


A Touchstone Energy Cooperative 

March 16, 2010

Electronically Transmitted

Mr. Jeff Derouen,  
Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, KY 40602-0615

Dear Mr. Derouen:

Attached you will find Owen Electric Cooperative Corporation's ("Owen") filing to establish a rate for a new nonrecurring service that will be offered by Owen. This filing is being made in compliance with 807 KAR 5:011, Section 10. This filing includes the below listed documents:

- Exhibit I – The tariff sheet with the proposed new service and rate;
- Exhibit II – Cost Justification for the proposed rate;
- Exhibit III – A copy of the notice placed in local newspapers;
- Exhibit IV – Statement as to why this new rate was not a part of our last general rate case;
- Exhibit V – Statement on the impact of this proposed rate on groups of customers;
- Exhibit VI – A Statement of Operations for the twelve month period ending December 31, 2009 and a Balance Sheet for December 31, 2009.

Owen does not expect this new rate to provide any additional revenue. It will help minimize the need to send a service man out to a consumer to make a physical disconnect or reconnect. It is really a replacement of one service for another service.

If you have any questions, please contact me at your convenience.

Sincerely,  
OWEN ELECTRIC COOPERATIVE, INC.



Mark Stallons  
President & CEO

MAS/sc

FOR Entire Territory Served  
Community, Town or City

P.S.C. KY. NO. 6

2nd Revised SHEET NO. 59

CANCELLING P.S.C. KY. NO. 6

1st Revised SHEET NO. 59

Owen Electric Cooperative, Inc.

(Name of Utility)

Deleted: 1st

Deleted: Original

**RULES AND REGULATIONS**

**31. COLLECTION OF DELINQUENT ACCOUNTS**

Should it become necessary for the Cooperative to send a serviceman to the member's premises for collection or disconnection of a delinquent account, there will be a one-time field collection or disconnect charge of \$30.00 per trip, as stated in the second notice, which will be due and payable at the time such delinquent account is collected, provided service is either disconnected or account is collected, with the exception of those members connected under the Winter Hardship Reconnection Provision of 807 KAR 5:006, Section 15.

T

In the event a member is disconnected for non-payment of a delinquent account and requests a reconnection during regular working hours, a \$60.00 charge, payable in advance, will be made. After regular working hours, a \$80.00 charge, payable in advance, will be made. These charges include both the cost of disconnection and reconnection.

In some instances, a remote disconnect switch will be installed. If service is disconnected or reconnected for non-payment with the switch, a fee of \$30.00 per occurrence will be applied to the members account for this extra service and due and payable at the time such account is collected.

N

DATE OF ISSUE March 16, 2010

Month / Date / Year

DATE EFFECTIVE April 16, 2010

Month / Date / Year

ISSUED BY \_\_\_\_\_

(Signature of Officer)

TITLE President/CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. N/A DATED N/A

**OWEN ELECTRIC COOPERATIVE  
DEVELOPMENT OF A SERVICE FOR REMOTE DISCONNECTS AND REMOTE RECONNECTS**

INSTALLED HARDWARE COSTS

|    |                                     |           |           |
|----|-------------------------------------|-----------|-----------|
| 1  |                                     |           |           |
| 2  |                                     |           |           |
| 3  | Cost of Remote Disconnect/Reconnect | \$ 235.56 |           |
| 4  | Tax                                 | 14.13     |           |
| 5  | Processing & Handling               | 25.00     |           |
| 6  | Total Cost of Unit                  | \$ 274.69 |           |
| 7  |                                     |           |           |
| 8  | Installation                        |           |           |
| 9  | One (1) Hour of Labor               | 25.00     |           |
| 10 | Overhead - 100%                     | 25.00     |           |
| 11 |                                     |           | 50.00     |
| 12 |                                     |           |           |
| 13 | Total Equipment & Installation Cost |           | \$ 324.69 |

BASIS FOR THE REQUESTED SERVICE FEE

|    |  |  |          |
|----|--|--|----------|
| 14 |  |  |          |
| 15 |  |  |          |
| 16 |  |  |          |
| 17 | <b>FIXED COSTS - Service Life of Ten Years</b> |  |          |
| 18 | Interest - 5%                                  |  | \$ 16.23 |
| 19 | Margins for 2.0 TIER                           |  | 16.23    |
| 20 | Depreciation - 10 Year Life                    |  | 32.47    |
| 21 | Total Annual Costs                             |  | 64.94    |
| 22 | Estimated Disconnects and Reconnects per Year  |  | 6.00     |
| 23 | Monthly Cost                                   |  | 10.82    |

DISTRIBUTION SYSTEM CONTROL & COMMUNICATIONS

|    |  |       |            |
|----|--|-------|------------|
| 24 |  |       |            |
| 25 |  |       |            |
| 26 | One (1) Hour of Labor for Communications and       |       |            |
| 27 | Operational Control                                | 31.00 |            |
| 28 | Overhead   | 18.60 |            |
| 29 | Total  |       | 49.60      |
| 30 | Approximate Length of Time to Disconnect/Reconnect |       | 15 Minutes |

PROCESSING SERVICE ORDER

|    |  |       |            |
|----|--|-------|------------|
| 31 |  |       |            |
| 32 |  |       |            |
| 33 | Customer Service Representative - One (1) Hour     | 18.50 |            |
| 34 | Overhead   | 11.10 |            |
| 35 | Total  |       | 29.60      |
| 36 | Approximate Length of Time to Disconnect/Reconnect |       | 15 Minutes |
| 37 |  |       |            |
| 38 | Total Annual Cost                                  |       | \$ 30.62   |
| 39 |  |       |            |
| 40 | SERVICE FEE REQUESTED                              |       | \$ 30.00   |

**Official Notice**

Owen Electric Cooperative Corporation, with its principal office at 8205 HWY 127 N, Owenton, KY 40359, intends to file a new nonrecurring rate with the Kentucky Public Service Commission. This filing will result in a new rate applicable to customers facing disconnection.

The rates proposed in this application are the rates proposed by Owen Electric Cooperative Corporation. However, the Kentucky Public Service Commission may order rates to be charged that differ from these proposed rates. Such action may result in rates for consumers other than rates in this application.

Any corporation, association, body politic or person may by motion within thirty (30) days after publication or mailing of notice of the proposed rate changes request leave to intervene. This motion shall be submitted to the Public Service Commission, 211 Sower Boulevard, PO Box 615, Frankfort, Kentucky 40602, and shall set forth the grounds for the request including the status and interest of the party. Interveners may obtain copies of the application and testimony by contacting Mr. Michael Cobb, Owen Electric Cooperative, 8205 HWY 127 N, Owenton, KY 40359. A copy of the application and testimony is available for public inspection at the utility's offices.

The amount and percent of increase are listed below:

| <u>Rate Class</u>  | <u>Increase</u> |                |
|--|-----------------|----------------|
|  | <u>Dollar</u>   | <u>Percent</u> |
| Nonrecurring Charges   |                 |                |
| Automatic Meter Reading (AMR) Remote Disconnect or Reconnect | \$30.00         | 100%           |

The effect of the proposed rate on the average monthly bill by rate class is provided below:

| <u>Rate Class</u>  | <u>Increase</u> |                |
|--|-----------------|----------------|
|  | <u>Dollar</u>   | <u>Percent</u> |
| Nonrecurring Charges   |                 |                |
| Automatic Meter Reading (AMR) Remote Disconnect or Reconnect | \$30.00         | 100%           |

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

| <u>Rate Class</u>  | <u>Rates</u>   |                 |
|--|----------------|-----------------|
|  | <u>Present</u> | <u>Proposed</u> |
| Nonrecurring Charges   |                |                 |
| Automatic Meter Reading (AMR) Remote Disconnect or Reconnect | \$ 0.00        | \$ 30.00        |

**OWEN ELECTRIC COOPERATIVE CORPORATION  
REMOTE DISCONNECT AND RECONNECT SERVICE**

**REASON WHY THE PROPOSED RATE WAS NOT A PART OF  
LAST RATE APPLICATION**

The proposed rate is a new service that is currently being offered by Owen Electric Cooperative Corporation ("Owen") for which Owen does not presently charge. Owen did not propose this new rate in last general rate case for these primary reasons:

1. At the time of the preparation of Owen's last rate case, Owen's Automated Meter Reading ("AMR") was not complete.
2. At that same time, Owen was not fully versed on all the capabilities of this system and the needed ancillary equipment for remote connections and disconnections.
3. Owen was unsure at that time if it would venture into developing this capability.

Owen does not feel that it should wait until its next general rate case before it provides this service or develops a charge for this service. Owen's feeling is predicated on two facts:

1. This is a new service and a rate or fee should be allowed at the time the service is initially provided.
2. Owen is currently not sure when its next general case may be filed with the Commission.

**OWEN ELECTRIC COOPERATIVE CORPORATION  
REMOTE DISCONNECT AND RECONNECT SERVICE**

**GROUPS OF CUSTOMERS AFFECTED BY THE PROPOSED TARIFF**

All customers could be affected by the proposed tariff dependent upon their need for disconnect or reconnect services. The primary rate class that would most probably be affected would be the residential rate class because it has the largest number of consumers. The second largest rate class is the small commercial consumers and they would have the next largest impact.

PART A. STATEMENT OF OPERATIONS

| LINE NO | LAST YEAR<br>A | YEAR TO DATE<br>THIS YEAR<br>B | BUDGET<br>C    | THIS MONTH<br>D | % FROM<br>BUDGET | % CHANGE<br>FROM LAST<br>YEAR |
|---------|----------------|--------------------------------|----------------|-----------------|------------------|-------------------------------|
| 1.0     | 149,713,621.51 | 141,746,616.52                 | 167,756,966.00 | 11,525,071.03   | 15.5-            | 5.3-                          |
| 2.0     | .00            | .00                            | .00            | .00             | .0               | .0                            |
| 3.0     | 121,334,659.00 | 110,001,447.00                 | 133,314,304.00 | 8,651,664.00    | 17.5-            | 9.3-                          |
| 4.0     | .00            | .00                            | .00            | .00             | .0               | .0                            |
| 5.0     | 4,406,425.92   | 5,398,992.00                   | 4,408,686.00   | 523,998.43      | 22.5             | 22.5                          |
| 6.0     | 3,699,968.34   | 3,872,185.95                   | 3,829,041.00   | 432,490.78      | 1.1              | 4.7                           |
| 7.0     | 3,314,082.63   | 3,447,463.57                   | 3,463,527.00   | 400,128.82      | 1.0-             | 4.0                           |
| 8.0     | 538,819.77     | 561,886.16                     | 567,310.00     | 66,429.41       | 1.0-             | 4.3                           |
| 9.0     | .00            | .00                            | .00            | .00             | .0               | .0                            |
| 10.0    | 3,162,106.85   | 2,790,040.55                   | 3,307,445.00   | 325,405.30      | 15.6-            | 11.8-                         |
| 11.0    | 136,456,062.31 | 126,072,015.33                 | 148,910,313.00 | 10,400,116.74   | 15.3-            | 7.6-                          |
| 12.0    | 8,726,238.54   | 9,253,929.78                   | 9,066,843.00   | 790,601.53      | 2.1              | 6.0                           |
| 13.0    | .00            | .00                            | .00            | .00             | .0               | .0                            |
| 14.0    | 133,220.59     | 138,360.87                     | 143,804.00     | 11,412.77       | 3.8-             | 3.9                           |
| 15.0    | 4,295,139.85   | 4,564,974.13                   | 4,763,387.00   | 401,163.38      | 4.2-             | 6.3                           |
| 16.0    | .00            | .00                            | .00            | .00             | .0               | .0                            |
| 17.0    | 441,700.93     | 282,322.51                     | 342,137.00     | 14,128.45       | 17.5-            | 36.1-                         |
| 18.0    | 101,794.47     | 70,399.15                      | 122,712.00     | 3,512.27        | 42.6-            | 30.8-                         |
| 19.0    | 150,154,156.49 | 140,382,001.77                 | 163,349,196.00 | 11,620,935.14   | 14.1-            | 6.5-                          |
| 20.0    | 440,534.98     | 1,364,614.75                   | 4,407,770.00   | 95,864.11       | 69.0-            | 409.8-                        |
| 21.0    | 200,439.58     | 96,037.60                      | 107,237.00     | 31,324.34       | 10.4-            | 52.1-                         |
| 22.0    | .00            | .00                            | .00            | .00             | .0               | .0                            |
| 23.0    | .00            | .00                            | .00            | .00             | .0               | .0                            |
| 24.0    | 468,177.15     | 8,979.56                       | 52,792.00      | 8,195.74        | 117.0-           | 98.1-                         |
| 25.0    | .00            | .00                            | .00            | .00             | .0               | .0                            |
| 26.0    | 1,997,324.11   | 3,796,303.97                   | 850,000.00     | 3,551,381.25    | 346.6            | 90.1                          |
| 27.0    | .00            | .00                            | .00            | .00             | .0               | .0                            |
| 28.0    | 2,225,405.86   | 5,265,935.88                   | 5,312,215.00   | 3,478,645.74    | .9-              | 136.6                         |

RATIOS

|                             |       |       |       |       |
|-----------------------------|-------|-------|-------|-------|
| TIER                        | 1.518 | 2.154 | 2.115 | 9.671 |
| MARGINS TO REVENUE          | .015  | .037  | .032  | .302  |
| POWER COST TO REVENUE       | .810  | .776  | .795  | .751  |
| INTEREST EXPENSE TO REVENUE | .029  | .032  | .028  | .035  |

|                                      |        |
|--------------------------------------|--------|
| CURRENT ASSETS : CURRENT LIABILITIES | 1.1992 |
| MARGINS & EQUITIES AS % OF ASSETS    | .3447  |
| LONG TERM DEBT AS % OF PLANT         | .4533  |
| GENERAL FUNDS TO TOTAL PLANT         | 1.3137 |
| QUICK ASSET RATIO                    | 1.1063 |

PART C. BALANCE SHEET

| LINE NO | ASSETS AND OTHER DEBITS                       | LIABILITIES AND OTHER CREDITS                       |
|---------|---|---|
| 1.0     | TOTAL UTILITY PLANT IN SERVICE 204,255,817.35 | 29.0 MEMBERSHIPS 1,114,450.00-                      |
| 2.0     | CONSTRUCTION WORK IN PROGRESS 3,574,308.49    | 30.0 PATRONAGE CAPITAL 51,091,709.12-               |
| 3.0     | TOTAL UTILITY PLANT 207,830,125.84            | 31.0 OPERATING MARGINS - PRIOR YEAR .00             |
| 4.0     | ACCUM PROV FOR DEP & AMORT 75,981,487.30-     | 32.0 OPERATING MARGINS-CURRENT YEAR .00             |
| 5.0     | NET UTILITY PLANT 131,848,638.54              | 33.0 NON-OPERATING MARGINS 4,379,134.75-            |
|         |   | 34.0 OTHER MARGINS & EQUITIES 2,535,552.02-         |
|         |   | 35.0 TOTAL MARGINS & EQUITIES 59,120,845.89-        |
| 6.0     | NON-UTILITY PROPERTY (NET) .00                | 36.0 LONG TERM DEBT - RUS (NET) 70,029,382.14-      |
| 7.0     | INVEST IN SUBSIDIARY COMPANIES .00            | (PAYMENTS-UNAPPLIED) .00 )                          |
| 8.0     | INV IN ASSOC ORG - PAT CAPITAL 23,839,675.33  | 37.0 LNG-TERM DEBT-FFB-RUS GUAR .00                 |
| 9.0     | INV IN ASSOC ORG OTHR GEN FND .00             | 38.0 LONG TERM DEBT OTHER-RUS GUAR .00              |
| 10.0    | INV IN ASSOC ORG - NON GEN FND 2,866,992.79   | 39.0 LONG TERM DEBT - OTHER (NET) 24,172,173.74-    |
| 11.0    | INV IN ECON DEVEL PROJECTS .00                | 40.0 LNG-TERM DEBT-RUS-ECON DEV NET .00             |
| 12.0    | OTHER INVESTMENTS 361,867.45                  | 41.0 PAYMENTS - UNAPPLIED .00                       |
| 13.0    | SPECIAL FUNDS 26,675.77                       | 42.0 TOTAL LONG TERM DEBT 94,201,555.88-            |
| 14.0    | TOT OTHER PROP & INVESTMENTS 2,368,367.96     | 43.0 OBLIGATION UNDER CAPITAL LEASE .00             |
| 15.0    | CASH - GENERAL FUNDS 1,450.00                 | 44.0 ACCUM OPERATING PROVISIONS 7,118,086.47-       |
| 16.0    | CASH - CONSTRUCTION FUND TRUST .00            | 45.0 TOTAL OTHER NONCURR LIABILITY 7,118,086.47-    |
| 17.0    | SPECIAL DEPOSITS .00                          | 46.0 NOTES PAYABLE .00                              |
| 18.0    | TEMPORARY INVESTMENTS .00                     | 47.0 ACCOUNTS PAYABLE 4,711,422.21-                 |
| 19.0    | ACCTS RECEIVABLE (NET) 7,850,178.09           | 48.0 CONSUMER DEPOSITS 2,702,977.11-                |
| 20.0    | ACCTS RECV - SALES ENERGY (NET) 470,426.26    | 49.0 CURR MATURITIES LONG-TERM DEBT .00             |
| 21.0    | MATERIAL & SUPPLIES-ELEC & OTH 971,282.58     | 50.0 CURR MATURIT LT DEBT ECON DEV .00              |
| 22.0    | PREPAYMENTS 540,027.58                        | 51.0 CURR MATURITIES CAPITAL LEASES .00             |
| 23.0    | OTHER CURRENT & ACCR ASSETS 338,340.14        | 52.0 OTHER CURRENT & ACCRUED LIAB 3,042,426.51-     |
| 24.0    | TOTAL CURRENT & ACCR ASSETS 12,540,072.61     | 53.0 TOTAL CURRENT & ACCRUED LIAB 10,456,825.83-    |
| 25.0    | REGULATORY ASSETS 7,897.01                    | 54.0 REGULATORY LIABILITIES .00                     |
| 26.0    | OTHER DEFERRED DEBITS 171,511,819.50          | 55.0 OTHER DEFERRED CREDITS 614,505.43-             |
| 27.0    | TOTAL ASSETS & OTHER DEBITS 171,511,819.50    | 56.0 TOTAL LIABILITIES & OTH CREDIT 171,511,819.50- |
| 28.0    | TOTAL ASSETS & OTHER DEBITS 171,511,819.50    |   |

ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION  
 57.0 BALANCE BEGINNING OF YEAR .00  
 58.0 AMOUNT RECEIVED THIS YEAR (NET) 1,631,719.63  
 59.0 TOTAL CONTRIBUTIONS IN AID OF CONST 1,631,719.63

C E R T I F I C A T I O N

WE HEREBY CERTIFY THAT THE ENTRIES IN THIS REPORT ARE IN ACCORDANCE WITH THE ACCOUNTS AND OTHER RECORDS OF THE SYSTEM AND REFLECT THE STATUS OF THE SYSTEM TO THE BEST OF OUR KNOWLEDGE AND BELIEF.  
 ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, REG, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.

\_\_\_\_\_  
 SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT

\_\_\_\_\_  
 DATE

\_\_\_\_\_  
 SIGNATURE OF MANAGER

\_\_\_\_\_  
 DATE



FOR Entire Territory Served  
Community, Town or City

P.S.C. KY. NO. 6

2nd Revised SHEET NO. 59

CANCELLING P.S.C. KY. NO. 6

1st Revised SHEET NO. 59

Owen Electric Cooperative, Inc.

\_\_\_\_\_  
(Name of Utility)

RULES AND REGULATIONS

**31. COLLECTION OF DELINQUENT ACCOUNTS**

Should it become necessary for the Cooperative to send a serviceman to the member's premises for collection or disconnection of a delinquent account, there will be a one-time field collection or disconnect charge of \$30.00 per trip, as stated in the second notice, which will be due and payable at the time such delinquent account is collected, provided service is either disconnected or account is collected, with the exception of those members connected under the Winter Hardship Reconnection Provision of 807 KAR 5:006, Section 15.

T


In the event a member is disconnected for non-payment of a delinquent account and requests a reconnection during regular working hours, a \$60.00 charge, payable in advance, will be made. After regular working hours, a \$80.00 charge, payable in advance, will be made. These charges include both the cost of disconnection and reconnection.

In some instances, a remote disconnect switch will be installed. If service is disconnected or reconnected for non-payment with the switch, a fee of \$30.00 per occurrence will be applied to the members account for this extra service and due and payable at the time such account is collected.

N

DATE OF ISSUE March 16, 2010  
Month / Date / Year

DATE EFFECTIVE April 16, 2010  
Month / Date / Year

ISSUED BY   
(Signature of Officer)

TITLE President/CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION  
IN CASE NO. N/A DATED N/A