

Grayson Rural Electric Cooperative
Case No. 2018-00272
Statement of Operations, Adjusted

Exhibit S
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Witness: James Adkins

	Actual <u>Test Year</u>	Normalized <u>Adjustments</u>	Normalized <u>Test Year</u>	Proposed <u>Increase</u>	Proposed <u>Test Year</u>
Operating Revenues:					
Base rates	\$ 25,564,196	\$ 1,255,498	\$ 26,819,694	\$ 1,579,291	\$ 28,398,985
Fuel and surcharge	907,226	(907,226)	-		-
Other electric revenue	989,720	(20,308)	969,412		969,412
	<u>27,461,142</u>	<u>327,964</u>	<u>27,789,106</u>	<u>1,579,291</u>	<u>29,368,397</u>
Operating Expenses:					
Cost of power:					
Base rates	15,900,076	(393,645)	15,506,431		15,506,431
Fuel and surcharge	1,251,527	(1,251,527)	-		-
Distribution - operations	1,299,965	2,479	1,302,444		1,302,444
Distribution - maintenance	3,424,805	(21,784)	3,403,021		3,403,021
Consumer accounts	1,070,977	(11,815)	1,059,162		1,059,162
Customer service	260,150	(2,189)	257,961		257,961
Sales	22,103	(1,094)	21,009		21,009
Administrative and general	1,955,130	(140,174)	1,814,956		1,814,956
	<u>25,184,733</u>	<u>(1,819,749)</u>	<u>23,364,984</u>	<u>-</u>	<u>23,364,984</u>
Depreciation	3,477,092	82,832	3,559,924		3,559,924
Taxes - other	41,074	-	41,074		41,074
Interest on long-term debt	980,167	325,334	1,305,501		1,305,501
Interest expense - other	7,941	-	7,941		7,941
Other deductions	35,148	(35,148)	-		-
	<u>29,726,155</u>	<u>(1,446,731)</u>	<u>28,279,424</u>	<u>-</u>	<u>28,279,424</u>
Utility operating margins	<u>(2,265,013)</u>	<u>1,774,695</u>	<u>(490,318)</u>	<u>1,579,291</u>	<u>1,088,973</u>
Nonoperating margins, interest	33,944	-	33,944		33,944
Nonoperating margins, other	94,790	-	94,790		94,790
G&T capital credits	504,926	(504,926)	-		-
Other capital credits	87,794	-	87,794		87,794
	<u>\$ (1,543,559)</u>	<u>\$ 1,269,769</u>	<u>\$ (273,790)</u>	<u>\$ 1,579,291</u>	<u>\$ 1,305,501</u>
TIER	(0.57)		0.79		2.00
excluding G&T	(1.09)				
OTIER	(1.23)		0.68		1.89
(+Operating margins + Cash receipts from lenders + Interest on long-term debt) / Interest on long-term debt					

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Balance Sheet, Adjusted
December 31, 2017

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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	\$ 76,908,490		\$ 76,908,490
Under construction	1,002,088		1,002,088
	<u>77,910,578</u>		<u>77,910,578</u>
Less accumulated depreciation	23,474,155	85,257	23,559,412
	<u>54,436,423</u>	<u>(85,257)</u>	<u>54,351,166</u>
Investments	<u>16,341,967</u>		<u>16,341,967</u>
Current Assets:			
Cash and temporary investments	213,727		213,727
Accounts receivable, net	4,497,022		4,497,022
Material and supplies	283,605		283,605
Prepayments and current assets	58,987		58,987
	<u>5,053,341</u>		<u>5,053,341</u>
Deferred debits	1,467,380		1,467,380
Net change in assets		<u>2,934,317</u>	<u>2,934,317</u>
Total	<u><u>\$ 77,299,111</u></u>	<u><u>\$ 2,849,060</u></u>	<u><u>\$ 80,148,171</u></u>
<u>Liabilities and Other Credits</u>			
Margins:			
Memberships	\$ 154,655		\$ 154,655
Patronage capital	25,454,529	2,849,060	28,303,589
	<u>25,609,184</u>	<u>2,849,060</u>	<u>28,458,244</u>
Long Term Debt	<u>41,787,107</u>		<u>41,787,107</u>
Accumulated postretirement benef	<u>3,085,624</u>		<u>3,085,624</u>
Current Liabilities:			
Notes payable	2,185,000		2,185,000
Accounts payable	2,496,842		2,496,842
Consumer deposits	1,197,900		1,197,900
Accrued expenses	570,319		570,319
	<u>6,450,061</u>		<u>6,450,061</u>
Consumer advances for constructio	<u>367,135</u>		<u>367,135</u>
Total	<u><u>\$ 77,299,111</u></u>	<u><u>\$ 2,849,060</u></u>	<u><u>\$ 80,148,171</u></u>

Grayson Rural Electric Cooperative
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Summary of Adjustments to Test Year

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Witness: James Adkins

	Exhibit 1	New	Exhibit 2	Exhibit 3	Exhibit 4	Exhibit 5	Exhibit 6	Exhibit 7	Exhibit 8	Exhibit 9	Exhibit 10	Exhibit 11	Exhibit 12	Exhibit 13	Exhibit 14	Exhibit 15	Exhibit 16	Exhibit 17		
											Annual & Misc					Normalize			Total	
	Salaries	Medical Insurance	Payroll Taxes	Depreciation	Property Tax	Interest	R&S	Donations	Professional Fees	Directors	Expenses	Rate Case	Ads	EKPC	Cycle Billing	Purchase Power	Revenue	Additional Revenue		
Operating Revenues:																				
Base rates															1,687,063		(431,565)		1,255,498	
Fuel and surcharge																	(907,226)		(907,226)	
Other electric revenue																		(20,308)	(20,308)	
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,687,063	0	(1,338,791)	(20,308)	327,964	
Operating Expenses:																				
Cost of power:																				
Base rates																(393,645)			(393,645)	
Fuel and surcharge																(1,251,527)			(1,251,527)	
Distribution - operations	5,001	(24,371)	1,153	589	13,562		6,545												2,479	
Distribution - maintenance	9,966	(48,561)	2,297	1,473			13,041												(21,784)	
Consumer accounts	5,112	(24,910)	1,178	115			6,690												(11,815)	
Customer service	989	(4,819)	228	119			1,294												(2,189)	
Sales	134	(651)	31	0			175						(783)						(1,094)	
Administrative and general	9,485	(46,217)	2,186	129	603		12,412		(34,778)	(82,126)	(31,868)	30,000							(140,174)	
Total operating expenses	30,687	(149,529)	7,073	2,425	14,165	0	40,157	0	(34,778)	(82,126)	(31,868)	30,000	(783)	0	0	(1,645,172)	0	0	(1,819,749)	
Depreciation				82,832																82,832
Taxes - other																				0
Interest on long-term debt						325,334														325,334
Interest expense - other																				0
Other deductions						(20,343)		(14,805)												(35,148)
Total cost of electric service	30,687	(149,529)	7,073	85,257	14,165	304,991	40,157	(14,805)	(34,778)	(82,126)	(31,868)	30,000	(783)	0	0	(1,645,172)	0	0	(1,446,731)	
Utility operating margins	(30,687)	149,529	(7,073)	(85,257)	(14,165)	(304,991)	(40,157)	14,805	34,778	82,126	31,868	(30,000)	783	0	1,687,063	1,645,172	(1,338,791)	(20,308)	1,774,695	
Nonoperating margins, interest																				0
Nonoperating margins, other																				0
G&T capital credits														(504,926)						(504,926)
Other capital credits																				0
	0	0	0	0	0	0	0	0	0	0	0	0	0	(504,926)	0	0	0	0	(504,926)	
Net Margins	(30,687)	149,529	(7,073)	(85,257)	(14,165)	(304,991)	(40,157)	14,805	34,778	82,126	31,868	(30,000)	783	(504,926)	1,687,063	1,645,172	(1,338,791)	(20,308)	1,269,769	

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Proposed Revenues

December 31, 2017

Interest on long term debt	<u>1,305,501</u>
Proposed increase in revenues over normalized revenues to generate a TIER of 2.00x	<u><u>\$1,579,291</u></u>

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Normalized Adjustment

Exhibit 16
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Witness: James Adkins

Revenue from base rates	
Normalized	26,819,694
Test year	<u>27,251,259</u>
Adjustment	<u><u>(431,565)</u></u>

Refer to Exhibit G of the application for the above referenced numbers.