

CRAWFORD & BAXTER, P.S.C.

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

James M. Crawford
Ruth H. Baxter
Nicholas A. Marsh

RECEIVED

MAR 21 2007

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

March 21, 2007

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

RECEIVED

MAR 21 2007

**PUBLIC SERVICE
COMMISSION**

RE: **PSC Case No. 2006-00485**

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 Owen Electric Cooperative, Inc., to the Commission Staff's First Data Requests dated March 12, 2007.

Respectfully yours,

CRAWFORD & BAXTER, P.S.C.


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

JMC/mns

Enclosures

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| | | |
|---|---|-------------------|
| APPLICATION OF OWEN ELECTRIC |) | |
| COOPERATIVE, INC. TO PASS-THROUGH AN |) | CASE NO. |
| INCREASE OF ITS WHOLESALE POWER |) | 2006-00485 |
| SUPPLIER PURSUANT TO KRS 278.455(2) |) | |

**RESPONSES TO COMMISSION STAFF'S FIRST DATA REQUEST
TO OWEN ELECTRIC COOPERATIVE, INC.
DATED MARCH 12, 2007**

OWEN ELECTRIC COOPERATIVE, INC.

PSC CASE NO. 2006-00485

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

Owen Electric Cooperative, Inc. ("Owen") 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.

OWEN ELECTRIC COOPERATIVE, INC.

PSC CASE NO. 2006-00485

FIRST DATA REQUEST RESPONSE

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

REQUEST 1

RESPONSIBLE PERSON: William A. Bosta

COMPANY: Owen Electric Cooperative, Inc.

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 Owen.

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 I-A, 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.

Billing Units - Base Rate Revenue

| Rate E | Demand Energy / | 1.50 | 0.00378 | 6.52 | 0.0314 | 0.030856 |
|--------|-----------------|---------------|---------------|------------|---------------|----------|
| # | COOP | KWH-1 | KWH-2 | BILL-KW | BILL-KWH | |
| 1 21 | E | 470,352,562 | 440,516,377 | 1,968,899 | 970,600,129 | |
| 2 23 | E | 222,403,420 | 189,160,466 | 984,482 | 430,553,916 | |
| 3 27 | E | 210,787,748 | 189,250,364 | 990,758 | 410,078,112 | |
| 4 3 | E | 452,868,417 | 443,652,958 | 2,065,271 | 896,519,575 | |
| 5 30 | E | 146,154,687 | 139,307,277 | 647,941 | 285,461,864 | |
| 6 34 | E | 230,603,822 | 223,099,895 | 952,597 | 453,703,717 | |
| 7 37 | E | 500,365,807 | 485,225,238 | 2,051,890 | 965,591,045 | |
| 8 49 | E | 223,901,690 | 217,477,199 | 1,001,814 | 441,378,889 | |
| 9 51 | E | 296,221,018 | 278,013,594 | 1,266,875 | 574,235,012 | |
| 10 52 | E | 222,824,915 | 219,464,946 | 972,808 | 442,289,861 | |
| 11 54 | E | 529,715,951 | 521,118,913 | 2,481,582 | 1,050,834,764 | |
| 12 56 | E | 139,856,698 | 135,512,940 | 613,735 | 274,269,328 | |
| 13 57 | E | 263,407,107 | 258,258,408 | 1,148,221 | 521,665,511 | |
| 14 59 | E | 134,650,874 | 132,562,550 | 607,493 | 267,213,424 | |
| 15 59 | E | 3,706,990 | 4,230,920 | 13,638 | 3,706,990 | |
| 16 61 | E | 128,984,703 | 124,373,132 | 578,431 | 253,367,535 | |
| 17 64 | E | 506,696,894 | 477,299,984 | 2,314,288 | 994,097,878 | |
| | | 4,662,541,283 | 4,487,656,391 | 20,708,501 | 9,170,197,674 | |

Rate E - Interr

| Firm | Demand | 5.22 |
|-----------|---------|----------|
| Interr 60 | Demand | 2.07 |
| | Eng-ON | 0.038464 |
| | Eng-OFF | 0.030888 |

| # | COOP | NAME | R/C | KNTR-KW | KWH-1 | KWH-2 | BILL-KW | XS-KW |
|------|------|-------------|-----|---------|-----------|-----------|---------|--------|
| 1 30 | E | Cedar Lake | E3 | 0 | 1,116,258 | 1,181,355 | 5,407 | 5,407 |
| 2 51 | E | Magnolia Co | E3 | 0 | 384,269 | 482,465 | 1,073 | 1,073 |
| 3 64 | E | Chaplin | E3 | 120 | 3,673,073 | 4,618,956 | 9,582 | 9,462 |
| | | | | 120 | 5,155,598 | 6,282,776 | 16,062 | 15,942 |

Rate B

| Demand | 7.29 |
|--------------------------|----------|
| Excess D <td>9.72</td> | 9.72 |
| Energy <td>0.027325</td> | 0.027325 |

| # | COOP | R_GROUP | KNTR-KW | BILL-KW | BILL-KWH | XS-KW |
|------|------|---------|-----------|-----------|-------------|--------|
| 1 21 | B | 8 | 72,800 | 74,610 | 44,569,893 | 1,810 |
| 2 23 | B | 8 | 9,420 | 10,266 | 5,705,834 | 848 |
| 3 27 | B | 8 | 46,500 | 54,960 | 30,048,506 | 8,460 |
| 4 3 | B | 8 | 51,500 | 55,156 | 28,548,395 | 3,656 |
| 5 30 | B | 8 | 239,723 | 283,250 | 170,284,930 | 23,527 |
| 6 37 | B | 8 | 192,700 | 208,094 | 119,181,435 | 15,334 |
| 7 51 | B | 8 | 81,600 | 81,800 | 48,962,803 | |
| 8 54 | B | 8 | 64,200 | 90,058 | 49,502,574 | 25,858 |
| 9 64 | B | 8 | 344,900 | 358,525 | 232,052,348 | 13,625 |
| | | | 1,103,543 | 1,198,659 | 729,894,618 | 93,116 |

Rate B - Interr

| Firm | Demand | 7.29 |
|-----------|---------------------------|----------|
| Interr 60 | Demand <td>3.69</td> | 3.69 |
| | Eng-ON <td>4.14</td> | 4.14 |
| | Eng-OFF <td>0.027325</td> | 0.027325 |

| # | COOP | NAME | R/C | KNTR-KW | BILL-KW | BILL-KWH | XS-KW |
|------|------|-------------|-------|---------|---------|-------------|--------|
| 1 21 | B | Liv/Tulp | OH-BD | 69000 | 69045 | 39415397 | 45 |
| 2 37 | B | Air-Liquide | BD | 3960 | 90288 | 6578568 | 86688 |
| | | | | 72,800 | 159,313 | 105,191,965 | 66,713 |

| Present | Proposed |
|---------------|---------------|
| Total Revenue | Total Revenue |
| 38,527,193 | 41,970,429 |
| 3,443,237 | 13,611,081 |
| 18,548,828 | 6,431,743 |
| 17,887,075 | 20,177,360 |
| 1,550,935 | 19,437,170 |
| 3,398,843 | 16,157,674 |
| 42,012,158 | 17,419,054 |
| 13,308,262 | 13,707,989 |
| 10,779,046 | 5,621,694 |
| 1,715,000 | 4,304,316 |
| 3,649,934 | 6,893,341 |
| 18,892,822 | 20,735,790 |
| 2,170,588 | 44,354,295 |
| 1,671,856 | 20,951,234 |
| 3,972,155 | 28,597,009 |
| 1,032,116 | 24,428,401 |
| 1,871,888 | 18,757,557 |
| 1,010,867 | 45,510,426 |
| 30,005 | 11,684,634 |
| 957,683 | 22,193,177 |
| 3,719,852 | 11,458,176 |
| | 314,468 |
| | 10,653,426 |
| | 42,600,799 |
| | 3,719,852 |
| | 392,164,092 |
| | 34,665,347 |

| Demand | Energy-ON | Energy-OFF | Total |
|---------|-----------|------------|---------|
| Revenue | Revenue | Revenue | Revenue |
| 11,192 | 43,013 | 36,502 | 90,707 |
| 2,221 | 14,011 | 14,907 | 31,140 |
| 20,213 | 141,281 | 142,717 | 304,210 |
| 33,626 | 198,305 | 194,125 | 426,056 |

| Present | Proposed |
|---------------|---------------|
| Total Revenue | Total Revenue |
| 1,624,413 | 1,756,172 |
| 141,759 | 232,807 |
| 213,301 | 195,912 |
| 1,137,668 | 1,242,292 |
| 104,424 | 1,181,002 |
| 1,086,205 | 780,030 |
| 500,175 | 6,629,259 |
| 395,265 | 4,810,462 |
| 155,420 | 1,961,559 |
| 171,110 | 2,072,016 |
| 691,198 | 8,988,679 |
| 2,273,652 | 28,894,286 |

| Firm | Demand | Interr | Total |
|---------|---------|-----------|-----------|
| Revenue | Revenue | Revenue | Revenue |
| 533,010 | 186 | 1,077,026 | 1,580,222 |
| 28,244 | 319,805 | 1,757,245 | 2,143,394 |
| 529,254 | 319,591 | 2,874,370 | 3,723,616 |

Rate C

| # | COOP | R_GROUP | BILL-KWH | BILL-KWH | Demand Revenue | Energy Revenue | Total Revenue | Present Total Revenue | Revenue Adjustment |
|---------|------|----------|----------|-------------|----------------|----------------|---------------|-----------------------|--------------------|
| 21 | C | 0.027325 | 31,800 | 20,667,840 | 231,822 | 573,493 | 805,315 | 744,855 | 80,420 |
| 1 23 | C | | 38,328 | 19,611,348 | 204,531 | 536,880 | 800,711 | 731,698 | 69,023 |
| 2 27 | C | | 85,224 | 42,585,201 | 621,265 | 1,163,643 | 1,784,926 | 1,623,001 | 161,926 |
| 3 3 | C | | | | | | | | |
| 4 34 | C | | 107,818 | 63,360,482 | 785,963 | 1,731,325 | 2,517,318 | 2,372,464 | 204,854 |
| 5 49 | C | | 6,000 | 2,689,215 | 43,740 | 73,463 | 117,223 | 105,823 | 11,400 |
| 6 51 | C | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 7 52 | C | | 321,368 | 181,235,637 | 2,342,977 | 4,952,261 | 7,295,238 | 6,664,985 | 610,652 |
| 8 54 | C | | 165,155 | 83,622,026 | 1,203,880 | 2,290,437 | 3,494,417 | 3,160,622 | 313,795 |
| 56 | | | | | | | | | |
| 57 | | | | | | | | | |
| 58 | | | | | | | | | |
| 59 | | | | | | | | | |
| 9 61 | C | | 28,873 | 16,407,017 | 211,213 | 448,322 | 659,535 | 604,486 | 55,049 |
| 64 | | | | | | | | | |
| Total C | | | 782,664 | 430,698,767 | 5,705,639 | 11,769,844 | 17,474,683 | 15,967,664 | 1,487,119 |

Inland Container

| # | COOP | NAME | R/C | BILL-KWH | BILL-KWH | Demand Revenue | Energy Revenue | Total Revenue | Present Total Revenue | Revenue Adjustment |
|------|------|-----------------|-----|----------|-------------|----------------|----------------|---------------|-----------------------|--------------------|
| 1 52 | C | Inland Conts CM | | 325,736 | 220,486,205 | 2,254,107 | 5,635,627 | 7,889,734 | 7,361,355 | 498,379 |

AGC

| # | COOP | NAME | R/C | BILL-KWH | BILL-KWH | Demand Revenue | Energy Revenue | Total Revenue | Present Total Revenue | Revenue Adjustment |
|-----------|------|---------------|-----|----------|-------------|----------------|----------------|---------------|-----------------------|--------------------|
| 1 51 | C | AGC Autome BD | | 64,252 | 44,713,666 | 444,624 | 1,127,645 | 1,572,169 | 1,473,664 | 98,306 |
| 2 51 | C | AGC Autome CM | | 161,750 | 102,473,245 | 1,119,310 | 2,974,104 | 3,733,414 | 3,465,937 | 247,478 |
| Total AGC | | | | 226,002 | 146,986,911 | 1,563,934 | 3,741,649 | 5,305,583 | 4,939,600 | 345,763 |

Gallatin

| # | COOP | R_GROUP | KWH-1 | BILL-KWH | BILL-KWH | Demand Revenue | Energy-ON Revenue | Energy-OFF Revenue | Total Revenue | Present Total Revenue | Revenue Adjustment |
|---------------|------|---------|-------------|-------------|-----------|----------------|-------------------|--------------------|---------------|-----------------------|--------------------|
| 1 37 | C | G | 379,667,504 | 774,668,148 | 1,942,343 | 7,384,687 | 8,638,806 | 17,617,063 | 33,842,557 | 30,870,772 | 2,971,785 |
| Firm | | | | 180,000 | | | | | | | |
| 10 min Interr | | | | 1,440,000 | | | | | | | |
| 90 min Interr | | | | 322,343 | | | | | | | |
| Total | | | | 1,942,343 | | | | | | | |

IGP

| # | COOP | R_GROUP | KWH-1 | BILL-KWH | BILL-KWH | Demand Revenue | Energy-ON Revenue | Energy Revenue | Total Revenue | Present Total Revenue | Revenue Adjustment |
|-------|------|---------|----------|----------|----------|----------------|-------------------|----------------|---------------|-----------------------|--------------------|
| 1 23 | H | H | 30733734 | 36421668 | 160,876 | 281,531 | 3,779,534 | 4,061,065 | 4,061,065 | 0 | 0 |
| 2 52 | H | H | 40831542 | 47739328 | 300,000 | 562,682 | 5,077,582 | 5,602,582 | 5,602,582 | 0 | 0 |
| Total | | | 71565278 | 84160996 | 460,876 | 808,531 | 8,857,116 | 9,663,647 | 9,663,647 | 0 | 0 |

Inland Steam

| | |
|--------|------------|
| equity | 5.00073523 |
| Demand | 0.02490658 |
| Energy | |

Demand F
 Efficiency 0.957689
 Plant Rate \$916.9
 Mbu Demand 38014 \$ /Mbu
 Energy 865994 \$ /Mbu
 converted
 BILL-KVW 508,640
 Mbu-Demand 4394.11
 BILL-KVWH 277,090.529
 Mbu-Energy 2392661.7

Load Center - Normalized

| Meter # | LC = | 2373 | 2855 | 4695 | Revenue |
|---------|------|------|------|-----------------------|-------------|
| 21 | COOP | 944 | 2855 | 4695 | Revenue |
| 21 | | 12 | 228 | 24 | 886,692 |
| 23 | | 12 | 144 | 24 | 439,596 |
| 27 | | 12 | 108 | 24 | 447,336 |
| 3 | | 36 | 240 | 48 | 991,668 |
| 30 | | 12 | 86 | 24 | 413,076 |
| 34 | | 12 | 120 | 12 | 426,336 |
| 37 | | 180 | 180 | 96 | 855,960 |
| 49 | | 12 | 72 | 12 | 613,660 |
| 51 | | 24 | 144 | 48 | 688,112 |
| 52 | | 108 | 36 | 48 | 474,120 |
| 54 | | 36 | 312 | 48 | 1,197,228 |
| 56 | | 36 | 84 | 12 | 325,248 |
| 57 | | 132 | 132 | 12 | 517,548 |
| 58 | | 12 | 84 | 12 | 268,296 |
| 59 | | 72 | 84 | 0 | 410,676 |
| 64 | | 48 | 228 | 84 | 1,162,992 |
| 36 | | 540 | 2384 | 468 | 10,219,764 |
| | | | | Metering | 426,000 |
| | | | | Met Point only | 7,500 |
| | | | | Metering | 426,000 |
| | | | | 5 Metering Point only | 7,500 |
| | | | | | 554,033,251 |

| Dem. Revs. | Energy Revenue | Total Revenue |
|------------|----------------|---------------|
| 2,543,680 | 6,788,794 | 9,332,384 |
| | | 778,224 |
| | | 8,554,161 |

| Present Total Revenue | Revenue Adjustment |
|-----------------------|--------------------|
| 886,692 | 0 |
| 439,596 | 0 |
| 447,336 | 0 |
| 991,668 | 0 |
| 413,076 | 0 |
| 426,336 | 0 |
| 855,960 | 0 |
| 613,660 | 0 |
| 688,112 | 0 |
| 474,120 | 0 |
| 1,197,228 | 0 |
| 325,248 | 0 |
| 517,548 | 0 |
| 268,296 | 0 |
| 0 | 0 |
| 410,676 | 0 |
| 1,162,992 | 0 |
| 10,219,764 | 0 |
| 426,000 | 0 |
| 7,500 | 0 |
| 510,669,030 | 43,364,220 |

Grand Total Revenue by Member System

| COOP | E | B | C | Inland Container | Inland Steam | Galatin | IGP | AGC | Load Center | Metering | Metering Only | Proposed Total | Present | Rate Adj |
|------|-------------|------------|------------|------------------|--------------|------------|-----------|-----------|-------------|----------|---------------|----------------|-------------|------------|
| 21 | 41,970,429 | 3,346,394 | 0 | 0 | 0 | 0 | 0 | 0 | 886,692 | 39,000 | 0 | 46,242,515 | 42,526,334 | 3,716,181 |
| 23 | 20,177,960 | 232,807 | 805,316 | 0 | 0 | 0 | 0 | 0 | 439,596 | 19,500 | 0 | 25,735,642 | 24,028,185 | 1,707,457 |
| 27 | 19,437,170 | 1,242,292 | 800,711 | 0 | 0 | 0 | 0 | 0 | 447,336 | 18,000 | 0 | 21,945,509 | 20,221,967 | 1,723,542 |
| 3 | 42,012,158 | 1,191,062 | 1,784,828 | 0 | 0 | 0 | 4,061,065 | 0 | 991,668 | 40,500 | 0 | 46,020,253 | 42,364,688 | 3,655,565 |
| 30 | 13,398,968 | 6,628,259 | 0 | 0 | 0 | 0 | 0 | 0 | 413,076 | 16,500 | 1500 | 20,459,344 | 18,871,430 | 1,587,914 |
| 34 | 20,735,790 | 0 | 2,517,318 | 0 | 0 | 0 | 0 | 0 | 426,336 | 18,000 | 0 | 23,697,444 | 21,777,590 | 1,919,854 |
| 37 | 44,354,295 | 6,953,856 | 0 | 0 | 0 | 33,842,557 | 0 | 0 | 955,960 | 34,500 | 0 | 86,141,167 | 78,952,694 | 7,188,463 |
| 49 | 20,661,234 | 0 | 117,223 | 0 | 0 | 0 | 0 | 0 | 613,660 | 30,000 | 3000 | 21,325,917 | 19,645,605 | 1,679,812 |
| 51 | 26,628,149 | 1,961,658 | 0 | 0 | 0 | 0 | 5,305,583 | 0 | 688,112 | 27,000 | 0 | 34,611,402 | 31,995,300 | 2,615,012 |
| 52 | 20,429,213 | 0 | 7,289,239 | 0 | 9,332,384 | 0 | 0 | 0 | 474,120 | 18,000 | 1500 | 51,043,372 | 47,644,208 | 3,399,111 |
| 54 | 19,482,591 | 2,072,016 | 3,494,417 | 0 | 0 | 0 | 0 | 0 | 1,197,228 | 49,500 | 1500 | 56,297,242 | 51,840,182 | 4,457,060 |
| 56 | 12,731,750 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 325,248 | 15,000 | 0 | 13,071,998 | 12,034,682 | 1,037,116 |
| 57 | 24,105,073 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 517,548 | 22,500 | 0 | 24,643,121 | 22,673,225 | 1,971,699 |
| 58 | 12,446,242 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 268,296 | 12,000 | 0 | 12,726,538 | 11,716,472 | 1,010,067 |
| 59 | 344,503 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 344,503 | 314,498 | 30,005 |
| 61 | 11,813,118 | 0 | 659,535 | 0 | 0 | 0 | 0 | 0 | 410,676 | 19,500 | 0 | 12,992,629 | 11,890,088 | 1,012,741 |
| 64 | 46,624,852 | 8,989,679 | 0 | 0 | 0 | 0 | 0 | 0 | 1,162,992 | 46,500 | 0 | 56,823,033 | 52,990,640 | 4,432,394 |
| | 427,253,466 | 32,617,802 | 17,474,653 | 7,869,734 | 9,332,384 | 33,842,557 | 8,663,647 | 5,305,583 | 10,219,764 | 426,000 | 7,500 | 554,033,251 | 510,669,030 | 43,364,220 |
| | | | | | | | | | | | | 594,033,251 | | |

Owen Energy Cooperative

Billing Analysis

for the 12 months ended September 30, 2006

| Rate | Schedule | Total Present Annualized Revenues | Total Proposed Revenues | \$ Increase | % Increase |
|---------------------------|--|-----------------------------------|-------------------------|-------------|------------|
| Rate 9 LPB-1 | Schedule XI | \$4,497,208 | \$4,802,971 | \$305,763 | 6.80% |
| Rate 12 LPB | Schedule XIV | \$1,034,186 | \$1,097,937 | \$63,751 | 6.16% |
| Rate 13 LPB-2 | Schedule XIII | \$5,143,871 | \$5,483,798 | \$339,927 | 6.61% |
| Rate 1 | Schedule I - Farm and Home | \$58,769,371 | \$61,375,256 | \$2,605,885 | 4.43% |
| Rate 3 | Schedule I - Small Commercial | \$3,468,030 | \$3,619,800 | \$151,771 | 4.38% |
| Rate 4 | Schedule II - Large Power | \$13,683,620 | \$14,366,294 | \$682,673 | 4.99% |
| Rate 5 | Schedule II Large Power w/ Disc for Primary Metering | \$419,281 | \$439,028 | \$19,747 | 4.71% |
| Rate 6 - Outdoor Lighting | Schedule III - Security Lights | \$721,382 | \$750,582 | \$29,200 | 4.05% |
| Rate 6 - Outdoor Lighting | Schedule I OLS - Outdoor Lighting Service | \$173,256 | \$176,337 | \$3,081 | 1.78% |
| Rate 6 - Outdoor Lighting | Schedule II SOLS - Special Outdoor Lighting Service | \$23,245 | \$23,620 | \$375 | 1.61% |
| Rate 10 | Schedule IA - Farm and Home Off-Pk Marketing Rate | \$3,385 | \$3,535 | \$150 | 4.42% |
| Rate 20 | Schedule 2-A - Large Power - Time of Day | \$288,012 | \$302,399 | \$14,386 | 5.00% |
| Gallatin Steel | Gallatin Steel | \$43,244,379 | \$46,216,164 | \$2,971,785 | 6.87% |
| | Totals | \$131,469,227 | \$138,657,720 | \$7,188,493 | 5.47% |

OWEN ELECTRIC COOPERATIVE
BILLING ANALYSIS - OCT 2005 - SEP 2006
RATE 1
SCHEDULE I - FARM AND HOME

OWEN ELECTRIC COOPERATIVE
BILLING ANALYSIS - OCT 2005 - SEP 2006
RATE 1
SCHEDULE I - FARM AND HOME

| | | | | | |
|---------------------|---------|------------------|------------------------------|-------------|------------|
| Number Bills | | 621,894 | Customer Charge | | |
| Customer Charge | \$ 5.50 | \$ 3,420,417.00 | Energy Charge per kWh | 676,299,532 | \$ 0.06725 |
| Number kWh | | 676,299,532 | Total from Base Rates | | |
| Energy Charge | 0.06725 | \$ 45,481,143.53 | Plus Fuel Adjustment | | |
| | | | Plus Environmental Surcharge | | |
| | | | Green Power | | |
| | | | Total Revenues | | |
| Total Base Rates | | \$ 48,901,560.53 | Average | | \$ 94.50 |
| Lights | | | | | |
| FAC Revenue | | \$ 5,586,556.85 | | | |
| ES Revenue (AMT 3) | | \$ 4,264,797.23 | | | |
| Green Power(AMT 1) | | \$ 16,456.00 | | | |
| Total Sales Revenue | | \$ 58,769,370.61 | | | |
| Reoccur Chgs. | | | | | |
| Misc. Charges | | | | | |
| Other Charges | | | | | |
| Penalty | | \$ 686,237.43 | | | |
| Revenue Totals | | \$ 59,455,608.04 | | | |

| Billing Determinants | Actual | | Proposed | | Dollar Increase | Percent Increase |
|----------------------|------------|---------------|-----------|---------------|-----------------|------------------|
| | Rate | Revenues | Rate | Revenues | | |
| (1) | (2) | (3)=(1)*(2) | (4) | (5) | (6) | (7) |
| 621,894 | \$ 5.50 | \$ 3,420,417 | \$5.50 | \$ 3,420,417 | \$ - | |
| 676,299,532 | \$ 0.06725 | \$ 45,481,144 | \$0.07110 | \$48,087,029 | \$ 2,605,885 | |
| | | \$ 48,901,561 | | \$ 51,507,446 | \$ 2,605,885 | |
| | | \$ 5,586,557 | | \$ 5,586,557 | \$ - | |
| | | \$ 4,264,797 | | \$ 4,264,797 | \$ - | |
| | | \$ 16,456 | | \$ 16,456 | \$ - | |
| | | \$ 58,769,371 | | \$ 61,375,256 | \$ 2,605,885 | 4.43% |
| | | \$ 94.50 | | \$ 98.69 | \$ 4.19 | 4.43% |

OWEN ELECTRIC COOPERATIVE
BILLING ANALYSIS - OCT 2005 - SEP 2006
RATE 3
SCHEDULE I - SMALL COMMERCIAL

OWEN ELECTRIC COOPERATIVE
BILLING ANALYSIS - OCT 2005 - SEP 2006
RATE 3
SCHEDULE I - SMALL COMMERCIAL

| | | |
|-------------------------|----|--------------|
| Number Bills | | 32,021 |
| Customer Charge \$ 5.50 | \$ | 176,115.50 |
| Number kWh | | 39,390,195 |
| Energy Charge 0.06725 | \$ | 2,648,991 |
| | | |
| Total Base Rates | \$ | 2,825,106.11 |
| | | |
| Lights | | |
| FAC Revenue | \$ | 364,723.82 |
| ES Revenue | \$ | 276,054.59 |
| Green Power Revenue | \$ | 2,145.00 |
| | | |
| Total Sales Revenue | \$ | 3,468,029.52 |
| | | |
| Reoccur Chgs. | | |
| Misc. Charges | | |
| Other Charges | | |
| Penalty | \$ | 32,137.71 |
| | | |
| Revenue Totals | \$ | 3,500,167.23 |

| | | | |
|------------------------------|------------|------------|-------------|
| Customer Charge | 32,021 | \$ 5.50 | \$ 176,116 |
| Energy Charge per kWh | 39,390,195 | \$ 0.06725 | \$2,648,991 |
| Billing Adjustments | | | \$ - |
| Total from Base Rates | | | \$2,825,106 |
| Plus Fuel Adjustment | | | \$ 364,724 |
| Plus Environmental Surcharge | | | \$ 276,055 |
| Green Power | | | \$ 2,145 |
| Total Revenues | | | \$3,468,030 |
| Average | | | \$ 108.30 |

| Billing Determinant | Actual | | Proposed | | Dollar Increase | Percent Increase |
|------------------------------|------------|-------------|-------------|-----------|-----------------|------------------|
| | Rate | Revenues | Rate | Revenues | | |
| (1) | (2) | (3)=(1)*(2) | (4) | (5) | (6) | (7) |
| Customer Charge | 32,021 | \$ 5.50 | \$ 176,116 | \$5.50 | \$ 176,116 | \$ - |
| Energy Charge per kWh | 39,390,195 | \$ 0.06725 | \$2,648,991 | \$0.07110 | \$2,800,761 | \$ 151,771 |
| Billing Adjustments | | | \$ - | | \$ - | \$ - |
| Total from Base Rates | | | \$2,825,106 | | \$ 2,976,877 | \$ 151,771 |
| Plus Fuel Adjustment | | | \$ 364,724 | | \$ 364,724 | \$ - |
| Plus Environmental Surcharge | | | \$ 276,055 | | \$ 276,055 | \$ - |
| Green Power | | | \$ 2,145 | | \$ 2,145 | \$ - |
| Total Revenues | | | \$3,468,030 | | \$ 3,619,800 | \$ 151,771 |
| Average | | | \$ 108.30 | | \$ 113.04 | \$ 4.74 |
| | | | | | | 4.38% |

JWEN ELECTRIC COOPERATIVE
BILLING ANALYSIS - OCT 2005 - SEP 2006
RATE 4
SCHEDULE II - LARGE POWER

OWEN ELECTRIC COOPERATIVE
BILLING ANALYSIS - OCT 2005 - SEP 2006
RATE 4
SCHEDULE II - LARGE POWER

| | | |
|---------------------|----------|----------------|
| Number Bills | | 3077 |
| Customer Charge | \$ 20.00 | \$ 61,540.00 |
| Number KWh | | 176911386 |
| Energy Charge | 0.04769 | \$8,436,904.00 |
| KW Demand | | 547,820 |
| Demand Revenue | \$ 5.12 | \$ 2,804,838 |
| Total Base Rates | | \$ 11,303,282 |
| Lights | | |
| FAC Revenue | | \$1,398,588.00 |
| ES Revenue | | \$ 981,090.00 |
| Green Power Revenue | | \$ 660.00 |
| Total Sales Revenue | | \$ 13,683,620 |
| Reoccur Chgs. | | |
| Misc. Charges | | |
| Other Charges | | |
| Penalty | | |
| Revenue Totals | | \$ 13,683,620 |

| | Billing | Actual | | Proposed | | Dollar Increase | Percent Increase |
|-------------------------|--------------|------------|--------------|------------|---------------|-----------------|------------------|
| | Determinants | Rate | Revenues | Rate | Revenues | | |
| | (1) | (2) | (3)=(1)*(2) | (4) | (5) | (6) | (7) |
| Customer Charge | 3,077 | \$ 20.00 | \$ 61,540 | \$ 20.00 | \$ 61,540 | \$ - | |
| Demand Charge | 547,820 | \$ 5.12 | \$ 2,804,838 | \$ 5.12 | \$ 2,804,838 | \$ - | |
| Energy Charge per kWh | 176,911,386 | \$0.047690 | \$ 8,436,904 | \$ 0.05155 | \$ 9,119,577 | \$ 682,673 | |
| Total from Base Rates | | | \$11,303,282 | | \$ 11,985,956 | \$ 682,673 | |
| Fuel Adjustment | | | \$ 1,398,588 | | \$ 1,398,588 | \$ - | |
| Environmental Surcharge | | | \$ 981,090 | | \$ 981,090 | \$ - | |
| Green Power | | | \$ 660 | | \$ 660 | \$ - | |
| Total Revenues | | | \$13,683,620 | | \$ 14,366,294 | \$ 682,673 | 4.99% |
| Average | | | \$ 4.447 | | \$ 4.669 | \$ 222 | 4.99% |

OWEN ELECTRIC COOPERATIVE
BILLING ANALYSIS - OCT 2005 - SEP 2006
RATE 5
SCHEDULE II - LG POWER W/DISC FOR PRIMARY METERING

OWEN ELECTRIC COOPERATIVE
BILLING ANALYSIS - OCT 2005 - SEP 2006
RATE 5
SCHEDULE II - LARGE POWER W/DISCOUNT FOR PRIMARY METERING

| | | |
|---------------------|--------------|--------------|
| Number Bills | | 24 |
| Customer Charge | \$ 20.00 | \$ 480.00 |
| Number KWh | | 5,393,200 |
| Energy Charge | 0.04531 | \$244,365.89 |
| KW Demand | | 20950.44 |
| Demand Revenue | \$ 4.86 | \$101,819.14 |
| Total Base Rates | | \$346,665.03 |
| Lights | | |
| FAC Revenue | \$ 42,858.76 | |
| ES Revenue | \$ 29,757.66 | |
| Green Power Revenue | | |
| Total Sales Revenue | | \$419,281.45 |

| | Billing Determinants | Actual | | Proposed | | Dollar Increase | Percent Increase |
|-------------------------|-------------------------|------------|------------|-------------|------------|--------------------|---------------------|
| | | Rate | Revenues | Rate | Revenues | | |
| | | (1) | (2) | (3)=(1)*(2) | (4) | | |
| Customer Charge | 24 | \$ 20.00 | \$ 480 | \$ 20.00 | \$ 480 | \$ - | |
| Demand Charge | 20,950 | \$ 4.86 | \$ 101,819 | \$ 4.86 | \$ 101,819 | \$ - | |
| Energy Charge per kWh | 5,393,200 | \$0.045310 | \$ 244,366 | \$0.04897 | \$ 264,113 | \$ 19,747 | |
| Total from Base Rates | | | \$ 346,665 | | \$ 366,412 | \$ 19,747 | |
| Fuel Adjustment | | | \$ 42,859 | | \$ 42,859 | \$ - | |
| Environmental Surcharge | | | \$ 29,758 | | \$ 29,758 | \$ - | |
| Green Power | | | \$ - | | \$ - | \$ - | |
| Total Revenues | | | \$ 419,281 | | \$ 439,028 | \$ 19,747 | 4.71% |
| Average | | | \$ 17.470 | | \$ 18.293 | \$ 823 | 4.71% |

OWEN ELECTRIC COOPERATIVE
BILLING ANALYSIS - OCT 2005 - SEP 2006
RATE 4 and 5 Combined
SCHEDULE II - LARGE POWER & LARGE PWR W/DISCOUNT FOR PRIMARY METERING

| | Billing Determinants | Actual | | Proposed | | Dollar Increase | Percent Increase |
|-------------------------|-------------------------|--------|---------------|-------------|---------------|--------------------|---------------------|
| | | Rate | Revenues | Rate | Revenues | | |
| | | (1) | (2) | (3)=(1)*(2) | (4) | | |
| Customer Charge | 3,101 | | \$ 62,020 | | \$ 62,020 | | |
| Demand Charge | 568,770 | | \$ 2,906,658 | | \$ 2,906,658 | | |
| Energy Charge per kWh | 182,304,586 | | \$ 8,661,270 | | \$ 9,383,690 | | |
| Total from Base Rates | | | \$ 11,649,947 | | \$ 12,352,368 | | |
| Fuel Adjustment | | | \$ 1,441,447 | | \$ 1,441,447 | | |
| Environmental Surcharge | | | \$ 1,010,848 | | \$ 1,010,848 | | |
| Green Power | | | \$ 660 | | \$ 660 | | |
| Total Revenues | | | \$ 14,102,902 | | \$ 14,805,322 | \$ 702,420 | |
| Average | | | 4,547.86 | | 4,774.37 | 226.51 | 4.98% |

OWEN ELECTRIC COOPERATIVE
BILLING ANALYSIS - OCT 2005 - SEP 2006
RATE 6 - OUTDOOR LIGHTING

SCHEDULE I OLS - OUTDOOR LIGHTING SERVICE

OWEN ELECTRIC COOPERATIVE
BILLING ANALYSIS - OCT 2005 - SEP 2006
RATE 6 - OUTDOOR LIGHTING

SCHEDULE I OLS - OUTDOOR LIGHTING SERVICE

| Type | No. Bills | Rate | Amount | kWh | Total kWh | Incremental Cost of Pole | Description | TYPE/RATE | Annual Billing Units (1) | Rate per Lamp (2) | Normalized Annual Revenue (3)=(1)*(2) | Assigned kWh per Light (4) | Total kWh assigned to Lights (5)=(1)*(4) | Proposed Rate per Light (6) | Proposed Light Revenues (7)=(6)*(1) | Dollar Change (8)=(7)-(3) | Percentage Change (9)=(8)/(3)*100 |
|---------------------------------|-----------|----------------|------------|---------|-----------|--------------------------|---------------------------------|-----------|--------------------------|-------------------|---------------------------------------|----------------------------|--|-----------------------------|-------------------------------------|---------------------------|-----------------------------------|
| 100 watt-exist pole | 21 | 15,685 \$ 8.38 | \$ 131,440 | 40 | 627,400 | | 100 watt-exist pole | | 21 | 15,685 \$ 8.38 | \$ 131,440 | 40 | 627,400 | \$ 8.53 | \$ 133,858 | \$ 2,417 | 1.84% |
| 100 watt-1 pole add | 22 | 2,329 \$ 13.07 | \$ 30,440 | 40 | 93,160 | \$ 4.69 | 100 watt-1 pole add | | 22 | 2,329 \$ 13.07 | \$ 30,440 | 40 | 93,160 | \$ 13.22 | \$ 30,799 | \$ 359 | 1.18% |
| 100 watt cobrahead-exist pole | 31 | 25 \$ 11.00 | \$ 275 | 40 | 1,000 | | 100 watt cobrahead-exist pole | | 31 | 25 \$ 11.00 | \$ 275 | 40 | 1,000 | \$ 11.15 | \$ 279 | \$ 4 | 1.40% |
| 100 watt cobrahead-1 pole | 32 | 56 \$ 15.69 | \$ 879 | 40 | 2,240 | \$ 4.69 | 100 watt cobrahead-1 pole | | 32 | 56 \$ 15.69 | \$ 879 | 40 | 2,240 | \$ 15.84 | \$ 887 | \$ 9 | 0.98% |
| 250 watt cobrahead-exist pole | 33 | 84 \$ 14.66 | \$ 1,231 | 83 | 6,972 | | 250 watt cobrahead-exist pole | | 33 | 84 \$ 14.66 | \$ 1,231 | 83 | 6,972 | \$ 14.98 | \$ 1,258 | \$ 27 | 2.18% |
| 250 watt cobrahead-1 pole | 34 | 12 \$ 19.35 | \$ 232 | 83 | 986 | \$ 4.69 | 250 watt cobrahead-1 pole | | 34 | 12 \$ 19.35 | \$ 232 | 83 | 986 | \$ 19.67 | \$ 236 | \$ 4 | 1.65% |
| 400 watt cobrahead-exist pole | 35 | 43 \$ 17.75 | \$ 763 | 154 | 6,622 | | 400 watt cobrahead-exist pole | | 35 | 43 \$ 17.75 | \$ 763 | 154 | 6,622 | \$ 18.34 | \$ 789 | \$ 26 | 3.34% |
| 400 watt cobrahead-1 pole | 36 | 24 \$ 22.44 | \$ 539 | 154 | 3,696 | \$ 4.69 | 400 watt cobrahead-1 pole | | 36 | 24 \$ 22.44 | \$ 539 | 154 | 3,696 | \$ 23.03 | \$ 553 | \$ 14 | 2.64% |
| 100 watt directional-exist pole | 41 | 63 \$ 10.28 | \$ 648 | 40 | 2,520 | | 100 watt directional-exist pole | | 41 | 63 \$ 10.28 | \$ 648 | 40 | 2,520 | \$ 10.43 | \$ 657 | \$ 10 | 1.50% |
| 100 watt directional-1 pole | 42 | 27 \$ 14.97 | \$ 404 | 40 | 1,080 | \$ 4.69 | 100 watt directional-1 pole | | 42 | 27 \$ 14.97 | \$ 404 | 40 | 1,080 | \$ 15.12 | \$ 408 | \$ 4 | 1.03% |
| 250 watt directional-exist pole | 43 | 95 \$ 12.30 | \$ 1,169 | 83 | 7,885 | | 250 watt directional-exist pole | | 43 | 95 \$ 12.30 | \$ 1,169 | 83 | 7,885 | \$ 12.62 | \$ 1,199 | \$ 30 | 2.60% |
| 250 watt directional-1 pole | 44 | 64 \$ 16.99 | \$ 1,087 | 83 | 5,312 | \$ 4.69 | 250 watt directional-1 pole | | 44 | 64 \$ 16.99 | \$ 1,087 | 83 | 5,312 | \$ 17.31 | \$ 1,108 | \$ 20 | 1.88% |
| 400 watt directional-exist pole | 45 | 237 \$ 15.16 | \$ 3,593 | 154 | 36,498 | | 400 watt directional-exist pole | | 45 | 237 \$ 15.16 | \$ 3,593 | 154 | 36,498 | \$ 15.75 | \$ 3,734 | \$ 141 | 3.91% |
| 400 watt directional-1 pole | 46 | 28 \$ 19.85 | \$ 556 | 154 | 4,312 | \$ 4.69 | 400 watt directional-1 pole | | 46 | 28 \$ 19.85 | \$ 556 | 154 | 4,312 | \$ 20.44 | \$ 572 | \$ 17 | 2.99% |
| Totals | 18,772 | | \$ 173,256 | 799,693 | | | | | 18,772 | | \$ 173,256 | 799,693 | | | \$ 176,337 | \$ 3,081 | 1.78% |
| Average | | | \$ 9.23 | | | | | | | | \$ 9.23 | | | | \$ 9.39 | \$ 0.16 | 1.78% |

JWEN ELECTRIC COOPERATIVE
BILLING ANALYSIS - OCT 2005 -
SEP 2006
RATE 6 - OUTDOOR LIGHTING

SCHEDULE II SOLS -SPECIAL
OUTDOOR LIGHTING SERVICE

OWEN ELECTRIC COOPERATIVE
BILLING ANALYSIS - OCT 2005 - SEP 2006
RATE 6 - OUTDOOR LIGHTING

SCHEDULE II SOLS -SPECIAL OUTDOOR LIGHTING SERVICE

| Type | No. Bills | Rate | Amount | kWh | Total kWh |
|--|-----------|--------------|----------|-----|-----------|
| Traditional Light with Fiberglass Pole | 51 | 1557 \$ 8.85 | \$13,779 | 40 | 62,280 |
| Holophane Light with Fiberglass Pole | 52 | 873 \$10.58 | \$ 9,236 | 40 | 34,920 |
| | | 2430 | \$23,016 | | 97,200 |

| Description | TYPE/Rate | Annual Billing Units (1) | Rate per Lamp (2) | Normalized Annual Revenue (3)=(1)*(2) | Assigned kWh per Light (4) | Total kWh assigned to Lights (5)=(1)*(4) | Proposed Rate per Light (6) | Proposed Light Revenues (7)=(6)*(1) | Dollar Change (8)=(7)-(3) | Percentage Change (9)=(7)/(3)-1x100 |
|--|-----------|--------------------------|-------------------|---------------------------------------|----------------------------|--|-----------------------------|-------------------------------------|---------------------------|-------------------------------------|
| Traditional Light with Fiberglass Pole | 51 | 1,557 | \$ 8.85 | \$ 13,779 | 40 | 62,280 | \$ 9.00 | \$ 14,019 | \$ 239.97 | 1.74% |
| Holophane Light with Fiberglass Pole | 52 | 873 | \$ 10.58 | \$ 9,236 | 40 | 34,920 | \$ 10.73 | \$ 9,371 | \$ 134.55 | 1.46% |
| Totals | | 2,430 | | \$ 23,016 | 80 | 97,200 | | \$ 23,390 | \$ 374.51 | 1.63% |
| Average | | | | \$ 9.47 | | | | \$ 9.63 | \$ 0.15 | 1.63% |

OWEN ELECTRIC COOPERATIVE
BILLING ANALYSIS - OCT 2005 - SEP 2006
RATE 6 - OUTDOOR LIGHTING

OWEN ELECTRIC COOPERATIVE
BILLING ANALYSIS - OCT 2005 - SEP 2006
RATE 6 - OUTDOOR LIGHTING

SCHEDULE III - SECURITY LIGHTS

SCHEDULE III - SECURITY LIGHTS

| Type | No. Bills | Rate | Amount | kWh per Pole | Total kWh | Incremental Cost of Pole |
|----------------------|-----------|-----------------|--------------|--------------|-----------|--------------------------|
| On existing pole | 1 | 108,419 \$ 5.12 | \$ 555,105 | 57 | 6,179,883 | |
| one pole added | 2 | 20,881 \$ 6.76 | \$141,155.56 | 57 | 1,190,217 | \$ 1.64 |
| two poles added | 3 | 1,045 \$ 8.40 | \$ 8,778.00 | 57 | 59,565 | \$ 1.64 |
| three poles added | 4 | 84 \$10.04 | \$ 843.36 | 57 | 4,788 | \$ 1.64 |
| four poles added | 5 | - \$11.68 | \$ - | 57 | - | \$ 1.64 |
| with transformer | 6 | 1,791 \$ 5.62 | \$ 10,065.42 | 57 | 102,087 | |
| one pole w/transf. | 7 | 675 \$ 7.26 | \$ 4,900.50 | 57 | 38,475 | \$ 1.64 |
| two pole w/transf. | 8 | 60 \$ 8.90 | \$ 534.00 | 57 | 3,420 | \$ 1.64 |
| three pole w/transf. | 9 | - \$10.54 | \$ - | 57 | - | \$ 1.64 |
| four pole w/transf. | 10 | - \$12.18 | \$ - | 57 | - | \$ 1.64 |
| | | | \$721,382.12 | | 7,578,435 | |

| Description | TYPE/Rate | Annual Billing Units (1) | Rate per Lamp (2) | Normalized Annual Revenue (3)=(1)*(2) | Assigned kWh per Light (4) | Total kWh assigned to Lights (5)=(1)*(4) | Proposed Rate per Light (6) | Proposed Light Revenues (7)=(6)*(1) | Dollar Change (8)=(7)-(3) | Percentage Change (9)=(7)/(3)-1x100 |
|----------------------|-----------|--------------------------|-------------------|---------------------------------------|----------------------------|--|-----------------------------|-------------------------------------|---------------------------|-------------------------------------|
| On existing pole | 1 | 108,419 | \$ 5.12 | \$ 555,105 | 57 | 6,179,883 | \$ 5.34 | \$ 578,916 | \$23,811.12 | 4.29% |
| one pole added | 2 | 20,881 | \$ 6.76 | \$ 141,156 | 57 | 1,190,217 | \$ 6.98 | \$ 145,741 | \$ 4,585.91 | 3.25% |
| two poles added | 3 | 1,045 | \$ 8.40 | \$ 8,778 | 57 | 59,565 | \$ 8.62 | \$ 9,008 | \$ 229.50 | 2.61% |
| three poles added | 4 | 84 | \$ 10.04 | \$ 843 | 57 | 4,788 | \$ 10.26 | \$ 862 | \$ 18.45 | 2.19% |
| four poles added | 5 | - | \$ 11.68 | \$ - | 57 | - | \$ 11.90 | \$ - | \$ - | 0.00% |
| with transformer | 6 | 1,791 | \$ 5.62 | \$ 10,085 | 57 | 102,087 | \$ 5.84 | \$ 10,459 | \$ 393.34 | 3.91% |
| one pole w/transf. | 7 | 675 | \$ 7.26 | \$ 4,901 | 57 | 38,475 | \$ 7.48 | \$ 5,049 | \$ 148.24 | 3.03% |
| two pole w/transf. | 8 | 60 | \$ 8.90 | \$ 534 | 57 | 3,420 | \$ 9.12 | \$ 547 | \$ 13.18 | 2.47% |
| three pole w/transf. | 9 | - | \$ 10.54 | \$ - | 57 | - | \$ 10.76 | \$ - | \$ - | 0.00% |
| four pole w/transf. | 10 | - | \$ 12.18 | \$ - | 57 | - | \$ 12.40 | \$ - | \$ - | 0.00% |
| Totals | | 132,955 | | \$ 721,382 | | 7,578,435 | | \$ 750,682 | \$29,199.74 | 4.06% |
| Average | | | | \$ 5.43 | | | | \$ 5.65 | \$ 0.22 | 4.05% |

OWEN ELECTRIC COOPERATIVE
BILLING ANALYSIS - OCT 2005 - SEP 2006
RATE 9 LPB - 1
SCHEDULE XI

OWEN ELECTRIC COOPERATIVE
BILLING ANALYSIS - OCT 2005 - SEP 2006
RATE 9 LPB - 1
SCHEDULE XI

| | | |
|---------------------|-------------|-----------------|
| Number Bills | | 108 |
| Customer Charge | \$ 1,428.00 | \$ 154,224.00 |
| Number KWh | | 69,692,444 |
| Energy Charge 1 | 0.03499 | \$ 2,438,538.62 |
| Number KWh | | 4,196,001 |
| Energy Charge 2 | 0.03116 | \$ 130,747.39 |
| Total Energy Charge | | \$ 2,569,286.01 |
| Contract Demand | | 145,500 |
| Demand Revenue | \$ 5.39 | \$ 784,245.00 |
| Excess Demand | | 15,428 |
| Excess Dmd Rev. | \$ 7.82 | \$ 120,646.96 |
| Total Base Rates | | \$ 3,628,401.97 |
| FAC Revenue | | \$ 548,327.25 |
| ES Revenue | | \$ 319,818.92 |
| Green Power Revenue | | \$ 660.00 |
| Total Sales Revenue | | \$ 4,497,208.14 |
| Reoccur Chgs. | | |
| Misc. Charges | | |
| Other Charges | | \$ (17,391.39) |
| Penalty | | \$ 15,821.64 |
| Revenue Totals | | \$ 4,495,638.39 |

| | Billing Determinants (1) | Actual | | Proposed | | Dollar Increase (6) | Percent Increase (7) |
|---|--------------------------------|-----------------|-------------------------|-------------|-----------------|---------------------------|----------------------------|
| | | Rate (2) | Revenues (3)=(1)*(2) | Rate (4) | Revenues (5) | | |
| | | Customer Charge | 108 | \$ 1,428.00 | \$ 154,224 | | |
| Demand Charge - Contract | 145,500 | \$ 5.39 | \$ 784,245 | \$ 7.29 | \$ 1,060,685 | \$ 276,460 | |
| Demand Charge - Excess | 15,428 | \$ 7.82 | \$ 120,647 | \$ 9.72 | \$ 149,960 | \$ 29,313 | |
| Energy Charge per KWh - 1st 425 hr/kW | 69,692,444 | \$ 0.034990 | \$ 2,438,539 | \$ 0.03499 | \$ 2,438,539 | \$ - | |
| Energy Charge per KWh - excess of 425 hr/kW | 4,196,001 | \$ 0.031160 | \$ 130,747 | \$ 0.03116 | \$ 130,747 | \$ - | |
| Total from Base Rates | | | \$ 3,628,402 | | \$ 3,834,165 | \$ 305,763 | |
| Fuel Adjustment | | | \$ 548,327 | | \$ 548,327 | \$ - | |
| Environmental Surcharge | | | \$ 319,819 | | \$ 319,819 | \$ - | |
| Green Power | | | \$ 660 | | \$ 660 | \$ - | |
| Total Revenues | | | \$ 4,497,208 | | \$ 4,802,971 | \$ 305,763 | 6.80% |
| Average | | | \$ 41,641 | | \$ 44,472 | \$ 2,831 | 6.80% |

OWEN ELECTRIC COOPERATIVE
BILLING ANALYSIS - OCT 2005 - SEP 2006
RATE 10
SCHEDULE IA - FARM AND HOME OFF-PEAK MARKETING RATE

| | | | | | |
|---------------------|---------|----------|------------------------------|--------|------------|
| Number Bills | | 108 | Customer Charge | | |
| Customer Charge | \$ - | \$ - | Energy Charge per kWh | 64,679 | \$ 0.04035 |
| Number kWh | | 64,679 | Total from Base Rates | | \$ 2,610 |
| Energy Charge | 0.04035 | \$ 2,610 | Plus Fuel Adjustment | | \$ 546 |
| Total Base Rates | | \$ 2,610 | Plus Environmental Surcharge | | \$ 229 |
| FAC Revenue | | \$ 546 | Green Power | | \$ - |
| ES Revenue | | \$ 229 | Total Revenues | | \$ 3,385 |
| Green Power Revenue | | | Average | | 31.35 |
| Total | | \$ 3,385 | | | |
| Reoccur Chgs. | | | | | |
| Misc. Charges | | | | | |
| Other Charges | | | | | |
| Penalty | | | | | |
| Revenue Totals | | \$ 3,385 | | | |

OWEN ELECTRIC COOPERATIVE
BILLING ANALYSIS - OCT 2005 - SEP 2006
RATE 10
SCHEDULE IA - FARM AND HOME OFF-PEAK MARKETING RATE

| Billing Determinants | Actual | | Proposed | | Dollar Increase | Percent Increase |
|----------------------|------------|-------------|-----------|----------|-----------------|------------------|
| | Rate | Revenues | Rate | Revenues | | |
| (1) | (2) | (3)=(1)*(2) | (4) | (5) | (6) | (7) |
| 108 | \$ - | \$ - | \$0.00 | \$ - | \$ - | |
| 64,679 | \$ 0.04035 | \$ 2,610 | \$0.04266 | \$ 2,759 | \$ 150 | |
| | | \$ 2,610 | | \$ 2,759 | \$ 150 | |
| | | \$ 546 | | \$ 546 | \$ - | |
| | | \$ 229 | | \$ 229 | \$ - | |
| | | \$ - | | \$ - | \$ - | |
| | | \$ 3,385 | | \$ 3,535 | \$ 150 | 4.42% |
| | | 31.35 | | 32.73 | 1.38 | 4.42% |

OWEN ELECTRIC COOPERATIVE
BILLING ANALYSIS - OCT 2005 - SEP 2006
RATE 12 LPB
SCHEDULE XIV

OWEN ELECTRIC COOPERATIVE
BILLING ANALYSIS - OCT 2005 - SEP 2006
RATE 12 LPB
SCHEDULE XIV

| | Billing Determinants | Actual | | Proposed | | Dollar Increase | Percent Increase |
|--------------------------|-------------------------|-----------------|-------------|-------------|------------|--------------------|---------------------|
| | | Rate | Revenues | Rate | Revenues | | |
| | | (1) | (3)=(1)*(2) | (4) | (5) | | |
| Number Bills | 48 | | | | | | |
| Customer Charge | \$ 1,428.00 | \$ 68,544.00 | \$ 68,544 | \$ 1,428.00 | \$ 68,544 | \$ - | |
| | | | | | | | |
| Demand Charge - Contract | 30,700 | \$ 5.39 | \$ 165,473 | \$ 7.29 | \$ 223,803 | \$ 58,330 | |
| Demand Charge - Excess | 2,853 | \$ 7.82 | \$ 22,310 | \$ 9.72 | \$ 27,731 | \$ 5,421 | |
| Number KWh | 15,122,682 | | | | | | |
| Energy Charge | 0.03699 | \$ 559,388.01 | \$ 559,388 | \$ 0.03699 | \$ 559,388 | \$ - | |
| | | | | | | | |
| Contract Demand | 30,700 | | | | | | |
| Demand Revenue | \$ 5.39 | \$ 165,473.00 | | | | | |
| | | | | | | | |
| Excess Demand | 2,853 | | | | | | |
| Excess Dmd Rev. | \$ 7.82 | \$ 22,310.46 | | | | | |
| | | | | | | | |
| Total Base Rates | | \$ 815,715.47 | | | | | |
| | | | | | | | |
| FAC Revenue | | \$ 104,491.11 | | | | | |
| ES Revenue | | \$ 70,419.23 | | | | | |
| Green Power Revenue | | \$ 43,560.00 | | | | | |
| | | | | | | | |
| Total Sales Revenue | | \$ 1,034,185.81 | | | | | |
| | | | | | | | |
| Reoccur Chgs. | | | | | | | |
| Misc. Charges | | \$ 7,874.46 | | | | | |
| Other Charges | | \$ (8,139.11) | | | | | |
| Penalty | | \$ 2,839.38 | | | | | |
| | | | | | | | |
| Revenue Totals | | \$ 1,036,760.54 | | | | | |

OWEN ELECTRIC COOPERATIVE
BILLING ANALYSIS - OCT 2005 - SEP 2006
RATE 13 LPB - 2
SCHEDULE XIII

OWEN ELECTRIC COOPERATIVE
BILLING ANALYSIS - OCT 2005 - SEP 2006
RATE 13 LPB - 2
SCHEDULE XIII

| | Billing Determinants | Actual | | | Proposed | | Dollar Increase | Percent Increase |
|--------------------------|----------------------|-----------------|-------------|--------------|--------------|--------------|-----------------|------------------|
| | | Rate | Revenues | Rate | Revenues | | | |
| | (1) | (2) | (3)=(1)*(2) | (4) | (5) | (6) | (7) | |
| Number Bills | 24 | | | | | | | |
| Customer Charge | \$ 2,855.00 | \$ 68,520.00 | \$ 2,855.00 | \$ 2,855.00 | \$ 68,520 | \$ - | | |
| Demand Charge - Contract | | 164,600 | \$ 5.39 | \$ 887,194 | \$ 7.29 | \$ 1,199,934 | \$ 312,740 | |
| Demand Charge - Excess | | 14,309 | \$ 7.82 | \$ 111,896 | \$ 9.72 | \$ 139,083 | \$ 27,187 | |
| Number kWh | 88,195,759 | | | | | | | |
| Energy Charge 1 | 0.02999 | \$ 2,644,990.81 | \$ 0.029990 | \$ 2,644,991 | \$ 0.02999 | \$ 2,644,991 | \$ - | |
| | | 16,612,650 | \$ 0.028660 | \$ 476,119 | \$ 0.02866 | \$ 476,119 | \$ - | |
| | | 95,299 | \$ (3.60) | \$ (343,076) | \$ (3.60) | \$ (343,076) | \$ - | |
| Energy Charge 2 | 0.02866 | \$ 476,118.55 | | | | | | |
| Total Energy Charge | | \$ 3,121,109.36 | | | | | | |
| | | | | \$ 3,845,643 | \$ 4,185,570 | \$ 339,927 | | |
| | | | | \$ 838,322 | \$ 838,322 | \$ - | | |
| | | | | \$ 363,835 | \$ 363,835 | \$ - | | |
| | | | | \$ - | \$ - | \$ - | | |
| Total Revenues | | | | \$ 5,047,801 | \$ 5,387,728 | \$ 339,927 | 6.73% | |
| Contract Demand | | 164,600 | | | | | | |
| Demand Revenue | \$ 5.39 | \$ 887,194.00 | | \$ 96,070 | \$ 96,070 | \$ - | | |
| | | | | \$ 5,143,871 | \$ 5,483,798 | \$ 339,927 | 6.61% | |
| Excess Demand | | 14,309 | | | | | | |
| Excess Dmd Rev. | \$ 7.82 | \$ 111,896.38 | | \$ 214,328 | \$ 228,492 | \$ 14,164 | 6.61% | |
| Total Base Rates | | \$ 4,188,719.74 | | | | | | |
| Demand Credit | | 95,299 | | | | | | |
| Demand Cr. Rev. | \$ (3.60) | \$ (343,076.40) | | | | | | |
| FAC Revenue | | \$ 838,322.25 | | | | | | |
| ES Revenue | | \$ 363,835.35 | | | | | | |
| Green Power Revenue | | \$ - | | | | | | |
| Total Sales Revenue | | \$ 5,047,800.94 | | | | | | |
| Buy-through Energy | | \$ 119,286.24 | | | | | | |
| Buy-through Credit | | \$ (23,216.14) | | | | | | |
| Reoccur Chgs. | | | | | | | | |
| Misc. Charges | | | | | | | | |
| Other Charges | | | | | | | | |
| Penalty | | | | | | | | |
| Revenue Totals | | \$ 5,143,871.04 | | | | | | |

OWEN ELECTRIC COOPERATIVE
BILLING ANALYSIS - OCT 2005 - SEP 2006
RATE 20
SCHEDULE 2-A - LARGE POWER - TIME OF DAY

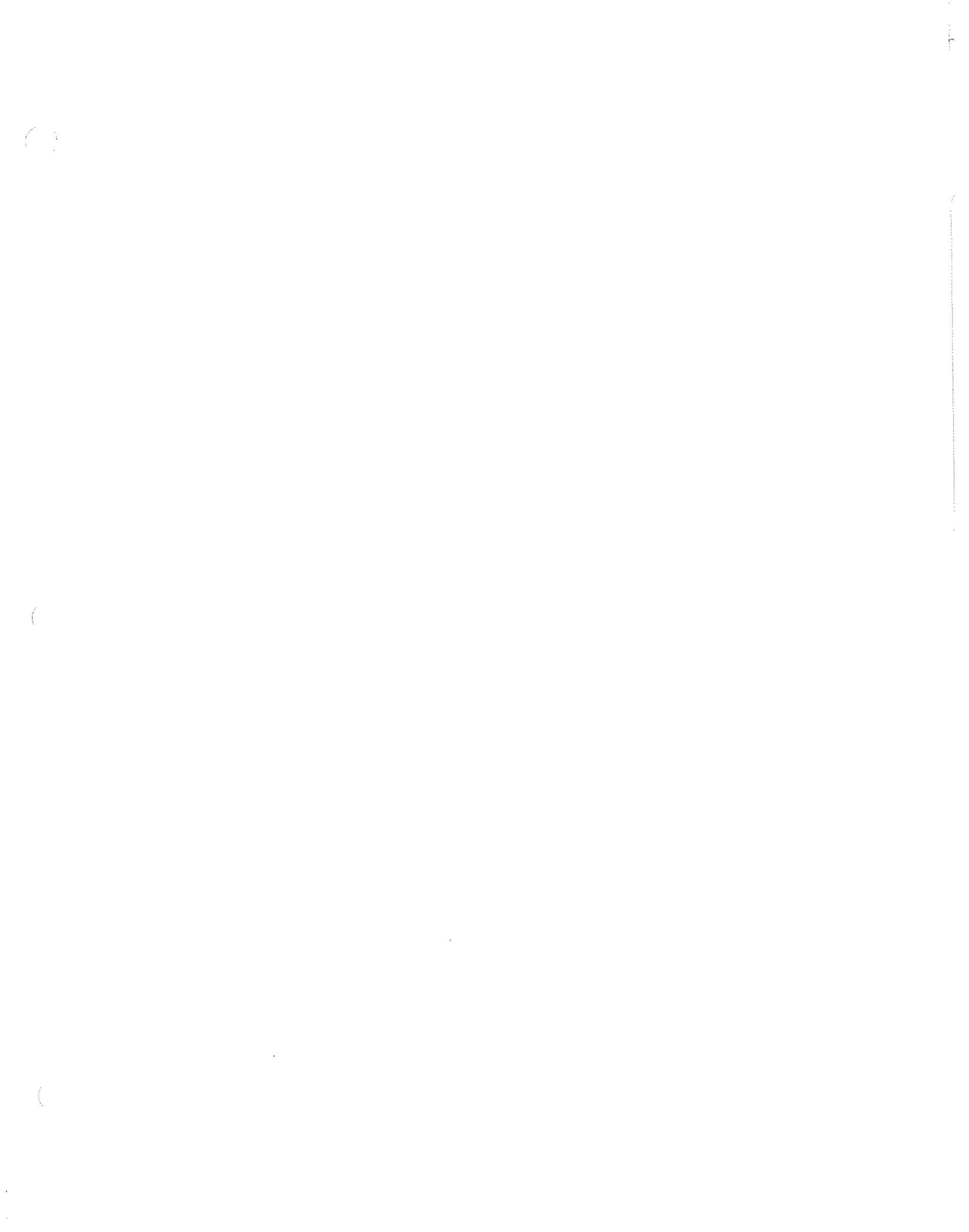
OWEN ELECTRIC COOPERATIVE
BILLING ANALYSIS - OCT 2005 - SEP 2006
RATE 20
SCHEDULE 2-A - LARGE POWER - TIME OF DAY

| | | |
|--------------------------|----------|------------------|
| Number Bills | | 108 |
| Customer Charge | \$ 57.55 | \$ 6,215.40 |
| Number KWh | | 1,879,824 |
| Energy Charge - On-Peak | 0.078097 | \$ 146,808.61 |
| Number KWh | | 1,854,000 |
| Energy Charge - Off-Peak | 0.04599 | \$ 85,265.46 |
| Total Base Rates | | \$238,289.47 |
| FAC Revenue | | \$ 29,652.51 |
| ES Revenue | | \$ 20,070.38 |
| Green Power Revenue | | |
| Total | | \$288,012.36 |

| | Billing Determinant | Actual | | Proposed | | Dollar Increase | Percent Increase |
|----------------------------------|------------------------|------------|-------------|------------|------------|--------------------|---------------------|
| | | Rate | Revenues | Rate | Revenues | | |
| | (1) | (2) | (3)=(1)*(2) | (4) | (5) | (6) | (7) |
| Customer Charge | 108 | \$ 57.55 | \$ 6,215 | \$ 57.55 | \$ 6,215 | \$ - | |
| Energy Charge per kWh - On-Peak | 1,879,824 | \$0.078097 | \$ 146,809 | \$0.081950 | \$ 154,052 | \$ 7,243 | |
| Energy Charge per kWh - Off-Peak | 1,854,000 | \$0.045990 | \$ 85,265 | \$0.049843 | \$ 92,409 | \$ 7,143 | |
| Total from Base Rates | | | \$ 238,289 | | \$ 252,676 | \$ 14,386 | |
| Fuel Adjustment | | | \$ 29,653 | | \$ 29,653 | \$ - | |
| Environmental Surcharge | | | \$ 20,070 | | \$ 20,070 | \$ - | |
| Green Power | | | \$ - | | \$ - | \$ - | |
| Total Revenues | | | \$ 288,012 | | \$ 302,399 | \$ 14,386 | 5.00% |
| Average | | | \$ 2,667 | | \$ 2,800 | \$ 133 | 5.00% |

| EKPC Schedules B/C & Gallatin Demand Adders | | | | |
|---|---------|--------|----------|-------------|
| | Present | Adder | Proposed | Increase |
| Schedule B - Contract | \$5.39 | \$1.90 | \$7.29 | \$647,520 |
| Schedule B - Excess | \$7.82 | \$1.90 | \$9.72 | \$61,921 |
| Schedule C | \$5.39 | \$1.90 | \$7.29 | |
| Gallatin - Firm Demand | \$5.39 | \$1.53 | \$6.92 | \$275,400 |
| Gallatin - 10-minute Interr | \$1.79 | \$1.53 | \$3.32 | \$2,203,200 |
| Gallatin - 90 minute Interr | \$2.69 | \$1.53 | \$4.22 | \$493,185 |
| Total increase in B/C/Gallatin Revenues | | | | \$3,681,226 |
| Increase to Owen - Pricing's Analysis | | | | \$7,188,493 |
| Increase in B/C Revenues | | | | \$3,681,226 |
| Residual \$ to Non B/C kWh | | | | \$3,507,267 |
| Non B/C/Gallatin kWh | | | | 910,268,144 |
| Non B/C/Gallatin kWh Adder | | | | \$0,003853 |
| Increase to Owen - Pricing's Analysis | | | | \$7,188,493 |
| Non Sch B/C Inc + Sch B/C Inc | | | | \$7,188,493 |
| Difference | | | | \$0 |

| Rate | Schedule | Non B/C/Gallatin kWh | \$ Increase |
|---------------------------|--|----------------------|----------------|
| RATE 1 | SCHEDULE I - FARM AND HOME | 676,299,532 | \$2,605,885.10 |
| RATE 3 | SCHEDULE I - SMALL COMMERCIAL | 39,390,195 | \$151,770.60 |
| RATE 4 | SCHEDULE II - LARGE POWER | 176,911,386 | \$682,673.44 |
| | SCHEDULE II - LARGE POWER | | |
| | WIDISCOUNT FOR PRIMARY | | |
| RATE 5 | METERING | 5,393,200 | \$19,746.67 |
| RATE 6 - OUTDOOR LIGHTING | SCHEDULE III - SECURITY LIGHTS | 7578435 | \$29,199.74 |
| | SCHEDULE I OLS - OUTDOOR | | |
| | LIGHTING SERVICE | | |
| RATE 6 - OUTDOOR LIGHTING | SCHEDULE II SOLS - SPECIAL | 799,693 | \$3,081.22 |
| | OUTDOOR LIGHTING SERVICE | | |
| RATE 6 - OUTDOOR LIGHTING | SCHEDULE IA - FARM AND HOME | 97200 | \$374.51 |
| RATE 10 | OFF-PEAK MARKETING RATE | 64,679 | \$149.53 |
| RATE 20 | SCHEDULE 2-A - LARGE POWER - TIME OF DAY | 3,733,824 | \$14,386.44 |
| | Total: Non Schedule B/C kWh | 910,268,144 | \$3,507,267.26 |
| RATE 9 LPB - 1 | SCHEDULE XI | | \$305,763 |
| RATE 12 LPB | SCHEDULE XIV | | \$63,751 |
| RATE 13 LPB - 2 | SCHEDULE XIII | | \$339,927 |
| GALLATIN STEEL | | | \$2,971,785 |
| | | | \$3,681,226 |
| | Total Increase | | \$7,188,493 |
| | Increase per EKPC | | \$7,188,493 |
| | Check Difference | | \$0 |



OWEN ELECTRIC COOPERATIVE, INC.

PSC CASE NO. 2006-00485

FIRST DATA REQUEST RESPONSE

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

RESPONSIBLE PERSON: William A. Bosta

COMPANY: Owen Electric Cooperative, Inc.

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, Owen 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 Owen agree that KRS 278.455(2) and 807 KAR5:007, 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 KAR5:007. 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 Owen 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.

The present and proposed rates structures of Owen Electric Cooperative are listed below:

| <u>Schedule</u> | <u>Rate Class</u> | <u>EKPC Rate Schedule</u> | <u>Present</u> | <u>Proposed</u> |
|-----------------|--|-------------------------------|----------------|-----------------|
| I | Farm and Home | E-1 | | |
| | Customer Charge per Month | | \$5.50 | \$5.50 |
| | Energy Charge per kWh | | \$0.06725 | \$0.07110 |
| I-A | Farm and Home Off-Peak Marketing Rate | E-1 | | |
| | Energy Charge per kWh | | \$0.04035 | \$0.04266 |
| I | Small Commercial | E-1 | | |
| | Customer Charge per Month | | \$5.50 | \$5.50 |
| | Energy Charge per kWh | | \$0.06725 | \$0.07110 |
| II | Large Power | E-1 | | |
| | Customer Charge per Month | | \$20.00 | \$20.00 |
| | Demand Charge per kW | | \$5.12 | \$5.12 |
| | Energy Charge per kWh | | \$0.04769 | \$0.05155 |
| III | Security Lights | E-1 | | |
| | Existing Pole (per month) | | \$5.12 | \$5.34 |
| | One Pole Added (per month) | | \$6.76 | \$6.98 |
| | Two Poles Added (per month) | | \$8.40 | \$8.62 |
| | Three Poles Added (per month) | | \$10.04 | \$10.26 |
| | Four Poles Added (per month) | | \$11.68 | \$11.90 |
| VIII | Large Industrial Rate LPC1 | C | | |
| | Customer Charge per Month | | \$1,428.00 | \$1,428.00 |
| | Demand Charger per kW | | \$5.39 | \$7.29 |
| | Energy – First 425 kWh per kW | | \$0.03499 | \$0.03499 |
| | Energy – Over 425 kWh per kW | | \$0.03116 | \$0.03116 |
| IX | Large Industrial Rate LPC2 | C | | |
| | Customer Charge per Month | | \$2,855.00 | \$2,855.00 |
| | Demand per kW | | \$5.39 | \$7.29 |
| | Energy – First 425 kWh per kW | | \$0.02999 | \$0.02999 |
| | Energy – Over 425 kWh per kW | | \$0.02866 | \$0.02866 |
| X | Large Industrial Rate LPC1-A | C | | |
| | Customer Charge per Month | | \$1,428.00 | \$1,428.00 |
| | Demand per kW | | \$5.39 | \$7.29 |
| | Energy – First 425 kWh per kW | | \$0.03299 | \$0.03299 |
| | Energy – Over 425 kWh per kW | | \$0.03016 | \$0.03016 |
| XI | Large Industrial Rate LPB1 | B | | |
| | Customer Charge per Month | | \$1,428.00 | \$1,428.00 |
| | Contract Demand per kW | | \$5.39 | \$7.29 |
| | Excess Demand per kW | | \$7.82 | \$9.72 |
| | Energy – First 425 kWh per kW | | \$0.03499 | \$0.03499 |
| | Energy – Over 425 kWh per kW | | \$0.03116 | \$0.03116 |
| XII | Large Industrial LPB1-A | B | | |
| | Customer Charge per Month | | \$1,428.00 | \$1,428.00 |
| | Contract Demand per kW | | \$5.39 | \$7.29 |
| | Excess Demand per kW | | \$7.82 | \$9.72 |
| | Energy – First 425 kWh per kW | | \$0.03299 | \$0.03299 |
| | Energy – Over 425 kWh per kW | | \$0.03016 | \$0.03016 |
| XIII | Large Industrial Rate LPB2 | B | | |
| | Customer Charge per Month | | \$2,855.00 | \$2,855.00 |
| | Contract Demand per kW | | \$5.39 | \$7.29 |
| | Excess Demand per kW | | \$7.82 | \$9.72 |
| | Energy – First 425 kWh per kW | | \$0.02999 | \$0.02999 |
| | Energy – Over 425 kWh per kW | | \$0.02866 | \$0.02866 |

| | | | | |
|----------|---|-----|------------|------------|
| XIV | Large Industrial Rate LPB | B | | |
| | Customer Charge per Month | | \$1,428.00 | \$1,428.00 |
| | Contract Demand per kW | | \$5.39 | \$7.29 |
| | Excess Demand per kW | | \$7.82 | \$9.72 |
| | Energy per kWh | | \$0.03699 | \$0.03699 |
| 1-B | Farm and Home – Time of Day | E-1 | | |
| | Customer Charge per Month | | \$17.25 | \$17.25 |
| | On-Peak Energy per kWh | | \$0.077532 | \$0.081385 |
| | Off-Peak Energy per kWh | | \$0.041797 | \$0.045650 |
| 1-C | Small Commercial – Time of Day | E-1 | | |
| | Customer Charge per Month | | \$23.00 | \$23.00 |
| | On-Peak Energy per kWh | | \$0.074565 | \$0.078418 |
| | Off-Peak Energy per kWh | | \$0.041797 | \$0.045650 |
| 2-A | Large Power – Time of Day | | | |
| | Customer Charge per Month | | \$57.55 | \$57.55 |
| | On-Peak Energy per kWh | | \$0.078097 | \$0.081950 |
| | Off-Peak Energy per kWh | | \$0.045990 | \$0.049843 |
| OLS | Outdoor Lighting Service | E-1 | | |
| | 100 Watt High Pressure Sodium Area Lighting Cobrahead Lighting (per month) | | \$8.38 | \$8.53 |
| | 100 Watt High Pressure Sodium (per month) | | \$11.00 | \$11.15 |
| | 250 Watt High Pressure Sodium (per month) | | \$14.66 | \$14.98 |
| | 250 Watt High Pressure Sodium (per month) | | \$17.75 | \$18.34 |
| | Directional Lighting | | | |
| | 100 Watt High Pressure Sodium (per month) | | \$10.28 | \$10.43 |
| | 250 Watt High Pressure Sodium (per month) | | \$12.30 | \$12.62 |
| | 250 Watt High Pressure Sodium (per month) | | \$15.16 | \$15.75 |
| II SOLS | Special Outdoor Lighting Service | E-1 | | |
| | Traditional Light with Fiberglass Pole (per month) | | \$8.85 | \$9.00 |
| | Holophane Light with Fiberglass Pole (per month) | | \$10.58 | \$10.73 |
| | Gallatin Steel – Special Contract | E-1 | | |
| | Firm Demand per kW | | \$5.39 | \$6.92 |
| | 10-minute Interruptible Demand per kW | | \$1.79 | \$3.32 |
| | 90-minute Interruptible Demand per kW | | \$2.69 | \$4.22 |
| | On-Peak Energy Charge per kWh | | \$0.02765 | \$0.02765 |
| | Off-Peak Energy Charge per kWh | | \$0.02465 | \$0.02465 |
| III SOLS | Special Outdoor Lighting Service | E-1 | \$0.044596 | \$0.048449 |

OWEN ELECTRIC COOPERATIVE, INC.

PSC CASE NO. 2006-00485

FIRST DATA REQUEST RESPONSE

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

REQUEST 3

RESPONSIBLE PERSON: William A. Bosta

COMPANY: Owen Electric Cooperative, Inc.

Request 3. Refer to Exhibit III of the Application.

Request 3a. Prepare the following comparative analyses of Owen'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 Owen'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.

Owen Energy Cooperative
Billing Analysis

for the 12 months ended September 30, 2006

| Rate | Schedule | Total Present Annualized Revenues | Percent of Total Revenue | Total Proposed Revenues | Percent of Total Revenue | \$ Increase | % Increase |
|---------------------------|--|-----------------------------------|--------------------------|-------------------------|--------------------------|-------------|------------|
| RATE 9 LPB - 1 | SCHEDULE XI | \$4,497,208 | 3.42% | \$4,802,971 | 3.48% | \$305,763 | 6.80% |
| RATE 12 LPB | SCHEDULE XIV | \$1,034,186 | 0.79% | \$1,097,937 | 0.79% | \$63,751 | 6.16% |
| RATE 13 LPB - 2 | SCHEDULE XIII | \$5,143,871 | 3.91% | \$5,483,798 | 3.95% | \$339,927 | 6.61% |
| RATE 1 | SCHEDULE I - FARM AND HOME | \$58,769,371 | 44.70% | \$61,375,256 | 44.26% | \$2,605,885 | 4.43% |
| RATE 3 | SCHEDULE I - SMALL COMMERCIAL | \$3,468,030 | 2.64% | \$3,619,800 | 2.61% | \$151,771 | 4.38% |
| RATE 4 | SCHEDULE II - LARGE POWER | \$13,663,620 | 10.41% | \$14,366,294 | 10.36% | \$692,673 | 4.99% |
| RATE 5 | SCHEDULE II - LARGE POWER W/ DISCOUNT FOR PRIMARY METERING | \$419,281 | 0.32% | \$439,028 | 0.32% | \$19,747 | 4.71% |
| RATE 6 - OUTDOOR LIGHTING | SCHEDULE III - SECURITY LIGHTS | \$721,382 | 0.55% | \$750,562 | 0.54% | \$29,200 | 4.05% |
| RATE 6 - OUTDOOR LIGHTING | SCHEDULE I OLS - OUTDOOR LIGHTING SERVICE | \$173,256 | 0.13% | \$176,337 | 0.13% | \$3,081 | 1.78% |
| RATE 6 - OUTDOOR LIGHTING | SCHEDULE II SOLS - SPECIAL OUTDOOR LIGHTING SERVICE | \$23,245 | 0.02% | \$23,620 | 0.02% | \$375 | 1.61% |
| RATE 10 | SCHEDULE IA - FARM AND HOME OFF-PEAK MARKETING RATE | \$3,385 | 0.00% | \$3,535 | 0.00% | \$150 | 4.42% |
| RATE 20 | SCHEDULE 2-A - LARGE POWER - TIME OF DAY | \$288,012 | 0.22% | \$302,399 | 0.22% | \$14,386 | 5.00% |
| GALLATIN STEEL | GALLATIN STEEL | \$43,244,379 | 32.89% | \$46,216,164 | 33.33% | \$2,971,785 | 6.87% |
| Totals | Totals | \$131,469,227 | 100.00% | \$138,657,720 | 100.00% | \$7,188,493 | 5.47% |

OWEN ELECTRIC COOPERATIVE
BILLING ANALYSIS - OCT 2005 - SEP 2006
RATE 1
SCHEDULE 1 - FARM AND HOME

| Billing Determinants | Actual | | | Actual Component % of Base Rates | Proposed | | Dollar Increase | Percent Increase | Proposed Component % of Base Rates |
|------------------------------|-------------|-------------|---------------|----------------------------------|-----------|---------------|-----------------|------------------|------------------------------------|
| | Rate | Revenues | | | Rate | Revenues | | | |
| (1) | (2) | (3)=(1)*(2) | | (4) | (5) | (6) | (7) | | |
| Customer Charge | 621,894 | \$ 5.50 | \$ 3,420,417 | 6.99% | \$5.50 | \$ 3,420,417 | \$ - | | 6.64% |
| Energy Charge per kWh | 676,299,532 | \$ 0.06725 | \$ 45,481,144 | 93.01% | \$0.07110 | \$48,087,029 | \$ 2,605,885 | | 93.36% |
| Total from Base Rates | | | \$ 48,901,561 | 100.00% | | \$ 51,507,446 | \$ 2,605,885 | | 100.00% |
| Plus Fuel Adjustment | | | \$ 5,586,557 | | | \$ 5,586,557 | \$ - | | |
| Plus Environmental Surcharge | | | \$ 4,264,797 | | | \$ 4,264,797 | \$ - | | |
| Green Power | | | \$ 16,456 | | | \$ 16,456 | \$ - | | |
| Total Revenues | | | \$ 58,769,371 | | | \$ 61,375,256 | \$ 2,605,885 | 4.43% | |
| Average | | | \$ 94.50 | | | \$ 98.69 | \$ 4.19 | 4.43% | |

OWEN ELECTRIC COOPERATIVE
BILLING ANALYSIS - OCT 2005 - SEP 2006
RATE 3
SCHEDULE I - SMALL COMMERCIAL

| Billing Determinant | Actual | | Actual Component % of Base Rates | Proposed | | Dollar Increase | Percent Increase | Proposed Component % of Base Rates |
|------------------------------|------------|-------------|----------------------------------|----------|-----------|-----------------|------------------|------------------------------------|
| | Rate | Revenues | | Rate | Revenues | | | |
| (1) | (2) | (3)=(1)*(2) | | (4) | (5) | (6) | (7) | |
| Customer Charge | 32,021 | \$ 5.50 | \$ 176,116 | 6.23% | \$5.50 | \$ 176,116 | \$ - | 5.92% |
| Energy Charge per kWh | 39,390,195 | \$ 0.06725 | \$ 2,648,991 | 93.77% | \$0.07110 | \$ 2,800,761 | \$ 151,771 | 94.08% |
| Billing Adjustments | | \$ - | \$ - | | | \$ - | \$ - | |
| Total from Base Rates | | | \$ 2,825,106 | 100.00% | | \$ 2,976,877 | \$ 151,771 | 100.00% |
| Plus Fuel Adjustment | | | \$ 364,724 | | | \$ 364,724 | \$ - | |
| Plus Environmental Surcharge | | | \$ 276,055 | | | \$ 276,055 | \$ - | |
| Green Power | | | \$ 2,145 | | | \$ 2,145 | \$ - | |
| Total Revenues | | | \$ 3,468,030 | | | \$ 3,619,800 | \$ 151,771 | 4.38% |
| Average | | | \$ 108.30 | | | \$ 113.04 | \$ 4.74 | 4.38% |

OWEN ELECTRIC COOPERATIVE
BILLING ANALYSIS - OCT 2005 - SEP 2006
RATE 4
SCHEDULE II - LARGE POWER

| | Billing Determinants (1) | Actual | | Actual Component % of Base Rates | Proposed | | Dollar Increase (6) | Percent Increase (7) | Proposed Component % of Base Rates |
|------------------------------|--------------------------------|-------------|-------------------------|--|-------------|----------------------|---------------------------|----------------------------|--|
| | | Rate (2) | Revenues (3)=(1)*(2) | | Rate (4) | Revenues (5) | | | |
| Customer Charge | 3,077 | \$ 20.00 | \$ 61,540 | 0.54% | \$ 20.00 | \$ 61,540 | \$ - | | 0.51% |
| Demand Charge | 547,820 | \$ 5.12 | \$ 2,804,838 | 24.81% | \$ 5.12 | \$ 2,804,838 | \$ - | | 23.40% |
| Energy Charge per kWh | 176,911,386 | \$0.047690 | \$ 8,436,904 | 74.64% | \$ 0.05155 | \$ 9,119,577 | \$ 682,673 | | 76.09% |
| Total from Base Rates | | | \$11,303,282 | 100.00% | | \$ 11,985,956 | \$ 682,673 | | 100.00% |
| Fuel Adjustment | | | \$ 1,398,588 | | | \$ 1,398,588 | \$ - | | |
| Environmental Surcharge | | | \$ 981,090 | | | \$ 981,090 | \$ - | | |
| Green Power | | | \$ 660 | | | \$ 660 | \$ - | | |
| Total Revenues | | | \$13,683,620 | | | \$ 14,366,294 | \$ 682,673 | 4.99% | |
| Average | | | \$ 4,447 | | | \$ 4,669 | \$ 222 | 4.99% | |

OWEN ELECTRIC COOPERATIVE
BILLING ANALYSIS - OCT 2005 - SEP 2006
RATE 5
SCHEDULE II - LARGE POWER W/DISCOUNT FOR PRIMARY METERING

| | Billing Determinants | Actual | | Actual Component % of Base Rates | Proposed | | Dollar Increase | Percent Increase | Proposed Component % of Base Rates |
|-------------------------|-------------------------|------------|-------------|--|------------|------------|--------------------|---------------------|--|
| | | Rate | Revenues | | Rate | Revenues | | | |
| | (1) | (2) | (3)=(1)*(2) | | (4) | (5) | (6) | (7) | |
| Customer Charge | 24 | \$ 20.00 | \$ 480 | 0.14% | \$ 20.00 | \$ 480 | \$ - | | 0.13% |
| Demand Charge | 20,950 | \$ 4.86 | \$ 101,819 | 29.37% | \$ 4.86 | \$ 101,819 | \$ - | | 27.79% |
| Energy Charge per kWh | 5,393,200 | \$0.045310 | \$ 244,366 | 70.49% | \$ 0.04897 | \$ 264,113 | \$ 19,747 | | 72.08% |
| Total from Base Rates | | | \$ 346,665 | 100.00% | | \$ 366,412 | \$ 19,747 | | 100.00% |
| Fuel Adjustment | | | \$ 42,859 | | | \$ 42,859 | \$ - | | |
| Environmental Surcharge | | | \$ 29,758 | | | \$ 29,758 | \$ - | | |
| Green Power | | | \$ - | | | \$ - | \$ - | | |
| Total Revenues | | | \$ 419,281 | | | \$ 439,028 | \$ 19,747 | 4.71% | |
| Average | | | \$ 17,470 | | | \$ 18,293 | \$ 823 | 4.71% | |

OWEN ELECTRIC COOPERATIVE
BILLING ANALYSIS - OCT 2005 - SEP 2006
RATE 6 - OUTDOOR LIGHTING

SCHEDULE I OLS - OUTDOOR LIGHTING SERVICE

| Description | TYPE/Rate | Annual Billing Units (1) | Rate per Lamp (2) | Normalized Annual Revenue (3)=(1)*(2) | Percent of Actual Base Revenues | Assigned kWh per Light (4) | Total kWh assigned to Lights (5)=(1)*(4) | Proposed Rate per Light (6) | Proposed Light Revenues (7)=(6)*(1) | Dollar Change (8)=(7)-(3) | Percentage Change (9)=(7)/(3)-1x100 | Percent of Proposed Base Revenues |
|----------------------------------|-----------|-----------------------------|----------------------|--|---------------------------------|-------------------------------|---|--------------------------------|--|------------------------------|--|-----------------------------------|
| 100 watt-exist pole | 21 | 15,685 | \$ 8.38 | \$ 131,440 | 75.86% | 40 | 627,400 | \$ 8.53 | \$ 133,858 | \$ 2,417 | 1.84% | 75.91% |
| 100 watt-1 pole add | 22 | 2,329 | \$ 13.07 | \$ 30,440 | 17.57% | 40 | 93,160 | \$ 13.22 | \$ 30,799 | \$ 359 | 1.18% | 17.47% |
| 100 watt cobrahead-exist pole | 31 | 25 | \$ 11.00 | \$ 275 | 0.16% | 40 | 1,000 | \$ 11.15 | \$ 279 | \$ 4 | 1.40% | 0.16% |
| 100 watt cobrahead- 1 pole | 32 | 56 | \$ 15.69 | \$ 879 | 0.51% | 40 | 2,240 | \$ 15.84 | \$ 887 | \$ 9 | 0.98% | 0.50% |
| 250 watt cobrahead-exist pole | 33 | 84 | \$ 14.66 | \$ 1,231 | 0.71% | 83 | 6,972 | \$ 14.98 | \$ 1,258 | \$ 27 | 2.18% | 0.71% |
| 250 watt cobrahead- 1 pole | 34 | 12 | \$ 19.35 | \$ 232 | 0.13% | 83 | 996 | \$ 19.67 | \$ 236 | \$ 4 | 1.65% | 0.13% |
| 400 watt cobrahead-exist pole | 35 | 43 | \$ 17.75 | \$ 763 | 0.44% | 154 | 6,622 | \$ 18.34 | \$ 789 | \$ 26 | 3.34% | 0.45% |
| 400 watt cobrahead- 1 pole | 36 | 24 | \$ 22.44 | \$ 539 | 0.31% | 154 | 3,696 | \$ 23.03 | \$ 553 | \$ 14 | 2.64% | 0.31% |
| 100 watt directional -exist pole | 41 | 63 | \$ 10.28 | \$ 648 | 0.37% | 40 | 2,520 | \$ 10.43 | \$ 657 | \$ 10 | 1.50% | 0.37% |
| 100 watt directional - 1 pole | 42 | 27 | \$ 14.97 | \$ 404 | 0.23% | 40 | 1,080 | \$ 15.12 | \$ 408 | \$ 4 | 1.03% | 0.23% |
| 250 watt directional -exist pole | 43 | 95 | \$ 12.30 | \$ 1,169 | 0.67% | 83 | 7,885 | \$ 12.62 | \$ 1,199 | \$ 30 | 2.60% | 0.68% |
| 250 watt directional - 1 pole | 44 | 64 | \$ 16.99 | \$ 1,087 | 0.63% | 83 | 5,312 | \$ 17.31 | \$ 1,108 | \$ 20 | 1.88% | 0.63% |
| 400 watt directional -exist pole | 45 | 237 | \$ 15.16 | \$ 3,593 | 2.07% | 154 | 36,498 | \$ 15.75 | \$ 3,734 | \$ 141 | 3.91% | 2.12% |
| 400 watt directional - 1 pole | 46 | 28 | \$ 19.85 | \$ 556 | 0.32% | 154 | 4,312 | \$ 20.44 | \$ 572 | \$ 17 | 2.99% | 0.32% |
| Totals | | 18,772 | | \$ 173,256 | 100.00% | | 799,693 | | \$ 176,337 | \$ 3,081 | 1.78% | 100.00% |
| Average | | | | \$ 9.23 | | | | | \$ 9.39 | \$ 0.16 | 1.78% | |

OWEN ELECTRIC COOPERATIVE
BILLING ANALYSIS - OCT 2005 - SEP 2006
RATE 6 - OUTDOOR LIGHTING

SCHEDULE II SOLS -SPECIAL OUTDOOR LIGHTING SERVICE

| Description | TYPE/Rate | Annual Billing Units (1) | Rate per Lamp (2) | Normalized Annual Revenue (3)=(1)*(2) | Percent of Actual Base Revenues | Assigned kWh per Light (4) | Total kWh assigned to Lights (5)=(1)*(4) | Proposed Rate per Light (6) | Proposed Light Revenues (7)=(6)*(1) | Dollar Change (8)=(7)-(3) | Percentage Change (9)=(7)/(3)-1x100 | Percent of Proposed Base Revenues |
|--|-----------|-----------------------------|----------------------|--|---------------------------------|-------------------------------|---|--------------------------------|--|------------------------------|--|-----------------------------------|
| Traditional Light with Fiberglass Pole | 51 | 1,557 | \$ 8.85 | \$ 13,779 | 59.87% | 40 | 62,280 | \$ 9.00 | \$ 14,019 | \$ 239.97 | 1.74% | 59.94% |
| Holophane Light with Fiberglass Pole | 52 | 873 | \$ 10.58 | \$ 9,236 | 40.13% | 40 | 34,920 | \$ 10.73 | \$ 9,371 | \$ 134.55 | 1.46% | 40.06% |
| Totals | | 2,430 | | \$ 23,016 | 100.00% | 80 | 97,200 | | \$ 23,390 | \$ 374.51 | 1.63% | 100.00% |
| Average | | | | \$ 9.47 | | | | | \$ 9.63 | \$ 0.15 | 1.63% | |

OWEN ELECTRIC COOPERATIVE
BILLING ANALYSIS - OCT 2005 - SEP 2006
RATE 6 - OUTDOOR LIGHTING

SCHEDULE III - SECURITY LIGHTS

| Description | TYPE/Rate | Annual Billing Units (1) | Rate per Lamp (2) | Normalized Annual Revenue (3)=(1)*(2) | Percent of Actual Base Revenues | Assigned kWh per Light (4) | Total kWh assigned to Lights (5)=(1)*(4) | Proposed Rate per Light (6) | Proposed Light Revenues (7)=(6)*(1) | Dollar Change (8)=(7)-(3) | Percentage Change (9)=(7)/(3)-1x100 | Percent of Proposed Base Revenues |
|----------------------|-----------|-----------------------------|----------------------|--|---------------------------------|-------------------------------|---|--------------------------------|--|------------------------------|--|-----------------------------------|
| On existing pole | 1 | 108,419 | \$ 5.12 | \$ 555,105 | 76.95% | 57 | 6,179,883 | \$ 5.34 | \$ 578,916 | \$ 23,811.12 | 4.29% | 77.13% |
| one pole added | 2 | 20,881 | \$ 6.76 | \$ 141,156 | 19.57% | 57 | 1,190,217 | \$ 6.98 | \$ 145,741 | \$ 4,585.91 | 3.25% | 19.42% |
| two poles added | 3 | 1,045 | \$ 8.40 | \$ 8,776 | 1.22% | 57 | 59,565 | \$ 8.62 | \$ 9,008 | \$ 229.50 | 2.61% | 1.20% |
| three poles added | 4 | 84 | \$ 10.04 | \$ 843 | 0.12% | 57 | 4,788 | \$ 10.26 | \$ 862 | \$ 18.45 | 2.19% | 0.11% |
| four poles added | 5 | - | \$ 11.68 | \$ - | 0.00% | 57 | - | \$ 11.90 | \$ - | \$ - | 0.00% | 0.00% |
| with transformer | 6 | 1,791 | \$ 5.62 | \$ 10,065 | 1.40% | 57 | 102,087 | \$ 5.84 | \$ 10,459 | \$ 393.34 | 3.91% | 1.39% |
| one pole w/transf. | 7 | 675 | \$ 7.26 | \$ 4,901 | 0.68% | 57 | 38,475 | \$ 7.48 | \$ 5,049 | \$ 148.24 | 3.03% | 0.67% |
| two pole w/transf. | 8 | 60 | \$ 8.90 | \$ 534 | 0.07% | 57 | 3,420 | \$ 9.12 | \$ 547 | \$ 13.18 | 2.47% | 0.07% |
| three pole w/transf. | 9 | - | \$ 10.54 | \$ - | 0.00% | 57 | - | \$ 10.76 | \$ - | \$ - | 0.00% | 0.00% |
| four pole w/transf. | 10 | - | \$ 12.18 | \$ - | 0.00% | 57 | - | \$ 12.40 | \$ - | \$ - | 0.00% | 0.00% |
| Totals | | 132,955 | | \$ 721,382 | 100.00% | | 7,578,435 | | \$ 750,582 | \$ 29,199.74 | 4.05% | 100.00% |
| Average | | | | \$ 5.43 | | | | | \$ 5.65 | \$ 0.22 | 4.05% | |

OWEN ELECTRIC COOPERATIVE
BILLING ANALYSIS - OCT 2005 - SEP 2006
RATE 9 LPB - 1
SCHEDULE XI

| | Billing Determinants (1) | Actual | | Actual Component % of Base Rates | Proposed | | Dollar Increase (6) | Percent Increase (7) | Proposed Component % of Base Rates |
|---|--------------------------------|-------------|-------------------------|--|-------------|-----------------|---------------------------|----------------------------|--|
| | | Rate (2) | Revenues (3)=(1)*(2) | | Rate (4) | Revenues (5) | | | |
| Customer Charge | 108 | \$ 1,428.00 | \$ 154,224 | 4.25% | \$ 1,428.00 | \$ 154,224 | \$ - | | 3.92% |
| Demand Charge - Contract | 145,500 | \$5.39 | \$ 784,245 | 21.61% | \$7.29 | \$ 1,060,695 | \$ 276,450 | | 26.96% |
| Demand Charge - Excess | 15,428 | \$7.82 | \$ 120,647 | 3.33% | \$9.72 | \$ 149,960 | \$ 29,313 | | 3.81% |
| Energy Charge per kWh - 1st 425 hr/kW | 69,692,444 | \$0.034990 | \$ 2,438,539 | 67.21% | \$ 0.03499 | \$ 2,438,539 | \$ - | | 61.98% |
| Energy Charge per kWh - excess of 425 hr/kW | 4,196,001 | \$0.031160 | \$ 130,747 | 3.60% | \$ 0.03116 | \$ 130,747 | \$ - | | 3.32% |
| Total from Base Rates | | | \$ 3,628,402 | 100.00% | | \$ 3,934,165 | \$ 305,763 | | 100.00% |
| Fuel Adjustment | | | \$ 548,327 | | | \$ 548,327 | \$ - | | |
| Environmental Surcharge | | | \$ 319,819 | | | \$ 319,819 | \$ - | | |
| Green Power | | | \$ 660 | | | \$ 660 | \$ - | | |
| Total Revenues | | | \$ 4,497,208 | | | \$ 4,802,971 | \$ 305,763 | 6.80% | |
| Average | | | \$ 41,641 | | | \$ 44,472 | \$ 2,831 | 6.80% | |

OWEN ELECTRIC COOPERATIVE
BILLING ANALYSIS - OCT 2005 - SEP 2006
RATE 10
SCHEDULE IA - FARM AND HOME OFF-PEAK MARKETING RATE

| Billing Determinants | Actual | | Actual Component % of Base Rates | Proposed | | Dollar Increase | Percent Increase | Proposed Component % of Base Rates |
|------------------------------|----------|--------------|----------------------------------|-----------|--------------|-----------------|------------------|------------------------------------|
| | Rate (1) | Revenues (2) | | Rate (4) | Revenues (5) | | | |
| Customer Charge | 108 | \$ - | \$ - | \$0.00 | \$ - | \$ - | | |
| Energy Charge per kWh | 64,679 | \$ 0.04035 | \$ 2,610 | \$0.04266 | \$2,759 | \$ 150 | | 100.00% |
| Total from Base Rates | | | \$ 2,610 | | \$ 2,759 | \$ 150 | | 100.00% |
| Plus Fuel Adjustment | | | \$ 546 | | \$ 546 | \$ - | | |
| Plus Environmental Surcharge | | | \$ 229 | | \$ 229 | \$ - | | |
| Green Power | | | \$ - | | \$ - | \$ - | | |
| Total Revenues | | | \$ 3,385 | | \$ 3,535 | \$ 150 | 4.42% | |
| Average | | | 31.35 | | 32.73 | 1.38 | 4.42% | |

OWEN ELECTRIC COOPERATIVE
BILLING ANALYSIS - OCT 2005 - SEP 2006
RATE 12 LPB
SCHEDULE XIV

| | Billing | Actual | | Actual Component % of Base Rates | Proposed | | Dollar Increase | Percent Increase | Proposed Component % of Base Rates |
|--------------------------|---------------------|-------------|-------------------------|--|-------------|-----------------|--------------------|---------------------|--|
| | Determinants (1) | Rate (2) | Revenues (3)=(1)*(2) | | Rate (4) | Revenues (5) | | | |
| Customer Charge | 48 | \$ 1,428.00 | \$ 68,544 | 8.40% | \$ 1,428.00 | \$ 68,544 | \$ - | | 7.79% |
| Demand Charge - Contract | 30,700 | \$ 5.39 | \$ 165,473 | 20.29% | \$ 7.29 | \$ 223,803 | \$ 58,330 | | 25.45% |
| Demand Charge - Excess | 2,853 | \$ 7.82 | \$ 22,310 | 2.74% | \$ 9.72 | \$ 27,731 | \$ 5,421 | | 3.15% |
| Energy Charge per kWh | 15,122,682 | \$0.036990 | \$ 559,388 | 68.58% | \$ 0.03699 | \$ 559,388 | \$ - | | 63.61% |
| Total from Base Rates | | | \$ 815,715 | 100.00% | | \$ 879,466 | \$ 63,751 | | 100.00% |
| Fuel Adjustment | | | \$ 104,491 | | | \$ 104,491 | \$ - | | |
| Environmental Surcharge | | | \$ 70,419 | | | \$ 70,419 | \$ - | | |
| Green Power | | | \$ 43,560 | | | \$ 43,560 | \$ - | | |
| Total Revenues | | | \$1,034,186 | | | \$ 1,097,937 | \$ 63,751 | 6.16% | |
| Average | | | \$ 21,546 | | | \$ 22,874 | \$ 1,328 | 6.16% | |

OWEN ELECTRIC COOPERATIVE
BILLING ANALYSIS - OCT 2005 - SEP 2006
RATE 13 LPB - 2
SCHEDULE XIII

| | Billing | Actual | | Actual Component % of Base Rates | Proposed | | Dollar | Percent | Proposed Component % of Base Rates |
|---|--------------|-------------|--------------|--|--------------|--------------|------------|----------|--|
| | Determinants | Rate | Revenues | | Rate | Revenues | Increase | Increase | |
| | (1) | (2) | (3)=(1)*(2) | | (4) | (5) | (6) | (7) | |
| Customer Charge | 24 | \$ 2,855.00 | \$ 68,520 | 1.78% | \$ 2,855.00 | \$ 68,520 | \$ - | | 1.64% |
| Demand Charge - Contract | 164,600 | \$5.39 | \$ 887,194 | 23.07% | \$7.29 | \$ 1,199,934 | \$ 312,740 | | 28.67% |
| Demand Charge - Excess | 14,309 | \$7.82 | \$ 111,896 | 2.91% | \$9.72 | \$ 139,063 | \$ 27,187 | | 3.32% |
| Energy Charge per kWh - 1st 425 hr/kW | 88,195,759 | \$0.029990 | \$ 2,644,991 | 68.78% | \$ 0.02999 | \$ 2,644,991 | \$ - | | 63.19% |
| Energy Charge per kWh - excess of 425 hr/kW | 16,612,650 | \$0.028660 | \$ 476,119 | 12.38% | \$ 0.02866 | \$ 476,119 | \$ - | | 11.38% |
| Demand Credit | 95,299 | \$ (3.60) | \$ (343,076) | -8.92% | \$ (3.60) | \$ (343,076) | \$ - | | -8.20% |
| Total from Base Rates | | | \$ 3,845,643 | 100.00% | \$ 4,185,570 | \$ 339,927 | | | 100.00% |
| Fuel Adjustment | | | \$ 838,322 | | \$ 838,322 | \$ - | | | |
| Environmental Surcharge | | | \$ 363,835 | | \$ 363,835 | \$ - | | | |
| Green Power | | | \$ - | | \$ - | \$ - | | | |
| Total Revenues | | | \$ 5,047,801 | | \$ 5,387,728 | \$ 339,927 | | 6.73% | |
| Buy-thru energy/charges | | | \$ 96,070 | | \$ 96,070 | \$ - | | | |
| Total Revenues including buy thru net charges | | | \$ 5,143,871 | | \$ 5,483,798 | \$ 339,927 | | 6.61% | |
| Average | | | \$ 214,328 | | \$ 228,492 | \$ 14,164 | | 6.61% | |

OWEN ELECTRIC COOPERATIVE
BILLING ANALYSIS - OCT 2005 - SEP 2006
RATE 20
SCHEDULE 2-A - LARGE POWER - TIME OF DAY

| | Billing | Actual | | <i>Actual Component % of Base Rates</i> | Proposed | | Dollar Increase | Percent Increase | <i>Proposed Component % of Base Rates</i> |
|----------------------------------|--------------------|-------------|-------------------------|---|-------------|-----------------|--------------------|---------------------|---|
| | Determinant (1) | Rate (2) | Revenues (3)=(1)*(2) | | Rate (4) | Revenues (5) | | | |
| Customer Charge | 108 | \$ 57.55 | \$ 6,215 | 2.61% | \$ 57.55 | \$ 6,215 | \$ - | | 2.46% |
| Energy Charge per kWh - On-Peak | 1,879,824 | \$0.078097 | \$ 146,809 | 61.61% | \$0.081950 | \$ 154,052 | \$ 7,243 | | 60.97% |
| Energy Charge per kWh - Off-Peak | 1,854,000 | \$0.045990 | \$ 85,265 | 35.78% | \$0.049843 | \$ 92,409 | \$ 7,143 | | 36.57% |
| Total from Base Rates | | | \$ 238,289 | 100.00% | | \$ 252,676 | \$ 14,386 | | 100.00% |
| Fuel Adjustment | | | \$ 29,653 | | | \$ 29,653 | \$ - | | |
| Environmental Surcharge | | | \$ 20,070 | | | \$ 20,070 | \$ - | | |
| Green Power | | | \$ - | | | \$ - | \$ - | | |
| Total Revenues | | | \$ 288,012 | | | \$ 302,399 | \$ 14,386 | 5.00% | |
| Average | | | \$ 2,667 | | | \$ 2,800 | \$ 133 | 5.00% | |

OWEN ELECTRIC COOPERATIVE
BILLING ANALYSIS - OCT 2005 - SEP 2006
GALLATIN STEEL

| | Billing Determinants (1) | Actual | | Actual Component % of Base Rates | Proposed | | Dollar Increase (6) | Percent Increase (7) | Proposed Component % of Base Rates |
|----------------------------------|-----------------------------|-------------|-------------------------|-------------------------------------|-------------|-----------------|------------------------|-------------------------|---------------------------------------|
| | | Rate (2) | Revenues (3)=(1)*(2) | | Rate (4) | Revenues (5) | | | |
| <i>Demand:</i> | | | | | | | | | |
| Firm KW | 180,000 | \$ 5.39 | \$970,200 | 3.11% | \$ 6.92 | \$ 1,245,600 | \$ 275,400 | | 3.64% |
| 10 Min. Interruptible KW | 1,440,000 | \$ 1.79 | \$2,577,600 | 8.25% | \$ 3.32 | \$ 4,780,800 | \$ 2,203,200 | | 13.97% |
| 90 Min. Interruptible KW | 322,343 | \$ 2.69 | \$ 867,103 | 2.78% | \$ 4.22 | \$ 1,360,287 | \$ 493,185 | | 3.98% |
| <i>Energy Charge per kWh:</i> | | | | | | | | | |
| On-Peak kWh | 319,667,504 | \$ 0.027650 | \$ 8,838,806 | 28.29% | \$ 0.027650 | \$ 8,838,806 | \$ - | | 25.84% |
| Off-Peak kWh | 714,688,148 | \$ 0.024650 | \$ 17,617,063 | 56.40% | \$ 0.024650 | \$ 17,617,063 | \$ - | | 51.50% |
| <i>Distribution Expenses:</i> | | | | | | | | | |
| KW Demand | 1,942,343 | \$ 0.037500 | \$ 72,838 | 0.23% | \$ 0.037500 | \$ 72,838 | \$ - | | 0.21% |
| kWh Energy | 1,034,355,652 | \$ 0.000285 | \$ 294,791 | 0.94% | \$ 0.000285 | \$ 294,791 | \$ - | | 0.86% |
| Total Base Revenues | | | \$31,238,401 | 100.00% | | \$34,210,186 | \$2,971,785 | | 100.00% |
| ES* | | | \$2,942,083 | | | \$2,942,083 | \$0 | | |
| FAC | | | \$7,774,073 | | | \$7,774,073 | \$0 | | |
| Total Revenues | | | \$41,954,557 | | | \$44,926,342 | \$2,971,785 | | |
| Buy-Thru Charges | | | \$1,802,340 | | | \$1,802,340 | \$0 | | |
| Buy-Thru Credits | | | (\$512,518) | | | (\$512,518) | \$0 | | |
| Total Revenues (incl. Buy-thrus) | | | \$43,244,379 | | | \$46,216,164 | \$2,971,785 | 6.87% | |
| Average (per month) | | | \$ 3,603,698 | | | \$ 3,851,347 | \$ 247,649 | 6.87% | |

*Based on Owen Electric's Retail Environmental Surcharge Factor

Analysis of Wholesale to Retail Proportionality

| | Retail |
|-----------|--------|
| Wholesale | |

| | Existing | Proposed | Change | | Existing | Proposed | Change |
|-------------------------------|-----------|-----------|--------|-------------------------------|-----------|-----------|--------|
| I Customer Charge | | | | | | | |
| Metering Point Charge | \$125/Mo. | \$125/Mo. | \$ - | Customer Charge I Residential | \$5.50/Mo | \$5.50/Mo | \$ - |
| Substation at less than 3 MVA | \$944/Mo. | \$944/Mo. | \$ - | Customer Charge I Residential | \$5.50/Mo | \$5.50/Mo | \$ - |
| II Demand Charge | | | | | | | |
| 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.