Owen Electric Cooperative, Inc.
Rules and Regulations No. 40
Exhibit A (April 1, 1999)
Average Cost Differential for Underground Electric Distribution

1. Underground primary cost differential per trench foot. $5.20

2. Underground service cost differential from an overhead or underground source, member opens trench, installs conduit from source to meterbase and backfills trench. $0.00

Methodology for Computing Underground Cost Differentials:

1. Underground Primary Cost Differential
   Underground primary line extension samples for 1998:

Total Cost	$652,868.37
Total Footage	62,018
Cost per foot	$10.53

   Overhead primary line extension samples for 1998:

Total Cost	$124,654.72
Total Footage	23,433
Cost per foot	$ 5.32

   Cost Differential: $10.53 - $5.32 = $ 5.21 per trench foot

**Use $5.20 per trench foot.

2. Underground service cost differential:
   Underground service samples for 1998:

Total Cost	$83,569.96
Total Footage	15,618
Cost per foot	$ 5.35

   Overhead service samples for 1998:

Total Cost	$31,388.44
Total Footage	5,976
Cost per foot	$ 5.25

   Cost Differential: $5.35 - $5.25 = $ 0.10 per trench foot

   ** Will not charge for underground service provided member opens trench, installs conduit and backfills trench.