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MAR 21 2007

PUBLIC SERVICE  
COMMISSION

March 21, 2007

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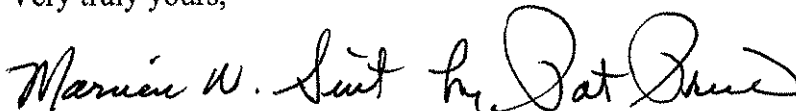
Ms. Elizabeth O'Donnell  
Executive Director  
Public Service Commission  
211 Sower Boulevard  
Frankfort, KY 40602

Re: PSC Case No. 2006-00479

Dear Ms. O'Donnell:

Please find enclosed for filing with the Public Service Commission in the above-referenced case an original and five (5) copies of the Responses of Fleming-Mason Energy Cooperative, Inc. , to the Commission Staff's First Data Requests dated March 12, 2007.

Very truly yours,



Marvin W. Suit  
Counsel for Fleming-Mason Energy Cooperative, Inc.

Enclosures

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

**In the Matter of:**

<b>APPLICATION OF FLEMING-MASON ENERGY</b>	)	
<b>COOPERATIVE TO PASS-THROUGH AN</b>	)	<b>CASE NO.</b>
<b>INCREASE OF ITS WHOLESALE POWER</b>	)	<b>2006-00479</b>
<b>SUPPLIER PURSUANT TO KRS 278.455(2)</b>	)	

**RESPONSES TO COMMISSION STAFF'S FIRST DATA REQUEST  
TO FLEMING-MASON ENERGY COOPERATIVE  
DATED MARCH 12, 2007**

**FLEMING-MASON ENERGY COOPERATIVE**

**PSC CASE NO. 2006-00479**

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

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



**FLEMING-MASON ENERGY COOPERATIVE**

**PSC CASE NO. 2006-00479**

**FIRST DATA REQUEST RESPONSE**

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

**REQUEST 1**

**RESPONSIBLE PERSON: William A. Bosta**

**COMPANY: Fleming-Mason Energy Cooperative**

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

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

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

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

The increase applicable to all other classes was based on taking the total increase to the member system, subtracting the retail industrial class increase and then dividing that amount by the kWh for all other classes. This resulted in a per unit (cents/kWh) energy cost increase that was applied to all other classes. The only exception is Electric Thermal Storage (ETS) Rate Schedule 1-A, Rate E18, which was designed based on a charge of 60 percent of the energy rate of the related rate class.

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

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

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



EXHIBIT I  
Page 4 of 7

Rate C

#	COOP	R_GROUP	BILL-KW	BILL-KWH	Demand Revenue	Energy Revenue	Total Revenue	Present Total Revenue	Revenue Adjustment
21	C		31,800	20,987,840	231,822	573,493	805,315	744,895	80,420
1 23	C		39,328	19,611,349	284,831	535,880	800,711	731,688	69,023
2 27	C		85,224	42,385,301	621,283	1,163,643	1,784,926	1,623,001	161,925
3 30	C		107,818	63,380,482	785,993	1,731,325	2,517,318	2,312,464	204,854
4 34	C		6,000	2,689,215	43,740	73,483	117,223	105,823	11,400
5 49	C		0	0	0	0	0	0	0
6 51	C		321,396	181,235,637	2,342,977	4,952,261	7,295,238	6,684,585	610,652
7 52	C		165,155	83,822,026	1,203,980	2,290,437	3,494,417	3,180,622	313,795
8 54	C								
58									
57									
59									
64									
9 61	C		28,973	16,407,017	211,213	448,322	659,535	604,486	55,049
Total C			782,694	430,698,767	5,705,939	11,759,844	17,474,683	15,387,564	1,487,119

Inland Container

#	COOP	NAME	R/C	R_GROUP	BILL-KW	BILL-KWH	Demand Revenue	Energy Revenue	Total Revenue	Present Total Revenue	Revenue Adjustment
1 52	H	Inland Contn CM	6.92	C	325,738	220,486,205	2,254,107	5,635,627	7,889,734	7,391,355	498,379
Total AGC											

AGC

#	COOP	NAME	R/C	R_GROUP	BILL-KW	BILL-KWH	Demand Revenue	Energy Revenue	Total Revenue	Present Total Revenue	Revenue Adjustment
1 51	H	AGC Auburn BD	6.92	B	64,252	44,113,666	444,624	1,127,545	1,572,169	1,473,864	98,305
2 51	H	AGC Auburn CM	0.02556	C	161,750	102,273,245	1,119,310	2,614,104	3,733,414	3,485,937	247,478
Total AGC					226,002	146,386,911	1,563,934	3,741,649	5,305,583	4,959,800	345,783

Gallatin

#	COOP	R_GROUP	KVPH-1	KVPH-2	BILL-KW	BILL-KWH	Demand Revenue	Energy-ON Revenue	Energy-OFF Revenue	Total Revenue	Present Total Revenue	Revenue Adjustment
1 37	G		319,667,504	714,668,148	1,942,343	1,004,355,652	7,398,697	8,838,806	17,617,063	33,842,557	30,870,772	2,971,785
Demand												
Int-10												
Int-80												
Eng-ON												
Eng-OFF												
Total AGC												

TGP

#	COOP	R_GROUP	KVPH-1	KVPH-2	BILL-KW	BILL-KWH	Demand Revenue	Energy-ON Revenue	Energy-OFF Revenue	Total Revenue	Present Total Revenue	Revenue Adjustment
1 23	H		30738724	38421668	180875	87155402	281,531	3,775,534	4,061,065	4,061,065	0	0
2 52	H		47335239	68570970	300090	9663647	525,000	5,077,582	5,602,582	5,602,582	0	0
Total AGC			71863263	155726272	480965	155726272	806,531	8,857,116	9,663,647	9,663,647	0	0

Inland Steam

equiv Demand	5.00073823
equiv Energy	0.02450059



Demand  
 Efficiency 0.95768  
 Heat Rate 9816.9  
 Mbu Demand  
 Mbu Energy  
 \$55994 \$ /Mbu

converted  
 BILL-KW 508,649  
 Mbu-Demand 4894.11  
 BILL-KWH 277,000,529  
 Mbu-Energy 2392681.7

Dem Revenue 2,643,890  
 Energy Revenue 6,788,794  
 Total Revenue 9,332,684

Present Total Revenue 8,554,161  
 Revenue Adjustment 778,224

Load Center - Normalized

Meter #	LC =	2273	2855	4605	Revenue
21	125	944	228	24	888,692
23	12	144	108	24	439,596
27	3	36	240	46	447,336
30	30	12	96	24	991,688
34	34	12	120	12	413,076
37	37	180	96	12	428,336
49	12	144	72	96	955,980
51	51	24	144	12	613,660
52	52	108	48	36	699,112
54	54	36	312	48	474,120
55	55	36	84	12	1,197,228
57	57	132	132	12	325,248
58	58	12	84	12	517,548
59	59	84	288	0	268,296
61	61	12	84	0	410,676
64	64	48	278	84	1,192,992
36	36	540	2384	468	10,219,764
					Metering 426,000
					Met Point only 7,500
					5 Metering Point only 7,500
					10,653,264

Present Total Revenue	Revenue Adjustment
888,692	0
439,596	0
447,336	0
991,688	0
413,076	0
428,336	0
955,980	0
613,660	0
699,112	0
474,120	0
1,197,228	0
325,248	0
517,548	0
268,296	0
410,676	0
1,192,992	0
10,219,764	0
426,000	0
7,500	0
510,669,030	43,384,220

Grand Total Revenue by Member System

COOP	E	B	C	Inland Containment	Inland Steam	Gallatin	IGP	AISC	Load Center	Metering	Metering Only	Proposed Total	Present	Rate Adj
21	41,970,429	3,346,394	0	0	0	0	0	0	888,692	38,000	0	46,242,515	42,526,334	3,716,181
23	20,177,360	732,607	805,315	0	0	0	0	0	439,596	19,500	0	25,795,642	24,028,185	1,767,457
27	19,437,170	1,242,252	800,711	0	0	0	4,061,065	0	447,336	18,000	0	21,945,509	20,221,967	1,723,542
30	42,012,168	1,191,002	1,784,666	0	0	0	0	0	991,688	40,500	1500	46,020,253	42,364,688	3,655,565
34	13,398,866	6,629,299	0	0	0	0	0	0	413,076	18,500	0	20,459,344	18,871,430	1,587,914
37	20,735,730	0	2,517,318	0	0	0	0	0	428,336	18,000	0	23,697,444	21,777,590	1,919,854
49	44,354,295	6,993,656	0	0	0	33,842,557	0	0	955,980	34,500	0	86,141,187	78,952,694	7,188,493
51	26,628,149	1,961,588	117,223	0	0	0	0	0	613,660	30,000	3000	21,325,317	19,645,505	1,679,812
52	49,482,881	2,072,016	7,295,238	0	0	0	5,305,583	0	699,112	27,000	1500	34,611,402	47,484,260	3,559,111
54	12,731,750	0	3,494,417	0	0	0	0	0	474,120	18,000	1500	51,043,371	47,484,260	3,559,111
56	24,105,073	0	0	0	0	0	0	0	1,197,228	18,000	1500	56,257,242	51,840,182	4,457,060
57	12,446,242	0	0	0	0	0	0	0	325,248	15,000	0	13,071,998	12,034,882	1,037,116
58	344,593	0	0	0	0	0	0	0	517,548	12,000	0	24,645,121	22,673,225	1,971,896
59	11,613,118	0	659,535	0	0	0	0	0	268,296	12,000	0	12,726,538	11,716,472	1,010,067
61	49,624,862	8,998,679	0	0	0	0	0	0	410,676	19,500	0	344,503	314,498	30,005
64	427,253,469	32,611,902	17,474,693	7,689,734	9,332,384	33,842,557	8,663,647	5,305,583	1,192,992	46,500	7,500	554,033,251	510,669,030	43,364,220
													554,033,251	43,364,220

Fleming-Mason  
Billing Analysis  
for the 12 months ended September 30, 2006

	Total	Total	\$ Increase	% Increase
Residential	23,349,462	24,502,958	1,153,496	4.94%
Farm and Home Marketing Rate (ETS)	78,513	84,240	5,727	7.29%
Small General Service	1,311,885	1,376,789	64,904	4.95%
Large General Service	3,895,997	4,112,174	216,177	5.55%
Large General Service	3,050,766	3,252,513	201,747	6.61%
All Electric Schools	169,506	179,120	9,614	5.67%
Tennessee Gas	6,035,198	6,035,198	-	0.00%
Guardian Industries	2,949,659	3,177,659	228,000	7.73%
Dravo	6,590,930	6,973,582	382,652	5.81%
Inland Container	11,200,266	11,698,645	498,379	4.45%
Inland Steam	11,590,474	12,368,695	778,221	6.71%
Street Lighting and Security Lights	627,216	647,405	20,190	3.22%
	<hr/>	<hr/>	<hr/>	<hr/>
	70,849,870	74,408,978	3,559,108	5.02%

Fleming-Mason  
Billing Analysis  
for the 12 months ended September 30, 2006

Demand= 1  
Load Cntr= 1

Schedule 1  
Residential  
Rate 1

	Existing			Proposed			\$ Increase	% Increase	Increase Demand	Increase Energy	increase Cust
	Billing Determinants	Current	Annualized	Billing Determinants	Rate	Annualized					
		Rate	Revenues		Rate	Revenues					
Customer Charge	255,563	\$6.26	\$1,599,824	255,563	\$6.26	\$1,599,824	\$0	0.00%			\$0
Energy charge per kWh	287,961,077	\$0.06096	17,554,107	287,961,077	\$0.06497	18,707,604	\$1,153,496	6.57%		\$1,153,496	
Green Power			336			336	\$0	0.00%			
Total from base rates			19,154,268			20,307,764	\$1,153,496	6.02%			
Fuel adjustment			2,403,734			2,403,734	\$0	0.00%			
Environmental surcharge			1,791,460			1,791,460	\$0	0.00%			
Total revenues			\$23,349,462			\$24,502,958	\$1,153,496	4.94%			
Average Bill			\$91.36			\$95.88	\$4.51	4.94%			

Schedule 1-A  
Farm and Home Marketing Rate (ETS)  
Rate E18

	Existing			Proposed			\$ Increase	% Increase	Increase Demand	Increase Energy	increase Cust
	Billing Determinants	Current	Annualized	Billing Determinants	Rate	Annualized					
		Rate	Revenues		Rate	Revenues					
Customer Charge	892	\$6.26	\$5,584	892	\$6.26	\$5,584	\$0	0.00%			\$0
Energy charge per kWh	1,495,501	\$0.03515	52,567	1,495,501	\$0.03898	58,294	\$5,727	10.89%		\$5,727	
Total from base rates			58,151			63,878	\$5,727	9.85%			
Fuel adjustment			12,785			12,785	\$0	0.00%			
Environmental surcharge			7,577			7,577	\$0	0.00%			
Total revenues			\$78,513			\$84,240	\$5,727	7.29%			
Average Bill			\$88.02			\$94.44	\$6.42	7.29%			

Schedule 2  
Small General Service  
Rate 2

	Existing			Proposed			\$ Increase	% Increase	
	Billing Determinants	Current	Annualized	Billing Determinants	Current	Annualized			
		Rate	Revenues		Rate	Revenues			
Customer Charge	2,007	\$43.07	\$86,441	2,007	\$43.07	\$86,441	\$0	0.00%	\$0
Demand Charge	65,126	\$6.49	\$422,668	65,126	\$6.49	\$422,668	\$0	0.00%	\$0
Energy Charge	16,206,563	\$0.03515	569,661	16,206,563	\$0.03915	634,565	\$64,904	11.39%	\$64,904
Total Baseload Charges			<u>\$1,078,770</u>			<u>\$1,143,674</u>	\$64,904	6.02%	
Fuel adjustment			132,664			132,664	\$0	0.00%	
Environmental surcharge			<u>100,451</u>			<u>100,451</u>	\$0	0.00%	
Total Revenues			<u>\$1,311,885</u>			<u>\$1,376,789</u>	\$64,904	4.95%	
Average Bill		\$	654		\$	686	32.34	4.95%	

Schedule 3  
Large General Service  
Rate 3

	Existing			Proposed			\$ Increase	% Increase	
	Billing Determinants	Current	Annualized	Billing Determinants	Current	Annualized			
		Rate	Revenues		Rate	Revenues			
Customer Charge	1,332	\$57.31	\$76,337	1,332	\$57.31	\$76,337	\$0	0.00%	\$0
Demand Charge	195,326	\$6.06	\$1,183,676	195,326	\$6.06	\$1,183,676	\$0	0.00%	\$0
Energy Charge	53,979,150	\$0.03526	1,903,305	53,979,150	\$0.03926	2,119,482	\$216,177	11.36%	\$216,177
Total Baseload Charges			<u>\$3,163,317</u>			<u>\$3,379,494</u>	\$216,177	6.83%	
Fuel adjustment			437,923			437,923	\$0	0.00%	
Environmental surcharge			<u>294,757</u>			<u>294,757</u>	\$0	0.00%	
Revenues			<u>\$3,895,997</u>			<u>\$4,112,174</u>	\$216,177	5.55%	
Average Bill		\$	2,925		\$	3,087	162.30	5.55%	

Fleming-Mason  
Billing Analysis  
for the 12 months ended September 30, 2006

Schedule 3a  
Large General Service 1  
Rate 3

	Existing			Proposed			\$ Increase	% Increase	
	Billing Determinants	Current Rate	Annualized Revenues	Billing Determinants	Rate	Annualized Revenues			
Customer Charge	145	\$57.31	\$8,310	145	\$57.31	\$8,310	\$0	0.00%	\$0
Demand Charge	103,801	\$6.06	\$629,034	103,801	\$6.06	629,034	\$0	0.00%	\$0
Energy Charge	50,375,897	\$0.03526	1,776,254	50,375,897	\$0.03926	1,978,001	\$201,747	11.36%	\$201,747
Total Baseload Charges			<u>\$2,413,598</u>			<u>\$2,615,345</u>	\$201,747	8.36%	
Fuel adjustment			406,069			406,069	\$0	0.00%	
Environmental surcharge			231,099			231,099	\$0	0.00%	
Total Revenues			<u>\$3,050,766</u>			<u>\$3,252,513</u>	\$201,747	6.61%	
Average Bill		\$	21,040		\$	22,431	1,391.36	6.61%	

Schedule AES  
All Electric Schools  
Rate 4

	Existing			Proposed			\$ Increase	% Increase	
	Billing Determinants	Current Rate	Annualized Revenues	Billing Determinants	Rate	Annualized Revenues			
Customer Charge	24	\$56.77	\$1,362	24	\$56.77	\$1,362	\$0	0.00%	\$0
Demand Charge	8,236	\$0.00	\$0	8,236	\$0.00	-	\$0		\$0
Energy Charge	2,400,600	\$0.05692	136,642	2,400,600	\$0.06092	146,256	\$9,614	7.04%	\$9,614
Total Baseload Charges			<u>\$138,005</u>			<u>\$147,619</u>	\$9,614	6.97%	
Fuel adjustment			28,304			28,304	\$0	0.00%	
Environmental surcharge			3,197			3,197	\$0	0.00%	
Total Revenues			<u>\$169,506</u>			<u>\$179,120</u>	\$9,614	5.67%	
Average Bill		\$	7,063		\$	7,463	400.58	5.67%	

Contract Rate  
Tennessee Gas

	Existing			Proposed			\$ Increase	% Increase	
	Billing Determinants	Current	Annualized	Billing Determinants	Current	Annualized			
		Rate	Revenues		Rate	Revenues			
Customer Charge	12	\$56.77	\$681	12	\$56.77	\$681	\$0	0.00%	\$0
Demand Charge	300,000	\$1.76	\$525,000	300,000	\$1.76	525,000	\$0	0.00%	\$0
Energy Charge	88,570,870	\$0.05692	5,041,454	88,570,870	\$0.05692	5,041,454	\$0	0.00%	\$0
Customer Adder	88,570,870	0.002	177,142	88,570,870	\$0.00200	177,142	\$0	0.00%	\$0
Total Baseload Charges			<u>\$5,744,277</u>			<u>\$5,744,277</u>	\$0	0.00%	
Fuel adjustment			0			0	\$0	0.00%	
Environmental surcharge			<u>290,921</u>			<u>290,921</u>	\$0	0.00%	
Total Revenues			<u>\$6,035,198</u>			<u>\$6,035,198</u>	\$0	0.00%	
Average Bill			\$ 502,933			\$ 502,933	-	0.00%	

Fleming-Mason  
Billing Analysts  
for the 12 months ended September 30, 2006

Schedule LIS 6 B  
Guardian Industries  
Rate LIS 6 B

	Existing			Proposed			\$ Increase	% Increase	
	Billing Determinants	Current	Annualized	Billing Determinants	Current	Annualized			
		Rate	Revenues		Rate	Revenues			
Customer Charge	12	\$1,069.00	\$12,828	12	\$1,069	\$12,828	\$0	0.00%	\$0
Demand Charge	120,000	\$5.39	\$646,800	120,000	\$7.29	874,800	\$228,000	35.25%	\$228,000
Energy Charge	63,077,372	\$0.03085	1,637,437	63,077,372	\$0.03085	1,637,437	\$0	0.00%	\$0
Baseload Charges			<u>\$2,297,065</u>			<u>\$2,525,065</u>	\$228,000	9.93%	
Fuel adjustment			426,986			426,986	\$0	0.00%	
Environmental surcharge			<u>225,608</u>			<u>225,608</u>	\$0	0.00%	
Total Revenues			<u>\$2,949,659</u>			<u>\$3,177,659</u>	\$228,000	7.73%	
Average Bill			\$ 245,805			\$ 264,805	19,000.00	7.73%	

Fleming-Mason  
Billing Analysis  
for the 12 months ended September 30, 2006

Schedule LIS 6  
Dravo  
Rate LIS 6

	Existing			Proposed			\$ Increase	% Increase	
	Billing Determinants	Current	Annualized	Billing Determinants	Current	Annualized			
		Rate	Revenues		Rate	Revenues			
Customer Charge	12	\$0.00	\$0	12	\$0	\$0	\$0		\$0
Demand Charge	201,396	\$5.39	\$1,085,524	201,396	\$7.29	1,466,177	\$382,652	35.25%	\$382,652
Energy Charge	128,158,165	\$0.03085	3,953,679	128,158,165	\$0.03085	3,953,679	\$0	0.00%	\$0
Total Baseload Charges			<u>\$5,039,204</u>			<u>\$5,421,856</u>	\$382,652	7.59%	
Fuel adjustment			1,048,782			1,048,782	\$0	0.00%	
Environmental surcharge			<u>502,944</u>			<u>502,944</u>	\$0	0.00%	
Total Revenues			<u>\$6,590,930</u>			<u>\$6,973,582</u>	\$382,652	5.81%	
Average Bill			\$ 549,244			\$ 581,132	31,887.70	5.81%	

Fleming-Mason  
Billing Analysis  
for the 12 months ended September 30, 2006

Contract  
Inland Container

	Existing			Proposed			\$ Increase	% Increase	
	Billing Determinants	Current	Annualized	Billing Determinants	Current	Annualized			
		Rate	Revenues		Rate	Revenues			
Customer Charge	12	\$4,605.00	\$55,260	12	\$4,605	\$55,260	-	0.00%	\$0
Demand Charge	325,738	\$5.39	\$1,755,728	325,738	\$6.92	2,254,107	498,379	28.39%	\$0
Energy Charge	220,486,205	\$0.02756	6,076,600	220,486,205	\$0.02756	6,076,600	-	0.00%	\$0
Customer Adder							-		
Total Baseload Charges			<u>\$7,887,588</u>			<u>\$8,385,967</u>	498,379	6.32%	
Fuel adjustment			1,654,414			1,654,414	-	0.00%	
Environmental surcharge			<u>1,658,264</u>			<u>1,658,264</u>	-	0.00%	
Total Revenues			<u>\$11,200,266</u>			<u>\$11,698,645</u>	498,379	4.45%	
Average Bill			\$ 933,355			\$ 974,887	41,532	4.45%	

Fleming-Mason  
Billing Analysis  
for the 12 months ended September 30, 2006

Contract  
Inland Steam

	Existing			Proposed			\$ Increase	% Increase	Eff Factor			
	Billing Determinants	Current	Annualized	Billing Determinants	Current	Annualized						
		Rate	Revenues		Rate	Revenues						
Customer Charge	12	\$0.00	\$0	12	\$0	\$0	-	-	-	\$0		
Demand Charge	4,394.11	\$419.51	\$1,765,378	4,394	\$604.44	2,543,599	778,221	44.08%	0.957689	\$0		
Energy Charge	2,392,681.7	\$2,963.96	\$6,788,794	2,392,682	\$2,963.96	6,788,794	-	0.00%	0.957272	\$0		
Total Baseload Charges			<u>\$8,554,172</u>			<u>\$9,332,393</u>	778,221	9.10%				
Fuel adjustment			2,025,897			2,025,897	-	0.00%				
Environmental surcharge			<u>1,010,405</u>			<u>1,010,405</u>	-	0.00%				
Total Revenues			<u>\$11,590,474</u>			<u>\$12,368,695</u>	778,221	6.71%				
Average Bill			\$ 965,873			\$ 1,030,725	64,852	6.71%				
Total			\$70,849,870	Diff		\$74,408,978	\$3,559,108			610,652	1,651,666	-
Total (less TGP, Inlands)			\$42,023,933	Diff		\$44,306,441	\$2,282,508					
							\$243,680			Inland El Load Cntr		
										KWh Non-Dem	417,460,126	
										Parts		Diff (0)
										Total Incr	2,282,508	
										Dem Incr	610,652	
										Cust Incr	-	
										Energy Incr	1,671,856	
										Ener Rate	0.004004827	



Fleming-Mason  
Billing Analysis  
for the 12 months ended September 30, 2006

Street Lighting and Security Lights  
Outdoor Lighting

	Existing				Proposed				\$ Increase	% Increase
	Billing Determinants	Total kWh	Current	Annualized	Billing Determinants	Total kWh		Annualized		
			Rate	Revenues			Rate	Revenues		
7000 LUMEN MERCURY VAPOR	30,193	2,083,317	\$6.32	\$190,819.76	30,193	2,083,317	\$6.60	199,163	8,343	4.37%
20000 LUMEN MERCURY VAPOR	72	2,808	\$12.03	\$866.16	72	2,808	\$12.19	877	11	1.30%
9500 LUMEN STANDARD HPS	57,398	2,238,522	\$6.36	\$365,051.28	57,398	2,238,522	\$6.52	374,016	8,965	2.46%
9500 LUMEN ORNAMENTAL HPS	108	4,212	\$13.84	\$1,494.72	108	4,212	\$14.00	1,512	17	1.13%
9500 LUMEN DIRECTIONAL HPS	2,347	91,533	\$6.44	\$15,114.68	2,347	91,533	\$6.60	15,481	367	2.43%
22,000 LUMEN STANDARD HPS	513	41,553	\$8.85	\$4,540.05	513	41,553	\$9.17	4,706	166	3.67%
22,000 LUMEN ORNAMENTAL HPS	156	12,636	\$16.35	\$2,550.60	156	12,636	\$16.67	2,601	51	1.98%
22,000 LUMEN DIRECTIONAL HPS	945	76,545	\$8.67	\$8,193.15	945	76,545	\$8.99	8,500	307	3.74%
50,000 LUMEN STANDARD HPS	12	1,944	\$13.05	\$156.60	12	1,944	\$13.70	164	8	4.97%
50,000 LUMEN DIRECTIONAL HPS	3,014	488,268	\$12.75	\$38,428.50	3,014	488,268	\$13.40	40,384	1,955	5.09%
	94,758	5,041,338		\$627,215.50	94,758	5,041,338		647,405	20,190	3.22%



**FLEMING-MASON ENERGY COOPERATIVE**

**PSC CASE NO. 2006-00479**

**FIRST DATA REQUEST RESPONSE**

**COMMISSION STAFF'S FIRST DATA REQUEST DATED 3/12/07  
REQUEST 2**

**RESPONSIBLE PERSON: William A. Bosta**

**COMPANY: Fleming-Mason Energy Cooperative**

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

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

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

**Response 2a.** Please see the attached information.

**Request 2b.** Would Fleming-Mason agree that KRS 278.455(2) and 807 KAR 5:007, Section 2(2), require that increases or decreases in rates from the wholesale supplier must be allocated to each retail class and within each retail tariff on a proportional basis? Explain the response.

**Response 2b.** Yes. EKPC and each Member System understands these requirements and have developed proposed rates that meet the intent of KRS 278.455(2) and 807 KAR 5:007. As explained in Mr. Bosta's testimony, EKPC began the rate design process at wholesale by allocating the proposed rate increase to each rate class on a proportional basis. The proportional increase to each rate class was then applied to the most appropriate rate mechanism for each rate class.

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

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

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

**Request 2c.** Would Fleming-Mason agree that KRS 278.455(2) and 807 KAR 5:007, Section 2(2), require that the retail rate change does not change the retail rate design currently in effect? Explain the response.

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

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

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

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

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

**Request 2a  
Attachment  
Page 1 of 2**

The present and proposed rates structures of Fleming-Mason Energy Cooperative are listed below:

<u>Rate Class</u>	<u>EKPC Rate Schedule</u>	<u>Present</u>	<u>Proposed</u>
<b>Residential &amp; Small Power – Sch RSP</b>	<b>E-2</b>		
Customer charge per month		\$6.26	\$6.26
Energy charge per kWh		\$0.06096	\$0.06497
<b>Residential &amp; Small Power – Sch RSP-ETS</b>	<b>E-2</b>		
Energy charge for all kWh		\$0.03657	\$0.03898
<b>Small General Service – Sch SGS</b>	<b>E-2</b>		
Customer charge per meter		\$43.07	\$43.07
Demand charge per kW		\$6.49	\$6.49
Energy charge per kWh		\$0.03515	\$0.03915
<b>Large General Service – Sch LGS</b>	<b>E-2</b>		
Customer charge per meter		\$57.31	\$57.31
Demand charge per kW		\$6.06	\$6.06
Energy charge per kWh		\$0.03526	\$0.03926
<b>Outdoor Lighting Service – Sch OLS</b>	<b>E-2</b>		
Mercury Vapor – 7,000 Lumens – Std Service		\$6.32	\$6.60
Mercury Vapor – 7,000 Lumens – Ornamental Service		\$14.97	\$15.25
Mercury Vapor – 20,000 Lumens – Std Service		\$12.03	\$12.19
Mercury Vapor – 20,000 Lumens – Ornamental Service		\$19.54	\$19.70
High Pressure Sodium – 9,500 Lumens – Std Service		\$6.36	\$6.52
High Pressure Sodium – 9,500 Lumens – Ornamental Service		\$13.84	\$14.00
High Pressure Sodium – 9,500 Lumens – Directional Service		6.44	\$6.60
High Pressure Sodium – 22,000 Lumens – Std Service		\$8.85	\$9.17
High Pressure Sodium – 22,000 Lumens – Ornamental Service		\$16.35	\$16.67
High Pressure Sodium – 22,000 Lumens – Directional Service		\$8.67	\$8.99
High Pressure Sodium – 50,000 Lumens – Std Service		\$13.05	\$13.70
High Pressure Sodium – 50,000 Lumens – Ornamental Service		\$20.15	\$20.80
High Pressure Sodium – 50,000 Lumens – Directional Service		\$12.75	\$13.40
<b>All Electric School</b>	<b>E-2</b>		
Customer charge		\$56.77	\$56.77
Energy charge per kWh		\$0.05692	\$0.06092
<b>Large Industrial Service – Sch LIS 1</b>	<b>C</b>		
Customer charge per meter		\$535.00	\$535.00
Demand charge per kW		\$7.82	\$9.72
Energy charge per kWh		\$0.03629	\$0.03629
<b>Large Industrial Service – Sch LIS 2</b>	<b>C</b>		
Customer charge per meter		\$1,069.00	\$1,069.00
Demand charge per kW		\$7.82	\$9.72
Energy charge per kWh		\$0.03304	\$0.03304
<b>Large Industrial Service – Sch LIS 3</b>	<b>C</b>		
Customer charge per meter		\$1,069.00	\$1,069.00
Demand charge per kW		\$6.39	\$8.64
Energy charge per kWh		\$0.03198	\$0.03198
<b>Large Industrial Service – Sch LIS 4</b>	<b>C</b>		
Customer charge per meter		\$535.00	\$535.00
Demand charge per kW		\$5.39	\$7.29
Energy charge per kWh		\$0.03812	\$0.03812

**Request 2a  
Attachment  
Page 2 of 2**

<b>Large Industrial Service – Sch LIS 5</b>	<b>C</b>		
Customer charge per meter		\$1,069.00	\$1,069.00
Demand charge per kW		\$5.39	\$7.29
Energy charge per kWh		\$0.03487	\$0.03487
<b>Large Industrial Service – Sch LIS 6</b>	<b>C</b>		
Customer charge per meter		\$1,069.00	\$1,069.00
Demand charge per kW		\$5.39	\$7.29
Energy charge per kWh		\$0.03085	\$0.03085
<b>Large Industrial Service – Sch LIS 4B</b>	<b>B</b>		
Customer charge per meter		\$535.00	\$535.00
Demand charge per contract kW		\$5.39	\$7.29
Demand charge in excess of contract		\$7.82	\$9.72
Energy charge per kWh		\$0.03812	\$0.03812
<b>Large Industrial Service – Sch LIS 5B</b>	<b>B</b>		
Customer charge per meter		\$1,069.00	\$1,069.00
Demand charge per contract kW		\$5.39	\$7.29
Demand charge in excess of contract		\$7.82	\$9.72
Energy charge per kWh		\$0.03487	\$0.03487
<b>Large Industrial Service – Sch LIS 6B</b>	<b>B</b>		
Customer charge per meter		\$1,069.00	\$1,069.00
Demand charge per contract kW		\$5.39	\$7.29
Demand charge in excess of contract		\$7.82	\$9.72
Energy charge per kWh		\$0.03085	\$0.03085
<b>Special Contract – Inland Container</b>	<b>G</b>		
Customer Charge		\$4,605.00	\$4,605.00
Demand Charge per kW		\$5.39	\$6.92
Energy Charge per kWh		\$0.02756	\$0.02756
<b>Special Contract – Inland Steam</b>	<b>Special Contract</b>		
Demand Charge per MMBTU		\$419.51	\$604.44
Energy Charge per MMBTU		\$2.964	\$2.964
<b>Special Contract – Tennessee Gas</b>	<b>Special Contract</b>		
Customer Charge		\$56.77	\$56.77
Demand Charge per kW		\$1.75	\$1.75
Energy Charge per kWh		\$0.05692	\$0.05692





**FLEMING-MASON ENERGY COOPERATIVE**

**PSC CASE NO. 2006-00479**

**FIRST DATA REQUEST RESPONSE**

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

**REQUEST 3**

**RESPONSIBLE PERSON: William A. Bosta**

**COMPANY: Fleming-Mason Energy Cooperative**

**Request 3.** Refer to Exhibit III of the Application.

**Request 3a.** Prepare the following comparative analyses of Fleming-Mason's present and proposed revenues:

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

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

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

(2) Please see the attached information.

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

**Response 3b.** Maintaining the existing revenue proportion as shown in part (a) above assumes that the proportionality requirement would follow strict adherence to the existing proportion of revenues at retail, by rate mechanism component (i.e. customer, energy and demand). EKPC and the Member Systems believe that the proportionality requirement is not so narrow and that the pass-through at retail has followed the proposed wholesale rate design process in a proportional manner. At retail, for example, there is no increase in the customer charge because EKPC did not increase the metering point charge or substation charge at wholesale. Moreover, the "B" and "C" type retail industrial classes will have the same demand rate as the proposed demand rate for industrial customers at wholesale. It follows the matching concept upon which these rates were originally created.

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

Fleming-Mason Billing Analysis for the 12 months ended September 30, 2006										Request 3a 1 Attachment Page 1 of 1
	Total	Total	Total	\$ Increase	% Increase	Present Revenue Percent	Proposed Revenue Percent			
Residential	23,349,462	24,502,958	1,153,496	4.94%	32.96%	32.93%				
Farm and Home Marketing Rate (ETS)	78,513	84,240	5,727	7.29%	0.11%	0.11%				
Small General Service	1,311,885	1,376,789	64,904	4.95%	1.85%	1.85%				
Large General Service	3,895,997	4,112,174	216,177	5.55%	5.50%	5.53%				
Large Industrial Service 1	3,050,766	3,252,513	201,747	6.61%	4.31%	4.37%				
All Electric Schools	169,506	179,120	9,614	5.67%	0.24%	0.24%				
Tennessee Gas	6,035,198	6,035,198	-	0.00%	8.52%	8.11%				
Guardian Industries	2,949,659	3,177,659	228,000	7.73%	4.16%	4.27%				
Dravo	6,590,930	6,973,582	382,652	5.81%	9.30%	9.37%				
Inland Container	11,200,266	11,698,645	498,379	4.45%	15.81%	15.72%				
Inland Steam	11,590,474	12,368,695	778,221	6.71%	16.36%	16.62%				
Street Lighting and Security Lights	627,216	647,405	20,190	3.22%	0.89%	0.87%				
	70,849,870	74,408,978	3,559,108	5.02%		100.00%				

Fleming-Mason Billing Analysis for the 12 months ended September 30, 2006										Request 3a 2 Attachment Page 1 of 5	Demand=	1		
Schedule 1 Residential Rate 1										Present Percent Revenue	Proposed Percent Revenue	Increase Demand	Increase Energy	Increase Cust
Existing			Proposed			\$ Increase	% Increase							
Billing Determinants	Current Rate	Annualized Revenues	Billing Determinants	Rate	Annualized Revenues									
Customer Charge	255,563	\$6.26	\$1,599,824	255,563	\$6.26	\$1,599,824	\$0	0.00%	8.95%	7.88%				\$0
Energy charge per kWh	287,961,077	\$0.06096	17,554,107	287,961,077	\$0.0649657	18,707,604	\$1,153,498	6.57%	91.65%	92.12%			\$1,153,498	
Green Power			336			336	\$0	0.00%						
Total from base rates			19,154,268			20,307,764	\$1,153,498	6.02%	100.00%	100.00%				
Fuel adjustment			2,403,734			2,403,734	\$0	0.00%						
Environmental surcharge			1,791,460			1,791,460	\$0	0.00%						
Total revenues			\$23,349,462			\$24,502,958	\$1,153,498	4.94%						
Average Bill			\$91.36			\$95.88	\$4.51	4.94%						
Fleming-Mason Billing Analysis for the 12 months ended September 30, 2006														
Schedule 1-A Farm and Home Marketing Rate (ETS) Rate E18														
Existing			Proposed			\$ Increase	% Increase							
Billing Determinants	Current Rate	Annualized Revenues	Billing Determinants	Rate	Annualized Revenues									
Customer Charge	892	\$6.26	\$5,584	892	\$6.26	\$5,584	\$0	0.00%	9.60%	8.74%				\$0
Energy charge per kWh	1,495,501	\$0.03515	\$2,567	1,495,501	\$0.038979	58,294	\$5,727	10.89%	90.40%	91.26%			\$5,727	
Total from base rates			58,151			63,878	\$5,727	9.85%	100.00%	100.00%				
Fuel adjustment			12,785			12,785	\$0	0.00%						
Environmental surcharge			7,577			7,577	\$0	0.00%						
Total revenues			\$78,513			\$84,240	\$5,727	7.28%						
Average Bill			\$88.02			\$94.44	\$6.42	7.28%						
Fleming-Mason Billing Analysis for the 12 months ended September 30, 2006														
Schedule 2 Small General Service Rate 2														
Existing			Proposed			\$ Increase	% Increase							
Billing Determinants	Current Rate	Annualized Revenues	Billing Determinants	Rate	Annualized Revenues									
Customer Charge	2,907	\$43.07	\$66,441	2,907	\$43.07	\$66,441	\$0	0.00%	8.01%	7.56%				\$0
Demand Charge	65,126	\$6.49	\$422,668	65,126	\$6.49	\$422,668	\$0	0.00%	39.18%	38.96%			\$0	
Energy Charge	16,208,563	\$0.03515	569,861	16,208,563	\$0.0391548	634,585	\$64,904	11.35%	52.81%	55.48%			\$64,904	
Total Base-load Charges			\$1,078,770			\$1,143,674	\$64,904	6.02%	100.00%	100.00%				
Fuel adjustment			132,664			132,664	\$0	0.00%						
Environmental surcharge			100,451			100,451	\$0	0.00%						
Total Revenues			\$1,311,885			\$1,376,789	\$64,904	4.95%						
Average Bill			\$ 654			\$ 688	\$2.34	4.95%						
Fleming-Mason Billing Analysis for the 12 months ended September 30, 2006														
Schedule 3 Large General Service Rate 3														
Existing			Proposed			\$ Increase	% Increase							
Billing Determinants	Current Rate	Annualized Revenues	Billing Determinants	Rate	Annualized Revenues									
Customer Charge	1,332	\$57.31	\$76,337	1,332	\$57.31	\$76,337	\$0	0.00%	2.41%	2.28%				\$0
Demand Charge	195,326	\$6.06	\$1,183,676	195,326	\$6.06	\$1,183,676	\$0	0.00%	37.42%	35.03%			\$0	
Energy Charge	53,979,150	\$0.03526	1,903,305	53,979,150	\$0.0392648	2,119,482	\$216,177	11.36%	60.17%	62.72%			\$216,177	
Total Base-load Charges			\$3,163,317			\$3,379,494	\$216,177	6.83%	100.00%	100.00%				
Fuel adjustment			437,923			437,923	\$0	0.00%						
Environmental surcharge			294,757			294,757	\$0	0.00%						
Revenues			\$3,895,997			\$4,112,174	\$216,177	5.55%						
Average Bill			\$ 2,925			\$ 3,087	\$162.30	5.55%						

Fleming-Mason  
Billing Analysis  
for the 12 months ended September 30, 2006

Request 3a 2  
Attachment  
Page 2 of 5

Schedule 3a7  
Large Industrial Service 1  
Rate 3

	Existing			Proposed			\$ Increase	% Increase			
	Billing Determinants	Current Rate	Annualized Revenues	Billing Determinants	Rate	Annualized Revenues					
Customer Charge	145	\$97.31	\$9,310	145	\$97.31	\$9,310	\$0	0.00%	0.34%	0.32%	\$0
Demand Charge	103,801	\$6.06	\$629,034	103,801	\$6.06	\$629,034	\$0	#DIV/0!	26.06%	24.05%	\$0
Energy Charge	50,375,897	\$0.03526	1,776,254	50,375,897	\$0.0392648	1,978,001	\$201,747	11.38%	73.59%	75.63%	\$201,747
Total Baseload Charges			\$2,413,598			\$2,615,345	\$201,747	8.36%	100.00%	100.00%	
Fuel adjustment			406,069			406,069	\$0	0.00%			
Environmental surcharge			231,099			231,099	\$0	0.00%			
Total Revenues			\$3,050,766			\$3,252,513	\$201,747	6.61%			
Average Bill		\$ 21,040			\$ 22,431		1,391.36	6.61%			

Fleming-Mason  
Billing Analysis  
for the 12 months ended September 30, 2006

Schedule AES  
All Electric Schools  
Rate 4

	Existing			Proposed			\$ Increase	% Increase			
	Billing Determinants	Current Rate	Annualized Revenues	Billing Determinants	Rate	Annualized Revenues					
Customer Charge	24	\$56.77	\$1,362	24	\$56.77	\$1,362	\$0	0.00%	0.99%	0.92%	\$0
Demand Charge	8,236	\$0.00	\$0	8,236	\$0.00	\$0	\$0	#DIV/0!	0.00%	0.00%	\$0
Energy Charge	2,400,600	\$0.05692	136,642	2,400,600	\$0.06092	146,256	\$9,614	7.04%	99.01%	99.08%	\$9,614
Total Baseload Charges			\$138,005			\$147,619	\$9,614	6.97%	100.00%	100.00%	
Fuel adjustment			28,304			28,304	\$0	0.00%			
Environmental surcharge			3,197			3,197	\$0	0.00%			
Total Revenues			\$169,506			\$179,120	\$9,614	5.67%			
Average Bill		\$ 7,063			\$ 7,463		400.58	5.67%			

Fleming-Mason  
Billing Analysis  
for the 12 months ended September 30, 2006

Contract Rate  
Tennessee Gas

	Existing			Proposed			\$ Increase	% Increase			
	Billing Determinants	Current Rate	Annualized Revenues	Billing Determinants	Rate	Annualized Revenues					
Customer Charge	12	\$56.77	\$681	12	\$56.77	\$681	\$0	0.00%	0.01%	0.01%	\$0
Demand Charge	300,000	\$1.75	\$525,000	300,000	\$1.75	\$525,000	\$0	#DIV/0!	8.14%	8.14%	\$0
Energy Charge	88,570,870	\$0.05692	5,041,454	88,570,870	\$0.05692	5,041,454	\$0	0.00%	87.78%	87.78%	\$0
Customer Adder	88,570,870	0.002	177,142	88,570,870	\$0.00200	177,142	\$0	0.00%	3.08%	3.08%	
Total Baseload Charges			\$5,744,277			\$5,744,277	\$0	0.00%	100.00%	100.00%	
Fuel adjustment			0			0	\$0	#DIV/0!			
Environmental surcharge			290,921			290,921	\$0	0.00%			
Total Revenues			\$6,035,198			\$6,035,198	\$0	0.00%			
Average Bill		\$ 502,933			\$ 502,933			0.00%			

Fleming-Mason  
Billing Analysis  
for the 12 months ended September 30, 2006

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Attachment  
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Schedule LIS 6 B  
Guardian Industries  
Rate LIS 6 B

	Existing			Proposed			\$ Increase	% Increase			
	Billing Determinants	Current Rate	Annualized Revenues	Billing Determinants	Rate	Annualized Revenues					
Customer Charge	12	\$1,089.00	\$12,828	12	\$1,089	\$12,828	\$0	0.00%	0.58%	0.51%	\$0
Demand Charge	120,000	\$5.39	\$646,800	120,000	\$7.29	874,800	\$228,000	35.25%	20.16%	34.64%	\$228,000
Energy Charge	53,077,372	\$0.03085	1,637,437	53,077,372	\$0.03085	1,637,437	\$0	0.00%	71.28%	64.85%	\$0
Total BaseLoad Charges			\$2,297,065			\$2,525,085	\$228,000	9.93%			
Fuel adjustment			428,986			428,986	\$0	0.00%			
Environmental surcharge			225,608			225,608	\$0	0.00%			
Total Revenues			\$2,949,659			\$3,177,659	\$228,000	7.73%			
Average Bill			\$ 245,805			\$ 264,805	19,000.00	7.73%			

Fleming-Mason  
Billing Analysis  
for the 12 months ended September 30, 2006

Schedule LIS 6  
Dravo  
Rate LIS 6

	Existing			Proposed			\$ Increase	% Increase			
	Billing Determinants	Current Rate	Annualized Revenues	Billing Determinants	Rate	Annualized Revenues					
Customer Charge	12	\$0.00	\$0	12	\$0	\$0	\$0	#DIV/0!	0.00%	0.00%	\$0
Demand Charge	201,396	\$5.39	\$1,085,524	201,396	\$7.29	1,468,177	\$382,652	35.25%	21.64%	27.08%	\$382,652
Energy Charge	128,158,165	\$0.03085	3,953,679	128,158,165	\$0.03085	3,953,679	\$0	0.00%	78.46%	72.92%	\$0
Total BaseLoad Charges			\$5,039,204			\$5,421,856	\$382,652	7.59%			
Fuel adjustment			1,048,782			1,048,782	\$0	0.00%			
Environmental surcharge			502,944			502,944	\$0	0.00%			
Total Revenues			\$6,590,930			\$6,973,582	\$382,652	5.81%			
Average Bill			\$ 549,244			\$ 581,132	31,887.70	5.81%			

Fleming-Mason  
Billing Analysis  
for the 12 months ended September 30, 2006

Contract  
Inland Container  
Rate LIS 6

	Existing			Proposed			\$ Increase	% Increase			
	Billing Determinants	Current Rate	Annualized Revenues	Billing Determinants	Rate	Annualized Revenues					
Customer Charge	12	\$4,605.00	\$55,260	12	\$4,605	\$55,260	\$0	0.00%	0.70%	0.66%	\$0
Demand Charge	325,738	\$5.39	\$1,755,728	325,738	\$6.92	2,254,107	\$498,379	28.39%	22.26%	26.86%	\$0
Energy Charge	220,466,205	\$0.02756	6,076,600	220,466,205	\$0.02756	6,076,600	\$0	0.00%	77.04%	72.46%	\$0
Total BaseLoad Charges			\$7,887,588			\$8,385,967	\$498,379	6.32%			
Fuel adjustment			1,654,414			1,654,414	\$0	0.00%			
Environmental surcharge			1,658,264			1,658,264	\$0	0.00%			
Total Revenues			\$11,200,266			\$11,690,845	\$490,579	4.46%			
Average Bill			\$ 933,355			\$ 974,887	41,531.60	4.45%			

Fleming-Mason  
Billing Analysis  
for the 12 months ended September 30, 2006

Request 3a 2  
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Contract  
Inland Steam

	Existing			Proposed			\$ Increase	% Increase	Eff Factor				
	Billing Determinants	Current Rate	Annualized Revenues	Billing Determinants	Rate	Annualized Revenues							
	Customer Charge	12	\$0.00	\$0	12	\$0					\$0	\$0	#DIV/0!
Demand Charge	4,394.11	\$419.51	\$1,765,378	4,394	\$604.44	2,543,599	\$778,221	44.08%	20.64%	27.28%	0.957689	\$0	
Energy Charge	2,392,681.7	\$2.96396	\$6,788,794	2,392,682	\$2.96396	6,788,794	\$0	0.00%	79.36%	72.74%	0.957272	\$0	
<b>Total Baseload Charges</b>			\$8,554,172			\$9,332,393	\$778,221	9.10%					
Fuel adjustment			2,025,897			2,025,897	\$0	0.00%					
Environmental surcharge			1,010,405			1,010,405	\$0	0.00%					
<b>Total Revenues</b>			\$11,590,474			\$12,368,695	\$778,221	6.71%					
<b>Average Bill</b>			\$ 965,873			\$ 1,030,725	\$ 64,851.73	6.71%					
<b>Total</b>			\$70,849,870			\$74,408,978	\$3,559,108				610,652	1,651,668	
				Diff		\$3,559,108	\$243,080	Inland EI Load Cntr					
<b>Total (less TGP, Inlands)</b>			\$42,023,933			\$44,306,441	\$2,282,508				KWh		
				Diff		\$2,282,508					Non-Dem		
											417,460,128		
											Perts		Diff
											2,282,508	2,282,508	(0)
											Total Incr		
											Dem Incr		
											610,652		
											Cust Incr		
											1,671,856		
											Energy In		
											Ener Rate	0.004004827	



Fleming-Mason  
Billing Analysis  
for the 12 months ended September 30, 2006  
Street Lighting and Security Lights  
Outdoor Lighting

kWh	Existing		Proposed		Total kWh	Rate	Annualized Revenues
	Billing Determinants	Total kWh	Current Rate	Annualized Revenues			

kWh	Existing		Proposed		Total kWh	Rate	Annualized Revenues
	Billing Determinants	Total kWh	Current Rate	Annualized Revenues			

kWh	Existing		Proposed		Total kWh	Rate	Annualized Revenues
	Billing Determinants	Total kWh	Current Rate	Annualized Revenues			

kWh	Existing		Proposed		Total kWh	Rate	Annualized Revenues
	Billing Determinants	Total kWh	Current Rate	Annualized Revenues			

kWh	Existing		Proposed		Total kWh	Rate	Annualized Revenues	\$ Increase	% Increase	Present	Proposed		
	Billing Determinants	Total kWh	Current Rate	Annualized Revenues									
7000 LUMEN MERCURY VAPOR	69	30,193	2,083,317	\$6.32	\$190,819.76	30,193	2,083,317	\$6.60	199,163	8,343	4.37%	30.42%	30.76%
20000 LUMEN MERCURY VAPOR	39	72	2,808	\$12.03	\$866.16	72	2,808	\$12.19	877	11	1.30%	0.14%	0.14%
9500 LUMEN STANDARD HIGH PRESSURE SODI	39	57,398	2,238,522	\$6.36	\$365,051.28	57,398	2,238,522	\$6.52	374,016	8,965	2.46%	58.20%	57.77%
9500 LUMEN ORNAMENTAL HPS	39	108	4,212	\$13.84	\$1,494.72	108	4,212	\$14.00	1,512	17	1.13%	0.24%	0.23%
9500 LUMEN DIRECTIONAL HPS	39	2,347	91,533	\$8.44	\$15,114.68	2,347	91,533	\$8.60	15,481	367	2.43%	2.41%	2.39%
22,000 LUMEN STANDARD HPS	81	513	41,553	\$8.85	\$4,540.05	513	41,553	\$9.17	4,706	166	3.67%	0.72%	0.73%
22,000 LUMEN ORNAMENTAL HPS	81	156	12,636	\$16.35	\$2,550.60	156	12,636	\$16.67	2,601	51	1.98%	0.41%	0.40%
22,000 LUMEN DIRECTIONAL HPS	81	945	76,545	\$8.67	\$8,193.15	945	76,545	\$8.99	8,500	307	3.74%	1.31%	1.31%
50,000 LUMEN STANDARD HPS	162	12	1,944	\$13.05	\$156.60	12	1,944	\$13.70	164	8	4.97%	0.02%	0.03%
50,000 LUMEN DIRECTIONAL HPS	162	3,014	488,268	\$12.75	\$38,428.50	3,014	488,268	\$13.40	40,384	1,955	5.09%	6.13%	6.24%
		94,758	5,041,338		\$627,215.50	94,758	5,041,338		647,405	20,190		3.22%	

## Analysis of Wholesale to Retail Proportionality

Wholesale	Retail

	Existing	Proposed	Change	Existing	Proposed	Change
<b>I Customer Charge</b>						
Metering Point Charge	\$125/Mo.	\$125/Mo.	\$ -	Residential Customer Charge	\$6.26/ Mo	\$6.26/ Mo \$ -
Substation at less than 3 MVA	\$944/Mo.	\$944/Mo.	\$ -	Residential Customer Charge	\$6.26/ Mo	\$6.26/ Mo \$ -
<b>II Demand Charge</b>						
B&C Demand Charge (\$/kW)	\$5.39	\$7.29	\$1.90	Industrial Rate (\$/kW)	\$5.39	\$7.29 \$1.90

**III Energy Charge**  
 The non-industrial wholesale increase was based on the dollar amount remaining to be recovered at wholesale, divided by kWh.  
 The non-industrial retail increase was based on the dollar amount remaining to be recovered at retail, divided by kWh.