

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

**RECEIVED**

MAR 28 2008

PUBLIC SERVICE  
COMMISSION

IN THE MATTER OF:

JACKSON PURCHASE ENERGY )  
CORPORATION, )  
)  
)  
)

CASE NO. 2007-00116

**JPEC'S RESPONSES TO  
THIRD DATA REQUEST OF COMMISSION STAFF**

COMES Jackson Purchase Energy Corporation (hereinafter "JPEC"), through the undersigned counsel, and submits herein its responses to the Third Data Request of Commission Staff.

1. Refer to Jackson Purchase's Response to the Staff's Second Data Request ("Staff's Second Request"), page 4, Item 8. Jackson Purchase states that the "COMPensate Plan" contains copyrighted material and confidential information and that it has requested permission from National Rural Electric Cooperatives Association ("NRECA") to provide the requested material. Pursuant to 807 KAR 5:001, Section 7, no party to any proceeding shall fail to respond to discovery by the Commission, its staff, or any other party, on the grounds of confidentiality.

a. State whether Jackson Purchase has received a response from NRECA. If yes, provide a copy of NRECA's response. If no, explain the status of the request.

b. Assuming the Commission affords confidential treatment to the information, state whether copyright laws provide an exception to information being copied and submitted in a quasi-judicial or administrative proceeding.

- c. Explain how the Commission can determine the reasonableness of the wage and salary adjustments without the requested information.

**RESPONSE:** NRECA has not agreed to allow JPEC to submit the requested document.

Accordingly, JPEC files herewith a Motion for Confidentiality pursuant to 807 KAR 5:001, Section 7. NRECA has been given notice of JPEC's action.

Witness: Kelly Nuckols.

2. Refer to Jackson Purchase's Response to Staff's Second Request, Item 9.
  - a. State whether the medical insurance coverage that Jackson Purchase provides extends only to Jackson Purchase employees and to no other persons, including family members.
  - b. Are the employees of Jackson Purchase required to contribute to the cost of medical insurance for individual and/or family coverage? If so, what amount or percentage is required of the employee?

**RESPONSE:**

- a. The medical plan is required by the terms of the collective bargaining agreement, for those employees in the collective bargaining unit. The plan is also available only to all other JPEC employees, except for retired employees who are required to be covered under FAS-106. As stated previously, the plan is a single premium plan which covers the employee and their eligible dependents.
- b. At this time, employees do not contribute to the cost of medical insurance. However, under the terms of the collective bargaining agreement, a percentage of future premium increases will be borne by the employee.

Witness: Kelly Nuckols.

3. Refer to Jackson Purchase's Response to Staff's Second Request, Item 11(c). Jackson Purchase provided samples of the text for radio and television advertisements but no samples of print advertisements. Provide samples of all print advertisements that were included for rate-making purposes.

**RESPONSE:** Samples of print ads are attached hereto as Exhibit A.

Witness: Chuck Williamson.

4. Refer to Jackson Purchase's Response to Staff's Second Request, Item 11(d). Jackson Purchase stated that "Networking" is a generic term for advertising and marketing efforts and those efforts that contained safety or conservation information were included. Describe in detail specific types of activities that pertain to safety and conservation.

**RESPONSE:** The types of activities included in "Networking" are all advertising. This includes radio, television and print advertising. A complete text of the radio ads pertaining to safety and conservation were included in JPEC's Response to Staff's Second Request, item 11(d). Further, a detailed description of the television commercials pertaining to safety and conservation were also included in the response. Sample print ads with content relating to safety and conservation are attached as Exhibit A, in response to Question 3.

Witness: Kelly Nuckols.

5. Refer to Jackson Purchase's Response to Staff's Second Request, Item 11(g)(4). Regarding Sam's Club membership fee, how many memberships does Jackson Purchase currently have at Sam's Club? List the types of items that are purchased at Sam's Club.

**RESPONSE:** In 2006, JPEC had five memberships at Sam's. Those cards were held by the Executive Assistant to the CEO; the head of Information Technology; the Purchasing Clerk; the

assistant to the HR Vice President; and HR Vice President. Items purchased include:

Office/computer supplies: blank CD's, batteries, binder clips, chair pads, envelopes, markers, legal pads, hanging folders, memory sticks, paper, pens, sharpies, and note pads.

Electronic Equipment: computers, printers, fax machines, scanners, and digital cameras.

Custodial Supplies: cleaning disinfectants, floor wax, and stripping chemicals.

Food: business meetings, training/workshops, retirement receptions, and employee incentives.

Witness: Chuck Williamson.

6. Refer to Jackson Purchase's Response to Staff's Second Request, Item 17. Jackson Purchase stated that it does not have a written equity management plan but believes managing equity on a daily or monthly basis is the best practice as a cooperative.

a. Describe in detail Jackson Purchase's process for managing equity. Include in this description all formal policies regarding appropriate equity levels, target earnings levels or overall management of Jackson Purchase's equity.

b. Jackson Purchase included a citation from its Bylaws pertaining to capital credits. State whether Jackson Purchase agrees that it is legally obligated to retire capital credits to its members eventually. Explain the response.

c. State whether Jackson Purchase retires capital credits accrued to former member accounts (e.g., deceased members or members who move out of Jackson Purchase's territory). Explain the response.

**RESPONSE:**

a. JPEC's Board of Directors has established a goal of minimum member equity of forty percent (40%) and annual operating TIER target of 2.0.

b. JPEC believes it is obligated to retire capital credits; however, the Board of Directors does not believe JPEC has been financially strong enough to retire capital credits during the recent years. Following the acceptance of the 2005 and 2006 financial statements and balance sheets, and the subsequent allocation of the net margins, the Board of Directors discussed the retirement of capital credits. Following the discussion, a motion was made to retire a portion of the capital credits. The results of the election were four (4) in favor of the retirement of capital credits and four (4) against the retirement of capital credits. Thus, the motion to retire capital credits failed.

c. JPEC does not presently retire capital credits to any members. JPEC's Board of Directors feels it would be discriminatory to retire one group over another group.

Witness: Kelly Nuckols.

7. Refer to Jackson Purchase's Response to Staff's Second Request, Item 22(c). Jackson Purchase stated it spoke with a sister cooperative regarding levelized billing. Identify this cooperative.

**RESPONSE:** Chuck Williamson spoke to Meade County Rural Electric Cooperative Corporation regarding levelized billing.

Witness: Chuck Williamson.

8. Refer to Exhibit H-5 of the Direct Testimony of Gary Stephens ("Stephens Testimony") at page 3, lines 11 through 19. Mr. Stephens explains the reason for including two cost-of-service studies in the application. Explain why, since the Big Rivers credit is still in effect, Jackson Purchase believes the effect of the credit should not be used in developing its

proposed rates in this proceeding. This explanation should include the date or event at which Jackson Purchase expects the credit to be discontinued.

**RESPONSE:** Under the present conditions and regulatory environment, the credit as provided by Big Rivers and credited in its entirety to JPEC members, is subject to approval of the Kentucky Public Service Commission ("KPSC") on an annual basis. The most recent approval by the KPSC was effective for October, 2007 billings. The present credit is scheduled to expire in September 2008.

Under the proposed unwind of Big Rivers, Case No. 2007-00455, the credit would continue, assuming approval by the KPSC, until such time as Big Rivers files with the KPSC a general rate case whereby the credit would be incorporated into Big Rivers' base rates. JPEC would thus remove the credit listing on the members' billing and incorporate the credit within the wholesale rates.

Witness: Kelly Nuckols.

9. Refer to Jackson Purchase's Response to Staff's Second Request, Item 25. Jackson Purchase states that the revenues for the individual rate classification calculated in Exhibit 11 do not agree with the revenues used in the Application due to the hundreds of adjustments made and their timing.

- a. Explain the types of adjustments to which the response refers. If any relatively large adjustments were made for specific customer accounts, identify the customer, the reason for the adjustment, and the amount of each adjustment.
- b. Jackson Purchase included in its response a revenue analysis and billing analysis in paper copy and electronic format that excludes the Big Rivers credit.

Provide similar schedules in paper copy and electronic format that include the effect of the Big Rivers credit.

**RESPONSE:**

a. JPEC made adjustments for each item it could identify, but, it is difficult to determine adjustments that were not identified. However, general observations can be made.

1) Data used for the cost of service study was based on actual billed information which is prepared on a cash basis while the financial statements are prepared on an accrual basis with adjustments made for unbilled revenues. The monthly adjustment for unbilled revenues is based on Form 7 class codes rather than rate codes.

2) Under JPEC's CIS system, any adjustment made to a bill after the month is completed is captured in the new month, while the financial adjustment is made to the previous month.

3) In cases where a meter is found to be slow or fast, an adjustment is made to the account dollar billed value but not necessarily to the kWh figures, this may be reported differently.

4) For instances where a demand meter has found to be in error, a dollar adjustment may be made to an account, but the underlying kW and kVA data is not corrected.

JPEC discussed the balancing of the account data with Gary Stephens and it was his opinion, based on his experience in performing many studies that the values were within a comfortable range.

Witness: Chuck Williamson.

b. Please see Exhibit B and CD in electronic form attached hereto as Exhibit C, which includes the Cost of Service Study and supporting exhibits that have been revised to include the Big Rivers credit. Exhibit T-1 is the same study that was included in the original application. Cost Based Rates (now titled Exhibit T-1 for this Data Request), End of Year Customer Adjustment, Rate Comparison (Exhibit E), Revenue Comparison (Exhibit I) and Sample Bills (Exhibit J) were also revised. The other exhibits did not change and therefore were not revised.

Witness: Gary Stephens.

10. Refer to Jackson Purchase's Response to Staff's Second Request, Item 29(b). State whether Jackson Purchase is referring in its response to that part of the distribution network from the customer's meter to the transformer (service drop) only.

**RESPONSE:** The plant expenses that are being spread to the secondary demand related distribution plant are a proportionate share of the total distribution plant expenses, (account numbers 360 through 373), and not just the service drop.

Witness: Gary Stephens.

11. Refer to Jackson Purchase's Response to Staff's Second Request, Item 29(c) and Stephens' Testimony, Exhibit h-5, Attachments 2 and 3, Line 1. Provide the step by step calculation used to obtain the average coincident and average non-coincident demand for each rate class for the month of January.

**RESPONSE:**

**Average Coincident Demand Calculation:**

1. The coincident system peak in January was 109,266 kW. This peak occurred on Tuesday, January 17, at 7:00 p.m.
2. The actual portion of this peak due to Large Industrial load was 4,767 kW as measured by JPEC meters. At that time, these were the only accounts on JPEC's system that provided complete 30 minute interval demand profile data each month.
3. The Large Industrial load was subtracted from the system peak to provide a revised system peak of 104,499 kW.
4. For each rate class, total kWh data per month was determined from the GIS system as follows:
  - a. Residential: 34,899,627 kWh
  - b. Sm. Commercial (1Ø): 2,214,486 kWh
  - c. Sm. Commercial (3Ø): 402,564 kWh
  - d. Lg. Commercial: 3,945,720 kWh
  - e. Commercial & Ind.: 15,734,923 kWh
  - f. Outdoor Lighting: 774,333 kWh
5. The total system kWh for January was determined from the GIS system to be 57,971,653. The Large Industrial load kWh data was subtracted from this system total to provide a revised system total of 54,025,933 kWh.
6. Since sunset occurred at 5:03 on the date of the system peak (two hours before the peak occurred), Outdoor Lighting load was included in the demand allocations.

7. For each rate class (excluding Large Industrial), the total kWh data was taken as a ratio to the system total kWh without considering Large Industrial loads.

g. Residential:	64.6%
h. Sm. Commercial (1Ø):	4.1%
i. Sm. Commercial (3Ø):	0.8%
j. Commercial & Ind.:	29.1%
k. Outdoor Lighting:	1.4%

8. These ratios were applied to the system demand determined in step 3 above to provide the demands per rate class shown in Exhibit H-5, Attachment 2.

Average Non-coincident Demand Calculation:

The same method was used as above starting with a system peak of 116,767 kW and a Large Commercial contribution of 10,496 kW.

Witness: Tracy Bensley.

12. Refer to Jackson Purchase's Response to the Attorney General's Initial data request ("AG's Initial Request"), Item 16(d), Exhibit 12. For each of the items listed below, explain why it should be an appropriate and reasonable expense for rate-making purposes:

a. Line 15 – United Way of Paducah, Victory Dinner.

**Response:** This item, which is soundly within the discretion of the Board of Directors, is intended to create goodwill and consumer awareness for the Cooperative within JPEC's service area.

b. Lines 32 and 33 – MET Life Representative Meeting – White.

**Response:** This item is an expense incurred in order to assist the Cooperative in offering employee purchased benefits policies.

c. Line 45 – Pizza for Accounting Department.

**Response:** This item was for in-house training of the department. JPEC felt it was less expensive and more convenient to offer training on-site.

d. Line 66 – The Paducah Sun – Promotions.

**Response:** This expense was incurred for advertising.

e. Line 103 – Paducah Symphony lunch – Kerr.

**Response:** This item, which is soundly within the discretion of the Board of Directors, is intended to create goodwill and consumer awareness for the Cooperative within JPEC's service area.

f. Lines 111 and 114 – Realtors luncheon.

**Response:** This item was for promotion of the Cooperative's image within the community. Realtors influence where homes and businesses will be located.

g. Line 134 – Duplication of keys and donuts for meeting.

**Response:** The expense for keys was for duplication of office keys.

The donuts were for an employee meeting. JPEC finds that providing small items, such as donuts assists in keeping employee morale high, which is essential to keeping the Cooperative operational for the benefit of its members.

h. Lines 135, 297, and 539 – Food for Blood Drive.

**Response:** This item, which is soundly within the discretion of the Board of Directors, is intended to create goodwill and consumer awareness for the Cooperative within JPEC's service area.

- i. Lines 185 and 259 – Youth Tour, BNL, SHRM lunch – White.

**Response:** Participation with the Youth Tour, an item which is soundly within the discretion of the Board of Directors, is intended to create goodwill and consumer awareness for the Cooperative within JPEC's service area.

The SHRM lunch is a professional association luncheon which was attended by Izell White, Vice President, Human Resources.

- j. Lines 251, 252, and 442 – Lunches for Mapping Meeting – April.

**Response:** This item was for a working lunch during an in-house training of the department. JPEC felt it was less expensive and more convenient to offer on-site employee training.

- k. Line 253 – PR Lunch Club – Kerr.

**Response:** PR Lunch Club is a professional association luncheon which was attended by Patrick Kerr.

- l. Line 281 – Youth Tour/SHRM Council Meeting.

**Response:** Participation with the Youth Tour, which is soundly within the discretion of the Board of Directors, is intended to create goodwill and consumer awareness for the Cooperative within JPEC's service area.

- m. Line 289 – Cake and Ice Cream.

**Response:** This is for cake and ice cream purchased in honor of retiring employees. JPEC believes these type of expenses foster employee morale, which is essential to keeping the cooperative operational for the benefit of its members.

n. Line 295 – Candy for Easter Egg Hunt.

**Response:** This item, which is soundly within the discretion of the Board of Directors, is intended to create goodwill and consumer awareness for the Cooperative within JPEC's service area.

o. Line 288 – Lunch – T. Miller/C. Williamson.

**Response:** This item was for a working lunch during an in-house training of the accounting department.

p. Line 289 – Pizza, Power Inventor – Conner.

**Response:** At this time, the nature of this expense has not been determined.

q. Line 457 – Leadership Paducah Foundation.

**Response:** This item, which is soundly within the discretion of the Board of Directors, is intended to create goodwill and consumer awareness for the Cooperative within JPEC's service area.

r. Line 471 – United Van Lines – Moving expense for Tracy Bensley.

**Response:** This item was for expenses incurred for moving Tracy Bensley when he was hired. Mr. Bensley, a licensed engineer, was recruited by JPEC from out-of-state.

s. Lines 508 and 509 – Lunch with Jeff Voight, etc.

**Response:** This item, which is soundly within the discretion of the Board of Directors, is intended to create goodwill and consumer awareness for the Cooperative within JPEC's service area. Mr. Vaught was seeking sponsorships for his not-for-profit organization.

- t. Line 524 – Reclass donation for A. Hayden.

**Response:** This is a memorial donation made by the corporation. The “reclass” notation means that it had erroneously been placed into another account and was then moved to the appropriate one.

- u. Line 554 – Refreshments, cameras.

**Response:** The refreshments were for an employee meeting related to safety demos. JPEC believes these type of expenses foster employee morale, which is essential to keeping the cooperative operational for the benefit of its members.

The cameras were purchased for field use by employees in documenting storm damage and accidents.

- v. Line 590 – Lunch – new employee orientation.

**Response:** This working lunch was provided for new employees during orientation. JPEC believes these type of expenses foster employee morale, which is essential to keeping the cooperative operational for the benefit of its members.

- w. Line 618 – Paducah Board of Realtors, Inc. – Inaugural dance.

**Response:** This item, which is soundly within the discretion of the Board of Directors, is intended to create goodwill and consumer awareness for the Cooperative within JPEC’s service area. See answer to 12f, above.

- x. Line 652 – Lunch – White.

**Response:** This item was incurred when Izell White took Deborah Page from West Kentucky Community and Technical College to lunch to discuss training programs for JPEC employees.

y. Lines 664 through 667 – Christmas Cards.

**Response:** This item, which is soundly within the discretion of the Board of Directors, is intended to create goodwill and consumer awareness for the Cooperative within JPEC's service area.

z. Lines 679 and 758 – Breakfast for CSR's.

**Response:** A working breakfast was provided for JPEC customer service representatives. JPEC believes these type of expenses foster employee morale, which is essential to keeping the cooperative operational for the benefit of its members.

aa. Lines 756 and 757 – United Way Campaign, Christmas Goodie Day.

**Response:** This item, which is soundly within the discretion of the Board of Directors, is intended to create goodwill and consumer awareness for the Cooperative within JPEC's service area.

bb. Line 759 – Donuts for employees.

**Response:** Donuts were provided for JPEC customer service representatives. JPEC believes these type of expenses foster employee morale, which is essential to keeping the cooperative operational for the benefit of its members.

cc. Line 760 – Lunch for AMI Meeting.

**Response:** A working lunch was provided for JPEC meter readers while training was in progress. JPEC believes these type of expenses foster employee morale, which is essential to keeping the cooperative operational for the benefit of its members.

dd. Lines 763 through 766 – 2007 Calendars.

**Response:** These were calendars purchased for use by JPEC employees at their respective desks.

ee. Line 785 – Xmas lights, lunch – Kerr.

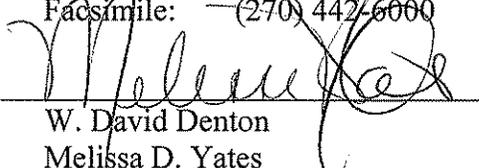
**Response:** This item, which is soundly within the discretion of the Board of Directors, is intended to create goodwill and consumer awareness for the Cooperative within JPEC's service area.

The working lunch referenced is for JPEC employees assisting with the installation of Christmas lights.

Respectfully submitted,

DENTON & KEULER  
P. O. BOX 929  
PADUCAH KY 42002-0929  
Telephone: (270) 443-8253  
Facsimile: (270) 442-6000

By:

  
W. David Denton  
Melissa D. Yates

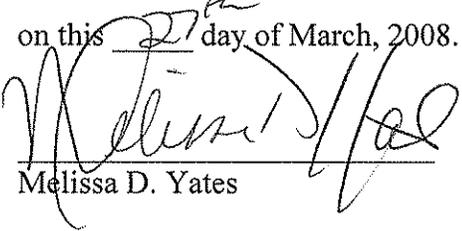
ATTORNEYS FOR JPEC

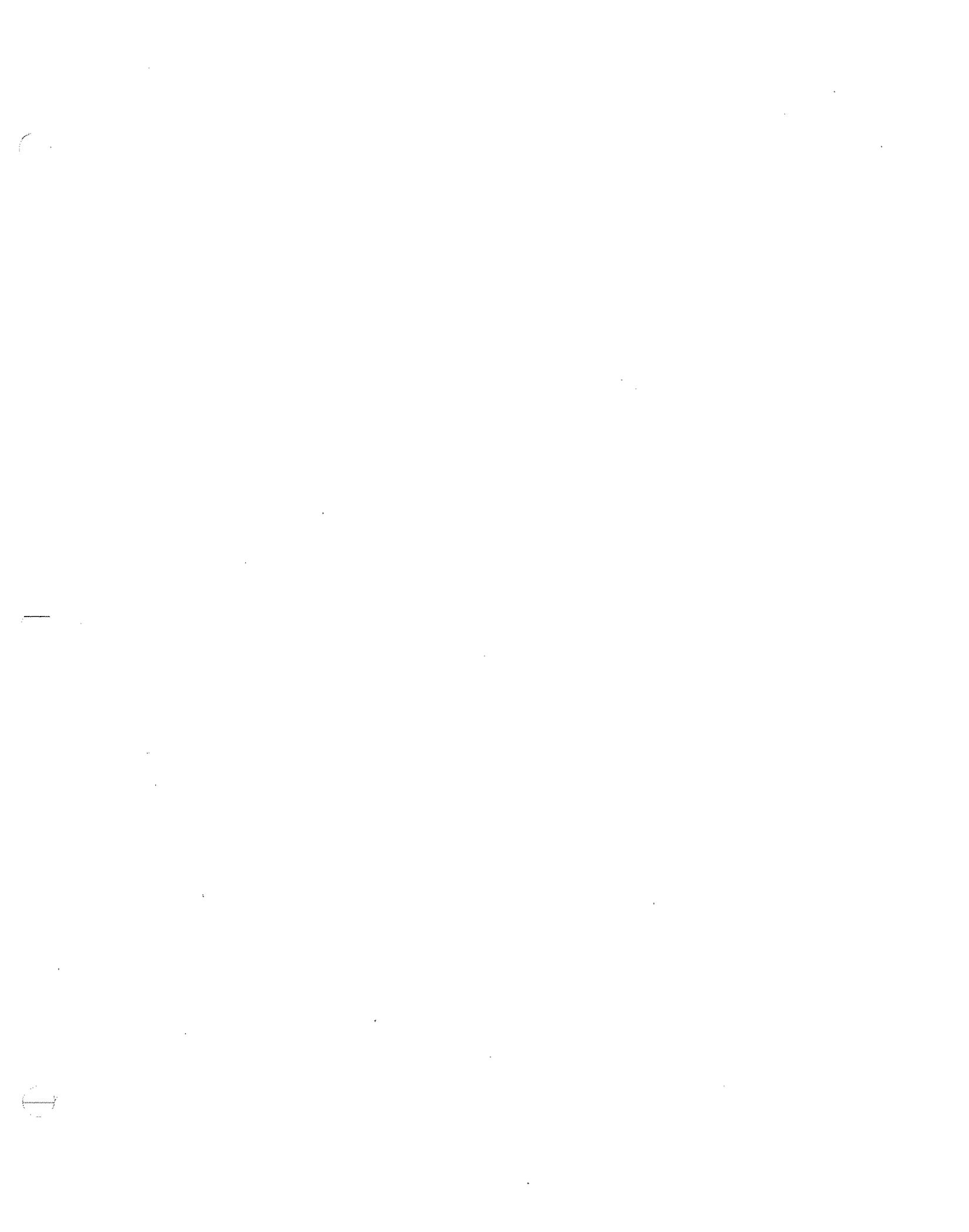
I hereby certify that the foregoing has  
been served by mailing a true and  
correct copy to:

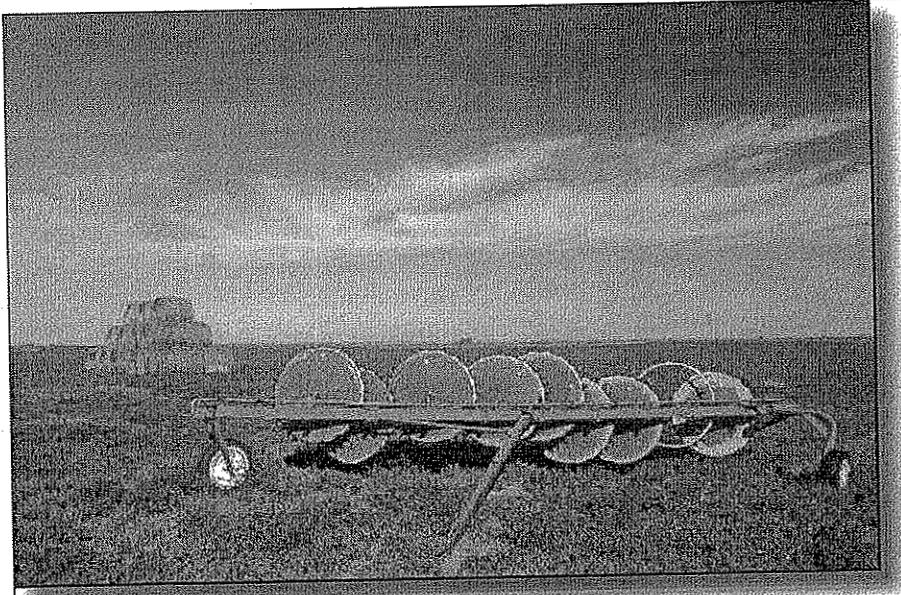
STEPHANIE STUMBO  
EXECUTIVE DIRECTOR  
PUBLIC SERVICE COMMISSION  
211 SOWER BLVD.  
FRANKFORT KY 40602

DENNIS G HOWARD  
OFFICE OF THE ATTORNEY GENERAL  
1024 CAPITAL CENTER DRIVE  
SUITE 200  
FRANKFORT KY 40601-8204

on this 27<sup>th</sup> day of March, 2008.

  
Melissa D. Yates



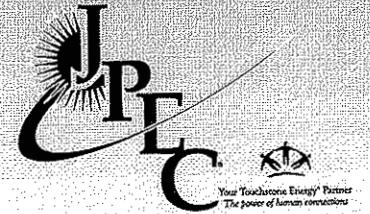


Great for farming...

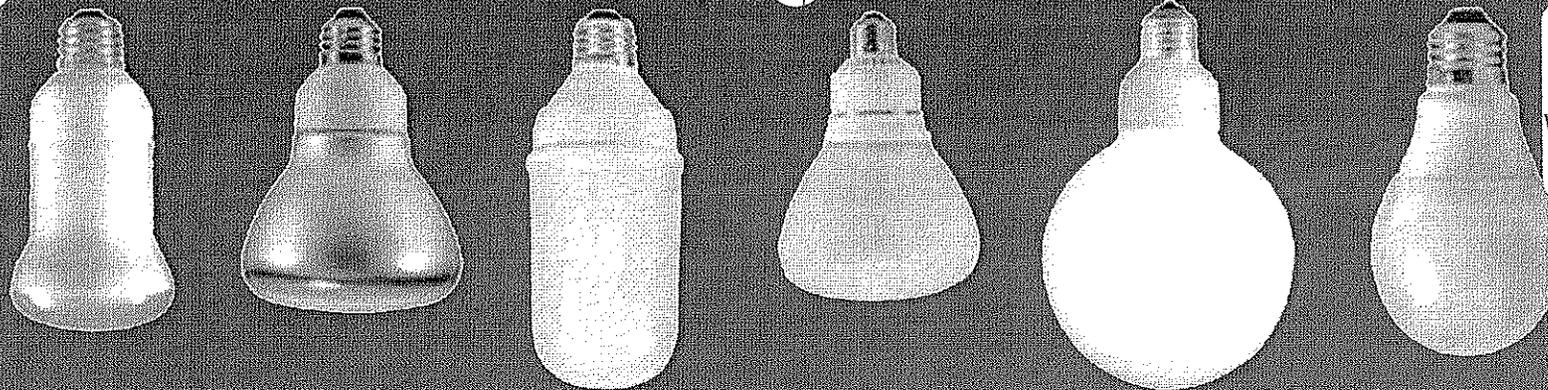
Bad for power lines

As spring approaches, Jackson Purchase Energy encourages you to be safe around electric lines. Many of the implements used in farming can cause severe damage to both overhead and underground electric lines. Plus, equipment coming in contact with lines can be a danger to those using those using the equipment. If you see a downed power line or have questions about electric service in your area, contact JPEC.

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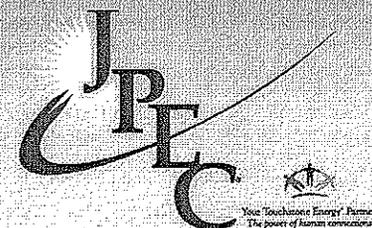


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# more shapes more savings

Compact florescent light bulbs save  
as much as \$5 per year, per bulb.  
Switch now and light up  
your face when your next  
Jackson Purchase Energy bill arrives.



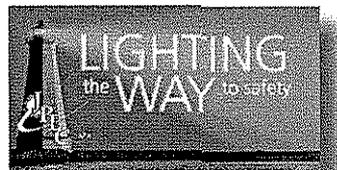
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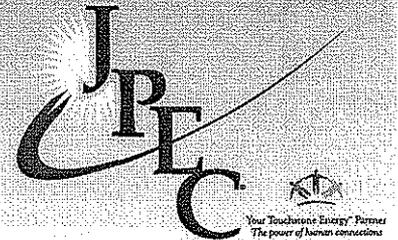
At this rodeo  
the linemen  
don't play football  
and there aren't  
any bucking broncos

Even so, Jackson Purchase Energy's linemen  
are just as dedicated to teamwork as any  
football team and just as committed  
to safety as any rodeo cowboy.

*Good Luck!*

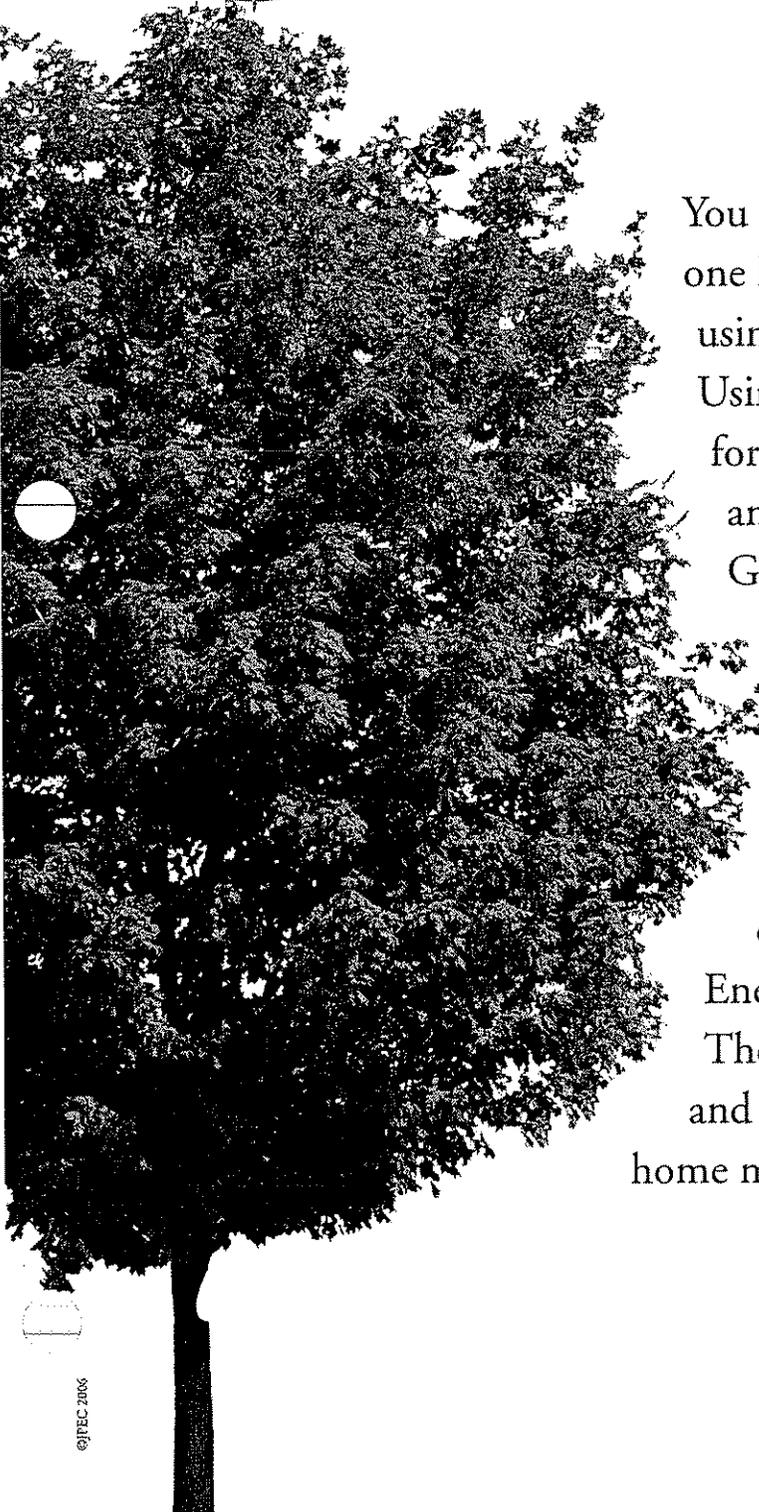


JPEC's Lighting The Way To Safety education efforts are designed for employees and the public.  
The efforts include school presentations, lineworker training and more.

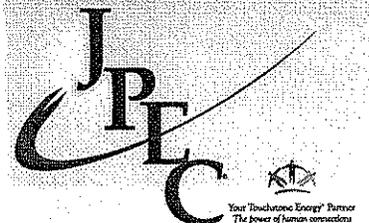


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*Log On At [www.JPEnergy.com](http://www.JPEnergy.com)*

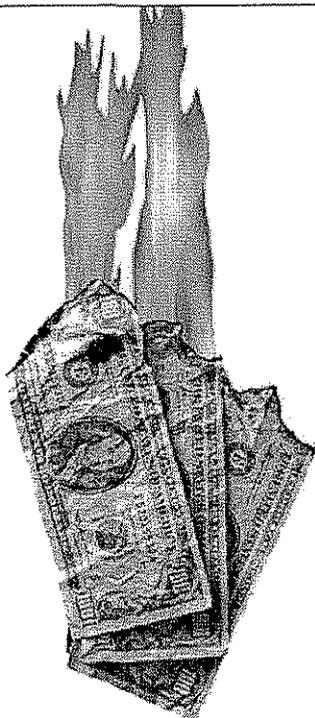
# Save Some Green



You can save more than one kind of green by using energy wisely. Using less energy is good for the environment and your pocket book. Go to [JPEnergy.com](http://JPEnergy.com) and click on the Home Energy Suite icon for energy saving tips. Or, stop by our office for your free Energy Savers guide. The guide is full of tips and hints to make your home more energy efficient.



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Log On At [www.JPEnergy.com](http://www.JPEnergy.com)



# *Burn, Baby, Burn!*

## Remind you of your last gas bill?

If you were a Jackson Purchase Energy customer heating with a high-efficiency electric heat pump, you would have been warm last month and not because you were burning dollars.

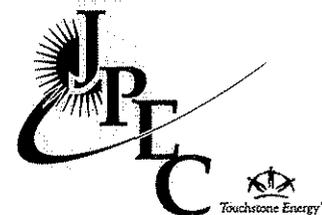
JPEC's rates did not go up this winter.

Heating an average house using electricity from JPEC is more than \$300 a year less than heating the same home with natural gas.

Heating with propane? It will cost you nearly \$1,000 more a year than if you were using electricity.

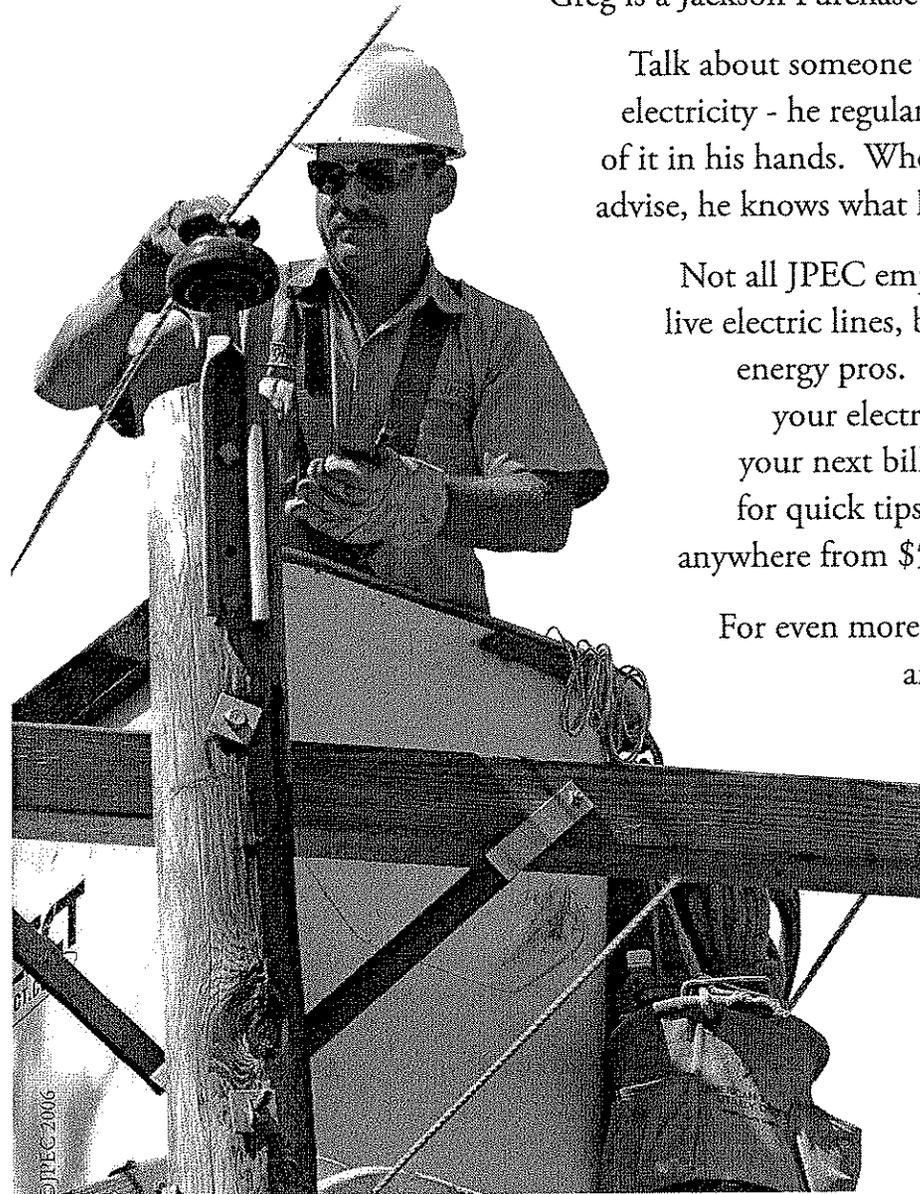
Maybe it's time to rethink your heating choice?

Comparison is based on a natural gas and propane rates as of 1/18/06 versus JPEC's residential electric rate.  
Comparison is based on the annual heating cost of a 2,000 square foot home.



Your Cooperative Partner by Choice  
Log On At [www.JPEnergy.com](http://www.JPEnergy.com)

# Need Energy Saving Advice? Why Not Ask Someone Who *Really* Knows?



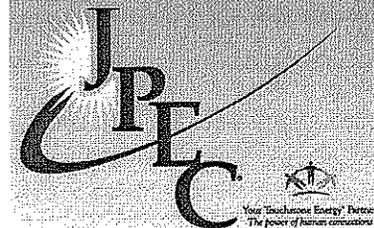
Greg is a Jackson Purchase Energy Lineman.

Talk about someone who knows about electricity - he regularly has 7,200 volts of it in his hands. When he gives energy advice, he knows what he's talking about.

Not all JPEC employees work with live electric lines, but all of them are energy pros. For tips to reduce your electric use and save on your next bill, visit our website for quick tips that can save you anywhere from \$5 to \$25 a month.

For even more tips, give us a call and let us help save you money.

Exhibit A  
Page 6 of 9  
Witness: Chuck Williamson

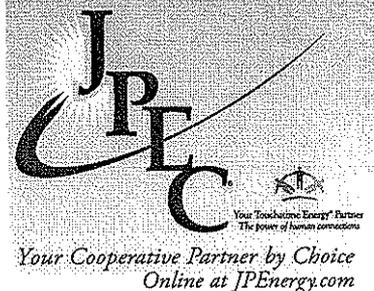


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Online at [JPenergy.com](http://JPenergy.com)

# You're going to need a bigger pig



Save big with quick and easy energy  
tips or a full-scale home energy audit at  
[JPEnergy.com](http://JPEnergy.com)





Ready  
to  
**build?**

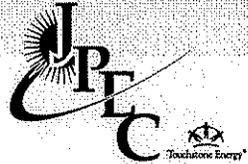
Planning  
to  
**renovate?**

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**JPEC**  
now provides  
**cash incentives**

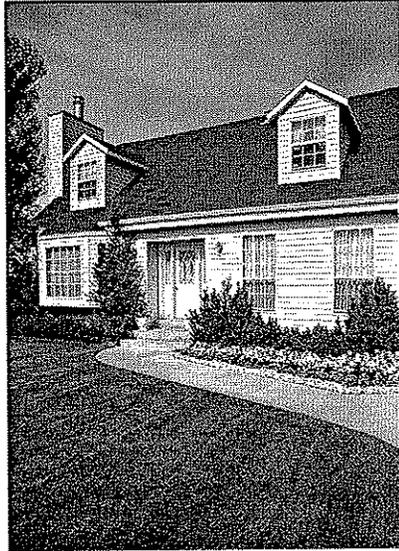
- Build an all-electric home and get up to \$265 per ton for your high-efficiency heat pump.
- Replace your outdated heating and cooling system with a high-efficiency, dual-fuel heat pump and get \$90 per ton
- Replace your gas or propane water heater with electric and get \$300

Contact a JPEC customer service representative for details and requirements



*Your Cooperative Partner by Choice*  
Log On At [www.JPEnergy.com](http://www.JPEnergy.com)

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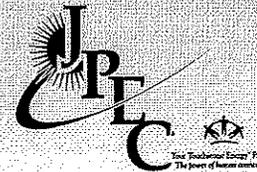


Location

Location

Location

You know how important location is,  
especially if you decided to live in  
Jackson Purchase Energy's service area.  
By doing so, you are getting some of the  
best rates in the country and the superior service you deserve.  
We know you likely didn't choose your home based on the  
electric service, but maybe next time you will?



*Your Cooperative Partner by Choice*  
*Log On At [www.JPEnergy.com](http://www.JPEnergy.com)*

© JPEC 2005



JPEC is committed to our members' safety.  
Please use electricity wisely.  
See our web site for safety tips and more.



**JPEC**  
**End of Year Customer Adjustment - Compared to December 2005 (CFC Methodology)**  
**Revised for the Third Data Request**  
**End of Test Year Customer Adjustment (Includes the Big Rivers Credit)**

Line No.	Month	Residential	Small Com (1 ph)	Small Com (3 ph)	Lg Com (Existing)	Comm & Industrial	
1	Dec 2005	25,317	2,004	172	2	690	
2	Jan 2006	25,322	2,027	177	2	739	
3	Feb 2006	25,354	2,023	175	2	739	
4	Mar 2006	25,391	2,030	176	2	739	
5	Apr 2006	25,425	1,987	176	2	739	
6	May 2006	25,427	2,007	177	2	739	
7	Jun 2006	25,467	2,007	177	2	740	
8	Jul 2006	25,501	2,006	177	2	740	
9	Aug 2006	25,538	2,018	182	2	740	
10	Sep 2006	25,501	2,028	180	2	740	
11	Oct 2006	25,540	2,046	181	2	740	
12	Nov 2006	25,513	2,040	182	2	740	
13	Dec 2006	25,556	2,034	176	2	740	
14	Average	25,450	2,020	178	2	736	
15	Increase	133	16	6	0	46	
16	Total Revenue	\$24,247,477	\$1,688,015	\$309,099	\$1,725,798	\$9,354,175	
17	KWH Usage	379,714,788	25,347,920	4,860,579	40,619,100	178,774,164	
18	Avg per KWH	\$0.06386	\$0.06659	\$0.06359	\$0.04249	\$0.05232	
19	Total Billings	305,532	24,252	2,136	24	8,808	
20	Avg Monthly						
21	KWH Usage	1,243	1,045	2,276	1,692,463	20,297	
22	Increase in customers, times average use, times average rate, times 12 months, equals additional revenues						
23	Increase in Rev	\$126,807	\$13,171	\$9,618	\$0	\$583,288	\$732,884
24	Increase in consumers, times average use, times average cost per KWH purchased, times 12 months,						
25	equals additional power cost						
26	Inc in Power Cost	\$70,753	\$7,047	\$5,388	\$0	\$397,183	\$480,371
27	Net Increase						\$252,513
28	Total Cost of power, base rates		\$23,655,944				
29	KWH purchased		663,944,351				
30	Cost per KWH Purchased		\$0.03563				

**JPEC**  
**End of Year Customer Adjustment - Compared to December 2006 (PSC Methodology)**  
**Revised for the Third Data Request**  
**End of Test Year Customer Adjustment (Includes the Big Rivers Credit)**

Line No.	Month	Residential	Small Com (1 ph)	Small Com (3 ph)	Lg Com (Existing)	Comm & Industrial	
1	Dec 2005	25,317	2,004	172	2	690	
2	Jan 2006	25,322	2,027	177	2	739	
3	Feb 2006	25,354	2,023	175	2	739	
4	Mar 2006	25,391	2,030	176	2	739	
5	Apr 2006	25,425	1,987	176	2	739	
6	May 2006	25,427	2,007	177	2	739	
7	Jun 2006	25,467	2,007	177	2	740	
8	Jul 2006	25,501	2,006	177	2	740	
9	Aug 2006	25,538	2,018	182	2	740	
10	Sep 2006	25,501	2,028	180	2	740	
11	Oct 2006	25,540	2,046	181	2	740	
12	Nov 2006	25,513	2,040	182	2	740	
13	Dec 2006	25,556	2,034	176	2	740	
14	Average	25,450	2,020	178	2	736	
15	Increase	106	(14)	2	0	(4)	
16	Total Revenue	\$24,247,477	\$1,688,015	\$309,099	\$1,725,798	\$9,354,175	
17	KWH Usage	379,714,788	25,347,920	4,860,579	40,619,100	178,774,164	
18	Avg per KWH	\$0.06386	\$0.06659	\$0.06359	\$0.04249	\$0.05232	
19	Total Billings	305,532	24,252	2,136	24	8,808	
20	Avg Monthly						
21	KWH Usage	1,243	1,045	2,276	1,692,463	20,297	
22	Increase in customers, times average use, times average rate, times 12 months, equals additional revenues						
23	Increase in Rev	\$100,801	(\$11,886)	\$2,672	\$0	(\$53,917)	\$37,669
24	Increase in consumers, times average use, times average cost per KWH purchased, times 12 months,						
25	equals additional power cost						
26	Inc in Power Cost	\$56,243	(\$6,359)	\$1,497	\$0	(\$36,714)	\$14,666
27	Net Increase						\$23,004
28	Total Cost of power, base rates		\$23,655,944				
29	KWH purchased		663,944,351				
30	Cost per KWH Purchased		\$0.03563				

JPEC

Exhibit T-1  
Witness - Gary C. Stephens  
Page 1 of 18

STUDY DATE:			December 31, 2006
RUN DATE AND TIME:	24-Mar-08		08:58 AM
RETURN ON COMMON EQUITY			8.64%
OVERALL RATE OF RETURN			7.02%
CAPITALIZATION:			
	OUTSTANDING	EFFECTIVE RATE	COMPOSITE
DBT	\$48,718,372	5.88%	3.448%
PRF	\$0	0.00%	0.000%
CMN	\$34,444,409	8.64%	3.577%
FEDERAL EFFECTIVE INCOME TAX RATE			0.00%
FEDERAL NOMINAL INCOME TAX RATE			0.00%
STATE EFFECTIVE INCOME TAX RATE			0.00%
STATE NOMINAL INCOME TAX RATE			0.00%

NOTES

Exhibit B  
Page 3 of 125  
Witness: Gary Stephens

JPEC

Cost of Service Study for the Twelve Months Ended December 31, 2006 (Includes the Big Rivers Credit)

Customer Data

Exhibit T-1

Witness - Gary C. Stephens

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Line No	Description	Control		Total Company	Residential	Sm Commercial (1 Phase)	Sm Commercial (3 Phase)	Lg Commercial (Existing)	Commercial and Industrial	Outdoor Lighting
		All	Out							
1	NUMBER OF CUSTOMERS	C1A	C1A	37,750	25,461	2,021	178	2	734	9,354
2	PERCENT OF TOTAL	C1A		100.000%	67.446%	5.354%	0.472%	0.005%	1.944%	24.779%
3	NUMBER OF WEIGHTED CUSTOMERS	C2A	C2A	31,471	25,461	2,021	178	4	1,468	2,339
4	PERCENT OF TOTAL	C2A		100.000%	80.904%	6.422%	0.566%	0.013%	4.665%	7.431%
5	NUMBER OF RETAIL DISTR CUSTOMERS	C3A	C3A	37,750	25,461	2,021	178	2	734	9,354
6	PERCENT OF TOTAL	C3A		100.000%	67.446%	5.354%	0.472%	0.005%	1.944%	24.779%
7	NUMBER OF RETAIL WTD CUSTOMERS	C4A	C4A	31,471	25,461	2,021	178	4	1,468	2,339
8	PERCENT OF TOTAL	C4A		100.000%	80.904%	6.422%	0.566%	0.013%	4.665%	7.431%
9	LIGHTING DIRECT ALLOCATOR	LDE	LDE	9,354	0	0	0	0	0	9,354
10	PERCENT OF TOTAL	LDE		100.000%	0.000%	0.000%	0.000%	0.000%	0.000%	100.000%
11	LPS DIRECT ALLOCATOR	DA1	DA1	0	0	0	0	0	0	0
12	PERCENT OF TOTAL	DA1		0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
13	AVERAGE COINCIDENT KW DEMAND	D1A	D1A	121,650	73,803	5,041	1,013	5,714	35,680	399
14	DEMAND ALLOCATION FACTOR-PROD	D1A		100.000%	60.668%	4.144%	0.833%	4.697%	29.330%	0.328%
15	AVERAGE COINCIDENT KW DEMAND	D1B	D1B	121,650	73,803	5,041	1,013	5,714	35,680	399
16	DEMAND ALLOCATION FACTOR-TRANS	D1B		100.000%	60.668%	4.144%	0.833%	4.697%	29.330%	0.328%
17	AVG PRIMARY DISTRIB KW DEMAND	D2A	D2A	128,238	77,011	5,258	1,056	7,289	37,197	427
18	DIST-PRI DEMAND ALLOC FACTOR	D2A		100.000%	60.053%	4.100%	0.823%	5.684%	29.006%	0.333%
19	AVG SECONDARY DISTRIB KW DEMAND	D3A	D3A	134,826	80,219	5,476	1,098	8,864	38,713	455
20	DIST-SEC DEMAND ALLOC FACTOR	D3A		100.000%	59.498%	4.061%	0.815%	6.575%	28.714%	0.337%
21	AVG SECONDARY DISTRIB KW DEMAND	D4A	D4A	134,826	80,219	5,476	1,098	8,864	38,713	455
22	DIST-SEC DEMAND ALLOC FACTOR	D4A		100.000%	59.498%	4.061%	0.815%	6.575%	28.714%	0.337%
23	ANNUAL MWH ENERGY CONTRIBUTION	E1A	E1A	663,944	395,877	26,427	5,067	40,619	186,384	9,570
24	ENERGY ALLOCATION FACTOR	E1A		100.000%	59.625%	3.980%	0.763%	6.118%	28.072%	1.441%

JPEC  
 Cost of Service Study for the Twelve Months Ended December 31, 2006 (Includes the Big Rivers Credit)  
 Customer Data (continued)

Exhibit T-1  
 Witness - Gary C. Stephens  
 Page 3 of 18

Line No	Description	Control		Total Company	Residential	Sm Commercial (1 Phase)	Sm Commercial (3 Phase)	Lg Commercial (Existing)	Commercial and Industrial	Outdoor Lighting
		All	Out							
25	RESERVED			0	0	0	0	0	0	0
26	PERCENT OF TOTAL			0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
27	WAGES/SALARIES: PRODUCTION	NPP		0	0	0	0	0	0	0
28	TRANSMISSION	NPT		0	0	0	0	0	0	0
29	DISTRIBUTION	NPD		4,387,289	3,061,026	228,506	30,120	144,086	729,514	194,037
30	GENERAL	NPG		119,658	83,838	6,271	818	3,826	19,517	5,388
31	WAGES/SALARIES: TOTAL	LBR	LBR	4,506,947	3,144,864	234,777	30,938	147,912	749,031	199,425
32	PERCENT OF TOTAL	LBR		100.000%	69.778%	5.209%	0.686%	3.282%	16.619%	4.425%
33	BULK TRANSMISSION REVENUE	D1A		0	0	0	0	0	0	0
34	PRIMARY TRANSMISSION REVENUE	D2A		0	0	0	0	0	0	0
35	TOTAL TRANSMISSION REVENUE	TRN	TRN	0	0	0	0	0	0	0
36	PERCENT OF TOTAL	TRN		100.000%	100.000%	0.000%	0.000%	0.000%	0.000%	0.000%
EXISTING REVENUE										
37	EXISTING BASE REV	OTR	OTR	37,396,373	23,740,256	1,652,704	302,633	1,689,696	9,158,500	852,583
38	PURCHASED POWER REVENUE	FUL		0	0	0	0	0	0	0
39	MISCELLANEOUS REVENUE	NPD		0	0	0	0	0	0	0
40	TRANSMISSION REVENUE	TRN		0	0	0	0	0	0	0
41	SLS FOR RESALE	EIA		0	0	0	0	0	0	0
42	TOTAL EXISTING REVENUE	EXR	EXR	<u>37,396,373</u>	<u>23,740,256</u>	<u>1,652,704</u>	<u>302,633</u>	<u>1,689,696</u>	<u>9,158,500</u>	<u>852,583</u>
PROPOSED REVENUE										
43	PROPOSED BASE REV			40,950,437	26,485,563	1,882,378	304,732	1,807,464	9,451,259	1,019,041
44	PURCHASED POWER REVENUE			0	0	0	0	0	0	0
45	MISCELLANEOUS REVENUE			0	0	0	0	0	0	0
46	TRANSMISSION REVENUE			0	0	0	0	0	0	0
47	SLS FOR RESALE			0	0	0	0	0	0	0
48	TOTAL PROPOSED REVENUE	PRV	PRV	<u>40,950,437</u>	<u>26,485,563</u>	<u>1,882,378</u>	<u>304,732</u>	<u>1,807,464</u>	<u>9,451,259</u>	<u>1,019,041</u>
*** OTHER REVENUE INCLUDED ***										
49	PROPOSED INCREASE/(DECREASE)			3,554,064	2,745,307	229,674	2,098	117,767	292,759	166,458
50	PROPOSED REVENUE INCR/(DECR) - %			9.50%	11.56%	13.90%	0.69%	6.97%	3.20%	19.52%

Exhibit B  
 Page 5 of 125  
 Witness: Gary Stephens

JPEC  
 Cost of Service Study for the Twelve Months Ended December 31, 2006 (Includes the Big Rivers Credit)  
 Electric Gross Plant

Exhibit T-1  
 Witness - Gary C. Stephens  
 Page 4 of 18

Line No	Description	Control		Total Company	Residential	Sm Commercial (1 Phase)	Sm Commercial (3 Phase)	Lg Commercial (Existing)	Commercial and Industrial	Outdoor Lighting
		All	Out							
1	TOTAL PRODUCTION PLANT	D1A	GPP	0	0	0	0	0	0	0
TRANSMISSION PLANT										
2	POWER PLANT EQUIP	D1A		0	0	0	0	0	0	0
3	LARGE POWER SERVICE EQUIP	DA1		0	0	0	0	0	0	0
4	OTHER DIST IN ACCT 353	D2A		0	0	0	0	0	0	0
5	ALL OTHER TRANSMISSION	D1B		0	0	0	0	0	0	0
6	TOTAL TRANSMISSION PLANT	GPT	GPT	0	0	0	0	0	0	0
DISTRIBUTION PLANT										
7	PRIMARY DEMAND RELATED	D4A		34,381,818	20,456,648	1,396,370	280,084	2,260,484	9,872,250	115,982
8	SECONDARY DEMAND RELATED	D3A		13,170,637	7,836,325	534,907	107,292	865,923	3,781,761	44,429
9	CUSTOMER RELATED	C4A		47,282,347	38,253,470	3,036,419	267,433	6,010	2,205,573	3,513,442
10	SUB-TOTAL DISTR PLANT		SGD	94,834,803	66,546,444	4,967,696	654,809	3,132,417	15,859,584	3,673,853
11	LIGHTING SPECIFIC	LDE		544,495	0	0	0	0	0	544,495
12	TOTAL DISTRIBUTION PLANT	GPD	GPD	95,379,298	66,546,444	4,967,696	654,809	3,132,417	15,859,584	4,218,348
GENERAL AND INTANGIBLE PLANT										
13	PRODUCTION RELATED	GPP		0	0	0	0	0	0	0
14	TRANSMISSION RELATED	GPT		0	0	0	0	0	0	0
15	DISTRIBUTION RELATED	GPD		6,557,881	4,575,454	341,558	45,022	215,372	1,090,439	290,036
16	CUST ACCT/SERV & INFO/ SALES RELATED	C2A		178,859	144,704	11,486	1,012	23	8,343	13,291
17	TOTAL GENERAL & INTANGIBLE PLANT	GPG	GPG	6,736,740	4,720,158	353,044	46,034	215,395	1,098,782	303,327
18	TOTAL GROSS PLANT IN SERVICE	GPR	GPR	102,116,038	71,266,602	5,320,740	700,843	3,347,812	16,958,366	4,521,675

JPEC

Cost of Service Study for the Twelve Months Ended December 31, 2006 (Includes the Big Rivers Credit)

Electric Plant - Accumulated Depreciation

Exhibit T-1

Witness - Gary C. Stephens

Page 5 of 18

Line No	Description	Control		Total Company	Residential	Sm Commercial (1 Phase)	Sm Commercial (3 Phase)	Lg Commercial (Existing)	Commercial and Industrial	Outdoor Lighting
		All	Out							
1	TOTAL PRODUCTION PLANT	D1A	DPP	0	0	0	0	0	0	0
	TRANSMISSION PLANT									
2	POWER PLANT EQUIP	D1B		0	0	0	0	0	0	0
3	LARGE POWER SERVICE EQUIP	DA1		0	0	0	0	0	0	0
4	OTHER DIST IN ACCT 353	D2A		0	0	0	0	0	0	0
5	ALL OTHER TRANSMISSION	D1A		0	0	0	0	0	0	0
6	TOTAL TRANSMISSION PLANT	DPT	DPT	0	0	0	0	0	0	0
	DISTRIBUTION PLANT									
7	PRIMARY DEMAND RELATED	D4A		10,122,170	6,022,534	411,098	82,458	665,497	2,906,437	34,146
8	SECONDARY DEMAND RELATED	D3A		3,877,498	2,307,052	157,479	31,587	254,932	1,113,368	13,080
9	CUSTOMER RELATED	C4A		13,920,146	11,262,002	893,936	78,734	1,769	649,331	1,034,374
10	SUB-TOTAL DISTR PLANT		SDD	27,919,814	19,591,588	1,462,513	192,779	922,198	4,669,136	1,081,600
11	LIGHTING SPECIFIC	LDE		160,302	0	0	0	0	0	160,302
12	TOTAL DISTRIBUTION PLANT	DPD	DPD	28,080,116	19,591,588	1,462,513	192,779	922,198	4,669,136	1,241,902
	GENERAL AND INTANGIBLE PLANT									
13	PRODUCTION RELATED	GPP		0	0	0	0	0	0	0
14	TRANSMISSION RELATED	GPT		0	0	0	0	0	0	0
15	DISTRIBUTION RELATED	GPD		3,077,563	2,147,226	160,291	21,128	101,072	511,734	136,112
16	CUST ACCT/SERV & INFO/ SALES RELATED	C2A		83,937	67,909	5,390	475	11	3,915	6,237
17	TOTAL GENERAL & INTANGIBLE PLANT	DPG	DPG	3,161,500	2,215,135	165,681	21,603	101,083	515,649	142,349
18	TOTAL ACCUMULATED DEPRECIATION	DPR	DPR	31,241,617	21,806,724	1,628,194	214,382	1,023,281	5,184,785	1,384,251

Exhibit B  
Page 7 of 125  
Witness: Gary Stephens

Includes the Big Rivers Discount

JPEC

Cost of Service Study for the Twelve Months Ended December 31, 2006 (Includes the Big Rivers Credit)  
Electric Net Plant

Exhibit T-1  
Witness - Gary C. Stephens  
Page 6 of 18

Line No	Description	Control		Total Company	Residential	Sm Commercial (1 Phase)	Sm Commercial (3 Phase)	Lg Commercial (Existing)	Commercial and Industrial	Outdoor Lighting
		All	Out							
1	TOTAL PRODUCTION PLANT	D1A	NPP	0	0	0	0	0	0	0
TRANSMISSION PLANT										
2	POWER PLANT EQUIP	D1B		0	0	0	0	0	0	0
3	LARGE POWER SERVICE EQUIP	DA1		0	0	0	0	0	0	0
4	OTHER DIST IN ACCT 353	D2A		0	0	0	0	0	0	0
5	ALL OTHER TRANSMISSION	D1A		0	0	0	0	0	0	0
6	TOTAL TRANSMISSION PLANT	NPT	NPT	0	0	0	0	0	0	0
DISTRIBUTION PLANT										
7	PRIMARY DEMAND RELATED	D4A		24,259,648	14,434,114	985,272	197,626	1,594,987	6,965,813	81,836
8	SECONDARY DEMAND RELATED	D3A		9,293,139	5,529,273	377,428	75,705	610,991	2,668,393	31,349
9	CUSTOMER RELATED	C4A		33,362,201	26,991,468	2,142,483	188,699	4,241	1,556,242	2,479,068
10	SUB-TOTAL DISTR PLANT		SPD	66,914,989	46,954,856	3,505,183	462,030	2,210,219	11,190,448	2,592,253
11	LIGHTING SPECIFIC	LDE		384,193	0	0	0	0	0	384,193
12	TOTAL DISTRIBUTION PLANT	NPD	NPD	67,299,182	46,954,856	3,505,183	462,030	2,210,219	11,190,448	2,976,446
GENERAL AND INTANGIBLE PLANT										
13	PRODUCTION RELATED	NPP		0	0	0	0	0	0	0
14	TRANSMISSION RELATED	NPT		0	0	0	0	0	0	0
15	DISTRIBUTION RELATED	NPD		3,480,318	2,428,228	181,267	23,894	114,300	578,705	153,924
16	CUST ACCT/SERV & INFO/ SALES RELATED	C2A		94,922	76,795	6,096	537	12	4,428	7,054
17	TOTAL GENERAL & INTANGIBLE PLANT	NPG	NPG	3,575,240	2,505,023	187,363	24,431	114,312	583,133	160,978
18	TOTAL NET PLANT IN SERVICE	NPR	NPR	70,874,422	49,459,879	3,692,546	486,461	2,324,531	11,773,581	3,137,424

JPEC  
 Cost of Service Study for the Twelve Months Ended December 31, 2006 (Includes the Big Rivers Credit)  
 Rate Base

Exhibit T-1  
 Witness - Gary C. Stephens  
 Page 7 of 18

Line No	Description	Control		Total Company	Residential	Sm Commercial (1 Phase)	Sm Commercial (3 Phase)	Lg Commercial (Existing)	Commercial and Industrial	Outdoor Lighting
		All	Out							
1	NET PLANT IN SERVICE	NPR	NPR	70,874,422	49,459,879	3,692,546	486,461	2,324,531	11,773,581	3,137,424
CONSTRUCTION WORK IN PROGRESS										
2	PRODUCTION PLANT	NPP		0	0	0	0	0	0	0
3	TRANSMISSION PLANT	NPT		0	0	0	0	0	0	0
4	DISTRIBUTION PLANT	NPD		3,108,533	2,168,834	161,904	21,341	102,089	516,884	137,481
5	GENERAL PLANT	NPG		0	0	0	0	0	0	0
6	TOTAL CWIP	CWP	CWP	3,108,533	2,168,834	161,904	21,341	102,089	516,884	137,481
7	NET ACQUISITION ADJUSTMENT	D2A	ACQ	0	0	0	0	0	0	0
8	PLANT HELD FOR FUTURE USE	E1A	PLH	0	0	0	0	0	0	0
MISC DEFERRED DEBITS										
9	PROD RELATED	NPP		0	0	0	0	0	0	0
10	TRAN RELATED	NPT		0	0	0	0	0	0	0
11	DIST RELATED	NPD		0	0	0	0	0	0	0
12	GENR RELATED	NPG		1,390,539	974,294	72,872	9,502	44,460	226,801	62,610
13	LABOR RELATED	LBR		0	0	0	0	0	0	0
14	NPR RELATED	NPR		0	0	0	0	0	0	0
15	TOTAL MISC DEFERRED DEBITS			1,390,539	974,294	72,872	9,502	44,460	226,801	62,610
WORKING CAPITAL										
16	CASH WORK CAP,FUNDS,MAT&SUP	NPR	MAS	2,753,653	1,921,643	143,465	18,900	90,314	457,434	121,897
17	FUEL STOCK	E1A	FUL	0	0	0	0	0	0	0
18	PREPAID LIGNITE ROYALTIES	E1A		0	0	0	0	0	0	0
19	OTHER PREPAYMENTS	NPR		437,151	305,067	22,775	3,000	14,338	72,619	19,352
20	TOTAL WORKING CAPITAL			3,190,804	2,226,710	166,240	21,900	104,652	530,053	141,249
21	UNAMORTIZED LOSS ON REACQD LTD	NPR		0	0	0	0	0	0	0
22	DEFERRED FUEL	E1A	DEF	0	0	0	0	0	0	0

(RATE BASE CONTINUED ON NEXT PAGE)

JPEC

Cost of Service Study for the Twelve Months Ended December 31, 2006 (Includes the Big Rivers Credit)  
 Rate Base (continued)

Exhibit T-1  
 Witness - Gary C. Stephens  
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Line No	Description	Control All Out	Total Company	Residential	Sm Commercial (1 Phase)	Sm Commercial (3 Phase)	Lg Commercial (Existing)	Commercial and Industrial	Outdoor Lighting
ACCUMULATED DEFERRED INCOME TAX									
23	ACCT 281: POL CON	NPP	0	0	0	0	0	0	0
24	ACCT 282: LIBERAL DEP - PROD	NPP	0	0	0	0	0	0	0
25	TRAN	NPT	0	0	0	0	0	0	0
26	DIST	NPD	0	0	0	0	0	0	0
27	GENR	NPG	0	0	0	0	0	0	0
28	LIGNITE EXPLORATN	EIA	0	0	0	0	0	0	0
29	LABOR RELATED	LBR	0	0	0	0	0	0	0
30	TOTAL ACCOUNT 282		0	0	0	0	0	0	0
31	ACCT 283: THIS LINE RESERVED		0	0	0	0	0	0	0
32	LONG TERM DEBT LOSS	NPR	0	0	0	0	0	0	0
33	TOTAL ACCOUNT 283		0	0	0	0	0	0	0
ACCOUNT 190: PRODUCTION RELATED									
34	PLANT RELATED	NPP	0	0	0	0	0	0	0
35	ENERGY RELATED	NPR	0	0	0	0	0	0	0
36	LABOR RELATED	EIA	0	0	0	0	0	0	0
37	FERC REFUND	LBR	0	0	0	0	0	0	0
38		TRN	0	0	0	0	0	0	0
39	TOTAL ACCOUNT 190		0	0	0	0	0	0	0
40	TOTAL ACCUM DEFRD INC TAX	ACC ACC	0	0	0	0	0	0	0
41	INVESTMENT TAX CREDIT PRE '71	NPR PIC	0	0	0	0	0	0	0
42	CUSTOMER ADVANCES AND DEPOSITS	C3A CAD	-1,119,209	-754,866	-59,918	-5,277	-59	-21,762	-277,327
43	STORM DAMAGE & INJ & DAM RESRVS	D2A SDR	0	0	0	0	0	0	0
44	PNSN & MIS OP RSRVS, OTR DEF CR	OMA PEN	-175,052	-122,148	-9,119	-1,202	-5,745	-29,092	-7,746
45	TRANSMISSION RATE REFUND RESERVE	TRN	0	0	0	0	0	0	0
46	TOTAL RATE BASE	RBT RBT	77,270,037	53,952,703	4,024,525	532,725	2,569,928	12,996,465	3,193,691

Exhibit B  
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 Witness: Gary Stephens

Includes the Big Rivers Discount

JPEC  
 Cost of Service Study for the Twelve Months Ended December 31, 2006 (Includes the Big Rivers Credit)  
 Operation and Maintenance Expense

Exhibit T-1  
 Witness - Gary C. Stephens  
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Line No	Description	Control		Total Company	Residential	Sm Commercial (1 Phase)	Sm Commercial (3 Phase)	Lg Commercial (Existing)	Commercial and Industrial	Outdoor Lighting
		All	Out							
PRODUCTION O&M EXPENSE										
1	FUEL EXPENSE - ACCT 501	E1A		0	0	0	0	0	0	0
PURCHASED POWER - ACCT 555										
2	DEMAND - OTHER	D1A		11,073,181	6,717,922	458,829	92,250	520,131	3,247,768	36,281
3	ENERGY - OTHER	E1A		12,582,763	7,502,478	500,829	96,036	769,794	3,532,255	181,371
4	NET OFF SYSTEM REVENUE	E1A		0	0	0	0	0	0	0
OTHER PRODUCTION O&M ACCTS										
5	DEMAND - OTHER	D1A		0	0	0	0	0	0	0
6	ENERGY - OTHER	E1A		0	0	0	0	0	0	0
7	TOTAL OTHER PRODUCTION O&M	PRO	PRO	0	0	0	0	0	0	0
8	TOTAL PRODUCTION O&M EXPENSE	OMP	OMP	23,655,944	14,220,400	959,658	188,286	1,289,925	6,780,023	217,652
9	TOTAL TRANSMISSION O&M EXPENSE	NPT	OMT	0	0	0	0	0	0	0
DISTRIBUTION O&M EXPENSE										
10	LIGHTING SPECIFIC	LDE		27,463	0	0	0	0	0	27,463
11	ALL OTHER	SPD		5,256,724	3,688,691	275,361	36,296	173,631	879,102	203,643
12	TOTAL DISTRIBUTION O&M EXPENSE	OMD	OMD	5,284,187	3,688,691	275,361	36,296	173,631	879,102	231,106
TOTAL CUST ACCT/SERV & INFO/										
13	SALES EXPENSE	C2A	OMC	1,355,070	1,096,311	87,021	7,664	172	63,210	100,692
ADMINISTRATIVE & GENERAL EXPENSE										
14	PROP INSURANCE/INI & DAMG	NPR		43,480	30,343	2,265	298	1,426	7,223	1,925
15	CUST ACCT/SERV&INFO/SALES REL	LBR		1,895,873	1,322,906	98,760	13,014	62,220	315,084	83,889
16	TOTAL ADMIN & GENERAL EXPENSE	OMA	OMA	1,939,353	1,353,249	101,025	13,312	63,646	322,307	85,814
17	TOTAL OPER & MTN EXPENSES	OMX	OMX	32,234,554	20,358,651	1,423,065	245,558	1,527,374	8,044,642	635,264

Exhibit B  
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 Witness: Gary Stephens

JPEC  
 Cost of Service Study for the Twelve Months Ended December 31, 2006 (Includes the Big Rivers Credit)  
 Expenses Other Than Income Taxes

Exhibit T-1  
 Witness - Gary C. Stephens  
 Page 10 of 18

Line No	Description	Control		Total Company	Residential	Sm Commercial (1 Phase)	Sm Commercial (3 Phase)	Lg Commercial (Existing)	Commercial and Industrial	Outdoor Lighting
		All	Out							
1	TOTAL OPER & MTN EXPENSES	OMX		32,234,554	20,358,651	1,423,065	245,558	1,527,374	8,044,642	635,264
	DEPRECIATION & AMORTIZATION EXPENSES									
2	PRODUCTION	NPP		0	0	0	0	0	0	0
3	TRANSMISSION	NPT		0	0	0	0	0	0	0
4	DISTRIBUTION	NPD		3,574,770	2,494,128	186,187	24,542	117,401	594,410	158,102
5	GENERAL	NPG		255,302	178,879	13,379	1,745	8,163	41,641	11,495
6	TOTAL DEPR & AMORT EXPEN	DEP	DEP	3,830,072	2,673,007	199,566	26,287	125,564	636,051	169,597
7	INTEREST ON CUSTOMER DEPOSITS	C3A	ICD	0	0	0	0	0	0	0
	GENERAL TAXES AND OTHER				29,849					
8	AD VALOREM	NPR	VAL	0	0	0	0	0	0	0
9	MISCELLANEOUS GENERAL TAXES	LBR	MIS	41,657	29,068	2,170	286	1,367	6,923	1,843
10	OTHER INTEREST & DEDUCTIONS	SPD		81,482	57,177	4,268	563	2,691	13,627	3,157
11	NON-OPERATING REVENUE	EXR		-665,414	-422,423	-29,407	-5,385	-30,066	-162,962	-15,170
12	TOTAL GENERAL TAXES AND OTHER	GTX	GTX	-542,275	-336,179	-22,969	-4,536	-26,007	-142,413	-10,171
13	TOTAL EXPENSES EXCEPT INCOME TAX	EXP	EXP	35,522,351	22,695,479	1,599,662	267,309	1,626,931	8,538,280	794,690

Exhibit B  
 Page 12 of 125  
 Witness: Gary Stephens

JPEC

Cost of Service Study for the Twelve Months Ended December 31, 2006 (Includes the Big Rivers Credit)  
 Income Tax For 8.64% ROE (this calculation was not used in this filing)

Exhibit T-1  
 Witness - Gary C. Stephens  
 Page 11 of 18

Line No	Description	Control		Total Company	Residential	Sm Commercial (1 Phase)	Sm Commercial (3 Phase)	Lg Commercial (Existing)	Commercial and Industrial	Outdoor Lighting
		All	Out							
1	RATE BASE	RBT		77,270,037	53,952,703	4,024,525	532,725	2,569,928	12,996,465	3,193,691
2	RETURN AT 7.02%	RBT	RET	5,428,086	3,790,084	282,716	37,423	180,533	912,979	224,351
3	INTEREST (3.45% OF LINE 1)	RBT	INT	-2,663,917	-1,860,042	-138,747	-18,366	-88,599	-448,059	-110,104
4	A F U D C	NPR	AFD	0	0	0	0	0	0	0
PROVISION FOR DEFERRED TAXES										
5	ACT 410.1: PROD RLTD	NPP		0	0	0	0	0	0	0
6	TRAN RLTD	NPT		0	0	0	0	0	0	0
7	PLANT RLTD	NPR		0	0	0	0	0	0	0
8	ENERGY RLTD	E1A		0	0	0	0	0	0	0
9	LABOR RLTD	LBR		0	0	0	0	0	0	0
10	CUSTOMER RELATED	C3A		0	0	0	0	0	0	0
11	RESERVED			0	0	0	0	0	0	0
12	TOTAL 410.1			0	0	0	0	0	0	0
13	ACT 411.1: PROD RLTD	NPP		0	0	0	0	0	0	0
14	TRAN RLTD	NPT		0	0	0	0	0	0	0
15	PLANT RELATED	NPR		0	0	0	0	0	0	0
16	ENERGY RELATED	E1A		0	0	0	0	0	0	0
17	LABOR RELATED	LBR		0	0	0	0	0	0	0
18	CUSTOMER RELATED	C3A		0	0	0	0	0	0	0
19	TOTAL 411.1			0	0	0	0	0	0	0
20	NET PROVISION FOR DEFERRED INC TAX		PDT	0	0	0	0	0	0	0
21	ITC AMORT	NPR	ITA	0	0	0	0	0	0	0
22	ADJUSTED RETURN	ART	ART	2,764,169	1,930,042	143,969	19,057	91,934	464,920	114,247
FED ADD INC & UNALLOW DEDUCTS										
23	PRODUCTION RELATED	NPP		0	0	0	0	0	0	0
24	DISTRIBUTION RELATED	NPD		0	0	0	0	0	0	0
25	PLANT RELATED	NPR		0	0	0	0	0	0	0
26	ENERGY RELATED	E1A		0	0	0	0	0	0	0
27	LABOR RELATED	LBR		0	0	0	0	0	0	0
28	TRANSMISSION REV RELATED	TRN		0	0	0	0	0	0	0
29	RESERVED			0	0	0	0	0	0	0
30	DISTRIBUTION CUSTOMER RELATED	C3A		0	0	0	0	0	0	0
31	TOTAL ADDITIONS	FTA	FTA	0	0	0	0	0	0	0

(INCOME TAX CALCULATION CONTINUED ON NEXT PAGE)

JPEC

Cost of Service Study for the Twelve Months Ended December 31, 2006 (Includes the Big Rivers Credit)  
 Income Tax For 3.64% ROE (this calculation was not used in this filing)  
 (Continued)

Exhibit T-1  
 Witness - Gary C. Stephens  
 Page 12 of 18

Line No	Description	Control		Total Company	Residential	Sm Commercial (1 Phase)	Sm Commercial (3 Phase)	Lg Commercial (Existing)	Commercial and Industrial	Outdoor Lighting
		All	Out							
FED DEDUCTS AND NON-TAX INCOME										
32	PRODUCTION RELATED	NPP		0	0	0	0	0	0	0
33	DISTRIBUTION RELATED	NPD		0	0	0	0	0	0	0
34	PLANT RELATED	NPR		0	0	0	0	0	0	0
35	ENERGY RELATED	E1A		0	0	0	0	0	0	0
36	LABOR RELATED	LBR		0	0	0	0	0	0	0
37	TRANSMISSION REV RELATED	TRN		0	0	0	0	0	0	0
38	DISTRIBUTION CUSTOMER RELATED	C3A		0	0	0	0	0	0	0
39	TOTAL DEDUCTIONS	FTD	FTD	0	0	0	0	0	0	0
40	NET FEDERAL DEDUCTIONS	NFD	NFD	0	0	0	0	0	0	0
41	ST ADD INC & UNALLOW DEDUCTS	FTA		0	0	0	0	0	0	0
42	ST DEDUCTS AND NON-TAX INCOME	FTD		0	0	0	0	0	0	0
43	NET STATE DEDUCTIONS	NSD	NSD	0	0	0	0	0	0	0
44	PROV FOR DEF'D ITC - CURRENT	NPR	ITC	0	0	0	0	0	0	0
FEDERAL TAXABLE INCOME										
45	ADJ RET * 1/(1-0.0000-0.0000)	ART	TART	2,764,169	1,930,042	143,969	19,057	91,934	464,920	114,247
46	NET FED DED * 1/(1-0.0000)	NFD		0	0	0	0	0	0	0
47	NET ST DED * (1/(1-0.0000))-1	NSD		0	0	0	0	0	0	0
48	CURRENT ITC * (1/(1-0.00))-1	ITC		0	0	0	0	0	0	0
49	TOTAL FEDERAL TAXABLE INCOME	FTI	FTI	2,764,169	1,930,042	143,969	19,057	91,934	464,920	114,247
50	PLUS: NET FED DEDUCTS	NFD		0	0	0	0	0	0	0
51	LESS: NET STATE DEDUCTS	NSD		0	0	0	0	0	0	0
52	TOTAL STATE TAXABLE INCOME	STI	STI	2,764,169	1,930,042	143,969	19,057	91,934	464,920	114,247
FED & ST INCOME TAXES:										
53	FED TAXABLE INC * 0.0000	FTI		0	0	0	0	0	0	0
54	ST. TAXABLE INC * 0.0000	STI		0	0	0	0	0	0	0
55	LESS: CRNT ITC * (1-0.0000)	ITC		0	0	0	0	0	0	0
56	TOTAL FED & ST INCOME TAXES	FST	FST	0	0	0	0	0	0	0
57	INVESTMENT TAX CREDIT - NET	NPR	ITN	0	0	0	0	0	0	0

Exhibit B  
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 Witness: Gary Stephens

JPEC  
 Cost of Service Study for the Twelve Months Ended December 31, 2006 (Includes the Big Rivers Credit)  
 Cost of Service - Proposed

Exhibit T-1  
 Witness - Gary C. Stephens  
 Page 13 of 18

Line No	Description	Control		Total Company	Residential	Sm Commercial (1 Phase)	Sm Commercial (3 Phase)	Lg Commercial (Existing)	Commercial and Industrial	Outdoor Lighting
		All	Out							
1	RATE BASE	RBT		77,270,037	57,146,394	4,024,525	532,725	2,569,928	12,996,465	3,193,691
2	RETURN AT 7.02%	RET		5,428,086	4,014,435	282,716	37,423	180,533	912,979	224,351
3	OPERATION & MAINTENANCE EXPENSES	OMX		32,234,554	20,993,915	1,423,065	245,558	1,527,374	8,044,642	635,264
4	DEPRECIATION & AMORT EXPENSES	DEP		3,830,072	2,842,604	199,566	26,287	125,564	636,051	169,597
5	INTEREST ON CUSTOMER DEPOSITS	ICD		0	0	0	0	0	0	0
6	GENERAL TAXES	GTX		-542,275	-346,350	-22,969	-4,536	-26,007	-142,413	-10,171
7	FEDERAL AND STATE INCOME TAX	FST		0	0	0	0	0	0	0
8	PROVISION FOR DEFERRED TAXES	PDT		0	0	0	0	0	0	0
9	INVESTMENT TAX CREDIT - NET	ITN		0	0	0	0	0	0	0
10	A F U D C	AFD		0	0	0	0	0	0	0
COST OF SERVICE REVENUE REQUIREMENT										
11	BEFORE ATTRITION ADJUSTMENT	CSR	CSR	40,950,437	26,485,563	1,882,378	304,732	1,807,464	9,451,259	1,019,041
12	LESS: PURCHASED POWER REVENUE	FUL		0	0	0	0	0	0	0
BASE COST OF SERVICE REVENUE REQUIREMENT										
13	REVENUE REQUIREMENT	BRR	BRR	40,950,437	26,485,563	1,882,378	304,732	1,807,464	9,451,259	1,019,041
14	ATTRITION ADJUSTMENT	BRR		0	0	0	0	0	0	0
BASE COST OF SERVICE REV REQ AFTER ATTRITION ADJUSTMENT										
15	AFTER ATTRITION ADJUSTMENT	ARR	ARR	40,950,437	26,485,563	1,882,378	304,732	1,807,464	9,451,259	1,019,041
16	PLUS: PURCHASED POWER REVENUE	FUL		0	0	0	0	0	0	0
COST OF SERVICE REV REQ AFTER ATTRITION ADJUSTMENT										
17	AFTER ATTRITION ADJUSTMENT			40,950,437	26,485,563	1,882,378	304,732	1,807,464	9,451,259	1,019,041
18	LESS: MISCELLANEOUS REVENUE			0	0	0	0	0	0	0
19	LESS: BULK TRANSMISSION REVENUE			0	0	0	0	0	0	0
20	LESS: PRIMARY TRANSMISSION REVENUE			0	0	0	0	0	0	0
21	LESS: SLS FOR RESALE			0	0	0	0	0	0	0
22	NET ELECTRIC REVENUE REQUIREMENT			40,950,437	26,485,563	1,882,378	304,732	1,807,464	9,451,259	1,019,041

Exhibit B  
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 Witness: Gary Stephens

JPEC

Cost of Service Study for the Twelve Months Ended December 31, 2006 (Includes the Big Rivers Credit)  
Existing Return and Income Tax

Exhibit T-1  
Witness - Gary C. Stephens  
Page 14 of 18

Line No	Description	Control		Total Company	Residential	Sm Commercial (1 Phase)	Sm Commercial (3 Phase)	Lg Commercial (Existing)	Commercial and Industrial	Outdoor Lighting
		All	Out							
1	EXISTING REVENUE	EXR		37,396,373	23,740,256	1,652,704	302,633	1,689,696	9,158,500	852,583
	REVENUE DEDUCTIONS:									
2	O&M EXPENSES	OMX		-32,234,554	-20,358,651	-1,423,065	-245,558	-1,527,374	-8,044,642	-635,264
3	DEPRECIATION & AMORT EXPENSES	DEP		-3,830,072	-2,673,007	-199,566	-26,287	-125,564	-636,051	-169,597
4	AD VALOREM TAXES	VAL		0	0	0	0	0	0	0
5	MISCELLANEOUS GENERAL TAXES	MIS		-41,657	-29,068	-2,170	-286	-1,367	-6,923	-1,843
6	OTHER INTEREST AND DEDUCTIONS	SPD		-81,482	-57,177	-4,268	-563	-2,691	-13,627	-3,157
7	NON-OPERATING REVENUE	EXR		665,414	422,423	29,407	5,385	30,066	162,962	15,170
8	INTEREST ON CUST DEPOSITS	ICD		0	0	0	0	0	0	0
9	TOTAL REVENUE DEDUCTIONS			-35,522,351	-22,695,479	-1,599,662	-267,309	-1,626,931	-8,538,280	-794,690
10	NET FOR RETURN AND INCOME TAXES	NET	NET	1,874,022	1,044,777	53,042	35,325	62,766	620,220	57,893
11	LESS: INTEREST EXPENSE	INT		-2,663,917	-1,860,042	-138,747	-18,366	-88,599	-448,059	-110,104
12	LESS: NET FEDERAL DEDUCTIONS	NFD		0	0	0	0	0	0	0
13	TOTAL FEDERAL TAXABLE INCOME			-789,895	-815,265	-85,705	16,959	-25,833	172,161	-52,211
14	PLUS: NET FEDERAL DEDUCTIONS	NFD		0	0	0	0	0	0	0
15	LESS: NET STATE DEDUCTIONS	NSD		0	0	0	0	0	0	0
16	TOTAL STATE TAXABLE INCOME			-789,895	-815,265	-85,705	16,959	-25,833	172,161	-52,211
	FED AND ST INCOME TAXES									
17	FED TAXABLE INC * 0.0000			0	0	0	0	0	0	0
18	ST. TAXABLE INC * 0.0000			0	0	0	0	0	0	0
19	LESS: CRNT ITC * (1-0.0000)			0	0	0	0	0	0	0
20	TOTAL FED & ST INCOME TAXES			0	0	0	0	0	0	0
	*****RETURN COMPUTATION*****									
21	NET FOR RETURN AND INCOME TAXES	NET		1,874,022	1,044,777	53,042	35,325	62,766	620,220	57,893
22	FED & ST INCOME TAXES			0	0	0	0	0	0	0
23	PROV FOR DEF TAXES	PDT		0	0	0	0	0	0	0
24	INVESTMENT TAX CREDIT - NET	ITN		0	0	0	0	0	0	0
25	A F U D C	AFD		0	0	0	0	0	0	0
26	NET RETURN			1,874,022	1,044,777	53,042	35,325	62,766	620,220	57,893
27	RATE BASE	RBT		77,270,037	53,952,703	4,024,525	532,725	2,569,928	12,996,465	3,193,691
28	RETURN ON RATE BASE	ROR		2.43%	1.94%	1.32%	6.63%	2.44%	4.77%	1.81%
29	NON-EQUITY PORTION OF RETURN	DA3		-3.45%	-3.45%	-3.45%	-3.45%	-3.45%	-3.45%	-3.45%
30	EQUITY PORTION OF EXISTING RETRN	DA3		-1.02%	-1.51%	-2.13%	3.18%	-1.01%	1.32%	-1.64%
31	EXISTING RETURN ON EQUITY	DA3 ROE		-2.46%	-3.64%	-5.14%	7.68%	-2.43%	3.19%	-3.95%

JPEC  
 Cost of Service Study for the Twelve Months Ended December 31, 2006 (Includes the Big Rivers Credit)  
 Proposed Return and Income Tax

Exhibit T-1  
 Witness - Gary C. Stephens  
 Page 15 of 18

Line No	Description	Control		Total Company	Residential	Sm Commercial (1 Phase)	Sm Commercial (3 Phase)	Lg Commercial (Existing)	Commercial and Industrial	Outdoor Lighting
		All	Out							
1	PROPOSED REVENUE	PRV		40,950,437	26,485,563	1,882,378	304,732	1,807,464	9,451,259	1,019,041
	REVENUE DEDUCTIONS:									
2	O&M EXPENSES	OMX		-32,234,554	-20,358,651	-1,423,065	-245,558	-1,527,374	-8,044,642	-635,264
3	DEPRECIATION & AMORT EXPENSES	DEP		-3,830,072	-2,673,007	-199,566	-26,287	-125,564	-636,051	-169,597
4	AD VALOREM TAXES	VAL		0	0	0	0	0	0	0
5	MISCELLANEOUS GENERAL TAXES	MIS		-41,657	-29,068	-2,170	-286	-1,367	-6,923	-1,843
6	OTHER INTEREST AND DEDUCTIONS	SPD		-81,482	-57,177	-4,268	-563	-2,691	-13,627	-3,157
7	NON-OPERATING REVENUE	EXR		665,414	422,423	29,407	5,385	30,066	162,962	15,170
8	INTEREST ON CUST DEPOSITS	ICD		0	0	0	0	0	0	0
9	TOTAL REVENUE DEDUCTIONS			-35,522,351	-22,695,479	-1,599,662	-267,309	-1,626,931	-8,538,280	-794,690
10	NET FOR RETURN AND INCOME TAXES	NET	NET	5,428,086	3,790,084	282,716	37,423	180,533	912,979	224,351
11	LESS: INTEREST EXPENSE	INT		-2,663,917	-1,860,042	-138,747	-18,366	-88,599	-448,059	-110,104
12	LESS: NET FEDERAL DEDUCTIONS	NFD		0	0	0	0	0	0	0
13	TOTAL FEDERAL TAXABLE INCOME			2,764,169	1,930,042	143,969	19,057	91,934	464,920	114,247
14	PLUS: NET FEDERAL DEDUCTIONS	NFD		0	0	0	0	0	0	0
15	LESS: NET STATE DEDUCTIONS	NSD		0	0	0	0	0	0	0
16	TOTAL STATE TAXABLE INCOME			2,764,169	1,930,042	143,969	19,057	91,934	464,920	114,247
	FED AND ST INCOME TAXES									
17	FED TAXABLE INC * 0.0000			0	0	0	0	0	0	0
18	ST. TAXABLE INC * 0.0000			0	0	0	0	0	0	0
19	LESS: CRNT ITC * (1-0.0000)			0	0	0	0	0	0	0
20	TOTAL FED & ST INCOME TAXES			0	0	0	0	0	0	0
	****RETURN COMPUTATION****									
21	NET FOR RETURN AND INCOME TAXES	NET		5,428,086	3,790,084	282,716	37,423	180,533	912,979	224,351
22	FED & ST INCOME TAXES			0	0	0	0	0	0	0
23	PROV FOR DEF TAXES	PDT		0	0	0	0	0	0	0
24	INVESTMENT TAX CREDIT - NET	ITN		0	0	0	0	0	0	0
25	A F U D C	AFD		0	0	0	0	0	0	0
26	NET RETURN			5,428,086	3,790,084	282,716	37,423	180,533	912,979	224,351
27	RATE BASE	RBT		77,270,037	53,952,703	4,024,525	532,725	2,569,928	12,996,465	3,193,691
28	RETURN ON RATE BASE	ROR		7.02%	7.02%	7.02%	7.02%	7.02%	7.02%	7.02%
29	NON-EQUITY PORTION OF RETURN	DA3		-3.45%	-3.45%	-3.45%	-3.45%	-3.45%	-3.45%	-3.45%
30	EQUITY PORTION OF EXISTING RETRN	DA3		3.58%	3.58%	3.58%	3.58%	3.58%	3.58%	3.58%
31	PROPOSED RETURN ON EQUITY	DA3 ROE		8.64%	8.64%	8.64%	8.64%	8.64%	8.64%	8.64%

Exhibit B  
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 Witness: Gary Stephens

Line No	Description	Control		Total Company	Residential	Sm Commercial (1 Phase)	Sm Commercial (3 Phase)	Lg Commercial (Existing)	Commercial and Industrial	Outdoor Lighting
		All	Out							
NET PLANT IN SERVICE:										
1	PRODUCTION PLANT	NPP		0	0	0	0	0	0	0
2	TRANSMISSION PLANT	NPT		0	0	0	0	0	0	0
3	DISTRIBUTION PLANT	NPD		67,299,182	46,954,856	3,505,183	462,030	2,210,219	11,190,448	2,976,446
4	GENERAL PLANT	NPG		3,575,240	2,505,023	187,363	24,431	114,312	583,133	160,978
5	TOTAL NET ELECTRIC PLANT	NPR		70,874,422	49,459,879	3,692,546	486,461	2,324,531	11,773,581	3,137,424
6	CONST. WORK IN PROGRESS	CWP		3,108,533	2,168,834	161,904	21,341	102,089	516,884	137,481
7	ACQUISITION ADJUSTMENT	ACQ		0	0	0	0	0	0	0
8	PLANT HELD FOR FUTURE USE	PLH		0	0	0	0	0	0	0
9	TOTAL MISC DEFERRED DEBITS			1,390,539	974,294	72,872	9,502	44,460	226,801	62,610
WORKING CAPITAL:										
10	CASH WORK CAP,FUNDS,MAT&SUP	MAS		2,753,653	1,921,643	143,465	18,900	90,314	457,434	121,897
11	FUEL STOCK	FUL		0	0	0	0	0	0	0
12	PREPAID LIGNITE ROYALTIES	E1A		0	0	0	0	0	0	0
13	OTHER PREPAYMENTS	NPR		437,151	305,067	22,775	3,000	14,338	72,619	19,352
14	UNAMORTIZED LOSS ON REACQD LTD	NPR		0	0	0	0	0	0	0
15	DEFERRED FUEL	DEF		0	0	0	0	0	0	0
16	ACCUMULATED DEFERRED INCOME TAX	ACC		0	0	0	0	0	0	0
17	PRE-1971 INVESTMENT TAX CREDIT	PIC		0	0	0	0	0	0	0
18	CUSTOMER ADVANCES AND DEPOSITS	CAD		-1,119,209	-754,866	-59,918	-5,277	-59	-21,762	-277,327
19	STORM DAMAGE/INJ & DAM RESRVS	SDR		0	0	0	0	0	0	0
20	PNSN & MIS OP RSRVS, OTR DEF CRS	PEN		-175,052	-122,148	-9,119	-1,202	-5,745	-29,092	-7,746
21	TRANSMISSION RATE REFUND RESERVE	TRN		0	0	0	0	0	0	0
22	AVERAGE ORIGINAL COST RATE BASE	RBT		77,270,036	53,952,702	4,024,525	532,725	2,569,928	12,996,465	3,193,691
23	RETURN AT 7.02%	RET		5,428,086	3,790,084	282,716	37,423	180,533	912,979	224,351
OPERATION & MAINTENANCE EXPENSES										
24	PRODUCTION O&M	OMP		23,655,944	14,220,400	959,658	188,286	1,289,925	6,780,023	217,652
25	TRANSMISSION O&M	OMT		0	0	0	0	0	0	0
26	DISTRIBUTION O&M	OMD		5,284,187	3,688,691	275,361	36,296	173,631	879,102	231,106
27	CUST ACCT/SERV/SALES	OMC		1,355,070	1,096,311	87,021	7,664	172	63,210	100,692
28	ADMINISTRATIVE & GENERAL	OMA		1,939,353	1,353,249	101,025	13,312	63,646	322,307	85,814
29	TOTAL OPER & MAIN EXPENSES	OMX		32,234,554	20,358,651	1,423,065	245,558	1,527,374	8,044,642	635,264
30	DEPRECIATION & AMORT EXPENSES	DEP		3,830,072	2,673,007	199,566	26,287	125,564	636,051	169,597
31	INTEREST ON CUSTOMER DEPOSITS	ICD		0	0	0	0	0	0	0
32	GENERAL TAXES	GTX		-542,275	-336,179	-22,969	-4,536	-26,007	-142,413	-10,171
33	FED & ST INCOME TAX	FST		0	0	0	0	0	0	0
34	PROV FOR DEF TAXES	PDT		0	0	0	0	0	0	0
35	INVESTMENT TAX CREDIT - NET	ITN		0	0	0	0	0	0	0
36	A F U D C	AFD		0	0	0	0	0	0	0
37	COST OF SERVICE REVENUE REQ	CSR		40,950,437	26,485,563	1,882,378	304,732	1,807,464	9,451,259	1,019,041

JPEC  
 Cost of Service Study for the Twelve Months Ended December 31, 2006 (Includes the Big Rivers Credit)  
 Cost of Service Comparison

Exhibit T-1  
 Witness - Gary C. Stephens  
 Page 17 of 18

Line No	Description	Control		Total Company	Residential	Sm Commercial (1 Phase)	Sm Commercial (3 Phase)	Lg Commercial (Existing)	Commercial and Industrial	Outdoor Lighting
		All	Out							
*** OTHER REVENUE INCLUDED ***										
1	COST OFF SERVICE REVENUE REQ			40,950,437	26,485,563	1,882,378	304,732	1,807,464	9,451,259	1,019,041
2	EXISTING REVENUE			37,396,373	23,740,256	1,652,704	302,633	1,689,696	9,158,500	852,583
3	REVENUE DEFICIENCY			3,554,064	2,745,307	229,674	2,098	117,767	292,759	166,458
4	REQUIRED INCREASE (%)			9.50%	11.56%	13.90%	0.69%	6.97%	3.20%	19.52%
5	EXISTING RATE OF RETURN-AS ADJ.			2.43%	1.94%	1.32%	6.63%	2.44%	4.77%	1.81%
6	EXISTING ROR AS % OF OVERALL ROR-AS ADJ.			100.00%	79.84%	54.32%	272.84%	100.41%	196.30%	74.49%
7	EXISTING RETURN ON EQUITY-AS ADJ.			-2.46%	-3.64%	-5.14%	7.68%	-2.43%	3.19%	-3.95%
8	EXISTING ROE AS % OF OVERALL ROE-AS ADJ.			100.00%	147.97%	208.94%	-312.20%	98.78%	-129.67%	160.57%
9	PROPOSED RATE OF RETURN-AS ADJ			7.02%	7.02%	7.02%	7.02%	7.02%	7.02%	7.02%
10	PROPOSED RETURN ON EQUITY-AS ADJ			8.64%	8.64%	8.64%	8.64%	8.64%	8.64%	8.64%
*** OTHER REVENUE EXCLUDED ***										
11	COST OF SERVICE REVENUE REQ			40,950,437	26,485,563	1,882,378	304,732	1,807,464	9,451,259	1,019,041
12	EXISTING REVENUE			37,396,373	23,740,256	1,652,704	302,633	1,689,696	9,158,500	852,583
13	REVENUE DEFICIENCY			3,554,064	2,745,307	229,674	2,098	117,767	292,759	166,458
14	REQUIRED INCREASE (%)			9.50%	11.56%	13.90%	0.69%	6.97%	3.20%	19.52%
15	EXISTING RATE OF RETURN - UNADJ			2.43%	1.94%	1.32%	6.63%	2.44%	4.77%	1.81%
16	EXISTING ROR AS % OF OVERALL ROR-UNADJ.			100.00%	79.84%	54.32%	272.84%	100.41%	196.30%	74.49%
17	EXISTING RETURN ON EQUITY-UNADJ			-2.46%	-3.64%	-5.14%	7.68%	-2.43%	3.19%	-3.95%
18	EXISTING ROE AS % OF OVERALL ROE-UNADJ.			100.00%	147.97%	208.94%	-312.20%	98.78%	-129.67%	160.57%
19	PROPOSED RATE OF RETURN - UNADJ			7.02%	7.02%	7.02%	7.02%	7.02%	7.02%	7.02%
20	PROPOSED RETURN ON EQUITY-UNADJ			8.64%	8.64%	8.64%	8.64%	8.64%	8.64%	8.64%

Exhibit B  
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 Witness: Gary Stephens

JPEC  
 Cost of Service Study for the Twelve Months Ended December 31, 2006 (Includes the Big Rivers Credit)  
 Proposed Mills/KWH

Exhibit T-1  
 Witness - Gary C. Stephens  
 Page 18 of 18

Line No	Description	Control		Total Company	Residential	Sm Commercial (1 Phase)	Sm Commercial (3 Phase)	Lg Commercial (Existing)	Commercial and Industrial	Outdoor Lighting
		All	Out							
***PROPOSED MILLS/KWH***										
1	EXISTING BASE REV			56.32	59.97	62.54	59.72	41.60	49.14	89.09
2	PURCHASED POWER REVENUE			0.00	0.00	0.00	0.00	0.00	0.00	0.00
3	TOTAL MILLS / KWH			<u>56.32</u>	<u>59.97</u>	<u>62.54</u>	<u>59.72</u>	<u>41.60</u>	<u>49.14</u>	<u>89.09</u>
4	PROPOSED BASE REV			61.68	66.90	71.23	60.13	44.50	50.71	106.48
5	PURCHASED POWER REVENUE			0.00	0.00	0.00	0.00	0.00	0.00	0.00
6	TOTAL MILLS / KWH			<u>61.68</u>	<u>66.90</u>	<u>71.23</u>	<u>60.13</u>	<u>44.50</u>	<u>50.71</u>	<u>106.48</u>

Exhibit B  
 Page 20 of 125  
 Witness: Gary Stephens

**COST BASED RATE DESIGN  
 JPEC**

Cost of Service Study for the Twelve Months Ended December 31, 2006 (Includes the Big Rivers Credit)

**RESIDENTIAL**

**ELECTRIC NET PLANT**

LINE NO.	DESCRIPTION	TOTAL	CUSTOMER RELATED	DEMAND RELATED	ENERGY RELATED	ALLOCATION METHOD & SOURCE
1	TOTAL PRODUCTION PLANT	\$0	\$0	\$0	\$0	DEMAND
	TRANSMISSION PLANT					
2	POWER PLANT EQUIP	\$0	\$0	\$0	\$0	DEMAND
3	LARGE POWER SERVICE EQUIP	\$0	\$0	\$0	\$0	DEMAND
4	OTHER DIST IN ACCT 353	\$0	\$0	\$0	\$0	DEMAND
5	ALL OTHER TRANSMISSION	\$0	\$0	\$0	\$0	DEMAND
6	TOTAL TRANSMISSION PLANT	\$0	\$0	\$0	\$0	TRAN PLNT
	DISTRIBUTION PLANT					
7	PRIMARY DEMAND RELATED	\$14,434,114	\$0	\$14,434,114	\$0	DEMAND
8	SECONDARY DEMAND RELATED	\$5,529,273	\$0	\$5,529,273	\$0	DEMAND
9	CUSTOMER RELATED	\$26,991,468	\$26,991,468	\$0	\$0	CUSTOMER
10	LIGHTING SPECIFIC	\$0	\$0	\$0	\$0	CUSTOMER
11	TOTAL DISTRIBUTION PLANT	\$46,954,856	\$26,991,468	\$19,963,388	\$0	DIST PLNT
	GENERAL AND INTANGIBLE PLANT					
12	PRODUCTION RELATED	(\$0)	\$0	(\$0)	\$0	DEMAND
13	TRANSMISSION RELATED	\$0	\$0	\$0	\$0	DEMAND
14	DISTRIBUTION RELATED	\$2,428,228	\$1,395,839	\$1,032,389	\$0	DIST PLT
15	CUST ACCT/SERV & INFO/ SALES RELATED	\$76,795	\$76,795	\$0	\$0	CUSTOMER
16	TOTAL GENERAL & INTANGIBLE PLANT	\$2,505,023	\$1,472,634	\$1,032,389	\$0	GENR PLNT
17	TOTAL NET PLANT IN SERVICE	\$49,459,879	\$28,464,102	\$20,995,777	\$0	NET PLANT

**COST BASED RATE DESIGN  
 JPEC**

Cost of Service Study for the Twelve Months Ended December 31, 2006 (Includes the Big Rivers Credit)

**RESIDENTIAL**

**OTHER RATE BASE**

LINE NO.	DESCRIPTION	TOTAL	CUSTOMER RELATED	DEMAND RELATED	ENERGY RELATED	ALLOCATION METHOD & SOURCE
1	TOTAL NET PLANT IN SERVICE	\$49,459,879	\$28,464,102	\$20,995,777	\$0	
	CONSTRUCTION WORK IN PROGRESS					
2	PRODUCTION PLANT	\$0	\$0	\$0	\$0	DEMAND
3	TRANSMISSION PLANT	\$0	\$0	\$0	\$0	DEMAND
4	DISTRIBUTION PLANT	\$2,168,834	\$1,246,730	\$922,104	\$0	DIST PLT
5	GENERAL PLANT	\$0	\$0	\$0	\$0	G&I PLANT
6	TOTAL CWIP	\$2,168,834	\$1,246,730	\$922,104	\$0	
7	NET ACQUISITION ADJUSTMENT	\$0	\$0	\$0	\$0	DEMAND
8	PLANT HELD FOR FUTURE USE	\$0	\$0	\$0	\$0	DEMAND
	MISC DEFERRED DEBITS					
9	PROD RELATED	\$0	\$0	\$0	\$0	DEMAND
10	TRAN RELATED	\$0	\$0	\$0	\$0	DEMAND
11	DIST RELATED	\$0	\$0	\$0	\$0	DIST PLT
12	GENR RELATED	\$974,294	\$572,761	\$401,533	\$0	G&I PLANT
13	NPR RELATED	\$0	\$0	\$0	\$0	NET PLANT
14	TOTAL MISC DEFERD DEBITS	\$974,294	\$572,761	\$401,533	\$0	
	WORKING CAPITAL					
15	CASH WORK CAP, FUNDS, MAT & SUP	\$1,921,643	\$1,105,903	\$815,740	\$0	NET PLANT
16	FUEL STOCK	\$0	\$0	\$0	\$0	ENERGY
17	PREPAID LIGNITE ROYALTIES	\$0	\$0	\$0	\$0	ENERGY
18	OTHER PREPAYMENTS	\$305,067	\$175,566	\$129,501	\$0	NET PLANT
19	TOTAL WORKING CAPITAL	\$2,226,710	\$1,281,469	\$945,241	\$0	
20	UNAMORTIZED LOSS ON REACQD LTD	\$0	\$0	\$0	\$0	NET PLANT
21	DEFERRED FUEL	\$0	\$0	\$0	\$0	ENERGY

**COST BASED RATE DESIGN  
 JPEC**

Cost of Service Study for the Twelve Months Ended December 31, 2006 (Includes the Big Rivers Credit)

**RESIDENTIAL**

**OTHER RATE BASE (continued)**

LINE NO.	DESCRIPTION	TOTAL	CUSTOMER RELATED	DEMAND RELATED	ENERGY RELATED	ALLOCATION METHOD & SOURCE
	ACCUMULATED DEFERRED INCOME TAX					
22	ACCT 281: POL CON	\$0	\$0	\$0	\$0	NET PLANT
23	ACCT 282: LIBERAL DEP - PROD	\$0	\$0	\$0	\$0	DEMAND
24	TRAN	\$0	\$0	\$0	\$0	DEMAND
25	DIST	\$0	\$0	\$0	\$0	DIST PLNT
26	GENR	\$0	\$0	\$0	\$0	GENR PLNT
27	LIGNITE EXPLORATION	\$0	\$0	\$0	\$0	ENERGY
28	LABOR RELATED	\$0	\$0	\$0	\$0	A&G O&M
29	TOTAL ACCOUNT 282	\$0	\$0	\$0	\$0	
30	ACCT 283: UNBILLED REV	\$0	\$0	\$0	\$0	ENERGY
31	LONG TERM DEBT LOSS	\$0	\$0	\$0	\$0	NET PLANT
32	TOTAL ACCOUNT 283	\$0	\$0	\$0	\$0	
33	ACCOUNT 190: PRODUCTION RELATED	\$0	\$0	\$0	\$0	DEMAND
34	PLANT RELATED	\$0	\$0	\$0	\$0	NET PLANT
35	ENERGY RELATED	\$0	\$0	\$0	\$0	ENERGY
36	LABOR RELATED	\$0	\$0	\$0	\$0	A&G O&M
37	FERC REFUND	\$0	\$0	\$0	\$0	DEMAND
38	TOTAL ACCOUNT 190	\$0	\$0	\$0	\$0	
39	TOTAL ACCUM DEFRD INC TAX	\$0	\$0	\$0	\$0	
40	INVESTMENT TAX CREDIT PRE '71	\$0	\$0	\$0	\$0	NET PLANT
41	CUSTOMER ADVANCES AND DEPOSITS	(\$754,866)	(\$754,866)	\$0	\$0	CUSTOMER
42	STORM DAMAGE & INJ & DAM RESERVE	\$0	\$0	\$0	\$0	DEMAND
43	PNSN & MIS OP RSRVS, OTR DEF CREDIT	(\$122,148)	(\$119,409)	(\$1,294)	(\$1,445)	A&G O&M
44	TRANSMISSION RATE REFUND RESERVE	\$0	\$0	\$0	\$0	DEMAND
45	TOTAL RATE BASE	\$53,952,702	\$30,690,787	\$23,263,361	(\$1,445)	

**COST BASED RATE DESIGN**  
**JPEC**  
 Cost of Service Study for the Twelve Months Ended December 31, 2006 (Includes the Big Rivers Credit)

**RESIDENTIAL**

**OPERATION AND MAINTENANCE EXPENSES**

LINE NO.	DESCRIPTION	TOTAL	CUSTOMER RELATED	DEMAND RELATED	ENERGY RELATED	ALLOCATION METHOD & SOURCE
	PRODUCTION O&M EXPENSE					
1	FUEL EXPENSE - ACCT 501	\$0	\$0	\$0	\$0	ENERGY
	PURCHASE POWER - ACCT 555					
2	DEMAND - OTHER	\$6,717,922	\$0	\$6,717,922	\$0	DEMAND
3	ENERGY - OTHER	\$7,502,478	\$0	\$0	\$7,502,478	ENERGY
4	NET OFF SYSTEM REVENUE	\$0	\$0	\$0	\$0	DEMAND
	OTHER PRODUCTION O&M					
5	DEMAND - OTHER	\$0	\$0	\$0	\$0	DEMAND
6	ENERGY - OTHER	\$0	\$0	\$0	\$0	ENERGY
7	TOTAL OTHER PRODUCTION O&M	\$0	\$0	\$0	\$0	
8	TOTAL PRODUCTION O&M EXPENSE	\$14,220,400	\$0	\$6,717,922	\$7,502,478	
9	TOTAL TRANSMISSION O&M EXPENSE	\$0	\$0	\$0	\$0	DEMAND
	DISTRIBUTION O&M EXPENSE					
10	LIGHTING SPECIFIC	\$0	\$0	\$0	\$0	CUSTOMER
11	ALL OTHER	\$3,688,691	\$2,120,402	\$1,568,289	\$0	DIST PLT
12	TOTAL DISTRIBUTION O&M EXPENSE	\$3,688,691	\$2,120,402	\$1,568,289	\$0	
13	TOTAL CUST ACCT/SERV & INFO/SALES	\$1,096,311	\$1,096,311	\$0	\$0	CUSTOMER
	ADMINISTRATIVE & GENERAL EXPENSE					
14	PROP INSURANCE / INJ & DAMAGES	\$30,343	(\$1)	\$14,335	\$16,009	OTR PRO O&M
15	CUST ACCT/SERV&INFO/SALES REL	\$1,322,906	\$1,322,906	\$0	\$0	CUST
16	TOTAL ADMIN & GENERAL EXPENSE	\$1,353,249	\$1,322,905	\$14,335	\$16,009	A&G O&M
17	TOTAL OPER & MTN EXPENSES	\$20,358,651	\$4,539,618	\$8,300,546	\$7,518,487	

**COST BASED RATE DESIGN**  
**JPEC**  
**Cost of Service Study for the Twelve Months Ended December 31, 2006 (Includes the Big Rivers Credit)**

**RESIDENTIAL**

**COST OF SERVICE**

LINE NO.	DESCRIPTION	TOTAL	CUSTOMER RELATED	DEMAND RELATED	ENERGY RELATED	ALLOCATION METHOD & SOURCE
1	TOTAL RATE BASE	\$53,952,702	\$30,690,787	\$23,263,361	(\$1,445)	
2	RETURN	\$3,790,084	\$2,155,975	\$1,634,211	(\$102)	RATE BASE
3	TOTAL OPER & MTN EXPENSES	\$20,358,651	\$4,539,618	\$8,300,546	\$7,518,487	
DEPRECIATION & AMORTIZATION EXPENSES						
4	PRODUCTION	\$0	\$0	\$0	\$0	PROD PLANT
5	TRANSMISSION	\$0	\$0	\$0	\$0	TRANS PLANT
6	DISTRIBUTION	\$2,494,128	\$1,433,721	\$1,060,407	\$0	DIST PLANT
7	GENERAL	\$178,879	\$105,158	\$73,721	\$0	G&I PLANT
8	TOTAL DEPR & AMORT EXPENSES	\$2,673,007	\$1,538,879	\$1,134,128	\$0	
9	INTEREST ON CUSTOMER DEPOSITS	\$0	\$0	\$0	\$0	CUSTOMER
GENERAL TAXES						
10	AD VALOREM	\$0	\$0	\$0	\$0	NET PLANT
11	FRANCHISE TAX	\$29,068	\$16,729	\$12,339	\$0	NET PLANT
12	MISCELLANEOUS GENERAL TAXES	\$57,177	\$55,895	\$606	\$676	A&G O&M
13	TOTAL GENERAL TAXES	\$86,244	\$72,623	\$12,945	\$676	
14	TOTAL FED & ST INCOME TAXES	\$0	\$0	\$0	\$0	RATE BASE
15	PROV FOR DEF TAXES	\$0	\$0	\$0	\$0	NET PLANT
16	INVESTMENT TAX CREDIT - NET	\$0	\$0	\$0	\$0	NET PLANT
17	A F U D C	\$0	\$0	\$0	\$0	CWIP
18	PRELIMINARY COST OF SERVICE	\$26,907,986	\$8,307,095	\$11,081,830	\$7,519,061	
19	REVENUE-RELATED (AS PROPOSED)	(\$422,423)	(\$130,411)	(\$173,972)	(\$118,040)	PRLM COS
20	COST OF SERVICE	\$26,485,563	\$8,176,684	\$10,907,858	\$7,401,021	COSRR

**COST BASED RATE DESIGN  
 JPEC**

**Cost of Service Study for the Twelve Months Ended December 31, 2006 (Includes the Big Rivers Credit)**

**RESIDENTIAL**

**RATE DESIGN**

<b>LINE NO.</b>	<b>DESCRIPTION</b>	<b>TOTAL</b>	<b>CUSTOMER RELATED</b>	<b>DEMAND RELATED</b>	<b>ENERGY RELATED</b>	<b>ALLOCATION METHOD &amp; SOURCE</b>
1	COST OF SERVICE REVENUE REQMNT	\$26,485,563	\$8,176,684	\$10,907,858	\$7,401,021	COSRR
	REVENUE CREDITS:					
2	MISCELLANEOUS REVENUE	\$0	\$0	\$0	\$0	COSRR
3	TRANSMISSION REVENUE	\$0	\$0	\$0	\$0	DEMAND
		-----	-----	-----	-----	
4	REV TO COLLECT THRU RATES	\$26,485,563	\$8,176,684	\$10,907,858	\$7,401,021	
		=====	=====	=====	=====	
	BILLING DETERMINANTS:					
5	NUMBER OF CUSTOMERS			25,461		
6	NUMBER OF TIMES BILLS ISSUED PER YEAR			12		
7	ANNUAL ENERGY CONSUMPTION BILLED (KWH)			379,714,788		
8	MONTHLY FACILITY CHARGE			\$26.76		
9	ENERGY CHARGE PER KWH			\$0.04822		

**COST BASED RATE DESIGN  
 JPEC**

Cost of Service Study for the Twelve Months Ended December 31, 2006 (Includes the Big Rivers Credit)

**SMALL COMMERCIAL SINGLE PHASE**

**ELECTRIC NET PLANT**

LINE NO.	DESCRIPTION	TOTAL	CUSTOMER RELATED	DEMAND RELATED	ENERGY RELATED	ALLOCATION METHOD & SOURCE
1	TOTAL PRODUCTION PLANT	\$0	\$0	\$0	\$0	DEMAND
	TRANSMISSION PLANT					
2	POWER PLANT EQUIP	\$0	\$0	\$0	\$0	DEMAND
3	LARGE POWER SERVICE EQUIP	\$0	\$0	\$0	\$0	DEMAND
4	OTHER DIST IN ACCT 353	\$0	\$0	\$0	\$0	DEMAND
5	ALL OTHER TRANSMISSION	\$0	\$0	\$0	\$0	DEMAND
6	TOTAL TRANSMISSION PLANT	\$0	\$0	\$0	\$0	TRAN PLNT
	DISTRIBUTION PLANT					
7	PRIMARY DEMAND RELATED	\$985,272	\$0	\$985,272	\$0	DEMAND
8	SECONDARY DEMAND RELATED	\$377,428	\$0	\$377,428	\$0	DEMAND
9	CUSTOMER RELATED	\$2,142,483	\$2,142,483	\$0	\$0	CUSTOMER
10	LIGHTING SPECIFIC	\$0	\$0	\$0	\$0	CUSTOMER
11	TOTAL DISTRIBUTION PLANT	\$3,505,183	\$2,142,483	\$1,362,700	\$0	DIST PLNT
	GENERAL AND INTANGIBLE PLANT					
12	PRODUCTION RELATED	\$0	\$0	\$0	\$0	DEMAND
13	TRANSMISSION RELATED	\$0	\$0	\$0	\$0	DEMAND
14	DISTRIBUTION RELATED CUST ACCT/SERV & INFO/	\$181,267	\$110,796	\$70,471	\$0	DIST PLT
15	SALES RELATED	\$6,096	\$6,096	\$0	\$0	CUSTOMER
16	TOTAL GENERAL & INTANGIBLE PLANT	\$187,363	\$116,892	\$70,471	\$0	GENR PLNT
17	TOTAL NET PLANT IN SERVICE	\$3,692,546	\$2,259,375	\$1,433,171	\$0	NET PLANT

**COST BASED RATE DESIGN**  
**JPEC**  
 Cost of Service Study for the Twelve Months Ended December 31, 2006 (Includes the Big Rivers Credit)

**SMALL COMMERCIAL SINGLE PHASE**

**OTHER RATE BASE**

LINE NO.	DESCRIPTION	TOTAL	CUSTOMER RELATED	DEMAND RELATED	ENERGY RELATED	ALLOCATION METHOD & SOURCE
1	TOTAL NET PLANT IN SERVICE	\$3,692,546	\$2,259,375	\$1,433,171	\$0	
CONSTRUCTION WORK IN PROGRESS						
2	PRODUCTION PLANT	\$0	\$0	\$0	\$0	DEMAND
3	TRANSMISSION PLANT	\$0	\$0	\$0	\$0	DEMAND
4	DISTRIBUTION PLANT	\$161,904	\$98,961	\$62,943	\$0	DIST PLT
5	GENERAL PLANT	\$0	\$0	\$0	\$0	G&I PLANT
6	TOTAL CWIP	\$161,904	\$98,961	\$62,943	\$0	
7	NET ACQUISITION ADJUSTMENT	\$0	\$0	\$0	\$0	DEMAND
8	PLANT HELD FOR FUTURE USE	\$0	\$0	\$0	\$0	DEMAND
MISC DEFERRED DEBITS						
9	PROD RELATED	\$0	\$0	\$0	\$0	DEMAND
10	TRAN RELATED	\$0	\$0	\$0	\$0	DEMAND
11	DIST RELATED	\$0	\$0	\$0	\$0	DIST PLT
12	GENR RELATED	\$72,872	\$45,463	\$27,409	\$0	G&I PLANT
13	NPR RELATED	\$0	\$0	\$0	\$0	NET PLANT
14	TOTAL MISC DEFRD DEBITS	\$72,872	\$45,463	\$27,409	\$0	
WORKING CAPITAL						
15	CASH WORK CAP, FUNDS, MAT & SUP	\$143,465	\$87,783	\$55,682	\$0	NET PLANT
16	FUEL STOCK	\$0	\$0	\$0	\$0	ENERGY
17	PREPAID LIGNITE ROYALTIES	\$0	\$0	\$0	\$0	ENERGY
18	OTHER PREPAYMENTS	\$22,775	\$13,935	\$8,840	\$0	NET PLANT
19	TOTAL WORKING CAPITAL	\$166,240	\$101,718	\$64,522	\$0	
20	UNAMORTIZED LOSS ON REACQD LTD	\$0	\$0	\$0	\$0	NET PLANT
21	DEFERRED FUEL	\$0	\$0	\$0	\$0	ENERGY

**COST BASED RATE DESIGN  
 JPEC**

Cost of Service Study for the Twelve Months Ended December 31, 2006 (Includes the Big Rivers Credit)

**SMALL COMMERCIAL SINGLE PHASE**

**OTHER RATE BASE (continued)**

LINE NO.	DESCRIPTION	TOTAL	CUSTOMER RELATED	DEMAND RELATED	ENERGY RELATED	ALLOCATION METHOD & SOURCE
	ACCUMULATED DEFERRED INCOME TAX					
22	ACCT 281: POL CON	\$0	\$0	\$0	\$0	NET PLANT
23	ACCT 282: LIBERAL DEP - PROD	\$0	\$0	\$0	\$0	DEMAND
24	TRAN	\$0	\$0	\$0	\$0	DEMAND
25	DIST	\$0	\$0	\$0	\$0	DIST PLNT
26	GENR	\$0	\$0	\$0	\$0	GENR PLNT
27	LIGNITE EXPLORATION	\$0	\$0	\$0	\$0	ENERGY
28	LABOR RELATED	\$0	\$0	\$0	\$0	A&G O&M
29	TOTAL ACCOUNT 282	\$0	\$0	\$0	\$0	
30	ACCT 283: UNBILLED REV	\$0	\$0	\$0	\$0	ENERGY
31	LONG TERM DEBT LOSS	\$0	\$0	\$0	\$0	NET PLANT
32	TOTAL ACCOUNT 283	\$0	\$0	\$0	\$0	
33	ACCOUNT 190: PRODUCTION RELATED	\$0	\$0	\$0	\$0	DEMAND
34	PLANT RELATED	\$0	\$0	\$0	\$0	NET PLANT
35	ENERGY RELATED	\$0	\$0	\$0	\$0	ENERGY
36	LABOR RELATED	\$0	\$0	\$0	\$0	A&G O&M
37	FERC REFUND	\$0	\$0	\$0	\$0	DEMAND
38	TOTAL ACCOUNT 190	\$0	\$0	\$0	\$0	
39	TOTAL ACCUM DEFRD INC TAX	\$0	\$0	\$0	\$0	
40	INVESTMENT TAX CREDIT PRE '71	\$0	\$0	\$0	\$0	NET PLANT
41	CUSTOMER ADVANCES AND DEPOSITS	(\$59,918)	(\$59,918)	\$0	\$0	CUSTOMER
42	STORM DAMAGE & INJ & DAM RESERVE	\$0	\$0	\$0	\$0	DEMAND
43	PNSN & MIS OP RSRVS, OTR DEF CREDIT	(\$9,119)	(\$8,914)	(\$98)	(\$107)	A&G O&M
44	TRANSMISSION RATE REFUND RESERVE	\$0	\$0	\$0	\$0	DEMAND
45	TOTAL RATE BASE	<u>\$4,024,525</u>	<u>\$2,436,685</u>	<u>\$1,587,947</u>	<u>(\$107)</u>	

**COST BASED RATE DESIGN  
 JPEC**

Cost of Service Study for the Twelve Months Ended December 31, 2006 (Includes the Big Rivers Credit)

**SMALL COMMERCIAL SINGLE PHASE**

**OPERATION AND MAINTENANCE EXPENSES**

LINE NO.	DESCRIPTION	TOTAL	CUSTOMER RELATED	DEMAND RELATED	ENERGY RELATED	ALLOCATION METHOD & SOURCE
	PRODUCTION O&M EXPENSE					
1	FUEL EXPENSE - ACCT 501	\$0	\$0	\$0	\$0	ENERGY
	PURCHASE POWER - ACCT 555					
2	DEMAND - OTHER	\$458,829	\$0	\$458,829	\$0	DEMAND
3	ENERGY - OTHER	\$500,829	\$0	\$0	\$500,829	ENERGY
4	NET OFF SYSTEM REVENUE	\$0	\$0	\$0	\$0	DEMAND
	OTHER PRODUCTION O&M					
5	DEMAND - OTHER	\$0	\$0	\$0	\$0	DEMAND
6	ENERGY - OTHER	\$0	\$0	\$0	\$0	ENERGY
7	TOTAL OTHER PRODUCTION O&M	\$0	\$0	\$0	\$0	
8	TOTAL PRODUCTION O&M EXPENSE	\$959,658	\$0	\$458,829	\$500,829	
9	TOTAL TRANSMISSION O&M EXPENSE	\$0	\$0	\$0	\$0	DEMAND
	DISTRIBUTION O&M EXPENSE					
10	LIGHTING SPECIFIC	\$0	\$0	\$0	\$0	CUSTOMER
11	ALL OTHER	\$275,361	\$168,310	\$107,051	\$0	DIST PLT
12	TOTAL DISTRIBUTION O&M EXPENSE	\$275,361	\$168,310	\$107,051	\$0	
13	TOTAL CUST ACCT/SERV & INFO / SALES	\$87,021	\$87,021	\$0	\$0	CUSTOMER
	ADMINISTRATIVE & GENERAL EXPENSE					
14	PROP INSURANCE / INJ & DAMAGES	\$2,265	\$0	\$1,083	\$1,182	OTR PRO O&M
15	CUST ACCT / SERV&INFO / SALES REL	\$98,760	\$98,760	\$0	\$0	CUST
16	TOTAL ADMIN & GENERAL EXPENSE	\$101,025	\$98,760	\$1,083	\$1,182	A&G O&M
17	TOTAL OPER & MTN EXPENSES	\$1,423,065	\$354,091	\$566,963	\$502,011	

**COST BASED RATE DESIGN  
 JPEC**

Cost of Service Study for the Twelve Months Ended December 31, 2006 (Includes the Big Rivers Credit)

**SMALL COMMERCIAL SINGLE PHASE**

**COST OF SERVICE**

LINE NO.	DESCRIPTION	TOTAL	CUSTOMER RELATED	DEMAND RELATED	ENERGY RELATED	ALLOCATION METHOD & SOURCE
1	TOTAL RATE BASE	\$4,024,525	\$2,436,685	\$1,587,947	(\$107)	
2	RETURN	\$282,716	\$171,173	\$111,551	(\$8)	RATE BASE
3	TOTAL OPER & MTN EXPENSES	\$1,423,065	\$354,091	\$566,963	\$502,011	
	DEPRECIATION & AMORTIZATION EXPENSES					
4	PRODUCTION	\$0	\$0	\$0	\$0	PROD PLANT
5	TRANSMISSION	\$0	\$0	\$0	\$0	TRANS PLANT
6	DISTRIBUTION	\$186,187	\$113,804	\$72,383	\$0	DIST PLANT
7	GENERAL	\$13,379	\$8,347	\$5,032	\$0	G&I PLANT
8	TOTAL DEPR & AMORT EXPENSES	\$199,566	\$122,151	\$77,415	\$0	
9	INTEREST ON CUSTOMER DEPOSITS	\$0	\$0	\$0	\$0	CUSTOMER
	GENERAL TAXES					
10	AD VALOREM	\$0	\$0	\$0	\$0	NET PLANT
11	FRANCHISE TAX	\$2,170	\$1,328	\$842	\$0	NET PLANT
12	MISCELLANEOUS GENERAL TAXES	\$4,268	\$4,172	\$46	\$50	A&G O&M
13	TOTAL GENERAL TAXES	\$6,438	\$5,500	\$888	\$50	
14	TOTAL FED & ST INCOME TAXES	\$0	\$0	\$0	\$0	RATE BASE
15	PROV FOR DEF TAXES	\$0	\$0	\$0	\$0	NET PLANT
16	INVESTMENT TAX CREDIT - NET	\$0	\$0	\$0	\$0	NET PLANT
17	A F U D C	\$0	\$0	\$0	\$0	CWIP
18	PRELIMINARY COST OF SERVICE	\$1,911,785	\$652,915	\$756,817	\$502,053	
19	REVENUE-RELATED (AS PROPOSED)	(\$29,407)	(\$10,042)	(\$11,642)	(\$7,723)	PRLM COS
20	COST OF SERVICE	\$1,882,378	\$642,873	\$745,175	\$494,330	

**COST BASED RATE DESIGN**  
**JPEC**  
 Cost of Service Study for the Twelve Months Ended December 31, 2006 (Includes the Big Rivers Credit)

**SMALL COMMERCIAL SINGLE PHASE**

**RATE DESIGN**

LINE NO.	DESCRIPTION	RATE DESIGN				ALLOCATION
		TOTAL	CUSTOMER RELATED	DEMAND RELATED	ENERGY RELATED	METHOD & SOURCE
1	COST OF SERVICE REVENUE REQMNT	\$1,882,378	\$642,873	\$745,175	\$494,330	COSRR
	REVENUE CREDITS:					
2	MISCELLANEOUS REVENUE	\$0	\$0	\$0	\$0	COSRR
3	TRANSMISSION REVENUE	\$0	\$0	\$0	\$0	DEMAND
		-----	-----	-----	-----	
4	REV TO COLLECT THRU RATES	<u>\$1,882,378</u>	<u>\$642,873</u>	<u>\$745,175</u>	<u>\$494,330</u>	
	BILLING DETERMINANTS:					
5	NUMBER OF CUSTOMERS			2,021		
6	NUMBER OF TIMES BILLS ISSUED PER YEAR			12		
7	ANNUAL ENERGY CONSUMPTION BILLED (KWH)			25,347,920		
8	MONTHLY FACILITY CHARGE			\$26.51		
9	ENERGY CHARGE PER KWH			\$0.04890		

**COST BASED RATE DESIGN  
 JPEC**

Cost of Service Study for the Twelve Months Ended December 31, 2006 (Includes the Big Rivers Credit)

**SMALL COMMERCIAL THREE PHASE**

**ELECTRIC NET PLANT**

LINE NO.	DESCRIPTION	TOTAL	CUSTOMER RELATED	DEMAND RELATED	ENERGY RELATED	ALLOCATION METHOD & SOURCE
1	TOTAL PRODUCTION PLANT	\$0	\$0	\$0	\$0	DEMAND
	TRANSMISSION PLANT					
2	POWER PLANT EQUIP	\$0	\$0	\$0	\$0	DEMAND
3	LARGE POWER SERVICE EQUIP	\$0	\$0	\$0	\$0	DEMAND
4	OTHER DIST IN ACCT 353	\$0	\$0	\$0	\$0	DEMAND
5	ALL OTHER TRANSMISSION	\$0	\$0	\$0	\$0	DEMAND
6	TOTAL TRANSMISSION PLANT	\$0	\$0	\$0	\$0	TRAN PLNT
	DISTRIBUTION PLANT					
7	PRIMARY DEMAND RELATED	\$197,626	\$0	\$197,626	\$0	DEMAND
8	SECONDARY DEMAND RELATED	\$75,705	\$0	\$75,705	\$0	DEMAND
9	CUSTOMER RELATED	\$188,699	\$188,699	\$0	\$0	CUSTOMER
10	LIGHTING SPECIFIC	\$0	\$0	\$0	\$0	CUSTOMER
11	TOTAL DISTRIBUTION PLANT	\$462,030	\$188,699	\$273,331	\$0	DIST PLNT
	GENERAL AND INTANGIBLE PLANT					
12	PRODUCTION RELATED	\$0	\$0	\$0	\$0	DEMAND
13	TRANSMISSION RELATED	\$0	\$0	\$0	\$0	DEMAND
14	DISTRIBUTION RELATED CUST ACCT/SERV & INFO/	\$23,894	\$9,759	\$14,135	\$0	DIST PLT
15	SALES RELATED	\$537	\$537	\$0	\$0	CUSTOMER
16	TOTAL GENERAL & INTANGIBLE PLANT	\$24,431	\$10,296	\$14,135	\$0	GENR PLNT
17	TOTAL NET PLANT IN SERVICE	\$486,461	\$198,995	\$287,466	\$0	NET PLANT

## COST BASED RATE DESIGN

## JPEC

Cost of Service Study for the Twelve Months Ended December 31, 2006 (Includes the Big Rivers Credit)

## SMALL COMMERCIAL THREE PHASE

## OTHER RATE BASE

LINE NO.	DESCRIPTION	TOTAL	CUSTOMER RELATED	DEMAND RELATED	ENERGY RELATED	ALLOCATION METHOD & SOURCE
1	TOTAL NET PLANT IN SERVICE	\$486,461	\$198,995	\$287,466	\$0	
	CONSTRUCTION WORK IN PROGRESS					
2	PRODUCTION PLANT	\$0	\$0	\$0	\$0	DEMAND
3	TRANSMISSION PLANT	\$0	\$0	\$0	\$0	DEMAND
4	DISTRIBUTION PLANT	\$21,341	\$8,716	\$12,625	\$0	DIST PLT
5	GENERAL PLANT	\$0	\$0	\$0	\$0	G&I PLANT
6	TOTAL CWIP	\$21,341	\$8,716	\$12,625	\$0	
7	NET ACQUISITION ADJUSTMENT	\$0	\$0	\$0	\$0	DEMAND
8	PLANT HELD FOR FUTURE USE	\$0	\$0	\$0	\$0	DEMAND
	MISC DEFERRED DEBITS					
9	PROD RELATED	\$0	\$0	\$0	\$0	DEMAND
10	TRAN RELATED	\$0	\$0	\$0	\$0	DEMAND
11	DIST RELATED	\$0	\$0	\$0	\$0	DIST PLT
12	GENR RELATED	\$9,502	\$4,004	\$5,498	\$0	G&I PLANT
13	NPR RELATED	\$0	\$0	\$0	\$0	NET PLANT
14	TOTAL MISC DEFERD DEBITS	\$9,502	\$4,004	\$5,498	\$0	
	WORKING CAPITAL					
15	CASH WORK CAP, FUNDS, MAT & SUP	\$18,900	\$7,731	\$11,169	\$0	NET PLANT
16	FUEL STOCK	\$0	\$0	\$0	\$0	ENERGY
17	PREPAID LIGNITE ROYALTIES	\$0	\$0	\$0	\$0	ENERGY
18	OTHER PREPAYMENTS	\$3,000	\$1,227	\$1,773	\$0	NET PLANT
19	TOTAL WORKING CAPITAL	\$21,900	\$8,958	\$12,942	\$0	
20	UNAMORTIZED LOSS ON REACQD LTD	\$0	\$0	\$0	\$0	NET PLANT
21	DEFERRED FUEL	\$0	\$0	\$0	\$0	ENERGY

**COST BASED RATE DESIGN**  
**JPEC**  
**Cost of Service Study for the Twelve Months Ended December 31, 2006 (Includes the Big Rivers Credit)**

**SMALL COMMERCIAL THREE PHASE**

**OTHER RATE BASE (continued)**

LINE NO.	DESCRIPTION	TOTAL	CUSTOMER RELATED	DEMAND RELATED	ENERGY RELATED	ALLOCATION METHOD & SOURCE
	ACCUMULATED DEFERRED INCOME TAX					
22	ACCT 281: POL CON	\$0	\$0	\$0	\$0	NET PLANT
23	ACCT 282: LIBERAL DEP - PROD	\$0	\$0	\$0	\$0	DEMAND
24	TRAN	\$0	\$0	\$0	\$0	DEMAND
25	DIST	\$0	\$0	\$0	\$0	DIST PLNT
26	GENR	\$0	\$0	\$0	\$0	GENR PLNT
27	LIGNITE EXPLORATION	\$0	\$0	\$0	\$0	ENERGY
28	LABOR RELATED	\$0	\$0	\$0	\$0	A&G O&M
		-----	-----	-----	-----	
29	TOTAL ACCOUNT 282	\$0	\$0	\$0	\$0	
30	ACCT 283: UNBILLED REV	\$0	\$0	\$0	\$0	ENERGY
31	LONG TERM DEBT LOSS	\$0	\$0	\$0	\$0	NET PLANT
		-----	-----	-----	-----	
32	TOTAL ACCOUNT 283	\$0	\$0	\$0	\$0	
33	ACCOUNT 190: PRODUCTION RELATED	\$0	\$0	\$0	\$0	DEMAND
34	PLANT RELATED	\$0	\$0	\$0	\$0	NET PLANT
35	ENERGY RELATED	\$0	\$0	\$0	\$0	ENERGY
36	LABOR RELATED	\$0	\$0	\$0	\$0	A&G O&M
37	FERC REFUND	\$0	\$0	\$0	\$0	DEMAND
		-----	-----	-----	-----	
38	TOTAL ACCOUNT 190	\$0	\$0	\$0	\$0	
39	TOTAL ACCUM DEFRD INC TAX	\$0	\$0	\$0	\$0	
40	INVESTMENT TAX CREDIT PRE '71	\$0	\$0	\$0	\$0	NET PLANT
41	CUSTOMER ADVANCES AND DEPOSITS	(\$5,277)	(\$5,277)	\$0	\$0	CUSTOMER
42	STORM DAMAGE & INJ & DAM RESERVE	\$0	\$0	\$0	\$0	DEMAND
43	PNSN & MIS OP RSRVS, OTR DEF CREDIT	(\$1,202)	(\$1,175)	(\$13)	(\$14)	A&G O&M
44	TRANSMISSION RATE REFUND RESERVE	\$0	\$0	\$0	\$0	DEMAND
45	TOTAL RATE BASE	<u>\$532,725</u>	<u>\$214,221</u>	<u>\$318,518</u>	<u>(\$14)</u>	

**COST BASED RATE DESIGN**  
**JPEC**  
**Cost of Service Study for the Twelve Months Ended December 31, 2006 (Includes the Big Rivers Credit)**

**SMALL COMMERCIAL THREE PHASE**

**OPERATION AND MAINTENANCE EXPENSES**

LINE NO.	DESCRIPTION	TOTAL	CUSTOMER RELATED	DEMAND RELATED	ENERGY RELATED	ALLOCATION METHOD & SOURCE
	PRODUCTION O&M EXPENSE					
1	FUEL EXPENSE - ACCT 501	\$0	\$0	\$0	\$0	ENERGY
	PURCHASE POWER - ACCT 555					
2	DEMAND - OTHER	\$92,250	\$0	\$92,250	\$0	DEMAND
3	ENERGY - OTHER	\$96,036	\$0	\$0	\$96,036	ENERGY
4	NET OFF SYSTEM REVENUE	\$0	\$0	\$0	\$0	DEMAND
	OTHER PRODUCTION O&M					
5	DEMAND - OTHER	\$0	\$0	\$0	\$0	DEMAND
6	ENERGY - OTHER	\$0	\$0	\$0	\$0	ENERGY
		-----	-----	-----	-----	
7	TOTAL OTHER PRODUCTION O&M	\$0	\$0	\$0	\$0	
8	TOTAL PRODUCTION O&M EXPENSE	\$188,286	\$0	\$92,250	\$96,036	
9	TOTAL TRANSMISSION O&M EXPENSE	\$0	\$0	\$0	\$0	DEMAND
	DISTRIBUTION O&M EXPENSE					
10	LIGHTING SPECIFIC	\$0	\$0	\$0	\$0	CUSTOMER
11	ALL OTHER	\$36,296	\$14,824	\$21,472	\$0	DIST PLT
		-----	-----	-----	-----	
12	TOTAL DISTRIBUTION O&M EXPENSE	\$36,296	\$14,824	\$21,472	\$0	
13	TOTAL CUST ACCT/SERV & INFO / SALES	\$7,664	\$7,664	\$0	\$0	CUSTOMER
	ADMINISTRATIVE & GENERAL EXPENSE					
14	PROP INSURANCE / INJ & DAMAGES	\$298	\$0	\$146	\$152	OTR PRO O&M
15	CUST ACCT / SERV&INFO / SALES REL	\$13,014	\$13,014	\$0	\$0	CUST
		-----	-----	-----	-----	
16	TOTAL ADMIN & GENERAL EXPENSE	\$13,312	\$13,014	\$146	\$152	A&G O&M
17	TOTAL OPER & MTN EXPENSES	<u>\$245,558</u>	<u>\$35,502</u>	<u>\$113,868</u>	<u>\$96,188</u>	

**COST BASED RATE DESIGN**  
**JPEC**  
 Cost of Service Study for the Twelve Months Ended December 31, 2006 (Includes the Big Rivers Credit)

**SMALL COMMERCIAL THREE PHASE**

**COST OF SERVICE**

LINE NO.	DESCRIPTION	TOTAL	CUSTOMER RELATED	DEMAND RELATED	ENERGY RELATED	ALLOCATION METHOD & SOURCE
1	TOTAL RATE BASE	\$532,725	\$214,221	\$318,518	(\$14)	
2	RETURN	\$37,423	\$15,049	\$22,375	(\$1)	RATE BASE
3	TOTAL OPER & MTN EXPENSES	\$245,558	\$35,502	\$113,868	\$96,188	
	DEPRECIATION & AMORTIZATION EXPENSES					
4	PRODUCTION	\$0	\$0	\$0	\$0	PROD PLANT
5	TRANSMISSION	\$0	\$0	\$0	\$0	TRANS PLANT
6	DISTRIBUTION	\$24,542	\$10,023	\$14,519	\$0	DIST PLANT
7	GENERAL	\$1,745	\$735	\$1,010	\$0	G&I PLANT
		-----	-----	-----	-----	
8	TOTAL DEPR & AMORT EXPENSES	\$26,287	\$10,758	\$15,529	\$0	
9	INTEREST ON CUSTOMER DEPOSITS	\$0	\$0	\$0	\$0	CUSTOMER
	GENERAL TAXES					
10	AD VALOREM	\$0	\$0	\$0	\$0	NET PLANT
11	FRANCHISE TAX	\$286	\$117	\$169	\$0	NET PLANT
12	MISCELLANEOUS GENERAL TAXES	\$563	\$551	\$6	\$6	A&G O&M
		-----	-----	-----	-----	
13	TOTAL GENERAL TAXES	\$849	\$668	\$175	\$6	
14	TOTAL FED & ST INCOME TAXES	\$0	\$0	\$0	\$0	RATE BASE
15	PROV FOR DEF TAXES	\$0	\$0	\$0	\$0	NET PLANT
16	INVESTMENT TAX CREDIT - NET	\$0	\$0	\$0	\$0	NET PLANT
17	A F U D C	\$0	\$0	\$0	\$0	CWIP
		-----	-----	-----	-----	
18	PRELIMINARY COST OF SERVICE	\$310,117	\$61,977	\$151,947	\$96,193	
19	REVENUE-RELATED (AS PROPOSED)	(\$5,385)	(\$1,077)	(\$2,638)	(\$1,670)	PRLM COS
		-----	-----	-----	-----	
20	COST OF SERVICE	<u>\$304,732</u>	<u>\$60,900</u>	<u>\$149,309</u>	<u>\$94,523</u>	

**COST BASED RATE DESIGN**  
**JPEC**  
 Cost of Service Study for the Twelve Months Ended December 31, 2006 (Includes the Big Rivers Credit)

**SMALL COMMERCIAL THREE PHASE**

**RATE DESIGN**

LINE NO.	DESCRIPTION	TOTAL	CUSTOMER RELATED	DEMAND RELATED	ENERGY RELATED	ALLOCATION METHOD & SOURCE
1	COST OF SERVICE REVENUE REQMNT	\$304,732	\$60,900	\$149,309	\$94,523	COSRR
	REVENUE CREDITS:					
2	MISCELLANEOUS REVENUE	\$0	\$0	\$0	\$0	COSRR
3	TRANSMISSION REVENUE	\$0	\$0	\$0	\$0	DEMAND
		-----	-----	-----	-----	
4	REV TO COLLECT THRU RATES	\$304,732	\$60,900	\$149,309	\$94,523	
		=====	=====	=====	=====	
	BILLING DETERMINANTS:					
5	NUMBER OF CUSTOMERS			178		
6	NUMBER OF TIMES BILLS ISSUED PER YEAR			12		
7	ANNUAL ENERGY CONSUMPTION BILLED (KWH)			4,860,579		
8	MONTHLY FACILITY CHARGE			\$28.51		
9	ENERGY CHARGE PER KWH			\$0.05017		

**COST BASED RATE DESIGN  
 JPEC**

Cost of Service Study for the Twelve Months Ended December 31, 2006 (Includes the Big Rivers Credit)

**LARGE COMMERCIAL - EXISTING**

**ELECTRIC NET PLANT**

LINE NO.	DESCRIPTION	TOTAL	CUSTOMER RELATED	DEMAND RELATED	ENERGY RELATED	ALLOCATION METHOD & SOURCE
1	TOTAL PRODUCTION PLANT	\$0	\$0	\$0	\$0	DEMAND
	TRANSMISSION PLANT					
2	POWER PLANT EQUIP	\$0	\$0	\$0	\$0	DEMAND
3	LARGE POWER SERVICE EQUIP	\$0	\$0	\$0	\$0	DEMAND
4	OTHER DIST IN ACCT 353	\$0	\$0	\$0	\$0	DEMAND
5	ALL OTHER TRANSMISSION	\$0	\$0	\$0	\$0	DEMAND
6	TOTAL TRANSMISSION PLANT	\$0	\$0	\$0	\$0	TRAN PLNT
	DISTRIBUTION PLANT					
7	PRIMARY DEMAND RELATED	\$1,594,987	\$0	\$1,594,987	\$0	DEMAND
8	SECONDARY DEMAND RELATED	\$610,991	\$0	\$610,991	\$0	DEMAND
9	CUSTOMER RELATED	\$4,241	\$4,241	\$0	\$0	CUSTOMER
10	LIGHTING SPECIFIC	\$0	\$0	\$0	\$0	CUSTOMER
11	TOTAL DISTRIBUTION PLANT	\$2,210,219	\$4,241	\$2,205,978	\$0	DIST PLNT
	GENERAL AND INTANGIBLE PLANT					
12	PRODUCTION RELATED	\$0	\$0	\$0	\$0	DEMAND
13	TRANSMISSION RELATED	\$0	\$0	\$0	\$0	DEMAND
14	DISTRIBUTION RELATED CUST ACCT/SERV & INFO/	\$114,300	\$219	\$114,081	\$0	DIST PLT
15	SALES RELATED	\$12	\$12	\$0	\$0	CUSTOMER
16	TOTAL GENERAL & INTANGIBLE PLANT	\$114,312	\$231	\$114,081	\$0	GENR PLNT
17	TOTAL NET PLANT IN SERVICE	\$2,324,531	\$4,472	\$2,320,059	\$0	NET PLANT

**COST BASED RATE DESIGN  
 JPEC**

Cost of Service Study for the Twelve Months Ended December 31, 2006 (Includes the Big Rivers Credit)

**LARGE COMMERCIAL - EXISTING**

**OTHER RATE BASE**

LINE NO.	DESCRIPTION	OTHER RATE BASE				ALLOCATION METHOD & SOURCE
		TOTAL	CUSTOMER RELATED	DEMAND RELATED	ENERGY RELATED	
1	TOTAL NET PLANT IN SERVICE	\$2,324,531	\$4,472	\$2,320,059	\$0	
	CONSTRUCTION WORK IN PROGRESS					
2	PRODUCTION PLANT	\$0	\$0	\$0	\$0	DEMAND
3	TRANSMISSION PLANT	\$0	\$0	\$0	\$0	DEMAND
4	DISTRIBUTION PLANT	\$102,089	\$196	\$101,893	\$0	DIST PLT
5	GENERAL PLANT	\$0	\$0	\$0	\$0	G&I PLANT
6	TOTAL CWIP	\$102,089	\$196	\$101,893	\$0	
7	NET ACQUISITION ADJUSTMENT	\$0	\$0	\$0	\$0	DEMAND
8	PLANT HELD FOR FUTURE USE	\$0	\$0	\$0	\$0	DEMAND
	MISC DEFERRED DEBITS					
9	PROD RELATED	\$0	\$0	\$0	\$0	DEMAND
10	TRAN RELATED	\$0	\$0	\$0	\$0	DEMAND
11	DIST RELATED	\$0	\$0	\$0	\$0	DIST PLT
12	GENR RELATED	\$44,460	\$90	\$44,370	\$0	G&I PLANT
13	NPR RELATED	\$0	\$0	\$0	\$0	NET PLANT
14	TOTAL MISC DEFRD DEBITS	\$44,460	\$90	\$44,370	\$0	
	WORKING CAPITAL					
15	CASH WORK CAP, FUNDS, MAT & SUP	\$90,314	\$174	\$90,140	\$0	NET PLANT
16	FUEL STOCK	\$0	\$0	\$0	\$0	ENERGY
17	PREPAID LIGNITE ROYALTIES	\$0	\$0	\$0	\$0	ENERGY
18	OTHER PREPAYMENTS	\$14,338	\$28	\$14,310	\$0	NET PLANT
19	TOTAL WORKING CAPITAL	\$104,652	\$202	\$104,450	\$0	
20	UNAMORTIZED LOSS ON REACQD LTD	\$0	\$0	\$0	\$0	NET PLANT
21	DEFERRED FUEL	\$0	\$0	\$0	\$0	ENERGY

**COST BASED RATE DESIGN  
 JPEC**

Cost of Service Study for the Twelve Months Ended December 31, 2006 (Includes the Big Rivers Credit)

**LARGE COMMERCIAL - EXISTING**

**OTHER RATE BASE (continued)**

LINE NO.	DESCRIPTION	TOTAL	CUSTOMER RELATED	DEMAND RELATED	ENERGY RELATED	ALLOCATION METHOD & SOURCE
	ACCUMULATED DEFERRED INCOME TAX					
22	ACCT 281: POL CON	\$0	\$0	\$0	\$0	NET PLANT
23	ACCT 282: LIBERAL DEP - PROD	\$0	\$0	\$0	\$0	DEMAND
24	TRAN	\$0	\$0	\$0	\$0	DEMAND
25	DIST	\$0	\$0	\$0	\$0	DIST PLNT
26	GENR	\$0	\$0	\$0	\$0	GENR PLNT
27	LIGNITE EXPLORATION	\$0	\$0	\$0	\$0	ENERGY
28	LABOR RELATED	\$0	\$0	\$0	\$0	A&G O&M
29	TOTAL ACCOUNT 282	\$0	\$0	\$0	\$0	
30	ACCT 283: UNBILLED REV	\$0	\$0	\$0	\$0	ENERGY
31	LONG TERM DEBT LOSS	\$0	\$0	\$0	\$0	NET PLANT
32	TOTAL ACCOUNT 283	\$0	\$0	\$0	\$0	
33	ACCOUNT 190: PRODUCTION RELATED	\$0	\$0	\$0	\$0	DEMAND
4	PLANT RELATED	\$0	\$0	\$0	\$0	NET PLANT
35	ENERGY RELATED	\$0	\$0	\$0	\$0	ENERGY
36	LABOR RELATED	\$0	\$0	\$0	\$0	A&G O&M
37	FERC REFUND	\$0	\$0	\$0	\$0	DEMAND
38	TOTAL ACCOUNT 190	\$0	\$0	\$0	\$0	
39	TOTAL ACCUM DEFRD INC TAX	\$0	\$0	\$0	\$0	
40	INVESTMENT TAX CREDIT PRE '71	\$0	\$0	\$0	\$0	NET PLANT
41	CUSTOMER ADVANCES AND DEPOSITS	(\$59)	(\$59)	\$0	\$0	CUSTOMER
42	STORM DAMAGE & INJ & DAM RESERVE	\$0	\$0	\$0	\$0	DEMAND
43	PNSN & MIS OP RSRVS, OTR DEF CREDITS	(\$5,745)	(\$5,616)	(\$52)	(\$77)	A&G O&M
44	TRANSMISSION RATE REFUND RESERVE	\$0	\$0	\$0	\$0	DEMAND
45	TOTAL RATE BASE	<u>\$2,569,928</u>	<u>(\$715)</u>	<u>\$2,570,720</u>	<u>(\$77)</u>	

**COST BASED RATE DESIGN**  
**JPEC**  
 Cost of Service Study for the Twelve Months Ended December 31, 2006 (Includes the Big Rivers Credit)

**LARGE COMMERCIAL - EXISTING**

**OPERATION AND MAINTENANCE EXPENSES**

<b>LINE NO.</b>	<b>DESCRIPTION</b>	<b>TOTAL</b>	<b>CUSTOMER RELATED</b>	<b>DEMAND RELATED</b>	<b>ENERGY RELATED</b>	<b>ALLOCATION METHOD &amp; SOURCE</b>
	PRODUCTION O&M EXPENSE					
1	FUEL EXPENSE - ACCT 501	\$0	\$0	\$0	\$0	ENERGY
	PURCHASE POWER - ACCT 555					
2	DEMAND - OTHER	\$520,131	\$0	\$520,131	\$0	DEMAND
3	ENERGY - OTHER	\$769,794	\$0	\$0	\$769,794	ENERGY
4	NET OFF SYSTEM REVENUE	\$0	\$0	\$0	\$0	DEMAND
	OTHER PRODUCTION O&M					
5	DEMAND - OTHER	\$0	\$0	\$0	\$0	DEMAND
6	ENERGY - OTHER	\$0	\$0	\$0	\$0	ENERGY
7	TOTAL OTHER PRODUCTION O&M	\$0	\$0	\$0	\$0	
8	TOTAL PRODUCTION O&M EXPENSE	\$1,289,925	\$0	\$520,131	\$769,794	
9	TOTAL TRANSMISSION O&M EXPENSE	\$0	\$0	\$0	\$0	DEMAND
	DISTRIBUTION O&M EXPENSE					
10	LIGHTING SPECIFIC	\$0	\$0	\$0	\$0	CUSTOMER
11	ALL OTHER	\$173,631	\$333	\$173,298	\$0	DIST PLT
12	TOTAL DISTRIBUTION O&M EXPENSE	\$173,631	\$333	\$173,298	\$0	
13	TOTAL CUST ACCT/ SERV & INFO/ SALES	\$172	\$172	\$0	\$0	CUSTOMER
	ADMINISTRATIVE & GENERAL EXPENSE					
14	PROP INSURANCE / INJ & DAMAGES	\$1,426	\$0	\$575	\$851	OTR PRO O&M
15	CUST ACCT / SERV & INFO / SALES REL	\$62,220	\$62,220	\$0	\$0	CUST
16	TOTAL ADMIN & GENERAL EXPENSE	\$63,646	\$62,220	\$575	\$851	A&G O&M
17	TOTAL OPER & MTN EXPENSES	\$1,527,374	\$62,725	\$694,004	\$770,645	

**COST BASED RATE DESIGN**  
**JPEC**  
 Cost of Service Study for the Twelve Months Ended December 31, 2006 (Includes the Big Rivers Credit)

**LARGE COMMERCIAL - EXISTING**

**COST OF SERVICE**

<b>LINE NO.</b>	<b>DESCRIPTION</b>	<b>TOTAL</b>	<b>CUSTOMER RELATED</b>	<b>DEMAND RELATED</b>	<b>ENERGY RELATED</b>	<b>ALLOCATION METHOD &amp; SOURCE</b>
1	TOTAL RATE BASE	\$2,569,928	(\$715)	\$2,570,720	(\$77)	
2	RETURN AT	\$180,533	(\$51)	\$180,589	(\$5)	RATE BASE
3	TOTAL OPER & MTN EXPENSES	\$1,527,374	\$62,725	\$694,004	\$770,645	
	DEPRECIATION & AMORTIZATION EXPENSES					
4	PRODUCTION	\$0	\$0	\$0	\$0	PROD PLANT
5	TRANSMISSION	\$0	\$0	\$0	\$0	TRANS PLANT
6	DISTRIBUTION	\$117,401	\$225	\$117,176	\$0	DIST PLANT
7	GENERAL	\$8,163	\$16	\$8,147	\$0	G&I PLANT
8	TOTAL DEPR & AMORT EXPENSES	\$125,564	\$241	\$125,323	\$0	
9	INTEREST ON CUSTOMER DEPOSITS	\$0	\$0	\$0	\$0	CUSTOMER
	GENERAL TAXES					
10	AD VALOREM	\$0	\$0	\$0	\$0	NET PLANT
11	FRANCHISE TAX	\$1,367	\$3	\$1,364	\$0	NET PLANT
12	MISCELLANEOUS GENERAL TAXES	\$2,691	\$2,631	\$24	\$36	A&G O&M
13	TOTAL GENERAL TAXES	\$4,058	\$2,634	\$1,388	\$36	
14	TOTAL FED & ST INCOME TAXES	\$0	\$0	\$0	\$0	RATE BASE
15	PROV FOR DEF TAXES	\$0	\$0	\$0	\$0	NET PLANT
16	INVESTMENT TAX CREDIT - NET	\$0	\$0	\$0	\$0	NET PLANT
17	A F U D C	\$0	\$0	\$0	\$0	CWIP
18	PRELIMINARY COST OF SERVICE	\$1,837,529	\$65,549	\$1,001,304	\$770,676	
19	REVENUE-RELATED (AS PROPOSED)	(\$30,066)	(\$1,073)	(\$16,383)	(\$12,610)	PRLM COS
20	<b>COST OF SERVICE</b>	<b>\$1,807,464</b>	<b>\$64,477</b>	<b>\$984,921</b>	<b>\$758,066</b>	

**COST BASED RATE DESIGN  
 JPEC**

Cost of Service Study for the Twelve Months Ended December 31, 2006 (Includes the Big Rivers Credit)

**LARGE COMMERCIAL - EXISTING**

**RATE DESIGN**

LINE NO.	DESCRIPTION	RATE DESIGN				ALLOCATION
		TOTAL	CUSTOMER RELATED	DEMAND RELATED	ENERGY RELATED	METHOD & SOURCE
1	COST OF SERVICE REVENUE REQMNT	\$1,807,464	\$64,477	\$984,921	\$758,066	COSRR
	REVENUE CREDITS:					
2	MISCELLANEOUS REVENUE	\$0	\$0	\$0	\$0	COSRR
3	TRANSMISSION REVENUE	\$0	\$0	\$0	\$0	DEMAND
		-----	-----	-----	-----	
4	REV TO COLLECT THRU RATES	\$1,807,464	\$64,477	\$984,921	\$758,066	
		=====	=====	=====	=====	
	BILLING DETERMINANTS:					
5	NUMBER OF CUSTOMERS			2		
6	NUMBER OF TIMES BILLS ISSUED PER YEAR			12		
7	ANNUAL ENERGY CONSUMPTION BILLED (KWH)			40,619,100		
8	AVERAGE MONTHLY BILLING DEMAND			8,541		
9	MONTHLY SERVICE CHARGE			\$2,686.53		
10	MONTHLY DEMAND CHARGE PER KW			\$9.61		
11	ENERGY CHARGE PER KWH			\$0.01866		

**COST BASED RATE DESIGN  
 JPEC**

Cost of Service Study for the Twelve Months Ended December 31, 2006 (Includes the Big Rivers Credit)

**COMMERCIAL AND INDUSTRIAL (LESS THAN 3,000 KW)**

**ELECTRIC NET PLANT**

LINE NO.	DESCRIPTION	TOTAL	CUSTOMER RELATED	DEMAND RELATED	ENERGY RELATED	ALLOCATION METHOD & SOURCE
1	TOTAL PRODUCTION PLANT	\$0	\$0	\$0	\$0	DEMAND
	TRANSMISSION PLANT					
2	POWER PLANT EQUIP	\$0	\$0	\$0	\$0	DEMAND
3	LARGE POWER SERVICE EQUIP	\$0	\$0	\$0	\$0	DEMAND
4	OTHER DIST IN ACCT 353	\$0	\$0	\$0	\$0	DEMAND
5	ALL OTHER TRANSMISSION	\$0	\$0	\$0	\$0	DEMAND
6	TOTAL TRANSMISSION PLANT	\$0	\$0	\$0	\$0	TRAN PLNT
	DISTRIBUTION PLANT					
7	PRIMARY DEMAND RELATED	\$6,965,813	\$0	\$6,965,813	\$0	DEMAND
8	SECONDARY DEMAND RELATED	\$2,668,393	\$0	\$2,668,393	\$0	DEMAND
9	CUSTOMER RELATED	\$1,556,242	\$1,556,242	\$0	\$0	CUSTOMER
10	LIGHTING SPECIFIC	\$0	\$0	\$0	\$0	CUSTOMER
11	TOTAL DISTRIBUTION PLANT	\$11,190,448	\$1,556,242	\$9,634,206	\$0	DIST PLNT
	GENERAL AND INTANGIBLE PLANT					
12	PRODUCTION RELATED	\$0	\$0	\$0	\$0	DEMAND
13	TRANSMISSION RELATED	\$0	\$0	\$0	\$0	DEMAND
14	DISTRIBUTION RELATED	\$578,705	\$80,480	\$498,225	\$0	DIST PLT
15	CUST ACCT/SERV & INFO/ SALES RELATED	\$4,428	\$4,428	\$0	\$0	CUSTOMER
16	TOTAL GENERAL & INTANGIBLE PLANT	\$583,133	\$84,908	\$498,225	\$0	GENR PLNT
17	TOTAL NET PLANT IN SERVICE	\$11,773,581	\$1,641,150	\$10,132,431	\$0	NET PLANT

**COST BASED RATE DESIGN  
 JPEC**

Cost of Service Study for the Twelve Months Ended December 31, 2006 (Includes the Big Rivers Credit)

**COMMERCIAL AND INDUSTRIAL (LESS THAN 3,000 KW)**

**OTHER RATE BASE**

LINE NO.	DESCRIPTION	TOTAL	CUSTOMER RELATED	DEMAND RELATED	ENERGY RELATED	ALLOCATION METHOD & SOURCE
1	TOTAL NET PLANT IN SERVICE	\$11,773,581	\$1,641,150	\$10,132,431	\$0	
	CONSTRUCTION WORK IN PROGRESS					
2	PRODUCTION PLANT	\$0	\$0	\$0	\$0	DEMAND
3	TRANSMISSION PLANT	\$0	\$0	\$0	\$0	DEMAND
4	DISTRIBUTION PLANT	\$516,884	\$71,882	\$445,002	\$0	DIST PLT
5	GENERAL PLANT	\$0	\$0	\$0	\$0	G&I PLANT
6	TOTAL CWIP	\$516,884	\$71,882	\$445,002	\$0	
7	NET ACQUISITION ADJUSTMENT	\$0	\$0	\$0	\$0	DEMAND
8	PLANT HELD FOR FUTURE USE	\$0	\$0	\$0	\$0	DEMAND
	MISC DEFERRED DEBITS					
9	PROD RELATED	\$0	\$0	\$0	\$0	DEMAND
10	TRAN RELATED	\$0	\$0	\$0	\$0	DEMAND
11	DIST RELATED	\$0	\$0	\$0	\$0	DIST PLT
12	GENR RELATED	\$226,801	\$33,024	\$193,777	\$0	G&I PLANT
13	NPR RELATED	\$0	\$0	\$0	\$0	NET PLANT
14	TOTAL MISC DEFERD DEBITS	\$226,801	\$33,024	\$193,777	\$0	
	WORKING CAPITAL					
15	CASH WORK CAP, FUNDS, MAT & SUP	\$457,434	\$63,763	\$393,671	\$0	NET PLANT
16	FUEL STOCK	\$0	\$0	\$0	\$0	ENERGY
17	PREPAID LIGNITE ROYALTIES	\$0	\$0	\$0	\$0	ENERGY
18	OTHER PREPAYMENTS	\$72,619	\$10,123	\$62,496	\$0	NET PLANT
19	TOTAL WORKING CAPITAL	\$530,053	\$73,886	\$456,167	\$0	
20	UNAMORTIZED LOSS ON REACQD LTD	\$0	\$0	\$0	\$0	NET PLANT
21	DEFERRED FUEL	\$0	\$0	\$0	\$0	ENERGY

**COST BASED RATE DESIGN  
 JPEC**

Cost of Service Study for the Twelve Months Ended December 31, 2006 (Includes the Big Rivers Credit)

**COMMERCIAL AND INDUSTRIAL (LESS THAN 3,000 KW)**

**OTHER RATE BASE (continued)**

LINE NO.	DESCRIPTION	TOTAL	CUSTOMER RELATED	DEMAND RELATED	ENERGY RELATED	ALLOCATION METHOD & SOURCE
	ACCUMULATED DEFERRED INCOME TAX					
22	ACCT 281: POL CON	\$0	\$0	\$0	\$0	NET PLANT
23	ACCT 282: LIBERAL DEP - PROD	\$0	\$0	\$0	\$0	DEMAND
24	TRAN	\$0	\$0	\$0	\$0	DEMAND
25	DIST	\$0	\$0	\$0	\$0	DIST PLNT
26	GENR	\$0	\$0	\$0	\$0	GENR PLNT
27	LIGNITE EXPLORATION	\$0	\$0	\$0	\$0	ENERGY
28	LABOR RELATED	\$0	\$0	\$0	\$0	A&G O&M
29	TOTAL ACCOUNT 282	\$0	\$0	\$0	\$0	
30	ACCT 283: UNBILLED REV	\$0	\$0	\$0	\$0	ENERGY
31	LONG TERM DEBT LOSS	\$0	\$0	\$0	\$0	NET PLANT
32	TOTAL ACCOUNT 283	\$0	\$0	\$0	\$0	
33	ACCOUNT 190: PRODUCTION RELATED	\$0	\$0	\$0	\$0	DEMAND
34	PLANT RELATED	\$0	\$0	\$0	\$0	NET PLANT
35	ENERGY RELATED	\$0	\$0	\$0	\$0	ENERGY
36	LABOR RELATED	\$0	\$0	\$0	\$0	A&G O&M
37	FERC REFUND	\$0	\$0	\$0	\$0	DEMAND
38	TOTAL ACCOUNT 190	\$0	\$0	\$0	\$0	
39	TOTAL ACCUM DEF RD INC TAX	\$0	\$0	\$0	\$0	
40	INVESTMENT TAX CREDIT PRE '71	\$0	\$0	\$0	\$0	NET PLANT
41	CUSTOMER ADVANCES AND DEPOSITS	(\$21,762)	(\$21,762)	\$0	\$0	CUSTOMER
42	STORM DAMAGE & INJ & DAM RESERVE	\$0	\$0	\$0	\$0	DEMAND
43	PNSN & MIS OP RSRVS, OTR DEF CREDITS	(\$29,092)	(\$28,440)	(\$312)	(\$340)	A&G O&M
44	TRANSMISSION RATE REFUND RESERVE	\$0	\$0	\$0	\$0	DEMAND
45	TOTAL RATE BASE	\$12,996,465	\$1,769,740	\$11,227,065	(\$340)	

## COST BASED RATE DESIGN

## JPEC

Cost of Service Study for the Twelve Months Ended December 31, 2006 (Includes the Big Rivers Credit)

## COMMERCIAL AND INDUSTRIAL (LESS THAN 3,000 KW)

## OPERATION AND MAINTENANCE EXPENSES

LINE NO.	DESCRIPTION	TOTAL	CUSTOMER RELATED	DEMAND RELATED	ENERGY RELATED	ALLOCATION METHOD & SOURCE
	PRODUCTION O&M EXPENSE					
1	FUEL EXPENSE - ACCT 501	\$0	\$0	\$0	\$0	ENERGY
	PURCHASE POWER - ACCT 555					
2	DEMAND - OTHER	\$3,247,768	\$0	\$3,247,768	\$0	DEMAND
3	ENERGY - OTHER	\$3,532,255	\$0	\$0	\$3,532,255	ENERGY
4	NET OFF SYSTEM REVENUE	\$0	\$0	\$0	\$0	DEMAND
	OTHER PRODUCTION O&M					
5	DEMAND - OTHER	\$0	\$0	\$0	\$0	DEMAND
6	ENERGY - OTHER	\$0	\$0	\$0	\$0	ENERGY
7	TOTAL OTHER PRODUCTION O&M	\$0	\$0	\$0	\$0	
8	TOTAL PRODUCTION O&M EXPENSE	\$6,780,023	\$0	\$3,247,768	\$3,532,255	
9	TOTAL TRANSMISSION O&M EXPENSE	\$0	\$0	\$0	\$0	DEMAND
	DISTRIBUTION O&M EXPENSE					
10	LIGHTING SPECIFIC	\$0	\$0	\$0	\$0	CUSTOMER
11	ALL OTHER	\$879,102	\$122,256	\$756,846	\$0	DIST PLT
12	TOTAL DISTRIBUTION O&M EXPENSE	\$879,102	\$122,256	\$756,846	\$0	
13	TOTAL CUST ACCT/SERV & INFO/ SALES	\$63,210	\$63,210	\$0	\$0	CUSTOMER
	ADMINISTRATIVE & GENERAL EXPENSE					
14	PROP INSURANCE / INJ & DAMAGES	\$7,223	\$0	\$3,460	\$3,763	OTR PRO O&M
15	CUST ACCT / SERV & INFO / SALES REL	\$315,084	\$315,084	\$0	\$0	CUST
16	TOTAL ADMIN & GENERAL EXPENSE	\$322,307	\$315,084	\$3,460	\$3,763	A&G O&M
17	TOTAL OPER & MTN EXPENSES	\$8,044,642	\$500,550	\$4,008,074	\$3,536,018	

**COST BASED RATE DESIGN**  
**JPEC**

Cost of Service Study for the Twelve Months Ended December 31, 2006 (Includes the Big Rivers Credit)

**COMMERCIAL AND INDUSTRIAL (LESS THAN 3,000 KW)**

**COST OF SERVICE**

LINE NO.	DESCRIPTION	TOTAL	CUSTOMER RELATED	DEMAND RELATED	ENERGY RELATED	ALLOCATION METHOD & SOURCE
1	TOTAL RATE BASE	\$12,996,465	\$1,769,740	\$11,227,065	(\$340)	
2	RETURN	\$912,979	\$124,321	\$788,682	(\$24)	RATE BASE
3	TOTAL OPER & MTN EXPENSES	\$8,044,642	\$500,550	\$4,008,074	\$3,536,018	
	DEPRECIATION & AMORTIZATION EXPENSES					
4	PRODUCTION	\$0	\$0	\$0	\$0	PROD PLANT
5	TRANSMISSION	\$0	\$0	\$0	\$0	TRANS PLANT
6	DISTRIBUTION	\$594,410	\$82,664	\$511,746	\$0	DIST PLANT
7	GENERAL	\$41,641	\$6,063	\$35,578	\$0	G&I PLANT
8	TOTAL DEPR & AMORT EXPENSES	\$636,051	\$88,727	\$547,324	\$0	
9	INTEREST ON CUSTOMER DEPOSITS	\$0	\$0	\$0	\$0	CUSTOMER
	GENERAL TAXES					
10	AD VALOREM	\$0	\$0	\$0	\$0	NET PLANT
11	FRANCHISE TAX	\$6,923	\$965	\$5,958	\$0	NET PLANT
12	MISCELLANEOUS GENERAL TAXES	\$13,627	\$13,322	\$146	\$159	A&G O&M
13	TOTAL GENERAL TAXES	\$20,550	\$14,287	\$6,104	\$159	
14	TOTAL FED & ST INCOME TAXES	\$0	\$0	\$0	\$0	RATE BASE
15	PROV FOR DEF TAXES	\$0	\$0	\$0	\$0	NET PLANT
16	INVESTMENT TAX CREDIT - NET	\$0	\$0	\$0	\$0	NET PLANT
17	A F U D C	\$0	\$0	\$0	\$0	CWIP
18	PRELIMINARY COST OF SERVICE	\$9,614,222	\$727,885	\$5,350,184	\$3,536,153	
19	REVENUE-RELATED (AS PROPOSED)	(\$162,962)	(\$12,338)	(\$90,686)	(\$59,938)	PRLM COS
20	COST OF SERVICE	\$9,451,259	\$715,546	\$5,259,498	\$3,476,215	

**COST BASED RATE DESIGN**  
**JPEC**  
 Cost of Service Study for the Twelve Months Ended December 31, 2006 (Includes the Big Rivers Credit)

**COMMERCIAL AND INDUSTRIAL (LESS THAN 3,000 KW)**

**RATE DESIGN**

LINE NO.	DESCRIPTION	RATE DESIGN				ALLOCATION METHOD & SOURCE
		TOTAL	CUSTOMER RELATED	DEMAND RELATED	ENERGY RELATED	
1	COST OF SERVICE REVENUE REQMT	\$9,451,259	\$715,546	\$5,259,498	\$3,476,215	COSRR
	REVENUE CREDITS:					
2	MISCELLANEOUS REVENUE	\$0	\$0	\$0	\$0	COSRR
3	TRANSMISSION REVENUE	\$0	\$0	\$0	\$0	DEMAND
		-----	-----	-----	-----	
4	REV TO COLLECT THRU RATES	<u>\$9,451,259</u>	<u>\$715,546</u>	<u>\$5,259,498</u>	<u>\$3,476,215</u>	
	BILLING DETERMINANTS:					
5	NUMBER OF CUSTOMERS			734		
6	NUMBER OF TIMES BILLS ISSUED PER YEAR			12		
7	ANNUAL ENERGY CONSUMPTION BILLED (KWH)			178,774,164		
8	AVERAGE MONTHLY BILLING DEMAND			56,724		
9	MONTHLY FACILITY CHARGE			\$81.24		
10	MONTHLY DEMAND CHARGE PER KW			\$7.73		
11	BASE \$/MWH, (DEMAND+ENERGY)/MWH			\$0.01944		

**COST BASED RATE DESIGN  
 JPEC**

**Cost of Service Study for the Twelve Months Ended December 31, 2006 (Includes the Big Rivers Credit)**

**OUTDOOR LIGHTING**

**ELECTRIC NET PLANT**

LINE NO.	DESCRIPTION	TOTAL	CUSTOMER RELATED	DEMAND RELATED	ENERGY RELATED	ALLOCATION METHOD & SOURCE
1	TOTAL PRODUCTION PLANT	\$0	\$0	\$0	\$0	DEMAND
	TRANSMISSION PLANT					
2	POWER PLANT EQUIP	\$0	\$0	\$0	\$0	DEMAND
3	LARGE POWER SERVICE EQUIP	\$0	\$0	\$0	\$0	DEMAND
4	OTHER DIST IN ACCT 353	\$0	\$0	\$0	\$0	DEMAND
5	ALL OTHER TRANSMISSION	\$0	\$0	\$0	\$0	DEMAND
6	TOTAL TRANSMISSION PLANT	\$0	\$0	\$0	\$0	TRAN PLNT
	DISTRIBUTION PLANT					
7	PRIMARY DEMAND RELATED	\$81,836	\$0	\$81,836	\$0	DEMAND
8	SECONDARY DEMAND RELATED	\$31,349	\$0	\$31,349	\$0	DEMAND
9	CUSTOMER RELATED	\$2,479,068	\$2,479,068	\$0	\$0	CUSTOMER
10	LIGHTING SPECIFIC	\$384,193	\$384,193	\$0	\$0	CUSTOMER
11	TOTAL DISTRIBUTION PLANT	\$2,976,446	\$2,863,261	\$113,185	\$0	DIST PLNT
	GENERAL AND INTANGIBLE PLANT					
12	PRODUCTION RELATED	\$0	\$0	\$0	\$0	DEMAND
13	TRANSMISSION RELATED	\$0	\$0	\$0	\$0	DEMAND
14	DISTRIBUTION RELATED	\$153,924	\$148,071	\$5,853	\$0	DIST PLT
15	CUST ACCT/SERV & INFO/ SALES RELATED	\$7,054	\$7,054	\$0	\$0	CUSTOMER
16	TOTAL GENERAL & INTANGIBLE PLANT	\$160,978	\$155,125	\$5,853	\$0	GENR PLNT
17	TOTAL NET PLANT IN SERVICE	\$3,137,424	\$3,018,386	\$119,038	\$0	NET PLANT

**COST BASED RATE DESIGN  
 JPEC**

Cost of Service Study for the Twelve Months Ended December 31, 2006 (Includes the Big Rivers Credit)

**OUTDOOR LIGHTING**

**OTHER RATE BASE**

LINE NO.	DESCRIPTION	TOTAL	CUSTOMER RELATED	DEMAND RELATED	ENERGY RELATED	ALLOCATION METHOD & SOURCE
1	TOTAL NET PLANT IN SERVICE	\$3,137,424	\$3,018,386	\$119,038	\$0	
	CONSTRUCTION WORK IN PROGRESS					
2	PRODUCTION PLANT	\$0	\$0	\$0	\$0	DEMAND
3	TRANSMISSION PLANT	\$0	\$0	\$0	\$0	DEMAND
4	DISTRIBUTION PLANT	\$137,481	\$132,253	\$5,228	\$0	DIST PLT
5	GENERAL PLANT	\$0	\$0	\$0	\$0	G&I PLANT
		-----	-----	-----	-----	
6	TOTAL CWIP	\$137,481	\$132,253	\$5,228	\$0	
7	NET ACQUISITION ADJUSTMENT	\$0	\$0	\$0	\$0	DEMAND
8	PLANT HELD FOR FUTURE USE	\$0	\$0	\$0	\$0	DEMAND
	MISC DEFERRED DEBITS					
9	PROD RELATED	\$0	\$0	\$0	\$0	DEMAND
10	TRAN RELATED	\$0	\$0	\$0	\$0	DEMAND
11	DIST RELATED	\$0	\$0	\$0	\$0	DIST PLT
12	GENR RELATED	\$62,610	\$60,334	\$2,276	\$0	G&I PLANT
13	NPR RELATED	\$0	\$0	\$0	\$0	NET PLANT
		-----	-----	-----	-----	
14	TOTAL MISC DEFERD DEBITS	\$62,610	\$60,334	\$2,276	\$0	
	WORKING CAPITAL					
15	CASH WORK CAP, FUNDS, MAT & SUP	\$121,897	\$117,272	\$4,625	\$0	NET PLANT
16	FUEL STOCK	\$0	\$0	\$0	\$0	ENERGY
17	PREPAID LIGNITE ROYALTIES	\$0	\$0	\$0	\$0	ENERGY
18	OTHER PREPAYMENTS	\$19,352	\$18,618	\$734	\$0	NET PLANT
		-----	-----	-----	-----	
19	TOTAL WORKING CAPITAL	\$141,249	\$135,890	\$5,359	\$0	
20	UNAMORTIZED LOSS ON REACQD LTD	\$0	\$0	\$0	\$0	NET PLANT
21	DEFERRED FUEL	\$0	\$0	\$0	\$0	ENERGY

**COST BASED RATE DESIGN**  
**JPEC**  
 Cost of Service Study for the Twelve Months Ended December 31, 2006 (Includes the Big Rivers Credit)

**OUTDOOR LIGHTING**

**OTHER RATE BASE (continued)**

LINE NO.	DESCRIPTION	TOTAL	CUSTOMER RELATED	DEMAND RELATED	ENERGY RELATED	ALLOCATION METHOD & SOURCE
	ACCUMULATED DEFERRED INCOME TAX					
22	ACCT 281: POL CON	\$0	\$0	\$0	\$0	NET PLANT
23	ACCT 282: LIBERAL DEP - PROD	\$0	\$0	\$0	\$0	DEMAND
24	TRAN	\$0	\$0	\$0	\$0	DEMAND
25	DIST	\$0	\$0	\$0	\$0	DIST PLNT
26	GENR	\$0	\$0	\$0	\$0	GENR PLNT
27	LIGNITE EXPLORATION	\$0	\$0	\$0	\$0	ENERGY
28	LABOR RELATED	\$0	\$0	\$0	\$0	A&G O&M
		-----	-----	-----	-----	
29	TOTAL ACCOUNT 282	\$0	\$0	\$0	\$0	
30	ACCT 283: UNBILLED REV	\$0	\$0	\$0	\$0	ENERGY
31	LONG TERM DEBT LOSS	\$0	\$0	\$0	\$0	NET PLANT
		-----	-----	-----	-----	
32	TOTAL ACCOUNT 283	\$0	\$0	\$0	\$0	
33	ACCOUNT 190: PRODUCTION RELATED	\$0	\$0	\$0	\$0	DEMAND
34	PLANT RELATED	\$0	\$0	\$0	\$0	NET PLANT
35	ENERGY RELATED	\$0	\$0	\$0	\$0	ENERGY
36	LABOR RELATED	\$0	\$0	\$0	\$0	A&G O&M
37	FERC REFUND	\$0	\$0	\$0	\$0	DEMAND
		-----	-----	-----	-----	
38	TOTAL ACCOUNT 190	\$0	\$0	\$0	\$0	
39	TOTAL ACCUM DEFRD INC TAX	\$0	\$0	\$0	\$0	
40	INVESTMENT TAX CREDIT PRE '71	\$0	\$0	\$0	\$0	NET PLANT
41	CUSTOMER ADVANCES AND DEPOSITS	(\$277,327)	(\$277,327)	\$0	\$0	CUSTOMER
42	STORM DAMAGE & INJ & DAM RESERVE	\$0	\$0	\$0	\$0	DEMAND
43	PNSN & MIS OP RSRVS, OTR DEF CREDITS	(\$7,746)	(\$7,572)	(\$29)	(\$145)	A&G O&M
44	TRANSMISSION RATE REFUND RESERVE	\$0	\$0	\$0	\$0	DEMAND
45	TOTAL RATE BASE	<u>\$3,193,691</u>	<u>\$3,061,964</u>	<u>\$131,872</u>	<u>(\$145)</u>	

**COST BASED RATE DESIGN**  
**JPEC**  
 Cost of Service Study for the Twelve Months Ended December 31, 2006 (Includes the Big Rivers Credit)

**OUTDOOR LIGHTING**

**OPERATION AND MAINTENANCE EXPENSES**

LINE NO.	DESCRIPTION	TOTAL	CUSTOMER RELATED	DEMAND RELATED	ENERGY RELATED	ALLOCATION METHOD & SOURCE
	PRODUCTION O&M EXPENSE					
1	FUEL EXPENSE - ACCT 501	\$0	\$0	\$0	\$0	ENERGY
	PURCHASE POWER - ACCT 555					
2	DEMAND - OTHER	\$36,281	\$0	\$36,281	\$0	DEMAND
3	ENERGY - OTHER	\$181,371	\$0	\$0	\$181,371	ENERGY
4	NET OFF SYSTEM REVENUE	\$0	\$0	\$0	\$0	DEMAND
	OTHER PRODUCTION O&M					
5	DEMAND - OTHER	\$0	\$0	\$0	\$0	DEMAND
6	ENERGY - OTHER	\$0	\$0	\$0	\$0	ENERGY
7	TOTAL OTHER PRODUCTION O&M	\$0	\$0	\$0	\$0	
8	TOTAL PRODUCTION O&M EXPENSE	\$217,652	\$0	\$36,281	\$181,371	
9	TOTAL TRANSMISSION O&M EXPENSE	\$0	\$0	\$0	\$0	DEMAND
	DISTRIBUTION O&M EXPENSE					
0	LIGHTING SPECIFIC	\$27,463	\$27,463	\$0	\$0	CUSTOMER
11	ALL OTHER	\$203,643	\$195,899	\$7,744	\$0	DIST PLT
12	TOTAL DISTRIBUTION O&M EXPENSE	\$231,106	\$223,362	\$7,744	\$0	
13	TOTAL CUST ACCT/SERV & INFO/ SALES	\$100,692	\$100,692	\$0	\$0	CUSTOMER
	ADMINISTRATIVE & GENERAL EXPENSE					
14	PROP INSURANCE / INJ & DAMAGES	\$1,925	\$0	\$321	\$1,604	OTR PRO O&M
15	CUST ACCT / SERV & INFO / SALES REL	\$83,889	\$83,889	\$0	\$0	CUST
16	TOTAL ADMIN & GENERAL EXPENSE	\$85,814	\$83,889	\$321	\$1,604	A&G O&M
17	TOTAL OPER & MTN EXPENSES	\$635,264	\$407,943	\$44,346	\$182,975	

**COST BASED RATE DESIGN  
 JPEC**

Cost of Service Study for the Twelve Months Ended December 31, 2006 (Includes the Big Rivers Credit)

**OUTDOOR LIGHTING**

**COST OF SERVICE**

LINE NO.	DESCRIPTION	TOTAL	CUSTOMER RELATED	DEMAND RELATED	ENERGY RELATED	ALLOCATION METHOD & SOURCE
1	TOTAL RATE BASE	\$3,193,691	\$3,061,964	\$131,872	(\$145)	
2	RETURN	\$224,351	\$215,097	\$9,264	(\$10)	RATE BASE
3	TOTAL OPER & MTN EXPENSES	\$635,264	\$407,943	\$44,346	\$182,975	
	DEPRECIATION & AMORTIZATION EXPENSES					
4	PRODUCTION	\$0	\$0	\$0	\$0	PROD PLANT
5	TRANSMISSION	\$0	\$0	\$0	\$0	TRANS PLANT
6	DISTRIBUTION	\$158,102	\$152,090	\$6,012	\$0	DIST PLANT
7	GENERAL	\$11,495	\$11,077	\$418	\$0	G&I PLANT
8	TOTAL DEPR & AMORT EXPENSES	\$169,597	\$163,167	\$6,430	\$0	
9	INTEREST ON CUSTOMER DEPOSITS	\$0	\$0	\$0	\$0	CUSTOMER
	GENERAL TAXES					
10	AD VALOREM	\$0	\$0	\$0	\$0	NET PLANT
11	FRANCHISE TAX	\$1,843	\$1,773	\$70	\$0	NET PLANT
12	MISCELLANEOUS GENERAL TAXES	\$3,157	\$3,086	\$12	\$59	A&G O&M
13	TOTAL GENERAL TAXES	\$5,000	\$4,859	\$82	\$59	
14	TOTAL FED & ST INCOME TAXES	\$0	\$0	\$0	\$0	RATE BASE
15	PROV FOR DEF TAXES	\$0	\$0	\$0	\$0	NET PLANT
16	INVESTMENT TAX CREDIT - NET	\$0	\$0	\$0	\$0	NET PLANT
17	A F U D C	\$0	\$0	\$0	\$0	CWIP
18	PRELIMINARY COST OF SERVICE	\$1,034,212	\$791,066	\$60,122	\$183,024	
19	REVENUE-RELATED (AS PROPOSED)	(\$15,170)	(\$11,603)	(\$882)	(\$2,685)	PRLM COS
20	COST OF SERVICE	\$1,019,041	\$779,462	\$59,240	\$180,339	

**COST BASED RATE DESIGN  
 JPEC**

Cost of Service Study for the Twelve Months Ended December 31, 2006 (Includes the Big Rivers Credit)

**OUTDOOR LIGHTING**

**RATE DESIGN**

LINE NO.	DESCRIPTION	TOTAL	CUSTOMER RELATED	DEMAND RELATED	ENERGY RELATED	ALLOCATION METHOD & SOURCE
1	COST OF SERVICE REVENUE REQMT	\$1,019,041	\$779,462	\$59,240	\$180,339	COSRR
	REVENUE CREDITS:					
2	MISCELLANEOUS REVENUE	\$0	\$0	\$0	\$0	COSRR
3	TRANSMISSION REVENUE	\$0	\$0	\$0	\$0	DEMAND
		-----	-----	-----	-----	
4	REV TO COLLECT THRU RATES	<u>\$1,019,041</u>	<u>\$779,462</u>	<u>\$59,240</u>	<u>\$180,339</u>	
	BILLING DETERMINANTS:					
5	NUMBER OF CUSTOMERS			9,354		
6	NUMBER OF TIMES BILLS ISSUED PER YEAR			12		
7	ANNUAL ENERGY CONSUMPTION BILLED (KWH)			9,179,517		
8	MONTHLY CHARGE			\$9.08		

**COST BASED RATE DESIGN  
JPEC**

Cost of Service Study for the Twelve Months Ended December 31, 2006 (Includes the Big Rivers Credit)

**SUMMARY OF COST BASED RATES**

<b>LINE NO.</b>	<b>CLASSIFICATION</b>	<b>FACILITY CHARGE</b>	<b>ENERGY CHARGE</b>	<b>DEMAND CHARGE</b>
1	RESIDENTIAL	\$26.76	\$0.04822	
2	SMALL COMMERCIAL SINGLE PHASE	\$26.51	\$0.04890	
3	SMALL COMMERCIAL THREE PHASE	\$28.51	\$0.05017	
4	LARGE COMMERCIAL - EXISTING	\$2,686.53	\$0.01866	\$9.61
5	COMMERCIAL AND INDUSTRIAL (LESS THAN 3,000 KW)	\$81.24	\$0.01944	\$7.73
6	OUTDOOR LIGHTING	\$9.08		

**JPEC**  
**Cost of Service Study for the Twelve Months Ended December 31, 2006**  
**Determination of the Demand Allocation Factor**  
 (Page 2, Line 13 of the Cost of Service Study)

**Average Coincident KW Demand at Delivery Point into JPEC System:**

Line No.	Month	Total	Residential	Sm Commercial (1 Phase)	Sm Commercial (3 Phase)	Lg Commercial (Existing)	Commercial and Industrial	Outdoor Lighting
1	January	109,266	67,504	4,283	779	4,767	30,435	1,498
2	February	125,681	81,843	5,058	842	6,865	31,073	0
3	March	96,503	60,798	3,778	678	5,170	24,687	1,393
4	April	98,728	58,146	4,015	807	4,952	30,808	0
5	May	127,166	68,103	5,497	1,329	8,073	44,164	0
6	June	143,748	82,193	5,828	1,463	6,077	48,186	0
7	July	154,145	94,464	6,277	1,332	7,335	44,738	0
8	August	150,779	98,677	6,151	1,281	5,525	39,145	0
9	September	111,133	69,686	4,789	924	7,103	28,631	0
10	October	110,768	62,623	4,959	894	4,330	37,962	0
11	November	100,406	57,389	4,350	806	3,578	34,283	0
12	December	131,476	84,211	5,504	1,028	4,795	34,046	1,892
13	Average	121,650	73,803	5,041	1,013	5,714	35,680	399
14	<b>Demand Allocation Factor</b>		60.668%	4.144%	0.833%	4.697%	29.330%	0.328%

Source: All demand values were provided by JPEC.

**JPEC**  
**Cost of Service Study for the Twelve Months Ended December 31, 2006**  
**Determination of the Secondary Demand Allocation Factor**  
 (Page 2, Lines 19 and 21 of the Cost of Service Study)

**Average Non-Coincident Demand at Delivery Point into JPEC System**

Line No.	Month	Total	Residential	Sm Commercial (1 Phase)	Sm Commercial (3 Phase)	Lg Commercial (Existing)	Commercial and Industrial	Outdoor Lighting
1	January	116,767	68,649	4,356	792	10,496	30,951	1,523
2	February	129,797	81,767	5,053	841	11,091	31,044	0
3	March	134,142	84,346	5,241	940	7,433	34,249	1,933
4	April	116,130	67,570	4,665	938	7,155	35,802	0
5	May	135,952	72,141	5,823	1,407	9,799	46,783	0
6	June	150,742	84,396	5,984	1,502	9,383	49,477	0
7	July	165,436	100,225	6,660	1,413	9,672	47,466	0
8	August	161,183	103,471	6,450	1,343	8,872	41,047	0
9	September	128,723	79,860	5,488	1,059	9,504	32,811	0
10	October	121,797	67,358	5,334	962	7,311	40,833	0
11	November	114,300	63,706	4,829	894	6,814	38,056	0
12	December	142,942	89,143	5,826	1,088	8,842	36,040	2,002
13	Average	134,826	80,219	5,476	1,098	8,864	38,713	455
14	Secondary Demand Allocation Factor		59.498%	4.061%	0.815%	6.575%	28.714%	0.337%

Source: All demand values were provided by JPEC.

**JPEC**  
**Cost of Service Study for the Twelve Months Ended December 31, 2006**  
**Calculation of the Energy Allocation Factor**  
 (Page 2, Line 23 of Cost of Service Study)

Line No.	Description	Total Company	Residential	Sm Commercial (1 Phase)	Sm Commercial (3 Phase)	Lg Commercial (Existing)	Commercial and Industrial	Outdoor Lighting
1	MWH Sales	638,496	379,715	25,348	4,861	40,619	178,774	9,180
2	MWH Sales for Line Loss Calculation	597,877	379,715	25,348	4,861	0	178,774	9,180
3	Percent of Total	100.00%	63.51%	4.24%	0.81%	0.00%	29.90%	1.54%
4	MWH Purchases (from Form 7)	663,944						
5	Less: MWH Sales	-638,496						
6	Line Losses to Allocate	25,448						
7	Allocated Line Losses	25,448	16,162	1,079	207	0	7,609	391
8	MWH Sales	638,496	379,715	25,348	4,861	40,619	178,774	9,180
9	Allocated Line Losses	25,448	16,162	1,079	207	0	7,609	391
10	MWH at Busbar	663,944	395,877	26,427	5,067	40,619	186,384	9,570

NOTE: The Industrial classification is metered at the substation, so no line losses were allocated to that classification.

**JPEC**  
**Cost of Service Study for the Twelve Months Ended December 31, 2006**  
**Adjustment to Balance Revenue from Billing Determinants to Revenue in the Income Statement**  
 (Page 3, Line 37 of Cost of Service Study in Exhibit T-1)

Line No.	Description	Total Company	Residential	Sm Commercial (1 Phase)	Sm Commercial (3 Phase)	Lg Commercial (Existing)	Commercial and Industrial	Outdoor Lighting
1	Revenue from Billing Determinants	\$37,663,872	\$23,910,072	\$1,664,526	\$304,798	\$1,701,783	\$9,224,012	\$858,682
2	Percent of Total	100.00%	63.48%	4.42%	0.81%	4.52%	24.49%	2.28%
3	Revenue from Income Statement	\$37,396,373						
4	Rev Adjusted to Match Inc Statement	\$37,396,373	\$23,740,256	\$1,652,704	\$302,633	\$1,689,696	\$9,158,500	\$852,583

NOTE: These revenue values are used only in the Cost of Service in Exhibit T-1.

**JPEC**  
**Cost of Service Study for the Twelve Months Ended December 31, 2006**  
**Adjustment to Remove the Credit Provided by Big Rivers**  
 (Page 3, Line 37 of Cost of Service Study in Exhibit T)

Line No.	Description	Total Company	Residential	Sm Commercial (1 Phase)	Sm Commercial (3 Phase)	Lg Commercial (Existing)	Commercial and Industrial	Outdoor Lighting
1	Adjusted Revenue	\$37,396,373	\$23,740,256	\$1,652,704	\$302,633	\$1,689,696	\$9,158,500	\$852,583
2	Adjusted Revenue	\$37,396,373						
3	Removing the Credit from Big Rivers	\$798,990						
4	Adjusted Revenue Without Credit	\$38,195,363						
5	Adjusted Revenue Without Credit	\$38,195,363	\$24,247,477	\$1,688,015	\$309,099	\$1,725,798	\$9,354,175	\$870,799

NOTE: These revenue values are used only in the Cost of Service in Exhibit T.

**JPEC**  
**Cost of Service Study for the Twelve Months Ended December 31, 2006**  
**Functionalization of Wages and Salaries**  
 (Page 3, Lines 27 through 31 of Cost of Service Study)

**Allocation Factors**

Line No.	Description	Amount	Allocation Factor
1	Total Distribution Plant	\$98,386,830	93.47%
2	Total General & Headquarters Plant	\$6,875,796	6.53%
3	Total Utility Plant in Service	\$105,262,626	100.00%

Line No.	Acct	Description	Amount	Distribution-Related	General-Related
4	107.100	CWIP - Contractors	\$22,268	\$22,268	
5	107.200	CWIP - JPEC Crews	\$1,178,969	\$1,178,969	
6	108.664	Accum Depr - Poles, Towers, & Fixture	\$8,357	\$8,357	
7	108.800	Retire. WIP - JPEC Crews	\$228,400	\$228,400	
8	108.810	Retire. WIP - Contractors	\$389	\$389	
9	143.000	Other Accounts Receivable	\$343	\$343	
10	143.320	A/R - Winter Storm Assistance	\$7,257	\$7,257	
11	143.700	Other Accts Rec/Employee Cash Payments	\$0	\$0	
12	163.000	Stores Expense-Undistributed	\$198,339	\$198,339	
13	184.100	Transportation Expense/Clearing	\$133,904	\$133,904	
14	417.110	Customer Service Costs - Long Distance	\$46	\$46	
15	580.000	Operation Supervision & Engineering	\$107,129	\$107,129	
16	582.000	Station Expenses	\$7,947	\$7,947	
17	583.000	Overhead Line Expenses	\$58,045	\$58,045	
18	583.100	O/H Line Exp. - PCB Test & Inspection	\$177	\$177	
19	583.200	Overhead Line Expense - Line Patrol	\$5,387	\$5,387	
20	583.300	O/H Line Exp. - Oil SP Cleanup/100 Reg.	\$281	\$281	
21	584.000	Underground Line Expenses	\$29,467	\$29,467	
22	586.000	Meter Expenses	\$48,648	\$48,648	
23	586.100	Meter Exp. - Routine Conn. & Disconnects	\$146,774	\$146,774	
24	586.200	Meter Records - Prep. & Maint.	\$1,002	\$1,002	
25	587.000	Customer Installation Expenses	\$1,924	\$1,924	

**JPEC**  
**Cost of Service Study for the Twelve Months Ended December 31, 2006**  
**Functionalization of Wages and Salaries**  
 (Page 3, Lines 27 through 31 of Cost of Service Study)

Line No.	Acct	Description	Amount	Distribution-Related	General-Related
26	588.000	Misc. Dist. Expenses - Labor & O/H	\$176,850	\$176,850	
27	588.100	Misc. Dist. Exp - Office Supplies/Exp	\$1,085	\$1,085	
28	588.200	Other Miscellaneous Distribution Expense	\$94,463	\$94,463	
29	588.300	Misc. Distribution - Mapping Costs	\$47,621	\$47,621	
30	590.000	Maintenance Supervision & Engineering	\$47,487	\$47,487	
31	592.000	Maintenance of Station Equipment	\$51,264	\$51,264	
32	593.000	Maintenance of Overhead Lines	\$483,535	\$483,535	
33	593.000	Maint. Of Overhead lines - Storms	\$19,154	\$19,154	
34	594.000	Maintenance of Underground Lines	\$59,268	\$59,268	
35	596.000	Maintenance of Street Lights	\$11,302	\$11,302	
36	598.000	Maint of Misc Dist. Plant - Telephone Lines	\$78,106	\$78,106	
37	901.000	Supervision of Customer Accounts	\$8,837	\$8,260	\$577
38	902.000	Meter Reading Expenses	\$40,092	\$37,473	\$2,619
39	902.100	Meter Reading Expenses - System	\$7,939	\$7,420	\$519
40	903.000	Customer Records & Collection Expense	\$145,266	\$135,777	\$9,489
41	903.200	Cust Rcds & Collection - Complaints, Adj.	\$48,284	\$45,130	\$3,154
42	903.300	Cust Rcds & Collection - Connects & Dis	\$61,540	\$57,520	\$4,020
43	903.400	Cust Rcds & Collection - Delinquent Accts	\$37,528	\$35,077	\$2,451
44	903.410	Delinquent Accts Over 30 Days	\$103	\$96	\$7
45	903.500	Cust. Records - Document Scanning	\$20,611	\$19,265	\$1,346
46	907.000	Customer Service - Supervision	\$49,799	\$46,546	\$3,253
47	908.000	Customer Assistance Expenses	\$38	\$36	\$2
48	910.000	Misc. Customer Svc & Information Exp.	\$73,334	\$68,544	\$4,790
49	920.000	Administrative & General Salaries	\$495,722	\$463,341	\$32,381
50	920.010	Admin. & General - Joint Use Salaries	\$3,528	\$3,298	\$230
51	920.100	Admin. & General Salaries - Manager	\$143,964	\$134,560	\$9,404
52	925.000	Injuries and Damages	\$26,438	\$24,711	\$1,727
53	926.200	Other Employee Pensions & Benefit	\$31,028	\$29,001	\$2,027
54	930.220	Annual Meeting Expenses	\$5,845	\$5,463	\$382
55	930.230	News letter Expense	\$11,322	\$10,582	\$740
56	935.000	Maintenance of G/P Expense	\$39,999		\$39,999
57	935.500	Maint of G/P - Miscellaneous	\$542		\$542
58		TOTAL	\$4,506,947	\$4,387,289	\$119,658

**JPEC**

**Cost of Service Study for the Twelve Months Ended December 31, 2006**

**Calculation of Distribution Plant - Consumer, Primary Line and Secondary Line Allocation Factors**

(Page 4, Lines 7 through 9 of Cost of Service Study)

**Minimum Size Determination - Poles, Towers, and Fixtures**

<u>Line No.</u>	<u>Account Number</u>	<u>Description</u>	<u>CPR Cost (as Dec 31, 2006)</u>	<u>Quantity</u>	<u>Unit Cost</u>	<u>Calculation of the Consumer Allocation</u>	
1	364.425	25 FT POLE	\$875,813.46	7,687	\$113.934	CPR Value (25 ft Pole)	\$113.934
2	364.430	30 FT POLE	\$4,831,179.20	16,377	\$294.998	Quantity	60,357
3	364.435	35 FT POLE	\$2,495,391.75	13,594	\$183.566	Total	\$6,876,714
4	364.440	40 FT POLE	\$7,689,597.04	17,443	\$440.841		
5	364.445	45 FT POLE	\$1,887,495.50	4,244	\$444.744	Total	\$6,876,714
6	364.450	50 FT POLE	\$504,747.49	765	\$659.801	Amount in Account 364	\$28,486,552
7	364.451	50 FT STL POLE	\$1,701.41	2	\$850.705		
8	364.455	55 FT POLE	\$85,186.46	159	\$535.764	Consumer Percent	24.14%
9	364.460	60 FT POLE	\$55,244.20	55	\$1,004.440		
10	364.465	65 FT POLE	\$14,179.49	20	\$708.975		
11	364.470	70 FT POLE	\$5,289.52	6	\$881.587		
12	364.475	75 FT UP	\$25,093.14	5	\$5,018.628		
13		TOTAL	\$18,470,918.66	60,357			

**JPEC**

**Cost of Service Study for the Twelve Months Ended December 31, 2006**

**Calculation of Distribution Plant - Consumer, Primary Line and Secondary Line Allocation Factors**

(Page 4, Lines 7 through 9 of Cost of Service Study)

**Minimum Size Determination - Overhead Conductor**

Line No.	Account Number	Description	CPR Cost (as Dec 31, 2006)	Quantity	Unit Cost	Calculation of the Consumer Allocation	
1	365.100	2/0 ACSR	\$8,467.84	72,432	\$0.117	CPR Value (#6 DPX)	\$0.503
2	365.101	4 ACSR	\$436,935.13	3,156,223	\$0.138	Quantity	29,386,732
3	365.102	2 ACSR	\$4,143,432.14	10,054,084	\$0.412	Total	\$14,781,526
4	365.103	1/0 ACSR	\$840,072.16	3,557,498	\$0.236		
5	365.104	3/0 ACSR	\$535,185.41	2,644,058	\$0.202	Total	\$14,781,526
6	365.105	4/0 ACSR	\$333,622.94	857,695	\$0.389	Amount in Account 365	\$17,054,966
7	365.106	336.4 AAAC	\$1,763,526.78	4,642,301	\$0.380		
8	365.107	397.5 AAAC	\$22,882.68	36,786	\$0.622	Consumer Percent	86.67%
9	365.110	652.4 MCM	\$61,226.09	51,559	\$1.187		
10	365.111	STD C	\$6,129.94	31,345	\$0.196		
11	365.120	STATIC WIRE	\$5,396.15	13,188	\$0.409		
12	365.123	CWC	\$98,680.03	2,048,307	\$0.048		
13	365.129	4 TPX	\$18,015.65	97,015	\$0.186		
14	365.130	# 6 DPX	\$91,216.53	181,356	\$0.503		
15	365.131	2 TPX	\$749,379.60	404,232	\$1.854		
16	365.132	1/0 TPX	\$1,453,939.44	789,897	\$1.841		
17	365.133	2/0 TPX	\$35,457.87	18,077	\$1.961		
18	365.134	3/0 TPX	\$8,423.02	4,345	\$1.939		
19	365.135	4/0 TPX	\$51,369.28	14,231	\$3.610		
20	365.136	336.4 TPX	\$11,963.12	2,215	\$5.401		
21	365.142	2 QUAD	\$75,210.85	4,157	\$18.093		

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**Cost of Service Study for the Twelve Months Ended December 31, 2006**

**Calculation of Distribution Plant - Consumer, Primary Line and Secondary Line Allocation Factors**

(Page 4, Lines 7 through 9 of Cost of Service Study)

**Minimum Size Determination - Overhead Conductor (continued)**

Line No.	Account Number	Description	CPR Cost (as Dec 31, 2006)	Quantity	Unit Cost
22	365.143	1/0 QUAD	\$105,084.35	10,978	\$9.572
23	365.144	2/0 QUAD	\$6,990.15	3,561	\$1.963
24	365.145	3/0 QUAD	\$1,731.90	1,430	\$1.211
25	365.146	4/0 QUAD	\$49,742.64	8,926	\$5.573
26	365.147	336 MCM QUAD	\$48,924.18	5,617	\$8.710
27	365.150	8 WEATHERPRO	\$19,575.32	263,168	\$0.074
28	365.178	500 MCM ALUM	\$3,070.08	1,185	\$2.591
29	365.179	6 SOLID BARE C	\$394.59	18,542	\$0.021
30	365.180	6 HARD DRAWN	\$8,998.74	176,073	\$0.051
31	365.181	6 A STEEL	\$41.55	2,393	\$0.017
32	365.183	3 # 6 AWC	\$6,237.12	18,559	\$0.336
33	365.184	7 ALUM	\$291.84	462	\$0.632
34	365.200	12 TW	\$87.72	1,000	\$0.088
35	365.415	1/0 7 STR AERIA	\$14,362.42	16,139	\$0.890
36	365.416	252 AWA MSGR	\$17,791.28	16,065	\$1.107
37	365.417	336.4 AERIAL	\$13,446.89	1,910	\$7.040
38	365.419	397 AERIAL	\$137,988.81	119,797	\$1.152
39	365.425	052 AWA MSGR	\$24,311.44	39,926	\$0.609
40		TOTAL	\$11,209,603.67	29,386,732	

**JPEC**  
**Cost of Service Study for the Twelve Months Ended December 31, 2006**  
**Calculation of Distribution Plant - Consumer, Primary Line and Secondary Line Allocation Factors**  
 (Page 4, Lines 7 through 9 of Cost of Service Study)

**Minimum Size Determination - Underground Conduit**

Line No.	Account Number	Description	CPR Cost (as Dec 31, 2006)	Quantity	Unit Cost	Calculation of the Consumer Allocation	
1	366.660	5" & UP	\$785,896.75	104,848	\$7.496	CPR Value (1")	\$3.862
2	366.662	3/4"	\$395.74	668	\$0.592	Quantity	676,189
3	366.663	1"	\$930,945.68	36,507	\$25.500	Total	\$2,611,442
4	366.664	1 1/4"	\$24.65	40	\$0.616	Total	\$2,611,442
5	366.665	1 1/2"	\$2,083.45	720	\$2.894	Amount in Account 366	\$4,106,735
6	366.666	2"	\$1,370,120.10	339,833	\$4.032	Consumer Percent	63.59%
7	366.667	3"	\$15,561.63	10,372	\$1.500		
8	366.668	4"	\$565,886.10	131,617	\$4.299		
9	366.825	2-2 1/2" POLYPI	\$129,863.67	42,688	\$3.042		
10	366.840	4" POLYPIPE	\$30,349.45	6,656	\$4.560		
11	366.860	6" POLYPIPE	\$17,128.21	2,240	\$7.647		
12		TOTAL	\$3,848,255.43	676,189			

NOTE: The underground conduit used in Account Number 369 was reviewed since there appeared to be an inconsistency in the CPR value for the 1" in Account Number 366. Since the value for the 1" in Account Number 369 appeared to be more reasonable, it was decided to use that CPR value in this calculation.

13	369.662	3/4"	\$369.55	222	\$1.665
14	369.663	1"	\$23,062.55	5,971	\$3.862
15	369.664	1 1/4"	\$322.30	90	\$3.581
16	369.665	1 1/2"	\$498.77	140	\$3.563
17	369.666	2"	\$787,498.17	158,195	\$4.978
18	369.667	3"	\$43,070.98	23,869	\$1.804
19	369.668	4"	\$298,895.18	65,793	\$4.543
20	369.840	4" POLYPIPE	\$6,773.09	200	\$33.865

**JPEC**  
**Cost of Service Study for the Twelve Months Ended December 31, 2006**  
**Calculation of Distribution Plant - Consumer, Primary Line and Secondary Line Allocation Factors**  
 (Page 4, Lines 7 through 9 of Cost of Service Study)

**Minimum Size Determination - Underground Conductor**

Line No.	Account Number	Description	CPR Cost (as Dec 31, 2006)	Quantity	Unit Cost	Calculation of the Consumer Allocation	
1	367.640	# 2 COPPER	\$7,489.64	11,313	\$0.662	CPR Value (#1/0 TPX)	\$0.997
2	367.641	1/0 ALUM	\$2,146,436.89	1,103,585	\$1.945	Quantity	2,152,673
3	367.642	# 2 ALUM	\$767,378.24	638,557	\$1.202	Total	\$2,146,215
4	367.643	750 ALUM	\$42,388.67	3,261	\$12.999	Total	\$2,146,215
5	367.644	750 COPPER	\$471.06	86	\$5.477	Amount in Account 367	\$9,423,467
6	367.645	4/0 ALUM	\$175,473.10	71,954	\$2.439	Consumer Percent	22.78%
7	367.646	500 COPPER	\$114,582.56	42,361	\$2.705		
8	367.647	500 ALUM	\$1,259,438.72	135,183	\$9.317		
9	367.648	500 COPPER	\$6,618.50	1,897	\$3.489		
10	367.651	# 1/0 TPX (URD)	\$7,712.65	7,734	\$0.997		
11	367.652	2/0 TPX	\$680.77	200	\$3.404		
12	367.654	4/0 TPX	\$39,973.02	13,510	\$2.959		
13	367.656	350 TPX	\$159,848.85	46,482	\$3.439		
14	367.657	1/0 QUAD	\$272.37	92	\$2.961		
15	367.740	10/2 UF W/GRD	\$2,430.82	1,495	\$1.626		
16	367.742	10/2 UF	\$324.87	231	\$1.406		
17	367.743	8 UF	\$5,519.66	3,009	\$1.834		
18	367.745	6 UF	\$4,927.25	2,774	\$1.776		
19	367.746	# 6 DPX	\$81,149.05	68,949	\$1.177		
20		TOTAL	\$4,823,116.69	2,152,673			

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Cost of Service Study for the Twelve Months Ended December 31, 2006

Calculation of Dist Plant - Consumer, Primary Line & Secondary Line Allocation Factors

(Page 4, Lines 7 through 9 of Cost of Service Study)

Exhibit H

Witness - Gary C. Stephens

Attachment 6

Page 6 of 11

Minimum Size Determination - Transformers

Line	Acct No.	Description	CPR Cost	Quantity	Unit Cost
1	368.917	1 KVA CONV	\$55,939.85	115	\$486.433
2	368.918	1.5 KVA CONV	\$139,039.92	219	\$634.885
3	368.924	10 KVA CONV	\$2,455.79	3	\$818.597
4	368.925	15 KVA CONV	\$3,641,581.55	6,074	\$599.536
5	368.926	25 KVA CONV	\$1,854,831.43	2,822	\$657.275
6	368.927	37.5 KVA CONV	\$503,776.13	616	\$817.818
7	368.928	50 KVA CONV	\$344,615.04	393	\$876.883
8	368.929	75 KVA CONV	\$208,987.10	170	\$1,229.336
9	368.930	100 KVA CONV	\$149,778.89	107	\$1,399.803
10	368.931	167 KVA CONV	\$209,293.01	87	\$2,405.667
11	368.932	250 KVA CONV	\$146,105.23	49	\$2,981.739
12	368.933	333 KVA CONV	\$203,714.55	53	\$3,843.671
13	368.934	500 KVA CONV	\$90,062.60	18	\$5,003.478
14	368.938	833 KVA CONV	\$54,832.00	4	\$13,708.000
15	368.951	5 KVA SP	\$2,956.58	20	\$147.829
16	368.953	10 KVA SP	\$370,214.58	1,993	\$185.757
17	368.954	15 KVA SP	\$784,703.43	2,981	\$263.235
18	368.955	25 KVA SP	\$458,408.76	1,401	\$327.201
19	368.956	37.5 KVA SP	\$58,391.35	147	\$397.220
20	368.973	25 KVA PDMT	\$1,678,690.72	1,682	\$998.033
21	368.974	37.5 KVA PDMT	\$45,339.90	39	\$1,162.562
22	368.975	50 KVA PDMT	\$670,983.91	619	\$1,083.980
23	368.976	75 KVA PDMT	\$253,194.78	124	\$2,041.893
24	368.977	100 KVA PDMT	\$76,565.03	47	\$1,629.043
25	368.978	150 KVA PDMT	\$13,260.00	3	\$4,420.000
26	368.979	167 KVA PDMT	\$181,980.63	83	\$2,192.538
27	368.980	112.5 KVA PDM	\$84,532.16	23	\$3,675.311

Calculation of the Consumer Allocation

CPR Value (15 KVA Conv	\$599.536
Quantity	20,037
Transformers / Customers	67.78%
Total	\$8,142,105
Total	\$8,142,105
Amount in Account 368	\$15,623,839
Consumer Percent	52.11%

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**Cost of Service Study for the Twelve Months Ended December 31, 2006**

**Calculation of Distribution Plant - Consumer, Primary Line & Secondary Line Allocation Factors**

(Page 4, Lines 7 through 9 of Cost of Service Study)

**Minimum Size Determination - Transformers (continued)**

Line No.	Account Number	Description	CPR Cost (as Dec 31, 2006)	Quantity	Unit Cost
28	368.982	225 KVA PDMT	\$126,746.80	28	\$4,526.671
29	368.983	250 KVA PDMT	\$10,404.48	3	\$3,468.160
30	368.984	300 KVA PDMT	\$215,533.67	44	\$4,898.493
31	368.985	500 KVA PDMT	\$200,624.30	33	\$6,079.524
32	368.986	750 KVA PDMT	\$230,769.93	27	\$8,547.034
33	368.987	1000 KVA PDMT	\$43,869.90	5	\$8,773.980
34	368.988	1500 KVA PDMT	\$66,901.90	5	\$13,380.380
35		TOTAL	\$13,179,085.90	20,037	

**OVERALL MINIMUM SIZE ALLOCATION FACTOR**

Used to allocate Distribution Plant Dollars to the Consumer Function

line	Acct No.	Description	Percent
36	364	Poles, Towers, Fixtures	24.14%
37	365	Overhead Conductor	86.67%
38	366	Underground Conduit	63.59%
39	367	Underground Conductor	22.78%
40	368	Transformers	52.11%
41		Consumer Allocation Factor	49.86%

**DISTRIBUTION PLANT - PRIMARY LINE AND SECONDARY LINE ALLOCATION FACTORS**

Line No.	Description	Miles	Percent of Total	Allocation Factor
42	Miles of Primary Distribution Line	2,064	72.30%	72.30%
43	Miles of Secondary Distribution Line	791	27.70%	27.70%
44	TOTAL	2,855		

**JPEC**  
**Cost of Service Study for the Twelve Months Ended December 31, 2006**  
**Determination of the Distribution Plant Value**  
 (Page 4, Lines 7 through 9 of Cost of Service Study)

Line No.	Account Number	Description	As of 12/31/05	As of 12/31/06	Average	
1	360	Land & Land Rights	\$223,945	\$235,871	\$229,908	
2	362	Substations	\$10,328,072	\$12,008,367	\$11,168,220	
3	364	Poles Towers & Fixtures	\$27,199,878	\$28,486,552	\$27,843,215	
4	365	Overhead Conductors	\$16,377,025	\$17,054,966	\$16,715,996	
5	366	Underground Conduit	\$3,813,594	\$4,106,735	\$3,960,164	
6	367	Underground Conductors	\$8,796,410	\$9,423,467	\$9,109,938	
7	368	Transformers	\$14,899,469	\$15,623,839	\$15,261,654	
8	369	Service Entrants	\$5,946,218	\$6,468,811	\$6,207,514	
9	370	Meters	\$2,824,069	\$2,934,243	\$2,879,156	
10	371	Install On Cust Premises	\$1,431,186	\$1,484,794	\$1,457,990	
11	372	Leased Property	\$1,048	\$1,048	\$1,048	\$94,834,803
12	373	Street Lighting	\$530,852	\$558,138	\$544,495	
13		TOTAL	\$92,371,766	\$98,386,830	\$95,379,298	\$95,379,298

**JPEC**  
**Cost of Service Study for the Twelve Months Ended December 31, 2006**  
**Determination of the General Plant Value**  
 (Page 4, Lines 13 through 16 of Cost of Service Study)

Line No.	Account Number	Description	As of 12/31/05	As of 12/31/06	Average
1	389	Land & Land Rights	\$86,866	\$86,866	\$86,866
2	390	Structures & Improve	\$2,040,454	\$2,047,039	\$2,043,746
3	391	Office Equipment	\$292,024	\$292,326	\$292,175
4	391.1	Office Equipment - Computer	\$413,275	\$322,290	\$367,782
5	392	Transportation Equip	\$1,825,870	\$2,079,856	\$1,952,863
6	392.1	Transportation Equip - Light Duty	\$346,140	\$375,930	\$361,035
7	393	Stores Equipment	\$79,008	\$79,008	\$79,008
8	394	Tools & Shop Equipment	\$429,355	\$451,976	\$440,665
9	395	Lab Equipment	\$167,198	\$169,060	\$168,129
10	396	Power Equipment	\$282,543	\$287,695	\$285,119
11	397	Communication Equip	\$540,789	\$589,509	\$565,149
12	398	Misc. Equipment	\$94,163	\$94,242	\$94,202
13		TOTAL	\$6,597,685	\$6,875,795	\$6,736,740

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**Cost of Service Study for the Twelve Months Ended December 31, 2006  
 Functionalization of the Accumulated Depreciation**

**ACCUMULATED DEPRECIATION - DISTRIBUTION PLANT-RELATED**

(Page 5, Line 12 of Cost of Service Study)

Line No.	Account Number	Description	As of 12/31/05	As of 12/31/06	Average
1	108.662	Station Equipment	\$1,164,968	\$1,264,923	\$1,214,946
2	108.664	Poles Towers, Fixtures	\$9,860,117	\$10,628,842	\$10,244,479
3	108.665	Overhead Conductors	\$5,255,456	\$5,642,593	\$5,449,024
4	108.666	Underground Conduit	\$583,417	\$652,016	\$617,717
5	108.667	Underground Conductors	\$2,187,176	\$2,448,411	\$2,317,793
6	108.668	Transformers	\$3,568,221	\$3,610,938	\$3,589,580
7	108.669	Service Entrants	\$2,293,694	\$2,415,868	\$2,354,781
8	108.670	Meters	\$1,066,821	\$1,163,276	\$1,115,049
9	108.671	Install On Cust Premises	\$620,867	\$668,690	\$644,779
10	108.672	Leased Property	(\$102,078)	(\$101,973)	(\$102,026)
11	108.673	Street Lighting	\$96,340	\$103,136	\$99,738
12		Normalization Adjustment (Allocated)			\$534,257
13		TOTAL	\$26,594,999	\$28,496,719	\$28,080,116

**Allocation of the Normalization Adjustment**

Line No.	Accumulated Depreciation	2006 Value	Percent of Total	Normalization Adjustment	Allocated Value
14	Distribution Plant-Related	\$28,496,719	89.9%		\$534,257
15	General Plant-Related	\$3,217,558	10.1%		\$60,323
16	TOTAL	\$31,714,277	100.0%	\$594,580	\$594,580

**Cost of Service Study for the Twelve Months Ended December 31, 2006**  
**Calculation of Distribution Plant - Consumer, Primary Line and Secondary Line Allocation Factors**  
**Functionalization of the Accumulated Depreciation**

**ACCUMULATED DEPRECIATION - GENERAL PLANT-RELATED**  
 (Page 5, Line 17 of Cost of Service Study)

Line	Account	Description	As of 12/31/05	As of 12/31/06	Average
1	108.710	Office & Furniture Equipment	\$165,761	\$177,198	\$171,480
2	108.711	Computer Equipment	\$330,311	\$242,531	\$286,421
3	108.715	Contra - Office Furniture	(\$12,425)	(\$9,940)	(\$11,182)
4	108.716	Contra - Computers	\$83,107	\$66,486	\$74,796
5	108.720	Utility Transportation Equip	\$886,929	\$918,600	\$902,764
6	108.721	Light Duty Transportation	\$200,234	\$223,423	\$211,829
7	108.723	Contra - Transportation Equip	(\$301,499)	(\$241,081)	(\$271,290)
8	108.730	Structures & Improvements	\$1,152,581	\$1,203,593	\$1,178,087
9	108.735	Contra - Structures & Improvements	\$55,258	\$44,207	\$49,733
10	108.740	Shop Equipment	\$289,731	\$310,883	\$300,307
11	108.745	Contra - Tools & Shop Equipment	(\$41,384)	(\$33,107)	(\$37,246)
12	108.750	Laboratory Equipment	\$112,039	\$121,303	\$116,671
13	108.755	Contra - Laboratory Equipment	(\$10,258)	(\$8,207)	(\$9,232)
14	108.760	Communications Equipment	\$192,461	\$214,539	\$203,500
15	108.765	Contra - Communications Equipment	(\$348,231)	(\$278,584)	(\$313,408)
16	108.770	Stores Equipment	\$54,036	\$57,258	\$55,647
17	108.775	Contra - Stores Equipment	(\$5,142)	(\$4,114)	(\$4,628)
18	108.780	Miscellaneous Equipment	\$52,059	\$57,973	\$55,016
19	108.785	Contra - Miscellaneous Equipment	(\$7,772)	(\$6,217)	(\$6,995)
20	108.790	Power Operated Equipment	\$48,495	\$48,826	\$48,660
21	108.791	Power Equipment	\$88,484	\$111,970	\$100,227
22	108.795	Contra - Power Operated Equipment	\$22	\$18	\$20
23		Normalization Adjustment (Allocated)			\$60,323
24		TOTAL	\$2,984,797	\$3,217,558	\$3,161,500

**EXISTING AND PROPOSED RATES**

**JPEC**

**Cost of Service Study for the Twelve Months Ended December 31, 2006 (Includes the Big Rivers Credit)**

**RESIDENTIAL**

<b>Line</b>	<b>Description</b>	<b>Amount</b>
1	Number of Customers	25,461
2	KWH Sales	379,714,788

<b>Line</b>	<b>Description</b>	<b>Cost Based</b>		
		<b>Existing Rates</b>	<b>Rates</b>	<b>Proposed Rates</b>
3	Facility Charge	\$7.00	\$26.76	\$9.00
4	Energy Charge	\$0.05729	\$0.04822	\$0.06252
5	Revenue	\$23,740,256	\$26,485,563	\$26,489,557
6	Increase		\$2,745,307	\$2,749,300
7	Percent Increase		11.56%	11.58%

**EXISTING AND PROPOSED RATES**  
**JPEC**  
**Cost of Service Study for the Twelve Months Ended December 31, 2006 (Includes the Big Rivers Credit)**

**SMALL COMMERCIAL SINGLE PHASE**

<b>Line</b>	<b>Description</b>	<b>Amount</b>
1	Number of Customers	2,021
2	KWH Sales	25,347,920

<b>Line</b>	<b>Description</b>	<b>Cost Based</b>		
		<b>Existing Rates</b>	<b>Rates</b>	<b>Proposed Rates</b>
3	Facility Charge	\$7.00	\$26.51	\$10.00
4	Energy Charge	\$0.05883	\$0.04890	\$0.06365
5	Revenue	\$1,652,704	\$1,882,378	\$1,855,915
6	Increase		\$229,674	\$203,211
7	Percent Increase		13.90%	12.30%

**EXISTING AND PROPOSED RATES**  
**JPEC**

Cost of Service Study for the Twelve Months Ended December 31, 2006 (Includes the Big Rivers Credit)

**SMALL COMMERCIAL THREE PHASE**

<b>Line</b>	<b>Description</b>	<b>Amount</b>
1	Number of Customers	178
2	KWH Sales	4,860,579

<b>Line</b>	<b>Description</b>	<b>Cost Based</b>		
		<b>Existing Rates</b>	<b>Rates</b>	<b>Proposed Rates</b>
3	Facility Charge	\$15.00	\$28.51	\$18.00
4	Energy Charge	\$0.05583	\$0.05017	\$0.05980
5	Revenue	\$302,633	\$304,732	\$329,111
6	Increase		\$2,098	\$26,477
7	Percent Increase		0.69%	8.75%

**EXISTING AND PROPOSED RATES**

**JPEC**

**Cost of Service Study for the Twelve Months Ended December 31, 2006 (Includes the Big Rivers Credit)**

**LARGE COMMERCIAL - EXISTING**

<b>Line</b>	<b>Description</b>	<b>Amount</b>
1	Number of Customers	2
2	KWH Sales	40,619,100
3	Average Billing Demand	8,541

<b>Line</b>	<b>Description</b>	<b>Cost Based</b>		
		<b>Existing Rates</b>	<b>Rates</b>	<b>Proposed Rates</b>
4	Service Charge		\$2,686.53	\$300.00
5	Energy Charge	\$0.01545	\$0.01866	\$0.01735
6	Demand Charge		\$9.61	
	First 3,000 KW	\$10.48		\$11.50
	Remaining KW	\$10.48		\$11.50
7	Revenue	\$1,689,696	\$1,807,464	\$1,890,622
8	Increase		\$117,767	\$200,926
9	Percent Increase		6.97%	11.89%

**EXISTING AND PROPOSED RATES**

**JPEC**

**Cost of Service Study for the Twelve Months Ended December 31, 2006 (Includes the Big Rivers Credit)**

**COMMERCIAL AND INDUSTRIAL (LESS THAN 3,000 KW)**

Line	Description	Amount
1	Number of Customers	734
2	KWH Sales	178,774,164
3	Billing Demand	56,724

Line	Description	Cost Based		
		Existing Rates	Rates	Proposed Rates
4	Facility Charge	\$25.00	\$81.24	\$35.00
5	Energy Charge		\$0.01944	
6	First 200 KWH/KW	\$0.03757		\$0.03422
7	Next 200 KWH/KW	\$0.03027		\$0.02692
8	Next 200 KWH/KW	\$0.02657		\$0.02321
9	Over 600 KWH/KW	\$0.02297		\$0.01961
10	Demand Charge	\$4.95	\$7.73	\$6.50
11	Revenue	\$9,158,500	\$9,451,259	\$10,224,603
12	Increase		\$292,759	\$1,066,103
13	Percent Increase		3.20%	11.64%

**EXISTING AND PROPOSED RATES**

**JPEC**

Cost of Service Study for the Twelve Months Ended December 31, 2006 (Includes the Big Rivers Credit)

**OUTDOOR LIGHTING**

<b>Line</b>	<b>Description</b>	<b>Amount</b>		
1	Number of Lights	9,354		
2	KWH Sales	9,179,517		
			<b>Cost Based</b>	
<b>Line</b>	<b>Description</b>	<b>Existing Rates</b>	<b>Rates</b>	<b>Proposed Rates</b>
3	<b>Street Lights</b>		\$9.08	
4	175 MV Street Light	By Contract		\$7.53
5	400 MV Street Light	By Contract		\$11.22
6	100 W HPS Street Light	By Contract		\$7.53
7	Energy	\$0.03377		
8	<b>Security Lights</b>		\$9.08	
9	175 W MV	\$6.73		\$7.53
10	100 W HPS	\$6.73		\$7.53
11	250 W HPS Flood	\$9.43		\$10.56
12	250 W HPS	\$8.93		\$10.00
13	175 W Metal Halide	\$11.32		\$12.67
14	400 W Metal Halide	\$15.91		\$17.82
15	400 W MV	\$10.02		\$11.22
16	1000 W Metal Halide	\$22.36		\$25.04

Exhibit E  
Revised for 3rd Data Request  
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**EXISTING AND PROPOSED RATES**

**JPEC**

**Cost of Service Study for the Twelve Months Ended December 31, 2006 (Includes the Big Rivers Credit)**

**OUTDOOR LIGHTING**

<b>Line</b>	<b>Description</b>	<b>Cost Based</b>		
		<b>Existing Rates</b>	<b>Rates</b>	<b>Proposed Rates</b>
17	Revenue	\$852,583	\$1,019,041	\$959,339
18	Increase		\$166,458	\$106,756
19	Percent Change		19.52%	12.52%

Exhibit I  
 Revised for 3rd Data Request  
 Witness - Gary C. Stephens  
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**REVENUE COMPARISON**  
**JPEC**

Cost of Service Study for the Twelve Months Ended December 31, 2006 (Includes the Big Rivers Credit)

Line No.	Description	Revenue at Existing Rates	Revenue at Proposed Rates	Proposed Increase	Proposed Precent Increase
1	Residential	\$23,740,256	\$26,489,557	\$2,749,300	11.58%
2	Small Commercial 1 Phase	\$1,652,704	\$1,855,915	\$203,211	12.30%
3	Small Commercial 3 Phase	\$302,633	\$329,111	\$26,477	8.75%
4	Large Commercial - Existing	\$1,689,696	\$1,890,622	\$200,926	11.89%
5	Commercial and Industrial	\$9,158,500	\$10,224,603	\$1,066,103	11.64%
6	Outdoor Lighting	\$852,583	\$959,339	\$106,756	12.52%
7	Total Revenue	\$37,396,373	\$41,749,147	\$4,352,774	11.64%

Exhibit B  
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 Witness: Gary Stephens

**SAMPLE BILLS**

**JPEC**

**Cost of Service Study for the Twelve Months Ended December 31, 2006 (Includes the Big Rivers Credit)**

**RESIDENTIAL**

<b>Line</b>	<b>Description</b>	<b>Existing Rates</b>	<b>Proposed Rates</b>
1	Facility Charge	\$7.00	\$9.00
2	Energy Charge	\$0.05729	\$0.06252
3	Average KWH / Month	1,243	

<b>Line</b>	<b>KWH Usage</b>	<b>Existing Rates</b>	<b>Proposed Rates</b>	<b>Difference</b>	<b>Percent Change</b>
4	250 KWH	\$21.32	\$24.63	\$3.31	15.51%
5	400 KWH	\$29.92	\$34.01	\$4.09	13.68%
6	500 KWH	\$35.65	\$40.26	\$4.62	12.95%
7	750 KWH	\$49.97	\$55.89	\$5.92	11.85%
8	1,000 KWH	\$64.29	\$71.52	\$7.23	11.25%
9	1,243 KWH (Average)	\$78.20	\$86.70	\$8.50	10.87%
10	1,250 KWH	\$78.61	\$87.15	\$8.54	10.86%
11	1,500 KWH	\$92.94	\$102.78	\$9.85	10.59%
12	2,000 KWH	\$121.58	\$134.04	\$12.46	10.25%

**SAMPLE BILLS**  
**JPEC**  
 Cost of Service Study for the Twelve Months Ended December 31, 2006 (Includes the Big Rivers Credit)

**SMALL COMMERCIAL SINGLE PHASE**

Line	Description	Existing Rates	Proposed Rates
1	Facility Charge	\$7.00	\$10.00
2	Energy Charge	\$0.05883	\$0.06365
3	Average KWH / Month	1,045	

Line	KWH Usage	Existing Rates	Proposed Rates	Difference	Percent Change
4	500 KWH	\$36.42	\$41.83	\$5.41	14.86%
5	750 KWH	\$51.12	\$57.74	\$6.61	12.94%
6	1,000 KWH	\$65.83	\$73.65	\$7.82	11.88%
7	1,045 KWH (Average)	\$68.49	\$76.53	\$8.04	11.74%
8	1,250 KWH	\$80.54	\$89.56	\$9.03	11.21%
9	1,500 KWH	\$95.25	\$105.48	\$10.23	10.74%
10	1,750 KWH	\$109.95	\$121.39	\$11.44	10.40%
11	2,000 KWH	\$124.66	\$137.30	\$12.64	10.14%
12	2,500 KWH	\$154.08	\$169.13	\$15.05	9.77%

**SAMPLE BILLS**  
**JPEC**  
 Cost of Service Study for the Twelve Months Ended December 31, 2006 (Includes the Big Rivers Credit)

**SMALL COMMERCIAL THREE PHASE**

Line	Description	Existing Rates	Proposed Rates
1	Facility Charge	\$15.00	\$18.00
2	Energy Charge	\$0.05583	\$0.05980
3	Average KWH / Month	2,276	

Line	KWH Usage	Existing Rates	Proposed Rates	Difference	Percent Change
4	1,000 KWH	\$70.83	\$77.80	\$6.97	9.84%
5	1,500 KWH	\$98.75	\$107.70	\$8.96	9.07%
6	2,000 KWH	\$126.66	\$137.60	\$10.94	8.64%
7	2,276 KWH (Average)	\$142.04	\$154.08	\$12.03	8.47%
8	2,500 KWH	\$154.58	\$167.50	\$12.93	8.36%
9	3,000 KWH	\$182.49	\$197.40	\$14.91	8.17%
10	3,500 KWH	\$210.41	\$227.30	\$16.90	8.03%
11	4,000 KWH	\$238.32	\$257.20	\$18.88	7.92%
12	5,000 KWH	\$294.15	\$317.00	\$22.85	7.77%

**SAMPLE BILLS**  
**JPEC**  
**Cost of Service Study for the Twelve Months Ended December 31, 2006 (Includes the Big Rivers Credit)**  
**LARGE COMMERCIAL - EXISTING**

Line	Description	Existing Rates	Proposed Rates
1	Service Charge		\$300.00
2	Energy Charge	\$0.015452	\$0.017350
3	Demand		
	First 3,000 KW	\$10.48	\$11.50
	Remaining KW	\$10.48	\$11.50
6	Average KWH / Month	1,692,463	
7	Average KW / Month	4,271	

Line	KWH	KW	Existing Rates	Proposed Rates	Difference	Percent Change
8	1,000,000	2,523	\$15,462.48	\$17,661.50	\$2,199.02	14.22%
9	1,250,000	3,154	\$20,940.65	\$23,771.38	\$2,830.72	13.52%
10	1,500,000	3,785	\$31,414.69	\$35,363.35	\$3,948.66	12.57%
11	Average 1,692,46	4,271	\$39,478.12	\$44,287.43	\$4,809.31	12.18%
12	1,750,000	4,416	\$41,888.72	\$46,955.33	\$5,066.60	12.10%
13	2,000,000	5,047	\$52,362.76	\$58,547.30	\$6,184.54	11.81%
14	2,250,000	5,677	\$62,836.79	\$70,139.28	\$7,302.48	11.62%
15	2,500,000	6,308	\$73,310.83	\$81,731.25	\$8,420.42	11.49%
16	2,750,000	6,939	\$83,784.86	\$93,323.23	\$9,538.36	11.38%
17	3,000,000	7,570	\$94,258.90	\$104,915.20	\$10,656.30	11.31%

Exhibit J  
Revised for 3rd Data Request  
Witness - Gary C. Stephens  
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**SAMPLE BILLS**  
**JPEC**  
**Cost of Service Study for the Twelve Months Ended December 31, 2006 (Includes the Big Rivers Credit)**  
**COMMERCIAL AND INDUSTRIAL (LESS THAN 3,000 KW)**

<u>Line</u>	<u>Description</u>	<u>Existing Rates</u>	<u>Proposed Rates</u>
1	Facility Charge	\$25.00	\$35.00
2	Energy Charge		
3	First 200 KWH/KW	\$0.03757	\$0.03422
4	Next 200 KWH/KW	\$0.03027	\$0.02692
5	Next 200 KWH/KW	\$0.02657	\$0.02321
6	Over 600 KWH/KW	\$0.02297	\$0.01961
7	Demand Charge	\$4.95	\$6.50
8	Average KWH / Month	20,297	
9	Average KW / Month	77	

Exhibit J  
 Revised for 3rd Data Request  
 Witness - Gary C. Stephens  
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**SAMPLE BILLS**  
**JPEC**  
 Cost of Service Study for the Twelve Months Ended December 31, 2006 (Includes the Big Rivers Credit)

**COMMERCIAL AND INDUSTRIAL (LESS THAN 3,000 KW)**

Line	KWH Usage	KW	Existing Rates	Proposed Rates	Difference	Percent Change
10	5,000	19	\$307.09	\$329.84	\$22.76	7.41%
11	10,000	38	\$589.17	\$624.69	\$35.52	6.03%
12	15,000	57	\$871.26	\$919.53	\$48.27	5.54%
13	20,000	76	\$1,120.17	\$1,181.21	\$61.03	5.45%
14	Average 20,29	77	\$1,134.75	\$1,196.54	\$61.79	5.45%
15	22,500	86	\$1,242.97	\$1,310.38	\$67.41	5.42%
16	25,000	95	\$1,365.76	\$1,439.55	\$73.79	5.40%
17	27,500	105	\$1,488.55	\$1,568.72	\$80.17	5.39%
18	30,000	114	\$1,611.34	\$1,697.89	\$86.55	5.37%
19	32,500	124	\$1,728.26	\$1,821.18	\$92.91	5.38%

Exhibit J  
 Revised for 3rd Data Request  
 Witness - Gary C. Stephens  
 Page 7 of 7

**SAMPLE BILLS**  
**JPEC**  
 Cost of Service Study for the Twelve Months Ended December 31, 2006 (Includes the Big Rivers Credit)

**OUTDOOR LIGHTING**

<b>Line</b>	<b>KWH Usage</b>	<b>Existing Rates</b>	<b>Proposed Rates</b>	<b>Difference</b>	<b>Percent Change</b>
1	<b>Street Lights</b>				
2	175 MV Street Light	By Contract	\$7.53	n/a	n/a
3	400 MV Street Light	By Contract	\$11.22	n/a	n/a
4	100 W HPS Street Light	By Contract	\$7.53	n/a	n/a
5	Energy	\$0.03377			
6	<b>Security Lights</b>				
7	175 W MV	\$6.73	\$7.53	\$0.80	11.89%
8	100 W HPS	\$6.73	\$7.53	\$0.80	11.89%
9	250 W HPS Flood	\$9.43	\$10.56	\$1.13	11.98%
10	250 W HPS	\$8.93	\$10.00	\$1.07	11.98%
11	175 W Metal Halide	\$11.32	\$12.67	\$1.35	11.93%
12	400 W Metal Halide	\$15.91	\$17.82	\$1.91	12.01%
13	400 W MV	\$10.02	\$11.22	\$1.20	11.98%
14	1000 W Metal Halide	\$22.36	\$25.04	\$2.68	11.99%

**COMPARISON OF RATES**  
**JPEC**  
**Cost of Service Study for the Twelve Months Ended December 31, 2006**

**RESIDENTIAL**

Line	Billing Determinants	Billing Determinant	Actual		Proposed	
			Rate	Revenues	Rate	Revenues
1	Customer Charge	25,461	\$7.00	\$2,138,724	\$9.00	\$2,749,788
2	Demand Charge					
3	Energy Charge	379,714,788	\$0.05729	\$21,753,860	\$0.06252	\$23,739,769
4	Billing Adj/Minimums					
5	Total From Base Rates			\$23,892,584		\$26,489,557
6	Discount Adjustment					
7	Total Revenues			\$23,892,584		\$26,489,557
8	Amount					\$2,596,972
9	Percent					10.87%

**COMPARISON OF RATES**  
**JPEC**  
 Cost of Service Study for the Twelve Months Ended December 31, 2006

**SMALL COMMERCIAL SINGLE PHASE**

Line	Billing Determinants	Billing Determinant	Actual		Proposed	
			Rate	Revenues	Rate	Revenues
1	Customer Charge	2,021	\$7.00	\$169,764	\$10.00	\$242,520
2	Demand Charge					
3	Energy Charge	25,347,920	\$0.05883	\$1,491,218	\$0.06365	\$1,613,395
4	Billing Adj/Minimums					
5	Total From Base Rates			\$1,660,982		\$1,855,915
6	Discount Adjustment					
7	Total Revenues			\$1,660,982		\$1,855,915
8	Amount					\$194,933
9	Percent					11.74%

**COMPARISON OF RATES**  
**JPEC**  
 Cost of Service Study for the Twelve Months Ended December 31, 2006

**SMALL COMMERCIAL THREE PHASE**

Line	Billing Determinants	Billing Determinant	Actual		Proposed	
			Rate	Revenues	Rate	Revenues
1	Customer Charge	178	\$15.00	\$32,040	\$18.00	\$38,448
2	Demand Charge					
3	Energy Charge	4,860,579	\$0.05583	\$271,366	\$0.05980	\$290,663
4	Billing Adj/Minimums					
5	Total From Base Rates			\$303,406		\$329,111
6	Discount Adjustment					
7	Total Revenues			\$303,406		\$329,111
8	Amount					\$25,704
9	Percent					8.47%

**COMPARISON OF RATES**  
**JPEC**  
 Cost of Service Study for the Twelve Months Ended December 31, 2006

**LARGE COMMERCIAL - EXISTING**

Line	Billing Determinants	Billing Determinant	Actual		Proposed	
			Rate	Revenues	Rate	Revenues
1	Customer Charge	2	\$0.00	\$0	\$300.00	\$7,200
2	Demand Charge	8,541				
3	First 3,000 KW		\$10.48	\$754,560	\$11.50	\$828,000
4	Remaining KW		\$10.48	\$319,577	\$11.50	\$350,681
5	Energy Charge	40,619,100	\$0.01545	\$627,646	\$0.01735	\$704,741
6	Billing Adj/Minimums					
7	Total From Base Rates			\$1,701,783		\$1,890,622
8	Discount Adjustment					
9	Total Revenues			\$1,701,783		\$1,890,622
10	Amount					\$188,839
11	Percent					11.10%

**COMPARISON OF RATES**  
**JPEC**  
 Cost of Service Study for the Twelve Months Ended December 31, 2006

**COMMERCIAL AND INDUSTRIAL (LESS THAN 3,000 KW)**

Line	Billing Determinants	Billing Determinant	Actual		Proposed	
			Rate	Revenues	Rate	Revenues
1	Customer Charge	734	\$25.00	\$220,200	\$35.00	\$308,280
2	Demand Charge	56,724	\$4.95	\$3,369,391	\$6.50	\$4,424,453
3	Energy Charge					
	First 200 KWH/KW	103,397,405	\$0.03757	\$3,884,641	\$0.03422	\$3,538,259
	Next 200 KWH/KW	57,783,399	\$0.03027	\$1,749,103	\$0.02692	\$1,555,529
	Next 200 KWH/KW	15,223,064	\$0.02657	\$404,477	\$0.02321	\$353,327
	Over 600 KWH/KW	2,282,268	\$0.02297	\$52,424	\$0.01961	\$44,755
4	Billing Adj/Minimums					
5	Total From Base Rates			\$9,680,235		\$10,224,603
6	Discount Adjustment					
7	Total Revenues			\$9,680,235		\$10,224,603
8	Amount					\$544,368
9	Percent					5.62%

**COMPARISON OF RATES**  
**JPEC**  
 Cost of Service Study for the Twelve Months Ended December 31, 2006

**OUTDOOR LIGHTING**

Line	Billing Determinants	Billing Determinant	Actual		Proposed	
			Rate*	Revenues	Rate	Revenues
3	Street Lights					
4	175 MV St Lt (contract)	290	\$6.72	\$23,375	\$7.53	\$26,204
5	400 MV St Lt (contract)	33	\$9.79	\$3,877	\$11.22	\$4,443
6	100 W HPS St Lt (contract)	61	\$15.43	\$11,296	\$7.53	\$5,512
7	Energy					
8	Security Lights					
9	175 W MV	5,455	\$6.73	\$440,546	\$7.53	\$492,914
10	100 W HPS	1,239	\$6.73	\$100,062	\$7.53	\$111,956
11	250 W HPS Flood	247	\$9.43	\$27,951	\$10.56	\$31,300
12	250 W HPS	357	\$8.93	\$38,256	\$10.00	\$42,840
13	175 W Metal Halide	42	\$11.32	\$5,705	\$12.67	\$6,386
14	400 W Metal Halide	76	\$15.91	\$14,510	\$17.82	\$16,252
15	400 W MV	1,324	\$10.02	\$159,198	\$11.22	\$178,263
16	1000 W Metal Halide	144	\$22.36	\$38,638	\$25.04	\$43,269

17 \* NOTE: The existing rates for the Street Lights are contract rates. The rates listed in the "Actual" column  
 18 are not the actual rates. Instead, they are the average rate that was calculated by dividing the annual  
 19 revenue by the number of lights and then dividing by 12 months.

Cost of Service Study for the Twelve Months Ended December 31, 2006  
 JPEC  
 SMALL COMMERCIAL SINGLE PHASE

OUTDOOR LIGHTING

Line	Billing Determinants	Billing Determinant	Actual		Proposed	
			Rate	Revenues	Rate	Revenues
4	Billing Adj/Minimums					
5	Total From Base Rates			\$863,414		\$959,339
6	Discount Adjustment					
7	Total Revenues			\$863,414		\$959,339
8	Amount					\$95,926
9	Percent					11.11%

**COMPARISON OF RATES**  
**JPEC**  
**Cost of Service Study for the Twelve Months Ended December 31, 2006**

**RESIDENTIAL**

<b>Line</b>	<b>Description</b>	<b>Amount</b>
1	Number of Customers	25,461
2	KWH Sales	379,714,788

<b>Line</b>	<b>Description</b>	<b>Existing Rates</b>	<b>Cost Based Rates</b>	<b>Proposed Rates</b>
3	Facility Charge	\$7.00	\$26.76	\$9.00
4	Energy Charge	\$0.05729	\$0.04822	\$0.06252
5	Total From Base Rates	\$24,247,477	\$26,961,963	\$26,489,557
6	Proposed Increase		\$2,714,486	\$2,242,079
7	Proposed Percent Increase		11.19%	9.25%

**COMPARISON OF RATES**  
**JPEC**  
**Cost of Service Study for the Twelve Months Ended December 31, 2006**

**SMALL COMMERCIAL SINGLE PHASE**

<b>Line</b>	<b>Description</b>	<b>Amount</b>
1	Number of Customers	2,021
2	KWH Sales	25,347,920

<b>Line</b>	<b>Description</b>	<b>Existing Rates</b>	<b>Cost Based Rates</b>	<b>Proposed Rates</b>
3	Facility Charge	\$7.00	\$26.51	\$10.00
4	Energy Charge	\$0.05883	\$0.04890	\$0.06365
5	Total From Base Rates	\$1,688,015	\$1,914,180	\$1,855,915
6	Proposed Increase		\$226,165	\$167,900
7	Proposed Percent Increase		13.40%	9.95%

**COMPARISON OF RATES**  
**JPEC**  
 Cost of Service Study for the Twelve Months Ended December 31, 2006

**SMALL COMMERCIAL THREE PHASE**

<b>Line</b>	<b>Description</b>	<b>Amount</b>
1	Number of Customers	178
2	KWH Sales	4,860,579

<b>Line</b>	<b>Description</b>	<b>Existing Rates</b>	<b>Cost Based Rates</b>	<b>Proposed Rates</b>
3	Facility Charge	\$15.00	\$28.51	\$18.00
4	Energy Charge	\$0.05583	\$0.05017	\$0.05980
5	Total From Base Rates	\$309,099	\$310,830	\$329,111
6	Proposed Increase		\$1,731	\$20,011
7	Proposed Percent Increase		0.56%	6.47%

**COMPARISON OF RATES**  
**JPEC**  
**Cost of Service Study for the Twelve Months Ended December 31, 2006**

**LARGE COMMERCIAL - EXISTING**

Line	Description	Amount
1	Number of Customers	2
2	KWH Sales	40,619,100
3	Average Billing Demand	8,541

Line	Description	Existing Rates	Cost Based Rates	Proposed Rates
4	Service Charge		\$2,686.53	\$300.00
5	Energy Charge	\$0.01545	\$0.01866	\$0.01735
6	Demand Charge		\$9.61	
7	First 3,000 KW	\$10.48		\$11.50
8	Additional KW	\$10.48		\$11.50
9	Total From Base Rates	\$1,689,696	\$1,856,345	\$1,890,622
10	Proposed Increase		\$166,648	\$200,926
11	Proposed Percent Increase		9.86%	11.89%

**COMPARISON OF RATES**  
**JPEC**  
 Cost of Service Study for the Twelve Months Ended December 31, 2006

**COMMERCIAL AND INDUSTRIAL (LESS THAN 3,000 KW)**

Line	Description	Amount
1	Number of Customers	734
2	KWH Sales	178,774,164
3	Billing Demand	56,724

Line	Description	Existing Rates	Cost Based Rates	Proposed Rates
4	Facility Charge	\$25.00	\$81.24	\$35.00
5	Energy Charge		\$0.01944	
6	First 200 KWH/KW	\$0.03757		\$0.03422
7	Next 200 KWH/KW	\$0.03027		\$0.02692
8	Next 200 KWH/KW	\$0.02657		\$0.02321
9	Over 600 KWH/KW	\$0.02297		\$0.01961
10	Demand Charge	\$4.95	\$7.73	\$6.50
11	Total From Base Rates	\$9,354,175	\$9,675,552	\$10,224,603
12	Proposed Increase		\$321,377	\$870,428
13	Proposed Percent Increase		3.44%	9.31%

**COMPARISON OF RATES**  
**JPEC**  
 Cost of Service Study for the Twelve Months Ended December 31, 2006

**OUTDOOR LIGHTING**

Line	Description	Amount
1	Number of Lights	9,354
2	KWH Sales	9,179,517

Line	Description	Existing Rates	Cost Based Rates	Proposed Rates
3	<b>Street Lights</b>		\$9.08	
4	175 MV Street Light	By Contract		\$7.53
5	400 MV Street Light	By Contract		\$11.22
6	100 W HPS Street Light	By Contract		\$7.53
7	Energy	\$0.03377		
8	<b>Security Lights</b>		\$9.08	
9	175 W MV	\$6.73		\$7.53
10	100 W HPS	\$6.73		\$7.53
11	250 W HPS Flood	\$9.43		\$10.56
12	250 W HPS	\$8.93		\$10.00
13	175 W Metal Halide	\$11.32		\$12.67
14	400 W Metal Halide	\$15.91		\$17.82
15	400 W MV	\$10.02		\$11.22
16	1000 W Metal Halide	\$22.36		\$25.04

**COMPARISON OF RATES**  
**JPEC**  
**Cost of Service Study for the Twelve Months Ended December 31, 2006**

**OUTDOOR LIGHTING**

<b>Line</b>	<b>Description</b>	<b>Existing Rates</b>	<b>Cost Based Rates</b>	<b>Proposed Rates</b>
17	Total From Base Rates	\$870,799	\$1,030,557	\$959,339
18	Proposed Increase		\$159,758	\$88,540
19	Proposed Percent Increase		18.35%	10.17%

**COMPARISON OF RATES**  
**JPEC**  
 Cost of Service Study for the Twelve Months Ended December 31, 2006

**TOTAL SYSTEM BASE RATE REVENUE**

Line	Description	Base Rate Revenue at Existing Rates	Percent of Total	Base Rate Revenue at Cost Based Rates	Percent of Total	Base Rate Revenue at Proposed Rates	Percent of Total
1	Residential	\$24,247,477	63.5%	\$26,961,963	64.6%	\$26,489,557	63.4%
2	Small Commercial 1 Phase	\$1,688,015	4.4%	\$1,914,180	4.6%	\$1,855,915	4.4%
3	Small Commercial 3 Phase	\$309,099	0.8%	\$310,830	0.7%	\$329,111	0.8%
4	Large Commercial - Existing	\$1,689,696	4.4%	\$1,856,345	4.4%	\$1,890,622	4.5%
5	Commercial and Industrial	\$9,354,175	24.5%	\$9,675,552	23.2%	\$10,224,603	24.5%
6	Outdoor Lighting	\$870,799	2.3%	\$1,030,557	2.5%	\$959,339	2.3%
7	Total	\$38,159,262	100.0%	\$41,749,427	100.0%	\$41,749,147	100.0%
8	Proposed Increase			\$3,590,165		\$3,589,885	
9	Proposed Percent Increase			9.41%		9.41%	

JPEC

Exhibit T  
Witness - Gary C. Stephens  
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STUDY DATE:			December 31, 2006
RUN DATE AND TIME:	24-Mar-08		08:58 AM
RETURN ON COMMON EQUITY			8.64%
OVERALL RATE OF RETURN			7.02%
CAPITALIZATION:			
	OUTSTANDING	EFFECTIVE RATE	COMPOSITE
DBT	\$48,718,372	5.88%	3.448%
PRF	\$0	0.00%	0.000%
CMN	\$34,444,409	8.64%	3.577%
FEDERAL EFFECTIVE INCOME TAX RATE			0.00%
FEDERAL NOMINAL INCOME TAX RATE			0.00%
STATE EFFECTIVE INCOME TAX RATE			0.00%
STATE NOMINAL INCOME TAX RATE			0.00%

NOTES

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Witness: Gary Stephens

JPEC  
 Cost of Service Study for the Twelve Months Ended December 31, 2006  
 Customer Data

Line No	Description	Control		Total Company	Residential	Sm Commercial	Sm Commercial	Lg Commercial	Commercial	Outdoor
		All	Out			(1 Phase)	(3 Phase)	(Existing)	and Industrial	Lighting
		C1A	C1A	37,750	25,461	2,021	178	2	734	9,354
1	NUMBER OF CUSTOMERS	C1A	C1A	100.000%	67.446%	5.354%	0.472%	0.005%	1.944%	24.779%
2	PERCENT OF TOTAL									
3	NUMBER OF WEIGHTED CUSTOMERS	C2A	C2A	31,471	25,461	2,021	178	4	1,468	2,339
4	PERCENT OF TOTAL	C2A	C2A	100.000%	80.904%	6.422%	0.566%	0.013%	4.665%	7.431%
5	NUMBER OF RETAIL DISTR CUSTOMERS	C3A	C3A	37,750	25,461	2,021	178	2	734	9,354
6	PERCENT OF TOTAL	C3A	C3A	100.000%	67.446%	5.354%	0.472%	0.005%	1.944%	24.779%
7	NUMBER OF RETAIL WTD CUSTOMERS	C4A	C4A	31,471	25,461	2,021	178	4	1,468	2,339
8	PERCENT OF TOTAL	C4A	C4A	100.000%	80.904%	6.422%	0.566%	0.013%	4.665%	7.431%
9	LIGHTING DIRECT ALLOCATOR	LDE	LDE	9,354	0	0	0	0	0	9,354
10	PERCENT OF TOTAL	LDE	LDE	100.000%	0.000%	0.000%	0.000%	0.000%	0.000%	100.000%
11	LPS DIRECT ALLOCATOR	DA1	DA1	0	0	0	0	0	0	0
12	PERCENT OF TOTAL	DA1	DA1	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
13	AVERAGE COINCIDENT KW DEMAND	D1A	D1A	121,650	73,803	5,041	1,013	5,714	35,680	399
14	DEMAND ALLOCATION FACTOR-PROD	D1A	D1A	100.000%	60.668%	4.144%	0.833%	4.697%	29.330%	0.328%
15	AVERAGE COINCIDENT KW DEMAND	D1B	D1B	121,650	73,803	5,041	1,013	5,714	35,680	399
16	DEMAND ALLOCATION FACTOR-TRANS	D1B	D1B	100.000%	60.668%	4.144%	0.833%	4.697%	29.330%	0.328%
17	AVG PRIMARY DISTRIB KW DEMAND	D2A	D2A	128,238	77,011	5,258	1,056	7,289	37,197	427
18	DIST-PRI DEMAND ALLOC FACTOR	D2A	D2A	100.000%	60.053%	4.100%	0.823%	5.684%	29.006%	0.333%
19	AVG SECONDARY DISTRIB KW DEMAND	D3A	D3A	134,826	80,219	5,476	1,098	8,864	38,713	455
20	DIST-SEC DEMAND ALLOC FACTOR	D3A	D3A	100.000%	59.498%	4.061%	0.815%	6.575%	28.714%	0.337%
21	AVG SECONDARY DISTRIB KW DEMAND	D4A	D4A	134,826	80,219	5,476	1,098	8,864	38,713	455
22	DIST-SEC DEMAND ALLOC FACTOR	D4A	D4A	100.000%	59.498%	4.061%	0.815%	6.575%	28.714%	0.337%
23	ANNUAL MWH ENERGY CONTRIBUTION	E1A	E1A	663,944	395,877	26,427	5,067	40,619	186,384	9,570
24	ENERGY ALLOCATION FACTOR	E1A	E1A	100.000%	59.625%	3.980%	0.763%	6.118%	28.072%	1.441%

JPEC  
 Cost of Service Study for the Twelve Months Ended December 31, 2006  
 Customer Data (continued)

Line No	Description	Control		Total Company	Residential	Sm Commercial	Sm Commercial	Lg Commercial	Commercial	Outdoor
		All	Out			(1 Phase)	(3 Phase)	(Existing)	and Industrial	Lighting
25	RESERVED			0	0	0	0	0	0.000%	0.000%
26	PERCENT OF TOTAL			0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
27	WAGES/SALARIES: PRODUCTION	NPP		0	0	0	0	0	0	0
28	TRANSMISSION	NPT		0	0	0	0	0	0	0
29	DISTRIBUTION	NPD		4,387,289	3,061,026	228,506	30,120	144,086	729,514	194,037
30	GENERAL	NPG		119,658	83,838	6,271	818	3,826	19,517	5,388
31	WAGES/SALARIES: TOTAL	LBR LBR		4,506,947	3,144,864	234,777	30,938	147,912	749,031	199,425
32	PERCENT OF TOTAL	LBR		100.000%	69.778%	5.209%	0.686%	3.282%	16.619%	4.425%
33	BULK TRANSMISSION REVENUE	D1A		0	0	0	0	0	0	0
34	PRIMARY TRANSMISSION REVENUE	D2A		0	0	0	0	0	0	0
35	TOTAL TRANSMISSION REVENUE	TRN TRN		0	0	0	0	0	0	0
36	PERCENT OF TOTAL	TRN		100.000%	100.000%	0.000%	0.000%	0.000%	0.000%	0.000%
37	EXISTING REVENUE									
38	EXISTING BASE REV	OTR OTR		38,195,363	24,247,477	1,688,015	309,099	1,725,798	9,354,175	870,799
39	PURCHASED POWER REVENUE	FUL		0	0	0	0	0	0	0
40	MISCELLANEOUS REVENUE	NPD		0	0	0	0	0	0	0
41	TRANSMISSION REVENUE	TRN		0	0	0	0	0	0	0
42	SLS FOR RESALE	E1A		0	0	0	0	0	0	0
42	TOTAL EXISTING REVENUE	EXR EXR		<u>38,195,363</u>	<u>24,247,477</u>	<u>1,688,015</u>	<u>309,099</u>	<u>1,725,798</u>	<u>9,354,175</u>	<u>870,799</u>
43	PROPOSED REVENUE									
44	PROPOSED BASE REV			41,749,427	26,961,963	1,914,180	310,830	1,856,345	9,675,552	1,030,557
45	PURCHASED POWER REVENUE			0	0	0	0	0	0	0
46	MISCELLANEOUS REVENUE			0	0	0	0	0	0	0
47	TRANSMISSION REVENUE			0	0	0	0	0	0	0
48	SLS FOR RESALE			0	0	0	0	0	0	0
48	TOTAL PROPOSED REVENUE	PRV PRV		<u>41,749,427</u>	<u>26,961,963</u>	<u>1,914,180</u>	<u>310,830</u>	<u>1,856,345</u>	<u>9,675,552</u>	<u>1,030,557</u>
49	*** OTHER REVENUE INCLUDED ***									
49	PROPOSED INCREASE/(DECREASE)			3,554,064	2,714,486	226,165	1,731	130,547	321,377	159,758
50	PROPOSED REVENUE INCR/(DECR) - %			9.30%	11.19%	13.40%	0.56%	7.56%	3.44%	18.35%

JPEC  
 Cost of Service Study for the Twelve Months Ended December 31, 2006  
 Electric Gross Plant

Exhibit T  
 Witness - Gary C. Stephens  
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Line No	Description	Control		Total Company	Residential	Sm Commercial	Sm Commercial	Lg Commercial	Commercial	Outdoor
		All	Out			(1 Phase)	(3 Phase)	(Existing)	and Industrial	Lighting
		D1A	GPP	0	0	0	0	0	0	0
1	TOTAL PRODUCTION PLANT									
	TRANSMISSION PLANT									
2	POWER PLANT EQUIP	D1A		0	0	0	0	0	0	0
3	LARGE POWER SERVICE EQUIP	DA1		0	0	0	0	0	0	0
4	OTHER DIST IN ACCT 353	D2A		0	0	0	0	0	0	0
5	ALL OTHER TRANSMISSION	D1B		0	0	0	0	0	0	0
6	TOTAL TRANSMISSION PLANT	GPT	GPT	0	0	0	0	0	0	0
	DISTRIBUTION PLANT									
7	PRIMARY DEMAND RELATED	D4A		34,381,818	20,456,648	1,396,370	280,084	2,260,484	9,872,250	115,982
8	SECONDARY DEMAND RELATED	D3A		13,170,637	7,836,325	534,907	107,292	865,923	3,781,761	44,429
9	CUSTOMER RELATED	C4A		47,282,347	38,253,470	3,036,419	267,433	6,010	2,205,573	3,513,442
10	SUB-TOTAL DISTR PLANT		SGD	94,834,803	66,546,444	4,967,696	654,809	3,132,417	15,859,584	3,673,853
11	LIGHTING SPECIFIC	LDE		544,495	0	0	0	0	0	544,495
12	TOTAL DISTRIBUTION PLANT	GPD	GPD	95,379,298	66,546,444	4,967,696	654,809	3,132,417	15,859,584	4,218,348
	GENERAL AND INTANGIBLE PLANT									
13	PRODUCTION RELATED	GPP		0	0	0	0	0	0	0
14	TRANSMISSION RELATED	GPT		0	0	0	0	0	0	0
15	DISTRIBUTION RELATED	GPD		6,557,881	4,575,454	341,558	45,022	215,372	1,090,439	290,036
16	CUST ACCT/SERV & INFO/ SALES RELATED	C2A		178,859	144,704	11,486	1,012	23	8,343	13,291
17	TOTAL GENERAL & INTANGIBLE PLANT	GPG	GPG	6,736,740	4,720,158	353,044	46,034	215,395	1,098,782	303,327
18	TOTAL GROSS PLANT IN SERVICE	GPR	GPR	102,116,038	71,266,602	5,320,740	700,843	3,347,812	16,958,366	4,521,675

JPEC  
 Cost of Service Study for the Twelve Months Ended December 31, 2006  
 Electric Plant - Accumulated Depreciation

Exhibit T  
 Witness - Gary C. Stephens  
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Line No	Description	Control		Total Company	Residential	Sm Commercial	Sm Commercial	Lg Commercial	Commercial and Industrial	Outdoor Lighting
		All	Out			(1 Phase)	(3 Phase)	(Existing)		
1	TOTAL PRODUCTION PLANT	D1A	DPP	0	0	0	0	0	0	0
	TRANSMISSION PLANT									
2	POWER PLANT EQUIP	D1B		0	0	0	0	0	0	0
3	LARGE POWER SERVICE EQUIP	DA1		0	0	0	0	0	0	0
4	OTHER DIST IN ACCT 353	D2A		0	0	0	0	0	0	0
5	ALL OTHER TRANSMISSION	D1A		0	0	0	0	0	0	0
6	TOTAL TRANSMISSION PLANT	DPT	DPT	0	0	0	0	0	0	0
	DISTRIBUTION PLANT									
7	PRIMARY DEMAND RELATED	D4A		10,122,170	6,022,534	411,098	82,458	665,497	2,906,437	34,146
8	SECONDARY DEMAND RELATED	D3A		3,877,498	2,307,052	157,479	31,587	254,932	1,113,368	13,080
9	CUSTOMER RELATED	C4A		13,920,146	11,262,002	893,936	78,734	1,769	649,331	1,034,374
10	SUB-TOTAL DISTR PLANT		SDD	27,919,814	19,591,588	1,462,513	192,779	922,198	4,669,136	1,081,600
11	LIGHTING SPECIFIC	LDE		160,302	0	0	0	0	0	160,302
12	TOTAL DISTRIBUTION PLANT	DPD	DPD	28,080,116	19,591,588	1,462,513	192,779	922,198	4,669,136	1,241,902
	GENERAL AND INTANGIBLE PLANT									
13	PRODUCTION RELATED	GPP		0	0	0	0	0	0	0
14	TRANSMISSION RELATED	GPT		0	0	0	0	0	0	0
15	DISTRIBUTION RELATED	GPD		3,077,563	2,147,226	160,291	21,128	101,072	511,734	136,112
16	CUST ACCT/SERV & INFO/ SALES RELATED	C2A		83,937	67,909	5,390	475	11	3,915	6,237
17	TOTAL GENERAL & INTANGIBLE PLANT	DPG	DPG	3,161,500	2,215,135	165,681	21,603	101,083	515,649	142,349
18	TOTAL ACCUMULATED DEPRECIATION	DPR	DPR	31,241,617	21,806,724	1,628,194	214,382	1,023,281	5,184,785	1,384,251

JPEC  
 Cost of Service Study for the Twelve Months Ended December 31, 2006  
 Electric Net Plant

Exhibit T  
 Witness - Gary C. Stephens  
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Line No	Description	Control		Total Company	Residential	Sm Commercial	Sm Commercial	Lg Commercial	Commercial	Outdoor
		All	Out			(1 Phase)	(3 Phase)	(Existing)	and Industrial	Lighting
		D1A	NPP	0	0	0	0	0	0	0
1	TOTAL PRODUCTION PLANT									
	TRANSMISSION PLANT									
2	POWER PLANT EQUIP	D1B		0	0	0	0	0	0	0
3	LARGE POWER SERVICE EQUIP	DA1		0	0	0	0	0	0	0
4	OTHER DIST IN ACCT 353	D2A		0	0	0	0	0	0	0
5	ALL OTHER TRANSMISSION	D1A		0	0	0	0	0	0	0
6	TOTAL TRANSMISSION PLANT	NPT	NPT	0	0	0	0	0	0	0
	DISTRIBUTION PLANT									
7	PRIMARY DEMAND RELATED	D4A		24,259,648	14,434,114	985,272	197,626	1,594,987	6,965,813	81,836
8	SECONDARY DEMAND RELATED	D3A		9,293,139	5,529,273	377,428	75,705	610,991	2,668,393	31,349
9	CUSTOMER RELATED	C4A		33,362,201	26,991,468	2,142,483	188,699	4,241	1,556,242	2,479,068
10	SUB-TOTAL DISTR PLANT		SPD	66,914,989	46,954,856	3,505,183	462,030	2,210,219	11,190,448	2,592,253
11	LIGHTING SPECIFIC	LDE		384,193	0	0	0	0	0	384,193
12	TOTAL DISTRIBUTION PLANT	NPD	NPD	67,299,182	46,954,856	3,505,183	462,030	2,210,219	11,190,448	2,976,446
	GENERAL AND INTANGIBLE PLANT									
13	PRODUCTION RELATED	NPP		0	0	0	0	0	0	0
14	TRANSMISSION RELATED	NPT		0	0	0	0	0	0	0
15	DISTRIBUTION RELATED	NPD		3,480,318	2,428,228	181,267	23,894	114,300	578,705	153,924
16	CUST ACCT/SERV & INFO/ SALES RELATED	C2A		94,922	76,795	6,096	537	12	4,428	7,054
17	TOTAL GENERAL & INTANGIBLE PLANT	NPG	NPG	3,575,240	2,505,023	187,363	24,431	114,312	583,133	160,978
18	TOTAL NET PLANT IN SERVICE	NPR	NPR	70,874,422	49,459,879	3,692,546	486,461	2,324,531	11,773,581	3,137,424

Exhibit B  
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 Witness: Gary Stephens

JPEC  
 Cost of Service Study for the Twelve Months Ended December 31, 2006  
 Rate Base

Exhibit T  
 Witness - Gary C. Stephens  
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Line No	Description	Control		Total Company	Residential	Sm Commercial (1 Phase)	Sm Commercial (3 Phase)	Lg Commercial (Existing)	Commercial and Industrial	Outdoor Lighting
		All	Out							
1	NET PLANT IN SERVICE	NPR	NPR	70,874,422	49,459,879	3,692,546	486,461	2,324,531	11,773,581	3,137,424
CONSTRUCTION WORK IN PROGRESS										
2	PRODUCTION PLANT	NPP		0	0	0	0	0	0	0
3	TRANSMISSION PLANT	NPT		0	0	0	0	0	0	0
4	DISTRIBUTION PLANT	NPD		3,108,533	2,168,834	161,904	21,341	102,089	516,884	137,481
5	GENERAL PLANT	NPG		0	0	0	0	0	0	0
6	TOTAL CWIP	CWP	CWP	3,108,533	2,168,834	161,904	21,341	102,089	516,884	137,481
7	NET ACQUISITION ADJUSTMENT	D2A	ACQ	0	0	0	0	0	0	0
8	PLANT HELD FOR FUTURE USE	E1A	PLH	0	0	0	0	0	0	0
MISC DEFERRED DEBITS										
9	PROD RELATED	NPP		0	0	0	0	0	0	0
10	TRAN RELATED	NPT		0	0	0	0	0	0	0
11	DIST RELATED	NPD		0	0	0	0	0	0	0
12	GENR RELATED	NPG		1,390,539	974,294	72,872	9,502	44,460	226,801	62,610
13	LABOR RELATED	LBR		0	0	0	0	0	0	0
14	NPR RELATED	NPR		0	0	0	0	0	0	0
15	TOTAL MISC DEFERRED DEBITS			1,390,539	974,294	72,872	9,502	44,460	226,801	62,610
WORKING CAPITAL										
16	CASH WORK CAP,FUNDS,MAT&SUP	NPR	MAS	2,753,653	1,921,643	143,465	18,900	90,314	457,434	121,897
17	FUEL STOCK	E1A	FUL	0	0	0	0	0	0	0
18	PREPAID LIGNITE ROYALTIES	E1A		0	0	0	0	0	0	0
19	OTHER PREPAYMENTS	NPR		437,151	305,067	22,775	3,000	14,338	72,619	19,352
20	TOTAL WORKING CAPITAL			3,190,804	2,226,710	166,240	21,900	104,652	530,053	141,249
21	UNAMORTIZED LOSS ON REACQD LTD	NPR		0	0	0	0	0	0	0
22	DEFERRED FUEL	E1A	DEF	0	0	0	0	0	0	0

(RATE BASE CONTINUED ON NEXT PAGE)

JPEC  
 Cost of Service Study for the Twelve Months Ended December 31, 2006  
 Rate Base (continued)

Exhibit T  
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Line No	Description	Control		Total Company	Residential	Sm Commercial (1 Phase)	Sm Commercial (3 Phase)	Lg Commercial (Existing)	Commercial and Industrial	Outdoor Lighting
		All	Out							
ACCUMULATED DEFERRED INCOME TAX										
23	ACCT 281: POL CON	NPP		0	0	0	0	0	0	0
24	ACCT 282: LIBERAL DEP - PROD	NPP		0	0	0	0	0	0	0
25	TRAN	NPT		0	0	0	0	0	0	0
26	DIST	NPD		0	0	0	0	0	0	0
27	GENR	NPG		0	0	0	0	0	0	0
28	LIGNITE EXPLORATN	EIA		0	0	0	0	0	0	0
29	LABOR RELATED	LBR		0	0	0	0	0	0	0
30	TOTAL ACCOUNT 282			0	0	0	0	0	0	0
31	ACCT 283: THIS LINE RESERVED			0	0	0	0	0	0	0
32	LONG TERM DEBT LOSS	NPR		0	0	0	0	0	0	0
33	TOTAL ACCOUNT 283			0	0	0	0	0	0	0
34	ACCOUNT 190: PRODUCTION RELATED	NPP		0	0	0	0	0	0	0
35	PLANT RELATED	NPR		0	0	0	0	0	0	0
36	ENERGY RELATED	EIA		0	0	0	0	0	0	0
37	LABOR RELATED	LBR		0	0	0	0	0	0	0
38	FERC REFUND	TRN		0	0	0	0	0	0	0
39	TOTAL ACCOUNT 190			0	0	0	0	0	0	0
40	TOTAL ACCUM DEFERD INC TAX	ACC	ACC	0	0	0	0	0	0	0
41	INVESTMENT TAX CREDIT PRE '71	NPR	PIC	0	0	0	0	0	0	0
42	CUSTOMER ADVANCES AND DEPOSITS	C3A	CAD	-1,119,209	-754,866	-59,918	-5,277	-59	-21,762	-277,327
43	STORM DAMAGE & INJ & DAM RESRVS	D2A	SDR	0	0	0	0	0	0	0
44	PNSN & MIS OP RSR VS, OTR DEF CR	OMA	PEN	-175,052	-122,148	-9,119	-1,202	-5,745	-29,092	-7,746
45	TRANSMISSION RATE REFUND RESERVE	TRN		0	0	0	0	0	0	0
46	TOTAL RATE BASE	RBT	RBT	<u>77,270,037</u>	<u>53,952,703</u>	<u>4,024,525</u>	<u>532,725</u>	<u>2,569,928</u>	<u>12,996,465</u>	<u>3,193,691</u>

JPEC  
 Cost of Service Study for the Twelve Months Ended December 31, 2006  
 Operation and Maintenance Expense

Exhibit T  
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Line No	Description	Control		Total Company	Residential	Sm Commercial (1 Phase)	Sm Commercial (3 Phase)	Lg Commercial (Existing)	Commercial and Industrial	Outdoor Lighting
		All	Out							
PRODUCTION O&M EXPENSE										
1	FUEL EXPENSE - ACCT 501	EIA		0	0	0	0	0	0	0
	PURCHASED POWER - ACCT 555									
2	DEMAND - OTHER	DIA		11,073,181	6,717,922	458,829	92,250	520,131	3,247,768	36,281
3	ENERGY - OTHER	EIA		13,381,753	7,978,878	532,631	102,134	818,675	3,756,548	192,887
4	NET OFF SYSTEM REVENUE	EIA		0	0	0	0	0	0	0
OTHER PRODUCTION O&M ACCTS										
5	DEMAND - OTHER	DIA		0	0	0	0	0	0	0
6	ENERGY - OTHER	EIA		0	0	0	0	0	0	0
7	TOTAL OTHER PRODUCTION O&M	PRO PRO		0	0	0	0	0	0	0
8	TOTAL PRODUCTION O&M EXPENSE	OMP OMP		24,454,934	14,696,800	991,460	194,384	1,338,806	7,004,316	229,168
9	TOTAL TRANSMISSION O&M EXPENSE	NPT OMT		0	0	0	0	0	0	0
DISTRIBUTION O&M EXPENSE										
10	LIGHTING SPECIFIC	LDE		27,463	0	0	0	0	0	27,463
11	ALL OTHER	SPD		5,256,724	3,688,691	275,361	36,296	173,631	879,102	203,643
12	TOTAL DISTRIBUTION O&M EXPENSE	OMD OMD		5,284,187	3,688,691	275,361	36,296	173,631	879,102	231,106
TOTAL CUST ACCT/SERV & INFO/										
13	SALES EXPENSE	C2A OMC		1,355,070	1,096,311	87,021	7,664	172	63,210	100,692
ADMINISTRATIVE & GENERAL EXPENSE										
14	PROP INSURANCE/INJ & DAMG	NPR		43,480	30,343	2,265	298	1,426	7,223	1,925
15	CUST ACCT/SERV&INFO/SALES REL	LBR		1,895,873	1,322,906	98,760	13,014	62,220	315,084	83,889
16	TOTAL ADMIN & GENERAL EXPENSE	OMA OMA		1,939,353	1,353,249	101,025	13,312	63,646	322,307	85,814
17	TOTAL OPER & MTN EXPENSES	OMX OMX		33,033,544	20,835,051	1,454,867	251,656	1,576,255	8,268,935	646,780

JPEC  
 Cost of Service Study for the Twelve Months Ended December 31, 2006  
 Expenses Other Than Income Taxes

Exhibit T  
 Witness - Gary C. Stephens  
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Line No	Description	Control		Total Company	Residential	Sm Commercial (1 Phase)	Sm Commercial (3 Phase)	Lg Commercial (Existing)	Commercial and Industrial	Outdoor Lighting
		All	Out							
1	TOTAL OPER & MTN EXPENSES	OMX		33,033,544	20,835,051	1,454,867	251,656	1,576,255	8,268,935	646,780
	DEPRECIATION & AMORTIZATION EXPENSES									
2	PRODUCTION	NPP		0	0	0	0	0	0	0
3	TRANSMISSION	NPT		0	0	0	0	0	0	0
4	DISTRIBUTION	NPD		3,574,770	2,494,128	186,187	24,542	117,401	594,410	158,102
5	GENERAL	NPG		255,302	178,879	13,379	1,745	8,163	41,641	11,495
				-----	-----	-----	-----	-----	-----	-----
6	TOTAL DEPR & AMORT EXPEN	DEP DEP		3,830,072	2,673,007	199,566	26,287	125,564	636,051	169,597
7	INTEREST ON CUSTOMER DEPOSITS	C3A ICD		0	0	0	0	0	0	0
	GENERAL TAXES AND OTHER				29,849					
8	AD VALOREM	NPR VAL		0	0	0	0	0	0	0
9	MISCELLANEOUS GENERAL TAXES	LBR MIS		41,657	29,068	2,170	286	1,367	6,923	1,843
10	OTHER INTEREST & DEDUCTIONS	SPD		81,482	57,177	4,268	563	2,691	13,627	3,157
11	NON-OPERATING REVENUE	EXR		-665,414	-422,423	-29,407	-5,385	-30,066	-162,962	-15,170
				-----	-----	-----	-----	-----	-----	-----
12	TOTAL GENERAL TAXES AND OTHER	GTX GTX		-542,275	-336,179	-22,969	-4,536	-26,007	-142,413	-10,171
				-----	-----	-----	-----	-----	-----	-----
13	TOTAL EXPENSES EXCEPT INCOME TAX	EXP EXP		36,321,341	23,171,879	1,631,464	273,407	1,675,812	8,762,573	806,206

Exhibit B  
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 Witness: Gary Stephens

JPEC  
 Cost of Service Study for the Twelve Months Ended December 31, 2006  
 Income Tax For 8.64% ROE (this calculation was not used in this filing)

Exhibit T  
 Witness - Gary C. Stephens  
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Line No	Description	Control		Total Company	Sm Commercial Residential	Sm Commercial (1 Phase)	Sm Commercial (3 Phase)	Lg Commercial (Existing)	Commercial and Industrial	Outdoor Lighting
		All	Out							
1	RATE BASE	RBT		77,270,037	53,952,703	4,024,525	532,725	2,569,928	12,996,465	3,193,691
2	RETURN AT 7.02%	RBT	RET	5,428,086	3,790,084	282,716	37,423	180,533	912,979	224,351
3	INTEREST (3.45% OF LINE 1)	RBT	INT	-2,663,917	-1,860,042	-138,747	-18,366	-88,599	-448,059	-110,104
4	A F U D C	NPR	AFD	0	0	0	0	0	0	0
PROVISION FOR DEFERRED TAXES										
5	ACT 410.1: PROD RLTD	NPP		0	0	0	0	0	0	0
6	TRAN RLTD	NPT		0	0	0	0	0	0	0
7	PLANT RLTD	NPR		0	0	0	0	0	0	0
8	ENERGY RLTD	E1A		0	0	0	0	0	0	0
9	LABOR RLTD	LBR		0	0	0	0	0	0	0
10	CUSTOMER RELATED	C3A		0	0	0	0	0	0	0
11	RESERVED			0	0	0	0	0	0	0
12	TOTAL 410.1			0	0	0	0	0	0	0
13	ACT 411.1: PROD RLTD	NPP		0	0	0	0	0	0	0
14	TRAN RLTD	NPT		0	0	0	0	0	0	0
15	PLANT RELATED	NPR		0	0	0	0	0	0	0
16	ENERGY RELATED	E1A		0	0	0	0	0	0	0
17	LABOR RELATED	LBR		0	0	0	0	0	0	0
18	CUSTOMER RELATED	C3A		0	0	0	0	0	0	0
19	TOTAL 411.1			0	0	0	0	0	0	0
20	NET PROVISION FOR DEFERRED INC TAX		PDT	0	0	0	0	0	0	0
21	ITC AMORT	NPR	ITA	0	0	0	0	0	0	0
22	ADJUSTED RETURN	ART	ART	2,764,169	1,930,042	143,969	19,057	91,934	464,920	114,247
FED ADD INC & UNALLOW DEDUCTS										
23	PRODUCTION RELATED	NPP		0	0	0	0	0	0	0
24	DISTRIBUTION RELATED	NPD		0	0	0	0	0	0	0
25	PLANT RELATED	NPR		0	0	0	0	0	0	0
26	ENERGY RELATED	E1A		0	0	0	0	0	0	0
27	LABOR RELATED	LBR		0	0	0	0	0	0	0
28	TRANSMISSION REV RELATED	TRN		0	0	0	0	0	0	0
29	RESERVED			0	0	0	0	0	0	0
30	DISTRIBUTION CUSTOMER RELATED	C3A		0	0	0	0	0	0	0
31	TOTAL ADDITIONS	FTA	FTA	0	0	0	0	0	0	0

(INCOME TAX CALCULATION CONTINUED ON NEXT PAGE)

JPEC  
 Cost of Service Study for the Twelve Months Ended December 31, 2006  
 Income Tax For 8.64% ROE (this calculation was not used in this filing)  
 (Continued)

Exhibit T  
 Witness - Gary C. Stephens  
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Line No	Description	Control All	Control Out	Total Company	Residential	Sm Commercial (1 Phase)	Sm Commercial (3 Phase)	Lg Commercial (Existing)	Commercial and Industrial	Outdoor Lighting
	FED DEDUCTS AND NON-TAX INCOME			0	0	0	0	0	0	0
32	PRODUCTION RELATED	NPP		0	0	0	0	0	0	0
33	DISTRIBUTION RELATED	NPD		0	0	0	0	0	0	0
34	PLANT RELATED	NPR		0	0	0	0	0	0	0
35	ENERGY RELATED	EIA		0	0	0	0	0	0	0
36	LABOR RELATED	LBR		0	0	0	0	0	0	0
37	TRANSMISSION REV RELATED	TRN		0	0	0	0	0	0	0
38	DISTRIBUTION CUSTOMER RELATED	C3A		0	0	0	0	0	0	0
39	TOTAL DEDUCTIONS	FTD	FTD	0	0	0	0	0	0	0
40	NET FEDERAL DEDUCTIONS	NFD	NFD	0	0	0	0	0	0	0
41	ST ADD INC & UNALLOW DEDUCTS	FTA		0	0	0	0	0	0	0
42	ST DEDUCTS AND NON-TAX INCOME	FTD		0	0	0	0	0	0	0
43	NET STATE DEDUCTIONS	NSD	NSD	0	0	0	0	0	0	0
44	PROV FOR DEF'D ITC - CURRENT	NPR	ITC	0	0	0	0	0	0	0
	FEDERAL TAXABLE INCOME			2,764,169	1,930,042	143,969	19,057	91,934	464,920	114,247
45	ADJ RET * 1/(1-0.0000-0.0000)	ART	TART	0	0	0	0	0	0	0
46	NET FED DED * 1/(1-0.0000)	NFD		0	0	0	0	0	0	0
47	NET ST DED * (1/(1-0.0000))-1	NSD		0	0	0	0	0	0	0
48	CURRENT ITC * (1/(1-0.00))-1	ITC		0	0	0	0	0	0	0
49	TOTAL FEDERAL TAXABLE INCOME	FTI	FTI	2,764,169	1,930,042	143,969	19,057	91,934	464,920	114,247
50	PLUS: NET FED DEDUCTS	NFD		0	0	0	0	0	0	0
51	LESS: NET STATE DEDUCTS	NSD		0	0	0	0	0	0	0
52	TOTAL STATE TAXABLE INCOME	STI	STI	2,764,169	1,930,042	143,969	19,057	91,934	464,920	114,247
	FED & ST INCOME TAXES:			0	0	0	0	0	0	0
53	FED TAXABLE INC * 0.0000	FTI		0	0	0	0	0	0	0
54	ST. TAXABLE INC * 0.0000	STI		0	0	0	0	0	0	0
55	LESS: CRNT ITC * (1-0.0000)	ITC		0	0	0	0	0	0	0
56	TOTAL FED & ST INCOME TAXES	FST	FST	0	0	0	0	0	0	0
57	INVESTMENT TAX CREDIT - NET	NPR	ITN	0	0	0	0	0	0	0

JPEC  
 Cost of Service Study for the Twelve Months Ended December 31, 2006  
 Cost of Service - Proposed

Exhibit T  
 Witness - Gary C. Stephens  
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Line No	Description	Control		Total Company	Residential	Sm Commercial	Sm Commercial	Lg Commercial	Commercial	Outdoor
		All	Out			(1 Phase)	(3 Phase)	(Existing)	and Industrial	Lighting
				77,270,037	57,146,394	4,024,525	532,725	2,569,928	12,996,465	3,193,691
1	RATE BASE	RBT								
2	RETURN AT 7.02%	RET		5,428,086	4,014,435	282,716	37,423	180,533	912,979	224,351
3	OPERATION & MAINTENANCE EXPENSES	OMX		33,033,544	21,481,831	1,454,867	251,656	1,576,255	8,268,935	646,780
4	DEPRECIATION & AMORT EXPENSES	DEP		3,830,072	2,842,604	199,566	26,287	125,564	636,051	169,597
5	INTEREST ON CUSTOMER DEPOSITS	ICD		0	0	0	0	0	0	0
6	GENERAL TAXES	GTX		-542,275	-346,350	-22,969	-4,536	-26,007	-142,413	-10,171
7	FEDERAL AND STATE INCOME TAX	FST		0	0	0	0	0	0	0
8	PROVISION FOR DEFERRED TAXES	PDT		0	0	0	0	0	0	0
9	INVESTMENT TAX CREDIT - NET	ITN		0	0	0	0	0	0	0
10	A F U D C	AFD		0	0	0	0	0	0	0
11	COST OF SERVICE REVENUE REQUIREMENT BEFORE ATTRITION ADJUSTMENT	CSR CSR		41,749,427	26,961,963	1,914,180	310,830	1,856,345	9,675,552	1,030,557
12	LESS: PURCHASED POWER REVENUE	FUL		0	0	0	0	0	0	0
13	BASE COST OF SERVICE REVENUE REQUIREMENT	BRR BRR		41,749,427	26,961,963	1,914,180	310,830	1,856,345	9,675,552	1,030,557
14	ATTRITION ADJUSTMENT	BRR		0	0	0	0	0	0	0
15	BASE COST OF SERVICE REV REQ AFTER ATTRITION ADJUSTMENT	ARR ARR		41,749,427	26,961,963	1,914,180	310,830	1,856,345	9,675,552	1,030,557
16	PLUS: PURCHASED POWER REVENUE	FUL		0	0	0	0	0	0	0
17	COST OF SERVICE REV REQ AFTER ATTRITION ADJUSTMENT			41,749,427	26,961,963	1,914,180	310,830	1,856,345	9,675,552	1,030,557
18	LESS: MISCELLANEOUS REVENUE			0	0	0	0	0	0	0
19	LESS: BULK TRANSMISSION REVENUE			0	0	0	0	0	0	0
20	LESS: PRIMARY TRANSMISSION REVENUE			0	0	0	0	0	0	0
21	LESS: SLS FOR RESALE			0	0	0	0	0	0	0
22	NET ELECTRIC REVENUE REQUIREMENT			41,749,427	26,961,963	1,914,180	310,830	1,856,345	9,675,552	1,030,557

Exhibit B  
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