

# SUIT, McCARTNEY, PRICE, PRICE & RUARK

Attorneys at Law

Marvin W. Suit

Frank H. McCartney

Patrick E. Price

John C. Price

Darrell K. Ruark

207 Court Square  
Flemingsburg, KY 41041

Phone (606) 849-2338  
Fax (606) 845-8701

January 12, 2009

Mr. Jeff Derouen  
Executive Director  
Public Service Commission  
211 Sower Boulevard  
Frankfort, KY 40602

RECEIVED

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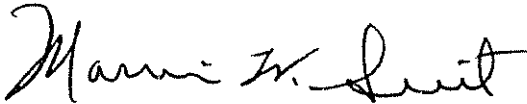
PUBLIC SERVICE  
COMMISSION

**Re: PSC Case No. 2008-00415**

Dear Mr. Derouen:

Please find enclosed for filing with the Commission in the above-referenced case an original and five copies of the responses of Fleming-Mason Energy Cooperative, Inc., to the Commission Staff's Initial Data Request, dated December 19, 2008.

Very truly yours,



Marvin W. Suit  
Attorney for Fleming-Mason Energy

MWS:jtr

Enclosures

<JTR\Letters\MWS\Derouen, Jeff re fvd Responses of Flem-Mason Energy to Data Request (01-05-09)>

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

APPLICATION OF FLEMING-MASON ENERGY	)	
COOPERATIVE TO PASS-THROUGH AN	)	CASE NO.
INCREASE OF ITS WHOLESALE POWER	)	2008-00415
SUPPLIER PURSUANT TO KRS 278.455(2)	)	

CERTIFICATE

STATE OF KENTUCKY )  
 )  
 COUNTY OF CLARK )

James C. Lamb, Jr., being duly sworn, states that he has supervised the preparation of the responses of Fleming-Mason Energy Cooperative to the Public Service Commission Staff Initial Data Request in the above-referenced case dated December 19, 2008, and that the matters and things set forth therein are true and accurate to the best of his knowledge, information and belief, formed after reasonable inquiry.

James C. Lamb, Jr.

Subscribed and sworn before me on this 12<sup>th</sup> day of January, 2009.

Deagay S. Griffin  
 Notary Public

My Commission expires:

December 8, 2009

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

APPLICATION OF FLEMING-MASON ENERGY	)	
COOPERATIVE TO PASS-THROUGH AN	)	CASE NO.
INCREASE OF ITS WHOLESALE POWER	)	2008-00415
SUPPLIER PURSUANT TO KRS 278.455(2)	)	

CERTIFICATE

STATE OF KENTUCKY )  
 )  
 COUNTY OF CLARK )

Ann F. Wood, being duly sworn, states that she has supervised the preparation of the responses of Fleming-Mason Energy Cooperative to the Public Service Commission Staff Initial Data Request in the above-referenced case dated December 19, 2008, and that the matters and things set forth therein are true and accurate to the best of her knowledge, information and belief, formed after reasonable inquiry.

Ann F. Wood

Subscribed and sworn before me on this 9<sup>th</sup> day of January, 2009.

Peggy S. Griffin  
 Notary Public

My Commission expires:

December 8, 2009

**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>2008-00415</b>
<b>SUPPLIER PURSUANT TO KRS 278.455(2)</b>	)	

**RESPONSES TO COMMISSION STAFF'S INITIAL DATA REQUEST  
TO FLEMING-MASON ENERGY COOPERATIVE  
DATED DECEMBER 19, 2008**

—

**FLEMING-MASON ENERGY COOPERATIVE**  
**PSC CASE NO. 2008-00415**  
**INITIAL DATA REQUEST RESPONSE**

**COMMISSION STAFF'S INITIAL DATA REQUEST DATED 12/19/08**  
**REQUEST 1**

**RESPONSIBLE PERSON:** Ann F. Wood

**COMPANY:** Fleming-Mason Energy Cooperative

**Request 1.** Provide the workpapers, spreadsheets, etc. which show the calculation of the increase, by individual wholesale rate schedule, in Fleming-Mason's cost of power from East Kentucky Power Cooperative, Inc. that Fleming-Mason is proposing to flow through to its customers. Include a brief narrative description of the data being provided.

**Response 1.** Please pages 2 through 6 of this response. EKPC multiplied the projected wholesale billing units for all members for the test year by the EKPC existing rates to determine revenue before the rate increase. The revenue increase was then proportioned to EKPC rate classes in order to develop proposed rates. After the proposed wholesale rates were developed, the new rates were applied to the same projected billing units proportionally among all rate classes. These rates were then applied to the projected wholesale billing units of each member system, in order to determine their proportionate share of EKPC's revenue requirements.

Please note that the wholesale increase on pages 2 through 6 totals \$5,360,381 and is higher than the retail increase of \$5,358,485 shown in the Attachment to Response 3, Page 1 of 5 (Revised Exhibit 3 from the original filing.) This slight under recovery is a result of rounding.

EKPC  
Fleming-Mason  
Rate E  
Option 2

Description	Billing Units	Current Rate		Calculated Billings
		Rate		
Metering Point Charge All Customers	175	\$ 125.00	\$	21,875.00
<b>Substation charges</b>				
Substation 1,000 - 2,999 kVa	-	\$ 944.00	\$	-
Substation 3,000 - 7,499 kVa	-	\$ 2,373.00	\$	-
Substation 7,500 - 14,999 kVa	96	\$ 2,855.00	\$	274,080.00
Substation > 15,000 kVa	67	\$ 4,605.00	\$	308,535.00
	163		\$	582,615.00

Description	Billing Units	Pro Rata		Calculated Billings
		Rate		
Metering Point Charge All Customers	175	\$ 138.00	\$	24,150.00
<b>Substation charges</b>				
Substation 1,000 - 2,999 l	-	\$ 1,041.00	\$	-
Substation 3,000 - 7,499 l	-	\$ 2,617.00	\$	-
Substation 7,500 - 14,999	96	\$ 3,149.00	\$	302,304.00
Substation > 15,000 kVa	67	\$ 5,079.00	\$	340,293.00
	163		\$	642,597.00

<b>Demand Charge</b>				
All Kw	1,096,794	\$ 5.22	\$	5,725,264.68
<b>Energy Charge</b>				
On-Peak (April - July)	80,417,455	\$ 0.042470	\$	3,415,329.31
Off-Peak (April - July)	61,776,398	\$ 0.034904	\$	2,156,243.40
On-Peak (Aug - March)	169,630,685	\$ 0.042470	\$	7,204,215.19
Off-Peak (Aug - March)	177,104,869	\$ 0.034904	\$	6,181,668.35
	488,929,407		\$	18,957,456.25
	488,929,407		\$	3,717,819.21
FAC		0.007604	\$	3,717,819.21
ES		13.62%	\$	3,950,485.11
Power Factor				
<b>Total Billings</b>				<u>\$ 32,955,515.25</u>

<b>Demand Charge</b>				
All Kw	1,096,794	\$ 5.76	\$	6,317,533.44
<b>Energy Charge</b>				
On-Peak	250,048,140	\$0.046844	\$	11,713,255.07
Off-Peak	238,881,267	\$0.038499	\$	9,196,689.90
	488,929,407		\$	20,909,944.97
FAC			\$	3,717,819.21
ES			\$	3,950,485.11
Power Factor			\$	-
<b>Total Billings</b>				<u>\$ 35,562,529.72</u>
Increase/(Decrease)			\$	2,607,014.48
Percent Change				7.91%

EKPC  
Fleming-Mason  
Rate C

Description	Billing Units	Current Rate		Description	Billing Units	Pro Rate	
		Rate	Calculated Billings			Rate	Calculated Billings
Demand Charge Billing kW	295,313	\$ 6.22	\$ 1,836,846.86	Demand Charge #REF!	295,313	\$ 6.86	\$ 2,025,847.18
Energy Charge All kWh	173,761,788 kWh	\$ 0.033455	\$ 5,813,200.62	Energy Charge All kWh	173,761,788 kWh	\$ 0.036901	\$ 6,411,983.74
	173,761,788		\$ 7,650,047.48				\$ 8,437,830.92
FAC		\$ 0.007604	\$ 1,321,284.64	FAC			\$ 1,321,284.64
ES		13.62%	\$ 1,221,895.43	ES			\$ 1,221,895.43
Power Factor			\$ -	Power Factor			\$ -
<b>Total Billings</b>			<u>\$ 10,193,227.55</u>	<b>Total Billings</b>			<u>\$ 10,981,010.99</u>
				Increase/(Decrease)			\$ 787,783.44
				Percent Change			7.73%



EKPC  
Fleming-Mason  
Pumping Station

Description	Billing Units	Current Rate		Description	Billing Units	Pro Rate	
		Rate	Calculated Billings			Rate	Calculated Billings
Demand Charge Billing kW	305,258 mmbtu	\$ 1.75	\$ 534,201.50	Demand Charge Billing kW	305,258	\$ 1.75	\$ 534,201.50
Energy Charge	kWh			Energy Charge	kWh		
Off-Peak kWh	57,231,461	\$ 0.040354	\$ 2,309,546.38	Off-Peak kWh	57,231,461	\$ 0.040354	\$ 2,309,546.38
	57,231,461		\$ 2,843,747.88				\$ 2,843,747.88
FAC		\$ 0.007604		FAC		\$	-
ES		13.62%	\$ 387,318.46	ES		\$	387,318.46
Purch Power Recovery				Purch Power Recovery		\$	-
Total Billings			\$ 3,231,066.34	Total Billings		\$	3,231,066.34
				Increase/(Decrease)		\$	-
				Percent Change			0.00%
	kW Pumping Stations	467000					
	BGT On Pk Tot	81664850					
	BGT off Pk Total	92190150					
	BGT kWh Total	173755000					

EKPC  
Fleming-Mason  
Rate G

Description	Current Rate		Pro Rate	
	Billing Units	Rate	Billing Units	Rate
<b>Substation Charge</b>				
Meter Pt Chg	12	\$ 125.00	12	\$ 138.00
Substation > 15,000 kVa	12	\$ 4,605.00	12	\$ 5,079.00
<b>Demand Charge</b>				
Billing kW	348,000	\$ 6.06	348,000	\$ 6.68
<b>Energy Charge</b>				
All kWh	223,221,000	\$ 0.031690	223,221,000	\$ 0.034954
	223,221,000	\$ 9,239,513.49		\$ 10,189,710.83
FAC		\$ 0.007604		\$ 1,697,372.48
ES		13.62%		\$ 1,489,603.87
Power Factor		\$ -		\$ -
<b>Total Billings</b>		\$ 12,426,489.84		\$ 13,376,687.19
Increase/(Decrease)				\$ 950,197.34
Percent Change				7.65%

Steam Service	Equiv kW / kWh	Equiv kW / kWh				
Demand Charge	Per MMBTU	492,000		3,790		\$ 2,092,464
						\$ 552.04
Energy Charge	Per MMBTU	MMBtu		2,228,233		\$ 8,790,380
		260,384,000				\$ 10,882,844
Sub-Total -- Base Rates						\$ 1,979,972
FAC						\$ 1,613,269
Environmental Surcharge						\$ 14,476,085
Total Billings						\$ 1,015,366
						7.54%

PSC Request 1

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**FLEMING-MASON ENERGY COOPERATIVE**  
**PSC CASE NO. 2008-00415**  
**INITIAL DATA REQUEST RESPONSE**

**COMMISSION STAFF'S INITIAL DATA REQUEST DATED 12/19/08**  
**REQUEST 2**

**RESPONSIBLE PERSON:** James C. Lamb, Jr./Ann F. Wood  
**COMPANY:** Fleming-Mason Energy Cooperative

**Request 2.** Refer to Exhibit 3 of the application. The billing analysis shows various rate schedules with escalation percentages applied to the billing determinants. Explain the need for the escalation percentages and provide workpapers, spreadsheets, etc. for the calculation of the percentages, as well as a narrative explanation of how the percentages were determined.

**Response 2.** Since EKPC is using a forecasted test period, the increase is calculated based on projected billing determinants. In order to appropriately match retail rates to the forecasted test year used for wholesale rates, an escalation factor was used. The escalated data was applied to Residential and Small Commercial classes only due to the wide variance and unpredictable nature of the Large Commercial/Industrial class.

The Attachment shows the escalation percentages calculated by the Resource Planning Department of EKPC and the supporting calculations.

EKPC prepares a load forecast by working jointly with its member systems in preparing their individual load forecasts. Factors considered in preparing the forecasts include national, regional, and local economic performance, appliance saturations and

efficiencies, population and housing trends, service area industrial development, electric price, household income, and weather. Each member system reviews the preliminary forecast for reasonability.

The general steps followed by EKPC in developing its load forecast are summarized as follows:

EKPC subscribes to Global Insight, Inc., in order to analyze regional economic performance. Global Insight provides EKPC projections for population, employment, and income as well as other variables.

EKPC prepares a preliminary forecast for each of its member systems for each classification using monthly data as reported on the Rural Utilities Services (RUS) Form 7, which contains publicly available retail sales data for member systems. These include: residential, seasonal, small commercial, public buildings, large commercial, and other. EKPC's sales to member systems are then determined by adding distribution losses to total retail sales. Seasonal peak demands are determined by applying peak factors for heating, cooling, and water heating to energy.

The supplementary spreadsheets in the Attachment contain the data resulting from the above-described process. The growth rates for energy sales, winter peak demand, and customers are based upon the monthly forecasts for the test period.

Escalation for Fleming-Mason

Escalation - MWH - Energy	
Time Period	MWH Sales
May 2008 to April 2009	974,792
May 2009 to April 2010	1,022,438
Percent change	4.9%

Escalation - MW - Demand	
Time Period	
Winter 2009-2010	207.5
Winter 2010-2011	210.6
Percent change	1.5%

Escalation - Customers - Residential	
Time Period	Average Annual Customers
2009	18,023
2010	18,228
Percent change	1.1%

Escalation - Customers - Small Commercial	
Time Period	Average Annual Customers
2009	1,658
2010	1,696
Percent change	2.3%

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**FLEMING-MASON ENERGY COOPERATIVE  
PSC CASE NO. 2008-00415  
INITIAL DATA REQUEST RESPONSE**

**COMMISSION STAFF'S INITIAL DATA REQUEST DATED 12/19/08  
REQUEST 3**

**RESPONSIBLE PERSON:** Ann F. Wood

**COMPANY:** Fleming-Mason Energy Cooperative

**Request 3.** Refer to Exhibit 3 of the application. The proposed rates shown in the billing analysis do not reconcile with the rates listed in the proposed tariff provided in Exhibit 1 and the public notice provided in Exhibit 5. Explain the discrepancy and provide copies of all schedules that require correction.

**Response 3.** The wrong version of Exhibit 3 was filed with the application. Exhibits 1 and 5 were correct in the original application. A revised Exhibit 3 is provided as an attachment to this response.

Fleming Mason  
Billing Analysis  
for the 12 months ended June 30, 2008

	Existing <u>Total</u>	% of <u>Total</u>	Proposed <u>Total</u>	% of <u>Total</u>	<u>\$ Increase</u>	<u>% Increase</u>
Residential and Small Power	27,040,580	40.98%	29,000,656	40.65%	1,960,076	7.25%
Residential and Small Power (ETS)	106,151	0.16%	113,849	0.16%	7,697	7.25%
Small General Service	1,519,069	2.30%	1,628,882	2.28%	109,813	7.23%
Large General Service	6,760,440	10.24%	7,249,855	10.16%	489,415	7.24%
All Electric Schools	192,608	0.29%	206,579	0.29%	13,972	7.25%
Guardian and Dravo	8,911,120	13.50%	9,555,360	13.39%	644,240	7.23%
Inland Electric	10,401,424	15.76%	11,420,845	16.01%	1,019,421	9.80%
Inland Steam	10,265,853	15.56%	11,322,238	15.87%	1,056,384	10.29%
Street/Security Lighting Outdoor Lighting	792,960	1.20%	850,426	1.19%	57,466	7.25%
	<u>65,990,204</u>	<u>100.00%</u>	<u>71,348,689</u>	<u>100.00%</u>	<u>5,358,485</u>	<u>8.12%</u>
Tennessee Gas	9,208,320		9,208,320			
FAC and ES	11,265,463		11,265,463			
	<u>86,463,986</u>		<u>91,822,471</u>		<u>5,358,485</u>	<u>6.20%</u>

PSC Request 3  
Attachment  
Page 2 of 5

Request 3  
Attachment  
Page 2 of 5

Fleming Mason Energy Cooperative  
Billing Analysis  
for the 12 months ended June 30, 2008

Rate 1  
Residential and Small Power

	Actual Billing Data	Escalation %	Existing				Proposed				\$ Increase	% Increase
			Billing Determinants	Current Rate	Annualized Revenues	% of Total	Billing Determinants	Proposed Rate	Annualized Revenues	% of Total		
Customer Charge	260.142	1.13%	283.308	\$9.75	\$2,762,249	10.22%	283.308	\$ 10.46	\$2,963,398	10.22%	\$201.148	7.28%
Energy charge per kWh Energy charge	305,979.138	4.90%	320,972.116	\$0.07584	24,278,331	89.78%	320,972.116	\$ 0.08112	\$26,037,258	89.78%	\$1,758,027	7.24%
<b>Total from base rates</b>					<u>27,040,580</u>	100.00%			<u>29,000,656</u>	100.00%	<u>\$1,960,076</u>	<u>7.25%</u>
Green Power					173.25				173.25			
Fuel adjustment					1,583,300.65				1,583,301			
Environmental surcharge					<u>1,838,779.23</u>				<u>1,838,779</u>			
<b>Total revenues</b>					<u>\$30,462,833</u>		1.133		<u>\$32,422,909</u>		<u>\$1,960,076</u>	<u>6.43%</u>
Average Bill					\$ 107.53				\$ 114.44		\$ 0.02	6.43%

Residential and Small Power (ETS)

	Actual Billing Data	Escalation %	Existing				Proposed				\$ Increase	% Increase
			Billing Determinants	Current Rate	Annualized Revenues	% of Total	Billing Determinants	Proposed Rate	Annualized Revenues	% of Total		
Customer Charge	959	1.13%	970	9.75	\$9,456	8.91%	970	\$ 10.46	\$10,144	9.91%	\$689	7.28%
Energy charge per kWh-non ETS	796,623	4.90%	835,658	\$0.07564	83,209	59.55%	835,658	\$ 0.08112	\$67,789	59.54%	\$4,579	7.24%
Energy charge per kWh-ETS	703,442	4.90%	737,911	\$0.04538	33,486	31.55%	737,911	\$ 0.04867	\$35,916	31.55%	\$2,429	7.25%
<b>Total from base rates</b>					<u>106,151</u>				<u>113,849</u>		<u>\$7,697</u>	<u>7.25%</u>
Fuel adjustment					7,743				7,743			
Environmental surcharge					<u>7,588</u>				<u>7,588</u>			
<b>Total revenues</b>					<u>\$121,482</u>				<u>\$129,179</u>		<u>\$7,697</u>	<u>6.34%</u>
Average Bill					\$125.26				\$133.20		\$7.94	6.34%

Small General Service  
Rate 2

	Actual Billing Data	Escalation %	Existing				Proposed				\$ Increase	% Increase
			Billing Determinants	Current Rate	Annualized Revenues	% of Total	Billing Determinants	Proposed Rate	Annualized Revenues	% of Total		
Customer Charge	2.129	2.26%	2.177	\$44.34	\$ 98,533	6.35%	2.177	\$ 47.55	\$103,522	6.36%	\$6,989	7.24%
Demand Charge	67.541	1.50%	68,554	\$6.68	457,938	30.15%	68,554	\$ 7.16	\$480,844	30.13%	\$32,908	7.19%
Energy charge per kWh	16,789.114	4.90%	17,611.781	\$0.05477	964,597	63.50%	17,611.781	\$ 0.05874	\$1,034,516	63.51%	\$69,910	7.25%
<b>Total from base rates</b>					<u>1,519,069</u>	100.00%			<u>1,628,882</u>	100.00%	<u>\$109,813</u>	<u>7.23%</u>
Fuel adjustment					91,759				91,759		\$0	0.00%
Environmental surcharge					<u>102,030</u>				<u>102,030</u>		\$0	0.00%
<b>Total revenues</b>					<u>1,712,858</u>				<u>1,822,671</u>		<u>\$109,813</u>	<u>6.41%</u>
Average Bill					\$ 786.76				\$ 837.20		\$ 50.44	6.41%

PSC Request 3  
Attachment  
Page 3 of 5

Request 3  
Attachment  
Page 3 of 5

Fleming Mason Energy Cooperative  
Billing Analysis  
for the 12 months ended June 30, 2008

Large General Service  
Rate 3 & 7

Actual Billing Data	Escalation %	Existing				Proposed				\$ Increase	% Increase	
		Billing Determinants	Current Rate	Annualized Revenues	% of Total	Billing Determinants	Proposed Rate	Annualized Revenues	% of Total			
Customer Charge	1.556	0.00%	1.556	\$59.00	\$ 91,804	1.36%	1.556	\$ 63.20	\$98,464	1.36%	\$0.600	7.25%
Demand Charge	301.364	1.50%	305.884	\$6.24	1,908,719	28.23%	305.884	\$ 6.69	\$2,046,367	28.23%	\$137,648	7.21%
Energy charge per kWh All kWh	101,853,545	4.90%	106,844,369	\$0.04455	4,759,917	70.41%	106,844,369	\$ 0.04778	\$5,105,024	70.42%	\$345,107	7.25%
<b>Total from base rates</b>					<u>6,760,440</u>	100.00%			<u>7,249,855</u>	100.00%	\$489,415	7.24%
Fuel adjustment					563,578				563,578			
Environmental surcharge					489,316				489,316			
<b>Total revenues</b>					<u>7,812,333</u>				<u>8,301,748</u>		\$489,415	6.26%
<b>Average Bill</b>					\$ 5,020.78				\$ 5,335.31		\$ 314.53	6.26%

All Electric Schools  
Rate 4

Actual Billing Data	Escalation %	Existing				Proposed				\$ Increase	% Increase	
		Billing Determinants	Current Rate	Annualized Revenues	% of Total	Billing Determinants	Proposed Rate	Annualized Revenues	% of Total			
Customer Charge	24	0.00%	24	\$58.44	\$1,403		24	\$ 62.68	\$1,504		\$102	7.26%
Energy charge per kWh	2,577,400	4.90%	2,703,693	\$0.07072	191,205	99.27%	2,703,693	\$ 0.07585	\$205,075	99.27%	\$13,870	7.25%
<b>Total from base rates</b>					<u>192,608</u>				<u>206,579</u>		\$13,972	7.25%
Fuel adjustment					13,646				13,646			
Environmental surcharge					13,128				13,128			
<b>Total revenues</b>					<u>\$219,381</u>				<u>\$233,353</u>		\$13,972	6.37%
<b>Average Bill</b>					\$9,140.88				\$9,723.04		\$582.15	6.37%

Guardian Industries and Dravo  
Rates LIS6, LIS 7)

Actual Billing Data	Escalation %	Existing				Proposed				\$ Increase	% Increase	
		Billing Determinants	Current Rate	Annualized Revenues	% of Total	Billing Determinants	Proposed Rate	Annualized Revenues	% of Total			
Customer Charge-Guardian	12	0.00%	12	\$1,100.44	\$13,205	0.15%	12	\$ 1,180.19	\$14,162	0.15%	\$957	7.25%
Customer Charge-Dravo	12		12	\$0.00			12					
Demand charge												
Guardian	105,417	1.50%	106,998	\$5.55	\$593,840	6.66%	106,998	\$ 5.95	\$636,640	6.66%	\$42,799	7.21%
Dravo	183,008	1.50%	185,753	\$5.55	\$1,030,930	11.57%	185,753	\$ 5.95	\$1,105,231	11.57%	\$74,301	7.21%
Energy Charge-Both	181,740,888	4.90%	190,645,982	\$0.03815	7,273,144	81.62%	190,645,982	\$ 0.04091	\$7,799,327	81.62%	\$526,183	7.23%
<b>Total Baseload Charges</b>					<u>\$8,911,120</u>	100.00%			<u>\$9,555,360</u>	100.00%	\$644,240	7.23%
Fuel adjustment					997,365				997,365			
Environmental surcharge					654,098				654,098			
<b>Total Revenues</b>					<u>\$10,562,582</u>				<u>\$11,206,823</u>		\$644,240	6.10%
<b>Average Bill</b>					\$ 860,215.18				\$ 933,901.88		\$ 63,686.70	6.10%

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Request 3  
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Fleming Mason Energy Cooperative  
Billing Analysis  
for the 12 months ended June 30, 2008

Inland Electric  
Contract Rate

Actual Billing Data	Escalation %	Existing				Proposed				\$ Increase	% Increase	
		Billing Determinants	Current Rate	Annualized Revenues	% of Total	Billing Determinants	Proposed Rate	Annualized Revenues	% of Total			
Customer Charge	12	0.00%	12	\$4,605.00	\$55,260	0.53%	12	\$ 5,079.00	\$60,948	0.53%	\$5,688	10.20%
Demand Charge	340,392	1.50%	345,498	\$8.06	\$2,093,717	20.13%	345,498	\$ 6.68	\$2,307,926	20.21%	\$214,209	10.23%
Energy Charge	233,510,399	4.90%	244,952,409	\$0.03369	8,252,447	79.34%	244,952,409	\$ 0.036954	\$9,051,971	79.26%	\$700,525	9.60%
<b>Total Baseload Charges</b>					<u>\$10,401,424</u>	100.00%			<u>\$11,420,845</u>	100.00%	\$1,019,421	9.80%
Fuel adjustment					1,220,148				1,220,148			
Environmental surcharge					1,541,747				1,541,747			
<b>Total Revenues</b>					<u>\$13,163,319</u>				<u>\$14,182,739</u>		\$1,019,421	7.74%
<b>Average Bill</b>					\$ 1,096,943				\$ 1,181,895		\$84,951.78	7.74%

Inland Steam  
Contract Rate

Actual Billing Data	Steam Adj Factor	Existing				Proposed				\$ Increase	% Increase	
		Billing Determinants	Current Rate	Annualized Revenues	% of Total	Billing Determinants	Proposed Rate	Annualized Revenues	% of Total			
Customer Charge	12		12	\$0.00	\$0	0.00%	12	-	\$0	0.00%		
Demand Charge MMBTU	4,089	0.975	3,987	\$500.49	\$1,995,341	19.44%	3,987	\$ 552.04	\$2,200,859	19.44%	\$205,518	10.30%
Equiv kW			492,000									
Energy Charge MMBTU	2,371,422	0.975	2,312,136	\$3.57700	8,270,512	80.56%	2,312,136	\$ 3.94500	\$9,121,378	80.56%	\$850,866	10.20%
Equiv kWh			280,384.199									
<b>Total Baseload Charges</b>					<u>\$10,265,853</u>	100.00%			<u>\$11,322,238</u>	100.00%	\$1,056,384	10.20%
Fuel adjustment					1,375,720				1,375,720			
Environmental surcharge					764,114				764,114			
<b>Total Revenues</b>					<u>\$12,405,687</u>				<u>\$13,462,072</u>		\$1,056,384	8.52%
<b>Average Bill</b>					\$ 1,033,807				\$ 1,121,839		\$88,032.04	8.52%

Fleming Mason  
Billing Analysis  
for the 12 months ended June 30, 2008

Street Lighting and Security Lights  
Outdoor Lighting

	Existing			% of Total	Proposed			% of Total	\$ Increase	% Increase
	Billing Determinants	Current	Annualized		Billing Determinants	Rate	Annualized			
		Rate	Revenues			Rate	Revenues			
7000 LUMEN MERCURY VAPOR	27,540	\$7.77	\$ 213,986	26.99%	27,540	\$8.33	\$ 229,493	26.99%	15,508	7.25%
20000 LUMEN MERCURY VAPOR	84	\$14.94	\$ 1,255	0.16%	84	\$16.02	\$ 1,346	0.16%	91	7.25%
9500 LUMEN STANDARD HPS	63,264	\$7.61	\$ 481,439	60.71%	63,264	\$8.16	\$ 516,329	60.71%	34,890	7.25%
9500 LUMEN ORNAMENTAL HPS	156	\$16.24	\$ 2,533	0.32%	156	\$17.42	\$ 2,717	0.32%	184	7.25%
9500 LUMEN DIRECTIONAL HPS	2,508	\$7.70	\$ 19,312	2.44%	2,508	\$8.26	\$ 20,711	2.44%	1,400	7.25%
22,000 LUMEN STANDARD HPS	516	\$10.78	\$ 5,562	0.70%	516	\$11.56	\$ 5,966	0.70%	403	7.25%
22,000 LUMEN ORNAMENTAL HPS	168	\$19.43	\$ 3,264	0.41%	168	\$20.84	\$ 3,501	0.41%	237	7.25%
22,000 LUMEN DIRECTIONAL HPS	1,056	\$10.58	\$ 11,172	1.41%	1,056	\$11.35	\$ 11,982	1.41%	810	7.25%
50,000 LUMEN STANDARD HPS	12	\$16.19	\$ 194	\$0.00	12	\$17.36	\$ 208	0.02%	14	7.25%
50,000 LUMEN DIRECTIONAL HPS	3,420	\$15.86	\$ 54,241	\$0.07	3,420	\$17.01	\$ 58,172	6.84%	3,931	7.25%
	<u>98,724</u>		<u>\$ 792,960</u>	<u>100.00%</u>	<u>98,724</u>		<u>\$ 850,426</u>	<u>100.00%</u>	<u>57,466</u>	<u>7.25%</u>
FAC			\$ 864				\$ 864			
ES			\$ 1,540				\$ 1,540			
			<u>\$ 795,364</u>				<u>\$ 852,830</u>		\$ 57,466	7.23%
Average			\$8.06				\$8.64		\$0.58	