

CRAWFORD & BAXTER, P.S.C.

ATTORNEYS AT LAW
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P.O. Box 353
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RECEIVED

MAR 12 2013

PUBLIC SERVICE
COMMISSION

James M. Crawford
Ruth H. Baxter

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March 12, 2013

Mr. Jeff Derouen, Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602-0615

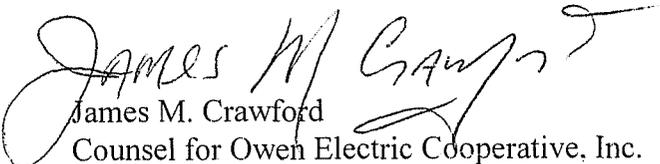
RE: **Application of Owen Electric Cooperative for an Adjustment of Rates
PSC Case No. 2012-00448**

Dear Mr. Derouen:

Enclosed for filing are an original and ten copies of the application of Owen Electric Cooperative for an adjustment of rates. Please feel free to call if you have any questions or concerns.

Respectfully yours,

CRAWFORD & BAXTER, P.S.C.


James M. Crawford
Counsel for Owen Electric Cooperative, Inc.

JMC/mns

Enclosures

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

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

MAR 12 2013

IN THE MATTER OF ADJUSTMENT
OF RATES OF OWEN ELECTRIC
COOPERATIVE CORPORATION

PUBLIC SERVICE
COMMISSION
CASE NO. 2012-00448

APPLICATION

Owen Electric Cooperative (herein designated as "Owen Electric") hereby makes application for an adjustment of rates, as follows:

1. Owen Electric informs the commission that it is engaged in the business of operation of a retail electric distributions system in nine (9) counties in northern Kentucky and does hereby propose to adjust rates, effective April 15, 2013, in conformity with the attached schedule.

2. The name, mailing address, and email address of the applicant is Owen Electric Cooperative, P.O. Box 400, 8205 Hwy. 127 North, Owenton, Kentucky, 40359, email address: mstallons@owenelectric.com. [807 KAR 5:001, Section 14(1)].

3. The current certified copy of Owen Electric's Articles of Incorporation, except for the amendments hereinafter mentioned, is on file with the Commission as part of the record in Case No. 90-166, filed June 13, 1990. Amendments of Articles of Incorporation are on file as of February 18, 1992 as part of the record in Case No. 92-064, as part of the record in Case No. 2006-00314, and as part of the record in Case No. 2008-00154 filed August 27, 2008, and an additional amendment is filed as a part of this case and attached as Exhibit 22. [807 KAR 5:001, Section 14(2)].

4. The application is supported by a twelve month historical test period ending June 30, 2012 and includes adjustments for known and measurable changes [807 KAR 5:001, Section 16(1)(a)1].

5. Owen Electric states that the reasons the rate adjustment are required pursuant to 807 KAR Section 16(1)(b)1 are as follows:

a. Owen Electric has incurred increases in the cost of power, interest, debt service and other fixed and variable costs. Owen Electric has been required to borrow funds to finance its construction projects.

b. The financial condition of Owen Electric has deteriorated substantially since January 2011.

c. Owen Electric had a Operating Times Interest Earned Ratio (OTIER) of 1.09 for the test year ending June 30, 2012. Owen Electric is required under its mortgage agreement of maintain an OTIER of 1.10, based on an average of two of the three most current years.

d. Owen Electric requires this rate adjustment to meet the terms of the mortgage agreement and to maintain its financial stability and integrity.

e. The Board of Directors of Owen Electric at its meeting on October 30, 2012 received the current financial condition of Owen Electric and the need for a rate adjustment to maintain the financial stability and integrity of the Cooperative. The Board of Directors adopted a resolution directing the administrative staff and consultants to proceed with the necessary application and filings with the Public Service Commission to adjust the rates of the Cooperative. A copy of the resolution is attached as Exhibit F.

6. Owen Electric files with this application a Certificate of Good Standing dates within 60 days of the date of this application and attached as Exhibit A. [807 KAR 5:001, Section 16(1)(b)2].

7. Owen Electric does not conduct business under an assumed name [807 KAR 5:001, Section 16(1)(a)3].

8. The proposed tariff is attached as Exhibit B in a form that complies with 807 KAR 5:011 with an effective date not less than 30 days from the date of this application [807 KAR 5:001, Section 16(1)(b)4].

9. The proposed tariff changes, identified in compliance with 807 KAR 5:011, are shown by providing the present and proposed tariffs in comparative form on the same sheet, side by side, or on facing sheets, side by side, as Exhibit C [807 KAR 5:001, Section 16(1)(b)5].

10. Owen Electric has given notice to its members of the filing of this application in accordance with 807 KAR 5:001, Section 16 (3) and (4). A copy of the notice is attached as Exhibit D [807 KAR 5:001, Section 16(1)(b)6].

11. Owen Electric filed with the Commission a written notice of intent to file a rate application at least four (4) weeks prior to filing this application. The notice of intent stated the rate application would be supported by a historical test period and was served upon the Attorney General, Utility Intervention and Rate Division, as Exhibit E [807 KAR 5:001, Section 16(2)].

12. A complete description and qualified explanation for all proposed adjustments with proper support for any proposed changes in price or activity levels, and any other factors which may affect the adjustment, including a Revenue Analysis shown as Exhibit G [807 KAR 5:001, Section (16)(9)(a)].

13. The prepared testimony of each witness supporting the application are attached as Exhibits H [807 KAR 5:001, Section 16(9)(b)].

14. A statement estimating the effect the new rates will have upon the revenues of Owen Electric, including, at a minimum, the total amount of revenues resulting from the increase or decrease and the percentage of the increases or decreases and the percentage of the increase or decrease is shown by Exhibit G [807 KAR 5:001, Section 16(9)(d)].

15. The effect upon the average bill for each customer classification to which the proposed rate change will apply is shown by Exhibit I [807 KAR 5:001, Section 16(9)(e)].

16. An analysis of customers' bills in such detail that revenues from present and proposed rates can be readily determined for each customer class is shown by Exhibit J [807 KAR 5:001, Section 16(9)(g)].

17. A summary of the Cooperative's determination of its revenue requirements based on return on net investment rate base, return on capitalization, interest coverage, debt service coverage or operating ratio, with supporting schedules is shown by Exhibit K [807 KAR 5:001, Section 16(9)(h)].

18. A reconciliation of the rate base and capital used to determine its revenue requirements is shown by Exhibit L [807 KAR 5:001, Section 16(9)(i)].

19. A current chart of accounts is shown by Exhibit M [807 KAR 5:001, Section 16(9)(j)].

20. The independent auditor's report is attached as Exhibit N [807 KAR 5:001, Section 16(9)(k)].

21. The Federal Energy Regulatory Commission or Federal Communications Commission have not audited Owen Electric and no audit reports exist [807 KAR 5:001, Section 16(9)(l)].

22. No Federal Energy Regulatory Commission Form 1 exists as to Owen Electric [807 KAR 5:001, Section 16(9)(m)].

23. The last depreciation study of Owen Electric was attached as Exhibit 3 in Case No 2008-00154 filed on August 27, 2008. [807 KAR 5:001, Section 16(9)(n)].

24. A list of commercially available or in-house developed computer software, programs, and models used in the development of the schedules and work papers associated

with the filing of this application are attached as Exhibit O [807 KAR 5:001, Section 16(9)(o)].

25. No stock or bond offerings have been made by Owen Electric [807 KAR 5:001, Section 16(9)(p)].

26. Annual Reports to members for 2011 and 2012 are attached as Exhibit P [807 KAR 5:001, Section 16(9)(q)].

27. The monthly managerial reports providing financial results of operations for the twelve (12) months in the test period are attached as Exhibit Q [807 KAR 5:001, Section 16(9)(r)].

28. No Securities and Exchange Commission Annual Reports exist as to Owen Electric because it is not regulated by that regulated body [807 KAR 5:001, Section 16(9)(s)].

29. Owen Electric had no amounts charged or allocated to it by an affiliate or general or home office and did not pay monies to an affiliate or general or home office during the test period or during the previous three (3) calendar years [807 KAR 5:001, Section 16(9)(t)].

30. A cost of service study based on a methodology generally accepted within the electric industry and based on current and reliable data for the test period is attached as Exhibit R [807 KAR 5:001, Section 16(9)(u)].

31. Owen Electric is not a Local Exchange Carrier or Company as set forth in 807 KAR 5:001, Section 16(9)(v).

32. Owen Electric requests pro forma adjustments for known and measurable changes to ensure fair, just and reasonable rates based on the historical test period ending June 30, 2012 as set forth in 807 KAR 5:001, Section 16(10).

33. A detailed income statement and balance sheet reflecting the impact of all proposed adjustments is attached as Exhibit S [807 KAR 5:001, Section 16(10)(a)].

34. No “proposed pro forma adjustments reflecting plant additions” exist or apply to Owen Electric [807 KAR 5:001, Sections (16)(10)(b) and (c)].

35. The operating budget for each month of the period encompassing the pro forma adjustments is attached as Exhibit T [807 KAR 5:001, Section (16)(10)(d)].

36. Information regarding the number of customers to be added to the test period – end level of customers and the related revenue requirement impact for all pro forma adjustments is included in Exhibits S and 17 [807 KAR 5:001, Section 16(10)(e)].

37. Additional financial exhibits required by 807 KAR 5:001, Section 16, financial information covering twelve (12) month historical test period ending June 30, 2012, and other information required to be filed is attached by exhibits, as follows:

Exhibit U	By Laws
Exhibit V	Detailed comparative income statement, statement of cash flows and balance sheet
Exhibit W	Schedule showing monthly comparison of balance sheet accounts from Test year to Preceding year
Exhibit X	Schedule showing monthly comparison of income statement accounts from Test year to Preceding Year
Exhibit Y	Trial balance at end of test year
Exhibit Z	Capital structure
Exhibit 1	Adjustment for salaries and wages
Exhibit 2	Adjustment for payroll taxes
Exhibit 3	Adjustment for depreciation
Exhibit 4	Adjustment for property taxes
Exhibit 5	Adjustment for long term and short term interest
Exhibit 6	Adjustment for post-retirement benefits
Exhibit 7	Adjustment for Retirement & Security (R&S)
Exhibit 8	Adjustment for other deductions
Exhibit 9	Adjustment for director expenses
Exhibit 10	Adjustment for professional fees
Exhibit 11	Adjustment for miscellaneous expenses
Exhibit 12	Adjustment for rate case expenses
Exhibit 13	Adjustment for non-operating income
Exhibit 14	Adjustment for G&T Capital Credits
Exhibit 15	Adjustment for purchased power
Exhibit 16	Adjustment for normalized revenue
Exhibit 17	Adjustment for additional revenue
Exhibit 18	KAEC Statistical Comparison
Exhibit 19	Capitalization policies and employee benefits
Exhibit 20	Equity Management Plan
Exhibit 21	Current Union Contract
Exhibit 22	Amendment to Article of Incorporation

WHEREFORE, OWEN ELECTRIC COOPERATIVE applies and requests approval of the adjustment of rates as set forth in this application and issuance of an order approving and authorizing the new rates at the earliest possible date.

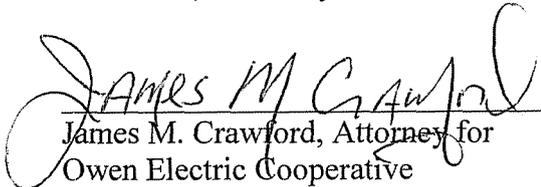
Dated: March 12th, 2013.

Owen Electric Cooperative



Mark A Stallons, President & CEO

COUNSEL:
JAMES M. CRAWFORD
CRAWFORD & BAXTER, P.S.C.
P.O. Box 353
Carrollton, Kentucky 41008



James M. Crawford, Attorney for
Owen Electric Cooperative

I, Mark A Stallons, President & CEO, state that the statements contained in the foregoing application are true to the best of my information and belief.



Mark A Stallons, President & CEO
Owen Electric Cooperative

Subscribed and sworn to before me by Mark A Stallons as President & CEO of Owen Electric Cooperative this 12th day of March, 2013.



Notary Public, Kentucky State At Large
My Commission Expires: April 14th, 2015

Affiant, MARK A. STALLONS states that the answers given by him to the foregoing questions are true and correct to the best of his knowledge and belief.



MARK A STALLONS

Subscribed and sworn to before me by the affiant, MARK A STALLONS, this 12th day of March, 2013.


Notary Public, Kentucky State At Large

My Commission Expires: April 14th, 2015

Commonwealth of Kentucky
Alison Lundergan Grimes, Secretary of State

Alison Lundergan Grimes
Secretary of State
P. O. Box 718
Frankfort, KY 40602-0718
(502) 564-3490
<http://www.sos.ky.gov>

Certificate of Existence

Authentication number: 136204
Visit <https://app.sos.ky.gov/ftshow/certvalidate.aspx> to authenticate this certificate.

I, Alison Lundergan Grimes, Secretary of State of the Commonwealth of Kentucky, do hereby certify that according to the records in the Office of the Secretary of State,

OWEN ELECTRIC COOPERATIVE, INC.

is a corporation duly incorporated and existing under KRS Chapter 14A and KRS Chapter 273, whose date of incorporation is June 9, 1937 and whose period of duration is perpetual.

I further certify that all fees and penalties owed to the Secretary of State have been paid; that Articles of Dissolution have not been filed; and that the most recent annual report required by KRS 14A.6-010 has been delivered to the Secretary of State.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal at Frankfort, Kentucky, this 4th day of March, 2013, in the 221st year of the Commonwealth.



Alison Lundergan Grimes
Alison Lundergan Grimes
Secretary of State
Commonwealth of Kentucky
136204/0039308

FOR Entire Territory Served
Community, Town or City

P.S.C. KY. NO. 6

14th Revised SHEET NO. 1

CANCELING P.S.C. KY. NO. 6

13th Revised SHEET NO. 1

Owen Electric Cooperative, Inc.

(Name of Utility)

CLASSIFICATION OF SERVICE

SCHEDULE I - FARM AND HOME

- A. Applicable - to entire territory served.
- B. Available - to farm and residential consumers.
- C. Type of Service - Single phase, 60 cycles, 120/240 volt.
- D. Rate

Effective	Customer Charge	All kWh
March 1, 2012	\$14.20	\$0.09031 (I)
September 1, 2013	\$17.10	\$0.08766 (I)
March 1, 2015	\$20.00	\$0.08501 (I)

- E. Terms of Payment - the above rates are net, the gross being five percent (5%) higher. In the event the current monthly bill is not paid within fifteen (15) days from the date bill was rendered, the prompt payment discount shall be forfeited and the gross amount shall apply.

* The monthly kilowatt hour usage shall be subject to plus or minus an adjustment per KWH determined in accordance with the "Fuel Adjustment Clause".

This tariff is subject to the Energy Emergency Control Program as filed with the Kentucky Energy Regulatory Commission (now the Public Service Commission) on February 23, 1981, in Administrative Case No. 240, and as approved by the Commission Order of March 31, 1981.

DATE OF ISSUE March 13, 2013
Month / Date / Year

DATE EFFECTIVE Service rendered on and after April 15, 2013
Month / Date / Year

ISSUED BY _____
(Signature of Officer)

TITLE President /CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. 2012-00448 DATED _____

FOR Entire Territory Served
Community, Town or City

P.S.C. KY. NO. 6

12th Revised SHEET NO. 2

CANCELING P.S.C. KY. NO. 6

11th Revised SHEET NO. 2

Owen Electric Cooperative, Inc.

(Name of Utility)

CLASSIFICATION OF SERVICE

SCHEDULE I-A FARM AND HOME - OFF-PEAK MARKETING RATE*

- A. Applicable - to entire territory served.
- B. Available - to consumers eligible for SCHEDULE I - FARM AND HOME. The electric power and energy furnished under this SCHEDULE I-A shall be separately metered for each point of delivery. Other power and energy furnished will be billed under SCHEDULE I -FARM AND HOME.
- C. Type of Service - Single phase, 60 cycle, 120/240 volt.
- D. Rate
All KWH \$ 0.05419 per KWH (I)
Same as Schedule I - Farm & Home, less 40%

- E. Schedule of Hours
This rate is only applicable for the below-listed off-peak hours:

<u>Months</u>	<u>Off-Peak Hours - EST</u>
October thru April	12:00 Noon to 5:00 P.M. 10:00 P.M. to 7:00 A.M.
May thru September	10:00 P.M. to 10:00 A.M.

- F. Terms and Conditions

The retail marketing rate applies only to programs which are expressly approved by the Commonwealth of Kentucky Public Service Commission to be offered under the Marketing Rate of East Kentucky Power's Wholesale Power Rate Schedule A.

Under this rate a separate contract will be executed between the Cooperative and the Consumer/Member, a sample copy of which is filed as part of this tariff.

- G. Terms of Payment - the above rates are net, the gross being five percent (5%) higher. In the event the current monthly bill is not paid within fifteen (15) days from the date the bill was rendered, the prompt payment discount shall be forfeited and the gross amount shall apply.

* The monthly kilowatt hour usage shall be subject to plus or minus an adjustment per KWH determined in accordance with the "Fuel Adjustment Clause."

This tariff is subject to the Energy Emergency Control Program as filed with the Kentucky Energy Regulatory Commission (now the Public Service Commission) on February 23, 1981, in Administrative Case No. 240, and as approved by the Commission Order of March 31, 1981.

DATE OF ISSUE March 13, 2013
Month / Date / Year

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Month / Date / Year

ISSUED BY _____
(Signature of Officer)

TITLE President /CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. 2012-00448 DATED _____

FOR Entire Territory Served
Community, Town or City

P.S.C. KY. NO. 6

6th Revised SHEET NO. 3

CANCELLING P.S.C. KY. NO. 6

5th Revised SHEET NO. 3

Owen Electric Cooperative, Inc.

(Name of Utility)

CLASSIFICATION OF SERVICE

SCHEDULE 1-D – FARM & HOME – INCLINING BLOCK

- A. Applicable – to the entire territory served.
- B. Available – to all consumers eligible for Schedule 1–Farm and Home. One year minimum commitment required.
- C. Type of Service – Single Phase, 60 cycle, 120/240 volt.

D. Rate

Customer Charge (no usage)	\$15.78 per meter, per month	
Energy Charge per kWh		
0-300 kWh	\$ 0.06795	(I)
301-500 kWh	\$ 0.09045	(I)
Over 500kWh	\$ 0.12045	(I)

- E. Terms of Payment – the above rates are net, the gross being five percent (5%) higher. In the event the current monthly bill is not paid within fifteen days from the date the bill was rendered, the prompt payment discount will be forfeited and the gross amount shall apply.

The monthly kilowatt hour usage shall be subject to plus or minus an adjustment per kWh determined in accordance with the Fuel Adjustment Clause.

The tariff is subject to the Energy Emergency Control Program as filed with the Kentucky Energy Regulatory Commission (now the Public Service Commission) on February 23, 1981, in Administrative Case No. 240, and as approved by the Commission Order of March 31, 1981.

DATE OF ISSUE March 13, 2013
Month / Date / Year

DATE EFFECTIVE Service rendered on or after April 15, 2013
Month / Date / Year

ISSUED BY _____
(Signature of Officer)

TITLE President/CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2012-00448 DATED _____

FOR Entire Territory Served
Community, Town or City

P.S.C. KY. NO. 6

14th Revised SHEET NO. 8

CANCELING P.S.C. KY. NO. 6

13th Revised SHEET NO. 8

Owen Electric Cooperative, Inc.

(Name of Utility)

CLASSIFICATION OF SERVICE

SCHEDULE I - SMALL COMMERCIAL*

- A. Applicable - to entire territory served.
- B. Available - for commercial, industrial and three-phase farm service under 50 KW for all uses, including lighting, heating and power.
- C. Type of Service - Single-phase and three-phase, 60 cycle at available secondary voltage.
- D. Rate (Monthly)

Effective	Customer Charge	All kWh
March 1, 2012	\$17.23	\$0.09068 (I)
September 1, 2013	\$21.12	\$0.08856 (I)
March 1, 2015	\$25.00	\$0.08644 (I)

- E. Minimum Charge - under the above rate shall be \$.75 per KVA of installed transformer capacity. Where it is necessary to extend or reinforce existing distribution facilities, the minimum monthly charge may be increased to assure adequate compensation for the added facilities.
- F. Terms of Payment - the above rates are net, the gross being five percent (5%) higher. In the event the current monthly bill is not paid within fifteen (15) days from the date bill was rendered, the prompt payment discount shall be forfeited and the gross amount shall apply.

* The monthly kilowatt hour usage shall be subject to plus or minus an adjustment per KWH determined in accordance with the "Fuel Adjustment Clause".

This tariff is subject to the Energy Emergency Control Program as filed with the Kentucky Energy Regulatory Commission (now the Public Service Commission) on February 23, 1981, in Administrative Case No. 240, and as approved by the Commission Order of March 31, 1981.

DATE OF ISSUE March 13, 2013
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Month / Date / Year

ISSUED BY _____
(Signature of Officer)

TITLE President /CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. 2012-00448 DATED _____

FOR Entire Territory Served
Community, Town or City

P.S.C. KY. NO. 6

15th Revised SHEET NO. 11

CANCELING P.S.C. KY. NO. 6

14th Revised SHEET NO. 11

Owen Electric Cooperative, Inc.

(Name of Utility)

CLASSIFICATION OF SERVICE

**SHEET NO 11 RESERVED FOR FUTURE
(Cancels Schedule III – Outdoor Lights in its entirety per Sheet 11)**

(D)

DATE OF ISSUE March 13, 2013
Month / Date / Year

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Month / Date / Year

ISSUED BY _____
(Signature of Officer)

TITLE President /CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2012-00448 DATED _____

FOR Entire Territory Served
Community, Town or City

P.S.C. KY. NO. 6

13th Revised SHEET NO. 12

CANCELING P.S.C. KY. NO. 6

12th Revised SHEET NO. 12

Owen Electric Cooperative, Inc.

(Name of Utility)

CLASSIFICATION OF SERVICE

SCHEDULE VIII - LARGE INDUSTRIAL RATE LPC1

(Page One of Two)

- A. Applicable - to all territory served by the Seller.
- B. Available - to all consumers which are or shall be members of the Seller where the monthly contract demand is 1,000 - 2,499 KW with a monthly energy usage equal to or greater than 425 hours per KW of billing demand.

C. Rates

Customer charge	\$ 1,521.83	Per Month	
Demand Charge	\$ 7.25	Per KW of Billing Demand	(I)
Energy Charge	\$.04950	Per KWH for all KWH equal to 425 per KW of Billing Demand	(R)
Energy Charge	\$.04585	Per KWH for all KWH in excess of 425 per KW of Billing Demand	(I)

- D. Billing Demand - the monthly billing demand shall be the greater of (a) or (b) listed below:

- (a) The Contract demand
- (b) The ultimate consumer's highest demand during the current month or preceding eleven months. The peak demand is the highest average rate at which energy is used during any fifteen-minute interval in the hours listed for each month (and adjusted for power factor as provided herein):

<u>Months</u>	<u>Hours Applicable for Demand Billing-EST</u>
October thru April	7:00 AM-12:00 Noon; 5:00 PM-10:00 PM
May thru September	10:00 AM-10:00 PM

- E. Minimum Monthly Charge - the minimum monthly charge shall not be less than the sum of (a), (b), and (c) below:

- (a) The product of the billing demand multiplied by the demand charge, plus
- (b) The product of the billing demand multiplied by 425 hours and the energy charge per kWh, plus
- (c) The customer charge.

DATE OF ISSUE March 13, 2013
Month / Date / Year

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Month / Date / Year

ISSUED BY _____
(Signature of Officer)

TITLE President /CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. 2012-00448 DATED _____

FOR Entire Territory Served
Community, Town or City

P.S.C. KY. NO. 6

13th Revised SHEET NO. 15

CANCELLING P.S.C. KY. NO. 6

12th Revised SHEET NO. 15

Owen Electric Cooperative, Inc.

(Name of Utility)

CLASSIFICATION OF SERVICE

SCHEDULE IX - LARGE INDUSTRIAL RATE LPC2

(Page One of Two)

- A. Applicable - to all territory served by the Seller
- B. Available - to all consumers which are or shall be members of the Seller where the monthly contract demand is 5,000 KW or over, with a monthly usage equal to or greater than 425 hours per KW of billing demand.

C. Rates

Customer Charge	\$3,042.58	Per Month	
Demand Charge	\$ 7.25	Per KW of Billing Demand	(I)
Energy Charge	\$0.04450	Per KWH for all KWH equal to 425 hours per KW of Billing Demand	(R)
Energy Charge	\$0.04363	Per KWH for all KWH in excess of 425 hours per KW of Billing Demand	(I)

- D. Billing Demand - the monthly billing demand shall be the greater of (a) or (b) listed below:

- (a) The contract demand
- (b) The ultimate consumer's highest demand during the current month or preceding eleven months. The peak demand is the highest average rate at which energy is used during any fifteen-minute interval in the hours listed for each month (and adjusted for power factor as provided herein):

<u>Months</u>	<u>Hours Applicable for Demand Billing EST</u>
October thru April	7 AM - 12 Noon; 5PM - 10PM
May thru September	10 AM - 10PM

- E. Minimum Monthly Charge - the minimum monthly charge shall not be less than the sum of (a), (b), and (c) below:

- (a) The product of the billing demand multiplied by the demand charge, plus
- (b) The product of the billing demand multiplied by 425 hours and the energy charge per kWh, plus
- (c) The customer charge.

DATE OF ISSUE March 13, 2013
Month / Date / Year

DATE EFFECTIVE Service rendered on and after April 15, 2013
Month / Date / Year

ISSUED BY _____
(Signature of Officer)

TITLE President /CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. 2012-00448 DATED _____

FOR Entire Territory Served
Community, Town or City

P.S.C. KY. NO. 6

13th Revised SHEET NO. 18

CANCELING P.S.C. KY. NO. 6

12th Revised SHEET NO. 18

Owen Electric Cooperative, Inc.

(Name of Utility)

CLASSIFICATION OF SERVICE

SCHEDULE X - LARGE INDUSTRIAL RATE LPC1-A

(Page One of Two)

- A. Applicable - to all territory served by the Seller
- B. Available - to all consumers which are or shall be members of the Seller where the monthly contract demand is 2,500 – 4,999 KW with a monthly energy usage equal to or greater than 425 hours per KW of billing demand.

C. Rates

Customer Charge	\$ 1,521.83	Per Month	
Demand Charge	\$ 7.25	Per KW of Billing Demand	(I)
Energy Charge	\$ 0.04500	Per KWH for all KWH equal to 425 hours per KW of Billing Demand	(R)
Energy Charge	\$ 0.04370	Per KWH for all KWH in excess of 425 hours per KW of Billing Demand	(R)

D. Billing Demand - the monthly billing demand shall be the greater of (a) or (b) listed below:

- (a) The Contract demand
- (b) The ultimate consumer's highest demand during the current month or preceding eleven months. The peak demand is the highest average rate at which energy is used during any fifteen-minute interval in the hours listed for each month (and adjusted for power factor as provided herein):

<u>Months</u>	<u>Hours Applicable for Demand Billing EST</u>
October thru April	7:00 AM - 12 Noon; 5:00 PM – 10:00 PM
May thru September	10:00 AM – 10:00 PM

E. Minimum Monthly Charge -the minimum monthly charge shall not be less than the sum of (a), (b), and (c) below:

- (a) The product of the billing demand multiplied by the demand charge, plus
- (b) The product of the billing demand multiplied by 425 hours and the energy charge per kWh, plus
- (c) The customer charge.

DATE OF ISSUE March 13, 2013
Month / Date / Year

DATE EFFECTIVE Service rendered on and after April 15, 2013
Month / Date / Year

ISSUED BY _____
(Signature of Officer)

TITLE President /CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2012-00448 DATED _____

FOR Entire Territory Served
Community, Town or City

P.S.C. KY. NO. 6

11th Revised SHEET NO. 20A

CANCELING P.S.C. KY. NO. 6

10th Revised SHEET NO. 20A

Owen Electric Cooperative, Inc.

(Name of Utility)

CLASSIFICATION OF SERVICE

SCHEDULE XI - LARGE INDUSTRIAL RATE LPB1

(Page One of Two)

- A. Applicable - to all territory served by the Seller.
- B. Available - to all consumers which are or shall be members of the Cooperative where the monthly contract demand is 1,000 - 2,499 KW with a monthly energy usage equal to or greater than 425 hours per KW of contract demand.

C. Rates

Customer Charge	\$1,521.83	Per Month	
Demand Charge	\$ 7.25	Per KW of Demand of Contract Demand	(I)
	\$ 9.98	Per KW of Demand in Excess of Contract Demand	(I)
Energy Charge	\$ 0.04950	Per KWH for all KWH equal to 425 hours per KW of Billing Demand	(R)
Energy Charge	\$ 0.04585	Per KWH for all KWH in excess of 425 hours per KW of Billing Demand	(I)

- D. Billing Demand - the billing demand (kilowatt demand) shall be the contract demand plus any excess demand. Excess demand occurs when the consumer's peak demand during the current month exceeds the contract demand. The customer's peak demand is the highest average rate at which energy is used during any fifteen-minute interval in the hours listed for each month (and adjusted for power factor as provided herein):

<u>Months</u>	<u>Hours Applicable for Demand Billing EST</u>
October through April	7AM - 12:00 Noon; 5PM - 10PM
May through September	10AM - 10PM

- E. Billing Energy - the billing energy shall be the contract demand multiplied by 425 hours or the actual energy used in the current month by the load center, whichever is greater.

- F. Minimum Monthly Charge - the minimum monthly charge shall not be less than the sum of (1), (2), and (3) below:

- (1) The product of the contract demand multiplied by the contract demand charge, plus the product of the demand in excess of the contract demand multiplied by the in excess of contract demand charge.
- (2) The product of the contract demand multiplied by 425 hours and the energy charge per KWh.
- (3) The customer charge.

DATE OF ISSUE March 13, 2013
Month / Date / Year

DATE EFFECTIVE Service rendered on and after April 15, 2013
Month / Date / Year

ISSUED BY _____
(Signature of Officer)

TITLE President /CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. 2012-00448 DATED _____

FOR Entire Territory Served
Community, Town or City

P.S.C. KY. NO. 6

11th Revised SHEET NO. 21A

CANCELING P.S.C. KY. NO. 6

10th Revised SHEET NO. 21A

Owen Electric Cooperative, Inc.

(Name of Utility)

CLASSIFICATION OF SERVICE

SCHEDULE XII - LARGE INDUSTRIAL RATE LPB1-A

(Page One of Two)

- A. **Applicable** - to all territory served by the Seller.
- B. **Available** - to all consumers which are or shall be members of the Cooperative where the monthly contract demand is 2,500 - 4,999 KW with a monthly energy usage equal to or greater than 425 hours per KW of billing contract.

C. **Rates**

Customer Charge	\$1,521.83	Per Month	
Demand Charge	\$ 7.25	Per KW of Demand of Contract Demand	(I)
	\$ 9.98	Per KW of Demand in Excess of Contract Demand	(I)
Energy Charge	\$ 0.04500	Per KWH for all KWH equal to 425 hours per KW of Billing Demand	(R)
Energy Charge	\$ 0.04370	Per KWH for all KWH in excess of 425 hours per KW of Billing Demand	(R)

- D. **Billing Demand** - the billing demand (kilowatt demand) shall be the contract demand plus any excess demand. Excess demand occurs when the consumer's peak demand during the current month exceeds the contract demand. The customer's peak demand is the highest average rate at which energy is used during any fifteen-minute interval in the hours listed for each month (and adjusted for power factor as provided herein):

<u>Months</u>	<u>Hours Applicable for Demand Billing EST</u>
October through April	7AM - 12:00 Noon; 5PM - 10PM
May through September	10AM - 10PM

- E. **Billing Energy** - the billing energy shall be the contract demand multiplied by 425 hours or the actual energy used in the current month by the load center, whichever is greater.
- F. **Minimum Monthly Charge** - the minimum monthly charge shall not be less than the sum of (1), (2), and (3) below:

- (1) The product of the contract demand multiplied by the contract demand charge, plus the product of the demand in excess of the contract demand multiplied by the in excess of contract demand charge.
- (2) The product of the contract demand multiplied by 425 hours and the energy charge per KWh.
- (3) The customer charge.

DATE OF ISSUE March 13, 2013
Month / Date / Year

DATE EFFECTIVE Service rendered on and after April 15, 2013
Month / Date / Year

ISSUED BY _____
(Signature of Officer)

TITLE President /CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2012-00448 DATED _____

FOR Entire Territory Served
Community, Town or City

P.S.C. KY. NO. 6

11th Revised SHEET NO. 22A

CANCELING P.S.C. KY. NO. 6

10th Revised SHEET NO. 22A

Owen Electric Cooperative, Inc.

(Name of Utility)

CLASSIFICATION OF SERVICE

SCHEDULE XIII - LARGE INDUSTRIAL RATE LPB2

(Page One of Two)

- A. Applicable - to all territory served by the Seller.
- B. Available - to all consumers which are or shall be members of the Cooperative where the monthly contract demand is 5,000 KW or over with a monthly energy usage equal to or greater than 425 hours per KW of billing contract demand.

C. Rates

Customer Charge	\$3,042.58	Per Month	
Demand Charge	\$ 7.25	Per KW of Demand of Contract Demand	(I)
	\$ 9.98	Per KW of Demand in excess of Contract Demand	(I)
Energy Charge	\$ 0.04450	Per KWH for all KWH equal to 425 hours per KW of Billing Demand	(R)
Energy Charge	\$ 0.04363	Per KWH for all KWH in excess of 425 hours per KW of Billing Demand	(I)

- D. Billing Demand - the billing demand (kilowatt demand) shall be the contract demand plus any excess demand. Excess demand occurs when the consumer's peak demand during the current month exceeds the contract demand. The customer's peak demand is the highest average rate at which energy is used during any fifteen-minute interval in the hours listed for each month (and adjusted for power factor as provided herein):

<u>Months</u>	<u>Hours Applicable for Demand Billing EST</u>
October through April	7AM - 12:00 Noon; 5PM - 10PM
May through September	10AM - 10PM

- E. Billing Energy - the billing energy shall be the contract demand multiplied by 425 hours or the actual energy used in the current month by the load center, whichever is greater.
- F. Minimum Monthly Charge - the minimum monthly charge shall not be less than the sum of (1), (2), and (3) below:

- (1) The product of the contract demand multiplied by the contract demand charge, plus the product of the demand in excess of the contract demand multiplied by the in excess of contract demand charge.
- (2) The product of the contract demand multiplied by 425 hours and the energy charge per KWh.
- (3) The customer charge.

DATE OF ISSUE March 13, 2013
Month / Date / Year

DATE EFFECTIVE Service rendered on and after April 15, 2013
Month / Date / Year

ISSUED BY _____
(Signature of Officer)

TITLE President /CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. 2012-00448 DATED _____

FOR Entire Territory Served
Community, Town or City

P.S.C. KY. NO. 6

9th Revised SHEET NO. 22D

CANCELING P.S.C. KY. NO. 6

8th Revised SHEET NO. 22D

Owen Electric Cooperative, Inc.

(Name of Utility)

CLASSIFICATION OF SERVICE

SCHEDULE XIV- LARGE INDUSTRIAL RATE LPB

(Page One of Two)

- A. Applicable - to all territory served by the Seller.
- B. Available - to all consumers which are or shall be members of the Cooperative where the monthly contract demand is 500 - 999 KW with a monthly energy usage equal to or greater than 425 hours per KW of billing contract.

C. Rates

Customer Charge	\$ 1,521.83	Per Month	
Demand Charge	\$ 7.25	Per KW of Demand of Contract Demand	(I)
	\$ 9.98	Per KW of Demand in excess of Contract Demand	(I)
Energy Charge	\$ 0.05106	Per KWH	(R)

- D. Billing Demand - the billing demand (kilowatt demand) shall be the contract demand plus any excess demand. Excess demand occurs when the consumer's peak demand during the current month exceeds the contract demand. The customer's peak demand is the highest average rate at which energy is used during any fifteen-minute interval in the hours listed for each month (and adjusted for power factor as provided herein):

<u>Months</u>	<u>Hours Applicable for Demand Billing EST</u>
October through April	7AM - 12:00 Noon; 5PM - 10PM
May through September	10AM - 10PM

- E. Billing Energy - the billing energy shall be the contract demand multiplied by 425 hours or the actual energy used in the current month by the load center, whichever is greater.

- F. Minimum Monthly Charge - the minimum monthly charge shall not be less than the sum of (1), (2), and (3) below:

- (1) The product of the contract demand multiplied by the contract demand charge, plus the product of the demand in excess of the contract demand multiplied by the in excess of contract demand charge.
- (2) The product of the contract demand multiplied by 425 hours and the energy charge per KWh.
- (3) The customer charge.

DATE OF ISSUE March 13, 2013
Month / Date / Year

DATE EFFECTIVE Service rendered on and after April 15, 2013
Month / Date / Year

ISSUED BY _____
(Signature of Officer)

TITLE President /CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. 2012-00448 DATED _____

FOR Entire Territory Served
Community, Town or City
P.S.C. KY. NO. 6

1st Revised SHEET NO. 23A

CANCELING P.S.C. KY. NO. 6

Original SHEET NO. 23A

Owen Electric Cooperative, Inc.

(Name of Utility)

CLASSIFICATION OF SERVICE

SCHEDULE 1-B1 – FARM & HOME - TIME OF DAY

- A. Applicable – to the entire territory served.
- B. Available – to all consumers eligible for Schedule I–Farm and Home. One year minimum commitment required.
- C. Type of Service – Single Phase, 60 cycle, 120/240 volt.
- D. Rate

Customer Charge (no usage)	\$20.00 per meter, per month	
Energy Charge per kWh		
On-Peak Energy	\$ 0.12345	(I)
Off-Peak Energy	\$ 0.06275	(I)

- E. Schedule of Hours

On-Peak and Off-Peak Hours

Months	Days (5 days a week)	On-Peak Hours	Off-Peak Hours
May thru September	Monday thru Friday	10:00 a.m. to 10:00 p.m.	10:00 p.m. to 10:00 a.m.
October thru April	Monday thru Friday	7:00 a.m. to 12:00 noon	12:00 noon to 5:00 p.m.
	Monday thru Friday	5:00 p.m. to 10:00 p.m.	10:00 p.m. to 7:00 a.m.

- F. Terms of Payment – the above rates are net, the gross being five percent (5%) higher. In the event the current monthly bill is not paid within fifteen days from the date the bill was rendered, the prompt payment discount will be forfeited and the gross amount shall apply.

The monthly kilowatt hour usage shall be subject to plus or minus an adjustment per kWh determined in accordance with the Fuel Adjustment Clause.

The tariff is subject to the Energy Emergency Control Program as filed with the Kentucky Energy Regulatory Commission (now the Public Service Commission) on February 23, 1981, in Administrative Case No. 240, and as approved by the Commission Order of March 31, 1981.

DATE OF ISSUE March 13, 2013
Month / Date / Year

DATE EFFECTIVE Service rendered on and after April 15, 2013
Month / Date / Year

ISSUED BY _____
(Signature of Officer)

TITLE President /CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. 2012-00448 DATED _____

FOR Entire Territory Served
 Community, Town or City
 P.S.C. KY. NO. 6
 1st Revised SHEET NO. 23B
 CANCELING P.S.C. KY. NO. 6
 Original SHEET NO. 23B

Owen Electric Cooperative, Inc.

 (Name of Utility)

CLASSIFICATION OF SERVICE

SCHEDULE 1-B2 – FARM & HOME - TIME OF DAY

- A. Applicable – to the entire territory served.
- B. Available – to all consumers eligible for Schedule I–Farm and Home. One year minimum commitment required.
- C. Type of Service – Single Phase, 60 cycle, 120/240 volt.

D. Rate

Customer Charge (no usage)	\$20.00 per meter, per month	
Energy Charge per kWh		
On-Peak Energy	\$ 0.10587	(I)
Off-Peak Energy	\$ 0.06275	(I)

E. Schedule of Hours

Months	Days (7 days a week)	On-Peak Hours	Off-Peak Hours
May thru September	Monday thru Sunday	10:00 a.m. to 10:00 p.m.	10:00 p.m. to 10:00 a.m.
October thru April	Monday thru Sunday	7:00 a.m. to 12:00 noon	12:00 noon to 5:00 p.m.
	Monday thru Sunday	5:00 p.m. to 10:00 p.m.	10:00 p.m. to 7:00 a.m.

- F. Terms of Payment – the above rates are net, the gross being five percent (5%) higher. In the event the current monthly bill is not paid within fifteen days from the date the bill was rendered, the prompt payment discount will be forfeited and the gross amount shall apply.

The monthly kilowatt hour usage shall be subject to plus or minus an adjustment per kWh determined in accordance with the Fuel Adjustment Clause.

The tariff is subject to the Energy Emergency Control Program as filed with the Kentucky Energy Regulatory Commission (now the Public Service Commission) on February 23, 1981, in Administrative Case No. 240, and as approved by the Commission Order of March 31, 1981.

DATE OF ISSUE March 13, 2013
 Month / Date / Year

DATE EFFECTIVE Service rendered on and after April 15, 2013
 Month / Date / Year

ISSUED BY _____
 (Signature of Officer)

TITLE President /CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
 IN CASE NO. 2012-00448 DATED _____

FOR Entire Territory Served
 Community, Town or City
 P.S.C. KY. NO. 6
1st Revised SHEET NO. 23C
 CANCELING P.S.C. KY. NO. 6
Original SHEET NO. 23C

Owen Electric Cooperative, Inc.

(Name of Utility)

CLASSIFICATION OF SERVICE

SCHEDULE 1-B3 – FARM & HOME - TIME OF DAY

- A. Applicable – to the entire territory served.
- B. Available – to all consumers eligible for Schedule I–Farm and Home. One year minimum commitment required.
- C. Type of Service – Single Phase, 60 cycle, 120/240 volt.

D. Rate

Customer Charge (no usage)	\$20.00 per meter, per month	
Energy Charge per kWh		
On-Peak Energy	\$ 0.10488	(I)
Off-Peak Energy	\$ 0.06275	(I)
Shoulder	\$ 0.08025	(I)

E. Schedule of Hours

On-Peak and Off-Peak Hours

Months	Days (7 days a week)	On-Peak Hours	Off-Peak Hours	Shoulder Hours
May thru September	Monday thru Sunday	2:00 p.m. to 10:00 p.m.	10:00 p.m. to 6:00 a.m.	6:00 a.m. to 2:00 p.m.
October thru April	Monday thru Sunday	6:00 a.m. to 10:00 a.m. 6:00 p.m. to 10:00 p.m.	10:00 p.m. to 6:00 a.m.	10:00 a.m. to 6:00 p.m.

- F. Terms of Payment – the above rates are net, the gross being five percent (5%) higher. In the event the current monthly bill is not paid within fifteen days from the date the bill was rendered, the prompt payment discount will be forfeited and the gross amount shall apply.

The monthly kilowatt hour usage shall be subject to plus or minus an adjustment per kWh determined in accordance with the Fuel Adjustment Clause.

The tariff is subject to the Energy Emergency Control Program as filed with the Kentucky Energy Regulatory Commission (now the Public Service Commission) on February 23, 1981, in Administrative Case No. 240, and as approved by the Commission Order of March 31, 1981.

DATE OF ISSUE March 13, 2013
 Month / Date / Year

DATE EFFECTIVE Service rendered on and after April 15, 2013
 Month / Date / Year

ISSUED BY _____
 (Signature of Officer)

TITLE President /CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
 IN CASE NO. 2012-00448 DATED _____

FOR Entire Territory Served
 Community, Town or City
 P.S.C. KY. NO. 6
 10th Revised SHEET NO. 24
 CANCELLING P.S.C. KY. NO. 6
 9th Revised SHEET NO. 24

Owen Electric Cooperative, Inc.

(Name of Utility)

CLASSIFICATION OF SERVICE

SCHEDULE 1-C – SMALL COMMERCIAL - TIME OF DAY

- A. Applicable – to the entire territory served.
- B. Available – to all consumers eligible for Schedule I – Small Commercial, under 50 kW demand.
- C. Type of Service – Single Phase and three phase, 60 cycle, at available secondary voltage.

D. Rate

Customer Charge (no usage)	\$24.51 per meter, per month	
Energy Charge per kWh		
On-Peak Energy	\$ 0.10413	(I)
Off-Peak Energy	\$ 0.06026	(I)

E. Schedule of Hours

On-Peak and Off-Peak Hours

<u>Months</u>	<u>On-Peak Hours</u>	<u>Off-Peak Hours</u>
May thru September	10:00 a.m. to 10:00 p.m.	10:00 p.m. to 10:00 a.m.
October thru April	7:00 a.m. to 12:00 Noon 5:00 p.m. to 10:00 p.m.	12:00 noon to 5:00 p.m. 10:00 p.m. to 7:00 a.m.

- F. Terms of Payment – the above rates are net, the gross being five percent (5%) higher. In the event the current monthly bill is not paid within fifteen days from the date the bill was rendered, the prompt payment discount will be forfeited and the gross amount shall apply.

The monthly kilowatt hour usage shall be subject to plus or minus an adjustment per kWh determined in accordance with the Fuel Adjustment Clause.

This tariff is subject to the Energy Emergency Control Program as filed with the Kentucky Energy Regulatory Commission (now the Public Service Commission) on February 23, 1981, in Administrative Case No. 240, and as approved by the Commission Order of March 31, 1981.

DATE OF ISSUE March 13, 2013
 Month / Date / Year

DATE EFFECTIVE Service rendered on and after April 15, 2013
 Month / Date / Year

ISSUED BY _____
 (Signature of Officer)

TITLE President/CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2012-00448 DATED _____

FOR Entire Territory Served
Community, Town or City

P.S.C. KY. NO. 6

9th Revised SHEET NO. 35A

CANCELLING P.S.C. KY. NO. 6

8th Revised SHEET NO. 35A

Owen Electric Cooperative, Inc.

(Name of Utility)

CLASSIFICATION OF SERVICE

SCHEDULE I OLS – OUTDOOR LIGHTING SERVICE

Page One of Two

- A. Applicable – to the entire territory served.
- B. Available – to all member/consumers requesting luminaries for dusk to dawn outdoor or street lighting service as provided below. The cooperative reserves the right to limit the types of lights and the type of installations in this tariff.
- C. Type of Service – the cooperative will install and maintain automatic outdoor or street lighting of the desired type by the customer, single phase, 60 cycles at available secondary voltage.
- D. Monthly Rates:

Rate 2

100 Watt S/L on existing pole	\$ 11.09 per Light	(N)
100 Watt S/L – one pole added	\$ 16.09 per Light	(N)

Rate 3

Cobrahead 100W on existing pole	\$ 16.46 per Light	(N)
Cobrahead 100W one pole added	\$ 22.50 per Light	(N)
Cobrahead 250W on existing pole	\$ 22.35 per Light	(N)
Cobrahead 250W one pole added	\$ 28.39 per Light	(N)
Cobrahead 400W on existing pole	\$ 27.83 per Light	(N)
Cobrahead 400W one pole added	\$ 33.87 per Light	(N)

Rate 4

Directional 100W on existing pole	\$ 15.41 per Light	(N)
Directional 100W one additional pole	\$ 21.45 per Light	(N)
Directional 250W on existing pole	\$ 18.93 per Light	(N)
Directional 250W one additional pole	\$ 24.97 per Light	(N)
Directional 400W on existing pole	\$ 24.11 per Light	(N)
Directional 400W one additional pole	\$ 30.15 per Light	(N)

* If any additional poles or facilities are needed to provide electric service to the light, the consumer shall be required to pay, prior to construction, a non-refundable construction charge for those facilities.

- E. Terms of Payment – the above rates are net, the gross being five percent (5%) higher. In the event the current monthly bill is not paid within fifteen days from the date bill was rendered, the prompt payment discount will be forfeited and the gross amount shall apply.

DATE OF ISSUE March 13, 2013
Month / Date / Year

DATE EFFECTIVE Service rendered on and after April 15, 2013
Month / Date / Year

ISSUED BY _____
(Signature of Officer)

TITLE President/CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. 2012-00448 DATED _____

FOR Entire Territory Served
Community, Town or City

P.S.C. KY. NO. 6

9th Revised SHEET NO. 36A

CANCELLING P.S.C. KY. NO. 6

8th Revised SHEET NO. 36A

Owen Electric Cooperative, Inc.

(Name of Utility)

CLASSIFICATION OF SERVICE

SCHEDULE II SOLS – SPECIAL OUTDOOR LIGHTING SERVICE

Page One of Two

- A. Applicable – to the entire territory served.
- B. Available – to all member, neighborhood/homeowner associations and governmental agencies requesting luminaries for dusk to dawn outdoor or street lighting service of a type provided below. The cooperative reserves the right to limit the type of lights and the type of installations in this tariff.
- C. Type of Service – the cooperative will install and maintain automatic outdoor or street lighting of the desired type by the customer, single phase, 60 cycles at available secondary voltage.
- D. Investment – the member, neighborhood/homeowner associations, and governmental agencies requesting this service will pay for all the costs required to install the below listed types of lighting and meet all requirements of the cooperative for service. Costs of installation include all material costs, direct and indirect labor costs plus any equipment costs and other overhead costs associated with the installation of these lights.
- E. Monthly Rates: the below listed rates provide for the power costs associated with lights along with all operations and maintenance costs, all administrative costs and normal equipment replacement costs.
- | | | |
|--------------------------------|-------------------|-----|
| Traditional w/ fiberglass pole | \$16.26 per Light | (I) |
| Holophane w/ fiberglass pole | \$19.31 | (I) |
- F. Terms of Payment -- the above rates are net, the gross being five percent (5%) higher. In the event the current monthly bill is not paid within fifteen days from the date bill was rendered, the prompt payment discount will be forfeited and the gross amount shall apply.

DATE OF ISSUE March 13, 2013
Month / Date / Year

DATE EFFECTIVE Service rendered on and after April 15, 2013
Month / Date / Year

ISSUED BY _____
(Signature of Officer)

TITLE President/CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2012-00448 DATED _____

FOR Entire Territory Served
Community, Town or City

P.S.C. KY. NO. 6

134th Revised SHEET NO. 1

CANCELING P.S.C. KY. NO. 6

123th Revised SHEET NO. 1

Owen Electric Cooperative, Inc.
(Name of Utility)

CLASSIFICATION OF SERVICE

SCHEDULE I - FARM AND HOME

- A. Applicable - to entire territory served.
- B. Available - to farm and residential consumers.
- C. Type of Service - Single phase, 60 cycles, 120/240 volt.
- D. Rate

Effective	Customer Charge	All kWh
March 1, 2012	\$14.20 (I)	\$0.08545 (R) \$0.09031 (I)
September 1, 2013	\$17.10 (I)	\$0.08280 (R) \$0.08766 (I)
March 1, 2015	\$20.00 (I)	\$0.08015 (R) \$0.08501 (I)

-E. Terms of Payment - the above rates are net, the gross being five percent (5%) higher. In the event the current monthly bill is not paid within fifteen (15) days from the date bill was rendered, the prompt payment discount shall be forfeited and the gross amount shall apply.

* The monthly kilowatt hour usage shall be subject to plus or minus an adjustment per KWH determined in accordance with the "Fuel Adjustment Clause".

This tariff is subject to the Energy Emergency Control Program as filed with the Kentucky Energy Regulatory Commission (now the Public Service Commission) on February 23, 1981, in Administrative Case No. 240, and as approved by the Commission Order of March 31, 1981.

DATE OF ISSUE March 15, 2012 13, 2013
Month / Date / Year

DATE EFFECTIVE Service rendered on and after March April 15, 20123
Month / Date / Year

ISSUED BY _____
(Signature of Officer)

TITLE President /CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. 2011-000372012-00448 DATED February 29, 2012

FOR Entire Territory Served
Community, Town or City

P.S.C. KY. NO. 6

112th Revised SHEET NO. 2

CANCELING P.S.C. KY. NO. 6

101th Revised SHEET NO. 2

Owen Electric Cooperative, Inc.

(Name of Utility)

CLASSIFICATION OF SERVICE

SCHEDULE I-A FARM AND HOME - OFF-PEAK MARKETING RATE*

- A. Applicable - to entire territory served.
- B. Available - to consumers eligible for SCHEDULE I - FARM AND HOME. The electric power and energy furnished under this SCHEDULE I-A shall be separately metered for each point of delivery. Other power and energy furnished will be billed under SCHEDULE I - FARM AND HOME.
- C. Type of Service - Single phase, 60 cycle, 120/240 volt.

D. Rate
All KWH \$0.05286 0.05419 per KWH (R) (I)
Same as Schedule I - Farm & Home, less 40%

E. Schedule of Hours
This rate is only applicable for the below-listed off-peak hours:

<u>Months</u>	<u>Off-Peak Hours - EST</u>
October thru April	12:00 Noon to 5:00 P.M. 10:00 P.M. to 7:00 A.M.
May thru September	10:00 P.M. to 10:00 A.M.

F. Terms and Conditions

The retail marketing rate applies only to programs which are expressly approved by the Commonwealth of Kentucky Public Service Commission to be offered under the Marketing Rate of East Kentucky Power's Wholesale Power Rate Schedule A.

Under this rate a separate contract will be executed between the Cooperative and the Consumer/Member, a sample copy of which is filed as part of this tariff.

G. Terms of Payment - the above rates are net, the gross being five percent (5%) higher. In the event the current monthly bill is not paid within fifteen (15) days from the date the bill was rendered, the prompt payment discount shall be forfeited and the gross amount shall apply.

* The monthly kilowatt hour usage shall be subject to plus or minus an adjustment per KWH determined in accordance with the "Fuel Adjustment Clause."

This tariff is subject to the Energy Emergency Control Program as filed with the Kentucky Energy Regulatory Commission (now the Public Service Commission) on February 23, 1981, in Administrative Case No. 240, and as approved by the Commission Order of March 31, 1981.

DATE OF ISSUE June 8, 2011-March 13, 2013
Month / Date / Year

DATE EFFECTIVE Service rendered on and after June 1, 2011-April 15, 2013
Month / Date / Year

ISSUED BY _____
(Signature of Officer)

TITLE President /CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2010-00507 2012-00448 DATED May 31, 2011

FOR Entire Territory Served
Community, Town or City

P.S.C. KY. NO. 6

56th Revised SHEET NO. 3

CANCELLING P.S.C. KY. NO. 6

45th Revised SHEET NO. 3

Owen Electric Cooperative, Inc.

(Name of Utility)

CLASSIFICATION OF SERVICE

SCHEDULE 1-D – FARM & HOME – INCLINING BLOCK

(N)

A. Applicable – to the entire territory served.

B. Available – to all consumers eligible for Schedule 1–Farm and Home. One year minimum commitment required.

C. Type of Service – Single Phase, 60 cycle, 120/240 volt.

D. Rate

Customer Charge (no usage)	\$15.78 per meter, per month	
Energy Charge per kWh		
0-300 kWh	\$0.06309 0.06795	(I)
301-500 kWh	\$0.08559 0.09045	(I)
Over 500kWh	\$0.11559 0.12045	(I)

E. Terms of Payment – the above rates are net, the gross being five percent (5%) higher. In the event the current monthly bill is not paid within fifteen days from the date the bill was rendered, the prompt payment discount will be forfeited and the gross amount shall apply.

The monthly kilowatt hour usage shall be subject to plus or minus an adjustment per kWh determined in accordance with the Fuel Adjustment Clause.

The tariff is subject to the Energy Emergency Control Program as filed with the Kentucky Energy Regulatory Commission (now the Public Service Commission) on February 23, 1981, in Administrative Case No. 240, and as approved by the Commission Order of March 31, 1981.

DATE OF ISSUE March 15, 2012 March 13, 2013
Month / Date / Year

DATE EFFECTIVE Service rendered on or after March 1, 2012 April 15, 2013
Month / Date / Year

ISSUED BY _____
(Signature of Officer)

TITLE President/CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2011-00037 2012-00448 DATED February 29, 2012

FOR Entire Territory Served
Community, Town or City

P.S.C. KY. NO. 6

134th Revised SHEET NO. 8

CANCELING P.S.C. KY. NO. 6

123th Revised SHEET NO. 8

Owen Electric Cooperative, Inc.

(Name of Utility)

CLASSIFICATION OF SERVICE

SCHEDULE I - SMALL COMMERCIAL*

- A. Applicable - to entire territory served.
- B. Available - for commercial, industrial and three-phase farm service under 50 KW for all uses, including lighting, heating and power.
- C. Type of Service - Single-phase and three-phase, 60 cycle at available secondary voltage.
- D. Rate (Monthly)

Effective	Customer Charge	All kWh
March 1, 2012	\$17.23 (I)	\$0.08598 (R) \$0.09068 (I)
September 1, 2013	\$21.12 (I)	\$0.08386 (R) \$0.08856 (I)
March 1, 2015	\$25.00 (I)	\$0.08174 (R) \$0.08644 (I)

- E. Minimum Charge - under the above rate shall be \$.75 per KVA of installed transformer capacity. Where it is necessary to extend or reinforce existing distribution facilities, the minimum monthly charge may be increased to assure adequate compensation for the added facilities.
- F. Terms of Payment - the above rates are net, the gross being five percent (5%) higher. In the event the current monthly bill is not paid within fifteen (15) days from the date bill was rendered, the prompt payment discount shall be forfeited and the gross amount shall apply.

* The monthly kilowatt hour usage shall be subject to plus or minus an adjustment per KWH determined in accordance with the "Fuel Adjustment Clause".

This tariff is subject to the Energy Emergency Control Program as filed with the Kentucky Energy Regulatory Commission (now the Public Service Commission) on February 23, 1981, in Administrative Case No. 240, and as approved by the Commission Order of March 31, 1981.

DATE OF ISSUE March 15, 2012 13, 2013
Month / Date / Year

DATE EFFECTIVE Service rendered on and after March April 15, 20123
Month / Date / Year

ISSUED BY _____
(Signature of Officer)

TITLE President /CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. 2011-000372012-00448 DATED February 29, 2012

FOR Entire Territory Served
Community, Town or City

P.S.C. KY. NO. 6

145th Revised SHEET NO. 11

Owen Electric Cooperative, Inc.

(Name of Utility)

CANCELING P.S.C. KY. NO. 6

134th Revised SHEET NO. 11

CLASSIFICATION OF SERVICE

SCHEDULE III - OUTDOOR LIGHTS*

A. Applicable to entire territory served.

B. Availability restricted to customers being billed on this tariff prior to January 1, 2004. This tariff will remain in effect for those customers after January 1, 2004 for as long as the same customer continues the same lighting service uninterrupted. This tariff is not available to new requests for outdoor lighting on or after January 1, 2004.

C. Rates

Installed on existing pole where

120 volts are available: \$ 8.52 (R)

One Pole Added: \$ 10.33 (R)

Two Poles Added: \$ 12.14 (R)

Three Poles Added: \$ 13.95 (R)

Four Poles Added: \$ 15.77 (R)

Where a transformer is required, there is an additional charge of \$.70 per month.

D. Terms of Payment the above rates are net, the gross being five percent (5%) higher. In the event the current monthly bill is not paid within fifteen (15) days from the date bill was rendered, the prompt payment discount shall be forfeited and the gross amount shall apply.

* The monthly kilowatt hour usage shall be subject to plus or minus an adjustment per KWH determined in accordance with the "Fuel Adjustment Clause".

This tariff is subject to the Energy Emergency Control Program as filed with the Kentucky Energy Regulatory Commission (now the Public Service Commission, on February 23, 1981, in Administrative Case No. 240 and as approved by Commission Order of March 31, 1981.

SHEET NO 11 RESERVED FOR FUTURE (D)
(Cancels Schedule III - Outdoor Lights in its entirety per Sheet 11)

DATE OF ISSUE June 8, 2011 March 13, 2013
Month / Date / Year

DATE EFFECTIVE Service rendered on and after June 1, 2011 April 15, 2013
Month / Date / Year

ISSUED BY _____
(Signature of Officer)

TITLE President /CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2010-005072012-00448 DATED May 31, 2011

FOR Entire Territory Served
Community, Town or City

P.S.C. KY. NO. 6

123th Revised SHEET NO. 12

CANCELING P.S.C. KY. NO. 6

112th Revised SHEET NO. 12

Owen Electric Cooperative, Inc.

(Name of Utility)

CLASSIFICATION OF SERVICE

SCHEDULE VIII - LARGE INDUSTRIAL RATE LPC1

(Page One of Two)

- A. Applicable - to all territory served by the Seller.
- B. Available - to all consumers which are or shall be members of the Seller where the monthly contract demand is 1,000 - 2,499 KW with a monthly energy usage equal to or greater than 425 hours per KW of billing demand.

C. Rates

Customer charge	\$ 1,521.83	Per Month	
Demand Charge	\$ 7.08 7.25	Per KW of Billing Demand	(I)
Energy Charge	\$.04993 .04950	Per KWH for all KWH equal to 425 per KW of Billing Demand	(R)
Energy Charge	\$.04569 .04585	Per KWH for all KWH in excess of 425 per KW of Billing Demand	(R) (I)

D. Billing Demand - the monthly billing demand shall be the greater of (a) or (b) listed below:

- (a) The Contract demand
- (b) The ultimate consumer's highest demand during the current month or preceding eleven months. The peak demand is the highest average rate at which energy is used during any fifteen-minute interval in the hours listed for each month (and adjusted for power factor as provided herein):

<u>Months</u>	<u>Hours Applicable for Demand Billing-EST</u>
October thru April	7:00 AM-12:00 Noon; 5:00 PM-10:00 PM
May thru September	10:00 AM-10:00 PM

E. Minimum Monthly Charge - the minimum monthly charge shall not be less than the sum of (a), (b), and (c) below:

- (a) The product of the billing demand multiplied by the demand charge, plus
- (b) The product of the billing demand multiplied by 425 hours and the energy charge per kWh, plus
- (c) The customer charge.

DATE OF ISSUE June 8, 2011 March 13, 2013
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ISSUED BY _____
(Signature of Officer)

TITLE President /CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2010-00507-2012-00448 DATED May 31, 2011

FOR Entire Territory Served
Community, Town or City

P.S.C. KY. NO. 6

123th Revised SHEET NO. 15

CANCELLING P.S.C. KY. NO. 6

112th Revised SHEET NO. 15

Owen Electric Cooperative, Inc.

(Name of Utility)

CLASSIFICATION OF SERVICE

SCHEDULE IX - LARGE INDUSTRIAL RATE LPC2

(Page One of Two)

- A. Applicable - to all territory served by the Seller
- B. Available - to all consumers which are or shall be members of the Seller where the monthly contract demand is 5,000 KW or over, with a monthly usage equal to or greater than 425 hours per KW of billing demand.

C. Rates

Customer Charge	\$3,042.58	Per Month	
Demand Charge	\$ 7.08 7.25	Per KW of Billing Demand	(I)
Energy Charge	\$0.04499 .04450	Per KWH for all KWH equal to 425 hours per KW of Billing Demand	(R)
Energy Charge	\$0.04335 .04363	Per KWH for all KWH in excess of 425 hours per KW of Billing Demand	(R) (I)

D. Billing Demand - the monthly billing demand shall be the greater of (a) or (b) listed below:

- (a) The contract demand
- (b) The ultimate consumer's highest demand during the current month or preceding eleven months. The peak demand is the highest average rate at which energy is used during any fifteen-minute interval in the hours listed for each month (and adjusted for power factor as provided herein):

<u>Months</u>	<u>Hours Applicable for Demand Billing EST</u>
October thru April	7 AM - 12 Noon; 5PM - 10PM
May thru September	10 AM - 10PM

E. Minimum Monthly Charge - the minimum monthly charge shall not be less than the sum of (a), (b), and (c) below:

- (a) The product of the billing demand multiplied by the demand charge, plus
- (b) The product of the billing demand multiplied by 425 hours and the energy charge per kWh, plus
- (c) The customer charge.

DATE OF ISSUE June 8, 2011 March 13, 2013
Month / Date / Year

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Month / Date / Year

ISSUED BY _____
(Signature of Officer)

TITLE President /CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2010-00507 2012-00448 DATED May 31, 2011

FOR Entire Territory Served
Community, Town or City

P.S.C. KY. NO. 6

123th Revised SHEET NO. 18

CANCELING P.S.C. KY. NO. 6

112th Revised SHEET NO. 18

Owen Electric Cooperative, Inc.

(Name of Utility)

CLASSIFICATION OF SERVICE

SCHEDULE X - LARGE INDUSTRIAL RATE LPC1-A

(Page One of Two)

- A. Applicable - to all territory served by the Seller
- B. Available - to all consumers which are or shall be members of the Seller where the monthly contract demand is 2,500 – 4,999 KW with a monthly energy usage equal to or greater than 425 hours per KW of billing demand.

C. Rates

Customer Charge	\$ 1,521.83	Per Month	
Demand Charge	\$ 7.08 7.25	Per KW of Billing Demand	(I)
Energy Charge	\$ 0-04747.04500	Per KWH for all KWH equal to 425 hours per KW of Billing Demand	(R)
Energy Charge	\$ 0-04462.04370	Per KWH for all KWH in excess of 425 hours per KW of Billing Demand	(R)

D. Billing Demand - the monthly billing demand shall be the greater of (a) or (b) listed below:

- (a) The Contract demand
- (b) The ultimate consumer's highest demand during the current month or preceding eleven months. The peak demand is the highest average rate at which energy is used during any fifteen-minute interval in the hours listed for each month (and adjusted for power factor as provided herein):

<u>Months</u>	<u>Hours Applicable for Demand Billing EST</u>
October thru April	7:00 AM - 12 Noon; 5:00 PM – 10:00 PM
May thru September	10:00 AM – 10:00 PM

E. Minimum Monthly Charge -the minimum monthly charge shall not be less than the sum of (a), (b), and (c) below:

- (a) The product of the billing demand multiplied by the demand charge, plus
- (b) The product of the billing demand multiplied by 425 hours and the energy charge per kWh, plus
- (c) The customer charge.

DATE OF ISSUE June 8, 2011 March 13, 2013
Month / Date / Year

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Month / Date / Year

ISSUED BY _____
(Signature of Officer)

TITLE President /CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2010-00507-2012-00448 DATED May 31, 2011

FOR Entire Territory Served
Community, Town or City

P.S.C. KY. NO. 6

101th Revised SHEET NO. 20A

CANCELING P.S.C. KY. NO. 6

910th Revised SHEET NO. 20A

Owen Electric Cooperative, Inc.

(Name of Utility)

CLASSIFICATION OF SERVICE

SCHEDULE XI - LARGE INDUSTRIAL RATE LPB1

(Page One of Two)

- A. Applicable - to all territory served by the Seller.
- B. Available - to all consumers which are or shall be members of the Cooperative where the monthly contract demand is 1,000 - 2,499 KW with a monthly energy usage equal to or greater than 425 hours per KW of contract demand.

C. Rates

Customer Charge	\$1,521.83	Per Month	
Demand Charge	\$ 7.08 7.25	Per KW of Demand of Contract Demand	(I)
	\$ 9.84 9.98	Per KW of Demand in Excess of Contract Demand	(I)
Energy Charge	\$ 0.04993 0.04950	Per KWH for all KWH equal to 425 hours per KW of Billing Demand	(R)
Energy Charge	\$ 0.04569 0.04585	Per KWH for all KWH in excess of 425 hours per KW of Billing Demand	(R) (I)

- D. Billing Demand - the billing demand (kilowatt demand) shall be the contract demand plus any excess demand. Excess demand occurs when the consumer's peak demand during the current month exceeds the contract demand. The customer's peak demand is the highest average rate at which energy is used during any fifteen-minute interval in the hours listed for each month (and adjusted for power factor as provided herein):

<u>Months</u>	<u>Hours Applicable for Demand Billing EST</u>
October through April	7AM - 12:00 Noon; 5PM - 10PM
May through September	10AM - 10PM

- E. Billing Energy - the billing energy shall be the contract demand multiplied by 425 hours or the actual energy used in the current month by the load center, whichever is greater.

- F. Minimum Monthly Charge - the minimum monthly charge shall not be less than the sum of (1), (2), and (3) below:

- (1) The product of the contract demand multiplied by the contract demand charge, plus the product of the demand in excess of the contract demand multiplied by the in excess of contract demand charge.
- (2) The product of the contract demand multiplied by 425 hours and the energy charge per KWh.
- (3) The customer charge.

DATE OF ISSUE June 8, 2011 ~~March 13, 2013~~
Month / Date / Year

DATE EFFECTIVE Service rendered on and after June 1, 2011 ~~April 15, 2013~~
Month / Date / Year

ISSUED BY _____
(Signature of Officer)

TITLE President / CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2010-00507-2012-00448 DATED May 31, 2011

FOR Entire Territory Served
Community, Town or City

P.S.C. KY. NO. 6

101th Revised SHEET NO. 21A

CANCELING P.S.C. KY. NO. 6

910th Revised SHEET NO. 21A

Owen Electric Cooperative, Inc.

(Name of Utility)

CLASSIFICATION OF SERVICE

SCHEDULE XII - LARGE INDUSTRIAL RATE LPB1-A

(Page One of Two)

- A. Applicable - to all territory served by the Seller.
- B. Available - to all consumers which are or shall be members of the Cooperative where the monthly contract demand is 2,500 - 4,999 KW with a monthly energy usage equal to or greater than 425 hours per KW of billing contract.

C. Rates

Customer Charge	\$1,521.83	Per Month	
Demand Charge	\$ 7.08 7.25	Per KW of Demand of Contract Demand	(I)
	\$ 9.84 9.98	Per KW of Demand in Excess of Contract Demand	(I)
Energy Charge	\$ 0.04747 0.04500	Per KWH for all KWH equal to 425 hours per KW of Billing Demand	(R)
Energy Charge	\$ 0.04462 0.04370	Per KWH for all KWH in excess of 425 hours per KW of Billing Demand	(R)

- D. Billing Demand - the billing demand (kilowatt demand) shall be the contract demand plus any excess demand. Excess demand occurs when the consumer's peak demand during the current month exceeds the contract demand. The customer's peak demand is the highest average rate at which energy is used during any fifteen-minute interval in the hours listed for each month (and adjusted for power factor as provided herein):

<u>Months</u>	<u>Hours Applicable for Demand Billing EST</u>
October through April	7AM - 12:00 Noon; 5PM - 10PM
May through September	10AM - 10PM

- E. Billing Energy - the billing energy shall be the contract demand multiplied by 425 hours or the actual energy used in the current month by the load center, whichever is greater.

- F. Minimum Monthly Charge - the minimum monthly charge shall not be less than the sum of (1), (2), and (3) below:

- (1) The product of the contract demand multiplied by the contract demand charge, plus the product of the demand in excess of the contract demand multiplied by the in excess of contract demand charge.
- (2) The product of the contract demand multiplied by 425 hours and the energy charge per KWh.
- (3) The customer charge.

DATE OF ISSUE June 8, 2011 March 13, 2013
Month / Date / Year

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Month / Date / Year

ISSUED BY _____
(Signature of Officer)

TITLE President / CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2010-00507-2012-00448 DATED May 31, 2011

FOR Entire Territory Served
Community, Town or City

P.S.C. KY. NO. 6

101th Revised SHEET NO. 22A

CANCELING P.S.C. KY. NO. 6

910th Revised SHEET NO. 22A

Owen Electric Cooperative, Inc.

(Name of Utility)

CLASSIFICATION OF SERVICE

SCHEDULE XIII - LARGE INDUSTRIAL RATE LPB2

(Page One of Two)

- A. Applicable - to all territory served by the Seller.
- B. Available - to all consumers which are or shall be members of the Cooperative where the monthly contract demand is 5,000 KW or over with a monthly energy usage equal to or greater than 425 hours per KW of billing contract demand.

C. Rates

Customer Charge	\$3,042.58	Per Month	
Demand Charge	\$ 7.08 7.25	Per KW of Demand of Contract Demand	(I)
	\$ 9.84 9.98	Per KW of Demand in excess of Contract Demand	(I)
Energy Charge	\$0.04499 0.04450	Per KWH for all KWH equal to 425 hours per KW of Billing Demand	(R)
Energy Charge	\$0.04335 0.04363	Per KWH for all KWH in excess of 425 hours per KW of Billing Demand	(R) (I)

- D. Billing Demand - the billing demand (kilowatt demand) shall be the contract demand plus any excess demand. Excess demand occurs when the consumer's peak demand during the current month exceeds the contract demand. The customer's peak demand is the highest average rate at which energy is used during any fifteen-minute interval in the hours listed for each month (and adjusted for power factor as provided herein):

<u>Months</u>	<u>Hours Applicable for Demand Billing EST</u>
October through April	7AM - 12:00 Noon; 5PM - 10PM
May through September	10AM - 10PM

- E. Billing Energy - the billing energy shall be the contract demand multiplied by 425 hours or the actual energy used in the current month by the load center, whichever is greater.

- F. Minimum Monthly Charge - the minimum monthly charge shall not be less than the sum of (1), (2), and (3) below:

- (1) The product of the contract demand multiplied by the contract demand charge, plus the product of the demand in excess of the contract demand multiplied by the in excess of contract demand charge.
- (2) The product of the contract demand multiplied by 425 hours and the energy charge per KWh.
- (3) The customer charge.

DATE OF ISSUE June 8, 2011 March 13, 2013
Month / Date / Year

DATE EFFECTIVE Service rendered on and after June 1, 2011 April 15, 2013
Month / Date / Year

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(Signature of Officer)

TITLE President /CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2010-00507 2012-00448 DATED May 31, 2011

FOR Entire Territory Served
Community, Town or City

P.S.C. KY. NO. 6

89th Revised SHEET NO. 22D

CANCELING P.S.C. KY. NO. 6

78th Revised SHEET NO. 22D

Owen Electric Cooperative, Inc.

(Name of Utility)

CLASSIFICATION OF SERVICE

SCHEDULE XIV- LARGE INDUSTRIAL RATE LPB

(Page One of Two)

- A. Applicable - to all territory served by the Seller.
- B. Available - to all consumers which are or shall be members of the Cooperative where the monthly contract demand is 500 - 999 KW with a monthly energy usage equal to or greater than 425 hours per KW of billing contract.

C. Rates

Customer Charge	\$1,521.83	Per Month	
Demand Charge	\$ 7.08 7.25	Per KW of Demand of Contract Demand	(I)
	\$ 9.84 9.98	Per KW of Demand in excess of Contract Demand	(I)
Energy Charge	\$ 0.05153.05106	Per KWH	(R)

- D. Billing Demand - the billing demand (kilowatt demand) shall be the contract demand plus any excess demand. Excess demand occurs when the consumer's peak demand during the current month exceeds the contract demand. The customer's peak demand is the highest average rate at which energy is used during any fifteen-minute interval in the hours listed for each month (and adjusted for power factor as provided herein):

<u>Months</u>	<u>Hours Applicable for Demand Billing EST</u>
October through April	7AM - 12:00 Noon; 5PM - 10PM
May through September	10AM - 10PM

- E. Billing Energy - the billing energy shall be the contract demand multiplied by 425 hours or the actual energy used in the current month by the load center, whichever is greater.

- F. Minimum Monthly Charge - the minimum monthly charge shall not be less than the sum of (1), (2), and (3) below:

- (1) The product of the contract demand multiplied by the contract demand charge, plus the product of the demand in excess of the contract demand multiplied by the in excess of contract demand charge.
- (2) The product of the contract demand multiplied by 425 hours and the energy charge per KWh.
- (3) The customer charge.

DATE OF ISSUE June 8, 2011 March 13, 2013
Month / Date / Year

DATE EFFECTIVE Service rendered on and after June 1, 2011 April 15, 2013
Month / Date / Year

ISSUED BY _____
(Signature of Officer)

TITLE President /CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2010-00507 2012-00448 DATED May 31, 2011

FOR Entire Territory Served
 Community, Town or City
 P.S.C. KY. NO. 6
 Original^{1st} Revised SHEET NO. 23A
 CANCELING P.S.C. KY. NO. 6
 Original SHEET NO. 23A

Owen Electric Cooperative, Inc.

(Name of Utility)

CLASSIFICATION OF SERVICE

SCHEDULE 1-B1 – FARM & HOME - TIME OF DAY

(N)

- A. Applicable – to the entire territory served.
- B. Available – to all consumers eligible for Schedule I–Farm and Home. One year minimum commitment required.
- C. Type of Service – Single Phase, 60 cycle, 120/240 volt.

D. Rate

Customer Charge (no usage)	\$20.00 per meter, per month	
Energy Charge per kWh		
On-Peak Energy	\$0.11859 0.12345	(I)
Off-Peak Energy	\$0.05789 0.06275	(I)

E. Schedule of Hours

On-Peak and Off-Peak Hours

Months	Days (5 days a week)	On-Peak Hours	Off-Peak Hours
May thru September	Monday thru Friday	10:00 a.m. to 10:00 p.m.	10:00 p.m. to 10:00 a.m.
October thru April	Monday thru Friday	7:00 a.m. to 12:00 noon	12:00 noon to 5:00 p.m.
	Monday thru Friday	5:00 p.m. to 10:00 p.m.	10:00 p.m. to 7:00 a.m.

- F. Terms of Payment – the above rates are net, the gross being five percent (5%) higher. In the event the current monthly bill is not paid within fifteen days from the date the bill was rendered, the prompt payment discount will be forfeited and the gross amount shall apply.

The monthly kilowatt hour usage shall be subject to plus or minus an adjustment per kWh determined in accordance with the Fuel Adjustment Clause.

The tariff is subject to the Energy Emergency Control Program as filed with the Kentucky Energy Regulatory Commission (now the Public Service Commission) on February 23, 1981, in Administrative Case No. 240, and as approved by the Commission Order of March 31, 1981.

DATE OF ISSUE March 15, 2012 March 13, 2013
 Month / Date / Year

DATE EFFECTIVE Service rendered on and after March 1, 2012 April 15, 2013
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ISSUED BY _____
 (Signature of Officer)

TITLE President /CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
 IN CASE NO. 2011-00037 2012-00448 DATED February 29, 2012

FOR Entire Territory Served
 Community, Town or City
 P.S.C. KY. NO. 6
 Original-1st Revised SHEET NO. 23B
 CANCELING P.S.C. KY. NO. 6
 Original SHEET NO. 23B

Owen Electric Cooperative, Inc.

 (Name of Utility)

CLASSIFICATION OF SERVICE

SCHEDULE 1-B2 – FARM & HOME - TIME OF DAY

(N)

- A. Applicable – to the entire territory served.
- B. Available – to all consumers eligible for Schedule I–Farm and Home. One year minimum commitment required.
- C. Type of Service – Single Phase, 60 cycle, 120/240 volt.

D. Rate

Customer Charge (no usage)	\$20.00 per meter, per month	
Energy Charge per kWh		
On-Peak Energy	\$0.10101 0.10587	(I)
Off-Peak Energy	\$0.05789 0.06275	(I)

E. Schedule of Hours

Months	Days (7 days a week)	On-Peak Hours	Off-Peak Hours
May thru September	Monday thru Sunday	10:00 a.m. to 10:00 p.m.	10:00 p.m. to 10:00 a.m.
October thru April	Monday thru Sunday	7:00 a.m. to 12:00 noon	12:00 noon to 5:00 p.m.
	Monday thru Sunday	5:00 p.m. to 10:00 p.m.	10:00 p.m. to 7:00 a.m.

F. Terms of Payment – the above rates are net, the gross being five percent (5%) higher. In the event the current monthly bill is not paid within fifteen days from the date the bill was rendered, the prompt payment discount will be forfeited and the gross amount shall apply.

The monthly kilowatt hour usage shall be subject to plus or minus an adjustment per kWh determined in accordance with the Fuel Adjustment Clause.

The tariff is subject to the Energy Emergency Control Program as filed with the Kentucky Energy Regulatory Commission (now the Public Service Commission) on February 23, 1981, in Administrative Case No. 240, and as approved by the Commission Order of March 31, 1981.

DATE OF ISSUE March 15, 2012 March 13, 2013
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 (Signature of Officer)

TITLE President /CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
 IN CASE NO. 2011-00037 2012-00448 DATED February 29, 2012

FOR Entire Territory Served

Community, Town or City

P.S.C. KY. NO. 6

Original ~~1st Revised~~ SHEET NO. 23C

CANCELING P.S.C. KY. NO. 6

Original SHEET NO. 23C

Owen Electric Cooperative, Inc.

(Name of Utility)

CLASSIFICATION OF SERVICE

SCHEDULE 1-B3 – FARM & HOME - TIME OF DAY

(N)

A. Applicable – to the entire territory served.

B. Available – to all consumers eligible for Schedule I–Farm and Home. One year minimum commitment required.

C. Type of Service – Single Phase, 60 cycle, 120/240 volt.

D. Rate

Customer Charge (no usage) \$20.00 per meter, per month

Energy Charge per kWh

On-Peak Energy \$0.09980 0.10488 (I)

Off-Peak Energy \$0.05789 0.06275 (I)

Shoulder \$0.07539 0.08025 (I)

E. Schedule of Hours

On-Peak and Off-Peak Hours

Months	Days (7 days a week)	On-Peak Hours	Off-Peak Hours	Shoulder Hours
May thru September	Monday thru Sunday	2:00 p.m. to 10:00 p.m.	10:00 p.m. to 6:00 a.m.	6:00 a.m. to 2:00 p.m.
October thru April	Monday thru Sunday	6:00 a.m. to 10:00 a.m. 6:00 p.m. to 10:00 p.m.	10:00 p.m. to 6:00 a.m.	10:00 a.m. to 6:00 p.m.

F. Terms of Payment – the above rates are net, the gross being five percent (5%) higher. In the event the current monthly bill is not paid within fifteen days from the date the bill was rendered, the prompt payment discount will be forfeited and the gross amount shall apply.

The monthly kilowatt hour usage shall be subject to plus or minus an adjustment per kWh determined in accordance with the Fuel Adjustment Clause.

The tariff is subject to the Energy Emergency Control Program as filed with the Kentucky Energy Regulatory Commission (now the Public Service Commission) on February 23, 1981, in Administrative Case No. 240, and as approved by the Commission Order of March 31, 1981.

DATE OF ISSUE March 15, 2012 March 13, 2013
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(Signature of Officer)

TITLE President /CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. 2011-00037 2012-00448 DATED February 29, 2012

FOR Entire Territory Served
 Community, Town or City
 P.S.C. KY. NO. 6
910th Revised SHEET NO. 24
 CANCELLING P.S.C. KY. NO. 6
89th Revised SHEET NO. 24

Owen Electric Cooperative, Inc.

(Name of Utility)

CLASSIFICATION OF SERVICE

SCHEDULE 1-C -- SMALL COMMERCIAL - TIME OF DAY

- A. Applicable – to the entire territory served.
- B. Available – to all consumers eligible for Schedule I – Small Commercial, under 50 kW demand.
- C. Type of Service – Single Phase and three phase, 60 cycle, at available secondary voltage.

D. Rate

Customer Charge (no usage)	\$24.51 per meter, per month	
Energy Charge per kWh		
On-Peak Energy	\$0.09943 0.10413	(R)(I)
Off-Peak Energy	\$0.05556 0.06026	(R)(I)

E. Schedule of Hours

On-Peak and Off-Peak Hours

<u>Months</u>	<u>On-Peak Hours</u>	<u>Off-Peak Hours</u>
May thru September	10:00 a.m. to 10:00 p.m.	10:00 p.m. to 10:00 a.m.
October thru April	7:00 a.m. to 12:00 Noon 5:00 p.m. to 10:00 p.m.	12:00 noon to 5:00 p.m. 10:00 p.m. to 7:00 a.m.

- F. Terms of Payment – the above rates are net, the gross being five percent (5%) higher. In the event the current monthly bill is not paid within fifteen days from the date the bill was rendered, the prompt payment discount will be forfeited and the gross amount shall apply.

The monthly kilowatt hour usage shall be subject to plus or minus an adjustment per kWh determined in accordance with the Fuel Adjustment Clause.

This tariff is subject to the Energy Emergency Control Program as filed with the Kentucky Energy Regulatory Commission (now the Public Service Commission) on February 23, 1981, in Administrative Case No. 240, and as approved by the Commission Order of March 31, 1981.

DATE OF ISSUE June 8, 2011 March 13, 2013
 Month / Date / Year

DATE EFFECTIVE Service rendered on and after June 1, 2011 April 15, 2013
 Month / Date / Year

ISSUED BY _____
 (Signature of Officer)

TITLE President/CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2010-00507 2012-00448 DATED May 31, 2011

FOR Entire Territory Served
Community, Town or City

P.S.C. KY. NO. 6

89th Revised SHEET NO. 35A

CANCELLING P.S.C. KY. NO. 6

78th Revised SHEET NO. 35A

Owen Electric Cooperative, Inc.

(Name of Utility)

CLASSIFICATION OF SERVICE

SCHEDULE I OLS – OUTDOOR LIGHTING SERVICE

Page One of Two

- A. Applicable – to the entire territory served.
- B. Available – to all member/consumers requesting luminaries for dusk to dawn outdoor or street lighting service as provided below. The cooperative reserves the right to limit the types of lights and the type of installations in this tariff.
- C. Type of Service – the cooperative will install and maintain automatic outdoor or street lighting of the desired type by the customer, single phase, 60 cycles at available secondary voltage.
- D. Monthly Rates:

~~100 Watt High Pressure Sodium Area Lighting (Monthly energy usage 40 kWh) \$10.25 per Light (R)~~

Cobrahead Lighting

~~100 Watt High Pressure Sodium (Monthly energy usage 40 kWh) \$13.30 per Light (R)~~

~~250 Watt High Pressure Sodium (Monthly energy usage 83 kWh) \$18.06 per Light (R)~~

~~400 Watt High Pressure Sodium (Monthly energy usage 154 kWh) \$22.49 per Light (R)~~

Directional Lighting

~~100 Watt High Pressure Sodium (Monthly energy usage 40 kWh) \$12.45 per Light (R)~~

~~250 Watt High Pressure Sodium (Monthly energy usage 83 kWh) \$15.30 per Light (R)~~

~~400 Watt High Pressure Sodium (Monthly energy usage 154 kWh) \$19.48 per Light (R)~~

~~Rate for one additional pole if light is not installed on a currently used pole * \$ 4.88 per Light~~

Rate 2

100 Watt S/L on existing pole \$ 11.09 per Light (N)

100 Watt S/L – one pole added \$ 16.09 per Light (N)

Rate 3

Cobrahead 100W on existing pole \$ 16.46 per Light (N)

Cobrahead 100W one pole added \$ 22.50 per Light (N)

Cobrahead 250W on existing pole \$ 22.35 per Light (N)

DATE OF ISSUE June 8, 2011 March 13, 2013
Month / Date / Year

DATE EFFECTIVE Service rendered on and after June 1, 2011 April 15, 2013
Month / Date / Year

ISSUED BY _____
(Signature of Officer)

TITLE President/CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2010-00507 2012-00448 DATED May 31, 2011

FOR Entire Territory Served
Community, Town or City

P.S.C. KY. NO. 6

89th Revised SHEET NO. 35A

CANCELLING P.S.C. KY. NO. 6

78th Revised SHEET NO. 35A

Owen Electric Cooperative, Inc.

(Name of Utility)

CLASSIFICATION OF SERVICE

Cobrahead 250W one pole added	\$ 28.39 per Light	(N)
Cobrahead 400W on existing pole	\$ 27.83 per Light	(N)
Cobrahead 400W one pole added	\$ 33.87 per Light	(N)
Rate 4		
Directional 100W on existing pole	\$ 15.41 per Light	(N)
Directional 100W one additional pole	\$ 21.45 per Light	(N)
Directional 250W on existing pole	\$ 18.93 per Light	(N)
Directional 250W one additional pole	\$ 24.97 per Light	(N)
Directional 400W on existing pole	\$ 24.11 per Light	(N)
Directional 400W one additional pole	\$ 30.15 per Light	(N)

* If any additional poles or facilities are needed to provide electric service to the light, the consumer shall be required to pay, prior to construction, a non-refundable construction charge for those facilities.

- E. Terms of Payment – the above rates are net, the gross being five percent (5%) higher. In the event the current monthly bill is not paid within fifteen days from the date bill was rendered, the prompt payment discount will be forfeited and the gross amount shall apply.

DATE OF ISSUE June 8, 2011 March 13, 2013
Month / Date / Year

DATE EFFECTIVE Service rendered on and after June 1, 2011 April 15, 2013
Month / Date / Year

ISSUED BY _____
(Signature of Officer)

TITLE President/CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2010-00507 2012-00448 DATED May 31, 2011

FOR Entire Territory Served
Community, Town or City

P.S.C. KY. NO. 6

89th Revised SHEET NO. 36A

CANCELLING P.S.C. KY. NO. 6

78th Revised SHEET NO. 36A

Owen Electric Cooperative, Inc.

(Name of Utility)

CLASSIFICATION OF SERVICE

SCHEDULE II SOLS – SPECIAL OUTDOOR LIGHTING SERVICE

Page One of Two

- A. Applicable – to the entire territory served.
- B. Available – to all member, neighborhood/homeowner associations and governmental agencies requesting luminaries for dusk to dawn outdoor or street lighting service of a type provided below. The cooperative reserves the right to limit the type of lights and the type of installations in this tariff.
- C. Type of Service -- the cooperative will install and maintain automatic outdoor or street lighting of the desired type by the customer, single phase, 60 cycles at available secondary voltage.
- D. Investment – the member, neighborhood/homeowner associations, and governmental agencies requesting this service will pay for all the costs required to install the below listed types of lighting and meet all requirements of the cooperative for service. Costs of installation include all material costs, direct and indirect labor costs plus any equipment costs and other overhead costs associated with the installation of these lights.
- E. Monthly Rates: the below listed rates provide for the power costs associated with lights along with all operations and maintenance costs, all administrative costs and normal equipment replacement costs.

Traditional Light with Fiberglass Pole (Monthly energy usage 40 kWh)	\$13.14	(R)
Holophane Light with Fiberglass Pole (Monthly energy usage 40 kWh)	\$15.60	(R)
Traditional w/ fiberglass pole	\$16.26 per Light	(I)
Holophane w/ fiberglass pole	\$19.31	(I)

- F. Terms of Payment – the above rates are net, the gross being five percent (5%) higher. In the event the current monthly bill is not paid within fifteen days from the date bill was rendered, the prompt payment discount will be forfeited and the gross amount shall apply.

DATE OF ISSUE June 8, 2011 March 13, 2013
Month / Date / Year

DATE EFFECTIVE Service rendered on and after June 1, 2011 April 15, 2013
Month / Date / Year

ISSUED BY _____
(Signature of Officer)

TITLE President/CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2010-00507 2012-00448 DATED May 31, 2011

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. 2012-00448 an application to adjust its retail rates and charges. The need for this adjustment is due to an increase in Owen Electric's expenses in the areas of wholesale power costs, interest, depreciation, and general operating expenses.

Owen Electric is also proposing a \$0.001 per kWh increase to its Fuel Adjustment Clause to recover fuel costs it has paid to its wholesale power supplier but not collected through its fuel clause. This increase will last for approximately one year until all of these identified fuel costs are recovered.

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) day 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 Michael Cobb, 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
Commission
8205 Highway 127 North
Owenton, KY 40359
502-484-3471

Kentucky Public Service

211 Sower Boulevard
Frankfort, KY 40602
502-564-3940

The amount of the change requested in both dollar amounts and percentage change for customer classification to which the proposed change will apply is presented below:

<u>Rate Class</u>	<u>Dollar</u>	<u>Increase</u>	<u>Percent</u>
Schedule I			
Farm and Home	\$ 3,463,526		4.9%
Schedule IA			
Off Peak Retail Marketing Rate (ETS)	\$ 50		5.7%
Schedule 1-B1			
Farm and Home - Time of Day (5 days a week)	\$ -		0%
Schedule 1-B2			
Farm and Home - Time of Day (7 days a week)	\$ -		0%

<u>Rate Class</u>	<u>Dollar</u>	<u>Increase</u>	<u>Percent</u>
Schedule 1-B3			
Farm and Home - Time of Day, with Shoulder	\$	16	5.3%
Schedule I-D			
Farm and Home - Inclining Block	\$	65	3.7%
Schedule I			
Small Commercial	\$	247,960	4.9%
Schedule 1-C			
Small Commercial - Time of Day	\$	277	5.4%
Schedule XI			
Large Industrial Rate LPB1	\$	(24)	0.0%
Schedule XIII			
Large Industrial Rate LPB2	\$	(69)	0.0%
Schedule XIV			
Large Industrial Rate LPB	\$	6	0.0%
Schedule III			
Outdoor Lights	\$	282,726	34.5%
Schedule I OLS			
Outdoor Lighting Service	\$	57,389	9.2%
Schedule II SOLS			
Special Outdoor Lighting Service	\$	22,248	23.8%

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

<u>Rate Class</u>	<u>Dollar</u>	<u>Increase</u>	<u>Percent</u>
Schedule I			
Farm and Home	\$	5.31	4.9%
Schedule IA			
Off Peak Retail Marketing Rate (ETS)	\$	0.52	5.7%
Schedule 1-B1			
Farm and Home - Time of Day (5 days a week)	\$	-	0%
Schedule 1-B2			
Farm and Home - Time of Day (7 days a week)	\$	-	0%
Schedule 1-B3			
Farm and Home - Time of Day, with Shoulder	\$	7.82	5.3%
Schedule I-D			
Farm and Home - Inclining Block	\$	1.23	3.7%
Schedule I			
Small Commercial	\$	8.60	4.9%
Schedule 1-C			
Small Commercial - Time of Day	\$	15.42	5.4%
Schedule XI			
Large Industrial Rate LPB1	\$	(0.18)	0.0%

<u>Rate Class</u>	<u>Dollar</u>	<u>Increase</u>	<u>Percent</u>
Schedule XIII			
Large Industrial Rate LPB2	\$ (2.87)		0.0%
Schedule XIV			
Large Industrial Rate LPB	\$ 0.49		0.0%
Schedule III			
Outdoor Lights	\$ 3.09		34.9%
Schedule I OLS			
Outdoor Lighting Service	\$ 1.04		9.2%
Schedule II SOLS			
Special Outdoor Lighting Service	\$ 3.33		23.8%

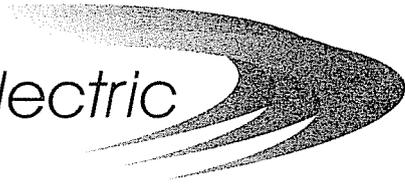
The present and proposed rate structure of Owen Electric Cooperative are listed below:

<u>Rate Class</u>	<u>Present</u>	<u>Rates</u>	<u>Proposed</u>
<u>Schedule 1 and 1-A - Farm and Home</u>			
Customer charge	\$ 14.20	\$	14.20
Energy charge	\$ 0.08545	\$	0.09031
Energy charge per ETS	\$ 0.05286	\$	0.05419
<u>Schedule 1-B1 - Farm & Home - Time of Day</u>			
Customer charge	\$ 20.00	\$	20.00
Energy charge			
On-Peak	\$ 0.11859	\$	0.12345
Off-Peak	\$ 0.05789	\$	0.06275
<u>Schedule 1-B2 - Farm & Home - Time of Day</u>			
Customer Charge	\$ 20.00	\$	20.00
Energy charge			
On-Peak energy	\$ 0.10101	\$	0.10587
Off-Peak energy	\$ 0.05789	\$	0.06275
<u>Schedule 1-B3 - Farm & Home - Time of Day, with Shoulder</u>			
Customer Charge	\$ 20.00	\$	20.00
Energy charge			
On-Peak energy	\$ 0.09980	\$	0.10488
Off-Peak energy	\$ 0.05789	\$	0.06275
Shoulder	\$ 0.07539	\$	0.08025
<u>Schedule 1-D - Farm & Home - Inclining Block</u>			
Customer Charge	\$ 15.78	\$	15.78
Energy charge per kWh			
0-300 kwh	\$ 0.06309	\$	0.06795
301-500 kwh	\$ 0.08559	\$	0.09045
Over 500 kwh	\$ 0.11559	\$	0.12045

<u>Rate Class</u>	<u>Rates</u>	
	<u>Present</u>	<u>Proposed</u>
<u>Schedule I - Small Commercial</u>		
Customer charge	\$ 17.23	\$ 17.23
Energy charge	\$ 0.08598	\$ 0.09068
<u>Schedule 1-C Small Commercial - Time of Day</u>		
Customer Charge	\$ 24.51	\$ 24.51
Energy charge		
On-Peak energy	\$ 0.09943	\$ 0.10413
Off-Peak energy	\$ 0.05556	\$ 0.06026
<u>Schedule VIII - Large Industrial Rate LPC1</u>		
Customer charge	\$ 1,521.83	\$ 1,521.83
Demand charge	\$ 7.08	\$ 7.25
Energy charge, first 425 hours per KW	\$ 0.04993	\$ 0.04950
Energy charge, excess of 425 hours per KW	\$ 0.04569	\$ 0.04585
<u>Schedule IX- Large Industrial Rate LPC2</u>		
Customer charge	\$ 3,042.58	\$ 3,042.58
Demand charge	\$ 7.08	\$ 7.25
Energy charge, first 425 hours per KW	\$ 0.04499	\$ 0.04450
Energy charge, excess of 425 hours per KW	\$ 0.04335	\$ 0.04363
<u>Schedule X - Large Industrial Rate LPC1-A</u>		
Customer charge	\$ 1,521.83	\$ 1,521.83
Demand charge	\$ 7.08	\$ 7.25
Energy charge, first 425 hours per KW	\$ 0.04747	\$ 0.04500
Energy charge, excess of 425 hours per KW	\$ 0.04462	\$ 0.04370
<u>Schedule XI - Large Industrial Rate LPB1</u>		
Customer charge	\$ 1,521.83	\$ 1,521.83
Demand charge		
Contract demand	\$ 7.08	\$ 7.25
Excess demand	\$ 9.84	\$ 9.98
Energy charge, first 425 hours per KW	\$ 0.04993	\$ 0.04950
Energy charge, excess of 425 hours per KW	\$ 0.04569	\$ 0.04585
<u>Schedule XII - Large Industrial Rate LPB1-A</u>		
Customer charge	\$ 1,521.83	\$ 1,521.83
Demand charge		
Contract demand	\$ 7.08	\$ 7.25
Excess demand	\$ 9.84	\$ 9.98
Energy charge, first 425 hours per KW	\$ 0.04747	\$ 0.04500
Energy charge, excess of 425 hours per KW	\$ 0.04462	\$ 0.04370
<u>Schedule XIII - Large Industrial Rate LPB2</u>		
Customer charge	\$ 3,042.58	\$ 3,042.58
Demand charge		
Contract demand	\$ 7.08	\$ 7.25
Excess demand	\$ 9.84	\$ 9.98
Energy charge, first 425 hours per KW	\$ 0.04499	\$ 0.04450
Energy charge, excess of 425 hours per KW	\$ 0.04335	\$ 0.04363

<u>Rate Class</u>	<u>Rates</u>	
	<u>Present</u>	<u>Proposed</u>
<u>Schedule XIV - Large Industrial Rate LPB</u>		
Customer charge	\$ 1,521.83	\$ 1,521.83
Demand charge		
Contract demand	\$ 7.08	\$ 7.25
Excess demand	\$ 9.84	\$ 9.98
Energy charge	\$ 0.05153	\$ 0.05106
<u>Schedule III - Outdoor Lights</u>		
Existing pole, 120V available	\$ 8.52	\$ 11.09
One pole added	\$ 10.33	\$ 16.09
Two poles added	\$ 12.14	\$ 16.09
Three poles added	\$ 13.95	\$ 16.09
Four poles added	\$ 15.77	\$ 16.09
Transformer required	\$ 9.22	\$ 11.09
One pole, transformer required	\$ 11.03	\$ 16.09
Two poles, transformer required	\$ 12.84	\$ 16.09
Three poles, transformer required	\$ 14.65	\$ 16.09
Four poles, transformer required	\$ 16.47	\$ 16.09
<u>Schedule I OLS - Outdoor Lighting Service</u>		
100 Watt, High pressure sodium	\$ 10.25	\$ 11.09
100 Watt, High pressure sodium, 1 pole	\$ 15.13	\$ 16.09
Cobrahead Lighting		
100 Watt HPS	\$ 13.30	\$ 16.46
100 Watt HPS, 1 pole added	\$ 18.18	\$ 22.50
250 Watt HPS	\$ 18.06	\$ 22.35
250 Watt HPS, 1 pole added	\$ 22.94	\$ 28.39
400 Watt HPS	\$ 22.49	\$ 27.83
400 Watt HPS, 1 pole added	\$ 27.37	\$ 33.87
Directional Lighting		
100 Watt HPS	\$ 12.45	\$ 15.41
100 Watt HPS, 1 pole added	\$ 17.33	\$ 21.45
250 Watt HPS	\$ 15.30	\$ 18.93
250 Watt HPS, 1 pole added	\$ 20.18	\$ 24.97
400 Watt HPS	\$ 19.48	\$ 24.11
400 Watt HPS, 1 pole added	\$ 24.36	\$ 30.15
<u>Schedule II SOLS - Special Outdoor Lighting Service</u>		
Traditional, w/ fiberglass pole	\$ 13.14	\$ 16.26
Holophane, w/ fiberglass pole	\$ 15.60	\$ 19.31

OWEN Electric



A Touchstone Energy Cooperative 

Exhibit E
page 1 of 2

September 27, 2012

Jeff Derouen
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P. O. Box 615
Frankfort, KY 40602

Dear Mr. Derouen:

This 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 a general increase in its retail rates. The rate application will be supported by a historical test year period ending June 30, 2012. Owen intends to file this application on or after October 31 2012.

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

Respectfully submitted,



Mark Stallons
President and CEO
Owen Electric Cooperative, Inc.

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

Exhibit E
Page 2 of 2

CRAWFORD & BAXTER, P.S.C.

ATTORNEYS AT LAW
523 Highland Avenue
P.O. Box 353
Carrollton, Kentucky 41008

James M. Crawford
Ruth H. Baxter
Alecia Gamm Hubbard

Phone: (502) 732-6688
1-800-442-8680
Fax: (502) 732-6920
Email: CBJ523@AOL.COM

January 15, 2013

Mr. Jeff Derouen
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P. O. Box 615
Frankfort, KY 40602

RECEIVED
JAN 17 2013
PUBLIC SERVICE
COMMISSION

RE: **Case No 2012-00448**

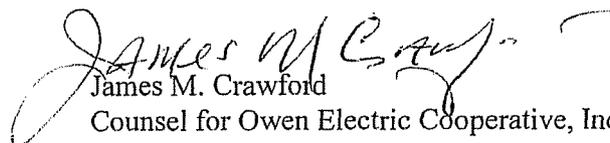
Dear Mr. Derouen:

On September 27, 2012 Owen Electric Cooperative, Inc., ("Owen") submitted a letter of intent, in accordance with the Kentucky Public Service Commission's Administrative Regulation 807 KAR5:001, Section 10(2), to file an application for a general increase in its retail rates. Owen still intends to file the application supported by a historical test year ending June 30, 2012, however, instead of an anticipated filing on or after October 31, 2012, Owen now expects to file the case on or after Feb 28, 2013. The later filing date is a result in delays experienced in completing the cost of service study and rate design work needed to present to Owen's board of directors.

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

Respectfully yours,

CRAWFORD & BAXTER, P.S.C.


James M. Crawford
Counsel for Owen Electric Cooperative, Inc.

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



OWEN ELECTRIC COOPERATIVE CORPORATION

Board Resolution

**AUTHORIZATION TO THE PRESIDENT & CEO TO FILE FOR
A RATE INCREASE WITH THE
KENTUCKY PUBLIC SERVICE COMMISSION**

WHEREAS, to provide its members with a reliable source of power it is the opinion of the Board of Directors of Owen Electric Cooperative Corporation that a rate increase is necessary to maintain Owen Electric Cooperative in a sound financial condition, and

WHEREAS, the Board of Directors of Owen Electric Cooperative hereby authorizes and directs its President & CEO, Mark A. Stallons, to file with the Kentucky Public Service Commission for a rate increase,

NOW, THEREFORE BE IT RESOLVED, that this resolution was properly authorized by the Board of Directors during a monthly Board of Directors meeting held on October 30th, 2012.

I, Patricia Hope Kinman Secretary/Treasurer of the Owen Electric Cooperative Corporation hereby certify that the foregoing is a full, true, and correct copy of the Resolution duly passed by the Board of Directors of Owen Electric Cooperative at a meeting duly called and held in compliance with the By-Laws of the Cooperative on the 30th day of October 2012, at which meeting a quorum was present, and that the Resolution as set out above appears in the minutes of that meeting in the Minutes Book of the Cooperative dated this 30th day of October 2012.

A handwritten signature in cursive script that reads "Patricia Hope Kinman". The signature is written in black ink and is positioned above the printed name of the signatory.

PATRICIA HOPE KINMAN, SECRETARY / TREASURER



Owen Electric Cooperative
Case No. 2012-00448
Revenue Analysis
June 30, 2012

Exhibit G
page 1 of 1
Witness: Alan Zumstein

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Rate Schedule	Kwh Usage	Test Year Revenue	Percent of Total	Normalized Case No. 2010-00507	Percent of Total	Proposed Revenue	Percent of Total	Increase Amount	Increase Percent
Sch I - Farm and Home	712,659,575	\$70,160,411	66%	\$70,160,415	66%	\$73,623,940	67%	\$3,463,526	4.9%
Sch IA - Off Peak Marketing	17,062	875	0%	875	0%	925	0%	50	5.7%
Sch I-D - Farm & Home, Incling Block	13,460	1,768	0%	1,768	0%	1,833	0%	65	3.7%
Sch I - Small Commercial	52,757,480	5,032,829	5%	5,032,829	5%	5,280,789	5%	247,960	4.9%
Sch II - Large Power	194,191,663	16,186,276	15%	16,186,276	15%	16,186,276	15%	0	0.0%
Sch XI - Large Industrial Rate LPB1	102,404,652	6,761,414	6%	6,761,414	6%	6,761,390	6%	(24)	0.0%
Sch XIII - Large Industrial Rate LPB2	118,008,881	6,212,312	6%	6,212,312	6%	6,212,244	6%	(69)	0.0%
Sch XIV - Large Industrial Rate LPB	3,186,093	256,209	0%	256,209	0%	256,214	0%	6	0.0%
Sch 2A - Time of Day	2,839,636	251,048	0%	251,048	0%	251,048	0%	0	0.0%
Sch 1-C - Small Comm, T-O-D	59,040	5,120	0%	5,120	0%	5,397	0%	277	5.4%
Sch 2-A - Primary Meter, T-O-D	1,730,400	158,381	0%	158,381	0%	158,381	0%	0	0.0%
Sch 1-B3 - Farm/Home-TOD, w Shoulc	3,154	297	0%	297	0%	313	0%	16	5.3%
Sch III - Security Lights	3,670,142	810,915	1%	810,924	1%	1,093,649	1%	282,726	34.9%
Sch OLS - Outdoor Lighting Service	2,399,587	622,512	1%	622,512	1%	679,901	1%	57,389	9.2%
Sch II SOLS - Special Outdoor Light Se	288,455	93,637	0%	93,639	0%	115,887	0%	22,248	23.8%
Envirowatts	2,589,400	61,304	0%	61,304	0%	61,304	0%	0	0.0%
Net Metering	12,169	522	0%	522	0%	522	0%	0	0.0%
Subtotal	<u>1,196,830,849</u>	106,615,830	100%	<u>\$106,615,845</u>	100%	<u>\$110,690,014</u>	100%	<u>\$4,074,169</u>	3.8%
Fuel adjustment billed		(1,532,355)							
Environmental surcharge billed		<u>9,209,428</u>							
Increase		114,292,903		<u>\$15</u>		<u>\$4,074,169</u>			
Industrial customer	938,742,689	41,459,712		\$41,459,712		\$41,459,712		0	0.0%
Fuel adjustment billed		(845,234)							
Environmental surcharge billed		<u>5,407,556</u>							
		<u>46,022,034</u>							
Total from base rates	2,135,573,538	148,075,542		\$148,075,557		\$152,149,726		4,074,169	2.8%
Accounting change/Fuel adjustment		<u>(296,099)</u>							
Revenue per general ledger		<u>\$ 160,018,838</u>							

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

**ADJUSTMENT OF RATES OF
OWEN ELECTRIC COOPERATIVE, INC.**

CASE NO. 2012-00448

PREPARED TESTIMONY OF MARK A. STALLONS

Q1. Would you please state your name and business address.

A1. Mark A. Stallons, with a business address of 8205 Highway 127 North, Owenton, Kentucky 40359.

Q2. What is your occupation?

A2. President & CEO for Owen Electric Cooperative ("Owen Electric").

Q3. How long have you been employed at Owen Electric?

A3. I was employed on January 5, 2009, as President & CEO.

Q4. What is your education and work experience?

A4. I graduated from Ohio Northern University in 1979 with a Bachelor of Science degree in electrical engineering and from the University of Dayton in 1986 with a Masters in Business Administration. I have worked in the electric industry for over 23 years with two years at an investor-owned utility ("IOU") and twenty-one years at various electric cooperatives in Illinois, Michigan, and most recently Kentucky. My utility experience includes operations, engineering, marketing, customer service, and management areas. I am a registered professional engineer in the State of Ohio.

Q5. Are you familiar with the contents of the Notice Application of Owen Electric which has been filed with this Commission to commence this Case?

A5. Yes

Q6. Please state whether the statements of facts contained in this Notice are true.

A6. Yes. To the best of my knowledge and belief, the statements of facts contained in this Application are true.

Q7. Are you familiar with the exhibits which are filed with and from a part of the Notice Application of this Case?

A7. Yes. I am familiar with them. In my opinion, the factual materials contained in this Application are correct.

Q8. When was the last General Rate Application filed by Owen Electric?

A8. The last General Rate Application filed by Owen Electric was in 2011, in Case No. 00037.

Q9. What is the purpose of this Notice of Application of Owen Electric to this Commission?

A9. Owen's Purpose is to raise revenues necessary to recover increased power supply costs not previously recovered in 2010 Case No. 00179, to recover fuel cost adjustments revenues previously accrued but not recovered through the fuel adjustment clause in 2010 Case No. 00507, to recover increases in general operating expenses since the 2007 test year (Case No. 2008-00154), and to obtain a targeted time interest earned ratio ("TIER") of 2.0.

Q10. What considerations were given to increase the rates and charges of Owen Electric?

A10. The purpose of this Application is to support the fact that Owen Electric needs the requested rate relief that is being sought in this rate application. Owen Electric has filed this application due to its need to meet certain financial ratios as required by its mortgage agreements with its lenders: the Rural Utilities Service ("RUS") and the National Rural Utilities Cooperative Finance Corporation ("CFC"). According to these mortgage agreements, Owen Electric is required to maintain a TIER of 1.25 and an Operating TIER of 1.1. In addition, this application is necessary for Owen Electric to continue to pay capital credits and maintain adequate equity and cash reserves.

Q11. What is the Test Year used by Owen Electric for its financial data compiled to the Commission in the Application?

A11. The twelve months ending June 30, 2012 was selected as the Test Year.

Q12. How was the proposed increase in revenues of \$4,074,169 allocated to rates?

A12. Owen Electric and Jim Adkins have prepared a Cost of Service Study and based its rate design on this study.

Q13. Why was a TIER of 1.93 requested?

A13. The financial condition of Owen Electric Cooperative has deteriorated substantially since early 2011. In order to continue meeting the debt service obligations, operating costs and maintain the minimum joint mortgage agreement requirements, it was necessary to file an application for an increase in rates. The board of director and management of Owen Electric elected to keep the residential increase less than 5% and use the COSS results for the remaining rate classes. This approach resulted in a TIER request of 1.93.

Q14. What role did the Board of Directors play in evaluating the need for a rate increase?

A14. The Board of Directors for Owen Electric reviews the financial statements of the cooperative on a monthly basis and closely monitors the Cooperative's financial status. Additionally, they receive training at NRECA meetings on a regular basis in order to adequately execute their responsibilities and to provide the Cooperative with well trained and informed board leadership.

Q15. In your opinion, are the adjusted rates requested in this Case by Owen Electric Cooperative necessary to maintain the financial integrity of the Cooperative?

A15. Yes. To enable Owen Electric to maintain its financial integrity, it is necessary that it be permitted to increase its rates as proposed in this Application.

Q16. In your opinion, are retail rate design modifications necessary in this case?

A16. No. Based upon the past cases Owen Electric is satisfied with its rate design and is simply requesting an increase in the energy charge to adequately recover power supply, fuel, and general operating costs.

Q17. Please describe Owen Electric's Energy Innovation Vision including conservation, efficiency, and demand response.

A17. Owen Electric's Energy Innovation Vision centers around continuing to build on the success of the past four years as well as identifying and exploring new opportunities as technology continues to evolve and develop.

Our past successes include three successfully operating self healing grid systems, a completely upgraded SCADA system in all of our EKPC owned substations, the installation of a fiber optic communication system to our northern and western Boone County substations as well as using fiber optics to develop a redundant looped communications system between our Owen Headquarters and our Walton Operations Center.

We have two ongoing projects. The first is a Volt Var Optimization project at our Bromley and Burlington Substations. While the second is a Smart Home Pilot serving roughly 173 homes throughout our service territory.

Future 2013-2018 projects that are presently under consideration include the following:

1. Meter Data Management System
2. Pre-Paid Metering tariff
3. Cellular AMI pilot study designed to explore more effective ways to capture fifteen minute meter billing data thereby allowing critical peak pricing rate options and to be able to communicate to smart home internet/zigbee gateway devices in member homes.
4. Solar tariff options similar to our existing Envirowatts program
5. Natural Gas –based distributed generation, as well as other distributed energy resource opportunities

6. How Smart Kentucky home energy efficiency program

In regards to our demand response programs, Owen has aggressively worked with EKPC to expand member participation in our Simple Saver program. Our number of member participants has increased from 50 load management switches in 2009 to 3202 load management switches today.

Owen has also participated in EKPC's RE/DSM Collaborative with stakeholder groups across the Commonwealth. Specifically, I have co-chaired the DSM sub group and have supported the development and submission of six proposals which have been approved and submitted by the DSM Collaborative to EKPC. Several additional proposals are under development.

Q18. What are your conclusions regarding this rate case proceeding?

A18. The mortgage agreements require that Owen Electric Cooperative maintain TIER of above 1.25 and an Operating Times Interest Earned Ratio ("OTIER") of 1.1 based on an average of two of the three most recent years. The TIER for the Test Year ended June 30, 2012 was 2.74, including G&T Capital Credits, and the OTIER was 0.84. While Owen Electric's TIER adequately met the conditions set forth by its lenders, its OTIER has declined significantly since the beginning of 2011 and is not sufficient to meet the requirements set forth in Owen Electric's mortgage agreements.

The primary reason for the decline in Owen Electric's operating margins is the increase in power cost that occurred in early 2011 when Owen Electric's power supplier, East Kentucky Power Cooperative ("EKPC") implemented an increase in their wholesale power rate 2010-00167. Owen Electric simultaneously filed for an increase in retail rates in Case No 2010-00179, which should have enabled the cooperative to recover the increase in wholesale power cost. The EKPC case anticipated that the increase in cost to Owen Electric would be approximately 5% and Owen Electric filed for an increase of that amount to its members. The actual increase in power cost to Owen Electric since 2011 has not been 5%, as was anticipated, but has exceeded 9%. This difference between

actual and anticipated results of the EKPC rate increase has caused Owen Electric's margins and key ratios to be reduced and has put a financial burden on the cooperative.

While Owen Electric's OTIER has declined during the last two years, its TIER has remained adequate to meet its lending requirements. This is because of the increased level of patronage capital allocations by EKPC over the past two years. Patronage capital allocations are included in the calculation of TIER, but not for OTIER. The TIER, giving effect to the normalized adjustments without an increase in revenues, as reflected in Exhibit S, page 2 or 4, would result in a TIER of 1.03 for the Test Year.

A second reason for Owen's declining operating margins is that in the two months prior to the June 1, 2011 roll-in of the (\$.00668) per kWh in Case No 2010-00507, Owen had received large Fuel adjustment credits on its billing from East Kentucky Power Cooperative (EKPC), Owen's wholesale power supplier. Because of the lagging nature of the FAC mechanism, the credits for the April and May fuel adjustment portion of the power bill were passed through to Owen's members during the months of June and July, 2011, after the reduction of rates that occurred as a result of the FAC credit roll-in. This lagging of the FAC mechanism resulted in \$1.112 million loss of revenue.

Owen proposes to collect this FAC lost revenue by adding an additional \$.001 per kWh in the FAC calculation each month until such time as the full \$1.112 million has been fully recovered. Once this recovery occurs, Owen will cease collecting the additional amount.

The third and last reason for Owen's declining operating margins is increases in other operating costs that are more variable in nature. As result, Owen is not seeking an increase in the customer charge. All increases applied for in this current application are being requested on the energy charge.

Q19. Does this conclude your testimony in this case?

A19. Yes, it does.

OWEN ELECTRIC COOPERATIVE, INC.

CASE NO: 2012-00448

NET REVENUE ANALYSIS - 2010 TO 2011

	2010	2011	DIFFERENCE	% CHANGE
OPERATING REVENUE	\$ 156,031,216	\$ 164,646,471	\$ 8,615,255	5.52%
POWER COST	\$ 120,929,457	\$ 131,922,578	\$ 10,993,121	9.09%
NET REVENUE	\$ 35,101,759	\$ 32,723,893	\$ (2,377,866)	-6.77%
kWh Sales	2,174,224,766	2,167,034,042	\$ (7,190,724)	-0.33%
kWh Purchsed	2,224,298,492	2,230,479,730	\$ 6,181,238	0.28%

Affiant, Mark A. Stallons, states that the answers given by her to the foregoing questions are true and correct to the best of her knowledge and belief.



Mark A. Stallons, President & CEO

Subscribed and sworn to before me by the affiant, Mark A. Stallons, this 11th day of March, 2013.

Notary Melissa K. Moore
State-at-Large

My Commission expires April 14th, 2015.

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

**IN THE MATTER OF ADJUSTMENT
OF RATES OF OWEN ELECTRIC
COOPERATIVE CORPORATION**

CASE NO. 2012-00448

PREPARED TESTIMONY OF MICHAEL COBB

Q1. Would you please state your name and business address.

A1. Michael Cobb, with a business address of 8205 Highway 127 North, Owenton, Kentucky 40359.

Q2. What is your occupation?

A2. Senior Vice President—Customer Service & Marketing for Owen Electric Cooperative (“Owen Electric”).

Q3. How long have you been employed at Owen Electric?

A3. I was employed in November 1987 as the Senior Accountant. During my career at Owen Electric, I have held numerous positions including Manager—Corporate Accounting and Interim CFO. Presently I am Owen Electric’s Senior Vice President of Customer Service and Marketing.

Q4. What is your educational background?

A4. I have a Bachelor of Business Administration (1983) and Master of Business Administration (1984) from the University of Kentucky.

Q5. Are you familiar with accounting work and accounting procedures for rural electric cooperatives?

A5. Yes. I have prior experience in electric cooperative accounting and have done accounting work in the preparation of rate cases for presentation to the Public Service Commission.

Q6. Did you prepare or assist in the preparation of the financial exhibits for Owen Electric filed with its Notice Application in this case?

A6. Yes, I worked with the assistance of Alan Zumstein, CPA and Jim Adkins, Consultant, in the preparation of these exhibits, and am familiar with them. In my opinion, the factual material contained in these exhibits is correct.

Q7. Please state whether the statements of facts contained in this Notice are true.

A7. Yes. To the best of my knowledge and belief, the statements of facts contained in this Application are true.

Q8. What is the purpose of this Notice of Application of Owen Electric to this Commission?

A8. Owen's purpose is to raise revenues necessary to recover increased power supply costs not previously recovered in 2010 Case No. 00179, to recover fuel cost adjustments revenues previously accrued but not recovered through the fuel adjustment clause in 2010 Case No. 00507, to recover increases in general operating expenses since the 2007 test year (Case No. 2008-00154), and to obtain a targeted time interest earned ratio ("TIER") of 2.0.

Q9. What considerations were given to increase the rates and charges of Owen Electric?

A9. The mortgage agreements require that Owen Electric Cooperative maintain a TIER of above 1.25 and an Operating Times Interest Earned Ratio ("OTIER") of 1.1 based on an average of two of the three most recent years. The TIER for the Test Year ending June 30, 2012 was 2.74, including G&T Capital Credits and the OTIER was 0.84. While Owen Electric's TIER adequately met the conditions set forth by its lenders, its OTIER has declined significantly since the beginning of 2011 and is not sufficient to meet the requirements set forth in Owen Electric's mortgage agreements. The primary reason for the decline in Owen Electric's operating margins is the increase in power cost that occurred in early 2011 when Owen Electric's power supplier, East Kentucky Power Cooperative ("EKPC") implemented an increase in their wholesale power rate (Case 2010-00167). Owen Electric simultaneously filed for an increase in retail rates in Case No 2010-00179, which should have enabled the cooperative to recover the increase in wholesale power cost. The EKPC case anticipated that the increase in cost to Owen Electric would be approximately 5% and Owen Electric filed for an increase of that amount to its members. The actual increase in power cost to Owen Electric since 2011 has not been 5%, as was anticipated, but has exceeded 9%. This difference between actual and anticipated results of

the EKPC rate increase has caused Owen Electric's margins and key ratios to be reduced and has put a financial burden on the cooperative.

While Owen Electric's OTIER has declined during the last two years, its TIER has remained adequate to meet its lending requirements. This is because of the increased level of patronage capital allocations by EKPC over the past two years. Patronage capital allocations are included in the calculation of TIER, but not for OTIER. The TIER, giving effect to the normalized adjustments without an increase in revenues, as reflected in Exhibit S, page 2 or 4, would result in a TIER of 1.03 for the Test Year.

Q10. What is the Test Year used by Owen Electric for its financial data compiled to the Commission in the Application?

A10. The twelve months ending June 30, 2012 was selected as the Test Year.

Q11. How was the proposed increase in revenues of \$4,074,169 allocated to rates?

A11. Owen Electric and Jim Adkins have prepared a Cost of Service Study and based its rate design on this study.

Q12. Why was a TIER of 1.93 requested?

A12. The financial condition of Owen Electric Cooperative has deteriorated substantially since early 2011. In order to continue meeting the debt service obligations, operating costs and maintain the minimum joint mortgage agreement requirements, it was necessary to file an application for an increase in rates. The board of director and management of Owen Electric elected to keep the residential increase less than 5% and use the COSS results for the remaining rate classes. This approach resulted in a TIER request of 1.93.

Q13. In your opinion, are the adjusted rates requested in this Case by Owen Electric Cooperative necessary to maintain the financial integrity of the Cooperative?

A13. Yes. To enable Owen Electric to maintain its financial integrity, and continue to meet the conditions of its mortgage agreements, it is necessary that it be permitted to increase its rates as proposed in this Application.

Q14. Included in this application is a request to recover \$1,112,399 in lost revenue resulting from the roll-in of the fuel adjustment clause (FAC) credit in Case No. 2010-00507. Why is this being requested?

A14. In the two months prior to the June 1, 2011 roll-in of the (\$.00668) per kWh in Case No 2010-00507, Owen had received large Fuel adjustment credits on its billing from East Kentucky Power Cooperative (EKPC), Owen's wholesale power supplier. Because of the lagging nature of the FAC mechanism, the credits for the April and May fuel adjustment portion of the power bill were passed through to Owen's members during the months of June and July, 2011, after the reduction of rates that occurred as a result of the FAC credit roll-in. This lagging of the FAC mechanism resulted in \$1.112 million loss of revenue.

Q15. How does Owen propose to collect this revenue?

A15. Owen proposes to collect this revenue by adding an additional \$.001 per kWh in the FAC calculation each month until such time as the full \$1.112 million has been fully recovered. Once this recovery occurs, Owen will cease collecting the additional amount.

Q16. How does Owen plan to track the recovery of this amount and would Owen be willing to provide to the Commission a monthly reconciliation for this recovery amount?

A16. Owen has separated this amount of lost revenue in its accounting system and plans on tracking the recovery on a monthly basis. Owen is willing to supply to the PSC, as a part of its monthly FAC filing, a reconciliation schedule showing the amount collected each month relating to this additional recovery component and the amount still outstanding.

Q17. On February 29, 2012, the KY Public Service Commission issued an Order in Case No 2011-00037 allowing Owen to implement a stepped approach, on a revenue neutral basis, to increase its customer charge over a 36 month period with a corresponding decrease in its energy charge over the same time period. How does the implementation of this Order impact Owen's need for a rate increase at this time?

A17. In Case No 2011-00037 Owen requested an increase in its customer charge along with a corresponding decrease in its energy charge for the purpose of more fully recovering the customer related costs of providing service to its members. It was not Owen's intent in this previous case to increase overall revenue, nor was it Owen's intent to recover a larger portion of the variable cost of power by increasing the customer charge to its members.

In this current application, Owen is seeking recovery of increases in power costs and other operating costs that are more variable in nature, and therefore, is not seeking an increase in the customer charge. All increases applied for in this current application are being requested on the energy charge.

Q18. Does this conclude your testimony in this case?

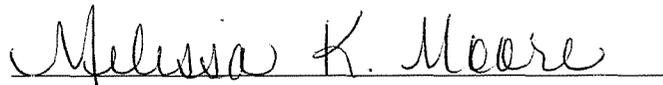
A18. Yes, it does.

Affiant, Michael Cobb, states that the answers given by him to the foregoing questions are true and correct to the best of his knowledge and belief.



Michael Cobb, Senior Vice President—Customer Service & Marketing

Subscribed and sworn to before me by the affiant, Michael Cobb, this 11th day of March, 2013.



Notary Public, Kentucky State At Large

My Commission expires April 14th, 2015

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

**In the Matter of Adjustment of Rates
of Owen Electric Cooperative, Inc.**

Case No. 20012-00448

PREPARED TESTIMONY OF ALAN M. ZUMSTEIN

Q1. Would you please state your name, residence, and occupation?

A1. Alan M. Zumstein, my address is 1032 Chetford Drive, Lexington, Kentucky 40509. I am a self-employed Certified Public Accountant.

Q2. How long have you been practicing your profession?

A2. I have been self-employed for approximately twenty eight (28) years. Prior to that, I was employed by a local CPA firm for six (6) years.

Q3. Are you familiar with accounting work and accounting procedures for rural electric cooperatives?

A3. Yes. I have had much prior experience in electric cooperative accounting and have done accounting work in the preparation of rate cases for electric cooperative for presentation to the Public Service Commission.

Q4. Have you appeared before the Kentucky Public Service Commission and given testimony in electric cooperative cases?

A4. Yes, I have.

Q5. Did you prepare or assist in the preparation of the financial exhibits for Owen Electric Cooperative, Inc. ("Owen Electric") filed with its Notice Application in this case?

A5. Yes.

Q6. What considerations were given to increase the rates and charges of Owen Electric?

A6. The mortgage agreements require that Owen Electric maintain a Times Interest Earned Ratio (“TIER”) of above 1.25 and an Operating TIER (“OTIER”) of 1.10 based on an average of two of the three most recent years. The TIER for the Test Year of June 30, 2012 was 0.84 (excluding G&T capital credits). The TIER, giving effect to the normalized adjustments without an increase in revenues, as reflected in Exhibit S, page 2 of 4, would result in a TIER of only 0.94 for the Test Year.

Q7. Would you briefly describe the procedures used to arrive at the proposed increase in rates and charges?

A7. The margins and TIER of Owen Electric have been reviewed, and giving effect to the steady decline in TIER, it was determined that an application for increase in rates should be filed with the Kentucky Public Service Commission. The twelve months ended June 30, 2012 was selected as the Test Year. All revenues were normalized using rates that went into effect in connection with the roll-in of fuel into the base rates in Case No. 2010-00507. Other expenses were normalized using rates and known changes, and adjusted as if they were in effect for the entire Test Year. The revenue proposed of \$4,074,169, or approximately 2.75% overall increase, would provide for a TIER of 1.93x.

Q8. How was the proposed increase in revenues of \$4,074,169 allocated to rates?

A8. Owen Electric and Jim Adkins have prepared a Cost of Service Study and based its rate design on this study.

Q9. Why was a TIER of 1.93x requested?

A9. The financial condition of Owen Electric cooperative has been deteriorating from 2010 to 2011 and continuing in 2012. In order to continue to meet debt service obligations, operating costs and maintain the minimum joint mortgage agreement requirements, it was necessary to increase margins. Management of Owen Electric elected to keep the residential increase less than 5% and use the COSS results for the remaining rate classes. This resulted in a TIER requested of 1.93, which is less than 2.0x, which is normally requested.

Q10. What are your conclusions regarding this rate case proceeding:

A11. The primary reason for the decline in Owen Electric's margins is the increase in power costs that occurred in early 2011 when East Kentucky Power Cooperative ("EKPC") implemented an increase in wholesale power in Case No. 2010-00179. The amount of that increase that Owen Electric flowed-through to its consumers was substantially less than the actual increase in wholesale power cost.

Another reason for Owen's declining operating margins is that in the two months prior to the June 1, 2011 roll-in of the (\$.00668) per kWh in Case No 2010-00507, Owen had received large fuel adjustment credits on its billing from EKPC. Because of the lagging nature of the FAC mechanism, the credits for the April and May fuel adjustment portion of the power bill were passed through to Owen's consumers during the months of June and July, 2011, after the reduction of rates that occurred as a result of the FAC credit roll-in. This lagging of the FAC mechanism resulted in \$1.112 million of fuel credits given to Owen Electric's consumers that it did not get from EKPC, which resulted in a decrease in margins by that amount.

Owen proposes to collect this FAC lost revenue by adding an additional \$.001 per kWh in the FAC calculation each month until such time as the full \$1.112 million has been fully recovered. Once this recovery occurs, Owen will cease collecting the additional amount.

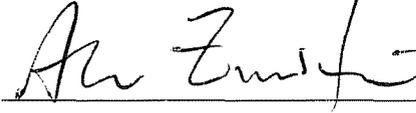
Q11. In your opinion, are the adjusted rates requested in this Case by Owen Electric necessary to maintain the financial integrity of the Cooperative?

A11. The financial exhibits as shown in the Application conclusively indicate the adjusted rates arising out of the Application are necessary to prevent problems of a deteriorating financial position.

Q12. Does this conclude your testimony in this case?

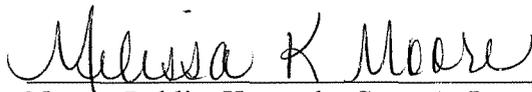
A12. Yes, it does.

Affiant, ALAN M. ZUMSTEIN, states that the answers given by him to the foregoing questions are true and correct to the best of his knowledge and belief.



ALAN M. ZUMSTEIN

Subscribed and sworn to before me by the affiant, ALAN M. ZUMSTEIN, this 11th day of March, 2013.



Notary Public, Kentucky State At Large

My Commission Expires: April 14th, 2015

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF THE ADJUSTMENT)
OF RATES OF OWEN ELECTRIC) CASE NO. 2012-00448
COOPERATIVE CORPORATION)

PREPARED TESTIMONY OF JAMES R. ADKINS

Q1. State your name and business address.

R1. I am James R. Adkins and my business address is 1041
Chasewood Way, Lexington, KY 40513-1731.

Q2. What has been your role in this application?

R2. My role in this application has been to assist Owen
Electric Cooperative to determine revenue
requirements, to complete a cost of service study
("COSS") and to assist in the design of the proposed
rates.

Q3. What is your professional experience in the area of
electric utility rate-making?

R3. I have spent the last thirty-six plus years dealing
with electric utility rates. I was employed by EKPC
as its Pricing Manager for almost twenty-five years.
I spent a little over one year with the Prime Group,
LLC and I have been self-employed for the last eleven

years. Prior to my electric utility career, I was employed in the finance and accounting areas of the medical care field for close to eight years. I also served in the U.S. Army as an infantryman in the Republic of Vietnam in the late 1960s.

Q4. What is your educational background?

R4. I received a Bachelors Degree in Commerce with a major In banking and finance in 1971 and a Masters of Science in Accounting in 1976. Both of my degrees were granted by the University of Kentucky. Since then, I have attended many seminars, conferences and courses on rate-making as well as a presenter at many conferences and seminars on electric utility rate-making, cost of service studies, and rate design.

Q5. Have you ever appeared as a witness before this Commission?

R5. I have appeared as a witness before this Commission many times in utility rate applications, applications for certificates of public convenience and necessity, fuel adjustment clause hearings, and administrative cases. I have testified on the behalf of East Kentucky Power Cooperative ("EKPC") and for all of EKPC's member cooperatives and for other distribution cooperatives.

- Q6. What is the purpose of the cost of service study? ("COSS") in this application and has it been prepared in manner and approach similar to others that you have completed for distribution cooperatives under the jurisdiction of this Commission?
- R6. The COSS in this application has been completed in a manner that uses the same methodology and approach as the others that I have completed for other distribution cooperatives. The purpose of the cost of service in this rate application is the following:
- one) it provides the costs to serve each rate class as well as the total revenue requirements for each class;
 - two) it helps to provide guidance in the development of the amount of rate increases for each rate class; and
 - three) it provides a breakdown of the cost to serve into segments that are useful for rate design purposes.
- Q7. Please explain the Cost of Service Study ("COSS") filed in this application?
- R7. The COSS presented in this application follows the standard process of the functionalization of costs, the classification of costs and the allocation of costs to the various rate classes. This COSS contains

seven (7) major sections in it. These sections are listed below:

- The integration of the test year revenue requirements with the test year adjustments;
- The functionalization of costs into the appropriate functions of purchased power, lines, transformers, services, meters, consumer services and accounting, and lighting;
- The classification of costs as either demand-related, energy-related or consumer-related;
- The allocation of the classified costs to the individual rate classes;
- A statement of operations for each rate class that provides the margins, the TIER, and the return on Net Investment Rate Base for each rate class for the test year for the current rates and the proposed rates
- The determination of the amount of rate increase for each rate class; and
- The development of the proposed rate design.

Each one of these sections will be discussed in its order within Exhibit R.

Q8. Please explain Schedule 1 in the COSS?

R8. Schedule 1 is the determination of the overall revenue requirements for Owen Electric presented by each expense account number. It presents the test

year actual expenses, the adjustments to the test year, and the adjusted test year. It is presented in a manner that is utilized in the process used to complete the COSS. As a part of Schedule 1 is a schedule on payroll expenses that has been utilized in the allocation of the test year adjustments to appropriate expenses category. These payroll expenses are also utilized in the functionalization of the test year expenses. The adjusted test year amount provides the total revenue requirements for Owen Electric.

Q9. Please explain Schedule 2 of the COSS?

R9. Schedule 2 is a functionalization of the expenses from Schedule 1 into their appropriate function. Schedule 2 also has a section with footnotes which identifies and explains the basis for how some of the test year expenses are allocated to the proper function. A section of this schedule also contains the allocation of the Net Investment Rate Base to its proper functions and it is utilized to allocate some of the test year expenses to the functional area. These functional areas are then classified as demand-related, energy-related or consumer-related in Schedule 3.

Q10. Would you explain Schedule 3?

R10. Schedule 3 is the classification of expenses as either

demand-related, energy-related or consumer-related. Distribution line expenses (poles and conduit) and distribution transformer expenses contain both demand-related expenses and consumer-related expenses. Distribution expenses for services, meters, and consumer services and accounting are all considered to be customer-related. Purchased power contains a demand-related component, which include the demand charges, and an energy-related component, which are the energy charges. The distribution substations are considered to be demand-related.

- Q11. What is the basis for the division of the distribution line expenses and the transformer expenses into a demand-related component and a customer-related component?
- R11. The basis for the determination of the demand-related and energy related expenses are the use of one of two methods: 1) the minimum size method and 2) the 'Zero-intercept". These methods are applied to data from Owen's Continuous Property Records ("CPRs") for Accounts 364-Poles, 365-Overhead Conductor, and 368-Transformers. The approach for the zero-intercept method is to determine the no load or zero demand component for each account. The zero load amount is then utilized as a basis to determine the customer related investment and its percent of the total investment

for the accounts listed above. The residual amount and percentage is considered to demand-related. For the minimum size method, the cost of the minimum size unit multiplied by the total number of units is utilized to determine the customer component of each investment while the remaining amount is considered demand related. Correspondingly, the expenses associated with these accounts are then proportioned as either demand related or consumer related based on the investment proportions. The zero-intercept method was used to determine the demand related and consumer related components for account 365-overhead conductor. The zero-intercept method was also used for account 368-transformers and account 364-poles. The percentages for the demand-related component and the customer-related component are then applied to the test year expenses to determine the amount of expenses that are demand-related and customer-related.

Q12. Explain Schedule 4?

R12. Schedule 4 is the allocation of the classified expenses to Owen's electric rate classes. The demand related expenses are allocated on two different bases. The demanded-related purchased power costs and the distribution demand-related costs for lines and transformers are allocated proportionally on the basis of the sum of each rate class's monthly peak demand for the test year. The purchased power energy-related

costs are allocated to the rate classes proportional on retail energy sales for the test period.

The customer-related costs for each customer-related segment are allocated differently. For lines, the allocation is proportional based on number of customers. For transformers, the allocation is proportionally weighted based on the number of consumers and the investment in the minimum size transformer for each rate class. For services, it is based on the number of customers and the minimum investment applied to the average length of the service for each rate class. For meters, the number of customers and the minimum size meter is used to allocate these expenses. For consumer services and accounting, the allocation is based on weighting factors that considers the number of consumers, the billing complexity and/or billing units per rate class for consumer records. The number of customers is also a factor in this to determine the appropriate allocation. Sections of this schedule contain the basis for the allocation of the classified expenses to each rate class.

Q13. What is the purpose of Schedule 5?

R13. Schedule 5 provides a statement of operations for Owen based on the results of the cost of service study compared with revenue from the current rates. It provides a TIER for each rate class and rate of return

on the Net Investment Rate Base for each rate class. It does provide the margins for each rate class for the current rates. Additionally, it provides the impact of the new rates (from Schedule 6) upon the margins, the TIER and the rate of return on the Net Investment Rate Base. It is a new schedule that has been added for informational purposes.

Q14. What is included in Schedule 6?

R14. Schedule 6 provides a comparison of the revenue from the current rates for each rate class with costs to serve each rate class from Schedule 4. This comparison will provide how much increase or decrease each rate class should receive based on the results of the COSS. Also, Schedule 6 provides how Owen is proposing to spread its overall requested increase among its various rate classes. Owen increase is comprised of two parts. The first part is an increase due to a general increase in costs and revenue requirements.

Based on the results of the cost of service study, justification is provided for a large increase in rates for three rate classes while justification exists to decrease the rates of some other rate classes. Owen has determined that no rate class will receive a decrease in rates and these savings will be utilized to temper the amount of rate increase for other rate classes. The COSS justifies that Schedule

1 - Farm & Home rate class and the Schedule 1 - Small Commercial and all three current lighting rate class could have substantial increases in their rates.

Also, the optional rates classes based on the two Schedule 1 classes of Farm and Home and Small Commercial will have their rates adjusted in a manner as original designed.

The increase for the ETS Marketing rates is based on the Schedule A increase and will remain at a forty percent discount for each contract period

Q15. What is Owen proposing for its three lighting tariffs?

R15. Owen is proposing to consolidate these rates into two tariffs in a manner as contained in the new tariffs for this consolidation. Please see Schedule JRA1 attached to this testimony for specific details.

Q16. What is Owen proposing in the way of rate design for those classes receiving an increase in rates?

R16. Owen has chosen to place the increase on energy for all classes receiving an increase with the exception of the lighting tariffs. The lighting rates have basically been adjusted for the same percentage amount and adjusted for the new tariff.

Q17. Why is Owen not proposing an increase in the rates for Schedules XIII and XIV?

R17. The revenue requirements for these classes are not being changed based on a decision by Owen's management. However, the demand charge for these rate classes along with all rate classes based on East Kentucky Power Cooperative's ("EKPC") Schedules B and C wholesale rates will increase and the energy charge decreased.

Q18. Why is Owen not seeking a TIER of 2.0X?

R18. Owen is not seeking a TIER of 2.0X because of specific guidelines established by its management and Board of Directors to hold the increase for residential to less than five percent.

Q19. What is Owen proposing in regards to the Fuel Adjustment Clause ("FAC")?

R19. Owen is proposing to increase a 1 mill per kWh adder to its FAC until it recovers the amount of \$1,112,399 which should take approximately one year. Owen feels that this situation occurred in the last change in the FAC base by EKPC. This situation occurred because Owen's two month lag in the recovery of the wholesale FAC charge or credit to Owen. This amount was measured by comparing revenue collected using the old FAC rates with the actual revenue collect by using the actual FAC rates. This change resulting in the amount listed above. Owen does not feel that the current FAC methodology is broken and this above situation is just

an unusual abnormality. Please see Schedule JRA2 attached to this testimony for specific details.

Q20. What is your opinion of what Owen is proposing in this application?

R20. I believe that Owen is proposing some very moderate and reasonable actions in this application. These actions are listed below:

- The amount of total increase in revenue requirements;
- The increase proposed for certain rate classes based on the results of the COSS;
- The rate design changes that are proffered by Owen in this situation; and,
- The proposed approach to the recovery of the FAC under-recovery

Q21. Does this conclude your testimony?

R21. This concludes my testimony.

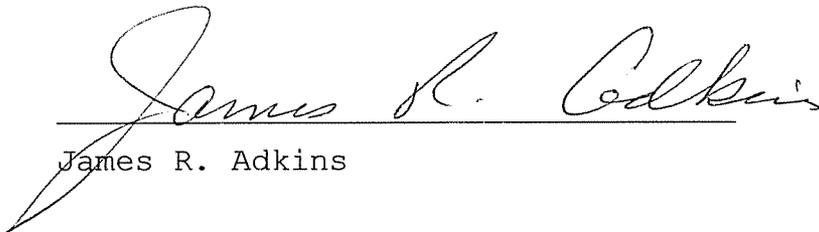
OLD LIGHTS						
<u>Description</u>	Billing Determinants	Test Year Revenues	Normalized Case No. 2010-00507		Proposed	
			Rates	Revenues	Rates	Revenues
Existing pole, 120V available	74,040	630,819	\$8.52	630,821	\$11.09	821,104
One pole added	14,521	149,999	\$10.33	150,002	\$16.09	233,643
Two poles added	846	10,270	\$12.14	10,270	\$16.09	13,612
Three poles added	84	1,176	\$13.95	1,172	\$16.09	1,352
Four poles added	0	0	\$15.77	0	\$16.09	0
Transformer required	1,336	12,315	\$9.22	12,318	\$11.09	14,816
One pole, transformer required	519	5,724	\$11.03	5,725	\$16.09	8,351
Two poles, transformer required	48	612	\$12.84	616	\$16.09	772
Three poles, transformer required	0	0	\$14.65	0	\$16.09	0
Four poles, transformer required	0	0	\$16.47	0	\$16.09	0
				810,924		1,093,649
kWh	<u>3,670,142</u>					
100 Watt, High pressure sodium	45,988	471,374	\$10.25	471,377	\$11.09	510,007
100 Watt, High pressure sodium, 1 p	6,509	98,480	\$15.13	98,481	\$16.09	104,730
Cobrahead Lighting						
100 Watt HPS	193	2,570	\$13.30	2,567	\$16.46	3,177
100 Watt HPS, 1 pole added	156	2,827	\$18.18	2,836	\$22.50	3,510
250 Watt HPS	86	1,547	\$18.06	1,553	\$22.35	1,922
250 Watt HPS, 1 pole added	50	1,142	\$22.94	1,147	\$28.39	1,420
400 Watt HPS	195	4,393	\$22.49	4,386	\$27.83	5,427
400 Watt HPS, 1 pole added	58	1,575	\$27.37	1,587	\$33.87	1,964
Directional Lighting						
100 Watt HPS	263	3,270	\$12.45	3,274	\$15.41	4,053
100 Watt HPS, 1 pole added	114	1,984	\$17.33	1,976	\$21.45	2,445
250 Watt HPS	369	5,651	\$15.30	5,646	\$18.93	6,985
250 Watt HPS, 1 pole added	108	2,177	\$20.18	2,179	\$24.97	2,697
400 Watt HPS	889	17,322	\$19.48	17,318	\$24.11	21,434
400 Watt HPS, 1 pole added	336	8,200	\$24.36	8,185	\$30.15	10,130
				622,512		679,901
kWh	<u>2,399,587</u>					
Traditional, w/ fiberglass pole	4,309	56,620	\$13.14	56,620	\$16.26	70,064
Holophane, w/ fiberglass pole	2,373	37,017	\$15.60	37,019	\$19.31	45,823
kWh	<u>288,455</u>			93,639		115,887
Totals		1,527,064		1,527,075		1,889,437

NEW LIGHTS				
<u>Rate 2</u>	Type	Quantity	Rate	Revenue
100 Watt S/L on existing pole	21	121,364	\$11.09	\$ 1,345,927
10 Watt S/L - one pole added	22	22,527	\$ 16.09	\$ 362,460
<u>Rate 3</u>				
Cobrahead 100W on existing pole	31	193	\$16.46	\$ 3,177
Cobrahead 100W one pole added	32	156	\$22.50	\$ 3,510
Cobrahead 250W on existing pole	33	86	\$22.35	\$ 1,922
Cobrahead 250W one pole added	34	50	\$28.39	\$ 1,420
Cobrahead 400W on existing pole	35	195	\$27.83	\$ 5,427
Cobrahead 400W one pole added	36	58	\$33.87	\$ 1,964
<u>Rate 4</u>				
Directional 100W on existing pole	41	263	\$15.41	\$ 4,053
Directional 100W one additional pole	42	114	\$21.45	\$ 2,445
Directional 250W on existing pole	43	369	\$18.93	\$ 6,985
Directional 250W one additional pole	44	108	\$24.97	\$ 2,697
Directional 400W on existing pole	45	889	\$24.11	\$ 21,434
Directional 400W one additional pole	46	336	\$30.15	\$ 10,130
<u>Rate 5</u>				
Traditional, w/ fiberglass pole	51	4,309	\$16.26	\$ 70,064
Holophane, w/ fiberglass pole	52	2,373	\$19.31	\$ 45,823
			\$ 1,889,437	

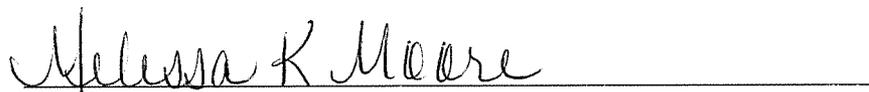
FUEL ADJUSTMENT CLAUSE ANALYSIS - REVENUE LOST DUE TO ROLL IN OF FAC CREDIT IN 2011

	kWh billed	Revenue	Revenue at old rate	Difference
June 2011	98,058,767	\$8,139,781.43	\$8,393,112.54	(\$253,331.11)
July 2011	110,155,314	\$8,793,083.79	\$9,427,320.10	(\$634,236.31)
Revenue lost from roll in of FAC credit				(\$887,567.42)
Difference in kWh from April and June			(\$47,860.29)	
Difference in kWh from May and July			(\$176,970.94)	
Revenue lost due to difference in kWh sales				(\$224,831.23)
Total revenue lost due to roll in of FAC credit to base rates				(\$1,112,398.65)

Affiant, James R. Adkins, states that the answers given by him to the foregoing questions are true and correct to the best of his knowledge and belief.


James R. Adkins

Subscribed and sworn to before me by the affiant, James R. Adkins, this 11th day of March, 2013.


Notary Public, Kentucky State at Large

My Commission expires. April 14th, 2015

Owen Electric Cooperative
Case No. 2012-00448
Average Bill for Residential Rate Class
Schedule I - Farm and Home

	<u>Present</u>	<u>Proposed</u>			
Customer charge	\$14.20	\$14.20			
Energy charge	\$0.08545	\$0.09031			
<u>kwh Useage</u>	<u>Existing Rate</u>	<u>Proposed Rate</u>	<u>Increase Amount</u>	<u>Percent</u>	
0	\$14.20	\$14.20	\$0.00	0.0%	
25	16.34	16.46	0.12	0.7%	
50	18.47	18.72	0.24	1.3%	
100	22.75	23.23	0.49	2.1%	
150	27.02	27.75	0.73	2.6%	
200	31.29	32.26	0.97	3.0%	
250	35.56	36.78	1.22	3.3%	
300	39.84	41.29	1.46	3.5%	
350	44.11	45.81	1.70	3.7%	
400	48.38	50.32	1.94	3.9%	
450	52.65	54.84	2.19	4.0%	
500	56.93	59.36	2.43	4.1%	
600	65.47	68.39	2.92	4.3%	
700	74.02	77.42	3.40	4.4%	
800	82.56	86.45	3.89	4.5%	
900	91.11	95.48	4.37	4.6%	
1,000	99.65	104.51	4.86	4.7%	
1,100	108.20	113.54	5.35	4.7%	
1,200	116.74	122.57	5.83	4.8%	
1,300	125.29	131.60	6.32	4.8%	
1,400	133.83	140.63	6.80	4.8%	
1,500	142.38	149.67	7.29	4.9%	
1,600	150.92	158.70	7.78	4.9%	
1,700	159.47	167.73	8.26	4.9%	
1,800	168.01	176.76	8.75	4.9%	
1,900	176.56	185.79	9.23	5.0%	
2,000	185.10	194.82	9.72	5.0%	
The average monthly useage					
1,092	107.55	112.86	5.31	4.7%	

Owen Electric Cooperative
Case No. 2012-00448
Revenue Analysis
June 30, 2012

Exhibit J
page 1 of 19
Witness: Alan Zumstein

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Rate Schedule	Kwh Useage	Test Year Revenue	Percent of Total	Normalized Case No. 2010-00507	Percent of Total	Proposed Revenue	Percent of Total	Increase	
								Amount	Percent
Sch I - Farm and Home	712,659,575	\$70,160,411	66%	\$70,160,415	66%	\$73,623,940	67%	\$3,463,526	4.9%
Sch IA - Off Peak Marketing	17,062	875	0%	875	0%	925	0%	50	5.7%
Sch I-D - Farm & Home, Incling Block	13,460	1,768	0%	1,768	0%	1,833	0%	65	3.7%
Sch I - Small Commercial	52,757,480	5,032,829	5%	5,032,829	5%	5,280,789	5%	247,960	4.9%
Sch II - Large Power	194,191,663	16,186,276	15%	16,186,276	15%	16,186,276	15%	0	0.0%
Sch XI - Large Industrial Rate LPB1	102,404,652	6,761,414	6%	6,761,414	6%	6,761,390	6%	(24)	0.0%
Sch XIII - Large Industrial Rate LPB2	118,008,881	6,212,312	6%	6,212,312	6%	6,212,244	6%	(69)	0.0%
Sch XIV - Large Industrial Rate LPB	3,186,093	256,209	0%	256,209	0%	256,214	0%	6	0.0%
Sch 2A - Time of Day	2,839,636	251,048	0%	251,048	0%	251,048	0%	0	0.0%
Sch 1-C - Small Comm, T-O-D	59,040	5,120	0%	5,120	0%	5,397	0%	277	5.4%
Sch 2-A - Primary Meter, T-O-D	1,730,400	158,381	0%	158,381	0%	158,381	0%	0	0.0%
Sch 1-B3 - Farm/Home-TOD, w Shoulc	3,154	297	0%	297	0%	313	0%	16	5.3%
Sch III - Security Lights	3,670,142	810,915	1%	810,924	1%	1,093,649	1%	282,726	34.9%
Sch OLS - Outdoor Lighting Service	2,399,587	622,512	1%	622,512	1%	679,901	1%	57,389	9.2%
Sch II SOLS - Special Outdoor Light Se	288,455	93,637	0%	93,639	0%	115,887	0%	22,248	23.8%
Envirowatts	2,589,400	61,304	0%	61,304	0%	61,304	0%	0	0.0%
Net Metering	12,169	522	0%	522	0%	522	0%	0	0.0%
Subtotal	1,196,830,849	106,615,830	100%	\$106,615,845	100%	\$110,690,014	100%	\$4,074,169	3.8%
Fuel adjustment billed		(1,532,355)							
Environmental surcharge billed		9,209,428							
Increase		114,292,903		\$15		\$4,074,169			
Industrial customer	938,742,689	41,459,712		\$41,459,712		\$41,459,712		0	0.0%
Fuel adjustment billed		(845,234)							
Environmental surcharge billed		5,407,556							
Total from base rates	2,135,573,538	148,075,542		\$148,075,557		\$152,149,726		4,074,169	2.8%
Accounting change/Fuel adjustment		(296,099)							
Revenue per general ledger		\$ 160,018,838							

Schedule I - Farm and Home

Description	Billing Determinants	Test Year Revenues	Normalized Case No. 2010-00507		Proposed	
			Rates	Revenues	Rates	Revenues
Customer Charge	652,370	\$9,263,650	\$14.20	\$9,263,654	\$14.20	\$9,263,654
Energy charge per kWh	712,659,575	60,896,761	\$0.08545	60,896,761	\$0.09031	64,360,286
Total from base rates		<u>70,160,411</u>		<u>\$70,160,415</u>		<u>\$73,623,940</u>
Fuel adjustment		(930,952)				
Environmental surcharge		<u>5,886,258</u>				
Total revenues		<u>\$75,115,717</u>				
Amount				\$4		\$3,463,526
Percent				0.0%		4.9%
Average monthly bill		\$107.55		\$107.55		\$112.86
Amount				\$0.00		\$5.31
Percent				0.0%		4.9%

Schedule I-A, Off-Peak Marketing Rate

<u>Description</u>	Billing Determinants	Test Year Revenues	Normalized Case No. 2010-00507		Proposed	
			Rates	Revenues	Rates	Revenues
			Energy charge	17,062	875	\$0.05127
				0		0
Total from base rates		875		<u>\$875</u>		<u>\$925</u>
Fuel adjustment		8				
Environmental surcharge		71				
Total revenues		<u>\$954</u>				
Amount				\$0		\$50
Percent				0.0%		5.7%

Schedule I-D - Farm and Home - Inclining Block

Description	Billing Determinants	Test Year Revenues	Normalized Case No. 2011-00037		Proposed	
			Rates	Revenues	Rates	Revenues
Customer Charge	53	\$836	\$15.78	\$836	\$15.78	\$836
Energy charge per kWh						
0-300 kwh	10,153	641	\$0.06309	641	\$0.06795	690
301-500 kwh	3,041	260	\$0.08559	260	\$0.09045	275
Over 500 kwh	266	31	\$0.11559	31	\$0.12045	32
	13,460					
Total from base rates		1,768		<u>\$1,768</u>		<u>\$1,833</u>
Fuel adjustment		(32)				
Environmental surcharge		193				
Total revenues		<u>\$1,929</u>				
Amount				\$0		\$65
Percent				0.0%		3.7%
Average monthly bill		\$33.36		\$33.36		\$34.59
Amount				\$0.00		\$1.23
Percent				0.0%		3.7%

Schedule I - Small Commercial

<u>Description</u>	Billing Determinants	Test Year Revenues	Normalized		Proposed	
			Case No. 2010-00507		Rates	Revenues
			Rates	Revenues		
Customer Charge	28,830	\$496,741	\$17.23	\$496,741	\$17.23	\$496,741
Energy charge	52,757,480	4,536,088	\$0.08598	4,536,088	\$0.09068	4,784,048
Total from base rates		5,032,829		<u>\$5,032,829</u>		<u>\$5,280,789</u>
Fuel adjustment		(71,932)				
Environmental surcharge		<u>418,975</u>				
Total revenues		<u>\$5,379,872</u>				
Amount				\$0		\$247,960
Percent				0.0%		4.9%
Average monthly bill		\$174.57		\$174.57		\$183.17
Amount				\$0.00		\$8.60
Percent				0.0%		4.9%

Schedule II - Large Power

Description	Billing Determinants	Test Year Revenues	Normalized Case No. 2010-00507		Proposed	
			Rates	Revenues	Rates	Revenues
			Customer Charge	3,005	64,037	\$21.31
Demand Charge	582,414.442	3,570,201	\$6.13	3,570,201	\$6.13	3,570,201
Energy charge	194,191,663	12,618,574	\$0.06498	12,618,574	\$0.06498	12,618,574
Primary meter discount		<u>(66,536)</u>		<u>(66,536)</u>		<u>(66,536)</u>
Total from base rates		16,186,276		<u>\$16,186,276</u>		<u>\$16,186,276</u>
Fuel adjustment		(246,695)				
Environmental surcharge		<u>1,314,188</u>				
Total revenues		<u>\$17,253,769</u>				
Amount				\$0		\$0
Percent				0.0%		0.0%
Average monthly bill		\$5,386.45		\$5,386.45		\$5,386.45
Amount				\$0.00		\$0.00
Percent				0.0%		0.0%

Schedule XI - Large Industrial Rate LPB1

<u>Description</u>	Billing Determinants	Test Year Revenues	Normalized Case No. 2010-00507		Proposed	
			Rates	Revenues	Rates	Revenues
			Customer Charge	132	200,882	\$1,521.83
Demand Charge						
Contract demand	187,698	1,328,902	\$7.08	1,328,902	\$7.25	1,360,811
Excess demand	18,950	186,468	\$9.84	186,468	\$9.98	189,121
Energy charge						
First 425 kwh of billing demand	86,390,076	4,313,456	\$0.04993	4,313,456	\$0.04950	4,276,309
Over 425 kwh of billing demand	<u>16,014,576</u>	731,706	\$0.04569	731,706	\$0.04585	734,268
	<u>102,404,652</u>					
Total from base rates		<u>6,761,414</u>		<u>\$6,761,414</u>		<u>\$6,761,390</u>
Fuel adjustment		(129,115)				
Environmental surcharge		<u>741,606</u>				
Total revenues		<u>\$7,373,905</u>				
Amount				\$0		(\$24)
Percent				0.0%		0.0%
Average monthly bill		\$51,222.83		\$51,222.83		\$51,222.65
Amount				\$0.00		(\$0.18)
Percent				0.0%		0.0%

Schedule XIII - Large Industrial Rate LPB2

Description	Billing Determinants	Test Year Revenues	Normalized Case No. 2010-00507		Proposed	
			Rates	Revenues	Rates	Revenues
Customer Charge	24	\$73,022	\$3,042.58	\$73,022	\$3,042.58	\$73,022
Demand Charge						
Contract demand	210,000	1,486,800	\$7.08	1,486,800	\$7.25	1,522,500
Excess demand	475	4,674	\$9.84	4,674	\$9.98	4,741
Interruptible credit	127,495	(624,726)	\$4.90	(624,726)	\$4.90	(624,726)
Buy through - net		10,156		10,156		10,156
Energy charge						
First 425 kwh of billing demand	89,451,875	4,024,440	\$0.04499	4,024,440	\$0.04450	3,980,608
Over 425 kwh of billing demand	28,557,006	1,237,946	\$0.04335	1,237,946	\$0.04363	1,245,942
	<u>118,008,881</u>					
Total from base rates		6,212,312		<u>\$6,212,312</u>		<u>\$6,212,244</u>
Fuel adjustment		(144,511)				
Environmental surcharge		<u>760,490</u>				
Total revenues		<u>\$6,828,291</u>				
Amount				\$0		(\$69)
Percent				0.0%		0.0%
Average monthly bill		\$258,846.35		\$258,846.35		\$258,843.48
Amount				\$0.00		(\$2.87)
Percent				0.0%		0.0%

Schedule XIV - Large industrial Rate LPB

Description	Billing Determinants	Test Year Revenues	Normalized		Proposed	
			Case No. 2010-00507		Rates	Revenues
			Rates	Revenues		
Customer Charge	12	18,262	\$1,521.83	\$18,262	\$1,521.83	\$18,262
Demand Charge						
Contract demand	6,551.200	46,382	\$7.08	46,382	\$7.25	47,496
Excess demand	2,783.000	27,385	\$9.84	27,385	\$9.98	27,774
Energy charge	3,186,093	164,179	\$0.05153	164,179	\$0.05106	162,682
Total from base rates		256,209		<u>\$256,209</u>		<u>\$256,214</u>
Fuel adjustment		(2,952)				
Environmental surcharge		<u>25,033</u>				
Total revenues		<u>\$278,290</u>				
Amount				\$0		\$6
Percent				0.0%		0.0%
Average monthly bill		\$21,350.71		\$21,350.71		\$21,351.20
Amount				\$0.00		\$0.49
Percent				0.0%		0.0%

Schedule 2-A - Large Power - Time of Day

<u>Description</u>	Billing Determinants	Test Year Revenues	Normalized Case No. 2010-00507		Proposed	
			Rates	Revenues	Rates	Revenues
			Customer Charge	133	8,157	\$61.33
Energy charge						
On-Peak energy	1,668,352	172,591	\$0.103450	172,591	\$0.103450	172,591
Off-Peak energy	<u>1,171,284</u>	70,300	\$0.060020	70,300	\$0.060020	70,300
	<u>2,839,636</u>					
Total from base rates		<u>251,048</u>		<u>\$251,048</u>		<u>\$251,048</u>
Fuel adjustment		(5,699)				
Environmental surcharge		<u>20,868</u>				
Total revenues		<u>\$266,217</u>				
Amount				\$0		\$0
Percent				0.0%		0.0%
Average monthly bill		\$1,887.58		\$1,887.58		\$1,887.58
Amount				\$0.00		\$0.00
Percent				0.0%		0.0%

Schedule 1-C - Small Commercial - Time of Day

Description	Billing Determinants	Test Year Revenues	Normalized 0		Proposed	
			Rates	Revenues	Rates	Revenues
Customer Charge	18	441	\$24.51	\$441	\$24.51	\$441
Energy charge						
On-Peak energy	31,872	3,169	\$0.099430	3,169	\$0.104130	3,319
Off-Peak energy	27,168	1,509	\$0.055560	1,509	\$0.060260	1,637
	<u>59,040</u>					
Total from base rates		<u>5,120</u>		<u>\$5,120</u>		<u>\$5,397</u>
Fuel adjustment		(14)				
Environmental surcharge		<u>422</u>				
Total revenues		<u>\$5,528</u>				
Amount				\$0		\$277
Percent				0.0%		5.4%
Average monthly bill		\$284.43		\$284.43		\$299.84
Amount				\$0.00		\$15.42
Percent				0.0%		5.4%

Schedule 2-A - Primary Meter - Time of Day

Description	Billing Determinants	Test Year Revenues	Normalized Case No. 2010-00507		Proposed	
			Rates	Revenues	Rates	Revenues
Customer Charge	18	1,104	\$61.33	\$1,104	\$61.33	\$1,104
Energy charge						
On-Peak energy	1,230,000	127,244	\$0.103450	127,244	\$0.103450	127,244
Off-Peak energy	<u>500,400</u>	30,034	\$0.060020	30,034	\$0.060020	30,034
	<u><u>1,730,400</u></u>					
Total from base rates		158,381		<u><u>\$158,381</u></u>		<u><u>\$158,381</u></u>
Fuel adjustment		(453)				
Environmental surcharge		<u>11,693</u>				
Total revenues		<u><u>\$169,621</u></u>				
Amount				\$0		\$0
Percent				0.0%		0.0%
Average monthly bill		\$8,798.97		\$8,798.97		\$8,798.97
Amount				\$0.00		\$0.00
Percent				0.0%		0.0%

Schedule 1-B3 - Farm and Home - Time of Day, with Shoulder

Description	Billing Determinants	Test Year Revenues	Normalized Case No. 2010-00507		Proposed	
			Rates	Revenues	Rates	Revenues
Customer Charge	2	40	\$20.00	\$40	\$20.00	\$40
Energy charge						
On-Peak energy	1,378	138	\$0.099800	138	\$0.104880	145
Off-Peak energy	796	46	\$0.057890	46	\$0.062750	50
Shoulder	980	74	\$0.075390	74	\$0.080250	79
	<u>3,154</u>					
Total from base rates		297		<u>\$297</u>		<u>\$313</u>
Fuel adjustment		(9)				
Environmental surcharge		31				
Total revenues		<u>\$319</u>				
Amount				\$0		\$16
Percent				0.0%		5.3%
Average monthly bill		\$148.74		\$148.74		\$156.56
Amount				\$0.00		\$7.82
Percent				0.0%		5.3%

Schedule III - Security Lights

Description	Billing Determinants	Test Year Revenues	Normalized Case No. 2010-00507		Proposed	
			Rates	Revenues	Rates	Revenues
Existing pole, 120V available	74,040	630,819	\$8.52	630,821	\$11.09	821,104
One pole added	14,521	149,999	\$10.33	150,002	\$16.09	233,643
Two poles added	846	10,270	\$12.14	10,270	\$16.09	13,612
Three poles added	84	1,176	\$13.95	1,172	\$16.09	1,352
Four poles added	0	0	\$15.77	0	\$16.09	0
Transformer required	1,336	12,315	\$9.22	12,318	\$11.09	14,816
One pole, transformer required	519	5,724	\$11.03	5,725	\$16.09	8,351
Two poles, transformer required	48	612	\$12.84	616	\$16.09	772
Three poles, transformer required	0	0	\$14.65	0	\$16.09	0
Four poles, transformer required	0	0	\$16.47	0	\$16.09	0
kWh	<u>3,670,142</u>					
Billing adjustments				<u>0</u>		<u>0</u>
Total from base rates		810,915		<u>\$810,924</u>		<u>\$1,093,649</u>
Fuel adjustment		0				
Environmental surcharge		<u>29,558</u>				
Total revenues		<u>\$840,473</u>				
Amount				\$9		\$282,726
Percent				0.0%		34.9%

Schedule OLS - Outdoor Lighting Service

Description	Billing Determinants	Test Year Revenues	Normalized Case No. 2010-00507		Proposed	
			Rates	Revenues	Rates	Revenues
100 Watt, High pressure sodium	45,988	471,374	\$10.25	471,377	\$11.09	510,007
100 Watt, High pressure sodium, 1 pole	6,509	98,480	\$15.13	98,481	\$16.09	104,730
Cobrahead Lighting						
100 Watt HPS	193	2,570	\$13.30	2,567	\$16.46	3,177
100 Watt HPS, 1 pole added	156	2,827	\$18.18	2,836	\$22.50	3,510
250 Watt HPS	86	1,547	\$18.06	1,553	\$22.35	1,922
250 Watt HPS, 1 pole added	50	1,142	\$22.94	1,147	\$28.39	1,420
400 Watt HPS	195	4,393	\$22.49	4,386	\$27.83	5,427
400 Watt HPS, 1 pole added	58	1,575	\$27.37	1,587	\$33.87	1,964
Directional Lighting						
100 Watt HPS	263	3,270	\$12.45	3,274	\$15.41	4,053
100 Watt HPS, 1 pole added	114	1,984	\$17.33	1,976	\$21.45	2,445
250 Watt HPS	369	5,651	\$15.30	5,646	\$18.93	6,985
250 Watt HPS, 1 pole added	108	2,177	\$20.18	2,179	\$24.97	2,697
400 Watt HPS	889	17,322	\$19.48	17,318	\$24.11	21,434
400 Watt HPS, 1 pole added	336	8,200	\$24.36	8,185	\$30.15	10,130
kWh	<u>2,399,587</u>					
Billing adjustments				<u>0</u>		<u>0</u>
Total from base rates		622,512		<u>\$622,512</u>		<u>\$679,901</u>
Fuel adjustment						
Environmental surcharge						
Total revenues		<u>\$622,512</u>				
Amount				\$0		\$57,389
Percent				0.00%		9.22%

Schedule II SOLS - Special Outdoor Lighting Service

Description	Billing Determinants	Test Year Revenues	Normalized Case No. 2010-00507		Proposed	
			Rates	Revenues	Rates	Revenues
Traditional, w/ fiberglass pole	4,309	56,620	\$13.14	56,620	\$16.26	70,064
Holophane, w/ fiberglass pole	2,373	37,017	\$15.60	37,019	\$19.31	45,823
kWh	<u>288,455</u>					
Billing adjustments				<u>0</u>		<u>0</u>
Total from base rates		93,637		<u>\$93,639</u>		<u>\$115,887</u>
Fuel adjustment Environmental surcharge						
Total revenues		<u>\$93,637</u>				
Amount				\$2		\$22,248
Percent				0.0%		23.8%

Envirowatts

<u>Description</u>	Billing Determinants	Test Year Revenues	Normalized Case No. 2010-00507		Proposed	
			Rates	Revenues	Rates	Revenues
Envirowatts	2,589,400	61,304		61,304		61,304
Total from base rates		61,304		<u>\$61,304</u>		<u>\$61,304</u>
Fuel adjustment Environmental surcharge						
Total revenues		<u>\$61,304</u>				
Amount				\$0		\$0
Percent				0.0%		0.0%

Net Metering

<u>Description</u>	Billing Determinants	Test Year Revenues	Normalized Case No. 2010-00507		Proposed	
			Rates	Revenues	Rates	Revenues
Net metering	7					
Energy charge	12,169	522		522		522
		<hr/>		<hr/>		<hr/>
Total from base rates		522		<u>\$522</u>		<u>\$522</u>
Fuel adjustment		1				
Environmental surcharge		<hr/> 42				
Total revenues		<u>\$565</u>				
Amount				\$0		\$0
Percent				0.0%		0.0%

Owen Electric Cooperative
Case No. 2012-00448
Billing Analysis
June 30, 2012
Summary

Exhibit J
page 19 of 19
Witness: Alan Zumstein

Billing
Determinants

Billing Determinants	Test Year Revenues	Normalized Case No. 2010-00507		Proposed	
		Rates	Revenues	Rates	Revenues
Total from base rates	1,194,241,449	106,615,830	106,615,845		110,690,014
Fuel adjustment		(1,532,355)			
Environmental surcharge		9,209,428			
Total revenues		114,114,940			
Per Form 7	1,192,752,458	106,615,830			
Increase Amount	(1,488,991)	0		15	4,074,169
Percent		1		0.0%	3.8%

Witness: Alan Zumstein

Owen Electric Cooperative

Case No. 2012-00448

Computation of Rate of Return

June 30, 2012

	Actual <u>Test Year</u>	Adjusted <u>Test Year</u>
Net margins	\$7,800,772	\$4,192,239
Non-cash patronage dividends	7,931,126	0
Interest on long-term debt	<u>4,487,322</u>	<u>4,514,154</u>
Total	<u><u>20,219,220</u></u>	<u><u>8,706,393</u></u>
Net rate base	<u><u>136,888,687</u></u>	<u><u>136,599,747</u></u>
Rate of return	<u>14.77%</u>	<u>6.37%</u>
Equity Capitalization	<u><u>125,006,687</u></u>	<u><u>121,720,069</u></u>
Rate of return	<u>16.17%</u>	<u>7.15%</u>

Witness: Alan Zumstein

Owen Electric Cooperative

Case No. 2012-00448

Determination of Rate Base

June 30, 2012

	<u>Actual</u> <u>Test Year</u>	<u>Adjusted</u> <u>Test Year</u>
Gross rate base:		
Total electric plant	\$229,723,031	\$229,723,031
Material and supplies (13 months average for test year)	891,796	891,796
Prepayments (13 months average for test year)	851,522	851,522
Working capital: 12.5% of operating expense less cost of power	<u>2,016,389</u>	<u>2,055,995</u>
	233,482,737	233,522,343
Deductions from rate base:		
Accumulated depreciation	95,869,325	96,197,871
Consumer advances	<u>724,725</u>	<u>724,725</u>
Net rate base	<u><u>\$136,888,687</u></u>	<u><u>\$136,599,747</u></u>

	<u>Material</u>	<u>Prepayments</u>
June 2011	895,770	996,426
July	907,689	1,102,406
August	956,473	1,157,207
September	947,790	947,677
October	884,278	743,424
November	868,488	500,683
December	931,803	553,232
January 2012	880,986	726,650
February	896,064	807,457
March	910,272	793,774
April	848,079	801,595
May	830,092	874,908
June	835,560	1,064,344
Average	891,796	851,522

Owen Electric Cooperative
Case No. 2012-00448
Computation of Rate of Return
June 30, 2012

Test Year 2012	Calendar Year					
	1st 2011	2nd 2010	3rd 2009	4th 2008	5th 2007	
Net margins	\$7,800,772	\$9,443,610	\$8,027,806	\$5,328,546	\$2,225,405	(\$826,057)
Interest on long-term debt	4,487,322	4,398,063	4,529,619	4,564,974	4,295,140	3,823,761
Total	12,288,094	13,841,673	12,557,425	9,893,520	6,520,545	2,997,704
Net rate base	136,888,687	136,650,907	136,104,535	134,789,568	132,332,404	129,020,404
Rate of return	<u>8.98%</u>	<u>10.13%</u>	<u>9.23%</u>	<u>7.34%</u>	<u>4.93%</u>	<u>2.32%</u>

Test Year 2012	Calendar Year					
	1st 2011	2nd 2010	3rd 2009	4th 2008	5th 2007	
Return excluding G & T patronage dividends:						
Net margins	\$7,800,772	\$9,443,610	\$8,027,806	\$5,328,546	\$2,225,405	(\$826,057)
G & T patronage dividends	7,931,126	7,931,126	3,999,550	3,551,381	959,736	-
Interest on long-term debt	4,487,322	4,398,063	4,529,619	4,564,974	4,295,140	3,823,761
Total	4,356,968	5,910,547	8,557,875	6,342,139	5,560,809	2,997,704
Net rate base	136,888,687	136,650,907	136,104,535	134,789,568	132,332,404	129,020,404
Rate of return, excluding G & T	<u>3.18%</u>	<u>4.33%</u>	<u>6.29%</u>	<u>4.71%</u>	<u>4.20%</u>	<u>2.32%</u>

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Owen Electric Cooperative
Case No. 2012-00448
Determination of Rate Base
June 30, 2012

Test Year	Calendar Year					
	1st	2nd	3rd	4th	5th	
2012	2011	2010	2009	2008	2007	
Gross rate base:						
Total electric plant	\$229,723,031	\$225,727,811	\$217,086,977	\$207,873,254	\$198,336,123	\$187,716,197
Material and supplies (13 mo. ave t	891,796	931,803	902,385	971,283	1,026,017	972,866
Prepayments (13 mo. ave test year)	851,522	553,232	315,155	540,028	379,544	513,037
Working capital:						
12.5% of operating expense						
less cost of power	2,016,389	2,076,700	2,097,484	2,000,995	1,890,175	1,757,084
	<u>233,482,737</u>	<u>229,289,546</u>	<u>220,402,001</u>	<u>211,385,560</u>	<u>201,631,859</u>	<u>190,959,184</u>
Deductions from rate base:						
Accumulated depreciation	95,869,325	91,798,215	83,535,212	75,981,487	68,720,075	61,301,494
Consumer advances	724,725	840,424	762,254	614,505	579,380	637,286
	<u>96,594,050</u>	<u>92,638,639</u>	<u>84,297,466</u>	<u>76,596,000</u>	<u>70,100,455</u>	<u>62,938,780</u>
Net rate base	<u><u>\$136,888,687</u></u>	<u><u>\$136,650,907</u></u>	<u><u>\$136,104,535</u></u>	<u><u>\$134,789,568</u></u>	<u><u>\$132,332,404</u></u>	<u><u>\$129,020,404</u></u>

Owen Electric Cooperative
Case No. 2012-00448
TIER and DSC Calculations
June 30, 2012

	<u>Actual</u> <u>Test Year</u>	<u>Adjusted</u> <u>Test Year</u>
TIER:		
Margins, excluding G&T capital cr	(\$130,354)	\$4,192,239
Interest on long term debt	4,487,322	4,514,154
TIER	0.97	1.93
DSC:		
Margins, excluding G&T capital credits	(\$130,354)	\$4,192,239
Depreciation expense	10,319,471	10,648,017
Interest on long term debt	4,487,322	4,514,154
Principal payment on long term debt	5,210,382	5,210,382
DSC	1.51	1.99

$$\text{DSC} = \frac{(\text{Margins} + \text{depreciation} + \text{interest})}{(\text{interest} + \text{principal payments})}$$

Owen Electric Cooperative
Case No. 2012-00448
TIER and DSC Calculations
June 30, 2012

Test Year 2012	Calendar Year					
	1st 2011	2nd 2010	3rd 2009	4th 2008	5th 2007	
<u>TIER calculations:</u>						
Margins, excluding G&T capital credits	(\$130,354)	\$1,512,484	\$4,028,256	\$1,777,165	\$1,265,669	(\$826,057)
Interest on long term debt	4,487,322	4,398,063	4,529,619	4,564,974	4,295,140	3,823,761
TIER, exclude G&T	0.97	1.34	1.89	1.39	1.29	0.78
Margins, including G&T capital credits	\$7,800,772	\$9,443,610	\$8,027,806	\$5,328,546	\$2,225,405	(\$826,057)
Interest on long term debt	4,487,322	4,398,063	4,529,619	4,564,974	4,295,140	3,823,761
TIER	2.74	3.15	2.77	2.17	1.52	0.78
<u>DSC calculations:</u>						
DSC = ((Margins + depreciation + interest) / (interest + principal payments))						
Margins, excluding G&T capital credits	(\$130,354)	\$1,512,484	\$4,028,256	\$1,777,165	\$1,265,669	(\$826,057)
Depreciation expense	10,319,471	10,101,182	9,706,032	9,253,930	8,726,238	9,656,698
Interest on long term debt	4,487,322	4,398,063	4,529,619	4,564,974	4,295,140	3,823,761
Principal payment on long term debt	5,210,382	3,553,668	3,179,368	2,766,727	2,577,973	2,652,027
DSC, exclude G&T	<u>1.51</u>	<u>2.01</u>	<u>2.37</u>	<u>2.13</u>	<u>2.08</u>	<u>1.95</u>
Margins, including G&T capital credits	\$7,800,772	\$9,443,610	\$8,027,806	\$5,328,546	\$2,225,405	(\$826,057)
Depreciation expense	10,319,471	10,101,182	9,706,032	9,253,930	8,726,238	9,656,698
Interest on long term debt	4,487,322	4,398,063	4,529,619	4,564,974	4,295,140	3,823,761
Principal payment on long term debt	5,210,382	3,553,668	3,179,368	2,766,727	2,577,973	2,652,027
DSC	<u>2.33</u>	<u>3.01</u>	<u>2.89</u>	<u>2.61</u>	<u>2.22</u>	<u>1.95</u>

Owen Electric Cooperative
Case No. 2012-00448
Equity Capitalization
June 30, 2012

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	Test Year 2012	Calendar Year					
		2011	2010	2009	2008	2007	
Proposed							
<u>Equity Capitalization:</u>							
<u>without G&T patronage capital</u>							
Total margins and equities	68,028,044	71,314,662	72,212,963	65,109,703	58,254,456	54,680,669	53,398,538
Less G&T Patronage capital	34,098,129	34,098,129	26,167,003	22,167,453	18,616,072	17,656,336	17,656,336
	33,929,915	37,216,533	46,045,960	42,942,250	39,638,384	37,024,333	35,742,202
Long-term debt	87,790,154	87,790,154	90,369,086	91,022,189	94,201,556	88,013,282	83,591,255
Total	121,720,069	125,006,687	136,415,046	133,964,439	133,839,940	125,037,615	119,333,457
Equity capitalization ratio	<u>28%</u>	<u>30%</u>	<u>34%</u>	<u>32%</u>	<u>30%</u>	<u>30%</u>	<u>30%</u>
<u>Equity Capitalization:</u>							
<u>with G&T patronage capital</u>							
Total margins and equities	68,028,044	71,314,662	72,212,963	65,109,703	58,254,456	54,680,669	53,398,538
Long-term debt	87,790,154	87,790,154	90,369,086	91,022,189	94,201,556	88,013,282	83,591,255
Total	155,818,198	159,104,816	162,582,049	156,131,892	152,456,012	142,693,951	136,989,793
Equity capitalization ratio	<u>44%</u>	<u>45%</u>	<u>44%</u>	<u>42%</u>	<u>38%</u>	<u>38%</u>	<u>39%</u>
<u>Equity to Total Assets:</u>							
<u>with G&T patronage capital</u>							
Total margins and equities	68,028,044	71,314,662	72,212,963	65,109,703	58,254,456	54,680,669	53,398,538
Total assets	192,192,320	195,478,938	197,168,370	177,962,932	171,554,948	166,358,894	159,543,437
Equity to total asset ratio	<u>35%</u>	<u>36%</u>	<u>37%</u>	<u>37%</u>	<u>34%</u>	<u>33%</u>	<u>33%</u>

Owen Electric Cooperative**Case No. 2012-00448****Reconciliation of Rate Base and Capital****June 30, 2012**

Reconciliation of Rate Base and Capital used to determine revenue requirements are as follows:

Equity Capitalization, with	
G&T capital credits	159,104,816
G&T capital credits	<u>(34,098,129)</u>
	125,006,687
Reconciling items:	
Capital credits from associated organizations	
(Allocated but unpaid)	(4,969,852)
Working capital requirements	2,016,389
Material and supplies, 13 month average	891,796
Prepayments, 13 month average	851,522
Cash and temporary investments	(3,622,918)
Accounts receivable	(15,279,768)
Material and supplies	(835,560)
Prepayments	(1,294,121)
Regulatory asset	(1,025,733)
Deferred debits	(499,151)
Accumulated operating provisions	9,262,896
Notes payable	6,857,324
Accounts payable	12,359,066
Consumer deposits	2,877,176
Accrued expenses	4,292,935
	<hr/>
Net Rate Base	<u><u>136,888,687</u></u>

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ACCOUNT	DESCRIPTION	---RUS---	---TVA---	MARGIN	INACTIVE	BANK TRANSIT	BANK NAME	ACCT LENGTH
		B/S LINE	B/S LINE	ACCT LINE	ABA NBR	BANK ACCOUNT		
102.00	ELECTRIC PLANT PURCHASED OR SOLD	1.00	1.00	102.00				0
106.00	COMPLETED CONST. NOT CLASSIFIED	1.00	1.00	106.00				0
107.00	INDIRECT LABOR- CONST. OVERHEAD	2.00	2.00	107.00				0
107.20	CONSTRUCTION WORK IN PROGRESS	2.00	2.00	107.20				0
107.21	C.W.I.P - OVHD ADJ	2.00	2.00	107.21				0
107.30	C.W.I.P. - SPECIAL EQUIPMENT	2.00	2.00	107.30				0
108.00	INDIRECT LABOR- RETIRE. OVERHEAD	4.00	4.00	108.00				0
108.60	ACC.DEPREC.-DISTRIBUTION PLANT	4.00	4.00	108.60				0
108.61	UNAMORTIZED DEPREC.DEFICIENCY	4.00	4.00	108.61				0
108.70	ACC.DEPREC.-STRUCT.&IMPROVEMENTS	4.00	4.00	108.70				0
108.71	ACC.DEPREC.-OFFICE FURNITURE	4.00	4.00	108.71				0
108.72	ACC.DEPREC.-TRANSPORTATION EQUIP	4.00	4.00	108.72				0
108.73	ACC.DEPREC.-STORES	4.00	4.00	108.73				0
108.74	ACC.DEPREC.-SHOP	4.00	4.00	108.74				0
108.75	ACC.DEPREC.-LABORATORY EQUIPMENT	4.00	4.00	108.75				0
108.76	ACC.DEPREC.-POWER OPER.EQUIPMENT	4.00	4.00	108.76				0
108.77	ACC.DEPREC.-COMMUNICATION EQUIP.	4.00	4.00	108.77				0
108.78	ACC.DEPREC.-MISCELLANEOUS	4.00	4.00	108.78				0
108.79	ACC.DEPREC.-OTHER TANGIBLE PROP.	4.00	4.00	108.79				0
108.80	RETIREMENT WORK IN PROGRESS	4.00	4.00	108.80				0
108.81	R.W.I.P - OVHD ADJ	4.00	4.00	108.81				0
111.00	ACCUM.PROV.-AMORTIZATION PLANT	4.00	4.00	111.00				0
123.10	INV.ASSO.CO.-PAT.CAP.,ASSO.COOPS	8.00	7.00	123.10				0
123.11	INVESTMENT IN SUBSIDIARY COMPANY	7.00	7.00	123.11				0
123.20	INVEST.IN ASSOC.COMPANIES-OTHER	10.00	9.00	123.20				0
123.21	SUBSCRIPT.TO CAP.TERM CERT.-CFC	40.00	36.00	123.21				0

ACCOUNT	DESCRIPTION	---RUS---	---TVA---	MARGIN	INACTIVE	BANK TRANSIT	BANK NAME
		B/S	B/S	ACCT		ABA NBR	BANK ACCOUNT
		LINE	LINE	LINE			ACCT LENGTH
123.22	INVEST.IN CAPITAL TERM CERT.-CFC	10.00	9.00	123.22			0
123.23	OTHER INVEST.IN ASSOC.CO.-CFC	10.00	9.00	123.23			0
123.24	OTHER INVEST.IN ASSOC.CO.-LBC	10.00	9.00	123.24			0
123.25	OTHER INVEST IN ASSOC CO-MISC CO	10.00	9.00	123.25			0
123.26	INVEST.-CTC'S-NON INTEREST-CFC	10.00	9.00	123.26			0
123.27	OTHER INVEST IN ASSOC.CO.-COBANK	10.00	9.00	123.27			0
124.10	OTHER INVEST.BUS.DEVL.CORP.KY	12.00	11.00	124.10			
124.11	OTH.INVEST.-OWEN CO.INDUST.FOUND	12.00	11.00	124.11			
124.12	OTHER INVEST-CARROLL.EDUC.FUND	12.00	11.00	124.12			
124.13	OTHER INVEST - CARROLL CO COM DE	12.00	11.00	124.13			
124.14	OTHER INVEST - FIDELITY	12.00	11.00	124.14			
124.20	OTHER INV.-DEFERRED COMPENSATION	12.00	11.00	124.20			
128.00	OTHER SPECIAL FUNDS-DIRECTOR INS	13.00	12.00	128.00			
128.10	OTHER SPECIAL FUNDS-EXEC.RETIRE.	13.00	12.00	128.10			
131.10	CASH- GEN. & OPER.-FIRST FARMERS	15.00	14.00	131.10	083903069		FIRST FARMERS BANK & TRUST 71051024
131.11	CASH-G&O/SEDC	15.00	14.00	131.11	083903069		FIRST FARMERS BANK 71098340
131.12	CASH-GRANT OFFICE-BANK OF KY	15.00	14.00	131.12	13140		BANK OF KENTUCKY 00164682
131.13	CASH-BOONE OFFICE-BANK OF KY	15.00	14.00	131.13	13140		BANK OF KENTUCKY 00101575
131.14	CASH-PENDLETON OFFICE-FARMERS	15.00	14.00	131.14	13140		THE FARMERS BANK OF BUTLER 111111
131.15	PAYROLL ACCOUNT	15.00	14.00	131.15	083903069		FIRST FARMERS BANK & TRUST 71051032
131.16	CASH-SCOTT CO-FIRST NAT'L BANK	15.00	14.00	131.16	0		FIRST NATIONAL BANK & TRUST 0
131.17	LOCK BOX ACCT. BANK OF KENTUCKY	15.00	14.00	131.17	13140		BANK OF KENTUCKY LOCK BOX 0159077
131.20	CASH-CONST.FUND TRUSTEE-FARMERS	16.00	15.00	131.20	13140		FIRST FARMERS BANK & TRUST 71051059
131.30	CASH-CONSUMER REFUND- BANK OF KY	15.00	14.00	131.30	13140		BANK OF KENTUCKY 00159107
131.40	TRANSFER OF CASH	15.00	14.00	131.40	13140		TRANSFER ACCOUNT ONLY 1
131.60	CASH-CAPITAL CREDITS- BANK OF KY	15.00	14.00	131.60	13140		BANK OF KENTUCKY 00159115

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ACCOUNT	DESCRIPTION	----RUS----- B/S INC LINE LINE	----TVA----- B/S INC LINE LINE	MARGIN INACTIVE ACCT	BANK TRANSIT ABA NBR	BANK NAME BANK ACCOUNT	ACCT LENGTH
134.00	OTHER SPECIAL DEPOSITS	17.00	16.00	134.00			
135.00	WORKING FUNDS	15.00	14.00	135.00			
136.00	TEMPORARY CASH INVESTMENTS-CP	18.00	17.00	136.00			
136.10	TEMPORARY CASH INVESTMENT-REPO	15.00	14.00	136.10			
142.00	CONSUMER ACCOUNTS RECEIVABLE	20.00	20.00	142.00			
142.10	GALLATIN STEEL ACCOUNTS RECEIV	20.00	20.00	142.10			
142.20	CONSUMER A/R ON CONTRACT	20.00	20.00	142.20			
142.30	UNDER RECOVERY BASE ADJUST FAC	20.00		142.30			
143.00	OTHER ACCTS.REC.-EMPLOYEE/DIREC.	21.00	20.00	143.00			
143.10	OTHER ACCTS.REC-EMPLOYEE MED.INS	21.00	20.00	143.10			
143.20	OTHER ACCOUNTS RECEIVABLE-CALICO	21.00	20.00	143.20			
143.30	OTHER ACCTS.REC.-RETIREMENT INS.	21.00	20.00	143.30			
143.40	OTHER ACCTS.REC.-CREDIT UNION	21.00	20.00	143.40			
143.50	OTHER ACCTS.REC.-MISC.BILLING	21.00	20.00	143.50			
143.51	MISC. BILLING - SHELBY RECC	21.00	20.00	143.51			
143.52	OTHER ACCTS. REC. - MISC.1-1-07	21.00	20.00	143.52			
143.60	ACCOUNTS RECEIVABLE UNITED WAY	21.00	20.00	143.60			
143.70	A/R- EKPC LOAD MANAGEMENT	21.00	20.00	143.70			
143.80	A/R - SURGE SALES ON CONS. BILL	21.00	20.00	143.80			
143.90	OTHER ACCTS.REC-RCCU WITHDRAWALS	21.00	21.00	143.90			
144.10	ACCUM.PROV.FOR UNCOLL.CONS.ACCTS	20.00	19.00	144.10			
144.40	ACCU.PROV.FOR UNCOLL.ACCTS.-OTH.	21.00	20.00	144.40			
154.10	PLANT MATERIALS	23.00	21.00	154.10			
154.20	TANK GASOLINE-WALTON WHSE	23.00	21.00	154.20			
154.30	PLANT MATERIALS-METER BASES	23.00	21.00	154.30			
154.40	TANK GASOLINE-HEADQUARTERS	23.00	21.00	154.40			

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ACCOUNT	DESCRIPTION	---RUS---	---TVA---	MARGIN	INACTIVE	BANK TRANSIT	BANK NAME	ACCT LENGTH
		B/S	B/S	ACCT		ABA NBR	BANK ACCOUNT	
		LINE	LINE	LINE				
154.50	TANK GASOLINE- SERVICE CENTER	23.00	21.00	154.50				
155.00	MERCHANDISE	23.00	21.00	155.00				
155.10	MERCHANDISE-APPLIANCES	23.00	21.00	155.10				
155.20	MERCHANDISE-APPLI.SALES-CLEARING	23.00	21.00	155.20				
163.00	STORES EXPENSES-CLEARING	23.00	21.00	163.00				
163.10	MINOR MATERIAL	23.00	21.00	163.10				
163.20	Plant Clearing Account	23.00	21.00	163.20				
163.30	TOOLS/SAFETY ITEMS CONST/MAINT	23.00	21.00	163.30				
165.00	PREPAYMENTS	24.00	22.00	165.00				
165.10	PREPAYMENTS-INSURANCE	24.00	22.00	165.10				
165.20	PREPAYMENTS-EXEC.RETIREMENT INS.	24.00	22.00	165.20				
165.30	PREPAYMENTS-PREPAID EXPENSES	24.00	22.00	165.30				
165.40	PREPAYMENTS-KAW PREPAID ASSET	24.00	22.00	165.40				
165.50	PREPAYMENTS-PREPAID SALES TAX	24.00	22.00	165.50				
165.60	PREPAYMENTS-DIRECTOR LIFE INS.	24.00	22.00	165.60				
171.10	INTEREST & DIVI.RECEIVABLE-MISC.	25.00	23.00	171.10				
171.12	INTEREST & DIVID.RECEIVABLE-CFC	25.00	23.00	171.12				
171.13	INT.& DIV.REC.-KAEC HEADQUARTERS	25.00	23.00	171.13				
171.14	INT.& DIV.REC.-KAEC CONSUMER CR.	25.00	23.00	171.14				
171.15	INT.& DIV.REC.-PCB DETOX.CERT.	25.00	23.00	171.15				
172.00	RENTS REC.-JOINT USE POLE RENTAL	25.00	23.00	172.00				
181.00	UNAMORTIZED DEBT EXPENSE	28.00	25.00	181.00				
182.30	FUEL ADJUSTMENT CLAUSE-UNDER REC	27.00		182.30				
182.40	ENVIRONMENTAL SURCHARGE-UNDER RE	27.00		182.40				
184.40	TRANSPORTATION EXPENSE	28.00	25.00	184.40				
184.50	TRANSPORTATION OVERHEAD ACCT	28.00	25.00	184.40				

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ACCOUNT	DESCRIPTION	---RUS---	INC	---	TVA---	MARGIN	INACTIVE	BANK TRANSIT	BANK NAME	ACCT LENGTH
		B/S	LINE	INC	B/S	INC	ACCT	ABA NBR	BANK ACCOUNT	
		LINE	LINE	LINE	LINE	LINE				
186.00	MISCELLANEOUS DEFERRED DEBITS	28.00	25.00			186.00				
186.10	DEFERRED BENEFITS EXPENSES	28.00	25.00			186.10				
186.20	MISC.DEF.DEBITS-NEW HEADQUARTERS	28.00	25.00			186.20				
186.30	DEFERRED-EMPLOYER 401K MATCH EXP	28.00	25.00			186.30				
186.40	WALTON FACILITY EXPANSION	28.00	25.00			186.40				
186.50	TELEPHONE & OTHER EXP - CLEARING	28.00	25.00			186.50				
186.60	MISC. AMI EXPENSES	28.00	25.00			186.60				
186.70	Fixed Assets Additions/Adj	28.00	25.00			186.70				
200.10	MEMBERSHIPS ISSUED - \$5,\$10,\$25	30.00	27.00			200.10				
201.10	PATRONS CAPITAL CREDITS	31.00	28.00			201.10				
201.11	PATRONS CAP. CRED.-ASSOC. ORGAN.	31.00	28.00			201.11				
201.20	PATRONAGE CAPITAL ASSIGNABLE	31.00	28.00			201.20				
201.21	PAT. CAP. ASIGN.-PRIOR YRS.N-OPR	31.00	28.00			201.21				
208.00	DONATED CAPITAL	35.00	32.00			208.00				
215.10	ACCUM. OTHER COMPREHENSIVE LOSS	35.00	32.00			215.10				
217.00	RETIRED CAPITAL CREDITS - GAIN	35.00	32.00			217.00				
219.10	OPERATING MARGINS	33.00	30.00			219.10				
219.20	NON-OPERATING MARGINS	34.00	31.00			219.20				
224.11	OTHER LONG-TERM DEBT-SUBSCR.-CFC	40.00	36.00			224.11				
224.12	OTHER LONG-TERM DEBT - CFC	40.00	36.00			224.12				
224.13	CFC NOTES EXECUTED- DEBIT	40.00	36.00			224.13				
224.30	LONG-TERM DEBT-RUS CONST. NOTES	37.00	34.00			224.30				
224.35	LONG-TERM DEBT-OTHER CONST.NOTES	40.00	36.00			224.35				
224.40	RUS NOTES EXECUTED - CONST. - DR	37.00	34.00			224.40				
224.45	OTHER NOTES EXECUTED-CONST.	37.00	34.00			224.45				
224.50	INTER. ACCRUAL-DEFER.-REA CONST.	37.00	34.00			224.50				

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ACCOUNT	DESCRIPTION	---RUS---	INC	---	TVA---	INC	MARGIN	INACTIVE	BANK TRANSIT	BANK NAME	ACCT LENGTH
		B/S	LINE	INC	B/S	INC	ACCT		ABA NBR	BANK ACCOUNT	
		LINE	LINE	LINE	LINE	LINE					
224.60	ADVANCE PAYMENTS UNAPPLIED	37.00			34.00		224.60				
228.30	ACCUM.PROVISION FOR BENEFITS	45.00			43.00		228.30				
228.31	ACCUM.PROV.FOR BENEFITS-FUNDED	45.00			43.00		228.31				
231.00	NOTES PAYABLE	47.00			39.00		231.00				
232.00	ACCOUNTS PAYABLE	48.00			40.00		232.00				
232.10	ACCOUNTS PAYABLE - CUSTOMER REF.	48.00			40.00		232.10				
232.15	PO Receiving Liability Account	48.00			40.00		232.15				
232.16	Accounts Payable Adjustment Act.	48.00			40.00		232.16				
232.20	ACCOUNTS PAYABLE - UNION DUES	48.00			40.00		232.20				
232.25	ACCOUNTS PAYABLE - ACRE W/H	48.00			40.00		232.25				
232.26	ACCOUNTS PAYABLE - UNITED WAY	48.00			40.00		232.26				
232.27	ACCOUNTS PAYABLE-UNITED CHARITY	48.00			40.00		232.27				
232.28	ACCOUNTS PAYABLE - EMP.FUND	48.00			40.00		232.28				
232.30	ACCOUNTS PAYABLE - 401K CONTRIB.	48.00			40.00		232.30				
232.31	ACCOUNT PAY.-401K EMPLOYER MATCH	48.00			40.00		232.31				
232.32	ACCOUNTS PAYABLE 457	48.00			40.00		232.32				
232.35	ACCOUNTS PAYABLE AMERICANEXPRESS	48.00			40.00		232.35				
232.40	ACCOUNTS PAYABLE - HOMESTEAD	48.00			46.00		232.40				
232.50	ACCOUNTS PAYABLE - MISCELLANEOUS	48.00			40.00		232.50				
232.60	ACCT.PAYABLE-ROADGARD RECEIPTS	48.00			46.00		232.60				
232.70	ACCT.PAYABLE-HOMEGARD RECEIPTS	48.00			46.00		232.70				
232.90	ACCOUNTS PAYABLE- RCCU RECEIPTS	48.00			46.00		232.90				
232.95	ACC.PAYABLE-KENTUCKY UTIL. PMTS.	48.00			46.00		232.95				
235.00	CUSTOMER DEPOSITS	49.00			41.00		235.00				
235.10	INTEREST PAYABLE ON CUST.DEPOSIT	49.00			41.00		235.10				
235.50	DEPOSITS - OTHER	49.00			41.00		235.50				

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ACCOUNT	DESCRIPTION	---RUS---	---TVA---	MARGIN	INACTIVE	BANK TRANSIT	BANK NAME	ACCT LENGTH
		B/S	B/S	ACCT		ABA NBR	BANK ACCOUNT	
		LINE	LINE					
236.10	ACCRUED PROPERTY TAXES	53.00	42.00	236.10				
236.20	FEDERAL EMPLOYMENT	53.00	42.00	236.20				
236.30	FICA	53.00	42.00	236.30				
236.40	ACCRUED STATE SS TAX- UNEMPLOY.	53.00	42.00	236.40				
236.45	ACCRUED STATE-IND SS TAX-UNEMP.	53.00	42.00	236.45				
236.50	ACCRUED STATE SALES TAX-CONSUMER	53.00	42.00	236.50				
236.61	ACCRUED SCHOOL TAX-OWEN CO.	53.00	42.00	236.61				
236.62	ACCRUED SCHOOL TAX-GRANT CO.	53.00	42.00	236.62				
236.63	ACCRUED SCHOOL TAX-PENDLETON CO.	53.00	42.00	236.63				
236.64	ACCRUED SCHOOL TAX- GALLATIN CO.	53.00	42.00	236.64				
236.65	ACCRUED SCHOOL TAX-SCOTT CO.	53.00	42.00	236.65				
236.66	ACCRUED SCHOOL TAX-BOONE CO.	53.00	42.00	236.66				
236.67	ACCRUED SCHOOL TAX-KENTON CO.	53.00	42.00	236.67				
236.68	ACCRUED SCHOOL TAX-CAMPBELL CO.	53.00	42.00	236.68				
236.69	ACCRUED SCHOOL TAX-CARROLL CO.	53.00	42.00	236.69				
236.70	FRANCHISE FEES PAYABLE-COVINGTON	53.00	42.00	236.70				
236.74	FRANCHISE TAX PAYABLE - SPARTA	53.00	42.00	236.74				
236.75	FRANCHISE FEE PAYABLE-GEORGETOWN	53.00	42.00	236.75				
236.80	ACCRUED STATE SALES TAX - USE	53.00	42.00	236.80				
236.90	ACCRUED STATE SALES TAX - MISC.	53.00	42.00	236.90				
237.10	INTEREST ACCR.-RUS CONST.OBLIG.	53.00	42.00	237.10				
237.20	INTEREST ACCR.-CFC CONST. OBLIG.	53.00	42.00	237.20				
237.25	INTEREST ACCR.-COBANK CONS.OB.	53.00	42.00	237.25				
237.30	INT. ACCR.-CFC & OTHER SHORTTERM	53.00	42.00	237.30				
241.00	TAX COLL.PAY.-FEDERAL INCOME TAX	53.00	42.00	241.00				
241.10	TAX COL.PAYABLE-STATE INCOME TAX	53.00	42.00	241.10				

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ACCOUNT	DESCRIPTION	---RUS---	INC	---	TVA---	MARGIN	INACTIVE	BANK TRANSIT	BANK NAME	ACCT	LENGTH
		B/S	LINE	INC	B/S	INC	LINE	ABA NBR	BANK ACCOUNT		
		LINE	LINE	LINE	LINE	LINE	LINE				
241.15	TAX COL.PAYABLE-STATE-IND.INCTAX	53.00	42.00	241.15							
241.20	TAX COL.PAYABLE-KENTON CO.OCCUP.	53.00	42.00	241.20							
241.21	TAX COL.PAYABLE-KENTON & INDEP.	53.00	42.00	241.21							
241.22	TAX COL.PAYABLE-INDEPEND. CITY	53.00	42.00	241.22							
241.23	TAX COL.PAYABLE-ERLANGER CITY	53.00	42.00	241.23							
241.24	TAX COL PAYABLE COVINGTON CITY	53.00	42.00	241.24							
241.30	TAX COL.PAYABLE-BOONE CO.OCCUP.	53.00	42.00	241.30							
241.31	TAX.COL.PAYABLE-BOONE & SPECIAL	53.00	42.00	241.31							
241.32	TAX COL.PAYABLE-BOONE SPECIAL	53.00	42.00	241.32							
241.40	TAX COL.PAY-G'TOWN&SCOTT CO.OCCU	53.00	42.00	241.40							
241.41	TAX COL.PAYABLE-GEORGETOWN CITY	53.00	48.00	241.41							
241.50	TAX COL.PAYABLE-CARROLL CO.OCCUP	53.00	42.00	241.50							
241.60	TAX COL.PAYABLE-OWENTON CITY	53.00	42.00	241.60							
241.61	TAX COL PAYABLE PENDLETON CO	53.00	42.00	241.61							
241.70	TAX COL.PAYABLE-DRY RIDGE OCCUPA	53.00	42.00	241.70							
241.80	TAX COLL.PAYABLE-ALEXANDRIA CITY	53.00	48.00	241.80							
241.81	CAMPBELL CO. W/H	53.00	42.00	241.81							
241.90	FLORENCE CITY PAYROLL TAX	53.00	42.00	241.90							
241.91	TAX COL PAYABLE FLO & BOONE (OV)	53.00	42.00	241.91							
241.95	TAX COL.PAYABLE-SWITZERLAND,IND.	53.00	42.00	241.95							
242.00	CURRENT & ACCR. LIAB.-WINTERCARE	53.00	42.00	242.00							
242.01	CURR.& ACCR.LIAB-SECUREPAY INS	53.00	42.00	242.01							
242.10	CURR.& ACCURED LIAB.-EXEC. RET.	53.00	42.00	242.10							
242.20	CURNT.& ACCR.LIAB.-ACCR.PAYROLL	53.00	42.00	242.20							
242.21	CURR.& ACCR.PAY.-DIRECT DEPOSIT	39.00	39.00	242.21							
242.30	CUR.& ACCRUED LIAB.-VACATION	53.00	42.00	242.30							

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ACCOUNT	DESCRIPTION	---RUS---	---TVA---	MARGIN	INACTIVE	BANK TRANSIT	BANK NAME	ACCT LENGTH
		B/S	B/S	ACCT		ABA NBR	BANK ACCOUNT	
		LINE	LINE	LINE				
242.40	CURR. & ACCRU LIAB. - SICKLEAVE	53.00	42.00	242.40				
242.41	SICKLEAVE HOURS	53.00	42.00	242.41				
242.50	CUR. & ACCRUED LIAB.-GROUP INSUR.	53.00	42.00	242.50				
242.60	CUR. & ACCRUED LIAB.-GEN.INSUR.	53.00	42.00	242.60				
242.70	CUR. & ACCRUED LIAB.-NRECA RET.	53.00	42.00	242.70				
242.75	NRECA LIFE INSURANCE	53.00	42.00	242.75				
242.80	CUR. & ACCRUED LIAB.-COLONIAL INS	53.00	42.00	242.80				
242.81	24285	53.00	42.00	242.81				
242.82	DENTAL INSURANCE W/H	53.00	42.00	242.82				
242.83	VISION INS. W/H	53.00	42.00	242.83				
242.84	MEDICAL FLEX SPEND W/H	53.00	42.00	242.84				
242.85	LONG TERM CARE INS	53.00	42.00	242.85				
242.86	RELAY-LIFE	53.00	42.00	242.86				
242.90	CUR. & ACCR.LIAB.-LINCOLN INSUR.	53.00	42.00	242.90				
252.00	CUSTOMER ADVANCES FOR CONSTRUCT.	56.00	44.00	252.00				
253.00	OTHER DEFERRED CREDITS	56.00	44.00	253.00				
253.10	DEFERRED CREDITS - PREPAID CIAC	56.00	44.00	253.10				
253.20	DEF. CREDITS-ENERGY CERTIFICATES	56.00	44.00	253.20				
253.30	DEF.CREDITS-EKP-ENERGYEFFEICIENCY	56.00	44.00	253.30				
253.40	KY AMERICAN WATER PREPAID CREDIT	56.00	44.00	253.40				
253.50	BELLEVIEW SDI PREPAID CREDIT	56.00	44.00	253.50				
254.10	ENVIRONMENTAL SURCHARGE-OVER REC	55.00		254.10				
265.20	MISC.OPER.RESERVES-DEFERRED COMP	47.00	45.00	265.20				
362.00	SUBSTATION EQUIPMENT	1.00	1.00	362.00				
364.00	POLES, TOWERS & FIXTURES	1.00	1.00	364.00				
365.00	OVERHEAD CONDUCTORS & DEVICES	1.00	1.00	365.00				

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Exhibit M
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ACCOUNT	DESCRIPTION	---	RUS	---	TVA	---	MARGIN	INACTIVE	BANK TRANSIT	BANK NAME	ACCT LENGTH
		B/S	INC	B/S	INC	ACCT	LINE	LINE	ABA NBR	BANK ACCOUNT	
		LINE	LINE	LINE	LINE						
366.00	UNDERGROUND CONDUIT	1.00		1.00		366.00					0
367.00	UNDERGROUND CONDUCTORS & DEVICES	1.00		1.00		367.00					0
367.10	U/G CABLE PRE 1987	1.00		1.00		367.10					0
368.00	LINE TRANSFORMERS	1.00		1.00		368.00					0
369.00	SERVICES	1.00		1.00		369.00					0
370.00	METERS	1.00		1.00		370.00					0
370.10	METERS - AMI	1.00		1.00		370.10					0
370.20	METERS - AMI COMMUN. DEVICES	1.00		1.00		370.20					0
370.30	METERS - AMI COMPUTER SOFTWARE	1.00		1.00		370.30					0
371.00	INSTALL. ON CONSUMER PREMISES	1.00		1.00		371.00					0
373.00	STREET LIGHTING & SIGNAL SYSTEMS	1.00		1.00		373.00					0
389.00	LAND & LAND RIGHTS	1.00		1.00		389.00					0
389.10	LAND & LAND RIGHTS-INDEPENDENCE	1.00		1.00		389.10					0
390.00	STRUC. & IMPROV.-OFFICE & WHSE.	1.00		1.00		390.00					0
391.00	OFFICE FURN. & EQUIPMENT	1.00		1.00		391.00					0
391.20	COMPUTER EQUIPMENT	1.00		1.00		391.20					0
392.00	TRANSPORTATION EQUIPMENT	1.00		1.00		392.00					0
393.00	STORES EQUIPMENT	1.00		1.00		393.00					0
394.00	TOOLS, SHOP, & GARAGE EQUIPMENT	1.00		1.00		394.00					0
395.00	LABORATORY EQUIPMENT	1.00		1.00		395.00					0
396.00	POWER OPERATED EQUIPMENT	1.00		1.00		396.00					0
397.00	COMMUNICATIONS EQUIPMENT	1.00		1.00		397.00					0
398.00	MISCELLANEOUS EQUIPMENT	1.00		1.00		398.00					0
399.00	OTHER TANGIBLE PROPERTY	1.00		1.00		399.00					0
403.60	DEPREC. EXPENSE DISTRIBUTION PLT.	34.00	13.00	30.00	12.00	219.10					0
403.70	DEPRECIATION EXP.-GENERAL PLANT	34.00	13.00	30.00	12.00	219.10					0

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ACCOUNT	DESCRIPTION	----RUS----	----TVA----	MARGIN	INACTIVE	BANK TRANSIT	BANK NAME	ACCT LENGTH
		B/S INC	B/S INC	ACCT		ABA NBR	BANK ACCOUNT	
		LINE	LINE	LINE				
404.00	AMORTIZATION- LIMITED-TERM PLANT	34.00	13.00	30.00	12.00	219.10		
408.10	TAXES-PROPERTY	34.00	14.00	30.00	13.00	219.10		
408.20	TAXES-U.S. SOCIAL SEC.-UNEMPLOY.	34.00	15.00	30.00	14.00	219.10		
408.30	TAXES-U.S. SOCIAL SEC.-FICA	34.00	15.00	30.00	14.00	219.10		
408.40	TAXES-STATE SOCIAL SEC.-UNEMPLOY	34.00	15.00	30.00	14.00	219.10		
408.45	TAXES-STATE-IND-SOC.SEC.-UNEMP.	34.00	15.00	30.00	14.00	219.10		
408.50	TAXES-STATE SALES TAX	34.00	15.00	30.00	14.00	219.10		
408.60	TAXES-COUNTY SCHOOL TAXES	34.00	15.00	30.00	14.00	219.10		
408.70	TAXES - OTHER	34.00	15.00	30.00	14.00	219.10		
408.80	TAXES - USE	34.00	15.00	30.00	14.00	219.10		
408.90	TAXES - MISCELLANEOUS SALES	34.00	15.00	30.00	14.00	219.10		
415.00	REVENUES FROM MERCHANDISING	35.00	25.00	31.00	23.00	219.20		
416.00	COSTS & EXPENSES OF MERCHANDIS.	35.00	25.00	31.00	23.00	219.20		
417.00	REVENUES-NON-UTILITY OPERATIONS	35.00	25.00	31.00	23.00	219.20		
417.10	EXPENSES- NON-UTILITY OPERATIONS	35.00	25.00	34.00	24.00	219.20		
418.10	EQUITY IN EARNINGS OF SUBSIDIARY	35.00	24.00	34.00	23.00	219.20		
419.00	INTEREST & DIVIDEND INCOME	35.00	22.00	31.00	21.00	219.20		
419.10	INTEREST & DIV. INC. - EXEC LIFE	35.00	22.00	31.00	21.00	219.20		
420.00	MAINTENANCE INCOME & EXPENSE	35.00	25.00	31.00	23.00	219.20		
421.00	MISC.NON-OPERATING INCOME	35.00	25.00	31.00	23.00	219.20		
421.10	GAIN ON DISPOSITION OF PROPERTY	35.00	25.00	31.00	23.00	219.20		
421.20	GAIN(LOSS) ON DISP. OF PROPERTY	35.00	25.00	31.00	23.00	219.20		
421.30	LOSS ON DISPOSITION OF PROPERTY	35.00	25.00	31.00	23.00	219.20		
423.00	GENER.&TRANS.COOP.CAPITAL CRED.	34.00	26.00	30.00	24.00	219.10		
424.00	OTHER CAP.CREDITS & PAT.DIVID.	34.00	27.00	30.00	25.00	219.10		
426.10	OTHER INCOME DEDUCT.-DONATIONS	34.00	19.00	30.00	18.00	219.10		

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ACCOUNT	DESCRIPTION	---RUS---	INC	---	TVA---	MARGIN	INACTIVE	BANK TRANSIT	BANK NAME	ACCT	LENGTH
		B/S	LINE	INC	B/S	INC	ACCT	ABA	ACCOUNT		
		LINE	LINE	LINE	LINE	LINE		NBR			
426.11	MISC DONATION-CAP CR SCHOLARSHIP	34.00	19.00	30.00	18.00	219.10					
426.20	MISC.DEDUCT.-EXEC.RETIRE.INS.	34.00	19.00	30.00	18.00	219.10					
426.30	PENALTIES	34.00	19.00	30.00	18.00	219.10					
426.40	OTHR INCOME DED.-CIV.& POL. ACT.	34.00	19.00	30.00	18.00	219.10					
426.50	MISC.INCOME DEDUCTIONS-OTHER	34.00	19.00	30.00	18.00	219.10					
426.60	MISC.DEDUCT.-DIRECTORS LIFE INS.	34.00	19.00	30.00	18.00	219.10					
427.10	INTEREST ON RUS CONSTRUCT. LOANS	34.00	16.00	30.00	15.00	219.10					
427.20	INTER.ON OTHR LONG-TERM DEBT-CFC	34.00	16.00	30.00	15.00	219.10					
427.25	INTER.ON OTHER LNGTRMDEBT- COBANK	34.00	16.00	30.00	15.00	219.10					
428.00	AMORT. OF DEBT DISCOUNT & EXP.	34.00	19.00	30.00	18.00	219.10					
431.00	INTEREST ON SHORT-TERM DEBT	34.00	18.00	30.00	17.00	219.10					
431.10	INTEREST ON CUSTOMER DEPOSITS	34.00	18.00	30.00	17.00	219.10					
440.10	RESIDENTIAL SALES - RURAL	34.00	1.00	30.00	1.00	219.10					
440.20	SECURITY LIGHTS ONLY	34.00	1.00	30.00	1.00	219.10					
442.10	COMMERCIAL & INDUST.SALES-SMALL	34.00	1.00	30.00	1.00	219.10					
442.20	COMMERCIAL & INDUST.SALES-LARGE	34.00	1.00	30.00	1.00	219.10					
442.21	GALLATIN STEEL- INDUST. SALES	34.00	1.00	33.00	1.00	219.10					
444.00	PUBLIC STREET & HIGHWAY LIGHTING	34.00	1.00	30.00	1.00	219.10					
444.10	PUBLIC STREET & HIGHWAY LIGHTING	34.00	1.00	30.00	1.00	219.10					
444.20	PUBLIC ST.& HWY.LIGHTING-METERED	34.00	1.00	30.00	1.00	219.10					
445.00	OTHER SALES TO PUBLIC AUTHORIT.	34.00	1.00	30.00	1.00	219.10					
450.00	LATE PAYMENT PENALTIES	34.00	1.00	30.00	1.00	219.10					
451.00	MISC.SER.REV.-DISC.& RECON. FEES	34.00	1.00	30.00	1.00	219.10					
451.10	MISC.SER.REV.-METER READING FEES	34.00	1.00	30.00	1.00	219.10					
452.00	OTHER ELEC.REV.-BAD CHECK CHARGE	34.00	1.00	30.00	1.00	219.10					
454.00	RENT FROM ELECTRIC PROPERTY	34.00	1.00	30.00	1.00	219.10					

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ACCOUNT	DESCRIPTION	---RUS---	INC	LINE	---TVA---	B/S	INC	LINE	MARGIN	INACTIVE	BANK TRANSIT	BANK NAME	BANK ACCOUNT	ACCT LENGTH
		B/S	INC	LINE	B/S	INC	LINE	ACCT			ABA NBR			
454.10	RENTAL FROM U/G TEMP OWNED BASE	34.00	1.00	30.00	1.00	219.10								
454.20	RENTAL O/H TEMP METER BASE	34.00	1.00	30.00	1.00	219.10								
454.30	RENTAL U/G METER BASE	34.00	1.00	30.00	1.00	219.10								
456.00	OTHER ELECTRIC REVENUE	34.00	1.00	30.00	1.00	219.10								
456.10	OTHER ELECTRIC REV.-EKP LOST REV	34.00	1.00	30.00	1.00	219.10								
457.20	ELECTRIC SALES- OTHER SURCHARGES	34.00	1.00	30.00	1.00	219.10								
555.00	PURCHASED POWER	34.00	3.00	30.00	3.00	219.10								
555.10	GALLATIN STEEL-PURCHASED POWER	34.00	3.00	33.00	3.00	219.10								
580.00	OPER. SUPERVISION & ENGINEERING	34.00	6.00	30.00	5.00	219.10								
581.00	LOAD DISPATCHING	34.00	6.00	30.00	5.00	219.10								
582.00	STATION EXPENSE	34.00	6.00	30.00	5.00	219.10								
583.00	OVERHEAD LINE EXPENSE	34.00	6.00	30.00	5.00	219.10								
583.10	OVERHEAD LINE EXPENSE-LINE PATR.	34.00	6.00	30.00	5.00	219.10								
583.11	OVERHEAD LINE EXPENSE-PSC INSP.	34.00	6.00	30.00	5.00	219.10								
583.20	TRANSFORMER OUTAGE	34.00	6.00	30.00	5.00	219.10								
584.00	UNDERGROUND LINE EXPENSE	34.00	6.00	30.00	5.00	219.10								
584.10	UNDERGROUND LINE EXP. -LINE PATR	34.00	6.00	30.00	5.00	219.10								
586.00	METER EXPENSE	34.00	6.00	30.00	5.00	219.10								
586.10	U/G TEMP METER BASE EXP OWNED	34.00	6.00	30.00	5.00	219.10								
586.20	O/H TEMP METER BASE EXPENSE	34.00	6.00	30.00	5.00	219.10								
586.30	U/G TEMP METER BASE EXPENSE	34.00	6.00	30.00	5.00	219.10								
587.00	CONSUMER INSTALLATION EXPENSE	34.00	6.00	30.00	5.00	219.10								
588.00	MISCELLANEOUS DISTRIBUTION EXP.	34.00	6.00	30.00	5.00	219.10								
588.10	IT	34.00	6.00	30.00	5.00	219.10								
588.20	NEW TELEPHONE SYSTEM	34.00	6.00	30.00	5.00	219.10								
589.00	RENTS	34.00	6.00	30.00	5.00	219.10								

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ACCOUNT	DESCRIPTION	----RUS-- B/S LINE	INC LINE	-----TVA----- B/S LINE	INC LINE	MARGIN ACCT	INACTIVE	BANK TRANSIT ABA NBR	BANK NAME BANK ACCOUNT	ACCT LENGTH
590.00	MAINT.SUPERVISION & ENGINEERING	34.00	7.00	30.00	6.00	219.10				
593.00	MAINTENANCE OF OVERHEAD LINES	34.00	7.00	30.00	6.00	219.10				
593.10	O/H LINES OUTAGE	34.00	7.00	30.00	6.00	219.10				
593.20	MAINT. OF O/H LINES-RIGHT-OF-WAY	34.00	7.00	30.00	6.00	219.10				
593.40	MAINT.OF O/H LINES-SERVICE OCR'S	34.00	7.00	30.00	6.00	219.10				
593.50	MAINT.OF O/H LINES-POLE TREATMNT	34.00	7.00	30.00	6.00	219.10				
593.60	MAINT.OF O/H LINES-KYAMERICANWTR	34.00	7.00	30.00	6.00	219.10				
594.00	MAINT. OF UNDERGROUND LINES	34.00	7.00	30.00	6.00	219.10				
594.10	U/G OUTAGE	34.00	7.00	30.00	6.00	219.10				
595.00	MAINTENANCE OF LINE TRANSFORMER	34.00	7.00	30.00	6.00	219.10				
597.00	MAINTENANCE OF METERS	34.00	7.00	30.00	6.00	219.10				
777.77	CAGA TAX DEFAULT	53.00		42.00		219.10				
888.88	CA - GA INTEGRATION DEFAULT	34.00	1.00			219.10				
901.00	SUPERVISION OF CONSUMER ACCOUNT.	34.00	8.00	30.00	7.00	219.10				
902.00	METER READING EXPENSE	34.00	8.00	30.00	7.00	219.10				
903.00	CONSUMER REC. AND COLLECTION EXP	34.00	8.00	30.00	7.00	219.10				
903.10	CONS. RCD. & COLL. EXP - IT	34.00	8.00	30.00	7.00	219.10				
904.00	UNCOLLECTABLE ACCOUNTS EXPENSE	34.00	8.00	30.00	7.00	219.10				
905.00	MISC. CONSUMER ACCOUNTS EXPENSE	34.00	8.00	30.00	7.00	219.10				
907.00	SUPERVISION OF CUSTOMER ASSIST.	34.00	9.00	30.00	8.00	219.10				
908.00	CUSTOMER ASSISTANCE EXPENSES	34.00	9.00	30.00	8.00	219.10				
908.10	CUST. ASST.EXP.- ENERGY INNOV	34.00	9.00	30.00	8.00	219.10				
909.00	INF. & INSTRUCT.ADVERTISING EXP.	34.00	9.00	30.00	8.00	219.10				
910.00	MISC. CUSTOMER SERV.& INFORM EXP	34.00	9.00	30.00	8.00	219.10				
912.00	DEMONSTRATING & SELLING-KEY ACCT	34.00	9.00	30.00	8.00	219.10				
920.00	ADMINISTRATIVE & GEN. SALARIES	34.00	11.00	30.00	10.00	219.10				

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ACCOUNT	DESCRIPTION	---	RUS	INC	---	TVA	---	MARGIN	INACTIVE	BANK TRANSIT	BANK NAME	ACCT LENGTH
		B/S	INC	B/S	INC	INC	ACCT			ABA NBR	BANK ACCOUNT	
		LINE	LINE	LINE	LINE	LINE						
920.10	ADMIN. & GEN SALARIES - IT	34.00	11.00	30.00	10.00	219.10						
920.20	ADM. & GEN. EXP.-CAPITAL CREDITS	34.00	11.00	30.00	10.00	219.10						
921.00	OFFICE SUPPLIES AND EXPENSE	34.00	11.00	30.00	10.00	219.10						
921.20	OFF.SUP.& EXP.-OVER & SHORT-OWEN	34.00	11.00	30.00	10.00	219.10						
921.30	OFF.SUP.& EXP.-OVER&SHORT-KENTON	34.00	11.00	30.00	10.00	219.10						
921.40	OFF.SUP.& EXP.-OVER&SHORT-GRANT	34.00	11.00	30.00	10.00	219.10						
921.50	OFF.SUP.& EXP.-OVER&SHORT-BOONE	34.00	11.00	30.00	10.00	219.10						
921.60	OFF.SUP.& EXP.-OVER&SHORT-PEND.	34.00	11.00	30.00	10.00	219.10						
921.70	OFF.SUP& EXP.-OVER & SHORT SCOTT	34.00	11.00	33.00	10.00	219.10						
921.80	OFF.SUP.& EXP.-OVER & SHORT BOK	34.00	11.00	33.00	10.00	219.10						
923.00	OUTSIDE SERVICES EMPLOYED	34.00	11.00	30.00	10.00	219.10						
924.00	PROPERTY INSURANCE	34.00	11.00	30.00	10.00	219.10						
925.00	INJURIES AND DAMAGES	34.00	11.00	30.00	10.00	219.10						
926.00	EMPLOYEES PENSIONS & BENEFITS	34.00	11.00	30.00	10.00	219.10						
928.00	REGULATORY COMMISSION EXPENSES	34.00	11.00	30.00	10.00	219.10						
929.00	DUPLICATE CHARGES-CREDIT ELECTRI	34.00	11.00	30.00	10.00	219.10						
930.00	MISC.GEN.EXP.-DIRECTORS EXPENSES	34.00	11.00	30.00	10.00	219.10						
930.10	MISC.GEN.EXP.-GENERAL ADVERTISG.	34.00	11.00	30.00	10.00	219.10						
930.11	KEY ACCOUNTS/MARKETING	34.00	11.00	30.00	10.00	219.10						
930.20	MISC.GEN.-CAPITAL CREDIT EXPENSE	34.00	11.00	30.00	10.00	219.10						
930.30	MISC.GEN.EXP.-DUES PD.ASSOC.ORG.	34.00	11.00	30.00	10.00	219.10						
930.40	MISC.GEN.EXP.-ANNUAL MEETING EXP	34.00	11.00	30.00	10.00	219.10						
930.50	MISC.GEN.EXP.-PROPERTY RECORDS	34.00	11.00	30.00	10.00	219.10						
931.00	RENTS - BRANCH OFFICES	34.00	11.00	30.00	10.00	219.10						
932.10	MAINT. GEN. PLANT-STRUCTURES	34.00	11.00	30.00	10.00	219.10						
932.20	MAINT.GEN.PLANT-OFFICE EQUIPMENT	34.00	11.00	30.00	10.00	219.10						

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ACCOUNT	DESCRIPTION	---RUS---	INC	LINE	---	TVA	---	MARGIN	INACTIVE	BANK TRANSIT	BANK NAME	ACCT LENGTH
		B/S	INC	LINE	B/S	INC	LINE	ACCT		ABA NBR	BANK ACCOUNT	
932.40	MAINT.GEN.PLANT-STORE EQUIPMENT	34.00	11.00	30.00	10.00	10.00	219.10					
932.50	MAINT.GEN.PLT.-TOOL,SHOP,GARAGE	34.00	11.00	30.00	10.00	10.00	219.10					
932.60	MAINT.GEN.PLT.-LABORATORY EQUIP.	34.00	11.00	30.00	10.00	10.00	219.10					
932.70	MAINT. OF POWER OPERATED EQUIP.	34.00	11.00	30.00	10.00	10.00	219.10					
932.80	MAINT.GEN.PLT.-COMMUNICATION EQ.	34.00	11.00	30.00	10.00	10.00	219.10					
932.90	MAINT.GEN.PLT.-MISC. EQUIPMENT	34.00	11.00	30.00	10.00	10.00	219.10					
935.00	MAINTENANCE OF GENERAL PLANT	34.00	11.00	30.00	10.00	10.00	219.10					

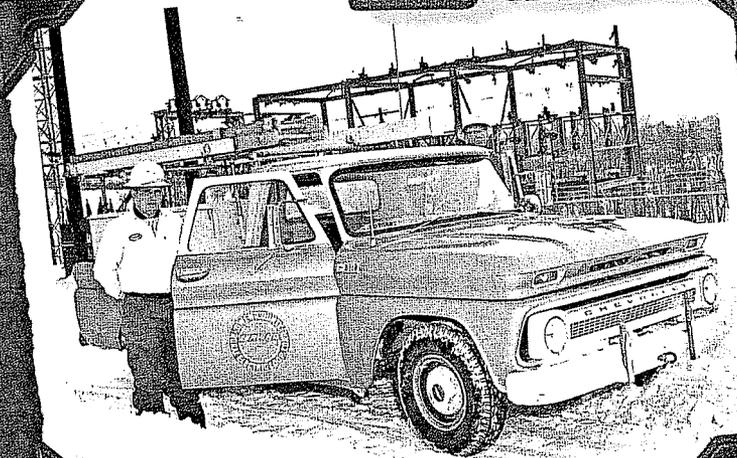
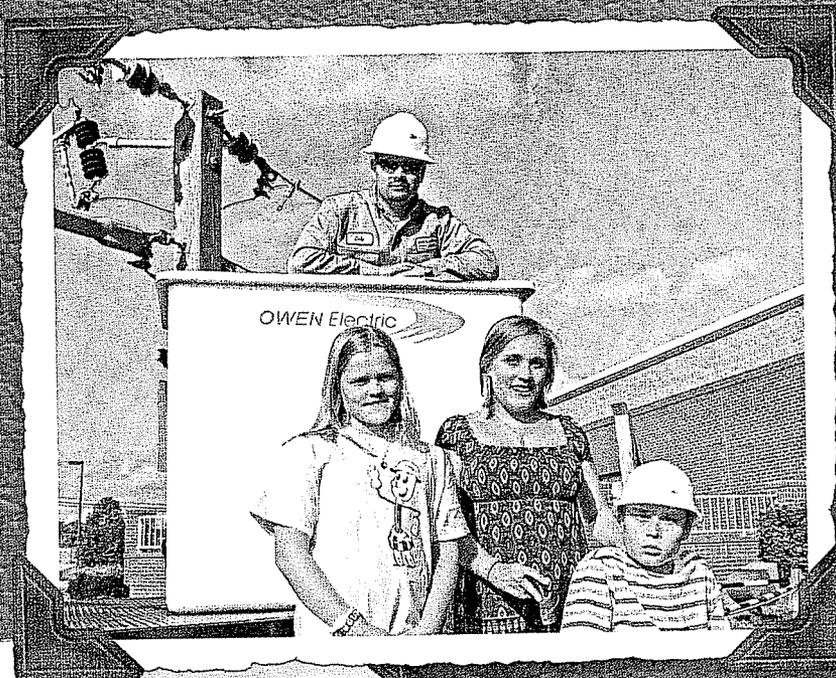
TOTAL ACCOUNTS 397

INCOME 139
 BAL/SHEET 258

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A POWERFUL HISTORY

A future built on a strong foundation



OWEN ELECTRIC COOPERATIVE
2011 ANNUAL REPORT

THE BUSINESS OF RELIABLE AND AFFORDABLE ELECTRICITY

The annual report for 2011 finds Owen Electric Cooperative in a strong position to continue the business of providing reliable and affordable electricity.

That kind of success has come as a result of the traditions and values that first started the co-op in 1937.

Owen Electric was not founded to make money for shareholders.

Instead, the grandparents and great-grandparents of our community joined together for the sole purpose of bringing affordable electricity to the countryside.

To achieve that goal, they used a unique business model that matched their mission—a not-for-profit co-op owned by the members it served.

And they worked with other electric co-ops forming around the country to develop innovative technical solutions—the little-known job of distributing electricity into rural America required creative engineering work.

In 2011, Owen Electric employed those techniques of technical and organizational innovation to meet today's requirements.

Rising costs are at the top of most of our minds these days, and subsequently guides the focus of Owen Electric. The high-tech present and future of the smart grid promises more efficient management of the flow and delivery of electricity. Owen Electric has been keeping its system up to date with proven smart meters and other technology.

Savings are also available right in your own home through a variety of energy-efficient home improvements. Every month, *Kentucky Living* magazine delivers, right to your mailbox, numerous tips to save money on electricity. You can get specific questions answered about the best steps to take in your own home, by calling Owen Electric.

Two major factors causing higher

electricity costs are the addition of electric generating capacity to meet growing demand, and increasing environmental rules for cleaner and greener energy.

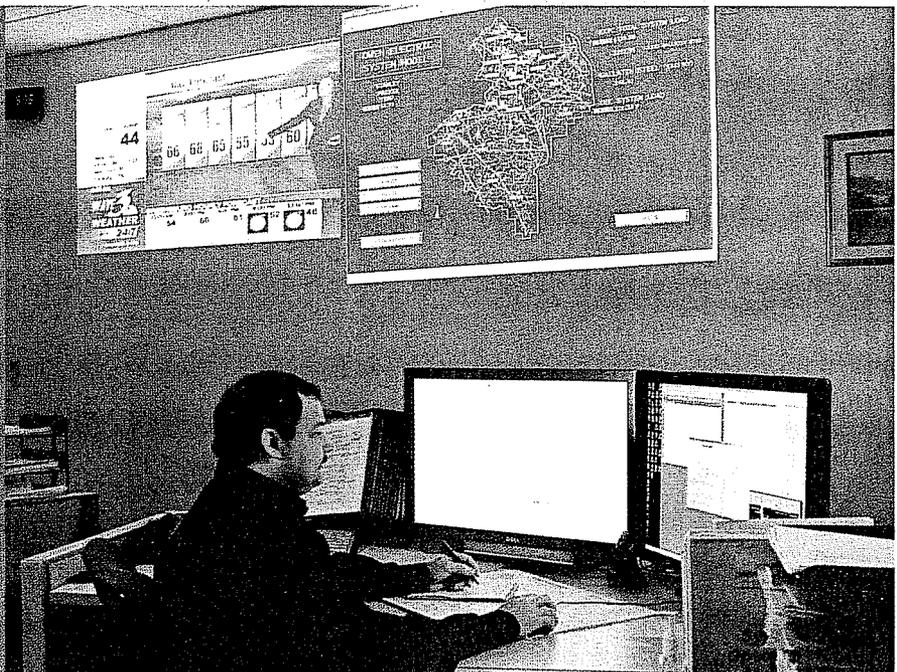
Last year, Owen Electric continued to meet these goals head-on. Home energy efficiency not only saves you money in your house, but can also slow the need for expensive new power plants. Owen Electric has also worked to explore all available sources of energy. Coal will continue to generate nearly all our electricity at rates that are among the lowest in the nation. But green power, produced by burning landfill gas, is also available—just call and ask about the EnviroWatts program.

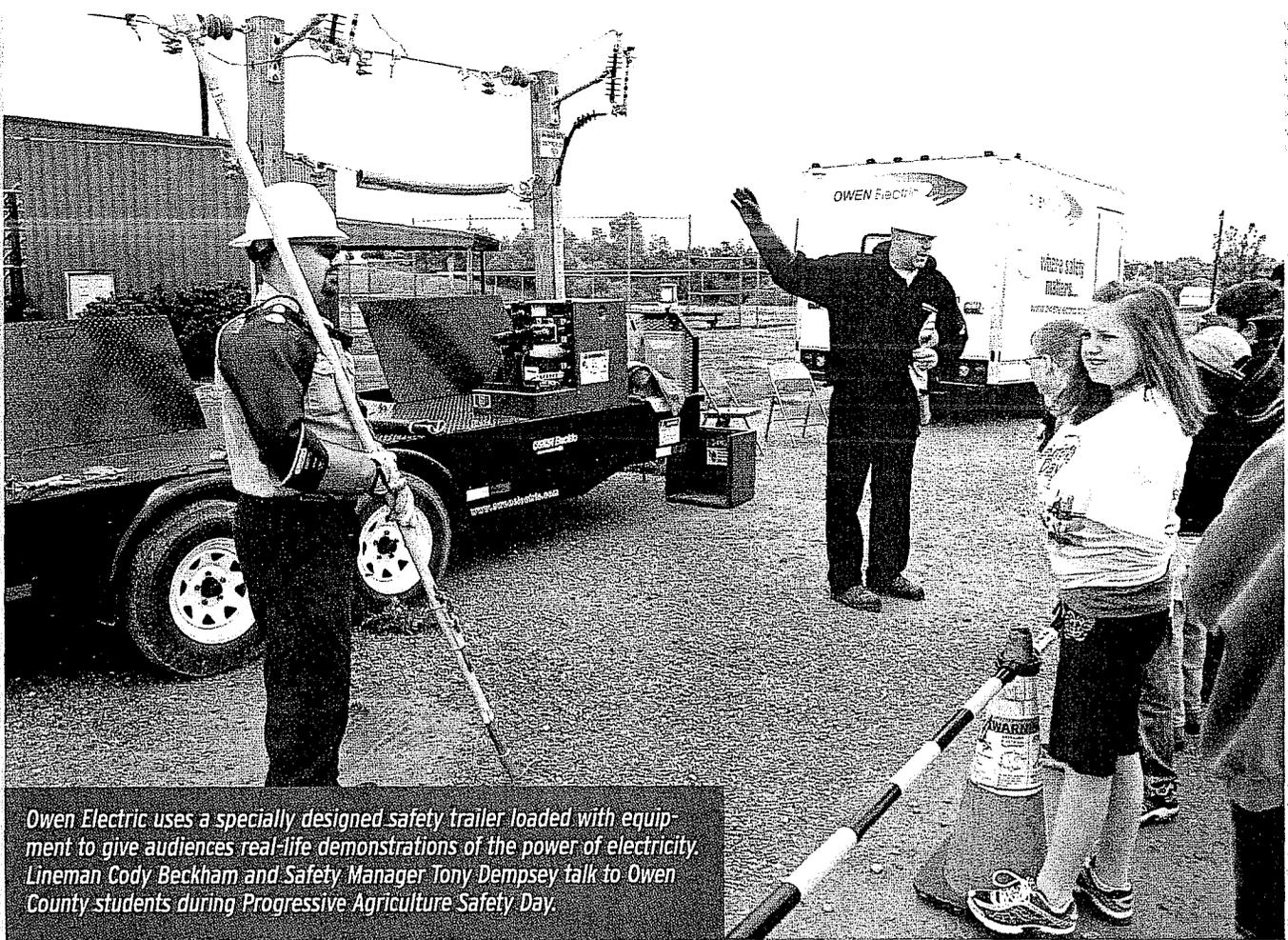
In today's economy, Owen Electric finds success in relying on its historic values of dedication, first and foremost, to providing reliable and affordable electricity to the co-op members and our community.

ON THE COVER

The heritage of Owen Electric Cooperative's powerful history is shown on the cover from the dedicated employees performing in all weather, shown on the lower left of the cover, to the recognition of members since annual meetings of the 1950s, shown at lower right, to the involvement of members of all ages with Owen Electric Co-op activities, shown in the center of the cover with a photo from last year's annual meeting.

RIGHT Owen Electric Co-op's historic values mean operating the utility with the latest technology, including its outage management system and automated electric metering systems. Photo: David Modica





Owen Electric uses a specially designed safety trailer loaded with equipment to give audiences real-life demonstrations of the power of electricity. Lineman Cody Beckham and Safety Manager Tony Dempsey talk to Owen County students during Progressive Agriculture Safety Day.

KEEPING SAFETY TRADITIONS UP TO DATE

With reliable and affordable electricity, the centerpiece of what Owen Electric does, safety is the top and constant concern of how that electricity gets delivered.

Electricity's power also makes it dangerous, even deadly, when it's misused; Owen Electric continued in 2011 to keep its members aware of the importance of using electricity safely.

Regular safety notices, ads, and articles appeared in the pages of *Kentucky Living* about how to avoid electricity's hazards. More detailed information is always available through the Internet on the Owen Electric Web site, www.owenelectric.com; through Facebook at www.facebook.com/

www.owenelectric.com; and Twitter at www.twitter.com/owenelectric.

Electric safety also gets up close and personal through Owen Electric's presentations to school and other community groups where co-op linemen use a trailer loaded with small-scale power lines and transformers to exhibit the dangers of electricity in everyday life.

And if electric safety around the home deserves our respect and caution, the threats are even greater for Owen Electric linemen, whose job it is to work every day maintaining the powerful equipment to keep it humming with electric current. That's why Owen Electric pays special attention to the safety of the linemen doing this important and dangerous work.

That attention starts with hiring the most qualified linemen, with high levels of technical knowledge, as well as a feeling for the co-op members and attention to the details of safe work habits and practices, for their sake and the sake of their fellow workers.

Owen Electric follows through on that start by providing ongoing training to stay up to date with technical knowledge, practice to keep skills sharp, and programs to keep safety at the top of the mind at all times.

In 2011 and into the future, Owen Electric continues to write a history of the safe use of electricity for members and employees.

ALWAYS A PART OF OUR COMMUNITY

The world headquarters for Owen Electric is located right here in our community.

It always has been and it always will be.

That's because all its customers live here. And since all of those customers are also all of the owners, Owen Electric is as much a part of our community as the community itself.

That means for Owen Electric to thrive, the community must thrive. You see the results of that local con-

cern in the importance the co-op places on providing reliable and affordable electricity for all its members. You see it in the support the co-op gives to area student scholarship and education programs. You see it after a storm when Owen Electric crews work through the night, weekends, and bad weather to restore your electricity. You see it in the activities of the co-op employees, who spend time outside of work volunteering in a wide variety of local groups and

activities working to improve life in our community.

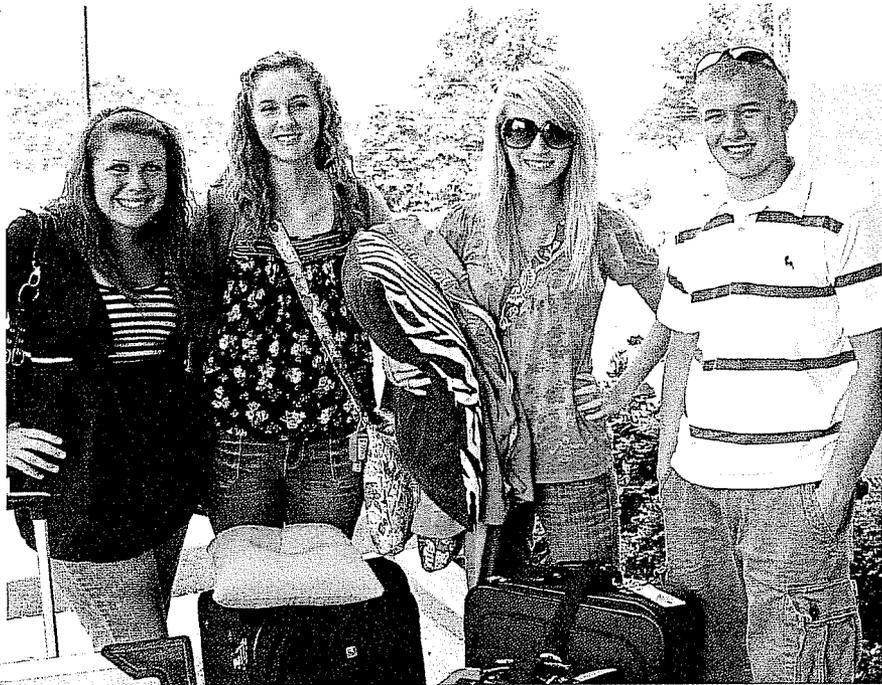
Few businesses have annual meetings like this one. Every member is invited, because they're all owners, and each has a vote for a director, who must be a member-owner of the co-op.

That's the way it's been since the beginning of Owen Electric. It's a powerful history of success since its beginning, through 2011, and far into the future.

75 YEARS OF PROUD HISTORY

In 1937, 57 of our parents and grandparents came together for the first annual meeting of Owen County Rural Electric Cooperative. Each contributed a \$5 application fee and a loan contract was signed with the Rural Electrification Administration for \$130,000 to build 130 miles of line to serve about 500 county residents. In January 1938 the co-op energized its first lines.

Today, Owen Electric Cooperative serves 57,462 members in all or parts of nine counties, over 4,509 miles of line.



From educating school children about home economics and electricity when co-ops first started, to sponsoring scholarship visits to the WWII Memorial and other educational and historical sites in Washington, D.C., Owen Electric continues its proud historical traditions.

OWEN Electric

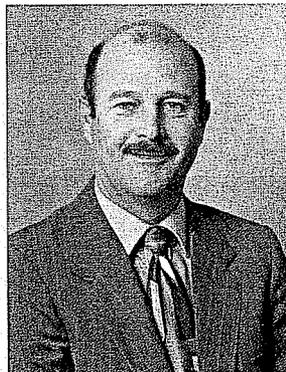
A Touchstone Energy Cooperative 



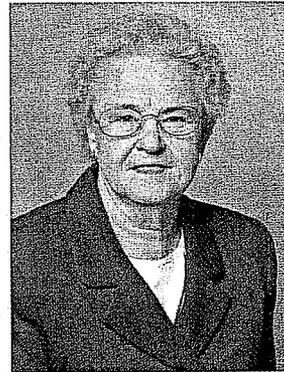
Frank Jackson
District 6, Chairman



John Grant
District 5, Vice Chairman



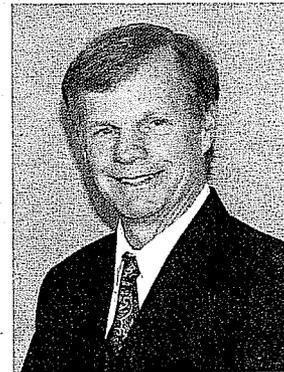
Eddie McCord
District 2, Secretary/Treasurer



Ann Bond
District 1



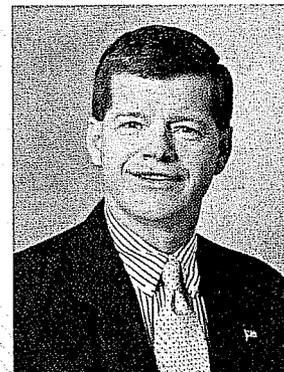
Robert True
District 3



Alan Ahrman
District 4



Hope Kinman
District 7



James Crawford
Attorney



Mark Stallons
President and CEO

Official Business Meeting Agenda ANNUAL MEETING OF MEMBERS Owen Electric Cooperative Inc.

The annual meeting of the members of Owen Electric Cooperative will be held at Grant County High School, Dry Ridge, Kentucky, at 7:00 p.m., Eastern Daylight Time, Friday, June 29, 2012. The business session will be held for the purpose of taking the following actions:

- Report of the Officers and Directors.
- The election of two (2) Directors to serve for three (3) years each.
- To consider any and all other business that may properly come before the meeting or any adjournment or adjournments thereof.

In connection with the election of Directors scheduled for this meeting, the following cooperative members have been nominated by the Committee of Nominations appointed by the Board of Directors of the corporation pursuant to its bylaws.

For Three-Year Terms
Eddie McCord, District 2
Frank Jackson, District 6

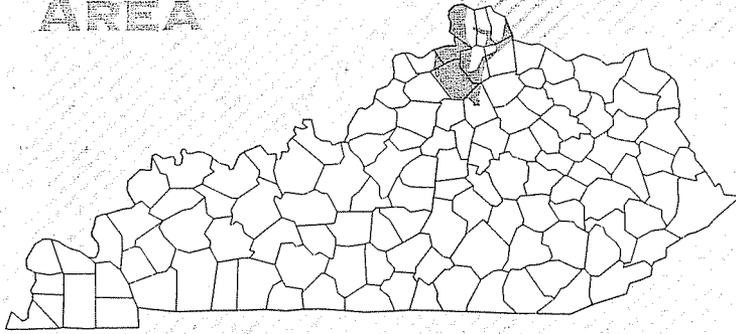
Registration of members will start at 4:30 p.m., Eastern Daylight Time, Friday, June 29, 2012. All members must register in order to be eligible to participate in the business meeting and prize drawings and receive appreciation gifts. (Proper ID required for registration).

A program of entertainment will be presented.

Owen Electric Cooperative, Inc.

Eddie McCord, Secretary

SERVICE AREA



MEMBERS SERVED IN 2011

Boone	20,602
Kenton	11,831
Grant	6,910
Owen	4,985
Pendleton	3,439
Campbell	3,558
Gallatin	3,273
Scott	1,816
Carroll	1,048
Total	57,462

ACCOUNTS BILLED

2011..... 57,462

Average Kilowatt-hour Use
(Residential per month)

2011..... 1,139

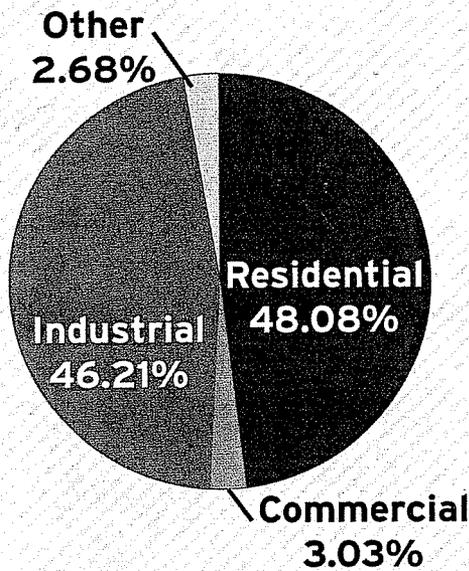
Miles of Line

2011..... 4,509

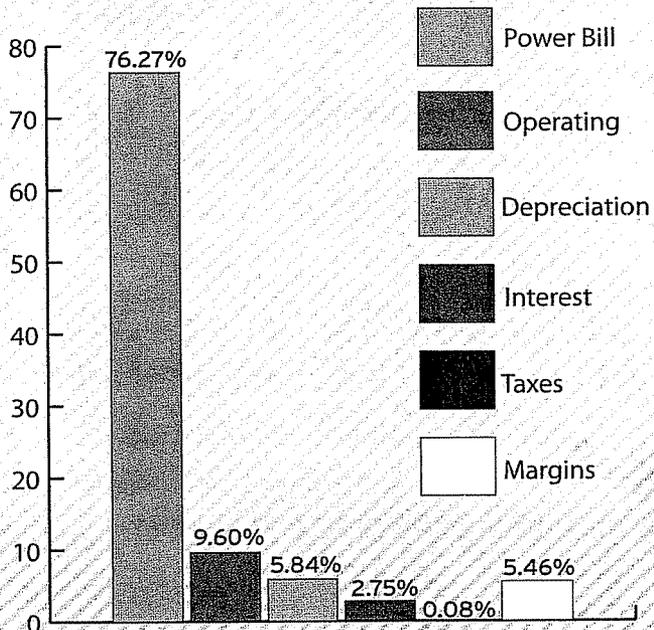
Consumers Per Mile

2011..... 13

REVENUE SOURCES



MAJOR COSTS



OWEN Electric

A Touchstone Energy Cooperative 

STATEMENT OF OPERATIONS

For the Year Ending December 31, 2011

Operating Revenue	\$164,646,471
Operating Expense	
Purchased Power	\$131,922,578
Operating System	16,613,603
Depreciation	10,101,183
Taxes	141,730
Interest on Loans	4,678,321
Other Deductions	79,253
Total Cost of Electric Service	\$163,536,668
Operating Margins	1,109,803
Non-Operating Margins	231,098
G & T Capital Credits	8,102,709
Other Capital Credits	-
Patronage Capital and Margins	9,443,610

BALANCE SHEET

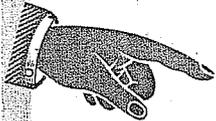
For the Year Ending December 31, 2011

ASSETS	
Total Utility Plant	\$225,727,811
Less Depreciation	91,798,215
Net Utility Plant	\$133,929,596
Investment in Assoc. Organization	\$39,238,721
Cash	3,007,783
Notes Receivable	-
Accounts Receivable	16,909,151
Inventory	931,803
Expenses Paid in Advance	553,232
Regulatory Assets	1,895,427
Deferred Debits and Other Assets	702,658
Total Assets	\$197,168,371
LIABILITIES	
Consumer Deposits	\$2,865,445
Memberships and Other Equities	72,212,963
Long-Term Debt	90,369,086
Notes and Accounts Payable	18,940,949
Other Current Liabilities	3,759,535
Noncurrent Liabilities	9,020,393
Total Liabilities	\$197,168,371

OWEN Electric

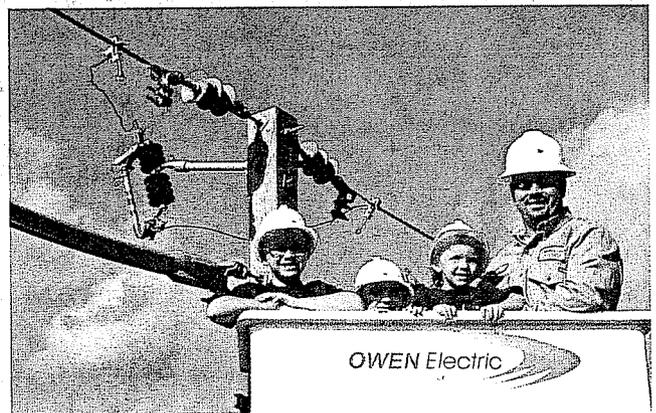
A Touchstone Energy Cooperative 

Music by:



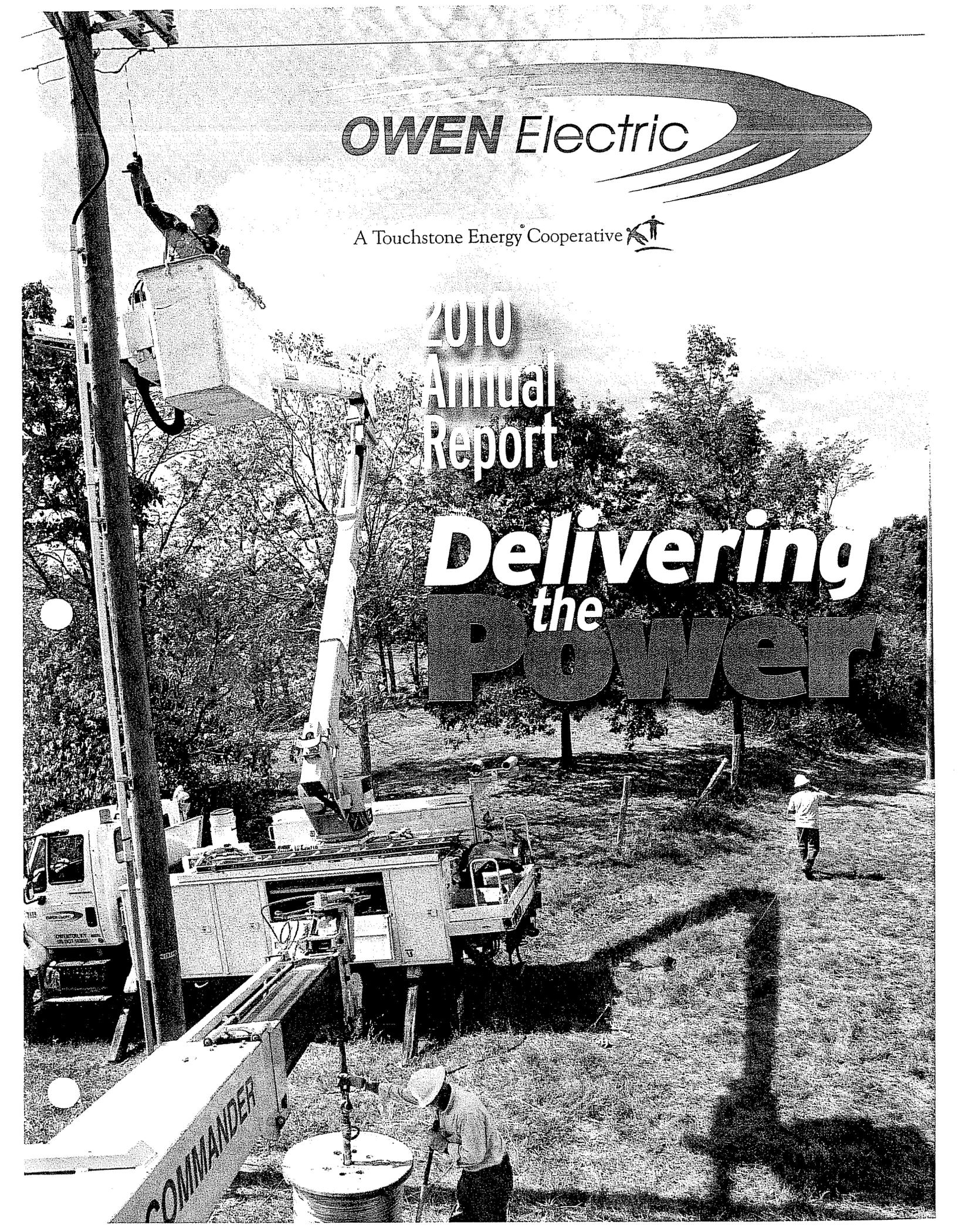
- Bounce Inflatables
- Meal by Grant County Cattleman's Association
- 75th Anniversary Appreciation Gifts
- Prize Drawings
- Kids Photo with Bucket & Lineman

ANNUAL MEETING 2012 FRIDAY JUNE 29



Grant Co. High School
Dry Ridge, KY
Registration: 4:30 p.m.
Business meeting: 7:00 p.m.

www.owenelectric.com
Connect @  



OWEN Electric

A Touchstone Energy Cooperative 

2010
Annual
Report

**Delivering
the
Power**

Monopoly.
Great Power
Great Responsibility

The report of the past year's successful operations at Owen Electric Cooperative includes attention to the latest utility technology as well as the hard, dangerous, physical labor of putting up poles and stringing lines.

Delivering the Power

IT'S A HIGH-TECH, PUSHBUTTON WORLD.

TV remotes change channels with hardly a twitch of our hand. Tiny phones bring the world to our fingertips. The microwave heats the soup and the fridge cools the soda without striking a match or hauling a block of ice.

These everyday amazements come so easily we forget how they get to us.

To string the power lines, wood poles weighing 1,200 pounds need to be raised every 100–300 feet. Before that, a hole needs to be drilled, 5–7 feet deep, through whatever clay or rock the ground offers. Transformers, weighing 400 pounds each, need to be hoisted to the top of the 40-foot-high poles so the high-voltage current can be stepped down to make it usable in your house.

All this lifting and hauling happens in most any weather—especially if a storm knocks out your power. Then, fallen trees must be cleared, poles put back up, and lines restrung no matter how many are

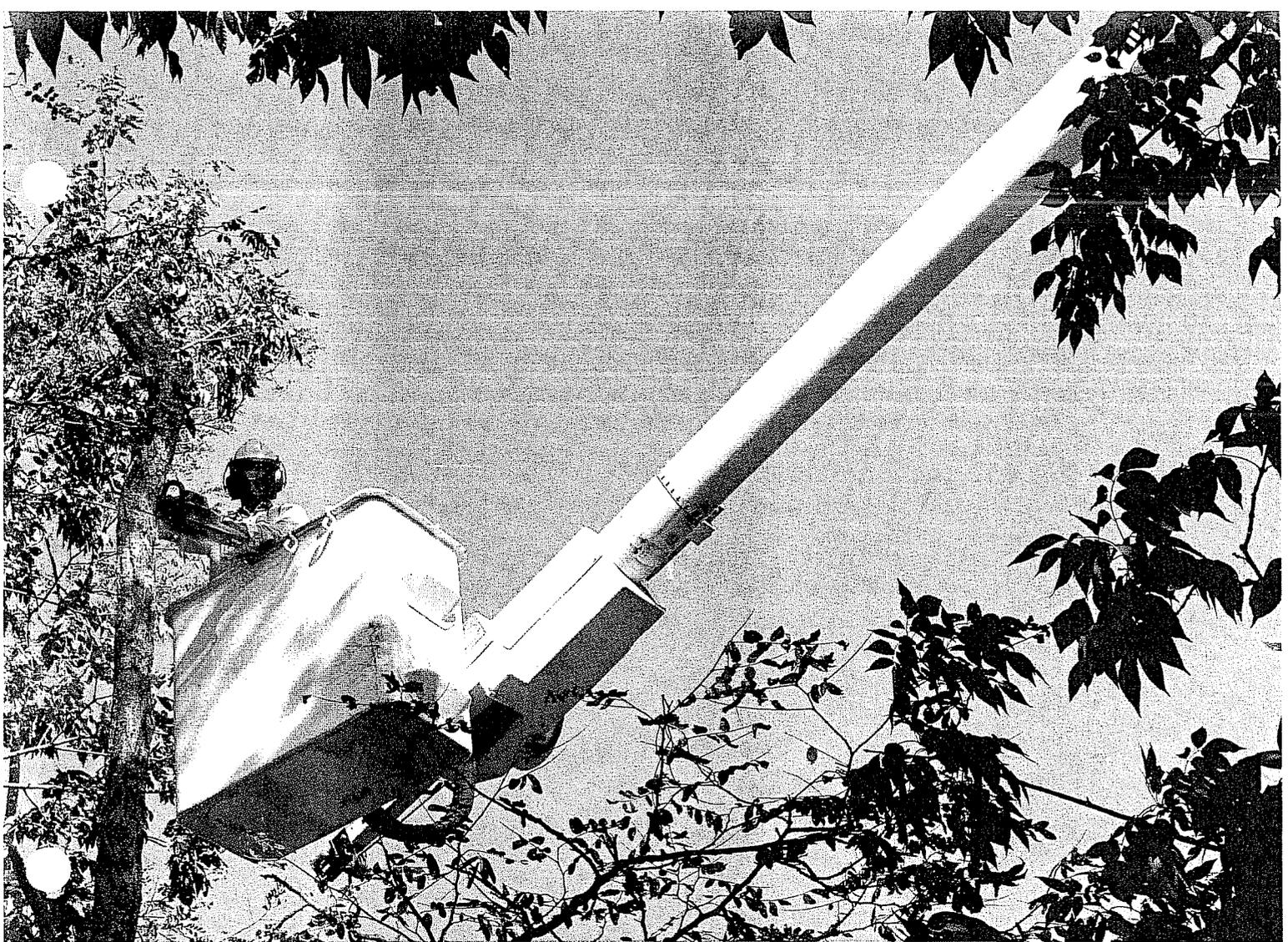
down, no matter if there's a bone-chilling blizzard, or a downpour on a hot, steamy day.

Add to all that the constant hazard of working around electricity, where skipping even the smallest safety procedure can result in permanent injury or death.

This year's annual report on Owen Electric pays tribute to the hard-working crews who keep our lights on day and night. It also serves as a reminder that even as we implement the latest technology, from satellite-based system monitoring to smart grid energy management systems, it is also taking care of the side of the business that calls for old-fashioned dedication to the tough, physical work of keeping your electricity reliable and affordable.

Delivering local values

Keeping your electricity reliable and affordable means running an extremely complex business at a high level at all times. In 2010, Owen Electric



Keeping your electricity flowing means year-round trimming of vegetation that could damage power lines. Here, Owen Electric Cooperative lineman Cody Beckham removes threatening branches near distribution lines.

posted another successful year.

Credit for that outstanding performance goes to a world-class staff. Maintaining the highest-quality electric service calls for competence, dedication, and constant attention to the co-op members. That consistent level of excellence is achieved in a variety of functions, from the people who greet you in the lobby and on the phone, to the billing, accounting, and member services staffs, technology experts, energy advisors, and administrative personnel, as well as the linemen and system operators.

In addition to placing a priority on first-rate employees, in 2010 safety continued to be a fundamental value for Owen Electric. Safety is a well-promoted watchword around the cooperative. It's a list of strictly enforced procedures for lineworkers on the job. Those regular reminders get reinforced with instruction, classwork, and training using local, state, and even national resources.

And our safety sense doesn't stop with its employ-

ees. Part of recognizing the power of electricity includes keeping co-op members and the general public safe as well. In the past year, Owen Electric has worked with co-ops all across Kentucky, to launch a strengthened safety awareness program that includes coordinated statewide announcements on radio stations and advertisements in *Kentucky Living* magazine.

A great staff and safety for employees and members will continue to be trademarks of the values of Owen Electric.

On the cover

Owen Electric Co-op line crews follow strict safety procedures to keep workers safe. Here, a line crew takes the time and works carefully to avoid accidents as part of a project to replace a pole for residential service. Photos by David Modica.

Harnessing state and national strength

The extreme complexity of generating and delivering reliable and affordable electric power calls for Owen Electric Cooperative to channel the resources of several state and national groups to our own community.

Your local co-op has great connections.

As one of the national Touchstone Energy co-ops, Owen Electric can access a strong national network of high standards and expertise that directly benefits our community.

Owen Electric's regional electric generation and transmission power provider ensures a stable supply of electricity at the best possible price, and supports a wide range of home energy-efficiency programs.

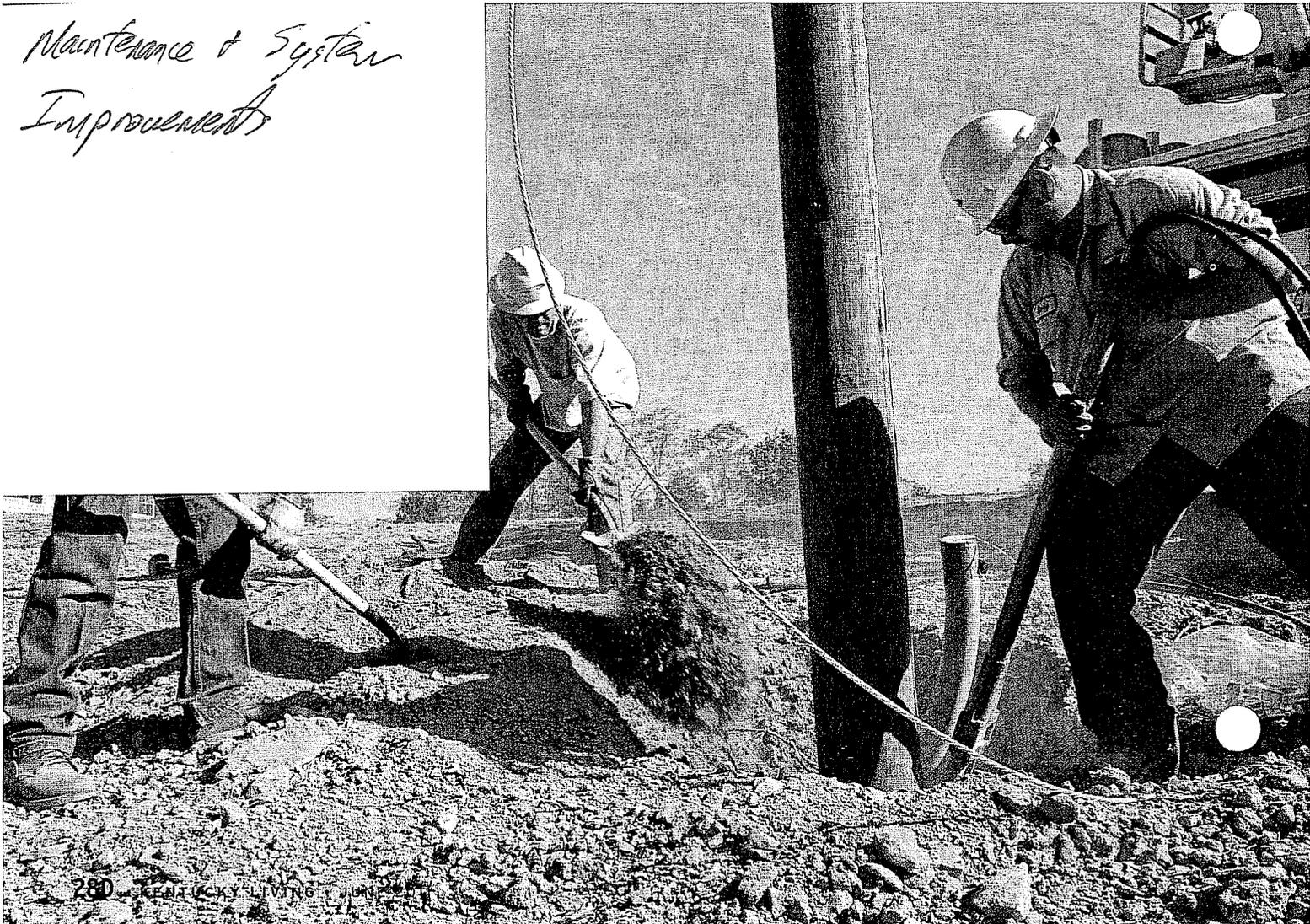
State and national electric co-op organizations supplement that network. The Kentucky Association of Electric Cooperatives offers a clearinghouse of information, safety training and consultation, and *Kentucky Living* magazine. The National Rural Electric Cooperative Association provides similar support, plus

employee benefits programs and a technical research and development program to improve the quality of electric service.

These state and national organizations also play effective roles in representing your interests before elected officials and policy makers in Frankfort and Washington, D.C. As energy and environmental issues become front-page news more regularly, it's important that you have a voice to help make sure that electricity in Kentucky is reliable and affordable. Through Owen Electric Cooperative, your interests are heard at the highest levels.

Replacing an old distribution line pole, like this Owen Electric Co-op project to disconnect a line and replace a pole for residential service, involves several hours of drilling a replacement hole, removing the old pole, and hoisting the new pole. Setting the pole in this photo are lineman Travis Duvall, foreman Aaron Alexander, and lineman Cody Beckham.

*Maintenance & System
Improvements*



of **Board Directors**

Official Business Meeting Agenda ANNUAL MEETING OF MEMBERS Owen Electric Cooperative Inc.

The annual meeting of the members of Owen Electric Cooperative will be held at Grant County High School, Dry Ridge, Kentucky, at 7:00 p.m., Eastern Daylight Time, Friday, June 24, 2011. The business session will be held for the purpose of taking the following actions:

- Report of the Officers and Directors.
- The election of three (3) Directors to serve for three (3) years each.
- To consider any and all other business that may properly come before the meeting or any adjournment or adjournments thereof.

In connection with the election of Directors scheduled for this meeting, the following cooperative members have been nominated by the Committee of Nominations appointed by the Board of Directors of the corporation pursuant to its bylaws.

For Three-Year Terms

Alan Ahrman District 4
John Grant District 5
Hope Kinman District 7

Registration of members will start at 4:30 p.m., Eastern Daylight Time, Friday, June 24, 2011.

All members must register in order to be eligible to participate in the business meeting and prize drawings and receive appreciation gifts. (Proper ID required for registration)

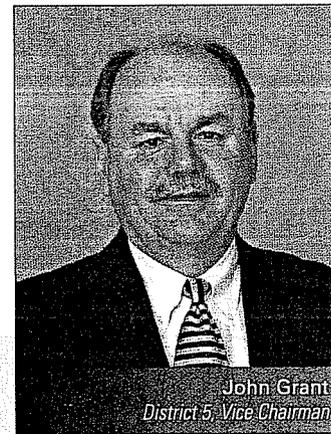
A program of entertainment will be presented.

Owen Electric Cooperative, Inc.

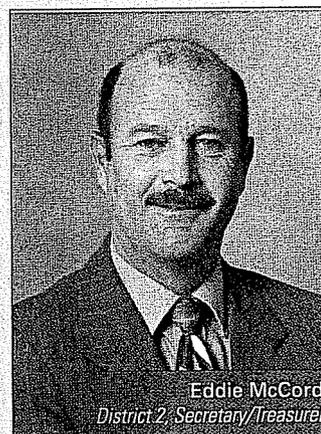
Eddie McCord, Secretary



Frank Jackson
District 6, Chairman



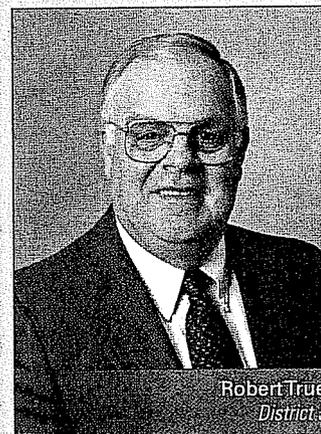
John Grant
District 5, Vice Chairman



Eddie McCord
District 2, Secretary/Treasurer



Ann Bond
District 1



Robert True
District 3



Alan Ahrman
District 4



Hope Kinman
District 7

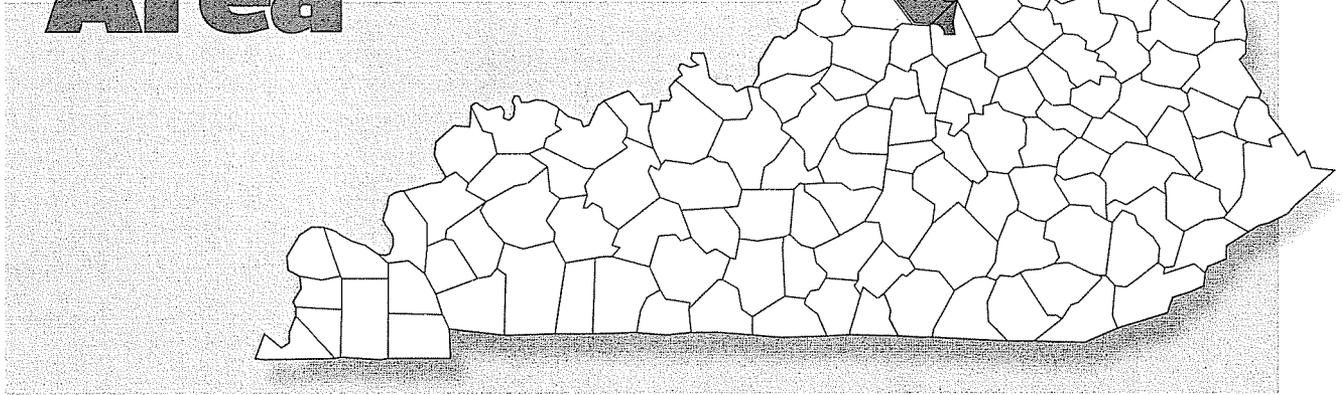


James Crawford
Attorney

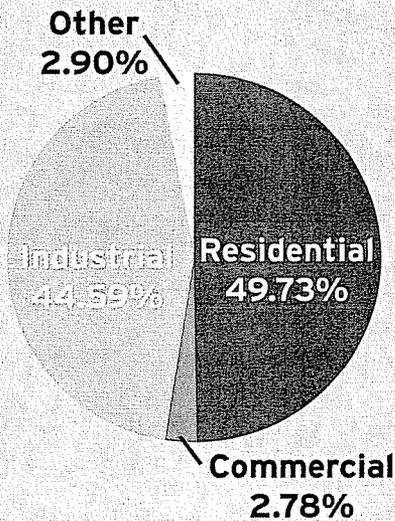


Mark Stallons
President and CEO

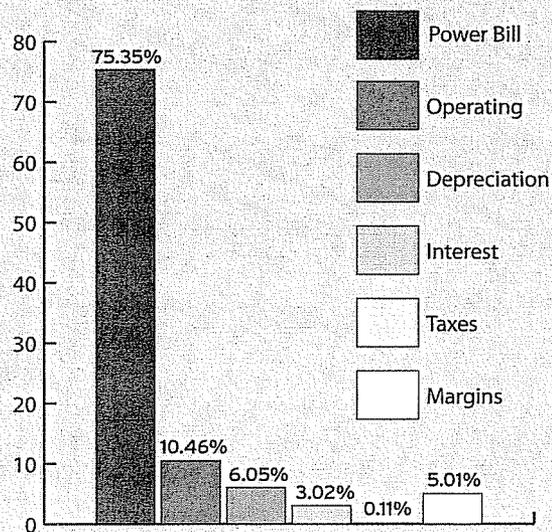
Service Area



Revenue Sources



Major Costs



Members Served in 2010

Boone.....	20,425
Kenton.....	11,710
Grant.....	6,953
Owen.....	5,021
Campbell.....	3,535
Pendleton.....	3,492
Gallatin.....	3,282
Scott.....	1,816
Carroll.....	1,054
Total.....	57,288

Accounts Billed

2010.....	57,288
-----------	--------

Average Kilowatt-hour Use

(Residential per month)

2010.....	1,179
-----------	-------

Miles of Line

2010.....	4,493
-----------	-------

Consumers Per Mile

2010.....	13
-----------	----

of **Statement Operations**

For the Year Ending December 31, 2010

Operating Revenue.....	\$156,031,216
Operating Expense	
Purchased Power	\$120,929,457
Operating System.....	16,779,874
Depreciation.....	9,706,032
Taxes.....	227,945
Interest on Loans	4,741,708
Other Deductions	100,101
Total Cost of Electric Service	\$152,485,117
Operating Margins.....	3,546,099
Non-Operating Margins	59,998
G & T Capital Credits	3,999,550
Other Capital Credits.....	422,159
Patronage Capital and Margins	8,027,806

Balance Sheet

For the Year Ending December 31, 2010

ASSETS

Total Utility Plant	\$217,086,977
Less Depreciation.....	83,535,212
Net Utility Plant	\$133,551,765

Investment in

Assoc. Organization.....	\$31,265,016
Cash	1,891,296
Accounts Receivable	9,540,307
Inventory.....	902,385
Expenses Paid in Advance	315,155
Deferred Debits and Other Assets.....	497,008
Total Assets.....	\$177,962,932

LIABILITIES

Consumer Deposits	2,741,394
Membership and Other Equities	65,109,703
Long-Term Debt	91,022,188
Notes and Accounts Payable	6,934,309
Other Current Liabilities.....	3,580,884
Noncurrent Liabilities.....	8,574,454
Total Liabilities.....	\$177,962,932

OWEN Electric

A Touchstone Energy[®] Cooperative 

Annual Meeting

2011

Friday, June 24

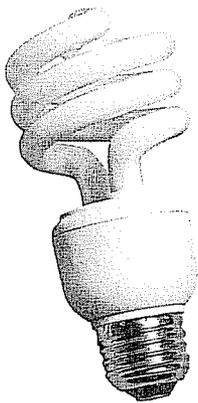
Grant County High School
Dry Ridge, KY

Registration: 4:30 p.m.

Business meeting: 7:00 p.m.



Children's Entertainment
Inflatable Fun Factory



**Free!
Energy-saving
light bulbs**

for members who
attend!

- *bounce inflatables*
- *meal provided*
- *appreciation gifts*
- *prize drawings*
- *buckets and bulbs*
- *kids' photo with bucket and lineman*



Featured Entertainment
The Downtown County Band

1
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Exhibit O
page 1 of
Witness: Alan Zumstein

Owen Electric Cooperative
Case No. 2012-00448
Computer Software Programs
June 30, 2012

Owen Electric has used Microsoft Excel and Word in the preparation of this Application.

Owen Electric Cooperative, Inc.

Audited Financial Statements

December 31, 2011 and 2010

Owen Electric Cooperative, Inc.

Table of Contents
December 31, 2011 and 2010

	<u>Page</u>
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Balance Sheets	2
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Statements of Changes in Members' and Patrons' Equities.....	4
Statements of Cash Flows	5
Notes to Financial Statements.....	6 - 14
Supplementary Information	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.....	15 - 16
Independent Auditor's Letter to Management.....	17 - 20



Mountjoy
Chilton
Medley LLP

Independent Auditor's Report

To the Board of Directors
Owen Electric Cooperative, Inc.
Owenton, Kentucky

We have audited the accompanying balance sheets of Owen Electric Cooperative, Inc. ("the Cooperative") as of December 31, 2011 and 2010 and the related statements of income, changes in members' and patrons' equities and cash flows for the years then ended. These financial statements are the responsibility of the Cooperative's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Owen Electric Cooperative, Inc. as of December 31, 2011 and 2010 and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated April 24, 2012, on our consideration of Owen Electric Cooperative, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

As discussed in Note L to the financial statements, the Cooperative changed its method of accounting for revenue and cost of purchased power, resulting in an adjustment to apply the new method retrospectively. Accordingly, the 2010 amounts have been restated to comply with the new accounting method.

Louisville, Kentucky
April 24, 2012

Louisville

2000 Meidinger Tower
462 South Fourth Street
Louisville, KY 40202

Lexington

175 East Main Street
Suite 200
Lexington, KY 40507

Frankfort

150 Flynn Avenue, Suite 100
P.O. Box 5630
Frankfort, KY 40602

Cincinnati

1440 PNC Center
201 East Fifth Street
Cincinnati, OH 45202

888.587.1719 | www.mcmcpa.com

An Independent Member of Baker Tilly International

Owen Electric Cooperative, Inc.
Balance Sheets
December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u> (as restated)
Assets		
Electric Plant in Service, net	\$ 133,929,596	\$ 133,551,765
Investments		
Investments in associated organizations	4,842,573	4,803,775
Investment in East Kentucky Power Cooperative	34,098,129	26,167,003
Other	2,484	2,454
Total Investments	<u>38,943,186</u>	<u>30,973,232</u>
Current Assets		
Cash and equivalents	3,006,333	1,889,846
Accounts receivable - customers (net of allowance for doubtful accounts of \$239,508 in 2011 and \$228,913 in 2010)	17,268,068	16,964,488
Materials and supplies	931,803	902,384
Prepayments and other	865,174	623,348
Total Current Assets	<u>22,071,378</u>	<u>20,380,066</u>
Deferred debits	<u>2,224,210</u>	<u>85,514</u>
Total Assets	<u>\$ 197,168,370</u>	<u>\$ 184,990,577</u>
Members' and Patrons' Equities and Liabilities		
Members' and Patrons' Equities		
Memberships	\$ 1,116,355	\$ 1,107,355
Patronage capital	69,084,512	60,647,535
Accumulated other comprehensive loss	(763,598)	(856,865)
Other equities	2,775,694	2,636,558
Total Members' and Patrons' Equities	<u>72,212,963</u>	<u>63,534,583</u>
Long-term Debt and Other Liabilities		
Long-term debt, less current maturities	86,362,876	87,849,962
Accrued sick leave	2,023,459	1,924,447
Postretirement benefits obligation	9,020,393	8,574,454
Total Long-term Debt and Other Liabilities	<u>97,406,728</u>	<u>98,348,863</u>
Current Liabilities		
Current portion of long-term debt	4,006,209	3,172,227
Lines-of-credit	5,812,938	1,777,611
Accounts payable	13,128,011	13,759,465
Accrued interest	92,236	112,676
Customer guaranty deposits	2,865,445	2,741,394
Other current liabilities	803,441	781,553
Total Current Liabilities	<u>26,708,280</u>	<u>22,344,926</u>
Deferred credits	<u>840,399</u>	<u>762,205</u>
Total Members' and Patrons' Equities and Liabilities	<u>\$ 197,168,370</u>	<u>\$ 184,990,577</u>

See accompanying notes.

Owen Electric Cooperative, Inc.
Statements of Income
Years Ended December 31, 2011 and 2010

	<u>2011</u>	<u>%</u>	<u>2010</u> <u>(as restated)</u>	<u>%</u>
Operating Revenue				
Sale of electric energy				
Residential	\$ 78,807,462	47.86 %	\$ 78,054,048	49.77 %
Commercial	81,071,624	49.24	73,914,839	47.13
Public authorities and outdoor lighting	<u>2,762,740</u>	<u>1.68</u>	<u>2,809,435</u>	<u>1.79</u>
Total Sale of Electric Energy	162,641,826	98.78	154,778,322	98.69
Other Revenue	<u>2,004,645</u>	<u>1.22</u>	<u>2,053,910</u>	<u>1.31</u>
Total Operating Revenue	164,646,471	100.00	156,832,232	100.00
Operating Expenses				
Cost of power	131,922,578	80.12	122,629,859	78.19
Distribution expense	8,665,811	5.26	9,240,836	5.89
Customer accounts expense	3,698,757	2.25	3,746,602	2.39
Customer services and information expense	635,126	0.39	555,474	0.35
Administrative and general expense	3,613,909	2.19	3,236,962	2.06
Depreciation	10,101,182	6.14	9,706,032	6.19
Taxes	<u>141,730</u>	<u>0.09</u>	<u>227,945</u>	<u>0.15</u>
Total Operating Expenses	<u>158,779,093</u>	<u>96.44</u>	<u>149,343,710</u>	<u>95.22</u>
Net Operating Income	5,867,378	3.56	7,488,522	4.78
Non-operating Income (Expense)				
Interest expense	(4,678,321)	(2.84)	(4,741,707)	(3.02)
Other margins	151,844	0.09	(40,104)	(0.03)
Patronage capital	<u>8,102,709</u>	<u>4.92</u>	<u>4,421,709</u>	<u>2.82</u>
Total Non-operating Income (Expense)	<u>3,576,232</u>	<u>2.17</u>	<u>(360,102)</u>	<u>(0.23)</u>
Net Margins	<u>\$ 9,443,610</u>	<u>5.73 %</u>	<u>\$ 7,128,420</u>	<u>4.55 %</u>

See accompanying notes.

Owen Electric Cooperative, Inc.
 Statements of Changes in Members' and Patrons' Equities
 Years Ended December 31, 2011 and 2010

	Memberships	Patronage Capital			Total	Accumulated Other Comprehensive Loss	Other Equities			Total Members' and Patrons' Equities
		Assignable	Assigned	Retired			Donated Capital	Retired Capital Credits Gains	Total	
Balance, January 1, 2010 (as restated)	\$ 1,114,450	\$ 3,826,755	\$74,280,721	\$ (23,144,737)	\$54,962,739	\$ (929,000)	\$ 47,525	\$ 2,383,009	\$ 2,430,534	\$57,578,723
Unrealized gain on accumulated pension benefit obligations	-	-	-	-	-	72,135	-	-	-	72,135
Memberships terminated, net of issuances	(7,095)	-	-	-	-	-	-	-	-	(7,095)
Retirements of patronage capital to estates of deceased members:										
Paid in cash	-	-	-	(176,269)	(176,269)	-	-	-	-	(176,269)
Applied to unpaid bills	-	-	-	(10,764)	(10,764)	-	-	-	-	(10,764)
General capital credit refund:										
Paid in cash	-	-	-	(658,056)	(658,056)	-	-	-	-	(658,056)
Applied to unpaid bills	-	-	-	(459,996)	(459,996)	-	-	-	-	(459,996)
Transferred to capital gains	-	-	-	(138,539)	(138,539)	-	-	183,640	183,640	45,101
Net margins	-	7,128,420	-	-	7,128,420	-	-	-	-	7,128,420
Assignment of patronage capital	-	(5,328,545)	5,328,545	-	-	-	-	-	-	-
Forfeiture of memberships	-	-	-	-	-	-	22,384	-	22,384	22,384
Balance, December 31, 2010 (as Restated)	1,107,355	5,626,630	79,609,266	(24,588,361)	60,647,535	(856,865)	69,909	2,566,649	2,636,558	63,534,583
Unrealized gain on accumulated pension benefit obligations	-	-	-	-	-	93,267	-	-	-	93,267
Memberships issued, net of terminations	9,000	-	-	-	-	-	-	-	-	9,000
Retirements of patronage capital to estates of deceased members:										
Paid in cash	-	-	-	(219,858)	(219,858)	-	-	-	-	(219,858)
Applied to unpaid bills	-	-	-	(12,769)	(12,769)	-	-	-	-	(12,769)
General capital credit refund:										
Paid in cash	-	-	-	(303,650)	(303,650)	-	-	-	-	(303,650)
Applied to unpaid bills	-	-	-	(414,654)	(414,654)	-	-	-	-	(414,654)
Transferred to capital gains	-	-	-	(55,702)	(55,702)	-	-	136,122	136,122	80,420
Net margins	-	9,443,610	-	-	9,443,610	-	-	-	-	9,443,610
Assignment of patronage capital	-	(7,128,420)	7,128,420	-	-	-	-	-	-	-
Forfeiture of memberships	-	-	-	-	-	-	3,014	-	3,014	3,014
Balance, December 31, 2011	\$ 1,116,355	\$ 7,941,820	\$86,737,686	\$ (25,594,994)	\$69,084,512	\$ (763,598)	\$ 72,923	\$ 2,702,771	\$ 2,775,694	\$72,212,963

See accompanying notes.

Owen Electric Cooperative, Inc.
Statements of Cash Flows
Years Ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u> (as restated)
Cash Flows from Operating Activities		
Net Margins	\$ 9,443,610	\$ 7,128,420
Non-cash expenses included in net margins		
Patronage capital assigned but not paid by associated organizations	(8,102,709)	(4,421,709)
Depreciation	10,101,182	9,706,032
Bad debt expense	137,496	189,996
Loss on disposition of general plant	2,329	60,874
Charges for postretirement benefits obligation	445,939	527,368
Changes in current and non-current assets and liabilities:		
Accounts receivable	(441,076)	(2,412,054)
Materials and supplies	(29,419)	68,899
Prepayments and other	(241,826)	312,833
Accounts payable	(631,454)	2,165,159
Customer guaranty deposits	124,051	38,417
Accrued interest and other current liabilities	1,448	(364,928)
Accrued sick leave	99,012	141,180
Net Cash Provided by Operating Activities	<u>10,908,583</u>	<u>13,140,487</u>
Cash Flows from Investing Activities		
Increase in deferred debits	(2,138,696)	(77,617)
Increase in deferred credits	78,194	147,699
Additions to electric plant in service	(8,894,646)	(10,182,662)
Removal cost	(1,586,696)	(1,244,242)
Patronage capital received from associated organizations	<u>132,755</u>	<u>183,946</u>
Net Cash Used in Investing Activities	<u>(12,409,089)</u>	<u>(11,172,876)</u>
Cash Flows from Financing Activities		
Proceeds from long-term notes payable	4,250,000	-
Payment of principal on long-term notes payable	(4,903,105)	(3,179,367)
Membership fees	9,000	(7,095)
Patronage capital paid out	(774,230)	(1,165,465)
Net activity on lines-of-credit	<u>4,035,327</u>	<u>1,777,611</u>
Net Cash Provided by (Used in) Financing Activities	<u>2,616,992</u>	<u>(2,574,316)</u>
Increase (Decrease) in Cash and Equivalents During the Year	1,116,487	(606,705)
Cash and Equivalents, Beginning of Year	<u>1,889,846</u>	<u>2,496,551</u>
Cash and Equivalents, End of Year	<u>\$ 3,006,333</u>	<u>\$ 1,889,846</u>
Supplemental Disclosures of Cash Flow Information		
Interest paid	\$ 4,698,761	\$ 4,745,401

See accompanying notes.

Owen Electric Cooperative, Inc.
Notes to Financial Statements
December 31, 2011 and 2010

Note A - Nature of Operations

Owen Electric Cooperative, Inc. (the Cooperative) is engaged in distributing power to its member consumers throughout nine northern Kentucky counties. The audited financial statements are prepared in accordance with policies prescribed or permitted by the Kentucky Public Service Commission (KPSC) and the United States Department of Agriculture Rural Utilities Services (RUS), which conform with generally accepted accounting principles as applied to regulated enterprises. The more significant of these policies are as follows.

Note B - Summary of Significant Accounting Policies

1. Basis of Accounting: The financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") is the sole source of authoritative accounting technical literature for nongovernmental entities. The significant accounting policies are described below to enhance the usefulness of the financial statements to the reader.
2. Cash and Equivalents: For purposes of the statement of cash flows, the Cooperative considers short-term investments having maturities of three months or less at time of purchase to be cash equivalents.
3. Accounts Receivable: Accounts receivable consists of amounts due for sales of electric energy, which were not received by the Cooperative at year-end. Based on management's evaluation of uncollected accounts receivable at the end of each year, bad debts are provided for on the allowance method.
4. Materials and Supplies: The Cooperative values materials and supplies at the lower of cost or market. Cost is determined using the average cost method.
5. Deferred Debits: Regulatory requirements authorized by the Kentucky Public Service Commission allow the electric supplier to impose a fuel adjustment surcharge upon the Cooperative. In turn, the Cooperative is required to pass on the fuel surcharge to the consumer. Due to the regulatory requirements in calculating the surcharge the Cooperative may experience an over or under recovery of the fuel adjustment surcharge. In 2011, the Cooperative elected to record the under or over recovery on the financial statements as an asset in deferred debits or a liability in deferred credits, respectively. The under recovery at December 31, 2011 was \$1,895,427.
6. Electric Plant in Service: Utility plant is stated at original cost. Maintenance and repairs, including the cost of renewals of minor items of property, are charged to maintenance expense accounts. Replacements of property (exclusive of minor items) are charged to the utility plant accounts.

Depreciation is provided using the straight-line method at rates which are designed to amortize the cost of depreciable plant, net of estimated salvage value, over its estimated useful life. The composite depreciation rate for distribution plant was approximately 4.5% for both 2011 and 2010. General plant is being depreciated using specific identification straight-line method over the following estimated useful lives:

Structures and improvements	5 - 50
Miscellaneous equipment	5 - 20
Office, stores and lab equipment	5 - 20
Communication equipment	12
Transportation equipment	4 - 10
Power-operated equipment	7

Owen Electric Cooperative, Inc.
Notes to Financial Statements (Continued)
December 31, 2011 and 2010

Note B - Summary of Significant Accounting Policies (Continued)

6. Electric Plant in Service (Continued): When distribution plant is retired or otherwise disposed of in the normal course of business, an estimate of its cost, together with the cost of removal less salvage, is charged to the accumulated provision for depreciation. Gains and losses resulting from the sale or disposal of general plant are recognized in income currently.

The major classifications of electric plant in service were as follows:

	December 31,	
	2011	2010
Distribution plant	\$ 198,096,116	\$ 187,591,160
General plant	24,843,816	24,567,321
Construction in progress	2,787,879	4,928,496
	225,727,811	217,086,977
Accumulated Depreciation	91,798,215	83,535,212
Electric Plant in Service, net	\$ 133,929,596	\$ 133,551,765

7. Revenue and Cost of Purchased Power: Historically, revenue was recognized in the period in which billings were rendered to members. The cost of power was recognized in the period in which billings were received by the Cooperative. During the year ended December 31, 2011, the Cooperative changed its method of accounting for revenue and cost of purchased power (Note L). Revenue is now recognized in the period used and the power costs are recognized in the period incurred.
8. Advertising Costs: The Cooperative records advertising expenses as they are incurred. Advertising expense amounted to \$289,905 and \$298,236 for the years ended December 31, 2011 and 2010, respectively.
9. Investments in Associated Organizations: The Cooperative follows the method of accounting as prescribed by the RUS Uniform System of Accounts in accounting for its investment in associated organizations. This accounting method results in the Cooperative recognizing in income its pro rata share of the associated organization's net margins in the year such margins are assigned. This accounting method does not provide for similar treatment for any losses of the associated organizations. Rather, such losses would not be assigned to member organizations and no additional margins are assigned until subsequent cumulative margins exceed prior cumulative losses.
10. Accrued Sick Leave: The Cooperative has a policy to pay available but untaken sick leave to employees who leave service. Such paid sick leave allows 100% of accrued sick leave for retiring employees, 100% of accrued sick leave for deceased employees (payment is made to deceased employees' beneficiary) and 20% of annual base salary for employees who voluntarily leave service prior to reaching retirement age.
11. Use of Estimates: Management uses estimates and assumptions in preparing these financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Owen Electric Cooperative, Inc.
Notes to Financial Statements (Continued)
December 31, 2011 and 2010

Note B - Summary of Significant Accounting Policies (Continued)

12. Subsequent Events: Subsequent events for the Cooperative have been considered through the date of the Independent Auditor's Report which represents the date the financial statements were available to be issued.
13. Other: The Cooperative has a collective bargaining agreement with 60% of its employees which expires August 31, 2012.

Note C - Investments in Associated Organizations

East Kentucky Power Cooperative:

The Cooperative's investment of \$34,098,129 in EKPC, the sole supplier of power to the Cooperative, represents the Cooperative's equity ownership interest (approximately 11%) in EKPC. The Cooperative owed EKPC \$11,998,759 and \$3,956,022 at December 31, 2011 and 2010, respectively. These amounts are included in accounts payable on the balance sheet.

The Cooperative is contingently liable for long-term obligations of EKPC related to Charleston Bottoms to RUS and the National Rural Utilities Cooperative Finance Corporation in the amount of \$333,000 and \$454,000 at December 31, 2011 and 2010, respectively.

Other Associated Organizations:

Investments in other associated organizations consisted of:

	December 31,	
	2011	2010
United Utility Supply Cooperative	\$ 929,895	\$ 914,309
Kentucky Association of Electric Cooperatives, Inc.	116,974	116,974
National Rural Utilities Cooperative Finance Corporation	599,715	569,089
Capital Term Certificates of National Rural Utilities Cooperative Finance Corporation	2,409,387	2,409,387
Southeastern Data Cooperative, Inc.	160,947	171,476
Other	625,655	622,540
	<u>\$ 4,842,573</u>	<u>\$ 4,803,775</u>

Substantially all of such investments, which consist mainly of patronage capital in the associated organization and capital term certificates are restricted by the respective organization and are not currently available for distribution. The patronage capital will be available to the Cooperative if the Cooperative should terminate its investment in the associated organization. The capital term certificates are not available until the related debt is paid off, currently expected to be between the years 2020 and 2080.

United Utility Supply Cooperative (United) is a primary supplier of transformers and overhead line materials and supplies. The Cooperative's purchases from United amounted to \$1,671,500 and \$1,435,920 for the years ended December 31, 2011 and 2010, respectively. The Cooperative owed United \$23,259 and \$148,969 at December 31, 2011 and 2010, respectively. These amounts are included in accounts payable on the balance sheet.

Owen Electric Cooperative, Inc.
Notes to Financial Statements (Continued)
December 31, 2011 and 2010

Note C - Investments in Associated Organizations (Continued)

The Capital Term Certificates bear interest at varying rates between 0% and 5% per annum. These certificates are required to be maintained under the note agreement with the National Rural Utilities Cooperative Finance Corporation (NRUCFC) in an amount at least equal to 5% of the original debt issued or guaranteed by NRUCFC until maturity. These investments in associated organizations are similar to compensating bank balances and are necessary in order to maintain current financing arrangements. Accordingly, there is no market for these investments.

Southeastern Data Cooperative, Inc. (Southeastern) is a primary supplier of data processing services and computer hardware and software. The Cooperative's purchases from Southeastern were \$782,989 and \$742,101 for the years ended December 31, 2011 and 2010, respectively. The Cooperative owed Southeastern \$0 and \$59,874 at December 31, 2011 and 2010, respectively. These amounts are included in accounts payable on the balance sheet.

Note D - Income Tax Status

The Cooperative is exempt from federal and state income taxes under §501(c)(12) of the Internal Revenue Code. The Cooperative recognizes uncertain income tax positions using the "more-likely-than-not" approach as defined in the ASC. No liability for uncertain tax positions has been recorded in the accompanying financial statements. The Cooperative's 2008 - 2011 tax years remain open and subject to examination.

Note E - Line-of-credit

At December 31, 2011 and 2010, the Cooperative had an unsecured available line-of-credit of \$22,800,000 from the NRUCFC. The interest rate for this line-of-credit was 3.20% and 4.25% at December 31, 2011 and 2010, respectively. The maturity date for the line-of-credit is December 31, 2049. The Cooperative had an outstanding balance under the line-of-credit of \$5,812,938 and \$1,777,611 at December 31, 2011 and 2010.

At December 31, 2011 and 2010, the Cooperative had a second unsecured available line-of-credit of \$15,000,000 with CoBank. The interest rate for this line-of-credit at December 31, 2011 and 2010 was 3.72%, and the maturity date is August 31, 2011. There were no borrowings under this line-of-credit at December 31, 2011 and 2010.

Owen Electric Cooperative, Inc.
Notes to Financial Statements (Continued)
December 31, 2011 and 2010

Note F - Long-term Debt

Long-term debt consisted of the following:

	December 31,	
	<u>2011</u>	<u>2010</u>
Mortgage notes payable to the Rural Utilities Services due in quarterly installments of varying amounts through 2043:		
2.500% first mortgage notes	\$ 2,620,397	\$ 2,758,782
2.806% first mortgage notes	4,475,626	-
3.894% first mortgage notes	3,736,829	-
4.190% first mortgage notes	6,739,795	6,858,719
4.375% first mortgage notes	1,210,976	1,252,748
4.440% first mortgage notes	8,636,057	8,782,082
4.460% first mortgage notes	12,539,350	12,750,284
4.815% first mortgage notes	3,165,340	3,225,212
4.917% first mortgage notes	908,302	925,205
5.192% first mortgage notes	4,600,706	4,682,628
5.277% first mortgage notes	10,819,890	11,009,932
5.298% first mortgage notes	9,967,694	10,201,784
5.375% first mortgage notes	1,317,144	1,357,679
5.417% first mortgage notes	2,513,846	2,571,949
5.913% first mortgage notes	<u>2,293,990</u>	<u>2,343,573</u>
	75,545,942	68,720,577
Less: Unapplied Payments	<u>8,099,433</u>	<u>-</u>
	67,446,509	68,720,577
Notes payable to CoBank, interest at 2.01% and due July 2014.	2,537,633	-
Mortgage notes payable to the NRUCFC due in quarterly installments of varying amounts through 2034:		
Variable rate first mortgage notes (1)	<u>20,384,943</u>	<u>22,301,612</u>
	90,369,085	91,022,189
Less Current Maturities	<u>4,006,209</u>	<u>3,172,227</u>
	<u>\$ 86,362,876</u>	<u>\$ 87,849,962</u>

(1) Interest rates on the variable rate notes vary monthly and are determined by the NRUCFC based on their cost of money plus adders for margins and administrative costs (2.80%-6.20% and 3.45%-6.20% at December 31, 2011 and 2010, respectively).

Owen Electric Cooperative, Inc.
Notes to Financial Statements (Continued)
December 31, 2011 and 2010

Note F - Long-term Debt (Continued)

The aggregate principal maturities of long-term debt as of December 31, 2011 are as follows:

2012	\$ 4,006,209
2013	3,877,689
2014	3,844,606
2015	3,558,556
2016 and thereafter	<u>75,082,025</u>
	<u>\$ 90,369,085</u>

Substantially all utility plant is pledged as collateral for the above notes. Under the terms of the loan agreements, the Cooperative is required to meet certain financial performance covenants. The Cooperative is in compliance with these covenants at December 31, 2011.

Note G - Members' and Patrons' Equities

Under terms of its long-term debt agreements, return of capital contributions or patronage capital to the Cooperative's members and patrons is restricted to amounts which would not allow total equity to be less than 30% of total assets, except that distributions may be made to estates of deceased members provided that such distributions do not exceed 25% of total patronage capital and margins received in the previous year. Total equity as a percentage of assets can fall below the 30% requirement if the Cooperative has obtained the appropriate waiver from the RUS. The Cooperative is in compliance with these requirements at December 31, 2011 and 2010.

Note H - Retirement Benefits

Pension Plan

Effective January 1, 1988, the Cooperative entered into a multi-employer defined benefit pension plan sponsored by the National Rural Electric Cooperative Association. The Plan has been approved as a qualified plan by the Internal Revenue Service and covers substantially all employees. Under this plan, there is no requirement for employees to contribute to this plan. As a member of a multi-employer plan, the Cooperative will share in the collective gains or losses of the investment activities of the multi-employer group.

Net pension cost under multi-employer plans is recognized in an amount equal to the required contributions for the period. The Cooperative incurred pension expense of approximately \$984,000 and \$1,999,000 in 2011 and 2010, respectively.

Retirement Savings Plan

The Owen Electric Cooperative 401(k) Profit Sharing Plan, established April 1, 1986, is a defined contribution plan available to employees of the Cooperative upon completion of three months of service. The Cooperative makes annual matching contributions equal to 100% of all deferred salary reductions up to a 4% maximum employer contribution. The Cooperative's expense for 2011 and 2010 was approximately \$342,000 and \$333,000, respectively.

Owen Electric Cooperative, Inc.
Notes to Financial Statements (Continued)
December 31, 2011 and 2010

Note I - Postretirement Benefits

The Cooperative provides postretirement medical benefits to its retired employees and their dependents. The plan requires retiree contributions based on years of service at retirement. "Employers' Accounting for Postretirement Benefits Other Than Pensions," requires the accrual of the cost of providing certain postretirement benefits over the employees' years of service, rather than on a pay-as-you-go (cash) basis. The Cooperative elected to amortize the accumulated postretirement benefit obligation of \$3,178,700 over 20 years and records one-twentieth of this amount, \$158,935 each year.

In accordance with the provision of "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans," the Cooperative has recorded an accrued benefit cost for the full benefit obligation as of December 31, 2011 and 2010.

The following table sets forth the plan's benefit obligation and accrued liability:

	December 31,	
	2011	2010
Benefit obligation	\$ 9,020,393	\$ 8,574,454
Fair value of plan assets	-	-
Funded Status	<u>\$ (9,020,393)</u>	<u>\$ (8,574,454)</u>
Accrued benefit cost recognized in the statement of financial position	\$ (9,020,393)	\$ (8,574,454)
Weighted-average assumptions		
Discounted rate	6.00%	6.00%

For measurement purposes, the health care cost trend rate is assumed to be 8.00% in 2011 and 2010. During 2011, the rate was assumed to decrease by 0.5% per year to 5.5%.

Other information regarding the Cooperative's benefit plans is as follows:

	December 31,	
	2011	2010
Benefit cost	\$ 935,005	\$ 934,566
Benefits paid	395,799	432,167

Note J - Concentrations of Revenues, Receivables and Cash

All of the Cooperative's sales are made in portions of nine counties in north central Kentucky, which is primarily an agricultural region. However, a significant portion of the Cooperative's northern service territory has become increasingly developed with suburban residential and commercial activity. Accounts receivable and customer deposits at December 31, 2011 and 2010, were derived from the various classes of customers in approximately the same proportion as the revenues shown in the accompanying statements of revenues and expenses.

Owen Electric Cooperative, Inc.
Notes to Financial Statements (Continued)
December 31, 2011 and 2010

Note J - Concentrations of Revenues, Receivables and Cash (Continued)

On May 31, 2005, the Cooperative and EKPC entered into a five year electric service agreement with Gallatin Steel Company (Gallatin Steel) to provide electric power to Gallatin Steel's manufacturing facilities in Gallatin County, Kentucky, the first of which began operations June 1, 1995. On September 1, 2010, the Cooperative and EKPC entered into a five year electric service agreement with Gallatin Steel. This agreement expires December 1, 2015. Sales to Gallatin Steel in 2011 and 2010 totaled \$45,846,471 and \$43,064,541, respectively. Receivables from Gallatin Steel were \$4,181,817 and \$3,985,076 at December 31, 2011 and 2010, respectively.

The Cooperative maintains its cash balances with banks throughout Kentucky. Effective July 21, 2010, the federal deposit insurance coverage provided by the Federal Deposit Insurance Corporation (FDIC) permanently increased from \$100,000 to \$250,000 per depositor. On November 9, 2010, the FDIC issued a final rule to implement Section 343 of the Dodd-Frank Wall Street Reform and Consumer Protection Act which provides temporary unlimited deposit insurance for non-interest bearing accounts at all FDIC insured depository institutions. This separate coverage for non-interest bearing transaction accounts became effective on December 31, 2010 and terminates on December 31, 2012. As of December 31, 2011, there were uninsured balances in the Cooperative's interest bearing accounts totaling approximately \$1,552,000. At December 31, 2010, the Cooperative had uninsured balances totaling approximately \$1,456,000.

Note K - Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and establishes a framework for measuring fair value. The ASC establishes a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date.

The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels are defined as follows:

- Level 1: inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2: inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3: inputs to the valuation methodology are unobservable and significant to the fair value measurement.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

At December 31, 2011 and 2010, financial instruments consisted of cash and equivalents whose carrying values approximate fair value due to the short-term nature of the instruments. These financial instrument's fair values are measured using the Level 1 valuation hierarchy.

Owen Electric Cooperative, Inc.
Notes to Financial Statements (Continued)
December 31, 2011 and 2010

Note L - Accounting Change

The Cooperative changed its policy for recording unbilled revenue and accounts receivable as well as the cost of associated power with this unbilled revenue as a result of advanced technological changes and the ability to better estimate these amounts. Comparative financial statements of prior years have been adjusted to apply the new method retrospectively. The following financial statement line items for fiscal year 2010 were affected by the accounting change.

<u>Balance Sheet</u>	Prior Year Financial Statement	As Restated	Effect of Change
Accounts Receivable	\$ 9,936,842	\$ 16,964,488	\$ 7,027,646
Accounts Payable	5,156,698	13,759,465	8,602,767
Patronage Capital	62,222,656	60,647,535	(1,575,121)
 <u>Statement of Income</u>			
Sale of Electric Energy	\$ 153,977,306	\$ 154,778,322	\$ 801,016
Operating Expenses	147,643,308	149,343,710	1,700,402
Net Margins	8,027,806	7,128,420	(899,386)

As a result of the accounting change, patronage capital as of January 1, 2010 was reduced from \$55,638,474 as originally reported using the previous method to \$54,962,739 using the revised method.

Exhibit Q
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PART A. STATEMENT OF OPERATIONS

LINE NO	DESCRIPTION	LAST YEAR A	THIS YEAR B	BUDGET C	THIS MONTH D	% FROM BUDGET	% CHANGE FROM LAST YEAR
1.0	OPERATING REVENUE & PATRONAGE CAPITAL.....	91,461,327.02	94,727,908.51	94,997,036.00	12,976,270.47	.3-	3.6
2.0	POWER PRODUCTION EXPENSE.....	.00	.00	.00	.00	.0	.0
3.0	COST OF PURCHASED POWER.....	71,710,353.00-	76,565,126.00-	73,934,135.00-	11,182,344.00-	3.6	6.8
4.0	TRANSMISSION EXPENSE.....	.00	.00	.00	.00	.0	.0
5.0	REGIONAL MARKET OPERATIONS EXPENSE.....	.00	.00	.00	.00	.0	.0
6.0	DISTRIBUTION EXPENSE-OPERATION.....	3,180,569.87-	3,002,607.57-	3,252,999.33-	409,097.27-	7.7-	5.6-
7.0	DISTRIBUTION EXPENSE-MAINTENANCE.....	1,960,767.23-	2,102,090.71-	2,232,712.10-	372,276.30-	5.9-	7.2
8.0	CONSUMER ACCOUNTS EXPENSE.....	2,142,976.76-	2,088,376.14-	2,185,639.40-	243,656.13-	4.5-	2.5-
9.0	CUSTOMER SERVICE & INFORMATIONAL EXPENSE.....	337,309.73-	322,673.20-	388,372.60-	42,362.43-	16.9-	4.3-
10.0	SALES EXPENSE.....	.00	.00	.00	.00	.0	.0
11.0	ADMINISTRATIVE & GENERAL EXPENSE.....	1,888,177.73-	2,130,035.08-	2,054,623.90-	291,806.14-	3.7	12.8
12.0	TOTAL OPERATIONS & MAINTENANCE EXPENSE.....	81,220,154.32-	86,210,908.70-	84,048,482.33-	12,541,542.27-	2.6	6.1
13.0	DEPRECIATION & AMORTIZATION EXPENSE.....	5,622,506.69-	5,833,163.32-	5,893,577.00-	844,821.84-	1.0-	3.7
14.0	TAX EXPENSE - PROPERTY & GROSS RECEIPTS..	.00	.00	.00	.00	.0	.0
15.0	TAX EXPENSE - OTHER.....	105,872.37-	80,846.13-	98,063.00-	12,176.76-	17.6-	23.6-
16.0	INTEREST ON LONG TERM DEBT.....	2,668,499.80-	2,505,859.51-	2,750,766.00-	362,621.04-	8.9-	6.1-
17.0	INTEREST CHARGED TO CONSTRUCTION - CREDIT	.00	.00	.00	.00	.0	.0
18.0	INTEREST EXPENSE - OTHER.....	118,372.36-	188,465.95-	136,017.00-	31,957.42-	38.6	59.2
19.0	OTHER DEDUCTIONS.....	38,789.61-	53,071.79-	65,326.00-	3,644.88-	18.8-	36.8
20.0	TOTAL COST OF ELECTRIC SERVICE.....	89,774,195.15-	94,872,315.40-	92,992,231.33-	13,796,764.21-	2.0	5.7
21.0	PATRONAGE CAPITAL & OPERATING MARGINS.....	1,687,131.87	144,406.89-	2,004,804.67	820,493.74-	107.2-	108.6-
22.0	NON OPERATING MARGINS - INTEREST.....	54,917.23	67,842.17	198,023.00	6,260.08	65.7-	23.5
23.0	ALLOW. FOR FUNDS USED DURING CONSTRUCTION	.00	.00	.00	.00	.0	.0
24.0	INCOME (LOSS) FROM EQUITY INVESTMENTS.....	.00	.00	.00	.00	.0	.0
25.0	NON OPERATING MARGINS - OTHER.....	19,282.89	10,686.00	8,862.00	954.18	20.6	44.6-
26.0	GENERATION & TRANSMISSION CAPITAL CREDITS	.00	.00	.00	.00	.0	.0
27.0	OTHER CAPITAL CREDITS & PATRONAGE DIVID..	246,279.68	28,741.00	65,000.00	.00	55.8-	88.3-
28.0	EXTRAORDINARY ITEMS.....	.00	.00	.00	.00	.0	.0
29.0	PATRONAGE CAPITAL OR MARGINS.....	2,007,611.67	37,137.72-	2,276,689.67	813,279.48-	101.6-	101.8-

RATIOS

TIER	1.752	.985	1.828	1.243-
MARGINS TO REVENUE	.022	.000	.024	.063
POWER COST TO REVENUE	.784	.808	.778	.862
INTEREST EXPENSE TO REVENUE	.029	.026	.029	.028
CURRENT ASSETS : CURRENT LIABILITIES	.9161			
MARGINS & EQUITIES AS % OF ASSETS	.3597			
LONG TERM DEBT AS % OF PLANT	.4002			
GENERAL FUNDS TO TOTAL PLANT	1.8651			
QUICK ASSET RATIO	.8642			

PART C. BALANCE SHEET

LINE NO	ASSETS AND OTHER DEBITS	LIABILITIES AND OTHER CREDITS
1.0	TOTAL UTILITY PLANT IN SERVICE 218,895,957.34	30.0 MEMBERSHIPS 1,115,140.00-
2.0	CONSTRUCTION WORK IN PROGRESS 2,712,336.08	31.0 PATRONAGE CAPITAL 62,712,774.35-
3.0	TOTAL UTILITY PLANT 221,608,293.42	32.0 OPERATING MARGINS - PRIOR YEAR .00
4.0	ACCUM PROV FOR DEP & AMORT 88,372,501.37-	33.0 OPERATING MARGINS-CURRENT YEAR .00
5.0	NET UTILITY PLANT 133,235,792.05	34.0 NON-OPERATING MARGINS 746,350.09
		35.0 OTHER MARGINS & EQUITIES 1,942,194.03-
		36.0 TOTAL MARGINS & EQUITIES 65,023,758.29-
6.0	NON-UTILITY PROPERTY (NET) .00	
7.0	INVEST IN SUBSIDIARY COMPANIES .00	
8.0	INV IN ASSOC ORG - PAT CAPITAL 27,897,267.59	37.0 LONG TERM DEBT - RUS (NET) 60,950,763.83-
9.0	INV IN ASSOC ORG OTHR GEN FND .00	(PAYMENTS-UNAPPLIED .00)
10.0	INV IN ASSOC ORG - NON GEN FND 3,041,410.67	38.0 LNG-TERM DEBT-FFB-RUS GUAR .00
11.0	INV IN ECON DEVEL PROJECTS .00	39.0 LONG-TERM DEBT OTHER-RUS GUAR .00
12.0	OTHER INVESTMENTS 271,480.25	40.0 LONG TERM DEBT - OTHER (NET) 27,743,987.92-
13.0	SPECIAL FUNDS 29,554.80	41.0 LNG-TERM DEBT-RUS-ECON DEV NET .00
14.0	TOT OTHER PROP & INVESTMENTS 31,239,713.31	42.0 PAYMENTS - UNAPPLIED .00
		43.0 TOTAL LONG TERM DEBT 88,694,751.75-
15.0	CASH - GENERAL FUNDS 3,861,657.77	
16.0	CASH - CONSTRUCTION FUND TRUST .00	44.0 OBLIGATION UNDER CAPITAL LEASE .00
17.0	SPECIAL DEPOSITS 1,450.00	45.0 ACCUM OPERATING PROVISIONS 8,899,836.09-
18.0	TEMPORARY INVESTMENTS .00	46.0 TOTAL OTHER NONCURR LIABILITY 8,899,836.09-
19.0	NOTES RECEIVABLE (NET) .00	
20.0	ACCTS REC - SALES ENERGY (NET) 9,166,877.97	47.0 NOTES PAYABLE 6,557,511.00-
21.0	ACCTS REC - OTHER (NET) 676,951.41	48.0 ACCOUNTS PAYABLE 4,085,401.31-
22.0	RENEWABLE ENERGY CREDITS .00	49.0 CONSUMER DEPOSITS 2,820,844.76-
23.0	MATERIAL & SUPPLIES-ELEC & OTH 907,688.51	50.0 CURR MATURITIES LONG-TERM DEBT .00
24.0	PREPAYMENTS 1,102,405.86	51.0 CURR MATURIT LT DEBT ECON DEV .00
25.0	OTHER CURRENT & ACCR ASSETS 316,696.39	52.0 CURR MATURITIES CAPITAL LEASES .00
26.0	TOTAL CURRENT & ACCR ASSETS 16,033,727.91	53.0 OTHER CURRENT & ACCRUED LIAB 4,038,961.35-
		54.0 TOTAL CURRENT & ACCRUED LIAB 17,502,718.42-
27.0	REGULATORY ASSETS .00	
28.0	OTHER DEFERRED DEBITS 284,407.12	55.0 REGULATORY LIABILITIES .00
		56.0 OTHER DEFERRED CREDITS 672,575.84-
29.0	TOTAL ASSETS & OTHER DEBITS 180,793,640.39	57.0 TOTAL LIABILITIES & OTH CREDIT 180,793,640.39-
		=====
		ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION
		58.0 BALANCE BEGINNING OF YEAR .00
		59.0 AMOUNT RECEIVED THIS YEAR (NET) 165,784.38
		60.0 TOTAL CONTRIBUTIONS IN AID OF CONST 165,784.38

C E R T I F I C A T I O N

WE HEREBY CERTIFY THAT THE ENTRIES IN THIS REPORT ARE IN ACCORDANCE WITH THE ACCOUNTS AND OTHER RECORDS OF THE SYSTEM AND REFLECT THE STATUS OF THE SYSTEM TO THE BEST OF OUR KNOWLEDGE AND BELIEF. ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, REA, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.

SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT

DATE

SIGNATURE OF MANAGER

DATE

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PART A. STATEMENT OF OPERATIONS

LINE NO	DESCRIPTION	YEAR TO DATE			THIS MONTH	% FROM BUDGET	% CHANGE FROM LAST YEAR
		LAST YEAR	THIS YEAR	BUDGET			
1.0	OPERATING REVENUE & PATRONAGE CAPITAL.....	106,864,353.90	111,146,502.82	109,615,750.00	16,418,594.31	1.4	4.0
2.0	POWER PRODUCTION EXPENSE.....	.00	.00	.00	.00	.0	.0
3.0	COST OF PURCHASED POWER.....	83,691,716.00	89,724,508.00	84,676,659.00	13,159,382.00	6.0	7.2
4.0	TRANSMISSION EXPENSE.....	.00	.00	.00	.00	.0	.0
5.0	REGIONAL MARKET OPERATIONS EXPENSE.....	.00	.00	.00	.00	.0	.0
6.0	DISTRIBUTION EXPENSE-OPERATION.....	3,574,501.11	3,446,614.65	3,717,713.52	444,007.08	7.3	3.6
7.0	DISTRIBUTION EXPENSE-MAINTENANCE.....	2,293,612.84	2,440,219.00	2,574,291.90	338,128.29	5.2	6.4
8.0	CONSUMER ACCOUNTS EXPENSE.....	2,446,328.74	2,457,409.72	2,497,873.60	369,033.58	1.6	.5
9.0	CUSTOMER SERVICE & INFORMATIONAL EXPENSE.....	381,784.29	384,112.71	443,854.40	61,439.51	13.5	.6
10.0	SALES EXPENSE.....	.00	.00	.00	.00	.0	.0
11.0	ADMINISTRATIVE & GENERAL EXPENSE.....	2,150,842.55	2,402,908.45	2,348,141.60	272,873.37	2.3	11.7
12.0	TOTAL OPERATIONS & MAINTENANCE EXPENSE.....	94,538,785.53	100,855,772.53	96,258,534.02	14,644,863.83	4.8	6.7
13.0	DEPRECIATION & AMORTIZATION EXPENSE.....	6,435,260.76	6,679,203.62	6,757,488.00	846,040.30	1.2	3.8
14.0	TAX EXPENSE - PROPERTY & GROSS RECEIPTS.....	.00	.00	.00	.00	.0	.0
15.0	TAX EXPENSE - OTHER.....	117,315.60	93,022.89	112,072.00	12,176.76	17.0	20.7
16.0	INTEREST ON LONG TERM DEBT.....	3,030,468.84	2,859,132.79	3,143,853.00	353,273.28	9.1	5.7
17.0	INTEREST CHARGED TO CONSTRUCTION - CREDIT.....	.00	.00	.00	.00	.0	.0
18.0	INTEREST EXPENSE - OTHER.....	138,963.28	225,438.58	155,448.00	36,972.63	45.0	62.2
19.0	OTHER DEDUCTIONS.....	58,051.85	68,964.93	85,336.00	15,893.14	19.2	18.8
20.0	TOTAL COST OF ELECTRIC SERVICE.....	104,318,845.86	110,781,535.34	106,512,731.02	15,909,219.94	4.0	6.2
21.0	PATRONAGE CAPITAL & OPERATING MARGINS.....	2,545,508.04	364,967.48	3,403,018.98	509,374.37	88.2	85.7
22.0	NON OPERATING MARGINS - INTEREST.....	61,184.67	92,852.33	226,312.00	25,010.16	59.0	51.8
23.0	ALLOW. FOR FUNDS USED DURING CONSTRUCTION.....	.00	.00	.00	.00	.0	.0
24.0	INCOME (LOSS) FROM EQUITY INVESTMENTS.....	.00	.00	.00	.00	.0	.0
25.0	NON OPERATING MARGINS - OTHER.....	20,139.53	12,064.35	10,128.00	1,378.35	19.1	40.1
26.0	GENERATION & TRANSMISSION CAPITAL CREDITS.....	.00	.00	.00	.00	.0	.0
27.0	OTHER CAPITAL CREDITS & PATRONAGE DIVID.....	246,279.68	28,741.00	115,000.00	.00	75.0	88.3
28.0	EXTRAORDINARY ITEMS.....	.00	.00	.00	.00	.0	.0
29.0	PATRONAGE CAPITAL OR MARGINS.....	2,873,111.92	498,625.16	3,454,458.98	535,762.88	85.6	82.6

RATIOS

TIER	1.948	1.174	2.099	2.517
MARGINS TO REVENUE	.027	.004	.032	.033
POWER COST TO REVENUE	.783	.807	.772	.801
INTEREST EXPENSE TO REVENUE	.028	.026	.029	.022
CURRENT ASSETS : CURRENT LIABILITIES	.9415			
MARGINS & EQUITIES AS % OF ASSETS	.3594			
LONG TERM DEBT AS % OF PLANT	.3979			
GENERAL FUNDS TO TOTAL PLANT	1.9681			
QUICK ASSET RATIO	.8905			

PART C. BALANCE SHEET

LINE NO	ASSETS AND OTHER DEBITS	LIABILITIES AND OTHER CREDITS
1.0	TOTAL UTILITY PLANT IN SERVICE 219,929,315.47	30.0 MEMBERSHIPS 1,115,570.00-
2.0	CONSTRUCTION WORK IN PROGRESS 2,367,278.66	31.0 PATRONAGE CAPITAL 62,694,460.97-
3.0	TOTAL UTILITY PLANT 222,296,594.13	32.0 OPERATING MARGINS - PRIOR YEAR .00
4.0	ACCUM PROV FOR DEP & AMORT 89,051,615.41-	33.0 OPERATING MARGINS-CURRENT YEAR .00
5.0	NET UTILITY PLANT 133,244,978.72	34.0 NON-OPERATING MARGINS 236,975.72
		35.0 OTHER MARGINS & EQUITIES 1,968,216.91-
		36.0 TOTAL MARGINS & EQUITIES 65,541,272.16-
6.0	NON-UTILITY PROPERTY (NET) .00	
7.0	INVEST IN SUBSIDIARY COMPANIES .00	
8.0	INV IN ASSOC ORG - PAT CAPITAL 27,897,267.59	37.0 LONG TERM DEBT - RUS (NET) 60,875,859.43-
9.0	INV IN ASSOC ORG OTHER GEN FND 3,041,425.67	(PAYMENTS-UNAPPLIED .00)
10.0	INV IN ASSOC ORG - NON GEN FND .00	38.0 LNG-TERM DEBT-FFB-RUS GUAR .00
11.0	INV IN ECON DEVEL PROJECTS 271,480.25	39.0 LONG-TERM DEBT OTHER-RUS GUAR .00
12.0	OTHER INVESTMENTS 29,554.80	40.0 LONG TERM DEBT - OTHER (NET) 27,565,518.14-
13.0	SPECIAL FUNDS	41.0 LNG-TERM DEBT-RUS-ECON DEV NET .00
14.0	TOT OTHER PROP & INVESTMENTS 4,103,522.26	42.0 PAYMENTS - UNAPPLIED .00
		43.0 TOTAL LONG TERM DEBT 88,441,377.57-
15.0	CASH - GENERAL FUNDS 1,450.00	44.0 OBLIGATION UNDER CAPITAL LEASE .00
16.0	CASH - CONSTRUCTION FUND TRUST 1,450.00	45.0 ACCUM OPERATING PROVISIONS 8,941,666.85-
17.0	SPECIAL DEPOSITS .00	46.0 TOTAL OTHER NONCURR LIABILITY 8,941,666.85-
18.0	TEMPORARY INVESTMENTS .00	
19.0	NOTES RECEIVABLE (NET) 10,402,229.05	47.0 NOTES PAYABLE 6,610,630.00-
20.0	ACCTS REC - SALES ENERGY (NET) 681,011.05	48.0 ACCOUNTS PAYABLE 5,340,805.54-
21.0	ACCTS REC - OTHER (NET) .00	49.0 CONSUMER DEPOSITS 2,834,218.75-
22.0	RENEWABLE ENERGY CREDITS 956,473.08	50.0 CURR MATURITIES LONG-TERM DEBT .00
23.0	MATERIAL & SUPPLIES-ELEC & OTH 1,157,206.68	51.0 CURR MATURIT LT DEBT ECON DEV .00
24.0	PREPAYMENTS 349,261.22	52.0 CURR MATURITIES CAPITAL LEASES .00
25.0	OTHER CURRENT & ACCR ASSETS 17,651,153.34	53.0 OTHER CURRENT & ACCRUED LIAB 3,962,154.82-
26.0	TOTAL CURRENT & ACCR ASSETS 219,079.54	54.0 TOTAL CURRENT & ACCRUED LIAB 18,747,809.11-
		55.0 REGULATORY LIABILITIES .00
27.0	REGULATORY ASSETS 219,079.54	56.0 OTHER DEFERRED CREDITS 682,814.22-
28.0	OTHER DEFERRED DEBITS 182,354,939.91	57.0 TOTAL LIABILITIES & OTH CREDIT 182,354,939.91-
29.0	TOTAL ASSETS & OTHER DEBITS	

C E R T I F I C A T I O N

WE HEREBY CERTIFY THAT THE ENTRIES IN THIS REPORT ARE IN ACCORDANCE WITH THE ACCOUNTS AND OTHER RECORDS OF THE SYSTEM AND REFLECT THE STATUS OF THE SYSTEM TO THE BEST OF OUR KNOWLEDGE AND BELIEF. ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, REA, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.

 SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT

 SIGNATURE OF MANAGER

 DATE

 DATE

ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION

58.0 BALANCE BEGINNING OF YEAR .00

59.0 AMOUNT RECEIVED THIS YEAR (NET) 170,966.37

60.0 TOTAL CONTRIBUTIONS IN AID OF CONST 170,966.37

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PART A. STATEMENT OF OPERATIONS

LINE NO	LAST YEAR A	THIS YEAR B	BUDGET C	THIS MONTH D	% FROM BUDGET	% CHANGE FROM LAST YEAR
1.0	121,152,437.52	125,188,611.11	122,917,913.00	14,042,108.29	1.8	3.3
2.0	.00	.00	.00	.00	.0	.0
3.0	94,724,155.00	101,868,330.00	95,058,617.00	12,143,822.00	7.2	7.5
4.0	.00	.00	.00	.00	.0	.0
5.0	.00	.00	.00	.00	.0	.0
6.0	3,992,242.07	3,880,382.90	4,182,427.71	433,768.25	7.2	2.8
7.0	2,741,290.76	2,821,809.98	2,915,871.70	381,590.98	3.2	2.9
8.0	2,796,523.58	2,709,581.82	2,810,107.80	252,172.10	3.6	3.1
9.0	417,408.81	452,922.29	499,336.20	68,809.58	9.3	8.5
10.0	.00	.00	.00	.00	.0	.0
11.0	2,411,343.86	2,665,607.56	2,641,659.30	262,699.11	.9	10.5
12.0	107,082,964.08	114,398,634.55	108,108,019.71	13,542,862.02	5.8	6.8
13.0	7,250,723.57	7,529,492.96	7,626,892.00	850,289.34	1.3	3.8
14.0	.00	.00	.00	.00	.0	.0
15.0	128,758.83	105,199.65	126,081.00	12,176.76	16.6	18.3
16.0	3,398,556.85	3,239,483.37	3,538,397.00	380,350.58	8.4	4.7
17.0	.00	.00	.00	.00	.0	.0
18.0	157,797.74	255,352.34	174,879.00	29,913.76	46.0	61.8
19.0	61,213.49	70,442.48	91,346.00	1,477.55	22.9	15.1
20.0	118,080,014.56	125,598,605.35	119,665,614.71	14,817,070.01	5.0	6.4
21.0	3,072,422.96	409,994.24	3,252,298.29	774,961.72	112.6	113.3
22.0	67,436.52	98,993.50	254,601.00	6,141.17	61.1	46.8
23.0	.00	.00	.00	.00	.0	.0
24.0	.00	.00	.00	.00	.0	.0
25.0	21,029.93	13,285.69	11,394.00	1,221.34	16.6	36.8
26.0	.00	.00	.00	.00	.0	.0
27.0	435,290.36	48,223.00	260,000.00	19,482.00	81.5	88.9
28.0	.00	.00	.00	.00	.0	.0
29.0	3,596,179.77	249,492.05	3,778,293.29	748,117.21	106.6	106.9

RATIOS

TIER	2.058	.923	2.068	.967
MARGINS TO REVENUE	.030	.002	.031	.053
POWER COST TO REVENUE	.782	.814	.773	.865
INTEREST EXPENSE TO REVENUE	.028	.026	.029	.027
CURRENT ASSETS : CURRENT LIABILITIES	.8833			
MARGINS & EQUITIES AS % OF ASSETS	.3581			
LONG TERM DEBT AS % OF PLANT	.3953			
GENERAL FUNDS TO TOTAL PLANT	2.0464			
QUICK ASSET RATIO	.8316			

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PART C. BALANCE SHEET

LINE NO	ASSETS AND OTHER DEBITS	LIABILITIES AND OTHER CREDITS
1.0	TOTAL UTILITY PLANT IN SERVICE 220,525,081.80	30.0 MEMBERSHIPS 1,116,075.00-
2.0	CONSTRUCTION WORK IN PROGRESS 2,381,362.16	31.0 PATRONAGE CAPITAL 62,672,602.68-
3.0	TOTAL UTILITY PLANT 222,906,443.96	32.0 OPERATING MARGINS - PRIOR YEAR .00
4.0	ACCUM PROV FOR DEP & AMORT 89,730,603.86-	33.0 OPERATING MARGINS-CURRENT YEAR .00
5.0	NET UTILITY PLANT 133,175,840.10	34.0 NON-OPERATING MARGINS 992,455.44
		35.0 OTHER MARGINS & EQUITIES 1,975,484.88-
		36.0 TOTAL MARGINS & EQUITIES 64,771,707.12-
6.0	NON-UTILITY PROPERTY (NET) .00	
7.0	INVEST IN SUBSIDIARY COMPANIES .00	
8.0	INV IN ASSOC ORG - PAT CAPITAL 27,912,853.59	37.0 LONG TERM DEBT - RUS (NET) 60,645,814.66-
9.0	INV IN ASSOC ORG - OTHER GEN FND .00	(PAYMENTS-UNAPPLIED .00)
10.0	INV IN ASSOC ORG - NON GEN FND 3,041,424.71	38.0 LNG-TERM DEBT-FFB-RUS GUAR .00
11.0	INV IN ECON DEVEL PROJECTS 271,480.25	39.0 LONG-TERM DEBT OTHER-RUS GUAR .00
12.0	OTHER INVESTMENTS 29,554.80	40.0 LONG TERM DEBT - OTHER (NET) 27,464,210.17-
13.0	SPECIAL FUNDS	41.0 LNG-TERM DEBT-RUS-ECON DEV NET .00
14.0	TOT OTHER PROP & INVESTMENTS 31,255,313.35	42.0 PAYMENTS - UNAPPLIED .00
		43.0 TOTAL LONG TERM DEBT 88,110,024.83-
15.0	CASH - GENERAL FUNDS 4,290,180.65	
16.0	CASH - CONSTRUCTION FUND TRUST .00	44.0 OBLIGATION UNDER CAPITAL LEASE .00
17.0	SPECIAL DEPOSITS 1,450.00	45.0 ACCUM OPERATING PROVISIONS 8,983,835.76-
18.0	TEMPORARY INVESTMENTS .00	46.0 TOTAL OTHER NONCURR LIABILITY 8,983,835.76-
19.0	NOTES RECEIVABLE (NET) .00	
20.0	ACCTS REC - SALES ENERGY (NET) 8,979,988.49	47.0 NOTES PAYABLE 7,497,579.00-
21.0	ACCTS REC - OTHER (NET) 632,343.61	48.0 ACCOUNTS PAYABLE 4,148,775.09-
22.0	RENEWABLE ENERGY CREDITS .00	49.0 CONSUMER DEPOSITS 2,840,076.39-
23.0	MATERIAL & SUPPLIES-ELEC & OTH 947,790.04	50.0 CURR MATURITIES LONG-TERM DEBT .00
24.0	PREPAYMENTS 947,676.99	51.0 CURR MATURIT LT DEBT ECON DEV .00
25.0	OTHER CURRENT & ACCR ASSETS 382,439.89	52.0 CURR MATURITIES CAPITAL LEASES .00
26.0	TOTAL CURRENT & ACCR ASSETS 16,181,869.67	53.0 OTHER CURRENT & ACCRUED LIAB 3,833,330.77-
		54.0 TOTAL CURRENT & ACCRUED LIAB 18,319,761.25-
27.0	REGULATORY ASSETS .00	
28.0	OTHER DEFERRED DEBITS 256,289.25	55.0 REGULATORY LIABILITIES .00
		56.0 OTHER DEFERRED CREDITS 683,983.41-
29.0	TOTAL ASSETS & OTHER DEBITS 180,869,312.37	57.0 TOTAL LIABILITIES & OTH CREDIT 180,869,312.37-

C E R T I F I C A T I O N

WE HEREBY CERTIFY THAT THE ENTRIES IN THIS REPORT ARE IN ACCORDANCE WITH THE ACCOUNTS AND OTHER RECORDS OF THE SYSTEM AND REFLECT THE STATUS OF THE SYSTEM TO THE BEST OF OUR KNOWLEDGE AND BELIEF. ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, REA, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.

 SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT

 DATE

 SIGNATURE OF MANAGER

 DATE

ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION
 58.0 BALANCE BEGINNING OF YEAR .00
 59.0 AMOUNT RECEIVED THIS YEAR (NET) 197,584.16
 60.0 TOTAL CONTRIBUTIONS IN AID OF CONST 197,584.16

Exhibit Q
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PART A. STATEMENT OF OPERATIONS

LINE NO	DESCRIPTION	LAST YEAR A	THIS YEAR B	BUDGET C	THIS MONTH D	% FROM BUDGET	% CHANGE FROM LAST YEAR
1.0	OPERATING REVENUE & PATRONAGE CAPITAL.....	132,404,074.03	136,609,435.91	135,251,709.00	11,420,824.80	1.0	3.2
2.0	POWER PRODUCTION EXPENSE.....	.00	.00	.00	.00	.0	.0
3.0	COST OF PURCHASED POWER.....	104,155,298.00	111,879,993.00	106,782,660.00	10,011,663.00	4.8	7.4
4.0	TRANSMISSION EXPENSE.....	.00	.00	.00	.00	.0	.0
5.0	REGIONAL MARKET OPERATIONS EXPENSE.....	.00	.00	.00	.00	.0	.0
6.0	DISTRIBUTION EXPENSE-OPERATION.....	4,416,419.39	4,262,807.37	4,647,141.90	382,424.47	8.3	3.5
7.0	DISTRIBUTION EXPENSE-MAINTENANCE.....	3,154,284.33	3,054,020.36	3,257,451.50	232,210.38	6.2	3.2
8.0	CONSUMER ACCOUNTS EXPENSE.....	3,041,024.11	2,995,942.22	3,122,342.00	286,360.40	4.0	1.5
9.0	CUSTOMER SERVICE & INFORMATIONAL EXPENSE.....	460,816.23	519,054.97	554,818.00	66,132.68	6.4	12.6
10.0	SALES EXPENSE.....	.00	.00	.00	.00	.0	.0
11.0	ADMINISTRATIVE & GENERAL EXPENSE.....	2,658,593.46	2,898,728.76	2,935,177.00	233,121.20	1.2	9.0
12.0	TOTAL OPERATIONS & MAINTENANCE EXPENSE....	117,886,435.52	125,610,546.68	121,299,590.40	11,211,912.13	3.6	6.6
13.0	DEPRECIATION & AMORTIZATION EXPENSE.....	8,066,873.62	8,384,611.68	8,501,789.00	855,118.72	1.4	3.9
14.0	TAX EXPENSE - PROPERTY & GROSS RECEIPTS..	.00	.00	.00	.00	.0	.0
15.0	TAX EXPENSE - OTHER.....	140,202.06	117,376.41	140,090.00	12,176.76	16.2	16.3
16.0	INTEREST ON LONG TERM DEBT.....	3,777,994.52	3,623,515.46	3,941,890.00	384,032.09	8.1	4.1
17.0	INTEREST CHARGED TO CONSTRUCTION - CREDIT	.00	.00	.00	.00	.0	.0
18.0	INTEREST EXPENSE - OTHER.....	176,234.74	290,226.08	194,310.00	34,873.74	49.4	64.7
19.0	OTHER DEDUCTIONS.....	65,197.07	90,687.58	97,356.00	20,245.10	6.8	39.1
20.0	TOTAL COST OF ELECTRIC SERVICE.....	130,112,937.53	138,116,963.89	134,175,025.40	12,518,358.54	2.9	6.2
21.0	PATRONAGE CAPITAL & OPERATING MARGINS....	2,291,136.50	1,507,527.98	1,076,683.60	1,097,533.74	240.0	165.8
22.0	NON OPERATING MARGINS - INTEREST.....	96,193.67	128,603.57	282,890.00	29,610.07	54.5	33.7
23.0	ALLOW. FOR FUNDS USED DURING CONSTRUCTION	.00	.00	.00	.00	.0	.0
24.0	INCOME (LOSS) FROM EQUITY INVESTMENTS....	.00	.00	.00	.00	.0	.0
25.0	NON OPERATING MARGINS - OTHER.....	53,188.81	16,378.83	12,660.00	3,093.14	29.4	130.8
26.0	GENERATION & TRANSMISSION CAPITAL CREDITS	.00	.00	.00	.00	.0	.0
27.0	OTHER CAPITAL CREDITS & PATRONAGE DIVID..	435,290.36	171,583.38	260,000.00	123,360.38	34.0	60.6
28.0	EXTRAORDINARY ITEMS.....	.00	.00	.00	.00	.0	.0
29.0	PATRONAGE CAPITAL OR MARGINS.....	2,769,431.72	1,190,962.20	1,632,233.60	941,470.15	173.0	143.0

RATIOS

TIER	1.733	.671	1.414	1.452
MARGINS TO REVENUE	.021	.009	.012	.082
POWER COST TO REVENUE	.787	.819	.790	.877
INTEREST EXPENSE TO REVENUE	.029	.027	.029	.034
CURRENT ASSETS : CURRENT LIABILITIES	.9687			
MARGINS & EQUITIES AS % OF ASSETS	.3569			
LONG TERM DEBT AS % OF PLANT	.4068			
GENERAL FUNDS TO TOTAL PLANT	1.9074			
QUICK ASSET RATIO	.9066			

PART C. BALANCE SHEET

LINE NO	ASSETS AND OTHER DEBITS	LIABILITIES AND OTHER CREDITS
1.0	TOTAL UTILITY PLANT IN SERVICE 221,225,203.15	30.0 MEMBERSHIPS 1,115,675.00-
2.0	CONSTRUCTION WORK IN PROGRESS 2,600,050.15	31.0 PATRONAGE CAPITAL 62,659,708.05-
3.0	TOTAL UTILITY PLANT 223,825,253.30	32.0 OPERATING MARGINS - PRIOR YEAR .00
4.0	ACCUM PROV FOR DEP & AMORT 90,383,243.27-	33.0 OPERATING MARGINS-CURRENT YEAR .00
5.0	NET UTILITY PLANT 133,442,010.03	34.0 NON-OPERATING MARGINS 1,966,628.80
		35.0 OTHER MARGINS & EQUITIES 2,008,175.15-
		36.0 TOTAL MARGINS & EQUITIES 63,816,929.40-
6.0	NON-UTILITY PROPERTY (NET) .00	
7.0	INVEST IN SUBSIDIARY COMPANIES .00	
8.0	INV IN ASSOC ORG - PAT CAPITAL 27,974,533.78	37.0 LONG TERM DEBT - RUS (NET) 63,589,318.47-
9.0	INV IN ASSOC ORG OTHR GEN FND .00	(PAYMENTS-UNAPPLIED .00)
10.0	INV IN ASSOC ORG - NON GEN FND 3,041,424.71	38.0 LNG-TERM DEBT-FFB-RUS GUAR .00
11.0	INV IN ECON DEVEL PROJECTS .00	39.0 LONG-TERM DEBT OTHER-RUS GUAR .00
12.0	OTHER INVESTMENTS 271,480.25	40.0 LONG TERM DEBT - OTHER (NET) 27,464,210.17-
13.0	SPECIAL FUNDS 29,554.80	41.0 LNG-TERM DEBT-RUS-ECON DEV NET .00
14.0	TOT OTHER PROP & INVESTMENTS 31,316,993.54	42.0 PAYMENTS - UNAPPLIED .00
		43.0 TOTAL LONG TERM DEBT 91,053,528.64-
15.0	CASH - GENERAL FUNDS 3,170,847.39	
16.0	CASH - CONSTRUCTION FUND TRUST .00	44.0 OBLIGATION UNDER CAPITAL LEASE .00
17.0	SPECIAL DEPOSITS 1,450.00	45.0 ACCUM OPERATING PROVISIONS 9,026,738.27-
18.0	TEMPORARY INVESTMENTS 826,989.58	46.0 TOTAL OTHER NONCURR LIABILITY 9,026,738.27-
19.0	NOTES RECEIVABLE (NET) .00	
20.0	ACCTS REC - SALES ENERGY (NET) 7,169,818.64	47.0 NOTES PAYABLE 3,483,775.00-
21.0	ACCTS REC - OTHER (NET) 607,913.11	48.0 ACCOUNTS PAYABLE 3,649,297.56-
22.0	RENEWABLE ENERGY CREDITS .00	49.0 CONSUMER DEPOSITS 2,863,251.08-
23.0	MATERIAL & SUPPLIES-ELEC & OTH 884,278.18	50.0 CURR MATURITIES LONG-TERM DEBT .00
24.0	PREPAYMENTS 743,424.28	51.0 CURR MATURIT LT DEBT ECON DEV .00
25.0	OTHER CURRENT & ACCR ASSETS 382,536.30	52.0 CURR MATURITIES CAPITAL LEASES .00
26.0	TOTAL CURRENT & ACCR ASSETS 13,787,257.48	53.0 OTHER CURRENT & ACCRUED LIAB 4,235,757.05-
		54.0 TOTAL CURRENT & ACCRUED LIAB 14,232,080.69-
27.0	REGULATORY ASSETS .00	
28.0	OTHER DEFERRED DEBITS 269,997.14	55.0 REGULATORY LIABILITIES .00
		56.0 OTHER DEFERRED CREDITS 686,981.19-
29.0	TOTAL ASSETS & OTHER DEBITS 178,816,258.19	57.0 TOTAL LIABILITIES & OTH CREDIT 178,816,258.19-

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ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION

58.0 BALANCE BEGINNING OF YEAR .00

59.0 AMOUNT RECEIVED THIS YEAR (NET) 219,365.96

60.0 TOTAL CONTRIBUTIONS IN AID OF CONST 219,365.96

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C E R T I F I C A T I O N

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 SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT

 DATE

 SIGNATURE OF MANAGER

 DATE

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PART A. STATEMENT OF OPERATIONS

LINE NO	LAST YEAR A	THIS YEAR B	BUDGET C	THIS MONTH D	% FROM BUDGET	% CHANGE FROM LAST YEAR
1.0	142,854,578.19	148,967,333.11	147,410,179.00	12,357,897.20	1.1	4.3
2.0	.00	.00	.00	.00	.0	.0
3.0	111,584,179.00	121,768,291.00	116,724,220.00	9,888,298.00	4.3	9.1
4.0	.00	.00	.00	.00	.0	.0
5.0	.00	.00	.00	.00	.0	.0
6.0	4,858,975.18	4,674,025.15	5,111,856.09	411,217.78	8.6	3.8
7.0	3,365,482.13	3,274,278.78	3,542,741.65	220,258.42	7.6	2.7
8.0	3,328,834.08	3,356,230.99	3,434,576.20	360,288.77	2.3	.8
9.0	509,115.69	566,980.31	610,299.80	47,925.34	7.1	11.4
10.0	.00	.00	.00	.00	.0	.0
11.0	2,929,059.35	3,212,053.81	3,228,694.70	313,325.05	.5	9.7
12.0	126,575,645.43	136,851,860.04	132,652,388.44	11,241,313.36	3.2	8.1
13.0	8,884,897.44	9,242,795.93	9,382,179.00	858,184.25	1.5	4.0
14.0	.00	.00	.00	.00	.0	.0
15.0	184,073.51	129,553.17	154,099.00	12,176.76	15.9	29.6
16.0	4,135,974.64	3,911,006.27	4,334,703.00	287,490.81	9.8	5.4
17.0	.00	.00	.00	.00	.0	.0
18.0	195,043.88	314,128.39	213,741.00	23,902.31	47.0	61.1
19.0	67,494.85	74,428.17	103,366.00	16,259.41	28.0	10.3
20.0	140,043,129.75	150,523,771.97	146,840,476.44	12,406,808.08	2.5	7.5
21.0	2,811,448.44	1,556,438.86	569,702.56	48,910.88	373.2	155.4
22.0	102,180.31	134,655.51	311,179.00	6,051.94	56.7	31.8
23.0	.00	.00	.00	.00	.0	.0
24.0	.00	.00	.00	.00	.0	.0
25.0	52,392.11	15,351.99	13,926.00	1,026.84	10.2	129.3
26.0	.00	.00	.00	.00	.0	.0
27.0	435,290.36	171,583.38	75,984.00	.00	125.8	60.6
28.0	.00	.00	.00	.00	.0	.0
29.0	3,296,527.00	1,234,847.98	970,791.56	43,885.78	227.2	137.5

RATIOS

TIER	1.797	.684	1.224	.847
MARGINS TO REVENUE	.023	.008	.007	.004
POWER COST TO REVENUE	.781	.817	.792	.800
INTEREST EXPENSE TO REVENUE	.029	.026	.029	.023
CURRENT ASSETS : CURRENT LIABILITIES	.9350			
MARGINS & EQUITIES AS % OF ASSETS	.3565			
LONG TERM DEBT AS % OF PLANT	.4038			
GENERAL FUNDS TO TOTAL PLANT	1.4978			
QUICK ASSET RATIO	.8753			

Exhibit Q
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PART C. BALANCE SHEET

LINE NO	ASSETS AND OTHER DEBITS	LIABILITIES AND OTHER CREDITS
1.0	TOTAL UTILITY PLANT IN SERVICE 222,208,403.05	30.0 MEMBERSHIPS 1,116,345.00-
2.0	CONSTRUCTION WORK IN PROGRESS 2,499,617.39	31.0 PATRONAGE CAPITAL 62,642,517.84-
3.0	TOTAL UTILITY PLANT 224,708,020.44	32.0 OPERATING MARGINS - PRIOR YEAR .00
4.0	ACCUM PROV FOR DEP & AMORT 91,118,063.90-	33.0 OPERATING MARGINS-CURRENT YEAR .00
5.0	NET UTILITY PLANT 133,589,956.54	34.0 NON-OPERATING MARGINS 2,015,539.68
		35.0 OTHER MARGINS & EQUITIES 2,012,897.74-
		36.0 TOTAL MARGINS & EQUITIES 63,756,220.90-
6.0	NON-UTILITY PROPERTY (NET) .00	
7.0	INVEST IN SUBSIDIARY COMPANIES .00	
8.0	INV IN ASSOC ORG - PAT CAPITAL 27,974,533.78	37.0 LONG TERM DEBT - RUS (NET) 63,448,279.40-
9.0	INV IN ASSOC ORG OTHER GEN FND .00	(PAYMENTS-UNAPPLIED .00)
10.0	INV IN ASSOC ORG - NON GEN FND 3,041,424.71	38.0 LNG-TERM DEBT-FEB-RUS GUAR .00
11.0	INV IN ECON DEVEL PROJECTS .00	39.0 LONG-TERM DEBT OTHER-RUS GUAR .00
12.0	OTHER INVESTMENTS 271,480.25	40.0 LONG TERM DEBT - OTHER (NET) 27,283,636.57-
13.0	SPECIAL FUNDS 29,554.80	41.0 LNG-TERM DEBT-RUS-ECON DEV NET .00
14.0	TOT OTHER PROP & INVESTMENTS 31,316,993.54	42.0 PAYMENTS - UNAPPLIED .00
		43.0 TOTAL LONG TERM DEBT 90,731,915.97-
15.0	CASH - GENERAL FUNDS 3,094,273.25	
16.0	CASH - CONSTRUCTION FUND TRUST .00	
17.0	SPECIAL DEPOSITS 1,450.00	44.0 OBLIGATION UNDER CAPITAL LEASE .00
18.0	TEMPORARY INVESTMENTS .00	45.0 ACCUM OPERATING PROVISIONS 9,070,199.02-
19.0	NOTES RECEIVABLE (NET) .00	46.0 TOTAL OTHER NONCURR LIABILITY 9,070,199.02-
20.0	ACCTS RECV - SALES ENERGY (NET) 8,114,030.90	
21.0	ACCTS RECV - OTHER (NET) 629,216.36	47.0 NOTES PAYABLE 3,541,173.00-
22.0	RENEWABLE ENERGY CREDITS .00	48.0 ACCOUNTS PAYABLE 4,537,016.20-
23.0	MATERIAL & SUPPLIES-ELEC & OTH 868,488.48	49.0 CONSUMER DEPOSITS 2,872,176.07-
24.0	PREPAYMENTS 500,683.03	50.0 CURR MATURITIES LONG-TERM DEBT .00
25.0	OTHER CURRENT & ACCR ASSETS 413,909.26	51.0 CURR MATURIT LT DEBT ECON DEV .00
26.0	TOTAL CURRENT & ACCR ASSETS 13,622,051.28	52.0 CURR MATURITIES CAPITAL LEASES .00
		53.0 OTHER CURRENT & ACCRUED LIAB 3,619,369.11-
		54.0 TOTAL CURRENT & ACCRUED LIAB 14,569,734.38-
27.0	REGULATORY ASSETS .00	
28.0	OTHER DEFERRED DEBITS 287,468.89	55.0 REGULATORY LIABILITIES .00
		56.0 OTHER DEFERRED CREDITS 688,399.98-
29.0	TOTAL ASSETS & OTHER DEBITS 178,816,470.25	57.0 TOTAL LIABILITIES & OTH CREDIT 178,816,470.25-

C E R T I F I C A T I O N

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 SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT

 SIGNATURE OF MANAGER

 DATE

 DATE

ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION
 58.0 BALANCE BEGINNING OF YEAR .00
 59.0 AMOUNT RECEIVED THIS YEAR (NET) 222,744.96
 60.0 TOTAL CONTRIBUTIONS IN AID OF CONST 222,744.96

Exhibit Q
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PART A. STATEMENT OF OPERATIONS

LINE NO	LAST YEAR A	THIS YEAR B	BUDGET C	THIS MONTH D	% FROM BUDGET	% CHANGE FROM LAST YEAR
1.0	156,031,215.93	164,646,471.12	160,911,894.00	15,679,138.01	2.3	5.5
2.0	.00	.00	.00	.00	.0	.0
3.0	120,929,457.00	131,922,578.00	126,308,101.00	10,154,287.00	4.4	9.1
4.0	.00	.00	.00	.00	.0	.0
5.0	.00	.00	.00	.00	.0	.0
6.0	5,451,046.50	5,113,433.79	5,576,580.00	439,408.64	8.3	6.2
7.0	3,789,789.77	3,552,377.14	3,846,501.15	278,098.36	7.6	6.3
8.0	3,746,601.51	3,698,757.18	3,746,813.00	342,526.19	1.3	1.3
9.0	555,473.81	635,126.38	665,784.00	68,146.07	4.6	14.3
10.0	.00	.00	.00	.00	.0	.0
11.0	3,236,962.07	3,613,908.66	3,522,221.00	401,854.85	2.6	11.6
12.0	137,709,330.66	148,536,181.15	143,666,000.15	11,684,321.11	3.4	7.9
13.0	9,706,032.13	10,101,182.49	10,268,061.00	858,386.56	1.6	4.1
14.0	.00	.00	.00	.00	.0	.0
15.0	227,944.95	141,729.93	168,104.00	12,176.76	15.7	37.8
16.0	4,529,618.75	4,398,063.11	4,736,451.00	487,056.84	7.1	2.9
17.0	.00	.00	.00	.00	.0	.0
18.0	212,088.66	280,258.16	233,170.00	33,870.23	20.2	32.1
19.0	100,101.41	79,252.90	109,375.00	4,824.73	27.5	20.8
20.0	152,485,116.56	163,536,667.74	159,181,161.15	13,012,895.77	2.7	7.2
21.0	3,546,099.37	1,109,803.38	1,730,732.85	2,666,242.24	35.9	68.7
22.0	111,088.05	222,421.20	339,473.00	87,765.69	34.5	100.2
23.0	.00	.00	.00	.00	.0	.0
24.0	.00	.00	.00	.00	.0	.0
25.0	51,089.60	8,676.23	15,206.00	6,675.76	42.9	117.0
26.0	.00	.00	.00	.00	.0	.0
27.0	4,421,708.63	8,102,709.29	75,984.00	7,931,125.91	563.7	83.2
28.0	.00	.00	.00	.00	.0	.0
29.0	8,027,806.45	9,443,610.10	2,161,395.85	10,678,458.08	336.9	17.6

RATIOS

TIER	2.772	3.147	1.456	22.924
MARGINS TO REVENUE	.051	.057	.013	.681
POWER COST TO REVENUE	.775	.801	.785	.648
INTEREST EXPENSE TO REVENUE	.029	.027	.029	.031
CURRENT ASSETS : CURRENT LIABILITIES	.8807			
MARGINS & EQUITIES AS % OF ASSETS	.3663			
LONG TERM DEBT AS % OF PLANT	.4003			
GENERAL FUNDS TO TOTAL PLANT	1.4521			
QUICK ASSET RATIO	.8430			

PART C. BALANCE SHEET

LINE NO	ASSETS AND OTHER DEBITS	LIABILITIES AND OTHER CREDITS
1.0	TOTAL UTILITY PLANT IN SERVICE	30.0 MEMBERSHIPS
2.0	CONSTRUCTION WORK IN PROGRESS	31.0 PATRONAGE CAPITAL
3.0	TOTAL UTILITY PLANT	32.0 OPERATING MARGINS - PRIOR YEAR
4.0	ACCUM PROV FOR DEP & AMORT	33.0 OPERATING MARGINS-CURRENT YEAR
5.0	NET UTILITY PLANT	34.0 NON-OPERATING MARGINS
6.0	NON-UTILITY PROPERTY (NET)	35.0 OTHER MARGINS & EQUITIES
7.0	INVEST IN SUBSIDIARY COMPANIES	36.0 TOTAL MARGINS & EQUITIES
8.0	INV IN ASSOC ORG - PAT CAPITAL	37.0 LONG TERM DEBT - RUS (NET)
9.0	INV IN ASSOC ORG OTHER GEN FND	(PAYMENTS-UNAPPLIED)
10.0	INV IN ASSOC ORG - NON GEN FND	38.0 LNG-TERM DEBT-FEB-RUS GUAR
11.0	INV IN ECON DEVEL PROJECTS	39.0 LONG TERM DEBT OTHER-RUS GUAR
12.0	OTHER INVESTMENTS	40.0 LONG TERM DEBT - OTHER (NET)
13.0	SPECIAL FUNDS	41.0 LNG-TERM DEBT-RUS-ECON DEV NET
14.0	TOT OTHER PROP & INVESTMENTS	42.0 PAYMENTS - UNAPPLIED
15.0	CASH - GENERAL FUNDS	43.0 TOTAL LONG TERM DEBT
16.0	CASH - CONSTRUCTION FUND TRUST	44.0 OBLIGATION UNDER CAPITAL LEASE
17.0	SPECIAL DEPOSITS	45.0 ACCUM OPERATING PROVISIONS
18.0	TEMPORARY INVESTMENTS	46.0 TOTAL OTHER NONCURR LIABILITY
19.0	NOTES RECEIVABLE (NET)	47.0 NOTES PAYABLE
20.0	ACCTS REC - SALES ENERGY (NET)	48.0 ACCOUNTS PAYABLE
21.0	ACCTS REC - OTHER (NET)	49.0 CONSUMER DEPOSITS
22.0	RENEWABLE ENERGY CREDITS	50.0 CURR MATURITIES LONG-TERM DEBT
23.0	MATERIAL & SUPPLIES-ELEC & OTH	51.0 CURR MATURIT LT DEBT ECON DEV
24.0	PREPAYMENTS	52.0 CURR MATURITIES CAPITAL LEASES
25.0	OTHER CURRENT & ACCR ASSETS	53.0 OTHER CURRENT & ACCRUED LIAB
26.0	TOTAL CURRENT & ACCR ASSETS	54.0 TOTAL CURRENT & ACCRUED LIAB
27.0	REGULATORY ASSETS	55.0 REGULATORY LIABILITIES
28.0	OTHER DEFERRED DEBITS	56.0 OTHER DEFERRED CREDITS
29.0	TOTAL ASSETS & OTHER DEBITS	57.0 TOTAL LIABILITIES & OTH CREDIT
		ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION
		58.0 BALANCE BEGINNING OF YEAR
		59.0 AMOUNT RECEIVED THIS YEAR (NET)
		60.0 TOTAL CONTRIBUTIONS IN AID OF CONST

C E R T I F I C A T I O N

WE HEREBY CERTIFY THAT THE ENTRIES IN THIS REPORT ARE IN ACCORDANCE WITH THE ACCOUNTS AND OTHER RECORDS OF THE SYSTEM AND REFLECT THE STATUS OF THE SYSTEM TO THE BEST OF OUR KNOWLEDGE AND BELIEF.
ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, REA, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.

SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT

DATE

SIGNATURE OF MANAGER

DATE

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PART A. STATEMENT OF OPERATIONS

LINE NO	LAST YEAR A	THIS YEAR B	BUDGET C	THIS MONTH D	% FROM BUDGET	% CHANGE FROM LAST YEAR
1.0	15,892,877.92	15,348,528.48	16,520,553.00	15,348,528.48	7.1-	3.4-
2.0	.00	.00	.00	.00	.0	.0
3.0	13,056,540.00-	12,681,322.00-	13,068,608.00-	12,681,322.00-	3.0-	2.9-
4.0	.00	.00	.00	.00	.0	.0
5.0	.00	.00	.00	.00	.0	.0
6.0	408,447.19-	392,545.95-	449,055.00-	392,545.95-	12.6-	3.9-
7.0	90,685.10-	137,332.06-	320,926.40-	137,332.06-	57.2-	51.4
8.0	223,896.82-	237,639.56-	321,399.52-	237,639.56-	26.1-	6.1
9.0	44,653.61-	49,250.97-	54,969.40-	49,250.97-	10.4-	10.3
10.0	.00	.00	.00	.00	.0	.0
11.0	324,332.96-	262,964.54-	308,562.20-	262,964.54-	14.8-	18.9-
12.0	14,148,555.68-	13,761,055.08-	14,523,520.52-	13,761,055.08-	5.2-	2.7-
13.0	822,242.27-	861,764.85-	847,187.00-	861,764.85-	1.7	4.8
14.0	.00	.00	.00	.00	.0	.0
15.0	11,453.23-	12,186.76-	12,047.00-	12,186.76-	1.2	6.4
16.0	361,415.53-	367,474.92-	373,066.00-	367,474.92-	1.5-	1.7
17.0	.00	.00	.00	.00	.0	.0
18.0	27,696.00-	27,948.99-	33,152.00-	27,948.99-	15.7-	.9
19.0	15,413.16-	38,858.51-	10,000.00-	38,858.51-	288.6	152.1
20.0	15,386,775.87-	15,069,289.11-	15,798,972.52-	15,069,289.11-	4.6-	2.1-
21.0	506,102.05	279,239.37	721,580.48	279,239.37	61.3-	44.8-
22.0	6,306.10	6,614.86	32,774.41	6,614.86	79.8-	4.9
23.0	.00	.00	.00	.00	.0	.0
24.0	.00	.00	.00	.00	.0	.0
25.0	2,094.69-	7,615.21	1,335.50	7,615.21	470.2	463.5-
26.0	.00	.00	.00	.00	.0	.0
27.0	.00	.00	.01-	.00	100.0	.0
28.0	.00	.00	.00	.00	.0	.0
29.0	510,313.46	293,469.44	755,690.38	293,469.44	61.2-	42.5-

RATIOS

TIER	2.412	1.799	3.026	1.799
MARGINS TO REVENUE	.032	.019	.046	.019
POWER COST TO REVENUE	.822	.826	.791	.826
INTEREST EXPENSE TO REVENUE	.023	.024	.023	.024
CURRENT ASSETS : CURRENT LIABILITIES	.9097			
MARGINS & EQUITIES AS % OF ASSETS	.3640			
LONG TERM DEBT AS % OF PLANT	.3990			
GENERAL FUNDS TO TOTAL PLANT	2.2199			
QUICK ASSET RATIO	.8763			

PART C. BALANCE SHEET

LINE NO	ASSETS AND OTHER DEBITS	LIABILITIES AND OTHER CREDITS
1.0	TOTAL UTILITY PLANT IN SERVICE 223,759,699.34	30.0 MEMBERSHIPS 1,115,575.00-
2.0	CONSTRUCTION WORK IN PROGRESS 2,581,367.67	31.0 PATRONAGE CAPITAL 61,841,750.89-
3.0	TOTAL UTILITY PLANT 226,341,067.01	32.0 OPERATING MARGINS - PRIOR YEAR .00
4.0	ACCUM PROV FOR DEP & AMORT 92,480,540.95-	33.0 OPERATING MARGINS-CURRENT YEAR 9,212,512.67-
5.0	NET UTILITY PLANT 133,860,526.06	34.0 NON-OPERATING MARGINS 1,715,393.40
		35.0 OTHER MARGINS & EQUITIES 2,026,659.23-
		36.0 TOTAL MARGINS & EQUITIES 72,481,104.39-
6.0	NON-UTILITY PROPERTY (NET) .00	
7.0	INVEST IN SUBSIDIARY COMPANIES .00	
8.0	INV IN ASSOC ORG - PAT CAPITAL 35,905,659.69	37.0 LONG TERM DEBT - RUS (NET) 63,139,172.91-
9.0	INV IN ASSOC ORG OTHR GEN FND .00	(PAYMENTS-UNAPPLIED) .00)
10.0	INV IN ASSOC ORG - NON GEN FND 3,034,873.46	38.0 LNG-TERM DEBT-FFB-RUS GUAR .00
11.0	INV IN ECON DEVEL PROJECTS .00	39.0 LONG-TERM DEBT OTHER-RUS GUAR .00
12.0	OTHER INVESTMENTS 271,372.57	40.0 LONG TERM DEBT - OTHER (NET) 27,172,577.71-
13.0	SPECIAL FUNDS 26,661.65	41.0 LNG-TERM DEBT-RUS-ECON DEV NET .00
14.0	TOT OTHER PROP & INVESTMENTS 39,238,567.37	42.0 PAYMENTS - UNAPPLIED .00
		43.0 TOTAL LONG TERM DEBT 90,311,750.62-
15.0	CASH - GENERAL FUNDS 4,753,165.32	
16.0	CASH - CONSTRUCTION FUND TRUST .00	44.0 OBLIGATION UNDER CAPITAL LEASE .00
17.0	SPECIAL DEPOSITS 1,450.00	45.0 ACCUM OPERATING PROVISIONS 9,060,712.06-
18.0	TEMPORARY INVESTMENTS .00	46.0 TOTAL OTHER NONCURR LIABILITY 9,060,712.06-
19.0	NOTES RECEIVABLE (NET) .00	
20.0	ACCTS REC - SALES ENERGY (NET) 16,669,327.77	47.0 NOTES PAYABLE 6,673,759.00-
21.0	ACCTS REC - OTHER (NET) 617,773.71	48.0 ACCOUNTS PAYABLE 13,508,213.14-
22.0	RENEWABLE ENERGY CREDITS .00	49.0 CONSUMER DEPOSITS 2,865,791.69-
23.0	MATERIAL & SUPPLIES-ELEC & OTH 880,986.22	50.0 CURR MATURITIES LONG-TERM DEBT .00
24.0	PREPAYMENTS 726,650.35	51.0 CURR MATURIT LT DEBT ECON DEV .00
25.0	OTHER CURRENT & ACCR ASSETS 378,296.49	52.0 CURR MATURITIES CAPITAL LEASES .00
26.0	TOTAL CURRENT & ACCR ASSETS 24,027,649.86	53.0 OTHER CURRENT & ACCRUED LIAB 3,366,105.76-
		54.0 TOTAL CURRENT & ACCRUED LIAB 26,413,869.59-
27.0	REGULATORY ASSETS 1,749,182.31	
28.0	OTHER DEFERRED DEBITS 248,670.24	55.0 REGULATORY LIABILITIES .00
		56.0 OTHER DEFERRED CREDITS 857,159.18-
29.0	TOTAL ASSETS & OTHER DEBITS 199,124,595.84	57.0 TOTAL LIABILITIES & OTH CREDIT 199,124,595.84-

C E R T I F I C A T I O N

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 SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT

 DATE

 SIGNATURE OF MANAGER

 DATE

ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION
 58.0 BALANCE BEGINNING OF YEAR .00
 59.0 AMOUNT RECEIVED THIS YEAR (NET) 1,750.35-
 60.0 TOTAL CONTRIBUTIONS IN AID OF CONST 1,750.35-

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PART A. STATEMENT OF OPERATIONS

LINE NO	LAST YEAR	YEAR TO DATE THIS YEAR	BUDGET	THIS MONTH	% FROM BUDGET	% CHANGE FROM LAST YEAR
	A	B	C	D		
1.0	31,223,447.43	28,707,740.38	32,968,460.00	13,359,211.90	12.9-	8.1-
2.0	.00	.00	.00	.00	.0	.0
3.0	25,465,465.00	23,700,097.00	26,627,280.00	11,018,775.00	11.0-	6.9-
4.0	.00	.00	.00	.00	.0	.0
5.0	.00	.00	.00	.00	.0	.0
6.0	851,706.31	829,613.20	906,880.00	437,067.25	8.5-	2.6-
7.0	327,807.18	307,120.43	634,816.80	169,788.37	51.6-	6.3-
8.0	568,372.62	603,989.36	642,658.39	366,349.80	6.0-	6.3-
9.0	102,514.06	98,902.22	109,930.80	49,651.25	10.0-	3.5-
10.0	.00	.00	.00	.00	.0	.0
11.0	594,254.74	570,557.41	618,494.40	307,592.87	7.8-	4.0-
12.0	27,910,119.91	26,110,279.62	29,540,060.39	12,349,224.54	11.6-	6.4-
13.0	1,649,449.26	1,726,879.41	1,697,346.00	865,114.56	1.7	4.7
14.0	.00	.00	.00	.00	.0	.0
15.0	22,896.46	24,363.52	24,094.00	12,176.76	1.1	6.4
16.0	693,985.67	720,833.73	721,150.00	353,358.81	.0	3.9
17.0	.00	.00	.00	.00	.0	.0
18.0	54,021.11	51,311.87	66,304.00	23,362.88	22.6-	5.0-
19.0	16,393.09	40,132.67	33,000.00	1,274.16	21.6	144.8
20.0	30,346,865.50	28,673,800.82	32,081,954.39	13,604,511.71	10.6-	5.5-
21.0	876,581.93	33,939.56	886,505.61	245,299.81	96.2-	96.1-
22.0	12,353.40	113,307.80	65,548.82	106,692.94	72.9	817.2
23.0	.00	.00	.00	.00	.0	.0
24.0	.00	.00	.00	.00	.0	.0
25.0	354.41	8,442.58	2,671.00	827.37	216.1	2482.2-
26.0	.00	.00	.00	.00	100.0	100.0
27.0	.00	79,062.06	.00	79,062.06	100.0	100.0
28.0	.00	.00	.00	.00	.0	.0
29.0	888,580.92	234,752.00	954,725.43	58,717.44	75.4-	73.6-

RATIOS

TIER	2.280	1.326	2.324	.834
MARGINS TO REVENUE	.028	.008	.029	.004
POWER COST TO REVENUE	.816	.826	.808	.825
INTEREST EXPENSE TO REVENUE	.022	.025	.022	.026
CURRENT ASSETS : CURRENT LIABILITIES	.8809			
MARGINS & EQUITIES AS % OF ASSETS	.3687			
LONG TERM DEBT AS % OF PLANT	.3962			
GENERAL FUNDS TO TOTAL PLANT	1.6837			
QUICK ASSET RATIO	.8439			

Exhibit Q
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PART C. BALANCE SHEET

LINE NO	ASSETS AND OTHER DEBITS	LIABILITIES AND OTHER CREDITS
1.0	TOTAL UTILITY PLANT IN SERVICE 224,221,976.57	30.0 MEMBERSHIPS 1,118,420.00-
2.0	CONSTRUCTION WORK IN PROGRESS 2,867,601.13	31.0 PATRONAGE CAPITAL 61,827,293.42-
3.0	TOTAL UTILITY PLANT 227,089,577.70	32.0 OPERATING MARGINS - PRIOR YEAR 9,212,512.67-
4.0	ACCUM PROV FOR DEP & AMORT 93,198,764.68-	33.0 OPERATING MARGINS-CURRENT YEAR 1,881,631.15
5.0	NET UTILITY PLANT 133,890,813.02	34.0 NON-OPERATING MARGINS 2,134,158.10-
6.0	NON-UTILITY PROPERTY (NET) .00	35.0 OTHER MARGINS & EQUITIES 72,410,753.04-
7.0	INVEST IN SUBSIDIARY COMPANIES .00	36.0 TOTAL MARGINS & EQUITIES
8.0	INV IN ASSOC ORG - PAT CAPITAL 35,953,587.75	37.0 LONG TERM DEBT - RUS (NET) 62,973,488.38-
9.0	INV IN ASSOC ORG - PAT CAPITAL 3,066,007.46	(PAYMENTS-UNAPPLIED) .00)
10.0	INV IN ASSOC ORG - NON GEN FND 3,066,007.46	38.0 LNG-TERM DEBT-FFB-RUS GUAR .00
11.0	INV IN ECON DEVEL PROJECTS 271,372.57	39.0 LONG-TERM DEBT OTHER-RUS GUAR .00
12.0	OTHER INVESTMENTS 26,661.65	40.0 LONG TERM DEBT - OTHER (NET) 26,999,927.34-
13.0	SPECIAL FUNDS	41.0 LNG-TERM DEBT-RUS-ECON DEV NET .00
14.0	TOT OTHER PROP & INVESTMENTS 39,317,629.43	42.0 PAYMENTS - UNAPPLIED .00
15.0	CASH - GENERAL FUNDS 3,552,223.03	43.0 TOTAL LONG TERM DEBT 89,973,415.72-
16.0	CASH - CONSTRUCTION FUND TRUST .00	44.0 OBLIGATION UNDER CAPITAL LEASE .00
17.0	SPECIAL DEPOSITS 1,450.00	45.0 ACCUM OPERATING PROVISIONS 9,101,031.35-
18.0	TEMPORARY INVESTMENTS .00	46.0 TOTAL OTHER NONCURR LIABILITY 9,101,031.35-
19.0	NOTES RECEIVABLE (NET) .00	47.0 NOTES PAYABLE 5,781,281.18-
20.0	ACCTS REC - SALES ENERGY (NET) 15,287,986.45	48.0 ACCOUNTS PAYABLE 11,966,408.67-
21.0	ACCTS REC - OTHER (NET) 556,223.72	49.0 CONSUMER DEPOSITS 2,925,340.94-
22.0	RENEWABLE ENERGY CREDITS .00	50.0 CURR MATURITIES LONG-TERM DEBT .00
23.0	MATERIAL & SUPPLIES-ELEC & OTH 896,063.53	51.0 CURR MATURIT LT DEBT ECON DEV .00
24.0	PREPAYMENTS 807,457.11	52.0 CURR MATURITIES CAPITAL LEASES .00
25.0	OTHER CURRENT & ACCR ASSETS 213,051.38	53.0 OTHER CURRENT & ACCRUED LIAB 3,522,706.24-
26.0	TOTAL CURRENT & ACCR ASSETS 21,314,455.22	54.0 TOTAL CURRENT & ACCRUED LIAB 24,195,737.03-
27.0	REGULATORY ASSETS 1,603,951.23	55.0 REGULATORY LIABILITIES 701,788.21-
28.0	OTHER DEFERRED DEBITS 255,876.45	56.0 OTHER DEFERRED CREDITS 196,382,725.35-
29.0	TOTAL ASSETS & OTHER DEBITS 196,382,725.35	57.0 TOTAL LIABILITIES & OTH CREDIT

C E R T I F I C A T I O N

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 SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT

 DATE

 SIGNATURE OF MANAGER

 DATE

Exhibit Q
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Exhibit A
Page 17 of 24

PART A. STATEMENT OF OPERATIONS

LINE NO	LAST YEAR A	THIS YEAR B	BUDGET C	THIS MONTH D	% FROM BUDGET	% CHANGE FROM LAST YEAR
1.0	44,730,036.85	41,689,273.19	47,726,432.00	12,981,532.81	12.6-	6.8-
2.0	.00	.00	.00	.00	.0	.0
3.0	36,184,423.00-	33,875,171.00-	38,696,800.00-	10,175,074.00-	12.5-	6.4-
4.0	.00	.00	.00	.00	.0	.0
5.0	.00	.00	.00	.00	.0	.0
6.0	1,311,530.87-	1,282,307.92-	1,361,840.00-	452,694.72-	5.8-	2.2-
7.0	596,833.77-	672,018.92-	948,707.20-	364,898.49-	29.2-	12.6
8.0	848,590.08-	936,718.93-	963,897.26-	332,729.57-	2.8-	10.4
9.0	130,976.52-	151,362.66-	164,892.20-	52,460.44-	8.2-	15.6
10.0	.00	.00	.00	.00	.0	.0
11.0	882,671.08-	885,486.81-	926,155.60-	314,929.40-	4.4-	.3
12.0	39,955,025.32-	37,803,066.24-	43,062,292.26-	11,692,786.62-	12.2-	5.4-
13.0	2,477,886.99-	2,593,369.30-	2,551,787.00-	866,489.89-	1.6	4.7
14.0	.00	.00	.00	.00	.0	.0
15.0	34,339.69-	36,540.28-	36,141.00-	12,176.76-	1.1	6.4
16.0	1,069,812.32-	1,116,286.76-	1,092,472.00-	395,453.03-	2.2	4.3
17.0	.00	.00	.00	.00	.0	.0
18.0	83,933.41-	78,998.40-	99,456.00-	27,686.53-	20.6-	5.9-
19.0	22,935.73-	42,201.92-	39,000.00-	2,069.25-	8.2	84.0
20.0	43,643,933.46-	41,670,462.90-	46,881,148.26-	12,996,662.08-	11.1-	4.5-
21.0	1,086,103.39	18,810.29	845,283.74	15,129.27-	97.8-	98.3-
22.0	19,487.75	119,890.38	98,323.23	6,582.58	21.9	515.2
23.0	.00	.00	.00	.00	.0	.0
24.0	.00	.00	.00	.00	.0	.0
25.0	561.80	206,469.04	4,006.50	198,026.46	53.4	6651.3
26.0	.00	.00	.00	.00	.0	.0
27.0	28,741.00	82,100.45	29,315.00	3,038.39	180.1	185.7
28.0	.00	.00	.00	.00	.0	.0
29.0	1,134,893.94	427,270.16	976,928.47	192,518.16	56.3-	62.4-

RATIOS

TIER	2.061	1.383	1.894	1.487
MARGINS TO REVENUE	.025	.010	.020	.015
POWER COST TO REVENUE	.809	.813	.811	.784
INTEREST EXPENSE TO REVENUE	.024	.027	.023	.030
CURRENT ASSETS : CURRENT LIABILITIES	.8706			
MARGINS & EQUITIES AS % OF ASSETS	.3692			
LONG TERM DEBT AS % OF PLANT	.3928			
GENERAL FUNDS TO TOTAL PLANT	2.2598			
QUICK ASSET RATIO	.8336			

PART C. BALANCE SHEET

LINE NO	ASSETS AND OTHER DEBITS	LIABILITIES AND OTHER CREDITS
1.0	TOTAL UTILITY PLANT IN SERVICE	1,119,355.00-
2.0	CONSTRUCTION WORK IN PROGRESS	61,804,583.45-
3.0	TOTAL UTILITY PLANT	9,212,512.67-
4.0	ACCUM PROV FOR DEP & AMORT	1,893,722.03
5.0	NET UTILITY PLANT	2,337,999.41-
6.0	NON-UTILITY PROPERTY (NET)	72,580,728.50-
7.0	INVEST IN SUBSIDIARY COMPANIES	
8.0	INV IN ASSOC ORG - PAT CAPITAL	37.0 LONG TERM DEBT - RUS (NET)
9.0	INV IN ASSOC ORG OTHER GEN FND	(PAYMENTS-UNAPPLIED)
10.0	INV IN ASSOC ORG - NON GEN FND	62,692,709.61-
11.0	INV IN ECON DEVEL PROJECTS	.00)
12.0	OTHER INVESTMENTS	38.0 LNG-TERM DEBT-FFB-RUS GUAR
13.0	SPECIAL FUNDS	39.0 LONG-TERM DEBT OTHER-RUS GUAR
14.0	TOT OTHER PROP & INVESTMENTS	40.0 LONG TERM DEBT - OTHER (NET)
15.0	CASH - GENERAL FUNDS	41.0 LNG-TERM DEBT-RUS-ECON DEV NET
16.0	CASH - CONSTRUCTION FUND TRUST	42.0 PAYMENTS - UNAPPLIED
17.0	SPECIAL DEPOSITS	43.0 TOTAL LONG TERM DEBT
18.0	TEMPORARY INVESTMENTS	44.0 OBLIGATION UNDER CAPITAL LEASE
19.0	NOTES RECEIVABLE (NET)	45.0 ACCUM OPERATING PROVISIONS
20.0	ACCTS REC - SALES ENERGY (NET)	46.0 TOTAL OTHER NONCURR LIABILITY
21.0	ACCTS REC - OTHER (NET)	47.0 NOTES PAYABLE
22.0	RENEWABLE ENERGY CREDITS	48.0 ACCOUNTS PAYABLE
23.0	MATERIAL & SUPPLIES-ELEC & OTH	49.0 CONSUMER DEPOSITS
24.0	PREPAYMENTS	50.0 CURR MATURITIES LONG-TERM DEBT
25.0	OTHER CURRENT & ACCR ASSETS	51.0 CURR MATURIT LT DEBT ECON DEV
26.0	TOTAL CURRENT & ACCR ASSETS	52.0 CURR MATURITIES CAPITAL LEASES
27.0	REGULATORY ASSETS	53.0 OTHER CURRENT & ACCRUED LIAB
28.0	OTHER DEFERRED DEBITS	54.0 TOTAL CURRENT & ACCRUED LIAB
29.0	TOTAL ASSETS & OTHER DEBITS	55.0 REGULATORY LIABILITIES
		56.0 OTHER DEFERRED CREDITS
		57.0 TOTAL LIABILITIES & OTH CREDIT
		=====
		ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION
		58.0 BALANCE BEGINNING OF YEAR
		59.0 AMOUNT RECEIVED THIS YEAR (NET)
		60.0 TOTAL CONTRIBUTIONS IN AID OF CONST

C E R T I F I C A T I O N

WE HEREBY CERTIFY THAT THE ENTRIES IN THIS REPORT ARE IN ACCORDANCE WITH THE ACCOUNTS AND OTHER RECORDS OF THE SYSTEM AND REFLECT THE STATUS OF THE SYSTEM TO THE BEST OF OUR KNOWLEDGE AND BELIEF. ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, REA, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.

 SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT

 SIGNATURE OF MANAGER

 DATE

 DATE

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PART A. STATEMENT OF OPERATIONS

LINE NO	DESCRIPTION	LAST YEAR A	THIS YEAR B	BUDGET C	THIS MONTH D	% FROM BUDGET	% CHANGE FROM LAST YEAR
1.0	OPERATING REVENUE & PATRONAGE CAPITAL.....	57,201,261.15	52,659,282.88	60,905,333.00	10,970,009.69	13.5-	7.9-
2.0	POWER PRODUCTION EXPENSE.....	.00	.00	.00	.00	.0	.0
3.0	COST OF PURCHASED POWER.....	46,133,603.00	42,767,408.00	49,651,680.00	8,892,237.00	13.9-	7.3-
4.0	TRANSMISSION EXPENSE.....	.00	.00	.00	.00	.0	.0
5.0	REGIONAL MARKET OPERATIONS EXPENSE.....	.00	.00	.00	.00	.0	.0
6.0	DISTRIBUTION EXPENSE-OPERATION.....	1,739,733.57	1,709,865.51	1,806,995.00	427,557.59	5.4-	1.7-
7.0	DISTRIBUTION EXPENSE-MAINTENANCE.....	956,250.88	886,545.26	1,262,597.60	214,526.34	29.8-	7.3-
8.0	CONSUMER ACCOUNTS EXPENSE.....	1,214,971.50	1,245,058.05	1,285,636.13	308,339.12	3.2-	2.5
9.0	CUSTOMER SERVICE & INFORMATIONAL EXPENSE.....	175,623.70	195,707.05	219,853.60	44,344.39	11.0-	11.4
10.0	SALES EXPENSE.....	.00	.00	.00	.00	.0	.0
11.0	ADMINISTRATIVE & GENERAL EXPENSE.....	1,161,750.66	1,210,567.30	1,232,847.80	325,080.49	1.8-	4.2
12.0	TOTAL OPERATIONS & MAINTENANCE EXPENSE....	51,381,933.31	48,015,151.17	55,459,610.13	10,212,084.93	13.4-	6.6-
13.0	DEPRECIATION & AMORTIZATION EXPENSE.....	3,307,859.83	3,462,098.21	3,410,510.00	868,728.91	1.5	4.7
14.0	TAX EXPENSE - PROPERTY & GROSS RECEIPTS..	.00	.00	.00	.00	.0	.0
15.0	TAX EXPENSE - OTHER.....	45,782.92	48,717.04	48,188.00	12,176.76	1.1	6.4
16.0	INTEREST ON LONG TERM DEBT.....	1,432,500.68	1,478,025.06	1,455,073.00	361,738.30	1.6	3.2
17.0	INTEREST CHARGED TO CONSTRUCTION - CREDIT	.00	.00	.00	.00	.0	.0
18.0	INTEREST EXPENSE - OTHER.....	107,665.22	103,450.60	132,608.00	24,452.20	22.0-	3.9-
19.0	OTHER DEDUCTIONS.....	36,510.89	45,010.25	45,000.00	2,808.33	.0	23.3
20.0	TOTAL COST OF ELECTRIC SERVICE.....	56,312,252.85	53,152,452.33	60,550,989.13	11,481,989.43	12.2-	5.6-
21.0	PATRONAGE CAPITAL & OPERATING MARGINS....	889,008.30	493,169.45	354,343.87	511,979.74	239.2-	155.5-
22.0	NON OPERATING MARGINS - INTEREST.....	48,495.33	148,660.64	131,097.64	28,770.26	13.4	206.5
23.0	ALLOW. FOR FUNDS USED DURING CONSTRUCTION	.00	.00	.00	.00	.0	.0
24.0	INCOME (LOSS) FROM EQUITY INVESTMENTS....	.00	.00	.00	.00	.0	.0
25.0	NON OPERATING MARGINS - OTHER.....	956.45	206,859.25	5,342.00	390.21	772.3	1527.8
26.0	GENERATION & TRANSMISSION CAPITAL CREDITS	.00	.00	.00	.00	.0	.0
27.0	OTHER CAPITAL CREDITS & PATRONAGE DIVID..	28,741.00	114,044.34	29,314.99	196,144.79	489.0-	496.8-
28.0	EXTRAORDINARY ITEMS.....	.00	.00	.00	.00	.0	.0
29.0	PATRONAGE CAPITAL OR MARGINS.....	967,201.08	251,693.90	520,098.50	678,964.06	148.4-	126.0-

RATIOS

TIER	1.675	.830	1.357	.877-
MARGINS TO REVENUE	.017	.005	.009	.062
POWER COST TO REVENUE	.807	.812	.815	.811
INTEREST EXPENSE TO REVENUE	.025	.028	.024	.033
CURRENT ASSETS : CURRENT LIABILITIES	.8404			
MARGINS & EQUITIES AS % OF ASSETS	.3737			
LONG TERM DEBT AS % OF PLANT	.3916			
GENERAL FUNDS TO TOTAL PLANT	1.6406			
QUICK ASSET RATIO	.8002			

PART C. BALANCE SHEET

LINE NO	ASSETS AND OTHER DEBITS	LIABILITIES AND OTHER CREDITS
1.0	TOTAL UTILITY PLANT IN SERVICE 225,590,089.58	30.0 MEMBERSHIPS 1,119,995.00-
2.0	CONSTRUCTION WORK IN PROGRESS 3,030,531.17	31.0 PATRONAGE CAPITAL 61,790,756.60-
3.0	TOTAL UTILITY PLANT 228,620,620.75	32.0 OPERATING MARGINS - PRIOR YEAR .00
4.0	ACCUM PROV FOR DEP & AMORT 94,553,731.34-	33.0 OPERATING MARGINS-CURRENT YEAR 9,212,512.67-
5.0	NET UTILITY PLANT 134,066,889.41	34.0 NON-OPERATING MARGINS 2,601,846.56
		35.0 OTHER MARGINS & EQUITIES 2,367,154.38-
6.0	NON-UTILITY PROPERTY (NET) .00	36.0 TOTAL MARGINS & EQUITIES 71,888,572.09-
7.0	INVEST IN SUBSIDIARY COMPANIES .00	
8.0	INV IN ASSOC ORG - PAT CAPITAL 35,734,590.01	37.0 LONG TERM DEBT - RUS (NET) 62,631,132.27-
9.0	INV IN ASSOC ORG OTHER GEN FND 3,048,962.00	(PAYMENTS-UNAPPLIED .00)
10.0	INV IN ASSOC ORG - NON GEN FND .00	38.0 LNG-TERM DEBT-FFB-RUS GUAR .00
11.0	INV IN ECON DEVEL PROJECTS .00	39.0 LONG-TERM DEBT OTHER-RUS GUAR .00
12.0	OTHER INVESTMENTS 271,372.57	40.0 LONG TERM DEBT - OTHER (NET) 26,888,308.41-
13.0	SPECIAL FUNDS 26,661.65	41.0 LNG-TERM DEBT-RUS-ECON DEV NET .00
14.0	TOT OTHER PROP & INVESTMENTS 39,081,586.23	42.0 PAYMENTS - UNAPPLIED .00
		43.0 TOTAL LONG TERM DEBT 89,519,440.68-
15.0	CASH - GENERAL FUNDS 3,479,301.21	
16.0	CASH - CONSTRUCTION FUND TRUST .00	44.0 OBLIGATION UNDER CAPITAL LEASE .00
17.0	SPECIAL DEPOSITS 1,450.00	45.0 ACCUM OPERATING PROVISIONS 9,177,332.06-
18.0	TEMPORARY INVESTMENTS .00	46.0 TOTAL OTHER NONCURR LIABILITY 9,177,332.06-
19.0	NOTES RECEIVABLE (NET) .00	
20.0	ACCTS REC - SALES ENERGY (NET) 12,074,347.01	47.0 NOTES PAYABLE 4,795,074.00-
21.0	ACCTS REC - OTHER (NET) 333,644.82	48.0 ACCOUNTS PAYABLE 9,489,841.16-
22.0	RENEWABLE ENERGY CREDITS .00	49.0 CONSUMER DEPOSITS 2,943,827.96-
23.0	MATERIAL & SUPPLIES-ELEC & OTH 848,079.10	50.0 CURR MATURITIES LONG-TERM DEBT .00
24.0	PREPAYMENTS 801,594.60	51.0 CURR MATURIT LT DEBT ECON DEV .00
25.0	OTHER CURRENT & ACCR ASSETS 179,444.39	52.0 CURR MATURITIES CAPITAL LEASES .00
26.0	TOTAL CURRENT & ACCR ASSETS 17,717,861.13	53.0 OTHER CURRENT & ACCRUED LIAB 3,854,168.96-
		54.0 TOTAL CURRENT & ACCRUED LIAB 21,082,912.08-
27.0	REGULATORY ASSETS 1,141,209.26	
28.0	OTHER DEFERRED DEBITS 379,154.30	55.0 REGULATORY LIABILITIES .00
		56.0 OTHER DEFERRED CREDITS 718,443.42-
29.0	TOTAL ASSETS & OTHER DEBITS 192,386,700.33	57.0 TOTAL LIABILITIES & OTH CREDIT 192,386,700.33-

ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION

58.0 BALANCE BEGINNING OF YEAR .00

59.0 AMOUNT RECEIVED THIS YEAR (NET) 55,686.24

60.0 TOTAL CONTRIBUTIONS IN AID OF CONST 55,686.24

C E R T I F I C A T I O N

WE HEREBY CERTIFY THAT THE ENTRIES IN THIS REPORT ARE IN ACCORDANCE WITH THE ACCOUNTS AND OTHER RECORDS OF THE SYSTEM AND REFLECT THE STATUS OF THE SYSTEM TO THE BEST OF OUR KNOWLEDGE AND BELIEF. ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, REA, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.

 SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT

 DATE

 SIGNATURE OF MANAGER

 DATE

Exhibit A
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PART A. STATEMENT OF OPERATIONS

LINE NO	DESCRIPTION	LAST YEAR A	THIS YEAR B	BUDGET C	THIS MONTH D	% FROM BUDGET	% CHANGE FROM LAST YEAR
1.0	OPERATING REVENUE & PATRONAGE CAPITAL.....	68,932,751.61	65,466,311.34	73,576,328.00	12,807,028.46	11.0-	5.0-
2.0	POWER PRODUCTION EXPENSE.....	.00	.00	.00	.00	.0	.0
3.0	COST OF PURCHASED POWER.....	55,306,565.00	53,244,732.00	59,674,368.00	10,477,324.00	10.8-	3.7-
4.0	TRANSMISSION EXPENSE.....	.00	.00	.00	.00	.0	.0
5.0	REGIONAL MARKET OPERATIONS EXPENSE.....	.00	.00	.00	.00	.0	.0
6.0	DISTRIBUTION EXPENSE-OPERATION.....	2,186,394.71	2,144,181.44	2,251,720.00	434,315.93	4.8-	1.9-
7.0	DISTRIBUTION EXPENSE-MAINTENANCE.....	1,329,831.57	1,047,209.35	1,576,488.00	160,664.09	33.6-	21.3-
8.0	CONSUMER ACCOUNTS EXPENSE.....	1,544,497.54	1,560,274.76	1,606,755.00	315,216.71	2.9-	1.0
9.0	CUSTOMER SERVICE & INFORMATIONAL EXPENSE.....	221,073.73	243,925.75	274,815.00	48,218.70	11.2-	10.3
10.0	SALES EXPENSE.....	.00	.00	.00	.00	.0	.0
11.0	ADMINISTRATIVE & GENERAL EXPENSE.....	1,497,225.74	1,510,522.99	1,539,990.00	299,955.69	1.9-	.9
12.0	TOTAL OPERATIONS & MAINTENANCE EXPENSE...	62,085,588.29	59,750,846.29	66,924,136.00	11,735,695.12	10.7-	3.8-
13.0	DEPRECIATION & AMORTIZATION EXPENSE.....	4,145,827.87	4,333,200.26	4,273,513.00	871,102.05	1.4	4.5
14.0	TAX EXPENSE - PROPERTY & GROSS RECEIPTS..	57,226.15	60,893.80	60,235.00	12,176.76	1.1	0.0
15.0	TAX EXPENSE - OTHER.....	1,791,548.12	1,855,335.10	1,818,953.00	377,310.04	2.0	3.6
16.0	INTEREST ON LONG TERM DEBT.....	.00	.00	.00	.00	.0	.0
17.0	INTEREST CHARGED TO CONSTRUCTION - CREDIT	132,820.96	126,665.26	165,760.00	23,214.66	23.6-	4.6-
18.0	INTEREST EXPENSE - OTHER.....	48,840.53	50,349.25	51,000.00	5,339.00	1.3-	3.1
19.0	OTHER DEDUCTIONS.....	68,261,851.92	66,177,289.96	73,293,597.00	13,024,837.63	9.7-	3.1-
20.0	TOTAL COST OF ELECTRIC SERVICE.....	670,899.69	710,978.62	282,731.00	217,809.17	351.5-	206.0-
21.0	PATRONAGE CAPITAL & OPERATING MARGINS.....	55,215.75	258,044.11	163,872.05	109,383.47	57.5	367.3
22.0	NON OPERATING MARGINS - INTEREST.....	.00	.00	.00	.00	.0	.0
23.0	ALLOW. FOR FUNDS USED DURING CONSTRUCTION	.00	.00	.00	.00	.0	.0
24.0	INCOME (LOSS) FROM EQUITY INVESTMENTS...	1,698.62	207,835.51	6,677.50	976.26	12.5	2135.6
25.0	NON OPERATING MARGINS - OTHER.....	28,741.00	114,044.34	29,315.00	.00	489.0-	496.8-
26.0	GENERATION & TRANSMISSION CAPITAL CREDITS	.00	.00	.00	.00	.0	.0
27.0	OTHER CAPITAL CREDITS & PATRONAGE DIVID..	.00	.00	.00	.00	.0	.0
28.0	EXTRAORDINARY ITEMS.....	756,555.06	359,143.34	482,595.55	107,449.44	174.4-	147.5-
29.0	PATRONAGE CAPITAL OR MARGINS.....						

RATIOS

TIER	1.422	.806	1.265	.715
MARGINS TO REVENUE	.011	.005	.007	.008
POWER COST TO REVENUE	.802	.813	.811	.818
INTEREST EXPENSE TO REVENUE	.026	.028	.025	.029
CURRENT ASSETS : CURRENT LIABILITIES	.8052			
MARGINS & EQUITIES AS % OF ASSETS	.3713			
LONG TERM DEBT AS % OF PLANT	.3838			
GENERAL FUNDS TO TOTAL PLANT	1.5964			
QUICK ASSET RATIO	.7702			

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PART C. BALANCE SHEET

LINE NO	ASSETS AND OTHER DEBITS	LIABILITIES AND OTHER CREDITS
1.0	TOTAL UTILITY PLANT IN SERVICE 226,529,101.87	30.0 MEMBERSHIPS 1,121,330.00-
2.0	CONSTRUCTION WORK IN PROGRESS 2,693,055.83	31.0 PATRONAGE CAPITAL 71,207,607.39-
3.0	TOTAL UTILITY PLANT 229,222,157.70	32.0 OPERATING MARGINS - PRIOR YEAR .00
4.0	ACCUM PROV FOR DEP & AMORT 95,319,884.89-	33.0 OPERATING MARGINS-CURRENT YEAR .00
5.0	NET UTILITY PLANT 133,902,272.81	34.0 NON-OPERATING MARGINS 3,031,271.16
		35.0 OTHER MARGINS & EQUITIES 2,538,694.29-
		36.0 TOTAL MARGINS & EQUITIES 71,836,360.52-
6.0	NON-UTILITY PROPERTY (NET) .00	
7.0	INVEST IN SUBSIDIARY COMPANIES .00	
8.0	INV IN ASSOC ORG - PAT CAPITAL 35,734,590.01	37.0 LONG TERM DEBT - RUS (NET) 62,469,992.01-
9.0	INV IN ASSOC ORG - OTHR GEN FND .00	(PAYMENTS-UNAPPLIED .00)
10.0	INV IN ASSOC ORG - NON GEN FND 3,048,962.00	38.0 LNG-TERM DEBT-FEB-RUS GUAR .00
11.0	INV IN ECON DEVEL PROJECTS .00	39.0 LONG-TERM DEBT OTHER-RUS GUAR .00
12.0	OTHER INVESTMENTS 271,372.57	40.0 LONG TERM DEBT - OTHER (NET) 25,494,272.84-
13.0	SPECIAL FUNDS 26,661.65	41.0 LNG-TERM DEBT-RUS-ECON DEV NET .00
14.0	TOT OTHER PROP & INVESTMENTS 39,081,586.23	42.0 PAYMENTS - UNAPPLIED .00
		43.0 TOTAL LONG TERM DEBT 87,964,264.85-
15.0	CASH - GENERAL FUNDS 3,387,978.19	
16.0	CASH - CONSTRUCTION FUND TRUST .00	
17.0	SPECIAL DEPOSITS 1,450.00	44.0 OBLIGATION UNDER CAPITAL LEASE .00
18.0	TEMPORARY INVESTMENTS .00	45.0 ACCUM OPERATING PROVISIONS 9,222,418.10-
19.0	NOTES RECEIVABLE (NET) .00	46.0 TOTAL OTHER NONCURR LIABILITY 9,222,418.10-
20.0	ACCTS REC - SALES ENERGY (NET) 12,960,107.48	
21.0	ACCTS REC - OTHER (NET) 839,310.07	47.0 NOTES PAYABLE 5,422,237.00-
22.0	RENEWABLE ENERGY CREDITS .00	48.0 ACCOUNTS PAYABLE 11,297,113.28-
23.0	MATERIAL & SUPPLIES-ELEC & OTH 830,092.14	49.0 CONSUMER DEPOSITS 2,868,067.60-
24.0	PREPAYMENTS 874,907.82	50.0 CURR MATURITIES LONG-TERM DEBT .00
25.0	OTHER CURRENT & ACCR ASSETS 204,674.77	51.0 CURR MATURIT LT DEBT ECON DEV .00
26.0	TOTAL CURRENT & ACCR ASSETS 19,098,520.47	52.0 CURR MATURITIES CAPITAL LEASES .00
		53.0 OTHER CURRENT & ACCRUED LIAB 4,131,958.34-
		54.0 TOTAL CURRENT & ACCRUED LIAB 23,719,376.22-
27.0	REGULATORY ASSETS 937,202.77	
28.0	OTHER DEFERRED DEBITS 442,241.85	55.0 REGULATORY LIABILITIES .00
		56.0 OTHER DEFERRED CREDITS 719,404.44-
29.0	TOTAL ASSETS & OTHER DEBITS 193,461,824.13	57.0 TOTAL LIABILITIES & OTH CREDIT 193,461,824.13-

C E R T I F I C A T I O N

WE HEREBY CERTIFY THAT THE ENTRIES IN THIS REPORT ARE IN ACCORDANCE WITH THE ACCOUNTS AND OTHER RECORDS OF THE SYSTEM AND REFLECT THE STATUS OF THE SYSTEM TO THE BEST OF OUR KNOWLEDGE AND BELIEF. ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, REA, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.

 SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT

 DATE

 SIGNATURE OF MANAGER

 DATE

ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION
 58.0 BALANCE BEGINNING OF YEAR .00
 59.0 AMOUNT RECEIVED THIS YEAR (NET) 76,676.93
 60.0 TOTAL CONTRIBUTIONS IN AID OF CONST 76,676.93

Exhibit Q
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Exhibit Q
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PART A. STATEMENT OF OPERATIONS

LINE NO	LAST YEAR A	THIS YEAR B	BUDGET C	THIS MONTH D	% FROM BUDGET	% CHANGE FROM LAST YEAR
1.0	81,751,638.04	79,140,102.54	86,821,455.00	13,673,791.20	8.8-	3.2-
2.0	.00	.00	.00	.00	.0	.0
3.0	65,382,782.00	64,814,687.00	69,801,068.00	11,569,955.00	7.1-	.9-
4.0	.00	.00	.00	.00	.0	.0
5.0	.00	.00	.00	.00	.0	.0
6.0	2,593,510.30	2,565,027.16	2,720,776.58	420,845.72	5.7-	1.1-
7.0	1,729,814.41	1,311,318.21	1,889,451.76	264,108.86	30.6-	24.2-
8.0	1,844,720.01	1,810,284.81	1,928,493.87	250,010.05	6.1-	1.9-
9.0	280,310.77	296,783.93	329,776.40	52,858.18	10.0-	5.9-
10.0	.00	.00	.00	.00	.0	.0
11.0	1,838,228.94	1,820,675.73	1,857,229.13	310,152.74	2.0-	1.0-
12.0	73,669,366.43	72,618,776.84	78,526,795.74	12,867,930.55	7.5-	1.4-
13.0	4,988,341.48	5,206,629.97	5,140,798.00	873,429.71	1.3	4.4
14.0	.00	.00	.00	.00	.0	.0
15.0	68,669.37	73,070.60	72,282.00	12,176.80	1.1	6.4
16.0	2,143,238.47	2,232,497.02	2,174,125.00	377,161.92	2.7	4.2
17.0	.00	.00	.00	.00	.0	.0
18.0	156,508.53	149,824.77	198,912.00	23,159.51	24.7-	4.3-
19.0	49,426.91	53,255.62	57,000.00	2,906.37	6.6-	7.7
20.0	81,075,551.19	80,334,054.82	86,169,912.74	14,156,764.86	6.8-	.9-
21.0	676,086.85	1,193,952.28	651,542.26	482,973.66	283.3-	276.6-
22.0	61,582.09	263,928.06	196,646.46	5,883.95	34.2	328.6
23.0	.00	.00	.00	.00	.0	.0
24.0	.00	.00	.00	.00	.0	.0
25.0	9,731.82	177,372.70	8,013.00	30,462.81	113.6	1722.6
26.0	.00	.00	.00	.00	.0	.0
27.0	28,741.00	114,044.34	29,314.99	489.0	489.0-	496.8-
28.0	.00	.00	.00	.00	.0	.0
29.0	776,141.76	866,695.86	885,516.71	507,552.52	197.9-	211.7-

RATIOS

TIER	1.362	.612	1.407	.346-
MARGINS TO REVENUE	.009	.011	.010	.037
POWER COST TO REVENUE	.800	.819	.804	.846
INTEREST EXPENSE TO REVENUE	.026	.028	.025	.028
CURRENT ASSETS : CURRENT LIABILITIES	.7971			
MARGINS & EQUITIES AS % OF ASSETS	.3648			
LONG TERM DEBT AS % OF PLANT	.3822			
GENERAL FUNDS TO TOTAL PLANT	1.6946			
QUICK ASSET RATIO	.7654			

PART C. BALANCE SHEET

LINE NO	ASSETS AND OTHER DEBITS	LIABILITIES AND OTHER CREDITS
1.0	TOTAL UTILITY PLANT IN SERVICE	1,121,035.00-
2.0	CONSTRUCTION WORK IN PROGRESS	71,194,069.86-
3.0	TOTAL UTILITY PLANT	.00
4.0	ACCUM PROV FOR DEP & AMORT	3,514,244.82
5.0	NET UTILITY PLANT	2,513,801.54-
6.0	NON-UTILITY PROPERTY (NET)	71,314,661.58-
7.0	INVEST IN SUBSIDIARY COMPANIES	62,408,062.74-
8.0	INV IN ASSOC ORG - PAT CAPITAL	.00
9.0	INV IN ASSOC ORG OTHER GEN FND	.00
10.0	INV IN ASSOC ORG - NON GEN FND	.00
11.0	INV IN ECON DEVEL PROJECTS	25,382,090.98-
12.0	OTHER INVESTMENTS	.00
13.0	SPECIAL FUNDS	.00
14.0	TOT OTHER PROP & INVESTMENTS	87,790,153.72-
15.0	CASH - GENERAL FUNDS	9,262,896.27-
16.0	CASH - CONSTRUCTION FUND TRUST	.00
17.0	SPECIAL DEPOSITS	.00
18.0	TEMPORARY INVESTMENTS	9,262,896.27-
19.0	NOTES RECEIVABLE (NET)	6,857,324.00-
20.0	ACCTS REC - SALES ENERGY(NET)	12,359,066.20-
21.0	ACCTS REC - OTHER (NET)	2,877,175.74-
22.0	RENEWABLE ENERGY CREDITS	.00
23.0	MATERIAL & SUPPLIES-ELEC & OTH	.00
24.0	PREPAYMENTS	.00
25.0	OTHER CURRENT & ACCR ASSETS	4,292,935.33-
26.0	TOTAL CURRENT & ACCR ASSETS	26,386,501.27-
27.0	REGULATORY ASSETS	.00
28.0	OTHER DEFERRED DEBITS	724,725.45-
29.0	TOTAL ASSETS & OTHER DEBITS	195,478,938.29-
30.0	MEMBERSHIPS	
31.0	PATRONAGE CAPITAL	
32.0	OPERATING MARGINS - PRIOR YEAR	
33.0	OPERATING MARGINS-CURRENT YEAR	
34.0	NON-OPERATING MARGINS	
35.0	OTHER MARGINS & EQUITIES	
36.0	TOTAL MARGINS & EQUITIES	
37.0	LONG TERM DEBT - RUS (NET)	
	(PAYMENTS-UNAPPLIED	.00)
38.0	LNG-TERM DEBT-FFB-RUS GUAR	.00
39.0	LONG-TERM DEBT OTHER-RUS GUAR	.00
40.0	LONG TERM DEBT - OTHER (NET)	25,382,090.98-
41.0	LNG-TERM DEBT-RUS-ECON DEV NET	.00
42.0	PAYMENTS - UNAPPLIED	.00
43.0	TOTAL LONG TERM DEBT	87,790,153.72-
44.0	OBLIGATION UNDER CAPITAL LEASE	.00
45.0	ACCUM OPERATING PROVISIONS	9,262,896.27-
46.0	TOTAL OTHER NONCURR LIABILITY	9,262,896.27-
47.0	NOTES PAYABLE	6,857,324.00-
48.0	ACCOUNTS PAYABLE	12,359,066.20-
49.0	CONSUMER DEPOSITS	2,877,175.74-
50.0	CURR MATURITIES LONG-TERM DEBT	.00
51.0	CURR MATURIT LT DEBT ECON DEV	.00
52.0	CURR MATURITIES CAPITAL LEASES	.00
53.0	OTHER CURRENT & ACCRUED LIAB	4,292,935.33-
54.0	TOTAL CURRENT & ACCRUED LIAB	26,386,501.27-
55.0	REGULATORY LIABILITIES	.00
56.0	OTHER DEFERRED CREDITS	724,725.45-
57.0	TOTAL LIABILITIES & OTH CREDIT	195,478,938.29-
58.0	BALANCE BEGINNING OF YEAR	.00
59.0	AMOUNT RECEIVED THIS YEAR (NET)	93,622.13
60.0	TOTAL CONTRIBUTIONS IN AID OF CONST	93,622.13

C E R T I F I C A T I O N

WE HEREBY CERTIFY THAT THE ENTRIES IN THIS REPORT ARE IN ACCORDANCE WITH THE ACCOUNTS AND OTHER RECORDS OF THE SYSTEM AND REFLECT THE STATUS OF THE SYSTEM TO THE BEST OF OUR KNOWLEDGE AND BELIEF. ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, REA, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.

 SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT

 DATE

 SIGNATURE OF MANAGER

 DATE

Exhibit Q
 page 24 of 24

OWEN ELECTRIC COOPERATIVE

COST OF SERVICE STUDY

CASE NO. 2012-00448

February 2013 - J. Adkins

OWEN ELECTRIC COOPERATIVE
CASE NO 2012-00448
TEST YEAR REVENUE REQUIREMENTS WITH ADJUSTMENTS

Exhibit R
Schedule 1
Page 2 of 58
Witness: Jim Adkins

TEST YEAR EXPENSES										
1			Actual	Adjustments	Adjustments	Adjustments	Adjustments	Purchased	Margins	Adjusted
2	Acct	Description	Test Year	1, 2, 6 & 8	3, 4 & 5	9, 10, 11, & 12	13, 14, & 18	Power		
3	No.							Adjustment	Adjustment	Test Year
4								(a)		
5										
6	555	Purchased Power								24,583,108
7		Demand Charges	24,583,108							93,791,769
8		Energy Charges	93,791,769						-	61,498
9		Renewable Resource Energy	61,498						-	
10		Total Purchased Power	131,354,483					(12,918,108)	-	118,436,375
11										460,401
12	580	Operations Supv & Eng	441,806	18,595						3,565
	581	Load Dispatching	3,565	-						10,499
13	582	Station Expense	10,499							1,609,909
14	583	Overhead Line Exp.	1,578,799	31,110						551,087
15	584	Underground Line Exp	543,176	7,911						-
16	585	Street Lights	-							1,078,259
17	586	Meter Expense	1,042,816	35,443						512,984
18	587	Consumer Installations	495,846	17,138						1,047,602
19	588	Misc. Distribution Exp	967,828	21,797	57,977					616
20	589	Rents	616							
21		Total Dist. Operations	5,084,951	131,993	57,977	-	-	-	-	# 5,274,921
22										-
23	590	Maint Supv & Eng	94,469	3,551						98,020
24	592	Maint of Station Equip	-							-
25	593	Maint. Overhead Lines	2,778,176	62,219						2,840,395
26	594	Maint of Underground Lines	270,371	5,893						276,265
27	595	Maint Line Transformers	(19,313)	145						(19,169)
28	596	Maint of Street Lights	-	-						-
29	597	Maintenance of Meters	10,177	391						10,569
30	598	Maintenance of Security Lights	-							-
31	598	Maint Misc Distrib Plant	-		13,866					# 13,866
		Total Dist. Maint.	3,133,881	72,199	13,866	-	-	-	-	# 3,219,946

OWEN ELECTRIC COOPERATIVE
CASE NO. 2012-00448

Schedule R
Exhibit 1.1
Page 5 of 56
Witness: Jim Adkins

				1	2	6	7		
				Wages & Salaries	Payroll Tax	FAS 106	Retirement	Health Insurance	
		<u>Amount</u>	<u>Percent</u>	<u>Adj.</u>	<u>Adj.</u>	<u>Adj.</u>	<u>Adj.</u>	<u>Adj.</u>	<u>Total</u>
580	Supervision, operations	233,725	4.34%	9,490	379	(471)	9,197	0	18,595
582	Station	-	0.00%	0	0	0	0	0	0
583	Overhead line	391,031	7.25%	15,877	635	(789)	15,387	0	31,110
584	Underground	99,440	1.84%	4,038	161	(201)	3,913		7,911
586	Meter	445,500	8.26%	18,089	723	(898)	17,530	0	35,443
587	Installations	215,412	4.00%	8,746	350	(434)	8,476	0	17,138
588	Miscellaneous distribution	273,971	5.08%	11,124	445	(552)	10,780	0	21,797
590	Supervision, maintenance	44,635	0.83%	1,812	72	(90)	1,756	0	3,551
593	Maintenance	782,053	14.51%	31,754	1,269	(1,577)	30,773	0	62,219
594	Underground	74,076	1.37%	3,008	120	(149)	2,915	0	5,893
595	Transformers	1,820	0.03%	74	3	(4)	72	0	145
596	Street lights	-	0.00%	0	0	0	0	0	0
597	Meters	4,920	0.09%	200	8	(10)	194	0	391
598	Miscellaneous maintenance	-	0.00%	0	0	0	0	0	0
901	Supervision	107,469	1.99%	4,364	174	(217)	4,229	0	8,550
902	Meter reading	80,293	1.49%	3,260	130	(162)	3,159	0	6,388
903	Consumer records	1,151,040	21.35%	46,736	1,868	(2,321)	45,292	0	91,575
907	Supervision, Customer service	31,119	0.58%	1,264	51	(63)	1,224	0	2,476
908	Customer Assistance	115,858	2.15%	4,704	188	(234)	4,559	0	9,217
909	Consumer information	-	0.00%	0	0	0	0	0	0
912	Key Accounts	65,928	1.22%	2,677	107	(133)	2,594	0	5,245
920	Administrative	1,191,213	22.10%	48,367	1,933	(2,402)	46,873	0	94,771
930	Miscellaneous	7,590	0.14%	308	12	(15)	299	0	604
935	Maintenance general plant	<u>73,854</u>	1.37%	2,999	120	(149)	2,906	0	5,876
	Total	5,390,947	100%	218,889	8,749	(10,871)	212,127	0	428,894

**OWEN ELECTRIC COOPERATIVE
CASE NO. 2012-00448**

Exhibit R
Schedule 2
Page 6 of 26
Witness: Jim Adkins

FUNCTIONALIZATION SUMMARY

	Purchased	Stations	Lines	Transformers	Services	Meters	Consumer Services & Accounting	Outdoor Lighting	Total
Expense									
Purchased Power	118,436,375								118,436,375
Distribution Operations		19,694	2,690,206	-	336,654	1,509,987	-	718,379	5,274,921
Distribution Maintenance		-	3,228,168	(19,169)	-	10,947	-	-	3,219,946
Consumer Accounts							3,770,835		3,770,835
Customer Service							668,538		668,538
Administrative & General		5,528	1,687,598	34,243	113,968	408,381	1,073,756	190,245	3,513,720
Depreciation		19,737	6,827,322	1,321,283	996,093	897,036	252,305	334,240	10,648,017
Miscellaneous		268	92,029	16,948	13,037	12,642	6,383	4,823	146,131
Interest on Long Term Debt		8,278	2,842,899	523,552	402,727	390,528	197,188	148,981	4,514,154
Short Term Interest		502	172,290	31,729	24,407	23,667	11,950	9,029	273,574
Total Costs	118,436,375	54,007	17,540,514	1,908,587	1,886,886	3,253,189	5,980,955	1,405,697	150,466,211
Margin Requirements	-	7,687	2,640,166	486,216	374,008	362,679	183,126	138,357	4,192,239
Revenue Requirements	118,436,375	61,695	20,180,680	2,394,803	2,260,894	3,615,867	6,164,082	1,544,055	154,658,450
		12.46%							

OWEN ELECTRIC COOPERATIVE
CASE NO. 2012-00448
FUNCTIONALIZATION OF TEST YEAR EXPENSES

Acct No.	Description	FUNCTIONALIZATION										Alloc. Basis	
		Expenses Adjusted Test Year	Purchased Power	Stations	Lines	Trans-formers	Services	Meters	Consumer Services & Accounting	Security Lighting	Total		
	Purchased Power												
555	Demand Charges	24,583,108	24,583,108									24,583,108	
	Energy Charges	93,791,769	93,791,769									93,791,769	
	Renewable Resource Energy	61,498	61,498									61,498	
	Total Purchased Power	118,436,375	118,436,375	-	-	-	-	-	-	-	-	118,436,375	DA
580	Operations Supv & Eng	460,401		1,719	234,778	-	29,387	131,809	-	62,708		397,693	
581	Load Dispatching	3,565		3,565								3,565	DA
582	Station Expense	10,499		10,499								10,499	DA
583	Overhead Line Exp.	1,609,909			1,430,815		179,094					1,609,909	DA
584	Underground Line Exp	551,087			489,781		61,306					551,087	DA
585	Street Lights	-										-	DA
586	Meter Expense	1,078,259						1,078,259				1,078,259	DA
587	Consumer Installations	512,984								512,984		-	2
588	Misc. Distribution Exp	1,047,602		3,912	534,216		66,867	299,919		142,687		1,047,602	
589	Rents	616			616							616	
		5,274,921		19,694	2,690,206		336,654	1,509,987		718,379		5,274,921	
590	Maint Supv & Eng	98,020		-	97,689			331				98,020	3
592	Maint of Station Equip	-		-	-							-	DA
593	Maint. Overhead Lines	2,840,395			2,840,395							2,840,395	DA
594	Maint of Underground Lines	276,265			276,265							276,265	
595	Maint Line Transformers	(19,169)				(19,169)						(19,169)	DA
596	Maint of Street Lights	-										-	
597	Maintenance of Meters	10,569						10,569				10,569	DA
598	Maintenance of Security Lights	-			13,819			47				13,866	3
598	Maint Misc Distrib Plant	13,866										-	
		3,206,080			3,228,168			10,947				3,219,946	
	Supervision	207,144							207,144			207,144	
901	Meter Reading Expense	194,526							194,526			194,526	DA
902	Cons Recds & Collections	3,232,598							3,232,598			3,232,598	DA
903	Uncollectible Accounts	136,566							136,566			136,566	DA
904	Total Consum Accts	3,770,835							3,770,835			3,770,835	DA
906	Customer Information	59,795							59,795			59,795	
907	Customer Accounting	237,984							237,984			237,984	DA
908	Consumer Information	15,082							15,082			15,082	DA
909	Mis. Customer Information	163,267							163,267			163,267	
910	Key Accounts Expnses	192,410							192,410			192,410	
912	Total Customer Serv.	668,538							668,538			668,538	DA

OWEN ELECTRIC COOPERATIVE
CASE NO. 2012-00448
FUNCTIONALIZATION OF TEST YEAR EXPENSES

Acct No.	Description	Expenses Adjusted Test Year	FUNCTIONALIZATION								Alloc. Basis	
			Purchased Power	Stations	Lines	Trans-formers	Services	Meters	Consumer Services & Accounting	Security Lighting		Total
920	Administrative Salaries	2,054,690		3,176	954,317	(3,091)	54,290	245,271	684,879	115,848	2,054,690	7
921	Office Supplies	248,035		383	115,202	(373)	6,554	29,608	82,676	13,985	248,035	7
923	Outside Services	147,865		229	68,677	(222)	3,907	17,651	49,287	8,337	147,865	7
924	Property Ins	-			-						-	7
925	Injuries & Damages	163,564		253	75,969	(246)	4,322	19,525	54,520	9,222	163,564	7
926	Employ Pensions & Benef	18,154		28	8,432	(27)	480	2,167	6,051	1,024	18,154	7
928	Regulatory Exp	76,193		118	35,388	(115)	2,013	9,095	25,397	4,296	76,193	7
929	Duplicate Charges	(132,985)		(206)	(61,766)	200	(3,514)	(15,875)	(44,327)	(7,498)	(132,985)	7
930	Misc General Exp	571,912		884	265,629	(860)	15,111	68,270	190,633	32,246	571,912	7
931	Rents	29,828		46	13,854	(45)	788	3,561	9,943	1,682	29,828	7
935	Maintenance of Gen. Plant	336,463		617	211,896	39,023	30,017	29,108	14,697	11,104	336,463	4
	Total Admin & General	3,513,720	-	5,528	1,687,598	34,243	113,968	408,381	1,073,756	190,245	3,513,720	4 Gen Plt
	Deprec. Distribution Plant	9,891,082		18,567	6,475,758	1,322,422	976,093	806,680	-	291,562	9,891,082	6
403.6	Deprec. General Plant	756,934		1,170	351,564	(1,139)	20,000	90,356	252,305	42,678	756,934	6
403.7	Total Depreciation	10,648,017		19,737	6,827,322	1,321,283	996,093	897,036	252,305	334,240	10,648,017	
	Nisc. Taxes	-										
408.5	Nisc. Taxes	146,131										
408.7	Contributions	(0)										
426	Total Miscellaneous	146,131		268	92,029	16,948	13,037	12,642	6,383	4,823	146,131	Total Plt
	Interest - RUS Constuc	3,486,256										
427.1	Interest - FFB Notes	984,990										
427.1	Interest - CFC	42,907										
427.2	Total Interest on LTD	4,514,154	-	8,278	2,842,899	523,552	402,727	390,528	197,188	148,981	4,514,154	5
	Other Interest Expense	104,439										
	Interest on Consumer Deposits	169,136										
431	Total ST Interest	273,574		502	172,290	31,729	24,407	23,667	11,950	9,029	273,574	Rate Base
	Total Costs	150,452,345	118,436,375	54,007	17,540,514	1,908,587	1,886,886	3,253,189	5,980,955	1,405,697	150,466,211	
	Margin Requirements	4,192,239	-	7,687	2,640,166	486,216	374,008	362,679	183,126	138,357	4,192,239	
	Total Revenue Require.	154,658,450	118,436,375	61,695	20,180,680	2,394,803	2,260,894	3,615,867	6,164,082	1,544,055	154,658,450	

OWEN ELECT. COOPERATIVE
CASE NO. 2012-00448
FUNCTIONALIZATION OF TEST YEAR EXPENSES

FOOTNOTES

1 Line Expenses are Allocated between Lines and Services Based on Plant Investment.
Poles and Conductor
Services
Total

\$\$\$	%
159,272,590	88.88%
19,936,046	11.12%
179,208,636	100.00%

2 Allocation of Dist. Oper. Supervision & Miscellaneous Expenses
Load Dispatching
Station Expense
Overhead Line Exp.
Underground Line Exp
Street Lights
Meter Expense
Consumer Installations

Actual	%	Superv	Miscell. Exp.	Rents
3,565	0.09%	436	992	
10,499	0.28%	1,283	2,920	
1,920,596	50.99%	234,778	534,216	
-	0.00%	-	-	
240,400	6.38%	29,387	66,867	
1,078,259	28.63%	131,809	299,919	
512,984	13.62%	62,708	142,687	
-	0.00%	-	-	
3,766,302	100%	460,401	1,047,602	
		460,401	1,047,602	-

3 Allocation of Dist. Maint. Supervision & Miscellaneous Expenses
Stations
Lines
Transformers
Services
Meters
Security Lighting
Street Lighting

Actual	%	Superv	Misc. Exp.
-	0.00%	-	-
3,116,660	99.66%	97,689	13,819
-	0.00%	-	-
-	0.00%	-	-
10,569	0.34%	331	47
-	0.00%	-	-
-	0.00%	-	-
3,127,228	100%	98,020	13,866

4 General Plant Allocation Comes From the Rate Base Schedule Line General Plant Percent
5 Rate Base Allocation Comes from the Rate Base Schedule Line Rate Base Percent.
6 Depreciation Expense Allocation Comes from the Net Plant Percent in Rate Base

OWEN ELECTRIC COOPERATIVE
CASE NO. 2012-00448
FUNCTIONALIZATION OF TEST YEAR EXPENSES

Exhibit R
 Schedule 2..1
 Page 10 of 56
 Witness: Jim Adkins

FOOTNOTES

7 Admin & General Expense Allocation except General Plant									
<u>Acct.</u>	<u>Description</u>	<u>Stations</u>	<u>Lines</u>	<u>Trans- formers</u>	<u>Services</u>	<u>Meters</u>	<u>Consumer Services & Accounting</u>	<u>Security Lighting</u>	<u>Total</u>
580	Operations Supv & Eng	1,719	234,778	-	29,387	131,809	-	62,708	460,401
581	Load Dispatching	3,565		-			-		3,565
582	Station Expense	10,499		-			-		10,499
583	Overhead Line Exp.		1,430,815	-	179,094		-		1,609,909
584	Underground Line Exp		489,781	-	61,306		-		551,087
585	Street Lights			-			-		-
586	Meter Expense			-		1,078,259	-		1,078,259
587	Consumer Installations			-			-	512,984	512,984
588	Misc. Distribution Exp	3,912	534,216	-	66,867	299,919	-	142,687	1,047,602
589	Rents	19,694	2,689,590	-	336,654	1,509,987	-	718,379	5,274,305
590	Maint Supv & Eng		97,689	-		331	-		98,020
592	Maint of Station Equip			-			-		-
593	Maint. Overhead Lines		2,840,395	-			-		2,840,395
594	Maint of Underground Lines		276,265	-			-		276,265
595	Maint Line Transformers			(19,169)			-		(19,169)
596	Maint of Street Lights			-			-		-
597	Maintenance of Meters			-		10,569	-		10,569
598	Maintenance of Security Lights		13,819	-		47	-		13,866
	Maint Misc Distrib Plant		3,228,168	(19,169)		10,947	-		3,219,946
	Supervision						207,144		207,144
901	Meter Reading Expense						194,526		194,526
902	Cons Recds & Collections						3,232,598		3,232,598
903	Uncollectible Accounts						136,566		136,566
904	Total Consum Accts						3,770,835		3,770,835
	Customer Information						59,795		59,795
907	Customer Accounting						237,984		237,984
908	Consumer Information						15,082		15,082
909	Mis. Customer Information						163,267		163,267
910	Expense from Contracting						476,128		476,128
914	Total Customer Serv.						476,128		476,128
	Total all Expenses	19,694	5,917,758	(19,169)	336,654	1,520,934	4,246,962	718,379	12,741,213
	Functions as % of Total	0.15%	46.45%	-0.15%	2.64%	11.94%	33.33%	5.64%	100.00%

OWEN ELECTRIC COOPERATIVE
CASE NO. 2012-00448
RATE BASE

Exhibit R
 Schedule 2.2
 Page 11 of 56
 Witness: Jim Adkins

Distribution Plant Balances									
Plant	Description	\$\$\$	Stations	Lines	Transformers	Services	Meters	Consumer & Accounting Services	Outdoor Lighting
301	Organization	-		-					
360	Land and Land Rights	-		-					
362	Station Equipment	379,224	379,224						
364	Poles, Towers & Fixtures	58,981,845		58,981,845					
365	Overhead Conductor & Devices	44,574,215		44,574,215					
367	Underground Conductor	28,706,951		28,706,951					
368	Line Transformers	27,009,579			27,009,579				
369	Services	19,936,046				19,936,046			
370	Meters	16,475,891					16,475,891		
371	Security Lights	5,824,252							5,824,252
373	Street Lights	130,711							130,711
	Total Distribution Plant	202,018,714	379,224	132,263,011	27,009,579	19,936,046	16,475,891	-	5,954,963
	Distribution Plant Percent	100.00%	0.2%	65.5%	13.4%	9.9%	8.2%	0.0%	2.9%
	Total General Plant	24,939,990	38,550	11,583,577	(37,521)	658,976	2,977,117	8,313,117	1,406,174
	General Plant Percent	100.00%	0.2%	46.4%	-0.2%	2.6%	11.9%	33.3%	5.6%
	Total Utility Plant	226,958,704	417,774	143,846,588	26,972,058	20,595,022	19,453,008	8,313,117	7,361,137
	Utility Plant Percent	100.00%	0.18%	63.38%	11.88%	9.07%	8.57%	3.66%	3.24%
	Accum. Depreciation								
	Distribution Plant	88,378,474	165,902	57,861,981	11,816,061	8,721,555	7,207,818	-	2,605,157
	General Plant	7,490,851	11,579	3,479,185	(11,270)	197,927	894,192	2,496,886	422,351
	Net Plant	131,089,379	240,294	82,505,421	15,167,267	11,675,540	11,350,998	5,816,231	4,333,628
	Net Plant Percent	100.00%	0.18%	62.94%	11.57%	8.91%	8.66%	4.44%	3.31%
	CWIP	2,764,327	5,189	1,809,823	369,586	272,795	225,448	-	81,485
	Subtotal	133,853,706	245,483	84,315,244	15,536,853	11,948,335	11,576,446	5,816,231	4,415,113
	Plus								
	Cash Working Capital	2,016,389	3,698	1,270,135	234,049	179,991	174,389	87,616	66,510
	Materials & Supplies	891,796	1,636	561,747	103,514	79,605	77,128	38,750	29,416
	Prepayments	851,522	1,562	536,379	98,839	76,010	73,645	37,000	28,087
	Minus: Consumer Advances	724,725	1,360	474,482	96,895	71,519	59,106	-	21,363
	Net Investment Rate Base	136,888,687	251,018	86,209,023	15,876,360	12,212,424	11,842,502	5,979,598	4,517,763
	Rate Base Percent	100.00%	0.18%	62.98%	11.60%	8.92%	8.65%	4.37%	3.30%

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RATE BASE**

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CLASSIFICATION OF RATE BASE							
			Consumer Related Costs	Demand Related Costs	Energy Related Costs	Security Lighting	Total
Stations				251,018			251,018
Lines			22,459,718	63,749,305			86,209,023
Transformers			7,070,149	8,806,212			15,876,360
Services			12,212,424				12,212,424
Meters			11,842,502				11,842,502
Consumer & Accounting Svc			5,979,598				5,979,598
Outdoor Lightin						4,517,763	4,517,763
			59,564,390	72,806,534	-	4,517,763	136,888,687

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RATE BASE

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ALLOCATION OF RATE BASE TO RATE CLASSES								
Function	Classifi- cation	Amount	Schedule 1	Schedule 1A	Schedule 1	Schedule 2	Schedule 2	Schedule 3
			Farm and Home	Farm & Home ETS Rate	Small Commercial	Large Power	Large Power Primary	Security Lights
Stations	Demand	251,018	164,201	-	13,070	40,452	4,109	1,691
Lines	Consumer	22,459,718	21,289,576	-	924,606	93,406	3,153	139,518
Lines	Demand	63,749,305	41,701,069	-	3,319,226	10,273,216	1,043,599	429,354
Transformers	Consumer	7,070,149	6,353,480	-	446,423	180,396	-	41,787
Transformers	Demand	8,806,212	7,198,857	-	348,741	679,649	-	25,537
Services	Consumer	12,212,424	10,467,997	211	1,202,582	489,069	-	3,039
Meters	Consumer	11,842,502	11,154,017	1,652	484,419	186,794	6,305	-
Consumer & Accounting		-						
Services	Consumer	5,979,598	5,554,654	206	241,238	73,112	2,468	72,855
Outdoor Lighting	Lighting	4,517,763						4,517,763
		136,888,687	103,883,851	2,069	6,980,304	12,016,094	1,059,635	5,231,543

OWEN ELECTRIC COOPERATIVE
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RATE BASE

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ALLOCATION OF RATE BASE TO RATE CLASSES									
Function	Classifi- cation	Amount	Large	Schedule XI	Schedule XIV	Schedule XIII	Gallatin Steel	Total Sched B	
			Commercial TOD	Large Power LPB1	Large Power LPB	Large Power LPB2		Wholesale	
Stations	Demand	251,018	1,522	16,395	1,028	8,551			251,018
Lines	Consumer	22,459,718	3,941	394	788	4,335			22,459,718
Lines	Demand	63,749,305	386,419	4,163,737	260,991	2,171,692			63,749,305
Transformers	Consumer	7,070,149	7,612	2,990	4,573	32,889			7,070,149
Transformers	Demand	8,806,212	22,983	247,650	24,460	258,335			8,806,212
Services	Consumer	12,212,424	20,636	2,064	4,127	22,699			12,212,424
Meters	Consumer	11,842,502	9,314	-	-	-			11,842,502
Consumer & Accounting		-							-
Services	Consumer	5,979,598	3,599	411	823	4,525	25,707		5,979,598
Outdoor Lighting	Lighting	4,517,763							4,517,763
		136,888,687	456,026	4,433,641	296,790	2,503,027	25,707		136,888,687

**OWEN ELECTRIC COOPERATIVE
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<u>SUMMARY OF CLASSIFICATION OF EXPENSES</u>						
	<u>Consumer</u> <u>Related</u> <u>Costs</u>	<u>Demand</u> <u>Related</u> <u>Costs</u>	<u>Energy</u> <u>Related</u> <u>Costs</u>	<u>Security</u> <u>Lighting</u>	<u>Total</u>	
Purchased Power	-	24,644,606	93,791,769	-	118,436,375	
Stations		61,695			61,695	
Lines	5,257,598	14,923,082	-	-	20,180,680	
Transformers	1,066,467	1,328,336	-	-	2,394,803	
Services	2,260,894	-	-	-	2,260,894	
Meters	3,615,867	-		-	3,615,867	
Consumer Services					-	
& Accounting	6,164,082	-	-		6,164,082	
Lighting				1,544,055	1,544,055	
	18,364,907	40,957,719	93,791,769	1,544,055	154,658,450	

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CLASSIFICATION OF EXPENSES

		Consumer Related Costs	Demand Related Costs	Total
	2			
<u>Expense</u>	<u>Lines</u>	<u>Costs</u>	<u>Costs</u>	<u>Total</u>
Purchased Power	-	-	-	-
Distribution Operations	2,690,206	700,870	1,989,337	2,690,206
Distribution Maintenance	3,228,168	841,023	2,387,145	3,228,168
Consumer Accounts	-	-	-	-
Customer Service	-	-	-	-
Administrative & General	1,687,598	439,664	1,247,934	1,687,598
Depreciation	6,827,322	1,778,697	5,048,625	6,827,322
Miscellaneous	92,029	23,976	68,053	92,029
Interest on Long Term Debt	2,842,899	740,650	2,102,249	2,842,899
Short Term Interest	172,290	44,886	127,404	172,290
Total Costs	17,540,514	4,569,765	12,970,749	17,540,514
Margin Requirements	2,640,166	687,833	1,952,333	2,640,166
Revenue Requirements	20,180,680	5,257,598	14,923,082	20,180,680
	3	Consumer Related Costs	Demand Related Costs	Total
<u>Expense</u>	<u>Transformers</u>	<u>Costs</u>	<u>Costs</u>	<u>Total</u>
Purchased Power	-	-	-	-
Distribution Operations	-	-	-	-
Distribution Maintenance	(19,169)	(8,536)	(10,632)	(19,169)
Consumer Accounts	-	-	-	-
Customer Service	-	-	-	-
Administrative & General	34,243	15,249	18,994	34,243
Depreciation	1,321,283	588,401	732,882	1,321,283
Miscellaneous	16,948	7,547	9,401	16,948
Interest on Long Term Debt	523,552	233,151	290,401	523,552
Short Term Interest	31,729	14,130	17,599	31,729
Total Costs	1,908,587	849,942	1,058,644	1,908,587
Margin Requirements	486,216	216,524	269,692	486,216
Revenue Requirements	2,394,803	1,066,467	1,328,336	2,394,803
		Energy Related Costs	Demand Related Costs	Total
Purchased Power	118,436,375	93,791,769	24,644,606	118,436,375

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DEMAND AND CONSUMER RELATED INVESTMENTS

2. Determination of Demand and Consumer Related Investment				
		Formula	Slope	Y intercept
Exponential Curve		$y=b*m^x$	1.038	85.533
				85.5327
Use y-intercept				66,657
Number of poles				5,701,354
Consumer Related Investment				25,194,309
Total Investment in poles				22.63%
Percent Customer Related				77.37%
Percent Demand Related				

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DEMAND AND CONSUMER RELATED INVESTMENTS

Data for Graph - Poles		Relevant Data		
		Size of Pole	Average Cost Per Unit	Predicted Cost
Used Exponential Curve		0	-	\$ (561.32)
since regression analysis		30	\$ 251.29	\$ 259.81
provide a y intercept with a		43	\$ 437.07	\$ 412.78
negative value		60	\$ 770.62	\$ 789.20
EXPONENTIAL CURVE DATA				
Formula	$y=b*m^x$			
SLOPE - b	Zero Intercept - m			
1.037729751	85.53271763			
REGRESSION LINE DATA	SLOPE - b = \$30.34	ZERO INTERCEPT - Y = \$561.32		

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DEMAND AND CONSUMER RELATED INVESTMENTS

ACCOUNT 365 - CONDUCTOR					
1. Actual Data					
Conductor	Investment	Number of Units	Unit Cost		Amps
Conductor Bare 6 A	1,029,140	14,017,421	\$ 0.0734		120.00
2&1/0-7str, 4&6HDC 2-3STR	110,805	1,027,828	\$ 0.1078		
#6 AMERDUCTOR	54,167	1,705,000	\$ 0.0318		
1/0 ACSR	2,726,142	3,271,457	\$ 0.8333		230.000
3/0 ACSR	1,952,948	3,173,729	\$ 0.6153		324.00
4/0 ACSR	143,976	342,367	\$ 0.4205		340.00
2 ACSR	11,913,299	9,649,995	\$ 1.2345		184.000
336.4 MCM	3,339,897	2,847,508	\$ 1.1729		510.000
350 MCM	15,136	4,675	\$ 3.2377		
500 MCM	951	825	\$ 1.1524		
750 CM	3,333	450	\$ 7.4060		
OH SPACER CABKE #2 ACSR	6,674	7,482	\$ 0.8920		
OH SPACER CABLE 336.4 MCM	42,321	12307	\$ 3.4388		
OH CABLE, MESSENGER	32,498	7,749	\$ 4.1939		
OH SPACER CABLE 556	618,451	585,554	\$ 1.0562		
SUBTOTAL	21,989,738	36,654,347	\$ 0.5999		
All other OH Conductor Invest.	-				
TOTAL	21,989,738			1	

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DEMAND AND CONSUMER RELATED INVESTMENTS

2. Demand and Consumer Investment Percents				
	Use Exponential Curve			
	Formula		$y=b*m^x$	
	Intercept		0.17982	
	X Variable 1		1.00379	
	Use zero intercept			0.17982
	Amount of Conduit			36,654,347
	Consumer Related Investment			6,591,331
	Total Investment in conductor			21,989,738
	Percent Customer Related			29.97%
	Percent Demand Related			70.03%

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DEMAND AND CONSUMER RELATED INVESTMENTS

2. Demand and Consumer Investment Percents			
Use Exponential Curve		Slope	1.00379
		y-intercept	0.17982
Formula	$y=b*m^x$		
Intercept	0.155919679	#VALUE!	
X Variable 1	0.001823286	#VALUE!	
			0.17982
Use zero intercept			36,654,347
Amount of Conduit			6,591,331
Consumer Related Investment			21,989,738
Total Investment in conductor			29.97%
Percent Customer Related			70.03%
Percent Demand Related			

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DEMAND AND CONSUMER RELATED INVESTMENTS				
ACCOUNT 368 - TRANSFORMERS				
Type of Transformer	Size In KVA	Number of Transformers	Total Cost	Per Unit Cost
Various	1-7.5	36	106,254	2,951.50
10 KVA CONV	10	640	562,629	879.11
15 KVA CIBV	15	3,854	3,057,816	793.41
25 KVA CONV	25	1,916	1,401,829	731.64
37.5 KVA CONV	37.5	43	25,549	594.15
50 KVA CONV	50	480	431,217	898.37
75 KVA CONV	75	77	122,517	1,591.14
100 KVA CONV	100	95	136,614	1,438.04
167 KVA CONV	167	19	35,141	1,849.53
250 KVA CIBVE	250	8	27,106	3,388.25
15 KVA PAD	15	14	23,401	1,671.50
25 KVA PAD	25	1,800	1,943,010.94	1,079.45
25 KVA MINI PAK	25	34	31,264.43	919.54
37.5 KVA PAD	37.5	37	33,244.26	898.49
50 KVA PAD	50	4,316	5,303,296.84	1,228.75
75 KVA PAD	75	354	579,439.60	1,636.84
100- 167 KVA PAD	100-167	179	340,648.83	1,903.07
112.5 KVA PAD	112.5	4	14,405.69	3,601.42
225 KVA PAD	225	9	43,080.75	4,786.75
75 KVA 3 PHASE	75	23	80,377.96	3,494.69
1.5-3 KVA CSP	1.5-3	590	172,258.36	291.96
5-7.5 KVA CSP	5-7.5	992	287,895.84	290.22
10 KVA CSP	10	6,381	2,173,153.28	340.57
15 KVA CSP	15	11,355	5,231,615.99	460.73
25 KVA CSP	25	2,052	1,099,666.47	535.90
37.5 KVA CSP	37.5	95	46,833.60	492.99
50 KVA CSP	50	187	148,372.62	793.44
75 KVA CSP	75	6	5,129.08	854.85
1000 KVA PADE	1000	37	366,497.13	9,905.33
300 KVA PAD	300	67	380,455.81	5,678.44
500 KVA PAD	500	62	469,602.86	7,574.24
750 KVA PAD	750	43	385,198.23	8,958.10
150 KVA PAD	150	27	142,677.95	5,284.37
1500 KVA PAD	1500	28	379,168.61	13,541.74
2000 KVA PAD	2000	18	516,133.38	28,674.08

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DEMAND AND CONSUMER RELATED INVESTMENTS

ACCONT 368 - TRANSFORMERS CONTINUED					
Type of Transfomer	Size In KVA	Number of Transfomers	Total Cost	Per Unit Cost	
167 KVA STEPDOWN	167	13	27,805.40	2,138.88	
250 KVA STEPDOWN	250	9	30,206.94	3,356.33	
500 KVA STEPDOWN	500	16	66,830.60	4,176.91	
1000 KVA STEPDOWN	1000	26	153,930.49	5,920.40	
333 KVA STEPDOWN	333	7	31,681.72	4,525.96	
1500 KVA PAD	1500	1	10,557.00	10,557.00	
333 KVA CONV	333	3	9,150.60	3,050.20	
Total		35,953	26,433,664	131688.71	
2. Demand and Consumer Investment Percents					
Regression Equaltion				327.4159466	
Zero Intercept				9.432550416	
Slope - X Variable				327.42	
Use Intercept				35,953	
Number of Transformers				11,771,586	
Consumer Related Investment				26,433,663.78	
Total Investment in transformers				44.53%	
Percent Customer Related				55.47%	
Percent Demand Related					

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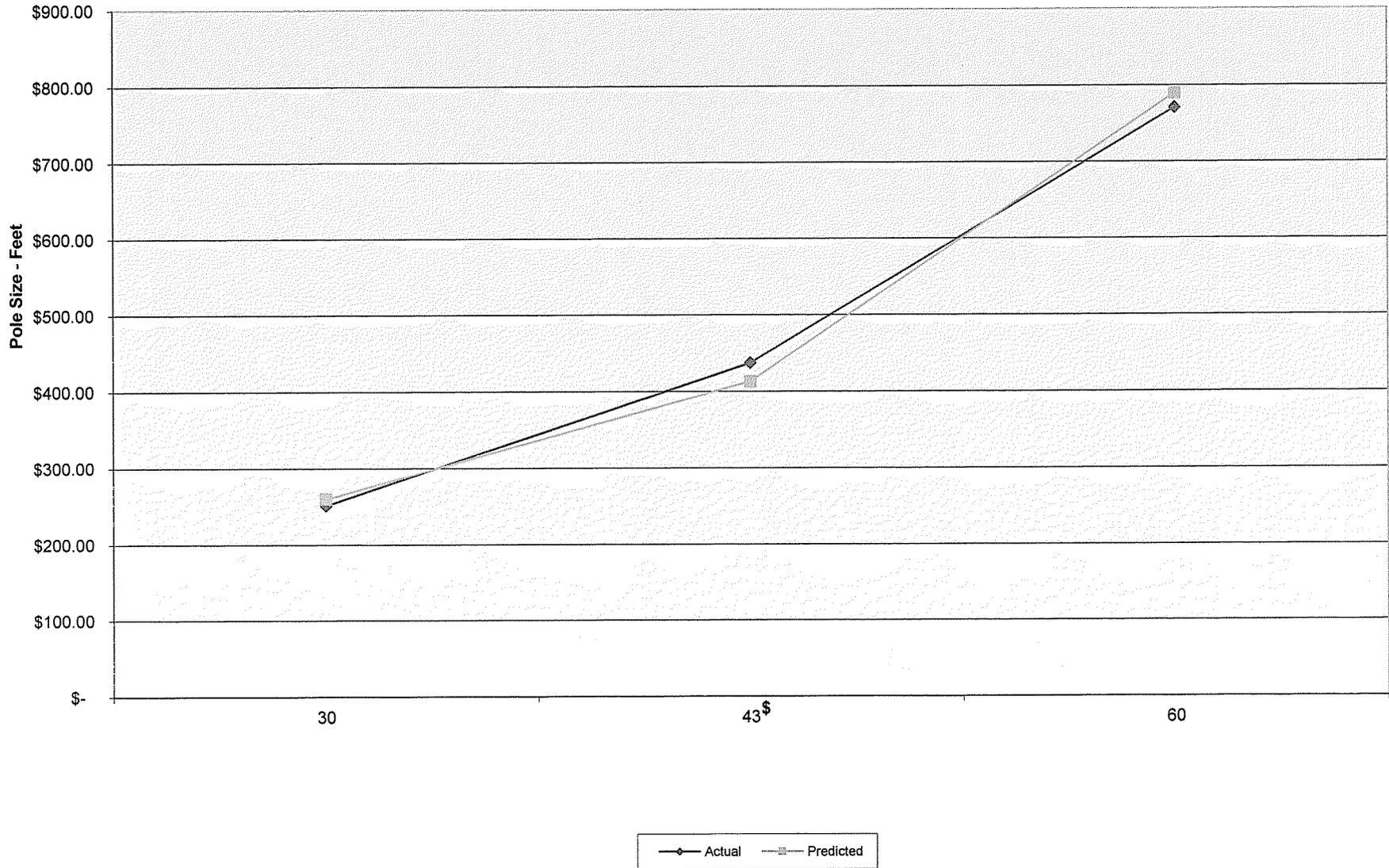
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DEMAND AND CONSUMER RELATED INVESTMENTS

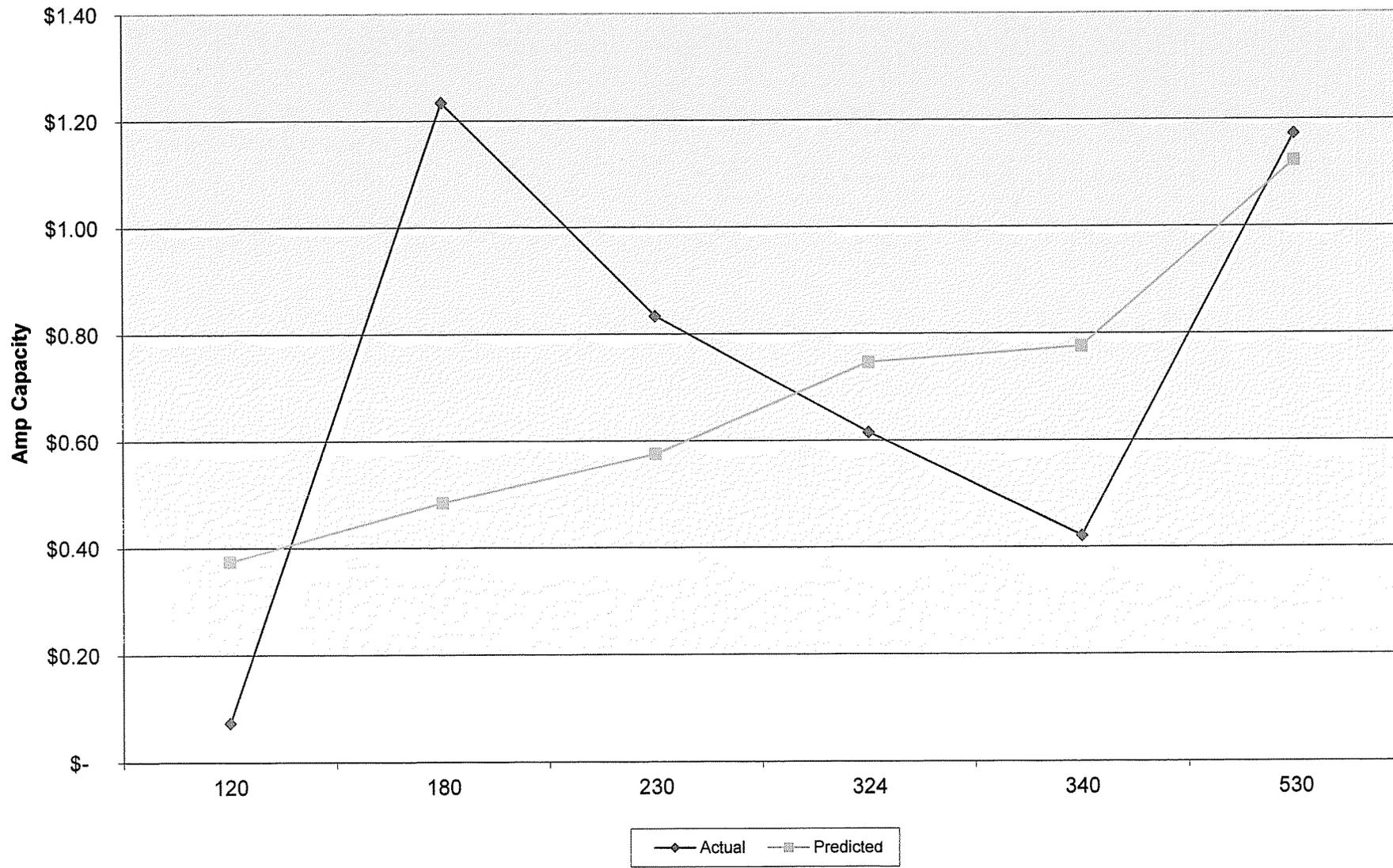
ACCOUNT 368 - TRANSFORMERS				
3. Data fir Graph				
Transformer	Size kVa		Unit Cost	Predicted Cost
5 kVA		5.00	350.07	374.58
10 kVa		10.00	389.66	421.74
15 kVa		15.00	545.03	468.90
25 kVa		25.00	630.42	563.23
37.5 kVa		37.50	524.51	681.14
50 kVa		50.00	868.95	799.04

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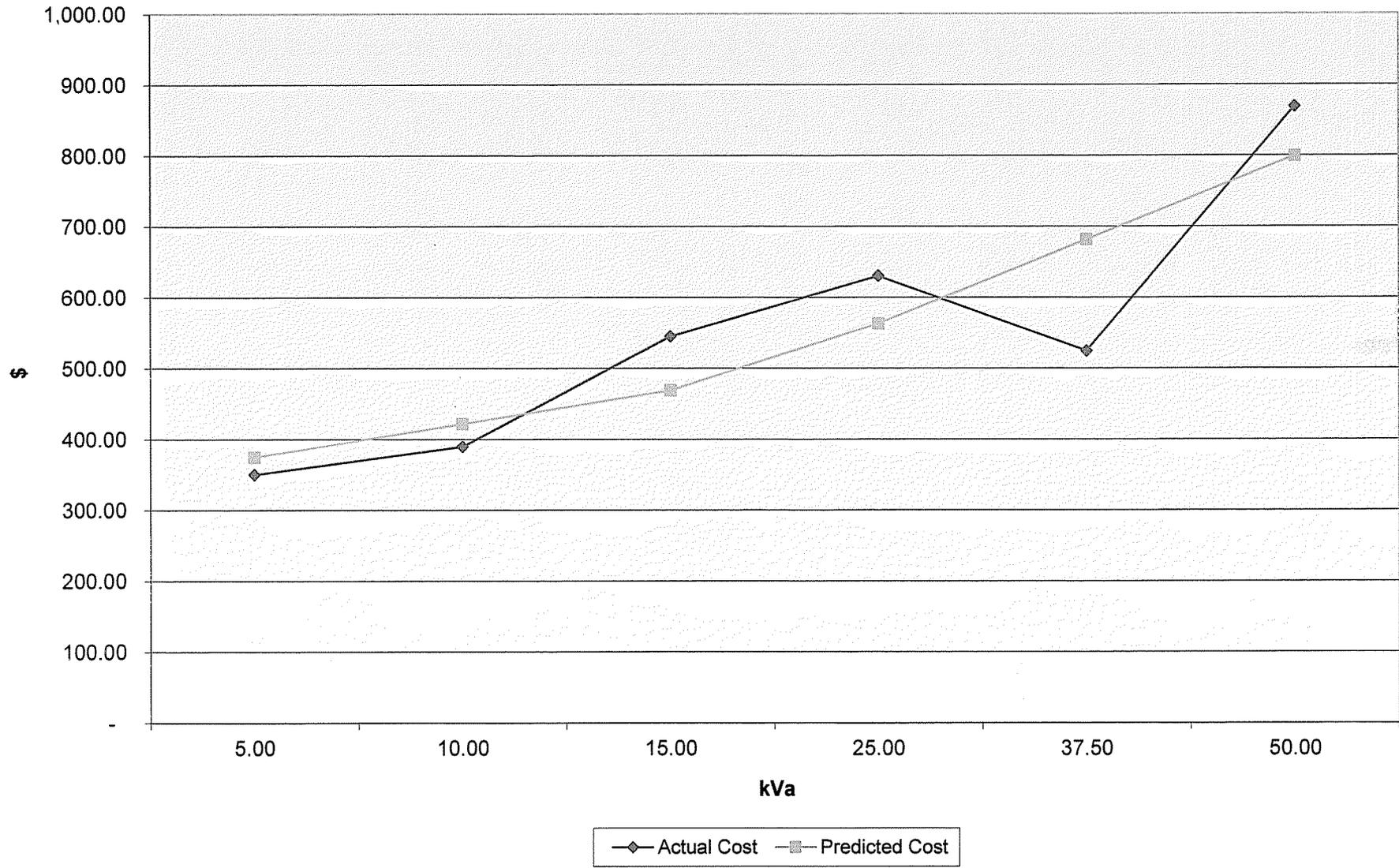
ACCOUNT 364 - POLES



Accout 365 - OH Conductor



368 -Transformers



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ALLOCATION OF REVENUE REQUIREMENTS							
				Schedule 1	Schedule 1A	Schedule 1	Schedule 2
	Classifi- cation	Amount	Green Power	Farm and Home	Farm & Home ETS Rate	Small Commercial	Large Power
Purchased Power	Demand	23,227,684		13,611,840	-	972,056	3,052,231
Purchased Power	Meters&Sus	1,355,424		886,639	-	70,573	218,427
Purchased Power	Energy	93,853,267	61,498	33,910,976	812	2,513,104	8,456,512
Stations	Demand	61,695		40,357	-	3,212	9,942
Lines	Consumer	5,257,598		4,983,679	-	216,441	21,866
Lines	Demand	14,923,082		9,761,808	-	776,998	2,404,858
Transformers	Consumer	1,066,467		958,364	-	67,339	27,211
Transformers	Demand	1,328,336		1,085,881	-	52,604	102,519
Services	Consumer	2,260,894		1,937,947	39	222,635	90,542
Meters	Consumer	3,615,867		3,405,652	504	147,907	57,034
Consumer Services & Accounting	Consumer	6,164,082		5,726,027	212	248,681	75,368
Lighting	Lighting	1,544,055					
Revenue Requirements		154,658,450	61,498	76,309,172	1,567	5,291,550	14,516,509
SUMMARY							
				Schedule 1	Schedule 1A	Schedule 1	Schedule 2
			Green	Farm and	Farm & Home	Small	Large
		Amount	Power	Home	ETS Rate	Commercial	Power
Consumer Related		18,364,907	-	17,011,670	756	903,003	272,020
Demand Related		40,896,220	-	25,386,526	-	1,875,444	5,787,977
Energy Related		93,853,267	61,498	33,910,976	812	2,513,104	8,456,512
Lighting		1,544,055					
Revenue Requirements		154,658,450	61,498	76,309,172	1,567	5,291,550	14,516,509

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ALLOCATION OF REVENUE REQUIREMENTS						
		Schedule 2	Schedule 3	Large	Total for EKPC	Schedule XI
	Classifi- cation	Large Power	Security	Commercial	Sched E	Large Power
Function		Primary	Lights	TOD	Rate Classes	LPB1
Purchased Power	Demand	335,729	80,244	51,643	18,103,744	1,303,029
Purchased Power	Meters&Sus	22,189	9,129	8,216	1,215,172	88,528
Purchased Power	Energy	783,472	302,534	217,450	46,246,358	4,342,029
Stations	Demand	1,010	416	374	55,311	4,030
Lines	Consumer	738	32,660	923	5,256,306	92
Lines	Demand	244,296	100,508	90,457	13,378,925	974,690
Transformers	Consumer	-	6,303	1,148	1,060,365	451
Transformers	Demand	-	3,852	3,467	1,248,323	37,356
Services	Consumer	-	563	3,820	2,255,545	382
Meters	Consumer	1,925	-	2,844	3,615,867	-
Consumer Services & Accounting						
	Consumer	2,544	75,103	3,710	6,131,645	424
Lighting	Lighting	-	1,544,055		1,544,055	
Revenue Requirements		1,391,903	2,155,364	384,052	100,111,617	6,751,011
SUMMARY						
		Schedule 2	Schedule 3	Large	Total for EKPC	Schedule XI
		Large Power	Security	Commercial	Sched E	Large Power
		Primary	Lights	TOD	Rate Classes	LPB1
Consumer Related		5,207	114,628	12,445	18,319,729	1,349
Demand Related		603,224	194,148	154,157	34,001,475	2,407,633
Energy Related		783,472	302,534	217,450	46,246,358	4,342,029
Lighting		-	1,544,055		1,544,055	-
Revenue Requirements		1,391,903	2,155,364	384,052	100,111,617	6,751,011

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ALLOCATION OF REVENUE REQUIREMENTS						
		Schedule XIV	Schedule XIII	Total for EKPC		
Function	Classifi- cation	Large Power LPB	Large Power LPB2	Sched B Rate Classes	Gallatin Steel	Total
Purchased Power	Demand	52,122	707,033	2,062,184	3,061,756	23,227,684
Purchased Power	Meters&Sus	5,549	46,174	140,252	-	1,355,424
Purchased Power	Energy	138,804	5,071,717	9,552,551	38,054,359	93,853,267
Stations	Demand	253	2,102	6,384		61,695
Lines	Consumer	185	1,015	1,292		5,257,598
Lines	Demand	61,096	508,372	1,544,157		14,923,082
Transformers	Consumer	690	4,961	6,102		1,066,467
Transformers	Demand	3,690	38,967	80,013		1,328,336
Services	Consumer	764	4,202	5,348		2,260,894
Meters	Consumer	-	-	-		3,615,867
Consumer Services & Accounting	Consumer	848	4,664	5,936	26,501	-
Lighting	Lighting					6,164,082
Revenue Requirements		263,999	6,389,208	13,404,218	41,142,615	1,544,055
				SUMMARY		
		Schedule XIV	Schedule XIII	Total for EKPC		
		Large Power	Large Power	Sched B	Gallatin	-
		LPB	LPB2	Rate Classes	Steel	-
Consumer Related		2,486	14,842	18,678	26,501	18,364,907
Demand Related		122,709	1,302,648	3,832,990	3,061,756	40,896,220
Energy Related		138,804	5,071,717	9,552,551	38,054,359	93,853,267
Lighting		-	-	-	-	1,544,055
Revenue Requirements		263,999	6,389,208	13,404,218	41,142,615	154,658,450

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LOAD DATA USED IN THE ALLOCATION OF THE DEMAND RELATED AND ENERGY RELATED COSTS

RETAIL ENERGY SALES - kWh							
	Schedule 1	Schedule 1A	Schedule 1	Schedule 2	Schedule 2	Schedule 3	Large
	Farm and	Farm & Home	Small	Large	Large Power	Security	Commercial
Month	Home	ETS Rate	Commercial	Power	Primary	Lights	TOD
July	69,449,561	43	4,652,602	14,871,930	1,417,800	532,655	493,560
August	78,807,048	2	5,072,885	16,943,151	1,351,200	529,785	724,144
September	62,539,571	38	4,558,201	16,181,047	1,497,000	529,346	383,464
October	44,650,772	416	4,067,662	14,967,487	1,497,000	530,614	461,100
November	46,465,564	1,916	3,901,589	13,998,684	1,342,200	529,471	286,736
December	59,572,404	2,654	4,204,245	14,289,478	1,219,800	528,931	330,868
January	72,837,252	3,203	4,649,419	14,613,915	1,224,600	528,795	378,644
February	70,573,050	3,913	4,628,865	14,667,444	1,301,400	531,187	348,600
March	59,662,600	2,713	4,327,950	14,142,385	1,278,000	531,198	294,764
April	44,923,478	1,650	4,516,709	14,416,832	1,303,200	529,866	334,608
May	45,579,786	492	3,805,667	13,408,583	1,298,400	524,673	237,368
June	57,627,272	22	4,430,726	15,224,927	1,735,200	531,663	296,180
	712,688,358	17,062	52,816,520	177,725,863	16,465,800	6,358,184	4,570,036
Percentage	73.42%	0.00%	5.44%	18.31%	1.70%	0.66%	0.47%
	59.68%	0.00%	4.42%	14.88%	1.38%	0.53%	0.38%

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MONTHLY CONTRIBUTION TO EKPC COINCIDENT DEMAND - KW							
	Schedule 1	Schedule 1A	Schedule 1	Schedule 2	Schedule 2	Schedule 3	Large
	Farm and	Farm & Home	Small	Large	Large Power	Security	Commercial
Month	Home	ETS Rate	Commercial	Power	Primary	Lights	TOD
July	175,546	-	12,266	32,566	4,417	-	602
August	174,654	-	12,871	34,550	3,825	-	602
September	171,027	-	12,912	35,217	3,786	-	642
October	104,087	-	4,715	30,128	2,376	-	512
November	119,470	-	9,975	30,670	3,296	1,649	436
December	135,346	-	7,477	30,984	2,958	1,650	464
January	140,260	-	10,923	30,746	3,037	1,645	502
February	136,555	-	9,703	30,694	2,617	1,647	514
March	126,477	-	9,686	31,455	2,875	1,781	645
April	82,696	-	8,438	30,500	3,082	1,642	456
May	160,303	-	10,329	33,280	4,802	-	550
June	172,258	-	12,012	30,110	4,826	-	521
	1,698,679	-	121,307	380,901	41,897	10,014	6,445
Allocation %	75.19%	0.00%	5.37%	16.86%	1.85%	0.44%	0.29%

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LOAD DATA USED IN THE ALLOCATION OF THE DEMAND RELATED AND ENERGY RELATED COSTS

MONTHLY PEAK DEMANDS FOR EACH RATE CLASS kW							
Month	Schedule 1 Farm and Home	Schedule 1A Farm & Home ETS Rate	Schedule 1 Small Commercial	Schedule 2 Large Power	Schedule 2 Large Power Primary	Schedule 3 Security Lights	Large Commercial TOD
July	175,903	7	12,975	40,708	4,804	1,648	1,483
August	174,654	7	13,570	43,188	3,996	1,652	1,487
September	175,228	7	13,918	44,021	4,373	1,646	1,481
October	126,448	21	10,902	37,660	3,771	1,649	1,484
November	146,126	21	11,348	38,337	3,673	1,649	1,484
December	157,689	21	12,564	38,730	3,455	1,650	1,485
January	176,617	21	13,844	38,433	3,317	1,645	1,481
February	199,035	21	13,650	38,368	3,344	1,647	1,482
March	146,603	21	11,695	39,319	3,379	1,781	1,603
April	114,232	14	11,901	38,125	3,722	1,640	1,476
May	160,303	14	12,831	41,600	4,985	1,647	1,482
June	179,854	14	14,636	37,637	5,548	1,645	1,481
	1,932,692	189	153,834	476,126	48,367	19,899	17,909
Lines	65.41%	0.00%	5.21%	16.12%	1.64%	0.67%	0.61%

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SUM OF THE PEAK DEMANDS FOR EACH CUSTOMER WITHIN THE RATE CLASS - KW							
	Schedule 1	Schedule 1A	Schedule 1	Schedule 2	Schedule 2	Schedule 3	Large
	Farm and	Farm & Home	Small	Large	Large Power	Security	Commercial
Month	Home	ETS Rate	Commercial	Power	Primary	Lights	TOD
July	449,745	7	22,980	45,304	4,225	1,648	1,483
August	429,255	7	23,625	45,852	5,038	1,652	1,487
September	433,189	7	22,434	47,370	4,169	1,646	1,481
October	471,147	21	21,924	47,031	4,598	1,649	1,484
November	499,092	21	21,689	43,874	4,581	1,649	1,484
December	504,845	21	20,446	43,095	4,154	1,650	1,485
January	505,170	21	21,536	42,282	3,952	1,645	1,481
February	493,476	21	23,369	42,028	3,856	1,647	1,482
March	486,716	21	23,869	41,859	4,125	1,781	1,603
April	479,598	14	21,654	42,697	4,156	1,640	1,476
May	416,643	14	23,999	42,932	4,775	1,647	1,482
June	440,624	14	24,221	45,273	5,189	1,645	1,481
	5,609,500	189	271,746	529,596	52,818	19,899	17,909
	81.75%	0.00%	3.96%	7.72%	0.00%	0.29%	0.26%

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LOAD DATA USED IN THE ALLOCATION OF THE DEMAND RELATED AND ENERGY RELATED COSTS

RETAIL ENERGY SALES - kWh							
	Total Sched E	Schedule XI	Schedule XIV	Schedule XIII		-	
	Wholesale	Large Power	Large Power	Large Power	Total Sched B	Gallatin	Enviro-
Month		LPB1	LPB	LPB2	Wholesale	Steel	Watts
July	91,418,151	9,124,500	318,941	9,569,515	19,012,956	70,475,310	217,400
August	103,428,215	9,612,391	340,507	10,254,036	20,206,934	80,626,605	217,500
September	85,688,667	9,646,544	323,378	10,206,378	20,176,300	74,788,366	216,900
October	66,175,051	8,775,122	277,944	9,547,887	18,600,953	64,861,645	217,000
November	66,526,160	8,681,742	257,005	10,417,130	19,355,877	75,904,921	216,800
December	80,148,380	8,173,701	220,942	9,638,097	18,032,740	81,530,307	216,700
January	94,235,828	7,963,772	211,277	9,850,251	18,025,300	85,658,252	216,300
February	92,054,459	8,251,976	235,886	9,833,929	18,321,791	80,484,068	215,500
March	80,239,610	7,848,093	212,552	9,235,920	17,296,565	86,987,479	214,200
April	66,026,343	8,257,095	235,076	9,969,369	18,461,540	81,953,664	213,900
May	64,854,969	7,644,536	232,357	9,513,254	17,390,147	76,667,218	213,900
June	79,845,990	8,425,180	320,228	9,973,115	18,718,523	78,804,854	213,300
	970,641,823	102,404,652	3,186,093	118,008,881	223,599,626	938,742,689	2,589,400
Percentage	100.0%	45.80%	1.42%	52.78%	100%		
			-				
	0.00%	8.57%	0.27%	9.88%	1,194,241,449		

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MONTHLY CONTRIBUTION TO EKPC COINCIDENT DEMAND - KW						
Month	Total Sched E Wholesale	Schedule XI Large Power LPB1	Schedule XIV Large Power LPB	Schedule XIII Large Power LPB2	Total Sched B Wholesale	Gallatin Steel
July	225,398	17,377	1,460	13,435	32,272	96,952
August	226,502	15,938	1,340	14,267	31,545	33,886
September	223,584	16,662	1,528	12,719	30,909	47,081
October	141,818	9,611	718	14,235	24,564	132,692
November	165,496	14,262	1,118	14,195	29,575	121,530
December	178,879	13,776	1,116	14,175	29,067	117,521
January	187,113	14,855	1,150	13,164	29,169	65,159
February	181,730	13,408	994	14,039	28,441	137,134
March	172,919	12,325	923	13,088	26,336	91,230
April	126,814	14,017	806	13,433	28,256	136,805
May	209,264	8,354	907	13,270	22,531	150,834
June	219,726	16,058	1,374	14,303	31,735	25,737
	2,259,243	178,289	6,912	164,323	344,401	1,156,561
	100.00%	51.77%	2.01%	47.71%	100.00%	

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LOAD DATA USED IN THE ALLOCATION OF THE DEMAND RELATED AND ENERGY RELATED COSTS

MONTHLY PEAK DEMANDS FOR EACH RATE CLASS - kW						
Month	Total Sched E Wholesale	Schedule XI Large Power LPB1	Schedule XIV Large Power LPB	Schedule XIII Large Power LPB2	Total Sched B Wholesale	Gallatin Steel
July	237,528	17,594	1,872	8,655	28,121	165,217
August	238,554	17,249	1,824	8,412	27,485	162,491
September	240,674	16,443	1,748	8,574	26,765	163,388
October	181,935	15,768	1,514	8,437	25,719	165,011
November	202,638	15,544	1,352	8,150	25,046	164,448
December	215,594	15,552	1,363	8,256	25,171	165,792
January	235,358	14,932	1,510	8,260	24,702	163,965
February	257,547	15,250	1,616	8,752	25,618	170,921
March	204,401	15,889	1,606	8,311	25,806	165,281
April	171,110	15,019	1,280	8,566	24,865	165,671
May	222,862	15,911	1,808	8,016	25,735	168,050
June	240,815	17,823	1,767	8,265	27,855	166,207
	2,649,016	192,974	12,096	100,650	305,720	1,986,442
	0.00%	6.53%	0.41%	3.41%	2,954,547	0%

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LOAD DATA USED IN THE ALLOCATION OF THE DEMAND RELATED AND ENERGY RELATED COSTS

	2,649,016				312,884		
SUM OF THE PEAK DEMANDS FOR EACH CUSTOMER WITHIN THE RATE CLASS - KW							
	Total Sched E	Schedule XI	Schedule XIV	Schedule XIII	Total Sched B		
	Wholesale	Large Power	Large Power	Large Power	Wholesale	Gallatin	
August		LPB1	LPB	LPB2		Steel	
October	525,392	17,594	1,872	17,309	36,775	165,217	
November	506,915	17,249	1,824	16,823	35,896	162,491	
December	510,297	16,443	1,748	17,147	35,338	163,388	
January	547,854	15,768	1,514	16,873	34,155	165,011	
February	572,390	15,544	1,352	16,300	33,196	164,448	
March	575,696	15,552	1,363	16,511	33,426	165,792	
April	576,086	14,932	1,510	16,519	32,961	163,965	
May	565,879	15,250	1,616	17,503	34,369	170,921	
June	559,974	15,889	1,606	16,621	34,116	165,281	
	551,235	15,019	1,280	17,132	33,431	165,671	
	491,493	15,911	1,608	16,032	33,551	168,050	
	518,446	17,823	1,767	16,530	36,120	166,207	
	6,501,658	192,974	19,060	201,300	413,334	1,986,442	
	0.00%	2.81%	0.28%	2.93%	6,861,985		0.00%
					100.00%		

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ALLOCATION OF CONSUMER RELATED COSTS

A. Lines (poles and conduit)							
				<u>Factor</u>	<u>Number of Consumers</u>	<u>Relative Weight</u>	<u>Allocation Percent</u>
				1.00	54,018	54,018.00	94.79%
1	Residential			1.00	0	-	0.00%
1A	Residential ETS			1.00	2,346	2,346.00	4.12%
1	Small Commercial			1.00	237	237.00	0.42%
2	Large Power			1.00	8	8.00	0.01%
2	Large Power Primary Service			1.00	354	354.00	0.62%
3	Lighting			1.00	1	1.00	0.00%
XI	Large Power LPB1			1.00	2	2.00	0.00%
XIV	Large Power LPB			1.00	11	11.00	0.02%
XIII	Large Power LPB2			1.00	10	10.00	0.02%
	Large Power TOD				56,987	56,987	100.0%
B. Transformers							
		<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>
		<u>Minimum Size Transform.</u>	<u>Cost of Minimum Transform.</u>	<u>Weighted Cost Min = 1</u>	<u>Number of Customers</u>	<u>Relative Weight</u>	<u>Allocation Percent</u>
1	Residential	15 KVA	\$ 389.66	1.00	54,018	54,018	89.86%
1A	Residential ETS	-	\$ 545.03	1.40	-	-	0.00%
1	Small Commercial	25 KVA	\$ 630.42	1.62	2,346	3,796	6.31%
2	Large Power	4-25 KVA	\$ 2,521.67	6.47	237	1,534	2.55%
2	Large Power Primary Service	-	-	-	8	-	0.00%
3	Lighting	-	391.06	1.00	354.00	355	0.59%
XI	Large Power LPB1	-	9,905.33	25.42	1.00	25	0.04%
XIV	Large Power LPB	-	7,574.24	19.44	2.00	39	0.06%
XIII	Large Power LPB2	-	9,905.33	25.42	11.00	280	0.47%
	Large Power TOD	4-25 KVA	\$ 2,521.67	6.47	10.00	65	0.11%
					56,987.00	60,111.20	100.0%

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ALLOCATION OF CONSUMER RELATED COSTS

C. Services		1	2	3	4	5	6	
		Minimum Size Service	Cost Per Unit	Average Length of Service	Cost of Service	Number of Customers	Relative Weight	Allocation Percent
1	Residential	4 Tplx	\$ 0.51	110	55.99	54,018	3,024,548	85.72%
1A	Residential ETS	2 Tplx	\$ 0.51	15	7.64	8	61	0.002%
1	Small Commercial	4 Quad	\$ 1.97	75	148.11	2,346	347,465	9.85%
2	Large Power	4 Quad	\$ 7.95	75	596.24	237	141,308	4.00%
2.00	Large Power Primary Service		\$ -		-	8	-	0.00%
3.00	Lighting	6 Dpx	\$ 0.17	15	2.48	354	878	0.02%
XI	Large Power LPB1	4.0 Quad	\$ 7.95	75	596.24	1	596	0.02%
XIV	Large Power LPB	4.0 Quad	\$ 7.95	75	596.24	2	1,192	0.03%
	Large Power LPB2	4.0 Quad	\$ 7.95	75	596.24	11	6,559	0.19%
	Large Power TOD	4.0 Quad	\$ 7.95	75	596.24	10	5,962	0.17%
						56,995.00	3,528,570.13	100.00%
D. Meters		1	2	3	4	5	6	
		Minimum Size Meter	Cost of Minimum Meter	Weighted Cost Meter	Number of Customers	Relative Weight	Allocation Percent	
1	Residential	3 W AMI	137.02	1.00	54,018	54,018.00	94.186%	
1A	Residential ETS	3 W AMI	137.02	1.00	8	8.00	0.014%	
1	Small Commercial	3 W AMI	137.02	1.00	2,346	2,346.00	4.091%	
2	Large Power	Demand AM	523.01	3.82	237	904.63	1.577%	
2	Large Power Primary Service	Demand AM	523.01	3.82	8	30.54	0.053%	
3	Lighting		-	-	-	-	0.000%	
XI	Large Power LPB1	EKPC Provic	-	-	1	-	0.000%	
XIV	Large Power LPB	EKPC Provic	-	-	2	-	0.000%	
	Large Power LPB2	EKPC Provic	-	-	11	-	0.000%	
	Large Power TOD	Dmd Non-S	\$ 618.07	4.51	10	45.11	0.079%	
					56,631.00	57,352.27	99.9%	

OWEN ELECTRIC COOPERATIVE
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STATEMENT OF OPERATIONS

		Schedule 1	Schedule 1A	Schedule 1	Schedule 2	Schedule 2	Schedule 3
	Green	Farm and	Farm & Home	Small	Large	Large Power	Security
	Power	Home	ETS Rate	Commercial	Power	Primary	Lights
Revenue from Rates	61,304	70,163,002	875	5,037,949	14,856,852	1,329,424	1,527,075
Purchased Power	61,498	48,409,456	812	3,555,733	11,727,170	1,141,389	391,907
Distribution Operations		3,689,313	216	228,374	363,970	33,791	736,347
Distribution Maintenance		2,352,685	2	158,402	387,321	39,202	21,221
Consumer Accounts		3,502,858	130	152,129	46,106	1,556	45,943
Customer Service		621,028	23	26,971	8,174	276	8,145
Administrative & General		2,745,707	96	156,325	229,814	21,242	214,675
Depreciation		8,062,395	151	548,254	952,865	83,802	388,350
Miscellaneous		110,898	2	7,452	12,827	1,131	5,585
Interest on Long Term Debt		3,425,759	68	230,188	396,253	34,943	172,520
Short Term Interest		207,614	4	13,950	24,014	2,118	10,455
Total Costs	61,498	73,127,712	1,504	5,077,777	14,148,514	1,359,451	1,995,148
Margins before Other Revenue		(2,964,710)	(629)	(39,829)	708,338	(30,028)	(468,073)
Other Revenue		1,651,922	21	118,614	349,791	31,300	35,954
Net Margins		(1,312,788)	(609)	78,785	1,058,128	1,272	(432,119)
TIER		0.62	(7.92)	1.34	3.67	1.04	(1.50)
Net Investment Rate Base		103,883,851	2,069	6,980,304	12,016,094	1,059,635	5,231,543
Return on Rate Base		2.03%	-26.12%	4.43%	12.10%	3.42%	-4.96%

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ALLOCATION OF REVENUE REQUIREMENTS						
Function	Classifi- cation	Schedule XIV	Schedule XIII	Total for EKPC		Total
		Large Power LPB	Large Power LPB2	Sched B Rate Classes	Gallatin Steel	
Purchased Power	Demand	52,122	707,033	2,062,184	3,061,756	23,227,684
Purchased Power	Meters&Sus	5,549	46,174	140,252	-	1,355,424
Purchased Power	Energy	138,804	5,071,717	9,552,551	38,054,359	93,853,267
Stations	Demand	253	2,102	6,384		61,695
Lines	Consumer	185	1,015	1,292		5,257,598
Lines	Demand	61,096	508,372	1,544,157		14,923,082
Transformers	Consumer	690	4,961	6,102		1,328,336
Transformers	Demand	3,690	38,967	80,013		2,260,894
Services	Consumer	764	4,202	5,348		3,615,867
Meters	Consumer	-	-	-		-
Consumer Services & Accounting	Consumer	848	4,664	5,936	26,501	6,164,082
Lighting	Lighting					1,544,055
Revenue Requirements		263,999	6,389,208	13,404,218	41,142,615	154,658,450
SUMMARY						
		Schedule XIV	Schedule XIII	Total for EKPC		
		Large Power	Large Power	Sched B	Gallatin	
		LPB	LPB2	Rate Classes	Steel	Total
Consumer Related		2,486	14,842	18,678	26,501	18,364,907
Demand Related		122,709	1,302,648	3,832,990	3,061,756	40,896,220
Energy Related		138,804	5,071,717	9,552,551	38,054,359	93,853,267
Lighting		-	-	-	-	1,544,055
Revenue Requirements		263,999	6,389,208	13,404,218	41,142,615	154,658,450

OWEN ELECTRIC COOPERATIVE
CASE NO. 2012-00448

Exhibit R
Schedule 5.1
Page 48 of 56
Witness: Jim Adkins

CLASSIFICATION OF EXPENSES BY RATE CLASS

Rate 1 - Small Commercial								
	Stations	Lines		Transformers		Services	Meters	Cons
		Demand	Cons.	Demand	Cons.			Acctg
Expense								
Purchased Power								
Distribution Operations	1,025	103,579	28,853	-	-	33,151	61,766	-
Distribution Maintenance	-	124,291	34,623	(421)	(539)	-	448	-
Consumer Accounts	-	-	-	-	-	-	-	152,129
Customer Service	-	-	-	-	-	-	-	26,971
Administrative & General	288	64,976	18,100	752	963	11,223	16,705	43,319
Depreciation	1,028	262,866	73,224	29,023	37,153	98,087	36,693	10,179
Miscellaneous	14	3,543	987	372	477	1,284	517	258
Interest on Long Term Debt	431	109,458	30,491	11,500	14,722	39,657	15,975	7,955
Short Term Interest	26	6,634	1,848	697	892	2,403	968	482
Total Costs	2,812	675,346	188,125	41,924	53,667	185,805	133,072	241,293
Margin Requirements	400	101,652	28,316	10,680	13,672	36,829	14,835	7,388
Revenue Requirements	3,212	776,998	216,441	52,604	67,339	222,635	147,907	248,681
					119,943			

OWEN ELECTRIC COOPERATIVE
CASE NO. 2012-00448

Exhibit R
Schedule 5.1
Page 50 of 56
Witness: Jim Adkins

CLASSIFICATION OF EXPENSES BY RATE CLASS

Rate 2 - Large Power - Primary Service								
Expense	Stations	Lines		Transformers		Services	Meters	Cons Acctg
		Demand	Cons.	Demand	Cons.			
Purchased Power			98	-	-	-	804	-
Distribution Operations	322	32,566		-	-	-	6	-
Distribution Maintenance	-	39,078	118	-	-	-	-	1,556
Consumer Accounts	-	-	-	-	-	-	-	276
Customer Service	-	-	-	-	-	-	217	443
Administrative & General	90	20,429	62	-	-	-	478	104
Depreciation	323	82,648	250	-	-	-	7	3
Miscellaneous	4	1,114	3	-	-	-	208	81
Interest on Long Term Debt	136	34,415	104	-	-	-	13	5
Short Term Interest	8	2,086	6	-	-	-	1,732	2,468
Total Costs	884	212,336	642	-	-	-	193	76
Margin Requirements	126	31,960	97	-	-	-	1,925	2,544
Revenue Requirements	1,010	244,296	738	-	-	-		

**OWEN ELECTRIC COOPERATIVE
CASE NO. 2012-00448**

SUMMARY RESULTS OF COST OF SERVICE STUDY

		Schedule 1	Schedule 1A	Schedule 1	Schedule 2	Schedule 2	Schedule 3
		Farm and	Farm & Home	Small	Large	Large Power	Security
		Home	ETS Rate	Commercial	Power	Primary	Lights
Revenue from Rates	61,304	70,163,002	875	5,037,949	14,856,852	1,329,424	1,527,075
Less Purchased Power Costs							-
Demand	-	14,498,479	-	1,042,629	3,270,658	357,917	89,373
Energy	61,498	33,910,976	812	2,513,104	8,456,512	783,472	302,534
Total	61,498	48,409,456	812	3,555,733	11,727,170	1,141,389	391,907
Gross Margin	(194)	21,753,546	63	1,482,216	3,129,682	188,034	1,135,168
Less Distribution Costs							-
Demand Related							-
Stations		40,357	-	3,212	9,942	1,010	416
Lines		9,761,808	-	776,998	2,404,858	244,296	100,508
Transformers		1,085,881	-	52,604	102,519	-	3,852
Total Distribution Related		10,888,046	-	832,815	2,517,319	245,306	104,775
Consumer Related							-
Lines		4,983,679	-	216,441	21,866	738	32,660
Transformers		958,364	-	67,339	27,211	-	6,303
Services		1,937,947	39	222,635	90,542	-	563
Meters		3,405,652	504	147,907	57,034	1,925	-
Consumer Svc & Accouting		5,726,027	212	248,681	75,368	2,544	75,103
Outdoor Lighting		-	-	-	-	-	1,544,055
Total Consumer Related		17,011,699	785	903,032	272,049	5,236	1,658,683
Total Distribution Costs		27,899,745	785	1,735,847	2,789,368	250,543	1,763,458
Income from Rate Revenue		(6,146,199)	(722)	(253,631)	340,314	(62,508)	(628,290)
Other Revenue		1,651,922	21	118,614	349,791	31,300	35,954
Over (Under) Recovery		(4,494,277)	(701)	(135,017)	690,105	(31,208)	(592,336)
Total Increase		4,494,277	701	135,017	(690,105)	31,208	592,336
Revised Increase Amount		3,463,607	50	248,238	-	-	362,362
Increase Percent		4.94%	5.72%	4.93%	0.00%	0.00%	23.73%

**OWEN ELECTRIC COOPERATIVE
CASE NO. 2012-00448**

SUMMARY RESULTS OF COST OF SERVICE STUDY

	Large Commercial TOD	Schedule XI Large Power LPB1	Schedule XIV Large Power LPB	Schedule XIII Large Power LPB2	Gallatin Steel	Total
Revenue from Rates	409,430	\$ 6,761,414	256,209	6,212,312	41,459,712	148,075,557
Less Purchased Power Costs						
Demand	59,859	1,391,558	57,671	753,207	3,061,756	6,123,511
Energy	217,450	4,342,029	138,804	5,071,717	38,054,359	76,108,717
Total	277,310	5,733,587	196,475	5,824,924	41,116,114	118,436,375
Gross Margin	132,120	1,027,827	59,733	387,388	343,598	29,639,182
Less Distribution Costs						
Demand Related						
Stations	374	4,030	253	2,102		61,695
Lines	90,457	974,690	61,096	508,372		14,923,082
Transformers	3,467	37,356	3,690	38,967		1,328,336
Total Distribution Related	94,298	1,016,075	65,038	549,441		16,313,113
Consumer Related						
Lines	923	92	185	1,015		5,257,598
Transformers	1,148	451	690	4,961		1,066,467
Services	3,820	382	764	4,202		2,260,894
Meters	2,844	-	-	-		3,615,867
Consumer Svc & Accouting	3,710	424	848	4,664	26,501	6,164,082
Outdoor Lighting						1,544,055
Total Consumer Related	12,474	1,349	2,486	14,842	26,501	19,908,962
Total Distribution Costs	106,772	1,017,424	67,524	564,283	26,501	36,222,075
Income from Rate Revenue	25,348	10,403	(7,791)	(176,895)	317,097	(6,582,893)
Other Revenue	9,640	159,191	6,032	146,263	-	2,508,726
Over (Under) Recovery	34,988	169,594	(1,759)	(30,632)	317,097	(4,074,167)
Total Increase	(34,988)	(169,594)	1,759	30,632	(317,097)	4,074,167
Revised Increase Amount	-	(24)	(69)	6	-	4,074,169
Increase Percent	0.00%	0.00%	-0.03%	0.00%	0.00%	2.75%

RATE DESIGN
PROPOSED RATE DESIGN FOR RESIDENTIAL RATE CLASSES

Revenue Increase Per Rate Class

Rate Classes	kWh Sales	Avg. Increase Per kWh	Increase per Class
Sch I - Farm and Home	712,659,575	\$ 0.00486	\$ 3,463,476
Sch IA - Off Peak Marketing	10,237	\$ 0.00292	\$ 50
Sch I-D - Farm & Home, Incling Block	13,460	\$ 0.00486	\$ 65
Sch 1-B3 - Farm/Home-TOD, w Shoulder	3,154	\$ 0.00486	\$ 15
Total	712,686,426		\$ 3,463,607
	712,693,251		

Proposed Rates

Sch I - Farm and Home

Current Proposed

Customer Charge	\$ 14.20	\$ 14.20
Energy Rate	\$ 0.08545	\$ 0.09031

Sch IA - Off Peak Marketing

Energy Rate	\$ 0.05127	\$ 0.05419
-------------	------------	------------

Sch I-D - Farm & Home, Incling Block

Customer Charge	15.78	15.78
Energy charge per kWh		
0-300 kwh	0.06309	\$ 0.06795
301-500 kwh	0.08559	\$ 0.09045
Over 500 kwh	0.11559	\$ 0.12045

Sch 1-B3 - Farm/Home-TOD, w Shoulder

Customer Charge	\$ 20.00	
Energy charge		
On-Peak energy	\$ 0.09980	\$ 0.10466
Off-Peak energy	\$ 0.05789	\$ 0.06275
Shoulder	\$ 0.07539	\$ 0.08025

RATE DESIGN
PROPOSED RATE DESIGN FOR SMALL COMMERCIAL RATE CLASSES

Revenue Increase Per Rate Class

Rate Classes	kWh Sales	Avg. Increase Per kWh	Increase per Class
Sch I - Small Commercial	52,757,480	\$ 0.00470	\$ 247,960
Sch 1-C - Small Comm, T-O-D	59,040	\$ 0.00470	\$ 277
	52,816,520		248,238

Proposed Rates

<u>Sch I - Small Commercial</u>	<u>Current</u>	<u>Proposed</u>
Customer Charge	\$ 17.23	\$ 17.23
Energy charge	\$ 0.08598	\$ 0.09068
 <u>Sch 1-C - Small Comm, T-O-D</u>		
Customer Charge	\$ 24.51	\$ 24.51
Energy charge		
On-Peak energy	\$ 0.09943	\$ 0.10413
Off-Peak energy	\$ 0.05556	\$ 0.06026

PROPOSED RATE DESIGN FOR SMALL COMMERCIAL RATE CLASSES

Schedule 2 - Large Power (Primary & Secondary Service)

Total Revenue Requirements		\$ 16,252,811
Customer Related Costs	\$ 277,227	
Billing Units	3,005	
Customer Related Costs & Proposed Rate	92.26	\$ 279,645
Revenue from Demand & Energy Rates		\$ 15,973,166
Energy kWh	194,191,663	
Energy Rate	0.06498	12,618,574
Revenue from Demand Rate		\$ 3,354,592
Demand kW	582,414	
Demad Rate	\$ 6.25	\$ 3,640,090

RATE DESIGN
PROPOSED RATES FOR ALL LIGHTING SCHEDULES

Schedule III - Security Lights

	<u>Current</u>		<u>Proposed</u>
Existing pole, 120V available	\$8.52	\$	10.54
One pole added	\$10.33	\$	12.78
Two poles added	\$12.14	\$	15.02
Three poles added	\$13.95	\$	17.26
Four poles added	\$15.77	\$	19.51
Transformer required	\$9.22	\$	11.41
One pole, transformer required	\$11.03	\$	13.65
Two poles, transformer required	\$12.84	\$	15.89
Three poles, transformer required	\$14.65	\$	18.13
Four poles, transformer required	\$16.47	\$	20.38

Schedule OLS - Outdoor Lighting Service

100 Watt, High pressure sodium	\$10.25	\$	12.68
100 Watt, High pressure sodium, 1 pole	\$15.13	\$	18.72
Cobrahead Lighting			
100 Watt HPS	\$13.30	\$	16.46
100 Watt HPS, 1 pole added	\$18.18	\$	22.49
250 Watt HPS	\$18.06	\$	22.35
250 Watt HPS, 1 pole added	\$22.94	\$	28.38
400 Watt HPS	\$22.49	\$	27.83
400 Watt HPS, 1 pole added	\$27.37	\$	33.86
Directional Lighting			
100 Watt HPS	\$12.45	\$	15.40
100 Watt HPS, 1 pole added	\$17.33	\$	21.44
250 Watt HPS	\$15.30	\$	18.93
250 Watt HPS, 1 pole added	\$20.18	\$	24.97
400 Watt HPS	\$19.48	\$	24.10
400 Watt HPS, 1 pole added	\$24.36	\$	30.14

Schedule II SOLS - Special Outdoor Lighting Service

Traditional, w/ fiberglass pole	\$13.14	\$	16.26
Holophane, w/ fiberglass pole	\$15.60	\$	19.30

RATE DESIGN
PROPOSED RATES FOR LARGE INDUSTRIAL RATE CLASSES

	Sched XI LPB1	Sched XIII LPB2	Sched XIV LPB
Revenue from Current Rates	\$ 6,761,414	\$ 6,212,312	\$ 256,209
Increase Amount	\$ (24.00)	\$ -	\$ -
Total Revenue Requirements	\$ 6,761,390	\$ 6,212,312	\$ 256,209
Customer Charge Billing Units	132	24	12
Customer Charge	\$1,521.83	\$3,042.58	\$1,521.83
Customer Charge Revenue	\$ 200,882	\$ 73,022	\$ 18,262
Revenue Requirements for Demand & Energy Charges	\$ 6,560,508	\$ 6,139,291	\$ 237,947
Demand kW			
Contract Demand kW	187,698	210,000	6,551
Excess Demand kW	18,950	475	2,783
Inerruptible Credits		127,495	
Proposed Demand Rates (SA EKPC)			
Contract Demand kW	\$ 7.25	\$ 7.25	\$ 7.25
Excess Demand kW	\$ 9.98	\$ 9.98	\$ 9.98
Inerruptible Credits		\$ 4.90	
Revenue from Demand Rates			
Contract Demand kW	\$ 1,360,811	\$ 1,522,500	\$ 47,496
Excess Demand kW	\$ 189,121	\$ 4,741	\$ 27,774
Inerruptible Credits		\$ (624,726)	
Total Revenue from Demand Rates	\$ 1,549,932	\$ 902,515	\$ 75,271
Revenue Required from Energy	\$ 5,010,577	\$ 5,226,620	\$ 162,676
First 425 kwh of billing demand	86,390,076	89,451,875	
Over 425 kwh of billing demand	16,014,576	28,557,006	
All kWh			3,186,093
Energy Rate per kWh			
First 425 kwh of billing demand	\$ 0.04950	\$ 0.04450	
Over 425 kwh of billing demand			
All kWh			\$ 0.05106
	\$ 4,276,309	\$ 3,980,608	
	\$ 734,268	\$ 1,246,011	
	\$ 0.04585	\$ 0.04363	

Owen Electric Cooperative
Case No. 2012-00448
Balance Sheet, Adjusted
June 30, 2012

Exhibit S
page 1 of 4
Witness: Alan Zumstein

	<u>Actual Test Year</u>	<u>Adjustments to Test Year</u>	<u>Adjusted Test Year</u>
<u>ASSETS</u>			
Electric Plant:			
In service	226,958,704		226,958,704
Under construction	2,764,326		2,764,326
	<u>229,723,030</u>		<u>229,723,030</u>
Less accumulated depreciation	95,869,325	328,546	96,197,871
	<u>133,853,705</u>	<u>(328,546)</u>	<u>133,525,159</u>
Investments	<u>39,067,981</u>		<u>39,067,981</u>
Current Assets:			
Cash and temporary investments	3,622,918		3,622,918
Accounts receivable, net	15,279,768		15,279,768
Material and supplies	835,560		835,560
Prepayments and current assets	1,294,122		1,294,122
	<u>21,032,368</u>		<u>21,032,368</u>
Deferred debits and net change in assets	<u>1,524,884</u>	<u>(3,279,987)</u>	<u>(1,755,103)</u>
Total	<u>195,478,938</u>	<u>(3,608,533)</u>	<u>191,870,405</u>
<u>MEMBERS' EQUITIES AND LIABILITIES</u>			
Margins:			
Memberships	1,121,035		1,121,035
Patronage capital	70,193,627	(3,608,533)	66,585,094
	<u>71,314,662</u>	<u>(3,608,533)</u>	<u>67,706,129</u>
Long Term Debt	<u>87,790,154</u>		<u>87,790,154</u>
Accumulated Operating Provisions	<u>9,262,896</u>		<u>9,262,896</u>
Current Liabilities:			
Short term borrowings	6,857,324		6,857,324
Accounts payable	12,359,066		12,359,066
Consumer deposits	2,877,176		2,877,176
Accrued expenses	4,292,935		4,292,935
	<u>26,386,501</u>		<u>26,386,501</u>
Deferred credits	<u>724,725</u>		<u>724,725</u>
Total	<u>195,478,938</u>	<u>(3,608,533)</u>	<u>191,870,405</u>

Owen Electric Cooperative
Case No. 2012-00448
Statement of Operations, Adjusted

Exhibit S
page 2 of 4
Witness: Alan Zumstein

	Actual Test Year	Normalized Adjustments	Normalized Test Year	Proposed Increase	Proposed Test Year
Operating Revenues:					
Base rates	148,075,542	15	148,075,557	4,074,169	152,149,726
Fuel adjustment	(2,377,589)	2,377,589	-	-	-
Environmental surcharge	14,616,984	(14,616,984)	-	-	-
Accounting change	(296,099)	296,099	-	-	-
Other electric revenue	2,016,098	59,914	2,076,012		2,076,012
	<u>162,034,936</u>	<u>(11,883,367)</u>	<u>150,151,569</u>	<u>4,074,169</u>	<u>154,225,738</u>
Operating Expenses:					
Cost of power:					
Base rates	118,377,226	59,149	118,436,375		118,436,375
Fuel adjustment	(1,892,064)	1,892,064	-	-	-
Environmental surcharge	15,774,383	(15,774,383)	-	-	-
Accounting change	(905,062)	905,062	-	-	-
Distribution - operations	5,084,951	189,967	5,274,918		5,274,918
Distribution - maintenance	3,133,881	86,066	3,219,947		3,219,947
Consumer accounts	3,664,322	106,514	3,770,836		3,770,836
Customer service	651,599	16,939	668,538		668,538
Sales	-	-	-		-
Administrative and general	3,596,356	(82,634)	3,513,722		3,513,722
	<u>147,485,592</u>	<u>(12,601,256)</u>	<u>134,884,336</u>	<u>-</u>	<u>134,884,336</u>
Total operating expenses					
Depreciation	10,319,471	328,546	10,648,017		10,648,017
Taxes - other	146,131	-	146,131		146,131
Interest on long-term debt	4,487,322	26,832	4,514,154		4,514,154
Interest expense - other	273,574	-	273,574		273,574
Other deductions	83,082	(83,082)	-		-
	<u>162,795,172</u>	<u>(12,328,959)</u>	<u>150,466,213</u>	<u>-</u>	<u>150,466,213</u>
Total cost of electric service					
Utility operating margins	(760,236)	445,592	(314,644)	4,074,169	3,759,525
Nonoperating margins, interest	424,767	-	424,767		424,767
Nonoperating margins, other	176,317	(197,168)	(20,851)		(20,851)
G & T capital credits	7,931,126	(7,931,126)	-		-
Patronage capital credits	28,798	-	28,798		28,798
	<u>7,800,772</u>	<u>(7,682,702)</u>	<u>118,070</u>	<u>4,074,169</u>	<u>4,192,239</u>
Net Margins					
TIER	2.74		1.03		1.93
OTIER	0.84		0.94		1.84

Owen Electric Cooperative
Case No. 2012-00448
Summary of Adjustments to Test Year

	Adj 1	Adj 2	Adj 3	Adj 4	Adj 5	Adj 6	Adj 7	Adj 8	Adj 9	Adj 10	Adj 11	Adj 12	Adj 13	Adj 14	Adj 15	Adj 16	Adj 17	Total
	Salaries	Payroll Taxes	Deprec	Property Tax	Interest	FAS 106	Retirement	Other Deductions	Directors	Professional Fees	Misc Expenses	Rate Case	Non-Op Income	G & T Capital Cr	Purchase Power	Normalize Revenue	Additional Revenue	
Operating Revenues:																		
Base rates																	15	15
Fuel adjustment																	2,377,589	2,377,589
Environmental surcharge																	(14,616,984)	(14,616,984)
Accounting change/fuel adjustment																	296,099	296,099
Other electric revenue																		59,914
																		59,914
																	(11,943,281)	(11,883,367)
Operating Expenses:																		
Cost of power:																		
Base rates																59,149		59,149
Fuel adjustment																1,892,064		1,892,064
Environmental surcharge																(15,774,383)		(15,774,383)
Accounting change																905,062		905,062
Distribution - operations	67,362	2,693	9,476	48,501		(3,346)	65,281											189,967
Distribution - maintenanc	36,848	1,473	13,866			(1,830)	35,710											86,066
Consumer accounts	54,360	2,173				(2,700)	52,681											106,514
Customer service	8,645	346				(429)	8,378											16,939
Sales																		
Administrative and gener	51,674	2,066	1,074	2,757		(2,566)	50,078		(158,900)	(26,999)	(31,817)	30,000						(82,634)
Total operating expense:	218,889	8,749	24,416	51,258	-	(10,871)	212,127	-	(158,900)	(26,999)	(31,817)	30,000	-	-	(12,918,108)	-	-	(12,601,256)
Depreciation			328,546															328,546
Taxes - other																		-
Interest on long-term debt					26,832													26,832
Interest expense - other																		-
Other deductions								(83,082)										(83,082)
Total cost of electric ser	218,889	8,749	352,962	51,258	26,832	(10,871)	212,127	(83,082)	(158,900)	(26,999)	(31,817)	30,000	-	-	(12,918,108)	-	-	(12,328,959)
Utility operating margin:	(218,889)	(8,749)	(352,962)	(51,258)	(26,832)	10,871	(212,127)	83,082	158,900	26,999	31,817	(30,000)	-	-	12,918,108	(11,943,281)	59,914	445,592
Nonoperating margins, interest													(197,168)					(197,168)
Nonoperating margins, other														(7,931,126)				(7,931,126)
G & T capital credits																		-
Patronage capital credits													(197,168)	(7,931,126)				(8,128,294)
Net Margins	(218,889)	(8,749)	(352,962)	(51,258)	(26,832)	10,871	(212,127)	83,082	158,900	26,999	31,817	(30,000)	(197,168)	(7,931,126)	12,918,108	(11,943,281)	59,914	(7,682,702)

Owen Electric Cooperative
Case No. 2012-00448
Proposed Revenues
June 30, 2012

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Proposed margins	\$ 4,192,239
Normalized margins	<u>118,070</u>
Proposed increase in revenues over normalized revenues	<u><u>\$ 4,074,169</u></u>

Owen Electric Cooperative
Case No. 2012-00448
Monthly Operating Budget
June 30, 2012

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	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>Total</u>
Operating revenue	13,883,567	14,618,714	13,302,163	12,333,796	12,158,470	13,501,715	16,520,553	16,447,907	14,757,972	13,178,901	12,670,995	13,245,127	166,619,880
Operating expenses:													
Cost of power	9,315,379	10,742,524	10,381,958	11,724,043	9,941,560	9,583,881	13,068,608	13,558,672	12,069,520	10,954,880	10,022,688	10,126,700	131,490,413
Distribution-operation	464,714	464,715	464,714	464,714	464,714	464,724	449,055	457,825	454,960	445,155	444,725	469,057	5,509,072
Distribution-maintena	372,830	341,580	341,580	341,579	285,291	303,759	320,926	313,891	313,890	313,891	313,890	312,964	3,876,071
Consumer accounts	312,234	312,235	312,234	312,234	312,234	312,237	321,400	321,258	321,239	321,739	321,119	321,739	3,801,902
Customer services	55,482	55,481	55,482	55,482	55,482	55,484	54,969	54,962	54,961	54,962	54,961	54,961	662,669
Sales	0	0	0	0	0	0	0	0	0	0	0	0	0
Administrative and ge	293,518	293,518	293,517	293,518	293,518	293,526	308,562	309,932	307,662	306,692	307,142	317,239	3,618,344
Total operation and r	10,814,157	12,210,053	11,849,485	13,191,570	11,352,799	11,013,611	14,523,520	15,016,540	13,522,232	12,397,319	11,464,525	11,602,660	148,958,471
Depreciation	858,419	863,911	869,404	874,897	880,390	885,882	847,187	850,159	854,441	858,723	863,003	867,285	10,373,701
Taxes-other	14,009	14,009	14,009	14,009	14,009	14,005	12,047	12,047	12,047	12,047	12,047	12,047	156,332
Interest on long term d	393,960	393,087	394,544	403,493	392,813	401,748	373,066	348,084	371,322	362,601	363,880	355,172	4,553,770
Interest expense - othe	19,431	19,431	19,431	19,431	19,431	19,429	33,152	33,152	33,152	33,152	33,152	33,152	315,496
Other deductions	6,010	20,010	6,010	6,010	6,010	6,009	10,000	23,000	6,000	6,000	6,000	6,000	107,059
Total cost of electric	12,105,986	13,520,501	13,152,883	14,509,410	12,665,452	12,340,684	15,798,972	16,282,982	14,799,194	13,669,842	12,742,607	12,876,316	164,464,829
Utility operating mar	1,777,581	1,098,213	149,280	(2,175,614)	(506,982)	1,161,031	721,581	164,925	(41,222)	(490,941)	(71,612)	368,811	2,155,051
Nonoperating margins,	28,289	28,289	28,289	28,289	28,289	28,294	32,774	32,775	32,774	32,775	32,774	32,774	366,385
Nonoperating margins,	1,266	1,266	1,266	1,266	1,266	1,280	1,336	1,335	1,336	1,335	1,336	1,335	15,623
Patronage capital:													
G & T	0	0	0	0	0	0	0	0	0	0	0	0	0
Others	0	50,000	145,000	0	(184,016)	0	0	0	29,315	0	0	0	40,299
	0	50,000	145,000	0	(184,016)	0	0	0	29,315	0	0	0	40,299
Net margins	1,807,136	1,177,768	323,835	(2,146,059)	(661,443)	1,190,605	755,691	199,035	22,203	(456,831)	(37,502)	402,920	2,577,358

Owen Electric Cooperative
Case No 2012-00448
By - Law Changes

Attached are the current member By-Laws

The following sections of the By-Laws have changed since the filing of the last general rate case:

Article III

Section 5: Changes related to voting

Article IV

Section 2: Changes related to election & Tenure

Section 3: Changes related to qualifications

Section 5: Changes related to nominations

BYLAWS OF OWEN ELECTRIC COOPERATIVE, INC. Revised September 2012

ARTICLE I MEMBERSHIP

SECTION 1. Requirements for Membership. Any natural person, firm, association, corporation, body politic, or subdivision thereof, shall become a member of Owen Electric Cooperative, Inc., (hereinafter called the "Cooperative") upon the occurrence of either of the following:

- (a) Signing of an application for membership in the Cooperative and payment of the membership fee hereinafter specified; or
- (b) Payment of the first bill received from the Cooperative for electric energy and the membership fee hereinafter specified.

Provided, however, the membership application or payment of the first electric bill shall be accompanied by the membership fee provided for in Section 4, together with any service security deposit, service connection deposit or fee, facility extension fee or contribution in aid of construction [hereinafter referred to as other deposits or fees] that may be required by the Cooperative. No member may hold more than one membership in the Cooperative, and no membership in the Cooperative shall be transferable, except as provided in these bylaws. A member shall comply with and be bound by all of the provisions of the Articles of Incorporation and Bylaws of the Cooperative and such rules, regulations and policies as may, from time to time, be adopted by the Cooperative Board of Directors.

SECTION 2. Membership. Membership in the Cooperative shall be evidenced in such form and shall contain such provisions as shall be determined by the board of directors.

SECTION 3. Joint Membership. A husband and/or wife that applies for membership in the Cooperative, regardless of whether one or both sign the Application for Membership as referred to in Section 1(a) of this Article, shall be considered to hold a joint membership and any provisions relating to the rights and liabilities of membership shall apply equally with respect to the holders of a joint membership. Without limiting the generality of the foregoing, the effect of the hereinafter specified actions by or in respect of the holders of a joint membership shall be as follows:

- (a) The presence at a meeting of either or both shall be regarded as the presence of one member and shall constitute a joint waiver of notice of the meeting;
- (b) The vote of either separately or both jointly shall constitute one joint vote;
- (c) A waiver of notice signed by either or both shall constitute a joint waiver;
- (d) Notice to either shall constitute notice to both;
- (e) Expulsion of either shall terminate the joint membership;
- (f) Withdrawal of either shall terminate the joint membership;
- (g) Either but not both, may be elected or appointed as an officer or board member, provided that both meet the qualifications for such office; and
- (h) Upon the death of either spouse, such membership shall be held solely by the survivor. Provided, however, the Estate of the deceased shall not be released of any debts due the Cooperative.

SECTION 4. Membership Fees. The membership fee shall be TWENTY-FIVE DOLLARS (\$25.00), upon the payment of which, a member shall be eligible for any number of service connections.

SECTION 5. Purchase of Electric Power and Energy; Power Production by Member; Application of Payments to All Accounts. The Cooperative shall use reasonable diligence to furnish its members with adequate and dependable electric service, although it cannot and therefore does not guarantee an uninterrupted and/or distortion-free supply thereof; and each member, for so long as such premises are owned or directly occupied or used by him, shall purchase from the Cooperative all electric power and energy purchased for use

on all premises to which electric service has been furnished by the Cooperative pursuant to his membership, unless and except to the extent that the board of directors may in writing waive such requirement, and shall pay therefore at the times, and in accordance with the rules, regulations, rate classifications and rate schedules (including any monthly minimum amount that may be charged without regard to the amount of electric power and energy actually used), established by the board of directors and Public Service Commission, and, if in effect, in accordance with the provisions of any supplemental contract that may have been entered into as provided for in Section 1.

Production or use of electric energy on such premises, regardless of the source thereof, by means of facilities which shall be interconnected with the Cooperative facilities, shall be subject to appropriate regulations as shall be fixed from time to time by the Cooperative. Each member shall also pay all other amounts owed by the member to the Cooperative as and when they become due and payable. When the member has more than one service connection from the Cooperative, any payment by such member for service from the Cooperative may, unless directed in writing by the member to the contrary, be deemed to be allocated and credited on a pro rata basis to his outstanding accounts for all such service connections, notwithstanding that the Cooperative's actual accounting procedures do not reflect such allocation and proration.

The Cooperative's monthly rates will be fixed by the Kentucky Public Service Commission and/or the board of directors.

SECTION 6. Termination of Memberships.

(a) Any member may withdraw from membership upon compliance with such uniform terms and conditions as the board of directors may prescribe.

The board of directors may, by the affirmative vote of not less than two-thirds, expel any member who fails to comply with any of the provisions of the Articles of Incorporation, Bylaws, or rules or regulations adopted by the board of directors, but only if such member shall have been given written notice by the Cooperative that such failure makes the member liable to expulsion and such failure shall have continued for at least ten (10) days after such notice was given. Any expelled member may be reinstated by a two-thirds vote of the board of directors or by a two-thirds vote of the members at any annual or special meeting.

The membership of a member who for a period of six (6) months after service is available to the member has not purchased electric energy from the Cooperative, or of a member who has ceased to purchase energy from the Cooperative, may be canceled by resolution of the board of directors.

(b) Upon the withdrawal, death, cessation of existence or expulsion of a member, the membership of such member shall thereupon terminate. Termination of membership in any manner shall not release a member or a member's estate from any debts due the Cooperative.

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

(d) Any member who withdraws, terminates or otherwise leaves the Cooperative's service owing an outstanding account to the Cooperative and thereafter wishes to re-apply for service must pay a new membership fee and any outstanding account plus accrued interest thereon at the Kentucky legal rate on judgments in effect when such account first became overdue, compounded annually.

SECTION 7. Access to Lands and Premises. Without being paid compensation therefore, each member or patron shall grant, transfer, convey and give to the Cooperative a perpetual easement and right and privilege of free access over, under, above, across, and through the land and premises of the member or patron to erect, construct, place, locate and build and thereafter use, operate, inspect, repair, maintain, service, replace and move its electric distribution system, new or existing lines of any type, wire, poles, anchors or other appurtenant parts thereof. The

member or patron specifically grants to the Cooperative the right to connect to and hook up to any existing service and/or service line and/or service facility of any type that might be located on the member or patron's land or premises for the purpose of providing and/or extending electric service to another member or patron of the Cooperative. The member or patron grants to the Cooperative the right and privilege to cut down, trim and/or treat with herbicides any and all trees, vines, bushes and/or landscaping which are of such height and/or location in proximity to the Cooperative's distribution line and/or facilities that the trees, vines, bushes and/or landscaping may interfere with and/or create a hazard to the operation of said lines and facilities. All service lines supplying the applicant with the electric energy and all switches, meters and equipment constructed or installed by the Cooperative on said land or premises shall be the sole property of the Cooperative. The Cooperative shall have the right to remove its electric distribution system of any type and all appurtenant parts thereof, upon discontinuance of service for any reason. Provided, however, upon cancellation of the contract for electric service set forth herein, the perpetual easement and right and privilege of access and maintenance of said facilities granted by provisions of the paragraph shall remain in full force and effect.

SECTION 8. Service to Non-Members. The Cooperative shall render service to its members only; provided, however, that service may be rendered with board approval upon the same terms and conditions as are applicable to members, to non-members of the Cooperative, including any federal agency, any other state, and any county, city or political subdivision thereof to the extent of not more than ten percent (10%) of the Cooperative's total business; and provided further, that should the Cooperative acquire any electric facilities dedicated or devoted to the public use it may, for the purpose of continuing service and avoiding hardship and to an extent which together with all other persons served by the Cooperative on a non-member basis shall not exceed forty (40) percent of the Cooperative's total business, continue to serve the persons served directly from such facilities at the time of such acquisition without requiring that such persons become members; and provided further that such non-members shall have the right to become members upon nondiscriminatory terms.

SECTION 9. Participation in Load Management. Each member shall participate in any required program and comply with related rates and service rules and regulations that may be established by the Cooperative to enhance load management, to more efficiently utilize or conserve electric energy or to conduct load research.

ARTICLE II RIGHTS AND LIABILITIES OF MEMBERS

SECTION 1. Property Interest of Members. Upon dissolution, after all debts and liabilities of the Cooperative shall have been paid, and all capital furnished through patronage shall have been retired as provided in these Bylaws, the remaining property and assets of the Cooperative shall be distributed among the members and former members in the proportion which the aggregate patronage of each bears to the total patronage of all members according to law, during the ten (10) years next preceding the date of the filing of the certificate of dissolution.

SECTION 2. Non-Liability for Debts of the Cooperative. The private property of the members shall be exempt from execution for the debts of the Cooperative and no member shall be individually liable or responsible for any debts or liabilities of the Cooperative.

SECTION 3. Contract with the Cooperative. Each member or patron of the Cooperative, by dealing with the Cooperative, acknowledges that the terms and provisions of the Articles of Incorporation and Bylaws shall constitute and be a contract between the Cooperative and each member or patron, and both the Cooperative and the members or patrons are bound by such contract, as fully as though each member or patron had individually signed a separate instrument containing such terms and provisions.

SECTION 4. Noncompliance with Bylaws/Articles of Incorporation. In the event a member or patron fails to comply with any of the terms of these Bylaws or the Articles of Incorporation of the Cooperative, and legal action is taken by the Cooperative to enforce such terms, the Cooperative shall be entitled to collect in such proceedings its reasonable attorney's fees and court costs.

ARTICLE III MEETING OF MEMBERS

SECTION 1. Annual Meeting. The annual meeting of the members shall be held each year at such place within a county served by the

Cooperative and on such day and at such hour as may be selected by the board, and which shall be designated in the notice of the meeting, for the purpose of electing board members, passing upon reports for the previous fiscal year and transacting such other business as may come before the meeting. It shall be the responsibility of the board to make adequate plans and preparations for the annual meeting. Failure to hold the annual meeting at the designated time shall not work a forfeiture or dissolution of the Cooperative.

SECTION 2. Special Meetings. Special meetings of the members may be called by resolution of a majority of the board or by four hundred or more of all the members by filing with the Secretary a request in writing stating the purpose and signed by requesting member(s), which request and petition calls for a special member meeting, the stated purpose of which shall be to hear and act upon such matter(s) as stated. Each page of the petition shall, in the forepart thereof, state the name(s) and address(es) of such member(s) filing such request(s) and a verbatim statement of such request(s). The petition shall be signed by each member in the same name as the member is billed by the Cooperative and shall state the signatory's address as the same appears on such billings. Upon filing of the request, it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. The Secretary shall verify the signatures of the members requesting a special meeting, within thirty (30) days of receipt of the request, and the meeting shall be called not less than thirty (30) days nor more than ninety (90) days following the verification of members' signatures. Special meetings of the members may be held at any place within a county served by the Cooperative in the State of Kentucky, which shall be specified in the notice of the special meeting as determined by the board of directors.

The Chairman of the said meeting shall be a licensed attorney appointed by the attorney to the board, and the Cooperative shall compensate him/her for such services.

SECTION 3. Notice of Members' Meetings. Written or printed notice stating the place, day and hour of the meeting, and in case of a special meeting or an annual meeting at which business requiring special notice is to be transacted, the purpose or purposes for which the meeting is called shall be delivered not less than ten (10) days nor more than sixty (60) days before the date of the meeting, either personally or by mail, by or at the direction of the Secretary, or upon a default in duty by the Secretary, by persons calling the meeting, to each member. If mailed, such notice shall be deemed to be delivered when deposited in the United States Mail, addressed to the member at the member's address as it appears on the records of the Cooperative, with postage thereon prepaid. The failure of any member to receive notice of an annual or special meeting of the members shall not invalidate any action which may be taken by the members at any such meeting.

SECTION 4. Quorum. Four hundred members present in person shall constitute a quorum. If less than a quorum is present at any meeting, a majority of those present in person may adjourn the meeting from time to time without further notice. The minutes of each meeting shall contain a list of the members present in person.

SECTION 5. Voting. Each member shall be entitled to only one vote upon each matter submitted to a vote of the members. All questions shall be decided by a vote of a majority of the members voting thereon in person, except as otherwise provided by law, the Articles of Incorporation or these Bylaws. The vote of a member who is a firm, association, corporation or body politic, shall be cast by the ranking officer of such member, unless such member shall have elected another person to represent it. Such officer or representative shall present either credentials of his or her authority or sign a statement that he or she is the authorized officer or representative.

The board members shall, prior to any meeting of the members at which directors are to be elected, appoint such number of Assistant Secretaries as they may deem advisable for the purpose of checking registrations.

Should the board of directors fail to appoint a sufficient number of Assistant Secretaries or should it develop that the number appointed is for any reason insufficient, then the Secretary may, at or before said meeting, appoint such number of Assistant Secretaries as he or she may deem necessary from among the employees of the Cooperative. Should the Secretary be absent or fail to act, then the Board Chairman may in like manner appoint Assistant Secretaries.

SECTION 6. Proxies. Voting by proxy is prohibited by these Bylaws.

SECTION 7. Credentials and Election Committee. The board of

directors shall, not less than seventy-five (75) days before the annual meeting of the members, appoint a Credentials and Election Committee. The Committee shall consist of an uneven number of Cooperative members, not less than five (5) nor more than seven (7), who are not members of the Nominating Committee or existing Cooperative employees, agents, officers, directors or known candidates for director, and who are not close relatives as defined in Article XI, Section 5, or members of the same household thereof. In appointing the Committee, the board shall have regard for the equitable representation of the several areas served by the Cooperative. The Committee shall elect its own chairman and secretary prior to the member meeting. If a petition or petitions are received on behalf of a candidate for inclusion on the ballot, then the Credentials and Election Committee shall meet at least thirty (30) days prior to the annual meeting to certify signatures on the petition and to determine the eligibility of such person to serve if elected. It shall be the Committee's responsibility to establish or approve the manner of conducting member registration and any ballot or other voting, to pass upon all questions that may arise with respect to the registration of members in person, to count all ballots or other votes cast in any election or in any other matter, to rule upon the effect of any ballots or other vote irregularly or indecisively marked or cast, to rule upon all other questions that may arise relating to member voting and the election of directors (including but not limited to the validity of petitions of nomination or the qualifications of candidates and the regularity of the nomination and election of directors), and to pass upon any protest or objection filed with respect to any election or to conduct affecting the results of any election. In the exercise of its responsibility, the Committee shall have available to it the advice of counsel provided by the Cooperative. In the event a protest or objection is filed concerning any election, such protest or objection may be filed with the chairman of the Credentials and Election Committee or at the principal office of the Cooperative during, or within three (3) business days following the adjournment of, the meeting in which the voting is conducted. The Committee shall thereupon be reconvened, upon notice from its chairman, not less than seven (7) days after such protest or objection is filed. The Committee shall hear such evidence as is presented by the protestor(s) or objector(s) who may be heard in person, by counsel, or both, and any opposing evidence; and the Committee, by a vote of a majority of those present and voting, shall, within a reasonable time but not later than thirty (30) days after such hearing, render its decision, the result of which may be to affirm the election, to change the outcome thereof, or to set it aside. The Committee may not affirmatively act on any matter unless a majority of the Committee is present. The Committee's decision (as reflected by a majority of those actually present and voting) on all matters covered by this Section shall be final. The Committee shall be appointed for a one (1) year term and the Cooperative may compensate them for their services.

SECTION 8. Agenda. No proposal shall be voted upon, or board action taken upon any matter at the Annual Meeting, unless it has been placed on the agenda at least forty (40) days prior to such meeting. Any agenda item proposed by anyone other than the board of directors shall be submitted to the headquarters office of the Cooperative or to the Secretary at least seventy (70) days prior to annual meeting by filing with the Secretary a request in writing stating the purpose of the agenda item proposed, that it be submitted to the annual meeting for consideration and signed by the requesting member(s). Any proposal determined to be legitimate by the board of directors may be placed on the agenda of the members' annual meeting.

SECTION 9. Order of Business. The order of business at the annual meeting of the members, as established by the board, and so far as possible, at all other meetings of the members, shall be essentially as follows:

1. Report on the number of members present in person in order to determine the existence of a quorum;
2. Reading of the notice of the meeting and proof of the due publication or mailing thereof, or the waiver or waivers of notice of the meeting, as the case may be;
3. Reading of unapproved minutes of previous meetings of the members, the taking of necessary action thereon;
4. Presentation and consideration of reports of officers, trustees, and committees;
5. Election of board members;
6. Other business; and,
7. Adjournment

ARTICLE IV BOARD MEMBERS

SECTION 1. General Powers. The business and affairs of the Cooperative shall be managed by a board of seven (7) members which shall exercise all of the powers of the Cooperative except such as are by law or by the Cooperative's Articles of Incorporation or Bylaws conferred upon or reserved to the members.

Voting for the board members shall occur at the annual meeting of members and at the Cooperative's Headquarters and three (3) District offices beginning on the first business day of the month of said annual meeting and continuing until the close of business the Wednesday prior to the annual meeting. The specific procedures for voting for board members shall be set forth in a policy adopted by the Board of Directors.

SECTION 2. Election and Tenure of Office. Either two (2) or three (3) board members shall be elected at each annual meeting of the members for terms of three (3) years according to the following schedule:

2013	2014	2015
District 1	District 4	District 2
District 3	District 5	District 6
	District 7	

All contested elections shall be by secret ballot. Board members shall serve until the annual meeting in the year during which their term expires or until their successors have been elected and qualified subject to the provisions of these Bylaws as to removal of directors.

If an election of board members shall not be held on the day designated herein for the annual meeting, or at any adjournment thereof, a special meeting of the members shall be held for the purpose of electing board members within a reasonable time thereafter. Board members shall be elected by a plurality of the votes cast.

SECTION 3. Qualifications. To be eligible to become or remain a board member of the Cooperative a person shall:

- (a) Be a member of the Cooperative whose permanent, principal residence is presently located and has been located for the five (5) immediate past years in the district served by the Cooperative where the vacancy exists;
- (b) Not be an employee of or financially interested in a competing enterprise or a business selling electric energy or supplies to the Cooperative, or a business primarily engaged in selling electrical or plumbing appliances, fixtures or supplies to the members of the Cooperative.
- (c) Any person who is a member of Owen Electric Cooperative, Inc. may seek membership on the board of directors if that person has the legal capacity to enter into a binding contract.
- (d) Not have been employed by the Cooperative during the past five years nor be the spouse of such former employee, nor a person/spouse thereof who is covered by any retirement or insurance benefit paid for partly or completely by the Cooperative, except those who receive these benefits for serving/having served as a director or spouse of a director.

No person shall take or hold office as a board member who is the incumbent of or candidate for an elective public office in connection with which a salary is paid.

Must agree to provide a complete, accurate and truthful expenditure report listing all amounts spent personally, and by supporters or others on your behalf, as part of your election efforts to become a cooperative board member.

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

SECTION 4. Districts. The territory served or to be served by the Cooperative shall be divided into seven (7) districts, giving due consideration to population density and geographical location. Each district shall be represented by one (1) board member. The present boundaries of said (7) districts are as follows:

District 1. includes all of Owen County.

District 2. includes all of Carroll County and Gallatin County.

District 3. includes all of Grant County and Scott County.

District 4. includes all of Pendleton County and Campbell County.

District 5. includes portions of Boone County found in map block numbers 316-317; 330-333; 345-348; 359-363; 373-377; 387-393; 403-409; 418-424; 433-435; 447-452 on the cooperative's system maps.

District 6. includes all of Kenton County.

District 7. includes portions of Boone County found in map block numbers 460-466; 471-477; 480-487; 488-495; 496-501; 502-505; 506-507 on the cooperative's system maps.

Not less than sixty (60) days before any meeting of the members at which board members are to be elected, the board will review the composition of the several districts for any modification as deemed appropriate.

SECTION 5. Nominations. It shall be the duty of the board of directors to appoint, not less than sixty (60) days, nor more than one hundred and five (105) days before the date of the meeting of the members at which directors are to be elected, a committee on nominations consisting of not less than five (5) members nor more than seven (7) members, who shall be selected so that at least one member from each district from which a director is to be elected will serve on the nominating committee.

No officer or member of the board of directors shall be appointed a member of this committee. This committee shall prepare and post at the principal office of the cooperative at least forty-five (45) days before the meeting a list of nominations for directors. However, any forty (40) or more members may make other nominations in writing over their signatures not less than seventy (70) days prior to the meeting and the Secretary shall post the same at the same place where the list of nominations made by the committee is posted. Any person or persons nominating a candidate by petition shall be a member from the same district.

Any nomination by member(s) shall be submitted to the headquarters office of the Cooperative or to the Secretary at least seventy (70) days prior to the annual meeting by filing with the Secretary a petition calling for the nomination signed by at least forty (40) members who reside in the same district as the person who is being nominated. Each page of the petition shall, in the forepart thereof, state the name(s) and address(es) of such member(s) filing such request(s) and a verbatim statement of such nomination(s). The petition shall be signed by each member in the same name as he/she is billed by the Cooperative and shall state the signatory's address as the same appears on such billings.

The secretary shall mail with the notice of the meeting a statement of the number of directors to be elected. The nomination from the floor by members for the office of director is expressly prohibited. Notwithstanding the provisions contained in this section, failure to comply with any of such provisions shall not affect in any manner whatsoever the validity of any action taken by the board of directors after the election of directors.

SECTION 6. Removal of Directors by Members. (a) Any member(s) may bring one or more charges for cause against any one or more directors and may request the removal of such director(s) at a special meeting by reason thereof, by filing with the Secretary such charge(s) in writing signed by said member(s), together with a petition signed by not less than four hundred (400) of the members, which petition calls for a special member meeting, the stated purpose of which shall be to hear and act upon such charge(s). Each page of the petition shall, in the forepart thereof, state the name(s) and address(es) of the member(s) filing such charge(s), a verbatim statement of such charge(s) and the name(s) of the director(s) against whom such charge(s) is(are) being made. The petition shall be signed by each member in the same name as the member is billed by the Cooperative and shall state the signatory's address as the same appears on such billings. A statement of such charge(s) verbatim, the name(s) of director(s) against whom the charge(s) have been made, of the member(s) filing the charge(s) and the purpose of the meeting shall be contained in the notice of the meeting. Such director(s) shall be informed in writing of the charge(s) after they have been validly filed and at least twenty (20) days prior to the meeting of the members at which the charge(s) are to be considered, and shall have an opportunity at the meeting to be heard in person, by witnesses, by counsel or any combination of such, and to present evidence in respect to the charge(s); and the person(s) bringing the charge(s) shall have the same opportunity, but must be heard first. The question of the removal of such director(s) shall, separately for each if more than one has been charged, be considered and voted upon at such meeting;

PROVIDED, that the question of the removal of a director shall not be voted upon at all unless some evidence in support of the charge(s) against him or her shall have been presented during the meeting through oral statements, documents, or otherwise, with the ruling concerning same to be made by the chairman of the special meeting. The chairman of said meeting shall be a licensed attorney appointed by the attorney to the board, and the Cooperative shall compensate him or her for such services.

(b) Any member(s) may bring one or more charge(s) for cause against one or more director(s) and may request the removal of such director(s) at the annual meeting by reason thereof, by filing at the Cooperative's principal business office a copy of a petition in the format set forth in Section 6 (a) above, at least seventy (70) days prior to such annual meeting. The petition shall be added to the agenda of the annual meeting if all the requirements for filing are met. The procedures for notifying the director(s) of the charge(s), as well as the procedure for considering such charge(s) shall be the same as set forth in Section 6 (a) above, with the exception that the licensed attorney appointed by the attorney to the board shall preside over that portion of the annual meeting during which charge(s) made against director(s) are being considered.

SECTION 7. Removal of Directors for Absence. Removal of Directors for Absence. Any board member who is absent from three consecutive regular meetings of the board, unless excused by the affirmative vote of a majority of the other board members, shall be deemed to have vacated his office. After declaring the vacancy to exist, the remaining board members shall proceed to fill the vacancy.

SECTION 8. Vacancies. All vacancies occurring in the board of directors shall be filled by a majority vote of the board of directors. A director thus elected shall serve out the unexpired term of the director whose office was originally vacated and until a successor is elected and qualified; PROVIDED that such a director shall be from the same directorate district as was the director whose office was vacated and meet all qualifications as in Article IV, Section 3.

SECTION 9. Compensation. Board members shall not receive any salary for their services as such, except that directors of the Cooperative may by resolution authorize a fixed sum which may include insurance coverage, for each day or portion thereof spent on Cooperative business, such as attendance at meetings, conferences and training programs, or performing committee assignments when authorized by the board. If authorized by the board, board members may also be reimbursed for expenses actually and necessarily incurred in carrying out such Cooperative business or granted a reasonable per diem allowance by the board in lieu of detailed accounting for some of these expenses. No board member shall receive compensation for serving the Cooperative in any other capacity, nor shall any close relative of a board member receive compensation for serving the Cooperative, unless the payment and amount of compensation shall be specifically authorized by a vote of the members or the service by the board member or his close relative shall have been certified by the board as an emergency measure.

SECTION 10. Retirement, Cessation of Service from the Board. Retirement means the cessation of active service for any reason. However, if a Director resigns because of inappropriate actions that has caused or may cause embarrassment to the Cooperative, or is removed for cause as provided by Article IV, Section 6, all insurance coverage and per diem allowances shall cease at that time.

ARTICLE V MEETINGS OF BOARD

SECTION 1. Regular Meetings. A regular meeting of the board shall be held without notice, immediately before, and at the same place as the annual meeting of the members.

A regular meeting of the board shall be held without notice, immediately after, and at the same place as, the annual meeting of the members.

A regular meeting of the board shall also be held monthly at such time and place within one of the counties served by the Cooperative as designated by the board. Such regular monthly meeting may be held without notice other than such resolution fixing the time and place thereof.

SECTION 2. Special Meetings. Special meetings of the board may be called by the Chairman or by any three board members, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. The Chairman or board members calling the meeting shall fix the time and place for the holding of the meeting, within the Cooperative area, unless all directors consent to its

being held in some other place in Kentucky or elsewhere.

SECTION 3. Notice of Directors' Meetings. Notice of the date, time, place, and purpose of any special meeting of the board shall be delivered to each board member either personally or by mail, by or at the direction of the Secretary, or upon a default in duty by the Secretary, by the Chairman or the board member calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States Mail, addressed to the board member at his or her address as it appears on the records of the Cooperative, with postage thereon prepaid, at least five (5) days before the date set for the meeting.

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

ARTICLE VI OFFICERS

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

SECTION 2. Election and Term of Office. The officers shall be elected by ballot, annually by and from the board at the meeting of the board held immediately after the annual meeting of the members. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until the first meeting of the board following the next succeeding annual meeting of the members or until his or her successor shall have been elected and shall have qualified, provided however the maximum length of time that any board member can hold consecutive terms of office is three years. A vacancy in any office shall be filled by the board for the unexpired portion of the term.

SECTION 3. Removal. Any officer, agent, or employee elected or appointed by the board may be removed by the board whenever, in its judgment, the best interests of the Cooperative will be served thereby. The principal against whom such charges have been brought shall be informed in writing of the charges at least ten days prior to the board meeting at which the charges are to be considered and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence in respect of the charges; and the person or persons bringing the charges against him or her shall have the same opportunity.

SECTION 4. Vacancies. A vacancy in any office elected or appointed by the board of directors shall be filled by the board for the unexpired portion of the term.

SECTION 5. Chairman of the Board. The Chairman of the Board shall:

- (a) Be the principal officer of the Cooperative and, unless otherwise determined by the members or the board, shall preside at all meetings of the members and the board;
- (b) Sign, with the Secretary, deeds, mortgages, deeds of trust, notes, bonds, contracts or other instruments authorized by the board to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the board or by these bylaws to some other officer or agent of the Cooperative, or shall be required by law to be otherwise signed or executed; and,
- (c) In general perform all duties incident to the office of Chairman and such other duties as may be prescribed by the board from time to time.
- (d) When the Chairman, while presiding at a meeting of the members or of the board of directors, chooses to vacate the chair, and the Vice-Chairman is absent or chooses not to preside, the Chairman shall designate another person as Chairman for any part or all of the remainder of the meeting.

SECTION 6. Vice-Chairman. In the absence of the Chairman, or in the event of his or her inability or refusal to act, the Vice-Chairman shall perform the duties of the Chairman, and when so acting shall have all the powers of and be subject to all the restrictions upon the Chairman. The Vice-Chairman shall also perform such other duties as from time to time may be assigned to him or her by the board.

When the Vice-Chairman, while presiding at any meeting of the members or board of directors, chooses to vacate the chair, he or she shall designate another person as Chairman for any part or all of the remainder of the meeting.

SECTION 7. Secretary-Treasurer. The Secretary function shall be:

- (a) Keeping the minutes of the meeting of the members and of the board in books provided for that purpose;
- (b) Seeing that all notices are duly given in accordance with these Bylaws or as required by law;
- (c) The safekeeping of the corporate books and records and the seal of the Cooperative, and affixing the seal of the Cooperative to all documents, the execution of which on behalf of the Cooperative under its seal is duly authorized in accordance with the provisions of these Bylaws;
- (d) Keeping a register of the names and post office addresses of all members;
- (e) Signing, with the Chairman, all documents expressly authorized by the board or the members to be executed, as provided for in Section 5;
- (f) Keeping on file at all times a complete copy of the Articles of Incorporation and Bylaws of the Cooperative containing all amendments thereto (which copy shall always be open to the inspection of any member) and at the expense of the Cooperative, furnishing a copy of the bylaws and of all amendments thereto to each member upon request therefore; and,
- (g) In general performing all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him or her by the board.

The Treasurer function shall be:

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

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

SECTION 9. President and Chief Executive Officer. The President and Chief Executive Officer shall be the chief operating officer of the Cooperative. He or she is charged with the duties and obligations of managing the foreseeable business affairs of the Cooperative that shall include, but is not limited to, the Cooperative's approved budget and programs, and the formulation and preparation of the agenda for each regular meeting of the board of directors. Also, the President and Chief Executive Officer shall perform such other duties and have such other authority that the board may from time to time vest in him or her.

SECTION 10. Bonds of Officers. The Treasurer and any other officer or agent of the Cooperative charged with responsibility for the custody of any of its funds or property shall be bonded or insured in such sum and with such surety as the board shall determine. The board in its discretion may also require any other officer, agent or employee of the Cooperative to be bonded or insured in such amount and with such surety as it shall determine.

SECTION 11. Indemnification of Officers, Directors, Employees and Agents. The Cooperative shall indemnify any person who was or is a party, or is threatened to be made a party to, any threatened, pending or completed action, suit, or proceeding, whether civil, criminal, administrative or investigative (other than an action by, or in the right of, the Cooperative) by reason of the fact that such person is or was a director,

officer, employee or agent of the Cooperative, or who is or was serving at the request of the Cooperative as a director, officer, employee or agent of another cooperative, association, corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding, if such person acted in good faith and in a manner such person reasonably believed to be in, or not opposed to, the best interests of the Cooperative, and with respect to any criminal action or proceeding, had no reasonable cause to believe the conduct of such person was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not of itself, create a presumption that the person did not act in good faith and in a manner which such person reasonably believed to be in, or not opposed to, the best interests of the Cooperative, and with respect to any criminal action or proceeding, had reasonable cause to believe that the conduct of such person was unlawful.

The Cooperative shall indemnify any person who was or is a party, or is threatened to be made a party to, any threatened, pending or completed action or suit by, or in the right of, the Cooperative to procure a judgment in its favor by reason of the fact that such person is, or was, a director, officer, employee or agent of the Cooperative, or is, or was, serving at the request of the Cooperative as a director, officer, employee or agent of another cooperative, association, corporation, partnership, joint venture, trust or other enterprise, against expenses, (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit, if such person acted in good faith and in a manner such person reasonably believed to be in, or not opposed to the best interests of the Cooperative, and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for believed to be in, or not opposed to the best interests of the Cooperative, and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of the duty of such person to the Cooperative, unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability, but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity of such expenses as the court shall deem proper.

To the extent that a director, officer, employee or agent of the Cooperative has been successful, on the merits or otherwise, in the defense of any action, suit or proceeding referred to in paragraphs 1 and 2, in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorney's fees) actually and reasonably incurred by such person in connection therewith.

Any indemnification under paragraphs 1 and 2 (unless ordered by a court) shall be made by the Cooperative only as authorized in the specific case, upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because such person has met the applicable standard of conduct set forth in paragraphs 1 and 2. Such determination shall be made (a) by the board of directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding or (b) if such a quorum is not obtainable, or even if obtainable, a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or (c) by the members.

Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Cooperative in advance of the final disposition of such action, suit or proceeding, as authorized by the board of directors in the specific case, upon receipt of an undertaking by or on behalf of the director, officer, employee or agent to repay such amount, unless it shall ultimately be determined that he or she is entitled to be indemnified by the Cooperative as authorized in this Article.

The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any bylaw, agreement, vote of members or disinterested directors, or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee or agent, and shall inure to the benefit of the heirs, executors and administrators of such a person.

The Cooperative may purchase and maintain insurance on behalf of

any person who is or was a director, officer, employee or agent of the Cooperative, or who is or was serving at the request of the Cooperative as a director, officer, employee or agent of another cooperative, association, corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against such person and incurred by such person in any such capacity, or arising out of the status of such person as such, whether or not the Cooperative would have the power to indemnify such person against such liability under the provisions of this Article.

SECTION 12. Compensation. The powers, duties and compensation of officers, agents, and employees of the Cooperative, except as provided in Article IV, Section 9, shall be fixed as follows:

(a) The board of directors shall establish a wage and salary plan for all professional, technical, supervisory and clerical employees.

(b) It shall be the duty of the President & CEO with the assistance of his or her staff, to carry out the Wage and Salary Plan as previously approved by the board of directors;

(c) The salary of the President & CEO shall be established by the board of directors.

(d) The compensation for employees represented by IBEW shall be determined by such contracts as may from time to time be agreed upon between the Cooperative and the IBEW group, which agreements shall be approved by the board of directors.

SECTION 13. Reports. The officers of the Cooperative shall submit at each annual meeting of the members reports covering the business of the Cooperative for the previous fiscal year. Such reports shall set forth the condition of the Cooperative at the close of such fiscal year.

ARTICLE VII NON-PROFIT OPERATION

SECTION 1. Interest or Dividends on Capital Prohibited. The Cooperative shall at all times be operated on a Cooperative non-profit basis for the mutual benefit of its members and patrons. No interest or dividends shall be paid or payable by the Cooperative on any capital furnished by its members or patrons. (Security Deposits are not to be construed as capital furnished for purposes of this Section.)

SECTION 2. Patronage Capital in Connection with Furnishing Electric Energy. Patronage Capital in Connection with Furnishing Electric Energy. In the furnishing of electric energy, the Cooperative's operations shall be so conducted that all members and patrons alike will, through their patronage, furnish capital for the Cooperative. In order to induce patronage and to assure that the Cooperative will operate on a non-profit basis, the Cooperative is obligated to account on a patronage basis to all its members and patrons alike, for all amounts received and receivable from the furnishing of electric energy in excess of operating costs and expenses properly chargeable against the furnishing of electric energy. All such amounts in excess of operating costs and expenses at the moment of receipt by the Cooperative, are received with the understanding that they are furnished by the members and patrons alike, as capital. The Cooperative is obligated to pay by credits to a capital account for each member or patron all such amounts in excess of operating costs and expenses. The books and records of the Cooperative shall be set up and kept in such a manner that at the end of each fiscal year the amount of capital, if any, so furnished by each member or patron is clearly reflected and credited in an appropriate record to the capital account of each member or patron.

All such amounts credited to the capital account of any member or patron shall have the same status as though they had been paid to the member or patron in cash in pursuance of a legal obligation to do so and the member or patron had then furnished the Cooperative corresponding amounts for capital.

All other amounts received by the Cooperative from its operation in excess of costs and expenses shall, insofar as permitted by law, be (a) used to offset any losses incurred during the current or any prior fiscal year and (b) to the extent not needed for that purpose, allocated to its members or patrons on a patronage basis and any amount so allocated shall be included as part of the capital credited to the accounts of members or patrons, as herein provided. In the event of dissolution or liquidation of the Cooperative, after all outstanding indebtedness of the Cooperative shall have been paid, outstanding capital credits shall be retired without priority on a pro rata basis, before any payments are made on account of property rights of members. If, at any time prior to dissolution or liquidation, the board shall determine that the financial con-

dition of the Cooperative will not be impaired thereby, the capital credited to members' or patrons' accounts may be retired in full or in part.

Capital credited to the account of each member or patron shall be assignable only on the books of the Cooperative pursuant to written instruction from the assignor and only to successors in interest or successors in occupancy in all or part of such member's or patron's premises served by the Cooperative unless the board, acting under policies of general application, shall determine otherwise. In the event that a non-member patron shall elect to become a member of the Cooperative, the capital credited to the account of such non-member patron may be applied by the Cooperative toward the payment of a membership fee on behalf of such non-member patron.

Notwithstanding any other provisions of these Bylaws, the board at its discretion shall have the power at any time, upon the death of any member or patron who was a natural person receiving electric services under a Schedule One (1) Farm/Home Account, if the legal representative(s) of his or her estate shall request in writing that the capital credited to said member's or patron's Schedule One (1) Farm/Home account be retired prior to the time such capital would otherwise be retired under the provisions of these bylaws, to retire capital credited to said member's or patron's Schedule One (1) Farm/Home account immediately upon such terms and conditions as the board, acting under the policies of general application and the legal representative's of such member's or patron's estate shall agree upon, provided however, that the financial condition of the Cooperative will not be impaired thereby; and further provided that no payment of capital credits to the estate of a deceased member or patron shall be made except to the extent said credits represent margins earned by the Cooperative from its own operations and amounts received in cash from margins distributed by organizations or other cooperatives of which this cooperative is a member. This shall be construed to exclude capital credits assigned, but not paid in cash by such other cooperatives. Separate records shall be kept of Patronage Capital received and receivable.

Notwithstanding any other provisions of these Bylaws, the board at its discretion, shall have the power at any time, to declare a special retirement of patronage capital to school district members who desire to install or replace electric energy equipment of a higher efficiency rating or on an emerging technology basis. The patronage refund will be subject to discounting to its present value, based on the current refund rotation schedule and the cooperative's estimated cost of capital over the same period. Such refunds shall be used exclusively for the cost of the purchase and installation of equipment that improves the member's electrical usage efficiency, the cooperative's overall operational cost or efficiency, and be in the general best interest of the cooperative membership and the community. Refunds shall not exceed the cost of the purchase and installation of the equipment.

The Cooperative, before retiring any capital credits to any member's or patron's account, shall deduct therefrom any amount owing by such member or patron to the Cooperative, together with interest thereon at the Kentucky legal rate on judgments in effect when such amount became overdue, compounded annually

Notwithstanding any other provisions of these Bylaws, the board at its discretion, shall have the power at any time, to declare a special retirement of patronage capital to school district members who desire to install or replace electric energy equipment of a higher efficiency rating or on an emerging technology basis. The patronage refund will be subject to discounting to its present value, based on the current refund rotation schedule and the cooperative's estimated cost of capital over the same period. Such refunds shall be used exclusively for the cost of the purchase and installation of equipment that improves the member's electrical usage efficiency, the cooperative's overall operational cost or efficiency, and be in the general best interest of the cooperative membership and the community. Refunds shall not exceed the cost of the purchase and installation of the equipment.

The Cooperative, before retiring any capital credits to any member's or patron's account, shall deduct therefrom any amount owing by such member or patron to the Cooperative, together with interest thereon at the Kentucky legal rate on judgments in effect when such amount became over-due, compounded annually.

SECTION 3. Patronage Refunds in Connection with Furnishing Other Services. In the event that the Cooperative should engage in the business of furnishing goods or services other than electric energy, all amounts received and receivable therefrom which are in excess of costs and expenses properly chargeable against the furnishing of such goods

or services shall, insofar as permitted by law, be prorated annually on a patronage basis and returned to those members or patrons from whom such amounts were obtained at such time and in such order or priority as the board of directors shall determine. However, interest differential from deposits and margins on other goods and services shall be grouped with margins from electrical operations and allocated to members or patrons, consistent with Section 2.

SECTION 4. Patronage Refunds in Connection with Joint Membership. All capital credits as provided for in this Article shall be regarded as being held jointly with rights of survivorship between spouses holding a joint membership. Upon the death of either spouse, said capital credits shall become the sole property of the surviving spouse.

ARTICLE VIII DISPOSITION AND PLEDGING OF PROPERTY; DISTRIBUTION OF SURPLUS ASSETS ON DISSOLUTION

SECTION 1. Disposition and Pledging of Property. Not inconsistently with Kentucky Revised Statute, Section 279.140 and paragraph 2 hereof, the Cooperative may authorize the sale, lease, lease-sale, exchange, transfer or other disposition of any of the Cooperative's properties and assets only upon the affirmative votes of two-thirds (2/3) of the then-total members of the Cooperative at a duly held meeting of the members. However, the board of directors shall have full power and authority:

(a) to borrow monies from any source and in such amounts as the board may from time to time determine;

(b) to mortgage or otherwise pledge or encumber any or all of the Cooperative's properties or assets as security therefore; and

(c) to lease, lease-sell, exchange, transfer or otherwise dispose of services and electric energy, property acquired for resale, merchandise, property not necessary or useful for the operation of the Cooperative: PROVIDED, that sales of such unnecessary property shall not in any one year exceed ten percent in value of all the property of the Cooperative other than merchandise and property acquired for resale.

Supplementary to the first sentence of paragraph 1, and any other applicable provisions of law or these bylaws, no sale, lease, lease-sale, exchange, transfer or other disposition of any of the Cooperative's properties and assets shall be authorized except in conformity with the following:

(1) If the board of directors looks with favor upon any proposal for such sale, lease, lease-sale, exchange, transfer or other disposition, it shall first cause three (3) independent, non-affiliated appraisers, expert in such matters, to render their individual opinions as to the value of the Cooperative with respect to such a sale, lease, lease-sale, exchange, transfer or other disposition and as to any other terms and conditions which should be considered. The three (3) such appraisers shall be designated by a Circuit Court Judge for the Judicial District in Kentucky in which the Cooperative's headquarters are located. If such judge refuses to make such designations, they shall be made by the board of directors.

(2) If the board of directors, after receiving such appraisals, (and other terms and conditions which are submitted, if any), determines that the proposal should be submitted for consideration by the members, it shall first give every other electric cooperative corporately sited and operating in Kentucky (which has not made such an offer for such sale, lease, lease-sale, exchange, transfer or other disposition) an opportunity to submit competing proposals. Such opportunity shall be in the form of a written notice to such electric cooperative, which notice shall be attached to a copy of the proposal which the Cooperative has already received and copies of the respective reports of the three (3) appraisers. Such electric cooperative shall be given not less than thirty (30) days during which to submit competing proposals, and the actual minimum period within which proposals are to be submitted shall be stated in the written notice given to them.

(3) If the board then determines that favorable consideration should be given to the initial or any subsequent proposal which has been submitted to it, it shall first adopt by the affirmative vote of three-fourths of all directors a resolution recommending the sale and directing the submission of the proposal to a vote of the members at a duly held member meeting, and shall call a special meeting of the members for consideration thereof and action thereon, which meeting shall be held not sooner than ninety (90) days after the giving of such notice to the members; PROVIDED, that consideration and action by the members may be given at the next annual member meeting if the board so determines,

and if such annual meeting is held not sooner than ninety (90) days after the giving of such notice.

(4) Any four hundred (400) or more members, by so petitioning the board not less than forty (40) days prior to the date of such special or annual meeting, may cause the Cooperative, with the cost to be borne by the Cooperative, to mail to all members any opposing or alternative positions which they may have to the proposals that have been submitted or any recommendations that the board has made.

(5) In connection with the exercise of its judgment in determining what is in the best interest of OEC and its members when evaluating any proposal for dissolution, merger, consolidation, sale of assets, lease, transfer, or other disposition of all or substantially all of the Cooperative's assets, the board of directors shall consider all of the following factors and other factors which it deems relevant:

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

The provisions of this Section shall not apply to a sale, lease, lease-sale, exchange, transfer or other disposition to one or more other electric cooperatives or if the substantive or actual legal effect thereof is to merge or consolidate with such other one or more electric cooperatives.

SECTION 2. Distribution of Surplus Assets on Dissolution. Upon the Cooperative's dissolution, any assets remaining after all liabilities or obligations of the Cooperative have been satisfied and discharged shall, to the extent practicable as determined by the board of directors, be distributed without priority but on an equal basis among all persons who were active members on the last day of business of the Cooperative; PROVIDED HOWEVER, that, if in the judgment of the board, the amount of such surplus is too small to justify the expense of making such distribution, the board may, in lieu thereof, donate or provide for the donation of such surplus to one or more non-profit charitable or educational organizations that are exempt from Federal income taxation.

ARTICLE IX SEAL

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

ARTICLE X FINANCIAL TRANSACTIONS

SECTION 1. Contracts. Except as otherwise provided in these Bylaws, the board may authorize any officer or officers, agent or agents to enter into any contract or execute and deliver any instrument in the name and on behalf of the Cooperative, and such authority may be general or confined to specific instances.

SECTION 2. Checks, Drafts, etc. All checks, drafts or other orders for the payment of money and all notes, bonds or other evidences of indebtedness issued in the name of the Cooperative, shall be signed and/or countersigned by such officer or officers, agent or agents, employee or employees of the Cooperative and in such manner as shall from time to time be determined by resolution of the board.

SECTION 3. Deposits, Investments. All funds of the Cooperative shall be deposited or invested from time to time to the credit of the Cooperative in such bank or banks or in such financial securities or institutions as the board of directors may select.

SECTION 4. Change in Rates. Written notice shall be given to the Administrator of the Rural Utilities Services of the United States of America and to National Rural Utilities Cooperative Finance Corporation, not less than ninety days prior to the date upon which any proposed change in the rates charged by the Cooperative for electric energy becomes effective. All rate changes shall be submitted to the Public Service Commission and other applicable regulatory agencies as required.

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

ARTICLE XI MISCELLANEOUS

SECTION 1. Waiver of Notice. Any member or board member may waive in writing any notice of a meeting required to be given by these Bylaws. The attendance of a member or board member at any meeting shall constitute a waiver of notice of such meeting by such member or board member, except in case a member or board member shall attend a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting has not been lawfully called or convened.

SECTION 2. Policies, Rules and Regulations. The board shall have power to make and adopt such policies, rules and regulations, not inconsistent with law, the Articles of Incorporation or these Bylaws, as it may deem advisable for the management of the business and affairs of the Cooperative.

SECTION 3. Accounting System and Reports. The board shall cause to be established and maintained a complete accounting system which, among other things, and subject to applicable laws and rules and regulations of any regulatory body, shall conform to such accounting system as may from time to time be designated by the Administrator of the Rural Utilities Service of the United States of America. The board shall also after the close of each fiscal year cause to be made by certified public accountant a full and complete audit of the accounts, books and financial condition of the Cooperative as of the end of such fiscal year. A report of such audit shall be submitted to the members at the next following annual meeting.

SECTION 4. Area Coverage. The board shall make diligent effort to see that electric service is extended to all unserved persons within the Cooperative service area who (a) desire such service, and (b) meet all reasonable requirements established by the Cooperative as a condition of such service.

SECTION 5. Close Relative Defined. As used in these Bylaws, "close relative" means a person who, by blood or in-law, including half, foster, step and adoptive kin, is either a spouse, child, grandchild, parent, grandparent, brother, sister, aunt, uncle, nephew or niece of the principal.

ARTICLE XII AMENDMENTS

These Bylaws may be altered, amended, or repealed by a majority vote of the board of directors at any regular or special board meeting. The notice of the meeting shall contain a copy of the proposed alteration, amendment or repeal or an accurate summary explanation thereof. Upon the Bylaws being altered, amended or repealed, a copy of same shall be delivered to each member of the Cooperative within a reasonable time after such action has been taken, upon request therefore.

ARTICLE XIII RULES OF ORDER

Parliamentary procedure at all meetings of the members, of the board of directors, of any committee provided for in these Bylaws, and of any other committee of the members or board of directors which may from time to time be duly established, shall be governed by the most recent edition of Robert's Rules of Order, except to the extent such procedure is otherwise determined by law or by the Cooperative's Articles of Incorporation or Bylaws.

STATEMENT OF NONDISCRIMINATION

Owen Electric Cooperative, Inc. is the recipient of Federal financial assistance from the U.S. Department of Agriculture (USDA). The USDA prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotope, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write to: USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, or call toll free (866) 632-9992 (voice) or (800) 877-8339 (TDD) or (866)377-8642 (relay voice users). USDA is an equal opportunity provider and employer.

Owen Electric Cooperative

Exhibit V

Case No. 2012-00448

page 1 of 3

Statement of Operations

Witness: Alan Zumstein

June 30, 2012

	<u>2012</u>	<u>2011</u>
Operating revenue	<u>\$162,034,936</u>	<u>\$159,691,438</u>
Operating expenses:		
Cost of power	131,354,483	125,404,583
Distribution-operations	5,084,951	5,293,328
Distribution-maintenance	3,133,881	3,906,686
Consumer accounts	3,664,322	3,711,127
Consumer service	651,599	555,894
Sales	0	0
Administrative and general	<u>3,596,356</u>	<u>3,477,037</u>
	147,485,592	142,348,655
Depreciation and amortization	10,319,471	9,880,849
Taxes-other	146,131	215,157
Interest on long term debt	4,487,322	4,385,760
Other interest expense	273,574	266,774
Other deductions	<u>83,082</u>	<u>113,380</u>
	<u>162,795,172</u>	<u>157,210,575</u>
Utility operating margins	(760,236)	2,480,863
Nonoperating margins, interest	424,767	124,487
Nonoperating margins, other	176,317	(59,783)
G & T capital credits	7,931,126	3,999,550
Other capital credits	<u>28,798</u>	<u>204,620</u>
Net margins	<u>\$7,800,772</u>	<u>\$6,749,737</u>
	0.97	1.63

Owen Electric Cooperative

Exhibit V

Case No. 2012-00448

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Balance Sheet

Witness: Alan Zumstein

June 30, 2012

	<u>2012</u>	<u>2011</u>
<u>ASSETS</u>		
Electric Plant:		
In service	\$226,958,704	\$218,524,527
Under construction	2,764,327	2,542,934
	<u>229,723,031</u>	<u>221,067,461</u>
Less accumulated depreciation	95,869,325	87,596,607
	<u>133,853,706</u>	<u>133,470,854</u>
Investments	<u>39,067,981</u>	<u>31,263,651</u>
Current Assets:		
Cash and temporary investments	3,622,918	2,543,843
Accounts receivable, net	15,279,768	9,292,448
Material and supplies	835,560	895,770
Prepayments	1,294,121	1,282,619
	<u>21,032,367</u>	<u>14,014,680</u>
Regulatory asset	1,025,733	-
Deferred debits	499,151	327,606
Total Assets	<u>\$195,478,938</u>	<u>\$179,076,791</u>
<u>MEMBERS' EQUITIES AND LIABILITIES</u>		
Margins and Equities:		
Memberships	\$1,121,035	\$1,113,735
Patronage capital	67,679,825	62,804,857
Other equities	2,513,802	1,853,768
	<u>71,314,662</u>	<u>65,772,360</u>
Long Term Debt	<u>87,790,154</u>	<u>88,750,536</u>
Accumulated Operating Provisions	<u>9,262,896</u>	<u>8,858,075</u>
Current Liabilities:		
Notes payable	6,857,324	3,583,530
Accounts payable	12,359,066	4,725,153
Consumer deposits	2,877,176	2,804,096
Accrued expenses	4,292,935	3,919,840
	<u>26,386,501</u>	<u>15,032,619</u>
Consumer advances	<u>724,725</u>	<u>663,201</u>
Total Members' Equities and Liabilities	<u>\$195,478,938</u>	<u>\$179,076,791</u>

Owen Electric Cooperative

Exhibit V

Case No. 2012-00448

page 3 of 3

Statement of Cash Flows

Witness: Alan Zumstein

June 30, 2012

	<u>2012</u>	<u>2011</u>
Cash Flows from Operating Activities:		
Net margins	\$ 7,800,772	\$ 6,749,737
Adjustments to reconcile to net cash provided by operating activities:		
Depreciation		
Charged to expense	10,319,471	9,880,849
Charged to clearing accounts	520,590	512,553
Patronage capital credits	(7,959,924)	(4,204,170)
Accumulated postretirement benefits	404,821	512,050
Net change in current assets and liabilities:		
Receivables	(7,013,053)	(970,428)
Material and supplies	60,210	(23,566)
Prepayments and deferred debits	(183,047)	(642,916)
Accounts payables	7,633,913	353,495
Consumer deposits	73,080	75,979
Accrued expenses	373,095	122,496
Consumer advances	61,524	37,016
	<u>12,091,452</u>	<u>12,403,095</u>
Cash Flows from Investing Activities:		
Plant additions	(14,141,417)	(11,716,773)
Additional investments, net of receipts	155,594	224,603
	<u>(13,985,823)</u>	<u>(11,492,170)</u>
Cash Flows from Financing Activities:		
Memberships	7,300	(7,250)
Refund of capital credits	(976,159)	(1,443,623)
Other equities	660,034	239,670
Short term borrowings (repayments)	3,273,794	2,956,874
Additional long-term borrowings	4,250,000	2,000,000
Payments on long-term debt	(5,210,382)	(5,242,174)
	<u>2,973,446</u>	<u>(1,496,503)</u>
Net increase in cash	1,079,075	(585,578)
Cash balances - beginning	<u>2,543,843</u>	<u>3,129,421</u>
Cash balances - ending	<u>\$ 3,622,918</u>	<u>\$ 2,543,843</u>

Owen Electric Cooperative
Case No. 2012-00448
Comparison of Test Year Account Balances with
those of the Preceding Year - Balance Sheet YTD

Exhibit W
page 1 of 1
Witness: Alan Zumstein

Acct #	Description	July Month 1	August Month 2	September Month 3	October Month 4	November Month 5	December Month 6	January Month 7	February Month 8	March Month 9	April Month 10	May Month 11	June Month 12
362	Substation equipment	281	318	318	318	318	379	379	379	379	379	379	379
	Prior year	281	281	281	281	281	281	281	281	281	281	281	281
	Change	0	37	37	37	37	98	98	98	98	98	98	98
364	Poles, towers & fixtures	56,363	56,616	56,809	57,006	57,396	57,604	57,869	58,014	58,141	58,524	58,796	58,982
	Prior year	52,707	52,832	52,921	53,035	53,719	53,903	54,474	54,654	54,845	55,578	56,075	56,289
	Change	3,656	3,784	3,888	3,971	3,677	3,701	3,395	3,360	3,296	2,946	2,721	2,693
365	Overhead conduct & devices	41,817	42,214	42,403	42,651	43,029	43,120	43,393	43,525	43,790	44,136	44,451	44,574
	Prior year	39,084	39,164	39,215	39,275	39,611	39,743	40,170	40,345	40,508	41,129	41,605	41,770
	Change	2,733	3,050	3,188	3,376	3,418	3,377	3,223	3,180	3,282	3,007	2,846	2,804
367	Underground cond & devices	27,988	28,138	28,182	28,232	28,262	28,355	28,502	28,531	28,552	28,588	28,628	28,707
	Prior year	27,216	27,229	27,252	27,273	27,321	27,347	27,596	27,719	27,736	27,892	27,910	27,953
	Change	772	909	930	959	941	1,008	906	812	816	696	718	754
368	Transformers	26,255	26,314	26,383	26,480	26,587	26,675	26,735	26,792	26,795	26,845	26,873	27,010
	Prior year	25,241	25,416	25,460	25,529	25,718	25,786	25,898	25,939	25,965	26,004	26,055	26,109
	Change	1,014	898	923	951	869	889	837	853	830	841	818	901
369	Services	19,339	19,426	19,478	19,522	19,577	19,675	19,748	19,792	19,822	19,858	19,911	19,936
	Prior year	18,538	18,609	18,650	18,697	18,792	18,847	18,983	19,043	19,086	19,141	19,218	19,289
	Change	801	817	828	825	785	828	765	749	736	717	693	647
370	Meters	16,327	16,342	16,348	16,382	16,380	16,447	16,449	16,449	16,475	16,475	16,477	16,476
	Prior year	15,968	15,976	15,981	15,981	16,079	16,122	16,145	16,193	16,226	16,265	16,283	16,326
	Change	359	366	367	401	301	325	304	256	249	210	194	150
371	Security lights	5,596	5,618	5,640	5,655	5,679	5,714	5,742	5,754	5,765	5,784	5,805	5,825
	Prior year	5,366	5,380	5,392	5,400	5,420	5,436	5,472	5,496	5,508	5,534	5,560	5,587
	Change	230	238	248	255	259	278	270	258	257	250	245	238
373	Street lighting & Signal System	128	127	127	127	127	128	128	128	129	130	130	131
	Prior year	127	127	126	127	127	127	127	127	127	126	127	127
	Change	1	0	1	0	0	1	1	1	2	4	3	4
389	Land	2,269	2,269	2,269	2,269	2,269	2,269	2,269	2,269	2,269	2,269	2,269	2,269
	Prior year	2,259	2,269	2,269	2,269	2,269	2,269	2,269	2,269	2,269	2,269	2,269	2,269
	Change	10	0	0	0	0	0	0	0	0	0	0	0
390	Structures and improvements	10,105	10,116	10,116	10,168	10,164	10,165	10,165	10,165	10,164	10,168	10,168	10,168
	Prior year	9,969	9,976	10,031	10,031	10,055	10,080	10,076	10,085	10,085	10,085	10,086	10,091
	Change	136	140	85	137	109	85	89	80	79	83	82	77
391.00	Office furniture	2,649	2,649	2,669	2,713	2,719	2,697	2,672	2,673	2,673	2,675	2,676	2,678
	Prior year	2,526	2,551	2,575	2,559	2,561	2,592	2,586	2,610	2,610	2,641	2,650	2,650
	Change	123	98	94	154	158	105	86	63	63	34	26	28

Owen Electric Cooperative
Case No. 2012-00448
Comparison of Test Year Account Balances with
those of the Preceding Year - Balance Sheet YTD

Exhibit W
page 2 of 11
Witness: Alan Zumstein

Acct #	Description	July Month 1	August Month 2	September Month 3	October Month 4	November Month 5	December Month 6	January Month 7	February Month 8	March Month 9	April Month 10	May Month 11	June Month 12
391.12	Computer equip	1	1	1	1	1	1	1	1	1	1	1	1
	Prior year	1	1	1	1	1	1	1	1	1	1	1	1
	Change	0	0	0	0	0	0	0	0	0	0	0	0
392	Transportation equip	5,522	5,522	5,522	5,445	5,445	5,445	5,445	5,487	5,487	5,487	5,685	5,531
	Prior year	5,607	5,607	5,607	5,438	5,438	5,438	5,419	5,419	5,522	5,522	5,522	5,522
	Change	(85)	(85)	(85)	7	7	7	26	68	(35)	(35)	163	9
393	Stores	208	208	208	206	206	206	206	206	206	206	206	206
	Prior year	208	208	208	208	208	208	208	208	208	208	208	208
	Change	0	0	0	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
394	Tools, shop and garage	319	321	321	319	319	319	319	319	319	322	322	322
	Prior year	314	314	314	314	314	314	319	319	319	319	319	319
	Change	5	7	7	5	5	5	0	0	0	3	3	3
395	Laboratory	414	414	414	412	412	412	409	409	415	413	419	433
	Prior year	371	371	371	371	371	375	373	373	407	408	408	414
	Change	43	43	43	41	41	37	36	36	8	5	11	19
396	Power operated	199	199	199	199	199	199	199	199	199	199	199	199
	Prior year	199	199	199	199	199	199	199	199	199	199	199	199
	Change	0	0	0	0	0	0	0	0	0	0	0	0
397	Communication equip	2,916	2,916	2,916	2,916	2,916	2,929	2,929	2,929	2,929	2,929	2,929	2,929
	Prior year	2,918	2,918	2,918	2,918	2,918	2,914	2,914	2,914	2,914	2,914	2,920	2,920
	Change	(2)	(2)	(2)	(2)	(2)	15	15	15	15	15	9	9
398	Miscellaneous	144	144	144	144	144	144	144	144	144	144	146	146
	Prior year	126	126	126	126	126	126	126	126	126	132	144	144
	Change	18	18	18	18	18	18	18	18	18	12	2	2
399	Other Tangible Property	55	55	57	58	58	58	59	59	59	59	59	59
	Prior year	51	50	50	50	51	51	51	51	51	53	54	54
	Change	4	5	7	8	7	7	8	8	8	6	5	5
****	Total Electric Plant in Service	218,895	219,927	220,524	221,223	222,207	222,941	223,762	224,224	224,713	225,591	226,529	226,961
	Prior year	209,077	209,604	209,947	210,082	211,579	212,159	213,687	214,371	214,993	216,701	217,894	218,522
	Change	9,818	10,323	10,577	11,141	10,628	10,782	10,075	9,853	9,720	8,890	8,635	8,439
107.20	CWIP - direct cost	2,636	2,352	2,381	2,590	2,500	2,787	2,581	2,868	3,289	2,986	2,648	2,764
	Prior year	3,278	3,686	4,010	4,542	3,879	4,724	3,611	3,748	4,040	2,990	2,294	2,263
	Change	(642)	(1,334)	(1,629)	(1,952)	(1,379)	(1,937)	(1,030)	(880)	(751)	(4)	354	501
107.30	Special equipment	76	15		10					45	45	45	
	Prior year	189	185	181	176	197	205	197	253	270	231	273	280
	Change	(113)	(170)	(181)	(166)	(197)	(205)	(197)	(253)	(225)	(186)	(228)	(280)

Owen Electric Cooperative
Case No. 2012-00448
Comparison of Test Year Account Balances with
those of the Preceding Year - Balance Sheet YTD

Exhibit W
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Witness: Alan Zumstein

Acct #	Description	July Month 1	August Month 2	September Month 3	October Month 4	November Month 5	December Month 6	January Month 7	February Month 8	March Month 9	April Month 10	May Month 11	June Month 12
****	Total CWIP	2,712	2,367	2,381	2,600	2,500	2,787	2,581	2,868	3,334	3,031	2,693	2,764
	Prior year	3,467	3,871	4,191	4,718	4,076	4,929	3,808	4,001	4,310	3,221	2,567	2,543
	Change	(755)	(1,504)	(1,810)	(2,118)	(1,576)	(2,142)	(1,227)	(1,133)	(976)	(190)	126	221
108.60	Res - distribution plant	78,145	78,674	79,262	79,845	80,403	81,061	81,713	82,377	83,048	83,552	84,086	84,780
	Prior year	71,337	72,007	72,644	73,244	73,561	74,212	74,705	75,334	75,927	76,403	76,876	77,462
	Change	6,808	6,667	6,618	6,601	6,842	6,849	7,008	7,043	7,121	7,149	7,210	7,318
108.70	Res - Structure & Improve.	2,001	2,022	2,042	2,063	2,084	2,105	2,126	2,147	2,168	2,189	2,209	2,230
	Prior year	1,758	1,777	1,797	1,817	1,837	1,857	1,878	1,898	1,919	1,939	1,960	1,980
	Change	243	245	245	246	247	248	248	249	249	250	249	250
108.71	Res - Office Furniture	2,051	2,071	2,091	2,105	2,128	2,120	2,116	2,136	2,157	2,176	2,195	2,214
	Prior year	1,837	1,860	1,885	1,890	1,916	1,936	1,952	1,972	1,992	1,991	2,011	2,032
	Change	214	211	206	215	212	184	164	164	165	185	184	182
108.72	Res - Transportation	3,338	3,384	3,430	3,414	3,459	3,502	3,544	3,586	3,627	3,668	3,709	3,612
	Prior year	2,930	2,978	3,026	2,935	2,981	3,029	3,061	3,106	3,153	3,200	3,246	3,292
	Change	408	406	404	479	478	473	483	480	474	468	463	320
108.73	Res - Stores	100	100	101	99	100	101	101	102	103	103	104	104
	Prior year	92	92	93	94	95	95	96	96	97	98	98	99
	Change	8	8	8	5	5	6	5	6	6	5	6	5
108.74	Res - Shop & garage	250	252	254	254	256	258	260	261	263	265	267	269
	Prior year	229	231	232	234	236	238	240	241	243	245	247	249
	Change	21	21	22	20	20	20	20	20	20	20	20	20
108.75	Res - Laboratory	338	336	337	337	338	340	339	340	342	344	346	347
	Prior year	307	309	312	314	317	320	323	325	327	329	330	332
	Change	31	27	25	23	21	20	16	15	15	15	16	15
108.76	Res - Power equip	179	180	181	181	182	182	182	183	183	184	184	185
	Prior year	165	166	168	169	170	171	172	173	175	175	177	178
	Change	14	14	13	12	12	11	10	10	8	9	7	7
108.77	Res - Communication	2,160	2,175	2,189	2,204	2,218	2,231	2,244	2,257	2,270	2,283	2,296	2,309
	Prior year	1,994	2,009	2,024	2,039	2,054	2,059	2,073	2,088	2,102	2,117	2,132	2,146
	Change	166	166	165	165	164	172	171	169	168	166	164	163
108.78	Res - Miscellaneous	116	117	117	118	119	119	120	120	121	122	122	123
	Prior year	109	110	111	111	112	113	113	113	114	114	115	115
	Change	7	7	6	7	7	6	7	7	7	8	7	8
108.79	Other Tangible Property	47	47	48	48	48	49	49	49	50	50	51	51
	Prior year	44	44	45	45	45	46	46	46	46	46	47	47
	Change	3	3	3	3	3	3	3	3	4	4	4	4

Owen Electric Cooperative

Case No. 2012-00448

Comparison of Test Year Account Balances with
those of the Preceding Year - Balance Sheet YTD

Exhibit W

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Witness: Alan Zumstein

Acct #	Description	July Month 1	August Month 2	September Month 3	October Month 4	November Month 5	December Month 6	January Month 7	February Month 8	March Month 9	April Month 10	May Month 11	June Month 12
108.80	Retire work in progress	352	306	322	285	218	269	313	362	472	381	249	355
	Prior year	355	450	507	548	487	540	424	457	451	390	356	335
	Change	(3)	(144)	(185)	(263)	(269)	(271)	(111)	(95)	21	(9)	(107)	20
****	Total Reserve for Depreciatio	88,373	89,052	89,730	90,383	91,117	91,799	92,481	93,196	93,860	94,555	95,320	95,869
	Prior year	80,447	81,133	81,830	82,344	82,837	83,536	84,235	84,935	85,644	86,267	86,883	87,597
	Change	7,926	7,919	7,900	8,039	8,280	8,263	8,246	8,261	8,216	8,288	8,437	8,272
123.10	Patronage Assoc organizations	27,897	27,897	27,913	27,975	27,975	35,906	35,906	35,954	35,931	35,735	35,735	35,735
	Prior year	23,845	23,845	23,952	23,952	23,952	27,939	27,939	27,939	27,921	27,922	27,922	27,922
	Change	4,052	4,052	3,961	4,023	4,023	7,967	7,967	8,015	8,010	7,813	7,813	7,813
123.20	Invest.In Assoc. Co.-Other	3,041	3,041	3,041	3,041	3,041	3,035	3,035	3,066	3,049	3,049	3,049	3,035
	Prior year	3,026	3,026	3,026	3,026	3,026	3,026	3,026	3,026	3,041	3,041	3,041	3,041
	Change	15	15	15	15	15	9	9	40	8	8	8	(6)
124.11	Other Investments	9	9	9	9	9	2	3	3	3	3	3	3
	Prior year	9	9	9	9	9	9	9	9	9	9	9	9
	Change	0	0	0	0	0	(7)	(6)	(6)	(6)	(6)	(6)	(6)
128.00	Other Special Funds-Def Comp	262	262	262	262	262	269	269	269	269	269	269	269
	Prior year	353	353	353	353	353	262	262	262	262	262	262	262
	Change	(91)	(91)	(91)	(91)	(91)	7	7	7	7	7	7	7
128.00	Other Special Funds-Dir.	30	30	30	30	30	27	27	27	27	27	27	27
	Prior year	27	27	27	27	27	30	30	30	30	30	30	30
	Change	3	3	3	3	3	(3)	(3)	(3)	(3)	(3)	(3)	(3)
****	Total Investments	31,239	31,239	31,255	31,317	31,317	39,239	39,240	39,319	39,279	39,083	39,083	39,069
	Prior year	27,260	27,260	27,367	27,367	27,367	31,266	31,266	31,266	31,263	31,264	31,264	31,264
	Change	3,979	3,979	3,888	3,950	3,950	7,973	7,974	8,053	8,016	7,819	7,819	7,805
131.10	Cash-Gen.& Oper-First Farm.	(1,136)	1,288	234	(858)	1,177	(583)	562	(124)	(292)	140	134	450
	Prior year	114	741	1,552	1,508	510	(1,139)	(171)	(4,916)	63	(349)	543	208
	Change	(1,250)	547	(1,318)	(2,366)	667	556	733	4,792	(355)	489	(409)	242
131.11	Cash-G&O/Sedc	876	579	443	428	567	865	967	426	503	478	452	783
	Prior year	292	511	450	367	367	536	603	813	774	371	581	348
	Change	584	68	(7)	61	200	329	364	(387)	(271)	107	(129)	435
131.12	Cash-Grant-Bank of Ky	201	88	256	73	11	27	18	98	26	135	85	33
	Prior year	70	137	33	159	90	92	28	329	93	154	91	79
	Change	131	(49)	223	(86)	(79)	(65)	(10)	(231)	(67)	(19)	(6)	(46)
131.13	Cash-Boone-Bank of Ky	673	199	761	283	18	221	35	240	290	664	37	90
	Prior year	188	339	56	447	240	210	934	953	253	348	261	247
	Change	485	(140)	705	(164)	(222)	11	(899)	(713)	37	316	(224)	(157)

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Witness: Alan Zumstein

Acct #	Description	July Month 1	August Month 2	September Month 3	October Month 4	November Month 5	December Month 6	January Month 7	February Month 8	March Month 9	April Month 10	May Month 11	June Month 12
131.14	Cash-Pendleton-Farmers	129	187	92	82	51	105	88	91	93	37	48	54
	Prior year	50	122	95	96	46	96	118	93	122	114	38	51
	Change	79	65	(3)	(14)	5	9	(30)	(2)	(29)	(77)	10	3
131.15	Payroll	3	3	3	3	232	3	3	3	3	3	201	3
	Prior year	2	2	2	2	2	1	1	1	1	1	(8)	209
	Change	1	1	1	1	230	2	2	2	2	2	209	(206)
131.16	Cash-Scott-First National	5	8	3	5	2	5	4	4	5	2	2	2
	Prior year	3	4	5	6	3	5	4	5	4	5	2	3
	Change	2	4	(2)	(1)	(1)	0	0	(1)	1	(3)	0	(1)
131.17	Lock Box - Bank of Ky	2,065	1,210	1,497	2,225	183	1,365	2,544	1,863	3,339	1,069	1,556	1,264
	Prior year	1,087	1,219	626	(355)	671	1,070	2,073	3,188	3,434	2,321	275	654
	Change	978	(9)	871	2,580	(488)	295	471	(1,325)	(95)	(1,252)	1,281	610
131.30	Cash-Consumer Ref.-B of Ky	8	(7)	(9)	4	(7)	11		2	(2)	(2)	(5)	(1)
	Prior year	(8)	(3)	(3)	(7)	(9)	10	2	(3)	(4)	(3)	1	(2)
	Change	16	(4)	(6)	11	2	1	(2)	5	2	1	(6)	1
131.40	Transfer of Cash	73	(100)										73
	Prior year												(73)
	Change	73	(100)	0	0	0	0	0	0	0	0	0	
131.60	Cash-Capital Credit- B of Ky	18	3	1		3	(20)	(45)	(58)	(61)	(54)	1	4
	Prior year		6	3	1	8	4	(50)	(73)	(74)	(73)	(80)	(85)
	Change	18	(3)	(2)	(1)	(5)	(24)	5	15	13	19	81	89
134.00	Other Special Deposits	1	1	1	1	1	1	1	1	1	1	1	1
	Prior year	1	1	1	1	1	1	1	1	1	1	1	1
	Change	0	0	0	0	0	0	0	0	0	0	0	0
135.00	Working Funds	7	7	7	7	7	7	7	7	7	7	7	7
	Prior year	7	7	7	7	7	7	7	7	7	7	7	7
	Change	0	0	0	0	0	0	0	0	0	0	0	0
136.00	Temporary Cash Investments	940	640	1,000	1,747	850	1,000	570	1,000	970	1,000	870	930
	Prior year	950	980	1,000	1,000		1,000	1,000	4,879	1,000	1,000	1,000	750
	Change	(10)	(340)	0	747	850	0	(430)	(3,879)	(30)	0	(130)	180
****	Total Cash	3,863	4,106	4,289	4,000	3,095	3,007	4,754	3,553	4,882	3,480	3,389	3,620
	Prior year	2,756	4,066	3,827	3,232	1,936	1,893	4,550	5,277	5,674	3,897	2,712	2,543
	Change	1,107	40	462	768	1,159	1,114	204	(1,724)	(792)	(417)	677	1,077
142.00	Consumer Accts. Receivable	5,911	6,597	5,579	4,189	4,379	12,340	12,579	11,636	10,531	8,680	9,634	10,865
	Prior year	5,512	5,964	6,670	4,865	4,078	5,458	6,644	7,588	5,434	5,024	4,788	5,206
	Change	399	633	(1,091)	(676)	301	6,882	5,935	4,048	5,097	3,656	4,846	5,659

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Acct #	Description	July Month 1	August Month 2	September Month 3	October Month 4	November Month 5	December Month 6	January Month 7	February Month 8	March Month 9	April Month 10	May Month 11	June Month 12
184.40	Transportation Exp.												
	Prior year						3	1					
	Change	0	0	0	0	0	(3)	(1)	0	0	0	0	0
186.00	Miscellaneous	(15)	(19)	(19)	1			1	1	1	1	1	1
	Prior year	(22)	(22)	(22)	(22)	(22)		(22)	(17)	(17)	(16)	(17)	(17)
	Change	7	3	3	23	22	0	23	18	18	17	18	18
186.30	Deferred -Emp. 401k match	1	1	1	1	1							
	Prior year	1	1	1	1	1	1	1	1	1	1	2	1
	Change	0	0	0	0	0	(1)	(1)	(1)	(1)	(1)	(2)	(1)
186.50	Telephone & Other clearing							2	1	1	2	1	1
	Prior year	1						2	1	1	2	1	1
	Change	(1)	0	0	0	0	0	2	1	1	2	1	1
186.60	Misc.AMI expenses	42	48	55	60	63		11	17	24	33	35	40
	Prior year	68	76	86	90	100		10	20	30	34	36	37
	Change	(26)	(28)	(31)	(30)	(37)	0	1	(3)	(6)	(1)	(1)	3
186.60	Fixed asset additionsssc.AMI ex	256	189	219	208	224	329	234	237	275	343	406	457
	Prior year	70	69	112	131	149	82	60	78	78	97	175	307
	Change	186	120	107	77	75	247	174	159	197	246	231	150
****	Total Deferred Debits	284	219	256	270	288	329	248	256	301	379	443	499
	Prior year	118	124	177	200	228	86	50	82	92	116	196	328
	Change	166	95	79	70	60	243	198	174	209	263	247	171
*****	Total Assets and Debits	180,791	182,352	180,866	178,814	178,808	197,167	199,126	196,387	196,590	192,389	193,463	195,480
	Prior year	173,358	175,546	175,150	172,809	171,053	177,966	182,614	183,274	181,917	179,916	178,439	179,074
	Change	7,433	6,806	5,716	6,005	7,755	19,201	16,512	13,113	14,673	12,473	15,024	16,406
200.10	Memberships issued	1,115	1,116	1,112	1,116	1,116	1,116	1,116	1,118	1,119	1,120	1,121	1,121
	Prior year	1,120	1,116	1,109	1,107	1,106	1,107	1,108	1,111	1,111	1,111	1,112	1,114
	Change	(5)	0	3	9	10	9	8	7	8	9	9	7
201.10	Patrons capital credits	62,713	62,694	62,673	62,660	62,643	61,867	61,842	61,827	61,805	61,791	71,208	71,194
	Prior year	56,225	56,219	56,204	56,181	56,170	54,898	54,863	54,838	54,826	54,816	54,803	62,731
	Change	6,488	6,475	6,469	6,479	6,473	6,969	6,979	6,989	6,979	6,975	16,405	8,463
201.20	Patronage capital assignable							9,213	9,213	9,213	9,213		
	Prior year							7,968	7,968	7,968	7,968	7,968	
	Change					0	0	1,245	1,245	1,245	1,245	(7,968)	0
219.10	Current margins	(37)	499	(249)	(1,191)	(1,235)	9,444	293	235	427	(252)	(359)	(867)
	Prior year	2,008	2,873	3,596	2,769	3,297	8,028	510	889	1,135	967	757	776
	Change	(2,045)	(2,374)	(3,845)	(3,960)	(4,532)	1,416	(217)	(654)	(708)	(1,219)	(1,116)	(1,643)

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Acct #	Description	July Month 1	August Month 2	September Month 3	October Month 4	November Month 5	December Month 6	January Month 7	February Month 8	March Month 9	April Month 10	May Month 11	June Month 12
219.20	Non-operating margins	(631)	(631)	(631)	(631)	(631)	(2,226)	(1,995)	(1,995)	(1,995)	(1,995)	(2,206)	(2,206)
	Prior year	(703)	(703)	(703)	(703)	(703)	(703)	(643)	(643)	(643)	(643)	(643)	(631)
	Change	72	72	72	72	72	(1,523)	(1,352)	(1,352)	(1,352)	(1,352)	(1,563)	(1,575)
****	Total Capital Credits	62,045	62,562	61,793	60,838	60,777	69,085	69,353	69,280	69,450	68,757	68,643	68,121
	Prior year	57,530	58,389	59,097	58,247	58,764	62,223	62,698	63,052	63,286	63,108	62,885	62,876
	Change	4,515	4,173	2,696	2,591	2,013	6,862	6,655	6,228	6,164	5,649	5,758	5,245
208.00	Donated capital	73	73	73	73	73	73	73	73	73	73	73	73
	Prior year	60	60	62	64	68	70	71	71	73	73	73	73
	Change	13	13	11	9	5	3	2	2	0	0	0	0
215.10	Acc comp income	(857)	(857)	(857)	(857)	(857)	(764)	(764)	(764)	(764)	(764)	(764)	(764)
	Prior year	(929)	(929)	(929)	(929)	(929)	(857)	(857)	(857)	(857)	(857)	(857)	(857)
	Change	72	72	72	72	72	93	93	93	93	93	93	93
217.00	Retired capital gains and losses	2,648	2,648	2,647	2,647	2,647	2,703	2,703	2,703	2,702	2,702	2,763	2,763
	Prior year	2,429	2,429	2,429	2,429	2,429	2,567	2,567	2,567	2,567	2,567	2,567	2,567
	Change	219	219	218	218	218	136	136	136	135	135	196	196
****	Total Other Equities	1,864	1,864	1,863	1,863	1,863	2,012	2,012	2,012	2,011	2,011	2,072	2,072
	Prior year	1,560	1,560	1,562	1,564	1,568	1,780	1,781	1,781	1,783	1,783	1,783	1,783
	Change	304	304	301	299	295	232	231	231	228	228	289	289
*****	Total Margins & Equities	65,024	65,542	64,768	63,817	63,756	72,213	72,481	72,410	72,580	71,888	71,836	71,314
	Prior year	60,210	61,065	61,768	60,918	61,438	65,110	65,587	65,944	66,180	66,002	65,780	65,773
	Change	4,814	4,477	3,000	2,899	2,318	7,103	6,894	6,466	6,400	5,886	6,056	5,541
224.12	CFC notes executed	20,744	20,566	20,566	20,566	20,385	20,385	20,385	20,212	20,212	20,212	18,818	18,818
	Prior year	22,631	22,468	22,468	22,468	22,302	22,302	22,302	22,134	22,134	22,134	20,744	20,744
	Change	(1,887)	(1,902)	(1,902)	(1,902)	(1,917)	(1,917)	(1,917)	(1,922)	(1,922)	(1,922)	(1,926)	(1,926)
224.30	RUS notes executed	89,034	88,978	88,748	88,691	88,550	88,379	88,322	88,257	87,976	87,914	87,856	87,794
	Prior year	69,308	69,254	69,035	68,981	68,923	89,804	89,749	89,682	89,437	89,377	89,322	89,090
	Change	19,726	19,724	19,713	19,710	19,627	(1,425)	(1,427)	(1,425)	(1,461)	(1,463)	(1,466)	(1,296)
224.35	LTD - CoBank			6,899	6,899	6,899	6,788	6,788	6,788	6,676	6,676	6,676	6,564
			0	6,899	6,899	6,899	6,788	6,788	6,788	6,676	6,676	6,676	7,000
													(436)
224.40	Unadvanced funds	(21,083)	(16,083)	(23,083)	(17,083)	(17,083)	(17,083)	(17,083)	(17,083)	(17,083)	(17,083)	(17,083)	(17,083)
	Prior year						(21,083)	(21,083)	(21,083)	(21,083)	(21,083)	(21,083)	(28,083)
	Change	(21,083)	(16,083)	(23,083)	(17,083)	(17,083)	4,000	4,000	4,000	4,000	4,000	4,000	11,000
224.60	Advance payments		(5,019)	(5,019)	(8,019)	(8,019)	(8,099)	(8,099)	(8,200)	(8,200)	(8,200)	(8,303)	(8,303)
	Prior year												
	Change	0	(5,019)	(5,019)	(8,019)	(8,019)	(8,099)	(8,099)	(8,200)	(8,200)	(8,200)	(8,303)	(8,303)

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Acct #	Description	July Month 1	August Month 2	September Month 3	October Month 4	November Month 5	December Month 6	January Month 7	February Month 8	March Month 9	April Month 10	May Month 11	June Month 12
****	Total long term debt	88,695	88,442	88,111	91,054	90,732	90,370	90,313	89,974	89,581	89,519	87,964	87,790
	Prior year	91,939	91,722	91,503	91,449	91,225	91,023	90,968	90,733	90,488	90,428	88,983	88,751
	Change	(3,244)	(3,280)	(3,392)	(395)	(493)	(653)	(655)	(759)	(907)	(909)	(1,019)	(961)
***228.30	Accum.Provision Benefits	8,900	8,942	8,984	9,027	9,070	9,020	9,061	9,101	9,141	9,177	9,222	9,263
	Prior year	8,396	8,446	8,496	8,546	8,596	8,574	8,626	8,679	8,732	8,774	8,816	8,858
	Change	504	496	488	481	474	446	435	422	409	403	406	405
** 231.00	Notes payable - short term	6,558	6,611	7,498	3,484	3,541	5,813	6,674	5,781	7,189	4,795	5,422	6,857
	Prior year	1,227	2,542	2,610	1,523		1,778	5,814	6,726	5,059	2,846	3,023	3,584
	Change	5,331	4,069	4,888	1,961	3,541	4,035	860	(945)	2,130	1,949	2,399	3,273
232.00	Accounts Payable	619	1,326	528	441	571	1,124	821	971	829	622	844	812
	Prior year	857	757	1,071	788	376	1,195	559	747	928	715	807	1,049
	Change	(238)	569	(543)	(347)	195	(71)	262	224	(99)	(93)	37	(237)
232.20	Accounts payable-others	5	5	5	5	5	5	6	5	5	4	5	5
	Prior year	5	5	5	5	6	6	5	5	5	5	5	4
	Change	0	0	0	0	(1)	(1)	1	0	0	(1)	0	1
232.30	Accounts payable-401 cont.	(24)	(24)	(24)	(24)	(24)			(28)	(29)	(29)	(28)	(28)
	Prior year	(11)	(11)	(11)	(11)	(11)		(1)	18	18	27	20	(4)
	Change	(13)	(13)	(13)	(13)	(13)	0	1	(46)	(47)	(56)	(48)	(24)
232.70	Accounts payable-miscellaneous	3,485	4,033	3,640	3,228	3,985	11,999	12,681	11,019	10,175	8,892	10,477	11,571
	Prior year	3,752	3,889	2,955	2,893	2,932	3,956	4,454	3,607	3,718	3,896	3,632	3,676
	Change	(23)	144	685	335	1,053	8,043	8,227	7,412	6,457	4,996	6,845	7,895
****	Total Payables	4,085	5,340	4,149	3,650	4,537	13,128	13,508	11,967	10,980	9,489	11,298	12,360
	Prior year	4,603	4,640	4,020	3,675	3,303	5,157	5,017	4,377	4,669	4,643	4,464	4,725
	Change	(518)	700	129	(25)	1,234	7,971	8,491	7,590	6,311	4,846	6,834	7,635
** 235	Customer deposits	2,236	2,245	2,251	2,271	2,276	2,262	2,259	2,313	2,328	2,323	2,277	2,284
	Prior year	2,184	2,186	2,169	2,176	2,176	2,185	2,188	2,196	2,206	2,213	2,220	2,224
	Change	52	59	82	95	100	77	71	117	122	110	57	60
** 235.1	Int. Payable on Cust.Deposits	585	589	589	592	596	601	607	612	617	621	591	593
	Prior year	539	542	542	546	551	557	560	562	565	570	575	580
	Change	46	47	47	46	45	44	47	50	52	51	16	13
236.10	Acc property taxes	1,015	682	827	971	263		140	280	420	560	700	840
	Prior year	503	643	415	148	(73)		145	290	435	580	725	870
	Change	512	39	412	823	336	0	(5)	(10)	(15)	(20)	(25)	(30)
236.20	Acc FUTA tax							(3)	(2)	(2)	(2)		(2)
	Prior year												
	Change	0	0	0	0	0	0	(3)	(2)	(2)	(2)	0	(2)

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those of the Preceding Year - Balance Sheet YTD

Witness: Alan Zumstein

<u>Acct #</u>	<u>Description</u>	<u>July Month 1</u>	<u>August Month 2</u>	<u>September Month 3</u>	<u>October Month 4</u>	<u>November Month 5</u>	<u>December Month 6</u>	<u>January Month 7</u>	<u>February Month 8</u>	<u>March Month 9</u>	<u>April Month 10</u>	<u>May Month 11</u>	<u>June Month 12</u>
236.30	Acc FICA tax												
	Prior year												
	Change	0	0	0	0	0	0	0	0	0	0	0	0
236.40	Acc SUTA tax							7	12	13			
	Prior year							7	11	11			
	Change	0	0	0	0	0	0	0	1	2	0	0	0
236.50	Sales tax	169	207	193	177	173	50	73	54	47	49	42	54
	Prior year	176	92	96	72		53	177	206	177	166	167	169
	Change	(7)	115	97	105	57	(3)	(104)	(152)	(130)	(117)	(125)	(115)
236.60	School taxes	257	337	277	214	219	266	308	294	256	216	217	256
	Prior year	264	319	312	226	202	255	321	332	254	228	213	243
	Change	(7)	18	(35)	(12)	17	11	(13)	(38)	2	(12)	4	13
236.70	Franchise taxes	4		4	3			4	5	4	3	3	
	Prior year	4		5	3	3		5	5	4	2	3	4
	Change	0	0	(1)	0	(3)	0	(1)	0	0	1	0	(4)
236.80	Sales / Use tax	(121)	(120)	(121)	(121)	(120)	1	4			2	1	12
	Prior year	2	2	1	1	1	3	3	(120)	(119)	(120)	(121)	(121)
	Change	(123)	(122)	(122)	(122)	(121)	(2)	1	120	119	122	122	133
237.10	Int. accr.-RUS const. obl.	159	317		177	353		163	333		163	343	527
	Prior year	162	323		161	317		145	290		154	314	
	Change	(3)	(6)	0	16	36	0	18	43	0	9	29	527
237.20	Int. accr.-CFC const. obl.	172		84	171		86	172		86	168		79
	Prior year	207		97	197		99	199		99	194		85
	Change	(35)	0	(13)	(26)	0	(13)	(27)	0	(13)	(26)	0	(6)
237.25	Int. accr.-CoBank loans				4	8		3	7	(2)	4	8	
	Prior year				4	8		3	7	(2)	4	8	
	Change	0	0	0	4	8	0	3	7	(2)	4	8	0
237.30	Int. accr.-CFC short term	48	70	50	71	81	6	19	29		10	18	6
	Prior year	9	15	11	16	21	13	27	41	27	37	48	29
	Change	39	55	39	55	60	(7)	(8)	(12)	(27)	(27)	(30)	(23)
241.00	Tax coll.pay.Federal income		1	1									
	Prior year		1	1									
	Change	0	0	0	0	0	0	0	0	0	0	0	0
241.20	Occupational taxes w/holding	2	1	2	1	1		1	3	3	1	2	1
	Prior year	2	1	2	1	1	2	1	3	3	1	2	1
	Change	0	0	0	0	0	(2)	0	0	0	0	0	0

Owen Electric Cooperative
Case No. 2012-00448
Comparison of Test Year Account Balances with
those of the Preceding Year - Balance Sheet YTD

Exhibit W
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Witness: Alan Zumstein

Acct #	Description	July Month 1	August Month 2	September Month 3	October Month 4	November Month 5	December Month 6	January Month 7	February Month 8	March Month 9	April Month 10	May Month 11	June Month 12
242.10	Current & accr. Liab.executive	204	204	204	204	204	217	217	217	217	217	217	217
	Prior year	280	280	280	280	280	204	204	204	204	204	204	204
	Change	(76)	(76)	(76)	(76)	(76)	13	13	13	13	13	13	13
242.20	Current & accr. Liab.payroll	167	295	338	373	436	163	228	261	347	377	478	213
	Prior year	158	221	283	336	412	154	193	196	309	387	424	485
	Change	9	74	55	37	24	9	35	65	38	(10)	54	(272)
242.30	Current & accr.Liab-vacation	(13)	(13)	(14)	(14)	(14)	106						(5)
	Prior year	(6)	(6)	(6)	(7)	(7)	105				(5)	(13)	(13)
	Change	(7)	(7)	(8)	(7)	(7)	1	0	0	0	5	13	8
242.40	Current & accr. Liab.sickleave	1,972	1,978	1,987	2,001	2,010	2,023	2,028	2,029	2,072	2,084	2,103	2,090
	Prior year	1,862	1,875	1,886	1,897	1,941	1,924	1,935	1,954	1,953	1,944	1,948	1,958
	Change	110	103	101	104	69	99	93	75	119	140	155	132
242.80	Current & accr.Liab col. Ins.		1	1	1	1				3			(1)
	Prior year		1	1	1	1	1	1	(2)	1	1	1	
	Change	0	0	0	0	0	(1)	(1)	2	2	(1)	(1)	(1)
****	Total Current & Accrued Lia	4,035	3,960	3,833	4,229	3,607	2,918	3,361	3,515	3,466	3,848	4,124	4,287
	Prior year	3,623	3,767	3,384	3,332	3,099	2,813	3,363	3,410	3,358	3,773	3,915	3,914
	Change	412	193	449	897	508	105	(2)	105	108	75	209	373
****252.1	Consumer advances for const	673	682	684	687	688	840	857	702	707	718	719	725
	Prior year	635	635	658	642	657	762	751	646	662	662	663	663
	Change	38	47	26	45	31	78	106	56	45	56	56	62
*****	Total Equities & Liabilities	180,791	182,353	180,867	178,811	178,803	197,165	199,121	196,375	196,589	192,378	193,453	195,473
	Prior year	173,356	175,545	175,150	172,807	171,045	177,959	182,874	183,273	181,919	179,911	178,439	179,072
	Change	7,435	6,808	5,717	6,004	7,758	19,206	16,247	13,102	14,670	12,467	15,014	16,401

Owen Electric Cooperative
Case No. 2012-00448
Comparison of Test Year Income Statement Account
Balances with those of the Preceding Year

Exhibit X
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Witness: Alan Zumstein

Acct #	Description	July Month 1	August Month 2	September Month 3	October Month 4	November Month 5	December Month 6	January Month 7	February Month 8	March Month 9	April Month 10	May Month 11	June Month 12	Total
440.10	Residential	6,497	8,468	6,681	4,833	5,110	7,355	7,651	6,468	5,929	4,298	5,869	6,454	75,613
	Prior year	6,753	8,108	7,631	5,192	4,672	6,510	8,409	8,558	6,332	5,532	5,021	6,012	78,730
	Change	(256)	360	(950)	(359)	438	845	(758)	(2,090)	(403)	(1,234)	848	442	(3,117)
440.20	Lights only	30	32	31	37	31	14	32	31	31	31	32	33	365
	Prior year	28	30	31	29	29	29	30	31	29	30	31	30	357
	Change	2	2	0	8	2	(15)	2	0	2	1	1	3	8
442.10	Small commercial	379	479	425	385	373	492	429	373	382	386	406	427	4,936
	Prior year	351	420	436	360	320	352	519	437	375	369	377	387	4,703
	Change	28	59	(11)	25	53	140	(90)	(64)	7	17	29	40	233
442.20	Large commercial	2,246	2,971	2,797	2,526	2,488	3,409	2,494	2,173	2,229	2,208	2,582	2,619	30,742
	Prior year	2,114	2,532	2,750	2,349	2,142	1,924	2,112	2,506	2,299	2,248	2,294	2,331	27,601
	Change	132	439	47	177	346	1,485	382	(333)	(70)	(40)	288	288	3,141
442.21	Gallatin Steel ind. Sales	3,511	4,062	3,667	3,253	4,012	4,182	4,330	3,902	4,049	3,672	3,598	3,783	46,021
	Prior year	3,781	3,918	2,980	2,920	2,958	3,985	4,485	3,364	4,021	3,925	3,662	3,703	43,702
	Change	(270)	144	687	333	1,054	197	(155)	538	28	(253)	(64)	80	2,319
444.00	Street lights	5	6	7	7	8	3	8	7	6	4	4	6	71
	Prior year	5	6	7	7	8	7	9	9	8	7	7	5	85
	Change	0	0	0	0	0	(4)	(1)	(2)	(2)	(3)	(3)	1	(14)
445.00	Public authority	158	206	226	201	184	111	210	217	203	181	173	196	2,266
	Prior year	175	204	247	212	175	192	217	240	213	193	183	193	2,444
	Change	(17)	2	(21)	(11)	9	(81)	(7)	(23)	(10)	(12)	(10)	3	(178)
450.00	Forfeit Discounts	76	102	116	83	66	68	93	99	81	97	63	67	1,011
	Prior year	72	95	110	92	62	64	82	113	109	77	70	68	1,014
	Change	4	7	6	(9)	4	4	11	(14)	(28)	20	(7)	(1)	(3)
451.00	Miscellaneous Services	33	49	49	52	44	38	46	47	39	44	45	42	528
	Prior year	49	47	54	51	48	31	37	36	58	51	46	49	557
	Change	(16)	2	(5)	1	(4)	7	9	11	(19)	(7)	(1)	(7)	(29)
452.00	Other elec.-bad check ch.	3	3	3	3	3	2	3	3	2	2	3	3	33
	Prior year	3	3	4	3	3	3	3	2	3	3	3	3	36
	Change	0	0	(1)	0	0	(1)	0	1	(1)	(1)	0	0	(3)
454.00	Rent form electric property	29	29	29	29	29	(44)	23	23	23	23	23	23	239
	Prior year	29	30	27	27	27	27	(15)	29	29	29	29	30	298
	Change	0	(1)	2	2	2	(71)	38	(6)	(6)	(6)	(6)	(7)	(59)
454.10	Rental from u/g temp	6	7	7	17	6	5	4	6	4	6	5	6	79
	Prior year	7	6	7	7	5	5	4	4	5	6	6	6	68
	Change	(1)	1	0	10	1	0	0	2	(1)	0	(1)	0	11
454.20	Rental o/h temp	1	1	1	5	1	1	1	1	1	2	1	1	14
	Prior year	1	1	1	1	1	1	1	1	1	2	1	1	12
	Change	0	0	0	4	0	0	0	0	0	(2)	0	0	2
454.30	Rental u/g meter base				1	1	1	1	1	1	1	1	1	4
	Prior year				1	1	1	1	1	1	1	1	1	3
	Change	0	0	0	0	0	0	0	0	0	0	0	0	1
456.00	Other electric revenue	2	3	2	(13)	2	42	24	10	2	17	2	13	106
	Prior year	2	3	2	2	1	47	1	3	25	(2)	2	2	88
	Change	0	0	0	(15)	1	(5)	23	7	(23)	19	0	11	18
***	Total Revenues	12,976	16,418	14,041	11,419	12,358	15,677	15,348	13,360	12,982	10,969	12,807	13,673	162,028
	Prior year	13,370	15,403	14,287	11,252	10,452	13,176	15,894	15,333	13,508	12,470	11,733	12,820	159,698
	Change	(394)	1,015	(246)	167	1,906	2,501	(546)	(1,973)	(526)	(1,501)	1,074	853	2,330
***	555 Purchased Power	7,698	9,126	8,504	6,784	5,904	6,002	8,382	7,145	6,157	5,249	6,907	7,819	85,677
	Prior year	7,051	8,093	8,077	6,538	4,496	5,389	8,603	8,802	7,001	6,053	5,541	6,400	82,044

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	Change	647	1,033	427	246	1,408	613	(221)	(1,657)	(844)	(804)	1,366	1,419	3,633
***	555. Gallatin Purchased Powe	3,485	4,033	3,640	3,228	3,985	4,153	4,300	3,873	4,018	3,643	3,571	3,751	45,680
	Prior year	3,752	3,889	2,955	2,893	2,932	3,956	4,454	3,607	3,718	3,896	3,632	3,676	43,360
	Change	(267)	144	685	335	1,053	197	(154)	266	300	(253)	(61)	75	2,320
580.00	Operations - Supervision &	39	43	36	29	31	48	39	36	37	38	35	31	442
	Prior year	35	34	36	33	34	53	36	36	36	39	45	41	458
	Change	4	9	0	(4)	(3)	(5)	3	0	1	(1)	(10)	(10)	(16)
581.00	Load Dispatching				1			1					1	3
	Prior year				1		1		1			1		3
	Change	0	0	0	1	0	(1)	1	0	(1)	0	(1)	1	0
582.00	Station Expense	1	1	1	1	1	1	1	1	1		1	2	11
	Prior year	1	2		1	1	1	1	1	1		1	1	11
	Change	0	(1)	1	0	0	0	0	(1)	0	0	0	1	0
583.00	Overhead Line Exp	115	131	119	124	118	90	110	131	136	114	131	109	1,428
	Prior year	122	109	118	116	114	122	122	128	134	119	125	118	1,447
	Change	(7)	22	1	8	4	(32)	(12)	3	2	(5)	6	(9)	(19)
583.10	Overhead line patrol	5	7	17	3	11	11	10	15	7	7	6	5	104
	Prior year	4	5	9	14	12	13	17	16	15	10	4	5	124
	Change	1	2	8	(11)	(1)	(2)	(7)	(1)	(8)	(3)	2	0	(20)
583.20	Transformer outage	7	4	4	2	4	3	3	3	4	3	4	7	48
	Prior year	7	6	3	2	3	5	5	2	2	10	6	7	58
	Change	0	(2)	1	0	1	(2)	(2)	1	2	(7)	(2)	0	(10)
584.00	Underground line exp	45	44	46	43	47	33	44	44	48	51	45	44	534
	Prior year	48	44	45	48	46	39	44	45	47	50	51	47	554
	Change	(3)	0	1	(5)	1	(6)	0	(1)	1	1	(6)	(3)	(20)
586.00	Meter exp	80	80	91	70	65	126	71	83	85	86	83	81	1,001
	Prior year	88	83	80	79	125	185	72	75	83	79	87	67	1,103
	Change	(8)	(3)	11	(9)	(60)	(59)	(1)	8	2	7	(4)	14	(102)
586.10	U/G temp mtr base owned	2	2	2	2	3	2	2	4	2	3	2	2	28
	Prior year	2	2	2	4	1	3	1	3	3	3	3	3	30
	Change	0	0	0	(2)	2	(1)	1	1	(1)	0	(1)	(1)	(2)
586.20	O/H temp mtr base exp.			1		1		1		6	4	1	1	15
	Prior year				1	2	1	3	1	2		1		11
	Change	0	0	1	(1)	(1)	(1)	(2)	(1)	4	4	0	1	4
586.30	U/G temp mtr base exp							1					1	1
	Prior year												1	2
	Change	0	0	0	0	0	0	(1)	0	0	0	0	0	(1)
587.00	Customer installation	42	40	45	39	50	40	44	36	40	38	44	38	496
	Prior year	44	33	42	44	44	59	43	40	41	30	33	37	490
	Change	(2)	7	3	(5)	6	(19)	1	(4)	(1)	8	11	1	6
588.00	Miscellaneous	69	84	67	64	77	78	59	73	72	72	72	77	864
	Prior year	62	64	63	66	50	94	51	80	84	77	82	77	850
	Change	7	20	4	(2)	27	(16)	8	(7)	(12)	(5)	(10)	0	14
588.10	IT	4	6	2	4	3	7	8	12	14	12	12	22	106
	Prior year	13	10	19	14	10	14	13	15	11	9	8	3	139
	Change	(9)	(4)	(17)	(10)	(7)	(7)	(5)	(3)	3	3	4	19	(33)
589.00	Rents			1										1
	Prior year			1										1
	Change							0	0	0	0	0	0	0
****	Total Operations	409	442	431	382	411	439	393	437	452	428	436	421	5,082
	Prior year	426	392	417	422	442	590	409	442	460	426	447	407	5,281
	Change	(17)	50	14	(40)	(31)	(151)	(16)	(5)	(8)	2	(11)	14	(199)
590.00	Maint.Super. & Engineer.	8	8	10	6	5	12	15	7	5	6	7	5	94
	Prior year	2	2	3	2	2	9	6	3	2	3	7	8	49
	Change	6	6	7	4	3	3	9	4	3	3	0	(3)	45

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593.00	Maint. o/h overhead li	91	83	80	69	75	105	71	88	97	74	102	80	1,015
	Prior year	84	94	92	106	69	123	52	74	91	96	113	86	1,080
	Change	7	(11)	(12)	(37)	6	(18)	19	14	6	(22)	(11)	(6)	(65)
593.10	O/H line outage	35	45	27	(5)	(3)	11	20	7	193	14	(83)	47	308
	Prior year	28	37	23	49	14	15	10	21	24	86	50	43	400
	Change	7	8	4	(54)	(17)	(4)	10	(14)	169	(72)	(133)	4	(92)
593.20	Maint. o/h line -ROW	207	177	202	125	100	95	12	60	68	112	111	114	1,383
	Prior year	163	169	263	219	108	228	11	121	128	118	165	216	1,909
	Change	44	8	(61)	(94)	(8)	(133)	1	(61)	(60)	(6)	(54)	(102)	(526)
593.40	Maint - OCR's		(2)			(5)	14			(4)				3
	Prior year	11			0	(5)	14	0	0	(4)	(2)	(2)	19	26
	Change	(11)	(2)	0	0	(5)	14	0	0	(4)	2	2	(19)	(23)
593.50	Maint. o/h line-pole treat.		4	15	14	17	14	7			6		13	71
	Prior year	42			14	17	14	7						61
	Change	(42)	4	15	14	17	14	7	0	0	(6)	0	(13)	10
594.00	Maint - Underground	27	22	27	15	27	23	10	10	10	13	20	13	217
	Prior year	8	24	43	31	11	43	6	13	10	25	18	14	246
	Change	19	(2)	(16)	(16)	16	(20)	4	(3)	0	(12)	2	(1)	(29)
594.10	U/G Outage	6	7	12	8	5	2	3		1	4	4	3	55
	Prior year	10	5	5	4	1	2	5	3	3	9	7	4	58
	Change	(4)	2	7	4	4	0	(2)	(3)	(2)	(5)	(3)	(1)	(3)
595.00	Transformers	(1)	(6)	8	(1)	(2)	1	(1)	(3)	(6)	(9)	1	2	(17)
	Prior year	(1)	1	16	1	6	4	(1)	2		11	1	(8)	32
	Change	0	(7)	(8)	(2)	(8)	(3)	0	(5)	(6)	(20)	0	10	(49)
597.00	Meters	1		1	1	1	1	1	1	1	1			9
	Prior year	1	1	2	1	1	1	1	11	8	14	4		44
	Change	0	(1)	(1)	0	0	0	0	(10)	(7)	(14)	(4)		(35)
***	Total Maintenance	374	338	382	232	220	278	138	170	365	215	162	264	3,138
	Prior year	348	333	447	413	212	424	90	237	269	360	373	399	3,905
	Change	26	5	(65)	(181)	8	(146)	48	(67)	96	(145)	(211)	(135)	(767)
901.00	Supervision	13	14	16	15	14	29	14	17	20	16	16	16	200
	Prior year	16	15	15	15	15	28	14	16	18	14	15	14	195
	Change	(3)	(1)	1	0	(1)	1	0	1	2	2	1	2	5
902.00	Meter reading	15	14	15	12	15	29	15	14	12	15	17	14	187
	Prior year	23	20	16	13	8	20	10	13	15	12	15	12	177
	Change	(8)	(6)	(1)	(1)	7	9	5	1	(3)	3	2	2	10
903.00	Consumer records & collec	200	321	206	250	316	312	193	321	285	262	267	204	3,137
	Prior year	209	252	304	201	249	355	185	299	233	326	284	258	3,155
	Change	(9)	69	(98)	49	67	(43)	8	22	52	(64)	(17)	(54)	(18)
904.00	Uncollectible accounts	15	19	15	10	15	(27)	15	15	15	15	15	15	137
	Prior year	16	16	16	16	16	16	16	16	14	14	15	16	187
	Change	(1)	3	(1)	(6)	(1)	(43)	(1)	(1)	1	1	0	(1)	(50)
***	Total Consumer Account	243	368	252	287	360	343	237	367	332	308	315	249	3,661
	Prior year	264	303	351	245	288	419	225	344	280	366	329	300	3,714
	Change	(21)	65	(99)	42	72	(76)	12	23	52	(58)	(14)	(51)	(53)
907.00	Supervision	4	4	5	5	4	7	4	5	5	5	5	5	58
	Prior year	5	4	5	4	5	7	4	4	5	4	4	4	55
	Change	(1)	0	0	1	(1)	0	0	1	0	1	1	1	3
908.00	Customer Asst.Expense	17	18	17	16	17	34	20	17	22	17	18	17	230
	Prior year	18	17	17	18	17	25	17	17	21	19	18	15	219
	Change	(1)	1	0	(2)	0	9	3	0	1	(2)	0	2	11
909.00	Inf. & Instr. adv. expense	1	1	1		1	5	4		2				15
	Prior year	2	1	(1)		2	5	(1)	1	1	1		2	13
	Change	(1)	0	2	0	(1)	0	5	(1)	1	(1)	0	(2)	2
910.00	Misc. customer serv. & inf.	12	13	11	10	14	22	9	15	12	10	15	19	162
	Prior year	13	12	14	11	10	13	13	15	12	11	12	24	160

	Change	(1)	1	(3)	(1)	4	9	(4)	0	0	(1)	3	(5)	2
***	Total Customer Service a	34	36	34	31	36	68	37	37	41	32	38	41	465
	Prior year	38	34	35	33	34	50	33	37	39	35	34	45	447
	Change	(4)	2	(1)	(2)	2	18	4	0	2	(3)	4	(4)	18
912.00	Demonstration & selling	9	26	34	35	13	0	13	12	11	12	11	11	187
	Prior year	18	9	1	10	16	(3)	11	20	(12)	11	11	14	106
	Change	(9)	17	33	25	(3)	3	2	(8)	23	1	0	(3)	81
***	Total Sales	9	26	34	35	13	0	13	12	11	12	11	11	187
	Prior year	18	9	1	10	16	(3)	11	20	(12)	11	11	14	106
	Change	(9)	17	33	25	(3)	3	2	(8)	23	1	0	(3)	81
920.00	Admin.&Gen.Salaries	93	101	104	105	119	142	97	96	106	103	106	104	1,276
	Prior year	103	97	96	97	109	136	96	99	105	98	108	102	1,246
	Change	(10)	4	8	8	10	6	1	(3)	1	5	(2)	2	30
920.10	Admin.&Gen.Salaries IT	43	49	46	45	44	82	57	60	63	53	56	53	651
	Prior year	46	45	45	42	44	57	36	43	50	43	50	43	544
	Change	(3)	4	1	3	0	25	21	17	13	10	6	10	107
920.20	Admin.&Gen.Exp Cap.cr.	1	2	3	3	2	2	3	3	3	2	3	3	30
	Prior year	2	2	3	3	2	3	2	3	3	3	3	3	32
	Change	(1)	0	0	0	0	(1)	1	0	0	(1)	0	0	(2)
921.00	Office supplies	23	24	14	(21)	41	21	27	27	26	27	20	20	249
	Prior year	21	20	31	17	19	11	25	19	26	28	9	26	252
	Change	2	4	(17)	(38)	22	10	2	8	0	(1)	11	(6)	(3)
923.00	Outside services	17		10	2	9	18	3	11	20	31	24	3	148
	Prior year	8	5	3	2	10	6	69	12	3	4	39	6	167
	Change	9	(5)	7	0	(1)	12	(66)	(1)	17	27	(15)	(3)	(19)
925.00	Injures & Damages	11	13	13	18	12	32	13	13	14	11	13	16	179
	Prior year	17	10	11	11	12	19	10	12	13	14	16	13	158
	Change	(6)	3	2	7	0	13	3	1	1	(3)	(3)	3	21
928.00	Regulatory	27	8		2	7	31		1				1	77
	Prior year										5	15		20
	Change	27	8	0	2	7	31	0	1	0	(5)	(15)	1	57
929.00	Duplicate charges	(10)	(9)	(9)	(8)	(12)	(16)	(16)	(14)	(11)	(9)	(9)	(9)	(132)
	Prior year	(10)	(10)	(9)	(7)	(10)	(21)	18	(16)	(14)	(8)	(9)	(10)	(106)
	Change	0	1	0	(1)	(2)	5	(34)	2	3	(1)	0	1	(26)
930.00	Misc.Gen.exp.Directors	15	15	15	24	25	21	18	29	26	16	15	23	242
	Prior year	15	14	19	24	22	18	42	26	35	21	29	43	308
	Change	0	1	(4)	0	3	3	(24)	3	(9)	(5)	(14)	(20)	(66)
930.10	Institutional advertising	23	25	23	22	21	23	23	24	22	25	22	28	281
	Prior year	27	27	22	22	21	26	25	23	24	21	24	21	283
	Change	(4)	(2)	1	0	0	(3)	(2)	1	(2)	4	(2)	7	(2)
930.30	Dues	16	16	16	16	16	16	16	16	16	16	16	16	192
	Prior year	16	16	16	16	16	16	16	16	16	16	16	16	192
	Change	0	0	0	0	0	0	0	0	0	0	0	0	0
930.40	Misc.Gen.exp.annual mtg	6	2	(2)						3	12		17	38
	Prior year	14					2			2	4		40	62
	Change	(8)	2	(2)	0	0	(2)	0	0	1	8	0	(23)	(24)
931.00	rents-branch offices	1	1	1	1	1	1	4	5	2	5	4	2	28
	Prior year	1	1	1	1	1	2	1	1	2	1	1	1	14
	Change	0	0	0	0	0	(1)	3	4	0	4	3	1	14
932.10	Maint.gen. structures	25	25	28	25	27	29	20	36	23	30	29	34	331
	Prior year	29	36	24	20	24	32	18	30	24	30	34	26	327
	Change	(4)	(11)	4	5	3	(3)	2	6	(1)	0	(5)	8	4
***	Total Administrative & C	291	272	262	234	312	402	265	307	313	322	299	311	3,590
	Prior year	289	263	262	248	270	307	358	268	289	280	335	330	3,499
	Change	2	9	0	(14)	42	95	(93)	39	24	42	(36)	(19)	91

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403.60	Distribu. depreciation	785	786	790	792	795	799	802	806	807	810	813	816	9,601
	Prior year	744	747	749	750	751	757	759	766	768	770	777	782	9,120
	Change	41	39	41	42	44	42	43	40	39	40	36	34	481
403.70	General depreciation	60	60	60	63	63	59	59	59	59	59	58	57	716
	Prior year	65	65	66	66	67	64	63	62	60	60	61	60	759
	Change	(5)	(5)	(6)	(3)	(4)	(5)	(4)	(3)	(1)	(1)	(3)	(3)	(43)
***	Total Depreciation	845	846	850	855	858	858	861	865	866	869	871	873	10,317
	Prior year	809	812	815	816	818	821	822	828	828	830	838	842	9,879
	Change	36	34	35	39	40	37	39	37	38	39	33	31	438
408.70	Regulatory assessment	12	12	12	12	12	12	12	12	12	12	12	12	144
	Prior year	24	11	11	11	44	44	11	11	11	11	12	11	212
	Change	(12)	1	1	1	(32)	(32)	1	1	1	1	0	1	(68)
427.10	REA interest	275	275	292	293	207	395	278	277	306	273	294	295	3,460
	Prior year	281	280	271	279	270	294	262	251	277	267	276	267	3,275
	Change	(6)	(5)	21	14	(63)	101	16	26	29	6	18	28	185
427.20	NRU CFC interest	88	79	84	87	76	86	86	73	86	83	79	78	985
	Prior year	101	82	97	100	88	99	99	82	99	95	83	85	1,110
	Change	(13)	(3)	(13)	(13)	(12)	(13)	(13)	(9)	(13)	(12)	(4)	(7)	(125)
427.40	CoBank interest			4	4	4	6	3	4	4	6	4	4	43
	Prior year													0
	Change	0				4	6	3	4	4	6	4	4	43
***	Total Interest on Long-Term	363	354	380	384	287	487	367	354	396	362	377	377	4,488
	Prior year	382	362	368	379	358	393	361	333	376	362	359	352	4,385
	Change	(19)	(8)	12	5	(71)	94	6	21	20	0	18	25	103
431.00	Interest - short term	19	22	16	21	10	(48)	13	10	13	10	8	10	104
	Prior year	4	7	6	6	5	4	14	14	16	11	11	10	108
	Change	15	15	10	15	5	(52)	(1)	(4)	(3)	(1)	(3)	0	(4)
431.10	Interest - customer deposits	13	15	14	14	14	14	15	14	14	15	15	14	171
	Prior year	13	14	13	13	14	13	14	12	14	13	14	13	160
	Change	0	1	1	1	0	1	1	2	0	2	1	1	11
***	Total Interest - Other	32	37	30	35	24	(34)	28	24	27	25	23	24	275
	Prior year	17	21	19	19	19	17	28	26	30	24	25	23	268
	Change	15	16	11	16	5	(51)	0	(2)	(3)	1	(2)	1	7
426.10	Donations	4	16	1	20	(16)	5	39	1	2	3	2	3	80
	Prior year	3	19	3	4	2	33	15	1	7	13	12	1	113
	Change	1	(3)	(2)	16	(18)	(28)	24	0	(5)	(10)	(10)	2	(33)
****	Total Cost of Electric Service	13,799	15,906	14,812	12,519	12,406	13,013	15,072	13,604	12,992	11,480	13,024	14,156	162,784
	Prior year	13,421	14,541	13,761	12,031	9,931	12,440	15,420	14,956	13,296	12,667	11,948	12,800	157,213
	Change	378	1,365	1,051	488	2,475	573	(348)	(1,352)	(304)	(1,187)	1,076	1,356	5,571
****	Operating Margins	(823)	512	(771)	(1,100)	(48)	2,664	276	(244)	(10)	(511)	(217)	(483)	(756)
	Prior year	(51)	862	526	(779)	521	736	474	377	212	(197)	(215)	20	2,485
	Change	(772)	(350)	(1,297)	(321)	(569)	1,928	(198)	(621)	(222)	(314)	(2)	(503)	(3,241)
419.00	Interest income	6	25	6	30	6	88	7	107	7	29	109	6	426
	Prior year	7	6	6	29	6	9	6	6	7	29	7	6	124
	Change	(1)	19	0	1	0	79	1	101	0	0	102	0	302
***	Total Non Operating Margins	6	25	6	30	6	88	7	107	7	29	109	6	426
	Prior year	7	6	6	29	6	9	6	6	7	29	7	6	124
	Change	(1)	19	0	1	0	79	1	101	0	0	102	0	302
415.00	Revenue from Merchandising							6				1	2	9
	Prior year								1					1
	Change	0	0	0	0	0	0	6	(1)	0	0	1	2	8
416.00	Expense of merchandising											(1)	(1)	(2)
	Prior year													0
	Change	0	0	0	0	0	0	0	0	0	0	(1)	(1)	(2)
417.00	Revenues-non utility op.	2	2	2	2	2	2	3	2	2	2	2	2	25
	Prior year	2	2	2	2	1	2	2	1	2	2	2	2	22

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	Change	0	0	0	0	1	0	1	1	0	0	0	0	3
417.10	Expenses-non utility op.	(1)	(1)	(1)	(1)	(3)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(14)
	Prior year	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(12)
	Change	0	0	0	0	(2)	0	0	0	0	0	0	0	(2)
421.10	Misc.nonoperating income				2		(7)			197	(1)		(32)	159
	Prior year				(75)		(3)				(1)		7	(72)
	Change	0	0	0	77	0	(7)	3	0	197	0	0	(39)	231
***	Nonoperating margins -o	1	1	1	3	(1)	(6)	8	1	198	0	1	(30)	177
	Prior year	1	1	1	(74)	0	1	(2)	1	1	0	1	8	(61)
	Change	0	0	0	77	(1)	(7)	10	0	197	0	0	(38)	238
424.20	Total Other Patronage C.	0	0	19	123	0	7,931	0	79	3	(196)	0	0	7,959
	Prior year	0	0	189	0	0	3,986	0	0	29	0	0	0	4,204
	Change	0	0	(170)	123	0	3,945	0	79	(26)	(196)	0	0	3,755
*****	Net Margins	(816)	538	(745)	(944)	(43)	10,677	291	(57)	198	(678)	(107)	(507)	7,806
	Prior year	(43)	869	722	(824)	527	4,732	478	384	249	(168)	(207)	34	6,752
	Change	(773)	(331)	(1,467)	(120)	(570)	5,945	(187)	(441)	(51)	(510)	100	(541)	1,054

OWEN ELECTRIC COOP., INC.
SUMMARIZED ACCOUNT TRIAL BALANCE
FROM 07/11 TO 06/12

ACCOUNT	DESCRIPTION	AMOUNT
107.2	CONSTRUCTION WORK IN PROGRESS	2,764,326.71
108.6	ACC.DEPREC.-DISTRIBUTION PLANT	(84,779,764.80)
108.7	ACC.DEPREC.-STRUCT.&IMPROVEMENTS	(2,229,868.64)
108.71	ACC.DEPREC.-OFFICE FURNITURE	(2,213,689.67)
108.72	ACC.DEPREC.-TRANSPORTATION EQUIP	(3,612,190.74)
108.73	ACC.DEPREC.-STORES	(104,446.48)
108.74	ACC.DEPREC.-SHOP	(269,051.04)
108.75	ACC.DEPREC.-LABORATORY EQUIPMENT	(347,436.77)
108.76	ACC.DEPREC.-POWER OPER.EQUIPMENT	(184,619.01)
108.77	ACC.DEPREC.-COMMUNICATION EQUIP.	(2,308,944.90)
108.78	ACC.DEPREC.-MISCELLANEOUS	(123,098.23)
108.79	ACC.DEPREC.-OTHER TANGIBLE PROP.	(51,053.97)
108.8	RETIREMENT WORK IN PROGRESS	354,839.49
123.1	INV.ASSO.CO.-PAT.CAP.,ASSO.COOPS	35,734,590.01
123.2	INVEST.IN ASSOC.COMPANIES-OTHER	378,852.47
123.22	INVEST.IN CAPITAL TERM CERT.-CFC	1,924,898.00
123.23	OTHER INVEST.IN ASSOC.CO.-CFC	1,000.00
123.25	OTHER INVEST IN ASSOC CO-MISC CO	247,237.18
123.26	INVEST.-CTC'S-NON INTEREST-CFC	484,489.47
123.27	OTHER INVEST IN ASSOC.CO.-COBANK	(1,120.20)
124.11	OTH.INVEST.-OWEN CO.INDUST.FOUND	1,000.00
124.13	OTHER INVEST - CARROLL CO COM DE	1,500.00
124.2	OTHER INV.-DEFERRED COMPENSATION	268,872.57
128	OTHER SPECIAL FUNDS-DIRECTOR INS	26,661.65
131.1	CASH- GEN. & OPER.-FIRST FARMERS	450,268.33
131.11	CASH-G&O/SEDC	783,075.44
131.12	CASH-GRANT OFFICE-BANK OF KY	33,330.86
131.13	CASH-BOONE OFFICE-BANK OF KY	90,916.17
131.14	CASH-PENDLETON OFFICE-FARMERS	54,059.18
131.15	PAYROLL ACCOUNT	3,233.39
131.16	CASH-SCOTT CO-FIRST NAT'L BANK	2,493.06
131.17	LOCK BOX ACCT. BANK OF KENTUCKY	1,263,589.37
131.3	CASH-CONSUMER REFUND- BANK OF KY	(904.61)
131.6	CASH-CAPITAL CREDITS- BANK OF KY	4,206.88
134	OTHER SPECIAL DEPOSITS	1,450.00
135	WORKING FUNDS	7,200.00
136.1	TEMPORARY CASH INVESTMENT-REPO	930,000.00
142	CONSUMER ACCOUNTS RECEIVABLE	10,865,044.44
142.1	GALLATIN STEEL ACCOUNTS RECEIV	3,783,247.00

OWEN ELECTRIC COOP., INC.
SUMMARIZED ACCOUNT TRIAL BALANCE
FROM 07/11 TO 06/12

ACCOUNT	DESCRIPTION	AMOUNT
143	OTHER ACCTS.REC.-EMPLOYEE/DIREC.	2,076.96
143.1	OTHER ACCTS.REC-EMPLOYEE MED.INS	(4,242.50)
143.51	MISC. BILLING - SHELBY RECC	1,938.64
143.52	OTHER ACCTS. REC. - MISC.1-1-07	889,285.37
143.7	A/R- EKPC LOAD MANAGEMENT	5,910.00
143.8	A/R - SURGE SALES ON CONS. BILL	132.50
144.1	ACCUM.PROV.FOR UNCOLL.CON.S.ACCTS	(263,624.39)
154.1	PLANT MATERIALS	799,475.66
154.2	TANK GASOLINE-WALTON WHSE	25,178.36
154.3	PLANT MATERIALS-METER BASES	4,672.29
154.4	TANK GASOLINE-HEADQUARTERS	6,233.54
165	PREPAYMENTS	42,749.45
165.1	PREPAYMENTS-INSURANCE	224,592.24
165.3	PREPAYMENTS-PREPAID EXPENSES	735,955.19
165.5	PREPAYMENTS-PREPAID SALES TAX	61,046.97
171.12	INTEREST & DIVID.RECEIVABLE-CFC	14,735.63
171.14	INT.& DIV.REC.-KAEC CONSUMER CR.	56.25
171.15	INT.& DIV.REC.-PCB DETOX.CERT.	3.88
172	RENTS REC.-JOINT USE POLE RENTAL	214,981.96
182.3	FUEL ADJUSTMENT CLAUSE-UNDER REC	1,025,732.83
186	MISCELLANEOUS DEFERRED DEBITS	881.39
186.5	TELEPHONE & OTHER EXP - CLEARING	1,036.65
186.6	MISC. AMI EXPENSES	40,012.35
186.7	Fixed Assets Additions/Adj	457,220.87
200.1	MEMBERSHIPS ISSUED - \$5,\$10,\$25	(1,121,035.00)
201.1	PATRONS CAPITAL CREDITS	(36,282,758.59)
201.11	PATRONS CAP. CRED.-ASSOC. ORGAN.	(34,911,311.27)
208	DONATED CAPITAL	(72,911.45)
215.1	ACCUM. OTHER COMPREHENSIVE LOSS	763,598.00
217	RETIRED CAPITAL CREDITS - GAIN	(2,763,187.33)
219.2	NON-OPERATING MARGINS	2,206,248.20
224.12	OTHER LONG-TERM DEBT - CFC	(18,818,258.60)
224.3	LONG-TERM DEBT-RUS CONST. NOTES	(87,794,342.36)
224.35	LONG-TERM DEBT-OTHER CONST.NOTES	(6,563,832.38)
224.4	RUS NOTES EXECUTED - CONST. - DR	12,833,000.00
224.45	OTHER NOTES EXECUTED-CONST.	4,250,000.00
224.6	ADVANCE PAYMENTS UNAPPLIED	8,303,279.62
228.3	ACCUM.PROVISION FOR BENEFITS	(14,311,163.00)
228.31	ACCUM.PROV.FOR BENEFITS-FUNDED	5,048,266.73

OWEN ELECTRIC COOP., INC.
SUMMARIZED ACCOUNT TRIAL BALANCE
FROM 07/11 TO 06/12

ACCOUNT	DESCRIPTION	AMOUNT
231	NOTES PAYABLE	(6,857,324.00)
232	ACCOUNTS PAYABLE	(719,959.36)
232.1	ACCOUNTS PAYABLE - CUSTOMER REF.	20.41
232.15	PO Receiving Liability Account	(91,987.55)
232.25	ACCOUNTS PAYABLE - ACRE W/H	(429.00)
232.26	ACCOUNTS PAYABLE - UNITED WAY	65.00
232.27	ACCOUNTS PAYABLE-UNITED CHARITY	(567.00)
232.28	ACCOUNTS PAYABLE - EMP.FUND	(4,095.16)
232.32	ACCOUNTS PAYABLE 457	28,429.46
232.5	ACCOUNTS PAYABLE - MISCELLANEOUS	(11,570,543.00)
235	CUSTOMER DEPOSITS	(2,283,710.50)
235.1	INTEREST PAYABLE ON CUST.DEPOSIT	(593,465.24)
236.1	ACCRUED PROPERTY TAXES	(840,000.00)
236.2	FEDERAL EMPLOYMENT	1,898.97
236.3	FICA	(3.63)
236.4	ACCRUED STATE SS TAX- UNEMPLOY.	(88.85)
236.5	ACCRUED STATE SALES TAX-CONSUMER	(54,312.45)
236.61	ACCRUED SCHOOL TAX-OWEN CO.	(15,226.50)
236.62	ACCRUED SCHOOL TAX-GRANT CO.	(22,151.78)
236.63	ACCRUED SCHOOL TAX-PENDLETON CO.	(12,463.95)
236.64	ACCRUED SCHOOL TAX- GALLATIN CO.	(13,298.67)
236.65	ACCRUED SCHOOL TAX-SCOTT CO.	(5,831.05)
236.66	ACCRUED SCHOOL TAX-BOONE CO.	(123,507.12)
236.67	ACCRUED SCHOOL TAX-KENTON CO.	(45,556.54)
236.68	ACCRUED SCHOOL TAX-CAMPBELL CO.	(14,213.26)
236.69	ACCRUED SCHOOL TAX-CARROLL CO.	(3,743.61)
236.8	ACCRUED STATE SALES TAX - USE	(11,845.38)
236.9	ACCRUED STATE SALES TAX - MISC.	(606.90)
237.1	INTEREST ACCR.-RUS CONST.OBLIG.	(527,032.95)
237.2	INTEREST ACCR.-CFC CONST. OBLIG.	(78,628.94)
237.25	INTEREST ACCR.-COBANK CONS.OB.	407.03
237.3	INT. ACCR.-CFC & OTHER SHORTTERM	(5,828.22)
241.2	TAX COL.PAYABLE-KENTON CO.OCCUP.	(615.66)
241.21	TAX COL.PAYABLE-KENTON & INDEP.	(673.66)
241.24	TAX COL PAYABLE COVINGTON CITY	(82.15)
241.3	TAX COL.PAYABLE-BOONE CO.OCCUP.	(2,652.45)
241.4	TAX COL.PAY-G'TOWN&SCOTT CO.OCCU	(162.75)
241.5	TAX COL.PAYABLE-CARROLL CO.OCCUP	(133.63)
241.61	TAX COL PAYABLE PENDLETON CO	(432.11)

OWEN ELECTRIC COOP., INC.
SUMMARIZED ACCOUNT TRIAL BALANCE
FROM 07/11 TO 06/12

ACCOUNT	DESCRIPTION	AMOUNT
241.7	TAX COL.PAYABLE-DRY RIDGE OCCUPA	(101.85)
241.8	TAX COLL.PAYABLE-ALEXANDRIA CITY	(195.97)
241.81	CAMPBELL CO. W/H	(693.14)
241.9	FLORENCE CITY PAYROLL TAX	(1,157.36)
242.1	CURR.& ACCURED LIAB.-EXEC. RET.	(217,392.99)
242.2	CURNT.& ACCR.LIAB.-ACCR.PAYROLL	(212,676.94)
242.3	CUR.& ACCRUED LIAB.-VACATION	4,806.55
242.4	CURR. & ACCRU LIAB. - SICKLEAVE	(2,089,804.09)
242.75	NRECA LIFE INSURANCE	(107.61)
242.82	DENTAL INSURANCE W/H	1,452.61
242.83	VISION INS. W/H	(243.33)
242.86	RELAY-LIFE	(35.00)
252	CUSTOMER ADVANCES FOR CONSTRUCT.	(703,294.55)
253.4	KY AMERICAN WATER PREPAID CREDIT	(21,255.90)
253.5	BELLEVIEW SD1 PREPAID CREDIT	(175.00)
362	SUBSTATION EQUIPMENT	379,223.83
364	POLES, TOWERS & FIXTURES	58,981,844.77
365	OVERHEAD CONDUCTORS & DEVICES	44,574,214.59
367	UNDERGROUND CONDUCTORS & DEVICES	28,706,950.87
368	LINE TRANSFORMERS	27,009,579.44
369	SERVICES	19,936,046.00
370	METERS	3,966,777.36
370.1	METERS - AMI	10,077,030.73
370.2	METERS - AMI COMMUN. DEVICES	2,335,299.39
370.3	METERS - AMI COMPUTER SOFTWARE	96,784.36
371	INSTALL. ON CONSUMER PREMISES	5,824,252.06
373	STREET LIGHTING & SIGNAL SYSTEMS	130,710.53
389	LAND & LAND RIGHTS	2,269,071.72
390	STRUC.& IMPROV.-OFFICE & WHSE.	10,168,248.06
391	OFFICE FURN. & EQUIPMENT	2,677,547.62
391.2	COMPUTER EQUIPMENT	955.00
392	TRANSPORTATION EQUIPMENT	5,531,244.42
393	STORES EQUIPMENT	205,906.80
394	TOOLS,SHOP,& GARAGE EQUIPMENT	321,799.27
395	LABORATORY EQUIPMENT	432,884.84
396	POWER OPERATED EQUIPMENT	199,181.05
397	COMMUNICATIONS EQUIPMENT	2,928,651.10
398	MISCELLANEOUS EQUIPMENT	145,757.52
399	OTHER TANGIBLE PROPERTY	58,742.26

OWEN ELECTRIC COOP., INC.
SUMMARIZED ACCOUNT TRIAL BALANCE
FROM 07/11 TO 06/12

ACCOUNT	DESCRIPTION	AMOUNT
403.6	DEPREC.EXPENSE DISTRIBUTION PLT.	9,601,799.28
403.7	DEPRECIATION EXP.-GENERAL PLANT	717,671.70
408.1	TAXES-PROPERTY	0.00
408.2	TAXES-U.S. SOCIAL SEC.-UNEMPLOY.	0.00
408.3	TAXES-U.S. SOCIAL SEC.-FICA	0.00
408.4	TAXES-STATE SOCIAL SEC.-UNEMPLOY	0.00
408.45	TAXES-STATE-IND-SOC.SEC.-UNEMP.	0.00
408.7	TAXES - OTHER	146,131.16
415	REVENUES FROM MERCHANDISING	(9,597.28)
416	COSTS & EXPENSES OF MERCHANDIS.	3,861.40
417	REVENUES-NON-UTILITY OPERATIONS	(23,346.53)
417.1	EXPENSES- NON-UTILITY OPERATIONS	11,893.69
419	INTEREST & DIVIDEND INCOME	(424,767.17)
420	MAINTENANCE INCOME & EXPENSE	6,747.41
421	MISC.NON-OPERATING INCOME	(197,168.00)
421.2	GAIN(LOSS) ON DISP. OF PROPERTY	31,292.20
423	G&T CAPITAL CREDITS	(7,931,126.00)
424	OTHER CAP.CREDITS & PAT.DIVID.	(28,797.95)
426.1	OTHER INCOME DEDUCT.-DONATIONS	50,142.96
426.11	MISC DONATION-CAP CR SCHOLARSHIP	27,000.00
426.3	PENALTIES	3,045.50
426.6	MISC.DEDUCT.-DIRECTORS LIFE INS.	2,893.15
427.1	INTEREST ON RUS CONSTRUCT. LOANS	3,459,424.12
427.2	INTER.ON OTHR LONG-TERM DEBT-CFC	984,990.16
427.25	INTER.ON OTHER LNGTRMDBT- COBANK	42,907.38
431	INTEREST ON SHORT-TERM DEBT	104,438.75
431.1	INTEREST ON CUSTOMER DEPOSITS	169,135.65
440.1	RESIDENTIAL SALES - RURAL	(75,612,916.07)
440.2	SECURITY LIGHTS ONLY	(366,512.84)
442.1	COMMERCIAL & INDUST.SALES-SMALL	(4,935,250.55)
442.2	COMMERCIAL & INDUST.SALES-LARGE	(30,742,984.21)
442.21	GALLATIN STEEL- INDUST. SALES	(46,022,034.00)
444	PUBLIC STREET & HIGHWAY LIGHTING	(72,480.41)
445	OTHER SALES TO PUBLIC AUTHORIT.	(2,266,659.67)
450	LATE PAYMENT PENALTIES	(1,011,608.64)
451	MISC.SER.REV.-DISC.& RECON. FEES	(528,949.70)
452	OTHER ELEC.REV.-BAD CHECK CHARGE	(32,550.00)
454	RENT FROM ELECTRIC PROPERTY	(240,396.57)
454.1	RENTAL FROM U/G TEMP OWNED BASE	(79,762.56)

OWEN ELECTRIC COOP., INC.
SUMMARIZED ACCOUNT TRIAL BALANCE
FROM 07/11 TO 06/12

ACCOUNT	DESCRIPTION	AMOUNT
454.2	RENTAL O/H TEMP METER BASE	(12,580.00)
454.3	RENTAL U/G METER BASE	(2,755.00)
456	OTHER ELECTRIC REVENUE	(43,744.07)
456.1	OTHER ELECTRIC REV.-EKP LOST REV	(63,751.33)
555	PURCHASED POWER	85,676,049.00
555.1	GALLATIN STEEL-PURCHASED POWER	45,678,434.00
580	OPER. SUPERVISION & ENGINEERING	441,806.12
581	LOAD DISPATCHING	3,564.67
582	STATION EXPENSE	10,498.84
583	OVERHEAD LINE EXPENSE	1,427,820.05
583.1	OVERHEAD LINE EXPENSE-LINE PATR.	104,396.00
583.2	TRANSFORMER OUTAGE	46,583.05
584	UNDERGROUND LINE EXPENSE	524,177.86
584.1	UNDERGROUND LINE EXP. -LINE PATR	18,997.70
586	METER EXPENSE	995,844.06
586.1	U/G TEMP METER BASE EXP OWNED	27,886.19
586.2	O/H TEMP METER BASE EXPENSE	16,013.66
586.3	U/G TEMP METER BASE EXPENSE	3,072.10
587	CONSUMER INSTALLATION EXPENSE	495,845.85
588	MISCELLANEOUS DISTRIBUTION EXP.	862,796.45
588.1	IT	105,031.65
589	RENTS	616.40
590	MAINT.SUPERVISION & ENGINEERING	94,469.36
593	MAINTENANCE OF OVERHEAD LINES	1,013,780.58
593.1	O/H LINES OUTAGE	308,248.06
593.2	MAINT. OF O/H LINES-RIGHT-OF-WAY	1,382,442.53
593.4	MAINT.OF O/H LINES-SERVICE OCR'S	2,444.69
593.5	MAINT.OF O/H LINES-POLE TREATMNT	67,428.35
593.6	MAINT.OF O/H LINES-KYAMERICANWTR	3,831.92
594	MAINT. OF UNDERGROUND LINES	215,774.40
594.1	U/G OUTAGE	54,597.00
595	MAINTENANCE OF LINE TRANSFORMER	(19,313.36)
597	MAINTENANCE OF METERS	10,177.41
901	SUPERVISION OF CONSUMER ACCOUNT.	198,594.39
902	METER READING EXPENSE	188,138.06
903	CONSUMER REC. AND COLLECTION EXP	3,141,023.49
904	UNCOLLECTABLE ACCOUNTS EXPENSE	136,566.04
907	SUPERVISION OF CUSTOMER ASSIST.	57,318.89
908	CUSTOMER ASSISTANCE EXPENSES	220,548.87

OWEN ELECTRIC COOP., INC.
SUMMARIZED ACCOUNT TRIAL BALANCE
FROM 07/11 TO 06/12

ACCOUNT	DESCRIPTION	AMOUNT
908.1	CUST. ASST.EXP.- ENERGY INNOV	8,217.39
909	INF. & INSTRUCT.ADVERTISING EXP.	15,082.41
910	MISC. CUSTOMER SERV.& INFORM EXP	163,267.02
912	DEMONSTRATING & SELLING-KEY ACCT	187,164.96
920	ADMINISTRATIVE & GEN. SALARIES	1,278,424.67
920.1	ADMIN. & GEN SALARIES - IT	650,109.00
920.2	ADM. & GEN. EXP.-CAPITAL CREDITS	31,385.67
921	OFFICE SUPPLIES AND EXPENSE	247,967.67
921.2	OFF.SUP.& EXP.-OVER & SHORT-OWEN	39.04
921.4	OFF.SUP.& EXP.-OVER&SHORT-GRANT	188.25
921.5	OFF.SUP.& EXP.-OVER&SHORT-BOONE	10.38
921.6	OFF.SUP.& EXP.-OVER&SHORT-PEND.	(170.00)
923	OUTSIDE SERVICES EMPLOYED	147,865.29
925	INJURIES AND DAMAGES	163,564.42
926	EMPLOYEES PENSIONS & BENEFITS	18,153.89
928	REGULATORY COMMISSION EXPENSES	76,192.73
929	DUPLICATE CHARGES-CREDIT ELECTRI	(132,985.25)
930	MISC.GEN.EXP.-DIRECTORS EXPENSES	241,930.25
930.1	MISC.GEN.EXP.-GENERAL ADVERTISG.	283,251.88
930.3	MISC.GEN.EXP.-DUES PD.ASSOC.ORG.	192,274.75
930.4	MISC.GEN.EXP.-ANNUAL MEETING EXP	37,736.43
931	RENTS - BRANCH OFFICES	29,828.47
932.1	MAINT. GEN. PLANT-STRUCTURES	330,587.91
	ACCOUNTS 000.00 TO 399.99	7,800,772.48
	ACCOUNTS 400.00 TO 999.99	(7,800,772.48)

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1 of 2

Owen Electric Cooperative
Case No. 2012 - 00448
Comparative Capital Structure (Excluding JDIC)
For the Periods as Shown
"000" Omitted

Line No.	Type of Capital	2002		2003		2004		2005		2006		2007	
		10th Year		9th Year		8th Year		7th Year		6th Year		5th Year	
		Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
1	Long Term Debt	56,930	54%	58,808	50%	60,601	48%	69,731	55%	73,243	55%	83,591	59%
2	Short Term Debt	2,354	2%	7,965	7%	11,517	9%	2,220	2%	5,683	4%	5,721	4%
3	Memberships	933	1%	976	1%	1,015	1%	1,055	1%	1,092	1%	1,119	1%
4	Patronage Capital	44,665	43%	50,230	43%	52,235	42%	54,808	43%	54,335	40%	52,279	37%
5	Other (Itemize by type)												
6	Total Capitalization	104,882	100%	117,979	100%	125,368	100%	127,814	100%	134,353	100%	142,710	100%

Line No.	Type of Capital	2008		2009		2010		2011		2012		Latest Quarter		Average	
		4th Year		3rd Year		2nd Year		1st Year		Test year		June 30, 2012		Test Year	
		Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
1	Long Term Debt	88,013	58%	94,201	62%	91,022	58%	90,369	54%	87,790	53%	88,424	53%	89,330	55%
2	Short Term Debt	7,881	5%	0	0%	1,778	1%	5,813	3%	6,857	4%	5,691	3%	5,677	3%
3	Memberships	1,136	1%	1,114	1%	1,107	1%	1,116	1%	1,121	1%	1,121	1%	1,117	1%
4	Patronage Capital	53,545	36%	57,140	37%	64,003	41%	71,097	42%	70,194	42%	70,559	43%	67,606	41%
5	Other (Itemize by type)														
6	Total Capitalization	150,575	100%	152,455	100%	157,910	100%	168,395	100%	165,962	100%	165,796	100%	163,731	100%

Owen Electric Cooperative
Case No. 2012 - 00448
Calculation of Average Test Period Capital Structure
12 months ended June 30, 2012

Line No.	Item (a)	Total Capital (b)	Long-Term Debt (c)	Short-Term Debt (d)	Memberships (e)	Common Stock (f)	Patronage Capital (g)	Total Common Equity (h)
1	Balance Beginning of Test year	158,106	88,750	3,584	1,114		64,658	
2	1st month	160,277	88,695	6,558	1,115		63,909	
3	2nd month	160,593	88,441	6,611	1,116		64,425	
4	3rd month	160,380	88,110	7,498	1,116		63,656	
5	4th month	158,355	91,054	3,484	1,116		62,701	
6	5th month	158,029	90,732	3,541	1,116		62,640	
7	6st month	168,395	90,369	5,813	1,116		71,097	
8	7th month	169,467	90,312	6,674	1,116		71,365	
9	8th month	168,165	89,973	5,781	1,118		71,293	
10	9th month	169,351	89,581	7,189	1,119		71,462	
11	10th month	166,203	89,519	4,795	1,120		70,769	
12	11th month	165,222	87,964	5,422	1,121		70,715	
13	12th month	165,962	87,790	6,857	1,121		70,194	
14	Total (Line 1 through Line 13)	2,128,505	1,161,290	73,807	14,524	0	878,884	0
15	Average balance (Line 14/13)	163,731	89,330	5,677	1,117	0	67,606	0
16	Average capitalization ratios	100%	55%	3%	1%	0%	41%	0%
17	End of period capitalization ratios	100%	53%	4%	1%	0%	42%	0%

Owen Electric Cooperative
Case No. 2012-00448
Test year June 30, 2012

Payroll Adjustment

To reflect the increase granted by the Board of Directors, the step increases granted and promotions during the year. To give recognition to employees terminated and employees hired during the test year. Overtime pay is calculated at 1-1/2 times regular pay rate for hours worked in excess of 8 hours per day.

Employees are granted wage rate increases on August 1 of each year for union employees and March 1 for non-union employees. Generally all employees are granted wage increases baed on the union contract. Outside, non-management employees participate in the union.

Wage and salary increases are as follows:

	<u>Increase</u>	
	<u>Union</u>	<u>Non-Union</u>
2012	3.00%	3.00%
2011	3.00%	3.00%
2010	3.00%	3.00%
2009	3.00%	3.00%
2008	3.00%	3.00%

The amount of increase was calculated based on the actual test year wages.

Projected wages	\$9,517,145
Actual wages for test year	<u>9,145,795</u>
Increase in normalized wages	<u><u>\$371,350</u></u>

The allocation is on the following page:

Owen Electric Cooperative
Case No. 2012-00448

Allocation of increase in payroll:

<u>Acct No.</u>		<u>Labor Distribution</u>	<u>Percent</u>	<u>Allocation</u>
107.20	Construction work in progress	2,679,130	29.3%	108,782
108.80	Retirement work in progress	267,011	2.9%	10,842
143.00	A/R - Other	108,241	1.2%	4,395
163.00	Stores	353,532	3.9%	14,355
184.10	Transportation	308,815	3.4%	12,539
242.32	Employee sick leave/vacation	37,225	0.4%	1,511
426.10	Non operating accounts	955	0.0%	39
580.00	Supervision, operations	233,725		
583.00	Overhead line	391,031		
584.00	Underground	99,440		
586.00	Meter	445,440		
587.00	Installations	215,412		
588.00	Miscellaneous distribution	273,971	18.1%	67,362
590.00	Supervision, maintenance	44,635		
593.00	Maintenance	782,053		
594.00	Underground	74,076		
595.00	Transformers	1,820		
597.00	Meters	4,920	9.9%	36,848
901.00	Supervision	107,469		
902.00	Meter reading	80,293		
903.00	Consumer records	1,151,040	14.6%	54,360
907.00	Supervision, Customer assistan	31,119		
908.00	Customer assistance	115,858		
912.00	Key accounts	65,928	2.3%	8,645
920.00	Administrative	1,191,213		
930.00	Miscellaneous	7,590		
935.00	Maintenance general plant	<u>73,854</u>	<u>13.9%</u>	<u>51,674</u>
	Total	<u>9,145,796</u>	<u>100.0%</u>	<u>371,352</u>

Emp #	Hours Worked							Actual Test Year Wages							Wage Rate	Normalized Wages								
	Reg Hrs	OT Hrs	Excess Vacation	Standby	Double	Premium	Regular	Overtime	Excess Vacation	Standby	Double	Premium	Total	@ 2,080 Hours										
														8/1/12		Regular	Overtime	Excess Vacation	Standby	Double	Premium	Total		
1 5130	2,080.0	371.0	8.0				48,412	12,960	187				61,559	24.03	49,982	13,373	192							63,547
1 8130	2,080.0	691.5	28.0				64,351	32,092	867				97,310	31.94	66,435	33,130	894							100,459
1 2016	2,080.0	18.0	8.0				54,933	713	211				55,857	26.41	54,933	713	211							55,857
1 5102	2,048.5	151.0		31.5		12.0	62,105	6,863		1,431		382	70,781	31.30	64,118	7,089		1,479				394		73,081
1 2331	2,080.0						41,158						41,158	20.18	41,974									41,974
1 5108	2,080.0	39.5	8.0				59,935	1,744	228				61,907	29.44	61,235	1,744	236							63,215
1 5087	2,080.0		93.5				89,120		3,950				93,070	43.94	91,395		4,108							95,504
1 5113	2,060.0	139.5					57,584	5,847					63,431	28.86	59,452	6,039								65,491
1 4052	1,893.0	367.0		21.0	24.5	135.0	49,573	14,355		824	1,347	3,556	69,655	28.97	54,840	15,948		913	1,420		4,106			77,227
1 2323	2,080.0	81.5	40.0				38,305	2,251	739				41,295	18.78	39,062	2,296	751							42,109
1 2309	2,080.0	14.5	8.0				38,189	402	146				38,737	18.60	38,688	405	149							39,241
1 6132	2,080.0	8.0					58,561	345					58,906	28.71	59,717	345								60,061
1 5074	2,032.5	197.0		18.5	11.5	35.5	64,448	9,389		882	731	1,126	76,576	32.73	66,524	9,672		908	753		1,220			79,076
1 5259	2,080.0	67.0					42,794	2,053					44,847	22.05	45,864	2,216								48,080
1 5118	2,068.0	39.0					55,045	1,561					56,606	27.48	56,829	1,608								58,436
1 5099	1,984.0	202.0		31.5	16.0	135.5	60,167	9,170		1,431	972	4,145	75,885	31.30	62,099	9,484		1,479	1,002		4,453			78,517
1 4050	2,080.0		8.0				64,371		246				64,617	31.46	65,437		252							65,688
1 5126	2,111.0	142.5					77,613	7,673					85,286	33.00	69,663	7,054								76,717
1 5073	2,069.0	79.5					56,721	3,337					60,058	28.00	57,932	3,339								61,271
1 5128	2,080.0	385.5	8.0				48,411	13,470	187				62,068	24.03	49,982	13,895	192							64,070
1 5081	2,027.0	169.5		31.5	7.5	48.5	61,451	7,724		1,431	456	1,486	72,548	31.30	63,445	7,958		1,479	470		1,594			74,946
1 2006	2,080.0	12.0	9.0				38,685	333	168				39,186	19.40	40,352	349	175							40,876
1 8148	2,032.0	662.5				5.0	62,861	30,719			310		93,890	31.94	64,902	31,740		319						96,962
1 2024	2,080.0	21.5	8.0				36,658	573	140				37,371	17.97	37,378	580	144							38,101
1 8140	2,080.0	70.0	36.0				52,574	2,769	908				56,251	26.50	55,120	2,783	954							58,857
1 5125	2,068.5	52.0					56,707	2,184					58,891	28.00	57,918	2,184								60,102
1 5082	2,080.0	185.0	7.0				64,206	8,612	220				73,038	31.45	65,416	8,727	220							74,364
1 2017	2,080.0	10.5	40.0				42,701	20,26	800				42,701	20.26	42,141	319	810							43,270
1 5103	2,076.0	192.5		31.5			41,582	319	800				73,108	31.30	64,979	9,038		1,479						75,496
1 2340	2,080.0	300.0	4.0				62,939	8,738		1,431			53,813	22.23	46,238	10,004	89							56,331
1 5282	2,080.0	247.0	8.0				44,175	9,554	84				57,234	24.03	49,982	8,903	192							59,078
1 8149	1,941.0	216.0		21.0		119.0	48,412	8,635	187				73,280	31.30	60,753	10,141		986			3,911			75,791
1 5076	2,080.0	717.0	20.0			13.0	58,841	9,843		953		3,643	99,081	31.94	66,435	34,351	639		830					102,256
1 2329	1,990.5	22.5					64,354	33,304	617		806		40,418	19.40	40,352	349								66,435
1 5129	2,060.0	95.0					57,583	3,993					61,576	28.86	59,452	4,113								63,564
1 2048	2,143.0						79,646						79,646	37.71	80,813									80,813
1 8169	2,010.0	367.5					61,177	16,485					77,662	30.50	61,305	16,813								78,118
1 2034	2,024.0	24.5					32,424	597					33,021	16.23	33,758	596								34,355
1 5061	2,080.0		56.0				54,225		1,460				55,685	26.07	54,226		1,460							55,686
1 5133	1,908.5	333.0		21.0	9.5	123.5	56,109	14,507		918	577	3,672	75,783	31.30	59,736	15,634		986	595		4,059			81,010
1 6157	2,080.0		81.0				52,225						75,333	35.78	74,422		2,898							77,321
1 5284	2,080.0	27.3	8.0				44,659	879	170				45,708	21.87	45,490	894	175							46,558
1 5134	2,016.0	303.0		17.5	12.0	92.0	54,659	12,439		727	675	2,492	70,992	28.97	58,404	13,167		760	695		2,799			75,825
1 2051	2,080.0	15.0	8.0				38,867	422	150				39,439	18.78	39,062	423	150							39,635
1 8145	2,076.0	46.5					56,917	1,950					58,867	28.00	58,128	1,953								60,081
1 5089	2,080.0		8.0				68,150		260				68,410	33.41	69,493		267							69,760
1 8134	2,080.0	1,103.5	28.0			22.0	64,350	51,189	868			1,364	117,771	31.94	66,435	52,869	894			1,405				121,604
1 8135	2,080.0	636.0	930.0			4.0	64,350	29,505	28,839			248	122,942	31.94	66,435	30,471	29,704			256				126,866
1 5109	2,080.0		8.0				65,945		251				66,196	32.33	67,246		259							67,505
1 8144	2,060.0	311.0		21.0			65,310	14,713		996			81,019	32.73	67,424	15,269		1,031						83,723
1 2025	2,080.0	18.5					33,649	464					34,113	16.71	34,757	464								35,221
1 2023	2,080.0	9.5	8.0				38,391	269	146				38,806	18.89	39,291	269	151							39,712
1 2319	2,080.0	18.0	8.0				48,354	633	191				49,178	23.92	49,754	646	191							50,591
1 3044	2,080.0	12.0	8.0				33,644	298	134				34,076	16.71	34,757	301	134							35,191
1 8153	2,044.5	418.0		14.0	9.5		64,818	19,846		667	600		85,931	32.73	66,916	20,522		687	622					88,747
1 2059	2,044.5	97.5					38,395	2,747					41,142	19.34	40,227	2,828								43,056
1 5111	1,810.0	130.5		14.0		114.0	54,888	5,954		638		3,552	65,032	31.30	56,653	6,127		657			3,747			67,184
1 2321	2,080.0	21.5	40.0				45,423	695	874				46,992	22.54	46,883	727	902							48,512
1 6094	2,072.0	31.5					56,805	1,323					58,128	28.00	58,016	1,323								59,339
1 5120	2,080.0	116.0	8.0				48,413	4,054	187				52,654	24.03	49,982	4,181	192							54,356
1 6156	2,027.0	246.5					45,369	8,282					53,651	23.16	46,945	8,563								55,509
1 5132	2,080.0	223.5	6.0				48,412	7,806	140				56,358	24.03	49,982	8,056	144							58,183
1 4043	2,024.0	205.0		24.5	12.5	44.0	52,975	8,052		964	674	1,167	63,832	28.97	58,635	8,908		1,065	724		1,338			70,671
1 8170	1,853.5	371.5		24.5	9.0	178.5	56,177	16,927		1,119	551	5,664	80,438	31.30	58,015	17,442		1,150	563		5,866			83,037

Emp #	Hours Worked						Actual Test Year Wages							Wage Rate	Normalized Wages @ 2,080 Hours							
	Reg Hrs	OT Hrs	Excess Vacation	Standby	Double	Premium	Regular	Overtime	Excess Vacation	Standby	Double	Premium	Total		8/1/12	Regular	Overtime	Excess Vacation	Standby	Double	Premium	Total
	1 5063	2,080.0		52.0				70,276		1,755					72,031	34.45	71,656		1,791			
1 2031	2,076.0						59,903						59,903	30.01	62,421							62,421
1 2028	2,080.0	7.0					33,427	172					33,599	16.39	34,091	172						34,263
1 2303	2,080.0		8.0				55,024		211				55,235	26.98	56,118		216					56,334
1 8141	2,060.0	85.0					54,831	3,401					58,232	27.48	56,609	3,504						60,113
1 5114	2,080.0	402.5	16.0				61,609	17,573	460				79,642	29.89	62,171	18,046	478					80,696
1 5078	2,020.0	295.5		28.0	3.5		64,040	14,078		1,330	222		79,670	32.73	66,115	14,508		1,375	229			82,226
1 5071	2,072.0	608.0			3.0		64,101	28,224			181		92,506	31.94	66,180	29,129			192			95,501
1 5069	2,080.0		79.0				108,657		4,121				112,778	53.27	110,802		4,208					115,010
1 5098	1,870.5	189.5		31.5	15.5	225.0	56,700	8,607		1,431	940	7,032	74,710	31.30	58,547	8,897		1,479	970	7,395		77,288
## Subtotal	252,254.5	21,416.8	2,285.0	688.5	329.5	2,778.5	6,831,035	936,979	71,387	31,153	19,800	85,066	7,975,420		7,093,432	970,288	73,092	32,434	20,527	90,838	8,280,611	
Part Time & Summer Employees																						
1 5140	1,072.0						17,688						17,688	16.50	17,688							17,688
1 5141	284.0						3,408						3,408	12.00	3,408							3,408
1 2033	1,759.5						45,078						45,078	25.62	45,078							45,078
1 6091	941.5						28,861						28,861	20.76	19,546							19,546
4 Subtotal	4,057.0	0.0	0.0	0.0	0.0	0.0	95,035.0	0.0	0.0	0.0	0.0	0.0	95,035.0		85,719.9	0.0	0.0	0.0	0.0	0.0	0.0	85,719.9
Retired Employees																						
1 2050	349.0						7,040						7,040	20.81	43,285							43,285
1 2322	479.5	1.5					8,761	41					8,802	12.00	24,960	27						24,987
2 Subtotal	828.5	1.5	0.0	0.0	0.0	0.0	15,801	41	0	0	0	0	15,842		68,245	27	0	0	0	0	0	68,272
## Total	275,860.0	21,418.3	2,647.0	688.5	329.5	2,778.5	7,978,273	937,020	94,483	31,153	19,800	85,066	9,145,795		8,306,033	970,315	96,997	32,434	20,527	90,838	9,517,145	

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Owen Electric Cooperative
Case No. 2012-00448
Employee Information
Test year June 30, 2012

The following is a list of employees added during the test year, and the employees that were replaced, or reason for hiring the employees.

<u>Employee Hired</u>	<u>Reason</u>
2029	Replaced employee #2322 who retired
2034	Replaced #2050 who retired
2038	New position

The following is a list of employees terminated, and the date.

<u>Employee Number</u>	<u>Month Terminated</u>
2322	Sep-13
2050	Aug-13

Owen Electric Cooperative
Case No. 2012-00448
Compensation of Executive Officers
Test year June 30, 2012

	<----- Salary	Test Year Percent of Increase	-----> Date	Employees Who Report
President & CEO	260,000	4%	3/1/2012	all
Sr VP Construction & Maintenance	110,802	3%	3/1/2012	71
Sr VP Accounting & Finance	138,694	3%	3/1/2012	34
Sr VP Customer Service & Marketing	130,187	3%	3/1/2012	28

	<u>First Preceding Year</u>		
	<u>Salary</u>	Percent of <u>Increase</u>	<u>Date</u>
President & CEO	250,000	0.00%	11/1/2010
Sr VP Construction & Maintenance	107,578	2.23%	11/1/2010
Sr VP Accounting & Finance	134,909	2.03%	11/1/2010
Sr VP Customer Service & Marketing	126,402	2.17%	11/1/2010

	<u>Second Preceding Year</u>		
	<u>Salary</u>	Percent of <u>Increase</u>	<u>Date</u>
President & CEO	250,000	4.2%	11/1/2009
Sr VP Construction & Maintenance	105,227	6.1%	11/1/2009
Sr VP Accounting & Finance	132,226	5.7%	11/1/2009
Sr VP Customer Service & Marketing	123,718	6.7%	11/1/2009

	Emp #	Wage Rate 8/1/10	Wage Rate 8/1/11	Percent change	Wage Rate 8/1/12	Percent change	Reason for increase
Salary Employees							
1	2012	59.48	60.77	2.2%	62.59	3.0%	
1	5051	48.88	50.35	3.0%	51.86	3.0%	
1	6095	41.18	43.04	4.5%	44.63	3.7%	
1	2320	21.60	22.90	6.0%	25.55	11.6%	Promotion
1	5127	57.61	59.18	2.7%	60.80	2.7%	
1	2020	32.48	33.45	3.0%	34.45	3.0%	
1	2000	115.39	120.20	4.2%	125.00	4.0%	
1	2324	34.71	36.07	3.9%	37.40	3.7%	
1	5067	63.57	64.86	2.0%	66.68	2.8%	
9	Subtotal						
Hourly Employees:							
1	5088	30.85	31.78	3.0%	32.73	3.0%	
1	5279	22.65	23.33	3.0%	24.03	3.0%	
1	2304	20.15	20.75	3.0%	21.37	3.0%	
1	5106	30.85	31.01	0.5%	31.94	3.0%	
1	5124	29.50	30.39	3.0%	31.30	3.0%	
1	5123	29.50	30.39	3.0%	31.30	3.0%	
1	8134	30.11	31.01	3.0%	31.94	3.0%	
1	2008	16.32	17.14	5.0%	17.65	3.0%	
1	2053	n/a	23.26	0.0%	23.98	3.1%	
1	5131	22.65	23.33	3.0%	24.03	3.0%	
1	2001	15.75	15.91	1.0%	16.55	4.0%	
1	5112	29.50	31.78	7.7%	32.73	3.0%	
1	2326	22.13	22.85	3.3%	23.54	3.0%	
1	5064	18.91	19.43	2.7%	19.99	2.9%	
1	2345	17.08	17.68	3.5%	18.21	3.0%	
1	5084	32.09	33.05	3.0%	34.45	4.2%	
1	2052	24.72	25.46	3.0%	26.22	3.0%	
1	3382	18.65	19.30	3.5%	19.88	3.0%	
1	8155	30.85	31.78	3.0%	32.73	3.0%	
1	5094	30.85	31.78	3.0%	32.73	3.0%	
1	2307	22.99	23.68	3.0%	24.39	3.0%	
1	4053	22.98	25.91	12.8%	28.97	11.8%	Step increase
1	3046	29.50	30.39	3.0%	31.30	3.0%	
1	5040	20.16	21.26	5.5%	22.00	3.5%	
1	6127	30.85	31.78	3.0%	32.73	3.0%	
1	5210	29.36	30.30	3.2%	31.18	2.9%	
1	5122	29.50	30.39	3.0%	31.30	3.0%	
1	5070	34.85	35.90	3.0%	36.98	3.0%	
1	5093	30.06	30.66	2.0%	34.00	10.9%	Promotion
1	5097	29.50	30.39	3.0%	31.30	3.0%	
1	4045	23.13	23.82	3.0%	24.53	3.0%	
1	3042	25.02	25.52	2.0%	26.26	2.9%	
1	5104	29.50	30.39	3.0%	31.30	3.0%	
1	5095	27.20	28.02	3.0%	28.86	3.0%	
1	5080	29.88	30.48	2.0%	31.45	3.2%	
1	6154	25.91	26.68	3.0%	27.48	3.0%	

	Emp #	Wage Rate 8/1/10	Wage Rate 8/1/11	Percent change	Wage Rate 8/1/12	Percent change	Reason for increase
1	6150	26.03	26.68	2.5%	27.08	1.5%	
1	2029	n/a	16.35	0.0%	16.51	1.0%	
1	8156	36.05	37.31	3.5%	39.20	5.1%	Promotion
1	2042	18.51	19.07	3.0%	19.64	3.0%	
1	5642	16.64	17.14	3.0%	18.72	9.2%	Promotion
1	8142	46.24	47.48	2.7%	48.75	2.7%	
1	8129	30.11	31.01	3.0%	31.94	3.0%	
1	5077	30.11	31.01	3.0%	31.94	3.0%	
1	5058	n/a	20.70	0.0%	20.70	0.0%	
1	2313	22.11	22.83	3.3%	23.51	3.0%	
1	5105	29.75	30.54	2.7%	35.00	14.6%	Promotion
1	6155	20.94	21.36	2.0%	22.00	3.0%	
1	2038	n/a	33.89	0.0%	34.78	2.6%	
1	5096	29.50	30.39	3.0%	31.30	3.0%	
1	5130	22.65	23.33	3.0%	24.03	3.0%	
1	8130	30.11	31.01	3.0%	31.94	3.0%	
1	2016	n/a	25.39	0.0%	26.41	4.0%	
1	5102	29.50	30.39	3.0%	31.30	3.0%	
1	2331	19.21	19.59	2.0%	20.18	3.0%	
1	5108	27.59	28.50	3.3%	29.44	3.3%	
1	5087	40.63	42.25	4.0%	43.94	4.0%	
1	5113	27.20	28.02	3.0%	28.86	3.0%	
1	4052	25.91	28.13	8.6%	28.97	3.0%	
1	2323	17.71	18.24	3.0%	18.78	3.0%	
1	2309	17.88	18.24	2.0%	18.60	2.0%	
1	6132	27.33	27.88	2.0%	28.71	3.0%	
1	5074	30.85	31.78	3.0%	32.73	3.0%	
1	5259	20.37	21.41	5.1%	22.05	3.0%	
1	5118	25.91	26.68	3.0%	27.48	3.0%	
1	5099	29.50	30.39	3.0%	31.30	3.0%	
1	4050	29.94	30.69	2.5%	31.46	2.5%	
1	5126	36.24	37.15	2.5%	33.00	-11.2%	Job reclassification
1	5073	25.05	27.13	8.3%	28.00	3.2%	
1	5128	22.65	23.33	3.0%	24.03	3.0%	
1	5081	29.50	30.39	3.0%	31.30	3.0%	
1	2006	17.73	18.54	4.6%	19.40	4.6%	Promotion
1	8148	30.11	31.01	3.0%	31.94	3.0%	
1	2024	16.95	17.45	2.9%	17.97	3.0%	
1	8140	20.94	21.57	3.0%	26.50	22.9%	Additional duties
1	5125	24.85	27.13	9.2%	28.00	3.2%	
1	5082	29.98	30.58	2.0%	31.45	2.8%	
1	2017	n/a	20.26	0.0%	20.26	0.0%	
1	5103	29.50	30.39	3.0%	31.30	3.0%	
1	2340	18.16	19.08	5.1%	22.23	16.5%	Additional duties
1	5282	20.79	23.33	12.2%	24.03	3.0%	
1	8149	29.95	30.39	1.5%	31.30	3.0%	
1	5076	30.11	31.01	3.0%	31.94	3.0%	
1	2329	n/a	30.52	0.0%	31.43	3.0%	
1	5129	24.72	28.02	13.3%	28.86	3.0%	
1	2048	35.48	36.90	4.0%	37.71	2.2%	

	Emp #	Wage Rate 8/1/10	Wage Rate 8/1/11	Percent change	Wage Rate 8/1/12	Percent change	Reason for increase
1	8169	28.75	29.61	3.0%	30.50	3.0%	
1	2034	n/a	15.91	0.0%	16.23	2.0%	
1	5061	24.58	25.32	3.0%	26.07	3.0%	
1	5133	28.13	30.39	8.0%	31.30	3.0%	
1	6157	33.40	34.40	3.0%	35.78	4.0%	
1	5284	20.70	21.27	2.8%	21.87	2.8%	
1	5134	25.91	28.13	8.6%	28.97	3.0%	
1	2051	n/a	n/a	0.0%	18.78	0.0%	
1	8145	26.34	27.13	3.0%	28.00	3.2%	
1	5089	31.49	32.44	3.0%	33.41	3.0%	
1	8134	30.11	31.01	3.0%	31.94	3.0%	
1	8135	30.11	31.01	3.0%	31.94	3.0%	
1	5109	30.48	31.39	3.0%	32.33	3.0%	
1	8144	30.85	31.78	3.0%	32.73	3.0%	
1	2025	n/a	15.91	0.0%	16.71	5.0%	
1	2023	17.37	18.24	5.0%	18.89	3.6%	
1	2319	22.46	23.13	3.0%	23.92	3.4%	
1	3044	15.75	15.91	1.0%	16.71	5.0%	
1	8153	30.85	31.78	3.0%	32.73	3.0%	
1	2059	18.23	18.78	3.0%	19.34	3.0%	
1	5111	29.50	30.39	3.0%	31.30	3.0%	
1	2321	21.20	21.84	3.0%	22.54	3.2%	
1	6094	26.34	27.13	3.0%	28.00	3.2%	
1	5120	22.65	23.33	3.0%	24.03	3.0%	
1	6156	21.36	22.00	3.0%	23.16	5.3%	
1	5132	22.65	23.33	3.0%	24.03	3.0%	
1	4043	22.98	25.91	12.8%	28.97	11.8%	Step increase
1	8170	29.50	30.39	3.0%	31.30	3.0%	
1	5063	32.79	33.45	2.0%	34.45	3.0%	
1	2031	27.76	28.59	3.0%	30.01	5.0%	
1	2028	n/a	15.91	0.0%	16.39	3.0%	
1	2303	25.43	26.19	3.0%	26.98	3.0%	
1	8141	25.91	26.68	3.0%	27.48	3.0%	
1	5114	27.90	28.74	3.0%	29.89	4.0%	
1	5078	30.85	31.78	3.0%	32.73	3.0%	
1	5071	30.11	31.01	3.0%	31.94	3.0%	
1	5069	50.59	51.72	2.2%	53.27	3.0%	
1	5098	29.50	30.39	3.0%	31.30	3.0%	

124 **Subtotal**

Part Time & Summer Employees

1	5140	n/a	16.50	0.0%	16.50	0.0%	
1	5141	10.00	11.00	10.0%	12.00	9.1%	
1	2033	24.15	24.87	3.0%	25.62	3.0%	
1	6091	19.10	20.06	5.0%	20.76	3.5%	

4 **Subtotal**

Owen Electric Cooperative
Case No. 2012-00448

Exhibit 1
page 11 of 11
Witness: Alan Zumstein

Analysis of Salaries and Wages
For the calendar years 2009 through 2011
and the Test year

Line No	Item (a)	Twelve Months Ended						Test year 2012	
		2009		2010		2011		Amount (l)	% (m)
		Amount (f)	% (g)	Amount (h)	% (i)	Amount (j)	% (k)		
1	Wages charged to expense:								
2	Distribution expense	2,939	17%	2,664	-9%	2,533	-5%	2,566	1%
3	Customer accounts expense	1,253	3%	1,348	8%	1,324	-2%	1,338	1%
4	Customer service and and infort	202	6%	210	4%	207	-1%	213	3%
5	Sales expense								
6	Administrative and general expenses:								
	(a) Administrative and general	751	-11%	958	28%	1,049	9%	1,191	14%
	(b) Office supplies and expense								
	(h) Miscellaneous general	71	-70%	75	6%	100	33%	8	-92%
	(i) Maintenance of general plant	71	0%	74	4%	72	-3%	74	3%
7	Total administrative and general expenses L6(a) to L6(i)	893	-23%	1,107	-3%	1,221	10%	1,273	-3%
8	Charged to clearing and others	937	-10%	742	-21%	897	21%	808	-10%
9	Total salaries and wages charged to expense and other L2 to L6 + L7 + L8	6,224	2%	6,071	-2%	6,182	2%	6,198	0%
10	Wages capitalized	2,719	7%	2,850	5%	2,748	-4%	2,946	7%
11	Total salaries and wages	8,943	3%	8,921	0%	8,930	0%	9,144	2%
12	Ratio of salaries and wages charged to expense to total wages L9 / L	70%		68%		69%		68%	
13	Ratio of salaries and wages capitalized to total wages L10 / L11	30%		32%		31%		32%	
14	Overtime wages	976	1%	723	-26%	932	29%	937	1%
15	Overtime hours	24,819	-2%	17,405	-30%	21,669	24%	21,418	-1%

Witness: Alan Zumstein

Owen Electric Cooperative
Case No. 2012-00448
Payroll Taxes

The employer's portion of FICA and medicare rates remain the same for 2013 as they were for 2012. The FICA rate is 6.2% and medicare is 1.45%. The wage limit increases from \$106,800 in 2012 to \$110,100 in 2013 for FICA; all wages are subject to medicare.

Federal unemployment rates are 0.80% for the first \$7,000 of wages and state unemployment rate is 1.05% for the first \$8,000 of wages.

Proposed FICA amounts		
FICA	569,059	
Medicare	<u>137,009</u>	
	706,068	
Proposed FUTA	7,643	
Proposed SUTA	<u>12,888</u>	<u>726,599</u>
Test year amount		
FICA and Medicare	696,958	
Test year FUTA	7,731	
Test year SUTA	<u>12,590</u>	<u>717,279</u>
Increase		<u><u>9,320</u></u>

Adjustment:		<u>Percent</u>	<u>Amount</u>
107	Capitalized	32.21%	3,002
163 - 416	Clearing and others	8.84%	824
580	Operations	18.14%	1,691
590	Maintenance	9.92%	925
901	Consumer accounts	14.64%	1,364
908	Customer service	2.33%	217
910	Sales	0.00%	0
920	Administrative and general	<u>13.92%</u>	<u>1,297</u>
		<u>100.00%</u>	<u>\$9,320</u>

State unemployment (SUTA) wage rates are as follows:

2011	1.05%
2010	1.40%
2009	2.00%
2008	1.50%
2007	1.50%

Emp #	Wages Total	Social Security		Medicare Wages		Federal Unemployment		State Unemployment	
		Up to	@	All	@	Up to	@	Up to	@
		\$110,100	6.20%	Wages	1.45%	\$7,000	0.80%	\$9,000	1.05%

Salary Employees

1	2012	134,913	110,100	6,826	134,913	1,956	7,000	56	9,000	95
1	5051	109,113	109,113	6,765	109,113	1,582	7,000	56	9,000	95
1	6095	96,334	96,334	5,973	96,334	1,397	7,000	56	9,000	95
1	2320	53,348	53,348	3,308	53,348	774	7,000	56	9,000	95
1	5127	129,382	110,100	6,826	129,382	1,876	7,000	56	9,000	95
1	2020	71,932	71,932	4,460	71,932	1,043	7,000	56	9,000	95
1	2000	267,000	110,100	6,826	267,000	3,872	7,000	56	9,000	95
1	2324	78,091	78,091	4,842	78,091	1,132	7,000	56	9,000	95
1	5067	142,428	110,100	6,826	142,428	2,065	7,000	56	9,000	95
9	Subtotal	1,082,542	849,218	52,652	1,082,542	15,697	63,000	504	81,000	851

Hourly Employees:

1	5088	81,481	81,481	5,052	81,481	1,181	7,000	56	9,000	95
1	5279	52,632	52,632	3,263	52,632	763	7,000	56	9,000	95
1	2304	45,278	45,278	2,807	45,278	657	7,000	56	9,000	95
1	5106	96,435	96,435	5,979	96,435	1,398	7,000	56	9,000	95
1	5124	79,503	79,503	4,929	79,503	1,153	7,000	56	9,000	95
1	5123	80,623	80,623	4,999	80,623	1,169	7,000	56	9,000	95
1	8134	114,098	110,100	6,826	114,098	1,654	7,000	56	9,000	95
1	2008	37,992	37,992	2,355	37,992	551	7,000	56	9,000	95
1	2053	50,442	50,442	3,127	50,442	731	7,000	56	9,000	95
1	5131	55,870	55,870	3,464	55,870	810	7,000	56	9,000	95
1	2001	34,829	34,829	2,159	34,829	505	7,000	56	9,000	95
1	5112	90,242	90,242	5,595	90,242	1,309	7,000	56	9,000	95
1	2326	49,257	49,257	3,054	49,257	714	7,000	56	9,000	95
1	5064	41,759	41,759	2,589	41,759	606	7,000	56	9,000	95
1	2345	39,347	39,347	2,440	39,347	571	7,000	56	9,000	95
1	5084	73,999	73,999	4,588	73,999	1,073	7,000	56	9,000	95
1	2052	59,467	59,467	3,687	59,467	862	7,000	56	9,000	95
1	3382	41,852	41,852	2,595	41,852	607	7,000	56	9,000	95
1	8155	81,575	81,575	5,058	81,575	1,183	7,000	56	9,000	95
1	5094	88,442	88,442	5,483	88,442	1,282	7,000	56	9,000	95
1	2307	51,365	51,365	3,185	51,365	745	7,000	56	9,000	95
1	4053	80,642	80,642	5,000	80,642	1,169	7,000	56	9,000	95
1	3046	78,233	78,233	4,850	78,233	1,134	7,000	56	9,000	95
1	5040	47,223	47,223	2,928	47,223	685	7,000	56	9,000	95
1	6127	74,117	74,117	4,595	74,117	1,075	7,000	56	9,000	95
1	5210	93,750	93,750	5,813	93,750	1,359	7,000	56	9,000	95
1	5122	88,706	88,706	5,500	88,706	1,286	7,000	56	9,000	95
1	5070	78,028	78,028	4,838	78,028	1,131	7,000	56	9,000	95
1	5093	88,885	88,885	5,511	88,885	1,289	7,000	56	9,000	95
1	5097	72,631	72,631	4,503	72,631	1,053	7,000	56	9,000	95
1	4045	51,507	51,507	3,193	51,507	747	7,000	56	9,000	95
1	3042	54,831	54,831	3,400	54,831	795	7,000	56	9,000	95
1	5104	71,074	71,074	4,407	71,074	1,031	7,000	56	9,000	95
1	5095	66,248	66,248	4,107	66,248	961	7,000	56	9,000	95
1	5080	81,055	81,055	5,025	81,055	1,175	7,000	56	9,000	95
1	6154	60,106	60,106	3,727	60,106	872	7,000	56	9,000	95
1	6150	58,676	58,676	3,638	58,676	851	7,000	56	9,000	95
1	2029	34,861	34,861	2,161	34,861	505	7,000	56	9,000	95
1	8156	84,888	84,888	5,263	84,888	1,231	7,000	56	9,000	95

Emp #	Total	Wages		Social Security		Medicare Wages		Federal Unemployment		State Unemployment	
		Up to	@	All	@	Up to	@	Up to	@		
		\$110,100	6.20%	Wages	1.45%	\$7,000	0.80%	\$9,000	1.05%		
1	2042	41,156	41,156	2,552	41,156	597	7,000	56	9,000	95	
1	5642	40,182	40,182	2,491	40,182	583	7,000	56	9,000	95	
1	8142	104,130	104,130	6,456	104,130	1,510	7,000	56	9,000	95	
1	8129	94,798	94,798	5,877	94,798	1,375	7,000	56	9,000	95	
1	5077	102,663	102,663	6,365	102,663	1,489	7,000	56	9,000	95	
1	5058	43,330	43,330	2,686	43,330	628	7,000	56	9,000	95	
1	2313	48,995	48,995	3,038	48,995	710	7,000	56	9,000	95	
1	5105	75,635	75,635	4,689	75,635	1,097	7,000	56	9,000	95	
1	6155	49,242	49,242	3,053	49,242	714	7,000	56	9,000	95	
1	2038	72,342	72,342	4,485	72,342	1,049	7,000	56	9,000	95	
1	5096	74,679	74,679	4,630	74,679	1,083	7,000	56	9,000	95	
1	5130	63,547	63,547	3,940	63,547	921	7,000	56	9,000	95	
1	8130	100,459	100,459	6,228	100,459	1,457	7,000	56	9,000	95	
1	2016	55,857	55,857	3,463	55,857	810	7,000	56	9,000	95	
1	5102	73,081	73,081	4,531	73,081	1,060	7,000	56	9,000	95	
1	2331	41,974	41,974	2,602	41,974	609	7,000	56	9,000	95	
1	5108	63,215	63,215	3,919	63,215	917	7,000	56	9,000	95	
1	5087	95,504	95,504	5,921	95,504	1,385	7,000	56	9,000	95	
1	5113	65,491	65,491	4,060	65,491	950	7,000	56	9,000	95	
1	4052	77,227	77,227	4,788	77,227	1,120	7,000	56	9,000	95	
1	2323	42,109	42,109	2,611	42,109	611	7,000	56	9,000	95	
1	2309	39,241	39,241	2,433	39,241	569	7,000	56	9,000	95	
1	6132	60,061	60,061	3,724	60,061	871	7,000	56	9,000	95	
1	5074	79,076	79,076	4,903	79,076	1,147	7,000	56	9,000	95	
1	5259	48,080	48,080	2,981	48,080	697	7,000	56	9,000	95	
1	5118	58,436	58,436	3,623	58,436	847	7,000	56	9,000	95	
1	5099	78,517	78,517	4,868	78,517	1,138	7,000	56	9,000	95	
1	4050	65,688	65,688	4,073	65,688	952	7,000	56	9,000	95	
1	5126	76,717	76,717	4,756	76,717	1,112	7,000	56	9,000	95	
1	5073	61,271	61,271	3,799	61,271	888	7,000	56	9,000	95	
1	5128	64,070	64,070	3,972	64,070	929	7,000	56	9,000	95	
1	5081	74,946	74,946	4,647	74,946	1,087	7,000	56	9,000	95	
1	2006	40,876	40,876	2,534	40,876	593	7,000	56	9,000	95	
1	8148	96,962	96,962	6,012	96,962	1,406	7,000	56	9,000	95	
1	2024	38,101	38,101	2,362	38,101	552	7,000	56	9,000	95	
1	8140	58,857	58,857	3,649	58,857	853	7,000	56	9,000	95	
1	5125	60,102	60,102	3,726	60,102	871	7,000	56	9,000	95	
1	5082	74,364	74,364	4,611	74,364	1,078	7,000	56	9,000	95	
1	2017	43,270	43,270	2,683	43,270	627	7,000	56	9,000	95	
1	5103	75,496	75,496	4,681	75,496	1,095	7,000	56	9,000	95	
1	2340	56,331	56,331	3,493	56,331	817	7,000	56	9,000	95	
1	5282	59,078	59,078	3,663	59,078	857	7,000	56	9,000	95	
1	8149	75,791	75,791	4,699	75,791	1,099	7,000	56	9,000	95	
1	5076	102,256	102,256	6,340	102,256	1,483	7,000	56	9,000	95	
1	2329	66,435	66,435	4,119	66,435	963	7,000	56	9,000	95	
1	5129	63,564	63,564	3,941	63,564	922	7,000	56	9,000	95	
1	2048	80,813	80,813	5,010	80,813	1,172	7,000	56	9,000	95	
1	8169	78,118	78,118	4,843	78,118	1,133	7,000	56	9,000	95	
1	2034	34,355	34,355	2,130	34,355	498	7,000	56	9,000	95	
1	5061	55,686	55,686	3,453	55,686	807	7,000	56	9,000	95	
1	5133	81,010	81,010	5,023	81,010	1,175	7,000	56	9,000	95	
1	6157	77,321	77,321	4,794	77,321	1,121	7,000	56	9,000	95	
1	5284	46,558	46,558	2,887	46,558	675	7,000	56	9,000	95	
1	5134	75,825	75,825	4,701	75,825	1,099	7,000	56	9,000	95	

Emp #	Wages Total	Social Security		Medicare Wages		Federal Unemployment		State Unemployment		
		Up to \$110,100	@ 6.20%	All Wages	@ 1.45%	Up to \$7,000	@ 0.80%	Up to \$9,000	@ 1.05%	
1	2051	39,635	39,635	2,457	39,635	575	7,000	56	9,000	95
1	8145	60,081	60,081	3,725	60,081	871	7,000	56	9,000	95
1	5089	69,760	69,760	4,325	69,760	1,012	7,000	56	9,000	95
1	8134	121,604	110,100	6,826	121,604	1,763	7,000	56	9,000	95
1	8135	126,866	110,100	6,826	126,866	1,840	7,000	56	9,000	95
1	5109	67,505	67,505	4,185	67,505	979	7,000	56	9,000	95
1	8144	83,723	83,723	5,191	83,723	1,214	7,000	56	9,000	95
1	2025	35,221	35,221	2,184	35,221	511	7,000	56	9,000	95
1	2023	39,712	39,712	2,462	39,712	576	7,000	56	9,000	95
1	2319	50,591	50,591	3,137	50,591	734	7,000	56	9,000	95
1	3044	35,191	35,191	2,182	35,191	510	7,000	56	9,000	95
1	8153	88,747	88,747	5,502	88,747	1,287	7,000	56	9,000	95
1	2059	43,056	43,056	2,669	43,056	624	7,000	56	9,000	95
1	5111	67,184	67,184	4,165	67,184	974	7,000	56	9,000	95
1	2321	48,512	48,512	3,008	48,512	703	7,000	56	9,000	95
1	6094	59,339	59,339	3,679	59,339	860	7,000	56	9,000	95
1	5120	54,356	54,356	3,370	54,356	788	7,000	56	9,000	95
1	6156	55,509	55,509	3,442	55,509	805	7,000	56	9,000	95
1	5132	58,183	58,183	3,607	58,183	844	7,000	56	9,000	95
1	4043	70,671	70,671	4,382	70,671	1,025	7,000	56	9,000	95
1	8170	83,037	83,037	5,148	83,037	1,204	7,000	56	9,000	95
1	5063	73,447	73,447	4,554	73,447	1,065	7,000	56	9,000	95
1	2031	62,421	62,421	3,870	62,421	905	7,000	56	9,000	95
1	2028	34,263	34,263	2,124	34,263	497	7,000	56	9,000	95
1	2303	56,334	56,334	3,493	56,334	817	7,000	56	9,000	95
1	8141	60,113	60,113	3,727	60,113	872	7,000	56	9,000	95
1	5114	80,696	80,696	5,003	80,696	1,170	7,000	56	9,000	95
1	5078	82,226	82,226	5,098	82,226	1,192	7,000	56	9,000	95
1	5071	95,501	95,501	5,921	95,501	1,385	7,000	56	9,000	95
1	5069	115,010	110,100	6,826	115,010	1,668	7,000	56	9,000	95
1	5098	77,288	77,288	4,792	77,288	1,121	7,000	56	9,000	95
124	Subtotal	8,280,611	8,243,434	511,093	8,280,611	120,069	868,000	6,944	1,116,000	11,718
Part Time & Summer Employees										
1	5140	17,688	17,688	1,097	17,688	256	7,000	56	9,000	95
1	5141	3,408	3,408	211	3,408	49	3,408	27	3,408	36
1	2033	45,078	45,078	2,795	45,078	654	7,000	56	9,000	95
1	6091	19,546	19,546	1,212	19,546	283	7,000	56	9,000	95
4	Subtotal	85,719.9	85,720	5,315	85,720	1,243	24,408	195	30,408	319
Retired Employees										
1	2050	43,285								
1	2322	24,987								
2	Subtotal	68,272	0	0	0	0	0	0	0	0
133	Total	9,517,145	9,178,373	569,059	9,448,873	137,009	955,408	7,643	1,227,408	12,888

Witness: Alan Zumstein

Owen Electric Cooperative

Case No. 2012-00448

June 30, 2012

Depreciation Expense

Depreciation is computed on a composite basis. The ending plant balance is multiplied by rates that are within RUS approved guidelines. Depreciation rates and procedures follow RUS Bulletin 183-1. Owen submitted its last depreciation study in Case No. 2008-00154.

Depreciation on transportation equipment is charged to a clearing account. Transportation costs are then cleared to various accounts based on miles driven for each vehicle from the daily time sheets of employees driving the vehicles.

Owen Electric Cooperative
Case No. 2012-00448
Depreciation Adjustment
June 30, 2012

Normalized depreciation accrual:		
Distribution plant	9,929,161	
General plant	1,282,693	
Less charged to clearing	<u>(563,837)</u>	
		10,648,017
Test year depreciation accrual:		
Distribution plant	9,601,799	
General plant	1,238,262	
Less charged to clearing	<u>(520,590)</u>	
		<u>10,319,471</u>
Normalized depreciation expense adjustment		<u><u>328,546</u></u>
Transportation clearing:		
Normalized		563,837
Test year accrual		<u>520,590</u>
		<u><u>43,247</u></u>

The allocation of the increase in depreciation on transportation equipment is based on actual test year transportation clearing.

<u>Account</u>	<u>%</u>	<u>Amount</u>
Construction and retirement WIP	40%	\$17,238
Others	4%	1,593
Distribution - operations	22%	9,476
Distribution - maintenance	32%	13,866
Consumer accounts	0%	0
Consumer service and information	0%	0
Administrative and general	2%	1,074
		<u>1,074</u>
Total	<u>100%</u>	<u>\$43,247</u>

Owen Electric Cooperative

Case No. 2012-00448

June 30, 2012

Depreciation Adjustment

Account Number	Description	08/31/11 Balance	Rate	Normalized Expense	Test Year Expense	Items Fully Depreciated
Distribution plant:						
362	Station equipment	379,224		0		
364	Poles, towers & fixtures	58,981,845	4.70%	2,772,147	2,673,296	
365	Overhead conductors & devices	44,574,215	5.30%	2,362,433	2,258,081	
367	Underground conductor & devi	28,706,951	5.15%	1,478,408	1,439,835	
368	Line transformers	27,009,579	2.97%	802,184	778,450	
369	Services	19,936,046	5.50%	1,096,483	1,064,526	
370	Meters	16,475,891	6.67%	1,098,942	1,079,587	
371	Security lights	5,824,252	5.35%	311,597	301,245	
373	Street lights	130,711	5.33%	6,967	6,779	
		<u>202,018,714</u>		<u>9,929,161</u>	<u>9,601,799</u>	
General plant:						
389	Land	2,269,072				
390	Structures and improvements	10,168,248	2.41%	242,970	249,724	86,504
391	Office furniture and equipment	2,678,503	14.70%	240,121	235,052	1,045,027
392	Transportation equipment	5,531,244	11.41%	563,837	520,590	589,641
393	Stores	205,907	6.60%	7,938	7,805	85,633
394	Tools, shop and garage	321,799	10.91%	22,250	21,947	117,860
395	Laboratory	432,885	14.29%	21,634	20,687	281,493
396	Power operated equipment	199,181	11.07%	7,306	6,959	133,182
397	Communication	2,928,651	10.22%	166,700	163,578	1,297,538
398	Miscellaneous	145,758	13.54%	6,742	7,688	95,966
399	Other miscellaneous	58,742	5.44%	3,196	4,232	
		<u>24,939,990</u>		<u>1,282,693</u>	<u>1,238,262</u>	
	Total electric plant	<u>226,958,704</u>		<u>11,211,854</u>	<u>10,840,061</u>	

Items that are fully depreciated are removed from the ending balance to compute test year depreciation.

Owen Electric Cooperative
Case No. 2012-00448
June 30, 2012

Exhibit 3
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Changes in electric plant:		<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
362	Station equipment	281,417	97,807		379,224
364	Poles, towers and fixtures	56,289,300	3,153,691	461,146	58,981,845
365	Overhead conductor and devices	41,770,294	3,063,575	259,654	44,574,215
367	Underground conductor and devices	27,953,115	810,605	56,769	28,706,951
368	Line transformers	26,108,935	1,037,972	137,328	27,009,579
369	Services	19,289,142	701,634	54,730	19,936,046
370	Meters	16,326,321	161,150	11,580	16,475,891
371	Security lights	5,587,128	278,794	41,670	5,824,252
373	Street lights	127,079	4,186	554	130,711
	Subtotal distribution plant	<u>193,732,731</u>	<u>9,309,414</u>	<u>1,023,431</u>	<u>202,018,714</u>
389	Land	2,269,072	0		2,269,072
390	Structures and improvements	10,090,942	77,384	78	10,168,248
391	Office furniture and equipment	2,650,842	94,471	66,810	2,678,503
392	Transportation equipment	5,522,065	2,598,071	2,588,892	5,531,244
393	Stores	208,367	0	2,460	205,907
394	Tools, shop and garage	319,378	3,991	1,570	321,799
395	Laboratory	413,938	24,314	5,367	432,885
396	Power operated equipment	199,181	0		199,181
397	Communication	2,919,729	15,172	6,250	2,928,651
398	Miscellaneous	144,274	1,484		145,758
399	Other miscellaneous	54,010	4,732		58,742
	Subtotal general plant	<u>24,791,798</u>	<u>2,819,619</u>	<u>2,671,427</u>	<u>24,939,990</u>
	Total electric plant in service	<u>\$218,524,529</u>	<u>\$12,129,033</u>	<u>\$3,694,858</u>	<u>\$226,958,704</u>

Owen Electric Cooperative
Case No. 2012-00448
June 30, 2012

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Changes in reserve for depreciation:						
	<u>Beginning</u>		<u>Original</u>	<u>Removal</u>	<u>Net Salvage/</u>	<u>Ending</u>
	<u>Balance</u>	<u>Accrual</u>	<u>Cost</u>	<u>Cost</u>	<u>Accum</u>	<u>Balance</u>
					<u>Depreciation</u>	
Distribution plant	\$77,461,996	\$9,601,799	\$1,023,431	\$1,440,952	\$180,353	\$84,779,765
Land						
Structures and improvements	1,980,223	249,724	78		78	2,229,869
Office furniture and equipment	2,031,768	235,052	66,810		53,130	2,213,690
Transportation equipment	3,291,863	520,590	2,588,892		200,262	3,612,191
Stores	99,102	7,805	2,460		2,461	104,446
Tools, shop and garage	248,674	21,947	1,570		1,570	269,051
Laboratory	332,117	20,687	5,367		5,367	347,437
Power operated	177,660	6,959	0			184,619
Communication	2,146,362	163,578	6,250		995	2,308,945
Miscellaneous	115,410	7,688	0			123,098
Other miscellaneous	46,822	4,232	0			51,054
Subtotal general plant	10,470,001	1,238,262	2,671,427	0	263,863	11,444,400
Retirement WIP	335,390			19,449		354,839
Total accumulated depreciation	\$87,596,607	\$10,840,061	\$3,694,858	\$1,421,503	\$444,216	\$95,869,326

Owen Electric Cooperative
Case No. 2012-00448
Depreciation Guideline Curve
June 30, 2012

<u>Year Ended</u>	<u>Distribution Plant in Service</u>	<u>Accumulated Deprec for Distribution</u>	<u>Reserve Ratio</u>	<u>Ratio of Current Distribution Plant to Distribution Plant 10 Years Prior</u>
2011	198,096,117	81,060,706	40.92%	1.84
2010	187,591,160	74,212,441	39.56%	1.86
2009	180,493,852	67,555,775	37.43%	1.92
2008	171,498,599	61,041,253	35.59%	1.96
2007	162,332,802	54,731,727	33.72%	1.98
2006	146,542,962	49,358,308	33.68%	
2005	137,133,117	44,543,940	32.48%	
2004	129,103,863	40,187,037	31.13%	
2003	121,509,212	36,205,562	29.80%	
2002	114,914,487	32,499,312	28.28%	
2001	107,696,163	29,152,288	27.07%	
2000	100,885,542	25,901,041	25.67%	
1999	94,025,218	23,173,467	24.65%	
1998	87,435,833	20,615,965	23.58%	
1997	81,865,259	18,189,145	22.22%	

Owen Electric Cooperative
Case No. 2012-00448
Analysis of Other Operating Taxes
12 Months Ended
June 30, 2012

Line No.	Item (a)	Charged Expense (b)	Charged to Construction (c)	Charged to Other Accounts (d)	Amounts Accrued (e)	Amount Paid (f)
1.	Kentucky Retail:					
	(a) State Income					
	(b) Franchise Fees					
	(c) Ad Valorem	1,686,547			1,686,547	1,414,367
	(d) Payroll (Employer's Portion)	422,477	230,964	63,838	717,279	717,279
	(e) Other Taxes	146,131			146,131	146,131
2.	Total Retail (L1(a) through L1(e))	2,255,155	230,964	63,838	2,549,957	2,277,777
3.	Other Jurisdictions					
	Total Per Books (L2 and L3)	2,255,155	230,964	63,838	2,549,957	2,277,777
Allocation of adjustment:						
583	Overhead line exp	61%	31,227			
584	Underground line exp	25%	12,574			
586	Meter exp	3%	1,466			
587	Customer installation exp	3%	1,389			
588	Miscellaneous distribution exp	4%	1,845			
903	Consumer records	3%	1,384			
910	Misc customer service	1%	461			
921	Office supply and exp	2%	912			
		100%	51,258			

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Owen Electric Cooperative
Case No. 2012-00448
June 30, 2012

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Taxing District	Assessment for 2012 Taxes			Assessment for 2011 Taxes			Increase Decrease in Taxes
	Assessed Value	Tax Rate	Tax Due	Assessed Value	Tax Rate	Tax Due	
Owen County							
Real Estate - County	8,343,963	0.1210	10,096.20	8,637,736	0.1180	10,192.53	(96)
Real Estate - School	8,343,963	0.5870	48,979.06	8,637,736	0.5650	48,803.21	176
Real Estate - Health	8,343,963	0.0560	4,672.62	8,637,736	0.0560	4,837.13	(165)
Real Estate - Extension	8,343,963	0.0410	3,421.02	8,637,736	0.0410	3,541.47	(120)
Real Estate - Library	8,343,963	0.1240	10,346.51	8,637,736	0.1150	9,933.40	413
Real Estate - Soil Conse	8,343,963	0.0160	1,335.03	8,637,736	0.0160	1,382.04	(47)
Tangible - County	17,341,869	0.1370	23,758.36	16,903,305	0.1420	24,002.69	(244)
Tangible - School	17,341,869	0.5870	101,796.77	16,903,305	0.5850	98,884.33	2,912
Tangible - Health	17,341,869	0.0560	9,711.45	16,903,305	0.0560	9,465.85	246
Tangible - Extension	17,341,869	0.0816	14,150.97	16,903,305	0.0816	13,793.10	358
Tangible - Library	17,341,869	0.2000	34,683.74	16,903,305	0.2000	33,806.61	877
Boone County							
Real Estate - County	1,861,554	0.1040	1,936.02	1,958,844	0.1040	2,037.20	(101)
Real Estate - Common Sch	80,519	0.5790	466.21	85,039	0.5790	492.38	(26)
Real Estate - Graded Sc	1,781,035	1.0060	17,917.21	1,873,805	1.0060	18,850.48	(933)
Real Estate - Library	1,861,554	0.0510	949.39	1,958,844	0.0510	999.01	(50)
Real Estate - Health	1,861,554	0.0190	353.70	1,958,844	0.0190	372.18	(18)
Real Estate - Extension	1,861,554	0.0160	297.85	1,958,844	0.0160	313.42	(16)
Real Estate - Walton Fir	1,861,554	0.2000	3,723.11	1,958,844	0.2000	3,917.69	(195)
Tangible - County	24,041,988	0.1420	34,139.62	24,549,763	0.1420	34,860.66	(721)
Tangible - Common Sch	21,399,080	0.5970	127,752.51	21,969,544	0.5790	127,203.66	549
Tangible - Graded Schor	2,642,908	1.0060	26,587.65	2,580,219	1.0060	25,957.00	631
Tangible - Library	24,041,988	0.0510	12,261.41	24,549,763	0.0510	12,520.38	(259)
Tangible - Health	24,041,988	0.0190	4,567.98	24,549,763	0.0190	4,664.45	(96)
Tangible - Extension	24,041,988	0.0371	8,919.58	24,549,763	0.0371	9,107.96	(188)
Tangible - Walton Fire	484,268	0.2000	968.54	471,230	0.2000	942.46	26
Tangible - Belleview Fire	1,967,237	0.1830	3,600.04	1,993,772	0.1830	3,648.60	(49)
Tangible - Hebron Fire	3,649,054	0.1220	4,451.85	3,645,596	0.1220	4,447.63	4
Tangible - Union FD	5,727,432	0.2000	11,454.86	5,723,572	0.2000	11,447.14	8
Tangible - Burlington Fir	3,236,060	0.2000	6,472.12	4,428,016	0.2000	8,856.03	(2,384)
Tangible - Pt. Pleasant F	406,291	0.1750	711.01	403,285	0.1750	705.75	5
Tangible - Petersburg Fi	904,263	0.1000	904.26	935,015	0.1000	935.02	(31)
Tangible - Verona Fire	2,582,837	0.1850	4,778.25	2,597,525	0.1850	4,805.42	(27)
Tangible - Florence Fire	1,919,451	0.1000	1,919.45	2,142,733	0.1000	2,142.73	(223)
page totals			538,084.34			537,869.61	214.73

Owen Electric Cooperative
Case No. 2012-00448
June 30, 2012

Taxing District	Assessment for 2012 Taxes			Assessment for 2011 Taxes			Increase Decrease in Taxes
	Assessed Value	Tax Rate	Tax Due	Assessed Value	Tax Rate	Tax Due	
Grant County							
Real Estate - County	7,156	0.1440	10.30	7,571	0.1440	10.90	(1)
Real Estate - School	7,156	0.5250	37.57	7,571	0.5250	39.75	(2)
Real Estate - Library	7,156	0.0740	5.30	7,571	0.0740	5.60	(0)
Real Estate - Health	7,156	0.0280	2.00	7,571	0.0280	2.12	(0)
Real Estate - Extension	7,156	0.0350	2.50	7,571	0.0350	2.65	(0)
Real Estate - Conservati	7,156	0.0100	0.72	7,571	0.0100	0.76	(0)
Real Estate - Mental hea	7,156	0.0140	1.00	7,571	0.0140	1.06	(0)
Tangible - County	15,487,876	0.1440	22,302.54	14,978,549	0.1440	21,569.11	733
Tangible - School	14,606,317	0.5250	76,683.16	14,101,451	0.5250	74,032.62	2,651
Tangible - Williamstown	881,559	0.8910	7,854.69	877,098	0.8910	7,814.94	40
Tangible - Library	15,487,876	0.1356	21,001.56	14,978,549	0.1356	20,310.91	691
Tangible - Health	15,487,876	0.0280	4,336.61	14,978,549	0.0280	4,193.99	143
Tangible - Extension	15,487,876	0.0675	10,454.32	14,978,549	0.0675	10,110.52	344
Tangible - Conservation	15,487,876	0.0000	0.00	14,978,549	0.0000	0.00	0
Tangible - Mental health	15,487,876	0.0160	2,478.06	14,978,549	0.0140	2,097.00	381
Kenton County							
Real Estate - County	5,917	0.1480	8.76	5,917	0.1480	8.76	0
Real Estate - School	5,917	0.5570	32.96	5,917	0.5570	32.96	0
Real Estate - Library	5,917	0.1130	6.69	5,917	0.1130	6.69	0
Real Estate - Health	5,917	0.0200	1.18	5,917	0.0200	1.18	0
Real Estate - Extension	5,917	0.0090	0.53	5,917	0.0090	0.53	0
Real Estate - Fire	5,917	0.0300	1.78	5,917	0.0300	1.78	0
Tangible - County	11,553,897	0.2040	23,569.95	11,258,431	0.2040	22,967.20	603
Tangible - School	9,653,041	0.5570	53,767.44	9,361,473	0.5570	52,143.40	1,624
Tangible - Covgtn Schoc	594,842	1.1170	6,644.39	590,075	1.1170	6,591.14	53
Tangible - Fire	11,553,897	0.0300	3,466.17	11,258,431	0.0300	3,377.53	89
Tangible - Health	11,553,897	0.0200	2,310.78	11,258,431	0.0200	2,251.69	59
Tangible - Extension	11,553,897	0.0100	1,155.39	11,258,431	0.0100	1,125.84	30
Tangible - Library	11,553,897	0.2000	23,107.79	11,258,431	0.2000	22,516.86	591
Tangible - Boone/Waltor	138,386	0.2000	276.77	139,130	0.2000	278.26	(1)
Tangible - Elsmere FD	241,094	0.1880	453.26	239,150	0.1960	468.73	(15)
Tangible - Independence	6,023,664	0.2000	12,047.33	6,214,909	0.2000	12,429.82	(382)
Tangible - Kenton FD	1,963,994	0.2000	3,927.99	2,032,455	0.2000	4,064.91	(137)
Tangible - Piner FD	956,590	0.2000	1,913.18	966,004	0.2000	1,932.01	(19)
Tangible - Ryland Hts FI	150,495	0.1520	228.75	157,723	0.1830	288.63	(60)
page totals			278,091.41			270,679.85	7,411.56

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Owen Electric Cooperative
Case No. 2012-00448
June 30, 2012

Taxing District	Assessment for 2012 Taxes			Assessment for 2011 Taxes			Increase Decrease in Taxes
	Assessed Value	Tax Rate	Tax Due	Assessed Value	Tax Rate	Tax Due	
Pendleton county							
Real Estate - County	109,767	0.4110	451.14	115,084	0.3930	452.28	(1)
Real Estate - School	109,767	0.6070	666.29	115,084	0.6060	697.41	(31)
Tangible - County	9,034,989	0.5517	49,846.03	8,770,226	0.5277	46,280.48	3,566
Tangible - School	9,034,989	0.6070	54,842.38	8,770,226	0.6060	53,147.57	1,695
Tangible - Kenton FD	196,983	0.2000	393.97	209,443	0.2000	418.89	(25)
Gallatin County							
Tangible - County	7,501,362	0.1630	12,227.22	7,273,453	0.1630	11,855.73	371
Tangible - School	7,501,362	0.6750	50,634.19	7,273,453	0.6660	48,441.20	2,193
Tangible - Library	7,501,362	0.1371	10,284.37	7,273,453	0.1371	9,971.90	312
Tangible - Health	7,501,362	0.0550	4,125.75	7,273,453	0.0550	4,000.40	125
Tangible - Extension	7,501,362	0.0616	4,620.84	7,273,453	0.0613	4,458.63	162
Campbell County							
Tangible - County	7,728,185	0.2229	17,226.12	7,594,243	0.2229	16,927.57	299
Tangible - School	7,728,185	0.5640	43,586.96	7,594,243	0.5640	42,831.53	755
Tangible - Health	7,728,185	0.0210	1,622.92	7,594,243	0.0210	1,594.79	28
Tangible - Library	7,728,185	0.1089	8,415.99	7,594,243	0.1089	8,270.13	146
Tangible - Extension	7,728,185	0.0457	3,531.78	7,594,243	0.0457	3,470.57	61
Tangible - South Camp f	3,634,783	0.1750	6,360.87	3,705,436	0.1750	6,484.51	(124)
Tangible - Alexandria FC	1,579,108	0.1500	2,368.66	1,547,102	0.1500	2,320.65	48
Scott County							
Tangible - County	4,135,782	0.1176	4,863.68	4,034,989	0.1176	4,745.15	119
Tangible - School	4,135,782	0.4330	17,907.94	4,034,989	0.4330	17,471.50	436
Tangible - Health	4,135,782	0.0220	909.87	4,034,989	0.0220	887.70	22
Tangible - Library	4,135,782	0.0660	2,729.62	4,034,989	0.0660	2,663.09	67
Tangible - Extension	4,135,782	0.0303	1,253.14	4,034,989	0.0303	1,222.60	31
page totals			298,869.74			288,614.28	10,255.46

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Owen Electric Cooperative
Case No. 2012-00448
June 30, 2012

Taxing District	Assessment for 2012 Taxes			Assessment for 2011 Taxes			Increase Decrease in Taxes
	Assessed Value	Tax Rate	Tax Due	Assessed Value	Tax Rate	Tax Due	
Carroll County							
Tangible - County	3,214,005	0.1530	4,917.43	3,143,145	0.1530	4,809.01	108
Tangible - School	3,214,005	0.5650	18,159.13	3,143,145	0.5610	17,633.04	526
Tangible - Health	3,214,005	0.0540	1,735.56	3,143,145	0.1148	3,608.33	(1,873)
Tangible - Library	3,214,005	0.1204	3,869.66	3,143,145	0.0540	1,697.30	2,172
Tangible - Fire	2,572,458	0.0980	2,521.01	2,613,553	0.0800	2,090.84	430
City of Florence							
Real Estate	80,519	0.4030	324.49	85,039	0.2460	209.20	115
Tangible	1,268,343	0.2310	2,929.87	1,423,634	0.4030	5,737.25	(2,807)
City of Walton							
Real Estate	1,781,035	0.1050	1,870.09	1,873,805	0.1050	1,967.50	(97)
Tangible	484,268	0.2310	1,118.66	471,230	0.2310	1,088.54	30
City of Dry Ridge							
Tangible	3,034	0.2140	6.49	3,156	0.2140	6.75	(0)
City of Williamstown							
Tangible	877,098	0.4240	3,718.90	881,559	0.5640	4,971.99	(1,253)
City of Covington							
Tangible	594,842	0.2995	1,781.55	590,075	0.2842	1,676.99	105
City of Independence							
Tangible	4,074,373	0.6560	26,727.89	2,379	0.5960	14.18	26,714
City of Erlanger							
Tangible	1,306,014	0.5220	6,817.39	1,030,944	0.5580	5,752.67	1,065
Independent Schools	1,306,014	0.6510	8,502.15	1,030,944	0.6700	6,907.32	1,595
page totals			85,000.27			58,170.91	26,829.36

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Owen Electric Cooperative
Case No. 2012-00448
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Taxing District	Assessment for 2007 Taxes			Assessment for 2006 Taxes			Increase Decrease in Taxes
	Assessed Value	Tax Rate	Tax Due	Assessed Value	Tax Rate	Tax Due	
City of Elsmere							
Tangible - City	241,094	0.2840	684.71	242,088	0.2840	687.53	(3)
City of Georgetown							
Tangible - City	408,886	0.1580	646.04	419,527	0.1580	662.85	(17)
City of Corinth							
Tangible - City	27,903	0.2770	77.29	28,123	0.2770	77.90	(1)
Public Service Company Assessment:							
Real Estate	10,328,357	0.1220	12,600.60	10,725,152	0.1220	13,084.69	(484)
Tangible Property	100,039,953	0.4500	450,179.79	98,506,104	0.4500	443,277.47	6,902
Manufacturing Machinery	14,874,884	0.1500	22,312.33	14,775,437	0.1500	22,163.16	149
			<u>486,500.75</u>			<u>479,953.59</u>	<u>6,547.16</u>
this page							
Total			<u><u>1,686,546.51</u></u>			<u><u>1,635,288.25</u></u>	<u><u>51,258.26</u></u>
Amount of Adjustment							<u><u>51,258</u></u>

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Owen Electric Cooperative
Case No. 2008-00154
June 30, 2012

Adjustment for Interest on Long Term Debt

The adjustment for interest on long-term debt results in a decrease of \$26,832.

It is estimated that the rate increase requested will be sufficient to repay approximately one-half of the short term note payable. Therefore, one-half of the interest on short term notes will be removed from the Application in the amount of \$52,220.

This adjustment has been calculated by multiplying the test year end debt amounts by the interest rates in effect at the end of the test year for each loan.

RUS/FFB loans	3,510,921
CFC loans	956,652
CoBank loans	<u>46,580</u>
Total annualized interest	4,514,153
Test year interest expense	<u>4,487,322</u>
Adjustment	<u><u>26,832</u></u>

Owen Electric Cooperative
Case No. 2008-00154
Schedule of Outstanding Long-Term Debt
June 30, 2012

Exhibit 5
page 2 of 3
Format 8a

Type of <u>Debt Issued</u> (a)	Date of <u>Issue</u> (b)	Date of <u>Maturity</u> (c)	Outstanding <u>Amount</u> (d)	Cost Rate to <u>Maturity</u> (g)	Annualized Cost <u>Col (d)x(g)</u> (j)	Test Year Interest <u>Cost</u>
RUS loans						
0B320	Dec-95	Nov-30	1,272,474	2.50%	31,812	32,675
0B321	Apr-96	Apr-31	1,295,849	5.37%	69,587	70,702
0B325	Nov-97	Nov-32	1,278,663	2.50%	31,967	32,834
0B326	May-98	May-33	1,189,248	4.37%	51,970	52,901
1A330	Nov-07	Nov-42	12,428,767	4.46%	554,323	559,114
1A331	Nov-07	Nov-42	6,677,663	4.19%	279,794	282,329
1A332	Nov-07	Nov-42	8,559,525	4.44%	380,043	383,345
			32,702,188		1,399,496	1,413,901
FFB loans						
FFB0010	Jan-99	Dec-33	2,280,601	5.913%	134,852	135,942
FFB0015	Jan-99	Dec-33	2,498,291	5.417%	135,332	136,505
FFB0020	Jan-99	Dec-33	9,905,147	5.298%	524,775	529,399
FFB0050	Sep-03	Aug-38	10,768,553	5.277%	568,257	571,965
FFB0060	Sep-03	Aug-38	3,149,317	4.815%	151,640	152,709
FFB0065	Sep-03	Aug-38	4,578,615	5.192%	237,722	239,295
FFB0070	Sep-10	Aug-45	903,770	4.917%	44,438	44,747
FFB0075	Sep-11	Aug-46	3,721,437	3.894%	144,913	115,205
FFB0080	May-12	May-47	4,453,424	3.806%	169,497	119,756
			42,259,155		2,111,425	2,045,523
CFC loans						
9014	Jul-76	Jun-11	0	6.00%	0	590
9016	Nov-77	Nov-12	61,071	6.05%	3,695	6,032
9019	Mar-80	Mar-15	252,770	6.10%	15,419	18,522
9021	Nov-81	Oct-16	491,096	6.20%	30,448	33,704
9024	May-85	May-20	403,104	6.15%	24,791	26,450
9025	Nov-87	Nov-22	985,583	3.20%	31,539	33,055
9026	Oct-91	Oct-26	1,352,570	3.20%	43,282	44,551
9027	Jan-94	Jan-29	1,833,676	3.20%	58,678	60,078
902801	Aug-96	Aug-31	1,144,486	3.20%	36,624	37,392
902802	May-97	May-32	1,319,516	6.15%	81,150	82,351
9031009	Aug-03	Aug-09	0	5.00%	0	11,237
9031010	Aug-03	Aug-10	1,219,376	5.20%	63,408	63,408
9031011	Aug-03	Aug-11	1,219,376	5.40%	65,846	65,846
9031012	Aug-03	Aug-12	1,219,376	5.65%	68,895	68,895
9031013	Aug-03	Aug-13	1,219,376	5.65%	68,895	68,895

49	9031014	Aug-03	Aug-14	1,219,376	5.70%	69,504	69,504
50	9031015	Aug-03	Aug-15	1,219,376	5.80%	70,724	70,724
51	9031016	Aug-03	Aug-16	1,219,376	5.85%	71,334	71,334
52	9031017	Aug-03	Aug-17	1,219,376	5.90%	71,943	71,943
53	9031018	Aug-03	Aug-18	1,219,376	6.60%	80,479	80,479
54				<u>18,818,258</u>		<u>956,652</u>	<u>984,990</u>
55							
56	CoBank loans						
57	2522573	Jan-99	Dec-33	841,691	2.018%	16,984	14,793
58	2539677	May-12	May-47	1,472,141	2.010%	29,596	28,114
59				<u>2,313,832</u>		<u>46,580</u>	<u>42,907</u>
60							
61	Total long term debt and annualized			<u>96,093,433</u>		<u>4,514,153</u>	<u>4,487,322</u>
62							
63	Annualized cost rate [Total Col. (j) / Total Col. (d)]					4.70%	
64	Actual test year cost rate [Total Col (k) / Total Reported in Col (d)]						4.67%
65							

Witness: Alan Zumstein

Owen Electric Cooperative
Case No. 2012-00448
Financial Accounting Standard No. 106
Employer's Accounting for Postretirement Benefits

Owen Electric updated its study for SFAS No. 106, and has included the study with this application. Directors and the attorney are not provided with health insurance coverage when they retire, as a result, this study does not include amounts for Directors, attorneys, or their spouses.

Proposed annual cost	916,562
Test year accrual	<u>935,005</u>
Proposed adjustment	<u><u>(18,443)</u></u>

The adjustment is allocated as follows:

	<u>Percent</u>	<u>Amount</u>
107-108 Capitalized	32.21%	(5,941)
163 - 416 Clearing and others	8.84%	(1,631)
580 Operations	18.14%	(3,346)
590 Maintenance	9.92%	(1,830)
901 Consumer accounts	14.64%	(2,700)
908 Customer service	2.33%	(429)
910 Sales	0.00%	-
920 Administrative and general	13.92%	<u>(2,566)</u>
	<u>100.00%</u>	<u>\$ (18,443)</u>

ALAN M. ZUMSTEIN
CERTIFIED PUBLIC ACCOUNTANT

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Lexington, Kentucky 40509
(859) 264-7147
zumstein@windstream.net

Member:
American Institute of CPA's
Kentucky Society of CPA's
Indiana Society of CPA's

February 9, 2012

Rebecca Witt, CFO
Owen Electric Cooperative
8205 Highway 127N
Owenton, Kentucky 40359

Dear Becky:

Please find enclosed the actuarial valuation results as of December 31, 2011 for Financial Accounting Standards Boards' *Accounting Standards Codification (ASC) 715 - Compensation - Retirement Plans*.

Acct 926.00, Employee benefits matrix	\$ 916,562
Acct 215.10, Accum Other Comprehensive Income	\$ 153,106
Acct 228.30, Accum Postretirement Benefits	\$ 763,456

The accrual for 2012 should be as above, which includes current service and interest costs and amortization of the transition obligation and actuarial gains/losses.

The journal entry to adjust accumulated comprehensive income should be as follows:

Acct 228.30, Accum Postretirement Benefits	\$ 93,267
Acct 215.10, Accum Other Comprehensive Income	\$ 93,267

If you have any questions or would like to discuss these results, please give me a call.

Sincerely,

Alan Zumstein

Alan M. Zumstein, CPA

Exhibit 1
Owen Electric Cooperative
SFAS No. 106/158 Financial Statement Disclosures
as of December 31, 2011

Net Periodic Benefit Cost

1. Service cost	263,756
2. Interest cost	504,827
3. Expected return on plan assets	-
4. Amortization of transition obligation	158,935
5. Amortization gain / (loss)	7,487
6. Net periodic benefit cost	<u>\$ 935,005</u>

Change in Projected Benefit Obligation

1. Accumulated benefit obligation, beginning	\$8,574,454
2. Service cost	263,756
3. Interest cost	504,827
4. Amortization	166,422
5. Disbursements	(395,799)
6. Actuarial (gain) loss	(93,267)
7. Accumulated benefit obligation, ending	<u>\$ 9,020,393</u>

Change in Fair Value of Plan Assets

1. Fair value of plan assets, beginning	
2. Actual return on plan assets	
3. Employer contributions	
4. Benefits paid	
5. Administrative expenses	
6. Fair value of plan assets, ending	<u>\$ -</u>

Key Assumptions

Discount rate	6.0%
---------------	------

Exhibit 2
Owen Electric Cooperative
SFAS No. 106/158 Financial Statement Disclosures
as of December 31, 2011

Benefit obligations at end of year

1. Accumulated benefit obligation (APBO)	\$18,876,672
2. Expected benefit obligation (EPBO)	9,020,393

Statement of funded status

1. Accumulated benefit obligation (APBO)	(9,020,393)
2. Fair value of plan assets	-
3. Funded status of plan	<u>\$ (9,020,393)</u>

Amounts recognized in the statement of financial position

1. Noncurrent assets	-
2. Current liabilities	-
3. Noncurrent liabilities	<u>9,020,393</u>
4. Funded status	<u>\$ 9,020,393</u>

Amounts recognized in accumulated other comprehensive income

1. Net (loss) gain	\$ (286,793)
2. Transition obligation	<u>(476,805)</u>
3. Total	<u>\$ (763,598)</u>

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

1. Balance, beginning of year	\$ (856,865)
2. Amortization of transition obligation	158,935
3. Amortization of net loss (gain)	27,599
4. Adjustment for current year net loss (gain)	<u>(93,267)</u>
5. Balance, end of year	<u>\$ (763,598)</u>

Owen Electric Cooperative
Medical Insurance Premiums

SFAS 106 Obligation as of December 31, 2011

	<u>Total</u>
A. Accumulated Postretirement Benefit Obligations (APBO) as of January 1, 2011	
1. Actives not yet eligible	\$4,568,381
2. Actives fully eligible	598,445
3. Retirees and dependents	<u>3,853,567</u>
4. Total APBO	9,020,393
B. Future accruals	<u>9,856,279</u>
C. Total Expected Postretirement Benefit Obligations (EPBO) (A4 + B)	<u>\$18,876,672</u>
D. Reconciliation of Funded Status	December 31 <u>2011</u>
1. Accrued Postretirement Benefit Cost	\$9,113,660
2. Assets	<u>0</u>
3. Funded Status = (D1 + D2)	9,113,660
4. Unrecognized Transition Obligation	0
5. Unrecognized (Gain) / Loss	(93,267)
6. Unrecognized Prior Service Cost	0
7. APBO (D3 + D4 + D5 + D6)	<u>\$9,020,393</u>

Owen Electric Cooperative
Medical Insurance Premiums

SFAS 106 Obligation as of January 1, 2012

FAS 106 Expense Components

1. Service cost	a/c 228.30	\$211,203
2. Interest cost	a/c 228.30	552,253
3. Expected return on assets		-
4. Amortization of transition obligation	a/c 215.10	158,935
5. Amortization of actuarial (gain) / loss	a/c 215.10	(5,829)
6. Total FAS 106 expense		<u>\$916,562</u>
7. Expected pay-as-you-go expense		<u>\$402,111</u>

Amortization of Transition Obligation

1. Transition Obligation as of January 1, 1995	\$3,178,700
2. Number of years in amortization	<u>20</u>
3. Annual amortization	<u>\$158,935</u>

Alternate assumptions:

Impact on obligations and expense of a health care cost trend increase of 1%

	Current <u>Plan</u>	Alternate <u>Assumptions</u>	<u>% Change</u>
APBO	9,020,393	10,100,000	12%
EPBO	18,876,672	21,150,000	12%
SFAS 106 Expense	916,562	1,085,000	18%

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

2011	402,111
2012	424,843
2013	427,909
2014	427,765
2015	367,675
2016	352,683

OWEN ELECTRIC COOPERATIVE FAS 106 Assumptions

Covered Groups

Directors and employees.

Eligibility

Employees hired prior to January 1, 1998 and retire with at least five (5) years of service and be age 55 or older.

Employees hired after January 1, 1998 and retire at age 62 or who who have completed fifteen (15) years of service.

Directors who retire and their eligible dependents.

Spouse

Owen Electric pays family medical coverage for retirees and their dependents.

Medicare

At age 65 retirees will commence with Medicare coverage.

Contributions

For employees hired prior to January 1, 1998 and for all Directors, Owen Electric will pay 50% of the insurance premium for 5 - 14 years of service and 100% of the insurance premium for employees with more than 15 years of service.

For employees hired after January 1, 1998, Owen Electric will pay a pro rata portion of the insurance premium, based upon the ratio that the employee's number of years of employment has to 30 years; (e.g. if an employee has completed 15 years of service, Owen Electric will pay one-half of the premium).

For those employees hired on or after November 20, 2003, active employees are required to pay a portion of the monthly premiums.

Life Expectancies

Per annuity tables female employees can expect to live until age 78.2 and male employees can expect to live until age 73.8.

Retirement, withdrawals and mortality

Estimate that employees will retire at age 60 and will be replaced in the normal course of business and Directors at age 70.

**OWEN ELECTRIC COOPERATIVE
FAS 106 Assumptions**

Terminations

Rates vary by attained age for employees. Sample rates are as follows:

<u>Age</u>	<u>Rate</u>	<u>Number of Employees</u>
20	15%	20
30	7%	47
40	3%	40
50	1%	20
60	0%	<u>7</u>
		<u>134</u>

Dependents and future retirees

Presently 67% of retirees have dependent coverage.

Discount rate

6.0% per year.

Medical inflation rate

8% per year in 2011 decreasing by 0.5% per year until 5.5% per year.

Eligibility classes

Based on the Directors, employees and retirees as of December 31, 2011 are as follows:

	<u>Employees</u>
Actives not fully eligible	125
Actives fully eligible	9
Retirees and dependents	<u>55</u>
Total	<u>189</u>

Witness: Alan Zumstein

Owen Electric Cooperative
Case No. 2012-00448

Retirement and Security and 401(k) Plans

Owen provides pension benefits for substantially all employees through participation in the National Rural Electric Cooperative Association (NRECA) Retirement and Security (R&S) Program and the NRECA Savings Plan 401(k). It is the policy of Big Sandy to fund pension costs accrued. R&S contributions are based on base salary at a rate determined by NRECA.

The adjustment is to normalize the R&S contributions using the rate for 2013 using normalized base rate wages for full-time salary, hourly, and union employees. The rates for non-union and union employees are as follows:

	Non-Union	Union
2013	30.50%	25.98%
2012	30.50%	26.82%

Normalized on base wages:

R&S contributions 2,393,521

Test year on base wages:

R&S contributions 2,033,642

Proposed adjustment 359,879

The adjustment is allocated as follows:

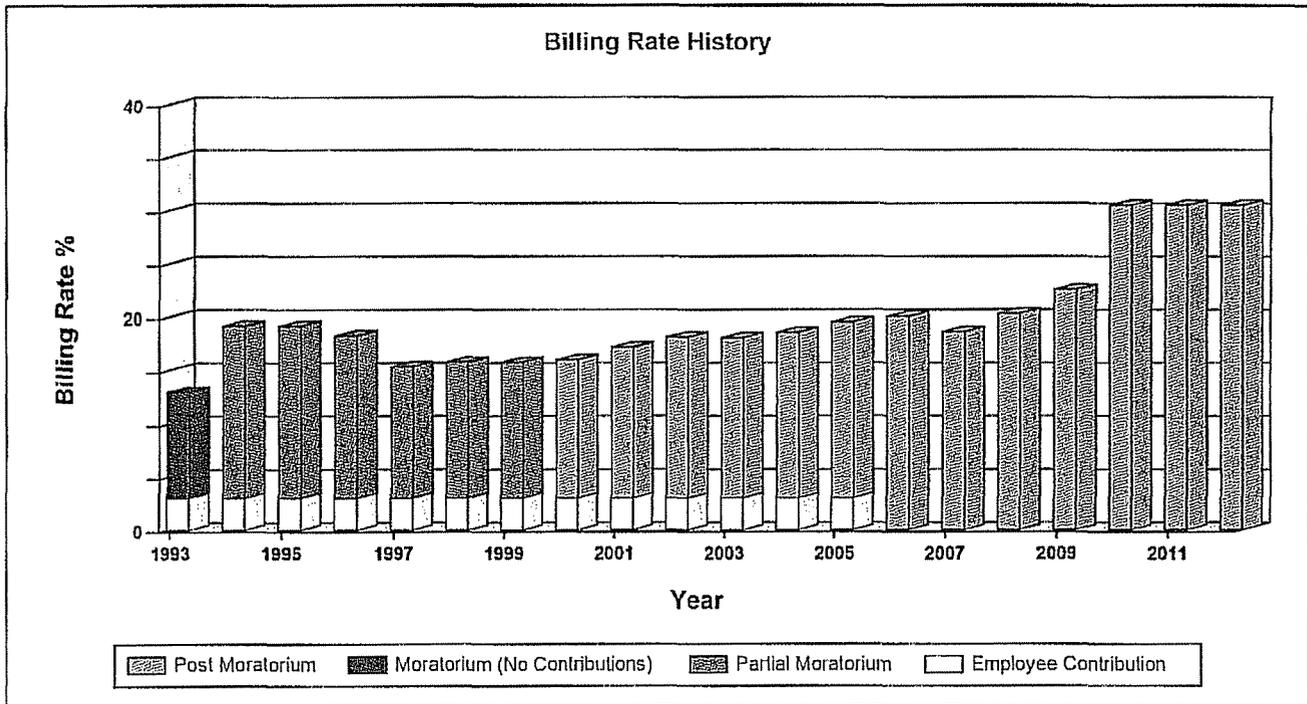
	<u>Percent</u>	<u>Amount</u>
107-108 Capitalized	32.21%	115,928
163 - 416 Clearing and others	8.84%	31,824
580 Operations	18.14%	65,281
590 Maintenance	9.92%	35,710
901 Consumer accounts	14.64%	52,681
908 Customer service	2.33%	8,378
910 Sales	0.00%	0
920 Administrative and general	13.92%	50,078
	<u>100.00%</u>	<u>359,879</u>



NATIONAL RURAL ELECTRIC COOPERATIVE ASSOCIATION
Retirement Security Plan

System #:	01-18037-001	Plan ID:	RNR01B
Name:	OWEN ELECTRIC COOPERATIVE INC		

Year	Benefit Level	System Cost	Employee Contribution	Plan	COLA	Average Age	100% Death Benefit	Salary Type
1993	2.00	10.00	3.00	30	Yes	0	No	BS
1994	2.00	16.19	3.00	30	Yes	39	No	BS
1995	2.00	16.19	3.00	30	Yes	39	No	BS
1996	2.00	15.28	3.00	30	Yes	41	No	BS
1997	2.00	12.38	3.00	30	Yes	42	No	BS
1998	2.00	12.80	3.00	30	Yes	42	No	BS
1999	2.00	12.79	3.00	30	Yes	41	No	BS
2000	2.00	13.01	3.00	30	Yes	42	No	BS
2001	2.00	14.18	3.00	30	Yes	42	No	BS
2002	2.00	15.13	3.00	30	Yes	42	No	BS
2003	2.00	15.07	3.00	30	Yes	41	No	BS
2004	2.00	15.56	3.00	30	Yes	42	No	BS
2005	2.00	16.53	3.00	30	Yes	42	No	BS
2006	2.00	20.09	0.00	30	Yes	43	No	BS
2007	1.80	18.64	0.00	30	Yes	42	No	BS
2008	1.80	20.35	0.00	30	Yes	43	Yes	BS
2009	1.80	22.60	0.00	30	Yes	43	Yes	BS
2010	1.80	30.50	0.00	30	Yes	43	Yes	BS
2011	1.80	30.50	0.00	30	Yes	43	Yes	BS
2012	1.80	30.50	0.00	30	Yes	43	Yes	BS



Note: The System Cost Is the total of the Trust Contribution and the Administrative Fee.

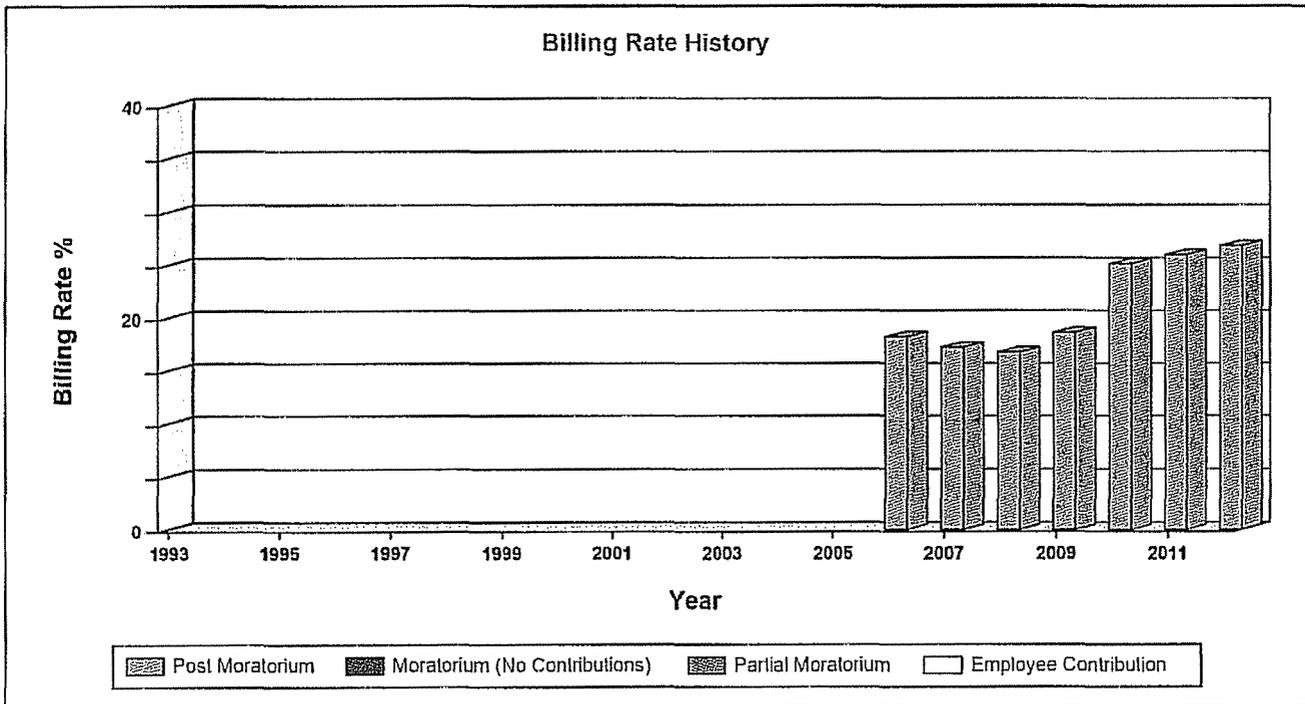
Your Retirement Security Plan's salary type is "base salary." As a result, your contribution cost is applied as a percentage of each participant's annualized base rate of pay in effect on November 15, 2011, which is that participant's effective salary for the 2012 plan year. Beginning with your January 2012 monthly statement, the estimated amount due will be based on this percentage. Rates noted are for the plan in effect as of January 1 for each year.



NATIONAL RURAL ELECTRIC COOPERATIVE ASSOCIATION
Retirement Security Plan

System #:	01-18037-002	Plan ID:	RNR01B
Name:	OWEN ELECTRIC COOPERATIVE INC		

Year	Benefit Level	System Cost	Employee Contribution	Plan	COLA	Average Age	100% Death Benefit	Salary Type
1993								
1994								
1995								
1996								
1997								
1998								
1999								
2000								
2001								
2002								
2003								
2004								
2005								
2006	2.00	18.23	0.00	30	Yes	39	No	BS
2007	1.80	17.23	0.00	30	Yes	39	No	BS
2008	1.80	16.77	0.00	30	Yes	36	Yes	BS
2009	1.80	18.62	0.00	30	Yes	36	Yes	BS
2010	1.80	25.13	0.00	30	Yes	36	Yes	BS
2011	1.80	25.98	0.00	30	Yes	37	Yes	BS
2012	1.80	26.82	0.00	30	Yes	38	Yes	BS



Note: The System Cost is the total of the Trust Contribution and the Administrative Fee.

Your Retirement Security Plan's salary type is "base salary." As a result, your contribution cost is applied as a percentage of each participant's annualized base rate of pay in effect on November 15, 2011, which is that participant's effective salary for the 2012 plan year. Beginning with your January 2012 monthly statement, the estimated amount due will be based on this percentage. Rates noted are for the plan in effect as of January 1 for each year.

Owen Electric Cooperative
Case No. 2012-00448
Test year June 30, 2012

Emp #	Wages		R & S	
	Regular	Hours	Rate	Accrual
Salary Employees				
1	2012	130,187	30.50%	39,707
1	5051	107,869	30.50%	32,900
1	6095	92,830	30.50%	28,313
1	2320	53,144	30.50%	16,209
1	5127	126,464	30.50%	38,572
1	2020	71,656	30.50%	21,855
1	2000	260,000	30.50%	79,300
1	2324	77,792	30.50%	23,727
1	5067	138,694	30.50%	42,302
9	Subtotal	1,058,637		322,884
Hourly Employees:				
1	5088	68,078	26.82%	18,259
1	5279	49,982	26.82%	13,405
1	2304	44,450	30.50%	13,557
1	5106	65,956	26.82%	17,818
1	5124	60,769	26.82%	17,461
1	5123	64,916	26.82%	17,461
1	8134	66,435	26.82%	17,818
1	2008	36,712	30.50%	11,197
1	2053	49,878	30.50%	15,213
1	5131	49,982	26.82%	13,405
1	2001	34,424	30.50%	10,499
1	5112	63,463	26.82%	18,259
1	2326	48,963	30.50%	14,934
1	5064	41,579	30.50%	12,682
1	2345	37,877	30.50%	11,552
1	5084	71,656	30.50%	21,855
1	2052	54,538	30.50%	16,634
1	3382	41,350	30.50%	12,612
1	8155	67,686	26.82%	18,259
1	5094	63,611	26.82%	18,259
1	2307	50,731	30.50%	15,473
1	4053	55,101	26.82%	16,161
1	3046	55,964	26.82%	17,461
1	5040	45,760	30.50%	13,957
1	6127	68,078	26.82%	18,259
1	5210	64,854	30.50%	19,781
1	5122	53,554	26.82%	17,461
1	5070	76,918	30.50%	23,460
1	5093	70,720	30.50%	21,570
1	5097	60,487	26.82%	17,461
1	4045	51,022	30.50%	15,562
1	3042	54,621	30.50%	16,659
1	5104	64,478	26.82%	17,461
1	5095	59,452	26.82%	16,100
1	5080	65,369	30.50%	19,952
1	6154	56,829	26.82%	15,330
1	6150	56,137	26.82%	15,107
1	2029	34,341	30.50%	10,474
1	8156	81,536	30.50%	24,868

Owen Electric Cooperative
Case No. 2012-00448
Test year June 30, 2012

Emp #	Wages Hours		R & S	
	Regular	Rate	Accrual	
1	2042	40,851	30.50%	12,460
1	5642	38,938	30.50%	11,876
1	8142	101,400	30.50%	30,927
1	8129	64,774	26.82%	17,818
1	5077	66,435	26.82%	17,818
1	5058	43,056	30.50%	13,132
1	2313	48,901	30.50%	14,915
1	5105	72,800	30.50%	22,204
1	6155	45,496	26.82%	12,273
1	2038	72,342	30.50%	22,064
1	5096	56,230	26.82%	17,461
1	5130	49,982	26.82%	13,405
1	8130	66,435	26.82%	17,818
1	2016	54,933	30.50%	16,755
1	5102	64,118	26.82%	17,461
1	2331	41,974	30.50%	12,802
1	5108	61,235	30.50%	18,677
1	5087	91,395	30.50%	27,876
1	5113	59,452	26.82%	16,100
1	4052	54,840	26.82%	16,161
1	2323	39,062	30.50%	11,914
1	2309	38,688	30.50%	11,800
1	6132	59,717	26.82%	16,016
1	5074	66,524	26.82%	18,259
1	5259	45,864	26.82%	12,301
1	5118	56,829	26.82%	15,330
1	5099	62,099	26.82%	17,461
1	4050	65,437	30.50%	19,958
1	5126	69,663	30.50%	20,935
1	5073	57,932	30.50%	17,763
1	5128	49,982	26.82%	13,405
1	5081	63,445	26.82%	17,461
1	2006	40,352	30.50%	12,307
1	8148	64,902	26.82%	17,818
1	2024	37,378	30.50%	11,400
1	8140	55,120	30.50%	16,812
1	5125	57,918	30.50%	17,763
1	5082	65,416	30.50%	19,952
1	2017	42,141	30.50%	12,853
1	5103	64,979	26.82%	17,461
1	2340	46,238	30.50%	14,103
1	5282	49,982	26.82%	13,405
1	8149	60,753	26.82%	17,461
1	5076	66,435	26.82%	17,818
1	2329	65,374	30.50%	19,939
1	5129	59,452	26.82%	16,100
1	2048	80,813	30.50%	23,923
1	8169	61,305	30.50%	19,349
1	2034	33,758	30.50%	10,296
1	5061	54,226	30.50%	16,539
1	5133	59,736	26.82%	17,461
1	6157	74,422	30.50%	22,699
1	5284	45,490	30.50%	13,874
1	5134	58,404	26.82%	16,161

Owen Electric Cooperative
Case No. 2012-00448
Test year June 30, 2012

Emp #	Wages Hours		R & S	
	Regular	Rate	Accrual	
1	2051	39,062	30.50%	11,914
1	8145	58,128	30.50%	17,763
1	5089	69,493	30.50%	21,195
1	8134	66,435	26.82%	17,818
1	8135	66,435	26.82%	17,818
1	5109	67,246	30.50%	20,510
1	8144	67,424	26.82%	18,259
1	2025	34,757	30.50%	10,601
1	2023	39,291	30.50%	11,984
1	2319	49,754	30.50%	15,175
1	3044	34,757	30.50%	10,601
1	8153	66,916	26.82%	18,259
1	2059	40,227	30.50%	12,269
1	5111	56,653	26.82%	17,461
1	2321	46,883	30.50%	14,299
1	6094	58,016	30.50%	17,763
1	5120	49,982	26.82%	13,405
1	6156	46,945	30.50%	14,693
1	5132	49,982	26.82%	13,405
1	4043	58,635	26.82%	16,161
1	8170	58,015	26.82%	17,461
1	5063	71,656	30.50%	21,855
1	2031	62,421	30.50%	19,038
1	2028	34,091	30.50%	10,398
1	2303	56,118	30.50%	17,116
1	8141	56,609	26.82%	15,330
1	5114	62,171	30.50%	18,962
1	5078	66,115	26.82%	18,259
1	5071	66,180	26.82%	17,818
1	5069	110,802	30.50%	33,794
1	5098	58,547	26.82%	17,461
124	Subtotal	7,093,432		2,070,637
Part Time & Summer Employees				
1	5140	17,688		
1	5141	3,408		
1	2033	45,078		
1	6091	19,546		
4	Subtotal	85,719.9		0
Retired Employees				
1	2050	43,285		
1	2322	24,960		
2	Subtotal	68,245		0
133	Total	8,306,033		2,393,521

Owen Electric Cooperative
Case No. 2012-00448
Donations

Amounts included in Account 426, Donations have been removed for rate-making purposes. The list is attached.

Owen Electric Cooperative
Case No. 2012-00448

Exhibit 
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Wit: Alan Zumstein

ACCT 426.1 - OTHER INCOME DEDUCT.-DONATIONS

VENDOR NAME	DESCRIPTION	DATE	CHECK NO.	AMOUNT
AMERICAN RED CROSS	Grant Co Red Cross Donation	7/5/2011	92764	250.00
GRANT CO ROTC	Donation for Annual Meeting	7/6/2011	92803	100.00
COMMUNITY CHRISTMAS PROJECT	Community Christmas Project	7/8/2011	92878	150.00
OWEN COUNTY PARKS	Youth Baseball Tournament	7/11/2011	92902	150.00
OWEN COUNTY YOUTH SPORTS	Support	7/15/2011	92918	150.00
KRUS	Golf Scramble Donation	7/19/2011	92940	700.00
FALMOUTH ROTARY CLUB	Donation	7/21/2011	92975	100.00
VISA	Donations	7/19/2011	93140	109.07
OHIO VALLEY UNITED CHARITIES	Charity Golf Scramble	8/10/2011	93161	260.00
CARROLL CO SENIOR EVENT	Carroll Co Senior Event	8/9/2011	93171	100.00
SCOTT CO 4H/FFA LIVESTOCK	Livestock Show Support	8/9/2011	93210	150.00
WINTERCARE ENERGY FUND	Wintercare Matching	7/31/2011	93230	313.54
PINER ELEMENTARY SCHOOL	Piner Archery Program Support	8/11/2011	93283	50.00
SCOTT CO BOARD OF EDUCATION	Lighting Retrofit	8/10/2011	93290	86.00
WALTON VERONA HIGH SCHOOL	Walton Verona Athletics	8/10/2011	93304	100.00
WALTON VERONA	WV Cross Country Invitational	8/19/2011	93348	100.00
MASON CORINTH ELEMENTARY PTO	Mason-Corinth Fall Carnival	8/29/2011	93419	50.00
NEWS HERALD PUBLISHING CO	Newspapers in Edu	8/31/2011	93422	273.60
NORTHERN ELEMENTARY PTO	Fall Carnival	8/31/2011	93424	100.00
SPECIAL OLYMPICS OF KY	Sponsor One Athlete	8/31/2011	93441	145.00
NEW HAVEN ELEMENTARY	Sponsor Walk-a-Thon	9/8/2011	93453	50.00
GRANT CO BAND	Grant Co Band Support	9/6/2011	93495	100.00
WINTERCARE ENERGY FUND	Wintercare Contributions	8/31/2011	93603	378.54
AMERICAN LEGION DEPARTMENT	American Legion Support	9/19/2011	93609	175.00
BEKAS TOPPERS	Donation- Children Battling Canc	9/15/2011	93618	250.00
05 KIDS WISH NETWORK	13KYW	9/7/2011	93639	150.00
KENTUCKY STATE TREASURER	Pendleton Co Ext	9/20/2011	93684	244.00
ST. JOHN CHURCH	Fall Festival Support	9/28/2011	93694	50.00
OWEN CO YOUTH SERVICES CNTR	Power Pack Backpack Program	10/3/2011	93788	120.00
VISA	Donations	9/19/2011	93795	200.00
PERRYVILLE EMBROIDERY	Port Authority	10/8/2011	93859	147.34
WINTERCARE ENERGY FUND	Wintercare Matching	9/30/2011	93875	344.55
OWEN CO PRIMARY SCHOOL	Owen Co Primary Fall Festival	10/17/2011	93879	100.00
HONOR FLIGHT BLUEGRASS CHAPT	Joshua Faulkner- Honors Flight	10/13/2011	93921	350.00
OHIO VALLEY UNITED CHARITIES	3rd Qtr 2011	10/1/2011	93942	607.00
UNITED WAY OF GTR CINCINNATI	3rd Qtr 2011 Donations	10/1/2011	93971	229.00
EAST KENTUCKY POWER	Sponsorship of WWII Vet	10/29/2011	94071	300.00
WINTERCARE ENERGY FUND	Wintercare Matching	10/31/2011	94251	535.80
VISA	Donations	11/18/2011	94453	694.18
HOSPICE OF THE BLUEGRASS	5th Installment of a 5 Yr Agrmt	12/2/2011	94535	1,000.00
WINTERCARE ENERGY FUND	Wintercare Matching	11/30/2011	94583	646.41
GOD'S SPECIAL LITTLE HEARTS	Walk for Awareness	1/9/2012	94829	100.00
OWEN COUNTY HIGH SCHOOL	Touchstone Energy -All A Classic	1/27/2012	94869	320.00
VISA	Donations	12/19/2011	94978	24.37
WINTERCARE ENERGY FUND	Wintercare Matching	12/31/2011	95001	14.91
AMERICAN CANCER SOCIETY	Relay for lfe - Bronze Sponsor	1/10/2012	95007	500.00
OHIO VALLEY UNITED CHARITIES	Donation and Employee Matching	12/31/2011	95056	561.00

Owen Electric Cooperative
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Wit: Alan Zumstein

ACCT 426.1 - OTHER INCOME DEDUCT.-DONATIONS

VENDOR NAME	DESCRIPTION	DATE	CHECK NO.	AMOUNT
UNITED WAY OF GTR CINCINNATI	Donations and Matching	12/31/2011	95071	224.00
FAIRWAY GOLF COURSE	Charlie Satterwhite Memorial	1/23/2012	95098	200.00
DAYTON HIGH SCHOOL	Dayton HS after Prom	1/19/2012	95147	100.00
GRANT CO BAND	Winter Guard Donation	1/19/2012	95160	100.00
GRANT COUNTY LITTLE LEAGUE	Grant Co Little League Support	1/31/2012	95161	100.00
KENTUCKY STATE TREASURER	Tree Donation to Pendleton Co Ex	1/23/2012	95170	110.00
MADD	Donation	1/30/2012	95176	100.00
MEMORIAL OAKS	Donation for Memorial Project	1/31/2012	95179	7,500.00
OWEN COUNTY HIGH SCHOOL JUDO	Judo Invitational	1/31/2012	95187	200.00
OWENTON LIONS CLUB	Donation toward Magic Show	1/17/2012	95188	35.00
PENDLETON COUNTY HIGH SCHOOL	Project Graduation	2/1/2012	95191	100.00
SPECIAL OLYMPICS OF KY	Special Olympics	1/30/2012	95199	250.00
WALTON-VERONA BASEBALL TEAM	Banner Renewal/ Sponsorship	1/20/2012	95212	150.00
OWEN COUNTY ARTS COUNCIL	Donation	2/9/2012	95376	250.00
OWEN COUNTY PROJ GRAD	Owen Co Project Graduation	2/13/2012	95377	100.00
WINTERCARE ENERGY FUND	Wintercare Matching	1/31/2012	95396	1,093.51
FORWARD QUEST INC	Year 1 Pledge for N.KY Vision	1/27/2012	95459	15,000.00
CARROLL CO YOUTH SERVICES	Carroll Co Prom Lock In	2/21/2012	95477	100.00
GALLATIN CO HIGH SCHOOL	Gallatin Co After Prom	2/21/2012	95496	100.00
GRANT CO HIGH SCHOOL	Project Graduation	2/27/2012	95503	100.00
AMERICAN RED CROSS	Kentucky Tornado Relief	3/13/2012	95641	250.00
RELAY FOR LIFE	Hope Sponsor - Relay for Life	3/21/2012	95779	250.00
THREE RIVERS DISTRICT HEALTH	4th Annual 5K Fun Run/Walk	3/19/2012	95784	300.00
WALTON VERONA	Wake Up Walton Initiative	3/16/2012	95790	100.00
WINTERCARE ENERGY FUND	Wintercare Matching	2/29/2012	95793	524.16
YMCA CAMP ERNST	Burlington YMCA Camp Support	3/1/2012	95795	150.00
SCOTT COUNTY HOMEMAKERS	Sponsor for Scott Co Homemaker	3/27/2012	95844	100.00
WALTON VERONA HIGH SCHOOL	WVHS Project Prom	3/26/2012	95857	100.00
CAMPBELL CO HIGH SCHOOL	Project Graduation	4/2/2012	95940	100.00
FALMOUTH LIONS CLUB	Hole Sponsor for Lion's Club	4/11/2012	95967	100.00
FALMOUTH ROTARY CLUB	Spaghetti Supper Fundraiser	4/11/2012	95969	35.00
KAEC	2012 Leadership Ky	3/23/2012	95989	500.00
PENDLETON CO PUBLIC LIBRARY	Summer Reading	4/2/2012	96018	100.00
KENTON CO FAIR 4-H/FFA	Education Sponsorship	4/19/2012	96096	100.00
OWEN CO 4-H COUNCIL	School Buses for 4-H Camp	4/18/2012	96111	350.00
WINTERCARE ENERGY FUND	Wintercare Matching Contribution	3/31/2012	96133	319.25
BOYSCOUTS OF AMERICA	Donation	4/25/2012	96146	150.00
OHIO VALLEY UNITED CHARITIES	Donation and OEC Match	4/23/2012	96187	486.00
UNITED WAY OF GTR CINCINNATI	Donations and OEC Match	4/24/2012	96201	420.00
HOSA- CARROLL CO AREA TECH	Support for Owen, Carroll Stdnts	5/3/2012	96260	100.00
OWEN CO 4-H SHOOTING SPORTS	Donation for Archery Targets	4/30/2012	96285	100.00
SCOTT CO 4-H COUNCIL	Sponsor Two Scholarships	4/27/2012	96295	330.00
SCOTT CO 4H/FFA LIVESTOCK	4-H Livestock Support	5/1/2012	96296	100.00
WINTERCARE ENERGY FUND	Wintercare Matching Contribution	4/30/2012	96431	359.11
WILLIAMSTOWN SCHOOLS	Donation for Camp Invention	5/17/2012	96433	250.00
BUTLER LIONS CLUB	Butler Lions Club Cruise	5/17/2012	96446	100.00
OCHS CHEER	Donation to OC Cheerleaders	5/21/2012	96484	100.00

Owen Electric Cooperative
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Exhibit 8
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Wit: Alan Zumstein

ACCT 426.1 - OTHER INCOME DEDUCT.-DONATIONS

VENDOR NAME	DESCRIPTION	DATE	CHECK NO.	AMOUNT
QUEST FARM	Quest Farm Donation	5/22/2012	96500	500.00
SMITH HOUSE	Chamber Breakfast	5/10/2012	96504	378.00
CARROLL CO YOUTH SERVICES	Community Christmas Project	6/4/2012	96611	150.00
OWEN CO CHAMBER OF COMMERCE	Fan Fair Sponsorship	6/7/2012	96668	250.00
PENDLETON CO EDUCATION FOUND	Hole Sponsor for Golf Scramble	6/1/2012	96669	150.00
WINTERCARE ENERGY FUND	Wintercare Matching Contribution	5/31/2012	96701	337.80
OWEN CO RELAY FOR LIFE	Contribution for Relay for Life	6/15/2012	96777	376.00
BLUEGRASS LADY DIAMONDS	Don. for Bluegrass Lady Diamonds	6/20/2012	96789	100.00
BOONE COUNTY FISCAL COURT	Boone Co Senior Picnic	6/18/2012	96790	100.00
GALLATIN CO 4-H COUNCIL	Livestock Support	6/18/2012	96807	100.00
OCHS CHEER	Support OCHS Cheerleaders	6/19/2012	96822	100.00
GRANT CO BASKETBALL BOOSTERS	Boys Basketball Golf Scramble	6/27/2012	96870	75.00
GRANT CO SCHOOLS	Back To School Bash	6/28/2012	96930	100.00
VISA	Donations	6/18/2012	96948	9.94
SAM'S CLUB/GECRB	7715 0906 0644 2077	6/30/2012	96949	379.47
MEADOW VIEW	Chamber meal	6/15/2012	96996	58.06
VISA	Donations	6/18/2012	97070	374.16
WINTERCARE ENERGY FUND	Wintercare Matching Contribution	6/30/2012	97082	323.74
OHIO VALLEY UNITED CHARITIES	Charity Golf Scramble	6/30/2012	97139	260.00
EMPLOYEE LABOR AND BENEFITS				<u>2,605.45</u>
			Subtotal	<u>50,142.96</u>

ACCT 426.11 - SCHOLARSHIPS

VENDOR NAME	DESCRIPTION	CK DATE	CK NO.	AMOUNT
ASBURY COLLEGE	Kenton Sena	8/11/2011	93163	1,000.00
EASTERN KENTUCKY UNIVERSITY	K Staverman 901413729	8/11/2011	93180	1,000.00
GEORGETOWN COLLEGE	Josh Rump 313179	8/11/2011	93187	1,000.00
NORTHERN KENTUCKY UNIVERSITY	LeAnn Combs 6012670002149121	8/11/2011	93203	1,000.00
NORTHERN KENTUCKY UNIVERSITY	Rachel Turner 6012670002159088	8/11/2011	93203	1,000.00
ST. CATHERINE'S COLLEGE	Jordan Boyle 111115363	8/11/2011	93214	1,000.00
TRANSYLVANIA UNIVERSITY	Gray Grisham	8/11/2011	93222	1,000.00
UNIVERSITY OF KENTUCKY	Rebecca French 910555661	8/11/2011	93225	1,000.00
UNIVERSITY OF KENTUCKY	Gamble	8/11/2011	93225	1,000.00
UNIVERSITY OF KENTUCKY	Tucker Glass	8/11/2011	93225	1,000.00
UNIVERSITY OF KENTUCKY	Lindsay Wallace 910386053	8/11/2011	93225	1,000.00
UNIVERSITY OF LOUISVILLE	K Bachman 1505994	8/11/2011	93226	1,000.00
UNIVERSITY OF LOUISVILLE	Hannah Baker 1507582	8/11/2011	93226	1,000.00
WESTERN KENTUCKY UNIVERSITY	Katelyn Gaines 800 54 2612	8/11/2011	93229	1,000.00
ASBURY COLLEGE	Kenton Sena	1/10/2012	94799	1,000.00
EASTERN KENTUCKY UNIVERSITY	Kaitlin Staverman 901413729	1/10/2012	94816	1,000.00
GEORGETOWN COLLEGE	Josh Rump 313179	1/10/2012	94825	1,000.00
NORTHERN KENTUCKY UNIVERSITY	LeAnn Combs 6012670002149121	1/10/2012	94843	1,000.00
ST. CATHERINE'S COLLEGE	J Boyle 111115363	1/10/2012	94855	1,000.00
TRANSYLVANIA UNIVERSITY	Gray Grisham	1/10/2012	94861	1,000.00
UNIVERSITY OF KENTUCKY	Lindsay Wallace 910386053	1/10/2012	94864	1,000.00

Owen Electric Cooperative
Case No. 2012-00448

Exhibit B
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Wit: Alan Zumstein

ACCT 426.1 - OTHER INCOME DEDUCT.-DONATIONS

VENDOR NAME	DESCRIPTION	DATE	CHECK NO.	AMOUNT
UNIVERSITY OF KENTUCKY	Rebecca French 910555661	1/10/2012	94864	1,000.00
UNIVERSITY OF KENTUCKY	Tucker Glass	1/12/2012	95072	1,000.00
UNIVERSITY OF KENTUCKY	Gamble Collin	1/19/2012	95072	1,000.00
WESTERN KENTUCKY UNIVERSITY	K Gaines 800 54 2612	1/19/2012	95076	1,000.00
UNIVERSITY OF LOUISVILLE	Katelynn Bachman 1505994	1/12/2012	95080	1,000.00
UNIVERSITY OF LOUISVILLE	Hannah Baker 1507582	1/12/2012	95080	<u>1,000.00</u>
	Subtotal			27,000.00
ACCT 426.3 - PENALTIES				3,045.50
ACCT 426.6 - DIRECTORS LIFE INS				<u>2,893.15</u>
TOTAL DEDUCTIONS				<u><u>83,081.61</u></u>

Owen Electric Cooperative
Case No. 2012-00448
Director Fees and Expenses

Certain director expenses are removed for rate-making purposes. These costs include director health insurance, directors' per diems, Christmas gifts, attending the Legislative conference, directors attending either the KAEC annual meeting or EKPC annual meeting, when the director is not the representative for the respective organization.

Expenses that are not removed for rate-making purposes include costs of attending NRECA director training/education seminars. These seminars are critical for directors to be updated on events and activities related to the electric industry. Also included is D-O-M Liability Insurance that protects the directors for decisions they make on a monthly basis. Without DOM insurance, directors would be hesitant to make any decisions as members, consumers, or any person could file a legal claim against the director(s).

A copy of the Board Policy is attached.

Costs removed for rate-making purposes are as follows:

AHRMAN, ALAN		
KAEC annual meeting	1,313	
less per diem	750	563
MCCORD EDDIE		
KAEC annual meeting	1,120	
less per diem	750	370
GRANT JOHN R		
KAEC annual meeting	1,286	
less per diem	750	536
EKPC annual meeting	383	
less per diem	375	8
BOND ANN		
KAEC annual meeting	1,259	
less per diem	750	509
TRUE ROBERT		
KAEC annual meeting	1,249	
less per diem	750	499
EKPC annual meeting	406	
less per diem	375	31
JACKSON FRANK		

Exhibit 9
page 2 JLB

	Legislative conference	1,107
All Directors		
Per diems		22,295
Health insurance		<u>132,982</u>
	Total	<u><u>158,900</u></u>

Owen Electric Cooperative
 Case No. 2012-00448
 Director Expenses

VENDOR NAME	DESCRIPTION	DATE	CK NO.	REG MTG	OTHER MTG	PER DIEM	MILEAGE	AIR FARE	MTG FEES	HOTEL	MEALS	HEALTH INS	MISC	TOTAL
												1,000		1,436
				375			61							894
AHRMAN, ALAN	Regular Board Meeting	7/29/2011	93037			750	144					1,000		1,436
AHRMAN, ALAN	East Kentucky Mtgs	8/26/2011	93354				61							489
AHRMAN, ALAN	Regular Board Meeting	8/26/2011	93354	375			114					1,000		1,436
AHRMAN, ALAN	KAEC Board Mtg	9/29/2011	93700				61							415
AHRMAN, ALAN	Regular Board Meeting	9/29/2011	93700	375					415					878
AHRMAN, ALAN	Regular Board Meeting	10/1/2011	93955			750	128					1,000		1,436
VISA	NRECA Directors Conference	10/31/2011	94049				61							864 x
AHRMAN, ALAN	NRECA Regional Meeting	10/31/2011	94049	375			114							811
AHRMAN, ALAN	Regular Board Meeting	11/17/2011	94254			750	61							1,436
AHRMAN, ALAN	KAEC Annual Meeting	11/17/2011	94254		750		61					1,000		586
AHRMAN, ALAN	Strategic Plan/ Bid Budget Mtg	11/17/2011	94254				61							1,436
AHRMAN, ALAN	Regular Board Meeting	11/18/2011	94254	375						550	36			1,444
AHRMAN, ALAN	Regular Board Meeting	12/1/2011	94588									1,000		131 x
VISA	NRECA Directors Conference	12/15/2011	94592	375			69				131			318 x
AHRMAN, ALAN	Regular Board Meeting	12/7/2011	94833							318				436
KAEC	KAEC Annual Meeting	12/19/2011	94978											1,436
VISA	KAEC annual mtg	12/19/2011	94978									1,000		2,283
AHRMAN, ALAN	Bid, Budget and Planning	1/26/2012	95081	375			61							811
AHRMAN, ALAN	Regular Board Meeting	1/26/2012	95081			2,250	33							1,436
AHRMAN, ALAN	NRECA Director's Conference	2/24/2012	95455			750	61					1,000		1,284
AHRMAN, ALAN	Bid, Budget and Planning	2/24/2012	95455				61							2,122
AHRMAN, ALAN	Regular Board Meeting	2/23/2012	95455	375			60			1,102	122			1,436
AHRMAN, ALAN	Regular Board Meeting	2/17/2012	95621									1,000		408
VISA	NRECA Directors Conference	2/17/2012	95621											2,283
VISA	NRECA Directors Conference	3/23/2012	95859	375			33							1,630
AHRMAN, ALAN	Regular Board Meeting	3/29/2012	95859			375	33							1,436
AHRMAN, ALAN	Bid, Budget and Planning Meeting	3/29/2012	95859							1,526	104			1,436
AHRMAN, ALAN	NRECA Director's Conference	3/29/2012	95859									1,000		1,436
AHRMAN, ALAN	NRECA Directors Conference	3/19/2012	95915				61					1,000		436
VISA	NRECA Directors Conference	4/26/2012	96140	375			61							94
AHRMAN, ALAN	Regular Board Meeting	5/31/2012	96581	375			61						94	1,436
AHRMAN, ALAN	Regular Board Meeting	5/31/2012	96581			375								1,161
AHRMAN, ALAN	Bid, Budget and Planning	6/1/2012	96828									1,000		408
VISA	Background check	6/1/2012	96828											411
AHRMAN, ALAN	Regular Board Meeting	6/30/2012	96911	375			61							411
AHRMAN, ALAN	Regular Board Meeting	6/30/2012	96911											411
AHRMAN, ALAN	ACES Power Conference	6/30/2012	96911			375	33			411				36,395
AHRMAN, ALAN	OEC Annual Meeting	6/30/2012	96911										94	
AHRMAN, ALAN	OEC Annual Meeting	6/18/2012	96948											
VISA	ACES Power Conference	6/18/2012	96948											
	Subtotal			4,500	3,000	8,250	1,714	297	2,240	3,907	393	12,000	94	

Owen Electric Cooperative
Case No. 2012-00448
Director Expenses

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VENDOR NAME	DESCRIPTION	DATE	CK NO.	REG MTG	OTHER MTG	PER DIEM	MILEAGE	AIR FARE	MTG FEES	HOTEL	MEALS	HEALTH INS	MISC	TOTAL
KINMAN HOPE	Regular Board Meeting	7/29/2011	93045	375			6					983		1,363
KINMAN HOPE	Regular Board Meeting	8/26/2011	93365	375			57					983		1,414
KINMAN HOPE	Regular Board Meeting	9/29/2011	93710	375			6				15	983		1,378
VISA	NRECA Directors Conference	10/1/2011	93955						945					945
KINMAN HOPE	Bid, Budget and Planning	10/31/2011	94100		375									375
KINMAN HOPE	NRECA Regional Meeting	10/31/2011	94100			750	111				11			872
KINMAN HOPE	Regular Board Meeting	10/31/2011	94100	375			6					983		1,363
KINMAN HOPE	Strategic Planning Meeting	11/17/2011	94301		375		57							432
KINMAN HOPE	Regular Board Meeting	11/18/2011	94301	375			6					983		1,363
VISA	NRECA Directors Conference	12/1/2011	94588							434	36			470
KINMAN HOPE	Regular Board Meeting	12/15/2011	94642	375								983		1,358
KINMAN HOPE	Audit Committee Conf Call	1/26/2012	95108		375									375
KINMAN HOPE	Regular Board Meeting	1/26/2012	95108	375			6					1,043		1,424
KINMAN HOPE	Bid, Budget and Planning	2/23/2012	95429		375									375
KINMAN HOPE	Bid, Budget and Planning	2/24/2012	95429		375		6							381
KINMAN HOPE	Regular Board Meeting	2/23/2012	95429	375			6					1,043		1,424
KINMAN HOPE	Bid Budget and Planning Mtg	3/29/2012	95863		375		68							443
KINMAN HOPE	Regular Board Meeting	3/29/2012	95863	375			6					1,043		1,424
KINMAN HOPE	Regular Board Meeting	4/26/2012	96179	375			6					1,043		1,424
KINMAN HOPE	Regular Board Meeting	5/31/2012	96588	375			6					1,043		1,424
KINMAN HOPE	Bid, Budget and Planning	5/31/2012	96588		375									375
VISA	CFC Director Conf	6/1/2012	96828					542						542
KINMAN HOPE	Regular Board Meeting	6/30/2012	96938	375			6					1,043		1,424
KINMAN HOPE	EKPC Annual Meeting	6/30/2012	96938			375	6							381
KINMAN HOPE	OEC Annual Meeting	6/30/2012	96938		375		31							406
	Subtotal			4,500	3,000	1,125	390	542	945	434	62	12,156	-	23,154

Owen Electric Cooperative
Case No. 2012-00448
Director Expenses

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	VENDOR NAME	DESCRIPTION	DATE	CK NO.	REG MTG	OTHER MTG	PER DIEM	MILEAGE	AIR FARE	MTG FEES	HOTEL	MEALS	HEALTH INS	MISC	TOTAL
136	BOND ANN	Regular Board Meeting	7/29/2011	93039	375			8					570	25	978
137	BOND ANN	Regular Board Meeting	8/26/2011	93355	375			8					570		953
138	BOND ANN	Regular Board Meeting	9/29/2011	93701	375			8					570		953
139	VISA	NRECA Directors Conference	10/1/2011	93955						965					965
140	BOND ANN	Bid, Budget and Planning Mtg	10/31/2011	94055		375		8							383
141	BOND ANN	EKPC Board Meeting	10/31/2011	94055			375	41							416
142	BOND ANN	Medical Meeting	10/31/2011	94055		375		109							484
143	BOND ANN	NRECA Regional Mtg	10/31/2011	94055			1,125	72							1,197
144	BOND ANN	Regular Board Meeting	10/31/2011	94055	375			8					570		953
145	BOND ANN	KAEC Annual Meeting	11/17/2011	94339			750	70							820 x
146	BOND ANN	Strategic Planning Mtg	11/17/2011	94339		375		8							383
147	BOND ANN	Regular Board Meeting	11/18/2011	94339	375			8					570		953
148	VISA	NRECA Directors Conference	12/1/2011	94588							600	19	570		619
149	BOND ANN	Regular Board Meeting	12/15/2011	94601	375			8							953
150	KAEC	KAEC Annual Meeting	12/7/2011	94833								131			131 x
151	VISA	KAEC annual mtg	12/19/2011	94978							308				308 x
152	BOND ANN	Audit Committee Meeting	1/26/2012	95085		375		8							383
153	BOND ANN	Regular Board Meeting	1/26/2012	95085	375			8					828		1,210
154	BOND ANN	Audit Committee Meeting	2/24/2012	95407		375		8							383
155	BOND ANN	Regular Board Meeting	2/23/2012	95407	375			8					828		1,210
156	VISA	NRECA Directors Conference	2/17/2012	95621					472	1,650					2,122
157	BOND ANN	Regular Board Meeting	3/29/2012	95860	375			8					828		1,210
158	BOND ANN	Regular Board Meeting	4/26/2012	96145	375			8					828		1,210
159	BOND ANN	Audit Committee Meeting	4/26/2012	96145		375		8							383
160	BOND ANN	Regular Board Meeting	5/31/2012	96583	375			8					828		1,210
161	VISA	CFC Director Conf	6/1/2012	96828					542						542
162	BOND ANN	Regular Board Meeting	6/30/2012	96918	375			8					828		1,210
163	BOND ANN	Annual EKPC Meeting	6/30/2012	96918			375	41							416
164	BOND ANN	OEC Annual Meeting	6/30/2012	96918		375		32							407
165		Subtotal			4,500	2,625	2,625	496	1,014	2,615	907	150	8,387	25	23,345

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Owen Electric Cooperative
Case No. 2012-00448
Director Expenses

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	VENDOR NAME	DESCRIPTION	DATE	CK NO.	REG MTG	OTHER MTG	PER DIEM	MILEAGE	AIR FARE	MTG FEES	HOTEL	MEALS	HEALTH INS	MISC	TOTAL
167	TRUE ROBERT	Regular Board Meeting	7/29/2011	93048	375			29					983		1,387
168	TRUE ROBERT	Regular Board Meeting	8/26/2011	93370	375			29					983		1,387
169	TRUE ROBERT	Regular Board Meeting	9/29/2011	93716	375			29					983		1,387
170	VISA	NRECA Directors Conference	10/1/2011	93955						415					415
171	TRUE ROBERT	NRECA Regional Meeting	10/31/2011	94145			750								750
172	TRUE ROBERT	Regular Board Meeting	10/31/2011	94145	375			29					983		1,387
173	TRUE ROBERT	Strategic Plan and Bid Budget	11/17/2011	94331		750		58							808
174	TRUE ROBERT	KAEC Annual Meeting	11/17/2011	94331			750	79							829
175	TRUE ROBERT	Regular Board Meeting	11/18/2011	94331	375			29					983		1,387
176	VISA	NRECA Directors Conference	12/1/2011	94588							360				360
177	TRUE ROBERT	Regular Board Meeting	12/15/2011	94677	375			29					983		1,387
178	KAEC	KAEC Annual Meeting	12/7/2011	94833								131			131
179	VISA	KAEC annual mtg	12/19/2011	94978							289				289
180	TRUE ROBERT	Bid Budget and Planning	1/26/2012	95122		375		29							404
181	TRUE ROBERT	Regular Board Meeting	1/26/2012	95122	375			29					1,073		1,477
182	TRUE ROBERT	Audit Committee Meeting	2/24/2012	95450		375		29							404
183	TRUE ROBERT	Regular Board Meeting	2/23/2012	95450	375			29					1,073		1,477
184	TRUE ROBERT	Regular Board Meeting	3/29/2012	95865	375			29					1,073		1,477
185	TRUE ROBERT	Regular Board Meeting	4/27/2012	96199	375			29					1,073		1,477
186	TRUE ROBERT	Audit Committee Mtg	4/27/2012	96199		375		29							404
187	TRUE ROBERT	Regular Board Meeting	5/31/2012	96591	375			29					1,073		1,477
188	TRUE ROBERT	Regular Board Meeting	6/30/2012	96959	375			29					1,073		1,477
189	TRUE ROBERT	EKPC Annual Meeting	6/30/2012	96959			375	31							406
190	TRUE ROBERT	OEC Annual Meeting	6/30/2012	96959		375		29							404
191		Subtotal			4,500	2,250	1,875	630	-	415	649	131	12,334	-	22,784

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VENDOR NAME	DESCRIPTION	DATE	CK NO.	REG MTG	OTHER MTG	PER DIEM	MILEAGE	AIR FARE	MTG FEES	HOTEL	MEALS	HEALTH INS	MISC	TOTAL
JACKSON FRANK	Regular Board Meetings	7/29/2011	93044	375			50				6	570		1,001
JACKSON FRANK	KAEC board mtg	7/29/2011	93044			125	105							230
VISA	Legislative Conference	7/13/2011	93140					150						150 x
JACKSON FRANK	Regular Board Meetings	8/26/2011	93364	375			50					570		995
JACKSON FRANK	Regular Board Meetings	9/29/2011	93707	375			50					570		995
JACKSON FRANK	KAEC board mtg	9/29/2011	93707			125	105							230
VISA	NRECA Directors Conference	10/1/2011	93955						415					415
JACKSON FRANK	NRECA Regional Meeting	10/31/2011	94093			750	111							861
JACKSON FRANK	Regular Board Meetings	10/31/2011	94093	375			50					570		995
JACKSON FRANK	KAEC board mtg	10/31/2011	94093			125	105							230
JACKSON FRANK	Strategic Plan/Bid Budget	11/17/2011	94293			750	50							800
JACKSON FRANK	KAEC Annual Meeting	11/17/2011	94293			750	103							853
JACKSON FRANK	Regular Board Meetings	11/18/2011	94293	375			3					570		948
JACKSON FRANK	KAEC board mtg	11/18/2011	94293			125	105							230
VISA	NRECA Directors Conference	12/1/2011	94588							518				518
VISA	NRECA Directors Conference	12/1/2011	94588							530				530
JACKSON FRANK	KAEC board mtg	12/15/2011	94634	375		125	109					570		1,179
KAEC	KAEC Annual Meeting	12/7/2011	94833								131			131
JACKSON FRANK	Bid, Budget and Planning	1/26/2012	95105		375		3							378
JACKSON FRANK	Regular Board Meetings	1/26/2012	95105	375			3					753		1,131
JACKSON FRANK	KAEC board mtg	1/26/2012	95105			125	105							230
JACKSON FRANK	Audit Committee Meeting	2/23/2012	95426		375									375
JACKSON FRANK	Bid, Budget and Planning	2/24/2012	95426		375									375
JACKSON FRANK	Regular Board Meetings	2/23/2012	95426	375			53					753		1,181
JACKSON FRANK	KAEC board mtg	2/23/2012	95426			125	105							230
JACKSON FRANK	Regular Board Meetings	3/29/2012	95862	375			3					753		1,131
JACKSON FRANK	Regular Board Meetings	4/26/2012	96174	375			50					753		1,178
JACKSON FRANK	Audit Committee Meeting	4/26/2012	96174		375									375
VISA	Legislative Conference	4/18/2012	96365					902						902 x
JACKSON FRANK	Regular Board Meetings	5/31/2012	96587	375								753		1,128
KAEC	Legislative Luncheon	5/21/2012	96646								55			55 x
JACKSON FRANK	Regular Board Meetings	6/30/2012	96934	375			77					753		1,205
JACKSON FRANK	OEC Annual Meeting	6/30/2012	96934		375									375
	Subtotal			4,500	1,875	3,125	1,398	1,052	415	1,047	192	7,938	-	21,543

Owen Electric Cooperative
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Director Expenses

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	VENDOR NAME	DESCRIPTION	DATE	CK NO.	REG MTG	OTHER MTG	PER DIEM	MILEAGE	AIR FARE	MTG FEES	HOTEL	MEALS	HEALTH INS	MISC	TOTAL
228	VISA	Bd mtg meals	7/13/2011	93140								50			50
229	VISA	Bd mtg meals	7/19/2011	93140								54			54
230	VISA	Mail board reports, bd meals	11/1/2011	94319								32		42	74
231	VISA	USPS mail bd packets, Bd meal	12/1/2011	94588								47		42	89
232	VISA	Bd mtg meals	12/1/2011	94588								165			165
233	VISA	Mail board reports, bd meals	12/19/2011	94978								34		42	75
234	VISA	Mail board reports	2/17/2012	95621										51	51
235	VISA	Bd mtg meals	3/19/2012	95902								31			31
236	VISA	Bd mtg meals	3/19/2012	95902								25			25
237	VISA	Bd mtg meals	3/19/2012	95915								95			95
238	VISA	Bd mtg meals	4/18/2012	96365								127			127
239	VISA	Bd mtg meals	6/1/2012	96828								149			149
240	VISA	Bd mtg meals	6/18/2012	96948								203			203
241	VISA	Mail board reports	6/18/2012	96948										139	139
242	NRECA	RE Magazine	8/19/2011	93515										301	301
243	SMITH HOUSE RESTAUR	Bd mtg meal	monthly	var								2,708			
244	NRECA	Life ins premiums	monthly	var									2,476		2,476
245	UMR	Monthly Premium Admin costs	monthly	var									3,159		3,159
246	EKPC	Monthly Premiums	monthly	var									37,292		37,292
247	DENTAL CARE PLUS, INC	Monthly Premiums	monthly	var									1,060		1,060
248	EYEMED VISION CARE	Monthly Premiums	monthly	var									274		274
249	BLUE MEDICARERX	Monthly Premiums	monthly	var									797		797
250	ANTHEM BLUE CROSS	Monthly Premiums	monthly	var									3,364		3,364
251		Directors, Officers & Management Liability Insurance												5,587	5,587
252		FAS 106/158 Expense											31,697		31,697
253		Subtotal			-	-	-	-	-	-	-	3,719	80,120	6,203	87,334
254		Total			31,500	18,375	22,295	6,311	4,149	7,730	9,827	5,147	132,982	6,322	241,930

Witness: Mark A Stallons

Owen Electric Cooperative
Case No. 2012-000448
Name of Board Members
30-Jun-12

Chairperson

John Grant 8244 Woodcreek Dr Florence, KY 41042

Vice Chairperson

Robert True 1790 Owenton Road Corinth, KY 41010

Secretary-Treasurer

Patricia Kinman 7224 Cascade Drive Florence, KY 41042

Frank Jackson 2586 Moffett Road Independence, KY 41051

Ann Bond 2620 New Liberty Rd Sparta, KY 41086

Stanley Gosney 3122 Highway 467 Demossville, KY 41033

Alan Ahrman 708 Kenton Station Rd Alexandria, KY 41001

Eddie McCord 3700 Hwy 16 Glencoe, KY 41046

East Kentucky Power Cooperative

Representative

Patricia Kinman

Kentucky Association of Electric Cooperatives (KAEC)

Representative

Frank Jackson

Alternate

Mark Stallons

National Rural Electric Cooperative Association (NRECA)

Representative

Alan Ahrman

Alternate

Ann Bond

CFC

Representative

Patricia Kinman

Alternate

Frank Jackson

MEETING/TRAVEL TIME ALLOWED FOR DIRECTORSI. OBJECTIVE

To establish a policy for directors regarding days to be paid per diem while attending meetings or training programs on behalf of the Cooperative as authorized by the Board of Directors.

II. POLICY CONTENT

- A. Per diem shall be paid at the rate established by the Board of Directors.
- B. It shall be the policy of Owen EC to pay for its Directors' out-of-pocket expense and per diem to attend certain meetings and training programs. Receipts are required for reimbursement of out-of-pocket expenses in excess of \$25.00 per occurrence. Reimbursable expenses are defined in Policy No. 302.
- C. The number of days for per diem purposes will be determined by the number of days of the particular meeting or program, plus the time necessary to travel as follows:
- 1) Destination is < 200 miles: No per diem will be allowed for travel to meetings but overnight expenses will be paid by the Cooperative.
 - 2) Destination is > 200 miles: One per diem will be allowed for travel one day prior to the beginning of a meeting. An additional per diem will be permitted for travel providing the meeting adjourns late in the day.
 - 3) Destination requiring air travel: If a director elects to drive to a meeting in lieu of air travel, one per diem each way will be permitted for travel to and from the meeting.
- D. Directors absent from a regular board meeting because of their own illness or the illness or death of a mother, father, husband, wife, child, sister, brother, grandparent, grandchild, father-in-law, mother-in-law, sister-in-law, brother-in-law, son-in-law, daughter-in-law, step-mother, step-father, step-child, step-sister, or step-brother shall receive their per diem. Directors absent from a regular board meeting for the illness or death of all other considered "close relatives" shall be at the discretion of the board for receiving their per diem.
- E. Mileage shall be computed in accordance with the Cooperative's mileage rate policy.

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F. The director shall be responsible for the expenses of any guest (s) invited, and shall indicate guest expenses on any credit card/other receipts.

III. RESPONSIBILITY

It shall be the responsibility of the director to turn in the number of days and the amount of out-of-pocket expense incurred while representing the Cooperative to the President/CEO or his executive assistant for reimbursement.

Last Review Date : 02/23/12

Amended:

02/25/10	04/23/98	04/28/94	07/26/90	07/24/80
04/26/07	07/24/97	05/27/93	07/27/89	04/18/79
02/22/07	04/24/97	05/28/92	09/15/88	
07/24/03	04/25/96	09/19/91	09/24/87	
04/22/99	04/27/95	05/23/91	07/25/85	

Owen Electric Cooperative
Case No. 2012-00448
Professional Services

The Board of Directors has a responsibility to select an attorney to represent the board and cooperative to maintain the legal entity. The duties and responsibilities of the attorney are to perform routine services, special services, and other services for the cooperative. The attorney also attends the monthly and special board meetings. The monthly retainer fee is \$165 per hour with a minimum of 5 hours per month. Services are billed at the normal hourly billing rates for the attorney and his staff.

The Board of Directors hires the outside auditor to perform the annual audit.

Adjustments are to remove items that are normally excluded or rate-making purposes. Among the expenses excluded are attorney health and dental premiums, gifts, attending legal seminars, the KAEC annual meeting, and the Legislative Conference.

The list of \$26,999 of costs that have been removed for rate-making purposes is attached.

Witness: Alan Zumstein

Owen Electric Cooperative
Case No. 2012-00448
Professional Services

CK DATE	CK NO.	VENDOR	DESCRIPTION	AMOUNT	
1/25/12	95262	KAEC	Legal Assistance	341.72	
6/27/12	97131	KAEC	Legal Work Performed	508.04	
7/31/11	93079	CRAWFORD & BAXTER PSC	Professional Services	8,598.41	
9/7/11	93628	CRAWFORD & BAXTER PSC	Professional Services	5,865.66	
9/30/11	93831	CRAWFORD & BAXTER PSC	Professional Services	3,641.94	
11/2/11	94193	CRAWFORD & BAXTER PSC	Professional Services	7,026.44	
12/7/11	94614	CRAWFORD & BAXTER PSC	Professional Services	9,373.81	
12/30/11	95029	CRAWFORD & BAXTER PSC	Professional Services	4,682.05	
1/31/12	95242	CRAWFORD & BAXTER PSC	Professional Services	2,496.30	
3/12/12	95668	CRAWFORD & BAXTER PSC	Professional Services	3,243.30	
3/31/12	95953	CRAWFORD & BAXTER PSC	Professional Services	3,817.80	
4/30/12	96330	CRAWFORD & BAXTER PSC	Professional Services	4,847.10	
6/1/12	96621	CRAWFORD & BAXTER PSC	Professional Services	2,250.30	
7/21/11	92962	C. H. GUERNSEY & COMPANY	Fresh Look expenses	197.97	x
8/18/11	93357	C. H. GUERNSEY & COMPANY	Fresh Look expenses	301.12	x
9/15/11	93624	C. H. GUERNSEY & COMPANY	Fresh Look expenses	912.34	x
11/1/11	94182	C. H. GUERNSEY & COMPANY	Fresh Look expenses	975.16	x
11/14/11	94397	C. H. GUERNSEY & COMPANY	Fresh Look expenses	983.75	x
12/21/11	94920	C. H. GUERNSEY & COMPANY	Fresh Look expenses	3,860.80	x
2/15/12	95475	C. H. GUERNSEY & COMPANY	Fresh Look expenses	918.30	x
var	var	NRECA	Travel insurance	6.24	
4/18/12	96380	ZUMSTEIN ALAN M	Property tax & Form 990 Preparation	3,900.00	
7/5/11	92866	ZUMSTEIN ALAN M	Property tax & Form 990 Preparation	3,850.00	x
2/1/12	95314	ADECCO EMPLOYMENT SERVICES	Employment services	0.00	
8/19/11	93515	NRECA	Legal subscriptions	43.00	
7/1/11	93001	MOUNTJOY CHILTON MEDLEY LLP	Financial & 401K Audit	4,000.00	
10/31/11	94112	MOUNTJOY CHILTON MEDLEY LLP	Financial & 401K Audit	1,900.00	
3/23/12	95837	MOUNTJOY CHILTON MEDLEY LLP	Financial & 401K Audit	14,000.00	
4/30/12	96357	MOUNTJOY CHILTON MEDLEY LLP	Financial & 401K Audit	13,500.00	
5/25/12	96549	ICON, INC	Positive Performance Coaching training for	15,000.00	x
5/26/12	96549	ICON, INC	Postive Performance Coarching update for	6,600.00	
2/1/12	95486	DEAN, DORTON, ALLEN AND FORD	Internal Audit plan expenses	3,012.57	
2/29/12	95589	DEAN, DORTON, ALLEN AND FORD	Internal Audit plan expenses	6,677.90	
4/1/12	96078	DEAN, DORTON, ALLEN AND FORD	Internal Audit plan expenses	8,421.45	
5/15/12	96538	DEAN, DORTON, ALLEN AND FORD	Internal Audit plan expenses	2,111.82	
				147,865.29	
		Remove for rate making purposes		26,999.44	x

Owen Electric Cooperative
Case No. 2012-00448
Miscellaneous Expenses

Certain advertising expenses are disallowed for rate making purposes that are not for safety, conservation, information, or annual meeting. These have been removed from Account 930.10, General Advertising. Those removed include sponsorships of sports, church, civic, and charitable related organizations.

There are Miscellaneous General Expenses that are also disallowed for rate making purposes to include employee meals, gifts, flower fund for deaths in families, nominating committee, and other non-recurring amounts. Amounts for reimbursements and attendance at chamber of commerce functions have been removed.

Annual meeting scholarships, prized, and giveaways are disallowed for rate making purposes. These have been identified and removed.

Amounts that are less than \$100 individually and fall into the categories above have been identified and removed for rate making purposes.

Amounts removed are as follows:

Annual meeting costs removed	16,318.44
Advertising costs to remove	15,499.04
	\$31,817

Owen Electric Cooperative
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Witness: Alan Zumstein

Annual Meeting Expenses

DATE	CK NO.	VENDOR NAME	DESCRIPTION	AMOUNT	
7/1/11	92765	AMY C MAY	Hard Hats giveaways	765.72	x
7/6/11	92802	GRANT CO FOOD SERVICE DEP	Reimburse school for milk	160.00	
7/8/11	92900	NEWS HERALD PUBLISHING CO	Annual Meeting Ads	748.74	
7/21/11	92917	COMDATA CORPORATION	FQI 198 ads	80.21	
7/1/11	92920	MCKINLEY KITTY	Employee mileage reimburse	13.77	
7/12/11	93084	EAST KY POWER CORP.	Annual Meeting Signs	47.76	
7/1/11	93124	MOORE MELISSA	Employee mileage reimburse	20.40	
7/19/11	93140	VISA	Meals and Drinks	533.32	
7/19/11	93140	VISA	Transportation for members	845.30	
7/19/11	93140	VISA	Door prizes	2,492.09	x
7/19/11	93140	VISA	Supplies	69.39	
8/11/11	93184	GAINES KATELYN	Scholarship Orientation	160.00	x
9/2/11	93529	SHELBY ENERGY COOPERATIVE	Annual Meeting Assistance	228.68	
8/26/11	93572	KAEC	19 Watt CFL bulbs	4,197.60	
11/1/11	94291	INFLATABLE FUN FACTORY LLC	Entertainment for kids	350.00	
3/6/12	95637	WULFE BROTHERS	Deposit on entertainment	750.00	
3/6/12	95677	FIRST GEAR INC	Employee Shirts	2,087.99	
4/17/12	96157	CLEMENTS, F. T.	2012 Nominating Committee Mtg	210.00	x
4/17/12	96161	EASTON GARY	2012 Nominating Committee Mtg	215.54	x
4/26/12	96182	MAGEE DALE	2012 Nominating Committee	241.07	x
4/17/12	96189	POST JIM	2012 Nominating Committee	244.40	x
4/17/12	96191	RYLE GREG	2012 Nominating Committee Mtg	257.72	x
4/17/12	96216	CAMERON FLOYD	Credentials Committee Meeting	240.52	x
4/26/12	96242	FAYETTE GRAPHICS	Member Appreciation Gifts	9,874.43	x
4/17/12	96256	GRISHAM W.A. JR.	Credentials Committee Mtg	200.56	x
4/17/12	96273	LOWE JOSEPH W	Credentials Committee Mtg	207.77	x
4/17/12	96275	MASON RICH AND JENNIFER	Credentials Committee Mtg	264.38	x
4/17/12	96276	MESSINGSCHLAGER RICHARD	Credentials Committee Mtg	244.40	x
5/20/12	96564	VISA	Door prizes for Annual Meeting	82.57	x
6/1/12	96580	WULFE BROTHERS	Entertainment	750.00	
4/17/12	96750	MOTLEY WILLIAM ANTHONY	2012 Credentials Committee Mtg	225.53	x
6/15/12	96803	FASTSIGNS	Update Signs	92.22	
6/12/12	96804	FAYETTE GRAPHICS	Member Appreciation Gifts	391.74	x
6/14/12	96946	PLASTIC NAMEPLATES INC	Badges and Clips	13.45	
6/30/12	96969	CHAPPELL SHANNON	Employee mileage reimburse	22.75	
6/30/12	96975	COBB, MICHAEL L.	Employee mileage reimburse	46.06	
6/30/12	96977	DABROWSKI ROBERT	Employee mileage reimburse	139.30	
6/30/12	96980	DUVALL WHITNEY	Employee mileage reimburse	46.62	
6/30/12	96985	GILL CHARLES	Employee mileage reimburse	41.07	
6/30/12	96986	GRISHAM SHAWN D	Employee mileage reimburse	23.31	
6/30/12	96987	HEARNE MICHAEL C	Employee mileage reimburse	44.40	
6/29/12	96989	HOWARD LISA K	Employee mileage reimburse	24.98	
6/30/12	96990	JUMP MISTY	Employee mileage reimburse	33.30	
6/30/12	96992	LINDER BRIAN	Employee mileage reimburse	24.42	
6/29/12	96993	MARSTON, LESA K.	Employee mileage reimburse	22.20	
6/30/12	97003	PETRESHOCK JIM	Employee mileage reimburse	21.09	
6/30/12	97009	SEE JIM	Employee mileage reimburse	19.98	
6/30/12	97010	SIMPSON MENDY	Employee mileage reimburse	13.32	

Owen Electric Cooperative
Case No. 2012-00448

Exhibit
page 3 of 6
Witness: Alan Zumstein

Annual Meeting Expenses

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DATE	CK NO.	VENDOR NAME	DESCRIPTION	AMOUNT
6/29/12	97011	SNAPPY TENTS INC	Chairs and Tables	2,656.89
6/30/12	97012	SNELL CYNDI	Employee mileage reimburse	18.87
6/30/12	97013	STAFFORD MIKE	Employee mileage reimburse	24.98
6/30/12	97015	VASKE TIM	Employee mileage reimburse	16.65
6/30/12	97016	WARE CLARENCE W	Employee mileage reimburse	26.64
6/29/12	97021	BLACKBURN KIM	Reimburse for supplies	39.11
6/30/12	97021	BLACKBURN KIM	Employee mileage reimburse	49.96
6/30/12	97030	COMDATA CORPORATION	Employee Meals reimburse	59.67
6/30/12	97032	DUVALL TRAVIS	Employee mileage reimburse	17.21
6/30/12	97035	FALMOUTH OUTLOOK	Annual Meeting Ad	242.80
6/30/12	97038	GALLATIN COUNTY NEWS	Annual Meeting Ad	209.03
6/30/12	97040	GEORGETOWN NEWS-GRAPHIC	Annual Meeting Advertising	166.16
6/30/12	97056	NEWS HERALD PUBLISHING CO	Annual Meeting Ads	502.30
		Employees labor and benefits		<u>5,876.09</u>

37,736.43

Exclude for rate-making purposes 16,318.44 x

Owen Electric Cooperative
Case No. 2012-00448
Miscellaneous General Advertising, Account 930.1

CK DATE	CK NO.	VENDOR NAME	DESCRIPTION	AMOUNT	LEGEND
7/6/11	92893	LANDS END BUSINESS OUTFITTER	OEC shirts	166.15	I
7/1/11	92953	AT&T ADVERTISING	Telephone directory	69.90	I
7/25/11	92985	KAEC	Ky Living Magazine	19,750.14	I
7/11/11	93025	UNIVERSAL ADCOM	Community Guide Ad	499.50	I
7/25/11	93055	AT&T ADVERTISING	Telephone directory	140.25	I
7/25/11	93135	PERRYVILLE EMBROIDERY	OEC shirts	1,021.05	I
8/2/11	93143	SHERIFF'S CALENDAR	Ad for OC's Sheriff Calendar	97.50	x
7/29/11	93151	TRAVEL AMERICA	Bus Tour for Scholarship Rec.	458.00	x
8/11/11	93164	BACHMAN KATELYNN	Scholarship Orientation	160.00	X
8/11/11	93165	BAKER HANNAH	Scholarship Orientation	160.00	X
8/11/11	93168	BOYLE JORDAN	Scholarship Orientation	160.00	X
8/11/11	93177	COMBS LEANN	Scholarship Orientation	160.00	X
8/11/11	93183	FRENCH REBECCA	Scholarship Orientation	160.00	X
7/31/11	93185	GALLATIN COUNTY NEWS	Online Bill Pay Ad	304.20	I
8/11/11	93186	GAMBLE COLIN	Scholarship Orientation	160.00	X
8/11/11	93188	GLASS TUCKER	Scholarship Orientation	160.00	X
7/31/11	93190	GRANT COUNTY NEWS	Fair Tab Ad	120.00	x
8/11/11	93191	GRISHAM GRAY	Scholarship Orientation	160.00	X
8/2/11	93198	LANDS END BUSINESS OUTFITTER	OEC shirts	147.34	I
7/31/11	93202	NEWS HERALD PUBLISHING CO	Online Bill Pay	163.22	I
8/11/11	93208	RUMP JOSH	Scholarship Orientation	160.00	X
8/11/11	93211	SENA KENTON	Scholarship Orientation	160.00	X
8/11/11	93216	STAVERMAN KAITLIN	Scholarship Orientation	160.00	X
8/11/11	93223	TURNER RACHEL	Scholarship Orientation	160.00	X
8/11/11	93228	WALLACE LINDSAY	Scholarship Orientation	160.00	X
8/1/11	93247	CINCINNATI BELL	Yellow page	530.20	I
8/12/11	93262	GRANT COUNTY HIGH SCHOOL	Athletic Program Support	350.00	x
8/16/11	93341	PREMIER IMPRESSIONS	OEC shirt giveaways	399.50	x
8/25/11	93366	PENDLETON ECHO YEARBOOK	Yearbook Ad	120.00	x
8/22/11	93367	PERRYVILLE EMBROIDERY	Owen Electric Caps	381.07	I
8/26/11	93413	KAEC	Ky Living Magazine	19,775.30	I
8/23/11	93418	LANDS END BUSINESS OUTFITTER	OEC shirts	85.30	I
8/31/11	93429	OWEN CO CHAMBER OF COMMERCE	2011 Sweet Owen Race Day	50.00	x
8/30/11	93430	OWEN COUNTY BASEBALL	Hole Sponsor Ad	50.00	x
8/19/11	93436	VISA	scholarships meals	16.73	x
8/19/11	93436	VISA	scholarship and Teacher Apprec	400.81	x
8/31/11	93484	ENQUIRER MEDIA	Alexandria Fair Tab	164.00	x
9/1/11	93487	FALMOUTH ROTARY CLUB	Envirowatts Sign at Golf Outing	100.00	x
8/31/11	93512	NEWS HERALD PUBLISHING CO	Fall Sports Tab	55.00	x
8/19/11	93526	VISA	scholarships meals	432.50	x
9/1/11	93556	CINCINNATI BELL	Yellow page	1,621.10	I
9/9/11	93598	TWO ED'S	OEC caps	814.08	I
9/21/11	93625	CINCINNATI BELL	Yellow page	243.66	I
9/26/11	93689	OWEN COUNTY WOMAN'S CLUB	Calendar Ad	40.00	x
9/30/11	93749	GEORGETOWN NEWS-GRAPHIC	Festival of Horse Ad	159.00	x
9/20/11	93790	PERRYVILLE EMBROIDERY	OEC shirts	120.31	I
9/30/11	93836	FALMOUTH OUTLOOK	2011 WoolFest	61.50	x
9/30/11	93840	GRANT COUNTY NEWS	Kid Times	100.00	x
9/22/11	93846	KAEC	Ky Living Magazine	19,811.78	I
9/30/11	93856	NEWS HERALD PUBLISHING CO	Business Profile Ad	249.00	I
10/1/11	93884	AT&T ADVERTISING	Telephone directory	69.60	I
10/1/11	93897	CINCINNATI BELL	Yellow page	265.10	I
10/13/11	93917	GRANT COUNTY HIGH SCHOOL	Athletic Ad for GCHS	100.00	x
10/1/11	93948	PERRYVILLE EMBROIDERY	OEC shirts	750.75	I
10/19/11	94032	PERRYVILLE EMBROIDERY	OEC shirts	424.53	I
10/12/11	94095	KAEC	Ky Living Magazine	19,821.85	I
10/21/11	94102	LANDS END BUSINESS OUTFITTER	OEC shirts	79.63	I

Owen Electric Cooperative
Case No. 2012-00448
Miscellaneous General Advertising, Account 930.1

CK DATE	CK NO.	VENDOR NAME	DESCRIPTION	AMOUNT	LEGEND
10/26/11	94123	PERRYVILLE EMBROIDERY	OEC shirts	583.80	I
11/8/11	94170	AT&T ADVERTISING	Telephone directory	18.65	I
10/31/11	94208	GRANT COUNTY NEWS	Advertising	140.00	x
11/1/11	94219	LANDS END BUSINESS OUTFITTER	OEC shirts	256.46	I
11/1/11	94219	LANDS END BUSINESS OUTFITTER	OEC shirts	239.89	I
11/2/11	94219	LANDS END BUSINESS OUTFITTER	OEC shirts	47.64	I
11/9/11	94228	OWEN COUNTY HIGH SCHOOL	Basketball Program Ad	50.00	x
11/4/11	94229	PERRYVILLE EMBROIDERY	OEC shirts	351.92	I
11/1/11	94237	RYLE HIGH SCHOOL	Ryle Basketball Program	100.00	x
11/1/11	94270	CINCINNATI BELL	Yellow page	265.10	I
11/11/11	94432	KAEC	Kentucky Living Magazine Novem	19,819.75	I
11/21/11	94435	LANDS END BUSINESS OUTFITTER	OEC shirts	335.94	I
11/18/11	94453	VISA	candy and decorations for Owen	102.35	x
12/2/11	94529	GRANT CO HIGH SCHOOL	Yearbook Ad	100.00	x
12/3/11	94558	PERRYVILLE EMBROIDERY	OEC shirts	877.95	I
12/14/11	94594	AT&T ADVERTISING	Telephone directory	69.90	I
12/12/11	94626	GRANT CO HIGH SCHOOL	2011 Yearbook Ad	250.00	x
12/1/11	94627	GRANT COUNTY NEWS	Kid Times	100.00	x
12/1/11	94644	LANDS END BUSINESS OUTFITTER	Tall Coffee Mug	596.00	x
12/1/11	94652	NEWS HERALD PUBLISHING CO	Rebel Support Ad	25.00	x
12/2/11	94696	CINCINNATI BELL	Yellow page	246.95	I
12/1/11	94696	CINCINNATI BELL	Yellow page	265.10	I
12/15/11	94710	KAEC	Ky Living Subscriptions	19,770.91	I
12/8/11	94712	LANDS END BUSINESS OUTFITTER	OEC shirts	223.21	I
12/31/11	94826	GEORGETOWN NEWS-GRAPHIC	100232-05	99.00	x
12/28/11	94830	HBA OF NORTHERN KY	Additional Business Activity	35.00	I
12/31/11	94842	NEWS HERALD PUBLISHING CO	33 757535	383.00	I
12/25/11	94909	AT&T ADVERTISING	Telephone directory	69.90	I
12/19/11	94978	VISA	yellow pages ad	289.90	I
1/1/12	95023	CINCINNATI BELL	Yellow page	265.10	I
12/31/11	95040	GRANT COUNTY NEWS	Kid Sponsorship	100.00	x
12/30/11	95060	PERRYVILLE EMBROIDERY	OEC shirts	476.74	I
1/6/12	95064	SCHOOL ATHLETIC SCHEDULES	Sponsor for Boone Co HS	150.00	x
1/18/12	95116	PERRYVILLE EMBROIDERY	OEC shirts	1,339.05	I
1/25/12	95128	AT&T ADVERTISING	Telephone directory	70.70	I
1/17/12	95172	LANDS END BUSINESS OUTFITTER	OEC shirts	577.84	I
1/24/12	95172	LANDS END BUSINESS OUTFITTER	OEC shirts	130.34	I
1/19/12	95186	OWEN COUNTY HIGH SCHOOL	Yearbook Ad for OCHS	140.00	x
1/19/12	95195	VISA	Owen Co Guide	417.53	x
1/27/12	95196	SCHOOL ATHLETIC SCHEDULES	Spring Sports Poster	150.00	x
1/30/12	95197	SCOTT CO 4-H COUNCIL	Scott Co Fair Catalog	80.00	x
1/25/12	95266	LANDS END BUSINESS OUTFITTER	OEC shirts	141.06	I
2/1/12	95329	CINCINNATI BELL	Yellow page	1,598.20	I
2/1/12	95345	GRANT COUNTY NEWS	CFL's	205.00	I
2/3/12	95362	LANDS END BUSINESS OUTFITTER	OEC shirts	(76.43)	I
2/3/12	95362	LANDS END BUSINESS OUTFITTER	OEC shirts	440.76	I
2/7/12	95439	PERRYVILLE EMBROIDERY	OEC shirts	890.40	I
2/13/12	95439	PERRYVILLE EMBROIDERY	OEC shirts	988.98	I
1/19/12	95460	KAEC	Ky Living Magazine	19,802.98	I
2/23/12	95509	KAEC	KY Living Magazine	19,795.85	I
2/27/12	95526	OWEN COUNTY BASEBALL	Banner Production/ Renewal	200.00	x
2/25/12	95645	AT&T ADVERTISING	Telephone directory	70.70	I
3/12/12	95671	DUNCAN CAROL	Scholarship Judging Fee	150.00	X
2/29/12	95681	GRANT COUNTY NEWS	Kid Times	100.00	x
2/13/12	95690	LANDS END BUSINESS OUTFITTER	OEC shirts	48.13	I
2/15/12	95690	LANDS END BUSINESS OUTFITTER	OEC shirts	268.82	I
2/16/12	95690	LANDS END BUSINESS OUTFITTER	OEC shirts	(24.28)	I

Witness: Alan Zumstein

Owen Electric Cooperative
Case No. 2012-00448
Miscellaneous General Advertising, Account 930.1

CK DATE	CK NO.	VENDOR NAME	DESCRIPTION	AMOUNT	LEGEND
2/16/12	95690	LANDS END BUSINESS OUTFITTER	OEC shirts	(33.82)	I
2/21/12	95690	LANDS END BUSINESS OUTFITTER	OEC shirts	(47.22)	I
2/29/12	95699	NEWS DEMOCRAT	Carroll Co Ad	132.00	x
3/12/12	95740	CARLISLE SUSAN	Scholarship Judging Fee	150.00	X
3/21/12	95741	CARROLL CO CHAMBER OF COMMER	Carroll Co Golf Sponsor	150.00	x
3/8/12	95761	LANDS END BUSINESS OUTFITTER	OEC shirts	108.68	I
3/13/12	95761	LANDS END BUSINESS OUTFITTER	OEC shirts	245.14	I
3/12/12	95772	PERRYVILLE EMBROIDERY	OEC shirts	604.47	I
3/25/12	95926	AT&T ADVERTISING	Telephone directory	70.70	I
4/1/12	95945	CINCINNATI BELL	Yellow page	265.10	I
3/31/12	95968	FALMOUTH OUTLOOK	Pendleton Co Guide Ad	241.00	x
3/31/12	95980	GRANT COUNTY NEWS	Kid Times	190.00	x
3/21/12	95989	KAEC	Ky Living Magazine	19,777.81	I
4/9/12	96008	NEWS HERALD PUBLISHING CO	Owen Co Welcome	85.00	x
3/26/12	96019	PERRYVILLE EMBROIDERY	OEC shirts	681.05	I
4/6/12	96100	LANDS END BUSINESS OUTFITTER	OEC shirts	122.99	I
4/16/12	96172	HOME BUILDERS ASSOCIATION	Advertising	3,000.00	I
4/18/12	96175	KAEC	Ky Living Magazine	19,972.38	I
4/23/12	96271	LANDS END BUSINESS OUTFITTER	OEC shirts	79.15	I
4/20/12	96286	PERRYVILLE EMBROIDERY	OEC shirts	1,113.53	I
4/25/12	96321	AT&T ADVERTISING	Telephone directory	70.70	I
4/28/12	96333	ENQUIRER MEDIA	Consumer giveaways	156.26	x
4/30/12	96344	GRANT COUNTY NEWS	195-162264	100.00	I
5/9/12	96351	KINCAID REGIONAL THEATER	CFL's	175.00	I
5/2/12	96360	PERRYVILLE EMBROIDERY	OEC shirts	297.60	I
5/9/12	96366	SCHOOL ATHLETIC SCHEDULES	Boone Co Fall Sports Poster	150.00	x
5/1/12	96394	CINCINNATI BELL	Yellow page	265.10	I
5/16/12	96575	TWO ED'S	OEC caps	814.08	I
5/30/12	96579	WALTON-VERONA BASEBALL TEAM	Ad for Baseball Camp	75.00	x
5/25/12	96600	AT&T ADVERTISING	Telephone directory	71.50	I
5/24/12	96646	KAEC	Ky Living Magazine	19,954.20	I
5/30/12	96648	LANDS END BUSINESS OUTFITTER	OEC shirts	105.77	I
5/25/12	96670	PERRYVILLE EMBROIDERY	OEC shirts	440.43	I
6/1/12	96735	GRANT COUNTY NEWS	Kid Times, Library Insert Ad	169.36	x
6/1/12	96751	NEWS HERALD PUBLISHING CO	Graduation Ad	55.00	x
6/12/12	96755	OWEN COUNTY SHERIFF	Renewal of Annual Calendar	97.50	x
6/1/12	96795	CINCINNATI BELL	Yellow page	265.10	I
6/15/12	96876	KAEC	Ky Living Magazine	19,969.65	I
6/25/12	96890	OWEN COUNTY FAIR BOARD	Horse Show Class Donation	100.00	x
6/18/12	96893	PERRYVILLE EMBROIDERY	OEC shirts	760.29	I
6/21/12	96945	PERRYVILLE EMBROIDERY	OEC shirts	1,470.22	I
6/25/12	96966	AT&T ADVERTISING	Telephone directory	71.50	I
6/3/12	97043	GRANT COUNTY NEWS	Graduation and Fair Tab	218.50	x
6/25/12	97050	KAEC	Washington Youth Tour	5,040.00	X
6/30/12	97056	NEWS HERALD PUBLISHING CO	Fair Book	85.00	x
var	var	EMPLOYEES	Purchase of OEC shirts	(1,504.18)	
				<u>283,251.88</u>	
		Remove for rate-making purposes		15,499.04	x
	S	Safety			
	C	Conservation			
	I	Information			
	X	Sponsorship			

Witness: Alan Zumstein

Owen Electric Cooperative
Case No. 2012-00448
Rate Case Expenses
June 30, 2012

Estimated rate case costs:

Legal	\$12,000
Consulting	70,000
Advertising	5,000
Supplies and miscellaneous	<u>3,000</u>
Total	90,000
Number of years	<u>3</u>
Adjustment	<u><u>\$30,000</u></u>

In-house labor was not included in the above adjustment as the labor would be incurred in other accounts.

This amount is approximately the same as other rate requests filed before this Commission.

The monthly amounts filed for rate case expenses will include cooperative labor and benefits, however, this amount is not included in the above adjustment.

Owen Electric Cooperative
Case No. 2012-00448
June 30, 2012

Self Insured Fund

Owen Electric, along with most other cooperatives in Kentucky, were experiencing high workers compensation rates in the 1980's. In order to reduce the rates, the Kentucky cooperatives formed a Self-Insured Workers' Compensation Fund that was administered through KAEC. Federated Insurance Company, among others, started insuring Kentucky cooperatives at a lower rate. As a result, the Kentucky workers' comp fund was dissolved. However, the assets of the fund could not be distributed until all potential claims had been resolved. During 2012, Federated Insurance Company worked out an arrangement to absolve the self-insured fund of any potential future claims. As a result, the assets of the fund were distributed during 2012. Owen Electric's portion of the assets in the fund were \$197,168. Owen Electric is proposing to remove these funds for rate-making purposes since the fund was dissolved over 5 years ago and this is the distribution from that fund.

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Exhibit ~~13~~ 14

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Witness: alan Zumstein

Owen Electric Cooperative

Case No. 2012-00448

June 30, 2012

This adjustment is to remove G&T capital credits allocated during the test year.

East Kentucky Power Cooperative \$ 7,931,126

Owen Electric Cooperative
Case No. 2012-00448
Purchased Power
Test Year Billing Determinants
June 30, 2012

	Billing Demand				Total KWH Billing							Substation Charge	
	Schedule B	Excess		Interruptible	Schedule B	Schedule E		Total Kwh	Green Power	Metering Point	7500KVA	15000KVA	
		Contract	Schedule E			On-Peak	Off-Peak						
July	27,663	2,527	232,892	6,469	20,020,649	70,514,729	44,300,506	134,835,884	217,400	26	16	10	
August	27,975	2,337	224,373	6,573	20,276,300	61,748,440	38,478,064	120,502,804	217,500	26	16	10	
September	27,112	2,267	225,020	7,919	18,483,958	41,996,456	30,303,791	90,784,205	216,900	26	16	10	
October	27,352	1,664	126,976	9,435	19,353,029	32,431,263	37,932,327	89,716,619	217,000	26	16	10	
November	27,994	1,252	158,494	9,293	17,957,368	34,988,209	40,518,499	93,464,076	216,800	26	16	10	
December	27,620	1,491	177,457	9,376	17,910,805	43,670,692	51,561,295	113,142,792	216,700	27	17	10	
January	27,727	1,035	203,743	8,364	18,280,847	46,129,015	55,572,526	119,982,388	216,300	27	17	10	
February	27,265	1,600	186,524	9,239	17,249,603	39,709,528	47,915,773	104,874,904	215,500	27	17	10	
March	25,565	2,052	166,558	8,141	18,413,286	33,952,123	39,935,309	92,300,718	214,200	27	17	10	
April	28,476	1,065	125,704	9,778	17,242,241	30,345,247	35,799,030	83,386,518	213,900	27	17	10	
May	25,903	2,100	200,592	8,470	18,672,509	49,154,280	32,454,587	100,281,376	213,900	27	17	10	
June	26,918	3,795	233,983	9,503	18,903,048	55,335,066	34,776,097	109,014,211	213,300	27	17	10	
Total	327,570	23,185	2,262,316	102,560	222,763,643	539,975,048	489,547,804	1,252,286,495	2,589,400	319	199	120	

Owen Electric Cooperative
Case No. 2012-00448
Purchase Power - Rate GA

	Kw Demand			kwh Energy		Rates	1-Jul-11
	Firm	Interruptible		On-Peak	Off-Peak		
		10 Minute	90 Minute				
July	15,000	120,000	24,535	19,549,951	50,925,359	Energy charge per kwh:	
August	15,000	120,000	24,920	27,297,231	53,329,374	On-Peak	\$0.042805
September	15,000	120,000	25,077	24,688,599	50,099,767	Off-Peak	\$0.039377
October	15,000	120,000	24,262	15,093,509	49,768,136	Interruptible kw charge:	
November	15,000	120,000	24,937	22,171,234	53,733,687	Firm: 15,000	\$6.92
December	15,000	120,000	24,692	23,454,465	58,075,842	10 Minute Int.	\$0.70
January	15,000	120,000	24,375	23,034,451	62,623,801	90 Minute Int.	\$2.72
February	15,000	120,000	24,901	23,149,769	57,334,299		
March	15,000	120,000	25,132	24,965,707	62,021,772		
April	15,000	120,000	24,908	23,295,884	58,657,780		
May	15,000	120,000	24,964	23,884,097	52,783,121		
June	15,000	120,000	24,413	26,497,606	52,307,248		
Total	180,000	1,440,000	297,116	277,082,503	661,660,186		

	Kw Demand			kwh Energy		Adjustment	Buy Thru Chg / (Cr)	Base Rate	Fuel Adjustment	Environmental Surcharge	Total
	Firm	10 Minute	90 Minute	On-Peak	Off-Peak						
July	\$103,800	\$84,000	\$66,735	\$836,836	\$2,005,288		\$67,536	\$3,164,195	(\$94,627)	\$415,067	\$3,484,635
August	103,800	84,000	67,782	1,168,458	2,099,951	(25,183)	41,187	3,539,995	29,579	463,813	4,033,387
September	103,800	84,000	68,209	1,056,795	1,972,779		16,650	3,302,233	(26,648)	364,045	3,639,630
October	103,800	84,000	65,993	646,078	1,959,720	28,900	(45)	2,888,446	(3,892)	342,964	3,227,518
November	103,800	84,000	67,829	949,040	2,115,871		(641)	3,319,899	149,533	515,211	3,984,643
December	103,800	84,000	67,162	1,003,968	2,286,852		1,388	3,547,170	60,332	545,093	4,152,595
January	103,800	84,000	66,300	985,990	2,465,937		(372)	3,705,655	59,104	534,972	4,299,731
February	103,800	84,000	67,731	990,926	2,257,653		(2,586)	3,501,524	(45,876)	417,788	3,873,436
March	103,800	84,000	68,359	1,068,657	2,442,231		578	3,767,625	(140,920)	390,959	4,017,664
April	103,800	84,000	67,750	997,180	2,309,767		(2,633)	3,559,864	(333,551)	416,840	3,643,153
May	103,800	84,000	67,902	1,022,359	2,078,441		6,818	3,363,320	(256,835)	464,109	3,570,594
June	103,800	84,000	66,403	1,134,230	2,059,703		8,052	3,456,188	(241,433)	536,695	3,751,450
Total	\$1,245,600	\$1,008,000	\$808,155	\$11,860,517	\$26,054,193	\$3,717	\$135,932	\$41,116,114	(\$845,234)	\$5,407,556	\$45,678,436
Normalized	\$1,245,600	\$1,008,000	\$808,156	\$11,860,517	\$26,054,193	\$3,717	\$135,932	\$41,116,114			

Normalized adjustment \$0

Owen Electric Cooperative
Case No. 2012-00448
Proposed Revenues
June 30, 2012

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Proposed margins	\$ 4,192,239
Normalized margins	<u>118,070</u>
Proposed increase in revenues over normalized revenues	<u><u>\$ 4,074,169</u></u>

2011
KENTUCKY ELECTRIC COOPERATIVES
TOTAL AVERAGE NUMBER OF CONSUMERS BILLED
STATISTICAL COMPARISONS

<u>COOPERATIVE</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>% CHANGE FROM 2007</u>
BIG SANDY	13,213	13,226	13,244	13,211	13,138	0.6 %
BLUE GRASS ENERGY	55,087	54,980	54,816	54,694	54,021	2.0
CLARK ENERGY COOP	26,041	26,154	26,123	26,006	25,801	0.9
CUMBERLAND VALLEY	23,684	23,749	23,737	23,695	23,487	0.8
FARMERS	24,683	24,574	24,439	24,226	23,729	4.0
FLEMING-MASON	23,827	23,822	23,792	23,804	23,687	0.6
GRAYSON	15,470	15,533	15,678	15,722	15,631	-1.0
INTER-COUNTY	25,250	25,256	25,461	25,353	25,185	0.3
JACKSON ENERGY	51,224	51,338	51,338	51,644	51,244	0.0
LICKING VALLEY	17,428	17,493	17,485	17,453	17,272	0.9
NOLIN	32,948	32,638	32,159	31,885	31,422	4.9
OWEN	57,596	57,478	57,223	56,794	56,290	2.3
SALT RIVER ELECTRIC	47,411	47,046	46,501	46,071	45,453	4.3
SHELBY ENERGY	15,315	15,311	15,291	15,191	14,990	2.2
SOUTH KENTUCKY	66,361	66,430	66,317	66,276	62,408	6.3
TAYLOR COUNTY	<u>25,613</u>	<u>25,456</u>	<u>25,285</u>	<u>25,078</u>	<u>24,792</u>	<u>3.3</u>
TOTAL EKPC	521,151	520,484	518,889	517,103	508,550	2.5 %
JACKSON PURCHASE	29,199	29,152	29,109	29,092	28,747	1.6 %
KENERGY	55,210	54,991	54,839	54,736	54,337	1.6
MEADE COUNTY	<u>28,478</u>	<u>28,267</u>	<u>27,996</u>	<u>27,866</u>	<u>27,500</u>	<u>3.6</u>
TOTAL BIG RIVERS	112,887	112,410	111,944	111,694	110,584	2.1 %
HICKMAN-FULTON	3,675	3,716	3,742	3,782	3,770	-2.5 %
PENNYRILE	46,965	46,984	46,862	46,419	46,393	1.2
TRI-COUNTY	50,240	50,340	50,223	50,331	50,223	0.0
WARREN	60,265	59,995	59,627	59,317	58,591	2.9
WEST KENTUCKY	<u>38,154</u>	<u>38,189</u>	<u>38,183</u>	<u>38,323</u>	<u>38,057</u>	<u>0.3</u>
TOTAL TVA	199,299	199,224	198,637	198,172	197,034	1.1 %
OVERALL TOTAL	833,337	832,118	829,470	826,969	816,168	2.1 %

2011
KENTUCKY ELECTRIC COOPERATIVES
AVERAGE EXPENSE PER CONSUMER
STATISTICAL COMPARISONS

<u>COOPERATIVE</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>% CHANGE FROM 2007</u>
BIG SANDY	\$328	\$358	\$315	\$291	\$286	14.7 %
BLUE GRASS ENERGY	319	320	303	291	272	17.3
CLARK ENERGY COOP	303	295	283	253	240	26.3
CUMBERLAND VALLEY	301	309	299	267	259	16.2
FARMERS	300	289	248	262	259	15.8
FLEMING-MASON	329	317	325	291	280	17.5
GRAYSON	476	423	398	373	350	36.0
INTER-COUNTY	349	328	321	300	280	24.6
JACKSON ENERGY	371	344	358	311	301	23.3
LICKING VALLEY	317	316	303	270	260	21.9
NOLIN	411	408	363	349	342	20.2
OWEN	289	292	281	266	250	15.6
SALT RIVER ELECTRIC	231	223	237	228	196	17.9
SHELBY ENERGY	348	352	327	295	258	34.9
SOUTH KENTUCKY	280	291	270	264	262	6.9
TAYLOR COUNTY	<u>244</u>	<u>237</u>	<u>220</u>	<u>215</u>	<u>203</u>	<u>20.2</u>
AVERAGE EKPC	\$325	\$319	\$303	\$284	\$269	20.8 %
JACKSON PURCHASE	\$353	\$319	\$348	\$338	\$303	16.5 %
KENERGY	362	372	345	363	333	8.7
MEADE COUNTY	<u>302</u>	<u>294</u>	<u>271</u>	<u>267</u>	<u>251</u>	<u>20.3</u>
AVERAGE BIG RIVERS	\$340	\$329	\$321	\$323	\$295	15.3 %
HICKMAN-FULTON	\$759	\$522	\$595	\$525	\$433	75.3 %
PENNYRILE	325	287	290	274	254	28.0
TRI-COUNTY	290	284	270	258	244	18.9
WARREN	345	336	333	331	310	11.3
WEST KENTUCKY	<u>370</u>	<u>353</u>	<u>329</u>	<u>384</u>	<u>331</u>	<u>11.8</u>
AVERAGE TVA	\$419	\$357	\$364	\$355	\$314	33.4 %
OVERALL AVERAGE	\$346	\$329	\$318	\$303	\$281	23.1 %

2011
KENTUCKY ELECTRIC COOPERATIVES
MILES OF LINE
STATISTICAL COMPARISONS

<u>COOPERATIVE</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>% CHANGE FROM 2007</u>
BIG SANDY	1,030	1,027	1,025	1,027	1,022	0.8 %
BLUE GRASS ENERGY	4,650	4,632	4,593	4,566	4,535	2.5
CLARK ENERGY COOP	3,042	3,036	3,035	3,014	2,982	2.0
CUMBERLAND VALLEY	2,614	2,616	2,609	2,592	2,577	1.4
FARMERS	3,591	3,577	3,555	3,539	3,513	2.2
FLEMING-MASON	3,550	3,537	3,517	3,506	3,483	1.9
GRAYSON	2,485	2,483	2,474	2,466	2,454	1.3
INTER-COUNTY	3,765	3,748	3,733	3,687	3,630	3.7
JACKSON ENERGY	5,676	5,664	5,663	5,663	5,652	0.4
LICKING VALLEY	2,039	2,031	2,026	2,023	2,020	0.9
NOLIN	2,991	2,980	2,959	2,939	2,917	2.5
OWEN	4,509	4,493	4,486	4,451	4,428	1.8
SALT RIVER ELECTRIC	4,040	4,016	3,982	3,953	3,903	3.5
SHELBY ENERGY	2,097	2,096	2,088	2,078	2,065	1.5
SOUTH KENTUCKY	6,755	6,735	6,715	6,685	6,600	2.3
TAYLOR COUNTY	<u>3,210</u>	<u>3,198</u>	<u>3,183</u>	<u>3,169</u>	<u>3,150</u>	<u>1.9</u>
TOTAL EKPC	56,044	55,869	55,643	55,358	54,931	2.0 %
JACKSON PURCHASE	2,918	2,909	2,900	2,891	3,271	-10.8 %
KENERGY	7,047	7,010	7,009	6,997	6,974	1.0
MEADE COUNTY	<u>2,974</u>	<u>2,974</u>	<u>2,978</u>	<u>2,972</u>	<u>2,959</u>	<u>0.5</u>
TOTAL BIG RIVERS	12,939	12,893	12,887	12,860	13,204	-2.0 %
HICKMAN-FULTON	691	684	688	689	688	0.4 %
PENNYRILE	5,089	5,100	5,099	5,075	5,047	0.8
TRI-COUNTY	5,449	5,451	5,464	5,467	5,450	0.0
WARREN	5,626	5,622	5,617	5,615	5,584	0.8
WEST KENTUCKY	<u>4,079</u>	<u>4,069</u>	<u>4,046</u>	<u>4,033</u>	<u>3,881</u>	<u>5.1</u>
TOTAL TVA	20,934	20,926	20,914	20,879	20,650	1.4 %
OVERALL TOTAL	89,917	89,688	89,444	89,097	88,785	1.3 %

2011
KENTUCKY ELECTRIC COOPERATIVES
DENSITY CONSUMERS PER MILE
STATISTICAL COMPARISONS

<u>COOPERATIVE</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>% CHANGE FROM 2007</u>
BIG SANDY	13.0	12.9	12.9	12.8	12.8	1.6 %
BLUE GRASS ENERGY	11.8	11.9	11.9	12.0	11.9	-0.8
CLARK ENERGY COOP	8.6	8.6	8.6	8.6	8.7	-1.1
CUMBERLAND VALLEY	9.1	9.1	9.1	9.1	9.1	0.0
FARMERS	6.9	6.9	6.9	6.8	6.8	1.5
FLEMING-MASON	6.7	6.7	6.8	6.8	6.8	-1.5
GRAYSON	6.2	6.3	6.3	6.4	6.4	-3.1
INTER-COUNTY	6.7	6.7	6.8	6.9	6.9	-2.9
JACKSON ENERGY	9.0	9.1	9.1	9.1	9.1	-1.1
LICKING VALLEY	8.6	8.6	8.6	8.6	9.0	-4.4
NOLIN	11.0	11.0	10.9	10.9	10.8	1.9
OWEN	12.8	12.8	12.8	12.8	12.7	0.8
SALT RIVER ELECTRIC	11.7	11.7	11.7	11.7	11.7	0.0
SHELBY ENERGY	7.3	7.3	7.3	7.3	7.3	0.0
SOUTH KENTUCKY	9.8	9.9	9.9	9.9	9.5	3.2
TAYLOR COUNTY	<u>8.0</u>	<u>8.0</u>	<u>7.9</u>	<u>7.9</u>	<u>7.9</u>	<u>1.3</u>
AVERAGE EKPC	9.3	9.3	9.3	9.3	9.3	0.0 %
JACKSON PURCHASE	10.0	10.0	10.0	10.1	8.8	13.6 %
KENERGY	7.8	7.8	7.8	7.8	7.8	0.0
MEADE COUNTY	<u>9.6</u>	<u>9.5</u>	<u>9.4</u>	<u>9.4</u>	<u>9.3</u>	<u>3.2</u>
AVERAGE BIG RIVERS	8.7	8.7	8.7	8.7	8.4	3.6 %
HICKMAN-FULTON	5.3	5.4	5.4	5.5	5.5	-3.6 %
PENNYRILE	9.2	9.2	9.2	9.2	9.2	0.0
TRI-COUNTY	9.2	9.2	9.2	9.2	9.2	0.0
WARREN	10.7	10.7	10.6	10.6	10.5	1.9
WEST KENTUCKY	<u>9.4</u>	<u>9.4</u>	<u>9.4</u>	<u>9.5</u>	<u>9.8</u>	<u>-4.1</u>
AVERAGE TVA	9.5	9.5	9.5	9.5	9.5	0.0 %
OVERALL AVERAGE	9.3	9.3	9.3	9.3	9.2	1.1 %

2011
KENTUCKY ELECTRIC COOPERATIVES
AVERAGE EXPENSE PER MILE OF LINE
STATISTICAL COMPARISONS

<u>COOPERATIVE</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>% CHANGE FROM 2007</u>
BIG SANDY	\$4,207	\$4,611	\$4,070	\$3,744	\$3,676	14.4 %
BLUE GRASS ENERGY	3,779	3,798	3,617	3,486	3,240	16.6
CLARK ENERGY COOP	2,595	2,542	2,435	2,182	2,077	24.9
CUMBERLAND VALLEY	2,727	2,805	2,720	2,442	2,360	15.6
FARMERS	2,061	1,985	1,704	1,793	1,749	17.8
FLEMING-MASON	2,209	2,135	2,199	1,976	1,905	16.0
GRAYSON	2,963	2,645	2,523	2,379	2,229	32.9
INTER-COUNTY	2,341	2,211	2,189	2,061	1,943	20.5
JACKSON ENERGY	3,348	3,118	3,246	2,837	2,730	22.6
LICKING VALLEY	2,710	2,721	2,615	2,330	2,224	21.9
NOLIN	4,527	4,469	3,946	3,786	3,684	22.9
OWEN	3,693	3,735	3,584	3,394	3,178	16.2
SALT RIVER ELECTRIC	2,711	2,612	2,767	2,658	2,282	18.8
SHELBY ENERGY	2,542	2,572	2,396	2,157	1,872	35.8
SOUTH KENTUCKY	2,751	2,870	2,667	2,618	2,477	11.1
TAYLOR COUNTY	<u>1,948</u>	<u>1,886</u>	<u>1,748</u>	<u>1,703</u>	<u>1,598</u>	<u>21.9</u>
AVERAGE EKPC	\$2,946	\$2,919	\$2,778	\$2,596	\$2,451	20.2 %
JACKSON PURCHASE	\$3,532	\$3,197	\$3,493	\$3,403	\$2,663	32.6 %
KENERGY	2,837	2,919	2,698	2,839	2,595	9.3
MEADE COUNTY	<u>2,892</u>	<u>2,794</u>	<u>2,547</u>	<u>2,503</u>	<u>2,334</u>	<u>23.9</u>
AVERAGE BIG RIVERS	\$3,087	\$2,970	\$2,913	\$2,915	\$2,531	22.0 %
HICKMAN-FULTON	\$4,037	\$2,835	\$3,236	\$2,882	\$2,373	70.1 %
PENNYRILE	3,000	2,644	2,665	2,505	2,334	28.5
TRI-COUNTY	2,674	2,623	2,481	2,375	2,248	19.0
WARREN	3,695	3,586	3,535	3,496	3,251	13.7
WEST KENTUCKY	<u>3,462</u>	<u>3,313</u>	<u>3,105</u>	<u>3,649</u>	<u>3,246</u>	<u>6.7</u>
AVERAGE TVA	\$3,374	\$3,000	\$3,005	\$2,982	\$2,691	25.4 %
OVERALL AVERAGE	\$3,052	\$2,944	\$2,840	\$2,716	\$2,512	21.5 %

**2011
KENTUCKY ELECTRIC COOPERATIVES
TOTAL RESIDENTIAL REVENUES
STATISTICAL COMPARISONS**

<u>COOPERATIVE</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>% CHANGE FROM 2007</u>
BIG SANDY	\$19,254,338	\$19,504,677	\$17,723,822	\$16,830,290	\$15,853,498	21.5 %
BLUE GRASS ENERGY	85,884,006	84,916,241	76,618,866	75,708,257	68,578,375	25.2
CLARK ENERGY COOP	36,708,481	35,307,191	30,986,423	31,325,955	29,717,098	23.5
CUMBERLAND VALLEY	31,460,869	32,537,708	29,727,049	29,511,472	27,983,567	12.4
FARMERS	32,782,120	33,283,884	28,960,218	27,656,329	26,450,827	23.9
FLEMING-MASON	28,199,358	28,565,335	26,445,334	27,400,745	23,419,768	20.4
GRAYSON	21,978,172	22,417,367	20,375,694	19,326,239	18,131,615	21.2
INTER-COUNTY	38,974,091	38,111,051	34,703,753	35,150,797	33,391,723	16.7
JACKSON ENERGY	81,135,113	81,946,986	73,894,381	76,960,445	66,382,819	22.2
LICKING VALLEY	21,839,711	22,255,988	19,780,129	19,074,236	18,876,065	15.7
NOLIN	48,149,006	48,360,150	43,698,352	44,216,213	39,672,514	21.4
OWEN	79,163,922	77,481,108	71,405,333	68,931,115	66,458,715	19.1
SALT RIVER ELECTRIC	66,517,122	65,700,823	59,096,481	59,871,443	57,330,349	16.0
HELBY ENERGY	25,853,776	23,574,557	21,062,573	21,021,450	19,684,110	31.3
SOUTH KENTUCKY	84,493,130	82,781,238	73,895,399	76,437,150	67,646,098	24.9
TAYLOR COUNTY	<u>29,703,937</u>	<u>28,920,669</u>	<u>28,255,677</u>	<u>26,494,596</u>	<u>25,472,592</u>	16.6
TOTAL EKPC	\$732,097,152	\$725,664,973	\$656,629,484	\$655,916,732	\$605,049,733	21.0 %
JACKSON PURCHASE	\$29,070,144	\$31,240,203	\$27,283,351	\$27,275,780	\$25,697,996	13.1 %
KENERGY	56,283,522	57,146,551	50,349,518	50,078,902	50,041,715	12.5
MEADE COUNTY	<u>27,479,674</u>	<u>26,176,828</u>	<u>23,284,922</u>	<u>24,196,053</u>	<u>21,982,113</u>	25.0
TOTAL BIG RIVERS	\$112,833,340	\$114,563,582	\$100,917,791	\$101,550,735	\$97,721,824	15.5 %
HICKMAN-FULTON	\$5,999,873	\$5,138,805	\$5,138,805	\$5,096,364	\$4,576,311	31.1 %
PENNYRILE	65,110,934	64,755,328	58,273,701	58,879,793	51,817,219	25.7
TRI-COUNTY	65,426,019	70,308,752	59,900,263	59,815,321	54,981,186	19.0
WARREN	89,954,828	85,524,135	79,490,494	79,120,223	69,955,053	28.6
WEST KENTUCKY	<u>57,812,187</u>	<u>58,309,168</u>	<u>51,664,140</u>	<u>51,409,815</u>	<u>45,691,877</u>	26.5
TOTAL TVA	\$284,303,841	\$284,036,188	\$254,467,403	\$254,321,516	\$227,021,646	25.2 %
OVERALL TOTAL	\$1,129,234,333	\$1,124,264,743	\$1,012,014,678	\$1,011,788,983	\$929,793,203	21.5 %

**KENTUCKY ELECTRIC COOPERATIVES
OPERATING EXPENSE AND STATISTICAL COMPARISONS
2011 - 2010 ANNUAL COMPARISON**

	AVERAGE EXPENSE PER CONSUMER EKPC				AVERAGE EXPENSE PER CONSUMER TVA		
	<u>2011</u>	<u>2010</u>	<u>CHANGE</u>		<u>2011</u>	<u>2010</u>	<u>CHANGE</u>
DISTRIBUTION OPERATION	\$ 75.00	\$ 73.00	\$ 2.00	DISTRIBUTION OPERATION	\$ 109.00	\$ 95.00	\$ 14.00
DISTRIBUTION MAINTENANCE	\$ 103.00	\$ 102.00	\$ 1.00	DISTRIBUTION MAINTENANCE	\$ 144.00	\$ 119.00	\$ 25.00
ACCOUNTING	\$ 61.00	\$ 60.00	\$ 1.00	ACCOUNTING	\$ 57.00	\$ 56.00	\$ 1.00
CONSUMER INFORMATION	\$ 12.00	\$ 13.00	\$ (1.00)	CONSUMER INFORMATION	\$ 23.00	\$ 8.00	\$ 15.00
ADMINISTRATION	\$ 74.00	\$ 71.00	\$ 3.00	ADMINISTRATION	\$ 86.00	\$ 79.00	\$ 7.00
TOTAL PER CONSUMER	\$ 325.00	\$ 319.00	\$ 6.00	TOTAL PER CONSUMER	\$ 419.00	\$ 357.00	\$ 62.00

	OTHER STATISTICAL INFORMATION				OTHER STATISTICAL INFORMATION		
NUMBER OF EMPLOYEES	1,207	1,206	1	NUMBER OF EMPLOYEES	517	516	\$ 1.00
MILES OF LINE	56,044	55,869	175	MILES OF LINE	20,934	20,926	\$ 8.00
CONSUMERS BILLED	521,151	520,484	667	CONSUMERS BILLED	199,299	199,224	\$ 75.00
MILES OF LINE PER EMPLOYEE	46.7	46.6	0.1	MILES OF LINE PER EMPLOYEE	40.7	40.6	\$ 0.10
CONSUMER PER EMPLOYEE	434	434	0	CONSUMER PER EMPLOYEE	387	387	\$ -
DENSITY CONSUMERS PER MILE	9.3	9.3	0	DENSITY CONSUMERS PER MILE	9.5	9.5	\$ -

	AVERAGE EXPENSE PER CONSUMER BIG RIVERS				AVERAGE EXPENSE PER CONSUMER OVERALL AVERAGE		
	<u>2011</u>	<u>2010</u>	<u>CHANGE</u>		<u>2011</u>	<u>2010</u>	<u>CHANGE</u>
DISTRIBUTION OPERATION	\$ 90.00	\$ 83.00	\$ 7.00	DISTRIBUTION OPERATION	\$ 84.00	\$ 79.00	\$ 5.00
DISTRIBUTION MAINTENANCE	\$ 131.00	\$ 128.00	\$ 3.00	DISTRIBUTION MAINTENANCE	\$ 115.00	\$ 109.00	\$ 6.00
ACCOUNTING	\$ 49.00	\$ 49.00	\$ -	ACCOUNTING	\$ 58.00	\$ 58.00	\$ -
CONSUMER INFORMATION	\$ 7.00	\$ 6.00	\$ 1.00	CONSUMER INFORMATION	\$ 14.00	\$ 11.00	\$ 3.00
ADMINISTRATION	\$ 63.00	\$ 63.00	\$ -	ADMINISTRATION	\$ 75.00	\$ 72.00	\$ 3.00
TOTAL PER CONSUMER	\$ 340.00	\$ 329.00	\$ 11.00	TOTAL PER CONSUMER	\$ 346.00	\$ 329.00	\$ 17.00

	OTHER STATISTICAL INFORMATION				OTHER STATISTICAL INFORMATION		
NUMBER OF EMPLOYEES	291	293	(2)	NUMBER OF EMPLOYEES	2015	2015	0
MILES OF LINE	12,939	12,893	46	MILES OF LINE	89,917	89,688	229
CONSUMERS BILLED	112,887	112,410	477	CONSUMERS BILLED	833,337	832,118	1,219
MILES OF LINE PER EMPLOYEE	44.5	43.9	0.6	MILES OF LINE PER EMPLOYEE	44.6	44.5	0
CONSUMER PER EMPLOYEE	388	382	6	CONSUMER PER EMPLOYEE	413	413	0
DENSITY CONSUMERS PER MILE	8.7	8.7	0	DENSITY CONSUMERS PER MILE	9.3	9.3	0

2011
KENTUCKY ELECTRIC COOPERATIVES
OPERATING EXPENSE STATISTICAL COMPARISONS
AVERAGE ANNUAL BASIS

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COOPERATIVE NAME	DISTRIBUTION OPERATION PER MILE	DISTRIBUTION MAINTENANCE PER MILE	TOTAL OP. & MAINT. PER MILE	CONSUMER ACCOUNTING PER MILE	CONSUMER INFORMATION PER MILE	ADM. & GEN. EXPENSE PER MILE	TOTAL EXPENSE PER MILE	NUMBER OF EMPLOYEES	MILES OF LINE	RESIDENTIAL CONSUMERS BILLED	TOTAL RESIDENTIAL REVENUES	AVERAGE MONTHLY RES'L REV
BIG SANDY RECC	872	1,270	2,142	757	141	1,167	4,207	45	1,030	12,102	19,254,338	132.6
BLUE GRASS ENERGY COOP	592	1,244	1,836	628	367	948	3,779	110	4,650	52,419	85,884,008	136.5
CLARK ENERGY COOP	608	925	1,533	514	86	462	2,595	51	3,042	24,394	36,708,481	125.4
CUMBERLAND VALLEY ELECTRIC	489	1,006	1,495	707	45	480	2,727	55	2,614	22,183	31,460,889	118.2
FARMERS RECC	392	742	1,134	302	34	591	2,061	65	3,591	22,891	32,782,120	119.3
FLEMING-MASON ENERGY	490	772	1,262	497	54	396	2,209	52	3,550	17,693	26,199,358	132.8
GRAYSON RECC	461	1,189	1,650	423	112	778	2,963	46	2,465	14,225	21,978,172	128.8
INTER-COUNTY ENERGY	711	423	1,134	523	141	543	2,341	67	3,765	23,846	38,974,091	136.2
JACKSON ENERGY COOP	803	1,029	1,832	641	117	758	3,348	134	5,676	47,627	81,135,113	142.0
LICKING VALLEY RECC	744	923	1,667	436	43	564	2,710	45	2,039	16,244	21,839,711	112.0
NOLIN RECC	1091	1,322	2,413	815	297	1,002	4,527	97	2,991	30,926	48,149,006	129.7
OWEN EC	1137	792	1,929	818	141	805	3,693	133	4,509	55,052	79,163,922	119.8
SALT RIVER ELECTRIC	634	728	1,362	516	94	739	2,711	74	4,040	44,449	66,517,122	124.7
SHELBY ENERGY COOP	745	913	1,658	329	88	467	2,542	36	2,097	14,904	25,853,778	144.6
SOUTH KENTUCKY RECC	521	884	1,405	619	98	629	2,751	145	6,755	60,730	84,493,130	115.9
TAYLOR COUNTY RECC	567	551	1,118	351	32	447	1,948	52	3,210	22,866	29,703,937	109.2
EKPC GROUP AVERAGE	679	920	1,598	555	118	674	2,946	75	3,503	30,147	45,756,072	126.5
JACKSON PURCHASE ENERGY	1071	1,331	2,402	360	40	730	3,532	80	2,918	26,054	29,070,144	93.0
KENERGY CORP	564	1,254	1,818	486	47	486	2,837	147	7,047	45,294	56,283,522	103.6
MEADE COUNTY RECC	871	948	1,819	460	96	517	2,892	64	2,974	26,402	27,479,674	86.7
BIG RIVERS GROUP AVERAGE	835	1,178	2,013	435	61	578	3,087	97	4,313	32,563	37,611,113	86.2
HICKMAN-FULTON COUNTIES RECC	968	1,409	2,377	346	394	920	4,037	16	691	2,819	5,999,873	177.4
PENNYRILE RECC	914	914	1,828	443	92	637	3,000	120	5,089	37,649	65,110,934	144.1
TRI-COUNTY EMC	839	913	1,752	415	101	408	2,674	132	5,449	40,682	65,426,019	134.0
WARREN RECC	1028	975	2,003	589	150	953	3,695	160	5,626	50,128	89,964,828	149.6
WEST KENTUCKY RECC	702	1,534	2,236	655	47	524	3,462	89	4,079	30,445	57,812,187	156.2
TVA GROUP AVERAGE	880	1,149	2,039	490	157	688	3,374	103	4,187	32,344	56,860,768	146.5
OVERALL AVERAGE	742	1,000	1,742	526	119	665	3,052	84	3,747	30,909	47,051,431	126.9

**KENTUCKY ELECTRIC COOPERATIVES
OPERATING EXPENSE STATISTICAL COMPARISONS
AVERAGE ANNUAL BASIS**

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COOPERATIVE NAME	DISTRIBUTION OPERATION PER CONSUMER	DISTRIBUTION MAINTENANCE PER CONSUMER	TOTAL OP. & MAINT. PER CONSUMER	CONSUMER ACCOUNTING PER CONSUMER	CONSUMER INFORMATION PER CONSUMER	ADM. & GEN. EXPENSE PER CONSUMER	TOTAL EXPENSE PER CONSUMER	NUMBER OF EMPLOYEES	MILES OF LINE	NUMBER OF CONSUMERS BILLED	MILES OF LINE PER EMPLOYEE	CONSUMERS PER EMPLOYEE	DENSITY CONSUMERS PER MILE
BIG SANDY RECC	68	99	167	59	11	91	328	45	1,030	13,213	23.0	294	13.0
BLUE GRASS ENERGY COOP	50	105	155	53	31	80	319	110	4,650	55,087	42.3	501	11.8
CLARK ENERGY COOP	71	108	179	60	10	54	303	51	3,042	26,041	59.6	511	8.6
CUMBERLAND VALLEY ELECTRIC	54	111	165	78	5	53	301	55	2,614	23,684	47.5	431	9.1
FARMERS RECC	57	108	165	44	5	86	300	65	3,591	24,683	55.2	380	6.9
FLEMING-MASON ENERGY	73	115	188	74	8	59	329	52	3,550	23,827	66.3	458	6.7
GRAYSON RECC	74	191	265	68	18	125	476	46	2,485	15,470	54.0	336	6.2
INTER-COUNTY ENERGY	106	63	169	78	21	81	349	67	3,765	25,250	56.2	377	6.7
JACKSON ENERGY COOP	89	114	203	71	13	84	371	134	5,876	51,224	42.4	382	9.0
LICKING VALLEY RECC	87	108	195	51	5	66	317	45	2,039	17,428	45.0	387	8.6
NOLIN RECC	99	120	219	74	27	91	411	97	2,991	32,948	30.8	340	11.0
OWEN EC	89	62	151	64	11	63	289	133	4,509	57,596	33.9	433	12.8
SALT RIVER ELECTRIC	54	62	116	44	8	63	231	74	4,040	47,411	54.6	641	11.7
SHELBY ENERGY COOP	102	125	227	45	12	64	348	36	2,097	15,315	58.3	425	7.3
SOUTH KENTUCKY RECC	53	90	143	63	10	64	280	145	6,755	66,381	46.6	458	9.8
TAYLOR COUNTY RECC	71	69	140	44	4	56	244	52	3,210	25,613	61.7	493	8.0
EKPC GROUP AVERAGE	75	103	178	61	12	74	325	75	3,503	32,572	46.7	434	9.3
JACKSON PURCHASE ENERGY	107	133	240	36	4	73	353	80	2,918	29,199	36.5	365	10.0
KENERGY CORP	72	160	232	62	6	62	362	147	7,047	55,210	47.9	376	7.8
MEADE COUNTY RECC	91	99	190	48	10	54	302	64	2,974	26,478	46.0	445	9.6
BIG RIVERS GROUP AVERAGE	90	131	221	49	7	63	340	97	4,313	37,629	44.5	388	8.7
HICKMAN-FULTON COUNTIES RECC	182	265	447	65	74	173	759	16	691	3,675	43.2	230	5.3
PENNYRILE RECC	99	99	198	48	10	69	325	120	5,089	46,965	42.4	391	9.2
TRI-COUNTY EMC	91	99	190	45	11	44	290	132	5,449	50,240	41.3	381	9.2
WARREN RECC	96	81	187	55	14	89	345	160	5,626	60,265	35.2	377	10.7
WEST KENTUCKY RECC	75	164	239	70	5	56	370	89	4,079	38,154	45.8	429	9.4
TVA GROUP AVERAGE	109	144	253	57	23	86	419	103	4,187	39,860	40.7	387	9.5
OVERALL AVERAGE	84	115	199	58	14	75	346	84	3,747	34,722	44.6	413	9.3

2010
KENTUCKY ELECTRIC COOPERATIVES
AVERAGE EXPENSE PER CONSUMER
STATISTICAL COMPARISONS

<u>COOPERATIVE</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>% CHANGE FROM 2006</u>
BIG SANDY	\$358	\$315	\$291	\$286	\$250	43.2 %
BLUE GRASS ENERGY	320	303	291	272	248	29.0
CLARK ENERGY COOP	295	283	253	240	237	24.5
CUMBERLAND VALLEY	309	299	267	259	264	17.0
FARMERS	289	248	262	259	223	29.6
FLEMING-MASON	317	325	291	280	294	7.8
GRAYSON	423	398	373	350	307	37.8
INTER-COUNTY	328	321	300	280	280	17.1
JACKSON ENERGY	344	358	311	301	300	14.7
LICKING VALLEY	316	303	270	260	250	26.4
NOLIN	408	363	349	342	327	24.8
OWEN	292	281	266	250	267	9.4
SALT RIVER ELECTRIC	223	237	228	196	187	19.3
SHELBY ENERGY	352	327	295	258	280	25.7
SOUTH KENTUCKY	291	270	264	262	251	15.9
TAYLOR COUNTY	<u>237</u>	<u>220</u>	<u>215</u>	<u>203</u>	<u>212</u>	<u>11.8</u>
AVERAGE EKPC	\$319	\$303	\$284	\$269	\$262	21.8 %
JACKSON PURCHASE	\$319	\$348	\$338	\$303	\$300	6.3 %
KENERGY	372	345	363	333	354	5.1
MEADE COUNTY	<u>294</u>	<u>271</u>	<u>267</u>	<u>251</u>	<u>250</u>	<u>17.6</u>
AVERAGE BIG RIVERS	\$329	\$321	\$323	\$295	\$301	9.3 %
HICKMAN-FULTON	\$522	\$595	\$525	\$433	\$460	13.5 %
PENNYRILE	287	290	274	254	235	22.1
TRI-COUNTY	284	270	258	244	240	18.3
WARREN	336	333	331	310	302	11.3
WEST KENTUCKY	<u>353</u>	<u>329</u>	<u>384</u>	<u>331</u>	<u>313</u>	<u>12.8</u>
AVERAGE TVA	\$357	\$364	\$355	\$314	\$309	15.5 %
OVERALL AVERAGE	\$329	\$318	\$303	\$281	\$276	19.2 %

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2010
KENTUCKY ELECTRIC COOPERATIVES
AVERAGE EXPENSE PER MILE OF LINE
STATISTICAL COMPARISONS

<u>COOPERATIVE</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>% CHANGE FROM 2006</u>
BIG SANDY	\$4,611	\$4,070	\$3,744	\$3,676	\$3,221	43.2 %
BLUE GRASS ENERGY	3,798	3,617	3,486	3,240	2,939	29.2
CLARK ENERGY COOP	2,542	2,435	2,182	2,077	2,038	24.7
CUMBERLAND VALLEY	2,805	2,720	2,442	2,360	2,404	16.7
FARMERS	1,985	1,704	1,793	1,749	1,499	32.4
FLEMING-MASON	2,135	2,199	1,976	1,905	1,987	7.4
GRAYSON	2,645	2,523	2,379	2,229	1,954	35.4
INTER-COUNTY	2,211	2,189	2,061	1,943	1,950	13.4
JACKSON ENERGY	3,118	3,246	2,837	2,730	2,715	14.8
LICKING VALLEY	2,721	2,615	2,330	2,224	2,121	28.3
NOLIN	4,469	3,946	3,786	3,684	3,528	26.7
OWEN	3,735	3,584	3,394	3,178	3,346	11.6 **
SALT RIVER ELECTRIC	2,612	2,767	2,658	2,282	2,187	19.4
SHELBY ENERGY	2,572	2,396	2,157	1,872	2,081	23.6
SOUTH KENTUCKY	2,870	2,667	2,618	2,477	2,375	20.8
TAYLOR COUNTY	<u>1,886</u>	<u>1,748</u>	<u>1,703</u>	<u>1,598</u>	<u>1,655</u>	<u>14.0</u>
AVERAGE EKPC	\$2,919	\$2,778	\$2,596	\$2,451	\$2,374	23.0 %
JACKSON PURCHASE	\$3,197	\$3,493	\$3,403	\$2,663	\$2,632	21.5 %
KENERGY	2,919	2,698	2,839	2,595	2,746	6.3
MEADE COUNTY	<u>2,794</u>	<u>2,547</u>	<u>2,503</u>	<u>2,334</u>	<u>2,300</u>	<u>21.5</u>
AVERAGE BIG RIVERS	\$2,970	\$2,913	\$2,915	\$2,531	\$2,560	16.0 %
HICKMAN-FULTON	\$2,835	\$3,236	\$2,882	\$2,373	\$2,509	13.0 %
PENNYRILE	2,644	2,665	2,505	2,334	2,147	23.1
TRI-COUNTY	2,623	2,481	2,375	2,248	2,192	19.7
WARREN	3,586	3,535	3,496	3,251	3,122	14.9
WEST KENTUCKY	<u>3,313</u>	<u>3,105</u>	<u>3,649</u>	<u>3,246</u>	<u>2,966</u>	<u>11.7</u>
AVERAGE TVA	\$3,000	\$3,005	\$2,982	\$2,691	\$2,587	16.0 %
OVERALL AVERAGE	\$2,944	\$2,840	\$2,716	\$2,512	\$2,443	20.5 %

** NEW MAPPING SYSTEM INSTALLED IN 2006 - MORE ACCURATE COUNT

2010
KENTUCKY ELECTRIC COOPERATIVES
DENSITY CONSUMERS PER MILE
STATISTICAL COMPARISONS

<u>COOPERATIVE</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>% CHANGE FROM 2006</u>
BIG SANDY	12.9	12.9	12.8	12.8	13.0	-0.8 %
BLUE GRASS ENERGY	11.9	11.9	12.0	11.9	11.9	0.0
CLARK ENERGY COOP	8.6	8.6	8.6	8.7	8.6	0.0
CUMBERLAND VALLEY	9.1	9.1	9.1	9.1	9.1	0.0
FARMERS	6.9	6.9	6.8	6.8	6.7	3.0
FLEMING-MASON	6.7	6.8	6.8	6.8	6.8	-1.5
GRAYSON	6.3	6.3	6.4	6.4	6.4	-1.6
INTER-COUNTY	6.7	6.8	6.9	6.9	7.0	-4.3
JACKSON ENERGY	9.1	9.1	9.1	9.1	9.1	0.0
LICKING VALLEY	8.6	8.6	8.6	9.0	8.0	7.5
NOLIN	11.0	10.9	10.9	10.8	10.8	1.9
OWEN	12.8	12.8	12.8	12.7	12.5	2.4 **
SALT RIVER ELECTRIC	11.7	11.7	11.7	11.7	11.7	0.0
SHELBY ENERGY	7.3	7.3	7.3	7.3	7.0	4.3
SOUTH KENTUCKY	9.9	9.9	9.9	9.5	9.5	4.2
TAYLOR COUNTY	<u>8.0</u>	<u>7.9</u>	<u>7.9</u>	<u>7.9</u>	<u>7.8</u>	<u>2.6</u>
AVERAGE EKPC	9.3	9.3	9.3	9.3	9.2	1.1 %
JACKSON PURCHASE	10.0	10.0	10.1	8.8	8.8	13.6 %
KENERGY	7.8	7.8	7.8	7.8	7.8	0.0
MEADE COUNTY	<u>9.5</u>	<u>9.4</u>	<u>9.4</u>	<u>9.3</u>	<u>9.2</u>	<u>3.3</u>
AVERAGE BIG RIVERS	8.7	8.7	8.7	8.4	8.3	4.8 %
HICKMAN-FULTON	5.4	5.4	5.5	5.5	5.5	-1.8 %
PENNYRILE	9.2	9.2	9.2	9.2	9.1	1.1
TRI-COUNTY	9.2	9.2	9.2	9.2	9.1	1.1
WARREN	10.7	10.6	10.6	10.5	10.3	3.9
WEST KENTUCKY	<u>9.4</u>	<u>9.4</u>	<u>9.5</u>	<u>9.8</u>	<u>9.5</u>	<u>-1.1</u>
AVERAGE TVA	9.5	9.5	9.5	9.5	9.4	1.1 %
OVERALL AVERAGE	9.3	9.3	9.3	9.2	9.1	2.2 %

** NEW MAPPING SYSTEM INSTALLED IN 2006 - MORE ACCURATE COUNT

**KENTUCKY ELECTRIC COOPERATIVES
OPERATING EXPENSE AND STATISTICAL COMPARISONS
2010 - 2009 ANNUAL COMPARISON**

**AVERAGE EXPENSE PER CONSUMER
EKPC**

	<u>2010</u>	<u>2009</u>	<u>CHANGE</u>
DISTRIBUTION OPERATION	\$ 73.00	\$ 66.00	\$ 7.00
DISTRIBUTION MAINTENANCE	\$ 102.00	\$ 101.00	\$ 1.00
ACCOUNTING	\$ 60.00	\$ 56.00	\$ 4.00
CONSUMER INFORMATION	\$ 13.00	\$ 12.00	\$ 1.00
ADMINISTRATION	\$ 71.00	\$ 68.00	\$ 3.00
TOTAL PER CONSUMER	\$ 319.00	\$ 303.00	\$ 16.00

**AVERAGE EXPENSE PER CONSUMER
TVA**

	<u>2010</u>	<u>2009</u>	<u>CHANGE</u>
DISTRIBUTION OPERATION	\$ 95.00	\$ 77.00	\$ 18.00
DISTRIBUTION MAINTENANCE	\$ 119.00	\$ 150.00	\$ (31.00)
ACCOUNTING	\$ 56.00	\$ 55.00	\$ 1.00
CONSUMER INFORMATION	\$ 8.00	\$ 8.00	\$ -
ADMINISTRATION	\$ 79.00	\$ 74.00	\$ 5.00
TOTAL PER CONSUMER	\$ 357.00	\$ 364.00	\$ (7.00)

OTHER STATISTICAL INFORMATION

NUMBER OF EMPLOYEES	1,206	1,223	(17)
MILES OF LINE	55,869	55,643	226
CONSUMERS BILLED	520,484	518,889	1,595
MILES OF LINE PER EMPLOYEE	46.6	45.8	0.8
CONSUMER PER EMPLOYEE	434	427	7
DENSITY CONSUMERS PER MILE	9.3	9.3	0

OTHER STATISTICAL INFORMATION

NUMBER OF EMPLOYEES	516	520	\$ (4.00)
MILES OF LINE	20,926	20,914	\$ 12.00
CONSUMERS BILLED	199,224	198,637	\$ 587.00
MILES OF LINE PER EMPLOYEE	40.6	40.2	\$ 0.40
CONSUMER PER EMPLOYEE	387	382	\$ 5.00
DENSITY CONSUMERS PER MILE	9.5	9.5	\$ -

**AVERAGE EXPENSE PER CONSUMER
BIG RIVERS**

	<u>2010</u>	<u>2009</u>	<u>CHANGE</u>
DISTRIBUTION OPERATION	\$ 83.00	\$ 82.00	\$ 1.00
DISTRIBUTION MAINTENANCE	\$ 128.00	\$ 128.00	\$ -
ACCOUNTING	\$ 49.00	\$ 47.00	\$ 2.00
CONSUMER INFORMATION	\$ 6.00	\$ 6.00	\$ -
ADMINISTRATION	\$ 63.00	\$ 58.00	\$ 5.00
TOTAL PER CONSUMER	\$ 329.00	\$ 321.00	\$ 8.00

**AVERAGE EXPENSE PER CONSUMER
OVERALL AVERAGE**

	<u>2010</u>	<u>2009</u>	<u>CHANGE</u>
DISTRIBUTION OPERATION	\$ 79.00	\$ 71.00	\$ 8.00
DISTRIBUTION MAINTENANCE	\$ 109.00	\$ 114.00	\$ (5.00)
ACCOUNTING	\$ 58.00	\$ 54.00	\$ 4.00
CONSUMER INFORMATION	\$ 11.00	\$ 11.00	\$ -
ADMINISTRATION	\$ 72.00	\$ 68.00	\$ 4.00
TOTAL PER CONSUMER	\$ 329.00	\$ 318.00	\$ 11.00

OTHER STATISTICAL INFORMATION

NUMBER OF EMPLOYEES	293	294	(1)
MILES OF LINE	12,893	12,887	6
CONSUMERS BILLED	112,410	111,944	466
MILES OF LINE PER EMPLOYEE	43.9	43.8	0.1
CONSUMER PER EMPLOYEE	382	381	1
DENSITY CONSUMERS PER MILE	8.7	8.7	0

OTHER STATISTICAL INFORMATION

NUMBER OF EMPLOYEES	2015	2037	(22)
MILES OF LINE	89,688	89,444	244
CONSUMERS BILLED	832,118	829,470	2,648
MILES OF LINE PER EMPLOYEE	44.5	43.8	1
CONSUMER PER EMPLOYEE	413	407	6
DENSITY CONSUMERS PER MILE	9.3	9.3	0

**KENTUCKY ELECTRIC COOPERATIVES
OPERATING EXPENSE STATISTICAL COMPARISONS
AVERAGE ANNUAL BASIS**

EXH. B-10
Page 14 of 15

COOPERATIVE NAME	DISTRIBUTION OPERATION PER CONSUMER	DISTRIBUTION MAINTENANCE PER CONSUMER	TOTAL OP. & MAINT. PER CONSUMER	CONSUMER ACCOUNTING PER CONSUMER	CONSUMER INFORMATION PER CONSUMER	ADM. & GEN. EXPENSE PER CONSUMER	TOTAL EXPENSE PER CONSUMER	NUMBER OF EMPLOYEES	MILES OF LINE	NUMBER OF CONSUMERS BILLED	MILES OF LINE PER EMPLOYEE	CONSUMERS PER EMPLOYEE	DENSITY CONSUMERS PER MILE
BIG SANDY RECC	72	118	180	58	9	101	358	40	1,027	13,226	25.7	331	12.9
BLUE GRASS ENERGY COOP	52	107	159	54	30	77	320	111	4,632	54,980	41.7	495	11.9
CLARK ENERGY COOP	73	102	175	55	8	57	295	52	3,036	26,154	58.4	503	8.6
CUMBERLAND VALLEY ELECTRIC	54	122	176	74	6	53	309	55	2,616	23,749	47.6	432	9.1
FARMERS RECC	54	107	161	74	7	81	289	66	3,577	24,574	54.2	372	6.9
FLEMING-MASON ENERGY	64	111	175	75	8	59	317	51	3,537	23,822	69.4	467	6.7
GRAYSON RECC	72	158	230	64	17	112	423	47	2,483	15,533	52.8	330	6.3
INTER-COUNTY ENERGY	85	67	152	77	21	78	328	65	3,748	25,256	57.7	389	6.7
JACKSON ENERGY COOP	83	105	188	64	13	79	344	125	5,664	51,338	45.3	411	9.1
LICKING VALLEY RECC	87	110	197	46	10	63	316	48	2,031	17,493	42.0	384	8.6
NOLIN RECC	111	108	219	77	28	84	408	96	2,980	32,638	31.1	340	11.0
OWEN EC	95	66	161	65	10	56	292	134	4,493	57,478	33.5	429	12.8
SALT RIVER ELECTRIC	50	60	110	44	9	60	223	75	4,016	47,046	53.6	627	11.7
SHELBY ENERGY COOP	97	119	216	56	12	68	352	35	2,096	15,311	59.9	437	7.3
SOUTH KENTUCKY RECC	53	104	157	64	11	59	291	154	6,735	66,430	43.7	431	9.9
TAYLOR COUNTY RECC	65	68	133	44	5	55	237	52	3,198	25,456	61.5	480	8.0
EKPC GROUP AVERAGE	73	102	175	60	13	71	319	75	3,492	32,530	46.6	434	9.3
JACKSON PURCHASE ENERGY	90	110	200	39	5	75	319	81	2,909	29,152	35.9	360	10.0
KENERGY CORP	79	168	247	61	5	59	372	148	7,010	54,991	47.4	372	7.8
MEADE COUNTY RECC	79	106	185	47	8	54	294	64	2,974	28,267	46.0	442	9.5
BIG RIVERS GROUP AVERAGE	83	128	211	49	6	63	329	98	4,298	37,470	43.9	382	8.7
HICKMAN-FULTON COUNTIES RECC	130	183	313	58	3	148	522	16	664	3,716	42.8	232	5.4
PENNYRILE RECC	92	76	168	47	10	62	287	121	5,100	46,984	42.2	388	9.2
TRI-COUNTY EMC	81	96	177	53	11	43	284	136	5,451	50,340	40.1	370	9.2
WARREN RECC	92	89	181	55	13	87	336	158	5,622	59,995	35.6	380	10.7
WEST KENTUCKY RECC	78	150	228	65	5	55	353	85	4,069	38,169	47.9	449	9.4
TVA GROUP AVERAGE	95	119	214	56	8	79	357	103	4,185	39,845	40.6	387	9.5
OVERALL AVERAGE	79	109	188	58	11	72	329	84	3,737	34,672	44.5	413	9.3

2010

KENTUCKY ELECTRIC COOPERATIVES
OPERATING EXPENSE STATISTICAL COMPARISONS
AVERAGE ANNUAL BASIS

COOPERATIVE NAME	DISTRIBUTION OPERATION PER MILE	DISTRIBUTION MAINTENANCE PER MILE	TOTAL OP. & MAINT. PER MILE	CONSUMER ACCOUNTING PER MILE	CONSUMER INFORMATION PER MILE	ADM. & GEN. EXPENSE PER MILE	TOTAL EXPENSE PER MILE	NUMBER OF EMPLOYEES	MILES OF LINE	RESIDENTIAL CONSUMERS BILLED	TOTAL RESIDENTIAL REVENUES	AVERAGE MONTHLY RES'L REV
BIG SANDY RECC	927	1,520	2,447	747	116	1,301	4,611	40	1,027	12,114	19,504,677	134.2
BLUE GRASS ENERGY COOP	617	1,270	1,887	641	356	914	3,798	111	4,632	52,322	84,916,241	135.3
CLARK ENERGY COOP	629	879	1,508	474	69	491	2,542	52	3,036	24,484	35,307,191	120.2
CUMBERLAND VALLEY ELECTRIC	490	1,108	1,598	672	54	481	2,805	55	2,616	22,261	32,537,708	121.8
FARMERS RECC	371	735	1,106	275	48	556	1,985	66	3,577	22,803	33,283,884	121.6
FLEMING-MASON ENERGY	431	748	1,179	505	54	397	2,135	51	3,537	17,722	28,565,335	134.3
GRAYSON RECC	450	988	1,438	400	106	701	2,645	47	2,483	14,260	22,417,967	131.0
INTER-COUNTY ENERGY	573	451	1,024	519	142	526	2,211	65	3,843	23,843	38,111,051	133.2
JACKSON ENERGY COOP	752	952	1,704	580	118	716	3,118	125	5,664	47,689	81,946,986	143.2
LICKING VALLEY RECC	749	947	1,696	396	86	543	2,721	48	2,031	16,297	22,255,988	113.8
INOLIN RECC	1216	1,183	2,399	843	307	920	4,469	96	2,980	30,670	48,360,150	131.4
OWEN EC	1215	844	2,059	832	128	716	3,735	134	4,493	54,991	77,481,108	117.4
SALT RIVER ELECTRIC	586	703	1,289	515	105	703	2,612	75	4,016	44,092	65,700,823	124.2
SHELBY ENERGY COOP	709	869	1,578	409	88	497	2,572	35	2,086	14,948	23,574,557	131.4
SOUTH KENTUCKY RECC	523	1,026	1,549	631	108	582	2,870	154	6,735	60,821	82,781,238	113.4
TAYLOR COUNTY RECC	517	541	1,058	350	40	438	1,886	52	3,198	22,532	28,920,669	107.0
EKPC GROUP AVERAGE	672	923	1,595	549	120	655	2,919	75	3,492	30,116	45,354,061	125.5
JACKSON PURCHASE ENERGY	902	1,102	2,004	391	50	752	3,197	81	2,909	26,053	31,240,203	99.9
KENERGY CORP	620	1,318	1,938	479	39	463	2,919	148	7,010	45,201	57,146,551	105.4
MEADE COUNTY RECC	751	1,007	1,758	447	76	513	2,794	64	2,974	26,213	26,176,828	83.2
BIG RIVERS GROUP AVERAGE	758	1,142	1,900	439	55	576	2,970	98	4,298	32,489	38,187,861	98.0
HICKMAN-FULTON COUNTIES RECC	706	994	1,700	315	16	804	2,835	16	684	2,853	5,138,805	150.1
PENNYRILE RECC	848	700	1,548	433	92	571	2,644	121	5,100	37,674	64,755,328	143.2
TRI-COUNTY EMC	748	887	1,635	489	102	397	2,623	136	5,451	40,718	70,308,752	143.9
WARREN RECC	992	950	1,932	587	139	928	3,586	158	5,622	49,886	85,524,135	142.9
WEST KENTUCKY RECC	732	1,408	2,140	610	47	516	3,313	85	4,069	30,534	58,309,168	159.1
TVA GROUP AVERAGE	803	988	1,791	487	79	643	3,000	103	4,185	32,333	56,807,238	146.4
OVERALL AVERAGE	710	964	1,674	523	104	643	2,944	84	3,737	30,874	46,844,364	125.4

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Owen Electric Cooperative
Case No. 2012-00448
Capitalization Policies

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Benefits
Distribution

107.20	Construction work in progress	1,496,206
108.80	Retirement work in progress	149,117
143.00	A/R - Other	60,449
163.00	Stores	197,436
184.10	Transportation	172,463
242.32	Employee sick leave/vacation	0
426.10	Non operating accounts	533
580.00	Supervision, operations	130,528
583.00	Overhead line	218,378
584.00	Underground	55,534
586.00	Meter	248,764
587.00	Installations	120,301
588.00	Miscellaneous distribution	153,004
590.00	Supervision, maintenance	24,927
593.00	Maintenance	436,751
594.00	Underground	41,369
595.00	Transformers	1,016
597.00	Meters	2,748
901.00	Supervision	60,018
902.00	Meter reading	44,841
903.00	Consumer records	642,818
907.00	Supervision, Customer assistance	17,379
908.00	Customer assistance	64,703
912.00	Key accounts	36,819
920.00	Administrative	665,253
930.00	Miscellaneous	4,239
935.00	Maintenance general plant	<u>41,244</u>
	Total	<u>5,086,838</u>

Benefits include the following:

Medical insurance	1,909,373
Life and disability insurance	63,394
R & S retirement	2,033,642
Savings plan 401(k)	363,150
Payroll taxes	<u>717,279</u>
	<u>5,086,838</u>

Owen Electric accumulates all benefits, then allocates these to accounts based on the labor distribution for the month. The above is the actual allocation for the test year for the above benefits

The total number of employees is 133, with an average benefit cost of \$38,247.

Witness: Mark Stallons

Owen Electric Cooperative
Case No. 2012-00448
June 30, 2012

Attached is the Equity Management Plan. Owen Electric has paid, and continues to pay capital credits to its members in accordance with this Plan.

Capital credits were paid as follows:

	<u>General</u>	<u>Estates</u>	<u>Total</u>
2011	\$ 754,080	\$ 222,079	\$ 976,159
2010	1,256,590	187,033	1,443,623
2009	750,319	213,365	963,684
2008	1,296,856	152,396	1,449,252
2007	999,031	170,473	1,169,504
2006	1,257,763	166,610	1,424,373
Prior years	14,006,050	4,018,483	18,024,533
Total	<u>\$ 20,320,689</u>	<u>\$ 5,130,439</u>	<u>\$ 25,451,128</u>

EQUITY MANAGEMENT PLAN
(Capital Credit Rotation)

I. OBJECTIVE

- A. To assure the financial integrity of the Cooperative at all times so that it can be certain of providing high quality electric services on a continuing basis to its members.
- B. To establish the means by which the members of the Cooperative will, in fact, receive electric service at cost, and as a result enable them to clearly see the benefits of receiving service from their Cooperative as opposed to receiving it from some other utility.
- C. To develop an approach to long-range financial planning that will guide and assure the Cooperative of meeting all its financial requirements, including the following, through equity maintenance, and at the same time, maintain rates at a level competitive with the rates of other energy suppliers adjacent to the Cooperative's service area. Financial planning is required to:
 - 1. Provide adequate working capital and cash reserves.
 - 2. To provide adequate funds for debt retirement.
 - 3. To provide adequate funds to maintain all facilities at the highest level consistent with sound economic practices.
 - 4. To provide adequate funds for additions to plant.
 - 5. To provide adequate funds for a meaningful capital credits retirement program.
 - 6. To achieve and maintain sufficiently high TIER (Times Interest Earned Ratio) and DSC (Debt Service Coverage) as is necessary to remain eligible to obtain loans from the National Rural Utilities Cooperative Finance Corporation and R.U.S.

II. POLICY CONTENT

- A. To maintain an appropriate equity level as determined by Management and the Board of Directors. Each year, the ratio of equity to borrowed capital will:
 - 1. Be examined to determine that a reasonable ratio between the two is maintained, and
 - 2. Be re-evaluated for any change required to achieve over-all financial objectives.
- B. To retire capital credits, using the hybrid first-in/first-out, last-in/first-out, method of rotation, when the Board of Directors shall determine that the financial condition of the Cooperative will not be impaired thereby.

II. POLICY CONTENT (continued)

- C. For financial planning purposes, the Cooperative will attempt to rotate capital credits on an annual basis, while maintaining an equity level of 32-38%.
- D. To make a financial study at least annually comparing the actual financial performance against the Equity Management Plan. This review will serve as a basis for a revised Equity Management Plan for the subsequent year(s), which will also include a 10-year financial forecast, plans for general retirement of capital credits, and changes in electrical rates or other financial criteria.

III. RESPONSIBILITY

- A. The President/CEO is responsible for the development and maintenance of the Equity Management Plan.
- B. The Board of Directors is responsible for adopting and periodic review of the Equity Management Plan.

IV. GENERAL

- A. In the development of this Policy, it is recognized that there are a number of variables that interact and result in a financial condition. Of these variables, it is recognized that the rate of plant growth and the cost of debt capital are relatively noncontrollable items.

Date Policy Reviewed by Board 11/09/07

Amended:

11/09/07
03/03/00
03/25/99
03/26/98
03/27/97
03/28/96
03/23/95
04/28/94
03/25/93
05/28/92
03/28/91
02/22/90
04/27/89
12/20/89

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AGREEMENT

Revised through Amendments Effective

September 1, 2012

This Agreement made and entered into this first day of September, 2012, by and between Owen Electric Cooperative, Inc., as the party of the first part, and hereinafter designated as the "COOPERATIVE" or the "EMPLOYER", and Local Union Number 2100, International Brotherhood of Electrical Workers, AFL-CIO, as party of the second part, and hereinafter designated as the "UNION".

WITNESSETH:

WHEREAS: A majority of the employees of the Cooperative have designated the Union as their collective bargaining agent as certified by the National Labor Relations Board election November 26, 1951, the employer herewith recognizes the Union as the sole and exclusive bargaining agent for all construction, service, and maintenance employees as set forth in the certification of the National Labor Relations Board, Case No. 9-RC-1388, but excluding office personnel, supervisors as defined in Section 2(11) of the act as amended, and technical engineers, and all other employees and common labor used for the clearance of rights of way and similar work done by members on a self-help plan.

Amended April 1, 1968, to exclude the classification of "Line Foreman" from the bargaining unit as set forth in the National Labor Relations Board Case No. 9-UC-15, dated January 24, 1968.

WHEREAS: The Parties hereto desire to establish a standard of conditions and procedures under which employees shall work for the Cooperative during the term of this Agreement any renewals thereof, and desire to regulate the mutual employment relations between the parties for the purpose of securing harmonious relations and cooperation in the settling of any disputes or differences, by peaceful means, that may arise in the employee/employer relationship.

NOW, THEREFORE: In consideration of the mutual promises and agreements herein contained, the parties agree as follows:

PREAMBLE

The Cooperative, acting herein as an employer or management and including its Board of Directors, President, Supervisory Employees and their designated Representatives, and the Union, acting herein on behalf of its members, employees of the Cooperative, both recognize that the purpose and function of the Cooperative is to furnish central station electric service to its members as residents of the area in the most efficient and economical manner possible. They both recognize a paramount obligation to contribute

to the best of their ability to the primary and justifying purposes and function of the Cooperative, having regard for both good business management and the welfare of workers engaged as employees as interrelated and mutual consideration in promoting the service which is the duty of the Cooperative to give.

The Cooperative agrees that the Collective Bargaining Agreement between the parties will remain in full force and effect for the specified duration regardless of any change in the ownership of the Cooperative. The Cooperative will include a provision, in any sales or merger agreement, with any successor or assign, that will affirm and make the continuation of the Collective Bargaining Agreement a condition of the sale or merger of the Cooperative.

ARTICLE I

Effective Date, Termination and Amendments

Section 1: This Agreement shall take effect September 1, 2012, and shall remain in effect until July 31, 2015. It shall thereafter continue in effect from year to year, from August 1 through July 31, of each year, unless changed or terminated in the way later provided herein.

Section 2: Either party desiring to change or terminate this Agreement must notify the other in writing prior to June 1 of the year in which the Agreement expires. When notice for changed only is given, the nature of the changes desired must be specified in the notice.

Section 3: This Agreement shall be subject to amendment at any time by mutual consent of the parties hereto. Any such amendment agreed upon shall be reduced to writing, signed by the parties hereto, and approved by the International Office of the Union the same as this Agreement.

ARTICLE II

Union Representation – Adjustment of Grievances

Section 1: For the adequate representation of the employee group, there shall be a Chief Steward and as many assistant stewards as there are working units, whose names shall be furnished to the Management of the Cooperative, and it is agreed that the Cooperative will recognize these stewards as the official representatives of the employee group covered by the terms of this Agreement, (The right is reserved by the Union to change the stewards at will and to increase or decrease the number as the working force for the Cooperative warrants.)

Section 1(A): The Union Negotiating Committee shall consist of not to exceed four (4) members, at least one (1) of whom shall be a service technician or maintenance employee and at least one (1) of whom shall be a construction employee.

Section 2: Should differences arise between the Cooperative and the Union, as to the meaning and/or application or the observance and performance, by either party, of any of the provisions of this Agreement, or as to whether the wage or working condition of any individual member or group of members in the Cooperative is out of line with the wage rates or conditions that should apply to him or them, the following shall be the procedure for the adjustment and settlement thereof:

Section 3(A): The employee or his Steward shall first bring the grievance to his supervisor. A grievance must be filed within ten (10) working days of the date giving rise to the grievance or the date they knew or should have known the grievance arose, whichever is earlier.

Section 3(B): If the grievance is not settled, it shall be referred, in writing, to the Chief Steward, who will then present the matter to the Vice President of the Department involved.

Section 3(C): Then, if the matter is not satisfactorily disposed of within five (5) working days, the Cooperative President and the Union Business Manager or their designated representative shall make a thorough investigation and will meet with any official or group of officials of the Cooperative necessary to bring about a satisfactory settlement.

Section 3(D): If a fair and sincere effort is not made to reach a satisfactory adjustment or settlement of all matters so presented within ten (10) working days, the Cooperative Attorney will contact the Union's Business Manager within ten (10) days to set a meeting to take place within sixty (60) days.

Section 3(E): If the matter cannot be settled in the foregoing manner, it is agreed that the matter shall be referred to arbitration in the following manner:

First, the Arbitration Panel shall consist of one (1) person selected by the Cooperative and one (1) person selected by the Union.

Second, upon notice by either party to the other of the desire to arbitrate, both parties shall make their selection of their member of the panel within five (5) working days after notice has been received. Each party shall notify the other party of the name and address of their panel member.

Third, within ten (10) days after the selections have been made, the two panel members shall meet at a time and place convenient to themselves and select a third and neutral member, who will act as the Chairman of the Panel. Each party hereto shall bear the expense of their panel member and the expense of preparing and presenting their side of the case and the expense of the third member of the panel and any incidental expenses shall be shared equally between the parties.

It is agreed that the findings and decisions of the arbitration panel shall be final and binding on all parties concerned.

Fourth, in case the two panel members are unable to agree upon the third and neutral member within ten (10) days from their initial meeting, the matter shall be referred to the Kentucky Secretary of Labor for the selection of the neutral member.

Section 4: The Union and Employee agree that they will not engage in or authorize a strike, including so called sympathy strikes, or work stoppage, slow-down or interference with work of any kind or nature and the Cooperative agrees that it will not engage in a lockout because of disputes over matters relating to this Agreement. The Union further agrees that it will take every reasonable means which are within its power to induce employees engaged in a strike or work stoppage in violation of this Agreement to return to work. All questions, disputes, or controversies under this Agreement shall be settled and determined solely and exclusively by the conciliation and arbitration procedures provided in this Agreement. The Cooperative shall have the right to discipline or discharge any employee who violates any of the provisions of this Section 4. Such discipline or discharge can only be overturned by an Arbitrator if the employee(s) are found not to have violated these provisions.

ARTICLE III **Seniority**

Section 1: Seniority is recognition only for length of uninterrupted service with the Cooperative and shall be calculated from the date of last employment by the Cooperative.

Section 2: When ability and adaptability, in the reasonable opinion of the Management of the Cooperative, are equal, seniority shall prevail in all promotions, demotions, layoffs, and recalls.

In the specific instance of promotions to the position of crewleader or service technician, seniority will be determined by the date the employee became an apprentice or was hired as a journeyman lineman. If the dates are the same then employment seniority will prevail.

Section 3: In case of lay-off for lack of work, the laid-off employees shall hold and accumulate their seniority with the Cooperative, for a period of one (1) year and in case of an increased force, the laid-off employee shall be offered re-employment in line with their seniority before new employees are hired. It is agreed that laid-off members shall keep the Cooperative and the Chief Steward informed of their address and a letter by registered mail addressed to the last given address shall be sufficient notice of recall. Laid-off employees shall have seven (7) working days after the notice of recall to return to work.

Section 3(A): When there is to be a reduction in forces, the Cooperative will notify the Union as to the classifications and numbers of personnel to be affected. The least senior

employee(s) in each designated classification shall be the first laid off. Such laid off employee may bump laterally or downwardly. (For purposes of this section only, “downwardly” shall include a Service Technician or Maintenance employee bumping to a construction crew). He may displace the least senior employee in the next lower classification for which he is qualified, providing that he has more seniority than the employee to be bumped. Such bumped employee may thereafter bump in a similar fashion. An employee who bumps to a lower classification will be paid the rate of such classification. If a displaced employee does not have sufficient seniority to bump, he shall be laid off. This will continue until the required number are laid off. Probationary employees shall be the first laid off and shall have no bumping rights. The Cooperative will not utilize contractors for the purpose of causing a permanent lay-off of current employees or to affect recall of employees.

Section 4: Laid-off employees shall not be required to give up a regular job elsewhere to report to the Cooperative for a temporary job or a job of known short duration, but shall make known his position. Failure to do so shall forfeit all seniority rights with the Cooperative.

Section 5: On application to the President of the Cooperative and Chief Steward of the Union, a leave of absence in writing, for any justifiable cause, may be granted without loss of seniority. The same provision may apply in case of a laid-off employee who has been recalled, but for some justifiable cause cannot report at the time.

Section 6: All seniority rights shall be lost for any of the following reasons:

- (a) By the employee voluntarily leaving the employment of the Cooperative.
- (b) By discharge of any employee, if such discharge is not reversed through the grievance procedure.
- (c) By failure of any employee, after a layoff, to report back to work within seven (7) working days after being notified of recall or to give an excuse satisfactory to the Cooperative.
- (d) By the lay-off of an employee for a period of one year.
- (e) Any employee who is promoted or moved to a supervisory or other non-bargaining unit position with the Cooperative shall have their seniority frozen and shall not accrue seniority during the time outside the bargaining unit. After a period of five years their seniority in the bargaining unit returns to zero.

Section 7: Any and all employees who have quit, been justifiably discharged, failed to return to work within seven (7) days when called, or laid-off for a period in excess of one (1) year shall come under the above Section 6.

Section 7A: If the need should occur where a bargaining unit position would need to be filled for a period greater than one (1) consecutive day, it will be filled by other bargaining unit personnel.

Section 8: Any employee may elect to waive his seniority in favor of another employee, provided qualifications are equal.)

Section 9: Promotion of any employee hired after April 1, 1971, shall be probationary for a period of six months to determine whether the employee has the adaptability and ability to satisfactorily perform his new duties. The Cooperative reserves the right to make the promotion permanent at the end of six months. If the promotion is not made permanent, the employee and all other employees affected shall revert to their former status.

Section 10: Bidding Capacity. Any employee may bid for any position where a vacancy exists. Such employees will be paid at the rate of the job to which he bids and is awarded. However, all journeymen positions are prohibited from bidding for any apprentice level position.

Section 11: Relieving upward into any bargaining unit position requiring to be relieved into for a period of one (1) week or more shall be offered by seniority and shall be paid at the rate of that position by work location.

Section 12: Any bargaining unit employee assigned to a temporary position shall not exceed a period of six (6) months in that position unless mutually agreed to by the Union and Company.

ARTICLE IV Vacations – Holidays

Section 1: Annual vacations with pay shall be granted all employees on the following basis:

All employees of the Cooperative with six (6) months of service, but less than eighteen (18) months of service, six (6) days.

All employees of the Cooperative with eighteen (18) months of service, but less than ten (10) years of service, twelve (12) days.

All employees with ten (10) years of service, eighteen (18) days.

All employees with twenty (20) years of service, twenty (20) days.

All employees with thirty (30) years of service, twenty two (22) days.

Vacations are not cumulative and must be taken during the calendar year in which earned. An employee will, however, be permitted to carry over past December 31 of each year five (5) days of his vacation entitlement. Any such vacation which is carried over but has not been taken by December 31 of the following year shall be forfeited.

Section 2: Any employee called back to work during his vacation period shall be reimbursed for actual out-of-pocket expenses incurred by him, i.e. prevailing Cooperative mileage rate, reasonable cost of meals and lodging, if required, and shall be given an opportunity to complete the unexpired portion of his vacation period when his callback is over, at his discretion. The qualifying period for vacations shall begin with the effective date of employment by the Cooperative.

Section 3: A maintenance employee may request in advance that he be permitted to take part or all of his vacation at a particular time. If employees having seniority agree, and if in the judgment of the employer, work permits, such request may be granted. Employees shall not be granted vacation time when it is their week for callout, unless approval is given by the employer.

Section 4: All employees covered by this Agreement with six (6) months of job service, but less than eighteen (18) months, shall be required to work a minimum of 110 days (including holidays as days worked) during the six calendar months preceding the vacation period. All employees with more than eighteen (18) months service shall be required to work a minimum of 220 days (including holidays as days worked) during the twelve calendar months preceding the vacation period. Time lost because of sickness or injury will not be used to disqualify employees from receiving vacation payment unless such time exceeds 30 days in any one year period.

Section 5: Notification of vacation period will be given by each employee at least two (2) weeks in advance whenever possible.

Section 6: Ten (10) full holidays with pay shall be granted annually as follows: New Year's Eve, New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Friday following Thanksgiving, Christmas Eve, Christmas Day, and beginning January 1, 1977, the employee's birthday. The employee may substitute a floating holiday in place of the employee's birthday at any time during the year with two (2) week prior notice and supervisor's approval.

"With pay" as set forth above, means employee will receive eight (8) hours pay at their straight-time rate. All employees shall receive time and one-half their regular straight-time rate of pay for all hours actually worked on the holidays set forth. All employees who actually work more than eight (8) hours on the holidays set forth shall receive two (2) times their regular straight-time rate for hours actually worked in excess of eight (8) hours. When any of the above holidays fall on Sunday, the following Monday shall be observed.

Section 7: Vacation time and holidays shall be considered work time for the purpose of determining overtime.

Section 8: Employees with twelve (12) or more days of vacation entitlement may elect to receive vacation pay in lieu of time off for a maximum of six (6) days of such vacation entitlement. Such vacation pay in lieu of time off will be paid to such employees with a check or by direct deposit.

ARTICLE V
Sick Leave and Work-Related Injuries

Section 1: Sick leave, with pay at the regular straight-time rate, shall accumulate for each employee at the rate of one (1) day per month. At the end of each year, accumulated sick leave shall be carried forward into the New Year, which carry-over, together with sick leave earned during the New Year, may be used during said new years. Borrowing of unearned sick leave to be earned during the year shall not be permitted. No employee shall absent himself from duty without making every reasonable effort to notify his immediate supervisor and shall make every reasonable effort to give such notice in ample time before working hours but in no case less than ½ hour.

As a condition of receiving pay for sick leave taken under this Agreement, the employee will call his reporting headquarters a minimum of one-half (1/2) hour before work-time, unless the employee can prove extenuating circumstances as to why he did not call.

Each employee who has accumulated sick leave on May 3, 1984, will have such leave converted to hours and then to an equivalent dollar amount, based upon wage rate in effect on the last day before entering into this Agreement (May 2, 1984), and shall be carried in a sick leave account. Sick leave accumulated after May 2, 1984, will be converted to hours and then to an equivalent dollar amount, based upon the wage rate in effect when it was accrued. When sick leave is used, the employee will receive pay for each hour used at the wage rate in effect when it is used, and the amount will be deducted from the dollar amount accumulated in the sick leave account. There will be no limitation on the dollar amount which can be accrued in the employee's sick leave account.

When an employee takes early or disability retirement from the Cooperative, he shall receive the amount in his sick leave account up to a maximum of forty-five percent (45%) of the straight-time earnings for the year of retirement if he has this amount or more in his sick leave account. Any amount in such sick leave account in excess of forty-five percent (45%) will be forfeited.

When an employee takes normal retirement from the Cooperative (i.e. 30 years or age 62) or dies before retirement, he, or the beneficiary of such employee who dies before actually retiring shall receive one hundred percent (100%) of the accrued earned balance in their account.

An employee who retires from the Cooperative, or the beneficiary of such employee who dies before retirement, shall have the option of receiving any amounts to which he may

be entitled in the sick leave account, in a lump sum, or paid out on a monthly basis, for a period not to exceed one (1) year.

If an employee voluntarily terminates his employment with the Cooperative, such employee shall be entitled to receive twenty percent (20%) of the straight-time earnings for the year of his voluntary termination if he has this amount or more in his sick leave account. Any amount in such sick leave account in excess of twenty percent (20%) will be forfeited.

If an employee is discharged by the Cooperative, all funds in his sick leave account will be forfeited.

If an employee is absent from work in excess of seven (7) consecutive days, the employee must apply for Short-Term Disability (STD) insurance and has the option of (a) drawing STD payments and using accrued sick leave for the difference between the weekly insurance payment and the gross amount of the employee's regular base pay (40 hours per week) or (b) simply drawing disability insurance payments and "freezing" any sick leave accrual. Under no circumstances shall an employee receive "double payment."

If an employee is on a leave caused by an injury compensable under the Worker's Compensation statutes, such employee will continue for up to one (1) year to accrue sick leave and vacation benefits only. Such benefits shall not continue to accrue for any other absence of any kind.

Employees shall be required to furnish a verified statement as to the existence or continuance of illness, and may be required to furnish a doctor's certificate.

Section 2: Lost time due to accidents incurred in line of duty shall not be construed as sickness within the meaning of section 1. Lost time due to accidents incurred in the line of duty will be covered by the Kentucky Workers Compensation Statute, including any penalty to be assigned against the Cooperative or the employee, where applicable, for violating a safety rule or regulation.

Section 3: No employee shall lose any regularly-scheduled straight-time pay for forty (40) hours per week (except Service Technicians only, will receive overtime pay for the Saturday of their call-out week under Article VIII, Section 13) due to accidents incurred while on duty, unless such time lost exceeds one (1) year. When such accidents are compensable under the Worker's Compensation Law, or any other protective insurance carried by the Cooperative, the Cooperative shall be given credit for any such monies received by the employee during the time he is off due to such accident.

Section 4: Time off due to accidents or sick leave shall not be construed as vacation time.

Section 5: If an employee suffers a disabling accident while on duty and is permanently impaired from continuing his normal line of duty, effort shall be made for up to a

maximum of thirty-six (36) months from the date of such disabling accident to find suitable work for the employee in a classification he can continue working in.

Neither the Cooperative nor the Union will discriminate against an employee because of such employee's race, sex, religion, national origin, age (forty and above) or disability as such term is defined in the Americans With Disability Act and Regulations issued pursuant to it.

Section 6: In case of the death of the mother, father, husband, wife, child, sister, brother, grandparent, grand-child, father-in-law, mother-in-law, sister-in-law, brother-in-law, son-in-law, daughter-in-law, step-mother, step-father, step-sister, or step-brother of an employee, the employee shall be allowed up to three (3) days off with pay as required or needed.

Section 7: Sick leave shall be considered worked time for the purpose of determining overtime.

ARTICLE VI General Rules

Section 1: The management of the Cooperative, the assigning of crews and men for duty, hiring and laying off of workers is the duty of the Employer. It is understood and agreed that the Employer shall be the sole judge of the qualifications and competency of all applicants for employment and shall have the sole right to hire and make work assignments. Subject to Article II (Adjustment of Grievances) of this Agreement, the Employer shall have the right to promote, suspend, discipline, discharge and lay off employees. These rights of the Employer shall not be exercised for the purpose of discriminating against any employee because of his membership in the Union or because of Union activities.

Section 1(A): The Cooperative and the Union agree that the provisions of this Agreement shall be applied to all employees without discrimination on the basis of age (over age 40), disability (as defined and provided for in the Americans with Disabilities Act of 1990), sex, race, color, religion or national origin.

As used throughout this Agreement, the term "he" as well as any other masculine pronoun, shall apply to and described the male and/or female gender.

Section 2: All established safety rules and regulations of the Cooperative shall be strictly complied with; provided such rules are posted in a conspicuous place or copies are provided each individual. Any employee committing an infraction of established safety rules shall be called before a safety committee consisting of two advisory union members appointed by the Union, and two advisory management employees appointed by Management, for the purpose of advising management concerning details of the

infraction. Any decision for disciplinary action shall be the responsibility of management and shall be subject to the grievance procedure.

It is recognized that the employer has the exclusive responsibility to provide a safe and healthful workplace and conditions of employment and the employee(s) has the exclusive responsibility to follow all rules, regulations and policies of the Cooperative and to wear all personal safety equipment provided by the Cooperative.

Any employee assigned to drive a service, maintenance or construction truck shall (a) see that the truck and equipment are kept in order; (b) transport any dangerous material in a safe manner; and (c) comply with all safety rules for transporting dangerous material. Each employee shall be notified of the time and place of all safety meetings, and shall attend, with the exception of outages and/or emergencies, or if an employee is on vacation, or in case of sickness.

Section 3: No employee covered by this Agreement shall use, in any way, any form of intoxicant on duty; no employee shall use any form of intoxicant while off duty to such an extent as to interfere with his reporting for duty at the time he is expected to report or to such an extent as to interfere with his performing his duties. No employee shall transport any form of intoxicant in an Employer-owned vehicle at any time.

No employee covered by this Agreement shall possess, use, exchange, or transfer illegal or unlawful drugs, in any way, while on duty, or while off duty to such an extent as to interfere with his reporting for duty at the time he is expected to report, or to such extent as to interfere with his performing his duties.

Section 3(A): No employee shall conduct himself while on duty in such a manner that would discredit the Cooperative in the eyes of the general public.

Section 3(B): No employee shall take any tools, material, or equipment from the Cooperative unless he has a purchase receipt or has written permission from his supervisor and/or superintendent.

Section 3(C): No employee of the Cooperative shall, during the course of any such employment, take another regular job that would substantially and regularly interfere with the performance of his duties as an employee of the Cooperative.

Section 4: Use of space on bulletin boards in service centers and offices, where workers assemble will be permitted for the posting of notices of Union meetings or other items of a general nature and interest to the workers.

Section 5: All types of tools and equipment now furnished to the employee shall be continued. It is the employee's responsibility to properly store and maintain all tools and equipment provided by the Cooperative.

Section 6: No employee member of the Union shall be required to cross an established picket line of any other striking union, without first obtaining clearance from such striking union.

Section 7: For the remainder of 2012, Union employees will pay \$70 per pay period for 24 pay periods annually, toward the cost of major medical insurance premium cost. Those Union employees that are in compliance with the wellness program will receive an incentive discount of \$30.00 per pay period resulting in a \$40.00 payment per pay period for 24 pay periods annually toward the cost of major medical insurance premium cost. Beginning January 1, 2013, the employee contribution toward the major medical insurance premium cost will gradually increase throughout the remainder of the contract term to 15% of the Family Medical Plan cost, as shown in the table below.

Year	Percentage of Cost	Wellness Incentive Credit	Maximum Premium Cap Amount
January 1, 2013	12.00%	\$70.00	\$230.00 before credit
January 1, 2014	13.50%	\$80.00	\$240.00 before credit
January 1, 2015	15.00%	\$90.00	\$250.00 before credit

The Cooperative shall have the right to change insurance carriers for any of the group insurance programs as set forth in this Agreement, and in the policy Manual, at any time, and to modify and change coverage's at any time. The Cooperative will, however, meet with the Union's stewards before any changes as described are considered and voted upon by the Plan Representatives. The Cooperative will also meet with the Union's stewards after any changes to the Plan are considered, voted upon by the Plan Representatives, and made.

Section 8: It is agreed between the Cooperative and the Union that new employees shall during the first three hundred and sixty five (365) days of their employment, be upon probationary status, and may be discharged any time during such probationary period without resort to the grievance procedure, if in the discretion of the Employer, their work and progress is unsatisfactory.

Section 9: In the case of an extended lay-off, a thirty (30) days, notice will be given whenever possible.

Section 10: Except wage and progression steps within the same classification, all jobs which the Cooperative decides to fill, or new jobs created, when an employee quits, retires, dies, is discharged, transferred from one department to another, or from one location to another, shall be posted for bid on the Cooperative's bulletin boards for a period of ten (10) calendar days. Nothing contained in this Section shall interfere with the Cooperative's rights set forth in Article VI, Section 1. In case of emergency, jobs may be filled temporarily.

Section 11: The Cooperative will pay the full cost of uniform rental and laundry service (eleven (11) uniforms per man). All employees shall be required to wear uniforms furnished by the Cooperative.

Section 12: The Cooperative agrees to provide \$125 per year for OEC approved safety apparel, clothing and boot allowance.

Section 12A: The Cooperative agrees to allow eligibility to participate in OEC's Performance Incentive Plan.

Section 13: The Cooperative shall have the right to establish rules which requires an employee to live in an area that is critical to their work. These rules are as follows:

- A. All Service Technicians shall be required to live within ten (10) miles of their reporting location. The exception to this rule is due to the moving of the Owenton Service Center Location; any employee complying with this provision before 12/1/2003 will be grandfathered in and will be considered as meeting that requirement to the new location.
- B. All Field Service Representatives who have an assigned callout territory shall be required to live within the boundaries of their callout area. These areas are described below, but may be subject to change in the future. However, no existing Field Service Representative with an assigned territory shall be required to move to meet these new boundaries, unless they accept a Field Service Representative position in another callout territory.

Northern Area – Boone, Kenton,
Central Area – Campbell, Pendleton, Grant,
Southern Area – Scott, Owen, Carroll, Gallatin

All call out personnel will be required to live within the 9 county service territory. In addition to living within the 9 county service territory, all new hires after August 31, 2012 will be required to live within 15 miles of their reporting location.

Section 14: Any new Meter Reader will be hired as a Meter Reader – 3rd Class, after a period of six months the Meter Reader – 3rd Class will be promoted to the position of Meter Reader – 2nd Class and be paid accordingly. A Meter Reader – 2nd Class will be promoted to the position of Meter Reader 1st Class after having been in the position of Meter Reader – 2nd Class for a period of one year and be paid accordingly.

The above will take place as long as the individual in each of these classifications is performing the duties of their present position and has no letter concerning their performance in their file.

ARTICLE VII
Union Shop

Section 1: All employees who are members of the bargaining unit, shall be required to remain members of the union or agency fee payers in good standing as a condition of employment during the term of this Agreement. New employees hired into the bargaining unit after the effective date of this section of the Agreement, and former employees who are nonmembers of the Union returning to the bargaining unit after such date, shall be required to become members of the union or agency fee payers as of the 31st day after the beginning of or return to employment.

Section 2: Subject to the provisions of this Agreement, there shall be no discrimination against any employee because of the employee's being or not being, a member of the Union or an agency fee payer, either on the part of the Employer, or on the part of the Union.

Section 3: The Union agrees that neither it nor any of its officers, representatives, or members will intimidate or coerce employees into membership in the Union.

Section 4: The Union agrees to and does hereby indemnify the Employer against any loss by reason of any back pay award by any court of Law or National Labor Relations Board that might be obtained by any employee discharged at the request of the Union.

Section 5: The Cooperative will deduct union dues or agency fees from those employees who authorize such deductions.

Deductions shall be made from the first paycheck of the employee after receipt of the authorization, and also from the paychecks each month thereafter. It is agreed employees may revoke this authorization by written notice to the Cooperative sixty (60) days prior to intent.

ARTICLE VIII

Hours of Work – Overtime Payment – Travel Time – Service Territory – 10 hr days

Section 1: A regular work day shall consist of eight (8) consecutive hours in any twenty-four (24) hour period (excluding lunch period).

Section 2: A regular work week shall consist of forty (40) hours of work, Monday through Saturday.

Section 3: All work performed in excess of eight (8) hours in any one day, exclusive of lunch time, or in excess of forty (40) hours in any one work week, shall be paid at one and one-half (1 ½) times the regular rate of pay, but such overtime shall not be paid more than once for the same hours worked.

Section 4: The regular work day shall be from 12:00 midnight to 12:00 midnight of the following day, but all time worked before 7:00 a.m. or after 5:00 p.m. shall be paid for at one and one-half (1 1/2) times the regular rate of pay.

Section 4(A): Unless required by Management, Service Technicians shall be given the option to work on their on-call Saturdays and shall be paid at one and one half (1 ½) times the regular rate of pay. Service Technicians shall provide notice to immediate supervisor by the end of workday Friday that they are declining the option to work on Saturday (next day). If the immediate supervisor requires Saturday work, notice shall be given by Thursday of the same week.

Section 5: The regular payroll work week shall be from 12:00 midnight, Sunday to 12:00 midnight the following Sunday.

Section 6: Employees having worked overtime shall not be required to lay off to offset their overtime compensation.

Section 7: The Cooperative will endeavor to divide overtime work equally among the employees as described below:

Limited Scheduled Overtime Opportunities: These are opportunities when only a portion of the service center is requested to work. The opportunity would be filled by seniority, If an employee refuses to work, that will be recorded as an opportunity. If the employee works, that will be recorded as an opportunity. The next occurrence for an opportunity to work would begin with the senior person who has had no opportunity to work. If the entire service center personnel are asked to work, no recording will be necessary.

Out of Town Overtime Opportunities: These are opportunities, when all or a portion of the service center may be asked to go out of town to work. The opportunity would be filled by seniority; if an employee refuses to travel out of town to work that will be recorded as an opportunity. If the employee agrees to travel out of town to work, that will be recorded as an opportunity. The next occurrence for an opportunity to travel out of town to work would begin with the senior person who has had no opportunity to travel out of town to work. These opportunities shall include Service Technicians from the area.

Section 7(A): Overtime on Monday through Friday for all employees except Service Technicians, shall be performed by the employee(s) on the job where the overtime exists. The decision to work overtime will be made by the Crew Leader or Supervisor. In the case of any emergency, all employees may be required to work overtime.

Section 7(B): When the Management of the Cooperative determines that overtime shall be performed on Saturday, it will be offered on a voluntary basis to all Construction Employees, by classification, in whichever Service Center the work to be performed is located. If a sufficient number of employees are not obtained, then selection shall be made from the crew on duty in the Service Center affected, starting with the least senior employee(s) in the classification needed from that crew and then, if necessary, the crew in the other Service Center for that week in the same manner as provided here. In the case of an emergency, all employees may be required to work overtime.

Section 8: All work performed on Sunday shall be paid for a 1 ½ times the regular rate of pay and shall be computed in determining weekly overtime. There will be no overtime on overtime.

Section 9: All holidays shall be counted as days worked for determining weekly overtime.

Section 10: Employees called out for emergency work shall be paid at 1 ½ times their regular rate with a minimum of three (3) hours pay at such rate and shall not be required to remain longer than the time required to perform the emergency work existing during the period of such callouts. However, there shall be no overlap of overtime pay.

Section 10(A): When an employee is required to work for two hours before or two hours after the regularly scheduled work day, the Cooperative may provide such a meal as can be reasonably obtained. The employee will be paid for the time to eat the meal, up to a maximum of thirty (30) minutes. During extended outages, employee will be allowed a meal every five (5) hours. The employee will be required to present a receipt in order to be reimbursed.

Section 10(B): All work performed after sixteen (16) consecutive hours shall be compensated for at double the straight-time rate. Following seventeen (17) hours of work, employee may take eight (8) hours of rest time, but if called back to work before eight (8) hours of rest time, employee will resume the rate of pay that prevailed before the rest period began.

Section 10(C): The extended work hour rules for outages are as follows:

Normal Outages:

If the employee is required to work 6 hours or more between the hours of 11:00 p.m. and 8:00 a.m., they shall be granted 5 hours rest time from the time of their release from work. Any part of this rest time, up to a max of 4 hours that falls within the normal workday (Monday-Friday, 8:00 to 4:30 p.m.) shall be paid at straight time pay rate. The employee shall have the option to defer the rest period until 12:30 p.m. to 4:30 p.m. if they so desire.

During 10 hour working periods (April-October): if an employee is required to work 6 hours between (9:30 p.m. and 6:30 a.m.), they shall be granted 5 hours rest time from the time of their release from work. Any part of this rest time, up to a max of 4 hours that falls within the normal workday (Monday-Thursday, 6:30 a.m. – 5:00 p.m. or Tuesday-Friday, 6:30 a.m. – 5:00 p.m.) shall be paid at straight time pay rate. The employee shall have the option to defer the rest period until 1:00 p.m. – 5:00 p.m. if they so desire.

If normal working hours are from 7:00 a.m. – 3:30 p.m. then the first paragraph of this agreement shall be amended to the following: If the employee is required to work 6 hours or more between the hours of 10:00 p.m. and 7:00 a.m. the employee shall be granted 5 hours of rest time from the time of their release from work. Any part of this rest time, up to a max of 4 hours that falls within the normal workday (Monday-Friday, 7:00 a.m. – 3:30 p.m.) shall be paid at the straight time pay rate. The employee shall have the option to defer the rest period until 11:30 a.m. – 3:30 p.m. if they so desire.

An employee who works 16 hours (15 hours for CDL drivers) or more in a 24-hour period shall be required to take an 8-hour rest period from the time they are released from duty. Any part of this rest time that falls within the normal workday shall be paid at straight time pay rate.

Employees eligible for the rest period shall not be called out again until the completion of their rest period.

Work shall be defined as actual time working, the three hours for call out time is not considered into the calculation for hours worked unless the full three hours were actually worked.

Extended Outages:

If an outage occurs that in the opinion of management is considered a major outage and has been declared as such by either a County or State official, the employees will be allowed to work up to a maximum of 32 hours straight for the first day of the outage. All employees will then be given a minimum rest period of 8 hours. If said rest period falls within the normal workday (Monday-Friday, 8:00 a.m. to 4:30 p.m.) the employee will be paid at their regular straight time pay rate. After the first day, the employees will be put on a 16 hour work, 8 hour rest schedule. Employees returning from the rest period will start at the straight time pay rate unless the start time is outside the regular work day hours as defined by Article VIII, Section 4 of the Union agreement.

The cooperative has the right to start some or all employees on rest time prior to the 32 hours and may extend the rest period beyond the normal 8 hours in order to ensure that rested crews are available throughout the duration of the outage. Employees have the right to request rest time prior to the 32-hours being reached.

Section 11: The Cooperative will furnish transportation reimbursement and pay for any additional travel time when any employee is asked to report to another work location.

Any employee, who is asked to report to another work location, if asked to begin travel early or travel late will be paid overtime pay at the rate of 1 ½ times the regular rate for the additional time (A minimum of ½ hour per day will be paid). If the employee is required to travel additional mileage to reach the reporting location, they will be paid for each additional mile driven at the standard rate.

Section 11A: In a large scale Outage Restoration event (outages 20 hours or more), each employee from the bargaining unit working storm work shall be paid at a rate of time-and-one-half for hours worked thru the duration of the outage including the first 20 hours. This agreement would eliminate any straight time or double time wages for restoration situations of 20 hours or more. Hours worked for storm cleanup, after power is restored would be paid according to the rate schedule as outlined in the Union Contract.

All out of town storm restoration efforts will be paid at time-and-one-half for hours worked from the time an employee leaves OEC until they return.

Owen Electric also reserves the right to assign Service Techs, Crew Leaders and/or Bird Dogs, regardless of seniority, to report one hour prior to designated start time for the crews. This hour will be used for restoration planning and organizing job assignments for the day.

Section 12: When employees report for work at their regularly scheduled meeting place and at the regular work time, but are unable to go to work for causes beyond their control, they shall be paid not less than eight (8) hours time for said day. They may be required to do any work needed to be done in or around the warehouse, garage, and office, whether such work falls within their job classification or not.

Section 13: Standby for Callout. Each employee required to standby for callout would be paid at the rate of Four Hours (4) times their hourly overtime rate.

Any employee on standby callout that does not respond to one callout will not forfeit any of the weekly standby premiums.

Any employee on standby callout that does not respond to two callouts will forfeit the entire weekly standby premium.

The callout process shall work as follows:

For callout purposes the Cooperative Service Area will be divided into trouble/callout areas. Each area will be assigned two (2) Service Technicians with one being the primary response person each week and the other the secondary response person. The trouble/callout areas will remain as they are at the present. Should the need arise to

change these areas, a committee of three (3) bargaining unit employees and three (3) management employees will be formed to determine a mutual agreement. The parties reserve the right to alter the size of the committee by mutual agreement.

The primary response Service Technician in the area where the trouble call originates shall be called first, if more help is required, the secondary response Service Technician shall be called next. If more help is required the Senior Journeyman on the standby crew shall be called. If additional help is required the Second Journeyman and the Apprentice Lineman (if there is one) shall be called. If additional help is required, the Senior Journeyman Lineman on the next week's standby list shall be called and then the Second Journeyman Lineman and the Apprentice Lineman. The System Operator shall continue with the process of going to the next Crew on standby until all the required personnel are obtained. If after going through the list for a given service center, the System Operator has the option of going to the other service center's list. Secondary Service Technicians have the right to pre-decline callout on their off-week. If assistance is required by the service technician then any crew working and available can be utilized before going to the callout process.

The standby crew will be the first crew considered for holdover at the end of a regular scheduled work day.

If possible employees should not schedule vacation or leave during their standby weeks. If this occurs the employee will not be eligible for standby pay. The swapping of standby weeks will not be allowed.

The standby week will begin and end at 8:00 a.m. on Friday.

Any dispute for loss of standby pay will be settled by the local supervisor and shop steward.

This standby premium does not apply to Service Technicians.

Management reserves the right to call out specialty crews or employees in special situations as well as the right to utilize the construction contractor in special cases.

On holidays which fall on Friday, the Service Technician on call for Friday night will be responsible for emergency assignments beginning at 8:00 a.m. on such Friday.

Section 13(A): The following procedures shall be followed when crews and service technicians report unavailable:

Field personnel that call in to the system operator and report "unavailable" (for callout) shall specify the start time and the approximate stop time that they are unavailable. At the specified stop time the Field Personnel shall call the System Operator and report in as available, whereas the System Operator will revert to the standard callout schedule unless otherwise notified.

Field personnel that need to use a “temporary” phone number (e.g. at someone else’s residence, etc.) will report the phone number and a specific start time and the approximate stop time to use the number. At the specified stop time the Field Personnel shall call the System Operator and request to return to the original phone number. At that time, the System Operator will revert back to the standard callout method.

Employees are responsible for notifying System Operations when their telephone numbers have permanently changed. Notification forms will only be accepted in the form of a completed and signed Call List form. This form must be submitted to System Operations.

In the event an employee cannot contact their supervisor and System Operations is contacted, the on-duty System Operator will log the employee as out sick within the System Operations Electronic Log. The employee will then be transferred to their supervisor’s voicemail.

Section 13(B): All field personnel will be asked to submit their contact phone numbers to System Operations annually when prompted. The submission sheet from each employee will include an area for two (2) phone numbers to be listed. Such numbers shall be listed in priority order as to avoid confusion when the System Operators attempt a call out. Additional phone numbers may be listed and used as needed but are not required. If additional numbers are submitted, they will be filed separately for reference but will not be listed on the weekly call out sheet.

If phone numbers change during the year, employees are required to notify System Operations by submitting a new sheet.

Section 13(C): Connect, Reconnect or Disconnect of Existing Meters. Any request for a connect, reconnect or disconnect of an existing meter will be assigned to the position of Field Service Representative. If no employee is working and available to work the request after hours, the Field Service Representative in the area affected will be offered first. If the Field Service Representative is not available then the normal callout process will begin to handle the request. Field Service Representatives will be subject to call out every other week.

Section 13(D): Call Out Performance Standard is as follows in the table below.

Year	Minimum Callout Response
September 1, 2013	60%
September 1, 2014	65%
September 1, 2015	70%

1. All call-out percentages (on call/off call) will be based on a calendar month and will be calculated at the beginning of each month for the previous month. The employee will be given that month to challenge any discrepancies of the report

and not thereafter. A review committee of Cooperative and Bargaining Unit employees will be set up to review these claims. Each month a new month is added and the oldest is rolled off. Rolling percentages will be calculated by total calls that were responded to, divided by the total calls for the twelve (12) month period.

2. The only exception permitted to the above standard is if an employee is pre-approved by Management to be removed from call-out for some reason (i.e. medical, light duty, vacation). If this occurs, all prior percentages will be frozen and shall pick back up at the point of reinstatement to the call-out list.
3. Those employees meeting the callout criteria who do not answer the call out request, shall receive a maximum of four (4) fifteen (15) minute grace periods during the rolling 12-month period, to return call without affecting response average. During this 15 minute period, System Operations will continue making calls to those on the call out list as necessary.
4. The following applies only to those employees who have fallen below the call out performance standard as shown in the table above.
 - A. For each month that both the 12-month average and the most recent one month average is below the performance criteria, the employee will not be eligible for the overtime work provided in Article VIII Section 7 and KY Speedway overtime opportunities.
 - B. Each employee on their On-Call week is expected to respond to 100% of their calls or they will forfeit their Stand-by pay.

Section 13(E): With the exception of Service Technicians, when an employee responds and accepts a call-out, they will be paid 30 minutes prior to the arrival time of their reporting location. The employee will also be paid 30 minutes after departure from their reporting location for travel back to their residence.

Section 14: Pay day for employees will be every other Friday. The Cooperative will first hold back one (1) week's pay.

Section 15: Each payday, all employees shall be paid by check in full or by direct deposit in accordance with Section 14 above.

Section 16: Each check shall have attached to it a detachable detailed statement of the earnings and deductions of the employees receiving pay for the pay period covered by said check.

Section 17: It is agreed by the Union and its members that all employees covered by this Agreement, regardless of his or their classification, shall assist his fellow workmen in any work that he is capable of doing or may be called on to perform that tends to expedite the business of the Employer and the particular job to which he or they have been assigned. This Section shall not be used to intimidate or reclassify men to their detriment.

Section 18: No employee working alone or after dark covered by this Agreement shall be required to do any work that would position the employee within reach of equipment or lines energized at more than 600 volts. Routine switching of circuits, work performed with live line tools that enable the employee to position themselves so that they are not within reach of or otherwise exposed to energized parts and emergency repairs necessary to safeguard the general public are excluded from this section. Management recognizes the fact that there will be situations that, after a careful investigation, the employee on site feels additional help is needed. Justification for requiring additional help will be the responsibility of the employee present. Employee will climb at his own discretion.

Section 19: When working directly with employees of the Cooperative, contractors who are performing work shall follow all safety rules set forth by the Cooperative.

Section 20: With any training attended, overtime wages for travel time will be paid to an employee only if such training is predetermined by management. If the training is elective, the employee must agree to travel without pay if such travel time is outside of the regular work day.

Each instance must be pre-approved by the Department Head responsible for that employee.

Section 21: If there is a large outage, concentrated to one area of the Owen Electric service territory, management feels a responsibility to its members to put as many resources in the affected area as possible. Therefore, all parties acknowledge that any Service Technician may be called out of his service territory by management or by the System Operator to assist with outage restoration in service areas other than his own.

Section 22: The following procedures shall be followed for 10 hour work days. Utilization of any four/tens schedule will be solely at the discretion of the affected employee(s) and OEC management.

Schedule Structure:

For employees working four (4) days, ten (10) hours per workday schedule (“four/tens” hereafter) the employees would be split into two groups by crew. There are two possible options for working this schedule.

- Option 1: Group 1 will begin on Monday and end on Thursday; Group 2 would begin on Tuesday and end on Friday. Subsequently, the groups would alternate schedules each week.

- Option 2: The same scenario as Option 1, except it would be a fixed schedule. There would be no alternating from week to week.

Employees may have different schedule structures, and schedules may not stay uniform within each Service Center.

Contractual benefits will be modified for employees who are working abnormal shifts as follows:

A. Overtime:

1. Employees working a “four/tens” schedule shall be afforded overtime for hours worked beyond ten (10) in one day, or forty (40) in one week.
2. If overtime is necessary to be worked on a Monday or Friday of the “four/tens” schedule, supervisors will refer to the call-out listing for that week.
3. When overtime is necessary, it will be scheduled on Saturday and available for all construction employees to work.
4. When possible, overtime will be posted on Wednesday afternoon before the Saturday that the overtime is scheduled.

B. Vacations:

1. Vacation shall be converted to straight-time hours for employees working a “four/tens” schedule. Thus, employees on such a schedule taking one (1) week’s vacation shall receive payment for four (4) days, ten (10) hours per day.
2. Vacations shall normally be scheduled in periods of one (1) full week or more. Shorter periods of vacation will be allowed. Additionally, the wages the Company shall pay during a period of vacation of less than one full week shall be computed on the basis of a ten (10) hour workday. Thus, employees on a “four/tens” work schedule taking periods of vacation of less than one full week shall receive ten hours of pay provided they have at least ten (10) hours of vacation entitlement remaining.

C. Holidays:

1. For all weeks on which a Company-wide holiday falls, an employee’s work schedule will revert back to a five (5) day, eight (8) hour per day work schedule.
2. An employee utilizing a birthday or an earned holiday shall receive eight (8) hours of straight-time holiday pay at the applicable wage rate. Additionally, the employee may elect to utilize two (2) hours of vacation entitlement.

D. Sickness Leave of Absence:

For employees working a “four/tens” schedule, payment will be made for regularly scheduled workdays on the basis of not to exceed ten (10) hours for any scheduled workday and not to exceed forty (40) hours in any workweek, computed at straight-time exclusive of shift premium or any other premium pay. Regularly scheduled workday shall mean one of the first four (4) regularly scheduled workdays which constitute the basic forty (40) hours per week.

E. Jury Duty:

Employees on a “four/tens” schedule will be entitled to ten (10) hours of straight-time pay for each day of Jury Duty entitlement on their scheduled work day.

F. Misc. Earnings

Holidays, birthdays, sick time, funeral leave, community service days, etc. are based on hours allotted by the company. For example: The company benefit for a family death is 3 days off (or 24 hours) with pay so a 4/10 hour employee would continue to have the same benefit. Additional time needed to complete the 10 hr cycle could be supplemented with vacation time or actual work hours as deemed appropriate by the immediate supervisor.

G. Meal Allowances:

During such time that an employee is working a “four/tens” schedule, neither a meal nor a meal allowance will be provided to an employee for the first twelve (12) hours of work on any day.

H. Mandatory Training:

When mandatory, off-site, training is required of an employee, that employee’s schedule would revert back to a five (5) days, eight (8) hours per workday schedule for that week.

ARTICLE IX
Apprentice Training

Section 1: The Apprentice Training Program is to be carried out as determined by the joint Union and Management Apprentice Committee as outlined in Schedule “B” which is a part of this Agreement. All apprentices shall meet Article VIII, Section 13(D) to be considered for promotion.

ARTICLE X
Job Descriptions – Wages

Section 1: Employees acting as stewards of the Union shall not lose any time or compensation while so acting. Employees acting as contract negotiators shall be granted not to exceed four (4) days per calendar year while meeting with the Cooperative on official business.

Section 2: This Agreement will not prevent the Cooperative from employing specialists to supervise work of a special nature as long as such specialists shall not displace a regular employee.

Section 3: The job classifications and wage rates are outlined in Schedule “A” attached hereto and are hereby made a part of this Agreement.

Section 4: The parties hereto agree that each job is classified and a minimum pay schedule is as set forth in Schedule “A”.

Section 5: The above referenced job descriptions are as contained in the Cooperative’s Job Description Book and made a part of this Agreement by reference. This book is maintained by the Cooperative’s Human Resources Department.

Wage Scale
Current Employees

	8/1/2012 Rate 3.00%	8/1/2013 Rate 2.75%	8/1/2014 Rate 2.75%
CLASSIFICATION			
Crew Leader	\$ 32.73	\$ 33.63	\$ 34.55
Service Technician	\$ 31.94	\$ 32.82	\$ 33.72
Journeyman Lineman	\$ 31.30	\$ 32.16	\$ 33.04
Apprentice Lineman - 1st Class	\$ 28.97	\$ 29.77	\$ 30.59
Apprentice Lineman - 2nd Class	\$ 26.69	\$ 27.42	\$ 28.17
Apprentice Lineman - 3rd Class	\$ 24.38	\$ 25.05	\$ 25.74
Apprentice Lineman - 4th Class	\$ 22.05	\$ 22.66	\$ 23.28
Warehouseman - 1st Class	\$ 27.48	\$ 28.24	\$ 29.02
Warehouseman - 2nd Class	\$ 19.76	\$ 20.30	\$ 20.86
Field Service Representative - 1st Class	\$ 24.03	\$ 24.69	\$ 25.37
Field Service Representative - 2nd Class	\$ 22.05	\$ 22.66	\$ 23.28
Field Service Representative - 3rd Class	\$ 20.98	\$ 21.56	\$ 22.15
Meter Reader - 1st Class	\$ 13.80	\$ 14.18	\$ 14.57
Meter Reader - 2nd Class	\$ 11.30	\$ 11.61	\$ 11.93
Meter Reader - 3rd Class	\$ 10.03	\$ 10.31	\$ 10.59
Senior Meter Technician	\$ 28.86	\$ 29.65	\$ 30.47
Meter Technician 1st Class	\$ 26.22	\$ 26.95	\$ 27.68
Meter Technician 2nd Class	\$ 24.03	\$ 24.69	\$ 25.37
Meter Technician 3rd Class	\$ 21.86	\$ 22.46	\$ 23.08
Meter Technician 4th Class	\$ 19.68	\$ 20.22	\$ 20.78

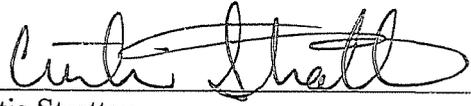
IN WITNESS WHEREOF, the Cooperative and the Union by their respective officers and representatives hereunto duly authorized have signed this Agreement on the day, month and year first set forth above.

Owen Electric Cooperative, Inc.

**Local 2100
International Brotherhood of
Electrical Workers, AFL-CIO**



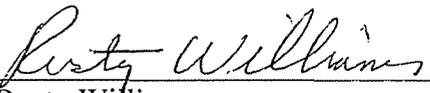
Mark A. Stallons
President/CEO



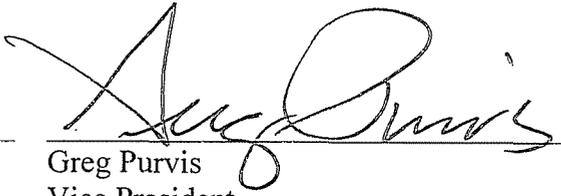
Curtis Stratton
President/Business Manager

Owen Electric Negotiating Committee

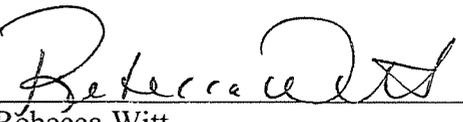
Union Negotiating Committee



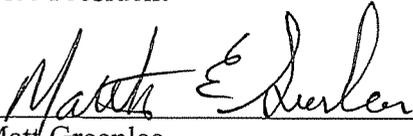
Rusty Williams
VP of Operations



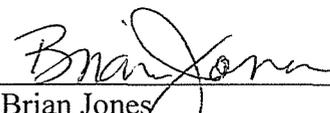
Greg Purvis
Vice President



Rebecca Witt
Sr. VP of Corporate Services



Matt Greenlee



Brian Jones
Manager of Construction and Maintenance



Kenny Berkemeier



Mike Cobb
Sr. VP of Customer Service & Marketing



Danny Clemens



Alan Brann

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Allson Lundergan Grimes
Kentucky Secretary of State
Received and Filed:
7/31/2012 8:24 AM
Fee Receipt: \$8.00

AMENDMENT OF ARTICLES OF INCORPORATION
OF
OWEN ELECTRIC COOPERATIVE, INC.

KNOW ALL MEN BY THESE PRESENTS:

That we, Mark A. Stallons, President, and Eddie McCord, Secretary of Owen Electric Cooperative, Inc., (hereinafter called the "Corporation"), do hereby certify:

That at a meeting of the Directors of the Corporation duly held on the 23rd day of February, 2012, in conformity with the Constitution and laws of the Commonwealth of Kentucky, it was unanimously resolved that the amendments of the Articles of Incorporation for the Corporation hereinafter set forth be approved and recommended to the members for approval.

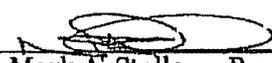
Further, at a meeting of the members of the Corporation duly held on the 29th day of June, 2012, in conformity with the Constitution and laws of the Commonwealth of Kentucky, the following amendments of the Articles of Incorporation were adopted by a majority of the votes entitled to be cast by the members present in person and voting at said meeting:

1. Section 4 of Article VIII of the Articles of Incorporation shall be amended to read as follows:

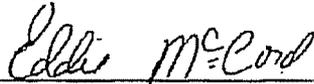
Section 4. Each member shall be entitled to one (1) vote and no more upon each matter submitted to a vote by the members. At all meetings of the members at which a quorum is present, all questions shall be decided by a vote a majority of the members voting, except as otherwise provided by law, in the by-laws of the Corporation, or these Articles of Incorporation. If a husband and wife hold a joint membership, they shall jointly be entitled to one (1) vote and no more upon each matter submitted to a vote by the members.

IN WITNESS WHEREOF, Mark A. Stallons and Eddie McCord have made, signed and acknowledged this Amendment of Articles of Incorporation of Owen Electric Cooperative, Inc., in triplicate originals this the 26th day of July, 2012.

OWEN ELECTRIC COOPERATIVE, INC.

BY: 
Mark A. Stallons, President

Attest:


Eddie McCord, Secretary

STATE OF KENTUCKY)
COUNTY OF OWEN)

I, James M. Crawford, a Notary Public, in and for the State and County aforesaid, do hereby certify that on this date the foregoing instrument of writing was produced to me by Owen Electric Cooperative, Inc., by its authorized representatives, Mark A. Stallons, President, and Eddie McCord, Secretary, parties thereto, and was by them, signed, acknowledged and delivered as their free act and deed and the free act and deed of Owen Electric Cooperative, Inc.

My commission expires: NOV 14 / 2013

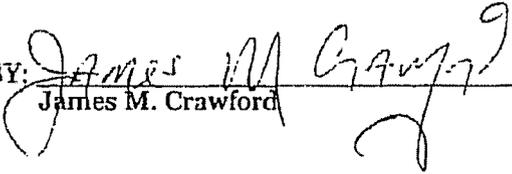
Witness my hand and seal on this the 26th day of July, 2012.


NOTARY PUBLIC, BY STATE AT LARGE

THIS INSTRUMENT PREPARED BY:

CRAWFORD & BAXTER, P.S.C.
ATTORNEYS AT LAW
523 Highland Avenue
P.O. Box 353
Carrollton, Kentucky 41008
Phone: (502) 732-6688

BY:


James M. Crawford



2012002517

OWEN CO, KY FEE \$11.00

PRESENTED / LODGED 08-30-2012 11:56 AM

RECORDED: 08-30-2012

JOAN KINCAID

CLERK

BY DEBBIE HOWARD
DEPUTY CLERK

BK: ART 5

PG: 665-667