



A Touchstone Energy Cooperative 

March 1, 2023

Ms. Linda Bridwell  
Kentucky Public Service Commission  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, Kentucky 40602

RE: Owen Electric Cooperative, Inc. ("Owen Electric") Underground Electric Service – Average Cost Differential

Dear Ms. Bridwell:

Pursuant to 807 KAR 5:041, Section 21(5)(c), attached for electronic filing are Owen Electric's revised tariff sheets that are necessary to update Owen Electric's Underground Electric Service tariff. Exhibits supporting the tariff are also attached. Below is a list of all exhibits attached hereto.

Exhibit 1	Clean Copy of Revised Tariff Sheets and Exhibit A
Exhibit 2	Redlined Copy of Revised Tariff Sheets and Exhibit A
Exhibit 3	Calculation of Subdivision Rates included in Exhibit A
Exhibit 4	Calculation of Non-Subdivision Rates in Exhibit A
Exhibit 5	Public Notice
Exhibit 6	Affidavit of Mailing in <i>Kentucky Living</i> Magazine

KRS 278.180 requires that Owen Electric give at least 30-day notice to the Kentucky Public Service Commission ("Commission") of this tariff revision. Owen Electric proposes that the new tariff become effective on April 1, 2023, as allowed by KRS 278.180, to implement this update to Owen Electric members as soon as possible.

Pursuant to the requirements of 807 KAR 5:011, Owen Electric provided notice to its members of the tariff revision in the *Kentucky Living* Magazine published March 1, 2023. Owen Electric also posted the notice of tariff revision at its office located at 8205 HWY 127 North, Owenton, Kentucky. Owen Electric will post the notice on its website within five (5) business days of the date the tariff revision was submitted to the Commission. The website notice will include a hyperlink to the Commission's website where the tariff can be found.

This revision is being submitted to reflect increase in material and labor costs impacting the cost differential between overhead and underground construction for both individual residential consumers and subdivision developments. This tariff update also reflects a small change in the cost differential methodology for subdivision developments. Previously the cost differential for subdivisions consisted of a single average per foot differentiation cost. This average per foot cost included a best fit average cost of trenching, conduit placement and backfill. However, there are several variables that play into the cost for the trench work which can create a wide deviation from an "average" per foot trench value. Much of our subdivision development trenches are joint trench performed by a common contractor so the cost associated with trenching is shared depending on the number of utilities occupying the trench. That factor, along with other considerations such as assigned excavating contractor, make trenching costs a varied cost that would be more accurately determined on a case by case basis. Owen is proposing that the cost differentiator for subdivision applications consist of two parts. The first part is a unitized per foot cost differentiator for installing the electrical wire and appurtenances which was determined based on historical work performed over the previous year. The second part is the trenching cost which will be

determined at the time an agreement is executed with the developer based on the factors uniquely pertaining to that project. This method will more closely align with capturing the actual added cost of underground installation over an overhead constructed line in a subdivision, and prevent the general membership of Owen from bearing any added cost of the underground installation.

Please contact me with any questions.

Sincerely,  
OWEN ELECTRIC COOPERATIVE, INC.

A handwritten signature in black ink, appearing to read "Michael Cobb". The signature is fluid and cursive, with the first name "Michael" being more legible than the last name "Cobb".

Michael L. Cobb  
President and CEO

Enclosures

MLC/skc