104		22,538	
4	3rd month	71,677	49,019		104		22,554	
5	4th month	71,638	48,979		103		22,556	
6	5th month	71,700	48,873		103		22,724	
7	6st month	71,754	48,774		102		22,878	
8	7th month	71,674	48,733		102		22,839	
9	8th month	71,962	48,896		102		22,964	
10	9th month	74,262	51,093		101		23,068	
11	10th month	74,810	51,187		101		23,522	
12	11th month	75,468	51,181		101		24,186	
13	12th month	78,396	54,013		101		24,282	
14	Total (Line 1 through Line 13)	951,940	651,301	0	1,333	0	299,306	0
15	Average balance (Line 14/13)	73,226	50,100	0	103	0	23,024	0
16	Average capitalization ratios	100%	68%	0%	0%	0%	31%	0%
17	End of period capitalization ratios	100%	69%	0%	0%	0%	31%	0%

Meade County Rural Electric Cooperative
Case No. 2010-00222
March 31, 2010

Payroll Adjustment

To reflect the increase granted by the Board of Directors, the step increases granted and promotions during the year. To give recognition to employees terminated and employees hired during the test year. Overtime pay is calculated at 1-1/2 times regular pay rate for hours worked in excess of 8 hours per day.

Employees are granted wage rate increases on November 1 of each year, based on the Wage & Salary Plan. Additional increases are given to employees who are below the midpoint for their pay rates and job classifications. As part of the wage and salary plan, Meade County has established a "Performance Bonus Program" to reward employees based on certain preset parameters.

Meade County hires summer and part-time employees. These employees were normalized at the same rate and hours as the test year, as it is expected this will continue in future years.

Employees may elect to be paid up to 12 days, or 96 hours for unused sick days. They may also elect to be paid up to 5 days, or 40 hours, for unused vacation days. The Board has allowed this since it is determined to be more economical to pay accumulated sick days, and unused vacation, than to hire additional employees for the time off taken.

There was neither a salary increase, nor performance bonus paid during the test year.

There are no union employees. Wage and salary increases are as follows:

	<u>Increase</u>
2009	0.00%
2008	3.00%
2007	2.50%
2006	3.50%
2005	2.50%

The amount of increase was allocated based on the actual test year.

Projected wages	\$3,830,979
Actual wages for test year	<u>3,845,292</u>
Adjustment	<u><u>(\$14,313)</u></u>

The allocation is on the following page:

Meade County Rural Electric Cooperative
Case No. 2010-00222

Allocation of increase in payroll:

	<u>Labor</u>		
	<u>Distribution</u>	<u>Percent</u>	<u>Allocation</u>
107.20 Construction work in progress	641,942	16.7%	(2,389)
108.80 Retirement work in progress	159,358	4.1%	(593)
163.00 Stores	129,486	3.4%	(482)
184.10 Transportation	49,392	1.3%	(184)
242.32 Employee sick leave/vacation	71,097	1.8%	(265)
417.00 Non operating accounts	14,254	0.4%	(53)
580.00 Supervision, operations	205,169		
583.00 Overhead line	166,671		
586.00 Meter	74,913		
587.00 Installations	2,231		
588.00 Miscellaneous distribution	174,661	16.2%	(2,321)
590.00 Supervision, maintenance	219,362		
593.00 Maintenance	576,718		
594.00 Underground	569		
595.00 Transformers	919		
596.00 Street lights	1,264		
597.00 Meters	84		
598.00 Miscellaneous maintenance	70,711	22.6%	(3,237)
901.00 Supervision	52,032		
902.00 Meter reading	27,697		
903.00 Consumer records	472,509	14.4%	(2,056)
907.00 Supervision, Customer service	12,911		
908.00 Consumer accounting	65,185	2.0%	(291)
909.00 Consumer information	20,381		
910.00 Misc customer information	55,158	2.0%	(281)
920.00 Administrative	507,091		
930.00 Miscellaneous	54,625		
935.00 Maintenance general plant	<u>18,902</u>	<u>15.1%</u>	<u>(2,161)</u>
Total	<u>3,845,292</u>	<u>100.0%</u>	<u>(14,313)</u>

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Emp #	Hours Worked			Actual Test Year Wages					Wage	Normalized Wages @ 2,080 Hours				
	Reg Hrs	OT Hrs	Unused Vacation	Regular	Overtime	Unused Vacation	Unused Sick Pay	Total	Rate	Regular	Overtime	Unused Vacation	Unused Sick Pay	Total
	4/1/10													
Salary Employees														
4	2,080.0	0.0	32.0	172,120	0	2,648	3,972	178,740	82.75	172,120		2,648	3,972	178,740
37	2,080.0	0.0	40.0	85,738	0	1,649	1,979	89,365	41.22	85,738		1,649	1,979	89,365
38	2,080.0	0.0	40.0	79,810	0	1,535	1,842	83,186	38.37	79,810		1,535	1,842	83,186
65	2,080.0	0.0	40.0	79,810	0	1,535	1,746	83,090	38.37	79,810		1,535	1,746	83,090
70	2,080.0	0.0	40.0	104,707	0	2,014	2,416	109,137	50.34	104,707		2,014	2,416	109,137
85	2,080.0	0.0		91,853	0		2,120	93,972	44.16	91,853			2,120	93,972
91	2,080.0	0.0	40.0	79,810	0	1,535	0	81,344	38.37	79,810		1,535	0	81,344
103	2,080.0	20.4		50,814	748		0	51,562	24.43	50,814			0	50,814
110	2,080.0	0.0		73,736	0		993	74,729	35.45	73,736			993	74,729
112	2,080.0	0.0		111,426	0		1,661	113,086	53.57	111,426			1,661	113,086
116	2,080.0	0.0	32.0	61,630	0	948	1,129	63,707	29.63	61,630		948	1,129	63,707
135	2,080.0	0.0		75,837	0		0.00	75,837	36.46	75,837			0	75,837
146	2,080.0	0.0		62,941	0		0.00	62,941	30.26	62,941			0	62,941
161	2,080.0	0.0		54,267	0		0	54,267	26.09	54,267			0	54,267
Subtotal	29,120.0	20.4	264.0	1,184,498	748	11863	17,856	1,214,964		1,184,498	0	11,863	17,856	1,214,217
Hourly Employees:														
23	2,080.0	10.5	40.0	57,866	438	1,113	0	59,417	27.82	57,866	438	1,113	0	59,417
68	2,080.0	20.0		62,941	908		0	63,849	30.26	62,941	908		0	63,849
81	2,080.0	8.0	28.0	39,853	230	536	0	40,619	19.16	39,853	230	536	0	40,619
82	2,080.0	94.5		65,021	4,431		0	69,452	31.26	65,021	4,431		0	69,452
83	2,080.0	207.5		49,005	7,333		0	56,338	23.56	49,005	7,333		0	56,338
84	2,080.0	138.0		62,941	6,264		0	69,205	30.26	62,941	6,264		0	69,205
86	2,080.0	197.0		62,941	8,942		0	71,883	30.26	62,941	8,942		0	71,883
89	2,080.0	8.1	40.0	39,853	233	766	0	40,852	19.16	39,853	233	766	0	40,852
90	2,080.0	43.0		62,941	1,952		0	64,893	30.26	62,941	1,952		0	64,893
93	2,080.0	209.5		57,866	8,742		0	66,608	27.82	57,866	8,742		0	66,608
98	2,080.0	78.5		57,866	3,276		0	61,141	27.82	57,866	3,276		0	61,141
101	2,080.0	0.0	40.0	57,866	0	1,113	0	58,978	27.82	57,866	0	1,113	0	58,978
107	2,080.0	5.3		41,205	157		0	41,362	19.81	41,205	157		0	41,362
114	2,080.0	7.5		44,013	238		0	44,251	21.16	44,013	238		0	44,251

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Emp #	Hours Worked			Actual Test Year Wages					Wage	Normalized Wages				
	Reg Hrs	OT Hrs	Unused Vacation	Regular	Overtime	Unused Vacation	Unused Sick Pay	Total	Rate	@ 2,080 Hours				
									4/1/10	Regular	Overtime	Unused Vacation	Unused Sick Pay	Total
119	2,080.0	89.3		49,005	3,156		0	52,161	23.56	49,005	3,156		0	52,161
120	2,080.0	262.5		62,941	11,915		0	74,856	30.26	62,941	11,915		0	74,856
122	2,080.0	165.5		44,013	5,253		0	49,266	21.16	44,013	5,253		0	49,266
126	2,080.0	5.0		39,853	144		0	39,997	19.16	39,853	144		0	39,997
127	2,080.0	1.5	32.0	44,013	48	677	0	44,738	21.16	44,013	48	677	0	44,738
130	2,080.0	7.5		39,853	216		0	40,068	19.16	39,853	216		0	40,068
131	2,080.0	8.3		39,853	239		0	40,091	19.16	39,853	239		0	40,091
132	2,080.0	16.0		52,957	611		0	53,568	25.46	52,957	611		0	53,568
133	2,080.0	284.5		57,866	11,872		0	69,738	27.82	57,866	11,872		0	69,738
134	2,080.0	0.0		44,013	0		0	44,013	21.16	44,013	0		0	44,013
136	2,080.0	222.5		57,866	9,285		0	67,151	27.82	57,866	9,285		0	67,151
139	2,080.0	400.0		57,866	16,692		0	74,558	27.82	57,866	16,692		0	74,558
140	2,080.0	10.3		39,853	296		0	40,149	19.16	39,853	296		0	40,149
143	2,080.0	655.5		59,946	28,337		0	88,283	28.82	59,946	28,337		0	88,283
145	2,080.0	308.0		57,866	12,853		0	70,718	27.82	57,866	12,853		0	70,718
148	2,080.0	14.5		39,853	417		0	40,270	19.16	39,853	417		0	40,270
149	2,080.0	327.5		57,866	13,667		0	71,532	27.82	57,866	13,667		0	71,532
151	2,080.0	15.3		37,024	409		0	37,433	17.80	37,024	409		0	37,433
152	2,072.0	168.0		48,112	5,851		0	53,963	23.22	48,298	5,851		0	54,149
154	1,970.5	290.0		54,819	12,102		0	66,921	27.82	57,866	12,102		0	69,967
158	2,080.0	7.5		38,750	210		0	38,960	18.63	38,750	210		0	38,960
160	2,080.0	64.5		54,267	2,524		0	56,791	26.09	54,267	2,524		0	56,791
162	2,080.0	223.5		42,474	6,846		0	49,319	20.42	42,474	6,846		0	49,319
163	2,080.0	197.0		43,514	6,182		0	49,695	20.92	43,514	6,182		0	49,695
167	2,072.0	13.0		36,281	341		0	36,622	17.51	36,421	341		0	36,762
168	2,080.0	14.0		36,421	368		0	36,789	17.51	36,421	368		0	36,789
169	2,080.0	244.5		41,080	7,243		0	48,323	19.75	41,080	7,243		0	48,323
170	2,080.0	15.5		35,360	395		0	35,755	17.00	35,360	395		0	35,755
171	2,080.0	38.0		45,864	1,257		0	47,121	22.05	45,864	1,257		0	47,121
173	1,693.5	3.3		20,322	59		0	20,381	12.00	24,960	59		0	25,019
180	2,080.0	336.0		35,776	8,669		0	44,445	17.20	35,776	8,669		0	44,445
182	2,080.0	239.5		39,541	6,829		0	46,370	19.01	39,541	6,829		0	46,370

Meade County Rural Electric Cooperative
Case No. 2010-00222
March 31, 2010

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Emp #	Hours Worked			Actual Test Year Wages					Wage Rate	Normalized Wages @ 2,080 Hours				
	Reg Hrs	OT Hrs	Unused Vacation	Regular	Overtime	Unused Vacation	Unused Sick Pay	Total		Regular	Overtime	Unused Vacation	Unused Sick Pay	Total
	4/1/10													
183	2,080.0	280.5		35,776	7,237		0	43,013	17.20	35,776	7,237		0	43,013
184	1,840.0	11.5		25,484	239		0	25,723	13.85	28,808	239		0	29,047
186	633.0	0.0		7,596	0		0	7,596	12.00	24,960	0		0	24,960
Subtotal	99,721.0	5,967.4	180.0	2,286,113	224,904	4,206	0	2,515,222		2,314,811	224,904	4,206	0	2,543,921
Part Time & Summer Employees														
164	762.0	0.0		7,620	0		0	7,620	10.00	7,620	0		0	7,620
165	762.0	0.0		7,620	0		0	7,620	10.00	7,620	0		0	7,620
166	686.0	7.0		10,290	158		0	10,448	15.00	10,290	158		0	10,448
175	969.1	0.0		10,534	0		0	10,534	10.87	10,534	0		0	10,534
177	1,173.5	0.0		12,756	0		0	12,756	10.87	12,756	0		0	12,756
178	0.0	0.0		0	0		0	0	10.00	0	0		0	0
179	1,375.0	0.0		13,750	0		0	13,750	10.00	13,750	0		0	13,750
185	512.0	4.5		4,352	57		0	4,409	8.50	4,352	57		0	4,409
187	570.5	0.0		5,705	0		0	5,705	10.00	5,705	0		0	5,705
Subtotal	6,810.1	11.5	0.0	72,627	215	0	0	72,842		72,627	215	0	0	72,842
Retired Employees														
22	874.0	0.0		24,315	0		0	24,315	27.82					
56	0.0	0.0		0	0		0	0	21.16					
87	936.8	0.0		17,949	0		0	17,949	19.16					
Subtotal	1,810.8	0.0	0.0	42,264	0	0	0	42,264		0	0	0	0	0
Total	137,461.9	5,999.3	444.0	3,585,502	225,866	16,069	17,856	3,845,292		3,571,936	225,119	16,069	17,856	3,830,979

Meade County Rural Electric Cooperative
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Emp #	Wage Rate 11/9/07	Wage Rate 11/2/08	Percent change	Wage Rate 4/1/10	Percent change	Reason for increase
Salary Employees						
4	82.75	82.75	0.00%	82.75	0.00%	
37	39.25	41.22	5.02%	41.22	0.00%	
38	36.54	38.37	5.01%	38.37	0.00%	
65	36.54	38.37	5.01%	38.37	0.00%	
70	47.94	50.34	5.01%	50.34	0.00%	
85	42.06	44.16	4.99%	44.16	0.00%	
91	35.68	38.37	7.54%	38.37	0.00%	
103	22.54	23.05	2.26%	24.43	5.99%	Promotion
110	33.92	35.45	4.51%	35.45	0.00%	
112	51.02	53.57	5.00%	53.57	0.00%	
116	26.62	28.22	6.01%	29.63	5.00%	Midpoint increase
135	33.92	36.46	7.49%	36.46	0.00%	
146	28.96	30.26	4.49%	30.26	0.00%	
161	22.54	25.46	12.95%	26.09	2.47%	Midpoint increase
Subtotal						
Hourly Employees:						
23	26.62	27.82	4.51%	27.82	0.00%	
68	28.96	30.26	4.49%	30.26	0.00%	
81	18.6	19.16	3.01%	19.16	0.00%	
82	28.96	31.26	7.94%	31.26	0.00%	
83	22.54	23.56	4.53%	23.56	0.00%	
84	28.96	30.26	4.49%	30.26	0.00%	
86	27.96	30.26	8.23%	30.26	0.00%	
89	18.6	19.16	3.01%	19.16	0.00%	
90	28.96	30.26	4.49%	30.26	0.00%	
93	26.62	27.82	4.51%	27.82	0.00%	
98	26.62	27.82	4.51%	27.82	0.00%	
101	25.5	27.03	6.00%	27.82	2.92%	Midpoint increase
107	18.6	19.81	6.51%	19.81	0.00%	
114	20.54	21.16	3.02%	21.16	0.00%	
119	22.54	23.56	4.53%	23.56	0.00%	
120	28.96	30.26	4.49%	30.26	0.00%	
122	20.54	21.16	3.02%	21.16	0.00%	

Meade County Rural Electric Cooperative
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Emp #	Wage Rate 11/9/07	Wage Rate 11/2/08	Percent change	Wage Rate 4/1/10	Percent change	Reason for increase
126	18.6	19.16	3.01%	19.16	0.00%	
127	20.54	21.16	3.02%	21.16	0.00%	
130	18.32	19.16	4.59%	19.16	0.00%	
131	18.6	19.16	3.01%	19.16	0.00%	
132	22.54	25.46	12.95%	25.46	0.00%	
133	21.68	23.63	8.99%	27.82	17.73%	Step increase
134	20.54	21.16	3.02%	21.16	0.00%	
136	26.62	27.82	4.51%	27.82	0.00%	
139	26.62	27.82	4.51%	27.82	0.00%	
140	18.46	19.16	3.79%	19.16	0.00%	
143	26.62	27.82	4.51%	28.82	3.59%	Midpoint increase
145	21.68	23.63	8.99%	27.82	17.73%	Step increase
148	18.32	19.16	4.59%	19.16	0.00%	
149	21.68	23.63	8.99%	27.82	17.73%	Step increase
151	17.1	17.61	2.98%	17.80	1.08%	Midpoint increase
152	21.91	23.22	5.98%	23.22	0.00%	
154	26.62	27.82	4.51%	27.82	0.00%	
158	17.1	18.13	6.02%	18.63	2.76%	Midpoint increase
160	22.54	24.57	9.01%	26.09	6.19%	Midpoint increase
162	16.7	18.19	8.92%	20.42	12.26%	Step increase
163	16.7	18.19	8.92%	20.92	15.01%	Step increase
167	15.45	17.00	10.03%	17.51	3.00%	Midpoint increase
168	15.45	17.00	10.03%	17.51	3.00%	Midpoint increase
169	15.26	16.90	10.75%	19.75	16.86%	Step increase
170	15.45	17.00	10.03%	17.00	0.00%	
171	19.07	20.79	9.02%	22.05	6.06%	Step increase
173	10.3	10.61	3.01%	12.00	13.10%	Midpoint increase
180	n/a	15.50	0.00%	17.20	10.97%	Step increase
182	n/a	15.50	0.00%	19.01	22.65%	Step increase
183	n/a	15.50	0.00%	17.20	10.97%	Step increase
184	n/a	13.66	0.00%	13.85	1.39%	Midpoint increase
186	n/a	8.50	0.00%	12.00	41.18%	Midpoint increase

Subtotal

Meade County Rural Electric Cooperative
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Emp #	Wage Rate 11/9/07	Wage Rate 11/2/08	Percent change	Wage Rate 4/1/10	Percent change	Reason for increase
Part Time & Summer Employees						
164	9.3	9.72		10.00		
165	9.30	9.72		10.00		
166	n/a	15.00		15.00		
175	10.00	10.61		10.87		
177	10.00	10.55		10.87		
178	n/a	10.00		10.00		
179	n/a	10.00		10.00		
185	n/a	8.50		8.50		
187	n/a	n/a		10.00		

Subtotal

Retired Employees

22	26.62	27.82		27.82		
56	20.54	21.16		21.16		
87	18.60	19.16		19.16		

Witness: Burns Mercer

Meade County Rural Electric Cooperative
Case No. 2010-00222
Compensation of Executive Officers
March 31, 2010

	<----- <u>Salary</u>	Test Year Percent of <u>Increase</u>	-----> <u>Date</u>	Employees Who <u>Report</u>
President & CEO	178,740	-1%	4/1/2010	all
VP, Engineering & Operations	113,086	-10%	4/1/2010	46
VP, Finance & Administration	109,137	-9%	4/1/2010	23
VP, Marketing	93,972	-8%	4/1/2010	1

	<u>First Preceding Year</u>		
	<u>Salary</u>	Percent of <u>Increase</u>	<u>Date</u>
President & CEO	179,745	0.50%	4/1/2009
VP, Engineering & Operations	125,066	9.79%	4/1/2009
VP, Finance & Administration	119,707	9.62%	4/1/2009
VP, Marketing	102,034	13.98%	4/1/2009

	<u>Second Preceding Year</u>		
	<u>Salary</u>	Percent of <u>Increase</u>	<u>Date</u>
President & CEO	178,844	4.5%	4/1/2008
VP, Engineering & Operations	113,912	8.9%	4/1/2008
VP, Finance & Administration	109,204	10.3%	4/1/2008
VP, Marketing	89,520	-0.5%	4/1/2008

Meade County Rural Electric Cooperative
Case No. 2010-00222
Duties and Responsibilities of Officers

President & CEO

It is the responsibility of the President/CEO to report directly to the Board of Directors in implementing the Board policies and directives.

VP, Engineering and Operations

Collaborates with Construction and Maintenance Supervisors, and contractors, on a daily basis for operational needs. Prepares and presents the President/CEO an annual capital budget. Plans and organizes to serve members with efficient work. Promotes fast, dependable electric service to the members and maintain power quality. Maintains knowledge of local and national laws and regulations governing the operations of Meade County. Reports directly to the President/CEO.

VP, Finance and Administration

Coordinates all audit efforts by various agencies. Maintains financial status of Meade County by developing budgets and financial statements. Collaborates with other VP's to fill any vacant positions. Assists and advises other departments as requested in the preparation of departmental budgets. Maintains all information related to accounting, as needed. Determines short term cash investments and long term cash requirements. Assists in the development of information necessary for long term loan applications. Reviews financial information to ensure compliance with regulatory agencies. Ensures that taxes are properly prepared and filed on a timely basis. Analyzes electric sales revenues, collections, delinquents, write-offs, and penalty charges for efficiencies. Maintains knowledge of laws and regulations governing the administration of Meade County. Directs preparation of daily cash transactions. Reports directly to the President/CEO.

VP, Marketing

Plans and organizes to serve member/owners with efficient work. Investigates member concerns that have not been satisfied by other employees. Encourages in economic development in the region. Maintains knowledge of laws and regulations governing the operations of Meade County. Participates in community events and programs. Reports directly to the President/CEO.

Meade County Rural Electric Cooperative
Case No. 2010-00222

Exhibit 1
page 11 of 11
Witness: Jim Adkins

Analysis of Salaries and Wages
For the calendar years 2007 through 2009
and the Test year

Line No	Item (a)	Twelve Months Ended						Test year 2010	
		2007		2008		2009		Amount (l)	% (m)
		Amount (f)	% (g)	Amount (h)	% (i)	Amount (j)	% (k)		
1	Wages charged to expense:								
2	Distribution expense	1,317	3%	1,565	19%	2,060	32%	1,546	-25%
3	Customer accounts expense	549	3%	662	21%	595	-10%	552	-7%
4	Customer service and and inforr	138	5%	73	-47%	144	97%	154	7%
5	Sales expense								
6	Administrative and general expenses:								
	(a) Administrative and general	403	-5%	480	19%	517	8%	508	-2%
	(b) Office supplies and expense								
	(c) Outside services employed								
	(d) Property insurance								
	(e) Injuries and damages								
	(f) Employees hospitalization and benefits								
	(g) Retirement and security								
	(h) Miscellaneous general	36	3%	42	17%	52	24%	54	4%
	(i) Maintenance of general plant	18	0%	19	6%	20	5%	19	-5%
7	Total administrative and general expenses L6(a) to L6(i)	457	-4%	541	-3%	589	9%	581	-3%
8	Charged to clearing and others	241	-2%	244	1%	231	-5%	211	-9%
9	Total salaries and wages charged to expense and other L2 to L6 + L7 + L8	2,702	2%	3,085	14%	3,619	17%	3,044	-16%
10	Wages capitalized	869	4%	806	-7%	718	-11%	801	12%
11	Total salaries and wages	3,571	2%	3,891	9%	4,337	11%	3,845	-11%
12	Ratio of salaries and wages charged to expense to total wages L9 / L	76%		79%		83%		79%	
13	Ratio of salaries and wages capitalized to total wages L10 / L11	24%		21%		17%		21%	
14	Overtime wages	219	-17%	325	48%	434	34%	226	-48%
15	Overtime hours	6,412		9,432		12,170		5,999	

Witness: Jim Adkins

Meade County Rural Electric Cooperative

Case No. 2010-00222

Payroll Taxes

The employer's portion of FICA and medicare rates remain the same for 2010 as they were for 2009. The FICA rate is 6.2% and medicare is 1.45%. The wage limit increases from \$106,800 in 2010 to \$106,800 in 2009 for FICA; all wages are subject to medicare.

Federal unemployment rates are 0.80% for the first \$7,000 of wages and state unemployment rate is 1.05% for the first \$8,000 of wages.

Proposed FICA amounts

FICA	232,526	
Medicare	55,549	
	<u>288,075</u>	
Proposed FUTA	3,945	
Proposed SUTA	5,894	297,914

Test year amount

FICA and Medicare	289,030	
Test year FUTA	4,102	
Test year SUTA	5,966	299,098

Increase (1,184)

Adjustment:

	<u>Percent</u>	<u>Amount</u>
107 Capitalized	20.84%	(247)
163 - 416 Clearing and others	6.87%	(81)
580 Operations	16.22%	(192)
590 Maintenance	22.62%	(268)
901 Consumer accounts	14.36%	(170)
908 Customer service	2.03%	(24)
910 Sales	1.96%	(23)
920 Administrative and general	15.10%	(179)
	<u>100.00%</u>	<u>(\$1,184)</u>

(856)

State unemployment (SUTA) wage rates are as follows:

2010	1.05%
2009	0.80%
2008	0.60%
2007	0.70%
2006	0.70%

Emp #	Total	Social Security		Medicare Wages		Federal Unemployment		State Unemployment	
		Up to	@	All	@	Up to	@	Up to	@
		\$106,800	6.20%	Wages	1.45%	\$7,000	0.80%	\$8,000	1.05%
Salary Employees									
4	178,740	106,800	6,622	178,740	2,592	7,000	56	8,000	84
37	89,365	89,365	5,541	89,365	1,296	7,000	56	8,000	84
38	83,186	83,186	5,158	83,186	1,206	7,000	56	8,000	84
65	83,090	83,090	5,152	83,090	1,205	7,000	56	8,000	84
70	109,137	106,800	6,622	109,137	1,582	7,000	56	8,000	84
85	93,972	93,972	5,826	93,972	1,363	7,000	56	8,000	84
91	81,344	81,344	5,043	81,344	1,179	7,000	56	8,000	84
103	50,814	50,814	3,150	50,814	737	7,000	56	8,000	84
110	74,729	74,729	4,633	74,729	1,084	7,000	56	8,000	84
112	113,086	106,800	6,622	113,086	1,640	7,000	56	8,000	84
116	63,707	63,707	3,950	63,707	924	7,000	56	8,000	84
135	75,837	75,837	4,702	75,837	1,100	7,000	56	8,000	84
146	62,941	62,941	3,902	62,941	913	7,000	56	8,000	84
161	54,267	54,267	3,365	54,267	787	7,000	56	8,000	84
Subtotal	1,214,217	1,133,653	70,287	1,214,217	17,606	98,000	784	112,000	1,176
Hourly Employees:									
23	59,417	59,417	3,684	59,417	862	7,000	56	8,000	84
68	63,849	63,849	3,959	63,849	926	7,000	56	8,000	84
81	40,619	40,619	2,518	40,619	589	7,000	56	8,000	84
82	69,452	69,452	4,306	69,452	1,007	7,000	56	8,000	84
83	56,338	56,338	3,493	56,338	817	7,000	56	8,000	84
84	69,205	69,205	4,291	69,205	1,003	7,000	56	8,000	84
86	71,883	71,883	4,457	71,883	1,042	7,000	56	8,000	84
89	40,852	40,852	2,533	40,852	592	7,000	56	8,000	84
90	64,893	64,893	4,023	64,893	941	7,000	56	8,000	84
93	66,608	66,608	4,130	66,608	966	7,000	56	8,000	84
98	61,141	61,141	3,791	61,141	887	7,000	56	8,000	84
101	58,978	58,978	3,657	58,978	855	7,000	56	8,000	84
107	41,362	41,362	2,564	41,362	600	7,000	56	8,000	84
114	44,251	44,251	2,744	44,251	642	7,000	56	8,000	84
119	52,161	52,161	3,234	52,161	756	7,000	56	8,000	84
120	74,856	74,856	4,641	74,856	1,085	7,000	56	8,000	84
122	49,266	49,266	3,054	49,266	714	7,000	56	8,000	84
126	39,997	39,997	2,480	39,997	580	7,000	56	8,000	84
127	44,738	44,738	2,774	44,738	649	7,000	56	8,000	84
130	40,068	40,068	2,484	40,068	581	7,000	56	8,000	84
131	40,091	40,091	2,486	40,091	581	7,000	56	8,000	84
132	53,568	53,568	3,321	53,568	777	7,000	56	8,000	84
133	69,738	69,738	4,324	69,738	1,011	7,000	56	8,000	84

Meade County Rural Electric Cooperative
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Emp #	Total	Social Security		Medicare Wages		Federal Unemployment		State Unemployment	
		Up to	@	All	@	Up to	@	Up to	@
		\$106,800	6.20%	Wages	1.45%	\$7,000	0.80%	\$8,000	1.05%
134	44,013	44,013	2,729	44,013	638	7,000	56	8,000	84
136	67,151	67,151	4,163	67,151	974	7,000	56	8,000	84
139	74,558	74,558	4,623	74,558	1,081	7,000	56	8,000	84
140	40,149	40,149	2,489	40,149	582	7,000	56	8,000	84
143	88,283	88,283	5,474	88,283	1,280	7,000	56	8,000	84
145	70,718	70,718	4,385	70,718	1,025	7,000	56	8,000	84
148	40,270	40,270	2,497	40,270	584	7,000	56	8,000	84
149	71,532	71,532	4,435	71,532	1,037	7,000	56	8,000	84
151	37,433	37,433	2,321	37,433	543	7,000	56	8,000	84
152	54,149	54,149	3,357	54,149	785	7,000	56	8,000	84
154	69,967	69,967	4,338	69,967	1,015	7,000	56	8,000	84
158	38,960	38,960	2,416	38,960	565	7,000	56	8,000	84
160	56,791	56,791	3,521	56,791	823	7,000	56	8,000	84
162	49,319	49,319	3,058	49,319	715	7,000	56	8,000	84
163	49,695	49,695	3,081	49,695	721	7,000	56	8,000	84
167	36,762	36,762	2,279	36,762	533	7,000	56	8,000	84
168	36,789	36,789	2,281	36,789	533	7,000	56	8,000	84
169	48,323	48,323	2,996	48,323	701	7,000	56	8,000	84
170	35,755	35,755	2,217	35,755	518	7,000	56	8,000	84
171	47,121	47,121	2,921	47,121	683	7,000	56	8,000	84
173	25,019	25,019	1,551	25,019	363	7,000	56	8,000	84
180	44,445	44,445	2,756	44,445	644	7,000	56	8,000	84
182	46,370	46,370	2,875	46,370	672	7,000	56	8,000	84
183	43,013	43,013	2,667	43,013	624	7,000	56	8,000	84
184	29,047	29,047	1,801	29,047	421	7,000	56	8,000	84
186	24,960	24,960	1,548	24,960	362	7,000	56	8,000	84
Subtotal	2,543,921	2,543,921	157,723	2,543,921	36,887	343,000	2,744	392,000	4,116
Part Time & Summer Employees									
164	7,620	7,620	472	7,620	110	7,000	56	7,620	80
165	7,620	7,620	472	7,620	110	7,000	56	7,620	80
166	10,448	10,448	648	10,448	151	7,000	56	8,000	84
175	10,534	10,534	653	10,534	153	7,000	56	8,000	84
177	12,756	12,756	791	12,756	185	7,000	56	8,000	84
178	0	0	0	0	0	0	0	0	0
179	13,750	13,750	853	13,750	199	7,000	56	8,000	84
185	4,409	4,409	273	4,409	64	4,409	35	4,409	46
187	5,705	5,705	354	5,705	83	5,705	46	5,705	60

Meade County Rural Electric Cooperative
 Case No. 2010-00222
 March 31, 2010

Emp #	Total	Social Security		Medicare Wages		Federal Unemployment		State Unemployment	
		Up to	@	All	@	Up to	@	Up to	@
		\$106,800	6.20%	Wages	1.45%	\$7,000	0.80%	\$8,000	1.05%
Subtotal	72,842	72,842	4,516	72,842	1,056	52,114	417	57,354	602
Retired Employees									
		22							
		56							
		87							
Subtotal	0	0	0	0	0	0	0	0	0
Total	3,830,979	3,750,416	232,526	3,830,979	55,549	493,114	3,945	561,354	5,894

Meade County Rural Electric

Case No. 2010-00222

March 31, 2010

Depreciation Expense

Depreciation is computed on a composite basis. The ending plant balance is multiplied by rates that are within RUS approved guidelines. Depreciation rates and procedures follow RUS Bulletin 183-1. Meade County has never had a depreciation study performed, and is not submitting a study with this application.

Depreciation on transportation equipment is charged to a clearing account. Transportation costs are then cleared to various accounts based on miles driven for each vehicle from the daily time sheets of employees driving the vehicles.

Meade County Rural Electric
Case No. 2010-00222
Depreciation Adjustment
March 31, 2010

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Normalized depreciation accrual:		
Distribution plant	2,780,938	
General plant	598,999	
Less charged to clearing	<u>(359,976)</u>	3,019,961
Test year depreciation accrual:		
Distribution plant	2,722,781	
General plant	535,527	
Less charged to clearing	<u>(284,003)</u>	2,974,305
Normalized depreciation expense adjustment		<u><u>45,656</u></u>
Transportation clearing:		
Normalized		359,976
Test year accrual		<u>284,003</u>
		<u><u>75,973</u></u>

The allocation of the increase in depreciation on transportation equipment is based on ac test year transportation clearing.

<u>Account</u>	<u>%</u>	<u>Amount</u>
Construction and retirement WIP	39%	\$29,269
Others	4%	2,705
Distribution - operations	21%	16,090
Distribution - maintenance	31%	23,543
Consumer accounts	1%	1,077
Consumer service and information	2%	1,465
Administrative and general	2%	<u>1,824</u>
Total	<u>100%</u>	<u><u>\$75,973</u></u>

Meade County Rural Electric
Case No. 2010-00222
March 31, 2010

Schedule 3
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Account Number	Description	31-Mar-10 Balance	Rate	Normalized Expense	Test Year Expense	Items Fully Depreciated
Distribution plant:						
360	Land	212,649				
362	Station equipment	6,964,231			233,998	
364	Poles, towers & fixtures	35,926,567			1,184,766	
365	Overhead conductors & devices	16,129,440			530,501	
367	Underground conductor & devic	1,894,878			62,200	
368	Line transformers	12,241,235			404,130	
369	Services	1,536,477			51,580	
370	Meters	5,584,885			174,724	
371	Security lights	2,359,823			76,565	
373	Street lights	128,475			4,317	
		<u>82,978,660</u>	3.36%	<u>2,780,938</u>	<u>2,722,781</u>	
General plant:						
389	Land	297,576				
390	Structures and improvements	374,630	3.0%	11,239	9,351	
390.10	Structures and improvements	2,810,346	4.0%	112,414	122,269	
391	Office furn and eqt	1,103,886	8.0%	86,696	85,532	20,187
392	Transportation	2,424,876	15.0%	359,976	284,003	25,036
393	Stores	33,934	5.0%	1,697	1,982	0
394	Tools, shop and garage	119,749	6.7%	8,023	15,110	0
395	Laboratory	64,587	6.0%	3,875	3,337	0
397	Communications	223,263	8.0%	14,172	12,084	46,115
398	Miscellaneous	18,141	5.0%	907	1,859	0
		<u>7,470,988</u>		<u>598,999</u>	<u>535,527</u>	
	Total electric plant	<u>90,449,648</u>		<u>3,379,937</u>	<u>3,258,308</u>	

Items that are fully depreciated are removed from the ending balance to compute test year depreciation.

Meade County Rural Electric
Case No. 2010-00222
Depreciation Guideline Curve
March 31, 2010

<u>Year Ended</u>	<u>Distribution Plant in Service</u>	<u>Accumulated Deprec for Distribution</u>	<u>Reserve Ratio</u>	<u>Ratio of Current Distribution Plant to Distribution Plant 10 Years Prior</u>
2009	82,006,321	20,716,588	25.26%	1.85
2008	79,412,895	19,148,191	24.11%	1.94
2007	76,020,263	17,461,623	22.97%	2.03
2006	71,399,630	16,181,781	22.66%	2.04
2005	66,374,927	14,810,722	22.31%	2.08
1999	44,363,056	9,937,785	22.40%	
1998	40,845,433	9,289,706	22.74%	
1997	37,522,573	8,632,283	23.01%	
1996	34,972,409	8,178,601	23.39%	
1995	31,958,257	7,742,742	24.23%	

Meade County Rural Electric
Case No. 2010-00222
March 31, 2010

Exhibit 3
page 5 of 6

		1-Apr-09			31-Mar-10
	Changes in electric plant:	<u>Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u>
360	Land	212,649	0	0	212,649
362	Station equipment	6,964,231	0	0	6,964,231
364	Poles, towers and fixtures	34,595,223	1,763,532	432,188	35,926,567
365	Overhead conductor and devices	15,447,994	786,548	105,101	16,129,440
367	Underground conductor and devices	1,807,521	87,787	430	1,894,878
368	Line transformers	11,814,135	472,387	45,287	12,241,235
369	Services	1,533,736	7,361	4,620	1,536,477
370	Meters	5,401,140	398,897	215,152	5,584,885
371	Security lights	2,197,611	186,933	24,721	2,359,823
373	Street lights	128,475	0	0	128,475
	Subtotal distribution plant	80,102,715	3,703,443	827,499	82,978,660
389	Land	244,158.29	53,418		297,576
390	Structures and improvements	374,630.25	(0)		374,630
390	Structures and improvements	2,739,931.45			2,810,346
391	Office furniture and equipment	1,038,947	66,663	1,724	1,103,886
392	Transportation equipment	2,378,860.90	464,133	418,118	2,424,876
393	Stores	33,933.69	0		33,934
394	Tools, shop and garage	119,749.46	(0)		119,749
395	Laboratory	64,586.83	0		64,587
397	Communication	223,262.67	0		223,263
398	Miscellaneous	13,241	4,900		18,141
	Subtotal general plant	7,231,301	589,114	419,842	7,470,988
	Total electric plant in service	\$87,334,017	\$4,292,557	\$1,247,341	\$90,449,648

Meade County Rural Electric
Case No. 2010-00222
March 31, 2010

Changes in reserve for depreciation:

	1-Apr-09 <u>Balance</u>	<u>Accrual</u>	Original <u>Cost</u>	Removal <u>Cost</u>	Gain/Loss <u>Salvage</u>	Net <u>Charge</u>	31-Mar-10 <u>Balance</u>
Distribution plant	\$19,731,003	\$2,722,781	\$827,499	\$471,172	\$233,883	\$1,064,788	\$21,388,996
Land							
Structures and improvements	357,368	9,351	0			0	366,719
Structures and improvements	890,481	122,269	0			0	1,012,750
Office furniture and equipment	843,148	85,532	1,724		442	1,282	927,398
Transportation equipment	1,297,825	284,003	418,118		129,889	288,229	1,293,599
Stores	23,410	1,982	0			0	25,392
Tools, shop and garage	71,245	15,110	0			0	86,355
Laboratory	60,786	3,337	0			0	64,123
Communication	182,378	12,084	0			0	194,462
Miscellaneous	5,349	1,859	0			0	7,208
Subtotal general plant	3,731,990	535,527	419,842	0	130,331	289,511	3,978,006
Retirement WIP	95,521			168,732		168,732	264,253
Total accumulated depreciation	\$23,367,472	\$3,258,308	\$1,247,341	\$302,440	\$364,214	\$1,185,567	\$25,102,749

Meade County Rural Electric
Case No. 2010-00222
Analysis of Other Operating Taxes
12 Months Ended
March 31, 2010

Line No.	<u>Item</u> (a)	<u>Charged Expense</u> (b)	<u>Charged to Construction</u> (c)	<u>Charged to Other Accounts</u> (d)	<u>Amounts Accrued</u> (e)	<u>Amount Paid</u> (f)
17	1. Kentucky Retail:					
18	(a) State Income					
19	(b) Franchise Fees					
20	(c) Ad Valorem	688,227			688,227	688,227
21	(d) Payroll (Employer's					
22	Portion)	218,989	60,244	19,865	299,098	299,098
23	(e) Other Taxes	32,932			32,932	32,932
24	2. Total Retail					
25	(L1(a) through L1(e))	940,148	60,244	19,865	1,020,257	1,020,257
26	3. Other Jurisdictions					
27	Total Per Books (L2 and					
28	L3)	940,148	60,244	19,865	1,020,257	1,020,257

Meade County Rural Electric
Case No. 2010-00222
March 31, 2010

Taxing District	Assessment for 2009 Taxes			Assessment for 2008 Taxes			Increase Decrease in Taxes
	Assessed Value	Tax Rate	Tax Due	Assessed Value	Tax Rate	Tax Due	
Breckinridge County							
Real Estate - County	1,350,861	0.1120	1,512.96	1,382,959	0.1120	1,548.91	(36)
Real Estate - Common Sch	1,350,279	0.4720	6,373.32	1,382,377	0.4580	6,331.29	42
Real Estate - Library	1,350,861	0.0640	864.55	1,382,959	0.0570	788.29	76
Real Estate - Extension	1,350,861	0.0380	513.33	1,382,959	0.0380	525.52	(12)
Real Estate - Conservation	1,350,861	0.0100	135.09	1,382,959	0.0100	138.30	(3)
Real Estate - Health	1,350,279	0.0300	405.08	1,382,377	0.0300	414.71	(10)
Real Estate - Ind School	582	0.5690	3.31	582	0.5570	3.24	0
Tangible - County	23,288,367	0.1310	30,507.76	22,770,872	0.1310	29,829.84	678
Tangible - Common School	23,022,675	0.4720	108,667.03	22,510,403	0.4580	103,097.65	5,569
Tangible - Library	23,288,367	0.1144	26,641.89	22,770,872	0.1051	23,932.19	2,710
Tangible - Extension	23,288,367	0.0764	17,792.31	22,770,872	0.0764	17,396.95	395
Tangible - Health	23,288,367	0.0300	6,986.51	22,770,872	0.0300	6,831.26	155
Tangible - Ind School	265,692	0.5690	1,511.79	260,469	0.5570	1,450.81	61
Grayson County							
Real Estate - County	41,826	0.0640	26.77	41,826	0.0640	26.77	0
Real Estate - Common Sch	41,826	0.4120	172.32	41,826	0.3980	166.47	6
Real Estate - Hospital	41,826	0.0400	16.73	41,826	0.0400	16.73	0
Real Estate - Health	41,826	0.0260	10.87	41,826	0.0260	10.87	0
Real Estate - Extension	41,826	0.0250	10.46	41,826	0.0230	9.62	1
Real Estate - Library	41,826	0.0480	20.08	41,826	0.0440	18.40	2
Tangible - County	1,889,902	0.0790	1,493.02	1,857,875	0.0790	1,467.72	25
Tangible - Common School	1,889,902	0.4120	7,786.40	1,857,875	0.3980	7,394.34	392
Tangible - Health	1,889,902	0.0500	944.95	1,857,875	0.0500	928.94	16
Tangible - Library	1,889,902	0.0300	566.97	1,857,875	0.0300	557.36	10
Tangible - Extension	1,889,902	0.0460	869.35	1,857,875	0.0421	782.17	87
Tangible - Library	1,889,902	0.0898	1,697.13	1,857,875	0.0820	1,523.46	174
Hancock County							
Tangible - County	58,212	0.0560	32.60	57,225	0.0560	32.05	1
Tangible - School	58,212	0.5560	323.66	57,225	0.5560	318.17	5
Tangible - Health	58,212	0.0275	16.01	57,225	0.0993	56.82	(41)
Tangible - Library	58,212	0.1247	72.59	57,225	0.0275	15.74	57
page totals			215,974.84			205,614.59	10,360.26

Meade County Rural Electric
Case No. 2010-00222
March 31, 2010

Taxing District	Assessment for 2009 Taxes			Assessment for 2008 Taxes			Increase Decrease in Taxes
	Assessed Value	Tax Rate	Tax Due	Assessed Value	Tax Rate	Tax Due	
Hardin County							
Tangible - County	101,045	0.1210	122.26	102,934	0.1556	160.17	(38)
Tangible - School	101,045	0.5040	509.27	102,934	0.5170	532.17	(23)
Meade County							
Real Estate - County	952,742	0.2160	2,057.92	964,453	0.2160	2,083.22	(25)
Real Estate - Common Sch	952,742	0.4870	4,639.85	964,453	0.4940	4,764.40	(125)
Real Estate - Library	952,742	0.0830	790.78	964,453	0.0680	655.83	135
Real Estate - Health	952,742	0.0270	257.24	964,453	0.0270	260.40	(3)
Real Estate - Extension	952,742	0.0370	352.51	964,453	0.0340	327.91	25
Real Estate - Conservation	952,742	0.0080	76.22	964,453	0.0080	77.16	(1)
Real Estate - Flaherty Fire	42,532	0.0750	31.90	42,532	0.0750	31.90	0
Real Estate - Meade Fire	906,710	0.0750	680.03	918,421	0.0750	688.82	(9)
Real Estate - Battletown Fire	3,500	0.1000	3.50	3,500	0.1000	3.50	0
Real Estate - Brandenburg Fire	906,710	0.2040	1,849.69	918,421	0.1870	1,717.45	132
Tangible - County	18,014,002	0.3800	68,453.21	17,671,961	0.3800	67,153.45	1,300
Tangible - Common School	18,014,002	0.4870	87,728.19	17,671,961	0.4940	87,299.49	429
Tangible - Library	18,014,002	0.2000	36,028.00	17,671,961	0.1917	33,877.15	2,151
Tangible - Health	18,014,002	0.0283	5,097.96	17,671,961	0.0283	5,001.16	97
Tangible - Extension	18,014,002	0.0710	12,789.94	17,671,961	0.0703	12,423.39	367
Tangible - Flaherty Fire	2,932,581	0.0150	439.89	2,882,884	0.0150	432.43	7
Tangible - Meade Fire	4,071,584	0.0200	814.32	4,040,525	0.0200	808.11	6
Tangible - Ekron Fire	2,316,739	0.0800	1,853.39	2,277,479	0.0800	1,821.98	31
Tangible - Battletown Fire	2,170,110	0.1000	2,170.11	2,133,334	0.1000	2,133.33	37
Tangible - Brandenburg Cit	4,071,584	0.3509	14,287.19	4,040,525	0.3309	13,370.10	917
Tangible - Ekron City	2,316,739	0.1400	3,243.43	2,277,479	0.1400	3,188.47	55
Ohio County							
Real Estate - County	10,813	0.0670	7.24	11,282	0.0680	7.67	(0)
Real Estate - Common Sch	10,813	0.4480	48.44	11,282	0.4480	50.54	(2)
Real Estate - Library	10,813	0.0680	7.35	11,282	0.0670	7.56	(0)
Real Estate - Health	10,813	0.0350	3.78	11,282	0.0350	3.95	(0)
Real Estate - Extension	10,813	0.0230	2.49	11,282	0.0230	2.59	(0)
Real Estate - Conservation	10,813	0.0060	0.65	11,282	0.0060	0.68	(0)
Tangible - County	2,408,882	0.0670	1,613.95	2,368,055	0.0730	1,728.68	(115)
Tangible - School	2,408,882	0.4480	10,791.79	2,368,055	0.4480	10,608.89	183
Tangible - Library	2,408,882	0.0749	1,804.25	2,368,055	0.1012	2,396.47	(592)
Tangible - Health	2,408,882	0.0350	843.11	2,368,055	0.0350	828.82	14
Tangible - Extension	2,408,882	0.0230	554.04	2,368,055	0.0310	734.10	(180)
page totals			259,953.92			255,181.93	4,771.99

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Meade County Rural Electric
Case No. 2010-00222
March 31, 2010

Taxing District	Assessment for 2009 Taxes			Assessment for 2008 Taxes			Increase Decrease in Taxes
	Assessed Value	Tax Rate	Tax Due	Assessed Value	Tax Rate	Tax Due	
City of Cloverport							
Real Estate	582	0.3510	2.04	582	0.3360	1.96	0
Tangible	134,312	0.3620	486.21	131,315	0.3620	475.36	11
City of Fordsville							
Real Estate	10,813	0.1930	20.87	11,282	0.1970	22.23	(1)
Tangible	80,412	0.2940	236.42	79,045	0.3320	262.43	(26)
City of Hardinsburg							
Real Estate	1,191,729	0.2520	3,003.16	0	0.2430	0.00	3,003
Tangible	899,814	0.2520	2,267.53	2,044,920	0.2430	4,969.16	(2,702)
Special Fire Tax	2,091,543	0.0300	627.46	2,044,920	0.0310	633.93	(6)
City of Irvington							
Real Estate	2,198	0.2950	6.48	2,270	0.2830	6.42	0
Tangible	83,579	0.4650	388.64	82,162	0.3030	248.95	140
Public Service Company Assessment:							
Real Estate	2,356,242	0.1220	2,874.62	2,400,520	0.1220	2,928.63	(54)
Tangible Property	45,762,299	0.4500	205,930.35	44,827,033	0.4500	201,721.65	4,209
Manufacturing Machinery	11,082,601	0.1500	16,623.90	10,773,497	0.1500	16,160.25	464
this page			<u>232,467.68</u>			<u>227,430.96</u>	<u>5,036.72</u>
Total			<u><u>708,396.44</u></u>			<u><u>688,227.47</u></u>	<u><u>20,168.97</u></u>
Amount of Adjustment							<u><u>20,169</u></u>

Meade County Rural Electric
Case No. 2010-00222
Adjustment for Interest on Long Term Debt
March 31, 2010

The adjustment for interest on long-term debt results in an increase of \$212,686.

This adjustment has been calculated by multiplying the test year end debt amounts by the interest rates in effect at the end of the test year for each loan.

RUS loans	1,405,365
FFB loans	402,388
CFC loans	<u>649,633</u>
Total annualized interest	2,457,386
Test year interest expense	<u>2,244,699</u>
Adjustment	<u><u>212,686</u></u>

There was no interest on short term borrowings during the test year since there were no advances.

Meade County Rural Electric

Exhibit 5

Case No. 2010-00222

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Schedule of Outstanding Long-Term Debt

Format 8a

March 31, 2010

Schedule 2

Type of Debt Issued (a)	Date of Issue (b)	Date of Maturity (c)	Outstanding Amount (d)	Cost Rate to Maturity (g)	Annualized Cost Col (d)x(g) (j)	Test Year Interest Cost
RUS loans						
B290	Jun-97	Jun-32	1,916,239	3.750%	71,859	73,045
B295	Jun-97	Jun-32	1,834,158	4.870%	89,323	90,597
B310	Oct-03	Oct-38	2,393,040	4.670%	111,755	112,817
B311	Oct-03	Oct-38	2,790,511	4.180%	116,643	117,850
B312	Oct-03	Oct-38	1,867,507	4.490%	83,851	84,674
B313	Oct-03	Oct-38	1,865,671	4.440%	82,836	83,654
B314	Oct-03	Oct-38	2,842,965	5.060%	143,854	145,134
B315	Oct-03	Oct-38	2,829,566	3.380%	95,639	96,781
B320	Dec-08	Dec-43	2,935,459	4.860%	142,663	143,758
B321	Dec-08	Dec-43	1,939,101	3.020%	58,561	59,205
B322	Dec-08	Dec-43	1,956,089	3.640%	71,202	71,897
B323	Dec-08	Dec-43	2,943,487	3.650%	107,437	88,018
B324	Dec-08	Dec-43	2,462,958	3.250%	80,046	1,235
B325	Dec-08	Dec-43	1,979,994	3.250%	64,350	868
B326	Dec-08	Dec-43	2,626,000	3.250%	85,345	0
Advance payment			(1,321,389)			
			<u>33,861,356</u>		<u>1,405,365</u>	<u>1,169,533</u>
FFB loans						
H010	Nov-98	Oct-33	353,112	6.490%	22,917	23,341
H015	Sep-00	Aug-35	1,099,549	4.474%	49,194	49,727
H020	Sep-02	Aug-37	1,686,808	4.777%	80,579	81,414
H025	Sep-02	Aug-37	1,683,414	3.753%	63,179	70,744
F030	Mar-03	Feb-38	4,583,923	4.069%	186,520	188,667
			<u>9,406,806</u>		<u>402,388</u>	<u>413,893</u>
CFC loans						
9002	Jun-74	May-09	0	7.00%	0	0
9005	Dec-75	Nov-10	15,283	5.70%	871	893
9007	Jun-77	May-12	44,584	5.85%	2,608	2,673
9009-15	Jun-78	May-13	491,504	5.75%	28,261	28,968
9016	Jun-89	May-24	2,732,052	4.95%	135,237	138,617
9017	Mar-92	Feb-27	1,587,776	5.75%	91,297	93,580
9022006	Aug-04	Jul-39	0	7.00%	0	5,184
9022007	Aug-04	Jul-39	1,468,511	7.00%	102,796	102,796
9022008	Aug-04	Jul-39	1,468,511	6.80%	99,859	99,859
9022009	Aug-04	Jul-09	1,468,511	6.80%	99,859	99,859
9022010	Aug-04	Jul-09	1,468,511	6.05%	88,845	88,845
			<u>10,745,243</u>		<u>649,633</u>	<u>661,274</u>
Total long term debt and annualized			<u>54,013,405</u>		<u>2,457,386</u>	<u>2,244,699</u>

Annualized cost rate [Total Col. (j) / Total Col. (d)] 4.55%

Actual test year cost rate [Total Col (k) / Total Reported in Col (d)] 4.16%

Meade County Rural Electric
Case No. 2010-00222
Schedule of Outstanding Long-Term Debt
December 31, 2009

Exhibit 5
page 2 of 4
Format 8a
Schedule 2

Type of Debt Issued (a)	Date of Issue (b)	Date of Maturity (c)	Outstanding Amount (d)	Cost Rate to Maturity (g)	Annualized Cost Col (d)x(g) (j)
RUS loans					
B290	Jun-97	Jun-32	1,930,321	3.750%	72,387
B295	Jun-97	Jun-32	1,845,984	4.870%	89,899
B310	Oct-03	Oct-38	2,403,453	4.670%	112,241
B311	Oct-03	Oct-38	2,803,600	4.180%	117,190
B312	Oct-03	Oct-38	1,875,870	4.490%	84,227
B313	Oct-03	Oct-38	1,874,071	4.440%	83,209
B314	Oct-03	Oct-38	2,854,647	5.060%	144,445
B315	Oct-03	Oct-38	2,844,661	3.380%	96,150
B320	Dec-08	Dec-43	2,945,919	4.860%	143,172
B321	Dec-08	Dec-43	1,948,614	3.020%	58,848
B322	Dec-08	Dec-43	1,964,700	3.640%	71,515
B323	Dec-08	Dec-43	2,959,545	3.650%	108,023
B324	Dec-08	Dec-43	2,487,669	0.400%	9,951
B325	Dec-08	Dec-43	2,000,000	0.350%	7,000
B326	Dec-08	Dec-43	0	0.350%	0
Advance payment			(1,921,885)		
			<u>30,817,169</u>		<u>1,198,257</u>
FFB loans					
H010	Nov-98	Oct-33	356,528	6.490%	23,139
H015	Sep-00	Aug-35	1,105,777	4.474%	49,472
H020	Sep-02	Aug-37	1,695,977	4.777%	81,017
H025	Sep-02	Aug-37	1,693,923	3.753%	63,573
F030	Mar-03	Feb-38	4,611,347	4.069%	187,636
			<u>9,463,552</u>		<u>404,837</u>
CFC loans					
9002	Jun-74	May-09	0	7.00%	0
9005	Dec-75	Nov-10	20,235	5.70%	1,153
9007	Jun-77	May-12	49,188	5.85%	2,877
9009-15	Jun-78	May-16	512,661	5.75%	29,478
9016	Jun-89	Sept-21	2,754,820	4.95%	136,364
9017	Mar-92	June-24	1,601,536	5.75%	92,088
9022006	Aug-04	MAY-09	0	7.00%	0
9022007	Aug-04	MAY-10	1,468,511	7.00%	102,796
9022008	Aug-04	MAY-11	1,468,511	6.80%	99,859
9022009	Aug-04	MAY-12	1,468,511	6.80%	99,859
9022010	Aug-04	MAY-13	1,468,511	6.05%	88,845
			<u>10,812,484</u>		<u>653,319</u>
Total long term debt and annuali:			<u>51,093,205</u>		<u>2,256,413</u>

Annualized cost rate [Total Col. (j) / Total Col. (d)] 4.42%

Actual test year cost rate [Total Col (k) / Total Reported in Col (d)]

Meade County Rural Electric
Case No. 2010-00222
Schedule of Short Term Debt
March 31, 2010

Adjustment for Short Term Interest

There were no short term borrowings during the test year.

Type of Debt <u>Instrument</u>	Date of <u>Issue</u>	Date of <u>Maturity</u>	Amount <u>Outstanding</u>	Interest <u>Rate</u>	Annualized <u>Cost</u>
(a)	(b)	(c)	(d)	(e)	(f)
CFC	n/a				0
Annualized cost rate [Total col. (f) / Total col. (d)]					0.00%
Actual interest paid, or accrued on Short Term Debt during the Test Year					0

Short term interest	0
Interest on customer deposits	38,814
Total other interest expense	<u>38,814</u>

Witness: Jim Adkins

Meade County Rural Electric Cooperative
Case No. 2010-00222
Financial Accounting Standard No. 106
Employer's Accounting for Postretirement Benefits

Meade County updated its study for SFAS No. 106, and has included the study with this application. Directors and the attorney are not provided with health insurance coverage when they retire, as a result, this study does not include amounts for Directc attorneys, or their spouses.

Proposed annual cost	132,000
Test year accrual	<u>92,249</u>
Proposed adjustment	<u><u>39,751</u></u>

the adjustment is allocated as follows:

	<u>Percent</u>	<u>Amount</u>
107-108 Capitalized	20.84%	8,284
163 - 416 Clearing and others	6.87%	2,731
580 Operations	16.22%	6,447
590 Maintenance	22.62%	8,990
901 Consumer accounts	14.36%	5,709
908 Customer service	2.03%	807
910 Sales	1.96%	781
920 Administrative and general	15.10%	6,002
	<u>100.00%</u>	<u>\$ 39,751</u>

Meade County Rural
Electric Cooperative
Brandenburg, Kentucky

Financial Accounting Standard No. 106 -
Employers' Accounting for Postretirement
Benefits other Than Pensions

and

Financial Accounting Standard No. 158 -
Employers' Accounting for Defined Benefit Pension
and Other Postretirement Benefit Plans

as of January 1, 2010

as prepared by:
W. Dudley Shryock, CPA
Lawrenceburg, Kentucky

W. Dudley Shryock, CPA, PSC
Certified Public Accountants
P.O. Box 542
145 College Street
Lawrenceburg, Kentucky 40342
(502) 839-8112

3 of 11

Member AICPA

Member KY Society
of CPA's

June 12, 2010

Karen Brown, VP of Accounting and Finance
Meade County Rural Electric Cooperative
Junction of Hwy 1051 & Hwy 79
Brandenburg, Kentucky 40108

Dear Karen:

Please find enclosed the actuarial valuation results as of January 1, 2010, for Financial Accounting Standard No. 106 - Employers' Accounting for Postretirement Benefits Other than Pensions and the reporting requirements of Financial Accounting Standard No. 158, Employers' Accounting for Defined Benefit Pension and Other Postretirement Benefit Plans.

The annual accrual should be \$132,000 starting when you receive this report.

The accrual for 2010 includes current service and interest costs, and amortization of the actuarial gains and losses. Actuarial gains and losses occur when the estimates of lives, health care costs and interest rates change at a different rate than was estimated in the last study.

If you have any questions or would like to discuss these results, please give me a call.

Sincerely,

W. Dudley Shryock

W. Dudley Shryock, CPA, PSC

4 of 11

Exhibit 1
Meade County Rural Electric Cooperative
SFAS No. 106/158 Financial Statement Disclosures
as of January 1, 2010

Net Periodic Benefit Cost

1. Service cost	\$5,995
2. Interest cost	30,407
3. Expected return on plan assets	-
4. Amortization of transition obligation	-
5. Amortization gain / (loss)	23,375
6. Net periodic benefit cost	<u>\$ 59,777</u>

Change in Accumulated Benefit Obligation

1. Accumulated benefit obligation, beginning	\$ 843,348
2. Service cost	5,995
3. Interest cost	30,407
4. Expected return on plan assets	-
5. Amortization of transition obligation	-
6. Amortization gain / (loss)	23,375
7. Plan amendments	-
8. Disbursements	(33,537)
9. Accumulated other comprehensive income, initial	-
10. Accumulated other comprehensive income	-
11. Accumulated benefit obligation, ending	<u>\$ 869,588</u>

Change in Fair Value of Plan Assets

1. Fair value of plan assets, beginning	-
2. Actual return on plan assets	-
3. Employer contributions	-
4. Benefits paid	-
5. Administrative expenses	-
6. Fair value of plan assets, ending	<u>\$ -</u>

Exhibit 2
Meade County Rural Electric Cooperative
SFAS No. 106/158 Financial Statement Disclosures
as of January 1, 2010

Benefit obligations at end of year

1. Accumulated benefit obligation (APBO)	\$ 901,057
2. Expected benefit obligation (EPBO)	\$2,065,681

Statement of funded status

1. Accumulated benefit obligation (APBO)	\$ (869,588)
2. Fair value of plan assets	-
3. Funded status of plan	\$ (869,588)

Amounts recognized in the statement of financial position

1. Noncurrent assets	\$ -
2. Current liabilities	-
3. Noncurrent liabilities	869,588
4. Funded status	\$ 869,588

Amounts recognized in accumulated other comprehensive income

1. Net loss (gain)	\$ 57,709
2. Transition obligation	-
3. Total	\$ 57,709

**Other changes in plan assets and benefit obligations
recognized in other comprehensive income**

1. Beginning of year	\$ (272,832)
2. Net loss (gain)	(57,709)
3. Amortization of net loss (gain)	23,375
4. Amortization of transition obligation	-
5. Total recognized in other comprehensive income	(34,334)
6. End of year	\$ (307,166)

Medical Insurance Premiums

6 of 11

FAS 106 Obligation as of January 1, 2011

A.	Accumulated Postretirement Benefit Obligation (APBO) as of January 1, 2011:	
	1. Actives not yet eligible	\$ 556,218
	2. Actives fully eligible	85,838
	3. Retirees and dependents	<u>342,064</u>
	4. Total APBO	984,120
B.	Future accruals	<u>1,172,423</u>
C.	Total Expected Postretirement Benefit Obligation (EPBO) (A4 + B)	<u>\$ 2,156,543</u>
D.	Reconciliation of Funded Status	January 1, <u>2011</u>
	1. Accrued Postretirement Benefit Cost	972,747
	2. Assets	<u>-</u>
	3. Funded Status = (D1 + D2)	972,747
	4. Unrecognized Transition Obligation	-
	5. Unrecognized (Gain) / Loss	11,373
	6. Unrecognized Prior Service Cost	-
	7. APBO	<u>-</u>
	(D3 + D4 + D5 + D6)	<u>984,120</u>

Meade County Rural Electric Cooperative
Medical Insurance Premiums

FAS 106 Obligation as of January 1, 2010

FAS 106 Expense Components

1. Service cost	\$ 55,332
2. Interest cost	61,268
3. Expected return on assets	-
4. Amortization of transition obligation	-
5. Amortization of actuarial (gain) / loss	<u>15,358</u>
6. Total FAS 106 expense	<u>\$ 131,958</u>
7. Expected pay-as-you-go expense	<u>\$ 28,799</u>

Estimated future year's payments

2007	\$ 28,799
2008	28,480
2009	27,867
2010	29,399
2011	31,016

Meade County Rural Electric Cooperative
Medical Insurance Premiums

FAS 106 Obligation as of January 1, 2010

Alternate assumptions:

Impact on obligations and expense of a health care cost trend increase of 1%

	<u>Current Plan</u>	<u>Alternate Assumptions</u>	<u>% Change</u>
APBO	901,057	1,025,000	13.8%
EPBO	2,065,681	2,350,000	13.8%
FAS 106 Expense	131,958	150,000	13.7%

FAS 106 Assumptions

Covered Groups All eligible employees.

Eligibility Employees who retire at age 62 and/or have 30 years of service with Meade County.

Spouse Spouses of retired employees can continue coverage at their own expense.

Medicare At age 65 retirees will commence with Medicare coverage.

Contributions Meade County will pay a single premium for employees reaching normal retirement age for employees based on the following schedule:

<u>Years of Service</u>	<u>Employer Contribution</u>
20 and over	50%
15 to 20	33%
10 to 15	25%
less than 10	0%

For employees hired after January 1, 2002, Meade County will not pay for premiums after Medicare eligibility age is reached. Meade County will pay premiums based on the above schedule until the employee reaches Medicare eligibility.

Terminations Rates vary by attained age for employees. Sample rates are as follows:

<u>Age</u>	<u>Rate</u>	<u>No. of Employees</u>
20	15%	9
30	7%	18
40	3%	16
50	1%	18
60	0%	2
		<hr/>
		63
		<hr/> <hr/>

FAS 106 Assumptions

Life Expectancies Per annuity tables female employees can expect to live until age 78.2 and male employees can expect to live until age 73.8.

Retirement, withdrawal and mortality Estimate that employees will retire at age 62 and will be replaced in the normal course of business.

Dependents and future retirees Presently 30% of retirees have dependent coverage.

Discount rate 6.50% per year.

Medical inflation rate 8.5% per year decreasing by 0.5% per year until 5.5% per year.

Computations of policy premiums There are presently 61 full-time employees, of which 13 are not eligible to participate in retiree's health insurance.

Eligibility classes Based on the employees and retirees as of January 1, 2010 are as follows:

Actives not fully eligible	58
Actives fully eligible	5
Retirees	<u>21</u>
Total	<u><u>84</u></u>

Witness: Karen Brown

Meade County Rural Electric
Case No. 2010-00222
01/01/2006

**Financial Accounting Standard No. 106
Employer's Accounting for Postretirement Benefits**

Meade County Rural Electric implemented Statement of Financial Accounting Standard No. 106 (SFAS 106) as of January 1, 1995.

The journal entry to record the expense for the initial year of 1994 is as follows:

	<u>Account</u>	<u>Debit</u>	<u>Credit</u>
Cumulative effect of change in			
accounting principle	435.10	420,978	
Accumulated provision for pensions			
and benefits	228.30		420,978

The updated study has been included with this response.

Witness: Jim Adkins

Meade County Rural Electric Cooperative
Case No. 2010-00222

Retirement and Security and 401(k) Plans

Meade County provides pension benefits for substantially all employees through participation in the National Rural Electric Cooperative Association (NRECA) Retirement and Security (R&S) Program and the NRECA Savings Plan 401(k). It is the policy of Meade county to fund pension costs accrued. R&S contributions are based on base salary at a rate determined by NRECA. Employees hired after August 2002 can only participate in the 401(k) plan at a rate of 12%. The R&S plan does not allow for contributions after an employee has attained 30 years of service with Meade County.

The R&S rate for 2009 was 20.78% of base wages. For 2010 the rate increased to 28.78%. The adjustment is to normalize the R&S and 401(k) contributions using the rate for 2010 and normalized based wages for full-time salary and hourly employees.

Normalized on base wages:

R&S contributions	600,300	
401(k) contributions	<u>203,778</u>	804,078

Test year on base wages:

R&S contributions	441,890	
401(k) contributions	<u>192,416</u>	634,306

Proposed adjustment

169,772

The adjustment is allocated as follows:

	<u>Percent</u>	<u>Amount</u>
107-108 Capitalized	20.84%	35,378
163 - 416 Clearing and others	6.87%	11,666
580 Operations	16.22%	27,534
590 Maintenance	22.62%	38,395
901 Consumer accounts	14.36%	24,382
908 Customer service	2.03%	3,448
910 Sales	1.96%	3,335
920 Administrative and general	<u>15.10%</u>	<u>25,635</u>
	<u>100.00%</u>	<u>\$169,772</u>

Meade County Rural Electric Cooperative

Case No. 2010-00222

March 31, 2010

Emp #	<u>Rates</u>		<u>Accruals</u>	
	R & S	401(k)	R & S	401(k)
	28.78%			
Salary Employees				
4	-	3.00%	0	5,164
37	-	3.00%	0	2,572
38	28.78%	3.00%	22,969	2,394
65	28.78%	3.00%	22,969	2,394
70	28.78%	3.00%	30,135	3,141
85	28.78%	3.00%	26,435	2,756
91	28.78%	3.00%	22,969	2,394
103	28.78%	3.00%	14,624	1,524
110	28.78%	3.00%	21,221	2,212
112	28.78%	3.00%	32,068	3,343
116	28.78%	3.00%	17,737	1,849
135	28.78%	3.00%	21,826	2,275
146	-	12.00%	0	7,553
161	-	12.00%	0	6,512
Subtotal			232,955	46,084
Hourly Employees:				
23	-	3.00%	0	1,736
68	28.78%	3.00%	18,114	1,888
81	28.78%	3.00%	11,470	1,196
82	28.78%	3.00%	18,713	1,951
83	28.78%	3.00%	14,104	1,470
84	28.78%	3.00%	18,114	1,888
86	28.78%	3.00%	18,114	1,888
89	28.78%	3.00%	11,470	1,196
90	28.78%	3.00%	18,114	1,888
93	28.78%	3.00%	16,654	1,736
98	28.78%	3.00%	16,654	1,736
101	28.78%	3.00%	16,654	1,736
107	28.78%	3.00%	11,859	1,236
114	28.78%	3.00%	12,667	1,320
119	28.78%	3.00%	14,104	1,470
120	28.78%	3.00%	18,114	1,888
122	28.78%	3.00%	12,667	1,320

Meade County Rural Electric Cooperative
Case No. 2010-00222
March 31, 2010

Emp #	<u>Rates</u>		<u>Accruals</u>	
	R & S	401(k)	R & S	401(k)
	28.78%			
126	28.78%	3.00%	11,470	1,196
127	28.78%	3.00%	12,667	1,320
130	28.78%	3.00%	11,470	1,196
131	28.78%	3.00%	11,470	1,196
132	28.78%	3.00%	15,241	1,589
133	-	12.00%	0	6,944
134	28.78%	3.00%	12,667	1,320
136	28.78%	3.00%	16,654	1,736
139	28.78%	3.00%	16,654	1,736
140	28.78%	3.00%	11,470	1,196
143	-	12.00%	0	7,193
145	-	12.00%	0	6,944
148	-	12.00%	0	4,782
149	-	12.00%	0	6,944
151	-	12.00%	0	4,443
152	-	12.00%	0	5,796
154	-	12.00%	0	6,944
158	-	12.00%	0	4,650
160	-	12.00%	0	6,512
162	-	12.00%	0	5,097
163	-	12.00%	0	5,222
167	-	12.00%	0	4,370
168	-	12.00%	0	4,370
169	-	12.00%	0	4,930
170	-	12.00%	0	4,243
171	-	12.00%	0	5,504
173	-	12.00%	0	2,995
180	-	12.00%	0	4,293
182	-	12.00%	0	4,745
183	-	12.00%	0	4,293
184	-	12.00%	0	3,457
186	-	12.00%	0	2,995
Subtotal			367,346	157,694

Meade County Rural Electric Cooperative
 Case No. 2010-00222
 March 31, 2010

Emp #	<u>Rates</u>		<u>Accruals</u>	
	R & S	401(k)	R & S	401(k)
	28.78%			
Part Time & Summer Employees				
164				
165				
166				
175				
177				
178				
179				
185				
187				
Subtotal			0	0
Retired Employees				
22				
56				
87				
Subtotal			0	0
Total			600,300	203,778

Meade County Rural Electric
Case No. 2010-00222

Account 426 - Other Income Deductions
March 31, 2010

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Line No.	Item (a)	Amount (b)
1.	Donations	15,129
2.	Civic activities	
3.	Political activities	
4.	Other	<u>0</u>
5.	Total	<u><u>15,129</u></u>

Donations are removed for rate making purposes. The adjustment to remove the donations listed above.

Meade County Rural Electric
Case No. 2010-00222
Donations Account 426.00
March 31, 2010

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<u>Date</u>	<u>Control Number</u>	<u>Check Number</u>	<u>Payee</u>	<u>Amount</u>	<u>Description</u>
4/29/2009	61521	90570	NRECA	1,000.00	x Phillipine project
7/24/2009	62535	91337	Jr Acheivement	750.00	x Donation
8/14/2009	62807	91542	Lindsey Wilson College	1,000.00	x Scholarship
8/14/2009	62807	91542	Lindsey Wilson College	1,000.00	x Scholarship
8/14/2009	62809	91560	West Ky Univ	1,000.00	x Scholarship
8/14/2009	62810	91551	Owensboro Comm Colle;	1,000.00	x Scholarship
8/14/2009	62810	91551	Owensboro Comm Colle;	1,000.00	x Scholarship
8/14/2009	62812	91531	Elizabethtown Comm Co	1,000.00	x Scholarship
8/14/2009	62813	91538	Ky Wesleyan College	1,000.00	x Scholarship
9/22/2009	63237	91827	Camp Tessa	100.00	x Donation
10/26/2009	63563	92096	Hardinsburg Rotary	500.00	x Donation
11/16/2009	63802	92286	W.I.R.E.	100.00	x Donation
12/11/2009	64145	92553	WKU Foundation	1,000.00	x Donation
12/11/2009	64146	92509	Breck Mem Hospital	1,000.00	x Donation
1/7/2010	64359	92725	Inst for Rural Journalism	500.00	x Donation
2/5/2010	64668	92906	Meade Activtiy Center	570.00	x Donation
2/19/2010	64825	93112	KAEC	500.00	x Leadership Ky
3/26/2010	65175	93300	American Cancer Society	250.00	x Donation
3/26/2010	65121	93337	NRECA	1,000.00	x Phillipine project
	var	var	penalties	859.34	x Penalties
				15,129.34	
Remove for rate making				15,129.34	x

Meade County Rural Electric Cooperative
Case No. 2010-00222
Professional Services

Legal

The attorney is paid a monthly retainer for work performed during the month, as well as, attending each monthly Board of Directors meeting. Expenses are also paid for attending legal seminars for Cooperative business.

Other legal services are provided as needed.

Attached is the Board policy on Attorney compensation.

Accounting and Auditing

Attached is a copy of the audit agreement for the latest audit as of October 31, 2009, which was performed by Alan Zumstein, CPA.

Meade County Rural Electric Cooperative
Case No. 2010-00222
Professional Services
March 31, 2010

Format 33
Exhibit 9
page 2 of 4

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<u>Line</u>		<u>Rate</u>	<u>Annual</u>		
<u>Number</u>	<u>Item</u>	<u>Case</u>	<u>Audit</u>	<u>Other</u>	<u>Total</u>
1	Legal			11,637	11,637
2	Engineering				0
3	Accounting		7,575		7,575
4	Other			850	850
5	Total	0	7,575	12,487	20,062

Meade County Rural Electric Cooperative
Case No. 2010-00222
Professional Services
March 31, 2010

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<u>Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Hours & Bill Rate</u>	<u>Amount</u>	<u>Description</u>
Legal					
Thomas C. Brite					
4/17/2009	90497			700.00	Monthly retainer
5/29/2009	90826			700.00	Monthly retainer
6/26/2009	91045			700.00	Monthly retainer
6/30/2009	91120		\$120/hr	745.00	Accidents, annual mtg, Dept Hwy
7/31/2009	91366			700.00	Monthly retainer
8/31/2009	91614			700.00	Monthly retainer
9/18/2009	91780			700.00	Monthly retainer
9/18/2009	91780			250.00	Big Rivers annual mtg
10/16/2009	92053			41.34	RE magazine subscription
10/30/2009	92113			700.00	Monthly retainer
10/16/2009	92025			840.00	Constr&ROW contracts, emp contr:
11/30/2009	92397			700.00	Monthly retainer
12/7/2009	92426			170.04	x KAEC annual mtg meal
1/7/2010	92728	KAEC		151.25	x KAEC annual mtg meal
12/18/2009	92560			700.00	Monthly retainer
1/7/2010	92703			330.00	Review contracts
1/29/2010	92834			700.00	Monthly retainer
2/26/2010	93073			700.00	Monthly retainer
3/19/2010	93271			700.00	Monthly retainer
4/7/2010	93389			240.00	Cert of convenience filing
var	var	NRECA		36.00	DOM liability insurance
9/18/2009	91820	Sullivan, Mtjoy, Stainback		30.00	Hwy condemnation matter
1/15/2010	92786	Sullivan, Mtjoy, Stainback		115.41	Transportation v MC RECC
2/19/2010	93050	Sullivan, Mtjoy, Stainback		93.12	Transportation v MC RECC
3/12/2010	93260	Sullivan, Mtjoy, Stainback		195.00	Transportation v MC RECC
Other					
6/8/2009	90954	Wilson Consulting		850.00	PSC Ice storm questions
1/29/2010	92905	Alan Zumstein, CPA		7,800.00	Annual audit
				(225.00)	Audit accrual difference
				<u>20,062.16</u>	
Disallow for rate making purposes				<u>321.29</u>	x

ALAN M. ZUMSTEIN
CERTIFIED PUBLIC ACCOUNTANT

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

MEMBER:

- AMERICAN INSTITUTE OF CPA'S
- INDIANA SOCIETY OF CPA'S
- KENTUCKY SOCIETY OF CPA'S
- AICPA DIVISION FOR FIRMS
- TENNESSEE STATE BOARD OF ACCOUNTANCY

October 22, 2009

Burns E. Mercer, President & CEO
Meade County Rural Electric Cooperative
P.O. Box 489
Brandenburg, Kentucky 40108

Dear Mr. Mercer:

This will confirm our understanding of the arrangements for my audit of the financial statements for the year ended October 31, 2009. I will audit the Corporation's balance sheet as of October 31, 2009, and the related statements of revenue and patronage capital and cash flows for the year then ended.

Audit Objective

The objective of my audit is the expression of an opinion about whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. My audit will be conducted in accordance with generally accepted auditing standards established by the Auditing Standards Board (United States) and will include tests of your accounting records and other procedures I consider necessary to enable me to express such an opinion. If my opinion is other than unqualified, I will discuss the reasons with you in advance. If, for any reason, I am unable to complete or am unable to form or have not formed an opinion, I may decline to express an opinion or to issue a report as a result of this engagement.

Audit Procedures

My procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of certain assets and liabilities by correspondence with selected customers, creditor, and financial institutions. I will also request written representations from your attorney as part of the engagement. At the conclusion of my audit, I will require certain written representations from you about the financial statements and related matters.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, my audit will involve judgment about the number of transactions to be examined and the areas to be tested. I will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity.

Because an audit is designed to provide reasonable, but not absolute, assurance and because I will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist

and not be detected by me. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct or material effect on the financial statements. However, I will inform you of any material errors that come to my attention, and I will inform you of any fraudulent financial reporting or misappropriation of assets that comes to my attention. I will also inform you of any violations of laws or governmental regulations that come to my attention, unless clearly inconsequential. My responsibility as auditor is limited to the period covered by my audit and does not extend to any later periods for which I am not engaged as auditor.

My audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, I will communicate to you and those charged with governance internal control related matters that are required to be communicated under professional standards.

Management Responsibilities

You are responsible for making all management decisions and performing all management functions; for designing an individual with suitable skill, knowledge, or experience to oversee the tax services and any other nonattest services I provide; and for evaluating the adequacy and results of those services and accepting responsibility for them.

You are responsible for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting procedures; and for the fair presentation in the financial statements of financial position, results of operations, and cash flows in conformity with U.S. generally accepted accounting principles. You are also responsible for making all financial records and related information available to me and for the accuracy and completeness of that information. Your responsibilities include adjusting the financial statements to correct misstatements and confirming to me in the management representation letter that the effects of any uncorrected misstatements aggregated by me during the current engagement and pertaining to the latest period are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing me about all known or suspected fraud affecting the company involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing me of your knowledge of any allegations of fraud or suspected fraud affecting the company received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws and regulations.

In accordance with requirements of the Rural Utilities Service (RUS), I assure you of the following:

- The audit is being performed as a requirement of RUS security instrument and any violation of RUS audit requirements shall place the RUS borrower in technical default of the RUS security instrument.
- The Auditor's Report will be signed by Alan M. Zumstein, CPA, a certified public accountant in good professional standing with the state licensing board.
- I will comply with U.S. generally accepted government auditing standards, the rules and regulations of professional conduct promulgated by the accountancy board of the state of Kentucky and the Code of Professional Ethics of the American Institute of CPAs.
- I am independent as defined and interpreted by the Professional Ethics Division of the AICPA and as defined by 7 CFR 1773.4(b).

- I belong to an approved peer review program (Private Companies Practice Section) and have received an unqualified opinion within three years of the “as of” date of the audit.
- The audit will be performed and the Auditor’s Report, report on internal control over financial reporting and compliance and other matters, and management letter will be performed in accordance with requirements of RUS, will comply with U.S. generally accepted auditing standards and will be submitted to the Board of Directors within three months of the “as of” audit date.
- Audit work papers will be made available to RUS, Office of Inspector General (OIG) and the General Accounting Office (GAO). RUS, OIG, or GAO may photocopy all audit and compliance work papers as requested.
- I will disclose all disallowance’s resulting from testing performed as set forth in 7 CFR 1773.40 and will follow the requirements of reporting irregularities and illegal acts outlined in 7 CFR 1773.7.
- I will report audit findings to the Board of Directors as required by 7 CFR 1773.25.


Audit Administration, Fees and Other

I understand that your employees will prepare all cash, accounts receivable, and other confirmations I request and will locate any documents selected by me for testing.

Fees for these services will be \$7,800. Invoices will be submitted as work progresses, and are payable upon presentation. Should any situation arise that would materially increase this fee, I will, of course, notify you.

If this letter correctly expresses your understanding of these arrangements, please indicate your approval by signing the enclosed copy and returning to me. I have also included a Certificate of Debarment and Suspension and my last peer review report and letter of comments, as required for audits of RUS borrowers.

Respectfully submitted,



Alan M. Zumstein, CPA

Approved by:

By:  Date: 11/6/09

Meade County Rural Electric
Case No. 2010-00222
Adjustment for Director expenses
March 31, 2010

Certain expenses are generally disallowed for rate making purposes that are incurred for, and on behalf of, Directors of an electric cooperative. Meade County has made this adjustment to recognize those expenses.

KAEC annual meeting for non-representative:

Sipes	609.39
Rhodes	735.40
Williams	354.12
Barr	554.93

Per diems:

All directors	6,250.00
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8,503.84

Meade County Rural Electric
Case No. 2010-00222
Name of Board Members
March 31, 2010

Chairman

David Wilson 145 Molly Brown Rd Brandenburg, KY 40108

Vice Chairman

James Sills 362 Tules Creek Rd Hardinsburg, Ky 40143

Secretary-Treasurer

Darla Sipes 155 Black Jack Rd Ekron, KY 40117

Paul Butler 183 Davidson Ln Falls of Rough, KY 40119

Robert Rhodes PO Box 296 Hardinsburg, Ky 40143

Ann Williams 1567 Zion Church Rd Reynolds Station, KY 42368

Stephen Barr 1400 Ray Rd Payneville, KY 40157

Big Rivers Electric Corporation

James Sills

Paul Butler

KAEC representative

David Wilson

NRECA representative

Paul Butler

Meade County Rural Electric
Case No. 2010-00222
Director Fees and Expenses
March 31, 2010

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Witness: Jim Adkins

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	Regular Board Mtg	Other Board Mtg	Per Diem	Mileage	Air Fare	Meeting Fees	Hotel	Meals	Health Insurance	Misc Expenses	Total
David Wilson	8,400	700	3,500	1,058	0	535	1,920	353	0	0	16,466
James Sills	8,400	700	0	188	0	0	0	0	0	0	9,288
Darla Sipes	8,400	700	1,500	186	25	535	1,591	353	0	0	13,290
Paul Butler	8,400	700	0	460	0	0	0	0	0	0	9,560
Robert Rhodes	8,400	700	750	425	0	0	398	261	0	0	10,934
Ann Williams	8,400	700	250	461	0	535	373	176	0	0	10,895
Stephen Barr	8,400	700	250	272	0	0	241	261	0	0	10,124
General expenses	0	0	0	0	0	0	0	291	0	16,035	16,326
Total	58,800	4,900	6,250	3,049	25	1,605	4,523	1,695	0	16,035	96,882

Meade County Rural Electric
Case No. 2010-00222
Darla Sipes

Exhibit 10
page of
Witness: Jim Adkins

	<u>Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Explanation</u>	<u>Regular Bd Mtg</u>	<u>Other Bd Mtg</u>	<u>Per Diem</u>	<u>Mileage</u>	<u>Air Fare</u>	<u>Meeting Fees</u>	<u>Hotel</u>	<u>Meals</u>	<u>Health Ins</u>	<u>Misc Expense</u>	<u>Total</u>
8	4/17/2009	90531			700.00			12.10							712.10
9	5/29/2009	90848			700.00			12.10							712.10
10	6/26/2009	91095			700.00			12.10							712.10
11	6/26/2009	91095		Annual mtg		700.00									700.00
12	7/31/2009	91416			700.00			12.10							712.10
13	8/31/2009	91654			700.00			12.10							712.10
14	9/18/2009	91816			700.00			12.10							712.10
15	10/30/2009	92157			700.00			12.10							712.10
16	12/7/2009	92426	AmEx	KAEC annual mtg								85.01			85.01
17	11/30/2009	92412			700.00			12.10							712.10
18	11/30/2009	92412		KAEC annual mtg			500.00	44.00							544.00 x
19	12/31/2009	92607	AmEx	KAEC annual mtg							380.54				380.54 x
20	12/31/2009	92658	NRECA	Annual mtg					535.00						535.00
21	1/7/2010	92728	KAEC	KAEC annual mtg								175.85			175.85 x
22	12/18/2009	92592			700.00			12.10							712.10
23	1/29/2010	92889			700.00			11.00							711.00
24	3/8/2010	93165	AmEx	NRECA annual mtg							1,210.75				1,210.75
25	2/26/2010	93144			700.00			11.00							711.00
26	2/26/2010	93144		NRECA annual mtg			1,000.00								1,000.00
27	3/26/2010	93349	Visa	NRECA annual mtg					25.00			92.44			117.44
28	3/19/2010	93290			700.00			11.00							711.00
30					8,400.00	700.00	1,500.00	185.90	25.00	535.00	1,591.29	353.30	0.00	0.00	13,290.49

Meade County Rural Electric
Case No. 2010-00222
Robert Rhodes

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<u>Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Explanation</u>	<u>Regular Bd Mtg</u>	<u>Other Bd Mtg</u>	<u>Per Diem</u>	<u>Mileage</u>	<u>Air Fare</u>	<u>Meeting Fees</u>	<u>Hotel</u>	<u>Meals</u>	<u>Health Ins</u>	<u>Misc Expense</u>	<u>Total</u>
4/17/2009	90526			700.00			29.70							729.70
5/29/2009	90846			700.00			29.70							729.70
6/26/2009	91090			700.00			29.70							729.70
6/26/2009	91090		Annual mtg		700.00									700.00
7/31/2009	91409			700.00			29.70							729.70
8/31/2009	91649			700.00			29.70							729.70
9/18/2009	91812			700.00			29.70							729.70
9/18/2009	91812		Big Rivers annual mtg			250.00								250.00
10/30/2009	92155			700.00			29.70							729.70
12/7/2009	92426	AmEx	KAEC annual mtg								85.01			85.01 x
11/30/2009	92410			700.00			29.70							729.70
11/30/2009	92410		KAEC annual mtg			500.00	77.00							577.00 x
12/31/2009	92607		KAEC annual mtg							397.54				397.54 x
1/7/2010	92728	KAEC	KAEC annual mtg								175.85			175.85 x
12/18/2009	92590			700.00			29.70							729.70
1/29/2010	92882			700.00			27.00							727.00
2/26/2010	93131			700.00			27.00							727.00
3/19/2010	93286			700.00			27.00							727.00
				8,400.00	700.00	750.00	425.30	0.00	0.00	397.54	260.86	0.00	0.00	10,933.70

Meade County Rural Electric
Case No. 2010-00222
Ann Williams

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Date	Check Number	Payee	Explanation	Regular Bd Mtg	Other Bd Mtg	Per Diem	Mileage	Air Fare	Meeting Fees	Hotel	Meals	Health Ins	Misc Expense	Total
4/17/2009	90537			700.00			52.80							752.80
5/29/2009	90854			700.00										700.00
6/26/2009	91105			700.00			52.80							752.80
6/26/2009	91105		Annual mtg		700.00									700.00
7/31/2009	91423			700.00										700.00
8/31/2009	91664			700.00			52.80							752.80
9/18/2009	91823			700.00			52.80							752.80
9/18/2009	91823		Big Rivers annual mtg			250.00								250.00
10/30/2009	92168			700.00										700.00
10/30/2009	92099	AmEx	Director conference							194.77				194.77
12/7/2009	92426	AmEx	KAEC annual mtg							178.27				178.27 x
11/30/2009	92421			700.00			52.80							752.80
12/31/2009	92658	NRECA	Annual mtg						535.00					535.00
1/7/2010	92728	KAEC	KAEC annual mtg								175.85			175.85 x
12/18/2009	92596			700.00			52.80							752.80
1/29/2010	92902			700.00			48.00							748.00
2/26/2010	93160			700.00			48.00							748.00
3/19/2010	93293			700.00			48.00							748.00
				8,400.00	700.00	250.00	460.80	0.00	535.00	373.04	175.85	0.00	0.00	10,894.69

Meade County Rural Electric
Case No. 2010-00222
Stephen Barr

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Witness: Jim Adkins

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Date	Check Number	Payee	Explanation	Regular Bd Mtg	Other Bd Mtg	Per Diem	Mileage	Air Fare	Meeting Fees	Hotel	Meals	Health Ins	Misc Expense	Total
4/17/2009	90491			700.00			18.70							718.70
5/29/2009	90822			700.00			18.70							718.70
6/26/2009	91048			700.00			18.70							718.70
6/26/2009	91048		Annual mtg		700.00									700.00
7/31/2009	91359			700.00			18.70							718.70
8/31/2009	91605			700.00			18.70							718.70
9/18/2009	91775			700.00			18.70							718.70
10/30/09	92107			700.00			18.70							718.70
12/07/09	92426	AmEx	KAEC annual mtg							241.27	85.01			326.28 x
11/30/09	92394			700.00			18.70							718.70
11/30/09	92394		KAEC annual mtg			250.00	52.80							302.80 x
01/07/10	92728	KAEC	KAEC annual mtg								175.85			175.85 x
12/18/09	92556			700.00			18.70							718.70
01/29/10	92827			700.00			17.00							717.00
2/26/2010	93061			700.00			17.00							717.00
3/19/2010	93266			700.00			17.00							717.00
				8,400.00	700.00	250.00	272.10	0.00	0.00	241.27	260.86	0.00	0.00	10,124.23

Meade County Rural Electric
Case No. 2010-00222
General Expenses
March 31, 2010

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Witness: Jim Adkins

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<u>Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Description</u>	<u>Regular Bd Mtg</u>	<u>Other Bd Mtg</u>	<u>Per Diem</u>	<u>Mileage</u>	<u>Air Fare</u>	<u>Meeting Fees</u>	<u>Hotel</u>	<u>Meals</u>	<u>Health Ins</u>	<u>Misc Expense</u>	<u>Total</u>
	var	var	NRECA	Director travel									201.00	201.00
10/16/2009	92053	NRECA	RE magazine										289.38	289.38
12/21/2009	92600	Becky's 101	Board mtg								276.00			276.00
2/26/2010	93153	Visa	Board mtg								15.00			15.00
		Federated Ins Co	DOM liability insurance										15,544.17	15,544.17
														0.00
														0.00
					0.00	0.00	0.00	0.00	0.00	0.00	291.00	0.00	16,034.55	16,325.55

MEADE COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

POLICY NO. 107

SUBJECT: Board Member and Cooperative Attorney
Compensation and Expenses

Original Policy Effective Date: September 22, 1994
Latest Revision: September 19, 2007

I. PURPOSE

To provide fair and equitable compensation for attendance of Directors and Attorney at Board, Committee, Member, Member Association, regulatory meetings, and seminars.

II. POLICY

Directors do not receive any salary for their services as such, except that the Board of Directors by resolution may authorize themselves and their attorney a fee for each day or part of a day, plus travel to and from their home and out-of-pocket expenses when attending board, committee, member, member association, regulatory meetings or seminars on official business of the Cooperative. Section 4.09 of Article IV of the Cooperative's Bylaws and Board Policy No. 107 authorize payment of a fee as compensation for Board member attendance at meetings of the Board and for the performance of their duties otherwise. By this Policy No. 107, the Cooperative establishes the standards and methods for paying such compensation and the conditions applying thereto as follows:

- A. Board members shall be paid a director's fee of \$700 per meeting for attendance at regular meetings of the Board and \$250 per meeting for attendance at special meetings authorized by the Chairman of the Board of Directors or designated committee meetings.

The Kentucky Association of Electric Cooperatives board representative will be reimbursed at a rate of \$500 per meeting with reimbursement by KAEC at a rate of \$250 per meeting.

- B. Directors are eligible for Cooperative health insurance and dental coverage, single or family, with such cost to be paid by the director. The Cooperative will pay 100% of the Supplemental Accidental Death and Dismemberment Insurance and Business Travel Accident Insurance for each Director.

- C. Directors will be paid a per diem amount of \$250.00 per day for attendance at KAEC and NRECA annual meetings, and any other Board approved meeting, seminar, or function attended on behalf of Meade County RECC. Such days shall include days spent traveling not on the actual meeting day, provided that a Director shall be limited to one travel day per meeting if the meeting ends early enough on the last day that the Director can reasonable commence travel. The per diem fees and the expenses to which a Director is entitled under this policy for attendance at a meeting, seminar, or function shall be reduced to the extent of any like fees or expenses that the Director is paid by another organization for attendance at that meeting, seminar or function.
- D. Directors and attorney will be reimbursed for all legitimate expenses for attendance at official meetings upon submission of a detailed expense account with attached receipts, reviewed by the Secretary-Treasurer.
- E. No expenses will be paid for spouses of Directors or Attorney accompanying them to meetings.
- F. Commercial air round-trip coach will be utilized where available. If personal car is used, reimbursements shall not exceed round-trip airfare.
- G. No fee will be paid for attendance at advisory committee, banquets and appreciation dinners where there is no official meeting.
- H. Mile cost reimbursement will be at the rate set annually by the IRS.
- I. All compensation paid under this Policy shall, if the total thereof by law requires such, be reported on IRS Forms 1099 and 1096, a copy of the former being timely furnished to each Board member.
- J. Board members, upon ceasing to be such, may, by paying all premiums therefor, participate in the Cooperative's hospitalization/medical insurance plans for so long as and to the extent that such participation is required or allowed by law and by the Cooperative's insurance carrier.

III. ADDITIONAL COMPENSATION FOR ATTORNEY

The Cooperative Attorney shall receive a per month retainer fee of \$700 and shall be paid for legal work at an hourly rate, both determined from time to time by action of the Board of Directors. Invoices showing all charges and hours worked shall be submitted monthly.

IV. RESPONSIBILITY

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

9-19-07
Revised Date

David T. Wilson
David T. Wilson, Chairman

Meade County Rural Electric
Case No. 2010-00222
Adjustment for miscellaneous expenses
March 31, 2010

Certain advertising expenses are disallowed for rate making purposes that are not for safety, conservation, information or the annual meeting. These have been removed from Account 909.00, Informational Expense, and Account 930.20, Miscellaneous General. Those removed include sponsorship of sports, church, civic and charitable related organizations.

Annual meeting scholarships, prizes and giveaways are also disallowed.

The amounts removed for rate making purposes is as follows:

Account 909.00, Information expense	2,155
Account 930.20, Miscellaneous general	11,926
Account 930.40, Annual meeting	<u>1,621</u>
	<u><u>15,702</u></u>

Witness: Jim Adkins

Meade County Rural Electric
Case No. 2010-00222
Kentucky Living Magazine Account 930.10
March 31, 2010

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<u>Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Amount</u>	<u>Description</u>
4/24/2009	90563	KAEC	10,048.31	Ky Living magazine
5/29/2009	90835	KAEC	10,039.89	Ky Living magazine
6/26/2009	91069	KAEC	13,630.44	Ky Living magazine, includes annual mt
7/31/2009	91394	KAEC	10,069.63	Ky Living magazine
8/31/2009	91635	KAEC	10,086.47	Ky Living magazine
9/30/2009	91882	KAEC	10,090.93	Ky Living magazine
10/30/2009	92142	KAEC	10,103.81	Ky Living magazine
11/20/2009	92350	KAEC	10,130.57	Ky Living magazine
12/31/2009	92652	KAEC	10,124.61	Ky Living magazine
1/29/2010	92865	KAEC	10,141.95	Ky Living magazine
2/26/2010	93112	KAEC	10,136.51	Ky Living magazine
3/26/2010	93327	KAEC	10,140.95	Ky Living magazine

124,744.07

Disallow for rate making purposes 0.00 x

Meade County Rural Electric
Case No. 2010-00222
Annual Meeting - Account 930.40
March 31, 2010

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<u>Date</u>	<u>Check Number</u>	<u>Control Number</u>	<u>Payee</u>	<u>Amount</u>	<u>Description</u>
4/24/2009	90544	61535	Joe Hobbs	165.15	x Nominating committee
4/24/2009	90545	61536	AL Applegate	150.00	x Nominating committee
4/24/2009	90546	61537	John Ditto	155.05	x Nominating committee
4/24/2009	90547	61540	Clint Fentress	185.35	x Nominating committee
4/24/2009	90548	61541	Scott Smart	179.29	x Nominating committee
6/30/2009	91160	62328	Ohio Co Times	299.26	Advertising
6/30/2009	91140	62329	Herald News Publishing	351.00	Advertising
6/30/2009	91159	62330	NRECA	242.92	Name tags
6/19/2009	91020	62139	Kaye Richardson	1,816.84	Annual mtg shirts
6/26/2009	91059	62153	Laura Dutschke	250.00	Entertainment
6/26/2009	91043	62154	Breck Co Volleyball	200.00	Food/concessions
6/26/2009	91096	62155	Rick Stith	150.00	Sound system
6/26/2009	91109	62156	WVTH Radio	531.00	Advertising
6/26/2009	91061	62164	Tim Gossett	100.00	x Prizes
6/26/2009	91061	62164	Tim Gossett	71.93	Drinks/meals
6/26/2009	91068	62214	Kroger Co	37.53	Drinks/meals
6/26/2009	91058	62215	Thurman Duncan	195.00	Meals
6/26/2009	91064	62216	Margaret Haynes	28.08	Reimburse mileage
6/26/2009	91100	62250	Visa	127.20	x Prizes
6/30/2009	91131	62294	Carol Cundiff	28.08	Reimburse mileage
7/6/2009	91212	62338	Lucas Bros Hardware	559.37	x Prizes
7/6/2009	91243	62352	WXBC Radio	739.00	Advertising
7/6/2009	91181	62404	Allen's Hardware	7.31	Supplies
7/10/2009	91280	62413	WULF Radio	660.00	Advertising
7/10/2009	91262	62414	Meade Co Messenger	384.76	Advertising
7/10/2009	91261	62415	Meade Co Communicatic	584.00	Advertising
7/31/2009	91394	62578	KAEC	117.48	Posters
9/8/2009	91714	63027	KAEC	8,862.16	Set ups/tents
			labor and benfits	3,252.86	
				<u>20,430.62</u>	x
	Disallow for rate making purposes			<u>1,621.41</u>	x

Meade County Rural Electric
Case No. 2010-00222
Miscellaneous General Expenses Account 930.20
March 31, 2010

<u>Date</u>	<u>Check Number</u>	<u>Control Number</u>	<u>Payee</u>	<u>Amount</u>	<u>Description</u>
5/7/2009	90707	61714	David Pace	40.00	Reimberse cell phone
5/7/2009	90684	61713	Tim Gossett	801.72	Exp for NRECA Connect Conf
4/17/2009	90495	61448	Breck Co HS	50.00	x Project graduation
4/24/2009	90555	61526	Frederick Frazie HS	50.00	x Project graduation
4/24/2009	90576	61550	Visa	27.43	x Meals Wash Youth Tour
4/30/2009	90636	61581	Kaye Richardson	1,987.50	x Thank you for storm shirts
5/7/2009	90684	61713	Tim Gossett	159.80	Reimberse health club
5/29/2009	90825	61891	Breck Co Chamber	475.00	x Dues and sponsor
5/29/2009	90853	61930	Visa	129.38	x Meals Wash Youth Tour
5/27/2009	90816	61908	Angel Florist	27.61	x Funeral flowers
5/29/2009	90818	61929	AmEx	1,470.02	x Legislative conference exp
6/12/2009	90987	62097	David Pace	40.00	Reimberse cell phone
6/8/2009	90915	62038	Meade Co Chamber	375.00	x Dues
6/26/2009	91044	62157	Breck Co HS	50.00	x Sponsor golf
6/9/2009	90958	62061	Tim Gossett	210.00	x Wash Youth Tour exp
6/26/2009	91069	62184	KAEC	3,095.00	x Wash Youth Tour exp
6/8/2009	90867	61963	Big Rivers	830.83	Economic development
7/6/2009	91237	62395	Towne & Country Pharmac	86.92	x Funeral flowers
7/31/2009	91422	62638	Visa	158.00	Batteries for PA system
7/31/2009	91404	62640	David Pace	40.00	Reimberse cell phone
7/17/2009	91298	62512	Tim Gossett	16.00	x Chamber meal
7/6/2009	91202	62357	Tim Gossett	100.00	x Breck Co fair
7/17/2009	91298	62512	Tim Gossett	120.00	x Meade Co fair
7/31/2009	91413	62675	Sam's Club	32.86	x Fair booth candy
7/24/2009	91320	62548	Breck Co HS	200.00	x Banner
7/31/2009	91365	62673	Breck Co HS	75.00	x Football ad
7/31/2009	91406	62628	Melanie Raley	95.39	x Funeral flowers
8/7/2009	91475	62778	Midway Florist	42.40	x Funeral flowers
8/21/2009	91584	62866	KAEC	1,272.00	x Ice storm books
9/8/2009	91729	63038	David Pace	80.00	Reimburse cell phone
8/31/2009	91662	62918	Kinko's	162.18	x Fair board ad
9/8/2009	91730	63084	Christie Parcell	644.90	x Fair handouts
9/8/2009	91747	63064	Towne & Country Pharmac	42.40	x Funeral flowers
8/31/2009	91612	63003	Breck Co Chamber	75.00	x Golf scramble sponsor
10/7/2009	91968	63392	David Pace	40.00	Reimburse cell phone
9/30/2009	91893	63332	Visa	108.17	x Role model program meals
10/30/2009	92099	63577	NRECA	550.00	Director conference fee
10/16/2009	92049	63495	Mainly Country	363.09	x Christmas cards
11/6/2009	92228	63691	David Pace	40.00	Reimburse cell phone
11/6/2009	92209	63697	Herald News Publishing	112.50	Safety ad
10/9/2009	92009	63462	Thrman Duncan	200.00	Energy Expo - meals
10/30/2009	92165	63649	Visa	269.84	CSR Training expenses

Meade County Rural Electric
Case No. 2010-00222
Miscellaneous General Expenses Account 930.20
March 31, 2010

Date	Check Number	Control Number	Payee	Amount	Description
10/30/2009	92165	63649	Visa	153.00	x Employee service awards
10/9/2009	92011	63455	var employees	132.00	Mileage to Energy Expo
10/16/2009	62064	63469	Towne & Country Pharmac	37.10	x Funeral flowers
12/7/2009	92477	64007	David Pace	40.00	Reimburse cell phone
11/20/2009	92349	63910	KAEC	150.00	Economic development dues
1/7/2010	92740	64351	David Pace	40.00	Reimburse cell phone
12/31/2009	92685	64323	Visa	328.02	Safety Conf expenses
1/7/2010	92728	64349	KAEC	246.00	Annual mtg meals
12/31/2009	92685	64323	Visa	150.00	x Christmas gift cards
12/31/2009	92607	64292	AmEx	38.45	Board meal
12/11/2009	92546	64141	Towne & Country Pharmac	139.92	x Funeral flowers
1/15/2010	92763	64421	Assoc of US Army	150.00	x Membership dues
1/22/2010	92799	64466	Breck Co Chamber	100.00	x Donation Farm event
2/19/2009	93042	64763	David Pace	40.00	Reimburse cell phone
3/8/2010	93197	64954	Tim Gossett	40.00	x Chamber meal
2/12/2010	93003	64742	Ky Council for Coops	250.00	Annual dues
3/12/2010	93255	65054	David Pace	40.00	Reimburse cell phone
3/26/2010	93349	65188	Visa	143.47	Food/supplies MSR-CSR training
3/26/2010	93336	65135	NRECA	755.00	Connect Conf registration fee
3/26/2010	93349	65188	Visa	98.06	Safety Conf hotel
4/7/2010	93409	65227	Tim Gossett	695.00	Reimburse mileage to conference
3/26/2010	93339	65147	Project Graduation	100.00	x Donation
3/8/2010	93212	65021	Midway Florist	53.00	x Funeral flowers
3/26/2010	93340	65118	Melanie Raley	112.35	x Funeral flowers
1/18/2010	92777	64426	KAEC	45,310.83	Portion of annual dues
10/30/2009	92151	63571	NRECA	26,897.76	Portion of annual dues
			Less than \$100 individually	331.53	
			labor and benefits	82,033.92	
				<u>173,351.35</u>	
			Items disallowed for rate making purposes	<u>11,926.17</u>	x

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Meade County Rural Electric
Case No. 2010-00222
Informational Expense Account 909.00
March 31, 2010

<u>Date</u>	<u>Control Number</u>	<u>Check Number</u>	<u>Payee</u>	<u>Amount</u>	<u>Description</u>
4/30/2009	61578	90619	Inisght Yellow Pages	196.80	Directory
4/30/2009	61579	90585	AT&T	300.00	Directory
6/8/2009	62009	90902	Herald News Publishing	175.00	x Institutional ad
6/30/2009	62329	91140	Herald News Publishing	125.00	x Institutional ad
6/30/2009	62331	91153	Meade Co Fair	180.00	x Fair booth rental
6/12/2009	62077	90959	Barr/Mark Realty	1,200.00	x Sign rentals
7/31/2009	62626	91410	Kaye Richardson	169.60	Shirts
10/7/2009	63428	91943	Herald News Publishing	99.00	Farm safety ad
9/18/2009	63161	91801	Meade Co HS	125.00	x Year book ad
11/13/2009	63791	92280	USYellowpage.com	479.95	Online yellowpage directory
12/7/2009	63990	92436	Breck Co HS	175.00	x Year book ad
2/19/2010	64764	93039	Mediaworks Advertising	683.82	Safety ad
2/19/2010	64764	93039	Mediaworks Advertising	683.82	Safety ad
2/19/2010	64776	93014	Breck Co Chamber	125.00	x Area maps
3/8/2010	64962	93210	Meade Co Extension	50.00	x Booth rental
1/18/2010	64426	92777	KAEC	23,034.78	Portion of annual dues
			labor and benefits	23,484.19	
				<u>51,286.96</u>	
				<u>2,155.00</u>	x

Amounts to exclude for rate making purposes

2,155.00 x

Meade County Rural Electric
 Case No. 2010-00222

Account 913- Advertising Expenses
 March 31, 2010

Line No.	Item (a)	Sales or Promotional Advertising (b)	Institutional Advertising (c)	Safety & Conservation Advertising (d)	Rate Case (e)	Other (f)	Total (g)
1.	Newspaper			31,614			31,614
2.	Magazines and other						0
3.	Television						0
4.	Radio			21,479			21,479
5.	Sales aids	4,064					4,064
6.	Telephone		360			(5,106)	(4,746)
7.	Total	4,064	360	53,093	0	(5,106)	52,411
8.	Amount assigned to KY retail						

Meade County Rural Electric
Case No. 2010-00222

Account 930 - Miscellaneous General Expenses
March 31, 2010

Line No.	Item (a)	Amount (b)
1.	Industry association dues	60,602
2.	Annual meeting	57,930
3.	Institutional advertising	
4.	Conservation advertising	
5.	Rate department load studies	
6.	Director's fees and expenses	53,085
7.	Dues and subscriptions	
8.	Miscellaneous	91,107
9.	Total	262,724
10.	Amount assigned to KY retail	

Witness: Jim Adkins

Meade County Rural Electric Cooperative
Case No. 2010-00222
Rate Case Expenses
March 31, 2010

Estimated rate case costs:

Legal	\$5,000
Consulting	45,000
Advertising	5,000
Supplies and miscellaneous	<u>2,000</u>
Total	57,000
Number of years	<u>3</u>
Adjustment	<u><u>\$19,000</u></u>

In-house labor was not included in the above adjustment as the labor would be incurred in other accounts.

This amount is approximately the same as other rate requests filed before this Commission.

The monthly amounts filed for rate case expenses will include the labor, however, this amount is not included in the above adjustment.

Meade County Rural Electric
CATV Pole Attachments
as of December 31, 2009

Additional revenues generated

<u>Attachment Description</u>	Number	Rates		Revenue		Increase	
		Existing	Proposed	Existing	Proposed	Amount	Percent
2 party Pole	1,680	\$7.21	\$9.01	\$12,113	\$15,143	\$3,030	20%
3 party Pole	7,152	5.98	9.08	42,769	64,936	\$22,167	34%
2 party Anchor	1	5.67	7.72	6	8	\$2	27%
3 party Anchor	97	4.72	5.10	458	494	\$37	7%
2 party Ground	919	0.27	0.25	248	231	(\$17)	-7%
3 party Ground	0	0.15	0.16	0	0	\$0	0%
Total				<u>\$55,593</u>	<u>\$80,813</u>	<u>\$25,219</u>	31%

Meade County Rural Electric
Case No. 2010-00222
CATV Pole Attachments
as of December 31, 2009

A. 1. Two-Party Pole Cost:

<u>Size</u>	<u>Quantity</u>	<u>Amount</u>	<u>Weighted Average Cost</u>
35'-40' Poles	<u>27,840</u>	<u>\$14,680,250</u>	<u>\$527.31</u>

2. Three-Party Pole Cost:

<u>Size</u>	<u>Quantity</u>	<u>Amount</u>	<u>Weighted Average Cost</u>
45' Poles	<u>1,351</u>	<u>\$1,157,207</u>	<u>\$856.56</u>

3. Average cost of anchors \$94.01

B. 1. Pole Charge:

a. Two party =	\$527.31	85%	16.43%	0.1224	\$9.01
b. Three party =	\$856.56	85%	16.43%	0.0759	\$9.08

2. Pole Charge, with ground attachments:

a. Two party =	\$527.31	85%	\$12.50	16.43%	0.1224	\$0.25
b. Three party =	\$856.56	85%	\$12.50	16.43%	0.0759	\$0.16

3. Anchor Charge:

a. Two party =	\$94.01		16.43%	0.50	\$7.72
b. Three party =	\$94.01		16.43%	0.33	\$5.10

(1) Remove miscellaneous allocations to pole accounts when using Record Units in the continuing property record (CPR's) system, per PSC Administrative Case No. 251

Meade County has not made any adjustments or modifications to its CPR's during the current or previous several years.

Meade County Rural Electric
Case No. 2010-00222
CATV Pole Attachments
as of December 31, 2009

Fixed charges on investment from PSC Annual Report at December 31, 2009.

Total Distribution Expense	4,704,658	
Reference Page 14		
Customer Accounts Expense	1,253,665	
Reference Page 15		
Customer Service and Informational Expense	230,731	
Reference Page 15		
Administrative and General	1,392,256	
Reference Page 15		
Depreciation Expense	2,956,264	
Reference Page 13		
Taxes Other than Income Taxes	32,462	
Reference Page 13		
	<hr/>	
Sub total	10,570,036	
Divided by Total Utility Plant	91,162,723	11.59%
Line 2, Page 1		
Cost of Money		
Rate of Return on Investment allowed in the last General		
Rate Request, Case No. 2006-00500	6.47%	
Net plant ratio for distribution plant:		
Distribution plant	<u>82,006,321</u>	
Accumulated depreciation	20,716,588	25.3%
Rate of return (times 1 minus reserve ratio)		<u>4.84%</u>
Annual carrying charges		<u><u>16.43%</u></u>

Meade County Rural Electric
PSC Case No. 2010-00222
Non Recurring Charges
March 31, 2010

Additional Revenues Generated:

Number	Charges		Revenue		Increase		Acct	
	Existing	Proposed	Existing	Proposed	Amount	Percent		
Return check	449	\$14.00	\$25.00	\$6,286	\$11,225	\$4,939	79%	Acct 451
Tampering	4	cost	\$180.00	288	720	432	150%	Acct 452
Connection charge	501	\$25.00	\$35.00	12,525	17,535	5,010	40%	Acct 452
Reconnect charge	2,604	\$25.00	\$35.00	65,100	91,140	26,040	40%	Acct 452
Termination / Field Collection	2,256	\$25.00	\$30.00	56,400	67,680	11,280	20%	Acct 452
Special Meter Reading	21	\$25.00	\$30.00	525	630	105	20%	Acct 452
Meter Resetting	4	\$25.00	\$35.00	100	140	40	40%	Acct 452
Meter Test	23	\$25.00	\$40.00	575	920	345	60%	Acct 452
After Hours	46	\$45.00	\$80.00	2,070	3,680	1,610	78%	Acct 452
Temporary Service	167	\$35.00	\$40.00	5,845	6,680	835	14%	Acct 583
Meter Pole	0	\$35.00	\$40.00	0	0	0	0%	Acct 583
Total				\$149,714	\$200,350	\$50,636	34%	

Witness: Jim Adkins

Meade County Rural Electric
PSC Case No. 2010-00222
Non Recurring Charges
March 31, 2010

Direct Wage Expense:	<u>Hours</u>	<u>Percent</u>
Total hours	2,080	100.00%
Average vacation	120	5.77%
Holidays	80	3.85%
Sick leave days	96	4.62%
Hours worked	<u>1,784</u>	<u>85.77%</u>

For every \$100.00 of labor paid, \$85.77 is paid for work and \$14.23 is paid for non-working hours. The allocation for Office and Service employees is as follows:

	<u>Employee Number</u>	<u>Hourly Rate</u>	<u>Percent</u>	<u>Non-Working Hourly Amount</u>
Accounting	114-146	\$25.71	14.23%	\$3.66
Office clerical - CSR	103-168	\$20.97	14.23%	\$2.98
Field Service Representative - FSR	152	\$23.22	14.23%	\$3.30
Lineman	83	\$23.56	14.23%	\$3.35
Meter technician	122	\$21.16	14.23%	\$3.01

Other Costs Based on Labor:		<u>Total Charges</u>	<u>Percent of Labor</u>
Regular labor	<u>\$3,585,502</u>		
Retirement		441,890	12.32%
401(k)		192,416	5.37%
Payroll taxes		289,098	8.06%
Worker's compensation insurance		144,502	4.03%
Total			<u>29.78%</u>

Other Direct Costs:	
Health and dental insurance premiums	\$389,195
Postretirement benefits	<u>106,527</u>
	495,722
Number of employees	<u>63</u>
Annual cost per employee	\$7,869
Regular hours worked	<u>1,784</u>
Per hour amount	<u>\$4.41</u>

Meade County Rural Electric
PSC Case No. 2010-00222
Non Recurring Charges
March 31, 2010

Return Check Charge:

	<u>Estimated Hours</u>	<u>Per Hour</u>	<u>Amount</u>
Number of Minutes	<u>35</u>		
Direct labor charge	58.3%	\$20.97	\$12.23
Direct wage expense	58.3%	\$2.98	1.74
Other cost based on labor	\$20.97 58.3%	29.78%	3.64
Other direct cost per hour	58.3%	\$4.41	2.57
Bank charge - Average			<u>5.00</u>
Total charges			<u><u>\$25.19</u></u>
Proposed charge			<u><u>\$25.00</u></u>

Meter Reading, Collection, Disconnect-Reconnect Charge:

	<u>Per Hour</u>	<u>Tampering</u>	<u>Connection/ Resetting</u>	<u>Reconnect/ Requested</u>	<u>Termination/ Field Collection</u>	<u>Special Meter Reading</u>	<u>Meter Test</u>	<u>Overtime</u>	<u>Temporary Service</u>
Service man:									
Number of minutes		<u>240</u>	<u>30</u>	<u>30</u>	<u>25</u>	<u>25</u>	<u>30</u>	<u>90</u>	<u>35</u>
Direct labor charge - Lineman	\$23.56	\$94.24						\$35.34	
Direct labor charge - FSR	\$23.22		\$11.61	\$11.61	\$9.68	\$9.68			\$13.55
Direct labor charge - Meter Tech	\$21.16						\$11.61		
Direct wage expense	\$3.30	\$13.22	\$1.65	\$1.65	\$1.38	\$1.38	\$1.65	\$4.96	\$1.93
Other cost based on labor	29.78%	\$28.07	\$3.46	\$3.46	\$2.88	\$2.88	\$3.46	\$10.53	\$4.03
Other direct cost	\$4.41	\$17.64	\$2.21	\$2.21	\$1.84	\$1.84	\$2.21	\$6.62	\$2.57
Mileage	<u>10</u>	\$0.485	\$4.85	\$4.85	\$4.85	\$4.85	\$4.85		\$4.85
Mileage	<u>20</u>	\$0.485						\$9.70	
Office Clerical:									
Number of minutes		<u>45</u>	<u>20</u>	<u>20</u>	<u>20</u>	<u>20</u>	<u>30</u>	<u>25</u>	<u>25</u>
Direct labor charge - CSR	\$20.97	\$15.73	\$6.99	\$6.99	\$6.99	\$6.99	\$10.49	\$8.74	\$8.74
Direct wage expense	\$2.98	\$2.24	\$0.99	\$0.99	\$0.99	\$0.99	\$1.49	\$1.24	\$1.24
Other cost based on labor	29.78%	\$4.68	\$2.08	\$2.08	\$2.08	\$2.08	\$3.12	\$2.60	\$2.60
Other direct cost	\$4.41	\$3.31	\$1.47	\$1.47	\$1.47	\$1.47	\$2.21	\$1.84	\$1.84
Total		<u>\$183.98</u>	<u>\$35.31</u>	<u>\$35.31</u>	<u>\$32.16</u>	<u>\$32.16</u>	<u>\$41.08</u>	<u>\$81.56</u>	<u>\$41.35</u>
Proposed Charge		\$180.00	\$35.00	\$35.00	\$30.00	\$30.00	\$40.00	\$80.00	\$40.00

Meade County Rural Electric
Case No. 2010-000xx
Non-Recurring Charges

Return Check

When a check is not honored by the bank and is returned, the check is stamped “VOID”. The Customer Service Representative (“CSR”) reviews the return check, verifying the account number, name, accounts paid by the check, number of return checks for that customer, reason the check was returned, (i.e. NSF, Stop Payment, Account closed), whether it was collected by a Field Service Representative (“FSR”). The CSR will also ensure that there is no prior payment or billing arrangement or security deposit involved. The return check is then keyed to the account, as is the return check fee. The batch is balanced and the cash sheet is pulled. Totals are added to the daily balance sheet/branch office re-cap sheets. Then the check is keyed at a branch office, the amount is transferred to a Daily Balance Sheet. A letter is typed for mailing to the consumer notifying them of the return check and /or letter is typed notifying the consumer on a “NO CHECK” basis. The consumers’ account is noted NC (if applicable) and if the consumer is on bank draft program, their account is taken off auto-payment and applicable notes are made to the account.

The letter is mailed to the consumer. A service order is issued to collect if the return check was collected by an FSR during a collection trip, or for an arrangement, or for security deposit, and the account is added to the call out list for the System Operators.

The account is monitored by the CSR to ensure that it is paid within ten days. If not paid, a service order is issued. Possible arrangements may be made by the CSR to extend time on the return check. If the return check is paid, the payment is processed by the CSR and the collection system is updated to clear out the field notification and the return check is pulled from the file and marked “PAID”. The accounting department reconciles the return checks with the bank statement on a monthly basis and runs applicable reports.

Note Discussions with the departments involved indicate that it takes a minimum of 40 minutes to process and account for each return check.

Meade County Rural Electric
Case No. 2009-00314
Non-Recurring Charges

Collection Charge

The CSR produces disconnect tickets and sends them to the district offices, where they are printed. The customer names are entered on the call out list for the System Operators, and a courtesy call is made to attempt to collect the account before being sent to the FSR. If payment is not received, or a call received to make arrangements, the ticket is released to the FSR.

The FSR arranges his route and attempts to collect a payment. If unable to collect, he disconnects the service. Tickets are returned to the CSR who key any payments collected plus key the service charge for the fee.

Note Per discussions with the parties involved, it takes the FSR approximately 30 minutes for each trip, including time to prepare the completed paperwork. The CSR spends approximately 15 to 20 minutes to prepare their paperwork and key payments and charges into the system.

Reconnect for Disconnect

The CSR produces a reconnect for disconnect ticket and sends them to the district office, where they are printed. The customer names are entered on a call list for the System Operators, and a call is made to ensure the customer is at the location prior to reconnection of the service. The FSR arranges his route for reconnects. Before a service is reconnected, the FSR will visually inspect from the transformer to the meter to ensure that the service has not been tampered with, and that service can safely be reconnected. Tickets for reconnected services are returned to the CSR who keys the completed service order into the system to charge for the fee.

Note Per discussions with the parties involved, it takes the FSR approximately 30 minutes for each trip, including time to prepare the completed paperwork. The CSR spends approximately 15 to 20 minutes to prepare their paperwork and key payments and charges into the system.

Reconnect Request

The same as reconnect for disconnect, except the safety issue is not generally present and the service can be reconnected in less time.

Meade County Rural Electric
Case No. 2009-00314
Non-Recurring Charges

Overtime

This process includes the same as for regular time. The difference is that jobs can not be coordinated with other jobs, either by route or by service location, since these are isolated occurrences. Since after hour trips are isolated, that is the reason for the mileage to be doubled from reconnects during regular hours.

Mileage

Per discussion with the VP Engineering/Operations and service men, it is estimated that each trip is approximately 10-15 miles. Therefore, 10 miles per trip was used.

Cost per Mile

The transportation system used by Meade County does not allow for the calculations of a cost per mile for its vehicles. The costs are allocated on a per hour of use basis. Since most vehicles used on service calls, collections, and reconnects are service trucks, and not large bucket trucks, Meade County has chosen to use the Internal Revenue Service cost per mile of \$0.485 (forty-eight and one-half cent).

Meade County Rural Electric
Case Number: 2010-00222
Purchase Power

Demand rate \$7.37
Energy rate \$0.02040

Month	<u>Billing Detrminants</u>		<u>Demand</u>	<u>Energy</u>	<u>Renewable Resource</u>	<u>Base Rates</u>	<u>Fuel Adjustment</u>	<u>Environmental Surcharge</u>	<u>Unwind Surcredit</u>	<u>Rate Stability</u>	<u>Power Cost</u>
	<u>Demand</u>	<u>Energy</u>									
April	75,116	31,025,590	553,605	632,922	10	1,186,537					1,186,537
May	66,231	29,614,140	488,122	604,128	7	1,092,258					1,092,258
June	90,659	38,368,850	668,157	782,725	11	1,450,892					1,450,892
July	81,822	36,688,670	603,028	748,449	11	1,351,488	137,729	47,307	(55,604)	(129,433)	1,351,487
August	90,127	39,823,580	664,236	812,401	11	1,476,648	324,323	91,992	(129,427)	(286,889)	1,476,647
September	69,065	32,216,510	509,009	657,217	11	1,166,237	256,637	67,075	(104,704)	(219,008)	1,166,237
October	69,078	31,253,590	509,105	637,573	10	1,146,688	314,911	73,477	(101,574)	(286,814)	1,146,688
November	75,064	34,444,920	553,222	702,676	10	1,255,908	339,627	68,063	(111,946)	(295,744)	1,255,908
December	104,050	51,694,410	766,849	1,054,566	10	1,821,424	609,115	112,333	(168,007)	(553,440)	1,821,425
January	118,998	59,035,140	877,015	1,204,317	10	2,081,342	682,092	116,418	(188,853)	(609,656)	2,081,343
February	112,343	51,393,370	827,968	1,048,425	0	1,876,393	476,622	92,559	(164,407)	(404,774)	1,876,393
March	92,041	38,028,116	678,342	775,774	0	1,454,116	418,766	79,212	(121,652)	(376,326)	1,454,116
Totals	1,044,594	473,586,886	7,698,658	9,661,172	101	17,359,931	3,559,822	748,436	(1,146,174)	(3,162,084)	17,359,931

Meade County Rural Electric
Normalized Revenues
Case Number: 2010-00222
March 31, 2010

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Base rates for the test year	31,101,322
Normalized revenues using rates effective	<u>31,099,679</u>
Normalized revenue adjustment	<u><u>(1,643)</u></u>

Meade County Rural Electric
Case Number: 2010-00222
End of Test Year Customer Adjustment

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	Rate 1R <u>Residential</u>	Rate 2R <u>Commercial</u>	Rate 3R <u>General Service</u>	<u>TOD</u>	<u>Outdoor Lighting</u>
March	25,782	1,687	346	0	10,476
April	25,787	1,689	346	1	10,483
May	25,856	1,696	347	1	10,483
June	25,927	1,708	347	1	10,542
July	25,968	1,720	347	3	10,567
August	25,971	1,711	348	3	10,572
September	26,020	1,712	349	3	10,597
October	26,012	1,707	346	3	10,595
November	26,059	1,694	343	1	10,657
December	26,074	1,699	341	1	10,665
January	26,042	1,702	346	1	10,673
February	26,060	1,695	347	1	10,683
March	26,097	1,692	346	1	10,714
Average	25,973	1,701	346	2	10,593
Increase	<u>124</u>	<u>(9)</u>	<u>0</u>	<u>(1)</u>	<u>121</u>
Test year base revenue	23,460,774	2,048,642	4,696,070	2,466	893,370
kwh useage	339,909,366	27,032,141	68,097,763	8,485	10,156,344
Average per kwh	0.06902	0.07579	0.06896	0.29062	0.08796
Total billings	311,873	20,425	4,153	20	127,231
Average monthly kwh use	1,090	1,323	16,397	424	80
Increase in consumers, times average use, times average rate, times 12 months, equals additional revenues					
Increase in revenues	111,935	(10,832)	0	(1,480)	10,195
Increase in consumers, times average use, times average cost per kwh purchased, times 12 months, equals additional power cost times average cost per kwh purchased,					
Increase in power cost	59,448	(5,240)	0	(187)	4,249
Net increase	<u>52,487</u>	<u>(5,593)</u>	<u>0</u>	<u>(1,293)</u>	<u>5,947</u>
Adjustment	<u><u>51,548</u></u>				
Base power cost			17,359,931		
Kwh purchased			473,586,886		
Cost per kwh purchased			0.03666		

2009
KENTUCKY ELECTRIC COOPERATIVES
AVERAGE EXPENSE PER CONSUMER
STATISTICAL COMPARISONS

<u>COOPERATIVE</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>% CHANGE FROM 2005</u>
BIG SANDY	\$315	\$291	\$286	\$250	\$282	11.7 %
BLUE GRASS ENERGY	303	291	272	248	244	24.2
CLARK ENERGY COOP	283	253	240	237	241	17.4
CUMBERLAND VALLEY	299	267	259	264	240	24.6
FARMERS	248	262	259	223	238	4.2
FLEMING-MASON	325	291	280	294	298	9.1
GRAYSON	398	373	350	307	309	28.8
INTER-COUNTY	321	300	280	280	272	18.0
JACKSON ENERGY	358	311	301	300	269	33.1
LICKING VALLEY	303	270	260	250	252	20.2
NOLIN	363	349	342	327	306	18.6
OWEN	281	266	250	267	237	18.6
SALT RIVER ELECTRIC	237	228	196	187	191	24.1
SHELBY ENERGY	327	295	258	280	276	18.5
SOUTH KENTUCKY	270	264	262	251	235	14.9
TAYLOR COUNTY	<u>220</u>	<u>215</u>	<u>203</u>	<u>212</u>	<u>195</u>	<u>12.8</u>
AVERAGE EKPC	\$303	\$284	\$269	\$262	\$255	18.8 %
JACKSON PURCHASE	\$348	\$338	\$303	\$300	\$269	29.4 %
KENERGY	345	363	333	354	347	-0.6
MEADE COUNTY	<u>271</u>	<u>267</u>	<u>251</u>	<u>250</u>	<u>247</u>	<u>9.7</u>
AVERAGE BIG RIVERS	\$321	\$323	\$295	\$301	\$288	11.5 %
HICKMAN-FULTON	\$595	\$525	\$433	\$460	\$411	44.8 %
PENNYRILE	290	274	254	235	226	28.3
TRI-COUNTY	270	258	244	240	238	13.4
WARREN	333	331	310	302	294	13.3
WEST KENTUCKY	<u>329</u>	<u>384</u>	<u>331</u>	<u>313</u>	<u>329</u>	<u>0.0</u>
AVERAGE TVA	\$364	\$355	\$314	\$309	\$300	21.3 %
OVERALL AVERAGE	\$318	\$303	\$281	\$276	\$270	17.8 %

2009
 KENTUCKY ELECTRIC COOPERATIVES
 AVERAGE EXPENSE PER MILE OF LINE
 STATISTICAL COMPARISONS

<u>COOPERATIVE</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>% CHANGE FROM 2005</u>
BIG SANDY	\$4,070	\$3,744	\$3,676	\$3,221	\$3,590	13.4 %
BLUE GRASS ENERGY	3,617	3,486	3,240	2,939	2,861	26.4 *
CLARK ENERGY COOP	2,435	2,182	2,077	2,038	2,065	17.9
CUMBERLAND VALLEY	2,720	2,442	2,360	2,404	2,186	24.4
FARMERS	1,704	1,793	1,749	1,499	1,588	7.3
FLEMING-MASON	2,199	1,976	1,905	1,987	2,004	9.7
GRAYSON	2,523	2,379	2,229	1,954	1,957	28.9
INTER-COUNTY	2,189	2,061	1,943	1,950	1,904	15.0
JACKSON ENERGY	3,246	2,837	2,730	2,715	2,425	33.9
LICKING VALLEY	2,615	2,330	2,224	2,121	2,126	23.0
NOLIN	3,946	3,786	3,684	3,528	3,208	23.0
OWEN	3,584	3,394	3,178	3,346	2,572	39.3 **
SALT RIVER ELECTRIC	2,767	2,658	2,282	2,187	2,190	26.3
SHELBY ENERGY	2,396	2,157	1,872	2,081	2,024	18.4
SOUTH KENTUCKY	2,667	2,618	2,477	2,375	2,211	20.6
TAYLOR COUNTY	<u>1,748</u>	<u>1,703</u>	<u>1,598</u>	<u>1,655</u>	<u>1,518</u>	<u>15.2</u>
AVERAGE EKPC	\$2,778	\$2,596	\$2,451	\$2,374	\$2,277	22.0 %
JACKSON PURCHASE	\$3,493	\$3,403	\$2,663	\$2,632	\$2,353	48.4 %
KENERGY	2,698	2,839	2,595	2,746	2,673	0.9
MEADE COUNTY	<u>2,547</u>	<u>2,503</u>	<u>2,334</u>	<u>2,300</u>	<u>2,264</u>	<u>12.5</u>
AVERAGE BIG RIVERS	\$2,913	\$2,915	\$2,531	\$2,560	\$2,430	19.9 %
HICKMAN-FULTON	\$3,236	\$2,882	\$2,373	\$2,509	\$2,250	43.8 %
PENNYRILE	2,665	2,505	2,334	2,147	2,052	29.9
TRI-COUNTY	2,481	2,375	2,248	2,192	2,179	13.9
WARREN	3,535	3,496	3,251	3,122	3,002	17.8
WEST KENTUCKY	<u>3,105</u>	<u>3,649</u>	<u>3,246</u>	<u>2,966</u>	<u>3,115</u>	<u>-0.3</u>
AVERAGE TVA	\$3,005	\$2,982	\$2,691	\$2,587	\$2,519	19.3 %
OVERALL AVERAGE	\$2,840	\$2,716	\$2,512	\$2,443	\$2,347	21.0 %

* NEW MAPPING SYSTEM INSTALLED IN 2005 - MORE ACCURATE COUNT

** NEW MAPPING SYSTEM INSTALLED IN 2006 - MORE ACCURATE COUNT

2009
**KENTUCKY ELECTRIC COOPERATIVES
 DENSITY CONSUMERS PER MILE
 STATISTICAL COMPARISONS**

<u>COOPERATIVE</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>% CHANGE FROM 2005</u>
BIG SANDY	12.9	12.8	12.8	13.0	12.7	1.6 %
BLUE GRASS ENERGY	11.9	12.0	11.9	11.9	11.7	1.7 *
CLARK ENERGY COOP	8.6	8.6	8.7	8.6	8.6	0.0
CUMBERLAND VALLEY	9.1	9.1	9.1	9.1	9.1	0.0
FARMERS	6.9	6.8	6.8	6.7	6.7	3.0
FLEMING-MASON	6.8	6.8	6.8	6.8	6.7	1.5
GRAYSON	6.3	6.4	6.4	6.4	6.3	0.0
INTER-COUNTY	6.8	6.9	6.9	7.0	7.0	-2.9
JACKSON ENERGY	9.1	9.1	9.1	9.1	9.0	1.1
LICKING VALLEY	8.6	8.6	9.0	8.0	8.0	7.5
NOLIN	10.9	10.9	10.8	10.8	10.5	3.8
OWEN	12.8	12.8	12.7	12.5	10.8	18.5 **
SALT RIVER ELECTRIC	11.7	11.7	11.7	11.7	11.5	1.7
SHELBY ENERGY	7.3	7.3	7.3	7.0	7.0	4.3
SOUTH KENTUCKY	9.9	9.9	9.5	9.5	9.4	5.3
TAYLOR COUNTY	<u>7.9</u>	<u>7.9</u>	<u>7.9</u>	<u>7.8</u>	<u>7.8</u>	<u>1.3</u>
AVERAGE EKPC	9.3	9.3	9.3	9.2	9.0	3.3 %
JACKSON PURCHASE	10.0	10.1	8.8	8.8	8.8	13.6 %
KENERGY	7.8	7.8	7.8	7.8	7.7	1.3
MEADE COUNTY	<u>9.4</u>	<u>9.4</u>	<u>9.3</u>	<u>9.2</u>	<u>9.2</u>	<u>2.2</u>
AVERAGE BIG RIVERS	8.7	8.7	8.4	8.3	8.3	4.8 %
HICKMAN-FULTON	5.4	5.5	5.5	5.5	5.5	-1.8 %
PENNYRILE	9.2	9.2	9.2	9.1	9.1	1.1
TRI-COUNTY	9.2	9.2	9.2	9.1	9.2	0.0
WARREN	10.6	10.6	10.5	10.3	10.2	3.9
WEST KENTUCKY	<u>9.4</u>	<u>9.5</u>	<u>9.8</u>	<u>9.5</u>	<u>9.5</u>	<u>-1.1</u>
AVERAGE TVA	9.5	9.5	9.5	9.4	9.4	1.1 %
OVERALL AVERAGE	9.3	9.3	9.2	9.1	9.0	3.3 %

* NEW MAPPING SYSTEM INSTALLED IN 2005 - MORE ACCURATE COUNT

** NEW MAPPING SYSTEM INSTALLED IN 2006 - MORE ACCURATE COUNT

2009
KENTUCKY ELECTRIC COOPERATIVES
MILES OF LINE
STATISTICAL COMPARISONS

<u>COOPERATIVE</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>% CHANGE FROM 2005</u>
BIG SANDY	1,025	1,027	1,022	1,016	1,012	1.3 %
BLUE GRASS ENERGY	4,593	4,566	4,535	4,487	4,440	3.4 *
CLARK ENERGY COOP	3,035	3,014	2,982	2,966	2,935	3.4
CUMBERLAND VALLEY	2,609	2,592	2,577	2,559	2,529	3.2
FARMERS	3,555	3,539	3,513	3,481	3,447	3.1
FLEMING-MASON	3,517	3,506	3,483	3,456	3,421	2.8
GRAYSON	2,474	2,466	2,454	2,437	2,416	2.4
INTER-COUNTY	3,733	3,687	3,630	3,572	3,502	6.6
JACKSON ENERGY	5,663	5,663	5,652	5,621	5,597	1.2
LICKING VALLEY	2,026	2,023	2,020	2,014	2,006	1.0
NOLIN	2,959	2,939	2,917	2,841	2,841	4.2
OWEN	4,486	4,451	4,428	4,400	4,940	-9.2 **
SALT RIVER ELECTRIC	3,982	3,953	3,903	3,847	3,750	6.2
SHELBY ENERGY	2,088	2,078	2,065	2,025	2,008	4.0
SOUTH KENTUCKY	6,715	6,685	6,600	6,540	6,475	3.7
TAYLOR COUNTY	<u>3,183</u>	<u>3,169</u>	<u>3,150</u>	<u>3,135</u>	<u>3,094</u>	<u>2.9</u>
TOTAL EKPC	55,643	55,358	54,931	54,397	54,413	2.3 %
JACKSON PURCHASE	2,900	2,891	3,271	3,244	3,213	-9.7 %
KENERGY	7,009	6,997	6,974	6,944	6,915	1.4
MEADE COUNTY	<u>2,978</u>	<u>2,972</u>	<u>2,959</u>	<u>2,937</u>	<u>2,893</u>	<u>2.9</u>
TOTAL BIG RIVERS	12,887	12,860	13,204	13,125	13,021	-1.0 %
HICKMAN-FULTON	688	689	688	685	683	0.7 %
PENNYRILE	5,099	5,075	5,047	5,022	4,997	2.0
TRI-COUNTY	5,464	5,467	5,450	5,427	5,388	1.4
WARREN	5,617	5,615	5,584	5,556	5,504	2.1
WEST KENTUCKY	<u>4,046</u>	<u>4,033</u>	<u>3,881</u>	<u>3,970</u>	<u>3,940</u>	<u>2.7</u>
TOTAL TVA	20,914	20,879	20,650	20,660	20,512	2.0 %
OVERALL TOTAL	89,444	89,097	88,785	88,182	87,946	1.7 %

* NEW MAPPING SYSTEM INSTALLED IN 2005 - MORE ACCURATE COUNT

** NEW MAPPING SYSTEM INSTALLED IN 2006 - MORE ACCURATE COUNT

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2009
KENTUCKY ELECTRIC COOPERATIVES
TOTAL AVERAGE NUMBER OF CONSUMERS BILLED
STATISTICAL COMPARISONS

<u>COOPERATIVE</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>% CHANGE FROM 2005</u>
BIG SANDY	13,244	13,211	13,138	13,089	12,888	2.8 %
BLUE GRASS ENERGY	54,816	54,694	54,021	53,175	52,068	5.3
CLARK ENERGY COOP	26,123	26,006	25,801	25,508	25,151	3.9
CUMBERLAND VALLEY	23,737	23,695	23,487	23,303	23,029	3.1
FARMERS	24,439	24,226	23,729	23,377	23,013	6.2
FLEMING-MASON	23,792	23,804	23,687	23,364	22,993	3.5
GRAYSON	15,678	15,722	15,631	15,517	15,302	2.5
INTER-COUNTY	25,461	25,353	25,185	24,869	24,501	3.9
JACKSON ENERGY	51,338	51,644	51,244	50,884	50,438	1.8
LICKING VALLEY	17,485	17,453	17,272	17,085	16,921	3.3
NOLIN	32,159	31,885	31,422	30,649	29,780	8.0
OWEN	57,223	56,794	56,290	55,141	53,598	6.8
SALT RIVER ELECTRIC	46,501	46,071	45,453	44,979	42,997	8.1
SHELBY ENERGY	15,291	15,191	14,990	15,053	14,725	3.8
SOUTH KENTUCKY	66,317	66,276	62,408	61,869	60,922	8.9
TAYLOR COUNTY	<u>25,285</u>	<u>25,078</u>	<u>24,792</u>	<u>24,483</u>	<u>24,089</u>	<u>5.0</u>
TOTAL EKPC	518,889	517,103	508,550	502,345	492,415	5.4 %
JACKSON PURCHASE	29,109	29,092	28,747	28,461	28,105	3.6 %
KENERGY	54,839	54,736	54,337	53,860	53,264	3.0
MEADE COUNTY	<u>27,996</u>	<u>27,866</u>	<u>27,500</u>	<u>27,008</u>	<u>26,515</u>	<u>5.6</u>
TOTAL BIG RIVERS	111,944	111,694	110,584	109,329	107,884	3.8 %
HICKMAN-FULTON	3,742	3,782	3,770	3,736	3,739	0.1 %
PENNYRILE	46,862	46,419	46,393	45,877	45,367	3.3
TRI-COUNTY	50,223	50,331	50,223	49,561	49,308	1.9
WARREN	59,627	59,317	58,591	57,431	56,187	6.1
WEST KENTUCKY	<u>38,183</u>	<u>38,323</u>	<u>38,057</u>	<u>37,639</u>	<u>37,305</u>	<u>2.4</u>
TOTAL TVA	198,637	198,172	197,034	194,244	191,906	3.5 %
OVERALL TOTAL	829,470	826,969	816,168	805,918	792,205	4.7 %

2009
KENTUCKY ELECTRIC COOPERATIVES
TOTAL RESIDENTIAL REVENUES
STATISTICAL COMPARISONS

<u>COOPERATIVE</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>% CHANGE FROM 2005</u>
BIG SANDY	\$17,723,822	\$16,830,290	\$15,853,498	\$14,192,128	\$13,672,178	29.6 %
BLUE GRASS ENERGY	76,618,866	75,708,257	68,578,375	61,513,915	59,969,633	27.8
CLARK ENERGY COOP	30,986,423	31,325,955	29,717,098	27,327,922	26,203,306	18.3
CUMBERLAND VALLEY	29,727,049	29,511,472	27,983,567	24,948,723	22,940,517	29.6
FARMERS	28,960,218	27,656,329	26,450,827	23,743,770	22,712,747	27.5
FLEMING-MASON	26,445,334	27,400,745	23,419,768	20,907,145	20,393,262	29.7
GRAYSON	20,375,694	19,326,239	18,131,615	16,223,795	16,244,690	25.4
INTER-COUNTY	34,703,753	35,150,797	33,391,723	28,203,005	27,321,723	27.0
JACKSON ENERGY	73,894,381	76,960,445	66,382,819	60,198,185	61,806,841	19.6
LICKING VALLEY	19,780,129	19,074,236	18,876,065	18,373,586	16,742,467	18.1
NOLIN	43,698,352	44,216,213	39,672,514	33,591,739	34,383,316	27.1
OWEN	71,405,333	68,931,115	66,458,715	58,817,668	55,724,664	28.1
SALT RIVER ELECTRIC	59,096,481	59,871,443	57,330,349	49,796,107	48,015,562	23.1
SHELBY ENERGY	21,062,573	21,021,450	19,684,110	17,784,401	17,533,652	20.1
SOUTH KENTUCKY	73,895,399	76,437,150	67,646,098	59,324,021	55,802,486	32.4
TAYLOR COUNTY	<u>28,255,677</u>	<u>26,494,596</u>	<u>25,472,592</u>	<u>22,725,012</u>	<u>22,031,517</u>	<u>28.3</u>
TOTAL EKPC	\$656,629,484	\$655,916,732	\$605,049,733	\$537,671,122	\$521,498,561	25.9 %
JACKSON PURCHASE	\$27,283,351	\$27,275,780	\$25,697,996	\$23,847,988	\$24,496,967	11.4 %
KENERGY	50,349,518	50,078,902	50,041,715	43,955,864	45,323,132	11.1
MEADE COUNTY	<u>23,284,922</u>	<u>24,196,053</u>	<u>21,982,113</u>	<u>20,297,372</u>	<u>20,436,215</u>	<u>13.9</u>
TOTAL BIG RIVERS	\$100,917,791	\$101,550,735	\$97,721,824	\$88,101,224	\$90,256,314	11.8 %
HICKMAN-FULTON	\$5,138,805	\$5,096,364	\$4,576,311	\$4,311,951	\$4,190,389	22.6 %
PENNYRILE	58,273,701	58,879,793	51,817,219	48,880,787	44,135,641	32.0
TRI-COUNTY	59,900,263	59,815,321	54,981,186	52,780,772	47,841,610	25.2
WARREN	79,490,494	79,120,223	69,955,053	64,825,495	60,315,980	31.8
WEST KENTUCKY	<u>51,664,140</u>	<u>51,409,815</u>	<u>45,691,877</u>	<u>41,190,556</u>	<u>38,609,978</u>	<u>33.8</u>
TOTAL TVA	\$254,467,403	\$254,321,516	\$227,021,646	\$211,989,561	\$195,093,598	30.4 %
OVERALL TOTAL	\$1,012,014,678	\$1,011,788,983	\$929,793,203	\$837,761,907	\$806,848,473	25.4 %

**KENTUCKY ELECTRIC COOPERATIVES
OPERATING EXPENSE AND STATISTICAL COMPARISONS
2009 - 2008 ANNUAL COMPARISON**

**AVERAGE EXPENSE PER CONSUMER
EKPC**

	<u>2009</u>	<u>2008</u>	<u>CHANGE</u>
DISTRIBUTION OPERATION	\$ 66.00	\$ 66.00	\$ -
DISTRIBUTION MAINTENANCE	\$ 101.00	\$ 87.00	\$ 14.00
ACCOUNTING	\$ 56.00	\$ 54.00	\$ 2.00
CONSUMER INFORMATION	\$ 12.00	\$ 11.00	\$ 1.00
ADMINISTRATION	\$ 68.00	\$ 66.00	\$ 2.00
TOTAL PER CONSUMER	\$ 303.00	\$ 284.00	\$ 19.00

**AVERAGE EXPENSE PER CONSUMER
TVA**

	<u>2009</u>	<u>2008</u>	<u>CHANGE</u>
DISTRIBUTION OPERATION	\$ 77.00	\$ 85.00	\$ (8.00)
DISTRIBUTION MAINTENANCE	\$ 150.00	\$ 135.00	\$ 15.00
ACCOUNTING	\$ 55.00	\$ 54.00	\$ 1.00
CONSUMER INFORMATION	\$ 8.00	\$ 9.00	\$ (1.00)
ADMINISTRATION	\$ 74.00	\$ 72.00	\$ 2.00
TOTAL PER CONSUMER	\$ 364.00	\$ 355.00	\$ 9.00

OTHER STATISTICAL INFORMATION

NUMBER OF EMPLOYEES	1,223	1,236	(13)
MILES OF LINE	55,643	55,358	285
CONSUMERS BILLED	518,889	517,103	1,786
MILES OF LINE PER EMPLOYEE	45.8	44.9	0.9
CONSUMER PER EMPLOYEE	427	420	7
DENSITY CONSUMERS PER MILE	9.3	9.3	0

OTHER STATISTICAL INFORMATION

NUMBER OF EMPLOYEES	520	517	\$ 3.00
MILES OF LINE	20,914	20,879	\$ 35.00
CONSUMERS BILLED	198,637	198,172	\$ 465.00
MILES OF LINE PER EMPLOYEE	40.2	40.5	\$ (0.30)
CONSUMER PER EMPLOYEE	382	385	\$ (3.00)
DENSITY CONSUMERS PER MILE	9.5	9.5	\$ -

**AVERAGE EXPENSE PER CONSUMER
BIG RIVERS**

	<u>2009</u>	<u>2008</u>	<u>CHANGE</u>
DISTRIBUTION OPERATION	\$ 82.00	\$ 76.00	\$ 6.00
DISTRIBUTION MAINTENANCE	\$ 128.00	\$ 135.00	\$ (7.00)
ACCOUNTING	\$ 47.00	\$ 47.00	\$ -
CONSUMER INFORMATION	\$ 6.00	\$ 8.00	\$ (2.00)
ADMINISTRATION	\$ 58.00	\$ 57.00	\$ 1.00
TOTAL PER CONSUMER	\$ 321.00	\$ 323.00	\$ (2.00)

**AVERAGE EXPENSE PER CONSUMER
OVERALL AVERAGE**

	<u>2009</u>	<u>2008</u>	<u>CHANGE</u>
DISTRIBUTION OPERATION	\$ 71.00	\$ 71.00	\$ -
DISTRIBUTION MAINTENANCE	\$ 114.00	\$ 103.00	\$ 11.00
ACCOUNTING	\$ 54.00	\$ 53.00	\$ 1.00
CONSUMER INFORMATION	\$ 11.00	\$ 10.00	\$ 1.00
ADMINISTRATION	\$ 68.00	\$ 66.00	\$ 2.00
TOTAL PER CONSUMER	\$ 318.00	\$ 303.00	\$ 15.00

OTHER STATISTICAL INFORMATION

NUMBER OF EMPLOYEES	294	296	(2)
MILES OF LINE	12,887	12,860	27
CONSUMERS BILLED	111,944	111,694	250
MILES OF LINE PER EMPLOYEE	43.8	43.3	0.5
CONSUMER PER EMPLOYEE	381	376	5
DENSITY CONSUMERS PER MILE	8.7	8.7	0

OTHER STATISTICAL INFORMATION

NUMBER OF EMPLOYEES	2037	2,049	(12)
MILES OF LINE	89,444	89,097	347
CONSUMERS BILLED	829,470	826,969	2,501
MILES OF LINE PER EMPLOYEE	43.8	43.7	0
CONSUMER PER EMPLOYEE	407	405	2
DENSITY CONSUMERS PER MILE	9.3	9.3	0

2009
KENTUCKY ELECTRIC COOPERATIVES
OPERATING EXPENSE STATISTICAL COMPARISONS
AVERAGE ANNUAL BASIS

COOPERATIVE NAME	DISTRIBUTION OPERATION PER CONSUMER	DISTRIBUTION MAINTENANCE PER CONSUMER	TOTAL OP. & MAINT. PER CONSUMER	CONSUMER ACCOUNTING PER CONSUMER	CONSUMER INFORMATION PER CONSUMER	ADM. & GEN. EXPENSE PER CONSUMER	TOTAL EXPENSE PER CONSUMER	NUMBER OF EMPLOYEES	MILES OF LINE	NUMBER OF CONSUMERS BILLED	MILES OF LINE PER EMPLOYEE	CONSUMERS PER EMPLOYEE	DENSITY CONSUMERS PER MILE
BIG SANDY RECC	67	98	165	50	9	91	315	42	1,025	13,244	24.0	315	12.9
BLUE GRASS ENERGY COOP	48	99	147	53	24	79	303	115	4,593	54,816	39.9	477	11.9
CLARK ENERGY COOP	63	104	167	51	9	56	283	53	3,035	26,123	57.3	493	8.6
CUMBERLAND VALLEY ELECTRIC	50	117	167	73	7	52	299	56	2,609	23,737	46.6	424	9.1
FARMERS RECC	46	78	124	38	6	80	248	62	3,555	24,439	57.3	394	6.9
FLEMING-MASON ENERGY	64	122	186	74	9	56	325	50	3,517	23,792	70.3	476	6.8
GRAYSON RECC	73	158	231	52	15	100	398	47	2,474	15,678	53.0	334	6.3
INTER-COUNTY ENERGY	77	74	151	77	22	71	321	64	3,733	25,461	58.3	398	6.8
JACKSON ENERGY COOP	75	132	207	66	12	73	358	128	5,663	51,338	44.2	401	9.1
LICKING VALLEY RECC	75	112	187	35	6	75	303	47	2,026	17,485	43.0	372	8.6
NOLIN RECC	85	104	189	70	26	78	363	96	2,959	32,159	30.8	335	10.9
OWEN EC	94	68	162	60	10	49	281	136	4,486	57,223	33.0	421	12.8
SALT RIVER ELECTRIC	53	70	123	46	10	58	237	76	3,982	46,501	52.4	612	11.7
SHELBY ENERGY COOP	87	116	203	46	11	67	327	34	2,088	15,291	61.4	450	7.3
SOUTH KENTUCKY RECC	50	93	143	59	11	57	270	163	6,715	66,317	41.2	407	9.9
TAYLOR COUNTY RECC	56	67	123	41	4	52	220	54	3,183	25,285	59.0	468	7.9
EKPC GROUP AVERAGE	66	101	167	56	12	68	303	76	3,478	32,431	45.8	427	9.3
JACKSON PURCHASE ENERGY	93	140	233	40	6	69	348	81	2,900	29,109	35.8	359	10.0
KENERGY CORP	77	151	228	56	5	56	345	147	7,009	54,839	47.7	373	7.8
MEADE COUNTY RECC	76	92	168	45	8	50	271	66	2,978	27,996	45.0	424	9.4
BIG RIVERS GROUP AVERAGE	82	128	210	47	6	68	321	98	4,296	37,315	43.8	381	8.7
HICKMAN-FULTON COUNTIES RECC	79	324	403	60	5	127	595	16	688	3,742	43.0	234	5.4
PENNYRILE RECC	85	93	178	44	7	61	290	125	5,099	46,862	40.8	375	9.2
TRI-COUNTY EMC	79	83	162	56	13	39	270	137	5,464	50,223	39.9	367	9.2
WARREN RECC	84	93	177	52	13	91	333	156	5,617	59,627	36.0	382	10.6
WEST KENTUCKY RECC	58	156	214	61	4	50	329	86	4,046	38,183	47.1	444	9.4
TVA GROUP AVERAGE	77	160	227	55	8	74	364	104	4,183	39,727	40.2	382	9.5
OVERALL AVERAGE	71	114	185	54	11	68	318	85	3,727	34,561	43.8	407	9.3

2009
KENTUCKY ELECTRIC COOPERATIVES
OPERATING EXPENSE STATISTICAL COMPARISONS
AVERAGE ANNUAL BASIS

COOPERATIVE NAME	DISTRIBUTION OPERATION PER MILE	DISTRIBUTION MAINTENANCE PER MILE	TOTAL OP. & MAINT. PER MILE	CONSUMER ACCOUNTING PER MILE	CONSUMER INFORMATION PER MILE	ADM. & GEN. EXPENSE PER MILE	TOTAL EXPENSE PER MILE	NUMBER OF EMPLOYEES	MILES OF LINE	RESIDENTIAL CONSUMERS BILLED	TOTAL RESIDENTIAL REVENUES	AVERAGE MONTHLY RES'L REV
BIG SANDY RECC	866	1,266	2,132	646	116	1,176	4,070	42	1,025	12,121	17,723,822	121.9
BLUE GRASS ENERGY COOP	573	1,182	1,755	633	286	943	3,617	115	4,593	52,180	76,618,866	122.4
CLARK ENERGY COOP	542	895	1,437	439	77	482	2,435	53	3,035	24,441	30,986,423	105.7
CUMBERLAND VALLEY ELECTRIC	455	1,064	1,519	664	64	473	2,720	56	2,609	22,246	29,727,049	111.4
FARMERS RECC	316	536	852	261	41	550	1,704	62	3,555	22,678	28,960,218	106.4
FLEMING-MASON ENERGY	433	825	1,258	501	61	379	2,199	50	3,517	17,759	26,445,334	124.1
GRAYSON RECC	463	1,001	1,464	330	95	634	2,523	47	2,474	14,386	20,375,694	118.0
INTER-COUNTY ENERGY	525	505	1,030	525	150	484	2,189	64	3,733	24,064	34,703,753	120.2
JACKSON ENERGY COOP	680	1,197	1,877	598	109	662	3,246	128	5,663	47,693	73,894,381	129.1
LICKING VALLEY RECC	647	967	1,614	302	52	647	2,615	47	2,026	16,297	19,780,129	101.1
NOLIN RECC	924	1,130	2,054	761	283	848	3,946	96	2,959	30,150	43,698,352	120.8
OWEN EC	1199	867	2,066	765	128	625	3,584	136	4,486	54,805	71,405,333	108.6
SALT RIVER ELECTRIC	619	817	1,436	537	117	677	2,767	76	3,982	43,596	59,096,481	113.0
SHELBY ENERGY COOP	637	850	1,487	337	81	491	2,396	34	2,088	14,885	21,062,573	117.9
SOUTH KENTUCKY RECC	494	918	1,412	583	109	563	2,667	163	6,715	60,766	73,895,399	101.3
TAYLOR COUNTY RECC	445	532	977	326	32	413	1,748	54	3,183	22,460	28,255,677	104.8
EKPC GROUP AVERAGE	614	910	1,524	513	113	628	2,778	76	3,478	30,033	41,039,343	113.9
JACKSON PURCHASE ENERGY	933	1,405	2,338	402	60	693	3,493	81	2,900	26,034	27,283,351	87.3
KENERGY CORP	602	1,181	1,783	438	39	438	2,698	147	7,009	45,111	50,349,518	93.0
MEADE COUNTY RECC	714	865	1,579	423	75	470	2,547	66	2,978	25,940	23,284,922	74.8
BIG RIVERS GROUP AVERAGE	750	1,150	1,900	421	58	534	2,913	98	4,286	32,362	33,639,264	86.6
HICKMAN-FULTON COUNTIES RECC	430	1,762	2,192	326	27	691	3,236	16	688	2,890	5,138,805	148.2
PENNYRILE RECC	781	855	1,636	404	64	561	2,665	125	5,099	37,672	58,273,701	128.9
TRI-COUNTY EMC	726	763	1,489	515	119	358	2,481	137	5,464	40,653	59,900,263	122.8
WARREN RECC	892	987	1,879	552	138	966	3,535	156	5,617	49,721	79,490,494	133.2
WEST KENTUCKY RECC	547	1,472	2,019	576	38	472	3,105	86	4,046	30,520	51,664,140	141.1
TVA GROUP AVERAGE	675	1,168	1,843	475	77	610	3,005	104	4,183	32,291	50,893,481	131.3
OVERALL AVERAGE	643	993	1,636	494	98	612	2,840	85	3,727	30,795	42,167,278	114.1

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2008
KENTUCKY ELECTRIC COOPERATIVES
AVERAGE EXPENSE PER CONSUMER
STATISTICAL COMPARISONS

<u>COOPERATIVE</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>% CHANGE FROM 2004</u>
BIG SANDY	\$291	\$286	\$250	\$282	\$277	5.1 %
BLUE GRASS ENERGY	291	272	248	244	249	16.9
CLARK ENERGY COOP	253	240	237	241	248	2.0
CUMBERLAND VALLEY	267	259	264	240	205	30.2
FARMERS	262	259	223	238	250	4.8
FLEMING-MASON	291	280	294	298	263	10.6
GRAYSON	373	350	307	309	318	17.3
INTER-COUNTY	300	280	280	272	249	20.5
JACKSON ENERGY	311	301	300	269	275	13.1
LICKING VALLEY	270	260	250	252	236	14.4
NOLIN	349	342	327	306	351	-0.6
OWEN	266	250	267	237	253	5.1
SALT RIVER ELECTRIC	228	196	187	191	215	6.0
SHELBY ENERGY	295	258	280	276	297	-0.7
SOUTH KENTUCKY	264	262	251	235	231	14.3
TAYLOR COUNTY	<u>215</u>	<u>203</u>	<u>212</u>	<u>195</u>	<u>192</u>	<u>12.0</u>
AVERAGE EKPC	\$284	\$269	\$262	\$255	\$256	10.9 %
JACKSON PURCHASE	\$338	\$303	\$300	\$269	\$239	41.4 %
KENERGY	363	333	354	347	311	16.7
MEADE COUNTY	<u>267</u>	<u>251</u>	<u>250</u>	<u>247</u>	<u>245</u>	<u>9.0</u>
AVERAGE BIG RIVERS	\$323	\$295	\$301	\$288	\$265	21.9 %
HICKMAN-FULTON	\$525	\$433	\$460	\$411	\$392	33.9 %
PENNYRILE	274	254	235	226	236	16.1
TRI-COUNTY	258	244	240	238	239	7.9
WARREN	331	310	302	294	289	14.5
WEST KENTUCKY	<u>384</u>	<u>331</u>	<u>313</u>	<u>329</u>	<u>288</u>	<u>33.3</u>
AVERAGE TVA	\$355	\$314	\$309	\$300	\$289	22.8 %
OVERALL AVERAGE	\$303	\$281	\$276	\$270	\$264	14.8 %

2008
**KENTUCKY ELECTRIC COOPERATIVES
 AVERAGE EXPENSE PER MILE OF LINE
 STATISTICAL COMPARISONS**

<u>COOPERATIVE</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>% CHANGE FROM 2004</u>
BIG SANDY	\$3,744	\$3,676	\$3,221	\$3,590	\$3,508	6.7 %
BLUE GRASS ENERGY	3,486	3,240	2,939	2,861	2,138	63.0 *
CLARK ENERGY COOP	2,182	2,077	2,038	2,065	2,120	2.9
CUMBERLAND VALLEY	2,442	2,360	2,404	2,186	2,065	18.3
FARMERS	1,793	1,749	1,499	1,588	1,660	8.0
FLEMING-MASON	1,976	1,905	1,987	2,004	1,754	12.7
GRAYSON	2,379	2,229	1,954	1,957	2,003	18.8
INTER-COUNTY	2,061	1,943	1,950	1,904	1,757	17.3
JACKSON ENERGY	2,837	2,730	2,715	2,425	2,474	14.7
LICKING VALLEY	2,330	2,224	2,121	2,126	1,980	17.7
NOLIN	3,786	3,684	3,528	3,208	3,639	4.0
OWEN	3,394	3,178	3,346	2,572	2,711	25.2 **
SALT RIVER ELECTRIC	2,658	2,282	2,187	2,190	2,443	8.8
SHELBY ENERGY	2,157	1,872	2,081	2,024	2,115	2.0
SOUTH KENTUCKY	2,618	2,477	2,375	2,211	2,167	20.8
TAYLOR COUNTY	<u>1,703</u>	<u>1,598</u>	<u>1,655</u>	<u>1,518</u>	<u>1,480</u>	<u>15.1</u>
AVERAGE EKPC	\$2,596	\$2,451	\$2,374	\$2,277	\$2,251	15.3 %
JACKSON PURCHASE	\$3,403	\$2,663	\$2,632	\$2,353	\$2,082	63.4 %
KENERGY	2,839	2,595	2,746	2,673	2,384	19.1
MEADE COUNTY	<u>2,503</u>	<u>2,334</u>	<u>2,300</u>	<u>2,264</u>	<u>2,233</u>	<u>12.1</u>
AVERAGE BIG RIVERS	\$2,915	\$2,531	\$2,560	\$2,430	\$2,233	30.5 %
HICKMAN-FULTON	\$2,882	\$2,373	\$2,509	\$2,250	\$2,157	33.6 %
PENNYRILE	2,505	2,334	2,147	2,052	2,114	18.5
TRI-COUNTY	2,375	2,248	2,192	2,179	2,180	8.9
WARREN	3,496	3,251	3,122	3,002	2,921	19.7
WEST KENTUCKY	<u>3,649</u>	<u>3,246</u>	<u>2,966</u>	<u>3,115</u>	<u>2,726</u>	<u>33.9</u>
AVERAGE TVA	\$2,982	\$2,691	\$2,587	\$2,519	\$2,420	23.2 %
OVERALL AVERAGE	\$2,716	\$2,512	\$2,443	\$2,347	\$2,284	18.9 %

* NEW MAPPING SYSTEM INSTALLED IN 2005 - MORE ACCURATE COUNT

** NEW MAPPING SYSTEM INSTALLED IN 2006 - MORE ACCURATE COUNT

2008
 KENTUCKY ELECTRIC COOPERATIVES
 DENSITY CONSUMERS PER MILE
 STATISTICAL COMPARISONS

<u>COOPERATIVE</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>% CHANGE</u>	
					<u>2004</u>	<u>FROM 2004</u>
BIG SANDY	12.8	12.8	13.0	12.7	12.7	0.8 %
BLUE GRASS ENERGY	12.0	11.9	11.9	11.7	8.6	39.5 *
CLARK ENERGY COOP	8.6	8.7	8.6	8.6	8.6	0.0
CUMBERLAND VALLEY	9.1	9.1	9.1	9.1	10.1	-9.9
FARMERS	6.8	6.8	6.7	6.7	6.6	3.0
FLEMING-MASON	6.8	6.8	6.8	6.7	6.7	1.5
GRAYSON	6.4	6.4	6.4	6.3	6.3	1.6
INTER-COUNTY	6.9	6.9	7.0	7.0	7.1	-2.8
JACKSON ENERGY	9.1	9.1	9.1	9.0	9.0	1.1
LICKING VALLEY	8.6	9.0	8.0	8.0	8.0	7.5
NOLIN	10.9	10.8	10.8	10.5	10.4	4.8
OWEN	12.8	12.7	12.5	10.8	10.7	19.6 **
SALT RIVER ELECTRIC	11.7	11.7	11.7	11.5	11.4	2.6
SHELBY ENERGY	7.3	7.3	7.0	7.0	7.0	4.3
SOUTH KENTUCKY	9.9	9.5	9.5	9.4	9.4	5.3
TAYLOR COUNTY	<u>7.9</u>	<u>7.9</u>	<u>7.8</u>	<u>7.8</u>	<u>7.1</u>	<u>11.3</u>
AVERAGE EKPC	9.3	9.3	9.2	9.0	8.8	5.7 %
JACKSON PURCHASE	10.1	8.8	8.8	8.8	8.7	16.1 %
KENERGY	7.8	7.8	7.8	7.7	7.7	1.3
MEADE COUNTY	<u>9.4</u>	<u>9.3</u>	<u>9.2</u>	<u>9.2</u>	<u>9.1</u>	<u>3.3</u>
AVERAGE BIG RIVERS	8.7	8.4	8.3	8.3	8.2	6.1 %
HICKMAN-FULTON	5.5	5.5	5.5	5.5	5.5	0.0 %
PENNYRILE	9.2	9.2	9.1	9.1	9.0	2.2
TRI-COUNTY	9.2	9.2	9.1	9.2	9.1	1.1
WARREN	10.6	10.5	10.3	10.2	10.1	5.0
WEST KENTUCKY	<u>9.5</u>	<u>9.8</u>	<u>9.5</u>	<u>9.5</u>	<u>9.5</u>	<u>0.0</u>
AVERAGE TVA	9.5	9.5	9.4	9.4	9.3	2.2 %
OVERALL AVERAGE	9.3	9.2	9.1	9.0	8.8	5.7 %

* NEW MAPPING SYSTEM INSTALLED IN 2005 - MORE ACCURATE COUNT

** NEW MAPPING SYSTEM INSTALLED IN 2006 - MORE ACCURATE COUNT

**KENTUCKY ELECTRIC COOPERATIVES
OPERATING EXPENSE AND STATISTICAL COMPARISONS
2008 - 2007 ANNUAL COMPARISON**

	AVERAGE EXPENSE PER CONSUMER EKPC		
	<u>2008</u>	<u>2007</u>	<u>CHANGE</u>
DISTRIBUTION OPERATION	\$ 66.00	\$ 60.00	\$ 6.00
DISTRIBUTION MAINTENANCE	\$ 87.00	\$ 81.00	\$ 6.00
ACCOUNTING	\$ 54.00	\$ 54.00	\$ -
CONSUMER INFORMATION	\$ 11.00	\$ 11.00	\$ -
ADMINISTRATION	\$ 66.00	\$ 63.00	\$ 3.00
TOTAL PER CONSUMER	\$ 284.00	\$ 269.00	\$ 15.00

	AVERAGE EXPENSE PER CONSUMER TVA		
	<u>2008</u>	<u>2007</u>	<u>CHANGE</u>
DISTRIBUTION OPERATION	\$ 85.00	\$ 77.00	\$ 8.00
DISTRIBUTION MAINTENANCE	\$ 135.00	\$ 114.00	\$ 21.00
ACCOUNTING	\$ 54.00	\$ 50.00	\$ 4.00
CONSUMER INFORMATION	\$ 9.00	\$ 10.00	\$ (1.00)
ADMINISTRATION	\$ 72.00	\$ 63.00	\$ 9.00
TOTAL PER CONSUMER	\$ 355.00	\$ 314.00	\$ 41.00

OTHER STATISTICAL INFORMATION			
NUMBER OF EMPLOYEES	1,236	1,218	18
MILES OF LINE	55,358	54,931	427
CONSUMERS BILLED	517,103	508,550	8,553
MILES OF LINE PER EMPLOYEE	44.9	45.2	(0.3)
CONSUMER PER EMPLOYEE	420	418	2
DENSITY CONSUMERS PER MILE	9.3	9.3	0.0

OTHER STATISTICAL INFORMATION			
NUMBER OF EMPLOYEES	517	513	4
MILES OF LINE	20,879	20,650	229
CONSUMERS BILLED	198,172	197,034	1,138
MILES OF LINE PER EMPLOYEE	40.5	40.1	0.4
CONSUMER PER EMPLOYEE	385	383	2
DENSITY CONSUMERS PER MILE	9.5	9.5	0.0

	AVERAGE EXPENSE PER CONSUMER BIG RIVERS		
	<u>2008</u>	<u>2007</u>	<u>CHANGE</u>
DISTRIBUTION OPERATION	\$ 76.00	\$ 69.00	\$ 7.00
DISTRIBUTION MAINTENANCE	\$ 135.00	\$ 118.00	\$ 17.00
ACCOUNTING	\$ 47.00	\$ 45.00	\$ 2.00
CONSUMER INFORMATION	\$ 8.00	\$ 8.00	\$ -
ADMINISTRATION	\$ 57.00	\$ 55.00	\$ 2.00
TOTAL PER CONSUMER	\$ 323.00	\$ 295.00	\$ 28.00

	AVERAGE EXPENSE PER CONSUMER OVERALL AVERAGE		
	<u>2008</u>	<u>2007</u>	<u>CHANGE</u>
DISTRIBUTION OPERATION	\$ 71.00	\$ 65.00	\$ 6.00
DISTRIBUTION MAINTENANCE	\$ 103.00	\$ 92.00	\$ 11.00
ACCOUNTING	\$ 53.00	\$ 52.00	\$ 1.00
CONSUMER INFORMATION	\$ 10.00	\$ 10.00	\$ -
ADMINISTRATION	\$ 66.00	\$ 62.00	\$ 4.00
TOTAL PER CONSUMER	\$ 303.00	\$ 281.00	\$ 22.00

OTHER STATISTICAL INFORMATION			
NUMBER OF EMPLOYEES	296	301	(5)
MILES OF LINE	12,860	13,204	(344)
CONSUMERS BILLED	111,694	110,584	1,110
MILES OF LINE PER EMPLOYEE	43.3	44.0	(0.7)
CONSUMER PER EMPLOYEE	376	369	7
DENSITY CONSUMERS PER MILE	8.7	8.4	0.3

OTHER STATISTICAL INFORMATION			
NUMBER OF EMPLOYEES	2,049	2,032	17
MILES OF LINE	89,097	88,785	312
CONSUMERS BILLED	826,969	816,168	10,801
MILES OF LINE PER EMPLOYEE	43.7	43.5	0.2
CONSUMER PER EMPLOYEE	405	400	5
DENSITY CONSUMERS PER MILE	9.3	9.2	0.1

2008
KENTUCKY ELECTRIC COOPERATIVES
MILES OF LINE
STATISTICAL COMPARISONS

<u>COOPERATIVE</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>% CHANGE FROM 2004</u>
BIG SANDY	1,027	1,022	1,016	1,012	1,003	2.4 %
BLUE GRASS ENERGY	4,566	4,535	4,487	4,440	5,912	-22.8 *
CLARK ENERGY COOP	3,014	2,982	2,966	2,935	2,900	3.9
CUMBERLAND VALLEY	2,592	2,577	2,559	2,529	2,503	3.6
FARMERS	3,539	3,513	3,481	3,447	3,416	3.6
FLEMING-MASON	3,506	3,483	3,456	3,421	3,386	3.5
GRAYSON	2,466	2,454	2,437	2,416	2,400	2.8
INTER-COUNTY	3,687	3,630	3,572	3,502	3,409	8.2
JACKSON ENERGY	5,663	5,652	5,621	5,597	5,552	2.0
LICKING VALLEY	2,023	2,020	2,014	2,006	2,002	1.0
NOLIN	2,939	2,917	2,841	2,841	2,802	4.9
OWEN	4,451	4,428	4,400	4,940	4,836	-8.0 **
SALT RIVER ELECTRIC	3,953	3,903	3,847	3,750	3,649	8.3
SHELBY ENERGY	2,078	2,065	2,025	2,008	1,978	5.1
SOUTH KENTUCKY	6,685	6,600	6,540	6,475	6,408	4.3
TAYLOR COUNTY	<u>3,169</u>	<u>3,150</u>	<u>3,135</u>	<u>3,094</u>	<u>3,067</u>	<u>3.3</u>
TOTAL EKPC	55,358	54,931	54,397	54,413	55,223	0.2 %
JACKSON PURCHASE	2,891	3,271	3,244	3,213	3,180	-9.1 %
KENERGY	6,997	6,974	6,944	6,915	6,859	2.0
MEADE COUNTY	<u>2,972</u>	<u>2,959</u>	<u>2,937</u>	<u>2,893</u>	<u>2,866</u>	<u>3.7</u>
TOTAL BIG RIVERS	12,860	13,204	13,125	13,021	12,905	-0.3 %
HICKMAN-FULTON	689	688	685	683	682	1.0 %
PENNYRILE	5,075	5,047	5,022	4,997	4,986	1.8
TRI-COUNTY	5,467	5,450	5,427	5,388	5,358	2.0
WARREN	5,615	5,584	5,556	5,504	5,449	3.0
WEST KENTUCKY	<u>4,033</u>	<u>3,881</u>	<u>3,970</u>	<u>3,940</u>	<u>3,908</u>	<u>3.2</u>
TOTAL TVA	20,879	20,650	20,660	20,512	20,383	2.4 %
OVERALL TOTAL	89,097	88,785	88,182	87,946	88,511	0.7 %

* NEW MAPPING SYSTEM INSTALLED IN 2005 - MORE ACCURATE COUNT

** NEW MAPPING SYSTEM INSTALLED IN 2006 - MORE ACCURATE COUNT

2008
KENTUCKY ELECTRIC COOPERATIVES
TOTAL AVERAGE NUMBER OF CONSUMERS BILLED
STATISTICAL COMPARISONS

<u>COOPERATIVE</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>% CHANGE FROM 2004</u>
BIG SANDY	13,211	13,138	13,089	12,888	12,705	4.0 %
BLUE GRASS ENERGY	54,694	54,021	53,175	52,068	50,774	7.7
CLARK ENERGY COOP	26,006	25,801	25,508	25,151	24,796	4.9
CUMBERLAND VALLEY	23,695	23,487	23,303	23,029	25,224	-6.1
FARMERS	24,226	23,729	23,377	23,013	22,680	6.8
FLEMING-MASON	23,804	23,687	23,364	22,993	22,580	5.4
GRAYSON	15,722	15,631	15,517	15,302	15,113	4.0
INTER-COUNTY	25,353	25,185	24,869	24,501	24,059	5.4
JACKSON ENERGY	51,644	51,244	50,884	50,438	49,926	3.4
LICKING VALLEY	17,453	17,272	17,085	16,921	16,794	3.9
NOLIN	31,885	31,422	30,649	29,780	29,050	9.8
OWEN	56,794	56,290	55,141	53,598	51,811	9.6
SALT RIVER ELECTRIC	46,071	45,453	44,979	42,997	41,458	11.1
SHELBY ENERGY	15,191	14,990	15,053	14,725	14,087	7.8
SOUTH KENTUCKY	66,276	62,408	61,869	60,922	60,128	10.2
TAYLOR COUNTY	<u>25,078</u>	<u>24,792</u>	<u>24,483</u>	<u>24,089</u>	<u>23,646</u>	<u>6.1</u>
TOTAL EKPC	517,103	508,550	502,345	492,415	484,831	6.7 %
JACKSON PURCHASE	29,092	28,747	28,461	28,105	27,704	5.0 %
KENERGY	54,736	54,337	53,860	53,264	52,592	4.1
MEADE COUNTY	<u>27,866</u>	<u>27,500</u>	<u>27,008</u>	<u>26,515</u>	<u>26,118</u>	<u>6.7</u>
TOTAL BIG RIVERS	111,694	110,584	109,329	107,884	106,414	5.0 %
HICKMAN-FULTON	3,782	3,770	3,736	3,739	3,752	0.8 %
PENNYRILE	46,419	46,393	45,877	45,367	44,653	4.0
TRI-COUNTY	50,331	50,223	49,561	49,308	48,867	3.0
WARREN	59,317	58,591	57,431	56,187	55,079	7.7
WEST KENTUCKY	<u>38,323</u>	<u>38,057</u>	<u>37,639</u>	<u>37,305</u>	<u>36,993</u>	<u>3.6</u>
TOTAL TVA	198,172	197,034	194,244	191,906	189,344	4.7 %
OVERALL TOTAL	826,969	816,168	805,918	792,205	780,589	5.9 %

2008
KENTUCKY ELECTRIC COOPERATIVES
TOTAL RESIDENTIAL REVENUES
STATISTICAL COMPARISONS

<u>COOPERATIVE</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>% CHANGE FROM 2004</u>
BIG SANDY	\$16,830,290	\$15,853,498	\$14,192,128	\$13,672,178	\$11,398,809	47.6 %
BLUE GRASS ENERGY	75,708,257	68,578,375	61,513,915	59,969,633	49,545,080	52.8
CLARK ENERGY COOP	31,325,955	29,717,098	27,327,922	26,203,306	22,143,145	41.5
CUMBERLAND VALLEY	29,511,472	27,983,567	24,948,723	22,940,517	19,173,225	53.9
FARMERS	27,656,329	26,450,827	23,743,770	22,712,747	19,208,242	44.0
FLEMING-MASON	27,400,745	23,419,768	20,907,145	20,393,262	18,430,538	48.7
GRAYSON	19,326,239	18,131,615	16,223,795	16,244,690	13,861,532	39.4
INTER-COUNTY	35,150,797	33,391,723	28,203,005	27,321,723	24,142,722	45.6
JACKSON ENERGY	76,960,445	66,382,819	60,198,185	61,806,841	51,653,862	49.0
LICKING VALLEY	19,074,236	18,876,065	18,373,586	16,742,467	14,263,281	33.7
NOLIN	44,216,213	39,672,514	33,591,739	34,383,316	28,076,279	57.5
OWEN	68,931,115	66,458,715	58,817,668	55,724,664	47,113,587	46.3
SALT RIVER ELECTRIC	59,871,443	57,330,349	49,796,107	48,015,562	39,732,157	50.7
SHELBY ENERGY	21,021,450	19,684,110	17,784,401	17,533,652	14,268,131	47.3
SOUTH KENTUCKY	76,437,150	67,646,098	59,324,021	55,802,486	48,838,870	56.5
TAYLOR COUNTY	<u>26,494,596</u>	<u>25,472,592</u>	<u>22,725,012</u>	<u>22,031,517</u>	<u>19,056,126</u>	<u>39.0</u>
TOTAL EKPC	\$655,916,732	\$605,049,733	\$537,671,122	\$521,498,561	\$440,905,586	48.8 %
JACKSON PURCHASE	\$27,275,780	\$25,697,996	\$23,847,988	\$24,496,967	\$22,841,472	19.4 %
KENERGY	50,078,902	50,041,715	43,955,864	45,323,132	42,207,989	18.6
MEADE COUNTY	<u>24,196,053</u>	<u>21,982,113</u>	<u>20,297,372</u>	<u>20,436,215</u>	<u>18,944,590</u>	<u>27.7</u>
TOTAL BIG RIVERS	\$101,550,735	\$97,721,824	\$88,101,224	\$90,256,314	\$83,994,051	20.9 %
HICKMAN-FULTON	\$5,096,364	\$4,576,311	\$4,311,951	\$4,190,389	\$4,000,868	27.4 %
PENNYRILE	58,879,793	51,817,219	48,880,787	44,135,641	41,000,292	43.6
TRI-COUNTY	59,815,321	54,981,186	52,780,772	47,841,610	44,800,930	33.5
WARREN	79,120,223	69,955,053	64,825,495	60,315,980	55,933,218	41.5
WEST KENTUCKY	<u>51,409,815</u>	<u>45,691,877</u>	<u>41,190,556</u>	<u>38,609,978</u>	<u>35,207,258</u>	<u>46.0</u>
TOTAL TVA	\$254,321,516	\$227,021,646	\$211,989,561	\$195,093,598	\$180,942,566	40.6 %
OVERALL TOTAL	\$1,011,788,983	\$929,793,203	\$837,761,907	\$806,848,473	\$705,842,203	43.3 %

2008
KENTUCKY ELECTRIC COOPERATIVES
OPERATING EXPENSE STATISTICAL COMPARISONS
AVERAGE ANNUAL BASIS

COOPERATIVE NAME	DISTRIBUTION OPERATION PER CONSUMER	DISTRIBUTION MAINTENANCE PER CONSUMER	TOTAL OP. & MAINT. PER CONSUMER	CONSUMER ACCOUNTING PER CONSUMER	CONSUMER INFORMATION PER CONSUMER	ADM. & GEN. EXPENSE PER CONSUMER	TOTAL EXPENSE PER CONSUMER	NUMBER OF EMPLOYEES	MILES OF LINE	NUMBER OF CONSUMERS BILLED	MILES OF LINE PER EMPLOYEE	CONSUMERS PER EMPLOYEE	DENSITY CONSUMERS PER MILE
BIG SANDY RECC	77	74	151	44	8	88	291	41	1,027	13,211	25.0	322	12.8
BLUE GRASS ENERGY COOP	49	93	142	46	22	81	291	113	4,566	54,694	40.4	484	12.0
CLARK ENERGY COOP	61	80	141	51	7	54	253	50	3,014	26,006	60.3	520	8.6
CUMBERLAND VALLEY ELECTRIC	47	98	145	68	8	46	267	56	2,592	23,695	46.3	423	9.1
FARMERS RECC	44	94	138	45	5	74	262	69	3,539	24,226	51.3	351	6.8
FLEMING-MASON ENERGY	61	99	160	67	7	57	291	51	3,506	23,804	68.8	467	6.8
GRAYSON RECC	69	135	204	56	15	98	373	45	2,466	15,722	54.8	349	6.4
INTER-COUNTY ENERGY	79	61	140	70	21	69	300	63	3,687	25,353	58.5	402	6.9
JACKSON ENERGY COOP	73	93	166	63	8	74	311	133	5,683	51,644	42.6	388	9.1
LICKING VALLEY RECC	79	93	172	40	4	54	270	46	2,023	17,453	44.0	379	8.6
NOLIN RECC	89	93	182	64	26	77	349	93	2,939	31,885	31.6	343	10.9
OWEN EC	78	65	143	58	9	56	266	145	4,451	56,794	30.7	392	12.8
SALT RIVER ELECTRIC	50	66	116	44	10	58	228	76	3,953	46,071	52.0	606	11.7
SHELBY ENERGY COOP	84	98	182	47	9	57	295	30	2,078	15,191	69.2	506	7.3
SOUTH KENTUCKY RECC	51	85	136	61	13	54	264	170	6,685	66,276	39.3	390	9.9
TAYLOR COUNTY RECC	60	61	121	39	3	52	215	55	3,169	25,078	57.6	456	7.9
EKPC GROUP AVERAGE	66	87	163	54	11	66	284	77	3,460	32,319	44.9	420	9.3
JACKSON PURCHASE ENERGY	78	138	216	40	9	73	338	78	2,891	29,092	37.1	373	10.1
KENERGY CORP	78	175	253	55	6	49	363	155	6,997	54,736	45.1	353	7.8
MEADE COUNTY RECC	72	92	164	46	8	49	267	63	2,972	27,866	47.0	442	9.4
BIG RIVERS GROUP AVERAGE	76	135	211	47	8	57	323	99	4,287	37,231	43.3	376	8.7
HICKMAN-FULTON COUNTIES RECC	104	243	347	55	5	118	525	13	689	3,782	53.0	291	5.5
PENNYRILE RECC	82	82	164	44	10	56	274	125	5,075	46,419	40.6	371	9.2
TRI-COUNTY EMC	82	76	158	50	11	39	258	140	5,467	50,331	39.0	360	9.2
WARREN RECC	81	89	170	54	14	93	331	155	5,615	59,317	36.2	383	10.6
WEST KENTUCKY RECC	75	183	258	68	6	52	384	84	4,033	38,323	48.0	456	9.5
TVA GROUP AVERAGE	85	135	220	64	9	72	355	103	4,176	39,634	40.5	385	9.5
OVERALL AVERAGE	71	103	174	53	10	66	303	85	3,712	34,457	43.7	405	9.3

2008
KENTUCKY ELECTRIC COOPERATIVES
OPERATING EXPENSE STATISTICAL COMPARISONS
AVERAGE ANNUAL BASIS

COOPERATIVE NAME	DISTRIBUTION OPERATION PER MILE	DISTRIBUTION MAINTENANCE PER MILE	TOTAL OP. & MAINT. PER MILE	CONSUMER ACCOUNTING PER MILE	CONSUMER INFORMATION PER MILE	ADM. & GEN. EXPENSE PER MILE	TOTAL EXPENSE PER MILE	NUMBER OF EMPLOYEES	MILES OF LINE	RESIDENTIAL CONSUMERS BILLED	TOTAL RESIDENTIAL REVENUES	AVERAGE MONTHLY RES'L REV
BIG SANDY RECC	991	952	1,943	566	103	1,132	3,744	41	1,027	12,083	16,830,290	116.1
BLUE GRASS ENERGY COOP	587	1,114	1,701	551	264	970	3,486	113	4,566	52,345	75,708,257	120.5
CLARK ENERGY COOP	526	690	1,216	440	60	466	2,182	50	3,014	24,344	31,325,955	107.2
CUMBERLAND VALLEY ELECTRIC	430	896	1,326	622	73	421	2,442	56	2,592	22,204	29,511,472	110.8
FARMERS RECC	301	643	944	308	34	507	1,793	69	3,539	22,490	27,656,329	102.5
FLEMING-MASON ENERGY	414	672	1,086	455	48	387	1,976	51	3,506	17,730	27,400,745	128.8
GRAYSON RECC	440	861	1,301	357	96	625	2,379	45	2,466	14,422	19,326,239	111.7
INTER-COUNTY ENERGY	543	419	962	481	144	474	2,061	63	3,687	23,989	35,150,797	122.1
JACKSON ENERGY COOP	666	848	1,514	575	73	675	2,837	133	5,663	48,008	76,960,445	133.6
LICKING VALLEY RECC	682	802	1,484	345	35	466	2,330	46	2,023	16,274	19,074,236	97.7
NOLIN RECC	966	1,009	1,975	694	282	835	3,786	93	2,939	29,814	44,216,213	123.6
OWEN EC	995	829	1,824	740	115	715	3,394	145	4,451	54,427	68,931,115	105.5
SALT RIVER ELECTRIC	583	769	1,352	513	117	676	2,658	76	3,953	43,211	59,871,443	115.5
SHELBY ENERGY COOP	614	716	1,330	344	66	417	2,157	30	2,078	14,748	21,021,450	118.8
SOUTH KENTUCKY RECC	506	843	1,349	605	129	535	2,618	170	6,685	60,649	76,437,150	105.0
TAYLOR COUNTY RECC	475	483	958	309	24	412	1,703	55	3,169	22,301	26,494,596	99.0
EKPC GROUP AVERAGE	607	784	1,391	494	104	607	2,596	77	3,460	29,940	40,994,796	114.1
JACKSON PURCHASE ENERGY	785	1,389	2,174	403	91	735	3,403	78	2,891	26,038	27,275,780	87.3
KENERGY CORP	610	1,369	1,979	430	47	383	2,839	155	6,997	45,039	50,078,902	92.7
MEADE COUNTY RECC	675	863	1,538	431	75	459	2,503	63	2,972	25,808	24,196,053	78.1
BIG RIVERS GROUP AVERAGE	690	1,207	1,897	421	71	626	2,915	99	4,287	32,295	33,850,245	87.4
HICKMAN-FULTON COUNTIES RECC	571	1,334	1,905	302	27	648	2,882	13	689	2,928	5,096,364	145.1
PENNYRILE RECC	750	750	1,500	402	91	512	2,505	125	5,075	37,084	58,879,793	132.3
TRI-COUNTY EMC	755	700	1,455	460	101	359	2,375	140	5,467	40,717	59,815,321	122.4
WARREN RECC	856	940	1,796	570	148	982	3,496	155	5,615	49,453	79,120,223	133.3
WEST KENTUCKY RECC	713	1,739	2,452	646	57	494	3,649	84	4,033	30,711	51,409,815	139.5
TVA GROUP AVERAGE	729	1,093	1,822	476	85	599	2,982	103	4,176	32,179	50,864,303	131.7
OVERALL AVERAGE	643	901	1,544	481	96	595	2,716	85	3,712	30,701	42,157,874	114.4

Witness: Jim Adkins

Meade County Rural Electric Cooperative

Case No. 2010-00222

March 31, 2010

Attached is the Equity Management Plan. Meade County has paid, and continues to pay capital credits to its members in accordance with this Plan.

Capital credits were paid as follows:

	<u>General</u>	<u>Estates</u>	<u>Total</u>
2010	\$0	\$39,142	\$39,142
2009	0	172,093	172,093
2008	823,439	177,456	1,000,895
2007	529,408	177,715	707,123
2006	601,300	210,560	811,860
2005	363,263	154,794	518,057
Prior years	5,495,509	3,381,632	8,877,141
Total	<u>\$7,812,919</u>	<u>\$4,313,392</u>	<u>\$12,126,311</u>

MEADE COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

POLICY NO. 201

SUBJECT: Capital Management

**Original Policy Effective Date: September 22, 1994 (Original)
Latest Revision: July 20, 2005**

I. PURPOSE

Meade County Rural Electric Cooperative Corporation is a non-profit corporation organized under the laws of the State of Kentucky. In addition to these legal requirements, the Cooperative is guided in its operation by the various regulations and operational practices prescribed by the RUS and the Kentucky Public Service Commission. Beyond these legal and official requirements, the Cooperative has an obligation to its members to insure the financial integrity of the Cooperative so that it can provide high quality electric service to its members at the lowest possible long-term cost.

II. POLICY

It will be the policy of Meade County Rural Electric Cooperative Corporation to maintain current modified cash equity between 32 - 40%, continue capital credit rotation on at least a 20 year cycle, and maintain a modified cash TIER equal to or greater than mortgage requirements while also maintaining adequate cash reserves. Once achieved, those levels will be maintained to insure that the Cooperative's members receive electric service at cost.

III. RESPONSIBILITY

The President/CEO.

IV. PROVISIONS

Particular areas of concern included under this policy for which specific goals and practices need to be established are:

- A. Develop a long range financial plan and goals that will guide and insure the Cooperative of meeting all of its financial obligations through sound financial planning, which includes the following:
 - 1. Maintain necessary working capital and cash reserves.
 - 2. Maintain necessary funds for the debt retirement.

3. Maintain access to timely loan funds balances and sources to meet needed plant additions.
 4. Insure that funds are available for an established capital credit retirement program.
 5. Maintain DSC (Debt Service Coverage Ratio) minimum level to meet loan eligibility requirements of all lenders.
 6. The Cooperative shall give primary consideration to safety and liquidity in the management of general funds. Funds shall be kept in CFC or in member investment programs of the G&T or in banks whose deposits are insured by FDIC, FSLIC, or invested in securities of the United States Government or institutions insured or guaranteed by the United States Government or by an instrumentality thereof. An investment is considered liquid when it can readily be converted into cash without loss of principal. Any investment in the equity of a publicly traded company or in a development subsidiary company set up by the Cooperative may be made only with the approval of the Board of Directors.
 7. A line of credit not greater than 10% of total utility plant, with CFC, shall be maintained to provide funds in the event they are needed for storm damage, temporary construction financing, pending advances of long term debt loan funds, or other unpredictable requirements.
 8. In considering the financing of distribution plant including system additions and improvements, all available sources of capital will be considered with primary consideration to be given to the RUS and CFC. The loan terms will be level debt payments (principal and interest) and no more than 50% of the Cooperative's total long-term debt will be financed at a variable interest rate
 9. Capitalized purchases shall include property with an expected life in service of more than one year and an original cost of no less than \$1,000.
- B. Develop a flexible capital credit rotation program on a minimum year cycle using FIFO method of rotation. Retirements are to be determined by the Board of Directors based on the financial condition of the Cooperative, with a goal of retiring capital credits on at least a 20 year rotation cycle.

Consider using different rotation cycles including percentage, LIFO, or hybrids to maximize the value to the membership. Rotating capital credits

is an effective way to regulate cash and show the membership they own the Cooperative.

- C. To reach and maintain the above goals by establishing a Capital Management Plan, which determines revenue requirements to meet margins, equity level, rotation of capital credits, debt service goals, and to forecast necessary retail rate increases.

In the implementation of this policy, it is recognized that the above goals need to be reviewed at least annually to adjust for certain variables (i.e., cost of debt capital, growth of electric plant, and margins).

This policy supersedes any existing policy, which may be in conflict with provisions of this policy.

Approved:

David T. Wilson 7-20-05
David T. Wilson, Chairman

Meade County Rural Electric Cooperative
Case No. 2010-00222
Capitalization Policies

	<u>Benefits Distribution</u>
107.20 Construction work in progress	226,029
108.80 Retirement work in progress	56,111
163.00 Stores	45,593
184.10 Transportation	17,391
242.32 Employee sick leave/vacation	
417.00 Non operating accounts	5,019
580.00 Supervision, operations	72,241
583.00 Overhead line	58,686
586.00 Meter	26,377
587.00 Installations	786
588.00 Miscellaneous distribution	61,499
590.00 Supervision, maintenance	77,238
593.00 Maintenance	203,065
594.00 Underground	200
595.00 Transformers	324
596.00 Street lights	445
597.00 Meters	30
598.00 Miscellaneous maintenance	24,898
901.00 Supervision	18,321
902.00 Meter reading	9,752
903.00 Consumer records	166,373
907.00 Supervision, Customer service	4,546
908.00 Consumer accounting	22,952
909.00 Consumer information	7,176
910.00 Misc customer information	19,421
920.00 Administrative	178,549
930.00 Miscellaneous	19,234
935.00 Maintenance general plant	<u>6,656</u>
Total	<u>1,328,912</u>

Benefits include the following:

Medical insurance	357,629
Disability	31,566
Life insurance	16,313
R & S retirement	441,890
Savings plan 401(k)	192,416
Payroll taxes	<u>289,098</u>
	<u>1,328,912</u>

Meade County accumulates all benefits, then allocates these to accounts based on the labor distribution for the month. The above is the actual allocation for the test year for the above benefits

The total number of employees is 63, with an average benefit cost of \$21,094.

MEADE COUNTY RURAL ELECTRIC COOPERATIVE CORP
CASE NO. 2010-00222

Exhibit 21
Page 1 Of 1
Witness: Jim Adkins

1	Remote Disconnect			
	Cost of Remote Disconnect/Reconnect	\$ 278.92		
	Tax	16.73		
	Processing & Handling	<u>26.78</u>		
	Total Cost of Unit		\$ 322.43	
	Installation			
	One (1) Hour of Labor	28.13		
	Contractor	<u>-</u>		
			<u>28.13</u>	
	Total Equipment & Installation Cost			<u>\$ 350.56</u>
	Amortized over 60 Months			<u>\$ 5.84</u>
2	Dispatch Labor to Operate Switch & Communicate with Member			
	One (1) Hour of Labor for Communications and			
	Operational Control	21.16		
	Overhead % & basis	19.04		
	Total		40.20	
	Approximate Length of Time to Disconnect/Reconnect		15 Minutes	10.05
3	CSR to Process Service Order			
	Customer Service Representative - One (1) H	19.16		
	Overhead	10.56		
	Total		29.72	
	Approximate Length of Time to Disconnect/Reconnect		15 Minutes	<u>7.43</u>
	Total Annual Cost			\$ 23.32
4	Interest 6%			1.75
5	Margin for 2.32 TIER			<u>2.31</u>
6	Total Cost to Disconnect or Reconnect for Non-Pay Remotely			<u>\$ 27.39</u>
7	Requesting Service Fee			<u>\$ 30.00</u>