

## Official Notice

Owen Electric Cooperative, with its principal office at Owenton, Kentucky and with its address at 8205 Highway 127 North, Owenton, Kentucky 40359, has filed with the Kentucky Public Service Commission in Case No. 2008-00421 an application to adjust its retail rates and charges. The need for this adjustment is due to an increase in Owen Electric's wholesale power costs as filed by East Kentucky Power Cooperative in Case No. 2008-00409. This application increases retail rates by an amount equal to the increases in wholesale power costs. This requested increase is in addition to the increase requested in Case No. 2008-00154. The increase amounts and rates provided in this notice include the proposed amounts and rates for both rate applications.

The rates proposed in this application are the rates proposed by Owen Electric Cooperative. However, the Kentucky Public Service Commission may order rates to be charged that differ from these proposed rates contained in this notice. Such action may result in rates for consumers other than the rates in this application.

Any corporation, association, body politic or person may by motion within thirty (30) days after publication or mailing of notice of the proposed rate changes request leave to intervene; intervention may be granted beyond the thirty (30) period for good cause shown. The motion shall be submitted to the Public Service Commission, 211 Sower Boulevard, P.O. Box 615, Frankfort, Kentucky 40602, and shall set forth the grounds for the request including the status and interest of the party. Any person who has been granted intervention by the Commission may obtain copies of the rate application and any other filings made by the utility by contacting Rebecca Witt, Owen Electric Cooperative 8205 Highway 127 North, Owenton, KY 40359, Phone 502-484-3471.

Any person may examine the rate application and any other filings made by the utility at the main office of Owen Electric or at the Commission's Office.

Owen Electric Cooperative  
8205 Highway 127 North  
Owenton, KY 40359  
502-484-3471

Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort, KY 40602  
502-564-3940

<u>Rate Class</u>	<u>Increase</u>	
	<u>Dollar</u>	<u>Percent</u>
<b>Schedule I</b>		
Farm and Home	\$7,774,705	13.1%
<b>Schedule IA</b>		
Off Peak Retail Marketing Rate (ETS)	\$202	7.6%
<b>Schedule I</b>		
Small Commercial	\$486,323	13.2%
<b>Schedule II</b>		
Large Power	\$985,055	7.6%
<b>Schedule XI</b>		
Large Industrial Rate LPB1	\$316,956	8.3%
<b>Schedule XIII</b>		
Large Industrial Rate LPB2	\$417,939	8.4%
<b>Schedule XIV</b>		
Large Industrial Rate LPB	\$73,548	7.2%
<b>Schedule 2A</b>		
Large Power - Time of Day	\$21,492	7.3%
<b>Schedule III</b>		
Security Lights	\$303,968	41.8%
<b>Schedule OLS</b>		
Outdoor Lighting Service	\$23,663	10.0%
<b>Schedule II - SOLS</b>		
Special Outdoor Lighting Service	\$14,394	34.2%
<b>Industrial Customer</b>		
Special Contract	\$3,793,346	9.7%

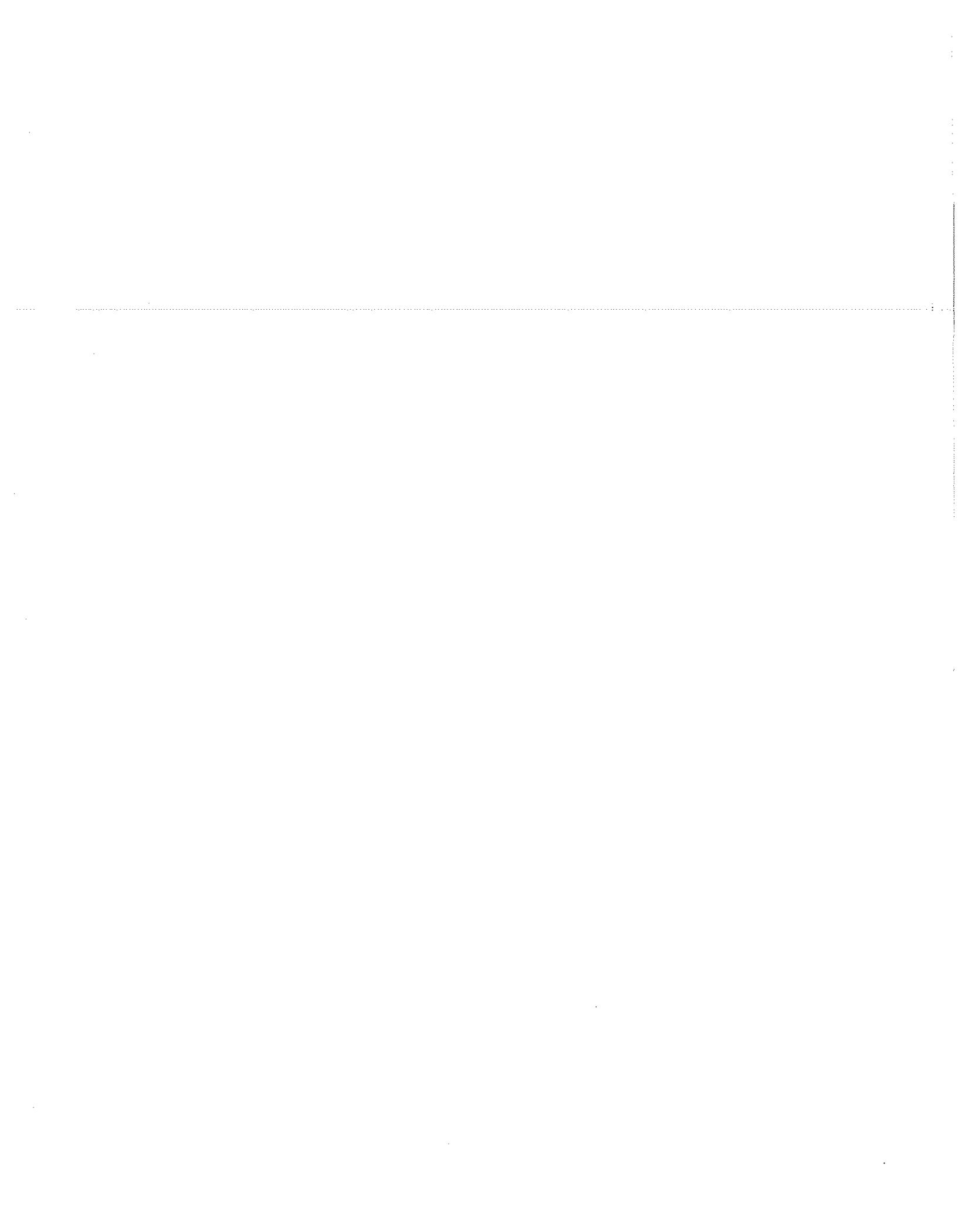
The effect of the proposed rates on the average monthly bill by rate class are listed below:

<u>Rate Class</u>	<u>Increase</u>	
	<u>Dollar</u>	<u>Percent</u>
<b>Schedule I</b>		
Farm and Home	\$ 12.21	13.1%
<b>Schedule I</b>		
Small Commercial	\$ 17.18	13.2%
<b>Schedule II</b>		
Large Power	341.56	7.6%
<b>Schedule XI</b>		
Large Industrial Rate LPB1	3,234.24	8.3%
<b>Schedule XIII</b>		
Large Industrial Rate LPB2	17,414.12	8.4%
<b>Schedule XIV</b>		
Large Industrial Rate LPB	1,246.58	7.2%
<b>Schedule 2A</b>		
Large Power - Time of Day	217.09	7.3%

The present and proposed rate structure of Owen Electric Cooperative are listed below:

<u>Rate Class</u>	<u>Rates</u>	
	<u>Present</u>	<u>Proposed</u>
<b>Schedule 1 and 1-A</b>		
Customer charge	\$5.64	\$11.20
Energy charge	\$0.07533	\$0.08107
Energy charge per ETS	\$0.04520	\$0.04864
<b>Schedule I - Small Commercial</b>		
Customer charge	\$5.64	\$13.48
Energy charge	\$0.08	\$0.08099
<b>Schedule II - Large Power</b>		
Customer charge	\$20.50	\$20.50
Demand charge	\$5.25	\$5.90
Energy charge	\$0.05528	\$0.05853
<b>Schedule XI - Large Industrial Rate LPB1</b>		
Customer charge	\$1,464.04	\$1,464.04
Demand charge		
Contract demand	\$5.53	\$6.86
Excess demand	\$8.02	\$9.54
Energy charge, first 425 hours per KW	\$0.04226	\$0.04409
Energy charge, excess of 425 hrs per KW	\$0.03834	\$0.04017
<b>Schedule XII - Large Industrial Rate LPB1-A</b>		
Customer charge	\$1,464.04	\$1,464.04
Demand charge		
Contract demand	\$5.53	\$6.86
Excess demand	\$8.02	\$9.54
Energy charge, first 425 hours per KW	\$0.04021	\$0.04175
Energy charge, excess of 425 hrs per KW	\$0.03731	\$0.03910
<b>Schedule XIII - Large Industrial Rate LPB2</b>		
Customer charge	\$2,927.05	\$2,927.05
Demand charge		
Contract demand	\$5.53	\$6.86
Excess demand	\$8.02	\$9.54
Energy charge, first 425 hours per KW	\$0.03714	\$0.03887
Energy charge, excess of 425 hrs per KW	\$0.03577	\$0.03750
<b>Schedule XIV - Large Industrial Rate LPB</b>		
Customer charge	\$1,464.04	\$1,464.04
Demand charge		
Contract demand	\$5.53	\$6.86
Excess demand	\$8.02	\$9.54
Energy charge	\$0.04431	\$0.04563
<b>Schedule 2A - Large Power - Time of Day</b>		
Customer charge	\$59.00	\$59.00
Energy charge		
On-Peak	\$0.08646	\$0.09661
Off-Peak	\$0.05354	\$0.05354

<u>Rate Class</u>	<u>Rates</u>	
	<u>Present</u>	<u>Proposed</u>
<b>Schedule III - Security Lights</b>		
Existing pole, 120V available	\$5.51	\$7.94
One pole added	\$7.19	\$9.62
Two poles added	\$8.87	\$11.30
Three poles added	\$10.55	\$12.98
Four poles added	\$12.23	\$14.66
Transformer required	\$0.50	\$0.65
<b>Schedule I OLS - Outdoor Lighting Service</b>		
100 Watt, High pressure sodium	\$8.85	\$9.72
Cobrahead Lighting		
100 Watt HPS	\$11.54	\$12.55
250 Watt HPS	\$15.56	\$17.22
400 Watt HPS	\$19.18	\$21.71
Directional Lighting		
100 Watt HPS	\$10.80	\$11.77
250 Watt HPS	\$13.14	\$14.66
400 Watt HPS	\$16.52	\$18.91
<b>Schedule II SOLS - Special Outdoor Lighting Service</b>		
Traditional, w/ fiberglass pole	\$9.33	\$12.55
Holophane, w/ fiberglass pole	\$11.11	\$14.86
<b>Special Contract - Industrial Customer</b>		
Energy Charge:		
On-peak	\$0.033780	\$ 0.03726
Off peak	\$0.030780	\$ 0.03395
Demand - kW		
Firm kW demand	\$6.06	\$ 6.68
10 Min Interruptible kW	\$2.46	\$ 2.71
90 Min Interruptible	\$3.36	\$ 3.71



NORMALIZATION OF PURCHASED POWER

	Billing Demand				Total KWH Billing				Green Power	Metering Point	Substation Charge	
	Schedule B	Excess Contract	Schedule E	Interruptible	Schedule B	Schedule E		Total Kwh			2855	4605
						On-Peak	Off-Peak					
January	23,857	823	201,220	7,557	14,820,163	41,790,599	48,460,943	105,071,705	219,900	23	15	8
February	23,870	1,050	196,572	7,570	15,708,683	43,992,862	52,130,407	111,831,952	219,900	23	15	8
March	23,539	499	227,117	7,239	14,584,439	46,229,183	57,512,512	118,326,134	231,900	23	15	8
April	24,106	665	164,414	7,806	15,922,818	35,855,354	42,574,909	94,353,081	218,800	23	15	8
May	23,805	0	142,802	7,505	15,483,778	33,133,372	39,162,211	87,779,361	218,800	23	15	8
June	16,334	1,305	181,988	34	15,809,975	45,513,507	30,994,724	92,318,206	220,400	23	16	8
July	23,440	1,576	197,978	6,740	15,958,349	53,228,371	34,222,096	103,408,816	220,400	24	16	8
August	23,805	925	208,115	7,105	15,177,921	56,563,015	35,769,867	107,510,803	220,400	24	16	8
September	24,492	981	231,211	7,792	17,191,499	69,183,114	43,598,340	129,972,953	221,700	24	16	8
October	23,104	2,433	212,788	7,204	15,866,470	52,244,561	33,298,552	101,409,583	221,700	24	16	8
November	17,300	1,829	188,783	0	17,457,344	33,542,825	38,886,419	89,886,588	227,800	24	16	8
December	22,007	670	165,416	4,707	16,223,117	35,913,833	41,496,861	93,633,811	224,900	25	17	8
Total	269,659	12,756	2,318,404	71,259	190,204,556	547,190,596	498,107,841	1,235,502,993	2,666,600	283	187	96

NORMALIZATION OF PURCHASED POWER

		1-Apr-07	1-Aug-07	Flow Thru Rates	
Billing Rates					
KW-Sch B Contract	\$5.39	\$6.22	\$6.22	\$6.86	10.29%
Excess Contract	\$7.82	\$8.65	\$8.65	\$9.54	10.29%
KW-Sch E	\$6.92	\$6.92	\$6.92	\$7.63	10.26%
KWH-Sch B	\$0.027325	\$0.027325	\$0.033455	0.036901	10.30%
KWH-Sch E On-Peak	\$0.027620	\$0.029276	\$0.035406	0.039053	10.30%
KWH-Sch E Off-Peak	\$0.027118	\$0.028774	\$0.034904	0.038499	10.30%
KVA 7500-14999	\$2,855	\$2,855	\$2,855	3,149	10.30%
KVA 15000-99999	\$4,605	\$4,605	\$4,605	5,079	10.29%
Metering Point	\$125	\$125	\$125	138	
Green Power	\$0.023750	\$0.023750	\$0.023750	\$0.023750	
Interruptible 10 Min - 400 Hors	\$	3.60	\$	3.60	\$
					3.97

	Sch B	Billing Demand			Total Demand	Schedule B All KWH	Total KWH Billing		Buy Through Chg / (Cr)	Energy Charges	Green Power	Metering Point
		Excess Contract	Schedule E	Schedule E Interruptible			Schedule E On-Peak	Schedule E Off-Peak				
January	128,589	6,436	1,392,442	(27,205)	1,500,262	404,961	1,154,256	1,314,164	33,708	2,904,822	5,223	2,875
February	128,659	8,211	1,360,278	(27,252)	1,469,897	429,240	1,215,083	1,413,672	18,977	3,076,709	5,223	2,875
March	126,875	3,902	1,571,650	(26,060)	1,676,367	398,520	1,276,850	1,559,624	52,063	3,287,063	5,508	2,875
April	129,931	5,200	1,137,745	(28,102)	1,244,775	435,091	990,325	1,154,546	0	2,579,741	5,197	2,875
May	148,067	0	988,190	(27,018)	1,109,239	423,094	970,013	1,126,853	6,071	2,522,845	5,197	2,875
June	101,597	11,288	1,259,357	(122)	1,372,120	432,008	1,332,453	891,842	16,876	2,671,530	5,235	2,875
July	145,797	13,632	1,370,008	(24,264)	1,505,173	436,062	1,558,314	984,707	35,453	3,014,577	5,235	3,000
August	148,067	8,001	1,440,156	(25,578)	1,570,646	414,737	1,655,939	1,029,242	9,245	3,109,701	5,235	3,000
September	152,340	8,486	1,599,980	(28,051)	1,732,755	575,142	2,449,497	1,521,756	39,735	4,586,128	5,265	3,000
October	143,707	21,045	1,472,493	(25,934)	1,611,311	530,813	1,849,771	1,162,253	0	3,542,835	5,265	3,000
November	107,606	15,821	1,306,378	0	1,429,805	584,035	1,187,617	1,357,292	36,480	3,165,422	5,410	3,000
December	136,884	5,796	1,144,679	(16,945)	1,270,413	542,744	1,271,565	1,448,406	0	3,262,715	5,341	3,125
<b>Total</b>	<b>1,598,120</b>	<b>107,819</b>	<b>16,043,356</b>	<b>(256,532)</b>	<b>17,492,762</b>	<b>5,606,446</b>	<b>16,911,683</b>	<b>14,964,358</b>	<b>248,608</b>	<b>37,724,090</b>	<b>63,334</b>	<b>35,375</b>
Normalized using rates effective	<u>1,677,279</u>	<u>110,339</u>	<u>16,043,356</u>	<u>(256,532)</u>	<u>17,574,442</u>	<u>6,363,293</u>	<u>19,373,830</u>	<u>17,385,956</u>	<u>248,608</u>	<u>43,371,688</u>	<u>63,332</u>	<u>37,500</u>
Normalized for Flow Thru Rates	<u>1,849,861</u>	<u>121,692</u>	<u>17,689,423</u>	<u>(282,896)</u>	<u>19,378,077</u>	<u>7,018,738</u>	<u>21,369,434</u>	<u>19,176,654</u>	<u>248,608</u>	<u>47,813,434</u>	<u>63,332</u>	<u>41,400</u>

NORMALIZATION OF PURCHASED POWER

	Substation Charge			Total from	Fuel	Environmental	Total
	<u>7500</u>	<u>15000</u>	<u>Total</u>	<u>Base Rates</u>	<u>Adjustment</u>	<u>Surcharge</u>	
January	42,825	36,840	79,665	4,492,847	540,540	478,180	5,511,567
February	42,825	36,840	79,665	4,634,369	770,432	450,323	5,855,124
March	42,825	36,840	79,665	5,051,478	945,424	561,394	6,558,296
April	42,825	36,840	79,665	3,912,253	1,409,475	480,615	5,802,343
May	42,825	36,840	79,665	3,719,821	743,033	415,453	4,878,307
June	42,825	36,840	79,665	4,131,425	1,632,704	393,333	6,157,462
July	45,680	36,840	82,520	4,610,505	609,273	456,020	5,675,798
August	45,680	36,840	82,520	4,771,102	736,451	493,006	6,000,559
September	45,680	36,840	82,520	6,409,668	32,495	662,359	7,104,522
October	45,680	36,840	82,520	5,244,931	886,320	645,678	6,776,929
November	45,680	36,840	82,520	4,686,157	302,018	477,351	5,465,526
December	45,680	36,840	82,520	4,624,114	118,915	404,598	5,147,627
Total	<u>531,030</u>	<u>442,080</u>	<u>973,110</u>	<u>56,288,671</u>	<u>8,727,080</u>	<u>5,918,310</u>	<u>70,934,061</u>

582,420      442,080      1,024,500      62,071,461

Normalized Adjustment      5,782,790

642,396      487,584      1,129,980      68,426,223

6,354,762

NORMALIZATION OF PURCHASED POWER

	<u>Kw Demand</u>			<u>kwh Energy</u>		<u>Rates</u>	<u>1-Jan-07</u>	<u>1-Apr-07</u>	<u>1-Aug-07 Flow Thru Rates</u>	
	<u>Firm</u>	<u>Interruptible</u>		<u>On-Peak</u>	<u>Off-Peak</u>	Energy charge per kwh:				
		<u>10 Minute</u>	<u>90 Minute</u>			On-Peak	Off-Peak			
January	15,000	120,000	24,902	26,419,445	65,786,555	On-Peak	\$0.02765	\$0.02765	\$0.03378	\$0.037259
February	15,000	120,000	25,020	23,128,881	58,698,062	Off-Peak	\$0.02465	\$0.02465	\$0.03078	\$0.033950
March	15,000	120,000	25,155	25,579,063	64,057,331	Interruptible kw charge:				
April	15,000	120,000	25,013	20,170,813	55,076,208	Firm: 15,000	\$5.39	\$5.39	\$6.06	\$6.68
May	15,000	120,000	25,031	23,238,368	50,581,770	10 Minute Int.	\$1.79	\$1.79	\$2.46	\$2.71
June	15,000	120,000	25,145	23,493,817	55,690,726	90 Minute Int.	\$2.69	\$2.69	\$3.36	\$3.71
July	15,000	120,000	24,910	21,896,926	54,640,402					
August	15,000	120,000	25,151	30,207,250	55,699,664					
September	15,000	120,000	24,904	25,919,465	58,324,208					
October	15,000	120,000	24,778	23,896,558	60,549,800					
November	15,000	120,000	24,897	24,084,869	56,844,029					
December	15,000	120,000	24,879	21,794,156	60,740,075					
Total	180,000	1,440,000	299,785	289,829,611	696,688,830					

Power cost

	<u>Kw Demand</u>			<u>kwh Energy</u>		<u>Adjustment</u>	<u>Buy Thru</u>	<u>Base</u>	<u>Fuel</u>	<u>Environmental</u>	<u>Total</u>
	<u>Firm</u>	<u>10 Minute</u>	<u>90 Minute</u>	<u>On-Peak</u>	<u>Off-Peak</u>		<u>Chg / (Cr)</u>	<u>Rate</u>	<u>Adjustment</u>	<u>Surcharge</u>	
January	\$80,850	\$214,800	\$66,986	\$730,498	\$1,621,639	(\$20,000)	\$273,785	\$2,968,558	\$635,299	\$279,396	\$3,883,253
February	\$80,850	\$214,800	\$67,304	\$639,514	\$1,446,907	(\$20,000)	\$730,833	\$3,160,208	\$653,797	\$290,767	\$4,104,772
March	\$80,850	\$214,800	\$67,667	\$707,261	\$1,579,013	(\$20,000)	\$0	\$2,629,591	\$1,339,168	\$360,584	\$4,329,343
April	\$90,900	\$295,200	\$84,044	\$557,723	\$1,357,628	(\$20,000)	\$59,971	\$2,425,466	\$638,095	\$281,799	\$3,345,360
May	\$90,900	\$295,200	\$84,104	\$642,541	\$1,246,841	(\$20,000)	\$24,702	\$2,364,288	\$1,307,355	\$250,452	\$3,922,095
June	\$90,900	\$295,200	\$84,487	\$649,604	\$1,372,776	(\$20,000)	\$161,078	\$2,634,045	\$218,711	\$257,985	\$3,110,741
July	\$90,900	\$295,200	\$83,698	\$605,450	\$1,346,886	(\$20,000)	\$53,347	\$2,455,481	\$518,286	\$263,462	\$3,237,229
August	\$90,900	\$295,200	\$84,507	\$1,020,401	\$1,714,436	(\$20,000)	\$639,491	\$3,824,935	\$19,520	\$331,849	\$4,176,304
September	\$90,900	\$295,200	\$83,677	\$875,560	\$1,795,219	(\$20,000)	\$0	\$3,120,556	\$736,290	\$408,620	\$4,265,466
October	\$90,900	\$295,200	\$83,254	\$807,226	\$1,863,723	(\$20,000)	\$0	\$3,120,303	\$283,740	\$328,023	\$3,732,066
November	\$90,900	\$295,200	\$83,654	\$813,587	\$1,749,659	(\$20,000)	\$0	\$3,013,000	\$102,780	\$267,796	\$3,383,576
December	\$90,900	\$295,200	\$83,593	\$736,207	\$1,869,580	(\$20,000)	\$0	\$3,055,480	\$77,582	\$243,732	\$3,376,794
Total	\$1,060,650	\$3,301,200	\$956,975	\$8,785,572	\$18,964,307	(\$240,000)	\$1,943,207	\$34,771,911	\$6,530,623	\$3,564,465	\$44,866,999
Normalized	\$1,090,800	\$3,542,400	\$1,007,278	\$9,790,444	\$21,444,082	(\$240,000)	\$1,943,207	\$38,578,211			
						Normalized adjustment		\$3,806,300			
Normalized for Flow Thru Rates	\$1,202,400	\$3,902,400	\$1,112,202	\$10,798,761	\$23,652,586	(\$240,000)	\$1,943,207	\$42,371,557			
								\$3,793,346			

NORMALIZATION OF PURCHASED POWER

Analysis of Fuel Adjustment and Environmental Surcharge  
#REF!

An analysis of fuel adjustment and environmental surcharge as purchased and passed on to consumers as follows:

Month	Industrial Customer - Rate GA							
	Sales		Purchased		Sales		Purchased	
	Fuel Adjustment	Environmental Surcharge	Fuel Adjustment	Environmental Surcharge	Fuel Adjustment	Environmental Surcharge	Fuel Adjustment	Environmental Surcharge
January	309,317	515,003	540,540	478,180	635,299	213,079	\$635,299	\$279,396
February	570,479	572,504	770,432	450,323	653,797	193,946	\$653,797	\$290,767
March	833,764	454,510	945,424	561,394	1,339,168	265,743	\$1,339,168	\$360,584
April	624,128	419,488	1,409,475	480,615	638,095	206,370	\$638,095	\$281,799
May	1,276,873	448,759	743,033	415,453	1,307,355	178,110	\$1,307,355	\$250,452
June	1,077,986	370,018	1,632,704	393,333	218,711	189,506	\$218,711	\$257,985
July	2,064,459	584,008	609,273	456,020	518,286	192,834	\$518,286	\$263,462
August	505,856	523,116	736,451	493,006	19,520	244,667	\$19,520	\$331,849
September	504,206	751,948	32,495	662,359	736,290	326,613	\$736,290	\$408,620
October	(2,113)	536,342	886,320	645,678	283,740	269,765	\$283,740	\$328,023
November	704,705	542,755	302,018	477,351	102,780	219,640	\$102,780	\$267,796
December	340,476	523,677	118,915	404,598	77,582	199,229	\$77,582	\$243,732
<b>Total</b>	<b>8,810,136</b>	<b>6,242,128</b>	<b>8,727,080</b>	<b>5,918,310</b>	<b>6,530,623</b>	<b>2,699,502</b>	<b>6,530,623</b>	<b>3,564,465</b>
	15,052,265		14,645,390					

The fuel purchased and environmental surcharge from East Kentucky Power Cooperative is passed on to the consumers using the Fuel Adjustment and Environmental Procedures established by this Commission.

SUMMARY - NORMALIZED

	kwh			Substation	Schedule E	Schedule B	Green Power	Gallatin	Total	
	Sales	Purchases								
January	99,377,808	105,071,705	5.4%	Demand Charge	16,043,356	1,787,618		\$1,090,800	18,921,774	
February	124,566,612	111,831,952	-11.4%	Energy Charge	36,759,786	6,363,293	63,332	\$30,994,526	74,180,938	
March	95,833,182	118,326,134	19.0%	Substation	951,398	110,602			1,062,000	
April	86,737,093	94,353,081	8.1%	Buy Thru		248,608		\$1,943,207	2,191,815	
May	79,604,623	87,779,361	9.3%	Interruptible		(256,532)		\$4,549,678	4,293,145	
June	97,262,904	92,318,206	-5.4%							
July	102,922,199	103,408,816	0.5%	Total	0	53,754,540	8,253,589	63,332	38,578,211	100,649,672
August	106,648,997	107,510,803	0.8%						100,649,672	
September	118,057,527	129,972,953	9.2%			62,008,129				
October	87,398,145	101,409,583	13.8%					5,640,478	24,525,527	
November	84,860,920	89,886,588	5.6%	Demand	16,994,754	1,890,296				
December	98,010,593	93,633,811	-4.7%	Energy	36,759,786	6,363,293	63,332	32,937,733	76,124,145	
<b>Total</b>	<b>1,181,280,603</b>	<b>1,235,502,993</b>	<b>4.4%</b>			53,754,540	8,253,589	63,332	38,578,211	100,649,672

NORMALIZATION OF PURCHASED POWER

SUMMARY - FLOW THROUGH

	<u>Substation</u>	<u>Schedule E</u>	<u>Schedule B</u>	<u>Green Power</u>	<u>Gallatin</u>	<u>Total</u>
Demand Charge		17,689,423	1,971,553		\$1,202,400	20,863,376
Energy Charge		40,546,088	7,018,738	63,332	\$34,211,347	81,839,505
Substation	1,171,380	1,049,387	121,993			1,171,380
Buy Thru			248,608		\$1,943,207	2,191,815
Interruptible			(282,898)		\$5,014,602	4,731,704
Total	0	59,284,898	9,077,994	63,332	42,371,557	110,797,780
			68,362,892			110,797,780
Demand		18,738,810	2,059,256		6,217,002	27,015,068
Energy		40,546,088	7,018,738	63,332	36,154,554	83,782,712
		59,284,898	9,077,994	63,332	42,371,557	110,797,780
		5,530,357	824,405	0	3,793,346	10,148,108



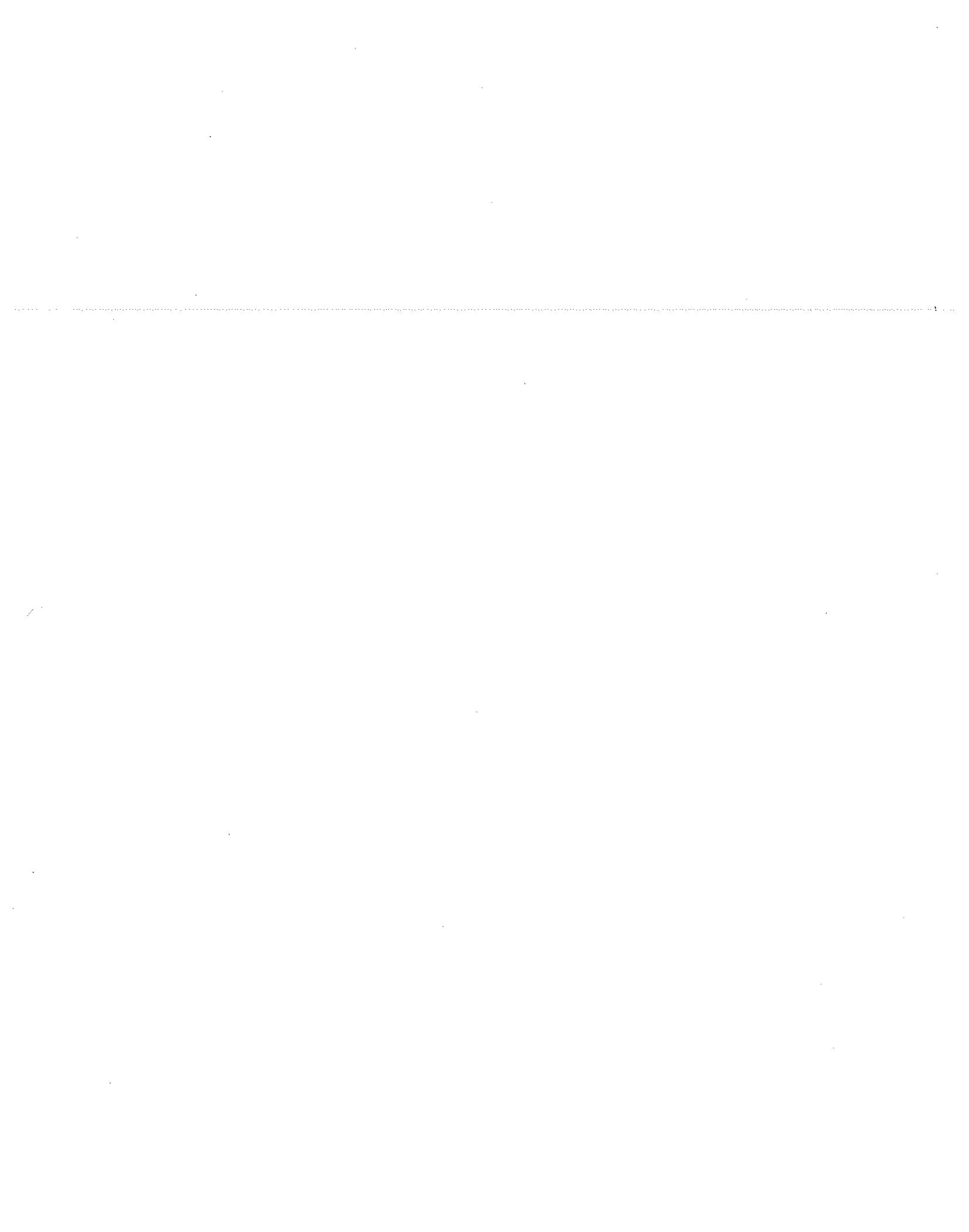
**OWEN ELECT. COOPERATIVE  
CASE NO. 2008-00421**

**REVENUE INCREASED MATCHED WITH PURCHASED POWER COST INCREASE**

A complete description and quantification of all adjustments is presented below. The whole purpose for this application is to increase revenues from rates in an amount approximately equal to the increase in purchased power costs. Therefore, only two adjustments exist: one for revenue and one for the cost of purchased power.

<u>Rate Class</u>	<u>Revenue Increase (a)</u>	<u>Purchased Power Cost Increase (b)</u>	<u>Difference</u>
Schedule I - Farm and Home	\$4,234,909	\$ 4,235,695	(\$786)
Schedule IA - Off Peak Marketing	\$202	227	(\$24)
Schedule I - Small Commercial	\$264,443	264,353	\$90
Schedule II - Large Power	\$985,055	985,096	(\$41)
Schedule XI - Large Industrial Rate LPB1	\$316,956	316,679	\$277
Schedule XIII - Large Industrial Rate LPB2	\$417,939	417,420	\$519
Schedule XIV - Large Industrial Rate LPB	\$73,548	73,476	\$73
Schedule 2A - Time of Day	\$21,492	21,420	\$72
Schedule III - Security Lights	\$28,238	28,714	(\$476)
Schedule OLS - Outdoor Lighting Service	\$10,577	10,021	\$556
Schedule II SOLS - Special Outdoor Lighting Service	\$1,767	1,663	\$104
Envirowatts	\$0	-	\$0
Gallatin Steel	\$3,793,346	3,793,346	\$0
Rounding differences	\$0		\$0
<b>Total</b>	<b>\$ 10,148,471</b>	<b>\$ 10,148,109</b>	<b>\$ 362</b>

- (a) Based on information from Exhibit J.  
(b) Based on information from Exhibit K



COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

OWEN ELECTRIC COOPERATIVE  
CASE NO. 2008-00421

DIRECT TESTIMONY OF JAMES R. ADKINS

1 1 Q. Please state your name, your business address and job position?

2

3 A. My name is James R. Adkins. My business address is 1041 Chasewood  
4 Way, Lexington, KY 40513-1731. I am self-employed providing services  
5 to electric cooperatives in the areas of rates, rate design, cost of service  
6 studies, regulatory affairs, financial forecasting and other services.

7

8 2 Q. What is your education background and business experience?

9

10 A I am a graduate of the University of Kentucky with a Bachelors Degree in  
11 Commerce with a major in banking and finance granted in 1971 and a Masters  
12 of Science Degree in Accounting granted in 1976. My business experience for  
13 the last thirty years has been with the electric utility industry and primarily  
14 with the rural electric cooperatives. I spent almost twenty-five years with East  
15 Kentucky Power Cooperative, Inc. ("EKPC") dealing with rates, regulatory affairs,  
16 cost of service studies, and helping its member distribution systems with their  
17 rate matters. I took an early retirement from EKPC in early 2002 due to health  
18 reasons. Since then I spent time providing consulting services to electric  
19 cooperatives and others. I was member of the Prime Group from early 2002  
20 through the first quarter of 2003 providing assistance in the rate area to  
21 cooperatives in this area of the country. I have been self-employed since  
22 the first quarter of 2003.

23

24 3 Q. Have you ever provided testimony before the Kentucky Public Service  
25 Commission ("Commission")?

26

27 A. I have provided testimony many times before this Commission for EKPC and  
28 its member distribution cooperatives in rate application proceedings for revenue  
29 requirement purposes, cost of service studies, rate design, and other special  
30 types of rates including cogeneration rates, economic development rates, etc.  
31 I have also provided testimony in fuel adjustment cases and administrative cases.

32

33 4 Q. What other professional experience do you have in the electric utility rate area?

34

35 I have made presentations at various rate seminars put on by the National Rural Electric  
36 Cooperative Association ("NRECA") and the Kentucky Association of Electric  
37 Cooperatives ("KAEC"). I have also assisted this Commission through presentations  
38 to the Republic of Armenia Energy Commission in Yerevan, Armenia, in Frankfort, KY  
39 Frankfort, KY and in Winchester, KY on distribution cost of service studies, cost  
40 concepts and interpretation of results along with rate design..

41

42 5 Q. What has been your role in this rate application ?

43

44 A. My role in this rate application has been to provide assistance to Owen Electric  
45 Cooperative ("Owen Electric") in its preparation and filing with this Commission. I have  
46 provided assistance in all areas of its preparation. I am responsible for the Cost  
47 of Service Study and the allocation of increase amounts to the various rate classes, and  
48 the rate design requested in this application. My statement on responsibility means that  
49 these documents have been developed by me or at my request and under my direct  
50 supervision. I am also responsible for testimony on those exhibits and documents.

51

52 6 Q Why Owen Electric filed this rate application for an increase in rates?

53

54 A. Owen has filed this application for an increase in rates because its wholesale power  
55 supplier, East Kentucky Power Cooperative ("EKPC"), has filed an application for an  
56 increase in its rates. It is Owens's intent in this application is to increase its rates so that  
57 additional revenue will equal the amount of increase in wholesale rates. Exhibit F in this  
58 application substantiates that Owen is only increasing it rates so that additional revenues  
59 are approximately equal to the increase in wholesale power costs.

60

61 7 Q Why did Owen Electric file the type of application?

62

63 A Owen Electric filed this type of application for a couple of significant reasons. One primary  
64 reason is that Owen has a rate application pending before this Commission in Case No.  
65 2008-00124 and is using the same test period for both applications. Additionally, the  
66 mechanism normally used in these type of cases is one based on increasing the retail rates  
67 proportional on retail revenues. This "proportional method" does not necessarily meet cost  
68 of service study guidelines. Since Owen Electric has filed another rate application with a  
69 Cost of Service Study ("COSS") included in it, it was easy to use the same COSS for this  
70 case since both cases use calendar year 2007 as its test period.

71

72 8 Q. What are the results of the cost of service study?

73

74 A. From the COSS, it is readily apparent that the end results are significantly different than if  
75 Owen Electric had used the proportional method. Attached as Exhibit JRA-1 to this testimony  
76 is the allocation of the increased purchased power costs to the individual rate classes. These  
77 purchased power cost amounts are the from the COSS filed in this rate and one based on  
78 the proportional method. In the proportional method, the increase in purchased power costs  
79 and revenue requirements are significantly different than the one from the COSS. Two prime  
80 problem areas would be for the lighting rate schedules and for Gallatin Steel. The lighting  
81 rate schedules would be increased significantly more than the increased costs to serve.  
82 using the proportional method while Gallatin Steel would have an increase in purchased  
83 power revenue requirements significantly less than less than the increased cost to serve

84

85 when the proportional method is used for Gallatin Steel. Additionally, the residential rate  
86 class would receive an increase much larger than the increases in purchased power costs

87

88 9 Q. What is the end result using the methodology filed by Owen Electric?

89

90 A. The approach used by Owen Electric is far superior than the proportional method because  
91 of the inclusion of a COSS. The use of COSS allows for an increase in revenue requirements  
92 that matches a truer increase in the costs to serve each rate class. Owen Electric's approach  
93 does require more time to develop but it does result in a better match of revenue with costs  
94 to serve.

95

96

97 10 Q. What has been done in rate design in this application?

98

99 A. In rate design, three things have been accomplished. One, the customer charge for all rate  
100 classes have not changed because an increase in purchased power costs do not have any  
101 impact upon the costs that are normally included in the customer charge. Second, the  
102 retail rate design for Gallatin Steel is based on the special wholesale rate design insuring  
103 that this customer is not subsidized by other classes of customers. Also, other retail rate  
104 classes based on EKPC's Schedule B now have demand rates that match those of the  
105 EKPC's wholesale rate as originally designed. And the third, for all other classes the energy  
106 charges have been increased to accommodate the increased costs to serve with some  
107 demand charge for Schedule II. Schedules XI, XIII, and XIV are the ones based on EKPC's  
108 Schedule B.

109

110 11 Q. Does this conclude your testimony?

111

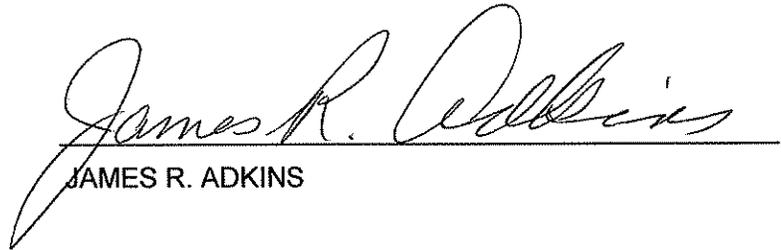
112 A. This concludes my testimony.

113

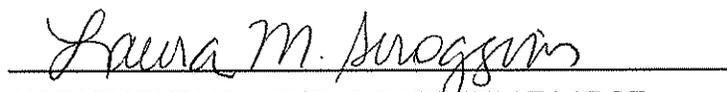
114

115

I, James R. Adkins, state that the statements contained in the foregoing testimony are true to the best of my information and belief.

  
\_\_\_\_\_  
JAMES R. ADKINS

Subscribed and sworn to and before me by James R. Adkins on this the 27th day of October, 2008.

  
\_\_\_\_\_  
NOTARY PUBLIC, KENTUCKY STATE AT LARGE  
My Commission Expires: May 2, 2012

OWEN ELECT. COOPERATIVE

CASE NO. 2008-00421

DIRECT TESTIMONY OF JAMES R. ADKINS

COMPARISON OF DIFFERENT PURCHASED POWER ALLOCATIONS  
From COSS

Rate Class	Purchased Power Costs	Purchased Power Costs	Increase Amount	Percent Increase	
	Case No. 2008-00154	from COSS 2008-00421		Percent Increase	in Revenue
	\$\$\$	\$\$\$	\$\$\$	%	%
Schedule I - Farm and Home	41,029,805	45,265,501	4,235,695	10.3%	7.2%
Schedule IA - Off Peak Marketing	2,202	2,428	227	10.3%	8.5%
Schedule I - Small Commercial	2,560,893	2,825,246	264,353	10.3%	7.2%
Schedule II - Large Power	9,545,562	10,530,658	985,096	10.3%	7.6%
Schedule XI - Large Industrial Rate LPB1	3,164,770	3,481,448	316,679	10.0%	8.3%
Schedule XIII - Large Industrial Rate LPB:	4,371,499	4,788,918	417,420	9.5%	8.4%
Schedule XIV - Large Industrial Rate LPB	734,152	807,628	73,476	10.0%	7.2%
Schedule 2A - Time of Day	207,569	228,989	21,420	10.3%	7.2%
Schedule III - Security Lights	278,328	307,042	28,714	10.3%	4.0%
Schedule OLS - Outdoor Lighting Service	97,219	107,240	10,021	10.3%	4.2%
Schedule II SOLS - Special Outdoor Light	16,131	17,794	1,663	10.3%	4.0%
Envirowatts	63,332	63,332	-	0.0%	0.0%
Gallatin Steel	38,578,211	42,371,557	3,793,346	9.8%	9.7%
	<u>100,649,672</u>	<u>110,797,780</u>	<u>10,148,109</u>	10.08%	8.1%

OWEN ELECTRIC COOPERATIVE

CASE NO. 2008-00421

DIRECT TESTIMONY OF JAMES R. ADKINS

COMPARISON OF DIFFERENT PURCHASED POWER ALLOCATIONS  
Proportional Method

Rate Class	Normalized	Revenue	Purchased Power		Percent
	Revenue	as Percent	Amount of	Percent	Increase
	Case No.	of Total	Increase	Increase	in
	<u>2008-00154</u>	<u>Revenue</u>	<u>Revenue</u>	<u>Revenue</u>	<u>Revenue</u>
	\$\$\$		\$\$\$	%	%
Schedule I - Farm and Home	59,168,372	47.0%	4,765,548	11.6%	8.1%
Schedule IA - Off Peak Marketing	2,656	0.0%	214	9.7%	8.1%
Schedule I - Small Commercial	3,685,833	2.9%	296,865	11.6%	8.1%
Schedule II - Large Power	13,044,181	10.4%	1,050,606	11.0%	8.1%
Schedule XI - Large Industrial Rate LPB1	3,825,372	3.0%	308,104	9.7%	8.1%
Schedule XIII - Large Industrial Rate LPB:	4,958,223	3.9%	399,346	9.1%	8.1%
Schedule XIV - Large Industrial Rate LPB	1,017,576	0.8%	81,958	11.2%	8.1%
Schedule 2A - Time of Day	295,556	0.2%	23,805	11.5%	8.1%
Schedule III - Security Lights	726,668	0.6%	58,527	21.0%	8.1%
Schedule OLS - Outdoor Lighting Service	236,461	0.2%	19,045	19.6%	8.1%
		0.0%	-		
Schedule II SOLS - Special Outdoor Light	42,098	0.0%	3,391	21.0%	8.1%
Envirowatts	63,132	0.1%	5,085	8.0%	8.1%
Gallatin Steel	38,931,361	30.9%	3,135,615	8.1%	8.1%
	<u>125,997,488</u>	100.0%	<u>10,148,109</u>	10.1%	8.1%



EFFECT OF NEW RATES

Revenue Analysis

Rate Schedule	Kwh Useage	Test Year Revenue	Percent of Total	Normalized Case No. 2006-0522	Percent of Total	Proposed Revenue	Percent of Total	Increase Amount	Increase Percent	Proposed Revenue	Percent of Total	Increase Amount	Increase Percent
Schedule I - Farm and Home	737,788,979	\$55,784,720	48%	\$59,168,372	47%	\$62,708,169	48%	\$3,539,796	6.0%	\$66,943,077	41.73%	\$4,234,909	6.75%
Schedule IA - Off Peak Marketing	58,772	2,444	0%	2,656	0%	2,656	0%	0	0.0%	\$2,859	0.00%	\$202	7.62%
Schedule I - Small Commercial	46,804,027	3,466,798	3%	3,685,833	3%	3,907,713	3%	221,880	6.0%	\$4,172,156	2.61%	\$264,443	6.77%
Schedule II - Large Power	184,179,473	12,183,554	10%	13,044,181	10%	13,044,181	10%	0	0.0%	\$14,029,236	9.71%	\$985,055	7.55%
Schedule XI - Large Industrial Rate	68,688,339	3,557,595	3%	3,825,372	3%	3,825,372	3%	0	0.0%	\$4,142,327	3.12%	\$316,956	8.29%
Schedule XIII - Large Industrial Rate	112,662,049	4,586,346	4%	4,958,223	4%	4,958,223	4%	0	0.0%	\$5,376,162	4.12%	\$417,939	8.43%
Schedule XIV - Large Industrial Rate	15,977,494	953,066	1%	1,017,576	1%	1,017,576	1%	0	0.0%	\$1,091,124	0.72%	\$73,548	7.23%
Schedule 2A - Time of Day	4,040,256	275,772	0%	295,556	0%	295,556	0%	0	0.0%	\$317,048	0.21%	\$21,492	7.27%
Schedule III - Security Lights	5,721,178	676,195	1%	726,668	1%	1,002,398	1%	275,730	37.9%	\$1,030,635	0.28%	\$28,238	2.82%
Schedule OLS - Outdoor Lighting S	2,315,513	220,912	0%	236,461	0%	249,546	0%	13,086	5.5%	\$260,123	0.10%	\$10,577	4.24%
Schedule II SOLS - Special Outdoor	374,423	39,366	0%	42,098	0%	54,725	0%	12,627	30.0%	56,492	0.02%	\$1,767	3.23%
Envirowatts	2,670,100	63,132	0%	63,132	0%	63,132	0%	0	0.0%	\$63,132	0.00%	\$0	0.00%
Gallatin Steel	986,518,441	35,125,060		38,931,361		38,931,361	30%	0		\$42,724,706	37.38%	\$3,793,346	9.74%
Rounding differences						0		1,276		(363)	0.00%	(\$365)	
<b>Total from base rates</b>	<b>2,167,799,044</b>	<b>116,934,960</b>	<b>100%</b>	<b>\$125,997,488</b>	<b>100%</b>	<b>\$130,060,607</b>	<b>100%</b>	<b>\$4,064,395</b>	<b>3.2%</b>	<b>\$140,208,715</b>	<b>100%</b>	<b>\$10,148,106</b>	<b>8.05%</b>
Fuel adjustment billed		8,810,136											
Environmental surcharge billed		6,242,128											
<b>Increase</b>		<b>\$131,987,225</b>		<b>\$9,062,528</b>		<b>\$4,063,119</b>							



**OWEN ELECT COOPERATIVE  
CASE NO. 2008-00421**

Exhibit I  
Page 1 of 1  
Witness: Jim Adkins

**AVERAGE BILL FOR RESIDENTIAL CLASS  
SCHEDULE 1 - FARM AND HOME**

	Present Rates		Proposed Rates Case No. 2008-00154		Flow Through Proposed - Case No. 2008-00421						
	Customer charge	Energy charge	Existing Rate	Proposed Rate	Increase Amount	Percent	Rates	Comparison with Rates Case No. 2008-00154	Comparison with Current Rates		
kwh Usage							Proposed Rate	Increase Amount	Increase Percent	Increase Amount	Increase Percent
	\$5.64	\$0.07533			\$11.20		\$ 11.20	\$ -	0.0%	\$ 5.56	98.6%
0			\$5.64	\$11.20	\$5.56	98.6%	\$ 11.20	\$ -	0.0%	\$ 5.56	98.6%
25			7.52	13.08	5.56	73.9%	\$ 13.23	\$ 0.14	1.1%	\$ 5.70	75.8%
50			9.41	14.97	5.56	59.1%	\$ 15.25	\$ 0.29	1.9%	\$ 5.85	62.2%
100			13.17	18.73	5.56	42.2%	\$ 19.31	\$ 0.57	3.1%	\$ 6.13	46.6%
150			16.94	22.50	5.56	32.8%	\$ 23.36	\$ 0.86	3.8%	\$ 6.42	37.9%
200			20.71	26.27	5.56	26.9%	\$ 27.41	\$ 1.15	4.4%	\$ 6.71	32.4%
250			24.47	30.03	5.56	22.7%	\$ 31.47	\$ 1.44	4.8%	\$ 7.00	28.6%
300			28.24	33.80	5.56	19.7%	\$ 35.52	\$ 1.72	5.1%	\$ 7.28	25.8%
350			32.01	37.57	5.56	17.4%	\$ 39.57	\$ 2.01	5.3%	\$ 7.57	23.6%
400			35.77	41.33	5.56	15.5%	\$ 43.63	\$ 2.30	5.6%	\$ 7.86	22.0%
450			39.54	45.10	5.56	14.1%	\$ 47.68	\$ 2.58	5.7%	\$ 8.14	20.6%
500			43.31	48.87	5.56	12.8%	\$ 51.74	\$ 2.87	5.9%	\$ 8.43	19.5%
600			50.84	56.40	5.56	10.9%	\$ 59.84	\$ 3.44	6.1%	\$ 9.00	17.7%
700			58.37	63.93	5.56	9.5%	\$ 67.95	\$ 4.02	6.3%	\$ 9.58	16.4%
800			65.90	71.46	5.56	8.4%	\$ 76.06	\$ 4.59	6.4%	\$ 10.15	15.4%
900			73.44	79.00	5.56	7.6%	\$ 84.16	\$ 5.17	6.5%	\$ 10.73	14.6%
1,000			80.97	86.53	5.56	6.9%	\$ 92.27	\$ 5.74	6.6%	\$ 11.30	14.0%
1,100			88.50	94.06	5.56	6.3%	\$ 100.38	\$ 6.31	6.7%	\$ 11.87	13.4%
1,200			96.04	101.60	5.56	5.8%	\$ 108.48	\$ 6.89	6.8%	\$ 12.45	13.0%
1,300			103.57	109.13	5.56	5.4%	\$ 116.59	\$ 7.46	6.8%	\$ 13.02	12.6%
1,400			111.10	116.66	5.56	5.0%	\$ 124.70	\$ 8.04	6.9%	\$ 13.60	12.2%
1,500			118.64	124.20	5.56	4.7%	\$ 132.81	\$ 8.61	6.9%	\$ 14.17	11.9%
1,600			126.17	131.73	5.56	4.4%	\$ 140.91	\$ 9.18	7.0%	\$ 14.74	11.7%
1,700			133.70	139.26	5.56	4.2%	\$ 149.02	\$ 9.76	7.0%	\$ 15.32	11.5%
1,800			141.23	146.79	5.56	3.9%	\$ 157.13	\$ 10.33	7.0%	\$ 15.89	11.3%
1,900			148.77	154.33	5.56	3.7%	\$ 165.23	\$ 10.91	7.1%	\$ 16.47	11.1%
2,000			156.30	161.86	5.56	3.6%	\$ 173.34	\$ 11.48	7.1%	\$ 17.04	10.9%
average monthly usage							\$ 105.15	\$ 6.65	6.8%	\$ 12.21	13.1%
<b>1,159</b>			<b>92.94</b>	<b>98.50</b>	<b>5.56</b>	<b>5.6%</b>					



**OWEN ELECTRIC COOPERATIVE  
CASE NO. 2008-00421**

Exhibit J  
Page 1 of 14  
Witness: Jim Adkins

**BILLING ANALYSIS  
FLOW THROUGH APPLICATION  
Schedule I - Farm and Home**

Description	Billing Determinants	Test Year Revenues	Normalized Case No. 2006-00522		Case No. 2008-00154 Proposed		Flow Through Proposed	
			Rates	Revenues	Rates	Revenues	Rates	Revenues
			Customer Charge	636,654	\$3,355,379	\$5.64	\$3,590,729	\$11.20
Energy charge per kWh	737,788,979	52,429,341	\$0.07533	55,577,644	\$0.07533	55,577,644	0.08107	\$59,812,553
				0		0		0
Total from base rates		55,784,720		<u>\$59,168,372</u>		<u>\$62,708,169</u>		<u>\$66,943,077</u>
Fuel adjustment		5,575,603						
Environmental surcharge		4,286,468						
Total revenues		<u>\$65,646,791</u>						
Amount				\$3,383,653		\$3,539,796		\$4,234,909
Percent				6.1%		6.0%		6.8%
Average monthly bill		\$87.62		\$92.94		\$98.50		\$105.15
Amount				\$5.31		\$5.56		\$6.65
Percent				6.1%		6.0%		6.8%

**OWEN ELECTRIC COOPERATIVE  
CASE NO. 2008-00421**

Exhibit J  
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Witness: Jim Adkins

**BILLING ANALYSIS  
FLOW THROUGH APPLICATION  
Schedule I-A, Off-Peak Marketing Rate**

<u>Description</u>	Billing Determinants	Test Year Revenues	Normalized Case No. 2006-00522		Case No. 2008-00154 Proposed		Flow Through Proposed	
			Rates	Revenues	Rates	Revenues	Rates	Revenues
Energy charge	58,772	2,444	\$0.04520	2,656	\$0.04520	2,656	0.048642	2,859
				<u>0</u>		<u>0</u>		<u>0</u>
Total from base rates		2,444		<u>\$2,656</u>		<u>\$2,656</u>		<u>\$2,859</u>
Fuel adjustment		395						
Environmental surcharge		<u>190</u>						
Total revenues		<u>\$3,029</u>						
Amount				\$212		\$0		\$202
Percent				8.7%		0.0%		7.6%

OWEN ELECTRIC COOPERATIVE  
CASE NO. 2008-00421

Exhibit J  
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Witness: Jim Adkins

BILLING ANALYSIS  
FLOW THROUGH APPLICATION  
Schedule I - Small Commercial

Description	Billing Determinants	Test Year Revenues	Normalized Case No. 2006-00522		Case No. 2008-00154 Proposed		Flow Through Proposed	
			Rates	Revenues	Rates	Revenues	Rates	Revenues
			Customer Charge	28,301	\$147,188	\$5.64	\$159,618	\$13.48
Energy charge	46,804,027	3,319,610	\$0.07534	3,526,215	\$0.07534	3,526,215	0.08099	3,790,658
				0		0		0
Total from base rates		3,466,798		<u>\$3,685,833</u>		<u>\$3,907,713</u>		<u>\$4,172,156</u>
Fuel adjustment		350,994						
Environmental surcharge		<u>267,307</u>						
Total revenues		<u>\$4,085,099</u>						
Amount				\$219,035		\$221,880		\$264,443
Percent				6.3%		6.0%		6.8%
Average monthly bill		\$122.50		\$130.24		\$138.08		\$147.42
Amount				\$7.74		\$7.84		\$9.34
Percent				6.3%		6.0%		6.8%

OWEN ELECTRIC COOPERATIVE  
CASE NO. 2008-00421

Exhibit J  
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Witness: Jim Adkins

BILLING ANALYSIS  
FLOW THROUGH APPLICATION  
Schedule II - Large Power

Description	Billing Determinants	Test Year Revenues	Normalized Case No. 2006-00522		Case No. 2008-00154 Proposed		Flow Through Proposed	
			Rates	Revenues	Rates	Revenues	Rates	Revenues
			Customer Charge	2,884	55,905	\$20.50	\$59,122	\$20.50
Demand Charge	537,901.551	2,639,184	\$5.25	2,823,983	\$5.25	2,823,983	\$5.90	3,173,619
Energy charge	184,179,473	9,508,830	\$0.05528	10,181,441	\$0.05528	10,181,441	0.05873	10,816,860
Primary meter discount		<u>(20,365)</u>		<u>(20,365)</u>		<u>(20,365)</u>		<u>(20,365)</u>
Total from base rates		12,183,554		<u>\$13,044,181</u>		<u>\$13,044,181</u>		<u>\$14,029,236</u>
Fuel adjustment		1,391,217						
Environmental surcharge		<u>927,170</u>						
Total revenues		<u>\$14,501,940</u>						
Amount				\$860,627		\$0		\$985,055
Percent				7.1%		0.0%		7.6%
Average monthly bill		\$4,224.53		\$4,522.95		\$4,522.95		\$4,864.51
Amount				\$298.41		\$0.00		\$341.56
Percent				7.1%		0.0%		7.6%

**OWEN ELECTRIC COOPERATIVE  
CASE NO. 2008-00421**

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Witness: Jim Adkins

**BILLING ANALYSIS  
FLOW THROUGH APPLICATION  
Schedule XI - Large Industrial Rate LPB1**

Rate 9

Description	Billing Determinants	Test Year Revenues	Normalized Case No. 2006-00522		Case No. 2008-00154 Proposed		Flow Through Proposed	
			Rates	Revenues	Rates	Revenues	Rates	Revenues
			Customer Charge	98	133,433	\$1,464.04	\$143,476	\$1,464.04
Demand Charge								
Contract demand	133,175.000	684,906	\$5.53	736,458	\$5.53	736,458	6.86	913,581
Excess demand	9,298.100	69,351	\$8.02	74,571	\$8.02	74,571	9.54	88,704
Energy charge								
First 425 kwh of billing demand	60,550,066	2,379,727	\$0.04226	2,558,846	\$0.04226	2,558,846	\$0.04409	2,669,652
Over 425 kwh of billing demand	8,138,273	290,180	\$0.03834	312,021	\$0.03834	312,021	\$0.04017	326,914
	<u>68,688,339</u>							
				<u>0</u>		<u>0</u>		<u>0</u>
Total from base rates		3,557,595		<u>\$3,825,372</u>		<u>\$3,825,372</u>		<u>\$4,142,327</u>
Fuel adjustment		515,303						
Environmental surcharge		<u>279,530</u>						
Total revenues		<u>\$4,352,428</u>						
Amount				\$267,776		\$0		\$316,956
Percent				7.5%		0.0%		8.3%
Average monthly bill		\$36,301.99		\$39,034.40		\$39,034.40		\$42,268.64
Amount				\$2,732.41		\$0.00		\$3,234.24
Percent				7.5%		0.0%		8.3%

**OWEN ELECTRIC COOPERATIVE  
CASE NO. 2008-00421**

Exhibit J  
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Witness: Jim Adkins

**BILLING ANALYSIS  
FLOW THROUGH APPLICATION  
Schedule XIII - Large Industrial Rate LPB2**

Rate 13

Description	Billing Determinants	Test Year Revenues	Normalized Case No. 2006-00522		Case No. 2008-00154 Proposed		Flow Through Proposed	
			Rates	Revenues	Rates	Revenues	Rates	Revenues
			Customer Charge	24	\$65,332	\$2,927.05	\$70,249	\$2,927.05
Demand Charge								
Contract demand	180,900.000	930,351	\$5.53	1,000,377	\$5.53	1,000,377	6.86	\$1,240,974
Excess demand	12,402.330	92,504	\$8.02	99,467	\$8.02	99,467	9.54	\$118,318
Interruptible credit	98,418.890	(354,308)	\$3.60	(354,308)	\$3.60	(354,308)	3.97	(390,723)
Energy charge								
First 425 kwh of billing demand	82,129,082	2,836,755	\$0.03714	3,050,274	\$0.03714	3,050,274	\$0.03887	\$3,192,357
Over 425 kwh of billing demand	30,532,967	1,015,712	\$0.03577	1,092,164	\$0.03577	1,092,164	\$0.03750	\$1,144,986
	<u>112,662,049</u>							
				<u>0</u>		<u>0</u>		<u>0</u>
Total from base rates		4,586,346		<u>\$4,958,223</u>		<u>\$4,958,223</u>		<u>\$5,376,162</u>
Fuel adjustment		821,671						
Environmental surcharge		<u>369,586</u>						
Total revenues		<u>\$5,777,602</u>						
Amount				\$371,878		\$0		\$417,939
Percent				8.1%		0.0%		8.4%
Average monthly bill		\$191,097.73		\$206,592.63		\$206,592.63		\$224,006.75
Amount				\$15,494.90		\$0.00		\$17,414.12
Percent				8.1%		0.0%		8.4%

**OWEN ELECTRIC COOPERATIVE  
CASE NO. 2008-00421**

Exhibit J  
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Witness: Jim Adkins

**BILLING ANALYSIS  
FLOW THROUGH APPLICATION  
Schedule XIV - Large industrial Rate LPB**

Rate 12

<u>Description</u>	Billing Determinants	Test Year Revenues	Normalized Case No. 2006-00522		Case No. 2008-00154 Proposed		Flow Through Proposed	
			Rates	Revenues	Rates	Revenues	Rates	Revenues
Customer Charge	59	77,741	\$1,464.04	\$86,378	\$1,464.04	\$86,378	\$1,464.04	\$86,378
Demand Charge								
Contract demand	36,000.000	187,135	\$5.53	199,080	\$5.53	199,080	6.86	\$246,960
Excess demand	3,011.806	22,705	\$8.02	24,155	\$8.02	24,155	9.54	\$28,733
Energy charge	15,977,494	665,485	\$0.04431	707,963	\$0.04431	707,963	\$0.04563	\$729,053
				<u>0</u>		<u>0</u>		<u>0</u>
Total from base rates		953,066		<u>\$1,017,576</u>		<u>\$1,017,576</u>		<u>\$1,091,124</u>
Fuel adjustment		122,601						
Environmental surcharge		<u>81,058</u>						
Total revenues		<u>\$1,156,726</u>						
Amount				\$64,509		\$0		\$73,548
Percent				6.8%		0.0%		7.2%
Average monthly bill		\$16,153.67		\$17,247.05		\$17,247.05		\$18,493.63
Amount				\$1,093.38		\$0.00		\$1,246.58
Percent				6.8%		0.0%		7.2%

OWEN ELECTRIC COOPERATIVE  
CASE NO. 2008-00421

Exhibit J  
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Witness: Jim Adkins

BILLING ANALYSIS  
FLOW THROUGH APPLICATION  
Schedule 2-A - Large Power - Time of Day

Rate 21/22

Description	Billing Determinants	Test Year Revenues	Normalized Case No. 2006-00522		Case No. 2008-00154 Proposed		Flow Through Proposed	
			Rates	Revenues	Rates	Revenues	Rates	Revenues
			Customer Charge	99	5,549	\$59.00	\$5,841	\$59.00
Energy charge								
On-Peak energy	2,229,474	183,122	\$0.086460	192,760	\$0.086460	192,760	0.0961	\$214,252
Off-Peak energy	1,810,782	87,101	\$0.053543	96,955	\$0.053543	96,955	0.053543	\$96,955
	<u>4,040,256</u>							
				0		0		0
Total from base rates		275,772		<u>\$295,556</u>		<u>\$295,556</u>		<u>\$317,048</u>
Fuel adjustment		32,324						
Environmental surcharge		15,545						
Total revenues		<u>\$323,642</u>						
Amount				\$19,784		\$0		\$21,492
Percent				7.2%		0.0%		7.3%
Average monthly bill		\$2,785.58		\$2,985.41		\$2,985.41		\$3,202.51
Amount				\$199.84		\$0.00		\$217.09
Percent				7.2%		0.0%		7.3%

OWEN ELECTRIC COOPERATIVE  
CASE NO. 2008-00421

Exhibit J  
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Witness: Jim Adkins

BILLING ANALYSIS  
FLOW THROUGH APPLICATION  
Schedule III - Security Lights

Rate 6

Description	Billing Determinants	Test Year Revenues	Normalized Case No. 2006-00522		Case No. 2008-00154 Proposed		Flow Through Proposed	
			Rates	Revenues	Rates	Revenues	Rates	Revenues
			Existing pole, 120V available	104,066	533,539	\$5.51	573,404	\$7.71
One pole added	19,788	132,392	\$7.19	142,276	\$9.39	185,888	\$9.62	190,361
Two poles added	1,006	8,340	\$8.87	8,923	\$11.07	11,140	\$11.30	11,368
Three poles added	84	825	\$10.55	886	\$12.75	1,071	\$12.98	1,090
Four poles added	0	0	\$12.23	0	\$14.43	0	\$14.66	0
Transformer required	2,358	1,099	\$0.50	1,179	\$0.65	1,533	\$0.65	1,533
	124,944							
kWh	<u>5,721,178</u>							
	45.79							
Billing adjustments				<u>0</u>		<u>0</u>		<u>0</u>
Total from base rates		676,195		<u>\$726,668</u>		<u>\$1,002,398</u>		<u>\$1,030,635</u>
Fuel adjustment		28						
Environmental surcharge		<u>15,275</u>						
Total revenues		<u>\$691,498</u>						
Amount				\$50,473		\$275,730		\$28,238
Percent				7.5%		37.9%		2.8%

**OWEN ELECTRIC COOPERATIVE  
CASE NO. 2008-00421**

Exhibit J  
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Witness: Jim Adkins

**BILLING ANALYSIS  
FLOW THROUGH APPLICATION  
Schedule OLS - Outdoor Lighting Service**

Description	Billing Determinants	Test Year Revenues	Normalized Case No. 2006-00522		Case No. 2008-00154 Proposed		Flow Through Proposed	
			Rates	Revenues	Rates	Revenues	Rates	Revenues
			100 Watt, High pressure sodium Cobrahead Lighting	24,960	206,538	\$8.85	220,896	\$9.34
100 Watt HPS	127	1,354	\$11.54	1,466	\$12.17	1,546	\$12.55	1,594
250 Watt HPS	96	1,379	\$15.56	1,494	\$16.42	1,576	\$17.22	1,653
400 Watt HPS	69	1,221	\$19.18	1,323	\$20.23	1,396	\$21.71	1,498
Directional Lighting								
100 Watt HPS	110	1,097	\$10.80	1,188	\$11.39	1,253	\$11.77	1,295
250 Watt HPS	215	2,610	\$13.14	2,825	\$13.86	2,980	\$14.66	3,152
400 Watt HPS	440	6,713	\$16.52	7,269	\$17.43	7,669	\$18.91	8,320
kWh	<u>2,315,513</u>							
Billing adjustments				<u>0</u>		<u>0</u>		<u>0</u>
Total from base rates		220,912		<u>\$236,461</u>		<u>\$249,546</u>		<u>\$260,123</u>
Fuel adjustment								
Environmental surcharge								
Total revenues		<u>\$220,912</u>						
Amount				\$15,549		\$13,086		\$10,577
Percent				7.04%		5.53%		4.24%

**OWEN ELECTRIC COOPERATIVE  
CASE NO. 2008-00421**

Exhibit J  
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Witness: Jim Adkins

**BILLING ANALYSIS  
FLOW THROUGH APPLICATION**  
Schedule II SOLS - Special Outdoor Lighting Service

Description	Billing Determinants	Test Year Revenues	Normalized Case No. 2006-00522		Case No. 2008-00154 Proposed		Flow Through Proposed	
			Rates	Revenues	Rates	Revenues	Rates	Revenues
			Traditional, w/ fiberglass pole	2,608	22,751	\$9.33	24,333	\$12.13
Holophane, w/ fiberglass pole	1,599	16,615	\$11.11	17,765	\$14.44	23,090	\$14.86	23,761
kWh	<u>374,423</u>							
Billing adjustments				<u>0</u>		<u>0</u>		<u>0</u>
Total from base rates		39,366		<u>\$42,098</u>		<u>\$54,725</u>		<u>\$56,492</u>
Fuel adjustment								
Environmental surcharge								
Total revenues		<u>\$39,366</u>						
Amount				\$2,732		\$12,627		\$1,767
Percent				6.9%		30.0%		3.2%

OWEN ELECTRIC COOPERATIVE  
CASE NO. 2008-00421

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Witness: Jim Adkins

BILLING ANALYSIS  
FLOW THROUGH APPLICATION  
Envirowatts

Description	Billing Determinants	Test Year Revenues	Normalized Case No. 2006-00522		Case No. 2008-00154 Proposed		Flow Through Proposed	
			Rates	Revenues	Rates	Revenues	Rates	Revenues
Envirowatts		63,132	63,132		63,132		63,132	
kWh	<u>2,670,100</u>							
Billing adjustments			<u>0</u>		<u>0</u>		<u>0</u>	
Total from base rates		63,132	<u>\$63,132</u>		<u>\$63,132</u>		<u>\$63,132</u>	
Fuel adjustment								
Environmental surcharge								
Total revenues		<u>\$63,132</u>						
Amount			\$0		\$0		\$0	
Percent			0.0%		0.0%		0.0%	

OWEN ELECTRIC COOPERATIVE  
CASE NO. 2008-00421

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Witness: Jim Adkins

Summary  
**BILLING ANALYSIS**  
**FLOW THROUGH APPLICATION**

Billing Determinants	Test Year Revenues	Normalized Case No. 2006-00522		Case No. 2008-00154 Proposed		Flow Through Proposed		
		Rates	Revenues	Rates	Revenues	Rates	Revenues	
Total from base rates	1,181,280,603	81,809,900		87,066,127		91,129,246		97,484,371
Fuel adjustment		8,810,136						
Environmental surcharge		6,242,128						
Total revenues		96,862,165						
Per Form 7	1,181,280,603	96,862,165						
Increase Amount	0	0		5,256,227		4,063,119		6,355,125
Percent				6.4%		4.7%		7.0%
		(1)						

OWEN ELECTRIC COOPERATIVE  
CASE NO. 2008-00421

Exhibit J  
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Witness: Jim Adkins

BILLING ANALYSIS  
FLOW THROUGH APPLICATION  
Industrial Customer

Billing Determinants	Test Year Revenues	Normalized Case No. 2006-00522		Case No. 2008-00154 Proposed		Flow Through Proposed		
		Rates	Revenues	Rates	Revenues	Rates	Revenues	
Energy Charge:								
On-peak	289,829,611	8,785,572	\$0.033780	9,790,444	\$0.033780	\$9,790,444	0.037259	\$10,798,761
Off peak	696,688,830	18,964,308	\$0.030780	21,444,082	\$0.030780	21,444,082	0.03395	\$23,652,586
Demand - kW								
Firm kW demand	180,000	1,060,650	\$6.06	1,090,800	\$6.06	1,090,800	6.68	\$1,202,400
10 Min Interruptible kW	1,440,000	3,301,200	\$2.46	3,542,400	\$2.46	3,542,400	2.71	\$3,902,400
90 Min Interruptible	299,785	956,975	\$3.36	1,007,278	\$3.36	1,007,278	3.71	\$1,112,202
Incremental Cost of Buy-Through Energy								
On-peak charges	24,632,221	2,651,229	\$0.033780	2,651,229	\$0.033780	2,651,229		2,651,229
On-peak credits	24,632,221	(729,064)	\$0.033780	(729,064)	\$0.033780	(729,064)		(729,064)
Off-peak charges	508,999	33,589	\$0.033780	33,589	\$0.033780	33,589		33,589
Off-peak credits	508,999	(12,547)	\$0.030780	(12,547)	\$0.033780	(12,547)		(12,547)
Distribution charges								
kW Demand	1,919,785	71,991	\$0.037500	71,992	\$0.037500	71,992	\$0.037500	71,992
kWh Energy	986,518,441	281,157	\$0.000285	281,158	\$0.000285	281,158	\$0.000285	281,158
Adjustments		<u>(240,000)</u>		<u>(240,000)</u>		<u>(240,000)</u>		<u>(240,000)</u>
Total from base rates		35,125,060		<u>\$38,931,361</u>		<u>\$38,931,361</u>		<u>\$42,724,706</u>
Fuel adjustment		6,530,623						
Environmental surcharge		<u>2,699,502</u>						
Total revenues		<u>\$44,355,185</u>						
Amount				\$3,806,301		\$0		\$3,793,346
Percent				10.8%		0.0%		9.7%

\$10,148,471

\$125,997,488



**OWEN ELECTRIC COOPERATIVE  
OWENTON, KY**

**CASE NO. 2008-00421**

**UNBUNDLED COST OF SERVICE STUDY  
Test Year Calendar Year 2007**

**Prepared by: September 2008**

**J. Adkins**

**OWEN ELECTRIC COOPERATIVE  
CASE NO. 2008-00421**

Schedule 1 and 2  
Exhibit K  
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Witness: Jim Adkins

**PURCHASED POWER COST INCREASES**

<u>Rate Class</u>	<u>Purchased Power Cost No. 2008-00154</u>	<u>Purchased Power Cost Increase</u>	<u>Difference</u>
Envirowatts	\$ 63,332	\$ 63,332	-
Schedule I - Farm and Home	41,029,805	\$ 45,265,501	4,235,695
Schedule IA - Off Peak Marketing	2,202	2,428	227
Schedule I - Small Commercial	2,560,893	2,825,246	264,353
Schedule II - Large Power	9,545,562	10,530,658	985,096
Schedule XI - Large Industrial Rate LPB1	3,164,770	3,481,448	316,679
Schedule XIII - Large Industrial Rate LPB2	4,371,499	4,788,918	417,420
Schedule XIV - Large Industrial Rate LPB	734,152	807,628	73,476
Schedule 2A - Time of Day	207,569	228,989	21,420
Schedule III - Security Lights	278,328	307,042	28,714
Schedule OLS - Outdoor Lighting Service	97,219	107,240	10,021
Schedule II SOLS - Special Outdoor Lighting Service	16,131	17,794	1,663
Gallatin Steel	38,578,211	42,371,557	3,793,346
Rounding differences			-
<b>Total</b>	<b>\$ 100,649,672</b>	<b>\$ 110,734,448</b>	<b>\$ 10,148,109</b>

**OWEN ELECTRIC COOPERATIVE**  
**CASE NO. 2008-00421**  
**Statement of Operations**

Exhibit K  
Schedule 3  
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Witness: Jim Adkins

	Enviro- Watts	Schedule I Farm & Home	Schedule IA Off-peak Mkt	Schedule I Sml Com	Schedule II Large Power	Schedule XI Large Indust Rate LPB1	Schedule XIII Large Indust Rate LPB2
Revenue from Rates	63,132	59,168,372	2,656	3,685,833	13,044,181	3,825,372	4,958,223
Purchased Power Costs	63,332	45,265,501	2,428	2,825,246	10,530,658	3,481,448	4,788,918
O&M	-	9,088,073	208	535,117	680,987	170,674	180,639
Admin & General	-	2,394,841	43	146,874	196,837	50,581	43,797
Depreciation & Misc.	-	6,563,032	103	445,316	820,901	215,912	187,798
Interest on Long Term Debt	-	3,264,854	51	221,605	408,789	107,524	93,524
Other Interest	-	360,389	6	24,462	45,124	11,869	10,324
Total Costs	63,332	66,936,690	2,839	4,198,620	12,683,297	4,038,007	5,304,999
Operating Margin	(200)	(7,768,318)	(183)	(512,787)	360,884	(212,635)	(346,776)
Other Income	-	2,007,413	31	136,255	251,346	66,111	57,504
Net Margins	(200)	(5,760,905)	(151)	(376,532)	612,231	(146,523)	(289,273)
TIER	-	(0.76)	(1.96)	(0.70)	2.50	(0.36)	(2.09)
Rate Base	-	98,184,408	1,539	6,664,353	12,293,584	3,233,571	2,812,556
Return	(200)	(2,496,051)	(100)	(154,927)	1,021,020	(39,000)	(195,749)
Rate of Return		-2.54%	-6.50%	-2.32%	8.31%	-1.21%	-6.96%

**OWEN ELECTRIC COOPERATIVE**  
**CASE NO. 2008-00421**  
**Statement of Operations**

Exhibit K  
Schedule 3  
Page 3 of 46  
Witness: Jim Adkins

	Schedule XIV	Schedule 2A	Schedule III	Schedule OLS	Schedule II	-	
	Large Indust	Schedule 2A	Security	Outdoor	OLS-Spec	Gallatin	
	Rate LPB	TOD	Lights	Lighting	Lights	Steel	Total
Revenue from Rates	1,017,576	295,556	726,668	236,461	42,098	38,931,361	125,997,489
Purchased Power Costs	807,628	228,989	307,042	107,240	17,794	42,371,557	110,797,780
O&M	43,668	14,579	457,128	132,104	23,898	1,768	11,328,841
Admin & General	12,986	4,159	61,975	16,750	3,438	69,845	3,002,126
Depreciation & Misc.	55,178	17,062	256,371	71,688	13,308	196	8,646,864
Interest on Long Term Debt	27,478	8,496	127,665	35,701	6,626	96	4,302,408
Other Interest	3,033	938	14,092	3,941	731	11	474,919
							-
Total Costs	949,971	274,224	1,224,272	367,423	65,794	42,443,473	138,552,940
							-
Operating Margin	67,605	21,332	(497,604)	(130,962)	(23,696)	(3,512,112)	(12,555,451)
							-
Other Income	16,895	5,224	78,495	21,951	4,074	59	2,645,359
Net Margins	84,500	26,556	(419,108)	(109,011)	(19,622)	(3,512,053)	(9,910,092)
TIER	4.08	4.13	(2.28)	(2.05)	(1.96)	(36,571.94)	(1.30)
Rate Base	826,356	255,511	3,959,535	1,110,443	42,194	2,888	129,386,939
Return	111,978	35,053	(291,444)	(73,311)	(12,996)	(3,511,957)	(5,607,684)
Rate of Return	13.55%	13.72%	-7.36%	-6.60%	-30.80%	-121609.95%	-4.33%

**OWEN ELECTRIC COOPERATIVE**  
**CASE NO. 2008-00421**  
**Statement of Operations by Functional Classification**

Exhibit **K**  
 Schedule 4  
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 Witness: Jim Adkins

							Schedule XI	Schedule XIII
		Enviro-	Schedule I	Schedule IA	Schedule I	Schedule II	Large Indust	Large Indust
		Watts	Farm & Home	Off-peak Mkt	Sml Com	Large Power	Rate LPB1	Rate LPB2
Revenue from Rates		63,132	59,168,372	2,656	3,685,833	13,044,181	3,825,372	4,958,223
Purchased Power Costs								
Demand		-	14,780,443	-	891,328	2,920,458	1,038,278	781,652
Energy		63,332	30,485,057	2,428	1,933,918	7,610,200	2,443,170	4,007,266
Total Wholesale Costs		63,332	45,265,501	2,428	2,825,246	10,530,658	3,481,448	4,788,918
Gross Margin		(200)	13,902,871	228	860,587	2,513,523	343,924	169,305
Distribution Demand Costs								
Lines		-	6,718,054	-	478,983	1,671,422	476,418	515,474
Transformers		-	995,633	-	70,987	247,709	70,606	-
Total Distribution Demand		-	7,713,686	-	549,970	1,919,131	547,025	515,474
Distribution Consumer								
Lines		-	4,460,285	-	182,544	20,412	750	167
Transformers		-	692,987	-	44,975	15,087	2,685	-
Services		-	1,822,882	41	279,731	117,268	4,308	-
Meters		-	1,761,413	263	72,088	48,343	-	-
Consumer Services		-	5,219,936	106	244,066	32,396	1,792	440
Lighting		-						
Total Distribution Consum		-	13,957,503	410	823,404	233,507	9,534	606
Total Distribution Costs		-	21,671,189	410	1,373,374	2,152,638	556,559	516,081
Operating Margin		(200)	(7,768,318)	(183)	(512,787)	360,884	(212,635)	(346,776)
Other Revenue		-	2,007,413	31	136,255	251,346	66,111	57,504
Net Margin		(200)	(5,760,905)	(151)	(376,532)	612,231	(146,523)	(289,273)

**OWEN ELECTRIC COOPERATIVE**  
**CASE NO. 2008-00421**  
**Statement of Operations by Functional Classification**

Exhibit **K**  
 Schedule 4  
 Page 5 of 46  
 Witness: Jim Adkins

	Schedule XIV	Schedule 2A	Schedule III	Schedule OLS	Schedule II			
	Large Indust	Large Power	Security	Outdoor	OLS-Spec	Gallatin		Total
	Rate LPB	TOD	Lights	Lighting	Lights	Steel		
Revenue from Rates	1,017,576	295,556	726,668	236,461	42,098	38,931,361		125,997,489
Purchased Power Costs								-
Demand	239,326	62,047	70,645	11,564	2,323	6,217,002		27,015,068
Energy	568,302	166,941	236,396	95,676	15,471	36,154,554		83,782,713
Total Wholesale Costs	807,628	228,989	307,042	107,240	17,794	42,371,557	#	110,797,780
								-
Gross Margin	209,948	66,567	419,626	129,221	24,304	(3,440,196)		15,199,709
Distribution Demand Costs								-
Lines	120,250	32,636	59,209	10,077	1,960	-		10,084,486
Transformers	17,821	4,837	8,775	1,494	291	-		1,418,152
Total Distribution Dema	138,072	37,473	67,984	11,571	2,251	-		11,502,638
Distribution Consumer								-
Lines	333	667	25,036	667	3,708	83		4,694,650
Transformers	1,228	493	2,688	72	398	-		760,613
Services	1,915	3,829	13,808	4,227	678	-		2,248,686
Meters	-	1,716	-	-	-	-		1,883,824
Consumer Services	796	1,058	12,953	345	1,918	71,833		5,587,638
Lighting	-	-	794,761	243,302	39,047	-		1,077,110
Total Distribution Cons	4,272	7,762	849,246	248,612	45,749	71,916		16,252,522
Total Distribution Costs	142,344	45,235	917,230	260,183	48,000	71,916		27,755,160
Operating Margin	67,605	21,332	(497,604)	(130,962)	(23,696)	(3,512,112)		(12,555,451)
Other Revenue	16,895	5,224	78,495	21,951	4,074	59		2,645,359
Net Margin	84,500	26,556	(419,108)	(109,011)	(19,622)	(3,512,053)		(9,910,092)

**OWEN ELECTRIC COOPERATIVE  
CASE NO. 2008-00421**

**Allocation of Revenue Requirements to Rate Classes**

		Total	Envirowatts	Schedule I		
		\$\$\$	Energy	Demand	Energy	Consumer
					Farm and Home	
1	<b>Purchased Power</b>					
2	Demand	27,015,068		14,780,443		
3	Energy	83,782,712	63,332		30,485,057	
6						
7	<b>Total Purchased Power</b>	<b>110,797,780</b>	<b>63,332</b>	<b>14,780,443</b>	<b>30,485,057</b>	<b>-</b>
8						
9	<b>Lines</b>					
10	Distribution O&M Demand Related	3,526,729		2,349,426		
11	Distribution O&M Consumer Related	1,641,805				1,559,843
12	Admin & Gen Demand Related	854,880		569,501		
13	Admin & Gen Consumer Related	397,974				378,106
14	Deprec, Taxes & Misc Demand Related	3,672,227		2,446,354		
15	Deprec, Taxes & Misc Consumer Related	1,709,539				1,624,196
16	Interest Demand Related	2,030,650		1,352,773		
17	Interest Customer Related	945,333				898,140
18						
19	<b>Total Costs for Lines</b>	<b>14,779,136</b>		<b>6,718,054</b>	<b>-</b>	<b>4,460,285</b>
20						
21	Margins Demand Related	1,828,781		1,218,292		
22	Margins Consumer Related	851,356				808,855
23						
24	Credits Demand Related	1,124,436		749,074		
25	Credits Consumer Related	523,461				497,329
26						
27	<b>Revenue Requirements-Lines</b>	<b>15,811,377</b>	<b>-</b>	<b>7,187,272</b>	<b>-</b>	<b>4,771,811</b>
28						
29	<b>Transformers</b>					
30	Distribution O&M Demand Related	19,964		14,016		
31	Distribution O&M Consumer Related	10,707				9,755
32	Admin & Gen Demand Related	182,270		127,965		
33	Admin & Gen Consumer Related	97,759				89,067
34	Deprec, Taxes & Misc Demand Related	782,960		549,688		
35	Deprec, Taxes & Misc Consumer Related	419,934				382,598
36	Interest Demand Related	432,958		303,964		
37	Interest Customer Related	232,213				211,567
38						
39	<b>Total Costs for Transformers</b>	<b>2,178,765</b>		<b>995,633</b>	<b>-</b>	<b>692,987</b>
40						
41	Margins Demand Related	389,917		273,746		
42	Margins Consumer Related	209,128				190,535
43						
44	Credits Demand Related	239,742		168,314		
45	Credits Consumer Related	128,584				117,151
46						
47	<b>Revenue Requirements-Transform.</b>	<b>2,409,484</b>		<b>1,101,065</b>	<b>-</b>	<b>766,371</b>
48						
49	<b>Services</b>					
50	Distribution O&M Consumer Related	786,407				637,495
51	Admin & Gen Consumer Related	190,625				154,529
52	Deprec, Taxes & Misc Consumer Related	818,851				663,795
53	Interest Customer Related	452,804				367,062
54						
55	<b>Total Costs for Services</b>	<b>2,248,686</b>		<b>-</b>	<b>-</b>	<b>1,822,882</b>
56						
57	Margins Consumer Related	407,790				330,572
58						
59	Credits Consumer Related	250,732		0		203,254
60						
61	<b>Revenue Requirements-Services</b>	<b>2,405,744</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,950,200</b>

**OWEN ELECTRIC COOPERATIVE  
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**Allocation of Revenue Requirements to Rate Classes**

	Total \$\$\$	Envirowatts Energy	Schedule I Farm and Home		
			Demand	Energy	Consumer
<b>1 Meters</b>					
2 Distribution O&M Consumer Related	849,823				794,602
3 Admin & Gen Consumer Related	134,794				126,035
4 Deprec, Taxes & Misc Consumer Related	579,022				541,397
5 Interest Customer Related	320,185				299,379
6					
7 Total Costs for Services	1,883,824		-	-	1,761,413
8					
9 Margins Consumer Related	288,355				269,617
10					
11 Credits Consumer Related	177,296				165,776
12					
13 Revenue Requirements-Meters	1,994,882		-	-	1,865,255
14					
<b>15 Lighting</b>					
16 Outdoor Lighting O&M	560,480				
17 Street Lighting O&M	-				
18 Outdoor Lighting A&G	67,349				
19 Street Lighting A&G	-				
20 Outdoor Lighting Deprec & Misc	289,304				
21 Street Lighting Deprec & Misc	-				
22 Outdoor Lighting Interest	159,978				
23 Street Lighting Interest	-				
24					
25 Total Costs for Lights	1,077,110		-	-	-
26					
27 Outdoor Lighting Margins	144,074				
28 Street Lighting Margins	-				
29					
30 Outdoor Lighting Revenue Credit	88,585				
31 Street Lighting Revenue Credit	-				
32					
33 Revenue Requirements-Lighting	1,132,600		-	-	-
34					
<b>35 Consumer Accts &amp; Serv</b>					
36 Customer Accounts	3,537,314				3,348,446
37 Customer Service	395,612				374,489
38 Admin & General	1,076,476				1,019,000
39 Depreciation & Misc	375,028				355,004
40 Interest	203,208				192,358
41					
42 Total Costs for Consumer Acctg & Service	5,587,638				5,289,298
43					
44 Margins	183,007				173,236
45					
46 Revenue Credits	112,523				106,515
47					
48 Revenue Require. Cons. Act & Serv.	5,658,123				5,356,018
49					
50					
51					
52 TOTAL COSTS	138,552,940	63,332	22,494,130	30,485,057	14,026,865
53					
54 TOTAL REVENUE REQUIREMENTS FROM RATES	140,209,989	63,332	23,068,780	30,485,057	14,709,655
55					
56					
57 MARGINS PROVIDED					
58 RATE REVENUE	1,657,049	-	574,651	-	682,790
	138,552,940				

**OWEN ELECTRIC COOPERATIVE  
CASE NO. 2008-00421**

**Allocation of Revenue Requirements to Rate Classes**

		Schedule IA			Schedule I		
		Off peak Marketing			Small Commercial		
		Demand	Energy	Consumer	Demand	Energy	Consumer
<b>1</b>	<b>Purchased Power</b>						
2	Demand	-			891,328		
3	Energy		2,428			1,933,918	
6							
7	<b>Total Purchased Power</b>	-	2,428	-	891,328	1,933,918	-
8							
<b>9</b>	<b>Lines</b>						
10	Distribution O&M Demand Related	-			167,509		
11	Distribution O&M Consumer Related			-			63,839
12	Admin & Gen Demand Related	-			40,604		
13	Admin & Gen Consumer Related			-			15,475
14	Deprec, Taxes & Misc Demand Related	-			174,420		
15	Deprec, Taxes & Misc Consumer Related			-			66,473
16	Interest Demand Related	-			96,450		
17	Interest Customer Related			-			36,758
18							
19	<b>Total Costs for Lines</b>	-	-	-	478,983	-	182,544
20							
21	Margins Demand Related	-			86,862		
22	Margins Consumer Related			-			33,104
23							
24	Credits Demand Related	-			53,407		
25	Credits Consumer Related			-			20,354
26							
27	<b>Revenue Requirements-Lines</b>	-	-	-	512,438	-	195,293
28							
<b>29</b>	<b>Transformers</b>						
30	Distribution O&M Demand Related	-			999		
31	Distribution O&M Consumer Related			-			633
32	Admin & Gen Demand Related	-			9,124		
33	Admin & Gen Consumer Related			-			5,780
34	Deprec, Taxes & Misc Demand Related	-			39,192		
35	Deprec, Taxes & Misc Consumer Related			-			24,831
36	Interest Demand Related	-			21,672		
37	Interest Customer Related			-			13,731
38							
39	<b>Total Costs for Transformers</b>	-	-	-	70,987	-	44,975
40							
41	Margins Demand Related	-			19,518		
42	Margins Consumer Related			-			12,366
43							
44	Credits Demand Related	-			12,000		
45	Credits Consumer Related			-			7,603
46							
47	<b>Revenue Requirements-Transform.</b>	-	-	-	78,504	-	49,738
48							
<b>49</b>	<b>Services</b>						
50	Distribution O&M Consumer Related			14			97,827
51	Admin & Gen Consumer Related			3			23,713
52	Deprec, Taxes & Misc Consumer Related			15			101,863
53	Interest Customer Related			8			56,328
54							
55	<b>Total Costs for Services</b>	-	-	41	-	-	279,731
56							
57	Margins Consumer Related			7			50,728
58							
59	Credits Consumer Related			5			31,190
60							
61	<b>Revenue Requirements-Services</b>	-	-	44	-	-	299,268

**OWEN ELECTRIC COOPERATIVE  
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**Allocation of Revenue Requirements to Rate Classes**

		Schedule IA			Schedule I		
		Off peak Marketing			Small Commercial		
		Demand	Energy	Consumer	Demand	Energy	Consumer
1	<b>Meters</b>						
2	Distribution O&M Consumer Related			119			32,520
3	Admin & Gen Consumer Related			19			5,158
4	Deprec, Taxes & Misc Consumer Related			81			22,157
5	Interest Customer Related			45			12,253
6							
7	Total Costs for Services	-	-	263	-	-	72,088
8							
9	Margins Consumer Related			40			11,034
10							
11	Credits Consumer Related			25			6,785
12							
13	<b>Revenue Requirements-Meters</b>	-	-	279	-	-	76,338
14							
15	<b>Lighting</b>						
16	Outdoor Lighting O&M						
17	Street Lighting O&M						
18	Outdoor Lighting A&G						
19	Street Lighting A&G						
20	Outdoor Lighting Deprec & Misc						
21	Street Lighting Deprec & Misc						
22	Outdoor Lighting Interest						
23	Street Lighting Interest						
24							
25	Total Costs for Lights	-	-	-	-	-	-
26							
27	Outdoor Lighting Margins						
28	Street Lighting Margins						
29							
30	Outdoor Lighting Revenue Credit						
31	Street Lighting Revenue Credit						
32							
33	<b>Revenue Requirements-Lighting</b>	-	-	-	-	-	-
34							
35	<b>Consumer Accts &amp; Serv</b>						
36	Customer Accounts			67			154,509
37	Customer Service			8			17,280
38	Admin & General			20			47,020
39	Depreciation & Misc			7			16,381
40	Interest			4			8,876
41							
42	Total Costs for Consumer Acctg & Service	-	-	106	-	-	244,066
43							
44	Margins	-	-	3			7,994
45							
46	Revenue Credits	-	-	2			4,915
47							
48	<b>Revenue Require. Cons. Act &amp; Serv.</b>	-	-	108			247,145
49							
50							
51						#REF!	
52	<b>TOTAL COSTS</b>	-	2,428	410	1,441,298	1,933,918	823,404
53							
54	<b>TOTAL REVENUE REQUIREMENTS FROM RATES</b>	-	2,428	430	1,482,269	1,933,918	867,783
55							
56							
57	<b>MARGINS PROVIDED</b>						
58	<b>RATE REVENUE</b>	-	-	20	40,971	-	44,379
		138,552,940					

**OWEN ELECTRIC COOPERATIVE  
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**Allocation of Revenue Requirements to Rate Classes**

		Schedule II			Schedule XI		
		Large Power			Large Industrial Rate LPB1		
		Demand	Energy	Consumer	Demand	Energy	Consumer
1	<b>Purchased Power</b>						
2	Demand	2,920,458			1,038,278		
3	Energy		7,610,200			2,443,170	
6							
7	<b>Total Purchased Power</b>	2,920,458	7,610,200	-	1,038,278	2,443,170	-
8							
9	<b>Lines</b>						
10	Distribution O&M Demand Related	584,527			166,612		
11	Distribution O&M Consumer Related			7,139			262
12	Admin & Gen Demand Related	141,689			40,387		
13	Admin & Gen Consumer Related			1,730			64
14	Deprec, Taxes & Misc Demand Related	608,642			173,486		
15	Deprec, Taxes & Misc Consumer Related			7,433			273
16	Interest Demand Related	336,564			95,933		
17	Interest Customer Related			4,110			151
18							
19	<b>Total Costs for Lines</b>	1,671,422	-	20,412	476,418	-	750
20							
21	Margins Demand Related	303,106			86,397		
22	Margins Consumer Related			3,702			136
23							
24	Credits Demand Related	186,366			53,121		
25	Credits Consumer Related			2,276			84
26							
27	<b>Revenue Requirements-Lines</b>	1,788,162	-	21,838	509,693	-	802
28							
29	<b>Transformers</b>						
30	Distribution O&M Demand Related	3,487			994		
31	Distribution O&M Consumer Related			212			38
32	Admin & Gen Demand Related	31,837			9,075		
33	Admin & Gen Consumer Related			1,939			345
34	Deprec, Taxes & Misc Demand Related	136,760			38,982		
35	Deprec, Taxes & Misc Consumer Related			8,330			1,482
36	Interest Demand Related	75,625			21,556		
37	Interest Customer Related			4,606			820
38							
39	<b>Total Costs for Transformers</b>	247,709	-	15,087	70,606	-	2,685
40							
41	Margins Demand Related	68,107			19,413		
42	Margins Consumer Related			4,148			738
43							
44	Credits Demand Related	41,876			11,936		
45	Credits Consumer Related			2,551			454
46							
47	<b>Revenue Requirements-Transform.</b>	273,940	-	16,685	78,083	-	2,969
48							
49	<b>Services</b>						
50	Distribution O&M Consumer Related			41,011			1,507
51	Admin & Gen Consumer Related			9,941			365
52	Deprec, Taxes & Misc Consumer Related			42,703			1,569
53	Interest Customer Related			23,613			867
54							
55	<b>Total Costs for Services</b>	-	-	117,268	-	-	4,308
56							
57	Margins Consumer Related			21,266			781
58				-			
59	Credits Consumer Related			13,076			480
60				-			
61	<b>Revenue Requirements-Services</b>	-	-	125,458	-	-	4,609

**OWEN ELECTRIC COOPERATIVE  
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**Allocation of Revenue Requirements to Rate Classes**

		Schedule II			Schedule XI		
		Large Power			Large Industrial Rate LPB1		
		Demand	Energy	Consumer	Demand	Energy	Consumer
1	<b>Meters</b>						
2	Distribution O&M Consumer Related			21,808			-
3	Admin & Gen Consumer Related			3,459			-
4	Deprec, Taxes & Misc Consumer Related			14,859			-
5	Interest Customer Related			8,217			-
6							
7	Total Costs for Services	-	-	48,343	-	-	-
8							
9	Margins Consumer Related			7,400			-
10							
11	Credits Consumer Related			4,550			-
12							
13	<b>Revenue Requirements-Meters</b>	-	-	51,193	-	-	-
14							
15	<b>Lighting</b>						
16	Outdoor Lighting O&M						-
17	Street Lighting O&M						-
18	Outdoor Lighting A&G						-
19	Street Lighting A&G						-
20	Outdoor Lighting Deprec & Misc						-
21	Street Lighting Deprec & Misc						-
22	Outdoor Lighting Interest						-
23	Street Lighting Interest						-
24							
25	Total Costs for Lights	-	-	-	-	-	-
26							
27	Outdoor Lighting Margins						-
28	Street Lighting Margins						-
29							
30	Outdoor Lighting Revenue Credit						-
31	Street Lighting Revenue Credit						-
32							
33	<b>Revenue Requirements-Lighting</b>	-	-	-	-	-	-
34							
35	<b>Consumer Accts &amp; Serv</b>						
36	Customer Accounts			20,509			1,134
37	Customer Service			2,294			127
38	Admin & General			6,241			345
39	Depreciation & Misc			2,174			120
40	Interest			1,178			65
41							
42	Total Costs for Consumer Acctg & Service	-	-	32,396	-	-	1,792
43							
44	Margins			1,061			59
45							
46	Revenue Credits			652			36
47							
48	<b>Revenue Require. Cons. Act &amp; Serv.</b>	-	-	32,805	-	-	1,814
49							
50							
51							
52	<b>TOTAL COSTS</b>	4,839,590	7,610,200	233,507	1,585,303	2,443,170	9,534
53							
54	<b>TOTAL REVENUE REQUIRE.</b>						
55	<b>MENTS FROM RATES</b>	4,982,560	7,610,200	247,980	1,626,055	2,443,170	10,194
56							
57	<b>MARGINS PROVIDED</b>						
58	<b>RATE REVENUE</b>	142,971	-	14,473	40,752	-	660
		138,552,940					

**OWEN ELECTRIC COOPERATIVE  
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**Allocation of Revenue Requirements to Rate Classes**

		Schedule SIII			Schedule XIV		
		Large Industrial Rate LPB2			Large Industrial Rate LPB		
		Lights	Energy	Consumer	Demand	Energy	Consumer
1	<b>Purchased Power</b>						
2	Demand	781,652			239,326		
3	Energy		4,007,266			568,302	
6							
7	<b>Total Purchased Power</b>	781,652	4,007,266	-	239,326	568,302	-
8							
9	<b>Lines</b>						
10	Distribution O&M Demand Related	180,271			42,054		
11	Distribution O&M Consumer Related			58			117
12	Admin & Gen Demand Related	43,698			10,194		
13	Admin & Gen Consumer Related			14			28
14	Deprec, Taxes & Misc Demand Related	187,708			43,789		
15	Deprec, Taxes & Misc Consumer Related			61			121
16	Interest Demand Related	103,798			24,214		
17	Interest Customer Related			34			67
18							
19	<b>Total Costs for Lines</b>	515,474		167	120,250		333
20							
21	Margins Demand Related	93,479			21,807		
22	Margins Consumer Related			30			60
23							
24	Credits Demand Related	57,476			13,408		
25	Credits Consumer Related			19			37
26							
27	<b>Revenue Requirements-Lines</b>	551,477	-	178	128,649	-	357
28							
29	<b>Transformers</b>						
30	Distribution O&M Demand Related	-			251		
31	Distribution O&M Consumer Related			-			17
32	Admin & Gen Demand Related	-			2,291		
33	Admin & Gen Consumer Related			-			158
34	Deprec, Taxes & Misc Demand Related	-			9,839		
35	Deprec, Taxes & Misc Consumer Related			-			678
36	Interest Demand Related	-			5,441		0
37	Interest Customer Related			-			375
38							
39	<b>Total Costs for Transformers</b>	-	-	-	17,821	-	1,228
40							
41	Margins Demand Related	-			4,900		
42	Margins Consumer Related			-			338
43							
44	Credits Demand Related	-			3,013		
45	Credits Consumer Related			-			208
46							
47	<b>Revenue Requirements-Transform.</b>	-	-	-	19,709	-	1,358
48							
49	<b>Services</b>						
50	Distribution O&M Consumer Related			-			670
51	Admin & Gen Consumer Related			-			162
52	Deprec, Taxes & Misc Consumer Related			-			697
53	Interest Customer Related			-			386
54							
55	<b>Total Costs for Services</b>			-			1,915
56							
57	Margins Consumer Related			-			347
58							
59	Credits Consumer Related			-			213
60							
61	<b>Revenue Requirements-Services</b>			-			2,048

**OWEN ELECTRIC COOPERATIVE  
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**Allocation of Revenue Requirements to Rate Classes**

		Schedule III			Schedule XIV		
		Large Industrial Rate LPB2			Large Industrial Rate LPB		
		Lights	Energy	Consumer	Demand	Energy	Consumer
1	<b>Meters</b>						
2	Distribution O&M Consumer Related			-			-
3	Admin & Gen Consumer Related			-			-
4	Deprec, Taxes & Misc Consumer Related			-			-
5	Interest Customer Related			-			-
6							
7	Total Costs for Services			-			-
8							
9	Margins Consumer Related			-			-
10							
11	Credits Consumer Related			-			-
12							
13	<b>Revenue Requirements-Meters</b>			-			-
14							
15	<b>Lighting</b>						
16	Outdoor Lighting O&M						
17	Street Lighting O&M						-
18	Outdoor Lighting A&G						
19	Street Lighting A&G						-
20	Outdoor Lighting Deprec & Misc						
21	Street Lighting Deprec & Misc						-
22	Outdoor Lighting Interest						
23	Street Lighting Interest						-
24							
25	Total Costs for Lights	-	-		-	-	-
26							
27	Outdoor Lighting Margins						
28	Street Lighting Margins						-
29							
30	Outdoor Lighting Revenue Credit						
31	Street Lighting Revenue Credit						-
32							
33	<b>Revenue Requirements-Lighting</b>	-	-		-	-	-
34							
35	<b>Consumer Accts &amp; Serv</b>						
36	Customer Accounts			278			504
37	Customer Service			31			56
38	Admin & General			85			153
39	Depreciation & Misc			30			53
40	Interest			16			29
41							
42	Total Costs for Consumer Acctg & Service			440			796
43							
44	Margins			14			26
45							
46	Revenue Credits			9			16
47							
48	<b>Revenue Require. Cons. Act &amp; Serv.</b>			445			806
49							
50							
51							
52	<b>TOTAL COSTS</b>	1,297,126	4,007,266	606	377,397	568,302	4,272
53							
54	<b>TOTAL REVENUE REQUIREMENTS FROM RATES</b>	1,333,129	4,007,266	624	387,683	568,302	4,569
55							
56							
57	<b>MARGINS PROVIDED</b>						
58	<b>RATE REVENUE</b>	36,003	-	17	10,286	-	297
		138,552,940					

**OWEN ELECTRIC COOPERATIVE  
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**Allocation of Revenue Requirements to Rate Classes**

		Rate 2A			Schedule III		
		Large Power Time of Day			Security Lights		
		Demand	Energy	Consumer	Demand	Energy	Consumer
1	<b>Purchased Power</b>						
2	Demand	62,047			70,645		
3	Energy		166,941			236,396	
6							
7	<b>Total Purchased Power</b>	62,047	166,941	-	70,645	236,396	-
8							
9	<b>Lines</b>						
10	Distribution O&M Demand Related	11,414			20,707		
11	Distribution O&M Consumer Related			233			8,756
12	Admin & Gen Demand Related	2,767			5,019		
13	Admin & Gen Consumer Related			57			2,122
14	Deprec, Taxes & Misc Demand Related	11,884			21,561		
15	Deprec, Taxes & Misc Consumer Related			243			9,117
16	Interest Demand Related	6,572			11,923		
17	Interest Customer Related			134			5,041
18							
19	<b>Total Costs for Lines</b>	32,636		667	59,209	-	25,036
20							
21	Margins Demand Related	5,918			10,737		
22	Margins Consumer Related			121	-	-	4,540
23							
24	Credits Demand Related	3,639			6,602	-	-
25	Credits Consumer Related			74			2,792
26							
27	<b>Revenue Requirements-Lines</b>	34,916	-	713	63,345	-	26,785
28							
29	<b>Transformers</b>						
30	Distribution O&M Demand Related	68			124		
31	Distribution O&M Consumer Related			7			38
32	Admin & Gen Demand Related	622			1,128		
33	Admin & Gen Consumer Related			63			345
34	Deprec, Taxes & Misc Demand Related	2,670			4,845		
35	Deprec, Taxes & Misc Consumer Related			272			1,484
36	Interest Demand Related	1,477			2,679		
37	Interest Customer Related			150			821
38							
39	<b>Total Costs for Transformers</b>	4,837	-	493	8,775		2,688
40							
41	Margins Demand Related	1,330			2,413		
42	Margins Consumer Related			135			739
43							
44	Credits Demand Related	818			1,483		
45	Credits Consumer Related			83			454
46							
47	<b>Revenue Requirements-Transform.</b>	5,349	-	545	9,704	-	2,973
48							
49	<b>Services</b>						
50	Distribution O&M Consumer Related			1,339			4,829
51	Admin & Gen Consumer Related			325			1,171
52	Deprec, Taxes & Misc Consumer Related			1,394			5,028
53	Interest Customer Related			771			2,780
54							
55	<b>Total Costs for Services</b>			3,829			13,808
56							
57	Margins Consumer Related			694			2,504
58							
59	Credits Consumer Related			427			1,540
60							
61	<b>Revenue Requirements-Services</b>			4,097			14,772

**OWEN ELECTRIC COOPERATIVE  
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**Allocation of Revenue Requirements to Rate Classes**

		Rate 2A			Schedule III		
		Large Power Time of Day			Security Lights		
		Demand	Energy	Consumer	Demand	Energy	Consumer
1	<b>Meters</b>						
2	Distribution O&M Consumer Related			774			-
3	Admin & Gen Consumer Related			123			-
4	Deprec, Taxes & Misc Consumer Related			527			-
5	Interest Customer Related			292			-
6							
7	Total Costs for Services			1,716			-
8							
9	Margins Consumer Related			263			-
10							
11	Credits Consumer Related			161			-
12							
13	<b>Revenue Requirements-Meters</b>			1,817			-
14							
15	<b>Lighting</b>						
16	Outdoor Lighting O&M						413,558
17	Street Lighting O&M						-
18	Outdoor Lighting A&G						49,694
19	Street Lighting A&G						-
20	Outdoor Lighting Deprec & Misc						213,467
21	Street Lighting Deprec & Misc						-
22	Outdoor Lighting Interest						118,042
23	Street Lighting Interest						-
24							
25	Total Costs for Lights			-			794,761
26							
27	Outdoor Lighting Margins						106,307
28	Street Lighting Margins						-
29							
30	Outdoor Lighting Revenue Credit						65,363
31	Street Lighting Revenue Credit						-
32							
33	<b>Revenue Requirements-Lighting</b>						835,705
34							
35	<b>Consumer Accts &amp; Serv</b>						
36	Customer Accounts			670			8,200
37	Customer Service			75			917
38	Admin & General			204			2,495
39	Depreciation & Misc			71			869
40	Interest			38			471
41							
42	Total Costs for Consumer Acctg & Service			1,058			12,953
43							
44	Margins			35			424
45							
46	Revenue Credits			21			261
47							
48	<b>Revenue Require. Cons. Act &amp; Serv.</b>			1,071	-	-	13,116
49							
50							
51							
52	<b>TOTAL COSTS</b>	99,521	166,941	7,762	138,630	236,396	849,246
53							
54	<b>TOTAL REVENUE REQUIRE.</b>						
55	<b>MENTS FROM RATES</b>	102,312	166,941	8,242	143,694	236,396	893,351
56							
57	<b>MARGINS PROVIDED</b>						
58	<b>RATE REVENUE</b>	2,792	-	481	5,065	-	44,105
		138,552,940					

**OWEN ELECTRIC COOPERATIVE  
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**Allocation of Revenue Requirements to Rate Classes**

		Schedule OLS			Schedule II OLS		
		Outdoor Lighting Service			Special Outdoor Lighting		
		Demand	Energy	Consumer	Demand	Energy	Consumer
1	<b>Purchased Power</b>						
2	Demand	11,564			2,323		
3	Energy		95,676			15,471	
6							
7	<b>Total Purchased Power</b>	11,564	95,676	-	2,323	15,471	-
8							
9	<b>Lines</b>						
10	Distribution O&M Demand Related	3,524			686		
11	Distribution O&M Consumer Related			233			1,297
12	Admin & Gen Demand Related	854			166		
13	Admin & Gen Consumer Related			57			314
14	Deprec, Taxes & Misc Demand Related	3,670			714		
15	Deprec, Taxes & Misc Consumer Related			243			1,350
16	Interest Demand Related	2,029			395		
17	Interest Customer Related			134			747
18							
19	<b>Total Costs for Lines</b>	10,077	-	667	1,960	-	3,708
20							
21	Margins Demand Related	1,828			356		
22	Margins Consumer Related			121			672
23							
24	Credits Demand Related	1,124			219		
25	Credits Consumer Related			74			413
26							
27	<b>Revenue Requirements-Lines</b>	10,781	-	713	2,097	-	3,966
28							
29	<b>Transformers</b>						
30	Distribution O&M Demand Related	21			4		
31	Distribution O&M Consumer Related			1			6
32	Admin & Gen Demand Related	192			37		
33	Admin & Gen Consumer Related			9			51
34	Deprec, Taxes & Misc Demand Related	825			160		
35	Deprec, Taxes & Misc Consumer Related			40			220
36	Interest Demand Related	456			89		
37	Interest Customer Related			22			122
38							
39	<b>Total Costs for Transformers</b>	1,494		72	291		398
40							
41	Margins Demand Related	411			80		
42	Margins Consumer Related			20			109
43							
44	Credits Demand Related	252			49		
45	Credits Consumer Related			12			67
46							
47	<b>Revenue Requirements-Transform.</b>	1,652	-	79	321	-	440
48							
49	<b>Services</b>						
50	Distribution O&M Consumer Related			1,478			237
51	Admin & Gen Consumer Related			358			58
52	Deprec, Taxes & Misc Consumer Related			1,539			247
53	Interest Customer Related			851			137
54							
55	<b>Total Costs for Services</b>			4,227			678
56							
57	Margins Consumer Related			767			123
58							
59	Credits Consumer Related			471			76
60							
61	<b>Revenue Requirements-Services</b>			4,522			726

**OWEN ELECTRIC COOPERATIVE  
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**Allocation of Revenue Requirements to Rate Classes**

		Schedule OLS			Schedule II OLS		
		Outdoor Lighting Service			Special Outdoor Lighting		
		Demand	Energy	Consumer	Demand	Energy	Consumer
1	<b>Meters</b>						
2	Distribution O&M Consumer Related			-			-
3	Admin & Gen Consumer Related			-			-
4	Deprec, Taxes & Misc Consumer Related			-			-
5	Interest Customer Related			-			-
6							
7	Total Costs for Services			-			-
8							
9	Margins Consumer Related			-			-
10							
11	Credits Consumer Related			-			-
12							
13	<b>Revenue Requirements-Meters</b>			-			-
14							
15	<b>Lighting</b>						
16	Outdoor Lighting O&M			126,604			20,318
17	Street Lighting O&M			-			-
18	Outdoor Lighting A&G			15,213			2,442
19	Street Lighting A&G			-			-
20	Outdoor Lighting Deprec & Misc			65,349			10,488
21	Street Lighting Deprec & Misc			-			-
22	Outdoor Lighting Interest			36,136			5,799
23	Street Lighting Interest			-			-
24							
25	Total Costs for Lights			243,302			39,047
26							
27	Outdoor Lighting Margins			32,544			5,223
28	Street Lighting Margins			-			-
29							
30	Outdoor Lighting Revenue Credit			20,010			3,211
31	Street Lighting Revenue Credit			-			-
32							
33	<b>Revenue Requirements-Lighting</b>			255,836			41,059
34							
35	<b>Consumer Accts &amp; Serv</b>						
36	Customer Accounts			218			1,214
37	Customer Service			24			136
38	Admin & General			66			370
39	Depreciation & Misc			23			129
40	Interest			13			70
41							
42	Total Costs for Consumer Acctg & Service			345			1,918
43							
44	Margins			11			63
45							
46	Revenue Credits			7			39
47							
48	<b>Revenue Require. Cons. Act &amp; Serv.</b>			349			1,942
49							
50							
51							
52	<b>TOTAL COSTS</b>	23,135	95,676	248,612	4,574	15,471	45,749
53							
54	<b>TOTAL REVENUE REQUIREMENTS FROM RATES</b>	23,997	95,676	261,500	4,742	15,471	48,134
55							
56							
57	<b>MARGINS PROVIDED</b>						
58	<b>RATE REVENUE</b>	862	-	12,888	168	-	2,384
		138,552,940					

**OWEN ELECTRIC COOPERATIVE  
CASE NO. 2008-00421**

**Allocation of Revenue Requirements to Rate Classes**

		Gallatin Steel		
		Demand	Energy	Consumer
1	<b>Purchased Power</b>			
2	Demand	6,217,002		
3	Energy		36,154,554	
6				
7	<b>Total Purchased Power</b>	6,217,002	36,154,554	-
8				
9	<b>Lines</b>			
10	Distribution O&M Demand Related	-		
11	Distribution O&M Consumer Related			29
12	Admin & Gen Demand Related	-		
13	Admin & Gen Consumer Related			7
14	Deprec, Taxes & Misc Demand Related	-		
15	Deprec, Taxes & Misc Consumer Related			30
16	Interest Demand Related	-		
17	Interest Customer Related			17
18				
19	<b>Total Costs for Lines</b>	-	-	83
20				
21	Margins Demand Related	-		
22	Margins Consumer Related			15
23				
24	Credits Demand Related	-		
25	Credits Consumer Related			9
26				
27	<b>Revenue Requirements-Lines</b>	-	-	89
28				
29	<b>Transformers</b>			
30	Distribution O&M Demand Related	-		
31	Distribution O&M Consumer Related			-
32	Admin & Gen Demand Related	-		
33	Admin & Gen Consumer Related			-
34	Deprec, Taxes & Misc Demand Related	-		
35	Deprec, Taxes & Misc Consumer Related			-
36	Interest Demand Related	-		
37	Interest Customer Related			-
38				
39	<b>Total Costs for Transformers</b>			
40				
41	Margins Demand Related	-		
42	Margins Consumer Related			-
43				
44	Credits Demand Related	-		
45	Credits Consumer Related			
46				
47	<b>Revenue Requirements-Transform.</b>	-	-	-
48				
49	<b>Services</b>			
50	Distribution O&M Consumer Related			-
51	Admin & Gen Consumer Related			-
52	Deprec, Taxes & Misc Consumer Related			-
53	Interest Customer Related			-
54				
55	<b>Total Costs for Services</b>			-
56				
57	Margins Consumer Related			-
58				
59	Credits Consumer Related			-
60				
61	<b>Revenue Requirements-Services</b>			-

**OWEN ELECTRIC COOPERATIVE  
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**Allocation of Revenue Requirements to Rate Classes**

		Gallatin Steel		
		Demand	Energy	Consumer
1	<b>Meters</b>			
2	Distribution O&M Consumer Related			-
3	Admin & Gen Consumer Related			-
4	Deprec, Taxes & Misc Consumer Related			-
5	Interest Customer Related			-
6				
7	Total Costs for Services			-
8				
9	Margins Consumer Related			-
10				
11	Credits Consumer Related			-
12				
13	<b>Revenue Requirements-Meters</b>			-
14				
15	<b>Lighting</b>			
16	Outdoor Lighting O&M			
17	Street Lighting O&M			
18	Outdoor Lighting A&G			
19	Street Lighting A&G			
20	Outdoor Lighting Deprec & Misc			
21	Street Lighting Deprec & Misc			
22	Outdoor Lighting Interest			
23	Street Lighting Interest			
24				
25	Total Costs for Lights			
26				
27	Outdoor Lighting Margins			
28	Street Lighting Margins			
29				
30	Outdoor Lighting Revenue Credit			
31	Street Lighting Revenue Credit			
32				
33	<b>Revenue Requirements-Lighting</b>			
34				
35	<b>Consumer Accts &amp; Serv</b>			
36	Customer Accounts			1,564
37	Customer Service			175
38	Admin & General			476
39	Depreciation & Misc			166
40	Interest			90
41				
42	Total Costs for Consumer Acctg & Service			2,471
43				
44	Margins			81
45				
46	Revenue Credits			50
47				
48	<b>Revenue Require. Cons. Act &amp; Serv.</b>			2,502
49				
50				
51				
52	<b>TOTAL COSTS</b>	6,217,002	36,154,554	2,554
53				
54	<b>TOTAL REVENUE REQUIRE.</b>			
55	<b>MENTS FROM RATES</b>	6,217,002	36,154,554	2,591
56				
57	<b>MARGINS PROVIDED</b>			
58	<b>RATE REVENUE</b>	-	-	37
		138,552,940		

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Exhibit K  
Schedule 6  
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Witness: Jim Adkins

Functionalization and Classification of Revenue Requirements

Acct No.	Description	Allocation Basis	Actual \$\$\$\$	Adjusted \$\$\$\$	Pro Forma \$\$\$\$	Power Supply		
						Generation		Substation Demand
						Demand	Energy	
555	Purchased Power			0	27,015,068	27,015,068		0
	Demand Charges	EKPC CP	18,501,247		83,782,712		83,782,712	
	Energy Charges	kWh Sales	97,299,478					
	<b>Total Purchased Power</b>		115,800,725	(5,002,945)	110,797,780	27,015,068	83,782,712	-
580	Operations Supv & Eng	Dist Oper	199,778	9,779	209,557			
582	Station Expense	DA/MinSys	12,684	621	13,305			
583	Overhead Line Exp.	DA/Min Syst	1,515,224	74,171	1,589,395			
584	Underground Line Exp	DA/MinSys	449,924	22,024	471,948			
586	Meter Expense	DA	603,170	29,525	632,695			
587	Consumer Installations	DA	405,186	19,834	425,020			
588	Misc. Distribution Exp	Dist Oper	751,523	36,787	788,310			
589	Rents		445	22	466			
	<b>Total Operations</b>		3,937,933	192,764	4,130,697			
590	Maint Supv & Eng	Dist Maint,	66,532	1,060	67,592			
592	Maint of Station Equip	DA/Min Syst	-	-	-			
593	Maint. Overhead Lines	DA/Min Syst	2,848,532	45,393	2,893,925			
594	Maint of Underground Lines	DA/Min Syst	254,452	4,055	258,507			
595	Maint Line Transformers	DA	29,565	471	30,036			
596	Maint of St Lg & Signal Sys	DA	-	-	-			
597	Maintenance of Meters	DA	14,920	238	15,158			
598	Maint Misc Distrib Plant	Dist Maint,	-	-	-			
	<b>Total Distribut Maintenance</b>		3,214,001	51,217	3,265,218			
901	Supervision	DA	145,212	3029	148,241			
902	Meter Reading Expense	DA	426,634	8898	435,532			
903	Cons Recds & Collections	DA	2,731,198	56964	2,788,162			
904	Uncollectible Accounts	DA	162,000	3379	165,379			
	<b>Total Consumer Accounts</b>		3,465,044	72,270	3,537,314			

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**Functionalization and Classification of Revenue Requirements**

Acct	Description	Allocation Basis	Actual \$\$\$\$	Adjusted \$\$\$\$	Pro Forma \$\$\$\$	Power Supply		
						Generation		Substa- tion Demand
						Demand	Energy	
907	Customer Information		46,288	10,757	57,045			
908	Customer Assistance	DA	93,462		93,462			
909	Advertising	DA	36,663	0	36,663			
910	Miscellaneous Cust Inform.	DA	208,442		208,442			
	<b>Total Customer Service</b>	16358	384,855	10,757	395,612	-	-	-
	<b>Total of Above</b>		126,802,558	(4,675,937)	122,126,621	27,015,068	83,782,712	-
920	Administrative Salaries		1,414,041	37,728	1,451,769			
921	Office Supplies		259,906	-	259,906			
923	Outside Services		95,017	(853)	94,164			
924	Property Ins		-	-	-			
925	Injuries & Damages		126,663	-	126,663			
926	Employ Pensions & Benef		142,947	32,256	175,203			
928	Regulatory Exp		-	-	-			
929	Duplicate Charges		(115,772)	-	(115,772)			
930	Misc General Exp		816,615	(121,840)	694,775			
931	Rents		44,792	-	44,792			
935	Misc. General Plant		270,626	-	270,626			
	<b>Total Admin &amp; General</b>	Dist Plant	3,054,835	(52,709)	3,002,126			
403	Deprec. Distribution Plant	Net Plant	8,992,599	(1,175,664)	7,816,935			
403	Deprec. General Plant	Net Plant	664,100		664,100			
	<b>Total Depreciation</b>		9,656,698	(1,175,664)	8,481,034	-	-	-
408	Taxes Other Than Income Tax	Rate Base	128,898	-	128,898			
416 & 426	Miscell. Income Deductions	Rate Base	105,200	(68,267)	36,933			
	<b>Total Miscellaneous</b>		234,097	(68,267)	165,830	-	-	-
427.1	Interest - RUS Constuc	Rate Base	2,290,341	-	2,290,341			
427.15	Interest - FFB Notes	Rate Base	-	478,648	478,648			
427.2	Interest - Other LTD	Rate Base	1,533,420	-	1,533,420			
	<b>Total Interest on LTD</b>		3,823,760	478,648	4,302,408	-	-	-

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**Functionalization and Classification of Revenue Requirements**

Acct	Description	Allocation Basis	Actual \$\$\$\$	Adjusted \$\$\$\$	Pro Forma \$\$\$\$	Power Supply		
						Generation		Substa- tion Demand
						Demand	Energy	
431	Other Interest Expense	Rate Base	689,738	(344,869)	344,869			
431.1	Interest on Customer Dep.	Rate Base	130,051	-	130,051			
431.3	Other Interest	Rate Base	-		-			
	<b>Total Short Term Interest</b>	Rate Base	819,788	(344,869)	474,919	-	-	-
	<b>Total Costs</b>		144,391,738	(5,838,798)	138,552,940	27,015,068	83,782,712	-
	<b>Margin Requirements</b>	Rate Base	3,823,760	478,648	4,302,408			
	<b>Total Revenue Requirements</b>		148,215,498	(5,360,150)	142,855,348	27,015,068	83,782,712	-
	<b>Less: Misc Income</b>							
	CATV & Non-Recurring Chrgs			0	-			
450	Forfeited Discounts	Rate Base	879,773		879,773			
451	Misc Service Revenue	Rate Base	423,193	297,026	720,219			
452-454	Rent from Electric Prop.	Rate Base	453,004	0	453,004			
456.1	Other Electric Property	Rate Base	19,033	-	19,033			
	<b>Total Misc Income</b>		1,775,002	297,026	2,072,028	-	-	-
	<b>Less: Other Income</b>							
	Non-operating Margins Other							
419	Interest Income	Rate Base	113,134		113,134			
421	Misc. Non-operating Income	Rate Base	31,595	-	31,595			
424	Other Capital Credits	Rate Base	428,601		428,601			
	<b>Total Other Income</b>		573,331	-	573,331			
	<b>Revenue Requirements from Rates</b>		145,867,165	(5,657,176)	140,209,989	27,015,068	83,782,712	-

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**Functionalization and Classification of Revenue Requirements**

Acct No.	Description	Allocation Basis	Distribution								
			Lines		Line Transformers		Services	Meters	Consumer & Accounting	Security	
			Demand	Customer	Demand	Consumer	Consumer	Consumer	Services	Lights	
555	Purchased Power										
	Demand Charges	EKPC CP									
	Energy Charges	kWh Sales									
	<b>Total Purchased Power</b>										
580	Operations Supv & Eng	Dist Oper	82,200	38,267	-	-	18,329	42,328	-	28,434	
582	Station Expense	DA/MinSys	7,880	3,668			1,757				
583	Overhead Line Exp.	DA/Min Syst	941,296	438,204			209,895				
584	Underground Line Exp	DA/MinSys	279,505	130,118			62,325				
586	Meter Expense	DA						632,695			
587	Consumer Installations	DA								425,020	
588	Misc. Distribution Exp	Dist Oper	309,218	143,951	-	-	68,951	159,228	-	106,963	
589	Rents		183	85			41	94		63	
	<b>Total Operations</b>		1,620,281	754,293	-	-	361,298	834,345	-	560,480	
590	Maint Supv & Eng	Dist Maint,	39,465	18,372	413	222	8,800	320	-	-	
592	Maint of Station Equip	DA/Min Syst	-	-			-				
593	Maint. Overhead Lines	DA/Min Syst	1,713,886	797,869			382,170				
594	Maint of Underground Lines	DA/Min Syst	153,097	71,272			34,138				
595	Maint Line Transformers	DA			19,551	10,486					
596	Maint of St Lg & Signal Sys	DA						15,158			
597	Maintenance of Meters	DA									
598	Maint Misc Distrib Plant	Dist Maint,	-	-	-	-	-	-	-	-	
	<b>Total Distribut Maintenance</b>		1,906,448	887,512	19,964	10,707	425,109	15,478	-	-	
901	Supervision	DA	-	-	-	-	-	-	148,241	-	
902	Meter Reading Expense	DA							435,532	-	
903	Cons Recds & Collections	DA							2,788,162	-	
904	Uncollectible Accounts	DA							165,379	-	
	<b>Total Consumer Accounts</b>		-	-	-	-	-	-	3,537,314	-	

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**Functionalization and Classification of Revenue Requirements**

Acct	Description	Allocation Basis	Distribution							Consumer & Accounting Services	Security Lights
			Lines		Line Transformers		Services	Meters			
			Demand	Customer	Demand	Consumer	Consumer	Consumer			
907	Customer Information									57,045	
908	Customer Assistance	DA								93,462	
909	Advertising	DA								36,663	
910	Miscellaneous Cust Inform.	DA								208,442	
	<b>Total Customer Service</b>	16358	-	-	-	-	-	-	-	395,612	-
	<b>Total of Above</b>		3,526,729	1,641,805	19,964	10,707	786,407	849,823		3,932,926	560,480
920	Administrative Salaries										
921	Office Supplies										
923	Outside Services										
924	Property Ins										
925	Injuries & Damages										
926	Employ Pensions & Benef										
928	Regulatory Exp										
929	Duplicate Charges										
930	Misc General Exp										
931	Rents										
935	Misc. General Plant										
	<b>Total Admin &amp; General</b>	Dist Plant	854,880	397,974	182,270	97,759	190,625	134,794		1,076,476	67,349
403	Deprec. Distribution Plant	Net Plant	3,319,708	1,545,430	707,799	379,622	740,244	523,438		339,161	261,532
403	Deprec. General Plant	Net Plant	282,031	131,294	60,132	32,251	62,889	44,469		28,814	22,219
	<b>Total Depreciation</b>		3,601,739	1,676,725	767,932	411,873	803,133	567,907		367,975	283,750
408	Taxes Other Than Income Tax	Rate Base	15,699	7,308	3,347	1,795	3,501	2,475		1,571	1,237
416 & 426	Miscell. Income Deductions	Rate Base	54,789	25,506	11,682	6,265	12,217	8,639		5,483	4,316
	<b>Total Miscellaneous</b>		70,488	32,814	15,029	8,061	15,718	11,114		7,054	5,553
427.1	Interest - RUS Constuc	Rate Base	973,532	453,210	207,568	111,327	217,083	153,503		97,422	76,696
427.15	Interest - FFB Notes	Rate Base	203,454	94,714	43,379	23,266	45,367	32,080		20,360	16,028
427.2	Interest - Other LTD	Rate Base	651,795	303,431	138,970	74,535	145,340	102,772		65,225	51,349
	<b>Total Interest on LTD</b>		1,828,781	851,356	389,917	209,128	407,790	288,355		183,007	144,074

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Functionalization and Classification of Revenue Requirements

Acct	Description	Allocation Basis	Distribution							
			Lines		Line Transformers		Services	Meters	Consumer	Security
			Demand	Customer	Demand	Consumer	Consumer	Consumer	& Accounting Services	Lights
431	Other Interest Expense	Rate Base	146,590	68,242	31,255	16,763	32,687	23,114	14,669	11,549
431.1	Interest on Customer Dep.	Rate Base	55,279	25,734	11,786	6,321	12,326	8,716	5,532	4,355
431.3	Other Interest	Rate Base	-	-	-	-	-	-	-	-
	<b>Total Short Term Interest</b>	Rate Base	201,869	93,977	43,041	23,085	45,014	31,830	20,201	15,904
	<b>Total Costs</b>		10,084,486	4,694,650	1,418,152	760,613	2,248,686	1,883,824	5,587,638	1,077,110
	<b>Margin Requirements</b>	Rate Base	1,828,781	851,356	389,917	209,128	407,790	288,355	183,007	144,074
	<b>Total Revenue Requirements</b>		11,913,267	5,546,007	1,808,069	969,741	2,656,476	2,172,178	5,770,645	1,221,184
	<b>Less; Misc Income</b>									
	CATV & Non-Recurring Chrgs		-	-	-	-	-	-	-	-
450	Forfeited Discounts	Rate Base	373,956	174,089	79,732	42,763	83,386	58,964	37,422	29,461
451	Misc Service Revenue	Rate Base	306,136	142,516	65,272	35,008	68,264	48,270	30,635	24,118
452-454	Rent from Electric Prop.	Rate Base	192,554	89,640	41,055	22,019	42,937	30,361	19,269	15,170
456.1	Other Electric Property	Rate Base	8,090	3,766	1,725	925	1,804	1,276	810	637
	<b>Total Misc Income</b>		880,736	410,011	187,783	100,716	196,391	138,871	88,136	69,386
	<b>Less: Other Income</b>									
	Non-operating Margins Other		-	-	-	-	-	-	-	-
419	Interest Income	Rate Base	48,089	22,387	10,253	5,499	10,723	7,582	4,812	3,789
421	Misc. Non-operating Income	Rate Base	13,430	6,252	2,863	1,536	2,995	2,118	1,344	1,058
424	Other Capital Credits	Rate Base	182,181	84,811	38,843	20,833	40,624	28,726	18,231	14,353
	<b>Total Other Income</b>		243,700	113,450	51,960	27,868	54,341	38,426	24,387	19,199
	<b>Revenue Requirements from Rates</b>		10,788,831	5,022,546	1,568,326	841,157	2,405,744	1,994,882	5,658,123	1,132,600



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Unbundled Rate Base

Function	Classifier	Schedule XIII		Schedule XIV		Schedule 2A		Schedule III		Schedule OLS		Schedule II SOLS		Gallatin Steel	
		Industrial LPB2	Large Industrial LPB	Large Power TOD		Security Lights		Outdoor Lighting Service		Special Outdoor Light		Demand	Consum.	Demand	Consum.
		Consum.	Demand	Consum.	Demand	Consum.	Demand	Consum.	Demand	Consum.	Demand	Consum.	Demand	Consum.	Demand
Lines	Demand		655,802		177,988		322,906		54,959		10,691		-		454
	Consumer	909		1,817		3,635		136,539		3,635		20,220			
Transformer	Demand		147,357		39,993		72,556		12,349		2,402		-		
	Consumer	-		10,154		4,073		22,227		592		3,291			
Services	Demand												3,700		-
	Consumer	-		10,441		20,883		75,304		23,053					
Meters	Demand														
	Consumer	-		-		7,897		-		-		-			
Consumer Acct & Serv.		433		784		1,042		12,758		340		1,889			2,434
Outdoor Lighting						0		3,317,245		1,015,516					
Street Lighting															
Total		1,342	803,159	23,197	217,981	37,530	395,463	3,564,072	67,308	1,043,135	13,094	29,100	-		2,888

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**Development of Net Investment Rate Base**

Distribution Balances												
Description	\$\$\$	Lines		Line Transformers		Services		Meters	Consumer	Security	Street	
		Demand	Customer	Demand	Consumer	Demand	Consumer	Consumer	& Accounting Services	Lights	Lighting	
360 Land & Land Rights	-	-	-	-	-	-	-	-	-	-	-	-
362 Station Equipment	-	-	-	-	-	-	-	-	-	-	-	-
364 Poles, Towers and Fixtures	47,449,380	31,941,116	14,869,610	-	-	-	-	-	-	638,654	-	-
365 Overhead Conductor	34,619,235	23,435,877	10,910,150	-	-	-	-	-	-	273,208	-	-
366 Underground Conduit	-	-	-	-	-	-	-	-	-	-	-	-
367 UG Conductor	24,459,122	16,689,586	7,769,536	-	-	-	-	-	-	-	-	-
368 Line Transformers	23,606,507	-	-	15,365,409	8,241,098	-	-	-	-	-	-	-
369 Services	16,069,746	-	-	-	-	-	16,069,746	-	-	-	-	-
370 Meters	11,363,162	-	-	-	-	-	-	11,363,162	-	-	-	-
371 Install. On Consumer Prem.	4,663,306	-	-	-	-	-	-	-	-	4,663,306	-	-
373 Street Ltg & Signal Systems	102,346	-	-	-	-	-	-	-	-	102,346	-	-
<b>Total Distribution Plant</b>	<b>162,332,802</b>	<b>72,066,579</b>	<b>33,549,296</b>	<b>15,365,409</b>	<b>8,241,098</b>	<b>-</b>	<b>16,069,746</b>	<b>11,363,162</b>	<b>-</b>	<b>5,677,512</b>	<b>-</b>	<b>-</b>
		44.4%	20.7%	9.5%	5.1%	0.0%	9.9%	7.0%	0.0%	3.5%	0.0%	
<b>Total General Plant</b>	<b>22,346,638</b>	<b>6,363,386</b>	<b>2,962,360</b>	<b>1,356,746</b>	<b>727,678</b>	<b>-</b>	<b>1,418,938</b>	<b>1,003,353</b>	<b>8,012,861</b>	<b>501,317</b>	<b>-</b>	<b>-</b>
		28.5%	13.3%	6.1%	3.3%	0.0%	6.3%	4.5%	35.9%	2.2%	0.0%	
<b>Total Utility Plant</b>	<b>184,679,441</b>	<b>78,429,965</b>	<b>36,511,656</b>	<b>16,722,155</b>	<b>8,968,776</b>	<b>-</b>	<b>17,488,684</b>	<b>12,366,515</b>	<b>8,012,861</b>	<b>6,178,829</b>	<b>-</b>	<b>-</b>
Accum. Depreciation	61,301,494	26,033,618	12,119,481	5,550,662	2,977,047	-	5,805,099	4,104,874	2,659,746	2,050,967	-	-
<b>Net Plant</b>	<b>123,377,947</b>	<b>52,396,347</b>	<b>24,392,174</b>	<b>11,171,493</b>	<b>5,991,729</b>	<b>-</b>	<b>11,683,585</b>	<b>8,261,641</b>	<b>5,353,115</b>	<b>4,127,862</b>	<b>-</b>	<b>-</b>
		42.47%	19.77%	9.05%	4.86%	0.00%	9.47%	6.70%	4.34%	3.35%	0.00%	
<b>CWIP</b>	<b>3,178,140</b>	<b>1,410,914</b>	<b>656,826</b>	<b>300,823</b>	<b>161,344</b>	<b>-</b>	<b>314,612</b>	<b>222,467</b>	<b>-</b>	<b>111,154</b>	<b>-</b>	<b>-</b>
		44.4%	20.7%	9.5%	5.1%	0.0%	9.9%	7.0%	0.0%	3.5%	0.0%	
<b>Plus</b>	<b>126,556,087</b>	<b>53,807,261</b>	<b>25,049,000</b>	<b>11,472,316</b>	<b>6,153,073</b>	<b>-</b>	<b>11,998,197</b>	<b>8,484,108</b>	<b>5,353,115</b>	<b>4,239,016</b>	<b>-</b>	<b>-</b>
Cash Working Capital	1,843,244	782,792	364,415	166,900	89,515	-	174,551	123,427	79,975	61,670	-	-
Materials & Supplies	1,141,357	484,713	225,650	103,346	55,429	-	108,084	76,428	49,521	38,186	-	-
Prepayments	483,537	205,349	95,597	43,783	23,483	-	45,790	32,379	20,980	16,178	-	-
<b>Minus: Consumer Advances</b>	<b>637,286</b>	<b>282,919</b>	<b>131,708</b>	<b>60,322</b>	<b>32,353</b>	<b>-</b>	<b>63,087</b>	<b>44,609</b>	<b>-</b>	<b>22,289</b>	<b>-</b>	<b>-</b>
<b>Net Investment Rate Base</b>	<b>129,386,939</b>	<b>54,997,197</b>	<b>25,602,953</b>	<b>11,726,024</b>	<b>6,289,146</b>	<b>-</b>	<b>12,263,534</b>	<b>8,671,732</b>	<b>5,503,591</b>	<b>4,332,761</b>	<b>-</b>	<b>-</b>
<b>Percentage</b>		<b>42.51%</b>	<b>19.79%</b>	<b>9.06%</b>	<b>4.86%</b>	<b>0.00%</b>	<b>9.48%</b>	<b>6.70%</b>	<b>4.25%</b>	<b>3.35%</b>	<b>0.00%</b>	

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**Determination of Certain Plant Investments as Demand Related or Consumer Related**

Account 364 - Poles					
Pole	Size	Investment	Number of Units	Unit Cost	Predicted Value
28' AL		12,020	20		
28' Fiberglass		209,132	654	319.77	
35' & Under	30	6,538,269	27,556	237.27	229.64
40' & 45'	42.50	14,455,393	35,983	401.73	417.00
50' & Over	55	1,455,334	2,378	612.00	604.36
Subtotal		22,670,147	66,591	340.44	
Cross arms		5,838,416	-	-	
Brackets		293,065	-	-	
Anchors		8,424,270	-	-	
Guys		9,336,960	-	-	
Hanger Trans		265,661	-	-	
Brackets		69,927	-	-	
Other		550,935	-	-	
<b>Total Investment</b>		<b>47,449,380</b>	<b>66,591.00</b>		
X Variable - (Size)			14.99		
Zero Intercept			(220.04)		
R Square			1.00		
Minimum Intercept 30 ft pole			Use Predicted Value	229.64	
Number of poles				66,591.00	
Consumer Related Investment				15,291,711.09	
Total Investment				47,449,380.00	
<b>Percent Customer Related</b>				<b>32.23%</b>	
<b>Percent Demand Related</b>				<b>67.77%</b>	

SUMMARY OUTPUT	
Regression Statistics	
Multiple R	0.99751799
R Square	0.99504213
Adjusted R Square	0.99008426
Standard Error	18.7036746
Observations	3
Intercept	-220.036261
X Variable 1	14.9890855

**Account 364 - Poles**

Size of Pole	Actual Cost	Predicted Cost
30	237.27	229.64
42.50	401.73	417.00
55	612.00	604.36

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**Determination of Certain Plant Investments as Demand Related or Consumer Related**

Account 365 - Overhead Conductor						
Conductor	Investment	Number of Units	Unit Cost	Amp Ratings	Predicted Cost	
Bare 6A	1,108,083	15,146,934	\$ 0.0732			
2&1/0-7STR, 4&6HDC 2-3STR	111,037	1,029,939	\$ 0.1078			
#6 Amerductor	65,343	1,709,388.00	\$ 0.0382			
#2 ACSR	7,024,915	10,873,597	\$ 0.6461	175	0.5293	
1/0 ACSR	2,335,522	3,098,842	\$ 0.7537	230	0.6070	
3/0 ACSR	1,946,949	3,178,564	\$ 0.6125	324	0.7397	
4/0 ACSR	143,976	342,367	\$ 0.4205	255	0.6423	
350 MCM	15,136	4,675	\$ 3.2377			
500 MCM	951	825	\$ 1.1524			
336.4 MCM	2,974,645	2,734,485	\$ 1.0878	510	1.0024	
750 MCM	3,333	450	\$ 7.4060			
O/H Spacer Cable #2 ACSR	6,674	7,482	\$ 0.8920			
O/H Spacer Cable 336.4	42,321	12,307	\$ 3.4388			
O/H Cable Messenger	32,498	7,749	\$ 4.1939			
O/H Spacer Cable 556	526,851	52,829	\$ 9.9728	850	1.4826	
<b>SUBTOTAL</b>	<b>16,338,233</b>	<b>38,200,433</b>	<b>\$ 0.4277</b>			
Arrestors	x 680,088					
Switches	x 550,787					
Reclosers	1,660,664					
Cutouts	x 1,073,049					
Insulator String	x 9,880,173					
Grounds	x 4,113,045					
Other	34,619,235 323,197					
<b>TOTAL</b>	<b>34,619,235</b>	<b>38,200,433</b>				

SUMMARY OUTPUT	
Multiple R	0.74451174
R Square	0.55429773
Adjusted R Square	0.40573031
Standard Error	0.18956291
Observations	5
<b>Coefficients</b>	
Intercept	0.28213569
X Variable 1	0.00141227

**Account 365 Overhead Conductor**

Amps	Actual Cost (\$)	Predicted Cost (\$)
175	~\$0.53	~\$0.53
230	~\$0.61	~\$0.61
255	~\$0.42	~\$0.42
324	~\$0.74	~\$0.74
510	~\$1.00	~\$1.00

Zero Intercept	0.28214	Actual Price
Total Amount of Conductor in Feet	38,200,433	
	\$\$\$	
Minimum Size Investment -Consumer Related	10,777,705.59	31.13%
Demand Related	23,841,529	68.87%
Investment in Conduit	34,619,235.00	100.00%

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**Determination of Certain Plant Investments as Demand Related or Consumer Related**

Breakdown of Lines into Demand Related and Consumer Related Components						
		Total Investment	Percent Consumer	Amount Consumer	Percent Demand	Amount Demand
Conductor		34,619,235	31.13%	10,777,705.59	68.87%	23,841,529
Poles		47,449,380	32.23%	15,291,711.09	67.77%	32,157,669
		<b>82,068,615</b>		<b>26,069,417</b>		<b>55,999,198</b>
Percent				<b>31.77%</b>		<b>68.23%</b>
<b>Account 368-Transformers</b>						
Pole	Size	Investment	Number of Units	Unit Cost	Predicted Value	
1.5,3,5,7.5	Various	14,516	(62)	(234.12)	#VALUE!	
10 KVA	10.00	36,113	90	401.25	318.15	
15 KVA	15.00	1,713,038	2,527	677.89	360.04	
25 KVA	25.00	1,039,063	1,633	636.29	443.81	
37.5 KVA	37.50	27,317	46	593.86	548.53	
50 KVA	50.00	385,719	476	810.33	653.25	
75 KVA		105,820	73	1,449.59	#VALUE!	
100 KVA		141,552	99	1,429.82	#VALUE!	
167 KVA		35,141	19	1,849.53	#VALUE!	
250 KVA		33,868	11	3,078.94	283,969.17	
15 KVA PAD	15.00	24,798	16	1,549.89	360.04	
25 KVA PAD	25.00	1,736,960	1,700	1,021.74	14,551,739	
25 KVA MINI	25.00	31,624	34	930.13	443.81	
37.5 KVA PA	37.50	36,319	41	885.82	548.53	
50 KVA PAD	50.00	4,996,949	4,183	1,194.59	653.25	
75 KVA PAD		564,007	368	1,532.63	#VALUE!	
100&167 KV/		342,958	182	1,884.39	#VALUE!	
112.5 KVA P		403,395	315	1,280.62	#VALUE!	
225 KVA PAI		28,737	7	4,105.33	#VALUE!	
75 KVA 3PH		49,372	18	2,742.88	#VALUE!	
1.5 KVA CSP	1.50	63,221	456	138.64	246.94	
7.5 KVA CSP	7.50	316,519	1,114	284.13	297.21	
10 KVA CSP	10.00	2,409,108	7,091	339.74	318.15	
15 KVA CSP	15.00	5,453,663	11,887	458.79	360.04	
25 KVA CSP	25.00	1,158,914	2,182	531.12	443.81	
37.5 KVA CS	37.50	50,777	103	492.98	548.53	
50 KVA CSP	50.00	114,546	184	622.53	653.25	
75 KVA CSP		5,984	7	854.85	#VALUE!	
1000 KVA PA		323,618	35	9,246.24	#VALUE!	
300 KVA PAI		342,317	63	5,433.61	#VALUE!	
500 KVA PAI		390,167	41	9,516.27	#VALUE!	
750 KVA PAI		359,790	41	8,775.37	#VALUE!	
150 KVA PAI		97,654	21	4,650.19	#VALUE!	
1500 KVA PA		301,261	24	12,552.53	#VALUE!	
2000 KVA PAD		169,359	8	21,169.85		
167 KVA STEPDOWN		24,326	12	2,027.19		
250 KVA STEPDOWN		15,858	6	2,643.00		
500 KVA STEPDOWN		66,831	16	4,176.91		
1000 KVA STEPDOWN		153,930	26	5,920.40		
333 KVA STEPDOWN		10,557	3	3,519.00		
1500 KVA PAD		13,294	1	13,294.40		
33 KVA		9,151	3	3,050.20		
All Other Equipment		8,395				
		<b>23,606,507</b>	<b>35,162</b>			



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A. Energy Sakes							
Month	Schedule I Farm and Home	Schedule IA Off-peak Marketing	Schedule I Small Commercial	Schedule II Large Power	Schedule XI Large Indust. Rate LPB1	Schedule XIII Large Indust. Rate LPB2	
January	65,592,796	9,665	3,776,362	13,878,904	5,005,863	9,026,365	
February	86,863,947	16,094	4,563,690	15,263,518	5,419,085	9,532,403	
March	61,677,549	5,651	3,471,612	14,008,795	5,575,387	8,688,263	
April	50,726,517	8,471	3,655,129	14,724,849	5,619,868	9,522,398	
May	45,214,060	4,429	3,450,368	13,900,458	5,267,693	9,355,220	
June	59,748,092	4,049	3,988,415	15,945,475	5,726,584	9,219,273	
July	64,306,982	1,932	4,071,724	16,605,705	5,713,237	9,585,828	
August	69,704,016	-	4,228,037	15,600,921	5,741,523	8,602,628	
September	75,647,816	-	4,496,720	18,653,506	6,444,557	9,894,895	
October	49,818,779	102	3,721,568	16,350,221	5,668,511	9,475,966	
November	47,250,340	2,901	3,539,224	14,952,797	6,590,907	10,118,771	
December	62,252,269	5,478	3,841,178	14,336,324	5,915,144	9,664,040	
<b>Total</b>	<b>737,788,979</b>	<b>58,772</b>	<b>46,804,027</b>	<b>184,179,473</b>	<b>68,688,359</b>	<b>112,662,049</b>	
Percentage	55.68%	0.00%	3.53%	13.90%	5.18%	8.50%	
Rate E	737,788,979	58,772	46,804,027	184,179,473			
Percent	75.19%	0.01%	4.77%	18.77%			
Rate B					68,688,359	112,662,049	
Percent					34.81%	57.09%	

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<b>A. Energy Sakes</b>						
	Schedule XIV	Schedule 2A	Schedule III	Schedule OLS	Schedule SOLS	
	Large Indust.	Time of Day	Security	Outdoor	Special Outdoor	
Month	Rate LPB	Rate	Lights	Lighting Serv.	Lighting Serv	Total
January	1,129,083	255,168	564,385	11,242,900	139,217	110,620,708
February	1,932,683	259,176	575,679	11,485,600	140,357	136,052,232
March	1,434,672	268,800	565,770	11,001,400	136,683	106,834,582
April	1,514,007	269,568	558,183	10,492,200	138,103	97,229,293
May	1,401,272	308,376	564,994	11,134,500	137,753	90,739,123
June	1,489,765	440,352	562,407	10,885,400	138,492	108,148,304
July	1,526,880	405,672	566,376	12,745,900	137,863	115,668,099
August	1,613,400	461,136	558,858	12,314,600	138,479	118,963,598
September	1,700,425	520,680	559,385	12,986,300	139,543	131,043,827
October	1,375,917	289,200	557,181	13,171,800	140,700	100,569,945
November	1,374,093	333,960	558,111	12,352,900	139,816	97,213,820
December	1,069,297	228,168	557,333	13,918,200	141,362	111,928,793
<b>Total</b>	<b>15,977,494</b>	<b>4,040,256</b>	<b>5,721,178</b>	<b>2,315,513</b>	<b>374,423</b>	<b>1,325,012,324</b>
Percentage	1.21%	0.30%	0.43%	0.17%	0.03%	100.00%
Rate E		4,040,256	5,721,178	2,315,513	374,423	981,282,621
Percent		0.41%	0.58%	0.24%	0.04%	100%
Rate B	15,977,494					197,327,902
Percent	8.10%					100%

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B. Wholesale Billing CP Contributions							
	Schedule I	Schedule IA	Schedule I	Schedule II	Schedule XI	Schedule XIII	
	Farm and	Off-peak	Small	Large	Large Indust.	Large Indust.	
Month	Home	Marketing	Commercial	Power	Rate LPB1	Rate LPB2	
January	145,225	-	9,196	28,050	10,884	13,351	
February	185,779	-	9,586	31,937	10,257	12,990	
March	133,939	-	7,311	29,537	9,952	13,314	
April	115,434	-	5,299	19,454	8,998	12,317	
May	119,627	-	7,998	23,196	10,913	5,031	
June	131,296	-	9,548	26,919	11,400	13,340	
July	165,480	-	10,066	28,989	10,744	12,866	
August	181,481	-	11,932	33,996	11,755	13,532	
September	163,926	-	10,263	31,603	11,335	13,995	
October	128,224	-	8,092	26,364	11,230	6,024	
November	105,972	-	6,809	31,276	10,581	10,438	
December	147,799	-	7,876	29,359	10,249	12,994	
<b>Total</b>	<b>1,724,182</b>	<b>-</b>	<b>103,976</b>	<b>340,680</b>	<b>128,298</b>	<b>100,824</b>	
Percent	69.41%	0.00%	4.19%	13.71%	5.16%	4.06%	
Rate E	1,724,182	-	103,976	340,680			
Percent	78.88%	0.00%	4.76%	15.59%			
Rate B					128,298	100,824	
Percent					49.59%	38.97%	
Used to allocate wholesale power demand costs to rate classes.							

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B. Wholesale Billing CP Contributions						
	Schedule XIV	Schedule 2A	Schedule III	Schedule OLS	Schedule SOLS	
	Large Indust.	Time of Day	Security	Outdoor	Special Outdoor	
Month	Rate LPB	Rate	Lights	Lighting Serv.	Lighting Serv	Total
January	2,483	707	1,404	191	40	211,531
February	2,555	755	1,404	208	41	255,512
March	2,559	680	1,395	220	43	198,950
April	2,018	413	1,392	188	43	165,556
May	2,532	475	-	-	-	169,772
June	2,665	494	-	-	-	195,662
July	2,654	616	-	-	-	231,415
August	2,746	761	-	-	-	256,203
September	2,465	665	-	-	-	234,252
October	2,343	552	-	-	-	182,829
November	2,125	536	1,327	266	51	169,381
December	2,428	584	1,319	276	53	212,937
<b>Total</b>	<b>29,573</b>	<b>7,238</b>	<b>8,241</b>	<b>1,349</b>	<b>271</b>	<b>2,484,000</b>
Percent	1.19%	0.29%	0.33%	0.05%	0.01%	100.00%
Rate E		7,238	8,241	1,349	271	2,185,937
Percent		0.33%	0.38%	0.06%	0.01%	100%
Rate B	29,573					258,695
Percent	11.43%					100%
						#REF!
Used to allocate wholesale power demand costs to rate classes.						

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C. Monthly Peak Demands for Each Rate Class							
Month	Schedule I Farm and Home	Schedule IA Off-peak Marketing	Schedule I Small Commercial	Schedule II Large Power	Schedule XI Large Indust. Rate LPB1	Schedule XIII Large Indust. Rate LPB2	
January	185,769	35	10,678	40,253	12,204	15,483	
February	201,624	35	11,431	39,143	12,227	16,340	
March	141,829	35	8,964	37,666	12,700	16,110	
April	149,745	28	9,562	37,205	12,672	15,692	
May	132,497	21	10,957	38,979	13,165	15,247	
June	147,654	7	11,957	37,637	13,353	15,548	
July	165,480	7	12,806	37,705	13,480	17,189	
August	181,481	-	14,298	43,782	13,957	16,835	
September	163,926	14	12,037	40,628	13,332	16,971	
October	136,314	35	10,871	37,108	13,358	17,335	
November	123,805	35	9,548	37,815	12,525	16,845	
December	147,799	35	10,783	39,298	12,284	17,138	
<b>Total</b>	<b>1,877,923</b>	<b>-</b>	<b>133,892</b>	<b>467,219</b>	<b>133,175</b>	<b>144,093</b>	
<b>Percent Lines</b>	<b>66.62%</b>	<b>0.00%</b>	<b>4.75%</b>	<b>16.57%</b>	<b>4.72%</b>	<b>5.11%</b>	
<b>Transformers</b>	<b>70.21%</b>	<b>0.00%</b>	<b>5.01%</b>	<b>17.47%</b>	<b>4.98%</b>	<b>0.00%</b>	
Used to allocate distribution demand related costs to appropriate rate classes							

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C. Monthly Peak Demands for Each Rate Class						
	Schedule XIV Large Indust.	Schedule 2A Time of Day	Schedule III Security Lights	Schedule OLS Outdoor Lighting Serv.	Schedule SOLS Special Outdoor Lighting Serv	Total
Month	Rate LPB	Rate				
January	2,575	921	1,404	204	40	269,566
February	2,598	890	1,404	207	41	285,940
March	2,642	797	1,395	220	43	222,401
April	2,750	773	1,392	214	43	230,076
May	2,828	722	1,389	217	43	216,065
June	2,971	589	1,383	223	44	231,366
July	2,955	695	1,368	233	44	251,962
August	3,086	889	1,361	241	45	275,975
September	3,023	776	1,476	255	50	252,488
October	2,909	718	1,333	258	51	220,290
November	2,586	645	1,327	269	51	205,451
December	2,691	708	1,319	276	53	232,384
<b>Total</b>	<b>33,614</b>	<b>9,123</b>	<b>16,551</b>	<b>2,817</b>	<b>548</b>	<b>2,818,955</b>
Percent Lines	1.19%	0.32%	0.59%	0.10%	0.02%	100.00%
Transform	1.26%	0.34%	0.62%	0.11%	0.02%	100.00%
Used to allocate distribution demand related costs to appropriate rate classes						

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**Consumer Related Costs Allocators**

**A. Lines (poles and conduit)**

	<u>Number of Consumers</u>	<u>Allocation Percent</u>
Schedule 1 - Farm & Home	53,535	95.01%
Schedule I - Off Peak Marketing	-	0.00%
Schedule I - Small Commercial	2,191	3.89%
Schedule II - Large Power	245	0.43%
Schedule XI - Large Industrial Rate LPBI	9	0.02%
Schedule XIII - Large Industrial Rate LPB2	2	0.00%
Schedule XIV - Large Industrial Rate LPB	4	0.01%
Schedule 2A - Time of Day	8	0.01%
Schedule III Security Lights	301	0.53%
Schedule OLS - Outdoor Lighting Service	8	0.01%
Schedule II OLS - Special Outdoor Lighting	45	0.08%
Gallatin Steel - Special Contract	1	0.0%
Total	<u>56,348.00</u>	<u>100%</u>

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**Consumer Related Costs Allocators**

**B. Transformers**

Rate Class	Number of Consumers	Minimum Transformer Cost	Relative Cost	Weight	Allocation Percent
Schedule 1 - Residential	53,535	401.3	1.00	53,535.00	91.109%
Schedule I - Off Peak Marketing	-	-	-	-	0.000%
Schedule I - Small Commercial	2,191	636.3	1.59	3,474.42	5.913%
Schedule II - Large Power	245	1,908.9	4.76	1,165.54	1.984%
Schedule XI - Large Industrial Rate LPBI	9	9,246.2	23.04	207.39	0.353%
Schedule XIII - Large Industrial Rate LPB2	2	-	-	-	0.000%
Schedule XIV - Large Industrial Rate LPB	4	9,516.3	23.72	94.87	0.161%
Schedule 2A - Time of Day	8	1,908.9	4.76	38.06	0.065%
Schedule III Security Lights	601	138.6	0.35	207.66	0.353%
Schedule OLS - Outdoor Lighting Service	16	138.6	0.35	5.53	0.009%
Schedule II OLS - Special Outdoor Lighting	89	138.6	0.35	30.75	0.052%
Gallatin Steel - Special Contract	1	-	-	-	0.000%
Total	56,701	24,034	59.90	58,759	1.00

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**Consumer Related Costs Allocators**

C. Services		Minim	Relative		Allocation
Rate Class	# of Consumer	Service Cost	Cost	Weight	Percent
Schedule 1 - Residential	53,535	51	1.00	53,535	81.06%
Schedule I - Off Peak Marketing	8	8	0.15	1	0.00%
Schedule I - Small Commercial	2,191	190	3.75	8,215	12.44%
Schedule II - Large Power	245	712	14.06	3,444	5.21%
Schedule XI - Large Industrial Rate LPBI	9	712	14.06	127	0.19%
Schedule XIII - Large Industrial Rate LPB2	2	-	-	-	0.00%
Schedule XIV - Large Industrial Rate LPB	4	712	14.06	56	0.09%
Schedule 2A - Time of Day	8	712	14.06	112	0.17%
Schedule III Security Lights	8,284	2	0.05	406	0.61%
Schedule OLS - Outdoor Lighting Service	2,536	2	0.05	124	0.19%
Schedule II OLS - Special Outdoor Lighting	407	2	0.05	20	0.03%
Gallatin Steel - Special Contract	1	-	-	-	0.00%
Total	67,230			66,040	1.00

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**Consumer Related Costs Allocators**

D. Meters		Minimum Meter Cost	Relative Cost	Weight	Allocation Percent
Rate Class	# of Consumer				
Schedule 1 - Residential	53,535	137.75	1.00	53,535.00	93.50%
Schedule I - Off Peak Marketing	8	137.75	1.00	8.00	0.01%
Schedule I - Small Commercial	2,191	137.75	1.00	2,191.00	3.83%
Schedule II - Large Power	245	826.11	6.00	1,469.30	2.57%
Schedule XI - Large Industrial Rate LPBI	9	-	-	-	0.00%
Schedule XIII - Large Industrial Rate LPB2	2	-	-	-	0.00%
Schedule XIV - Large Industrial Rate LPB	4	-	-	-	0.00%
Schedule 2A - Time of Day	8	897.80	6.52	52.14	0.09%
Schedule III Security Lights	8,284	-	-	-	0.00%
Schedule OLS - Outdoor Lighting Service	2,536	-	-	-	0.00%
Schedule II OLS - Special Outdoor Lighting	407	-	-	-	0.00%
Gallatin Steel - Special Contract	1	-	-	-	0.00%
Total	67,230			57,255.45	1.00

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**Consumer Related Costs Allocators**

**E. Consumer & Accounting Services**

Rate Class	<u>Meter Reading</u>	<u>Consumer Records</u>	<u>Consumer Assistance</u>	<u>Total</u>	<u>Allocation Percent</u>
Schedule 1 - Residential	390,485	2,584,100	88,782	3,063,368	94.661%
Schedule I - Off Peak Marketing	-	48	13	62	0.002%
Schedule I - Small Commercial	31,962	105,758	3,634	141,354	4.368%
Schedule II - Large Power	3,574	14,782	406	18,763	0.580%
Schedule XI - Large Industrial Rate LPBI	263	760	15	1,038	0.032%
Schedule XIII - Large Industrial Rate LPB2	58	193	3	255	0.008%
Schedule XIV - Large Industrial Rate LPB	117	338	7	461	0.014%
Schedule 2A - Time of Day	117	483	13	613	0.019%
Schedule III Security Lights	-	7,252	249	7,502	0.232%
Schedule OLS - Outdoor Lighting Service	-	193	7	200	0.006%
Schedule II OLS - Special Outdoor Lighting	-	1,074	37	1,111	0.034%
Gallatin Steel - Special Contract	58	1,207	166	1,431	0.044%
Total	426,634	2,716,190	93,332	3,236,156	100%

**OWEN ELECTRIC COOPERATIVE  
CASE NO. 2008-00421**

Exhibit K  
Schedule 11  
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Witness: Jim Adkins

**Consumer Related Costs Allocators**

<b>Meter Reading</b>					
	<u>Factor</u>	<u>Number of Consumers</u>	<u>Weight</u>	<u>Allocation Percentage</u>	<u>Expenses Allocated</u>
Schedule 1 - Residential	1.00	53,535	53,535	91.53%	390,485
Schedule I - Off Peak Marketing	1.00	-	-	0.00%	-
Schedule I - Small Commercial	2.00	2,191	4,382	7.49%	31,962
Schedule II - Large Power	2.00	245	490	0.84%	3,574
Schedule XI - Large Industrial Rate LPBI	4.00	9	36	0.06%	263
Schedule XIII - Large Industrial Rate LPB2	4.00	2	8	0.01%	58
Schedule XIV - Large Industrial Rate LPB	4.00	4	16	0.03%	117
Schedule 2A - Time of Day	2.00	8	16	0.03%	117
Schedule III Security Lights	-	601	-	0.00%	-
Schedule OLS - Outdoor Lighting Service	-	16	-	0.00%	-
Schedule II OLS - Special Outdoor Lighting	-	89	-	0.00%	-
Gallatin Steel - Special Contract	8.00	1	8	0.01%	58
		<u>56,701</u>	<u>58,491</u>	<u>1</u>	<u>426,634</u>

**OWEN ELECTRIC COOPERATIVE  
CASE NO. 2008-00421**

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**Consumer Related Costs Allocators**

<b>Consumer Records</b>					
Total	Factor	Number of Consumers	Weight	Allocation Percentage	Expenses Allocated
Schedule 1 - Residential	4.00	53,535	214,140	95.1%	2,584,100
Schedule I - Off Peak Marketing	0.50	8	4	0.0%	48
Schedule I - Small Commercial	4.00	2,191	8,764	3.89%	105,758
Schedule II - Large Power	5.00	245	1,225	0.54%	14,782
Schedule XI - Large Industrial Rate LPBI	7.00	9	63	0.03%	760
Schedule XIII - Large Industrial Rate LPB2	8.00	2	16	0.01%	193
Schedule XIV - Large Industrial Rate LPB	7.00	4	28	0.01%	338
Schedule 2A - Time of Day	5.00	8	40	0.02%	483
Schedule III Security Lights	1.00	601	601	0.27%	7,252
Schedule OLS - Outdoor Lighting Service	1.00	16	16	0.01%	193
Schedule II OLS - Special Outdoor Lighting	1.00	89	89	0.04%	1,074
Gallatin Steel - Special Contract	100.00	1	100	0.04%	1,207
Total		56,709	225,086	1	2,716,190

**OWEN ELECT. COOPERATIVE  
CASE NO. 2008-00421**

Exhibit K  
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Witness: Jim Adkins

**Consumer Related Costs Allocators**

<b>Consumer Assistance</b>					
Factor	Number of Consumers	Weight	Allocation Percentage	Expenses Allocated	
Schedule 1 - Residential	1.00	53,535	53,535	95.13%	88,782
Schedule I - Off Peak Marketing	1.00	8	8	0.01%	13
Schedule I - Small Commercial	1.00	2,191	2,191	3.89%	3,634
Schedule II - Large Power	1.00	245	245	0.44%	406
Schedule XI - Large Industrial Rate LPBI	1.00	9	9	0.02%	15
Schedule XIII - Large Industrial Rate LPB2	1.00	2	2	0.00%	3
Schedule XIV - Large Industrial Rate LPB	1.00	4	4	0.01%	7
Schedule 2A - Time of Day	1.00	8	8	0.01%	13
Schedule III Security Lights	0.25	601	150	0.27%	249
Schedule OLS - Outdoor Lighting Service	0.25	16	4	0.01%	7
Schedule II OLS - Special Outdoor Lighting	0.25	89	22	0.04%	37
Gallatin Steel - Special Contract	100.00	1	100	0.18%	166
Total		56,709.00	56,278.50	1.00	93,332
Meter Reading				426,634	1.00
Consumer Records				2,716,190	6.37
Consumer Assistance				93,332	0.22



OWEN ELECTRIC COOPERATIVE  
CASE NO. 2008-00421

Exhibit L  
Page 1 of 2  
Witness: Jim Adkins

STATEMENT OF OPERATIONS  
FOR THE TWELVE MONTHS ENDING DECEMBER 31, 2007

	Actual Test Year	Normalized Adjustments	Normalized Test Year	Case No. 2008-00154 Proposed Increase	Case No. 2008-00154 Proposed Test Year	Case No. 2008-00421 Proposed Increases	Case No. 2008-00421 Proposed Test Year
Operating Revenues:							
Base rates	81,809,900	5,256,227	87,066,127	4,064,395	91,130,522	6,355,362	97,485,884
Fuel and surcharge	15,052,264	(15,052,264)	0		0		
Contract customer	35,125,060	3,806,301	38,931,361		38,931,361	3,792,746	42,724,107
Fuel and surcharge	9,230,125	(9,230,125)	0		0		
Other electric revenue	1,775,002	297,026	2,072,028		2,072,028		2,072,028
	<u>142,992,351</u>	<u>(14,922,835)</u>	<u>128,069,516</u>	<u>4,064,395</u>	<u>132,133,911</u>	<u>10,148,108</u>	<u>142,282,019</u>
Operating Expenses:							
Cost of power:							
Base rates	56,288,336	5,783,125	62,071,461		62,071,461	6,354,762	68,426,223
Fuel and surcharge	14,645,390	(14,645,390)	0		0		0
Contract customer	34,771,911	3,806,300	38,578,211		38,578,211	3,793,346	42,371,557
Fuel and surcharge	10,095,088	(10,095,088)	0		0		0
Distribution - operations	3,937,933	192,764	4,130,697		4,130,697		4,130,697
Distribution - maintenance	3,214,001	51,217	3,265,218		3,265,218		3,265,218
Consumer accounts	3,465,044	72,270	3,537,314		3,537,314		3,537,314
Customer service	384,855	10,757	395,612		395,612		395,612
Sales	0	0	0		0		0
Administrative and general	3,054,835	(52,709)	3,002,126		3,002,126		3,002,126
Total operating expenses	<u>129,857,393</u>	<u>(14,876,754)</u>	<u>114,980,639</u>	<u>0</u>	<u>114,980,639</u>	<u>10,148,108</u>	<u>125,128,747</u>
Depreciation	9,656,698	(1,175,664)	8,481,034		8,481,034		8,481,034
Taxes - other	128,898	0	128,898		128,898		128,898
Interest on long-term debt	3,823,761	478,648	4,302,409		4,302,409		4,302,409
Interest expense - other	819,788	(344,869)	474,919		474,919		474,919
Other deductions	105,200	(68,267)	36,933		36,933		36,933
Total cost of electric service	<u>144,391,738</u>	<u>(15,986,906)</u>	<u>128,404,832</u>	<u>0</u>	<u>128,404,832</u>	<u>10,148,108</u>	<u>138,552,940</u>
Utility operating margins	<u>(1,399,387)</u>	<u>1,064,071</u>	<u>(335,316)</u>	<u>4,064,395</u>	<u>3,729,079</u>	<u>0</u>	<u>3,729,079</u>
Nonoperating margins, interest	113,134	0	113,134		113,134		113,134
Nonoperating margins, other	31,595	0	31,595		31,595		31,595
Patronage capital credits	428,601	0	428,601		428,601		428,601
Net Margins	<u>(\$826,057)</u>	<u>\$1,064,071</u>	<u>\$238,014</u>	<u>\$4,064,395</u>	<u>\$4,302,409</u>	<u>\$0</u>	<u>\$4,302,409</u>
TIER	0.78		1.06		2.00		2.00

**OWEN ELECTRIC COOPERATIVE  
CASE NO. 2008-00421**

Exhibit L  
Page 2 of 2  
Witness: Jim Adkins

**BALANCE SHEET  
DECEMBER 31, 2007**

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ASSETS

	<u>Actual Test Year</u>	<u>Adjustments to Test Year</u>	<u>Adjusted Test Year</u>
Electric Plant:			
In service	184,679,441		184,679,441
Under construction	3,036,756		3,036,756
	<u>187,716,197</u>		<u>187,716,197</u>
Less accumulated depreciation	61,301,494	(1,176,084)	60,125,410
	<u>126,414,703</u>	<u>1,176,084</u>	<u>127,590,787</u>
Investments	<u>21,619,328</u>		<u>21,619,328</u>
Current Assets:			
Cash and temporary investments	1,235,808		1,235,808
Accounts receivable, net	8,668,909		8,668,909
Material and supplies	972,866		972,866
Prepayments and current assets	776,710		776,710
	<u>11,654,293</u>		<u>11,654,293</u>
Deferred debits & Net Change in Assets	<u>(144,887)</u>	<u>3,936,679</u>	<u>3,791,792</u>
Total	<u>159,543,437</u>	<u>5,112,763</u>	<u>164,656,200</u>

MEMBERS' EQUITIES AND LIABILITIES

Margins:			
Memberships	1,118,630		1,118,630
Patronage capital	52,279,908	5,072,173	57,352,081
	<u>53,398,538</u>	<u>5,072,173</u>	<u>58,470,711</u>
Long Term Debt	<u>83,591,255</u>		<u>83,591,255</u>
Accumulated Operating Provisions	<u>6,151,972</u>	<u>40,590</u>	<u>6,192,562</u>
Current Liabilities:			
Short term borrowings	5,720,933		5,720,933
Accounts payable	4,839,938		4,839,938
Consumer deposits	2,352,442		2,352,442
Accrued expenses	2,851,073		2,851,073
	<u>15,764,386</u>		<u>15,764,386</u>
Deferred credits	<u>637,286</u>		<u>637,286</u>
Total	<u>159,543,437</u>	<u>5,112,763</u>	<u>164,656,200</u>





Steven L. Beshear  
Governor

Leonard K. Peters  
Secretary  
Energy and Environment Cabinet

Commonwealth of Kentucky  
**Public Service Commission**  
211 Sower Blvd.  
P.O. Box 615  
Frankfort, Kentucky 40602-0615  
Telephone: (502) 564-3940  
Fax: (502) 564-3460  
psc.ky.gov

Exhibit M  
Page 1 of 2  
David L. Armstrong  
Chairman

James Gardner  
Vice-Chairman  
  
John W. Clay  
Commissioner

Robert Hood  
Owen Electric Cooperative, Inc.  
8205 Highway 127 North  
P. O. Box 400  
Owenton, KY 40359

September 30, 2008

O.E.C. RECEIVED  
OCT 02 2008

RE: Case No 2008-00421

Owen Electric Cooperative, Inc.  
(Rates - Flow-Thru)

Notice of Intent to Pass-Through Rate Increase Granted to EKPC

This letter is to acknowledge receipt of notice of intent to file an application in the above case. The notice was date-stamped received September 30, 2008 and has been assigned Case No 2008-00421. In all future correspondence or filings in connection with this case, please reference the above case number.

If you need further assistance, please contact my staff at (502) 564-3940.

Sincerely,

Stephanie Stumbo  
Executive Director

JS/rs

**OWEN Electric**

Exhibit M  
Page 2 of 2

Stouchstone Energy Cooperative 

October 1, 2008

Stephanie L Stumbo  
Executive Director  
Kentucky Public Service Commission  
211 Sewer Boulevard  
P. O. Box 615  
Frankfort, KY 40602

Dear Ms. Stumbo:

This letter is to advise, in accordance with the Kentucky Public Service Commission's Administrative Regulation 807 KAR5:001, Section 10(2) that Owen Electric Cooperative intends to file an application for an increase in rates resulting from increases in wholesale power cost from our power provider. The rate application will be supported by a historical test year period ending December 31, 2007. This test year is the same test period in Owen's current application in Case No. 2008-00154. Owen intends to file this application after November 1, 2008.

Please contact me with any questions regarding our intention to file.

Respectfully submitted,



Robert Hood  
President and CEO

Cc Attorney General  
Utility Intervention and Rate Division  
1024 Capital Center Drive  
Frankfort, KY 40601