



a PPL company

Mr. Jeff DeRouen  
Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort, KY 40602

March 4, 2013

**RE: *AN EXAMINATION BY THE PUBLIC SERVICE COMMISSION  
OF THE ENVIRONMENTAL SURCHARGE MECHANISM OF  
KENTUCKY UTILITIES COMPANY FOR THE SIX-MONTH  
BILLING PERIOD ENDING OCTOBER 31, 2012  
CASE NO. 2012-00546***

Dear Mr. DeRouen:

Please find enclosed and accept for filing the original and seven (7) copies of the Response of Kentucky Utilities Company to the Questions Raised at the February 26, 2013 Technical Conference.

Should you have any questions concerning the enclosed, please contact me at your convenience.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. M. Conroy', written over a horizontal line.

Robert M. Conroy

Enclosures

RECEIVED

MAR 4 2013

PUBLIC SERVICE  
COMMISSION

**Kentucky Utilities Company**  
State Regulation and Rates  
220 West Main Street  
PO Box 32010  
Louisville, Kentucky 40232  
[www.lge-ku.com](http://www.lge-ku.com)

Robert M. Conroy  
Director - Rates  
T 502-627-3324  
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[robert.conroy@lge-ku.com](mailto:robert.conroy@lge-ku.com)

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

**In the Matter of:**

**AN EXAMINATION BY THE PUBLIC SERVICE )  
COMMISSION OF THE ENVIRONMENTAL )  
SURCHARGE MECHANISM OF KENTUCKY ) CASE NO.  
UTILITIES COMPANY FOR THE SIX-MONTH ) 2012-00546  
BILLING PERIOD ENDING OCTOBER 31, 2012 )**

**RESPONSE OF  
KENTUCKY UTILITIES COMPANY  
TO  
COMMISSION STAFF'S QUESTIONS RAISED AT  
THE FEBRUARY 26, 2013 TECHNICAL CONFERENCE**

**FILED: March 4, 2013**





**KENTUCKY UTILITIES COMPANY**

**Response to Commission Staff's Questions Raised at the  
February 26, 2013 Technical Conference**

**Case No. 2012-00546**

**Question No. 1**

**Witness: Robert M. Conroy**

Q-1. Explain how the ECR monthly billing factor is displayed on a customer's bills.

A-1. Please see the attached sample bill for a customer who receives service under Rate GS (subject to the Group 2 ECR billing factor) and also receives service under Rate LS (subject to the Group 1 ECR billing factor).

For customers receiving service on a rate schedule subject to the Group 2 ECR billing factor, additional information explaining the Environmental Surcharge calculation is provided in the Billing Information section of the bill.



Customer Service: 1-800-383-5582 (M-F, 7 a.m. to 6 p.m. ET)  
 Telephone Payments: 1-800-383-5582; press 2-3-1  
 (24 hours a day; \$2.95 fee)  
 Walk-In Center: Open Mon-Fri 8 a.m. to 5 p.m. ET  
 Online Customer Self-Service: [www.lge-ku.com](http://www.lge-ku.com) (24 hours a day)

DUE DATE	Pay This Amount
03/19/13	\$714.12

Late Payment Fees will be applied to current charges if the current amount due is not received in full by the payment due date on this bill even if payment arrangements have been made.

Averages for Billing Period	This Year	Last Year
Average Temperature	35°	39°
Number of Days Billed	29	31
Electric/kwh per day	186.9	146.7

ACCOUNT INFORMATION	
Account Number:	[REDACTED]
Account Name:	[REDACTED]
Service Address:	[REDACTED]
Next Read Will Occur:	03/20/13 - 03/22/13
Date Bill Mailed:	02/21/13 (Meter Read Portion 15)

BILLING SUMMARY	
Previous Balance	901.16
Payment(s) Received 1/23 - 2/21	-901.16
Balance as of 2/21	0.00
Current Electric Charges	345.97
Current Unmetered Charges	297.67
Current Taxes and Fees	70.48
Current Charges as of 2/21	714.12
<b>Total Amount Due</b>	<b>714.12</b>

### ELECTRIC CHARGES

<b>Rate Type: General Service - 3 Phase</b>		<b>Meter Reading Information</b>	
Basic Service Charge	35.00	Meter # C520966	
Energy Charge (\$0.08575 x 3,412 kWh)	292.58	Actual Reading on 2/20/13	90875
Electric DSM (\$0.00149 x 3,412 kWh)	5.08	Previous Reading on 1/22/13	87463
Environmental Surcharge (5.21% x (\$332.66 - \$91.03))	12.59	<b>Current kwh Usage</b>	<b>3412</b>
Fuel Adjustment (\$0.00021 x 3,412 kWh)	0.72	Meter Multiplier	1
<b>Total Electric Charges</b>	<b>\$345.97</b>	<b>Metered kwh Usage</b>	<b>3412</b>

### UNMETERED CHARGES

<b>Rate Type: LS 428: OH HPS Open Bottom 9500L Fi</b>	
Unit Charge (\$7.44 x 1 Light)	7.44
Fuel Adjustment (\$0.00021 x 43 kWh)	0.01
Environmental Surcharge (2.980% x \$7.45)	0.22
<b>Rate Type: LS 496: UG MH Contemporary 107800L</b>	

Please see reverse side for additional charges.

Customer Service 1-800-383-5582

PLEASE RETURN THIS PORTION WITH YOUR PAYMENT

Account Number	Payment Due Date	Pay This Amount	Amount Due After Due Date	Winter Care Donation	Amount Enclosed
[REDACTED]	03/19/13	\$714.12	\$725.63		\$

Check here if plan(s) requested on back of stub

OFFICE USE ONLY:  
 MRU15385734, G000000  
 P901.16  
 PF:Y eB:P



PO BOX 9001954  
 LOUISVILLE, KY 40290-1954

CYCLED PAPER  
 3.01.23

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**UNMETERED CHARGES (cont)**

Init Charge (\$56.24 x 5 Lights)	281.20
Fuel Adjustment (\$0.00021 x 1,965 kWh)	0.41
Environmental Surcharge (2.980% x \$281.61)	8.39
<b>Total Unmetered Charges</b>	<b>\$297.67</b>

**METER AND USAGE INFORMATION**

**UNMETERED**

<u>OL Number</u>	<u>Service Type</u>	<u>Number of Lights</u>	<u>Number of Poles</u>	<u>Billing From</u>	<u>Period To</u>	<u>Usage kWh</u>
n/a	LS 428: OH HPS Open Bottom 950	1	n/a	01/23/13	02/20/13	43
n/a	LS 496: UG MH Contemporary 107	5	n/a	01/23/13	02/20/13	1965
<b>Total Usage</b>						<b>2008</b>

**TAXES AND FEES**

Rate Increase For School Tax (3.00% x \$643.64)	19.31
Franchise Fee-Winchester (1.67% x \$643.64)	10.75
Sales Tax (6.00% x \$673.70)	40.42
<b>Total Taxes and Fees</b>	<b>\$70.48</b>

**BILLING INFORMATION**

**Rate GS Environmental Surcharge:** The fuel cost of \$91.03 included in the Energy Charge and the Fuel Adjustment were deducted from the Electric Charges before multiplying the Billing Factor of 5.21%.

Late Charge to be Assessed After Due Date                      \$11.51

**Environmental Surcharge:** A monthly charge or credit passed on to customers to pay for the cost of pollution-control equipment needed to meet government-mandated air emission reduction requirements.

**Franchise Fee:** A pass-through of fees paid by the Company to municipalities for the right to serve customers located in those municipalities.

**IMPORTANT INFORMATION**

You now have more time to pay your bill. Effective Jan. 1, 2013, you have at least 22 days from the date your KU bill is issued to make your payment. Late payment fees will be added only if full payment is not received by the payment due date.

For a copy of your rate schedule, visit [www.lge-ku.com](http://www.lge-ku.com) or call our Customer Service Department.

New enrollment only - **Please check box(es) below and on front of stub.**

- Auto Pay** (voided check must be provided). *Please note that any past due balance on your KU account will be debited from your bank account immediately upon enrollment in the Auto Pay program. To avoid unintended debits to your bank account, please make sure your KU account balance is current before enrolling in Auto Pay.*

**Please deduct my Auto Pay Payment from my Checking Account.**

*I hereby authorize KU to debit my bank account for payment of my monthly bill. This authorization applies to all my current and future KU accounts, and will remain in effect until revoked by me or KU.*

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

*Processing Auto Pay requests can take up to two billing cycles. Please continue making regular payments until you receive a bill that indicates the amount due will be deducted from your bank account on the payment due date.*





**KENTUCKY UTILITIES COMPANY**

**Response to Commission Staff's Questions Raised at the  
February 26, 2013 Technical Conference**

**Case No. 2012-00546**

**Question No. 2**

**Witness: Robert M. Conroy**

- Q-2. Refer to the Response to Commission Staff's First Information Request, Question No. 1. Please provide an explanation and additional details for the calculation of the short- and long-term debt rates using average daily balances and daily interest rates.
- A-2. The calculation of the average daily balance and interest rates is performed on each debt issuance for each day of the six month period under review. Such calculation and documentation is voluminous. The average daily interest rate for each debt issuance is utilized in the Analysis of the Embedded Cost of Capital report to develop the annual cost rate for short-term and long-term debt shown in the Attachment to Response to Question No. 1, pages 3 and 4 of the Commission Staff's First Request for Information in Appendix B of Commission's Order dated January 2, 2013. Please see page 1 of the attached for the Analysis of the Embedded Cost of Capital at October 31, 2012. As a sample, pages 2 through 6 of the attachment also includes supporting calculations for the Rate as shown for the Mercer Co. 2000 Series A pollution control bond utilizing the Embedded Cost of Capital report. A similar calculation is performed for each bond and debt issuance listed on the Embedded Cost of Capital report. In addition, voluminous documentation is maintained as source material for each of the supporting calculations.

KENTUCKY UTILITIES COMPANY  
ANALYSIS OF THE EMBEDDED COST OF CAPITAL AT  
October 31, 2012  
USING AVERAGE DAILY BALANCES AND INTEREST RATES FOR ECR FILINGS

LONG-TERM DEBT									
	Due	Rate	Principal	Interest	Annualized Cost				Embedded Cost
					Amortized Debt Issuance Exp/Discount	Amortized Loss-Reacquired Debt	Letter of Credit and other fees	Total	
See pages 2 through 6 for the calculation of this rate based on the daily interest rates for the 6-mo period									
Pollution Control Bonds -									
Mercer Co 2000 Series A	05/01/23	0.186%*	\$ 12,900,000	\$ 23,994	\$ -	\$ 46,931	\$ 156,549 a	\$ 227,474	1.763%
Carroll Co 2002 Series A	02/01/32	0.461%*	20,930,000	96,487	4,104	36,300	20,930 b	157,821	0.754%
Carroll Co 2002 Series B	02/01/32	0.454%*	2,400,000	10,896	2,856	4,164	2,400 b	20,316	0.847%
Muhlenberg Co 2002 Series A	02/01/32	0.460%*	2,400,000	11,040	1,140	12,744	2,400 b	27,324	1.139%
Mercer Co 2002 Series A	02/01/32	0.459%*	7,400,000	33,966	3,180	12,900	7,400 b	57,446	0.776%
Carroll Co 2002 Series C	10/01/32	0.266%*	96,000,000	255,360	73,658	186,036	300,538 c	815,592	0.850%
Carroll Co 2004 Series A	10/01/34	0.190%*	50,000,000	95,000	-	105,113	609,493 a	809,606	1.619%
Carroll Co 2006 Series B	10/01/34	0.188%*	54,000,000	101,520	47,950	-	658,985 a	808,455	1.497%
Carroll Co 2007 Series A	02/01/26	5.750%	17,875,000	1,027,813	33,342	-	-	1,061,155	5.937%
Trimble Co 2007 Series A	03/01/37	6.000%	8,927,000	535,620	16,072	-	-	551,692	6.180%
Carroll Co 2008 Series A	02/01/32	0.187%*	77,947,405	145,762	34,434	-	951,225 a	1,131,421	1.452%
Called Bonds						201,063		201,063	
First Mortgage Bonds -									
2010 due 2015	11/01/15	1.625%	250,000,000	4,062,500	461,126 **	-	-	4,523,626	1.809%
Debt discount on FMB	11/01/15	1.625%	(479,070)	-	175,000 **	-	-	175,000	-36.529%
2010 due 2020	11/01/20	3.250%	500,000,000	16,250,000	418,360 **	-	-	16,668,360	3.334%
Debt discount on FMB	11/01/15	3.250%	(1,303,184)	-	189,000 **	-	-	189,000	-14.503%
2010 due 2040	11/01/40	5.125%	750,000,000	38,437,500	249,641 **	-	-	38,687,141	5.158%
Debt discount on FMB	11/01/40	5.125%	(6,381,316)	-	271,250 **	-	-	271,250	-4.251%
S-3 SEC Shelf Registration	03/27/15				2,084			2,084	
Revolving Credit Facility	10/19/16				785,357 3&4		500,000	1,285,357	
Letter of Credit Facility	04/29/14				324,250			324,250	
<b>Total External Debt</b>			<b>\$ 1,842,615,835</b>	<b>\$ 61,087,458</b>	<b>\$ 3,092,805</b>	<b>\$ 605,251</b>	<b>\$ 3,209,920</b>	<b>\$ 67,995,434</b>	<b>3.690%</b>
Notes Payable to PPL	2		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>Total Internal Debt</b>			<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.000%</b>
<b>Total</b>			<b>\$ 1,842,615,835</b>	<b>\$ 61,087,458</b>	<b>\$ 3,092,805</b>	<b>\$ 605,251</b>	<b>\$ 3,209,920</b>	<b>\$ 67,995,434</b>	<b>3.690%</b>

p. 32

SHORT-TERM DEBT								Embedded Cost
	Rate	Principal	Interest	Expense	Loss	Premium	Total	
Notes Payable to Associated Company	0.450%*	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.000%
Revolving Credit Facility Payable		-	-	-	-	-	-	0.000%
Commercial Paper Program	Varies	-	-	-	-	-	-	0.000%
<b>Total</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.000%</b>

<b>Embedded Cost of Total Debt</b>	<b>\$ 1,842,615,835</b>	<b>\$ 61,087,458</b>	<b>\$ 3,092,805</b>	<b>\$ 605,251</b>	<b>\$ 3,209,920</b>	<b>\$ 67,995,434</b>	<b>3.690%</b>
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\* Composite rate at end of current month for Embedded Cost of Capital report and daily average rate for ECR filings.  
\*\* Debt discount shown on separate line

1 Series P and R bonds were redeemed in 2003, and 2005, respectively. They were not replaced with other bond series. The remaining unamortized expense is being amortized over the remainder of the original lives (due 5/15/07, 6/1/25, 6/1/35, and 6/1/36 respectively) of the bonds as loss on reacquired debt

2 Fidelity Notes Payable were paid off on 11/1/2010 with PPL Notes Payable that were paid off with the new FMB issues on 11/16/2010

3 Included setup fees for the Wachovia Credit Facility in Long-term Debt due to 4 year credit arrangement

4 Credit Facility amended effective October 19, 2011 New term of 5 years at lower interest rate

a - Letter of credit fee = (principal bal + 45 days interest)\*2% L/C Fee and 25% L/C Fronting Fee Rate based on company credit rating Remarketing Fee = 10 basis points  
b - Remarketing fee = 10 basis points  
c - Remarketing fee = 25 basis points

**2000 SERIES A MERCER COUNTY BONDS  
VARIABLE INTEREST RATE CALCULATION  
\$12,900,000  
237149**

		<b>DAILY INTEREST RATE</b>	<b>DAILY INTEREST</b>	<b>MONTHLY INTEREST</b>	<b>AVG MTHLY INT RATE</b>	<b>AVG INT RATE - YTD</b>	<b>AVG INT RATE - Beginning 05/01/12</b>
<b>May-12</b>	1-May-12	0.250	88.11				
	2-May-12	0.230	81.07				
	3-May-12	0.230	81.07				
	4-May-12	0.230	81.07				
	5-May-12	0.230	81.07				
	6-May-12	0.230	81.07				
	7-May-12	0.230	81.07				
	8-May-12	0.230	81.07				
	9-May-12	0.220	77.54				
	10-May-12	0.220	77.54				
	11-May-12	0.220	77.54				
	12-May-12	0.220	77.54				
	13-May-12	0.220	77.54				
	14-May-12	0.220	77.54				
	15-May-12	0.220	77.54				
	16-May-12	0.220	77.54				
	17-May-12	0.220	77.54				
	18-May-12	0.220	77.54				
	19-May-12	0.220	77.54				
	20-May-12	0.220	77.54				
	21-May-12	0.220	77.54				
	22-May-12	0.220	77.54				
	23-May-12	0.200	70.49				
	24-May-12	0.200	70.49				
	25-May-12	0.200	70.49				
	26-May-12	0.200	70.49				
	27-May-12	0.200	70.49				
	28-May-12	0.200	70.49				
	29-May-12	0.200	70.49				
	30-May-12	0.180	63.44				
	31-May-12	0.180	63.44	<b>2,361.48</b>	<b>0.216</b>	<b>0.164</b>	<b>0.216</b>
<b>Jun-12</b>	1-Jun-12	0.180	63.44				
	2-Jun-12	0.180	63.44				
	3-Jun-12	0.180	63.44				
	4-Jun-12	0.180	63.44				
	5-Jun-12	0.180	63.44				
	6-Jun-12	0.160	56.39				
	7-Jun-12	0.160	56.39				
	8-Jun-12	0.160	56.39				
	9-Jun-12	0.160	56.39				
	10-Jun-12	0.160	56.39				
	11-Jun-12	0.160	56.39				
	12-Jun-12	0.160	56.39				
	13-Jun-12	0.210	74.02				

**2000 SERIES A MERCER COUNTY BONDS  
VARIABLE INTEREST RATE CALCULATION  
\$12,900,000  
237149**

	DAILY INTEREST RATE	DAILY INTEREST	MONTHLY INTEREST	AVG MTHLY INT RATE	AVG INT RATE - YTD	AVG INT RATE - Beginning 05/01/12
	14-Jun-12	0.210	74.02			
	15-Jun-12	0.210	74.02			
	16-Jun-12	0.210	74.02			
	17-Jun-12	0.210	74.02			
	18-Jun-12	0.210	74.02			
	19-Jun-12	0.210	74.02			
	20-Jun-12	0.210	74.02			
	21-Jun-12	0.210	74.02			
	22-Jun-12	0.210	74.02			
	23-Jun-12	0.210	74.02			
	24-Jun-12	0.210	74.02			
	25-Jun-12	0.210	74.02			
	26-Jun-12	0.210	74.02			
	27-Jun-12	0.190	66.97			
	28-Jun-12	0.190	66.97			
	29-Jun-12	0.190	66.97			
	30-Jun-12	0.190	66.97	<b>2,016.07</b>	<b>0.191</b>	<b>0.168</b>
<b>Jul-12</b>	1-Jul-12	0.190	66.97			<b>0.204</b>
	2-Jul-12	0.190	66.97			
	3-Jul-12	0.190	66.97			
	4-Jul-12	0.160	56.39			
	5-Jul-12	0.160	56.39			
	6-Jul-12	0.160	56.39			
	7-Jul-12	0.160	56.39			
	8-Jul-12	0.160	56.39			
	9-Jul-12	0.160	56.39			
	10-Jul-12	0.160	56.39			
	11-Jul-12	0.170	59.92			
	12-Jul-12	0.170	59.92			
	13-Jul-12	0.170	59.92			
	14-Jul-12	0.170	59.92			
	15-Jul-12	0.170	59.92			
	16-Jul-12	0.170	59.92			
	17-Jul-12	0.170	59.92			
	18-Jul-12	0.180	63.44			
	19-Jul-12	0.180	63.44			
	20-Jul-12	0.180	63.44			
	21-Jul-12	0.180	63.44			
	22-Jul-12	0.180	63.44			
	23-Jul-12	0.180	63.44			
	24-Jul-12	0.180	63.44			
	25-Jul-12	0.180	63.44			
	26-Jul-12	0.180	63.44			
	27-Jul-12	0.180	63.44			

**2000 SERIES A MERCER COUNTY BONDS  
VARIABLE INTEREST RATE CALCULATION  
\$12,900,000  
237149**

	DAILY INTEREST RATE	DAILY INTEREST	MONTHLY INTEREST	AVG MTHLY INT RATE	AVG INT RATE - YTD	AVG INT RATE - Beginning 05/01/12
	28-Jul-12	0.180	63.44			
	29-Jul-12	0.180	63.44			
	30-Jul-12	0.180	63.44			
	31-Jul-12	0.180	63.44	1,903.28	0.174	0.169
<b>Aug-12</b>	1-Aug-12	0.160	56.39			
	2-Aug-12	0.160	56.39			
	3-Aug-12	0.160	56.39			
	4-Aug-12	0.160	56.39			
	5-Aug-12	0.160	56.39			
	6-Aug-12	0.160	56.39			
	7-Aug-12	0.160	56.39			
	8-Aug-12	0.150	52.87			
	9-Aug-12	0.150	52.87			
	10-Aug-12	0.150	52.87			
	11-Aug-12	0.150	52.87			
	12-Aug-12	0.150	52.87			
	13-Aug-12	0.150	52.87			
	14-Aug-12	0.150	52.87			
	15-Aug-12	0.150	52.87			
	16-Aug-12	0.150	52.87			
	17-Aug-12	0.150	52.87			
	18-Aug-12	0.150	52.87			
	19-Aug-12	0.150	52.87			
	20-Aug-12	0.150	52.87			
	21-Aug-12	0.150	52.87			
	22-Aug-12	0.180	63.44			
	23-Aug-12	0.180	63.44			
	24-Aug-12	0.180	63.44			
	25-Aug-12	0.180	63.44			
	26-Aug-12	0.180	63.44			
	27-Aug-12	0.180	63.44			
	28-Aug-12	0.180	63.44			
	29-Aug-12	0.190	66.97			
	30-Aug-12	0.190	66.97			
	31-Aug-12	0.190	66.97	1,779.92	0.163	0.168
<b>Sep-12</b>	1-Sep-12	0.190	66.97			0.186
	2-Sep-12	0.190	66.97			
	3-Sep-12	0.190	66.97			
	4-Sep-12	0.190	66.97			
	5-Sep-12	0.150	52.87			
	6-Sep-12	0.150	52.87			
	7-Sep-12	0.150	52.87			
	8-Sep-12	0.150	52.87			
	9-Sep-12	0.150	52.87			

**2000 SERIES A MERCER COUNTY BONDS  
VARIABLE INTEREST RATE CALCULATION**

\$12,900,000

237149

	DAILY INTEREST RATE	DAILY INTEREST	MONTHLY INTEREST	AVG MTHLY INT RATE	AVG INT RATE - YTD	AVG INT RATE - Beginning 05/01/12	
	10-Sep-12	0.150	52.87				
	11-Sep-12	0.150	52.87				
	12-Sep-12	0.170	59.92				
	13-Sep-12	0.170	59.92				
	14-Sep-12	0.170	59.92				
	15-Sep-12	0.170	59.92				
	16-Sep-12	0.170	59.92				
	17-Sep-12	0.170	59.92				
	18-Sep-12	0.170	59.92				
	19-Sep-12	0.180	63.44				
	20-Sep-12	0.180	63.44				
	21-Sep-12	0.180	63.44				
	22-Sep-12	0.180	63.44				
	23-Sep-12	0.180	63.44				
	24-Sep-12	0.180	63.44				
	25-Sep-12	0.180	63.44				
	26-Sep-12	0.190	66.97				
	27-Sep-12	0.190	66.97				
	28-Sep-12	0.190	66.97				
	29-Sep-12	0.190	66.97				
	30-Sep-12	0.190	66.97	1,836.31	0.174	0.164	0.18353
<b>Oct-12</b>	1-Oct-12	0.190	66.97				
	2-Oct-12	0.190	66.97				
	3-Oct-12	0.170	59.92				
	4-Oct-12	0.170	59.92				
	5-Oct-12	0.170	59.92				
	6-Oct-12	0.170	59.92				
	7-Oct-12	0.170	59.92				
	8-Oct-12	0.170	59.92				
	9-Oct-12	0.170	59.92				
	10-Oct-12	0.180	63.44				
	11-Oct-12	0.180	63.44				
	12-Oct-12	0.180	63.44				
	13-Oct-12	0.180	63.44				
	14-Oct-12	0.180	63.44				
	15-Oct-12	0.180	63.44				
	16-Oct-12	0.180	63.44				
	17-Oct-12	0.220	77.54				
	18-Oct-12	0.220	77.54				
	19-Oct-12	0.220	77.54				
	20-Oct-12	0.220	77.54				
	21-Oct-12	0.220	77.54				
	22-Oct-12	0.220	77.54				
	23-Oct-12	0.220	77.54				

**2000 SERIES A MERCER COUNTY BONDS  
VARIABLE INTEREST RATE CALCULATION**

**\$12,900,000  
237149**

	<b>DAILY INTEREST RATE</b>	<b>DAILY INTEREST</b>	<b>MONTHLY INTEREST</b>	<b>AVG MTHLY INT RATE</b>	<b>AVG INT RATE - YTD</b>	<b>AVG INT RATE - Beginning 05/01/12</b>
24-Oct-12	0.220	77.54				
25-Oct-12	0.220	77.54				
26-Oct-12	0.220	77.54				
27-Oct-12	0.220	77.54				
28-Oct-12	0.220	77.54				
29-Oct-12	0.220	77.54				
30-Oct-12	0.220	77.54				
31-Oct-12	0.220	77.54	2,160.57	0.198	0.172	0.186

This is the Rate shown on page 1 of this attachment. It is the average of the Daily Interest Rates shown on pages 2 through 6 of this attachment.

0.186