FARMERS RURAL ELECTRIC COOPERATIVE

P.O. Box 1298 • 504 South Broadway • Glasgow, KY 42142-1298 Tel. (270) 651-2191 • (800) 253-2191 • Fax: (270) 651-7332 MAR 2 1 2007 PUBLIC SERVICE COMMISSION

RECEIV

March 21, 2007

HAND DELIVERED

Ms. Elizabeth O'Donnell Executive Director Public Service Commission 211 Sower Boulevard Frankfort, KY 40602

Re: PSC Case No. 2006-00478

Dear Ms. O'Donnell:

Please find enclosed for filing with the Public Service Commission in the abovereferenced case an original and five (5) copies of the Responses of Farmers Rural Electric Cooperative Corporation, to the Commission Staff's First Data Requests dated March 12, 2007.

Very truly yours en/

Woodford L. Gardner, Jr. Counsel for Farmers Rural Electric Cooperative Corporation

Enclosures

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION TO PASS-THROUGH AN INCREASE OF ITS WHOLESALE POWER SUPPLIER PURSUANT TO KRS 278.455(2)

CASE NO. 2006-00478

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RESPONSES TO COMMISSION STAFF'S FIRST DATA REQUEST TO FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION DATED MARCH 12, 2007

FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION

PSC CASE NO. 2006-00478

COMMISSION STAFF'S FIRST DATA REQUEST DATED 3/12/07

Farmers Rural Electric Cooperative Corporation ("Farmers") hereby submits responses to the Commission Staff's First Data Request dated March 12, 2007. Each response with its associated supportive reference materials is individually tabbed.

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PSC Request 1 Page 1 of 2

FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION PSC CASE NO. 2006-00478 FIRST DATA REQUEST RESPONSE

COMMISSION STAFF'S FIRST DATA REQUEST DATED 3/12/07REQUEST 1RESPONSIBLE PERSON:William A. BostaCOMPANY:Farmers Rural Electric Cooperative Corporation

Request 1. Refer to the Application, Exhibits II and III.

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<u>Request 1a.</u> Provide all workpapers, calculations, assumptions, and other documentation used to determine the proposed rates and the billing analysis.

Response 1a. Attached is information from EKPC's Exhibit I, Pages 3-5, which shows the present and proposed rates and revenues by wholesale customer class for service to Farmers.

As indicated in Mr. Bosta's testimony, the demand charges for retail industrial rates mirror EKPC's proposed rates for Schedules B and C, as applicable.

The increase applicable to all other classes was based on taking the total increase to the member system, subtracting the retail industrial class increase and then dividing that amount by the kWh for all other classes. This resulted in a per unit (cents/kWh) energy cost increase that was applied to all other classes. The only exceptions are Electric Thermal Storage (ETS) Rate Schedules RM and CM, which were designed based on a charge of 60 percent of the energy rate of the related rate class.

PSC Request 1 Page 2 of 2

See the response to Request 1b for the calculations to determine the proposed rates.

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<u>Request 1b.</u> Provide in electronic format the Excel spreadsheets used to determine the proposed rates and billing analysis, with all formulas intact.

Response 1b. Based on discussion with the Commission Staff on March 19, 2007, attached are two (2) copies of the requested information on CD-ROM.

Request 1a Attachment Page 1 of 3

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EXHIBIT I Page 3 of 7

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Request 1a Attachment Page 2 of 3

> EXHIBIT I Page 4 of 7



Request 1a Attachment Page 3 of 3

EXHIBIT I Page 5 of 7

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Efficiency Heat Rate Mbtu Mbtu

Request 1b

Attachment

Page1 of 5

% Increase 5.19% 5.00% 5.03% 5.11% 5.11% 5.41% 5.36% 9,993 1,938 23,715 08,639 1,771 28,023 8,463 5,632 1,670 ~~ \$ Increase Proposed Total \$ Farmers Rural Electric Cooperative Corporation Billing Analysis for the 12 months ended September 30, 2006 Existing Total \$

1,208,463 5,632 111,670 11 119,993 211,938 23,715 23,715 28,023 28,023	1,919,854
24,496,744 118,209 2,330,519 2,468,108 4,127,039 466,377 3,804,379 25,482 651,131	38,488,218
23,288,281 2,218,849 2,218,849 2,348,115 3,915,102 442,662 3,595,740 23,710 623,108	36,568,364
Schedule R - Residential Service Schedule RM - Residential Off-Peak Marketing Schedule C Section 1 - Commercial & Industrial Service Less than 50 kW Schedule C Section 1 - Commercial & Industrial Service 50 kW or Above Schedule C Section 2 - Commercial & Industrial Service 50 kW or Above Schedule C Section 2a - Commercial & Industrial Service 50 kW or Above Schedule C Section 2a - Commercial & Industrial Service 50 kW or Above Schedule D - Large Commercial & Industrial Service 50 kW or Above Schedule D - Large Industrial Service 50 kW or Schedule Schedule Schedule Schedule Schedule Schedule Schedule Schedule Schedule C - Large Industrial Service Schedule O - Large Industrial Service	

7.47% 4.50%

5.80%

5.25%

443,600

5.23%

8,482,066

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Farmers Rural Electric Cooperative Billing Analysis for the 12 months ended September 30, 2006

					Schedule R Residential Service					
	C Desed MMb	Eviction			Proposed			\$ Increase 9	6 Increase	Dmd \$ Energy \$
	E-Based KWII	EXISTING			Rillon		Annualized			
		Billing Determinants	Rate	Revenues	Determinants	Rate	Revenues			
Total Annual Invoices - Incl Mir Customer Charge / Energy Cha	a Bills 284,292	257,884 31,855	\$6,96	\$221,711	257,884 31,855	· \$7.17	\$228,319	6,608	2.98%	6,608
Energy charge per kWh First 50 kWh all over 50 kWh	11,301,450 284,796,270	11,301,450 284,796,270	\$0.13929 \$0.06120	1,574,179 17,429,532	11,301,450 284,796,270	\$0.14335 \$0.06526	1,620,051 18,585,514	45,872 1,165,982	2.91% 6.63%	45,872 1,155,982
Total from base rates				19,225,421			20,433,884	1,208,463	6.29%	
Fuel adjustment Environmental surcharge				2,455,296 1,607,564			2,455,296 1,607,564	•	0.00% 0.00%	
Total revenues				\$23,288,281			\$24,496,744	\$1,208,463	5.19%	
Average Bill				\$90.31			594.99	\$4,69	5.19%	
				Rei	Schedule RM sidential Off-Peak Ma	rketing				
	E Bacad WMb	Existion			Proposed			\$ Increase	% increase	Drnd \$ Energy \$
	E-Dasdo Kitte	CARGING	- Auront T	Annuplized	Billion		Annualized			
		Billing Determinants	Rate	Revenues	Determinants	Rate	Revenues			
Customer Bills		2,013		\$0	2,013	\$0.00	50			6.622
Energy charge per kWh	2,312,637	2,312,637	\$0.03672	84,920	2,312,637	\$0.03916	90,552	5,632	6.63%	5,632
Total from base rates			•	84,920			90,552	5,632	6.63%	
Fuel adjustment				20,756 6,901			20,756 6,901	0	0.00% 0.00%	
Environmental serena ge				\$112,577			\$118,209	5,632	5,00%	
Total revenues				¢55 02			\$58.72	\$2.80	5.00%	
Average Bill				444.99						
				Comme	Schedule C Sectio ercial & Industrial Les	n 1 s than 50 kW				
	E-Based KW	Existing			Proposed			\$ Increase	% Increase	Omd \$ Energy S
		Billing Determinants	Current Rate	Annualized Revenues	Billing Determinants	Rate	Annualized Revenues			
Total Customer Bills - Incl Mi Customer Charge / Energy C	in Bill 37,57	18,212	\$6.96	\$25,425	18,21 3,65	\$7.17	\$26,183	758		758
Demand Charge				*		\$0.00	\$0.00	•		•
Energy Charge First 50 kWh kW	727,95 26,597,08	0 727,950 4 26,597,084	\$0.13929 \$0.06437	101,396 1,712,054	727,95 26,597,08	0 \$0,14335 ≰ \$0,06843	104,351 1,820,011	2,955 107,957	2.91% 6.31%	2,955 107,957
Tetel Depoined Charges				\$1,838,875	•		\$1,950,545	111,670	6.07%	
Fuel adjustment				222,890			222,890		0.00% 0.00%	
Environmental surcharge					-		\$2.330.519	111,670	5.03%	
Total revenues				32,210,049	5		6 477 C	£ 43	5 03%	•
Average Bill				\$ 121.83			ə 121.91	0.13	0.0076	

Farmers Rural Electric Cooperative Billing Analysis for the 12 months ended September 30, 2006



62.144.47

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Average Bill

\$ 3,364.09 5.41% 65,508,56

s

Farmers Rural Electric Cooperative Billing Analysis for the 12 months ended September 30, 2006



1,919,854 0

for the 12 months ended September 30, 2006

Schedule OL - Outdoor Lighting Service

\$ Increase | % Increase

	4,43% 5,50% 5,50% 5,49% 2,49% 3,26% 5,04% 5,04%	4.50%
	24,446:39 59,85 408.04 1,329.52 50.52 50.89 64.55 64.55 1,496.12 1,496.12	\$28,023
Der kWh	0.07672 0.28015 0.28015 0.07672 0.05206 0.16716 0.16567 0.12867 0.12867 0.12285 0.0426 0.08473 0.07835	
posed Annualized	Rate I Kevenues 1 6.63 576,084 7.52 77,699 11.39 23,882 7.02 20,882 7.02 2,092 8.11 2,043 8.11 2,043 10.95 3,755 13.98 31,177 30,17	651,131
Billing	Determinants 86,872 640 1,024 14 2,096 14 298 298 252 343 2,230 2,230	63,769
Per kWh	0.09175 0.27609 0.07265 0.07265 0.07265 0.07897 0.16310 0.16310 0.16310 0.16310 0.16310 0.16310 0.16310 0.17450 0.07429	
Annualized	Revenues 551,637 4,064 7,291 22,553 22,553 2,553 2,553 2,054 1,978 3,608 3,608 29,651	623,108
Gurrent	Rate 6.35 6.35 6.35 6.35 6.35 6.35 6.35 6.35	
Existin	KWh 6,012,253 14,720 100,352 5,292 12,516 12,516 12,516 36,715 367,950 367,950 0	6 891.950
	Determinants 70 Bei,872 23 Bei,872 98 1,024 156 2,096 14 42 2,096 14 42 2,096 14 42 2,096 14 42 2,096 14 16 378 1,024 16 378 3,43 343 343 343 343 343 343 343 343 343	03 760
	redule OL - Outdoor Lighting Service rcury Vapor 175 Watt rcury Vapor 175 Watt (shared) rcury Vapor 175 Watt (shared) ercury Vapor 100 Watt dium Vapor 100 Watt dium Vapor 150 Watt dium Vapor 250 Watt dium Vapor 400 Watt	odium Vapor 1000 voor

4.43%		0.00.7 r 000/	0.90%	8.41% 0.100	2.4270	3.20%	4.00%	5.04%	5.41%	
0.28	80'D	0.40	0.63	1.54	0.17	0.26	0.43	0.67	1.57	
6.63	6.44	7 52	11.39	19.68	7 02	811	10.95	13.98	2012	
	-									
	6.35	6.35	7.12	10.76	18.14	6.85	7.85	10.52	13.31	28.60
	\$	÷	Ψ3	\$	\$		\$	\$	60	ፍ ን

4.50%

0.30

6.94

6.65

6.891,950

93,769

Request 1b Attachment Page 5 of 5

*******	Mercury Vapor 175 Watt Mercury Vapor 175 Watt (shared) Mercury Vapor 250 Watt Mercury Vapor 400 Watt Mercury Vapor 100 Watt Sodium Vapor 150 Watt Sodium Vapor 400 Watt Sodium Vapor 400 Watt Sodium Vapor 1000 Watt
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Total Base Rates

Average Bill * Includes Adjustment

Mercury Vapor 175 Watt Mercury Vapor 175 Watt (shared)	Mercury Vapor 250 Watt	Mercury Vapor 400 Watt	Mercury Vapor 1000 Watt	Sodium Vapor 100 Watt	Sodium Vapor 150 Watt	Sodium Vapor 250 Watt	Sodium Vapor 400 Watt	Sodium Vapor 1000 Watt
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PSC Request 2 Page 1 of 4

FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION PSC CASE NO. 2006-00478 FIRST DATA REQUEST RESPONSE

COMMISSION STAFF'S FIRST DATA REQUEST DATED 3/12/07REQUEST 2RESPONSIBLE PERSON:William A. BostaCOMPANY:Farmers Rural Electric Cooperative Corporation

Request 2. KRS 278.455(2) provides that a distribution cooperative may change its rates to reflect a change in the rate of its wholesale supplier if the effects of an increase or decrease are allocated to each class and within each tariff on a proportional basis that will result in no change in the rate design currently in effect. 807 KAR 5:007, Section 2(2), provides that the distribution cooperative shall file an analysis demonstrating that the rate change does not change the rate design currently in effect and the revenue change has been allocated to each class and within each tariff on a proportional basis. In the cover letter to its Application, Farmers states:

In each instance, the retail rates for a particular class have been developed in a manner that is consistent with the method proposed by EKPC. The proposed rate design structure at retail does not change the rate design currently in effect and is consistent with the rate design methodology used at wholesale.

Request 2a. For each retail Rate Schedule listed in Exhibit II of the Application, identify the corresponding wholesale Rate Schedule of East Kentucky Power Cooperative, Inc.

Response 2a. Please see the attached information.

PSC Request 2 Page 2 of 4

Request 2b. Would Farmers agree that KRS 278.455(2) and 807 KAR5:007, Section 2(2), require that increases or decreases in rates from the wholesale supplier must be allocated to each retail class and within each retail tariff on a proportional basis? Explain the response.

Yes. EKPC and each Member System understands these requirements and have developed proposed rates that meet the intent of KRS 278.455(2) and 807 KAR5:007. As explained in Mr. Bosta's testimony, EKPC began the rate design process at wholesale by allocating the proposed rate increase to each rate class on a proportional basis. The proportional increase to each rate class was then applied to the most appropriate rate mechanism for each rate class.

The proposed increase at retail is strictly a pass-through of EKPC's increased wholesale costs and each Member System must recover the dollar increase from new wholesale rates. As a result, EKPC and each Member System recognized that it was important to implement retail rates that mirror the change at wholesale, while meeting the proportionality and rate design requirements.

EKPC and its Member Systems understand that a "pure" proportional increase at retail, as discussed in Item 3 herein, would result in increases at retail to customer, demand and energy charges. However, EKPC and its Member Systems came to the conclusion that, for example, an increase in the customer charge at retail made no sense because the wholesale increase had no relationship to customer cost. EKPC has not proposed an increase in its substation charges or metering point charges in this proceeding. Consequently, EKPC and its Member Systems could not justify increasing the retail customer charge when the wholesale increase has no relationship to that cost.

Therefore, EKPC believes that its proposed wholesale increase using a proportional basis, coupled with the use of the wholesale rate design methodology at retail, is a reasonable approach to meeting the intent of the requirements.

Request 2c.Would Farmer's agree that KRS 278.455(2) and 807 KAR 5:007,Section 2(2), require that the retail rate change does not change the retail rate designcurrently in effect? Explain the response.

Response 2c. Yes. EKPC and its Member Systems understand the requirements set forth in KRS 278.455(2) and 807 KAR 5:007 and believe that the proposed rates do not alter the existing rate design structure at retail.

As indicated in the response to Item 2b, the rate design used for the pass-through increase at retail was intended to meet these requirements, while also maintaining the existing wholesale/retail rate design relationship and recognizing cost causation principles.

Industrial customers at retail, for example, will pay the same demand charge as the Member System pays to EKPC. This maintains the rate design relationship from wholesale to retail that has existed for a number of years. Likewise, the proposed increase in the "E" wholesale rate, which is only applied to the energy charge, is being passed through only to the energy charge at retail. This process allows the rate design relationship from wholesale to retail to remain in place.

Fundamentally, for every retail rate class, there has been no change in the rate design structure. The demand, energy, and customer components for industrial rates remains intact and the residential and commercial rate design structure remains as is through a continuation of the customer and energy charge structure. This adherence to the rate

PSC Request 2 Page 4 of 4

design structure, coupled with a retention of the wholesale to retail rate design relationship, is a reasonable approach and meets the legal requirements.

Request 2a Attachment Page 1 of 1

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The present and proposed rates structures of Farmers Rural Electric Cooperative Corporation are listed below:

Rate Class	EKPC Sch	Present	Proposed
Schedule R – Residential Service	E-2		
First 50 kWh		\$0.13929	\$0.14335
All Remaining kWh		\$0.06120	\$0.06526
Schedule C – Commercial & Industrial	E-2		
Service			
For Consumers With Less Than 50 kW:			
Demand Charge per kW		N/A	N/A
First 50 kWh		\$0.13929	\$0.14335
All Remaining kWh		\$0.06437	\$0.06843
For Consumers With 50 kW or More			
Demand Charge per kW		\$4.93	\$4.93
Energy Charge per kWh		\$0.04902	\$0.05309
Schedule OL – Outdoor Lighting Service	E-2		
Mercury Vapor 175 Watts		\$6.35	\$6.63
Mercury Vapor 250 Watts		\$7.12	\$7.52
Mercury Vapor 400 Watts		\$10.76	\$11.39
Mercury Vapor 1000 Watts		\$18.14	\$19.68
Sodium Vapor 100 Watts		\$6.85	\$7.02
Sodium Vapor 150 Watts		\$7.85	\$8.11
Sodium Vapor 250 Watts		\$10.52	\$10.95
Sodium Vapor 400 Watts		\$13.31	\$13.98
Sodium Vapor 1000 Watts		\$28.60	\$30.17
Schedule SL – Street Lighting Service	E-2		
Energy Charge per Rated kWh		\$0.03859	\$0.04266
Schedule D – Large Commercial/	E-2		
Industrial Optional Time-of-Day Rate			
Demand / kW		\$4.93	\$4.93
Energy Charge / kWh		\$0.04902	\$0.05309
Schedule E – Large Industrial Rate	С		
Consumer Charge / Month		\$535.00	\$535.00
Demand Charge / kW		\$5.39	\$7.29
Energy Charge / kWh		\$0.03517	\$0.03517
Schedule RM – Residential Off-Peak	E-2		
Marketing			
Energy Charge / kWh		\$0.03672	\$0.03916
Schedule CM – Small Commercial Off-	E-2		
Peak Marketing			
Energy Charge / kWh		\$0.03862	\$0.04106



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PSC Request 3 Page 1 of 2

FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION PSC CASE NO. 2006-00478 FIRST DATA REQUEST RESPONSE

COMMISSION STAFF'S FIRST DATA REQUEST DATED 3/12/07REQUEST 3RESPONSIBLE PERSON:William A. BostaCOMPANY:Farmers Rural Electric Cooperative Corporation

<u>Request 3.</u> Refer to Exhibit III of the Application.

Request 3a. Prepare the following comparative analyses of Farmers's present and proposed revenues:

(1) Calculate the percentage that each rate schedule or class represents of the total revenues for both the present revenues and proposed revenues. Percentages should be expressed to 2 decimal places.

(2) Calculate the percentage that each component of the base rates within each rate schedule or class represents of the total base rate revenues for both the present revenues and proposed revenues. Do not include fuel adjustment revenues, environmental surcharge revenues, or green power revenues. Percentages should be expressed to 2 decimal places.

Response 3a. (1) Please see the attached information.

(2) Please see the attached information.

Request 3b. Based upon the results of the analyses prepared in part (a) above, explain in detail how Farmers's proposed pass-through rates are in compliance with the retail rate requirements of KRS 278.455(2) and 807 KAR 5:007, Section 2(2).

PSC Request 3 Page 2 of 2

Maintaining the existing revenue proportion as shown in part (a) above assumes that the proportionality requirement would follow strict adherence to the existing proportion of revenues at retail, by rate mechanism component (i.e. customer, energy and demand). EKPC and the Member Systems believe that the proportionality requirement is not so narrow and that the pass-through at retail has followed the proposed wholesale rate design process in a proportional manner. At retail, for example, there is no increase in the customer charge because EKPC did not increase the metering point charge or substation charge at wholesale. Moreover, the "B" and "C" type retail industrial classes will have the same demand rate as the proposed demand rate for industrial customers at wholesale. It follows the matching concept upon which these rates were originally created.

See also the response to Item 2(b) and 2(c) herein. KRS 278.455(2) explicitly recognizes "proportional" allocation without recognizing a specific method, whether KWh, revenue, or other means of proportionality. EKPC has chosen the proportional method of applying wholesale to retail, with the intended matching concept of costs vs. revenue. The retail rates reflect this top-down approach to proportionality. Please see the attached analysis which illustrates this approach.

Farmers Rural Electric Cooperative Corporation Billing Analysis for the 12 months ended September 30, 2006

Schedule RA - Residential Service Schedule RM - Residential Off-Peak Marketing Schedule RM - Residential Off-Peak Marketing Schedule CM - Small Commercial & Industrial Service Less than 50 kW Schedule CM - Small Commercial & Industrial Service 50 kW or Above Schedule C Section 2 - Commercial & Industrial Service 50 kW or Above Schedule C Section 2a - Commercial & Industrial Service 50 kW or Above Schedule C Section 2a - Commercial & Industrial Service 50 kW or Above Schedule D - Large Commercial R Industrial Service Optional Time-of-Day Rate Schedule D - Large Large Industrial Rate Schedule Schedule Schedule Schedule Schedule C - Outdoor Lighting Service Schedule OL - Outdoor Lighting Service

															5	I
	70 111015035		%^^^c	5.03%	4.86%	5.11%	5 41%		5.30%	5.80%	7024 2	0/14.1	4.50%		E 060/	0/.C7.C
	\$ Increase	1,200,400	5,632	111.670	Ţ	110 003	044 038	711300	23,715	208 639		1774	28 023	240.04		1,919,854
% to	Total	63.65%	0.31%	R 06%	2,00.0 M000	0,00,0	0.41%	10.72%	1.21%	/000	8.00 /0	0.07%	1 200/	1.0970		100.00%
Proposed	Total \$	24,496,744	118 209	0 220 510	000 000	677	2,468,108	4,127,039	466.377		3,804,379	25.482		651,131		38,488,218
% to	Total	63.68%	0 0 10/	0.1.0	6.07%	0.00%	6.42%	10 71%	10401	0/17.1	9.83%	70000	0.00.0	1.70%		100.00%
- Evictino	Total \$	22 288 281		112,5/1	2,218,849	218	2.348,115	2 01E 102	3,313,104	442,662	3 595 740		23,710	623,108		36,568,364

Attachment

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Request 3a 1

Request 3a 2 Altachment Page 1 of 4 i....

Farmers Rurat Electric Cooperative Billing Analysis for the 12 months ended September 30, 2006

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Schedule R Residential Service

ſ	Existing]	Proposed		·······		\$ Increase	% Increase
	Billing Determinants	Current Rate	Annualized Revenues	% Total Rale Class	Billing Determinants	Proposed Rate	Annualized Revenues	% Tolal Rate Class		
Total Annual Invoices - Incl Min I Customer Charge / Energy Char	257,884 31,855	\$6.96	\$221,711	1.15%	257,884 31,855	\$7.17	\$228,319	1.12%	6,808	2.98%
Energy charge per kWh First 50 kWh all over 50 kWh	11,301,450 284,796,270	\$0.13929 \$0.06120	1,574,179 17,429,532	8.19% 90.66%	11,301,450 284,796,270	\$0.14335 \$0.06526	1,620,051 18,585,514	7.93% 90.95%	45,872 1,155,982	2.91% 6.63%
Total from base rates			19,225,421	100.00%			20,433,684	100.00%	1,208,463	6.29%
Fuel adjustment Environmental surcharge		-	2,455,296 1,607,564				2,455,296 1,607,564			0.00% 0.00%
Total revenues		a	\$23,288,281				\$24,496,744	r	\$1,208,463	5.19%
Average Bill			\$90.31				\$94.99		\$4.69	5.19%
				R	Schedule RM esidential Off-Peak Ma	rketing				
	Existing	·			Proposed				\$ Increase	% increase
	Billing	Current	Annualized	% Totai	Billing	Proposed	Annualized	% Total		
1	Determinants	Kate	Kevenues	Rale Class	Determinants		Revenues	Rate Glass		· .
Customer Bills	2,013		\$0	0.00%	2,013	\$0.00	\$0	0.00%		
Energy charge per kWh	2,312,637	\$0.03672	84,920	100.00%	2,312,637	\$0.03916	90,552	100.00%	5,632	6,63%
Total from base rates		·	84,920	100.00%			90,562	100.00%	5,632	6.63%
Fuel adjustment			20,756 6,901				20,756 6,901		0	0.00% 0.00%
rotal revenues			\$112,577	\$			\$118,209		5,632	5.00%
Average Bill			\$55.93				\$58.72		\$2.80	5.00%
				Comm	Schedule C Sectior ercial & Industrial Less	a 1 Than 50 kW				
·	Existing				Proposed				\$ Increase	% Increase
	Billing Determinants	Current Rate	Annualized Revenues	% Total Rate Class	Billing Determinants	Proposed Rate	Annualized Revenues	% Total Rate Class		
Total Customer Bills - Incl Min B Customer Charge / Energy Cha	18,212 3,653	\$6,96	\$25,425	1.38%	18,212 3,653	\$7.17	\$26,183	1,34%	758	
Demand Charge			-		0	\$0.00	\$0.00		-	
Energy Charge First 50 kWh kW All over 50 kWh	727,950 26,597,084	\$0.13929 \$0.06437	101,396 1,712,054	5.51% 93.10%	727,950 26,597,084	\$0.14335 \$0.06843	104,351 1,820,011	5.35% 93.31%	2,955 107,957	2,91% 6.31%
Total Baseload Charges			\$1,838,875	100.00%			\$1,950,545	100,00%	111,670	6.07%
Fuel adjustment Environmental surcharge			222,890 157,084	_			222,890 157,084	-	- 	0.00% 0.00%
Total revenues			\$2,218,849	#			\$2,330,519	#	111.670	5.03%
Average Bill			\$ 121.83				\$ 127.97		6.13	5.03%

Request 3a 2 Attachment Page 2 of 4

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Farmers Rural Electric Cooperative Billing Analysis for the 12 months ended September 30, 2006

Schedule CM Small Commercial Off-Peak Marketing Rate 8

	Existing	······································			Proposed		·····		\$ increase	% Increase
	Billing Determinants	Current Rate	Annualized Revenues	% Total Rate Class	Billing Determinants	Proposed Rate	Annualized Revenues	% Totai Rate Class		
Number of Bills	5		\$0	0.00%	5		\$) 0.00%	m	
Energy Charge	4,352	\$0.03862	168	100.00%	4,362	\$0.04106	17	∋ 100.00%	11	6.31%
Total Baseload Charges			\$168	100.00%			\$17	100.00%	11	6.31%
Fuel adjustment Environmental surcharge			35 15_				3	5	- 	0.00% 0.00%
Total revenues			\$218	=			\$22	9	11	4.86%
Average Bill			\$ 43.63				\$ 45.7	5	2.12	4.86%

Schedule C Section 2 Commercial & Industrial Service 50 kW and Over Rate 5

	Existing]	Proposed	······]	\$ Increase	% Increase
	Billing Determinants	Current Rate	Annualized Revenues	% Total Rate Class	Billing Determinants	Proposed Rate	Annualized Revenues	% Total Rate Class		
Customer Charge	921									
Demand Charge	102,088	\$4,93	\$503,294	25.81%	102,088	\$4,93	\$503,294	24.31%	-	0.00%
Energy charge per kWh	29,510,594	\$0.04902	1,446,609	74.19%	29,510,594	\$0.05309	1,566,602	75.69%	119,993	8,29%
Total from base rates			1,949,903	100.00%			2,069,896	100.00%	119,993	6.15%
ruel adjustment Envíronmental surcharge			235,199 163,013				235,199 163,013	-		0.00% 0.00%
Total revenues			\$2,348,115				\$2,468,108	-	119,993	5.11%
Average Bill			\$ 2,549.53				\$ 2,679.81	-	\$ 130.29	5,11%

Schedule C Section 2a Commercial & Industrial Service 50 kW or Above Rate 9

	Existing				Proposed				<u>\$</u> 1	ncrease	% Increase
	Bilting Determinants	Current Rate	Annualized Revenues	% Total Rate Class	Billing Determinants	Proposed Rate	Annualized Revenues	% Total Rate Class			
Customer Charge	63		\$0		63					-	
Demand Charge	141,203	\$4.93	696,131	21.91%	141,203	\$4,93	696,131	20.54%		~	0.00%
Energy Charge	57,828,600	\$0.04902	2,834,758	89.21%	57,828,600	\$0.05309	3,069,895	90.56%		235,137	8.29%
10 % Discount			(353,089)	-11.11%			(376,288)	-11,10%		(23,199)	
Total Baseload Charges			\$3,177,800	100.00%			3,389,737	100,00%		211,938	6.67%
Fuel adjustment Environmental surcharge			473,750 263,552	-			473,750 263,552	-		0	0.00% 0.00%
Total Revenues			\$3,915,102	a .			4,127,039	±		211,938	5.41%
Average Bill			\$ 62,144,47				\$ 65,508.56		\$	3,364.09	5.41%

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Farmers Rural Electric Cooperative Billing Analysis for the 12 months ended September 30, 2006

Schedule D Large Commercial / Industrial Service Optional Time-of-Day Rate

1	Existing			· · · · · · · · · · · · · · · · · · ·	Proposed]	\$ Increase	% Increase
	Billing Determinants	Current Rate	Annualized Revenues	% Total Rate Class	Billing Determinants	Proposed Rate	Annualized Revenues	% Total Rate Class		
Outloan Oberra			60	0.00%	84	\$0		0.00%	_	
Demond Charge	+0 101 at	\$4.03	80.056	22.08%	16 /21	90 80 68	80 056	20.74%	_	0.00%
Demand Charge	10,421	4.93	00,800	22.00%	10,461	94.00	00,800	20,7470	-	0.0070
Per kWh	5,826,760	\$0.04902	285,628	77.92%	5,826,760	\$0.05309	309,343	79,26%	23,715	8.30%
Total Baseload Charges			\$366,583	100.00%		***	\$390,298	100.00%	\$23,715	6.47%
Fuel adjustment Environmental surcharge			45,770 30,309			· _	45,770 30,309		* 	0.00% <u>0.00</u> %
Total Revenues		•	\$442,662	:		=	466,377		23,715	5.36%
Average Bill			\$ 5,270				5,552		282.32	5,36%
					Schedule E Large Industrial Rate Rate 10					
	Existing			.]	Proposed]	\$ Increase	% Increase
	Billing Determinants	Current Rate	Annualized Revenues	% Total Rate Class	Billing Determinants	Proposed Rate	Annualized Revenues	% Total Rate Class		
Customer Charge	36	\$535.00	\$19,260	0.68%	36	\$535	19,260	0.63%	*	0.00%
Demand Charge	109,810	\$5,39	691,876	20.83%	109,810	\$7.29	800,515	26.24%	208,639	35,25%
Energy Charge Per kWh	63,417,600	\$0.03517	2,230,397	78.49%	63,417,600	\$0,03517	2,230,397	73.12%	×	0.00%
otal Baseload Charges			\$2,841,533	100.00%		~	\$3,050,172	100.00%	\$208,639	7.34%
Fuel adjustment Environmental surcharge			509,234 244,973				509,234 244,973		····	0.00% 0.00%
Total Revenues			\$3,595,740	:		=	3,804,379	:	208,639	5,80%
Average Bill			\$ 99,881.66				105,677		5,795.53	5.80%
					Schedule SL Sireet Lighling Service Rate 6					
	Existing				Proposed				\$ Increase	% Increase
	Billing Determinants	Current Rate	Annualized Revenues	% Total Rate Class	Billing Determinants	Proposed Rate	Annualized Revenues	% Total Rate Class		
Customer Charge	108				108		•		-	
Energy Charge Per kWh	435,669	\$0.03859	16,812	100.00%	435,669	\$0.04266	18,584	100.00%	1,771	10.54%
Total Baseload Charges			\$16,812	100.00%		-	\$18,584	100.00%	\$1,771	10.54%
Fuel adjustment Environmental surcharge			3,506 <u>3,392</u>	-		-	3,506 3,392	-		0.00% 0.00%
Total Revenues			\$23,710	=		-	25,482		1,771	7,47%
Average Bill			\$ 219.54				· 236		16.40	7.47%

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for the 12 months ended September 30, 2006

Schedule OL - Outdoor Lighting Service

											~ (~	000000
			Existin	6				roposed			\$ Increase %	110 6496
	Cuttoda OL Outdoord Jabling Senite	Billing		Current	Annualized	% to	Billing	A	nnualized	% to		
		Determinants	kWh	Rate	Revenues	Total	Determinants	Rate	(evenues	Total		1067 4
ō	Morenne Vanor 476 Watt	70 86.872	6,012,253	\$ 6.35	551,637	88.53%	86,872	6.63	576,084	88.41%	20,044,4%	14.4070
5 5	Metculy Vapor 175 Mott (charach)	23 640	14.720	\$ 6.35	4,064	0.65%	640	6.44	4,124	0.63%	58,83	1.47 %
ร่	Mercury Vapor 1/3 Man (Supres)	08 1 074	100.352	\$ 7.12	7,291	1.17%	1,024	7.52	7,699	1.18%	408.04	%N0.C
ಕ	Mercury vapor zou watt	156 2.096	326.976	\$ 10.76	22,553	3.62%	2,096	11.39	23,882	3.67%	1,329.52	5.90%
5;	Mercury Vapor 400 Mail	278 14	5 292	\$ 18.14	254	0.04%	14	19.68	275	0.04%	21.52	8.47%
б	Mercury Vapor 1000 Wat	50C CF	12 516	\$ 685	2.041	0.33%	298	7.02	2,092	0.32%	50.89	2.49%
ರ	Sodium Vapor 100 Watt	47 750 52	15,876	\$ 7.85	1.978	0.32%	. 252	8 11	2,043	0.31%	64.55	3.26%
Ч	Sodium Vapor 150 Watt		36.015	€ 1052	3,608	0.58%	343	10.95	3,755	0.58%	146.44	4.06%
Ч	Sodium Vapor 250 Watt	100 0000	36,013	4 12.01 4 12.31	29.681	4.76%	2,230	13.98	31.177	4.79%	1,496,12	5.04%
ы	Sodium Vapor 400 Watt	165 2,230		4 10.01 A 28.60		0.00%	0	30.17	,	0.00%		
ರ	Sodium Vapor 1000 Watt	-	>	2000 7								
	Total Bases Dates	93.769	6,891,950		623,108	100.00%	93,769		651,131	100.00%	\$28,023	4.50%
	1 Oldi Dase Males								¥0 3		0.30	4 50%
	Average Bill				6.65				# D.O		2	
* Include	s Adjustment					ı						
				40 0 0				6.63			0.28	4.43%
٥Ľ	Mercury Vapor 175 Watt			0.00 4 4 4				6.44			0.09	1.47%
ಕ	Mercury Vapor 175 Watt (shared)			0 0 0 0 0 0 0	_			7.52			0.40	5.60%
ರ	Mercury Vapor 250 Watt			40 10 10 10 10 10 10 10 10 10 10 10 10 10				11.39			0.63	5.90%
ರ	Mercury Vapor 400 Watt			4 4 4 4 4 4	_			19.68			1.54	8.47%
Ч	Mercury Vapor 1000 Watt			10 40 40 40 40 40 40 40 40 40 40 40 40 40				7.02			0.17	2.49%
Ы	Sodium Vapor 100 Watt			200	_			8.11			0.26	3.26%
ರ	Sodium Vapor 150 Watt			9 4 7 7 7 7 7 7 7 7 7 7 7 7 7 7				10,95			0.43	4.06%
5	Sodium Vapor 250 Watt			4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4				13.98			0.67	5.04%
ಕ	Sodium Vapor 400 Watt			\$ 28.60				30.17			1.57	5.47%
б	Sodium Vapor 1000 wau			i								

Request 3a 2 Attachment Page 4 of 4 . 1.1

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\$1.90 Change ı. ı S ¢. Proposed . \$7.29 amount remaining to be recovered at retail, divided by kWh. The non-industrial retail increase was based on the dollar ĩ. \mathcal{C} \$5.39 Existing 69 69 Retail Customer Charge R Residential Customer Charge R Residential Industrial Rate (\$/kW) \$1.90 Change 1 amount remaining to be recovered at wholesale, divided by kWh. The non-industrial wholesale increase was based on the dollar **69** 69 \$7.29 \$125/Mo. \$944/Mo. Proposed \$5.39 \$944/Mo. \$125/Mo. Existing Wholesale Substation at less than 3 MVA B&C Demand Charge (\$/kW) Metering Point Charge I Customer Charge II Demand Charge III Energy Charge

Analysis of Wholesale to Retail Proportionality

Request 3b Attachment Page 1 of 1



PSC Request 4 Page 1 of 1

FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION PSC CASE NO. 2006-00478 FIRST DATA REQUEST RESPONSE

COMMISSION STAFF'S FIRST DATA REQUEST DATED 3/12/07REQUEST 4RESPONSIBLE PERSON:William A. BostaCOMPANY:Farmers Rural Electric Cooperative Corporation

Request 4. Refer to Exhibit III of the Application. For each type of street light and/or outdoor light included in the billing analysis, provide the following information:

Request 4a. The assigned or estimated kWh usage per light for each light that is not separately metered.

<u>Request 4b.</u> The number of lights.

Response 4a-b.

	4(a)	4(b)
		Number of
Light		Lights
Description	<u>КWН</u>	Billed
Mercury Vapor 175 Watt	70	86,872
Mercury Vapor 175 Watt (shared)	23	640
Mercury Vapor 250 Watt	98	1,024
Mercury Vapor 400 Watt	156	2,096
Mercury Vapor 1000 Watt	378	14
Sodium Vapor 100 Watt	42	298
Sodium Vapor 150 Watt	63	252
Sodium Vapor 250 Watt	105	343
Sodium Vapor 400 Watt	165	2,230
Sodium Vapor 1000 Watt	385	-
Total		93,769