

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF JACKSON )  
ENERGY COOPERATIVE CORPORATION FOR ) Case No. 2019-00066  
A GENERAL ADJUSTMENT IN EXISTING RATES )

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**APPLICATION FOR ADJUSTMENT OF RATES**

**AND**

**MOTION TO PROCEED AS A REVENUE NEUTRAL STREAMLINED RATE CASE  
PURSUANT TO THE PILOT PROGRAM SET FORTH IN CASE NO. 2018-00407**

**AND**

**MOTION FOR CERTAIN DEVIATIONS FROM 807 KAR 5:001**

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Jackson Energy Cooperative Corporation (“Jackson Energy”) hereby makes application for a general adjustment of rates as follows:

1. Jackson Energy is a non-profit electric cooperative corporation organized under KRS Chapter 279, and is engaged in the business of distributing retail electricity to its members/customers who are located primarily in the Kentucky counties of Jackson, Rockcastle, Estill, Laurel, Clay, Lee and Owsley. Jackson Energy also has a small number of members in other counties adjoining its service territory.

2. The street and mailing address for Jackson Energy is 115 Jackson Energy Lane, McKee, Kentucky 40447. Jackson Energy’s email address is [psc@jacksonenergy.com](mailto:psc@jacksonenergy.com). [807 KAR 5:001, Section 14(1)].

3. Jackson Energy was incorporated in the Commonwealth of Kentucky on July 26, 1938 and is currently in good standing. [807 KAR 5:001, Section 14(2)].

4. Jackson Energy is seeking an adjustment in the rates it charges for residential service to its members. No other rate classes would be affected by this application. The adjustment in rates would be revenue neutral, and, as set forth in more detail in this application, would consist of an increase in the monthly customer charge and a decrease in the rate charged for energy usage. [807 KAR 5:001, Section 14(2)].

5. Jackson Energy last received a rate adjustment in Case No. 2013-00292. There have been no significant changes that have occurred since the 2013 case, but Jackson Energy is pursuing this revenue neutral adjustment to more accurately recover its fixed costs. The rate adjustment will also make Jackson Energy's revenues more reliable and less dependent on fluctuations in weather conditions. [807 KAR 5:001, Section 16(1)(b)1].

6. This application is filed pursuant to the pilot program set forth in Case No. 2018-00047 which allows for electric cooperatives to use a streamlined process for applications for rate adjustments and specifically including revenue neutral adjustments. Jackson Energy hereby moves the Commission for an order accepting this application for filing under the streamlined rate procedure as set forth in the above-cited order.

7. This application is supported by a twelve-month historical test period ending on December 31, 2017. [807 KAR 5:0041, Section 16(1)(a)1]. This is the most recent annual report on file with the Commission.

8. Jackson Energy has met the prerequisites for a streamlined rate case as set forth in Case No. 2018-00407 as follows:

- a. Over 12 months have elapsed since the effective date of Jackson Energy's most recent base rate increase;
- b. This application is revenue neutral;
- c. The application will not result in an operating times interest earned ratio (OTIER) of greater than 1.85 and, in fact, will result in an unchanged OTIER;
- d. Jackson Energy's Cost of Service Study (COSS) is less than five years old;
- e. This application is limited to seeking a rate redesign and does not include a request for a certificate of public convenience and necessity (CPCN) or changes in Jackson Energy's tariff other than the affected rates; and
- f. This application is filed electronically.

9. Jackson Energy has electronically filed a notice of intent to file a rate application at least thirty days prior to the filing of this application. That notice stated that the application would be supported by a historical test year and would be filed under the Commission's streamlined pilot program and would be revenue neutral. A copy of the notice was served upon the Office of the Attorney General. [807 KAR 5:001(2)].

10. As part of its motion to proceed with a streamlined rate case Jackson Energy seeks a deviation from the notice requirements contained in KAR 5:001, Section 17 pursuant to the Commission's order in Case No. 2018-00407. A copy of said notice required by the Commission's pilot program is attached as Exhibit A. Affidavits from the publisher of the applicable newspapers will be filed with the Commission.

11. The Board of Directors of Jackson Energy has discussed the filing of this rate application and the effect it would have upon the financial stability of the Cooperative. The Board

passed a resolution on March 6, 2019 which approved the application. A copy of the resolution is attached as Exhibit B.

12. Pursuant to Case No. 2018-00407, Jackson Energy states that members of Commission staff may contact its witnesses directly, without counsel present, to seek clarification of factual information contained in the application or in data responses. Jackson Energy's witnesses are as follows:

- a. Carol Wright  
President and CEO  
Jackson Energy Cooperative  
115 Jackson Energy Lane  
McKee, KY 40447  
(606) 364-9213  
carolwright@jacksonenergy.com
  
- b. John Wolfram  
Catalyst Consulting, LLC  
3308 Haddon Road  
Louisville, KY 40241  
(502) 599-1739  
johnwolfram@catalystcllc.com

13. The proposed tariff changes are attached as Exhibit C, and are shown by providing the present and proposed tariffs in comparative form on the same sheet. [807 KAR 5:001, Section 16(1)(b)3,4].

14. As part of this application, Jackson Energy submits the written testimony of its witnesses: Carol Wright, President and CEO of Jackson Energy (Exhibit D), and John Wolfram, Catalyst Consulting (Exhibit E). [807 KAR 5:001, Section 16(4)(b)].

15. A complete description and quantified explanation for all proposed adjustments are contained in this application and exhibits. Please also see the testimony of John Wolfram in his Exhibit JW-2. [807 KAR 5:001, Section 16(4)(a)].

16. Because Jackson Energy is filing a revenue neutral rate design adjustment, the effect of the proposed new rates on the utility is zero. Please also see the testimony of John Wolfram in his Exhibit JW-9. [807 KAR 5:001, Section 16(4)(d)].

17. Because Jackson Energy is filing a revenue neutral rate design adjustment, the effect upon the average bill for each member consumer is zero. Please also see the testimony of John Wolfram in his Exhibit JW-9. [807 KAR 5:001, Section 16(4)(e)].

18. Jackson Energy states that it is not an incumbent local exchange company. [807 KAR 5:001, Section 16(4)(f)].

19. A detailed analysis of member consumers' bills whereby revenues from the present and proposed rates can be readily determined for each customer class is included in this application as Exhibit JW-9 to the testimony of John Wolfram. [807 KAR 5:001, Section 16(4)(g)].

20. Jackson Energy's most recent Cost of Service Study is included in this application as Exhibits JW-3 through JW-8 to the testimony of John Wolfram. [807 KAR 5:001, Section 16(4)(u)].

21. Pursuant to Case No. 2018-00407, Jackson Energy seeks an automatic deviation from the following requirements set forth of 807 KAR 5:001, Section 16 in this streamlined rate case:

- a. A certified copy of any certificate of assumed name. (1)(b)(2).
- b. A current chart of accounts. (4)(j).
- c. A current auditor's report. (4)(k).
- d. The most recent Federal Energy Regulatory Commission report. (4)(l);
- e. The most recent FERC financial reports. (4)(m).

- f. The latest depreciation study if the depreciation schedule on file with the Commission is the most recent version. (4)(n).
- g. A list of computer software programs and models. (4)(o).
- h. A prospectus of the most recent stock or bond offerings. (4)(p).
- i. The annual reports to shareholders or members for the past two years. (4)(q).
- j. The monthly managerial reports providing financial results of operation for the 12 month test period. (4)(r).
- k. The form 10-K and form 8-K for the past two years. (4)(s).
- l. The most recent capital construction budget. (5)(b).
- m. Details regarding pro forma adjustments reflecting plant additions. (5)(c).
- n. The operating budget for each month encompassing the pro forma adjustments. (5)(d).

22. In addition to the automatic deviations in a streamlined rate case as set forth in the preceding paragraph, pursuant to the Order in Case No. 2018-00407, since this is an application for a revenue neutral rate adjustment, Jackson Energy hereby moves the Commission for an order granting it a deviation from the following requirements of 807 KAR 5:001, Section 16:

- a. A summary of revenue requirements based on return on net investment rate base, return on capitalization, interest coverage, debt service coverage or operating ratio. (4)(h).
- b. A reconciliation of the rate base and capital used to determine revenue requirements. (4)(i).
- c. Affiliate charges, allocations and payments with a description, explanation and demonstration of their reasonableness. (4)(t).

d. A detailed income statement and balance sheet reflecting the impact of all proposed adjustments. (5)(a).

e. The number of customers to be added to the test period end level of customers and the related revenue requirements impact for all pro forma adjustments with complete details and supporting papers. (5)(e).

23. Since this is a revenue neutral rate application, Jackson Energy has not supplied the information listed on pages 8 – 10 of Section IV of the order in Case No. 2018-00407.

24. Since this is a revenue neutral rate application, Jackson Energy has not adjusted its historical test year to exclude the items listed in Section V of the order in Case No. 2018-00407 which are items typically excluded for recovery in rate cases. Adjustments to the test year would seem to be irrelevant since no increase in rates is sought. However, if the Commission would like to review the items listed in that Section, Jackson Energy is certainly willing and prepared to submit this information for the Commission's review.

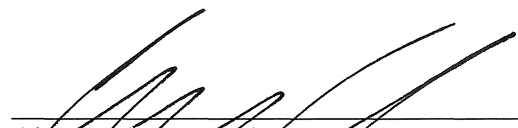
25. Jackson Energy requests that the rate adjustments proposed herein be allowed to become effective for service rendered on and after July 1, 2019.

26. Jackson Energy requests that a copy of any documents in this matter be served as set forth in its Notice of Election to Use Electronic Filing Procedures.

Wherefore, Jackson Energy Cooperative Corporation requests that the Public Service Commission issue an Order approving the adjustment of rates as set forth in this application, approving the use of the streamlined rate case pilot project and grant the deviations as set forth herein.

DATED: March 28, 2019

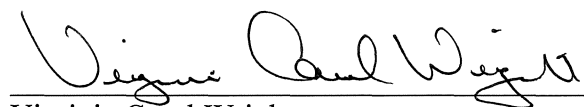
Respectfully submitted by,



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Taylor, Keller & Oswald, PLLC  
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1306 W. 5th St., Suite 100  
London, KY 40743-3440  
(606) 878-8844  
Fax: (606) 878-8850  
Email: coswald@tkolegal.com  
*Attorney for Jackson Energy Cooperative*

I, Virginia Carol Wright, President and CEO of Jackson Energy Cooperative Corporation, state that the information contained in this application and exhibits thereto is true and correct to the best of my knowledge and belief.




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Virginia Carol Wright  
President and CEO  
Jackson Energy Cooperative Corporation

COMMONWEALTH OF KENTUCKY

COUNTY OF JACKSON

Subscribed and sworn to before me by Virginia Carol Wright on this 25<sup>th</sup> day of March 2019.



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Notary Public  
My Comm. Expires: 1/19/22



## **EXHIBITS**

- A. Notice to Consumers of Application for Adjustment of Rates
- B. Corporate Resolution Approving the Rate Application
- C. Proposed Tariffs
- D. Testimony of Carol Wright
- E. Testimony of John Wolfram

OFFICIAL NOTICE

On or about March 29, 2019, Jackson Energy Cooperative Corporation, with its principal offices at 115 Jackson Energy Lane, McKee, Kentucky 40447, expects to file with the Kentucky Public Service Commission in Case No. 2019-00066 an application to adjust its retail residential rate design. This change will not create an increase in Jackson Energy Cooperative’s revenue. The application will request that the proposed rates become effective July 1, 2019.

Any corporation, association, or person may within seven (7) days after the initial publication or mailing of notice of the proposed rate changes, submit a written request to intervene to the Public Service Commission, 211 Sower Boulevard, PO Box 615, Frankfort, Kentucky 40602 that established the grounds for the request including the status and interest of the party and states that intervention may be granted beyond the seven (7) day period for good cause shown. The Public Service Commission is required to take action within 75 days of the date the application is filed.

Written comments regarding the proposed rates may be submitted to the Public Service Commission by mail through the Public Service Commission’s website at <https://psc.ky.gov/>.

Any person may examine the rate application and any other documents the utility has filed with the Public Service Commission at the offices of Jackson Energy listed below, on the utility’s website at [www.jacksonenergy.com](http://www.jacksonenergy.com) and on the utility’s social media page as [www.facebook.com/JacksonEnergy](http://www.facebook.com/JacksonEnergy).

Jackson Energy Cooperative  
115 Jackson Energy Lane  
McKee, Kentucky 40447  
606-364-1000

Proposed Rate Revisions:

Rate Class		Present Rate	Proposed Rate
Rate 10	Customer Charge per Month	\$16.44	\$24.00
Residential Service	Energy Charge per kWh (All kWh)	\$0.09591	\$0.08882

The amount of change requested in both dollar amount and percentage change for customer classification to which the proposed change will apply is presented below:

Rate Class	Increase in Dollars	Percentage Increase
Rate 10 Residential Service	\$0.00	0%

The amount of the average usage and the effect upon the average bill to which the proposed rates will apply is set forth below:

Rate Class	Average Usage	Increase in Dollars	Percentage Increase
Rate 10 Residential Service	1,066 kWh	\$0.00	0%

**JACKSON ENERGY COOPERATIVE  
CORPORATION**

**RESOLUTION 2019-03-03**

**APPROVAL TO FILE RATE APPLICATION**

**WHEREAS**, the Kentucky Public Service Commission has recently entered an order in Case Number 2018-00407 which allows for an abbreviated procedure for filing an application for an adjustment in utility rates; and

**WHEREAS**, the order further abbreviates the procedure when the case would be revenue neutral; and

**WHEREAS**, the management of Jackson Energy Cooperative desires to file a revenue neutral rate application which would, for certain member classes, increase the monthly customer charge while decreasing the energy rate in order to increase the stability of the Cooperative's revenues.

**NOW, THEREFORE BE IT RESOLVED**, the Board of Directors hereby approves the filing of a revenue neutral rate application with the Public Service Commission as described in this Resolution.

I, Keith Binder, Secretary/Treasurer of the Jackson Energy Cooperative hereby certify that the foregoing is a full, true and correct copy of the Resolution duly passed by the Board of Directors of Jackson Energy Cooperative at meeting duly called and held in compliance with the By-Laws of the Cooperative on the 6th day of March 2019, at which meeting a quorum was present, and that the Resolution as set out above appears in the minutes of that meeting in the Minute Book of the Cooperative dated this 6th day of March 2019.

  
\_\_\_\_\_  
KEITH BINDER, SECRETARY/TREASURER

Jackson Energy Cooperative Corporation

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SCHEDULE 10  
RESIDENTIAL SERVICE

Availability

Available only to the consumers for residential uses.

Rate

Customer Charge Per Month	\$24.00	I
All kWh	\$0.08882	D

Minimum Charges

The minimum monthly charge is the customer charge.

Type of Service

Single-phase, 120/240 volt, 150 KVA or below.

Fuel Adjustment Clause

This tariff is subject to the Fuel Adjustment Clause Rider.

Energy Emergency Control Program

This tariff is subject to the Energy Emergency Control Program Rider.

Environmental Surcharge

This tariff is subject to the Environmental Surcharge Rider.

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Date of Issue: March 28, 2019

Date Effective: Services rendered on or after July 1, 2019

Issued By: \_\_\_\_\_  
President & CEO

Jackson Energy Cooperative Corporation

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SCHEDULE 10  
RESIDENTIAL SERVICE

Availability

Available only to the consumers for residential uses.

Rate

Customer Charge Per Month	\$16.44	\$24.00	I
All kWh	<del>\$0.09591</del>	\$0.08882	D

Minimum Charges

The minimum monthly charge is the customer charge.

Type of Service

Single-phase, 120/240 volt, 150 KVA or below.

Fuel Adjustment Clause

This tariff is subject to the Fuel Adjustment Clause Rider.

Energy Emergency Control Program

This tariff is subject to the Energy Emergency Control Program Rider.

Environmental Surcharge

This tariff is subject to the Environmental Surcharge Rider.

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Date of Issue: March 28, 2019

Date Effective: Services rendered on or after July 1, 2019

Issued By: \_\_\_\_\_  
President & CEO

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF JACKSON )  
ENERGY COOPERATIVE CORPORATION FOR ) Case No. 2019-00066  
A GENERAL ADJUSTMENT IN EXISTING RATES )

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TESTIMONY OF VIRGINIA CAROL WRIGHT

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1 **Q. Please state your name and business address.**

2 A. Virginia Carol Wright. Business address: 115 Jackson Energy Lane, McKee, Kentucky  
3 40447.

4 **Q. What is your occupation?**

5 A. I am currently the President and Chief Executive Officer of Jackson Energy Cooperative  
6 Corporation.

7 **Q. How long have you been employed by Jackson Energy?**

8 A. I have been employed approximately 14 years by Jackson Energy.

9 **Q. What is your educational background?**

10 A. I hold a Bachelor of Science in Electrical Engineering from the University of Kentucky  
11 and an MBA from Sullivan University.

12 **Q. Why is Jackson Energy filing this application?**

13 A. Jackson Energy is filing a revenue neutral rate application utilizing the Commission's  
14 streamlined rate case pilot project. Jackson Energy seeks to stabilize its revenue stream by  
15 increasing its customer charge while decreasing the rate it charges its members for energy. I  
16 believe this rate redesign will result in increased financial stability to Jackson Energy and will  
17 more accurately reflect the cost to serve residential members.

18 **Q. When was Jackson Energy's last rate application?**

19 A. Jackson Energy's last rate case was filed in 2013 in Case Number 2013-00292.

20 **Q. Are you familiar with the contents of Jackson Energy's rate application.**

21 A. Yes, I have worked closely with our rate consultant, John Wolfram, in the preparation of  
22 the application and exhibits thereto.

23 **Q. Will the requested rate adjustment result in a change in Jackson Energy's revenues?**

1 A. No. The rate redesign is revenue neutral. The application seeks an increase in the monthly  
2 customer charge, but a corresponding decrease in the rate charged for energy so that the end result  
3 will be revenue neutral.

4 **Q. What rate classes would be affected by the proposed rate redesign?**

5 A. The only rate class that would be affected by the rate redesign would be the residential  
6 class. This is the largest class of consumers for Jackson Energy and the redesign would bring the  
7 class more in line with its cost of service.

8 **Q. What test year was used to support the application in this matter?**

9 A. Jackson Energy proposes to use 2017 as the historical test year for the application in this  
10 matter.

11 **Q. What is the current status of Jackson Energy's financial condition?**

12 A. Jackson Energy continues to be in sound financial condition. It has continued to meet all  
13 of its mortgage requirements and is in no imminent danger in the near future of failing to do so.  
14 This application is being filed to stabilize Jackson Energy's revenue stream and to more closely  
15 match monthly customer charges to the cost to serve the residential class of customers.

16 **Q. Does this conclude your testimony.**

17 A. Yes, it does.

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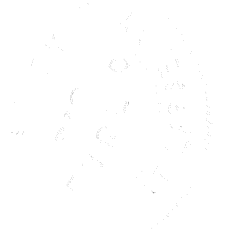
Virginia Carol Wright  
Virginia Carol Wright

COMMONWEALTH OF KENTUCKY

COUNTY OF JACKSON

Subscribed and sworn to before me by Virginia Carol Wright on this 25<sup>th</sup> day of March 2019.

Lisa Baher # 592818  
Notary Public  
My Comm. Expires: 1/19/22



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

**In the Matter of:**

<b>ELECTRONIC APPLICATION OF JACKSON</b>	)	
<b>ENERGY COOPERATIVE CORPORATION FOR</b>	)	<b>Case No. 2019-00066</b>
<b>A GENERAL ADJUSTMENT IN EXISTING RATES</b>	)	

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**DIRECT TESTIMONY OF**  
**JOHN WOLFRAM**  
**PRINCIPAL, CATALYST CONSULTING LLC**  
**ON BEHALF OF**  
**JACKSON ENERGY COOPERATIVE**

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**Filed: March 28, 2019**

**DIRECT TESTIMONY  
OF  
JOHN WOLFRAM**

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1 **DIRECT TESTIMONY**  
2 **OF**  
3 **JOHN WOLFRAM**  
4

5 **I. INTRODUCTION**

6 **Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND POSITION.**

7 A. My name is John Wolfram. I am the Principal of Catalyst Consulting LLC. My  
8 business address is 3308 Haddon Road, Louisville, Kentucky, 40241.

9 **Q. ON WHOSE BEHALF ARE YOU TESTIFYING?**

10 A. I am testifying on behalf of Jackson Energy Cooperative ("JEC").

11 **Q. BRIEFLY DESCRIBE YOUR EDUCATION AND WORK EXPERIENCE.**

12 A. I received a Bachelor of Science degree in Electrical Engineering from the  
13 University of Notre Dame in 1990 and a Master of Science degree in Electrical  
14 Engineering from Drexel University in 1997. I founded Catalyst Consulting LLC  
15 in June 2012. I have developed cost of service studies and rates for numerous  
16 electric and gas utilities, including electric distribution cooperatives, generation  
17 and transmission cooperatives, municipal utilities and investor-owned utilities. I  
18 have performed economic analyses, rate mechanism reviews, special rate designs,  
19 and wholesale formula rate reviews. From March 2010 through May 2012, I was  
20 a Senior Consultant with The Prime Group, LLC. I have also been employed by  
21 the parent companies of Louisville Gas and Electric Company ("LG&E") and  
22 Kentucky Utilities Company ("KU"), by the PJM Interconnection, and by the  
23 Cincinnati Gas & Electric Company. A more detailed description of my  
24 qualifications is included in Exhibit JW-1.

1 **Q. HAVE YOU EVER TESTIFIED BEFORE THE KENTUCKY PUBLIC**  
2 **SERVICE COMMISSION (“COMMISSION”)?**

3 **A.** Yes. I have testified in numerous regulatory proceedings before this Commission.  
4 A listing of my testimony in other proceedings is included in Exhibit JW-1.

5 **II. PURPOSE OF TESTIMONY**

6 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

7 **A.** The purpose of my testimony is to: (i) describe JEC’s compliance with the  
8 streamlined rate filing procedures; (ii) describe JEC’s rate classes, (iii) describe  
9 the JEC’s revenue requirement; (iv) describe the Cost of Service Study (“COSS”)  
10 process and results; (v) describe the rate design, proposed rates, and estimated  
11 billing impact by rate class, and (vii) support filing requirements from 807 KAR  
12 5:001.

13 **Q. ARE YOU SPONSORING ANY EXHIBITS?**

14 **A.** Yes. I have prepared the following exhibits to support my testimony:

15 Exhibit JW-1 – Qualifications of John Wolfram

16 Exhibit JW-2 – Revenue Requirement

17 Exhibit JW-3 – COSS: Summary of Results

18 Exhibit JW-4 – COSS: Functionalization & Classification

19 Exhibit JW-5 – COSS: Allocation to Rate Classes & Returns

20 Exhibit JW-6 – COSS: Billing Determinants

21 Exhibit JW-7 – COSS: Purchased Power, Meters, & Services

22 Exhibit JW-8 – COSS: Zero Intercept Analysis

23 Exhibit JW-9 – Present & Proposed Rates

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**III. RATE FILING PROCEDURE**

**Q. IS JEC FILING THIS CASE UNDER THE RATE CASE PROCEDURE FOR ELECTRIC DISTRIBUTION COOPERATIVES DESCRIBED IN CASE NO. 2018-00407?**

A. Yes. As described in the Application, JEC is filing this case under the procedures set forth in the Commission’s Order dated December 11, 2018 in Case No. 2018-00407 (“Streamlined Rate Order”). For convenience I will refer to this procedure as the “streamlined” rate filing procedure or process.

**Q. DOES JEC COMPLY WITH ALL OF THE REQUIREMENTS SET FORTH IN THE STREAMLINED RATE ORDER?**

A. Yes. JEC meets all of the elements of the streamlined process set forth in the Commission’s order. These requirements are discussed in the body of the order and are enumerated in Appendix A to the order.

Part A of Appendix A sets forth the “Prerequisites for Use of the Streamlined Process.” JEC’s compliance with each item is described in Table 1.

JEC is not seeking an increase in revenue requirements, but rather a change in rate design so as to more accurately recover fixed costs. This means JEC is filing a revenue neutral rate design adjustment under the particular procedures set forth in Part E of Appendix A for “Revenue Neutral Rate Designs.” JEC’s compliance with each of these items is tabulated in Table 2.

**Table 1. Prerequisites for Use of the Streamlined Process**

#	Requirement	Comment
1	At least 12 months have elapsed since the effective date of the Distribution Cooperative's most recent base rate increase;	JEC's most recent base rate increase became effective more than 12 months ago, with the Commission's Order dated February 27, 2014 in Case No. 2013-00219.
2	The application requests a maximum rate increase of 0.75 percent per 12 months;	The application requests no overall rate increase.
3	Any rate increase procedure cannot result in an OTIER of no greater than 1.85;	The proposed rates would result in an OTIER of 1.63, which is less than the prescribed limit.
4	While multiple 12-month periods may be aggregated in one rate increase application, the overall cumulative increase shall not exceed four (4) percent;	The application requests no overall rate increase.
5	The Distribution Cooperative's Cost of Service Study (COSS) must be less than five (5) years old;	The COSS for this filing was performed within the last six months.
6	The application is limited to seeking adjustments in revenue requirements and rate design and does not include any request for a certificate of public convenience and necessity (CPCN) or changes in the Distribution Cooperative's tariff beyond those necessary to reflect changes in rates;	The application is limited to seeking adjustments in revenue requirements and rate design and does not include any other changes beyond those.
7	The application shall be filed electronically per the requirements of 807 KAR 5:001, Section 8.	The application is filed electronically pursuant to 807 KAR 5:001, Section 8.

**Table 2. Requirements for Revenue Neutral Rate Designs**

#	Requirement	Comment
1	A Distribution Cooperative is not eligible for adjustments under this procedure until 12 months after the effective date of its most recent base rate increase and the Distribution Cooperative's COSS must be less than 5 years old.	See Table 1, Items 1 & 5.
2	The application shall be filed electronically, in accordance with the requirements of 807 KAR 5:001, Section 8, and shall be limited to seeking an adjustment of the Distribution Cooperative's rate design.	See Table 1, Item 7.
3	The application shall not include any request for a CPCN or changes in the Distribution Cooperative's tariff, except those necessary to reflect changes in rates.	See Table 1, Item 6.
4	The procedure and notice requirements detailed in Sections A and B of Appendix A to this Order shall be followed.	See Application.
5	For a revenue neutral rate design application, in addition to the deviations listed in ordering paragraph 4 of this Order, deviation from 807 KAR 5:001, Sections 16(4)(h), (4)(i), (4)(r), (4)(t), and (5) also may be requested.	See Application.
6	The Distribution Cooperative need not provide the information listed in Section C.3. of Appendix A of this Order with its application.	See Application.

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#### **IV. CLASSES OF SERVICE**

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**Q. PLEASE DESCRIBE THE CUSTOMER CLASSES SERVED BY JEC.**

5

A. JEC currently has members taking service pursuant to ten major rate

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classifications. These include Rate 10 - Residential Service, Rate 11 - Residential

7

Off Peak ETS, Rate 20 - Commercial Service less than 50 KW, Rate 22 -

8

Commercial Off Peak ETS, Rate 40 - Large Power Loads 50 KW and Over, Rate

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46 - Large Power Rate 500 KW and Over, Rate 47 - Large Power Rate 500 kW

10

and Over, Rate 50 - Schools Churches Halls & Parks, Rate 52 - All Electric



1 Schools AES, and Rate OL - Outdoor Lighting. One other industrial rate class  
 2 exists under which no members are taking service at this time. JEC’s residential  
 3 members comprise 71% of test year energy usage and 74% of test year revenues  
 4 from energy sales. See Table 3.

5 Because JEC’s membership is dominated by residential consumers, it is  
 6 especially important to take steps to implement appropriate residential rate design  
 7 in this proceeding, as I describe later in my testimony.

8 **Table 3. Rate Class Data**

<b>Code</b>	<b>Rate Class</b>	<b>Members</b>	<b>kWh</b>	<b>%</b>	<b>Revenue</b>	<b>%</b>
10	Residential Service	46,697	597,456,564	71%	\$69,534,663	74%
11	Residential Off Peak ETS	509	4,617,100	1%	\$274,897	0%
20	Commercial Service < 50 KW	3,502	61,353,347	7%	\$7,090,565	8%
22	Commercial Off Peak ETS	6	55,256	0%	\$2,902	0%
40	Large Power Loads 50 KW and Over	154	67,514,633	8%	\$6,093,993	6%
46	Large Power Rate 500 KW and Over	2	16,621,751	2%	\$1,140,719	1%
47	Large Power Rate 500 kW and Over	5	53,764,216	6%	\$3,753,550	4%
50	Schools, Churches, Halls & Parks	1,009	26,258,800	3%	\$2,757,700	3%
52	All Electric Schools AES	22	10,541,569	1%	\$856,377	1%
OL	Outdoor Lighting	-	-	-	\$2,788,369	3%
	<b>TOTAL</b>	<b>51,906</b>	<b>838,183,236</b>	<b>100%</b>	<b>\$94,293,734</b>	<b>100%</b>

9  
 10 **V. REVENUE REQUIREMENT**

11 **Q. PLEASE DESCRIBE JEC’S PROPOSED REVENUE REQUIREMENT.**

1 A. JEC is not seeking an increase in revenue requirements, but rather a change in rate  
2 design so as to more accurately recover fixed costs. With this in mind, the  
3 proposed revenue requirement is calculated based on the actual financials of JEC  
4 for the test period from the utility's official books and records. See Exhibit JW-2.

5 **Q. WHAT IS THE HISTORICAL TEST PERIOD FOR THE RATE CASE**  
6 **APPLICATION?**

7 A. The historical test period for the filing is the 12 months ended December 31,  
8 2017.

9 **Q. PLEASE EXPLAIN THE REVENUE REQUIREMENT CALCULATION IN**  
10 **EXHIBIT JW-2 IN DETAIL.**

11 A. Exhibit JW-2 presents revenues and expenses for JEC for the test year. The revenues  
12 include total sales of electric energy and other electric revenue. Expenses are  
13 tabulated next; the categories are consistent with those specified in the RUS Uniform  
14 System of Accounts, consistent with standard Commission practice. The Total Cost  
15 of Electric Service includes operation expenses, maintenance expenses, depreciation  
16 and amortization expenses, taxes, interest expenses on long-term debt, other interest  
17 expenses, and other deductions. Utility Operating Margins are calculated by  
18 subtracting Total Cost of Electric Service from Total Operating Revenue. Non-  
19 operating margins and capital credits are added to Utility Operating Margins to  
20 determine JEC's Net Margins. The TIER, and OTIER amounts are calculated at the  
21 bottom of the exhibit.

22 **Q. WHAT ARE THE TIER AND OTIER FOR JEC FOR THE ACTUAL TEST**  
23 **YEAR?**

1 A. Exhibit JW-2 shows that the TIER for the adjusted test year is 2.19 and the  
2 OTIER is 1.63. The OTIER is calculated in the same manner specified by the  
3 Rural Utilities Service, as specified in footnote 2 of the Streamlined Rate Order.  
4 The TIER excluding G&T capital credits is 1.79.

5 **VI. COST OF SERVICE STUDY**

6 **Q. DID YOU PREPARE A COSS FOR JEC BASED ON FINANCIAL AND**  
7 **OPERATING RESULTS FOR THE TEST YEAR?**

8 A. Yes. I prepared a fully allocated, embedded COSS based on pro forma operating  
9 results for the test year. The objective in performing the COSS is to assess JEC's  
10 overall rate of return on rate base and to determine the relative rates of return that  
11 JEC is earning from each rate class. Additionally, the COSS provides an  
12 indication of whether each class is contributing its appropriate share towards  
13 JEC's cost of providing service.

14 **Q. WHAT PROCEDURE WAS USED IN PERFORMING THE COSS?**

15 A. The three traditional steps of an embedded COSS – functionalization,  
16 classification, and allocation – were utilized. The COSS was prepared using the  
17 following procedure: (1) costs were functionalized to the major functional groups;  
18 (2) costs were classified as energy-related, demand-related, or customer-related;  
19 and then (3) costs were allocated to the rate classes.

20 **Q. IS THIS A STANDARD APPROACH USED IN THE ELECTRIC UTILITY**  
21 **INDUSTRY?**

22 A. Yes.

1 **Q. HAS THIS APPROACH BEEN USED IN PREVIOUS CASES BEFORE**  
2 **THIS COMMISSION?**

3 A. Yes. The same approach has been employed and accepted in several cases filed by  
4 other utilities in Kentucky, including rate cases noted in Exhibit JW-1.

5 **Q. IN THE COST OF SERVICE MODEL, HOW ARE COSTS**  
6 **FUNCTIONALIZED AND CLASSIFIED?**

7 A. JEC's test-year costs are functionalized and classified according to the practices  
8 specified in *The Electric Utility Cost Allocation Manual* published by the  
9 National Association of Regulatory Utility Commissioners ("NARUC") dated  
10 January, 1992. Costs are functionalized to the categories of power supply,  
11 transmission, station equipment, primary and secondary distribution plant,  
12 customer services, meters, lighting, meter reading and billing, and load  
13 management.

14 **Q. IS THE COSS UNBUNDLED?**

15 A. Yes. This unbundling distinguishes between the functionally-classified costs  
16 components, e.g. purchased power demand, purchased power energy, distribution  
17 demand, and distribution customer – which allows the development of rates based  
18 on these separate cost components.

19 **Q. HOW WERE COSTS CLASSIFIED AS ENERGY-RELATED, DEMAND-**  
20 **RELATED OR CUSTOMER-RELATED?**

21 A. Costs are classified in connection with how they vary. Costs classified as *energy-*  
22 *related* vary with the amount of kilowatt-hours consumed. Costs classified as  
23 *demand-related* vary with the capacity needs of customers, such as the amount of

1 transmission or distribution equipment necessary to meet a customer’s needs, or  
2 other elements that are related to facility size. Transmission lines and distribution  
3 substation transformers are examples of costs typically classified as demand costs.  
4 Costs classified as *customer-related* include costs incurred to serve customers  
5 regardless of the quantity of electric energy purchased or the peak requirements of  
6 the customers and vary with the number of customers. These include the cost of  
7 the minimum system necessary to provide a customer with access to the electric  
8 grid. Costs related to Distribution Poles, Lines and Line Transformers were split  
9 between demand-related and customer-related using the “zero-intercept” method  
10 or “minimum system” method, which I explain in detail later. Customer Services,  
11 Meters, Lighting, Meter Reading, Billing, Customer Account Service, and Load  
12 Management costs were classified as customer-related.

13 **Q. WHAT METHODS ARE COMMONLY USED TO CLASSIFY**  
14 **DISTRIBUTION PLANT?**

15 A. Two commonly used methods for determining demand/customer splits of  
16 distribution plant are the “minimum system” method and the “zero-intercept”  
17 method. In the minimum system approach, “minimum” standard poles, conductor,  
18 and line transformers are selected and the minimum system is obtained by pricing  
19 all of the applicable distribution facilities at the unit cost of the minimum size  
20 plant. The minimum system determined in this manner is then classified as  
21 customer-related and allocated on the basis of the number of customers in each  
22 rate class. All costs in excess of the minimum system are classified as demand-  
23 related. The theory here is that in order for a utility to serve even the smallest

1 customer, it would have to install a minimum size system. Therefore, the costs  
2 associated with the minimum system are related to the number of customers that  
3 are served, instead of the demand imposed by the customers on the system.

4 In preparing this study, the “zero-intercept” method was used to determine  
5 the customer components of overhead conductor, underground conductor, and  
6 line transformers. Because the zero-intercept method uses linear regression and is  
7 less subjective than the minimum system approach, the zero-intercept method is  
8 preferred over the minimum system method when the necessary data are  
9 available. With the zero-intercept method, one is not forced to choose a minimum  
10 size pole, conductor or line transformer to determine the customer component. In  
11 the zero-intercept method, a zero-size conductor or line transformer is the  
12 absolute minimum system.

13 **Q. IS THE ZERO-INTERCEPT METHOD A STANDARD APPROACH**  
14 **GENERALLY ACCEPTED WITHIN THE ELECTRIC UTILITY**  
15 **INDUSTRY?**

16 A. Yes. The NARUC *Electric Utility Cost Allocation Manual* identifies the zero-  
17 intercept (or “minimum intercept”) as one of two standard methodologies for  
18 classifying distribution fixed costs. The manual states on page 92 that the zero-  
19 intercept method “requires considerably more data and calculation than the  
20 minimum-size method. In most instances, it is more accurate, although the  
21 differences may be relatively small.”

22 **Q. HAVE YOU PREPARED EXHIBITS SHOWING THE RESULTS OF THE**  
23 **ZERO-INTERCEPT ANALYSIS?**

1 A. Yes. The zero-intercept analysis for poles, overhead conductor, underground  
2 conductor, and line transformers are included in Exhibit JW-8.

3 **Q. DID THE ZERO INTERCEPT PROVIDE REASONABLE RESULTS?**

4 A. The zero-intercept method provided reasonable results for overhead conductor,  
5 underground conductor, and line transformers. The zero intercept analysis did not  
6 provide reasonable results for poles, so for this category, the minimum system  
7 method was applied. See Exhibit JW-8.

8 **Q. HAVE YOU PREPARED AN EXHIBIT SHOWING THE RESULTS OF**  
9 **THE FUNCTIONALIZATION AND CLASSIFICATION STEPS OF THE**  
10 **COSS?**

11 A. Yes. Exhibit JW-4 shows the results of the first two steps of the COSS –  
12 functionalization and classification.

13 **Q. IN THE COST OF SERVICE MODEL, ONCE COSTS ARE**  
14 **FUNCTIONALIZED AND CLASSIFIED, HOW ARE THESE COSTS**  
15 **ALLOCATED TO THE CUSTOMER CLASSES?**

16 A. Once costs for all of the major accounts are functionalized and classified, the  
17 resultant cost matrix for the major groupings (e.g., Plant in Service, Rate Base,  
18 Operation and Maintenance Expenses) is then transposed and allocated to the  
19 customer classes using allocation vectors. The results of the class allocation step  
20 of the COSS are included in Exhibit JW-5.

21 **Q. HOW ARE ENERGY-RELATED, CUSTOMER-RELATED AND**  
22 **DEMAND-RELATED COSTS ALLOCATED TO THE RATE CLASSES IN**  
23 **THE COSS?**

1 A. Power supply energy-related costs are allocated on the basis of total test year kWh  
2 sales to each customer class. Power supply and transmission demand-related costs  
3 are allocated using a 12CP methodology, to mirror the basis of cost allocation  
4 used in the applicable EKPC wholesale tariff. With the 12CP methodology, these  
5 demand-related costs are allocated on the basis of the demand for each rate class  
6 at the time of EKPC's system peak (also known as "Coincident Peak" or "CP")  
7 for each of the twelve months. For the rate classes served on a wholesale rate  
8 schedule other than EKPC Rate E - Option 2, purchased power costs were directly  
9 assigned to the particular class. Customer-related costs are allocated on the basis  
10 of the average number of customers served in each rate class during the test year.  
11 Distribution demand-related costs are allocated on the basis of the relative  
12 demand levels of each rate class. Specifically, the demand cost component is  
13 allocated by the maximum class demands for primary and secondary voltage and  
14 by the sum of individual customer demands for secondary voltage. The customer  
15 cost component of customer services is allocated on the basis of the average  
16 number of customers for the test year. Meter costs were allocated by relating the  
17 costs associated with various types of meters to the class of customers for whom  
18 these meters were installed. Service costs were handled similarly to meter costs.  
19 Adjustments to expenses and revenues are included, consistent with Commission  
20 practice, in Exhibit JW-5. The demand analysis is provided in Exhibit JW-6. The  
21 purchased power, meter, and service analyses are provided in Exhibit JW-7. All  
22 of these are consistent with the NARUC *Electric Utility Cost Allocation Manual*  
23 and with Commission precedent.



1 **Q. PLEASE SUMMARIZE THE RESULTS OF THE COSS.**

2 A. The results of the COSS are provided in Exhibit JW-3 on page 1 and in Table 4  
3 below. The Pro Forma Rate of Return on Rate Base was calculated by dividing  
4 the adjusted net utility operating margin by the net cost rate base for each  
5 customer class. The Unitized Pro Forma Return on Rate Base is the previous  
6 column normalized to a total return on rate base equal to one (1.00).

7 **Table 4. COSS Results: Rates of Return**

#	Rate	Pro Forma Return on Rate Base	Unitized Pro Forma Return on Rate Base
10	Residential Service	0.97%	0.21
11	Residential Off Peak ETS	28.88%	6.21
20	Commercial Service < 50 KW	25.99%	5.59
22	Commercial Off Peak ETS	10.29%	2.21
40	Large Power Loads 50 KW and Over	28.44%	6.11
46	Large Power Rate 500 KW and Over	22.93%	4.93
47	Large Power Rate 500 kW and Over	17.80%	3.83
50	Schools, Churches, Halls & Parks	7.74%	1.67
52	All Electric Schools AES	5.60%	1.20
OL	Outdoor Lighting	34.68%	7.45
	TOTAL	4.65%	1.00

8  
9 Any rate class for which the rate of return is greater than the total system rate of  
10 return is providing a subsidy to the other rate classes; any class with a rate of  
11 return that is less than the total system rate of return is receiving a subsidy. In this  
12 instance, the only rate class being subsidized by the others is Rate 10 –  
13 Residential Service.

1 **Q. DOES THE COSS PROVIDE INFORMATION CONCERNING THE UNIT**  
2 **COSTS INCURRED BY JEC TO PROVIDE SERVICE UNDER EACH**  
3 **RATE SCHEDULE?**

4 A. Yes. Customer-related, demand-related and energy-related costs for each rate  
5 class are shown in Exhibit JW-3 page 2 and on the last two pages of Exhibit JW-  
6 5. Customer-related costs are stated as a cost per member per month. Energy-  
7 related costs are stated as a cost per kWh. For rate classes with a demand charge,  
8 demand-related costs are stated as a cost per kW per month. (For rate classes  
9 without a demand charge, the demand-related costs are incorporated into the per  
10 kWh charge.)

11 **Q. BASED ON THE COSS, DO JEC'S EXISTING RATES APPROPRIATELY**  
12 **REFLECT THE COST OF PROVIDING SERVICE TO EACH RATE**  
13 **CLASS?**

14 A. No. The unbundled costs within each rate class indicate an imbalance within the  
15 current rate structure between the recovery of fixed costs and variable costs within  
16 Rate 10 - Residential Service.

17 **Q. WHAT GUIDANCE DOES THE COSS PROVIDE FOR RATE DESIGN?**

18 A. The COSS supports a fixed monthly charge of \$31.95 for the residential class.  
19 This is shown on Exhibit JW-3, page 2. Since the current charge is \$16.44 per  
20 month, the fixed customer charge should be increased. This is a significant issue  
21 for JEC because the membership is dominated by the residential class served  
22 under Rate 10, with all of the remaining classes together only comprising  
23 approximately 25% of utility revenues. This means that the current rate structure

1 places too little recovery of fixed costs in the fixed charge, which results in  
2 significant under-recovery of fixed costs, particularly when members embrace  
3 conservation or energy efficiency or otherwise reduce overall consumption. At  
4 bottom, this is the fundamental challenge facing JEC from a cost recovery  
5 standpoint, and it is essential for JEC's financial well-being to address this issue.

6 **VII. RATE DESIGN REVISIONS**

7 **Q. PLEASE SUMMARIZE HOW JEC PROPOSES TO REDESIGN RATES.**

8 A. JEC relied on the results of the COSS as a guide to determine how to redesign  
9 rates. Because JEC's overall margins are sufficient, JEC is not requesting an  
10 overall increase or an increase for any individual rate class. Based on the COSS  
11 results showing an imbalance of fixed and variable cost recovery within the  
12 Residential class, JEC is proposing to revise the fixed monthly charge and the  
13 energy charge for Rate 10 such that the overall revenues for the class remain  
14 unchanged. This means that the revenues for Rate 10 – Residential Service will  
15 remain neutral as a rate class. Because no other rate design revisions are  
16 proposed, JEC's overall revenues (all classes combined) will also remain  
17 unchanged.

18 **VIII. PROPOSED RATES**

19 **Q. HAVE YOU PREPARED AN EXHIBIT SHOWING THE  
20 RECONSTRUCTION OF JEC'S TEST-YEAR BILLING  
21 DETERMINANTS?**

22 A. Yes. The reconstruction of JEC's billing determinants for the residential class is  
23 shown on Exhibit JW-9 on page 2.

1 **Q. WHAT ARE THE PROPOSED CHARGES FOR JEC’S RESIDENTIAL**  
2 **RATE CLASS?**

3 A. JEC is proposing to increase the customer charge from \$16.44 to \$24.00 per  
4 month, along with a corresponding decrease in the energy charge per kWh, from  
5 \$0.09591 per kWh to \$0.08882 per kWh.

6 **Q. HOW WERE THE PROPOSED RATES CALCULATED?**

7 A. The rates were calculated such that the total incremental revenue resulting from  
8 the proposed rates must be zero. The customer charge was set such that the new  
9 charge closes less than half of the gap between the current charge of \$16.44 and  
10 the cost-based charge of \$31.95. The proposed charge of \$24.00 represents a  
11 movement of 49% of the way from current rates to cost-based rates. This is  
12 consistent overall with the ratemaking principle of gradualism. The energy  
13 charge was then set such that the overall revenue change for the class is zero.  
14 This is even more “gradual” in that the average consumer will see *no change* in  
15 electric bills on the whole, since increases in the fixed component will be entirely  
16 offset by decreases in the variable component.

17 **Q. WHAT IS THE PROPOSED AVERAGE BILLING INCREASE FOR**  
18 **EACH RATE CLASS?**

19 A. On average, there are no billing increases for any of JEC’s rate classes resulting  
20 from the proposed rates.

21 **Q. WHAT IS THE ESTIMATED BILLING IMPACT FOR RESIDENTIAL**  
22 **CONSUMERS?**

1 A. The average residential consumer will incur no change to the monthly electric  
2 bill. The billing impacts for members using more or less than the average kWh  
3 per month are tabulated on the last page of Exhibit JW-9. The data shows the  
4 average base rate impact for members per month in 100 kWh increments, from  
5 zero monthly usage up to 3,000 kWh per month.

6 **Q. WILL THE RATES PROPOSED BY JEC IN THIS PROCEEDING**  
7 **ELIMINATE ALL INTER-CLASS SUBSIDIZATION?**

8 A. No. The proposed rates move JEC's rate structures in the direction of cost-based  
9 rates without fully adopting those rates. This is consistent with the ratemaking  
10 principle of gradualism and will allow the avoidance of rate shock while still  
11 making some movement to improve the price signal to members consistent with  
12 how JEC actually incurs costs. Future rate revisions would be required in order to  
13 eliminate all inter-class subsidization.

14 **IX. FILING REQUIREMENTS**

15 **Q. HAVE YOU REVIEWED THE EXHIBITS IN THIS APPLICATION**  
16 **WHICH ADDRESS JEC'S COMPLIANCE WITH THE HISTORICAL**  
17 **PERIOD FILING REQUIREMENTS UNDER 807 KAR 5:001 AND ITS**  
18 **VARIOUS SUBSECTIONS?**

19 A. Yes. I hereby incorporate and adopt those portions of the filing exhibits for which  
20 I am identified as the sponsoring witness as part of this Direct Testimony.

21 **X. CONCLUSION**

22 **Q. DO YOU HAVE ANY CLOSING COMMENTS?**

1 A. Yes. JEC's COSS results clearly demonstrate that the proposed changes to Rate  
2 10 – Residential Service fixed and variable charges are necessary for JEC's  
3 financial health. The proposed rates are designed to produce actual test year  
4 revenues, so the overall proposal is revenue neutral. The increase in customer  
5 charges is needed to begin moving the rate structure towards cost-based rates, in  
6 order to reduce the revenue erosion that results from having too great a portion of  
7 utility fixed cost recovery embedded in the variable charge. The Commission has  
8 recognized in recent orders that for an electric cooperative that is strictly a  
9 distribution utility, there is a need for a means to guard against the revenue  
10 erosion that often occurs due to the decrease in sales volumes that accompanies  
11 poor regional economics, changes in weather patterns, and the implementation or  
12 expansion of demand-side management and energy-efficiency programs. For JEC  
13 at this juncture, this is certainly the case. In this filing the increased fixed charge  
14 is accompanied by a corresponding decrease in variable charges, which fully  
15 neutralizes the rate impact on the average residential consumer. For these reasons  
16 the proposed rates are just and reasonable and should be approved as filed.

17 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

18 A. Yes, it does.

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

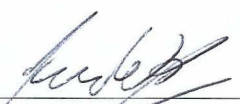
In the Matter of:

ELECTRONIC APPLICATION OF JACKSON )  
ENERGY COOPERATIVE CORPORATION FOR ) Case No. 2019-00066  
A GENERAL ADJUSTMENT IN EXISTING RATES )

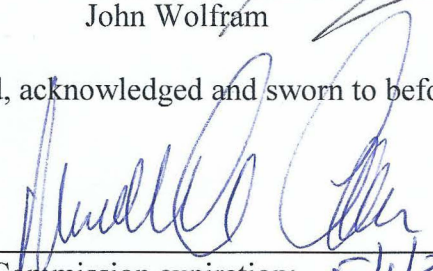
VERIFICATION OF JOHN WOLFRAM

COMMONWEALTH OF KENTUCKY )  
 )  
COUNTY OF JEFFERSON )

John Wolfram, being duly sworn, states that he has supervised the preparation of his Direct Testimony in the above-referenced case 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.

  
\_\_\_\_\_  
John Wolfram

The foregoing Verification was signed, acknowledged and sworn to before me this 22 day of March 2019, by John Wolfram.

  
\_\_\_\_\_  
Commission expiration: 5/1/2019

MIRSADA GAMOVIC  
Notary Public  
State at Large  
Kentucky  
My Commission Expires May 1, 2019



# Exhibit JW-1

## Qualifications of John Wolfram



## **JOHN WOLFRAM**

### **Summary of Qualifications**

Provides consulting services to investor-owned utilities, rural electric cooperatives, and municipal utilities regarding utility rate and regulatory filings, cost of service studies, wholesale and retail rate designs, tariffs and special contracts, formula rates, and other analyses.

### **Employment**

#### **CATALYST CONSULTING LLC**

June 2012 – Present

Principal

Provide consulting services in the areas of tariff development, regulatory analysis, economic development, revenue requirements, cost of service, rate design, and other utility regulatory areas.

Provide utility clients assistance regarding regulatory policy and strategy; project management support for utilities involved in complex regulatory proceedings; process audits; state and federal regulatory filing development; cost of service development and support; the development of special rates, including economic development rates, to achieve strategic objectives; the development of rate alternatives for use with customers; and energy efficiency program development.

Prepare retail and wholesale rate schedules and/or filings submitted to the Federal Energy Regulatory Commission ("FERC"), state regulators, and/or Boards of Directors for electric and gas utilities.

#### **THE PRIME GROUP, LLC**

March 2010 – May 2012

Senior Consultant

#### **E.ON U.S., LLC, Louisville, KY**

1997 - 2010

(Louisville Gas & Electric Company and Kentucky Utilities Company)

Director, Customer Service & Marketing (2006 - 2010)

Manager, Regulatory Affairs (2001 - 2006)

Lead Planning Engineer, Generation Planning (1998 - 2001)

Power Trader, LG&E Energy Marketing (1997 - 1998)

#### **PJM INTERCONNECTION, LLC, Norristown, PA**

1990 - 1993; 1994 - 1997

Project Lead – PJM OASIS Project

Chair, Data Management Working Group

#### **CINCINNATI GAS & ELECTRIC COMPANY, Cincinnati, OH**

1993 - 1994

Electrical Engineer - Energy Management System

### **Education**

Bachelor of Science Degree in Electrical Engineering, University of Notre Dame, 1990

Master of Science Degree in Electrical Engineering, Drexel University, 1997

Leadership Louisville, 2006

## **Associations**

Senior Member, Institute of Electrical and Electronics Engineers (IEEE)  
IEEE Power Engineering Society

## **Expert Witness Testimony & Proceedings**

FERC: Submitted direct testimony for Cheyenne Light, Fuel & Power in FERC Docket No. ER19-697 regarding a proposed Transmission Formula Rate.

Supported Westar Energy and Kansas Gas & Electric Company in FERC Docket No. ER19-269-000 regarding revisions to fixed depreciation rates in the Westar Transmission Formula Rate.

Submitted direct testimony for Midwest Power Transmission Arkansas, LLC in FERC Docket No. ER15-2236 regarding a proposed Transmission Formula Rate.

Submitted direct testimony for Kanstar Transmission, LLC in FERC Docket No. ER15-2237 regarding a proposed Transmission Formula Rate.

Supported Westar Energy and Kansas Gas & Electric Company in FERC Docket Nos. FA15-9-000 and FA15-15-000 regarding an Audit of Compliance with Rates, Terms and Conditions of Westar's Open Access Transmission Tariff and Formula Rates, Accounting Requirements of the Uniform System of Accounts, and Reporting Requirements of the FERC Form No. 1.

Submitted direct testimony for Westar Energy in FERC Docket Nos. ER14-804 and ER14-805 regarding proposed revisions to a Generation Formula Rate.

Supported Intermountain Rural Electric Association and Tri-State G&T in FERC Docket No. ER12-1589 regarding revisions to Public Service of Colorado's Transmission Formula Rate.

Supported Intermountain Rural Electric Association in FERC Docket No. ER11-2853 regarding revisions to Public Service of Colorado's Production Formula Rate.

Supported Kansas Gas & Electric Company in FERC Docket No. FA14-3-000 regarding an Audit of Compliance with Nuclear Plant Decommissioning Trust Fund Regulations and Accounting Practices.

Supported LG&E Energy LLC in FERC Docket No. PA05-9-000 regarding an Audit of Code of Conduct, Standards of Conduct, Market-Based Rate Tariff, and MISO's Open Access Transmission Tariff at LG&E Energy LLC.

Submitted remarks and served on expert panel in FERC Docket No. RM01-10-000 on May 21, 2002 in Standards of Conduct for Transmission Providers staff conference, regarding proposed rulemaking on the functional separation of wholesale transmission and bundled sales functions for electric and gas utilities.

Kansas: Submitted direct and rebuttal testimony for Westar Energy, Inc. in Docket No. 18-WSEE-328-RTS regarding overall rate design, prior rate case settlement commitments, lighting

tariffs, an Electric Transit rate schedule, Electric Vehicle charging tariffs, and tariff general terms and conditions.

Submitted direct and rebuttal testimony for Westar Energy, Inc. in Docket No. 18-KG&E-303-CON regarding the Evaluation, Measurement and Verification (“EM&V”) of an energy efficiency demand response program offered pursuant to a large industrial customer special contract.

Submitted report for Westar Energy, Inc. in Docket No. 18-WCNE-107-GIE regarding plans and options for funding the decommissioning trust fund, depreciation expenses, and overall cost recovery in the event of premature closing of the Wolf Creek nuclear plant.

Submitted direct and rebuttal testimony for Westar Energy, Inc. in Docket No. 15-WSEE-115-RTS regarding rate designs for large customer classes, establishment of a balancing account related to new rate options, establishment of a tracking mechanism for costs related to compliance with mandated cyber and physical security standards, other rate design issues, and revenue allocation.

Kentucky: Submitted direct testimony and data request responses on behalf of Big Rivers Electric Corporation in Case No. 2018-00146 regarding ratemaking issues associated with the anticipated termination of contracts regarding the operation of an electric generating plant owned by the City of Henderson, Kentucky.

Submitted direct testimony on behalf of fifteen distribution cooperative owner-members of East Kentucky Power Cooperative in Case No. 2018-00050 regarding the economic evaluation of and potential cost shift resulting from a purchased power agreement proposed by South Kentucky R.E.C.C.

Submitted direct testimony on behalf of Big Sandy R.E.C.C. in Case No. 2017-00374 regarding revenue requirements, pro forma adjustments, cost of service and rate design in a base rate case.

Submitted direct testimony on behalf of Progress Metal Reclamation Company in Kentucky Power Company Case No. 2017-00179 regarding the potential implementation of a Load Retention Rate or revisions to an Economic Development Rate.

Submitted direct testimony on behalf of Kenergy Corp. and Big Rivers Electric Corporation in Case No. 2016-00117 regarding a marginal cost of service study in support of an economic development rate for a special contracts customer.

Submitted rebuttal testimony on behalf of Big Rivers Electric Corporation in Case No. 2014-00134 regarding ratemaking treatment of revenues associated with proposed wholesale market-based-rate purchased power agreements with entities in Nebraska.

Submitted direct and rebuttal testimony on behalf of Big Rivers Electric Corporation in Case No. 2013-00199 regarding revenue requirements, pro forma adjustments, cost of service and rate design in a base rate case.

Submitted direct and rebuttal testimony on behalf of Big Rivers Electric Corporation in Case No. 2012-00535 regarding revenue requirements, pro forma adjustments, cost of service and rate design in a base rate case.

Submitted direct and rebuttal testimony on behalf of Big Rivers Electric Corporation in Case No. 2012-00063 regarding an Environmental Compliance Plan and Environmental Surcharge rate mechanism.

Submitted direct, rebuttal, and rehearing direct testimony on behalf of Big Rivers Electric Corporation in Case No. 2011-00036 regarding revenue requirements and pro forma adjustments in a base rate case.

Submitted direct testimony for Louisville Gas & Electric Company in Case No. 2009-00549 and for Kentucky Utilities Company in Case No. 2009-00548 for adjustment of electric and gas base rates, in support of a new service offering for Low Emission Vehicles, revised special charges, and company offerings aimed at assisting customers.

Submitted discovery responses for Kentucky Utilities and/or Louisville Gas & Electric Company in various customer inquiry matters, including Case Nos. 2009-00421, 2009-00312, and 2009-00364.

Submitted discovery responses for Louisville Gas & Electric Company and Kentucky Utilities Company in Case No. 2008-00148 regarding the 2008 Joint Integrated Resource Plan.

Submitted discovery responses for Louisville Gas & Electric Company and Kentucky Utilities Company in Administrative Case No. 2007-00477 regarding an investigation of the energy and regulatory issues in Kentucky's 2007 Energy Act.

Submitted direct testimony for Louisville Gas & Electric Company and Kentucky Utilities Company in Case No. 2007-00319 for the review, modification, and continuation of Energy Efficiency Programs and DSM Cost Recovery Mechanisms.

Submitted direct testimony for Louisville Gas & Electric Company and Kentucky Utilities Company in Case No. 2007-00067 for approval of a proposed Green Energy program and associated tariff riders.

Submitted direct testimony for Louisville Gas & Electric Company and Kentucky Utilities Company in Case No. 2005-00467 and 2005-00472 regarding a Certificate of Public Convenience and Necessity for the construction of transmission facilities.

Submitted discovery responses for Kentucky Utilities in Case No. 2005-00405 regarding the transfer of a utility hydroelectric power plant to a private developer.

Submitted discovery responses for Louisville Gas & Electric Company and Kentucky Utilities Company in Case No. 2005-00162 for the 2005 Joint Integrated Resource Plan.

Presented company position for Louisville Gas & Electric Company and Kentucky Utilities Company at public meetings held in Case Nos. 2005-00142 and 2005-00154 regarding routes for proposed transmission lines.

Supported Louisville Gas & Electric Company and Kentucky Utilities Company in an Investigation into their Membership in the Midwest Independent Transmission System Operator, Inc. ("MISO") in Case No. 2003-00266.

Supported Louisville Gas & Electric Company and Kentucky Utilities Company in a Focused Management Audit of Fuel Procurement practices by Liberty Consulting in 2004.

Supported Louisville Gas & Electric Company and Kentucky Utilities Company in a Focused Management Audit of its Earning Sharing Mechanism by Barrington-Wellesley Group in 2002-2003.

Submitted direct testimony for Louisville Gas & Electric Company and Kentucky Utilities Company in Case No. 2002-00381 regarding a Certificate of Public Convenience and Necessity for the acquisition of four combustion turbines.

Submitted direct testimony for Louisville Gas & Electric Company and Kentucky Utilities Company in Case No. 2002-00029 regarding a Certificate of Public Convenience and Necessity for the acquisition of two combustion turbines.

Virginia: Submitted direct testimony for Kentucky Utilities Company d/b/a Old Dominion Power in Case No. PUE-2002-00570 regarding a Certificate of Public Convenience and Necessity for the acquisition of four combustion turbines.

### **Presentations**

“Electric Rates: New Approaches to Ratemaking” presented to CFC Statewide Workshop for Directors, January 2019.

“The Great Rate Debate: Residential Demand Rates” presented to CFC Forum, June 2018.

“New Developments in 2018 Rate Filings” presented to Kentucky Electric Cooperatives Accountants' Association Summer Meeting, June 2018.

“Benefits of Cost of Service Studies” presented to Tri-State Electric Cooperatives Accountants' Association Spring Meeting, April 2017.

“Proper Design of Utility Rate Incentives” presented to APPA/Area Development's Public Power Consultants Forum, March 2017.

“Utility Hot Topics and Economic Development” presented to APPA/Area Development's Public Power Consultants Forum, March 2017.

“Emerging Rate Designs” presented to CFC Independent Borrowers Executive Summit, November 2016.

“Optimizing Economic Development” presented to Grand River Dam Authority Municipal Customer Annual Meeting, September 2016.

“Tomorrow's Electric Rate Designs, Today” presented to CFC Forum, June 2016.

“Reviewing Rate Class Composition to Support Sound Rate Design” presented to EEI Rate and Regulatory Analysts Group Meeting, May 2016.

“Taking Public Power Economic Development to the Next Level” presented to APPA/Area Development’s Public Power Consultants Forum, March 2016.

“Ratemaking for Environmental Compliance Plans” presented to NARUC Staff Subcommittee on Accounting and Finance Fall Conference, September 2015.

“Top Utility Strategies for Successful Attraction, Retention & Expansion” presented to APPA/Area Development’s Public Power Consultants Forum, March 2015.

“Economic Development and Load Retention Rates” presented to NARUC Staff Subcommittee on Accounting and Finance Fall Conference, September 2013.

“The Case for Economic Development Rates: Theory and Regulatory Considerations” presented to 2011 Electric Cooperative Rate Conference, October 2011.

“Rates for Distributed Generation” presented to 2010 Electric Cooperative Rate Conference, October 2010.

“What Utilities Can Do to Advance Energy Efficiency in Kentucky” panel session of Second Annual Kentucky Energy Efficiency Conference, October 2007.

### **Articles**

“Economic Development Rates: Public Service or Piracy?” *IAEE Energy Forum*, International Association for Energy Economics, 2016 Q1 (January 2016), 17-20.

Exhibit JW-2

Revenue Requirements

**JACKSON ENERGY COOPERATIVE**  
**Statement of Operations & Revenue Requirement**  
**For the 12 Months Ended December 31, 2017**

Line #	Description (1)	Actual Test Yr (2)
1	<u>Operating Revenues</u>	
2	Total Sales of Electric Energy	94,293,733
3	Other Electric Revenue	3,457,324
4	Total Operating Revenue	97,751,058
5		
6	<u>Operating Expenses:</u>	
7	Purchased Power	61,109,367
8	Distribution Operations	4,479,672
9	Distribution Maintenance	6,281,704
10	Customer Accounts	2,990,411
11	Customer Service	771,102
12	Sales Expense	-
13	A&G	4,708,378
14	Total O&M Expense	80,340,634
15		
16	Depreciation	9,991,725
17	Taxes - Other	142,458
18	Interest on LTD	4,381,833
19	Interest - Other	61,870
20	Other Deductions	91,479
21		
22	Total Cost of Electric Service	95,009,999
23		
24	<u>Utility Operating Margins</u>	<u>2,741,059</u>
25		
26	Non-Operating Margins - Interest	106,388
26a	Income(Loss) from Equity Investments	338,647
27	Non-Operating Margins - Other	50,178
28	G&T Capital Credits	1,781,607
29	Other Capital Credits	213,047
30		
31	<u>Net Margins</u>	<u>5,230,926</u>
32		
33	Cash Receipts from Lenders	35,004
34	OTIER	1.63
35	TIER	2.19
36	TIER excluding GTCC	1.79



## Exhibit JW-3

### COSS: Summary of Results

**JACKSON ENERGY COOPERATIVE**  
**Summary of Rates of Return by Class**

#	Rate	Code	Pro Forma Operating Revenue	Pro Forma Operating Expenses	Margin	Rate Base	Pro Forma Rate of Return on Rate Base	Unitized Rate of Return on Rate Base
1	Residential Service	10	\$ 68,908,329	\$ 67,527,016	\$ 1,381,313	\$ 142,842,897	0.97%	0.21
2	Residential Off Peak ETS	11	\$ 301,187	\$ 262,579	\$ 38,608	\$ 133,665	28.88%	6.21
3	Commercial Service < 50 KW	20	\$ 7,480,572	\$ 5,320,490	\$ 2,160,082	\$ 8,310,440	25.99%	5.59
4	Commercial Off Peak ETS	22	\$ 3,216	\$ 3,082	\$ 134	\$ 1,304	10.29%	2.21
5	Large Power Loads 50 KW and Over	40	\$ 5,739,586	\$ 4,685,102	\$ 1,054,483	\$ 3,707,465	28.44%	6.11
6	Large Power Rate 500 KW and Over	46	\$ 1,106,619	\$ 995,615	\$ 111,003	\$ 484,021	22.93%	4.93
7	Large Power Rate 500 kW and Over	47	\$ 3,643,813	\$ 3,317,412	\$ 326,401	\$ 1,833,438	17.80%	3.83
8	Schools, Churches, Halls & Parks	50	\$ 2,883,881	\$ 2,442,882	\$ 440,999	\$ 5,694,108	7.74%	1.67
9	All Electric Schools AES	52	\$ 821,732	\$ 764,528	\$ 57,204	\$ 1,021,459	5.60%	1.20
10	Outdoor Lighting	OL	\$ 2,788,369	\$ 409,946	\$ 2,378,423	\$ 6,859,063	34.68%	7.45
11	Total		\$ 93,677,304	\$ 85,728,653	\$ 7,948,651	\$ 170,887,861	4.65%	1.00

#	Rate	Code	Share of Revenue
1	Residential Service	10	74%
2	Residential Off Peak ETS	11	0%
3	Commercial Service < 50 KW	20	8%
4	Commercial Off Peak ETS	22	0%
5	Large Power Loads 50 KW and Over	40	6%
6	Large Power Rate 500 KW and Over	46	1%
7	Large Power Rate 500 kW and Over	47	4%
8	Schools, Churches, Halls & Parks	50	3%
9	All Electric Schools AES	52	1%
10	Outdoor Lighting	OL	3%
11	Total		100%

**JACKSON ENERGY COOPERATIVE**  
**Summary of Cost-Based Rates**

#	Rate	Code	Two-Part Rates		Three-Part Rates		
			Customer \$/Month	Energy \$/KWH	Customer \$/Month	Energy \$/KWH	Demand \$/KW
1	Residential Service	10	31.95	0.09400			
2	Residential Off Peak ETS	11	5.27	0.05132			
3	Commercial Service < 50 KW	20	35.64	0.06835			
4	Commercial Off Peak ETS	22	4.30	0.05132			
5	Large Power Loads 50 KW and Over	40			37.81	0.05134	6.85
6	Large Power Rate 500 KW and Over	46			34.09	0.04135	11.12
7	Large Power Rate 500 kW and Over	47			34.09	0.04159	7.85
8	Schools, Churches, Halls & Parks	50	41.53	0.08392			
9	All Electric Schools AES	52	40.33	0.07875			
10	Outdoor Lighting	OL					

Exhibit JW-4

COSS: Functionalization  
& Classification

**JACKSON ENERGY COOPERATIVE**  
**Cost of Service Study**  
**Functionalization and Classification**  
**12 Months Ended December 31, 2017**

Description	Name	Allocation Vector	Total System	Power Supply		Transmission	Station Equipment
				Demand	Energy	Demand	Demand
<b>Plant in Service</b>							
<b>Intangible Plant</b>							
301.00 ORGANIZATION	P301	PT&D	\$ -	-	-	-	-
302.00 FRANCHISES	P302	PT&D	-	-	-	-	-
303.00 MISC. INTANGIBLE	P303	PT&D	-	-	-	-	-
Total Intangible Plant	PINT		\$ -	\$ -	\$ -	\$ -	\$ -
<b>Steam Production</b>							
310.00 LAND AND LAND RIGHTS	P310	F016	\$ -	-	-	-	-
311.00 STRUCTURES AND IMPROVEMENTS	P311	F016	-	-	-	-	-
312.00 BOILER PLANT EQUIPMENT	P312	F016	-	-	-	-	-
313.00 ENGINES AND ENGINE DRIVEN GENERATORS	P313	F016	-	-	-	-	-
314.00 TURBOGENERATOR UNITS	P314	F016	-	-	-	-	-
315.00 ACCESSORY ELEC EQUIP	P315	F016	-	-	-	-	-
316.00 MISC POWER PLANT EQUIPMENT	P316	F016	-	-	-	-	-
317.00 ASSET RETIREMENT COST FOR STEAM PROD	P317	F016	-	-	-	-	-
Total Steam Production Plant	PPROD		\$ -	\$ -	\$ -	\$ -	\$ -
<b>Transmission</b>							
350.00 LAND AND LAND RIGHTS	P350	F011	\$ -	-	-	-	-
352.00 STRUCTURES AND IMPROVEMENTS	P352	F011	-	-	-	-	-
353.00 STATION EQUIPMENT	P353	F011	-	-	-	-	-
354.00 TOWERS AND FIXTURES	P354	F011	-	-	-	-	-
355.00 POLES AND FIXTURES	P355	F011	-	-	-	-	-
356.00 CONDUCTORS AND DEVICES	P356	F011	-	-	-	-	-
359.00 ROADS AND TRAILS	P359	F011	-	-	-	-	-
Total Transmission Plant	PTRAN		\$ -	\$ -	\$ -	\$ -	\$ -

**JACKSON ENERGY COOPERATIVE**  
**Cost of Service Study**  
**Functionalization and Classification**

12 Months Ended December 31, 2017

Description	Name	Allocation Vector	Pri & Sec. Distr Plant		Customer Services		Meters	Lighting	Meter Reading Billing and Cust Acct Service	Load Management
			Demand	Customer	Demand	Customer	Customer	Customer	Customer	Customer
<b>Plant in Service</b>										
<b>Intangible Plant</b>										
301.00 ORGANIZATION	P301	PT&D	-	-	-	-	-	-	-	-
302.00 FRANCHISES	P302	PT&D	-	-	-	-	-	-	-	-
303.00 MISC. INTANGIBLE	P303	PT&D	-	-	-	-	-	-	-	-
Total Intangible Plant	PINT		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Steam Production</b>										
310.00 LAND AND LAND RIGHTS	P310	F016	-	-	-	-	-	-	-	-
311.00 STRUCTURES AND IMPROVEMENTS	P311	F016	-	-	-	-	-	-	-	-
312.00 BOILER PLANT EQUIPMENT	P312	F016	-	-	-	-	-	-	-	-
313.00 ENGINES AND ENGINE DRIVEN GENERATORS	P313	F016	-	-	-	-	-	-	-	-
314.00 TURBOGENERATOR UNITS	P314	F016	-	-	-	-	-	-	-	-
315.00 ACCESSORY ELEC EQUIP	P315	F016	-	-	-	-	-	-	-	-
316.00 MISC POWER PLANT EQUIPMENT	P316	F016	-	-	-	-	-	-	-	-
317.00 ASSET RETIREMENT COST FOR STEAM PROD	P317	F016	-	-	-	-	-	-	-	-
Total Steam Production Plant	PPROD		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Transmission</b>										
350.00 LAND AND LAND RIGHTS	P350	F011	-	-	-	-	-	-	-	-
352.00 STRUCTURES AND IMPROVEMENTS	P352	F011	-	-	-	-	-	-	-	-
353.00 STATION EQUIPMENT	P353	F011	-	-	-	-	-	-	-	-
354.00 TOWERS AND FIXTURES	P354	F011	-	-	-	-	-	-	-	-
355.00 POLES AND FIXTURES	P355	F011	-	-	-	-	-	-	-	-
356.00 CONDUCTORS AND DEVICES	P356	F011	-	-	-	-	-	-	-	-
359.00 ROADS AND TRAILS	P359	F011	-	-	-	-	-	-	-	-
Total Transmission Plant	PTRAN		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**JACKSON ENERGY COOPERATIVE**  
**Cost of Service Study**  
**Functionalization and Classification**  
**12 Months Ended December 31, 2017**

Description	Name	Allocation Vector	Total System	Power Supply		Transmission	Station Equipment
				Demand	Energy	Demand	Demand
<b>Plant in Service (Continued)</b>							
<b>Distribution</b>							
360.00 LAND AND LAND RIGHTS	P360	F001	\$ -	-	-	-	-
361.00 STRUCTURES AND IMPROVEMENTS	P361	F001	-	-	-	-	-
362.00 STATION EQUIPMENT	P362	F001	1,800,074	-	-	-	1,800,074
364.00 POLES, TOWERS AND FIXTURES	P364	F002	71,390,479	-	-	-	-
365.00 OVERHEAD CONDUCTORS AND DEVICE	P365	F003	74,812,719	-	-	-	-
366.00 UNDERGROUND CONDUIT	P366	F004	-	-	-	-	-
367.00 UNDERGROUND CONDUCTORS AND DEV	P367	F004	2,294,047	-	-	-	-
368.00 LINE TRANSFORMERS	P368	F005	31,542,849	-	-	-	-
369.00 SERVICES	P369	F006	24,520,121	-	-	-	-
370.00 METERS	P370	F007	13,760,014	-	-	-	-
371.00 INSTALLATIONS ON CONSUMERS PRE	P371	F013	6,733,691	-	-	-	-
372.00 LEASED PROP. ON CONSUMERS PREMISES	P372	F013	-	-	-	-	-
373.00 STREET LIGHTING AND SIGNAL SYS	P373	F008	312,752	-	-	-	-
Total Distribution Plant	PDIST		\$ 227,166,747	\$ -	\$ -	\$ -	\$ 1,800,074
Total Transmission and Distribution Plant	PT&D		\$ 227,166,747	\$ -	\$ -	\$ -	\$ 1,800,074
Total Production, Transmission & Distribution Plant	PPT&D		\$ 227,166,747	\$ -	\$ -	\$ -	\$ 1,800,074

**JACKSON ENERGY COOPERATIVE**  
**Cost of Service Study**  
**Functionalization and Classification**  
**12 Months Ended December 31, 2017**

Description	Name	Allocation Vector	Pri & Sec. Distr Plant		Customer Services		Meters	Lighting	Meter Reading Billing and Cust Acct Service	Load Management
			Demand	Customer	Demand	Customer	Customer	Customer	Customer	Customer
<b>Plant in Service (Continued)</b>										
<b>Distribution</b>										
360.00	LAND AND LAND RIGHTS	P360	F001	-	-	-	-	-	-	-
361.00	STRUCTURES AND IMPROVEMENTS	P361	F001	-	-	-	-	-	-	-
362.00	STATION EQUIPMENT	P362	F001	-	-	-	-	-	-	-
364.00	POLES, TOWERS AND FIXTURES	P364	F002	53,591,554	17,798,925	-	-	-	-	-
365.00	OVERHEAD CONDUCTORS AND DEVICE	P365	F003	48,670,809	26,141,910	-	-	-	-	-
366.00	UNDERGROUND CONDUIT	P366	F004	-	-	-	-	-	-	-
367.00	UNDERGROUND CONDUCTORS AND DEV	P367	F004	497,162	1,796,885	-	-	-	-	-
368.00	LINE TRANSFORMERS	P368	F005	11,530,232	20,012,617	-	-	-	-	-
369.00	SERVICES	P369	F006	-	-	24,520,121	-	-	-	-
370.00	METERS	P370	F007	-	-	-	13,760,014	-	-	-
371.00	INSTALLATIONS ON CONSUMERS PRE	P371	F013	-	-	-	-	6,733,691	-	-
372.00	LEASED PROP. ON CONSUMERS PREMISES	P372	F013	-	-	-	-	-	-	-
373.00	STREET LIGHTING AND SIGNAL SYS	P373	F008	-	-	-	-	312,752	-	-
	Total Distribution Plant	PDIST		\$ 114,289,757	\$ 65,750,337	\$ -	\$ 24,520,121	\$ 13,760,014	\$ 7,046,442	\$ -
	Total Transmission and Distribution Plant	PT&D		\$ 114,289,757	\$ 65,750,337	\$ -	\$ 24,520,121	\$ 13,760,014	\$ 7,046,442	\$ -
	Total Production, Transmission & Distribution Plant	PPT&D		\$ 114,289,757	\$ 65,750,337	\$ -	\$ 24,520,121	\$ 13,760,014	\$ 7,046,442	\$ -



**JACKSON ENERGY COOPERATIVE**  
**Cost of Service Study**  
**Functionalization and Classification**

12 Months Ended December 31, 2017

Description	Name	Allocation Vector	Total System	Power Supply		Transmission	Station Equipment
				Demand	Energy	Demand	Demand
<b>Plant in Service (Continued)</b>							
<b>General Plant</b>							
389.00	LAND AND LAND RIGHTS	P389	PT&D	\$ 199,155	-	-	1,578
390.00	STRUCTURES AND IMPROVEMENTS	P390	PT&D	8,880,737	-	-	70,371
391.00	OFFICE FURNITURE AND EQUIPMENT	P391	PT&D	1,571,898	-	-	12,456
392.00	TRANSPORTATION EQUIPMENT	P392	PT&D	6,847,056	-	-	54,256
393.00	STORES EQUIPMENT	P393	PT&D	285,112	-	-	2,259
394.00	TOOLS, SHOP & GARAGE EQUIPMENT	P394	PT&D	485,853	-	-	3,850
395.00	LABORATORY EQUIPMENT	P395	PT&D	274,129	-	-	2,172
396.00	POWER OPERATED EQUIPMENT	P396	PT&D	50,397	-	-	399
397.00	COMMUNICATION EQUIPMENT	P397	PT&D	2,367,816	-	-	18,763
398.00	MISCELLANEOUS EQUIPMENT	P398	PT&D	1,957,218	-	-	15,509
399.00	OTHER TANGIBLE PROPERTY	P399	PT&D	-	-	-	-
	Total General Plant	PGP		\$ 22,919,370	\$ -	\$ -	\$ 181,614
	Total Plant in Service	TPIS		\$ 250,086,117	\$ -	\$ -	\$ 1,981,688
				25,008,616			
				225,077,501			
<b>Construction Work in Progress (CWIP)</b>							
	CWIP Production	CWIP1	PPROD	\$ -	-	-	-
	CWIP Transmission	CWIP2	PTRAN	-	-	-	-
	CWIP Distribution	CWIP3	PDIST	720,399	-	-	5,708
	CWIP General Plant	CWIP4	PGP	-	-	-	-
	CWIP Other	CWIP5	PDIST	-	-	-	-
	Total Construction Work in Progress	TCWIP		\$ 720,399	\$ -	\$ -	\$ 5,708
	Total Utility Plant			\$ 250,806,516	\$ -	\$ -	\$ 1,987,396

**JACKSON ENERGY COOPERATIVE**  
**Cost of Service Study**  
**Functionalization and Classification**

12 Months Ended December 31, 2017

Description	Name	Allocation Vector	Pri & Sec. Distr Plant		Customer Services		Meters	Lighting	Meter Reading Billing and Cust Acct Service	Load Management
			Demand	Customer	Demand	Customer	Customer	Customer	Customer	Customer
<b>Plant in Service (Continued)</b>										
<b>General Plant</b>										
389.00	LAND AND LAND RIGHTS	P389	PT&D	100,197	57,643	-	21,497	12,063	6,178	-
390.00	STRUCTURES AND IMPROVEMENTS	P390	PT&D	4,467,984	2,570,409	-	958,577	537,927	275,470	-
391.00	OFFICE FURNITURE AND EQUIPMENT	P391	PT&D	790,837	454,965	-	169,669	95,213	48,758	-
392.00	TRANSPORTATION EQUIPMENT	P392	PT&D	3,444,819	1,981,788	-	739,064	414,742	212,388	-
393.00	STORES EQUIPMENT	P393	PT&D	143,442	82,522	-	30,775	17,270	8,844	-
394.00	TOOLS, SHOP & GARAGE EQUIPMENT	P394	PT&D	244,437	140,624	-	52,442	29,429	15,071	-
395.00	LABORATORY EQUIPMENT	P395	PT&D	137,917	79,343	-	29,589	16,605	8,503	-
396.00	POWER OPERATED EQUIPMENT	P396	PT&D	25,355	14,587	-	5,440	3,053	1,563	-
397.00	COMMUNICATION EQUIPMENT	P397	PT&D	1,191,271	685,332	-	255,579	143,424	73,447	-
398.00	MISCELLANEOUS EQUIPMENT	P398	PT&D	984,695	566,490	-	211,260	118,553	60,711	-
399.00	OTHER TANGIBLE PROPERTY	P399	PT&D	-	-	-	-	-	-	-
	Total General Plant	PGP		\$ 11,530,954	\$ 6,633,701	\$ -	\$ 2,473,891	\$ 1,388,279	\$ 710,932	\$ -
	Total Plant in Service	TPIS		\$ 125,820,711	\$ 72,384,038	\$ -	\$ 26,994,012	\$ 15,148,293	\$ 7,757,374	\$ -
<b>Construction Work in Progress (CWIP)</b>										
	CWIP Production	CWIP1	PPROD	-	-	-	-	-	-	-
	CWIP Transmission	CWIP2	PTRAN	-	-	-	-	-	-	-
	CWIP Distribution	CWIP3	PDIST	362,440	208,510	-	77,759	43,636	22,346	-
	CWIP General Plant	CWIP4	PGP	-	-	-	-	-	-	-
	CWIP Other	CWIP5	PDIST	-	-	-	-	-	-	-
	Total Construction Work in Progress	TCWIP		\$ 362,440	\$ 208,510	\$ -	\$ 77,759	\$ 43,636	\$ 22,346	\$ -
	Total Utility Plant			\$ 126,183,151	\$ 72,592,548	\$ -	\$ 27,071,771	\$ 15,191,930	\$ 7,779,720	\$ -

**JACKSON ENERGY COOPERATIVE**  
**Cost of Service Study**  
**Functionalization and Classification**

12 Months Ended December 31, 2017

Description	Name	Allocation Vector	Total System	Power Supply		Transmission	Station Equipment
				Demand	Energy	Demand	Demand
<b>Rate Base</b>							
<b>Utility Plant</b>							
Plant in Service			\$ 250,086,117	\$ -	\$ -	\$ -	\$ 1,981,688
Construction Work in Progress (CWIP)			720,399	-	-	-	5,708.46
<b>Total Utility Plant</b>	TUP		\$ 250,806,516	\$ -	\$ -	\$ -	\$ 1,987,396
<b>Less: Accumulated Provision for Depreciation</b>							
Electric Plant Amortization	ADEPREPA	TUP	\$ -	-	-	-	-
Retirement Work in Progress	RWIP	PDIST	(214,000)	-	-	-	(1,696)
Steam Production	ADEPRPP	PPROD	-	-	-	-	-
Transmission	ADEPRTP	PTRAN	-	-	-	-	-
Dist AMR	ADEPRD12	PDIST	1,226,984	-	-	-	9,723
Dist-Structures	ADEPRD1	P361	-	-	-	-	-
Dist-Station	ADEPRD2	P362	-	-	-	-	-
Dist-Poles and Fixtures	ADEPRD3	P364	31,687,681	-	-	-	-
Dist-OH Conductor	ADEPRD4	P365	20,597,676	-	-	-	-
Dist-UG Conduit	ADEPRD5	P366	-	-	-	-	-
Dist-UG Conductor	ADEPRD6	P367	458,632	-	-	-	-
Dist-Line Transformers	ADEPRD7	P368	9,519,154	-	-	-	-
Dist-Services	ADEPRD8	P369	7,038,771	-	-	-	-
Dist-Meters	ADEPRD9	P370	2,644,445	-	-	-	-
Dist-Installations on Customer Premises	ADEPRD10	P371	531,109	-	-	-	-
Dist-Lighting & Signal Systems	ADEPRD11	P373	97,975	-	-	-	-
Accum Amtz - Electric Plant Acquisition		PGP	-	-	-	-	-
Accum Amtz - Electric Plant in Service		PGP	-	-	-	-	-
General Plant		PGP	10,590,329	-	-	-	83,918
<b>Total Accumulated Depreciation &amp; Amort</b>	TADEPR		\$ 84,178,755	\$ -	\$ -	\$ -	\$ 91,945
<b>Net Utility Plant</b>	NTPLANT		\$ 166,627,761	\$ -	\$ -	\$ -	\$ 1,895,451
<b>Working Capital</b>							
Cash Working Capital - Operation and Maintenance Expenses	CWC	OMLPP	\$ 2,403,909	\$ -	\$ -	\$ -	\$ 6,511
Materials and Supplies (13-Month Avg)	M&S	TPIS	1,641,241	-	-	-	13,005
Prepayments (13-Month Average)	PREPAY	TPIS	214,951	-	-	-	1,703
<b>Total Working Capital</b>	TWC		\$ 4,260,101	\$ -	\$ -	\$ -	\$ 21,220
Less: Customer Deposits	CSTDEP	TPIS	\$ -	-	-	-	-
<b>Net Rate Base</b>	RB		\$ 170,887,861	\$ -	\$ -	\$ -	\$ 1,916,671

**JACKSON ENERGY COOPERATIVE**  
**Cost of Service Study**  
**Functionalization and Classification**

12 Months Ended December 31, 2017

Description	Name	Allocation Vector	Pri & Sec. Distr Plant		Customer Services		Meters	Lighting	Meter Reading Billing and Cust Acct Service	Load Management
			Demand	Customer	Demand	Customer	Customer	Customer	Customer	Customer
<b>Rate Base</b>										
<b>Utility Plant</b>										
Plant in Service			\$ 125,820,711	\$ 72,384,038	\$ -	\$ 26,994,012	\$ 15,148,293	\$ 7,757,374	\$ -	\$ -
Construction Work in Progress (CWIP)			362,439.69	208,509.78	-	77,759.07	43,636.24	22,345.93	-	-
<b>Total Utility Plant</b>	TUP		\$ 126,183,151	\$ 72,592,548	\$ -	\$ 27,071,771	\$ 15,191,930	\$ 7,779,720	\$ -	\$ -
<b>Less: Accumulated Provision for Depreciation</b>										
Electric Plant Amortization	ADEPREPA	TUP	-	-	-	-	-	-	-	-
Retirement Work in Progress	RWIP	PDIST	(107,666)	(61,940)	-	(23,099)	(12,963)	(6,638)	-	-
Steam Production	ADEPRPP	PPROD	-	-	-	-	-	-	-	-
Transmission	ADEPRTP	PTRAN	-	-	-	-	-	-	-	-
Dist-AMR	ADEPRD12	PDIST	617,307	355,134	-	132,439	74,321	38,060	-	-
Dist-Structures	ADEPRD1	P361	-	-	-	-	-	-	-	-
Dist-Station	ADEPRD2	P362	-	-	-	-	-	-	-	-
Dist-Poles and Fixtures	ADEPRD3	P364	23,787,374	7,900,306	-	-	-	-	-	-
Dist-OH Conductor	ADEPRD4	P365	13,400,202	7,197,474	-	-	-	-	-	-
Dist-UG Conduit	ADEPRD5	P366	-	-	-	-	-	-	-	-
Dist-UG Conductor	ADEPRD6	P367	99,394	359,238	-	-	-	-	-	-
Dist-Line Transformers	ADEPRD7	P368	3,479,649	6,039,505	-	-	-	-	-	-
Dist-Services	ADEPRD8	P369	-	-	-	7,038,771	-	-	-	-
Dist-Meters	ADEPRD9	P370	-	-	-	-	2,644,445	-	-	-
Dist-Installations on Customer Premises	ADEPRD10	P371	-	-	-	-	-	531,109	-	-
Dist-Lighting & Signal Systems	ADEPRD11	P373	-	-	-	-	-	97,975	-	-
Accum Amtz - Electric Plant Acquisition	PGP		-	-	-	-	-	-	-	-
Accum Amtz - Electric Plant in Service	PGP		-	-	-	-	-	-	-	-
General Plant	PGP		5,328,096	3,065,227	-	1,143,108	641,481	328,499	-	-
<b>Total Accumulated Depreciation &amp; Amort</b>	TADEPR		\$ 46,604,357	\$ 24,854,945	\$ -	\$ 8,291,219	\$ 3,347,285	\$ 989,005	\$ -	\$ -
<b>Net Utility Plant</b>	NTPLANT		\$ 79,578,794	\$ 47,737,603	\$ -	\$ 18,780,552	\$ 11,844,645	\$ 6,790,715	\$ -	\$ -
<b>Working Capital</b>										
Cash Working Capital - Operation and Maintenance Expenses	CWC	OMLPP	\$ 933,452	\$ 526,666	\$ -	\$ 64,462	\$ 244,253	\$ 10,772	\$ 610,266	\$ 7,527
Materials and Supplies (13-Month Avg)	M&S	TPIS	825,724	475,035	-	177,154	99,414	50,909	-	-
Prepayments (13-Month Average)	PREPAY	TPIS	108,144	62,215	-	23,202	13,020	6,668	-	-
<b>Total Working Capital</b>	TWC		\$ 1,867,320	\$ 1,063,916	\$ -	\$ 264,817	\$ 356,687	\$ 68,348	\$ 610,266	\$ 7,527
Less: Customer Deposits	CSTDEP	TPIS	-	-	-	-	-	-	-	-
<b>Net Rate Base</b>	RB		\$ 81,446,114	\$ 48,801,519	\$ -	\$ 19,045,369	\$ 12,201,332	\$ 6,859,063	\$ 610,266	\$ 7,527

**JACKSON ENERGY COOPERATIVE**  
**Cost of Service Study**  
**Functionalization and Classification**  
**12 Months Ended December 31, 2017**

Description	Name	Allocation Vector	Total System	Power Supply		Transmission	Station Equipment
				Demand	Energy	Demand	Demand
<b>Operation and Maintenance Expenses</b>							
<b>Steam Power Production Operations Expense</b>							
500 OPERATION SUPV AND ENGINEERING	OM500	PPROD	\$ -	-	-	-	-
501 FUEL	OM501	F017	-	-	-	-	-
502 STEAM EXPENSES	OM502	F016	-	-	-	-	-
503 STEAM FROM OTHER SOURCES	OM503	F016	-	-	-	-	-
504 STEAM TRANSFERRED - CREDIT	OM504	F016	-	-	-	-	-
505 ELECTRIC EXPENSES	OM505	F016	-	-	-	-	-
506 MISC STEAM POWER EXPENSES	OM506	F016	-	-	-	-	-
507 RENTS	OM507	F016	-	-	-	-	-
509 ALLOWANCES	OM509	F017	-	-	-	-	-
Total Steam Production Operation Expense	OMPO		\$ -	\$ -	\$ -	\$ -	\$ -
<b>Steam Power Production Maintenance Expense</b>							
510 MAINTENANCE SUPV AND ENGINEERING	OM510	F017	\$ -	-	-	-	-
511 MAINTENANCE OF STRUCTURES	OM511	F016	-	-	-	-	-
512 MAINTENANCE OF BOILER PLANT	OM512	F017	-	-	-	-	-
513 MAINTENANCE OF ELECTRIC PLANT	OM513	F017	-	-	-	-	-
514 MAINTENANCE OF MISC STEAM PLANT	OM514	F016	-	-	-	-	-
Total Steam Production Maintenance Expense	OMPM		\$ -	\$ -	\$ -	\$ -	\$ -
Total Steam Production Operation and Maintenance Expenses	OMP		-	-	-	-	-

**JACKSON ENERGY COOPERATIVE**  
**Cost of Service Study**  
**Functionalization and Classification**  
**12 Months Ended December 31, 2017**

Description	Name	Allocation Vector	Pri & Sec. Distr Plant		Customer Services		Meters	Lighting	Meter Reading Billing and Cust Acct Service	Load Management
			Demand	Customer	Demand	Customer	Customer	Customer	Customer	Customer
<b>Operation and Maintenance Expenses</b>										
<b>Steam Power Production Operations Expense</b>										
500 OPERATION SUPV AND ENGINEERING	OM500	PPROD	-	-	-	-	-	-	-	-
501 FUEL	OM501	F017	-	-	-	-	-	-	-	-
502 STEAM EXPENSES	OM502	F016	-	-	-	-	-	-	-	-
503 STEAM FROM OTHER SOURCES	OM503	F016	-	-	-	-	-	-	-	-
504 STEAM TRANSFERRED - CREDIT	OM504	F016	-	-	-	-	-	-	-	-
505 ELECTRIC EXPENSES	OM505	F016	-	-	-	-	-	-	-	-
506 MISC STEAM POWER EXPENSES	OM506	F016	-	-	-	-	-	-	-	-
507 RENTS	OM507	F016	-	-	-	-	-	-	-	-
509 ALLOWANCES	OM509	F017	-	-	-	-	-	-	-	-
Total Steam Production Operation Expense	OMPO		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Steam Power Production Maintenance Expense</b>										
510 MAINTENANCE SUPV AND ENGINEERING	OM510	F017	-	-	-	-	-	-	-	-
511 MAINTENANCE OF STRUCTURES	OM511	F016	-	-	-	-	-	-	-	-
512 MAINTENANCE OF BOILER PLANT	OM512	F017	-	-	-	-	-	-	-	-
513 MAINTENANCE OF ELECTRIC PLANT	OM513	F017	-	-	-	-	-	-	-	-
514 MAINTENANCE OF MISC STEAM PLANT	OM514	F016	-	-	-	-	-	-	-	-
Total Steam Production Maintenance Expense	OMPM		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Steam Production Operation and Maintenance Expenses	OMP		-	-	-	-	-	-	-	-

**JACKSON ENERGY COOPERATIVE**  
**Cost of Service Study**  
**Functionalization and Classification**  
**12 Months Ended December 31, 2017**

Description	Name	Allocation Vector	Total System	Power Supply		Transmission	Station Equipment
				Demand	Energy	Demand	Demand
<b>Operation and Maintenance Expenses (Continued)</b>							
<b>Purchased Power</b>							
555 PURCHASED POWER	OM555	OMPP	\$ 61,109,367	\$ 19,752,692	\$ 41,356,675	-	-
556 SYSTEM CONTROL & LOAD DISPATCHING	OM556	OMPP	-	-	-	-	-
557 OTHER EXPENSES	OM557	OMPP	-	-	-	-	-
559 RENEWABLE ENERGY CR EXP	OM559	OMPP	-	-	-	-	-
Total Purchased Power	TPP		\$ 61,109,367	\$ 19,752,692	\$ 41,356,675	\$ -	\$ -
<b>Transmission Expenses</b>							
560 OPERATION SUPERVISION AND ENG	OM560	PTRAN	\$ -	-	-	-	-
561 LOAD DISPATCHING	OM561	PTRAN	-	-	-	-	-
562 STATION EXPENSES	OM562	PTRAN	-	-	-	-	-
563 OVERHEAD LINE EXPENSES	OM563	PTRAN	-	-	-	-	-
564 UNDERGROUND LINE EXPENSES	OM564	PTRAN	-	-	-	-	-
565 TRANSMISSION OF ELEC BY OTHERS	OM565	PTRAN	-	-	-	-	-
566 MISC. TRANSMISSION EXPENSES	OM566	PTRAN	-	-	-	-	-
567 RENTS	OM567	PTRAN	-	-	-	-	-
568 MAINTENANCE SUPERVISION AND ENG	OM568	PTRAN	-	-	-	-	-
569 MAINTENANCE OF STRUCTURES	OM569	PTRAN	-	-	-	-	-
570 MAINT OF STATION EQUIPMENT	OM570	PTRAN	-	-	-	-	-
571 MAINT OF OVERHEAD LINES	OM571	PTRAN	-	-	-	-	-
572 MAINT OF UNDERGROUND LINES	OM572	PTRAN	-	-	-	-	-
573 MAINT MISC	OM573	PTRAN	-	-	-	-	-
574 MAINT OF TRANS PLANT	OM574	PTRAN	-	-	-	-	-
Total Transmission Expenses			\$ -	\$ -	\$ -	\$ -	\$ -
<b>Distribution Operation Expense</b>							
580 OPERATION SUPERVISION AND ENGI	OM580	PDIST	\$ 61,627	-	-	-	488
581 LOAD DISPATCHING	OM581	P362	-	-	-	-	-
582 STATION EXPENSES	OM582	P362	26,472	-	-	-	26,472
583 OVERHEAD LINE EXPENSES	OM583	P365	1,802,463	-	-	-	-
584 UNDERGROUND LINE EXPENSES	OM584	P367	118,852	-	-	-	-
585 STREET LIGHTING EXPENSE	OM585	P371	-	-	-	-	-
586 METER EXPENSES	OM586	P370	1,368,272	-	-	-	-
586 METER EXPENSES - LOAD MANAGEMENT	OM586x	F012	-	-	-	-	-
587 CUSTOMER INSTALLATIONS EXPENSE	OM587	P369	224,984	-	-	-	-
588 MISCELLANEOUS DISTRIBUTION EXP	OM588	PDIST	877,002	-	-	-	6,949
588 MISC DISTR EXP -- MAPPING	OM588x	F015	-	-	-	-	-
589 RENTS	OM589	PDIST	-	-	-	-	-
Total Distribution Operation Expense	OMDO		\$ 4,479,672	\$ -	\$ -	\$ -	\$ 33,910

**JACKSON ENERGY COOPERATIVE**  
**Cost of Service Study**  
**Functionalization and Classification**

12 Months Ended December 31, 2017

Description	Name	Allocation Vector	Pri & Sec. Distr Plant		Customer Services		Meters	Lighting	Meter Reading Billing and Cust Acct Service	Load Management
			Demand	Customer	Demand	Customer	Customer	Customer	Customer	Customer
<b>Operation and Maintenance Expenses (Continued)</b>										
<b>Purchased Power</b>										
555 PURCHASED POWER	OM555	OMPP	-	-	-	-	-	-	-	-
556 SYSTEM CONTROL & LOAD DISPATCHING	OM556	OMPP	-	-	-	-	-	-	-	-
557 OTHER EXPENSES	OM557	OMPP	-	-	-	-	-	-	-	-
559 RENEWABLE ENERGY CR EXP	OM559	OMPP	-	-	-	-	-	-	-	-
Total Purchased Power	TPP		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Transmission Expenses</b>										
560 OPERATION SUPERVISION AND ENG	OM560	PTRAN	-	-	-	-	-	-	-	-
561 LOAD DISPATCHING	OM561	PTRAN	-	-	-	-	-	-	-	-
562 STATION EXPENSES	OM562	PTRAN	-	-	-	-	-	-	-	-
563 OVERHEAD LINE EXPENSES	OM563	PTRAN	-	-	-	-	-	-	-	-
564 UNDERGROUND LINE EXPENSES	OM564	PTRAN	-	-	-	-	-	-	-	-
565 TRANSMISSION OF ELEC BY OTHERS	OM565	PTRAN	-	-	-	-	-	-	-	-
566 MISC. TRANSMISSION EXPENSES	OM566	PTRAN	-	-	-	-	-	-	-	-
567 RENTS	OM567	PTRAN	-	-	-	-	-	-	-	-
568 MAINTENANCE SUPERVISION AND ENG	OM568	PTRAN	-	-	-	-	-	-	-	-
569 MAINTENANCE OF STRUCTURES	OM569	PTRAN	-	-	-	-	-	-	-	-
570 MAINT OF STATION EQUIPMENT	OM570	PTRAN	-	-	-	-	-	-	-	-
571 MAINT OF OVERHEAD LINES	OM571	PTRAN	-	-	-	-	-	-	-	-
572 MAINT OF UNDERGROUND LINES	OM572	PTRAN	-	-	-	-	-	-	-	-
573 MAINT MISC	OM573	PTRAN	-	-	-	-	-	-	-	-
574 MAINT OF TRANS PLANT	OM574	PTRAN	-	-	-	-	-	-	-	-
Total Transmission Expenses			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Distribution Operation Expense</b>										
580 OPERATION SUPERVISION AND ENGI	OM580	PDIST	31,005	17,837	-	6,652	3,733	1,912	-	-
581 LOAD DISPATCHING	OM581	P362	-	-	-	-	-	-	-	-
582 STATION EXPENSES	OM582	P362	-	-	-	-	-	-	-	-
583 OVERHEAD LINE EXPENSES	OM583	P365	1,172,626	629,837	-	-	-	-	-	-
584 UNDERGROUND LINE EXPENSES	OM584	P367	25,757	93,095	-	-	-	-	-	-
585 STREET LIGHTING EXPENSE	OM585	P371	-	-	-	-	-	-	-	-
586 METER EXPENSES	OM586	P370	-	-	-	-	1,368,272	-	-	-
586 METER EXPENSES - LOAD MANAGEMENT	OM586x	F012	-	-	-	-	-	-	-	-
587 CUSTOMER INSTALLATIONS EXPENSE	OM587	P369	-	-	-	224,984	-	-	-	-
588 MISCELLANEOUS DISTRIBUTION EXP	OM588	PDIST	441,228	253,836	-	94,663	53,122	27,204	-	-
588 MISC DISTR EXP -- MAPPING	OM588x	F015	-	-	-	-	-	-	-	-
589 RENTS	OM589	PDIST	-	-	-	-	-	-	-	-
Total Distribution Operation Expense	OMDO		\$ 1,670,617	\$ 994,605	\$ -	\$ 326,299	\$ 1,425,126	\$ 29,115	\$ -	\$ -



**JACKSON ENERGY COOPERATIVE**  
**Cost of Service Study**  
**Functionalization and Classification**

12 Months Ended December 31, 2017

Description	Name	Allocation Vector	Total System	Power Supply		Transmission	Station Equipment
				Demand	Energy	Demand	Demand
<b>Operation and Maintenance Expenses (Continued)</b>							
<b>Distribution Maintenance Expense</b>							
590 MAINTENANCE SUPERVISION AND EN	OM590	PDIST	\$ -	-	-	-	-
592 MAINTENANCE OF STATION EQUIPME	OM592	P362	-	-	-	-	-
593 MAINTENANCE OF OVERHEAD LINES	OM593	P365	5,954,696	-	-	-	-
594 MAINTENANCE OF UNDERGROUND LIN	OM594	P367	53,391	-	-	-	-
595 MAINTENANCE OF LINE TRANSFORME	OM595	P368	13,326	-	-	-	-
596 MAINTENANCE OF ST LIGHTS & SIG SYSTEMS	OM596	P373	8,860	-	-	-	-
597 MAINTENANCE OF METERS	OM597	P370	-	-	-	-	-
598 MAINTENANCE OF MISC DISTR PLANT	OM598	PDIST	251,430	-	-	-	1,992
Total Distribution Maintenance Expense	OMDM		\$ 6,281,704	\$ -	\$ -	\$ -	\$ 1,992
Total Distribution Operation and Maintenance Expenses			10,761,375	-	-	-	35,902
Transmission and Distribution Expenses			10,761,375	-	-	-	35,902
Steam Production, Transmission and Distribution Expenses			10,761,375	-	-	-	35,902
Production, Purchased Power, Trans and Distr Expenses	OMSUB		\$ 71,870,742	\$ 19,752,692	\$ 41,356,675	\$ -	\$ 35,902
<b>Customer Accounts Expense</b>							
901 SUPERVISION/CUSTOMER ACCTS	OM901	F009	\$ -	-	-	-	-
902 METER READING EXPENSES	OM902	F009	793	-	-	-	-
903 RECORDS AND COLLECTION	OM903	F009	2,906,663	-	-	-	-
904 UNCOLLECTIBLE ACCOUNTS	OM904	F009	82,955	-	-	-	-
905 MISC CUST ACCOUNTS	OM903	F009	-	-	-	-	-
Total Customer Accounts Expense	OMCA		\$ 2,990,411	\$ -	\$ -	\$ -	\$ -
<b>Customer Service Expense</b>							
907 SUPERVISION	OM907	F010	\$ 1,070	-	-	-	-
908 CUSTOMER ASSISTANCE EXPENSES	OM908	F010	425,008	-	-	-	-
908 CUSTOMER ASSISTANCE EXP-LOAD MGMT	OM908x	F012	-	-	-	-	-
909 INFORMATIONAL AND INSTRUCTIONA	OM909	F010	28,801	-	-	-	-
909 INFORM AND INSTRUC -LOAD MGMT	OM909x	F012	-	-	-	-	-
910 MISCELLANEOUS CUSTOMER SERVICE	OM910	F010	268,203	-	-	-	-
911 SUPERVISION	OM911	F010	-	-	-	-	-
912 DEMONSTRATION AND SELLING EXP	OM912	F012	-	-	-	-	-
913 ADVERTISING EXPENSES	OM913	F012	48,021	-	-	-	-
914 SALES	OM914	F012	-	-	-	-	-
916 MISC SALES EXPENSE	OM916	F012	-	-	-	-	-
917 MISC SALES EXPENSE	OM917	F012	-	-	-	-	-
Total Customer Service Expense	OMCS		\$ 771,103	\$ -	\$ -	\$ -	\$ -
Sub-Total Transmission, Distribution, Cust Acct and Cust Service	OMSUB2		14,522,889	-	-	-	35,902

**JACKSON ENERGY COOPERATIVE**  
**Cost of Service Study**  
**Functionalization and Classification**

12 Months Ended December 31, 2017

Description	Name	Allocation Vector	Pri & Sec. Distr Plant		Customer Services		Meters	Lighting	Meter Reading Billing and Cust Acct Service	Load Management
			Demand	Customer	Demand	Customer	Customer	Customer	Customer	Customer
<b>Operation and Maintenance Expenses (Continued)</b>										
<b>Distribution Maintenance Expense</b>										
590 MAINTENANCE SUPERVISION AND EN	OM590	PDIST	-	-	-	-	-	-	-	-
592 MAINTENANCE OF STATION EQUIPME	OM592	P362	-	-	-	-	-	-	-	-
593 MAINTENANCE OF OVERHEAD LINES	OM593	P365	3,873,939	2,080,758	-	-	-	-	-	-
594 MAINTENANCE OF UNDERGROUND LIN	OM594	P367	11,571	41,820	-	-	-	-	-	-
595 MAINTENANCE OF LINE TRANSFORME	OM595	P368	4,871	8,455	-	-	-	-	-	-
596 MAINTENANCE OF ST LIGHTS & SIG SYSTEMS	OM596	P373	-	-	-	-	-	8,860	-	-
597 MAINTENANCE OF METERS	OM597	P370	-	-	-	-	-	-	-	-
598 MAINTENANCE OF MISC DISTR PLANT	OM598	PDIST	126,497	72,773	-	27,139	15,230	7,799	-	-
Total Distribution Maintenance Expense	OMDM		\$ 4,016,878	\$ 2,203,806	\$ -	\$ 27,139	\$ 15,230	\$ 16,659	\$ -	\$ -
Total Distribution Operation and Maintenance Expenses			5,687,494	3,198,411	-	353,438	1,440,356	45,774	-	-
Transmission and Distribution Expenses			5,687,494	3,198,411	-	353,438	1,440,356	45,774	-	-
Steam Production, Transmission and Distribution Expenses			5,687,494	3,198,411	-	353,438	1,440,356	45,774	-	-
Production, Purchased Power, Trans and Distr Expenses	OMSUB		\$ 5,687,494	\$ 3,198,411	\$ -	\$ 353,438	\$ 1,440,356	\$ 45,774	\$ -	\$ -
<b>Customer Accounts Expense</b>										
901 SUPERVISION/CUSTOMER ACCTS	OM901	F009	-	-	-	-	-	-	-	-
902 METER READING EXPENSES	OM902	F009	-	-	-	-	-	-	793	-
903 RECORDS AND COLLECTION	OM903	F009	-	-	-	-	-	-	2,906,663	-
904 UNCOLLECTIBLE ACCOUNTS	OM904	F009	-	-	-	-	-	-	82,955	-
905 MISC CUST ACCOUNTS	OM903	F009	-	-	-	-	-	-	-	-
Total Customer Accounts Expense	OMCA		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,990,411	\$ -
<b>Customer Service Expense</b>										
907 SUPERVISION	OM907	F010	-	-	-	-	-	-	1,070	-
908 CUSTOMER ASSISTANCE EXPENSES	OM908	F010	-	-	-	-	-	-	425,008	-
908 CUSTOMER ASSISTANCE EXP-LOAD MGMT	OM908x	F012	-	-	-	-	-	-	-	-
909 INFORMATIONAL AND INSTRUCTIONA	OM909	F010	-	-	-	-	-	-	28,801	-
909 INFORM AND INSTRUC -LOAD MGMT	OM909x	F012	-	-	-	-	-	-	-	-
910 MISCELLANEOUS CUSTOMER SERVICE	OM910	F010	-	-	-	-	-	-	268,203	-
911 SUPERVISION	OM911	F010	-	-	-	-	-	-	-	-
912 DEMONSTRATION AND SELLING EXP	OM912	F012	-	-	-	-	-	-	-	-
913 ADVERTISING EXPENSES	OM913	F012	-	-	-	-	-	-	-	48,021
914 SALES	OM914	F012	-	-	-	-	-	-	-	-
916 MISC SALES EXPENSE	OM916	F012	-	-	-	-	-	-	-	-
917 MISC SALES EXPENSE	OM917	F012	-	-	-	-	-	-	-	-
Total Customer Service Expense	OMCS		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 723,082	\$ 48,021
Sub-Total Transmission, Distribution, Cust Acct and Cust Service	OMSUB2		5,687,494	3,198,411	-	353,438	1,440,356	45,774	3,713,492	48,021

**JACKSON ENERGY COOPERATIVE**  
**Cost of Service Study**  
**Functionalization and Classification**  
**12 Months Ended December 31, 2017**

Description	Name	Allocation Vector	Total System	Power Supply		Transmission	Station Equipment
				Demand	Energy	Demand	Demand
<b>Operation and Maintenance Expenses (Continued)</b>							
<b>Administrative and General Expense</b>							
920 ADMIN. & GEN. SALARIES-	OM920	OMSUB2	\$ 2,529,560	-	-	-	6,253
921 OFFICE SUPPLIES AND EXPENSES	OM921	LBSUB2	709,151	-	-	-	574
923 OUTSIDE SERVICES EMPLOYED	OM923	OMSUB2	104,835	-	-	-	259
924 PROPERTY INSURANCE	OM924	NTPLANT	-	-	-	-	-
925 INJURIES AND DAMAGES - INSURAN	OM925	LBSUB2	14,334	-	-	-	12
926 EMPLOYEE BENEFITS	OM926	LBSUB2	67,717	-	-	-	55
928 ASSOCIATED DUES	OM928	OMSUB2	33,834	-	-	-	84
929 DUPLICATE CHARGES - CREDIT	OM929	OMSUB2	(76,533)	-	-	-	(189)
930 MISCELLANEOUS GENERAL EXPENSES	OM930	OMSUB2	666,964	-	-	-	1,649
931 RENTS AND LEASES	OM931	NTPLANT	28,600	-	-	-	325
932 MAINTENANCE OF GENERAL PLANT	OM932	PGP	-	-	-	-	-
933 TRANSPORTATION EXPENSES	OM933	PGP	-	-	-	-	-
935 MAINT OF GENERAL PLANT	OM935	NTPLANT	629,917	-	-	-	7,166
Total Administrative and General Expense	OMAG		\$ 4,708,380	\$ -	\$ -	\$ -	\$ 16,187
Total Operation and Maintenance Expenses	TOM		\$ 80,340,635	\$ 19,752,692	\$ 41,356,675	\$ -	\$ 52,089
Operation and Maintenance Expenses Less Purchase Power	OMLPP		\$ 19,231,268	\$ -	\$ -	\$ -	\$ 52,089

**JACKSON ENERGY COOPERATIVE**  
**Cost of Service Study**  
**Functionalization and Classification**  
**12 Months Ended December 31, 2017**

Description	Name	Allocation Vector	Pri & Sec. Distr Plant		Customer Services		Meters	Lighting	Meter Reading Billing and Cust Acct Service	Load Management
			Demand	Customer	Demand	Customer	Customer	Customer	Customer	Customer
<b>Operation and Maintenance Expenses (Continued)</b>										
<b>Administrative and General Expense</b>										
920 ADMIN. & GEN. SALARIES-	OM920	OMSUB2	990,634	557,091	-	61,561	250,878	7,973	646,807	8,364
921 OFFICE SUPPLIES AND EXPENSES	OM921	LBSUB2	169,814	97,333	-	7,824	128,768	2,949	300,618	1,271
923 OUTSIDE SERVICES EMPLOYED	OM923	OMSUB2	41,056	23,088	-	2,551	10,397	330	26,806	347
924 PROPERTY INSURANCE	OM924	NTPLANT	-	-	-	-	-	-	-	-
925 INJURIES AND DAMAGES - INSURAN	OM925	LBSUB2	3,432	1,967	-	158	2,603	60	6,076	26
926 EMPLOYEE BENEFITS	OM926	LBSUB2	16,216	9,294	-	747	12,296	282	28,706	121
928 ASSOCIATED DUES	OM928	OMSUB2	13,250	7,451	-	823	3,356	107	8,651	112
929 DUPLICATE CHARGES - CREDIT	OM929	OMSUB2	(29,972)	(16,855)	-	(1,863)	(7,590)	(241)	(19,569)	(253)
930 MISCELLANEOUS GENERAL EXPENSES	OM930	OMSUB2	261,198	146,887	-	16,232	66,148	2,102	170,542	2,205
931 RENTS AND LEASES	OM931	NTPLANT	13,659	8,194	-	3,223	2,033	1,166	-	-
932 MAINTENANCE OF GENERAL PLANT	OM932	PGP	-	-	-	-	-	-	-	-
933 TRANSPORTATION EXPENSES	OM933	PGP	-	-	-	-	-	-	-	-
935 MAINT OF GENERAL PLANT	OM935	NTPLANT	300,838	180,466	-	70,998	44,777	25,672	-	-
Total Administrative and General Expense	OMAG		\$ 1,780,125	\$ 1,014,918	\$ -	\$ 162,255	\$ 513,665	\$ 40,399	\$ 1,168,638	\$ 12,193
Total Operation and Maintenance Expenses	TOM		\$ 7,467,619	\$ 4,213,328	\$ -	\$ 515,693	\$ 1,954,021	\$ 86,173	\$ 4,882,130	\$ 60,214
Operation and Maintenance Expenses Less Purchase Power	OMLPP		\$ 7,467,619	\$ 4,213,328	\$ -	\$ 515,693	\$ 1,954,021	\$ 86,173	\$ 4,882,130	\$ 60,214

**JACKSON ENERGY COOPERATIVE**  
**Cost of Service Study**  
**Functionalization and Classification**

12 Months Ended December 31, 2017

Description	Name	Allocation Vector	Total System	Power Supply		Transmission	Station Equipment
				Demand	Energy	Demand	Demand
<b>Other Expenses</b>							
<b>Depreciation Expenses</b>							
Steam Prod Plant	DEPRPP	PPROD	-	-	-	-	-
Transmission	DEPRTP	PTRAN	-	-	-	-	-
Dist-Structures	DEPRDP1	P361	-	-	-	-	-
Dist-Station	DEPRDP2	P362	-	-	-	-	-
Dist-Poles and Fixtures	DEPRDP3	P364	-	-	-	-	-
Dist-OH Conductor	DEPRDP4	P365	-	-	-	-	-
Dist-UG Conduit	DEPRDP5	P366	-	-	-	-	-
Dist-UG Conductor	DEPRDP6	P367	-	-	-	-	-
Dist-Line Transformers	DEPRDP7	P368	-	-	-	-	-
Dist-Services	DEPRDP8	P369	-	-	-	-	-
Dist-Meters	DEPRDP9	P370	-	-	-	-	-
Dist-Installations on Customer Premises	DEPRDP10	P371	-	-	-	-	-
Dist-Lighting & Signal Systems	DEPRDP11	P373	-	-	-	-	-
Distribution Plant	DEPRDP12	PDIST	8,933,580	-	-	-	70,790
General Plant	DEPRGP	PGP	587,373	-	-	-	4,654
Asset Retirement Costs	DEPRGP	PGP	-	-	-	-	-
AMORT Property Losses & Unrecover	DEPRLEP	PT&D	470,772	-	-	-	3,730
AMORT ELECT PLANT ACQUISIT ADJ	DEPRAADJ	PDIST	-	-	-	-	-
Total Depreciation Expense	TDEPR		\$ 9,991,725	-	-	-	79,175
Property Taxes	PTAX	NTPLANT	\$ -	-	-	-	-
Other Taxes	OT	NTPLANT	\$ 142,458	-	-	-	1,621
Interest -- LTD	INTLTD	NTPLANT	\$ 4,381,833	-	-	-	49,845
Interest -- Other	INTOTH	NTPLANT	\$ 61,870	-	-	-	704
Donations	DONAT	NTPLANT	\$ 45,874	-	-	-	522
Regulatory Liabilities	REGLIAB	NTPLANT	\$ -	-	-	-	-
Other Deductions	DEDUCT	NTPLANT	\$ 91,479	-	-	-	1,041
<b>Total Other Expenses</b>	TOE		\$ 14,715,238	\$ -	\$ -	\$ -	\$ 132,906
<b>Total Cost of Service (O&amp;M + Other Expenses)</b>			\$ 95,055,873	\$ 19,752,692	\$ 41,356,675	\$ -	\$ 184,996

**JACKSON ENERGY COOPERATIVE**  
**Cost of Service Study**  
**Functionalization and Classification**

12 Months Ended December 31, 2017

Description	Name	Allocation Vector	Pri & Sec. Distr Plant		Customer Services		Meters	Lighting	Meter Reading Billing and Cust Acct Service	Load Management
			Demand	Customer	Demand	Customer	Customer	Customer	Customer	Customer
<b>Other Expenses</b>										
<b>Depreciation Expenses</b>										
Steam Prod Plant	DEPRPP	PPROD	-	-	-	-	-	-	-	-
Transmission	DEPRTP	PTRAN	-	-	-	-	-	-	-	-
Dist-Structures	DEPRDP1	P361	-	-	-	-	-	-	-	-
Dist-Station	DEPRDP2	P362	-	-	-	-	-	-	-	-
Dist-Poles and Fixtures	DEPRDP3	P364	-	-	-	-	-	-	-	-
Dist-OH Conductor	DEPRDP4	P365	-	-	-	-	-	-	-	-
Dist-UG Conduit	DEPRDP5	P366	-	-	-	-	-	-	-	-
Dist-UG Conductor	DEPRDP6	P367	-	-	-	-	-	-	-	-
Dist-Line Transformers	DEPRDP7	P368	-	-	-	-	-	-	-	-
Dist-Services	DEPRDP8	P369	-	-	-	-	-	-	-	-
Dist-Meters	DEPRDP9	P370	-	-	-	-	-	-	-	-
Dist-Installations on Customer Premises	DEPRDP10	P371	-	-	-	-	-	-	-	-
Dist-Lighting & Signal Systems	DEPRDP11	P373	-	-	-	-	-	-	-	-
Distribution Plant	DEPRDP12	PDIST	4,494,569	2,585,704	-	964,280	541,128	277,109	-	-
General Plant	DEPRGP	PGP	295,513	170,007	-	63,400	35,579	18,220	-	-
Asset Retirement Costs	DEPRGP	PGP	-	-	-	-	-	-	-	-
AMORT Property Losses & Unrecover	DEPRLTEP	PT&D	236,850	136,259	-	50,815	28,516	14,603	-	-
AMORT ELECT PLANT ACQUISIT ADJ	DEPRAADJ	PDIST	-	-	-	-	-	-	-	-
Total Depreciation Expense	TDEPR		5,026,932	2,891,969	-	1,078,495	605,222	309,931	-	-
Property Taxes	PTAX	NTPLANT	-	-	-	-	-	-	-	-
Other Taxes	OT	NTPLANT	68,036	40,813	-	16,056	10,127	5,806	-	-
Interest -- LTD	INTLTD	NTPLANT	2,092,694	1,255,362	-	493,875	311,480	178,576	-	-
Interest -- Other	INTOTH	NTPLANT	29,548	17,725	-	6,973	4,398	2,521	-	-
Donations	DONAT	NTPLANT	21,908	13,142	-	5,170	3,261	1,870	-	-
Regulatory Liabilities	REGLIAB	NTPLANT	-	-	-	-	-	-	-	-
Other Deductions	DEDUCT	NTPLANT	43,689	26,208	-	10,311	6,503	3,728	-	-
<b>Total Other Expenses</b>	TOE		\$ 7,282,808	\$ 4,245,220	\$ -	\$ 1,610,881	\$ 940,990	\$ 502,433	\$ -	\$ -
<b>Total Cost of Service (O&amp;M + Other Expenses)</b>			\$ 14,750,427	\$ 8,458,549	\$ -	\$ 2,126,574	\$ 2,895,012	\$ 588,605	\$ 4,882,130	\$ 60,214

**JACKSON ENERGY COOPERATIVE**  
**Cost of Service Study**  
**Functionalization and Classification**

12 Months Ended December 31, 2017

Description	Name	Allocation Vector	Total System	Power Supply		Transmission	Station Equipment
				Demand	Energy	Demand	Demand
<b>Labor Expenses</b>							
<b>Steam Power Production Operations Expense</b>							
500 OPERATION SUPV AND ENGINEERING	LB500	PPROD	\$ -	-	-	-	-
501 FUEL	LB501	F017	-	-	-	-	-
502 STEAM EXPENSES	LB502	F016	-	-	-	-	-
503 STEAM FROM OTHER SOURCES	LB503	F016	-	-	-	-	-
504 STEAM TRANSFERRED - CREDIT	LB504	F016	-	-	-	-	-
505 ELECTRIC EXPENSES	LB505	F016	-	-	-	-	-
506 MISC STEAM POWER EXPENSES	LB506	F016	-	-	-	-	-
507 RENTS	LB507	F016	-	-	-	-	-
509 ALLOWANCES	LB509	F017	-	-	-	-	-
Total Steam Production Operation Expense	LBPO		\$ -	\$ -	\$ -	\$ -	\$ -
<b>Steam Power Production Maintenance Expense</b>							
510 MAINTENANCE SUPV AND ENGINEERING	LB510	F017	\$ -	-	-	-	-
511 MAINTENANCE OF STRUCTURES	LB511	F016	-	-	-	-	-
512 MAINTENANCE OF BOILER PLANT	LB512	F017	-	-	-	-	-
513 MAINTENANCE OF ELECTRIC PLANT	LB513	F017	-	-	-	-	-
514 MAINTENANCE OF MISC STEAM PLANT	LB514	F016	-	-	-	-	-
Total Steam Production Maintenance Expense	LBPM		\$ -	\$ -	\$ -	\$ -	\$ -
Total Steam Production Operation and Maintenance Expenses	LBP		-	-	-	-	-

**JACKSON ENERGY COOPERATIVE**  
**Cost of Service Study**  
**Functionalization and Classification**

12 Months Ended December 31, 2017

Description	Name	Allocation Vector	Pri & Sec. Distr Plant		Customer Services		Meters	Lighting	Meter Reading Billing and Cust Acct Service	Load Management
			Demand	Customer	Demand	Customer	Customer	Customer	Customer	Customer
<b>Labor Expenses</b>										
<b>Steam Power Production Operations Expense</b>										
500 OPERATION SUPV AND ENGINEERING	LB500	PPROD	-	-	-	-	-	-	-	-
501 FUEL	LB501	F017	-	-	-	-	-	-	-	-
502 STEAM EXPENSES	LB502	F016	-	-	-	-	-	-	-	-
503 STEAM FROM OTHER SOURCES	LB503	F016	-	-	-	-	-	-	-	-
504 STEAM TRANSFERRED - CREDIT	LB504	F016	-	-	-	-	-	-	-	-
505 ELECTRIC EXPENSES	LB505	F016	-	-	-	-	-	-	-	-
506 MISC STEAM POWER EXPENSES	LB506	F016	-	-	-	-	-	-	-	-
507 RENTS	LB507	F016	-	-	-	-	-	-	-	-
509 ALLOWANCES	LB509	F017	-	-	-	-	-	-	-	-
Total Steam Production Operation Expense	LBPO		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Steam Power Production Maintenance Expense</b>										
510 MAINTENANCE SUPV AND ENGINEERING	LB510	F017	-	-	-	-	-	-	-	-
511 MAINTENANCE OF STRUCTURES	LB511	F016	-	-	-	-	-	-	-	-
512 MAINTENANCE OF BOILER PLANT	LB512	F017	-	-	-	-	-	-	-	-
513 MAINTENANCE OF ELECTRIC PLANT	LB513	F017	-	-	-	-	-	-	-	-
514 MAINTENANCE OF MISC STEAM PLANT	LB514	F016	-	-	-	-	-	-	-	-
Total Steam Production Maintenance Expense	LBPM		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Steam Production Operation and Maintenance Expenses	LBP		-	-	-	-	-	-	-	-



**JACKSON ENERGY COOPERATIVE**  
**Cost of Service Study**  
**Functionalization and Classification**  
**12 Months Ended December 31, 2017**

Description	Name	Allocation Vector	Total System	Power Supply		Transmission	Station Equipment
				Demand	Energy	Demand	Demand
<b>Labor Expenses (Continued)</b>							
<b>Purchased Power</b>							
555 PURCHASED POWER	LB555	OMPP	\$ -	-	-	-	-
557 OTHER EXPENSES	LB557	OMPP	-	-	-	-	-
Total Purchased Power Labor	LBPP		\$ -	\$ -	\$ -	\$ -	\$ -
<b>Transmission Labor Expenses</b>							
560 OPERATION SUPERVISION AND ENG	LB560	PTRAN	\$ -	-	-	-	-
561 LOAD DISPATCHING	LB561	PTRAN	-	-	-	-	-
562 STATION EXPENSES	LB562	PTRAN	-	-	-	-	-
563 OVERHEAD LINE EXPENSES	LB563	PTRAN	-	-	-	-	-
566 MISC. TRANSMISSION EXPENSES	LB566	PTRAN	-	-	-	-	-
568 MAINTENACE SUPERVISION AND ENG	LB568	PTRAN	-	-	-	-	-
570 MAINT OF STATION EQUIPMENT	LB570	PTRAN	-	-	-	-	-
571 MAINT OF OVERHEAD LINES	LB571	PTRAN	-	-	-	-	-
Total Transmission Labor Expenses			\$ -	\$ -	\$ -	\$ -	\$ -
<b>Distribution Operation Labor Expense</b>							
580 OPERATION SUPERVISION AND ENGI	LB580	PDIST	\$ 61,627	-	-	-	488
581 LOAD DISPATCHING	LB581	P362	-	-	-	-	-
582 STATION EXPENSES	LB582	P362	-	-	-	-	-
583 OVERHEAD LINE EXPENSES	LB583	P365	392,759	-	-	-	-
584 UNDERGROUND LINE EXPENSES	LB584	P367	20,914	-	-	-	-
585 STREET LIGHTING EXPENSE	LB585	P371	-	-	-	-	-
586 METER EXPENSES	LB586	P370	1,132,505	-	-	-	-
586 METER EXPENSES - LOAD MANAGEMENT	LB586x	F012	-	-	-	-	-
587 CUSTOMER INSTALLATIONS EXPENSE	LB587	P369	-	-	-	-	-
588 MISCELLANEOUS DISTRIBUTION EXP	LB588	PDIST	415,111	-	-	-	3,289
589 RENTS	LB589	PDIST	-	-	-	-	-
Total Distribution Operation Labor Expense	LBDO		\$ 2,022,916	\$ -	\$ -	\$ -	\$ 3,778

**JACKSON ENERGY COOPERATIVE**  
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**12 Months Ended December 31, 2017**

Description	Name	Allocation Vector	Pri & Sec. Distr Plant		Customer Services		Meters	Lighting	Meter Reading Billing and Cust Acct Service	Load Management
			Demand	Customer	Demand	Customer	Customer	Customer	Customer	Customer
<b>Labor Expenses (Continued)</b>										
<b>Purchased Power</b>										
555 PURCHASED POWER	LB555	OMPP	-	-	-	-	-	-	-	-
557 OTHER EXPENSES	LB557	OMPP	-	-	-	-	-	-	-	-
Total Purchased Power Labor	LBPP		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Transmission Labor Expenses</b>										
560 OPERATION SUPERVISION AND ENG	LB560	PTRAN	-	-	-	-	-	-	-	-
561 LOAD DISPATCHING	LB561	PTRAN	-	-	-	-	-	-	-	-
562 STATION EXPENSES	LB562	PTRAN	-	-	-	-	-	-	-	-
563 OVERHEAD LINE EXPENSES	LB563	PTRAN	-	-	-	-	-	-	-	-
566 MISC. TRANSMISSION EXPENSES	LB566	PTRAN	-	-	-	-	-	-	-	-
568 MAINTENACE SUPERVISION AND ENG	LB568	PTRAN	-	-	-	-	-	-	-	-
570 MAINT OF STATION EQUIPMENT	LB570	PTRAN	-	-	-	-	-	-	-	-
571 MAINT OF OVERHEAD LINES	LB571	PTRAN	-	-	-	-	-	-	-	-
Total Transmission Labor Expenses			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Distribution Operation Labor Expense</b>										
580 OPERATION SUPERVISION AND ENGI	LB580	PDIST	31,005	17,837	-	6,652	3,733	1,912	-	-
581 LOAD DISPATCHING	LB581	P362	-	-	-	-	-	-	-	-
582 STATION EXPENSES	LB582	P362	-	-	-	-	-	-	-	-
583 OVERHEAD LINE EXPENSES	LB583	P365	255,517	137,242	-	-	-	-	-	-
584 UNDERGROUND LINE EXPENSES	LB584	P367	4,532	16,381	-	-	-	-	-	-
585 STREET LIGHTING EXPENSE	LB585	P371	-	-	-	-	-	-	-	-
586 METER EXPENSES	LB586	P370	-	-	-	-	1,132,505	-	-	-
586 METER EXPENSES - LOAD MANAGEMENT	LB586x	F012	-	-	-	-	-	-	-	-
587 CUSTOMER INSTALLATIONS EXPENSE	LB587	P369	-	-	-	-	-	-	-	-
588 MISCELLANEOUS DISTRIBUTION EXP	LB588	PDIST	208,847	120,148	-	44,807	25,144	12,876	-	-
589 RENTS	LB589	PDIST	-	-	-	-	-	-	-	-
Total Distribution Operation Labor Expense	LBDO		\$ 499,901	\$ 291,609	\$ -	\$ 51,459	\$ 1,161,382	\$ 14,788	\$ -	\$ -

**JACKSON ENERGY COOPERATIVE**  
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12 Months Ended December 31, 2017

Description	Name	Allocation Vector	Total System	Power Supply		Transmission	Station Equipment
				Demand	Energy	Demand	Demand
<b>Labor Expenses (Continued)</b>							
<b>Distribution Maintenance Labor Expense</b>							
590 MAINTENANCE SUPERVISION AND EN	LB590	PDIST	\$ -	-	-	-	-
592 MAINTENANCE OF STATION EQUIPME	LB592	P362	-	-	-	-	-
593 MAINTENANCE OF OVERHEAD LINES	LB593	P365	1,452,063	-	-	-	-
594 MAINTENANCE OF UNDERGROUND LIN	LB594	P367	43,677	-	-	-	-
595 MAINTENANCE OF LINE TRANSFORME	LB595	P368	-	-	-	-	-
596 MAINTENANCE OF ST LIGHTS & SIG SYSTEMS	LB596	P373	6,384	-	-	-	-
597 MAINTENANCE OF METERS	LB597	P370	-	-	-	-	-
598 MAINTENANCE OF MISC DISTR PLANT	LB598	PDIST	183,251	-	-	-	1,452
Total Distribution Maintenance Labor Expense	LBDM		\$ 1,685,375	\$ -	\$ -	\$ -	\$ 1,452
Total Distribution Operation and Maintenance Labor Expenses			3,708,291	-	-	-	5,230
Transmission and Distribution Labor Expenses			3,708,291	-	-	-	5,230
Purchased Power, Transmission and Distribution Labor Expenses	LBSUB		\$ 3,708,291	\$ -	\$ -	\$ -	\$ 5,230
<b>Customer Accounts Expense</b>							
901 SUPERVISION/CUSTOMER ACCTS	LB901	F009	\$ -	-	-	-	-
902 METER READING EXPENSES	LB902	F009	723	-	-	-	-
903 RECORDS AND COLLECTION	LB903	F009	2,127,182	-	-	-	-
904 UNCOLLECTIBLE ACCOUNTS	LB904	F009	-	-	-	-	-
905 MISC CUST ACCOUNTS	LB903	F009	-	-	-	-	-
Total Customer Accounts Labor Expense	LBCA		\$ 2,127,905	\$ -	\$ -	\$ -	\$ -
<b>Customer Service Expense</b>							
907 SUPERVISION	LB907	F010	\$ -	-	-	-	-
908 CUSTOMER ASSISTANCE EXPENSES	LB908	F010	400,738	-	-	-	-
908 CUSTOMER ASSISTANCE EXP-LOAD MGMT	LB908x	F012	-	-	-	-	-
909 INFORMATIONAL AND INSTRUCTIONA	LB909	F010	27,871	-	-	-	-
909 INFORM AND INSTRUC -LOAD MGMT	LB909x	F012	-	-	-	-	-
910 MISCELLANEOUS CUSTOMER SERVICE	LB910	F010	180,739	-	-	-	-
911 SUPERVISION	LB911	F010	-	-	-	-	-
912 DEMONSTRATION AND SELLING EXP	LB912	F012	-	-	-	-	-
913 WATER HEATER - HEAT PUMP PROGRAM	LB913	F012	11,572	-	-	-	-
915 MDSE-JOBING-CONTRACT	LB915	F012	-	-	-	-	-
916 MISC SALES EXPENSE	LB916	F012	-	-	-	-	-
Total Customer Service Labor Expense	LBCS		\$ 620,920	\$ -	\$ -	\$ -	\$ -
Sub-Total Trans, Distr, Cust Acct and Cust Service Labor Exp	LBSUB2		6,457,116	-	-	-	5,230

**JACKSON ENERGY COOPERATIVE**  
**Cost of Service Study**  
**Functionalization and Classification**

12 Months Ended December 31, 2017

Description	Name	Allocation Vector	Pri & Sec. Distr Plant		Customer Services		Meters	Lighting	Meter Reading Billing and Cust Acct Service	Load Management
			Demand	Customer	Demand	Customer	Customer	Customer	Customer	Customer
<b>Labor Expenses (Continued)</b>										
<b>Distribution Maintenance Labor Expense</b>										
590 MAINTENANCE SUPERVISION AND EN	LB590	PDIST	-	-	-	-	-	-	-	-
592 MAINTENANCE OF STATION EQUIPME	LB592	P362	-	-	-	-	-	-	-	-
593 MAINTENANCE OF OVERHEAD LINES	LB593	P365	944,667	507,396	-	-	-	-	-	-
594 MAINTENANCE OF UNDERGROUND LIN	LB594	P367	9,466	34,212	-	-	-	-	-	-
595 MAINTENANCE OF LINE TRANSFORME	LB595	P368	-	-	-	-	-	-	-	-
596 MAINTENANCE OF ST LIGHTS & SIG SYSTEMS	LB596	P373	-	-	-	-	-	6,384	-	-
597 MAINTENANCE OF METERS	LB597	P370	-	-	-	-	-	-	-	-
598 MAINTENANCE OF MISC DISTR PLANT	LB598	PDIST	92,195	53,039	-	19,780	11,100	5,684	-	-
Total Distribution Maintenance Labor Expense	LBDM		\$ 1,046,328	\$ 594,648	\$ -	\$ 19,780	\$ 11,100	\$ 12,068	\$ -	\$ -
Total Distribution Operation and Maintenance Labor Expenses			1,546,228	886,256	-	71,238	1,172,482	26,856	-	-
Transmission and Distribution Labor Expenses			1,546,228	886,256	-	71,238	1,172,482	26,856	-	-
Purchased Power, Transmission and Distribution Labor Expenses	LBSUB		\$ 1,546,228	\$ 886,256	\$ -	\$ 71,238	\$ 1,172,482	\$ 26,856	\$ -	\$ -
<b>Customer Accounts Expense</b>										
901 SUPERVISION/CUSTOMER ACCTS	LB901	F009	-	-	-	-	-	-	-	-
902 METER READING EXPENSES	LB902	F009	-	-	-	-	-	-	723	-
903 RECORDS AND COLLECTION	LB903	F009	-	-	-	-	-	-	2,127,182	-
904 UNCOLLECTIBLE ACCOUNTS	LB904	F009	-	-	-	-	-	-	-	-
905 MISC CUST ACCOUNTS	LB903	F009	-	-	-	-	-	-	-	-
Total Customer Accounts Labor Expense	LBCA		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,127,905	\$ -
<b>Customer Service Expense</b>										
907 SUPERVISION	LB907	F010	-	-	-	-	-	-	-	-
908 CUSTOMER ASSISTANCE EXPENSES	LB908	F010	-	-	-	-	-	-	400,738	-
908 CUSTOMER ASSISTANCE EXP-LOAD MGMT	LB908x	F012	-	-	-	-	-	-	-	-
909 INFORMATIONAL AND INSTRUCTIONA	LB909	F010	-	-	-	-	-	-	27,871	-
909 INFORM AND INSTRUC-LOAD MGMT	LB909x	F012	-	-	-	-	-	-	-	-
910 MISCELLANEOUS CUSTOMER SERVICE	LB910	F010	-	-	-	-	-	-	180,739	-
911 SUPERVISION	LB911	F010	-	-	-	-	-	-	-	-
912 DEMONSTRATION AND SELLING EXP	LB912	F012	-	-	-	-	-	-	-	-
913 WATER HEATER - HEAT PUMP PROGRAM	LB913	F012	-	-	-	-	-	-	-	11,572
915 MDSE-JOBING-CONTRACT	LB915	F012	-	-	-	-	-	-	-	-
916 MISC SALES EXPENSE	LB916	F012	-	-	-	-	-	-	-	-
Total Customer Service Labor Expense	LBCS		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 609,348	\$ 11,572
Sub-Total Trans, Distr, Cust Acct and Cust Service Labor Exp	LBSUB2		1,546,228	886,256	-	71,238	1,172,482	26,856	2,737,253	11,572

**JACKSON ENERGY COOPERATIVE**  
**Cost of Service Study**  
**Functionalization and Classification**  
**12 Months Ended December 31, 2017**

Description	Name	Allocation Vector	Total System	Power Supply		Transmission	Station Equipment
				Demand	Energy	Demand	Demand
<b>Labor Expenses (Continued)</b>							
<b>Administrative and General Expense</b>							
920 ADMIN. & GEN. SALARIES-	LB920	OMSUB2	\$ 2,529,560	-	-	-	6,253
921 OFFICE SUPPLIES AND EXPENSES	LB921	LBSUB2	-	-	-	-	-
923 OUTSIDE SERVICES EMPLOYED	LB923	OMSUB2	-	-	-	-	-
924 PROPERTY INSURANCE	LB924	NTPLANT	-	-	-	-	-
925 INJURIES AND DAMAGES - INSURAN	LB925	LBSUB2	12,088	-	-	-	10
926 EMPLOYEE BENEFITS	LB926	LBSUB2	14,633	-	-	-	12
928 REGULATORY COMMISSION EXPENSES	LB928	OMSUB2	33,834	-	-	-	84
929 DUPLICATE CHARGES-CR	LB929	OMSUB2	-	-	-	-	-
930 MISCELLANEOUS GENERAL EXPENSES	LB930	OMSUB2	82,708	-	-	-	204
931 RENTS AND LEASES	LB931	NTPLANT	-	-	-	-	-
935 MAINTENANCE OF GENERAL PLANT	LB935	PGP	107,601	-	-	-	853
950 PAYROLL GENERAL LEDGER DEFAULT	LB950	PGP	-	-	-	-	-
Total Administrative and General Expense	LBAG		\$ 2,780,425	\$ -	\$ -	\$ -	\$ 7,416
Total Operation and Maintenance Expenses	TLB		\$ 9,237,540	\$ -	\$ -	\$ -	\$ 12,645
Operation and Maintenance Expenses Less Purchase Power	LBLPP		\$ 9,237,540	\$ -	\$ -	\$ -	\$ 12,645

**JACKSON ENERGY COOPERATIVE**  
**Cost of Service Study**  
**Functionalization and Classification**  
**12 Months Ended December 31, 2017**

Description	Name	Allocation Vector	Pri & Sec. Distr Plant		Customer Services		Meters	Lighting	Meter Reading Billing and Cust Acct Service	Load Management
			Demand	Customer	Demand	Customer	Customer	Customer	Customer	Customer
<b>Labor Expenses (Continued)</b>										
<b>Administrative and General Expense</b>										
920 ADMIN. & GEN. SALARIES-	LB920	OMSUB2	990,634	557,091	-	61,561	250,878	7,973	646,807	8,364
921 OFFICE SUPPLIES AND EXPENSES	LB921	LBSUB2	-	-	-	-	-	-	-	-
923 OUTSIDE SERVICES EMPLOYED	LB923	OMSUB2	-	-	-	-	-	-	-	-
924 PROPERTY INSURANCE	LB924	NTPLANT	-	-	-	-	-	-	-	-
925 INJURIES AND DAMAGES - INSURAN	LB925	LBSUB2	2,895	1,659	-	133	2,195	50	5,124	22
926 EMPLOYEE BENEFITS	LB926	LBSUB2	3,504	2,008	-	161	2,657	61	6,203	26
928 REGULATORY COMMISSION EXPENSES	LB928	OMSUB2	13,250	7,451	-	823	3,356	107	8,651	112
929 DUPLICATE CHARGES-CR	LB929	OMSUB2	-	-	-	-	-	-	-	-
930 MISCELLANEOUS GENERAL EXPENSES	LB930	OMSUB2	32,390	18,215	-	2,013	8,203	261	21,148	273
931 RENTS AND LEASES	LB931	NTPLANT	-	-	-	-	-	-	-	-
935 MAINTENANCE OF GENERAL PLANT	LB935	PGP	54,135	31,144	-	11,614	6,518	3,338	-	-
950 PAYROLL GENERAL LEDGER DEFAULT	LB950	PGP	-	-	-	-	-	-	-	-
Total Administrative and General Expense	LBAG		\$ 1,096,808	\$ 617,569	\$ -	\$ 76,306	\$ 273,806	\$ 11,789	\$ 687,934	\$ 8,797
Total Operation and Maintenance Expenses	TLB		\$ 2,643,036	\$ 1,503,825	\$ -	\$ 147,545	\$ 1,446,288	\$ 38,645	\$ 3,425,186	\$ 20,369
Operation and Maintenance Expenses Less Purchase Power	LBLPP		\$ 2,643,036	\$ 1,503,825	\$ -	\$ 147,545	\$ 1,446,288	\$ 38,645	\$ 3,425,186	\$ 20,369

**JACKSON ENERGY COOPERATIVE**  
**Cost of Service Study**  
**Functionalization and Classification**  
**12 Months Ended December 31, 2017**

Description	Name	Allocation Vector	Total System	Power Supply		Transmission	Station Equipment
				Demand	Energy	Demand	Demand
<b>Functional Vectors</b>							
Station Equipment	F001		1.000000	0.000000	0.000000	0.000000	1.000000
Poles, Towers and Fixtures	F002		1.000000	0.000000	0.000000	0.000000	0.000000
Overhead Conductors and Devices	F003		1.000000	0.000000	0.000000	0.000000	0.000000
Underground Conductors and Devices	F004		1.000000	0.000000	0.000000	0.000000	0.000000
Line Transformers	F005		1.000000	0.000000	0.000000	0.000000	0.000000
Services	F006		1.000000	0.000000	0.000000	0.000000	0.000000
Meters	F007		1.000000	0.000000	0.000000	0.000000	0.000000
Street Lighting	F008		1.000000	0.000000	0.000000	0.000000	0.000000
Meter Reading	F009		1.000000	0.000000	0.000000	0.000000	0.000000
Billing	F010		1.000000	0.000000	0.000000	0.000000	0.000000
Transmission	F011		1.000000	0.000000	0.000000	1.000000	0.000000
Load Management	F012		1.000000	0.000000	0.000000	0.000000	0.000000
<b>Purchased Power Expenses</b>	<b>OMPP</b>		<b>1.000000</b>	<b>0.323235</b>	<b>0.676765</b>	<b>-</b>	<b>-</b>
Intallations on Customer Premises - Plant in Service	F013		1.000000	-	-	-	-
Intallations on Customer Premises - Accum Depr	F014		1.000000	-	-	-	-
Mapping	F015		1.000000	0.000000	0.000000	0.000000	0.000000
Production - Demand	F016		1.000000	1.000000	0.000000	0.000000	0.000000
Production - Energy	F017		1.000000	0.000000	1.000000	0.000000	0.000000

**JACKSON ENERGY COOPERATIVE**  
**Cost of Service Study**  
**Functionalization and Classification**  
**12 Months Ended December 31, 2017**

Description	Name	Allocation Vector	Pri & Sec. Distr Plant		Customer Services		Meters	Lighting	Meter Reading Billing and Cust Acct Service	Load Management
			Demand	Customer	Demand	Customer	Customer	Customer	Customer	Customer
<b>Functional Vectors</b>										
Station Equipment	F001		0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Poles, Towers and Fixtures	F002		0.750682	0.249318	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Overhead Conductors and Devices	F003		0.650569	0.349431	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Underground Conductors and Devices	F004		0.216718	0.783282	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Line Transformers	F005		0.365542	0.634458	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Services	F006		0.000000	0.000000	0.000000	1.000000	0.000000	0.000000	0.000000	0.000000
Meters	F007		0.000000	0.000000	0.000000	0.000000	1.000000	0.000000	0.000000	0.000000
Street Lighting	F008		0.000000	0.000000	0.000000	0.000000	0.000000	1.000000	0.000000	0.000000
Meter Reading	F009		0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	1.000000	0.000000
Billing	F010		0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	1.000000	0.000000
Transmission	F011		0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Load Management	F012		0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	1.000000
<b>Purchased Power Expenses</b>										
	OMPP		-	-	-	-	-	-	-	-
Intallations on Customer Premises - Plant in Service	F013		-	-	-	-	-	1.00000	-	-
Intallations on Customer Premises - Accum Depr	F014		-	-	-	-	-	1.00000	-	-
Mapping	F015		0.000000	1.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Production - Demand	F016		0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Production - Energy	F017		0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000



# Exhibit JW-5

## COSS: Allocation to Rate Classes & Returns

**JACKSON ENERGY COOPERATIVE**  
**Cost of Service Study**  
**Class Allocation**

12 Months Ended December 31, 2017

Description	Name	Allocation Vector	Total System	Residential Service 10	Residential Off Peak		Commercial Service < 50 KW 20	Commercial Off Peak		Large Power Loads 50 KW and Over 40		Large Power Rate 500 KW and Over 46	
					ETS 11	ETS 11		ETS 22	ETS 22	Over 40	Over 46		
<b>Plant in Service</b>													
<b>Production &amp; Purchase Power</b>													
Demand	PLPPD	PPDA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Energy	PLPPE	PPEA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Purchase Power	PLPPT		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Transmission</b>													
Demand	PLTD	TA1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Station Equipment</b>													
Demand	PLSED	SA1	\$ 1,981,688	\$ 1,613,811	\$ -	\$ 104,026	\$ -	\$ 114,460	\$ 28,208				
<b>Primary &amp; Secondary Distribution Plant</b>													
Demand	PLDPD	DA1	\$ 125,820,711	\$ 107,795,762	\$ -	\$ 2,337,010	\$ -	\$ 5,127,023	\$ 701,063				
Customer	PLDPC	C01	\$ 72,384,038	\$ 65,772,556	\$ -	\$ 4,932,554	\$ -	\$ 216,908	\$ 2,817				
Total Primary Distribution Plant	PLD		\$ 198,204,749	\$ 173,568,318	\$ -	\$ 7,269,565	\$ -	\$ 5,343,932	\$ 703,880				
<b>Customer Services</b>													
Demand	PLCSD	CSA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customer	PLCSC	SERV	\$ 26,994,012	\$ 22,576,298	\$ 24,608	\$ 3,809,451	\$ 290	\$ 74,453	\$ -				
Total Customer Services			\$ 26,994,012	\$ 22,576,298	\$ 24,608	\$ 3,809,451	\$ 290	\$ 74,453	\$ -				
<b>Meters</b>													
Customer	PLMC	C03	\$ 15,148,293	\$ 13,246,992	\$ 144,393	\$ 796,655	\$ 1,365	\$ 95,995	\$ 1,247				
<b>Lighting Systems</b>													
Customer	PLLSC	C04	\$ 7,757,374	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
<b>Meter Reading, Billing and Customer Service</b>													
Customer	PLMRBC	C05	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
<b>Load Management</b>													
Customer	PLCSC	C06	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
Total	PLT		\$ 250,086,117	\$ 211,005,419	\$ 169,001	\$ 11,979,697	\$ 1,655	\$ 5,628,840	\$ 733,335				

**JACKSON ENERGY COOPERATIVE**  
**Cost of Service Study**  
**Class Allocation**

12 Months Ended December 31, 2017

Description	Name	Allocation Vector	Large Power Rate 500 kW and Over 47	Schools, Churches, Halls & Parks 50	All Electric Schools AES 52	Outdoor Lighting OL
<b>Plant in Service</b>						
<b>Production &amp; Purchase Power</b>						
Demand	PLPPD	PPDA	\$ -	\$ -	\$ -	-
Energy	PLPPE	PPEA	\$ -	\$ -	\$ -	-
Total Purchase Power	PLPPT		\$ -	\$ -	\$ -	-
<b>Transmission</b>						
Demand	PLTD	TA1	\$ -	\$ -	\$ -	-
<b>Station Equipment</b>						
Demand	PLSED	SA1	\$ 91,105	\$ 16,694	\$ 13,384	-
<b>Primary &amp; Secondary Distribution Plant</b>						
Demand	PLDPD	DA1	\$ 2,684,927	\$ 5,687,868	\$ 1,487,058	-
Customer	PLDPC	C01	\$ 7,042	\$ 1,421,173	\$ 30,987	-
Total Primary Distribution Plant	PLD		\$ 2,691,969	\$ 7,109,041	\$ 1,518,045	-
<b>Customer Services</b>						
Demand	PLCSD	CSA	\$ -	\$ -	\$ -	-
Customer	PLCSC	SERV	\$ -	\$ 487,815	\$ 21,096	-
Total Customer Services			\$ -	\$ 487,815	\$ 21,096	-
<b>Meters</b>						
Customer	PLMC	C03	\$ 3,117	\$ 846,271	\$ 12,258	-
<b>Lighting Systems</b>						
Customer	PLLSC	C04	\$ -	\$ -	\$ -	7,757,374
<b>Meter Reading, Billing and Customer Service</b>						
Customer	PLMRBC	C05	\$ -	\$ -	\$ -	-
<b>Load Management</b>						
Customer	PLCSC	C06	\$ -	\$ -	\$ -	-
Total	PLT		\$ 2,786,191	\$ 8,459,820	\$ 1,564,784	7,757,374

**JACKSON ENERGY COOPERATIVE**  
**Cost of Service Study**  
**Class Allocation**

12 Months Ended December 31, 2017

Description	Name	Allocation Vector	Total System	Residential Service 10	Residential Off Peak		Commercial Service < 50 KW 20	Commercial Off Peak ETS 22	Large Power Loads 50 KW and Over 40	Large Power Rate 500 KW and Over 46
					ETS 11					
<b>Net Utility Plant</b>										
<b>Production &amp; Purchase Power</b>										
Demand	NPPPD	PPDA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Energy	NPPPE	PPEA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Purchase Power	NPPPT		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Transmission</b>										
Demand	NPTD	TA1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Station Equipment</b>										
Demand	NPSED	SA1	\$ 1,895,451	\$ 1,543,583	\$ -	\$ -	\$ 99,499	\$ -	\$ 109,479	\$ 26,980
<b>Primary Distribution Plant</b>										
Demand	NPPPD	DA1	\$ 79,578,794	\$ 68,178,415	\$ -	\$ -	\$ 1,478,107	\$ -	\$ 3,242,728	\$ 443,407
Customer	NPPDC	C01	\$ 47,737,603	\$ 43,377,301	\$ -	\$ -	\$ 3,253,042	\$ -	\$ 143,052	\$ 1,858
Total Primary Distribution Plant			\$ 127,316,397	\$ 111,555,716	\$ -	\$ -	\$ 4,731,149	\$ -	\$ 3,385,780	\$ 445,265
<b>Customer Services</b>										
Demand	NPCSD	CSA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customer	NPCSC	SERV	\$ 18,780,552	\$ 15,707,015	\$ 17,121	\$ 17,121	\$ 2,650,351	\$ 202	\$ 51,799	\$ -
Total Customer Services			\$ 18,780,552	\$ 15,707,015	\$ 17,121	\$ 17,121	\$ 2,650,351	\$ 202	\$ 51,799	\$ -
<b>Meters</b>										
Customer	NPMC	C03	\$ 11,844,645	\$ 10,357,993	\$ 112,903	\$ 622,915	\$ 1,067	\$ 75,060	\$ 975	
<b>Lighting Systems</b>										
Customer	NPLSC	C04	\$ 6,790,715	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Meter Reading, Billing and Customer Service</b>										
Customer	NPMRBC	C05	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Load Management</b>										
Customer	NPCSC	C06	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	NPT		\$ 166,627,761	\$ 139,164,307	\$ 130,023	\$ 8,103,914	\$ 1,269	\$ 3,622,118	\$ 473,220	

**JACKSON ENERGY COOPERATIVE**  
**Cost of Service Study**  
**Class Allocation**

12 Months Ended December 31, 2017

Description	Name	Allocation Vector	Large Power Rate 500 kW and Over 47	Schools, Churches, Halls & Parks 50	All Electric Schools AES 52	Outdoor Lighting OL
<b>Net Utility Plant</b>						
<b>Production &amp; Purchase Power</b>						
Demand	NPPPD	PPDA	\$ -	\$ -	\$ -	-
Energy	NPPPE	PPEA	\$ -	\$ -	\$ -	-
Total Purchase Power	NPPPT		\$ -	\$ -	\$ -	-
<b>Transmission</b>						
Demand	NPTD	TA1	\$ -	\$ -	\$ -	-
<b>Station Equipment</b>						
Demand	NPSED	SA1	\$ 87,141	\$ 15,967	\$ 12,802	-
<b>Primary Distribution Plant</b>						
Demand	NPPDP	DA1	\$ 1,698,156	\$ 3,597,450	\$ 940,531	-
Customer	NPPDC	C01	\$ 4,645	\$ 937,270	\$ 20,436	-
Total Primary Distribution Plant			\$ 1,702,801	\$ 4,534,720	\$ 960,967	-
<b>Customer Services</b>						
Demand	NPPCD	CSA	\$ -	\$ -	\$ -	-
Customer	NPPCC	SERV	\$ -	\$ 339,387	\$ 14,677	-
Total Customer Services			\$ -	\$ 339,387	\$ 14,677	-
<b>Meters</b>						
Customer	NPPMC	C03	\$ 2,437	\$ 661,710	\$ 9,585	-
<b>Lighting Systems</b>						
Customer	NPLSC	C04	\$ -	\$ -	\$ -	6,790,715
<b>Meter Reading, Billing and Customer Service</b>						
Customer	NPPMBC	C05	\$ -	\$ -	\$ -	-
<b>Load Management</b>						
Customer	NPPCSC	C06	\$ -	\$ -	\$ -	-
Total	NPT		\$ 1,792,379	\$ 5,551,785	\$ 998,031	6,790,715

**JACKSON ENERGY COOPERATIVE**  
**Cost of Service Study**  
**Class Allocation**

12 Months Ended December 31, 2017

Description	Name	Allocation Vector	Total System	Residential Service 10	Residential Off Peak		Commercial Service < 50 KW 20	Commercial Off Peak		Large Power Loads 50 KW and Over 40	Large Power Rate 500 KW and Over 46
					ETS 11	ETS 22					
<b>Net Cost Rate Base</b>											
<b>Production &amp; Purchase Power</b>											
Demand	RBPPD	PPDA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Energy	RBPPE	PPEA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Purchase Power	RBPPT		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Transmission</b>											
Demand	RBTD	TA1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Station Equipment</b>											
Demand	RBSED	SA1	\$ 1,916,671	\$ 1,560,864	\$ -	\$ -	\$ 100,613	\$ -	\$ -	\$ 110,704	\$ 27,282
<b>Primary Distribution Plant</b>											
Demand	RBDPD	DA1	\$ 81,446,114	\$ 69,778,225	\$ -	\$ -	\$ 1,512,791	\$ -	\$ -	\$ 3,318,819	\$ 453,811
Customer	RBDPC	C01	\$ 48,801,519	\$ 44,344,039	\$ -	\$ -	\$ 3,325,542	\$ -	\$ -	\$ 146,240	\$ 1,899
Total Primary Distribution Plant			\$ 130,247,633	\$ 114,122,264	\$ -	\$ -	\$ 4,838,332	\$ -	\$ -	\$ 3,465,059	\$ 455,711
<b>Customer Services</b>											
Demand	RBCSD	CSA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customer	RBCSC	SERV	\$ 19,045,369	\$ 15,928,493	\$ 17,362	\$ 17,362	\$ 2,687,722	\$ 205	\$ 205	\$ 52,530	\$ -
Total Customer Services			\$ 19,045,369	\$ 15,928,493	\$ 17,362	\$ 17,362	\$ 2,687,722	\$ 205	\$ 205	\$ 52,530	\$ -
<b>Meters</b>											
Customer	RBMC	C03	\$ 12,201,332	\$ 10,669,911	\$ -	\$ 116,303	\$ 641,673	\$ -	\$ 1,099	\$ 77,320	\$ 1,004
<b>Lighting Systems</b>											
Customer	RBLSC	C04	\$ 6,859,063	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Meter Reading, Billing and Customer Service</b>											
Customer	RBMRC	C05	\$ 610,266	\$ 554,525	\$ -	\$ -	\$ 41,586	\$ -	\$ -	\$ 1,829	\$ 24
<b>Load Management</b>											
Customer	RBCSC	C06	\$ 7,527	\$ 6,839	\$ -	\$ -	\$ 513	\$ -	\$ -	\$ 23	\$ 0
Total	RBT		\$ 170,887,861	\$ 142,842,897	\$ 133,665	\$ 133,665	\$ 8,310,440	\$ 1,304	\$ 1,304	\$ 3,707,465	\$ 484,021
			1.00	0.84	0.00	0.00	0.05	0.00	0.00	0.02	0.00

**JACKSON ENERGY COOPERATIVE**  
**Cost of Service Study**  
**Class Allocation**

12 Months Ended December 31, 2017

Description	Name	Allocation Vector	Large Power Rate 500 kW and Over 47	Schools, Churches, Halls & Parks 50	All Electric Schools AES 52	Outdoor Lighting OL
<b>Net Cost Rate Base</b>						
<b>Production &amp; Purchase Power</b>						
Demand	RBPPD	PPDA	\$ -	\$ -	\$ -	-
Energy	RBPPE	PPEA	\$ -	\$ -	\$ -	-
Total Purchase Power	RBPPT		\$ -	\$ -	\$ -	-
<b>Transmission</b>						
Demand	RBTD	TA1	\$ -	\$ -	\$ -	-
<b>Station Equipment</b>						
Demand	RBSED	SA1	\$ 88,116	\$ 16,146	\$ 12,945	-
<b>Primary Distribution Plant</b>						
Demand	RBDPD	DA1	\$ 1,738,004	\$ 3,681,864	\$ 962,601	-
Customer	RBDPC	C01	\$ 4,748	\$ 958,159	\$ 20,891	-
Total Primary Distribution Plant			\$ 1,742,752	\$ 4,640,023	\$ 983,492	-
<b>Customer Services</b>						
Demand	RBCSD	CSA	\$ -	\$ -	\$ -	-
Customer	RBCSC	SERV	\$ -	\$ 344,173	\$ 14,884	-
Total Customer Services			\$ -	\$ 344,173	\$ 14,884	-
<b>Meters</b>						
Customer	RBMC	C03	\$ 2,510	\$ 681,637	\$ 9,873	-
<b>Lighting Systems</b>						
Customer	RBLSC	C04	\$ -	\$ -	\$ -	6,859,063
<b>Meter Reading, Billing and Customer Service</b>						
Customer	RBMRBC	C05	\$ 59	\$ 11,982	\$ 261	-
<b>Load Management</b>						
Customer	RBCSC	C06	\$ 1	\$ 148	\$ 3	-
Total	RBT		\$ 1,833,438 0.01	\$ 5,694,108 0.03	\$ 1,021,459 0.01	6,859,063 0.04

**JACKSON ENERGY COOPERATIVE**  
**Cost of Service Study**  
**Class Allocation**

12 Months Ended December 31, 2017

Description	Name	Allocation Vector	Total System	Residential Service 10	Residential Off Peak	Commercial Service < 50 KW 20	Commercial Off	Large Power	Large Power
					ETS 11		Peak ETS 22	Loads 50 KW and Over 40	Rate 500 KW and Over 46
<b>Operation and Maintenance Expenses</b>									
<b>Production &amp; Purchase Power</b>									
Demand	OMPPD	PPDA	\$ 19,752,692	\$ 15,925,126	\$ -	\$ 1,026,534	\$ -	\$ 1,129,492	\$ 314,554
Energy	OMPPE	PPEA	41,356,675	29,971,225	231,615	3,077,772	2,772	3,386,851	667,814
Total Purchase Power	OMPPT		61,109,367	45,896,350	231,615	4,104,306	2,772	4,516,343	982,368
<b>Transmission</b>									
Demand	OMTD	TOMA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Station Equipment</b>									
Demand	OMSED	SOMA	\$ 52,089	\$ 42,420	\$ -	\$ 2,734	\$ -	\$ 3,009	\$ 741
<b>Primary Distribution Plant</b>									
Demand	OMDPD	DOM	\$ 7,467,619	\$ 6,397,816	\$ -	\$ 138,705	\$ -	\$ 304,295	\$ 41,609
Customer	OMDPC	C01	4,213,328	3,828,487	-	287,114	-	12,626	164
Total Primary Distribution Plant			\$ 11,680,948	\$ 10,226,303	\$ -	\$ 425,819	\$ -	\$ 316,921	\$ 41,773
<b>Customer Services</b>									
Demand	OMCSD	SERV	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customer	OMCSC	SERV	515,693	431,297	470	72,776	6	1,422	-
Total Customer Services			\$ 515,693	\$ 431,297	\$ 470	\$ 72,776	\$ 6	\$ 1,422	\$ -
<b>Meters</b>									
Customer	OMMC	C03	\$ 1,954,021	\$ 1,708,767	\$ 18,626	\$ 102,763	\$ 176	\$ 12,383	\$ 161
<b>Lighting Systems</b>									
Customer	OMLSC	C04	\$ 86,173	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Meter Reading, Billing and Customer Service</b>									
Customer	OMMRBC	C05	\$ 4,882,130	\$ 4,436,201	\$ -	\$ 332,689	\$ -	\$ 14,630	\$ 190
<b>Load Management</b>									
Customer	OMCSC	C06	\$ 60,214	\$ 54,714	\$ -	\$ 4,103	\$ -	\$ 180	\$ 2
Total	OMT		\$ 80,340,635	\$ 62,796,053	\$ 250,711	\$ 5,045,190	\$ 2,954	\$ 4,864,888	\$ 1,025,236



**JACKSON ENERGY COOPERATIVE**  
**Cost of Service Study**  
**Class Allocation**

12 Months Ended December 31, 2017

Description	Name	Allocation Vector	Large Power Rate 500 kW and Over 47	Schools, Churches, Halls & Parks 50	All Electric Schools AES 52	Outdoor Lighting OL
<b>Operation and Maintenance Expenses</b>						
<b>Production &amp; Purchase Power</b>						
Demand	OMPPD	PPDA	\$ 1,060,177	\$ 164,733	\$ 132,076	\$ -
Energy	OMPPE	PPEA	\$ 2,172,547	\$ 1,317,265	\$ 528,815	\$ -
Total Purchase Power	OMPPT		\$ 3,232,724	\$ 1,481,997	\$ 660,891	\$ -
<b>Transmission</b>						
Demand	OMTD	TOMA	\$ -	\$ -	\$ -	\$ -
<b>Station Equipment</b>						
Demand	OMSED	SOMA	\$ 2,395	\$ 439	\$ 352	\$ -
<b>Primary Distribution Plant</b>						
Demand	OMDPD	DOM	\$ 159,354	\$ 337,582	\$ 88,259	\$ -
Customer	OMDPC	C01	\$ 410	\$ 82,724	\$ 1,804	\$ -
Total Primary Distribution Plant			\$ 159,764	\$ 420,306	\$ 90,062	\$ -
<b>Customer Services</b>						
Demand	OMCSD	SERV	\$ -	\$ -	\$ -	\$ -
Customer	OMCSC	SERV	\$ -	\$ 9,319	\$ 403	\$ -
Total Customer Services			\$ -	\$ 9,319	\$ 403	\$ -
<b>Meters</b>						
Customer	OMMC	C03	\$ 402	\$ 109,163	\$ 1,581	\$ -
<b>Lighting Systems</b>						
Customer	OMLSC	C04	\$ -	\$ -	\$ -	\$ 86,173
<b>Meter Reading, Billing and Customer Service</b>						
Customer	OMMRBC	C05	\$ 475	\$ 95,855	\$ 2,090	\$ -
<b>Load Management</b>						
Customer	OMCSC	C06	\$ 6	\$ 1,182	\$ 26	\$ -
Total	OMT		\$ 3,395,765	\$ 2,118,261	\$ 755,405	\$ 86,173

**JACKSON ENERGY COOPERATIVE**  
**Cost of Service Study**  
**Class Allocation**

12 Months Ended December 31, 2017

Description	Name	Allocation Vector	Total System	Residential Service 10	Residential Off Peak		Commercial Service < 50 KW 20	Commercial Off Peak		Large Power Loads 50 KW and Over 40	Large Power Rate 500 KW and Over 46
					ETS 11	ETS 22					
<b>Labor Expenses</b>											
<b>Production &amp; Purchase Power</b>											
Demand	LBPPD	PPDA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Energy	LBPPE	PPEA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Purchase Power	LBPPT		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Transmission</b>											
Demand	LBDT	TOMA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Station Equipment</b>											
Demand	LBSED	SOMA	\$ 12,645	\$ 10,298	\$ -	\$ 664	\$ -	\$ 730	\$ 180	\$ -	\$ -
<b>Primary Distribution Plant</b>											
Demand	LBDPD	DOM	\$ 2,643,036	\$ 2,264,397	\$ -	\$ 49,092	\$ -	\$ 107,700	\$ 14,727	\$ -	\$ -
Customer	LBDPC	C01	\$ 1,503,825	\$ 1,366,468	\$ -	\$ 102,477	\$ -	\$ 4,506	\$ 59	\$ -	\$ -
Total Primary Distribution Plant			\$ 4,146,862	\$ 3,630,865	\$ -	\$ 151,569	\$ -	\$ 112,207	\$ 14,785	\$ -	\$ -
<b>Customer Services</b>											
Demand	LBCSD	SERV	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customer	LBCSC	SERV	\$ 147,545	\$ 123,398	\$ 135	\$ 20,822	\$ 2	\$ 407	\$ -	\$ -	\$ -
Total Customer Services			\$ 147,545	\$ 123,398	\$ 135	\$ 20,822	\$ 2	\$ 407	\$ -	\$ -	\$ -
<b>Meters</b>											
Customer	LBMC	C03	\$ 1,446,288	\$ 1,264,760	\$ 13,786	\$ 76,061	\$ 130	\$ 9,165	\$ 119	\$ -	\$ -
<b>Lighting Systems</b>											
Customer	LBLSC	C04	\$ 38,645	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Meter Reading, Billing and Customer Service</b>											
Customer	LBMRBC	C05	\$ 3,425,186	\$ 3,112,334	\$ -	\$ 233,407	\$ -	\$ 10,264	\$ 133	\$ -	\$ -
<b>Load Management</b>											
Customer	LBCSC	C06	\$ 20,369	\$ 18,509	\$ -	\$ 1,388	\$ -	\$ 61	\$ 1	\$ -	\$ -
Total	LBT		\$ 9,237,540	\$ 8,160,164	\$ 13,920	\$ 483,910	\$ 132	\$ 132,834	\$ 15,218	\$ -	\$ -

**JACKSON ENERGY COOPERATIVE**  
**Cost of Service Study**  
**Class Allocation**

12 Months Ended December 31, 2017

Description	Name	Allocation Vector	Large Power Rate 500 kW and Over 47	Schools, Churches, Halls & Parks 50	All Electric Schools AES 52	Outdoor Lighting OL
<b>Labor Expenses</b>						
<b>Production &amp; Purchase Power</b>						
Demand	LBPPD	PPDA	\$ -	\$ -	\$ -	-
Energy	LBPPE	PPEA	\$ -	\$ -	\$ -	-
Total Purchase Power	LBPPT		\$ -	\$ -	\$ -	-
<b>Transmission</b>						
Demand	LBDT	TOMA	\$ -	\$ -	\$ -	-
<b>Station Equipment</b>						
Demand	LBSED	SOMA	\$ 581	\$ 107	\$ 85	-
<b>Primary Distribution Plant</b>						
Demand	LBDPD	DOM	\$ 56,401	\$ 119,481	\$ 31,238	-
Customer	LBDPC	C01	\$ 146	\$ 29,526	\$ 644	-
Total Primary Distribution Plant			\$ 56,547	\$ 149,007	\$ 31,881	-
<b>Customer Services</b>						
Demand	LBCSD	SERV	\$ -	\$ -	\$ -	-
Customer	LBCSC	SERV	\$ -	\$ 2,666	\$ 115	-
Total Customer Services			\$ -	\$ 2,666	\$ 115	-
<b>Meters</b>						
Customer	LBMC	C03	\$ 298	\$ 80,798	\$ 1,170	-
<b>Lighting Systems</b>						
Customer	LBLSC	C04	\$ -	\$ -	\$ -	38,645
<b>Meter Reading, Billing and Customer Service</b>						
Customer	LBMRBC	C05	\$ 333	\$ 67,249	\$ 1,466	-
<b>Load Management</b>						
Customer	LBCSC	C06	\$ 2	\$ 400	\$ 9	-
Total	LBT		\$ 57,761	\$ 300,227	\$ 34,728	38,645

**JACKSON ENERGY COOPERATIVE**  
**Cost of Service Study**  
**Class Allocation**

12 Months Ended December 31, 2017

Description	Name	Allocation Vector	Total System	Residential Service 10	Residential Off Peak		Commercial Service < 50 KW 20	Commercial Off Peak		Large Power Loads 50 KW and Over 40		Large Power Rate 500 KW and Over 46	
					ETS 11	ETS 11		ETS 22	ETS 22	Over 40	Over 46		
<b>Depreciation Expenses</b>													
<b>Production &amp; Purchase Power</b>													
Demand	DPPPD	PPDA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Energy	DPPPE	PPEA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Purchase Power	DPPPT		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Transmission</b>													
Demand	DPTD	TA1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Station Equipment</b>													
Demand	DPSED	SA1	\$ 79,175	\$ 64,477	\$ -	\$ 4,156	\$ -	\$ 4,573	\$ 1,127	\$ -	\$ -	\$ -	\$ -
<b>Primary Distribution Plant</b>													
Demand	DPDPD	DA1	\$ 5,026,932	\$ 4,306,779	\$ -	\$ 93,371	\$ 204,841	\$ 28,010	\$ -	\$ -	\$ -	\$ -	\$ -
Customer	DPDPC	C01	\$ 2,891,969	\$ 2,627,820	\$ -	\$ 197,071	\$ 8,666	\$ 113	\$ -	\$ -	\$ -	\$ -	\$ -
Total Primary Distribution Plant			\$ 7,918,901	\$ 6,934,599	\$ -	\$ 290,442	\$ 213,507	\$ 28,122	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Customer Services</b>													
Demand	DPCSD	SERV	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customer	DPCSC	SERV	\$ 1,078,495	\$ 901,994	\$ 983	\$ 152,200	\$ 12	\$ 2,975	\$ -	\$ -	\$ -	\$ -	\$ -
Total Customer Services			\$ 1,078,495	\$ 901,994	\$ 983	\$ 152,200	\$ 12	\$ 2,975	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Meters</b>													
Customer	DPMC	C03	\$ 605,222	\$ 529,259	\$ 5,769	\$ 31,829	\$ 55	\$ 3,835	\$ 50	\$ -	\$ -	\$ -	\$ -
<b>Lighting Systems</b>													
Customer	DPLSC	C04	\$ 309,931	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Meter Reading, Billing and Customer Service</b>													
Customer	DPMRBC	C05	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Load Management</b>													
Customer	DPCSC	C06	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	DPT		\$ 9,991,725	\$ 8,430,328	\$ 6,752	\$ 478,626	\$ 66	\$ 224,890	\$ 29,299	\$ -	\$ -	\$ -	\$ -

**JACKSON ENERGY COOPERATIVE**  
**Cost of Service Study**  
**Class Allocation**

12 Months Ended December 31, 2017

Description	Name	Allocation Vector	Large Power Rate 500 kW and Over 47	Schools, Churches, Halls & Parks 50	All Electric Schools AES 52	Outdoor Lighting OL
<b>Depreciation Expenses</b>						
<b>Production &amp; Purchase Power</b>						
Demand	DPPPD	PPDA	\$ -	\$ -	\$ -	-
Energy	DPPPE	PPEA	\$ -	\$ -	\$ -	-
Total Purchase Power	DPPPT		\$ -	\$ -	\$ -	-
<b>Transmission</b>						
Demand	DPTD	TA1	\$ -	\$ -	\$ -	-
<b>Station Equipment</b>						
Demand	DPSED	SA1	\$ 3,640	\$ 667	\$ 535	-
<b>Primary Distribution Plant</b>						
Demand	DPDPD	DA1	\$ 107,271	\$ 227,248	\$ 59,413	-
Customer	DPDPC	C01	\$ 281	\$ 56,780	\$ 1,238	-
Total Primary Distribution Plant			\$ 107,553	\$ 284,028	\$ 60,651	-
<b>Customer Services</b>						
Demand	DPCSD	SERV	\$ -	\$ -	\$ -	-
Customer	DPCSC	SERV	\$ -	\$ 19,490	\$ 843	-
Total Customer Services			\$ -	\$ 19,490	\$ 843	-
<b>Meters</b>						
Customer	DPMC	C03	\$ 125	\$ 33,811	\$ 490	-
<b>Lighting Systems</b>						
Customer	DPLSC	C04	\$ -	\$ -	\$ -	309,931
<b>Meter Reading, Billing and Customer Service</b>						
Customer	DPMRBC	C05	\$ -	\$ -	\$ -	-
<b>Load Management</b>						
Customer	DPCSC	C06	\$ -	\$ -	\$ -	-
Total	DPT		\$ 111,317	\$ 337,996	\$ 62,518	309,931

**JACKSON ENERGY COOPERATIVE**  
**Cost of Service Study**  
**Class Allocation**

12 Months Ended December 31, 2017

Description	Name	Allocation Vector	Total System	Residential Service	Residential Off Peak	Commercial	Commercial Off	Large Power	Large Power	
				10	ETS 11	Service < 50 KW 20	Peak ETS 22	Loads 50 KW and Over 40	Rate 500 KW and Over 46	
<b>Property Taxes</b>										
<b>Production &amp; Purchase Power</b>										
Demand	PTPPD	PPDA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Energy	PTPPE	PPEA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Purchase Power	PTPPT		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Transmission</b>										
Demand	PTTD	TOMA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Station Equipment</b>										
Demand	PTSED	SOMA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Primary Distribution Plant</b>										
Demand	PTDPD	DOM	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customer	PTDPC	C01	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Primary Distribution Plant			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Customer Services</b>										
Demand	PTCSD	SERV	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customer	PTCSC	SERV	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Customer Services			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Meters</b>										
Customer	PTMC	C03	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Lighting Systems</b>										
Customer	PTLSC	C04	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Meter Reading, Billing and Customer Service</b>										
Customer	PTMRBC	C05	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Load Management</b>										
Customer	PTCSC	C06	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	PTT		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**JACKSON ENERGY COOPERATIVE**  
**Cost of Service Study**  
**Class Allocation**

12 Months Ended December 31, 2017

Description	Name	Allocation Vector	Large Power Rate 500 kW and Over 47	Schools, Churches, Halls & Parks 50	All Electric Schools AES 52	Outdoor Lighting OL
<b>Property Taxes</b>						
<b>Production &amp; Purchase Power</b>						
Demand	PTPPD	PPDA	\$ -	\$ -	\$ -	-
Energy	PTPPE	PPEA	\$ -	\$ -	\$ -	-
Total Purchase Power	PTPPT		\$ -	\$ -	\$ -	-
<b>Transmission</b>						
Demand	PTTD	TOMA	\$ -	\$ -	\$ -	-
<b>Station Equipment</b>						
Demand	PTSED	SOMA	\$ -	\$ -	\$ -	-
<b>Primary Distribution Plant</b>						
Demand	PTDPD	DOM	\$ -	\$ -	\$ -	-
Customer	PTDPC	C01	\$ -	\$ -	\$ -	-
Total Primary Distribution Plant			\$ -	\$ -	\$ -	-
<b>Customer Services</b>						
Demand	PTCSD	SERV	\$ -	\$ -	\$ -	-
Customer	PTCSC	SERV	\$ -	\$ -	\$ -	-
Total Customer Services			\$ -	\$ -	\$ -	-
<b>Meters</b>						
Customer	PTMC	C03	\$ -	\$ -	\$ -	-
<b>Lighting Systems</b>						
Customer	PTLSC	C04	\$ -	\$ -	\$ -	-
<b>Meter Reading, Billing and Customer Service</b>						
Customer	PTMRBC	C05	\$ -	\$ -	\$ -	-
<b>Load Management</b>						
Customer	PTCSC	C06	\$ -	\$ -	\$ -	-
Total	PTT		\$ -	\$ -	\$ -	-

**JACKSON ENERGY COOPERATIVE**  
**Cost of Service Study**  
**Class Allocation**

12 Months Ended December 31, 2017

Description	Name	Allocation Vector	Total System	Residential Service 10	Residential Off Peak		Commercial Service < 50 KW 20	Commercial Off Peak		Large Power Loads 50 KW and Over 40		Large Power Rate 500 KW and Over 46	
					ETS 11	ETS 11		ETS 22	ETS 22	Over 40	Over 46		
<b>Other Taxes</b>													
<b>Production &amp; Purchase Power</b>													
Demand	OTPPD	PPDA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Energy	OTPPE	PPEA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Purchase Power	OTPPT		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Transmission</b>													
Demand	OTTD	TOMA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Station Equipment</b>													
Demand	OTSED	SOMA	\$ 1,621	\$ 1,320	\$ -	\$ 85	\$ -	\$ 94	\$ 23				
<b>Primary Distribution Plant</b>													
Demand	OTDPD	DOM	\$ 68,036	\$ 58,289	\$ -	\$ 1,264	\$ -	\$ 2,772	\$ 379				
Customer	OTDPC	C01	\$ 40,813	\$ 37,085	\$ -	\$ 2,781	\$ -	\$ 122	\$ 2				
Total Primary Distribution Plant			\$ 108,849	\$ 95,374	\$ -	\$ 4,045	\$ -	\$ 2,895	\$ 381				
<b>Customer Services</b>													
Demand	OTCSD	SERV	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customer	OTCSC	SERV	\$ 16,056	\$ 13,429	\$ 15	\$ 2,266	\$ 0	\$ 44	\$ -				
Total Customer Services			\$ 16,056	\$ 13,429	\$ 15	\$ 2,266	\$ 0	\$ 44	\$ -				
<b>Meters</b>													
Customer	OTMC	C03	\$ 10,127	\$ 8,856	\$ 97	\$ 533	\$ 1	\$ 64	\$ 1				
<b>Lighting Systems</b>													
Customer	OTLSC	C04	\$ 5,806	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
<b>Meter Reading, Billing and Customer Service</b>													
Customer	OTMRBC	C05	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
<b>Load Management</b>													
Customer	OTCSC	C06	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
Total	OTT		\$ 142,458	\$ 118,978	\$ 111	\$ 6,928	\$ 1	\$ 3,097	\$ 405				



**JACKSON ENERGY COOPERATIVE**  
**Cost of Service Study**  
**Class Allocation**

12 Months Ended December 31, 2017

Description	Name	Allocation Vector	Large Power Rate 500 kW and Over 47	Schools, Churches, Halls & Parks 50	All Electric Schools AES 52	Outdoor Lighting OL
<b>Other Taxes</b>						
<b>Production &amp; Purchase Power</b>						
Demand	OTPPD	PPDA	\$ -	\$ -	\$ -	-
Energy	OTPPE	PPEA	\$ -	\$ -	\$ -	-
Total Purchase Power	OTPPT		\$ -	\$ -	\$ -	-
<b>Transmission</b>						
Demand	OTTD	TOMA	\$ -	\$ -	\$ -	-
<b>Station Equipment</b>						
Demand	OTSED	SOMA	\$ 75	\$ 14	\$ 11	-
<b>Primary Distribution Plant</b>						
Demand	OTDPD	DOM	\$ 1,452	\$ 3,076	\$ 804	-
Customer	OTDPC	C01	\$ 4	\$ 801	\$ 17	-
Total Primary Distribution Plant			\$ 1,456	\$ 3,877	\$ 822	-
<b>Customer Services</b>						
Demand	OTCSD	SERV	\$ -	\$ -	\$ -	-
Customer	OTCSC	SERV	\$ -	\$ 290	\$ 13	-
Total Customer Services			\$ -	\$ 290	\$ 13	-
<b>Meters</b>						
Customer	OTMC	C03	\$ 2	\$ 566	\$ 8	-
<b>Lighting Systems</b>						
Customer	OTLSC	C04	\$ -	\$ -	\$ -	5,806
<b>Meter Reading, Billing and Customer Service</b>						
Customer	OTMRBC	C05	\$ -	\$ -	\$ -	-
<b>Load Management</b>						
Customer	OTCSC	C06	\$ -	\$ -	\$ -	-
Total	OTT		\$ 1,532	\$ 4,746	\$ 853	5,806

**JACKSON ENERGY COOPERATIVE**  
**Cost of Service Study**  
**Class Allocation**

12 Months Ended December 31, 2017

Description	Name	Allocation Vector	Total System	Residential Service 10	Residential Off Peak	Commercial	Commercial Off	Large Power	Large Power
					ETS 11	Service < 50 KW 20	Peak ETS 22	Loads 50 KW and Over 40	Rate 500 KW and Over 46
<b>Cost of Service Summary -- Unadjusted Results</b>									
<b>Operating Revenues</b>									
Total Sales of Electric Energy	REVUC	R01	\$ 94,293,734	\$ 69,534,663	\$ 274,897	\$ 7,090,565	\$ 2,902	\$ 6,093,993	\$ 1,140,719
Other Electric Revenues		MISCSERV	\$ 3,457,324	\$ 2,891,515	\$ 3,152	\$ 487,905	\$ 37	\$ 9,536	\$ -
Total Operating Revenues	TOR		\$ 97,751,058	\$ 72,426,177	\$ 278,049	\$ 7,578,470	\$ 2,939	\$ 6,103,529	\$ 1,140,719
<b>Operating Expenses</b>									
Operation and Maintenance Expenses			\$ 80,340,635	\$ 62,796,053	\$ 250,711	\$ 5,045,190	\$ 2,954	\$ 4,864,888	\$ 1,025,236
Depreciation and Amortization Expenses			9,991,725	8,430,328	6,752	478,626	66	224,890	29,299
Property Taxes		NPT	-	-	-	-	-	-	-
Other Taxes			142,458	118,978	111	6,928	1	3,097	405
Total Operating Expenses	TOE		\$ 90,474,818	\$ 71,345,359	\$ 257,574	\$ 5,530,745	\$ 3,021	\$ 5,092,875	\$ 1,054,939
Utility Operating Margin	TOM		\$ 7,276,241	\$ 1,080,818	\$ 20,474	\$ 2,047,725	\$ (82)	\$ 1,010,654	\$ 85,780
<b>Net Cost Rate Base</b>			\$ 170,887,861	\$ 142,842,897	\$ 133,665	\$ 8,310,440	\$ 1,304	\$ 3,707,465	\$ 484,021
<b>Rate of Return</b>			<b>4.26%</b>	<b>0.76%</b>	<b>15.32%</b>	<b>24.64%</b>	<b>-6.27%</b>	<b>27.26%</b>	<b>17.72%</b>
<b>Unitized Rate of Return</b>			<b>1.00</b>	<b>0.18</b>	<b>3.60</b>	<b>5.79</b>	<b>(1.47)</b>	<b>6.40</b>	<b>4.16</b>

**JACKSON ENERGY COOPERATIVE**  
**Cost of Service Study**  
**Class Allocation**

12 Months Ended December 31, 2017

Description	Name	Allocation Vector	Large Power Rate 500 kW and Over 47	Schools, Churches, Halls & Parks 50	All Electric Schools AES 52	Outdoor Lighting OL
<b>Cost of Service Summary – Unadjusted Results</b>						
<b>Operating Revenues</b>						
Total Sales of Electric Energy	REVUC	R01	\$ 3,753,550	\$ 2,757,700	\$ 856,377	\$ 2,788,369
Other Electric Revenues		MISC SERV	\$ -	\$ 62,478	\$ 2,702	\$ -
Total Operating Revenues	TOR		\$ 3,753,550	\$ 2,820,178	\$ 859,079	\$ 2,788,369
<b>Operating Expenses</b>						
Operation and Maintenance Expenses			\$ 3,395,765	\$ 2,118,261	\$ 755,405	\$ 86,173
Depreciation and Amortization Expenses			111,317	337,996	62,518	309,931
Property Taxes		NPT	-	-	-	-
Other Taxes			1,532	4,746	853	5,806
Total Operating Expenses	TOE		\$ 3,508,615	\$ 2,461,004	\$ 818,776	\$ 401,910
Utility Operating Margin	TOM		\$ 244,935	\$ 359,174	\$ 40,303	\$ 2,386,459
<b>Net Cost Rate Base</b>			<b>\$ 1,833,438</b>	<b>\$ 5,694,108</b>	<b>\$ 1,021,459</b>	<b>\$ 6,859,063</b>
<b>Rate of Return</b>			<b>13.36%</b>	<b>6.31%</b>	<b>3.95%</b>	<b>34.79%</b>
<b>Unitized Rate of Return</b>			<b>3.14</b>	<b>1.48</b>	<b>0.93</b>	<b>8.17</b>

**JACKSON ENERGY COOPERATIVE**  
**Cost of Service Study**  
**Class Allocation**

12 Months Ended December 31, 2017

Description	Name	Allocation Vector	Total System	Residential Service		Commercial Service < 50 KW		Commercial Off Peak		Large Power	Large Power
				10	11	20	22	Loads 50 KW and Over 40	Rate 500 KW and Over 46		
<b>Cost of Service Summary -- Adjusted Results</b>											
<b>Operating Revenues</b>											
Total Operating Revenue -- Actual			\$ 97,751,058	\$ 72,426,177	\$ 278,049	\$ 7,578,470	\$ 2,939	\$ 6,103,529	\$ 1,140,719		
Pro-Forma Adjustments:											
1 To Remove Fuel Adjustment Clause Revenue		E01	\$ 4,375,683	\$ 3,151,705	\$ 23,138	\$ 315,353	\$ 277	\$ 338,346	\$ 83,299		
2 To Remove Environmental Surcharge Revenue		12CP	\$ (8,247,634)	\$ (6,716,558)	\$ -	\$ (432,950)	\$ -	\$ (476,373)	\$ (117,399)		
3 To Normalize Year-End Customers			\$ (201,804)	\$ 47,005	\$ -	\$ 19,699	\$ -	\$ (225,916)	\$ -		
Total Pro Forma Adjustments			\$ (4,073,755)	\$ (3,517,848)	\$ 23,138	\$ (97,898)	\$ 277	\$ (363,943)	\$ (34,100)		
Total Pro-Forma Operating Revenue			\$ 93,677,304	\$ 68,908,329	\$ 301,187	\$ 7,480,572	\$ 3,216	\$ 5,739,586	\$ 1,106,619		
<b>Operating Expenses</b>											
Total Operating Expenses -- Actual	TOE		\$ 90,474,818	\$ 71,345,359	\$ 257,574	\$ 5,530,745	\$ 3,021	\$ 5,092,875	\$ 1,054,939		
Pro-Forma Adjustments:											
1 To Remove Fuel Expense Recoverable through the FAC		E01	\$ 4,031,713	\$ 2,903,951	\$ 21,319	\$ 290,563	\$ 255	\$ 311,749	\$ 76,751		
2a To Remove Expenses Recoverable through the ES (Demand)		12CP	\$ (5,578,546)	\$ (4,542,954)	\$ -	\$ (292,839)	\$ -	\$ (322,210)	\$ (79,406)		
2b To Remove Expenses Recoverable through the ES (Energy)		E01	\$ (3,003,832)	\$ (2,163,592)	\$ (15,884)	\$ (216,484)	\$ (190)	\$ (232,269)	\$ (57,183)		
3 Year End Customers			\$ (162,877)	\$ 27,003	\$ -	\$ 12,325	\$ -	\$ (168,231)	\$ -		
4 Retirement Plan & 401(k)		LBT	\$ (151,234)	\$ (133,596)	\$ (228)	\$ (7,922)	\$ (2)	\$ (2,175)	\$ (249)		
5 Board of Directors Fees		RBT	\$ (26,397)	\$ (22,065)	\$ (21)	\$ (1,284)	\$ (0)	\$ (573)	\$ (75)		
6 Rate Case Expenses		RBT	\$ 16,667	\$ 13,931	\$ 13	\$ 811	\$ 0	\$ 362	\$ 47		
7 Employee Healthcare		LBT	\$ (122,536)	\$ (108,244)	\$ (185)	\$ (6,419)	\$ (2)	\$ (1,762)	\$ (202)		
8 Employee Life Insurance Premiums		LBT	\$ (34,118)	\$ (30,139)	\$ (51)	\$ (1,787)	\$ (0)	\$ (491)	\$ (56)		
9 Wages & Salaries		LBT	\$ (141,720)	\$ (125,191)	\$ (214)	\$ (7,424)	\$ (2)	\$ (2,038)	\$ (233)		
10 Depreciation Expense		DPT	\$ 747,923	\$ 631,046	\$ 505	\$ 35,827	\$ 5	\$ 16,834	\$ 2,193		
11 Depreciation Study		RBT	\$ (4,400)	\$ (3,678)	\$ (3)	\$ (214)	\$ (0)	\$ (95)	\$ (12)		
12 Annual Meeting - Prizes		RBT	\$ (3,594)	\$ (3,004)	\$ (3)	\$ (175)	\$ (0)	\$ (78)	\$ (10)		
13 Donations		RBT	\$ (44,695)	\$ (37,360)	\$ (35)	\$ (2,174)	\$ (0)	\$ (970)	\$ (127)		
14 Dues		RBT	\$ (149,441)	\$ (124,916)	\$ (117)	\$ (7,267)	\$ (1)	\$ (3,242)	\$ (423)		
14 Economic Development		RBT	\$ (100,478)	\$ (83,988)	\$ (79)	\$ (4,886)	\$ (1)	\$ (2,180)	\$ (285)		
16 Touchstone Energy Survey		RBT	\$ (10,000)	\$ (8,359)	\$ (8)	\$ (486)	\$ (0)	\$ (217)	\$ (28)		
17 Pay Station Expense		RBT	\$ (8,600)	\$ (7,189)	\$ (7)	\$ (418)	\$ (0)	\$ (187)	\$ (24)		
Total Pro Forma Adjustments			\$ (4,746,165)	\$ (3,818,343)	\$ 5,004	\$ (210,255)	\$ 61	\$ (407,772)	\$ (59,324)		
Total Pro-forma Operating Expenses			\$ 85,728,653	\$ 67,527,016	\$ 262,579	\$ 5,320,490	\$ 3,082	\$ 4,685,102	\$ 995,615		
<b>Utility Operating Margin -- Pro-Forma</b>			\$ 7,948,651	\$ 1,381,313	\$ 38,608	\$ 2,160,082	\$ 134	\$ 1,054,483	\$ 111,003		
<b>Net Cost Rate Base</b>			\$ 170,887,861	\$ 142,842,897	\$ 133,665	\$ 8,310,440	\$ 1,304	\$ 3,707,465	\$ 484,021		
Pro-forma Rate Base Adjustments											
<reserved>		RBT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Pro-forma Rate Base			\$ 170,887,861	\$ 142,842,897	\$ 133,665	\$ 8,310,440	\$ 1,304	\$ 3,707,465	\$ 484,021		
<b>Rate of Return</b>			<b>4.65%</b>	<b>0.97%</b>	<b>28.88%</b>	<b>25.99%</b>	<b>10.29%</b>	<b>28.44%</b>	<b>22.93%</b>		
<b>Unitized Rate of Return</b>			<b>1.00</b>	<b>0.21</b>	<b>6.21</b>	<b>5.59</b>	<b>2.21</b>	<b>6.11</b>	<b>4.93</b>		

**JACKSON ENERGY COOPERATIVE**  
**Cost of Service Study**  
**Class Allocation**

12 Months Ended December 31, 2017

Description	Name	Allocation Vector	Large Power Rate 500 kW and Over 47	Schools, Churches, Halls & Parks 50	All Electric Schools AES 52	Outdoor Lighting OL
<b>Cost of Service Summary -- Adjusted Results</b>						
<b>Operating Revenues</b>						
Total Operating Revenue -- Actual			\$ 3,753,550	\$ 2,820,178	\$ 859,079	\$ 2,788,369
Pro-Forma Adjustments:						
1 To Remove Fuel Adjustment Clause Revenue		E01	\$ 269,436	\$ 138,520	\$ 55,609	\$ -
2 To Remove Environmental Surcharge Revenue		12CP	\$ (379,173)	\$ (69,477)	\$ (55,704)	\$ -
3 To Normalize Year-End Customers			\$ -	\$ (5,340)	\$ (37,251)	\$ -
Total Pro Forma Adjustments			\$ (109,737)	\$ 63,703	\$ (37,347)	\$ -
Total Pro-Forma Operating Revenue			\$ 3,643,813	\$ 2,883,881	\$ 821,732	\$ 2,788,369
<b>Operating Expenses</b>						
Total Operating Expenses -- Actual	TOE		\$ 3,508,615	\$ 2,461,004	\$ 818,776	\$ 401,910
Pro-Forma Adjustments:						
1 To Remove Fuel Expense Recoverable through the FAC		E01	\$ 248,256	\$ 127,631	\$ 51,238	\$ -
2a To Remove Expenses Recoverable through the ES (Demand)		12CP	\$ (256,466)	\$ (46,993)	\$ (37,677)	\$ -
2b To Remove Expenses Recoverable through the ES (Energy)		E01	\$ (184,963)	\$ (95,092)	\$ (38,175)	\$ -
3 Year End Customers			\$ -	\$ (3,329)	\$ (30,645)	\$ -
4 Retirement Plan & 401(k)		LBT	\$ (946)	\$ (4,915)	\$ (569)	\$ (633)
5 Board of Directors Fees		RBT	\$ (283)	\$ (880)	\$ (158)	\$ (1,060)
6 Rate Case Expenses		RBT	\$ 179	\$ 555	\$ 100	\$ 669
7 Employee Healthcare		LBT	\$ (766)	\$ (3,983)	\$ (461)	\$ (513)
8 Employee Life Insurance Premiums		LBT	\$ (213)	\$ (1,109)	\$ (128)	\$ (143)
9 Wages & Salaries		LBT	\$ (886)	\$ (4,606)	\$ (533)	\$ (593)
10 Depreciation Expense		DPT	\$ 8,333	\$ 25,300	\$ 4,680	\$ 23,200
11 Depreciation Study		RBT	\$ (47)	\$ (147)	\$ (26)	\$ (177)
12 Annual Meeting - Prizes		RBT	\$ (39)	\$ (120)	\$ (21)	\$ (144)
13 Donations		RBT	\$ (480)	\$ (1,489)	\$ (267)	\$ (1,794)
14 Dues		RBT	\$ (1,603)	\$ (4,979)	\$ (893)	\$ (5,998)
14 Economic Development		RBT	\$ (1,078)	\$ (3,348)	\$ (601)	\$ (4,033)
16 Touchstone Energy Survey		RBT	\$ (107)	\$ (333)	\$ (60)	\$ (401)
17 Pay Station Expense		RBT	\$ (92)	\$ (287)	\$ (51)	\$ (345)
Total Pro Forma Adjustments			\$ (191,203)	\$ (18,122)	\$ (54,248)	\$ 8,036
Total Pro-forma Operating Expenses			\$ 3,317,412	\$ 2,442,882	\$ 764,528	\$ 409,946
<b>Utility Operating Margin -- Pro-Forma</b>			\$ 326,401	\$ 440,999	\$ 57,204	\$ 2,378,423
<b>Net Cost Rate Base</b>			\$ 1,833,438	\$ 5,694,108	\$ 1,021,459	\$ 6,859,063
Pro-forma Rate Base Adjustments <reserved>		RBT	\$ -	\$ -	\$ -	\$ -
Pro-forma Rate Base			\$ 1,833,438	\$ 5,694,108	\$ 1,021,459	\$ 6,859,063
<b>Rate of Return</b>			<b>17.80%</b>	<b>7.74%</b>	<b>5.60%</b>	<b>34.68%</b>
<b>Unitized Rate of Return</b>			<b>3.83</b>	<b>1.67</b>	<b>1.20</b>	<b>7.45</b>

**JACKSON ENERGY COOPERATIVE**  
**Cost of Service Study**  
**Class Allocation**

12 Months Ended December 31, 2017

Description	Name	Allocation Vector	Total System	Residential		Commercial	Commercial		Large Power	Large Power
				Service 10	Off Peak ETS 11	Service < 50 KW 20	Off Peak ETS 22	Loads 50 KW and Over 40	Rate 500 KW and Over 46	
<b>Allocation Factors</b>										
<b>Energy Allocation Factors</b>										
Energy Usage by Class	E01	Energy	1.000000	0.720277	0.005288	0.072069	0.000063	0.077324	0.019037	
<b>Demand Allocation Factors</b>										
Purchase Power -- Average 12 CP	D01	12CP	1.000000	0.814362	-	0.052494	-	0.057759	0.014234	
Station Equipment -- Maximum Class Demand	D02	NCP	1.000000	0.787920	0.011545	0.048792	0.000123	0.052796	0.014232	
Primary Distribution Plant -- Maximum Class Demand	D03	NCP	1.000000	0.787920	0.011545	0.048792	0.000123	0.052796	0.014232	
Services	SERV		1.000000	0.836345	0.000912	0.141122	0.000011	0.002758	-	
Misc. Service Revenue	MISCSEV		1.000000	0.836345	0.000912	0.141122	0.000011	0.002758	-	
Residential & Commercial Rev	RCRev		69,809,560	69,534,663	274,897					
<b>Customer Allocation Factors</b>										
Primary Distribution Plant -- Average Number of Customers	C01	Cust03	1.000000	0.908661	-	0.068144	-	0.002997	0.000039	
Customer Services -- Average Number of Customers	C02	Cust02	1.000000	0.899646	0.009806	0.067468	0.000116	0.002967	0.000039	
Meter Costs -- Weighted Cost of Meters	C03		1.000000	0.874487	0.009532	0.052590	0.000090	0.006337	0.000082	
Lighting Systems -- Lighting Customers	C04	Cust04	1.000000	-	-	-	-	-	-	
Meter Reading and Billing -- Weighted Cost	C05	Cust05	1.000000	0.908661	-	0.068144	-	0.002997	0.000039	
Load Management	C06	Cust06	1.000000	0.908661	-	0.068144	-	0.002997	0.000039	
<b>Other Allocation Factors</b>										
Rev	R01		94,293,734	69,534,663	274,897	7,090,565	2,902	6,093,993	1,140,719	
Energy	E01		838,183,236	597,456,564	4,617,100	61,353,347	55,256	67,514,633	16,621,751	
Loss Factor			0.050	0.050	0.000	0.025	0.000	-	-	
Energy Including Losses	Energy		873,138,343	628,901,646	4,617,100	62,926,510	55,256	67,514,633	16,621,751	
Customers (Monthly Bills)			622,872	560,364	6,108	42,024	72	1,848	24	
Average Customers (Bills/12)	Cust01		51,906	46,697	509	3,502	6	154	2	
Average Customers (Lighting = Lights)	Cust02		51,906	46,697	509	3,502	6	154	2	
Average Customers (Lighting =45 Lights per Cust)	Cust03		51,391	46,697	-	3,502	-	154	2	
Lighting	Cust04		1	-	-	-	-	-	-	
Average Customers	Cust05		51,391	46,697	-	3,502	-	154	2	
Load Management	Cust06		51,391	46,697	-	3,502	-	154	2	
Winter CP Demands	WCP		1,667,846	1,379,028	-	81,874	-	89,703	21,459	
Summer CP Demands	SCP		469,292	361,375	-	30,313	-	33,735	8,962	
12 Month Sum of Coincident Demands	12CP		2,137,138	1,740,403	-	112,186	-	123,438	30,421	
Class Maximum Demands	NCP		291,971	230,050	3,371	14,246	36	15,415	4,155	
Sum of the Individual Customer Demands	SICD		5,355,201	4,549,225	8,821	98,627	36,461	216,372	29,586	

**JACKSON ENERGY COOPERATIVE**  
**Cost of Service Study**  
**Class Allocation**

12 Months Ended December 31, 2017

Description	Name	Allocation Vector	Large Power Rate 500 kW and Over 47	Schools, Churches, Halls & Parks 50	All Electric Schools AES 52	Outdoor Lighting OL
<b>Allocation Factors</b>						
<b>Energy Allocation Factors</b>						
Energy Usage by Class	E01	Energy	0.061576	0.031657	0.012709	-
<b>Demand Allocation Factors</b>						
Purchase Power -- Average 12 CP	D01	12CP	0.045974	0.008424	0.006754	-
Station Equipment -- Maximum Class Demand	D02	NCP	0.039380	0.031737	0.013475	-
Primary Distribution Plant -- Maximum Class Demand	D03	NCP	0.039380	0.031737	0.013475	-
Services	SERV		-	0.018071	0.000782	-
Misc. Service Revenue	MISCSEV		-	0.018071	0.000782	-
Residential & Commercial Rev	RCRev					
<b>Customer Allocation Factors</b>						
Primary Distribution Plant -- Average Number of Customers	C01	Cust03	0.000097	0.019634	0.000428	-
Customer Services -- Average Number of Customers	C02	Cust02	0.000096	0.019439	0.000424	-
Meter Costs -- Weighted Cost of Meters	C03		0.000206	0.055866	0.000809	-
Lighting Systems -- Lighting Customers	C04	Cust04	-	-	-	1.000000
Meter Reading and Billing -- Weighted Cost	C05	Cust05	0.000097	0.019634	0.000428	-
Load Management	C06	Cust06	0.000097	0.019634	0.000428	-
<b>Other Allocation Factors</b>						
Rev	R01		3,753,550	2,757,700	856,377	2,788,369
Energy	E01		53,764,216	26,258,800	10,541,569	-
Loss Factor			-	0.050	0.050	0.050
Energy Including Losses	Energy		53,764,216	27,640,842	11,096,388	-
Customers (Monthly Bills)			60	12,108	264	-
Average Customers (Bills/12)	Cust01		5	1,009	22	-
Average Customers (Lighting = Lights)	Cust02		5	1,009	22	-
Average Customers (Lighting =45 Lights per Cust)	Cust03		5	1,009	22	-
Lighting	Cust04		-	-	-	1
Average Customers	Cust05		5	1,009	22	-
Load Management	Cust06		5	1,009	22	-
Winter CP Demands	WCP		71,567	13,221	10,993	-
Summer CP Demands	SCP		26,685	4,782	3,441	-
12 Month Sum of Coincident Demands	12CP		98,252	18,003	14,434	-
Class Maximum Demands	NCP		11,498	9,266	3,934	-
Sum of the Individual Customer Demands	SICD		113,310	240,041	62,757	-

**JACKSON ENERGY COOPERATIVE**  
**Cost of Service Study**  
**Class Allocation**

12 Months Ended December 31, 2017

Description	Name	Allocation Vector	Total System	Residential Service		Residential Off Peak		Commercial Service < 50 KW	Commercial Off Peak		Large Power Loads 50 KW and Over		Large Power Rate 500 KW and Over	
				10		ETS			ETS	22	40	46		
<b>Allocation Factors (continued)</b>														
Transmission Residual Demand Allocator	TRDA		2,137,138	1,740,403	-			112,186	-		123,438		30,421	
Transmission Plant In Service			\$ -											
Customer Specific Assignment														
Transmission Residual	TRDA		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transmission Total	TA1		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transmission Plant Allocator	T01	TA1	-	-	-	-	-	-	-	-	-	-	-	-
Transmission Residual Demand Allocator	TOMDA		2,137,138	1,740,403	-			112,186	-		123,438		30,421	
Transmission Plant In Service			\$ -											
Customer Specific Assignment														
Transmission Residual	TOMDA		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transmission Total	TOMA		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transmission O&M Allocator	T02	TOMA	-	-	-	-	-	-	-	-	-	-	-	-
Distribution Residual Demand Allocator	DDA		5,309,919	4,549,225	-			98,627	-		216,372		29,586	
Distribution Plant In Service			\$ 114,289,757											
Customer Specific Assignment														
Distribution Residual	DOMDA		\$ 114,289,757	\$ 97,916,720.7	\$ -	\$ -	\$ 2,122,833	\$ -	\$ -	\$ 4,657,153	\$ 636,814	\$ -	\$ 636,814	\$ -
Distribution Total	DT1		\$ 114,289,757	\$ 97,916,720.7	\$ -	\$ -	\$ 2,122,833	\$ -	\$ -	\$ 4,657,153	\$ 636,814	\$ -	\$ 636,814	\$ -
Distribution Plant Allocator	DA1	DT1	1.000000	0.85674	-	-	0.01857	-	-	0.04075	0.00557	-	0.00557	-
Distribution Residual Demand Allocator	DOMDA		5,309,919	4,549,225.15	-			98,627	-		216,372		29,586	
Distribution Plant In Service			\$ 114,289,757											
Customer Specific Assignment														
Distribution Residual	DOMDA		\$ 114,289,757	\$ 97,916,720.7	\$ -	\$ -	\$ 2,122,833	\$ -	\$ -	\$ 4,657,153	\$ 636,814	\$ -	\$ 636,814	\$ -
Distribution Total	DOMA		\$ 114,289,757	\$ 97,916,720.7	\$ -	\$ -	\$ 2,122,833	\$ -	\$ -	\$ 4,657,153	\$ 636,814	\$ -	\$ 636,814	\$ -
Distribution O&M Allocator	DOM	DOMA	1.000000	0.85674	-	-	0.01857	-	-	0.04075	0.00557	-	0.00557	-
Substation Residual Demand Allocator	SDA		2,137,138	1,740,403	-			112,186	-		123,438		30,421	
Substation Plant In Service			\$ 1,800,074											
Customer Specific Assignment														
Substation Residual	SDA		\$ 1,800,074	\$ 1,465,912	\$ -	\$ -	\$ 94,493	\$ -	\$ -	\$ 103,970	\$ 25,623	\$ -	\$ 25,623	\$ -
Substation Total	ST1		\$ 1,800,074	\$ 1,465,912	\$ -	\$ -	\$ 94,493	\$ -	\$ -	\$ 103,970	\$ 25,623	\$ -	\$ 25,623	\$ -
Substation Plant Allocator	SA1	ST1	1.000000	0.81436	-	-	0.05249	-	-	0.05776	0.01423	-	0.01423	-
Substation Residual Demand Allocator	SOMDA		2,137,138	1,740,403	-			112,186	-		123,438		30,421	
Substation Plant In Service			\$ 1,800,074											
Customer Specific Assignment														
Substation Residual	SOMDA		\$ 1,800,074	\$ 1,465,912	\$ -	\$ -	\$ 94,493	\$ -	\$ -	\$ 103,970	\$ 25,623	\$ -	\$ 25,623	\$ -
Substation Total	STOM		\$ 1,800,074	\$ 1,465,912	\$ -	\$ -	\$ 94,493	\$ -	\$ -	\$ 103,970	\$ 25,623	\$ -	\$ 25,623	\$ -
Substation O&M Allocator	SOMA	STOM	1.000000	0.81436	-	-	0.05249	-	-	0.05776	0.01423	-	0.01423	-



**JACKSON ENERGY COOPERATIVE**  
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12 Months Ended December 31, 2017

Description	Name	Allocation Vector	Large Power Rate 500 kW and Over 47	Schools, Churches, Halls & Parks 50	All Electric Schools AES 52	Outdoor Lighting OL
<b>Allocation Factors (continued)</b>						
Transmission Residual Demand Allocator	TRDA		98,252	18,003	14,434	-
Transmission Plant In Service Customer Specific Assignment						
Transmission Residual		TRDA	\$ -	\$ -	\$ -	-
Transmission Total	TA1		\$ -	\$ -	\$ -	-
Transmission Plant Allocator	T01	TA1	-	-	-	-
Transmission Residual Demand Allocator	TOMDA		98,252	18,003	14,434	-
Transmission Plant In Service Customer Specific Assignment						
Transmission Residual		TOMDA	\$ -	\$ -	\$ -	-
Transmission Total	TOMA		\$ -	\$ -	\$ -	-
Transmission O&M Allocator	T02	TOMA	-	-	-	-
Distribution Residual Demand Allocator	DDA		113,310	240,041	62,757	-
Distribution Plant In Service Customer Specific Assignment						
Distribution Residual		DOMDA	\$ 2,438,864	\$ 5,166,598	\$ 1,350,775	-
Distribution Total	DT1		\$ 2,438,864	\$ 5,166,598	\$ 1,350,775	-
Distribution Plant Allocator	DA1	DT1	0.02134	0.04521	0.01182	-
Distribution Residual Demand Allocator	DOMDA		113,310	240,041	62,757	-
Distribution Plant In Service Customer Specific Assignment						
Distribution Residual		DOMDA	\$ 2,438,864	\$ 5,166,598	\$ 1,350,775	-
Distribution Total	DOMA		\$ 2,438,864	\$ 5,166,598	\$ 1,350,775	-
Distribution O&M Allocator	DOM	DOMA	0.02134	0.04521	0.01182	-
Substation Residual Demand Allocator	SDA		98,252	18,003	14,434	-
Substation Plant In Service Customer Specific Assignment						
Substation Residual		SDA	\$ 82,756	\$ 15,164	\$ 12,158	-
Substation Total	ST1		\$ 82,756	\$ 15,164	\$ 12,158	-
Substation Plant Allocator	SA1	ST1	0.04597	0.00842	0.00675	-
Substation Residual Demand Allocator	SOMDA		98,252	18,003	14,434	-
Substation Plant In Service Customer Specific Assignment						
Substation Residual		SOMDA	\$ 82,756	\$ 15,164	\$ 12,158	-
Substation Total	STOM		\$ 82,756	\$ 15,164	\$ 12,158	-
Substation O&M Allocator	SOMA	STOM	0.04597	0.00842	0.00675	-

**JACKSON ENERGY COOPERATIVE**  
**Cost of Service Study**  
**Class Allocation**

12 Months Ended December 31, 2017

Description	Name	Allocation Vector	Total System	Residential Service	Residential Off Peak	Commercial	Commercial Off	Large Power	Large Power	
				10	ETS 11	Service < 50 KW 20	Peak ETS 22	Loads 50 KW and Over 40	Rate 500 KW and Over 46	
<b>Allocation Factors (continued)</b>										
Customer Services Demand	CSD		5,309,919	4,549,225	-	98,627	-	216,372	29,586	
Customer Services Allocator	CSA	CSD	1.000000	0.85674	-	0.01857	-	0.04075	0.00557	
Purchased Power Residual Demand Allocator	PPDRA		2,008,466	1,740,403	-	112,186	-	123,438	-	
Purchased Power Demand Costs			\$ 19,752,692							
Customer Specific Assignment			\$ 1,374,730.85						314,554	
Purchased Power Demand Residual	PPDRA		\$ 18,377,961	\$ 15,925,126	\$ -	\$ 1,026,534	\$ -	\$ 1,129,492	\$ -	
Purchased Power Demand Total	PPDT		\$ 19,752,692	\$ 15,925,126	\$ -	\$ 1,026,534	\$ -	\$ 1,129,492	\$ 314,554	
Purchased Power Demand Allocator	PPDA	PPDT	1.000000	0.80623	-	0.05197	-	0.05718	0.01592	
Purchased Power Residual Energy Allocator	PPERA		767,797,269	597,456,564	4,617,100	61,353,347	55,256	67,514,633	-	
Purchased Power Energy Costs			\$ 41,356,675							
Customer Specific Assignment			\$ 2,840,361						667,814	
Purchased Power Energy Residual	PPERA		\$ 38,516,314	\$ 29,971,225	\$ 231,615	\$ 3,077,772	\$ 2,772	\$ 3,386,851	\$ -	
Purchased Power Energy Total	PPET		\$ 41,356,675	\$ 29,971,225	\$ 231,615	\$ 3,077,772	\$ 2,772	\$ 3,386,851	\$ 667,814	
Purchased Power Energy Allocator	PPEA	PPET	1.000000	0.72470	0.00560	0.07442	0.00007	0.08189	0.01615	

**JACKSON ENERGY COOPERATIVE**  
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12 Months Ended December 31, 2017

Description	Name	Allocation Vector	Large Power Rate 500 kW and Over 47	Schools, Churches, Halls & Parks 50	All Electric Schools AES 52	Outdoor Lighting OL
<b><u>Allocation Factors (continued)</u></b>						
Customer Services Demand	CSD		113,310	240,041	62,757	-
Customer Services Allocator	CSA	CSD	0.02134	0.04521	0.01182	-
Purchased Power Residual Demand Allocator	PPDRA		-	18,003	14,434	-
Purchased Power Demand Costs Customer Specific Assignment			1,060,177	-	-	-
Purchased Power Demand Residual		PPDRA	-	164,733	132,076	-
Purchased Power Demand Total	PPDT		\$ 1,060,177	\$ 164,733	\$ 132,076	-
Purchased Power Demand Allocator	PPDA	PPDT	0.05367	0.00834	0.00669	-
Purchased Power Residual Energy Allocator	PPERA		-	26,258,800	10,541,569	-
Purchased Power Energy Costs Customer Specific Assignment			2,172,547	-	-	-
Purchased Power Energy Residual		PPERA	-	1,317,265	528,815	-
Purchased Power Energy Total	PPET		\$ 2,172,547	\$ 1,317,265	\$ 528,815	-
Purchased Power Energy Allocator	PPEA	PPET	0.05253	0.03185	0.01279	-

**JACKSON ENERGY COOPERATIVE**  
**Cost of Service Study**  
**Class Allocation**

12 Months Ended December 31, 2017

Description	Name	Allocation Vector	Total System	Residential Service 10	Residential Off Peak ETS 11	Commercial Service < 50 KW 20	Commercial Off Peak ETS 22	Large Power Loads 50 KW and Over 40	Large Power Rate 500 KW and Over 46
<b>Operating Expenses</b>									
Purchased Power Demand			\$ 19,752,692	\$ 15,925,126	\$ -	\$ 1,026,534	\$ -	\$ 1,129,492	\$ 314,554
Purchased Power Energy			\$ 41,356,675	\$ 29,971,225	\$ 231,615	\$ 3,077,772	\$ 2,772	\$ 3,386,851	\$ 667,814
Transmission Demand			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Distribution Demand			\$ 12,695,472	\$ 10,871,100	\$ -	\$ 240,315	\$ -	\$ 519,584	\$ 71,889
Distribution Customer			\$ 16,669,979	\$ 14,577,909	\$ 25,959	\$ 1,186,124	\$ 249	\$ 56,948	\$ 682
Total			\$ 90,474,818	\$ 71,345,359	\$ 257,574	\$ 5,530,745	\$ 3,021	\$ 5,092,875	\$ 1,054,939
<b>Pro-Forma Operating Expenses</b>									
Purchased Power Demand			\$ 14,174,146.00	\$ 11,382,171.52	\$ -	\$ 733,695.29	\$ -	\$ 807,282.26	\$ 235,147.37
Purchased Power Energy			\$ 42,384,556	\$ 30,711,584	\$ 237,051	\$ 3,151,850	\$ 2,837	\$ 3,466,331	\$ 687,382
Transmission Demand			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Distribution Demand			\$ 12,546,031	\$ 10,746,184	\$ (117)	\$ 233,047	\$ (1)	\$ 516,341	\$ 71,466
Distribution Customer			\$ 16,669,979	\$ 14,577,909	\$ 25,959	\$ 1,186,124	\$ 249	\$ 56,948	\$ 682
Total			\$ 85,774,712	\$ 67,417,848	\$ 262,893	\$ 5,304,717	\$ 3,085	\$ 4,846,903	\$ 994,677
<b>Rate Base</b>									
Production & Purchased Power Demand			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Production & Purchased Power Energy			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transmission Demand			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Distribution Demand			\$ 83,362,785	\$ 71,339,089	\$ -	\$ 1,613,404	\$ -	\$ 3,429,523	\$ 481,094
Distribution Customer			\$ 87,525,076	\$ 71,503,808	\$ 133,665	\$ 6,697,036	\$ 1,304	\$ 277,941	\$ 2,927
Total			\$ 170,887,861	\$ 142,842,897	\$ 133,665	\$ 8,310,440	\$ 1,304	\$ 3,707,465	\$ 484,021
<b>Revenue Requirement Calculated at a Rate of Return of <span style="border: 1px solid black; padding: 2px;">4.65%</span></b>									
Production & Purchased Power Demand			\$ 14,174,146	\$ 11,382,172	\$ -	\$ 733,695	\$ -	\$ 807,282	\$ 235,147
Production & Purchased Power Energy			\$ 42,384,556	\$ 30,711,584	\$ 237,051	\$ 3,151,850	\$ 2,837	\$ 3,466,331	\$ 687,382
Transmission Demand			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Distribution Demand			\$ 16,423,554	\$ 14,064,439	\$ (117)	\$ 308,093	\$ (1)	\$ 675,862	\$ 93,844
Distribution Customer			\$ 20,741,107	\$ 17,903,826	\$ 32,176	\$ 1,497,629	\$ 309	\$ 69,876	\$ 818
Total			\$ 93,723,363	\$ 74,062,020	\$ 269,110	\$ 5,691,267	\$ 3,145	\$ 5,019,351	\$ 1,017,191

**JACKSON ENERGY COOPERATIVE**  
**Cost of Service Study**  
**Class Allocation**

12 Months Ended December 31, 2017

Description	Name	Allocation Vector	Large Power Rate 500 kW and Over 47	Schools, Churches, Halls & Parks 50	All Electric Schools AES 52	Outdoor Lighting OL
<b>Operating Expenses</b>						
Purchased Power Demand			\$ 1,060,177	\$ 164,733	\$ 132,076	\$ -
Purchased Power Energy			\$ 2,172,547	\$ 1,317,265	\$ 528,815	\$ -
Transmission Demand			\$ -	\$ -	\$ -	\$ -
Distribution Demand			\$ 274,186	\$ 569,025	\$ 149,373	\$ -
Distribution Customer			\$ 1,705	\$ 409,981	\$ 8,513	\$ 401,910
Total			\$ 3,508,615	\$ 2,461,004	\$ 818,776	\$ 401,910
<b>Pro-Forma Operating Expenses</b>						
Purchased Power Demand			\$ 803,711.35	\$ 117,739.37	\$ 94,398.84	\$ -
Purchased Power Energy			\$ 2,235,840	\$ 1,349,804	\$ 541,878	\$ -
Transmission Demand			\$ -	\$ -	\$ -	\$ -
Distribution Demand			\$ 272,583	\$ 564,046	\$ 148,480	\$ (5,998)
Distribution Customer			\$ 1,705	\$ 409,981	\$ 8,513	\$ 401,910
Total			\$ 3,313,838	\$ 2,441,571	\$ 793,269	\$ 395,912
<b>Rate Base</b>						
Production & Purchased Power Demand			\$ -	\$ -	\$ -	\$ -
Production & Purchased Power Energy			\$ -	\$ -	\$ -	\$ -
Transmission Demand			\$ -	\$ -	\$ -	\$ -
Distribution Demand			\$ 1,826,120	\$ 3,698,010	\$ 975,546	\$ -
Distribution Customer			\$ 7,319	\$ 1,996,098	\$ 45,914	\$ 6,859,063
Total			\$ 1,833,438	\$ 5,694,108	\$ 1,021,459	\$ 6,859,063
<b>Revenue Requirement Calculated at a Rate of Return of</b>						
		4.65%				
Production & Purchased Power Demand			\$ 803,711	\$ 117,739	\$ 94,399	\$ -
Production & Purchased Power Energy			\$ 2,235,840	\$ 1,349,804	\$ 541,878	\$ -
Transmission Demand			\$ -	\$ -	\$ -	\$ -
Distribution Demand			\$ 357,523	\$ 736,055	\$ 193,856	\$ (5,998)
Distribution Customer			\$ 2,045	\$ 502,827	\$ 10,648	\$ 720,951
Total			\$ 3,399,119	\$ 2,706,425	\$ 840,781	\$ 714,953

**JACKSON ENERGY COOPERATIVE**  
**Cost of Service Study**  
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12 Months Ended December 31, 2017

Description	Name	Allocation Vector	Total System	Residential Service 10	Residential Off Peak ETS 11	Commercial Service < 50 KW 20	Commercial Off Peak ETS 22	Large Power Loads 50 KW and Over 40	Large Power Rate 500 KW and Over 46
<b>Operating Expenses-Unit Costs</b>									
Production & Purchased Power Demand (per KWH or KW)				0.01905	-	0.01196	-	3.73	7.95
Purchased Power Energy (per KWH)				0.05140	0.05134	0.05137	0.05134	0.05134	0.04135
Transmission Demand (per KWH or KW)				-	-	-	-	-	-
Distribution Demand (per KWH or KW)				0.01799	(0.00003)	0.00380	(0.00002)	2.39	2.42
Distribution Customer (per Customer)				26.02	4.25	28.22	3.46	30.82	28.41
<b>Rate Base-Unit Costs</b>									
Production & Purchased Power Demand (per KWH or KW)				-	-	-	-	-	-
Purchased Power Energy (per KWH)				-	-	-	-	-	-
Transmission Demand (per KWH or KW)				-	-	-	-	-	-
Distribution Demand (per KWH or KW)				0.11940	-	0.02630	-	15.85	16.26
Distribution Customer (per Customer)				127.60	21.88	159.36	18.11	150.40	121.98

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12 Months Ended December 31, 2017

Description	Name	Allocation Vector	Large Power Rate 500 kW and Over 47	Schools, Churches, Halls & Parks 50	All Electric Schools AES 52	Outdoor Lighting OL
<b>Operating Expenses-Unit Costs</b>						
Production & Purchased Power Demand (per KWH or KW)			7.09	0.00448	0.00895	
Purchased Power Energy (per KWH)			0.04159	0.05140	0.05140	
Transmission Demand (per KWH or KW)			-	-	-	
Distribution Demand (per KWH or KW)			0.00507	0.02148	0.01409	
Distribution Customer (per Customer)			28.41	33.86	32.24	
<b>Rate Base-Unit Costs</b>						
Production & Purchased Power Demand (per KWH or KW)			-	-	-	
Purchased Power Energy (per KWH)			-	-	-	
Transmission Demand (per KWH or KW)			-	-	-	
Distribution Demand (per KWH or KW)			16.12	0.14083	0.09254	
Distribution Customer (per Customer)			121.98	164.86	173.92	

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**Cost of Service Study**  
**Class Allocation**

12 Months Ended December 31, 2017

Description	Name	Allocation Vector	Total System	Residential Service 10	Residential Off Peak ETS 11	Commercial Service < 50 KW 20	Commercial Off Peak ETS 22	Large Power Loads 50 KW and Over 40	Large Power Rate 500 KW and Over 46
<b>Unit Revenue Requirement @ Current Class Revenues</b>	Various			0.97%	28.88%	25.99%	10.29%	28.44%	22.93%
<b>Production &amp; Purchased Power</b>									
Production & Purchased Power Demand (Per KWH or KW)				0.019051	-	0.011959	-	3.73	7.95
Production & Purchased Power Demand Margin (Per KWH or KW)				-	-	-	-	-	-
Production & Purchased Power Energy (Per KWH)				0.051404	0.051342	0.051372	0.051342	0.051342	0.041354
Production & Purchased Power Energy Margin (Per KWH)				-	-	-	-	-	-
<b>Transmission Demand</b>									
Transmission Demand (Per KWH or KW)				-	-	-	-	-	-
Transmission Demand Margin (Per KWH or KW)				-	-	-	-	-	-
Total Transmission Demand (Per KWH or KW)				-	-	-	-	-	-
<b>Distribution Demand</b>									
Distribution Demand (Per KWH or KW)				0.017987	(0.000025)	0.003798	(0.000021)	2.39	2.42
Distribution Demand Margin (Per KWH or KW)				0.001155	-	0.006835	-	4.51	3.73
Total Distribution Demand (Per KWH or KW)				0.019141	(0.000025)	0.010634	(0.000021)	6.89	6.14
<b>Distribution Customer</b>									
Distribution Customer (Per Customer Per Month)				26.02	4.25	28.22	3.46	30.82	28.41
Distribution Customer Margin (Per Customer Per Month)				1.23	6.32	41.42	1.86	42.78	27.97
Total Distribution Customer (Per Customer Per Month)				27.25	10.57	69.65	5.32	73.59	56.39



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12 Months Ended December 31, 2017

Description	Name	Allocation Vector	Large Power Rate 500 kW and Over 47	Schools, Churches, Halls & Parks 50	All Electric Schools AES 52	Outdoor Lighting OL
<b>Unit Revenue Requirement @ Current Class Revenues</b>	Various		17.80%	7.74%	5.60%	34.68%
<b>Production &amp; Purchased Power</b>						
Production & Purchased Power Demand (Per KWH or KW)			7.09	0.004484	0.008955	
Production & Purchased Power Demand Margin (Per KWH or KW)			-	-	-	
Production & Purchased Power Energy (Per KWH)			0.041586	0.051404	0.051404	
Production & Purchased Power Energy Margin (Per KWH)			-	-	-	
<b>Transmission Demand</b>						
Transmission Demand (Per KWH or KW)			-	-	-	
Transmission Demand Margin (Per KWH or KW)			-	-	-	
Total Transmission Demand (Per KWH or KW)			-	-	-	
<b>Distribution Demand</b>						
Distribution Demand (Per KWH or KW)			0.01	0.021480	0.014085	
Distribution Demand Margin (Per KWH or KW)			2.87	0.010907	0.005183	
Total Distribution Demand (Per KWH or KW)			2.87	0.032387	0.019268	
<b>Distribution Customer</b>						
Distribution Customer (Per Customer Per Month)			28.41	33.86	32.24	
Distribution Customer Margin (Per Customer Per Month)			21.71	12.77	9.74	
Total Distribution Customer (Per Customer Per Month)			50.13	46.63	41.98	

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**Class Allocation**

12 Months Ended December 31, 2017

Description	Name	Allocation Vector	Total System	Residential Service 10	Residential Off Peak ETS 11	Commercial Service < 50 KW 20	Commercial Off Peak ETS 22	Large Power Loads 50 KW and Over 40	Large Power Rate 500 KW and Over 46
<b>Unit Revenue Requirement @ Total System Rate of Return</b>			4.65%	4.65%	4.65%	4.65%	4.65%	4.65%	4.65%
<b>Production &amp; Purchased Power</b>									
Production & Purchased Power Demand (Per KWH or KW)				0.019051	-	0.011959	-	3.73	7.95
Production & Purchased Power Demand Margin (Per KWH or KW)				-	-	-	-	-	-
Production & Purchased Power Energy (Per KWH)				0.051404	0.051342	0.051372	0.051342	0.051342	0.041354
Production & Purchased Power Energy Margin (Per KWH)				-	-	-	-	-	-
<b>Transmission Demand</b>									
Transmission Demand (Per KWH or KW)				-	-	-	-	-	-
Transmission Demand Margin (Per KWH or KW)				-	-	-	-	-	-
Total Transmission Demand (Per KWH or KW)				-	-	-	-	-	-
<b>Distribution Demand</b>									
Distribution Demand (Per KWH or KW)				0.017987	(0.000025)	0.003798	(0.000021)	2.39	2.42
Distribution Demand Margin (Per KWH or KW)				0.005554	-	0.001223	-	0.74	0.76
Total Distribution Demand (Per KWH or KW)				0.023541	(0.000025)	0.005022	(0.000021)	3.12	3.17
<b>Distribution Customer</b>									
Distribution Customer (Per Customer Per Month)				26.02	4.25	28.22	3.46	30.82	28.41
Distribution Customer Margin (Per Customer Per Month)				5.94	1.02	7.41	0.84	7.00	5.67
Total Distribution Customer (Per Customer Per Month)				31.95	5.27	35.64	4.30	37.81	34.09

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12 Months Ended December 31, 2017

Description	Name	Allocation Vector	Large Power Rate 500 kW and Over 47	Schools, Churches, Halls & Parks 50	All Electric Schools AES 52	Outdoor Lighting OL
<b>Unit Revenue Requirement @ Total System Rate of Return</b>		4.65%	4.65%	4.65%	4.65%	4.65%
<b>Production &amp; Purchased Power</b>						
Production & Purchased Power Demand (Per KWH or KW)			7.09	0.004484	0.008955	
Production & Purchased Power Demand Margin (Per KWH or KW)			-	-	-	
Production & Purchased Power Energy (Per KWH)			0.041586	0.051404	0.051404	
Production & Purchased Power Energy Margin (Per KWH)			-	-	-	
<b>Transmission Demand</b>						
Transmission Demand (Per KWH or KW)			-	-	-	
Transmission Demand Margin (Per KWH or KW)			-	-	-	
Total Transmission Demand (Per KWH or KW)			-	-	-	
<b>Distribution Demand</b>						
Distribution Demand (Per KWH or KW)			0.01	0.021480	0.014085	
Distribution Demand Margin (Per KWH or KW)			0.75	0.006551	0.004305	
Total Distribution Demand (Per KWH or KW)			0.75	0.028031	0.018390	
<b>Distribution Customer</b>						
Distribution Customer (Per Customer Per Month)			28.41	33.86	32.24	
Distribution Customer Margin (Per Customer Per Month)			5.67	7.67	8.09	
Total Distribution Customer (Per Customer Per Month)			34.09	41.53	40.33	

**JACKSON ENERGY COOPERATIVE**  
**Cost of Service Study**  
**Class Allocation**

12 Months Ended December 31, 2017

Description	Name	Allocation Vector	Total System	Residential Service 10	Residential Off Peak ETS 11	Commercial Service < 50 KW 20	Commercial Off Peak ETS 22	Large Power Loads 50 KW and Over 40	Large Power Rate 500 KW and Over 46
<b>Unit Revenue Requirement @ Specified Rate of Return</b>	4.65%			4.65%	4.65%	4.65%	4.65%	4.65%	4.65%
<b>Production &amp; Purchased Power</b>									
Production & Purchased Power Demand (Per KWH or KW)				0.019051	-	0.011959	-	3.73	7.95
Production & Purchased Power Demand Margin (Per KWH or KW)				-	-	-	-	-	-
Production & Purchased Power Energy (Per KWH)				0.051404	0.051342	0.051372	0.051342	0.051342	0.041354
Production & Purchased Power Energy Margin (Per KWH)				-	-	-	-	-	-
<b>Transmission Demand</b>									
Transmission Demand (Per KWH or KW)				-	-	-	-	-	-
Transmission Demand Margin (Per KWH or KW)				-	-	-	-	-	-
Total Transmission Demand (Per KWH or KW)				-	-	-	-	-	-
<b>Distribution Demand</b>									
Distribution Demand (Per KWH or KW)				0.017987	(0.000025)	0.003798	(0.000021)	2.39	2.42
Distribution Demand Margin (Per KWH or KW)				0.005554	-	0.001223	-	0.74	0.76
Total Distribution Demand (Per KWH or KW)				0.023541	(0.000025)	0.005022	(0.000021)	3.12	3.17
<b>Distribution Customer</b>									
Distribution Customer (Per Customer Per Month)				26.02	4.25	28.22	3.46	30.82	28.41
Distribution Customer Margin (Per Customer Per Month)				5.94	1.02	7.41	0.84	7.00	5.67
Total Distribution Customer (Per Customer Per Month)				31.95	5.27	35.64	4.30	37.81	34.09

**JACKSON ENERGY COOPERATIVE**  
**Cost of Service Study**  
**Class Allocation**

12 Months Ended December 31, 2017

Description	Name	Allocation Vector	Large Power Rate 500 kW and Over 47	Schools, Churches, Halls & Parks 50	All Electric Schools AES 52	Outdoor Lighting OL
<b><u>Unit Revenue Requirement @ Specified Rate of Return</u></b>	4.65%		4.65%	4.65%	4.65%	4.65%
<b>Production &amp; Purchased Power</b>						
Production & Purchased Power Demand (Per KWH or KW)			7.09	0.004484	0.008955	
Production & Purchased Power Demand Margin (Per KWH or KW)			-	-	-	
Production & Purchased Power Energy (Per KWH)			0.041586	0.051404	0.051404	
Production & Purchased Power Energy Margin (Per KWH)			-	-	-	
<b>Transmission Demand</b>						
Transmission Demand (Per KWH or KW)			-	-	-	
Transmission Demand Margin (Per KWH or KW)			-	-	-	
Total Transmission Demand (Per KWH or KW)			-	-	-	
<b>Distribution Demand</b>						
Distribution Demand (Per KWH or KW)			0.01	0.021480	0.014085	
Distribution Demand Margin (Per KWH or KW)			0.75	0.006551	0.004305	
Total Distribution Demand (Per KWH or KW)			0.75	0.028031	0.018390	
<b>Distribution Customer</b>						
Distribution Customer (Per Customer Per Month)			28.41	33.86	32.24	
Distribution Customer Margin (Per Customer Per Month)			5.67	7.67	8.09	
Total Distribution Customer (Per Customer Per Month)			34.09	41.53	40.33	

**JACKSON ENERGY COOPERATIVE**  
**Cost of Service Study**  
**Class Allocation**

12 Months Ended December 31, 2017

Description	Name	Allocation Vector	Total System	Residential Service 10	Residential Off Peak ETS 11	Commercial Service < 50 KW 20	Commercial Off Peak ETS 22	Large Power Loads 50 KW and Over 40	Large Power Rate 500 KW and Over 46
<b>Summary of Cost-Based Charges</b>									
<b>At Current Class Rate of Return</b>			4.26%	0.76%	15.32%	24.64%	-6.27%	27.26%	17.72%
Customer Charge (\$/month)				27.25	10.57	69.65	5.32	73.59	56.39
Energy Charge (\$/kWh)				0.089596	0.051317	0.073964	0.051321	0.051342	0.041354
Demand Charge (\$/kW)				-	-	-	-	10.63	14.09
<b>At Current Total System Rate of Return</b>			4.65%	4.65%	4.65%	4.65%	4.65%	4.65%	4.65%
Customer Charge (\$/month)				31.95	5.27	35.64	4.30	37.81	34.09
Energy Charge (\$/kWh)				0.093995	0.051317	0.068352	0.051321	0.051342	0.041354
Demand Charge (\$/kW)				-	-	-	-	6.85	11.12
<b>At Specified Total System Rate of Return</b>			4.65%	4.65%	4.65%	4.65%	4.65%	4.65%	4.65%
Customer Charge (\$/month)				31.95	5.27	35.64	4.30	37.81	34.09
Energy Charge (\$/kWh)				0.093995	0.051317	0.068352	0.051321	0.051342	0.041354
Demand Charge (\$/kW)				-	-	-	-	6.85	11.12

**JACKSON ENERGY COOPERATIVE**  
**Cost of Service Study**  
**Class Allocation**

12 Months Ended December 31, 2017

Description	Name	Allocation Vector	Large Power Rate 500 kW and Over 47	Schools, Churches, Halls & Parks 50	All Electric Schools AES 52	Outdoor Lighting OL
<b><u>Summary of Cost-Based Charges</u></b>						
<b>At Current Class Rate of Return</b>			13.36%	6.31%	3.95%	34.79%
Customer Charge (\$/month)			50.13	46.63	41.98	
Energy Charge (\$/kWh)			0.041586	0.088275	0.079627	
Demand Charge (\$/kW)			9.97	-	-	
<b>At Current Total System Rate of Return</b>			4.65%	4.65%	4.65%	4.65%
Customer Charge (\$/month)			34.09	41.53	40.33	
Energy Charge (\$/kWh)			0.041586	0.083918	0.078748	
Demand Charge (\$/kW)			7.85	-	-	
<b>At Specified Total System Rate of Return</b>			4.65%	4.65%	4.65%	4.65%
Customer Charge (\$/month)			34.09	41.53	40.33	
Energy Charge (\$/kWh)			0.041586	0.083918	0.078748	
Demand Charge (\$/kW)			7.85	-	-	

## Exhibit JW-6

### COSS: Billing Determinants



**JACKSON ENERGY COOPERATIVE**

Summary of Billing Determinants and Demand Analysis

Rate Class	Code	Average Customers	kWh	Revenue	12 - Month Individual Customer Demand	Sum of Individual Customer Max Demand	Class Demand During Peak Month	Sum of Coincident Demands	Summer Coincident Demands	Winter Coincident Demands
Residential Service	10	46,697	597,456,564	\$ 69,534,663	4,549,225	566,869	230,050	1,740,403	361,375	1,379,028
Residential Off Peak ETS	11	509	4,617,100	\$ 274,897	8,821	7,187	3,371	-	-	-
Commercial Service < 50 KW	20	3,502	61,353,347	\$ 7,090,565	98,627	8,627	14,246	112,186	30,313	81,874
Commercial Off Peak ETS	22	6	55,256	\$ 2,902	36,461	8,360	36	-	-	-
Large Power Loads 50 KW and Over	40	154	67,514,633	\$ 6,093,993	216,372	19,591	15,415	123,438	33,735	89,703
Large Power Rate 500 KW and Over	46	2	16,621,751	\$ 1,140,719	29,586	2,965	4,155	30,421	8,962	21,459
Large Power Rate 500 kW and Over	47	5	53,764,216	\$ 3,753,550	113,310	10,078	11,498	98,252	26,685	71,567
Schools, Churches, Halls & Parks	50	1,009	26,258,800	\$ 2,757,700	240,041	24,710	9,266	18,003	4,782	13,221
All Electric Schools AES	52	22	10,541,569	\$ 856,377	62,757	5,987	3,934	14,434	3,441	10,993
Outdoor Lighting	OL	-	-	\$ 2,788,369	-	-	-	-	-	-
<b>Total</b>		<b>51,906</b>	<b>838,183,236</b>	<b>\$ 94,293,734</b>	<b>5,355,201</b>	<b>654,375</b>	<b>291,971</b>	<b>2,137,138</b>	<b>469,292</b>	<b>1,667,846</b>
Total Excluding ETS		51,391								

**JACKSON ENERGY COOPERATIVE**  
 Summary of Billing Determinants and Demand Analysis

<b>Rate Class</b>	<b>Code</b>	<b>Rate Class</b>	<b>Average Customers</b>	<b>kWh</b>	<b>Revenue</b>	<b>% KWH</b>	<b>% Revenue</b>
Residential Service	10	Residential Service	46,697	597,456,564	\$ 69,534,663	71.28%	73.74%
Residential Off Peak ETS	11	Residential Off Peak	509	4,617,100	\$ 274,897	0.55%	0.29%
Commercial Service < 50 KW	20	Commercial Service	3,502	61,353,347	\$ 7,090,565	7.32%	7.52%
Commercial Off Peak ETS	22	Commercial Off Pea	6	55,256	\$ 2,902	0.01%	0.00%
Large Power Loads 50 KW and Over	40	Large Power Loads	154	67,514,633	\$ 6,093,993	8.05%	6.46%
Large Power Rate 500 KW and Over	46	Large Power Rate 5i	2	16,621,751	\$ 1,140,719	1.98%	1.21%
Large Power Rate 500 kW and Over	47	Large Power Rate 5i	5	53,764,216	\$ 3,753,550	6.41%	3.98%
Schools, Churches, Halls & Parks	50	Schools, Churches,	1,009	26,258,800	\$ 2,757,700	3.13%	2.92%
All Electric Schools AES	52	All Electric Schools /	22	10,541,569	\$ 856,377	1.26%	0.91%
Outdoor Lighting	OL	Outdoor Lighting	-	-	\$ 2,788,369	0.00%	2.96%
<b>Total</b>		<b>Total</b>	<b>51,906</b>	<b>838,183,236</b>	<b>\$ 94,293,734</b>	<b>100.00%</b>	<b>100.00%</b>
Total Excluding ETS			51,391				

**JACKSON ENERGY COOPERATIVE**  
Summary of Billing Determinants and Demand Analysis

<u>Rate Schedule</u>	<u>Code</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>
<b>Residential Service</b>	<b>10</b>	46,621	46,581	46,636	46,612	46,669	46,739	46,695	46,751	46,726
Kwh's		64,970,982	51,065,498	52,860,906	37,490,138	39,218,864	43,937,480	54,374,065	47,385,718	37,880,025
Average Demand		87,327	70,924.30	71,050	52,070	52,714	59,055.75	80,913.79	63,690	52,611
Diversified Load Factor		38.38%	33.95%	34.45%	47.49%	46.22%	49.43%	54.54%	47.64%	45.36%
Non-Coincident Demand		227,532	208,898	206,243	109,645	114,051	119,479	148,367	133,682	115,982
Coincidence Factor		90.00%	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%
Coincident Demand		204,779	188,008	185,618	98,681	102,646	107,531	133,530	120,314	104,383
Individual Customer Load Factor		18.00%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%
Sum of Individual Customer Demands		485,148	394,024	394,720	289,276	292,853	328,088	449,521	353,836	292,284
<b>Residential Off Peak ETS</b>	<b>11</b>	706	696	688	625	479	277	239	227	284
Kwh's		962,482	730,655	717,392	209,280	81,069	6,951	4,995	3,802	19,722
Average Demand		1,294	982	964	281	109	9	7	5	27
Diversified Load Factor		38.38%	33.95%	34.45%	47.49%	46.22%	49.43%	54.54%	47.64%	45.36%
Non-Coincident Demand		3,371	2,893	2,799	592	236	19	12	11	58
Coincidence Factor		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Coincident Demand		-	-	-	-	-	-	-	-	-
Individual Customer Load Factor		18.00%	118.00%	218.00%	318.00%	418.00%	518.00%	618.00%	718.00%	818.00%
Sum of Individual Customer Demands		7,187	832	442	88	26	2	1	1	3
<b>Commercial Service &lt; 50 KW</b>	<b>20</b>	3,489	3,503	3,530	3,502	3,511	3,513	3,485	3,478	3,484
Kwh's		5,506,871	4,707,213	5,138,372	4,613,824	4,883,555	5,136,901	5,743,921	5,418,145	4,743,280
Average Demand		7,402	6,537.80	6,906	6,408	6,564	6,904.44	8,547.50	7,282	6,588
Diversified Load Factor		60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%
Non-Coincident Demand		12,336	10,896	11,511	10,680	10,940	11,507	14,246	12,137	10,980
Coincidence Factor		80.00%	80.00%	80.00%	80.00%	80.00%	80.00%	80.00%	80.00%	80.00%
Coincident Demand		9,869	8,717	9,209	8,544	8,752	9,206	11,397	9,710	8,784
Individual Customer Load Factor		23.00%	23.00%	23.00%	23.00%	23.00%	23.00%	23.00%	23.00%	23.00%
Sum of Individual Customer Demands		8,360	8,627	8,227	8,225	8,284	7,839	8,098	8,254	8,078

**JACKSON ENERGY COOPERATIVE**  
 Summary of Billing Determinants and Demand Analysis

<u>Rate Schedule</u>	<u>Code</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Total</u>	<u>SIC Max Demand</u>	<u>Class Demand During Peak Month</u>	<u>Sum of Coin Demand</u>	<u>Summer Coin Demand</u>	<u>Winter Coin Demand</u>
<b>Residential Service</b>	<b>10</b>	46,788	46,810	46,730	46,697					
Kwh's		40,297,193	52,060,607	75,915,088	597,456,564					
Average Demand		54,163	72,306	102,036	68,203					
Diversified Load Factor		37.08%	41.61%	44.35%						
Non-Coincident Demand		146,087	173,767	230,050	1,933,782		230,050			
Coincidence Factor		90.00%	90.00%	90.00%						
Coincident Demand		131,478	156,391	207,045	1,740,403			1,740,403	361,375	1,379,028
Individual Customer Load Factor		18.00%	18.00%	18.00%						
Sum of Individual Customer Demands		300,905	401,702	566,869	4,549,225	566,869				
<b>Residential Off Peak ETS</b>	<b>11</b>	571	638	678	509					
Kwh's		188,569	615,835	1,076,348	4,617,100					
Average Demand		253	828	1,447	527					
Diversified Load Factor		37.08%	41.61%	44.35%						
Non-Coincident Demand		684	1,989	3,262	15,925		3,371			
Coincidence Factor		0.00%	0.00%	0.00%						
Coincident Demand		-	-	-	-					
Individual Customer Load Factor		918.00%	1018.00%	1118.00%						
Sum of Individual Customer Demands		28	81	129	8,821	7,187				
<b>Commercial Service &lt; 50 KW</b>	<b>20</b>	3,508	3,510	3,513	3,502					
Kwh's		4,763,704	4,874,435	5,823,126	61,353,347					
Average Demand		6,403	6,770	7,827	7,004					
Diversified Load Factor		60.00%	60.00%	60.00%						
Non-Coincident Demand		10,671	11,283	13,045	140,233		14,246			
Coincidence Factor		80.00%	80.00%	80.00%						
Coincident Demand		8,537	9,027	10,436	112,186			112,186	30,313	81,874
Individual Customer Load Factor		23.00%	23.00%	23.00%						
Sum of Individual Customer Demands		8,013	8,171	8,449	98,627	8,627				

**JACKSON ENERGY COOPERATIVE**

Summary of Billing Determinants and Demand Analysis

Rate Schedule	Code	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
<b>Commercial Off Peak ETS</b>	<b>22</b>	7	7	7	6	5	5	4	4	4
Kwh's		12,764	8,764	7,394	1,252	612	76	86	142	29
Average Demand		17	12.17	10	2	1	0.10	0.13	0	0
Diversified Load Factor		60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%
Non-Coincident Demand		29	20	17	3	1	0	0	0	0
Coincidence Factor		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Coincident Demand		-	-	-	-	-	-	-	-	-
Individual Customer Load Factor		23.00%	23.00%	23.00%	23.00%	23.00%	23.00%	23.00%	23.00%	23.00%
Sum of Individual Customer Demands		8,360	1,851	2,333	2,623	2,566	2,951	3,125	2,721	2,716
<b>Large Power Loads 50 KW and Over</b>	<b>40</b>	151	153	152	152	152	154	155	154	158
Kwh's		5,681,266	4,928,233	5,662,368	5,219,159	5,667,873	5,811,225	6,215,326	6,131,786	5,470,697
Average Demand		7,636	6,844.77	7,611	7,249	7,618	7,811	9,249	8,242	7,598
Diversified Load Factor		60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%
Non-Coincident Demand		12,727	11,408	12,685	12,081	12,697	13,018	15,415	13,736	12,664
Coincidence Factor		80.00%	80.00%	80.00%	80.00%	80.00%	80.00%	80.00%	80.00%	80.00%
Coincident Demand		10,181	9,126	10,148	9,665	10,157	10,414	12,332	10,989	10,131
Individual Customer Load Factor		41.00%	41.41%	43.63%	42.24%	42.12%	44.06%	49.70%	44.91%	42.03%
Sum of Individual Customer Demands		18,626	16,528	17,446	17,163	18,087	17,727	18,609	18,350	18,078
<b>Large Power Rate 500 KW and Over</b>	<b>46</b>	2	2	2	2	2	2	2	2	2
Kwh's		1,281,711	1,161,880	1,251,800	1,317,560	1,407,640	1,503,000	1,675,480	1,642,680	1,503,640
Average Demand		1,723	1,613.72	1,683	1,830	1,892	2,020.16	2,493.27	2,208	2,088
Diversified Load Factor		60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%
Non-Coincident Demand		2,871	2,690	2,804	3,050	3,153	3,367	4,155	3,680	3,481
Coincidence Factor		80.00%	80.00%	80.00%	80.00%	80.00%	80.00%	80.00%	80.00%	80.00%
Coincident Demand		2,297	2,152	2,243	2,440	2,523	2,694	3,324	2,944	2,785
Individual Customer Load Factor		78.15%	60.98%	78.31%	78.01%	76.64%	75.46%	84.09%	80.90%	81.16%
Sum of Individual Customer Demands		2,204	2,646	2,148	2,346	2,469	2,677	2,965	2,729	2,573
<b>Large Power Rate 500 kW and Over</b>	<b>47</b>	5	5	5	5	5	5	5	5	5
Kwh's		4,400,038	4,009,318	4,449,398	4,294,358	4,706,838	4,717,638	4,552,038	5,132,598	4,559,398
Average Demand		5,914	5,568.50	5,980	5,964	6,326	6,340.91	6,773.87	6,899	6,332
Diversified Load Factor		60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%
Non-Coincident Demand		9,857	9,281	9,967	9,941	10,544	10,568	11,290	11,498	10,554
Coincidence Factor		80.00%	80.00%	80.00%	80.00%	80.00%	80.00%	80.00%	80.00%	80.00%
Coincident Demand		7,885	7,425	7,974	7,953	8,435	8,455	9,032	9,198	8,443
Individual Customer Load Factor		65.33%	60.12%	66.31%	63.13%	70.23%	67.80%	68.98%	69.77%	62.84%
Sum of Individual Customer Demands		9,053	9,263	9,019	9,447	9,008	9,352	9,820	9,887	10,078
<b>Schools, Churches, Halls &amp; Parks</b>	<b>50</b>	1,003	999	996	1,002	1,016	1,017	1,018	1,016	1,017
Kwh's		2,650,428	2,147,471	2,205,094	1,794,557	1,907,983	2,024,968	2,456,560	2,370,939	1,990,036
Average Demand		3,562	2,982.60	2,964	2,492	2,564	2,721.73	3,655.60	3,187	2,764
Diversified Load Factor		40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%
Non-Coincident Demand		8,906	7,456	7,410	6,231	6,411	6,804	9,139	7,967	6,910
Coincidence Factor		20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
Coincident Demand		1,781	1,491	1,482	1,246	1,282	1,361	1,828	1,593	1,382
Individual Customer Load Factor		15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%
Sum of Individual Customer Demands		23,749	19,884	19,759	16,616	17,097	18,145	24,371	21,245	18,426
<b>All Electric Schools AES</b>	<b>52</b>	23	23	23	23	23	23	23	23	21
Kwh's		1,016,600	856,702	931,800	760,720	803,420	676,106	776,212	1,024,491	928,792
Average Demand		1,366	1,189.86	1,252	1,057	1,080	908.74	1,155.08	1,377	1,290
Diversified Load Factor		35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%
Non-Coincident Demand		3,904	3,400	3,578	3,019	3,085	2,596	3,300	3,934	3,686
Coincidence Factor		35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%
Coincident Demand		1,366	1,190	1,252	1,057	1,080	909	1,155	1,377	1,290
Individual Customer Load Factor		23.00%	23.00%	23.00%	23.00%	23.00%	23.00%	23.00%	23.00%	23.00%
Sum of Individual Customer Demands		5,941	5,173	5,445	4,594	4,695	3,951	5,022	5,987	5,609

**JACKSON ENERGY COOPERATIVE**  
 Summary of Billing Determinants and Demand Analysis

<u>Rate Schedule</u>	<u>Code</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Total</u>	<u>SIC</u> <u>Max Demand</u>	<u>Class Demand</u> <u>During</u> <u>Peak Month</u>	<u>Sum of</u> <u>Coin Demand</u>	<u>Summer</u> <u>Coin Demand</u>	<u>Winter</u> <u>Coin Demand</u>
<b>Commercial Off Peak ETS</b>	<b>22</b>	6	7	8	6					
Kwh's		1,096	7,026	16,015	55,256					
Average Demand		1	10	22	6					
Diversified Load Factor		60.00%	60.00%	60.00%						
Non-Coincident Demand		2	16	36	125		36			
Coincidence Factor		0.00%	0.00%	0.00%						
Coincident Demand		-	-	-	-					
Individual Customer Load Factor		23.00%	23.00%	23.00%						
Sum of Individual Customer Demands		2,457	2,276	2,481	36,461	8,360				
<b>Large Power Loads 50 KW and Over</b>	<b>40</b>	156	159	148	154					
Kwh's		5,511,459	5,323,600	5,891,641	67,514,633					
Average Demand		7,408	7,394	7,919	7,707					
Diversified Load Factor		60.00%	60.00%	60.00%						
Non-Coincident Demand		12,346	12,323	13,198	154,298		15,415			
Coincidence Factor		80.00%	80.00%	80.00%						
Coincident Demand		9,877	9,859	10,558	123,438			123,438	33,735	89,703
Individual Customer Load Factor		40.47%	41.40%	40.42%						
Sum of Individual Customer Demands		18,306	17,861	19,591	216,372	19,591				
<b>Large Power Rate 500 KW and Over</b>	<b>46</b>	2	2	2	2					
Kwh's		1,386,360	1,218,840	1,271,160	16,621,751					
Average Demand		1,863	1,693	1,709	1,897					
Diversified Load Factor		60.00%	60.00%	60.00%						
Non-Coincident Demand		3,106	2,821	2,848	38,026		4,155			
Coincidence Factor		80.00%	80.00%	80.00%						
Coincident Demand		2,485	2,257	2,278	30,421			30,421	8,962	21,459
Individual Customer Load Factor		73.80%	78.92%	79.15%						
Sum of Individual Customer Demands		2,525	2,145	2,159	29,586	2,965				
<b>Large Power Rate 500 kW and Over</b>	<b>47</b>	5	5	5	5					
Kwh's		4,594,998	4,315,638	4,031,958	53,764,216					
Average Demand		6,176	5,994	5,419	6,137					
Diversified Load Factor		60.00%	60.00%	60.00%						
Non-Coincident Demand		10,293	9,990	9,032	122,815		11,498			
Coincidence Factor		80.00%	80.00%	80.00%						
Coincident Demand		8,235	7,992	7,226	98,252			98,252	26,685	71,567
Individual Customer Load Factor		65.52%	61.31%	59.03%						
Sum of Individual Customer Demands		9,426	9,777	9,180	113,310	10,078				
<b>Schools, Churches, Halls &amp; Parks</b>	<b>50</b>	1,012	1,004	1,007	1,009					
Kwh's		1,888,257	2,064,823	2,757,684	26,258,800					
Average Demand		2,538	2,868	3,707	2,998					
Diversified Load Factor		40.00%	40.00%	40.00%						
Non-Coincident Demand		6,345	7,170	9,266	90,015		9,266			
Coincidence Factor		20.00%	20.00%	20.00%						
Coincident Demand		1,269	1,434	1,853	18,003			18,003	4,782	13,221
Individual Customer Load Factor		15.00%	15.00%	15.00%						
Sum of Individual Customer Demands		16,920	19,119	24,710	240,041	24,710				
<b>All Electric Schools AES</b>	<b>52</b>	21	21	21	22					
Kwh's		870,568	882,174	1,013,984	10,541,569					
Average Demand		1,170	1,225	1,363	1,203					
Diversified Load Factor		35.00%	35.00%	35.00%						
Non-Coincident Demand		3,343	3,501	3,894	41,240		3,934			
Coincidence Factor		35.00%	35.00%	35.00%						
Coincident Demand		1,170	1,225	1,363	14,434			14,434	3,441	10,993
Individual Customer Load Factor		23.00%	23.00%	23.00%						
Sum of Individual Customer Demands		5,087	5,327	5,926	62,757	5,987				

**JACKSON ENERGY COOPERATIVE**  
 Summary of Billing Determinants and Demand Analysis

<u>Rate Schedule</u>	<u>Code</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>
<b>Outdoor Lighting</b>	<b>OL</b>	-	-	-	-	-	-	-	-	-
Kwh's		-	-	-	-	-	-	-	-	-
Average Demand		-	-	-	-	-	-	-	-	-
Diversified Load Factor		50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
Non-Coincident Demand		-	-	-	-	-	-	-	-	-
Coincidence Factor		100.00%	100.00%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Coincident Demand		-	-	-	-	-	-	-	-	-
Individual Customer Load Factor		50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
Sum of Individual Customer Demands		-	-	-	-	-	-	-	-	-
Sales		86,483,142	69,615,734	73,224,524	55,700,848	58,677,854	63,814,345	75,798,683	69,110,301	57,095,619
Metered CP		238,159	218,109	217,926	129,585	134,875	140,569	172,598	156,125	137,198
Purchases		91,345,973	73,354,991	77,372,518	58,865,484	61,836,672	66,953,012	79,692,889	72,753,562	60,457,720
Calculated CP		238,159	218,109	217,926	129,585	134,875	140,569	172,598	156,125	137,198
Difference		(0)	(0)	(0)	(0)	(0)	0	0	0	0

**JACKSON ENERGY COOPERATIVE**  
 Summary of Billing Determinants and Demand Analysis

<u>Rate Schedule</u>	<u>Code</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Total</u>	<u>SIC</u> <u>Max Demand</u>	<u>Class Demand</u> <u>During</u> <u>Peak Month</u>	<u>Sum of</u> <u>Coin Demand</u>	<u>Summer</u> <u>Coin Demand</u>	<u>Winter</u> <u>Coin Demand</u>
<b>Outdoor Lighting</b>	<b>OL</b>	-	-	-	-					
Kwh's		-	-	-	-					
Average Demand		-	-	-	-					
Diversified Load Factor		50.00%	50.00%	50.00%						
Non-Coincident Demand					-					
Coincidence Factor		100.00%	100.00%	100.00%						
Coincident Demand		-	-	-	-			-	-	-
Individual Customer Load Factor		50.00%	50.00%	50.00%						
Sum of Individual Customer Demands		-	-	-	-	-				
Sales		59,502,204	71,362,978	97,797,004	838,183,236					
Metered CP		163,051	188,184	240,759	2,137,138					
Purchases		63,293,375	75,342,203	103,075,102	884,343,501	95%				
Calculated CP		163,051	188,184	240,759	2,137,138	100%				
Difference		(0)	(0)	(0)	0					



## Exhibit JW-7

COSS: Purchased Power, Meters,  
& Services

**JACKSON ENERGY COOPERATIVE**  
**Purchased Power**

#	Item	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	TOTAL
1														
2	Billing Demand (kW)	238,159	218,109	217,926	129,585	134,875	140,569	172,598	156,125	137,198	163,051	188,184	240,759	2,137,138
3	Energy (kWh)	91,345,973	73,354,991	77,372,518	58,865,484	61,836,672	66,953,012	79,692,889	72,753,562	60,457,720	63,293,375	75,342,203	103,075,102	884,343,501
4	Demand Charge	1,429,868	1,308,662	1,310,612	776,700	809,727	846,930	1,039,624	937,908	826,953	981,470	1,135,889	1,448,759	12,853,102
5	Energy Charge	4,412,725	3,545,463	3,740,660	2,844,082	3,043,908	3,314,026	3,951,370	3,601,003	2,836,080	2,903,509	3,459,545	4,732,184	42,384,556
6	Metering Point	4,176	4,176	4,176	4,176	4,176	4,176	4,176	4,176	4,176	4,176	4,176	4,176	50,112
7	Sub/Wheeling Charge	105,911	105,911	105,911	105,911	105,911	105,911	105,911	105,911	105,911	105,911	105,911	105,911	1,270,932
8	Fuel Adjustment Clause	(291,156)	(286,499)	(560,542)	(279,883)	(322,691)	(332,440)	(511,517)	(379,356)	(420,397)	(166,770)	(244,218)	(236,244)	(4,031,713)
9	Environmental Surcharge	944,825	514,545	551,880	530,309	548,914	767,887	817,529	744,187	525,274	661,548	902,968	1,072,512	8,582,378
10	<b>SUBTOTAL</b>	<b>6,606,349</b>	<b>5,192,258</b>	<b>5,152,697</b>	<b>3,981,295</b>	<b>4,189,945</b>	<b>4,706,490</b>	<b>5,407,093</b>	<b>5,013,829</b>	<b>3,877,997</b>	<b>4,489,844</b>	<b>5,364,271</b>	<b>7,127,298</b>	<b>61,109,367</b>
11	Direct Load Control	(2,306)	(2,306)	(2,307)	(2,325)	(2,321)	(2,321)	(2,332)	(2,347)	(2,337)	(2,332)	(2,342)	(2,360)	(27,936)
12	Direct Load Surcharge	(390)	(259)	(283)	(366)	(357)	(461)	(423)	(417)	(371)	(409)	(480)	(422)	(4,638)
13	Direct Load Total Charge	(2,696)	(2,565)	(2,590)	(2,691)	(2,678)	(2,782)	(2,755)	(2,764)	(2,708)	(2,741)	(2,822)	(2,782)	(32,574)
14	Green Power KWH	7,800	7,600	7,600	7,600	7,500	7,600	7,400	7,400	7,400	7,400	7,400	7,300	90,000
15	Green Power Charge	195	190	190	190	188	190	185	185	185	185	185	183	2,251
16	Generator Credit	-	-	-	-	-	-	-	-	-	-	-	-	-
17	<b>TOTAL</b>	<b>6,603,848</b>	<b>5,189,883</b>	<b>5,150,297</b>	<b>3,978,794</b>	<b>4,447,267</b>	<b>4,703,898</b>	<b>5,404,523</b>	<b>5,011,250</b>	<b>3,875,474</b>	<b>4,487,288</b>	<b>5,361,634</b>	<b>7,124,699</b>	<b>58,338,856</b>
18														
19														
20	SubTotal Demand \$	\$2,154,091	\$1,753,203	\$1,779,421	\$1,231,488	\$1,276,608	\$1,456,144	\$1,681,105	\$1,531,717	\$1,278,468	\$1,521,563	\$1,832,905	\$2,255,979	19,752,692
21	SubTotal Energy \$	\$4,452,258	\$3,439,054	\$3,373,276	\$2,749,808	\$2,913,337	\$3,250,347	\$3,725,989	\$3,482,112	\$2,599,529	\$2,968,281	\$3,531,366	\$4,871,320	41,356,675
22	SubTotal \$	\$6,606,349	\$5,192,258	\$5,152,697	\$3,981,295	\$4,189,945	\$4,706,490	\$5,407,093	\$5,013,829	\$3,877,997	\$4,489,844	\$5,364,271	\$7,127,298	61,109,367
23	Variance \$	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	-
24	SubTotal Demand %	0.33	0.34	0.35	0.31	0.30	0.31	0.31	0.31	0.33	0.34	0.34	0.32	<b>0.32</b>
25	SubTotal Energy %	0.67	0.66	0.65	0.69	0.70	0.69	0.69	0.69	0.67	0.66	0.66	0.68	<b>0.68</b>
26														
27														
28													Total	61,109,367
29													Acct 555	61,109,367
30														
31	Estimated ES Demand Share	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	<b>65%</b>
32	Estimated ES Energy Share	35%	35%	35%	35%	35%	35%	35%	35%	35%	35%	35%	35%	<b>35%</b>

**JACKSON ENERGY COOPERATIVE**  
**Meter Costs**

<b>#</b>	<b>Rate</b>	<b>Rate Code</b>	<b>Installed Meters</b>	<b>Avg Meter Cost</b>	<b>Total Cost</b>	<b>Allocation Factor</b>
1	Residential Service	10	46,697	\$ 271	\$ 12,659,090	87.45%
2	Residential Off Peak ETS	11	509	\$ 271	\$ 137,985	0.95%
3	Commercial Service < 50 KW	20	3,502	\$ 217	\$ 761,300	5.26%
4	Commercial Off Peak ETS	22	6	\$ 217	\$ 1,304	0.01%
5	Large Power Loads 50 KW and Over	40	154	\$ 596	\$ 91,735	0.63%
6	Large Power Rate 500 KW and Over	46	2	\$ 596	\$ 1,191	0.01%
7	Large Power Rate 500 kW and Over	47	5	\$ 596	\$ 2,978	0.02%
8	Schools, Churches, Halls & Parks	50	1,009	\$ 802	\$ 808,714	5.59%
9	All Electric Schools AES	52	22	\$ 532	\$ 11,714	0.08%
10	Outdoor Lighting	OL	-	\$ -	\$ -	0.00%
11	<b>Total</b>		<b>51,906</b>	<b>\$ 278.89</b>	<b>\$ 14,476,011</b>	<b>100.00%</b>

**JACKSON ENERGY COOPERATIVE**  
**Service Costs**

<b>#</b>	<b>Rate</b>	<b>Rate Code</b>	<b>Average Number of Services</b>	<b>Average Service Cost</b>	<b>Total Cost</b>	<b>Allocation Factor</b>
1	Residential Service	10	46,697	\$ 287	\$ 13,402,039	83.63%
2	Residential Off Peak ETS	11	509	\$ 29	\$ 14,608	0.09%
3	Commercial Service < 50 KW	20	3,502	\$ 646	\$ 2,261,417	14.11%
4	Commercial Off Peak ETS	22	6	\$ 29	\$ 172	0.00%
5	Large Power Loads 50 KW and Over	40	154	\$ 287	\$ 44,198	0.28%
6	Large Power Rate 500 KW and Over	46	2	\$ -	\$ -	0.00%
7	Large Power Rate 500 kW and Over	47	5	\$ -	\$ -	0.00%
8	Schools, Churches, Halls & Parks	50	1,009	\$ 287	\$ 289,583	1.81%
9	All Electric Schools AES	52	22	\$ 569	\$ 12,524	0.08%
10	Outdoor Lighting	OL	-	\$ -	\$ -	0.00%
11	<b>Total</b>		<b>51,906</b>	<b>\$ 308.72</b>	<b>\$ 16,024,541</b>	<b>100.00%</b>

## Exhibit JW-8

### COSS: Zero Intercept Analysis

**JACKSON ENERGY COOPERATIVE**  
**Zero Intercept & Minimum System Analyses**

**Account 364 - Poles, Towers & Fixtures**

Description	Size	Cost	Quantity	Actual Unit Cost (\$ per Unit)	Linear Regression Inputs		
					y*n^0.5	n^0.5	xn^0.5
25' POLE	25	\$ 671,609.76	5,458	123.05	9,090.76	73.88	1,846.96
30' POLE	30	\$ 7,437,413.92	22,370	332.47	49,726.62	149.57	4,486.98
35' POLE	35	2,717,461.27	13,767	197.39	23,160.27	117.33	4,106.65
40' POLE	40	23,876,523.09	41,742	572.00	116,865.00	204.31	8,172.34
45' POLE	45	10,305,082.75	13,750	749.46	87,882.04	117.26	5,276.72
50' POLE	50	3,650,292.58	4,139	881.93	56,738.78	64.34	3,216.75
55' POLE	55	1,371,877.51	1,335	1,027.62	37,546.95	36.54	2,009.57
60' POLE	60	239,240.32	219	1,092.42	16,166.36	14.80	887.92
65' POLE	65	86,483.20	67	1,290.79	10,565.60	8.19	532.05
70' POLE	70	18,489.87	14	1,320.71	4,941.63	3.74	261.92
75' POLE	75	31,812.62	11	2,892.06	9,591.87	3.32	248.75
80' POLE	80	1,552.06	3	517.35	896.08	1.73	138.56
85' POLE	85	1,487.61	1	1,487.61	1,487.61	1.00	85.00
20' AL. POLE	20	112,484.68	225	499.93	7,498.98	15.00	300.00
25' AL. POLE	25	442,518.14	160	2,765.74	34,984.13	12.65	316.23
<b>TOTAL</b>		<b>\$ 50,964,329.38</b>	<b>103,261</b>				

**Zero Intercept Linear Regression Results**

Size Coefficient (\$ per MCM)	28.59222
Zero Intercept (\$ per Unit)	(582.54639)
R-Square	0.9359

**LINEST Array**

28.59222	(582.54639)
5.76426	220.31267
0.93594	12,334.06636

**Plant Classification**

Total Number of Units	103,261
Zero Intercept (\$/Unit)	\$ (582.55)
Minimum System (\$/Unit)	\$ 123.05
Use Min System (M) or Zero Intercept (Z)?	M
Zero Intercept or Min System Cost (\$)	\$ 12,706,320
Total Cost of Sample	\$ 50,964,329
Percentage of Total	0.2493
Percentage Classified as Customer-Related	24.93%
Percentage Classified as Demand-Related	75.07%

**JACKSON ENERGY COOPERATIVE**  
**Zero Intercept & Minimum System Analyses**

**Account 365 - Overhead Conductors and Devices**

Description	Size	Cost	Quantity	Actual Unit Cost (\$ per Unit)	Linear Regression Inputs		
					y*n^0.5	n^0.5	xn^0.5
2ACSR	66.37	3,017,642.95	5,228,311	0.58	1,319.74	2,286.55	151,758.32
4ACSR	41.74	2,166,530.48	9,147,770	0.24	716.32	3,024.53	126,243.80
4/0 ACSR	41.74	8,823.97	22,607	0.39	58.69	150.36	6,275.87
3/0 ACSR	167.80	2,376,802.25	3,106,567	0.77	1,348.51	1,762.55	295,755.15
1/0 ACSR	105.53	13,742,908.41	16,237,196	0.85	3,410.54	4,029.54	425,237.40
336.4 ACSR	336.40	10,529,498.24	6,990,563	1.51	3,982.46	2,643.97	889,430.59
477 ACSR	477.00	107,587.05	69,343	1.55	408.56	263.33	125,608.69
4ACWC	41.74	744.61	850	0.88	25.54	29.15	1,216.92
6ACWC	26.25	1,030,075.32	6,621,698	0.16	400.30	2,573.27	67,548.23
8ACWC	16.51	952,195.70	6,216,367	0.15	381.91	2,493.26	41,163.79
6 BARE COPPER	26.25	21,794.60	7,224	3.02	256.42	84.99	2,231.10
1/0 7 STRAND COPPER	738.71	42,696.50	93,562	0.46	139.59	305.88	225,955.92
<b>TOTAL</b>		<b>\$ 33,997,300.08</b>	<b>53,742,058</b>				

**Zero Intercept Linear Regression Results**

Size Coefficient (\$ per MCM)	0.00388
Zero Intercept (\$ per Unit)	0.22105
R-Square	0.9361

**LINEST Array**

0.00388	0.22105
0.00060	0.08879
0.93607	453.20998

**Plant Classification**

Total Number of Units	53,742,058
Zero Intercept (\$/Unit)	\$ 0.22
Minimum System (\$/Unit)	\$ 0.15
Use Min System (M) or Zero Intercept (Z)?	Z
Zero Intercept or Min System Cost (\$)	\$ 11,879,723
Total Cost of Sample	\$ 33,997,300
Percentage of Total	0.3494
Percentage Classified as Customer-Related	34.94%
Percentage Classified as Demand-Related	65.06%

**JACKSON ENERGY COOPERATIVE**  
**Zero Intercept & Minimum System Analyses**

**Account 367 - Underground Conductors and Devices**

Description	Size	Cost	Quantity	Actual Unit Cost (\$ per Unit)	Linear Regression Inputs		
					y*n^0.5	n^0.5	xn^0.5
350 MCM URD PRIMARY	350.00	271,129.61	36,563	7.42	1,417.93	191.21	66,925.09
500 MCM URD PRIMARY	500.00	17,761.60	7,402	2.40	206.45	86.03	43,017.44
2 AL CONCENTRIC URD	66.37	63.82	61	1.05	8.17	7.81	518.37
1/0 15KV URD PRIMARY	105.53	4,484,956.91	1,115,334	4.02	4,246.74	1,056.09	111,449.57
WIRE, 2/0 15KV URD PRIMARY	66.37	1,479.73	2,061	0.72	32.59	45.40	3,013.08
<b>TOTAL</b>		<b>\$ 4,775,391.67</b>	<b>1,161,421</b>				

**Zero Intercept Linear Regression Results**

Size Coefficient (\$ per MCM)	0.00770
Zero Intercept (\$ per Unit)	3.22060
R-Square	0.9869

**LINEST Array**

0.00770	3.22060
0.00522	0.66314
0.98691	296.12249

**Plant Classification**

Total Number of Units	1,161,421
Zero Intercept (\$/Unit)	\$ 3.22
Minimum System (\$/Unit)	\$ 0.72
Use Min System (M) or Zero Intercept (Z)?	Z
Zero Intercept or Min System Cost (\$)	\$ 3,740,476
Total Cost of Sample	\$ 4,775,392
Percentage of Total	0.7833
Percentage Classified as Customer-Related	78.33%
Percentage Classified as Demand-Related	21.67%



**JACKSON ENERGY COOPERATIVE**  
**Zero Intercept & Minimum System Analyses**

**Account 368 - Line Transformers**

Description	Size	Cost	Quantity	Actual Unit Cost (\$ per Unit)	Linear Regression Inputs			NARUC CAM	
					y*n^0.5	n^0.5	xn^0.5	Incl?	Qty
TRANSFORMERS- 1.5 KVA CONV.	1.50	90.85	1	90.85	90.85	1.00	1.50	1	1
TRANSFORMERS- 3 KVA CONV.	3.00	8,122.76	72	112.82	957.28	8.49	25.46	1	72
TRANSFORMERS- 5 KVA CONV.	5.00	19,276.12	165	116.82	1,500.64	12.85	64.23	1	165
TRANSFORMERS- 10 KVA CONV.	10.00	177,341.28	494	358.99	7,978.96	22.23	222.26	1	494
TRANSFORMERS- 15 KVA CONV.	15.00	238,618.10	600	397.70	9,741.54	24.49	367.42	1	600
TRANSFORMERS- 25 KVA CONV.	25.00	313,752.81	644	487.19	12,363.59	25.38	634.43	1	644
TRANSFORMERS- 37.5 KVA CONV.	37.50	168,961.95	343	492.60	9,123.09	18.52	694.51	1	343
TRANSFORMERS- 50 KVA CONV.	50.00	355,394.75	471	754.55	16,375.73	21.70	1,085.13	1	471
TRANSFORMERS- 75 KVA CONV.	75.00	185,525.32	162	1,145.22	14,576.25	12.73	954.59	0	-
TRANSFORMERS- 100 KVA CONV.	100.00	103,099.26	61	1,690.15	13,200.51	7.81	781.02	0	-
TRANSFORMERS- 167 KVA CONV.	167.00	117,491.85	53	2,216.83	16,138.75	7.28	1,215.78	0	-
TRANSFORMERS- 333 KVA CONV.	333.00	105,290.90	20	5,264.55	23,543.76	4.47	1,489.22	0	-
TRANSFORMERS 2500 KVA CONV.	2,500.00	18,535.26	1	18,535.26	18,535.26	1.00	2,500.00	0	-
TRANSFORMERS 1.5 KVA CSP	1.50	1,752.76	15	116.85	452.56	3.87	5.81	1	15
TRANSFORMERS- 10 KVA CSP	10.00	1,954,290.61	5,302	368.59	26,839.18	72.81	728.15	1	5,302
TRANSFORMERS- 15 KVA CSP	15.00	6,352,903.47	13,586	467.61	54,503.76	116.56	1,748.38	1	13,586
TRANSFORMERS- 25 KVA CSP	25.00	4,272,485.40	7,678	556.46	48,759.20	87.62	2,190.60	1	7,678
TRANSFORMERS- 37.5 KVA CSP	37.50	1,060,490.93	1,339	792.00	28,981.22	36.59	1,372.21	1	1,339
TRANSFORMERS- 50 KVA CSP	50.00	178,571.83	186	960.06	13,093.52	13.64	681.91	1	186
TRANSFORMERS- 25 KVA PADMOUNT	25.00	1,135,334.37	1,053	1,078.19	34,987.23	32.45	811.25	1	1,053
TRANSFORMERS- 37.5 KVA PAD.	37.50	254,054.30	228	1,114.27	16,825.16	15.10	566.24	1	228
TRANSFORMERS- 50 KVA PADMOUNT	50.00	163,705.48	117	1,399.19	15,134.58	10.82	540.83	1	117
TRANSFORMERS- 75 KVA PADMOUNT	75.00	144,915.26	62	2,337.34	18,404.26	7.87	590.55	0	-
TRANSFORMERS- 100 KVA PAD.	100.00	78,840.70	37	2,130.83	12,961.33	6.08	608.28	0	-
TRANSFORMERS- 150 KVA PAD.	150.00	50,224.83	9	5,580.54	16,741.61	3.00	450.00	0	-
TRANSFORMERS-167 KVA PAD.	167.00	61,815.13	22	2,809.78	13,179.03	4.69	783.30	0	-
TRANSFORMERS- 225 KVA PAD.	225.00	40,529.06	7	5,789.87	15,318.54	2.65	595.29	0	-
TRANSFORMERS- 500 KVA PAD.	500.00	248,142.03	41	6,052.24	38,753.27	6.40	3,201.56	0	-
TRANSFORMERS- 750 KVA PAD.	750.00	160,390.15	18	8,910.56	37,804.32	4.24	3,181.98	0	-
TRANSFORMERS- 1500 KVA PAD.	1,500.00	95,099.17	7	13,585.60	35,944.11	2.65	3,968.63	0	-
TRANSFORMER- 2000 KVA CONV	2,000.00	73,296.50	4	18,324.13	36,648.25	2.00	4,000.00	0	-
TRANSFORMERS- 2,500 KVA PADMO	2,500.00	282,075.98	13	21,698.15	78,233.80	3.61	9,013.88	0	-
TRANSFORMERS -112.5 KVA PADMOUN	112.50	113,947.48	30	3,798.25	20,803.87	5.48	616.19	0	-
TRANSFORMERS - 300 KVA PADMOUNT	300.00	173,938.12	32	5,435.57	30,748.21	5.66	1,697.06	0	-
TRANSFORMERS- 45 KVA PADMOUNT	45.00	4,223.38	1	4,223.38	4,223.38	1.00	45.00	1	1
TRANSFORMERS-1,000 KVA PADMOUN	1,000.00	209,139.11	20	10,456.96	46,764.93	4.47	4,472.14	0	-
TRANSFORMERS- 1 KVA CONV	1.00	26,707.23	72	370.93	3,147.48	8.49	8.49	1	72
TRANSFORMERS - 75 KVA CSP	75.00	18,469.20	16	1,154.33	4,617.30	4.00	300.00	0	-
TRANSFORMERS -15 KVA PAD	15.00	50,143.20	53	946.10	6,887.70	7.28	109.20	1	53
112 KVA CONVENTIONAL TRANSFORM	112.00	3,714.42	1	3,714.42	3,714.42	1.00	112.00	0	-
TRANSFORMER -15 KVA CONV. I B	15.00	1,619,954.82	2,216	731.03	34,412.64	47.07	706.12	1	2,216
TRANSFORMER- 25 KVA CONV. I B	25.00	1,159,023.43	1,324	875.40	31,852.84	36.39	909.67	1	1,324
TRANSFORMER- 37.5 KVA CONV. I	37.50	42,580.70	42	1,013.83	6,570.34	6.48	243.03	1	42
TRANSFORMER - 50 KVA CONV. I B	50.00	283,085.46	213	1,329.04	19,396.70	14.59	729.73	1	213
DOE Transf.*10 KVA CONY 1B	10.00	2,581,780.21	3,178	812.39	45,797.56	56.37	563.74	1	3,178
DOE Transf.*15 KVA CONY 1B	15.00	1,746,529.26	1,933	903.53	39,724.64	43.97	659.49	1	1,933
DOE Transf.*50 KVA CONY 1B	50.00	588,604.44	337	1,746.60	32,063.33	18.36	917.88	1	337
DOE Transf.*10 KVA CONY 2B	10.00	32,664.45	41	796.69	5,101.33	6.40	64.03	1	41
DOE Transf.*15 KVA CONY 2B	15.00	64,291.71	71	902.21	7,616.09	8.44	126.62	1	71

**JACKSON ENERGY COOPERATIVE**  
**Zero Intercept & Minimum System Analyses**

DOE Transf.*50 KVA CONY 2B	50.00	47,816.32	26	1,839.09	9,377.55	5.10	254.95	1	26
DOE Transf.*75 KVA CONY 2B	75.00	76,840.55	27	2,815.70	14,709.19	5.22	391.80	0	-
DOE Transf.*100 KVA CONY 2B	100.00	88,020.80	29	3,035.20	16,345.05	5.39	538.52	0	-
DOE Transf.*167 KVA CONY 2B	167.00	65,601.44	14	4,685.82	17,532.72	3.74	624.86	0	-
DOE Transf.* 250 KVA CONY 2B	250.00	17,200.32	3	5,733.44	9,930.61	1.73	433.01	0	-
DOE Transf.-15 KVA PADMOUNT	15.00	554,572.73	367	1,511.10	28,948.46	19.16	287.36	1	367
DOE Transf.-50 KVA PADMOUNT	50.00	160,860.86	75	2,144.81	18,574.61	8.66	433.01	1	75
DOE Transf.* 75 KVA PADMOUNT	75.00	25,000.58	9	2,777.84	8,333.53	3.00	225.00	0	-
DOE Transf.-100 KVA PADMOUNT	100.00	6,114.15	2	3,057.08	4,323.36	1.41	141.42	0	-
DOE Transf.-167 KVA PADMOUNT	167.00	13,462.24	3	4,487.41	7,772.43	1.73	289.25	0	-
DOE Transf.* 25 KVA PADMOUNT	25.00	11,788.56	7	1,684.08	4,455.66	2.65	66.14	1	7
DOE Transf.-25 KVA CONY 2B	25.00	7,519.62	6	1,253.27	3,069.87	2.45	61.24	1	6
DOE TRANSF. -1000 KVA PADMOUNT	1,000.00	87,055.78	6	14,509.30	35,540.37	2.45	2,449.49	0	-
DOE TRANSFORMER-1500 KVAPADMO	1,500.00	35,866.40	2	17,933.20	25,361.37	1.41	2,121.32	0	-
DOE TRANSFORMER-300 KVA PADMOUN	300.00	96,823.29	12	8,068.61	27,950.48	3.46	1,039.23	0	-
DOE TRANSFORMER-500 KVA PADMOUN	500.00	110,055.27	11	10,005.02	33,182.91	3.32	1,658.31	0	-
DOE TRANSFORMER - 2500 KVA PADMO	2,500.00	116,941.53	4	29,235.38	58,470.77	2.00	5,000.00	0	-
DOE TRANSFORMER-112.5 KVA PADMO	112.50	47,783.51	8	5,972.94	16,894.02	2.83	318.20	0	-
<b>TOTAL</b>		<b>\$ 28,708,539.74</b>	<b>43,003</b>						<b>42,256</b>

**Zero Intercept Linear Regression Results**

Size Coefficient (\$ per MCM)  
 Zero Intercept (\$ per Unit)  
 R-Square

10.22480  
 431.04539  
 0.9077

**LINEST Array**

10.22480      431.04539  
 0.55608      40.56574  
 0.90770      7,977.89183

**Plant Classification**

Total Number of Units	*	42,256
Zero Intercept (\$/Unit)	\$	431.05
Minimum System (\$/Unit)	\$	90.85
Use Min System (M) or Zero Intercept (Z)?		Z
Zero Intercept or Min System Cost (\$)	\$	18,214,366
Total Cost of Sample	\$	28,708,540
Percentage of Total		0.6345
Percentage Classified as Customer-Related		63.45%
Percentage Classified as Demand-Related		36.55%

\* Only single-phase up to 50 KVA should be included  
 in the Customer-related component per NARUC CAM

<b>Descriptor</b>	<b>Acct</b>	<b>Demand</b>	<b>Customer</b>
Poles, Towers and Fixtures	364	0.7507	0.2493
Overhead Conductors and Devices	365	0.6506	0.3494
Underground Conductors and Devices	367	0.2167	0.7833
Line Transformers	368	0.3655	0.6345

# Exhibit JW-9

## Present & Proposed Rates

**JACKSON ENERGY COOPERATIVE**  
**Present and Proposed Rates**

Rate Class			Rates				Revenues					
Classification	Code	Billing Unit	Test Year Rate	Present Rate	Proposed Rate	Incr (Decr) Over Pres	Test Year Revenue	Present Revenue	Proposed Revenue	Increase \$	Increase %	Increase Avg Bill
Residential Service	10	Customer Charge (per month)	16.44	16.44	24.00	7.56	\$ 69,685,142	\$ 69,685,142	\$ 69,685,142	\$ -	0.0%	\$0.00
		Energy Charge (per kWh)	0.09591	0.09591	0.08882	(0.00709)						
Residential Off Peak ETS	11	Customer Charge (per month)	-	-	-	-	\$ 268,654	\$ 268,654	\$ 268,654	\$ -	0.0%	\$0.00
		Energy Charge (per kWh)	0.05755	0.05755	0.05755	-						
Commercial Service < 50 KW	20	Customer Charge (per month)	39.47	39.47	39.47	-	\$ 6,596,539	\$ 6,596,539	\$ 6,596,539	\$ -	0.0%	\$0.00
		Energy Charge (per kWh)	0.08551	0.08551	0.08551	-						
Commercial Off Peak ETS	22	Customer Charge (per month)	-	-	-	-	\$ 2,851	\$ 2,851	\$ 2,851	\$ -	0.0%	\$0.00
		Energy Charge (per kWh)	0.05131	0.05131	0.05131	-						
Large Power Loads 50 KW and Over	40	Customer Charge (per month)	56.95	56.95	56.95	-	\$ 5,978,577	\$ 5,978,577	\$ 5,978,577	\$ -	0.0%	\$0.00
		Energy Charge (per kWh)	0.06321	0.06321	0.06321	-						
		Demand Charge (per kW)	6.59	6.59	6.59	-						
Large Power Rate 500 KW and Over	46	Customer Charge (per month)	1,700.47	1,700.47	1,700.47	-	\$ 1,097,259	\$ 1,097,259	\$ 1,097,259	\$ -	0.0%	\$0.00
		Energy Charge (per kWh)	0.04844	0.04844	0.04844	-						
		Demand Charge (per kW)	6.84	6.84	6.84	-						
Large Power Rate 500 kW and Over	47	Customer Charge (per month)	1,700.47	1,700.47	1,700.47	-	\$ 3,570,071	\$ 3,570,071	\$ 3,570,071	\$ -	0.0%	\$0.00
	0.0405	Energy Charge (per kWh)	0.04948	0.04948	0.04948	-						
	7.17	Demand Charge Contract (per kW)	6.84	6.84	6.84	-						
	9.98	Demand Charge Excess (per kW)	9.50	9.50	9.50	-						
Schools, Churches, Halls & Parks	50	Customer Charge (per month)	22.49	22.49	22.49	-	\$ 2,811,758	\$ 2,811,758	\$ 2,811,758	\$ -	0.0%	\$0.00
		Energy Charge (per kWh)	0.09223	0.09223	0.09223	-						
All Electric Schools AES	52	Customer Charge (per month)	55.96	55.96	55.96	-	\$ 840,265	\$ 840,265	\$ 840,265	\$ -	0.0%	\$0.00
		Energy Charge (per kWh)	0.07632	0.07632	0.07632	-						
Outdoor Lighting	OL						\$ 2,767,310	\$ 2,767,310	\$ 2,767,310	\$ -	0.0%	\$0.00
<b>TOTAL</b>							<b>\$ 93,618,425</b>	<b>\$ 93,618,425</b>	<b>\$ 93,618,425</b>	<b>\$ -</b>	<b>0.0%</b>	

JACKSON ENERGY COOPERATIVE

Residential Service

10

	Test Year Rate			Present Rate			Proposed Rates		
	Billing Units	Rate	Calculated Billings	Rate	Calculated Billings	Billing Units	Rate	Calculated Billings	
<b>Customer Charge</b>									
	<i>Customers</i>	<i>per Customer</i>		<i>per Customer</i>		<i>Customers</i>	<i>per Customer</i>		
Test Year	560,358	\$ 16.44	\$ 9,212,286	\$ 16.44	\$ 9,212,286	560,358	\$ 24.00	\$ 13,448,592	
<b>Energy Charge</b>									
	<i>kWh</i>	<i>Per kWh</i>		<i>Per kWh</i>		<i>kWh</i>	<i>Per kWh</i>		
All Hours	597,456,564	\$0.09591	\$ 57,302,059	\$0.09591	\$ 57,302,059	597,456,564	\$0.08882	\$ 53,065,753	
<b>Other</b>									
FAC			\$ (3,110,553)		\$ (3,110,553)			\$ (3,110,553)	
ES			\$ 6,281,350		\$ 6,281,350			\$ 6,281,350	
OL			\$ -		\$ -			\$ -	
<b>Total Rate Revenue</b>			<u>\$ 69,685,142</u>		<u>\$ 69,685,142</u>			<u>\$ 69,685,142</u>	
<b>Revenue Per Books</b>			\$ 69,534,663					\$ -	
<b>Difference</b>			\$ 150,479		\$ -			0%	
<b>Percent Difference</b>			0.22%		0.00%	<b>Avg Incr/(Decr) Per Customer Per Month</b>		\$ -	

**JACKSON ENERGY COOPERATIVE**  
**Monthly Base Rate Increase by KWH**  
**Residential**

#	Monthly kWh	Present Base Rates			Proposed Base Rates			Increase	
		Customer	Energy	Total	Customer	Energy	Total	\$	%
		\$ 16.44	\$ 0.09591		\$ 24.00	\$ 0.08882			
1	-	\$ 16.44	\$ -	\$ 16.44	\$ 24.00	\$ -	\$ 24.00	\$ 7.56	46.0%
2	100	\$ 16.44	\$ 9.59	\$ 26.03	\$ 24.00	\$ 8.88	\$ 32.88	\$ 6.85	26.3%
2	200	\$ 16.44	\$ 19.18	\$ 35.62	\$ 24.00	\$ 17.76	\$ 41.76	\$ 6.14	17.2%
3	300	\$ 16.44	\$ 28.77	\$ 45.21	\$ 24.00	\$ 26.65	\$ 50.65	\$ 5.43	12.0%
4	400	\$ 16.44	\$ 38.36	\$ 54.80	\$ 24.00	\$ 35.53	\$ 59.53	\$ 4.72	8.6%
2	500	\$ 16.44	\$ 47.96	\$ 64.40	\$ 24.00	\$ 44.41	\$ 68.41	\$ 4.01	6.2%
3	600	\$ 16.44	\$ 57.55	\$ 73.99	\$ 24.00	\$ 53.29	\$ 77.29	\$ 3.31	4.5%
4	700	\$ 16.44	\$ 67.14	\$ 83.58	\$ 24.00	\$ 62.17	\$ 86.17	\$ 2.60	3.1%
5	800	\$ 16.44	\$ 76.73	\$ 93.17	\$ 24.00	\$ 71.06	\$ 95.06	\$ 1.89	2.0%
6	900	\$ 16.44	\$ 86.32	\$ 102.76	\$ 24.00	\$ 79.94	\$ 103.94	\$ 1.18	1.1%
7	1,000	\$ 16.44	\$ 95.91	\$ 112.35	\$ 24.00	\$ 88.82	\$ 112.82	\$ 0.47	0.4%
8	1,100	\$ 16.44	\$ 105.50	\$ 121.94	\$ 24.00	\$ 97.70	\$ 121.70	\$ (0.24)	-0.2%
9	1,200	\$ 16.44	\$ 115.09	\$ 131.53	\$ 24.00	\$ 106.58	\$ 130.58	\$ (0.95)	-0.7%
10	1,300	\$ 16.44	\$ 124.68	\$ 141.12	\$ 24.00	\$ 115.47	\$ 139.47	\$ (1.66)	-1.2%
11	1,400	\$ 16.44	\$ 134.27	\$ 150.71	\$ 24.00	\$ 124.35	\$ 148.35	\$ (2.37)	-1.6%
12	1,500	\$ 16.44	\$ 143.87	\$ 160.31	\$ 24.00	\$ 133.23	\$ 157.23	\$ (3.08)	-1.9%
13	1,600	\$ 16.44	\$ 153.46	\$ 169.90	\$ 24.00	\$ 142.11	\$ 166.11	\$ (3.78)	-2.2%
14	1,700	\$ 16.44	\$ 163.05	\$ 179.49	\$ 24.00	\$ 150.99	\$ 174.99	\$ (4.49)	-2.5%
15	1,800	\$ 16.44	\$ 172.64	\$ 189.08	\$ 24.00	\$ 159.87	\$ 183.87	\$ (5.20)	-2.8%
16	1,900	\$ 16.44	\$ 182.23	\$ 198.67	\$ 24.00	\$ 168.76	\$ 192.76	\$ (5.91)	-3.0%
17	2,000	\$ 16.44	\$ 191.82	\$ 208.26	\$ 24.00	\$ 177.64	\$ 201.64	\$ (6.62)	-3.2%
18	2,100	\$ 16.44	\$ 201.41	\$ 217.85	\$ 24.00	\$ 186.52	\$ 210.52	\$ (7.33)	-3.4%
19	2,200	\$ 16.44	\$ 211.00	\$ 227.44	\$ 24.00	\$ 195.40	\$ 219.40	\$ (8.04)	-3.5%
20	2,300	\$ 16.44	\$ 220.59	\$ 237.03	\$ 24.00	\$ 204.28	\$ 228.28	\$ (8.75)	-3.7%
21	2,400	\$ 16.44	\$ 230.18	\$ 246.62	\$ 24.00	\$ 213.17	\$ 237.17	\$ (9.46)	-3.8%
22	2,500	\$ 16.44	\$ 239.78	\$ 256.22	\$ 24.00	\$ 222.05	\$ 246.05	\$ (10.17)	-4.0%
23	2,600	\$ 16.44	\$ 249.37	\$ 265.81	\$ 24.00	\$ 230.93	\$ 254.93	\$ (10.88)	-4.1%
24	2,700	\$ 16.44	\$ 258.96	\$ 275.40	\$ 24.00	\$ 239.81	\$ 263.81	\$ (11.58)	-4.2%
25	2,800	\$ 16.44	\$ 268.55	\$ 284.99	\$ 24.00	\$ 248.69	\$ 272.69	\$ (12.29)	-4.3%
26	2,900	\$ 16.44	\$ 278.14	\$ 294.58	\$ 24.00	\$ 257.58	\$ 281.58	\$ (13.00)	-4.4%
27	3,000	\$ 16.44	\$ 287.73	\$ 304.17	\$ 24.00	\$ 266.46	\$ 290.46	\$ (13.71)	-4.5%