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November 16, 2017

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PUBLIC SERVICE
COMMISSION

VIA HAND DELIVERY

Gwen R. Pinson, Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, KY 40602

Re: IN THE MATTER OF: APPLICATION OF BIG SANDY RURAL ELECTRIC
COOPERATIVE CORPORATION FOR A GENERAL ADJUSTMENT OF EXISTING
RATES - Case No. 2017-00374

Ms. Pinson:

Please find enclosed and accept for filing on behalf of Big Sandy Rural Electric Cooperative Corporation ("Big Sandy"): (i) an original and ten (10) copies of Big Sandy's Response to Commission Staff's First Request for Information propounded September 27, 2017 (including eleven (11) identical compact discs); (ii) an original and ten copies of Big Sandy's Motion for Confidential Treatment concerning a portion of its aforementioned Response; and (iii) a sealed envelope marked "Confidential" containing a compact disc with the relevant confidential information.

I appreciate your assistance with this matter, and please do not hesitate to contact me with any questions or concerns.

Respectfully submitted,



|| M. Evan Buckley

Enclosures

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PUBLIC SERVICE
COMMISSION

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

In the Matter of:

APPLICATION OF BIG SANDY RURAL ELECTRIC)
COOPERATIVE CORPORATION FOR A GENERAL) Case No. 2017-00374
ADJUSTMENT OF EXISTING RATES)

MOTION FOR CONFIDENTIAL TREATMENT

Comes now Big Sandy Rural Electric Cooperative Corporation (“Big Sandy”), by counsel, pursuant to KRS 61.878, 807 KAR 5:001 Section 13 and other applicable law, and respectfully moves the Commission to afford confidential treatment to a portion of Big Sandy’s Response to Commission Staff’s First Request for Information. In support of this request, Big Sandy states as follows:

1. On September 13, 2017, Big Sandy provided notice to the Commission of its intent to file an application requesting a general adjustment of its existing rates. On September 27, 2017, Commission Staff propounded its First Request for Information upon Big Sandy, and on October 30, 2017, Big Sandy filed its Application. Big Sandy is filing its Response to Commission Staff’s First Request for Information contemporaneously herewith.

2. Pursuant to Commission regulation and in accordance with law, Big Sandy requests that the Commission afford confidential treatment to the following proprietary, personal, confidential, sensitive, and commercially valuable information (collectively, the “Confidential Information”):

a. the specific employee identity and cooperative-wide compensation information (employee numbers, job titles, salaries, bonuses, benefits, contributions, compensation adjustments and/or similar information) contained in the Excel file tendered contemporaneously herewith in response to Item 55 of Staff's First Request for Information.

3. The Confidential Information includes private, cooperative-wide historical compensation and contribution information for all individuals employed by Big Sandy since 2011. The public disclosure of such sensitive information, which is undoubtedly of a personal nature, would constitute a clearly unwarranted invasion of personal privacy. Moreover, because Big Sandy competes with numerous other employers with respect to the acquisition and retention of a quality workforce, the public disclosure of the delicate and protected employee compensation information would unfairly harm Big Sandy's competitive position in the marketplace.

4. The Confidential Information is proprietary information that is retained by Big Sandy on a "need-to-know" basis. The Confidential Information is distributed within Big Sandy only to those holding select positions who must have access for business reasons, and it is generally recognized as confidential and proprietary in the energy industry and elsewhere.

5. The Kentucky Open Records Act and applicable precedent exempts the Confidential Information from disclosure. *See* KRS 61.878(1)(a); KRS 61.878(1)(c)(1); *Zink v. Department of Workers Claims, Labor Cabinet*, 902 S.W.2d 825 (Ky.App. 1994); *Hoy v. Kentucky Industrial Revitalization Authority*, 907 S.W.2d 766, 768 (Ky. 1995). The public disclosure of the Confidential Information would potentially harm Big Sandy's competitive position in the marketplace, to the detriment of Big Sandy and its customers. Additionally, the Confidential Information is publicly unavailable and its confidentiality is critical to Big Sandy's effective

execution of business decisions and strategy. For these reasons, the Confidential Information satisfies both the statutory and common law standards for affording confidential treatment.

6. Big Sandy does not object to limited disclosure of the Confidential Information described herein, pursuant to an acceptable confidentiality and nondisclosure agreement, to intervenors with a legitimate interest in reviewing the same for the sole purpose of participating in this case.

7. Because the Confidential Information is contained in and throughout the electronic Excel file provided in response to Item 55 of Staff's First Request for Information, Big Sandy requests that the entire electronic file be afforded confidential treatment. Additionally, because Item 55 of Staff's First Request for Information seeks only an electronic file, Big Sandy requests permission, to the extent necessary, to deviate from regulatory requirements (including 807 KAR 5:001 Section 13(2)(a)(3)) with respect to the filing of redacted and paper-medium copies of the subject information. Big Sandy is tendering herewith, in a sealed envelope marked "Confidential," a compact disc containing an unredacted copy of the relevant Excel file.

8. In accordance with the provisions of 807 KAR 5:001 Section 13(2), Big Sandy respectfully requests that the Confidential Information be withheld from public disclosure for ten (10) years.

9. If, and to the extent, the Confidential Information becomes publicly available or otherwise no longer warrants confidential treatment, Big Sandy will notify the Commission and seek to have confidential protection removed, pursuant to 807 KAR 5:001 Section 13(10).

WHEREFORE, on the basis of the foregoing, Big Sandy respectfully requests that the Commission classify and protect as confidential the specific Confidential Information described herein for a period of ten (10) years.

Dated this 16th day of November, 2017.

Respectfully submitted,



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PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF BIG SANDY RURAL ELECTRIC)
COOPERATIVE CORPORATION FOR A GENERAL) Case No. 2017-00374
ADJUSTMENT OF EXISTING RATES)

**BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION'S
RESPONSE TO COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION**

Filed: November 16, 2017

Big Sandy Rural Electric Cooperative Corporation
Case No. 2017-00374
Commission Staff's First Request for Information

1. Provide, in comparative form, a detailed income statement, a statement of cash flows, and a balance sheet for the test year and the 12-month period immediately preceding the test year.

Response:

Please see Page 2 through Page 4 of this Response.

Big Sandy Rural Electric Cooperative
Case No. 2017-00374
Statement of Operations
July 31, 2016

	<u>Test Year</u>	<u>12 mos. Ending 7/31/15</u>
Operating revenue	\$ 23,866,212.00	\$ 26,438,309.00
Operating Expenses:		
Cost of Power	16,010,784	18,158,347
Distribution-Operations	1,094,553	1,031,885
Distribution-Maintenance	1,516,304	1,690,146
Consumer accounts	887,246	870,666
Consumer service	29,781	72,444
Sales	5,403	(3,901)
Administrative and general	1,364,315	1,282,630
	<u>20,908,386</u>	<u>23,102,217</u>
Depreciation and amortization	2,272,704	2,218,683
Taxes-Other	33,861	35,100
Interest on long term debt	701,164	721,556
Other interest expense	62,878	50,939
Other deductions	19,500	14,298
	<u>23,998,493</u>	<u>26,142,793</u>
Utility operating margins	(132,281)	295,516
Nonoperating margins, interest	173,911	175,496
Nonoperating margins, other	13,495	37,804
G&T capital credits	1,400,000	1,573,030
Other capital credits	46,850	106,744
Net margins	<u>\$ 1,501,975</u>	<u>\$ 2,188,590</u>
TIER excluding EKPC	1.15	1.85

1 Big Sandy Rural Electric Cooperative
2 Case No. 2017-00374
3 Statement of Cash Flows
4 July 31, 2016
5

	<u>Test Year</u>	<u>12 mos. Ending 7/31/15</u>
6		
7		
8	Cash Flows from Operating Activities:	
9	Net margins	\$ 2,188,590
10	Adjustments ot reconcile to net cash provided	
11	by operating activities:	
12	Depreciation	
13	Charged to expense	2,218,683
14	Charged to clearing accounts	148,887
15	Patronage capital credits	(1,679,774)
16	Accumulated postretirement benefits	(37,575)
17	Net change in current assets and liabilities:	
18	Receivables	(101,241)
19	Materials and supplies	1,705
20	Prepayments and deferred debits	26,281
21	Accounts Payable	6,041
22	Consumer Deposits	(18,020)
23	Accrued Expenses	115,197
24	Consumer advances	(3,373)
25		<u>2,865,401</u>
26		
27	Cash Flows from Investing Activities:	
28	Plant additions	(2,210,567)
29	Additional investments, net of receipts	55,888
30		<u>(2,154,679)</u>
31		
32	Cash Flows from Financing Activities:	
33	Memberships	(2,940)
34	Refund of Capital Credits	(274,877)
35	Other Equities	368,536
36	Notes Payable	-
37	Additional long term borrowings	-
38	Payments on long-term debt	(1,444,950)
39		<u>(1,354,231)</u>
40		
41	Net increase in cash	\$ (643,509)
42		
43	Cash balances - beginning	<u>2,224,834</u>
44		
45	Cash balances - ending	<u>\$ 1,581,325</u>

1 Big Sandy Rural Electric Cooperative
2 Case No. 2017-00374
3 Balance Sheet
4 July 31, 2016
5

	<u>ASSETS</u>	<u>Test Year</u>	<u>12 mos. ending 7/31/15</u>
6			
7			
8	Electric Plant		
9	In service	\$ 52,220,273	\$ 51,054,378
10	Under construction	8,405	10,271
11		<u>52,228,678</u>	<u>51,064,649</u>
12	Less accumulated depreciation	19,234,040	18,231,777
13		<u>32,994,638</u>	<u>32,832,872</u>
14			
15	Investments	14,833,210	13,426,272
16			
17	Current Assets:		
18	Cash and temporary investments	628,942	1,581,325
19	Accounts receivable, net	3,368,594	3,310,428
20	Materials and supplies	310,509	292,041
21	Prepayments	84,120	53,678
22		<u>4,392,165</u>	<u>5,237,472.00</u>
23			
24	Deferred assets	11,858	17,946
25			
26	Total Assets	\$ 52,231,871	\$ 51,514,562
27			
28	<u>MEMBERS' EQUITIES AND LIABILITIES</u>		
29			
30	Margins and Equities:		
31	Memberships	\$ 227,590	228,685
32	Patronage Capital	24,925,371	23,799,783
33	Other equities	(1,778,829)	(2,257,377)
34		<u>\$ 23,374,132</u>	<u>21,771,091</u>
35			
36	Long Term Debt	21,479,005	22,812,969
37			
38	Accumulated Operating Provisions	3,714,137	3,765,573
39			
40	Current Liabilities:		
41	Notes payable	650,000	-
42	Accounts Payable	1,954,938	2,017,602
43	Consumer Deposits	623,357	659,233
44	Accrued expenses	418,393	462,972
45		<u>3,646,688</u>	<u>3,139,807</u>
46	Consumer advances	17,909	25,122
47			
48	Total Members' Equities and Liabilities	<u>\$ 52,231,871</u>	<u>\$ 51,514,562</u>

Big Sandy Rural Electric Cooperative Corporation
Case No. 2017-00374
Commission Staff's First Request for Information

2. Provide Big Sandy's rate of return on net investment rate base for the test year and the five most recent calendar years. Include the data used to calculate each return.

Response:

Please see Page 2 of this Response. Big Sandy believes this request seeks information from the test year and the five (5) calendar years most recent to (or preceding) the test year and has provided same.

Big Sandy RECC
Case No. 2017-00374
Rate of Return on Net Investment Rate Base
July 31, 2016

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	Test Year <u>8/1/15 - 7/31/16</u>	1st <u>2015</u>	2nd <u>2014</u>	3rd <u>2013</u>	4th <u>2012</u>	5th <u>2011</u>
Total Utility Plant	\$ 52,879,068	\$51,715,039	\$50,297,829	\$49,099,462	\$48,038,274	\$44,649,264
less Accumulated Depreciation & Amort	19,823,387	18,821,124	17,480,497	16,181,873	14,873,816	13,453,190
Cash Working Capital	612,200	611,733	608,121	597,776	556,824	536,652
Materials & Supplies *	298,301	274,598	290,358	316,100	337,879	391,186
Prepayments *	77,834	26,211	19,365	18,464	13,221	13,463
less Customer Deposits	-	19,926	24,431	30,025	29,385	26,922
Net Rate Base	34,044,017	33,786,531	33,710,745	33,819,904	34,042,997	32,110,453
Net Margins	1,501,975	1,710,588	2,137,905	2,295,210	1,574,763	1,764,428
Interest on Long Term Debt	701,164	705,710	749,189	792,314	822,866	926,623
Total	2,203,139	2,416,298	2,887,094	3,087,524	2,397,629	2,691,051
Return on Net Rate Base (Ln 24/20)	6.47%	7.15%	8.56%	9.13%	7.04%	8.38%

* Calculated using 13-month average values for test year amount

Big Sandy Rural Electric Cooperative Corporation
Case No. 2017-00374
Commission Staff's First Request for Information

3. Provide Big Sandy's times interest-earned ratio ("TIER"), operating TIER, and debt-service coverage ratio, as calculated by the Rural Utilities Service ("RUS"), for the test year and the five most recent calendar years. Include the data used to calculate each ratio.

Response:

Please see Page 2 of this Response. Big Sandy believes this request seeks information from the test year and the five (5) calendar years most recent to (or preceding) the test year and has provided same.

Big Sandy RECC
Case No. 2017-00374
TIER, OTIER, & DSC *
July 31, 2016

	Test Year <u>8/1/15 - 7/31/16</u>	1st <u>2015</u>	2nd <u>2014</u>	3rd <u>2013</u>	4th <u>2012</u>	5th <u>2011</u>
<u>TIER</u>						
Net Margins	\$ 1,501,975	\$ 1,710,588	\$ 2,137,905	\$ 2,295,210	\$ 1,574,763	\$ 1,764,428
GTCC	\$ 1,400,000	\$ 1,573,030	\$ 1,404,945	\$ 1,360,924	\$ 1,237,204	\$ 1,367,588
Interest on Long Term Debt	\$ 701,164	\$ 705,710	\$ 749,189	\$ 792,314	\$ 822,866	\$ 926,623
TIER (Ln 1-2+3)/(3)	1.15	1.19	1.98	2.18	1.41	1.43
<u>OTIER</u>						
Utility Operating Margins	\$ (132,283)	\$ (126,461)	\$ 455,994	\$ 787,109	\$ 235,661	\$ 306,334
Interest on Long Term Debt	\$ 701,164	\$ 705,710	\$ 749,189	\$ 792,314	\$ 822,866	\$ 926,623
Cash Recpts from Lenders	\$ 12,575	\$ 13,887	\$ 18,514	\$ 18,020	\$ 12,836	\$ 15,728
OTIER (Ln 7+8+9)/(8)	0.83	0.84	1.63	2.02	1.30	1.35
<u>DSC</u>						
Net Margins	\$ 1,501,975	\$ 1,710,588	\$ 2,137,905	\$ 2,295,210	\$ 1,574,763	\$ 1,764,428
GTCC	\$ 1,400,000	\$ 1,573,030	\$ 1,404,945	\$ 1,360,924	\$ 1,237,204	\$ 1,367,588
Depreciation Expense	\$ 2,272,704	\$ 2,245,342	\$ 2,173,975	\$ 2,103,987	\$ 2,016,944	\$ 1,939,171
Interest on Long Term Debt	\$ 701,164	\$ 705,710	\$ 749,189	\$ 792,314	\$ 822,866	\$ 926,623
Principal Pmt on LTD	\$ 1,333,964	\$ 1,356,578	\$ 1,350,327	\$ 1,213,472	\$ 1,887,959	\$ 1,730,279
DSC (Ln 13-14+15+16)/(16+17)	1.51	1.50	1.74	1.91	1.17	1.23

* TIER, OTIER and DSC all calculated excluding G&T Capital Credits (GTCC)

Big Sandy Rural Electric Cooperative Corporation
Case No. 2017-00374
Commission Staff's First Request for Information

4. Provide "Kentucky's Electric Cooperatives Operating Expense and Statistical Comparisons" for the two most recent years available.

Response:

Please see Page 2 through Page 15 of this Response.

2016
KENTUCKY ELECTRIC COOPERATIVES
TOTAL AVERAGE NUMBER OF CONSUMERS BILLED
STATISTICAL COMPARISONS

<u>COOPERATIVE</u>	<u>2016</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>% CHANGE FROM 2011</u>
BIG SANDY	13,053	13,102	13,177	13,199	13,213	-1.2 %
BLUE GRASS ENERGY	56,584	56,075	55,725	55,297	55,087	2.7
CLARK ENERGY COOP	26,085	25,989	25,985	25,980	26,041	0.2
CUMBERLAND VALLEY	23,586	23,619	23,659	23,613	23,684	-0.4
FARMERS	24,987	24,894	24,816	24,710	24,683	1.2
FLEMING-MASON	24,010	23,885	23,833	23,758	23,827	0.8
GRAYSON	15,344	15,338	15,391	15,389	15,470	-0.8
INTER-COUNTY	25,686	25,668	25,328	25,338	25,250	1.7
JACKSON ENERGY	51,359	51,435	51,360	51,250	51,224	0.3
LICKING VALLEY	17,323	17,400	17,408	17,426	17,428	-0.6
NOLIN	34,658	34,314	33,957	33,580	32,948	5.2
OWEN	59,409	58,840	58,095	57,809	57,596	3.1
SALT RIVER ELECTRIC	49,401	48,851	48,320	47,805	47,411	4.2
SHELBY ENERGY	15,854	15,638	15,457	15,360	15,315	3.5
SOUTH KENTUCKY	66,763	66,530	66,272	66,327	66,361	0.6
TAYLOR COUNTY	<u>26,104</u>	<u>25,958</u>	<u>25,888</u>	<u>25,728</u>	<u>25,613</u>	<u>1.9</u>
TOTAL EKPC	530,206	524,671	522,569	521,151	520,484	1.9 %
JACKSON PURCHASE	29,364	29,293	29,313	29,241	29,199	0.6 %
KENERGY	56,406	55,932	55,877	55,419	55,210	2.2
MEADE COUNTY	<u>28,166</u>	<u>28,985</u>	<u>28,730</u>	<u>28,592</u>	<u>28,478</u>	<u>2.4</u>
TOTAL BIG RIVERS	114,936	113,720	113,252	112,887	112,410	2.2 %
HICKMAN-FULTON	3,726	3,702	3,687	3,689	3,675	1.4 %
PENNYRILE	47,426	47,154	46,976	47,013	46,965	1.0
TRI-COUNTY	51,303	50,720	50,612	50,679	50,240	2.1
WARREN	62,658	61,958	61,316	60,641	60,265	4.0
WEST KENTUCKY	<u>38,541</u>	<u>38,483</u>	<u>38,398</u>	<u>38,310</u>	<u>38,154</u>	<u>1.0</u>
TOTAL TVA	203,654	200,989	200,332	199,299	199,224	2.2 %
OVERALL TOTAL	848,796	839,380	836,153	833,337	832,118	2.0 %

2015
 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. REV
BIG SANDY RECC	1045	1,510	2,555	843	50	1,284	4,792	42	1,037	11,960	18,679,347	130.2
BLUE GRASS ENERGY COOP	810	1,411	2,021	562	167	989	3,719	100	4,731	53,806	83,902,592	129.9
CLARK ENERGY COOP	796	1,294	2,080	474	85	457	3,095	62	3,085	24,317	36,468,086	124.9
CUMBERLAND VALLEY ELECTRIC	535	1,107	1,642	790	96	580	3,008	49	2,643	21,682	31,119,698	119.0
FARMERS RECC	482	815	1,301	303	34	592	2,230	62	3,632	23,087	31,985,735	115.6
FLEMING-MASON ENERGY	501	801	1,302	454	40	421	2,217	49	3,595	22,308	30,262,759	113.1
GRAYSON RECC	448	1,295	1,743	454	100	634	3,131	47	2,465	14,117	23,009,195	135.8
INTER-COUNTY ENERGY	718	491	1,207	437	106	570	2,320	69	3,675	24,170	37,622,733	129.7
JACKSON ENERGY COOP	811	1,053	1,874	550	153	659	3,433	121	5,701	47,664	75,406,746	131.8
LICKING VALLEY RECC	882	1,327	2,209	437	8	714	3,388	44	2,082	16,212	20,838,229	107.1
NOLIN RECC	1445	1,284	2,729	825	241	1,433	5,228	98	3,023	32,678	48,140,251	122.6
OWEN EC	1038	907	1,945	854	145	1,025	3,859	129	4,522	69,754	93,000,218	121.9
SALT RIVER ELECTRIC	631	738	1,369	428	71	774	2,642	72	4,151	46,290	66,444,046	119.6
SHELBY ENERGY COOP	708	1,230	1,938	201	179	507	2,825	41	2,126	15,214	24,385,887	133.6
SOUTH KENTUCKY RECC	617	1,205	1,822	549	59	578	3,008	144	6,813	60,801	82,959,317	113.7
TAYLOR COUNTY RECC	579	685	1,174	418	8	450	2,050	94	3,248	22,935	29,711,247	103.0
 BKPC GROUP AVERAGE	740	1,067	1,807	534	93	753	3,187	73	3,544	30,894	45,245,381	122.0
JACKSON PURCHASE ENERGY	927	1,107	2,034	439	20	788	3,281	71	2,945	25,347	37,547,205	123.4
KENERGY CORP	952	1,196	1,737	625	40	633	3,055	146	7,130	45,687	72,523,048	132.6
MEADE COUNTY RECC	934	670	1,904	499	45	571	3,019	62	3,216	27,038	35,511,355	109.5
 BIG RIVERS GROUP AVERAGE	808	1,091	1,889	521	35	664	3,119	93	4,430	32,657	48,827,203	123.6
HICKMAN-FULTON COUNTIES RECC	848	1,952	2,600	312	31	1,170	4,313	15	729	2,880	5,391,652	156.0
PENNYRILE RECC	981	670	1,851	461	111	805	3,248	119	5,124	42,345	67,026,690	131.9
TRI-COUNTY EMC	889	1,095	1,964	468	122	421	2,895	126	5,483	41,625	65,431,598	131.0
WARREN RECC	952	997	1,949	631	144	930	3,654	157	5,658	52,123	92,518,423	147.9
WEST KENTUCKY RECC	944	1,505	2,449	673	87	757	3,916	93	4,124	30,818	54,783,894	150.6
 TVA GROUP AVERAGE	923	1,284	2,207	513	89	817	3,626	102	4,224	33,858	57,090,651	140.4
 OVERALL AVERAGE	786	1,115	1,901	528	85	765	3,269	82	3,797	31,732	48,110,815	126.4

Revised: 6-3-16

KENTUCKY ELECTRIC COOPERATIVES
OPERATING EXPENSE AND STATISTICAL COMPARISONS
2015 - 2014 ANNUAL COMPARISON

	AVERAGE EXPENSE PER CONSUMER EKPC				AVERAGE EXPENSE PER CONSUMER TYA		
	2015	2014	CHANGE		2015	2014	CHANGE
DISTRIBUTION OPERATION	\$ 81.00	\$ 78.00	\$ 3.00	DISTRIBUTION OPERATION	\$ 111.00	\$ 106.00	\$ 5.00
DISTRIBUTION MAINTENANCE	\$ 120.00	\$ 120.00	\$ -	DISTRIBUTION MAINTENANCE	\$ 189.00	\$ 178.00	\$ (7.00)
ACCOUNTING	\$ 58.00	\$ 59.00	\$ (1.00)	ACCOUNTING	\$ 68.00	\$ 68.00	\$ 2.00
CONSUMER INFORMATION	\$ 10.00	\$ 13.00	\$ (3.00)	CONSUMER INFORMATION	\$ 10.00	\$ 11.00	\$ (1.00)
ADMINISTRATION	\$ 81.00	\$ 80.00	\$ 1.00	ADMINISTRATION	\$ 105.00	\$ 93.00	\$ 12.00
TOTAL PER CONSUMER	\$ 350.00	\$ 350.00	\$ -	TOTAL PER CONSUMER	\$ 453.00	\$ 442.00	\$ 11.00

OTHER STATISTICAL INFORMATION				OTHER STATISTICAL INFORMATION			
NUMBER OF EMPLOYEES	1,173	1,172	1	NUMBER OF EMPLOYEES	510	512	(2)
MILES OF LINE	58,708	58,515	193	MILES OF LINE	21,118	21,048	70
CONSUMERS BILLED	530,208	527,436	2,772	CONSUMERS BILLED	203,654	202,017	1,637
MILES OF LINE PER EMPLOYEE	48.6	48.4	0.1	MILES OF LINE PER EMPLOYEE	41.4	41.3	0.1
CONSUMER PER EMPLOYEE	454	452	2	CONSUMER PER EMPLOYEE	389	398	3
DENSITY CONSUMERS PER MILE	9.4	9.3	0.1	DENSITY CONSUMERS PER MILE	9.8	9.8	0.0

	AVERAGE EXPENSE PER CONSUMER BIG RIVERS				AVERAGE EXPENSE PER CONSUMER OVERALL AVERAGE		
	2015	2014	CHANGE		2015	2014	CHANGE
DISTRIBUTION OPERATION	\$ 88.00	\$ 95.00	\$ (6.00)	DISTRIBUTION OPERATION	\$ 88.00	\$ 88.00	\$ 2.00
DISTRIBUTION MAINTENANCE	\$ 128.00	\$ 125.00	\$ (2.00)	DISTRIBUTION MAINTENANCE	\$ 130.00	\$ 132.00	\$ (2.00)
ACCOUNTING	\$ 59.00	\$ 69.00	\$ -	ACCOUNTING	\$ 58.00	\$ 59.00	\$ (1.00)
CONSUMER INFORMATION	\$ 4.00	\$ 7.00	\$ (3.00)	CONSUMER INFORMATION	\$ 9.00	\$ 12.00	\$ (3.00)
ADMINISTRATION	\$ 74.00	\$ 72.00	\$ 2.00	ADMINISTRATION	\$ 85.00	\$ 82.00	\$ 3.00
TOTAL PER CONSUMER	\$ 349.00	\$ 358.00	\$ (9.00)	TOTAL PER CONSUMER	\$ 370.00	\$ 371.00	\$ (1.00)

OTHER STATISTICAL INFORMATION				OTHER STATISTICAL INFORMATION			
NUMBER OF EMPLOYEES	279	284	(5)	NUMBER OF EMPLOYEES	1902	1988	(86)
MILES OF LINE	13,291	13,276	15	MILES OF LINE	91,118	90,898	219
CONSUMERS BILLED	114,898	114,210	688	CONSUMERS BILLED	048,795	843,865	5,133
MILES OF LINE PER EMPLOYEE	47.6	46.6	1.0	MILES OF LINE PER EMPLOYEE	46.3	46.2	0.1
CONSUMER PER EMPLOYEE	412	401	11	CONSUMER PER EMPLOYEE	431	429	2
DENSITY CONSUMERS PER MILE	8.8	8.8	0.0	DENSITY CONSUMERS PER MILE	9.3	9.3	0.0

2015
KENTUCKY ELECTRIC COOPERATIVES
AVERAGE EXPENSE PER MILE OF LINE
STATISTICAL COMPARISONS

<u>COOPERATIVE</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>% CHANGE FROM 2011</u>
BIG SANDY	\$4,732	\$4,702	\$4,621	\$4,280	\$4,207	12.5 %
BLUE GRASS ENERGY	3,719	3,725	3,646	3,627	3,779	-1.6
CLARK ENERGY COOP	3,096	2,814	2,840	2,882	2,595	19.3
CUMBERLAND VALLEY	3,008	2,927	2,830	2,824	2,727	10.3
FARMERS	2,230	2,211	2,307	1,996	2,061	8.2
FLEMING-MASON	2,217	2,273	2,341	2,382	2,209	0.4
GRAYSON	3,131	3,472	2,988	3,047	2,963	5.7
INTER-COUNTY	2,320	2,387	2,285	2,326	2,341	-0.9
JACKSON ENERGY	3,433	3,383	3,368	3,410	3,348	2.5
LICKING VALLEY	3,368	3,359	3,001	2,818	2,710	24.3
NOLIN	5,228	5,448	4,613	4,484	4,527	15.5
OWEN	3,969	3,857	3,790	3,728	3,693	7.5
SALT RIVER ELECTRIC	2,642	2,606	2,702	2,539	2,711	-2.5
SHELBY ENERGY	2,825	2,676	2,608	2,548	2,542	11.1
SOUTH KENTUCKY	3,008	2,852	2,780	2,590	2,751	9.3
TAYLOR COUNTY	<u>2,050</u>	<u>2,006</u>	<u>1,972</u>	<u>1,960</u>	<u>1,948</u>	<u>5.2</u>
AVERAGE EKPC	\$3,187	\$3,044	\$2,953	\$2,946	\$2,919	9.2 %
JACKSON PURCHASE	\$3,281	\$3,577	\$3,400	\$3,340	\$3,532	-7.1 %
KENERGY	3,055	2,964	2,977	2,759	2,837	7.7
MEADE COUNTY	<u>3,019</u>	<u>3,029</u>	<u>3,015</u>	<u>3,032</u>	<u>2,892</u>	<u>4.4</u>
AVERAGE BIG RIVERS	\$3,119	\$3,130	\$3,044	\$3,087	\$2,970	5.0 %
HICKMAN-FULTON	\$4,313	\$4,069	\$3,708	\$3,395	\$4,037	6.8 %
PENNYRILE	3,248	3,165	3,080	2,945	3,000	8.3
TRI-COUNTY	2,995	2,897	2,800	2,761	2,674	12.0
WARREN	3,654	3,623	3,712	3,742	3,695	-1.1
WEST KENTUCKY	<u>3,916</u>	<u>4,000</u>	<u>3,661</u>	<u>3,128</u>	<u>3,462</u>	<u>13.1</u>
AVERAGE TVA	\$3,626	\$3,391	\$3,195	\$3,374	\$3,000	20.9 %
OVERALL AVERAGE	\$3,269	\$3,127	\$3,014	\$3,052	\$2,944	11.0 %

2015
KENTUCKY ELECTRIC COOPERATIVES
MILES OF LINE
STATISTICAL COMPARISONS

<u>COOPERATIVE</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>% CHANGE FROM 2011</u>
BIG SANDY	1,037	1,034	1,035	1,033	1,030	0.7 %
BLUE GRASS ENERGY	4,731	4,710	4,693	4,682	4,650	1.7
CLARK ENERGY COOP	3,085	3,066	3,056	3,052	3,042	1.4
CUMBERLAND VALLEY	2,643	2,639	2,633	2,626	2,614	1.1
FARMERS	3,632	3,624	3,615	3,602	3,591	1.1
FLEMING-MASON	3,595	3,582	3,575	3,560	3,550	1.3
GRAYSON	2,465	2,470	2,478	2,485	2,485	-0.8
INTER-COUNTY	3,875	3,834	3,803	3,779	3,765	2.9
JACKSON ENERGY	5,701	5,685	5,673	5,668	5,676	0.4
LICKING VALLEY	2,062	2,057	2,053	2,047	2,039	1.1
NOLIN	3,023	3,017	3,011	3,011	2,991	1.1
OWEN	4,522	4,530	4,522	4,514	4,509	0.3
SALT RIVER ELECTRIC	4,151	4,123	4,095	4,068	4,040	2.7
SHELBY ENERGY	2,126	2,121	2,109	2,104	2,097	1.4
SOUTH KENTUCKY	6,813	6,787	6,771	6,759	6,755	0.9
TAYLOR COUNTY	<u>3,248</u>	<u>3,236</u>	<u>3,230</u>	<u>3,218</u>	<u>3,210</u>	<u>1.2</u>
TOTAL EKPC	56,709	56,352	56,208	56,044	55,869	1.5 %
JACKSON PURCHASE	2,945	2,939	2,932	2,923	2,918	0.9 %
KENERGY	7,130	7,113	7,084	7,068	7,047	1.2
MEADE COUNTY	<u>3,216</u>	<u>3,224</u>	<u>2,982</u>	<u>2,970</u>	<u>2,974</u>	<u>8.1</u>
TOTAL BIG RIVERS	13,291	12,998	12,961	12,939	12,893	3.1 %
HICKMAN-FULTON	729	726	727	704	691	5.5 %
PENNYRILE	5,124	5,095	5,079	5,092	5,089	0.7
TRI-COUNTY	5,483	5,464	5,458	5,451	5,449	0.6
WARREN	5,658	5,645	5,632	5,623	5,626	0.6
WEST KENTUCKY	<u>4,124</u>	<u>4,118</u>	<u>4,111</u>	<u>4,091</u>	<u>4,079</u>	<u>1.1</u>
TOTAL TVA	21,118	21,007	20,961	20,934	20,926	0.9 %
OVERALL TOTAL	91,118	90,357	90,130	89,917	89,688	1.6 %

2015
KENTUCKY ELECTRIC COOPERATIVES
TOTAL RESIDENTIAL REVENUES
STATISTICAL COMPARISONS

COOPERATIVE	2015	2014	2013	2012	% CHANGE	
					2011	FROM 2011
BIG SANDY	\$18,679,347	\$20,352,830	\$20,214,344	\$18,915,867	\$19,254,338	-3.0 %
BLUE GRASS ENERGY	83,902,592	90,335,203	86,731,904	82,219,020	85,884,006	-2.3
CLARK ENERGY COOP	36,458,088	39,274,668	37,408,399	35,261,019	36,708,481	-0.7
CUMBERLAND VALLEY	31,119,699	32,804,899	31,848,912	30,386,944	31,460,869	-1.1
FARMERS	31,986,735	35,189,349	34,021,119	31,180,284	32,782,120	-2.4
FLEMING-MASON	30,262,759	32,135,777	31,290,157	29,690,084	28,199,358	7.3
GRAYSON	23,009,195	24,408,364	23,854,195	21,816,428	21,978,172	4.7
INTER-COUNTY	37,622,733	42,209,063	39,836,984	36,934,661	38,974,091	-3.5
JACKSON ENERGY	75,406,746	84,922,276	81,972,647	77,832,875	81,135,113	-7.1
LICKING VALLEY	20,838,229	22,943,939	22,724,114	21,314,628	21,839,711	-4.6
NOLIN	48,140,251	53,001,534	51,335,752	47,495,013	48,149,006	0.0
OWEN	83,000,218	87,221,855	79,439,125	79,578,364	79,163,922	4.8
SALT RIVER ELECTRIC	66,444,049	71,348,351	69,064,012	65,507,556	66,517,122	-0.1
SHELBY ENERGY	24,385,887	26,276,277	25,519,497	23,937,841	25,853,776	-5.7
SOUTH KENTUCKY	82,959,317	90,207,014	86,420,326	80,375,682	84,493,130	-1.8
TAYLOR COUNTY	<u>29,711,247</u>	<u>32,121,022</u>	<u>30,403,252</u>	<u>28,434,719</u>	<u>29,703,937</u>	0.0
TOTAL EKPC	\$723,928,092	\$762,085,739	\$710,880,985	\$732,097,162	\$725,664,973	-0.2 %
JACKSON PURCHASE	\$37,547,206	\$39,086,440	\$34,338,887	\$31,043,686	\$29,070,144	29.2 %
KENERGY	72,523,048	74,096,848	65,362,048	58,093,381	56,263,522	28.9
MEADE COUNTY	<u>35,511,355</u>	<u>36,725,209</u>	<u>31,876,222</u>	<u>27,769,525</u>	<u>27,479,674</u>	29.2
TOTAL BIG RIVERS	\$145,581,608	\$131,577,157	\$116,906,591	\$112,833,340	\$114,563,582	27.1 %
HICKMAN-FULTON	\$5,391,652	\$5,688,518	\$6,499,579	\$5,599,551	\$5,999,873	-10.1 %
PENNYRILE	67,028,690	71,535,238	66,136,309	62,724,839	65,110,934	2.9
TRI-COUNTY	65,431,598	69,404,761	64,475,861	62,236,827	65,426,019	0.0
WARREN	92,518,423	98,944,907	87,750,045	86,515,348	89,954,828	2.8
WEST KENTUCKY	<u>54,783,894</u>	<u>57,249,601</u>	<u>63,582,845</u>	<u>54,479,631</u>	<u>57,812,187</u>	-5.2
TOTAL TVA	\$285,154,257	\$277,444,439	\$271,556,196	\$284,303,841	\$284,036,188	0.4 %
OVERALL TOTAL	\$1,154,661,957	\$1,161,107,335	\$1,099,343,772	\$1,129,234,333	\$1,124,264,743	2.7 %

2015
KENTUCKY ELECTRIC COOPERATIVES
AVERAGE EXPENSE PER CONSUMER
STATISTICAL COMPARISONS

<u>COOPERATIVE</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>% CHANGE FROM 2011</u>
BIG SANDY	\$376	\$371	\$363	\$335	\$328	14.6 %
BLUE GRASS ENERGY	311	313	307	307	319	-2.5
CLARK ENERGY COOP	366	332	334	315	303	20.8
CUMBERLAND VALLEY	337	327	315	314	301	12.0
FARMERS	324	322	336	291	300	8.0
FLEMING-MASON	332	341	351	357	329	0.9
GRAYSON	503	559	481	492	476	5.7
INTER-COUNTY	350	358	343	347	349	0.3
JACKSON ENERGY	381	374	372	377	371	2.7
LICKING VALLEY	401	397	354	331	317	26.5
NOLIN	456	479	409	402	411	10.9
OWEN	302	297	295	291	289	4.5
SALT RIVER ELECTRIC	222	220	229	216	231	-3.9
SHELBY ENERGY	379	363	356	349	348	8.9
SOUTH KENTUCKY	307	291	284	264	280	9.6
TAYLOR COUNTY	<u>255</u>	<u>250</u>	<u>246</u>	<u>245</u>	<u>244</u>	<u>4.5</u>
AVERAGE EKPC	\$350	\$336	\$328	\$325	\$319	9.7 %
JACKSON PURCHASE	329	359	340	\$334	\$353	-6.8 %
KENERGY	386	377	379	352	362	6.6
MEADE COUNTY	<u>333</u>	<u>337</u>	<u>313</u>	<u>315</u>	<u>302</u>	<u>10.3</u>
AVERAGE BIG RIVERS	\$349	\$345	\$333	\$340	\$329	6.1 %
HICKMAN-FULTON	844	798	731	\$648	\$759	11.2 %
PENNYRILE	351	342	333	319	325	8.0
TRI-COUNTY	320	312	302	297	290	10.3
WARREN	330	330	341	347	345	-4.3
WEST KENTUCKY	<u>419</u>	<u>428</u>	<u>392</u>	<u>334</u>	<u>370</u>	<u>13.2</u>
AVERAGE TVA	\$453	\$419	\$390	\$419	\$357	26.9 %
OVERALL AVERAGE	\$370	\$355	\$341	\$346	\$329	12.5 %

2014
KENTUCKY ELECTRIC COOPERATIVES
TOTAL AVERAGE NUMBER OF CONSUMERS BILLED
STATISTICAL COMPARISONS

<u>COOPERATIVE</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>% CHANGE FROM 2010</u>
BIG SANDY	13,102	13,177	13,199	13,213	13,226	-0.9 %
BLUE GRASS ENERGY	56,075	55,725	55,297	55,087	54,980	2.0
CLARK ENERGY COOP	25,989	25,985	25,980	26,041	26,154	-0.6
CUMBERLAND VALLEY	23,619	23,659	23,613	23,684	23,749	-0.5
FARMERS	24,894	24,816	24,710	24,683	24,574	1.3
FLEMING-MASON	23,885	23,833	23,758	23,827	23,822	0.3
GRAYSON	15,338	15,391	15,389	15,470	15,533	-1.3
INTER-COUNTY	25,568	25,328	25,338	25,250	25,256	1.2
JACKSON ENERGY	51,435	51,360	51,250	51,224	51,338	0.2
LICKING VALLEY	17,400	17,408	17,426	17,428	17,493	-0.5
NOLIN	34,314	33,957	33,580	32,948	32,638	5.1
OWEN	58,840	58,095	57,809	57,596	57,478	2.4
SALT RIVER ELECTRIC	48,851	48,320	47,805	47,411	47,046	3.8
SHELBY ENERGY	15,638	15,457	15,360	15,315	15,311	2.1
SOUTH KENTUCKY	66,530	66,272	66,327	66,361	66,430	0.2
TAYLOR COUNTY	<u>25,958</u>	<u>25,888</u>	<u>25,728</u>	<u>25,613</u>	<u>25,456</u>	<u>2.0</u>
TOTAL EKPC	527,436	524,671	522,569	521,151	520,484	1.3 %
JACKSON PURCHASE	29,293	29,313	29,241	29,199	29,152	0.5 %
KENERGY	55,932	55,677	55,419	55,210	54,991	1.7
MEADE COUNTY	<u>28,985</u>	<u>28,730</u>	<u>28,592</u>	<u>28,478</u>	<u>28,267</u>	<u>2.5</u>
TOTAL BIG RIVERS	114,210	113,720	113,252	112,887	112,410	1.6 %
HICKMAN-FULTON	3,702	3,687	3,689	3,675	3,716	-0.4 %
PENNYRILE	47,154	46,976	47,013	46,965	46,984	0.4
TRI-COUNTY	50,720	50,612	50,679	50,240	50,340	0.8
WARREN	61,958	61,316	60,641	60,265	59,995	3.3
WEST KENTUCKY	<u>38,483</u>	<u>38,398</u>	<u>38,310</u>	<u>38,154</u>	<u>38,189</u>	<u>0.8</u>
TOTAL TVA	202,017	200,989	200,332	199,299	199,224	1.4 %
OVERALL TOTAL	843,663	839,380	836,153	833,337	832,118	1.4 %

2014
 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	936	1,584	2,522	849	89	1,242	4,702	42	1,034	12,016	20,362,830	141.2
BLUE GRASS ENERGY COOP	571	1,345	1,916	583	214	1,012	3,725	104	4,710	53,335	90,335,203	141.1
CLARK ENERGY COOP	576	1,161	1,737	483	192	492	2,814	53	3,056	24,233	38,274,688	135.1
CUMBERLAND VALLEY ELECTRIC	546	1,029	1,575	716	63	573	2,827	51	2,539	22,024	32,804,889	124.1
FARMERS RECC	460	817	1,277	302	48	584	2,211	62	3,524	23,909	35,189,349	127.5
FLEMING-MASON ENERGY	553	787	1,340	493	47	963	2,273	51	3,582	22,196	32,135,777	120.7
GRAYSON RECC	472	1,533	2,105	460	118	789	3,472	46	2,470	14,113	24,408,264	144.1
INTER-COUNTY ENERGY	687	534	1,221	433	133	600	2,387	63	3,934	24,094	42,209,063	146.0
JACKSON ENERGY COOP	823	1,031	1,854	552	145	832	3,363	121	5,885	47,723	84,922,276	148.3
LICKING VALLEY RECC	905	1,210	2,115	482	51	711	3,359	44	2,057	16,235	22,943,939	117.8
NOLIN RECC	1217	1,004	2,821	864	284	1,479	5,448	56	3,017	32,333	53,001,534	138.8
OWEN EC	1117	818	1,935	857	169	996	3,857	130	4,530	56,186	87,221,855	129.4
SALT RIVER ELECTRIC	675	675	1,350	438	95	723	2,606	72	4,123	45,790	71,348,351	129.9
SHELBY ENERGY COOP	664	965	1,659	310	184	523	2,676	39	2,121	15,189	26,276,277	144.2
SOUTH KENTUCKY RECC	578	1,137	1,715	549	95	490	2,852	145	6,787	60,800	90,207,014	123.6
TAYLOR COUNTY RECC	594	594	1,188	337	24	457	2,006	33	3,236	22,736	32,121,022	117.4
EKPC GROUP AVERAGE	711	1,080	1,771	544	117	737	3,169	73	3,632	30,755	49,047,026	132.9
JACKSON PURCHASE ENERGY	1076	1,116	2,192	496	30	657	3,577	74	2,939	25,894	39,086,440	126.8
KENERGY CORP	582	1,227	1,809	550	39	596	2,964	160	7,113	45,311	74,035,848	136.3
MEADE COUNTY RECC	935	953	1,888	512	117	512	3,029	60	3,224	26,847	36,725,209	114.0
BIG RIVERS GROUP AVERAGE	884	1,059	1,963	520	52	645	3,190	85	4,425	32,517	49,569,166	127.7
HICKMAN-FULTON COUNTIES RECC	770	1,904	2,764	260	66	979	4,069	19	726	2,819	5,888,518	109.2
PENNYRILE RECC	816	1,009	1,825	481	102	657	3,165	115	5,095	42,085	71,535,238	141.7
TRI-COUNTY EMC	891	975	1,866	464	121	446	2,897	131	5,464	41,117	69,404,761	140.7
WARREN RECC	977	955	1,932	548	143	900	3,623	157	5,645	51,647	95,844,907	156.4
WEST KENTUCKY RECC	906	1,748	2,654	845	37	664	4,000	93	4,118	30,251	57,249,601	157.7
TVA GROUP AVERAGE	892	1,335	2,228	600	94	729	3,551	102	4,210	33,584	60,164,605	149.3
OVERALL AVERAGE	788	1,122	1,890	532	105	724	3,251	82	3,785	31,577	51,478,456	135.9

2014
KENTUCKY ELECTRIC COOPERATIVES
MILES OF LINE
STATISTICAL COMPARISONS

<u>COOPERATIVE</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>% CHANGE FROM 2010</u>
BIG SANDY	1,034	1,035	1,033	1,030	1,027	0.7 %
BLUE GRASS ENERGY	4,710	4,693	4,682	4,650	4,632	1.7
CLARK ENERGY COOP	3,066	3,056	3,052	3,042	3,036	1.0
CUMBERLAND VALLEY	2,639	2,633	2,626	2,614	2,616	0.9
FARMERS	3,624	3,615	3,602	3,591	3,577	1.3
FLEMING-MASON	3,582	3,575	3,560	3,550	3,537	1.3
GRAYSON	2,470	2,478	2,485	2,485	2,483	-0.5
INTER-COUNTY	3,834	3,803	3,779	3,765	3,748	2.3
JACKSON ENERGY	5,685	5,673	5,668	5,676	5,664	0.4
LICKING VALLEY	2,057	2,053	2,047	2,039	2,031	1.3
NOLIN	3,017	3,011	3,011	2,991	2,980	1.2
OWEN	4,530	4,522	4,514	4,509	4,493	0.8
SALT RIVER ELECTRIC	4,123	4,095	4,068	4,040	4,016	2.7
SHELBY ENERGY	2,121	2,109	2,104	2,097	2,096	1.2
SOUTH KENTUCKY	6,787	6,771	6,759	6,755	6,735	0.8
TAYLOR COUNTY	<u>3,236</u>	<u>3,230</u>	<u>3,218</u>	<u>3,210</u>	<u>3,198</u>	<u>1.2</u>
TOTAL EKPC	56,515	56,352	56,208	56,044	55,869	1.2 %
JACKSON PURCHASE	2,939	2,932	2,923	2,918	2,909	1.0 %
KENERGY	7,113	7,084	7,068	7,047	7,010	1.5
MEADE COUNTY	<u>3,224</u>	<u>2,982</u>	<u>2,970</u>	<u>2,974</u>	<u>2,974</u>	<u>8.4</u>
TOTAL BIG RIVERS	13,276	12,998	12,961	12,939	12,893	3.0 %
HICKMAN-FULTON	726	727	704	691	684	6.1 %
PENNYRILE	5,095	5,079	5,092	5,089	5,100	-0.1
TRI-COUNTY	5,464	5,458	5,451	5,449	5,451	0.2
WARREN	5,645	5,632	5,623	5,626	5,622	0.4
WEST KENTUCKY	<u>4,118</u>	<u>4,111</u>	<u>4,091</u>	<u>4,079</u>	<u>4,069</u>	<u>1.2</u>
TOTAL TVA	21,048	21,007	20,961	20,934	20,926	0.6 %
OVERALL TOTAL	90,839	90,357	90,130	89,917	89,688	1.3 %

2014
KENTUCKY ELECTRIC COOPERATIVES
AVERAGE EXPENSE PER CONSUMER
STATISTICAL COMPARISONS

<u>COOPERATIVE</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>% CHANGE FROM 2010</u>
BIG SANDY	\$371	\$363	\$336	\$328	\$368	3.6 %
BLUE GRASS ENERGY	313	307	307	319	320	-2.2
CLARK ENERGY COOP	332	334	315	303	295	12.5
CUMBERLAND VALLEY	327	315	314	301	309	5.8
FARMERS	322	336	291	300	289	11.4
FLEMING-MASON	341	351	357	329	317	7.6
GRAYSON	559	481	492	476	423	32.2
INTER-COUNTY	358	343	347	349	328	9.1
JACKSON ENERGY	374	372	377	371	344	8.7
LICKING VALLEY	397	354	331	317	316	25.6
NOLIN	479	409	402	411	408	17.4
OWEN	297	295	291	289	292	1.7
SALT RIVER ELECTRIC	220	229	216	231	223	-1.3
SHELBY ENERGY	363	356	349	348	352	3.1
SOUTH KENTUCKY	291	284	264	280	291	0.0
TAYLOR COUNTY	<u>250</u>	<u>246</u>	<u>245</u>	<u>244</u>	<u>237</u>	<u>5.5</u>
AVERAGE EKPC	\$360	\$336	\$328	\$325	\$319	9.7 %
JACKSON PURCHASE	359	340	\$334	\$353	\$319	12.5 %
KENERGY	377	379	352	362	372	1.3
MEADE COUNTY	<u>337</u>	<u>313</u>	<u>315</u>	<u>302</u>	<u>294</u>	<u>14.6</u>
AVERAGE BIG RIVERS	\$358	\$345	\$333	\$340	\$329	8.8 %
HICKMAN-FULTON	798	731	\$648	\$759	\$522	52.9 %
PENNYRILE	342	333	319	325	287	19.2
TRI-COUNTY	312	302	297	290	284	9.9
WARREN	330	341	347	345	336	-1.8
WEST KENTUCKY	<u>428</u>	<u>392</u>	<u>334</u>	<u>370</u>	<u>353</u>	<u>21.2</u>
AVERAGE TVA	\$442	\$419	\$390	\$419	\$357	23.8 %
OVERALL AVERAGE	\$371	\$355	\$341	\$346	\$329	12.8 %

2014
KENTUCKY ELECTRIC COOPERATIVES
AVERAGE EXPENSE PER MILE OF LINE
STATISTICAL COMPARISONS

<u>COOPERATIVE</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>% CHANGE FROM 2010</u>
BIG SANDY	\$4,702	\$4,621	\$4,280	\$4,207	\$4,611	2.0 %
BLUE GRASS ENERGY	3,725	3,646	3,627	3,779	3,798	-1.9
CLARK ENERGY COOP	2,814	2,840	2,682	2,595	2,542	10.7
CUMBERLAND VALLEY	2,927	2,830	2,824	2,727	2,805	4.3
FARMERS	2,211	2,307	1,996	2,061	1,985	11.4
FLEMING-MASON	2,273	2,341	2,382	2,209	2,135	6.5
GRAYSON	3,472	2,988	3,047	2,963	2,645	31.3
INTER-COUNTY	2,387	2,285	2,326	2,341	2,211	8.0
JACKSON ENERGY	3,383	3,368	3,410	3,348	3,118	8.5
LICKING VALLEY	3,359	3,001	2,818	2,710	2,721	23.4
NOLIN	5,448	4,613	4,484	4,527	4,469	21.9
OWEN	3,857	3,790	3,728	3,693	3,735	3.3
SALT RIVER ELECTRIC	2,606	2,702	2,539	2,711	2,612	-0.2
SHELBY ENERGY	2,676	2,608	2,548	2,542	2,572	4.0
SOUTH KENTUCKY	2,852	2,780	2,590	2,751	2,870	-0.6
TAYLOR COUNTY	<u>2,006</u>	<u>1,972</u>	<u>1,960</u>	<u>1,948</u>	<u>1,886</u>	<u>6.4</u>
AVERAGE EKPC	\$3,169	\$3,044	\$2,953	\$2,946	\$2,919	8.6 %
JACKSON PURCHASE	\$3,577	\$3,400	\$3,340	\$3,532	\$3,197	11.9 %
KENERGY	2,964	2,977	2,759	2,837	2,919	1.5
MEADE COUNTY	<u>3,029</u>	<u>3,015</u>	<u>3,032</u>	<u>2,892</u>	<u>2,794</u>	<u>8.4</u>
AVERAGE BIG RIVERS	\$3,190	\$3,130	\$3,044	\$3,087	\$2,970	7.4 %
HICKMAN-FULTON	\$4,069	\$3,708	\$3,395	\$4,037	\$2,835	43.5 %
PENNYRILE	3,165	3,080	2,945	3,000	2,644	19.7
TRI-COUNTY	2,897	2,800	2,761	2,674	2,623	10.4
WARREN	3,623	3,712	3,742	3,695	3,586	1.0
WEST KENTUCKY	<u>4,000</u>	<u>3,661</u>	<u>3,128</u>	<u>3,462</u>	<u>3,313</u>	<u>20.7</u>
AVERAGE TVA	\$3,551	\$3,391	\$3,195	\$3,374	\$3,000	18.4 %
OVERALL AVERAGE	\$3,251	\$3,127	\$3,014	\$3,052	\$2,944	10.4 %

KENTUCKY ELECTRIC COOPERATIVES
OPERATING EXPENSE AND STATISTICAL COMPARISONS
2014 - 2013 ANNUAL COMPARISON

	AVERAGE EXPENSE PER CONSUMER EKPC				AVERAGE EXPENSE PER CONSUMER TVA		
	2014	2013	CHANGE		2014	2013	CHANGE
DISTRIBUTION OPERATION	\$ 78.00	\$ 78.00	\$ -	DISTRIBUTION OPERATION	\$ 106.00	\$ 101.00	\$ 5.00
DISTRIBUTION MAINTENANCE	\$ 120.00	\$ 109.00	\$ 11.00	DISTRIBUTION MAINTENANCE	\$ 176.00	\$ 162.00	\$ 14.00
ACCOUNTING	\$ 59.00	\$ 58.00	\$ 1.00	ACCOUNTING	\$ 66.00	\$ 66.00	\$ -
CONSUMER INFORMATION	\$ 13.00	\$ 13.00	\$ -	CONSUMER INFORMATION	\$ 11.00	\$ 11.00	\$ -
ADMINISTRATION	\$ 80.00	\$ 78.00	\$ 2.00	ADMINISTRATION	\$ 83.00	\$ 86.00	\$ 4.00
TOTAL PER CONSUMER	\$ 350.00	\$ 336.00	\$ 14.00	TOTAL PER CONSUMER	\$ 442.00	\$ 419.00	\$ 23.00

OTHER STATISTICAL INFORMATION				OTHER STATISTICAL INFORMATION			
NUMBER OF EMPLOYEES	1,172	1,188	(16)	NUMBER OF EMPLOYEES	512	506	\$ 7.00
MILES OF LINE	68,615	58,352	183	MILES OF LINE	21,048	21,007	\$ 41.00
CONSUMERS BILLED	627,436	624,671	2,785	CONSUMERS BILLED	202,017	200,889	\$ 1,028.00
MILES OF LINE PER EMPLOYEE	48.4	47.8	0.8	MILES OF LINE PER EMPLOYEE	41.3	41.8	\$ (0.30)
CONSUMER PER EMPLOYEE	462	443	9	CONSUMER PER EMPLOYEE	398	398	\$ (2.00)
DENSITY CONSUMERS PER MILE	8.3	8.3	0	DENSITY CONSUMERS PER MILE	9.6	9.8	\$ -

	AVERAGE EXPENSE PER CONSUMER BIG RIVERS				AVERAGE EXPENSE PER CONSUMER OVERALL AVERAGE		
	2014	2013	CHANGE		2014	2013	CHANGE
DISTRIBUTION OPERATION	\$ 95.00	\$ 88.00	\$ 9.00	DISTRIBUTION OPERATION	\$ 88.00	\$ 84.00	\$ 2.00
DISTRIBUTION MAINTENANCE	\$ 125.00	\$ 125.00	\$ -	DISTRIBUTION MAINTENANCE	\$ 132.00	\$ 122.00	\$ 10.00
ACCOUNTING	\$ 59.00	\$ 52.00	\$ 7.00	ACCOUNTING	\$ 69.00	\$ 67.00	\$ 2.00
CONSUMER INFORMATION	\$ 7.00	\$ 7.00	\$ -	CONSUMER INFORMATION	\$ 12.00	\$ 12.00	\$ -
ADMINISTRATION	\$ 72.00	\$ 75.00	\$ (3.00)	ADMINISTRATION	\$ 82.00	\$ 80.00	\$ 2.00
TOTAL PER CONSUMER	\$ 358.00	\$ 345.00	\$ 13.00	TOTAL PER CONSUMER	\$ 371.00	\$ 365.00	\$ 16.00

OTHER STATISTICAL INFORMATION				OTHER STATISTICAL INFORMATION			
NUMBER OF EMPLOYEES	284	278	8	NUMBER OF EMPLOYEES	1888	1971	(83)
MILES OF LINE	13,278	12,990	278	MILES OF LINE	80,839	80,357	482
CONSUMERS BILLED	114,210	113,720	490	CONSUMERS BILLED	848,683	839,380	4,283
MILES OF LINE PER EMPLOYEE	46.8	46.6	0.2	MILES OF LINE PER EMPLOYEE	46.2	46.8	0
CONSUMER PER EMPLOYEE	401	408	(7)	CONSUMER PER EMPLOYEE	429	427	2
DENSITY CONSUMERS PER MILE	8.8	8.7	(0)	DENSITY CONSUMERS PER MILE	9.3	9.3	0

Big Sandy Rural Electric Cooperative Corporation
Case No. 2017-00374
Commission Staff's First Request for Information

5. Provide Big Sandy's capital structure at the end of each of the periods shown in Format 5.

Response:

Please see Page 2 and Page 3 of this Response.

Big Sandy Rural Electric Cooperative
Case No. 2017 - 00374
Comparative Capital Structure (Excluding JDIC)
For the Periods as Shown
"000" Omitted

Line No.	Type of Capital	2006 10th Year		2007 9th Year		2008 8th Year		2009 7th Year		2010 6th Year		2011 5th Year	
		Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
1	Long Term Debt	19,639	58%	20,384	60%	22,472	63%	21,644	58%	22,804	60%	22,263	56%
2	Short Term Debt	300	1%	800	2%		0%	1,300	3%		0%	500	1%
3	Memberships	225	1%	227	1%	229	1%	231	1%	232	1%	232	1%
4	Patronage Capital	13,635	40%	12,761	37%	12,819	36%	14,123	38%	15,204	40%	17,051	43%
5	Other (Itemize by type)												
6	Total Capitalization	33,799	100%	34,172	100%	35,520	100%	37,298	100%	38,240	100%	40,046	100%

Line No.	Type of Capital	2012 4th Year		2013 3rd Year		2014 2nd Year		2015 1st Year		Test year		Latest Quarter July 31, 2016		Average Test Year	
		Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
1	Long Term Debt	24,432	59%	25,126	57%	23,810	53%	22,468	49%	21,479	48%	21,632	47%	22,333	49%
2	Short Term Debt	515	1%		0%		0%		0%		0%	650	1%	350	1%
3	Memberships	233	1%	232	1%	232	1%	228	1%	228	1%	228	0%	228	1%
4	Patronage Capital	16,388	39%	18,792	43%	21,031	47%	22,840	50%	23,146	52%	23,174	51%	22,529	50%
5	Other (Itemize by type)														
6	Total Capitalization	41,568	100%	44,150	100%	45,073	100%	45,536	100%	44,853	100%	45,684	100%	45,440	100%

Big Sandy Rural Electric Cooperative
Case No. 2017 - 00374
Calculation of Average Test Period Capital Structure
12 months ended July 31, 2016

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	44,584	22,813		229		21,542	
2	1st month	44,683	22,895		228		21,560	
3	2nd month	44,500	22,723		228		21,549	
4	3rd month	44,408	22,683		228		21,497	
5	4th month	44,289	22,638		228		21,423	
6	5th month	45,536	22,468		228		22,840	
7	6st month	46,440	22,429	650	228		23,133	
8	7th month	46,517	22,386	650	228		23,253	
9	8th month	46,395	22,217	650	229		23,299	
10	9th month	46,317	22,178	650	228		23,261	
11	10th month	45,897	21,794	650	228		23,225	
12	11th month	45,652	21,624	650	228		23,150	
13	12th month	45,503	21,479	650	228		23,146	
14	Total (Line 1 through Line 13)	590,721	290,327	4,550	2,966	-	292,878	-
15	Average balance (Line 14/13)	45,440	22,333	350	228	-	22,529	-
16	Average capitalization ratios	100%	49%	1%	1%	0%	50%	0%
17	End of period capitalization ratios	100%	47%	1%	1%	0%	51%	0%

Big Sandy Rural Electric Cooperative Corporation
Case No. 2017-00374
Commission Staff's First Request for Information

6. a. List all outstanding issues of long-term debt as of the end of the latest calendar year and the end of the test period, together with the related information as shown in Format 6a. A separate schedule is to be provided for each time period. Report in column (k) of Format 6a, Schedule 2, the actual dollar amount of debt cost for the test year. Compute the actual and annualized composite debt cost rates and report them in Column (j) of Format 6a, Schedule 2.
- b. Provide an analysis of end-of-period short-term debt and a calculation of the average and end-of-period cost rates as shown in Format 6b.

Response:

- a. For the test year long-term debt data, please see the Direct Testimony of John Wolfram provided at Exhibit 10 to Big Sandy's Application and, in particular, Exhibit JW-2, Reference Schedule 1.05 thereof. For the data with respect to the end of the latest calendar year, please see Page 2 of this Response.
- b. Please see Page 3 of this Response.

Big Sandy Rural Electric Cooperative
Case No. 2017-00374
Schedule of Outstanding Long-Term Debt
December 31, 2015

Type of Debt Issued (a)	Date of Issue (b)	Date of Maturity (c)	Amount Outstanding (d)	Cost Rate to Maturity (g)	Annualized Cost Col (d)x(g) (j)	Test Year Interest Cost
RUS loans						
RET-6-1	Jan-96	Jan-31	\$ 244,236	3.375%	\$ 8,534	\$ 7,960
RET-6-2	Jan-96	Jan-31	120,233	0.250%	301	3,329
RET-6-3	Jan-96	Jan-31	293,593	3.875%	11,377	11,764
RET-6-4	Jan-96	Jan-31	142,103	3.750%	5,329	5,512
RET-6-5	Jan-96	Jan-31	285,031	0.875%	2,494	2,597
RET-6-6	Jan-96	Jan-31	525,317	4.250%	22,326	23,068
RET-7-1	Nov-04	Oct-39	1,149,140	0.240%	2,758	2,332
RET-7-2	Nov-04	Oct-39	1,704,136	4.630%	78,902	80,503
RET-7-3	Nov-04	Oct-39	1,295,382	4.930%	63,862	64,077
RET-7-4	Nov-04	Oct-39	1,299,880	4.580%	59,534	60,260
RET-7-5	Nov-04	Oct-39	1,205,467	4.570%	55,090	55,756
Advance payment unapplied			<u>(3,012,250)</u>			
			<u>5,252,268</u>		<u>310,506</u>	<u>317,158</u>
FFB loans						
H0010	Jan-99	Dec-33	5,302,257	4.597%	243,745	249,130
H0035	Sep-09	Sep-44	9,360,381	0.245%	22,933	14,306
			<u>14,662,638</u>		<u>266,678</u>	<u>263,436</u>
CFC loans						
9014	Mar-82	Feb-17	36,291	6.30%	2,286	1,736
9018002	Sep-84	Aug-19	207,929	6.30%	13,100	13,491
9018003	Sep-89	Aug-24	138,619	6.35%	8,802	8,994
9021012	Jun-03	May-15	-	5.55%	-	7,472
9021013	Jun-03	May-16	344,755	5.65%	19,479	19,048
9021014	Jun-03	May-17	344,755	5.65%	19,479	19,048
9021015	Jun-03	May-18	344,755	5.70%	19,651	19,220
			<u>1,417,105</u>		<u>82,797</u>	<u>89,009</u>
CoBank loans						
204343	Dec-11	Nov-19	458,393	3.260%	14,944	17,229
224152	Dec-12	Nov-22	563,522	3.070%	17,300	18,878
			<u>1,021,915</u>		<u>32,244</u>	<u>36,107</u>
Total long term debt and annualized interest cost			<u>\$ 22,353,926</u>		<u>\$ 692,224</u>	<u>\$ 705,710</u>
Annualized cost rate [Total Col. (j) / Total Col. (d)]					3.10%	
Actual test year cost rate [Total Col (k) / Total Reported in Col (d)]					3.16%	

50
51

1 Big Sandy Rural Electric Cooperative
2 Case No. 2017-00374
3 Schedule of Short Term Debt
4 July 31, 2016
5
6

7	Type of					
8	Debt	Date of	Date of	Amount	Interest	Annualized
9	<u>Instrument</u>	<u>Issue</u>	<u>Maturity</u>	<u>Outstanding</u>	<u>Rate</u>	<u>Cost</u>
10	(a)	(b)	(c)	(d)	(e)	(f)
11						
12	CoBank	2/3/2016	7/31/2016	650,000	2.60%	16,900
13						
14	Annualized cost rate [Total col. (f) / Total col. (d)]					2.60%
15						
16	Actual interest paid, or accrued on Short Term					
17	Debt this year.					7,869
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
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36						
37						

Big Sandy Rural Electric Cooperative Corporation
Case No. 2017-00374
Commission Staff's First Request for Information

7. Provide a trial balance as of the last day of the test year showing account number, subaccount number, account title, subaccount title, and amount. The trial balance shall include all asset, liability, capital, income, and expense accounts used by Big Sandy. All income statement accounts should show activity for 12 months. Show the balance in each control account and all underlying subaccounts per company books.

Response:

Please see Page 2 through Page 8 of this Response.

ACCOUNT	DESCRIPTION	AMOUNT
107.10	CWIP CONTRACTOR	0.00
107.20	CWIP FORCE ACCOUNT	9,799.36
107.21	CWIP - INDIRECT	83,367.18-
107.30	CWIP SPECIAL EQUIPMENT	0.00
107.31	CWIP-OFFICE REMOBELE PROJECT	0.00
107.32	CWIP- IVR	0.00
107.33	CWIP-FEMA GRANT GENERATOR	0.00
107.34	CWIP-CURRENT WORK PLAN	0.00
108.60	ACCUM PROV DEPR DIST PLANT	8,518,048.20
108.61	ACCUM.DEPR.DIST.PLANT A/C 364	8,370,198.78-
108.62	ACCUM DEPR.DIST.PLANT A/C 365	7,325,893.51-
108.63	ACCUM.DEPR.DIST.PLANT A/C 366	232,513.72-
108.64	ACCUM DEPR.DIST.PLANT. A/C 367	126,084.54-
108.65	ACCUM.DEPR.DIST.PLANT A/C 368	3,264,845.28-
108.66	ACCUM.DEPR.DIST.PLANT. A/C 369	2,538,934.11-
108.67	ACCUM.DEPR.DIST.PLANT.A/C 370	2,339,561.52-
108.68	ACCUM PERP. DIST. PLANT A/C 371	1,237,460.92-
108.69	ACCUM DEPR.DIST.PLANT A/C 362	131,150.05-
108.70	ACCUM PROV DEPR GENERAL PLANT	1,468,906.67-
108.71	ACCUM.DEPR.GEN.PLANT A/C 390.10	530,794.36-
108.72	ACCUM.DEPR.GEN.PLANT A/C 391	471,586.14-
108.73	ACCUM.DEPR.GEN.PLANT A/C 394	75,448.69-
108.74	ACCUM.DEPR.GEN.PLANT.A/C 395	121,887.40-
108.75	ACCUM.DEPR.GEN.PLANT A/C 396	9,166.91-
108.76	ACCUM.DEPR.GEN.PLANT A/C 397	65,730.60-
108.77	ACCUM.DEPR.GEN.PLANT A/C 398	30,259.07-
108.80	RETIREMENT WIP	1,013.19-
108.81	RETIREMENT WIP - INDIRECT	0.00
108.90	RETIREMENT WIP CONTRACTOR	0.00
123.10	PATR CAP ASSOC CO OPS	15,757,520.47
123.11	INVESTMENTS IN SUBSIDIARY COMPAN	0.00
123.21	SUBSC.CAP.TERM CERT.CFC	0.00
123.22	INVEST.CAP.TERM CERT. CFC	472,200.23
123.23	OTHER INVEST.ASSOC.ORGIZ.	2,205.00
124.00	OTHER INVESTMENTS	500.00
131.10	CASH GENERAL PAYROLL CHECKS	0.00
131.11	CORPORATION CONSTRUCTION ACCT.	0.00
131.12	CASH GENERAL CITIZENS GEN CHECK	488,357.24
131.13	CASH-GENERAL BSRECC FLEX-SPEND.	7,078.54
131.14	CASH GENERAL HOWSMART	1,275.00
131.20	CASH CONST.FUND TRUSTEE	406.50
131.40	TRANSFER OF CASH	0.00
134.00	OTHER SPECIAL DEPOSITS	120.00
135.00	WORKING FUND PETTY CASH/SANDRA	100.00
135.10	CHANGE FUND PRESTONSBURG OFFICE	100.00
135.11	WORKING FUND-CHANGE	100.00
135.12	WORKING FUND-CHANGE/	100.00
135.13	WORKING FUND-CHANGE	100.00
135.20	WORKING FUND-CHANGE	100.00

ACCOUNT	DESCRIPTION	AMOUNT
135.30	CHANGE FUND-PAINTSVILLE OFFICE	500.00
135.40	WORKING FUND-CHANGE	100.00
135.50	WORKING FUND-CHANGE	0.00
135.60	WORKING FUND-CHANGE PRESTONSBURG	100.00
135.70	WORKING FUND-CHANGE	0.00
135.80	WORKING FUND-CHANGE PRESTONSBURG	0.00
135.90	WORKING FUND-CHANGE PRESTONSBURG	0.00
136.00	TEMPORARY CASH INVESTMENTS	348,627.57-
136.10	TEMP.CASH INVST.6 MO CD'S	0.00
136.20	TEMP.CASH INVST.MONEY MARKET	589,174.85-
136.30	TEMP CASH INVST CR UNION B.DAVIS	0.00
136.40	TEMP CASH INVS HOMESTEAD/B.DAVIS	0.00
142.10	CONS.ACCTS.RECEIVABLE ELECTRIC	2,787,499.01
142.20	CASH PAYMT'S/CAP VOUCHERS	10,500.00
142.30	CONS RECEIVABLE DEBT MNGMT	20,861.36
143.00	OTHER ACCOUNTS RECEIVABLE	868,531.77
143.10	OTHER ACCTS RECIV-EXPENSE ADVANC	0.00
143.20	OTHER ACCTS.REC.WINTER CARE	0.00
143.30	ACCTS.REC.NRECA PERSONAL LOAN	0.00
143.40	AMERICAN FUNDS LOANS	157.30-
143.50	RELAY FOR LIFE DONATION	0.00
143.60	OTHER ACCTS.REC.TOOLS DEDUCTIONS	0.00
143.70	ACCOUNTS RECEIVABLE - MACED PROG	2,090.81-
143.80	MACED - NOTES RECEIVABLE	103,881.04
143.90	CLEARING ACCT.OUTAGE LBR./PAY	0.00
144.10	ACCUM PROV UNCOLLECT ACCTS CR	117,129.54-
144.20	ACCUM.PROV.UNCOLLEC.HOW SMART LO	0.00
144.40	ACCUM PROV OTHER UNCOLLECT CR	0.00
154.00	PLANT MATERIAL & OPERATING SUPPLY	293,066.06
155.00	MERCHANDISE	0.00
155.10	OTHR.MERCHANDISE GAS/AUTO PARTS	0.00
163.00	STORES EXPENSE UNDISTRIBUTED	0.00
163.10	MINOR MATERIAL/ STORES EXPENSE	0.00
165.10	PREPAYMENTS-INSURANCE	22,429.68
165.20	OTHER PREPAYMENTS-LICENSE FEES	0.00
165.30	OTHER PREPAY-REGISTRATIONS	6,374.59
165.40	OTHR PREPAY/MRG,OFFC,DIRC,INS	0.02
165.50	OTHER PREPAY-DUES	13,519.48
165.60	PREPAY- IVR SYSTEM SUPPORT	14,373.26
171.00	INTEREST & DIVIDENDS RECEIVABLE	5,326.37
171.10	INTEREST & DIVIDENDS REC/OTHER	0.00
183.00	PRELIM SERVAYS & INVESTGAT. CHGE	7,249.88
184.00	TRANSPSTATION EXP. - INDIRECT	2,650.30
184.10	TRANSPORTATION EXP CLEARING	0.00
186.00	MISC. DEFERRED DEBITS	0.00
186.10	MISC DEFERRED DEBITS-RATE CASE	0.00
186.60	DEFERRED PAST SERVICE PENSION	0.00
200.10	MEMBERSHIPS	226,565.00-
201.10	PATRONS CAPITAL CREDITS	24,654,092.41-

ACCOUNT	DESCRIPTION	AMOUNT
201.20	PATRONAGE CAPITAL CR.ASSIGNABLE	0.00
208.00	DONATED CAPITAL	49,015.02-
208.10	DONATED CAPITAL/CAPITAL CREDITS	14,686.04-
215.30	OTHER COMPREHENSIVE INCOME/FASB	2,253,569.00
217.00	RETIRED CAPITAL CREDIT-GAIN	105,374.43-
217.10	RETIRED CAP.CR. GAIN-DISCOUNT \$	343,696.33-
219.10	OPERATING MARGINS	0.00
219.20	NON OPERATING MARGINS	0.00
219.30	OTHER MARGINS	29,260.55-
224.11	OTHER LONG TERM DEBT-SUBSC.	0.00
224.12	OTHER LONG TERM DEBT-CFC	4,103.24
224.13	CFC NOTES EXUC.-DEBIT/REFINANCED	1,034,266.55-
224.14	OTH LONG TERM DEBT-PAST SVC COST	0.00
224.15	NOTES EXECUTED-OTHER DEBIT	0.00
224.16	CO-BANK NOTES EXECUTED	841,263.41-
224.20	FFB NOTES EXUC.	14,141,462.22-
224.21	FFB NOTES EXUC CONST DEBT	0.00
224.30	LONG TERM DEBT-RUS NOTES EXUC	8,019,324.00-
224.40	RUS NOTES EXUC CONST DEBT	0.00
224.50	INT ACCR DEFERRED RUS CONST	0.00
224.60	ADV PAY UNAPPLYD LONG TERM DEBT	3,012,250.00
224.70	MACED - NOTES PAYABLE	103,881.04-
228.30	ACCUM PROV PENSIONS/BENEFITS	3,698,066.08-
231.00	NOTES PAYABLE	650,000.00-
232.10	ACCOUNTS PAYABLE GENERAL	76,031.06-
232.20	ACCTS PAYABLE OTHER	0.00
232.25	ACCTS.PAYABLE LEASED VEH CO-BANK	324,350.41-
232.26	ACCTS. PAYABLE LEASED VEH ENTERP	48,584.81-
232.27	ACCTS PAYABLE-AUTO LOAN	0.00
232.30	ACCTS PAYABLE POLE INSPECTION	854.50
232.40	ACCTS PAYABLE-WHOLESALE POWER	1,464,423.00-
232.50	ACCTS PAYABLE/PSC ASSMT	15,021.02
232.60	ACCTS PAY/CFC/ZTC 11/03 TO 06/04	0.00
232.70	ACCTS PAYABLE/SECURE WORKS IPS	11,250.00
232.80	ACCTS PAY CHILD SUP/WAGE GARNISH	0.00
232.90	ACCTS PAYBLE TWACS SUPPORT AGRMT	0.00
234.00	ACCTS PAYABLE ASSOC COMPANIES	0.00
235.00	CONSUMER DEPOSITS	388,820.50-
235.10	CONSUMER DEPOSITS-COMMERCIAL	215,717.00-
236.10	ACCURED PROPERTY TAX	27,746.93-
236.20	ACCRD US SOC SECURITY UNEMPLYMEN	0.26
236.30	ACCRD US SOC SECURITY TAX FICA	0.00
236.40	ACCRD STATE SOC SECURITY UNEMP	47.42
236.50	ACCURED STATE SALES TAX	193.37
237.10	ACCURED RUS INT CONST OBLIG	0.00
237.20	FFB INTEREST ACCRUED	433.31-
237.30	OTHER INTEREST ACCRUED	3,232.08-
237.40	ACCURED INT.-SHORT TERM LOAN	0.00
237.50	OTHER INT ACCRUED CONSUMER DEP	667.34-

ACCOUNT	DESCRIPTION	AMOUNT
237.60	CO-BANK - ACCRUED INTEREST	820.70-
238.10	PATRONAGE CAPITAL PAYABLE	0.00
241.00	TAX COLLECTION PAYBLE FEDERAL	0.00
241.10	SCHOOL TAX -MARTIN COUNTY	0.00
241.11	MARTIN COUNTY OCCUPATIONAL TAX	23.12
241.20	TAX COLLECTION PAY-CITY TAX	335.66
241.30	TAX COLLECT PAYBLE ST INCOME TAX	0.00
241.40	SCHOOL TAX-BREATHITT COUNTY	0.00
241.50	SCHOOL TAX-JOHNSON COUNTY	0.00
241.60	SCHOOL TAX LAWRENCE COUNTY	0.00
241.70	SCHOOL TAX-MAGOFFIN COUNTY	0.00
241.80	SCHOOL TAX-KNOTT COUNTY	0.00
241.90	JOHNSON COUNTY OCCUPATIONAL TAX	512.61
242.10	BSRECC FLEX-SPENDING PLAN	4,644.27-
242.11	CUR/ACCRUED LIAB-CANCER INS	881.32-
242.12	CURR.ACCRD.LIAB-ALLSTATE INS	20.73-
242.13	CUR.ACCRD.LIAB/COMMONWEALTH INS	0.00
242.14	CURR.ACCRD.LIAB/DENTAL INS	59.27
242.15	CURR.ACCRD.LIAB/TWACS SUPPORT	11,126.93
242.16	CURR.ACCRD.LIAB/AUTO USE	0.00
242.17	CURR ACCRD LIAB 401K ALL EMP	1,776.26-
242.18	CURR.ACCR.LIB.401K OTSD/PAY DED.	0.00
242.19	AMERICAN FUNDS 401-K OUTSIDE %	12.74
242.20	ACCRUED PAYROLL	21,605.43-
242.21	EXPENSE DIRECTORS CONFERENCE	0.00
242.22	R/W BIDWORK EXPENSE ACCRUAL	132,669.13
242.23	ACCRUED R/W SPRAY EXPENSE	70,849.82-
242.30	ACCRUED EMPLOYEE VACATION	112,548.92-
242.31	ACCRUED EMPLOYEE SICK LEAVE	129,852.99-
242.40	EMPLOYEE PAID HEALTH INSURANCE	0.00
242.41	ACCRD C/L- ACLARA AUDIT EXPENSE	0.00
242.42	CURR. ACCRD. LIAB/NETWORK TESTIN	7,583.31
242.50	CURR.ACCRD.LIAB.MEETING/AUDIT	16,690.32-
242.60	CURR.ACCRD.LIAB/DEPENDENT LIFE	2.00-
242.80	CURR.ACCRD.LIAB/CREDIT UNION	0.00
242.90	CURR.ACCRD.LIAB/UNION DUES	0.00
252.00	CONSUMER ADVANCE CONSTRUCTION	12,711.71-
253.00	OTHER DEFERRED CREDITS	0.00
360.00	LAND & LAND RIGHTS	0.00
362.00	STATION EQUIPMENT	400,204.65
364.00	POLES, TOWERS & FIXTURES	14,329,227.22
365.00	OVERHEAD CONDUCTORS & DEVICES	13,132,306.86
366.00	UNDERGROUND CONDUIT	624,440.27
367.00	UNDERGROUND COND. & DEVICES	406,384.12
368.00	LINE TRANSFORMERS	6,446,832.97
369.00	SERVICES	5,146,900.83
370.00	METERS	3,575,070.04
371.00	INST. ON CONSUMER PREMISES	2,532,663.55
389.00	LAND & LAND RIGHTS	292,419.25

ACCOUNT	DESCRIPTION	AMOUNT
390.10	STRUCTURES & IMPROVEMENTS	2,991,476.77
391.00	OFFICE FURNITURE & EQUIPMENT	700,344.09
392.00	TRANSPORTATION EQUIPMENT	2,000,391.29
394.00	TOOLS, SHOP, GARAGE EQUIPMENT	126,390.76
395.00	LABORATORY EQUIPMENT	154,634.38
396.00	POWER OPERATED EQUIPMENT	11,902.53
397.00	COMMUNICATIONS EQUIPMENT	50,173.46
398.00	MISCELLANEOUS EQUIPMENT	30,873.27
403.60	DEPR EXPENSE DISTRIBUTION PLANT	2,137,023.18
403.70	DEPR EXPENSE GENERAL PLANT	135,681.30
408.10	TAXES-PROPERTY	0.00
408.20	TAXES US SOCIAL SECURITY UMEMP	0.00
408.30	TAXES US SOCIAL SECURITY FICA	0.00
408.40	TAXES STATE SOCIAL SEC.UMEMP	0.00
408.70	TAXES OTHER REGULATORY COMMSION.	33,860.82
415.00	REVENUE FROM MERCHANDISING	0.00
419.00	INTEREST & DIVIDEND INCOME	173,911.20-
421.10	GAIN ON DISPOSITION OF PROPERTY	14,158.00-
421.20	LOSS ON DISPOSITION OF PROPERTY	662.08
423.00	GENERATION & TRANSM.CAPITAL CR.	0.00
424.00	OTHR CAP.CR. & PATR.CAP.ALLOC	1,446,850.07-
426.10	DONATIONS	19,237.85
426.30	PENALTIES	262.51
426.40	EXPENDITURE CIVIC & POLITICAL	0.00
426.50	OTHER DEDUCTIONS	0.00
427.10	INT.ON RUS CONSTRUCTION LOAN	323,374.76
427.20	INT.ON OTHER LONG TERM DEBT	77,164.15
427.30	INTEREST ON FFB NOTES	267,724.40
427.40	INTEREST ON CO-BANK NOTES	32,900.68
428.00	AMORT.OF DEBT DISCOUNT	0.00
431.00	OTHER INTEREST EXPENSE	1,509.63
431.10	OTHER INT EXP.SHORT TERM LOAN	7,868.59
431.20	INTEREST EKP INEZ 69KV LINE PROJ	42,126.96
431.30	INT.EXP.FARM CREDIT LEASE/TRUCK	6,409.09
431.40	INTEREST EXP ENTERPRISE LEASE	4,963.56
431.50	INTEREST EXP - AUTO LOANS	0.00
435.10	CUMULATIVE EFFECTS PRIOR YEARS	0.00
440.10	RESIDENTIAL SALES-RURAL	17,821,654.65-
442.10	COMM. & INDUST.SALES-SMALL	1,520,137.53-
442.20	COMM. & INDUST.SALES-LARGE	3,745,466.12-
442.30	COMM & IND.SALES LARGE IND.1-B	0.00
450.00	FORFEITED DISCOUNTS	327,271.03-
451.00	MISC.SERVICE REVENUES	50,839.50-
454.00	RENT FROM ELECTRIC PROPERTY	381,982.82-
456.00	OTHER ELECTRIC REVENUE	720.00-
457.00	PREPAID METER PROGRAM FEE	18,140.03-
555.00	PURCHASED POWER	16,010,784.00
580.00	OPERATIONS & SUPERVSON ENGR.	130,351.49
582.00	STATION EXPENSE	0.00

ACCOUNT	DESCRIPTION	AMOUNT
583.00	OVERHEAD LINE EXPENSE	114,615.08
586.00	METER EXPENSE	502,147.01
586.10	METER EXPENSE TWACS SYSTEM	109,934.47
586.20	PREPAID METERING	19,500.13
587.00	CONSUMER INSTALLATION EXPENSE	12,525.91
588.00	MIS.DISTRIBUTION EXPENSE	75,616.48
588.10	MAPPING EXPENSE/GPS SYSTEM	129,862.74
589.00	RENTS	0.00
590.00	MAINT.SUPERVSN.ENGR.	218,815.84
592.00	MAINTENANCE STATION EQUIPMENT	0.00
593.00	MAINT.OVERHEAD LINES	443,326.37
593.10	MAINT.OVERHEAD LINES R/W	98,794.92
593.11	BSRECC/ROW SUPPLIES	8.46
593.20	OVERHEAD LINES R/W-CONTRACTOR	360,628.33
593.21	BRUSH CONTROL R/W	71,615.56
593.22	TICKET WORK R/W	29,059.50
593.23	HOT SPOTS R/W	252,052.11
593.24	MID-CYCLE R/W	0.00
593.25	TGR/TREE GROWTH R/W	0.00
593.26	AERIAL SPRAY R/W	0.00
593.27	STORM WORK R/W	17,097.76-
593.28	MAINT.OVERHEAD MUTUAL AID WORK	5,508.69
595.00	MAINT.LINE TRANSFORMERS	41,222.67
597.00	MAINT. OF METERS	518.04
598.00	MAINT.MISC.DISTRIBUTION PLANT	11,851.70
777.77	CAGA INTEGRATION	0.00
901.00	SUPERVISION	0.00
902.00	METER READING EXPENSE	120,358.80
903.00	CONSUMER RECD'S COLLECTION EXP	712,793.37
903.10	CONS.RECD'S EXP.OVER/SHORT	75.44-
904.00	UNCOLLECTIBLE ACCOUNTS	54,169.00
908.00	CONSUMER ASSISTANCE EXPENSE	29,781.07
909.00	INFORMATION & INSTRUCTION EXP	0.00
912.00	DEMONSTRATING & SELLING EXP	0.00
913.00	ADVERTISING EXPENSE	5,402.85
920.00	ADMINISTRATIVE SALARIES	683,186.07
921.00	OFFICE SUPPLIES & EXPENSE	180,182.46
923.00	OUTSIDE SERVICE EMPLOYED	19,361.59
924.00	PROPERTY INSURANCE	0.00
925.00	INJURIES & DAMAGES	58,703.91
926.00	EMPLOYEE PENSIONS & BENEFITS	1,530.73
926.10	EMP.PENSIONS & BENEFITS RETIR IN	0.00
926.20	EMP.PENSIONS/BENEFITS PAST SVC	0.00
926.30	EMPLOYEE BENEFITS/SAVINGS	0.00
928.00	REGULATORY COMMISSION EXP	0.00
929.00	DUP.CHGES.CR.(CO-OP USED KWH)	0.00
930.10	GENERAL ADVERTISING EXPENSE	866.09
930.11	DIRECTORS PER DIEM	45,771.42
930.12	DIRECTORS MILEAGE	1,811.38

ACCOUNT	DESCRIPTION	AMOUNT
930.13	DIRECTORS EXPENSES	33,098.37
930.20	MISC. GENERAL EXPENSE	240,643.71
931.00	RENTS	8,361.13
935.00	MAINT.GENERAL PLANT	89,663.21
935.10	OPERATION CENTER EXPENSES	1,135.38
999.99	ACCOUNT FOR FIXED JOURNAL ENTRIE	0.00
	ACCOUNTS 000.00 TO 399.99	1,501,974.55
	ACCOUNTS 400.00 TO 999.99	1,501,974.55-

Big Sandy Rural Electric Cooperative Corporation
Case No. 2017-00374
Commission Staff's First Request for Information

8. Provide the following:
- a. A schedule, as shown in Format 8, comparing the balances for each balance sheet account or subaccount included in Big Sandy's chart of accounts for each month of the test year, to the same month of the 12-month period immediately preceding the test year.
 - b. A schedule, as shown in Format 8, comparing each income statement account or subaccount included in Big Sandy's chart of accounts for each month of the test year to the same month of the 12-month period immediately preceding the test year. The amounts should reflect the income or expense activity of each month, rather than the cumulative balances as of the end of the particular month.
 - c. A listing, with descriptions, of all activities, initiatives, or programs undertaken or continued by Big Sandy since its last general rate case for the purpose of minimizing cost or improving the efficiency of its operations or maintenance activities.

Response:

- a. Please see Page 3 through Page 12 of this Response.
- b. Please see Page 13 through Page 19 of this Response.
- c. In response to declining revenues and in an effort to keep rates as low as possible for its membership, Big Sandy has taken a number of concrete actions to reduce its expenses and achieve greater efficiency. For example:
 - Big Sandy recently completed a \$6.5 million debt refinancing (please see Case No. 2017-00190) to take advantage of a historically low interest rate environment, which is expected to save nearly \$1.3 million over the life of the new loans;

- Big Sandy has declined to fill vacancies and otherwise reduced the size of its workforce when practical and appropriate in order to decrease annual labor costs (please see Big Sandy's Response to Item 22 of this Request for Information);
- Big Sandy has instituted a phased-in plan for employees to pay a portion of their health insurance premiums, which will result in an enterprise-wide reduction of health insurance costs, and other similar measures (please see Big Sandy's Response to Item 26 of this Request for Information);
- Big Sandy has undertaken an initiative to decrease its right-of-way expenditures, primarily by prioritizing the necessary work and performing more of it internally; and
- Big Sandy has decreased (from monthly to bimonthly) the subscriptions to KY Living Magazine it provides its customers, saving an estimated \$30,000 annually.

Big Sandy is constantly seeking and implementing new ways to most efficiently conduct its operations in a safe and reliable fashion. Please also see Page 5 of the Direct Testimony of Bobby Sexton (Exhibit 8 to the Application) and Pages 7, 11, and 12 of the Direct Testimony of Brian Frasure (Exhibit 9 to the Application).

Big Sandy Rural Electric Cooperative
 Comparison of Test Year Account Balances with
 those of the Preceding Year - Balance Sheet

Acct #	Description	August Month 1	September Month 2	October Month 3	November Month 4	December Month 5	January Month 6	February Month 7	March Month 8	April Month 9	May Month 10	June Month 11	July Month 12
362	Station equipment	400,205	400,205	400,205	400,205	400,205	400,205	400,205	400,205	400,205	400,205	400,205	400,205
	Prior year	393,362	393,362	393,362	393,362	393,362	393,362	393,362	393,362	393,362	393,362	393,362	400,205
	Change	6,843	6,843	6,843	6,843	6,843	6,843	6,843	6,843	6,843	6,843	6,843	-
364	Poles, towers & fix	13,943,076	13,967,125	13,999,955	14,026,328	14,044,771	14,043,641	14,056,749	14,088,039	14,112,636	14,146,213	14,208,586	14,209,217
	Prior year	13,587,686	13,611,634	13,655,508	13,678,053	13,702,446	13,731,463	13,754,633	13,798,481	13,835,357	13,862,773	13,897,115	13,924,761
	Change	355,390	355,491	344,447	348,275	342,325	312,178	302,116	289,558	277,279	283,440	311,471	284,456
365	Overhead conduct	12,759,810	12,776,128	12,797,365	12,820,890	12,845,238	12,878,187	12,933,946	12,948,757	12,975,115	12,987,480	12,995,929	13,008,337
	Prior year	12,297,834	12,345,014	12,491,518	12,503,971	12,535,690	12,576,251	12,590,683	12,612,073	12,645,084	12,661,178	12,707,137	12,721,268
	Change	461,976	431,114	305,847	316,919	309,548	301,936	343,263	336,684	330,031	326,302	288,792	287,069
366	Underground cond	571,507	576,705	581,361	583,635	587,421	586,831	589,867	596,257	598,688	603,268	604,671	606,272
	Prior year	527,628	531,770	533,408	536,799	542,613	552,300	556,679	556,104	559,289	560,101	564,986	569,253
	Change	43,879	44,935	47,953	46,836	44,808	34,531	33,188	40,153	39,399	43,167	39,685	37,019
367	Underground cond	344,864	344,864	350,607	350,607	350,607	350,607	350,607	400,409	400,409	400,409	400,625	400,641
	Prior year	340,700	340,700	337,892	337,892	337,892	343,229	344,864	344,864	344,864	344,864	344,864	344,864
	Change	4,164	4,164	12,715	12,715	12,715	7,378	5,743	55,545	55,545	55,545	55,761	55,777
368	Transformers	6,366,982	6,378,296	6,381,579	6,377,991	6,388,777	6,388,439	6,386,811	6,410,376	6,416,263	6,415,746	6,415,493	6,417,073
	Prior year	6,263,924	6,269,063	6,264,436	6,265,151	6,286,530	6,301,567	6,326,946	6,336,922	6,344,074	6,339,710	6,344,937	6,359,017
	Change	103,058	109,233	117,143	112,840	102,247	86,872	59,865	73,454	72,189	76,036	70,556	58,056
369	Services	4,988,987	5,008,299	5,025,785	5,035,347	5,047,626	5,045,245	5,051,030	5,056,107	5,066,620	5,065,776	5,080,820	5,081,015
	Prior year	4,857,759	4,872,790	4,877,330	4,895,125	4,912,871	4,931,682	4,950,182	4,958,304	4,963,667	4,972,486	4,981,472	4,981,740
	Change	131,228	135,509	148,455	140,222	134,755	113,563	100,848	97,803	102,953	93,290	99,348	99,275
370	Meters	3,526,368	3,601,920	3,602,107	3,619,147	3,618,463	3,656,580	3,511,296	3,503,580	3,503,580	3,539,722	3,476,861	3,482,975
	Prior year	3,447,909	3,496,808	3,483,862	3,483,595	3,526,344	3,529,194	3,527,110	3,490,283	3,528,059	3,563,542	3,563,542	3,526,368
	Change	78,459	105,112	118,245	135,552	92,119	127,386	(15,814)	13,297	(24,479)	(23,820)	(86,681)	(43,393)
371	Security lights	2,343,900	2,357,455	2,371,792	2,389,546	2,390,017	2,397,871	2,401,674	2,419,931	2,433,036	2,447,000	2,466,080	2,471,803
	Prior year	2,211,238	2,221,494	2,224,474	2,242,057	2,251,865	2,262,847	2,273,278	2,286,881	2,294,924	2,308,679	2,322,110	2,329,156
	Change	132,662	135,961	147,318	147,489	138,152	135,024	128,396	133,050	138,112	138,321	143,970	142,647
389	Land	292,419	292,419	292,419	292,419	292,419	292,419	292,419	292,419	292,419	292,419	292,419	292,419
	Prior year	292,419	292,419	292,419	292,419	292,419	292,419	292,419	292,419	292,419	292,419	292,419	292,419
	Change	-	-	-	-	-	-	-	-	-	-	-	-
390	Structures & imprc	2,991,477	2,991,477	2,991,477	2,991,477	2,991,477	2,991,477	2,991,477	2,991,477	2,991,477	2,991,477	2,991,477	2,991,477
	Prior year	2,953,801	2,953,801	2,953,801	2,953,477	2,953,477	2,953,477	2,953,477	2,953,477	2,953,477	2,953,477	2,991,477	2,991,477
	Change	37,676	37,676	37,676	38,000	38,000	38,000	38,000	38,000	38,000	38,000	-	-
391	Office furniture	729,082	729,082	729,082	729,082	729,082	738,782	760,661	760,661	778,999	778,999	699,367	702,484
	Prior year	608,011	608,011	715,315	715,315	715,315	715,760	715,786	720,698	730,222	730,222	730,222	731,222
	Change	121,071	121,071	13,767	13,767	13,767	23,022	44,875	39,963	48,777	48,777	(30,855)	(28,738)
392	Transportation	1,686,828	1,686,828	1,686,828	1,713,508	1,713,508	1,740,364	1,817,938	1,766,742	1,764,742	1,783,882	1,783,882	1,783,882

Big Sandy Rural Electric Cooperative
 Comparison of Test Year Account Balances with
 those of the Preceding Year - Balance Sheet

Acct #	Description	August Month 1	September Month 2	October Month 3	November Month 4	December Month 5	January Month 6	February Month 7	March Month 8	April Month 9	May Month 10	June Month 11	July Month 12
	Prior year	1,581,070	1,525,597	1,455,859	1,455,859	1,457,466	1,457,466	1,479,612	1,473,294	1,492,716	1,492,716	1,496,999	1,496,998
	Change	105,758	161,231	230,969	257,649	256,042	282,898	338,326	293,448	272,026	291,166	286,883	286,884
394	Tools, shop & gara	119,348	119,348	120,848	120,847	120,848	120,848	120,848	120,848	121,597	122,347	124,891	124,891
	Prior year	108,741	108,741	108,741	108,741	108,741	109,881	112,078	115,221	118,788	119,348	119,348	119,348
	Change	10,607	10,607	12,107	12,106	12,107	10,967	8,770	5,627	2,809	2,999	5,543	5,543
395	Laboratory	154,634	154,634	154,634	154,634	154,634	154,634	154,634	154,634	154,634	154,634	154,634	154,634
	Prior year	122,806	122,806	122,806	122,806	122,806	153,508	154,897	154,897	154,897	154,897	154,897	154,634
	Change	31,828	31,828	31,828	31,828	31,828	1,126	(263)	(263)	(263)	(263)	(263)	-
396	Power operated	11,903	11,903	11,903	11,903	11,903	11,903	11,903	11,903	11,903	11,903	11,903	11,903
	Prior year	31,966	31,966	31,966	31,966	31,966	33,340	33,340	33,340	11,903	11,903	11,903	11,903
	Change	(20,063)	(20,063)	(20,063)	(20,063)	(20,063)	(21,437)	(21,437)	(21,437)	-	-	-	-
397	Communication	68,872	68,873	68,873	68,873	68,873	68,872	68,873	118,662	118,662	118,662	50,173	50,173
	Prior year	68,555	68,554	68,555	68,555	68,555	68,855	68,873	68,873	68,873	68,873	68,873	68,873
	Change	317	319	318	318	318	17	-	49,789	49,789	49,789	(18,700)	(18,700)
398	Miscellaneous	30,873	30,873	30,873	30,873	30,873	30,873	30,873	30,873	30,873	30,873	30,873	30,873
	Prior year	29,646	29,646	29,646	29,646	29,646	29,646	29,646	29,646	30,146	30,832	30,873	30,873
	Change	1,227	1,227	1,227	1,227	1,227	1,227	1,227	1,227	727	41	-	-
****	Total Electric Plant	51,331,135	51,496,434	51,597,693	51,717,312	51,786,742	51,897,778	51,931,811	52,071,880	52,171,858	52,291,015	52,188,889	52,220,274
	Prior year	49,725,055	49,824,176	50,040,898	50,114,789	50,270,004	50,436,247	50,557,865	50,619,139	50,762,121	50,861,382	51,016,536	51,054,379
	Change	1,606,080	1,672,258	1,556,795	1,602,523	1,516,738	1,461,531	1,373,946	1,452,741	1,409,737	1,429,633	1,172,353	1,165,895
***107.20	Construction work	5,305	(54,369)	(49,660)	(60,086)	(71,702)	8,021	8,624	4,401	5,296	(76,217)	(88,584)	8,405
	Prior year	271,496	255,447	28,640	38,150	27,826	20,236	2,736	12,423	10,957	8,468	4,768	10,271
	Change	(266,191)	(309,816)	(78,300)	(98,236)	(99,528)	(12,215)	5,888	(8,022)	(5,661)	(84,685)	(93,352)	(1,866)
108.6	Res - distribution p	15,721,535	15,836,014	15,948,637	16,020,686	16,116,695	16,232,075	16,180,674	16,272,580	16,363,026	16,452,966	16,455,108	16,563,174
	Prior year	14,575,482	14,681,459	14,725,019	14,867,836	14,980,548	15,082,874	15,200,106	15,280,611	15,394,046	15,503,048	15,607,982	15,631,274
	Change	1,146,053	1,154,555	1,223,618	1,152,850	1,136,147	1,149,201	980,568	991,969	968,980	949,918	847,126	931,900
108.70	Res - general plant	1,490,300	1,501,503	1,512,706	1,524,335	1,535,965	1,548,024	1,561,324	1,523,428	1,535,845	1,544,966	1,409,776	1,422,395
	Prior year	1,535,500	1,479,597	1,441,754	1,454,850	1,467,972	1,480,967	1,491,451	1,477,795	1,459,353	1,469,667	1,479,811	1,489,453
	Change	(45,200)	21,906	70,952	69,485	67,993	67,057	69,873	45,633	76,492	75,299	(70,035)	(67,058)
108.71	Res - structures an	431,238	437,460	443,683	449,905	456,127	462,349	468,572	474,794	481,016	487,238	493,461	499,683
	Prior year	357,281	363,425	369,569	375,712	381,855	387,998	394,142	400,285	406,428	412,571	418,794	425,016
	Change	73,957	74,035	74,114	74,193	74,272	74,351	74,430	74,509	74,588	74,667	74,667	74,667
108.72	Res - office equipr	412,678	416,323	419,938	423,614	427,259	430,953	434,757	438,560	442,455	446,350	449,847	453,359
	Prior year	369,892	372,932	376,508	380,085	383,662	387,240	390,819	394,423	398,074	401,725	405,376	409,032
	Change	42,786	43,391	43,430	43,529	43,597	43,713	43,938	44,137	44,381	44,625	44,471	44,327
108.73	Res - tools	67,361	67,859	68,363	68,867	69,371	69,875	70,379	70,883	71,390	71,900	72,421	72,942
	Prior year	61,655	62,109	62,562	63,016	63,469	63,927	64,395	64,875	65,371	65,868	66,366	66,864

Big Sandy Rural Electric Cooperative
 Comparison of Test Year Account Balances with
 those of the Preceding Year - Balance Sheet

Acct #	Description	August Month 1	September Month 2	October Month 3	November Month 4	December Month 5	January Month 6	February Month 7	March Month 8	April Month 9	May Month 10	June Month 11	July Month 12
	Change	5,706	5,750	5,801	5,851	5,902	5,948	5,984	6,008	6,019	6,032	6,055	6,078
108.74	Res - laboratory	111,570	112,215	112,860	113,505	114,149	114,794	115,439	116,084	116,729	117,374	118,018	118,663
	Prior year	104,362	104,874	105,387	105,899	106,411	107,051	107,697	108,343	108,989	109,635	110,280	110,925
	Change	7,208	7,341	7,473	7,606	7,738	7,743	7,742	7,741	7,740	7,739	7,738	7,738
108.75	Res - power operat	9,167	9,167	9,167	9,167	9,167	9,167	9,167	9,167	9,167	9,167	9,167	9,167
	Prior year	8,000	8,000	8,000	8,000	8,000	8,389	8,778	9,167	9,167	9,167	9,167	9,167
	Change	1,167	1,167	1,167	1,167	1,167	778	389	-	-	-	-	-
108.76	Res - communicati	63,655	63,655	63,655	63,655	63,655	63,655	63,655	64,347	65,039	65,731	65,731	65,731
	Prior year	62,696	63,096	63,337	63,337	63,337	63,637	63,655	63,655	63,655	63,655	63,655	63,655
	Change	959	559	318	318	318	18	-	692	1,384	2,076	2,076	2,076
108.77	Res - miscellaneous	28,948	29,077	29,206	29,334	29,463	29,592	29,615	29,615	29,615	29,615	29,615	29,615
	Prior year	27,442	27,566	27,689	27,813	27,937	28,060	28,184	28,308	28,433	28,562	28,691	28,819
	Change	1,506	1,511	1,517	1,521	1,526	1,532	1,431	1,307	1,182	1,053	924	796
108.80	RWIP - force accou	391	509	841	959	727	3,889		401		1,498	2,737	688
	Prior year	39,007	38,399	3,967	6,774	2,693	1,083	455	1,664	422	1,261	634	2,429
	Change	(38,616)	(37,890)	(3,126)	(5,815)	(1,966)	2,806	(455)	(1,263)	(422)	237	2,103	(1,741)
****	Total Reserve for C	18,336,061	18,472,764	18,607,374	18,702,109	18,821,124	18,956,595	18,933,582	18,999,057	19,114,282	19,223,809	19,100,407	19,234,041
	Prior year	17,063,303	17,124,659	17,175,858	17,339,774	17,480,498	17,609,060	17,748,772	17,825,798	17,933,094	18,062,637	18,189,488	18,231,776
	Change	1,272,758	1,348,105	1,431,516	1,362,335	1,340,626	1,347,535	1,184,810	1,173,259	1,181,188	1,161,172	910,919	1,002,265
123.11	Invest in assoc corr	12,938,472	12,945,429	12,945,429	12,945,429	14,337,688	14,337,688	14,337,688	14,358,304	14,358,304	14,358,304	14,358,304	14,358,304
	Prior year	11,289,354	11,298,578	11,298,578	11,298,578	12,725,254	12,725,254	12,725,254	12,765,443	12,938,472	12,938,472	12,938,472	12,938,472
	Change	1,649,118	1,646,851	1,646,851	1,646,851	1,612,434	1,612,434	1,612,434	1,592,861	1,419,832	1,419,832	1,419,832	1,419,832
123.1	Invest in assoc org:	3,205	3,205	3,205	3,205	3,205	3,205	3,205	2,205	2,205	2,205	2,205	2,205
	Prior year	3,205	3,205	3,205	3,205	3,205	3,205	3,205	3,205	3,205	3,205	3,205	3,205
	Change	-	-	-	-	-	-	-	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
123.22	Invest in CTC's	479,095	482,300	479,095	479,095	479,095	479,095	479,095	479,095	479,095	479,095	472,200	479,095
	Prior year	504,327	507,532	504,327	504,327	504,327	485,990	485,990	485,990	485,990	485,990	485,990	479,095
	Change	(25,232)	(25,232)	(25,232)	(25,232)	(25,232)	(6,895)	(6,895)	(6,895)	(6,895)	(6,895)	(13,790)	-
124.00	Other investmets	5,500	5,500	5,500	5,500	5,500	5,500	5,500	500	500	500	500	500
	Prior year	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500
	Change	-	-	-	-	-	-	-	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)
****	Total Investments	13,426,272	13,436,434	13,433,229	13,433,229	14,825,488	14,825,488	14,825,488	14,840,104	14,840,104	14,840,104	14,833,209	14,840,104
	Prior year	11,802,386	11,814,815	11,811,610	11,811,610	13,238,286	13,219,949	13,219,949	13,260,138	13,433,167	13,433,167	13,433,167	13,426,272
	Change	1,623,886	1,621,619	1,621,619	1,621,619	1,587,202	1,605,539	1,605,539	1,579,966	1,406,937	1,406,937	1,400,042	1,413,832
131.12	Citizens National	561,611	349,450	580,438	248,853	235,025	1,142,521	1,115,827	1,073,695	1,098,523	622,767	518,242	494,107
	Prior year	874,176	718,218	770,025	665,597	500,168	1,260,659	1,330,364	1,207,101	1,408,721	976,989	597,315	240,775
	Change	(312,565)	(368,768)	(189,587)	(416,744)	(265,143)	(118,138)	(214,537)	(133,406)	(310,198)	(354,222)	(79,073)	253,332

Big Sandy Rural Electric Cooperative
 Comparison of Test Year Account Balances with
 those of the Preceding Year - Balance Sheet

Acct #	Description	August Month 1	September Month 2	October Month 3	November Month 4	December Month 5	January Month 6	February Month 7	March Month 8	April Month 9	May Month 10	June Month 11	July Month 12
131.13	Citizens flex	6,930	6,391	6,202	6,011	5,718	11,956	10,911	9,185	7,290	5,366	4,239	3,945
	Prior year	4,959	4,516	4,173	3,722	3,490	787	3,572	1,828	5,909	5,153	3,946	2,584
	Change	1,971	1,875	2,029	2,289	2,228	11,169	7,339	7,357	1,381	213	293	1,361
'131.14	BB&T Banking							2,154	1,275	1,275	1,275	1,275	1,275
	Prior year												
	Change	-	-	-	-	-	-	2,154	1,275	1,275	1,275	1,275	1,275
131.20	Cash - trustee	406	406	406	406	406	406	406	406	406	406	406	406
	Prior year	406	406	406	406	406	406	406	406	406	406	406	406
	Change	-	-	-	-	-	-	-	-	-	-	-	-
134.00	Special deposits	120	120	120	120	120	120	120	120	120	120	120	120
	Prior year	120	120	120	120	120	120	120	120	120	120	120	120
	Change	-	-	-	-	-	-	-	-	-	-	-	-
135.00	Working funds	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300
	Prior year	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300
	Change	-	-	-	-	-	-	-	-	-	-	-	-
****	Total Cash	570,367	357,667	588,466	256,690	242,569	1,156,303	1,130,718	1,085,981	1,108,914	631,234	525,582	501,153
	Prior year	880,961	724,560	776,024	671,145	505,484	1,263,272	1,335,762	1,210,755	1,416,456	983,968	603,087	245,185
	Change	(310,594)	(366,893)	(187,558)	(414,455)	(262,915)	(106,969)	(205,044)	(124,774)	(307,542)	(352,734)	(77,505)	255,968
**** 136.1	Temporary investn	889,601	938,999	582,962	625,110	270,546	121,282	192,085	249,152	296,185	338,205	379,333	127,789
	Prior year	1,183,183	1,230,346	1,271,103	1,312,066	1,366,005	1,022,593	1,089,508	1,157,719	1,209,168	1,248,867	1,290,767	13,363,138
	Change	(293,582)	(291,347)	(688,141)	(686,956)	(1,095,459)	(901,311)	(897,423)	(908,567)	(912,983)	(910,662)	(911,434)	#####
142.1	Accounts receivabl	2,779,926	2,445,896	2,321,170	2,552,255	2,831,250	3,846,626	3,388,671	2,788,591	2,419,444	2,324,035	2,524,336	2,835,161
	Prior year	2,926,956	259,449	2,525,591	3,183,647	3,406,849	3,912,894	4,097,886	3,313,053	2,556,605	2,501,475	2,654,495	2,878,912
	Change	(147,030)	2,186,447	(204,421)	(631,392)	(575,599)	(66,268)	(709,215)	(524,462)	(137,161)	(177,440)	(130,159)	(43,751)
142.20	Voucher payments				39,396	10,500	46,032	36,950	4,061	14,232	4,251	19,136	20,861
	Prior year				52,074	6,690	91,903	17,095	1,268				
	Change	-	-	-	(12,678)	3,810	(45,871)	19,855	2,793	14,232	4,251	19,136	20,861
143.00	Other receivables	470,682	775,813	806,293	778,076	771,875	460,193	454,837	450,388	483,853	673,937	467,357	504,386
	Prior year	322,980	301,326	367,759	398,422	395,666	77,177	142,578	192,265	183,926	219,034	343,482	407,730
	Change	147,702	474,487	438,534	379,654	376,209	383,016	312,259	258,123	299,927	454,903	123,875	96,656
143.40	MACED loans	122,331	121,543	120,763	116,089	115,170	110,747	111,427	113,499	109,009	114,061	110,422	106,300
	Prior year	118,743	122,549	119,316	118,571	117,834	110,131	116,326	115,583	114,820	114,092	119,844	119,838
	Change	3,588	(1,006)	1,447	(2,482)	(2,664)	616	(4,899)	(2,084)	(5,811)	(31)	(9,422)	(13,538)
144.10	Allow for uncollect	(94,986)	(99,664)	(113,043)	(112,869)	(115,065)	(118,732)	(123,230)	(126,099)	(122,823)	(105,766)	(94,740)	(98,116)
	Prior year	(135,894)	(134,414)	(138,087)	(137,831)	(144,299)	(145,277)	(144,638)	(138,226)	(138,677)	(130,794)	(104,205)	(96,051)
	Change	40,908	34,750	25,044	24,962	29,234	26,545	21,408	12,127	15,854	25,028	9,465	(2,065)

Big Sandy Rural Electric Cooperative
 Comparison of Test Year Account Balances with
 those of the Preceding Year - Balance Sheet

Acct #	Description	August Month 1	September Month 2	October Month 3	November Month 4	December Month 5	January Month 6	February Month 7	March Month 8	April Month 9	May Month 10	June Month 11	July Month 12
****	Total Recievables	3,277,953	3,243,588	3,135,183	3,372,947	3,613,730	4,344,866	3,868,655	3,230,440	2,903,715	3,010,518	3,026,511	3,368,592
	Prior year	3,232,785	548,910	2,874,579	3,614,883	3,782,740	4,046,828	4,229,247	3,483,943	2,716,674	2,703,807	3,013,616	3,310,429
	Change	45,168	2,694,678	260,604	(241,936)	(169,010)	298,038	(360,592)	(253,503)	187,041	306,711	12,895	58,163
***154	Material & supplie	273,944	294,494	294,121	284,680	274,598	312,049	305,231	278,491	307,572	328,944	321,238	310,509
	Prior year	290,499	284,886	280,074	297,522	290,358	292,388	297,258	289,187	315,450	285,624	287,140	292,041
	Change	(16,555)	9,608	14,047	(12,842)	(15,760)	19,661	7,973	(10,696)	(7,878)	43,320	34,098	18,468
165.1	Prepaid insurance	16,267	31,888	21,461	11,034	607	79,141	76,256	68,311	80,668	63,798	73,416	54,890
	Prior year	44,368	32,124	21,532	11,505	456	69,867	56,357	76,083	67,573	46,859	55,695	26,692
	Change	(28,101)	(236)	(71)	(471)	151	9,274	19,899	(7,772)	13,095	16,939	17,721	28,198
165.40	DOM insurance	584	1,753	1,169	584		1,169	584		1,169	584	1,753	1,169
	Prior year	2,201	1,650	22,298	11,149		1,169	584	1,753	1,169	584	1,753	1,169
	Change	(1,617)	103	(21,129)	(10,565)	-	-	-	(1,753)	-	-	-	-
165.50	Prepaid dues	12,331	26,153	21,935	17,716	13,498	41,751	37,546	33,342	29,137	24,933	20,728	16,523
	Prior year	12,359	25,577	21,392	17,207	13,035	41,512	37,344	33,177	29,010	24,843	20,672	16,502
	Change	(28)	576	543	509	463	239	202	165	127	90	56	21
165.60	Prepaid maintenar	1,602	1,068	(409)	13,207	12,107	11,006	9,905	8,805	7,704	6,604	5,503	4,402
	Prior year				6,407	5,873	5,339	4,805	4,271	3,738	3,204	2,670	2,136
	Change	1,602	1,068	(409)	6,800	6,234	5,667	5,100	4,534	3,966	3,400	2,833	2,266
****	Total Prepayments	30,784	60,862	44,156	42,541	26,212	133,067	124,291	110,458	118,678	95,919	101,400	76,984
	Prior year	58,928	59,351	65,222	46,268	19,364	117,887	99,090	115,284	101,490	75,490	80,790	46,499
	Change	(28,144)	1,511	(21,066)	(3,727)	6,848	15,180	25,201	(4,826)	17,188	20,429	20,610	30,485
171.00	Interest receivable	8,960	10,740	1,829	3,600	5,370	7,141	8,911	10,682	1,795	3,575	5,356	7,136
	Prior year	9,046	10,816	1,905	3,676	5,427	7,179	8,930	10,682	1,839	3,619	5,399	7,180
	Change	(86)	(76)	(76)	(76)	(57)	(38)	(19)	-	(44)	(44)	(43)	(44)
183.00	Preliminary survey	19,617	16,312	15,708	15,104	14,500	13,896	13,292	12,687	12,083	11,479	10,875	10,271
	Prior year	24,167	23,562	22,958	22,354	21,750	21,146	20,542	19,937	19,333	18,729	18,125	17,521
	Change	(4,550)	(7,250)	(7,250)	(7,250)	(7,250)	(7,250)	(7,250)	(7,250)	(7,250)	(7,250)	(7,250)	(7,250)
184.00	Transportation	1,724	392	1,123	142	1,489	1,855	1,522	1,828	1,869	1,544	1,499	1,587
	Prior year	1,427	1,708	1,207	1,966	1,182	2,261	1,291	1,482	2,083	1,275	1,733	426
	Change	297	(1,316)	(84)	(1,824)	307	(406)	231	346	(214)	269	(234)	1,161
****	Total Deferred Det	30,301	27,444	18,660	18,846	21,359	22,892	23,725	25,197	15,747	16,598	17,730	18,994
	Prior year	34,640	36,086	26,070	27,996	28,359	30,586	30,763	32,101	23,255	23,623	25,257	25,127
	Change	(4,339)	(8,642)	(7,410)	(9,150)	(7,000)	(7,694)	(7,038)	(6,904)	(7,508)	(7,025)	(7,527)	(6,133)
*****	Total Assets and D	51,499,601	51,328,789	51,037,436	50,989,160	52,168,418	53,865,151	53,477,046	52,897,047	52,653,787	52,252,511	52,204,901	52,238,763
	Prior year	50,416,630	47,653,918	49,998,362	50,594,655	52,047,928	52,840,926	53,113,406	52,354,891	52,055,644	51,561,759	51,565,640	63,541,565
	Change	1,082,971	3,674,871	1,039,074	394,505	120,490	1,024,225	363,640	542,156	598,143	690,752	639,261	#####
****	Memberships issu€	228,290	227,915	228,080	227,830	227,660	228,050	228,245	228,890	228,025	227,920	227,895	227,590

Big Sandy Rural Electric Cooperative
 Comparison of Test Year Account Balances with
 those of the Preceding Year - Balance Sheet

Acct #	Description	August Month 1	September Month 2	October Month 3	November Month 4	December Month 5	January Month 6	February Month 7	March Month 8	April Month 9	May Month 10	June Month 11	July Month 12
	Prior year	231,650	231,340	231,350	231,885	231,950	232,030	229,595	229,730	229,755	229,300	228,650	228,685
	Change	(3,360)	(3,425)	(3,270)	(4,055)	(4,290)	(3,980)	(1,350)	(840)	(1,730)	(1,380)	(755)	(1,095)
201.10	Patrons capital cre	23,335,163	23,329,680	23,327,152	23,321,569	23,319,891	24,962,628	24,712,785	24,707,755	24,702,281	24,691,716	24,682,748	24,674,564
	Prior year	21,470,816	21,465,593	21,460,115	21,453,833	21,450,028	23,381,436	23,373,158	23,369,711	23,360,138	23,354,421	23,354,421	23,340,362
	Change	1,864,347	1,864,087	1,867,037	1,867,736	1,869,863	1,581,192	1,339,627	1,338,044	1,342,143	1,337,295	1,328,327	1,334,202
201.20	Pat cap- assignable												
	Prior year												
	Change	-	-	-	-	-	-	-	-	-	-	-	-
219.10	Current year margi	468,033	449,361	386,305	305,065	1,710,588	280,389	392,694	430,466	383,377	341,902	261,859	250,807
	Prior year	371,768	400,087	449,601	555,346	2,137,905	316,984	503,409	592,282	704,170	645,881	544,408	459,421
	Change	96,265	49,274	(63,296)	(250,281)	(427,317)	(36,595)	(110,715)	(161,816)	(320,793)	(303,979)	(282,549)	(208,614)
****	Total Capital Credi	23,803,196	23,779,041	23,713,457	23,626,634	25,030,479	25,243,017	25,105,479	25,138,221	25,085,658	25,033,618	24,944,607	24,925,371
	Prior year	21,842,584	21,865,680	21,909,716	22,009,179	23,587,933	23,698,420	23,876,567	23,961,993	24,064,308	24,000,302	23,898,829	23,799,783
	Change	1,960,612	1,913,361	1,803,741	1,617,455	1,442,546	1,544,597	1,228,912	1,176,228	1,021,350	1,033,316	1,045,778	1,125,588
208.00	Donated capital	49,015	49,015	49,015	49,015	49,015	49,015	49,015	49,015	49,015	49,015	49,015	49,015
	Prior year	49,025	49,025	49,025	49,025	49,025	49,025	49,025	49,025	49,025	49,015	49,015	49,015
	Change	(10)	(10)	(10)	(10)	(10)	(10)	(10)	(10)	(10)	-	-	-
208.10	Donated capital - c	14,686	14,686	14,686	14,686	14,686	14,686	14,686	14,686	14,686	14,686	14,686	14,686
	Prior year	14,686	14,686	14,686	14,686	14,686	14,686	14,686	14,686	14,686	14,686	14,686	14,686
	Change	-	-	-	-	-	-	-	-	-	-	-	-
215.30	Accum comp incon	(2,450,657)	(2,438,339)	(2,426,021)	(2,413,703)	(2,401,385)	(2,389,067)	(2,376,749)	(2,364,431)	(2,352,113)	(2,339,795)	(2,327,477)	(2,315,159)
	Prior year	(2,598,473)	(2,586,155)	(2,573,837)	(2,561,519)	(2,549,201)	(2,536,883)	(2,524,565)	(2,512,247)	(2,499,929)	(2,487,611)	(2,475,293)	(2,462,975)
	Change	147,816	147,816	147,816	147,816	147,816	147,816	147,816	147,816	147,816	147,816	147,816	147,816
217.00	Retired gains	105,392	105,392	105,392	105,392	105,392	105,392	105,392	105,392	105,392	105,392	105,392	105,392
	Prior year	105,479	105,392	105,392	105,392	105,392	105,392	105,392	105,392	105,392	105,392	105,392	105,392
	Change	(87)	-	-	-	-	-	-	-	-	-	-	-
217.10	Retired gains - disc	319,499	320,669	321,385	322,865	323,535	323,535	325,264	327,194	329,059	332,579	335,075	337,994
	Prior year	300,748	301,715	302,968	304,750	305,854	306,970	308,928	310,035	312,813	314,061	314,061	317,832
	Change	18,751	18,954	18,417	18,115	17,681	16,565	16,336	17,159	16,246	18,518	21,014	20,162
219.30	Prior year deficits	(281,328)	(281,328)	(281,328)	(281,328)	(281,328)	(213,477)	29,261	29,261	29,261	29,261	29,261	29,261
	Prior year	(483,029)	(483,029)	(483,029)	(483,029)	(483,029)	(281,328)	(281,328)	(281,328)	(281,328)	(281,328)	(281,328)	(281,328)
	Change	201,701	201,701	201,701	201,701	201,701	67,851	310,589	310,589	310,589	310,589	310,589	310,589
****	Total Other Equitie	(2,243,393)	(2,229,905)	(2,216,871)	(2,203,073)	(2,190,085)	(2,109,916)	(1,853,131)	(1,838,883)	(1,824,700)	(1,808,862)	(1,794,048)	(1,778,811)
	Prior year	(2,611,564)	(2,598,366)	(2,584,795)	(2,570,695)	(2,557,273)	(2,342,138)	(2,327,862)	(2,314,437)	(2,299,341)	(2,285,785)	(2,273,467)	(2,257,378)
	Change	368,171	368,461	367,924	367,622	367,188	232,222	474,731	475,554	474,641	476,923	479,419	478,567
*****	Total Margins & Ec	21,788,093	21,777,051	21,724,666	21,651,391	23,068,054	23,361,151	23,480,593	23,528,228	23,488,983	23,452,676	23,378,454	23,374,150
	Prior year	19,462,670	19,498,654	19,556,271	19,670,369	21,262,610	21,588,312	21,778,300	21,877,286	21,994,722	21,943,817	21,854,012	21,771,090

Big Sandy Rural Electric Cooperative
 Comparison of Test Year Account Balances with
 those of the Preceding Year - Balance Sheet

Acct #	Description	August Month 1	September Month 2	October Month 3	November Month 4	December Month 5	January Month 6	February Month 7	March Month 8	April Month 9	May Month 10	June Month 11	July Month 12
	Change	2,325,423	2,278,397	2,168,395	1,981,022	1,805,444	1,772,839	1,702,293	1,650,942	1,494,261	1,508,859	1,524,442	1,603,060
224.30	RUS notes	8,349,949	8,328,250	8,307,352	8,285,543	8,264,518	8,245,067	8,225,616	8,205,756	8,185,071	8,166,134	8,145,234	8,125,364
	Prior year	8,600,926	8,580,016	8,559,935	8,538,917	8,517,781	8,497,533	8,474,588	8,454,213	8,432,902	8,412,474	8,391,111	8,370,558
	Change	(250,977)	(251,766)	(252,583)	(253,374)	(253,263)	(252,466)	(248,972)	(248,457)	(247,831)	(246,340)	(245,877)	(245,194)
224.12	Advance payment	(3,000,000)	(3,012,250)	(3,024,500)	(3,000,000)	(3,012,250)	(3,024,500)	(3,000,000)	(3,012,250)	(3,024,500)	(3,000,000)	(3,012,250)	(3,024,500)
	Prior year	(3,000,000)	(3,012,250)	(3,024,500)	(2,989,837)	(3,012,250)	(3,024,500)	(3,012,250)	(3,018,375)	(3,024,500)	(3,000,000)	(3,012,250)	(3,024,500)
	Change	-	-	-	(10,163)	-	-	12,250	6,125	-	-	-	-
224.14	CFC notes	1,427,595	1,427,595	1,427,595	1,417,106	1,417,106	1,417,106	1,406,503	1,406,503	1,406,503	1,051,029	1,051,028	1,051,028
	Prior year	1,813,189	1,813,189	1,813,189	1,803,144	1,803,144	1,803,144	1,792,990	1,792,990	1,792,990	1,437,971	1,437,971	1,440,971
	Change	(385,594)	(385,594)	(385,594)	(386,038)	(386,038)	(386,038)	(386,487)	(386,487)	(386,487)	(386,942)	(386,943)	(389,943)
224.16	CoBank notes	1,072,892	1,066,851	1,060,795	1,028,002	1,021,915	1,015,812	982,755	976,621	970,472	937,148	930,967	924,770
	Prior year	1,248,929	1,243,071	1,237,198	1,205,442	1,199,539	1,193,620	1,161,609	1,155,660	1,149,696	1,117,426	1,111,432	1,105,422
	Change	(176,037)	(176,220)	(176,403)	(177,440)	(177,624)	(177,808)	(178,854)	(179,039)	(179,224)	(180,278)	(180,465)	(180,652)
224.20	FFB notes	14,923,519	14,793,397	14,793,397	14,793,397	14,662,638	14,662,638	14,662,638	14,532,844	14,532,844	14,532,844	14,402,343	14,402,343
	Prior year	15,440,038	15,312,343	15,312,343	15,312,343	15,183,819	15,183,819	15,183,819	15,053,541	15,053,541	15,053,541	14,923,519	14,923,519
	Change	(516,519)	(518,946)	(518,946)	(518,946)	(521,181)	(521,181)	(521,181)	(520,697)	(520,697)	(520,697)	(521,176)	(521,176)
****	Total long term de	22,773,955	22,603,843	22,564,639	22,524,048	22,353,927	22,316,123	22,277,512	22,109,474	22,070,390	21,687,155	21,517,322	21,479,005
	Prior year	24,103,082	23,936,369	23,898,165	23,870,009	23,692,033	23,653,616	23,600,756	23,438,029	23,404,629	23,021,412	22,851,783	22,815,970
	Change	(1,329,127)	(1,332,526)	(1,333,526)	(1,345,961)	(1,338,106)	(1,337,493)	(1,323,244)	(1,328,555)	(1,334,239)	(1,334,257)	(1,334,461)	(1,336,965)
**** 228.3	Postretirement be	3,761,831	3,758,090	3,758,080	3,755,009	3,749,502	3,743,465	3,738,785	3,735,447	3,729,410	3,724,730	3,720,050	3,714,137
	Prior year	3,800,765	3,797,995	3,793,860	3,790,639	3,786,152	3,782,876	3,780,962	3,779,039	3,775,755	3,773,832	3,770,355	3,765,573
	Change	(38,934)	(39,905)	(35,780)	(35,630)	(36,650)	(39,411)	(42,177)	(43,592)	(46,345)	(49,102)	(50,305)	(51,436)
**** 231.00	Notes payable - short term						650,000	650,000	650,000	650,000	650,000	650,000	650,000
	Prior year												
	Change	-	-	-	-	-	650,000	650,000	650,000	650,000	650,000	650,000	650,000
232.1	AP - general	235,485	407,722	415,945	237,505	223,529	292,104	285,727	306,374	254,715	230,800	232,355	187,068
	Prior year	262,678	176,794	281,860	128,161	145,795	269,338	207,060	171,918	358,846	183,705	213,853	334,566
	Change	(27,193)	230,928	134,085	109,344	77,734	22,766	78,667	134,456	(104,131)	47,095	18,502	(147,498)
232.70	MACED payables	120,598	118,935	118,155	114,356	113,595	112,850	108,507	107,755	107,851	107,097	106,333	105,576
	Prior year	117,234	120,040	119,307	118,562	117,825	117,087	123,282	115,574	114,820	114,083	113,325	115,290
	Change	3,364	(1,105)	(1,152)	(4,206)	(4,230)	(4,237)	(14,775)	(7,819)	(6,969)	(6,986)	(6,992)	(9,714)
232.25	AP - leases	324,593	316,526	308,443	300,344	292,229	284,097	275,949	267,775	259,594	251,396	243,182	234,951
	Prior year	217,755	211,345	204,923	198,490	192,045	185,589	179,121	140,142	173,491	167,087	160,672	154,244
	Change	106,838	105,181	103,520	101,854	100,184	98,508	96,828	127,633	86,103	84,309	82,510	80,707
232.30	AP - spraying	(9,152)	(6,652)	(4,434)	2,217		2,500	5,000	7,500	(3,670)	(17,506)	(15,006)	(12,506)
	Prior year	(21,044)	(8,438)	(21,727)	(9,121)		2,500	5,000	7,500	(14,781)	(16,652)	(14,152)	(11,652)
	Change	11,892	1,786	17,293	11,338	-	-	-	-	11,111	(854)	(854)	(854)

Big Sandy Rural Electric Cooperative
 Comparison of Test Year Account Balances with
 those of the Preceding Year - Balance Sheet

Acct #	Description	August Month 1	September Month 2	October Month 3	November Month 4	December Month 5	January Month 6	February Month 7	March Month 8	April Month 9	May Month 10	June Month 11	July Month 12
232.40	Purchased power	1,324,842	1,165,221	1,101,293	1,343,303	1,447,227	2,066,335	1,618,233	1,150,532	1,001,980	1,053,934	1,264,224	1,473,180
	Prior year	1,452,538	1,232,619	1,126,520	1,748,712	1,789,508	2,069,151	2,226,542	1,560,899	1,019,437	1,105,664	1,370,673	1,455,984
	Change	(127,696)	(67,398)	(25,227)	(405,409)	(342,281)	(2,816)	(608,309)	(410,367)	(17,457)	(51,730)	(106,449)	17,196
232.50	PSC assessment	(28,369)	(25,532)	(22,695)	(19,858)	(17,021)	(14,184)	(11,348)	(8,511)	(5,674)	(2,837)	(31,861)	(29,205)
	Prior year	(29,330)	(26,397)	(23,464)	(20,531)	(17,598)	(14,665)	(11,732)	(8,799)	(5,867)	(2,933)	(34,043)	(31,206)
	Change	961	865	769	673	577	481	384	288	193	96	2,182	2,001
232.60	Other payables	5,023	(7,875)	(7,219)	(6,891)	(6,750)	(6,375)	(6,000)	(5,625)	(5,250)	(4,875)	(4,760)	(4,125)
	Prior year	(2,502)	(3,375)	(3,000)	(2,625)	(2,250)	(1,875)	(1,500)	(1,125)	(750)	(375)		375
	Change	7,525	(4,500)	(4,219)	(4,266)	(4,500)	(4,500)	(4,500)	(4,500)	(4,500)	(4,500)	(4,760)	(4,500)
****	Total Payables	1,973,020	1,968,345	1,909,488	1,970,976	2,052,809	2,737,327	2,276,068	1,825,800	1,609,546	1,618,009	1,794,467	1,954,939
	Prior year	1,997,329	1,702,588	1,684,419	2,161,648	2,225,325	2,627,125	2,727,773	1,986,109	1,645,196	1,550,579	1,810,328	2,017,601
	Change	(24,309)	265,757	225,069	(190,672)	(172,516)	110,202	(451,705)	(160,309)	(35,650)	67,430	(15,861)	(62,662)
**** 235	Customer deposits	659,033	646,358	647,233	643,063	640,413	642,723	633,058	639,358	627,408	619,928	623,583	623,358
	Prior year	674,333	668,908	669,708	674,308	677,958	684,493	666,038	669,583	665,133	661,583	657,008	659,233
	Change	(15,300)	(22,550)	(22,475)	(31,245)	(37,545)	(41,770)	(32,980)	(30,225)	(37,725)	(41,655)	(33,425)	(35,875)
236.1	Acc property taxes	83,487	107,777	(54,641)	(26,655)	14,500	40,034	51,860	74,873	100,686	123,087	148,900	72,164
	Prior year	86,831	93,760	51,908	76,405	108,000	119,157	144,159	166,552	97,195	120,998	138,397	58,918
	Change	(3,344)	14,017	(106,549)	(103,060)	(93,500)	(79,123)	(92,299)	(91,679)	3,491	2,089	10,503	13,246
236.2	Acc FUTA tax	33		22	54		1,143	1,633		25	29	(3)	7
	Prior year	70		30	32		1,044	1,577		30	56		7
	Change	(37)	-	(8)	22	-	99	56	-	(5)	(27)	(3)	-
236.3	Acc FICA tax		78								(14,366)	(14,780)	
	Prior year	(86)	(86)	(86)	(86)	(366)	(366)	(281)					
	Change	86	164	86	86	366	366	281	-	-	(14,366)	(14,780)	-
236.4	Acc SUTA tax	158	(50)	82	191		3,979	6,974		263	427	(11)	23
	Prior year	357		196	266		3,578	6,656		269	497		70
	Change	(199)	(50)	(114)	(75)	-	401	318	-	(6)	(70)	(11)	(47)
236.5	Sales tax	191	191	191	191							(2)	(2)
	Prior year						(17)	(67)	(17)	(18)	191	191	191
	Change	191	191	191	191	-	17	67	17	18	(191)	(193)	(193)
237.10	RUS interest												
	Prior year												
	Change	-	-	-	-	-	-	-	-	-	-	-	-
237.20	FFB interest	44,210		21,995	43,990		21,733	43,466		22,831	45,662		22,538
	Prior year	45,937		22,968	45,936		22,571	45,142		21,979	43,959		22,105
	Change	(1,727)	-	(973)	(1,946)	-	(838)	(1,676)	-	852	1,703	-	433

Big Sandy Rural Electric Cooperative
 Comparison of Test Year Account Balances with
 those of the Preceding Year - Balance Sheet

Acct #	Description	August Month 1	September Month 2	October Month 3	November Month 4	December Month 5	January Month 6	February Month 7	March Month 8	April Month 9	May Month 10	June Month 11	July Month 12
237.30	CFC interest		6,781	13,562		6,727	13,454		6,690	13,380		5,105	10,209
	Prior year		8,512	17,024		8,425	16,851		8,111	16,641		6,852	13,705
	Change	-	(1,731)	(3,462)	-	(1,698)	(3,397)	-	(1,421)	(3,261)	-	(1,747)	(3,496)
237.50	Interest on custom	476	521	572	625	6	197	375	445	612	776	941	1,106
	Prior year	521	573	593	654	(1)	66	129	192	252	311	369	445
	Change	(45)	(52)	(21)	(29)	7	131	246	253	360	465	572	661
237.60	CoBank interest		1,436	2,872		1,362	2,725		1,288	2,577		1,189	2,378
	Prior year		1,740	3,474		1,653	3,306		1,581	3,162		1,460	2,920
	Change	-	(304)	(602)	-	(291)	(581)	-	(293)	(585)	-	(271)	(542)
241.00	Federal withholdin	850	995	1,050	1,200		100	200	350	400	(10,991)	(11,562)	800
	Prior year	750	800	900	1,000	1,150	100	200	350	400	500	650	800
	Change	100	195	150	200	(1,150)	-	-	-	-	(11,491)	(12,212)	-
241.10	Martin school	119	6	40	83		58	112		56	110	(33)	58
	Prior year	112		46	84		40	82		45	87		82
	Change	7	6	(6)	(1)	-	18	30	-	11	23	(33)	(24)
241.20	City tax withholding			603	1,193		720	1,339		648	1,283	(305)	629
	Prior year			516	1,028		575	1,100		593	1,189		965
	Change	-	-	87	165	-	145	239	-	55	94	(305)	(336)
241.30	State tax withholding		17								(4,926)		
	Prior year	(179)	(179)										
	Change	179	196	-	-	-	-	-	-	-	(4,926)	-	-
241.90	Johnson occupatio	1,918	3	687	1,389		781	1,492		718	1,419	(380)	735
	Prior year	1,651		695	1,346		696	1,398		704	1,372		1,248
	Change	267	3	(8)	43	-	85	94	-	14	47	(380)	(513)
242.11	Flex accounts	(3,145)	(1,014)	(13,138)	(11,093)	(7,369)	(6,969)	(5,210)	(5,468)	(4,752)	(10,960)	(10,662)	(639)
	Prior year	(2,412)	(237)	2,133	(9,776)	(7,447)	(7,554)	(8,460)	(8,268)	(7,254)	(6,108)	(5,501)	(4,131)
	Change	(733)	(777)	(15,271)	(1,317)	78	585	3,250	2,800	2,502	(4,852)	(5,161)	3,492
242.12	401(k)												
	Prior year												
	Change	-	-	-	-	-	-	-	-	-	-	-	-
242.20	Accrued payroll	33,798	51,953	69,491	81,452	17,930	26,061	36,340	62,440	70,857	94,778	114,014	27,860
	Prior year	26,294	42,868	68,982	69,498	8,287	25,335	25,167	42,521	58,102	77,208	89,829	24,185
	Change	7,504	9,085	509	11,954	9,643	726	11,173	19,919	12,755	17,570	24,185	3,675
242.22	ROW accrual	92,976	80,481	83,413	46,808		35,293	45,199	(26,748)	(30,067)	(6,694)	1,176	13,554
	Prior year	(73,837)	(67,482)	(69,959)	(52,198)		21,297	41,157	79,710	71,528	82,474	100,670	75,373
	Change	166,813	147,963	153,372	99,006	-	13,996	4,042	(106,458)	(101,595)	(89,168)	(99,494)	(61,819)
242.30	Vacation	117,120	121,664	122,328	119,761	97,954	108,189	116,029	124,175	126,265	128,854	133,444	128,196

Big Sandy Rural Electric Cooperative
 Comparison of Test Year Account Balances with
 those of the Preceding Year - Balance Sheet

Acct #	Description	August Month 1	September Month 2	October Month 3	November Month 4	December Month 5	January Month 6	February Month 7	March Month 8	April Month 9	May Month 10	June Month 11	July Month 12
	Prior year	109,693	113,128	114,470	111,355	93,728	102,802	112,116	119,760	118,143	120,631	118,678	113,600
	Change	7,427	8,536	7,858	8,406	4,226	5,387	3,913	4,415	8,122	8,223	14,766	14,596
242.31	Sick leave	156,991	156,991	156,991	156,991	143,422	143,422	143,422	143,422	143,422	143,422	143,422	143,422
	Prior year	148,381	148,381	148,381	148,381	156,991	156,991	156,991	156,991	156,991	156,991	156,991	156,991
	Change	8,610	8,610	8,610	8,610	(13,569)	(13,569)	(13,569)	(13,569)	(13,569)	(13,569)	(13,569)	(13,569)
242.40	Acc network testing							2,167					
	Prior year								3,250	4,333	5,417	6,500	7,583
	Change						-	2,167	(3,250)	(4,333)	(5,417)	(6,500)	
242.50	Acc annual audit &	8,667	9,750	10,833	11,917	9,250	3,542	4,399	7,436	10,492	(11,025)	(8,189)	(4,647)
	Prior year	4,902	6,050	6,700	7,350	9,000	13,600	6,100	9,866	3,071	(21,300)	(18,979)	(12,088)
	Change	3,765	3,700	4,133	4,567	250	(10,058)	(1,701)	(2,430)	7,421	10,275	10,790	7,441
242.60	Acc annual mtg	(18,630)	(15,113)	(7,009)	1,096								
	Prior year	970	4,470	5,970	7,485								
	Change	(19,600)	(19,583)	(12,979)	(6,389)	-	-	-	-	-	-	-	-
242.80	Credit union	6	7	6	6	5	2		3			(110)	
	Prior year	1	4	(5,712)	(5,712)						3		4
	Change	5	3	5,718	5,718	5	2	-	3	-	(3)	(110)	(4)
242.90	Union dues		(12)	(12)	(16)		(23)	(23)				(240)	
	Prior year			(23)	(23)								
	Change	-	(12)	11	7	-	(23)	(23)	-	-	-	(240)	-
****	Total Current & Ac	519,225	522,462	409,938	429,183	283,787	394,441	449,774	388,906	458,413	480,885	501,914	418,391
	Prior year	349,956	352,302	369,206	403,025	379,420	480,072	533,166	580,599	546,166	584,476	596,107	462,973
	Change	169,269	170,160	40,732	26,158	(95,633)	(85,631)	(83,392)	(191,693)	(87,753)	(103,591)	(94,193)	(44,582)
**** 252.00	Consumer advance	24,444	23,528	23,362	19,926	19,926	19,584	19,854	19,854	19,657	19,148	19,130	17,919
	Prior year	28,495	26,900	26,734	24,659	24,432	24,432	24,248	24,248	24,051	26,063	26,046	25,123
	Change	(4,051)	(3,372)	(3,372)	(4,733)	(4,506)	(4,848)	(4,394)	(4,394)	(4,394)	(6,915)	(6,916)	(7,204)
*****	Total Equities & Li	51,499,601	51,299,677	51,037,406	50,993,596	52,168,418	53,864,814	53,525,644	52,897,067	52,653,807	52,252,531	52,204,920	52,231,899
	Prior year	50,416,630	49,983,716	49,998,363	50,594,657	52,047,930	52,840,926	53,111,243	52,354,893	52,055,652	51,561,762	51,565,639	51,517,563
	Change	1,082,971	1,315,961	1,039,043	398,939	120,488	1,023,888	414,401	542,174	598,155	690,769	639,281	714,336

Big Sandy Rural Electric Cooperative
 Comparison of Test Year Income Statement Account
 Balances with those of the Preceding Year

Acct #	Description	August Month 1	September Month 2	October Month 3	November Month 4	December Month 5	January Month 6	February Month 7	March Month 8	April Month 9	May Month 10	June Month 11	July Month 12	Total
440.10	Residential	1,444,158	1,206,351	1,173,356	1,438,956	1,571,564	2,474,838	1,873,422	1,347,615	1,153,344	1,133,743	1,389,276	1,613,385	17,820,008
	Prior year	1,504,403	1,244,393	1,277,165	1,919,166	1,981,763	2,409,720	2,439,541	1,677,559	1,118,493	1,213,224	1,405,484	1,579,294	19,770,205
	Change	(60,245)	(38,042)	(103,809)	(480,210)	(410,199)	65,118	(566,119)	(329,944)	34,851	(79,481)	(16,208)	34,091	(1,950,197)
442.10	Small commercial	132,051	123,215	121,397	120,867	132,796	153,054	129,813	121,186	116,290	113,755	123,885	131,828	1,520,137
	Prior year	136,248	124,556	124,887	137,479	140,699	155,670	151,946	133,283	116,275	121,259	129,233	139,379	1,610,914
	Change	(4,197)	(1,341)	(3,490)	(16,612)	(7,903)	(2,616)	(22,133)	(12,097)	15	(7,504)	(5,348)	(7,551)	(90,777)
442.20	Large commercial	343,983	319,857	306,243	291,847	319,754	345,461	315,997	299,371	278,985	285,933	306,602	331,434	3,745,467
	Prior year	407,615	377,987	375,696	378,326	367,097	389,032	369,873	331,736	299,823	321,686	326,240	353,205	4,298,316
	Change	(63,632)	(58,130)	(69,453)	(86,479)	(47,343)	(43,571)	(53,876)	(32,365)	(20,838)	(35,753)	(19,638)	(21,771)	(552,849)
450.00	Forfeit Discounts	29,239	25,437	21,285	21,213	25,451	34,931	43,131	32,076	27,926	21,509	20,100	24,974	327,272
	Prior year	26,875	25,334	21,201	23,198	35,645	41,859	40,462	42,057	29,861	20,152	19,632	22,784	349,060
	Change	2,364	103	84	(1,985)	(10,194)	(6,928)	2,669	(9,981)	(1,935)	1,357	468	2,190	(21,788)
451.00	Miscellaneous Service:	5,365	5,335	3,466	3,254	2,024	1,289	5,353	4,620	7,381	3,529	6,219	3,005	50,840
	Prior year	5,701	5,663	4,638	3,281	4,104	4,622	2,765	4,118	4,371	5,200	4,234	2,536	51,233
	Change	(336)	(328)	(1,172)	(27)	(2,080)	(3,333)	2,588	502	3,010	(1,671)	1,985	469	(393)
454.00	Rent form electric proj	29,266	29,634	29,634	29,633	50,211	30,515	30,515	30,515	30,515	30,515	30,515	30,515	381,983
	Prior year	30,084	30,083	30,084	30,083	14,686	29,634	29,634	29,634	29,634	29,633	29,634	29,634	342,457
	Change	(818)	(449)	(450)	(450)	35,525	881	881	881	881	882	881	881	39,526
456.00	Other electric revenue	90	150	30	30			60	120	60	30	30	120	720
	Prior year	90	60		60	30	90	30	60		60	90	30	600
	Change	0	90	30	(30)	(30)	(90)	30	60	60	(30)	(60)	90	120
457.00	Prepay meter fee	1,808	1,603	1,607	1,649	1,647	1,678	1,655	1,754	1,864	1,492	1,468	1,563	19,788
	Prior year		1,392	1,457	1,405	1,379	1,377	1,304	1,320	1,393	1,495	1,487	1,517	15,526
	Change	1,808	211	150	244	268	301	351	434	471	(3)	(19)	46	4,262
***	Total Revenues	1,985,960	1,711,582	1,657,018	1,907,449	2,103,447	3,041,766	2,399,946	1,837,257	1,616,365	1,590,506	1,878,095	2,136,824	23,866,215
	Prior year	2,111,016	1,809,468	1,835,128	2,492,998	2,545,403	3,032,004	3,035,555	2,219,767	1,599,850	1,712,709	1,916,034	2,128,379	26,438,311
	Change	(126,864)	(98,097)	(178,260)	(585,793)	(442,224)	9,461	(635,960)	(382,944)	16,044	(122,200)	(37,920)	8,399	(2,576,358)
***555	Total Purchase Power	1,324,882	1,165,261	1,101,333	1,343,343	1,447,267	2,066,375	1,618,273	1,150,572	1,002,020	1,053,974	1,264,264	1,473,220	16,010,784
	Prior year	1,452,538	1,232,619	1,126,520	1,748,712	1,789,508	2,069,151	2,226,542	1,560,899	1,019,437	1,105,684	1,370,713	1,456,024	18,158,347
	Change	(127,656)	(67,358)	(25,187)	(405,369)	(342,241)	(2,776)	(608,269)	(410,327)	(17,417)	(51,710)	(106,449)	17,196	(2,147,563)
580.00	Operations - Supervisio	9,550	10,356	9,439	9,918	10,017	11,327	11,780	11,189	11,462	11,312	12,036	11,964	130,350
	Prior year	9,569	11,098	8,987	8,500	3,718	9,085	8,773	10,004	10,820	9,264	11,290	9,119	110,227
	Change	(19)	(742)	452	1,418	6,299	2,242	3,007	1,185	642	2,048	746	2,845	20,123

Big Sandy Rural Electric Cooperative
 Comparison of Test Year Income Statement Account
 Balances with those of the Preceding Year

Acct #	Description	August Month 1	September Month 2	October Month 3	November Month 4	December Month 5	January Month 6	February Month 7	March Month 8	April Month 9	May Month 10	June Month 11	July Month 12	Total
583.00	Overhead Line Exp	6,831	5,240	6,337	16,581	14,245	11,824	15,097	14,089	6,323	7,852	5,283	4,913	114,615
	Prior year	9,019	5,107	8,492	8,587	6,776	5,493	6,906	5,638	6,776	8,810	10,554	8,238	90,396
	Change	(2,188)	133	(2,155)	7,994	7,469	6,331	8,191	8,451	(453)	(958)	(5,271)	(3,325)	24,219
586.00	Meter	67,512	56,243	41,585	42,161	77,523	40,776	56,314	55,534	57,122	39,796	52,468	44,547	631,581
	Prior year	63,046	5,854	55,983	56,144	63,128	62,950	62,469	62,644	41,566	49,014	28,677	57,392	608,867
	Change	4,466	50,389	(14,398)	(13,983)	14,395	(22,174)	(6,155)	(7,110)	15,556	(9,218)	23,791	(12,845)	22,714
587.00	Consumer Installation	1,657	750	750	1,235	1,235	774	1,498	774	1,033	1,202	821	797	12,526
	Prior year	1,807	1,151	872	1,039	948	1,648	1,098	1,173	750	750	750	808	12,794
	Change	(150)	(401)	(122)	196	287	(874)	400	(399)	283	452	71	(11)	(268)
588.00	Miscellaneous Distribu	14,277	17,606	18,979	12,007	13,082	13,187	16,084	16,851	11,531	17,794	32,179	21,902	205,479
	Prior year	18,308	16,662	16,329	12,657	21,882	20,776	21,270	19,864	11,306	15,766	14,253	20,530	209,603
	Change	(4,031)	944	2,650	(650)	(8,800)	(7,589)	(5,186)	(3,013)	225	2,028	17,926	1,372	(4,124)
***	Total Operations	99,827	90,195	77,090	81,902	116,102	77,888	100,773	98,437	87,471	77,956	102,787	84,123	1,094,551
	Prior year	101,749	39,872	90,663	86,927	96,452	99,952	100,516	99,323	71,218	83,604	65,524	96,087	1,031,887
	Change	(1,922)	50,323	(13,573)	(5,025)	19,650	(22,064)	257	(886)	16,253	(5,648)	37,263	(11,964)	62,664
590.00	Engineering & supervis	15,946	18,190	16,593	16,237	17,982	19,794	19,092	20,108	18,473	19,109	18,452	18,840	218,816
	Prior year	16,361	17,478	15,494	15,235	11,125	17,503	15,865	18,146	19,014	16,849	19,671	16,322	199,063
	Change	(415)	712	1,099	1,002	6,857	2,291	3,227	1,962	(541)	2,260	(1,219)	2,518	19,753
593.00	Maintenance of overh	32,493	(29,402)	34,128	47,572	53,855	47,154	53,548	56,518	44,868	(37,533)	72,461	67,663	443,325
	Prior year	66,420	23,507	59,881	30,706	(2,422)	14,889	31,094	35,030	45,727	60,635	62,646	148,658	576,771
	Change	(33,927)	(52,909)	(25,753)	16,866	56,277	32,265	22,454	21,488	(859)	(98,168)	9,815	(80,995)	(133,446)
593.10	Right-of-way maintanc	6,364	7,997	8,647	7,365	7,905	8,718	8,039	8,213	8,207	9,576	8,569	9,203	98,803
	Prior year	9,239	7,849	6,833	7,412	7,485	6,945	8,012	7,593	4,982	7,229	8,794	7,809	90,182
	Change	(2,875)	148	1,814	(47)	420	1,773	27	620	3,225	2,347	(225)	1,394	8,621
593.20	Contract right-of-way	69,873	72,912	57,614	32,121	12,131	90,415	47,498	63,700	63,424	65,574	63,310	63,193	701,765
	Prior year	66,888	66,124	63,939	68,717	56,630	47,046	53,833	61,173	56,599	65,673	61,092	71,312	739,026
	Change	2,985	6,788	(6,325)	(36,596)	(44,499)	43,369	(6,335)	2,527	6,825	(99)	2,218	(8,119)	(37,261)
595.00	Transformer maintena	2,443	1,266	4,535	5,128	6,302	2,034	5,898	1,106	1,531	1,471	8,044	1,464	41,222
	Prior year	3,695	3,019	18,158	3,228	2,021	4,942	1,332	1,581	5,770	1,759	2,357	1,691	49,553
	Change	(1,252)	(1,753)	(13,623)	1,900	4,281	(2,908)	4,566	(475)	(4,239)	(288)	5,687	(227)	(8,331)
597.00	Meter maintenance						518							518
	Prior year							227				274		501
	Change	0	0	0	0	0	518	(227)	0	0	0	(274)	0	17

Big Sandy Rural Electric Cooperative
 Comparison of Test Year Income Statement Account
 Balances with those of the Preceding Year

Acct #	Description	August Month 1	September Month 2	October Month 3	November Month 4	December Month 5	January Month 6	February Month 7	March Month 8	April Month 9	May Month 10	June Month 11	July Month 12	Total
598.00	Miscellaneous distribu	1,069	517	1,471	1,474	2,641	823	335	1,259	1,400	8,632	(7,768)		11,853
	Prior year	3,737	2,125	3,171	2,417	3,719	2,613	1,299	3,354	4,064	4,114	2,505	1,934	35,052
	Change	(2,668)	(1,608)	(1,700)	(943)	(1,078)	(1,790)	(964)	(2,095)	(2,664)	4,518	(10,273)	(1,934)	(23,199)
***	Total Maintenance	128,188	71,480	122,988	109,897	100,816	169,456	134,410	150,904	137,903	66,829	163,068	160,363	1,516,302
	Prior year	166,340	120,102	167,476	127,715	78,558	93,938	111,662	126,877	136,156	156,259	157,339	247,726	1,690,148
	Change	(38,152)	(48,622)	(44,488)	(17,818)	22,258	75,518	22,748	24,027	1,747	(89,430)	5,729	(87,363)	(173,846)
902.00	Meter reading	7,923	7,524	5,731	14,901	21,374	16,696	8,435	9,634	6,546	7,988	8,846	4,760	120,358
	Prior year	8,570	15,364	4,284	8,004	14,818	10,868	6,845	7,521	3,452	2,266	7,681	2,496	92,169
	Change	(647)	(7,840)	1,447	6,897	6,556	5,828	1,590	2,113	3,094	5,722	1,165	2,264	28,189
903.00	Consumer records & c	59,567	51,577	56,857	58,921	52,282	59,226	64,760	67,074	62,133	62,623	60,519	57,255	712,794
	Prior year	58,298	56,928	57,836	57,209	54,307	67,222	60,596	64,627	67,048	56,843	60,444	57,487	718,845
	Change	1,269	(5,351)	(979)	1,712	(2,025)	(7,996)	4,164	2,447	(4,915)	5,780	75	(232)	(6,051)
903.10	Cash short/over	23	(111)		(4)	(121)	(53)	12	5	70	100	10	(7)	(76)
	Prior year	128	183	(64)	41	123	(125)	35	(11)	12	33	30	30	415
	Change	(105)	(294)	64	(45)	(244)	72	(23)	16	58	67	(20)	(37)	(491)
904.00	Uncollectibles	5,000	5,000	5,000	5,000	5,000	4,167	4,167	4,167	4,167	4,167	4,167	4,167	54,169
	Prior year	4,849	4,849	4,849	4,849	4,843	5,000	5,000	5,000	5,000	5,000	5,000	5,000	59,239
	Change	151	151	151	151	157	(833)	(833)	(833)	(833)	(833)	(833)	(833)	(5,070)
***	Total Consumer Accou	72,513	63,990	67,588	78,818	78,535	80,036	77,374	80,880	72,916	74,878	73,542	66,175	887,245
	Prior year	71,845	77,324	66,905	70,103	74,091	82,965	72,476	77,137	75,512	64,142	73,155	65,013	870,668
	Change	668	(13,334)	683	8,715	4,444	(2,929)	4,898	3,743	(2,596)	10,736	387	1,162	16,577
908.00	Consumer Assistance	8,319	9,317	1,942	3,379	(5,450)	3,584	5,180	1,203	3,410	(5,661)	(1,973)	6,529	29,779
	Prior year	11,159	9,246	4,034	9,538	5,948	9,770	8,323	(9,496)	3,132	9,380	4,555	6,855	72,444
	Change	(2,840)	71	(2,092)	(6,159)	(11,398)	(6,186)	(3,143)	10,699	278	(15,041)	(6,528)	(326)	(42,665)
***	Total Customer Servic	8,319	9,317	1,942	3,379	(5,450)	3,584	5,180	1,203	3,410	(5,661)	(1,973)	6,529	29,779
	Prior year	11,159	9,246	4,034	9,538	5,948	9,770	8,323	(9,496)	3,132	9,380	4,555	6,855	72,444
	Change	(2,840)	71	(2,092)	(6,159)	(11,398)	(6,186)	(3,143)	10,699	278	(15,041)	(6,528)	(326)	(42,665)
913.00	Advertising	150	1,468				255	436	2,845		150		100	5,404
	Prior year	(2,420)	(2,485)			150	285	229	190		150			(3,901)
	Change	2,570	3,953	0	0	(150)	(30)	207	2,655	0	0	0	100	9,305
***	Total Sales	150	1,468	0	0	0	255	436	2,845	0	150	0	100	5,404
	Prior year	(2,420)	(2,485)	0	0	150	285	229	190	0	150	0	0	(3,901)
	Change	2,570	3,953	0	0	(150)	(30)	207	2,655	0	0	0	100	9,305

Big Sandy Rural Electric Cooperative
 Comparison of Test Year Income Statement Account
 Balances with those of the Preceding Year

Acct #	Description	August Month 1	September Month 2	October Month 3	November Month 4	December Month 5	January Month 6	February Month 7	March Month 8	April Month 9	May Month 10	June Month 11	July Month 12	Total
920.00	Administrative salaries	54,624	56,210	53,346	52,027	55,564	58,420	58,947	56,767	57,650	64,087	59,784	55,759	683,185
	Prior year	54,720	51,867	49,927	53,654	54,725	57,360	54,225	56,264	55,484	50,116	51,770	50,775	640,887
	Change	(96)	4,343	3,419	(1,627)	839	1,060	4,722	503	2,166	13,971	8,014	4,984	42,298
921.00	Office supplies & exp	18,002	11,316	16,690	13,909	6,338	21,614	13,916	18,315	13,464	13,400	15,954	17,264	180,182
	Prior year	13,033	7,094	12,578	14,275	8,152	22,068	13,892	13,173	18,382	14,857	17,694	17,629	172,827
	Change	4,969	4,222	4,112	(366)	(1,814)	(454)	24	5,142	(4,918)	(1,457)	(1,740)	(365)	7,355
923.00	Outside services	1,567	1,269	1,268	2,782	3,859	1,293	1,293	1,293	6,123	(3,537)	1,358	793	19,361
	Prior year	2,979	2,436	9,677	10,464	10,970	2,492	1,984	3,000	2,492	3,117	767	1,266	51,644
	Change	(1,412)	(1,167)	(8,409)	(7,682)	(7,111)	(1,199)	(691)	(1,707)	3,631	(6,654)	591	(473)	(32,283)
925.00	Injuries & damanges	4,838	4,838	4,839	5,641	4,839	4,815	4,815	4,815	4,815	4,815	4,815	4,815	58,700
	Prior year	4,824	4,824	4,825	4,825	4,825	4,839	4,839	4,839	4,839	4,838	4,838	4,838	57,993
	Change	14	14	14	816	14	(24)	(24)	(24)	(24)	(23)	(23)	(23)	707
926.00	Employee benefits	512	244	211	(6)	258	1,025	(312)	(344)	77	(161)	123	(96)	1,531
	Prior year	(423)	(58)	428	26	191	364	647	(734)	516	(404)	246	(529)	270
	Change	935	302	(217)	(32)	67	661	(959)	390	(439)	243	(123)	433	1,261
930.10	General advertising		30		24						812			866
	Prior year											812		812
	Change	0	30	0	24	0	0	0	0	0	812	(812)	0	54
930.11	Directors per diem	2,400	2,650	2,650	5,650	4,150	3,400	2,650	3,150	2,900	5,550	5,186	5,435	45,771
	Prior year	8,230	2,650	7,300	3,900	1,773	2,250	2,900	2,650	2,400	5,050	8,150	3,400	50,653
	Change	(5,830)	0	(4,650)	1,750	2,377	1,150	(250)	500	500	500	(2,964)	2,035	(4,882)
930.12	Directors mileage	102	102	102	102	102	96	96	96	95	191	96	633	1,813
	Prior year	297	99	284	99	99	91	102	102	327	204	102	102	1,908
	Change	(195)	3	(182)	3	3	5	(6)	(6)	(232)	(13)	(6)	531	(95)
930.14	Directors expenses	999	1,093	2,845	4,222	4,709	1,594	219	910	4,652	5,448	3,315	3,093	33,099
	Prior year	3,015	(3,338)	937	1,775	4,393	797	4,476	769	4,229	7,778	822	695	26,348
	Change	(2,016)	4,431	1,908	2,447	316	797	(4,257)	141	423	(2,330)	2,493	2,398	6,751
930.20	Miscellaneous general	17,959	18,148	22,530	26,078	26,064	18,542	18,538	18,569	18,535	18,529	18,522	18,627	240,641
	Prior year	18,134	18,138	18,115	16,122	19,271	17,923	18,137	18,281	18,014	17,987	18,002	17,978	216,102
	Change	(175)	10	4,415	9,956	6,793	619	401	288	521	542	520	649	24,539
931.00	Rents	500	500	500	600	500	511	500	2,149	527	500	1,011	563	8,361
	Prior year	555	555	554	655	554	1,110	545	2,028	1,755	500	500	500	9,811
	Change	(55)	(55)	(54)	(55)	(54)	(599)	(45)	121	(1,228)	0	511	63	(1,450)

Big Sandy Rural Electric Cooperative
 Comparison of Test Year Income Statement Account
 Balances with those of the Preceding Year

Acct #	Description	August Month 1	September Month 2	October Month 3	November Month 4	December Month 5	January Month 6	February Month 7	March Month 8	April Month 9	May Month 10	June Month 11	July Month 12	Total
935.00	Maintenance of gener:	3,103	5,216	4,727	21,148	14,042	9,266	7,651	6,194	4,220	3,015	4,740	7,478	90,800
	Prior year	6,817	5,941	1,321	1,666	5,551	9,430	2,118	4,826	4,426	1,636	3,548	6,091	53,371
	Change	(3,714)	(725)	3,406	19,482	8,491	(164)	5,533	1,368	(206)	1,379	1,192	1,387	37,429
***	Total Administrative &	104,606	101,616	109,708	132,177	120,425	120,576	108,313	111,914	113,058	112,649	114,904	114,364	1,364,310
	Prior year	112,181	90,208	105,946	107,461	110,504	118,724	103,865	105,198	112,864	105,679	107,251	102,745	1,282,626
	Change	(7,575)	11,408	3,762	24,716	9,921	1,852	4,448	6,716	194	6,970	7,653	11,619	81,684
403.60	Distribution depreciati	176,230	176,981	177,355	177,745	178,005	178,360	177,872	178,322	178,637	179,089	179,154	179,272	2,137,022
	Prior year	171,061	171,740	172,452	172,730	173,375	173,871	174,207	174,371	174,946	175,389	175,828	175,892	2,085,862
	Change	5,169	5,241	4,903	5,015	4,630	4,489	3,665	3,951	3,691	3,700	3,326	3,380	51,160
403.70	General depreciation	11,139	11,139	11,145	11,145	11,145	11,194	11,198	11,866	11,961	11,964	10,885	10,900	135,681
	Prior year	10,673	10,673	11,051	10,809	10,809	11,633	11,367	11,386	11,061	11,067	11,146	11,150	132,825
	Change	466	466	94	336	336	(439)	(169)	480	900	897	(261)	(250)	2,856
***	Total Depreciation	187,369	188,120	188,500	188,890	189,150	189,554	189,070	190,188	190,598	191,053	190,039	190,172	2,272,703
	Prior year	181,734	182,413	183,503	183,539	184,184	185,504	185,574	185,757	186,007	186,456	186,974	187,042	2,218,687
	Change	5,635	5,707	4,997	5,351	4,966	4,050	3,496	4,431	4,591	4,597	3,065	3,130	54,016
408.70	Regulatory	2,837	2,837	2,837	2,836	2,837	2,836	2,837	2,836	2,837	2,837	2,837	2,655	33,859
	Prior year	2,933	2,933	2,933	2,933	2,933	2,933	2,933	2,933	2,933	2,933	2,933	2,837	35,100
	Change	(96)	(96)	(96)	(97)	(96)	(97)	(96)	(97)	(96)	(96)	(96)	(182)	(1,241)
***	Total Tax Expense - Ot	2,837	2,837	2,837	2,836	2,837	2,836	2,837	2,836	2,837	2,837	2,837	2,655	33,859
	Prior year	2,933	2,933	2,933	2,933	2,933	2,933	2,933	2,933	2,933	2,933	2,933	2,837	35,100
	Change	(96)	(96)	(96)	(97)	(96)	(97)	(96)	(97)	(96)	(96)	(96)	(182)	(1,241)
427.10	RUS interest	27,017	25,720	26,521	25,609	26,395	27,968	27,968	27,337	26,513	28,407	26,445	27,475	323,375
	Prior year	27,598	26,650	27,479	26,542	26,425	27,312	24,615	27,185	26,249	27,198	26,264	27,073	320,590
	Change	(581)	(930)	(958)	(933)	(30)	656	3,353	152	264	1,209	181	402	2,785
427.20	CFC interest	6,639	6,781	6,781	6,619	6,727	6,727	6,616	6,690	6,690	6,683	5,105	5,105	77,163
	Prior year	5,288	8,512	8,512	8,252	8,425	8,425	8,111	8,111	8,530	8,579	6,852	6,852	94,449
	Change	1,351	(1,731)	(1,731)	(1,633)	(1,698)	(1,698)	(1,495)	(1,421)	(1,840)	(1,896)	(1,747)	(1,747)	(17,286)
427.30	FFB interest	22,105	21,775	21,995	21,995	21,209	21,733	21,733	25,027	22,831	22,831	21,953	22,538	267,725
	Prior year	22,969	22,967	22,969	22,968	21,777	22,571	22,571	20,796	21,979	21,979	22,356	22,105	268,007
	Change	(864)	(1,192)	(974)	(973)	(568)	(838)	(838)	4,231	852	852	(403)	433	(282)
427.4	CoBank interest	2,967	2,999	2,934	2,747	2,829	2,862	2,624	2,663	2,740	2,380	2,608	2,547	32,900
	Prior year	3,467	3,492	3,416	3,205	3,303	3,343	3,112	3,080	3,224	2,793	3,071	3,005	38,511
	Change	(500)	(493)	(482)	(458)	(474)	(481)	(488)	(417)	(484)	(413)	(463)	(458)	(5,611)

Big Sandy Rural Electric Cooperative
 Comparison of Test Year Income Statement Account
 Balances with those of the Preceding Year

Acct #	Description	August Month 1	September Month 2	October Month 3	November Month 4	December Month 5	January Month 6	February Month 7	March Month 8	April Month 9	May Month 10	June Month 11	July Month 12	Total
***	Total Interest on Long-	58,728	57,275	58,231	56,970	57,160	59,290	58,941	61,717	58,774	60,301	56,111	57,665	701,163
	Prior year	59,322	61,621	62,376	60,967	59,930	61,651	58,409	59,172	59,982	60,549	58,543	59,035	721,557
	Change	770	(2,661)	(2,689)	(2,566)	(1,728)	(1,042)	1,858	(1,269)	(1,576)	(687)	(1,566)	(1,345)	(14,501)
431.00	Interest - customer de	41	65	65	64	64	193	190	80	188	186	187	187	1,510
	Prior year	67	67	30	67	68	68	67	67	67	66	66	66	766
	Change	(26)	(2)	35	(3)	(4)	125	123	13	121	120	121	121	744
431.10	Short-term loans							932	1,326	1,425	1,377	1,424	1,384	7,868
	Prior year													0
	Change	0	0	0	0	0	0	932	1,326	1,425	1,377	1,424	1,384	7,868
431.20	Other interest	4,109	4,573	4,556	4,541	4,524	4,507	4,491	4,465	4,459	4,442	4,425	4,409	53,501
	Prior year	4,231	709	4,208	4,197	7,695	4,174	4,162	4,150	4,251	4,144	4,132	4,121	50,174
	Change	(122)	3,864	348	344	(3,171)	333	329	315	208	298	293	288	3,327
***	Total Interest - Other	4,150	4,638	4,621	4,605	4,588	4,700	5,613	5,871	6,072	6,005	6,036	5,980	62,879
	Prior year	4,298	776	4,238	4,264	7,763	4,242	4,229	4,217	4,318	4,210	4,198	4,187	50,940
	Change	(148)	3,862	383	341	(3,175)	458	1,384	1,654	1,754	1,795	1,838	1,793	11,939
421.10	Gain on disposition								(11,350)	662	(2,808)			(13,496)
	Prior year		(3,502)	(14,782)					(15,673)	(3,847)				(37,804)
	Change	0	3,502	14,782	0	0	0	0	4,323	4,509	(2,808)	0	0	24,308
426.00	Donations	1,150	350	(500)	711	400	1,000	1,237	2,530	1,950	9,000	700	710	19,238
	Prior year	1,756		179	100	695	267	1,225	300	1,585	7,400	665	125	14,297
	Change	(606)	350	(679)	611	(295)	733	12	2,230	365	1,600	35	585	4,941
426.5	Other deductions					263								263
	Prior year													0
	Change	0	0	0	0	263	0	0	0	0	0	0	0	263
***	Total Other Deduction	1,150	350	(500)	711	663	1,000	1,237	(8,820)	2,612	6,192	700	710	6,005
	Prior year	1,756	(3,502)	(14,603)	100	695	267	1,225	(15,373)	(2,262)	7,400	665	125	(23,507)
	Change	(606)	3,852	14,103	611	(32)	733	12	6,553	4,874	(1,208)	35	585	29,512
****	Total Cost of Electric S	1,992,719	1,756,547	1,734,338	2,003,528	2,112,093	2,775,550	2,302,457	1,848,547	1,677,671	1,647,163	1,972,315	2,162,056	23,984,984
	Prior year	2,163,435	1,811,127	1,799,991	2,402,259	2,410,716	2,729,382	2,875,983	2,196,834	1,669,297	1,786,446	2,031,850	2,227,676	26,104,996
	Change	(170,716)	(54,580)	(65,653)	(398,731)	(298,623)	46,168	(573,526)	(348,287)	8,374	(139,283)	(59,535)	(65,620)	(2,120,012)
****	Operating Margins	(6,759)	(44,965)	(77,320)	(96,079)	(8,646)	266,216	97,489	(11,290)	(61,306)	(56,657)	(94,220)	(25,232)	(118,769)
	Prior year	(52,419)	(1,659)	35,137	90,739	134,687	302,622	159,572	22,933	(69,447)	(73,737)	(115,816)	(99,297)	333,315
	Change	45,660	(43,306)	(112,457)	(186,818)	(143,333)	(36,406)	(62,083)	(34,223)	8,141	17,080	21,596	74,065	(452,084)

Big Sandy Rural Electric Cooperative
 Comparison of Test Year Income Statement Account
 Balances with those of the Preceding Year

Acct #	Description	August Month 1	September Month 2	October Month 3	November Month 4	December Month 5	January Month 6	February Month 7	March Month 8	April Month 9	May Month 10	June Month 11	July Month 12	Total
419.00	Interest income	15,371	14,260	14,262	14,840	14,170	14,178	14,815	14,250	14,219	15,184	14,180	14,180	173,909
	Prior year	15,451	14,376	14,375	15,005	14,401	14,362	26,854	8,268	8,307	15,446	14,344	14,308	175,497
	Change	(80)	(116)	(113)	(165)	(231)	(184)	(12,039)	5,982	5,912	(262)	(164)	(128)	(1,588)
***	Total Non Operating IV	15,371	14,260	14,262	14,840	14,170	14,178	14,815	14,250	14,219	15,184	14,180	14,180	173,909
	Prior year	15,451	14,376	14,375	15,005	14,401	14,362	26,854	8,268	8,307	15,446	14,344	14,308	175,497
	Change	(80)	(116)	(113)	(165)	(231)	(184)	(12,039)	5,982	5,912	(262)	(164)	(128)	(1,588)
424.40	Patronage capital - East KY					1,400,000								1,400,000
	Prior year					1,433,471				173,030				1,606,501
	Change	0	0	0	0	(33,471)	0	0	0	(173,030)	0	0	0	(206,501)
***	Total G & T Capital Cre	0	0	0	0	1,400,000	0	0	0	0	0	0	0	1,400,000
	Prior year	0	0	0	0	1,433,471	0	0	0	173,030	0	0	0	1,606,501
	Change	0	0	0	0	(33,471)	0	0	0	(173,030)	0	0	0	(206,501)
424.10	Patronage capital - other		12,035						34,815					46,850
	Prior year		15,601						57,673					73,274
	Change	0	(3,566)	0	0	0	0	0	(22,858)	0	0	0	0	(26,424)
***	Total Other Patronage	0	12,035	0	0	0	0	0	34,815	0	0	0	0	46,850
	Prior year	0	15,601	0	0	0	0	0	57,673	0	0	0	0	73,274
	Change	0	(3,566)	0	0	0	0	0	(22,858)	0	0	0	0	(26,424)
*****	Net Margins	8,612	(18,670)	(63,058)	(81,239)	1,405,524	280,394	112,304	37,775	(47,087)	(41,473)	(80,040)	(11,052)	1,501,990
	Prior year	(36,968)	28,318	49,512	105,744	1,582,559	316,984	186,426	88,874	111,890	(58,291)	(101,472)	(84,989)	2,188,587
	Change	45,580	(46,988)	(112,570)	(186,983)	(177,035)	(36,590)	(74,122)	(51,099)	(158,977)	16,818	21,432	73,937	(686,597)

Big Sandy Rural Electric Cooperative Corporation
Case No. 2017-00374
Commission Staff's First Request for Information

9. Provide the following information for each item of the electric property or plant held for future use at the end of the test year:
- a. Description of property;
 - b. Location;
 - c. Date purchased;
 - d. Cost;
 - e. Estimated date to be placed in service;
 - f. Brief description of intended use; and
 - g. Current status of each project.

Response:

- a-g. Big Sandy does not have property held for future use.

Big Sandy Rural Electric Cooperative Corporation
Case No. 2017-00374
Commission Staff's First Request for Information

10. List all non-utility property, related property taxes, and the accounts where amounts are recorded for the test period. Include a description of the property, the date purchased, and the cost.

Response:

Big Sandy does not have non-utility property.

Big Sandy Rural Electric Cooperative Corporation
Case No. 2017-00374
Commission Staff's First Request for Information

11. Provide all studies, including all applicable work papers, which are the basis of jurisdictional plant allocations and expense account allocations.

Response:

Not applicable; Big Sandy is 100% Kentucky jurisdictional.

Big Sandy Rural Electric Cooperative Corporation
Case No. 2017-00374
Commission Staff's First Request for Information

12. Provide Big Sandy's current bylaws. Indicate any changes to the bylaws since Big Sandy's most recent general rate case.

Response:

Big Sandy's current bylaws are included at Page 2 through Page 5 of this Response. Changes to Big Sandy's bylaws since its most recent general rate case are indicated and detailed at Page 6 through Page 18 of this Response.

BIG SANDY RURAL ELECTRIC Cooperative Corporation

www.bigsandyrecc.com

Big Sandy Rural Electric Cooperative Corporation Bylaws

This edition of Bylaws supersedes all previous issues.

ARTICLE I MEMBERSHIP

SECTION 1. Requirements for Membership. Any person, firm, association, corporation, or body politic or subdivision thereof may become a member of Big Sandy Rural Electric Cooperative Corporation therein after called the "Cooperative" upon receipt of electric service from the Cooperative, provided that he or it has first:

- a) Make a written or electronic application for membership therein;
- b) Agreed to purchase from the Cooperative electric energy as hereinafter specified;
- c) Agreed to comply with and be bound by the articles of incorporation and bylaws of the Cooperative and any rules and regulations adopted by the board of directors; and
- d) Paid the membership fee hereinafter specified;

No member may hold more than one membership in the Cooperative, and no membership in the Cooperative shall be transferable, except as provided in these bylaws.

SECTION 2. Membership Certificates. Membership in the Cooperative shall be evidenced by a membership certificate/application which is one in the same. The membership/application shall contain such provisions as shall be determined by the board. Such certificates/application shall be affixed with the corporate seal thereto. No membership certificate/application shall be issued for less than the membership fee fixed in these bylaws, nor until such membership fee has been fully paid. In case a certificate/application is lost, destroyed or mutilated, a copy of the signed membership certificate/application may be issued therefor upon such uniform terms and indemnity to the Cooperative as the board may prescribe.

SECTION 3. Joint Membership. A married couple or member and spouse may apply for a joint membership and, subject to their compliance with the requirements set forth in Section 1 of this article, may be accepted for such membership. The term "member" as used in these bylaws shall be deemed to include a married couple or member and spouse holding a joint membership and any provisions relating to the rights and liabilities of membership shall apply equally with respect to the holders of a joint membership. Without limiting the generality of the foregoing, the effect of the hereinafter specified actions by or in respect of the holders of a joint membership shall be as follows:

- (a) The presence at a meeting of either or both shall be regarded as the presence of one member and shall constitute a joint waiver of notice of the meeting;
- (b) The vote of either separately or both jointly shall constitute one joint vote;
- (c) A waiver of notice signed by either or both shall constitute a joint waiver;
- (d) Notice to either shall constitute notice to both;
- (e) Expulsion of either shall terminate the joint membership;
- (f) Withdrawal of either shall terminate the joint membership;
- (g) Either but not both may be elected or appointed as an officer or Board member, provided that both meet the qualifications for such office.

SECTION 4. Conversion of Membership. (a) A 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.

(b) Upon the death of either spouse who is a party to the joint membership, such membership shall be held solely by the survivor. The outstanding membership certificate shall be surrendered, and 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.

SECTION 5. Membership and Service Connection Fees. The membership fee shall be Twenty-five dollars (\$25.00) upon the payment of which a member shall be eligible for one service connection.

SECTION 6. Purchase of Electric Energy. Each member shall, as soon as electric energy shall be available, purchase from the Cooperative all electric energy purchased for use on the premises specified in his application for membership, and shall pay therefor at rates which shall from time-to-time be fixed by the Board. It is expressly understood that amounts paid for electric energy in excess of the cost of service are furnished by members as capital and each member shall be credited with the capital so furnished as provided in these bylaws. Each member shall pay to the Cooperative such minimum amount per month regardless of the amount of electric energy consumed, as shall be fixed by the Board from time-to-time. Each member shall pay all amounts owed by him to the Cooperative as and when the same shall become due and payable.

SECTION 7. Termination of Membership. (a) Any member may withdraw from membership upon compliance with such uniform terms and conditions as the Board may prescribe. The Board may, by the affirmative vote of not less than two-thirds of the members of the Board, expel any member who fails to comply with any of the provisions of the articles of incorporation, bylaws or rules or regulations adopted by the Board, but only if such member shall have been given written notice by the Cooperative that such failure makes him liable to expulsion and such failures shall have continued for at least ten days after such notice was given. Any expelled member may be reinstated by 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 him, has not purchased electric energy from the Cooperative, or of a member who has ceased to purchase electric energy from a cooperative, may be cancelled by resolution of the Board.

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

(c) In case of withdrawal or termination of membership in any manner, the Cooperative shall repay to the member the amount of the membership fee paid in cash by him, provided, however, that the

Cooperative shall deduct from the amount of the membership fee the amount of any debts or obligations owed by the member to the Cooperative.

SECTION 8. Member to Grant Easements to Cooperative. Each member shall, upon being requested to do so by the Cooperative, execute and deliver to the Cooperative grants of easement or right-of-way over, on and under such lands owned or leased by or mortgaged to the member, and in accordance with such reasonable terms and conditions, as the Cooperative shall require for the furnishing of electric service to him or other members for the construction, operation, maintenance or relocation of the Cooperative's electric facilities.

ARTICLE II RIGHTS AND LIABILITIES OF MEMBERS

SECTION 1. Property Interest of Members. Upon dissolution, after (a) all debts and liabilities of the Cooperative shall have been paid, and (b) 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 years next preceding the date of the filing of the certificate of dissolution, or if the Cooperative shall not have been in existence for such period, during the period of its existence.

SECTION 2. Non-liability for debts of the Cooperative. The private property of the members shall be exempt from 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 MEETING OF MEMBERS

SECTION 1. Annual Meeting. The annual meeting of the members shall be held between May 1 and October 1 of each year, beginning with the year 1968, at such place or place in the counties served by the Cooperative as may be designated by a resolution of the Board of Directors, fixing the time and place of the annual meeting, which resolution shall be duly adopted by the Board of Directors to make adequate plans and preparations for the annual meeting. If the day fixed for the annual meeting shall fall on a Sunday or a legal holiday, such meeting shall be held on the next succeeding business day. Failure to hold the annual meeting at the designated time shall not work a forfeiture or dissolution of the Cooperative.

SECTION 2. Special meetings. Special Meetings of the members may be called by resolution of the Board, or upon a written request signed by any five Board members, by the Chairman, or by thirty per centum or more of all the members, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. Special meetings of the members may be held at any place within one of the counties served by the Cooperative as designated by the Board and shall be specified in the notice of the special meeting.

SECTION 3. Notice of Members' meetings. Notice of all regular and special meetings of the members shall be given by advertising same in two issues of the weekly newspapers having the largest circulation in the counties which the Cooperative has members for the two next preceding the date of said meeting by announcing same over any radio stations located within the area served by the Cooperative. Such advertising shall be deemed proper notice of all regular and special meeting of the members. The failure of any member to receive notice of any annual or special meeting of the members shall not invalidate any action which may be taken by the members at any such meeting.

SECTION 4. Quorum. Not less than one hundred (100) members present in person or represented by proxy shall constitute a quorum for the transaction of business at all meeting of the members.

SECTION 5. Voting. Each member shall be entitled to only one vote upon each matter submitted to a vote at a meeting of the members. All questions shall be decided by a vote of the majority of the members voting thereon in person or by proxy, except as otherwise provided by law, the articles of incorporation or these bylaws.

At all meetings of members a member may vote by proxy executed in writing wherein the notice of the meeting there is included:

(a) proposed resolution to authorize borrowing of funds from the United States of America or from National Rural Utilities Cooperative Finance Corporation or other lending agencies or lending corporations, and to incur indebtedness from time to time by the assumption of the indebtedness of third parties to the United States of America or other or sale, mortgage, lease or other disposition or encumbrance of property to United States of America or any agent or instrumentality thereof or others;

(b) In connection with a proposed amendment to the articles of incorporation of the Cooperative. To be valid a proxy must be executed by the member within sixty (60) days next before the date of the meeting.

SECTION 6. Order of Business. The order of business at the annual meeting of the members and, so far as possible at all other meetings of the members, shall be essentially as follows, except as otherwise determined by the members at such meeting.

1. Report on the number of members present in person in order to determine the existence of a quorum.
2. Reading of the notice of the meeting and proof of the due publication or mailing thereof, or the waiver or waivers of notice of the meeting as the cases may be.
3. Reading of unapproved minutes of previous meetings of the members and the taking of necessary action thereon.
4. Presentation and consideration of reports of officers, trustees, and committees.
5. Reading of report of the election commissioners on the election of Board members.
7. Unfinished business.
8. New business.
9. Adjournment.

Witness: Brian Frasure

SECTION 7. Agenda. The agenda for the meeting of the members shall be with full disclosure to the membership, so as to inform the membership in the Notice of the Meeting, of the nature of all business to be considered. To achieve the same, no proposal shall be voted upon at the Annual Meeting unless it has been placed on the agenda at least ninety (90) days prior to such meeting. Any legitimated proposal may be submitted for inclusion on the agenda by the members. Said proposal(s) must be writing and signed by at least one hundred (100) members in good standing, and a copy of the proposal must be filed with the Secretary within the tie allowed, with a request that it be submitted to the Annual Meeting for consideration. Any item submitted by a member or members, to be placed on the Agenda of the Annual Meeting, must be clearly stated and easily understood. Nothing in this section, or any other section of the Bylaws shall be construed as diminishing the authority or duty of the board of Directors to determine items to be submitted to vote of the members at any meeting of the members and/or the arrangement and content of the agenda.

ARTICLE IV Board Members

SECTION 1. General Powers. The business and affairs of the Cooperative shall be managed by a board of six members which shall exercise all of the powers of the Cooperative except such as are by law, the articles of incorporation or these bylaws conferred upon or reserved to the members.

SECTION 2. Voting Districts. The territory served by the Cooperative shall be divided into six districts. Each district shall be represented by one Director. District boundaries shall be as follows:

District No. 1 - Johnson County: Beginning at the Lawrence County line on the east side of the Levisa Fork of Big Sandy River; thence with Levisa Fork of Big Sandy River to the Floyd county line; thence east with Floyd county line to the Martin County line; thence with Lawrence County line to Levisa Fork point of beginning.

District No. 2 - Johnson County: Beginning at the Lawrence County line of the west bank of Levisa Fork of Big Sandy River; thence with river to Paintsville; thence west with U.S. Highway 23 and 460 to the mouth of Mudlick; thence following ridge between Toms Creek and Mudlick and Hoods Creek to the Lawrence County line; thence with the Lawrence County line to Levisa Fork to Big Sand River, the point of beginning.

District No. 3 - Johnson County: Beginning at the bridge across Levisa Fork of Big Sandy River at Paintsville, Kentucky; thence following U.S. 23 and 460 to the mouth of Mudlick Creek; thence with ridge between Mudlick Creek and Toms Creek and Hoods Creek to the Lawrence County line; thence west with Lawrence County line to the Morgan County line; thence continuing to the Magoffin County line; thence to the Floyd County line; thence with the Floyd County line to Levisa Fork of Big Sandy River; thence down same to point of beginning.

District No. 4 - Martin County and Lawrence County: District No. 4 shall include all members living in Martin and Lawrence Counties.

District No. 5 - Floyd County and Pike County: Beginning at the Johnson County line at East Point and on the east side of Big Sandy River; thence following the river to Prestonsburg, Kentucky; thence leaving the river to include both forks of Bull Creek and thence eastward to Martin, Kentucky; thence on up Left Beaver to the Pike County line; thence with the Pike County Line to the Martine County line; thence with the Martin County line to Johnson County line; thence with Johnson County line to Big Sandy River at East Point, the point of beginning. All members living in Pike County are also to be included in this district.

District No. 6 - Floyd County: Beginning at the Johnson County line at East Point on the west side of Big Sandy River; thence following the river to Prestonsburg, Kentucky; thence up Middle Creek to David Road, including both sides of Middle Creek, Sparlock and Conley Forks, thence up David Road to Magoffin County line; thence to Johnson County line to the point of beginning at East Point.

SECTION 3. Selection and Tenure. Directors shall serve for terms of four (4) years or until their successors shall have been elected or appointed by the Board and shall have been qualified. Any vacancy on the Board caused by death or resignation or failure to have candidates for the office of director shall be filled by Board of Directors for unexpired portion of the term.

SECTION 4. Qualifications. No person shall be eligible to become or remain a Board member of the Cooperative who:

- (a) is not a member and bona fide resident living in the district served by the Cooperative for at least one year.
- (b) is in any way employed by or financially interested in a competing enterprise or a business selling electric energy or supplies to the Cooperative or a business primarily engaged in selling electrical or plumbing appliances, fixtures or supplies to the members of the Cooperative, or
- (c) who does not live in the district to be represented by the member.
- (d) is an employee of the Cooperative or who was employed by the Cooperative with the last five years.
- (e) must be an individual.
- (f) must have the capacity to enter into legally binding contracts.
- (g) before becoming a Director, graduate from High School or earn an equivalent degree or certification.
- (h) while a Director, and prior to becoming a Director, not be convicted of, or plead guilty to, a felony.
- (i) while a Director, and prior to becoming a Director, not have a final judgment entered against them involving civil fraud, ethical violations, discrimination and/or acts of harassment.
- (j) while a Director, and seven years immediately before becoming a Director, not been a debtor in a federal bankruptcy proceeding or a similar proceeding under applicable state law such as insolvency, liquidation, receivership reorganization, or assignment for the benefit of creditors.
- (k) while a Director, and seven years immediately before becoming a Director, not been a party to a foreclosure or other proceeding (judicial or non-judicial), which proceeding is or was instituted because of the Director's default on indebtedness.
- (l) except as otherwise provided by the Board of Directors for good cause shown, receive a Credentialed Cooperative Director Designation or Certification from the National Rural Electric Cooperative Association within two (2) years of becoming a Director and after becoming a Director, participating in and complete required Director Training as established by the Board of Directors.
- (m) test negative of illegal drug use and the misuse of any prescription drugs.

Upon establishment of the fact that a Board member is holding office in violation of any of the foregoing provisions, the Board shall remove such Board member from office. Nothing contained in this section shall affect in any manner whatsoever the validity of any action taken at any meeting of the Board.

SECTION 5. Nomination and Election of Directors. In the month of December, prior to an expiring term of a director, the Cooperative shall notify the membership of such expiring term. Any interested member should contact the Cooperatives President/General Manager for information concerning the election process.

- (a) Nomination Committee. Not less than ninety (90) days before the date of annual meet-

ing at which Directors are to be elected, the Board of Directors shall appoint a Nomination Committee consisting of six members, one from each six districts. No existing Cooperative employees, agents, officers, Directors, or known candidates for Director, or persons who are close relatives of members of the same household thereof are eligible to serve on the committee.

The Nomination Committee shall meet at the next regular meeting of the Board of Directors, which shall be held at the regular board meeting in February before the annual meeting of the members, at the principal office of the Cooperative at Paintsville, Kentucky, at the same time as the meeting of the Board of Directors to nominate candidates for the office of Director of the cooperative.

No person shall be nominated as a candidate for the Board of Directors unless that person is duly qualified, has consented to a background check, consented to a drug test and has been requested to be nominated as a candidate by presenting a written request on an official form provided by the Cooperative, to the nomination committee. An incumbent director may be nominated as a director so long as the incumbent is duly qualified and has made written request to the Nomination Committee.

All other members, who are properly qualified, may be nominated by filling an official Nomination Request/Petition form with the secretary of the cooperative at least 14 days prior to the meeting of the Nomination Committee. The cooperative attorney shall examine the Nomination Request/Petition for accuracy and legality. If it complies the attorney shall file the Nomination Request/Petition with the Nomination Committee for its consideration.

Members shall apply to the Cooperative for a Nomination Request/Petition form in the month of January prior to the meeting of the Nomination Committee.

The application must set forth the member's names, birth date, actual place of residence, membership number, length of time living at last residence, occupation, be signed by the member and notarized. Member must also consent to a background check and a drug test at the time of picking up their application. Such background check and drug test shall be conducted after his/hers petition is filed and results of both shall be submitted before the nomination committee shall meet.

The Nomination Request/petition form shall request the Nomination Committee to nominate the member for the office of Director of the cooperative and shall state the district which the candidate will represent. This petition shall set forth the members name, place of residence, length of time living at the last residence, occupation, all business financial interest, all employment by the cooperative, date last worked for the cooperative if applicable, and be signed by the member. The petition shall be signed and dated by at least one hundred (100) bona fide current members of the cooperative actually living in the district to be represented by the member requesting nomination. Only one person shall be nominated per petition.

The Nomination Committee shall nominate as a candidate in all districts where there is an election, members who is duly qualified and duly requests to be nominated as a candidate, as set forth above the decision of the Nomination Committee shall final in respect to the qualifications of a member to serve on the Board of Directors and whether or not a proper request to be nominated has been made.

The list of nominations as a candidate shall be posted immediately at the principal office of the Cooperative. No write in votes shall be permitted in the election of the members of the Board of Directors. No nominations for the office of Director from the floor of the annual meeting of the members shall be permitted. Should the Nomination Committee certify only one candidate from each district to run for the office of Director to fill the vacancy caused by the expiration of the Directors terms in accordance with Article IV, Section 3 of these Bylaws and should no candidate be nominated from the membership by written or printed petition as set forth in Article IV, section 5A of these Bylaws, then the Chairman of the Nomination Committee appointed by the Board of Directors pursuant to Article IV, Section 5 of these Bylaws, shall certify to the secretary of the Board that no petition has been filed pursuant to the Bylaws on nominations and the candidates selected by the Nomination Committee are therefore officially without opposition and the secretary of the Board will so announce at the annual membership meeting and the nominees shall be deemed elected to the Board without the necessity of mailing official ballots through the United States mail and following the election procedures set forth in these Bylaws. All of the remaining provisions of Article IV, Section 5 of these Bylaws not in conflict herein shall remain in full force and effect.

Voting. On or around the first week of April it shall be the responsibility of the Secretary to have a third party vendor print and mail to each of the members a ballot which shall list by district the names of the candidates nominated by the committee, or by petition. With the ballot, voting instructions and a return envelope shall be included. When received, the member shall vote and certify the ballot as prescribed in the voting instructions contained within the ballot. The ballot must be received by May 1st of that calendar year.

Conduct of Election. All ballots shall be returned to and tabulated by an independent third party vendor. This vendor will certify the validity of each ballot, tabulate the results and provide the results no later than 10 days prior to the Annual Meeting. Within three days after the completion of the result tabulation by the third party vendor, any candidate who is dissatisfied with the report may request in writing that the Board of Directors have the ballots re canvassed. Upon such a request being made the Board of Directors shall have a proper recount of the ballots conducted and thereafter adopt or reject the report of the third party vendor.

SECTION 6. Removal of Directors by Members. Any member may bring sworn charges against a Board member and, by filing with the Secretary such sworn charges in writing together with a notarized petition signed by at least ten per centum of the members, or 300, whichever is greater, may request the removal of such Board member by reason thereof. Such director shall be informed in writing of the charge at least ten days prior to the meeting of the members at which the charges are to be considered and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence in respect of the charges; and the person or persons bringing the charges against him shall have the same opportunity. The question of the removal of such Board member shall be considered and voted upon at the meeting of the members and any vacancy created by such removal may be filled by vote of the members at such meeting without compliance with the foregoing provisions with respect to nominations.

SECTION 7. Vacancies. Subject to the provisions of these bylaws with respect to the filling of vacancies caused by the removal of Board members, a vacancy occurring in the Board shall be filled by the affirmative vote of a majority of the remaining Board members for the unexpired portion of the term.

SECTION 8. Compensation. Board members shall not receive any salary for their services as such, except that the Board of Directors by resolution may authorize a fixed sum for each day or part thereof spent on Cooperative business such as attendance at meetings, conferences and training programs or performing committee assignments when authorized by the Board. A member may also be reimbursed for actual expenses necessarily incurred in carrying out such Cooperative business or granted a reasonable allowance in lieu of detailed accounting for some of these expenses.

No Board member shall be compensated for serving the Cooperative in any other capacity nor shall any member of the immediate family of a Board member be allowed to be a full-time employee of the Cooperative. A member of the immediate family of a Board member shall be construed to include husband and wife and children of either the husband and wife.

Compensation may be paid to a Board member or a member of their immediate family if such services were rendered on emergency basis.

ARTICLE V MEETING OF DIRECTORS

SECTION 1. Regular Meetings. A regular meeting of the Board shall be held without notice, immediately after, and at the same place as, the annual meeting of the members. Newly elected Board members shall be installed at this Board meeting. A regular meeting of the Board shall also be held monthly at such time and place within one of the counties served by the Cooperative as designated by the Board. Such regular monthly meeting may be held without notice other than such resolution fixing the time and place thereof.

SECTION 2. Special Meetings. Special meetings of the Board may be called by the Chairman or by two-thirds (2/3) of a majority of the Board members and it shall thereupon be the duty of the secretary to cause notice of such meeting to be given as hereinafter provided. The Chairman or Board members calling the meeting shall fix the time and place for the holding of the meeting.

SECTION 3. Notice of Directors' Meetings. Written notice of the time, place and purpose of any special meeting of the Board shall be delivered to each Board member either personally or by mail, by or at the direction of the secretary, or upon a default in duty by the secretary, by the Chairman or the Board members calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the Board member at his address as it appears on the records of the Cooperative, with postage thereon prepaid, at least five days before the date set for the meeting.

SECTION 4. Quorum. A majority of the board shall constitute a quorum, provided, that if less than such majority of the Board present may adjourn the meeting from time-to-time; and provided further, that the secretary shall notify any absent Board member of the time and place of such adjourned meeting. The act of the majority of the Board members present at a meeting at which a quorum is present shall be the act of the Board, except as otherwise provided in these bylaws.

Should a majority of the Board be unable to serve because of catastrophe or other crisis the remaining members of the Board of Directors may meet and carry on the regular business of the Cooperative until new Board members are appointed. In case of the death of a majority of the Board members the remaining members may appoint Board members to fill vacancies to serve until next annual election.

ARTICLE VI OFFICERS

SECTION 1. Number. The officers of the Cooperative shall be a Chairman, Vice Chairman, President/General Manager, Secretary, Treasurer, and such other officers as may be determined by the Board from time-to-time. The offices of Secretary and of Treasurer may be held by the same person.

SECTION 2. Election and Term of Office. The officers shall be elected by the ballot, annually by the Board at the meeting of the Board held immediately after the Annual Meeting of the members. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until the first meeting of the Board following the next succeeding, annual meeting of the members or until his successor shall have been elected and shall have qualified. A vacancy in any office shall be filled by the Board for the unexpired portion of the term.

SECTION 3. Removal of Officers and Agents by the Board. Any officer or agent elected or appointed by the Board may be removed by the Board whenever in its judgement the best interest of the Cooperative will be served thereby. In addition, any member of the Cooperative may bring sworn charges against an officer, and by filing with the secretary such sworn charges in writing together with a notarized petition signed by ten per centum of the members or 300, whichever is greater, may request the removal of such officer. The officer against whom such charges have been brought shall be informed in writing of the charges at least ten days prior to the Board meeting at which the charges are to be considered and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence in respect of the charges; and the person or persons bringing the charges against him shall have the same opportunity. In the event the Board does not remove such officer, the question of his removal shall be considered and voted upon at the next meeting of the members.

SECTION 4. Chairman. The Chairman shall:

- be the principal executive officer of the Cooperative, and unless otherwise determined by the members of the Board, shall preside at all meetings of the members;
- sign, with the secretary, certificates of membership, the issue of which shall have been authorized by the Board or the members, and may sign any deeds, mortgages, deeds of trust, notes, bonds, contracts, or other instruments authorized by the Board to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the Board 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
- in general perform all duties incident to the office of chairman and such other duties as may be prescribed by the board from time-to-time.

SECTION 5. 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. The vice chairman shall also perform such other duties as from time-to-time may be assigned to him by the Board.

SECTION 6. President/General Manager. The President/General Manager shall:

- in the absence of the Chairman and Vice Chairman or in the event of their inability or refusal to act, the President/General Manager 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. The President/General Manager shall also perform such other duties and shall exercise such authority as the Board may from time to time vest in him.

SECTION 7. Secretary. The secretary shall be responsible for:

- keeping the minutes of the meetings of the members and of the Board in books provided for that purpose;
- seeing that all notices are duly given in accordance with these bylaws or as required by law;
- the safekeeping of the Corporate books and records and the seal of the Cooperative and affixing the seal of the Cooperative to all certificates of membership prior to the issuance 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;
- keeping a register of the names and post office addresses of all members;
- keeping on file at all times a complete copy of the articles of incorporations and bylaws of the Cooperative containing all amendments thereto (which copy shall always be open to the inspection of any member) and at the expense of the Cooperative, furnishing a copy of the bylaws and

of all amendments thereto to each member upon request; and
(f) in general performing all duties incident to the office of secretary and such other duties as from time-to-time may be assigned to him by the Board.

SECTION 8. Treasurer. The Treasurer shall be responsible for:

- custody of all funds and securities of the Cooperative;
- the receipt of and the issuance of receipts for all monies due and payable to the Cooperative and for the deposit of all such monies in the name of the Cooperative in such bank or banks as shall be selected in accordance with the provisions of these bylaws; and
- in general performance of all the duties incident to the office of Treasurer and such other duties as from time-to-time may be assigned to him by the Board.

8.01. Notwithstanding the duties, responsibilities and authorities of the Secretary and of the Treasurer hereinbefore provided in Section 7 and 8, the Board of Directors by resolution may, except as otherwise provided by law, delegate, wholly or in part, the responsibility and authority for, and the regular or routine administration of, one or more of such officers' duties to one or more agents, employees or other officers of the Corporation who are not Directors. To the extent that the Board does so delegate with respect to either such officer's duties, that officer as such shall be released from such duties, responsibilities and authorities.

SECTION 9. Bonds of Officers. The Treasurer and any other officer or agent of the Cooperative charged with responsibility for the custody of any of its funds or property shall be bonded in such sum and with such surety as the board shall determine. The board 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.

SECTION 10. Compensation. The powers, duties and compensation of officers, agents and employees shall be approved by the board, subject to the provisions of these bylaws with respect to compensation for Board member or member of their immediate family.

SECTION 11. Reports. The officers of the Cooperative shall submit at each annual meeting of the members reports covering the business of the Cooperative for the previous fiscal year. Such reports shall set forth the condition of the Cooperative at the close of such fiscal year.

ARTICLE VII NON-PROFIT OPERATION

SECTION 1. 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 2. 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 for the Cooperative. In order to induce patronage and to assure that the Cooperative will operate on a non-profit 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 expense 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 of 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 part of the capital credited to the accounts of patrons, 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. If, at any time prior to dissolution or liquidation, the board 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 paid according to the Board's discretion, fairly and equitably, as directed by established Board policy.

Capital credited to the account of each patron shall be assignable only on the books of the Cooperative pursuant to written instruction from the assignor and only to successors in interest or successors in occupancy in all or a part of such patron's premises served by the Cooperative unless the board, acting under policies of general application shall determine otherwise.

Notwithstanding any other provision of these bylaws, the board at its discretion, shall have the power at any time upon the death of any patron, if the legal representatives of his estate or surviving spouse shall request in writing that the capital credited to any such patron be retired prior to the time such capital would otherwise be retired under the provisions of these bylaws, to retire capital credited to any such patron immediately upon such terms and conditions as the board, acting under policies of general application, and the legal representatives of such patron's estate or surviving spouse shall agree upon; provided, however, that the financial condition of the Cooperative will not be impaired thereby. And, further provided that no payment of capital credits shall be made except to the extent said credits represent receipts in cash to the Cooperative.

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. The provisions of this article of the bylaws shall be called to the attention of each patron of the Cooperative by posting in a conspicuous place in the Cooperative's office.

ARTICLE VIII DISPOSITION OF PROPERTY

SECTION 1. Disposition or Encumbering of Property. The Board of Directors may not sell, lease, lease-sale, exchange transfer or otherwise dispose of any of the cooperative's property except:

- property that is not necessary in operating and maintaining the Cooperative system, but sales of such property shall not, in any one year exceed ten per centum (10%) in value of all the property of the Cooperative other than merchandise and property acquired for resale;
- services for resale;
- property acquired for resale, and
- merchandise;

unless the Board shall first adopt by the affirmative vote of three-fourths of all directors a resolution recommending the transaction and directing the submission of the proposal to a vote of not less than the majority of the total members and shall call a special meeting of the members for consideration thereof and action thereon, which meeting shall be held not sooner than ninety 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 days after the giving of such notice.

If the Board of Directors looks with favor upon any proposal for sale, lease, lease-sale, exchange or transfer or other disposal of any of the Cooperative's properties and assets, it shall first cause three independent, non-affiliated appraisers, expert in such matters to render their individual opinions as to the value of the Cooperative with respect to sale, lease, lease-sale, exchange, transfer, or other disposition of all substantial all of the Cooperative's properties and assets, and as to any other terms and conditions which should be considered. The three such appraisers shall be designated by the Johnson Circuit Court Judge. If such judge refuses to make such designations, they shall be made by the Board of Directors.

If the Board of Directors, after receiving such appraisals (and other terms and conditions which are submitted, if any), determines that the proposal shall be submitted for consideration by the members, it shall first give every other electric cooperative situated and operating in Kentucky (which has not made such an offer) 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 appraisers. Such electric cooperative shall be given not less than ninety 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.

Any (3) or more members, by so petitioning the Board not less than thirty days prior to 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 alternate positions which they may have to the proposals that have been submitted or any recommendations that the Board has made.

The Board of Directors of the Cooperative, without authorization by the members, shall have full power and authority to authorize the execution and delivery of a mortgage or mortgages or a deed or deeds of trust and a security interest or interests upon, or the pledging and encumbering of any or all of the property, assets, rights, privileges, licenses, franchises, and permits of the Cooperative, whether acquired or to be acquired, and wherever situated as well as the revenues and in come therefrom, and of a note or notes or other instrument evidencing the indebtedness secured thereby, all upon such terms and conditions as the Board of Directors of the cooperative shall determine, to secure any obligation of the Cooperative, any provision of the Articles of Incorporation or bylaws of the Cooperative to the contrary notwithstanding.

SECTION 2. Merger or Consolidation. The Board of Directors may not merge or consolidate the Cooperative's property and assets with any other corporation except as otherwise provided by law unless the Board shall first adopt by the affirmative vote of three-fourths of all directors a resolution recommending the transaction and directing the submission of the proposal to vote of not less than a majority of the total members and shall call a special meeting of the members of consideration thereof and action thereon, which meeting shall be held not sooner than ninety 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 days after the giving of such notice.

If the Board of Directors looks in favor upon any proposal for merger or consolidation of the Cooperative's properties and assets, it shall first cause three independent, non-affiliated appraisers, expert in such matters to render their individual opinions as to the value of the Cooperative with respect to merger or consolidation of all or substantial all of the Cooperative's properties and assets, and as to any other terms and conditions which should be considered. The three such appraisers shall be designated by the Johnson Circuit Court Judge. If such judge refuses to make such designations, they shall be made by the Board of Directors.

If the board of directors, after receiving such appraisals (and other terms and conditions which are submitted if any) determines that the proposal shall be submitted for consideration by the members, it shall first give every other electric cooperative situated and operating in Kentucky (which has not made such an offer) 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 appraisers. Such electric cooperatives shall be given not less than ninety 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.

Any (3) or more members, by so petitioning the board not less than thirty days prior to 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 alternate positions which they may have to the proposals that have been submitted or any recommendations that the Board has made.

SECTION 3. Dissolution. The Board of Directors may not dissolve the Cooperative unless the Board shall first adopt by the affirmative vote of three-fourths of all directors a resolution recommending the transaction and directing the submission of the proposal to a vote of not less than the majority of the total members and shall call a special meeting of the members for consideration thereof and action thereon, which meeting shall be held not sooner than ninety days after the giving of such notice to the members; provided, that the 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 days after the giving of such notice.

SECTION 4. Evaluative Considerations. In connection with the exercise of its judgement in determining what is in the best interest of Big Sandy RECC and its members when evaluating any proposal for dissolution, merger, consolidation, sale of assets, lease, transfers, of other disposition of all or substantially all of the Cooperative's assets, the Board of Directors shall consider all of the following factors and other factors which it deems relevant:

1. The societal and economic effects of the transaction upon the Cooperative's employees;
2. The societal and economic impact of the transaction up on the community and service territories; and
3. The long-term as well as short-term interest of the Cooperative and its members including the possibility that these interest may be best served by the continued existence of the Cooperative.

SECTION 5. Alteration and Amendment to Bylaws. Article VIII of the bylaws as amended and adopted shall take effect upon the affirmative vote of not less than three-fourths of all directors; and shall remain in effect until altered, amended or repealed by a similar vote of all directors and not less than a majority of the total members.

ARTICLE IX SEAL

The corporate seal of the Cooperative shall have inscribed thereon the name of the Cooperative and the words "Corporate Seal, Kentucky."

ARTICLE X FINANCIAL TRANSACTIONS

SECTION 1. Contracts. Except as otherwise provided in these bylaws, the board may authorize any officer or officers, agent or agents 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 2. 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 and/or countersigned by such officer or officers, agent or agents, employee or employees of the Cooperative and in such manner as shall from time-to-time be determined by resolution of the Board.

SECTION 3. Deposits. All funds except petty cash of the Cooperative shall be deposited from time-to-time to the credit of the Cooperative in such bank or banks as the board may select.

SECTION 4. Change in Rates. Written notice shall be given to the Administrator of the Rural Utilities Service of the United States of America not less than ninety (90) days prior to the date upon which any proposed change in the rates charged by the Cooperative for electric energy become effective.

SECTION 5. Fiscal Year. The fiscal year of the Cooperative shall begin on the first day of January of each year and shall end on the thirty-first day of December of the same year.

ARTICLE XI MISCELLANEOUS

SECTION 1. Membership in Other Organizations. The Cooperative shall not become a member of or purchase stock in any other organizations without an affirmative vote of the members at a duly held meeting. The notice of which shall specify that action to be taken upon such proposed membership or stock purchase; provided however, that the Cooperative may upon the authorization of the Board, purchase stock in or become a member of any corporation or organization organized on a nonprofit basis for the purpose of engaging in or furthering the cause of rural electrification, or with approval of the Administrator of RUS, of any other corporation for the purpose of acquiring electric facilities.

SECTION 2. Waiver of Notice. Any member or Board member may waive in writing any notice of a meeting required to be given by these bylaws. The attendance of a member or Board member at any meeting shall constitute a waiver of notice of such meeting by such member or Board member, except in case a member or Board member shall attend a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting has not been lawfully called or convened.

SECTION 3. Policies, Rules and Regulations. The board shall have power to make and adopt such policies, rules and regulations, not inconsistent with law, the articles of incorporation or these bylaws, as it may deem advisable for the management of the business and affairs of the Cooperative.

SECTION 4. Accounting System and Reports. The board shall cause to be established and maintained a complete accounting system which, among other things, and subject to applicable laws and rules and regulations of any regulatory body, shall conform to such accounting system as may from time-to-time be designated by the Administrator of the Rural Utilities Service of the United States of America. The board shall also after the close of each fiscal year cause to be made a full and complete audit of the accounts, books and financial condition of the Cooperative as of the end of such fiscal year. The yearly Financial Report shall be presented to the members in accordance with the Auditor's Report at the next following Annual Meeting.

SECTION 5. Area Coverage. The Board shall make diligent effort to see that electric service is extended to all unserved persons within the Cooperative service area who (a) desire such services and (b) meet all reasonable requirements established by the Cooperative as a condition of such service.

SECTION 6. Rules of Order. Parliamentary procedures 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 of 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.

ARTICLE XII AMENDMENTS

These bylaws may be altered, amended or repealed by the affirmative vote of not less than two-thirds 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. A copy of such alterations, amendments, or reasonable time after such action has been taken.

CERTIFICATE OF SECRETARY

The undersigned, being the Chairman and Secretary of Big Sandy Rural Electric Cooperative Corporation, does hereby certify that the foregoing Bylaws were duly adopted by the Board of Directors at a special meeting of the Board of Directors duly called and held on September 16, 1967, except that Article IV, Section 5 was duly adopted by the Board of Directors at a regular meeting duly called and held on April 3, 1970; the Article IV, Section 6 and Article VI, Section 3, were duly adopted by the Board of Directors at a regular meeting duly called and held on May 4, 1971; that Article VIII was duly adopted by the Board of Directors at a special meeting duly call and held on January 14, 1972; Revised Article VII, Section 2, April 5, 1974. Membership changed from \$10.00 to \$20.00 12/5/75. That amendment to Article IV, Section 2 9/2/77. Revised Article I, Section 5, 11/13/81. Revised Article III, Section 6, 2/5/82. Revised Article IV, Section 5s, 5b, 5c, 2/5/82. Revised Article V, Section 1, 2/5/82. Revised Article IV, Section 5b, 1/7/83. Article III, Section 4, Revised Oct. 7, 1983. Revised Article IV, Section 5, Aug. 16, 1985. Revised Article IV, Section 2, Section 4a, Section 5b, July 15, 1988. Revised Article VII, Section 2, paragraph 3, Sept. 16, 1988. Revised Article IV, Section 5b, January 1, 1990. Revised Article VI, July 20, 1990. Revised Article IV, Section 5 b & c, March 15, 1996. Revised Article IV, Sections 3 & 4 (d), revised Article VII added Sections 1, 2, 3, 4 & 5, April 18, 1997. Revised Article IV Section 3, 4 (a) & 5 (b & c) July 29, 2003. Revised Article IV Section 5a June 18, 2004. Revised Article IV Section 2 April 05, 2011. Revised Article 1, Sections 1 & 2, September 25, 2014. Revised Article 1, Section 3 and Article IV, Sections 4 and 5 December 18, 2015. Revised Article VI, Section 7 and 8 and Addition of 8.01 June 23, 2016.

Attest:

Kelly Shepherd, Secretary Danny Wallen, Chairman

BIG SANDY RURAL ELECTRIC Cooperative Corporation

www.bigsandyrecc.com

Big Sandy Rural Electric Cooperative Corporation Bylaws

This edition of Bylaws supersedes all previous issues.

ARTICLE I MEMBERSHIP

SECTION 1. Requirements for Membership. Any person, firm, association, corporation, or body politic or subdivision thereof may become a member of Big Sandy Rural Electric Cooperative Corporation therein after the call "Cooperative" upon receipt of electric service from the Cooperative, provided that he or it has first:

- a) Make a written or electronic application for membership therein;
- b) Agreed to purchase from the Cooperative electric energy as hereinafter specified;
- c) Agreed to comply with and be bound by the articles of incorporation and bylaws of the Cooperative and any rules and regulations adopted by the board of directors; and
- d) Paid the membership fee hereinafter specified;

No member may hold more than one membership in the Cooperative, and no membership in the Cooperative shall be transferable, except as provided in these bylaws.

SECTION 2. Membership Certificates. Membership in the Cooperative shall be evidenced by a membership certificate/application which is one in the same. The membership/application shall contain such provisions as shall be determined by the board. Such certificates/application shall be affixed with the corporate seal thereto. No membership certificate/application shall be issued for less than the membership fee fixed in these bylaws, nor until such membership fee has been fully paid. In case a certificate/application is lost, destroyed or mutilated, a copy of the signed membership certificate/application may be issued therefor upon such uniform terms and indemnity to the Cooperative as the board may prescribe.

SECTION 3. Joint Membership. A married couple or member and spouse may apply for a joint membership and, subject to their compliance with the requirements set forth in Section 1 of this article, may be accepted for such membership. The term "member" as used in these bylaws shall be deemed to include a married couple or member and spouse holding a joint membership and any provisions relating to the rights and liabilities of membership shall apply equally with respect to the holders of a joint membership. Without limiting the generality of the foregoing, the effect of the hereinafter specified actions by or in respect of the holders of a joint membership shall be as follows:

- (a) The presence at a meeting of either or both shall be regarded as the presence of one member and shall constitute a joint waiver of notice of the meeting;
- (b) The vote of either separately or both jointly shall constitute one joint vote;
- (c) A waiver of notice signed by either or both shall constitute a joint waiver;
- (d) Notice to either shall constitute notice to both;
- (e) Expulsion of either shall terminate the joint membership;
- (f) Withdrawal of either shall terminate the joint membership;
- (g) Either but not both may be elected or appointed as an officer or Board member, provided that both meet the qualifications for such office.

SECTION 4. Conversion of Membership. (a) A 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.

(b) Upon the death of either spouse who is a party to the joint membership, such membership shall be held solely by the survivor. The outstanding membership certificate shall be surrendered, and 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.

SECTION 5. Membership and Service Connection Fees. The membership fee shall be Twenty-five dollars (\$25.00) upon the payment of which a member shall be eligible for one service connection.

SECTION 6. Purchase of Electric Energy. Each member shall, as soon as electric energy shall be available, purchase from the Cooperative all electric energy purchased for use on the premises specified in his application for membership, and shall pay therefor at rates which shall from time-to-time be fixed by the Board. It is expressly understood that amounts paid for electric energy in excess of the cost of service are furnished by members as capital and each member shall be credited with the capital so furnished as provided in these bylaws. Each member shall pay to the Cooperative such minimum amount per month regardless of the amount of electric energy consumed, as shall be fixed by the Board from time-to-time. Each member shall pay all amounts owed by him to the Cooperative as and when the same shall become due and payable.

SECTION 7. Termination of Membership. (a) Any member may withdraw from membership upon compliance with such uniform terms and conditions as the Board may prescribe. The Board may, by the affirmative vote of not less than two-thirds of the members of the Board, expel any member who fails to comply with any of the provisions of the articles of incorporation, bylaws or rules or regulations adopted by the Board, but only if such member shall have been given written notice by the Cooperative that such failure makes him liable to expulsion and such failures shall have continued for at least ten days after such notice was given. Any expelled member may be reinstated by 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 him, has not purchased electric energy from the Cooperative, or of a member who has ceased to purchase electric energy from a cooperative, may be cancelled by resolution of the Board.

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

(c) In case of withdrawal or termination of membership in any manner, the Cooperative shall repay to the member the amount of the membership fee paid in cash by him, provided, however, that the

Cooperative shall deduct from the amount of the membership fee the amount of any debts or obligations owed by the member to the Cooperative.

SECTION 8. Member to Grant Easements to Cooperative. Each member shall, upon being requested to do so by the Cooperative, execute and deliver to the Cooperative grants of easement or right-of-way over, on and under such lands owned or leased by or mortgaged to the member, and in accordance with such reasonable terms and conditions, as the Cooperative shall require for the furnishing of electric service to him or other members for the construction, operation, maintenance or relocation of the Cooperative's electric facilities.

ARTICLE II RIGHTS AND LIABILITIES OF MEMBERS

SECTION 1. Property Interest of Members. Upon dissolution, after (a) all debts and liabilities of the Cooperative shall have been paid, and (b) 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 years next preceding the date of the filing of the certificate of dissolution, or if the Cooperative shall not have been in existence for such period, during the period of its existence.

SECTION 2. Non-Liability for debts of the Cooperative. The private property of the members shall be exempt from 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 MEETING OF MEMBERS

SECTION 1. Annual Meeting. The annual meeting of the members shall be held between May 1 and October 1 of each year, beginning with the year 1968, at such place or place in the counties served by the Cooperative as may be designated by a resolution of the Board of Directors, fixing the time and place of the annual meeting, which resolution shall be duly adopted by the Board of Directors to make adequate plans and preparations for the annual meeting. If the day fixed for the annual meeting shall fall on a Sunday or a legal holiday, such meeting shall be held on the next succeeding business day. Failure to hold the annual meeting at the designated time shall not work a forfeiture or dissolution of the Cooperative.

SECTION 2. Special meetings. Special Meetings of the members may be called by resolution of the Board, or upon a written request signed by any five Board members, by the Chairman, or by thirty per centum or more of all the members, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. Special meetings of the members may be held at any place within one of the counties served by the Cooperative as designated by the Board and shall be specified in the notice of the special meeting.

SECTION 3. Notice of Members' meetings. Notice of all regular and special meetings of the members shall be given by advertising same in two issues of the weekly newspapers having the largest circulation in the counties which the Cooperative has members for the two next preceding the date of said meeting by announcing same over any radio stations located within the area served by the Cooperative. Such advertising shall be deemed proper notice of all regular and special meeting of the members. The failure of any member to receive notice of any annual or special meeting of the members shall not invalidate any action which may be taken by the members at any such meeting.

SECTION 4. Quorum. Not less than one hundred (100) members present in person or represented by proxy shall constitute a quorum for the transaction of business at all meeting of the members.

SECTION 5. Voting. Each member shall be entitled to only one vote upon each matter submitted to a vote at a meeting of the members. All questions shall be decided by a vote of the majority of the members voting thereon in person or by proxy, except as otherwise provided by law, the articles of incorporation or these bylaws.

At all meetings of members a member may vote by proxy executed in writing wherein the notice of the meeting there is included:

(a) proposed resolution to authorize borrowing of funds from the United States of America or from National Rural Utilities Cooperative Finance Corporation or other lending agencies or lending corporations, and to incur indebtedness from time to time by the assumption of the indebtedness of third parties to the United States of America or other or sale, mortgage, lease or other disposition or encumbrance of property to United States of America or any agent or instrumentality thereof or others;

(b) In connection with a proposed amendment to the articles of incorporation of the Cooperative. To be valid a proxy must be executed by the member within sixty (60) days next before the date of the meeting.

SECTION 6. Order of Business. The order of business at the annual meeting of the members and, so far as possible at all other meetings of the members, shall be essentially as follows, except as otherwise determined by the members at such meeting.

1. Report on the number of members present in person in order to determine the existence of a quorum.
2. Reading of the notice of the meeting and proof of the due publication or mailing thereof, or the waiver or waivers of notice of the meeting as the cases may be.
3. Reading of unapproved minutes of previous meetings of the members and the taking of necessary action thereon.
4. Presentation and consideration of reports of officers, trustees, and committees.
5. Reading of report of the election commissioners on the election of Board members.
7. Unfinished business.
8. New business.
9. Adjournment.

Witness: Brian Frasure

SECTION 7. Agenda. The agenda for the meeting of the members shall be with full disclosure to the membership, so as to inform the membership in the Notice of the Meeting, of the nature of all business to be considered. To achieve the same, no proposal shall be voted upon at the Annual Meeting unless it has been placed on the agenda at least ninety (90) days prior to such meeting. Any legitimated proposal may be submitted for inclusion on the agenda by the members. Said proposal(s) must be writing and signed by at least one hundred (100) members in good standing, and a copy of the proposal must be filed with the Secretary within the tie allowed, with a request that it be submitted to the Annual Meeting for consideration. Any item submitted by a member or members, to be placed on the Agenda of the Annual Meeting, must be clearly stated and easily understood. Nothing in this section, or any other section of the Bylaws shall be construed as diminishing the authority or duty of the board of Directors to determine items to be submitted to vote of the members at any meeting of the members and/or the arrangement and content of the agenda.

ARTICLE IV Board Members

SECTION 1. General Powers. The business and affairs of the Cooperative shall be managed by a board of six members which shall exercise all of the powers of the Cooperative except such as are by law, the articles of incorporation or these bylaws conferred upon or reserved to the members.

SECTION 2. Voting Districts. The territory served by the Cooperative shall be divided into six districts. Each district shall be represented by one Director. District boundaries shall be as follows:

District No. 1 - Johnson County: Beginning at the Lawrence County line on the east side of the Levisa Fork of Big Sandy River; thence with Levisa Fork of Big Sandy River to the Floyd county line; thence eas with Floyd county line to the Martin County line; thence with Lawrence County line to Levisa Fork point of beginning.

District No. 2 - Johnson County: Beginning at the Lawrence County line of the west bank of Levisa Fork of Big Sandy River; thence with river to Paintsville; thence west with U.S. Highway 23 and 460 to the mouth of Mudlick; thence following ridge between Toms Creek and Mudlick and Hoods Creek to the Lawrence County line; thence with the Lawrence County line to Levisa Fork to Big Sand River, the point of beginning.

District No. 3 - Johnson County: Beginning at the bridge across Levisa Fork of Big Sandy River at Paintsville, Kentucky; thence following U.S. 23 and 460 to the mouth of Mudlick Creek; thence with ridge between Mudlick Creek and Toms Creek and Hoods Creek to the Lawrence County line; thence west with Lawrence County line to the Morgan County line; thence continuing to the Magoffin County line; thence to the Floyd County line; thence with the Floyd County line to Levisa Fork of Big Sandy River; thence down same to point of beginning.

District No. 4 - Martin County and Lawrence County: District No. 4 shall include all members living in Martin and Lawrence Counties.

District No. 5 - Floyd County and Pike County: Beginning at the Johnson County line at East Point and on the east side of Big Sandy River; thence following the river to Prestonsburg, Kentucky; thence leaving the river to include both forks of Bull Creek and thence eastward to Martin, Kentucky; thence on up Left Beaver to the Pike County line; thence with the Pike County Line to the Martine County line; thence with the Martin County line to Johnson County line; thence with Johnson County line to Big Sandy River at East Point, the point of beginning. All members living in Pike County are also to be included in this district.

District No. 6 - Floyd County: Beginning at the Johnson County line at East Point on the west side of Big Sandy River; thence following the river to Prestonsburg, Kentucky; thence up Middle Creek to David Road, including both sides of Middle Creek, Spurlock and Conley Forks, thence up David Road to Magoffin County line; thence to Johnson County line to the point of beginning at East Point.

SECTION 3. Selection and Tenure. Directors shall serve for terms of four (4) years or until their successors shall have been elected or appointed by the Board and shall have been qualified. Any vacancy on the Board caused by death or resignation or failure to have candidates for the office of director shall be filled by Board of Directors for unexpired portion of the term.

SECTION 4. Qualifications. No person shall be eligible to become or remain a Board member of the Cooperative who:

- (a) is not a member and bona fide resident living in the district served by the Cooperative for at least one year.
- (b) is in any way employed by or financially interested in a competing enterprise or a business selling electric energy or supplies to the Cooperative or a business primarily engaged in selling electrical or plumbing appliances, fixtures or supplies to the members of the Cooperative, or
- (c) who does not live in the district to be represented by the member.
- (d) is an employee of the Cooperative or who was employed by the Cooperative with the last five years.
- (e) must be an individual.
- (f) must have the capacity to enter into legally binding contracts.
- (g) before becoming a Director, graduate from High School or earn an equivalent degree or certification.
- (h) while a Director, and prior to becoming a Director, not be convicted of, or plead guilty to, a felony.
- (i) while a Director, and prior to becoming a Director, not have a final judgment entered against them involving civil fraud, ethical violations, discrimination and/or acts of harassment.
- (j) while a Director, and seven years immediately before becoming a Director, not been a debtor in a federal bankruptcy proceeding or a similar proceeding under applicable state law such as insolvency, liquidation, receivership reorganization, or assignment for the benefit of creditors.
- (k) while a Director, and seven years immediately before becoming a Director, not been a party to a foreclosure or other proceeding (Judicial or non-Judicial), which proceeding is or was instituted because of the Director's default on indebtedness.
- (l) except as otherwise provided by the Board of Directors for good cause shown, receive a credentialed Cooperative Director Designation or Certification from the National Rural Electric Cooperative Association within two (2) years of becoming a Director and after becoming a Director, participating in and complete required Director Training as established by the Board of Directors.
- (m) test negative of illegal drug use and the misuse of any prescription drugs.

Upon establishment of the fact that a Board member is holding office in violation of any of the foregoing provisions, the Board shall remove such Board member from office. Nothing contained in this section shall affect in any manner whatsoever the validity of any action taken at any meeting of the Board.

SECTION 5. Nomination and Election of Directors. In the month of December, prior to an expiring term of a director, the Cooperative shall notify the membership of such expiring term. Any interested member should contact the Cooperatives President/General Manager for information concerning the election process.

- (a) Nomination Committee. Not less than ninety (90) days before the date of annual meet-

ing at which Directors are to be elected, the Board of Directors shall appoint a Nomination Committee consisting of six members, one from each six districts. No existing Cooperative employees, agents, officers, Directors, or known candidates for Director, or persons who are close relatives of members of the same household thereof are eligible to serve on the committee.

The Nomination Committee shall meet at the next regular meeting of the Board of Directors, which shall be held at the regular board meeting in February before the annual meeting of the members, at the principal office of the Cooperative at Paintsville, Kentucky, at the same time as the meeting of the Board of Directors to nominate candidates for the office of Director of the cooperative.

No person shall be nominated as a candidate for the Board of Directors unless that person is duly qualified, has consented to a background check, consented to a drug test and has been requested to be nominated as a candidate by presenting a written request on an official form provided by the Cooperative, to the nomination committee. An incumbent director may be nominated as a director so long as the incumbent is duly qualified and has made written request to the Nomination Committee.

All other members, who are properly qualified, may be nominated by filling an official Nomination Request/Petition form with the secretary of the cooperative at least 14 days prior to the meeting of the Nomination Committee. The cooperative attorney shall examine the Nomination Request/Petition for accuracy and legality. If it complies the attorney shall file the Nomination Request/Petition with the Nomination Committee for its consideration.

Members shall apply to the Cooperative for a Nomination Request/Petition form in the month of January prior to the meeting of the Nomination Committee.

The application must set forth the member's names, birth date, actual place of residence, membership number, length of time living at last residence, occupation, be signed by the member and notarized. Member must also consent to a background check and a drug test at the time of picking up their application. Such background check and drug test shall be conducted after his/hers petition is filed and results of both shall be submitted before the nomination committee shall meet.

The Nomination Request/petition form shall request the Nomination Committee to nominate the member for the office of Director of the cooperative and shall state the district which the candidate will represent. This petition shall set forth the members name, place of residence, length of time living at the last residence, occupation, all business financial interest, all employment by the cooperative, date last worked for the cooperative if applicable, and be signed by the member. The petition shall be signed and dated by at least one hundred (100) bona fide current members of the cooperative actually living in the district to be represented by the member requesting nomination. Only one person shall be nominated per petition.

The Nomination Committee shall nominate as a candidate in all districts where there is an election, members who is duly qualified and duly requests to be nominated as a candidate, as set forth above the decision of the Nomination Committee shall final in respect to the qualifications of a member to serve on the Board of Directors and whether or not a proper request to be nominated has been made.

The list of nominations as a candidate shall be posted immediately at the principal office of the Cooperative. No write in votes shall be permitted in the election of the members of the Board of Directors. No nominations for the office of Director from the floor of the annual meeting of the members shall be permitted. Should the Nomination Committee certify only one candidate from each district to run for the office of Director to fill the vacancy caused by the expiration of the Directors terms in accordance with Article IV, Section 3 of these Bylaws and should no candidate be nominated from the membership by written or printed petition as set forth in Article IV, section 5A of these Bylaws, then the Chairman of the Nomination Committee appointed by the Board of Directors pursuant to Article IV, Section 5 of these Bylaws, shall certify to the secretary of the Board that no petition has been filed pursuant to the Bylaws on nominations and the candidates selected by the Nomination Committee are therefore officially without opposition and the secretary of the Board will so announce at the annual membership meeting and the nominees shall be deemed elected to the Board without the necessity of mailing official ballots through the United States mail and following the election procedures set forth in these Bylaws. All of the remaining provisions of Article IV, Section 5 of these Bylaws not in conflict herein shall remain in full force and effect.

Voting. On or around the first week of April it shall be the responsibility of the Secretary to have a third party vendor print and mail to each of the members a ballot which shall list by district the names of the candidates nominated by the committee, or by petition. With the ballot, voting instructions and a return envelope shall be included. When received, the member shall vote and certify the ballot as prescribed in the voting instructions contained within the ballot. The ballot must be received by May 1st of that calendar year.

Conduct of Election. All ballots shall be returned to and tabulated by an independent third party vendor. This vendor will certify the validity of each ballot, tabulate the results and provide the results no later than 10 days prior to the Annual Meeting. Within three days after the completion of the result tabulation by the third party vendor, any candidate who is dissatisfied with the report may request in writing that the Board of Directors have the ballots re-canvassed. Upon such a request being made the Board of Directors shall have a proper recount of the ballots conducted and thereafter adopt or reject the report of the third party vendor.

SECTION 6. Removal of Directors by Members. Any member may bring sworn charges against a Board member and, by filing with the Secretary such sworn charges in writing together with a notarized petition signed by at least ten per centum of the members, or 300, whichever is greater, may request the removal of such Board member by reason thereof. Such director shall be informed in writing of the charge at least ten days prior to the meeting of the members at which the charges are to be considered and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence in respect of the charges; and the person or persons bringing the charges against him shall have the same opportunity. The question of the removal of such Board member shall be considered and voted upon at the meeting of the members and any vacancy created by such removal may be filled by vote of the members at such meeting without compliance with the foregoing provisions with respect to nominations.

SECTION 7. Vacancies. Subject to the provisions of these bylaws with respect to the filling of vacancies caused by the removal of Board members, a vacancy occurring in the Board shall be filled by the affirmative vote of a majority of the remaining Board members for the unexpired portion of the term.

SECTION 8. Compensation. Board members shall not receive any salary for their services as such, except that the Board of Directors by resolution may authorize a fixed sum for each day or part thereof spent on Cooperative business such as attendance at meetings, conferences and training programs or performing committee assignments when authorized by the Board. A member may also be reimbursed for actual expenses necessarily incurred in carrying out such Cooperative business or granted a reasonable allowance in lieu of detailed accounting for some of these expenses.

No Board member shall be compensated for serving the Cooperative in any other capacity nor shall any member of the immediate family of a Board member be allowed to be a full-time employee of the Cooperative. A member of the immediate family of a Board member shall be construed to include husband and wife and children of either the husband and wife.

Compensation may be paid to a Board member or a member of their immediate family if such services were rendered on emergency basis.

ARTICLE V MEETING OF DIRECTORS

SECTION 1. Regular Meetings. A regular meeting of the Board shall be held without notice, immediately after, and at the same place as, the annual meeting of the members. Newly elected Board members shall be installed at this Board meeting. A regular meeting of the Board shall also be held monthly at such time and place within one of the counties served by the Cooperative as designated by the Board. Such regular monthly meeting may be held without notice other than such resolution fixing the time and place thereof.

SECTION 2. Special Meetings. Special meetings of the Board may be called by the Chairman or by two-thirds (2/3) of a majority of the Board members and it shall thereupon be the duty of the secretary to cause notice of such meeting to be given as hereinafter provided. The Chairman or Board members calling the meeting shall fix the time and place for the holding of the meeting.

SECTION 3. Notice of Directors' Meetings. Written notice of the time, place and purpose of any special meeting of the Board shall be delivered to each Board member either personally or by mail, by or at the direction of the secretary, or upon a default in duty by the secretary, by the Chairman or the Board members calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the Board member at his address as it appears on the records of the Cooperative, with postage thereon prepaid, at least five days before the date set for the meeting.

SECTION 4. Quorum. A majority of the board shall constitute a quorum, provided, that if less than such majority of the Board present may adjourn the meeting from time-to-time; and provided further, that the secretary shall notify any absent Board member of the time and place of such adjourned meeting. The act of the majority of the Board members present at a meeting at which a quorum is present shall be the act of the Board, except as otherwise provided in these bylaws.

Should a majority of the Board be unable to serve because of catastrophe or other crisis the remaining members of the Board of Directors may meet and carry on the regular business of the Cooperative until new Board members are appointed. In case of the death of a majority of the Board members the remaining members may appoint Board members to fill vacancies to serve until next annual election.

ARTICLE VI OFFICERS

SECTION 1. Number. The officers of the Cooperative shall be a Chairman, Vice Chairman, President/General Manager, Secretary, Treasurer, and such other officers as may be determined by the Board from time-to-time. The offices of Secretary and of Treasurer may be held by the same person.

SECTION 2. Election and Term of Office. The officers shall be elected by the ballot, annually by the Board at the meeting of the Board held immediately after the Annual Meeting of the members. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until the first meeting of the Board following the next succeeding, annual meeting of the members or until his successor shall have been elected and shall have qualified. A vacancy in any office shall be filled by the Board for the unexpired portion of the term.

SECTION 3. Removal of Officers and Agents by the Board. Any officer or agent elected or appointed by the Board may be removed by the Board whenever in its judgement the best interest of the Cooperative will be served thereby. In addition, any member of the Cooperative may bring sworn charges against an officer, and by filing with the secretary such sworn charges in writing together with a notarized petition signed by ten per centum of the members or 300, whichever is greater, may request the removal of such officer. The officer against whom such charges have been brought shall be informed in writing of the charges at least ten days prior to the Board meeting at which the charges are to be considered and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence in respect of the charges; and the person or persons bringing the charges against him shall have the same opportunity. In the event the Board does not remove such officer, the question of his removal shall be considered and voted upon at the next meeting of the members.

SECTION 4. Chairman. The Chairman shall:

- be the principal executive officer of the Cooperative, and unless otherwise determined by the members of the Board, shall preside at all meetings of the members;
- sign, with the secretary, certificates of membership, the issue of which shall have been authorized by the Board or the members, and may sign any deeds, mortgages, deeds of trust, notes, bonds, contracts, or other instruments authorized by the Board to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the Board 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
- in general perform all duties incident to the office of chairman and such other duties as may be prescribed by the board from time-to-time.

SECTION 5. 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. The vice chairman shall also perform such other duties as from time-to-time may be assigned to him by the Board.

SECTION 6. President/General Manager. The President/General Manager shall:

(a) in the absence of the Chairman and Vice Chairman or in the event of their inability or refusal to act, the President/General Manager 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. The President/General Manager shall also perform such other duties and shall exercise such authority as the Board may from time to time vest in him.

SECTION 7. Secretary. The secretary shall be responsible for:

- keeping the minutes of the meetings of the members and of the Board in books provided for that purpose;
- seeing that all notices are duly given in accordance with these bylaws or as required by law;
- the safekeeping of the Corporate books and records and the seal of the Cooperative and affixing the seal of the Cooperative to all certificates of membership prior to the issuance 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;
- keeping a register of the names and post office addresses of all members;
- keeping on file at all times a complete copy of the articles of incorporations and bylaws of the Cooperative containing all amendments thereto (which copy shall always be open to the inspection of any member) and at the expense of the Cooperative, furnishing a copy of the bylaws and

of all amendments thereto to each member upon request; and
(f) in general performing all duties incident to the office of secretary and such other duties as from time-to-time may be assigned to him by the Board.

SECTION 8. Treasurer. The Treasurer shall be responsible for:

- custody of all funds and securities of the Cooperative;
- the receipt of and the issuance of receipts for all monies due and payable to the Cooperative and for the deposit of all such monies in the name of the Cooperative in such bank or banks as shall be selected in accordance with the provisions of these bylaws; and
- in general performance of all the duties incident to the office of Treasurer and such other duties as from time-to-time may be assigned to him by the Board.

8.01 Notwithstanding the duties, responsibilities and authorities of the Secretary and of the Treasurer hereinbefore provided in Section 7 and 8, the Board of Directors by resolution may, except as otherwise provided by law, delegate, wholly or in part, the responsibility and authority for, and the regular or routine administration of, one or more of such officers' duties to one or more agents, employees or other officers of the Corporation who are not Directors. To the extent that the Board does so delegate with respect to either such officer's duties, that officer as such shall be released from such duties, responsibilities and authorities.

SECTION 9. Bonds of Officers. The Treasurer and any other officer or agent of the Cooperative charged with responsibility for the custody of any of its funds or property shall be bonded in such sum and with such surety as the board shall determine. The board 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.

SECTION 10. Compensation. The powers, duties and compensation of officers, agents and employees shall be approved by the board, subject to the provisions of these bylaws with respect to compensation for Board member or member of their immediate family.

SECTION 11. Reports. The officers of the Cooperative shall submit at each annual meeting of the members reports covering the business of the Cooperative for the previous fiscal year. Such reports shall set forth the condition of the Cooperative at the close of such fiscal year.

ARTICLE VII NON-PROFIT OPERATION

SECTION 1. 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 2. 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 for the Cooperative. In order to induce patronage and to assure that the Cooperative will operate on a non-profit 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 expense 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 of 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 part of the capital credited to the accounts of patrons, 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. If, at any time prior to dissolution or liquidation, the board 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 paid according to the Board's discretion, fairly and equitable, as directed by established Board policy.

Capital credited to the account of each patron shall be assignable only on the books of the Cooperative pursuant to written instruction from the assignor and only to successors in interest or successors in occupancy in all or a part of such patron's premises served by the Cooperative unless the board, acting under policies of general application shall determine otherwise.

Notwithstanding any other provision of these bylaws, the board at its discretion, shall have the power at any time upon the death of any patron, if the legal representatives of his estate or surviving spouse shall request in writing that the capital credited to any such patron be retired prior to the time such capital would otherwise be retired under the provisions of these bylaws, to retire capital credited to any such patron immediately upon such terms and conditions as the board, acting under policies of general application, and the legal representatives of such patron's estate or surviving spouse shall agree upon; provided, however, that the financial condition of the Cooperative will not be impaired thereby. And, further provided that no payment of capital credits shall be made except to the extent said credits represent receipts in cash to the Cooperative.

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. The provisions of this article of the bylaws shall be called to the attention of each patron of the Cooperative by posting in a conspicuous place in the Cooperative's office.

ARTICLE VIII DISPOSITION OF PROPERTY

SECTION 1. Disposition or Encumbering of Property. The Board of Directors may not sell, lease, lease-sale, exchange transfer or otherwise dispose of any of the cooperative's property except:

- property that is not necessary in operating and maintaining the Cooperative system, but sales of such property shall not, in any one year exceed ten per centum (10%) in value of all the property of the Cooperative other than merchandise and property acquired for resale;
- services for resale;
- property acquired for resale, and
- merchandise;

unless the Board shall first adopt by the affirmative vote of three-fourths of all directors a resolution recommending the transaction and directing the submission of the proposal to a vote of not less than the majority of the total members and shall call a special meeting of the members for consideration thereof and action thereon, which meeting shall be held not sooner than ninety 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 days after the giving of such notice.

If the Board of Directors looks with favor upon any proposal for sale, lease, lease-sale, exchange or transfer or other disposal of any of the Cooperative's properties and assets, it shall first cause three independent, non-affiliated appraisers, expert in such matters to render their individual opinions as to the value of the Cooperative with respect to sale, lease, lease-sale, exchange, transfer, or other disposition of all substantial all of the Cooperative's properties and assets, and as to any other terms and conditions which should be considered. The three such appraisers shall be designated by the Johnson Circuit Court Judge. If such judge refuses to make such designations, they shall be made by the Board of Directors.

If the Board of Directors, after receiving such appraisals (and other terms and conditions which are submitted, if any), determines that the proposal shall be submitted for consideration by the members, it shall first give every other electric cooperative situated and operating in Kentucky (which has not made such an offer) 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 appraisers. Such electric cooperative shall be given not less than ninety 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.

Any (3) or more members, by so petitioning the Board not less than thirty days prior to 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 alternate positions which they may have to the proposals that have been submitted or any recommendations that the Board has made.

The Board of Directors of the Cooperative, without authorization by the members, shall have full power and authority to authorize the execution and delivery of a mortgage or mortgages or a deed or deeds of trust and a security interest or interests upon, or the pledging and encumbering of any or all of the property, assets, rights, privileges, licenses, franchises, and permits of the Cooperative, whether acquired or to be acquired, and wherever situated as well as the revenues and in come therefrom, and of a note or notes or other instrument evidencing the indebtedness secured thereby, all upon such terms and conditions as the Board of Directors of the cooperative shall determine, to secure any obligation of the Cooperative, any provision of the Articles of Incorporation or bylaws of the Cooperative to the contrary notwithstanding.

SECTION 2. Merger or Consolidation. The Board of Directors may not merge or consolidate the Cooperative's property and assets with any other corporation except as otherwise provided by law unless the Board shall first adopt by the affirmative vote of three-fourths of all directors a resolution recommending the transaction and directing the submission of the proposal to vote of not less than a majority of the total members and shall call a special meeting of the members for consideration thereof and action thereon, which meeting shall be held not sooner than ninety 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 days after the giving of such notice.

If the Board of Directors looks in favor upon any proposal for merger or consolidation of the Cooperative's properties and assets, it shall first cause three independent, non-affiliated appraisers, expert in such matters to render their individual opinions as to the value of the Cooperative with respect to merger or consolidation of all or substantial all of the Cooperative's properties and assets, and as to any other terms and conditions which should be considered. The three such appraisers shall be designated by the Johnson Circuit Court Judge. If such judge refuses to make such designations, they shall be made by the Board of Directors.

If the board of directors, after receiving such appraisals (and other terms and conditions which are submitted if any) determines that the proposal shall be submitted for consideration by the members, it shall first give every other electric cooperative situated and operating in Kentucky (which has not made such an offer) 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 appraisers. Such electric cooperatives shall be given not less than ninety 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.

Any (3) or more members, by so petitioning the board not less than thirty days prior to 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 alternate positions which they may have to the proposals that have been submitted or any recommendations that the Board has made.

SECTION 3. Dissolution. The Board of Directors may not dissolve the Cooperative unless the Board shall first adopt by the affirmative vote of three-fourths of all directors a resolution recommending the transaction and directing the submission of the proposal to a vote of not less than the majority of the total members and shall call a special meeting of the members for consideration thereof and action thereon, which meeting shall be held not sooner than ninety days after the giving of such notice to the members; provided, that the 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 days after the giving of such notice.

SECTION 4. Evaluative Considerations. In connection with the exercise of its judgement in determining what is in the best interest of Big Sandy RECC and its members when evaluating any proposal for dissolution, merger, consolidation, sale of assets, lease, transfers, of other disposition of all or substantially all of the Cooperative's assets, the Board of Directors shall consider all of the following factors and other factors which it deems relevant:

1. The societal and economic effects of the transaction upon the Cooperative's employees;
2. The societal and economic impact of the transaction up on the community and service territories; and
3. The long-term as well as short-term interest of the Cooperative and its members including the possibility that these interest may be best served by the continued existence of the Cooperative.

SECTION 5. Alteration and Amendment to Bylaws. Article VIII of the bylaws as amended and adopted shall take effect upon the affirmative vote of not less than three-fourths of all directors; and shall remain in effect until altered, amended or repealed by a similar vote of all directors and not less than a majority of the total members.

ARTICLE IX SEAL

The corporate seal of the Cooperative shall have inscribed thereon the name of the Cooperative and the words "Corporate Seal, Kentucky."

ARTICLE X FINANCIAL TRANSACTIONS

SECTION 1. Contracts. Except as otherwise provided in these bylaws, the board may authorize any officer or officers, agent or agents 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 2. 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 and/or countersigned by such officer or officers, agent or agents, employee or employees of the Cooperative and in such manner as shall from time-to-time be determined by resolution of the Board.

SECTION 3. Deposits. All funds except petty cash of the Cooperative shall be deposited from time-to-time to the credit of the Cooperative in such bank or banks as the board may select.

SECTION 4. Change in Rates. Written notice shall be given to the Administrator of the Rural Utilities Service of the United States of America not less than ninety (90) days prior to the date upon which any proposed change in the rates charged by the Cooperative for electric energy become effective.

SECTION 5. Fiscal Year. The fiscal year of the Cooperative shall begin on the first day of January of each year and shall end on the thirty-first day of December of the same year.

ARTICLE XI MISCELLANEOUS

SECTION 1. Membership in Other Organizations. The Cooperative shall not become a member of or purchase stock in any other organizations without an affirmative vote of the members at a duly held meeting. The notice of which shall specify that action to be taken upon such proposed membership or stock purchase; provided however, that the Cooperative may upon the authorization of the Board, purchase stock in or become a member of any corporation or organization organized on a nonprofit basis for the purpose of engaging in or furthering the cause of rural electrification, or with approval of the Administrator of RUS, of any other corporation for the purpose of acquiring electric facilities.

SECTION 2. Waiver of Notice. Any member or Board member may waive in writing any notice of a meeting required to be given by these bylaws. The attendance of a member or Board member at any meeting shall constitute a waiver of notice of such meeting by such member or Board member, except in case a member or Board member shall attend a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting has not been lawfully called or convened.

SECTION 3. Policies, Rules and Regulations. The board shall have power to make and adopt such policies, rules and regulations, not inconsistent with law, the articles of incorporation or these bylaws, as it may deem advisable for the management of the business and affairs of the Cooperative.

SECTION 4. Accounting System and Reports. The board shall cause to be established and maintained a complete accounting system which, among other things, and subject to applicable laws and rules and regulations of any regulatory body, shall conform to such accounting system as may from time-to-time be designated by the Administrator of the Rural Utilities Service of the United States of America. The board shall also after the close of each fiscal year cause to be made a full and complete audit of the accounts, books and financial condition of the Cooperative as of the end of such fiscal year. The yearly Financial Report shall be presented to the members in accordance with the Auditor's Report at the next following Annual Meeting.

SECTION 5. Area Coverage. The Board shall make diligent effort to see that electric service is extended to all unserved persons within the Cooperative service area who (a) desire such services and (b) meet all reasonable requirements established by the Cooperative as a condition of such service.

SECTION 6. Rules of Order. Parliamentary procedures at all meetings of the members, of the Board of Directors, of any committee proved for in these Bylaws and of any other committee of the members of 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.

ARTICLE XII AMENDMENTS

These bylaws may be altered, amended or repealed by the affirmative vote of not less than two-thirds 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. A copy of such alterations, amendments, or reasonable time after such action has been taken.

CERTIFICATE OF SECRETARY

The undersigned, being the Chairman and Secretary of Big Sandy Rural Electric Cooperative Corporation, does hereby certify that the foregoing Bylaws were duly adopted by the Board of Directors at a special meeting of the Board of Directors duly called and held on September 16, 1967, except that Article IV, Section 5 was duly adopted by the Board of Directors at a regular meeting duly called and held on April 3, 1970; the Article IV, Section 6 and Article VI, Section 3, were duly adopted by the Board of Directors at a regular meeting duly called and held on May 4, 1971; that Article VIII was duly adopted by the Board of Directors at a special meeting duly call and held on January 14, 1972; Revised Article VII, Section 2, April 5, 1974. Membership changed from \$10.00 to \$20.00 12/5/75. That amendment to Article IV, Section 2 9/2/77. Revised Article I, Section 5, 11/13/81. Revised Article III, Section 6, 2/5/82. Revised Article IV, Section 5, 5b, 5c, 2/5/82. Revised Article V, Section 1, 2/5/82. Revised Article IV, Section 5b, 1/7/83. Article III, Section 4, Revised Oct. 7, 1983. Revised Article IV, Section 5, Aug. 16, 1985. Revised Article IV, Section 2, Section 4a, Section 5b, July 15, 1988. Revised Article VII, Section 2, paragraph 3, Sept. 16, 1988. Revised Article IV, Section 5b, January 1, 1990. Revised Article VI, July 20, 1990. Revised Article IV, Section 5 b &c, March 15, 1996. Revised Article IV, Sections 3 & 4 (d), revised Article VII added Sections 1, 2, 3, 4 & 5, April 18, 1997. Revised Article IV Section 3, 4 (a) & 5 (b & c) July 29, 2003. Revised Article IV Section 5a June 18, 2004. Revised Article IV, Section 2 April 05, 2011. Revised Article 1, Sections 1 & 2, September 25, 2014. Revised Article 1, Section 3 and Article IV, Sections 4 and 5 December 18, 2015. Revised Article VI, Section 7 and 8 and Addition of 8.01 June 23, 2016.

Attest:

Kelly Shepherd, Secretary Danny Wallen, Chairman

Article I

Membership

Section 1. Requirements for Membership. Any person, firm, association, corporation, or body politic or subdivision thereof may become a member of Big Sandy Rural Electric Cooperative Corporation therein after called the "Cooperative" upon receipt of electric service from the Cooperative, provided that he or it has first.

- a) Make a written or electronic application for membership therein;
- b) Agreed to purchase from the Cooperative electric energy as hereinafter specified;
- c) Agreed to comply with and be bound by the articles of incorporation and bylaws of the Cooperative and any rules and regulations adopted by the board of directors; and
- d) Paid the membership fee hereinafter specified;

No member may hold more than one membership in the Cooperative, and no membership in the Cooperative shall be transferable, except as provided in these bylaws.

Section 2. Membership Certificates. Membership in the Cooperative shall be evidenced by a membership certificate/application which is one in the same. The membership/application shall contain such provisions as shall be determined by the board. Such certificates/application shall be affixed with the corporate seal thereto. No membership certificate/application shall be issued for less than the membership fee fixed in these bylaws, nor until such membership fee has been fully paid. In case a certificate/application is lost, destroyed or mutilated, a copy of the signed membership certificate/application may be issued therefor upon such uniform terms and indemnity to the Cooperative as the board may prescribe.

Witness: Brian Frasure

**ARTICLE I
MEMBERSHIP**

SECTION 1. Requirements for Membership. Any person, firm, association, corporation, or body politic or subdivision thereof may become a member of Big Sandy Rural Electric Cooperative Corporation herein after called the "Cooperative" upon receipt of electric service from the Cooperative, provided that he or it has first:

- a) Make a written or electronic application for membership therein;
- b) Agreed to purchase from the Cooperative electric energy as hereinafter specified;
- c) Agreed to comply with and be bound by the articles of incorporation and bylaws of the Cooperative and any rules and regulations adopted by the board of directors; and
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SECTION 3. Joint Membership. A married couple or member and spouse may apply for a joint membership and, subject to their compliance with the requirements set forth in Section 1 of this article, may be accepted for such membership. The term "member" as used in these bylaws shall be deemed to include a married couple or member and spouse holding a joint membership and any provisions relating to the rights and liabilities of membership shall apply equally with respect to the holders of a joint membership. Without limiting the generality of the foregoing, the effect of the hereinafter specified actions by or in respect of the holders of a joint membership shall be as follows:

- (a) The presence at a meeting of either or both shall be regarded as the presence of one member and shall constitute a joint waiver of notice of the meeting;
- (b) The vote of either separately or both jointly shall constitute one joint vote;
- (c) A waiver of notice signed by either or both shall constitute a joint waiver;
- (d) Notice to either shall constitute notice to both;
- (e) Expulsion of either shall terminate the joint membership;
- (f) Withdrawal of either shall terminate the joint membership;
- (g) Either but not both may be elected or appointed as an officer or Board member, provided that both meet the qualifications for such office.

SECTION 4. Conversion of Membership. (a) A 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.

(b) Upon the death of either spouse who is a party to the joint membership, such membership shall be held solely by the survivor. The outstanding membership certificate shall be surrendered, and 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.

SECTION 5. Membership and Service Connection Fees. The membership fee shall be Twenty-five dollars (\$25.00) upon the payment of which a member shall be eligible for one service connection.

SECTION 6. Purchase of Electric Energy. Each member shall, as soon as electric energy shall be available, purchase from the Cooperative all electric energy purchased for use on the premises specified in his application for membership, and shall pay therefor at rates which shall from time-to-time be fixed by the Board. It is expressly understood that amounts paid for electric energy in excess of the cost of service are furnished by members as capital and each member shall be credited with the capital so furnished as provided in these bylaws. Each member shall pay to the Cooperative such minimum amount per month regardless of the amount of electric energy consumed, as shall be fixed by the Board from time-to-time. Each member shall pay all amounts owed by him to the Cooperative as and when the same shall become due and payable.

SECTION 7. Termination of Membership. (a) Any member may withdraw from membership upon compliance with such uniform terms and conditions as the Board may prescribe. The Board may, by the affirmative vote of not less than two-thirds of the members of the Board, expel any member who fails to comply with any of the provisions of the articles of incorporation, bylaws or rules or regulations adopted by the Board, but only if such member shall have been given written notice by the Cooperative that such failure makes him liable to expulsion and such failures shall have continued for at least ten days after such notice was given. Any expelled member may be reinstated by 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 him, has not purchased electric energy from the Cooperative, or of a member who has ceased to purchase energy from a cooperative, may be cancelled by resolution of the Board.

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

(c) In case of withdrawal or termination of membership in any manner, the Cooperative shall repay to the member the amount of the membership fee paid in cash by him, provided, however, that the Cooperative shall deduct from the amount of the membership fee the amount of any debts or obligations owed by the member to the Cooperative.

SECTION 8. Member to Grant Easements to Cooperative. Each member shall, upon being requested to do so by the Cooperative, execute and deliver to the Cooperative grants of easement or right-of-way over, on and under such lands owned or leased by or mortgaged to the member, and in accordance with such reasonable terms and conditions, as the Cooperative shall require for the furnishing of electric service to him or other members for the construction, operation, maintenance or relocation of the Cooperative's electric facilities.

**ARTICLE II
RIGHTS AND LIABILITIES OF MEMBERS**

SECTION 1. Property Interest of Members. Upon dissolution, after (a) all debts and liabilities of the Cooperative shall have been paid, and (b) 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 years next preceding the date of the filing of the certificate of dissolution, or if the Cooperative shall not have been in existence for such period, during the period of its existence.

SECTION 2. Non-liability for debts of the Cooperative. The private property of the members shall be exempt from 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
MEETING OF MEMBERS**

SECTION 1. Annual Meeting. The annual meeting of the members shall be held between May 1 and October 1 of each year, beginning with the year 1968, at such place or place in the counties served by the Cooperative as may be designated by a resolution of the Board of Directors, fixing the time and place of the annual meeting, which resolution shall be duly adopted by the Board of Directors to make adequate plans and preparations for the annual meeting. If the day fixed for the annual meeting shall fall on a Sunday or a legal holiday, such meeting shall be held on the next succeeding business day. Failure to hold the annual meeting at the designated time shall not work a forfeiture or dissolution of the Cooperative.

SECTION 2. Special meetings. Special Meetings of the members may be called by resolution of the Board, or upon a written request signed by any five Board members, by the Chairman, or by thirty per centum or more of all the members, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. Special meetings of the members may be held at any place within one of the counties served by the Cooperative as designated by the Board and shall be specified in the notice of the special meeting.

SECTION 3. Notice of Members' meetings. Notice of all regular and special meetings of the members shall be given by advertising same in two issues of the weekly newspapers having the largest circulation in the counties which the Cooperative has members for the two next preceding the date of said meeting by announcing same over any radio stations located within the area served by the Cooperative. Such advertising shall be deemed proper notice of all regular and special meeting of the members. The failure of any member to receive notice of any annual or special meeting of the members shall not invalidate any action which may be taken by the members at any such meeting.

SECTION 4. Quorum. Not less than one hundred (100) members present in person or represented by proxy shall constitute a quorum for the transaction of business at all meetings of the members.

SECTION 5. Voting. Each member shall be entitled to only one vote upon each matter submitted to a vote at a meeting of the members. All questions shall be decided by a vote of the majority of the members voting thereon in person or by proxy, except as otherwise provided by law, the articles of incorporation or these bylaws.

At all meetings of members a member may vote by proxy executed in writing wherein the notice of the meeting there is included:

- (a) proposed resolution to authorize borrowing of funds from the United States of America or from National Rural Utilities Cooperative Finance Corporation or other lending agencies or lending corporations, and to incur indebtedness from time to time by the assumption of the indebtedness of third parties to the United States of America or other or sale, mortgage, lease or other disposition or encumbrance of property to United States of America or any agent or instrumentalities thereof or others;
- (b) In connection with a proposed amendment to the articles of incorporation of the Cooperative. To be valid a proxy must be executed by the member within sixty (60) days next before the date of the meeting.

SECTION 6. Order of Business. The order of business at the annual meeting of the members and, so far as possible at all other meetings of the members, shall be essentially as follows, except as otherwise determined by the members at such meeting.

1. Report on the number of members present in person in order to determine the existence of a quorum.
2. Reading of the notice of the meeting and proof of the due publication or mailing thereof, or the waiver or waivers of notice of the meeting as the cases may be.
3. Reading of unapproved minutes of previous meetings of the members and the taking of necessary action thereon.
4. Presentation and consideration of reports of officers, trustees, and committees.
5. Reading of report of the election commissioners on the election of Board members.
7. Unfinished business.
8. New business.
9. Adjournment.

SECTION 7. Agenda. The agenda for the meeting of the members shall be with full disclosure to the membership, so as to inform the membership in the Notice of the Meeting, of the nature of all business to be considered. To achieve the same, no proposal shall be voted upon at the Annual

12-18-15

Witness: Brian Frasure

Meeting unless it has been placed on the agenda at least ninety (90) days prior to such meeting. Any legitimated proposal may be submitted for inclusion on the agenda by the members. Said proposal(s) must be writing and signed by at least one hundred (100) members in good standing, and a copy of the proposal must be filed with the Secretary within the tie allowed, with a request that it be submitted to the Annual Meeting for consideration. Any item submitted by a member or members, to be placed on the Agenda of the Annual Meeting, must be clearly stated and easily understood. Nothing in this section, or any other section of the Bylaws shall be construed as diminishing the authority or duty of the board of Directors to determine items to be submitted to vote of the members at any meeting of the members and/or the arrangement and content of the agenda.

ARTICLE IV Board Members

SECTION 1. General Powers. The business and affairs of the Cooperative shall be managed by a board of six members which shall exercise all of the powers of the Cooperative except such as are by law, the articles of incorporation or these bylaws conferred upon or reserved to the members.

SECTION 2. Voting Districts. The territory served by the Cooperative shall be divided into six districts. Each district shall be represented by one Director. District boundaries shall be as follows: District No. 1 - Johnson County: Beginning at the Lawrence County line on the east side of the Levisa Fork of Big Sandy River; thence with Levisa Fork of Big Sandy River to the Floyd county line; thence east with Floyd county line to the Martin County line; thence with Lawrence County line to Levisa Fork point of beginning.

District No. 2 - Johnson County: Beginning at the Lawrence County line of the west bank of Levisa Fork of Big Sandy River; thence with river to Paintsville; thence west with U.S. Highway 23 and 460 to the mouth of Mudlick; thence following ridge between Toms Creek and Mudlick and Hoods Creek to the Lawrence County line; thence with the Lawrence County line to Levisa Fork to Big Sandy River, the point of beginning.

District No. 3 - Johnson County: Beginning at the bridge across Levisa Fork of Big Sandy River at Paintsville, Kentucky; thence following U.S. 23 and 460 to the mouth of Mudlick Creek; thence with ridge between Mudlick Creek and Toms Creek and Hoods Creek to the Lawrence County line; thence west with Lawrence County line to the Morgan County line; thence continuing to the Magoffin County line; thence to the Floyd County line; thence with the Floyd County line to Levisa Fork of Big Sandy River; thence down same to point of beginning.

District No. 4 - Martin County and Lawrence County: District No. 4 shall include all members living in Martin and Lawrence Counties.

District No. 5 - Floyd County and Pike County: Beginning at the Johnson County line at East Point and on the east side of Big Sandy River; thence following the river to Prestonsburg, Kentucky; thence leaving the river to include both forks of Bull Creek and thence eastward to Martin, Kentucky; thence on up Left Beaver to the Pike County line; thence with the Pike County Line to the Martine County line; thence with the Martin County line to Johnson County line; thence with Johnson County line to Big Sandy River at East Point, the point of beginning. All members living in Pike County are also to be included in this district.

District No. 6 - Floyd County: Beginning at the Johnson County line at East Point on the west side of Big Sandy River; thence following the river to Prestonsburg, Kentucky; thence up Middle Creek to David Road, including both sides of Middle Creek, Spurlock and Conley Forks, thence up David Road to Magoffin County line; thence to Johnson County line to the point of beginning at East Point.

SECTION 3. Selection and Tenure. Directors shall serve for terms of four (4) years or until their successors shall have been elected or appointed by the Board and shall have been qualified. Any vacancy on the Board caused by death or resignation or failure to have candidates for the office of director shall be filled by Board of Directors for unexpired portion of the term.

SECTION 4. Qualifications. No person shall be eligible to become or remain a Board member of the Cooperative who:

- (a) is not a member and bona fide resident living in the district served by the Cooperative for at least one year.
- (b) is in any way employed by or financially interested in a competing enterprise or a business selling electric energy or supplies to the Cooperative or a business primarily engaged in selling electrical or plumbing appliances, fixtures or supplies to the members of the Cooperative, or
- (c) who does not live in the district to be represented by the member.
- (d) is an employee of the Cooperative or who was employed by the Cooperative with the last five years.
- (e) must be an individual.
- (f) must have the capacity to enter into legally binding contracts.
- (g) before becoming a Director, graduate from High School or earn an equivalent degree or certification.
- (h) while a Director, and prior to becoming a Director, not be convicted of, or plead guilty to, a felony.
- (i) while a Director, and prior to becoming a Director, not have a final judgment entered against them involving civil fraud, ethical violations, discrimination and/or acts of harassment.
- (j) while a Director, and seven years immediately before becoming a Director, not been a debtor in a federal bankruptcy proceeding or a similar proceeding under applicable state law such as insolvency, liquidation, receivership reorganization, or assignment for the benefit of creditors.
- (k) while a Director, and seven years immediately before becoming a Director, not been a party to a foreclosure or other proceeding (Judicial or non-Judicial), which proceeding is or was instituted because of the Director's default on indebtedness.
- (l) except as otherwise provided by the Board of Directors for good cause shown, receive a Credentialed Cooperative Director Designation or Certification from the National Rural Electric Cooperative Association within two (2) years of becoming a Director and after becoming a Director, participating in and complete required Director Training as established by the Board of Directors.
- (m) test negative of illegal drug use and the misuse of any prescription drugs.

Upon establishment of the fact that a Board member is holding office in violation of any of the foregoing provisions, the Board shall remove such Board member from office. Nothing contained in this section shall affect in any manner whatsoever the validity of any action taken at any meeting of the Board.

SECTION 5. Nomination and Election of Directors. In the month of December, prior to an expiring term of a director, the Cooperative shall notify the membership of such expiring term. Any interested member should contact the Cooperatives President/General Manager for information concerning the election process.

(a) Nomination Committee. Not less than ninety (90) days before the date of annual meeting at which Directors are to be elected, the Board of Directors shall appoint a Nomination Committee consisting of six members, one from each six districts. No existing Cooperative employees, agents, officers, Directors, or known candidates for Director, or persons who are close relatives of members of the same household thereof are eligible to serve on the committee.

The Nomination Committee shall meet at the next regular meeting of the Board of Directors, which shall be held at the regular board meeting in February before the annual meeting of the

the principal office of the Cooperative at Paintsville, Kentucky, at the same time as the Board of Directors to nominate candidates for the office of Director of the Cooperative. No person shall be nominated as a candidate for the Board of Directors unless that person is duly qualified, has consented to a background check, consented to a drug test and has been requested to be nominated as a candidate by presenting a written request on an official form provided by the Cooperative, to the nomination committee. An incumbent director may be nominated as a director so long as the incumbent is duly qualified and has made written request to the Nomination Committee.

All other members, who are properly qualified, may be nominated by filling an official Nomination Request/Petition form with the secretary of the cooperative at least 14 days prior to the meeting of the Nomination Committee. The cooperative attorney shall examine the Nomination Request/Petition for accuracy and legality. If it complies the attorney shall file the Nomination Request/Petition with the Nomination Committee for its consideration.

Members shall apply to the Cooperative for a Nomination Request/Petition form in the month of January prior to the meeting of the Nomination Committee.

The application must set forth the member's names, birth date, actual place of residence, membership number, length of time living at last residence, occupation, be signed by the member and notarized. Member must also consent to a background check and a drug test at the time of picking up their application. Such background check and drug test shall be conducted after his/her petition is filed and results of both shall be submitted before the nomination committee shall meet.

The Nomination Request/petition form shall request the Nomination Committee to nominate the member for the office of Director of the cooperative and shall state the district which the candidate will represent. This petition shall set forth the members name, place of residence, length of time living at the last residence, occupation, all business financial interest, all employment by the cooperative, date last worked for the cooperative if applicable, and be signed by the member. The petitions shall be signed and dated by at least one hundred (100) bona fide current members of the cooperative actually living in the district to be represented by the member requesting nomination. Only one person shall be nominated per petition.

The Nomination Committee shall nominate as a candidate in all districts where there is an election, members who is duly qualified and duly requests to be nominated as a candidate, as set forth above the decision of the Nomination Committee shall final in respect to the qualifications of a member to serve on the Board of Directors and whether or not a proper request to be nominated has been made.

The list of nominations as a candidate shall be posted immediately at the principal office of the Cooperative. No write in votes shall be permitted in the election of the members of the Board of Directors. No nominations for the office of Director from the floor of the annual meeting of the members shall be permitted. Should the Nomination Committee certify only one candidate from each district to run for the office of Director to fill the vacancy caused by the expiration of the Directors terms in accordance with Article IV, Section 3 of these Bylaws and should no candidate be nominated from the membership by written or printed petition as set forth in Article IV, section 5 A of these Bylaws, then the Chairman of the Nomination Committee appointed by the Board of Directors pursuant to Article IV, Section 5 of these Bylaws, shall certify to the secretary of the Board that no petition has been filed pursuant to the Bylaws on nominations and the candidates selected by the Nomination Committee are therefore officially without opposition and the secretary of the Board will so announce at the annual membership meeting and the nominees shall be deemed elected to the Board without the necessity of mailing official ballots through the United States mail and following the election procedures set forth in these Bylaws. All of the remaining provisions of Article IV, Section 5 of these Bylaws not in conflict herein shall remain in full force and effect.

Voting. On or around the first week of April it shall be the responsibility of the Secretary to have a third party vendor print and mail to each of the members a ballot which shall list by district the names of the candidates nominated by the committee, or by petition. With the ballot, voting instructions and a return envelope shall be included. When received, the member shall vote and certify the ballot as prescribed in the voting instructions contained within the ballot. The ballot must be received by May 1st of that calendar year.

Conduct of Election. All ballots shall be returned to and tabulated by an independent third party vendor. This vendor will certify the validity of each ballot, tabulate the results and provide the results no later than 10 days prior to the Annual Meeting. Within three days after the completion of the result tabulation by the third party vendor, any candidate who is dissatisfied with the report may request in writing that the Board of Directors have the ballots recanvassed. Upon such a request being made the Board of Directors shall have a proper recount of the ballots conducted and thereafter adopt or reject the report of the third party vendor.

SECTION 6. Removal of Directors by Members. Any member may bring sworn charges against a Board member and, by filing with the Secretary such sworn charges in writing together with a notarized petition signed by at least ten per centum of the members, or 300, whichever is greater, may request the removal of such Board member by reason thereof. Such director shall be informed in writing of the charge at least ten days prior to the meeting of the members at which the charges are to be considered and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence in respect of the charges; and the person or persons bringing the charges against him shall have the same opportunity. The question of the removal of such Board member shall be considered and voted upon at the meeting of the members and any vacancy created by such removal may be filled by vote of the members at such meeting without compliance with the foregoing provisions with respect to nominations.

5-18-15
12

Attachments developed due
to Bylaw Revisions
12-18-15
Item 12
Page 13 of 18
Witness: Brian Frasure

**BIG SANDY RECC DRUG TESTING
CONSENT AND RELEASE FORM**

I hereby consent to submit to a drug test and to furnish a sample of my urine, breath, and/or blood for analysis, as shall be determined by Big Sandy RECC for the purpose of a potential candidate for the Board of Directors Election

I further authorize and give full permission to have the Big Sandy RECC and/or its authorized agents and physicians to send the specimen or specimens so collected to a laboratory for a screening test for the presence of any prohibited substances under the policy, and for the laboratory or other testing facility to release any and all documentation relating to such test to the Big Sandy RECC. I further agree to and hereby authorize the release of the results of said tests to the Big Sandy RECC.

I understand that it is the current use of illegal drugs that would prohibit me from being a potential candidate in a Big Sandy RECC Board of Directors election.

I further agree to hold harmless Big Sandy RECC and its agents and physicians from any liability arising in whole or part, out of the collection of specimens, testing, and use of the information from said testing in connection with the Big Sandy RECC.

I further agree that a reproduced copy of this consent and release form shall have the same force and effect as the original.

I have carefully read the foregoing and fully understand its contents. I acknowledge that my signing of this consent and release form is a voluntary act on my part and that I have not been coerced into signing this document by anyone.

APPLICANT:

Print Name: _____ S.S.#: _____

Signature: _____ Date: _____

WITNESS:

Print Name: _____

Signature: _____

Item 12
Page 15 of 18
Witness: Brian Frasure
*Attachments developed
due to Bylaw revisions
12-18-15*

Big Sandy Rural Electric Cooperative Corporation

NOMINATION REQUEST/PETITION

I _____ request the Nomination Committee to nominate me for the office of Director, representing district number _____. I certify that the following statements are true and accurate:

- 1. Place of Residence: _____

- 2. Occupation: _____

- 3. Length of time at last Residence: _____

- 4. Business Interests: _____

- 5. Financial Interests: _____

- 6. Cooperative Employment: _____
Date Start: _____

Date End: _____

Position: _____

- 7. I am an individual.
- 8. I have the capacity to enter into legally binding contracts.
- 9. I have graduated from High School or have earned an equivalent degree or certification.
- 10. I have never been convicted of, or plead guilty to, a felony.
- 11. I have not had a final judgment entered against myself involving civil fraud, ethical violations, discrimination and/or acts of harassment.
- 12. Presently, and seven years prior to requesting to be nominated to the Board, I have not been a debtor in a federal bankruptcy proceeding or a similar proceeding under applicable state law such as insolvency, liquidation, receivership reorganization, or assignment for the benefit of creditors.

13. Presently, and seven years prior to requesting to be nominated to the Board, I have not been a party to a foreclosure or other proceeding (Judicial or non-Judicial), which proceeding is or was instituted because of the Director's default on indebtedness.

14. Test negative for use of illegal drugs and the misuse of any prescription drugs.

I do hereby authorize, and will comply with, a background check by the Cooperative Attorney or his designee to determine the accuracy of the information provided herein.

I understand that submitting inaccurate information herein, failure of a drug test, or certain results from a background check is grounds for automatic disqualification of me as a candidate for the office of Director.

MEMBER SIGNATURE

DATE

I undersigned members of Big Sandy Rural Electric Cooperative Corporation, actually residing in district number _____ sign this petition so that _____ may become a candidate for the office of Director.

Revision of Big Sandy RECC Bylaws; Article VI, Section 7 & 8 & Addition of 8.01

Bylaw Revisions

Article VI Officers

Section 7. Secretary The secretary shall be responsible for:

- (a) Keeping the minutes of the meetings of the members and the Board in books provided for that purpose;
- (b) seeing that all notices are duly given in accordance with these bylaws or as required by law;
- (c) the safekeeping the Corporate books and records and the seal of the Cooperative and affixing the seal of the Cooperative to all certificates of membership prior to the issuance 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;
- (d) keeping a register of the names and post office addresses of all members;
- (e) ~~deletion signing, with the Chairman, certificates of membership, the issue of which shall have been authorized by the Board or the members;~~
- (f) keeping on file at all times a complete copy of the articles of incorporations and bylaws of the Cooperative containing all amendments thereto (which copy shall always be open to the inspection of any member) and at the expense of the Cooperative, furnishing a copy of the bylaws and of all amendments thereto to each member upon request; and
- (g) in general performing all duties incident to the office of secretary and such other duties as time-to-time may be assigned to him by the Board.

Section 8. Treasurer The treasurer shall be responsible for:

- (a) custody of all funds and securities of the Cooperative;
- (b) the receipt of and the issuance of receipts for all monies due and payable to the Cooperative and for the deposit of all such monies in the name of the Cooperative in such bank or banks as shall be selected in accordance with the provisions of these bylaws; and
- (c) in general performance of all the duties incident to the office of Treasurer and such other duties as from time-to-time may be assigned to him by the Board.

ADDITION / REVISION: 8.01 *Notwithstanding the duties, responsibilities and authorities of the Secretary and of the Treasurer hereinbefore provided in Section 7 and 8, the Board of Directors by resolution may, except as otherwise provided by law, delegate, wholly or in part, the responsibility and authority for, and the regular or routine administration of, one or more of*

Revision of Big Sandy RECC Bylaws; Article VI, Section 7 & 8 & Addition of 8.01

such officers' duties to one or more agents, employees or other officers of the Corporation who are not Directors. To the extent that the Board does so delegate with respect to either such officer's duties, that officer as such shall be released from such duties, responsibilities and authorities.

Big Sandy Rural Electric Cooperative Corporation
Case No. 2017-00374
Commission Staff's First Request for Information

13. Provide Big Sandy's equity management plan. Indicate when the plan was adopted and identify any changes made in the plan since the period used as the test year in Big Sandy's most recent rate case. Provide a five-year analysis of the amount of capital credits refunded to members under the plan and indicate the amounts related to general retirements and special retirements (i.e., estates of deceased patrons).

Response:

Please see the Direct Testimony of Brian Frasure provided at Exhibit 9 to Big Sandy's Application and, in particular, Exhibit BF-1 thereof (Big Sandy's Board Policy 300-100 (Equity Management)). Please also see Page 2 of this Response.

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Big Sandy Rural Electric Cooperative
Case No. 2017-00374
July 31, 2016

	<u>General</u>	<u>Estates</u>	<u>Total</u>
2015	\$ -	\$ 66,341	\$ 66,341
2014	-	64,754	\$ 64,754
2013	-	50,598	\$ 50,598
2012	-	67,766	\$ 67,766
2011	-	39,538	\$ 39,538
Prior Years	868,760	1,502,327	\$ 2,371,087
Total	\$ 868,760.00	\$ 1,791,324	\$ 2,660,084

Big Sandy Rural Electric Cooperative Corporation
Case No. 2017-00374
Commission Staff's First Request for Information

14. Provide Big Sandy's written policies on the compensation of its attorneys, auditors, and all other professional service providers. Include a schedule of fees, per diems, and other compensation in effect during the test year. Include all agreements, contracts, memoranda of understanding, and any other documentation that explains the nature and type of reimbursement paid for professional services. If any changes occurred during the test year, indicate the effective date of these changes and the reason for these changes.

Response:

Please see Page 2 through Page 4 of this Response. Also, for proposed adjustments and other information on the nature and type of professional services, please see the Direct Testimony of John Wolfram provided at Exhibit 10 to Big Sandy's Application and, in particular, Exhibit JW-2, Reference Schedule 1.08 thereof.

BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION
POLICY STATEMENT NO. 400-005
SECTION D

SUBJECT: **FUNCTIONS AND COMPENSATION OF
COOPERATIVE ATTORNEYS**

PURPOSE:

- A. To recognize the need for continuing legal guidance and counsel in the regular and special activities of the Cooperative, to insure maximum protection of the legal rights of the Cooperative, and to maintain operational conformity to the limitations prescribed by law.
- B. To provide for the functions of the legal consultant employed as the regular Cooperative Attorney(s) or a monthly retainer fee basis and for additional counsel as required from time to time.

POLICY: It shall be the policy of Big Sandy RECC to maintain a continuing relationship with the Attorney or firm of attorneys for the purpose of procuring the necessary legal assistance and advice to protect the corporate interests of the Cooperative.

The Board of Directors shall designate the Cooperative Attorney(s) upon the recommendation of the President/General Manager.

FUNCTIONS: The services required of the Attorney(s) will vary in nature and extent according to the conditions and problems that arise. These services can be divided into routine and special services.

- A. Routine services shall be rendered on an annual retainer fee basis and shall include the following:
 - 1. Attendance at regular and special Board Meetings, or meetings of committees of the Board, when requested by the Board or President/General Manager.
 - 2. Review of minutes of all Board Meetings, regular or special, to check conformity with the bylaws and applicable state and federal law and regulations.

3. Review of minutes, resolutions, bylaw amendments, notice of meetings, and review of the proceedings of the Annual Meeting of Members, or of Special Meeting of Members, and attending such meetings to be available for consultation and participation if events warrant.
 4. Normal assistance and advice on tax matters, including reports and claims for exemption.
 5. Review and legal approval of contracts and other documents as to form, substance and execution.
 6. Miscellaneous letters and legal matters of a Minor nature not requiring an unusual amount of time, study and attention.
 7. Advice and consultation concerning Miscellaneous matters of cooperative business, including policy and personnel actions, as requested by the Board or President/General Manager.
 8. Attendance at association meetings pertaining to The activities of the Cooperative where special services are not required, and the choice of attending is left to the discretion of the attorney(s).
 9. Handling of loan documents and mortgages.
- B.
1. Attorney(s) may be requested by the Board of Directors to attend legal seminars, NRECA Annual Meetings and Regional Meetings. Such Meetings shall be compensated for at the rate of \$250.00 per day plus expenses. Expenses shall be reimbursed as described in Policy No. 400-010. This amount shall become effective January 1, 2011.
 2. Routine services shall be compensated for and included in the retainer fee of **\$800.00** per month. This amount shall become effective June 23, 2016.
 3. The following benefits will be paid 100% of the Premium cost.
 - (1) Business travel accident insurance.

RESPONSIBILITY: The Board of Directors.

SOURCE: REVISED January 15, 1988
 REVISED June 17, 1994
 REVISED October 16, 1996
 REVISED January 19, 2001
 REVISED February 16, 2001
 REVISED November 16, 2004
 REVISED November 24, 2010
 REVISED JULY 23, 2015
 REVISED June 23, 2016


Kelly Shepherd, Secretary

Big Sandy Rural Electric Cooperative Corporation
Case No. 2017-00374
Commission Staff's First Request for Information

15. Provide Big Sandy's policies specifying the compensation of directors and a schedule of standard directors' fees, per diems, and other compensation in effect during the test year. If changes occurred during the test year, indicate the effective date and the reason for the changes.

Response:

Please see the Direct Testimony of John Wolfram provided at Exhibit 10 to Big Sandy's Application and, in particular, Exhibit JW-2, Reference Schedule 1.09 thereof. Please also see Page 2 and Page 3 of this Response.

BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION
POLICY STATEMENT NO. 400-010
SECTION D

SUBJECT: BOARD OF DIRECTORS - COMPENSATION

OBJECTIVE: To provide fair and equitable compensation for members of the Board of Directors.

- POLICY:**
- A. Per Diem of \$500.00 plus mileage from the Director's home shall be paid to each Director for attending a regular or special Board Meeting.
 - B. Directors authorized to attend any meeting, workshop, seminars, etc. shall be paid \$300.00 per day and shall be reimbursed for all legitimate expenses for attendance at such meetings. A detailed expense account, with receipts attached as appropriate shall be submitted to the Board for approval. No expenses will be paid for spouses of Directors accompanying them to meetings. Travel shall be reimbursed on the following basis.
 - 1. If commercial air travel is available, then without regard to the mode actually used, reimbursement shall be for the expenses actually incurred in an amount not to exceed round trip air coach fare, if the same is available; otherwise, first class fare, plus cost of transportation to and from airport and other expenses attendant to air travel.
 - 2. Mileage reimbursement, plus toll costs, for use of personal automobile shall be at the rate set forth in Policy No. 100-015, Section A.
 - 3. Expenses incurred for travel earlier than sufficient time to attend a meeting shall not be reimbursed.
 - C. The following benefits will be paid 100% of the premium cost:
 - 1. Business travel accident insurance.
 - 2. 24-Hour accident insurance.

D. Travel and Per Diem

1. \$300 Per Diem will be paid for one (1) day before meeting; if overnight stay is required.
2. If meeting ends late and overnight stay is required, \$300 Per Diem would be paid for the following day.
3. Directors are allowed to attend, if so desired, two (2) of the following meetings yearly:

NRECA Director's Conference
NRECA Annual Meeting (*Allowed every other year.)
Legislative Conference (*Every other year)

a. * It is encouraged to split up attendance of above meetings so that a representative is in attendance at all three meetings every year.
4. KAEC & EKPC Annual Meetings – Available to all every year.
5. Any other meeting desiring to attend, must be presented prior to the board for approval.
6. Director must be willing and able to travel alone – if necessary. (No Staff or CEO)

RESPONSIBILITY: It shall be the responsibility of the Chairman of the Board to see that the provisions of the policy are carried out.

SOURCE: ADOPTED: January 18, 1991
AMENDED: December 16, 1993
June 17, 1994
April 19, 1996
February 18, 2000
January 19, 2001
February 16, 2001
November 24, 2010
January 24, 2013
February 28, 2013
REVISED: JUNE 23, 2016


Kelly Shepherd

Policy #400-010

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Big Sandy Rural Electric Cooperative
Case No. 2017-00374
Annual Meeting Information
July 31, 2016

Data for the last five (5) annual meetings are as follows:

<u>Year</u>	<u>Members Attending</u>	<u>Members Voting</u>	<u>Cost</u>
2017	357	1815	\$ 45,087
2016	409	0	\$ 29,772
2015	432	0	\$ 46,663
2014	457	0	\$ 27,030
2013	459	0	\$ 31,419
2012	423	0	\$ 25,014

Big Sandy Rural Electric Cooperative Corporation
Case No. 2017-00374
Commission Staff's First Request for Information

16. Provide the date, time, and a general description of the activities at the most recent annual members' meeting. Indicate the number of new board members elected. For the most recent meeting and the five previous annual members' meetings, provide the number of members in attendance, the number of members voting for new board members, and the total cost of the meeting.

Response:

Big Sandy's most recent annual members' meeting was held May 18, 2017, beginning at 6:00 p.m. Activities at this meeting included member registration, presentations and material giveaways regarding energy efficiency and cooperative practices, entertainment and, of course, the business meeting. One (1) new board member (Mr. George Spriggs) was elected via mail-in ballot and confirmed at the 2017 meeting; no contested elections had been held in the five (5) years preceding the 2017 annual meeting. Please see Page 2 of this Response for the additional information requested with respect to the 2017 meeting and the five (5) previous annual members' meetings.

Big Sandy Rural Electric Cooperative Corporation
Case No. 2017-00374
Commission Staff's First Request for Information

17. Provide the following:
- a. A schedule showing, by customer class (e.g., residential, commercial, or industrial), the amount and percent of any proposed increase or decrease in revenue distributed to each class. Provide a detailed explanation of the methodology or basis used to allocate the requested increase or decrease in revenue to each of the respective customer classes.
 - b. A schedule showing how the increase or decrease in (a) above was further distributed to each rate charge (e.g., customer or facility charge, kilowatt-hour ("kWh") charge). Explain in detail the methodology or basis used to allocate the increase or decrease.
 - c. If the rate schedule contains a demand charge, describe in detail how the proposed demand charge was determined. Provide all calculations, assumptions, work papers, methodologies, etc., used in the development of the proposed demand charge.
 - d. If the rate schedule contains a monthly customer charge, describe in detail how the proposed customer charge was determined. Provide all calculations, assumptions, work papers, methodologies, etc., used in the development of the proposed customer charge.
 - e. A reconciliation of the Fuel Adjustment Clause ("FAC") revenue and expense for the test year. The net result of this adjustment should be to remove all FAC revenue and expense from test-year revenue and expense.
 - f. A reconciliation of the Environmental Surcharge ("ES") revenue and expense for the test year. The net result of this adjustment should remove all ES revenue and expense from test-year revenue and expense.

Response:

- a. Please see the Direct Testimony of John Wolfram provided at Exhibit 10 to Big Sandy's Application and, in particular, Exhibit JW-9 thereof. The process is described in Mr. Wolfram's testimony beginning on page 23.
- b. Please see Mr. Wolfram's testimony, Exhibit JW-9. The process is described in Mr. Wolfram testimony, pages 23-26.
- c. Please see Mr. Wolfram's testimony, Exhibit JW-9. The process is described in Mr. Wolfram's testimony, pages 22-26.
- d. Please see Mr. Wolfram's testimony, Exhibit JW-9. The process is described in Mr. Wolfram's testimony, pages 22-26.
- e. Please see Mr. Wolfram's testimony, Exhibit JW-2, Reference Schedule 1.15.
- f. Please see Mr. Wolfram's testimony, Exhibit JW-2, Reference Schedule 1.16.

Big Sandy Rural Electric Cooperative Corporation
Case No. 2017-00374
Commission Staff's First Request for Information

18. For each rate schedule (rate class), provide the following information for the test year:
- a. Number of customers;
 - b. KWh sales;
 - c. Rate schedule's percent of Big Sandy's total kWh sales;
 - d. Monthly peak kilowatt ("kW") demands for the rate schedule;
 - e. Total revenue collected; and
 - f. Rate schedule's percent of Big Sandy's total revenues.

Response:

- a-f. Please see the Direct Testimony of John Wolfram provided at Exhibit 10 to Big Sandy's Application and, in particular, Exhibit JW-6, pages 1-2 thereof.

Big Sandy Rural Electric Cooperative Corporation
Case No. 2017-00374
Commission Staff's First Request for Information

19. Provide a schedule of purchased power costs for the test year and the 12-month period immediately preceding the test year, by vendor, separated into demand and energy components. Include kW and kWh purchased. Indicate any estimates used and explain their use in detail.

Response:

Please see Page 2 and Page 3 of this Response. Test year purchased power costs were also included as part of the Direct Testimony of John Wolfram provided at Exhibit 10 to Big Sandy's Application and, in particular, Exhibit JW-7 thereof. The values are sourced directly from wholesale power bills and are not estimates.

BIG SANDY RECC
Purchased Power: Test Year

#	Item	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	TOTAL
1														
2	Billing Demand (kW)	41,132	39,077	38,971	50,103	46,816	64,965	51,160	40,204	35,609	36,134	42,192	44,764	531,127
3	Energy (kWh)	18,763,366	16,042,902	15,419,582	17,928,815	19,991,023	30,286,526	23,398,479	17,874,633	15,284,619	15,095,397	17,934,275	20,532,025	228,551,642
4	Demand Charge	248,591	236,363	235,583	302,600	282,810	392,070	308,962	243,006	215,344	218,505	254,974	270,457	3,209,265
5	Energy Charge	932,895	794,841	745,014	866,372	966,388	1,462,376	1,129,480	863,140	737,855	743,679	892,658	1,022,337	11,157,035
6	Metering Point	1,296	1,296	1,296	1,296	1,296	1,296	1,296	1,296	1,296	1,296	1,296	1,296	15,552
7	Sub/Wheeling Charge	29,073	29,073	29,073	29,073	29,073	29,073	29,073	29,073	29,073	29,073	29,073	29,073	348,876
8	Fuel Adjustment Clause	(67,359)	(57,754)	(68,771)	(64,364)	(59,973)	(138,105)	(72,300)	(97,774)	(105,464)	(94,798)	(114,061)	(89,929)	(1,030,652)
9	Environmental Surcharge	182,089	163,121	160,833	210,084	229,407	321,393	223,442	113,431	125,568	157,915	202,042	241,714	2,331,039
10	SUBTOTAL	1,326,585	1,166,940	1,103,028	1,345,061	1,449,001	2,068,103	1,619,953	1,152,172	1,003,672	1,055,670	1,265,982	1,474,948	16,031,115
11	Direct Load Control	(1,588)	(1,563)	(1,566)	(1,566)	(1,576)	(1,576)	(1,567)	(1,567)	(1,566)	(1,566)	(1,566)	(1,566)	(18,833)
12	Direct Load Surcharge	(253)	(254)	(267)	(290)	(296)	(290)	(251)	(171)	(224)	(275)	(297)	(307)	(3,175)
13	Direct Load Total Charge	(1,841)	(1,817)	(1,833)	(1,856)	(1,872)	(1,866)	(1,818)	(1,738)	(1,790)	(1,841)	(1,863)	(1,873)	(22,008)
14	Green Power KWH	5,800	5,800	5,800	5,800	5,800	5,800	5,800	5,800	5,800	5,800	5,800	5,800	69,600
15	Green Power Charge	138	138	138	138	138	138	138	138	138	145	145	145	1,677
16	Generator Credit	-	-	-	-	-	-	-	-	-	-	-	-	-
17	TOTAL	1,324,882	1,165,261	1,101,333	1,343,343	1,447,267	2,066,375	1,618,273	1,150,572	1,002,020	1,053,974	1,264,264	1,473,220	16,010,784
18														
19														
20	Total Demand \$	\$ 278,960	\$ 266,732	\$ 265,952	\$ 332,969	\$ 313,179	\$ 422,439	\$ 339,331	\$ 273,375	\$ 245,713	\$ 248,874	\$ 285,343	\$ 300,826	\$ 3,573,693
21	Total Energy \$	\$ 1,045,922	\$ 898,529	\$ 835,381	\$ 1,010,374	\$ 1,134,088	\$ 1,643,936	\$ 1,278,942	\$ 877,197	\$ 756,307	\$ 805,100	\$ 978,921	\$ 1,172,394	\$ 12,437,091
22	Total \$	\$ 1,324,882	\$ 1,165,261	\$ 1,101,333	\$ 1,343,343	\$ 1,447,267	\$ 2,066,375	\$ 1,618,273	\$ 1,150,572	\$ 1,002,020	\$ 1,053,974	\$ 1,264,264	\$ 1,473,220	\$ 16,010,784
23	Variance \$	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
24	Total Demand %	0.21	0.23	0.24	0.25	0.22	0.20	0.21	0.24	0.25	0.24	0.23	0.20	0.22
25	Total Energy %	0.79	0.77	0.76	0.75	0.78	0.80	0.79	0.76	0.75	0.76	0.77	0.80	0.78

BIG SANDY RECC
Purchased Power: 12 Months Preceding Test Year

#	Item	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	TOTAL
1														
2	Billing Demand (kW)	39,383	36,422	29,188	64,301	53,608	73,033	89,632	66,884	38,247	37,200	41,360	44,858	614,116
3	Energy (kWh)	19,210,185	16,262,158	16,362,701	23,787,502	24,771,048	29,947,936	30,679,811	21,880,398	15,409,329	16,899,440	18,626,731	19,787,468	253,624,707
4	Demand Charge	238,262	220,274	176,689	388,070	323,698	440,637	540,563	403,619	231,225	224,921	250,075	271,166	3,709,199
5	Energy Charge	954,376	804,447	791,371	1,149,218	1,197,153	144,636	1,480,527	1,056,133	744,115	835,904	925,949	983,491	11,067,320
6	Metering Point	1,296	1,296	1,296	1,296	1,296	1,296	1,296	1,296	1,296	1,296	1,296	1,296	15,552
7	Sub/Wheeling Charge	29,073	29,073	29,073	29,073	29,073	29,073	29,073	29,073	29,073	29,073	29,073	29,073	348,876
8	Fuel Adjustment Clause	48,025	40,655	(4,910)	(53,283)	(19,815)	(99,128)	(91,426)	(88,832)	(85,215)	(123,702)	(44,330)	(54,218)	(576,179)
9	Environmental Surcharge	182,774	138,283	134,423	235,788	259,572	252,368	267,937	161,008	100,333	139,707	210,217	226,959	2,309,369
10	SUBTOTAL	1,453,806	1,234,028	1,127,942	1,750,162	1,790,977	2,070,582	2,227,970	1,562,297	1,020,827	1,107,199	1,372,280	1,457,767	18,175,837
11	Direct Load Control	(1,229)	(1,374)	(1,374)	(1,374)	(1,374)	(1,378)	(1,378)	(1,378)	(1,378)	(1,444)	(1,444)	(1,588)	(16,713)
12	Direct Load Surcharge	(177)	(173)	(186)	(214)	(233)	(191)	(188)	(158)	(150)	(209)	(261)	(293)	(2,433)
13	Direct Load Total Charge	(1,406)	(1,547)	(1,560)	(1,588)	(1,607)	(1,569)	(1,566)	(1,536)	(1,528)	(1,653)	(1,705)	(1,881)	(19,146)
14	Green Power KWH	5,800	5,800	5,800	5,800	5,800	5,800	580	5,800	5,800	5,800	5,800	5,800	64,380
15	Green Power Charge	138	138	138	138	138	138	138	138	138	138	138	138	1,656
16	Generator Credit	-	-	-	-	-	-	-	-	-	-	-	-	-
17	TOTAL	1,452,538	1,232,619	1,126,520	1,748,712	1,789,508	2,069,151	2,226,542	1,560,899	1,019,437	1,105,684	1,370,713	1,456,024	18,158,347
18														
19														
20	Total Demand \$	\$ 268,631	\$ 250,643	\$ 207,058	\$ 418,439	\$ 354,067	\$ 471,006	\$ 570,932	\$ 433,988	\$ 261,594	\$ 255,290	\$ 280,444	\$ 301,535	\$ 4,073,627
21	Total Energy \$	\$ 1,183,907	\$ 981,976	\$ 919,462	\$ 1,330,273	\$ 1,435,441	\$ 1,598,145	\$ 1,655,610	\$ 1,126,911	\$ 757,843	\$ 850,394	\$ 1,090,269	\$ 1,154,489	\$ 14,084,720
22	Total \$	\$ 1,452,538	\$ 1,232,619	\$ 1,126,520	\$ 1,748,712	\$ 1,789,508	\$ 2,069,151	\$ 2,226,542	\$ 1,560,899	\$ 1,019,437	\$ 1,105,684	\$ 1,370,713	\$ 1,456,024	\$ 18,158,347
23	Variance \$	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
24	Total Demand %	0.18	0.20	0.18	0.24	0.20	0.23	0.26	0.28	0.26	0.23	0.20	0.21	0.22
25	Total Energy %	0.82	0.80	0.82	0.76	0.80	0.77	0.74	0.72	0.74	0.77	0.80	0.79	0.78

Big Sandy Rural Electric Cooperative Corporation
Case No. 2017-00374
Commission Staff's First Request for Information

20. Describe how the test-year capitalization rate was determined. If differing rates were used for specific expenses (e.g., payroll, transportation clearing accounts, depreciation, etc.), indicate the rate and how it was determined. Indicate all proposed changes to the test-year capitalization rate and how they were determined.

Response:

The test year capitalization rate is described in Big Sandy's Response to Item 26. Big Sandy allocated to the accounts based on how payroll expenses were allocated during the test year, because the benefit expense is allocated based on how payroll is charged. Please see Big Sandy's Response to Item 26, Page 2. Big Sandy is not proposing any changes to the test year capitalization rates.

Big Sandy Rural Electric Cooperative Corporation
Case No. 2017-00374
Commission Staff's First Request for Information

21. Provide the following:
- a. A schedule of salaries and wages for the test year and each of the three calendar years preceding the test year as shown in Format 21a. For each time period, provide the amount of overtime pay.
 - b. A schedule showing the percentage of increase in salaries and wages for both union and non-union employees for the test year and the five preceding calendar years.

Response:

- a. Please see Page 2 of this Response.
- b. Please see Page 3 and Page 4 of this Response.

Big Sandy Rural Electric Cooperative
Case No. 2017-00374

Analysis of Salaries and Wages
For the calendar years 2013 through 2015
and the Test Year ended July 31, 2016

Line No	Item (a)	Twelve Months Ended						Test year 2016	
		2013		2014		2015		Amount (l)	% (m)
		Amount (f)	% (g)	Amount (h)	% (i)	Amount (j)	% (k)		
1	Wages charged to expense:								
2	Distribution expense	612	-7%	703	15%	751	7%	671	-11%
3	Customer accounts expense	244	-6%	273	12%	263	-4%	267	2%
4	Customer service and information	41	-7%	44	7%	46	5%	33	-28%
5	Sales expense								
6	Administrative and general expenses:								
	(a) Administrative and general	287	-3%	297	3%	309	4%	319	3%
	(b) Office supplies and expense								
	(h) Miscellaneous general	233	34%	238	2%	252	6%	250	-1%
	(i) Maintenance of general plant	12	0%	8	-33%	7	-13%	15	114%
7	Total administrative and general expenses L6(a) to L6(i)	532	11%	543	-3%	568	5%	584	-3%
8	Charged to clearing and others	241	-5%	265	10%	253	-5%	242	-4%
9	Total salaries and wages charged to expense and other L2 to L6 + L7 + L8	1,670	-2%	1,828	9%	1,881	3%	1,797	-4%
10	Wages capitalized	468	-8%	489	4%	528	8%	577	9%
11	Total salaries and wages	2,138	-3%	2,317	8%	2,409	4%	2,374	-1%
12	Ratio of salaries and wages charged to expense to total wages L9 / L11	78%		79%		78%		76%	
13	Ratio of salaries and wages capitalized to total wages L10 / L11	22%		21%		22%		24%	
14	Overtime wages	121	-45%	192	59%	211	10%	156	-26%
15	Overtime hours	3,135	-45%	4,656	49%	5,092	9%	3,724	-27%

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Big Sandy Rural Electric Cooperative
Case No. 2017-00374
Percentage of Increase in Salaries
July 31, 2016

Employee Ref #	Full/Part/Temp	Hourly/Salary	Union/Non-union	Twelve Months Ended												Test year 2016	
				2010		2011		2012		2013		2014		2015		Amount	%
				Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%		
ER001	Full	Salary	Non-union	\$ 65,540	1%	\$ 2,087	-97%	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-
ER002	Full	Hourly	Union	55,636	2%	56,487	2%	57,700	2%	58,950	2%	60,823	3%	61,016	0%	25,290	-59%
ER003	Full	Hourly	Union	49,789	-13%	56,081	13%	61,005	9%	60,817	0%	61,125	1%	60,532	-1%	61,502	2%
ER004	Full	Hourly	Non-union	53,668	3%	55,110	3%	56,334	2%	57,378	2%	58,422	2%	63,345	8%	64,834	2%
ER005	Full	Hourly	Union	53,339	1%	54,231	2%	54,736	1%	57,483	5%	57,772	1%	59,063	2%	58,967	0%
ER006	Full	Hourly	Union	53,355	2%	54,230	2%	55,459	2%	57,482	4%	57,854	1%	59,049	2%	58,966	0%
ER007	Full	Hourly	Union	51,363	4%	52,011	1%	52,547	1%	54,267	3%	55,100	2%	55,833	1%	56,223	1%
ER008	Full	Salary	Non-union	64,624	3%	68,212	6%	69,948	3%	70,924	1%	73,080	3%	74,124	1%	74,142	0%
ER009	Full	Hourly	Union	58,573	2%	59,942	2%	60,613	1%	62,198	3%	55,664	-11%	62,974	13%	64,066	2%
ER010	Full	Salary	Non-union	70,513	0%	71,625	2%	72,913	2%	72,924	7%	80,012	3%	81,056	1%	81,048	0%
ER011	Full	Hourly	Union	49,357	-6%	54,215	10%	54,742	1%	50,711	-7%	58,528	15%	56,095	-4%	37,393	-33%
ER012	Full	Hourly	Union	53,339	4%	54,174	2%	45,003	-17%	51,068	13%	58,527	15%	59,049	1%	59,426	1%
ER013	Full	Hourly	Non-union	27,802	-31%	7,533	-73%	-	-	-	-	-	-	-	-	-	-
ER014	Full	Hourly	Union	52,731	2%	54,174	3%	55,342	2%	55,866	1%	56,857	2%	57,461	1%	57,762	1%
ER015	Full	Hourly	Union	61,807	37%	46,765	-24%	47,989	3%	48,116	0%	24,891	-48%	-	-	-	-
ER016	Full	Hourly	Non-union	55,652	1%	56,534	2%	56,975	1%	59,780	5%	60,125	1%	64,699	8%	71,397	10%
ER017	Full	Hourly	Union	55,283	5%	55,068	0%	55,092	0%	57,713	5%	57,899	0%	59,110	2%	59,892	1%
ER018	Full	Hourly	Union	53,176	3%	54,561	3%	55,859	2%	57,117	2%	57,129	0%	58,587	3%	59,185	1%
ER019	Full	Hourly	Non-union	25,851	10%	38,572	49%	40,716	6%	41,760	3%	41,760	0%	11,408	-73%	-	-
ER020	Full	Hourly	Union	53,923	7%	54,889	2%	56,091	2%	57,528	3%	57,920	1%	58,838	2%	59,759	2%
ER021	Full	Hourly	Union	53,336	3%	55,124	3%	55,654	1%	55,592	0%	58,927	6%	39,860	-32%	33,078	-17%
ER022	Full	Hourly	Union	53,186	7%	54,924	3%	55,636	1%	57,040	3%	57,524	1%	58,299	1%	58,964	1%
ER023	Full	Hourly	Union	53,258	3%	54,855	3%	55,576	1%	57,015	3%	58,004	2%	47,819	-18%	54,002	13%
ER024	Full	Hourly	Union	29,785	-41%	-	-	-	-	-	-	-	-	-	-	-	-
ER025	Full	Hourly	Non-union	12,516	-42%	-	-	-	-	-	-	-	-	-	-	-	-
ER026	Part	Hourly	Union	15,674	240%	34,232	118%	21,309	-38%	-	-	-	-	-	-	-	-
ER027	Part	Hourly	Non-union	12,672	23%	-	-	-	-	-	-	-	-	-	-	-	-
ER028	Part	Hourly	Non-union	5,140	-	-	-	-	-	-	-	-	-	-	-	-	-
ER029	Full	Hourly	Union	23,826	-	53,697	125%	55,833	4%	57,158	2%	58,005	1%	58,547	1%	58,490	0%
ER030	Part	Hourly	Non-union	-	-	8,295	-	-	-	-	-	-	-	-	-	-	-
ER031	Part	Hourly	Non-union	-	-	10,094	-	-	-	-	-	-	-	-	-	-	-
ER032	Part	Hourly	Non-union	-	-	1,638	-	-	-	-	-	-	-	-	-	-	-
ER033	Part	Hourly	Non-union	-	-	7,360	-	-	-	-	-	-	-	-	-	-	-
ER034	Full	Hourly	Non-union	44,804	1%	45,355	1%	43,944	-3%	19,215	-56%	-	-	-	-	-	-
ER035	Full	Salary	Non-union	76,037	4%	87,689	15%	104,526	19%	114,965	10%	119,016	4%	120,731	1%	123,148	2%
ER036	Full	Salary	Non-union	46,071	0%	46,927	2%	48,942	4%	50,174	3%	51,219	2%	32,005	-38%	-	-
ER037	Full	Salary	Non-union	65,207	0%	66,259	2%	67,526	2%	68,570	2%	70,658	3%	71,702	1%	72,031	0%
ER038	Full	Hourly	Non-union	40,439	0%	45,235	12%	46,541	3%	48,629	4%	49,674	2%	52,285	5%	53,644	3%
ER039	Full	Hourly	Non-union	33,740	4%	34,227	1%	35,371	3%	38,681	9%	41,972	9%	45,762	9%	47,114	3%
ER040	Full	Hourly	Non-union	32,028	1%	32,506	1%	14,950	-54%	-	-	-	-	-	-	-	-
ER041	Full	Hourly	Non-union	32,612	0%	33,120	2%	34,632	5%	36,331	5%	38,328	5%	39,463	3%	39,915	1%
ER042	Full	Hourly	Non-union	17,949	-23%	2,798	-84%	-	0%	-	-	-	-	-	-	-	-
ER043	Full	Salary	Non-union	41,335	0%	43,027	4%	46,777	9%	52,200	12%	53,244	2%	54,288	2%	54,684	1%
ER044	Full	Hourly	Non-union	27,183	5%	3,445	-87%	-	0%	-	-	-	-	-	-	-	-
ER045	Full	Salary	Non-union	113,814	13%	-	-	-	-	-	-	-	-	-	-	-	-
ER046	Full	Salary	Non-union	43,507	0%	45,126	4%	46,312	3%	51,323	11%	53,411	4%	54,455	2%	54,851	1%
ER047	Full	Hourly	Non-union	27,169	5%	25,177	-7%	28,794	14%	15,950	-45%	-	-	-	-	-	-

Witness: Brian Frasure
Page 3 of 4
Item 21

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Big Sandy Rural Electric Cooperative
Case No 2017-00374
Percentage of Increase in Salaries
July 31, 2016

Employee Ref #	Full/Part/Temp	Hourly/Salary	Union/Non-union	Twelve Months Ended												Test year 2016		
				2010		2011		2012		2013		2014		2015		Amount	%	
				Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%			
ER048	Full	Salary	Non-union	34,474	0%	35,059	2%	36,206	3%	41,217	14%	43,585	6%	47,231	8%	47,956	2%	
ER049	Full	Hourly	Non-union	-	0	22,756	-	25,056	10%	23,012	-8%	29,978	30%	32,968	10%	33,916	3%	
ER050	Full	Hourly	Non-union	25,050	34%	25,612	2%	27,227	6%	29,755	9%	33,864	14%	36,640	8%	38,044	4%	
ER051	Full	Salary	Non-union	17,970	-	42,862	139%	20,514	-52%	-	-	-	-	-	-	-	-	
ER052	Full	Hourly	Non-union	-	-	20,932	-	24,564	17%	7,430	-70%	-	-	-	-	-	-	
ER053	Full	Hourly	Non-union	-	-	-	-	15,938	-	24,960	57%	25,579	2%	24,251	-5%	26,262	8%	
ER054	Full	Salary	Non-union	-	-	-	-	21,412	-	-	-	-	-	-	-	-	-	
ER055	Full	Salary	Non-union	-	-	-	-	18,708	-	43,194	131%	46,107	7%	48,379	5%	49,401	2%	
ER056	Full	Salary	Non-union	-	-	-	-	7,584	-	32,720	331%	45,623	39%	46,145	1%	40,894	-11%	
ER057	Full	Hourly	Non-union	-	-	-	-	-	-	2,288	-	-	-	-	-	-	-	
ER058	Full	Hourly	Non-union	-	-	-	-	-	-	12,870	-	23,846	85%	24,534	3%	21,340	-13%	
ER059	Temp	Hourly	Non-union	-	-	-	-	-	-	1,849	-	2,820	53%	-	-	-	-	
ER060	Full	Hourly	Non-union	-	-	-	-	-	-	5,565	-	18,736	237%	23,490	25%	23,702	1%	
ER061	Full	Hourly	Non-union	-	-	-	-	-	-	116	-	-	-	-	-	-	-	
ER062	Full	Hourly	Non-union	-	-	-	-	-	-	616	-	3,872	529%	-	-	-	-	
ER063	Part	Hourly	Non-union	-	-	-	-	-	-	-	-	9,420	-	-	-	-	-	
ER064	Part	Hourly	Non-union	-	-	-	-	-	-	-	-	9,570	-	-	-	-	-	
ER065	Temp	Hourly	Non-union	-	-	-	-	-	-	-	-	964	-	-	-	-	-	
ER066	Full	Hourly	Union	-	-	-	-	-	-	-	-	17,996	-	31,212	73%	41,963	34%	
ER067	Temp	Hourly	Non-union	-	-	-	-	-	-	-	-	3,680	-	-	-	-	-	
ER068	Temp	Hourly	Non-union	-	-	-	-	-	-	-	-	3,580	-	-	-	-	-	
ER069	Full	Hourly	Union	-	-	-	-	-	-	-	-	19,469	-	49,172	153%	51,017	4%	
ER070	Temp	Hourly	Non-union	-	-	-	-	-	-	-	-	1,530	-	4,151	171%	508	-88%	
ER071	Full	Hourly	Union	-	-	-	-	-	-	-	-	15,136	-	46,848	210%	48,071	3%	
ER072	Full	Hourly	Non-union	-	-	-	-	-	-	-	-	-	-	35,834	-	52,712	47%	
ER073	Full	Hourly	Union	-	-	-	-	-	-	-	-	-	-	19,402	-	46,884	142%	
ER074	Part	Hourly	Non-union	-	-	-	-	-	-	-	-	-	-	2,760	-	2,760	0%	
ER075	Part	Hourly	Non-union	-	-	-	-	-	-	-	-	-	-	2,298	-	7,933	245%	
ER076	Full	Hourly	Non-union	-	-	-	-	-	-	-	-	-	-	8,272	-	21,992	166%	
ER077	Full	Hourly	Union	-	-	-	-	-	-	-	-	-	-	9,806	-	42,553	334%	
Subtotal (with Average %)				Union	\$930,736	10.9%	\$959,660	11.2%	\$956,186	-0.9%	\$956,121	1.7%	\$1,005,150	-0.4%	\$1,068,571	17.1%	\$1,093,453	17.9%
Subtotal (with Average %)				Non-union	\$1,113,367	0.2%	\$985,172	-1.9%	\$1,012,410	0.0%	\$1,029,396	8.2%	\$1,093,675	19.6%	\$1,102,276	3.0%	\$1,104,228	7.3%
Totals					\$2,044,103	3.9%	\$1,944,832	-4.9%	\$1,968,596	1.2%	\$1,985,516	0.9%	\$2,098,825	5.7%	\$2,170,847	3.4%	\$2,197,681	1.2%

Big Sandy Rural Electric Cooperative Corporation
Case No. 2017-00374
Commission Staff's First Request for Information

22. Provide the following payroll information for each employee:
- a. The actual regular hours worked during the test year;
 - b. The actual overtime hours worked during the test year;
 - c. The test-year-end wage rate for each employee and the date of the last increase; and
 - d. A calculation of the percent of increase granted during the test year.
 - e. The annual percentage of increase granted for both salaried and hourly employees for 2013 to 2017. The information shall identify all the employees as either salaried or hourly, and also as either full-time, part-time, or temporary. Employee numbers or other identifiers should be used instead of employee names. Include an explanation of how the overtime pay rate is determined. All employees terminated during the test year shall be identified (along with the month in which the termination occurred), as well as those employees who replaced terminated employees or were otherwise added to the payroll during the test year. If Big Sandy has more than 100 employees, the above information may be provided by employee classification.

Response:

- a-c. Please see Page 2 and Page 3 of this Response
- d-e. Please see Big Sandy's Response to Item 21 of this Request for Information. Overtime pay is calculated at 1.5x an employee's regular pay rate. During the test year and the twelve (12) months thereafter, the following employees (as identified on Page 3 and Page 4 of Big Sandy's Response to Item 21 of this Request for Information) began or ceased employment at Big Sandy:
- C01 – temporary employee, ceased employment 8/14/2015 with no replacement;
 - C02 – part-time employee, ceased employment 10/20/2015 with no replacement;
 - C03 – part-time employee, ceased employment 03/31/2017 with no replacement;
 - D01 – full-time employee, ceased employment 12/31/2015 and replaced with existing employee (#38);
 - D02 - full-time employee, ceased employment 07/29/2016 with no replacement;
 - D03 – full-time employee, ceased employment 05/2/2017 with no replacement;
 - B30 – hired 10/29/2015

1 Big Sandy Rural Electric Cooperative
2 Case No. 2017-00374
3 Test year July 31, 2016
4

5		Emp	Hours Worked		Test Year	Increase
6		Ref #	Reg Hrs	OT Hrs	End Rate	Date
7						
8		Salary Employees				
9	1	A01	2,080.00		35.75	1/1/2016
10	1	A02	2,080.00		39.07	1/1/2016
11	1	A03	2,080.00		59.40	9/1/2015
12	1	A04	2,080.00		34.84	1/1/2016
13	1	A05	2,080.00		26.50	1/1/2016
14	1	A06	2,080.00		26.58	1/1/2016
15	1	A07	2,080.00		23.37	1/1/2016
16	1	A08	2,080.00		24.17	1/1/2016
17	1	A09	1,833.00		22.50	1/1/2016
18	9	Subtotal	18,473.00	-		
19						
20		Hourly Employees:				
21	1	B01	1,995.96	77.50	31.01	1/1/2016
22	1	B02	2,080.00	46.00	31.38	1/1/2016
23	1	B03	2,064.00	1,121.00	28.78	1/1/2016
24	1	B04	2,064.00	698.00	28.78	1/1/2016
25	1	B05	2,080.00	52.50	27.24	1/1/2016
26	1	B06	2,080.00	86.00	31.01	1/1/2016
27	1	B07	2,080.00	23.50	27.98	1/1/2016
28	1	B08	2,080.00	26.00	35.12	1/1/2016
29	1	B09	2,080.00	496.00	28.78	1/1/2016
30	1	B10	2,080.00	61.50	28.53	1/1/2016
31	1	B11	2,080.00	220.50	28.94	1/1/2016
32	1	B12	1,150.29	4.50	28.94	2/24/2016
33	1	B13	2,075.96	139.50	28.53	1/1/2016
34	1	B14	1,905.00	39.50	28.53	1/1/2016
35	1	B15	2,064.00	89.50	29.03	1/1/2016
36	1	B16	2,080.00	3.00	26.00	1/1/2016
37	1	B17	2,080.00	11.00	22.86	1/1/2016
38	1	B18	2,080.00	21.00	19.40	1/1/2016
39	1	B19	2,082.00	10.50	16.50	1/1/2016
40	1	B20	2,080.00	23.50	18.50	1/1/2016
41	1	B21	1,894.00	6.00	14.50	1/1/2016
42	1	B22	1,796.49	4.00	12.00	1/1/2016

1 Big Sandy Rural Electric Cooperative
2 Case No. 2017-00374
3 Test year July 31, 2016
4

5		Emp	Hours Worked		Test Year	Increase
6		Ref #	Reg Hrs	OT Hrs	End Rate	Date
7						
43	1	B23	2,080.00	10.00	11.50	1/1/2016
44	1	B24	2,080.00	62.00	22.10	3/9/2016
45	1	B25	2,080.00	58.00	25.04	1/1/2016
46	1	B26	2,064.00	137.00	24.03	6/1/2016
47	1	B27	2,076.00		25.50	1/1/2016
48	1	B28	2,080.00	38.00	25.50	1/1/2016
49	1	B29	1,952.00	7.50	11.50	2/1/2016
50	1	B30	1,540.50	123.50	27.74	1/1/2016
51	30	Subtotal	60,004.20	3,696.50		
52						
53		Part Time & Summer Employees				
54	1	C01	70.00		0.00	
55	1	C02	276.00		0.00	
56	1	C03	1,045.50		0.00	
57	3	Subtotal	1,391.50	-		
58						
59		Retired Employees				
60	1	D01	860.77		0.00	
61	1	D02	1,469.12	3.00	0.00	
62	1	D03	2,080.00	24.50	0.00	
63	3	Subtotal	4,409.89	27.50		
64						
65	39	Total	84,278.59	3,724.00		

Big Sandy Rural Electric Cooperative Corporation
Case No. 2017-00374
Commission Staff's First Request for Information

23. Provide the following payroll tax information:
- a. The base wages and salaries used to calculate the taxes, with an explanation of how the base wages and salaries were determined; and
 - b. The tax rates in effect at test-year-end.

Response:

- a-b. Please see the Direct Testimony of John Wolfram provided at Exhibit 10 to Big Sandy's Application and, in particular, Exhibit JW-2, Reference Schedule 1.02 thereof.

Big Sandy Rural Electric Cooperative Corporation
Case No. 2017-00374
Commission Staff's First Request for Information

24. Provide the following tax data for the test year:
- a. A schedule of franchise fees paid to cities, towns, or municipalities during the test year, including the basis of these fees; and
 - b. An analysis of operating taxes imposed by Kentucky as shown in Format 24b.

Response:

- a. Please see Page 2 of this Response.
- b. Please see Page 3 of this Response.

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Big Sandy Rural Electric Cooperative
Case No. 2017-00374
July 31, 2016

	<u>2014</u>	<u>2015</u>
Payments:		
Ky State Treas	10.00	10.00
Ky State Treas, Public Service Company	105,115.99	104,481.63
Floyd County	65,642.75	64,898.85
Johnson County	100,593.97	102,708.80
Martin County	11,569.26	13,835.73
Lawrence County	10,028.36	9,455.40
Knott County	7,967.33	8,894.86
Morgan County	666.93	712.39
Breathitt County	203.91	220.18
Magoffin County	51.26	10.34
Paintsville City	5,993.33	7,176.72
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	307,843.09	312,404.90
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Big Sandy Rural Electric Cooperative
Case No. 2017-00374
Analysis of Other Operating Taxes
12 Months Ended
July 31, 2016

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)
1.	Kentucky Retail:					
	(a) State Income					
	(b) Franchise Fees					
	(c) Ad Valorem	312,405			312,405	321,491
	(d) Payroll (Employer's Portion)	122,302	45,436	20,015	187,753	187,753
	(e) Other Taxes	33,861			33,861	33,861
2.	Total Retail (L1(a) through L1(e))	468,568	45,436	20,015	534,019	543,105
3.	Other Jurisdictions					
	Total Per Books (L2 and L3)	468,568	45,436	20,015	534,019	543,105

*The item in this column represents the amount of payroll taxes that would be allocated to clearing accounts.

Big Sandy Rural Electric Cooperative Corporation
Case No. 2017-00374
Commission Staff's First Request for Information

25. Provide a statement of electric plant in service, per company books, for the test year. This data shall be presented as shown in Format 25.

Response:

Please see Page 2 of this Response. Please note that some the electric plant balances provided in Format 25 do not reconcile exactly with the end-of-test-year balances provided in the response to Item 7 and used in the cost of service study. This is due to a technical constraint in the accounting/reporting system. For balance sheet accounts, the system automatically rolls over the end-of-December balances to the beginning-of-year balances for the following year. Any system query of that data for periods other than calendar years does not properly return the amounts for transactions between a mid-year start date and mid-year end date in the following year. This minor variance relates to transactions (meaning additions or retirements) that took place in the previous calendar year for the particular balance sheet account. That being said, the variances in this Format are minor, and the amounts reported in Item 7 and used in the cost of service study as test-year-end balances for all balance sheet accounts are correct.

Big Sandy Rural Electric Cooperative

Case No. 2017-00171

July 31, 2016

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Changes in electric plant:		<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>Ending</u> <u>Balance</u>
362	Station equipment	400,205	0	0		400,205
364	Poles, towers and fixtures	13,924,761	432,301	147,845		14,209,217
365	Overhead conductor and devices	12,721,268	462,873	175,804		13,008,337
366	Underground conduit	569,253	42,494	5,475		606,272
367	Underground conductor and devices	344,864	61,891	6,114		400,641
368	Line transformers	6,359,017	100,990	42,934		6,417,073
369	Services	4,981,740	178,172	78,897		5,081,015
370	Meters	3,526,368	122,069	165,462		3,482,975
371	Security lights	2,329,156	398,607	255,960		2,471,803
	Subtotal distribution plant	45,156,632	1,799,397	878,491	0	46,077,538
389	Land	292,419	0			292,419
390	Structures and improvements	2,991,477	0			2,991,477
391	Office furn and eqt	731,222	62,119	90,857		702,484
392	Transportation	1,496,998	354,081	67,197		1,783,882
393	Stores					
394	Tools, shop and garage	119,348	5,543			124,891
395	Laboratory	154,634	0			154,634
396	Power operated	11,903	0			11,903
397	Communication	68,872	49,789	68,488		50,173
398	Miscellaneous	30,873	0			30,873
	Subtotal general plant	5,897,746	471,532	226,542	0	6,142,736
	Total electric plant in service	51,054,378	2,270,929	1,105,033	0	52,220,274

Big Sandy Rural Electric Cooperative Corporation
Case No. 2017-00374
Commission Staff's First Request for Information

26. Provide documentation and a schedule of all employee benefits available to Big Sandy's employees. Include the number of employees at test-year-end covered under each benefit, the test-year-end actual cost of each benefit, the amount of the cost capitalized, the amount of the cost expensed, and the account numbers in which the capitalized or expensed costs were recorded. Include monthly premiums incurred for the coverages and plans provided and the amount of the company and employee contributions.

Response:

Please see Page 2 through Page 4 of this Response. Additionally, for a discussion of the employee benefits available to Big Sandy's employees, please see the Direct Testimony of Brian Frasure provided at Exhibit 9 to Big Sandy's Application and, in particular, Page 9 and Page 10 thereof. Please also see the Direct Testimony of John Wolfram provided at Exhibit 10 to Big Sandy's Application and, in particular, Exhibit JW-2, Reference Schedule 1.18 thereof, as well as Big Sandy's Response to Item 55 of this Request for Information.

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Big Sandy Rural Electric Cooperative
Case No. 2017-00374
Capitalization Policies

		Benefits Distribution
	107.20	Construction work in progress 179,107
	108.80	Retirement work in progress 74,180
	163.00	Stores 21,083
	184.10	Transportation 19,912
	242.32	Employee sick leave/vacation -
	580.00	Supervision, operations 18,838
	583.00	Overhead line 13,079
	586.00	Meter 87,552
	587.00	Installations 390
	588.00	Miscellaneous distribution 25,182
	590.00	Supervision, maintenance 35,626
	593.00	Maintenance 109,221
	595.00	Transformers 3,123
	597.00	Meters 98
	598.00	Miscellaneous maintenance 1,562
	902.00	Meter reading 21,571
	903.00	Consumer records 95,361
	908.00	Customer service 14,348
	920.00	Administrative 139,772
	930.00	Miscellaneous 109,416
	935.00	Maintenance general plant 6,637
		976,058

Total

Employees
Covered

Benefits include the following:		Employees Covered	
	Medical Insurance	40	532,942
	Life and disability insurance	42	43,271
	R & S retirement	13	265,178
	Savings plan 401 (k)	27	121,405
	Dental	10	13,262
			976,058

BENEFITS PROGRAM

(1) **VACATION**

Accrues beginning on employment date at the rate listed below. May use vacation after 6 months employment. May take in hourly increments.

0 – 1 Year	40 hrs per year	3 1/3 hrs per month
2 – 10 Years	120 hrs per year	10 hrs. per month

(2) **SICK LEAVE**

Accrues beginning on employment date. May use sick leave after 6 months employment.

8 hrs accrual per month. May take in hourly increments.

(3) **HEALTH INSURANCE w/RX plan**

Affordable Care Act: Beginning 1-1-2014; Effective on the 90th day of employment. **Effective 1/1/18**; all employees enrolled with Health Ins. will be paying 5% of a base premium to the coop, cost will differ according to their coverage.

(4) **PERSONAL DAYS**

Full time employees with at least 6 months employment shall receive 3 personal days per year. These days must be taken in full days only.

(5) **PAID HOLIDAYS (9):** New Year's Day, Good Friday, Memorial Day, July 4th, Labor Day, Thanksgiving (2) Days and Christmas (2) Days.

(6) **LIFE INSURANCE**

NRECA 2X Salary

Effective on hire date. Coop pays premium. Ceases at date of retirement, but NRECA will offer to you as a retiree.

Option Employee may choose to pay for:

CHILD LIFE INSURANCE; \$10,000 on each child the employee has for only \$1.00 (for as many children they have). Eligible on hire date. Employee pays premium.

(7) **RETIREMENT - Eligible after one year employment.**

Companies: NRECA & Mass Mutual.

NRECA: Inside Employees hired on or before Jan. 1, 2011 have:

RS Pension: Coop pays all contributions and they also have a 401k thru NRECA they can contribute to but the coop does not contribute to.

Employees hired on or after Jan. 1, 2011 have: 401k that RECC contributes 10% of base pay each payday; and they can contribute to themselves.

Outside (Union) Employees have a 401k thru Mass Mutual that RECC contributes (10)% agreed upon in contract to their base pay each payday.

These percentages are paid currently (2017) and are approved to be paid in 2018.

- (8) **Benefits available for employee to purchase: Big Sandy does not pay for: Supplemental LIFE INSURANCE (optional) NRECA; Supplemental plans for employee and/or family; employee choice and payroll deducted. Dental Plan thru NRECA for single or family; employee choice and payroll deducted.**

- (9) **SHORT TERM DISABILITY INSURANCE (STD)
FEDERATED**
Effective 1/1/2016: Term of benefit: Up to 26 weeks, first 7 days excluded. 66 2/3 % of salary with a maximum \$800 gross per week benefit paid by CBA and the remaining % paid from your sick time benefits. If any changes desired from employee, employee must talk with Payroll Clerk, prior to Monday of payroll week.
Effective after 6 months employment.

- (10) **LONG TERM DISABILITY INSURANCE (LTD)
FEDERATED**
26 weeks @ 66 2/3 % of salary or \$500 per wk benefit.
Effective after 6 months employment.

- (11) **DENTAL INSURANCE - NRECA / CBA, INC.**
Effective 1/1/17: \$124.81 per month for family, \$40.46 per month for single. Employee pays for this benefit. Payroll deducted. **Effective 1/1/18: \$41.27 single and \$127.10 family.**
***Affordable Care Act:** Beginning 1-1-2014; Eligible for benefit on the 90th day of employment.

- (12) **FLEX SPEND ACCOUNT:** Employee can choose to have this account each year in November and the amount desired to be allotted for the year is chosen then payroll deducted.

- (13) **CREDIT UNION**
Employee or family members may join Credit Union for \$5.00 basic fee. CU Contact is Sandra Shepherd, Brian Frasure or Judy McClure for more information.

Big Sandy Rural Electric Cooperative Corporation
Case No. 2017-00374
Commission Staff's First Request for Information

27. Provide a schedule reflecting the salaries and other compensation of each executive officer for the test year and two preceding calendar years. Include the percentage annual increase and the effective date of each increase, the job title, duty and responsibility of each officer, the number of employees who report to each executive officer, and to whom each executive officer reports. Also, for employees elected to executive officer status during the test year, provide the salaries for the test year for those persons whom they replaced.

Response:

Please see Page 2 of this Response. Big Sandy's sole executive officer is its President/Chief Executive Officer. The principal responsibility of the this position is to oversee all departments and to the extent possible ensure that all cooperative activities are completed in accordance with good business practices and consistent with the direction provided by Big Sandy's Board of Directors (to whom the President/Chief Executive Officer reports). Each of Big Sandy's employees ultimately reports to the President/Chief Executive Officer, and the employees that directly report to the President/Chief Executive Officer include the Vice President of Operations, the Vice President of Financial Services, and the Vice President of Customer Services/Assistant General Manager.

Big Sandy Rural Electric Cooperative
Case No.2017-00374
Compensation of Executive Officers
July 31, 2016

	<u>Test Year</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
General Manager/CEO	123,148	120,731	119,016	114,965
Percent Increase	2.0%	1.4%	3.5%	10.0%

Big Sandy Rural Electric Cooperative Corporation
Case No. 2017-00374
Commission Staff's First Request for Information

28. Provide a detailed analysis of advertising expenditures during the test year. Include a breakdown of Account No. 913, Advertising Expenses, as shown in Format 28, and show any advertising expenditures included in other expense accounts. Specify the purpose and expected benefit of each expenditure.

Response:

Please see the Direct Testimony of John Wolfram provided at Exhibit 10 to Big Sandy's Application and, in particular, Exhibit JW-2, Reference Schedule 1.07 thereof. Please also see Page 2 of this Response. All of these amounts have been removed for ratemaking purposes.

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Big Sandy RECC
Case No. 2017-00374
Account 913 - Advertising Expenses
July 31, 2016

Item	Sales / Promotional Advertising	Institutional Advertising	Conservation Advertising	Rate Case	Other	Total
(a)	(b)	(c)	(d)	(e)	(f)	(g)
Newspaper	-	300	-	-	35	335
Magazines and other	-	1,108	-	-	-	1,108
Television	-	100	3,250	-	-	3,350
Radio	-	610	-	-	-	610
Direct Mail	-	-	-	-	-	-
Sales Aids	-	-	-	-	-	-
Total	-	2,118	3,250	-	35	5,403
Amount assigned to KY retail	-	-	-	-	-	-

>> All removed for ratemaking purposes in Reference Schedule 1.07

<u>VENDOR NAME</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>	<u>CATEGORY</u>
AROUND TOWN INC	AD VIDEO/PRINT AD JCHS/PHS GRADU	\$ 150	(c)
RIGHT PLACE MEDIA	SIMPLE SAVER ADVT-FB/GOOGLE/T-MO	\$ 1,008	(c)
PORTER ELEMENTARY PTO	DONATION- PORTER PEE WEE BASKETB	\$ 100	(c)
WSIP BROADCASTING CO	SEPTEMBER GAMES JCHS	\$ 360	(c)
WYMT	WYMT-DSM ADVT 75/25 EKPC-RECC	\$ 83	(d)
WYMT	WYMT-DSM ADVT 75/25 EKPC-RECC	\$ 171	(d)
PAINTSVILLE HERALD	1YR SUBSCRIPTION	\$ 35	(f)
WYMT	WYMT-DSM ADVT 75/25 EKPC-RECC	\$ 83	(d)
WYMT	WYMT-DSM ADVT 75/25 EKPC-RECC	\$ 318	(d)
WYMT	WYMT-DSM ADVT 75/25 EKPC-RECC	\$ 2,595	(d)
WSIP BROADCASTING CO	BATTLE BY THE CRK/ADVT	\$ 250	(c)
AROUND TOWN INC	ADVT GRADUATION	\$ 150	(c)
EKB-TV	ADVT-ANNL SHOW JOHNSON CO FLOO	\$ 100	(c)
Total		\$ 5,403	

Big Sandy Rural Electric Cooperative Corporation
Case No. 2017-00374
Commission Staff's First Request for Information

29. Provide an analysis of Account No. 930, Miscellaneous General Expenses, for the test year. Include a complete breakdown of this account as shown in Format 29. Include all detailed work papers supporting this analysis. At a minimum, the work papers shall show the date, vendor, reference (e.g., voucher number), dollar amount, and a brief description of each expenditure. Detailed analysis is not required for amounts of less than \$100, provided the items are grouped by classes as shown in Format 29.

Response:

Please see the Direct Testimony of John Wolfram provided at Exhibit 10 to Big Sandy's Application and, in particular, Exhibit JW-2, Reference Schedule 1.07 thereof. Please also see Page 2 of this Response.

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Witness: John Wolfram

Big Sandy RECC
Case No. 2017-00374
Account 930 - Miscellaneous General Expenses
July 31, 2016

Item (a)	Amount (b)
Industry association dues	\$ 39,364.74
Stockholder and debt-servicing expenses	\$ 222.61
Institutional advertising	\$ 812.40
Conservation advertising	\$ -
Rate department load studies	\$ -
Director's fees and expenses	\$ -
Dues and subscriptions	\$ 61,764.84
Miscellaneous	\$ 139,345.21
Total	\$ 241,509.80
Amount assigned to KY retail	\$ 240,643.71
Amount Removed for Ratemaking:	\$ 866.09

Big Sandy Rural Electric Cooperative Corporation
Case No. 2017-00374
Commission Staff's First Request for Information

30. Provide an analysis of Account No. 426, Other Income Deductions, for the test period. This analysis shall show a complete breakdown of this account as shown in Format 30, and shall further provide all detailed supporting work papers. At a minimum, the work papers should show the date, vendor, reference (e.g., voucher number), dollar amount, and brief description of each expenditure. Detailed analysis is not required for amounts of less than \$250, provided the items are grouped by classes as shown in Format 30.

Response:

Please see the Direct Testimony of John Wolfram provided at Exhibit 10 to Big Sandy's Application and, in particular, Exhibit JW-2, Reference Schedule 1.07 thereof. All of the listed amounts are Donations, and all of these amounts have been removed for ratemaking purposes.

Big Sandy Rural Electric Cooperative Corporation
Case No. 2017-00374
Commission Staff's First Request for Information

31. Provide the name and personal mailing address of each member of Big Sandy's board of directors. Identify the members who represent the cooperative on the board of directors of East Kentucky Power Cooperative, Inc. ("EKPC"). Also identify the board members who are representatives to the Kentucky Association of Electric Cooperatives and/or the National Rural Electric Cooperative Association. If any changes occur in board membership during the course of this proceeding, update the response to this request.

Response:

Danny Wallen (Chairman)
2964 KY RT 2040
Offutt, Kentucky 41240-8947

Greg Davis (Vice Chairman)
1041 ST RT 850
David, Kentucky 41616

William A. Maxey (Representative on Board of KAEC)
P.O. Box 103
Lowmansville, Kentucky 41232

Kelly Shepherd (Representative on Board of EKPC)
P.O. Box 863
Paintsville, KY 41240

George Spriggs
5168 KY RT 689
Flat Gap, Kentucky 41219

Robert N. Moore
1532 Stephens Branch Rd
Prestonsburg, Kentucky 41653

Big Sandy Rural Electric Cooperative Corporation
Case No. 2017-00374
Commission Staff's First Request for Information

32. Provide a detailed analysis of the total compensation paid to each member of the board of directors during the test year, including all fees, fringe benefits, and expenses, with a description of the type of meetings, seminars, etc., attended by each member. Identify any compensation paid to Big Sandy's board members for serving on EKPC's board of directors. If any of the listed expenses in this analysis include the costs for a director's spouse, list the expenses for the directors' spouses separately.

Response:

Please see the Direct Testimony of John Wolfram provided at Exhibit 10 to Big Sandy's Application and, in particular, Exhibit JW-2, Reference Schedule 1.09 thereof. Big Sandy does not compensate Directors for serving on EKPC's Board of Directors, and no expenses for Directors' spouses are included.

Big Sandy Rural Electric Cooperative Corporation
Case No. 2017-00374
Commission Staff's First Request for Information

33. Provide a detailed analysis of expenses incurred during the test year for professional services, as shown in Format 33. Include detailed work papers supporting this analysis which show the payee, dollar amount, reference (e.g., voucher number), account charged, hourly rates and time charged to the utility according to each invoice, and a brief description of the service provided. Identify all rate case work by case number.

Response:

Please see the Direct Testimony of John Wolfram provided at Exhibit 10 to Big Sandy's Application and, in particular, Exhibit JW-2, Reference Schedule 1.08 thereof. Please also see Page 2 of this Response.

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Big Sandy RECC
Case No. 2017-00374
Professional Services
July 31, 2016

Item (a)	Rate Case (b)	Annual Audit (c)	Other (d)	Total (e)
Legal			9,562	9,562
Engineering				-
Accounting		9,500		9,500
Other			300	300
Total	-	9,500	9,862	19,362

Big Sandy Rural Electric Cooperative Corporation
Case No. 2017-00374
Commission Staff's First Request for Information

34. Provide the following information concerning the costs for the preparation of this case:
- a. A detailed schedule of costs incurred to date. Include the date of the transaction, check number or other document reference, the vendor, amount, a description of the services performed, and the account number in which the expenditure was recorded. Indicate any costs incurred for this case during the test year. Include copies of invoices received from the vendors.
 - b. An itemized estimate of the total cost to be incurred, detailed explanation of how the estimate was determined, and all supporting work papers and calculations.
 - c. Monthly updates of the actual costs incurred during the course of this proceeding, in the manner prescribed above.

Response:

- a. Please see Page 2 through Page 16 of this Response.
- b. The estimate of total costs incurred for the rate filing is presented in the Direct Testimony of John Wolfram provided at Exhibit 10 to Big Sandy's Application and, in particular, Exhibit JW-2, Reference Schedule 1.11 thereof. The values for Consulting – A. Zumstein and Consulting – J. Adkins are actual amounts and the values for Consulting – Catalyst Consulting LLC and for Legal – Goss Samford PLLC are estimates provided by the respective firms.
- c. Big Sandy commits to providing monthly updates, as requested.

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Big Sandy Rural Electric Cooperative
Case No. 2017-00374
Account 928.00

DATE	CHECK	VENDOR NAME	AMOUNT	DESCRIPTION
5/25/2017	57492	Service Office Supply	845.89	Supplies
5/25/2017	VISA	Newegg.com	40.90	Supplies
6/14/2017	VISA	Newegg.com	69.90	Supplies
6/24/2017	57570	James R. Adkins	9,875.00	Cost of Service Study/Rate Consultant
6/29/2017	57628	Alan Zumstein CPA	21,860.00	Data gathering assistance
7/1/2017	57669	Catalyst Consulting, LLC	1,480.00	Cost of Service Study/Rate Consultant
7/7/2017	57715	Goss Samford PLLC	7,233.66	Legal fees/Rate Case
8/1/2017	57818	Catalyst Consulting, LLC	3,404.90	Cost of Service Study/Rate Consultant
8/7/2017	57853	Goss Samford PLLC	8,575.22	Legal fees/Rate Case
9/1/2017	58006	Catalyst Consulting, LLC	7,689.38	Cost of Service Study/Rate Consultant
9/6/2017	58028	Goss Samford PLLC	5,093.00	Legal fees/Rate Case
10/1/2017	58156	Catalyst Consulting, LLC	1,850.00	Cost of Service Study/Rate Consultant
10/3/2017	58166	Goss Samford PLLC	3,574.28	Legal fees/Rate Case
10/26/2017	58297	Troublesome Creek Times	547.50	Notice Publishing
10/31/2017	58317	Catalyst Consulting, LLC	14,612.49	Cost of Service Study/Rate Consultant
			<u>86,752.12</u>	

Witness: Brian Fraiture
2017-00171

Alan M. Zumstein, CPA
Certified Public Accountant
1032 Chetford Drive
Lexington, Kentucky 40509
859-264-7147
zumstein@windstream.net

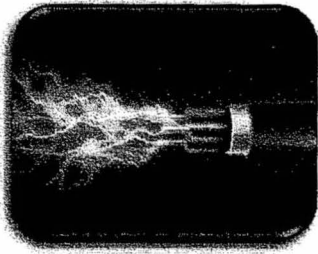
June 29, 2017

Big Sandy Rural Electric Cooperative
504 11th Street
Paintsville, Kentucky 41240

Assist Big Sandy's staff and consultant with gathering information for schedules and exhibits in connection with Case No. 2017-00171

	<u>Hours</u>	<u>Miles</u>	
September, 2016	24	360	
Compile billing, purchase power, and payroll information			
October, 2016	32	240	
Revenue requirement adjustments			
March, 2017	40	240	
Revenue requirement adjustments and schedules and exhibits for filing the application			
April, 2017	30	120	
Revenue requirement adjustments and schedules and finalize exhibits for filing the application			
May, 2017	40	120	
Revenue requirement adjustments and schedules and finalize exhibits for filing the application and responses to First Data Request of Commission Staff			
Hours	166	@ \$125	\$ 20,750
Motel			570
Miles	1,080	@ \$0.50	<u>540</u>
Total due			<u>\$ 21,860</u>

Federal ID number 35-1877201



CATALYST
CONSULTING LLC

3308 Haddon Road
Louisville, KY 40241
(502) 599-1739
johnwolfram@catalystllc.com

INVOICE

Date: July 1, 2017	Invoice #: 170607
Client: Big Sandy RECC 504 11th Street Paintsville, KY 41240 Attn: Brian Frasure	Project: 2016 Cost of Service & Rates Study Case No. 2017-00xxx For Services Provided in June, 2017

#	Item	Description	Qty	Rate	Amt
1	Consulting Services	John Wolfram – consulting support for 2016 Cost of Service & Rates Study and Case No. 2017-00xxx. Initialize COSS model. Process financial data by RUS account and reconcile totals to financial statements. Prepare wholesale purchased power billing analysis. Prepare zero intercept / minimum system analysis using CPR data. Begin Present & Proposed Rates analysis and list of pro forma adjustments. Emails with staff on same.	8.0 hours	\$185.00	\$ 1,480.00
TOTAL					\$ 1,480.00

Please remit payment to Catalyst Consulting LLC as noted above. Thank you.

	<h1>CATALYST</h1> <h2>CONSULTING LLC</h2>
	<p>3308 Haddon Road Louisville, KY 40241 (502) 599-1739 johnwolfram@catalystllc.com</p>

INVOICE

Date: August 1, 2017	Invoice #: 170709
Client: Big Sandy RECC 504 11th Street Paintsville, KY 41240 Attn: Brian Frasure	Project: 2016 Cost of Service & Rates Study Case No. 2017-00xxx For Services Provided in July, 2017

#	Item	Description	Qty	Rate	Amt
1	Consulting Services	John Wolfram – consulting support for 2016 Cost of Service & Rates Study and Case No. 2017-00xxx. Prepare Present & Proposed Rates analysis and list of pro forma adjustments. Compile preliminary billing determinants. Travel to Paintsville on 7/12 for kickoff discussion. Emails with staff on same.	18.0 hours	\$185.00	\$ 3,330.00
2	Mileage	7/12 Travel to Lexington (carpool to Paintsville w/counsel)	140	0.535	\$ 74.90
TOTAL					\$ 3,404.90

Please remit payment to Catalyst Consulting LLC as noted above. Thank you.

	CATALYST CONSULTING LLC
	3308 Haddon Road Louisville, KY 40241 (502) 599-1739 johnwolfram@catalystllc.com

INVOICE

Date: September 1, 2017	Invoice #: 170806
Client: Big Sandy RECC 504 11th Street Paintsville, KY 41240 Attn: Brian Frasure	Project: 2016 Cost of Service & Rates Study Case No. 2017-00xxx For Services Provided in August, 2017

#	Item	Description	Qty	Rate	Amt
1	Consulting Services	John Wolfram – consulting support for 2016 Cost of Service & Rates Study and Case No. 2017-00xxx. Develop pro forma adjustments. Update billing determinants to account for lighting. Continue cost of service study. Travel to Paintsville on 8/24 for Board of Directors presentation. Emails with staff on same.	40.5 hours	\$185.00	\$ 7,492.50
2	Mileage	8/24 Travel to Paintsville	368	0.535	\$ 196.88
TOTAL					\$ 7,689.38

Please remit payment to Catalyst Consulting LLC as noted above. Thank you.



INVOICE

Date: October 1, 2017	Invoice #: 170907
Client: Big Sandy RECC 504 11th Street Paintsville, KY 41240 Attn: Brian Frasure	Project: 2016 Cost of Service & Rates Study Case No. 2017-00374 For Services Provided in September, 2017

#	Item	Description	Qty	Rate	Amt
1	Consulting Services	John Wolfram – consulting support for 2016 Cost of Service & Rates Study and Case No. 2017-00374. Continue development of pro forma adjustments. Review filing requirements and KPSC First Data Request. Emails with staff on same.	10.0 hours	\$185.00	\$ 1,850.00
TOTAL					\$ 1,850.00

Please remit payment to Catalyst Consulting LLC as noted above. Thank you.



INVOICE

Date: November 1, 2017	Invoice #: 171006
Client: Big Sandy RECC 504 11th Street Paintsville, KY 41240 Attn: Brian Frasure	Project: 2016 Cost of Service & Rates Study Case No. 2017-00374 For Services Provided in October, 2017

#	Item	Description	Qty	Rate	Amt
1	Consulting Services	John Wolfram – consulting support for 2016 Cost of Service & Rates Study and Case No. 2017-00374. Travel to Paintsville 10/13 to complete Pro Forma Adjustments. Complete COSS, Revenue Requirement, and Rate Design. Prepare filing exhibits. Prepare written testimony and exhibits. Travel to Lexington 10/26 to review and edit final application, testimony, and exhibits for 10/30 filing.	77.5 hours	\$185.00	\$ 14,337.50
2	Mileage	10/13 Travel to Paintsville	368	0.535	\$ 196.88
3	Mileage	10/26 Travel to Lexington	146	0.535	\$ 78.11
TOTAL					\$ 14,612.49

Please remit payment to Catalyst Consulting LLC as noted above. Thank you.



Mark David Goss
mdgoss@gosssamfordlaw.com
(859) 368-7740

July 7, 2017

Mr. Bobby Sexton
Acting President & CEO
Big Sandy RECC
504 11th St.
Paintsville, KY 41240

Re: Invoice for June 1, 2017 to June 30, 2017

Dear Bobby:

Please find enclosed the invoice for legal services performed by Goss Samford, PLLC on behalf of Big Sandy RECC for the period from June 1, 2017 to June 30, 2017. Please remit payment for the amount due within thirty days of today's date. A summary of the amount due and owing, by matter, is as follows:

<u>Matter Description</u>	<u>Amount</u>
General Rate Adjustment Case – current fees	\$7,233.66
TOTAL:	<u>\$7,233.66</u>

Should you have any questions, please contact me at your convenience. Once again, it is a privilege to represent Big Sandy RECC and we thank you for allowing us the opportunity to work with you.

Sincerely,

Mark David Goss

Enclosure

928.00



Mark David Goss
mdgoss@gosssamfordlaw.com
(859) 368-7740

August 7, 2017

Mr. Bobby Sexton
Acting President & CEO
Big Sandy RECC
504 11th St.
Paintsville, KY 41240

Re: Invoice for July 1, 2017 to July 31, 2017

Dear Bobby:

Please find enclosed the invoice for legal services performed by Goss Samford, PLLC on behalf of Big Sandy RECC for the period from July 1, 2017 to July 31, 2017. Please remit payment for the amount due within thirty days of today's date. A summary of the amount due and owing, by matter, is as follows:

<u><i>Matter Description</i></u>	<u><i>Amount</i></u>
General Rate Adjustment Case – current fees	\$8,575.22
<i>TOTAL:</i>	<u><i>\$8,575.22</i></u>

Should you have any questions, please contact me at your convenience. Once again, it is a privilege to represent Big Sandy RECC and we thank you for allowing us the opportunity to work with you.

Sincerely,

Mark David Goss

Enclosure

Goss ■ Samford PLLC

Item 34
Page 11 of 16
Witness: Brian Frasure



Mark David Goss

mdgoss@gosssamfordlaw.com

(859) 368-7740

September 6, 2017

Mr. Bobby Sexton
Acting President & CEO
Big Sandy RECC
504 11th St.
Paintsville, KY 41240

Re: Invoice for August 1, 2017 to August 31, 2017

Dear Bobby:

Please find enclosed the invoice for legal services performed by Goss Samford, PLLC on behalf of Big Sandy RECC for the period from August 1, 2017 to August 31, 2017. Please remit payment for the amount due within thirty days of today's date. A summary of the amount due and owing, by matter, is as follows:

<u>Matter Description</u>	<u>Amount</u>
General Rate Adjustment Case - current fees	<u>\$5,093.00</u>
TOTAL:	<u>\$5,093.00</u>

Should you have any questions, please contact me at your convenience. Once again, it is a privilege to represent Big Sandy RECC and we thank you for allowing us the opportunity to work with you.

Sincerely,

Mark David Goss

Enclosure

MSAD02 928.

PURCHASE ORDER _____
PAYMENT AUTHORIZATION SS
G/O CHECK NO: _____

111065

9/6/17 ~ 9/2/17

2365 Harrodsburg Road, Suite B-325 | Lexington, Kentucky 40504



Attorneys at Law

Mark David Goss
mdgoss@gosssamfordlaw.com
(859) 368-7740

October 3, 2017

Mr. Bobby Sexton
Acting President & CEO
Big Sandy RECC
504 11th St.
Paintsville, KY 41240

Re: Invoice for September 1, 2017 to September 30, 2017

Dear Bobby:

Please find enclosed the invoice for legal services performed by Goss Samford, PLLC on behalf of Big Sandy RECC for the period from September 1, 2017 to September 30, 2017. Please remit payment for the amount due within thirty days of today's date. A summary of the amount due and owing, by matter, is as follows:

<u>Matter Description</u>	<u>Amount</u>
General Rate Adjustment Case – current fees and costs	\$3,574.28
TOTAL:	<u>\$3,574.28</u>

Should you have any questions, please contact me at your convenience. Once again, it is a privilege to represent Big Sandy RECC and we thank you for allowing us the opportunity to work with you.

Sincerely,

Mark David Goss

Enclosure

Bobby: the rate case filing is shaping up nicely. Brian is doing a great job and so is John Wolfram. We should be ready to file it by the end of this month.

2017-00171

INVOICE FOR SERVICES RENDERED

James R. Adkins
2189 Roswerll Dr
Lexington, KY 40513-1811

June 24, 2017

Mr. Brian Frasure
Big Sandy RECC
504 Eleventh Street
Paintsville, KY 41240-1422

FOR PREPARATION OF DOCUMENTS FOR CASE NO. 2017-00171

Month	Description	Hours	Mileage
Oct	Review Load Research	2.00	
Nov	Review Bill Analysis & adjust	2.75	
Dec 12	COSS Work	6.50	
Dec 18	COSS Work	6.00	
Dec 19	COSS Work	8.00	
Dec 21	COSS Work	8.00	
Dec 22	COSS Work	8.00	
Dec 23	COSS Work	8.00	
Mar 28	Restart Rate Case & review	2.00	
Mar 25	Revise COSS	4.00	
3-Apr	Revise COSS	3.50	
4-Apr	Revise COSS	2.75	
17-Apr	Revise Rate Design	1.00	
21-Apr	Revise Rate Design	2.00	
22-Apr	Revise Rate Design & Testimony	6.00	
23-Apr	Revise Rate Design & Testimony	1.50	
15-May	Review all Documents	1.50	
16-May	Review all Documents	2.00	
19-May	Review all Documents	3.50	
TOTAL HOURS AND MILEAGE		79.00	-
RATE		\$ 125.00	\$ 0.550
TOTALS		\$ 9,875.00	\$ -
AMOUNT OF INVOICE			\$ 9,875.00

James R. Adkins

PSC

Brian

Flash Drives

INVOICE DETAILS

Sold and Shipped by **Everything But Stromboli**

Order #: 302620457
Invoice #: 150439446
Submitted: 05/25/2017 11:49 AM

Ship To

Adam Ferguson
Big Sandy RECC
504 11th St
Paintsville, KY 41240-1422
United States

606-789-4095EXT214

Bill To

Big Sandy RECC
504 11th St
Paintsville, KY 41240-1422

Visa:*****2901

Order Summary

Qty	Product Description	Price
Shipped from Everything But Stromboli - Tracking #: 9405511699000490730060		
1	SanDisk Cruzer Blade 8GB (5 pack) SDCZ50-008G USB 2.0 Flash Drive Jump Drive Thumb Drive Pen Drive - Five Pack Retail ... Item #: 9SIAAA63T23438	\$34.95
Subtotal		\$34.95
Tax		\$0.00
Expedited Shipping (3-5 days)		\$5.95
Order Total		\$40.90

PSC

Flash Drive

Brian

INVOICE DETAILS

Sold and Shipped by **Everything But Stromboli**

Order #: 297433676
Invoice #: 150906129
Submitted: 06/14/2017 10:46 AM

Ship To

Adam Ferguson
Big Sandy RECC
504 11th St
Paintsville, KY 41240-1422
United States

606-789-4095EXT214

Bill To

Big Sandy RECC
504 11th St
Paintsville, KY 41240-1422

Visa: *****2901

Order Summary

Qty	Product Description	Price
Shipped from Everything But Stromboli - Tracking #: 9400111699000528470132		
2	SanDisk Cruzer Blade 8GB (5 pack) SDCZ50-008G USB 2.0 Flash Drive Jump Drive Thumb Drive Pen Drive - Five Pack Retail ... Item #: 9SIAAA63T23438	\$69.90 (\$34.95 ea)
Subtotal		\$69.90
Tax		\$0.00
Standard Shipping (5-7 days)		\$0.00
Order Total		\$69.90

Service Office Supply & Printing, Inc.

1011 Powell Lane • P.O. Box 894
Flatwoods, Kentucky 41139

(606) 836-0488 • 1-800-926-5869 • Fax (606) 836-0483

CUSTOMER NO.	DATE	NUMBER
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SOLD TO:

Big Sandy REFC
304 11th Street
Hartsville, Ky
41140

SHIP TO:

Big Sandy REFC

Po 278

PURCHASE ORDER _____

PAYMENT AUTHORIZATION _____

TERMS: NET 30 DAYS

G/O CHECK NO: _____

P.O. NO.	TERMS: NET 30 DAYS
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QUANTITY ORD SHP B/O ITEM NO.	DESCRIPTION	LIST PRICE	NET PRICE	AMOUNT
15 (15) @ UNV 20740	BHDR, VIEW, D-RNG, 3IN. WE	0.00	14.99EA	224.85
3 (5) @ CRD 60114	INDEX, BHDR, 1-31, LTR, ASTD	0.00	7.99ET	60.90
15 (15) @ CRD 60318	INDEX, BHDR, 1-31, LTR, ASTD	0.00	4.99ET	74.85
15 (15) @ ACC 25872	COVER, REP, 20PT, LARG, 5, BE	0.00	3.99EA	59.85
15 (15) @ AVE 01701	INDEX, ALLSTATE, 1-25, WE	0.00	6.99ET	104.85
15 (15) @ AVE 01702	INDEX, ALLSTATE 26-50, WE	0.00	6.99ET	104.85
15 (15) @ AVE 01703	INDEX, ALLSTATE 51-75, WE	0.00	6.99ET	104.85
			SUBTOTAL	738.62

10004

5/25/17 - 6/15/17

Libby B...

TOTAL	738.62
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THANK YOU!

CUSTOMER COPY

NO. OF PKGS.	WEIGHT	RECEIVED BY <i>L</i>	CHECKED BY	DELIVERED BY
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A-9099
T-46250-46260

BE SURE TO MAKE THIS RECORD ACCURATE AND COMPLETE

01-11

Witness: Brian Frasure

Item 34
Page 16 of 16

Big Sandy Rural Electric Cooperative Corporation
Case No. 2017-00374
Commission Staff's First Request for Information

35. Provide the estimated dates for drawdowns of unadvanced loan funds at test-year-end and the proposed uses of these funds.

Response:

Big Sandy advanced \$1 million during October 2016 and \$2 million during April 2017. These funds were used to cover expenses in the normal course of business, as a consequence of the revenue shortfalls described in this Application and which this case is intended to address. Though none are specifically planned at this time, additional loan advances may be necessary in the future depending on revenues (influenced, of course, by weather and the outcome of this proceeding, among other things).

Big Sandy Rural Electric Cooperative Corporation
Case No. 2017-00374
Commission Staff's First Request for Information

36. Provide a list of depreciation expenses using Format 36.

Response:

Please see the Direct Testimony of John Wolfram provided at Exhibit 10 to Big Sandy's Application and, in particular, Exhibit JW-2, Reference Schedule 1.03 thereof.

Big Sandy Rural Electric Cooperative Corporation
Case No. 2017-00374
Commission Staff's First Request for Information

37. Explain whether the depreciation rates reflected in this filing are identical to those most recently approved by the Commission.
- a. If identical, identify the case in which they were approved.
 - b. If not, provide the depreciation study that supports the rates reflected in this filing.

Response:

The depreciation rates reflected in this filing are identical to those most recently approved by the Commission.

- a. *See Case No. 2008-00401, In the Matter of the Application of Big Sandy Rural Electric Cooperative Corporation for an Adjustment in Rates (Ky. P.S.C. June 3, 2009).*
- b. Not applicable.

Big Sandy Rural Electric Cooperative Corporation
Case No. 2017-00374
Commission Staff's First Request for Information

38. Provide information for plotting the depreciation guideline curves in accordance with RUS Bulletin 183-1, as shown in Format 38.

Response:

Please see Page 2 of this Response.

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Big Sandy Rural Electric Cooperative
Case No. 2017-00374
Depreciation Guideline Curve
July 31, 2016

<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>
2016	46,580,201	16,910,829	36.30%	1.36
2015	45,673,125	16,116,695	35.29%	1.43
2014	44,489,613	14,980,548	33.67%	1.48
2013	43,307,142	13,744,287	31.74%	1.50
2012	42,151,671	12,481,493	29.61%	1.51
2006	34,137,274	7,382,959	21.63%	
2005	31,940,918	7,213,319	22.58%	
2004	30,123,866	7,026,718	23.33%	
2003	28,915,792	6,576,124	22.74%	
2002	27,879,333	6,095,301	21.86%	

Big Sandy Rural Electric Cooperative Corporation
Case No. 2017-00374
Commission Staff's First Request for Information

39. For each charitable and political contribution (in cash or services), provide the amount, recipient, and specific account charged.

Response:

Please see the Direct Testimony of John Wolfram provided at Exhibit 10 to Big Sandy's Application and, in particular, Exhibit JW-2, Reference Schedule 1.07 thereof. The test year charitable contributions are removed for ratemaking purposes. Big Sandy did not make political contributions during the test year.

Big Sandy Rural Electric Cooperative Corporation
Case No. 2017-00374
Commission Staff's First Request for Information

40. Describe Big Sandy's lobbying activities and provide a schedule showing the name and salary of each lobbyist; all company-paid or reimbursed expenses or allowances; and the account charged for all personnel for whom a principal function is lobbying, on the local, state, or national level. Indicate whether the lobbyist is an employee or an independent contractor. If any amounts are allocated, show a calculation of the factor used to allocate each amount.

Response:

Big Sandy did not engage in lobbying activities during the test year.

Big Sandy Rural Electric Cooperative Corporation
Case No. 2017-00374
Commission Staff's First Request for Information

41. Provide complete details of the financial reporting and rate-making treatment of Big Sandy's pension costs.

Response:

Big Sandy has a defined benefit and 401(k) pension plan. The treatment is the same for financial reporting as rate-making purposes. The costs are booked in Account 926 which is included in the determination of the revenue requirement for ratemaking purposes.

Big Sandy Rural Electric Cooperative Corporation
Case No. 2017-00374
Commission Staff's First Request for Information

42. Provide complete details of Big Sandy's financial reporting and rate-making treatment of Statement of Financial Accounting Standard ("SFAS") No. 106, including:
- a. The date Big Sandy adopted or plans to adopt SFAS No. 106;
 - b. All accounting entries made or to be made at the date of adoption; and,
 - c. All actuarial studies and other documents used to determine the level of SFAS No. 106 cost recorded or to be recorded by Big Sandy.

Response:

- a. Big Sandy adopted SFAS No. 106 in January, 1995.
- b.

Employee benefits	926.00	\$476,000
Accum postretirement benefits	228.30	\$476,000
Initially record adoption of SFAS No. 106.		
- c. Please see Page 2 through Page 8 of this Response.

W. DUDLEY SHRYOCK, CPA, PSC
CERTIFIED PUBLIC ACCOUNTANTS
P.O. BOX 542
145 COLLEGE STREET
LAWRENCEBURG, KY 40342
(502) 839-8112

MEMBER AICPA

MEMBER KY SOCIETY
OF CPAS

November 11, 2011

David Estepp, General Manager & CEO
Big Sandy Rural Electric Cooperative
504 Eleventh Street
Paintsville, Kentucky 41240

Dear David,

Please find enclosed the actuarial valuation results as of January 1, 2011 for Financial Accounting Standards Boards' *Accounting Standards Codification (ASC) 715 - Compensation - Retirement Plans*.

Acct 215.00, Accum Other Comprehensive Income	\$ 147,816
Acct 228.30, Accum Postretirement Benefits	120,244
Total accrual for 2012 benefits	<u>\$ 268,060</u>

The accrual for 2012 includes current service and interest costs, amortization of the actuarial gains and losses.

Journal entry to adjust accumulated other comprehensive income at December 31, 2011.

Acct 214.00, Accum Other Comprehensive Income	\$ 2,295,785	
Acct 228.30, Accum Postretirement Benefits		\$ 2,295,785

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

Exhibit 1
Big Sandy Rural Electric Cooperative
SFAS No. 106/158 Financial Statement Disclosures
December 31, 2011

Net Periodic Benefit Cost

1.	Service cost	\$	5,160
2.	Interest cost		57,360
3.	Expected return on plan assets		-
4.	Amortization of transition obligation		-
5.	Amortization gain / (loss)		111,480
6.	Net periodic benefit cost	\$	174,000

Change in Accumulated Benefit Obligation

1.	Accumulated benefit obligation, beginning	\$	1,549,573
2.	Service cost		5,160
3.	Interest cost		57,360
4.	Amortization		111,480
5.	Disbursements		(178,760)
6.	Actuarial (gain) loss		2,295,785
7.	Accumulated benefit obligation, ending	\$	3,840,598

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	\$	-

Exhibit 2
Big Sandy Rural Electric Cooperative
SFAS No. 106/158 Financial Statement Disclosures
December 31, 2011

Benefit obligations at end of year

1.	Accumulated benefit obligation (APBO)	\$ 3,840,598
2.	Expected benefit obligation (EPBO)	6,144,535

Statement of funded status

1.	Accumulated benefit obligation (APBO)	(3,840,598)
2.	Fair value of plan assets	
3.	Funded status of plan	<u>\$ (3,840,598)</u>

Amounts recognized in the statement of financial position

1.	Noncurrent assets	
2.	Current liabilities	
3.	Noncurrent liabilities	<u>3,840,598</u>
4.	Funded status	<u>\$ 3,840,598</u>

Amounts recognized in accumulated other comprehensive income

1.	Net loss (gain)	\$ 2,956,313
2.	Transition obligation	<u>-</u>
3.	Total	<u>\$ 2,956,313</u>

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

1.	Balance, beginning of year	<u>\$ 772,008</u>
2.	Amortization of transition obligation	-
3.	Amortization of net loss (gain)	(111,480)
4.	Adjustment for current year net loss (gain)	<u>2,295,785</u>
5.	Change during the year	<u>2,184,305</u>
6.	Balance, end of year	<u>\$ 2,956,313</u>

Big Sandy Rural Electric Cooperative
Medical Insurance Premiums
SFAS 106 Obligation as of January 1, 2011

A. Accumulated Postretirement Benefit Obligations (APBO) as of January 1, 2011 are as follows:

	<u>January 1, 2011</u>	<u>January 1, 2012</u>
1. Actives not yet eligible	\$ 2,012,832	\$ 2,195,361
2. Actives fully eligible	390,787	410,326
3. Retirees and dependents	<u>1,327,613</u>	<u>1,234,911</u>
4. Total APBO	3,731,232	3,840,598
B. Future accruals	<u>2,446,426</u>	<u>2,303,938</u>
C. Total Expected Postretirement Benefit Obligations (EPBO)		
(A4 + B)	<u>\$ 6,177,658</u>	<u>\$ 6,144,535</u>
D. Accrued Postretirement Benefit Cost		
1. Balance January 1, 2011		\$ 1,549,573
2. Accrual for 2011		174,000
3. Payout for 2011		<u>(178,760)</u>
4. Balance December 31, 2011		1,544,813
5. Accumulated comprehensive accounting		<u>2,295,785</u>
6. Adjusted balance December 31, 2011		3,840,598
5. Accrual for 2012		268,060
6. Estimated payout for 2012		<u>(158,694)</u>
7. Estimated balance December 31, 2012		<u>\$ 3,949,963</u>

Big Sandy Rural Electric Cooperative
Medical Insurance Premiums
SFAS 106 Obligation as of January 1, 2011

FAS 106 Expense Components

1. Service cost	\$ 65,702
2. Interest cost	54,541
3. Expected return on assets	-
4. Amortization of transition obligation	-
5. Amortization of actuarial (gain) / loss	147,816
6. Total FAS 106 expense	<u>\$ 268,060</u>
7. Expected pay-as-you-go expense	<u>\$ 158,694</u>

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	3,731,232	4,100,000	9.9%
EPBO	6,177,658	6,800,000	10.1%
SFAS 106 Expense	268,060	295,000	10.1%

Estimated payments for the next five (5) years are as follows:

2011	158,694
2012	159,881
2013	158,275
2014	156,956
2015	155,110

Big Sandy Rural Electric Cooperative Actuarial Assumptions and Methods Retiree Health Plan

Eligibility

All eligible employees are covered who retire at age 62 and /or have 30 years of service.

Contributions

Big Sandy pays medical premiums for employees and their surviving spouse or dependents.

Medicare

At age 65 retirees will commence with Medicare coverage.

Retirement and withdrawals

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

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%	4
30	7%	10
40	3%	11
50	1%	13
60	0%	4
		<hr/>
		42
		<hr/> <hr/>

Eligibility Classes

Employees and retirees at January 1, 2011 are as follows:

	<u>Employees</u>
Actives not fully eligible	38
Actives fully eligible	4
Retirees and dependents	<hr/>
	21
Total	<hr/> <hr/>
	63

**Big Sandy Rural Electric Cooperative
Actuarial Assumptions and Methods
Retiree Health Plan**

Discount Rate

A discount rate of 5% was used.

Health Care Cost Trend

Future increases were assumed to be 8.0%, decreasing by 0.5% until level at 5.0%. Presently about 45% of retirees have dependent coverage.

Big Sandy Rural Electric Cooperative Corporation
Case No. 2017-00374
Commission Staff's First Request for Information

43. Provide complete details of Big Sandy's financial reporting and rate-making treatment of Statement of Financial Accounting Standard ("SFAS") No. 112, including;
- a. The date Big Sandy adopted or plans to adopt SFAS No. 112.
 - b. All accounting entries made or to be made at the date of adoption.
 - c. All actuarial studies and other documents used to determine the level of SFAS No. 112 cost recorded by Big Sandy.

Response:

- a-c. SFAS No. 112 does not apply to Big Sandy.

Big Sandy Rural Electric Cooperative Corporation
Case No. 2017-00374
Commission Staff's First Request for Information

44. Provide complete details of Big Sandy's financial reporting and ratemaking treatment of SFAS No. 143, "Accounting for Asset Retirement Obligations."
- a. The date Big Sandy adopted or plans to adopt SFAS No. 143.
 - b. All accounting entries made or to be made at the date of adoption.
 - c. All actuarial studies and other documents used to determine the level of SFAS No. 143 cost recorded by Big Sandy.
 - d. A schedule comparing the depreciation rates utilized by Big Sandy prior to and after adoption of SFAS No. 143. The schedule should identify the assets corresponding to the affected depreciation rates.

Response:

- a-d. SFAS No. 143 does not apply to Big Sandy.

Big Sandy Rural Electric Cooperative Corporation
Case No. 2017-00374
Commission Staff's First Request for Information

45. Provide complete details of Big Sandy's financial reporting and ratemaking treatment of SFAS No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans." Details should include the following:
- a. The date Big Sandy adopted the SFAS;
 - b. All accounting entries made or to be made at the date of adoption; and
 - c. All studies and other documents used to determine the level of SFAS No. 158 cost recorded by Big Sandy.

Response:

- a. Big Sandy adopted SFAS No. 158 on December 31, 2007.
- b. Debit Account 215.30, Accumulated Other Comp Income and Credit Account 228.30, Accumulated Provision for Pensions and Benefits in the amount of \$1,106,360.
- c. This amount is included with the calculations for SFAS No. 106.

Big Sandy Rural Electric Cooperative Corporation
Case No. 2017-00374
Commission Staff's First Request for Information

46. Provide any information, as soon as it is known, describing any events occurring after test year that would have a material effect on net operating income, rate base, and cost of capital that is not incorporated in the filed testimony and exhibits.

Response:

Big Sandy commits to provide any such information as soon as it becomes known.

Big Sandy Rural Electric Cooperative Corporation
Case No. 2017-00374
Commission Staff's First Request for Information

47. Provide all current labor contracts and the most recent contracts in effect prior to the current contracts.

Response:

Please see Page 2 through Page 87 of this Response.

AGREEMENT

BETWEEN

BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION

AND

LOCAL UNION NO. 317

OF THE INTERNATIONAL BROTHERHOOD

OF ELECTRICAL WORKERS

Effective: January 1, 2018 through December 31, 2020

TABLE OF CONTENTS

ARTICLE I.	Recognition.....	3
ARTICLE II.	Grievance Procedure.....	5
ARTICLE III.	Vacation.....	7
ARTICLE IV.	Hours and Overtime.....	7
ARTICLE V.	Wages.....	9
ARTICLE VI.	Apprentices.....	12
ARTICLE VII.	Seniority.....	13
ARTICLE VIII.	Sick Leave.....	14
ARTICLE IX.	General Provisions.....	17
ARTICLE X.	Termination.....	20
ARTICLE XI.	Miscellaneous.....	21

AGREEMENT

EFFECTIVE: JANUARY 1, 2018

THIS AGREEMENT, made and entered into this 10/30/17
by and between the BIG SANDY RURAL ELECTRIC COOPERATIVE
CORPORATION of Paintsville, Kentucky, hereinafter referred to as the COOPERATIVE and
LOCAL UNION NO. 317 of the INTERNATIONAL BROTHERHOOD OF ELECTRICAL
WORKERS, hereinafter referred to as the UNION, as the collective bargaining representatives
for the employees of the COOPERATIVE in the classifications listed in Article V, Section 1, of
this Agreement.

WITNESSETH

WHEREAS, the COOPERATIVE and the UNION have a common and sympathetic
interest in the electrical industry, and together with the Public, will benefit from harmonious
working arrangements for the adjustments of differences by rational and common sense methods,
and therefore, for the purpose of facilitating the peaceful adjustments of differences that may
arise from time to time, and to promote harmony and efficiency to the end that the
COOPERATIVE, the UNION and the GENERAL PUBLIC may be benefitted the parties hereto
contract and agree with each other as follows:

TO WIT; ARTICLE I. Recognition

Section 1. The UNION is hereby recognized as the sole exclusive bargaining agent for
the collective bargaining purposes covering wages, hours and conditions of employment for all
employees within the bargaining unit in view of the UNION'S certification by the N.L.R.B on
the second day of June, 1950, in Case No. 9-RC-822.

Section 2. The UNION shall have the right to refer to the grievance procedure therein
any complaint that the hiring policies of the EMPLOYER are discriminatory or unfair.

Section 3. The operation, control and management of the Company's facilities and
operations, and all business and activities of the Company in connection therewith which are

covered or affected by this Agreement, including the supervision and direction of the working forces at such facilities, operations and business, the right from time to time to make and enforce such reasonable rules applicable to employees covered by this Agreement, including rules concerning alcohol and substance abuse, and to enforce, change, abolish or modify existing rules applicable to employees covered by this Agreement, as it may from time to time deem necessary or advisable, are and shall continue to be solely and exclusively the functions and prerogatives of the management of the Cooperative, including the right to discipline or discharge for just cause (including violation of rules issued by the COOPERATIVE.)

Section 3(a). All new employees shall be hired on a temporary basis, not to exceed ninety (90) working days actually worked.

During such ninety (90) working day probationary period, the COOPERATIVE may discharge or otherwise discipline, lay-off, transfer or assign such employees with or without cause, and such actions shall not be subject to the Grievance Procedure.

Section 4(a) The parties recognize that Kentucky statute KRS 336.130(3)(a) prohibits a union or agency shop agreement. Consequently, for as long as laws prohibiting a union or agency shop are in effect, the provisions of subsection 4 (b) below shall not be effective. However, if during the life of this Agreement, federal or state statutes are changed by act of a legislative body or by popular vote, such that union or agency shop provisions are no longer prohibited, or if laws prohibiting union or agency shop provisions are declared unlawful, then the provisions of subsection 4 (b) will become effective where so permitted.

Section 4(b) All employees who are members of the UNION on the effective date of this Agreement shall be required to remain members of the UNION in good standing as a condition of employment within ninety (90) working days following dates of their employment or effective date of the Agreement, whichever is later. Any such workmen shall receive at least the minimum wages and work under the terms and conditions of this Agreement, with the exception of being covered under the fringe benefits of the Agreement.

Section 5. New employee shall be eligible for the following fringe benefits at these specific times:

Health Insurance and hospitalization coverage- ninety (90) days from date of hire;
Sick leave, vacation, holidays, and funeral leave – six (6) months from date of hire;
Retirement – one (1) year from date of hire.

Seniority shall begin or commence at the date of hiring. The COOPERATIVE shall be required to make all payments required by law.

ARTICLE II. Grievance Procedure

Section 1. Any complaint, grievance or dispute that may arise with respect to the application or performance of this Agreement between the COOPERATIVE and the UNION or *any employee(s)* shall be taken up for settlement in the simplest and most direct manner. Except whereby mutual consent another procedure is agreed upon such matters shall be handled in accordance with the following:

1. Between the employee or employees concerned, together with the UNION'S steward if so desired, and the foreman or immediate supervisor of the aggrieved employee.

2. Should any matter not be adjusted in the 1st step above within forty-eight (48) hours, exclusive of Sundays and holidays, it shall be reduced to writing and referred to the Manager of the EMPLOYER and the Business Manager of the UNION.

3. All questions or disputes which are not adjusted as a result of the above procedure shall then be referred to a Joint Conference Committee of three (3) representatives of the UNION and three (3) representatives of the EMPLOYER. Each party shall have the privilege of changing representatives upon the proper notice to the other party. The Joint Conference Committee shall meet within forty-eight (48) hours after such notice is given either party. It shall select its own secretary and chairman.

4. If not satisfactorily adjusted after exhausting all of the above steps, the grievance or complaint shall be referred to arbitration provided such grievance involves an interpretation of the meaning or application of the terms of the Agreement, according to the following procedures; within five (5) days, the parties shall jointly request the Federal Mediation and Conciliation Service to appoint a third member, both parties to be bound by such appointment. Each party shall defray the expenses of its own member of the Board of Arbitration and the fee and expenses of the third member shall be born equally by the parties, together with any incidental or general expenses in connection with the arbitration mutually agreed upon in advance. The majority decision of the Board shall be final and binding on both parties.

Section 2. In any discharge or disciplinary suspension case where the Arbitrator decides that the aggrieved employee should be awarded any back pay, the COOPERATIVE shall be entitled to full credit on such awards for the employee's gross interim earnings, unemployment compensation benefits, workers' compensation benefits received or receivable and any other compensation he receives from any form of employment during the period he was not working for the COOPERATIVE. Subject to the foregoing qualifications and limitations, the Arbitrator's award shall be final and binding upon the COOPERATIVE, the UNION and the aggrieved employee or employees.

Section 3. The UNION and employees agree that during the term of this Agreement neither the UNION, its officers, agents or members shall authorize, instigate, aid, condone or engage in any work stoppage, strike of any kind or description, including so-called sympathy strikes, or otherwise interrupt, impede or restrict services of the COOPERATIVE or engage in any activity which would tend to cause an interruption or delay in the accomplishment of the work and business of the COOPERATIVE.

The UNION and employees further agree that during the term of this Agreement, the UNION, its officers, agents or members will not honor or recognize any picket lines, or picketing in any form, including picket lines or picketing out of so-called sympathy, except picketing at the COOPERATIVE'S Eleventh Street, Paintsville, Kentucky, location which results from a lawful labor dispute between the COOPERATIVE and the UNION after this agreement has expired. No employee will be required to cross a picket line which would put him in physical jeopardy or the property of the COOPERATIVE in jeopardy, such contention having to be proved by the employee.

Any employee who engages in any conduct prohibited by this Section, or who fails or refuses to comply with any provision of this Section, shall be subject to appropriate discipline, including discharge, without warning, by the COOPERATIVE.

The COOPERATIVE agrees not to lock-out employees during the term of this Agreement.

ARTICLE III. Vacation

Section 1. All employees within the bargaining unit shall be entitled to and shall receive vacations each year. The vacation for all those employees who have been regularly employed by the BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION for one year shall receive one (1) week or forty (40) hours vacation with pay and for those employees employed two (2) years to ten (10) years, three (3) weeks or one hundred twenty (120) hours. After ten (10) years employees shall receive an additional day of vacation for each year of employment with the COOPERATIVE, up to a maximum of four (4) weeks or one hundred and sixty (160) hours, except for employees hired before January 1, 1987, which may accumulate up to five (5) weeks or two hundred (200) hours.

Section 2. The vacation period of each employee shall be set by the EMPLOYER with due respect to the desire, seniority and preference of the employee consistent with the efficient operation of the BIG SANDY RURAL ELECTRIC COOPERATIVE. Employee will enter request to Management for vacation thirty (30) days prior to the date vacation is to start, when possible and practical. Employees will make every effort to provide Management thirty (30) days notice for vacation that last for one (1) week or longer.

Section 3. If a vacation day falls on a holiday, another day shall be granted in lieu thereof. Employees who leave the service of the COOPERATIVE and have a vacation due them, shall be compensated in pay the amount that has accrued up to the date of severance.

Section 4. Crew leaders, with eighteen (18) months seniority, as crew leaders, shall be paid his appropriate rate while on vacation or sick leave.

ARTICLE IV. Hours and Overtime

Section 1. No shift (whether an eight hour (8) shift or ten (10) hour shift) will start after 8:30 a.m. The COOPERATIVE will give one (1) week notice of any change in the shift hours and such changed schedule will run for at least one (1) work week. During such shifts employees will be entitled to not more than thirty (30) minutes for a lunch period. Employees working ten (10) hour shifts will only receive over-time at time and one-half (1 ½) after ten (10)

hours actually worked in a work day or after forty (40) hours actually worked in a workweek. Hours taken as holidays, vacation and funeral leave under this Agreement will count as hours worked for purposes of overtime.

When employees are called out before or after the regularly scheduled working hours, or a trouble employee after his regular quitting time, they shall receive not less than two (2) hours time at the rate of time and one-half, except that if they worked longer than two (2) hours they shall receive time and one-half for the entire time worked until the regular scheduled work day begins, after which time the regular rate of pay will become effective. Overtime to begin at the time the employee is called out and ends when he reports back. When called out on Sunday and legal holidays, they shall receive not less than two (2) hours time at the rate of time and one-half except that if they work longer than two (2) hours, they shall receive time and one-half for the entire time worked. Overtime to begin at the time of calling the employees out and ends when he reports back. All employees used shall be reimbursed for room and board occurring on all emergency work. It shall be the responsibility of the Manager of the COOPERATIVE to keep an accurate overtime list, and to distribute the overtime among the qualified employees in their classification as equal as possible, and to post said overtime list on the bulletin board before the tenth of each month, for the previous month.

Section 2. For all employees covered by this Agreement, kept as later provided, the regular work week shall be Monday through Friday. The regular work week shall not exceed forty (40) hours, and the regular work day shall not exceed eight (8) hours. All work in the excess of regularly scheduled hours in any one day or in any one week shall be paid at the rate of time and one-half (1 ½). The COOPERATIVE shall give the employee three days prior notice for Saturday work except for breakdowns.

Section 3. The following days shall be recognized as paid holidays at the employee's straight time rate of pay, provided the holiday falls on a regular work day, or the holiday is recognized to fall on a regularly scheduled work day: New Year's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Day after Thanksgiving, Christmas Eve and Christmas Day. Holidays falling on Saturday or Sunday will be observed as the Nation observes them. Time and one-half to be paid in addition for all work performed on such holidays.

Section 4. Employees shall not be required to work outside during inclement weather except to restore service because of emergency conditions. Employees shall be assigned to work inside or under shelter during such weather. Such assignments shall not be for more than the regular work day or work week. Thus the employee is assured of a full week's pay.

ARTICLE V. Wages

Effective January 1, 2018, all employees covered by this agreement will receive the following pay increases: \$.40 per hour, effective January 1, 2018; \$.50 per hour, effective January 1, 2019 and \$.60 per hour, effective January 1, 2020.

Employees will be paid biweekly, which is every two weeks (i.e. every other Friday). If the payday falls on a holiday, the employee will be paid on the day before the holiday.

CLASSIFICATION

EFFECTIVE: 1/1/2018 thru 12/31/2020

	Jan. 1, 2018	Jan. 1, 2019	Jan. 1, 2020
	\$.40 cents	\$.50 cents	\$.60 cents
Lineman, 1 st Class (w/less than 1 yr experience w/ the company)	\$28.64	\$ 29.14	\$ 29.74
Serviceman, Journeyman/ Lineman	\$29.68	\$ 30.18	\$ 30.78
Lineman, 1 st Class (w/1 yr or longer experience w/ the company)	\$29.43	\$ 29.93	\$ 30.53
Transformer, Meterman Serviceman Journeyman w/license	\$30.78	\$ 31.28	\$ 31.88
Assistant Transformer Meterman Serviceman	\$29.84	\$ 30.34	\$ 30.94

Asst. Staking Engineer	\$29.84	\$ 30.34	\$ 30.94
Asst. Staking Eng Helper	\$28.93	\$ 29.43	\$ 30.03
Warehouseman	\$28.88	\$ 29.38	\$ 29.98
Crew Leader	\$31.91	\$ 32.41	\$ 33.01
Mechanic	\$28.14	\$ 28.64	\$ 29.24

(The wage rate for the Mechanic will be the same rate as that of the Lineman First Class, less than one (1) year)

CLASSIFICATION

EFFECTIVE: 1/1/2018 THRU 12/31/2020

Jan. 1, 2018	Jan. 1, 2019	Jan. 1, 2020
\$.40 cents	\$.50 cents	\$.60 cents

APPRENTICES

(Lineman, Serviceman and Meterman)

1 st 6 months	\$24.08	\$ 24.58	\$ 25.18
2 nd 6 months	\$24.93	\$ 25.43	\$ 26.03
2 nd year	\$25.94	\$ 26.44	\$ 27.04
3 rd year	\$26.61	\$ 27.11	\$ 27.71
4 th year	\$27.85	\$ 28.35	\$ 28.95
Therefore	\$29.43	\$ 29.93	\$ 30.53

GROUNDSMAN

1 st 6 months	\$21.51	\$ 22.01	\$ 22.61
2 nd 3 months	\$22.06	\$ 22.56	\$ 23.16
2 nd 6 months	\$23.00	\$ 23.50	\$ 24.10
2 nd year	\$23.99	\$ 24.49	\$ 25.09
3 rd year	\$24.43	\$ 24.93	\$ 25.53
4 th year	\$25.22	\$ 25.72	\$ 26.32
Therefore	\$25.61	\$ 26.11	\$ 26.71

CLASSIFICATION

EFFECTIVE: 1/1/2018 THRU 12/31/2020

Jan. 1.2018	Jan. 1, 2019	Jan. 1, 2020
\$.40 cents	\$.50 cents	\$.60 cents

SERVICE TECHNICIAN

1 st year	\$23.65	\$ 24.15	\$ 24.75
2 nd year	\$24.65	\$ 25.15	\$ 25.75
3 rd year	\$25.65	\$ 26.15	\$ 26.75
4 th year	\$26.65	\$ 27.15	\$ 27.75
Therefore	\$27.65	\$ 28.15	\$ 28.75

A mechanic may be hired at a rate established by the COOPERATIVE, under the following conditions: The employer may set the starting and quitting time, the first eight (8) hours worked will be the straight time rate of pay, any time worked past eight (8) hours will be at the time and one-half rate of pay. All other overtime and fringe benefit payments afforded other employees under the terms of this Agreement will apply to the mechanic. It is the understanding between both parties Local 317 and BIG SANDY RECC, that a mechanic is not to infringe on any other classifications work. Effective January 1, 2002, existing mechanic will be paid at a scale of Lineman 1st Class with less than 1 year experience with the company.

It is understood by Local 317 that BIG SANDY RECC will retain the right to employ temporary right of way employees.

Apprentices shall mean either apprentice lineman or apprentice meterman. Apprentice lineman shall be advanced only on a basis of the time served and ability. Recommendations for advancement shall be initialed by the UNION Labor Committee and submitted to Committee representing the EMPLOYER for approval. It is understood that if a Groundsman is advanced to an apprentice, that the time served as Groundsman up to and including two (2) years shall apply to his apprenticeship rating.

It is mutually understood between both parties that the EMPLOYER will contribute an amount equal to ten percent (10%) of the employees straight-time monthly salary, toward purchasing a retirement plan for the employee with a reputable insurance company. This ten (10%) contribution will continue throughout this Union Contract dated January 1, 2018 to December 31, 2020.

ARTICLE VI. Apprentices

Section 1. (a) An apprentice lineman is one who is learning line work and must serve as such for four (4) years before becoming a journeyman lineman. An apprentice working voltage in excess of 440 volts must be under the direct supervision of a journeyman.

Section 1. (b) An apprentice promoted from a lower rating to a higher rating, prior to promotion shall be required to take the I.B.E.W. test before promotion is put in effect and the

COOPERATIVE Manager shall be advised by the UNION of such test.

Section 2. The ratio of apprentices to journeyman shall not be more than two (2) apprentices to one (1) journeyman or fraction thereof. Foreman is to be counted as journeyman. No journeyman shall be displaced by an apprentice.

ARTICLE VII. Seniority

Section 1. Seniority of an employee coming within this Agreement shall accumulate from the first day of employment with the COOPERATIVE. Illness, injury or military service in time of national emergency shall not be considered as a break in seniority.

Section 2. Promotions to positions in the bargaining unit, demotion, lay-offs, however, that employees have sufficient ability and qualifications to perform the work required. Employees who have been laid off shall be called back to work and placed on jobs which they can perform in accordance with their previous seniority. Employees so recalled must report to work within five (5) working days after being notified of such recall and advise the COOPERATIVE immediately of their intentions to report. In case of lay-offs, seniority need not be carried over twelve (12) months. This paragraph shall cover employees working with the COOPERATIVE at the time this Agreement goes into effect and all employees that become regular employees.

Section 3. In the event it becomes necessary to lay off one (1) employee and there are two (2) employees having relatively equal ability and seniority, one of whom must be laid off, the decision as to which of the two (2) employees shall be affected, the lay-off shall be made by the Job Steward and the Manager. COOPERATIVE shall give employee to be laid off a minimum of one week notification prior to lay off.

A seniority list shall be made up by the COOPERATIVE within sixty (60) days after the date of this Agreement. A copy shall be furnished to the Secretary of the UNION and a copy posted on the bulletin board. This list shall be open for correction for a period of thirty (30) days thereafter, and if any employee does not make a protest in writing to the COOPERATIVE, with a copy to the UNION, within such thirty (30) day period after posting of such list, his seniority

shall be as shown on list. The seniority list shall be brought up to date once each six (6) months thereafter.

Section 4. Through the representation of the UNION, employees shall have the right to hearing on any differences of opinion as to the competency of any employee to fill a new position of vacancy, or promotion or demotion, of discipline administered or lay-offs, or discharge or of discrimination. Such hearing shall follow the established grievance procedure. This paragraph is not to be interpreted as meaning the Local UNION has the right to a hearing on the competency of new employees hired by the COOPERATIVE. New employees shall mean those employees who have worked for less than ninety (90) days.

ARTICLE VIII. Sick Leave

Section 1. Employees compelled to be absent from regular duties because of illness or accident shall be compensated at the regular straight time rate of pay as follows:

On January 1st of each year, each employee then having completed one (1) years prior service, with the COOPERATIVE, shall be compensated for the first twelve (12) days of such illness occurring during the prospective year. On January 1st of each year, each employee then having completed one (1) years prior service with the COOPERATIVE, shall be compensated for the first twelve (12) days of such illness and can accumulate up to sixty (60) days sick leave with applicable rate of pay.

Should the employee become ill in the first months after this agreement is executed, the employee shall receive the maximum credit of twelve (12) days – should he have been employed for at least one year. During the prospective year, employees with less than one (1) year of service on January 1st of each year shall be compensated based on the number of months prior service with the COOPERATIVE at the rate of one (1) day each months prior service. If an employee is off work due to illness, he shall contact the COOPERATIVE, if possible, and if the Board of Directors required a doctors certificate, it shall be at the expense of the COOPERATIVE.

Any I.B.E.W. employee, employed by BIG SANDY RECC for 10 years or longer is to be paid at his regular hourly rate of pay for all sick leave due him up to thirty (30) days if he is laid off because of lack of work; or, under the same conditions, will be paid at his regular hourly rate of pay for sick leave due him, up to a maximum of forty-five (45) days, only if he retires at age 62 or above.

Personal Days – Full days only, for personal use.

Year	# of Personal Days
2018	3 days
2019	3 days
2020	3 days

The number of personal days each employee has accumulated as of **January 1, 2008**, will be the **maximum** that will be accumulated. Such days and all days earned subsequent to January 1, 2008, must be used before an employee retires or leaves the employee of the COOPERATIVE.

Section 2. The COOPERATIVE agrees to continue in effect for the term of this Agreement its present group insurance programs so as to make available to all regular full-time employees who have completed their probationary period, the COOPERATIVE's basic group insurance plans, as modified below:

The COOPERATIVE shall have the right to change insurance carriers for any of the group insurance programs as set forth in this Article at any time so long as the group insurance coverage is substantially equivalent.

The contracts between the COOPERATIVE and insurance carriers will govern in all matters related to the insurance plans provided herein. The exact coverage and the conditions for coverage of the aforesaid insurance will be determined by the terms and conditions of the policy or contract, and the COOPERATIVE will not under any circumstances be liable as an insurer of any of the benefits to employees.

The COOPERATIVE agrees to pay the cost of hospitalization insurance now in existence for its employees and family; (as modified below regarding the rising health care cost and regarding spouses.)

REGARDING cost of hospitalization insurance; the COOPERATIVE will pay all costs for hospitalization insurance with the exception as follows:

THE EMPLOYEE will pay:

2018 – 5% of Monthly Base cost for Hospitalization Insurance

2019 – 10% of Monthly Base Cost for Hospitalization Insurance

2020 – 12% of Monthly Base Cost for Hospitalization Insurance

(This cost will be payroll deducted (biweekly) as with any other benefit costing the employee)

The COOPERATIVE and the UNION believe rising health care costs must be addressed in the interest of the COOPERATIVE members. Effective upon ratification of this Agreement,

COOPERATIVE bargaining unit employees are required to notify the COOPERATIVE about health care coverage available to their spouse through their employer. If an employee's spouse has a health care plan available through their employer, they will be required to obtain such insurance provided if such coverage is reasonably comparable.

The COOPERATIVE will augment additional cost of this provision up to \$200.00 per month per employee for employee-only coverage upon proof of such additional cost. This provision will terminate upon the date the employee of the coop retires. But, a dependent of the employee will continue to be covered by the COOPERATIVE's healthcare plan.

Additionally, the COOPERATIVE will be provided an incentive program that may be adjusted from time to time as determined by the COOPERATIVE with the understanding that the employees may opt back in to the COOPERATIVE plan when they desire, **subject** to the enrollment procedures of the existing health care plan.

Nothing herein will require employees to provide health care coverage to dependents in conflict with court ordered requirements.

A spouse who loses insurance from their employer will be added to the COOPERATIVE's health insurance program within thirty (30) days of notice of termination of such coverage. An employee who has a spouse covered by the COOPERATIVE's health insurance program shall certify in writing yearly, during the month of January, that the spouse continues to be unemployed or is not eligible for health insurance from their employer.

Employees hired on and after January 1, 2008 will, at the time of retirement receive employee-only health insurance from the COOPERATIVE until they become eligible for Medicare or the Medicare-type program in effect at that time.

Section 3. Any employee will be granted a leave of absence with pay at his base hourly rate for up to three (3) consecutive scheduled workdays upon presentation of evidence satisfactory to the COOPERATIVE for attending the funeral of a member of his immediate family. Immediate family shall mean wife, children, mother, father, sister, brother, mother-in-law or father-in-law, grandparents and grandchildren.

Section 4. An employee will be granted a leave of absence with pay at his base hourly rate for any three (3) consecutive scheduled workdays upon presentation of evidence satisfactory to the COOPERATIVE for admittance of a member of his immediate household to the hospital, or one day leave of absence for emergency room treatment or outpatient surgery at the hospital. Household shall mean: wife, children and grandparents.

ARTICLE IX. General Provisions

Section 1. This Agreement sets out the entire understanding between the COOPERATIVE and the UNION with respect to the unit of employees described in this Agreement. Neither party intends to be bound or obligated except to the extent that it has expressly so agreed herein and this Agreement shall be strictly construed. Neither the UNION nor the COOPERATIVE shall use or attempt to sue in any arbitration or in any legal proceeding of any kind under this Agreement or which involves this Agreement any concession or change in language or position which the COOPERATIVE made or agreed to in the course of the negotiations for this Agreement, and evidence of any such concession or change in language

opposition on the COOPERATIVE's part shall be inadmissible. This Agreement applies only to the collective bargaining unit defined in this Agreement. None of the benefits, rights or privileges accorded by this Agreement to the UNION or to any employee covered by this Agreement shall survive the expiration or termination of this Agreement.

It is distinctly understood and agreed to by the UNION that the COOPERATIVE shall not be obligated, contractually or otherwise, to continue in effect any custom, practice or benefit unless it has contractually obligated itself to do.

Section 2. The EMPLOYER shall furnish adequate safety appliances and Personal Protective Equipment (which includes belts, climbers and body tools) in accordance with OSHA 29 CFR 1910.132 (H). Employer is not obligated to replace such P. P. E. if employee loses or negligently abuses such P.P.E. Members of the UNION shall cooperate in every way to minimize accidents and shall at all times use every effort for the preservation of the safety appliances and tools and shall use them when needed.

Section 3. No less than five (5) men will be used when erecting poles of greater length than twenty-five (25) feet by hand. This does not include poles erected by mechanized equipment.

Section 4. When higher than 220 volts are to be worked the journeyman assigned to the job shall exercise his judgment in determining the need of journeyman helpers. When an employee is assigned to a service truck and is called out after 4:00 P.M. on call out work, the employee assigned to the service truck and the employer, shall exercise their judgment in determining assistance the employee might need.

Section 5. It is agreed that should any job classification be omitted from Article V, Section 1, or created after the signing of this Agreement the parties hereto shall meet and amend this Agreement to include such classification.

Section 6. The COOPERATIVE acknowledges receipt of a copy of the Constitution of the International Brotherhood of Electrical Workers.

Section 7. Promotions to positions within the bargaining unit, demotions, lay-offs, or transfers shall be based on seniority and classification provided, however, that employees must have sufficient ability to perform the work required within the classifications.

Section 8. No employee within the bargaining unit will be requested to take time off in lieu of overtime pay. The COOPERATIVE shall be the sole judge as to the necessity of overtime work, and the employee shall be obligated to work overtime when requested to do so. When possible, this request shall be made two (2) days prior to scheduled overtime. Overtime shall be divided equally among the employees in the district who perform the classification of the work required to be done on overtime.

Section 9. The COOPERATIVE shall provide exclusive bulletin space for the UNION and shall be located in the storeroom where employees will see same when entering or leaving storeroom.

Section 10. When an employee (Journeyman) is designated by the COOPERATIVE Superintendent, Manager or General Foreman to fill the vacancy of foreman and/or crew leader for eight (8) consecutive hours (full day) such acting foreman and/or crew leader shall be paid at the higher rate of the one whose place he fills.

Section 11. The COOPERATIVE agrees that if and when it contracts with private contractors to do any of its work, that said private contractor will be informed that there is an existing contract between the COOPERATIVE and the INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS (Local UNION No. 317) and it is the understanding that no contracts will be let to private contractors while Local 317 employees are laid off, if so, the employees laid off will be re-called and placed to work in the classification they were last employed. This contract applies to maintenance employees. Any new construction of ten (10) miles or more shall be called construction and a new contract shall be agreed to for these construction works.

Section 12. The COOPERATIVE agrees to purchase five (5) work uniforms, and one work jacket, or seven (7) pants and seven (7) shirts, no jacket, per year for its employees. However, employee may elect to receive boots or a combination of uniforms and boots. The

amount of money allocated to each employee, will be the average cost of uniforms per employee, computed each year.

Section 13. Negotiations shall be held during the regular working day between the hours of 7:30 A.M. and 4:00 P. M. at no lost time to the Local UNION's negotiating committee. The COOPERATIVE and the UNION will alternate paying for such lost time by the local UNION negotiating committee, with the COOPERATIVE paying for such lost time in the first negotiating session, the UNION paying for such lost time in the second negotiating session, and alternatively the COOPERATIVE and the UNION thereafter.

Section 14. The Employer agrees that it will make deductions from the pay of each member within the bargaining unit on the basis of individually signed payroll deduction authorization forms and will pay over the aggregate of such deductions to the Financial Secretary of the Local UNION designated against his receipt therefore in the name of the Local UNION. The Employer agrees to make this deduction monthly, as designated in the individually signed payroll deduction authorization, and to send a check for the total amount, together with a list of the individuals names from whom the deductions were made designating the amount deducted on each form, plus a list of names of the employees removed from or added to the payroll during the current month to the Financial Secretary designated by the UNION on or before the last day of each month in which deductions are made.

The UNION agrees to save the EMPLOYER harmless from any action growing out of these deductions and commenced by any employee against the EMPLOYER and assumes full responsibility for the disposition of the funds so deducted once they have been turned over to the Financial Secretary of the UNION.

ARTICLE X. Termination

Section 1. The COOPERATIVE and the UNION each acknowledge that this Agreement has been reached as a result of collective bargaining in good faith by both parties hereto, and that both parties hereto have had the unlimited opportunity during negotiations to submit and discuss proposals on all subjects which are bargainable matters. While it is the intent and purpose of the

parties hereto that each of them shall fully perform all obligations by them to be performed in accordance with the terms of this Agreement, the UNION and the COOPERATIVE agree that the COOPERATIVE shall not be obligated to bargain collectively with the UNION during the term of this Agreement on any matter pertaining to rates of pay, wages, hours of employment, or other conditions of employment, and the UNION and the COOPERATIVE hereby specifically waive any right which it might otherwise have to request or demand such bargaining and acknowledges that the COOPERATIVE's obligations during the term of this Agreement shall be limited to the performance and discharge of its obligations under this Agreement.

Section 2. This Agreement when signed by the COOPERATIVE and the UNION of their authorized representatives, and approved by the International Office of the UNION, takes effect from January 1, 2018, and remains in effect until December 31, 2020.

Section 3. Either party desiring changes must notify the other party in writing at least sixty (60) days prior to December 31, of any year. Such notice shall indicate what changes are desired. However, changes can be made at any time by mutual consent.

ARTICLE XI. Miscellaneous

Section 1. The COOPERATIVE and UNION agree that medical leave shall be made available to employees in accordance with the provisions of and regulations issued in accordance with the Family and Medical Leave Act ("FMLA") of 1993. An employee who qualifies for FMLA leave must use all accumulated sick days, personal days and vacation days concurrent with the FMLA leave.

Sections 2. The COOPERATIVE and the UNION agree that the provisions of this Agreement shall be applied to all employees without discrimination on the basis of race, color, religion, sex, national origin or age (40 and over) as set forth in Title VII of the Civil Rights Act of 1964, as amended, and the Age Discrimination in Employment Act of 1968, as amended, respectively.

As used in this Agreement, the term "he" shall apply to and describe the male and/or female gender.

IN WITNESS WHEREOF, the parties have hereunto set their hands on quintuplicate copies this date: 10/30/17

Jim Gillotte
B.E.W. Business Manager

Boff Lyst
President & General Manager of Coop

Chris Prato

Nanny Wallen
Chairman of the Board

Paul Gahle

Lucy Davis
Vice Chairman of the Board

Shelley Brachoff

Rob Moore
Board Secretary

AGREEMENT

BETWEEN

BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION

AND

LOCAL UNION NO. 317

OF THE INTERNATIONAL BROTHERHOOD

OF ELECTRICAL WORKERS

Effective: January 1, 2016 through December 31, 2017

TABLE OF CONTENTS

ARTICLE I.	Recognition.....	3
ARTICLE II.	Grievance Procedure.....	4
ARTICLE III.	Vacation.....	6
ARTICLE IV.	Hours and Overtime.....	7
ARTICLE V.	Wages.....	8
ARTICLE VI.	Apprentices.....	11
ARTICLE VII.	Seniority.....	12
ARTICLE VIII.	Sick Leave.....	13
ARTICLE IX.	General Provisions.....	16
ARTICLE X.	Termination.....	19
ARTICLE XI.	Miscellaneous.....	20

AGREEMENT

Effective: January 1, 2016

THIS AGREEMENT, made and entered into this 20th day of October 2015 by and between the BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION of Paintsville, Kentucky, hereinafter referred to as the COOPERATIVE and LOCAL UNION NO. 317 of the INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, hereinafter referred to as the UNION, as the collective bargaining representatives for the employees of the COOPERATIVE in the classifications listed in Article V, Section 1, of this Agreement.

WITNESSETH

WHEREAS, the COOPERATIVE and the UNION have a common and sympathetic interest in the electrical industry, and together with the Public, will benefit from harmonious working arrangements for the adjustments of differences by rational and common sense methods, and therefore, for the purpose of facilitating the peaceful adjustments of differences that may arise from time to time, and to promote harmony and efficiency to the end that the COOPERATIVE, the UNION and the GENERAL PUBLIC may be benefitted the parties hereto contract and agree with each other as follows:

TO WIT; ARTICLE I. Recognition

Section 1. The UNION is hereby recognized as the sole exclusive bargaining agent for the collective bargaining purposes covering wages, hours and conditions of employment for all employees within the bargaining unit in view of the UNION'S certification by the N.L.R.B on the second day of June, 1950, in Case No. 9-RC-822.

Section 2. The UNION shall have the right to refer to the grievance procedure therein any complaint that the hiring policies of the EMPLOYER are discriminatory or unfair.

Section 3. The operation, control and management of the Company's facilities and operations, and all business and activities of the Company in connection therewith which are

covered or affected by this Agreement, including the supervision and direction of the working forces at such facilities, operations and business, the right from time to time to make and enforce such reasonable rules applicable to employees covered by this Agreement, including rules concerning alcohol and substance abuse, and to enforce, change, abolish or modify existing rules applicable to employees covered by this Agreement, as it may from time to time deem necessary or advisable, are and shall continue to be solely and exclusively the functions and prerogatives of the management of the Cooperative, including the right to discipline or discharge for just cause (including violation of rules issued by the COOPERATIVE.)

Section 3(a). All new employees shall be hired on a temporary basis, not to exceed ninety (90) working days actually worked.

During such ninety (90) working day probationary period, the COOPERATIVE may discharge or otherwise discipline, lay-off, transfer or assign such employees with or without cause, and such actions shall not be subject to the Grievance Procedure.

Section 4. All employees who are members of the UNION on the effective date of this Agreement shall be required to remain members of the UNION in good standing as a condition of employment within ninety (90) working days following dates of their employment or effective date of the Agreement, whichever is later. Any such workmen shall receive at least the minimum wages and work under the terms and conditions of this Agreement, with the exception of being covered under the fringe benefits of the Agreement. New employee shall be eligible for *the following fringe benefits at these specific times:*

Health Insurance and hospitalization coverage- ninety (90) days from date of hire;

Sick leave, vacation, holidays, and funeral leave – six (6) months from date of hire;

Retirement – one (1) year from date of hire.

Seniority shall begin or commence at the date of hiring. The COOPERATIVE shall be required to make all payments required by law.

ARTICLE II. Grievance Procedure

Section 1. Any complaint, grievance or dispute that may arise with respect to the application or performance of this Agreement between the COOPERATIVE and the UNION or its members shall be taken up for settlement in the simplest and most direct

manner. Except whereby mutual consent another procedure is agreed upon such matters shall be handled in accordance with the following:

1. Between the employee or employees concerned, together with the UNION'S steward if so desired, and the foreman or immediate supervisor of the aggrieved employee.

2. Should any matter not be adjusted in the 1st step above within forty-eight (48) hours, exclusive of Sundays and holidays, it shall be reduced to writing and referred to the Manager of the EMPLOYER and the Business Manager of the UNION.

3. All questions or disputes which are not adjusted as a result of the above procedure shall then be referred to a Joint Conference Committee of three (3) representatives of the UNION and three (3) representatives of the EMPLOYER. Each party shall have the privilege of changing representatives upon the proper notice to the other party. The Joint Conference Committee shall meet within forty-eight (48) hours after such notice is given either party. It shall select its own secretary and chairman.

4. If not satisfactorily adjusted after exhausting all of the above steps, the grievance or complaint shall be referred to arbitration provided such grievance involves an interpretation of the meaning or application of the terms of the Agreement, according to the following procedures; within five (5) days, the parties shall jointly request the Federal Mediation and Conciliation Service to appoint a third member, both parties to be bound by such appointment. Each party shall defray the expenses of its own member of the Board of Arbitration and the fee and expenses of the third member shall be born equally by the parties, together with any incidental or general expenses in connection with the arbitration mutually agreed upon in advance. The majority decision of the Board shall be final and binding on both parties.

Section 2. In any discharge or disciplinary suspension case where the Arbitrator decides that the aggrieved employee should be awarded any back pay, the COOPERATIVE shall be entitled to full credit on such awards for the employee's gross interim earnings, unemployment compensation benefits, workers' compensation benefits received or receivable and any other compensation he receives from any form of employment during the period he was not working for the COOPERATIVE. Subject to the foregoing qualifications and limitations, the Arbitrator's award shall be final and binding upon the COOPERATIVE, the UNION and the aggrieved employee or employees.

Section 3. The UNION and employees agree that during the term of this Agreement

neither the UNION, its officers, agents or members shall authorize, instigate, aid, condone or engage in any work stoppage, strike of any kind or description, including so-called sympathy strikes, or otherwise interrupt, impede or restrict services of the COOPERATIVE or engage in any activity which would tend to cause an interruption or delay in the accomplishment of the work and business of the COOPERATIVE.

The UNION and employees further agree that during the term of this Agreement, the UNION, its officers, agents or members will not honor or recognize any picket lines, or picketing in any form, including picket lines or picketing out of so-called sympathy, except picketing at the COOPERATIVE'S Eleventh Street, Paintsville, Kentucky, location which results from a lawful labor dispute between the COOPERATIVE and the UNION after this agreement has expired. No employee will be required to cross a picket line which would put him in physical jeopardy or the property of the COOPERATIVE in jeopardy, such contention having to be proved by the employee.

Any employee who engages in any conduct prohibited by this Section, or who fails or refuses to comply with any provision of this Section, shall be subject to appropriate discipline, including discharge, without warning, by the COOPERATIVE.

The COOPERATIVE agrees not to lock-out employees during the term of this Agreement.

ARTICLE III. Vacation

Section 1. All employees within the bargaining unit shall be entitled to and shall receive vacations each year. The vacation for all those employees who have been regularly employed by the BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION for one year shall receive one (1) week or forty (40) hours vacation with pay and for those employees employed two (2) years to ten (10) years, three (3) weeks or one hundred twenty (120) hours. After ten (10) years employees shall receive an additional day of vacation for each year of employment with the COOPERATIVE, up to a maximum of four (4) weeks or one hundred and sixty (160) hours, except for employees hired before January 1, 1987, which may accumulate up to five (5) weeks or two hundred (200) hours.

Section 2. The vacation period of each employee shall be set by the EMPLOYER with due respect to the desire, seniority and preference of the employee consistent with the efficient operation of the BIG SANDY RURAL ELECTRIC COOPERATIVE. Employee will enter request to Management for vacation thirty (30) days prior to the date vacation is to start, when possible and practical. Employees will make every effort to provide Management thirty (30) days notice for vacation that last for one (1) week or longer.

Section 3. If a vacation day falls on a holiday, another day shall be granted in lieu thereof. Employees who leave the service of the COOPERATIVE and have a vacation due them, shall be compensated in pay the amount that has accrued up to the date of severance.

Section 4. Crew leaders, with eighteen (18) months seniority, as crew leaders, shall be paid his appropriate rate while on vacation or sick leave.

ARTICLE IV. Hours and Overtime

Section 1. No shift (whether an eight hour (8) shift or ten (10) hour shift) will start after 8:30 a.m. The COOPERATIVE will give one (1) week notice of any change in the shift hours and such changed schedule will run for at least one (1) work week. During such shifts employees will be entitled to not more than thirty (30) minutes for a lunch period. Employees working ten (10) hour shifts will only receive over-time at time and one-half (1 ½) after ten (10) hours actually worked in a work day or after forty (40) hours actually worked in a workweek. Hours taken as holidays, vacation and funeral leave under this Agreement will count as hours worked for purposes of overtime.

When employees are called out before or after the regularly scheduled working hours, or a trouble employee after his regular quitting time, they shall receive not less than two (2) hours time at the rate of time and one-half, except that if they worked longer than two (2) hours they shall receive time and one-half for the entire time worked until the regular scheduled work day begins, after which time the regular rate of pay will become effective. Overtime to begin at the time the employee is called out and ends when he reports back. When called out on Sunday and legal holidays, they shall receive not less than two (2) hours time at the rate of time and one-half except that if they work longer than two (2) hours, they shall receive time and one-half for

the entire time worked. Overtime to begin at the time of calling the employees out and ends when he reports back. All employees used shall be reimbursed for room and board occurring on all emergency work. It shall be the responsibility of the Manager of the COOPERATIVE to keep an accurate overtime list, and to distribute the overtime among the qualified employees in their classification as equal as possible, and to post said overtime list on the bulletin board before the tenth of each month, for the previous month.

Section 2. For all employees covered by this Agreement, kept as later provided, the regular work week shall be Monday through Friday. The regular work week shall not exceed forty (40) hours, and the regular work day shall not exceed eight (8) hours. All work in the excess of regularly scheduled hours in any one day or in any one week shall be paid at the rate of time and one-half (1 ½). The COOPERATIVE shall give the employee three days prior notice for Saturday work except for breakdowns.

Section 3. The following days shall be recognized as paid holidays at the employee's straight time rate of pay, provided the holiday falls on a regular work day, or the holiday is recognized to fall on a regularly scheduled work day: New Years Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Day after Thanksgiving, Christmas Eve and Christmas Day. Holidays falling on Saturday or Sunday will be observed as the Nation observes them. Time and one-half to be paid in addition for all work performed on such holidays.

Section 4. Employees shall not be required to work outside during inclement weather except to restore service because of emergency conditions. Employees shall be assigned to work inside or under shelter during such weather. Such assignments shall not be for more than the regular work day or work week. Thus the employee is assured of a full week's pay.

ARTICLE V. Wages

Effective January 1, 2016, all employees covered by this agreement will receive a fifty-cent (\$.50) per hour wage increase.

Effective January 1, 2017, all employees covered by this agreement will receive a fifty-cent (\$.50) per hour wage increase.

Employees will be paid biweekly, which is every two weeks (i.e. every other Friday). If the payday falls on a holiday, the employee will be paid on the day before the holiday.

CLASSIFICATION

EFFECTIVE: 1/1/2016 thru 12/31/2017

	Jan. 1, 2015	Jan. 1, 2016	Jan. 1, 2017
		\$.50 cents	\$.50 cents
Lineman, 1 st Class (w/less than 1 yr experience w/ the company)	\$27.24	\$ 27.74	\$ 28.24
Serviceman, Journeyman/ Lineman	\$28.28	\$ 28.78	\$ 29.28
Lineman, 1 st Class (w/1 yr or longer experience w/ the company)	\$28.03	\$ 28.53	\$ 29.03
Transformer, Meterman Serviceman Journeyman w/license	\$29.38	\$ 29.88	\$ 30.38
Assistant Transformer Meterman Serviceman	\$28.44	\$ 28.94	\$ 29.44
Asst. Staking Engineer	\$28.44	\$ 28.94	\$ 29.44
Asst. Staking Eng Helper	\$27.53	\$ 28.03	\$ 28.53
Warehouseman	\$27.48	\$ 27.98	\$ 28.48

Crew Leader	\$30.51	\$ 31.01	\$ 31.51
Mechanic	\$26.74	\$ 27.24	\$ 27.74

(The wage rate for the Mechanic will be the same rate as that of the Lineman First Class, less than one (1) year)

CLASSIFICATION

EFFECTIVE: 1/1/2016 THRU 12/31/2017

	Jan. 1, 2015	Jan. 1, 2016 \$.50 cents	Jan. 1, 2017 \$.50 cents
<u>APPRENTICES</u>			
(Lineman, Serviceman and Meterman)			
1 st 6 months	\$22.68	\$ 23.18	\$ 23.68
2 nd 6 months	\$23.53	\$ 24.03	\$ 24.53
2 nd year	\$24.54	\$ 25.04	\$ 25.54
3 rd year	\$25.21	\$ 25.71	\$ 26.21
4 th year	\$26.45	\$ 26.95	\$ 27.45
Therefore	\$28.03	\$ 28.53	\$ 29.03
<u>GROUNDMAN</u>			
1 st 6 months	\$20.11	\$ 20.61	\$ 21.11
2 nd 3 months	\$20.66	\$ 21.16	\$ 21.66
2 nd 6 months	\$21.60	\$ 22.10	\$ 22.60
2 nd year	\$22.59	\$ 23.09	\$ 23.59
3 rd year	\$23.03	\$ 23.53	\$ 24.03
4 th year	\$23.82	\$ 24.32	\$ 24.82
Therefore	\$24.21	\$ 24.71	\$ 25.21

CLASSIFICATION

EFFECTIVE: 1/1/2016 THRU 12/31/2017

Jan. 1, 2015	Jan. 1, 2016	Jan. 1, 2017
	\$.50 cents	\$.50 cents

SERVICE TECHNICIAN

1 ST year	\$22.25	\$ 22.75	\$ 23.25
2 nd year	\$23.25	\$ 23.75	\$ 24.25
3 rd year	\$24.25	\$ 24.75	\$ 25.25
4 th year	\$25.25	\$ 25.75	\$ 26.25
Therefore	\$26.25	\$ 26.75	\$ 27.25

A mechanic may be hired at a rate established by the COOPERATIVE, under the following conditions: The employer may set the starting and quitting time, the first eight (8) hours worked will be the straight time rate of pay, any time worked past eight (8) hours will be at the time and one-half rate of pay. All other overtime and fringe benefit payments afforded other employees under the terms of this Agreement will apply to the mechanic. It is the understanding between both parties Local 317 and BIG SANDY RECC, that a mechanic is not to infringe on any other classifications work. Effective January 1, 2002, existing mechanic will be paid at a scale of Lineman 1st Class with less than 1 year experience with the company.

It is understood by Local 317 that BIG SANDY RECC will retain the right to employ temporary right of way employees.

Apprentices shall mean either apprentice lineman or apprentice meterman. Apprentice lineman shall be advanced only on a basis of the time served and ability. Recommendations for advancement shall be initialed by the UNION Labor Committee and submitted to Committee representing the EMPLOYER for approval. It is understood that if a groundman is advanced to an apprentice, that the time served as groundman up to and including two (2) years shall apply to his apprenticeship rating.

It is mutually understood between both parties that the EMPLOYER will contribute an amount equal to ten percent (10%) of the employees straight-time monthly salary, toward purchasing a retirement plan for the employee with a reputable insurance company. This ten (10%) contribution will continue throughout this Union Contract dated January 1, 2016 to December 31, 2017.

ARTICLE VI. Apprentices

Section 1. (a) An apprentice lineman is one who is learning line work and must serve as such for four (4) years before becoming a journeyman lineman. An apprentice working voltage in excess of 440 volts must be under the direct supervision of a journeyman.

Section 1. (b) An apprentice promoted from a lower rating to a higher rating, prior to promotion shall be required to take the I.B.E.W. test before promotion is put in effect and the

COOPERATIVE Manager shall be advised by the UNION of such test.

Section 2. The ratio of apprentices to journeyman shall not be more than two (2) apprentices to one (1) journeyman or fraction thereof. Foreman to be counted as journeyman. No journeyman shall be displaced by an apprentice.

ARTICLE VII. Seniority

Section 1. Seniority of an employee coming within this Agreement shall accumulate from the first day of employment with the COOPERATIVE. Illness, injury or military service in time of national emergency shall not be considered as a break in seniority.

Section 2. Promotions to positions in the bargaining unit, demotion, lay-offs, however, that employees have sufficient ability and qualifications to perform the work required. Employees who have been laid off shall be called back to work and placed on jobs which they can perform in accordance with their previous seniority. Employees so recalled must report to work within five (5) working days after being notified of such recall and advise the COOPERATIVE immediately of their intentions to report. In case of lay-offs, seniority need not be carried over twelve (12) months. This paragraph shall cover employees working with the COOPERATIVE at the time this Agreement goes into effect and all employees that become regular employees.

Section 3. In the event it becomes necessary to lay off one (1) employee and there are two (2) employees having relatively equal ability and seniority, one of whom must be laid off, the decision as to which of the two (2) employees shall be affected, the lay-off shall be made by the Job Steward and the Manager. COOPERATIVE shall give employee to be laid off a minimum of one week notification prior to lay off.

A seniority list shall be made up by the COOPERATIVE within sixty (60) days after the date of this Agreement. A copy shall be furnished to the Secretary of the UNION and a copy posted on the bulletin board. This list shall be open for correction for a period of thirty (30) days thereafter, and if any employee does not make a protest in writing to the COOPERATIVE, with a copy to the UNION, within such thirty (30) day period after posting of such list, his seniority

shall be as shown on list. The seniority list shall be brought up to date once each six (6) months thereafter.

Section 4. Through the representation of the UNION, employees shall have the right to hearing on any differences of opinion as to the competency of any employee to fill a new position of vacancy, or promotion or demotion, of discipline administered or lay-offs, or discharge or of discrimination. Such hearing shall follow the established grievance procedure. This paragraph is not to be interpreted as meaning the Local UNION has the right to a hearing on the competency of new employees hired by the COOPERATIVE. New employees shall mean those employees who have worked for less than ninety (90) days.

ARTICLE VIII. Sick Leave

Section 1. Employees compelled to be absent from regular duties because of illness or accident shall be compensated at the regular straight time rate of pay as follows:

On January 1st of each year, each employee then having completed one (1) years prior service, with the COOPERATIVE, shall be compensated for the first twelve (12) days of such illness occurring during the prospective year. On January 1st of each year, each employee then having completed one (1) years prior service with the COOPERATIVE, shall be compensated for the first twelve (12) days of such illness and can accumulate up to sixty (60) days sick leave with applicable rate of pay.

Should the employee become ill in the first months after this agreement is executed, the employee shall receive the maximum credit of twelve (12) days – should he have been employed for at least one year. During the prospective year, employees with less than one (1) years service on January 1st of each year shall be compensated based on the number of months prior service with the COOPERATIVE at the rate of one (1) day each months prior service. If an employee if off work due to illness, he shall contact the COOPERATIVE, if possible, and if the Board of Directors required a doctors certificate, it shall be at the expense of the COOPERATIVE.

Any I.B.E.W. employee, employed by BIG SANDY RECC for 10 years or longer is to be paid at his regular hourly rate of pay for all sick leave due him up to thirty (30) days if he is laid

off because of lack of work; or, under the same conditions, will be paid at his regular hourly rate of pay for sick leave due him, up to a maximum of forty-five (45) days, only if he retires at age 62 or above.

Personal Days – Full days only, for personal use. Must be approved in advance by Superintendent.

Year	# of Personal Days
2016	3 days
2017	3 days

The number of personal days each employee has accumulated as of January 1, 2008, will be the maximum that will be accumulated. Such days and all days earned subsequent to January 1, 2008, must be used before an employee retires or leaves the employee of the COOPERATIVE.

Section 2. The COOPERATIVE agrees to continue in effect for the term of this Agreement its present group insurance programs so as to make available to all regular full-time employees who have completed their probationary period, the COOPERATIVE's basic group insurance plans, as modified below:

The COOPERATIVE shall have the right to change insurance carriers for any of the group insurance programs as set forth in this Article at any time so long as the group insurance coverage is substantially equivalent.

The contracts between the COOPERATIVE and insurance carriers will govern in all matters related to the insurance plans provided herein. The exact coverage and the conditions for coverage of the aforesaid insurance will be determined by the terms and conditions of the policy or contract, and the COOPERATIVE will not under any circumstances be liable as an insurer of any of the benefits to employees.

The COOPERATIVE agrees to pay the entire cost of hospitalization insurance now in existence for its employees and family (as modified below concerning spouses).

The COOPERATIVE and the UNION believe rising health care costs must be addressed in the interest of the COOPERATIVE members. Effective upon ratification of this Agreement,

COOPERATIVE bargaining unit employees are required to notify the COOPERATIVE about health care coverage available to their spouse through their employer. If an employee's spouse has a health care plan available through their employer, they will be required to obtain such insurance provided if such coverage is reasonably comparable.

The COOPERATIVE will augment additional cost of this provision up to \$200.00 per month per employee for employee-only coverage upon proof of such additional cost. *This provision will terminate upon the date the employee of the coop retires.* Dependents of employees will continue to be covered by the COOPERATIVE's healthcare plan.

Additionally, the COOPERATIVE will be provide an incentive program may be adjusted from time to time as determined by the COOPERATIVE with the understanding the employees may opt back in to the COOPERATIVE plan when they desire subject to the enrollment procedures of the existing health care plan.

Nothing herein will require employees to provide health care coverage to dependents in conflict with court ordered requirements.

A spouse who loses insurance from their employer will be added to the COOPERATIVE's health insurance program within thirty (30) days of notice of termination of such coverage. An employee who has a spouse covered by the COOPERATIVE's health insurance program shall certify in writing yearly, during the month of January, that the spouse continues to be unemployed or is not eligible for health insurance from their employer.

Employees hired on and after January 1, 2008 will, at the time of retirement receive employee-only health insurance from the COOPERATIVE until they become eligible for Medicare or the Medicare-type program in effect at that time.

Section 3. Any employee will be granted a leave of absence with pay at his base hourly

rate for up to three (3) consecutive scheduled workdays upon presentation of evidence satisfactory to the COOPERATIVE for attending the funeral of a member of his immediate family. Immediate family shall mean wife, children, mother, father, sister, brother, mother-in-law or father-in-law, grandparents and grandchildren.

ARTICLE IX. General Provisions

Section 1. This Agreement sets out the entire understanding between the COOPERATIVE and the UNION with respect to the unit of employees described in this Agreement. Neither party intends to be bound or obligated except to the extent that it has expressly so agreed herein and this Agreement shall be strictly construed. Neither the UNION nor the COOPERATIVE shall use or attempt to sue in any arbitration or in any legal proceeding of any kind under this Agreement or which involves this Agreement any concession or change in language or position which the COOPERATIVE made or agreed to in the course of the negotiations for this Agreement, and evidence of any such concession or change in language opposition on the COOPERATIVE's part shall be inadmissible. This Agreement applies only to the collective bargaining unit defined in this Agreement. None of the benefits, rights or privileges accorded by this Agreement to the UNION or to any employee covered by this Agreement shall survive the expiration or termination of this Agreement.

It is distinctly understood and agreed to by the UNION that the COOPERATIVE shall not be obligated, contractually or otherwise, to continue in effect any custom, practice or benefit unless it has contractually obligated itself to do.

Section 2. *The EMPLOYER shall furnish adequate safety appliances and Personal Protective Equipment (which includes belts, climbers and body tools) in accordance with OSHA 29 CFR 1910.132 (H). Employer is not obligated to replace such P. P. E. if employee loses or negligently abuses such P.P.E.* Members of the UNION shall cooperate in every way to minimize accidents and shall at all times use every effort for the preservation of the safety appliances and tools and shall use them when needed.

Section 3. No less than five (5) men will be used when erecting poles of greater length

than twenty-five (25) feet by hand. This does not include poles erected by mechanized equipment.

Section 4. When higher than 220 volts are to be worked the journeyman assigned to the job shall exercise his judgment in determining the need of journeyman helpers. When an employee is assigned to a service truck and is called out after 4:00 P.M. on call out work, the employee assigned to the service truck and the employer, shall exercise their judgment in determining assistance the employee might need.

Section 5. It is agreed that should any job classification be omitted from Article V, Section 1, or created after the signing of this Agreement the parties hereto shall meet and amend this Agreement to include such classification.

Section 6. The COOPERATIVE acknowledges receipt of a copy of the Constitution of the International Brotherhood of Electrical Workers.

Section 7. Promotions to positions within the bargaining unit, demotions, lay-offs, or transfers shall be based on seniority and classification provided, however, that employees must have sufficient ability to perform the work required within the classifications.

Section 8. No employee within the bargaining unit will be requested to take time off in lieu of overtime pay. The COOPERATIVE shall be the sole judge as to the necessity of overtime work, and the employee shall be obligated to work overtime when requested to do so. When possible, this request shall be made two (2) days prior to scheduled overtime. Overtime shall be divided equally among the employees in the district who perform the classification of the work required to be done on overtime.

Section 9. The COOPERATIVE shall provide exclusive bulletin space for the UNION and shall be located in the storeroom where employees will see same when entering or leaving storeroom.

Section 10. When an employee (journeyman) is designated by the COOPERATIVE Superintendent, Manager or General Foreman to fill the vacancy of foreman and/or crew leader

for eight (8) consecutive hours (full day) such acting foreman and/or crew leader shall be paid at the higher rate of the one whose place he fills.

Section 11. The COOPERATIVE agrees that if and when it contracts with private contractors to do any of its work, that said private contractor will be informed that there is an existing contract between the COOPERATIVE and the INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS (Local UNION No. 317) and it is the understanding that no contracts will be let to private contractors while Local 317 employees are laid off, if so, the employees laid off will be re-called and placed to work in the classification they were last employed. This contract applies to maintenance employees. Any new construction of ten (10) miles or more shall be called construction and a new contract shall be agreed to for these construction works.

Section 12. The COOPERATIVE agrees to purchase five (5) work uniforms, and one work jacket, or seven (7) pants and seven (7) shirts, no jacket, per year for its employees. However, employee may elect to receive boots or a combination of uniforms and boots. The amount of money allocated to each employee, will be the average cost of uniforms per employee, computed each year.

Section 13. Negotiations shall be held during the regular working day between the hours of 7:30 A.M. and 4:00 P. M. at no lost time to the Local UNION's negotiating committee. The COOPERATIVE and the UNION will alternate paying for such lost time by the local UNION negotiating committee, with the COOPERATIVE paying for such lost time in the first negotiating session, the UNION paying for such lost time in the second negotiating session, and alternatively the COOPERATIVE and the UNION thereafter.

Section 14. The Employer agrees that it will make deductions from the pay of each member within the bargaining unit on the basis of individually signed payroll deduction authorization forms and will pay over the aggregate of such deductions to the Financial Secretary of the Local UNION designated against his receipt therefore in the name of the Local UNION. The Employer agrees to make this deduction monthly, as designated in the individually signed payroll deduction authorization, and to send a check for the total amount, together with a list of the individuals names from whom the deductions were made designating the amount deducted

on each form, plus a list of names of the employees removed from or added to the payroll during the current month to the Financial Secretary designated by the UNION on or before the last day of each month in which deductions are made.

The UNION agrees to save the EMPLOYER harmless from any action growing out of these deductions and commenced by any employee against the EMPLOYER and assumes full responsibility for the disposition of the funds so deducted once they have been turned over to the Financial Secretary of the UNION.

ARTICLE X. Termination

Section 1. The COOPERATIVE and the UNION each acknowledge that this Agreement has been reached as a result of collective bargaining in good faith by both parties hereto, and that both parties hereto have had the unlimited opportunity during negotiations to submit and discuss proposals on all subjects which are bargainable matters. While it is the intent and purpose of the parties hereto that each of them shall fully perform all obligations by them to be performed in accordance with the terms of this Agreement, the UNION and the COOPERATIVE agree that the COOPERATIVE shall not be obligated to bargain collectively with the UNION during the term of this Agreement on any matter pertaining to rates of pay, wages, hours of employment, or other conditions of employment, and the UNION and the COOPERATIVE hereby specifically waive any right which it might otherwise have to request or demand such bargaining and acknowledges that the COOPERATIVE's obligations during the term of this Agreement shall be limited to the performance and discharge of its obligations under this Agreement.

Section 2. This Agreement when signed by the COOPERATIVE and the UNION of their authorized representatives, and approved by the International Office of the UNION, takes effect from January 1, 2016, and remains in effect until December 31, 2017.

Section 3. Either party desiring changes must notify the other party in writing at least sixty (60) days prior to December 31, of any year. Such notice shall indicate what changes are desired. However, changes can be made at any time by mutual consent.

ARTICLE XI. Miscellaneous

Section 1. The COOPERATIVE and UNION agree that medical leave shall be made available to employees in accordance with the provisions of and regulations issued in accordance with the Family and Medical Leave Act ("FMLA") of 1993. An employee who qualifies for FMLA leave must use all accumulated sick days, personal days and vacation days concurrent with the FMLA leave.

Sections 2. The COOPERATIVE and the UNION agree that the provisions of this Agreement shall be applied to all employees without discrimination on the basis of race, color, religion, sex, national origin or age (40 and over) as set forth in Title VII of the Civil Rights Act of 1964, as amended, and the Age Discrimination in Employment Act of 1968, as amended, respectively.

As used in this Agreement, the term "he" shall apply to and describe the male and/or female gender.

IN WITNESS WHEREOF, the parties have hereunto set their hands on quintuplicate copies this 20th day of October, 2015.

Jim Silletto David Estep

John Harrison Greg Davis

Marki Buehler Kelly Shepherd

David Robinson Hanny Wallen

Unsigned

Trish

AGREEMENT

BETWEEN

BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION

AND

LOCAL UNION NO. 317

OF THE INTERNATIONAL BROTHERHOOD

OF ELECTRICAL WORKERS

Effective: January 1, 2013 through December 31, 2015

TABLE OF CONTENTS

ARTICLE I.	Recognition.....	3
ARTICLE II.	Grievance Procedure.....	4
ARTICLE III.	Vacation.....	6
ARTICLE IV.	Hours and Overtime.....	7
ARTICLE V.	Wages.....	8
ARTICLE VI.	Apprentices.....	11
ARTICLE VII.	Seniority.....	12
ARTICLE VIII.	Sick Leave.....	13
ARTICLE IX.	General Provisions.....	16
ARTICLE X.	Termination.....	19
ARTICLE XI.	Miscellaneous.....	20

AGREEMENT

Effective: January 1, 2013

THIS AGREEMENT, made and entered into this _____ day of _____
by and between the BIG SANDY RURAL ELECTRIC COOPERATIVE
CORPORATION of Paintsville, Kentucky, hereinafter referred to as the COOPERATIVE and
LOCAL UNION NO. 317 of the INTERNATIONAL BROTHERHOOD OF ELECTRICAL
WORKERS, hereinafter referred to as the UNION, as the collective bargaining representatives
for the employees of the COOPERATIVE in the classifications listed in Article V, Section 1, of
this Agreement.

WITNESSETH

WHEREAS, the COOPERATIVE and the UNION have a common and sympathetic
interest in the electrical industry, and together with the Public, will benefit from harmonious
working arrangements for the adjustments of differences by rational and common sense methods,
and therefore, for the purpose of facilitating the peaceful adjustments of differences that may
arise from time to time, and to promote harmony and efficiency to the end that the
COOPERATIVE, the UNION and the GENERAL PUBLIC may be benefitted the parties hereto
contract and agree with each other as follows:

TO WIT; ARTICLE I. Recognition

Section 1. The UNION is hereby recognized as the sole exclusive bargaining agent for
the collective bargaining purposes covering wages, hours and conditions of employment for all
employees within the bargaining unit in view of the UNION'S certification by the N.L.R.B on
the second day of June, 1950, in Case No. 9-RC-822.

Section 2. The UNION shall have the right to refer to the grievance procedure therein
any complaint that the hiring policies of the EMPLOYER are discriminatory or unfair.

Section 3. The operation, control and management of the Company's facilities and
operations, and all business and activities of the Company in connection therewith which are

covered or affected by this Agreement, including the supervision and direction of the working forces at such facilities, operations and business, the right from time to time to make and enforce such reasonable rules applicable to employees covered by this Agreement, including rules concerning alcohol and substance abuse, and to enforce, change, abolish or modify existing rules applicable to employees covered by this Agreement, as it may from time to time deem necessary or advisable, are and shall continue to be solely and exclusively the functions and prerogatives of the management of the Cooperative, including the right to discipline or discharge for just cause (including violation of rules issued by the COOPERATIVE.)

Section 3(a). All new employees shall be hired on a temporary basis, not to exceed ninety (90) working days actually worked.

During such ninety (90) working day probationary period, the COOPERATIVE may discharge or otherwise discipline, lay-off, transfer or assign such employees with or without cause, and such actions shall not be subject to the Grievance Procedure.

Section 4. All employees who are members of the UNION on the effective date of this Agreement shall be required to remain members of the UNION in good standing as a condition of employment within ninety (90) working days following dates of their employment or effective date of the Agreement, whichever is later. Any such workmen shall receive at least the minimum wages and work under the terms and conditions of this Agreement, with the exception of being covered under the fringe benefits of the Agreement. A new employee shall be employed for a period of six months from the date of hiring before becoming covered under the fringe benefit package. Fringe benefits shall mean, sick leave, vacation, holidays, insurance, hospitalization, retirement benefits, and funeral leave. Seniority shall begin or commence at the date of hiring. The COOPERATIVE shall be required to make all payments required by law.

ARTICLE II. Grievance Procedure

Section 1. Any complaint, grievance or dispute that may arise with respect to the application or performance of this Agreement between the COOPERATIVE and the UNION or its members shall be taken up for settlement in the simplest and most direct manner. Except whereby mutual consent another procedure is agreed upon such matters shall be handled in accordance with the following:

1. Between the employee or employees concerned, together with the UNION'S steward if so desired, and the foreman or immediate supervisor of the aggrieved employee.

2. Should any matter not be adjusted in the 1st step above within forty-eight (48) hours, exclusive of Sundays and holidays, it shall be reduced to writing and referred to the Manager of the EMPLOYER and the Business Manager of the UNION.

3. All questions or disputes which are not adjusted as a result of the above procedure shall then be referred to a Joint Conference Committee of three (3) representatives of the UNION and three (3) representatives of the EMPLOYER. Each party shall have the privilege of changing representatives upon the proper notice to the other party. The Joint Conference Committee shall meet within forty-eight (48) hours after such notice is given either party. It shall select its own secretary and chairman.

4. If not satisfactorily adjusted after exhausting all of the above steps, the grievance or complaint shall be referred to arbitration provided such grievance involves an interpretation of the meaning or application of the terms of the Agreement, according to the following procedures; within five (5) days, the parties shall jointly request the Federal Mediation and Conciliation Service to appoint a third member, both parties to be bound by such appointment. Each party shall defray the expenses of its own member of the Board of Arbitration and the fee and expenses of the third member shall be born equally by the parties, together with any incidental or general expenses in connection with the arbitration mutually agreed upon in advance. The majority decision of the Board shall be final and binding on both parties.

Section 2. In any discharge or disciplinary suspension case where the Arbitrator decides that the aggrieved employee should be awarded any back pay, the COOPERATIVE shall be entitled to full credit on such awards for the employee's gross interim earnings, unemployment compensation benefits, workers' compensation benefits received or receivable and any other compensation he receives from any form of employment during the period he was not working for the COOPERATIVE. Subject to the foregoing qualifications and limitations, the Arbitrator's award shall be final and binding upon the COOPERATIVE, the UNION and the aggrieved employee or employees.

Section 3. The UNION and employees agree that during the term of this Agreement neither the UNION, its officers, agents or members shall authorize, instigate, aid, condone or engage in any work stoppage, strike of any kind or description, including so-called sympathy

strikes, or otherwise interrupt, impede or restrict services of the COOPERATIVE or engage in any activity which would tend to cause an interruption or delay in the accomplishment of the work and business of the COOPERATIVE.

The UNION and employees further agree that during the term of this Agreement, the UNION, its officers, agents or members will not honor or recognize any picket lines, or picketing in any form, including picket lines or picketing out of so-called sympathy, except picketing at the COOPERATIVE'S Eleventh Street, Paintsville, Kentucky, location which results from a lawful labor dispute between the COOPERATIVE and the UNION after this agreement has expired. No employee will be required to cross a picket line which would put him in physical jeopardy or the property of the COOPERATIVE in jeopardy; such contention having to be proved by the employee.

Any employee who engages in any conduct prohibited by this Section, or who fails or refuses to comply with any provision of this Section, shall be subject to appropriate discipline, including discharge, without warning, by the COOPERATIVE.

The COOPERATIVE agrees not to lock-out employees during the term of this Agreement.

ARTICLE III. Vacation

Section 1. All employees within the bargaining unit shall be entitled to and shall receive vacations each year. The vacation for all those employees who have been regularly employed by the BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION for one year shall receive one (1) week or forty (40) hours vacation with pay and for those employees employed two (2) years to ten (10) years, three (3) weeks or one hundred twenty (120) hours. After ten (10) years employees shall receive an additional day of vacation for each year of employment with the COOPERATIVE, up to a maximum of four (4) weeks or one hundred and sixty (160) hours, except for employees hired before January 1, 1987, which may accumulate up to five (5) weeks or two hundred (200) hours.

Section 2. The vacation period of each employee shall be set by the EMPLOYER with due respect to the desire, seniority and preference of the employee consistent with the efficient operation of the BIG SANDY RURAL ELECTRIC COOPERATIVE. Employee will enter request to Management for vacation thirty (30) days prior to the date vacation is to start, when possible and practical. Employees will make every effort to provide Management thirty (30) days notice for vacation that last for one (1) week or longer.

Section 3. If a vacation day falls on a holiday, another day shall be granted in lieu thereof. Employees who leave the service of the COOPERATIVE and have a vacation due them, shall be compensated in pay the amount that has accrued up to the date of severance.

Section 4. Crew leaders, with eighteen (18) months seniority, as crew leaders, shall be paid his appropriate rate while on vacation or sick leave.

ARTICLE IV. Hours and Overtime

Section 1. No shift (whether an eight hour (8) shift or ten (10) hour shift) will start after 8:30 a.m. The COOPERATIVE will give one (1) week notice of any change in the shift hours and such changed schedule will run for at least one (1) work week. During such shifts employees will be entitled to not more than thirty (30) minutes for a lunch period. Employees working ten (10) hour shifts will only receive over-time at time and one-half (1 ½) after ten (10) hours actually worked in a work day or after forty (40) hours actually worked in a workweek. Hours taken as holidays, vacation and funeral leave under this Agreement will count as hours worked for purposes of overtime.

When employees are called out before or after the regularly scheduled working hours, or a trouble employee after his regular quitting time, they shall receive not less than two (2) hours time at the rate of time and one-half, except that if they worked longer than two (2) hours they shall receive time and one-half for the entire time worked until the regular scheduled work day begins, after which time the regular rate of pay will become effective. Overtime to begin at the time the employee is called out and ends when he reports back. When called out on Sunday and legal holidays, they shall receive not less than two (2) hours time at the rate of time and one-half except that if they work longer than two (2) hours, they shall receive time and one-half for

the entire time worked. Overtime to begin at the time of calling the employees out and ends when he reports back. All employees used shall be reimbursed for room and board occurring on all emergency work. It shall be the responsibility of the Manager of the COOPERATIVE to keep an accurate overtime list, and to distribute the overtime among the qualified employees in their classification as equal as possible, and to post said overtime list on the bulletin board before the tenth of each month, for the previous month.

Section 2. For all employees covered by this Agreement, kept as later provided, the regular work week shall be Monday through Friday. The regular work week shall not exceed forty (40) hours, and the regular work day shall not exceed eight (8) hours. All work in the excess of regularly scheduled hours in any one day or in any one week shall be paid at the rate of time and one-half (1 ½). The COOPERATIVE shall give the employee three days prior notice for Saturday work except for breakdowns.

Section 3. The following days shall be recognized as paid holidays at the employee's straight time rate of pay, provided the holiday falls on a regular work day, or the holiday is recognized to fall on a regularly scheduled work day: New Years Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Day after Thanksgiving, Christmas Eve and Christmas Day. Holidays falling on Saturday or Sunday will be observed as the Nation observes them. Time and one-half to be paid in addition for all work performed on such holidays.

Section 4. Employees shall not be required to work outside during inclement weather except to restore service because of emergency conditions. Employees shall be assigned to work inside or under shelter during such weather. Such assignments shall not be for more than the regular work day or work week. Thus the employee is assured of a full week's pay.

ARTICLE V. Wages

Employees who perform "hot work" will receive a one dollar (\$1.00) per hour wage increase, effective January 1, 2013, to the rate in effect on December 31, 2012. This includes the following job classifications: All Linemen, Servicemen, Crew Leaders and Metermen. The job classification of Assistant Staking Engineer shall receive one dollar & sixteen cents (\$1.16) per

hour increase. Employees in the Mechanic, Warehousemen and Groundman job classifications shall receive a fifty-cent (\$.50) per hour increase.

Effective January 1, 2014, all employees covered by this agreement will receive a fifty-cent (\$.50) per hour wage increase.

Effective January 1, 2015, all employees covered by this agreement will receive a twenty-five cent (\$.25) per hour wage increase.

Employees will be paid biweekly, which is every two weeks (i.e. every other Friday). If the payday falls on a holiday, the employee will be paid on the day before the holiday.

CLASSIFICATION

EFFECTIVE: 1/1/2013 thru 12/31/2015

	Jan. 1, 2013	Jan. 1, 2014	Jan. 1, 2015
	\$ 1.00	\$.50 cents	\$.25 cents
Lineman, 1 st Class (w/less than 1 yr experience w/ the company)	\$26.49	\$26.99	\$27.24
Serviceman, Journeyman/ Lineman	\$27.53	\$28.03	\$28.28
Lineman, 1 st Class (w/1 yr or longer experience w/ the company)	\$27.28	\$27.78	\$28.03
Transformer, Meterman Serviceman Journeyman w/license	\$28.63	\$29.13	\$29.38
Assistant Transformer Meterman Serviceman	\$27.69	\$28.19	\$28.44

10 of 43

Asst. Staking Engineer	\$27.69	\$28.19	\$28.44
Asst. Staking Eng Helper	\$26.78	\$27.28	\$27.53
Warehouseman	\$26.73	\$27.23	\$27.48
Crew Leader	\$29.76	\$30.26	\$30.51
Mechanic	\$25.99	\$26.49	\$26.74

(The wage rate for the Mechanic will be the same rate as that of the Lineman First Class, less than one (1) year)

CLASSIFICATION

EFFECTIVE: 1/1/2013 THRU 12/31/2015

	Jan. 1, 2013	Jan. 1, 2014	Jan. 1, 2015
	\$ 1.00	\$.50 cents	\$.25 cents
<u>APPRENTICES</u>			
(Lineman, Serviceman and Meterman)			
1 st 6 months	\$21.93	\$22.43	\$22.68
2 nd 6 months	\$22.78	\$23.28	\$23.53
2 nd year	\$23.79	\$24.29	\$24.54
3 rd year	\$24.46	\$24.96	\$25.21
4 th year	\$25.70	\$26.20	\$26.45
Therefore	\$27.28	\$27.78	\$28.03

GROUNDMAN

1 st 6 months	\$19.36	\$19.86	\$20.11
2 nd 3 months	\$19.91	\$20.41	\$20.66
2 nd 6 months	\$20.85	\$21.35	\$21.60
2 nd year	\$21.84	\$22.34	\$22.59
3 rd year	\$22.28	\$22.78	\$23.03
4 th year	\$23.07	\$23.57	\$23.82
Therefore	\$23.46	\$23.96	\$24.21

A mechanic may be hired at a rate established by the COOPERATIVE, under the following conditions: The employer may set the starting and quitting time, the first eight (8) hours worked will be the straight time rate of pay, any time worked past eight (8) hours will be at the time and one-half rate of pay. All other overtime and fringe benefit payments afforded other employees under the terms of this Agreement will apply to the mechanic. It is the understanding between both parties Local 317 and BIG SANDY RECC, that a mechanic is not to infringe on any other classifications work. Effective January 1, 2002, existing mechanic will be paid at a scale of Lineman 1st Class with less than 1 year experience with the company.

It is understood by Local 317 that BIG SANDY RECC will retain the right to employ temporary right of way employees.

Apprentices shall mean either apprentice lineman or apprentice meterman. Apprentice lineman shall be advanced only on a basis of the time served and ability. Recommendations for advancement shall be initialed by the UNION Labor Committee and submitted to Committee representing the EMPLOYER for approval. It is understood that if a groundman is advanced to an apprentice, that the time served as groundman up to and including two (2) years shall apply to his apprenticeship rating.

It is mutually understood between both parties that the EMPLOYER will contribute an amount equal to nine percent (9%) of the employees straight-time monthly salary, toward purchasing a retirement plan for the employee with a reputable insurance company.

Effective January 1, 2014, employer will contribute an amount equal to ten percent (10%) of employee straight-time monthly salary, toward purchasing a retirement plan for the employee with a reputable insurance company.

ARTICLE VI. Apprentices

Section 1. (a) An apprentice lineman is one who is learning line work and must serve as such for four (4) years before becoming a journeyman lineman. An apprentice working voltage in excess of 440 volts must be under the direct supervision of a journeyman.

Section 1. (b) An apprentice promoted from a lower rating to a higher rating, prior to promotion shall be required to take the I.B.E.W. test before promotion is put in effect and the COOPERATIVE Manager shall be advised by the UNION of such test.

Section 2. The ratio of apprentices to journeyman shall not be more than two (2) apprentices to one (1) journeyman or fraction thereof. Foreman to be counted as journeyman. No journeyman shall be displaced by an apprentice.

ARTICLE VII. Seniority

Section 1. Seniority of an employee coming within this Agreement shall accumulate from the first day of employment with the COOPERATIVE. Illness, injury or military service in time of national emergency shall not be considered as a break in seniority.

Section 2. Promotions to positions in the bargaining unit, demotion, lay-offs, however, that employees have sufficient ability and qualifications to perform the work required. Employees who have been laid off shall be called back to work and placed on jobs which they can perform in accordance with their previous seniority. Employees so recalled must report to work within five (5) working days after being notified of such recall and advise the COOPERATIVE immediately of their intentions to report. In case of lay-offs, seniority need not be carried over twelve (12) months. This paragraph shall cover employees working with the COOPERATIVE at the time this Agreement goes into effect and all employees that become regular employees.

Section 3. In the event it becomes necessary to lay off one (1) employee and there are two (2) employees having relatively equal ability and seniority, one of whom must be laid off, the decision as to which of the two (2) employees shall be affected, the lay-off shall be made by the Job Steward and the Manager. COOPERATIVE shall give employee to be laid off a minimum of one week notification prior to lay off.

A seniority list shall be made up by the COOPERATIVE within sixty (60) days after the date of this Agreement. A copy shall be furnished to the Secretary of the UNION and a copy

posted on the bulletin board. This list shall be open for correction for a period of thirty (30) days thereafter, and if any employee does not make a protest in writing to the COOPERATIVE, with a copy to the UNION, within such thirty (30) day period after posting of such list, his seniority shall be as shown on list. The seniority list shall be brought up to date once each six (6) months thereafter.

Section 4. Through the representation of the UNION, employees shall have the right to hearing on any differences of opinion as to the competency of any employee to fill a new position of vacancy, or promotion or demotion, of discipline administered or lay-offs, or discharge or of discrimination. Such hearing shall follow the established grievance procedure. This paragraph is not to be interpreted as meaning the Local UNION has the right to a hearing on the competency of new employees hired by the COOPERATIVE. New employees shall mean those employees who have worked for less than ninety (90) days.

ARTICLE VIII. Sick Leave

Section 1. Employees compelled to be absent from regular duties because of illness or accident shall be compensated at the regular straight time rate of pay as follows:

On January 1st of each year, each employee then having completed one (1) years prior service, with the COOPERATIVE, shall be compensated for the first twelve (12) days of such illness occurring during the prospective year. On January 1st of each year, each employee then having completed one (1) years prior service with the COOPERATIVE, shall be compensated for the first twelve (12) days of such illness and can accumulate up to sixty (60) days sick leave with applicable rate of pay.

Should the employee become ill in the first months after this agreement is executed, the employee shall receive the maximum credit of twelve (12) days – should he have been employed for at least one year. During the prospective year, employees with less than one (1) years service on January 1st of each year shall be compensated based on the number of months prior service with the COOPERATIVE at the rate of one (1) day each months prior service. If an employee if off work due to illness, he shall contact the COOPERATIVE, if possible, and if the Board of Directors required a doctors certificate, it shall be at the expense of the COOPERATIVE.

Any I.B.E.W. employee, employed by BIG SANDY RECC for 10 years or longer is to be paid at his regular hourly rate of pay for all sick leave due him up to thirty (30) days if he is laid off because of lack of work; or, under the same conditions, will be paid at his regular hourly rate of pay for sick leave due him, up to a maximum of forty-five (45) days, only if he retires at age 62 or above.

Personal Days – Full days only, for personal use. Must be approved in advance by Superintendent.

Year	# of Personal Days
2013	3 days
2014	3 days
2015	3 days

The number of personal days each employee has accumulated as of January 1, 2008, will be the maximum that will be accumulated. Such days and all days earned subsequent to January 1, 2008, must be used before an employee retires or leaves the employee of the COOPERATIVE.

Section 2. The COOPERATIVE agrees to continue in effect for the term of this Agreement its present group insurance programs so as to make available to all regular full-time employees who have completed their probationary period, the COOPERATIVE's basic group insurance plans, as modified below:

The COOPERATIVE shall have the right to change insurance carriers for any of the group insurance programs as set forth in this Article at any time so long as the group insurance coverage is substantially equivalent.

The contracts between the COOPERATIVE and insurance carriers will govern in all matters related to the insurance plans provided herein. The exact coverage and the conditions for coverage of the aforesaid insurance will be determined by the terms and conditions of the policy or contract, and the COOPERATIVE will not under any circumstances be liable as an insurer of any of the benefits to employees.

The COOPERATIVE agrees to pay the entire cost of hospitalization insurance now in existence for its employees and family (as modified below concerning spouses).

The COOPERATIVE and the UNION believe rising health care costs must be addressed in the interest of the COOPERATIVE members. Effective upon ratification of this Agreement,

COOPERATIVE bargaining unit employees will be required to notify the COOPERATIVE about health care coverage available to their spouse through their employer. If an employee's spouse has a health care plan available through their employer, they will be required to obtain such insurance provided if such coverage is reasonably comparable.

The COOPERATIVE will augment additional cost of this provision up to \$200.00 per month per employee for employee-only coverage upon proof of such additional cost. Dependents of employees will continue to be covered by the COOPERATIVE's healthcare plan.

Additionally, the COOPERATIVE will provide an incentive program may be adjusted from time to time as determined by the COOPERATIVE with the understanding the employees may opt back in to the COOPERATIVE plan when they desire subject to the enrollment procedures of the existing health care plan.

Nothing herein will require employees to provide health care coverage to dependents in conflict with court ordered requirements.

A spouse who loses insurance from their employer will be added to the COOPERATIVE's health insurance program within thirty (30) days of notice of termination of such coverage. An employee who has a spouse covered by the COOPERATIVE's health insurance program shall certify in writing yearly, during the month of January, that the spouse continues to be unemployed or is not eligible for health insurance from their employer.

Employees hired on and after January 1, 2008 will, at the time of retirement receive employee-only health insurance from the COOPERATIVE until they become eligible for Medicare or the Medicare-type program in effect at that time.

Section 3. Any employee will be granted a leave of absence with pay at his base hourly rate for up to three (3) consecutive scheduled workdays upon presentation of evidence satisfactory to the COOPERATIVE for attending the funeral of a member of his immediate family. Immediate family shall mean wife, children, mother, father, sister, brother, mother-in-law or father-in-law, grandparents and grandchildren.

ARTICLE IX. General Provisions

Section 1. This Agreement sets out the entire understanding between the COOPERATIVE and the UNION with respect to the unit of employees described in this Agreement. Neither party intends to be bound or obligated except to the extent that it has expressly so agreed herein and this Agreement shall be strictly construed. Neither the UNION nor the COOPERATIVE shall use or attempt to sue in any arbitration or in any legal proceeding of any kind under this Agreement or which involves this Agreement any concession or change in language or position which the COOPERATIVE made or agreed to in the course of the negotiations for this Agreement, and evidence of any such concession or change in language opposition on the COOPERATIVE's part shall be inadmissible. This Agreement applies only to the collective bargaining unit defined in this Agreement. None of the benefits, rights or privileges accorded by this Agreement to the UNION or to any employee covered by this Agreement shall survive the expiration or termination of this Agreement.

It is distinctly understood and agreed to by the UNION that the COOPERATIVE shall not be obligated, contractually or otherwise, to continue in effect any custom, practice or benefit unless it has contractually obligated itself to do.

Section 2. The EMPLOYER shall furnish adequate safety appliances, excepting safety belts, climbers, hot shoes and body tools, which shall be supplied by all new employees. The EMPLOYER will pay 100% cost on the second tool belt, safety, climbers and hot shoes purchased. Members of the UNION shall cooperate in every way to minimize accidents and shall at all times use every effort for the preservation of the safety appliances and tools and shall use them when needed.

Section 3. No less than five (5) men will be used when erecting poles of greater length than twenty-five (25) feet by hand. This does not include poles erected by mechanized equipment.

Section 4. When higher than 220 volts are to be worked the journeyman assigned to the job shall exercise his judgment in determining the need of journeyman helpers. When an employee is assigned to a service truck and is called out after 4:00 P.M. on call out work, the employee assigned to the service truck and the employer, shall exercise their judgment in determining assistance the employee might need.

Section 5. It is agreed that should any job classification be omitted from Article V, Section 1, or created after the signing of this Agreement the parties hereto shall meet and amend this Agreement to include such classification.

Section 6. The COOPERATIVE acknowledges receipt of a copy of the Constitution of the International Brotherhood of Electrical Workers.

Section 7. Promotions to positions within the bargaining unit, demotions, lay-offs, or transfers shall be based on seniority and classification provided, however, that employees must have sufficient ability to perform the work required within the classifications.

Section 8. No employee within the bargaining unit will be requested to take time off in lieu of overtime pay. The COOPERATIVE shall be the sole judge as to the necessity of overtime work, and the employee shall be obligated to work overtime when requested to do so. When possible, this request shall be made two (2) days prior to scheduled overtime. Overtime shall be divided equally among the employees in the district who perform the classification of the work required to be done on overtime.

Section 9. The COOPERATIVE shall provide exclusive bulletin space for the UNION and shall be located in the storeroom where employees will see same when entering or leaving storeroom.

Section 10. When an employee (journeyman) is designated by the COOPERATIVE Superintendent, Manager or General Foreman to fill the vacancy of foreman and/or crew leader for eight (8) consecutive hours (full day) such acting foreman and/or crew leader shall be paid at the higher rate of the one whose place he fills.

Section 11. The COOPERATIVE agrees that if and when it contracts with private contractors to do any of its work, that said private contractor will be informed that there is an existing contract between the COOPERATIVE and the INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS (Local UNION No. 317) and it is the understanding that no contracts will be let to private contractors while Local 317 employees are laid off, if so, the employees laid off will be re-called and placed to work in the classification they were last employed. This contract applies to maintenance employees. Any new construction of ten (10) miles or more shall be called construction and a new contract shall be agreed to for these construction works.

Section 12. The COOPERATIVE agrees to purchase five (5) work uniforms, and one work jacket, or seven (7) pants and seven (7) shirts, no jacket, per year for its employees. However, employee may elect to receive boots or a combination of uniforms and boots. The amount of money allocated to each employee, will be the average cost of uniforms per employee, computed each year.

Section 13. Negotiations shall be held during the regular working day between the hours of 7:30 A.M. and 4:00 P. M. at no lost time to the Local UNION's negotiating committee. The COOPERATIVE and the UNION will alternate paying for such lost time by the local UNION negotiating committee, with the COOPERATIVE paying for such lost time in the first negotiating session, the UNION paying for such lost time in the second negotiating session, and alternatively the COOPERATIVE and the UNION thereafter.

Section 14. The Employer agrees that it will make deductions from the pay of each member within the bargaining unit on the basis of individually signed payroll deduction authorization forms and will pay over the aggregate of such deductions to the Financial Secretary of the Local UNION designated against his receipt therefore in the name of the Local UNION. The Employer agrees to make this deduction monthly, as designated in the individually signed

payroll deduction authorization, and to send a check for the total amount, together with a list of the individuals names from whom the deductions were made designating the amount deducted on each form, plus a list of names of the employees removed from or added to the payroll during the current month to the Financial Secretary designated by the UNION on or before the last day of each month in which deductions are made.

The UNION agrees to save the EMPLOYER harmless from any action growing out of these deductions and commenced by any employee against the EMPLOYER and assumes full responsibility for the disposition of the funds so deducted once they have been turned over to the Financial Secretary of the UNION.

ARTICLE X. Termination

Section 1. The COOPERATIVE and the UNION each acknowledge that this Agreement has been reached as a result of collective bargaining in good faith by both parties hereto, and that both parties hereto have had the unlimited opportunity during negotiations to submit and discuss proposals on all subjects which are bargainable matters. While it is the intent and purpose of the parties hereto that each of them shall fully perform all obligations by them to be performed in accordance with the terms of this Agreement, the UNION and the COOPERATIVE agree that the COOPERATIVE shall not be obligated to bargain collectively with the UNION during the term of this Agreement on any matter pertaining to rates of pay, wages, hours of employment, or other conditions of employment, and the UNION and the COOPERATIVE hereby specifically waive any right which it might otherwise have to request or demand such bargaining and acknowledges that the COOPERATIVE's obligations during the term of this Agreement shall be limited to the performance and discharge of its obligations under this Agreement.

Section 2. This Agreement when signed by the COOPERATIVE and the UNION of their authorized representatives, and approved by the International Office of the UNION, takes effect from January 1, 2013, and remains in effect until December 31, 2015.

Section 3. Either party desiring changes must notify the other party in writing at least sixty (60) days prior to December 31, of any year. Such notice shall indicate what changes are

desired. However, changes can be made at any time by mutual consent.

ARTICLE XI. Miscellaneous

Section 1. The COOPERATIVE and UNION agree that medical leave shall be made available to employees in accordance with the provisions of and regulations issued in accordance with the Family and Medical Leave Act ("FMLA") of 1993. An employee who qualifies for FMLA leave must use all accumulated sick days, personal days and vacation days concurrent with the FMLA leave.

Sections 2. The COOPERATIVE and the UNION agree that the provisions of this Agreement shall be applied to all employees without discrimination on the basis of race, color, religion, sex, national origin or age (40 and over) as set forth in Title VII of the Civil Rights Act of 1964, as amended, and the Age Discrimination in Employment Act of 1968, as amended, respectively.

As used in this Agreement, the term "he" shall apply to and describe the male and/or female gender.

IN WITNESS WHEREOF, the parties have hereunto set their hands on quintuplicate copies this _____ day of _____, 2012.

21 f 43

AGREEMENT

BETWEEN

BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION

AND

LOCAL UNION NO. 317

OF THE INTERNATIONAL BROTHERHOOD

OF ELECTRICAL WORKERS

Effective: January 1, 2016 through December 31, 2017

TABLE OF CONTENTS

ARTICLE I.	Recognition.....	3
ARTICLE II.	Grievance Procedure.....	4
ARTICLE III.	Vacation.....	6
ARTICLE IV.	Hours and Overtime.....	7
ARTICLE V.	Wages.....	8
ARTICLE VI.	Apprentices.....	11
ARTICLE VII.	Seniority.....	12
ARTICLE VIII.	Sick Leave.....	13
ARTICLE IX.	General Provisions.....	16
ARTICLE X.	Termination.....	19
ARTICLE XI.	Miscellaneous.....	20

AGREEMENT

Effective: January 1, 2016

THIS AGREEMENT, made and entered into this 20th day of October, 2015 by and between the BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION of Paintsville, Kentucky, hereinafter referred to as the COOPERATIVE and LOCAL UNION NO. 317 of the INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, hereinafter referred to as the UNION, as the collective bargaining representatives for the employees of the COOPERATIVE in the classifications listed in Article V, Section 1, of this Agreement.

WITNESSETH

WHEREAS, the COOPERATIVE and the UNION have a common and sympathetic interest in the electrical industry, and together with the Public, will benefit from harmonious working arrangements for the adjustments of differences by rational and common sense methods, and therefore, for the purpose of facilitating the peaceful adjustments of differences that may arise from time to time, and to promote harmony and efficiency to the end that the COOPERATIVE, the UNION and the GENERAL PUBLIC may be benefitted the parties hereto contract and agree with each other as follows:

TO WIT; ARTICLE I. Recognition

Section 1. The UNION is hereby recognized as the sole exclusive bargaining agent for the collective bargaining purposes covering wages, hours and conditions of employment for all employees within the bargaining unit in view of the UNION'S certification by the N.L.R.B on the second day of June, 1950, in Case No. 9-RC-822.

Section 2. The UNION shall have the right to refer to the grievance procedure therein any complaint that the hiring policies of the EMPLOYER are discriminatory or unfair.

Section 3. The operation, control and management of the Company's facilities and operations, and all business and activities of the Company in connection therewith which are

covered or affected by this Agreement, including the supervision and direction of the working forces at such facilities, operations and business, the right from time to time to make and enforce such reasonable rules applicable to employees covered by this Agreement, including rules concerning alcohol and substance abuse, and to enforce, change, abolish or modify existing rules applicable to employees covered by this Agreement, as it may from time to time deem necessary or advisable, are and shall continue to be solely and exclusively the functions and prerogatives of the management of the Cooperative, including the right to discipline or discharge for just cause (including violation of rules issued by the COOPERATIVE.)

Section 3(a). All new employees shall be hired on a temporary basis, not to exceed ninety (90) working days actually worked.

During such ninety (90) working day probationary period, the COOPERATIVE may discharge or otherwise discipline, lay-off, transfer or assign such employees with or without cause, and such actions shall not be subject to the Grievance Procedure.

Section 4. All employees who are members of the UNION on the effective date of this Agreement shall be required to remain members of the UNION in good standing as a condition of employment within ninety (90) working days following dates of their employment or effective date of the Agreement, whichever is later. Any such workmen shall receive at least the minimum wages and work under the terms and conditions of this Agreement, with the exception of being covered under the fringe benefits of the Agreement. New employee shall be eligible for the following fringe benefits at these specific times:

Health Insurance and hospitalization coverage - ninety (90) days from date of hire;

Sick leave, vacation, holidays, and funeral leave - six (6) months from date of hire;

Retirement - one (1) year from date of hire.

Seniority shall begin or commence at the date of hiring. The COOPERATIVE shall be required to make all payments required by law.

ARTICLE II. Grievance Procedure

Section 1. Any complaint, grievance or dispute that may arise with respect to the application or performance of this Agreement between the COOPERATIVE and the UNION or its members shall be taken up for settlement in the simplest and most direct

manner. Except whereby mutual consent another procedure is agreed upon such matters shall be handled in accordance with the following:

1. Between the employee or employees concerned, together with the UNION'S steward if so desired, and the foreman or immediate supervisor of the aggrieved employee.
2. Should any matter not be adjusted in the 1st step above within forty-eight (48) hours, exclusive of Sundays and holidays, it shall be reduced to writing and referred to the Manager of the EMPLOYER and the Business Manager of the UNION.
3. All questions or disputes which are not adjusted as a result of the above procedure shall then be referred to a Joint Conference Committee of three (3) representatives of the UNION and three (3) representatives of the EMPLOYER. Each party shall have the privilege of changing representatives upon the proper notice to the other party. The Joint Conference Committee shall meet within forty-eight (48) hours after such notice is given either party. It shall select its own secretary and chairman.
4. If not satisfactorily adjusted after exhausting all of the above steps, the grievance or complaint shall be referred to arbitration provided such grievance involves an interpretation of the meaning or application of the terms of the Agreement, according to the following procedures; within five (5) days, the parties shall jointly request the Federal Mediation and Conciliation Service to appoint a third member, both parties to be bound by such appointment. Each party shall defray the expenses of its own member of the Board of Arbitration and the fee and expenses of the third member shall be born equally by the parties, together with any incidental or general expenses in connection with the arbitration mutually agreed upon in advance. The majority decision of the Board shall be final and binding on both parties.

Section 2. In any discharge or disciplinary suspension case where the Arbitrator decides that the aggrieved employee should be awarded any back pay, the COOPERATIVE shall be entitled to full credit on such awards for the employee's gross interim earnings, unemployment compensation benefits, workers' compensation benefits received or receivable and any other compensation he receives from any form of employment during the period he was not working for the COOPERATIVE. Subject to the foregoing qualifications and limitations, the Arbitrator's award shall be final and binding upon the COOPERATIVE, the UNION and the aggrieved employee or employees.

Section 3. The UNION and employees agree that during the term of this Agreement

27 of 43

neither the UNION, its officers, agents or members shall authorize, instigate, aid, condone or engage in any work stoppage, strike of any kind or description, including so-called sympathy strikes, or otherwise interrupt, impede or restrict services of the COOPERATIVE or engage in any activity which would tend to cause an interruption or delay in the accomplishment of the work and business of the COOPERATIVE.

The UNION and employees further agree that during the term of this Agreement, the UNION, its officers, agents or members will not honor or recognize any picket lines, or picketing in any form, including picket lines or picketing out of so-called sympathy, except picketing at the COOPERATIVE'S Eleventh Street, Paintsville, Kentucky, location which results from a lawful labor dispute between the COOPERATIVE and the UNION after this agreement has expired. No employee will be required to cross a picket line which would put him in physical jeopardy or the property of the COOPERATIVE in jeopardy, such contention having to be proved by the employee.

Any employee who engages in any conduct prohibited by this Section, or who fails or refuses to comply with any provision of this Section, shall be subject to appropriate discipline, including discharge, without warning, by the COOPERATIVE.

The COOPERATIVE agrees not to lock-out employees during the term of this Agreement.

ARTICLE III. Vacation

Section 1. All employees within the bargaining unit shall be entitled to and shall receive vacations each year. The vacation for all those employees who have been regularly employed by the BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION for one year shall receive one (1) week or forty (40) hours vacation with pay and for those employees employed two (2) years to ten (10) years, three (3) weeks or one hundred twenty (120) hours. After ten (10) years employees shall receive an additional day of vacation for each year of employment with the COOPERATIVE, up to a maximum of four (4) weeks or one hundred and sixty (160) hours, except for employees hired before January 1, 1987, which may accumulate up to five (5) weeks or two hundred (200) hours.

Section 2. The vacation period of each employee shall be set by the EMPLOYER with due respect to the desire, seniority and preference of the employee consistent with the efficient operation of the BIG SANDY RURAL ELECTRIC COOPERATIVE. Employee will enter request to Management for vacation thirty (30) days prior to the date vacation is to start, when possible and practical. Employees will make every effort to provide Management thirty (30) days notice for vacation that last for one (1) week or longer.

Section 3. If a vacation day falls on a holiday, another day shall be granted in lieu thereof. Employees who leave the service of the COOPERATIVE and have a vacation due them, shall be compensated in pay the amount that has accrued up to the date of severance.

Section 4. Crew leaders, with eighteen (18) months seniority, as crew leaders, shall be paid his appropriate rate while on vacation or sick leave.

ARTICLE IV. Hours and Overtime

Section 1. No shift (whether an eight hour (8) shift or ten (10) hour shift) will start after 8:30 a.m. The COOPERATIVE will give one (1) week notice of any change in the shift hours and such changed schedule will run for at least one (1) work week. During such shifts employees will be entitled to not more than thirty (30) minutes for a lunch period. Employees working ten (10) hour shifts will only receive over-time at time and one-half (1 ½) after ten (10) hours actually worked in a work day or after forty (40) hours actually worked in a workweek. Hours taken as holidays, vacation and funeral leave under this Agreement will count as hours worked for purposes of overtime.

When employees are called out before or after the regularly scheduled working hours, or a trouble employee after his regular quitting time, they shall receive not less than two (2) hours time at the rate of time and one-half, except that if they worked longer than two (2) hours they shall receive time and one-half for the entire time worked until the regular scheduled work day begins, after which time the regular rate of pay will become effective. Overtime to begin at the time the employee is called out and ends when he reports back. When called out on Sunday and legal holidays, they shall receive not less than two (2) hours time at the rate of time and one-half except that if they work longer than two (2) hours, they shall receive time and one-half for

the entire time worked. Overtime to begin at the time of calling the employees out and ends when he reports back. All employees used shall be reimbursed for room and board occurring on all emergency work. It shall be the responsibility of the Manager of the COOPERATIVE to keep an accurate overtime list, and to distribute the overtime among the qualified employees in their classification as equal as possible, and to post said overtime list on the bulletin board before the tenth of each month, for the previous month.

Section 2. For all employees covered by this Agreement, kept as later provided, the regular work week shall be Monday through Friday. The regular work week shall not exceed forty (40) hours, and the regular work day shall not exceed eight (8) hours. All work in the excess of regularly scheduled hours in any one day or in any one week shall be paid at the rate of time and one-half (1 ½). The COOPERATIVE shall give the employee three days prior notice for Saturday work except for breakdowns.

Section 3. The following days shall be recognized as paid holidays at the employee's straight time rate of pay, provided the holiday falls on a regular work day, or the holiday is recognized to fall on a regularly scheduled work day: New Years Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Day after Thanksgiving, Christmas Eve and Christmas Day. Holidays falling on Saturday or Sunday will be observed as the Nation observes them. Time and one-half to be paid in addition for all work performed on such holidays.

Section 4. Employees shall not be required to work outside during inclement weather except to restore service because of emergency conditions. Employees shall be assigned to work inside or under shelter during such weather. Such assignments shall not be for more than the regular work day or work week. Thus the employee is assured of a full week's pay.

ARTICLE V. Wages

Effective January 1, 2016, all employees covered by this agreement will receive a fifty-cent (\$.50) per hour wage increase.

30 of 43

Effective January 1, 2017, all employees covered by this agreement will receive a fifty-cent (\$.50) per hour wage increase.

Employees will be paid biweekly, which is every two weeks (i.e. every other Friday). If the payday falls on a holiday, the employee will be paid on the day before the holiday.

CLASSIFICATION

EFFECTIVE: 1/1/2016 thru 12/31/2017

	Jan. 1, 2015	Jan. 1, 2016 \$.50 cents	Jan. 1, 2017 \$.50 cents
Lineman, 1 st Class (w/less than 1 yr experience w/ the company)	\$27.24	\$ 27.74	\$ 28.24
Serviceman, Journeyman/ Lineman	\$28.28	\$ 28.78	\$ 29.28
Lineman, 1 st Class (w/1 yr or longer experience w/ the company)	\$28.03	\$ 28.53	\$ 29.03
Transformer, Meterman Serviceman Journeyman w/license	\$29.38	\$ 29.88	\$ 30.38
Assistant Transformer Meterman Serviceman	\$28.44	\$ 28.94	\$ 29.44
Asst. Staking Engineer	\$28.44	\$ 28.94	\$ 29.44
Asst. Staking Eng Helper	\$27.53	\$ 28.03	\$ 28.53
Warehouseman	\$27.48	\$ 27.98	\$ 28.48

Crew Leader \$30.51 \$ 31.01 \$ 31.51

Mechanic \$26.74 \$ 27.24 \$ 27.74

(The wage rate for the Mechanic
will be the same rate as that of the Lineman First Class, less than one (1) year)

CLASSIFICATION

EFFECTIVE: 1/1/2016 THRU 12/31/2017

	Jan. 1,2015	Jan. 1, 2016	Jan. 1, 2017
		\$.50 cents	\$.50 cents
APPRENTICES			
(Lineman, Serviceman and Meterman)			
1 st 6 months	\$22.68	\$ 23.18	\$ 23.68
2 nd 6 months	\$23.53	\$ 24.03	\$ 24.53
2 nd year	\$24.54	\$ 25.04	\$ 25.54
3 rd year	\$25.21	\$ 25.71	\$ 26.21
4 th year	\$26.45	\$ 26.95	\$ 27.45
Therefore	\$28.03	\$ 28.53	\$ 29.03

GROUNDMAN

1 st 6 months	\$20.11	\$ 20.61	\$ 21.11
2 nd 3 months <i>SK, A</i>	\$20.66	\$ 21.16	\$ 21.66
2 nd 6 months	\$21.60	\$ 22.10	\$ 22.60
2 nd year	\$22.59	\$ 23.09	\$ 23.59
3 rd year	\$23.03	\$ 23.53	\$ 24.03
4 th year	\$23.82	\$ 24.32	\$ 24.82
Therefore	\$24.21	\$ 24.71	\$ 25.21

CLASSIFICATION

EFFECTIVE: 1/1/2016 THRU 12/31/2017

	Jan. 1, 2015	Jan. 1, 2016	Jan. 1, 2017
		\$.50 cents	\$.50 cents
<u>SERVICE TECHNICIAN</u>			
1 ST year	\$22.25	\$ 22.75	\$ 23.25
2 nd year	\$23.25	\$ 23.75	\$ 24.25
3 rd year	\$24.25	\$ 24.75	\$ 25.25
4 th year	\$25.25	\$ 25.75	\$ 26.25
Therefore	\$26.25	\$ 26.75	\$ 27.25

A mechanic may be hired at a rate established by the COOPERATIVE, under the following conditions: The employer may set the starting and quitting time, the first eight (8) hours worked will be the straight time rate of pay, any time worked past eight (8) hours will be at the time and one-half rate of pay. All other overtime and fringe benefit payments afforded other employees under the terms of this Agreement will apply to the mechanic. It is the understanding between both parties Local 317 and BIG SANDY RECC, that a mechanic is not to infringe on any other classifications work. Effective January 1, 2002, existing mechanic will be paid at a scale of Lineman 1st Class with less than 1 year experience with the company.

It is understood by Local 317 that BIG SANDY RECC will retain the right to employ temporary right of way employees.

Apprentices shall mean either apprentice lineman or apprentice meterman. Apprentice lineman shall be advanced only on a basis of the time served and ability. Recommendations for advancement shall be initialed by the UNION Labor Committee and submitted to Committee representing the EMPLOYER for approval. It is understood that if a groundman is advanced to an apprentice, that the time served as groundman up to and including two (2) years shall apply to his apprenticeship rating.

It is mutually understood between both parties that the EMPLOYER will contribute an amount equal to ten percent (10%) of the employees straight-time monthly salary, toward purchasing a retirement plan for the employee with a reputable insurance company. This ten (10%) contribution will continue throughout this Union Contract dated January 1, 2016 to December 31, 2017.

ARTICLE VI. Apprentices

Section 1. (a) An apprentice lineman is one who is learning line work and must serve as such for four (4) years before becoming a journeyman lineman. An apprentice working voltage in excess of 440 volts must be under the direct supervision of a journeyman.

Section 1. (b) An apprentice promoted from a lower rating to a higher rating, prior to promotion shall be required to take the I.B.E.W. test before promotion is put in effect and the

COOPERATIVE Manager shall be advised by the UNION of such test.

Section 2. The ratio of apprentices to journeyman shall not be more than two (2) apprentices to one (1) journeyman or fraction thereof. Foreman to be counted as journeyman. No journeyman shall be displaced by an apprentice.

ARTICLE VII. Seniority

Section 1. Seniority of an employee coming within this Agreement shall accumulate from the first day of employment with the COOPERATIVE. Illness, injury or military service in time of national emergency shall not be considered as a break in seniority.

Section 2. Promotions to positions in the bargaining unit, demotion, lay-offs, however, that employees have sufficient ability and qualifications to perform the work required. Employees who have been laid off shall be called back to work and placed on jobs which they can perform in accordance with their previous seniority. Employees so recalled must report to work within five (5) working days after being notified of such recall and advise the COOPERATIVE immediately of their intentions to report. In case of lay-offs, seniority need not be carried over twelve (12) months. This paragraph shall cover employees working with the COOPERATIVE at the time this Agreement goes into effect and all employees that become regular employees.

Section 3. In the event it becomes necessary to lay off one (1) employee and there are two (2) employees having relatively equal ability and seniority, one of whom must be laid off, the decision as to which of the two (2) employees shall be affected, the lay-off shall be made by the Job Steward and the Manager. COOPERATIVE shall give employee to be laid off a minimum of one week notification prior to lay off.

A seniority list shall be made up by the COOPERATIVE within sixty (60) days after the date of this Agreement. A copy shall be furnished to the Secretary of the UNION and a copy posted on the bulletin board. This list shall be open for correction for a period of thirty (30) days thereafter, and if any employee does not make a protest in writing to the COOPERATIVE, with a copy to the UNION, within such thirty (30) day period after posting of such list, his seniority

shall be as shown on list. The seniority list shall be brought up to date once each six (6) months thereafter.

Section 4. Through the representation of the UNION, employees shall have the right to hearing on any differences of opinion as to the competency of any employee to fill a new position of vacancy, or promotion or demotion, of discipline administered or lay-offs, or discharge or of discrimination. Such hearing shall follow the established grievance procedure. This paragraph is not to be interpreted as meaning the Local UNION has the right to a hearing on the competency of new employees hired by the COOPERATIVE. New employees shall mean those employees who have worked for less than ninety (90) days.

ARTICLE VIII. Sick Leave

Section 1. Employees compelled to be absent from regular duties because of illness or accident shall be compensated at the regular straight time rate of pay as follows:

On January 1st of each year, each employee then having completed one (1) years prior service, with the COOPERATIVE, shall be compensated for the first twelve (12) days of such illness occurring during the prospective year. On January 1st of each year, each employee then having completed one (1) years prior service with the COOPERATIVE, shall be compensated for the first twelve (12) days of such illness and can accumulate up to sixty (60) days sick leave with applicable rate of pay.

Should the employee become ill in the first months after this agreement is executed, the employee shall receive the maximum credit of twelve (12) days – should he have been employed for at least one year. During the prospective year, employees with less than one (1) years service on January 1st of each year shall be compensated based on the number of months prior service with the COOPERATIVE at the rate of one (1) day each months prior service. If an employee if off work due to illness, he shall contact the COOPERATIVE, if possible, and if the Board of Directors required a doctors certificate, it shall be at the expense of the COOPERATIVE.

Any I.B.E.W. employee, employed by BIG SANDY RECC for 10 years or longer is to be paid at his regular hourly rate of pay for all sick leave due him up to thirty (30) days if he is laid

off because of lack of work; or, under the same conditions, will be paid at his regular hourly rate of pay for sick leave due him, up to a maximum of forty-five (45) days, only if he retires at age 62 or above.

Personal Days – Full days only, for personal use. Must be approved in advance by Superintendent.

Year	# of Personal Days
2016	3 days
2017	3 days

The number of personal days each employee has accumulated as of January 1, 2008, will be the maximum that will be accumulated. Such days and all days earned subsequent to January 1, 2008, must be used before an employee retires or leaves the employee of the COOPERATIVE.

Section 2. The COOPERATIVE agrees to continue in effect for the term of this Agreement its present group insurance programs so as to make available to all regular full-time employees who have completed their probationary period, the COOPERATIVE's basic group insurance plans, as modified below:

The COOPERATIVE shall have the right to change insurance carriers for any of the group insurance programs as set forth in this Article at any time so long as the group insurance coverage is substantially equivalent.

The contracts between the COOPERATIVE and insurance carriers will govern in all matters related to the insurance plans provided herein. The exact coverage and the conditions for coverage of the aforesaid insurance will be determined by the terms and conditions of the policy or contract, and the COOPERATIVE will not under any circumstances be liable as an insurer of any of the benefits to employees.

The COOPERATIVE agrees to pay the entire cost of hospitalization insurance now in existence for its employees and family (as modified below concerning spouses).

The COOPERATIVE and the UNION believe rising health care costs must be addressed in the interest of the COOPERATIVE members. Effective upon ratification of this Agreement,

COOPERATIVE bargaining unit employees are required to notify the COOPERATIVE about health care coverage available to their spouse through their employer. If an employee's spouse has a health care plan available through their employer, they will be required to obtain such insurance provided if such coverage is reasonably comparable.

The COOPERATIVE will augment additional cost of this provision up to \$200.00 per month per employee for employee-only coverage upon proof of such additional cost. ~~This provision will terminate upon the date the employee of the coop retires.~~ Dependents of employees will continue to be covered by the COOPERATIVE's healthcare plan.

Additionally, the COOPERATIVE will provide an incentive program may be adjusted from time to time as determined by the COOPERATIVE with the understanding the employees may opt back in to the COOPERATIVE plan when they desire subject to the enrollment procedures of the existing health care plan.

Nothing herein will require employees to provide health care coverage to dependents in conflict with court ordered requirements.

A spouse who loses insurance from their employer will be added to the COOPERATIVE's health insurance program within thirty (30) days of notice of termination of such coverage. An employee who has a spouse covered by the COOPERATIVE's health insurance program shall certify in writing yearly, during the month of January, that the spouse continues to be unemployed or is not eligible for health insurance from their employer.

Employees hired on and after January 1, 2008 will, at the time of retirement receive employee-only health insurance from the COOPERATIVE until they become eligible for Medicare or the Medicare-type program in effect at that time.

Section 3. Any employee will be granted a leave of absence with pay at his base hourly

38 of 43

rate for up to three (3) consecutive scheduled workdays upon presentation of evidence satisfactory to the COOPERATIVE for attending the funeral of a member of his immediate family. Immediate family shall mean wife, children, mother, father, sister, brother, mother-in-law or father-in-law, grandparents and grandchildren.

ARTICLE IX. General Provisions

Section 1. This Agreement sets out the entire understanding between the COOPERATIVE and the UNION with respect to the unit of employees described in this Agreement. Neither party intends to be bound or obligated except to the extent that it has expressly so agreed herein and this Agreement shall be strictly construed. Neither the UNION nor the COOPERATIVE shall use or attempt to sue in any arbitration or in any legal proceeding of any kind under this Agreement or which involves this Agreement any concession or change in language or position which the COOPERATIVE made or agreed to in the course of the negotiations for this Agreement, and evidence of any such concession or change in language opposition on the COOPERATIVE's part shall be inadmissible. This Agreement applies only to the collective bargaining unit defined in this Agreement. None of the benefits, rights or privileges accorded by this Agreement to the UNION or to any employee covered by this Agreement shall survive the expiration or termination of this Agreement.

It is distinctly understood and agreed to by the UNION that the COOPERATIVE shall not be obligated, contractually or otherwise, to continue in effect any custom, practice or benefit unless it has contractually obligated itself to do.

Section 2: ~~The EMPLOYER shall furnish adequate safety appliances and Personal Protective Equipment (which includes belts, climbers and body tools) in accordance with OSHA 29 CFR 1910.132 (H). Employer is not obligated to replace such P. P. E. if employee loses or negligently abuses such P.P.E.~~ Members of the UNION shall cooperate in every way to minimize accidents and shall at all times use every effort for the preservation of the safety appliances and tools and shall use them when needed.

Section 3. No less than five (5) men will be used when erecting poles of greater length

than twenty-five (25) feet by hand. This does not include poles erected by mechanized equipment.

Section 4. When higher than 220 volts are to be worked the journeyman assigned to the job shall exercise his judgment in determining the need of journeyman helpers. When an employee is assigned to a service truck and is called out after 4:00 P.M. on call out work, the employee assigned to the service truck and the employer, shall exercise their judgment in determining assistance the employee might need.

Section 5. It is agreed that should any job classification be omitted from Article V, Section 1, or created after the signing of this Agreement the parties hereto shall meet and amend this Agreement to include such classification.

Section 6. The COOPERATIVE acknowledges receipt of a copy of the Constitution of the International Brotherhood of Electrical Workers.

Section 7. Promotions to positions within the bargaining unit, demotions, lay-offs, or transfers shall be based on seniority and classification provided, however, that employees must have sufficient ability to perform the work required within the classifications.

Section 8. No employee within the bargaining unit will be requested to take time off in lieu of overtime pay. The COOPERATIVE shall be the sole judge as to the necessity of overtime work, and the employee shall be obligated to work overtime when requested to do so. When possible, this request shall be made two (2) days prior to scheduled overtime. Overtime shall be divided equally among the employees in the district who perform the classification of the work required to be done on overtime.

Section 9. The COOPERATIVE shall provide exclusive bulletin space for the UNION and shall be located in the storeroom where employees will see same when entering or leaving storeroom.

Section 10. When an employee (journeyman) is designated by the COOPERATIVE Superintendent, Manager or General Foreman to fill the vacancy of foreman and/or crew leader

for eight (8) consecutive hours (full day) such acting foreman and/or crew leader shall be paid at the higher rate of the one whose place he fills.

Section 11. The COOPERATIVE agrees that if and when it contracts with private contractors to do any of its work, that said private contractor will be informed that there is an existing contract between the COOPERATIVE and the INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS (Local UNION No. 317) and it is the understanding that no contracts will be let to private contractors while Local 317 employees are laid off, if so, the employees laid off will be re-called and placed to work in the classification they were last employed. This contract applies to maintenance employees. Any new construction of ten (10) miles or more shall be called construction and a new contract shall be agreed to for these construction works.

Section 12. The COOPERATIVE agrees to purchase five (5) work uniforms, and one work jacket, or seven (7) pants and seven (7) shirts, no jacket, per year for its employees. However, employee may elect to receive boots or a combination of uniforms and boots. The amount of money allocated to each employee, will be the average cost of uniforms per employee, computed each year.

Section 13. Negotiations shall be held during the regular working day between the hours of 7:30 A.M. and 4:00 P. M. at no lost time to the Local UNION's negotiating committee. The COOPERATIVE and the UNION will alternate paying for such lost time by the local UNION negotiating committee, with the COOPERATIVE paying for such lost time in the first negotiating session, the UNION paying for such lost time in the second negotiating session, and alternatively the COOPERATIVE and the UNION thereafter.

Section 14. The Employer agrees that it will make deductions from the pay of each member within the bargaining unit on the basis of individually signed payroll deduction authorization forms and will pay over the aggregate of such deductions to the Financial Secretary of the Local UNION designated against his receipt therefore in the name of the Local UNION. The Employer agrees to make this deduction monthly, as designated in the individually signed payroll deduction authorization, and to send a check for the total amount, together with a list of the individuals names from whom the deductions were made designating the amount deducted

on each form, plus a list of names of the employees removed from or added to the payroll during the current month to the Financial Secretary designated by the UNION on or before the last day of each month in which deductions are made.

The UNION agrees to save the EMPLOYER harmless from any action growing out of these deductions and commenced by any employee against the EMPLOYER and assumes full responsibility for the disposition of the funds so deducted once they have been turned over to the Financial Secretary of the UNION.

ARTICLE X. Termination

Section 1. The COOPERATIVE and the UNION each acknowledge that this Agreement has been reached as a result of collective bargaining in good faith by both parties hereto, and that both parties hereto have had the unlimited opportunity during negotiations to submit and discuss proposals on all subjects which are bargainable matters. While it is the intent and purpose of the parties hereto that each of them shall fully perform all obligations by them to be performed in accordance with the terms of this Agreement, the UNION and the COOPERATIVE agree that the COOPERATIVE shall not be obligated to bargain collectively with the UNION during the term of this Agreement on any matter pertaining to rates of pay, wages, hours of employment, or other conditions of employment, and the UNION and the COOPERATIVE hereby specifically waive any right which it might otherwise have to request or demand such bargaining and acknowledges that the COOPERATIVE's obligations during the term of this Agreement shall be limited to the performance and discharge of its obligations under this Agreement.

Section 2. This Agreement when signed by the COOPERATIVE and the UNION of their authorized representatives, and approved by the International Office of the UNION, takes effect from January 1, 2016, and remains in effect until December 31, 2017.

Section 3. Either party desiring changes must notify the other party in writing at least sixty (60) days prior to December 31, of any year. Such notice shall indicate what changes are desired. However, changes can be made at any time by mutual consent.

ARTICLE XI. Miscellaneous

Section 1. The COOPERATIVE and UNION agree that medical leave shall be made available to employees in accordance with the provisions of and regulations issued in accordance with the Family and Medical Leave Act ("FMLA") of 1993. An employee who qualifies for FMLA leave must use all accumulated sick days, personal days and vacation days concurrent with the FMLA leave.

Sections 2. The COOPERATIVE and the UNION agree that the provisions of this Agreement shall be applied to all employees without discrimination on the basis of race, color, religion, sex, national origin or age (40 and over) as set forth in Title VII of the Civil Rights Act of 1964, as amended, and the Age Discrimination in Employment Act of 1968, as amended, respectively.

As used in this Agreement, the term "he" shall apply to and describe the male and/or female gender.

IN WITNESS WHEREOF, the parties have hereunto set their hands on quintuplicate copies this _____ day of _____, 2015.

**Big Sandy Rural Electric Cooperative Corporation
Case No. 2017-00374
Commission Staff’s First Request for Information**

47. Regarding demand-side management (“DSM”), conservation, and energy efficiency programs, provide the following:
- a. A list of all programs currently offered by Big Sandy;
 - b. The total cost incurred for these programs during the test year and in each of the three most recent calendar years; and
 - c. The total demand and energy reductions realized through these programs during the test year and in each of the three most recent calendar years.
 - d. Of the DSM programs offered by Big Sandy, identify those programs that were proposed by Big Sandy, and those that were proposed by EKPC.
 - e. Explain whether Big Sandy plans to increase its DSM offerings in the future, independent of EKPC’s DSM programs.
 - f. For each DSM program noted in Big Sandy’s response, describe the level of customer interest in each program. Provide the number of customers that are actually participating or have indicated a desire to participate by program.
 - g. Provide the 2017 budgeted or estimated total costs of Big Sandy’s DSM programs.

Response:

- a. Programs currently offered include:

Program	
C&I Industrial Lighting	How\$mart
Appliance Recycling	LED Promotional
Button Up-Level 1	DLC AC
CFL	DLC WH
Energy Audit	Touchstone Energy Home
Energy Star Heat Pump	LED
Energy Star Clothes Washer	HVAC Duct Seal
Energy Star Dishwasher	CARES
Energy Star Freezer	Energy Star Manufactured Home
Energy Star Refrigerator	
Heat Pump Retrofit	

b. Total Cost of DSM Programs

Total Cost of DSM Programs				
Year:	2014	2015	2016	Test Year
Residential Lighting	6,488.83	6,467.18	4,244.24	10,711.42
Advertising	12,171.30	11,405.52	12,363.73	14,138.81
Total Costs	\$18,660.13	\$17,872.70	\$16,607.97	\$24,850.23

c. Net Demand Reduction

Program	Test Year July 31, 2016		Calendar Year 2016	
	Participants	Kwh Savings	Participants	Kwh Savings
C&I Industrial Lighting	0	0	4	246,080
Appliance Recycling	27	18,792	14	9,744
Button Up-Level 1	6	5,401	6	11,386
CFL	0	0	0	0
Energy Audit				
Energy Star Heat Pump	41	32,964	26	20,904
Energy Star Clothes Washer	43	15,050	30	10,500
Energy Star Dishwasher	21	1,659	15	1,185
Energy Star Freezer	9	603	2	134
Energy Star Refrigerator	46	4,600	29	2,900
Heat Pump Retrofit	27	204,465	32	243,625
Online Energy Audit-Free LED	14	336	11	264
DLC AC	0	0	2	10
DLC WH	8	80	7	70
Touchstone Energy Home	0	0	0	0
HVAC Duct Seal	1	1,038	2	2,076
CARES	0	0	0	0
ENERGY STAR MANUFACTURED HOME	1	11,947	1	11,947
LED	2,400	57,600	2,400	57,600

Program	Year 2015		Year 2014	
	Participants	Kwh Savings	Participants	Kwh Savings
C&I Industrial Lighting	5	179,643	2	29,096
Appliance Recycling	37	25,752		
Button Up-Level 1	7	11,078	5	3,494
CFL	3,750	78,750	4,000	84,000
Energy Audit				
Energy Star Heat Pump	22	17,688	0	0
Energy Star Clothes Washer	30	10,500	0	0
Energy Star Dishwasher	19	1,501	0	0
Energy Star Freezer	9	603	0	0
Energy Star Refrigerator	40	4,000	0	0
Heat Pump Retrofit	30	224,165	23	171,348
ONLINE ENERGY AUDIT-FREE LED	25	600	0	0
DLC AC	22	110	56	280
DLC WH	24	240	33	330
Touchstone Energy Home	0	0	0	0
HVAC DUCT SEAL	0	0	4	4,152
CARES	0	0	0	0
ENERGY STAR MANUFACTURED HOME	0	0	0	0
LED	0	0	0	0

d. Programs proposed by Big Sandy and EKPC.

Proposed By	Program
EKPC	C&I Industrial Lighting
EKPC	Appliance Recycling
EKPC	Button Up-Level 1
BSRECC	CFL
BSRECC	Energy Audit
EKPC	Energy Star Heat Pump
EKPC	Energy Star Clothes Washer
EKPC	Energy Star Dishwasher
EKPC	Energy Star Freezer
EKPC	Energy Star Refrigerator
EKPC	Heat Pump Retrofit
BSRECC	How\$mart
EKPC	LED Promotional
EKPC	DLC AC
EKPC	DLC WH
EKPC	Touchstone Energy Home
BSRECC	LED
EKPC	HVAC Duct Seal
EKPC	CARES
EKPC	Energy Star Manufactured Home

- e. As of this time, Big Sandy does not have immediate plans of growing its DSM program independently of EKPC.
- f. Please refer to Big Sandy's Response to Item 48c. There you will find the number of participants Big Sandy had in each of its DSM programs. Big Sandy has no data to provide it with an interest level among its consumers. However, Big Sandy believes that interest level and participation levels would be comparable.
- g. Big Sandy estimates that 2017 DSM expenses will approximate the expense level of 2016.

Big Sandy Rural Electric Cooperative Corporation
Case No. 2017-00374
Commission Staff's First Request for Information

49. Provide separate schedules, for the test year and the 12-month period immediately preceding the test year, that show the following information regarding Big Sandy's investments in subsidiaries and joint ventures:
- a. Name of subsidiary or joint venture;
 - b. Date of initial investment;
 - c. Amount and type of investment;
 - d. Balance sheet and income statement. Where only internal statements are prepared, furnish copies of these; and
 - e. Name of officers of each of the subsidiaries or joint ventures, officer's annual compensation, and portion of compensation charged to the subsidiary or joint venture. Indicate the position that each officer holds with Big Sandy and the compensation received from Big Sandy.

Response:

- a-e. Big Sandy had/has no investments in subsidiaries or joint ventures.

Big Sandy Rural Electric Cooperative Corporation
Case No. 2017-00374
Commission Staff's First Request for Information

50. Provide separate schedules showing all dividends or income of any type received by Big Sandy from its subsidiaries or joint ventures for the test year and the three years preceding the test year. Indicate how this income is reflected in the reports filed with the Commission and any reports to Big Sandy's member customers.

Response:

Big Sandy had/has no subsidiaries or joint ventures.

Big Sandy Rural Electric Cooperative Corporation
Case No. 2017-00374
Commission Staff's First Request for Information

51. Concerning non-regulated activities:

- a. Is Big Sandy engaged in any non-regulated activities? If yes, provide a detailed description of each non-regulated activity.
- b. Is Big Sandy engaged in any non-regulated activities through an affiliate? If yes, provide the name of each affiliate and the non-regulated activity in which it is engaged.
- c. Identify each service agreement with each affiliate and indicate whether the service agreement is on file with the Commission. Provide a copy of each service agreement not already on file with the Commission.
- d. Has Big Sandy loaned money or property to any affiliate? If so, describe in detail what was loaned, the terms of the loan, and the name of the affiliate.

Response:

- a. No.
- b. No.
- c-d. Big Sandy has no affiliates.

Big Sandy Rural Electric Cooperative Corporation
Case No. 2017-00374
Commission Staff's First Request for Information

52. a. Identify any smart grid costs incurred by Big Sandy in the test year. Identify the account(s) where they are recorded and if the costs were expensed or capitalized.
- b. Provide any smart grid costs that Big Sandy has included in its most recently developed budget.

Response:

- a. Big Sandy's smart grid costs pertain to its investment in AMR smart metering, primarily for new services and regular meter change outs. These costs are capitalized and recorded in Account 370. During the test year, Big Sandy purchased 600 smart meters at a total capitalized cost of \$189,360.
- b. Big Sandy budgeted to purchase 600 additional smart meters during 2017 at an estimated total cost of \$183,600.

Big Sandy Rural Electric Cooperative Corporation
Case No. 2017-00374
Commission Staff's First Request for Information

53. Provide Big Sandy's written compensation policy as approved by the Board of Directors.
- a. Provide a narrative description of the compensation policy, including the reasons for establishing the policy and Big Sandy's objectives for the policy.
 - b. Explain whether the compensation policy was developed with the assistance of an outside consultant. If the compensation policy was developed or reviewed by a consultant, provide any study or report provided by the consultant.
 - c. Explain when the compensation policy was last reviewed or given consideration by the Board of Directors.

Response:

- a. Please see Page 2 and Page 3 of this Response for Big Sandy's "Wage and Salary Plan Policy", designated as Policy Statement No. 300-190. The Policy was established as a guide to be used by Big Sandy management for all wage and salary decisions by assigning each Big Sandy job title a particular job grade as a baseline for compensation and advancement purposes. Big Sandy management routinely evaluates each non-union salaried employee's job performance to assess all compensation-related decisions such as position promotions and wage increases.
- b. Big Sandy's compensation policy was developed during the administration of its previous President/CEO, David Estep. It is believed that Mr. Estep sought and obtained some assistance from staff at East Kentucky Power Cooperative in arriving at its final structure; however, neither the extent of that assistance nor the identities of those staff at East Kentucky Power providing input is currently known by Big Sandy. No other outside consultant was used by Big Sandy in the development of this Policy and no written study or report is available.
- c. Big Sandy's Compensation Policy was last reviewed and revised on March 24, 2016.

BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION
POLICY STATEMENT NO. 300-190
WAGE AND SALARY PLAN POLICY

SUBJECT: WAGE AND SALARY PLAN POLICY

PURPOSE OR OBJECTIVE: TO ESTABLISH A GUIDE FOR ALL COMPENSATION DECISIONS AND JOB LEVELS.

POLICY: This Policy was established as a guide for all wage and salary decisions. Each employee will be classified into their specific job title to be evaluated and reviewed for any promotions, wage increase or compensation decisions. Job Titles and Grade Levels are as follows:

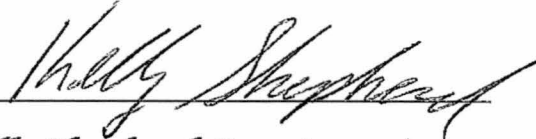
<u>JOB TITLE</u>	<u>GRADE</u>
Customer Service Rep. I	11
Customer Service Rep. II	11
Communications/Member Service Asst.	11
Customer Service Specialists	12
Consumer Accounting Clerk	12
Plant Accountant	13
Payroll/Accounting Clerk	13
Dispatch/Operations Assistant	14
	15
GIS/Dispatcher/Operations	16
Executive Secretary/H.R. Admin.	16
ROW Supervisor/Arborist	16
Accounting & Finance Manager	17
	18
Member Service/P.R. Mgr.	17
IT Manager	17

VP of Customer Services	19
VP of Financial Services	20
Line Superintendent	21
VP of Operations	22

RESPONSIBILITY: President & General Manager

SOURCE: Adopted: December 27, 2012

Revised: MARCH 24, 2016



Kelly Shepherd, Secretary

Big Sandy Rural Electric Cooperative Corporation
Case No. 2017-00374
Commission Staff's First Request for Information

54. Explain whether the expenses for wages, salaries, benefits and other compensation during the test year, and any adjustments to the test year, are compliant with the Board of Director's compensation policy.

Response:

Big Sandy is unaware of any expenses for wages, salaries, benefits and other compensation during the test year, and any adjustments to the test year, which are not in compliance with the Board of Directors compensation policy.

Big Sandy Rural Electric Cooperative Corporation
Case No. 2017-00374
Commission Staff's First Request for Information

55. Provide the information requested in Format 55 for yearly salary and benefit information in Excel spreadsheet format with all formulas intact and unprotected and all columns and rows accessible. Commission Staff will provide Schedule 55 in Excel format by electronic mail to Counsel for all parties. Provide the following information for each employee number and job title, for the years 2011 through 2016 and the test year (in gross dollars—not hourly or monthly rates):
- a. Regular salary or pay.
 - b. Overtime pay.
 - c. Vacation pay.
 - d. Standby dispatch pay.
 - e. Bonus pay.
 - f. Any other amounts paid (specify).
 - g. Health Benefit cost for each employee:
 - (1) Amount paid by Big Sandy;
 - (2) Amount paid by each individual employee.
 - h. Dental Benefits cost for each employee:
 - (1) Amount paid by Big Sandy;
 - (2) Amount paid by each individual employee.
 - i. Vision Benefits cost for each employee:
 - (1) Amount paid by Big Sandy;
 - (2) Amount paid by each individual employee.
 - j. Life Insurance cost for each employee:
 - (1) Amount paid by Big Sandy;
 - (2) Amount paid by each individual employee.

k. Accidental Death and Disability Benefits for each employee:

- (1) Amount paid by Big Sandy;
- (2) Amount paid by each individual employee.

l. 401(K) Plan cost for each employee:

- (1) Amount paid by Big Sandy;
- (2) Amount paid by each individual employee.

m. Defined Benefit Retirement cost for each employee:

- (1) Amount paid by Big Sandy;
- (2) Amount paid by each individual employee.

Response:

The requested information is provided in Excel spreadsheet format on the enclosed compact disc. Please note this Response is subject to a Motion for Confidential Treatment filed contemporaneously herewith.

Big Sandy Rural Electric Cooperative Corporation
Case No. 2017-00374
Commission Staff's First Request for Information

56. For each level of health insurance coverage available to Big Sandy's employees (i.e., single, family, etc.), provide the number of employees covered by Big Sandy's health insurance plan, any applicable employee contribution rate, the associated premiums for the test year, and each of the plans' deductible(s) amounts.

Response:

Please see the Direct Testimony of John Wolfram provided at Exhibit 10 to Big Sandy's Application and, in particular, Exhibit JW-2, Reference Schedule 1.18 thereof.

Big Sandy Rural Electric Cooperative Corporation
Case No. 2017-00374
Commission Staff's First Request for Information

57. Explain whether, prior to making any adjustments to wages, salaries, benefits and other compensation in the base rate case, Big Sandy, through an outside consultant or otherwise, performed a study or survey to compare its wages, salaries, benefits and other compensation to those of other utilities in the region, or to other local or regional enterprises.
- a. If comparisons were made, provide and discuss the results of such comparisons. Include the results of the study or survey with your response, including all work papers.
 - b. If comparisons were not made, explain why such comparisons were not performed.

Response:

- a-b. Big Sandy is a union shop and all union employees' wages, salaries, benefits and other compensation are determined pursuant to a collective bargaining agreement. Please see Big Sandy's Response to Item 47 of this Request for Information. With regard to overall compensation levels of Big Sandy's non-union salaried employees, there have not historically been studies, surveys or comparisons prepared by outside consultants. Rather, compensation decisions for these employees have been loosely based upon a combination of employee evaluations and applicable adjustments contained in the then-current collective bargaining agreement.

Big Sandy's current leadership realizes that it must move away from tying non-union salaried employee compensation adjustments to its union contract and instead put in place a process of basing such compensation decisions on a periodic survey by an experienced consultant in the field who has made a rational comparison to other utilities in the region, or to other local or regional businesses. Big Sandy has already contacted such a consultant and has begun this process.

Big Sandy Rural Electric Cooperative Corporation
Case No. 2017-00374
Commission Staff's First Request for Information

58. Provide Big Sandy's current nepotism policy and indicate when it was most recently changed.

Response:

Please see Page 2 and Page 3 of this Response.

BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION
POLICY STATEMENT NO. 100-075
SECTION A

New 7/21/14

I. SUBJECT: NEPOTISM

To set forth a policy with regard to the employment of relatives of the Board of Directors and employees of Big Sandy RECC.

II. POLICY:

A. The following definitions apply when used in this policy:

1. "Immediate family" shall mean children, step-children, grand-children, brothers, sisters, step brothers, step sisters, half-brothers, half-sisters, spouses, parents, step parents, grandparents, aunts, uncles, nieces, nephews, brother-in-law, sister-in-law, daughter-in-law, son-in-law, mother-in-law, father-in-law, niece-in-law, and nephew-in-law.
2. "Supervisory position" shall mean the relationship that exists between any management position and any position for which that management position is responsible.

- B. No member of the immediate family of a director of Big Sandy RECC or an employee of Big Sandy RECC shall be eligible to be hired by Big Sandy RECC.
- C. If two employees become related as either spouse, father-in-law, mother-in-law, son-in-law, or daughter-in-law by marriage or otherwise, only one employee in supervisory position become so related by marriage or otherwise, one of them will be required to terminate employment. If the affected employees cannot decide which of them will terminate, the employee with the least seniority shall have employment terminated.
- D. If an employee becomes a spouse, father-in-law, mother-in-law, son-in-law, or daughter-in-law of a director of Big Sandy RECC, or if the spouse, father, father-in-law, mother, mother-in-law, son, son-in-law, daughter, daughter-in-law of an employee becomes a director of Big Sandy RECC, the employee, in either case, shall not be eligible to hold a supervisory position. If such an employee already holds a

supervisory position, that employee shall be required to terminate his or her employment.

E. This policy does not apply to emergency situations.

III. RESPONSIBILITY

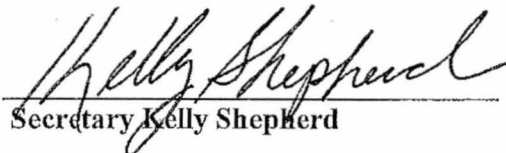
A. The President and Board of Directors shall be responsible for the administration of this policy.

IV. PROCEDURE

A. Upon establishing that nepotism exists, the Director shall not be nominated as a candidate, or if elected, shall resign, the supervisor shall resign, or the employee shall resign or be discharged.

V. SOURCE

Adopted November 4, 1983
Amended October 18, 1985
Amended April 19, 1996
Amended January 18, 2002
Amended January 16, 2004
Amended May 23, 2007
Revised: July 22, 2014


Secretary Kelly Shepherd

Big Sandy Rural Electric Cooperative Corporation
Case No. 2017-00374
Commission Staff's First Request for Information

59. Provide a copy of all exhibits and schedules that were prepared in Big Sandy's rate application in Excel spreadsheet format with all formulas intact and unprotected and with all columns and rows accessible.

Response:

The requested information is provided in Excel spreadsheet format on the enclosed compact disc. The file entitled "PSC 1-59 File List" provides a guide to the other attached electronic spreadsheets and how each was used in Big Sandy's rate application.