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PUBLIC SERVICE
COMMISSION

OWEN *Electric*

A Touchstone Energy Cooperative 

Case No.

2012-00448/

2012-00468

**THIRD DATA REQUEST OF THE PUBLIC
SERVICE COMMISSION**

OWEN ELECTRIC COOPERATIVE, INC.

8205 Hwy 127 N

PO Box 400

Owenton, KY 40359

502-484-3471

CRAWFORD & BAXTER, P.S.C.

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June 3, 2013

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

RE: PSC Case Nos. 2012-00448 and 2012-00468

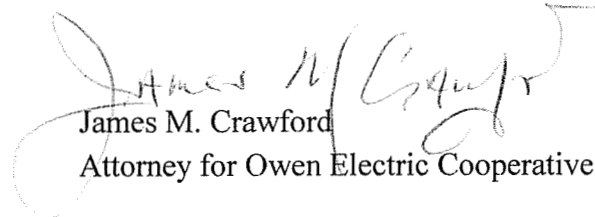
Dear Mr. Derouen:

Please find enclosed for filing with the Commission in the above-referenced cases, an original and eight copies of the responses of Owen Electric Cooperative, Inc. ("Owen") to the Commission Staff's Third Request for Information, dated May 20, 2013.

Please contact me with any questions.

Respectfully yours,

CRAWFORD & BAXTER, P.S.C.


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

JMC/mns
Enclosures
cc: Assistant Attorney General's Office

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF OWEN ELECTRIC) CASE NO.
COOPERATIVE, INC. FOR AN) 2012-00448
ADJUSTMENT OF RATES)

APPLICATION OF OWEN ELECTRIC)
COOPERATIVE CORPORATION FOR)
REVISIONS TO ITS METER READING TARIFF)
TO ACCOMMODATE MANUAL METER) CASE NO.
READING CHARGES IN INSTANCES WHERE) 2012-00468
ITS ADVANCED METERING)
INFRASTRUCTURE IS PROHIBITED FROM)
BEING UTILIZED FOR ITS INTENDED)
PURPOSE)


CERTIFICATE

STATE OF KENTUCKY)
)
COUNTY OF OWEN)

Mark Stallons, being duly sworn, states that he has supervised the preparation of the responses of Owen Electric Cooperative, Inc. to the Public Service Commission Staff's Third Request for Information in the above-referenced case dated May 20, 2013, and that the matters and things set forth therein are true and accurate to the best of his knowledge, information and belief, formed after reasonable inquiry.



Subscribed and sworn before me on this 29th day of May, 2013.


Notary Public

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF OWEN ELECTRIC)	CASE NO.
COOPERATIVE, INC. FOR AN)	2012-00448
ADJUSTMENT OF RATES)	
APPLICATION OF OWEN ELECTRIC)	
COOPERATIVE CORPORATION FOR)	
REVISIONS TO ITS METER READING TARIFF)	
TO ACCOMMODATE MANUAL METER)	CASE NO.
READING CHARGES IN INSTANCES WHERE)	2012-00468
ITS ADVANCED METERING)	
INFRASTRUCTURE IS PROHIBITED FROM)	
BEING UTILIZED FOR ITS INTENDED)	
PURPOSE)	

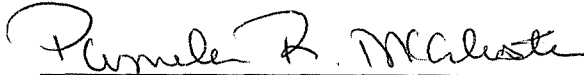
CERTIFICATE

STATE OF KENTUCKY)
)
COUNTY OF OWEN)

Mike Cobb, being duly sworn, states that he has supervised the preparation of the responses of Owen Electric Cooperative, Inc. to the Public Service Commission Staff's Third Request for Information in the above-referenced case dated May 20, 2013, and that the matters and things set forth therein are true and accurate to the best of his knowledge, information and belief, formed after reasonable inquiry.



Subscribed and sworn before me on this 29th day of May, 2013.



Notary Public

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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BEING UTILIZED FOR ITS INTENDED)
PURPOSE)

CERTIFICATE

STATE OF KENTUCKY)
)
COUNTY OF OWEN)

Ann Wood, being duly sworn, states that she has supervised the preparation of the responses of Owen Electric Cooperative, Inc. to the Public Service Commission Staff's Third Request for Information in the above-referenced case dated May 20, 2013, and that the matters and things set forth therein are true and accurate to the best of her knowledge, information and belief, formed after reasonable inquiry.

Ann Wood

Subscribed and sworn before me on this 29th day of May, 2013.

Paula R. McClellan
Notary Public

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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STATE OF KENTUCKY)
)
COUNTY OF OWEN)

Jim Adkins, being duly sworn, states that he has supervised the preparation of the responses of Owen Electric Cooperative, Inc. to the Public Service Commission Staff's Third Request for Information in the above-referenced case dated May 20, 2013, and that the matters and things set forth therein are true and accurate to the best of his knowledge, information and belief, formed after reasonable inquiry.

James L. Adkins

Subscribed and sworn before me on this 29th day of May, 2013.

Pamela R. Marshall
Notary Public

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF OWEN ELECTRIC) CASE NO.
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STATE OF KENTUCKY)
)
COUNTY OF OWEN)

Alan Zumstein, being duly sworn, states that he has supervised the preparation of the responses of Owen Electric Cooperative, Inc. to the Public Service Commission Staff's Third Request for Information in the above-referenced case dated May 20, 2013, and that the matters and things set forth therein are true and accurate to the best of his knowledge, information and belief, formed after reasonable inquiry.

Alan Zumstein

Subscribed and sworn before me on this 29th day of May, 2013.

Rosemary R. McAuliffe
Notary Public

APPLICATION OF OWEN ELECTRIC COOPERATIVE, INC.
FOR AN ADJUSTMENT OF RATES
CASE NO. 2012-00448

APPLICATION OF OWEN ELECTRIC COOPERATIVE CORPORATION
FOR REVISIONS TO ITS METER READING TARIFF TO ACCOMMODATE
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CASE NO. 2012-00468

Commission Staff's Third Request for Information to Owen Electric Cooperative, Inc.

1. Refer to Exhibit R of the application, page 32 of 56. Explain why only three of the functions listed are assigned to Gallatin Steel.

Response

Costs have been allocated to the three categories listed of (1) purchased power demand, (2) purchased power energy, and (3) consumer and accounting services. The purchased power cost categories are self-explanatory while the consumer and accounting services needs further explanation. First, it must be recognized that Owen has recorded no investment in distribution facilities to provide service to Gallatin. The investment necessary to provide service to Gallatin Steel has been made by the wholesale power supplier. Therefore, Owen has made no investment for lines, transformers, services, meters, or anything else for Gallatin and does not incur any expenses for these type of facilities. However, Gallatin is allocated a segment of the expenses associated with general plant, consumer services, and billing and accounting. Listed below is a breakout of the functionalized consumer and accounting service expenses.

Functionalized Consumer And Accounting Services	
Expense Category	Consumer Services & Accounting
Purchased Power	
Distribution Operations	-
Distribution Maintenance	-
Consumer Accounts	3,770,835
Customer Service	668,538
Administrative & General	1,073,756
Depreciation	252,305
Miscellaneous	6,383
Interest on Long Term Debt	197,188
Short Term Interest	11,950
Total Costs	5,980,955
Margin Requirements	183,126
Revenue Requirements	6,164,082

APPLICATION OF OWEN ELECTRIC COOPERATIVE, INC.
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Commission Staff's Third Request for Information to Owen Electric Cooperative, Inc.

2. Refer to Exhibit 4 of the application.
 - a. Refer to page 1 of 6, line 23, Other Taxes in the amount of \$146,131. Provide a detailed analysis of the \$146,131, including how the amount was calculated.
 - b. Refer to page 6 of 6. Confirm the headings "Assessment for 2007 Taxes" and "Assessment for 2006 Taxes" are correct. If not correct, provide the corrected headings.
 - c. Provide a comparative schedule of property tax expense for each year of the period 2008 through 2012.

Response

- a. This is the Public Service Company assessment. It is calculated as operating revenues less $\frac{1}{2}$ the cost of power, times the rate determined by the Kentucky Department of Revenue.
- b. The headings should be stated the same as pages 2, 3, 4, and 5 of 6 as "Assessment for 2012" and "Assessment for 2011".

c.

2012	146,131
2011	141,730
2010	137,319
2009	138,284
2008	133,221

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Commission Staff's Third Request for Information to Owen Electric Cooperative, Inc.

3. Refer to Exhibit 5, page 2 of 3.

- a. Refer to Line 45, CFC loan 9031010. Since the date of maturity is August 2010, explain why the entire year of interest expense in the amount of \$63,408 is reflected in the Annualized Cost, column j.
- b. Refer to Line 46, CFC loan 9031011. Since the date of maturity is August 2011, explain why the entire year of interest expense in the amount of \$65,846 is reflected in the Annualized Cost, column j.
- c. Refer to Line 47, CFC loan 9031012. Since the date of maturity is August 2012, explain why the entire year of interest expense in the amount of \$68,895 is reflected in the Annualized Cost, column j.

Response

- a. The maturity date for each of the CFC notes, starting with 9031009, are off by 3 years. The maturity date for 9031009 should be May 31, 2012, note 90031010 should be May 31, 2013. There was an error in entering the maturity date, which carried on to the remaining loans. All maturity dates for loans 9031009 and later should be May instead of August.

During December 2012, Owen advanced \$8,000,000 of loan funds that were available.

- b. The maturity date for note 9031011 should be May 31, 2014.
- c. The maturity date for note 9031012 should be May 31, 2015.

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Commission Staff's Third Request for Information to Owen Electric Cooperative, Inc.

4. Refer to Exhibit 9. Explain why director Kinman is not listed in the costs removed for rate-making purposes.

Response

This was an oversight only. There should have been \$1,125 of per diems removed for Director Kinman.

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5. Refer to Exhibit 12. Confirm that none of the amounts listed are reflected in the actual test year amounts.

Response

That is correct.

APPLICATION OF OWEN ELECTRIC COOPERATIVE, INC.
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Commission Staff's Third Request for Information to Owen Electric Cooperative, Inc.

6. Refer to the response to Item 1 of Commission Staff's Second Request for Information ("Staff's Second Request").
 - a. Refer to Item 1.c.(2). The response states that the cost of service study ("COSS") supports an increase in the Lighting classes of 38.8 percent, but that Owen has chosen to hold the increase to less than 25 percent. Given these statements, explain why it is appropriate to increase the current Schedule III -One Pole Added rate from \$10.33 to \$16.09, or 56 percent, and the current Schedule III -One Pole, Transformer Required rate from \$11.03 to \$16.09, or 46 percent.
 - b. Refer to the response to Item 1.c.(3).
 - (1) The response states that the impact of the proposed increase on the customer with the largest number of outdoor lights is \$1,040.91 and is for 365 lights. Under what lighting schedule(s) is the customer currently being billed – Schedule I, Schedule II, or Schedule III?
 - (2) The response states that the impact of the proposed increase upon the residential customer with the largest number of lights is \$7.71 and is for three lights. Provide the specific type of each of the three lights and the current rate billed for each.
 - c. Refer to the revised tariff pages attached to the response. Explain why the rates under Section D, Monthly Rates, start with Rate 2 instead of Rate 1.

Response

- a. These increases for the lights listed above are the result of the process derived by Owen's management to consolidate and simplify its lighting rate schedules and the overall amount of increase in revenue that Owen wishes to derive from its lighting rate schedules. Please refer to Schedule JRA1 of Exhibit H-4 for an illustration how these tasks were accomplished.

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Commission Staff's Third Request for Information to Owen Electric Cooperative, Inc

- b (1)The city is currently being billed under Schedule III -- Outdoor Lights (Owen's Tariff Sheet 11). Please see page three (3) of this response for supporting calculations.
- (2)The residential customer with the largest number of lights is currently being billed under Schedule III – Outdoor Lights (Owen's Tariff Sheet 11). All three lights are standard outdoor lights installed on existing poles and are presently being billed at the \$8.52 rate per month. Please see page four (4) of this response for supporting calculations.
- c Owen's pre-2004 outdoor lights are assigned an internal rate code of "1" on its billing software; whereas, all post-2004 outdoor lights are assigned rate codes of "2", "3", etc... Since it is Owen's intent to simplify and combine its outdoor light tariffs and eliminate the pre-2004 outdoor light tariff with this case, the "Rate 1" reference was eliminated from the proposed tariff for internal benefit only.

City of XXXXXXXXXXXXXXXX											
Schedule III Rate/Type 1/1	Schedule III Rate/Type 1/2	Schedule III Rate/Type 1/3	Schedule III Rate/Type 1/4	Schedule III Rate/Type 1/5	Schedule III Rate/Type 1/6	Schedule III Rate/Type 1/7					
Existing pole	1 pole added	2 poles added	3 poles added	4 poles added	Existing plus transformer	1 pole plus transformer					
174	30	0	0	0	0	3	0	0	0	0	0
13	1	0	0	0	0	1	0	0	0	0	1
12	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	1	0	0	0	0	0
0	0	0	0	0	0	1	0	0	0	0	0
7	0	0	0	0	0	0	0	0	0	0	0
3	0	0	0	0	0	0	0	0	0	0	0
3	0	0	0	0	0	0	0	0	0	0	0
1	0	0	0	0	0	0	0	0	0	0	0
0	1	0	0	0	0	0	0	0	0	0	0
15	0	0	0	0	0	0	0	0	0	0	0
2	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	1
23	0	0	0	0	0	0	0	0	0	0	0
19	0	0	0	0	0	0	0	0	0	0	0
17	0	0	0	0	0	0	0	0	0	0	0
23	0	0	0	0	0	0	0	0	0	0	0
8	0	0	0	0	0	0	0	0	0	0	0
5	0	0	0	0	0	0	0	0	0	0	0
325	32	0	0	0	0	6	0	0	0	0	2
Total Lights Billed											
Current Rate \$ 8.52 \$ 10.33 \$ 9.22 \$ 11.03											
Total Current Monthly Amounts: \$ 2,769.00 \$ 330.56 \$ - \$ - \$ 55.32 \$ 22.06											
Total Lights Billed 325 32 0 0 0 6 2											
Proposed Rate \$ 11.09 \$ 16.09 \$ 11.09 \$ 16.09											
Total Monthly Bill Amount at Proposed New Light Rate: \$ 3,604.25 \$ 514.88 \$ - \$ - \$ 66.54 \$ 32.18											
Monthly Bill Increase \$ 835.25 \$ 184.32 \$ - \$ - \$ 11.22 \$ 10.12											
Total Increase \$ 1,040.91											

Residential Customer with largest number of outdoor lights		Schedule III Rate/Type	
		Existing pole	
		1/1	
Total Lights Billed		3	
	Current Rate	\$	8.52
Total Current Monthly Amounts:		\$	25.56
		3	
Total Lights Billed			
	<i>Proposed Rate</i>	\$	11.09
Total Monthly Bill Amount at		\$	33.27
Proposed New Light Rate:			
Monthly Bill Increase		\$	7.71

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Commission Staff's Third Request for Information to Owen Electric Cooperative, Inc.

7. Refer to the response to Item 3.b. of Staff's Second Request.
 - a. State whether the kWh and kW amounts in the table include purchases of power to serve Gallatin Steel.
 - b. Provide the kWh and kW amounts from the EKPC power bills that were included in Owen's test year in Case No. 2010-00179.

Response

- a. The kW amounts in the table included the purchases of power to serve Gallatin Steel; however, the kWh amounts did not include the purchases of power to serve Gallatin Steel. The annual kWh amounts purchased to serve Gallatin Steel totaled 954,315,672 and 945,735,979 in 2010 and 2011, respectively.
- b. The kWh and kW amounts from the EKPC power bills that were included in Owen's test year in Case No. 2010-00179 are provided on page 2 of this response. Please note that these amounts were sourced from Owen's response to Request 1 in Case No. 2010-00179, filed with the Commission on July 29, 2010.

KWh--2009

	Rate E	Rate B	Gallatin	Total
January	113,256,419	16,331,214	65,700,000	195,287,633
February	88,305,292	15,121,632	59,720,000	163,146,924
March	78,886,112	15,235,204	65,700,000	159,821,316
April	69,068,345	14,018,272	65,700,000	148,786,617
May	69,648,801	14,200,498	65,700,000	149,549,299
June	86,915,889	14,874,061	65,700,000	167,489,950
July	83,338,932	15,848,028	73,296,202	172,483,162
August	91,963,014	16,768,997	82,837,814	191,569,825
September	72,960,418	15,473,139	81,195,437	169,628,994
October	69,633,027	14,992,430	82,817,491	167,442,948
November	73,055,152	15,316,436	66,934,084	155,305,672
December	102,871,792	15,791,696	83,225,119	201,888,607
Total	999,903,193	183,971,607	858,526,147	2,042,400,947

KW--2009

	Rate E	Rate B	Gallatin	Total
January	253,665	26,541	133,434	413,640
February	228,449	25,874	133,338	387,661
March	210,519	26,044	133,406	369,969
April	145,903	23,757	133,431	303,091
May	158,803	22,860	133,240	314,903
June	201,958	24,984	133,328	360,270
July	175,511	25,087	133,390	333,988
August	189,997	24,398	133,331	347,726
September	167,233	23,186	159,939	350,358
October	128,943	23,489	159,840	312,272
November	140,891	25,188	159,985	326,064
December	192,164	25,444	159,865	377,473
Total	2,194,036	296,852	1,706,527	4,197,415

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FOR AN ADJUSTMENT OF RATES
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Commission Staff's Third Request for Information to Owen Electric Cooperative, Inc.

8. Refer to Owen's response to Items 8 and 9 of Staff's Second Request. Confirm that the responses indicate that, although Owen believes that it under-recovered approximately \$1.1 million when EKPC rolled in a negative 6.39 mils per kWh to its base rates effective June 1, 2011, Owen acknowledges that it over-recovered approximately \$1.4 million when East Kentucky Power Cooperative, Inc. ("EKPC") rolled in 10.15 mils per kWh to its base rates in Case No. 2008-00519. If this cannot be confirmed, explain what the amount of \$1,384,848.66 represents on page 9 of 9 of the response to Item 9. If this can be confirmed, explain why Owen should be entitled to recovery of the \$1.1 million. If Owen's position is that it is entitled to recovery of the \$1.1 million, explain why customers would not be entitled to a refund of \$1.4 million related to the roll-in of 10.15 mils per kWh by EKPC in Case No. 2008-00519.

Response

Commission Staff makes a valid point with this data request. Owen acknowledges that there have been both gains and losses associated with EKPC's roll-in of fuel into its base rates. After further review of the June 1, 2011 roll-in, Owen has determined the following:

On May 31, 2011, the Commission issued its Order in Case No. 2010-00491, "An Examination of the Application of the Fuel Adjustment Clause of East Kentucky Power Cooperative, Inc. from November 1, 2008 through October 31, 2010." Ordering paragraph 4 approved that the base rates listed in the Appendix to the Order be approved for service rendered on and after June 1, 2011. Ordering paragraph 5 approved the use of an FAC rate based on a base fuel cost of 30.14 mils per kWh for service rendered on and after June 1, 2011. In accordance with the Order, EKPC filed its FAC for the May expense month on June 20, 2011 using a fuel basing point of 30.14 mils per kWh. EKPC's May 2011 FAC factor was (\$.00031)/kWh; this was billed to Owen for Owen's June usage. EKPC also billed Owen the reduced base rates per the Appendix in the Order for June's usage. EKPC's June revenue from Owen and its other member systems was, for the most part, "kept whole" as the reduction in base rates was offset by the increase in the FAC. We believe the spirit of the FAC regulation, 807 KAR 5:056, is as the above describes—that overall revenues be unchanged as a result of re-stating the fuel basing point.

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CASE NO. 2012-00468

Commission Staff's Third Request for Information to Owen Electric Cooperative, Inc.

Also on May 31, 2011, the Commission issued its Order in Case No. 2010-00507, "An Examination of the Application of the Fuel Adjustment Clause of Owen Electric Cooperative, Inc. from November 1, 2008 through October 31, 2010." Ordering paragraph 3 approved that the base rates listed in the Appendix to the Order be approved for service rendered on and after June 1, 2011. Ordering paragraph 2 stated: "Except for its direct-served customer, Owen shall deduct 6.68 mills per kWh from its base energy rates (as adjusted for line loss) to reflect the transfer (roll-in) of a negative 6.39 mills per kWh of fuel costs by East Kentucky to its base energy rates as approved in Case No. 2010-00491. As there is no line loss adjustment for direct-served customers, Owen shall deduct 6.39 mills per kWh from the base energy rate applicable to its direct-served customer." In accordance with the Order, Owen began billing the approved base rates for service rendered on and after June 1, 2011; please note that because Owen has 20 billing cycles, it had to calculate a blended rate to meet the service rendered requirements of the Order. However, because of the inherent lag in the FAC mechanism, Owen did not begin billing the increased FAC until August 2011 (per Owen's June 2011 expense month filing which applies the FAC factor to bills rendered on or after August 1, 2011.) In this instance, Owen's June revenue was not "kept whole" as the base rate reduction was effective two months before the FAC increase was effective.

Owen proposes a plan to mitigate this situation. For future two-year FAC reviews, Owen respectfully requests that the Commission consider the following modifications to its Ordering language in Owen's review case: 1) that base rates go into effect two months after EKPC's rates go into effect, whether the rates increase or decrease; and 2) that the rates go into effect on a "bills rendered on or after" basis versus a "service rendered on and after" basis to better match Owen's billing of the FAC. This will allow Owen to mitigate unintended swings in revenue gains and losses and for Owen's revenues to be, for the most part, "kept whole."

APPLICATION OF OWEN ELECTRIC COOPERATIVE, INC.
FOR AN ADJUSTMENT OF RATES
CASE NO. 2012-00448

APPLICATION OF OWEN ELECTRIC COOPERATIVE CORPORATION
FOR REVISIONS TO ITS METER READING TARIFF TO ACCOMMODATE
MANUAL METER READING CHARGES IN INSTANCES WHERE ITS
ADVANCED METERING INFRASTRUCTURE IS PROHIBITED FROM
BEING UTILIZED FOR ITS INTENDED PURPOSE
CASE NO. 2012-00468

Commission Staff's Third Request for Information to Owen Electric Cooperative, Inc.

Please note that as a cooperative, we believe we have mitigated the 2009 unintended gain through our capital credit refund process. Owen assigns margins to its members and makes capital credit cash distributions annually. Therefore, Owen has a refunding mechanism separate and apart from rates. The table below represents capital credits paid to members from 2009-2012.

Capital Credit Refund Year	Amount Related to Most Recent Year	Amount Related to Prior Years	Total Distributed
2009	\$421,075	\$331,434	\$752,509
2010	\$566,853	\$690,681	\$1,257,534
2011	\$433,531	\$321,265	\$754,796
2012	\$394,270	\$358,835	\$753,105

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Commission Staff's Third Request for Information to Owen Electric Cooperative, Inc.

9. Refer to the response to Item 9 of Staff's Second Request.
 - a. Refer to page 1 of 9, Item 9.a. The kWh amounts reported on the fuel adjustment clause ("FAC") monthly reports are shown as being less than the amounts reported on Schedule JRA2 by an amount of "Rate Revenue Class 6" outdoor light kWh usage. Explain why these outdoor lighting kWh were not included on the FAC monthly reports.
 - b. Refer to pages 4-5 of 9, Item 9.f. Explain why the "Total Revenue if at Old Rate" totals on these pages do not match the totals shown on Schedule JRA2.

Response

- a. The outdoor lighting kWh amounts were included in the FAC monthly reports. The amount for Rate Revenue Class 6 was included twice on JRA2, by the amounts listed as "difference" below. Please refer to the kWh detail for 9f (page 4-5 of 9) of the Staff's Second information request which correctly listed the kWh and agrees to the FAC filings.

kWh reported on Schedule JRA2 (Page 15 of 16)

June 2011 98,058,767

July 2011 110,155,314

kWh reported on FAC filings (Line 2)

June 2011 97,945,271

July 2011 110,041,404

APPLICATION OF OWEN ELECTRIC COOPERATIVE, INC.
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Commission Staff's Third Request for Information to Owen Electric Cooperative, Inc.

Difference:

June 2011 113,496

July 2011 113,910

- b. Upon review of JRA2 for response to Staff's Second Request, a discrepancy in a cell formula was noted with JRA2. The response in 9f (pages 4-5 of 9), corrected the discrepancy. The totals listed in the response to Staff's Second Request are correct. This correction results in a reduction of \$48,372.80 when compared to JRA2.

Specifically,

	<u>(Corrected in Staff's Second Request Response)</u>		<u>(Corrected in Staff's Second Request Response)</u>	
	<u>Revenue if at Old Rate</u>	<u>Per JRA2</u>		<u>Revenue if at Old Rate</u>
Rate 1	\$ 5,624,159.42	\$ 5,624,159.42	Rate 1	\$ 6,582,429.39
Rate 3	\$ 413,855.64	\$ 413,855.64	Rate 3	\$ 440,973.62
Rate 4	\$ 1,006,557.57	\$ 1,006,557.57	Rate 4	\$ 1,065,722.50
Rate 5	\$ 89,538.82	\$ 89,538.82	Rate 5	\$ 96,523.82
Rate 6	\$ 132.00	\$ 27,721.18	Rate 6	\$ 110.91
Rate 9	\$ 566,478.05	\$ 566,478.05	Rate 9	\$ 603,587.81
Rate 10	\$ 26.47	\$ 26.47	Rate 10	\$ 2.45
Rate 12	\$ 27,744.34	\$ 27,744.34	Rate 12	\$ 26,288.70
Rate 13	\$ 602,035.70	\$ 602,035.70	Rate 13	\$ 529,714.86
Rate 20	\$ 34,995.35	\$ 34,995.35	Rate 20	\$ 54,355.76
Lights	\$ 35,155.44	\$ 35,155.44	Lights	\$ 35,368.29
Totals	\$ 8,400,678.80	\$ 8,428,267.98	Totals	\$ 9,435,078.11
	Difference:	\$ (27,589.18)		Difference: \$ (27,610.27)

Additionally, the cell in the June 2011 and the July 2011 for the totals of the Blended Revenue Column omitted the cell immediately above in JRA2. The revised "Blended Revenue Column" submitted with Staff's Second Request, correctly included this cell. The net difference of the above table and the effect of the omitted cells is a reduction of \$48,372.80.

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Commission Staff's Third Request for Information to Owen Electric Cooperative, Inc.

10. Refer to the response to Item 12 of Staff's Second Request. Owen was requested to file revised versions of Exhibits J, R, S, and 9 in both paper copy and electronic spreadsheet format. The exhibits were filed in electronic spreadsheet format only. Provide paper copies of revised Exhibits J, R, S, and 9. The revised paper copy of these exhibits should be after all revisions are made, including any revisions made as a result of this information request.

Response

The revised Exhibits J,R, S and 9 are provided on pages 2 through 90 of this response.

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							
		114,292,903							
Increase				\$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							
		46,022,034							
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							

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Schedule I - Farm and Home

<u>Description</u>	Billing Determinants	Test Year Revenues	Normalized Case No. 2010-00507		Proposed	
			Rates	Revenues	Rates	Revenues
			Customer Charge	652,370	\$9,263,650	\$14.20
Energy charge per kWh	712,659,575	60,896,761	\$0.08545	60,896,761	\$0.09031	64,360,286
		<hr/>		<hr/>		<hr/>
Total from base rates		70,160,411		<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%

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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%

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Schedule I-D - Farm and Home - Inclining Block

<u>Description</u>	Billing Determinants	Test Year Revenues	Normalized Case No. 2010-00507		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%

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Schedule I - Small Commercial

<u>Description</u>	Billing Determinants	Test Year Revenues	Normalized Case No. 2010-00507		Proposed	
			Rates	Revenues	Rates	Revenues
			Customer Charge	28,830	\$496,741	\$17.23
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%

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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%

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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	16,014,576	731,706	\$0.04569	731,706	\$0.04585	734,268
	<u>102,404,652</u>					
Total from base rates		6,761,414		<u>\$6,761,414</u>		<u>\$6,761,390</u>
Fuel adjustment		(129,115)				
Environmental surcharge		741,606				
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%

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Schedule XIII - Large Industrial Rate LPB2

Description	Billing Determinants	Test Year Revenues	Normalized		Proposed	
			Case No. 2010-00507			
			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%

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Schedule XIV - Large industrial Rate LPB

<u>Description</u>	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		25,033				
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%

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Schedule 2-A - Large Power - Time of Day

<u>Description</u>	Billing Determinants	Test Year Revenues	Normalized		Proposed	
			Case No. 2010-00507			
			Rates	Revenues	Rates	Revenues
Customer Charge	133	8,157	\$61.33	\$8,157	\$61.33	\$8,157
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		251,048		<u>\$251,048</u>		<u>\$251,048</u>
Fuel adjustment		(5,699)				
Environmental surcharge		<u>20,868</u>				
Total revenues						
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%

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Schedule 1-C - Small Commercial - Time of Day

<u>Description</u>	Billing Determinants	Test Year Revenues	Normalized Case No. 2010-00507		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%

*Alan Zumstein
June 12, 2012*

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
Energy charge						
On-Peak energy	1,230,000	127,244	\$0.103450	127,244	\$0.103450	127,244
Off-Peak energy	500,400	30,034	\$0.060020	30,034	\$0.060020	30,034
	<u>1,730,400</u>					
Total from base rates		158,381		<u>\$158,381</u>		<u>\$158,381</u>
Fuel adjustment		(453)				
Environmental surcharge		11,693				
Total revenues		<u>\$169,621</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%

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

<u>Description</u>	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%

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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
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%

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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%

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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%

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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%

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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		42				
		<hr/>				
Total revenues		<u>\$565</u>				
Amount				\$0		\$0
Percent				0.0%		0.0%

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

Exhibit J
page 19 of 19
As: Alan Zumstein

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	(1,488,991)	0			
Amount		1	15		4,074,169
Percent			0.0%		3.8%

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Exhibit R
Page 1 of 57
Witness: Jim Adkins

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

TEST YEAR EXPENSES											
1											
2	Acct	Description	Actual	Adjustments	Adjustments	Adjustments	Adjustments	Adjustments	Purchased	Margins	Adjusted
3	No.		Test Year	1, 2, 6 & 8	3, 4 & 5	6, 9, 10, 11, & 12	13, 14, & 18		Power	Adjustment	Test Year
4									(a)		
5											
6	555	Purchased Power									
7		Demand Charges	24,583,108								24,583,108
8		Energy Charges	93,791,769							-	93,791,769
9		Renewable Resource Energy	61,498							-	61,498
10		Total Purchased Power	131,354,483						(12,918,108)	-	118,436,375
11											
12	580	Operations Supv & Eng	441,806	18,595							460,401
	581	Load Dispatching	3,565	-							3,565
13	582	Station Expense	10,499								10,499
14	583	Overhead Line Exp.	1,578,799	31,110							1,609,909
15	584	Underground Line Exp	543,176	7,911							551,087
16	585	Street Lights	-								-
17	586	Meter Expense	1,042,816	35,443							1,078,259
18	587	Consumer Installations	495,846	17,138							512,984
19	588	Misc. Distribution Exp	967,828	21,797	57,977						1,047,602
20	589	Rents	616						-		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

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OWEN ELECTRIC COOPERATIVE
CASE NO 2012-00448
TEST YEAR REVENUE REQUIREMENTS WITH ADJUSTMENTS

TEST YEAR EXPENSES										
1										
2								Purchased		
3	Acct	Description	Actual	Adjustments	Adjustments	Adjustments	Adjustments	Power	Margins	Adjusted
4	No.		Test Year	1, 2, 6 & 8	3, 4 & 5	9, 10, 11, & 12	13, 14, & 18	Adjustment	Adjustment	Test Year
32										-
33	901	Supervision	198,594	8,550						207,144
34	902	Meter Reading Expense	188,138	6,388						194,526
35	903	Cons Recds & Collections	3,141,023	91,575						3,232,598
36	904	Uncollectible Accounts	136,566					-		136,566
37		Total Consum Accts	3,664,322	106,513				-	-	# 3,770,835
38										-
39	907	Customer Information	57,319	2,476						59,795
40	908	Customer Accounting	228,766	9,217						237,984
41	909	Consumer Information	15,082	-						15,082
42	910	Mis. Customer Information	163,267							163,267
43	912	Key Accounts Expnses	187,165	5,245						192,410
44		Total Customer Serv.	651,600	16,938				-	-	# 668,538
45										-
46	920	Administrative Salaries	1,959,919	94,771						2,054,690
47	921	Office Supplies	248,035					-		248,035
48	923	Outside Services	147,865							147,865
49	924	Property Ins	-					-		-
50	925	Injuries & Damages	163,564							163,564
51	926	Employ Pensions & Benef	18,154							18,154
52	928	Regulatory Exp	76,193							76,193
53	929	Duplicate Charges	(132,985)							(132,985)
54	930	Misc General Exp	755,193	604	3,831	(187,716)				571,912
55	931	Rents	29,828							29,828
56	935	Maintenance of Gen. Plant	330,587	5,876						336,463
57		Total Admin & General	3,596,355	101,250	3,831	(187,716)		-	-	# 3,513,720
58										-
59	403.6	Deprec. Distribution Plant	9,601,799		289,283					9,891,082
60	403.7	Deprec. General Plant	717,672		39,263					756,934
61		Total Depreciation	10,319,471	-	328,546			-	-	# 10,648,017
62										-
63	408.45	Nisc. Taxes	-							-
64	408.7	Nisc. Taxes	146,131							146,131
65	426	Contributions	83,082		(83,082)					(0)
66		Total Miscellaneous	229,213	-	(83,082)			-	-	# 146,131

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OWEN ELECTRIC COOPERATIVE
CASE NO 2012-00448
TEST YEAR REVENUE REQUIREMENTS WITH ADJUSTMENTS

1	TEST YEAR EXPENSES									
2								Purchased		
3	Acct	Description	Actual	Adjustments	Adjustments	Adjustments	Adjustments	Power	Margins	Adjusted
4	No.		Test Year	1, 2, 6 & 8	3, 4 & 5	6, 9, 10, 11, & 12	13, 14, & 18	Adjustment	Adjusment	Test Year
67										-
68	427.1	Interest - RUS Constuc	3,459,424		26,832					3,486,256
69	427.11	Interest - FFB Notes	984,990					-		984,990
70	427.2	Interest - CFC	42,907							42,907
71		Total Interest on LTD	4,487,322	-	26,832			-	-	4,514,154
72										-
73	431	Other Interest Expense	104,439						-	104,439
74	431.1	Interest on Consumer Deposits	169,136					-		169,136
75			-						-	-
76		Total ST Interest	273,574	-	-			-	-	# 273,574
77										-
78		Total Costs	162,795,171	428,894	347,970	(187,716)		(12,918,108)	-	150,466,211
79		Margin Requirements	(760,236)					-	4,952,475	4,192,239
80		Total Revenue Require.	162,034,935	428,894	347,970	(187,716)		(12,918,108)	4,952,475	154,658,450
81										-
82		Less; Misc Income								-
83	450	Forfeited Discounts	1,011,609							1,011,609
84	451	Misc Service Revenue	528,950						-	528,950
85	452	Return Check Charge	32,550							32,550
86	454	Rent from Electric Prop.	335,494				59,914		-	395,408
86	456	Other Electric Revenue	107,495							107,495
87		Total Misc Income	2,016,098	-	-	-	59,914	-	-	2,076,012
88										-
89		Less: Other Income								-
90	415	Net Revenue from Merchandising	5,736							5,736
90	417	Revenue - Nonutility Operations	11,453							11,453
91	419	Interest Income	424,767				(197,168)			227,599
91	420	Maitenance Income and Expense	(6,747)							(6,747)
92	421	Misc. Non-operating Income	165,876							165,876
92	424	G&T Capital Credits	7,931,126				(7,931,126)			-
93	424	Other Capital Credits	28,798						-	28,798
94		Total Other Income	8,561,008	-	-	-	(8,128,294)	-	-	432,714
95										-
96		Revenue Requirements								-
97		from Rates	151,457,828					(12,918,108)	4,952,475	152,149,723

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OWEN ELECTRIC COOPERATIVE
CASE NO. 2012-00448

				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

Jim Adkins
1/25/12
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**OWEN ELECTRIC COOPERATIVE
CASE NO. 2012-00448**

FUNCTIONALIZATION SUMMARY

Expense	Purchased Power	Stations	Lines	Transformers	Services	Meters	Consumer Services & Accounting	Outdoor Lighting	Total
Purchased Power	118,436,375								118,436,375
Distribution Operations		19,694	2,630,463	-	396,398	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		5,350	1,591,466	(5,208)	107,691	413,197	1,206,059	195,164	3,513,720
Depreciation		19,720	6,818,596	1,321,300	999,292	895,692	259,812	333,605	10,648,017
Miscellaneous		269	92,433	17,367	13,328	12,497	5,512	4,726	146,131
Interest on Long Term Debt		8,264	2,836,079	523,565	405,227	389,477	203,055	148,485	4,514,154
Short Term Interest		501	171,877	31,730	24,558	23,604	12,306	8,999	273,574
Total Costs	118,436,375	53,798	17,369,082	1,869,586	1,946,494	3,255,401	6,126,117	1,409,358	150,466,211
Margin Requirements	-	7,675	2,633,832	486,228	376,329	361,703	188,575	137,896	4,192,239
Revenue Requirements	118,436,375	61,473	20,002,914	2,355,814	2,322,823	3,617,104	6,314,692	1,547,255	154,658,450

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OWEN ELECTRIC COOPERATIVE
CASE NO. 2012-00448
FUNCTIONALIZATION OF TEST YEAR EXPENSES

Exhibit R
 Schedule 2
 Page 7 of 57
 Witness: Jim Adkins

Acct No.	Description	Expenses		FUNCTIONALIZATION							Alloc. Basis	
		Adjusted Test Year	Purchased Power	Stations	Lines	Trans-formers	Services	Meters	Consumer Services & Accounting	Security Lighting		Total
555	Purchased Power											
	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	229,563	-	34,602	131,809	-	62,708	460,401	
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			1,399,032		210,877				1,609,909	DA
584	Underground Line Exp	551,087			478,902		72,185				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	522,350		78,734	299,919		142,687	1,047,602	
589	Rents	616			616						616	
		5,274,921		19,694	2,630,463		396,398	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	-									-	3
598	Maint Misc Distrib Plant	13,866			13,819			47			13,866	
		3,206,080			3,228,168	(19,169)		10,947			3,206,080	
	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

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OWEN ELECTRIC COOPERATIVE
CASE NO. 2012-00448
FUNCTIONALIZATION OF TEST YEAR EXPENSES

Exhibit R
 Schedule 2
 Page 8 of 57
 Witness: Jim Adkins

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		3,129	930,629	(3,045)	62,973	241,622	705,257	114,125	2,054,690	7
921	Office Supplies	248,035		378	112,342	(368)	7,602	29,168	85,136	13,777	248,035	7
923	Outside Services	147,865		225	66,972	(219)	4,532	17,388	50,754	8,213	147,865	7
924	Property Ins	-			-						-	7
925	Injuries & Damages	163,564		249	74,083	(242)	5,013	19,234	56,142	9,085	163,564	7
926	Employ Pensions & Benef	18,154		28	8,222	(27)	556	2,135	6,231	1,008	18,154	7
928	Regulatory Exp	76,193		116	34,510	(113)	2,335	8,960	26,153	4,232	76,193	7
929	Duplicate Charges	(132,985)		(203)	(60,233)	197	(4,076)	(15,638)	(45,646)	(7,386)	(132,985)	7
930	Misc General Exp	571,912		871	259,036	(848)	17,528	67,254	196,305	31,766	571,912	7
931	Rents	29,828		45	13,510	(44)	914	3,508	10,238	1,657	29,828	7
935	Maintenance of Gen. Plant	336,463		512	152,394	(499)	10,312	39,566	115,488	18,688	336,463	4
	Total Admin & General	3,513,720	-	5,350	1,591,466	(5,208)	107,691	413,197	1,206,059	195,164	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		1,153	342,838	(1,122)	23,199	89,012	259,812	42,043	756,934	6
403.7	Total Depreciation	10,648,017		19,720	6,818,596	1,321,300	999,292	895,692	259,812	333,605	10,648,017	
	Nisc. Taxes	-										
408.5	Nisc. Taxes	146,131										
408.7	Contributions	(0)										
426	Total Miscellaneous	146,131		269	92,433	17,367	13,328	12,497	5,512	4,726	146,131	Tot 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	-	8,264	2,836,079	523,565	405,227	389,477	203,055	148,485	4,514,154	5
	Other Interest Expense	104,439										
	Interest on Consumer Deposits	169,136										
431	Total ST Interest	273,574		501	171,877	31,730	24,558	23,604	12,306	8,999	273,574	Rate Base
	Total Costs	150,452,345	118,436,375	53,798	17,369,082	1,869,586	1,946,494	3,255,401	6,126,117	1,409,358	150,466,211	
	Margin Requirements	4,192,239	-	7,675	2,633,832	486,228	376,329	361,703	188,575	137,896	4,192,239	
	Total Revenue Require.	154,658,450	118,436,375	61,473	20,002,914	2,355,814	2,322,823	3,617,104	6,314,692	1,547,255	154,658,450	

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**OWEN ELECTRIC 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	132,263,011	86.90%			
	Services	19,936,046	13.10%			
	Total	152,199,057	100.00%			
2	<u>Allocation of Dist. Oper. Supervision & Miscellaneous Expenses</u>	<u>Actual</u>	<u>%</u>	<u>Superv</u>	<u>Miscell. Exp.</u>	<u>Rents</u>
	Load Dispatching	3,565	0.09%	436	992	
	Station Expense	10,499	0.28%	1,283	2,920	
	Overhead Line Exp.	1,877,934	49.86%	229,563	522,350	
	Underground Line Exp	-	0.00%	-	-	
	Services	283,062	7.52%	34,602	78,734	
	Meter Expense	1,078,259	28.63%	131,809	299,919	
	Consumer Installations	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	<u>Allocation of Dist. Maint. Supervision & Miscellaneous Expenses</u>	<u>Actual</u>	<u>%</u>	<u>Superv</u>	<u>Misc. Exp.</u>	
	Stations	-	0.00%	-	-	
	Lines	3,116,660	99.66%	97,689	13,819	
	Transformers	-	0.00%	-	-	
	Services	-	0.00%	-	-	
	Meters	10,569	0.34%	331	47	
	Security Lighting	-	0.00%	-	-	
	Street Lighting	-	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					

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**OWEN ELECTRIC COOPERATIVE
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FUNCTIONALIZATION OF TEST YEAR EXPENSES**

FOOTNOTES

7	Admin & General Expense Allocation except General Plant									
Acct.	Description	Stations	Lines	Trans- formers	Services	Meters	Consumer Services & Accounting	Security Lighting	Total	
580	Operations Supv & Eng	1,719	229,563	-	34,602	131,809	-	62,708	460,401	
581	Load Dispatching	3,565	-	-	-	-	-	-	3,565	
582	Station Expense	10,499	-	-	-	-	-	-	10,499	
583	Overhead Line Exp.	-	1,399,032	-	210,877	-	-	-	1,609,909	
584	Underground Line Exp	-	478,902	-	72,185	-	-	-	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	522,350	-	78,734	299,919	-	142,687	1,047,602	
589	Rents	19,694	2,629,847	-	396,398	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	-	-	-	-	-	-	-	-	
906	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	Key Accounts Expenses	-	-	-	-	-	192,410	-	192,410	
	Total Customer Serv.	-	-	-	-	-	668,538	-	668,538	
	Total all Expenses	19,694	5,858,014	(19,169)	396,398	1,520,934	4,439,373	718,379	12,933,623	12,933,623
	Functions as % of Total	0.15%	45.29%	-0.15%	3.06%	11.76%	34.32%	5.55%	100.00%	-

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**OWEN ELECTRIC COOPERATIVE
CASE NO. 2012-00448
RATE BASE**

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Plant Account	Description	\$\$\$\$	Distribution Plant Balances							
			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	37,977	11,296,047	(36,963)	764,376	2,932,827	8,560,471	1,385,255	
	General Plant Percent	100.00%	0.2%	45.3%	-0.1%	3.1%	11.8%	34.3%	5.6%	
	Total Utility Plant	226,958,704	417,201	143,559,058	26,972,616	20,700,422	19,408,718	8,560,471	7,340,218	
	Utility Plant Percent	100.00%	0.18%	63.25%	11.88%	9.12%	8.55%	3.77%	3.23%	
	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	11,407	3,392,824	(11,102)	229,584	880,889	2,571,180	416,068	
	Net Plant	131,089,379	239,893	82,304,252	15,167,657	11,749,283	11,320,011	5,989,291	4,318,992	
	Net Plant Percent	100.00%	0.18%	62.78%	11.57%	8.96%	8.64%	4.57%	3.29%	
	CWIP	2,764,327	5,189	1,809,823	369,586	272,795	225,448	-	81,485	
	Subtotal	133,853,706	245,082	84,114,076	15,537,244	12,022,078	11,545,459	5,989,291	4,400,477	
	Plus									
	Cash Working Capital	2,016,389	3,692	1,267,105	234,055	181,102	173,922	90,223	66,289	
	Materials & Supplies	891,796	1,633	560,407	103,516	80,097	76,921	39,903	29,318	
	Prepayments	851,522	1,559	535,099	98,842	76,479	73,447	38,101	27,994	
	Minus: Consumer Advances	724,725	1,360	474,482	96,895	71,519	59,106	-	21,363	
	Net Investment Rate Base	136,888,687	250,605	86,002,205	15,876,762	12,288,238	11,810,644	6,157,519	4,502,715	
	Rate Base Percent	100.00%	0.18%	62.83%	11.60%	8.98%	8.63%	4.50%	3.29%	

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<u>SUMMARY OF CLASSIFICATION OF EXPENSES</u>						
	Consumer Related Costs	Demand Related Costs	Energy Related Costs	Security Lighting	Total	
Purchased Power	-	24,644,606	93,791,769	-	118,436,375	
Stations		61,473			61,473	
Lines	5,211,285	14,791,628	-	-	20,002,914	
Transformers	1,049,104	1,306,710	-	-	2,355,814	
Services	2,322,823	-	-	-	2,322,823	
Meters	3,617,104	-		-	3,617,104	
Consumer Services					-	
& Accounting	6,314,692	-	-		6,314,692	
Lighting				1,547,255	1,547,255	
	18,515,008	40,804,417	93,791,769	1,547,255	154,658,450	

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CLASSIFICATION OF EXPENSES

			Consumer Related Costs	Demand Related Costs	
	2				
<u>Expense</u>	<u>Lines</u>		<u>Costs</u>	<u>Costs</u>	<u>Total</u>
Purchased Power	-		-	-	-
Distribution Operations	2,630,463		685,305	1,945,158	2,630,463
Distribution Maintenance	3,228,168		841,023	2,387,145	3,228,168
Consumer Accounts	-		-	-	-
Customer Service	-		-	-	-
Administrative & General	1,591,466		414,619	1,176,847	1,591,466
Depreciation	6,818,596		1,776,424	5,042,172	6,818,596
Miscellaneous	92,433		24,081	68,352	92,433
Interest on Long Term Debt	2,836,079		738,873	2,097,206	2,836,079
Short Term Interest	171,877		44,778	127,098	171,877
Total Costs	17,369,082		4,525,103	12,843,979	17,369,082
Margin Requirements	2,633,832		686,183	1,947,649	2,633,832
Revenue Requirements	20,002,914		5,211,285	14,791,628	20,002,914
			Consumer Related Costs	Demand Related Costs	
	3				
<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	(5,208)		(2,319)	(2,889)	(5,208)
Depreciation	1,321,300		588,409	732,891	1,321,300
Miscellaneous	17,367		7,734	9,633	17,367
Interest on Long Term Debt	523,565		233,157	290,408	523,565
Short Term Interest	31,730		14,130	17,600	31,730
Total Costs	1,869,586		832,574	1,037,011	1,869,586
Margin Requirements	486,228		216,530	269,699	486,228
Revenue Requirements	2,355,814		1,049,104	1,306,710	2,355,814
			Energy Related Costs	Demand Related Costs	
Purchased Power	118,436,375		93,791,769	24,644,606	118,436,375

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CLASSIFICATION OF EXPENSES BY RATE CLASS

Rate 1 -Residential									
	Stations	Lines		Transformers		Services	Meters	Cons Acctg	
		Demand	Cons.	Demand	Cons.				
Expense									
Purchased Power									
Distribution Operations	12,883	1,272,409	649,601	-	-	339,776	1,422,201	-	
Distribution Maintenance	-	1,561,531	797,206	(8,692)	(7,671)	-	10,311	-	
Consumer Accounts	-	-	-	-	-	-	-	3,502,858	
Customer Service	-	-	-	-	-	-	-	621,028	
Administrative & General	3,500	769,825	393,017	(2,361)	(2,084)	92,308	389,175	1,120,350	
Depreciation	12,900	3,298,294	1,683,873	599,120	528,764	856,553	843,619	241,349	
Miscellaneous	176	44,712	22,827	7,875	6,950	11,424	11,770	5,120	
Interest on Long Term Debt	5,406	1,371,870	700,378	237,401	209,523	347,344	366,835	188,625	
Short Term Interest	328	83,140	42,446	14,387	12,698	21,050	22,232	11,431	
Total Costs	35,192	8,401,780	4,289,347	847,731	748,180	1,668,456	3,066,142	5,690,761	-
Margin Requirements	5,020	1,274,038	650,433	220,472	194,581	322,574	340,675	175,174	
Revenue Requirements	40,212	9,675,819	4,939,779	1,068,203	942,761	1,991,030	3,406,817	5,865,935	-

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CLASSIFICATION OF EXPENSES BY RATE CLASS

Rate 1 - Farm & Home ETS Rate								
	Lines			Transformers		Services	Meters	Cons Acctg
	Stations	Demand	Cons.	Demand	Cons.			
Expense								
Purchased Power								-
Distribution Operations	-	-	-	-	-	7	211	-
Distribution Maintenance	-	-	-	-	-	-	2	-
Consumer Accounts	-	-	-	-	-	-	-	130
Customer Service	-	-	-	-	-	-	-	23
Administrative & General	-	-	-	-	-	2	58	41
Depreciation	-	-	-	-	-	17	125	9
Miscellaneous	-	-	-	-	-	0	2	0
Interest on Long Term Debt	-	-	-	-	-	7	54	7
Short Term Interest	-	-	-	-	-	0	3	0
Total Costs	-	-	-	-	-	34	454	211
Margin Requirements	-	-	-	-	-	7	50	6
Revenue Requirements	-	-	-	-	-	40	505	217

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CLASSIFICATION OF EXPENSES BY RATE CLASS

Rate 1 - Small Commercial								
Expense	Stations	Lines		Transformers		Services	Meters	Cons Acctg
		Demand	Cons.	Demand	Cons.			
Purchased Power						39,034	61,766	-
Distribution Operations	1,025	101,278	28,212	-	-	-	448	-
Distribution Maintenance	-	124,291	34,623	(421)	(539)	-	-	152,129
Consumer Accounts	-	-	-	-	-	-	-	26,971
Customer Service	-	-	-	-	-	-	-	48,657
Administrative & General	279	61,275	17,069	(114)	(146)	10,605	16,902	10,482
Depreciation	1,027	262,530	73,131	29,024	37,153	98,402	36,638	222
Miscellaneous	14	3,559	991	381	488	1,312	511	8,192
Interest on Long Term Debt	430	109,195	30,417	11,501	14,722	39,904	15,932	496
Short Term Interest	26	6,618	1,843	697	892	2,418	966	247,150
Total Costs	2,801	668,746	186,286	41,067	52,570	191,675	133,162	7,608
Margin Requirements	400	101,408	28,248	10,681	13,672	37,058	14,795	254,757
Revenue Requirements	3,201	770,154	214,534	51,748	66,243	228,733	147,958	
					117,990			

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CLASSIFICATION OF EXPENSES BY RATE CLASS

Rate 2 - Large Power 50 kW and greater								
Expense	Stations	Lines		Transformers		Services	Meters	Cons
		Demand	Cons.	Demand	Cons.			Acctg
Purchased Power								
Distribution Operations	3,174	313,463	2,850	-	-	15,874	23,817	-
Distribution Maintenance	-	384,689	3,498	(821)	(218)	-	173	-
Consumer Accounts	-	-	-	-	-	-	-	46,106
Customer Service	-	-	-	-	-	-	-	8,174
Administrative & General	862	189,649	1,724	(223)	(59)	4,313	6,517	14,746
Depreciation	3,178	812,547	7,388	56,563	15,013	40,018	14,128	3,177
Miscellaneous	43	11,015	100	743	197	534	197	67
Interest on Long Term Debt	1,332	337,965	3,073	22,413	5,949	16,228	6,143	2,483
Short Term Interest	81	20,482	186	1,358	361	983	372	150
Total Costs	8,670	2,069,810	18,819	80,035	21,243	77,951	51,348	74,903
Margin Requirements	1,237	313,864	2,854	20,815	5,525	15,071	5,705	2,306
Revenue Requirements	9,906	2,383,675	21,673	100,850	26,768	93,022	57,053	77,209

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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								
Distribution Operations	322	31,843	96	-	-	-	804	-
Distribution Maintenance	-	39,078	118	-	-	-	6	-
Consumer Accounts	-	-	-	-	-	-	-	1,556
Customer Service	-	-	-	-	-	-	-	276
Administrative & General	88	19,265	58	-	-	-	220	498
Depreciation	323	82,542	249	-	-	-	477	107
Miscellaneous	4	1,119	3	-	-	-	7	2
Interest on Long Term Debt	135	34,332	104	-	-	-	207	84
Short Term Interest	8	2,081	6	-	-	-	13	5
Total Costs	881	210,261	635	-	-	-	1,733	2,528
Margin Requirements	126	31,884	96	-	-	-	193	78
Revenue Requirements	1,006	242,144	732	-	-	-	1,926	2,606

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OWEN ELECTRIC COOPERATIVE
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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					250,605			250,605
Lines				22,405,837	63,596,368			86,002,205
Transformers				7,070,327	8,806,434			15,876,762
Services				12,288,238				12,288,238
Meters				11,810,644				11,810,644
Consumer & Accounting Svc				6,157,519				6,157,519
Outdoor Lightin							4,502,715	4,502,715
				59,732,565	72,653,407	-	4,502,715	136,888,687

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DEMAND AND CONSUMER RELATED INVESTMENTS

ACCOUNT 364 - POLES					
1. Actual Data					
	Poles	Size	Investment	Number of Units	Unit Cost
	35' and under	30	6,562,097.05	26,114	\$ 251.29
	40' and 45'	43	16,525,349.61	37,809	\$ 437.07
	50' and over	60	2,106,862.03	2,734	\$ 770.62
			-	-	
	Subtotal		25,194,309	66,657	
	All other items		0		
	Total investment in Poles		25,194,309		

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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
Use y-intercept				85.5327
Number of poles				66,657
Consumer Related Investment				5,701,354
Total Investment in poles				25,194,309
Percent Customer Related				22.63%
Percent Demand Related				77.37%

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August 90

**OWEN ELECTRIC COOPERATIVE
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DEMAND AND CONSUMER RELATED INVESTMENTS

Data for Graph - Poles		Relevant Data		
Used Exponential Curve			<i>Average Cost</i>	<i>Predicted</i>
since regression analysis		<i>Size of Pole</i>	<i>Per Unit</i>	<i>Cost</i>
provide a y intercept with a		0	-	\$ (561.32)
negative value		30	\$ 251.29	\$ 259.81
		43	\$ 437.07	\$ 412.78
EXPONENTIAL CURVE DATA		60	\$ 770.62	\$ 789.20
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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2. Demand and Consumer Investment Percents				
Use Exponential Curve				
Formula				
Intercept				
X Variable 1				
		$y=b*m^x$		
		0.17982		
		1.00379		
Use zero intercept				
Amount of Conduit				
Consumer Related Investment				0.17982
Total Investment in conductor				36,654,347
Percent Customer Related				6,591,331
Percent Demand Related				21,989,738
				29.97%
				70.03%

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DEMAND AND CONSUMER RELATED INVESTMENTS

Data for Graph					
Conuctor		Per Unit Cost		Wire Size	Predict Valeu
6 ACWC	\$	0.07		120	#REF!
2 ACSR	\$	1.23		180	#REF!
1/0 ACSR	\$	0.83		230	#REF!
3/0 ACSR	\$	0.62		324	#REF!
4/0 ACSR	\$	0.42		340	#REF!
336.4 MCM	\$	1.17		530	#REF!
				-	
					#REF!
					21,989,738
Breakdown of Lines into Demand Related and Consumer Related Components					
Acct No.	Investment	Consumer-Related		Demand-Related	
		Percent	Amount	Percent	Amount
364.00	25,194,309	22.63%	5,701,354.36	77.37%	19,492,954
365.00	21,989,738	29.97%	6,591,331.11	70.03%	15,398,407
	47,184,047		12,292,685.47		34,891,361
%	100.00%		26.05%		73.95%

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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 Transformer	Size In KVA	Number of Transformers	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 Equation					
Zero Intercept					327.4159466
Slope - X Variable					9.432550416
Use Intercept					327.42
Number of Transformers					35,953
Consumer Related Investment					11,771,586
Total Investment in transformers					26,433,663.78
Percent Customer Related					44.53%
Percent Demand Related					55.47%

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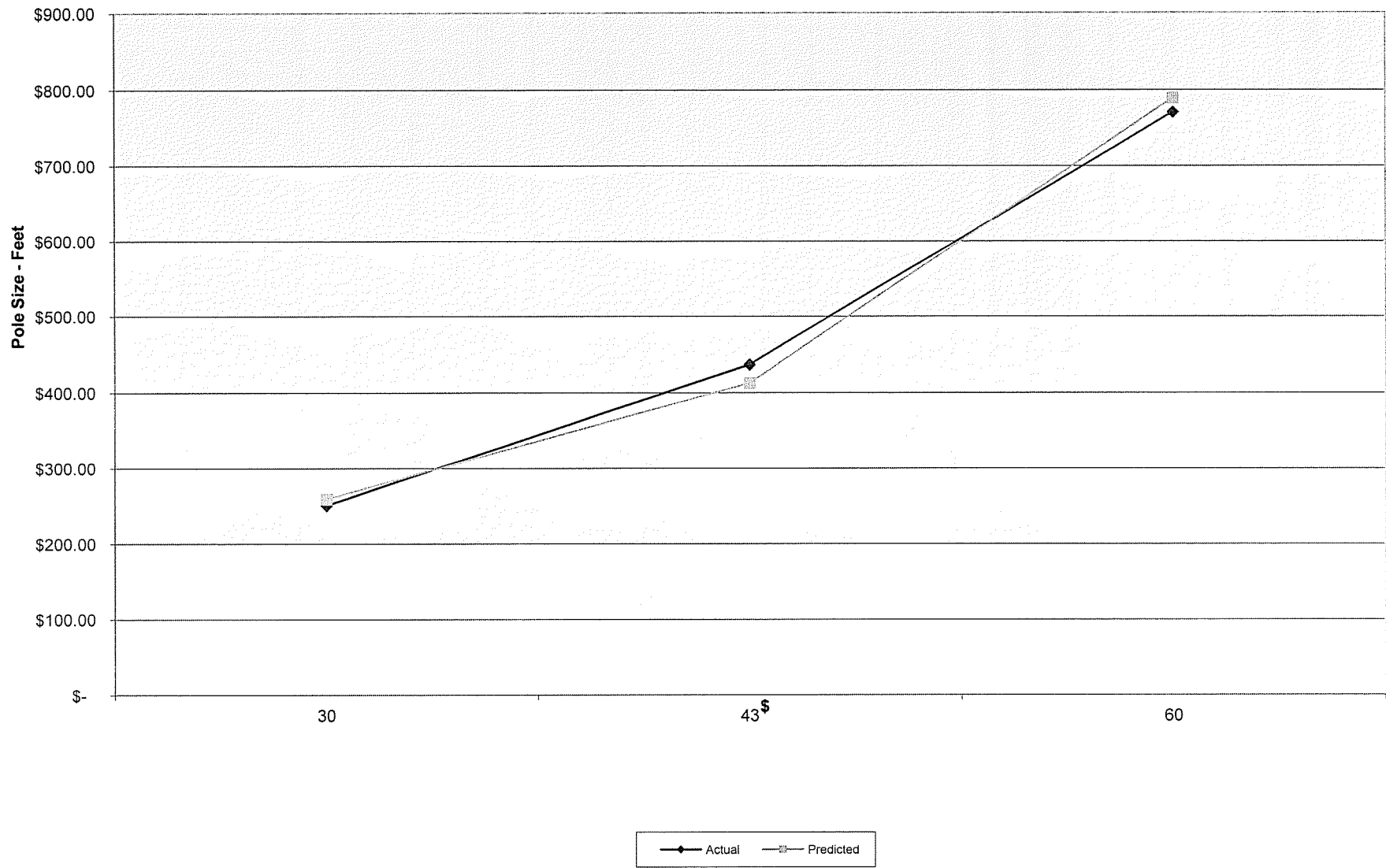
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DEMAND AND CONSUMER RELATED INVESTMENTS

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

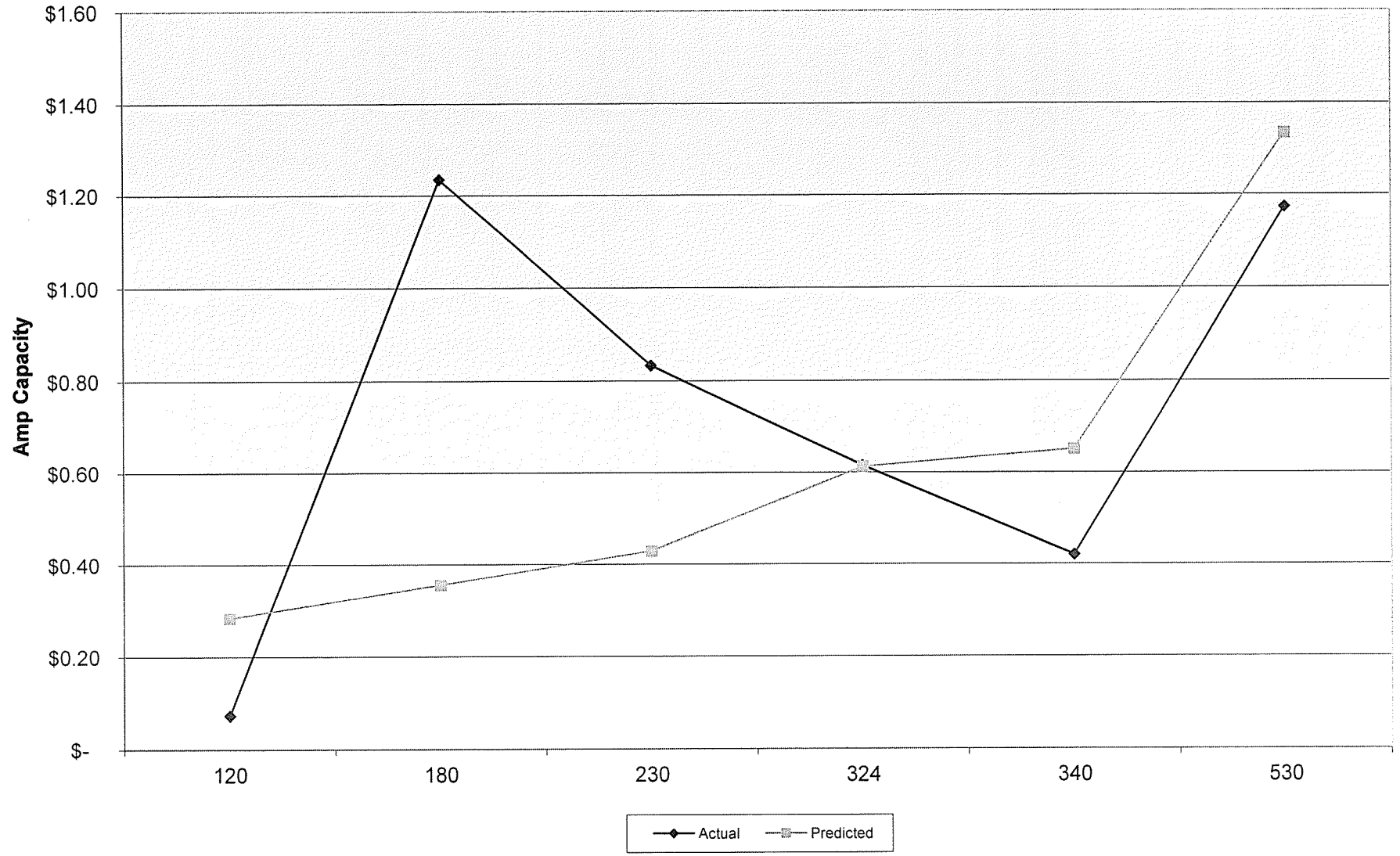
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ACCOUNT 364 - POLES



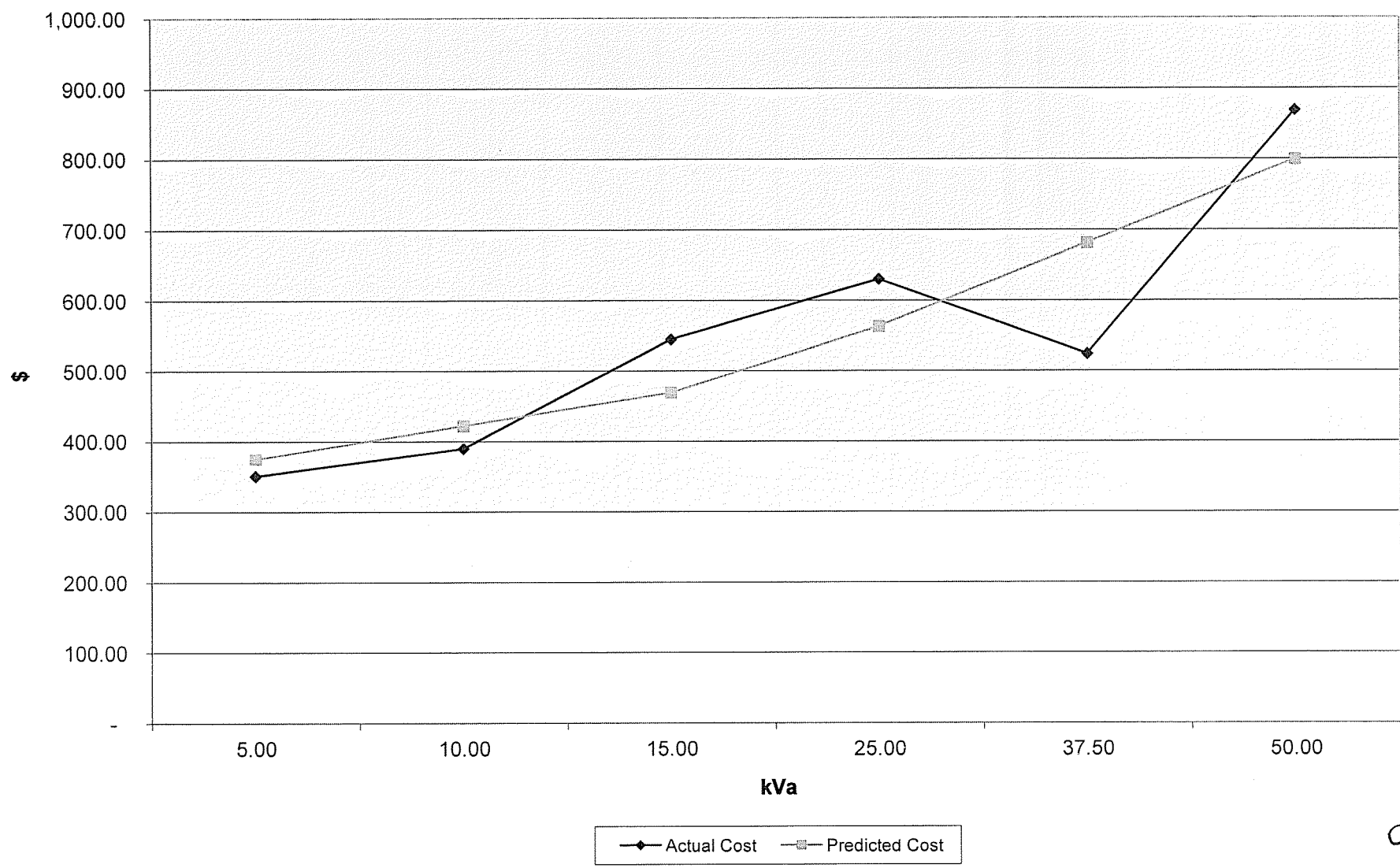
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Account 365 - OH Conductor



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368 -Transformers



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ALLOCATION OF REVENUE REQUIREMENTS							
Function	Classifi- cation	Amount	Green Power	Schedule 1	Schedule 1A	Schedule 1	Schedule 2
				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	61,473		40,212	-	3,201	9,906
Lines	Consumer	5,211,285		4,939,779	-	214,534	21,673
Lines	Demand	14,791,628		9,675,819	-	770,154	2,383,675
Transformers	Consumer	1,049,104		942,761	-	66,243	26,768
Transformers	Demand	1,306,710		1,068,203	-	51,748	100,850
Services	Consumer	2,322,823		1,991,030	40	228,733	93,022
Meters	Consumer	3,617,104		3,406,817	505	147,958	57,053
Consumer Services & Accounting	Consumer	6,314,692		5,865,935	217	254,757	77,209
Lighting	Lighting	1,547,255					
Revenue Requirements		154,658,450	61,498	76,340,012	1,574	5,293,060	14,497,326
					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		18,515,008	-	17,146,323	762	912,225	275,725
Demand Related		40,742,919	-	25,282,713	-	1,867,731	5,765,089
Energy Related		93,853,267	61,498	33,910,976	812	2,513,104	8,456,512
Lighting		1,547,255					
Revenue Requirements		154,658,450	61,498	76,340,012	1,574	5,293,060	14,497,326

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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	1,006	414	373	55,112	4,015
Lines	Consumer	732	32,372	914	5,210,005	91
Lines	Demand	242,144	99,622	89,660	13,261,073	966,104
Transformers	Consumer	-	6,201	1,129	1,043,102	444
Transformers	Demand	-	3,789	3,410	1,228,000	36,748
Services	Consumer	-	578	3,925	2,317,328	392
Meters	Consumer	1,926	-	2,845	3,617,104	-
Consumer Services & Accounting	Consumer	2,606	76,938	3,801	6,281,463	434
Lighting	Lighting	-	1,547,255		1,547,255	
Revenue Requirements		1,389,804	2,159,075	383,367	100,125,716	6,741,815
				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		5,264	116,088	12,615	18,469,001	1,362
Demand Related		601,068	193,199	153,302	33,863,102	2,398,424
Energy Related		783,472	302,534	217,450	46,246,358	4,342,029
Lighting		-	1,547,255		1,547,255	-
Revenue Requirements		1,389,804	2,159,075	383,367	100,125,716	6,741,815

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ALLOCATION OF REVENUE REQUIREMENTS						
		Schedule XIV	Schedule XIII	Total for EKPC		
	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	252	2,094	6,361		61,473
Lines	Consumer	183	1,006	1,280		5,211,285
Lines	Demand	60,557	503,894	1,530,555		14,791,628
Transformers	Consumer	678	4,880	6,002		1,049,104
Transformers	Demand	3,630	38,333	78,710		1,306,710
Services	Consumer	785	4,317	5,495		2,322,823
Meters	Consumer	-	-	-		3,617,104
Consumer Services & Accounting	Consumer	869	4,778	6,081	27,148	6,314,692
Lighting	Lighting			-		1,547,255
Revenue Requirements		263,429	6,384,227	13,389,471	41,143,262	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		2,515	14,982	18,859	27,148	18,515,008
Demand Related		122,109	1,297,528	3,818,062	3,061,756	40,742,919
Energy Related		138,804	5,071,717	9,552,551	38,054,359	93,853,267
Lighting		-	-	-	-	1,547,255
Revenue Requirements		263,429	6,384,227	13,389,471	41,143,262	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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LOAD DATA USED IN THE ALLOCATION OF THE DEMAND RELATED AND ENERGY RELATED COSTS

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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LOAD DATA USED IN THE ALLOCATION OF THE DEMAND RELATED AND ENERGY RELATED COSTS

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			
	<u>Wholesale</u>	Large Power	Large Power	Large Power	Total Sched B	Gallatin	Enviro-
Month		LPB1	LPB	LPB2	<u>Wholesale</u>	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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**OWEN ELECTRIC COOPERATIVE
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Exhibit R
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Witness: Jim Adkins

LOAD DATA USED IN THE ALLOCATION OF THE DEMAND RELATED AND ENERGY RELATED COSTS

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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**OWEN ELECTRIC COOPERATIVE
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Witness: Jim Adkins

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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**OWEN ELECTRIC COOPERATIVE
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Witness: Jim Adkins

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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**OWEN ELECTRIC COOPERATIVE
CASE NO, 2012-00448**

ALLOCATION OF CONSUMER RELATED COSTS

A. Lines (poles and conduit)							
				Factor	Number of Consumers	Relative Weight	Allocation Percent
1	Residential			1.00	54,018	54,018.00	94.79%
1A	Residential ETS			1.00	0	-	0.00%
1	Small Commercial			1.00	2,346	2,346.00	4.12%
2	Large Power			1.00	237	237.00	0.42%
2	Large Power Primary Service			1.00	8	8.00	0.01%
3	Lighting			1.00	354	354.00	0.62%
XI	Large Power LPB1			1.00	1	1.00	0.00%
XIV	Large Power LPB			1.00	2	2.00	0.00%
XIII	Large Power LPB2			1.00	11	11.00	0.02%
	Large Power TOD			1.00	10	10.00	0.02%
					56,987	56,987	100.0%
B. Transformers							
		1	2	3	4	5	6
		Minimum Size Transform.	Cost of Minimum Transform.	Weighted Cost Min = 1	Number of Customers	Relative Weight	Allocation Percent
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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**OWEN ELECTRIC COOPERATIVE
CASE NO, 2012-00448**

Exhibit R
Schedule 4.2
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Wintess: Jim Adkins

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 Provid	-	-	1	-	0.000%	
XIV	Large Power LPB	EKPC Provid	-	-	2	-	0.000%	
	Large Power LPB2	EKPC Provid	-	-	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%	

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**OWEN ELECTRIC COOPERATIVE
CASE NO, 2012-00448**

ALLOCATION OF CONSUMER RELATED COSTS

E. Consumer & Accounting Services								
Rate Class		Factor	Multiplier	Consumers Records	Total	Allocation Percent		
1	Residential	4	1	4	54,018	216,072	92.89%	
1A	Residential ETS	1	1	1	8	8	0.00%	
1	Small Commercial	4	1	4	2,346	9,384	4.03%	
2	Large Power	6	2	12	237	2,844	1.22%	
2	Large Power Primary Service	6	2	12	8	96	0.04%	
3	Lighting	0.25	1	0	11,336	2,834	1.22%	
XI	Large Power LPB1	8	2	16	1	16	0.01%	
XIV	Large Power LPB	8	2	16	2	32	0.01%	
XIII	Large Power LPB2	8	2	16	11	176	0.08%	
	Large Power TOD	7	2	14	10	140	0.06%	
-	Gallatin Steel	1000	1	1,000	1	1,000	0.43%	
						232,602	100.00%	

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**OWEN ELECTRIC COOPERATIVE
CASE NO. 2012-00448
RATE BASE**

Exhibit R
Schedule ~~423~~
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Witness: Jim Adkins

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	250,605	163,931	-	13,048	40,385	4,102	1,688	
Lines	Consumer	22,405,837	21,238,502	-	922,387	93,182	3,145	139,184	
Lines	Demand	63,596,368	41,601,026	-	3,311,263	10,248,570	1,041,095	428,324	
Transformers	Consumer	7,070,327	6,353,640	-	446,434	180,401	-	41,788	
Transformers	Demand	8,806,434	7,199,039	-	348,749	679,666	-	25,538	
Services	Consumer	12,288,238	10,532,981	213	1,210,047	492,105	-	3,058	
Meters	Consumer	11,810,644	11,124,012	1,647	483,115	186,292	6,288	-	
Consumer & Accounting Services	Consumer	- 6,157,519	- 5,719,931	- 212	- 248,416	- 75,287	- 2,541	- 75,023	
Outdoor Lighting	Lighting	4,502,715	-	-	-	-	-	4,502,715	
		136,888,687	103,933,062	2,072	6,983,462	11,995,889	1,057,173	5,217,317	

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**OWEN ELECTRIC COOPERATIVE
CASE NO. 2012-00448
RATE BASE**

Exhibit R
Schedule ~~46~~ **3**
Page ~~48~~ of ~~57~~ **57**
Witness: Jim Adkins

ALLOCATION OF RATE BASE TO RATE CLASSES									
Function	Classifi- cation	Amount	Large	Schedule XI	Schedule XIV	Schedule XIII	Gallatin Steel	Total Sched B Wholesale	
			Commercial TOD	Large Power LPB1	Large Power LPB	Large Power LPB2			
Stations	Demand	250,605	1,519	16,368	1,026	8,537		250,605	
Lines	Consumer	22,405,837	3,932	393	786	4,325		22,405,837	
Lines	Demand	63,596,368	385,492	4,153,748	260,365	2,166,482		63,596,368	
Transformers	Consumer	7,070,327	7,612	2,990	4,573	32,890		7,070,327	
Transformers	Demand	8,806,434	22,984	247,656	24,461	258,341		8,806,434	
Services	Consumer	12,288,238	20,764	2,076	4,153	22,840		12,288,238	
Meters	Consumer	11,810,644	9,289	-	-	-		11,810,644	
Consumer & Accounting Services	Consumer	6,157,519	3,706	424	847	4,659	26,472	6,157,519	
Outdoor Lighting	Lighting	4,502,715						4,502,715	
		136,888,687	455,298	4,423,656	296,211	2,498,075	26,472	136,888,687	

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OWEN ELECTRIC COOPERATIVE
CASE NO. 2012-00448
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		3,696,870	217	231,316	359,178	33,066	735,968
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		2,763,730	101	154,524	217,530	20,129	220,401
Depreciation		8,064,472	151	548,387	952,013	83,699	387,749
Miscellaneous		110,853	2	7,480	12,897	1,136	5,482
Interest on Long Term Debt		3,427,382	68	230,292	395,586	34,862	172,051
Short Term Interest		207,712	4	13,957	23,974	2,113	10,427
Total Costs	61,498	73,157,044	1,510	5,079,191	14,129,950	1,357,428	1,999,294
Margins before Other Revenue		(2,994,042)	(636)	(41,242)	726,902	(28,004)	(472,219)
Other Revenue		1,651,922	21	118,614	349,791	31,300	35,954
Net Margins		(1,342,120)	(615)	77,372	1,076,693	3,296	(436,266)
TIER		0.61	(8.00)	1.34	3.72	1.09	(1.54)
Net Investment Rate Base		103,933,062	2,072	6,983,462	11,995,889	1,057,173	5,217,317
Return on Rate Base		2.01%	-26.38%	4.41%	12.27%	3.61%	-5.06%

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OWEN ELECTRIC COOPERATIVE
CASE NO. 2012-00448
STATEMENT OF OPERATIONS

	Large Commercial TOD	Schedule XI Large Power LPB1	Schedule XIV Large Power LPB	Schedule XIII Large Power LPB2	Gallatin Total	Total
Revenue from Rates	409,430	6,761,414	256,209	6,212,312	41,459,712	148,075,557
Purchased Power	277,310	5,733,587	196,475	5,824,924	41,116,114	118,436,375
Distribution Operations	13,211	128,412	8,202	67,804	-	527,492
Distribution Maintenance	15,207	155,627	9,768	81,132	-	321,994
Consumer Accounts	2,270	259	519	2,853	16,212	377,083
Customer Service	402	46	92	506	2,874	668,538
Administrative & General	8,446	77,241	5,047	41,370	5,185	351,372
Depreciation	36,710	351,691	23,576	199,073	1,117	1,064,807
Miscellaneous	497	4,759	319	2,690	24	146,131
Interest on Long Term Debt	15,259	145,878	9,768	82,379	873	451,415
Short Term Interest	925	8,841	592	4,992	53	273,574
Total Costs	370,237	6,606,340	254,357	6,307,723	41,142,452	150,466,211
Margins before Other Revenue	39,193	155,074	1,851	(95,410)	317,260	(2,391,273)
Other Revenue	9,640	159,191	6,032	146,263	-	2,508,726
Net Margins	48,832	314,265	7,883	50,853	317,260	117,453
TIER	4.20	3.15	1.81	1.62	364.42	1.03
Net Investment Rate Base	455,298	4,423,656	296,211	2,498,075	26,472	136,888,687
Return on Rate Base	14.08%	10.40%	5.96%	5.33%	1201.76%	3.38%

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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		40,212	-	3,201	9,906	1,006	414
Lines		9,675,819	-	770,154	2,383,675	242,144	99,622
Transformers		1,068,203	-	51,748	100,850	-	3,789
Total Distribution Related		10,784,233	-	825,102	2,494,431	243,151	103,826
Consumer Related							-
Lines		4,939,779	-	214,534	21,673	732	32,372
Transformers		942,761	-	66,243	26,768	-	6,201
Services		1,991,030	40	228,733	93,022	-	578
Meters		3,406,817	505	147,958	57,053	1,926	-
Consumer Svc							-
Consumer Svc		5,865,935	217	254,757	77,209	2,606	76,938
Consumer Svc		-	-	-	-	-	1,547,255
Total Consumer Related		17,146,352	791	912,254	275,754	5,293	1,663,343
Total Distribution Costs		27,930,585	791	1,737,357	2,770,185	248,443	1,767,169
Income from Rate Revenue		(6,177,039)	(728)	(255,141)	359,497	(60,409)	(632,000)
Other Revenue		1,651,922	21	118,614	349,791	31,300	35,954
Over (Under) Recovery		(4,525,117)	(707)	(136,527)	709,288	(29,109)	(596,047)
Total Increase		4,525,117	707	136,527	(709,288)	29,109	596,047
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%

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**OWEN ELECTRIC COOPERATIVE
CASE NO. 2012-00448**

Exhibit R
Schedule 6
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Witness: Jim Adkins

SUMMARY RESULTS OF COST OF SERVICE STUDY

	Large	Schedule XI	Schedule XIV	Schedule XIII	Gallatin	
	Commercial	Large Power	Large Power	Large Power	Steel	Total
	TOD	LPB1	LPB	LPB2		
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	373	4,015	252	2,094		61,473
Lines	89,660	966,104	60,557	503,894		14,791,628
Transformers	3,410	36,748	3,630	38,333		1,306,710
Total Distribution Related	93,443	1,006,867	64,439	544,321		16,159,812
Consumer Related						
Lines	914	91	183	1,006		5,211,285
Transformers	1,129	444	678	4,880		1,049,104
Services	3,925	392	785	4,317		2,322,823
Meters	2,845	-	-	-		3,617,104
Consumer Svc					27,148	6,314,692
Consumer Svc	3,801	434	869	4,778		1,547,255
Total Consumer Related	12,644	1,362	2,515	14,982	27,148	20,062,263
Total Distribution Costs	106,087	1,008,229	66,954	559,302	27,148	36,222,075
Income from Rate Revenue	26,033	19,598	(7,220)	(171,914)	316,449	(6,582,893)
Other Revenue	9,640	159,191	6,032	146,263	-	2,508,726
Over (Under) Recovery	35,673	178,789	(1,188)	(25,651)	316,449	(4,074,167)
Total Increase	(35,673)	(178,789)	1,188	25,651	(316,449)	4,074,167
Revised Increase Amount	-	(24)	6	(69)	-	4,074,169
Increase Percent	0.00%	0.00%	0.00%	0.00%	0.00%	2.75%

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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

Sch I - Small Commercial

Current

Proposed

Customer Charge	\$ 17.23	\$ 17.23
Energy charge	\$ 0.08598	\$ 0.09068

Sch 1-C - Small Comm, T-O-D

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	\$ 280,989	
Billing Units	3,005	
Customer Related Costs & Proposed Rate	93.51	\$ 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

PURCHASED POWER SUMMARY

Exhibit R
Schedule 8
Page 57 of 57
Witness: Jim Adkins

SUMMARY OF PURCHASED POWER							
	Substation & Metering Charges	Schedule B	Schedule E	Gallatin Steel	Green Power	ETS	Total
Metering Point Chrg	46,656						46,656
Substation Charge	1,308,768						1,308,768
Demand Charge		2,580,063	18,088,409	\$1,245,600			21,914,072
Interruptible Rate		(502,544)					(502,544)
Interrup. Gallating							0
10 Minute Notice				\$1,008,000			1,008,000
90 Minute Notice				\$808,156			808,156
Buy Through		3,393		\$139,649			143,042
Energy Charge		9,552,551					9,552,551
On-peak kWh			24,370,154	\$11,860,517			36,230,670
Off-peak kWh			21,811,313	\$26,054,193			47,865,506
Green Power					61,498		61,498
Total	1,355,424	11,633,463	64,269,876	41,116,114	61,498		118,436,375

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Owen Electric Cooperative
Case No. 2012-00448
Balance Sheet, Adjusted
June 30, 2012

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Exhibit S
page 1 of 4
Witness: Alan Zumstein

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	<u>Actual</u> <u>Test Year</u>	<u>Adjustments</u> <u>to Test Year</u>	<u>Adjusted</u> <u>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	39,067,981		39,067,981
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	1,524,884	(3,279,987)	(1,755,103)
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	87,790,154		87,790,154
Accumulated Operating Provisions	9,262,896		9,262,896
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	724,725		724,725
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	<u>(760,236)</u>	<u>445,592</u>	<u>(314,644)</u>	<u>4,074,169</u>	<u>3,759,525</u>
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
OP TIER	0.84		0.94		1.84

Owen Electric Cooperative
Case No. 2012-00448
Summary of Adjustments to Test Year

Exhibit S
page 3 of 4
Witness: Alan Zumstein

	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)	59,914	(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)
G & T capital credits																		-
Patronage capital credits													(197,168)	#####				(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)	#####	12,918,108	(11,943,281)	59,914	(7,682,702)

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Witness: Alan Zumstein

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Owen Electric Cooperative
Case No. 2012-00448
Proposed Revenues
June 30, 2012

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
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
AHRMAN, ALAN	Regular Board Meeting	7/29/2011	93037	375			61					1,000		1,436
AHRMAN, ALAN	East Kentucky Mtgs	8/26/2011	93354			750	144							894
AHRMAN, ALAN	Regular Board Meeting	8/26/2011	93354	375			61					1,000		1,436
AHRMAN, ALAN	KAEC Board Mtg	9/29/2011	93700			375	114							489
AHRMAN, ALAN	Regular Board Meeting	9/29/2011	93700	375			61					1,000		1,436
VISA	NRECA Directors Conference	10/1/2011	93955						415					415
AHRMAN, ALAN	NRECA Regional Meeting	10/31/2011	94049			750	128							878
AHRMAN, ALAN	Regular Board Meeting	10/31/2011	94049	375			61					1,000		1,436
AHRMAN, ALAN	KAEC Annual Meeting	11/17/2011	94254			750	114							864 x
AHRMAN, ALAN	Strategic Plan/ Bid Budget Mtg	11/17/2011	94254		750		61							811
AHRMAN, ALAN	Regular Board Meeting	11/18/2011	94254	375			61					1,000		1,436
VISA	NRECA Directors Conference	12/1/2011	94588							550	36			586
AHRMAN, ALAN	Regular Board Meeting	12/15/2011	94592	375			69					1,000		1,444
KAEC	KAEC Annual Meeting	12/7/2011	94833								131			131 x
VISA	KAEC annual mtg	12/19/2011	94978							318				318 x
AHRMAN, ALAN	Bid, Budget and Planning	1/26/2012	95081		375		61							436
AHRMAN, ALAN	Regular Board Meeting	1/26/2012	95081	375			61					1,000		1,436
AHRMAN, ALAN	NRECA Director's Conference	2/24/2012	95455			2,250	33							2,283
AHRMAN, ALAN	Bid, Budget and Planning	2/24/2012	95455		750		61							811
AHRMAN, ALAN	Regular Board Meeting	2/23/2012	95455	375			61					1,000		1,436
VISA	NRECA Directors Conference	2/17/2012	95621				60			1,102	122			1,284
VISA	NRECA Directors Conference	2/17/2012	95621					297	1,825					2,122
AHRMAN, ALAN	Regular Board Meeting	3/23/2012	95859	375			61					1,000		1,436
AHRMAN, ALAN	Bid, Budget and Planning Meeting	3/29/2012	95859		375		33							408
AHRMAN, ALAN	NRECA Director's Conference	3/29/2012	95859			2,250	33							2,283
VISA	NRECA Directors Conference	3/19/2012	95915							1,526	104			1,630
AHRMAN, ALAN	Regular Board Meeting	4/26/2012	96140	375			61					1,000		1,436
AHRMAN, ALAN	Regular Board Meeting	5/31/2012	96581	375			61					1,000		1,436
AHRMAN, ALAN	Bid, Budget and Planning	5/31/2012	96581		375		61							436
VISA	Background check	6/1/2012	96828										94	94
AHRMAN, ALAN	Regular Board Meeting	6/30/2012	96911	375			61					1,000		1,436
AHRMAN, ALAN	ACES Power Conference	6/30/2012	96911			1,125	36							1,161
AHRMAN, ALAN	OEC Annual Meeting	6/30/2012	96911		375		33							408
VISA	ACES Power Conference	6/18/2012	96948							411				411
	Subtotal			4,500	3,000	8,250	1,714	297	2,240	3,907	393	12,000	94	36,395

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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
6							35								35
43	MCCORD EDDIE	Check Signing Fee	7/29/2011	93046				16					66		456
44	MCCORD EDDIE	Regular Board Meeting	7/29/2011	93046	375										375
45	MCCORD EDDIE	Regular Board Meeting	9/29/2011	93711	375										70
46	MCCORD EDDIE	Check Signing Fee	9/29/2011	93711			70								456
47	MCCORD EDDIE	Regular Board Meeting	9/29/2011	93711	375			16					66		35
48	MCCORD EDDIE	Check Signing Fee	10/31/2011	94108			35								456
49	MCCORD EDDIE	Regular Board Meeting	10/31/2011	94108	375			16					66		391
50	MCCORD EDDIE	Strategic Planning Meeting	11/17/2011	94307		375		16							750
51	MCCORD EDDIE	KAEC Annual Meeting	11/17/2011	94307			750								35
52	MCCORD EDDIE	Check Signing Fee	11/18/2011	94307			35								456
53	MCCORD EDDIE	Regular Board Meeting	11/18/2011	94307	375			16							35
54	MCCORD EDDIE	Check Signing Fee	12/15/2011	94684			35								456
55	MCCORD EDDIE	Regular Board Meeting	12/15/2011	94684	375			16					66		131
56	KAEC	KAEC Annual Meeting	12/7/2011	94833								131			239
57	VISA	KAEC annual mtg	12/19/2011	94978							239				375
58	MCCORD EDDIE	Audit Committee Meeting	1/26/2012	95109		375									35
59	MCCORD EDDIE	Check Signing Fee	1/26/2012	95109			35								464
60	MCCORD EDDIE	Regular Board Meeting	1/26/2012	95109	375			16					73		391
61	MCCORD EDDIE	Audit Committee Meeting	2/23/2012	95433		375		16							35
62	MCCORD EDDIE	Check Signing Fee	2/23/2012	95433			35								464
63	MCCORD EDDIE	Regular Board Meeting	2/23/2012	95433	375			16					73		1,172
64	VISA	NRECA Directors Conference	2/17/2012	95621					622	550					1,589
65	MCCORD EDDIE	NRECA Directors Conference	3/29/2012	95864			1,500	89							35
66	MCCORD EDDIE	Check Signing Fee	3/29/2012	95864			35								464
67	MCCORD EDDIE	Regular Board Meeting	3/29/2012	95864	375			16					73		1,152
68	VISA	NRECA Directors Conference	3/19/2012	95915							1,043	109			464
69	MCCORD EDDIE	Regular Board Meeting	4/26/2012	96183	375			16					73		35
70	MCCORD EDDIE	Check Signing Fee	4/26/2012	96183			35								392
71	MCCORD EDDIE	Audit Committee Meeting	4/27/2012	96183		375		17							464
72	MCCORD EDDIE	Regular Board Meeting	5/31/2012	96590	375			16					73		35
73	MCCORD EDDIE	Check Signing Fee	5/31/2012	96590			35								464
74	MCCORD EDDIE	Regular Board Meeting	6/30/2012	96939	375			16					73		397
75	MCCORD EDDIE	Annual Meeting	6/30/2012	96939		375		22							35
76	MCCORD EDDIE	Check Signing Fee	6/30/2012	96939			35								12,838
77		Subtotal			4,500	1,875	2,670	330	622	550	1,282	240	769	-	

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5	VENDOR NAME	DESCRIPTION	DATE	CK NO.	OTHER								MISC	TOTAL	
					REG MTG	MTG	PER DIEM	MILEAGE	AIR FARE	MTG FEES	HOTEL	MEALS			HEALTH INS
79	GRANT JOHN R	Regular Board Meeting	7/29/2011	93042	375				58					(59)	374
80	GRANT JOHN R	Regular Board Meeting	8/26/2011	93360	375				58					(59)	374
81	GRANT JOHN R	Regular Board Meeting	9/29/2011	93706	375				58					(59)	374
82	GRANT JOHN R	Regular Board Meeting	10/31/2011	94086	375				58					(59)	374
83	GRANT JOHN R	KAEC Annual Meeting	11/17/2011	94286			750	100							850 x
84	GRANT JOHN R	Fresh Look Mtg	11/17/2011	94286		375		58							433
85	GRANT JOHN R	Strategic Plan/Bid Budget Mtg	11/17/2011	94286		750		58							808
86	GRANT JOHN R	Regular Board Meeting	11/18/2011	94286	375			58						(59)	374
87	GRANT JOHN R	Regular Board Meeting	12/15/2011	94628	375			58						(59)	374
88	KAEC	KAEC Annual Meeting	12/7/2011	94833								131			131 x
89	VISA	KAEC annual mtg	12/19/2011	94978							305				305 x
90	GRANT JOHN R	Bid, Budg. and Planning	1/26/2012	95101		375		58							433
91	GRANT JOHN R	Fresh Look	1/26/2012	95101		375		68							443
92	GRANT JOHN R	Regular Board Meeting	1/26/2012	95101	375			58						(62)	371
93	GRANT JOHN R	Bid, Budget and Planning	2/23/2012	95422		375		58							433
94	GRANT JOHN R	Bid, Budget and Planning	2/24/2012	95422		375		127							502
95	GRANT JOHN R	Regular Board Meeting	2/24/2012	95422	375			58						(62)	371
96	VISA	NRECA Directors Conference	2/17/2012	95621						622	550				1,172
97	GRANT JOHN R	Bid, Budget and Planning	3/29/2012	95861		375									375
98	GRANT JOHN R	NRECA Directors Conference	3/29/2012	95861			1,500	12							1,512
99	GRANT JOHN R	Regular Board Meeting	3/29/2012	95861	375			58						(62)	371
100	VISA	NRECA Directors Conference	3/19/2012	95915							1,295	129			1,424
101	GRANT JOHN R	Regular Board Meeting	4/26/2012	96170	375			58						(62)	371
102	GRANT JOHN R	Regular Board Meeting	5/31/2012	96586	375			58						(62)	371
103	GRANT JOHN R	Bid, Budget, Planning	5/31/2012	96586		375		58							433
104	GRANT JOHN R	Regular Board Meeting	6/30/2012	96931	375			58						(62)	371
105	GRANT JOHN R	EKPC Annual Meeting	6/30/2012	96931			375	8							383 x
106	GRANT JOHN R	OEC Annual Meeting	6/30/2012	96931		375		58							433
107		Subtotal			4,500	3,750	2,625	1,354	622	550	1,600	260	(723)	-	14,537

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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
109	KINMAN HOPE	Regular Board Meeting	7/29/2011	93045	375			6					983		1,363
110	KINMAN HOPE	Regular Board Meeting	8/26/2011	93365	375			57					983		1,414
111	KINMAN HOPE	Regular Board Meeting	9/29/2011	93710	375			6				15	983		1,378
112	VISA	NRECA Directors Conference	10/1/2011	93955						945					945
113	KINMAN HOPE	Bid, Budget and Planning	10/31/2011	94100		375									375
114	KINMAN HOPE	NRECA Regional Meeting	10/31/2011	94100			750	111				11			872
115	KINMAN HOPE	Regular Board Meeting	10/31/2011	94100	375			6					983		1,363
116	KINMAN HOPE	Strategic Planning Meeting	11/17/2011	94301		375		57							432
117	KINMAN HOPE	Regular Board Meeting	11/18/2011	94301	375			6					983		1,363
118	VISA	NRECA Directors Conference	12/1/2011	94588							434	36			470
119	KINMAN HOPE	Regular Board Meeting	12/15/2011	94642	375								983		1,358
120	KINMAN HOPE	Audit Committee Conf Call	1/26/2012	95108		375									375
121	KINMAN HOPE	Regular Board Meeting	1/26/2012	95108	375			6					1,043		1,424
122	KINMAN HOPE	Bid, Budget and Planning	2/23/2012	95429		375									375
123	KINMAN HOPE	Bid, Budget and Planning	2/24/2012	95429		375		6							381
124	KINMAN HOPE	Regular Board Meeting	2/23/2012	95429	375			6					1,043		1,424
125	KINMAN HOPE	Bid Budget and Planning Mtg	3/29/2012	95863		375		68							443
126	KINMAN HOPE	Regular Board Meeting	3/29/2012	95863	375			6					1,043		1,424
127	KINMAN HOPE	Regular Board Meeting	4/26/2012	96179	375			6					1,043		1,424
128	KINMAN HOPE	Regular Board Meeting	5/31/2012	96588	375			6					1,043		1,424
129	KINMAN HOPE	Bid, Budget and Planning	5/31/2012	96588		375									375
130	VISA	CFC Director Conf	6/1/2012	96828					542						542
131	KINMAN HOPE	Regular Board Meeting	6/30/2012	96938	375			6					1,043		1,424
132	KINMAN HOPE	EKPC Annual Meeting	6/30/2012	96938			375	6							381
133	KINMAN HOPE	OEC Annual Meeting	6/30/2012	96938		375		31							406
134		Subtotal			4,500	3,000	1,125	390	542	945	434	62	12,156	-	23,154

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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
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			619
149	BOND ANN	Regular Board Meeting	12/15/2011	94601	375			8					570		953
150	KAEC	KAEC Annual Meeting	12/7/2011	94833								131			131
151	VISA	KAEC annual mtg	12/19/2011	94978							308				308
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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	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
193	JACKSON FRANK	Regular Board Meetings	7/29/2011	93044	375			50				6	570		1,001
194	JACKSON FRANK	KAEC board mtg	7/29/2011	93044			125	105							230
195	VISA	Legislative Conference	7/13/2011	93140					150						150
196	JACKSON FRANK	Regular Board Meetings	8/26/2011	93364	375			50					570		995
197	JACKSON FRANK	Regular Board Meetings	9/29/2011	93707	375			50					570		995
198	JACKSON FRANK	KAEC board mtg	9/29/2011	93707			125	105							230
199	VISA	NRECA Directors Conference	10/1/2011	93955						415					415
200	JACKSON FRANK	NRECA Regional Meeting	10/31/2011	94093			750	111							861
201	JACKSON FRANK	Regular Board Meetings	10/31/2011	94093	375			50					570		995
202	JACKSON FRANK	KAEC board mtg	10/31/2011	94093			125	105							230
203	JACKSON FRANK	Strategic Plan/Bid Budget	11/17/2011	94293			750	50							800
204	JACKSON FRANK	KAEC Annual Meeting	11/17/2011	94293			750	103							853
205	JACKSON FRANK	Regular Board Meetings	11/18/2011	94293	375			3					570		948
206	JACKSON FRANK	KAEC board mtg	11/18/2011	94293			125	105							230
207	VISA	NRECA Directors Conference	12/1/2011	94588							518				518
208	VISA	NRECA Directors Conference	12/1/2011	94588							530				530
209	JACKSON FRANK	KAEC board mtg	12/15/2011	94634	375		125	109					570		1,179
210	KAEC	KAEC Annual Meeting	12/7/2011	94833								131			131
211	JACKSON FRANK	Bid, Budget and Planning	1/26/2012	95105		375		3							378
212	JACKSON FRANK	Regular Board Meetings	1/26/2012	95105	375			3					753		1,131
213	JACKSON FRANK	KAEC board mtg	1/26/2012	95105			125	105							230
214	JACKSON FRANK	Audit Committee Meeting	2/23/2012	95426		375									375
215	JACKSON FRANK	Bid, Budget and Planning	2/24/2012	95426		375									375
216	JACKSON FRANK	Regular Board Meetings	2/23/2012	95426	375			53					753		1,181
217	JACKSON FRANK	KAEC board mtg	2/23/2012	95426			125	105							230
218	JACKSON FRANK	Regular Board Meetings	3/29/2012	95862	375			3					753		1,131
219	JACKSON FRANK	Regular Board Meetings	4/26/2012	96174	375			50					753		1,178
220	JACKSON FRANK	Audit Committee Meeting	4/26/2012	96174		375									375
221	VISA	Legislative Conference	4/18/2012	96365					902						902
222	JACKSON FRANK	Regular Board Meetings	5/31/2012	96587	375								753		1,128
223	KAEC	Legislative Luncheon	5/21/2012	96646								55			55
224	JACKSON FRANK	Regular Board Meetings	6/30/2012	96934	375			77					753		1,205
225	JACKSON FRANK	OEC Annual Meeting	6/30/2012	96934		375									375
226		Subtotal			4,500	1,875	3,125	1,398	1,052	415	1,047	192	7,938	-	21,543

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				OTHER										
VENDOR NAME	DESCRIPTION	DATE	CK NO.	REG MTG	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			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									34,584		34,584
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	77,412	6,203	87,334
254														
255	Total			31,500	18,375	22,295	6,311	4,149	7,730	9,827	5,147	130,274	6,322	241,930

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AHRMAN, ALAN		
KAEC annual meeting	1,313	
less per diem	<u>750</u>	563
MCCORD EDDIE		
KAEC annual meeting	1,120	
less per diem	<u>750</u>	370
GRANT JOHN R		
KAEC annual meeting	1,286	
less per diem	<u>750</u>	536
EKPC annual meeting	383	
less per diem	<u>375</u>	8
BOND ANN		
KAEC annual meeting	1,259	
less per diem	<u>750</u>	509
TRUE ROBERT		
KAEC annual meeting	1,249	
less per diem	<u>750</u>	499
EKPC annual meeting	406	
less per diem	<u>375</u>	31
JACKSON FRANK		
Legislative conference		1,107
Per diems		22,295
Health insurance		<u>132,982</u>
Total		<u><u>158,900</u></u>

APPLICATION OF OWEN ELECTRIC COOPERATIVE, INC.
FOR AN ADJUSTMENT OF RATES
CASE NO. 2012-00448

APPLICATION OF OWEN ELECTRIC COOPERATIVE CORPORATION
FOR REVISIONS TO ITS METER READING TARIFF TO ACCOMMODATE
MANUAL METER READING CHARGES IN INSTANCES WHERE ITS
ADVANCED METERING INFRASTRUCTURE IS PROHIBITED FROM
BEING UTILIZED FOR ITS INTENDED PURPOSE
CASE NO. 2012-00468

Commission Staff's Third Request for Information to Owen Electric Cooperative, Inc.

11. Refer to the response to Item 16.a. and revised Exhibit R filed in electronic spreadsheet format in response to Item 12 of Staff's Second Request. The response to Item 16.a. states that, "Transformers should have not been included and Services should have been included." Confirm that in revised Exhibit R, Services has incorrectly been included twice in the calculation found in footnote 1 -once in the \$152,199,057 labeled as Poles and Conductor and once in the \$19,936,046 labeled as Services. If this cannot be confirmed, provide a breakdown of the \$152,199.057 by plant account. If this can be confirmed, provide a revised Exhibit R in electronic spreadsheet format.

Response

It is confirmed that Services has been included twice. Services have been included once in the revision to the revised Exhibit R, which is provided in the response to Item 10.

APPLICATION OF OWEN ELECTRIC COOPERATIVE, INC.
FOR AN ADJUSTMENT OF RATES
CASE NO. 2012-00448

APPLICATION OF OWEN ELECTRIC COOPERATIVE CORPORATION
FOR REVISIONS TO ITS METER READING TARIFF TO ACCOMMODATE
MANUAL METER READING CHARGES IN INSTANCES WHERE ITS
ADVANCED METERING INFRASTRUCTURE IS PROHIBITED FROM
BEING UTILIZED FOR ITS INTENDED PURPOSE
CASE NO. 2012-00468

Commission Staff's Third Request for Information to Owen Electric Cooperative, Inc.

12. Refer to the response to Item 23.b. of Staff's Second Request. There appears to have been a misunderstanding as to the information requested. Refer to revised Exhibit R filed in electronic spreadsheet format in response to Item 12 of Staff's Second Request, tab "5 IncStmt," the "Revenue from Rates" row. Reconcile the amounts for each rate class in this row to the amounts for each rate class shown in revised Exhibit J filed in electronic spreadsheet format, the Summary tab, column f.

Response

The response to Item 23.b. of Staff's Second Request contains a labeling error on the second page of that response. The first column should have been labeled as a test year end of 6/30/2012 and the second column should have been labeled test year end of 12/31/2009.

Provided on page 2 of this response is the reconciliation requested in this item. A brief explanation is necessary for proper understanding. Columns 1 and 2 are the actual ones that are being reconciled. Column 3 indicates the rate classes with differences and the amount of difference. Columns 4, through 7 provides the reconciliation. Column 4 indicates what was consolidated into the Schedule 1 – Farm and Home Class. Column 5 indicates the classes consolidated with Schedule 1 – Small Commercial. Column 6 Indicates the consolidation of the Schedule 2A time of day rate classes and Column 7 indicates the consolidation of lights. The consolidations for Columns 4 and 5 are proper because many new rate classes were very recently developed for these classes without enough consumers to develop a separate cost of service classification. Column 6 deals with Schedule 2-A and is the same rate schedule except the Item No. 12 primary service and secondary service has been broken for revenue purposes. Column 7 is a consolidation of the lighting schedule into one for cost of service purposes. The Continuing Property Records for this class does not contain enough detail to segment the investment for lights into separate rate schedule for proper cost allocation.

OWEN ELECTRIC COOPERATIVE
CASES NO. 2012-00448

RESPONSE TO COMMISSION STAFF'S THIRD DATA REQUEST

	Actual		Reconciliation				
	1	2	3	4	5	6	7
Rate Schedule	Normalized Case No. 2010-00507	Revised Exhibit R Tab 5	Total Difference	Sched 1 Farm & Home Difference	Sched 1 Small Commerc Difference	Sched 2 Time of Day Difference	Lighting Difference
Sch I - Farm and Home	\$ 70,160,415	\$ 70,163,002	\$ (2,587)	\$ (2,587)			
Sch IA - Off Peak Marketing	875	875	-				
Sch I-D - Farm & Home, Inclng Block	1,768		1,768	1,768			
Sch I - Small Commercial	5,032,829	5,037,949	(5,120)		(5,120)		
Sch II - Large Power	16,186,276	16,186,276	-				
Sch XI - Large Industrial Rate LPB1	6,761,414	6,761,414	-				
Sch XIII - Large Industrial Rate LPB2	6,212,312	6,212,312	-				
Sch XIV - Large Industrial Rate LPB	256,209	256,209	-				
Sch 2A - Time of Day	251,048	409,430	(158,381)			(158,381)	
Sch 1-C - Small Comm, T-O-D	5,120		5,120		5,120		
Sch 2-A - Primary Meter, T-O-D	158,381		158,381			158,381	
Sch 1-B3 - Farm/Home-TOD, w Shoulder	297		297	297			
Sch III - Security Lights	810,924	1,527,075	(716,151)				(716,151)
Sch OLS - Outdoor Lighting Service	622,512		622,512				622,512
Sch II SOLS - Special Outdoor Light Service	93,639		93,639				93,639
Envirowatts	61,304	61,304	-				
Net Metering	522		522	522			
Gallatin Steel	\$41,459,712	41,459,712					
Total	\$ 148,075,557	\$ 148,075,557	\$ -	\$ -	\$ -	\$ -	\$ -

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13. Refer to the response to Item 24 of Staff's Second Request.
 - a. Refer to Item 24.b. Explain the rationale for keeping the residential and small commercial rates close to the same rate.
 - b. Refer to Item 24.c. Confirm that the COSS-supported increase of \$31,208 to the Large Power Primary class would equate to a 2.3 percent increase and the COSS-supported increase of \$30,632 to the LPB2 class would equate to a .5 percent increase.

Response

- a. Historically, Owen's residential rates have been very similar to the small commercial rates; this seemed to be a reasonable approach in this case in light of the fact that an increase in the small commercial rates helps to keep the residential rate increase to an amount less than five percent while maintaining near parity between the residential and small commercial rates.
- c. Please see the table provided below which confirms the percentage increases.

Rate Class	Increase	Normalized Revenue	Percent Increase
Large Power Primary	\$ 31,208	\$ 1,329,424	2.3%
LPB2	\$ 30,632	\$ 6,212,312	0.5%

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14. Refer to the response to Item 26 of Staff's Second Request. Explain in more detail why an increase of \$.00508 per kWh should be authorized to the Schedule 1-B3 class instead of an increase of \$.00486, which is the proposed increase to the Farm and Home class and which is shown as being the proposed increase to Schedule 1-B3 in the table at the top of page 53 of Exhibit R of the application.

Response

Upon further review of this situation, a conclusion has been reached that the proper increase amount for this energy rate should be \$.00486 per kWh and the proposed rate should be \$.10466 per kWh.

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15. Refer to the response to Item 29 of Staff's Second Request.

- a. Provide the December 31, 2010, January 1, 2011, and December 31, 2011 accounting entries, including the account numbers, account names, and the dollar amounts, associated with the fuel revenue adjustment.
- b. Provide the December 31, 2010, January 1, 2011, and December 31, 2011 accounting entries, including the account numbers, account names, and the dollar amounts, associated with the accounting change for the unbilled revenue adjustment.
- c. Provide the December 31, 2010, January 1, 2011, and December 31, 2011 accounting entries, including the account numbers, account names and the dollar amounts, associated with accounting change for the Purchase Power adjustment.

Response

a.

Description	Account Number	Debit	Credit
December 31, 2010			
No entry made.			
January 1, 2011			
No entry made.			

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Description	Account Number	Debit	Credit
December 31, 2011			
Under Recovered fuel adjustment	182.3	1,895,427	
Residential	440.1		1,326,800
Security lights	440.2		3,791
Commercial & Ind - Small	442.1		75,815
Commercial & Ind - Large	442.2		435,949
Public Street & Hwy	444		15,164
Other Public Authorities	445		37,907

- b. No accounting entries were made as of December 31, 2010 or January 1, 2011 on the books and records of Owen. Owen made the entries to reflect the cumulative effect of recognizing unbilled revenue for December 31, 2010 and the entry to recognize unbilled revenue at December 31, 2011 in December 2011. The Form 7, PSC Annual Report, and other financial statements were not re-issued to recognize the unbilled revenue since neither accounting standards nor RUS require statements to be re-issued.

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Description	Account Number	Debit	Credit
December 31, 2011			
Non Operating Margins	219.2	1,575,121	
Residential	440.1	5,270,735	
Security lights	440.2	21,083	
Commercial & Ind - small	442.1	260,023	
Commercial & Ind - large	442.2	1,335,253	
Public Street & Hwy	444	7,027	
Other Public Authorities	445	133,525	
Purchased power	555		8,602,767

Record cumulative effect of accounting change as of
 December 31, 2010.

December 31, 2011

Accounts receivable	142.	6,767,885	
Residential	440.1		4,872,877
Commercial & Ind - small	442.1		270,715
Commercial & Ind - large	442.2		1,624,292

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Record unbilled revenue at December 31, 2011.

c. See also PSC-3-15.b. for a narrative of the accounting entries.

Description	Account Number	Debit	Credit
December 31, 2011			
Purchased power	555	7,846,166	
Accounts payable	232.5		7,846,166

Record December 2011 power bill.

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16. Refer to the response to Item 30 of Staff's Second Request. Does Owen agree that using the information contained in Exhibit 2 reduces the requested increase by \$3,255 (\$5,494- \$8,749)?

Response

Yes, that is correct.

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17. Refer to the response to Item 31. a. of Staff's Second Request.
- a. Confirm that the response indicates that, for 2012, \$20,000 should be removed from the \$651,599 Consumer Service total and placed in the Consumer Accounts total of \$3,664,322 so that the 2011 and 2012 amounts for Consumer Services are comparable as it related to credit risk insurance for an adjusted amount of \$631,599. If that is not the case, explain.

 - b. Confirm that the response indicates that \$26,000 should be removed from the 2011 amount of \$555,894 so that the 2011 and 2012 amounts for Consumer Services are comparable as it relates to reimbursements from EKPC for retrofitting lighting for an adjusted amount of \$529,894.

Response

- a. Yes, that is correct.

- b. Yes, that is correct.

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18. Refer to the response to Item 31.c. of Staff's Second Request. Provide the following:

- a. The January 1, 2012 accounting entries, including the account numbers, account names, and the dollar amounts, associated with the 2011 unbilled revenues which were received in 2012.
- b. The June 30, 2012 accounting entries, including the account numbers, account names, and the dollar amounts, associated with the June 30, 2012 unbilled revenues which were received in July 2012.

Response

Description	Account Number	Debit	Credit
a. January 1, 2012			
Accounts receivable	142.	6,767,885	
Residential	440.1		4,872,877
Commercial & Ind - small	442.1		270,715
Commercial & Ind - large	442.2		1,624,292

Record unbilled revenue at December 31, 2011.

b. June 30, 2012			
Accounts receivable	142.	5,700,900	
Residential	440.1		4,104,648

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Description	Account Number	Debit	Credit
Commercial & Ind - small	442.1		228,036
Commercial & Ind - large	442.2		1,368,216

Record unbilled revenue at June 30, 2012.

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19. Refer to the response to Item 31.d. of Staff's Second Request.

a. Owen states that the \$1,025,733 increase "is the amount referred to in Question 6 of this data request." Provide a reconciliation between the amount of \$1.112 million referenced in Question 6 and the \$1,025,733 referenced in this response.

b. Provide the supporting calculation for the \$1,025,733.

Response

a. Owen calculated the under recovery for the months of June and July, 2011 in the amount of \$1,112,399 based on the difference between the old and new rates and the kwh usage for those months. This difference only applies to the two (2) months of June and July, 2011. The \$1,025,733 is the cumulative under recovery starting January 1, 2011, the date at which Owen started recording unbilled revenue and the power cost in payables.

b.

Month	Power Bill	Consumer Billing	Over/Under Recovery	
			Monthly	Cumulative
January, 2011	(691,425)	(1,590,262)	(898,837)	(898,837)
February	(755,166)	(509,696)	245,470	(653,367)
March	(963,882)	(175,845)	788,037	134,670
April	(741,190)	(694,521)	46,669	181,339

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Month	Power Bill	Consumer Billing	Monthly	Cumulative
May	(1,106,769)	(868,538)	238,231	419,570
June	(32,936)	(992,711)	(959,775)	(540,205)
July	(183,378)	(1,488,245)	(1,304,867)	(1,845,072)
August	44,586	172,906	128,320	(1,716,752)
September	(32,682)	62,058	94,740	(1,622,012)
October	(5,385)	9,702	15,087	(1,606,925)
November	184,125	(18,775)	(202,900)	(1,809,825)
December	83,659	(1,943)	(85,602)	(1,895,427)
January, 2012	82,791	229,036	146,245	(1,749,182)
February	(59,735)	85,496	145,231	(1,603,951)
March	(149,488)	29,981	179,469	(1,424,482)
April	(338,796)	(55,523)	283,273	(1,141,209)
May	(335,802)	(131,796)	204,006	(937,203)
June	(336,725)	(425,255)	(88,530)	(1,025,733)

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20. Refer to the response to Item 31.e. of Staff's Second Request. Provide the general plant activity which caused the Deferred Debits to increase by \$171,545, or approximately 52 percent, between 2011 and 2012.

Response

The accumulations are for plant additions that the duration can be several months. The costs are accumulated by project, then recorded in plant accounts when the project is completed. The additions and accounts projects are recorded to are as follows:

Account	Amounts	Description
362	349,000	SCADA equipment additions
390	6,478	Energy efficient heating/air conditioning adds
910	3,846	Smart home additions
397	12,907	Communication equipment additions
395	9,229	Tool additions
391	20,659	Data processing equipment additions
var	1,627	Various others
397	(5,500)	Communication equipment to plant
390	(13,791)	Heat/air condition to plant
391	(47,337)	Data processing to plant
362	(156,344)	SCADA to plant
395	(9,229)	Tools to plant
	171,545	Total change

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21. Refer to the response to Item 32.c. of Staff's Second Request, wherein Owen was requested to provide the reasons for the \$81,000 increase in Account 912 from June 30, 2011 to June 30, 2012. The response refers to Item 31.a., where Owen addressed the reasons for a \$46,000 total change. Provide the reasons for the remaining \$35,000 increase.

Response

Included in the prior year was approximately \$25 thousand of rebates from EKPC for light retrofitting in excess of expenditures, due to timing. During the test year there was \$10,033 of expenditures in excess of reimbursements, again due to timing. Owen received this amount subsequent to the test year.

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22. Refer to the response to Item 32.f. of Staff's Second Request. The response states, "Costs for Case No. 2011-00037 carried over from the prior year to the test year." Provide the following:

- a. The cost associated with Case No. 2011-00037 that carried over from the prior year to the test year.
- b. The ratemaking rationale why the carryover amount in the response to part a. above is not used as an adjustment to reduce the rate case expense of \$30,000 in Adjustment 12 in Exhibit S of the application or an adjustment to remove the carryover amount from the test year cost of service.

Response

- a. The total test year costs of \$76,193 in Account 928 relates to Case No. 2011-00037.
- b. The breakdown of costs incurred during the test year are as follows:

Advertising, postage, etc	4,496
Consulting	28,042
Overtime labor	250
Subtotal	<u>32,788</u>
Regular labor and benefits	43,405
Total costs	<u><u>76,193</u></u>

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The regular labor and benefits would have been incurred by Owen employees, and recorded in other expense accounts, had Case No. 2011-00037 costs not been included in the test year. The subtotal of \$32,788 are additional costs incurred by Owen that otherwise would not have been incurred. Amortization of the additional costs would result in an annual revenue requirement of \$10,929 when amortized over a three (3) year period. The \$43,405 for Owen employees' regular labor and benefits should not be adjusted as these costs would be incurred in another expense account.

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23. Refer to the response to Item 32.h. of Staff's Second Request. Between June 30, 2011 and June 30, 2012, it appears that Owen's Operating Revenues increased by \$2,343,498, or approximately 1 percent. During the same time period, it appears that the Power Cost increased \$5,949,900, or approximately 5 percent. Everything else remaining the same, one would expect Gross Margin to decrease by 4 percent. Provide the rational and/or reasons that Gross Margin decreased by 11 percent.

Response

The explanation is simply math related. The differences in the numerator are not as significant as the amounts in the denominator of the equation to arrive at the percentages.

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24. Refer to the response to Item 33 of Staff's Second Request. The response states, "The amount should have been included in the total column, the difference should reduce the amount on line 246."
- a. Refer to page 2 of 2. Explain why extending the \$2,708 board meeting meal charge into the total column on line 243 reduces the health insurance amount on line 246 by \$2,708, rather than increasing the amount of the total column from \$241,930 to \$244,638.
 - b. Explain the relationship between the board meeting charge and the health insurance expense.

Response

- a. The total costs during the test year for director expenses were \$241,930. There was a mis-addition of the amount included for health insurance premiums when summarizing costs for the test year.
- b. The relationship is that both are included in the test year total of \$241,930. When the health insurance premiums were totaled, there was an error in the addition to calculate the total. It was discovered that the difference was in board meeting meals.

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25. Refer to the response to Item 37 of Staff's Second Request.,
- a. Does Owen agree that in Exhibit 11, pages 4-6 of 6, the line items with a description of OEC shirts or OEC cap and with a legend of "I" or no legend total \$16,171.46?
 - b. Are the amounts with the legend of "I" or no legend included in the proposed cost of service?

Response

- a. Yes.
- b. The amounts with the legend "I" are for Informational advertising items. These are included in the proposed cost of service. The OEC shirts and caps are part of the uniforms used by Owen employees so that consumers can readily identify persons as Owen employees.

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26. Refer to the response to Item 38 of Staff's Second Request. The response to subpart a. states, "The self-insurance fund was funded with annual worker's compensation premiums," and "Workers' compensation premiums are paid on an annual basis and are amortized each month based on the labor distribution."
- a. Confirm that the annual worker's compensation premiums paid in prior years were reflected in the cost of service in prior rate cases and thus reflected in Owen's rates.
 - b. Confirm that, in prior test years, there was a level of Workers' Compensation premiums reflected in the cost of service used in the development of Owen's rates.
 - c. Explain why, for ratemaking purposes, it would not be appropriate to spread the \$197,168 over some period of time, three years for example, and include a credit of \$65,723 ($\$197,168 / 3$) to the cost of service so that the members who supported the costs associated with the workers' compensation fund payments in the past receive the benefit of the worker compensation fund refund.
 - d. Confirm that the adjustment discussed in c. above would result in reducing Owen's proposed rate increase by \$131,446 ($\$65,723 \times 2$).

Response

- a. Agree, except see 26.c. below.
- b. Agree, except see 26.c. below.
- c. The distribution of the self-insured fund related to premiums paid to KAEC. The last year premiums were paid to KAEC for the self-insured fund was in 2003. Since that time, Owen has been paying premiums to Federated Rural Electric Insurance ("Federated"). The

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premiums paid to Federated have no relation to premiums paid to KAEC, or the distribution from the self-insured fund. The distribution from the self-insured fund related to premiums that were paid to the KAEC self-insured fund over nine (9) years in the past. Owens' last rate increase was in Case No. 2008-00154 with a test year of December 31, 2007. Owen had been out of the KAEC self-insured fund for four (4) years at that time. The effect of reducing the cost of service by a portion of the refund would be to mismatch current premiums with a refund from premiums paid nearly ten (10) years ago.

- d. Since the distribution from the self-insured fund is a non-recurring event, it is related to premiums paid nearly ten (10) years ago, and the current workers' compensation premiums are not related to premiums paid to the self-insured fund or the distribution, the cost of service should not be reduced by any amount of the distribution from the self-insured fund.

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APPLICATION OF OWEN ELECTRIC COOPERATIVE CORPORATION
 FOR REVISIONS TO ITS METER READING TARIFF TO ACCOMMODATE
 MANUAL METER READING CHARGES IN INSTANCES WHERE ITS
 ADVANCED METERING INFRASTRUCTURE IS PROHIBITED FROM
 BEING UTILIZED FOR ITS INTENDED PURPOSE
 CASE NO. 2012-00468

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27. Refer to the response to Item 42. Provide the supporting calculation for the labor overhead rate of 73.1 percent.

Response

Please see table provided below:

2011 Calendar Year Data	
Category	Amount
Vacation	\$ 505,291
Holidays	\$ 275,406
Sick Leave Accrued	\$ 367,842
Retirement	\$ 1,988,203
401(K)	\$ 349,102
Group Life	\$ 56,033
Medical Insurance	\$ 1,326,501
Disability	\$ 64,557
EAP Wellness	\$ 45,131
Payroll Taxes	\$ 709,642
Unemployment	\$ 20,406
Workers' Comp	\$ 239,254
Uniforms	\$ 106,073
Tuition Reimbursement	\$ 14,699
24 Hour Accident	\$ 261
Executive Vehicle Insurance	\$ 15,000
Executive retirement	\$ 31,783
	<hr/>
Total Payroll	\$ 8,366,649
Benefits as a percent of payroll	<hr/> 73.1% <hr/>

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28. Refer to the response to Item 45.d. of Staff's Second Request, which states that, "Owen is not provided a breakdown of the dues and is unaware of what portion of the dues, if any, is associated with lobbying activities."
- a. Does Owen believe that KAEC engages in lobbying activities on behalf of Owen and other Kentucky electric cooperatives?
 - b. If the answer to a. is yes, provide any documentation that Owen has to demonstrate that KAEC's lobbying activities are funded from sources other than Owen's dues.
 - c. Has Owen ever requested from KAEC the amount of its dues that is associated with KAEC's lobbying activities? If yes, provide the amount or percentage amount.
 - d. Does Owen periodically receive KAEC's financial statements?
 - e. If the answer to d. is yes, do those financial statements indicate sources of funds and uses of funds?

Response

- a. Yes. As indicated on KAEC's website, KAEC provides several services for the 24 distribution cooperatives and two generation and transmission cooperatives in Kentucky. These services include "representation before the Legislature, Congress, and regulatory bodies; safety training; coordination of management training; and public relations support including publication of *Kentucky Living* magazine."
- b. Owen has no documentation relating to any KAEC lobbying activity.
- c. No, Owen has not requested this information from KAEC.

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- d. Yes, Owen periodically receives KAEC's financial statements.
- e. Although these financial statements indicate sources and uses of funds at a very high level, there is no specific lobbying information identified in these financial statements.

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29. Refer to the response to Item 45.g. of Staff's Second Request, which states that, "Owen is not provided a breakdown of the dues and is unaware of what portion of the dues, if any, is associated with lobbying activities."
- a. Does Owen believe that NRECA engages in lobbying activities on behalf of Owen and other electric cooperatives?
 - b. If the answer to a. is yes, provide any documentation that Owen has to demonstrate that NRECA's lobbying activities are funded from sources other than Owen's dues.
 - c. Has Owen ever requested from NRECA the amount of its dues that is associated with NRECA's lobbying activities? If yes, provide the amount or percentage amount.
 - d. Does Owen periodically receive NRECA's financial statements?
 - e. If the answer to d. is yes, do those financial statements indicate sources of funds and uses of funds?

Response

- a. Yes, Owen believes that lobbying on behalf of all electric cooperatives is one of the activities in which NRECA engages.
- b. After further review of NRECA's annual dues invoice, Owen found that a statement was included on the invoice indicating the portion of dues relating to lobbying expense. For the membership years beginning November 1 2010 and November 2, 2011, NRECA estimates that 20% of dues relate to lobbying expenses.
- c. Please see the response to Request 29b.
- d. No, Owen does not periodically receive NRECA financial statements.

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- e. This is not applicable. Please see the response to Request 29d.

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30. Refer to the response to Item 33 of the Attorney General's Initial Information Request. State whether the response indicates that Owen does not intend for its proposed 1 mill per kWh FAC adder to apply to Gallatin Steel. If yes, explain why it would not apply.

Response

Owen does not intend for its proposed 1 mill per kWh FAC adder to apply to Gallatin Steel. Paragraph 10 of the Gallatin contract, filed with the Commission and effective December 1, 2010, states: "Gallatin Steel will be charged the EKPC system FAC in conformity with 807 KAR 5:056." Consequently, the proposed 1 mill per kWh adder will not be applied to Gallatin since, by contract, Owen directly assigns to Gallatin the FAC billed to Owen by EKPC.