

ATTORNEYS AT LAW

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March 19, 2018

VIA ELECTRONIC FILING

Daniel P. Wolf **Executive Secretary** Minnesota Public Utilities Commission 121 7th Place East, Suite 350 Minneapolis, MN 55101

RE: In the Matter of a Request for the Approval of the Asset Purchase and Sale Agreement Between Interstate Power and Light Company and Southern Minnesota Energy Cooperative, Docket Nos. E-001, 115, 140, 105, 139, 124, 126, 145, 132, 114, 6521, 142, 135/PA-14-322

Dear Mr. Wolf:

This law firm represents the Southern Minnesota Energy Cooperative (SMEC) with respect to SMEC's December 11, 2017 compliance filing and subsequent revisions in the above-referenced matter.

Pursuant to the Commission's Notice of Comment Period issued February 28, 2018, one of the topics open for comment in the above-referenced matter is: "Do the [SMEC] Member Cooperatives' Class Cost of Service Studies [CCOSS] support the proposed rate changes?"

In support of its position that the answer to this topic is "Yes, the Member Cooperatives' CCOSS support the proposed rate changes," SMEC respectfully submits the Scenario 2 CCOSS upon which the proposed rate changes for the areas the SMEC member cooperatives acquired from Interstate Power and Light are based. Because the CCOSS contain sensitive and confidential trade secret data, SMEC is submitting both public versions of each CCOSS from which the trade secret data has been excised, as well as nonpublic versions containing the trade secret data. The excised data is trade secret because it is the subject of efforts by the SMEC cooperatives and their power suppliers to maintain its secrecy and because it derives independent economic value from not being generally known to or readily ascertainable by other persons who can obtain economic value from its disclosure or use.

Please note that SMEC does intend to file separate comments during the Initial Comment Period. In the meantime, please contact me at (612) 373-8546 or rwinter@felhaber.com if you have any questions regarding this filing.

Yours very truly,

/s/ Randi J. Winter

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Enclosures

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BENCO ELECTRIC COOPERATIVE, INC. CLASS COST OF SERVICE FOR MPSC COMPLIANCE FILING SCENARIO 2: SPECIFIC ASSIGNMENT OF DISTRIBUTION PLANT AND PURCHASED POWER

LINE NO.	CLASS	COSS BASED REVENUE ALLOCATION	EXISTING REVENUE ALLOCATION	DIFFERENCE	PERCENT DIFFERENCE
	LEGACY:				
1	RESIDENTIAL	\$25,079,334	\$25,305,281	(\$225,946)	-0.89%
2	SEASONAL	\$227,733	\$195,156	\$32,578	16.69%
3	IRRIGATION	\$16,823	\$19,729	(\$2,906)	-14.73%
4	C&I <= 1000 KVA	\$8,894,334	\$9,533,049	(\$638,715)	-6.70%
5	C&I > 1000 KVA	\$308,653	\$208,520	\$100,133	48.02%
6	PUBLIC AUTHORITIES	\$18,912	\$38,974	(\$20,062)	-51.48%
7	STREET LIGHTING	\$150,712	\$244,588	(\$93,876)	-38.38%
8	TOTAL LEGACY	\$34,696,502	\$35,545,296	(\$848,795)	-2.39%
	SMEC				
9	RESIDENTIAL	\$3,452,367	\$2,649,626	\$802,741	30.30%
10	SEASONAL	\$358,881	\$445,338	(\$86,457)	-19.41%
11	C&I <= 1000 KVA	\$1,080,384	\$1,459,489	(\$379,105)	-25.98%
12	C&I > 1000 KVA	\$4,622,810	\$4,009,310	\$613,500	15.30%
13	STREET LIGHTING	\$67,552	\$156,309	(\$88,757)	-56.78%
14	TOTAL SMEC	\$9,581,994	\$8,720,073	\$861,921	9.88%
15					
16	TOTAL COMPANY	\$44,278,496	\$44,265,369	\$13,127	0.03%
17	MISC. REVENUES	\$759,886	\$759,886		0.00%
18	OPERATING REVENUES	\$45,038,382	\$45,025,255	\$13,127	0.03%
	CONSOLIDATED:	*** FO1 701	\$07.0E4.007	MEZO 704	2.06%
19	RESIDENTIAL	\$28,531,701	\$27,954,907	\$576,794	-8.41%
20	SEASONAL	\$586,614	\$640,494	(\$53,880)	-14.73%
21	IRRIGATION	\$16,823	\$19,729	(\$2,906)	-14.73% -9.26%
22	C&I <= 1000 KVA	\$9,974,718	\$10,992,538	(\$1,017,820)	-9.26% 16.92%
23	C&I > 1000 KVA	\$4,931,463	\$4,217,830	\$713,633	-51,48%
24	PUBLIC AUTHORITIES	\$18,912	\$38,974	(\$20,062)	
25	STREET LIGHTING	\$218,264	\$400,897	(\$182,633)	-45.56% 0.03%
26	ELECTRIC REVENUES	\$44,278,496	\$44,265,369	\$13,127	0.03%
27	MISC. REVENUES	\$759,886	\$759,886	\$0	0.00%
28	OPERATING REVENUES	\$45,038,382	\$45,02 <u>5,25</u> 5	\$13,127	0.03%

BENCO

SPECIFICALLY ASSIGNED DISTRIBUTION & PURCHASE POWER

BENCO ELECTRIC COOPERATIVE, INC.

PAGE 1

FILESPEC: K:\RATERES\COS\93RESALE\COS1292.WK3

STUDY DA	TE:		DECEMBER 31, 2016
RUN DATE	AND TIME:	05-Sep-17	12:45 PM
RETURN C	N COMMON EQUITY		6.64%
OVERALL !	RATE OF RETURN		4.31%
CAPITALIZ	ATION:		
	OUTSTANDING	EFFECTIVE RATE	COMPOSITE
DBT	\$50,660,934	2.74%	1.64%
PRF	\$0	0.00%	0.00%
CMN	\$34,086,740	6.64%	2.67%
FEDERAL I	EFFECTIVE INCOME	TAX RATE	0.00%
FEDERAL I	NOMINAL INCOME TA	X RATE	0.00%
STATE EFF	ECTIVE INCOME TAX	(RATE	0.00%
STATE NO	MINAL INCOME TAX F	RATE	0.00%

NOTATIONS: THIS RUN ALLOCATES PRODUCTION PLANT ON AVG OF 12 CP

BENCO

SPECIFICALLY ASSIGNED DISTRIBUTION & PURCHASE POWER

BENCO ELECTRIC COOPERATIVE, INC. COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016 PAGE 2

*******CUSTOMER DATA*******

LINE NO.	DESCRIPTION	CONTRO ALL	L OUT	TOTAL SMEC	RESIDENTIAL	SEASONAL	C&I <= 1000 KVA	C&I > 1000 KVA	STREET LIGHTING
1 2	NUMBER OF CUSTOMERS PERCENT OF TOTAL	C1A C1A	C1A	3,612 100.000%	2,614 72.382%	229 6.327%	708 19.614%	24 0.653%	37 1.024%
3 4	NUMBER OF WEIGHTED CUSTOMERS PERCENT OF TOTAL	C2A C2A	C2A	3,612 100.000%	2,614 72.373%	229 6.326%	708 19.612%	24 0.664%	37 1.024%
5 6	NUMBER OF RETAIL DISTR CUSTOMERS PERCENT OF TOTAL	C3A C3A	СЗА	3,612 100.000%	2,614 72.382%	229 6.327%	708 19.614%	24 0.653%	37 1.024%
7 8	NMBR OF RETAIL WTD CUSTOMERS PERCENT OF TOTAL	C4A C4A	C4A	3,612 100.000%	2,614 72.373%	229 6.326%	708 19.612%	24 0.664%	37 1.024%
9 10	LIGHTING DIRECT ALLOCATOR PERCENT OF TOTAL	LDE LDE	LDE	100 100.000%	0 0.000%	0 0.000%	0 0.000%	0 0.000%	100 100.000%
11 12	LPS DIRECT ALLOCATOR PERCENT OF TOTAL	DA1 DA1	DA1	0 ERR	0 ERR	0 ERR	0 ERR	0 ERR	0 ERR
13 14	AVERAGE COINCIDENT KW DEMAND DEMAND ALLOCATION FACTOR-PROD	D1A D1A	D1A	14,567 100.000%	3,918 26.899%	644 4.420%	1,827 12,539%	8,178 56.142%	0 0.000%
15 16	AVERAGE COINCIDENT KW DEMAND DEMAND ALLOCATION FACTOR-TRANS	D1B D1B	D1B	14,567 100.000%	3,918 26.899%	644 4.420%	1,827 12.539%	8,178 56.142%	0 0.000%
17 18	AVG PRIMARY DISTRIB KW DEMAND DIST-PRI DEMAND ALLOC FACTOR	D2A D2A	D2A	19,454 100.000%	,	839 4.312%	2,380 12.233%	10,656 54.775%	474 2.437%
19 20	AVG SECONDARY DISTRIB KW DEMAND DIST-SEC DEMAND ALLOC FACTOR	D3A D3A	D3A	19,454 100.000%	5,105 26.243%	839 4.312%	2,380 12.233%	10,656 54.775%	474 2.437%
21 22	AVG SECONDARY DISTRIB KW DEMAND DIST-SEC DEMAND ALLOC FACTOR	D4A D4A	D4A	19,454 100.000%		839 4.312%	2,380 12.233%	10,656 54.775%	474 2.437%
23 24	ANNUAL KWH ENERGY CONTRIBUTION ENERGY ALLOCATION FACTOR	E1A E1A	E1A	115,157,037 100.000%		4,389,129 3.811%	14,400,369 12.505%	68,061,328 59.103%	1,594,551 1.385%

BENCO

SPECIFICALLY ASSIGNED DISTRIBUTION & PURCHASE POWER

BENCO ELECTRIC COOPERATIVE, INC. COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016 PAGE 3

*******CUSTOMER DATA******** ***** C O N T I N U E D *****

LINE NO.	DESCRIPTION	ALL	OUT	TOTAL SMEC	RESIDENTIAL	SEASONAL	C&I <= 1000 KVA	C&I > 1000 KVA	STREET LIGHTING
25	RESERVED			0	0	0	0	0	0
26	PERCENT OF TOTAL			0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
27	WAGES/SALARIES: PRODUCTION	NPP		\$0	\$0	\$0	\$0	\$0	\$0
28	TRANSMISSION	NPT		\$0	\$0	\$0	\$0	\$0	\$0
29	DISTRIBUTION	NPD		\$199,388	\$179,101	\$1,203	\$3,430	\$14,543	\$1,111
30	GENERAL	NPG		\$294,506	\$282,047	\$2,340	\$7,209	\$2,395	\$515
31	WAGES/SALARIES: TOTAL	LBR	LBR	\$493,894	\$461,148	\$3,543	\$10,639	\$16,938	\$1,626
32	PERCENT OF TOTAL	LBR		100.000%	93.370%	0.717%	2.154%	3.429%	0.329%
33	BULK TRANSMISSION REVENUE	D1A		\$0	\$0	\$0	\$0	\$0	\$0
34	PRIMARY TRANSMISSION REVENUE	D2A		\$0	\$0	\$0	\$0	\$0	\$0
35	TOTAL TRANSMISSION REVENUE	TRN	TRN	\$0	\$0	\$0	\$0	\$0	\$0
36	PERCENT OF TOTAL	TRN		100.000%	100.000%	0.000%	0.000%	0.000%	0.000%
	EXISTING REVENUE								
37	EXISTING BASE REV	OTR	OTR	\$8,720,073	\$2,649,626	\$445,338	\$1,459,489	\$4,009,310	\$156,309
38	FUEL REVENUE	FUL		\$0	\$0	\$0	\$0	\$0	\$0
39	MISCELLANEOUS REVENUE	NPD		\$102,818	\$92,355	\$621	\$1,769	\$7,500	\$573
40	TRANSMISSION REVENUE	TRN		\$0	\$0	\$0	\$0	\$0	\$0
41	NON-FRM SLS FOR RESALE	E1A		\$0	\$0	\$0 	\$0 	\$0	\$0
42	TOTAL EXISTING REVENUE	EXR	EXR	\$8,822,891	\$2,741,981	\$445,959	\$1,461,258	\$4,016,810	\$156,882
				======	======		======	======	======
	PROPOSED REVENUE								
43	PROPOSED BASE REV			\$9,581,994	\$3,452,367	\$358,881	\$1,080,384	\$4,622,810	\$67,552
44	FUEL REVENUE			\$0	\$0	\$0	\$0	\$0	\$0
45	MISCELLANEOUS REVENUE			\$102,818	\$92,355	\$621	\$1,769	\$7,500	\$573
46	TRANSMISSION REVENUE			\$0	\$0	\$0	\$0	\$0	\$0
47	NON-FRM SLS FOR RESALE			\$0 	\$0	\$0 	\$0	\$ 0	\$0
48	TOTAL PROPOSED REVENUE	PRV	PRV	\$9,684,812	\$3,544,722	\$359,502	\$1,082,153	\$4,630,310	\$68,125
				======	======	======	=======	======	======
49	PROPOSED BASE REVENUE INCREASE/(I	DECREASE)	\$861,921	\$802,741	(\$86,457)		\$613,500	(\$88,757)
50	PROPOSED BASE REVENUE INCR/(DECR)) - %		9.88%	30.30%	-19.41%	-25.98%	15.30%	-56.78%

BENCO

SPECIFICALLY ASSIGNED DISTRIBUTION & PURCHASE POWER

BENCO ELECTRIC COOPERATIVE, INC. COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016 PAGE 4

****ELECTRIC GROSS PLANT****

LINE NO.	DESCRIPTION	ALL	OUT	TOTAL SMEC	RESIDENTIAL	SEASONAL	C&I <= 1000 KVA	C&I > 1000 KVA	STREET LIGHTING
1	TOTAL PRODUCTION PLANT	D1A	GPP	\$0	\$0	\$0	\$0	\$0	\$0
	TRANSMISSION PLANT								
2	POWER PLANT EQUIP	D1A		\$0		\$0	\$0	\$0	\$0
3	LARGE POWER SERVICE EQUIP	DA1		\$0	\$0	\$0	\$0	\$0	\$0
4	OTHER DIST IN ACCT 353	D2A		\$0	\$0	\$0	\$0	\$0	\$0
5	ALL OTHER TRANSMISSION	D1B		\$0	\$0	\$0	\$0	\$0	\$0
6	TOTAL TRANSMISSION PLANT	GPT	GPT	\$0	\$0	\$0	\$0	\$0	\$0
	DISTRIBUTION PLANT								
7	PRIMARY DEMAND RELATED	D4A		\$14,826,633	\$3,890,975	\$639,346	\$1,813,760	\$8,121,300	\$361,252
8	SECONDARY DEMAND RELATED	D3A		\$2,371,305		\$102,254	\$290,085	\$1,298,884	\$57,777
9	CUSTOMER RELATED	C4A		\$604,448		\$38,236	\$118,544	\$4,016	\$6,191
	THE TOTAL PLOTE OF ANT		SGD	#17 000 20C	\$4,950,741	\$779.836	\$2,222,389	\$9,424,200	\$425,220
10	SUB-TOTAL DISTR PLANT		SGD	\$17,802,386		\$779,830 (\$0)		\$0	\$294,391
11	LIGHTING SPECIFIC	LDE		\$294,391	. 	(\$0)			Ψ254,051
12	TOTAL DISTRIBUTION PLANT	GPD	GPD	\$18,096,777	\$4,950,741	\$779,836	\$2,222,389	\$9,424,200	\$719,611
	GENERAL AND INTANGIBLE PLANT								
13	PRODUCTION RELATED	GPP		\$0	\$0	\$0	\$0	\$0	\$0
14	TRANSMISSION RELATED	GPT		\$0	\$0	\$0	\$0	\$0	\$0
15	DISTRIBUTION RELATED	GPD		\$551,957	\$479,757	\$4,283	\$12,206	\$51,759	\$3,952
	CUST ACCT/SERV & INFO/								
16	SALES RELATED	C2A		\$815,268	\$590,037	\$51,573	\$159,890	\$5,417	\$8,351
17	TOTAL GENERAL & INTANGIBLE PLANT	GPG	GPG	\$1,367,225	\$1,069,794	\$55,856	\$172,096	\$57,176	\$12,303
						******		 CO 401 076	\$731,914
18	TOTAL GROSS PLANT IN SERVICE	GPR	GPR	\$19,464,002		\$835,692	\$2,394,485	\$9,481,376	
					======	=======	======		======

BENCO

SPECIFICALLY ASSIGNED DISTRIBUTION & PURCHASE POWER

BENCO ELECTRIC COOPERATIVE, INC. COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016 PAGE 5

********ELECTRIC PLANT******* ****ACCUMULATED DEPRECIATION***

LINE NO.	DESCRIPTION	ALL	OUT	TOTAL SMEC	RESIDENTIAL	SEASONAL	C&I <= 1000 KVA	C&I > 1000 KVA	STREET LIGHTING
1	TOTAL PRODUCTION PLANT	D1A	DPP	\$0	\$0	\$0	\$0	\$0	\$0
	TRANSMISSION PLANT								
2	POWER PLANT EQUIP	D1B		\$0	\$0	\$0	\$0	\$0	\$0
3	LARGE POWER SERVICE EQUIP	DA1		\$0	\$0	\$0	\$0	\$0	\$0
4	OTHER DIST IN ACCT 353	D2A		\$0	\$0	\$0	\$0	\$0	\$0
5	ALL OTHER TRANSMISSION	D1A		\$0	\$0	\$0	\$0	\$0	\$0
6	TOTAL TRANSMISSION PLANT	DPT	DPT	\$0	\$0	\$0	\$0	\$0	\$0
	DISTRIBUTION PLANT								
7	PRIMARY DEMAND RELATED	D4A		\$8,045,694	\$2,111,443	\$346,942	\$984,240	\$4,407,035	\$196,034
8	SECONDARY DEMAND RELATED	D3A		\$1,286,792	\$337,695	\$55,488	\$157,415	\$704,841	\$31,353
9	CUSTOMER RELATED	C4A		\$328,005	\$237,389	\$20,749	\$64,328	\$2,179	\$3,360
10	SUB-TOTAL DISTR PLANT		SDD	\$9,660,491	\$2,686,527	\$423,179	\$1,205,983	\$5,114,055	\$230,747
11	LIGHTING SPECIFIC	LDE	300	\$159,752	\$0	\$0	\$0	\$0	\$159,752
40	TOTAL DISTRIBUTION PLANT	DPD	DPD	\$9,820,243	\$2.686.527	\$423,179	\$1,205,983	\$5.114.055	\$390,499
12	TOTAL DISTRIBUTION FLANT	DID	טוט	ψ3,020,243	ψ2,000,52,	Ψ-20,170	ψ1,200,000	44,,	*,
	GENERAL AND INTANGIBLE PLANT							•	***
13	PRODUCTION RELATED	GPP		(\$1)	(\$1)	\$0	\$0	\$0	\$0 \$0
14	TRANSMISSION RELATED	GPT		\$0	\$0	\$0	\$0	\$0 \$10 500	\$0 \$1,496
15	DISTRIBUTION RELATED	GPD		\$208,989	\$181,652	\$1,622	\$4,621	\$19,598	\$1,490
	CUST ACCT/SERV & INFO/						***	00.054	60.100
16	SALES RELATED	C2A		\$308,687	\$223,407	\$19,527	\$60,540	\$2,051 	\$3,162
17	TOTAL GENERAL & INTANGIBLE PLANT	DPG	DPG	\$517,675	\$405,058	\$21,149	\$65,161	\$21,649	\$4,658
									#20E 457
18	TOTAL ACCUMULATED DEPRECIATION	DPR	DPR	\$10,337,918	\$3,091,585	\$444,328	\$1,271,144	\$5,135,704	\$395,157
				======	======		=======	======	======

BENCO

SPECIFICALLY ASSIGNED DISTRIBUTION & PURCHASE POWER

BENCO ELECTRIC COOPERATIVE, INC. COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016 PAGE 6

*******ELECTRIC NET PLANT******

LINE NO.	DESCRIPTION	CONTRO ALL	L OUT	TOTAL SMEC	RESIDENTIAL	SEASONAL	C&I <= 1000 KVA	C&I > 1000 KVA	STREET LIGHTING
1	TOTAL PRODUCTION PLANT	D1A	NPP	\$0	\$0	\$0	\$0	\$0	\$0
	TRANSMISSION PLANT								
2	POWER PLANT EQUIP	D1B		\$0	\$0	\$0	\$0	\$0	\$0
3	LARGE POWER SERVICE EQUIP	DA1		\$0	\$0	\$0	\$0	\$0	\$0
4	OTHER DIST IN ACCT 353	D2A		\$0	\$0	\$0	\$0	\$0	\$0
5	ALL OTHER TRANSMISSION	D1A		\$0	\$0	\$0	\$0	\$0	\$0
6	TOTAL TRANSMISSION PLANT	NPT	NPT	\$0	\$0	\$0	\$0	\$0	\$0
	DISTRIBUTION PLANT								
7	PRIMARY DEMAND RELATED	D4A		\$6,780,939	\$1,779,532	\$292,404	\$829,520	\$3,714,265	\$165,218
8	SECONDARY DEMAND RELATED	D3A		\$1.084.513		\$46,766	\$132,670	\$594,043	\$26,424
9	CUSTOMER RELATED	C4A		\$276,443	\$200,072	\$17,487	\$54,216	\$1,837	\$2,831
40	SUB-TOTAL DISTR PLANT		SPD	\$8,141,895	\$2,264,214	\$356.657	\$1,016,406	\$4,310,145	\$194,473
10 11	LIGHTING SPECIFIC	LDE	SFD	\$134,639		(\$0)		\$0	\$134,639

12	TOTAL DISTRIBUTION PLANT	NPD	NPD	\$8,276,534	\$2,264,214	\$356,657	\$1,016,406	\$4,310,145	\$329,112
	GENERAL AND INTANGIBLE PLANT								
13	PRODUCTION RELATED	NPP		\$1	\$1	\$0	\$0	\$0	\$0
14	TRANSMISSION RELATED	NPT		\$0	\$0	\$0	\$0	\$0	\$0
15	DISTRIBUTION RELATED	NPD		\$342,968	\$298,105	\$2,661	\$7,585	\$32,161	\$2,456
	CUST ACCT/SERV & INFO/								
16	SALES RELATED	C2A		\$506,581	\$366,630	\$32,046	\$99,350	\$3,366	\$5,189
17	TOTAL GENERAL & INTANGIBLE PLANT	NPG	NPG	\$849,550	\$664,736	\$34,707	\$106,935	\$35,527	\$7,645
18	TOTAL NET PLANT IN SERVICE	NPR	NPR	\$9,126,084		\$391,364	\$1,123,341	\$4,345,672	\$336,757 ======
				======	======	======	======		

BENCO

SPECIFICALLY ASSIGNED DISTRIBUTION & PURCHASE POWER

BENCO ELECTRIC COOPERATIVE, INC. COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016 PAGE 7

****** RATE BASE *****

LINE NO.	DESCRIPTION	CONTRO ALL	L OUT	TOTAL SMEC	RESIDENTIAL	SEASONAL	C&I <= 1000 KVA	C&I > 1000 KVA	STREET LIGHTING
1	NET PLANT IN SERVICE	NPR	NPR	\$9,126,084	\$2,928,950	\$391,364	\$1,123,341	\$4,345,672	\$336,757
	CONSTRUCTION WORK IN PROGRESS							••	# 0
2	PRODUCTION PLANT	NPP		\$0	\$0	\$0	\$0	\$0	\$0 \$0
3	TRANSMISSION PLANT	NPT		\$0	\$0	\$0	\$0	\$0	
4	DISTRIBUTION PLANT	NPD		\$176,384	\$158,437	\$1,065	\$3,034	\$12,866	\$982
5	GENERAL PLANT	NPG		\$0	\$0	\$0 	\$0 	\$0 	\$0
6	TOAL CWIP	CWP	CWP	\$176,384	\$158,437	\$1,065	\$3,034	\$12,866	\$982
7	NET ACQUISITION ADJUSTMENT	D2A	ACQ	(\$999,058)	(\$262,184)	(\$43,081)	(\$122,216)	(\$547,235)	(\$24,342)
8	PLANT HELD FOR FUTURE USE	E1A	PLH	\$0	\$0	\$0	\$0	\$0	\$0
	MISC DEFERRED DEBITS								
9	PROD RELATED	NPP		\$0	\$0	\$0	\$0	\$0	\$0
10	TRAN RELATED	NPT		\$0	\$0	\$0	\$0	\$0	\$0
11	DIST RELATED	NPD		\$0	\$0	\$0	\$0	\$0	\$0
12	GENR RELATED	NPG		\$0	\$0	\$0	\$0	\$0	\$0
13	LABOR RELATED	LBR		\$150,917	\$140,910	\$1,083	\$3,251	\$5,176	\$497
14	NPR RELATED	NPR		\$350		\$2	\$6	\$24 	\$2
15	TOTAL MISC DEFRD DEBITS			\$151,267		\$1,085	\$3,257	\$5,200	\$499
	WORKING CAPITAL								
16	CASH WORK CAP, FUNDS, MAT&SUP	NPR	MAS	\$277,075	\$250,017	\$1,709	\$4,905	\$18,974	\$1,470
17	FUEL STOCK	E1A	FUL	\$0	\$0	\$0	\$0	\$0	\$0
18	PREPAID LIGNITE ROYALTIES	E1A		\$0	\$0	\$0	\$0	\$0	\$0
19	OTHER PREPAYMENTS	NPR		\$16,762		\$103 	\$297	\$1,148 	\$89
20	TOTAL WORKING CAPITAL			\$293,837		\$1,812	\$5,202	\$20,122	\$1,559
21	UNAMORTIZED LOSS ON REACQD LTD	NPR		\$0	\$0	\$0	\$0	\$0	\$0
22	DEFERRED FUEL	E1A	DEF	\$0	\$0	\$0	\$0	\$0	\$0

(RATE BASE CONTINUED ON NEXT PAGE)

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BENCO

SPECIFICALLY ASSIGNED DISTRIBUTION & PURCHASE POWER

BENCO ELECTRIC COOPERATIVE, INC. COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

****** RATE	BASE*****
"CONTI	NUED**

LINE NO.	DESCRIPTION	CONTRO ALL	L OUT	TOTAL SMEC	RESIDENTIAL	SEASONAL	C&I <= 1000 KVA	C&I > 1000 KVA	STREET LIGHTING
	ACCUMULATED DEFERRED INCOME TAX	NPP		\$0	\$0	\$0	\$0	\$0	\$0
23	ACCT 281: POL CON	NPP		40	φυ	ΨΟ	Ψ	4.5	**
24	ACCT 282: LIBERAL DEP - PROD	NPP		\$0	\$0	\$0	\$0	\$0	\$0
25	TRAN	NPT		\$0	\$0	\$0	\$0	\$0	\$0
26	DIST	NPD		\$0	\$0	\$0	\$0	\$0	\$0
27	GENR	NPG		\$0	\$0	\$0	\$0	\$0	\$0
28	LIGNITE EXPLORATN	E1A		\$0	\$0	\$0	\$0	\$0	\$0
29	LABOR RELATED	LBR		\$0	\$0	\$0	\$0	\$0	\$0
30	TOTAL ACCOUNT 282			\$0	\$0	\$0	\$0	\$0	\$0
				\$0	\$0	\$0	\$0	\$0	\$0
31	ACCT 283: THIS LINE RESERVED	NDD		\$0 \$0	\$0 \$0	\$0	\$0	\$0	\$0
32	LONG TERM DEBT LOSS	NPR			-	ф 0			
33	TOTAL ACCOUNT 283			\$0	\$0	\$0	\$0	\$0	\$0
34	ACCOUNT 190: PRODUCTION RELATED	NPP		\$0	\$0	\$0	\$0	\$0	\$0
35	PLANT RELATED	NPR		\$0	\$0	\$0	\$0	\$0	\$0
36	ENERGY RELATED	E1A		\$0	\$0	\$0	\$0	\$0	\$0
37	LABOR RELATED	LBR		\$0	\$0	\$0	\$0	\$0	\$0
38	FERC REFUND	TRN		\$0	\$0	\$0	\$0	\$0	\$0
39	TOTAL ACCOUNT 190			\$0	\$0	\$0	\$0	\$0	\$0
40	TOTAL ACCUM DEFRD INC TAX	ACC	ACC	\$0	\$0	\$0	\$0	\$0	\$0
41	INVESTMENT TAX CREDIT PRE '71	NPR	PIC	\$0	\$0	\$0	\$0	\$0	\$0
42	CUSTOMER ADVANCES AND DEPOSITS	СЗА	CAD	(\$581)	(\$420)	(\$37)	(\$114)	(\$4)	(\$6)
								00	\$0
43	STORM DAMAGE & INJ & DAM RESRVS	D2A	SDR	\$0	\$0	\$0	\$0	\$0	**
44	PNSN & MIS OP RSRVS, OTR DEF CR	OMA	PEN	(\$18,664	(\$18,462)	(\$22)	(\$66)	(\$104)	(\$10)
45	TRANSMISSION RATE REFUND RESERVE	TRN		\$0	\$0	\$0	\$0	\$0	\$0
46	TOTAL RATE BASE	RBT	RBT	\$8,729,268		\$352,186 ======	\$1,012,438	\$3,836,517 ======	\$315,439 =====

SPECIFICALLY ASSIGNED DISTRIBUTION & PURCHASE POWER

BENCO ELECTRIC COOPERATIVE, INC. COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016 PAGE 9

******OPER AND MTN EXPENSES*******

LINE NO.	DESCRIPTION	CONTRO ALL	L OUT	TOTAL SMEC	RESIDENTIAL	SEASONAL	C&I <= 1000 KVA	C&I > 1000 KVA	STREET LIGHTING
	PRODUCTION O&M EXPENSE							то	\$0
1	FUEL EXPENSE - ACCT 501	E1A		\$0	\$0	\$0	\$0	\$0	\$0
2	PURCHASED POWER - ACCT 555 DEMAND - OTHER	D1A		[TRADE	SECRET DAT	A BEGINS	TR	ADE SECRET	DATA ENDS]
3	ENERGY - OTHER	E1A							
4	NET OFF SYSTEM REVENUE	E1A		\$0	\$0	\$0	\$0	\$0	\$0
	OTHER PRODUCTION O&M ACCTS								
5	DEMAND - OTHER	D1A		\$0	\$0	\$0	\$0	\$0	\$0
6	ENERGY - OTHER	E1A		\$0	\$0	\$0	\$0 	\$0	\$0
7	TOTAL OTHER PRODUCTION O&M	PRO	PRO	\$0	\$0	\$0	\$0	\$0	\$0
8	TOTAL PRODUCTION O&M EXPENSE	OMP	OMP	TRADE	SECRET DAT	A BEGINS	TR/	ADE SECRET I	DATA ENDS]
9	TOTAL TRANSMISSION O&M EXPENSE	NPT	ОМТ	\$0	\$0	\$0	\$0	\$0	\$0
	DISTRIBUTION O&M EXPENSE			LTD A SHEEL	COUTDATA	DECINE		TD A DE SECRE	T DATA ENDS
10	LIGHTING SPECIFIC	LDE		[TRADE SI	ECRET DATA	BEGINS		I KADE SECKI	I DATA LADS
11	ALL OTHER	SPD							
12	TOTAL DISTRIBUTION O&M EXPENSE	OMD	OMD	[TRADE	SECRET DAT	A BEGINS	TR.	NDE SECRET I	DATA ENDSJ
	TOTAL CUST ACCT/SERV & INFO/			_					
13	SALES EXPENSE	C2A	OMC	\$303,750	\$219,835	\$19,215	\$59,571	\$2,018	\$3,111
	ADMINISTRATIVE & GENERAL EXPENSE								
14	PROP INSURANCE/INJ & DAMG	NPR		\$0	\$0	\$0	\$0	\$0	\$0
15	CUST ACCT/SERV&INFO/SALES REL	LBR		\$259,445	\$242,243	\$1,861	\$5,589	\$8,898	\$854
16	TOTAL ADMIN & GENERAL EXPENSE	ОМА	OMA	\$259,445	\$242,243	\$1,861	\$5,589	\$8,898	\$854
17	TOTAL OPER & MTN EXPENSES	ОМХ	OMX	[TRADE	SECRET DAT	A BEGINS	TR	ADE SECRET I	DATA ENDS]
						-			

BENCO

SPECIFICALLY ASSIGNED DISTRIBUTION & PURCHASE POWER

BENCO ELECTRIC COOPERATIVE, INC. COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016 PAGE 10

EXPENSES OTHER THAN INCOME TAXES

LINE		CONTRO		TOTAL			C&I	C&I	STREET
NO.	DESCRIPTION	ALL	OUT	SMEC	RESIDENTIAL	SEASONAL	<= 1000 KVA	> 1000 KVA	LIGHTING
1	TOTAL OPER & MTN EXPENSES	OMX		[TRADI	SECRET DA	TA BEGINS	TR	ADE SECRET	DATA ENDSJ
	DEPRECIATION & AMORTIZATION EXPENS	SES							
2	PRODUCTION	NPP		\$0	\$0	\$0	\$0	\$0	\$0
3	TRANSMISSION	NPT		\$0	\$0	\$0	\$0	\$0	\$0
4	DISTRIBUTION	NPD		\$389,700		\$2,352	\$6,703	\$28,425	\$2,170
5	GENERAL	NPG		\$28,621	\$27,410	\$227	\$701	\$233	\$50
6	TOTAL DEPR & AMORT EXPEN	DEP	DEP	\$418,321	\$377,460	\$2,579	\$7,404	\$28,658	\$2,220
7	INTEREST ON CUSTOMER DEPOSITS	СЗА	ICD	\$0	\$0	\$0	\$0	\$0	\$0
	GENERAL TAXES								
8	AD VALOREM	NPR	VAL	\$0	\$0	\$0	\$0	\$0	\$0
9	CORP FRANCHISE TAX	NPR	SFT	\$0	\$0	\$0	\$0	\$0	\$0
10	MISCELLANEOUS GENERAL TAXES	LBR	MIS	\$74	\$68	\$1	\$2	\$3	\$0
11	REVENUE-RELATED (AS PROPOSED)	RTX		\$0	\$0	\$0	\$0	\$0	\$0
12	TOTAL GENERAL TAXES	GTX	GTX	\$74	\$68	\$1	\$ 2	\$3	\$0
13	TOTAL EXPENSES EXCEPT INCOME TAX	EXP	EXP	[TRAD	E SECRET DA	TA BEGINS	TR	ADE SECRET	DATA ENDS]

SPECIFICALLY ASSIGNED DISTRIBUTION & PURCHASE POWER

BENCO ELECTRIC COOPERATIVE, INC. COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016 PAGE 11

INCOME TAX FOR 6.64% ROE

LINE NO.	DESCRIPTION	CONTRO ALL	OUT	TOTAL SMEC	RESIDENTIAL	SEASONAL	C&I <= 1000 KVA	C&1 > 1000 KVA	STREET LIGHTING
1	RATE BASE	RBT		\$8,729,268	\$3,212,688	\$352,186	\$1,012,438	\$3,836,517	\$315,439
2	RETURN AT 4.31%	RBT	RET	\$375,930	\$138,355	\$15,167	\$43,601	\$165,222	\$13,585
3	INTEREST (1.64% OF LINE 1)	RBT	INT	(\$142,824)		(\$5,762)	(\$16,565)	(\$62,771)	(\$5,161)
4	AFUDC	NPR	AFD	\$0	\$0	\$0	\$0	\$0	\$0
,	PROVISION FOR DEFERRED TAXES			,					
5	ACT 410.1: PROD RLTD	NPP		\$0	\$0	\$0	\$0	\$0	\$0
6	TRAN RLTD	NPT		\$0	\$0	\$0	\$0	\$0	\$0
7	PLANT RLTD	NPR		\$0	\$0	\$0	\$0	\$0	\$0
8	ENERGY RLTD	EIA		\$0	\$0	\$0	\$0	\$0	\$0
9	LABOR RLTD	LBR		\$0	\$0	\$0	\$0	\$0	\$0
10	CUSTOMER RELATED	C3A		\$0	\$0	\$0	\$0	\$0	\$0
11	RESERVED	00.1		\$0	\$0	\$0	\$0	\$0	\$0
					\$0	 \$0	 \$0	\$ 0	\$0
12	TOTAL 410.1			\$0	φυ	ΨΟ	Ψ	Ψ	••
13	ACT 411.1: PROD RLTD	NPP		\$0	\$0	\$0	\$0	\$0	\$0
14	TRAN RLTD	NPT		\$0	\$0	\$0	\$0	\$0	\$0
15	PLANT RELATED	NPR		\$0	\$0	\$0	\$0	\$0	\$0
16	ENERGY RELATED	E1A		\$0	\$0	\$0	\$0	\$0	\$0
17	LABOR RELATED	LBR		\$0	\$0	\$0	\$0	\$0	\$0
18	CUSTOMER RELATED	C3A		\$0	\$0	\$0	\$0	\$0	\$0
19	TOTAL 411.1			\$0	\$0	\$0	\$0	\$0	\$0
20	NET PROVISION FOR DEFRD INC TAX		PDT	\$0	\$0	\$0	\$0	\$0	\$0
21	ITC AMORT	NPR	ITA	\$0	\$0	\$0 	\$0	\$0	\$0
22	ADJUSTED RETURN	ART	ART	\$233,106	\$85,790	\$9,405	\$27,036	\$102,451	\$8,424
	FED ADD INC & UNALLOW DEDUCTS								
23	PRODUCTION RELATED	NPP		\$0	\$0	\$0	\$0	\$0	\$0
24	DISTRIBUTION RELATED	NPD		\$0	\$0	\$0	\$0	\$0	\$0
25	PLANT RELATED	NPR		\$0	\$0	\$0	\$0	\$0	\$0
26	ENERGY RELATED	E1A		\$0	\$0	\$0	\$0	\$0	\$0
27	LABOR RELATED	LBR		\$0	\$0	\$0	\$0	\$0	\$0
28	TRANSMISSION REV RELATED	TRN		\$0	\$0	\$0	\$0	\$0	\$0
28 29	RESERVED			\$0	\$0	\$0	\$0	\$0	\$0
30	DISTRIBUTION CUSTOMER RELATED	C3A		\$0	\$0	\$0	\$0	\$0	\$0
31	TOTAL ADDITIONS	FTA	FTA	\$0	\$0	\$0	\$0	\$0	\$0

(INCOME TAX CALCULATION CONTINUED ON NEXT PAGE)

BENCO

SPECIFICALLY ASSIGNED DISTRIBUTION & PURCHASE POWER

BENCO ELECTRIC COOPERATIVE, INC. COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016 PAGE 12

""INCOME TAX FOR 6.64% ROE*" " CONTINUED ""

LINE NO.	DESCRIPTION	CONTRO ALL	L OUT	TOTAL SMEC	RESIDENTIAL	SEASONAL	C&I <= 1000 KVA	C&I > 1000 KVA	STREET LIGHTING
	FED DEDUCTS AND NON-TAX INCOME			************					
32	PRODUCTION RELATED	NPP		\$0	\$0	\$0	\$0	\$0	\$0
33	DISTRIBUTION RELATED	NPD		\$0	\$0	\$0	\$0	\$0	\$0
34	PLANT RELATED	NPR		\$0	\$0	\$0	\$0	\$0	\$0
35	ENERGY RELATED	E1A		\$0	\$0	\$0	\$0	\$0	\$0
36	LABOR RELATED	LBR		\$0	\$0	\$0	\$0	\$0	\$0
37	TRANSMISSION REV RELATED	TRN		\$0	\$0	\$0	\$0	\$0	\$0
38	DISTRIBUTION CUSTOMER RELATED	СЗА		\$0	\$0	\$0	\$0	\$0 	\$0
39	TOTAL DEDUCTIONS	FTD	FTD	\$0	\$0	\$0	\$0	\$0	\$0
40	NET FEDERAL DEDUCTIONS	NFD	NFD	\$0	\$0	\$0	\$0	\$0	\$0
41	ST ADD INC & UNALLOW DEDUCTS	FTA		\$0	\$0	\$0	\$0	\$0	\$0
42	ST DEDUCTS AND NON-TAX INCOME	FTD		\$0	\$0	\$0	\$0	\$0	\$0
	of Beside in the frame in the second								
43	NET STATE DEDUCTIONS	NSD	NSD	\$0	\$0	\$0	\$0	\$0	\$0
44	PROV FOR DEF'D ITC - CURRENT	NPR	ITC	\$0	\$0	\$0	\$0	\$0	\$0
	FEDERAL TAXABLE INCOME								
45	ADJ RET * 1/(1-0.0000-0.0000)	ART	TART	\$233,106	\$85,790	\$9,405	\$27,036	\$102,451	\$8,424
46	NET FED DED * 1/(1-0.0000)	NFD		\$0	\$0	\$0	\$0	\$0	\$0
47	NET ST DED * (1/(1-0.0000))-1	NSD		\$0	\$0	\$0	\$0	\$0	\$0
48	CURRENT (TC * (1/1-0.00))-1	ITC		\$0	\$0	\$0	\$0	\$0	\$0
49	TOTAL FEDERAL TAXABLE INCOME	FTI	FTI	\$233,106	\$85,790	\$9,405	\$27,036	\$102,451	\$8,424
50	PLUS: NET FED DEDUCTS	NFD		\$-0	\$0	\$-0	\$-0	\$-0	\$-0
51	LESS: NET STATE DEDUCTS	NSD		\$0	\$0	\$0	\$0	\$0	\$0
52	TOTAL STATE TAXABLE INCOME	STI	STI	\$233,106	\$85,790	\$9,405	\$27,036	\$102,451	\$8,424
	FED & ST INCOME TAXES:								
53	FED TAXABLE INC * 0.0000	FTI		\$0	\$0	\$0	\$0	\$0	\$0
54	ST. TAXABLE INC * 0.0000	STI		\$0	\$0	\$0	\$0	\$0	\$0
55	LESS: CRNT ITC * (1-0.0000)	ITC		\$-0	· ·	\$-0	\$-0	\$-0 	\$-0
56	TOTAL FED & ST INCOME TAXES	FST	FST	\$0	\$0	\$0	\$0	\$0	\$0
57	INVESTMENT TAX CREDIT - NET	NPR	łTN	====== \$0		====== \$0	\$0	\$0	====== \$0

BENCO

SPECIFICALLY ASSIGNED DISTRIBUTION & PURCHASE POWER

BENCO ELECTRIC COOPERATIVE, INC. COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016 PAGE 13

*****COST OF SERVICE***** ** (PROPOSED) **

LINE NO.	DESCRIPTION	CONTROL ALL OL	TOTAL UT SMEC	RESIDENTIAL	SEASONAL	C&I <= 1000 KVA	C&I > 1000 KVA 	STREET LIGHTING
1	RATE BASE	RBT	\$8,729,268	\$3,212,688	\$352,186	\$1,012,438	\$3,836,517	\$315,439
2	RETURN AT 4.31%	RET	\$375,930	\$138,355	\$15,167	\$43,601	\$165,222	\$13,585
3	OPERATION & MAINTENANCE EXPENSES	OMX	[TRADE	SECRET DAT	A BEGINS	TRA	DE SECRET I	DATA ENDS]
4	DEPRECIATION & AMORT EXPENSES	DEP	\$418,321	\$377,460	\$2,579	\$7,404	\$28,658	\$2,220
5	INTEREST ON CUSTOMER DEPOSITS	ICD	\$0	\$0	\$0	\$0	\$0	\$0
6	GENERAL TAXES	GTX	\$74	\$68	\$1	\$2	\$ 3	\$0
7	FEDERAL AND STATE INCOME TAX	FST	\$0	\$0	\$0	\$0	\$0	\$0
8	PROVISION FOR DEFERRED TAXES	PDT	\$0	\$0	\$0	\$0	\$0	\$0
9	INVESTMENT TAX CREDIT - NET	ITN	\$0	\$0	\$0	\$0	\$0	\$0
10	AFUDC	AFD	\$0	\$0	\$0	\$0	\$0	\$0
11	COST OF SERVICE REVENUE REQUIREMENT		SR \$9,684,812	\$3,544,722	\$359,502	\$1,082,153	\$4,630,310	\$68,125
12	LESS: FUEL REVENUE	FUL.	\$-0	\$0	\$-0	\$-0	\$-0	\$-0
13	BASE COST OF SERVICE REVENUE REQUIREMENT	8AR 86	 RR \$9,684,812		\$359,502	\$1,082,153	\$4,630,310	\$68,125
14	ATTRITION ADJUSTMENT	BRR	\$0	\$0	\$0	\$0	\$0	\$0
15	BASE COST OF SERVICE REVENUE REQU AFTER ATTRITION ADJUSTMENT		RR \$9,684,812		\$359,502	\$1,082,153	\$4,630,310	\$68 ,125
16	PLUS: FUEL REVENUE	FUL	\$0	\$0	\$0	\$0	\$0	\$0
17	COST OF SERVICE REVENUE REQUIREMENT	ENT	\$9,684,812		\$359,502	\$1,082,153	\$4,630,310	\$ 68,125
18	LESS: MISCELLANEOUS REVENUE		(\$102,818	(\$92,355)	(\$621)	(\$1,769)	(\$7,500)	(\$573)
19	LESS: BULK TRANSMISSION REVENUE		(\$0) (\$0)	\$-0	\$-0	\$-0	\$-0
20	LESS: PRIMARY TRANSMISSION REVENUE	E	\$-0	\$0	\$-0	\$-0	\$-0	\$ -0
21	LESS: NON-FRM SLS FOR RESALE		\$ -0	· · · · · · · · · · · · · · · · · · ·	\$-0	\$-0	\$-0	\$ -0
22	NET ELECTRIC REVENUE REQUIREMENT		\$9,581,994 ======	\$3,452,367	\$358,881	\$1,080,384	\$4,622,810 ======	\$67,552 ======

MPUC Docket Nos. E-001, 115, 140, 105, 139, 124, 126, 146, 132, 114, 6521, 142, 135/PA-14-322

SPECIFICALLY ASSIGNED DISTRIBUTION & PURCHASE POWER

BENCO ELECTRIC COOPERATIVE, INC. COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

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EXISTING RETURN AND INCOME TAX

LINE NO.	DESCRIPTION	CONTRO ALL	L OUT	TOTAL SMEC	RESIDENTIAL	SEASONAL	C&I <= 1000 KVA	C&I > 1000 KVA	STREET LIGHTING
1	EXISTING REVENUE	EXR		TRADE	SECRET DAT	A BEĞINS	TRA	ADE SECRET I	DATA ËNDS]
	REVENUE DEDUCTIONS:								
2	O&M EXPENSES	OMX		-					
3	DEPRECIATION & AMORT EXPENSES	DEP		(\$418,321)	(\$377,460)	(\$2,579)		(\$28,658)	(\$2,220)
4	AD VALOREM TAXES	VAL		\$-0	\$0	\$-0	\$-0	\$-0	\$-0
5	CORP FRANCHISE TAX	SFT		\$-0	\$0	\$-0	\$-0	\$-0	\$-0
6	MISC GENERAL TAXES	MIS		(\$74)	1. /	(\$1)		(\$3)	\$-0 \$0
7	REVENUE-RELATED TAXES	RTX		\$0	\$0	\$0	\$0	\$0 \$-0	\$-0
8	INTEREST ON CUST DEPOSITS	ICD		\$-0	\$0 	\$-0	\$-0	3-0	J-U
9	TOTAL REVENUE DEDUCTIONS								
10	NET FOR RETURN AND INCOME TAXES	NET	NET	(\$485,991)	(\$664,386)	\$101,624	\$422,706	(\$448,278)	\$102,342
11	LESS: INTEREST EXPENSE	INT		(\$142,824)	(\$52,565)	(\$5,762)	(\$16,565)	(\$62,771)	(\$5,161)
12	LESS: NET FEDERAL DEDUCTIONS	NFD		\$0	\$0	\$0 	\$0	\$0 	\$0
13	TOTAL FEDERAL TAXABLE INCOME			(\$628,815)	(\$716,951)	\$95,862	\$406,141	(\$511,049)	\$97,181
14	PLUS: NET FEDERAL DEDUCTIONS	NFD		\$-0	\$0	\$-0	\$-0	\$-0	\$-0
15	LESS: NET STATE DEDUCTIONS	NSD		\$0	\$0	\$0	\$0	\$0	\$0
16	TOTAL STATE TAXABLE INCOME			(\$628,815)	(\$716,951)	\$95,862	\$406,141	(\$511,049)	\$97,181
	FED AND ST INCOME TAXES								
17	FED TAXABLE INC * 0.0000			\$0	\$0	\$0	\$0	\$0	\$0
18	ST. TAXABLE INC * 0.0000			\$0	\$0	\$0	\$0	\$0	\$0
19	LESS: CRNT ITC * (1-0.0000)			\$-0	\$0	\$-0	\$-0	\$-0 	\$-0
20	TOTAL FED & ST INCOME TAXES			\$0	\$0	\$0	\$0	\$0	\$0
	*****RETURN COMPUTATION*****								
21	NET FOR RETURN AND INCOME TAXES	NET		(\$485,991)	(\$664,386)	\$101,624	\$422,706	(\$448,278)	\$102,342
22	FED & ST INCOME TAXES			\$-0	\$0	\$-0	\$-0	\$-0	\$-0
23	PROV FOR DEF TAXES	PDT		\$-0	\$0	\$-0	\$-0	\$-0	\$-0
24	INVESTMENT TAX CREDIT - NET	ITN		\$-0	\$0	\$-0	\$-0	\$-0	\$-0
25	AFUDC	AFD		\$-0	\$0	\$-0	\$-0	\$-0	\$-0
26	NET RETURN			(\$485,991)	(\$664,386)	\$101,624	\$422,706	(\$448,278)	\$102,342
27	RATE BASE	RBT		\$8,729,268	\$3,212,688	\$352,186	\$1,012,438	\$3,836,517	\$315,439
28	RETURN ON RATE BASE	ROR		-5.57%	-20.68%	28.86%	41.75%	-11.68%	32.44%
28 29	NON-EQUITY PORTION OF RETURN	DA3		-1.64%	-1.64%	-1.64%	-1.64%	-1.64%	-1.64%
30	EQUITY PORTION OF EXISTING RETRN	DA3		-7,21%	-22.32%	27.22%	40.11%	-13,32%	30.80%
31	EXISTING RETURN ON EQUITY	DA3	ROE	-17.92%		67.68%	99.73%	-33.11%	76.59%
•									

SPECIFICALLY ASSIGNED DISTRIBUTION & PURCHASE POWER

BENCO ELECTRIC COOPERATIVE, INC. COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016 PAGE 15

PROPOSED RETURN AND INCOME TAX

LINE NO.	DESCRIPTION	CONTRO ALL	L OUT	TOTAL SMEC	RESIDENTIAL	SEASONAL	C&I <= 1000 KVA	C&I > 1000 KVA	STREET LIGHTING
1	PROPOSED REVENUE	PRV		\$9,684,812	\$3,544,722	\$359.502	\$1,082,153	\$4,630,310	\$68,125
•	REVENUE DEDUCTIONS:					TA DUCING		A DE SUCRET	DATA ENDS]
2	O&M EXPENSES	OMX		[TRADE	E SÉCRET DA				
3	DEPRECIATION & AMORT EXPENSES	DEP		(\$418,321)	(\$377,460)	(\$2,579)	(\$7,404)	(\$28,658)	(\$2,220)
4	AD VALOREM TAXES	VAL		\$-0	\$0	\$-0	\$-0	\$-0	\$-0 0.0
5	CORP FRANCHISE TAX	SFT		\$-0	\$0	\$-0	\$-0	\$-0	\$-0 #:0
6	MISC GENERAL TAXES	MIS		(\$74)	(\$68)	(\$1)	(\$2)	(\$3)	\$-0 ***
7	REVENUE-RELATED TAXES	RTX		\$0	\$0	\$0	\$0	\$0	\$0 \$.0
8	INTEREST ON CUST DEPOSITS	ICD		\$-0	\$0	\$-0	\$-0	\$-0	\$-0
9	TOTAL REVENUE DEDUCTIONS			[TRADE	SECRET DAT	A BEGINS		TRADE SECF	RET DATA ENDS]
10	NET FOR RETURN AND INCOME TAXES	NET	NET	\$375,930	\$138,355	\$15,167	\$43,601	\$165,222	\$13,585
	LESS: INTEREST EXPENSE	INT		(\$142,824)	(\$52,565)	(\$5,762)	(\$16,565)	(\$62,771)	(\$5,161)
11 12	LESS: NET FEDERAL DEDUCTIONS	NFD		\$0	\$0	\$0	\$0	\$0	\$0
12	LESS. NET FEDERAL DEDOCTIONS	141 0							
13	TOTAL FEDERAL TAXABLE INCOME			\$233,106	\$85,790	\$9,405	\$27,036	\$102,451	\$8,424
14	PLUS: NET FEDERAL DEDUCTIONS	NFD		\$-0	\$0	\$-0	\$-0	\$-0	\$-0
15	LESS: NET STATE DEDUCTIONS	NSD		\$0	\$0	\$0	\$0	\$0	\$0
16	TOTAL STATE TAXABLE INCOME			\$233,106	\$85,790	\$9,405	\$27,036	\$102,451	\$8,424
	1017.2017.12								
	FED AND ST INCOME TAXES							_	
17	FED TAXABLE INC * 0.0000			\$0	\$0	\$0	\$0	\$0	\$0
18	ST, TAXABLE INC * 0.0000			\$0	\$0	\$0	\$0	\$0	\$0
19	LESS: CRNT ITC * (1-0.0000)			\$-0	\$0	\$-0	\$-0	\$-0	\$-0
20	TOTAL FED & ST INCOME TAXES			\$0	\$0	\$0	\$0	\$0	\$0
	*****RETURN COMPUTATION*****								
21	NET FOR RETURN AND INCOME TAXES	NET		\$375,930	\$138,355	\$15,167	\$43,601	\$165,222	\$13,585
22	FED & ST INCOME TAXES			\$-0	\$0	\$-0	\$-0	\$-0	\$-0
23	PROV FOR DEF TAXES	PDT		\$-0	\$0	\$-0	\$-0	\$-0	\$-0
24	INVESTMENT TAX CREDIT - NET	ITN		\$-0	\$0	\$-0	\$-0	\$-0	\$-0
25	AFUDC	AFD		\$-0	\$0	\$-0	\$-0	\$-0	\$-0
26	NET RETURN			\$375,930	\$138,355	\$15,167	\$43,601	\$165,222	\$13,585
27	RATE BASE	RBT		\$8,729,268	\$3,212,688	\$352,186	\$1,012,438	\$3,836,517	\$315,439
					4.045	4.040/	4.31%	4.31%	4.31%
28	RETURN ON RATE BASE	ROR		4.31%	4.31%	4.31% -1.64%	-1.64%	-1.64%	-1.64%
29	NON-EQUITY PORTION OF RETURN	DA3		-1.64%	-1.64% 2.67%	-1.64% 2.67%	2.67%	2.67%	2.67%
30	EQUITY PORTION OF EXISTING RETRN	DA3	nor.	2.67% 6.64%	2.67% 6.64%	6.64%	6.64%	6.64%	6.64%
31	PROPOSED RETURN ON EQUITY	DA3	ROE	0.04%	0.04%	0.04 /6	0.0476	0.0476	0.0 . 70

BENCO ELECTRIC COOPERATIVE, INC. COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016 PAGE 16

COST OF SERVICE SUMMARY

LINE NO.	DESCRIPTION	CONTROL ALL	OUT	TOTAL SMEC	RESIDENTIAL	SEASONAL	C&I <= 1000 KVA	C&I > 1000 KVA	STREET LIGHTING
,,,,,									
	NET PLANT IN SERVICE:					••	**	\$0	\$0
1	PRODUCTION PLANT	NPP		\$0	\$0	\$0	\$0 \$0	\$0 \$0	\$0 \$0
2	TRANSMISSION PLANT	NPT		\$0	\$0	\$0	•	\$4.310.145	\$329,112
3	DISTRIBUTION PLANT	NPD		\$8,276,534	\$2,264,214	\$356,657	\$1,016,406	\$4,310,145 \$35,527	\$7,645
4	GENERAL PLANT	NPG		\$849,550	\$664,736	\$34,707 	\$106,935 	φ35,527	φ/,045
5	TOTAL NET ELECTRIC PLANT	NPR		\$9,126,084	\$2,928,950	\$391,364	\$1,123,341	\$4,345,672	\$336,757
6	CONST. WORK IN PROGRESS	CWP		\$176,384	\$158,437	\$1,065	\$3,034	\$12,866	\$982
7	ACQUISITION ADJUSTMENT	ACQ		(\$999,058)	(\$262,184)	(\$43,081)	(\$122,216)	(\$547,235)	(\$24,342)
8	PLANT HELD FOR FUTURE USE	PLH		\$0	\$0	\$0	\$0	\$0	\$0
9	TOTAL MISC DEFRD DEBITS			\$151,267	\$141,226	\$1,085	\$3,257	\$5,200	\$499
_	WORKING CAPITAL:								
10	CASH WORK CAP, FUNDS, MAT&SUP	MAS		\$277,075	\$250,017	\$1,709	\$4,905	\$18,974	\$1,470
11	FUEL STOCK	FUL		\$0	\$0	\$0	\$0	\$0	\$0
12	PREPAID LIGNITE ROYALTIES	E1A		\$0	\$0	\$0	\$0	\$0	\$0
13	OTHER PREPAYMENTS	NPR		\$16,762	\$15,125	\$103	\$297	\$1,148	\$89
14	UNAMORTIZED LOSS ON REACQD LTD	NPR		\$0	\$0	\$0	\$0	\$0	\$0
15	DEFERRED FUEL	DEF		\$0	\$0	\$0	\$0	\$0	\$0
16	ACCUMULATED DEFERRED INCOME TAX	ACC		\$0	\$0	\$0	\$0	\$0	\$0
17	PRE-1971 INVESTMENT TAX CREDIT	PIC		\$0	\$0	\$0	\$0	\$0	\$0
18	CUSTOMER ADVANCES AND DEPOSITS	CAD		(\$581)	(\$420)	(\$37)	(\$114)	(\$4)	(\$6)
19	STORM DAMAGE/INJ & DAM RESRVS	SDR		\$0	\$0	\$0	\$0	\$0	\$0
20	PNSN & MIS OP RSRVS, OTR DEF CRS	PEN		(\$18,664)	(\$18,462)	(\$22)	(\$66)	(\$104)	(\$10)
21	TRANSMISSION RATE REFUND RESERVE	TRN		\$0	\$0	\$0	\$0 	\$0	\$0
22	AVERAGE ORIGINAL COST RATE BASE	RBT		\$8,729,268	\$3,212,688	\$352,186	\$1,012,438	\$3,836,517	\$315,439
23	RETURN AT 4.31%	RET		\$375,930	\$138,355	\$15,167	\$43,601	\$165,222	\$13,585
	OPERATION & MAINTENANCE EXPENSES			TRADE	SECRET DAT	A BEGINS	TRA	DE SECRET E	DATA ENDS]
24	PRODUCTION O&M	OMP		·					
25	TRANSMISSION O&M	OMT		\$0		\$U	\$0	DADE SECOL	T DATA ENDS
26	DISTRIBUTION O&M	OMD			ECRET DATA				
27	CUST ACCT/SERV/SALES	OMC		\$303,750		\$19,215	\$59,571	\$2,018	\$3,111
28	ADMINISTRATIVE & GENERAL	OMA		\$259,445	\$242,243	\$1,861	\$5,589 	\$8,898	\$854
29	TOTAL OPER & MAIN EXPENSES	OMX			ECRET DATA			RADE SECRE	T DATA ENDS
30	DEPRECIATION & AMORT EXPENSES	DEP		\$418,321	\$377,460	\$2,579	\$7,404	\$28,658	\$2,220
31	INTEREST ON CUSTOMER DEPOSITS	ICD		\$0		\$0	\$0	\$0	\$0
32	GENERAL TAXES	GTX		\$74		\$1	\$2	\$3	\$0
33	FED & ST INCOME TAX	FST		\$0		\$0	\$0	\$0	\$0
34	PROV FOR DEF TAXES	PDT		\$0		\$0	\$0	\$0	\$0
35	INVESTMENT TAX CREDIT - NET	ITN		\$0	\$0	\$0	\$0	\$0	\$0
36	AFUDC	AFD		\$0	\$0	\$0	\$0	\$0	\$0
37	COST OF SERVICE REVENUE REQT	CSR		\$9,684,812	\$3,544,722	\$359,502	\$1,082,153	\$4,630,310	\$68,125
-						======	======	======	======

BENCO

SPECIFICALLY ASSIGNED DISTRIBUTION & PURCHASE POWER

BENCO ELECTRIC COOPERATIVE, INC. COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016 PAGE 17

COST OF SERVICE COMPARISON

LINE NO.	DESCRIPTION	CONTROL ALL OUT	TOTAL SMEC	RESIDENTIAL	SEASONAL	C&I <= 1000 KVA	C&I > 1000 KVA	STREET LIGHTING
	*** OTHER REVENUE INCLUDED ***							
1	COST OFF SERVICE REVENUE REQT		\$9,684,812	\$3,544,722	\$359,502	\$1,082,153	\$4,630,310	\$68,125
2 3 4	EXISTING REVENUE REVENUE DEFICIENCY REQUIRED INCREASE (%)		\$8,822,891 \$861,921 9.77%	\$2,741,981 \$802,741 29.28%	\$445,959 (\$86,457) -19.39%	\$1,461,258 (\$379,105) -25.94%	\$4,016,810 \$613,500 15.27%	\$156,882 (\$88,757) -56.58%
5 6 7 8	EXISTING RATE OF RETURN-AS ADJ. EXISTING ROR AS % OF OVERALL ROR-A EXISTING RETURN ON EQUITY-AS ADJ. EXISTING ROE AS % OF OVERALL ROE-A:		-5.57% -129.23% -17.92% -269.47%	-479.81% -55.48%	28.86% 669.61% 67.68% 1017.74%	41.75% 968.68% 99.73% 1499.70%	-11.68% -271.00% -33.11% -497.89%	32.44% 752.67% 76.59% 1151.73%
9 10	PROPOSED RATE OF RETURN-AS ADJ PROPOSED RETURN ON EQUITY-AS ADJ		4.31% 6.64%		4.31% 6.64%	4.31% 6.64%	4.31% 6.64%	4.31% 6.64%
11	*** OTHER REVENUE EXCLUDED *** COST OF SERVICE REVENUE REQT		\$9,581,994	\$3,452,367	\$358,881	\$1,080,384	\$4,622,810	\$67,552
12 13 14	EXISTING REVENUE REVENUE DEFICIENCY REQUIRED INCREASE (%)		\$8,720,073 \$861,921 9.88%	\$802,741	\$445,338 (\$86,457) -19.41%	\$1,459,489 (\$379,105) -25.98%	\$4,009,310 \$613,500 15.30%	\$156,309 (\$88,757) -56.78%
15 16 17 18	EXISTING RATE OF RETURN - UNADJ EXISTING ROR AS % OF OVERALL ROR-U EXISTING RETURN ON EQUITY-UNADJ EXISTING ROE AS % OF OVERALL ROE-U		-5.57% -129.23% -17.92% -269.47%	-479.81% -55.48%	28.86% 669.61% 67.68% 1017.74%	41.75% 968.68% 99.73% 1499.70%	-11.68% -271.00% -33.11% -497.89%	32.44% 752.67% 76.59% 1151.73%
19 20	PROPOSED RATE OF RETURN - UNADJ PROPOSED RETURN ON EQUITY-UNADJ		4.31% 6.64%		4.31% 6.64%	4.31% 6.64%	4.31% 6.64%	4.31% 6.64%

BENCO

SPECIFICALLY ASSIGNED DISTRIBUTION & PURCHASE POWER

BENCO ELECTRIC COOPERATIVE, INC. COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

PAGE 18

DECEN	IBER 31, E010	TOTAL			C&I	C&I	STREET
SED MIL	LS/KWH	SMEC	RESIDENTIAL	SEASONAL	<= 1000 KVA	> 1000 KVA	LIGHTING
		···					
1	FXISTING BASE REV	75,72	99.19	101,46	101.35	58.91	98.03
2	FUEL REVENUE	0.00	0.00	0.00	0.00	0.00	0.00
-	1 022 112 12 113 2						
3	TOTAL MILLS / KWH	75.72	99.19	101.46	101.35	58.91	98.03
		======	=====	=====			=====
4	PROPOSED BASE REV	83.21	129.25	81.77	75.02	67.92	42.36
5	FUEL REVENUE	0.00	0.00	0.00	0.00	0.00	0.00
J	TOLE TIETETOL						
6	TOTAL MILLS / KWH	83.21	129.25	81.77	75.02	67.92	42.36
•		=====	=====	======	======	=====	=====

BROWN COUNTY RURAL ELECTRICAL ASSOCIATION CLASS COST OF SERVICE FOR MPSC COMPLIANCE FILING SCENARIO 2: SMEC DIRECT ASSIGNMENT

			COSS BASED	EXISTING			
LINE			REVENUE	REVENUE			PERCENT
NO.		CLASS	ALLOCATION	ALLOCATION	DIF	FERENCE	DIFFERENCE
	LEGACY:						
1		RESIDENTIAL	\$8,553,493	\$7,838,513	\$	714,980	9.12%
2		IRRIGATION	\$95,453	\$75,313	\$	20,140	26.74%
3		C&I <= 1000 KVA	\$3,869,173	\$4,313,414	\$	(444,241)	-10.30%
4		C&I > 1000 KVA	\$2,996,952	\$3,297,216	\$	(300,264)	-9.11%
5		STREET LIGHTING	\$28,772	\$40,019	\$	(11,247)	-28.10%
6		TOTAL LEGACY	\$15,543,843	\$15,564,475	\$	(20,633)	-0.13%
	SMEC						
7	SIVILO	RESIDENTIAL	\$593,409	\$540,464	\$	52,945	9.80%
8		SMALL COMMERCIAL	\$379,505	\$383,253	\$	(3,748)	
9		LIGHTING	\$9,252	\$14,682	•	(5,430)	
10		MUNICIPAL PUMPING	\$4,967	\$11,774	*	-\$6,807	
11		TOTAL SMEC	\$987,133	\$950,173		\$36,960	
12		TOTAL COMPANY	\$16,530,976	\$16,514,648	\$	16,327	0.10%
13		MISC. REVENUES	-\$14,382	-\$14,382	\$_	-	0.00%
14			\$16,516,594	\$16,500,266	\$	16,327	0.10%
	CONSOLIDA	ATED					
15	CONSOLIDA	RESIDENTIAL	\$9,146,902	\$8,378,977	Φ.	767,924	9.16%
16		IRRIGATION	\$95,453	\$75,313	\$	20,140	26.74%
17		C&I <= 1000 KVA	\$3,869,173	\$4,313,414	\$	(444,241)	
17		C&I > 1000 KVA	\$2,996,952	\$3,297,216	\$	(300,264)	
19		SMALL COMMERCIAL		\$383,253	\$	(3,748)	
20		MUNICIPAL PUMPING		\$11,774	\$	(6,807)	
20 21		STREET LIGHTING	\$38,024	\$54,701	\$	(16,677)	
21 22		STREET LIGHTING		\$16,514,648	\$	16,327	0.10%
23		MISC. REVENUES	-\$14,382	-\$14,382	\$	10,027	0.00%
23 24		TOTAL COMPANY		\$16,500,266	\$	16,327	0.10%
24		TOTAL OOMI ANT	Ψ , υ,υ , υ,υυ τ	Ψ.0,000,200	Ψ	. 0,027	5

BROWN COUNTY RURAL ELECTRICAL ASSOCIATION- SMEC CUSTOMERS

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FILESPEC: K:\RATERES\COS\93RESALE\COS1292.WK3

STUDY DA	ATE:		DECEMBER 31, 2016
RUN DATE	AND TIME:	16-Oct-17	02:07 PM
RETURN C	ON COMMON EQUITY		11.70%
OVERALL	RATE OF RETURN		6.75%
CAPITALIZ	ZATION:		
	OUTSTANDING	EFFECTIVE RATE	COMPOSITE
DBT	\$20,286,720	3.13%	1.81%
PRF		0.00%	0.00%
CMN	\$14,780,958	11.70%	4.93%
FEDERAL	EFFECTIVE INCOME T	AX RATE	0.00%
FEDERAL	NOMINAL INCOME TA	X RATE	0.00%
STATE EF	FECTIVE INCOME TAX	RATE	0.00%
STATE NO	MINAL INCOME TAX F	RATE	0.00%

NOTATIONS: THIS RUN ALLOCATES ALL PLANT ON AVG OF 12 CP

BROWN COUNTY RURAL ELECTRICAL ASSOCIATION- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

PAGE 2

*******CUSTOMER DATA*******

LINE		CONTRO)L	TOTAL		SMALL		MUNICIPAL
NO.	DESCRIPTION	ALL	OUT	SMEC	RESIDENTIAL	COMMERCIAL	LIGHTING	PUMPING
1	NUMBER OF CUSTOMERS	C1A	C1A	509	374	105	26	6
2	PERCENT OF TOTAL	C1A		100.000%	73.360%	20.553%	5.007%	1.080%
3	NUMBER OF WEIGHTED CUSTOMERS	C2A	C2A	503	374	105	19	6
4	PERCENT OF TOTAL	C2A		100.000%	74.290%	20.814%	3.803%	1.094%
5	NUMBER OF RETAIL DISTR CUSTOMERS	СЗА	СЗА	509	374	105	26	6
6	PERCENT OF TOTAL	СЗА		100.000%	73.360%	20.553%	5.007%	1.080%
7	NMBR OF RETAIL WTD CUSTOMERS	C4A	C4A	503	374	105	19	6
8	PERCENT OF TOTAL	C4A		100.000%	74.290%	20.814%	3.803%	1.094%
9	LIGHTING DIRECT ALLOCATOR	LDE	LDE	0	0	0	0	0
10	PERCENT OF TOTAL	LDE		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
11	LPS DIRECT ALLOCATOR	DA1	DA1	0	0	0	0	0
12	PERCENT OF TOTAL	DA1		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
13	AVERAGE COINCIDENT KW DEMAND	D1A	D1A	1,577	936	641	0	0
14	DEMAND ALLOCATION FACTOR-PROD	D1A		100.000%	59.337%	40.663%	0.000%	0.000%
15	AVERAGE COINCIDENT KW DEMAND	D1B	D1B	1,577	936	641	0	0
16	DEMAND ALLOCATION FACTOR-TRANS	D1B		100.000%	59.337%	40.663%	0.000%	0.000%
17	AVG PRIMARY DISTRIB KW DEMAND	D2A	D2A	1,645	972	673	0	0
18	DIST-PRI DEMAND ALLOC FACTOR	D2A		100.000%	59.070%	40.930%	0.000%	0.000%
19	AVG SECONDARY DISTRIB KW DEMAND	D3A	D3A	1,645	972	673	0	0
20	DIST-SEC DEMAND ALLOC FACTOR	D3A		100.000%	59.070%	40.930%	0.000%	0.000%
21	AVG SECONDARY DISTRIB KW DEMAND	D4A	D4A	1,645	972	673	0	0
22	DIST-SEC DEMAND ALLOC FACTOR	D4A		100.000%	59.070%	40.930%	0.000%	0.000%
23	ANNUAL MWH ENERGY CONTRIBUTION	E1A	E1A	8,190,396	4,427,269	3,539,656	108,994	114,477
24	ENERGY ALLOCATION FACTOR	E1A		100.000%	54.054%	43.217%	1.331%	1.398%

BROWN COUNTY RURAL ELECTRICAL ASSOCIATION- SMEC CUSTOMERS

COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

*******CUSTOMER DATA******* ···· CONTINUED ****

LINE NO.	DESCRIPTION	ALL	OUT	TOTAL SMEC	RESIDENTIAL	SMALL COMMERCIAL	LIGHTING	MUNICIPAL PUMPING
25	RESERVED			0	0	0	0	0
26	PERCENT OF TOTAL			0.000%	0.000%	0.000%	0.000%	0.000%
27	WAGES/SALARIES: PRODUCTION	NPP		\$0	\$0	\$0	\$0	\$0
28	TRANSMISSION	NPT		\$0	\$0	\$0	\$0	\$0
29	DISTRIBUTION	NPD		\$21,549	\$14,037	\$7,091	\$327	\$94
30	GENERAL	NPG		\$57,796	\$40,266	\$16,102	\$1,428	\$0
31	WAGES/SALARIES: TOTAL	LBR	LBR	\$79,345	\$54,303	\$23,193	\$1,755	\$94
32	PERCENT OF TOTAL	LBR		100.000%	68.439%	29.231%	2.212%	0.118%
33	BULK TRANSMISSION REVENUE	D1A		\$0	\$0	\$0	\$0	\$0
34	PRIMARY TRANSMISSION REVENUE	D2A		\$0	\$0	\$0	\$0	\$0
35	TOTAL TRANSMISSION REVENUE	TRN	TRN	\$0	\$0	\$0	\$0	\$0
36	PERCENT OF TOTAL	TRN		100.000%	100.000%	0.000%	0.000%	0.000%
	EXISTING REVENUE							
37	EXISTING BASE REV	OTR	OTR	\$950,173	\$540,464	\$383,253	\$14,682	\$11,774
38	FUEL REVENUE	FUL		\$0	\$0	\$0	\$0	\$0
39	MISCELLANEOUS REVENUE	NPD		-\$441	-\$287	-\$145	-\$7	-\$2
40	TRANSMISSION REVENUE	TRN		\$0	\$0	\$0	\$0	\$0
41	NON-FRM SLS FOR RESALE	E1A		\$0	\$0 	\$0	\$0	\$0
42	TOTAL EXISTING REVENUE	EXR	EXR	\$949,732	\$540,177	\$383,108	\$14,675	\$11,772
				======	======		#=== #	======
	PROPOSED REVENUE							
43	PROPOSED BASE REV			\$987,133	\$593,409	\$379,505	\$9,252	\$4,967
44	FUEL REVENUE			\$0	\$0	\$0	\$0	\$0
45	MISCELLANEOUS REVENUE			-\$441	-\$287	-\$145	-\$7	-\$2
46	TRANSMISSION REVENUE			\$0	\$0	\$0	\$0	\$0
47	NON-FRM SLS FOR RESALE			\$0 	\$0 	\$ 0	\$0 	\$0
48	TOTAL PROPOSED REVENUE	PRV	PRV	\$986,692	\$593,122	\$379,360	\$9,245	\$4,965
				======	======	======	#####	=======
49	PROPOSED BASE REVENUE INCREASE/(I	DECREASE)		\$36,960	\$52,945	-\$3,748	-\$5,430	-\$6,807
50	PROPOSED BASE REVENUE INCR/(DECR			3,89%	9.80%	-0.98%	-36.98%	-57.81%

BROWN COUNTY RURAL ELECTRICAL ASSOCIATION- SMEC CUSTOMERS COST OF SERVICE STUDY

FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

****ELECTRIC GROSS PLANT****

LINE NO.	DESCRIPTION	ALL	OUT	TOTAL SMEC	RESIDENTIAL	SMALL COMMERCIAL	LIGHTING	MUNICIPAL PUMPING
1	TOTAL PRODUCTION PLANT	D1A	GPP	\$0	\$0	\$0	\$0	\$0
	TRANSMISSION PLANT							
2	POWER PLANT EQUIP	D1A		\$0	\$0	\$0	\$0	\$0
3	LARGE POWER SERVICE EQUIP	DA1		\$0	\$0	\$0	\$0	\$0
4	OTHER DIST IN ACCT 353	D2A		\$0	\$0	\$0	\$0	\$0
5	ALL OTHER TRANSMISSION	D1B		\$0	\$0	\$0	\$0	\$0
6	TOTAL TRANSMISSION PLANT	GPT	GPT	\$0	\$0	\$0	\$0	\$0
	DISTRIBUTION PLANT							
7	PRIMARY DEMAND RELATED	D4A		\$643,061	\$379,855	\$263,206	\$0	\$0
8	SECONDARY DEMAND RELATED	D3A		\$173,404	\$102,430	\$70,974	\$0	\$0
9	CUSTOMER RELATED	C4A		\$541,674	\$402,407	\$112,742 	\$20,601	\$5,924
10	SUB-TOTAL DISTR PLANT		SGD	\$1,358,139	\$884,692	\$446,922	\$20,601	\$5,924
11	LIGHTING SPECIFIC	LDE		\$0	\$0	\$0	\$0 	\$0
12	TOTAL DISTRIBUTION PLANT	GPD	GPD	\$1,358,139	\$890,616	\$446,922	\$20,601	\$0
	GENERAL AND INTANGIBLE PLANT							
13	PRODUCTION RELATED	GPP		\$0	\$0	\$0	\$0	\$0
14	TRANSMISSION RELATED	GPT		\$0	\$0	\$0	\$0	\$0
15	DISTRIBUTION RELATED	GPD		\$263,406	\$172,732	\$86,679	\$3,995	\$0
	CUST ACCT/SERV & INFO/							
16	SALES RELATED	C2A		\$188,637	\$140,138 	\$39,262	\$7,174	\$2,063
17	TOTAL GENERAL & INTANGIBLE PLANT	GPG	GPG	\$452,043	\$312,870	\$125,941	\$11,169	\$2,063
		0.00	000		et 202.496	\$572.863	\$31,770	\$2.063
18	TOTAL GROSS PLANT IN SERVICE	GPR	GPR	\$1,810,182	\$1,203,486	*- *-	φ31,770 ======	Ψ 2 ,000
				=======	======	======	_=====	

BROWN COUNTY RURAL ELECTRICAL ASSOCIATION- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED

DECEMBER 31, 2016

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*********ELECTRIC PLANT*********
****ACCUMULATED DEPRECIATION***

LINE NO.	DESCRIPTION	ALL	OUT	TOTAL SMEC	RESIDENTIAL	SMALL COMMERCIAL	LIGHTING	MUNICIPAL PUMPING
1	TOTAL PRODUCTION PLANT	D1A	DPP	\$0	\$0	\$0	\$0	\$0
	TRANSMISSION PLANT							
2	POWER PLANT EQUIP	D1B		\$0	\$0	\$0	\$0	\$0
3	LARGE POWER SERVICE EQUIP	DA1		\$0	\$0	\$0	\$0	\$0
4	OTHER DIST IN ACCT 353	D2A		\$0	\$0	\$0	\$0	\$0
5	ALL OTHER TRANSMISSION	D1A		\$0	\$0	\$0	\$0	\$0
6	TOTAL TRANSMISSION PLANT	DPT	DPT	\$0	\$0	\$0	\$0	\$0
	DISTRIBUTION PLANT							
7	PRIMARY DEMAND RELATED	D4A		\$303,221	\$179,112	\$124,109	\$0	\$0
8	SECONDARY DEMAND RELATED	D3A		\$81,765	\$48,298	\$33,467	\$0	\$0
9	CUSTOMER RELATED	C4A		\$255,414	\$189,746	\$53,161	\$9,714	\$2,793
10	SUB-TOTAL DISTR PLANT		SDD	\$640,400	\$417,156	\$210,737	\$9,714	\$2,793
11	LIGHTING SPECIFIC	LDE		\$0	\$0	\$0	\$0	\$0
12	TOTAL DISTRIBUTION PLANT	DPD	DPD	\$640,400	\$417,156	\$210,737	\$9,714	\$2,793
	GENERAL AND INTANGIBLE PLANT							
13	PRODUCTION RELATED	GPP		\$0	\$0	\$0	\$0	\$0
14	TRANSMISSION RELATED	GPT		\$0	\$0	\$0	\$0	\$0
15	DISTRIBUTION RELATED	GPD		\$165,436	\$108,487	\$54,440	\$2,509	\$0
	CUST ACCT/SERV & INFO/							
16	SALES RELATED	C2A		\$118,476	\$88,015	\$24,659	\$4,506 	\$1,296
17	TOTAL GENERAL & INTANGIBLE PLANT	DPG	DPG	\$283,912	\$196,502	\$79,099	\$7,015	\$1,296

18	TOTAL ACCUMULATED DEPRECIATION	DPR	DPR	\$924,312	\$613,658	\$289,836	\$16,729	\$4,089
					======		======	===3===

BROWN COUNTY RURAL ELECTRICAL ASSOCIATION- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

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*******ELECTRIC NET PLANT*******

LINE NO.	DESCRIPTION	CONTRO ALL	L OUT	TOTAL SMEC	RESIDENTIAL	SMALL COMMERCIAL	LIGHTING	MUNICIPAL PUMPING
1	TOTAL PRODUCTION PLANT	D1A	NPP	\$0	\$0	\$0	\$0	\$0
	TRANSMISSION PLANT							
2	POWER PLANT EQUIP	D1B		\$0	\$0	\$0	\$0	\$0
3	LARGE POWER SERVICE EQUIP	DA1		\$0	\$0	\$0	\$0	\$0
4	OTHER DIST IN ACCT 353	D2A		\$0	\$0	\$0	\$0	\$0
5	ALL OTHER TRANSMISSION	D1A		\$0	\$0	\$0	\$0	\$0
6	TOTAL TRANSMISSION PLANT	NPT	NPT	\$0	\$0	\$0	\$0	\$0
	DISTRIBUTION PLANT							
7	PRIMARY DEMAND RELATED	D4A		\$339,840	\$200,743	\$139,097	\$0	\$0
8	SECONDARY DEMAND RELATED	D3A		\$91,639	\$54,132	\$37,507	\$0	\$0
9	CUSTOMER RELATED	C4A		\$286,260	\$212,661	\$59,581 	\$10,887	\$3,131
10	SUB-TOTAL DISTR PLANT		SPD	\$717,739	\$467,536	\$236,185	\$10,887	\$3,131
11	LIGHTING SPECIFIC	LDE		\$0	\$0	\$0	\$0	\$0
12	TOTAL DISTRIBUTION PLANT	NPD	NPD	\$717,739	\$467,536	\$236,185	\$10,887	\$3,131
	GENERAL AND INTANGIBLE PLANT							
13	PRODUCTION RELATED	NPP		\$0	\$0	\$0	\$0	\$0
14	TRANSMISSION RELATED	NPT		\$0	\$0	\$0	\$0	\$0
15	DISTRIBUTION RELATED	NPD		\$97,970	\$64,245	\$32,239	\$1,486	\$0
	CUST ACCT/SERV & INFO/							
16	SALES RELATED	C2A		\$70,161	\$52,123	\$14,603	\$2,668	\$767
17	TOTAL GENERAL & INTANGIBLE PLANT	NPG	NPG	\$168,131	\$116,368	\$46,842	\$4,154	\$767
18	TOTAL NET PLANT IN SERVICE	NPR	NPR	\$885,870	\$583,904	\$283,027	\$15,041	\$3,898
				======	=======	=======	=======	=======

BROWN COUNTY RURAL ELECTRICAL ASSOCIATION- SMEC CUSTOMERS

COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

****** RATE BASE *****

LINE NO.	DESCRIPTION	CONTRO ALL	L	TOTAL SMEC	RESIDENTIAL	SMALL COMMERCIAL	LIGHTING	MUNICIPAL PUMPING
1	NET PLANT IN SERVICE	NPR	NPR	\$885,870	\$583,904	\$283,027	\$15,041	\$3,898
	CONCERNATION MORE IN PROCEEDS							
•	CONSTRUCTION WORK IN PROGRESS	NPP		\$0	\$0	\$0	\$0	\$0
2	PRODUCTION PLANT TRANSMISSION PLANT	NPT		\$0	\$0	\$0	\$0	\$0
3 4	DISTRIBUTION PLANT	NPD		\$5,627	\$3.665	\$1.852	\$85	\$25
5	GENERAL PLANT	NPG		\$0	\$0	\$0	\$0	\$0
э	GENERAL PLANT	NEG						
6	TOAL CWIP	CWP	CWP	\$5,627	\$3,665	\$1,852	\$85	\$25
7	NET ACQUISITION ADJUSTMENT	D2A	ACQ	\$428,294	\$252,993	\$175,301	\$0	\$0
8	PLANT HELD FOR FUTURE USE	E1A	PLH	\$0	\$0	\$0	\$0	\$0
	MISC DEFERRED DEBITS							
9	PROD RELATED	NPP		\$0	\$0	\$0	\$0	\$0
10	TRAN RELATED	NPT		\$0	\$0	\$0	\$0	\$0
11	DIST RELATED	NPD		\$785	\$512	\$258	\$12	\$3
12	GENR RELATED	NPG		\$0	\$0	\$0	\$0	\$0
13	LABOR RELATED	LBR		\$0	\$0	\$0	\$0	\$0
14	NPR RELATED	NPR		\$15,306	\$10,089	\$4,890	\$260	\$ 67
15	TOTAL MISC DEFRD DEBITS			\$16,091	\$10,601	\$5,148	\$272	\$70
	WORKING CAPITAL							
16	CASH WORK CAP, FUNDS, MAT&SUP	NPR	MAS	\$31,975	\$21,075	\$10,216	\$543	\$141
17	FUEL STOCK	E1A	FUL	\$0	\$0	\$0	\$0	\$0
18	PREPAID LIGNITE ROYALTIES	E1A		\$0	\$0	\$0	\$0	\$0
19	OTHER PREPAYMENTS	NPR		\$106 	\$70	\$34	\$2 	\$0
20	TOTAL WORKING CAPITAL			\$32,081	\$21,145	\$10,250	\$545	\$141
21	UNAMORTIZED LOSS ON REACQD LTD	NPR		\$0	\$0	\$0	\$0	\$0
22	DEFERRED FUEL	E1A	DEF	\$0	\$0	\$0	\$0	\$0

(RATE BASE CONTINUED ON NEXT PAGE)

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PUBLIC DOCUMENT - TRADE SECRET DATA HAS BEEN EXCISED

BROWN COUNTY RURAL ELECTRICAL ASSOCIATION- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

"CONTINUED"

LINE		CONTRO		TOTAL		SMALL	LIGHTING	MUNICIPAL PUMPING
NO.	DESCRIPTION	ALL	OUT	SMEC	RESIDENTIAL	COMMERCIAL	LIGHTING	PUMPING
	ACCUMULATED DEFERRED INCOME TAX							
23	ACCT 281: POL CON	NPP		\$0	\$0	\$0	\$0	\$0
24	ACCT 282: LIBERAL DEP - PROD	NPP		\$0	\$0	\$0	\$0	\$0
25	TRAN	NPT		\$0	\$0	\$0	\$0	\$0
26	DIST	NPD		\$0	\$0	\$0	\$0	\$0
27	GENR	NPG		\$0	\$0	\$0	\$0	\$0
28	LIGNITE EXPLORATN	E1A		\$0	\$0	\$0	\$0	\$0
29	LABOR RELATED	LBR		\$0		\$ 0	\$0	\$0
30	TOTAL ACCOUNT 282			\$0		\$0	\$0	\$0
31	ACCT 283: THIS LINE RESERVED			\$0	\$0	\$0	\$0	\$0
32	LONG TERM DEBT LOSS	NPR		\$0		\$0	\$0	\$0
33	TOTAL ACCOUNT 283			\$0		\$0	\$0	\$0
34	ACCOUNT 190: PRODUCTION RELATED	NPP		\$0	\$0	\$0	\$0	\$0
35	PLANT RELATED	NPR		\$0	\$0	\$0	\$0	\$0
36	ENERGY RELATED	E1A		\$0	\$0	\$0	\$0	\$0
37	LABOR RELATED	LBR		\$0	\$0	\$0	\$0	\$0
38	FERC REFUND	TRN		\$0		\$0 	\$0 	\$0
39	TOTAL ACCOUNT 190			\$0		\$0	\$0	\$0
40	TOTAL ACCUM DEFRD INC TAX	ACC	ACC	\$0	\$0	\$0	\$0	\$0
41	INVESTMENT TAX CREDIT PRE '71	NPR	PIC	\$0	\$0	\$0	\$0	\$0
42	CUSTOMER ADVANCES AND DEPOSITS	СЗА	CAD	-\$7,916	-\$5,808	-\$1,627	-\$396	-\$85
43	STORM DAMAGE & INJ & DAM RESRVS	D2A	SDR	\$0	\$0	\$0	\$0	\$0
44	PNSN & MIS OP RSRVS, OTR DEF CR	OMA	PEN	-\$3,147	-\$2,153	-\$920	-\$70	-\$4
45	TRANSMISSION RATE REFUND RESERVE	TRN		\$0		\$0	\$0 	\$ 0
46	TOTAL RATE BASE	RBT	RBT	\$1,356,900 ======	\$864,347		\$15,477 ======	\$4,045 ======

BROWN COUNTY RURAL ELECTRICAL ASSOCIATION: SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

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"""OPER AND MTN EXPENSES"""

LINE		CONTRO		TOTAL			SMALL		MUNICIPAL
NO.	DESCRIPTION	ALL	OUT	SMEC	ı	RESIDENTIAL	COMMERCIAL	LIGHTING	PUMPING
	PRODUCTION O&M EXPENSE			***************************************				and the state of t	
1	FUEL EXPENSE - ACCT 501	Ε1A			\$0	\$0	\$0	\$0	\$0
	PURCHASED POWER - ACCT 555								
2	DEMAND - OTHER	D1A		[TRAI	DE ŠI	ECRET DATA	A BEGINS T	RADE SECRET	「DATA ENDS]
3	ENERGY - OTHER	E1A							
4	NET OFF SYSTEM REVENUE	E1A		1	\$0	\$0	\$0	\$0	\$0
	OTHER PRODUCTION O&M ACCTS								
5	DEMAND - OTHER	D1A			\$0	\$0	\$0	\$0	\$0
6	ENERGY - OTHER	E1A			\$0	\$0	\$0	\$0	\$0
7	TOTAL OTHER PRODUCTION O&M	PRO	PRO	· ·	\$0	\$0	\$0	\$0	\$0
8	TOTAL PRODUCTION O&M EXPENSE	OMP	OMP	[TRA	DE S	ECRET DAT.	A BEGINS T	RADE SECRE	T DATA ENDS]
9	TOTAL TRANSMISSION O&M EXPENSE	NPT	OMT		\$0	\$0	\$0	\$0	\$0
	DISTRIBUTION O&M EXPENSE						DE CODIC	ED A DE CE COL	T DATA UNIDEL
10	LIGHTING SPECIFIC	LDE		TRA	DE SE	CREI DATA	I BEGINS	RADE SECKE	T DATA ENDS]
11	ALL OTHER	SPD							
12	TOTAL DISTRIBUTION O&M EXPENSE	OMD	OMD	[TRA	DE S	SECRET DAT	A BEGINS	FRADE SECRE	T DATA ENDS]
	TOTAL CUST ACCT/SERV & INFO/								
13	SALES EXPENSE	C2A	OMC	\$36,	862	\$27,385	\$7,672	\$1,402	\$403
	ADMINISTRATIVE & GENERAL EXPENSE								
14	PROP INSURANCE/INJ & DAMG	NPR			\$0	\$0	\$0	\$0	\$0
15	CUST ACCT/SERV&INFO/SALES REL	LBR		\$79,	719	\$54,560	\$23,302	\$1,763	\$94
						******		******	gage statement an
16	TOTAL ADMIN & GENERAL EXPENSE	OMA	OMA	\$79,	719	\$54,560	\$23,302	\$1,763	\$94
									T. D. A.T. A. I. N. D.C.)
17	TOTAL OPER & MTN EXPENSES	OMX	OMX	[TR/	ADE S	SECRET DAT	A BEGINS	TRADE SECRE	ET DATA ENDS]

BROWN COUNTY RURAL ELECTRICAL ASSOCIATION: SMEC CUSTOMERS

COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

EXPENSES OTHER THAN INCOME TAXES

LINE		CONTROL	_	TOTAL		SMALL		MUNICIPAL
NO.	DESCRIPTION	ALL	OUT	SMEC	RESIDENTIAL	COMMERCIAL	LIGHTING	PUMPING
1	TOTAL OPER & MTN EXPENSES	OMX		[TRADE	SECRET DATA	A BEGINS TR	ADE SECRET	DATA ENDS]
	DEPRECIATION & AMORTIZATION EXPENS	ES						
2	PRODUCTION	NPP		\$0	\$0	\$0	\$0	\$0
3	TRANSMISSION	NPT		\$0	\$0	\$0	\$0	\$0
4	DISTRIBUTION	NPD		\$36,075	\$23,500	\$11,871	\$547	\$157
5	GENERAL	NPG		\$13,617	\$9,425	\$3,794	\$336	\$ 62
6	TOTAL DEPR & AMORT EXPEN	DEP	DEP	\$49,692	\$32,92 5	\$15,665	\$883	\$219
7	INTEREST ON CUSTOMER DEPOSITS	СЗА	ICD	\$0	\$0	\$0	\$0	\$0
	GENERAL TAXES							
8	AD VALOREM	NPR	VAL	\$0	\$0	\$0	\$0	\$0
9	CORP FRANCHISE TAX	NPR	SFT	\$0	\$0	\$0	\$0	\$ 0
10	MISCELLANEOUS GENERAL TAXES	LBR	MIS	\$143	\$98	\$42	\$ 3	\$0
11	REVENUE-RELATED (AS PROPOSED)	RTX		\$0	\$0	\$0	\$0	\$0
12	TOTAL GENERAL TAXES	GTX	GTX	\$143	\$98	\$42	\$ 3	\$0
13	TOTAL EXPENSES EXCEPT INCOME TAX	EXP	ЕХР	ĮTRAD	E SECRET DA	TA BEGINS T	TRADE SECRE	ET DATA ENDS]

BROWN COUNTY RURAL ELECTRICAL ASSOCIATION- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

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INCOME TAX FOR 11.70% ROE

LINE NO.	DESCRIPTION	CONTRO ALL	L OUT	TOTAL SMEC	RESIDENTIAL	SMALL COMMERCIAL	LIGHTING	MUNICIPAL PUMPING
1	RATE BASE	RBT		\$1,356,900	\$864,347	\$473,031	\$15,477	\$4,045
2	RETURN AT 6.75%	RBT	RET	\$91,534	\$58,307	\$31,910	\$1,044	\$273
3	INTEREST (1.81% OF LINE 1)	RBT	INT	-\$24,595	-\$15,667	-\$8,574	-\$281	-\$73
4	AFUDC	NPR	AFD	\$0	\$0	\$0	\$0	\$0
	PROVISION FOR DEFERRED TAXES							
5	ACT 410.1: PROD RLTD	NPP		\$0	\$0	\$0	\$0	\$0
6	TRAN RLTD	NPT		\$0	\$0	\$0	\$0	\$0
7	PLANT RLTD	NPR		\$0	\$0	\$0	\$0	\$0
8	ENERGY RLTD	E1A		\$0	\$0	\$0	\$0	\$0
9	LABOR RLTD	LBR		\$0	\$0	\$0	\$0	\$0
10	CUSTOMER RELATED	C3A		\$0	\$0	\$0	\$0	\$0
11	RESERVED			\$0	\$0	\$0	\$0 	\$0
12	TOTAL 410.1			\$0	\$0	\$0	\$0	\$0
13	ACT 411.1: PROD RLTD	NPP		\$0	\$0	\$0	\$0	\$0
14	TRAN RLTD	NPT		\$0	\$0	\$0	\$0	\$0
15	PLANT RELATED	NPR		\$0	\$0	\$0	\$0	\$0
16	ENERGY RELATED	E1A		\$0	\$0	\$0	\$0	\$0
17	LABOR RELATED	LBR		\$0	\$0	\$0	\$0	\$0
18	CUSTOMER RELATED	СЗА		\$0	\$0	\$0	\$0 	\$0
19	TOTAL 411.1			\$0	\$0	\$0	\$0	\$0
20	NET PROVISION FOR DEFRD INC TAX		PDT	\$0	\$0	\$0	\$0	\$0
21	ITC AMORT	NPR	ITA	\$0	\$0	\$0	\$0	\$0
22	ADJUSTED RETURN	ART	ART	\$66,939	\$42,640	\$23,336	\$763	\$200
	FED ADD INC & UNALLOW DEDUCTS							
23	PRODUCTION RELATED	NPP		\$0	\$0		\$0	\$0
24	DISTRIBUTION RELATED	NPD		\$0	\$0	\$0	\$0	\$0
25	PLANT RELATED	NPR		\$0	\$0	\$0	\$0	\$0
26	ENERGY RELATED	E1A		\$0	\$0	\$0	\$0	\$0
27	LABOR RELATED	LBR		\$0	\$0	\$0	\$0	\$0
28	TRANSMISSION REV RELATED	TRN		\$0	\$0		\$0	\$0
29	RESERVED			\$0	\$0	\$0	\$0	\$0
30	DISTRIBUTION CUSTOMER RELATED	СЗА		\$0	\$0	\$0	\$0	\$0
31	TOTAL ADDITIONS	FTA	FTA	\$0			\$0	\$0

(INCOME TAX CALCULATION CONTINUED ON NEXT PAGE)

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PUBLIC DOCUMENT - TRADE SECRET DATA HAS BEEN EXCISED

BROWN COUNTY RURAL ELECTRICAL ASSOCIATION- SMEC CUSTOMERS

COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

""INCOME TAX FOR 11.70% ROE""
"" CONTINUED ""

LINE		CONTRO	L	TOTAL		SMALL		MUNICIPAL
NO.	DESCRIPTION	ALL	OUT	SMEC	RESIDENTIAL	COMMERCIAL	LIGHTING	PUMPING

	FED DEDUCTS AND NON-TAX INCOME						**	
32	PRODUCTION RELATED	NPP		\$0	\$0	\$0	\$0	\$0
33	DISTRIBUTION RELATED	NPD		\$0	\$0	\$0	\$0	\$0
34	PLANT RELATED	NPR		\$0	\$0	\$0	\$0	\$0
35	ENERGY RELATED	E1A		\$0	\$0	\$0	\$0	\$0
36	LABOR RELATED	LBR		\$0	\$0	\$0	\$0	\$0
37	TRANSMISSION REV RELATED	TRN		\$0	\$0	\$0	\$0	\$0
38	DISTRIBUTION CUSTOMER RELATED	СЗА		\$0 	\$0	\$0	\$0 	\$0
39	TOTAL DEDUCTIONS	FTD	FTD	\$0	\$0	\$0	\$0	\$0
40	NET FEDERAL DEDUCTIONS	NFD	NFD	\$0	\$0	\$0	\$0	\$0
41	ST ADD INC & UNALLOW DEDUCTS	FTA		\$0	\$0	\$0	\$0	\$0
42	ST DEDUCTS AND NON-TAX INCOME	FTD		\$0	\$0	\$0	\$0	\$0
43	NET STATE DEDUCTIONS	NSD	NSD	\$0	\$0	\$0	\$0	\$0
44	PROV FOR DEF'D ITC - CURRENT	NPR	ITC	\$0	\$0	\$0	\$0	\$0
	FEDERAL TAXABLE INCOME							
45	ADJ RET * 1/(1-0.0000-0.0000)	ART	TART	\$66,939	\$42,640	\$23,336	\$763	\$200
46	NET FED DED * 1/(1-0.0000)	NFD		\$0	\$0	\$0	\$0	\$0
47	NET ST DED * (1/(1-0.0000))-1	NSD		\$0	\$0	\$0	\$0	\$0
48	CURRENT ITC * (1/1-0.00))-1	ITC		\$0	\$0	\$0	\$0	\$0
			CT1	*******		**************************************	\$763	\$200
49	TOTAL FEDERAL TAXABLE INCOME	FTI	FTI	\$66,939	\$42,640	\$23,336	\$/63	\$200
50	PLUS: NET FED DEDUCTS	NFD		\$0	\$0	\$0	\$0	\$0
51	LESS: NET STATE DEDUCTS	NSD		\$0	\$0	\$0 	\$0 	\$0
52	TOTAL STATE TAXABLE INCOME	STI	STI	\$66,939	\$42,640	\$23,336	\$763	\$200
	FED & ST INCOME TAXES:							
53	FED TAXABLE INC * 0.0000	FTI		\$0	\$0	\$0	\$0	\$0
54	ST, TAXABLE INC * 0.0000	STI		\$0	\$0	\$0	\$0	\$0
55	LESS: CRNT ITC * (1-0,0000)	ITC		\$0	\$0	\$0	\$0	\$0
56	TOTAL FED & ST INCOME TAXES	FST	FST	\$0	 \$0	\$0	\$0	\$0
96	TOTAL TED & ST INCOME TAXES	131	, , ,	======	======	=======		======
57	INVESTMENT TAX CREDIT - NET	NPR	ITN	\$0	\$0	\$0	\$0	\$0

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PUBLIC DOCUMENT - TRADE SECRET DATA HAS BEEN EXCISED

BROWN COUNTY RURAL ELECTRICAL ASSOCIATION- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

""COST OF SERVICE"
" (PROPOSED) "

LINE NO.	DESCRIPTION	CONTRO ALL	OUT	TOTAL SMEC	RESIDENTIAL	SMALL COMMERCIAL	LIGHTING	MUNICIPAL PUMPING
1	RATE BASE	RBT		\$1,356,900	\$864,347	\$473,031	\$15,477	\$4,045
2	RETURN AT 6.75%	RET		\$91,534	\$58,307	\$31,910	\$1,044	\$273
3	OPERATION & MAINTENANCE EXPENSES	ОМХ		[TRADE	SECRET DAT	Ä BEGINS TI	RADE SECRET	「DATA ENDS]
4	DEPRECIATION & AMORT EXPENSES	DEP		\$49,692	\$32,925	\$15,665	\$883	\$219
5	INTEREST ON CUSTOMER DEPOSITS	ICD		\$0	\$0	\$0	\$0	\$0
6	GENERAL TAXES	GTX		\$143	\$98	\$42	\$3	\$0
7	FEDERAL AND STATE INCOME TAX	FST		\$0	\$0	\$0	\$0	\$0
8	PROVISION FOR DEFERRED TAXES	PDT		\$0	\$0	\$0	\$0	\$0
9	INVESTMENT TAX CREDIT - NET	ITN		\$0	\$0	\$0	\$0	\$0
10	AFUDC	AFD		\$0	\$0	\$0	\$0 	\$0
11	COST OF SERVICE REVENUE REQUIREMENT BEFORE ATTRITION ADJUSTMENT	IT CSR	CSR	\$986,692	\$593,122	\$379,360	\$9,245	\$4,965
12	LESS: FUEL REVENUE	FUL		\$0	\$0 	\$0	\$0 	\$0
13	BASE COST OF SERVICE REVENUE REQUIREMENT	BRR	BRR	\$986,692	\$593,122	\$379,360	\$9,245	\$4,965
14	ATTRITION ADJUSTMENT	BRR		\$0 	\$0 	\$0 	\$0 	\$0
15	BASE COST OF SERVICE REVENUE REQUIR AFTER ATTRITION ADJUSTMENT	REMENT ARR	ARR	\$986,692	\$593,122	\$379,360	\$9,245	\$4,965
16	PLUS: FUEL REVENUE	FUL		\$0	\$0	\$0	\$0 	\$0
17	COST OF SERVICE REVENUE REQUIREMENT AFTER ATTRITION ADJUSTMENT	NΤ		\$986,692	\$593,122	\$379,360	\$9,245	\$4,965
18	LESS: MISCELLANEOUS REVENUE			\$441	\$287	\$145	\$7	\$2
19	LESS: BULK TRANSMISSION REVENUE			\$0	\$0	\$0	\$0	\$0
20	LESS: PRIMARY TRANSMISSION REVENUE			\$0	\$0	\$0	\$0	\$0
21	LESS: NON-FRM SLS FOR RESALE			\$0	\$0	\$0	\$0 	\$0
22	NET ELECTRIC REVENUE REQUIREMENT			\$987,133 ======	\$593,409 =====	\$379,505 =====	\$9,252 =====	\$4,967 =====

BROWN COUNTY RURAL ELECTRICAL ASSOCIATION- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

EXISTING RETURN AND INCOME TAX

MISC GENERAL TAXES	MUNICIPAL PUMPING	LIGHTING	SMALL COMMERCIAL	RESIDENTIAL	TOTAL SMEC	L OUT	CONTROI ALL		LINE NO.
2 O&M EXPENSES	DATA ENDS]	RADE SECRET	A BEGINS T	SECRET DAT	[TRADE		EXR	EXISTING REVENUE	1
DEPRECIATION & AMORT EXPENSES DEP \$49,692 \$32,925 \$15,665 \$6883 \$218									
## AD VALOREM TAXES	\$210	6000	E1E 66E	620 00F			_		
CORP FRANCHISE TAX SFT \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0	•	-							
MISC GENERAL TAXES	\$0								
## REVENUE-RELATED TAXES RTX \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$	\$0		•						
8 INTEREST ON CUST DEPOSITS ICD \$0 \$0 \$0 \$0 \$0 \$0 9 TOTAL REVENUE DEDUCTIONS 10 NET FOR RETURN AND INCOME TAXES NET NET \$54,574 \$5,362 \$35,658 \$6,474 \$7,080 11 LESS: INTEREST EXPENSE INT \$24,595 \$15,667 \$8,574 \$281 \$57,080 12 LESS: NET FEDERAL DEDUCTIONS NFD \$0 \$0 \$0 \$0 \$0 \$0 13 TOTAL FEDERAL TAXABLE INCOME \$29,979 \$10,305 \$27,084 \$6,193 \$7,000 14 PLUS: NET FEDERAL DEDUCTIONS NFD \$0 \$0 \$0 \$0 \$0 15 LESS: NET STATE DEDUCTIONS NFD \$0 \$0 \$0 \$0 \$0 16 TOTAL STATE TAXABLE INCOME \$29,979 \$10,305 \$27,084 \$6,193 \$7,000 17 TOTAL STATE TAXABLE INCOME \$29,979 \$10,305 \$27,084 \$6,193 \$7,000 18 ST. TAXABLE INC 0.0000 \$0 \$0 \$0 \$0 \$0 19 LESS: CRNT ITC *(1-0.0000) \$0 \$0 \$0 \$0 \$0 10 LESS: CRNT ITC *(1-0.0000) \$0 \$0 \$0 \$0 \$0 20 TOTAL FED & ST INCOME TAXES \$0 \$0 \$0 \$0 \$0 21 TOTAL FED & ST INCOME TAXES \$0 \$0 \$0 \$0 \$0 22 TOTAL FED & ST INCOME TAXES \$0 \$0 \$0 \$0 \$0 23 \$0 \$0 \$0 \$0 \$0 \$0 24 ST. TAXABLE INC *0.0000 \$0 \$0 \$0 \$0 \$0 25 ST. TAXABLE INC *0.0000 \$0 \$0 \$0 \$0 \$0 26 ST. TAXABLE INC *0.0000 \$0 \$0 \$0 \$0 \$0 27 TOTAL FED & ST INCOME TAXES \$0 \$0 \$0 \$0 \$0 \$0 28 ST. TAXABLE INC *0.0000 \$0 \$0 \$0 \$0 \$0 29 TOTAL FED & ST INCOME TAXES \$0 \$0 \$0 \$0 \$0 20 TOTAL FED & ST INCOME TAXES \$0 \$0 \$0 \$0 \$0 20 TOTAL FED & ST INCOME TAXES \$0 \$0 \$0 \$0 \$0 20 TOTAL FED & ST INCOME TAXES \$0 \$0 \$0 \$0 \$0 21 NET FOR RETURN AND INCOME TAXES \$0 \$0 \$0 \$0 \$0 22 TOTAL FED & ST INCOME TAXES \$0 \$0 \$0 \$0 \$0 \$0 23 ST. TAXABLE INC *0.0000 \$0 \$0 \$0 \$0 \$0 24 NET FOR RETURN AND INCOME TAXES \$0 \$0 \$0 \$0 \$0 \$0 25 ST. TAXABLE INC *0.0000 \$0 \$0 \$0 \$0 \$0 26 ST. TAXABLE INC *0.0000 \$0 \$0 \$0 \$0 \$0 \$0 27 NET FOR RETURN AND INCOME TAXES \$0 \$0 \$0 \$0 \$0 \$0 \$0 28 ST. TAXABLE INC *0.0000 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0	\$0	•	*						
9 TOTAL REVENUE DEDUCTIONS 10 NET FOR RETURN AND INCOME TAXES NET NET \$54,574 \$5,362 \$35,658 \$6,474 \$7,080 11 LESS: INTEREST EXPENSE INT \$24,595 \$15,667 \$58,574 \$281 \$57.080 12 LESS: NET FEDERAL DEDUCTIONS NFD \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0	\$0	\$0		•					
10 NET FOR RETURN AND INCOME TAXES NET NET \$54,574 \$5,362 \$35,658 \$6,474 \$7,080 11 LESS: INTEREST EXPENSE INT -\$24,595 -\$15,667 -\$8,574 -\$281 -\$73 12 LESS: NET FEDERAL DEDUCTIONS NFD \$0 \$0 \$0 \$0 \$0 13 TOTAL FEDERAL TAXABLE INCOME \$29,979 -\$10,305 \$27,084 \$6,193 \$7,000 14 PLUS: NET FEDERAL DEDUCTIONS NFD \$0 \$0 \$0 \$0 \$0 15 LESS: NET STATE DEDUCTIONS NSD \$0 \$0 \$0 \$0 16 TOTAL STATE TAXABLE INCOME \$29,979 -\$10,305 \$27,084 \$6,193 \$7,000 17 FED AND ST INCOME TAXES \$29,979 -\$10,305 \$27,084 \$6,193 \$7,000 18 ST. TAXABLE INC *0,0000 \$0 \$0 \$0 \$0 \$0 19 LESS: CRNT ITC * (1-0,0000) \$0 \$0 \$0 \$0 \$0 20 TOTAL FED & ST INCOME TAXES \$0 \$0 \$0 \$0 \$0 21 TOTAL FED & ST INCOME TAXES \$0 \$0 \$0 \$0 \$0 22 TOTAL FED & ST INCOME TAXES \$0 \$0 \$0 \$0 \$0 23 \$0 \$0 \$0 \$0 \$0 24 NOTAL FED & ST INCOME TAXES \$0 \$0 \$0 \$0 \$0 25 \$0 \$0 \$0 \$0 \$0 26 \$0 \$0 \$0 \$0 \$0 27 NOTAL FED & ST INCOME TAXES \$0 \$0 \$0 \$0 \$0 28 \$0 \$0 \$0 \$0 \$0 29 \$0 \$0 \$0 \$0 \$0 20 TOTAL FED & ST INCOME TAXES \$0 \$0 \$0 \$0 \$0 20 TOTAL FED & ST INCOME TAXES \$0 \$0 \$0 \$0 \$0 20 TOTAL FED & ST INCOME TAXES \$0 \$0 \$0 \$0 \$0 21 NET FOR RETURN AND INCOME TAXES NET \$54,574 \$5,362 \$35,658 \$6,474 \$7,080	DATA UNDOL	A DE CECÈET	DEGING TI	BODET DATA				INTERIOR ON COOP BEI COME	·
11 LESS: INTEREST EXPENSE INT \$24,595 \$15,667 \$8,574 \$281 \$575 12 LESS: NET FEDERAL DEDUCTIONS NFD \$0 \$0 \$0 \$0 \$0 \$0 13 TOTAL FEDERAL TAXABLE INCOME \$29,979 \$10,305 \$27,084 \$6,193 \$7,005 14 PLUS: NET FEDERAL DEDUCTIONS NFD \$0 \$0 \$0 \$0 \$0 15 LESS: NET STATE DEDUCTIONS NSD \$0 \$0 \$0 \$0 16 TOTAL STATE TAXABLE INCOME \$29,979 \$10,305 \$27,084 \$6,193 \$7,005 17 FED AND ST INCOME TAXES 18 ST. TAXABLE INC *0,0000 \$0 \$0 \$0 \$0 19 LESS: CRINT ITC *(1-0,0000) \$0 \$0 \$0 \$0 20 TOTAL FED & ST INCOME TAXES \$0 \$0 \$0 \$0 \$0 21 TOTAL FED & ST INCOME TAXES \$0 \$0 \$0 \$0 \$0 22 TOTAL FED & ST INCOME TAXES \$0 \$0 \$0 \$0 \$0 23 SO \$0 \$0 \$0 \$0 \$0 24 SO \$0 \$0 \$0 \$0 \$0 25 SO \$0 \$0 \$0 \$0 \$0 26 SO \$0 \$0 \$0 \$0 27 NET FED RETURN COMPUTATION**** 21 NET FOR RETURN AND INCOME TAXES NET \$54,574 \$5,362 \$35,658 \$6,474 \$7,080	DATAENDS	CADE SECRET	BEGINS 11	ECREI DATA	TRADES			TOTAL REVENUE DEDUCTIONS	9
12 LESS: NET FEDERAL DEDUCTIONS NFD \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0	\$7,080	\$6,474	\$35,658	\$5,362	\$54,574	NET	NET	NET FOR RETURN AND INCOME TAXES	10
13 TOTAL FEDERAL DEDUCTIONS NFD \$29,979 -\$10,305 \$27,084 \$6,193 \$7,001 14 PLUS: NET FEDERAL DEDUCTIONS NFD \$0 \$0 \$0 \$0 \$0 15 LESS: NET STATE DEDUCTIONS NSD \$0 \$0 \$0 \$0 16 TOTAL STATE TAXABLE INCOME \$29,979 -\$10,305 \$27,084 \$6,193 \$7,001 FED AND ST INCOME TAXES 17 FED TAXABLE INC * 0.0000 \$0 \$0 \$0 \$0 \$0 18 ST. TAXABLE INC * 0.0000 \$0 \$0 \$0 \$0 \$0 19 LESS: CRNT ITC * (1-0.0000) \$0 \$0 \$0 \$0 \$0 20 TOTAL FED & ST INCOME TAXES 10 TOTAL FED & ST INCOME TAXES \$0 \$0 \$0 \$0 \$0 21 NET FOR RETURN COMPUTATION**** 21 NET FOR RETURN AND INCOME TAXES NET \$54,574 \$5,362 \$35,658 \$6,474 \$7,081	-\$73	-\$281	-\$8,574	-\$15,667	-\$24,595		INT	LESS: INTEREST EXPENSE	11
13 TOTAL FEDERAL TAXABLE INCOME \$29,979 -\$10,305 \$27,084 \$6,193 \$7,000 14 PLUS: NET FEDERAL DEDUCTIONS NFD \$0 \$0 \$0 \$0 \$0 15 LESS: NET STATE DEDUCTIONS NSD \$0 \$0 \$0 \$0 \$0 16 TOTAL STATE TAXABLE INCOME \$29,979 -\$10,305 \$27,084 \$6,193 \$7,000 FED AND ST INCOME TAXES 17 FED TAXABLE INC * 0.0000 \$0 \$0 \$0 \$0 \$0 \$0 18 ST. TAXABLE INC * 0.0000 \$0 \$0 \$0 \$0 \$0 19 LESS: CRNT ITC * (1-0.0000) \$0 \$0 \$0 \$0 \$0 20 TOTAL FED & ST INCOME TAXES \$0 \$0 \$0 \$0 \$0 SO \$0 \$0 \$0 \$0 \$0 SO \$0 \$0 SO \$0 \$0 \$0 SO \$0 \$0 SO \$0 \$0 \$0 SO \$0 \$0	\$0	• •	\$0	•	•		NFD	LESS: NET FEDERAL DEDUCTIONS	12
15 LESS: NET STATE DEDUCTIONS NSD \$0 \$0 \$0 \$0 \$10 \$10 \$10 \$10 \$10 \$10 \$10	\$7,007		\$27,084					TOTAL FEDERAL TAXABLE INCOME	13
15 LESS: NET STATE DEDUCTIONS NSD \$0 \$0 \$0 \$0 \$10 \$10 \$10 \$10 \$10 \$10 \$10	\$0	\$0	\$0	\$0	\$0		NED	BLUC-NET EEDERM DEDUCTIONS	
16 TOTAL STATE TAXABLE INCOME \$29,979 -\$10,305 \$27,084 \$6,193 \$7,005 FED AND ST INCOME TAXES 17 FED TAXABLE INC * 0.0000 \$0 \$0 \$0 \$0 \$0 18 ST. TAXABLE INC * 0.0000 \$0 \$0 \$0 \$0 \$0 19 LESS: CRNT ITC * (1-0.0000) \$0 \$0 \$0 \$0 \$0 20 TOTAL FED & ST INCOME TAXES \$0 \$0 \$0 \$0 \$0 SINCE THE PROPERTY OF TAXABLE INC * 0.0000 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0	\$0			•	-				
FED AND ST INCOME TAXES 17 FED TAXABLE INC * 0.0000 \$0 \$0 \$0 \$0 \$0 \$10 \$10 \$10 \$10 \$10					• -		1400	LESS. NET STATE DEDOCTIONS	13
17 FED TAXABLE INC * 0.0000 \$0 \$0 \$0 \$0 \$0 \$1 \$1 \$1 \$1 \$2 \$1 \$1 \$2 \$1 \$1 \$2 \$1 \$1 \$2 \$1 \$1 \$1 \$1 \$1 \$1 \$1 \$1 \$1 \$1 \$1 \$1 \$1	\$7,007	\$6,193	\$27,084	-\$10,305	\$29,979			TOTAL STATE TAXABLE INCOME	16
17 FED TAXABLE INC * 0.0000 \$0 \$0 \$0 \$0 \$0 \$1 \$1 \$1 \$1 \$2 \$1 \$1 \$2 \$1 \$1 \$2 \$1 \$1 \$2 \$1 \$1 \$1 \$1 \$1 \$1 \$1 \$1 \$1 \$1 \$1 \$1 \$1								FED AND ST INCOME TAXES	
19 LESS: CRNT ITC * (1-0.0000) \$0 \$0 \$0 \$0 \$0 \$10 \$10 \$10 \$10 \$10 \$10	\$0	\$0	\$0	\$0	\$0				17
20 TOTAL FED & ST INCOME TAXES \$0 \$0 \$0 \$0 \$0 \$\text{\$\sigma}\$ """RETURN COMPUTATION"" 21 NET FOR RETURN AND INCOME TAXES NET \$54,574 \$5,362 \$35,658 \$6,474 \$7,081	\$0	\$0	\$0	\$0	\$0			ST. TAXABLE INC * 0.0000	18
20 TOTAL FED & ST INCOME TAXES \$0 \$0 \$0 \$0 \$0 \$\text{\$50}\$ *****RETURN COMPUTATION***** 21 NET FOR RETURN AND INCOME TAXES NET \$54,574 \$5,362 \$35,658 \$6,474 \$7,081	\$0	•		\$0	\$0			LESS: CRNT ITC * (1-0.0000)	19
21 NET FOR RETURN AND INCOME TAXES NET \$54,574 \$5,362 \$35,658 \$6,474 \$7,08	\$0							TOTAL FED & ST INCOME TAXES	20
21 NET FOR RETURN AND INCOME TAXES NET \$54,574 \$5,362 \$35,658 \$6,474 \$7,08								*****BETHRN COMPUTATION*****	
	\$7,080	\$6,474	\$35,658	\$5,362	\$54,574		NET		21
22 FED & ST INCOME TAXES \$0 \$0 \$0 \$0 \$0	\$0	\$0	\$0	\$0	\$0				
23 PROVINCE TAXES	\$0	\$0	\$0	\$0	\$0		PDT	PROV FOR DEF TAXES	23
24 INVESTMENT TAX CREDIT - NET TIN 40 40 40 40 40	\$0			\$0	\$0		ITN	INVESTMENT TAX CREDIT - NET	24
25 AFUDC	\$0	\$0					AFD	AFUDC	25
······	\$7,080	\$6,474						NET RETURN	26
27 RATE BASE RBT \$1,356,900 \$864,347 \$473,031 \$15,477 \$4,04	\$4,045	\$15,477	\$473,031	\$864,347	\$1,356,900		RBT	RATE BASE	27
28 RETURN ON RATE BASE ROR 4.02% 0.62% 7.54% 41.83% 175.03%	175,03%	41.83%	7.54%	0.62%	∆ ∩2%		BOD.	DETURNION BATE BASE	00
28 RETURN ON HATE BASE HOTE	-1.81%								
29 NON-EQUITY FOR HON OF RETORING BAS 1851/2	173.22%								
30 Egoli i Olillok di Eklorika ilenik	410.96%	94.94%				ROE			

BROWN COUNTY RURAL ELECTRICAL ASSOCIATION- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

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PROPOSED RETURN AND INCOME TAX

LINE		CONTRO		TOTAL	RESIDENTIAL	SMALL COMMERCIAL	LIGHTING	MUNICIPAL PUMPING
NO.	DESCRIPTION	ALL	OUT	SMEC	RESIDENTIAL			
1	PROPOSED REVENUE	PRV		\$986,692	\$593,122	\$379,360	\$9,245	\$4,965
	REVENUE DEDUCTIONS:			(710 a 151)	CUCDUT DAT	A DECINE TI	ADE CECDET	DATA UNDSI
2	O&M EXPENSES	OMX		{TRADE	SECRET DAT	A BEGINS 11	CADE SECRET	DATA ENDS]
3	DEPRECIATION & AMORT EXPENSES	DEP		-\$49,692	-\$32,925	-\$15,665	-\$883	-\$219
4	AD VALOREM TAXES	VAL		\$0	\$0	\$0	\$0	\$0
5	CORP FRANCHISE TAX	SFT		\$0	\$0	\$0	\$0	\$0
6	MISC GENERAL TAXES	MIS		-\$143	-\$98	-\$42	-\$3	\$0
7	REVENUE-RELATED TAXES	RTX		\$0	\$0	\$0	\$0	\$0
8	INTEREST ON CUST DEPOSITS	ICD		\$0	\$0	\$0	\$0 	\$0
9	TOTAL REVENUE DEDUCTIONS			[TRADE	SECRÉT DATA	A BËGINS T	RADE SECRE	I DATA ENDS]
10	NET FOR RETURN AND INCOME TAXES	NET	NET	\$91,534	\$58,307	\$31,910	\$1,044	\$273
11	LESS: INTEREST EXPENSE	INT		-\$24,595	-\$15,667	-\$8,574	-\$281	-\$73
12	LESS: NET FEDERAL DEDUCTIONS	NFD		\$0	\$0 	\$0	\$0	\$0
13	TOTAL FEDERAL TAXABLE INCOME			\$66,939	\$42, 64 0	\$23,336	\$763	\$200
14	PLUS: NET FEDERAL DEDUCTIONS	NFD		\$0	\$0	\$0	\$0	\$0
15	LESS: NET STATE DEDUCTIONS	NSD		\$0	\$0	\$0 	\$0 	\$0
16	TOTAL STATE TAXABLE INCOME			\$66,939	\$42,640	\$23,336	\$763	\$200
	FED AND ST INCOME TAXES							
17	FED TAXABLE INC * 0.0000			\$0	\$0	\$0	\$0	\$0
18	ST. TAXABLE INC * 0.0000			\$0	\$0	\$0	\$0	\$0
19	LESS: CRNT ITC * (1-0.0000)			\$0	\$0	\$0	\$0	\$0
20	TOTAL FED & ST INCOME TAXES			\$0	\$0	\$0	\$0	\$0
	*****RETURN COMPUTATION*****							
21	NET FOR RETURN AND INCOME TAXES	NET		\$91,534	\$58,307	\$31,910	\$1,044	\$273
22	FED & ST INCOME TAXES			\$0	\$0	\$0	\$0	\$0
23	PROV FOR DEF TAXES	PDT		\$0	\$0	\$0	\$0	\$0
24	INVESTMENT TAX CREDIT - NET	ITN		\$0	\$0	\$0	\$0	\$0
25	AFUDC	AFD		\$0	\$0	\$0 	\$0 	\$0
26	NET RETURN			\$91,534		\$31,910	\$1,044	\$273
27	RATE BASE	RBT		\$1,356,900	\$864,347	\$473,031	\$15,477	\$4,045
28	RETURN ON RATE BASE	ROR		6.75%	6.75%	6.75%	6.75%	6.75%
29	NON-EQUITY PORTION OF RETURN	DA3		-1.81%	-1.81%	-1.81%	-1.81%	-1.81%
30	EQUITY PORTION OF EXISTING RETRN	DA3		4.93%	4.93%	4.93%	4.93%	4.93%
31	PROPOSED RETURN ON EQUITY	DA3	ROE	11.70%	11.70%	11.70%	11.70%	11.70%

BROWN COUNTY RURAL ELECTRICAL ASSOCIATION- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

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COST OF SERVICE SUMMARY

LINE		CONTROL		TOTAL		SMALL	LIGUTING	MUNICIPAL PUMPING
NO.	DESCRIPTION	ALL	OUT	SMEC	RESIDENTIAL	COMMERCIAL	LIGHTING	PUMPING
	NET PLANT IN SERVICE:							
1	PRODUCTION PLANT	NPP		\$0	\$0	\$0	\$0	\$0
2	TRANSMISSION PLANT	NPT		\$0	\$0	\$0	\$0	\$0
3	DISTRIBUTION PLANT	NPD		\$717,739	\$467,536	\$236,185	\$10,887	\$3,131
4	GENERAL PLANT	NPG		\$168,131	\$116,368 	\$46,842	\$4,154 	\$767
5	TOTAL NET ELECTRIC PLANT	NPR		\$885,870	\$583,904	\$283,027	\$15,041	\$3,898
6	CONST. WORK IN PROGRESS	CWP		\$5,627	\$3,665	\$1,852	\$85	\$25
7	ACQUISITION ADJUSTMENT	ACQ		\$428,294	\$252,993	\$175,301	\$0	\$0
8	PLANT HELD FOR FUTURE USE	PLH		\$0	\$0	\$0	\$0	\$0
9	TOTAL MISC DEFRD DEBITS WORKING CAPITAL:			\$16,091	\$10,601	\$5,148	\$272	\$70
10	CASH WORK CAP, FUNDS, MAT&SUP	MAS		\$31,975	\$21,075	\$10,216	\$543	\$141
11	FUEL STOCK	FUL		\$0	\$0	\$0	\$0	\$0
12	PREPAID LIGNITE ROYALTIES	E1A		\$0	\$0	\$0	\$0	\$0
13	OTHER PREPAYMENTS	NPR		\$106	\$70	\$34	\$2	\$0
14	UNAMORTIZED LOSS ON REACOD LTD	NPR		\$0	\$0	\$0	\$0	\$0
15	DEFERRED FUEL	DEF		\$0	\$0	\$0	\$0	\$0
16	ACCUMULATED DEFERRED INCOME TAX	ACC		\$0	\$0	\$0	\$0	\$0
17	PRE-1971 INVESTMENT TAX CREDIT	PIC		\$0	\$0	\$0	\$0	\$0
18	CUSTOMER ADVANCES AND DEPOSITS	CAD		-\$7,916	-\$5,808	-\$1,627	-\$396	-\$85
19	STORM DAMAGE/INJ & DAM RESRVS	SDR		\$0	\$0	\$0	\$0	\$0
20	PNSN & MIS OP RSRVS, OTR DEF CRS	PEN		-\$3,147	-\$2,153	-\$920	-\$70	-\$4
21	TRANSMISSION RATE REFUND RESERVE	TRN		\$0	\$0 	\$0	\$0	\$0
22	AVERAGE ORIGINAL COST RATE BASE	RBT		\$1,356,900	\$864,347	\$473,031	\$15,477	\$4,045
23	RETURN AT 6.75%	RET		\$91,534	\$58,307	\$31,910	\$1,044	\$273
	OPERATION & MAINTENANCE EXPENSES			TRADE	SECRET DAT	A BEGINS T	RADE SECRE	r data ends]
24	PRODUCTION O&M	OMP		,				
25	TRANSMISSION O&M	OMT		\$0	- \$0	\$0	\$0	\$0
26	DISTRIBUTION O&M	OMD		[TRADE S	ECRET DATA			DATA ENDS]
27	CUST ACCT/SERV/SALES	OMC		\$36,862	\$27,385	\$7,672	\$1,402	\$403
28	ADMINISTRATIVE & GENERAL	OMA		\$79,719 	\$54,560 	\$23,302	\$1,763 	\$94
29	TOTAL OPER & MAIN EXPENSES	OMX		[TRADI	E SECRET DAT	TA BEGINS	TRADE SECR	ET DATA ENDS]
30	DEPRECIATION & AMORT EXPENSES	DEP		\$49,692	\$32,925	\$15,665	\$883	\$219
31	INTEREST ON CUSTOMER DEPOSITS	ICD		\$0	\$0	\$0	\$0	\$0
32	GENERAL TAXES	GTX		\$143	\$98	\$42	\$3	\$0
33	FED & ST INCOME TAX	FST		\$0	\$0	\$0	\$0	\$0
34	PROV FOR DEF TAXES	PDT		\$0	\$0	\$0	\$0	\$0
35	INVESTMENT TAX CREDIT - NET	ITN		\$0	\$0	\$0	\$0	\$0
36	AFUDC	AFD		\$0 	\$0 	\$0 	\$0 	\$0
37	COST OF SERVICE REVENUE REQT	CSR		\$986,692 =====	\$593,122 ======	\$379,360 ======	\$9,245 ======	\$4,965 ======

BROWN COUNTY RURAL ELECTRICAL ASSOCIATION- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

""COST OF SERVICE COMPARISON""

LINE NO.	DESCRIPTION	CONTROL ALL OUT	TOTAL SMEC	RESIDENTIAL	SMALL COMMERCIAL	LIGHTING	MUNICIPAL PUMPING
	··· OTHER REVENUE INCLUDED ***						
1	COST OFF SERVICE REVENUE REQT		\$986,692	\$593,122	\$379,360	\$9,245	\$4,965
2	EXISTING REVENUE		\$949,732	\$540,177	\$383,108	\$14,675	\$11,772
3	REVENUE DEFICIENCY		\$36,960	\$52,945	-\$3,748	-\$5,430	-\$6,807
4	REQUIRED INCREASE (%)		3.89%	9.80%	-0.98%	-37.00%	-57.82%
5	EXISTING RATE OF RETURN-AS ADJ.		4.02%	0.62%	7.54%	41.83%	175.03%
6	EXISTING ROR AS % OF OVERALL ROR-AS	S ADJ.	100.00%	15.42%	187.56%	1040.55%	4353.98%
7	EXISTING RETURN ON EQUITY-AS ADJ.		5.24%	-2.83%	13.59%	94.94%	410.96%
8	EXISTING ROE AS % OF OVERALL ROE-AS	ADJ.	100.00%	-54.01%	259.35%	1811.83%	7842.75%
9	PROPOSED RATE OF RETURN-AS ADJ		6.75%	6.75%	6.75%	6.75%	6.75%
10	PROPOSED RETURN ON EQUITY-AS ADJ		11.70%	11.70%	11.70%	11.70%	11.70%
11	COST OF SERVICE REVENUE REQT		\$987,133	\$593,409	\$379,505	\$9,252	\$4,967
12	EXISTING REVENUE		\$950,173	\$540,464	\$383,253	\$14,682	\$11,774
13	REVENUE DEFICIENCY		\$36,960	\$ 52,945	-\$3,748	-\$5,430	-\$6,807
14	REQUIRED INCREASE (%)		3.89%	9.80%	-0.98%	-36.98%	-57.81%
15	EXISTING RATE OF RETURN - UNADJ		4.02%	0.62%	7.54%	41.83%	175.03%
16	EXISTING ROR AS % OF OVERALL ROR-U	NADJ.	100.00%	15.42%	187.56%	1040.55%	4353.98%
17	EXISTING RETURN ON EQUITY-UNADJ		5.24%	-2.83%	13.59%	94.94%	410.96%
18	EXISTING ROE AS % OF OVERALL ROE-U	NADJ.	100.00%	-54.01%	259.35%	1811.83%	7842.75%
19	PROPOSED RATE OF RETURN - UNADJ		6.75%	6.75%	6.75%	6.75%	6.75%
20	PROPOSED RETURN ON EQUITY-UNADJ		11.70%	11.70%	11.70%	11.70%	11.70%

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PUBLIC DOCUMENT - TRADE SECRET DATA HAS BEEN EXCISED

BROWN COUNTY RURAL ELECTRICAL ASSOCIATION- SMEC CUSTOMERS

COST OF SERVICE STUDY
FOR TWELVE MONTHS ENDED

DECEMBER 31, 2016

	SED MILLS/KWH	TOTAL SMEC	RESIDENTIAL	SMALL COMMERCIAL	LIGHTING	MUNICIPAL PUMPING

1	EXISTING BASE REV	116.01	122.08	108.27	134.70	102.85
2	FUEL REVENUE	0.00	0.00	0.00	0.00	0.00
3	TOTAL MILLS / KWH	116.01	122.08	108.27	134.70	102.85
		=====	=====	=====	=====	=====
4	PROPOSED BASE REV	120.52	134.03	107.22	84.89	43.39
5	FUEL REVENUE	0.00	0.00	0.00	0.00	0.00
6	TOTAL MILLS / KWH	120.52	134.03	107.22	84.89	43.39
				======		=====

FEDERATED RURAL ELECTRIC ASSOCIATION CLASS COST OF SERVICE FOR MPSC COMPLIANCE FILING SCENARIO 2: SMEC DIRECT ASSIGNMENT

		COSS BASED	EXISTING			
LINE		REVENUE	REVENUE			PERCENT
NO.	CLASS	ALLOCATION	ALLOCATION	D	IFFERENCE	DIFFERENCE
	LEGACY:					
1	GENERAL SERVICE	\$10,167,849	\$8,032,485	\$	2,135,364	26.58%
2	G/S MULTI PHASE	\$295,790	\$287,405	\$	8,385	2.92%
3	LARGE POWERS	\$2,881,696	\$3,895,325	\$	(1,013,629)	-26.02%
4	MULTI PHASE WHOLESALE	\$796,891	\$816,517	\$	(19,626)	
5	INDUSTRIAL > 500 KVA	\$331,619	\$476,693	\$	(145,074)	
6	INTERRUPTIBLE SERVICE	\$1,325,701	\$1,250,875	\$	74,826	5.98%
7	CONTRACTED L/P	\$16,195,227	\$17,169,485	\$	(974,258)	-5.67%
8	STREET LIGHTING	\$57,087	\$163,682	\$	(106,595)	-65.12%
9	TOTAL LEGACY	\$32,051,860	\$32,092,466	\$	(40,606)	-0.13%
	SMEC		*	•	404074	10.000/
10	RESIDENTIAL	\$1,350,613	\$1,186,242	\$	164,371	13.86%
11	SMALL COMMERCIAL	\$540,858	\$502,496	\$	38,363	7.63%
12	LARGE POWER	\$3,592,985	\$2,804,450	\$	788,535	28.12%
13	LIGHTING	\$36,068	\$53,826	\$	(17,758)	
14	MUNICIPAL PUMPING	\$54,605		\$	10,172	22.89%
15	TOTAL SMEC	\$5,575,129	\$4,591,447		\$983,682	21.42%
16			400 000 044		0.40.074	0.570/
17	TOTAL COMPANY		\$36,683,914	\$	943,074	2.57%
18	MISC. REVENUES	\$1,110,471	\$1,110,471	\$	-	0.00%
19		\$38,737,460	\$37,794,385	\$	943,074	2.50%
	OONOOLIDATED					
	CONSOLIDATED	\$11,518,462	\$9,218,727	\$	2,299,735	24.95%
20	RESIDENTIAL/GS	\$295,790			8,385	
21	G/S MULTI PHASE	\$6,474,681			(225,094)	
22	LARGE POWERS		\$816,517	•	(19,626)	,
23	MULTI PHASE WHOLESALE				(145,074	,
24	INDUSTRIAL > 500 KVA	\$331,619		φ \$	74,826	,
25	INTERRUPTIBLE SERVICE	\$1,325,701	\$1,250,875		(974,258	
26	CONTRACTED L/P		\$17,169,485		•	•
27	STREET LIGHTING	\$93,155			(124,353	•
28	SMALL COMMERCIAL	\$540,858			38,363	
29	MUNICIPAL PUMPING	\$54,605			10,172	
30			\$36,683,914		943,074	
31	MISC. REVENUES	\$1,110,471		\$	042.074	<u>0.00%</u> 2.50%
32	TOTAL COMPANY	\$38,/3/,460	\$37,794,385	\$	943,074	2.50%

FEDERATED RURAL ELECTRIC ASSOCIATION- SMEC CUSTOMERS

PAGE 1

FILESPEC: K:\RATERES\COS\93RESALE\COS1292.WK3

STUDY DA	TE:		DECEMBER 31, 2016
RUN DATE	AND TIME:	18-Oct-17	11:45 AM
RETURN C	N COMMON EQUITY		8.27%
OVERALL I	RATE OF RETURN		6.77%
CAPITALIZ	ATION:		
	OUTSTANDING	EFFECTIVE RATE	COMPOSITE
DBT	\$19,183,833	3.96%	1.38%
PRF		0.00%	0.00%
CMN	\$35,974,931	8.27%	5.40%
FEDERAL	EFFECTIVE INCOME T	AX RATE	0.00%
FEDERAL	NOMINAL INCOME TA	X RATE	0.00%
STATE EF	FECTIVE INCOME TAX	RATE	0.00%
STATE NO	MINAL INCOME TAX F	ATÉ	0.00%

NOTATIONS: THIS RUN ALLOCATES ALL PLANT ON AVG OF 12 CP

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FEDERATED RURAL ELECTRIC ASSOCIATION- SMEC CUSTOMERS COST OF SERVICE STUDY

FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

*******CUSTOMER DATA******

LINE		CONTRO)L	TOTAL		SMALL	LARGE		MUNICIPAL
NO.	DESCRIPTION	ALL	OUT	SMEC	RESIDENTIAL	COMMERCIAL	POWER	LIGHTING	PUMPING
1	NUMBER OF CUSTOMERS	C1A	C1A	1,433	1,135	260	12	13	13
2	PERCENT OF TOTAL	C1A		100.000%	79.191%	18.141%	0.837%	0.907%	0.924%
3	NUMBER OF WEIGHTED CUSTOMERS	C2A	C2A	1,433	1,135	260	12	13	13
4	PERCENT OF TOTAL	C2A		100.000%	79.191%	18.141%	0.837%	0.907%	0.924%
5	NUMBER OF RETAIL DISTRICUSTOMERS	СЗА	СЗА	1,433	1,135	260	12	13	13
6	PERCENT OF TOTAL	СЗА		100.000%	79.191%	18.141%	0.837%	0.907%	0.924%
7	NMBR OF RETAIL WTD CUSTOMERS	C4A	C4A	1,433	1,135	260	12	13	13
8	PERCENT OF TOTAL	C4A		100.000%	79.191%	18.141%	0.837%	0.907%	0.924%
9	LIGHTING DIRECT ALLOCATOR	LDE	LDE	1	0	0	0	1	0
10	PERCENT OF TOTAL	LDE		100.000%	0.000%	0.000%	0.000%	100.000%	0.000%
11	LPS DIRECT ALLOCATOR	DA1	DA1	0	0	0	0	0	0
12	PERCENT OF TOTAL	DA1		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
13	AVERAGE COINCIDENT KW DEMAND	D1A	D1A	11,255	2,485	1,080	7,570	0	120
14	DEMAND ALLOCATION FACTOR-PROD	D1A		100.000%	22.079%	9.597%	67.255%	0.000%	1.069%
15	AVERAGE COINCIDENT KW DEMAND	D1B	D18	11,255	2,485	1,080	7.570	0	120
16	DEMAND ALLOCATION FACTOR-TRANS	D1B		100.000%	22.079%	9.597%	67.255%	0.000%	1.069%
17	AVG PRIMARY DISTRIB KW DEMAND	D2A	D2A	11,785	2,581	1,117	7,885	77	125
18	DIST-PRI DEMAND ALLOC FACTOR	D2A		100.000%	21.898%	9.482%	66.910%	0.651%	1.060%
19	AVG SECONDARY DISTRIB KW DEMAND	D3A	D3A	11,785	2,581	1,117	7,885	77	125
20	DIST-SEC DEMAND ALLOC FACTOR	D3A		100.000%	21.898%	9.482%	66.910%	0.651%	1.060%
21	AVG SECONDARY DISTRIB KW DEMAND	D4A	D4A	11,785	2,581	1,117	7,885	77	125
22	DIST-SEC DEMAND ALLOC FACTOR	D4A		100.000%	21.898%	9.482%	66.910%	0.651%	1.060%
23	ANNUAL MWH ENERGY CONTRIBUTION	E1A	E1A	68,081,894	11,755,135	5,677,391	49,733,804	335,864	579,701
24	ENERGY ALLOCATION FACTOR	E1A		100.000%	17.266%	8.339%	73.050%	0.493%	0.851%

FEDERATED RURAL ELECTRIC ASSOCIATION- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED

DECEMBER 31, 2016

······CUSTOMER DATA

LINE NO.	DESCRIPTION	ALL	OUT	TOTAL SMEC	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	LIGHTING	MUNICIPAL PUMPING
NO.	pessili nov				*******				
25	RESERVED			0	0	0	0	0	0 0000/
26	PERCENT OF TOTAL			0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
27	WAGES/SALARIES: PRODUCTION	NPP		\$0	\$0	\$0	\$0	\$0	\$0
28	TRANSMISSION	NPT		\$0	\$0	\$0	\$0	\$0	\$0
29	DISTRIBUTION	NPD		\$83,258	\$24,635	\$8,632	\$44,884	\$4,281	\$826
30	GENERAL	NPG		\$173,242	\$97,939	\$25,329	\$44,245	\$4,065	\$1,664
31	WAGES/SALARIES: TOTAL	LBR	LBR	\$256,500	\$122,574	\$33,961	\$89,129	\$8,346	\$2,490
32	PERCENT OF TOTAL	LBR		100.000%	47.787%	13.240%	34.748%	3.254%	0.971%
33	BUI K TRANSMISSION REVENUE	D1A		\$0	\$0	\$0	\$0	\$0	\$0
34	PRIMARY TRANSMISSION REVENUE	D2A		\$0	\$0	\$0	\$0	\$0	\$0
35	TOTAL TRANSMISSION REVENUE	TRN	TRN	\$0	\$0	\$0	\$0	\$0	\$0
36	PERCENT OF TOTAL	TRN		100.000%	100.000%	0.000%	0.000%	0.000%	0.000%
	EXISTING REVENUE								
37	EXISTING REVENUE EXISTING BASE REV	OTR	OTR	\$4,591,447	\$1,186,242	\$502,496	\$2,804,450	\$53,826	\$44,433
38	FUEL REVENUE	FUL	•	\$0	\$0	\$0	\$0	\$0	\$0
39	MISCELLANEOUS REVENUE	NPD		\$135,743	\$40,166	\$14,074	\$73,178	\$6,979	\$1,346
40	TRANSMISSION REVENUE	TRN		\$0	\$0	\$0	\$0	\$0	\$0
41	NON-FRM SLS FOR RESALE	E1A		\$0	\$0		\$0	\$0	\$0
40	TOTAL EXISTING REVENUE	EXR	EXR	\$4,727,190	\$1,226,408	\$516,570	\$2,877,628	\$60,805	\$45,779
42	TOTAL EXISTING REVENUE	LXXX	2/41	======	======		======	=3====	======
	PROPOSED REVENUE			\$5.575.129	\$1,350,613	\$540,858	\$3,592,985	\$36.068	\$54,605
43	PROPOSED BASE REV			\$5,575,129	\$1,330,013		\$0	\$0	\$0
44	FUEL REVENUE			\$135,743	\$40,166		\$73,178	\$6,979	\$1,346
45	MISCELLANEOUS REVENUE			\$135,743	\$40,100		\$0	\$0	\$0
46	TRANSMISSION REVENUE			\$0	\$0		\$0	\$0	\$0
47	NON-FRM SLS FOR RESALE			20	φυ				
48	TOTAL PROPOSED REVENUE	PRV	PRV	\$5,710,872	\$1,390,779		\$3,666,163	\$43,047	\$55,951
	· • · · · · · · · · · · · · · · · · · ·			=======	=======	======	#23 266	======	======
49	PROPOSED BASE REVENUE INCREASE/(I	DECREASE		\$983,682	\$164,371	\$38,363	\$788,535	-\$17,758	\$10,172
50	PROPOSED BASE REVENUE INCR/(DECR			21.42%	13.86%	7.63%	28.12%	-32.99%	22.89%
50	11.0. 0000 0.00 1.010.1001010(0.001)								

FEDERATED RURAL ELECTRIC ASSOCIATION- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

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****ELECTRIC GROSS PLANT****

LINE NO.	DESCRIPTION	ALL	OUT	TOTAL SMEC	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	LIGHTING	MUNICIPAL PUMPING
1	TOTAL PRODUCTION PLANT	D1A	GPP	\$0	\$0	\$0	\$0	\$0	\$0
	TRANSMISSION PLANT								
2	POWER PLANT EQUIP	D1A		\$0	\$0	\$0	\$0	\$0	\$0
3	I ARGE POWER SERVICE EQUIP	DA1		\$0	\$0	\$0	\$0	. \$0	\$0
4	OTHER DIST IN ACCT 353	D2A		\$0	\$0	\$0	\$0	\$0	\$0
5	ALL OTHER TRANSMISSION	D1B		\$0	\$0	\$0	\$0	\$0	\$0
6	TOTAL TRANSMISSION PLANT	GPT	GPT	\$0	\$0	\$0	\$0	\$0	\$0
	DISTRIBUTION PLANT								
7	PRIMARY DEMAND RELATED	D4A		\$3,094,005	\$677,515	\$293,370	\$2,070,207	\$20,132	\$32,781
8	SECONDARY DEMAND RELATED	D3A		\$1,134,721	\$248,478	\$107,593	\$759,245	\$7,383	\$12,022
9	CUSTOMER RELATED	C4A		\$2,134,516	\$1,690,337	\$387,214	\$17,871	\$19,361	\$19,733
Ū					•				
10	SUB-TOTAL DISTR PLANT		SGD	\$6,363,242	\$2,616,330	\$788,177	\$2,847,323	\$46,876	\$64,536
11	LIGHTING SPECIFIC	LDE		\$175,162	\$0	\$0	\$0	\$175,162	\$0
12	TOTAL DISTRIBUTION PLANT	GPD	GPD	\$6,538,404	\$2,616,330	\$788,177	\$2,847,323	\$222,038	\$64,536
	GENERAL AND INTANGIBLE PLANT								\$0
13	PRODUCTION RELATED	GPP		\$0	\$0		\$0	\$0	\$0 \$0
14	TRANSMISSION RELATED	GPT		\$0	\$0		\$0	\$0	\$3.585
15	DISTRIBUTION RELATED	GPD		\$363,259	\$145,358	\$43,789	\$158,191	\$12,336	\$3,300
	CUST ACCT/SERV & INFO/							***	# A 0.00
16	SALES RELATED	C2A		\$526,314		\$95,476	\$4,407	\$4,774	\$4,866
17	TOTAL GENERAL & INTANGIBLE PLANT	GPG	GPG	\$889,573	\$562,149		\$162,598	\$17,110	\$8,451
	THE STATE OF THE S	CDD	GPR	\$7,427,977	\$3.178,479		\$3,009,921	\$239.148	\$72,987
18	TOTAL GROSS PLANT IN SERVICE	GPR	GFR	\$7,427,977 ====±====	*	, ,	======	=4====	32222

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FEDERATED RURAL ELECTRIC ASSOCIATION- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

LINE NO.	DESCRIPTION	ALL	OUT	TOTAL SMEC	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	LIGHTING	MUNICIPAL PUMPING
1	TOTAL PRODUCTION PLANT	D1A	DPP	\$0	\$0	\$0	\$0	\$0	\$0
	TRANSMISSION PLANT								
2	POWER PLANT EQUIP	D1B		\$0	\$0	\$0	\$0	\$0	\$0
3	LARGE POWER SERVICE EQUIP	DA1		\$0	\$0	\$0	\$0	\$0	\$0
4	OTHER DIST IN ACCT 353	D2A		\$0	\$0	\$0	\$0	\$0	\$0
5	ALL OTHER TRANSMISSION	D1A		\$0	\$0 	\$0	\$0	\$0	\$0
6	TOTAL TRANSMISSION PLANT	DPT	DPT	\$0	\$0	\$0	\$0	\$0	\$0
	DISTRIBUTION PLANT								
7	PRIMARY DEMAND RELATED	D4A		\$867,392	\$189,939	\$82,245	\$580,374	\$5,644	\$9,190
8	SECONDARY DEMAND RELATED	D3A		\$335,506	\$73,468	\$31,812	\$224,488	\$2,183	\$3,555
9	CUSTOMER RELATED	C4A		\$1,564,646	\$1,239,053	\$283,836	\$13,100	\$14,192	\$14,465
10	SUB-TOTAL DISTR PLANT		SDD	\$2,767,544	\$1,502,460	\$397.893	\$817,962	\$22,019	\$27,210
11	LIGHTING SPECIFIC	LDE	000	\$6,474	\$0	\$0	\$0	\$6,474	\$0
12	TOTAL DISTRIBUTION PLANT	DPD	DPD	\$2,774,018	\$1,502,460	\$397,893	\$817,962	\$28,493	\$27,210
	GENERAL AND INTANGIBLE PLANT								
13	PRODUCTION RELATED	GPP		\$0	\$0	\$0	\$0	\$0	\$0
14	TRANSMISSION RELATED	GPT		\$0	\$0	\$0	\$0	\$0	\$0
15	DISTRIBUTION RELATED	GPD		\$0	\$0	\$0	\$0	\$0	\$0
	CUST ACCT/SERV & INFO/								
16	SALES RELATED	C2A		\$261,493	\$207,079	\$47,436	\$2,189	\$2,372	\$2,417
17	TOTAL GENERAL & INTANGIBLE PLANT	DPG	DPG	\$261,493	\$207,079	\$47,436	\$2,189	\$2,372	\$2,417
		200	DPR	 \$3,035,511	\$1,709,539	\$445,329	 \$820.151	\$30,865	\$29,627
18	TOTAL ACCUMULATED DEPRECIATION	DPR	DPH	\$3,030,511 =======	\$1,708,538	3445,325 	5020,131	======	=======

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FEDERATED RURAL ELECTRIC ASSOCIATION- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED

DECEMBER 31, 2016

********ELECTRIC NET PLANT*******

LINE		CONTRO)L	TOTAL		SMALL	LARGE		MUNICIPAL
NO.	DESCRIPTION	ALL	OUT	SMEC	RESIDENTIAL	COMMERCIAL	POWER	LIGHTING	PUMPING
1	TOTAL PRODUCTION PLANT	D1A	NPP	\$0	\$0	\$0	\$0	\$0	\$0
	TRANSMISSION PLANT								
2	POWER PLANT EQUIP	D1B		\$0	\$0	\$0	\$0	\$0	\$0
3	LARGE POWER SERVICE EQUIP	DA1		\$0	\$0	\$0	\$0	\$0	\$0
4	OTHER DIST IN ACCT 353	D2A		\$0	\$0	\$0	\$0	\$0	\$0
5	ALL OTHER TRANSMISSION	D1A		\$0	\$0	\$0	\$0	\$0	\$0
6	TOTAL TRANSMISSION PLANT	NPT	NPT	\$0	\$0	\$0	\$0	\$0	\$0
	DISTRIBUTION PLANT								
7	PRIMARY DEMAND RELATED	D4A		\$2,226,613	\$487,576	\$211,125	\$1,489,833	\$14,488	\$23,591
8	SECONDARY DEMAND RELATED	D3A		\$799,214	\$175,009	\$75,781	\$534,757	\$5,200	\$8,467
9	CUSTOMER RELATED	C4A		\$569,870	\$451,284	\$103,378	\$4,771	\$5,169	\$5,2 68
10	SUB-TOTAL DISTR PLANT		SPD	\$3,595,698	\$1,113,870	\$390,284	\$2,029,361	\$24,857	\$37,326
11	LIGHTING SPECIFIC	LDE		\$168,688	\$0	\$0	\$0	\$168,688	\$0
12	TOTAL DISTRIBUTION PLANT	NPD	NPD	\$3,764,386	\$1 ,113,870	\$390,284	\$2,029,361	\$193,545	\$37,326
	GENERAL AND INTANGIBLE PLANT								
13	PRODUCTION RELATED	NPP		\$0	\$0	\$0	\$0	\$0	\$0
14	TRANSMISSION RELATED	NPT		\$0	\$0	\$0	\$0	\$0	\$0
15	DISTRIBUTION RELATED	NPD		\$363,259	\$145,358	\$43,789	\$158,191	\$12,336	\$3,585
	CUST ACCT/SERV & INFO/								
16	SALES RELATED	C2A		\$264,821	\$209,712	\$48,040	\$2,218	\$2,402	\$2,449
17	TOTAL GENERAL & INTANGIBLE PLANT	NPG	NPG	\$628,080	\$355,070	\$91,829	\$160,409	\$14,738	\$6,034
	TOTAL MET DI ANT IN CEDIVICE	NPR	NPR	\$4,392,466	\$1,468,940	 \$482,113	\$2,189,770	\$208,283	 \$43.360
18	TOTAL NET PLANT IN SERVICE	NPA	INFT	\$4,392,400 ======	\$1,400,540	======	======	======	======

FEDERATED RURAL ELECTRIC ASSOCIATION- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

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····· RATE BASE ·····

LINE NO.	DESCRIPTION	CONTRO	l. OUT	TOTAL SMEC	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	LIGHTING	MUNICIPAL PUMPING
1	NET PLANT IN SERVICE	NPR	NPR	\$4,392,466	\$1,468,940	\$482,113	\$2,189,770	\$208,283	\$43,360
	CONSTRUCTION WORK IN PROGRESS								
2	PRODUCTION PLANT	NPP		\$0	\$0	\$0	\$0	\$0	\$0
3	TRANSMISSION PLANT	NPT		\$0	\$0	\$0	\$0	\$0	\$0
4	DISTRIBUTION PLANT	NPD		\$113,265	\$33,515	\$11,743	\$61,061	\$5,823	\$1,123
5	GENERAL PLANT	NPG		\$0	\$0	\$0	\$0	\$0	\$0
6	TOAL CWIP	CWP	CWP	\$113,265	\$33,515	\$11,743	\$61,061	\$5,823	\$1,123
7	NET ACQUISITION ADJUSTMENT	D2A	ACQ	\$824,728	\$180,596	\$78,200	\$551,828	\$5,366	\$8,738
8	PLANT HELD FOR FUTURE USE	E1A	PLH	\$0	\$0	\$0	\$0	\$0	\$0
	MISC DEFERRED DEBITS								
9	PROD RELATED	NPP		\$0	\$0	\$0	\$0	\$0	\$0
10	TRAN RELATED	NPT		\$0	\$0	\$0	\$0	\$0	\$0
11	DIST RELATED	NPD		\$0	\$0	\$0	\$0	\$0	\$0
12	GENR RELATED	NPG		\$0	\$0	\$0	\$0	\$0	\$0
13	LABOR RELATED	LBR		\$0	\$0	\$0	\$0	\$0	\$0
14	NPR RELATED	NPR		\$7,655	\$2,560	\$840	\$3,816	\$363	\$76
15	TOTAL MISC DEFRD DEBITS			\$7,655	\$2,560	\$840	\$3,816	\$363	\$76
	WORKING CAPITAL								
16	CASH WORK CAP, FUNDS, MAT&SUP	NPR	MAS	\$141,275	\$47,245	\$15,506	\$70,430	\$6,699	\$1,395
17	FUEL STOCK	E1A	FUL	\$0	\$0	\$0	\$0	\$0	\$0
18	PREPAID LIGNITE ROYALTIES	E1A		\$0	\$0	\$0	\$0	\$0	\$0
19	OTHER PREPAYMENTS	NPR		\$17,169		\$1,884	\$8,559	\$814	\$169
20	TOTAL WORKING CAPITAL			\$158,444	\$52,988	\$17,390	\$78.989	\$7,513	\$1,564
21	UNAMORTIZED LOSS ON REACQD LTD	NPR		\$0	\$0	\$0	\$0	\$0	\$0
22	DEFERRED FUEL	E1A	DEF	\$0	\$0	\$0	\$0	\$0	\$0

(RATE BASE CONTINUED ON NEXT PAGE)

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FEDERATED RURAL ELECTRIC ASSOCIATION- SMEC CUSTOMERS COST OF SERVICE STUDY

FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

"CONTINUED"

LINE NO.	DESCRIPTION	CONTRO	L OUT	TOTAL SMEC	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	LIGHTING	MUNICIPAL PUMPING
						**********	***		
	ACCUMULATED DEFERRED INCOME TAX								
23	ACCT 281: POL CON	NPP		\$0	\$0	\$0	\$0	\$0	\$0
24	ACCT 282: LIBERAL DEP - PROD	NPP		\$0	\$0	\$0	\$0	\$0	\$0
25	TRAN	NPT		\$0	\$0	\$0	\$0	\$0	\$0
26	DIST	NPD		\$0	\$0	\$0	\$0	\$0	\$0
27	GENR	NPG		\$0	\$0	\$0	\$0	\$0	\$0
28	LIGNITE EXPLORATN	E1A		\$0	\$0	\$0	\$0	\$0	\$0
29	LABOR RELATED	LBR		\$0	\$0	\$0	\$0	\$0	\$0
30	TOTAL ACCOUNT 282			\$0	\$0	\$0	\$0	\$0	\$0
31	ACCT 283: THIS LINE RESERVED			\$0	\$0	\$0	\$0	\$0	\$0
32	LONG TERM DEBT LOSS	NPR		\$0	\$0	\$0	\$0	\$0	\$0
33	TOTAL ACCOUNT 283			\$0	\$0	\$0	\$0	\$0	\$0
34	ACCOUNT 190: PRODUCTION RELATED	NPP		\$0	\$0	\$0	\$0	\$0	\$0
35	PLANT RELATED	NPR		\$0	\$0	\$0	\$0	\$0	\$0
36	ENERGY RELATED	E1A		\$0	\$0	\$0	\$0	\$0	\$0
37	LABOR RELATED	LBR		\$0	\$0	\$0	\$0	\$0	\$0
38	FERC REFUND	TRN		\$0	\$0	\$0	\$0	\$0	\$0
39	TOTAL ACCOUNT 190			\$0	\$0	\$0	\$ 0	\$0	\$0
40	TOTAL ACCUM DEFRD INC TAX	ACC	ACC	\$0	\$0	\$0	\$0	\$0	\$0
41	INVESTMENT TAX CREDIT PRE '71	NPR	PIC	\$0	\$0	\$0	\$0	\$0	\$0
42	CUSTOMER ADVANCES AND DEPOSITS	СЗА	CAD	-\$17,715	-\$14,028	-\$3,214	-\$148	-\$161	-\$164
43	STORM DAMAGE & INJ & DAM RESRVS	D2A	SDR	\$0	\$0	\$0	\$0	\$0	\$0
44	PNSN & MIS OP RSRVS, OTR DEF CR	ОМА	PEN	-\$125,831	-\$60,131	-\$16,660	-\$43,724	-\$4,094	-\$1,222
45	TRANSMISSION RATE REFUND RESERVE	TRN		\$0	\$0	\$0	\$0	\$0	\$0
46	TOTAL RATE BASE	RBT	RBT	\$5,353,012	\$1,664,440	\$570,412	\$2,841,592	\$223,093	\$53,475
					======				=======

FEDERATED RURAL ELECTRIC ASSOCIATION- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

*******OPER AND MTN EXPENSES*******

LINE NO.	DESCRIPTION	CONTROL	OUT	TOTAL SMEC	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	LIGHTING	MUNICIPAL PUMPING
	PRODUCTION O&M EXPENSE	E1A		\$0	\$0	\$0	\$0	\$0	\$0
1	FUEL EXPENSE - ACCT 501 PURCHASED POWER - ACCT 555	LIA		*-	•-	**	TELD	A DE CECOLET	DATA EMDEL
2	DEMAND - OTHER	D1A		[TRADE	SECRET DA	TA BEGINS	I K.	ADE SECRET	DATA ENDS]
3	ENERGY - OTHER	E1A							
4	NET OFF SYSTEM REVENUE	E1A		L.					
*	OTHER PRODUCTION O&M ACCTS								
5	DEMAND - OTHER	D1A		\$11,433	\$2,525	\$1,097	\$7,689	\$0	\$122
6	ENERGY - OTHER	E1A		\$0	\$0	\$0	\$0	\$0	\$0
٥	ENERGY - OTHER							••••	
7	TOTAL OTHER PRODUCTION O&M	PRO	PRO	\$11,433	\$2,525	\$1,097	\$7,689	\$0	\$122
8	TOTAL PRODUCTION O&M EXPENSE	ОМР	ОМР	[TRADE S	ECRËT DAT	TA BEGINS	TRA	DE SECRET	DATA ENDS]
9	TOTAL TRANSMISSION O&M EXPENSE	NPT	ОМТ	\$0	\$0	\$0	\$0	\$0	\$0
	DISTRIBUTION O&M EXPENSE								
10	LIGHTING SPECIFIC	LDE		[TRAE	DE SECRET I	DATA BEGINS	TRAI	DE SECRET D	ATA ENDS]
11	ALL OTHER	SPD							
• • • • • • • • • • • • • • • • • • • •	ALE OTHER								
12	TOTAL DISTRIBUTION O&M EXPENSE	OMD	OMD	[TRADE	SECRET DA	TA BEGINS	TR/	ADE SECRET	DATA ENDS]
	TOTAL CUST ACCT/SERV & INFO/								
13	SALES EXPENSE	C2A	OMC	\$160,429	\$127,045	\$29,103	\$1,343	\$1,455	\$1,483
	ADMINISTRATIVE & GENERAL EXPENSE								
14	PROP INSURANCE/INJ & DAMG	NPR		\$0	\$0	\$0	\$0	\$0	\$0
15	CUST ACCT/SERV&INFO/SALES REL	LBR		\$226,507	\$108,241	\$29,990	\$78,707	\$7,370	\$2,199
	TOTAL STATE OF STATE	OMA	OMA	\$226,507	\$108.241	\$29,990	\$78.707	\$7.370	\$2,199
16	TOTAL ADMIN & GENERAL EXPENSE	ONA	OIVIA	φεευ,υ01	ψ100,241	Ų	J. 5,. 51		
17	TOTAL OPER & MTN EXPENSES	ОМХ	ОМХ	[TRADE	SECRET DA	TA BEGINS	TRA	ADE SECRET	DATA ENDS]

FEDERATED RURAL ELECTRIC ASSOCIATION- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

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EXPENSES OTHER THAN INCOME TAXES

LINE		CONTRO	L	TOTAL		SMALL	LARGE		MUNICIPAL
NO.	DESCRIPTION	ALL	OUT	SMEC	RESIDENTIAL	COMMERCIAL	POWER	LIGHTING	PUMPING
1	TOTAL OPER & MTN EXPENSES	ОМХ		[TRADE	SECRET DAT	`A BEGINS	TRA	DE SECRET	DATA ENDS]
	DEPRECIATION & AMORTIZATION EXPENSI	ES							
2	PRODUCTION	NPP		\$0	\$0	\$0	\$0	\$0	\$0
3	TRANSMISSION	NPT		\$0	\$0	\$0	\$0	\$0	\$0
4	DISTRIBUTION	NPD		\$144,678	\$42,809	\$15,000	\$77,995	\$7,439	\$1,435
5	GENERAL	NPG		\$16,592	\$9,380	\$2,426	\$4,238	\$389	\$159
6	TOTAL DEPR & AMORT EXPEN	DEP	DEP	\$161,270	\$52,189	\$17,426	\$82,233	\$7,828	\$1,594
7	INTEREST ON CUSTOMER DEPOSITS	Ç3A	ICD	\$0	\$0	\$0	\$0	\$0	\$0
	GENERAL TAXES								
8	AD VALOREM	NPR	VAL	\$0	\$0	\$0	\$0	\$0	\$0
9	CORP FRANCHISE TAX	NPR	SFT	\$0	\$0	\$0	\$0	\$0	\$0
10	MISCELLANEOUS GENERAL TAXES	LBR	MIS	\$0	\$0	\$0	\$0	\$0	\$0
11	REVENUE-RELATED (AS PROPOSED)	RTX		\$0	\$0	\$0	\$0	\$0	\$0
12	TOTAL GENERAL TAXES	GTX	GTX	\$0	\$0	\$0	\$0	\$0	\$0
13	TOTAL EXPENSES EXCEPT INCOME TAX	EXP	EXP	[TRADE	SECRET DA	TA BEGINS	TR.	ADE SECRET	DATA ENDS]

FEDERATED RURAL ELECTRIC ASSOCIATION- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

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"INCOME TAX FOR 8.27% ROE"

LINE NO.	DESCRIPTION	CONTRO ALL	L OUT	TOTAL SMEC	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	LIGHTING	MUNICIPAL PUMPING
NO.	DESCRIPTION	,							
1	RATE BASE	RBT		\$5,353,012	\$1,664,440	\$570,412	\$2,841,592	\$223,093	\$53,475
2	RETURN AT 6.77%	RBT	RET	\$362,565	\$112,734	\$38,635	\$192,464	\$15,110	\$3,622
3	INTEREST (1.38% OF LINE 1)	RBT	INT	-\$73,669	-\$22,906	-\$7,850	-\$39,107	-\$3,070	-\$736
4	AFUDC	NPR	AFD	\$0	\$0	\$0	\$0	\$0	\$0
	PROVISION FOR DEFERRED TAXES								
5	ACT 410.1: PROD RLTD	NPP		\$0	\$0	\$0	\$0	\$0	\$0
6	TRAN RLTD	NPT		\$0	\$0	\$0	\$0	\$0	\$0
7	PLANT RLTD	NPR		\$0	\$0	\$0	\$0	\$0	\$0
8	ENERGY RLTD	E1A		\$0	\$0	\$0	\$0	\$0	\$0
9	LABOR RLTD	LBR		\$0	\$0	\$0	\$0	\$0	\$0
10	CUSTOMER RELATED	СЗА		\$0	\$0	\$0	\$0	\$0	\$0
11	RESERVED			\$0	\$0	\$0	\$0	\$0	\$0
12	TOTAL 410.1			\$0	\$0	\$0	\$0	\$0	\$0
		NOS		\$0	\$0	\$0	\$0	\$0	\$0
13	ACT 411.1: PROD RLTD	NPP		\$0 \$0		\$0	\$0	\$0	\$0
14	TRAN RLTD	NPT		\$0 \$0		\$0	\$0	\$0	\$0
15	PLANT RELATED	NPR			• -		\$0	\$0	\$0
16	ENERGY RELATED	E1A		\$0	•	-	\$0	\$0	\$0
17	LABOR RELATED	LBR		\$0		•	\$0	\$0	\$0
18	CUSTOMER RELATED	СЗА		\$0 	\$0				
19	TOTAL 411.1			\$0	\$0	\$0	\$0	\$0	\$0
20	NET PROVISION FOR DEFRD INC TAX		PDT	\$0	\$0	\$0	\$0	\$0	\$0
21	ITC AMORT	NPR	ITA	\$0		\$0 	\$0 	\$0	\$0
22	ADJUSTED RETURN	ART	ART	\$288,896			\$153,357	\$12,040	\$2,886
	FED ADD INC & UNALLOW DEDUCTS								
23	PRODUCTION RELATED	NPP		\$0	\$0	\$0	\$0	\$0	\$0
24	DISTRIBUTION RELATED	NPD		\$0	\$0	\$0	\$0	\$0	\$0
25	PLANT RELATED	NPR		\$0	\$0	\$0	\$0	\$0	\$0
	ENERGY RELATED	E1A		\$0		\$0	\$0	\$0	\$0
26 27	LABOR RELATED	LBR		\$0		\$0	\$0	\$0	\$0
	TRANSMISSION REV RELATED	TRN		\$0		\$0	\$0	\$0	\$0
28				\$0			\$0	\$0	\$0
29 30	RESERVED DISTRIBUTION CUSTOMER RELATED	СЗА		\$0			\$0	\$0	\$0
30	DISTRIBUTION COCTOMET FILENCE	23/1							
31	TOTAL ADDITIONS	FTA	FTA	\$0	\$0	\$0	\$0	\$0	\$0

(INCOME TAX CALCULATION CONTINUED ON NEXT PAGE)

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FEDERATED RURAL ELECTRIC ASSOCIATION- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

""INCOME TAX FOR 8.27% ROE""
"" CONTINUED ""

LINE		CONTRO	L	TOTAL		SMALL	LARGE		MUNICIPAL
NO.	DESCRIPTION	ALL	OUT	SMEC	RESIDENTIAL	COMMERCIAL	POWER	LIGHTING	PUMPING

	FED DEDUCTS AND NON-TAX INCOME	NPP		\$0	\$0	\$0	\$0	\$0	\$0
32	PRODUCTION RELATED	NPD		\$0	\$0	\$0	\$0	\$0	\$0
33	DISTRIBUTION RELATED	NPR		\$0	\$0	\$0	\$0	\$0	\$0
34	PLANT RELATED			\$0	\$0	\$0	\$0	\$0	\$0
35	ENERGY RELATED	E1A		\$0	\$0	\$0	\$0	\$0	\$0
36	LABOR RELATED	LBR			\$0 \$0	\$0 \$0	\$0	\$0	\$0
37	TRANSMISSION REV RELATED	TRN		\$0	\$0	\$0 \$0	\$0	\$0	\$0
38	DISTRIBUTION CUSTOMER RELATED	C3A		\$0					
39	TOTAL DEDUCTIONS	FTD	FTD	\$0	\$0	\$0	\$0	\$0	\$0
40	NET FEDERAL DEDUCTIONS	NFD	NFD	\$0	\$0	\$0	\$0	\$0	\$0
44	ST ADD INC & UNALLOW DEDUCTS	FTA		\$0	\$0	\$0	\$0	\$0	\$0
41	ST DEDUCTS AND NON-TAX INCOME	FTD		\$0	\$0	\$0	\$0	\$0	\$0
42	ST DEDUCTS AND NON-TAX INCOME	FID							
43	NET STATE DEDUCTIONS	NSD	NSD	\$0	\$0	\$0	\$0	\$0	\$0
44	PROV FOR DEF'D ITC - CURRENT	NPR	ITC	\$0	\$0	\$0	\$0	\$0	\$0
	FEDERAL TAXABLE INCOME								
45	ADJ RET * 1/(1-0.0000-0.0000)	ART	TART	\$288,896	\$89,828	\$30,785	\$153,357	\$12,040	\$2,886
46	NET FED DED * 1/(1-0.0000)	NFD		\$0	\$0	\$0	\$0	\$0	\$0
47	NET ST DED * (1/(1-0.0000))-1	NSD		\$0	\$0	\$0	\$0	\$0	\$0
48	CURRENT ITC * (1/1-0.00))-1	ITC		\$0	\$0		\$0	\$0	\$0
			571	*************************	\$89,828	\$30,785	\$153,357	\$12,040	\$2,886
49	TOTAL FEDERAL TAXABLE INCOME	FTI	FTI	\$288,896	\$09,020	\$30,760	ψ150,051	\$12,510	-
50	PLUS: NET FED DEDUCTS	NFD		\$0	\$0	\$0	\$0	\$0	\$0
51	LESS: NET STATE DEDUCTS	NSD		\$0	\$0	\$0	\$0	\$0	\$0
51	EESS. NET STATE DEBOOTS						******		
52	TOTAL STATE TAXABLE INCOME	STI	STI	\$288,896	\$89,828	\$30,785	\$153,357	\$12,040	\$2,886
	FED & ST INCOME TAXES:								
53	FED TAXABLE INC * 0.0000	FTI		\$0	\$0	\$0	\$0	\$0	\$0
54	ST. TAXABLE INC * 0.0000	STI		\$0	\$0	\$0	\$0	\$0	\$0
55	LESS: CRNT ITC * (1-0.0000)	ITC		\$0			\$0	\$0	\$0
56	TOTAL FED & ST INCOME TAXES	FST	FST	\$0	\$0		\$0	\$0	\$0
36	TOTAL ED & ST MOONE TAKES			======					=======
57	INVESTMENT TAX CREDIT - NET	NPR	ITN	\$0	\$0	\$0	\$0	\$0	\$0

FEDERATED RURAL ELECTRIC ASSOCIATION- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

""COST OF SERVICE"
" (PROPOSED) "

LINE NO.	DESCRIPTION	CONTROL ALL	OUT	TOTAL SMEC	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	LIGHTING	MUNICIPAL PUMPING
1	RATE BASE	RBT		\$5,353,012	\$1,664,440	\$570,412	\$2,841,592	\$223,093	\$53,475
2	RETURN AT 6.77%	RET		\$362,565	\$112,734	\$38,635	\$192,464	\$15,110	\$3,622
3	OPERATION & MAINTENANCE EXPENSES	ОМХ		TRADE	SECRET DAT	A BEGINS	TRA	DE SECRET I	DATA ENDS]
4	DEPRECIATION & AMORT EXPENSES	DEP		\$161,270	\$52,189	\$17,426	\$82,233	\$7,828	\$1,594
5	INTEREST ON CUSTOMER DEPOSITS	ICD		\$0	\$0	\$0	\$0	\$0	\$0
6	GENERAL TAXES	GTX		\$0	\$0	\$0	\$0	\$0	\$0
7	FEDERAL AND STATE INCOME TAX	FST		\$0	\$0	\$0	\$0	\$0	\$0
8	PROVISION FOR DEFERRED TAXES	PDT		\$0	\$0	\$0	\$0	\$0	\$0
9	INVESTMENT TAX CREDIT - NET	ITN		\$0	\$0	\$0	\$0	\$0	\$0
10	AFUDC	AFD		\$0	\$0	\$0	\$0	\$0	\$0
11	COST OF SERVICE REVENUE REQUIREME BEFORE ATTRITION ADJUSTMENT	NT CSR	CSR	\$5,710,8 7 2	\$1,390,779	\$554,932	\$3,666,163	\$43.047	\$55,951
12	LESS: FUEL REVENUE	FUL		\$0	\$0		\$0 	\$0	\$0
13	BASE COST OF SERVICE REVENUE REQUIREMENT	BRR	BRR	\$5,710,872	\$1,390,779	\$554,932	\$3,666,163	\$43,047	\$55,951
14	ATTRITION ADJUSTMENT	BRR		\$0	\$0	\$0 	\$0	\$0	\$0
15	BASE COST OF SERVICE REVENUE REQUI	IREMENT ARR	ARR	\$5,710,872			\$3,666,163	\$43,047	\$55,951
16	PLUS: FUEL REVENUE	FUL		\$0	\$0	\$0	\$0	\$0	\$0
17	COST OF SERVICE REVENUE REQUIREME AFTER ATTRITION ADJUSTMENT	ENT		\$5,710,872	\$1,390,779	\$554,932	\$3,666,163	\$43,047	\$55,951
18	LESS: MISCELLANEOUS REVENUE			-\$135,743	-\$40,166	-\$14,074	-\$73,178	-\$6,979	-\$1,346
19	LESS: BULK TRANSMISSION REVENUE			\$0	\$0	\$0	\$0	\$0	\$0
20	LESS. PRIMARY TRANSMISSION REVENUE			\$0	\$0	\$0	\$0	\$0	\$0
21	LESS: NON-FRM SLS FOR RESALE			\$0	\$0		\$0	\$0	\$0
22	NET ELECTRIC REVENUE REQUIREMENT			\$5,575,129			\$3,592,985	\$36,068	\$54,605 ======

FEDERATED RURAL ELECTRIC ASSOCIATION- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

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EXISTING RETURN AND INCOME TAX

LINE NO.	DESCRIPTION	CONTROL ALL	OUT	TOTAL SMEC	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	LIGHTING	MUNICIPAL PUMPING
1	EXISTING REVENUE REVENUE DEDUCTIONS:	EXR		[TRADE	SECRET DAT	TA BEGINS	TRA	DE SECRET	DATA ENDS]
2	O&M EXPENSES	OMX							
3	DEPRECIATION & AMORT EXPENSES	DEP		-\$161,270	-\$52,189	-\$17,426	-\$82,233	-\$7,828	-\$1,594
4	AD VALOREM TAXES	VAL		\$0	\$0	\$0	\$0	\$0	\$0
5	CORP FRANCHISE TAX	SFT		\$0	\$0	\$0	\$0	\$0	\$0
6	MISC GENERAL TAXES	MIS		\$0	\$0	\$0	\$0	\$0	\$0 \$0
7	REVENUE-RELATED TAXES	RTX		\$0	\$0	\$0	\$0 \$0	\$0 \$0	\$0
8	INTEREST ON CUST DEPOSITS	ICD		\$0	\$0	\$0		•	•
9	TOTAL REVENUE DEDUCTIONS			[TRAI	DE SECRET D	ATA BEGINS	. TRAD	E SECRET D	ATA ENDS]
10	NET FOR RETURN AND INCOME TAXES	NET	NET	-\$621,117	-\$51,637	\$273	-\$596,071	\$32,868	-\$6,550
11	LESS: INTEREST EXPENSE	INT		-\$73,669	-\$22,906	-\$7,850	-\$39,107	-\$3,070	-\$736
12	LESS: NET FEDERAL DEDUCTIONS	NFD		\$0	\$0	\$0 	\$0	\$0	\$0
13	TOTAL FEDERAL TAXABLE INCOME			-\$694,786	-\$74,543		-\$635,178	\$29,798	-\$7,286
14	PLUS: NET FEDERAL DEDUCTIONS	NFD		\$0	\$0	\$0	\$0	\$0	\$0
15	LESS: NET STATE DEDUCTIONS	NSD		\$0	\$0		\$0	\$0	\$0
.5									
16	TOTAL STATE TAXABLE INCOME			-\$694,786	-\$74,543	-\$7,578	-\$635,178	\$29,798	-\$7,286
	FED AND ST INCOME TAXES								**
17	FED TAXABLE INC * 0.0000			\$0	\$0		\$0	\$0	\$0
18	ST. TAXABLE INC * 0.0000			\$0	\$0		\$0	\$0 \$0	\$0 \$0
19	LESS: CRNT (TC * (1-0.0000)			\$0	\$0	\$0	\$0	20	4 0
20	TOTAL FED & ST INCOME TAXES			\$0	\$0	\$0	\$0	\$0	\$0
	*****RETURN COMPUTATION*****			*******	251.00	#070	-\$596,071	\$32.868	-\$6,550
21	NET FOR RETURN AND INCOME TAXES	NET		-\$621,117			-\$596,U/1	\$32,800 \$0	\$0
22	FED & ST INCOME TAXES	DDT		\$0 \$0			\$0	\$0	\$0
23	PROV FOR DEF TAXES	PDT ITN		\$0 \$0			\$0	\$0	\$0
24	INVESTMENT TAX CREDIT - NET A F U D C	AFD		\$0		•	\$0	\$0	\$0
25	AFUUC	AID							
26	NET RETURN			-\$621,117	-\$51,637	\$273	-\$596,071	\$32,868	-\$6,550
27	RATE BASE	RBT		\$5,353,012	\$1,664,440	\$570,412	\$2,841,592	\$223,093	\$53,475
28	RETURN ON RATE BASE	ROR		-11.60%	-3.10%	0.05%	-20.98%	14.73%	-12.25%
28 29	NON-EQUITY PORTION OF RETURN	DA3		-1.38%		-1.38%	-1.38%	-1.38%	-1.38%
30	EQUITY PORTION OF EXISTING RETRN	DA3		-12.98%		-1.33%	-22.36%	13.35%	-13.63%
31	EXISTING RETURN ON EQUITY	DA3	ROE	-19.90%	-6.86%	-2.03%	-34,28%	20.47%	-20.89%

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FEDERATED RURAL ELECTRIC ASSOCIATION- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

PROPOSED RETURN AND INCOME TAX

LINE NO.	DESCRIPTION	CONTRO	L	TOTAL SMEC	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	LIGHTING	MUNICIPAL PUMPING
NO.	DESCRIPTION								
1	PROPOSED REVENUE	PRV		\$5,710,872	\$1,390,779	\$554,932	\$3,666,163	\$43,047	\$55,951
	REVENUE DEDUCTIONS:			ITP AIDE	SECRET DA	TA BEGINS	TR/	DE SECRET	DATA ENDS]
2	O&M EXPENSES	OMX		TIKADL					
3	DEPRECIATION & AMORT EXPENSES	DEP		-\$161,270	-\$52,189	-\$17,426	-\$82,233	-\$7,828	-\$1,594
4	AD VALOREM TAXES	VAL		\$0	\$0	\$0	\$0	\$0	\$0
5	CORP FRANCHISE TAX	SFT		\$0	\$0	\$0	\$0	\$0	\$0
6	MISC GENERAL TAXES	MIS		\$0	\$0	\$0	\$0	\$0	\$0
7	REVENUE-RELATED TAXES	RTX		\$0	\$0	\$0	\$0	\$0	\$0
8	INTEREST ON CUST DEPOSITS	ICD		\$0	\$0	\$0 	\$0 	\$0 	\$0
9	TOTAL REVENUE DEDUCTIONS			[TRAE	DE SECRET D	ATA BEGINS	TRAD	E SECRET Da	ATA ENDS]
10	NET FOR RETURN AND INCOME TAXES	NET	NET	\$362,565	\$112,734	\$38,635	\$192,464	\$15,110	\$3,622
11	LESS: INTEREST EXPENSE	INT		-\$73,669	-\$22,906	-\$7,850	-\$39,107	-\$3,070	-\$736
12	LESS: NET FEDERAL DEDUCTIONS	NFD		\$0	\$0		\$ 0	\$0	\$0
13	TOTAL FEDERAL TAXABLE INCOME			\$288,896	\$89,828	\$30,785	\$153,357	\$12,040	\$2,886
14	PLUS: NET FEDERAL DEDUCTIONS	NFD		\$0	\$0		\$0	\$0	\$0
15	LESS: NET STATE DEDUCTIONS	NSD		\$0	\$0	\$0	\$0 	\$0 	\$0
16	TOTAL STATE TAXABLE INCOME			\$288,896	\$89,828	\$30,785	\$153,357	\$12,040	\$2,886
	FED AND ST INCOME TAXES							••	•••
17	FED TAXABLE INC * 0.0000			\$0	\$0		\$0	\$0	\$0
18	ST, TAXABLE INC * 0.0000			\$0	\$0		\$0	\$0	\$0
19	LESS: CRNT ITC * (1-0.0000)			\$0	\$0	\$0 	\$0 	\$0 	\$0
20	TOTAL FED & ST INCOME TAXES			\$0	\$0	\$0	\$0	\$0	\$0
	*****RETURN COMPUTATION*****								** ***
21	NET FOR RETURN AND INCOME TAXES	NET		\$362,565			\$192,464	\$15,110	\$3,622
22	FED & ST INCOME TAXES			\$0			\$0	\$0	\$0
23	PROV FOR DEF TAXES	PDT		\$0			\$0	\$0	\$0
24	INVESTMENT TAX CREDIT - NET	ITN		\$0			\$0	\$0	\$0 \$0
25	AFUDC	AFD		\$0	\$0	\$0	\$0 	\$0 	
26	NET RETURN			\$362,565	\$112,734	\$38,635	\$192,464	\$15,110	\$3,622
27	RATE BASE	RBT		\$5 ,35 3 ,012	\$1,664,440	\$570,412	\$2,841,592	\$223,093	\$53,475
28	RETURN ON RATE BASE	ROR		6.77%	6.77%	6.77%	6.77%	6.77%	6.77%
29	NON-EQUITY PORTION OF RETURN	DA3		-1.38%	-1.38%	-1.38%	-1.38%	-1.38%	-1.38%
30	EQUITY PORTION OF EXISTING RETRN	DA3		5.40%	5.40%	5.40%	5.40%	5.40%	5.40%
31	PROPOSED RETURN ON EQUITY	DA3	ROE	8.27%	8.27%	8.27%	8.27%	8.27%	8.27%

FEDERATED RURAL ELECTRIC ASSOCIATION- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

COST OF SERVICE SUMMARY

LINE		CONTRO	L	TOTAL		SMALL	LARGE		MUNICIPAL
NO.	DESCRIPTION	ALL	OUT	SMEC	RESIDENTIAL	COMMERCIAL	POWER	LIGHTING	PUMPING

	NET PLANT IN SERVICE:	NDD		\$0	\$0	\$0	\$0	\$0	\$0
1	PRODUCTION PLANT	NPP		•	\$0 \$0	\$0 \$0	\$0 \$0	\$0 \$0	\$0
2	TRANSMISSION PLANT	NPT		\$0	•	\$390,284	\$2.029.361	\$193,545	\$37.326
3	DISTRIBUTION PLANT	NPD		\$3,764,386 \$628.080	\$1,113,870 \$355,070	\$390,284 \$91,829	\$2,029,361	\$14,738	\$6,034
4	GENERAL PLANT	NPG		\$628,080	\$355,070	\$31,023	\$100,403	φ14,730 	
5	TOTAL NET ELECTRIC PLANT	NPR		\$4,392,466	\$1,468,940	\$482,113	\$2,189,770	\$208,283	\$43,360
6	CONST. WORK IN PROGRESS	CWP		\$113,265	\$33,515	\$11,743	\$61,061	\$5,823	\$1,123
7	ACQUISITION ADJUSTMENT	ACQ		\$824,728	\$180,596	\$78,200	\$551,828	\$5,366	\$8,738
8	PLANT HELD FOR FUTURE USE	PLH		\$0	\$0	\$0	\$0	\$0	\$0
9	TOTAL MISC DEFRD DEBITS			\$7,655	\$2,560	\$840	\$3,816	\$363	\$76
	WORKING CAPITAL:								
10	CASH WORK CAP, FUNDS, MAT&SUP	MAS		\$141,275	\$47,245	\$15,506	\$70,430	\$6,699	\$1,395
11	FUEL STOCK	FUL		\$0	\$0	\$0	\$0	\$0	\$0
12	PREPAID LIGNITE ROYALTIES	E1A		\$0	\$0	\$0	\$0	\$0	\$0
13	OTHER PREPAYMENTS	NPR		\$17,169	\$5,743	\$1,884	\$8,559	\$814	\$169
14	UNAMORTIZED LOSS ON REACQD LTD	NPR		\$0	\$0	\$0	\$0	\$0	\$0
15	DEFERRED FUEL	DEF		\$0	\$0	\$0	\$0	\$0	\$0
16	ACCUMULATED DEFERRED INCOME TAX	ACC		\$0	\$0	\$0	\$0	\$0	\$0
17	PRE-1971 INVESTMENT TAX CREDIT	PIC		\$0	\$0	\$0	\$0	\$0	\$0
18	CUSTOMER ADVANCES AND DEPOSITS	CAD		-\$17,715	-\$14,028	-\$3,214	-\$148	-\$161	-\$164
19	STORM DAMAGE/INJ & DAM RESRVS	SDR		\$0	\$0	\$0	\$0	\$0	\$0
20	PNSN & MIS OP RSRVS, OTR DEF CRS	PEN		-\$125,831	-\$60,131	-\$16,660	-\$43,724	-\$4,094	-\$1,222
21	TRANSMISSION RATE REFUND RESERVE	TRN		\$0	\$0	\$0	\$0	\$0 	\$0
22	AVERAGE ORIGINAL COST RATE BASE	RBT		\$5,353,012	\$1,664,440	\$570,412	\$2,841,592	\$223,093	\$53,475
23	RETURN AT 6.77%	RET		\$362,565	\$112,734	\$38,635	\$192,464	\$15,110	\$3,622
	OPERATION & MAINTENANCE EXPENSES			TRADE	SECRET DA	TA BEGINS	TR.	ADE SECRET	DATA ENDS]
24	PRODUCTION O&M	OMP							
25	TRANSMISSION O&M	OMT		\$0	\$0	\$0	\$0	\$0_	\$0
26	DISTRIBUTION O&M	OMD		[TRA	<u>DE SECRET I</u>	<u>DATA BEGINS</u>	_	DE SECRET D	
27	CUST ACCT/SERV/SALES	OMC		\$160,429	\$127,045	\$29,103	\$1,343	\$1,455	\$1,483
28	ADMINISTRATIVE & GENERAL	OMA		\$226,507	\$108,241	\$29,990	\$78,707	\$7,370	\$2,199
29	TOTAL OPER & MAIN EXPENSES	ОМХ		[TRAI	DE SECRET L	DATA BEGINS.	TRAL	DE SECRET D	
30	DEPRECIATION & AMORT EXPENSES	DEP		\$161,270	\$52,189	\$17,426	\$82,233	\$7,828	\$1,594
31	INTEREST ON CUSTOMER DEPOSITS	ICD		\$0	\$0	\$0	\$0	\$0	\$0
32	GENERAL TAXES	GTX		\$0	\$0	\$0	\$0	\$0	\$0
33	FED & ST INCOME TAX	FST		\$0	\$0	\$0	\$0	\$0	\$0
34	PROV FOR DEF TAXES	PDT		\$0	\$0	\$0	\$0	\$0	\$0
35	INVESTMENT TAX CREDIT - NET	ITN		\$0	\$0	\$0	\$0	\$0	\$0
36	AFUDC	AFD		\$0	\$0	\$0	\$0	\$0	\$0
37	COST OF SERVICE REVENUE REQT	CSR		\$5,710,872	\$1,390,779	\$554,932	\$3,666,163	\$43,047	\$55,951
				======				======	=======

FEDERATED RURAL ELECTRIC ASSOCIATION- SMEC CUSTOMERS COST OF SERVICE STUDY

FOR TWELVE MONTHS ENDED

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DECEMBER 31, 2016

"COST OF SERVICE COMPARISON"

LINE NO.	DESCRIPTION	CONTROL ALL OUT	TOTAL SMEC	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	LIGHTING	MUNICIPAL PUMPING
	··· OTHER REVENUE INCLUDED *··							
1	COST OFF SERVICE REVENUE REQT		\$5,710,872	\$1,390,779	\$554,932	\$3,666,163	\$43,047	\$55,951
2	EXISTING REVENUE		\$4,727,190	\$1,226,408	\$516,570	\$2,877,628	\$60,805	\$45,779
3	REVENUE DEFICIENCY		\$983,682	\$164,371	\$38,363	\$788,535	-\$17,758	\$10,172
4	REQUIRED INCREASE (%)		20.81%	13.40%	7.43%	27.40%	-29.21%	22.22%
5	EXISTING RATE OF RETURN-AS ADJ.		-11.60%	-3.10%	0.05%	-20.98%	14.73%	-12.25%
6	EXISTING ROR AS % OF OVERALL ROR-AS	S ADJ.	100.00%	26.72%	-0.43%	180.86%	-126.98%	105.60%
7	EXISTING RETURN ON EQUITY-AS ADJ.		-19.90%	-6.86%	-2.03%	-34.28%	20.47%	-20.89%
8	EXISTING ROE AS % OF OVERALL ROE-AS	ADJ.	100.00%	34.47%	10.20%	172.26%	-102.86%	104.97%
9	PROPOSED RATE OF RETURN-AS ADJ		6.77%	6.77%	6.77%	6.77%	6.77%	6.77%
10	PROPOSED RETURN ON EQUITY-AS ADJ		8.27%	8.27%	8.27%	8.27%	8.27%	8.27%
	*** OTHER REVENUE EXCLUDED ***		ar 535 400	** ***	65.40.050	#0 F00 08F	\$36,068	\$54,605
11	COST OF SERVICE REVENUE REQT		\$5,575,129	\$1,350,613	\$540,858	\$3,592,985	\$30,000	534,603
12	EXISTING REVENUE		\$4,591,447	\$1,186,242	\$502,496	\$2,804,450	\$53,826	\$44,433
13	REVENUE DEFICIENCY		\$983,682	\$164,371	\$38,363	\$788,535	-\$17,758	\$10,172
14	REQUIRED INCREASE (%)		21.42%	13.86%	7.63%	28.12%	-32.99%	22.89%
15	EXISTING RATE OF RETURN - UNADJ		-11.60%	-3.10%	0.05%	-20.98%	14.73%	-12.25%
16	EXISTING ROR AS % OF OVERALL ROR-UI	NADJ.	100.00%	26.72%	-0.43%	180.86%	-126.98%	105.60%
17	EXISTING RETURN ON EQUITY-UNADJ		-19.90%	-6.86%	-2.03%	-34.28%	20.47%	-20.89%
18	EXISTING ROE AS % OF OVERALL ROE-U	NADJ.	100.00%	34.47%	10.20%	172.26%	-102.86%	104.97%
19	PROPOSED RATE OF RETURN - UNADJ		6.77%	6.77%	6.77%	6.77%	6.77%	6.77%
20	PROPOSED RETURN ON EQUITY-UNADJ		8.27%	8.27%	8.27%	8.27%	8,27%	8.27%

FEDERATED RURAL ELECTRIC ASSOCIATION- SMEC CUSTOMERS

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COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

DEGE	ME1101, 2010	TOTAL		SMALL	LARGE		MUNICIPAL
PROP	OSED MILLS/KWH	SMEC	RESIDENTIAL	COMMERCIAL	POWER	LIGHTING	PUMPING

1	FXISTING BASE REV	67.44	100.91	88.51	56.39	160.26	76.65
2	FUEL REVENUE	0.00	0.00	0.00	0.00	0.00	0.00
2	FOEL REVENOL						
3	TOTAL MILLS / KWH	67.44	100.91	88.51	56.39	160.26	76.65
ŭ			=====	#4555E		¥=====	3======
	PROPOSED BASE REV	81.89	114.90	95.27	72.24	107.39	94.20
4		0.00	0.00	0.00	0.00	0.00	0.00
5	FUEL REVENUE						
	70741 1011 0 170471	81.89	114.90	95.27	72.24	107.39	94.20
6	TOTAL MILLS / KWH		=====		=====	======	======

FREEBORN- MOWER COOPERATIVE SERVICES CLASS COST OF SERVICE FOR MPSC COMPLIANCE FILING SCENARIO 2: SMEC DIRECT ASSIGNMENT

		COSS BASED	EXISTING			
LINE		REVENUE	REVENUE			PERCENT
NO.	CLASS	ALLOCATION	ALLOCATION	D	IFFERENCE	DIFFERENCE
	LEGACY:					
1	RESIDENTIAL		\$11,595,587		(405,373)	
3	IRRIGATION	\$31,236	\$53,684	-	(22,448)	
4	C&I <= 1000 K		\$4,086,764		(483,326)	
5	C&I > 1000 KV	· •		\$	(199,500)	
6	STREET LIGH	TING \$16,484	\$14,861	\$	1,623	10.92%
7	PUBLIC AUTH		\$134,512		(22,662)	
8	TOTAL LEGA	\$21,798,636	\$22,930,321	\$	(1,131,685)	-4.94%
	SMEC					
9	RESIDENTIAL	\$14,244,318	\$11,706,720	\$	2,537,598	21.68%
10	SMALL COMN		\$9,103,036	\$	(134,545)	
11	LARGE COMM		\$4,805,807	\$	(139,968)	
12	STREET LIGH		\$278,991	\$	(122,938)	
13		UMPING \$1,464,753	\$1,214,239	•	, ,	20.63%
14	TOTAL SMEC	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	\$27,108,793		\$2,390,661	
15		~, ,	+ ,,,		, , ,	
16	TOTAL COMP	\$51,298,089	\$50,039,114	\$	1,258,975	2.52%
17	MISC. REVEN		\$397,459	\$	-	0.00%
18			\$50,436,573	\$	1,258,975	2.50%
			· ·			
	CONSOLIDATED					
19	RESIDENTIAL	\$25,434,531	\$23,302,306	\$		9.15%
20	IRRIGATION	\$31,236			, ,	
21	C&I <= 1000 F	(VA \$3,603,438		\$, , ,	
22	C&I > 1000 KV	/A \$6,845,414	\$7,044,914	\$, , ,	
23	SMALL COMM	MERCIAL \$8,968,491	\$9,103,036	\$, , ,	
24	LARGE COM	MERCIAL \$4,665,839	\$4,805,807	\$	(139,968)	
25	STREET LIGH	ITING \$172,537	\$293,851	\$, , ,	
26	PUBLIC AUTI	HORITIES \$1,576,603		\$		16.89%
27		\$51,298,089	\$50,039,114	\$		2.52%
28	MISC. REVEN	IUES <u>\$397,459</u>	\$397,459			0.00%
29	TOTAL COMP	PANY \$51,695,548	\$50,436,573	\$	1,258,975	2.50%

FREEBORN MOWER- SMEC CUSTOMERS

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FILESPEC: K:\RATERES\COS\93RESALE\COS1292.WK3

STUDY DAT	E:		DECEMBER 31, 2016						
RUN DATE	AND TIME:	26-Oct-17	03:08 PM						
RETURN OF	N COMMON EQUITY		7.51%						
OVERALL R	ATE OF RETURN		4.16%						
CAPITALIZA	CAPITALIZATION:								
	OUTSTANDING	EFFECTIVE RATE	COMPOSITE						
DBT	\$69,506,074	2.71%	1.90%						
PRF		0.00%	0.00%						
CMN	\$29,982,436	7.51%	2.26%						
FEDERAL E	FFECTIVE INCOME T	AX RATE	0.00%						
FEDERAL N	0.00%								
STATE EFF	ECTIVE INCOME TAX	RATE	0.00%						
STATE NOMINAL INCOME TAX RATE 0.00%									

NOTATIONS: THIS RUN ALLOCATES ALL PLANT ON AVG OF 12 CP

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FREEBORN MOWER- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

······CUSTOMER DATA

LINE		CONTRO	Ĺ	TOTAL		SMALL	LARGE		MUNICIPAL
NO.	DESCRIPTION	ALL	OUT	SMEC	RESIDENTIAL	COMMERCIAL	POWER	LIGHTING	PUMPING
1	NUMBER OF CUSTOMERS	C1A	C1A	15,024	12,660	2,015	13	40	296
2	PERCENT OF TOTAL	C1A		100.000%	84.266%	13.409%	0.085%	0.267%	1.972%
3	NUMBER OF WEIGHTED CUSTOMERS	C2A	C2A	15,024	12,660	2,015	13	40	296
4	PERCENT OF TOTAL	C2A		100.000%	84.266%	13.409%	0.085%	0.267%	1.972%
5	NUMBER OF RETAIL DISTRICUSTOMERS	СЗА	СЗА	15,024	12,660	2,015	13	40	296
6	PERCENT OF TOTAL	СЗА		100.000%	84.266%	13.409%	0.085%	0.267%	1.972%
7	NMBR OF RETAIL WTD CUSTOMERS	C4A	C4A	15,024	12,660	2,015	13	40	296
8	PERCENT OF TOTAL	C4A		100.000%	84.266%	13.409%	0.085%	0.267%	1.972%
9	LIGHTING DIRECT ALLOCATOR	LDE	LDE	1	0	0	0	1	0
10	PERCENT OF TOTAL	LDE		100.000%	0.000%	0.000%	0.000%	100.000%	0.000%
11	LPS DIRECT ALLOCATOR	DA1	DA1	0	0	0	0	0	0
12	PERCENT OF TOTAL	DA1		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
13	AVERAGE COINCIDENT KW DEMAND	D1A	D1A	54,388	23,074	18,481	9,644	0	3,189
14	DEMAND ALLOCATION FACTOR-PROD	D1A		100.000%	42.425%	33.980%	17.732%	0.000%	5.864%
15	AVERAGE COINCIDENT KW DEMAND	D1B	D1B	54,388	23,074	18,481	9,644	0	3,189
16	DEMAND ALLOCATION FACTOR-TRANS	D1B		100.000%	42.425%	33.980%	17.732%	0.000%	5.864%
17	AVG PRIMARY DISTRIB KW DEMAND	D2A	D2A	57,244	23,961	19,405	10,030	538	3,309
18	DIST-PRI DEMAND ALLOC FACTOR	D2A		100.000%	41.859%	33.899%	17.521%	0.940%	5.781%
19	AVG SECONDARY DISTRIB KW DEMAND	D3A	D3A	57,244	23,961	19,405	10,030	538	3,309
20	DIST-SEC DEMAND ALLOC FACTOR	D3A		100.000%	41.859%	33.899%	17.521%	0.940%	5.781%
21	AVG SECONDARY DISTRIB KW DEMAND	D4A	D4A	57,244	23.961	19,405	10,030	538	3.309
22	DIST-SEC DEMAND ALLOC FACTOR	D4A		100.000%	41.859%	33.899%	17.521%	0.940%	5.781%
23	ANNUAL MWH ENERGY CONTRIBUTION	E1A	E1A	294,758,889	109,148,827	101,993,170	65,894,354	2,357,522	15,365,017
24	ENERGY ALLOCATION FACTOR	E1A		100.000%	37.030%	34.602%	22.355%	0.800%	5.213%

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FREEBORN MOWER- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

······CUSTOMER DATA

LINE NO.	DESCRIPTION	ALL	OUT	TOTAL SMEC	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	LIGHTING	MUNICIPAL PUMPING
25	RESERVED			0	0	0	0	0	0
26	PERCENT OF TOTAL			0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
27	WAGES/SALARIES: PRODUCTION	NPP		\$0	\$0	\$0	\$0	\$0	\$0
28	TRANSMISSION	NPT		\$0	\$0	\$0	\$0	\$0	\$0
29	DISTRIBUTION	NPD		\$1,356,394	\$882,669	\$297,537	\$101,692	\$26,149	\$48,347
30	GENERAL	NPG		\$1,121,939	\$855,010	\$190,960	\$36,099	\$10,183	\$29,687
31	WAGES/SALARIES: TOTAL	LBR	LBR	\$2,478,333	\$1,737.679	\$488,497	\$137,791	\$36,332	\$78,034
32	PERCENT OF TOTAL	LBR		100.000%	70.115%	19.711%	5.560%	1.466%	3.149%
33	BULK TRANSMISSION REVENUE	D1A		\$0	\$0	\$0	\$0	\$0	\$0
34	PRIMARY TRANSMISSION REVENUE	D2A		\$0	\$0	\$0	\$0	\$0	\$0
35	TOTAL TRANSMISSION REVENUE	TRN	TRN	\$0	\$0	\$0	\$0	\$0	\$0
36	PERCENT OF TOTAL	TRN		100.000%	100.000%	0.000%	0.000%	0.000%	0.000%
	EXISTING REVENUE								
37	EXISTING BASE REV	OTR	OTR	\$27,108,793	\$11,706,720	\$9,103,036	\$4,805,807	\$278,991	\$1,214,239
38	FUEL REVENUE	FUL		\$0	\$0	\$0	\$0	\$0	\$0
39	MISCELLANEOUS REVENUE	NPD		\$206,447	\$134,344	\$45,286	\$15,478	\$3,980	\$7,359
40	TRANSMISSION REVENUE	TRN		\$0	\$0	\$0	\$0	\$0	\$0
41	NON-FRM SLS FOR RESALE	E1A		\$0	\$0	\$0	\$0	\$0 	\$0
42	TOTAL EXISTING REVENUE	EXR	EXR	\$27,315,240	\$11,841,064	\$9,148,322	\$4,821, 28 5	\$282,971	\$1,221,598
	PROPOSED REVENUE			======	*******	======	======	======	=======
43	PROPOSED BASE REV			\$29,499,454	\$14,244,318	\$8,968,491	\$4,665,839	\$156,053	\$1,464,753
44	FUEL REVENUE			\$0	\$0	\$0	\$0	\$0	\$0
45	MISCELLANEOUS REVENUE			\$206,447	\$134,344	\$45,286	\$15,478	\$3,980	\$7,359
46	TRANSMISSION REVENUE			\$0	\$0	\$0	\$0	\$0	\$0
47	NON-FRM SLS FOR RESALE			\$0	\$0	\$0	\$0	\$0	\$0
48	TOTAL PROPOSED REVENUE	PRV	PRV	\$29,705,901	\$14,378,662	\$9,013,777	\$4,681,317	\$160,033	\$1,472,112
				=====	======	======		======	======
49	PROPOSED BASE REVENUE INCREASE/(D	ECREASE)		\$2,390,661	\$2,537,598	-\$134,545	-\$139,968	-\$122,938	\$250,514
50	PROPOSED BASE REVENUE INCR/(DECR)	- %		8.82%	21.68%	-1.48%	-2.91%	-44.07%	20.63%

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FREEBORN MOWER- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

****ELECTRIC GROSS PLANT****

LINE NO.	DESCRIPTION	ALL	OUT	TOTAL SMEC	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	LIGHTING	MUNICIPAL PUMPING
1	TOTAL PRODUCTION PLANT	D1A	GPP	\$0	\$0	\$0	\$0	\$0	\$0
	TRANSMISSION PLANT								
2	POWER PLANT EQUIP	D1A		\$0	\$0	\$0	\$0	\$0	\$0
3	LARGE POWER SERVICE EQUIP	DA1		\$0	\$0	\$0	\$0	\$0	\$0
4	OTHER DIST IN ACCT 353	D2A		\$0	\$0	\$0	\$0	\$0	\$0
5	ALL OTHER TRANSMISSION	D1B		\$0	\$0	\$0	\$0	\$0	\$0
6	TOTAL TRANSMISSION PLANT	GPT	GPT	\$0	\$0	\$0	\$0	\$0	\$0
	DISTRIBUTION PLANT								
7	PRIMARY DEMAND RELATED	D4A		\$16,412,513	\$6,870,033	\$5,563,691	\$2,875,611	\$154,322	\$948,856
8	SECONDARY DEMAND RELATED	D3A		\$5,939,129	\$2,486,031	\$2,013,310	\$1,040,585	\$55,844	\$343,359
9	CUSTOMER RELATED	C4A		\$29,495,311	\$24,854,638	\$3,955,002	\$25,195	\$78,858	\$581,618
10	SUB-TOTAL DISTR PLANT		SGD	\$51,846,953	\$34,210,702	\$11,532,003	\$3,941,391	\$289,024	\$1,873,833
11	LIGHTING SPECIFIC	LDE	000	\$647,918	\$0	\$0	\$0	\$647,918	\$0
12	TOTAL DISTRIBUTION PLANT	GPD	GPD	\$52,494,871	\$34,210,702	\$11,532,003	\$3,941,391	\$936,942	\$1,873,833
	GENERAL AND INTANGIBLE PLANT								
13	PRODUCTION RELATED	GPP		\$0	\$0	\$0	\$0	\$0	\$0
14	TRANSMISSION RELATED	GPT		\$0	\$0	\$0	\$0	\$0	\$0
15	DISTRIBUTION RELATED	GPD		\$1,609,199	\$1,048,709	\$353,507	\$120,821	\$28,721	\$57,441
	CUST ACCT/SERV & INFO/								
16	SALES RELATED	C2A		\$2,889,111	\$2,434,550	\$387,399	\$2,468	\$7,724	\$56,970
17	TOTAL GENERAL & INTANGIBLE PLANT	GPG	GPG	\$4,498,310	\$3,483,259	\$740,906	\$123,289	\$36,445	\$114,411
18	TOTAL GROSS PLANT IN SERVICE	GPR	GPR	\$56,993,181	\$37,693,961 ======	\$12,272,909 ======	\$4,064,680 ======	\$973,387 =======	\$1,988,244 ======

FREEBORN MOWER- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

LINE NO.	DESCRIPTION	ALL	OUT	TOTAL SMEC	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	LIGHTING	MUNICIPAL PUMPING
1	TOTAL PRODUCTION PLANT	D1A	DPP	\$0	\$0	\$0	\$0	\$0	\$0
	TRANSMISSION PLANT								
2	POWER PLANT EQUIP	D1B		\$0	\$0	\$0	\$0	\$0	\$0
3	LARGE POWER SERVICE EQUIP	DA1		\$0	\$0	\$0	\$0	\$0	\$0
4	OTHER DIST IN ACCT 353	D2A		\$0	\$0	\$0	\$0	\$0	\$0
5	ALL OTHER TRANSMISSION	D1A		\$0	\$0	\$0	\$0	\$0	\$0
6	TOTAL TRANSMISSION PLANT	DPT	DPT	\$0	\$0	\$0	\$0	\$0	\$0
	DISTRIBUTION PLANT								
7	PRIMARY DEMAND RELATED	D4A		\$5,926,184	\$2,480.613	\$2,008,922	\$1,038,317	\$55,722	\$342,610
8	SECONDARY DEMAND RELATED	D3A		\$2,144,484	\$897,649	\$726,960	\$375,732	\$20,164	\$123,979
9	CUSTOMER RELATED	C4A		\$10,650,083	\$8,974,442	\$1,428,061	\$9,097	\$28,474 	\$210,009
10	SUB-TOTAL DISTR PLANT		SDD	\$18,720,752	\$12,352,705	\$4,163,943	\$1,423,146	\$104,360	\$676,598
11	LIGHTING SPECIFIC	LDE		\$185,048	\$0	\$0	\$0	\$185,048	\$0
12	TOTAL DISTRIBUTION PLANT	DPD	DPD	\$18,905,800	\$12,352,705	\$4,163,943	\$1,423,146	\$289,408	\$676,598
	GENERAL AND INTANGIBLE PLANT						••	\$0	\$0
13	PRODUCTION RELATED	GPP		\$0	\$0	\$0	\$0	\$0 \$0	\$0
14	TRANSMISSION RELATED	GPT		\$0	\$0		\$0	\$7,625	\$15,249
15	DISTRIBUTION RELATED	GPD		\$427,189	\$278,397	\$93,844	\$32,074	\$7,025	\$15,245
	CUST ACCT/SERV & INFO/					*470.000	£1.00E	\$3,395	\$25.041
16	SALES RELATED	C2A		\$1,269,915	\$1,070,112	\$170,282	\$1,085 	\$5,595	923,041
17	TOTAL GENERAL & INTANGIBLE PLANT	DPG	DPG	\$1,697,104	\$1,348,509	\$264,126	\$33,159	\$11,020	\$40,290
18	TOTAL ACCUMULATED DEPRECIATION	DPR	DPR	\$20,602,904	\$13,701,214	\$4,428,069	\$1,456,305	\$300,428	\$716,888
				======	=======	=======	=======	=======	======

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FREEBORN MOWER- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

*******ELECTRIC NET PLANT******

LINE		CONTRO	L	TOTAL		SMALL	LARGE		MUNICIPAL
NO.	DESCRIPTION	ALL	OUT	SMEC	RESIDENTIAL	COMMERCIAL	POWER	LIGHTING	PUMPING
1	TOTAL PRODUCTION PLANT	D1A	NPP	\$0	\$0	\$0	\$0	\$0	\$0
	TRANSMISSION PLANT								
2	POWER PLANT EQUIP	D1B		\$0	\$0	\$0	\$0	\$0	\$0
3	LARGE POWER SERVICE EQUIP	DA1		\$0	\$0	\$0	\$0	\$0	\$0
4	OTHER DIST IN ACCT 353	D2A		\$0	\$0	\$0	\$0	\$0	\$0
5	ALL OTHER TRANSMISSION	D1A		\$0	\$0	\$0	\$0 	\$0 	\$0
6	TOTAL TRANSMISSION PLANT	NPT	NPT	\$0	\$0	\$0	\$0	\$0	\$0
	DISTRIBUTION PLANT								
7	PRIMARY DEMAND RELATED	D4A		\$10,486,329	\$4,389,420	\$3,554,769	\$1,837,294	\$98,600	\$606,246
8	SECONDARY DEMAND RELATED	D3A		\$3,794,645	\$1,588,382	\$1,286,350	\$664,853	\$35,680	\$219,380
9	CUSTOMER RELATED	C4A		\$18,845,228	\$15,880,196	\$2,526,941	\$16,098	\$50,384	\$371,609
	SUB-TOTAL DISTR PLANT		SPD	\$33,126,201	\$21,857,997	\$7.368.060	\$2,518,245	\$184,664	\$1,197,235
10 11	LIGHTING SPECIFIC	LDE	01 0	\$462,870	\$0	\$0	\$0	\$462,870	\$0
• • •	Elaiting of Lonio								
12	TOTAL DISTRIBUTION PLANT	NPD	NPD	\$33,589,071	\$21,857,997	\$7,368,060	\$2,518,245	\$647,534	\$1,197,235
	GENERAL AND INTANGIBLE PLANT								
13	PRODUCTION RELATED	NPP		\$0	\$0	\$0	\$0	\$0	\$0
14	TRANSMISSION RELATED	NPT		\$0	\$0	\$0	\$0	\$0	\$0
15	DISTRIBUTION RELATED	NPD		\$1,182,010	\$770,312	\$259,663	\$88,747	\$21,096	\$42,192
	CUST ACCT/SERV & INFO/								
16	SALES RELATED	C2A		\$1,619,196	\$1,364,438		\$1,383	\$4,329	\$31,929
17	TOTAL GENERAL & INTANGIBLE PLANT	NPG	NPG	\$2,801,206	\$2,134,750	\$4 7 6,780	\$90,130	\$25,425	\$74,121
18	TOTAL NET PLANT IN SERVICE	NPR	NPR	\$36,390,277	\$23,992,747	\$7,844,840	\$2,608,375	\$672,959	\$1,271,356
,,				======	======		=======	======	=======

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FREEBORN MOWER- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

····· RATE BASE ·····

LINE NO.	DESCRIPTION	CONTRO ALL	OUT	TOTAL SMEC	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	LIGHTING	MUNICIPAL PUMPING
1	NET PLANT IN SERVICE	NPR	NPR	\$36,390,277	\$23,992,747	\$7,844,840	\$2,608,375	\$672,959	\$1,271,356
	CONSTRUCTION WORK IN PROGRESS								
2	PRODUCTION PLANT	NPP		\$0	\$0	\$0	\$0	\$0	\$0
3	TRANSMISSION PLANT	NPT		\$0	\$0	\$0	\$0	\$0	\$0
4	DISTRIBUTION PLANT	NPD		\$316,012	\$205,644	\$69,320	\$23,692	\$6,092	\$11,264
5	GENERAL PLANT	NPG		\$0	\$0	\$0	\$0	\$0	\$0
6	TOAL CWIP	CWP	CWP	\$316,012	\$205,644	\$69,320	\$23,692	\$6,092	\$11,264
7	NET ACQUISITION ADJUSTMENT	D2A	ACQ	\$9,736,743	\$4,075,656	\$3,300,666	\$1,705,959	\$91,552	\$562,910
8	PLANT HELD FOR FUTURE USE	E1A	PLH	\$0	\$0	\$0	\$0	\$0	\$0
	MISC DEFERRED DEBITS								
9	PROD RELATED	NPP		\$0	\$0	\$0	\$0	\$0	\$0
10	TRAN RELATED	NPT		\$0	\$0	\$0	\$0	\$0	\$0
11	DIST RELATED	NPD		\$7,350	\$4,783	\$1,612	\$551	\$142	\$262
12	GENR RELATED	NPG		\$32,216	\$24,552	\$5,483	\$1,037	\$292	\$852
13	LABOR RELATED	LBR		\$0	\$0	\$0	\$0	\$0	\$0
14	NPR RELATED	NPR		\$893,675	\$589,215	\$192,654	\$64,057	\$16,527 	\$31,222
15	TOTAL MISC DEFRD DEBITS			\$933,241	\$618,550	\$199,749	\$65,645	\$16,961	\$32,336
	WORKING CAPITAL								
16	CASH WORK CAP, FUNDS, MAT&SUP	NPR	MAS	\$939,662	\$619,535	\$202,568	\$67,353	\$17,377	\$32,829
17	FUEL STOCK	E1A	FUL	\$0	\$0	\$0	\$0	\$0	\$0
18	PREPAID LIGNITE ROYALTIES	E1A		\$0	\$0	\$0	\$0	\$0	\$0
19	OTHER PREPAYMENTS	NPR		\$29,014	\$19,128	\$6,255	\$2,080	\$537	\$1,014
20	TOTAL WORKING CAPITAL			\$968,676	\$638,663	\$208,823	\$69,433	\$17,914	\$33,843
21	UNAMORTIZED LOSS ON REACQD LTD	NPR		\$0	\$0	\$0	\$0	\$0	\$0
22	DEFERRED FUEL	E1A	DEF	\$0	\$0	\$0	\$0	\$0	\$0

(RATE BASE CONTINUED ON NEXT PAGE)

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FREEBORN MOWER- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

"CONTINUED"

LINE		CONTROL		TOTAL	DEOIDENTIAL	SMALL COMMERCIAL	LARGE POWER	LIGHTING	MUNICIPAL PUMPING
NO.	DESCRIPTION	ALL	OUT	SMEC	RESIDENTIAL	COMMERCIAL			
	ACCUMULATED DEFERRED INCOME TAX								
23	ACCT 281: POL CON	NPP		\$0	\$0	\$0	\$0	\$0	\$0
24	ACCT 282: LIBERAL DEP - PROD	NPP		\$0	\$0	\$0	\$0	\$0	\$0
25	TRAN	NPT		\$0	\$0	\$0	\$0	\$0	\$0
26	DIST	NPD		\$0	\$0	\$0	\$0	\$0	\$0
27	GENR	NPG		\$0	\$0	\$0	\$0	\$0	\$0
28	LIGNITE EXPLORATN	E1A		\$0	\$0	\$0	\$0	\$0	\$0
29	LABOR RELATED	LBR		\$0 	\$0 	\$0	\$0	\$0 	\$0
30	TOTAL ACCOUNT 282			\$0	\$0	\$0	\$0	\$0	\$0
31	ACCT 283: THIS LINE RESERVED			\$0	\$0	\$0	\$0	\$0	\$0
32	LONG TERM DEBT LOSS	NPR		\$0	\$0	\$0	\$0	\$0	\$0
33	TOTAL ACCOUNT 283			\$0	\$0	\$0	\$0	\$0	\$0
34	ACCOUNT 190: PRODUCTION RELATED	NPP		\$0	\$0	\$0	\$0	\$0	\$0
35	PLANT RELATED	NPR		\$0	\$0	\$0	\$0	\$0	\$0
36	ENERGY RELATED	E1A		\$0	\$0	\$0	\$0	\$0	\$0
37	LABOR RELATED	LBR		\$0	\$0	\$0	\$0	\$0	\$0
38	FERC REFUND	TRN		\$0	\$0	\$0	\$0 	\$0	\$0
39	TOTAL ACCOUNT 190			\$0	\$0	\$0	\$0	\$0	\$0
40	TOTAL ACCUM DEFRD INC TAX	ACC	ACC	\$0	\$0	so	\$0	\$0	\$0
41	INVESTMENT TAX CREDIT PRE '71	NPR	PIC	\$0	\$0	\$0	\$0	\$0	\$0
42	CUSTOMER ADVANCES AND DEPOSITS	СЗА	CAD	-\$147,485	-\$124,281	-\$19,776	-\$126	-\$394	-\$2,908
43	STORM DAMAGE & INJ & DAM RESRVS	D2A	SDR	\$0	\$0	\$0	\$0	\$0	\$0
44	PNSN & MIS OP RSRVS, OTR DEF CR	OMA	PEN	-\$1,496,375	-\$1,049,180	-\$294,946	-\$83,196	-\$21,937	-\$47,116
45	TRANSMISSION RATE REFUND RESERVE	TRN		\$0	\$0	\$0	\$0 	\$0 	\$0
46	TOTAL RATE BASE	RBT	RBT	\$46,701,089	\$28,357,799	\$11,308,676	\$4,389,782 ======	\$783,147 ======	\$1,861,685

FREEBORN MOWER- SMEC CUSTOMERS
COST OF SERVICE STUDY
FOR TWELVE MONTHS ENDED
DECEMBER 31, 2016

·····OPER AND MTN EXPENSES*******

LINE NO.	DESCRIPTION	CONTROI ALL	OUT	TOTAL SMEC R	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	LIGHTING	MUNICIPAL PUMPING
	PRODUCTION O&M EXPENSE				+======				
1	FUEL EXPENSE - ACCT 501	E1A		\$0	\$0	\$0	\$0	\$0	\$0
	PURCHASED POWER - ACCT 555			TRADES	ECRET DA	TA BEGINS	TRA	DE SECRET	DATA ENDS]
2	DEMAND - OTHER	D1A		[TRADE 3	LCKLIDA	IN DEGING			
3	ENERGY - OTHER	E1A		\$0	\$0	\$0	\$0	\$0	\$0
4	NET OFF SYSTEM REVENUE	E1A		\$0	40	Ψ	45	**	
	OTHER PRODUCTION O&M ACCTS	D1A		\$0	\$0	\$0	\$0	\$0	\$0
5	DEMAND - OTHER	E1A		\$0 \$0	\$0	\$0	\$0	\$0	\$0
6	ENERGY - OTHER	EIA							
7	TOTAL OTHER PRODUCTION O&M	PRO	PRO	\$0	\$0	\$0	\$0	\$0	\$0
		ОМР	OMP	ITRADE S	CRET DA	TA BEGINS	TRA	DE SECRET	DATA ENDS]
8	TOTAL PRODUCTION O&M EXPENSE	OMF	OWIF	[110.15.5.5]					
9	TOTAL TRANSMISSION O&M EXPENSE	NPT	OMT	\$0	\$0	\$0	\$0	\$0	\$0
	DISTRIBUTION O&M EXPENSE				· crcplit F	ATA DUČINE	TDAD	E SECRET D	ATA ENDS)
10	LIGHTING SPECIFIC	LDE		TRADI	SECRETI	DATA BEĞINS.	IKAD	E SECKET D	ATALNDS
11	ALL OTHER	SPD							
								OF CLCDET	DATA UNIDEL
12	TOTAL DISTRIBUTION O&M EXPENSE	OMD	OMD	[TRADE S	ECRET DA	TA BEGINS	TR/	IDE SECKET	DATA ENDS
	TOTAL CUST ACCT/SERV & INFO/								
13	SALES EXPENSE	C2A	OMC	\$1,655,591	\$1,395,107	\$221,997	\$1,414	\$4,426	\$32,647
	ADMINISTRATIVE & GENERAL EXPENSE								
14	PROP INSURANCE/INJ & DAMG	NPR		\$0	\$0	\$0	\$0	\$0	\$0
15	CUST ACCT/SERV&INFO/SALES REL	LBR		\$1,000,422	\$701,444	\$197,190	\$55,622	\$14,666	\$31,500
15	COST ACCTIVE TVALING CICKEES TILL								
16	TOTAL ADMIN & GENERAL EXPENSE	OMA	OMA	\$1,000,422	\$701,444	\$197,190	\$55,622	\$14,666	\$31,500
								ar ar ar ar	EATA ENDEL
17	TOTAL OPER & MTN EXPENSES	OMX	OMX	[TRADE S	ECRET DA	TA BEGINS	TRA		DATA ENDS]
				======	******	355-275	======	=======	======

FREEBORN MOWER- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016 PAGE 10

"EXPENSES OTHER THAN INCOME TAXES"

LINE NO.	DESCRIPTION	CONTRO ALL	L OUT	TOTAL SMEC	RESIDENTIAL.	SMALL COMMERCIAL	LARGE POWER	LIGHTING	MUNICIPAL PUMPING
1	TOTAL OPER & MTN EXPENSES	ОМХ		[TRADE		TA BEGINS		DE SECRET	DATA ENDS]
	DEPRÉCIATION & AMORTIZATION EXPENS	ES							
2	PRODUCTION	NPP		\$0	\$0	\$0	\$0	\$0	\$0
3	TRANSMISSION	NPT		\$0	\$0	\$0	\$0	\$0	\$0
4	DISTRIBUTION	NPD		\$1,482,403	\$964,670	\$325,178	\$111,139	\$28,578	\$52,838
5	GENERAL	NPG		\$199,587	\$152,101	\$33,971	\$6,422	\$1,812	\$5,281
6	TOTAL DEPR & AMORT EXPEN	DEP	DEP	\$1,681,990	\$1,116,771	\$359,149	\$117,561	\$30,390	\$58,119
7	INTEREST ON CUSTOMER DEPOSITS	СЗА	ICD	\$0	\$0	\$0	\$0	\$0	\$0
	GENERAL TAXES								
8	AD VALOREM	NPR	VAL	\$0	\$0	\$0	\$0	\$0	\$0
9	CORP FRANCHISE TAX	NPR	SFT	\$0	\$0	\$0	\$0	\$0	\$0
10	MISCELLANEOUS GENERAL TAXES	LBR	MIS	\$0	\$0	\$0	\$0	\$0	\$0
11	REVENUE-RELATED (AS PROPOSED)	RTX		\$0	\$0	\$0	\$0	\$0	\$0
12	TOTAL GENERAL TAXES	GTX	GTX	\$0	\$0	\$0	\$0	\$0	\$0
13	TOTAL EXPENSES EXCEPT INCOME TAX	EXP	EXP	[TRADE	SECRET DA	TA BEGINS	TRA	DE SECRET	DATA ENDS]

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FREEBORN MOWER- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

"INCOME TAX FOR 7.51% ROE"

LINE NO.	DESCRIPTION	CONTRO ALL	L OUT	TOTAL SMEC	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	LIGHTING	MUNICIPAL PUMPING
1	RATE BASE	RBT		\$46,701,089	\$28,357,799	\$11,308,676	\$4,389,782	\$783,147	\$1,861,685
2	RETURN AT 4.16%	RBT	RET	\$1,942,325	\$1,179,416	\$470.334	\$182,574	\$32,572	\$77,429
3	INTEREST (1.90% OF LINE 1)	RBT	INT	-\$885,359	-\$537,607	-\$214,390	-\$83,221	-\$14,847	-\$35,294
4	A F U D C	NPR	AFD	\$0	\$0	\$0	\$0	\$0	\$0
7	PROVISION FOR DEFERRED TAXES			•	·				
5	ACT 410.1: PROD RLTD	NPP		\$0	\$0	\$0	\$0	\$0	\$0
6	TRAN RLTD	NPT		\$0	\$0	\$0	\$0	\$0	\$0
7	PLANT RLTD	NPR		\$0	\$0	\$0	\$0	\$0	\$0
8	ENERGY RLTD	E1A		\$0	\$0	\$0	\$0	\$0	\$0
9	LABOR RLTD	LBR		\$0	\$0	\$0	\$0	\$0	\$0
10	CUSTOMER RELATED	C3A		\$0	\$0	\$0	\$0	\$0	\$0
11	RESERVED	CSA		\$0	\$0	\$0	\$0	\$0	\$0
- ' '	RESERVED								
12	TOTAL 410.1			\$0	\$0	\$0	\$0	\$0	\$0
13	ACT 411.1: PROD RLTD	NPP		\$0	\$0	\$0	\$0	\$0	\$0
14	TRAN RLTD	NPT		\$0	\$0	\$0	\$0	\$0	\$0
15	PLANT RELATED	NPR		\$0	\$0	\$0	\$0	\$0	\$0
16	ENERGY RELATED	E1A		\$0	\$0	. \$0	\$0	\$0	\$0
17	LABOR RELATED	LBR		\$0	\$0	\$0	\$0	\$0	\$0
18	CUSTOMER RELATED	СЗА		\$0	\$0 	\$0	\$0	\$0	\$0
19	TOTAL 411.1			\$0	\$0	\$0	\$0	\$0	\$0
20	NET PROVISION FOR DEFRD INC TAX		PDT	\$0	\$0	\$0	\$0	\$0	\$0
21	ITC AMORT	NPR	ITA	\$0	\$0	\$0	\$0 	\$0	\$ 0
22	ADJUSTED RETURN	ART	ART	\$1,056,966	\$641.809	\$255,944	\$99,353	\$17,725	\$42,135
	FED ADD INC & UNALLOW DEDUCTS								
23	PRODUCTION RELATED	NPP		\$0	\$0	\$0	\$0	\$0	\$0
24	DISTRIBUTION RELATED	NPD		\$0	\$0	\$0	\$0	\$0	\$0
25	PLANT RELATED	NPR		\$0	\$0	\$0	\$0	\$0	\$0
26	ENERGY RELATED	E1A		\$0	\$0	\$0	\$0	\$0	\$0
27	LABOR RELATED	LBR		\$0	\$0	\$0	\$0	\$0	\$0
28	TRANSMISSION REV RELATED	TRN		\$0	\$0	\$0	\$0	\$0	\$0
29	RESERVED			\$0	\$0	\$0	\$0	\$0	\$0
30	DISTRIBUTION CUSTOMER RELATED	СЗА		\$0	\$0	\$0	\$0	\$0	\$0
31	TOTAL ADDITIONS	FTA	FTA	\$0	\$0	\$0	\$0	\$0	\$0

(INCOME TAX CALCULATION CONTINUED ON NEXT PAGE)

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FREEBORN MOWER- SMEC CUSTOMERS
COST OF SERVICE STUDY
FOR TWELVE MONTHS ENDED
DECEMBER 31, 2016

""INCOME TAX FOR 7.51% ROE"
" CONTINUED ""

LINE		CONTRO	L	TOTAL		SMALL.	LARGE		MUNICIPAL
NO.	DESCRIPTION	ALL	OUT	SMEC	RESIDENTIAL	COMMERCIAL	POWER	LIGHTING	PUMPING
	FED DEDUCTS AND NON-TAX INCOME								••
32	PRODUCTION RELATED	NPP		\$0	\$0	\$0	\$0	\$0	\$0
33	DISTRIBUTION RELATED	NPD		\$0	\$0	\$0	\$0	\$0	\$0
34	PLANT RELATED	NPR		\$0	\$0	\$0	\$0	\$0	\$0
35	ENERGY RELATED	E1A		\$0	\$0	\$0	\$0	\$0	\$0
36	LABOR RELATED	LBR		\$0	\$0	\$0	\$0	\$0	\$0
37	TRANSMISSION REV RELATED	TRN		\$0	\$0	\$0	\$0	\$0	\$0
38	DISTRIBUTION CUSTOMER RELATED	C3A		\$0	\$0	\$0 	\$0 	\$0 	\$0
39	TOTAL DEDUCTIONS	FTD	FTD	\$0	\$0	\$0	\$0	\$0	\$0
40	NET FEDERAL DEDUCTIONS	NFD	NFD	\$0	\$0	\$0	\$0	\$0	\$0
41	ST ADD INC & UNALLOW DEDUCTS	FTA		\$0	\$0	\$0	\$0	\$0	\$0
42	ST DEDUCTS AND NON-TAX INCOME	FTD		\$0	\$0	\$0	\$0	\$0	\$0
43	NET STATE DEDUCTIONS	NSD	NSD	\$0	\$0	\$0	\$0	\$0	\$0
44	PROV FOR DEF'D ITC - CURRENT	NPR	ITC	\$0	\$0	\$0	\$0	\$0	\$0
	FEDERAL TAXABLE INCOME								
45	ADJ RET * 1/(1-0.0000-0.0000)	ART	TART	\$1,056,966	\$641,809	\$255,944	\$99,353	\$17,725	\$42,135
46	NET FED DED * 1/(1-0.0000)	NFD		\$0	\$0	\$0	\$0	\$0	\$0
47	NET ST DED * (1/(1-0.0000))-1	NSD		\$0	\$0	\$0	\$0	\$0	\$0
48	CURRENT ITC * (1/1-0.00))-1	ITC		\$0	\$0	\$0	\$0	\$0 	\$0
49	TOTAL FEDERAL TAXABLE INCOME	FTI	FTI	\$1,056,966	\$641,809	\$255,944	\$99,353	\$17,725	\$42,135
50	PLUS: NET FED DEDUCTS	NFD		\$0	\$0	\$0	\$0	\$0	\$0
51	LESS: NET STATE DEDUCTS	NSD		\$0	\$0	\$0	\$0	\$0	\$0
52	TOTAL STATE TAXABLE INCOME	STI	STI	\$1,056,966	\$641,809	\$255,944	\$99,353	\$17,725	\$42,135
	FED & ST INCOME TAXES:								
53	FED TAXABLE INC * 0.0000	FTI		\$0	\$0	\$0	\$0	\$0	\$0
54	ST, TAXABLE INC * 0.0000	STI		\$0	\$0	\$0	\$0	\$0	\$0
55	LESS: CRNT ITC * (1-0.0000)	ITC		\$0	\$0	\$0	\$0	\$0	\$0
56	TOTAL FED & ST INCOME TAXES	FST	FST	\$0		\$0	\$0	\$0	\$0
55					======	======	======		
57	INVESTMENT TAX CREDIT - NET	NPR	ITN	\$0	\$0	\$0	\$0	\$0	\$0

FREEBORN MOWER- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

""COST OF SERVICE""
" (PROPOSED) "

					(11101 0020)				
LINE NO.	DESCRIPTION	CONTROL ALL	OUT	TOTAL SMEC	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	LIGHTING	MUNICIPAL PUMPING
1	RATE BASE	RBT		\$46,701,089	\$28,357,799	\$11,308,676	\$4,389,782	\$783,147	\$1,861,685
2	RETURN AT 4.16%	RET		\$1,942,325	\$1,179,416	\$470,334	\$182,574	\$32,572	\$77,429
3	OPERATION & MAINTENANCE EXPENSES	ОМХ		[TRADE	SECRET DAT	A BEGINS	TRA	DE SECRET I	DATA ENDS
4	DEPRECIATION & AMORT EXPENSES	DEP		\$1,681,990	\$1,116,771	\$359,149	\$117,561	\$30,390	\$58,119
5	INTEREST ON CUSTOMER DEPOSITS	ICD		\$0	\$0	\$0	\$0	\$0	\$0
6	GENERAL TAXES	GTX		\$0	\$0	\$0	\$0	\$0	\$0
7	FEDERAL AND STATE INCOME TAX	FST		\$0	\$0	\$0	\$0	\$0	\$0
8	PROVISION FOR DEFERRED TAXES	PDT		\$0	\$0	\$0	\$0	\$0	\$0
9	INVESTMENT TAX CREDIT - NET	ITN		\$0	\$0	\$0	\$0	\$0	\$0
10	AFUDC	AFD		\$0	\$0	\$0	\$ 0	\$0 	\$0
11	COST OF SERVICE REVENUE REQUIREMENT	ENT CSR	CSR	\$29,705,901	\$14,378.662	\$9,013,777	\$4,681,317	\$160,033	\$1,472,112
12	LESS: FUEL REVENUE	FUL		\$0	\$0	\$0	\$ 0	\$0 	\$0
13	BASE COST OF SERVICE REVENUE REQUIREMENT	BRR	BRR	\$29,705,901			\$4,681,317	\$160,033	\$1,472,112
14	ATTRITION ADJUSTMENT	BRR		\$0	\$0	\$0	\$0 	\$0 	\$0
15	BASE COST OF SERVICE REVENUE REQU AFTER ATTRITION ADJUSTMENT	JIREMENT ARR	ARR	\$29,705,901		\$9,013,777	\$4,681,317	\$160,033	\$1,472,112
16	PLUS: FUEL REVENUE	FUL		\$0	\$0	\$0	\$0	\$0 	\$0
17	COST OF SERVICE REVENUE REQUIREM AFTER ATTRITION ADJUSTMENT	ENT		\$29,705,901	\$14,378,662	\$9,013,777	\$4,681,317	\$160,033	\$1,472,112
18	LESS: MISCELLANEOUS REVENUE			-\$206,447	7 -\$134,344	-\$45,286	-\$15,478	-\$3,980	-\$7,359
19	LESS: BULK TRANSMISSION REVENUE			\$0) \$0	\$0	\$0	\$0	\$0
20	LESS: PRIMARY TRANSMISSION REVENU	E		\$0	\$ (\$0	\$0	\$0	\$0
21	LESS: NON-FRM SLS FOR RESALE			\$0) \$0	\$0	\$0	\$0	\$0
22	NET ELECTRIC REVENUE REQUIREMENT	-		\$29,499,45		8 \$8,968,491	\$4,665,839 ======	\$156,053 ======	\$1,464,753 ======

FREEBORN MOWER- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016 PAGE 14

EXISTING RETURN AND INCOME TAX

LINE NO.	DESCRIPTION	CONTRO	L OUT	TOTAL SMEC	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	LIGHTING	MUNICIPAL PUMPING
NO.	DESCRIPTION	ALL	001						
1	EXISTING REVENUE REVENUE DEDUCTIONS:	EXR		[TRADE S	SECRET DAT	A BEGINS	TRA	DE SECRET I	DATA ENDS]
2	O&M EXPENSES	OMX						***	250.440
3	DEPRECIATION & AMORT EXPENSES	DEP		-\$1,681,990	-\$1,116,771	-\$359,149	-\$117,561 \$0	-\$30,390 \$0	-\$58,119 \$0
4	AD VALOREM TAXES	VAL SFT		\$0 \$0	\$0 \$0	\$0 \$0	\$0 \$0	\$0 \$0	\$0
5 6	CORP FRANCHISE TAX MISC GENERAL TAXES	MIS		\$0	\$0	\$0	\$0	\$0	\$0
7	REVENUE-RELATED TAXES	RTX		\$0 \$0	\$0	\$0	\$0	\$0	\$0
8	INTEREST ON CUST DEPOSITS	ICD		\$0	\$0	\$0	\$0	\$0	\$0
9	TOTAL REVENUE DEDUCTIONS			[TRAD	E SECRET D	ATA BEGINS	. TRAD	E SECRET D/	ATA ENDS]
10	NET FOR RETURN AND INCOME TAXES	NET	NET	-\$448,336	-\$1,358,182	\$604,879	\$322,542	\$155,510	-\$173,085
11	LESS: INTEREST EXPENSE	INT		-\$885,359	-\$537,607	-\$214,390	-\$83,221	-\$14,847	-\$35,294
12	LESS: NET FEDERAL DEDUCTIONS	NFD		\$0	\$0	\$0	\$0	\$0	\$0
13	TOTAL FEDERAL TAXABLE INCOME			-\$1,333,695	-\$1,895,789	\$390,489	\$239,321	\$140,663	-\$208,379
14	PLUS: NET FEDERAL DEDUCTIONS	NFD		\$0	\$0	\$0	\$0	\$0	\$0
15	LESS: NET STATE DEDUCTIONS	NSD		\$0	\$0	\$0	\$0	\$0	\$0
16	TOTAL STATE TAXABLE INCOME			-\$1,333,695	-\$1,895,789	\$390,489	\$239,321	\$140,663	-\$208,379
	FED AND ST INCOME TAXES								
17	FED TAXABLE INC * 0.0000			\$0	\$0	\$0	\$0	\$0	\$0
18	ST. TAXABLE INC * 0.0000			\$0	\$0	\$0	\$0	\$0	\$0
19	LESS: CRNT ITC * (1-0.0000)			\$0	\$0	\$0	\$0 	\$0	\$0
20	TOTAL FED & ST INCOME TAXES			\$0	\$0	\$0	\$0	\$0	\$0
	*****RETURN COMPUTATION*****								
21	NET FOR RETURN AND INCOME TAXES	NET		-\$448,336	-\$1,358,182	\$604,879	\$322,542	\$155,510	-\$173,085
22	FED & ST INCOME TAXES			\$0	\$0	\$0	\$0	\$0	\$0
23	PROV FOR DEF TAXES	PDT		\$0	\$0	\$0	\$0	\$0 \$0	\$0 \$0
24	INVESTMENT TAX CREDIT - NET	ITN		\$0	\$0 \$0	\$0 \$0	\$0 \$0	\$0 \$0	\$0
25	AFUDC	AFD		\$0 		 5U			
26	NET RETURN			-\$448,336	-\$1,358,182	\$604,879	\$322,542	\$155,510	-\$173,085
27	RATE BASE	RBT		\$46,701,089	\$28,357,799	\$11,308,676	\$4,389,782	\$783,147	\$1,861,685
28	RETURN ON RATE BASE	ROR		-0.96%	-4.79%	5.35%	7.35%	19.86%	-9.30%
29	NON-EQUITY PORTION OF RETURN	DA3		-1.90%	-1.90%	-1.90%	-1.90%	-1.90%	-1.90%
30	EQUITY PORTION OF EXISTING RETRN	DA3		-2.86%	-6.69%	3.45%	5.45%	17.96%	-11.20%
31	EXISTING RETURN ON EQUITY	DA3	ROE	-9.48%	-22,18%	11.46%	18.10%	59.61%	-37.15%

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FREEBORN MOWER- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

"PROPOSED RETURN AND INCOME TAX"

LINE		CONTRO	L	TOTAL		SMALL	LARGE		MUNICIPAL
NO.	DESCRIPTION	ALL	OUT	SMEC	RESIDENTIAL	COMMERCIAL	POWER	LIGHTING	PUMPING

1	PROPOSED REVENUE	PRV		\$29,705,901	\$14,378,662	\$9,013,777	\$4,681,317	\$160,033	\$1,472,112
	REVENUE DEDUCTIONS:				, , ,				
2	O&M EXPENSES	OMX		TRADE	SECRET DAT	A BEGINS	TRA	DE SECRET I	DATA ENDS]
3	DEPRECIATION & AMORT EXPENSES	DEP		-\$1,681,990	-\$1,116,771	-\$359,149	-\$117,561	-\$30,390	-\$58,119
4	AD VALOREM TAXES	VAL		\$0	\$0	\$0	\$0	\$0	\$0
5	CORP FRANCHISE TAX	SFT		\$0	\$0	\$0	\$0	\$0	\$0
6	MISC GENERAL TAXES	MIS		\$0	\$0	\$0	\$0	\$0	\$0
7	REVENUE-RELATED TAXES	RTX		\$0	\$0	\$0	\$0	\$0	\$0
8	INTEREST ON CUST DEPOSITS	ICD		\$0	\$0	\$0	\$0	\$0	\$0
9	TOTAL REVENUE DEDUCTIONS			[TRAD	E SECRET DA	ATA BEGINS	TRADI	E SECRET DA	TA ENDS]
10	NET FOR RETURN AND INCOME TAXES	NET	NET	\$1,942,325	\$1,179,416	\$470,334	\$182,574	\$32,572	\$77,429
11	LESS: INTEREST EXPENSE	INT		-\$885.359	-\$537,607	-\$214,390	-\$83,221	-\$14.847	-\$35,294
12	LESS: NET FEDERAL DEDUCTIONS	NFD		\$0	\$0	\$0	\$0	\$0	\$0
12	EESS. NET I EDENAL DEDUCTIONS	141.5							
13	TOTAL FEDERAL TAXABLE INCOME			\$1,056,966	\$641,809	\$255,944	\$99,353	\$17,725	\$42,135
14	PLUS: NET FEDERAL DEDUCTIONS	NFD		\$0	\$0	\$0	\$0	\$0	\$0
15	LESS: NET STATE DEDUCTIONS	NSD		\$0	\$0	\$0	\$0	\$0	\$0
					*****	******		\$17,725	\$42,135
16	TOTAL STATE TAXABLE INCOME			\$1,056,966	\$641,809	\$255,944	\$99,353	\$17,725	\$42,133
	FED AND ST INCOME TAXES								
17	FED TAXABLE INC * 0.0000			\$0	\$0	\$0	\$0	\$0	\$0
18	ST. TAXABLE INC * 0.0000			\$0	\$0	\$0	\$0	\$0	\$0
19	LESS: CRNT ITC * (1-0.0000)			\$0	\$0	\$0	\$0	\$0	\$0
20	TOTAL FED & ST INCOME TAXES			\$0	\$0	\$0	\$0	\$0	\$0
20	TOTAL FED & ST INCOME TAXES			•	••				
	*****RETURN COMPUTATION*****								
21	NET FOR RETURN AND INCOME TAXES	NET		\$1,942,325	\$1,179,416	\$470,334	\$182,574	\$32,572	\$77,429
22	FED & ST INCOME TAXES			\$0	\$0	\$0	\$0	\$0	\$0
23	PROV FOR DEF TAXES	PDT		\$0	\$0	\$0	\$0	\$0	\$0
24	INVESTMENT TAX CREDIT - NET	ITN		\$0	\$0	\$0	\$0	\$0	\$0 \$0
25	AFUDC	AFD		\$0	\$0	\$0 	\$0 	\$0 	20
26	NET RETURN			\$1,942,325	\$1,179,416	\$470,334	\$182,574	\$32,572	\$77,429
27	RATE BASE	RBT		\$46,701,089	\$28,357,799	\$11,308,676	\$4,389,782	\$783,147	\$1,861,685
28	RETURN ON RATE BASE	ROR		4.16%	4.16%	4.16%	4.16%	4.16%	4.16%
29	NON-EQUITY PORTION OF RETURN	DA3		-1.90%	-1.90%	-1.90%	-1.90%	-1.90%	-1.90%
30	EQUITY PORTION OF EXISTING RETRN	DA3		2.26%	2.26%	2.26%	2.26%	2.26%	2.26%
31	PROPOSED RETURN ON EQUITY	DA3	ROE	7.51%	7.51%	7.51%	7.51%	7.51%	7.51%

FREEBORN MOWER- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

COST OF SERVICE SUMMARY

LINE		CONTROL	TOTAL		SMALL	LARGE		MUNICIPAL
NO.	DESCRIPTION	ALL OUT	r smec	RESIDENTIAL	COMMERCIAL	POWER	LIGHTING	PUMPING
	NET PLANT IN SERVICE:	NPP	\$0	\$0	\$0	\$0	\$0	\$0
1	PRODUCTION PLANT	NPT	\$0	\$0	\$0	\$0	\$0	\$0
2	TRANSMISSION PLANT	NPD	\$33.589.071	\$21,857,997	\$7,368,060	\$2,518,245	\$647,534	\$1,197,235
3	DISTRIBUTION PLANT	NPG	\$2,801,206	\$2,134,750	\$476,780	\$90,130	\$25,425	\$74,121
4	GENERAL PLANT	NEG	\$2,001,200	ΨΕ,104,700				
5	TOTAL NET ELECTRIC PLANT	NPR	\$36,390,277	\$23,992,747	\$7,844,840	\$2,608,375	\$672,959	\$1,271,356
6	CONST. WORK IN PROGRESS	CWP	\$316,012	\$205,644	\$69,320	\$23,692	\$6,092	\$11,264
7	ACQUISITION ADJUSTMENT	ACQ	\$9,736,743	\$4,075,656	\$3,300,666	\$1,705,959	\$91,552	\$562,910
8	PI ANT HELD FOR FUTURE USE	PLH	\$0	\$0	\$0	\$0	\$0	\$0
9	TOTAL MISC DEFRO DEBITS		\$933,241	\$618,550	\$199,749	\$65,645	\$16,961	\$32,336
3	WORKING CAPITAL:							
10	CASH WORK CAP, FUNDS, MAT&SUP	MAS	\$939,662	\$619,535	\$202,568	\$67,353	\$17,377	\$32,829
11	FUEL STOCK	FUL	\$0	\$0	\$0	\$0	\$0	\$0
12	PREPAID LIGNITE ROYALTIES	E1A	\$0	\$0	\$0	\$0	\$0	\$0
13	OTHER PREPAYMENTS	NPR	\$29,014	\$19,128	\$6,255	\$2,080	\$537	\$1,014
14	UNAMORTIZED LOSS ON REACQD LTD	NPR	\$0	\$0	\$0	\$0	\$0	\$0
15	DEFERRED FUEL	DEF	\$0	\$0	\$0	\$0	\$0	\$0
16	ACCUMULATED DEFERRED INCOME TAX	ACC	\$0	\$0	\$0	\$0	\$0	\$0
17	PRE-1971 INVESTMENT TAX CREDIT	PIC	\$0	\$0	\$0	\$0	\$0	\$0
18	CUSTOMER ADVANCES AND DEPOSITS	CAD	-\$147,485	-\$124,281	-\$19,776	-\$126	-\$394	-\$2,908
19	STORM DAMAGE/INJ & DAM RESRVS	SDR	\$0	\$0	\$0	\$0	\$0	\$0
20	PNSN & MIS OP RSRVS, OTR DEF CRS	PEN	-\$1,496,375	-\$1,049,180	-\$294,946	-\$83,196	-\$21,937	-\$47,116
21	TRANSMISSION RATE REFUND RESERVE	TRN	\$0	\$0	\$0	\$0	\$0	\$0
22	AVERAGE ORIGINAL COST RATE BASE	RBT	\$46,701,089	\$28,357,799	\$11,308,676	\$4,389,782	\$783,147	\$1,861,685
23	RETURN AT 4.16%	RET	\$1,942,325	\$1,179,416	\$470,334	\$182,574	\$32,572	\$77,429
	OPERATION & MAINTENANCE EXPENSES						, DE CEODLE	DATA INDEL
24	PRODUCTION O&M	OMP	[TRADE	E SECRET DA	TA BEGINS			DATA ENDS]
25	TRANSMISSION O&M	OMT	\$0	\$0		\$0	DE SECRET L	\$0 \$4 TA HNIDSI
26	DISTRIBUTION O&M	OMD	[TRA	DE SECRET I	DATA BEGINS			
27	CUST ACCT/SERV/SALES	OMC	\$1,655,591	\$1,395,107	7 \$221,997	\$1,414	\$4,426	\$32,647
28	ADMINISTRATIVE & GENERAL	OMA	\$1,000,422	\$701,444	\$197,190	\$55,622	\$14,666	\$31,500
29	TOTAL OPER & MAIN EXPENSES	OMX	[TRA	DE SECRET I	DATA BEGINS	TRAI	DE SECRET E	DATA ENDS]
30	DEPRECIATION & AMORT EXPENSES	DEP	\$1,681,990	\$1,116,77	\$359,149	\$117,561	\$30,390	\$58,119
31	INTEREST ON CUSTOMER DEPOSITS	ICD	\$0	\$0	50	\$0	\$0	\$0
32	GENERAL TAXES	GTX	\$0	\$1	0 \$0	\$0	\$0	\$0
33	FED & ST INCOME TAX	FST	\$0	\$(\$0	\$0	\$0	\$0
34	PROV FOR DEF TAXES	PDT	\$0	\$ \$	50	\$0	\$0	\$0
35	INVESTMENT TAX CREDIT - NET	ITN	\$0	\$	0 \$0	\$0	\$0	\$0
36	AFUDC	AFD	\$0	\$1	0 \$0	\$0	\$0	\$0
50	,,, ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,							
37	COST OF SERVICE REVENUE REQT	CSR	\$29,705,901	\$14,378,66	2 \$9,013,777	\$4,681,317	\$160,033	\$1,472,112
٥.	-		======				275552	======

FREEBORN MOWER- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED PAGE 17

DECEMBER 31, 2016

COST OF SERVICE COMPARISON

LINE NO.	DESCRIPTION	CONTRO	OUT	TOTAL SMEC	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	LIGHTING	MUNICIPAL PUMPING
	··· OTHER REVENUE INCLUDED ···								
1	COST OFF SERVICE REVENUE REQT			\$29,705,901	\$14,378,662	\$9,013,777	\$4,681,317	\$160,033	\$1,472,112
2	EXISTING REVENUE			\$27,315,240	\$11,841,064	\$9,148,322	\$4,821,285	\$282,971	\$1,221,598
3	REVENUE DEFICIENCY			\$2,390,661	\$2,537,598	-\$134,545	-\$139.968	-\$122,938	\$250,514
4	REQUIRED INCREASE (%)			8.75%	21.43%	-1.47%	-2.90%	-43.45%	20.51%
5	EXISTING RATE OF RETURN-AS ADJ.			-0.96%	-4.79%	5.35%	7.35%	19.86%	-9.30%
6	EXISTING ROR AS % OF OVERALL ROR-AS	S ADJ.		100.00%	498.96%	-557.29%	-765.63%	-2068.75%	968.75%
7	EXISTING RETURN ON EQUITY-AS ADJ.			-9.48%	-22.18%	11.46%	18.10%	59.61%	-37.15%
8	EXISTING ROE AS % OF OVERALL ROE-AS	ADJ.		100.00%	233.97%	-120.89%	-190.93%	-628.80%	391.88%
9	PROPOSED RATE OF RETURN-AS ADJ			4.16%	4.16%	4.16%	4.16%	4.16%	4.16%
10	PROPOSED RETURN ON EQUITY-AS ADJ			7.51%	7.51%	7.51%	7.51%	7.51%	7.51%
11	OTHER REVENUE EXCLUDED *** COST OF SERVICE REVENUE REQT			\$29,499,454	\$14,244,318	\$8,968,491	\$4,665,839	\$156,053	\$1,464,753
12	EXISTING REVENUE			\$27,108,793	\$11,706,720	\$9,103,036	\$4,805,807	\$278,991	\$1,214,239
13	REVENUE DEFICIENCY			\$2,390,661	\$2,537,598	-\$134,545	-\$139,968	-\$122,938	\$250,514
14	REQUIRED INCREASE (%)			8.82%	21.68%	-1.48%	-2.91%	-44.07%	20.63%
15	EXISTING RATE OF RETURN - UNADJ			-0.96%	-4.79%	5.35%	7.35%	19.86%	-9.30%
16	EXISTING ROR AS % OF OVERALL ROR-U	NADJ.		100,00%	498.96%	-557,29%	-765.63%	-2068.75%	968.75%
17	EXISTING RETURN ON EQUITY-UNADJ	· · · · ·		-9.48%	-22.18%	11.46%	18.10%	59.61%	-37.15%
18	EXISTING ROE AS % OF OVERALL ROE-U	NADJ.		100.00%	233.97%	-120.89%	-190.93%	-628.80%	391.88%
19	PROPOSED RATE OF RETURN - UNADJ			4.16%	4.16%	4.16%	4.16%	4.16%	4.16%
20	PROPOSED RETURN ON EQUITY-UNADJ			7.51%	7.51%	7.51%	7.51%	7.51%	7.51%

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FREEBORN MOWER- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

PROPOSED:

DECEN	1BER 31, 2016						MUNICIDAL
		TOTAL		SMALL	LARGE		MUNICIPAL
PROPO	SED MILLS/KWH	SMEC	RESIDENTIAL	COMMERCIAL	POWER	LIGHTING	PUMPING
*******	*******						
1	EXISTING BASE REV	91.97	107.25	89.25	72.93	118.34	79.03
2	FUEL REVENUE	0.00	0.00	0.00	0.00	0.00	0.00
_							
3	TOTAL MILLS / KWH	91.97	107.25	89.25	72,93	118.34	79.03
		=====	=====	=====		=====	=====
4	PROPOSED BASE REV	100.08	130.50	87.93	70.81	66.19	95.33
	FUEL REVENUE	0.00	0.00	0.00	0.00	0.00	0.00
5	FUEL REVENUE				*****		
					70.81	66.19	95.33
6	TOTAL MILLS / KWH	100.08	130.50	87.93	70.61	00.19	33.33
		_=====	=====	======	=====	=====	======

THE MINNESOTA VALLEY ELECTRIC COOPERATIVE CLASS COST OF SERVICE FOR MPSC COMPLIANCE FILING SCENARIO 2: SMEC DIRECT ASSIGNMENT

LINE NO.		CLASS	COSS BASED REVENUE ALLOCATION	EXISTING REVENUE ALLOCATION	DI	FFERENCE	PERCENT DIFFERENCE
	LEGACY:	DECIDENTIAL	\$55 Q61 7/1	\$53,141,830	\$	2,819,911	5.31%
1		RESIDENTIAL SMALL COMMERCIAL		\$15,712,493	\$	75,143	0.48%
2		LARGE COMMERICAL		\$10,486,765	•	(77,671)	
3		STREET LIGHTING	\$395,515	\$943,479	\$	(547,964)	
5 7		TOTAL LEGACY		\$80,284,568		2,269,419	2.83%
,		TOTAL LLGATO	40 2, 0 20,000	,	•	, ,	
	SMEC						
8	020	RESIDENTIAL	\$3,487,821	\$2,821,818	\$	666,003	23.60%
9		SMALL COMMERCIAL	\$1,105,534	\$1,035,355	\$	70,179	6.78%
10		LARGE POWER	\$1,955,463	\$1,579,896	\$	375,567	23.77%
11		LIGHTING	\$41,274	\$41,694	\$	(420)	
12		MUNICIPAL PUMPING	\$77,246	\$55,534		21,712	
13		TOTAL SMEC	\$6,667,338	\$5,534,297		\$1,133,041	20.47%
14				·			
15		TOTAL COMPANY	\$89,221,324	\$85,818,865		3,402,460	3.96%
16		MISC. REVENUES	-\$1,515,059		_	-	0.00%
17			\$87,706,265	\$84,303,806	\$	3,402,460	4.04%
	CONSOLID	ATED					
18		RESIDENTIAL		\$55,963,648		3,485,914	
19		SMALL COMMERCIAL	\$16,893,170	\$16,747,848	\$	•	
20		LARGE COMMERCIAL	\$12,364,557	\$12,066,661	\$	•	
21		LIGHTING	\$436,789			(548,384	•
23		MUNICIPAL PUMPING	\$77,246		_	21,712	
24				\$85,818,865		3,402,460	
25		MISC. REVENUES		-\$1,515,059		<u> </u>	0.00%
26		TOTAL COMPANY	\$87,706,265	\$84,303,806	\$	3,402,460	4.04%

THE MINNESOTA VALLEY ELECTRIC COOPERATIVE- SMEC CUSTOMERS

PAGE 1

FILESPEC: K:\RATERES\COS\93RESALE\COS1292.WK3

STUDY DA	ATE:		DECEMBER 31, 2016
RUN DAT	E AND TIME:	18-Oct-17	11:35 AM
RETURN	ON COMMON EQUITY		7.65%
OVERALL	RATE OF RETURN		5.05%
CAPITALI	ZATION:		
	OUTSTANDING	EFFECTIVE RATE	COMPOSITE
DBT	\$89,406,371	3.15%	1.83%
PRF		0.00%	0.00%
CMN	\$65,069,209	7.65%	3.22%
FEDERAL	EFFECTIVE INCOME 1	TAX RATE	0.00%
FEDERAL	NOMINAL INCOME TA	X RATE	0.00%
STATE EF	FECTIVE INCOME TAX	CRATE	0.00%
STATE NO	OMINAL INCOME TAX F	RATE	0.00%

NOTATIONS: THIS RUN ALLOCATES ALL PLANT ON AVG OF 12 CP

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PUBLIC DOCUMENT - TRADE SECRET DATA HAS BEEN EXCISED

THE MINNESOTA VALLEY ELECTRIC COOPERATIVE- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

*******CUSTOMER DATA*******

LINE	DESCRIPTION.	CONTRO		TOTAL SMEC	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	LIGHTING	MUNICIPAL PUMPING
NO.	DESCRIPTION	ALL	OUT	SMEC	RESIDENTIAL	COMMERCIAL			
1	NUMBER OF CUSTOMERS	C1A	C1A	3,529	3,028	454	22	16	9
2	PERCENT OF TOTAL	C1A		100.000%	85.803%	12.865%	0.623%	0.453%	0.255%
3	NUMBER OF WEIGHTED CUSTOMERS	C2A	C2A	3,529	3,028	454	22	16	9
4	PERCENT OF TOTAL	C2A		100.000%	85.803%	12.865%	0.623%	0.453%	0.255%
5	NUMBER OF RETAIL DISTRICUSTOMERS	СЗА	СЗА	3,529	3,028	454	22	16	9
6	PERCENT OF TOTAL	СЗА		100.000%	85.803%	12.865%	0.623%	0.453%	0.255%
7	NMBR OF RETAIL WTD CUSTOMERS	C4A	C4A	3,529	3,028	454	22	16	9
8	PERCENT OF TOTAL	C4A		100.000%	85.803%	12.865%	0.623%	0.453%	0.255%
9	LIGHTING DIRECT ALLOCATOR	LDE	LDE	1	0	0	0	1	0
10	PERCENT OF TOTAL	LDE		100.000%	0.000%	0.000%	0.000%	100.000%	0.000%
11	LPS DIRECT ALLOCATOR	DA1	DA1	0	0	0	0	0	0
12	PERCENT OF TOTAL	DA1		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
13	AVERAGE COINCIDENT KW DEMAND	D1A	D1A	11,351	5,531	2,005	3,655	0	160
14	DEMAND ALLOCATION FACTOR-PROD	D1A		100.000%	48.723%	17.665%	32.200%	0.000%	1.412%
15	AVERAGE COINCIDENT KW DEMAND	D1B	D1B	11,351	5,531	2,005	3,655	0	160
16	DEMAND ALLOCATION FACTOR-TRANS	D1B		100.000%	48.723%	17.665%	32.200%	0.000%	1.412%
17	AVG PRIMARY DISTRIB KW DEMAND	D2A	D2A	11,911	5,743	2,074	3,801	126	166
18	DIST-PRI DEMAND ALLOC FACTOR	D2A		100.000%	48.218%	17.415%	31.914%	1.057%	1.396%
19	AVG SECONDARY DISTRIB KW DEMAND	D3A	D3A	11,911	5,743	2,074	3,801	126	166
20	DIST-SEC DEMAND ALLOC FACTOR	D3A		100.000%	48.218%	17.415%	31.914%	1.057%	1.396%
21	AVG SECONDARY DISTRIB KW DEMAND	D4A	D4A	11,911	5,743	2,074	3,801	126	166
22	DIST-SEC DEMAND ALLOC FACTOR	D4A		100.000%	48.218%	17.415%	31.914%	1.057%	1.396%
23	ANNUAL MWH ENERGY CONTRIBUTION	E1A	E1A	63,000,037	26,162,415	10,539,244	24,974,843	551,445	772,090
24	ENERGY ALLOCATION FACTOR	E1A		100.000%	41.528%	16.729%	39.643%	0.875%	1.226%

THE MINNESOTA VALLEY ELECTRIC COOPERATIVE- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

·······CUSTOMER DATA·········

LINE NO.	DESCRIPTION	ALL	OUT	TOTAL SMEC	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	LIGHTING	MUNICIPAL PUMPING
0.5	RESERVED			0	0	0	0	0	0
25 26	PERCENT OF TOTAL			0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
				**	\$0	\$0	\$0	\$0	\$0
27	WAGES/SALARIES: PRODUCTION	NPP		\$0	\$0	\$0 \$0	\$0	\$0	\$0
28	TRANSMISSION	NPT		\$0	**	\$50,712	\$63,991	\$4,259	\$3,087
29	DISTRIBUTION	NPD		\$325,740	\$203,691	\$78,534	\$41,772	\$4,212	\$0
30	GENERAL	NPG		\$568,142	\$443,624		\$105,763	\$8,471	\$3,087
31	WAGES/SALARIES: TOTAL	LBR	LBR	\$893,882	\$647,315	\$129,246	11.832%	0.948%	0.345%
32	PERCENT OF TOTAL	LBR		100.000%	72.416%	14.459%	11.832%	0.946%	0.340 %
	BULK TRANSMISSION REVENUE	D1A		\$0	\$0	\$0	\$0	\$0	\$0
33	PRIMARY TRANSMISSION REVENUE	D2A		\$0	\$0	\$0	\$0	\$0	\$0
34	TOTAL TRANSMISSION REVENUE	TRN	TRN	\$0	\$0	\$0	\$0	\$0	\$0
35		TRN	11114	100.000%	100.000%	0.000%	0.000%	0.000%	0.000%
36	PERCENT OF TOTAL	INN		100.000 %	100,000				
	EXISTING REVENUE				** *** ***	\$1.035.355	\$1.579.896	\$41.694	\$55.534
37	EXISTING BASE REV	OTR	OTR	\$5,534,297	\$2,821,818	•	\$0.57,57	\$0	\$0
38	FUEL REVENUE	FUL		\$0	\$0	\$0	-\$22.537	-\$1,500	-\$1.087
39	MISCELLANEOUS REVENUE	NPD		-\$114,725	-\$71,740	-\$17,861	·	-\$1,500 \$0	-y1,007 \$0
40	TRANSMISSION REVENUE	TRN		\$0		\$0	\$0	\$0 \$0	\$0 \$0
41	NON-FRM SLS FOR RESALE	E1A		\$0	\$0	\$0	\$0 	\$0	
	TOTAL EXISTING REVENUE	EXR	EXR	\$5,419,572			\$1,557,359	\$40,194	\$54,447
42	TOTAL EXISTING REVENUE	LAIT	LAIN	##===#=	*	***=====	=======	E== # #==	=#=====
	PROPOSED REVENUE					04 405 504	\$1,955,463	\$41,274	\$77,246
43	PROPOSED BASE REV			\$6,667,338		\$1,105,534		\$0	\$0
44	FUEL REVENUE			\$0			\$0	-\$1,500	-\$1,087
45	MISCELLANEOUS REVENUE			-\$114,725			-\$22,537		
46	TRANSMISSION REVENUE			\$0			\$0	\$0	\$0 \$0
47	NON-FRM SLS FOR RESALE			\$0			\$0 	\$0 	
		PRV	PRV	\$6,552,613		\$1.087,673	\$1,932,926	\$39,774	\$76,159
48	TOTAL PROPOSED REVENUE	PHV	PHV	φ0,332,013 ======			======	=3=====	======
49	PROPOSED BASE REVENUE INCREASE/(DECREASE)	\$1,133,041	\$666,003		\$375,567	-\$420	\$21,712
50	PROPOSED BASE REVENUE INCR/(DECR			20.47%	23.60%	6.78%	23.77%	-1.01%	39.10%
50	I HO! COLD DAGE HE FEITOE HOUR BEON	,							

THE MINNESOTA VALLEY ELECTRIC COOPERATIVE- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

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****ELECTRIC GROSS PLANT****

LINE NO.	DESCRIPTION	ALL	QUT	TOTAL SMEC	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	LIGHTING	MUNICIPAL PUMPING
1	TOTAL PRODUCTION PLANT	D1A	GPP	\$0	\$0	\$0	\$0	\$0	\$0
	TRANSMISSION PLANT								
2	POWER PLANT EQUIP	D1A		\$0	\$0	\$0	\$0	\$0	\$0
3	LARGE POWER SERVICE EQUIP	DA1		\$0	\$0	\$0	\$0	\$0	\$0
4	OTHER DIST IN ACCT 353	D2A		\$0	\$0	\$0	\$0	\$0	\$0
5	ALL OTHER TRANSMISSION	D1B		\$0	\$0	\$0	\$0 	\$0	\$0
6	TOTAL TRANSMISSION PLANT	GPT	GPT	\$0	\$0	\$0	\$0	\$0	\$0
	DISTRIBUTION PLANT								
7	PRIMARY DEMAND RELATED	D4A		\$6,926,130	\$3,339,660	\$1,206,172	\$2,210,392	\$73,208	\$96,698
8	SECONDARY DEMAND RELATED	D3A		\$1,456,709	\$702,400	\$253,683	\$464,891	\$15,397	\$20,338
9	CUSTOMER RELATED	C4A		\$5,337,387	\$4,579,656	\$686,646	\$33,274 	\$24,199	\$13,612
10	SUB-TOTAL DISTR PLANT		SGD	\$13.720.226	\$8,621,716	\$2,146,501	\$2,708,557	\$112,804	\$130,648
11	LIGHTING SPECIFIC	LDE	04-	\$61,874	\$0	\$0	\$0	\$61,874	\$0
12	TOTAL DISTRIBUTION PLANT	GPD	GPD	\$13,782,100	\$8,621,716	\$2,146,501	\$2,708,557	\$174,678	\$130,648
	GENERAL AND INTANGIBLE PLANT								•
13	PRODUCTION RELATED	GPP		\$0	\$0	\$0	\$0	\$0	\$0
14	TRANSMISSION RELATED	GPT		\$0	\$0	\$0	\$0	\$0	\$0
15	DISTRIBUTION RELATED	GPD		\$206,763	\$129,345	\$32,202	\$40,635	\$2,621	\$1,960
	CUST ACCT/SERV & INFO/							** ***	\$2,023
16	SALES RELATED	C2A		\$793,191	\$680,584	\$102,043	\$4,945 	\$3,596	\$2,023
17	TOTAL GENERAL & INTANGIBLE PLANT	GPG	GPG	\$999,954	\$809,929	\$134,245	\$45,580	\$6,217	\$3,983
									#104 691
18	TOTAL GROSS PLANT IN SERVICE	GPR	GPR	\$14,782,054	\$9,431,645	\$2,280,746	\$2,754,137	\$180,895	\$134,631
					======	======	======	======	======

THE MINNESOTA VALLEY ELECTRIC COOPERATIVE- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

LINE NO.	DESCRIPTION	ALL	OUT	TOTAL SMEC	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	LIGHTING	MUNICIPAL PUMPING
1	TOTAL PRODUCTION PLANT	D1A	DPP	\$0	\$0	\$0	\$0	\$0	\$0
	TRANSMISSION PLANT								••
2	POWER PLANT EQUIP	D1B		\$0	\$0	\$0	\$0	\$0	\$0
3	LARGE POWER SERVICE EQUIP	DA1		\$0	\$0	\$0	\$0	\$0	\$0
4	OTHER DIST IN ACCT 353	D2A		\$0	\$0	\$0	\$0	\$0	\$0
5	ALL OTHER TRANSMISSION	D1A		\$0	\$0	\$0	\$0 	\$0 	\$0
6	TOTAL TRANSMISSION PLANT	DPT	DPT	\$0	\$0	\$0	\$0	\$0	\$0
	DISTRIBUTION PLANT								**7.000
7	PRIMARY DEMAND RELATED	D4A		\$2,678,718	\$1,291,631	\$466,493	\$854,881	\$28,314	\$37,399
8	SECONDARY DEMAND RELATED	D3A		\$563,390	\$271,657	\$98,113	\$179,799	\$5,955	\$7,866
9	CUSTOMER RELATED	C4A		\$2,064,263	\$1,771,207	\$265,564 	\$12,869	\$9,359	\$5,264
	CUR TOTAL DIOTO DI ANT		SDD	\$5,306,370	\$3,334,494	\$830,170	\$1,047,549	\$43,628	\$50,529
10 11	SUB-TOTAL DISTR PLANT	LDE	300	\$20,487	\$0	\$0	\$0	\$20,487	\$0
	Eldiffilia of Edit id								450,500
12	TOTAL DISTRIBUTION PLANT	DPD	DPD	\$5,326,857	\$3,334,494	\$830,170	\$1,047,549	\$64,115	\$50,529
	GENERAL AND INTANGIBLE PLANT								
13	PRODUCTION RELATED	GPP		\$0	\$0	\$0	\$0	\$0	\$0
14	TRANSMISSION RELATED	GPT		\$0	\$0	\$0	\$0	\$0	\$0
15	DISTRIBUTION RELATED	GPD		\$31,747	\$19,861	\$4,944	\$6,239	\$402	\$301
13	CUST ACCT/SERV & INFO/								****
16	SALES RELATED	C2A		\$473,257	\$406,070		\$2,950	\$2,146	\$1,207
17	TOTAL GENERAL & INTANGIBLE PLANT	DPG	DPG	\$505,004	\$425,931	\$65,828	\$9,189	\$2,548	\$1,508
18	TOTAL ACCUMULATED DEPRECIATION	DPR	DPR	\$5,831,861	\$3,760,425	\$895,998	\$1,056,738	\$66,663	\$52,037
10	TOTAL ROOMING TIES SEL TESTITION				======	======	======	======	======

THE MINNESOTA VALLEY ELECTRIC COOPERATIVE- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

*******ELECTRIC NET PLANT*******

LINE		CONTRO		TOTAL	DECIDENTIAL	SMALL COMMERCIAL	LARGE POWER	LIGHTING	MUNICIPAL PUMPING
NO.	DESCRIPTION	ALL	OUT	SMEC	RESIDENTIAL	COMMERCIAL			
1	TOTAL PRODUCTION PLANT	D1A	NPP	\$0	\$0	\$0	\$0	\$0	\$0
	TRANSMISSION PLANT					••	r.o.	\$0	\$0
2	POWER PLANT EQUIP	D1B		\$0	\$0	\$0	\$0	\$0 \$0	\$0
3	LARGE POWER SERVICE EQUIP	DA1		\$0	\$0	\$0	\$0	\$0	\$0
4	OTHER DIST IN ACCT 353	D2A		\$0	\$0	\$0	\$0	\$0 \$0	\$0
5	ALL OTHER TRANSMISSION	D1A		\$0	\$0	\$0	\$0 	\$U	
6	TOTAL TRANSMISSION PLANT	NPT	NPT	\$0	\$0	\$0	\$0	\$0	\$0
	DISTRIBUTION PLANT								250 200
7	PRIMARY DEMAND RELATED	D4A		\$4,247,413	\$2,048,030	\$739,679	\$1,355,511	\$44,894	\$59,299
8	SECONDARY DEMAND RELATED	D3A		\$893,319	\$430,743	\$155,570	\$285,092	\$9,442	\$12,472
9	CUSTOMER RELATED	C4A		\$3,273,124	\$2,808,449	\$421,082	\$20,405	\$14,840 	\$8,348
					\$5,287,222	\$1.316.331	\$1,661,008	\$69,176	\$80,119
10	SUB-TOTAL DISTR PLANT		SPD	\$8,413,856	\$5,267,222 \$0	\$0	\$0	\$41,387	\$0
11	LIGHTING SPECIFIC	LDE		\$41,387	фU				
12	TOTAL DISTRIBUTION PLANT	NPD	NPD	\$8,455,242	\$5,287,221	\$1,316,331	\$1,661,008	\$110,563	\$80,119
	GENERAL AND INTANGIBLE PLANT								40
13	PRODUCTION RELATED	NPP		\$0	\$0		\$0	\$0	\$0 \$0
14	TRANSMISSION RELATED	NPT		\$0		\$0	\$0	\$0	\$1,659
15	DISTRIBUTION RELATED	NPD		\$175,016	\$109,484	\$27,258	\$34,396	\$2,219	\$1,039
	CUST ACCT/SERV & INFO/							64.450	\$816
16	SALES RELATED	C2A		\$319,934		\$41,159	\$1,995 	\$1,450	фото
17	TOTAL GENERAL & INTANGIBLE PLANT	NPG	NPG	\$494,950	\$383,998		\$36,391	\$3,669	\$2,475
18	TOTAL NET PLANT IN SERVICE	NPR	NPR	\$8,950,192	\$5,671,219	\$1,384,748	\$1,697,3 9 9	\$114,232	\$82,594
10	TOTAL HEATTH OF THE			======	======	±======	=======	======	======

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PUBLIC DOCUMENT - TRADE SECRET DATA HAS BEEN EXCISED

THE MINNESOTA VALLEY ELECTRIC COOPERATIVE- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

****** RATE BASE *****

LINE NO.	DESCRIPTION	CONTRO ALL	L OUT	TOTAL SMEC	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	LIGHTING	MUNICIPAL PUMPING
1	NET PLANT IN SERVICE	NPR	NPR	\$8,950,192	\$5,671,219	\$1,384,748	\$1,697,399	\$114,232	\$82,594
	CONSTRUCTION WORK IN PROGRESS								
2	PRODUCTION PLANT	NPP		\$0	\$0	\$0	\$0	\$0	\$0
3	TRANSMISSION PLANT	NPT		\$0	\$0	\$0	\$0	\$0	\$0
4	DISTRIBUTION PLANT	NPD		\$98,767	\$61,761	\$15,376	\$19,402	\$1,292	\$936
5	GENERAL PLANT	NPG		\$0	\$0	\$0	\$0	\$0	\$0
6	TOAL CWIP	CWP	CWP	\$98,767	\$61,761	\$15,376	\$19,402	\$1,292	\$936
7	NET ACQUISITION ADJUSTMENT	D2A	ACQ	\$2,305,850	\$1,111,841	\$401,559	\$735,884	\$24,373	\$32,193
8	PLANT HELD FOR FUTURE USE	E1A	PLH	\$0	\$0	\$0	\$0	\$0	\$0
	MISC DEFERRED DEBITS								
9	PROD RELATED	NPP		\$0	\$0	\$0	\$0	\$0	\$0
10	TRAN RELATED	NPT		\$0	\$0	\$0	\$0	\$0	\$0
11	DIST RELATED	NPD		\$2,179	\$1,363	\$339	\$428	\$28	\$21
12	GENR RELATED	NPG		\$0	\$0	\$0	\$0	\$0	\$0
13	LABOR RELATED	LBR		\$0	\$0	\$0	\$0	\$0	\$0
14	NPR RELATED	NPR		\$2,930	\$1,857	\$453	\$556	\$37	\$27
15	TOTAL MISC DEFRD DEBITS			\$5,109	\$3,220	\$792	\$984	\$65	\$48
	WORKING CAPITAL								
16	CASH WORK CAP, FUNDS, MAT&SUP	NPR	MAS	\$433,457	\$274,657	\$67,063	\$82,205	\$5,532	\$4,000
17	FUEL STOCK	E1A	FUL	\$0	\$0	\$0	\$0	\$0	\$0
18	PREPAID LIGNITE ROYALTIES	E1A		\$0	\$0	\$0	\$0	\$0	\$0
19	OTHER PREPAYMENTS	NPR		\$ 14, 9 72	\$9,488	\$2,316	\$2,839	\$191	\$138
20	TOTAL WORKING CAPITAL			\$448,429	\$284,145	\$69,379	\$85,044	\$5,723	\$4,138
21	UNAMORTIZED LOSS ON REACQD LTD	NPR		\$0	\$0	\$0	\$0	\$0	\$0
22	DEFERRED FUEL	E1A	DEF	\$0	\$0	\$0	\$0	\$0	\$0

(RATE BASE CONTINUED ON NEXT PAGE)

THE MINNESOTA VALLEY ELECTRIC COOPERATIVE- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

"CONTINUED"

LINE NO.	DESCRIPTION	CONTROL	OUT	TOTAL SMEC	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	LIGHTING	MUNICIPAL PUMPING
							**********	*********	
	ACCUMULATED DEFERRED INCOME TAX			¢o.	\$0	\$0	\$0	\$0	\$0
23	ACCT 281: POL CON	NPP		\$0	\$0	Ψ	•		
		NPP		\$0	\$0	\$0	\$0	\$0	\$0
24	ACCT 282: LIBERAL DEP - PROD	NPT		\$0	\$0	\$0	\$0	\$0	\$0
25	TRAN	NPD		\$0	\$0	\$0	\$0	\$0	\$0
26	DIST	NPG		\$0	\$0	\$0	\$0	\$0	\$0
27	GENR	E1A		\$0		\$0	\$0	\$0	\$0
28	LIGNITE EXPLORATN	LBR		\$0		\$0	\$0	\$0	\$0
29	LABOR RELATED	LDN							
30	TOTAL ACCOUNT 282			\$0	\$0	\$0	\$0	\$0	\$0
				\$0	\$0	\$0	\$0	\$0	\$0
31	ACCT 283: THIS LINE RESERVED	NDD.		\$0 \$0		· · · · · · · · · · · · · · · · · · ·	\$0	\$0	\$0
32	LONG TERM DEBT LOSS	NPR		\$ 0	•				
33	TOTAL ACCOUNT 283			\$0		\$0	\$0	\$0	\$0
				rt n	\$0	\$0	\$0	\$0	\$0
34	ACCOUNT 190: PRODUCTION RELATED	NPP		\$0	1.		\$0	\$0	\$0
35	PLANT RELATED	NPR		\$0			\$0	\$0	\$0
36	ENERGY RELATED	E1A		\$0		T.	\$0	\$0	\$0
37	LABOR RELATED	LBR		\$0		1	\$0	\$0	\$0
38	FERC REFUND	TRN		\$0		, , , , , , , , , , , , , , , , , , , 			
39	TOTAL ACCOUNT 190			\$0	_		\$0	\$0	\$0
40	TOTAL ACCUM DEFRD INC TAX	ACC	ACC	\$0	\$0	\$0	\$0	\$0	\$0
41	INVESTMENT TAX CREDIT PRE '71	NPR	PIC	\$0) \$C	\$0	\$0	\$0	\$0
42	CUSTOMER ADVANCES AND DEPOSITS	СЗА	CAD	-\$274,444	4 -\$235,482	-\$35,307	-\$1,711	-\$1,244	-\$700
43	STORM DAMAGE & INJ & DAM RESRVS	D2A	SDR	\$6	0 \$0	\$0	\$0	\$0	\$0
44	PNSN & MIS OP RSRVS, OTR DEF CR	OMA	PEN	-\$63,05	1 -\$45,659	9 -\$9,117	-\$7,460	-\$597	-\$218
45	TRANSMISSION RATE REFUND RESERVE	TRN		\$			\$0 	\$0	\$0
		RBT	RBT	\$11,470,85			\$2,529,542	\$143,844	\$118,991
46	TOTAL RATE BASE			*=====		= =======	232232	=======	======

THE MINNESOTA VALLEY ELECTRIC COOPERATIVE- SMEC CUSTOMERS COST OF SERVICE STUDY

FOR TWELVE MONTHS ENDED
DECEMBER 31, 2016

*******OPER AND MTN EXPENSES*******

LINE		CONTRO	L	TOTAL		SMALL	LARGE		MUNICIPAL
NO.	DESCRIPTION	ALL	OUT	SMEC	RESIDENTIAL	COMMERCIAL	POWER	LIGHTING	PUMPING
	PRODUCTION O&M EXPENSE								
1	FUEL EXPENSE - ACCT 501	E1A		\$0	\$0	\$0	\$0	\$0	\$0
	PURCHASED POWER - ACCT 555								
2	DEMAND - OTHER	D1A		[TRADI:	SECRET DAT	A BEGINS	TR.	ADE SECRET	DATA ENDS]
3	ENERGY - OTHER	E1A							
4	NET OFF SYSTEM REVENUE	E1A		\$0	\$0	\$0	\$0	\$0	\$0
	OTHER PRODUCTION O&M ACCTS								
5	DEMAND - OTHER	D1A		\$0	\$0	\$0	\$0	\$0	\$0
6	ENERGY - OTHER	E1A		\$0	\$0 	\$0	\$0	\$0 	\$0
7	TOTAL OTHER PRODUCTION O&M	PRO	PRO	\$0	\$0	\$0	\$0	\$0	\$0
8	TOTAL PRODUCTION O&M EXPENSE	OMP	OMP	ITRADI	SECRET DAT	TA BEGINS	TR	ADE SECRET	DATA ENDS]
٥	TOTAL THOUSANDING GAMEST ELIGE	•		·					
9	TOTAL TRANSMISSION O&M EXPENSE	NPT	OMT	\$0	\$0	\$0	\$0	. \$0	\$0
	DISTRIBUTION O&M EXPENSE							SE CUCINET D	ATA ENIDEL
10	LIGHTING SPECIFIC	LDE		TE	RADE SECRET	DATA BEGINS	S IRAI	DE SECRET D	ATA ENDS]
11	ALL OTHER	SPD							
12	TOTAL DISTRIBUTION O&M EXPENSE	OMD	OMD	[TRAD	E SECRET DA	TA BEGINS	Τţ	RADE SECRÊT	DATA ENDS
	TOTAL CUST ACCT/SERV & INFO/								
13	SALES EXPENSE	C2A	OMC	\$180,319	\$154,719	\$23,198	\$1,124	\$818	\$460
	ADMINISTRATIVE & GENERAL EXPENSE								
14	PROP INSURANCE/INJ & DAMG	NPR		\$0	\$0	\$0	\$0	\$0	\$0
15	CUST ACCT/SERV&INFO/SALES REL	LBR		\$303,421	\$219,726	\$43,872	\$35,900	\$2,875 	\$1,048
16	TOTAL ADMIN & GENERAL EXPENSE	ОМА	OMA	\$303,421	\$219,726	\$43,872	\$35,900	\$2,875	\$1,048
17	TOTAL OPER & MTN EXPENSES	OMX	OMX	[TRADE	SECRET DAT	TA BEGINS	TR	ADE SECRET	DATA ENDS]
17	TO THE OTHER MITTERS AND ADDRESS OF THE PROPERTY OF THE PROPER		- '	======	======	=======	======	2251111	======

THE MINNESOTA VALLEY ELECTRIC COOPERATIVE- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

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EXPENSES OTHER THAN INCOME TAXES

LINE		CONTRO	L	TOTAL		SMALL	LARGE		MUNICIPAL
NO.	DESCRIPTION	ALL	OUT	SMEC	RESIDENTIAL	COMMERCIAL	POWER	LIGHTING	PUMPING
1	TOTAL OPER & MTN EXPENSES	ОМХ		[TRADE	SECRET DAT	A BEGINS			DATA ENDS]
	DEPRECIATION & AMORTIZATION EXPENS	ES						**	\$0
2	PRODUCTION	NPP		\$0	\$0		\$0	\$0	\$0 \$0
3	TRANSMISSION	NPT		\$0	\$0	\$0	\$0	\$0	\$4,490
4	DISTRIBUTION	NPD		\$473,885	\$296,330		\$93,093	\$6,197 \$67	\$4, 49 0 \$45
5	GENERAL	NPG		\$9,002	\$6,984	\$1,244	\$662	* - :	343
6	TOTAL DEPR & AMORT EXPEN	DEP	DEP	\$482,887	\$303,314	\$75,019	\$93,755	\$6,264	\$4,535
7	INTEREST ON CUSTOMER DEPOSITS	СЗА	ICD	\$0	\$0	\$0	\$0	\$0	\$0
	GENERAL TAXES							** ***	\$966
8	AD VALOREM	NPR	VAL	\$104,700	\$66,343		\$19,856	\$1,336	\$966
9	CORP FRANCHISE TAX	NPR	SFT	\$0	\$0		\$0	\$0 \$48	\$18
10	MISCELLANEOUS GENERAL TAXES	LBR	MIS	\$5,116	\$3,705		\$605	\$48 \$0	\$0
11	REVENUE-RELATED (AS PROPOSED)	RTX		\$0	\$0	\$0	\$0	20	
12	TOTAL GENERAL TAXES	GTX	GTX	\$109,816	\$70,048		\$20,461	\$1,384	\$984
13	TOTAL EXPENSES EXCEPT INCOME TAX	EXP	EXP	[TRAD	E SECRET DA	TA BEGINS	TR	ADE SECRET	DATA ENDS]
13	TOTAL EXPENSES EXCEPT INCOME 1700	2711		=======	3250==	=======	======	EFFERE	*======

THE MINNESOTA VALLEY ELECTRIC COOPERATIVE- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

INCOME TAX FOR 7.65% ROE

LINE NO.	DESCRIPTION	CONTRO ALL	L OUT	TOTAL SMEC	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	LIGHTING	MUNICIPAL PUMPING
1	RATE BASE	RBT		\$11,470,852	\$6,851,045	\$1,827,430	\$2,529,542	\$143,844	\$118,991
2	RETURN AT 5.05%	RBT	RET	\$578,918	\$345,763	\$92,228	\$127,662	\$7,260	\$6,005
3	INTEREST (1.83% OF LINE 1)	RBT	INT	-\$209,415	-\$125,075	-\$33,362	-\$46,180	-\$2,626	-\$2,172
4	A F U D C	NPR	AFD	\$0	\$0	\$0	\$0	\$0	\$0
7	PROVISION FOR DEFERRED TAXES								
5	ACT 410.1: PROD BLTD	NPP		\$0	\$0	\$0	\$0	\$0	\$0
6	TRAN RLTD	NPT		\$0	\$0	\$0	\$0	\$0	\$0
7	PLANT RLTD	NPR		\$0	\$0	\$0	\$0	\$0	\$0
8	ENERGY RLTD	E1A		\$0	\$0	\$0	\$0	\$0	\$0
9	LABOR RLTD	LBR		\$0	\$0	\$0	\$0	\$0	\$0
10	CUSTOMER RELATED	СЗА		\$0	\$0	\$0	\$0	\$0	\$0
11	RESERVED			\$0	\$0	\$0 	\$0 	\$0 	\$0
12	TOTAL 410.1			\$0	\$0		\$0	\$0	\$0
40	ACT 411.1: PROD RLTD	NPP		\$0	\$0	\$0	\$0	\$0	\$0
13	TRAN RLTD	NPT		\$0		\$0	\$0	\$0	\$0
14 15	PLANT RELATED	NPR		\$0		\$0	\$0	\$0	\$0
16	ENERGY RELATED	E1A		\$0	\$0	\$0	\$0	\$0	\$0
17	LABOR RELATED	LBR		\$0		\$0	\$0	\$0	\$0
18	CUSTOMER RELATED	СЗА		\$0	\$0		\$0	\$0	\$0
19	TOTAL 411.1			\$0	\$0	\$0	\$0	\$0	\$0
20	NET PROVISION FOR DEFRD INC TAX		PDT	\$0	\$0	\$0	\$0	\$0	\$0
21	ITC AMORT	NPR	ITA	\$0	\$0	\$0 	\$0	\$0 	\$0
22	ADJUSTED RETURN	ART	ART	\$369,503			\$81,482	\$4,634	\$3,833
	FED ADD INC & UNALLOW DEDUCTS								••
23	PRODUCTION RELATED	NPP		\$0	\$0		\$0	\$0	\$0
24	DISTRIBUTION RELATED	NPD		\$0	\$0		\$0	\$0	\$0
25	PLANT RELATED	NPR		\$0	\$0		\$0	\$0	\$0
26	ENERGY RELATED	E1A		\$0) \$0		\$0	\$0	\$0
27	LABOR RELATED	LBR		\$0	\$0		\$0	\$0	\$0
28	TRANSMISSION REV RELATED	TRN		\$0) \$0		\$0	\$0	\$0
29	RESERVED			\$6			\$0	\$0	\$0 ***
30	DISTRIBUTION CUSTOMER RELATED	СЗА		\$0			\$0	\$0 	\$0
31	TOTAL ADDITIONS	FTA	FTA	\$(\$0	\$0	\$0

(INCOME TAX CALCULATION CONTINUED ON NEXT PAGE)

THE MINNESOTA VALLEY ELECTRIC COOPERATIVE- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

""INCOME TAX FOR 7.65% ROE"
" CONTINUED ""

LINE		CONTRO	L	TOTAL		SMALL	LARGE		MUNICIPAL
NO.	DESCRIPTION	ALL	OUT	SMEC	RESIDENTIAL	COMMERCIAL	POWER	LIGHTING	PUMPING
	FED DEDUCTS AND NON-TAX INCOME	NPP		\$0	\$0	\$0	\$0	\$0	\$0
32	PRODUCTION RELATED	NPD		\$0	\$0	\$0	\$0	\$0	\$0
33	DISTRIBUTION RELATED			\$0 \$0	\$0	\$0	\$0	\$0	\$0
34	PLANT RELATED	NPR E1A		\$0	\$0	\$0	\$0	\$0	\$0
35	ENERGY RELATED			\$0	\$0	\$0	\$0	\$0	\$0
36	LABOR RELATED	LBR		\$0 \$0	\$0	\$0	\$0	\$0	\$0
37	TRANSMISSION REV RELATED	TRN		\$0 \$0	\$0	\$0	\$0	\$0	\$0
38	DISTRIBUTION CUSTOMER RELATED	C3A		\$ 0	-				
39	TOTAL DEDUCTIONS	FTD	FTD	\$0	\$0	\$0	\$0	\$0	\$0
40	NET FEDERAL DEDUCTIONS	NFD	NFD	\$0	\$0	\$0	\$0	\$0	\$0
				60	\$0	\$0	\$0	\$0	\$0
41	ST ADD INC & UNALLOW DEDUCTS	FTA		\$0	\$0 \$0	\$0	\$0	\$0	\$0
42	ST DEDUCTS AND NON-TAX INCOME	FTD		\$0 	3 0				
43	NET STATE DEDUCTIONS	NSD	NSD	\$0	\$0	\$0	\$0	\$0	\$0
44	PROV FOR DEF'D ITC - CURRENT	NPR	ITC	\$0	\$0	\$0	\$0	\$0	\$0
	FEDERAL TAXABLE INCOME								
45	ADJ RET * 1/(1-0.0000-0.0000)	ART	TART	\$369,503	\$220,688	\$58,866	\$81,482	\$4,634	\$3,833
46	NET FED DED * 1/(1-0.0000)	NFD		\$0	\$0	\$0	\$0	\$0	\$0
47	NET ST DED * (1/(1-0.0000))-1	NSD		\$0	\$0	\$0	\$0	\$0	\$0
48	CURRENT ITC * (1/1-0.00))-1	ITC		\$0	\$0	\$0	\$0	\$0	\$0
	, ,								#0.022
49	TOTAL FEDERAL TAXABLE INCOME	FTI	FTI	\$369,503	\$220,688	\$58,866	\$81,482	\$4,634	\$3,833
		NFD		\$0	\$0	\$0	\$0	\$0	\$0
50	PLUS: NET FED DEDUCTS	NSD		\$0			\$0	\$0	\$0
51	LESS: NET STATE DEDUCTS	NSD			•				
52	TOTAL STATE TAXABLE INCOME	STI	STI	\$369,503	\$220,688	\$58,866	\$81,482	\$4,634	\$3,833
	FED & ST INCOME TAXES:								••
53	FED TAXABLE INC * 0.0000	FTI		\$0			\$0	\$0	\$0
54	ST, TAXABLE INC * 0.0000	STI		\$C			\$0	\$0	\$0
55	LESS: CRNT ITC * (1-0.0000)	ITC		\$0			\$0	\$0	\$0
56	TOTAL FED & ST INCOME TAXES	FST	FST	\$0	\$0	_	\$0	\$0	\$0
57	INVESTMENT TAX CREDIT - NET	NPR	ITN	====== \$0			====== \$0	\$0	\$0
5/	HAAFOUNEML LVV OUFDIL 14F1								

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PUBLIC DOCUMENT - TRADE SECRET DATA HAS BEEN EXCISED

THE MINNESOTA VALLEY ELECTRIC COOPERATIVE- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

""COST OF SERVICE"
" (PROPOSED) "

LINE NO.	DESCRIPTION	CONTRO	L OUT	TOTAL SMEC	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	LIGHTING	MUNICIPAL PUMPING
1	RATE BASE	RBT		\$11,470,852	\$6,851,045	\$1,827,430	\$2,529,542	\$143,844	\$118,991
2	RETURN AT 5.05%	RET		\$578,918	\$345,763	\$92,228	\$127,662	\$7,260	\$6,005
3	OPERATION & MAINTENANCE EXPENSES	ОМХ		[TRADË	SECRET DAT	A BEGINS	TRA	DE SECRET I	DATA ÉNDS] _
4	DEPRECIATION & AMORT EXPENSES	DEP		\$482,887	\$303,314	\$75,019	\$93,755	\$6,264	\$4,535
5	INTEREST ON CUSTOMER DEPOSITS	ICD		\$0	\$0	\$0	\$0	\$0	\$0
6	GENERAL TAXES	GTX		\$109,816	\$70,048	\$16,939	\$20,461	\$1,384	\$984
7	FEDERAL AND STATE INCOME TAX	FST		\$0	\$0	\$0	\$0	\$0	\$0
8	PROVISION FOR DEFERRED TAXES	PDT		\$0	\$0	\$0	\$0	\$0	\$0
9	INVESTMENT TAX CREDIT - NET	ITN		\$0	\$0	\$0	\$0	\$0	\$0
10	AFUDC	AFD		\$0	\$0 	\$0	\$0	\$0 	\$0
11	COST OF SERVICE REVENUE REQUIREMENT	NT CSR	CSR	\$6,552,613	\$3,416,081	\$1,087,673	\$1,932,926	\$39,774	\$76,159
12	LESS: FUEL REVENUE	FUL		\$0	\$0	\$0	\$0 	\$0	\$0
13	BASE COST OF SERVICE REVENUE REQUIREMENT	BRR	BRR	\$6,552,613	\$3,416,081	\$1,087,673	\$1,932,926	\$39,774	\$76,159
14	ATTRITION ADJUSTMENT	BRR		\$0	\$0	\$0	\$0	\$0 	\$0
15	BASE COST OF SERVICE REVENUE REQUI AFTER ATTRITION ADJUSTMENT	REMENT ARR	ARR	\$6 ,552,613	\$3,416,081	\$1,087,673	\$1,932,926	\$39,774	\$76,159
16	PLUS: FUEL REVENUE	FUL		\$0	\$0	\$0	\$0	\$0	\$0
17	COST OF SERVICE REVENUE REQUIREME AFTER ATTRITION ADJUSTMENT	NT		\$6,552,613	\$3,416,081	\$1,087,673	\$1,932,926	\$39,774	\$76,159
18	LESS: MISCELLANEOUS REVENUE			\$114,725	\$71,740	\$17,861	\$22,537	\$1,500	\$1,087
19	LESS: BULK TRANSMISSION REVENUE			\$0	\$0	\$0	\$0	\$0	\$0
20	LESS: PRIMARY TRANSMISSION REVENUE	Ē		\$0	\$0	\$0	\$0	\$0	\$0
21	LESS: NON-FRM SLS FOR RESALE			\$0	\$0	\$0	\$0 	\$0	\$0
22	NET ELECTRIC REVENUE REQUIREMENT			\$6,667,338 		\$1,105,534	\$1,955,463	\$41,274	\$77,246 ======
				=					

THE MINNESOTA VALLEY ELECTRIC COOPERATIVE- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

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EXISTING RETURN AND INCOME TAX

LINE NO.	DESCRIPTION	CONTROL ALL	OUT	TOTAL SMEC	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	LIGHTING	MUNICIPAL PUMPING
				[TRADE	SECRET DAT	A BEGINS	TRA	DE SECRET D	PATA ENDS]
1	EXISTING REVENUE REVENUE DEDUCTIONS:	EXR							
2	O&M EXPENSES	OMX		•				40.004	-\$4,535
3	DEPRECIATION & AMORT EXPENSES	DEP		-\$482,887	-\$303,314	-\$75,019	-\$93,755	-\$6,264	-\$4,535 -\$966
4	AD VALOREM TAXES	VAL		-\$104,700	-\$66,343	-\$16,199	-\$19,856	-\$1,336 \$0	-\$966 \$0
5	CORP FRANCHISE TAX	SFT		\$0	\$0	\$0	\$0	\$∪ -\$48	-\$18
6	MISC GENERAL TAXES	MIS		-\$5,116	-\$3,705	-\$740	-\$605	-φ46 \$0	-\$10 \$0
7	REVENUE-RELATED TAXES	RTX		\$0	\$0	\$0	\$0	\$0	\$0
8	INTEREST ON CUST DEPOSITS	ICD		\$0	\$0	\$0 	\$0 		
9	TOTAL REVENUE DEDUCTIONS			[TRA	DE SECRET D	OATA BEGINS	TRADE	SECRET DAT	
10	NET FOR RETURN AND INCOME TAXES	NET	NET	-\$554,123	-\$320,240	\$22,049	-\$247,905	\$7,680	-\$15,707
11	LESS: INTEREST EXPENSE	INT		-\$209,415	-\$125,075	-\$33,362	-\$46,180	-\$2,626	-\$2,172
12	LESS: NET FEDERAL DEDUCTIONS	NFD		\$0	\$0	\$0 	\$0 	\$0 	\$0
13	TOTAL FEDERAL TAXABLE INCOME			-\$763,538	- \$44 5,315		-\$294,085	\$5,054	-\$17,879
	PLUS: NET FEDERAL DEDUCTIONS	NFD		\$0	\$0	\$0	\$0	\$0	\$0
14	LESS: NET STATE DEDUCTIONS	NSD		\$0		\$0	\$0	\$0	\$0
15	LESS: NET STATE DEDUCTIONS	.,,,,							
16	TOTAL STATE TAXABLE INCOME			-\$763,538	-\$445,315	-\$11,313	-\$294,085	\$5,054	-\$17,879
	FED AND ST INCOME TAXES				•	\$0	\$0	\$0	\$0
17	FED TAXABLE INC * 0.0000			\$0			\$0	\$0	\$0
18	ST. TAXABLE INC * 0.0000			\$0			\$0	\$0	\$0
19	LESS: CRNT ITC * (1-0.0000)			\$0	,	·			
20	TOTAL FED & ST INCOME TAXES			\$0	\$0	\$0	\$0	\$0	\$0
	*****RETURN COMPUTATION*****			4554.400	#200 040	\$22,049	-\$247,905	\$7,680	-\$15,707
21	NET FOR RETURN AND INCOME TAXES	NET		-\$554,123			\$0	\$0	\$0
22	FED & ST INCOME TAXES			\$0 \$0			\$0	\$0	\$0
23	PROV FOR DEF TAXES	PDT		\$0	-	•	\$0	\$0	\$0
24	INVESTMENT TAX CREDIT - NET	ITN AFD		\$0			\$0	\$0	\$0
25	AFUDC	AFD							
26	NET RETURN			-\$554,123	-\$320,240	\$22,049	-\$247,905	\$7,680	-\$15,707
27	RATE BASE	RBT		\$11,470,852	2 \$6,851,04	5 \$1,827,430	\$2,529,542	\$143,844	\$118,991
	DETUCAL ON BATE BACE	ROR		-4.83%	6 -4.67%	6 1.21%	-9.80%	5.34%	-13.20%
28	RETURN ON RATE BASE	DA3		-1.83%			-1.83%	-1.83%	
29	NON-EQUITY PORTION OF RETURN EQUITY PORTION OF EXISTING RETRN	DA3		-6.66%	-		-11.63%	3.51%	
30 31	EXISTING RETURN ON EQUITY	DA3	ROE	-15.80%		√o -1.46%	-27.60%	8.34%	-35.67%
31	EXIGURG BETOMITON EQUIT								

THE MINNESOTA VALLEY ELECTRIC COOPERATIVE- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

PROPOSED RETURN AND INCOME TAX

LINE NO.	DESCRIPTION	CONTROI ALL	- OUT	TOTAL SMEC	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	LIGHTING	MUNICIPAL PUMPING
1	PROPOSED REVENUE	PRV		\$6,552,613	\$3,416,081	\$1,087,673	\$1,932,926	\$39,774	\$76,159
	REVENUE DEDUCTIONS:			ITRADE	SECRET DAT	A BEGINS	TRA	DE SECRET I	DATA ENDS]
2	O&M EXPENSES	OMX					-\$93,755	-\$6,264	-\$4,535
3	DEPRECIATION & AMORT EXPENSES	DEP		-\$482,887	-\$303,314	-\$75,019	-\$93,755 -\$19,856	-\$1,336	-\$966
4	AD VALOREM TAXES	VAL		-\$104,700	-\$66,343 \$0	-\$16,199 \$0	-\$19,636 \$0	-31,530 \$0	\$0
5	CORP FRANCHISE TAX	SFT		\$0 *F 116	-\$3,705	-\$740	-\$605	-\$48	-\$18
6	MISC GENERAL TAXES	MIS RTX		-\$5,116 \$0	-\$3,703 \$0	\$0	\$0	\$0	\$0
7	REVENUE-RELATED TAXES	ICD		\$0	\$0	\$0	\$0	\$0	\$0
8	INTEREST ON CUST DEPOSITS	ICD							
9	TOTAL REVENUE DEDUCTIONS			[TRA	.DE SECRET L	DATA BEGINS	TRADE	SECRET DAT	A ENDS]
10	NET FOR RETURN AND INCOME TAXES	NET	NET	\$578,918	\$345,763	\$92,228	\$127,662	\$7,260	\$6,005
		INT		-\$209,415	-\$125,075	-\$33,362	-\$46,180	-\$2,626	-\$2,172
11	LESS: INTEREST EXPENSE	NFD		-5205,415	\$0		\$0	\$0	\$0
12	LESS: NET FEDERAL DEDUCTIONS	NID							
13	TOTAL FEDERAL TAXABLE INCOME			\$369,503	\$220,688	\$58,866	\$81,482	\$4,634	\$3,833
14	PLUS: NET FEDERAL DEDUCTIONS	NFD		\$0	\$0	\$0	\$0	\$0	\$0
15	LESS: NET STATE DEDUCTIONS	NSD		\$0	\$0	\$0	\$0	\$0	\$0
16	TOTAL STATE TAXABLE INCOME			\$369,503	\$220,688		\$81,482	\$4,634	\$3,833
10	TOTAL OTTAL TOTAL								
	FED AND ST INCOME TAXES						***	\$0	\$0
17	FED TAXABLE INC * 0.0000			\$0			\$0 \$0	\$0 \$0	\$0
18	ST. TAXABLE INC * 0.0000			\$0			\$0 \$0	\$0	\$0
19	LESS: CRNT ITC * (1-0.0000)			\$0	\$0	, pu			
20	TOTAL FED & ST INCOME TAXES			\$0	\$0	\$0	\$0	\$0	\$0
	*****RETURN COMPUTATION*****				0045 705	*02.228	\$127,662	\$7,260	\$6,005
21	NET FOR RETURN AND INCOME TAXES	NET		\$578,918			\$127,002	\$0	\$0
22	FED & ST INCOME TAXES			\$0 \$0		1	\$0	\$0	\$0
23	PROV FOR DEF TAXES	PDT		\$0		*	\$0	\$0	\$0
24	INVESTMENT TAX CREDIT - NET	ITN AFD		\$0			\$0	\$0	\$0
25	AFUDC	AFD							
26	NET RETURN			\$578,918	\$345,763	\$92,228	\$127,662	\$7,260	\$6,005
27	RATE BASE	RBT		\$11,470,852	\$6,851,04	5 \$1,827,430	\$2,529,542	\$143,844	\$118,991
	THE PACE	ROR		5.05%	5.05%	6 5.05%	5.05%	5.05%	5.05%
28	RETURN ON RATE BASE	DA3		-1.83%	_		-1.83%	-1.83%	-1.83%
29	NON-EQUITY PORTION OF RETURN EQUITY PORTION OF EXISTING RETRN	DA3		3.22%	-		3.22%	3.22%	3.22%
30 31	PROPOSED RETURN ON EQUITY	DA3	ROE	7.65%			7.65%	7.65%	7.65%

THE MINNESOTA VALLEY ELECTRIC COOPERATIVE- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED

DECEMBER 31, 2016

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COST OF SERVICE SUMMARY

2 TRANSMISSION PILANT NPT \$0 \$0 \$0 \$0 \$0 \$0 \$10,563 \$80.1 \$30 \$10 \$10 \$110,100 \$100,100 \$110,	LINE		CONTROL		TOTAL		SMALL	LARGE	LICUTING	MUNICIPAL
1 PRODUCTION PLANT NPF S0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0	NO.	DESCRIPTION	ALL	OUT	SMEC					PUMPING
2 TRANSMISSION PLANT NPT \$0 \$0 \$0 \$0 \$0 \$0 \$10.563 \$80.1 \$3 \$10.5178IBUTION PLANT NPD \$8,455,267 \$5.287,272 \$1.316,331 \$1.661,000 \$110,563 \$80.1 \$40.4860 \$383,399 \$68,417 \$36,391 \$3.666 \$2.4 \$2.4 \$3.4 \$3.4 \$3.4 \$3.4 \$3.4 \$3.4 \$3.4 \$3		NET PLANT IN SERVICE:								
TRANSMISSION PLANT NPD	1	PRODUCTION PLANT	NPP		\$0	\$0	\$0	\$0		\$0
General Plant NPG	2	TRANSMISSION PLANT	NPT		\$0	\$0	\$0	\$0	• •	\$0
\$ TOTAL NET ELECTRIC PLANT NPR \$8,950,192 \$5,871,219 \$1,384,748 \$1,897,399 \$114,232 \$82,59 \$1.00	3	DISTRIBUTION PLANT	NPD		\$8,455,242	\$5,287,221	\$1,316,331		\$110,563	\$80,119
\$ TOTAL NET ELECTRIC PLANT NPR \$8,950,192 \$5,671,219 \$1,384,748 \$1,697,399 \$114,232 \$82,55 \$6 CONST. WORK IN PROGRESS CWP \$98,767 \$61,761 \$15,376 \$19,402 \$1,292 \$9, 74 ACQUISITION ADJUSTMENT ACQ \$2,305,860 \$1,111,841 \$401,559 \$735,884 \$24,373 \$32,11 \$1,114,115 PARTICIPATIVE USE PLH \$0.0 \$0.0 \$0.0 \$0.0 \$0.0 \$0.0 \$0.0 \$0.	4	GENERAL PLANT	NPG			\$383,998	*		\$3,669	\$2,475
ACQUISITION ADJUSTMENT ACQ \$2,305,850 \$1,111,841 \$401,559 \$735,884 \$24,373 \$32,11	5	TOTAL NET ELECTRIC PLANT	NPR			\$5,671,219			\$114,232	\$82,594
8 PLANT HELD FOR PUTURE USE PLH \$ \$0 \$0. \$0. \$0. \$0. \$0. \$0. \$0. \$0. \$0	6	CONST. WORK IN PROGRESS	CWP		\$98,767	\$61,761	\$15,376		* *	\$936
TOTAL MISC DEFED DEBITS \$5,109 \$3,220 \$792 \$994 \$65 \$8, WORKING CAPITAL: \$5,109 \$3,220 \$792 \$994 \$65 \$8, WORKING CAPITAL: \$6,000	7	ACQUISITION ADJUSTMENT	ACQ		\$2,305,850	\$1,111,841	\$401,559	\$735,884		\$32,193
WORKING CAPITAL.	8	PLANT HELD FOR FUTURE USE	PLH		\$0	\$0	\$0	\$0		\$0
10 CASH WORK CAP,FUNDS,MATASUP MAS \$433,457 \$274,657 \$67,063 \$82,205 \$5,532 \$4,0 11 FUEL STOCK FUL \$0 \$0 \$0 \$0 \$0 20 REPPAID LIGNITE ROYALTIES E1A \$0 \$0 \$0 \$0 \$0 30 STO \$0 \$0 \$0 \$0 30 STO \$0 \$0 \$0 40 CAMPORTIZEO LOSS ON REACOL LTD NPR \$14,972 \$9,488 \$2,316 \$2,839 \$191 \$11 UNAMORTIZEO LOSS ON REACOL LTD NPR \$0 \$0 \$0 \$0 \$0 50 DEFERED FUEL DEF \$0 \$0 \$0 \$0 \$0 60 ACCUMULATED DEFERRED INCOME TAX ACC \$0 \$0 \$0 \$0 \$0 70 FRE-1971 INVESTMENT TAX CREDIT PIC \$0 \$0 \$0 \$0 \$0 80 STO \$0 \$0 \$0 \$0 16 ACCUMULATED DEFERRED INCOME TAX ACC \$0 \$0 \$0 \$0 \$0 17 PRE-1971 INVESTMENT TAX CREDIT PIC \$0 \$0 \$0 \$0 \$0 18 CUISTOMER ADVANCES AND DEPOSITS CAD \$274,444 \$233,482 \$353,307 \$41,711 \$1,244 \$77 91 STORM DAMAGEINI & DAM RESRYS SOR \$0 \$0 \$0 \$0 90 PISN & MIS OP RISRVS, OTR DEF CRS PEN \$83,051 \$45,6559 \$9,117 \$7,7460 \$597 \$52 21 TRANSMISSION RATE REFUND RESERVE TRN \$0 \$0 \$0 \$0 \$0 22 AVERAGE ORIGINAL COST RATE BASE RBT \$11,470,852 \$6,851,045 \$1,827,430 \$2,529,542 \$143,844 \$118,9 23 RETURN AT 5,05% RET \$578,918 \$345,763 \$92,228 \$127,662 \$7,260 \$6,0 24 PRODUCTION OAM OMD TRADE SECRET DATA BEGINS. TRADE SECRET DATA END 25 TRANSMISSION OAM OMD TRADE SECRET DATA BEGINS. TRADE SECRET DATA END 26 DISTRIBUTION OAM OMD TRADE SECRET DATA BEGINS. TRADE SECRET DATA END 27 OLDST ACCTISER/VSALES OMC \$180,319 \$23,198 \$23,198 \$31,124 \$818 \$44 28 ADMINISTRATIVE & GENERAL OMA \$303,421 \$219,726 \$43,872 \$35,900 \$2,875 \$1.0 27 TOTAL OPER & MAIN EXPENSES DEP \$482,887 \$303,314 \$75,019 \$93,755 \$6,264 \$4,5 31 INTEREST ON CUSTOMER DEPOSITS ICD \$0 \$0 \$0 \$0 \$0 26 DEPRECIATION & AMORT EXPENSES DEP \$482,887 \$303,314 \$76	9	TOTAL MISC DEFRD DEBITS			\$5,109	\$3,220	\$792	\$984	\$65	\$48
11 FUEL STOCK			MAC		¢422.457	\$274 657	\$67.063	\$82.205	\$5 532	\$4,000
PREPAID LIGNITE ROYALTIES										\$0
PREFAIL LINE HOF HER STORM STATE			_					•	•	\$0
	. –					**	•	-	* '	\$138
		•=			*				• -	\$0
DEPENDENT OF DEPENDENT DEPONDENT D								•		\$0
						•			•	\$0
18					•	-		•		\$0
SUSTORM DAMAGEINU & DAM RESRVS SDR \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0					*-	*-	•	•	• •	-\$700
20 PNSN & MIS OP RSRVS, OTA DEF CRS						*	****			\$0
21 TRANSMISSION RATE REFUND RESERVE TRN \$0 \$0 \$0 \$0 \$0 \$0 22 AVERAGE ORIGINAL COST RATE BASE RBT \$11,470,852 \$6,851,045 \$1.827,430 \$2.529,542 \$143,844 \$118,9 23 RETURN AT 5,05% RET \$578,918 \$345,763 \$92,228 \$127,662 \$7,260 \$6,0 OPERATION & MAINTENANCE EXPENSES 4 PRODUCTION O&M OMD TRANSMISSION O&M OMD OMD OMD OMD OMD OMD OMD OMD OMD OM	19							•		-\$218
22 AVERAGE ORIGINAL COST RATE BASE RBT \$11,470.852 \$6,851,045 \$1,827,430 \$2,529,542 \$143,844 \$118,9 23 RETURN AT 5.05% RET \$578,918 \$345,763 \$92,228 \$127,662 \$7,260 \$6.0 OPERATION & MAINTENANCE EXPENSES 24 PRODUCTION 0&M OMD 25 TRANSMISSION 0&M OMD 26 DISTRIBUTION 0&M OMD 27 CUST ACCT/SERV/SALES OMC \$180,319 \$154,719 \$23,198 \$1,124 \$818 \$44 \$18,9 28 ADMINISTRATIVE & GENERAL OMA \$303,421 \$219,726 \$43,872 \$35,900 \$2,875 \$1.0 29 TOTAL OPER & MAIN EXPENSES OMX \$180,319 \$154,719 \$23,198 \$1,124 \$818 \$44 \$18,94 29 TOTAL OPER & MAIN EXPENSES OMX \$180,319 \$154,719 \$23,198 \$1,124 \$818 \$44 \$18,94 20 DEPRECIATION & AMORT EXPENSES OMX \$180,319 \$154,719 \$30,314 \$75,019 \$93,755 \$6,264 \$45,54 \$10,941 \$10,94									•	-9218 \$0
23 RETURN AT 5.05% RET \$578,918 \$345,763 \$92,228 \$127,662 \$7,260 \$6.0 OPERATION & MAINTENANCE EXPENSES 4 PRODUCTION O&M OMP 25 TRANSMISSION O&M OMD 26 DISTRIBUTION O&M OMD 27 CUST ACCT/SERV/SALES OMC \$180,319 \$154,719 \$23,198 \$1,124 \$818 \$4 28 ADMINISTRATIVE & GENERAL OMA \$303,421 \$219,726 \$43,872 \$35,900 \$2,875 \$1.0 29 TOTAL OPER & MAIN EXPENSES OMX ITRADE SECRET DATA BEGINS TRADE SECRET DATA ENDS 30 DEPRECIATION & AMORT EXPENSES DEP \$482,887 \$303,314 \$75,019 \$93,755 \$6,264 \$4.5 31 INTEREST ON CUSTOMER DEPOSITS ICD \$0 \$0 \$0 \$0 \$0 32 GENERAL TAXES GTX \$109,816 \$70,048 \$16,939 \$20,461 \$1.384 \$9 33 FED & ST INCOME TAX FST \$0 \$0 \$0 \$0 \$0 34 PROV FOR DEF TAXES PDT \$0 \$0 \$0 \$0 \$0 35 INVESTMENT TAX CREDIT - NET ITN \$0 \$0 \$0 \$0 \$0 36 A F U D C AFD \$0 \$0 \$0 \$0 \$0 37 COST OF SERVICE REVENUE REQT CSR \$6,552,613 \$3,416,081 \$1,087,673 \$1,932,926 \$39,774 \$76,11	21	TRANSMISSION RATE REFUND RESERVE	TRN		\$0 	\$0 		•		
OPERATION & MAINTENANCE EXPENSES 24 PRODUCTION 0&M OMP 25 TRANSMISSION 0&M OMT 26 DISTRIBUTION 0&M OMD 27 CUST ACCT/SERV/SALES OMC 28 ADMINISTRATIVE & GENERAL OMA 29 TOTAL OPER & MAIN EXPENSES 30 DEPRECIATION & AMORT EXPENSES 31 INTEREST ON CUSTOMER DEPOSITS 10 SO \$0 \$0 \$0 \$0 1TRADE SECRET DATA BEGINS TRADE SECRET DATA ENDS 27 TOTAL OPER & MAIN EXPENSES 28 ADMINISTRATIVE & GENERAL 30 DEPRECIATION & AMORT EXPENSES 31 INTEREST ON CUSTOMER DEPOSITS 32 GENERAL TAXES 33 FED & ST INCOME TAX 45 FST 40 \$0 \$0 \$0 \$0 50 \$0	22	AVERAGE ORIGINAL COST RATE BASE	RBT		\$11,470,852	\$6,851,045	\$1,827,430	\$2,529,542	\$143,844	\$118,991
24 PRODUCTION 0&M OMP TRADE SECRET DATA BEGINS TRADE SECRET DATA END 25 TRANSMISSION 0&M OMT \$0 \$0 \$0 \$0 26 DISTRIBUTION 0&M OMD ITRADE SECRET DATA BEGINS TRADE SECRET DATA ENDS] 27 CUST ACCT/SCRV/SALES OMC \$180,319 \$154,719 \$23,198 \$1,124 \$818 \$4 28 ADMINISTRATIVE & GENERAL OMA \$303,421 \$219,726 \$43,872 \$35,900 \$2,875 \$1.0 29 TOTAL OPER & MAIN EXPENSES OMX ITRADE SECRET DATA BEGINS TRADE SECRET DATA ENDS 30 DEPRECIATION & AMORT EXPENSES OMX ITRADE SECRET DATA BEGINS TRADE SECRET DATA ENDS 31 INTEREST ON CUSTOMER EXPENSES DEP \$482,887 \$303,314 \$75,019 \$93,755 \$6,264 \$4,5 31 INTEREST ON CUSTOMER DEPOSITS ICD \$0 \$0 \$0 \$0 32 GENERAL TAXES GTX \$109,816 \$70,048 \$16,939 \$20,461 \$1,	23	RETURN AT 5.05%	RET		\$578,918	\$345,763	\$92,228	\$127,662	\$7,260	\$6,005
24 PRODUCTION 0&M OMP 25 TRANSMISSION 0&M OMT \$0 \$0 \$0 \$0 26 DISTRIBUTION 0&M OMD ITRADE SECRET DATA BEGINS TRADE SECRET DATA ENDS 27 CUST ACCT/SERV/SALES OMC \$180,319 \$154,719 \$23,198 \$1,124 \$818 \$4 28 ADMINISTRATIVE & GENERAL OMA \$303,421 \$219,726 \$43,872 \$35,900 \$2,875 \$1.0 29 TOTAL OPER & MAIN EXPENSES OMX ITRADE SECRET DATA BEGINS TRADE SECRET DATA ENDS 30 DEPRECIATION & AMORT EXPENSES DEP \$482,887 \$303,314 \$75,019 \$93,755 \$6,264 \$4,5 31 INTEREST ON CUSTOMER DEPOSITS ICD \$0 \$0 \$0 \$0 \$0 32 GENERAL TAXES GTX \$109,816 \$70,048 \$16,939 \$20,461 \$1,384 \$9 33 FED & ST INCOME TAX FST \$0 \$0 \$0 \$0 34 P		OPERATION & MAINTENANCE EXPENSES			(TD A DI	CLCDET DAT	A DECINE	ТĎ	DE SECRET	DATA ENDSI
26 DISTRIBUTION 0&M OMD TRADE SECRET DATA BEGINS TRADE SECRET DATA ENDS 27 CUST ACCT/SERV/SALES OMC \$180,319 \$154,719 \$23,198 \$1,124 \$818 \$44 \$28 ADMINISTRATIVE & GENERAL OMA \$303,421 \$219,726 \$43,872 \$35,900 \$2,875 \$1.0 \$29 TOTAL OPER & MAIN EXPENSES OMX TRADE SECRET DATA BEGINS TRADE SECRET DATA ENDS 29 TOTAL OPER & MAIN EXPENSES OMX TRADE SECRET DATA BEGINS TRADE SECRET DATA ENDS 30 DEPRECIATION & AMORT EXPENSES DEP \$482,887 \$303,314 \$75,019 \$93,755 \$6,264 \$45,531 INTEREST ON CUSTOMER DEPOSITS ICD \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0	24	PRODUCTION O&M	OMP							
27 CUST ACCT/SERV/SALES OMC \$180,319 \$154,719 \$23,198 \$1,124 \$818 \$4 28 ADMINISTRATIVE & GENERAL OMA \$303,421 \$219,726 \$43,872 \$35,900 \$2,875 \$1.0 29 TOTAL OPER & MAIN EXPENSES OMX TRADE SECRET DATA BEGINS TRADE SECRET DATA ENDS 30 DEPRECIATION & AMORT EXPENSES DEP \$482,887 \$303,314 \$75,019 \$93,755 \$6,264 \$4,5 31 INTEREST ON CUSTOMER DEPOSITS ICD \$0 \$0 \$0 \$0 \$0 \$0 32 GENERAL TAXES GTX \$109,816 \$70,048 \$16,939 \$20,461 \$1,384 \$9 33 FED & ST INCOME TAX FST \$0 \$0 \$0 \$0 \$0 \$0 34 PROV FOR DEF TAXES PDT \$0 \$0 \$0 \$0 \$0 35 INVESTMENT TAX CREDIT - NET ITN \$0 \$0 \$0 \$0 \$0 36 A F U D C AFD \$0 \$0 \$0 \$0 \$0 37 COST OF SERVICE REVENUE REQT CSR \$6,552,613 \$3,416,081 \$1,087,673 \$1,932,926 \$39,774 \$76,10	25	TRANSMISSION O&M	OMT		**	**	• •		*-	\$0
28 ADMINISTRATIVE & GENERAL OMA \$303,421 \$219,726 \$43,872 \$35,900 \$2,875 \$1.0 29 TOTAL OPER & MAIN EXPENSES OMX TRADE SECRET DATA BEGINS TRADE SECRET DATA ENDS 30 DEPRECIATION & AMORT EXPENSES DEP \$482,887 \$303,314 \$75,019 \$93,755 \$6,264 \$4,5 31 INTEREST ON CUSTOMER DEPOSITS ICD \$0 \$0 \$0 \$0 \$0 32 GENERAL TAXES GTX \$109,816 \$70,048 \$16,939 \$20,461 \$1,384 \$9 33 FED & ST INCOME TAX FST \$0 \$0 \$0 \$0 \$0 34 PROV FOR DEF TAXES PDT \$0 \$0 \$0 \$0 \$0 35 INVESTMENT TAX CREDIT - NET ITN \$0 \$0 \$0 \$0 \$0 36 A F U D C AFD \$6,552,613 \$3,416,081 \$1,087,673 \$1,932,926 \$39,774 \$76,10	26	DISTRIBUTION O&M	OMD		[TR	ADE SECRET	DATA BEGINS	TRAD		_
29 TOTAL OPER & MAIN EXPENSES OMX TRADE SECRET DATA BEGINS TRADE SECRET DATA ENDS	27	CUST ACCT/SERV/SALES	OMC		\$180,319	\$154,719	\$23,198	\$1,124	•	\$460
30 DEPRECIATION & AMORT EXPENSES DEP \$482,887 \$303,314 \$75,019 \$93,755 \$6,264 \$4,5 31 INTEREST ON CUSTOMER DEPOSITS ICD \$0 \$0 \$0 \$0 \$0 32 GENERAL TAXES GTX \$109,816 \$70,048 \$16,939 \$20,461 \$1,384 \$9 33 FED & ST INCOME TAX FST \$0 \$0 \$0 \$0 \$0 34 PROV FOR DEF TAXES PDT \$0 \$0 \$0 \$0 \$0 35 INVESTMENT TAX CREDIT - NET ITN \$0 \$0 \$0 \$0 \$0 36 A F U D C AFD \$0 \$0 \$0 \$0 \$0 37 COST OF SERVICE REVENUE REQT CSR \$6,552,613 \$3,416,081 \$1,087,673 \$1,932,926 \$39,774 \$76,1	28	ADMINISTRATIVE & GENERAL	OMA		\$303,421	\$219,726	\$43,872	\$35,900	\$2,875	\$1,048
31 INTEREST ON CUSTOMER DEPOSITS ICD \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0	29	TOTAL OPER & MAIN EXPENSES	OMX		[TR/	ADE SECRET I	DATA BEGINS.	TRADI	E SECRET DA	TA ENDS]
32 GENERAL TAXES GTX \$109,816 \$70,048 \$16,939 \$20,461 \$1,384 \$9 33 FED & ST INCOME TAX FST \$0 \$0 \$0 \$0 \$0 34 PROV FOR DEF TAXES PDT \$0 \$0 \$0 \$0 \$0 35 INVESTMENT TAX CREDIT - NET ITN \$0 \$0 \$0 \$0 \$0 36 A F U D C AFD \$0 \$0 \$0 \$0 \$0 37 COST OF SERVICE REVENUE REQT CSR \$6,552,613 \$3,416,081 \$1,087,673 \$1,932,926 \$39,774 \$76,1	30	DEPRECIATION & AMORT EXPENSES	DEP		\$482,887	\$303,314	\$75,019	\$93,755	\$6,264	\$4,535
32 GENERAL TAXES GTX \$109,816 \$70,048 \$16,939 \$20,461 \$1,384 \$9 33 FED & ST INCOME TAX FST \$0 \$0 \$0 \$0 \$0 34 PROV FOR DEF TAXES PDT \$0 \$0 \$0 \$0 \$0 35 INVESTMENT TAX CREDIT - NET ITN \$0 \$0 \$0 \$0 36 A F U D C AFD \$0 \$0 \$0 \$0 37 COST OF SERVICE REVENUE REQT CSR \$6,552,613 \$3,416,081 \$1,087,673 \$1,932,926 \$39,774 \$76,1		INTEREST ON CUSTOMER DEPOSITS	ICD		\$0	\$0	\$0	\$0	\$0	\$0
33 FED & ST INCOME TAX FST \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$			GTX		\$109,816	\$70,048	\$16,939	\$20,461	\$1,384	\$984
34 PROV FOR DEF TAXES PDT \$0 \$0 \$0 \$0 35 INVESTMENT TAX CREDIT - NET ITN \$0 \$0 \$0 \$0 \$0 36 A F U D C AFD \$0 \$0 \$0 \$0 \$0 37 COST OF SERVICE REVENUE REQT CSR \$6,552,613 \$3,416,081 \$1,087,673 \$1,932,926 \$39,774 \$76,1			FST		\$0	\$0	\$0	\$0	\$0	\$0
35 INVESTMENT TAX CREDIT - NET ITN \$0 \$0 \$0 \$0 \$0 36 A F U D C AFD \$0 \$0 \$0 \$0 \$0 37 COST OF SERVICE REVENUE REQT CSR \$6,552,613 \$3,416,081 \$1,087,673 \$1,932,926 \$39,774 \$76,1			PDT		\$0	\$0	\$0	\$0	\$0	\$0
36 A F U D C AFD \$0 \$0 \$0 \$0 \$0 37 COST OF SERVICE REVENUE REQT CSR \$6,552,613 \$3,416,081 \$1,087,673 \$1,932,926 \$39,774 \$76,1			ITN		\$0	\$0	\$0	\$0	\$0	\$0
37 COST OF SERVICE REVENUE REQT CSR \$6,552,613 \$3,416,081 \$1,087,673 \$1,932,926 \$39,774 \$76,1					\$0	\$0			\$0	\$0
	37	COST OF SERVICE REVENUE REQT	CSR			\$3,416,081			\$39,774	\$76,159
					======	======		======	=======	======

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PUBLIC DOCUMENT - TRADE SECRET DATA HAS BEEN EXCISED

THE MINNESOTA VALLEY ELECTRIC COOPERATIVE- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

COST OF SERVICE COMPARISON

LINE NO.	DESCRIPTION	CONTROL ALL OUT	TOTAL SMEC	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	LIGHTING	MUNICIPAL PUMPING
	*** OTHER REVENUE INCLUDED ***							
1	COST OFF SERVICE REVENUE REQT		\$6,552,613	\$3,416,081	\$1,087,673	\$1,932,926	\$39,774	\$76,159
2	EXISTING REVENUE		\$5,419,572	\$2,750,078	\$1,017,494	\$1,557,359	\$40,194	\$54,447
3	REVENUE DEFICIENCY		\$1,133,041	\$666,003	\$70,179	\$375,567	-\$420	\$21,712
4	REQUIRED INCREASE (%)		20.91%	24.22%	6.90%	24.12%	-1.04%	39.88%
5	EXISTING RATE OF RETURN-AS ADJ.		-4.83%	-4.67%	1.21%	-9.80%	5.34%	-13.20%
6	EXISTING ROR AS % OF OVERALL ROR-AS	S ADJ.	100.00%	96.69%	-25.05%	202.90%	-110.56%	273.29%
7	EXISTING RETURN ON EQUITY-AS ADJ.		-15.80%	-15.42%	-1.46%	-27.60%	8.34%	-35.67%
8	EXISTING ROE AS % OF OVERALL ROE-AS	S ADJ.	100.00%	97.59%	9.24%	174.68%	-52.78%	225.76%
9	PROPOSED RATE OF RETURN-AS ADJ		5.05%	5.05%	5.05%	5.05%	5.05%	5.05%
10	PROPOSED RETURN ON EQUITY-AS ADJ		7.65%	7.65%	7.65%	7.65%	7.65%	7.65%
	··· OTHER REVENUE EXCLUDED ···							
11	COST OF SERVICE REVENUE REQT		\$6,667,338	\$3,487,821	\$1,105,534	\$1,955,463	\$41,274	\$77,246
12	EXISTING REVENUE		\$5,534,297	\$2,821,818	\$1,035,355	\$1,579,896	\$41,694	\$55,534
13	REVENUE DEFICIENCY		\$1,133,041	\$666,003	\$70,179	\$375,567	-\$420	\$21,712
14	REQUIRED INCREASE (%)		20.47%	23.60%	6.78%	23.77%	-1.01%	39.10%
15	EXISTING RATE OF RETURN - UNADJ		-4.83%	-4.67%	1.21%	-9.80%	5.34%	-13.20%
16	EXISTING ROR AS % OF OVERALL ROR-U	NADJ.	100.00%	96.69%	-25.05%	202.90%	-110.56%	273.29%
17	EXISTING RETURN ON EQUITY-UNADJ		-15.80%	-15.42%	-1.46%	-27.60%	8.34%	-35.67%
18	EXISTING ROE AS % OF OVERALL ROE-UI	NADJ.	100.00%	97.59%	9.24%	174.68%	-52.78%	225.76%
19	PROPOSED RATE OF RETURN - UNADJ		5.05%	5.05%	5.05%	5.05%	5.05%	5.05%
20	PROPOSED RETURN ON EQUITY-UNADJ		7.65%	7.65%	7.65%	7.65%	7.65%	7.65%

THE MINNESOTA VALLEY ELECTRIC COOPERATIVE- SMEC CUSTOMERS

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COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

DECEN	IBER 31, 2016	TOTAL		SMALL	LARGE		MUNICIPAL
PROPO	OSED MILLS/KWH	SMEC	RESIDENTIAL	COMMERCIAL	POWER	LIGHTING	PUMPING
*******	*********						
	FXISTING BASE REV	87.85	107.86	98.24	63.26	75.61	71.93
1		0.00	0.00	0.00	0.00	0.00	0.00
2	FUEL REVENUE						
	TOTAL MILLS / KWH	87.85	107.86	98.24	63.26	75.61	71.93
3	TOTAL MILLS / KWh	=====	====3=	=====	=====	=====	=====
	ADDRESS BASE DEV	105.83	133.31	104.90	78.30	74,85	100.05
4	PROPOSED BASE REV	0.00	0.00	0.00	0.00	0.00	0.00
5	FUEL REVENUE		*****				
	TOTAL MILLS / KWH	105.83	133.31	104.90	78.30	74.85	100.05
6	TOTAL WILLS / RWH	=====	=====	======	=====	======	======

NOBLES COOPERATIVE ELECTRIC CLASS COST OF SERVICE FOR MPSC COMPLIANCE FILING SCENARIO 2: SMEC DIRECT ASSIGNMENT

LINE NO.		CLASS	COSS BASED REVENUE ALLOCATION	EXISTING REVENUE ALLOCATION	DIF	FERENCE	PERCENT DIFFERENCE
110.							
	LEGACY:						
1		GENERAL SERVICE	\$11,348,888	\$11,213,430	\$	135,457	1.21%
2		3 PHASE < 300 KVA	\$240,290	\$270,988	\$	(30,698)	-11.33%
3		SEASONAL	\$221,876	\$188,863	\$	33,013	17.48%
4		SMALL COMMERCIAL	\$1,663,324	\$2,171,025	\$	(507,701)	
5		RUSHMORE	\$167,860	\$217,794	\$	(49,934)	
6		CONTRACT LOAD	\$2,962,000	\$2,823,313	\$_	138,687	4.91%
7		TOTAL LEGACY	\$16,604,238	\$16,885,412	\$	(281,175)	-1.67%
	SMEC						
8		RESIDENTIAL	\$1,797,953	\$1,536,551	\$	261,402	17.01%
9		SMALL COMMERCIAL	\$689,323	\$662,722	\$	26,601	4.01%
10		LARGE POWER	\$252,121	\$273,280	\$	(21,159)	
11		STREET LIGHTING	\$30,078		\$	(10,707)	
12		MUNICIPAL PUMPING	\$25,927		\$	2,276	9.62%
13		TOTAL SMEC	\$2,795,402	\$2,536,989		\$258,413	10.19%
14							
15		TOTAL COMPANY	\$19,399,640	\$19,422,402		(22,761)	
16		MISC. REVENUES	\$335,554		_		0.00%
17			\$19,735,194	\$19,757,956	\$	(22,761)) -0.12%
	CONSOLID	ATED					
17		RESIDENTIAL/GS	\$13,146,841		\$	396,860	
18		3 PHASE < 300 KVA	\$240,290			(30,698)	•
19		SEASONAL	\$221,876			33,013	
20		SMALL COMMERCIAL	_ \$2,352,647			(481,099	•
21		LARGE POWER	\$252,121			(21,159	•
22		RUSHMORE	\$167,860	\$217,794		(49,934	•
23		CONTRACT LOAD	\$2,962,000			138,687	
24		STREET LIGHTING	\$30,078			(10,707	
25		MUNICIPAL PUMPINO				2,276	
26				\$19,422,402		(22,761	•
27		MISC. REVENUES	\$335,554				0.00%
28		TOTAL COMPANY	\$19,735,194	\$19,757,956	\$	(22,761) -0.12%

NOBLES COOPERATIVE ELECTRIC- SMEC CUSTOMERS

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FILESPEC: K:\RATERES\COS\93RESALE\COS1292.WK3

STUDY DA	ATE:		DECEMBER 31, 2016
BUN DATE	AND TIME:	18-Oct-17	08:54 AM
RETURN	ON COMMON EQUITY		8.55%
OVERALL	RATE OF RETURN		5.58%
CAPITALIZ	ZATION:		
	OUTSTANDING	EFFECTIVE RATE	COMPOSITE
DBT	\$26,967,084	2.87%	1.50%
PRF		0.00%	0.00%
CMN	\$24,661,207	8.55%	4,08%
FEDERAL	EFFECTIVE INCOME T	AX RATE	0.00%
FEDERAL	NOMINAL INCOME TAX	X RATE	0.00%
STATE EF	FECTIVE INCOME TAX	RATE	0.00%
STATE NO	OMINAL INCOME TAX R	ATE	0.00%

NOTATIONS: THIS RUN ALLOCATES ALL PLANT ON AVG OF 12 CP

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NOBLES COOPERATIVE ELECTRIC- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

*******CUSTOMER DATA******

LINE		CONTRO	L	TOTAL		SMALL	LARGE	STREET	MUNICIPAL
NO.	DESCRIPTION	ALL	OUT	SMEC	RESIDENTIAL	COMMERCIAL	POWER	LIGHTING	PUMPING
1	NUMBER OF CUSTOMERS	C1A	C1A	1,699	1,359	305	7	13	15
2	PERCENT OF TOTAL	C1A		100.000%	80.024%	17.936%	0.412%	0.746%	0.883%
3	NUMBER OF WEIGHTED CUSTOMERS	C2A	C2A	1,699	1,359	305	7	13	15
4	PERCENT OF TOTAL	C2A		100.000%	80.024%	17.936%	0.412%	0.746%	0.883%
5	NUMBER OF RETAIL DISTR CUSTOMERS	СЗА	СЗА	1,699	1,359	305	7	13	15
6	PERCENT OF TOTAL	СЗА		100.000%	80.024%	17.936%	0.412%	0.746%	0.883%
7	NMBR OF RETAIL WTD CUSTOMERS	C4A	C4A	1,699	1,359	305	7	13	15
8	PERCENT OF TOTAL	C4A		100.000%	80.024%	17.936%	0.412%	0.746%	0.883%
9	LIGHTING DIRECT ALLOCATOR	LDE	LDE	1	0	0	0	1	0
10	PERCENT OF TOTAL	LDE		100.000%	0.000%	0.000%	0.000%	100.000%	0.000%
11	LPS DIRECT ALLOCATOR	DA1	DA1	0	0	0	0	0	0
12	PERCENT OF TOTAL	DA1		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
12 13	PERCENT OF TOTAL AVERAGE COINCIDENT KW DEMAND	DA1	D1A	#DIV/0! 4,605	#DIV/0! 2,911	1,194	454	0	46
			D1A						
13	AVERAGE COINCIDENT KW DEMAND	D1A	D1A D1B	4,605	2,911	1,194	454	0 0.000% 0	46 0.996% 46
13 14	AVERAGE COINCIDENT KW DEMAND DEMAND ALLOCATION FACTOR-PROD	D1A D1A		4,605 100.000%	2,911 63.222%	1,194 25.932%	454 9.850%	0.000%	46 0.996%
13 14 15	AVERAGE COINCIDENT KW DEMAND DEMAND ALLOCATION FACTOR-PROD AVERAGE COINCIDENT KW DEMAND	D1A D1A D1B		4,605 100.000% 4,605	2,911 63.222% 2,911	1,194 25.932% 1,194	454 9.850% 454	0 0.000% 0 0.000%	46 0.996% 46 0.996% 48
13 14 15 16	AVERAGE COINCIDENT KW DEMAND DEMAND ALLOCATION FACTOR-PROD AVERAGE COINCIDENT KW DEMAND DEMAND ALLOCATION FACTOR-TRANS	D1A D1A D1B D1B	D1B	4,605 100.000% 4,605 100.000%	2,911 63.222% 2,911 63.222%	1,194 25.932% 1,194 25.932%	454 9.850% 454 9.850%	0 0.000% 0 0.000%	46 0.996% 46 0.996%
13 14 15 16	AVERAGE COINCIDENT KW DEMAND DEMAND ALLOCATION FACTOR-PROD AVERAGE COINCIDENT KW DEMAND DEMAND ALLOCATION FACTOR-TRANS AVG PRIMARY DISTRIB KW DEMAND	D1A D1A D1B D1B	D1B	4,605 100.000% 4,605 100.000% 4,843	2,911 63.222% 2,911 63.222% 3,023	1,194 25.932% 1,194 25.932%	454 9.850% 454 9.850% 472	0 0.000% 0 0.000% 65 1.334%	46 0.996% 46 0.996% 48 0.983%
13 14 15 16 17 18	AVERAGE COINCIDENT KW DEMAND DEMAND ALLOCATION FACTOR-PROD AVERAGE COINCIDENT KW DEMAND DEMAND ALLOCATION FACTOR-TRANS AVG PRIMARY DISTRIB KW DEMAND DIST-PRI DEMAND ALLOC FACTOR	D1A D1A D1B D1B D2A D2A	D1B D2A	4,605 100.000% 4,605 100.000% 4,843 100.000%	2,911 63.222% 2,911 63.222% 3,023 62.422%	1,194 25.932% 1,194 25.932% 1,235 25.506%	454 9.850% 454 9.850% 472 9.755%	0 0.000% 0 0.000% 65 1.334%	46 0.996% 46 0.996% 48 0.983%
13 14 15 16 17 18	AVERAGE COINCIDENT KW DEMAND DEMAND ALLOCATION FACTOR-PROD AVERAGE COINCIDENT KW DEMAND DEMAND ALLOCATION FACTOR-TRANS AVG PRIMARY DISTRIB KW DEMAND DIST-PRI DEMAND ALLOC FACTOR AVG SECONDARY DISTRIB KW DEMAND	D1A D1A D1B D1B D2A D2A D3A	D1B D2A	4,605 100.000% 4,605 100.000% 4,843 100.000%	2,911 63.222% 2,911 63.222% 3,023 62,422% 3,023	1,194 25.932% 1,194 25.932% 1,235 25.506%	454 9.850% 454 9.850% 472 9.755%	0 0.000% 0 0.000% 65 1.334% 65	46 0.996% 46 0.996% 48 0.983% 48
13 14 15 16 17 18 19 20	AVERAGE COINCIDENT KW DEMAND DEMAND ALLOCATION FACTOR-PROD AVERAGE COINCIDENT KW DEMAND DEMAND ALLOCATION FACTOR-TRANS AVG PRIMARY DISTRIB KW DEMAND DIST-PRI DEMAND ALLOC FACTOR AVG SECONDARY DISTRIB KW DEMAND DIST-SEC DEMAND ALLOC FACTOR	D1A D1A D1B D1B D2A D2A D3A	D1B D2A D3A	4,605 100,000% 4,605 100,000% 4,843 100,000%	2,911 63,222% 2,911 63,222% 3,023 62,422% 3,023 62,422%	1,194 25.932% 1,194 25.932% 1,235 25.506%	454 9.850% 454 9.850% 472 9.755% 472 9.755%	0 0.000% 0 0.000% 65 1.334%	46 0.996% 46 0.996% 48 0.983%
13 14 15 16 17 18 19 20	AVERAGE COINCIDENT KW DEMAND DEMAND ALLOCATION FACTOR-PROD AVERAGE COINCIDENT KW DEMAND DEMAND ALLOCATION FACTOR-TRANS AVG PRIMARY DISTRIB KW DEMAND DIST-PRI DEMAND ALLOC FACTOR AVG SECONDARY DISTRIB KW DEMAND DIST-SEC DEMAND ALLOC FACTOR AVG SECONDARY DISTRIB KW DEMAND	D1A D1B D1B D2A D2A D3A D3A	D1B D2A D3A	4,605 100.000% 4,605 100.000% 4,843 100.000% 4,843	2,911 63,222% 2,911 63,222% 3,023 62,422% 3,023 62,422% 3,023	1,194 25.932% 1,194 25.932% 1,235 25.506% 1,235 25.506%	454 9.850% 454 9.850% 472 9.755% 472 9.755%	0 0.000% 0 0.000% 65 1.334% 65	46 0.996% 46 0.996% 48 0.983% 48

NOBLES COOPERATIVE ELECTRIC- SMEC CUSTOMERS
COST OF SERVICE STUDY
FOR TWELVE MONTHS ENDED
DECEMBER 31, 2016

······CUSTOMER DATA*******
CONTINUED ****

LINE NO.	DESCRIPTION	ALL	OUT	TOTAL SMEC	RESIDENTIAL	SMALI. COMMERCIAL	LARGE POWER	STREET LIGHTING	MUNICIPAL PUMPING
25	RESERVED			0	0	0	0	0	0
26	PERCENT OF TOTAL			0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
27	WAGES/SALARIES: PRODUCTION	NPP		\$0	\$0	\$0	\$0	\$0	\$0
28	TRANSMISSION	NPT		\$0	\$0	\$0	\$0	\$0	\$0
29	DISTRIBUTION	NPD		\$199,712	\$134,667	\$43,143	\$11,311	\$8,773	\$1,818
30	GENERAL	NPG		\$238,373	\$177,391	\$47,617	\$7,735	\$5,630	\$0
31	WAGES/SALARIES: TOTAL	LBR	LBR	\$438,085	\$312,058	\$90,760	\$19.046	\$14,403	\$1,818
32	PERCENT OF TOTAL	LBR		100.000%	71.232%	20,717%	4.348%	3.288%	0.415%
00	BULK TRANSMISSION REVENUE	DIA		\$0	\$0	\$0	\$0	\$0	\$0
33 34	PRIMARY TRANSMISSION REVENUE	D2A		\$0	\$0	\$0	\$0	\$0	\$0
35	TOTAL TRANSMISSION REVENUE	TRN	TRN	\$0	\$0	\$0	\$0	\$0	\$0
36	PERCENT OF TOTAL	TRN		100.000%	100.000%	0.000%	0.000%	0.000%	0.000%
	EXISTING REVENUE								
37	EXISTING BASE REV	OTR	OTR	\$2,536,989	\$1,536,551	\$662,722	\$273,280	\$40,785	\$23,651
38	FUEL REVENUE	FUL		\$0	\$0	\$0	\$0	\$0	\$0
39	MISCELLANEOUS REVENUE	NPD		\$40,694	\$27,810	\$8,791	\$2,305	\$1,788	\$0
40	TRANSMISSION REVENUE	TRN		\$0	\$0	\$0	\$0	\$0	\$0
41	NON-FRM SLS FOR RESALE	E1A		\$0	\$0	\$0	\$0	\$0	\$0
42	TOTAL EXISTING REVENUE	EXR	EXR	\$2,577,683	\$1,564,361	\$671,513	\$275,585	\$42,573	\$23,651
					======	======		255555	======
	PROPOSED REVENUE			\$2,795,402	\$1,797,953	\$689,323	\$252,121	\$30.078	\$25,927
43	PROPOSED BASE REV				\$1,797,953	*	\$0	\$0	\$0
44	FUEL REVENUE			\$0	\$27,810	• -	\$2,305	\$1,788	\$0
45	MISCELLANEOUS REVENUE			\$40,694	\$27,810		\$0	\$0	\$0
46	TRANSMISSION REVENUE			\$0		•	\$0	\$0	\$0
47	NON-FRM SLS FOR RESALE			\$0	50				
48	TOTAL PROPOSED REVENUE	PRV	PRV	\$2,836,096	\$1,825,763	\$698,114	\$254,426	\$31,866	\$25,927
-+0						7=====	=======		======
49	PROPOSED BASE REVENUE INCREASE/(D	ECREASE)		\$258,413	\$261,402	\$26,601	-\$21,159	-\$10,707	\$2,276
50	PROPOSED BASE REVENUE INCR/(DECR)			10.19%	17.01%	4.01%	-7.74%	-26.25%	9.62%
50	FROTOSED BASE REVENUE MACINIDEON								

NOBLES COOPERATIVE ELECTRIC- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

*****ELECTRIC GROSS PLANT****

LINE NO.	DESCRIPTION	ALL	OUT	TOTAL SMEC	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	STREET LIGHTING	MUNICIPAL PUMPING
1	TOTAL PRODUCTION PLANT	D1A	GPP	\$0	\$0	\$0	\$0	\$0	\$0
	TRANSMISSION PLANT								\$0
2	POWER PLANT EQUIP	D1A		\$0	\$0	\$0	\$0	\$0 \$0	\$0
3	LARGE POWER SERVICE EQUIP	DA1		\$0	\$0	\$0	\$0	\$0 \$0	\$0
4	OTHER DIST IN ACCT 353	D2A		\$0	\$0	\$0	\$0	\$0 \$0	\$0 \$0
5	ALL OTHER TRANSMISSION	D1B		\$0	\$0	\$0	\$0 	20	
6	TOTAL TRANSMISSION PLANT	GPT	GPT	\$0	\$0	\$0	\$0	\$0	\$0
	DISTRIBUTION PLANT							\$47.745	\$35,190
7	PRIMARY DEMAND RELATED	D4A		\$3,578,419	\$2.233,709	\$912,699	\$349,076	\$10,586	\$7,802
8	SECONDARY DEMAND RELATED	D3A		\$793,407	\$495,258	\$202,364	\$77,397	\$23,317	\$27,612
9	CUSTOMER RELATED	C4A		\$3,126,892	\$2,502,249	\$560,828	\$12,886	525,517	
					\$5,231,217	\$1,675,891	\$439,359	\$81,648	\$70,604
10	SUB-TOTAL DISTR PLANT		SGD	\$7,498,719	\$5,231,217	\$0,075,091	\$0	\$208,392	\$0
11	LIGHTING SPECIFIC	LDE		\$208,392	-				
12	TOTAL DISTRIBUTION PLANT	GPD	GPD	\$7,707,111	\$5,301,821	\$1,675,891	\$439,359	\$290,040	\$0
	GENERAL AND INTANGIBLE PLANT						••	\$0	\$0
13	PRODUCTION RELATED	GPP		\$0			\$0 \$0	\$0	\$0
14	TRANSMISSION RELATED	GPT		\$0			\$18,403	\$12,149	\$0
15	DISTRIBUTION RELATED	GPD		\$322,819	\$222,071	\$70,196	\$10,403	ψ12,143	•••
	CUST ACCT/SERV & INFO/					000 510	\$1,850	\$3,347	\$3,964
16	SALES RELATED	C2A		\$448,885		\$80,510	\$1,000	ψο,ο- <i>τ</i>	
17	TOTAL GENERAL & INTANGIBLE PLANT	GPG	GPG	\$771,704	_	\$150,706	\$20,253	\$15,496	\$3,964
	TOTAL GROSS PLANT IN SERVICE	GPR	GPR	\$8.478.815	\$5,883,106	\$1,826,597	\$459,612	\$305,536	\$3,964
18	TOTAL GROSS PLAINT IN SERVICE	Gi II	J	=======		******		======	

NOBLES COOPERATIVE ELECTRIC- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

LINE NO.	DESCRIPTION	ALL	OUT	TOTAL SMEC	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	STREET LIGHTING	MUNICIPAL PUMPING
1	TOTAL PRODUCTION PLANT	D1A	DPP	\$0	\$0	\$0	\$0	\$0	\$0
	TRANSMISSION PLANT								**
2	POWER PLANT EQUIP	D1B		\$0	\$0	\$0	\$0	\$0	\$0
3	LARGE POWER SERVICE EQUIP	DA1		\$0	\$0	\$0	\$0	\$0	\$0
4	OTHER DIST IN ACCT 353	D2A		\$0	\$0	\$0	\$0	\$0	\$0
5	ALL OTHER TRANSMISSION	DIA		\$0	\$0	\$0	\$0	\$0	\$0
6	TOTAL TRANSMISSION PLANT	DPT	DPT	\$0	\$0	\$0	\$0	\$0	\$0
	DISTRIBUTION PLANT							\$20,777	\$15.314
7	PRIMARY DEMAND RELATED	D4A		\$1,557,239	\$972,055	\$397,184	\$151,909	\$4,607	\$3,395
8	SECONDARY DEMAND RELATED	D3A		\$345,271	\$215,524	\$88,064	\$33,681	\$4,607	\$12,016
9	CUSTOMER RELATED	C4A		\$1,360,745	\$1,088,917	\$244,058	\$5,607	\$10,147	
			SDD	\$3,263,255	\$2,276,496	\$729,306	\$191,197	\$35,531	\$30,725
10	SUB-TOTAL DISTR PLANT	LDE	200	\$62,021	\$0	\$0	\$0	\$62,021	\$0
11	LIGHTING SPECIFIC	LDE		\$62,021					
12	TOTAL DISTRIBUTION PLANT	DPD	DPD	\$3,325,276	\$2,276,496	\$729,306	\$191,197	\$97,552	\$30,725
	GENERAL AND INTANGIBLE PLANT							\$0	\$0
13	PRODUCTION RELATED	GPP		\$0			\$0	\$0 \$0	\$0
14	TRANSMISSION RELATED	GPT		\$0			\$0	\$4.354	\$0
15	DISTRIBUTION RELATED	GPD		\$115,694	\$79,588	\$25,157	\$6,595	\$4,354	Ψ.
	CUST ACCT/SERV & INFO/						** ***	\$2.008	\$2,378
16	SALES RELATED	C2A		\$269,289	\$215,494	\$48,299	\$1,110	\$2,008	
17	TOTAL GENERAL & INTANGIBLE PLANT	DPG	DPG	\$384,983	\$295,082	\$73,456	\$7,705	\$6,362	\$2,378

18	TOTAL ACCUMULATED DEPRECIATION	DPR	DPR	\$3,710,259	\$2,571,578	\$802,762	\$198,902	\$103,914	\$33,103
10	TOTAL ROOMINGS TED BETTIES					======	======	======	=======================================

NOBLES COOPERATIVE ELECTRIC- SMEC CUSTOMERS
COST OF SERVICE STUDY
FOR TWELVE MONTHS ENDED
DECEMBER 31, 2016

*******ELECTRIC NET PLANT******

LINE		CONTROL	_	TOTAL		SMALL	LARGE	STREET	MUNICIPAL
NO.	DESCRIPTION	ALL	OUT	SMEC	RESIDENTIAL	COMMERCIAL	POWER	LIGHTING	PUMPING
1	TOTAL PRODUCTION PLANT	D1A	NPP	\$0	\$0	\$0	\$0	\$0	\$0
	TRANSMISSION PLANT							\$0	\$0
2	POWER PLANT EQUIP	D1B		\$0	\$0	\$0	\$0	*-	\$0
3	LARGE POWER SERVICE EQUIP	DA1		\$0	\$0	\$0	\$0	\$0 \$0	\$0 \$0
4	OTHER DIST IN ACCT 353	D2A		\$0	\$0	\$0	\$0		\$0
5	ALL OTHER TRANSMISSION	D1A		\$0	\$0	\$0	\$0	\$0 	
6	TOTAL TRANSMISSION PLANT	NPT	NPT	\$0	\$0	\$0	\$0	\$0	\$0
	DISTRIBUTION PLANT							200.000	\$19,876
7	PRIMARY DEMAND RELATED	D4A		\$2,021,181	\$1,261,655	\$515,515	\$197,167	\$26,968	\$19,876 \$4,407
8	SECONDARY DEMAND RELATED	D3A		\$448,136	\$279,734	\$114,300	\$43,716	\$5,979	\$15,596
9	CUSTOMER RELATED	C4A		\$1,766,147	\$1,413,332	\$316,770	\$7.279	\$13,170	\$15,590
			SPD	\$4,235,464	\$2,954,721	\$946,585	\$248,162	\$46,117	\$39,879
10	SUB-TOTAL DISTR PLANT		SPD	\$4,233,464 \$146,371	\$0	\$0	\$0	\$146,371	\$0
11	LIGHTING SPECIFIC	LDE		\$146,371					***
12	TOTAL DISTRIBUTION PLANT	NPD	NPD	\$4,381,835	\$2,954,721	\$946,585	\$248.162	\$192,488	\$39,879
	GENERAL AND INTANGIBLE PLANT							***	\$0
13	PRODUCTION RELATED	NPP		\$0			\$0	\$0 \$0	\$0
14	TRANSMISSION RELATED	NPT		\$0			\$0	\$0 \$7.795	\$0
15	DISTRIBUTION RELATED	NPD		\$207,125	\$142,483	\$45,039	\$11.808	\$7,7\$3	•••
	CUST ACCT/SERV & INFO/						6740	\$1,339	\$1,586
16	SALES RELATED	C2A		\$179,596	\$143,720	\$32,211	\$740		
17	TOTAL GENERAL & INTANGIBLE PLANT	NPG	NPG	\$386,721	\$286,203	\$77,250	\$12,548	\$9,134	\$1,586
18	TOTAL NET PLANT IN SERVICE	NPR	NPR	\$4,768,556	\$3,240,924	\$1,023,835	\$260,710	\$201,622	\$41,465
10	10 ME ILE I LE III W DE III E			=======			*******		±===±=

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NOBLES COOPERATIVE ELECTRIC- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

····· RATE BASE ·····

LINE NO.	DESCRIPTION	CONTRO ALL	L OUT	TOTAL SMEC	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	STREET LIGHTING	MUNICIPAL PUMPING
1	NET PLANT IN SERVICE	NPR	NPR	\$4,768,556	\$3,240,924	\$1,023,835	\$260,710	\$201,622	\$41,465
	CONSTRUCTION WORK IN PROGRESS								
2	PRODUCTION PLANT	NPP		\$0	\$0	\$0	\$0	\$0	\$0
3	TRANSMISSION PLANT	NPT		\$0	\$0	\$0	\$0	\$0	\$0
4	DISTRIBUTION PLANT	NPD		\$118,778	\$80,093	\$25,659	\$6,727	\$5,218	\$1,081
5	GENERAL PLANT	NPG		\$0	\$0	\$0	\$0	\$0	\$0
6	TOAL CWIP	CWP	CWP	\$118,778	\$80,093	\$25,659	\$6,727	\$5,218	\$1,081
7	NET ACQUISITION ADJUSTMENT	D2A	ACQ	\$390,736	\$243,904	\$99,660	\$38,116	\$5,213	\$3,843
8	PLANT HELD FOR FUTURE USE	E1A	PLH	\$0	\$0	\$0	\$0	\$0	\$0
	MISC DEFERRED DEBITS								
9	PROD RELATED	NPP		\$0	\$0	\$0	\$0	\$0	\$0
10	TRAN RELATED	NPT		\$0	\$0	\$0	\$0	\$0	\$0
11	DIST RELATED	NPD		\$4,848	\$3,269	\$1,047	\$275	\$213	\$44
12	GENR RELATED	NPG		\$0	\$0	\$0	\$0	\$0	\$0
13	LABOR RELATED	LBR		\$0	\$0	\$0	\$0	\$0	\$0
14	NPR RELATED	NPR		\$ 52,787	\$35,876	\$11,334	\$2,886	\$2,232	\$459
15	TOTAL MISC DEFRO DEBITS			\$57,635	\$39,145	\$12,381	\$3,161	\$2,445	\$ 503
	WORKING CAPITAL								
16	CASH WORK CAP, FUNDS, MAT&SUP	NPR	MAS	\$102,693	\$69,794	\$22,049	\$5,615	\$4,342	\$893
17	FUEL STOCK	E1A	FUL	\$0	\$0	\$0	\$0	\$0	\$0
18	PREPAID LIGNITE ROYALTIES	E1A		\$0	\$0	\$0	\$0	\$0	\$0
19	OTHER PREPAYMENTS	NPR		\$22,700	\$15,428	\$4,874	\$1,241	\$960	\$197
20	TOTAL WORKING CAPITAL			\$125,393	\$85,222	\$26,923	\$6,856	\$5,302	\$1,090
21	UNAMORTIZED LOSS ON REACQD LTD	NPR		\$0	\$0	\$0	\$0	\$0	\$0
22	DEFERRED FUEL	E1A	DEF	\$0	\$0	\$0	\$0	\$0	\$0

(RATE BASE CONTINUED ON NEXT PAGE)

NOBLES SMEC DIRECT ASSIGNMENT

PUBLIC DOCUMENT - TRADE SECRET DATA HAS BEEN EXCISED

NOBLES COOPERATIVE ELECTRIC- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

"CONTINUED"

LINE		CONTROL		TOTAL		SMALL	LARGE	STREET	MUNICIPAL PUMPING
NO.	DESCRIPTION	ALL	OUT	SMEC	RESIDENTIAL	COMMERCIAL	POWER	LIGHTING	
	ACCUMULATED DEFERRED INCOME TAX								
23	ACCT 281: POL CON	NPP		\$0	\$0	\$0	\$0	\$0	\$0
24	ACCT 282: LIBERAL DEP - PROD	NPP		\$0	\$0	\$0	\$0	\$0	\$0
25	TRAN	NPT		\$0	\$0	\$0	\$0	\$0	\$0
26	DIST	NPD		\$0	\$0	\$0	\$0	\$0	\$0
27	GENR	NPG		\$0	\$0	\$0	\$0	\$0	\$0
28	LIGNITE EXPLORATN	E1A		\$0	\$0	\$0	\$0	\$0	\$0
29	LABOR RELATED	LBR		\$0	\$0	\$0	\$0	\$0	\$0
30	TOTAL ACCOUNT 282			\$0	\$0	\$0	\$0	\$0	\$0
31	ACCT 283: THIS LINE RESERVED			\$0	\$0	\$0	\$0	\$0	\$0
32	LONG TERM DEBT LOSS	NPR		\$0	\$0	\$0	\$0	\$0	\$0
33	TOTAL ACCOUNT 283			\$0	\$0	\$0	\$0	\$0	\$0
34	ACCOUNT 190: PRODUCTION RELATED	NPP		\$0	\$0	\$0	\$0	\$0	\$0
35	PLANT RELATED	NPR		\$0	\$0	\$0	\$0	\$0	\$0
36	ENERGY RELATED	E1A		\$0	\$0	\$0	\$0	\$0	\$0
37	LABOR RELATED	LBR		\$0	\$0	\$0	\$0	\$0	\$0
38	FERC REFUND	TRN		\$0	\$0	\$0	\$0	\$0	\$0
39	TOTAL ACCOUNT 190			\$0	\$0	\$0	\$0	\$0	\$0
40	TOTAL ACCUM DEFRD INC TAX	ACC	ACC	\$0	\$0	\$0	\$0	\$0	\$0
41	INVESTMENT TAX CREDIT PRE '71	NPR	PIC	\$0	\$0	\$0	\$0	\$0	\$0
42	CUSTOMER ADVANCES AND DEPOSITS	СЗА	CAD	-\$9,882	-\$7,908	-\$1,772	-\$41	-\$74	-\$87
43	STORM DAMAGE & INJ & DAM RESRVS	D2A	SDR	\$0	\$0	\$0	\$0	\$0	\$0
44	PNSN & MIS OP RSRVS, OTR DEF CR	OMA	PEN	-\$141,942	-\$101,109	-\$29,407	-\$6,171	-\$4,666	-\$589
45	TRANSMISSION RATE REFUND RESERVE	TRN		\$0	\$0	\$0	\$0	\$0 	\$0
46	TOTAL RATE BASE	RBT	RBT	\$5,309,274	\$3,580,271	\$1,157,279	\$309,358	\$215,060	\$47,306
					======	======	======		======

NOBLES COOPERATIVE ELECTRIC- SMEC CUSTOMERS
COST OF SERVICE STUDY
FOR TWELVE MONTHS ENDED
DECEMBER 31, 2016

*******OPER AND MTN EXPENSES*******

INE		CONTROL	-	TOTAL		SMALL	LARGE	STREET	MUNICIPAL PUMPING
NO.	DESCRIPTION	ALL	OUT	SMEC	RESIDENTIAL	COMMERCIAL	POWER	LIGHTING	
	PRODUCTION O&M EXPENSE							40	\$0
1	FUEL EXPENSE - ACCT 501	E1A		\$0	\$0	\$0	\$0	\$0	20
	PURCHASED POWER - ACCT 555			ITD A INF	CECDET DA	TA BEGINS	TR	ADE SECRE	L DATA END
2	DEMAND - OTHER	D1A		TRADE	SECKET DA	IA BEGINS	11.	INDE DECINE	
3	ENERGY - OTHER	E1A					\$0	. \$0	\$0
4	NET OFF SYSTEM REVENUE	E1A		\$0	\$0	\$0	\$0	30	Ψυ
	OTHER PRODUCTION O&M ACCTS						****	\$0	\$96
5	DEMAND - OTHER	D1A		\$9,615	\$6,079	\$2,493	\$947	\$0 \$0	\$0
6	ENERGY - OTHER	E1A		\$0	\$0	\$0	\$0	\$ 0	
7	TOTAL OTHER PRODUCTION O&M	PRO	PRO	\$9,615	\$6,079	\$2,493	\$947	\$0	\$96
8	TOTAL PRODUCTION O&M EXPENSE	OMP	OMP	TRADE	SECRET DA	TA BEGINS	TR	ADE SECRE	T DATA END
9	TOTAL TRANSMISSION O&M EXPENSE	NPT	OMT	\$0	\$0	\$0	\$0	\$0	\$0
	DISTRIBUTION O&M EXPENSE			ITD A	SU SUCPLT	DATA BEGIN	TR	ADE SECRET	DATA END
10	LIGHTING SPECIFIC	LDE		[FR/M	DE SECKLI	DATA BLOTS	J 110	. IDE SECTE	
11	ALL OTHER	SPD							
12	TOTAL DISTRIBUTION O&M EXPENSE	OMD	OMD	TRADE	SECRET DA	TA BEGINS	TI	RADE SECRE	T DATA ÉN
	TOTAL CUST ACCT/SERV & INFO/	004	OMC	\$146.499	\$117,233	\$26,276	\$604	\$1,092	\$1,294
13	SALES EXPENSE	C2A	OMC	3140,455	\$117,200	020,2: 4			
	ADMINISTRATIVE & GENERAL EXPENSE								**
14	PROP INSURANCE/INJ & DAMG	NPR		\$0	\$0		\$0	\$0	\$0 #740
15	CUST ACCT/SERV&INFO/SALES REL	LBR		\$179,103	\$127,579		\$7,787	\$5,888	\$743
							\$7,787	\$5,888	\$743
16	TOTAL ADMIN & GENERAL EXPENSE	OMA	OMA	\$179,103	\$127,579	\$37,106	\$1,787	\$3,500	4 7.40
								RADE SECRE	
					SECRET DA	TA BEGINS			T DATA CAL

NOBLES COOPERATIVE ELECTRIC- SMEC CUSTOMERS
COST OF SERVICE STUDY
FOR TWELVE MONTHS ENDED
DECEMBER 31, 2016

EXPENSES OTHER THAN INCOME TAXES

LINE NO.	DESCRIPTION	CONTROL ALL	OUT	TOTAL SMEC	RESIDENTIAL.	SMALL COMMERCIAL	LARGE POWER	STREET LIGHTING	MUNICIPAL PUMPING
1	TOTAL OPER & MTN EXPENSES	ОМХ		[TRADE	SECRET DA	TA BEGINS	TR	ADE SECRE	T DATA ENDS]
	DEPRECIATION & AMORTIZATION EXPENSE	ES				-	**	\$0	\$0
2	PRODUCTION	NPP		\$0		\$0	\$0	\$0 \$0	\$0
3	TRANSMISSION	NPT		\$0		\$0	\$0	\$1,066	\$221
4	DISTRIBUTION	NPD		\$24,267	\$16,364	\$5,242	\$1,374	\$444	\$77
5	GENERAL	NPG		\$18,800	\$13,914	\$3,755	\$610	2444	Ψ7·
6	TOTAL DEPR & AMORT EXPEN	DEP	DEP	\$43,067	\$30.278	\$8,997	\$1,984	\$1,510	\$298
7	INTEREST ON CUSTOMER DEPOSITS	СЗА	ICD	\$0	\$0	\$0	\$0	\$0	\$0
	GENERAL TAXES							••	\$0
8	AD VALOREM	NPR	VAL	\$0		\$0	\$0	\$0	\$0 \$0
9	CORP FRANCHISE TAX	NPR	SFT	\$0			\$0	\$0 \$0	\$0 \$0
10	MISCELLANEOUS GENERAL TAXES	LBR	MIS	\$0			\$0	*-	\$0
11	REVENUE-RELATED (AS PROPOSED)	RTX		\$0	\$0	\$0	\$0	\$0	
12	TOTAL GENERAL TAXES	GTX	GTX	\$0	\$0	\$0	\$0	\$0	\$0
13	TOTAL EXPENSES EXCEPT INCOME TAX	EXP	EXP	TRADE	SECRET DA	TA BEGINS	Ti	RADE SECRI	ET DATA ENDS]

NOBLES COOPERATIVE ELECTRIC- SMEC CUSTOMERS
COST OF SERVICE STUDY
FOR TWELVE MONTHS ENDED
DECEMBER 31, 2016

"INCOME TAX FOR 8.55% ROE"

LINE NO.	DESCRIPTION	CONTROL ALL	OUT	TOTAL SMEC	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	STREET LIGHTING	MUNICIPAL PUMPING
1	RATE BASE	RBT		\$5,309,274	\$3,580,271	\$1,157,279	\$309,358	\$215,060	\$47,306
				\$296,440	\$199,902	\$64,616	\$17,273	\$12,008	\$2,641
2	RETURN AT 5.58%	RBT	RET		-\$53,673	-\$17,349	-\$4,638	-\$3,224	-\$709
3	INTEREST (1.50% OF LINE 1)	RBT	INT	-\$79,593	-\$53,673 \$0	-\$17,549 \$0	\$0	\$0	\$0
4	AFUDC	NPR	AFD	\$0	30	40	•		
	PROVISION FOR DEFERRED TAXES				\$0	\$0	\$0	\$0	\$0
5	ACT 410.1: PROD RLTD	NPP		\$0	\$0		\$0	\$0	\$0
6	TRAN RLTD	NPT		\$0	\$0 \$0		\$0	\$0	\$0
7	PLANT RLTD	NPR		\$0	\$0		\$0	\$0	\$0
8	ENERGY RLTD	E1A		\$0	•	1	\$0	\$0	\$0
9	LABOR RLTD	LBR		\$0	\$0		\$0	\$0	\$0
10	CUSTOMER RELATED	C3A		\$0	\$0		\$0	\$0	\$0
11	RESERVED			\$0	\$0				
12	TOTAL 410.1			\$0			\$0	\$0	\$0
		NPP		\$0	\$0	\$0	\$0	\$0	\$0
13	ACT 411.1: PROD RLTD	NPT		\$0			\$0	\$0	\$0
14	TRAN RLTD	NPR		\$0	-		\$0	\$0	\$0
15	PLANT RELATED			\$0			\$0	\$0	\$0
16	ENERGY RELATED	E1A LBR		\$0			\$0	\$0	\$0
17	LABOR RELATED			\$0			\$0	\$0	\$0
18	CUSTOMER RELATED	C3A			-				
19	TOTAL 411.1			\$0		\$0	\$0	\$0	\$0
20	NET PROVISION FOR DEFRD INC TAX		PDT	\$0	\$6	\$0	\$0	\$0	\$0
21	ITC AMORT	NPR	ITA	\$0			\$0	\$0 	\$ 0
22	ADJUSTED RETURN	ART	ART	\$216,847			\$12,635	\$8,784	\$1,932
	FED ADD INC & UNALLOW DEDUCTS								ėo.
23	PRODUCTION RELATED	NPP		\$0			\$0	\$0	
24	DISTRIBUTION RELATED	NPD		\$0	\$		\$0	\$0	
25	PLANT RELATED	NPR		\$0) \$		\$0	\$0	
26	ENERGY RELATED	E1A		\$6	\$		\$0	\$0	1
27	LABOR RELATED	LBR		\$6) \$		\$0	\$0	
28		TRN		\$1	3 \$		\$0	\$0	
29				\$6	D \$		\$0	\$0	-
30		СЗА		\$			\$0 	\$0	\$0
31	TOTAL ADDITIONS	FTA	FTA	\$	o \$	50 \$0	\$0	\$0	\$0

(INCOME TAX CALCULATION CONTINUED ON NEXT PAGE)

NOBLES COOPERATIVE ELECTRIC- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

""NCOME TAX FOR 8.55% ROE"
" CONTINUED ""

LINE		CONTROL	_	TOTAL		SMALL	LARGE	STREET	MUNICIPAL
NO.	DESCRIPTION	ALL	OUT	SMEC	RESIDENTIAL	COMMERCIAL	POWER	LIGHTING	PUMPING
	FED DEDUCTS AND NON-TAX INCOME			\$0	\$0	\$0	\$0	\$0	\$0
32	PRODUCTION RELATED	NPP		\$0	\$0	\$0	\$0	\$0	\$0
33	DISTRIBUTION RELATED	NPD		\$0	\$0	\$0	\$0	\$0	\$0
34	PLANT RELATED	NPR		•	\$0	\$0	\$0	\$0	\$0
35	ENERGY RELATED	E1A		\$0 \$0	\$0	\$0	\$0	\$0	\$0
36	LABOR RELATED	LBR		•-	\$0	\$0	\$0	\$0	\$0
37	TRANSMISSION REV RELATED	TRN		\$0	\$0	\$0	\$0	\$0	\$0
38	DISTRIBUTION CUSTOMER RELATED	C3A		\$0	20	———			
39	TOTAL DEDUCTIONS	FTD	FTD	\$0	\$0	\$0	\$0	\$0	\$0
40	NET FEDERAL DEDUCTIONS	NFD	NFD	\$0	\$0	\$0	\$0	\$0	\$0
		FTA		\$0	\$0	\$0	\$0	\$0	\$0
41	ST ADD INC & UNALLOW DEDUCTS	FTD		\$0	\$0	\$0	\$0	\$0	\$0
42	ST DEDUCTS AND NON-TAX INCOME	FID			 -				
43	NET STATE DEDUCTIONS	NSD	NSD	\$0	\$0	\$0	\$0	\$0	\$0
44	PROV FOR DEF'D ITC - CURRENT	NPR	ITC	\$0	\$0	\$0	\$0	\$0	\$0
	FEDERAL TAXABLE INCOME							to 704	\$1,932
45	ADJ RET * 1/(1-0.0000-0.0000)	ART	TART	\$216,847	\$146,229		\$12,635	\$8,784 \$0	\$1,932
46	NET FED DED * 1/(1-0.0000)	NFD		\$0	\$0		\$0	\$0 \$0	\$0
47	NET ST DED * (1/(1-0.0000))-1	NSD		\$0	\$0		\$0	\$0 \$0	\$0
48	CURRENT ITC * (1/1-0.00))-1	ITC		\$0	\$0		\$0	30	
49	TOTAL FEDERAL TAXABLE INCOME	FΠ	FTI	\$216,847	\$146,229	\$47,267	\$12,635	\$8,784	\$1,932
							••	\$0	\$0
50	PLUS: NET FED DEDUCTS	NFD		\$0			\$0	\$0 \$0	\$0
51	LESS: NET STATE DEDUCTS	NSD		\$0	\$0		\$0		
52	TOTAL STATE TAXABLE INCOME	STI	STI	\$216,847			\$12,635	\$8,784	\$1,932
	FED & ST INCOME TAXES:								
53	FED TAXABLE INC * 0.0000	FTI		\$0	\$0		\$0	\$0	\$0
54	ST. TAXABLE INC * 0.0000	STI		\$0	\$0		\$0	\$0	\$0
55	LESS: CRNT ITC * (1-0.0000)	ITC		\$0	\$0	\$0	\$0	\$0	\$0
	TOTAL FED & CT INCOME TAYES	FST	FST	\$0			\$0	\$0	\$0
56	TOTAL FED & ST INCOME TAXES	, 31	10.				======		*=====
57	INVESTMENT TAX CREDIT - NET	NPR	ITN	\$0	\$0	\$0	\$0	\$0	\$0

NOBLES COOPERATIVE ELECTRIC- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

" (PROPOSED)

LINE NO.	DESCRIPTION	CONTROL ALL	OUT	TOTAL SMEC	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	STREET LIGHTING	MUNICIPAL PUMPING
1	RATE BASE	RBT		\$5,309,274	\$3,580,271	\$1,157,279	\$309,358	\$215,060	\$47,306
2	RETURN AT 5.58%	RET		\$296,440	\$199,902	\$64,616	\$17,273	\$12,008	\$2,641
3	OPERATION & MAINTENANCE EXPENSES	ОМХ		[TRADE S	SECRET DAT	TA BEGINS	TR	ADE SECRE	FDATA ENDS]
4	DEPRECIATION & AMORT EXPENSES	DEP		\$43,067	\$30,278	\$8,997	\$1,984	\$1,510	\$298
5	INTEREST ON CUSTOMER DEPOSITS	1CD		\$0	\$0	\$0	\$0	\$0	\$0
6	GENERAL TAXES	GTX		\$0	\$0	\$0	\$0	\$0	\$0
7	FEDERAL AND STATE INCOME TAX	FST		\$0	\$0	\$0	\$0	\$0	\$0
8	PROVISION FOR DEFERRED TAXES	PDT		\$0	\$0	\$0	\$0	\$0	\$0
9	INVESTMENT TAX CREDIT - NET	ITN		\$0	\$0	\$0	\$0	\$0	\$0
10	AFUDC	AFD		\$0	\$0	\$0	\$0	\$0	\$0
11	COST OF SERVICE REVENUE REQUIREMEN BEFORE ATTRITION ADJUSTMENT	T CSR	CSR	\$2,836,096	\$1,825,763	\$698,114	\$254,426	\$31,866	\$25,927
12	LESS: FUEL REVENUE	FUL		\$0	\$0	\$0	\$0	\$0	\$0
13	BASE COST OF SERVICE REVENUE REQUIREMENT	BRR	BRR	\$2,836,096	\$1,825,763	\$698,114	\$254,426	\$31,866	\$25,927
14	ATTRITION ADJUSTMENT	BRR		\$0	\$0	\$0	\$0 	\$0 	\$0
15	BASE COST OF SERVICE REVENUE REQUIR AFTER ATTRITION ADJUSTMENT	REMENT ARR	ARR	\$2,836,096	\$1,825,763	\$698,114	\$254,426	\$31,866	\$25,927
16	PLUS: FUEL REVENUE	FUL		\$0	\$0	\$0	\$0 	\$0 	\$0
17	COST OF SERVICE REVENUE REQUIREMENT	ΙT		\$2,836,096	\$1,825,763	\$698,114	\$254,426	\$31,866	\$25,927
18	LESS: MISCELLANEOUS REVENUE			-\$40,694	-\$27,810	-\$8,791	-\$2,305	-\$1,788	\$0
19	LESS: BULK TRANSMISSION REVENUE			\$0	\$	\$0	\$0	\$0	\$0
20	LESS: PRIMARY TRANSMISSION REVENUE			\$0) \$6	\$0	\$0	\$0	\$0
21	LESS: NON-FRM SLS FOR RESALE			\$0	\$0	\$0	\$0	\$0	\$ 0
22	NET ELECTRIC REVENUE REQUIREMENT			\$2,795,402 			\$252,121 ======	\$30,078	\$25,927

NOBLES COOPERATIVE ELECTRIC- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

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EXISTING RETURN AND INCOME TAX

LINE NO.	DESCRIPTION	CONTRO ALL	OUT	TOTAL SMEC	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	STREET LIGHTING	MUNICIPAL PUMPING
1	EXISTING REVENUE	EXR		[TRADE S	ECRET DA	TA BEGINS	TR	ADE SECRE	T DATA ENDS
	REVENUE DEDUCTIONS:	OHV							
2	O&M EXPENSES	OMX DEP		-\$43,067	-\$30,278	-\$8,997	-\$1,984	-\$1,510	-\$298
3 4	DEPRECIATION & AMORT EXPENSES AD VALOREM TAXES	VAL		\$0	-\$30,270 \$0	\$0	\$0	\$0	\$0
5	CORP FRANCHISE TAX	SFT		\$0	\$0	\$0	\$0	\$0	\$0
6	MISC GENERAL TAXES	MIS		\$0	\$0	\$0	\$0	\$0	\$0
7	REVENUE-RELATED TAXES	RTX		\$0	\$0	\$0	\$0	\$0	\$0
8	INTEREST ON CUST DEPOSITS	ICD		\$0	\$0	\$0	\$0	\$0	\$0
9	TOTAL REVENUE DEDUCTIONS			[TRADE	SECRET DA	TA BEGINS	TRAD	E SECRET I	DATA ENDS]
10	NET FOR RETURN AND INCOME TAXES	NET	NET	\$38,027	-\$61,500	\$38,015	\$38,432	\$22,715	\$365
11	LESS: INTEREST EXPENSE	INT		-\$79,593	-\$53,673	-\$17,349	-\$4,638	-\$3,224	-\$709
12	LESS: NET FEDERAL DEDUCTIONS	NFD		\$0	\$0	\$0	\$0	\$0	\$0
13	TOTAL FEDERAL TAXABLE INCOME			-\$41,566	-\$115,173	\$20,666	\$33,794	\$19,491	-\$344
14	PLUS: NET FEDERAL DEDUCTIONS	NFD		\$0	\$0	\$0	\$0	\$0	\$0
15	LESS: NET STATE DEDUCTIONS	NSD		\$0	\$0	\$0	\$0	\$0	\$0
16	TOTAL STATE TAXABLE INCOME			- \$41 ,566	-\$115,173	\$20,666	\$33,794	\$19,491	-\$344
	FED AND ST INCOME TAXES								
17	FED TAXABLE INC * 0.0000			\$0	\$0	\$0	\$0	\$0	\$0
18	ST. TAXABLE INC * 0.0000			\$0	\$0	\$0	\$0	\$0	\$0
19	LESS: CRNT ITC * (1-0.0000)			\$0	\$0	\$0 	\$0 	\$0 	\$0
20	TOTAL FED & ST INCOME TAXES			\$0	\$0	\$0	\$0	\$0	\$0
	*****RETURN COMPUTATION*****								
21	NET FOR RETURN AND INCOME TAXES	NET		\$38,027	-\$61,500	\$38,015	\$38,432	\$22,715	\$365
22	FED & ST INCOME TAXES			\$0	\$0	\$0	\$0	\$0 \$0	\$0 \$0
23	PROV FOR DEF TAXES	PDT		\$0	\$0	\$0 \$0	\$0 \$0	\$0 \$0	\$0 \$0
24	INVESTMENT TAX CREDIT - NET	ITN		\$0 \$0	\$0 \$0	\$0 \$0	\$0	\$0	\$0
25	AFUDC	AFD							
26	NET RETURN			\$38,027	-\$61,500	\$38,015	\$38,432	\$22,715	\$365
27	RATE BASE	RBT		\$5,309,274	\$3,580,271	\$1,157,279	\$309,358	\$215,060	\$47,306
28	RETURN ON RATE BASE	ROR		0.72%	-1.72%	3,28%	12.42%	10.56%	0.77%
29	NON-EQUITY PORTION OF RETURN	DA3		-1.50%	-1.50%	-1.50%	-1.50%	-1.50%	-1.50%
30	EQUITY PORTION OF EXISTING RETRN	DA3		-0.78%	-3.22%	1.78%	10.92%	9.06%	-0.73%
31	EXISTING RETURN ON EQUITY	DA3	ROE	-1.63%	-6.74%	3.73%	22.86%	18.97%	-1.53%

NOBLES COOPERATIVE ELECTRIC- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

"PROPOSED RETURN AND INCOME TAX"

INE		CONTROL	_	TOTAL		SMALL	LARGE	STREET	MUNICIPAL
NO.	DESCRIPTION	ALL	OUT	SMEC	RESIDENTIAL	COMMERCIAL	POWER	LIGHTING	PUMPING
1	PROPOSED REVENUE	PRV		\$2,836,096	\$1,825,763	\$698,114	\$254,426	\$31,866	\$25,927
•	REVENUE DEDUCTIONS:			CED A DU	SECRET DAT	A DECINE	TDA	DE SECRET	DATA ENI
2	O&M EXPENSES	OMX		[TKADE S					-\$298
3	DEPRECIATION & AMORT EXPENSES	DEP		-\$43,067	-\$30,278	-\$8,997	-\$1,984	-\$1,510 \$0	-⊅≥96 \$0
4	AD VALOREM TAXES	VAL		\$0	\$0	\$0	\$0	\$0 \$0	\$0
5	CORP FRANCHISE TAX	SFT		\$0	\$0	\$0	\$0	\$0 \$0	\$0
6	MISC GENERAL TAXES	MIS		\$0	\$0	\$0	\$0	\$0 \$0	\$0
7	REVENUE-RELATED TAXES	RTX		\$0	\$0	\$0	\$0	\$0 \$0	\$0
8	INTEREST ON CUST DEPOSITS	ICD		\$0	\$0 	\$0	\$0 		
9	TOTAL REVENUE DEDUCTIONS			TRADE	SECRET DA	TA BEGINS	TRAC	DE SECRET I	DATA ENDS —
10	NET FOR RETURN AND INCOME TAXES	NET	NET	\$296,440	\$199,902	\$64,616	\$17,273	\$12,008	\$2,641
	LESS: INTEREST EXPENSE	INT		-\$79,593	-\$53,673	-\$17,349	-\$4,638	-\$3,224	-\$709
11	LESS: NET FEDERAL DEDUCTIONS	NFD		\$0	\$0	\$0	\$0	\$0	\$0
12	LESS. NET FEDERAL DEDOCTIONS								
13	TOTAL FEDERAL TAXABLE INCOME			\$216,847	\$146,229	\$47,267	\$12,635	\$8,784	\$1,932
14	PLUS: NET FEDERAL DEDUCTIONS	NFD		\$0	\$0	\$0	\$0	\$0	\$0
15	LESS: NET STATE DEDUCTIONS	NSD		\$0	\$0	\$0	\$0	\$0	\$(
15	LESS. NET STATE DESCRIPTIONS								
16	TOTAL STATE TAXABLE INCOME			\$216,847	\$146,229	\$47,267	\$12,635	\$8,784	\$1,932
	FED AND ST INCOME TAXES						••	\$0	Si
17	FED TAXABLE INC * 0.0000			\$0		\$0	\$0	\$0 \$0	\$
18	ST. TAXABLE INC * 0.0000			\$0		\$0	\$0	\$0	\$
19	LESS: CRNT ITC * (1-0.0000)			\$0	\$0	\$0	\$0		•
20	TOTAL FED & ST INCOME TAXES			\$0	\$0	\$0	\$0	\$0	\$
	*****RETURN COMPUTATION*****								40.04
21	NET FOR RETURN AND INCOME TAXES	NET		\$296,440	\$199,902		\$17,273	\$12,008	
22	FED & ST INCOME TAXES			\$0			\$0	\$0	
23	PROV FOR DEF TAXES	PDT		\$0			\$0	\$0	
24	INVESTMENT TAX CREDIT - NET	ITN		\$0			\$0	\$0 \$0	-
25	AFUDC	AFD		\$(\$0 	\$0 		
26	NET RETURN			\$296,44	•	\$64,616	\$17,273	\$12,008	\$2,64
27	RATE BASE	RBT		\$5,309,27	4 \$3.580,271	\$1,157,279	\$309,358	\$215,060	\$47,30
	OCTUDE ON DATE SASE	ROR		5.58%	6 5.58%	5.58%	5.58%	5.58%	
	RETURN ON RATE BASE	DA3		-1.50%	-		-1.50%	-1.50%	
28									
28 29 30	NON-EQUITY PORTION OF RETURN EQUITY PORTION OF EXISTING RETRN	DA3		4.089	4.08%	4.08%	4.08%	4.08%	4.08° 8.55°

NOBLES COOPERATIVE ELECTRIC- SMEC CUSTOMERS
COST OF SERVICE STUDY
FOR TWELVE MONTHS ENDED
DECEMBER 31, 2016

COST OF SERVICE SUMMARY

LINE		CONTROL		TOTAL SMEC	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	STREET LIGHTING	MUNICIPAL PUMPING
NO.	DESCRIPTION	ALL	OUT						
	NET PLANT IN SERVICE:				40	\$0	\$0	\$0	\$0
1	PRODUCTION PLANT	NPP		\$0	\$0	\$0 \$0	\$0	\$0	\$0
2	TRANSMISSION PLANT	NPT		\$0	\$0	\$946,585	\$248,162	\$192,488	\$39,879
3	DISTRIBUTION PLANT	NPD		\$4,381,835	\$2,954,721	\$77,250	\$12.548	\$9,134	\$1,586
4	GENERAL PLANT	NPG		\$386,721	\$286,203	\$77,250			
5	TOTAL NET ELECTRIC PLANT	NPR		\$4,768,556	\$3,240,924	\$1,023,835	\$260,710	\$201,622	\$41,465
6	CONST. WORK IN PROGRESS	CWP		\$118,778	\$80,093	\$25,659	\$6,727	\$5,218	\$1,081
7	ACQUISITION ADJUSTMENT	ACQ		\$390,736	\$243,904	\$99,660	\$38,116	\$5,213	\$3,843
8	PI ANT HELD FOR FUTURE USE	PLH		\$0	\$0	\$0	\$0	\$0	\$0
9	TOTAL MISC DEFRO DEBITS			\$57,635	\$39,145	\$12,381	\$3,161	\$2,445	\$503
3	WORKING CAPITAL:								
10	CASH WORK CAP, FUNDS, MAT&SUP	MAS		\$102,693	\$69,794	\$22,049	\$5,615	\$4,342	\$893
11	FUEL STOCK	FUL		\$0	\$0	\$0	\$0	\$0	\$0
12	PREPAID LIGNITE ROYALTIES	E1A		\$0	\$0	\$0	\$0	\$0	\$0
13	OTHER PREPAYMENTS	NPR		\$22,700	\$15,428	\$4,874	\$1,241	\$960	\$197
14	UNAMORTIZED LOSS ON REACQD LTD	NPR		\$0	\$0	\$0	\$0	\$0	\$0
15	DEFERRED FUEL	DEF		\$0	\$0	\$0	\$0	\$0	\$0
16	ACCUMULATED DEFERRED INCOME TAX	ACC		\$0	\$0	\$0	\$0	\$0	\$0
17	PRE-1971 INVESTMENT TAX CREDIT	PIC		\$0	\$0	\$0	\$0	\$0	\$0
18	CUSTOMER ADVANCES AND DEPOSITS	CAD		-\$9,882	-\$7,908	-\$1,772	-\$41	-\$74	-\$87
19	STORM DAMAGE/INJ & DAM RESRVS	SDR		\$0	\$0	\$0	\$0	\$0	\$0
20	PNSN & MIS OP RSRVS, OTR DEF CRS	PEN		-\$141,942	-\$101,109	-\$29,407	-\$6,171	-\$4,666	-\$589
21	TRANSMISSION RATE REFUND RESERVE	TRN		\$0	\$0	\$0	\$0	\$0	\$0
22	AVERAGE ORIGINAL COST RATE BASE	RBT		\$5.309,274	\$3,580,271	\$1,157,279	\$309,358	\$215,060	\$47,306
23	RETURN AT 5.58%	RET		\$296,440	\$199,902	\$64,616	\$17,273	\$12,008	\$2,641
	OPERATION & MAINTENANCE EXPENSES								TO THE PAIR
		OMP		TRADE	SECRET DA	TA BEGINS	TR	ADE SECKI	ET DATA END
24	PRODUCTION O&M	OMT		\$0			\$0	\$0	\$0
25	TRANSMISSION O&M	OMD				ATA BEGINS	TRA	DE SECRET	DATA ENDS
26	DISTRIBUTION O&M	OMC		\$146,499			\$604	\$1,092	\$1,294
27 28	CUST ACCT/SERV/SALES ADMINISTRATIVE & GENERAL	OMA		\$179,103		\$37,106	\$7,787	\$5,888	\$743
		OMX		ITRAL	DE SECRET I	DATA BEGINS	TR.	ADE SECRET	DATA ENDS
29	TOTAL OPER & MAIN EXPENSES	OWIX		[110.00					
30	DEPRECIATION & AMORT EXPENSES	DEP		\$43,06	7 \$30,27		\$1,984	\$1,510	\$298
31	INTEREST ON CUSTOMER DEPOSITS	ICD		\$1	o \$1	50	\$0	\$0	
32	GENERAL TAXES	GTX		\$	o \$		\$0	\$0	
33	FED & ST INCOME TAX	FST		\$	0 \$		\$0	\$0	
34	PROV FOR DEF TAXES	PDT		\$	0 \$	-	\$0	\$0	
35	INVESTMENT TAX CREDIT - NET	ITN		\$	0 \$		\$0	\$0	
36	AFUDC	AFD		\$			\$0	\$0	\$0
	OODT OF SERVICE DEVENUE BEOT	CSR		\$2,836,09		-	\$254,426	\$31,866	\$25,927
37	COST OF SERVICE REVENUE REQT	CON		ΨΕ,000,00		= ======	======		

NOBLES COOPERATIVE ELECTRIC- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

LINE

COST OF SERVICE COMPARISON

CONTROL TOTAL SMALL LARGE STREET MUNICIPAL MPUC Docket Nos. E-001, 115, 140, 105, 139, 124, 126, 146, 132, 114, 6521, 142, 135/PA-14-322

NO.	DESCRIPTION	ALL	OUT	SMEC	RESIDENTIAL	COMMERCIAL	POWER	LIGHTING	PUMPING
	··· OTHER REVENUE INCLUDED ···								
1	COST OFF SERVICE REVENUE REQT			\$2,836,096	\$1.825,763	\$698,114	\$254.426	\$31,866	\$25,927
2	EXISTING REVENUE			\$2,577,683	\$1,564,361	\$671,513	\$275,585	\$42,573	\$23,651
3	REVENUE DEFICIENCY			\$258,413	\$261,402	\$26,601	-\$21,159	-\$10,707	\$2,276
4	REQUIRED INCREASE (%)			10.03%	16.71%	3.96%	-7.68%	-25.15%	9.62%
5	EXISTING RATE OF RETURN-AS ADJ.			0.72%	-1.72%	3.28%	12.42%	10.56%	0.77%
6	EXISTING ROR AS % OF OVERALL ROR-AS AD	J.		100.00%	-238.89%	455.56%	1725.00%	1466.67%	106.94%
7	EXISTING RETURN ON EQUITY-AS ADJ.			-1.63%	-6.74%	3.73%	22.86%	18.97%	-1.53%
8	EXISTING ROE AS % OF OVERALL ROE-AS AD	J.		100.00%	413.50%	-228.83%	-1402.45%	-1163.80%	93.87%
9	PROPOSED RATE OF RETURN-AS ADJ			5.58%	5.58%	5.58%	5.58%	5.58%	5.58%
10	PROPOSED RETURN ON EQUITY-AS ADJ			8.55%	8.55%	8.55%	8.55%	8.55%	8.55%
	··· OTHER REVENUE EXCLUDED ···								
11	COST OF SERVICE REVENUE REQT			\$2,795,402	\$1.797,953	\$689,323	\$252,121	\$30,078	\$25,927
12	EXISTING REVENUE			\$2,536,989	\$1,536,551	\$662,722	\$273,280	\$40,785	\$23,651
13	REVENUE DEFICIENCY			\$258,413	\$261,402	\$26,601	-\$21,159	-\$10,707	\$2,276
14	REQUIRED INCREASE (%)			10.19%	17.01%	4.01%	-7.74%	-26.25%	9.62%
15	EXISTING RATE OF RETURN - UNADJ			0.72%	-1.72%	3.28%	12.42%	10.56%	0.77%
16	EXISTING ROR AS % OF OVERALL ROR-UNAD	J.		100.00%	-238.89%	455.56%	1725.00%	1466.67%	106.94%
17	EXISTING RETURN ON EQUITY-UNADJ			-1.63%	-6.74%	3.73%	22.86%	18.97%	-1.53%
18	EXISTING ROE AS % OF OVERALL ROE-UNAD	J.		100.00%	413.50%	-228.83%	-1402.45%	-1163.80%	93.87%
19	PROPOSED RATE OF RETURN - UNADJ			5.58%	5.58%	5.58%	5.58%	5.58%	5.58%
20	PROPOSED RETURN ON EQUITY-UNADJ			8.55%	8.55%	8.55%	8.55%	8.55%	8.55%

NOBLES COOPERATIVE ELECTRIC- SMEC CUSTOMERS

COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

DECEMBER 31, 2010	TOTAL		SMALL	LARGE	STREET	MUNICIPAL
PROPOSED MILLS/KWH	SMEC	RESIDENTIAL	COMMERCIAL	POWER	LIGHTING	PUMPING

1 EXISTING BASE REV	107.83	111.58	105.59	91.71	144.10	109.01
2 FUEL REVENUE	0.00	0.00	0.00	0.00	0.00	0.00
2 TOLETICATION		*****				
3 TOTAL MILLS / KWH	107.83	111.58	105.59	91.71	144.10	109.01
	=====	======		======	======	=====
4 PROPOSED BASE REV	118.81	130.56	109.83	84.61	106.27	119.50
	0.00	0.00	0.00	0.00	0.00	0.00
5 FUEL REVENUE						
6 TOTAL MILLS / KWH	118.81	130.56	109.83	84.61	106.27	119.50
0 TOTAL MILEOT MILEO		======	======	======	=====	=====

PEOPLE'S COOPERATIVE SERVICES CLASS COST OF SERVICE FOR MPSC COMPLIANCE FILING SCENARIO 2: SMEC DIRECT ASSIGNMENT

LINE NO.		CLASS	COSS BASED REVENUE ALLOCATION	EXISTING REVENUE ALLOCATION	DII	FERENCE	PERCENT DIFFERENCE
1 2 3 4 5 6 7 8	LEGACY:	RESIDENTIAL RURAL RESIDENTIAL URBAN PUBLIC AUTHORITIES SEASONAL SMALL COMMERCIAL LARGE COMMERCIAL STREET LIGHTING TOTAL LEGACY	\$29,715,447 \$520,627 \$46,762 \$22,051 \$4,504,447 \$159,911 \$84,211 \$35,053,456	\$27,104,892 \$509,433 \$48,239 \$20,234 \$5,100,994 \$252,910 \$92,037 \$33,128,738	\$ \$ \$ \$ \$ \$	2,610,555 11,194 (1,477) 1,817 (596,547) (92,999) (7,826) 1,924,718	9.63% 2.20% -3.06% 8.98% -11.69% -36.77% -8.50% 5.81%
9 10 11 12 13 14 15 16 17	SMEC	RESIDENTIAL SMALL COMMERCIAL LARGE POWER LIGHTING MUNICIPAL PUMPING TOTAL SMEC TOTAL COMPANY MISC. REVENUES		\$1,917,404 \$3,425,202 \$107,145 \$213,287 \$12,043,207 \$45,171,945 \$92,741	\$ \$ \$ \$	690,274 (142,192) (396,703) (49,459) 25,257 \$127,177 2,051,895	-11.58% -46.16% 11.84%
19 20 21 22 23 24 25 26 27 28	CONSOLID	RESIDENTIAL RURAL RESIDENTIAL URBAN PUBLIC AUTHORITIES SEASONAL SMALL COMMERCIAL LARGE COMMERCIAL STREET LIGHTING MISC. REVENUES TOTAL COMPANY	\$520,627 \$285,306 \$22,051 \$6,279,659 \$3,188,410 \$141,897 \$47,223,840 \$92,741	\$261,526 \$20,234 \$7,018,397 \$3,678,112 \$199,182 \$45,171,945	\$ \$ \$ \$ \$ \$ \$	2,051,895	2.20% 9.09% 8.98%) -10.53%) -13.31%) -28.76% 4.54% 0.00%

PEOPLE'S COOPERATIVE SERVICES- SMEC CUSTOMERS

PAGE 1

FILESPEC: K:\RATERES\COS\93RESALE\COS1292.WK3

STUDY DAT	E:		DECEMBER 31, 2016
RUN DATE	AND TIME:	16-Oct-17	08:48 AM
RETURN OF	N COMMON EQUITY		8.95%
OVERALL R	ATE OF RETURN		5.18%
CAPITALIZA	ATION:		
	OUTSTANDING	EFFECTIVE RATE	COMPOSITE
DBT	\$90,737,230	3.18%	2.08%
PRF		0.00%	0.00%
CMN	\$48,214,320	8.95%	3.10%
FEDERAL E	FFECTIVE INCOME T	AX RATE	0.00%
FEDERAL N	IOMINAL INCOME TA	KRATE	0.00%
STATE EFF	ECTIVE INCOME TAX	0.00%	
STATE NON	INAL INCOME TAX R	0.00%	

NOTATIONS: THIS RUN ALLOCATES ALL PLANT ON AVG OF 12 CP

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PEOPLE'S COOPERATIVE SERVICES- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

······CUSTOMER DATA******

LINE NO.	DESCRIPTION	CONTRO ALL	L OUT	TOTAL SMEC	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	LIGHTING	MUNICIPAL PUMPING
								18	17
1	NUMBER OF CUSTOMERS	C1A	C1A	6,996	6,154	772	34	_	0.243%
2	PERCENT OF TOTAL	C1A		100.000%	87.976%	11.029%	0.492%	0.261%	0.243%
3	NUMBER OF WEIGHTED CUSTOMERS	C2A	C2A	6.996	6.154	772	34	18	17
4	PERCENT OF TOTAL	C2A	OZ.	100.000%	87.976%	11.029%	0.492%	0.261%	0.243%
					0.454	772	34	18	17
5	NUMBER OF RETAIL DISTR CUSTOMERS	C3A	C3A	6,996	6,154	–	0.492%	0.261%	0.243%
6	PERCENT OF TOTAL	СЗА		100.000%	87.976%	11.029%	0.492%	0.201%	0.24376
7	NMBR OF RETAIL WTD CUSTOMERS	C4A	C4A	6,996	6,154	772	34	18	17
8	PERCENT OF TOTAL	C4A		100.000%	87.976%	11.029%	0.492%	0.261%	0.243%
	A SANTON OF THE SANTON	LDE	LDE	1	0	0	0	1	0
9	LIGHTING DIRECT ALLOCATOR	LDE	LUE	100.000%	0.000%	0.000%	0.000%	100.000%	0.000%
10	PERCENT OF TOTAL	LDE		100.00076	0.00070	3,000			
11	LPS DIRECT ALLOCATOR	DA1	DA1	0	0	0	0	0	0
12	PERCENT OF TOTAL	DA1		#DIV/0!	#D{V/0!	#DIV/0!	#D I V/0!	#DIV/0!	#DIV/0!
40	AVERAGE COINCIDENT KW DEMAND	D1A	D1A	21.568	12.034	3,199	5,819	0	517
13	DEMAND ALLOCATION FACTOR-PROD		Din				26.978%	0.0000/	2.396%
14		D1A		100 000%	55.795%	14.831%	20.970%	0.000%	
	DEMAND ALLOCATION PACTOR-PROD	D1A		100.000%	55.795%	14.831%			
15		D1A D1B	D1B	100.000%	55.795% 12,034	14.831% 3,199	5,819	0.000%	517
15 16	AVERAGE COINCIDENT KW DEMAND DEMAND ALLOCATION FACTOR-TRANS		D1B			3,199			
16	AVERAGE COINCIDENT KW DEMAND DEMAND ALLOCATION FACTOR-TRANS	D1B D1B		21,568 100.000%	12,034 55.795%	3,199 14.831%	5,819 26.978%	0	517
16	AVERAGE COINCIDENT KW DEMAND DEMAND ALLOCATION FACTOR-TRANS AVG PRIMARY DISTRIB KW DEMAND	D1B D1B	D1B D2A	21,568 100.000% 22,571	12,034 55.795% 12,497	3,199 14.831% 3,346	5,819 26.978% 6,052	0.000%	517 2.396%
16	AVERAGE COINCIDENT KW DEMAND DEMAND ALLOCATION FACTOR-TRANS	D1B D1B		21,568 100.000%	12,034 55.795%	3,199 14.831% 3,346	5,819 26.978%	0 0.000% 159	517 2.396% 517
16 17 18	AVERAGE COINCIDENT KW DEMAND DEMAND ALLOCATION FACTOR-TRANS AVG PRIMARY DISTRIB KW DEMAND DIST-PRI DEMAND ALLOC FACTOR	D1B D1B		21,568 100.000% 22,571	12,034 55.795% 12,497	3,199 14.831% 3,346 14.826%	5,819 26.978% 6,052	0 0.000% 159 0.706%	517 2.396% 517 2.289%
16	AVERAGE COINCIDENT KW DEMAND DEMAND ALLOCATION FACTOR-TRANS AVG PRIMARY DISTRIB KW DEMAND	D1B D1B D2A D2A	D2A	21,568 100.000% 22,571 100.000%	12,034 55.795% 12,497 55.368%	3,199 14.831% 3,346 14.826% 3,346	5,819 26,978% 6,052 26,811%	0 0.000% 159 0.706%	517 2.396% 517 2.289%
16 17 18 19 20	AVERAGE COINCIDENT KW DEMAND DEMAND ALLOCATION FACTOR-TRANS AVG PRIMARY DISTRIB KW DEMAND DIST-PRI DEMAND ALLOC FACTOR AVG SECONDARY DISTRIB KW DEMAND DIST-SEC DEMAND ALLOC FACTOR	D1B D1B D2A D2A D3A D3A	D2A D3A	21,568 100.000% 22,571 100.000% 22,571 100.000%	12,034 55.795% 12,497 55.368% 12,497 55.368%	3,199 14.831% 3,346 14.826% 3,346 14.826%	5,819 26,978% 6,052 26,811% 6,052 26,811%	0 0.000% 159 0.706%	517 2.396% 517 2.289%
16 17 18 19 20	AVERAGE COINCIDENT KW DEMAND DEMAND ALLOCATION FACTOR-TRANS AVG PRIMARY DISTRIB KW DEMAND DIST-PRI DEMAND ALLOC FACTOR AVG SECONDARY DISTRIB KW DEMAND DIST-SEC DEMAND ALLOC FACTOR AVG SECONDARY DISTRIB KW DEMAND	D1B D1B D2A D2A D3A D3A	D2A	21,568 100.000% 22,571 100.000% 22,571 100.000%	12,034 55.795% 12,497 55.368% 12,497 55.368%	3,199 14.831% 3,346 14.826% 3,346 14.826%	5,819 26.978% 6,052 26.811% 6,052 26.811%	0 0.000% 159 0.706% 159 0.706%	517 2.396% 517 2.289% 517 2.289%
16 17 18 19 20	AVERAGE COINCIDENT KW DEMAND DEMAND ALLOCATION FACTOR-TRANS AVG PRIMARY DISTRIB KW DEMAND DIST-PRI DEMAND ALLOC FACTOR AVG SECONDARY DISTRIB KW DEMAND DIST-SEC DEMAND ALLOC FACTOR	D1B D1B D2A D2A D3A D3A	D2A D3A	21,568 100.000% 22,571 100.000% 22,571 100.000%	12,034 55.795% 12,497 55.368% 12,497 55.368%	3,199 14.831% 3,346 14.826% 3,346 14.826%	5,819 26.978% 6,052 26.811% 6,052 26.811%	0 0.000% 159 0.706% 159 0.706%	517 2.396% 517 2.289% 517 2.289%
16 17 18 19 20 21 22	AVERAGE COINCIDENT KW DEMAND DEMAND ALLOCATION FACTOR-TRANS AVG PRIMARY DISTRIB KW DEMAND DIST-PRI DEMAND ALLOC FACTOR AVG SECONDARY DISTRIB KW DEMAND DIST-SEC DEMAND ALLOC FACTOR AVG SECONDARY DISTRIB KW DEMAND DIST-SEC DEMAND ALLOC FACTOR	D1B D1B D2A D2A D3A D3A	D2A D3A	21,568 100.000% 22,571 100.000% 22,571 100.000%	12,034 55.795% 12,497 55.368% 12,497 55.368%	3,199 14.831% 3,346 14.826% 3,346 14.826%	5,819 26.978% 6,052 26.811% 6,052 26.811%	0 0.000% 159 0.706% 159 0.706%	517 2.396% 517 2.289% 517 2.289%
16 17 18 19 20	AVERAGE COINCIDENT KW DEMAND DEMAND ALLOCATION FACTOR-TRANS AVG PRIMARY DISTRIB KW DEMAND DIST-PRI DEMAND ALLOC FACTOR AVG SECONDARY DISTRIB KW DEMAND DIST-SEC DEMAND ALLOC FACTOR AVG SECONDARY DISTRIB KW DEMAND	D1B D1B D2A D2A D3A D3A D4A	D2A D3A D4A	21,568 100,000% 22,571 100,000% 22,571 100,000%	12,034 55.795% 12,497 55.368% 12,497 55.368%	3,199 14.831% 3,346 14.826% 3,346 14.826% 14.826%	5,819 26,978% 6,052 26,811% 6,052 26,811% 6,052 26,811%	0 0.000% 159 0.706% 159 0.706%	517 2.396% 517 2.289% 517 2.289%

PEOPLE'S COOPERATIVE SERVICES- SMEC CUSTOMERS
COST OF SERVICE STUDY
FOR TWELVE MONTHS ENDED
DECEMBER 31, 2016

·······CUSTOMER DATA···········

LINE NO.	DESCRIPTION	ALL	OUT	TOTAL SMEC	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	LIGHTING	MUNICIPAL PUMPING
	PEOEBNED			0	0	0	0	0	0
25 26	RESERVED PERCENT OF TOTAL			0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
				* 0	\$0	\$0	\$0	\$0	\$0
27	WAGES/SALARIES: PRODUCTION	NPP		\$0	\$0	\$0	\$0	\$0	\$0
28	TRANSMISSION	NPT		\$0	•	\$25,901	\$31,099	\$4,495	\$2,818
29	DISTRIBUTION	NPD		\$198,897	\$134,584	\$99,342	\$54,182	\$8,801	\$0
30	GENERAL	NPG		\$841,037	\$678,712	\$125,243	\$85,281	\$13,296	\$2,818
31	WAGES/SALARIES: TOTAL	LBR	LBR	\$1,039,934	\$813,296	, ,	8.201%	1.279%	0.271%
32	PERCENT OF TOTAL	LBR		100.000%	78.207%	12.043%	6.20176	1.27370	3.2 . 3.73
	BULK TRANSMISSION REVENUE	D1A		\$0	\$0	\$0	\$0	\$0	\$0
33		D2A		\$0	\$0	\$0	\$0	\$0	\$0
34	PRIMARY TRANSMISSION REVENUE	TRN	TRN	\$0	\$0	\$0	\$0	\$0	\$0
35	TOTAL TRANSMISSION REVENUE	TRN	11111	100.000%	100.000%	0.000%	0.000%	0.000%	0.000%
36	PERCENT OF TOTAL	INN		100.00013					
	EXISTING REVENUE				** *** ***	64 047 404	\$3,425,202	\$107,145	\$213,287
37	EXISTING BASE REV	OTR	OTR	\$12,043,207	\$6,380,169		\$3,423,202	\$0	\$0
38	FUEL REVENUE	FUL		\$0	\$0		\$1,608	\$232	\$146
39	MISCELLANEOUS REVENUE	NPD		\$10,283	\$6,958		\$1,600	\$0	\$0
40	TRANSMISSION REVENUE	TRN		\$0			\$0	\$0	\$0
41	NON-FRM SLS FOR RESALE	E1A		\$0	\$0 				
	TOTAL EXISTING REVENUE	EXR	EXR	\$12,053,490			\$3,426,810	\$107,377	\$213,433
42	TOTAL EXISTING REVENUE	2/41		3======		======	======	===#===	=======
	PROPOSED REVENUE				AT 070 440	\$1,775,212	\$3,028,499	\$57,686	\$238,544
43	PROPOSED BASE REV			\$12,170,384			\$3,020,433	\$0	\$0
44	FUEL REVENUE			\$0			\$1,608	\$232	\$146
45	MISCELLANEOUS REVENUE			\$10,283			\$1,608	\$0	\$0
46	TRANSMISSION REVENUE			\$0			\$0 \$0	\$0	\$0
47	NON-FRM SLS FOR RESALE			\$0					
	TOTAL PROPOSED REVENUE	PRV	PRV	\$12,180,667			\$3,030,107	\$57,918	\$238,690
48	TOTAL PROPOSED REVENUE			======			======	=======	=======
				A.A	# #coc o7:	4 -\$142,192	-\$396,703	-\$49,459	\$25,257
49	PROPOSED BASE REVENUE INCREASE/		:)	\$127,177			-11.58%	-46.16%	11.84%
50	PROPOSED BASE REVENUE INCR/(DECF	₹) - %		1.06%	10.82%	-1,42%	- 11,5076		

PEOPLE'S COOPERATIVE SERVICES- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016 PAGE 4

****ELECTRIC GROSS PLANT****

LINE NO.	DESCRIPTION	ALL	OUT	TOTAL SMEC	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	LIGHTING	MUNICIPAL PUMPING
1	TOTAL PRODUCTION PLANT	D1A	GPP	\$0	\$0	\$0	\$0	\$0	\$0
	TRANSMISSION PLANT								
2	POWER PLANT EQUIP	D1A		\$0	\$0	\$0	\$0	\$0	\$0
3	LARGE POWER SERVICE EQUIP	DA1		\$0	\$0	\$0	\$0	\$0	\$0
4	OTHER DIST IN ACCT 353	D2A		\$0	\$0	\$0	\$0	\$0	\$0
5	ALL OTHER TRANSMISSION	D1B		\$0	\$0	\$0	\$0	\$0 	\$0
6	TOTAL TRANSMISSION PLANT	GPT	GPT	\$0	\$0	\$0	\$0	\$0	\$0
	DISTRIBUTION PLANT								
7	PRIMARY DEMAND RELATED	D4A		\$7,074,854	\$3,917,176	\$1,048,935	\$1,896,863	\$49,918	\$161,962
8	SECONDARY DEMAND RELATED	D3A		\$2,385,971	\$1,321,054	\$353,750	\$639,711	\$16,835	\$54,621
9	CUSTOMER RELATED	C4A		\$6,684,980	\$5,881,152	\$737,254	\$32,889	\$17,440 	\$16,245
10	SUB-TOTAL DISTR PLANT		SGD	\$16,145,804	\$11,119,381	\$2,139,939	\$2,569,463	\$84,193	\$232,828
11	LIGHTING SPECIFIC	LDE		\$287,226	-\$1	\$0	\$0	\$287,226	\$0
12	TOTAL DISTRIBUTION PLANT	GPD	GPD	\$16,433,030	\$11,119,381	\$2,139,939	\$2,569,463	\$371,419	\$232,828
	GENERAL AND INTANGIBLE PLANT								
13	PRODUCTION RELATED	GPP		\$0	\$0	\$0	\$0	\$0	\$0
14	TRANSMISSION RELATED	GPT		\$0	\$0	\$0	\$0	\$0	\$0
15	DISTRIBUTION RELATED	GPD		\$2,114,288	\$1,430,630	\$275,326	\$330,589	\$47,787	\$29,956
	CUST ACCT/SERV & INFO/								
16	SALES RELATED	C2A		\$3,246,565	\$2,856,184	\$358,048	\$15,973	\$8,470	\$7,890
17	TOTAL GENERAL & INTANGIBLE PLANT	GPG	GPG	\$5,360,853	\$4,286,814	\$633,374	\$346,562	\$56,257	\$37,846
18	TOTAL GROSS PLANT IN SERVICE	GPR	GPR	\$21,793,883	\$15,406,195	\$2,773,313	\$2,916,025	\$427,676	\$270,674
				*******	======		======	======	======

PEOPLE'S COOPERATIVE SERVICES- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

LINE NO.	DESCRIPTION	ALL	OUT	TOTAL SMEC	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	LIGHTING	MUNICIPAL PUMPING
1	TOTAL PRODUCTION PLANT	D1A	DPP	\$0	\$0	\$0	\$0	\$0	\$0
	TRANSMISSION PLANT								***
2	POWER PLANT EQUIP	D1B		\$0	\$0	\$0	\$0	\$0	\$0
3	LARGE POWER SERVICE EQUIP	DA1		\$0	\$0	\$0	\$0	\$0	\$0 \$0
4	OTHER DIST IN ACCT 353	D2A		\$0	\$0	\$0	\$0	\$0	\$0 \$0
5	ALL OTHER TRANSMISSION	D1A		\$0	\$0	\$0	\$0 	\$0 	
6	TOTAL TRANSMISSION PLANT	DPT	DPT	\$0	\$0	\$0	\$0	\$0	\$0
	DISTRIBUTION PLANT								
7	PRIMARY DEMAND RELATED	D4A		\$2,912,603	\$1,612,637	\$431,830	\$780,908	\$20,551	\$66,677
8	SECONDARY DEMAND RELATED	D3A		\$982,266	\$543,856	\$145,633	\$263,359	\$6,931	\$22,487
9	CUSTOMER RELATED	C4A		\$2,752,098	\$2,421,174	\$303,516	\$13,540 	\$7,180 	\$6,688
			SDD	\$6.646.967	\$4.577.667	\$880,979	\$1,057,807	\$34,662	\$95,852
10	SUB-TOTAL DISTR PLANT	LDE	500	\$118,246	\$0		\$0	\$118,246	\$0
11	LIGHTING SPECIFIC	LDE		φ110,240 					
12	TOTAL DISTRIBUTION PLANT	DPD	DPD	\$6,765,213	\$4,577,667	\$880,979	\$1,057,807	\$152,908	\$95,852
	GENERAL AND INTANGIBLE PLANT								\$0
13	PRODUCTION RELATED	GPP		\$0			\$0	\$0 \$0	\$0 \$0
14	TRANSMISSION RELATED	GPT		\$0			\$0	\$15,524	\$9,731
15	DISTRIBUTION RELATED	GPD		\$686,840	\$464,749	\$89,442	\$107,394	\$15,524	φ3,731
	CUST ACCT/SERV & INFO/					****	#E 100	\$2,716	\$2.530
16	SALES RELATED	C2A		\$1,041,040	\$915,861		\$5,122	\$2,710 	ΨΣ,550
17	TOTAL GENERAL & INTANGIBLE PLANT	DPG	DPG	\$1,727,880			\$112,516	\$18,240	\$12,261
18	TOTAL ACCUMULATED DEPRECIATION	DPR	DPR	\$8,493,093	\$5,958,277	\$1,085,232	\$1,170,323	\$171,148	\$108,113
10	107712 1100011102 1122 1122 1122			======	======	======	======	2 27223	======

PEOPLE'S COOPERATIVE SERVICES- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

********ELECTRIC NET PLANT*******

LINE		CONTROL		TOTAL	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	LIGHTING	MUNICIPAL PUMPING
NO.	DESCRIPTION	ALL	OUT	SMEC	HESIDENTIAL	CONMERCIAL			
1	TOTAL PRODUCTION PLANT	D1A	NPP	\$0	\$0	\$0	\$0	\$0	\$0
	TRANSMISSION PLANT					•		\$0	\$0
2	POWER PLANT EQUIP	D1B		\$0	\$0	\$0	\$0	\$0	\$0
3	LARGE POWER SERVICE EQUIP	DA1		\$0	\$0	\$0	\$0	\$0 \$0	\$0 \$0
4	OTHER DIST IN ACCT 353	D2A		\$0	\$0	\$0	\$0	•	\$0
5	ALL OTHER TRANSMISSION	D1A		\$0 	\$0	\$0	\$0 	\$0 	
6	TOTAL TRANSMISSION PLANT	NPT	NPT	\$0	\$0	\$0	\$0	\$0	\$0
	DISTRIBUTION PLANT							#00.007	\$95,285
7	PRIMARY DEMAND RELATED	D4A		\$4,162,250	\$2,304,538	\$617,105	\$1,115,955	\$29,367	\$32,134
8	SECONDARY DEMAND RELATED	D3A		\$1,403,705	\$777,198	\$208,117	\$376,352	\$9,904 \$10,260	\$9,557
9	CUSTOMER RELATED	C4A		\$3,932,882	\$3,459,978	\$433,738	\$19,349	\$10,260	,
						*******	\$1,511,656	\$49,531	\$136,976
10	SUB-TOTAL DISTR PLANT		SPD	\$9,498,837	\$6,541,714	\$1,258,960	\$1,511,656	\$168,980	\$0
11	LIGHTING SPECIFIC	LDE		\$168,980	-\$1	\$0 		\$100,500 	
12	TOTAL DISTRIBUTION PLANT	NPD	NPD	\$9,667,817	\$6,541,714	\$1,258,960	\$1,511,656	\$218,511	\$136,976
	GENERAL AND INTANGIBLE PLANT							\$0	\$0
13	PRODUCTION RELATED	NPP		\$0			\$0	\$0 \$0	\$0
14	TRANSMISSION RELATED	NPT		\$0			\$0	\$32,263	\$20,225
15	DISTRIBUTION RELATED	NPD		\$1,427,448	\$965,881	\$185,884	\$223,195	\$32,263	φ20,223
	CUST ACCT/SERV & INFO/						040.054	\$5,754	\$5,360
16	SALES RELATED	C2A		\$2,205,525	\$1,940,323	\$243,237	\$10,851	33,754	45,550
17	TOTAL GENERAL & INTANGIBLE PLANT	NPG	NPG	\$3,632,973		\$429,121	\$234,046	\$38,017	\$25,585

18	TOTAL NET PLANT IN SERVICE	NPR	NPR	\$13,300,790	\$9,447,918	\$1,688,081	\$1,745,702	\$256,528	\$162,561
10	TOTAL NET TEXAST IN GENTION					======	======	======	2=====

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PEOPLE'S COOPERATIVE SERVICES- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

····· RATE BASE *****

LINE NO.	DESCRIPTION	CONTRO ALL	L OUT	TOTAL SMEC	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	LIGHTING	MUNICIPAL PUMPING
1	NET PLANT IN SERVICE	NPR	NPR	\$13,300,790	\$9,447,918	\$1,688,081	\$1,745,702	\$256,528	\$162,561
	CONSTRUCTION WORK IN PROGRESS								
2	PRODUCTION PLANT	NPP		\$0	\$0	\$0	\$0	\$0	\$0
3	TRANSMISSION PLANT	NPT		\$0	\$0	\$0	\$0	\$0	\$0
4	DISTRIBUTION PLANT	NPD		\$230,174	\$155,747	\$29,974	\$35,990	\$5,202	\$3,261
5	GENERAL PLANT	NPG		\$0	\$0	\$0	\$0	\$0	\$0
6	TOAL CWIP	CWP	CWP	\$230,174	\$155,747	\$29,974	\$35,990	\$5,202	\$3,261
7	NET ACQUISITION ADJUSTMENT	D2A	ACQ	\$7,121,112	\$3,942,787	\$1,055,794	\$1,909,265	\$50,245	\$163,021
8	PLANT HELD FOR FUTURE USE	E1A	PLH	\$0	\$0	\$0	\$0	\$0	\$0
	MISC DEFERRED DEBITS								
9	PROD RELATED	NPP		\$0	\$0	\$0	\$0	\$0	\$0
10	TRAN RELATED	NPT		\$0	\$0	\$0	\$0	\$0	\$0
11	DIST RELATED	NPD		\$39,408	\$26,665	\$5,132	\$6,162	\$891	\$558
12	GENR RELATED	NPG		\$0	\$0	\$0	\$0	\$0	\$0
13	LABOR RELATED	LBR		\$0	\$0	\$0	\$0	\$0	\$0
14	NPR RELATED	NPR		\$124,887	\$88,711	\$15,850	\$16,391	\$2,409	\$1,526
15	TOTAL MISC DEFRD DEBITS			\$164,295	\$115,376	\$20,982	\$22,553	\$3,300	\$2,084
	WORKING CAPITAL								
16	CASH WORK CAP, FUNDS, MAT&SUP	NPR	MAS	\$240,568	\$170,882	\$30,532	\$31,574	\$4,640	\$2,940
17	FUEL STOCK	E1A	FUL	\$0	\$0	\$0	\$0	\$0	\$0
18	PREPAID LIGNITE ROYALTIES	E1A		\$0	\$0	\$0	\$0	\$0	\$0
19	OTHER PREPAYMENTS	NPR		\$136,530	\$96,981	\$17,328	\$17,919	\$2,633	\$1,669
20	TOTAL WORKING CAPITAL			\$377,098	\$267,863	\$47,860	\$49,493	\$7,273	\$4,609
21	UNAMORTIZED LOSS ON REACQD LTD	NPR		\$0	\$0	\$0	\$0	\$0	\$0
22	DEFERRED FUEL	E1A	DEF	\$0	\$0	\$0	\$0	\$0	\$0

(RATE BASE CONTINUED ON NEXT PAGE)

PEOPLE'S COOPERATIVE SERVICES- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

"CONTINUED"

LINE NO.	DESCRIPTION	CONTROL	OUT	TOTAL SMEC	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	LIGHTING	MUNICIPAL PUMPING
	ACCUMULATED DEFERRED INCOME TAX					••	* 0	\$0	\$0
23	ACCT 281: POL CON	NPP		\$0	\$0	\$0	\$0	\$0	Ψ
	ACCT 282: LIBERAL DEP - PROD	NPP		\$0	\$0	\$0	\$0	\$0	\$0
24	TRAN	NPT		\$0	\$0	\$0	\$0	\$0	\$0
25	DIST	NPD		\$0	\$0	\$0	\$0	\$0	\$0
26	GENR	NPG		\$0	\$0	\$0	\$0	\$0	\$0
27		E1A		\$0	\$0	\$0	\$0	\$0	\$0
28	LIGNITE EXPLORATN	LBR		\$0	\$0	\$0	\$0	\$0	\$0
29	LABOR RELATED	LUIT							
30	TOTAL ACCOUNT 282			\$0	\$0	\$0	\$0	\$0	\$0
	T. 102 11/5 DECEDITED			\$0	\$0	\$0	\$0	\$0	\$0
31	ACCT 283: THIS LINE RESERVED	NPR		\$0	\$0	\$0	\$0	\$0	\$0
32	LONG TERM DEBT LOSS	NPA		.	*******				
33	TOTAL ACCOUNT 283			\$0	\$0	\$0	\$0	\$0	\$0
						\$0	\$0	\$0	\$0
34	ACCOUNT 190: PRODUCTION RELATED	NPP		\$0	\$0	\$0 \$0	\$0	\$0	\$0
35	PLANT RELATED	NPR		\$0	\$0	II.	\$0 \$0	\$0	\$0
36	ENERGY RELATED	E1A		\$0	\$0		\$0 \$0	\$0	\$0
37	LABOR RELATED	LBR		\$0	\$0		\$0 \$0	\$0	\$0
38	FERC REFUND	TRN		\$0	\$0		•		
39	TOTAL ACCOUNT 190			\$0	\$0	\$0	\$0	\$0	\$0
40	TOTAL ACCUM DEFRD INC TAX	ACC	ACC	\$0	\$0	\$0	\$0	\$0	\$0
41	INVESTMENT TAX CREDIT PRE '71	NPR	PIC	\$0	\$0	\$0	\$0	\$0	\$0
42	CUSTOMER ADVANCES AND DEPOSITS	СЗА	CAD	-\$109,003	-\$95,897	-\$12,021	-\$536	-\$284	-\$265
43	STORM DAMAGE & INJ & DAM RESRVS	D2A	SDR	\$0	\$0	\$0	\$0	\$0	\$0
44	PNSN & MIS OP RSRVS, OTR DEF CR	OMA	PEN	-\$206,576	-\$161,556	-\$24,879	-\$16,940	-\$2,641	-\$560
45	TRANSMISSION RATE REFUND RESERVE	TRN		\$0 			\$0 	\$0 	\$0
46	TOTAL RATE BASE	RBT	RBT	\$20,877,890 ======	\$13,672,238	\$2,805,791	\$3,745,527 ======	\$319,623 ======	\$334,711 ======

PEOPLE'S COOPERATIVE SERVICES- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016 PAGE 9

*******OPER AND MTN EXPENSES*******

LINE NO.	DESCRIPTION	CONTROL ALL	OUT	TOTAL SMEC F	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	LIGHTING	MUNICIPAL PUMPING
	PRODUCTION O&M EXPENSE FUEL EXPENSE - ACCT 501	E1A		\$0	\$0	\$0	\$0	\$0	\$0
1	PURCHASED POWER - ACCT 555	2			- GEÖDET Ö	ATA DECINE	TDAI	DE SECRET D	ATA ENDSI
2	DEMAND - OTHER	D1A		[TRADE	E SECRET DA	ATA BEGINS	TRAI	JE SECKET D.	ATA ENDO
3	ENERGY - OTHER	E1A							
4	NET OFF SYSTEM REVENUE OTHER PRODUCTION O&M ACCTS	E1A		\$0	\$0	\$0	\$0	\$0	\$0
5	DEMAND - OTHER	D1A		\$0	\$0	\$0	\$0	\$0	\$0
6	ENERGY - OTHER	E1A		\$0	\$0	\$0	\$0	\$0	\$0
7	TOTAL OTHER PRODUCTION O&M	PRO	PRO	\$0	\$0	\$0	\$0	\$0	\$0
8	TOTAL PRODUCTION O&M EXPENSE	ОМР	ОМР	[TRADI	E SECRET D	ATA BEGINS	TRAI	DE SECRET D	
9	TOTAL TRANSMISSION O&M EXPENSE	NPT	OMT	\$0	\$0	\$0	\$0	\$0	\$0
10 11	DISTRIBUTION O&M EXPENSE LIGHTING SPECIFIC ALL OTHER	LDE SPD			DE SECRET	DATA BEGINS.	TRAD	E SECRET DA	TA ENDS]
12	TOTAL DISTRIBUTION O&M EXPENSE	OMD	OMD	[TRAD	E SECRET D	ATA BEGINS	TRA	DE SECRET D	ATA ENDS]
13	TOTAL CUST ACCT/SERV & INFO/ SALES EXPENSE	C2A	ОМС	\$612,452	\$538,809	\$67,544	\$3,013	\$1,598	\$1,488
	ADMINISTRATIVE & GENERAL EXPENSE PROP INSURANCE/INJ & DAMG	NPR		\$0	\$0	\$0	\$0	\$0	\$0
14 15	CUST ACCT/SERV&INFO/SALES REL	LBR		\$486,344	\$380,353	\$58,572	\$39,883	\$6,218	\$1,318
16	TOTAL ADMIN & GENERAL EXPENSE	ОМА	ОМА	\$486,344	\$380,353	\$58,572	\$39,883	\$6,218	\$1,318
17	TOTAL OPER & MTN EXPENSES	OMX	OMX	[TRAD	E SECRET D	ATA BEGINS	TRA	DE SECRET L	DATA ENDS]
17	TOTAL OF EN & MITTE EN ENGLO			======	======	======	=======	======	=====

PEOPLE'S COOPERATIVE SERVICES- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

EXPENSES OTHER THAN INCOME TAXES

LINE NO.	DESCRIPTION	CONTRO ALL	L OUT	TOTAL SMEC	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	LIGHTING	MUNICIPAL PUMPING
1	TOTAL OPER & MTN EXPENSES	ОМХ		[TRAD	E SECRET DA	ATA BEGINS	TRAD	E SECRET DA	TA ENDS]
	DEPRECIATION & AMORTIZATION EXPENS	ES		_				60	\$0
2	PRODUCTION	NPP		\$0	\$0		\$0	\$0 \$0	\$0 \$0
3	TRANSMISSION	NPT		\$0	\$0		\$0	\$10.031	\$6,288
4	DISTRIBUTION	NPD		\$443,816	\$300,308		\$69,395	\$10,031	\$176
5	GENERAL	NPG		\$24,945	\$19,955	\$2,946	\$1,607	\$261	\$170
6	TOTAL DEPR & AMORT EXPEN	DEP	DEP	\$468,761	\$320,263		\$71,002	\$10,292	\$6,464
7	INTEREST ON CUSTOMER DEPOSITS	СЗА	ICD	\$0	\$0	\$0	\$0	\$0	\$0
	GENERAL TAXES							20	\$0
8	AD VALOREM	NPR	VAL	\$0	\$0		\$0	\$0	\$0 \$0
9	CORP FRANCHISE TAX	NPR	SFT	\$0	\$0		\$0	\$0	\$0 \$0
10	MISCELLANEOUS GENERAL TAXES	LBR	MIS	\$0	\$0		\$0	\$0	\$0 \$0
11	REVENUE-RELATED (AS PROPOSED)	RTX		\$0	\$0	\$0	\$0	\$0	\$ 0
12	TOTAL GENERAL TAXES	GTX	GTX	\$0	\$0		\$0	\$0	\$0
13	TOTAL EXPENSES EXCEPT INCOME TAX	EXP	EXP	TRAI	DE SECRET D	ATA BEGINS	TRAI	DE SECRET D	
13	TOTAL EXILERATION AND AND AND AND AND AND AND AND AND AN			======	=======================================	======	======	3======	*=====

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PEOPLE'S COOPERATIVE SERVICES- SMEC CUSTOMERS
COST OF SERVICE STUDY
FOR TWELVE MONTHS ENDED
DECEMBER 31, 2016

INCOME TAX FOR 8.95% ROE

LINE		CONTRO		TOTAL		SMALL	LARGE	LIQUEING	MUNICIPAL PUMPING
NO.	DESCRIPTION	ALL	OUT	SMEC	RESIDENTIAL	COMMERCIAL	POWER	LIGHTING	
1	RATE BASE	RBT		\$20,877,890	\$13,672,238	\$2,805,791	\$3,745,527	\$319,623	\$334,711
2	RETURN AT 5.18%	RBT	RET	\$1,082,094	\$708,628	\$145,423	\$194,129	\$16,566	\$17,348
3	INTEREST (2.08% OF LINE 1)	RBT	INT	-\$433,909	-\$284,153	-\$58,313	-\$77,844	-\$6,643	-\$6,956
4	AFUDC	NPR	AFD	\$0	\$0	\$0	\$0	\$0	\$0
4	PROVISION FOR DEFERRED TAXES								
5	ACT 410.1: PROD RLTD	NPP		\$0	\$0	\$0	\$0	\$0	\$0
6	TRAN RLTD	NPT		\$0	\$0	\$0	\$0	\$0	\$0
7	PLANT RLTD	NPR		\$0	\$0	\$0	\$0	\$0	\$0
8	ENERGY RLTD	E1A		\$0	\$0	\$0	\$0	\$0	\$0
9	LABOR RLTD	LBR		\$0	\$0	\$0	\$0	\$0	\$0
10	CUSTOMER RELATED	СЗА		\$0	\$0	\$0	\$0	\$0	\$0
11	RESERVED	-		\$0	\$0	\$0	\$0	\$0	\$0
12	TOTAL 410.1			\$0	\$0	\$0	\$0	\$0	\$0
13	ACT 411.1; PROD RLTD	NPP		\$0	\$0	\$0	\$0	\$0	\$0
14	TRAN RLTD	NPT		\$0	\$0	\$0	\$0	\$0	\$0
15	PLANT RELATED	NPR		\$0		\$0	\$0	\$0	\$0
16	ENERGY RELATED	E1A		\$0		\$0	\$0	\$0	\$0
17	LABOR RELATED	LBR		\$0	\$0	\$0	\$0	\$0	\$0
18	CUSTOMER RELATED	СЗА		\$0	\$0		\$0	\$0	\$0
19	TOTAL 411.1			\$0	\$0	\$0	\$0	\$0	\$0
20	NET PROVISION FOR DEFRD INC TAX		PDT	\$0	\$0	\$0	\$0	\$0	\$0
21	ITC AMORT	NPR	ITA	\$0			\$0 	\$0	\$0
22	ADJUSTED RETURN	ART	ART	\$648,185			\$116,285	\$9,923	\$10,392
	FED ADD INC & UNALLOW DEDUCTS								
23	PRODUCTION RELATED	NPP		\$0			\$0	\$0	\$0
24	DISTRIBUTION RELATED	NPD		\$0	\$0		\$0	\$0	\$0
25	PLANT RELATED	NPR		\$0	\$0	\$0	\$0	\$0	\$0
26	ENERGY RELATED	E1A		\$0			\$0	\$0	\$0
27	LABOR RELATED	LBR		\$0			\$0	\$0	\$0
28	TRANSMISSION REV RELATED	TRN		\$0	\$0		\$0	\$0	\$0
29	RESERVED			\$0	\$0		\$0	\$0	\$0
30	DISTRIBUTION CUSTOMER RELATED	C3A		\$0	•	\$0	\$0	\$0	\$0
31	TOTAL ADDITIONS	FTA	FTA	\$0		\$0	\$0	\$0	\$0

(INCOME TAX CALCULATION CONTINUED ON NEXT PAGE)

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PEOPLE'S COOPERATIVE SERVICES- SMEC CUSTOMERS
COST OF SERVICE STUDY
FOR TWELVE MONTHS ENDED
DECEMBER 31, 2016

""INCOME TAX FOR 8.95% ROE""
" CONTINUED ""

LINE		CONTRO	L	TOTAL		SMALL	LARGE		MUNICIPAL
NO.	DESCRIPTION	ALL	OUT	SMEC	RESIDENTIAL	COMMERCIAL	POWER	LIGHTING	PUMPING
	FED DEDUCTS AND NON-TAX INCOME	NPP		\$0	\$0	\$0	\$0	\$0	\$0
32	PRODUCTION RELATED			\$0 \$0	\$0	\$0 \$0	\$0	\$0	\$0
33	DISTRIBUTION RELATED	NPD			\$0	\$0 \$0	\$0	\$0	\$0
34	PLANT RELATED	NPR		\$0 \$0	\$0	\$0	\$0	\$0	\$0
35	ENERGY RELATED	E1A LBR		\$0 \$0	\$0	\$0	\$0	\$0	\$0
36	LABOR RELATED			•	\$0 \$0	\$0	\$0	\$0	\$0
37	TRANSMISSION REV RELATED	TRN		\$0 \$0	\$0	\$0	\$0	\$0	\$0
38	DISTRIBUTION CUSTOMER RELATED	СЗА					φυ 		
39	TOTAL DEDUCTIONS	FTD	FTD	\$0	\$0	\$0	\$0	\$0	\$0
40	NET FEDERAL DEDUCTIONS	NFD	NFD	\$0	\$0	\$0	\$0	\$0	\$0
41	ST ADD INC & UNALLOW DEDUCTS	FTA		\$0	\$0	\$0	\$0	\$0	\$0
42	ST DEDUCTS AND NON-TAX INCOME	FTD		\$0	\$0	\$0	\$0	\$0	\$0
	G. BEBBO(07.112.11011.1111.1111.1111.1111.1111.11								
43	NET STATE DEDUCTIONS	NSD	NSD	\$0	\$0	\$0	\$0	\$0	\$0
44	PROV FOR DEF'D ITC - CURRENT	NPR	ITC	\$0	\$0	\$0	\$0	\$0	\$0
	FEDERAL TAXABLE INCOME								
45	ADJ RET * 1/(1-0.0000-0.0000)	ART	TART	\$648,185	\$424,475	\$87,110	\$116,285	\$9,923	\$10,392
46	NET FED DED * 1/(1-0.0000)	NFD		\$0	\$0	\$0	\$0	\$0	\$0
47	NET ST DED * (1/(1-0.0000))-1	NSD		\$0	\$0	\$0	\$0	\$0	\$0
48	CURRENT ITC * (1/1-0.00))-1	ITC		\$0		\$0 	\$0 	\$0 	\$0
49	TOTAL FEDERAL TAXABLE INCOME	FTI	FTI	\$648,185	\$424,475	\$87,110	\$116,285	\$9,923	\$10,392
50	PLUS: NET FED DEDUCTS	NFD		\$0	\$0	\$0	\$0	\$0	\$0
51	LESS: NET STATE DEDUCTS	NSD		\$0		\$0	\$0	\$0	\$0
Ji	EESS. NET STATE BEDOOTS	.,,,,,							
52	TOTAL STATE TAXABLE INCOME	STI	STI	\$648,185	\$424,475	\$87,110	\$116,285	\$9,923	\$10,392
	FED & ST INCOME TAXES:								
53	FED TAXABLE INC * 0.0000	FTI		\$0	\$0	\$0	\$0	\$0	\$0
54	ST, TAXABLE INC * 0.0000	STI		\$0	\$0	\$0	\$0	\$0	\$0
55	LESS: CRNT ITC * (1-0.0000)	ITC		\$0			\$0	\$0	\$0
	TOTAL FED & CT INCOME TAVES	FST	FST	\$0	\$0	\$0	\$0	\$0	\$0
56	TOTAL FED & ST INCOME TAXES	FOI	FOI	φυ =======		======	======	=======	======
57	INVESTMENT TAX CREDIT - NET	NPR	ITN	\$0	\$0	\$0	\$0	\$0	\$0

PEOPLE'S COOPERATIVE SERVICES- SMEC CUSTOMERS
COST OF SERVICE STUDY
FOR TWELVE MONTHS ENDED
DECEMBER 31, 2016

""COST OF SERVICE"
" (PROPOSED) "

LINE NO.	DESCRIPTION	CONTROI ALL	OUT	TOTAL SMEC	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	LIGHTING	MUNICIPAL PUMPING
1	RATE BASE	RBT		\$20,877,890	\$13,672,238	\$2,805,791	\$3,745,527	\$319,623	\$334,711
2	RETURN AT 5.18%	RET		\$1,082,094	\$708,628	\$145,423	\$194,129	\$16,566	\$17,348
3	OPERATION & MAINTENANCE EXPENSES	ОМХ		[TRAD	E SECRET DA	TA BEGINS	TRAD	E SECRET DA	TA ENDS]
4	DEPRECIATION & AMORT EXPENSES	DEP		\$468,761	\$320,263	\$60,740	\$71,002	\$10,292	\$6,464
5	INTEREST ON CUSTOMER DEPOSITS	ICD		\$0	\$0	\$0	\$0	\$0	\$0
6	GENERAL TAXES	GTX		\$0	\$0	\$0	\$0	\$0	\$0
7	FEDERAL AND STATE INCOME TAX	FST		\$0	\$0	\$0	\$0	\$0	\$0
8	PROVISION FOR DEFERRED TAXES	PDT		\$0	\$0	\$0	\$0	\$0	\$0
9	INVESTMENT TAX CREDIT - NET	ITN		\$0	\$0	\$0	\$0	\$0	\$0
10	AFUDC	AFD		\$0	\$0 	\$0	\$0	\$0	\$0
11	COST OF SERVICE REVENUE REQUIREMENT BEFORE ATTRITION ADJUSTMENT	NT CSR	CSR	\$12,180,667	\$7,077,401	\$1,776,551	\$3,030,107	\$57,918	\$238,690
12	LESS: FUEL REVENUE	FUL		\$0	\$0 	\$0 	\$0	\$0	\$0
13	BASE COST OF SERVICE REVENUE REQUIREMENT	BRR	BRR	\$12,180,667	\$7,077,401	\$1,776,551	\$3,030,107	\$57,918	\$238,690
14	ATTRITION ADJUSTMENT	BRR		\$0 	\$0	\$0	\$0	\$0 	\$0
15	BASE COST OF SERVICE REVENUE REQUI	REMENT ARR	ARR	\$12,180,667	\$7,077,401	\$1,776,551	\$3,030,107	\$57,918	\$238,690
16	PLUS: FUEL REVENUE	FUL		\$0	\$0	\$0	\$0 	\$0	\$0
17	COST OF SERVICE REVENUE REQUIREME AFTER ATTRITION ADJUSTMENT	NT		\$12,180,667			\$3,030,107	\$57,918	\$238,690
18	LESS: MISCELLANEOUS REVENUE			-\$10,283	-\$6,958	-\$1,339	-\$1,608	-\$232	-\$146
19	LESS: BULK TRANSMISSION REVENUE			\$0	\$0	\$0	\$0	\$0	\$0
20	LESS: PRIMARY TRANSMISSION REVENUE	i .		\$0	\$0	\$0	\$0	\$0	\$0
21	LESS: NON-FRM SLS FOR RESALE			\$0	\$0		\$0 	\$0 	\$0
22	NET ELECTRIC REVENUE REQUIREMENT			\$12,170,384 ======	\$7,070,443	\$1,775,212	\$3,028,499 ======	\$57,686 ======	\$238,544 ======

PEOPLE'S COOPERATIVE SERVICES- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

EXISTING RETURN AND INCOME TAX

LINE NO.	DESCRIPTION	CONTROL ALL	OUT	TOTAL SMEC	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	LIGHTING	MUNICIPAL PUMPING
1	EXISTING REVENUE REVENUE DEDUCTIONS:	EXR		[TRADI	E SECRET DA	ATA BEGINS	TRAD	E SECRÉT DA	TA ENDS]
2	O&M EXPENSES	OMX							
3	DEPRECIATION & AMORT EXPENSES	DEP		-\$468,761	-\$320,263	-\$60,740	-\$71,002	-\$10,292	-\$6,464
4	AD VALOREM TAXES	VAL		\$0	\$0		\$0	\$0	\$0
5	CORP FRANCHISE TAX	SFT		\$0	\$0		\$0	\$0	\$0 \$0
6	MISC GENERAL TAXES	MIS		\$0	\$0		\$0	\$0	
7	REVENUE-RELATED TAXES	RTX		\$0	\$0		\$0	\$0	\$0 \$0
8	INTEREST ON CUST DEPOSITS	ICD		\$0	\$0	\$0	\$0	\$0	50
9	TOTAL REVENUE DEDUCTIONS			[TRA	DE SECRET I	DATA BEGINS	TRADE	SECRET DAT	A ENDS]
10	NET FOR RETURN AND INCOME TAXES	NET	NET	\$954,917	\$18,354	\$287,615	\$590,832	\$66,025	-\$7,909
11	LESS: INTEREST EXPENSE	INT		-\$433,909	-\$284,153	-\$58,313	-\$77,844	-\$6,643	-\$6,956
12	LESS: NET FEDERAL DEDUCTIONS	NFD		\$0	\$0		\$0	\$0	\$0
13	TOTAL FEDERAL TAXABLE INCOME			\$521,008	-\$265,799		\$512,988	\$59,382	-\$14,865
	BLUG MET FEDERAL DEDUCTIONS	NFD		\$0	\$0	\$0	\$0	\$0	\$0
14	PLUS: NET FEDERAL DEDUCTIONS LESS: NET STATE DEDUCTIONS	NSD		\$0	\$(\$0	\$0	\$0
15	LESS: NET STATE DEDUCTIONS	1405				-			
16	TOTAL STATE TAXABLE INCOME			\$521,008	-\$265,79	\$229,302	\$512,988	\$59,382	-\$14,865
	FED AND ST INCOME TAXES			\$0	\$	n \$0	\$0	\$0	\$0
17	FED TAXABLE INC * 0.0000			\$0	\$		\$0	\$0	\$0
18	ST. TAXABLE INC * 0.0000			\$0	\$		\$0	\$0	\$0
19	LESS: CRNT ITC * (1-0.0000)								
20	TOTAL FED & ST INCOME TAXES			\$0	\$	0 \$0	\$0	\$0	\$0
	*****RETURN COMPUTATION****	NET		\$954,917	\$18,35	4 \$287.615	\$590,832	\$66,025	-\$7,909
21	NET FOR RETURN AND INCOME TAXES	NEI		\$0	\$		\$0	\$0	\$0
22	FED & ST INCOME TAXES	PDT		\$0	\$		\$0	\$0	\$0
23	PROV FOR DEF TAXES INVESTMENT TAX CREDIT - NET	ITN		\$0	\$	0 \$0	\$0	\$0	\$0
24 25	A F U D C	AFD		\$0	\$	0 \$0	\$0	\$0	\$0
26	NET RETURN			 \$954,917	 \$18,35		\$590,832	\$66,025	-\$7,909
27	RATE BASE	RBT		\$20,877,890	\$13,672,23	\$2,805,791	\$3,745,527	\$319,623	\$334,711
_'						10.050	15.77%	20.66%	-2.36%
28	RETURN ON RATE BASE	ROR		4.57%			-2.08%		
29	NON-EQUITY PORTION OF RETURN	DA3		-2.08%			13.69%		
30	EQUITY PORTION OF EXISTING RETRN	DA3		2.49%		·-	39.46%		
31	EXISTING RETURN ON EQUITY	DA3	ROE	7.18%	, -5.61	76 23.55%	J3.40 /6	33.00%	

PEOPLE'S COOPERATIVE SERVICES- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

PROPOSED RETURN AND INCOME TAX

LINE NO.	DESCRIPTION	CONTROI ALL	L OUT	TOTAL SMEC	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	LIGHTING	MUNICIPAL PUMPING
1	PROPOSED REVENUE	PRV		\$12,180,667	\$7,077,401	\$1,776,551	\$3,030,107	\$57,918	\$238,690
	REVENUE DEDUCTIONS:			(TD A DE	SECRET DA	LA REGINS	TRADI	SECRET DAT	[A ENDS]
2	O&M EXPENSES	OMX					-\$71,002	-\$10,292	-\$6,464
3	DEPRECIATION & AMORT EXPENSES	DEP		-\$468,761	-\$320,263	-\$60,740	-\$71,002 \$0	-310,232 \$0	\$0
4	AD VALOREM TAXES	VAL		\$0	\$0	\$0 \$0	\$0 \$0	\$0	\$0
5	CORP FRANCHISE TAX	SFT		\$0	\$0	\$0	\$0	\$0	\$0
6	MISC GENERAL TAXES	MIS		\$0	\$0 \$0	\$0 \$0	\$0	\$0	\$0
7	REVENUE-RELATED TAXES	RTX		\$0	\$0 \$0		\$0	\$0	\$0
8	INTEREST ON CUST DEPOSITS	ICD		\$0 					
9	TOTAL REVENUE DEDUCTIONS			[TRA	.DE SÉCRET I	DATA BEGINS	TRADE	SECRET DAT	A ENDS]
10	NET FOR RETURN AND INCOME TAXES	NET	NET	\$1,082,094	\$708,628	\$145,423	\$194,129	\$16,566	\$17,348
	LEGO INTEREST EXPENSE	INT		-\$433,909	-\$284,153	-\$58,313	-\$77,844	-\$6,643	-\$6,956
11	LESS: INTEREST EXPENSE LESS: NET FEDERAL DEDUCTIONS	NFD		\$0	\$0		\$0	\$0	\$0
12	LESS: NET FEDERAL DEDUCTIONS	IN D							
13	TOTAL FEDERAL TAXABLE INCOME			\$648,185	\$424,475	\$87,110	\$116,285	\$9,923	\$10,392
	PLUS: NET FEDERAL DEDUCTIONS	NFD		\$0	\$0	\$0	\$0	\$0	\$0
14	LESS: NET STATE DEDUCTIONS	NSD		\$0	\$0	\$0	\$0	\$0	\$0
15	LESS: NET STATE DEDOCTIONS	1102							
16	TOTAL STATE TAXABLE INCOME			\$648,185	\$424,475	\$87,110	\$116,285	\$9,923	\$10,392
	FED AND ST INCOME TAXES						**	\$0	\$0
17	FED TAXABLE INC * 0.0000			\$0			\$0 \$0	\$0	\$0
18	ST. TAXABLE INC * 0.0000			\$0			\$0 \$0	\$0	\$0
19	LESS; CRNT ITC * (1-0.0000)			\$0	\$0				
20	TOTAL FED & ST INCOME TAXES			\$0	\$0	\$0	\$0	\$0	\$0
	*****RETURN COMPUTATION*****				0700 000	8 \$145,423	\$194,129	\$16,566	\$17,348
21	NET FOR RETURN AND INCOME TAXES	NET		\$1,082,094			\$134,123	\$0	\$0
22	FED & ST INCOME TAXES			\$0		-	\$0	\$0	\$0
23	PROV FOR DEF TAXES	PDT		\$0 \$0		·	\$0	\$0	\$0
24	INVESTMENT TAX CREDIT - NET	ITN		\$(\$0	\$0	\$0
25	AFUDC	AFD							
26	NET RETURN			\$1,082,094	\$708,62	8 \$145,423	\$194,129	\$16,566	\$17,348
27	RATE BASE	RBT		\$20,877,890	\$13,672,23	8 \$2,805,791	\$3,745,527	\$319,623	\$334,711
	DETURN ON DATE BACE	ROR		5.18%	6 5.18°	% 5.18%	5.18%	5.18%	
28		DA3		-2.089	=		-2.08%	-2.08%	
29	TOTAL TOTAL CONTROL OF TON	DA3		3.109			3.10%	3.10%	
30 31		DA3		8.95%			8.95%	8.95%	8.95%

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PEOPLE'S COOPERATIVE SERVICES- SMEC CUSTOMERS
COST OF SERVICE STUDY
FOR TWELVE MONTHS ENDED
DECEMBER 31, 2016

COST OF SERVICE SUMMARY

LINE NO.	DESCRIPTION	CONTROL ALL OUT	TOTAL SMEC	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	LIGHTING	MUNICIPAL PUMPING
	NET PLANT IN SERVICE:		·					
1	PRODUCTION PLANT	NPP	\$0	\$0	\$0	\$0	\$0	\$0
2	TRANSMISSION PLANT	NPT	\$0	\$0	\$0	\$0	\$0	\$0
3	DISTRIBUTION PLANT	NPD	\$9,667,817	\$6,541,714	\$1,258,960	\$1,511,656	\$218,511	\$136,976
4	GENERAL PLANT	NPG	\$3,632,973	\$2,906,204	\$429,121 	\$234,046	\$38,017	\$25,585
5	TOTAL NET ELECTRIC PLANT	NPR	\$13,300,790	\$9,447,918	\$1,688,081	\$1,745,702	\$256,528	\$162,561
6	CONST. WORK IN PROGRESS	CWP	\$230,174	\$155,747	\$29,974	\$35,990	\$5,202	\$3,261
7	ACQUISITION ADJUSTMENT	ACQ	\$7,121,112	\$3,942,787	\$1,055,794	\$1,909,265	\$50,245	\$163,021
8	PLANT HELD FOR FUTURE USE	PLH	\$0	\$0	\$0	\$0	\$0	\$0
9	TOTAL MISC DEFRD DEBITS		\$164,295	\$115,376	\$20,982	\$22,553	\$3,300	\$2,084
	WORKING CAPITAL:	MAS	\$240.568	\$170.882	\$30,532	\$31,574	\$4,640	\$2,940
10	CASH WORK CAP, FUNDS, MAT&SUP	FUL	\$0			\$0	\$0	\$0
11	FUEL STOCK	E1A	\$0	**	\$0	\$0	\$0	\$0
12	PREPAID LIGNITE ROYALTIES	NPR	\$136.530	•	\$17,328	\$17,919	\$2,633	\$1,669
13	OTHER PREPAYMENTS	NPR	\$130,330	• • • • • • • • • • • • • • • • • • • •		\$0	\$0	\$0
14	UNAMORTIZED LOSS ON REACQD LTD	DEF	\$0		•	\$0	\$0	\$0
15	DEFERRED FUEL	ACC	\$0	• -	•	\$0	\$0	\$0
16	ACCUMULATED DEFERRED INCOME TAX PRE-1971 INVESTMENT TAX CREDIT	PIC	\$0	·		\$0	\$0	\$0
17	CUSTOMER ADVANCES AND DEPOSITS	CAD	-\$109.003	*-	•	-\$536	-\$284	-\$265
18	STORM DAMAGE/INJ & DAM RESRVS	SDR	\$0			\$0	\$0	\$0
19	PNSN & MIS OP RSRVS, OTR DEF CRS	PEN	-\$206,576			-\$16,940	-\$2,641	-\$560
20	TRANSMISSION RATE REFUND RESERVE	TRN	\$0			\$0	\$0	\$0
21	TRANSMISSION RATE REPOND RESERVE							
22	AVERAGE ORIGINAL COST RATE BASE	RBT	\$20,877,890	\$13,672,238	\$2,805,791	\$3,745,527	\$319,623	\$334,711
23	RETURN AT 5.18%	RET	\$1,082,094	\$708,628	\$145,423	\$194,129	\$16,566	\$17,348
	OPERATION & MAINTENANCE EXPENSES		ITRA	DE SECRET I	DATA BEGINS	TRA	DE SECRET I	DATA ENDS]
24	PRODUCTION O&M	OMP	بسنسيب			\$0	\$0	\$0
25	TRANSMISSION O&M	OMT	\$0) \$0 FDATA BEGINS		DE SECRET D	
26	DISTRIBUTION O&M	OMD				\$3,013	\$1,598	\$1,488
27	CUST ACCT/SERV/SALES	OMC	\$612,452			\$39,883	\$6,218	\$1,318
28	ADMINISTRATIVE & GENERAL	OMA	\$486,344	\$380,353				
29	TOTAL OPER & MAIN EXPENSES	OMX	[TR		DATA BEGINS	TRAD	E SECRET DA	TA ENDŜ]
30	DEPRECIATION & AMORT EXPENSES	DEP	\$468,761	\$320,260		\$71,002	\$10,292	\$6,464
31	INTEREST ON CUSTOMER DEPOSITS	ICD	\$0) \$0		\$0	\$0	\$0
32	GENERAL TAXES	GTX	\$0) \$0		\$0	\$0	\$0
33	FED & ST INCOME TAX	FST	\$0	5 \$0		\$0	\$0	\$0
34	PROV FOR DEF TAXES	PDT	\$0) \$6		\$0	\$0	\$0
35	INVESTMENT TAX CREDIT - NET	ITN	\$0	O \$0		\$0	\$0	\$0
36	AFUDC	AFD	\$0	0 \$0		\$0 	\$0 	\$0
37	COST OF SERVICE REVENUE REQT	CSR	\$12,180,667	_	-	\$3,030,107	\$57,918	\$238,690
	_			= ======	=======	======	======	=======

PEOPLE'S COOPERATIVE SERVICES- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

"COST OF SERVICE COMPARISON"

LINE NO.	DESCRIPTION	CONTROL ALL OUT	TOTAL SMEC	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	LIGHTING	MUNICIPAL PUMPING
	*** OTHER REVENUE INCLUDED ***							
1	COST OFF SERVICE REVENUE REQT		\$12,180,667	\$7,077,401	\$1,776,551	\$3,030,107	\$57,918	\$238,690
2	EXISTING REVENUE		\$12,053,490	\$6,387,127	\$1,918,743	\$3,426,810	\$107,377	\$213,433
3	REVENUE DEFICIENCY		\$127,177	\$690,274	-\$142,192	-\$396,703	-\$49,459	\$25,257
4	REQUIRED INCREASE (%)		1.06%	10.81%	-7.41%	-11.58%	-46.06%	11.83%
5	EXISTING RATE OF RETURN-AS ADJ.		4.57%	0.13%	10.25%	15.77%	20.66%	-2.36%
6	EXISTING FOR AS % OF OVERALL ROR-AS	ADJ.	100.00%	2.84%	224.29%	345.08%	452.08%	-51.64%
7	EXISTING RETURN ON EQUITY-AS ADJ.		7.18%	-5.61%	23.55%	39.46%	53. 5 5%	-12.79%
8	EXISTING ROE AS % OF OVERALL ROE-AS	ADJ.	100.00%	-78.13%	327.99%	549.58%	745.82%	-178.13%
9	PROPOSED RATE OF RETURN-AS ADJ		5.18%	5.18%	5.18%	5.18%	5.18%	5.18%
10	PROPOSED RETURN ON EQUITY-AS ADJ		8,95%	8.95%	8.95%	8.95%	8.95%	8.95%
	*** OTHER REVENUE EXCLUDED *** COST OF SERVICE REVENUE REQT		\$12,170,384	\$7,070,443	\$1,775,212	\$3,028,499	\$57,686	\$238,544
11	COST OF SERVICE REVENUE REQT		ψ12,170,30 +	ψ1,070,110	4 1,775,212	*-,,		
12	EXISTING REVENUE		\$12.043,207	\$6,380,169	\$1,917,404	\$3,425,202	\$107,145	\$213,287
13	REVENUE DEFICIENCY		\$127,177	\$690,274	-\$142,192	-\$396,703	-\$49,459	\$25,257
14	REQUIRED INCREASE (%)		1.06%	10.82%	-7.42%	-11.58%	-46.16%	11.84%
15	EXISTING RATE OF RETURN - UNADJ		4.57%	0.13%	10.25%	15.77%	20.66%	-2.36%
	EXISTING ROR AS % OF OVERALL ROR-UI	VAD.I	100.00%			345.08%	452.08%	-51.64%
16 17	EXISTING ROWAS % OF OVERALL MONEOU	17.20.	7.18%			39.46%	53.55%	-12.79%
18	EXISTING ROE AS % OF OVERALL ROE-UN	IAD.I.	100.00%			549.58%	745.82%	-178.13%
10	EVISHING HOLYO WOL OAFLINEF HOF-OL							
19	PROPOSED RATE OF RETURN - UNADJ		5.18%	5.18%	5.18%	5.18%	5.18%	5.18%
20	PROPOSED RETURN ON EQUITY-UNADJ		8.95%	8.95%	8.95%	8.95%	8.95%	8.95%
20	, 110. 0022 112.01							

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PEOPLE'S COOPERATIVE SERVICES- SMEC CUSTOMERS
COST OF SERVICE STUDY
FOR TWELVE MONTHS ENDED
DECEMBER 31, 2016

DECEM	BER 31, 2016	TOTAL		CNAALL	LARGE		MUNICIPAL
PROPO	OSED MILLS/KWH	TOTAL SMEC	RESIDENTIAL	SMALL COMMERCIAL	POWER	LIGHTING 	PUMPING
1	EXISTING BASE REV	101.27	112.08	100.63	86.15	153.61	85.68
2	FUEL REVENUE	0.00	0.00	0.00	0.00	0.00	0.00

3	TOTAL MILLS / KWH	101.27	112.08	100.63	86.15	153.61	85.68
			======	=====	=====		2#====
4	PROPOSED BASE REV	102.34	124.20	93.17	76.17	82.70	95.82
5	FUEL REVENUE	0.00	0.00	0.00	0.00	0.00	0.00
5	FOEL REVENOL			*****			
6	TOTAL MILLS / KWH	102.34	124.20	93.17	76.17	82.70	95.82

REDWOOD ELECTRIC COOPERATIVE CLASS COST OF SERVICE FOR MPSC COMPLIANCE FILING SCENARIO 2: SMEC DIRECT ASSIGNMENT

		COSS BASED	EXISTING			
LINE		REVENUE	REVENUE			PERCENT
NO.	CLASS	ALLOCATION	ALLOCATION	DII	FFERENCE	DIFFERENCE
		· · ·				
	LEGACY:					
1	G/S RURAL	\$5,705,263	\$5,040,919		664,344	13.18%
2	G/S CITY	\$415,051	\$368,722		46,329	12.56%
3	G/S <= 300 KVA MULTI PHASE	\$473,595	\$693,986		(220,391)	
4	SMALL COMMERCIAL	\$413,915	\$501,584		(87,669)	
5	G/S > 300 KVA MULTI PHASE	\$186,224	\$256,962		(70,738)	
6	ETHANOL PLANT	\$3,204,205	\$3,429,411		(225,206)	
7	TOTAL LEGACY	\$10,398,253	\$10,291,584	\$	106,669	1.04%
	SMEC			_		00.000/
8	RESIDENTIAL	\$2,335,678	\$1,679,321		656,357	39.08%
9	SMALL COMMERCIAL	\$1,142,122	\$1,045,542		96,580	9.24%
10	LARGE POWER	\$656,350	\$764,466		(108,116)	
11	LIGHTING	\$24,489	\$54,601	\$	(30,112)	
12	MUNICIPAL PUMPING	\$68,984		\$	20,218	41.46%
13	TOTAL SMEC	\$4,227,623	\$3,592,696		\$634,927	17.67%
14						
15	TOTAL COMPANY		\$13,884,280		741,596	5.34%
16	MISC. REVENUES	\$28,859	\$28,859			0.00%
17		\$14,654,735	\$13,913,139	\$	741,596	5.33%
	CONSOLIDATED					
18	RESIDENTIAL	\$2,335,678			656,357	
19	G/S RURAL	\$5,705,263		\$	664,344	13.18%
20	G/S CITY	\$415,051	\$368,722		46,329	
21	G/S <= 300 KVA MULTI PHASE			\$	(220,391)	
22	SMALL COMMERCIAL	\$413,915		\$	(87,669)	
23	G/S > 300 KVA MULTI PHASE	\$186,224		\$	(70,738)	
24	ETHANOL PLANT	\$3,204,205	\$3,429,411	\$	(225,206)	
25	LARGE POWER	\$656,350	\$764,466	\$	(108,116)	
26	LIGHTING	\$24,489		\$	(30,112)	
27	MUNICIPAL PUMPING	\$68,984			20,218	
28		\$14,625,874	\$13,884,280	\$	741,594	
29	MISC. REVENUES	\$28,859	\$28,859	\$	_	0.00%
30	TOTAL COMPANY	\$14,654,733	\$13,913,139		\$741,594	5.33%

REDWOOD ELECTRIC COOPERATIVE- SMEC CUSTOMERS

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FILESPEC: K:\RATERES\COS\93RESALE\COS1292.WK3

STUDY DA	TE:		DECEMBER 31, 2016
RUN DATE	AND TIME:	18-Oct-17	12:14 PM
RETURN O	ON COMMON EQUITY		8.24%
OVERALL	RATE OF RETURN		5.35%
CAPITALIZ	ZATION:		
	OUTSTANDING	EFFECTIVE RATE	COMPOSITE
DBT	\$18,357,569	3.33%	1.96%
PRF		0.00%	0.00%
CMN	\$12,767,669	8.24%	3.38%
FEDERAL	EFFECTIVE INCOME 1	AX RATE	0.00%
FEDERAL	NOMINAL INCOME TA	X RATE	0.00%
STATE EF	FECTIVE INCOME TAX	RATE	0.00%
STATE NO	MINAL INCOME TAX F	RATE	0.00%

NOTATIONS: THIS RUN ALLOCATES ALL PLANT ON AVG OF 12 CP

REDWOOD ELECTRIC COOPERATIVE- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

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*******CUSTOMER DATA*******

LINE NO.	DESCRIPTION	CONTRO	L OUT	TOTAL SMEC	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	LIGHTING	MUNICIPAL PUMPING
1	NUMBER OF CUSTOMERS	C1A	C1A	1,981	1,549 78.193%	386 19.485%	0.606%	13 0.656%	21 1.060%
2	PERCENT OF TOTAL	C1A		100.000%	78.193%	19.465%	0.000%	0.030 /8	1.500%
3	NUMBER OF WEIGHTED CUSTOMERS	C2A	C2A	1,981	1,549	386	12	13	21
4	PERCENT OF TOTAL	C2A		100.000%	78.193%	19.485%	0.606%	0.656%	1.060%
5	NUMBER OF RETAIL DISTR CUSTOMERS	СЗА	СЗА	1,981	1,549	386	12	13	21
6	PERCENT OF TOTAL	C3A		100.000%	78.193%	19.485%	0.606%	0.656%	1.060%
7	NMBR OF RETAIL WTD CUSTOMERS	C4A	C4A	1.981	1,549	386	12	13	21
8	PERCENT OF TOTAL	C4A	04/1	100.000%	78.193%	19.485%	0.606%	0.656%	1.060%
9	LIGHTING DIRECT ALLOCATOR	LDE	LDE	0	0	0	o	0	0
10	PERCENT OF TOTAL	LDE		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
11	LPS DIRECT ALLOCATOR	DA1	DA1	0	0	0	0	0	0
12	PERCENT OF TOTAL	DA1		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
10	AVERAGE COINCIDENT KW DEMAND	D1A	D1A	6,500	3,365	1,857	1,159	0	120
13 14	DEMAND ALLOCATION FACTOR-PROD	DIA	D	100.000%	51.764%	28.561%	17.832%	0.000%	1.843%
15	AVERAGE COINCIDENT KW DEMAND	D1B	D1B	6,500	3,365	1,857	1,159	0	120
16	DEMAND ALLOCATION FACTOR-TRANS	D1B		100.000%	51.764%	28.561%	17.832%	0.000%	1.843%
	AVG PRIMARY DISTRIB KW DEMAND	D2A	D2A	6.822	3,494	1,916	1,206	83	124
17 18	DIST-PRI DEMAND ALLOC FACTOR	D2A	DEA	100.000%	•	28.077%	17.670%	1.211%	1.822%
	THE STATE OF THE S	D04	D24	6.822	3.494	1.916	1,206	83	124
19 20	AVG SECONDARY DISTRIB KW DEMAND DIST-SEC DEMAND ALLOC FACTOR	D3A D3A	D3A	100.000%			17.670%	1.211%	1.822%
20	Bior Geo Benting Needs The Ferr								
21	AVG SECONDARY DISTRIB KW DEMAND	D4A	D4A	6,822			1,206	83 1,211%	124 1.822%
22	DIST-SEC DEMAND ALLOC FACTOR	Đ4A		100.000%	51.219%	28.077%	17.670%	1.21176	1.022 /6
23	ANNUAL MWH ENERGY CONTRIBUTION	E1A	E1A	35,348,433	15,917,474	10,571,328	7,920,376	361,979	577,275
24	ENERGY ALLOCATION FACTOR	E1A	•	100.000%		29.906%	22.407%	1.024%	1.633%

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REDWOOD ELECTRIC COOPERATIVE- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

·······CUSTOMER DATA*******
····· C O N T I N U E D ****

LINE NO.	DESCRIPTION	ALL	OUT	TOTAL SMEC	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	LIGHTING	MUNICIPAL PUMPING
								0	0
25	RESERVED			0	0	0	0	0.000%	0.000%
26	PERCENT OF TOTAL			0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
27	WAGES/SALARIES: PRODUCTION	NPP		\$0	\$0	\$0	\$0	\$0	\$0
28	TRANSMISSION	NPT		\$0	\$0	\$0	\$0	\$0	\$0
29	DISTRIBUTION	NPD		\$216,209	\$138,152	\$51,973	\$20,863	\$2,055	\$3,166
30	GENERAL	NPG		\$282,574	\$189,969	\$64,929	\$21,313	\$2,492	\$3,871
31	WAGES/SALARIES: TOTAL	LBR	LBR	\$498,783	\$328,121	\$116,902	\$42,176	\$4,547	\$7,037
32	PERCENT OF TOTAL	LBR		100.000%	65.784%	23.437%	8.456%	0.912%	1.411%
33	BULK TRANSMISSION REVENUE	D1A		\$0	\$0	\$0	\$0	\$0	\$0
34	PRIMARY TRANSMISSION REVENUE	D2A		\$0	\$0	\$0	\$0	\$0	\$0
35	TOTAL TRANSMISSION REVENUE	TRN	TRN	\$0	\$0	\$0	\$0	\$0	\$0
35 36	PERCENT OF TOTAL	TRN		100.000%	100.000%	0.000%	0.000%	0.000%	0.000%
	EXISTING REVENUE			** *** ***	64 670 004	\$1,045,542	\$764,466	\$54,601	\$48,766
37	EXISTING BASE REV	OTR	OTR	\$3,592,696	\$1,679,321	\$1,045,542 \$0	\$764,466	\$04,001	\$0
38	FUEL REVENUE	FUL		\$0	\$0	\$1.423	\$571	\$56	\$87
39	MISCELLANEOUS REVENUE	NPD		\$5,920	\$3,783	\$1,423 \$0	\$0	\$0	\$0
40	TRANSMISSION REVENUE	TRN		\$0	\$0	\$0 \$0	\$0	\$0 \$0	\$0
41	NON-FRM SLS FOR RESALE	E1A		\$0	\$0 				
42	TOTAL EXISTING REVENUE	EXR	EXR	\$3,598,616	\$1,683,104	\$1,046,965	\$765,037	\$54,657	\$48,853
				=======	======	=======	=======	=======	=======
	PROPOSED REVENUE								***
43	PROPOSED BASE REV			\$4,227,623	\$2,335,678	\$1,142,122	\$656,350	\$24,489	\$68,984
44	FUEL REVENUE			\$0	\$0	\$0	\$0	\$0	\$0
45	MISCELLANEOUS REVENUE			\$5,920	\$3,783	\$1,423	\$571	\$56	\$87
46	TRANSMISSION REVENUE			\$0	\$0	\$0	\$0	\$0	\$0
47	NON-FRM SLS FOR RESALE			\$0	\$0	\$0	\$0	\$0 	\$0
	TOTAL PROPOSED DEVENUE	PRV	PRV	\$4,233,543	\$2,339,461	\$1,143,545	\$656,921	\$24,545	\$69,071
48	TOTAL PROPOSED REVENUE	FRV	FNV	\$4,255,545 ======	======	======		======	======
					_				
49	PROPOSED BASE REVENUE INCREASE/(I	DECREASE)	\$634,927	\$656,357	\$96,580	-\$108,116	-\$30,112	\$20,218
73								-55,15%	41.46%

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REDWOOD ELECTRIC COOPERATIVE- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

****ELECTRIC GROSS PLANT****

LINE NO.	DESCRIPTION	ALL	OUT	TOTAL SMEC	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	LIGHTING	MUNICIPAL PUMPING
1	TOTAL PRODUCTION PLANT	D1A	GPP	\$0	\$0	\$0	\$0	\$0	\$0
	TRANSMISSION PLANT								
2	POWER PLANT EQUIP	D1A		\$0	\$0	\$0	\$0	\$0	\$0
3	LARGE POWER SERVICE EQUIP	DA1		\$0	\$0	\$0	\$0	\$0	\$0
4	OTHER DIST IN ACCT 353	D2A		\$0	\$0	\$0	\$0	\$0	\$0
5	ALL OTHER TRANSMISSION	D1B		\$0	\$0	\$0	\$0	\$0	\$0
6	TOTAL TRANSMISSION PLANT	GPT	GPT	\$0	\$0	\$0	\$0	\$0	\$0
	DISTRIBUTION PLANT								
7	PRIMARY DEMAND RELATED	D4A		\$3,419,208	\$1,751,282	\$960,007	\$604,185	\$41,419	\$62,315
8	SECONDARY DEMAND RELATED	D3A		\$774,503	\$396,693	\$217,456	\$136,857	\$9,382	\$14,115
9	CUSTOMER RELATED	C4A		\$3,719,508	\$2,908,389	\$724,750 	\$22,531 	\$24,409	\$39,429
10	SUB-TOTAL DISTR PLANT		SGD	\$7,913,220	\$5,056,365	\$1,902,213	\$763,573	\$75,210	\$115,859
11	LIGHTING SPECIFIC	LDE		\$0	\$0	\$0	\$0	\$0	\$0
12	TOTAL DISTRIBUTION PLANT	GPD	GPD	\$7,913,220	\$5,056,365	\$1,902,213	\$763,573	\$75,210	\$115,859
	GENERAL AND INTANGIBLE PLANT								
13	PRODUCTION RELATED	GPP		\$0	\$0	\$0	\$0	\$0	\$0
14	TRANSMISSION RELATED	GPT		\$0	\$0	\$0	\$0	\$0	\$0
15	DISTRIBUTION RELATED	GPD		\$1,153,549	\$737,091	\$277,295	\$111,310	\$10,964	\$16,889
	CUST ACCT/SERV & INFO/								
16	SALES RELATED	C2A		\$677,218	\$529,536 	\$131,957	\$4,102	\$4,444 	\$7,179
17	TOTAL GENERAL & INTANGIBLE PLANT	GPG	GPG	\$1,8 3 0,767	\$1,266,627	\$409,252	\$115,412	\$15,408	\$24,068
	TOTAL GOODS DIANT IN CEDINO	GPR	GPR	\$9.743.987	\$6,322,992	\$2.311.465	 \$878,985	\$90.618	 \$139,927
18	TOTAL GROSS PLANT IN SERVICE	GPH	GFR	\$9,743,967 === === ==		======	======	======	======

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REDWOOD ELECTRIC COOPERATIVE- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

*******ELECTRIC PLANT*******
****ACCUMULATED DEPRECIATION***

LINE NO.	DESCRIPTION	ALL	OUT	TOTAL SMEC	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	LIGHTING	MUNICIPAL PUMPING
1	TOTAL PRODUCTION PLANT	D1A	DPP	\$0	\$0	\$0	\$0	\$0	\$0
	TRANSMISSION PLANT								
2	POWER PLANT EQUIP	D1B		\$0	\$0	\$0	\$0	\$0	\$0
3	LARGE POWER SERVICE EQUIP	DA1		\$0	\$0	\$0	\$0	\$0	\$0
4	OTHER DIST IN ACCT 353	D2A		\$0	\$0	\$0	\$0	\$0	\$0
5	ALL OTHER TRANSMISSION	D1A		\$0	\$0	\$0	\$0	\$0	\$0
6	TOTAL TRANSMISSION PLANT	DPT	DPT	\$0	\$0	\$0	\$0	\$0	\$0
	DISTRIBUTION PLANT								
7	PRIMARY DEMAND RELATED	D4A		\$1,494,507	\$765,471	\$419,611	\$264,084	\$18,104	\$27,237
8	SECONDARY DÉMAND RELATED	D3A		\$338,529	\$173,391	\$95,048	\$59,819	\$4,101	\$6,170
9	CUSTOMER RELATED	C4A		\$1,625,765	\$1,271,232	\$316,782 	\$9,848 	\$10,669 	\$17,234
10	SUB-TOTAL DISTR PLANT		SDD	\$3,458,801	\$2,210,094	\$831,441	\$333,751	\$32,874	\$50,641
11	LIGHTING SPECIFIC	LDE		\$0	\$0	\$0	\$0	\$0	\$0
12	TOTAL DISTRIBUTION PLANT	DPD	DPD	\$3,458,801	\$2,210,094	\$831,441	\$333,751	\$32,874	\$50,641
	GENERAL AND INTANGIBLE PLANT								
13	PRODUCTION RELATED	GPP		\$0	\$0	\$0	\$0	\$0	\$0
14	TRANSMISSION RELATED	GPT		\$0	\$0	\$0	\$0	\$0	\$0
15	DISTRIBUTION RELATED	GPD		\$46,685	\$29,830	\$11,222	\$4,505	\$444	\$684
	CUST ACCT/SERV & INFO/							** ***	#2 C1E
16	SALES RELATED	C2A		\$341,043	\$266,671	\$66,453 	\$2,066	\$2,238	\$3,615
17	TOTAL GENERAL & INTANGIBLE PLANT	DPG	DPG	\$387,728	\$296,501	\$77,675	\$6,571	\$2,682	\$4,299
18	TOTAL ACCUMULATED DEPRECIATION	DPR	DPR	\$3,846,529	\$2,506,595	\$909,116	\$340,322	\$35,556	\$54,940
				=======	=======	=======	======	====3==	======

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REDWOOD ELECTRIC COOPERATIVE- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

*******ELECTRIC NET PLANT*******

LINE		CONTRO	L	TOTAL		SMALL	LARGE		MUNICIPAL
NO.	DESCRIPTION	ALL	OUT	SMEC	RESIDENTIAL	COMMERCIAL	POWER	LIGHTING	PUMPING
1	TOTAL PRODUCTION PLANT	D1A	NPP	\$0	\$0	\$0	\$0	\$0	\$0
	TRANSMISSION PLANT								
2	POWER PLANT EQUIP	D1B		\$0	\$0	\$0	\$0	\$0	\$0
3	LARGE POWER SERVICE EQUIP	DA1		\$0	\$0	\$0	\$0	\$0	\$0
4	OTHER DIST IN ACCT 353	D2A		\$0	\$0	\$0	\$0	\$0	\$0
5	ALL OTHER TRANSMISSION	D1A		\$0 	\$0	\$0	\$0	\$0 	\$0
6	TOTAL TRANSMISSION PLANT	NPT	NPT	\$0	\$0	\$0	\$0	\$0	\$0
	DISTRIBUTION PLANT								
7	PRIMARY DEMAND RELATED	D4A		\$1,924,701	\$985,811	\$540,396	\$340,101	\$23,315	\$35,078
8	SECONDARY DEMAND RELATED	D3A		\$435,974	\$223,302	\$122,408	\$77,038	\$5,281	\$7,945
9	CUSTOMER RELATED	C4A		\$2,093,743	\$1,637,157	\$407,968	\$12,683 	\$13,740	\$22,195
10	SUB-TOTAL DISTR PLANT		SPD	\$4,454,419	\$2,846,271	\$1,070,772	\$429,822	\$42,336	\$65,218
11	LIGHTING SPECIFIC	LDE	0. 0	\$0	\$0	\$0	\$0	\$0	\$0
40	TOTAL DISTRIBUTION PLANT	NPD	NPD	 \$4,454,419	\$2.846.271	\$1,070,772	\$429.822	\$42.336	\$65,218
12	TO TAL DISTRIBUTION PLANT	NED	NID	Ψ-,	ψ <u>ε</u> ,ο-ιο, ε , ,	3 1,010,712	*		
	GENERAL AND INTANGIBLE PLANT						***	\$0	\$0
13	PRODUCTION RELATED	NPP		\$0		\$0	\$0	\$0 \$0	\$0 \$0
14	TRANSMISSION RELATED	NPT		\$0	* -	\$0	\$0	\$10.520	\$16,205
15	DISTRIBUTION RELATED	NPD		\$1,106,864	\$707,261	\$266,073	\$106,805	\$10,320	\$10,203
	CUST ACCT/SERV & INFO/				****	005.504	\$2.036	\$2,206	\$3.564
16	SALES RELATED	C2A		\$336,175	\$262,865	\$65,504	\$2,036	\$2,200	
17	TOTAL GENERAL & INTANGIBLE PLANT	NPG	NPG	\$1,443,039	\$970,126	\$331,577	\$108,841	\$12,726	\$19,769
18	TOTAL NET PLANT IN SERVICE	NPR	NPR	\$5,897,458	\$3,816,397	\$1,402,349	\$538,663	\$55,062	\$84,987
				======	====332	=======	======	======	======

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REDWOOD ELECTRIC COOPERATIVE- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

****** RATE BASE *****

LINE NO.	DESCRIPTION	CONTRO ALL	L OUT	TOTAL SMEC	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	LIGHTING	MUNICIPAL PUMPING
							#500.000	ee 060	\$84,987
1	NET PLANT IN SERVICE	NPR	NPR	\$5,897,458	\$3,816,397	\$1,402,349	\$538,663	\$55,062	\$64,567
	CONSTRUCTION WORK IN PROGRESS								
2	PRODUCTION PLANT	NPP		\$0	\$0	\$0	\$0	\$0	\$0
3	TRANSMISSION PLANT	NPT		\$0	\$0	\$0	\$0	\$0	\$0
4	DISTRIBUTION PLANT	NPD		\$62,633	\$40,021	\$15,056	\$6,044	\$595	\$917
5	GENERAL PLANT	NPG		\$0	\$0	\$0	\$0	\$0	\$0
6	TOAL CWIP	CWP	CWP	\$62,633	\$40,021	\$15,056	\$6,044	\$595	\$917
7	NET ACQUISITION ADJUSTMENT	D2A	ACQ	\$1,530,113	\$783,708	\$429,608	\$270,376	\$18,535	\$27,886
8	PLANT HELD FOR FUTURE USE	E1A	PLH	\$0	\$0	\$0	\$0	\$0	\$0
	MISC DEFERRED DEBITS								
^	PROD RELATED	NPP		\$0	\$0	\$0	\$0	\$0	\$0
9	TRAN RELATED	NPT		\$0	\$0	\$0	\$0	\$0	\$0
10	DIST RELATED	NPD		\$0	\$0	\$0	\$0	\$0	\$0
11 12	GENR RELATED	NPG		\$0	\$0	\$0	\$0	\$0	\$0
13	LABOR RELATED	LBR		\$0	\$0	\$0	\$0	\$0	\$0
14	NPR RELATED	NPR		\$92,299	\$59,729	\$21,948	\$8,430	\$862	\$1,330
15	TOTAL MISC DEFRO DEBITS			\$92,299	\$59,729	\$21,948	\$8,430	\$862	\$1,330
	WORKING CAPITAL								
16	CASH WORK CAP, FUNDS, MAT&SUP	NPR	MAS	\$203,247	\$131,526	\$48,330	\$18,564	\$1,898	\$2,929
17	FUEL STOCK	E1A	FUL	\$5,926	\$2,668	\$1,772	\$1,328	\$61	\$97
18	PREPAID LIGNITE ROYALTIES	E1A		\$0	\$0	\$0	\$0	\$0	\$0
19	OTHER PREPAYMENTS	NPR		\$1,816		\$432	\$166 	\$17 	\$26
20	TOTAL WORKING CAPITAL			\$210,989	\$135,369	\$50,534	\$20,058	\$1,976	\$3,052
21	UNAMORTIZED LOSS ON REACQD LTD	NPR		\$0	\$0	\$0	\$0	\$0	\$0
22	DEFERRED FUEL	E1A	DEF	\$0	\$0	\$0	\$0	\$0	\$0

(RATE BASE CONTINUED ON NEXT PAGE)

REDWOOD ELECTRIC COOPERATIVE- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

"CONTINUED"

NO.	DESCRIPTION	CONTRO ALL	OUT	TOTAL SMEC	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	LIGHTING	MUNICIPAL PUMPING
	ACCUMULATED DEFERRED INCOME TAX				••	***	r.o.	\$0	\$0
23	ACCT 281: POL CON	NPP		\$0	\$0	\$0	\$0	φυ	ΨΟ
24	ACCT 282: LIBERAL DEP - PROD	NPP		\$0	\$0	\$0	\$0	\$0	\$0
25	TRAN	NPT		\$0	\$0	\$0	\$0	\$0	\$0
26	DIST	NPD		\$0	\$0	\$0	\$0	\$0	\$0
27	GENR	NPG		\$0	\$0	\$0	\$0	\$0	\$0
28	LIGNITE EXPLORATN	E1A		\$0	\$0	\$0	\$0	\$0	\$0
29	LABOR RELATED	LBR		\$0	\$0 	\$0 	\$0	\$0 	\$0
30	TOTAL ACCOUNT 282			\$0	\$0	\$0	\$0	\$0	\$0
31	ACCT 283: THIS LINE RESERVED			\$0	\$0	\$0	\$0	\$0	\$0
32	LONG TERM DEBT LOSS	NPR		\$0	\$0	\$0	\$0	\$0	\$0
33	TOTAL ACCOUNT 283			\$0	\$0	\$0	\$0	\$0	\$0
34	ACCOUNT 190: PRODUCTION RELATED	NPP		\$0	\$0	\$0	\$0	\$0	\$0
35	PLANT RELATED	NPR		\$0	\$0	\$0	\$0	\$0	\$0
36	ENERGY RELATED	E1A		\$0	\$0	\$0	\$0	\$0	\$0
37	LABOR RELATED	LBR		\$0	\$0	\$0	\$0	\$0	\$0
38	FERC REFUND	TRN		\$0	\$ 0	\$0 	\$0	\$0 	\$0
39	TOTAL ACCOUNT 190			\$0	\$0	\$0	\$0	\$0	\$0
40	TOTAL ACCUM DEFRD INC TAX	ACC	ACC	\$0	\$0	\$0	\$0	\$0	\$0
41	INVESTMENT TAX CREDIT PRE '71	NPR	PIC	\$0	\$0	\$0	\$0	\$0	\$0
42	CUSTOMER ADVANCES AND DEPOSITS	СЗА	CAD	-\$23,930	-\$18,711	-\$4,663	-\$145	-\$157	-\$254
43	STORM DAMAGE & INJ & DAM RESRVS	D2A	SDR	\$0	\$0	\$0	\$0	\$0	\$0
44	PNSN & MIS OP RSRVS, OTR DEF CR	OMA	PEN	-\$18,188	-\$11,964	-\$4,263	-\$1,538	-\$166	-\$257
45	TRANSMISSION RATE REFUND RESERVE	TRN		\$0			\$0 	\$0 	\$0
46	TOTAL RATE BASE	RBT	RBT	\$7,751,374	\$4,804,549	\$1,910,569	\$841,888	\$76,707 =====	\$117,661 ======

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REDWOOD ELECTRIC COOPERATIVE- SMEC CUSTOMERS COST OF SERVICE STUDY

FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

*******OPER AND MTN EXPENSES*******

LINE		CONTRO	L	TOTAL		SMALL	LARGE		MUNICIPAL
NO.	DESCRIPTION	ALL	OUT	SMEC	RESIDENTIAL	COMMERCIAL	POWER	LIGHTING	PUMPING
	PRODUCTION O&M EXPENSE						*		
1	FUEL EXPENSE - ACCT 501	E1A		\$0	\$0	\$0	\$0	\$0	\$0
	PURCHASED POWER - ACCT 555			•					
2	DEMAND - OTHER	D1A		TRA	DE SECRET I	DATA BEGINS	TRADE	E SECRET DA	FA ENDS]
3	ENERGY - OTHER	E1A							
4	NET OFF SYSTEM REVENUE	E1A		\$0	\$0	\$0	\$0	\$0	\$0
•	OTHER PRODUCTION O&M ACCTS								
5	DEMAND - OTHER	D1A		\$7,802	\$4,039	\$2,228	\$1,391	\$0	\$144
6	ENERGY - OTHER	E1A		\$0	\$0	\$0	\$0	\$0	\$0
7	TOTAL OTHER PRODUCTION O&M	PRO	PRO	\$7,802	\$4,039	\$2,228	\$1,391	\$0	\$144
				(50 h A	DE CLODET	DATA DECINS	TDAD	E SECRET DA	TA ENDSI
8	TOTAL PRODUCTION O&M EXPENSE	OMP	OMP	LIKA	DE SECRET I	DATA BEGINS	118/4121	LSECKLIDA	IA ENDO
9	TOTAL TRANSMISSION O&M EXPENSE	NPT	OMT	\$0	\$0	\$0	\$0	\$0	\$0
	DISTRIBUTION O&M EXPENSE			(TD	A DE CUCDET	DATA BEGINS.	TRAD	E SECRET DA	TA ENDSI
10	LIGHTING SPECIFIC	LDE		Į I K.	ADE SECRET	DATA BEGINS.	110/10	AL SECRET DA	arr Entroj
11	ALL OTHER	SPD							******
				(27)	A DUE CL'OR ET	DATA DICINS		DE SECRET DA	
12	TOTAL DISTRIBUTION O&M EXPENSE	OMD	OMD	LIK	ADE SECRET	DATA BEGINS.	[1 K/M.	DE SECRET DA	MALNUS
	TOTAL CUST ACCT/SERV & INFO/		0140	4050 404	6400 467	\$49.382	\$1,535	\$1,663	\$2,687
13	SALES EXPENSE	C2A	OMC	\$253,434	\$198,167	\$49,362	\$1,555	φ1,000	Ψ2,007
	ADMINISTRATIVE & GENERAL EXPENSE	NPR		\$0	\$0	\$0	\$0	\$0	\$0
14	PROP INSURANCE/INJ & DAMG			\$268.251	\$176.467	\$62,871	\$22,683	\$2,445	\$3,785
15	CUST ACCT/SERV&INFO/SALES REL	LBR		\$200,251	\$170,407	Ψ02,071	Ψ22,000		****
4.0	TOTAL ADMINIS CENEDAL EVDENCE	OMA	ОМА	\$268,251	\$176,467	\$62.871	\$22,683	\$2,445	\$3,785
16	TOTAL ADMIN & GENERAL EXPENSE	OWIA	OIVIA	ψ200,231	ψ110,401	40-,07	Ţ,J00	,	
17	TOTAL OPER & MTN EXPENSES	OMX	OMX	TRA	ADE SECRET	DATA BEGINS.	TRAD	E SECRÉT DA	TA ENDS]
17	TOTAL OPEN & WITH EXPLINALS	CIVIX	JIVIA		======	=======			======

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REDWOOD ELECTRIC COOPERATIVE- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

EXPENSES OTHER THAN INCOME TAXES

LINE NO.	DESCRIPTION	CONTRO ALL	L OUT	TOTAL	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	LIGHTING	MUNICIPAL PUMPING
1	TOTAL OPER & MTN EXPENSES	ОМХ		[TR	ADE SECRET	DATA BEGINS.	TRAD	E SECRET DA	TA ENDS]
	DEPRECIATION & AMORTIZATION EXPENS	ES							
2	PRODUCTION	NPP		\$0	\$0	\$0	\$0	\$0	\$0
3	TRANSMISSION	NPT		\$0	\$0	\$0	\$0	\$0	\$0
4	DISTRIBUTION	NPD		\$205,947	\$131,596	\$49,506	\$19,873	\$1,957	\$3, 015
5	GENERAL	NPG		\$40.990	\$27,556	\$9,419	\$3,092	\$361	\$562
									*
6	TOTAL DEPR & AMORT EXPEN	DEP	DEP	\$246,937	\$159,152	\$58,925	\$22,965	\$2,318	\$3,577
7	INTEREST ON CUSTOMER DEPOSITS	СЗА	IÇD	\$0	\$0	\$0	\$0	\$0	\$0
	GENERAL TAXES								
8	AD VALOREM	NPR	VAL	\$0	\$0	\$0	\$0	\$0	\$0
9	CORP FRANCHISE TAX	NPR	SFT	\$0	\$0	\$0	\$0	\$0	\$0
10	MISCELLANEOUS GENERAL TAXES	LBR	MIS	\$2	\$2	\$0	\$0	\$0	\$0
11	REVENUE-RELATED (AS PROPOSED)	RTX		\$0	\$0	\$0	\$0	\$0	\$0
	•								
12	TOTAL GENERAL TAXES	GTX	GTX	\$2	\$2	\$0	\$0	\$0	\$0
								DU CUCDUT D	ATA ENDEL
13	TOTAL EXPENSES EXCEPT INCOME TAX	EXP	EXP	T	RADE SECRE	T DATA BEGIN	S IRA	DE SECRET D	ATA ENDS]
				======	=======	======	======	======	======

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REDWOOD ELECTRIC COOPERATIVE- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

""INCOME TAX FOR 8.24% ROE""

LINE NO.	DESCRIPTION	CONTRO ALL	L OUT	TOTAL SMEC	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	LIGHTING	MUNICIPAL PUMPING
1	RATE BASE	RBT		\$7,751,374	\$4,804,549	\$1,910,569	\$841,888	\$76,707	\$117,661
2	RETURN AT 5.35%	RBT	RET	\$414,332	\$256,817	\$102,125	\$45,001	\$4,100	\$6,289
3	INTEREST (1.96% OF LINE 1)	RBT	INT	-\$152,280	-\$94,388	-\$37,534	-\$16,539	-\$1,507	-\$2,312
4	AFUDC	NPR	AFD	\$0	\$0	\$0	\$0	\$0	\$0
	PROVISION FOR DEFERRED TAXES								
5	ACT 410.1: PROD RLTD	NPP		\$0	\$0	\$0	\$0	\$0	\$0
6	TRAN RLTD	NPT		\$0	\$0	\$0	\$0	\$0	\$0
7	PLANT RLTD	NPR		\$0	\$0	\$0	\$0	\$0	\$0
8	ENERGY RLTD	E1A		\$0	\$0	\$0	\$0	\$0	\$0
9	LABOR RLTD	LBR		\$0	\$0	\$0	\$0	\$0	\$0
10	CUSTOMER RELATED	C3A		\$0	\$0	\$0	\$0	\$0	\$0
11	RESERVED			\$0	\$0	\$0	\$0	\$0	\$0
12	TOTAL 410.1			\$0	\$0	\$0	\$0	\$0	\$0
13	ACT 411.1: PROD RLTD	NPP		\$0	\$0	\$0	\$0	\$0	\$0
14	TRAN RLTD	NPT		\$0	\$0	\$0	\$0	\$0	\$0
15	PLANT RELATED	NPR		\$0	\$0	\$0	\$0	\$0	\$0
16	ENERGY RELATED	E1A		\$0	\$0	\$0	\$0	\$0	\$0
17	LABOR RELATED	LBR		\$0	\$0	\$0	\$0	\$0	\$0
18	CUSTOMER RELATED	СЗА		\$0	\$0	\$0	\$0	\$0	\$0
19	TOTAL 411.1			\$0	\$0	\$0	\$0	\$0	\$0
20	NET PROVISION FOR DEFRD INC TAX		PDT	\$0	\$0	\$0	\$0	\$0	\$0
21	ITC AMORT	NPR	ITA	\$0	\$0	\$0 	\$0	\$0 	\$0
22	ADJUSTED RETURN	ART	ART	\$262,052	\$162,429	\$64,591	\$28,462	\$2,593	\$3,977
	FED ADD INC & UNALLOW DEDUCTS								
23	PRODUCTION RELATED	NPP		\$0	\$0	\$0	\$0	\$0	\$0
24	DISTRIBUTION RELATED	NPD		\$0	\$0	\$0	\$0	\$0	\$0
25	PLANT RELATED	NPR		\$0	\$0	\$0	\$0	\$0	\$0
26	ENERGY RELATED	E1A		\$0	\$0	\$0	\$0	\$0	\$0
27	LABOR RELATED	LBR		\$0	\$0	\$0	\$0	\$0	\$0
28	TRANSMISSION REV RELATED	TRN		\$0	\$0		\$0	\$0	\$0
29	RESERVED			\$0	\$0		\$0	\$0	\$0
30	DISTRIBUTION CUSTOMER RELATED	СЗА		\$0	\$0	\$0	\$0	\$0	\$0
31	TOTAL ADDITIONS	FTA	FTA	\$0	\$0	\$0	\$0	\$0	\$0

(INCOME TAX CALCULATION CONTINUED ON NEXT PAGE)

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REDWOOD ELECTRIC COOPERATIVE- SMEC CUSTOMERS
COST OF SERVICE STUDY
FOR TWELVE MONTHS ENDED
DECEMBER 31, 2016

""INCOME TAX FOR 8.24% ROE""
" " C O N T I N U E D " "

LINE		CONTRO	L	TOTAL		SMALL	LARGE		MUNICIPAL
NO.	DESCRIPTION	ALL	OUT	SMEC	RESIDENTIAL	COMMERCIAL	POWER	LIGHTING	PUMPING
	FED DEDUCTS AND NON-TAX INCOME						**	40	60
32	PRODUCTION RELATED	NPP		\$0	\$0	\$0	\$0	\$0 \$0	\$0 \$0
33	DISTRIBUTION RELATED	NPD		\$0	\$0	\$0	\$0	•	\$0 \$0
34	PLANT RELATED	NPR		\$0	\$0	\$0	\$0	\$0	•
35	ENERGY RELATED	E1A		\$0	\$0	\$0	\$0	\$0	\$0
36	LABOR RELATED	LBR		\$0	\$0	\$0	\$0	\$0	\$0
37	TRANSMISSION REV RELATED	TRN		\$0	\$0	\$0	\$0	\$0	\$0
38	DISTRIBUTION CUSTOMER RELATED	C3A		\$0	\$0 	\$0 	\$0 	\$0 	\$0
39	TOTAL DEDUCTIONS	FTD	FTD	\$0	\$0	\$0	\$0	\$0	\$0
40	NET FEDERAL DEDUCTIONS	NFD	NFD	\$0	\$0	\$0	\$0	\$0	\$0
41	ST ADD INC & UNALLOW DEDUCTS	FTA		\$0	\$0	\$0	\$0	\$0	\$0
42	ST DEDUCTS AND NON-TAX INCOME	FTD		\$0	\$0	\$0	\$0	\$0	\$0
43	NET STATE DEDUCTIONS	NSD	NSD	\$0	\$0	\$0	\$0	\$0	\$0
44	PROV FOR DEF'D ITC - CURRENT	NPR	ITC	\$0	\$0	\$0	\$0	\$0	\$0
	FEDERAL TAXABLE INCOME								
45	ADJ RET * 1/(1-0.0000-0.0000)	ART	TART	\$262,052	\$162,429	\$64,591	\$28,462	\$2,593	\$3,977
46	NET FED DED * 1/(1-0.0000)	NFD		\$0	\$0	\$0	\$0	\$0	\$0
47	NET ST DED * (1/(1-0.0000))-1	NSD		\$0	\$0	\$0	\$0	\$0	\$0
48	CURRENT ITC * (1/1-0.00))-1	ITC		\$0	\$0 	\$ 0	\$0 	\$0	\$0
49	TOTAL FEDERAL TAXABLE INCOME	FTI	FTI	\$262,052	\$162,429	\$64,591	\$28,462	\$2,593	\$3,977
50	PLUS: NET FED DEDUCTS	NFD		\$0	\$0	\$0	\$0	\$0	\$0
51	LESS: NET STATE DEDUCTS	NSD		\$0	\$0	\$0	\$0 	\$0	\$0
52	TOTAL STATE TAXABLE INCOME	STI	STI	\$262,052	\$162,429	\$64,591	\$28,462	\$2,593	\$3,977
	FED & ST INCOME TAXES:								
53	FED TAXABLE INC * 0.0000	FTI		\$0	\$0	\$0	\$0	\$0	\$0
54	ST. TAXABLE INC * 0.0000	STI		\$0	\$0	\$0	\$0	\$0	\$0
55	LESS: CRNT ITC * (1-0.0000)	ITC		\$0	\$0	\$0	\$0	\$0	\$0
56	TOTAL FED & ST INCOME TAXES	FST	FST	\$0	\$0	\$0	\$0	\$0	\$0
57	INVESTMENT TAX CREDIT - NET	NPR	ITN	**************************************	*===== \$0	*************************************	\$0	\$0	\$ 0

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REDWOOD ELECTRIC COOPERATIVE- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

""COST OF SERVICE"
" (PROPOSED) "

LINE NO.	DESCRIPTION	CONTRO ALL	L OUT	TOTAL SMEC	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	LIGHTING	MUNICIPAL PUMPING
1	RATE BASE	RBT		\$7,751,374	\$4,804,549	\$1,910,569	\$841,888	\$76,707	\$117,661
2	RETURN AT 5.35%	RET		\$414,332	\$256,817	\$102,125	\$45,001	\$4,100	\$6,289
3	OPERATION & MAINTENANCE EXPENSES	ОМХ		[TR/	NDE SECRET I	DATA BEGINS	TRADI	E SECRET DA	TA ENDS]
4	DEPRECIATION & AMORT EXPENSES	DEP		\$246,937	\$159,152	\$58,925	\$22,965	\$2,318	\$3,577
5	INTEREST ON CUSTOMER DEPOSITS	ICD		\$0	\$0	\$0	\$0	\$0	\$0
6	GENERAL TAXES	GTX		\$2	\$2	\$0	\$0	\$0	\$0
7	FEDERAL AND STATE INCOME TAX	FST		\$0	\$0	\$0	\$0	\$0	\$0
8	PROVISION FOR DEFERRED TAXES	PDT		\$0	\$0	\$0	\$0	\$0	\$0
9	INVESTMENT TAX CREDIT - NET	ITN		\$0	\$0	\$0	\$0	\$0	\$0
10	AFUDC	AFD		\$0	\$0	\$0 	\$0	\$0	\$0
11	COST OF SERVICE REVENUE REQUIREMENT BEFORE ATTRITION ADJUSTMENT	NT CSR	CSR	\$4,233,543	\$2,339,461	\$1,143,545	\$656,921	\$24,545	\$69,071
12	LESS: FUEL REVENUE	FUL		\$0	\$0 	\$0 	\$0 	\$0	\$0
13	BASE COST OF SERVICE REVENUE REQUIREMENT	BRR	BRR	\$4,233,543	\$2,339,461	\$1,143,545	\$656,921	\$24,545	\$69,071
14	ATTRITION ADJUSTMENT	BRR		\$0	\$0	\$0 	\$0 	\$0	\$0
15	BASE COST OF SERVICE REVENUE REQUII AFTER ATTRITION ADJUSTMENT	REMENT ARR	ARR	\$4,233,543	\$2,339,461	\$1,143,545	\$656,921	\$24,545	\$69,071
16	PLUS: FUEL REVENUE	FUL		\$0	\$0 	\$0 	\$0 	\$0	\$0
17	COST OF SERVICE REVENUE REQUIREMENT	NT		\$4,233,543	\$2,339,461	\$1,143,545	\$656,921	\$24,545	\$69,071
18	LESS: MISCELLANEOUS REVENUE			-\$5,920	-\$3,783	-\$1,423	-\$571	-\$56	-\$87
19	LESS: BULK TRANSMISSION REVENUE			\$0	\$0	\$0	\$0	\$0	\$0
20	LESS: PRIMARY TRANSMISSION REVENUE			\$0	\$0	\$0	\$0	\$0	\$0
21	LESS: NON-FRM SLS FOR RESALE			\$0	\$0	\$0 	\$0	\$0 	\$ 0
22	NET ELECTRIC REVENUE REQUIREMENT			\$4,227,623	\$2,335,678	\$1,142,122 ======	\$656,350	\$24,489	\$68,984 ======

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REDWOOD ELECTRIC COOPERATIVE- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

EXISTING RETURN AND INCOME TAX

LINE		CONTRO		TOTAL		SMALL	LARGE		MUNICIPAL
NO.	DESCRIPTION	ALL	OUT	SMEC	RESIDENTIAL	COMMERCIAL	POWER	LIGHTING	PUMPING
				***********	***************************************				
1	EXISTING REVENUE	EXR		TRA	DE SECRÉT I	DATA BEGINS	TRADE	SECRET DA	[A ENDS]
	REVENUE DEDUCTIONS:								
2	O&M EXPENSES	OMX						****	00.577
3	DEPRECIATION & AMORT EXPENSES	DEP		-\$246,937	-\$159,152	-\$58,925	-\$22,965	-\$2,318	-\$3,577
4	AD VALOREM TAXES	VAL		\$0	\$0	\$0	\$0	\$0	\$0 \$0
5	CORP FRANCHISE TAX	SFT		\$0	\$0	\$0	\$0	\$0	\$0 \$0
6	MISC GENERAL TAXES	MIS		-\$2	-\$2	\$0	\$0	\$0 \$0	\$0 \$0
7	REVENUE-RELATED TAXES	RTX		\$0	\$0	· \$0 \$0	\$0 \$0	\$0 \$0	\$0
8	INTEREST ON CUST DEPOSITS	ICD		\$0 	\$0 				
9	TOTAL REVENUE DEDUCTIONS			[TRA	DE SECRET I	DATA BEGINS	TRADE	SECRET DA	[A ENDS]
10	NET FOR RETURN AND INCOME TAXES	NET	NET	-\$220,595	-\$399,540	\$5,545	\$153,117	\$34,212	-\$13,929
11	LESS: INTEREST EXPENSE	INT		-\$152,280	-\$94,388	-\$37,534	-\$16,539	-\$1,507	-\$2,312
12	LESS: NET FEDERAL DEDUCTIONS	NFD		\$0	\$0	\$0	\$0	\$0	\$0
13	TOTAL FEDERAL TAXABLE INCOME			-\$372,875	-\$493,928	-\$31,989	\$136,578	\$32,705	-\$16,241
14	PLUS: NET FEDERAL DEDUCTIONS	NFD		\$0	\$0	\$0	\$0	\$0	\$0
15	LESS: NET STATE DEDUCTIONS	NSD		\$0	\$0	\$0	\$0	\$0	\$0
13	EEGG. NET STATE SESSOTIONS	1102							
16	TOTAL STATE TAXABLE INCOME			-\$372,875	-\$493,928	-\$31,989	\$136,578	\$32,705	-\$16,241
	FED AND ST INCOME TAXES			••		••	\$0	\$0	\$0
17	FED TAXABLE INC * 0.0000			\$0	\$0 \$0	\$0 \$0	\$0 \$0	\$0 \$0	\$0
18	ST. TAXABLE INC * 0.0000			\$0 \$0	\$0	\$0	\$0	\$0	\$0
19	LESS: CRNT ITC * (1-0.0000)								
20	TOTAL FED & ST INCOME TAXES			\$0	\$0	\$0	\$0	\$0	\$0
	*****RETURN COMPUTATION*****								
21	NET FOR RETURN AND INCOME TAXES	NET		-\$220,595	-\$399,540	\$5,545	\$153,117	\$34,212	-\$13,929
22	FED & ST INCOME TAXES			\$0	\$0	\$0	\$0	\$0	\$0
23	PROV FOR DEF TAXES	PDT		\$0	\$0	\$0	\$0	\$0	\$0
24	INVESTMENT TAX CREDIT - NET	ITN		\$0	\$0	\$0	\$0	\$0	\$0
25	AFUDC	AFD		\$0	\$0	\$0	\$0	\$0	\$0
26	NET RETURN			-\$220,595	-\$399,540	\$5,545	\$153,117	\$34,212	-\$13,929
27	RATE BASE	RBT		\$7,751,374	\$4,804,549	\$1,910,569	\$841,888	\$76,707	\$117,661
28	RETURN ON RATE BASE	ROR		-2.85%	-8.32%	0.29%	18.19%	44.60%	-11.84%
26 29	NON-EQUITY PORTION OF RETURN	DA3		-1.96%	-1.96%	-1.96%	-1,96%	-1.96%	-1.96%
30	EQUITY PORTION OF EXISTING RETRN	DA3		-4.81%	-10.28%	-1.67%	16.23%	42.64%	-13.80%
31	EXISTING RETURN ON EQUITY	DA3	ROE	-11.74%	-25.07%	-4.08%	39.55%	103.94%	-33.65%

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REDWOOD ELECTRIC COOPERATIVE- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

PROPOSED RETURN AND INCOME TAX

LINE NO.	DESCRIPTION	CONTRO ALL	L	TOTAL SMEC	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	LIGHTING	MUNICIPAL PUMPING
110.	5250 m 1131								
1	PROPOSED REVENUE	PRV		\$4,233,543	\$2,339,461	\$1,143,545	\$656,921	\$24,545	\$69,071
	REVENUE DEDUCTIONS:			TRA	DE SECRET I	DATA BEGINS	TRADI	SÉCRET DAT	TA ENDSI
2	O&M EXPENSES	OMX			-\$159,152	-\$58,925	-\$22,965	-\$2,318	-\$3,577
3	DEPRECIATION & AMORT EXPENSES	DEP		-\$246,937 \$0	-\$159,152 \$0	-\$56,925 \$0	-\$22, 50 3	-φ <u>ε</u> ,318 \$0	\$0
4	AD VALOREM TAXES CORP FRANCHISE TAX	VAL SFT		\$0 \$0	\$0	\$0	\$0	\$0	\$0
5 6	MISC GENERAL TAXES	MIS		-\$2	-\$2	\$0	\$0	\$0	\$0
7	REVENUE-RELATED TAXES	RTX		\$0	\$0	\$0	\$0	\$0	\$0
8	INTEREST ON CUST DEPOSITS	ICD		\$0	\$0	\$0	\$0	\$0	\$0
							*******	CLCDLTDAT	A INIDO
9	TOTAL REVENUE DEDUCTIONS			[TRA	DE SECRET L	DATA BEGINS	TRADI	SECRET DAT	A ENDS]
10	NET FOR RETURN AND INCOME TAXES	NET	NET	\$414,332	\$256,817	\$102,125	\$45,001	\$4,100	\$6,289
11	LESS: INTEREST EXPENSE	INT		-\$152,280	-\$94,388	-\$37,534	-\$16,539	-\$1,507	-\$2,312
12	LESS: NET FEDERAL DEDUCTIONS	NFD		\$0	\$0	\$0	\$0	\$0	\$0
13	TOTAL FEDERAL TAXABLE INCOME			\$262,052	\$162,429	\$64,591	\$28,462	\$2,593	\$3,977
14	PLUS: NET FEDERAL DEDUCTIONS	NFD		\$0	\$0	\$0	\$0	\$0	\$0
15	LESS: NET STATE DEDUCTIONS	NSD		\$0	\$0	\$0	\$0	\$0	\$0
	TOTAL STATE TAXABLE INCOME			\$262,052	\$162,429	\$64,591	\$28,462	\$2,593	\$3,977
16	TOTAL STATE TAXABLE INCOME			\$202,032	\$102,425	φ04,551	Ψ20,402	42,000	40,0
	FED AND ST INCOME TAXES								
17	FED TAXABLE INC * 0.0000			\$0	\$0	\$0	\$0	\$0	\$0
18	ST, TAXABLE INC * 0.0000			\$0	\$0	\$0	\$0	\$0	\$0
19	LESS: CRNT ITC * (1-0.0000)			\$0	\$0	\$0	\$0 	\$0 	\$0
20	TOTAL FED & ST INCOME TAXES			\$0	\$0	\$0	\$0	\$0	\$0
	*****RETURN COMPUTATION*****								
21	NET FOR RETURN AND INCOME TAXES	NET		\$414,332	\$256,817	\$102,125	\$45,001	\$4,100	\$6,289
22	FED & ST INCOME TAXES			\$0	\$0	\$0	\$0	\$0	\$0
23	PROV FOR DEF TAXES	PDT		\$0	\$0	\$0	\$0	\$0	\$0 \$0
24	INVESTMENT TAX CREDIT - NET	ITN		\$0	\$0	\$0	\$0 \$0	\$0 \$0	\$0 \$0
25	AFUDC	AFD		\$0 	\$0 	\$0 	-		
26	NET RETURN			\$414,332	\$256,817	\$102,125	\$45,001	\$4,100	\$6,289
27	RATE BASE	RBT		\$7,751,374	\$4,804,549	\$1,910,569	\$841,888	\$76,707	\$117,661
28	RETURN ON RATE BASE	ROR		5.35%	5.35%	5.35%	5.35%	5.35%	5.35%
29	NON-EQUITY PORTION OF RETURN	DA3		-1.96%	-1.96%	-1.96%	-1.96%	-1.96%	-1.96%
30	EQUITY PORTION OF EXISTING RETRN	DA3		3.38%	3.38%	3.38%	3.38%	3.38%	3.38%
31	PROPOSED RETURN ON EQUITY	DA3	ROE	8.24%	8.24%	8.24%	8.24%	8.24%	8.24%

REDWOOD ELECTRIC COOPERATIVE- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016 PAGE 16

COST OF SERVICE SUMMARY

LINE	DECORPORTION	CONTROL ALL OUT	TOTAL SMEC	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	LIGHTING	MUNICIPAL PUMPING
NO.	DESCRIPTION	ALL OUT		RESIDENTIAL				
	NET PLANT IN SERVICE:							
1	PRODUCTION PLANT	NPP	\$0	\$0	\$0	\$0	\$0	\$0
2	TRANSMISSION PLANT	NPT	\$0	\$0	\$0	\$0	\$0	\$0
3	DISTRIBUTION PLANT	NPD	\$4,454,419	\$2,846,271	\$1,070,772	\$429,822	\$42,336	\$65,218
4	GENERAL PLANT	NPG	\$1,443,039	\$970,126	\$331,577 	\$108,841 	\$12,726 	\$19,769
5	TOTAL NET ELECTRIC PLANT	NPR	\$5,897,458	\$3,816,397	\$1,402,349	\$538,663	\$55,062	\$84,987
6	CONST. WORK IN PROGRESS	CWP	\$62,633	\$40,021	\$15,056	\$6,044	\$595	\$917
7	ACQUISITION ADJUSTMENT	ACQ	\$1,530,113	\$783,708	\$429,608	\$270,376	\$18,535	\$27,886
8	PLANT HELD FOR FUTURE USE	PLH	\$0	\$0	\$0	\$0	\$0	\$0
9	TOTAL MISC DEFRD DEBITS WORKING CAPITAL:		\$92,299	\$59,729	\$21,948	\$8,430	\$862	\$1,330
10	CASH WORK CAP, FUNDS, MAT&SUP	MAS	\$203,247	\$131,526	\$48,330	\$18,564	\$1,898	\$2,929
11	FUEL STOCK	FUL	\$5,926	\$2,668	\$1,772	\$1,328	\$61	\$97
12	PREPAID LIGNITE ROYALTIES	E1A	\$0	\$0	\$0	\$0	\$0	\$0
13	OTHER PREPAYMENTS	NPR	\$1,816	\$1,175	\$432	\$166	\$17	\$26
14	UNAMORTIZED LOSS ON REACQD LTD	NPR	\$0	\$0	\$0	\$0	\$0	\$0
15	DEFERRED FUEL	DEF	\$0	\$0	\$0	\$0	\$0	\$0
16	ACCUMULATED DEFERRED INCOME TAX	ACC	\$0	\$0	\$0	\$0	\$0	\$0
17	PRE-1971 INVESTMENT TAX CREDIT	PIC	\$0	\$0	\$0	\$0	\$0	\$0
18	CUSTOMER ADVANCES AND DEPOSITS	CAD	-\$23,930	-\$18,711	-\$4,663	-\$145	-\$157	-\$254
19	STORM DAMAGE/INJ & DAM RESRVS	SDR	\$0	\$0	\$0	\$0	\$0	\$0
20	PNSN & MIS OP RSRVS, OTR DEF CRS	PEN	-\$18,188	-\$11,964	-\$4,263	-\$1,538	-\$166	-\$257
21	TRANSMISSION RATE REFUND RESERVE	TRN	\$0	\$0	\$ 0	\$0	\$0 	\$0
22	AVERAGE ORIGINAL COST RATE BASE	RBT	\$7,751,374	\$4,804,549	\$1,910,569	\$841,888	\$76,707	\$117,661
23	RETURN AT 5.35%	RET	\$414,332	\$256,817	\$102,125	\$45,001	\$4,100	\$6,289
	OPERATION & MAINTENANCE EXPENSES						I CEODET DA	TA CONTOCT
24	PRODUCTION O&M	OMP	[TR	ADE SECRET	DATA BEGINS.	TRAD	E SECRET DA	TA ENDS]
25	TRANSMISSION O&M	OMT	\$0	\$0	\$0	\$0	\$0	\$0
26	DISTRIBUTION O&M	OMD	[TR	ADE SECRET	DATA BEGINS		DE SECRET DA	,
27	CUST ACCT/SERV/SALES	OMC	\$253,434	\$198,167	\$49,382	\$1,535	\$1,663	\$2,687
28	ADMINISTRATIVE & GENERAL	OMA	\$268,251 	\$176,467 	\$62,871	\$22,683 	\$2,445 	\$3,785
29	TOTAL OPER & MAIN EXPENSES	OMX	[TR.	ADE SECRET	DATA BEGINS.	TRAD	E SECRET DA	TA ENDS]
30	DEPRECIATION & AMORT EXPENSES	DEP	\$246,937	\$159,152	\$58,925	\$22,965	\$2,318	\$3,577
31	INTEREST ON CUSTOMER DEPOSITS	ICD	\$0	\$0	\$0	\$0	\$0	\$0
32	GENERAL TAXES	GTX	\$2	\$2	\$0	\$0	\$0	\$0
33	FED & ST INCOME TAX	FST	\$0	\$0	\$0	\$0	\$0	\$0
34	PROV FOR DEF TAXES	PDT	\$0	\$0	\$0	\$0	\$0	\$0
35	INVESTMENT TAX CREDIT - NET	ITN	\$0	\$0	\$0	\$0	\$0	\$0
36	AFUDC	A FD	\$0	\$0	\$0 	\$0	\$0	\$0
37	COST OF SERVICE REVENUE REQT	CSR	\$4,233,543 ======	\$2,339,461 ======	\$1,143,545 ======	\$656,921 ======	\$24,545	\$69,071 =====

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REDWOOD ELECTRIC COOPERATIVE- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

COST OF SERVICE COMPARISON

LINE NO.	DESCRIPTION	CONTRO	OUT	TOTAL SMEC	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	LIGHTING	MUNICIPAL PUMPING
	··· OTHER REVENUE INCLUDED ···								
1	COST OFF SERVICE REVENUE REQT			\$4,233,543	\$2,339,461	\$1,143,545	\$656,921	\$24,545	\$69,071
2	EXISTING REVENUE			\$3,598,616	\$1,683,104	\$1,046,965	\$765,037	\$54,657	\$48,853
3	REVENUE DEFICIENCY			\$634,927	\$656,357	\$96,580	-\$108,116	-\$30,112	\$20,218
4	REQUIRED INCREASE (%)			17.64%	39.00%	9,22%	-14.13%	-55.09%	41.38%
5	EXISTING RATE OF RETURN-AS ADJ.			-2.85%	-8.32%	0.29%	18.19%	44.60%	-11.84%
6	EXISTING ROR AS % OF OVERALL ROR-AS	S ADJ.		100.00%	291.93%	-10.18%	-638.25%	-1564.91%	415.44%
7	EXISTING RETURN ON EQUITY-AS ADJ.			-11.74%	-25.07%	-4.08%	39.55%	103.94%	-33.65%
8	EXISTING ROE AS % OF OVERALL ROE-AS	S ADJ.		100.00%	213.54%	34.75%	-336.88%	-885.35%	286.63%
9	PROPOSED RATE OF RETURN-AS ADJ			5.35%	5.35%	5.35%	5.35%	5.35%	5.35%
10	PROPOSED RETURN ON EQUITY-AS ADJ			8.24%	8.24%	8.24%	8.24%	8.24%	8.24%
	··· OTHER REVENUE EXCLUDED ···								
11	COST OF SERVICE REVENUE REQT			\$4,227,623	\$2,335,678	\$1,142,122	\$656,350	\$24,489	\$68,984
12	EXISTING REVENUE			\$3,592,696	\$1,679,321	\$1,045,542	\$764,466	\$54,601	\$48,766
13	REVENUE DEFICIENCY			\$634,927	\$656,357	\$96,580	-\$108,116	-\$30,112	\$20,218
14	REQUIRED INCREASE (%)			17.67%	39.08%	9.24%	-14.14%	-55.15%	41.46%
15	EXISTING RATE OF RETURN - UNADJ			-2.85%	-8.32%	0.29%	18.19%	44.60%	-11.84%
16	EXISTING ROR AS % OF OVERALL ROR-U	NADJ.		100.00%	291.93%	-10.18%	-638.25%	-1564.91%	415.44%
17	EXISTING RETURN ON EQUITY-UNADJ			-11.74%	-25.07%	-4.08%	39.55%	103.94%	-33.65%
18	EXISTING ROE AS % OF OVERALL ROE-UI	NADJ.		100.00%	213.54%	34.75%	-336.88%	-885.35%	286.63%
19	PROPOSED RATE OF RETURN - UNADJ			5.35%	5.35%	5.35%	5.35%	5.35%	5.35%
20	PROPOSED RETURN ON EQUITY-UNADJ			8.24%	8.24%	8.24%	8.24%	8.24%	8.24%

REDWOOD ELECTRIC COOPERATIVE- SMEC CUSTOMERS
COST OF SERVICE STUDY
FOR TWELVE MONTHS ENDED
DECEMBER 31, 2016

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	···	TOTAL			LARGE		MUNICIPAL	
PROPO	SED MILLS/KWH	SMEC	RESIDENTIAL	COMMERCIAL	POWER	LIGHTING	PUMPING	
********	············							
1	EXISTING BASE REV	101.64	105.50	98.90	96.52	150.84	84.48	
2	FUEL REVENUE	0.00	0.00	0.00	0.00	0.00	0.00	
3	TOTAL MILLS / KWH	101.64	105.50	98.90	96.52	150.84	84.48	
		=====	=====	=====	=====	=====	=====	
4	PROPOSED BASE REV	119.60	146.74	108.04	82.87	67.65	119.50	
5	FUEL REVENUE	0.00	0.00	0.00	0.00	0.00	0.00	
6	TOTAL MILLS / KWH	119.60	146.74	108.04	82.87	67.65	119.50	
			=====		=====	=====	======	

SIOUX VALLEY- SOUTHWESTERN ELECTRIC COOPERATIVE CLASS COST OF SERVICE FOR MPSC COMPLIANCE FILING SCENARIO 2: SMEC DIRECT ASSIGNMENT

		COSS BASED	EXISTING			
LINE		REVENUE	REVENUE			PERCENT
NO.	CLASS	ALLOCATION	ALLOCATION	D	IFFERENCE	DIFFERENCE
	LEGACY:					
1	FARM & RURAL RESIDENTIAL	\$23,984,486	\$24,472,547	\$	(488,061)	
2	GENERAL SERVICE	\$4,872,729		\$	(488,005)	
3	IRRIGATION	\$357,990	\$796,703	\$	(438,713)	
4	LARGE POWER	\$22,760,098		\$	(3,792,542)	
	RESIDENTIAL	\$19,071,448		\$	4,758,852	33.25%
	STREET LIGHTING	\$375,959	\$292,060	\$	83,899	28.73%
5	WATER PUMPING	\$88,813	\$79,599	\$	9,214	11.58%
6	TOTAL LEGACY	\$71,511,523	\$71,866,879	\$	(355,356)	-0.49%
	SMEC				054 770	44.040/
7	RESIDENTIAL	\$1,192,558	\$840,780		351,778	41.84%
8	FARM & RURAL RESIDENTIAL		\$140,202		5,151	3.67%
9	GENERAL SERVICE	\$429,209	\$386,722	\$	42,487	10.99%
	LARGE POWER	\$115,663	\$148,644	\$	(32,981)	
	STREET LIGHTING	\$35,260	\$22,660		12,600	55.61%
10	PUBLIC AUTHORITIES	\$14,896	\$8,206	\$	6,690	81.52%
11	TOTAL SMEC	\$1,932,939	\$1,547,213		\$385,726	24.93%
12		4=2	****	_	00.070	0.040/
13	TOTAL COMPANY		\$73,414,092		30,370	0.04%
14	MISC. REVENUES	\$744,487	\$744,487			0.00%
15		\$74,188,949	\$74,158,579	\$	30,370	0.04%
	CONSOLIDATED	# 00 004 000	#15 150 070	Φ	E 110 600	33.73%
17	RESIDENTIAL		\$15,153,376		5,110,630	
18	FARM & RURAL RESIDENTIAL				(482,910) (438,713)	,
19	IRRIGATION	\$357,990			•	•
	GENERAL SERVICE	\$5,301,938			(445,519	,
	LARGE POWER		\$26,701,284		(3,825,523	,
	STREET LIGHTING	\$411,219			96,500	
	PUBLIC AUTHORITIES	\$14,896			6,690	
	WATER PUMPING	\$88,813			9,21 <u>4</u> 30,370	
23			\$73,414,092		30,370	0.04%
24	MISC. REVENUES	\$744,487			20 270	
25	TOTAL COMPANY	\$74,188,949	\$74,158,579	\$	30,370	0.04%

SIOUX VALLEY- SOUTHWESTERN ELECTRIC COOPERATIVE- SMEC CUSTOMERS

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FILESPEC: K:\RATERES\COS\93RESALE\COS1292.WK3

STUDY DAT	E:		DECEMBER 31, 2016
RUN DATE	AND TIME:	18-Sep-17	06:22 PM
RETURN OF	N COMMON EQUITY		4.54%
OVERALL F	ATE OF RETURN		4.32%
CAPITALIZA	ATION:		
	OUTSTANDING	EFFECTIVE RATE	COMPOSITE
DBT	\$120,218,796	4.19%	2.55%
PRF		0.00%	0.00%
CMN	\$77,163,648	4.54%	1.77%
FEDERAL E	FFECTIVE INCOME 1	FAX RATE	0.00%
FEDERAL N	IOMINAL INCOME TA	X RATE	0.00%
STATE EFF	ECTIVE INCOME TAX	CRATE	0.00%
STATE NO	MINAL INCOME TAX F	RATE	0.00%

NOTATIONS: THIS RUN ALLOCATES ALL PLANT ON AVG OF 12 CP

SIOUX VALLEY- SOUTHWESTERN ELECTRIC COOPERATIVE- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

······CUSTOMER DATA

LINE NO.	DESCRIPTION	CONTRO ALL	L OUT	TOTAL SMEC	RESIDENTIAL	FARM & RURAL RESIDENTIAL	GENERAL SERVICE	LARGE POWER	STREET LIGHTING	PUBLIC AUTHORITIES
1 2	NUMBER OF CUSTOMERS PERCENT OF TOTAL	C1A C1A	C1A	864 100.000%	633 73.225%	41 4.688%	174 20.100%	3 0.347%	5 0.598%	9 1.042%
3 4	NUMBER OF WEIGHTED CUSTOMERS PERCENT OF TOTAL	C2A C2A	C2A	858 100.000%	633 73.737%	41 4.720%	174 20.241%	3 0.350%	5 0.602%	3 0.350%
5 6	NUMBER OF RETAIL DISTR CUSTOMERS PERCENT OF TOTAL	C3A C3A	СЗА	864 100.000%	633 73.225%	41 4.688%	174 20.100%	3 0.347%	5 0.598%	9 1.042%
7 8	NMBR OF RETAIL WTD CUSTOMERS PERCENT OF TOTAL	C4A C4A	C4A	858 100.000%	633 73.737%	41 4.720%	174 20.241%	3 0.350%	5 0.602%	3 0.350%
9 10	LIGHTING DIRECT ALLOCATOR PERCENT OF TOTAL	LDE LDE	LDE	1 100.000%	0 0.000%	0 0.000%	0 0.000%	0 0.000%	1 100.000%	0 0.000%
11 12	LPS DIRECT ALLOCATOR PERCENT OF TOTAL	DA1 DA1	DA1	0 #DIV/0!	0 #DIV/0!	0 #DIV/0!	0 #DIV/0!	0 #DtV/0!	0 #DIV/0!	0 #DIV/0!
13 14	AVERAGE COINCIDENT KW DEMAND DEMAND ALLOCATION FACTOR-PROD	D1A D1A	D1A	3,068 100.000%	1,749 57.008%		739 24.100%	257 8.362%	0 0.000%	32 1.059%
15 16	AVERAGE COINCIDENT KW DEMAND DEMAND ALLOCATION FACTOR-TRANS	D1B D18	D1B	3,068 100.000%	1,749 57.008%		739 24.100%	257 8.362%	0 0.000%	32 1.059%
17 18	AVG PRIMARY DISTRIB KW DEMAND DIST-PRI DEMAND ALLOC FACTOR	D2A D2A	D2A	3,201 100.000%	1,816 56.729%		767 23.965%	267 8.333%	16 0.495%	
19 20	AVG SECONDARY DISTRIB KW DEMAND DIST-SEC DEMAND ALLOC FACTOR	D3A D3A	D3A	3,201 100.000%	1,816 56.729%		767 23.965%	267 8.333%	16 0.495%	
21 22	AVG SECONDARY DISTRIB KW DEMAND DIST-SEC DEMAND ALLOC FACTOR	D4A D4A	D4A	3,201 100.000%	1,816 56.729%		767 23.965%	267 8.333%	16 0.495%	
23 24	ANNUAL MWH ENERGY CONTRIBUTION ENERGY ALLOCATION FACTOR	E1A E1A	E1A	15,184,485 100.000%			3,561,948 23,458%	1,752,721 11.543%	69,430 0.457%	

SIOUX VALLEY- SOUTHWESTERN ELECTRIC COOPERATIVE- SMEC CUSTOMERS

COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

·······CUSTOMER DATA*******
····· C O N T I N U E D ****

LINE	DESCRIPTION	ALL	OUT	TOTAL SMEC	RESIDENTIAL	FARM & RURAL RESIDENTIAL	GENERAL SERVICE	LARGE POWER	STREET LIGHTING	PUBLIC AUTHORITIES
25	RESERVED			0	0	0	0	0	0	0
26	PERCENT OF TOTAL			0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
27	WAGES/SALARIES: PRODUCTION	NPP		\$0	\$0	\$0	\$0	\$0	\$0	\$0
28	TRANSMISSION	NPT		\$0	\$0	\$0	\$0	\$0	\$0	\$0
29	DISTRIBUTION	NPD		\$148,757	\$101,205	\$8,274	\$30,382	\$2,979	\$5,194	\$723
30	GENERAL	NPG		\$113,039	\$81,862	\$5,601	\$22,967	\$902	\$1,418	\$289
31	WAGES/SALARIES: TOTAL	LBR	LBR	\$261,796	\$183,067	\$13,875	\$53,349	\$3,881	\$6,612	\$1,012
32	PERCENT OF TOTAL	LBR		100.000%	69.927%	5.300%	20.378%	1.482%	2.526%	0.387%
33	BULK TRANSMISSION REVENUE	D1A		\$0	\$0	\$0	\$0	\$0	\$0	\$0
34	PRIMARY TRANSMISSION REVENUE	D2A		\$0	\$0	\$0	\$0	\$0	\$0	\$0
35	TOTAL TRANSMISSION REVENUE	TRN	TRN	\$0	\$0	\$0	\$0	\$0	\$0	\$0
36	PERCENT OF TOTAL	TRN		100.000%	100.000%	0.000%	0.000%	0.000%	0.000%	0.000%
	EXISTING REVENUE									
37	EXISTING BASE REV	OTR	OTR	\$1,547,214	\$840,780	\$140,202	\$386,722	\$148,644	\$22,660	\$8,206
38	FUEL REVENUE	FUL		\$0	\$0	\$0	\$0	\$0	\$0	\$0
39	MISCELLANEOUS REVENUE	NPD		\$27,748	\$18,878	\$1,543	\$5,667	\$556	\$969	\$135
40	TRANSMISSION REVENUE	TRN		\$0	\$0	\$0	\$0	\$0	\$0	\$0
41	NON-FRM SLS FOR RESALE	E1A		\$0	\$0	\$0	\$0	\$0 	\$0 	\$0
42	TOTAL EXISTING REVENUE	EXR	EXR	\$1,574,962	\$859,658		\$392,389	\$149,200	\$23,629	\$8,341
72	TO THE EXISTING THE TABLE			**=====	2=====	=======	======	======	=======	======
	PROPOSED REVENUE								*** ***	#14.00 C
43	PROPOSED BASE REV			\$1,932,939	\$1,192,558		\$429,209	\$115,663	\$35,260	\$14,896
44	FUEL REVENUE			\$0	\$0		\$0	\$0	\$0	\$0
45	MISCELLANEOUS REVENUE			\$27,748	\$18,878		\$5,667	\$556	\$969	\$135 \$0
46	TRANSMISSION REVENUE			\$0	\$0		\$0	\$0	\$0	
47	NON-FRM SLS FOR RESALE			\$0	\$0 		\$ 0	\$0 	\$0 	\$0
48	TOTAL PROPOSED REVENUE	PRV	PRV	\$1,960,687	\$1,211,436		\$434,876	\$116,219	\$36,229	\$15,031
				======	======	======	2===±=	======	=======	======
49	PROPOSED BASE REVENUE INCREASE/(DECREASE)		\$385,725	\$351,778	\$5,151	\$42,487	-\$32,981	\$12,600	
50	PROPOSED BASE REVENUE INCR/(DECR	R) - %		24.93%	41.84%	3,67%	10.99%	-22.19%	55.61%	81.52%

SIOUX VALLEY- SOUTHWESTERN ELECTRIC COOPERATIVE- SMEC CUSTOMERS

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COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

****ELECTRIC GROSS PLANT****

LINE NO.	DESCRIPTION	ALL	OUT	TOTAL SMEC	RESIDENTIAL	FARM & RURAL RESIDENTIAL	GENERAL SERVICE	LARGE POWER	STREET LIGHTING	PUBLIC AUTHORITIES
1	TOTAL PRODUCTION PLANT	D1A	GPP	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	TRANSMISSION PLANT									
2	POWER PLANT EQUIP	D1A		\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	LARGE POWER SERVICE EQUIP	DA1		\$0	\$0	\$0	\$0	\$0	\$0	\$0
4	OTHER DIST IN ACCT 353	D2A		\$0	\$0	\$0	\$0	\$0	\$0	\$0
5	ALL OTHER TRANSMISSION	D1B		\$0	\$0		\$0	\$0 	\$0	\$0
6	TOTAL TRANSMISSION PLANT	GPT	GPT	\$0	\$0	\$0	\$0	\$0 .	\$0	\$0
	DISTRIBUTION PLANT									
7	PRIMARY DEMAND RELATED	D4A		\$1,072,061	\$608,166	\$101,032	\$256,922	\$89,339	\$5,308	\$11,294
8	SECONDARY DEMAND RELATED	D3A		\$599,180	\$339,907	\$56,467	\$143,595	\$49,932	\$2,967	\$6,312
9	CUSTOMER RELATED	C4A		\$6,115,511	\$4,509,417		\$1,237,833	\$21,383 	\$36,826	\$21,383
							\$1,638,350	\$160,654	\$45,101	\$38,989
10	SUB-TOTAL DISTR PLANT		SGD	\$7,786,752	\$5,457,490		\$1,636,350	\$180,034	\$195,939	\$0
11	LIGHTING SPECIFIC	LDE		\$195,939	\$0 					
12	TOTAL DISTRIBUTION PLANT	GPD	GPD	\$7,982,691	\$5,496,479	\$446,168	\$1,638,350	\$160,654	\$241,040	\$0
	GENERAL AND INTANGIBLE PLANT									
13	PRODUCTION RELATED	GPP		\$0	\$0	\$0	\$0	\$0	\$0	
14	TRANSMISSION RELATED	GPT		\$0	\$0	\$0	\$0	\$0	\$0	\$0
15	DISTRIBUTION RELATED	GPD		\$123,617	\$85,116	\$6,909	\$25,371	\$2,488	\$3,733	\$0
	CUST ACCT/SERV & INFO/									
16	SALES RELATED	C2A		\$334,692	\$246,794		\$67,745	\$1,170 	\$2,015	\$1,170
17	TOTAL GENERAL & INTANGIBLE PLANT	GPG	GPG	\$458,309	\$331,910		\$93,116	\$3,658	\$5,748	\$1,170
			000		ec 929 296		\$1,731,466	\$164,312	\$246,788	\$1,170
18	TOTAL GROSS PLANT IN SERVICE	GPR	GPR	\$8,441,000 =======	\$5,828,389 ======		\$1,731,400 =======	======	======	

SIOUX VALLEY- SOUTHWESTERN ELECTRIC COOPERATIVE- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

********ELECTRIC PLANT*******
****ACCUMULATED DEPRECIATION****

LINE NO.	DESCRIPTION	ALL	OUT	TOTAL SMEC	RESIDENTIAL	FARM & RURAL RESIDENTIAL	GENERAL SERVICE	LARGE POWER	STREET LIGHTING	PUBLIC AUTHORITIES
1	TOTAL PRODUCTION PLANT	D1A	DPP	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	TRANSMISSION PLANT									
2	POWER PLANT EQUIP	D1B		\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	LARGE POWER SERVICE EQUIP	DA1		\$0	\$0	\$0	\$0	\$0	\$0	\$0
4	OTHER DIST IN ACCT 353	D2A		\$0	\$0	\$0	\$0	\$0	\$0	\$0
5	ALL OTHER TRANSMISSION	D1A		\$0	\$0	·	\$0	\$0	\$0	\$0
6	TOTAL TRANSMISSION PLANT	DPT	DPT	\$0	\$0		\$0	\$0	\$0	\$0
	DISTRIBUTION PLANT									
7	PRIMARY DEMAND RELATED	D4A		\$337,373	\$191,387	\$31,794	\$80,852	\$28,115	\$1,671	\$3,554
8	SECONDARY DEMAND RELATED	D3A		\$188,559	\$106,967	\$17,770	\$45,189	\$15,713	\$934	\$1,986
9	CUSTOMER RELATED	C4A		\$1,924,526	\$1,419,095		\$389,541	\$6,729 	\$11,589 	\$6,729
	SUB-TOTAL DISTR PLANT		SDD	\$2,450,458	\$1,717,449		\$515,582	\$50,557	\$14,194	\$12,269
10 11	LIGHTING SPECIFIC	LDE	300	\$34,902	\$0		\$0	\$0	\$34,902	\$0
									#40.00G	\$12,269
12	TOTAL DISTRIBUTION PLANT	DPD	DPD	\$2,485,360	\$ 1,717,449	\$140,407	\$515,582	\$50,557	\$49,096	\$12,209
	GENERAL AND INTANGIBLE PLANT									
13	PRODUCTION RELATED	GPP		\$0	\$0	\$0	\$0	\$0	\$0	\$0
14	TRANSMISSION RELATED	GPT		\$0	\$0	\$0	\$0	\$0	\$0	
15	DISTRIBUTION RELATED	GPD		\$61,520	\$42,360	\$3,438	\$12,626	\$1,238	\$1,858	\$0
	CUST ACCT/SERV & INFO/									
16	SALES RELATED	C2A		\$166,566	\$122,823		\$33,714	\$582 	\$1,003	\$582
17	TOTAL GENERAL & INTANGIBLE PLANT	DPG	DPG	\$228,086	\$165,18°		\$46,340	\$1,820	\$2,861	\$582
18	TOTAL ACCUMULATED DEPRECIATION	DPR	DPR	\$2,713,446	\$1,882,63	2 \$151,707	\$561,922	\$52,377	\$51,957	
				======	======	= =======	======	======	======	======

SIOUX VALLEY- SOUTHWESTERN ELECTRIC COOPERATIVE- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

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********ELECTRIC NET PLANT*******

LINE NO.	DESCRIPTION	CONTRO	OUT	TOTAL SMEC	RESIDENTIAL	FARM & RURAL RESIDENTIAL	GENERAL SERVICE	LARGE POWER	STREET LIGHTING	PUBLIC AUTHORITIES
1	TOTAL PRODUCTION PLANT	D1A	NPP	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	TRANSMISSION PLANT									
2	POWER PLANT EQUIP	D1B		\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	I ARGE POWER SERVICE EQUIP	DA1		\$0	\$0	\$0	\$0	\$0	\$0	\$0
4	OTHER DIST IN ACCT 353	D2A		\$0	\$0	\$0	\$0	\$0	\$0	\$0
5	ALL OTHER TRANSMISSION	D1A		\$0	\$0	\$0	\$0	\$0	\$0	\$0
6	TOTAL TRANSMISSION PLANT	NPT	NPT	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	DISTRIBUTION PLANT									
7	PRIMARY DEMAND RELATED	D4A		\$734,688	\$416,779	\$69,238	\$176,070	\$61,224	\$3,637	\$7,740
8	SECONDARY DEMAND RELATED	D3A		\$410,620	\$232,939	\$38,697	\$98,406	\$34,219	\$2,033	\$4,326
9	CUSTOMER RELATED	C4A		\$4,190,986	\$3,090,323		\$848,292	\$14,654 	\$25,237	\$14,654
	SUB-TOTAL DISTR PLANT		SPD	\$5,336,294	\$3,740,041		\$1,122,768	\$110,097	\$30,907	\$26,720
10 11	LIGHTING SPECIFIC	LDE	31 5	\$161,037	\$0	*	\$0	\$0	\$161,037	\$0
	Elamina or Earlia									
12	TOTAL DISTRIBUTION PLANT	NPD	NPD	\$5,497,331	\$3,740,041	\$305,761	\$1,122,768	\$110,097	\$191,944	\$26,720
	GENERAL AND INTANGIBLE PLANT									
13	PRODUCTION RELATED	NPP		\$0	\$0	\$0	\$0	\$0	\$0	\$0
14	TRANSMISSION RELATED	NPT		\$0	\$0	\$0	\$0	\$0	\$0	\$0
15	DISTRIBUTION RELATED	NPD		\$62,097	\$42,756	\$3,471	\$12,745	\$1,250	\$1,875	\$0
15	CUST ACCT/SERV & INFO/									
16	SALES RELATED	C2A		\$168,126	\$123,971		\$34,031	\$588	\$1,012	\$588
17	TOTAL GENERAL & INTANGIBLE PLANT	NPG	NPG	\$230,223	\$166,727		\$46,776	\$1,838	\$2,887	\$588
									**************************************	#27.200
18	TOTAL NET PLANT IN SERVICE	NPR	NPR	\$5,727,554	\$3,906,768	\$317,168	\$1,169,544	\$111,935	\$194,831	\$27,308
				=======	======	=======	======	======	======	======

SIOUX VALLEY- SOUTHWESTERN ELECTRIC COOPERATIVE- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

****** RATE BASE *****

LINE		CONTRO	L	TOTAL		FARM & RURAL	GENERAL	LARGE	STREET	PUBLIC
NO.	DESCRIPTION	ALL	OUT	SMEC	RESIDENTIAL	RESIDENTIAL	SERVICE	POWER	LIGHTING	AUTHORITIES
1	NET PLANT IN SERVICE	NPR	NPR -	\$5,727,554	\$3,906,768	\$317,168	\$1,169,544	\$111,935	\$194,831	\$27,308
	CONSTRUCTION WORK IN PROGRESS									
2	PRODUCTION PLANT	NPP		\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	TRANSMISSION PLANT	NPT		\$0	\$0	\$0	\$0	\$0	\$0	\$0
4	DISTRIBUTION PLANT	NPD		\$133,944	\$91,126		\$27,357	\$2,683	\$4,677	\$651
5	GENERAL PLANT	NPG		\$0	\$0	\$0	\$0 	\$0	\$0 	\$0
6	TOAL CWIP	CWP	CWP	\$133,944	\$91,126		\$27,357	\$2,683	\$4,677	\$651
1	NET ACQUISITION ADJUSTMENT	D2A	AUQ	-\$2,099,392	-\$1,190,958	-\$197,849	-\$503,124	-\$1/4,950	-\$10,395	-\$22,116
	MISC DEFERRED DEBITS									•
9	PROD RELATED	NPP		\$0	\$0	\$0	\$0	\$0	\$0	\$0
10	TRAN RELATED	NPT		\$0	\$0	\$0	\$0	\$0	\$0	\$0
11	DIST RELATED	NPD		\$5,792	\$3,941	\$322	\$1,183	\$116	\$202	
12	GENR RELATED	NPG		\$1,988	\$1,439	\$99	\$404	\$16	\$25	\$5
13	LABOR RELATED	LBR		\$0	\$0	\$0	\$0	\$0	\$0	\$0
14	NPR RELATED	NPR		\$0	\$0		\$0	\$0 	\$0 	\$0
15	TOTAL MISC DEFRD DEBITS			\$7,780	\$5,380		\$1,587	\$132	\$227	\$33
	WORKING CAPITAL									
16	CASH WORK CAP, FUNDS, MAT&SUP	NPR	MAS	\$279,396	\$190,576	\$15,472	\$57,052	\$5,460	\$9,504	
17	FUEL STOCK	E1A	FUL	\$0	\$0		\$0	\$0	\$0	
18	PREPAID LIGNITE ROYALTIES	E1A		\$0	\$0	\$0	\$0	\$0	\$0	
19	OTHER PREPAYMENTS	NPR		-\$11			-\$2 	\$0	\$0 	
20	TOTAL WORKING CAPITAL			\$279,385	\$190,568		\$57,050	\$5,460	\$9,504	\$1,332
21	UNAMORTIZED LOSS ON REACQD LTD	NPR		\$0	\$0	\$0	\$0	\$0	\$0	\$0
22	DEFERRED FUEL	E1A	DEF	\$0	\$(\$0	\$0	\$0	\$0	\$0

(RATE BASE CONTINUED ON NEXT PAGE)

SIOUX VALLEY- SOUTHWESTERN ELECTRIC COOPERATIVE- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

"CONTINUED"

LINE	-5000071011	CONTRO	L	TOTAL SMEC	RESIDENTIAL	FARM & R		GENERAL SERVICE	LARGE POWER	STREET LIGHTING	PUBLIC AUTHORITIES
NO.	DESCRIPTION	ALL	001	3NIEC	TESTDENTIAL						
	ACCUMULATED DEFERRED INCOME TAX										••
23	ACCT 281: POL CON	NPP		\$	50 \$	60	\$0	\$0	\$0	\$0	\$0
24	ACCT 282: LIBERAL DEP - PROD	NPP		\$	50 5	0	\$0	\$0	\$0	\$0	\$0
25	TRAN	NPT		5	5 0 5	0	\$0	\$0	\$0	\$0	\$0
26	DIST	NPD		5	so 9	0	\$0	\$0	\$0	\$0	\$0
27	GENR	NPG		5	\$O \$	0	\$0	\$0	\$0	\$0	\$0
28	LIGNITE EXPLORATN	E1A			\$0 5	60	\$0	\$0	\$0	\$0	\$0
29	LABOR RELATED	LBR				\$0	\$ 0	\$0 	\$0 	\$0 	\$0
30	TOTAL ACCOUNT 282			:		\$0	\$0	\$0	\$0	\$0	\$0
	ACCT 283: THIS LINE RESERVED				\$O :	\$ 0	\$0	\$0	\$0	\$0	\$0
31	LONG TERM DEBT LOSS	NPR			• •	50 50	\$0	\$0	\$0	\$0	\$0
32	LONG TERM DEBT LOSS	181 11									
33	TOTAL ACCOUNT 283			:	\$0	\$0	\$0	\$0	\$0	\$0	\$0
34	ACCOUNT 190: PRODUCTION RELATED	NPP			\$0	\$0	\$0	\$0	\$0	\$0	\$0
35	PLANT RELATED	NPR			•	\$0	\$0	\$0	\$0	\$0	\$0
	ENERGY RELATED	E1A				\$0	\$0	\$0	\$0	\$0	\$0
36	LABOR RELATED	LBR			• •	\$0	\$0	\$0	\$0	\$0	
37	FERC REFUND	TRN				\$0	\$0	\$0	\$0	\$0	\$0
38	PENC REPOND				*-						
39	TOTAL ACCOUNT 190				\$0	\$0	\$0	\$0	\$0	\$0	\$0
40	TOTAL ACCUM DEFRD INC TAX	ACC	ACC		\$0	\$0	\$0	\$0	\$0	\$0	\$0
41	INVESTMENT TAX CREDIT PRE '71	NPR	PIC		\$0	\$0	\$0	\$0	\$0	\$0	\$0
42	CUSTOMER ADVANCES AND DEPOSITS	СЗА	CAD	-\$13,6	22 -\$9,9	75	-\$639	-\$2,738	-\$47	-\$81	-\$142
43	STORM DAMAGE & INJ & DAM RESRVS	D2A	SDR		\$0	\$0	\$0	\$0	\$0	\$0	\$0
44	PNSN & MIS OP RSRVS, OTR DEF CR	OMA	PEN	-\$174,1	10 -\$121,7	50	-\$9,228	-\$35,480	-\$2,582	-\$4,397	-\$673
45	TRANSMISSION RATE REFUND RESERVE	TRN			\$0	\$0	\$0	\$0	\$0	\$0	
46	TOTAL RATE BASE	RBT	RBT	 \$3,861,5		 59 \$	132,794	\$714,196	-\$57,369	\$194,366	\$6,393
.0					== ====	== =		=======	=======	z=====	=======

SIOUX VALLEY- SOUTHWESTERN ELECTRIC COOPERATIVE- SMEC CUSTOMERS COST OF SERVICE STUDY

AGE 9

COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

*******OPER AND MTN EXPENSES*******

LINE NO.	DESCRIPTION	CONTRO ALL	L OUT	TOTAL SMEC	RESIDENTIAL	FARM & RURAL RESIDENTIAL	GENERAL SERVICE	LARGE POWER	STREET LIGHTING	PUBLIC AUTHORITIES
1	PRODUCTION O&M EXPENSE FUEL EXPENSE - ACCT 501 PURCHASED POWER - ACCT 555	E1A		\$0	\$0	\$0	\$0	\$0	\$0	
2	DEMAND - OTHER	D1A		Τ]	RADE SECR	ET DATA BEG	INS	TRADE	SECRET DA	TA ENDS]
3	ENERGY - OTHER	E1A								
4	NET OFF SYSTEM REVENUE OTHER PRODUCTION O&M ACCTS	E1A		\$0	\$0	\$0	\$0	\$0	\$0	
5	DEMAND - OTHER	D1A		\$0	\$0	\$0	\$0	\$0	\$0	•
6	ENERGY - OTHER	E1A		\$0 	\$0	\$0 	\$0 	\$0 	\$0 - -	\$0
7	TOTAL OTHER PRODUCTION O&M	PRO	PRO	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8	TOTAL PRODUCTION O&M EXPENSE	ОМР	ОМР		RÂDE SECRI	ET DATA BEGI	NS	TRADE	SECRET DA	TA ENDS]
9	TOTAL TRANSMISSION O&M EXPENSE	NPT	OMT	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	DISTRIBUTION O&M EXPENSE				i ttin'i INC	SECRET DATA	DUCING	TDADE SEC	RET DATA E	NDSI
10 11	LIGHTING SPECIFIC ALL OTHER	LDE SPD			TRADE	SECKET DATA	. BEGINS	TRADE SEC	KLI DAIA I	
12	TOTAL DISTRIBUTION O&M EXPENSE	OMD	OMD		FRADE SECI	RET DATA BEG	ins	TRADI	SECRET DA	ATA ENDS]
13	TOTAL CUST ACCT/SERV & INFO/ SALES EXPENSE	C2A	ОМС	\$63,970	\$47,169	\$3,020	\$12,948	\$224	\$385	\$224
	ADMINISTRATIVE & GENERAL EXPENSE						\$0	\$0	\$0	\$0
14	PROP INSURANCE/INJ & DAMG	NPR		\$0	\$0		\$27.514	\$2,002	\$3,410	· · · · · · · · · · · · · · · · · · ·
15	CUST ACCT/SERV&INFO/SALES REL	LBR		\$135,020	\$94,416		\$27,514	J2,002		•
16	TOTAL ADMIN & GENERAL EXPENSE	ОМА	OMA	\$135,020	\$94,416		\$27,514	\$2,002	\$3,410	\$522
									arabet DA	
17	TOTAL OPER & MTN EXPENSES	OMX	OMX	======	RADE SECRI		NS	TRADE	SECRET DA	

SIOUX VALLEY- SOUTHWESTERN ELECTRIC COOPERATIVE- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED

DECEMBER 31, 2016

AGE 10

EXPENSES OTHER THAN INCOME TAXES

LINË NO.	DESCRIPTION	CONTROI ALL	OUT	TOTAL	RESIDENTIAL	FARM & RURAL RESIDENTIAL	GENERAL SERVICE	LARGE POWER	STREET LIGHTING	PUBLIC AUTHORITIES
1	TOTAL OPER & MTN EXPENSES	ОМХ				ET DATA BEGIN	NS	TRADE	SECRET DAT	「A ENDS]
	DEPRECIATION & AMORTIZATION EXPENS	SES								\$0
2	PRODUCTION	NPP		\$0	\$0		\$0	\$0	\$0 \$0	
3	TRANSMISSION	NPT		\$0	\$0		\$0	\$0	•-	
4	DISTRIBUTION	NPD		\$154,174	\$104,891	\$8,575	\$31,488	\$3,088	\$5,383	•
5	GENERAL	NPG		\$9,492	\$6,874	\$470	\$1,929	\$76	\$119	J24
6	TOTAL DEPR & AMORT EXPEN	DEP	DEP	\$163,666	\$111,765	\$9,045	\$33,417	\$3,164	\$5,502	
7	INTEREST ON CUSTOMER DEPOSITS	СЗА	ICD	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	GENERAL TAXES							***	\$1,411	\$198
8	AD VALOREM	NPR	VAL	\$41,473	\$28,287		\$8,469	\$811	\$1,411	*
9	CORP FRANCHISE TAX	NPR	SFT	\$0	\$0		\$0	\$0	\$0	
10	MISCELLANEOUS GENERAL TAXES	LBR	MIS	\$0	\$0		\$0	\$0	\$(•
11	REVENUE-RELATED (AS PROPOSED)	RTX		\$0	\$0	\$0	\$0	\$0	•	, - -
12	TOTAL GENERAL TAXES	GTX	GTX	\$41,473	\$28,287		\$8,469	\$811	\$ 1,4 11	-

		EVB	EVD			ET DATA BEGI	NS	TRADI	SECRET DA	TA ENDS]
13	TOTAL EXPENSES EXCEPT INCOME TAX	EXP	EXP	======	======			=====	=====	======

SIOUX VALLEY- SOUTHWESTERN ELECTRIC COOPERATIVE- SMEC CUSTOMERS COST OF SERVICE STUDY

FOR TWELVE MONTHS ENDED

DECEMBER 31, 2016

INCOME TAX FOR 4.54% ROE

LINE NO.	DESCRIPTION	CONTROL ALL	- OUT	TOTAL SMEC	RESIDENTIAL	FARM & RURAL RESIDENTIAL	GENERAL SERVICE	LARGE POWER	STREET LIGHTING	PUBLIC AUTHORITIES
1	RATE BASE	RBT		\$3,861,539	\$2,871,159	\$132,794	\$714,196	-\$57,369	\$194,366	\$6,393
2	RETURN AT 4.32%	RBT	RET	\$166,968	\$124,146	\$5,742	\$30,881	-\$2,481	\$8,404	\$276
3	INTEREST (2.55% OF LINE 1)	RBT	INT	-\$98,442	-\$73,195	-\$3,385	-\$18,207	\$1,463	-\$4,955	-\$163
4	AFUDC	NPR	AFD	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4	PROVISION FOR DEFERRED TAXES									
5	ACT 410.1: PROD RLTD	NPP		\$0	\$0	\$0	\$0	\$0	\$0	\$0
6	TRAN RLTD	NPT		\$0	\$0	\$0	\$0	\$0	\$0	\$0
7	PLANT RLTD	NPR		\$0	\$0	\$0	\$0	\$0	\$0	\$0
8	ENERGY RLTD	E1A		\$0	\$0	\$0	\$0	\$0	\$0	\$0
9	LABOR RLTD	LBR		\$0	\$0	\$0	\$0	\$0	\$0	\$0
10	CUSTOMER RELATED	СЗА		\$0	\$0	\$0	\$0	\$0	\$0	\$0
11	RESERVED			\$0	\$0	\$ 0	\$0 	\$0 	\$0	\$0
12	TOTAL 410.1			\$0	\$0		\$0	\$0	\$0	\$0
13	ACT 411.1: PROD RLTD	NPP		\$0	\$0	\$0	\$0	\$0	\$0	\$0
14	TRAN RLTD	NPT		\$0	\$0	\$0	\$0	\$0	\$0	\$0
15	PLANT RELATED	NPR		\$0	\$0	\$0	\$0	\$0	\$0	\$0
16	ENERGY RELATED	E1A		\$0	\$0	\$0	\$0	\$0	\$0	\$0
17	LABOR RELATED	LBR		\$0	\$0	\$0	\$0	\$0	\$0	\$0
18	CUSTOMER RELATED	СЗА		\$0 	\$0		\$0 	\$0 	\$0	\$0
19	TOTAL 411.1			\$0	\$0		\$0	\$0	\$0	\$0
20	NET PROVISION FOR DEFRD INC TAX		PDT	\$0	\$0	\$0	\$0	\$0	\$0	\$0
21	ITC AMORT	NPR	ITA	\$0	\$0		\$0 	\$0 	\$0	\$0
22	ADJUSTED RETURN	ART	ART	\$68,526			\$12,674	-\$1,018	\$3,449	\$113
	FED ADD INC & UNALLOW DEDUCTS									40
23	PRODUCTION RELATED	NPP		\$0			\$0	\$0	\$0	
24	DISTRIBUTION RELATED	NPD		\$0	\$0		\$0	\$0	\$0	
25	PLANT RELATED	NPR		\$0			\$0	\$0	\$0	
26	ENERGY RELATED	E1A		\$0			\$0	\$0	\$0	
27	LABOR RELATED	LBR		\$0			\$0	\$0	\$0	
28	TRANSMISSION REV RELATED	TRN		\$0			\$0	\$0	\$0	
29	RESERVED			\$0			\$0	\$0	\$0	
30	DISTRIBUTION CUSTOMER RELATED	СЗА		\$0			\$0 	\$0 	\$0 	\$0
31	TOTAL ADDITIONS	FTA	FTA	\$0		-	\$0	\$0	\$0	\$0

(INCOME TAX CALCULATION CONTINUED ON NEXT PAGE)

SIOUX VALLEY- SOUTHWESTERN ELECTRIC COOPERATIVE- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

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""INCOME TAX FOR 4.54% ROE""
" CONTINUED ""

LINE		CONTRO		TOTAL	DECIDENTIAL	FARM & RURAL RESIDENTIAL	GENERAL SERVICE	LARGE POWER	STREET LIGHTING	PUBLIC AUTHORITIES
NO.	DESCRIPTION	ALL	OUT	SMEC	RESIDENTIAL	RESIDENTIAL	3ERVICE			
	FED DEDUCTS AND NON-TAX INCOME									
32	PRODUCTION RELATED	NPP		\$0	\$0	\$0	\$0	\$0	\$0	\$0
33	DISTRIBUTION RELATED	NPD		\$0	\$0	\$0	\$0	\$0	\$0	\$0
34	PLANT RELATED	NPR		\$0	\$0	\$0	\$0	\$0	\$0	\$0
35	ENERGY RELATED	E1A		\$0	\$0	\$0	\$0	\$0	\$0	\$0
36	LABOR RELATED	LBR		\$0) \$0	\$0	\$0	\$0	\$0	\$0
37	TRANSMISSION REV RELATED	TRN		\$0) \$0		\$0	\$0	\$0	\$0 \$0
38	DISTRIBUTION CUSTOMER RELATED	C3A		\$0			\$0	\$0 	\$0 	\$U
39	TOTAL DEDUCTIONS	FTD	FTD	\$0			\$0	\$0	\$0	\$0
40	NET FEDERAL DEDUCTIONS	NFD	NFD	\$0	o \$0	\$0	\$0	\$0	\$0	\$0
				•	D \$0	50	\$0	\$0	\$0	\$0
41	ST ADD INC & UNALLOW DEDUCTS	FTA		\$\ \$\	= :		\$0	\$0	\$0	\$0
42	ST DEDUCTS AND NON-TAX INCOME	FTD		3						
43	NET STATE DEDUCTIONS	NSD	NSD	\$	0 \$6	\$0	\$0	\$0	\$0	\$0
44	PROV FOR DEF'D ITC - CURRENT	NPR	ITC	\$	0 \$	0 \$0	\$0	\$0	\$0	\$0
	FEDERAL TAXABLE INCOME									****
45	ADJ RET * 1/(1-0.0000-0.0000)	ART	TART	\$68,52	6 \$50,95	1 \$2,357	\$12,674	-\$1,018	\$3,449	
46	NET FED DED * 1/(1-0.0000)	NFD		\$	0 \$		\$0	\$0	\$0	
47	NET ST DED * (1/(1-0.0000))-1	NSD		\$	0 \$		\$0	\$0	\$0	
48	CURRENT ITC * (1/1-0.00))-1	ITC		\$			\$0	\$0	\$0	•
49	TOTAL FEDERAL TAXABLE INCOME	FTI	FTI	\$68,52			\$12,674	-\$1,018	\$3,449	
					in \$	0 \$0	\$0	\$0	\$0	\$0
50	PLUS: NET FED DEDUCTS	NFD		\$	50 \$	- : : : : : : : : : : : : : : : : : : :	\$0	\$0	\$0	\$0
51	LESS: NET STATE DEDUCTS	NSD		3	-	-				
52	TOTAL STATE TAXABLE INCOME	STI	STI	\$68,52	26 \$50,95	1 \$2,357	\$12,674	-\$1,018	\$3,449	\$113
	FED & ST INCOME TAXES:								_	
53	FED TAXABLE INC * 0.0000	FTI		\$	so \$	60 \$0	\$0	\$0	\$(
54	ST. TAXABLE INC * 0.0000	STI		9	50 \$	50 \$0	\$0	\$0	\$0	
55	LESS: CRNT ITC * (1-0.0000)	ITC		\$	so \$	50 \$0	\$0	\$0	\$(
56	TOTAL FED & ST INCOME TAXES	FST	FST			50 \$0	\$0	\$0	\$1	\$0
57	INVESTMENT TAX CREDIT - NET	NPR	ITN	=====		50 \$0	====== \$0	==== ==	== == ==	

SIOUX VALLEY- SOUTHWESTERN ELECTRIC COOPERATIVE- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

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""(PROPOSED)

LINE NO.	DESCRIPTION	CONTROL ALL	OUT	TOTAL SMEC	RESIDENTIAL	FARM & RURAL RESIDENTIAL	GENERAL SERVICE	LARGE POWER	STREET LIGHTING	PUBLIC AUTHORITIES
1	RATE BASE	RBT		\$3,861,539	\$2,871,159	\$132,794	\$714,196	-\$57,369	\$194,366	\$6,393
2	RETURN AT 4.32%	RET		\$166,968	\$124,146	\$5,742	\$30,881	-\$2,481	\$8,404	\$276
3	OPERATION & MAINTENANCE EXPENSES	OMX		[T]	RADE SECRET	DATA BEGINS	S	TRADE S	ECRET DATA	ENDS]
4	DEPRECIATION & AMORT EXPENSES	DEP		\$163,666	\$111,765	\$9,045	\$33,417	\$3,164	\$5,502	\$773
5	INTEREST ON CUSTOMER DEPOSITS	ICD		\$0	\$0	\$0	\$0	\$0	\$0	\$0
6	GENERAL TAXES	GTX		\$41,473	\$28,287	\$2,297	\$8,469	\$811	\$1,411	\$198
7	FEDERAL AND STATE INCOME TAX	FST		\$0	\$0	\$0	\$0	\$0	\$0	\$0
8	PROVISION FOR DEFERRED TAXES	PDT		\$0	\$0	\$0	\$0	\$0	\$0	\$0
9	INVESTMENT TAX CREDIT - NET	ITN		\$0	\$0	\$0	\$0	\$0	\$0	\$0
10	AFUDC	AFD		\$0	\$0	\$0	\$0 	\$0 	\$0 	\$0
11	COST OF SERVICE REVENUE REQUIREMENT	NT CSR	CSR	\$1,960,687			\$434,876	\$116,219	\$36,229	\$15,031
12	LESS: FUEL REVENUE	FUL		\$0	\$0		\$0	\$0	\$0 	\$0
13	BASE COST OF SERVICE REVENUE REQUIREMENT	BRR	BRR	\$1,960,687			\$434,876	\$116,219	\$36,229	\$15,031
14	ATTRITION ADJUSTMENT	BRR		\$0			\$0	\$0	\$0 	\$0
15	BASE COST OF SERVICE REVENUE REQU AFTER ATTRITION ADJUSTMENT	JIREMENT ARR	ARR	\$1,960,687			\$434,876	\$116,219	\$36,229	\$15,031
16	PLUS: FUEL REVENUE	FUL		\$0			\$0	\$0 	\$0 	
17	COST OF SERVICE REVENUE REQUIREM AFTER ATTRITION ADJUSTMENT	ENT		\$1,960,687			\$434,876	\$116,219	\$36,229	\$15,031
18	LESS: MISCELLANEOUS REVENUE			-\$27,748	-\$18,87	8 -\$1,543	-\$5,667	-\$556	-\$969	-\$135
19	LESS: BULK TRANSMISSION REVENUE			\$6	\$	0 \$0	\$0	\$0	\$0	\$0
20	LESS: PRIMARY TRANSMISSION REVENU	E		\$6	\$	0 \$0	\$0	\$0	\$0	\$0
21	LESS: NON-FRM SLS FOR RESALE			\$		50 \$0		\$0	\$0 	
22				\$1,932,93	9 \$1,192,55	8 \$145,353	\$429,209 ======	\$115,663 ======	\$35,260	\$14,896

SIOUX VALLEY- SOUTHWESTERN ELECTRIC COOPERATIVE- SMEC CUSTOMERS COST OF SERVICE STUDY

COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

EXISTING RETURN AND INCOME TAX

LINE	DESCRIPTION	CONTROL ALL	OUT	TOTAL SMEC	RESIDENTIAL	FARM & RURAL RESIDENTIAL	GENERAL SERVICE	LARGE POWER	STREET LIGHTING	PUBLIC AUTHORITIES
NO.	DESCRIPTION	7122								
1	EXISTING REVENUE	EXR		[TR	ADE SECRET	DATA BEGINS)	TRADE SI	ECRET DATA	ENDS]
ı	REVENUE DEDUCTIONS:									
2	O&M EXPENSES	OMX								6772
3	DEPRECIATION & AMORT EXPENSES	DEP		-\$163,666	-\$111,765	-\$9,045	-\$33,417	-\$3,164	-\$5,502	-\$773 -\$198
4	AD VALOREM TAXES	VAL		-\$41,473	-\$28,287	-\$2,297	-\$8,469	-\$811	-\$1,411	-5198 \$0
5	CORP FRANCHISE TAX	SFT		\$0	\$0	\$0	\$0	\$0	\$0 \$0	\$0 \$0
6	MISC GENERAL TAXES	MIS		\$0	\$0	\$0	\$0	\$0	\$0 \$0	\$0
7	REVENUE-RELATED TAXES	RTX		\$0	\$0	\$0	\$0	\$0 \$0	\$0 \$0	\$0
8	INTEREST ON CUST DEPOSITS	ICD		\$0	\$0	\$0	\$0			
9	TOTAL REVENUE DEDUCTIONS				[TRADE SË	CRET DATA BI	GINS	RADE SECRI	ET DATA ENI)S]
10	NET FOR RETURN AND INCOME TAXES	NET	NET	-\$218,757	-\$227,632	\$591	-\$11,606	\$30,500	-\$4,196	-\$6,414
11	LESS: INTEREST EXPENSE	INT		-\$98,442	-\$73,195	-\$3,385	-\$18,207	\$1,463	-\$4,955	-\$163
12	LESS: NET FEDERAL DEDUCTIONS	NFD		\$0	\$0		\$0	\$0	\$0	\$0
13	TOTAL FEDERAL TAXABLE INCOME			-\$317,199	-\$300,827	-\$2,794	-\$29,813	\$31,963	-\$9,151	-\$6,577
						***	\$0	\$0	\$0	\$0
14	PLUS: NET FEDERAL DEDUCTIONS	NFD		\$0			\$0 \$0	\$0	\$0	
15	LESS: NET STATE DEDUCTIONS	NSD		\$0	\$0	\$0				
16	TOTAL STATE TAXABLE INCOME			-\$317,199		-\$2,794	-\$29,813	\$31,963	-\$9,151	-\$6,577
	FED AND ST INCOME TAXES									
17	FED TAXABLE INC * 0.0000			\$0	\$0	\$0	\$0	\$0	\$0	
18	ST. TAXABLE INC * 0.0000			\$0	\$0	\$0	\$0	\$0	\$0	
19	LESS: CRNT ITC * (1-0.0000)			\$0	\$0		\$0	\$0	\$(\$0
20	TOTAL FED & ST INCOME TAXES			\$0	\$0		\$0	\$0	\$0	\$0
	*****RETURN COMPUTATION****									
21	NET FOR RETURN AND INCOME TAXES	NET		-\$218,757	-\$227,632	\$591	-\$11,606	\$30,500	-\$4,196	
22	FED & ST INCOME TAXES			\$0	\$	\$0	\$0	\$0	\$0	
23	PROV FOR DEF TAXES	PDT		\$0	\$	\$0	\$0	\$0	\$1	
24	INVESTMENT TAX CREDIT - NET	ITN		\$0	\$(\$0	\$0	\$0	\$1	•
25	AFUDC	AFD		\$0			\$0 	\$0 	\$1 	•
26	NET RETURN			-\$218,757		2 \$591	-\$11,606	\$30,500	-\$4,19	-\$6,414
27	RATE BASE	RBT		\$3,861,539	\$2,871,15	9 \$132,794	\$714,196	-\$57,369	\$194,36	\$6,393
		200		E 070	6 -7.93°	6 0.44%	-1.63%	0.00%	-2.169	6 -100.32%
28	RETURN ON RATE BASE	ROR		-5.67%			-2.55%	0.00%	-2.55%	
29	NON-EQUITY PORTION OF RETURN	DA3		-2.55% -8.22%			-4.18%	0.00%	-4.719	
30	EQUITY PORTION OF EXISTING RETRN	DA3	ROE	-8.22% -21.02%			-10.69%	0.00%	-12.059	6 -263.14%
31	EXISTING RETURN ON EQUITY	DA3	NUE	-21.02/	-23.01	5.4070				

SIOUX VALLEY- SOUTHWESTERN ELECTRIC COOPERATIVE- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED

DECEMBER 31, 2016

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PROPOSED RETURN AND INCOME TAX

LINE NO.	DESCRIPTION	CONTROI ALL	OUT	TOTAL	RESIDENTIAL	FARM & RURAL RESIDENTIAL	GENERAL SERVICE	LARGE POWER	STREET LIGHTING	PUBLIC AUTHORITIES
1	PROPOSED REVENUE	PRV		\$1,960,687	\$1,211,436	\$146,896	\$434,876	\$116,219	\$36,229	\$15,031
	REVENUE DEDUCTIONS:			T.T.	NADE ČLODE	T DATA BEGIN	9	TRADES	ECRET DATA	VENDSI
2	O&M EXPENSES	OMX				-\$9,045	-\$33,417	-\$3,164	-\$5,502	-\$773
3	DEPRECIATION & AMORT EXPENSES	DEP		-\$163,666	-\$111,765 -\$28,287	-\$2,297	-\$8,469	-\$811	-\$1,411	-\$198
4	AD VALOREM TAXES	VAL		-\$41,473 \$0	-526,287 \$0	-\$2,297 \$0	\$0	\$0	\$0	\$0
5	CORP FRANCHISE TAX	SFT		\$0 \$0	\$0	\$0	\$0	\$0	\$0	\$0
6	MISC GENERAL TAXES	MIS RTX		\$0	\$0	\$0	\$0	\$0	\$0	\$0
7	REVENUE-RELATED TAXES	ICD		\$0	\$0	\$0	\$0	\$0	\$0	\$0
8	INTEREST ON CUST DEPOSITS	ICD								501
9	TOTAL REVENUE DEDUCTIONS				[TRADE SE	CRET DATA B	EGINS	TRADÉ SECRI	EL DATA EN	
10	NET FOR RETURN AND INCOME TAXES	NET	NET	\$166,968	\$124,146	\$5,742	\$30,881	-\$2,481	\$8,404	\$276
				200 440	-\$73,195	-\$3,385	-\$18,207	\$1,463	-\$4,955	-\$163
11	LESS: INTEREST EXPENSE	INT		-\$98,442 \$0			\$0	\$0	\$0	\$0
12	LESS: NET FEDERAL DEDUCTIONS	NFD		50		-				
13	TOTAL FEDERAL TAXABLE INCOME			\$68,526			\$12,674	-\$1,018	\$3,449	\$113
	THE NET FEDERAL DEDUCTIONS	NFD		\$0	\$0	\$0	\$0	\$0	\$0	\$0
14	PLUS: NET FEDERAL DEDUCTIONS LESS: NET STATE DEDUCTIONS	NSD		\$0			\$0	\$0	\$0	\$0
15	LESS: NET STATE DEDUCTIONS	1100					,			
16	TOTAL STATE TAXABLE INCOME			\$68,526	\$50,951	\$2,357	\$12,674	-\$1,018	\$3,449	\$113
	FED AND ST INCOME TAXES					\$0	\$0	\$0	\$0	\$0
17	FED TAXABLE INC * 0.0000			\$0			\$0	\$0	\$0	\$0
18	ST, TAXABLE INC * 0.0000			\$0 \$0			\$0	\$0	\$0	\$0
19	LESS: CRNT ITC * (1-0.0000)			50						
20	TOTAL FED & ST INCOME TAXES			\$0	\$(\$0	\$0	\$0	\$0	\$0
	*****RETURN COMPUTATION*****					05.740	\$30,881	-\$2,481	\$8,404	\$276
21	NET FOR RETURN AND INCOME TAXES	NET		\$166,968			\$30,881	\$0	\$0	
22	FED & ST INCOME TAXES			\$0		•	\$0	\$0	\$0	\$0
23	PROV FOR DEF TAXES	PDT		\$0 \$0	,		\$0	\$0	\$0	\$0
24	INVESTMENT TAX CREDIT - NET	ITN		\$0		•	\$0	\$0	\$0	\$0
25	AFUDC	AFD		φu						
26	NET RETURN			\$166,968		6 \$5,742	\$30,881	-\$2,481	\$8,404	\$276
27	RATE BASE	RBT		\$3,861,539	\$2,871,15	9 \$132,794	\$714,196	-\$57,369	\$194,366	\$6,393
				4 000	4.32%	6 4,32%	4.32%	0.00%	4.32%	4.32%
28	RETURN ON RATE BASE	ROR		4.32%		-	-2.55%	0.00%	-2.55%	
29	NON-EQUITY PORTION OF RETURN	DA3		-2.55% 1.77%	=	=	1,77%	0.00%	1.77%	
30	EQUITY PORTION OF EXISTING RETRN	DA3	ROE	4.54%	-	•	4.54%	0.00%	4.54%	4.54%
31	PROPOSED RETURN ON EQUITY	DAS	HUE	4.54%	4.54					

SIOUX VALLEY- SOUTHWESTERN ELECTRIC COOPERATIVE- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

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COST OF SERVICE SUMMARY

LINE		CONTROL	TOTAL		FARM & RURAL	GENERAL	LARGE POWER	STREET LIGHTING	PUBLIC AUTHORITIES
NO.	DESCRIPTION	ALL OUT	SMEC	RESIDENTIAL	RESIDENTIAL	SERVICE			
	NET PLANT IN SERVICE:							**	\$0
1	PRODUCTION PLANT	NPP	\$0	\$0	\$0	\$0	\$0	\$0	\$0 \$0
2	TRANSMISSION PLANT	NPT	\$0	\$0	\$0	\$0	\$0	\$0	•
3	DISTRIBUTION PLANT	NPD	\$5,497,331	\$3,740,041	\$305,761	\$1,122,768	\$110,097	\$191,944	\$26,720
4	GENERAL PLANT	NPG	\$230,223	\$166,727		\$46,776	\$1,838 	\$2,887	\$588
5	TOTAL NET ELECTRIC PLANT	NPR	\$5,727,554	\$3,906,768	\$317,168	\$1,169,544	\$111,935	\$194,831	\$27,308
6	CONST. WORK IN PROGRESS	CWP	\$133,944	\$91,126	\$7,450	\$27,357	\$2,683	\$4,677	\$651
7	ACQUISITION ADJUSTMENT	ACQ	-\$2,099,392	-\$1,190,958	-\$197,849	-\$503,124	-\$174,950	-\$10,395	-\$22,116
8	PLANT HELD FOR FUTURE USE	PLH	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9	TOTAL MISC DEFRD DEBITS	. =	\$7,780	\$5,380	\$421	\$1,587	\$132	\$227	\$33
•	WORKING CAPITAL:						AF 400	\$9,504	\$1,332
10	CASH WORK CAP, FUNDS, MAT&SUP	MAS	\$279,396	\$190,576		\$57,052	\$5,460	\$9,504	\$0
11	FUEL STOCK	FUL	\$0	\$0		\$0	\$0	\$0 \$0	\$0 \$0
12	PREPAID LIGNITE ROYALTIES	E1A	\$0	\$0		\$0	\$0		\$ 0
13	OTHER PREPAYMENTS	NPR	-\$11	-\$8	-\$1	-\$2	\$0	\$0	\$0 \$0
14	UNAMORTIZED LOSS ON REACQD LTD	NPR	\$0	\$0	\$0	\$0	\$0	\$0	\$0 \$0
15	DEFERRED FUEL	DEF	\$0	\$0	\$0	\$0	\$0	\$0	*-
16	ACCUMULATED DEFERRED INCOME TAX	ACC	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17	PRE-1971 INVESTMENT TAX CREDIT	PIC	\$0	\$0	\$0	\$0	\$0	\$0	\$0
18	CUSTOMER ADVANCES AND DEPOSITS	CAD	-\$13,622	-\$9,975	-\$639	-\$2,738	-\$47	-\$81	-\$142
19	STORM DAMAGE/INJ & DAM RESRVS	SDR	\$0	\$0	\$0	\$0	\$0	\$0	
20	PNSN & MIS OP RSRVS, OTR DEF CRS	PEN	-\$174,110	-\$121,750	-\$9,228	-\$35,480	-\$2,582	-\$4,397	-\$673
21	TRANSMISSION RATE REFUND RESERVE	TRN	\$0	\$0	\$0	\$0	\$0	\$0	\$0
						\$714,196	-\$57,369	\$194.366	
22	AVERAGE ORIGINAL COST RATE BASE	RBT	\$3,861.539	\$2,871,159	\$132,794	\$714,130	-007,000	• • • • • • • • • • • • • • • • • • • •	
23	RETURN AT 4.32%	RET	\$166,968	\$124,146	\$5,742	\$30,881	-\$2,481	\$8,404	\$2 76
	OPERATION & MAINTENANCE EXPENSES			an an an	T D . T . DUCK		TRADES	SECRET DAT	A ENDS1
24	PRODUCTION O&M	OMP	1		T DATA BEGIN			\$CKET DATE	
25	TRANSMISSION O&M	OMT				\$0	\$0	* -	
26	DISTRIBUTION O&M	OMD		[TRADE S	SECRET DATA		TRADE SECI		
27	CUST ACCT/SERV/SALES	OMC	\$63,970	\$47,16	9 \$3,020	\$12,948	\$224	\$385	
28	ADMINISTRATIVE & GENERAL	OMA	\$135,020	\$94,41		\$27,514	\$2,002	\$3,410	\$522
					ECDET DATA I		TRADE SECR	ET DATA EN	
29	TOTAL OPER & MAIN EXPENSES	OMX		[TRADE S	ECRET DATA E	BEOINS	TRADE SECT		
30	DEPRECIATION & AMORT EXPENSES	DEP	\$163,666	\$111,76	5 \$9,045	\$33,417	\$3,164	\$5,502	
31	INTEREST ON CUSTOMER DEPOSITS	ICD	\$0) . \$	0 \$0	\$0	\$0	\$6	
32		GTX	\$41,473	\$28,28	7 \$2,297	\$8,469	\$811	\$1,41	
	FED & ST INCOME TAX	FST	\$0) \$	0 \$0	\$0	\$0	\$0	
33 34	PROV FOR DEF TAXES	PDT	\$6		0 \$0	\$0	\$0	\$(
	INVESTMENT TAX CREDIT - NET	iTN	\$1	n \$	60 \$0	\$0	\$0	\$1	
35 36		AFD	\$(50 \$0	\$0	\$0	\$1	
36	N. 000							******	
37	COST OF SERVICE REVENUE REQT	CSR	\$1,960,68				\$116,219	\$36,22	
			=====	= ======	========	======	*****		

SIOUX VALLEY- SOUTHWESTERN ELECTRIC COOPERATIVE- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED

DECEMBER 31, 2016

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COST OF SERVICE COMPARISON

LINE NO.	DESCRIPTION	CONTROL ALL OUT	TOTAL SMEC	RESIDENTIAL	FARM & RURAL RESIDENTIAL	GENERAL SERVICE	LARGE POWER	STREET LIGHTING	PUBLIC AUTHORITIES
	*** OTHER REVENUE INCLUDED ***								
1	COST OFF SERVICE REVENUE REQT		\$1,960,687	\$1,211,436	\$146,896	\$434,876	\$116,219	\$36,229	\$15,031
2	EXISTING REVENUE		\$1,574,962	\$859,658	\$141,745	\$392,389	\$149,200	\$23,629	\$8,341
3	REVENUE DEFICIENCY		\$385,725	\$351,778	\$5,151	\$42,487	-\$32, 9 81	\$12,600	\$6,690
4	REQUIRED INCREASE (%)		24.49%	40.92%	3.63%	10.83%	-22.11%	53.33%	80.20%
5	EXISTING RATE OF RETURN-AS ADJ.		-5.67%	-7.93%	0.44%	-1.63%	0.00%	-2.16%	-100.32%
6	EXISTING ROR AS % OF OVERALL ROR-AS	S ADJ.	100.00%	139.86%	-7.76%	28.75%	0.00%	38.10%	1769.31%
7	EXISTING RETURN ON EQUITY-AS ADJ.		-21.02%	-26.81%	-5.40%	-10.69%	0.00%	-12.05%	-263.14%
8	EXISTING ROE AS % OF OVERALL ROE-AS	S ADJ.	100.00%	127.55%	25.69%	50.86%	0.00%	57.33%	1251.86%
9	PROPOSED RATE OF RETURN-AS ADJ		4.32%	4.32%	4.32%	4.32%	0.00%	4.32%	4.32%
10	PROPOSED RETURN ON EQUITY-AS ADJ		4.54%	4.54%	4.54%	4.54%	0.00%	4.54%	4.54%
11	*** OTHER REVENUE EXCLUDED *** COST OF SERVICE REVENUE REQT		\$1,932,939	\$1,192,558	\$145,353	\$429,209	\$115,663	\$35,260	\$14,896
12	EXISTING REVENUE		\$1,547,214	\$840,780	\$140,202	\$386,722	\$148,644	\$22,660	\$8,206
13	REVENUE DEFICIENCY		\$385,725	\$351,778	\$5,151	\$42,487	-\$32,981	\$12,600	\$6,690
14	REQUIRED INCREASE (%)		24.93%	41.84%	3.67%	10.99%	-22.19%	55.61%	81.52%
15	EXISTING RATE OF RETURN - UNADJ		-5.67%	-7.93%	0.44%	-1.63%	0.00%	-2.16%	-100.32%
16	EXISTING ROR AS % OF OVERALL ROR-U	NADJ.	100.00%	139.86%	-7.76%	28.75%	0.00%	38.10%	1769.31%
17	EXISTING RETURN ON EQUITY-UNADJ	•	-21.02%	-26.81%	-5.40%	-10.69%	0.00%	-12.05%	-263.14%
18	EXISTING ROE AS % OF OVERALL ROE-UI	NADJ.	100.00%	127.55%	25.69%	50.86%	0.00%	57.33%	1251.86%
19	PROPOSED RATE OF RETURN - UNADJ		4.32%	4.32%	4.32%	4.32%	0.00%	4.32%	4.32%
20	PROPOSED RETURN ON EQUITY-UNADJ		4.54%			4.54%	0.00%	4.54%	4.54%

SIOUX VALLEY- SOUTHWESTERN ELECTRIC COOPERATIVE- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED

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PROPO	NBER 31, 2016 DSED MILLS/KWH	TOTAL SMEC	RESIDENTIAL	FARM & RURAL RESIDENTIAL	GENERAL SERVICE	LARGE POWER	STREET LIGHTING	PUBLIC AUTHORITIES
1 2 3	EXISTING BASE REV FUEL REVENUE TOTAL MILLS / KWH	101.89 0.00 101.89	101.64 0.00 101.64	0.00	108.57 0.00 108.57	84.81 0.00 84.81	326.37 0.00 326.37	53.42 0.00 53.42
4 5 6	PROPOSED BASE REV FUEL REVENUE TOTAL MILLS / KWH	127.30 0.00 127.30	144.16 0.00 144.16	0.00 105.77	120.50 0.00 120.50	65.99 0.00 65.99	507.85 0.00 507.85	96.97 0.00 96.97 ======

SOUTH CENTRAL ELECTRIC ASSOCIATION CLASS COST OF SERVICE FOR MPSC COMPLIANCE FILING SCENARIO 2: SMEC DIRECT ASSIGNMENT

LINE		CLASS	COSS BASED REVENUE ALLOCATION	EXISTING REVENUE ALLOCATION	DIF	FERENCE	PERCENT DIFFERENCE
<u>NO.</u>		ULASS	ALLOGATION	ALLOGATION			
	LEGACY:						
1	LLG/101.	G/S 1 PHASE	\$9,039,842	\$7,449,645	\$	1,590,196	21.35%
2		G/S MULTI PHASE	\$199,667	\$205,925	\$	(6,258)	-3.04%
3		G/S SEASONAL	\$153,404	\$85,529	\$	67,875	79.36%
4		L/P IRRIGATION	\$57,489	\$83,158	\$	(25,669)	
5		L/P 1 PHASE	\$1,478,478	\$2,155,014	\$	(676,536)	
6		L/P MULTI PHASE	\$2,215,746	\$3,842,545	\$ (1,626,799)	
7		CONTRACT RATE 1	\$3,027,169	\$3,154,801	\$	(127,632)	
8		CONTRACT RATE 2	\$3,238,236	\$2,411,954	\$	826,282	34.26%
9		TOTAL LEGACY	\$19,410,031	\$19,388,570	\$	21,460	0.11%
	SMEC			* • • • • • • • • • • • • • • • • • • •	•	500 400	05 110/
10		RESIDENTIAL	\$2,306,719	\$1,707,310	\$	599,409	35.11%
11		SMALL COMMERCIAL	\$1,042,806	\$968,899	\$	73,907	7.63% -37.43%
12		LARGE POWER	\$196,641	\$314,253	\$	(117,612)	18.80%
13		LIGHTING	\$60,144	\$50,628	\$	9,516	
14		MUNICIPAL PUMPING	\$46,663	\$38,681	\$	7,982	
15		TOTAL SMEC	\$3,652,973	\$3,079,771		\$573,203	10.01%
16				#00 400 040	Φ.	E04 661	2.65%
17		TOTAL COMPANY		\$22,468,342	\$	594,661	0.00%
18		MISC. REVENUES	\$168,790	\$168,790		F04 661	2.63%
19			\$23,231,794	\$22,637,132	\$	594,661	2.03 /6
	CONSOLIE		\$9,039,842	\$7,449,645	\$	1,590,196	21.35%
20		G/S 1 PHASE	\$199,667			(6,258	
21		G/S MULTI PHASE	\$153,404			67,875	,
22		G/S SEASONAL	\$57,489		-	(25,669	
23		L/P IRRIGATION	\$1,478,478			(676,536	,
24		L/P 1 PHASE	\$2,215,746				,
25		L/P MULTI PHASE	\$3,027,169		\$		•
26		CONTRACT RATE 1 CONTRACT RATE 2	\$3,238,236			826,282	•
27		= :	\$2,306,719			599,409	
28		RESIDENTIAL	\$1,042,806			73,907	
29		SMALL COMMERCIAL	\$196,641			(117,612	
30		LARGE POWER	\$60,144			9,516	•
31		LIGHTING	\$46,663			7,982	
32		MUNICIPAL PUMPING		\$22,468,342			
33		MICO DEVENUES	\$168,790				- 0.00%
34		MISC. REVENUES		\$22,637,132			
35		TOTAL COMPANY	φευ,ευ 1, <i>1</i> 94	- ψεε,υυί, ιυε	. Ψ	551,561	

SOUTH CENTRAL ELECTRIC ASSOCIATION- SMEC CUSTOMERS

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FILESPEC: K:\RATERES\COS\93RESALE\COS1292.WK3

RETURN C	TE: AND TIME: N COMMON EQUITY RATE OF RETURN	18-Oct-17	DECEMBER 31, 2016 12:51 PM 7.24% 4.59%
CAPITALIZ			
	OUTSTANDING	EFFECTIVE RATE	COMPOSITE
DBT	\$44,335,140	3.31%	2.23%
PRF		0.00%	0.00%
CMN	\$21,372,518	7.24%	2.35%
FEDERAL	EFFECTIVE INCOME T	AX RATE	0.00%
FEDERAL	NOMINAL INCOME TA	X RATE	0.00%
STATE EF	FECTIVE INCOME TAX	RATE	0.00%
STATE NO	MINAL INCOME TAX F	RATE	0.00%

NOTATIONS: THIS RUN ALLOCATES ALL PLANT ON AVG OF 12 CP

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SOUTH CENTRAL ELECTRIC ASSOCIATION- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

******CUSTOMER DATA******

LINE		CONTRO	L	TOTAL		SMALL	LARGE		MUNICIPAL
NO.	DESCRIPTION	ALL	OUT	SMEC	RESIDENTIAL	COMMERCIAL	POWER	LIGHTING	PUMPING
1	NUMBER OF CUSTOMERS	C1A	C1A	1,918	1,447	431	6	18	17
2	PERCENT OF TOTAL	C1A		100.000%	75.417%	22.489%	0.295%	0.938%	0.860%
	NUMBER OF WEIGHTED CUSTOMERS	C2A	C2A	1.918	1,447	431	6	18	17
3 4	PERCENT OF TOTAL	G2A	OLI	100.000%	75.417%	22.489%	0.295%	0.938%	0.860%
	The second secon	004	СЗА	1,918	1,447	431	6	18	17
5 6	NUMBER OF RETAIL DISTR CUSTOMERS PERCENT OF TOTAL	C3A C3A	C3A	100.000%	75.417%	22.489%	0.295%	0.938%	0.860%
Ü						401	6	18	17
7	NMBR OF RETAIL WTD CUSTOMERS	C4A	C4A	1,918	1,447	431 22.489%	0.295%	0.938%	0.860%
8	PERCENT OF TOTAL	C4A		100.000%	75.417%	22.409 /6	0.23376	0.550 %	
9	LIGHTING DIRECT ALLOCATOR	LDE	LDE	1	0	0	0	1	0
10	PERCENT OF TOTAL	LDE		100.000%	0.000%	0.000%	0.000%	100.000%	0.000%
11	LPS DIRECT ALLOCATOR	DA1	DA1	0	0	0	0	0	0
12	PERCENT OF TOTAL	DA1		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
					0.077	1,630	347	0	80
13	AVERAGE COINCIDENT KW DEMAND	D1A	D1A	5,434	3,377 62.139%	30.004%	6.386%	0.000%	1.470%
14	DEMAND ALLOCATION FACTOR-PROD	D1A		100.000%	62.139%	30.004 %	0.000%	3.333.13	
15	AVERAGE COINCIDENT KW DEMAND	D1B	D1B	5,434	3,377	1,630	347	0	80
16	DEMAND ALLOCATION FACTOR-TRANS	D1B		100.000%	62.139%	30.004%	6.386%	0.000%	1.470%
	AVG PRIMARY DISTRIB KW DEMAND	D2A	D2A	5,720	3,507	1,682	361	88	83
17	DIST-PRI DEMAND ALLOC FACTOR	D2A	DEA	100.000%	61,299%		6.309%	1.541%	1.443%
18	DIST-PRI DEMIAND ALLOC PACTOR	DZA		700.0007					
19	AVG SECONDARY DISTRIB KW DEMAND	D3A	D3A	5,720	3,507	1,682	361	88	83
20	DIST-SEC DEMAND ALLOC FACTOR	D3A		100.000%	61.299%	29.408%	6.309%	1.541%	1.443%
	AND DESCRIPTION DISTRIBUTION OF MANIE	D4A	D4A	5,720	3,507	1.682	361	88	83
21	AVG SECONDARY DISTRIB KW DEMAND	D4A	UHA	100.000%	61.299%		6.309%	1.541%	1.443%
22	DIST-SEC DEMAND ALLOC FACTOR	D4A		100.00076	520070				
23	ANNUAL MWH ENERGY CONTRIBUTION	E1A	E1A	28,398,900	15,972,986	9,283,807	2,371,266	385,996	384,845
24	ENERGY ALLOCATION FACTOR	E1A		100.000%	56.245%	32.691%	8.350%	1.359%	1.355%

SOUTH CENTRAL ELECTRIC ASSOCIATION- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

······CUSTOMER DATA········

LINE NO.	DESCRIPTION	ALL	OUT	TOTAL SMEC	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	LIGHTING	MUNICIPAL PUMPING
25	RESERVED			0	0	0	0	0	0
26	PERCENT OF TOTAL			0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
	WAGES/SALARIES: PRODUCTION	NPP		. \$0	\$0	\$0	\$0	\$0	\$0
27	TRANSMISSION	NPT		\$0	\$0	\$0	\$0	\$0	\$0
28 29	DISTRIBUTION	NPD		\$254,594	\$165,197	\$65,085	\$9,278	\$12,092	\$2,942
	GENERAL	NPG		\$55,002	\$38,620	\$13,483	\$1,316	\$1,583	\$0
30	WAGES/SALARIES: TOTAL	LBR	LBR	\$309,596	\$203,817	\$78,568	\$10,594	\$13,675	\$2,942
31 32	PERCENT OF TOTAL	LBR	LDII	100.000%	65.833%	25.378%	3.422%	4.417%	0.950%
				••	\$0	\$0	\$0	\$0	\$0
33	BULK TRANSMISSION REVENUE	D1A		\$0	\$0 \$0	\$0 \$0	\$0	\$0	\$0
34	PRIMARY TRANSMISSION REVENUE	D2A		\$0	\$0 \$0	\$0 \$0	\$0	\$0	\$0
35	TOTAL TRANSMISSION REVENUE	TRN	TRN	\$0	100.000%	0.000%	0.000%	0.000%	0.000%
36	PERCENT OF TOTAL	TRN		100.000%	100.000%	0.000 %	0.00070	0.0007	
	EXISTING REVENUE								£20 C01
37	EXISTING BASE REV	OTR	OTR	\$3,079,771	\$1,707,310		\$314,253	\$50,628	\$38,681 \$0
38	FUEL REVENUE	FUL		\$0	\$0		\$0	\$0	\$292
39	MISCELLANEOUS REVENUE	NPD		\$25,308	\$16,422		\$922	\$1,202	\$0
40	TRANSMISSION REVENUE	TRN		\$0	\$0		\$0	\$0	\$0 \$0
41	NON-FRM SLS FOR RESALE	E1A		\$0	\$0 	\$0 	\$0 	\$0	
42	TOTAL EXISTING REVENUE	EXR	EXR	\$3,105,079	\$1,723,732	\$975,369	\$315,175 ======	\$51,830	\$38,973 ======
	PROPOSED REVENUE								
43	PROPOSED BASE REV			\$3,652,973	\$2,306,719	\$1,042,806	\$196.641	\$60,144	\$46,663
44	FUEL REVENUE			\$0	\$0	\$0	\$0	\$0	\$0
45	MISCELLANEOUS REVENUE			\$25,308	\$16,422	\$6,470	\$922	\$1,202	\$292
46	TRANSMISSION REVENUE			\$0	\$0	\$0	\$0	\$0	\$0
47	NON-FRM SLS FOR RESALE			\$0	\$0	\$0	\$0	\$0	\$0
							\$197,563	\$61,346	\$46.955
48	TOTAL PROPOSED REVENUE	PRV	PRV	\$3,678,281			\$197,363 ======	======	======
						_			****
49	PROPOSED BASE REVENUE INCREASE/(DECREASE)	\$573,202	\$599,409	\$73,907	-\$117,612	\$9,516	\$7,982
50	PROPOSED BASE REVENUE INCR/(DECR			18.61%	35.11%	7.63%	-37.43%	18.80%	20.64%

SOUTH CENTRAL ELECTRIC ASSOCIATION- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

PAGE

****ELECTRIC GROSS PLANT****

LINE NO.	DESCRIPTION	ALL	OUT	TOTAL SMEC	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	LIGHTING	MUNICIPAL PUMPING
1	TOTAL PRODUCTION PLANT	D1A	GPP	\$0	\$0	\$0	\$0	\$0	\$0
	TRANSMISSION PLANT								
2	POWER PLANT EQUIP	D1A		\$0	\$0	\$0	\$0	\$0	\$0
3	LARGE POWER SERVICE EQUIP	DA1		\$0	\$0	\$0	\$0	\$0	\$0
4	OTHER DIST IN ACCT 353	D2A		\$0	\$0	\$0	\$0	\$0	\$0
5	ALL OTHER TRANSMISSION	D1B		\$0	\$0	\$0	\$0	\$0	\$0
6	TOTAL TRANSMISSION PLANT	GPT	GPT	\$0	\$0	\$0	\$0	\$0	\$0
	DISTRIBUTION PLANT								
7	PRIMARY DEMAND RELATED	D4A		\$5,367,059	\$3,289,976	\$1,578,322	\$338,633	\$82,684	\$77,444
8	SECONDARY DEMAND RELATED	D3A		\$1,556,455	\$954,097	\$457,716	\$98,204	\$23,979	\$22,459
9	CUSTOMER RELATED	C4A		\$5,037,398	\$3,799,059	\$1,132,846	\$14,883 	\$47,275 	\$43,335
10	SUB-TOTAL DISTR PLANT		SGD	\$11,960,912	\$8,043,132	\$3,168,884	\$451,720	\$153,938	\$143,238
11	LIGHTING SPECIFIC	LDE		\$345,952	\$0	\$0	\$0	\$345,952	\$0
12	TOTAL DISTRIBUTION PLANT	GPD	GPD	\$12,306,864	\$8,043,132	\$3,168,884	\$451,720	\$499,890	\$143,238
	GENERAL AND INTANGIBLE PLANT								
13	PRODUCTION RELATED	GPP		\$0	\$0	\$0	\$0	\$0	\$0
14	TRANSMISSION RELATED	GPT		\$0	\$0	\$0	\$0	\$0	\$0
15	DISTRIBUTION RELATED	GPD		\$353,647	\$231,125	\$91,060	\$12,981	\$14,365	\$4,116
	CUST ACCT/SERV & INFO/								
16	SALES RELATED	C2A		\$335,836	\$253,278	\$75,525 	\$992	\$3,152	\$2,889
17	TOTAL GENERAL & INTANGIBLE PLANT	GPG	GPG	\$689,483	\$484,403		\$13,973	\$17,517	\$7,005
					*******		\$465.693	\$517,407	 \$150,243
18	TOTAL GROSS PLANT IN SERVICE	GPR	GPR	\$12,996,347	\$8,527,535		\$465,693 =======	======	======

SOUTH CENTRAL ELECTRIC ASSOCIATION- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

LINE NO.	DESCRIPTION	ALL	OUT	TOTAL SMEC	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	LIGHTING	MUNICIPAL PUMPING
1	TOTAL PRODUCTION PLANT	D1 A	DPP	\$0	\$0	\$0	\$0	\$0	\$0
	TRANSMISSION PLANT								••
2	POWER PLANT EQUIP	D1B		\$0	\$0	\$0	\$0	\$0	\$0
3	LARGE POWER SERVICE EQUIP	DA1		\$0	\$0	\$0	\$0	\$0	\$0
4	OTHER DIST IN ACCT 353	D2A		\$0	\$0	\$0	\$0	\$0	\$0
5	ALL OTHER TRANSMISSION	D1A		\$0	\$0	\$0 	\$0 	\$0 	\$0
6	TOTAL TRANSMISSION PLANT	DPT	DPT	\$0	\$0	\$0	\$0	\$0	\$0
	DISTRIBUTION PLANT								404 500
7	PRIMARY DEMAND RELATED	D4A		\$2,189,796	\$1,342,332	\$643,966	\$138,164	\$33,736	\$31,598
8	SECONDARY DEMAND RELATED	D3A		\$635,044	\$389,279	\$186,751	\$40,068	\$9,783	\$9,163 \$17,681
9	CUSTOMER RELATED	C4A		\$2,055,292		\$462,209	\$6,072 	\$19,288	\$17,001
	OUR TOTAL DICTR DI ANT		SDD	\$4.880.132	\$3,281,653	\$1,292,926	\$184,304	\$62,807	\$58,442
10	SUB-TOTAL DISTR PLANT	LDE	300	\$88,551	\$0	\$0	\$0	\$88,551	\$0
11	LIGHTING SPECIFIC	LUL							
12	TOTAL DISTRIBUTION PLANT	DPD	DPD	\$4,968,683	\$3,281,653	\$1,292,926	\$184,304	\$151,358	\$58,442
	GENERAL AND INTANGIBLE PLANT								
13	PRODUCTION RELATED	GPP		\$0	\$0	\$0	\$0	\$0	\$0
14	TRANSMISSION RELATED	GPT		\$0	\$0	\$0	\$0	\$0	\$0
15	DISTRIBUTION RELATED	GPD		\$62,915	\$41,118	\$16,200	\$2,309	\$2,556	\$732
	CUST ACCT/SERV & INFO/								61.064
16	SALES RELATED	C2A		\$158,609			\$469	\$1,489	\$1,364
17	TOTAL GENERAL & INTANGIBLE PLANT	DPG	DPG	\$221,524	\$160,736		\$2,778	\$4,045	\$2,096
18	TOTAL ACCUMULATED DEPRECIATION	DPR	DPR	\$5,190,207	\$3,442,389	\$1,344,795	\$187,082	\$155,403	\$60,538
10	TOTAL ACCOMMENTED DEL TILDIKTION			======	======	=======	======	======	

SOUTH CENTRAL ELECTRIC ASSOCIATION- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

*******ELECTRIC NET PLANT*******

LINE		CONTRO	L	TOTAL		SMALL	LARGE		MUNICIPAL
NO.	DESCRIPTION	ALL	OUT	SMEC	RESIDENTIAL	COMMERCIAL	POWER	LIGHTING	PUMPING
1	TOTAL PRODUCTION PLANT	D1A	NPP	\$0	\$0	\$0	\$0	\$0	\$0
	TRANSMISSION PLANT								
2	POWER PLANT EQUIP	D1B		\$0	\$0	\$0	\$0	\$0	\$0
3	LARGE POWER SERVICE EQUIP	DA1		\$0	\$0	\$0	\$0	\$0	\$0
4	OTHER DIST IN ACCT 353	D2A		\$0	\$0	\$0	\$0	\$0	\$0
5	ALL OTHER TRANSMISSION	D1A		\$0	\$0	\$0	\$0	\$0	\$0
6	TOTAL TRANSMISSION PLANT	NPT	NPT	\$0	\$0	\$0	\$0	\$0	\$0
	DISTRIBUTION PLANT								
7	PRIMARY DEMAND RELATED	D4A		\$3,177,263	\$1,947,644	\$934,356	\$200,469	\$48,948	\$45,846
8	SECONDARY DEMAND RELATED	D3A		\$921,411	\$564,818	\$270,965	\$58,136	\$14,196	\$13,296
9	CUSTOMER RELATED	C4A		\$2,982,106	\$2,249,017	\$670,637	\$8,811	\$27,987	\$25,654
	AND TOTAL BIOTO DI ANT		SPD	\$7,080,780	\$4,761,479	\$1,875,958	\$267,416	\$91,131	\$84,796
10	SUB-TOTAL DISTR PLANT	LDE	SPD	\$257.401	\$0	\$0	\$0	\$257,401	\$0
11	LIGHTING SPECIFIC	LDE		φ257,401					
12	TOTAL DISTRIBUTION PLANT	NPD	NPD	\$7,338,181	\$4,761,479	\$1,875,958	\$267,416	\$348,532	\$84,796
	GENERAL AND INTANGIBLE PLANT								
13	PRODUCTION RELATED	NPP		\$0	\$0	\$0	\$0	\$0	\$0
14	TRANSMISSION RELATED	NPT		\$0	\$0	\$0	\$0	\$0	\$0
15	DISTRIBUTION RELATED	NPD		\$290,732	\$190,007	\$74,860	\$10,672	\$11,809	\$3,384
	CUST ACCT/SERV & INFO/								44.505
16	SALES RELATED	C2A		\$177,227	\$133,660	\$39,856	\$523 	\$1,663	\$1.525
17	TOTAL GENERAL & INTANGIBLE PLANT	NPG	NPG	\$467,959	\$323,667	\$114,716	\$11,195	\$13,472	\$4,909
					••••			*******	
18	TOTAL NET PLANT IN SERVICE	NPR	NPR	\$7,806,140	\$5,085,146	\$1,990,674	\$278,611	\$362,004	\$89,705
_				======	======	======	======	=======	======

SOUTH CENTRAL ELECTRIC ASSOCIATION- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

****** RATE BASE *****

LINE NO.	DESCRIPTION	CONTRO ALL	L OUT	TOTAL SMEC	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	LIGHTING	MUNICIPAL PUMPING
1	NET PLANT IN SERVICE	NPR	NPR	\$7,806,140	\$5,085,146	\$1,990,674	\$278,611	\$362,004	\$89,705
	CONSTRUCTION WORK IN PROGRESS								
2	PRODUCTION PLANT	NPP		\$0	\$0	\$0	\$0	\$0	\$0
3	TRANSMISSION PLANT	NPT		\$0	\$0	\$0	\$0	\$0	\$0
4	DISTRIBUTION PLANT	NPD		\$39,450	\$25,597	\$10,085	\$1,438	\$1,874	\$456
5	GENERAL PLANT	NPG		\$0	\$0	\$0	\$0	\$0 	\$0
6	TOAL CWIP	CWP	CWP	\$39,450	\$25,597	\$10,085	\$1,438	\$1,874	\$456
7	NET ACQUISITION ADJUSTMENT	D2A	ACQ	\$271,282	\$166,296	\$79,777	\$17,116	\$4,179	\$3,914
8	PLANT HELD FOR FUTURE USE	E1A	PLH	\$0	\$0	\$0	\$0	\$0	\$0
	MISC DEFERRED DEBITS								
•	PROD RELATED	NPP		\$0	\$0	\$0	\$0	\$0	\$0
9	TRAN RELATED	NPT		\$0		\$0	\$0	\$0	\$0
10	DIST RELATED	NPD		\$116,703		\$29,834	\$4,253	\$5,543	\$1,349
11 12	GENR RELATED	NPG		\$0		\$0	\$0	\$0	\$0
13	LABOR RELATED	LBR		\$0		\$0	\$0	\$0	\$0
14	NPR RELATED	NPR		\$0		\$0	\$0	\$0	\$0
15	TOTAL MISC DEFRD DEBITS			\$116,703	\$75,724	\$29,834	\$4,253	\$5,543	\$1,349
	WORKING CAPITAL								
16	CASH WORK CAP, FUNDS, MAT&SUP	NPR	MAS	\$210.776	\$137,305	\$53,751	\$7,523	\$9,775	\$2,422
17	FUEL STOCK	E1A	FUL	\$0	\$0		\$0	\$0	\$0
18	PREPAID LIGNITE ROYALTIES	E1A		\$0	\$0	•	\$0	\$0	\$0
19	OTHER PREPAYMENTS	NPR		\$18,194	\$11,852		\$649	\$844	\$209
20	TOTAL WORKING CAPITAL			\$228,970		\$58,391	\$8,172	\$10,619	\$2,631
21	UNAMORTIZED LOSS ON REACQD LTD	NPR		\$0	\$0	\$0	\$0	\$0	\$0
22	DEFERRED FUEL	E1A	DEF	\$0	\$0	\$0	\$0	\$0	\$0

(RATE BASE CONTINUED ON NEXT PAGE)

SOUTH CENTRAL ELECTRIC ASSOCIATION- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

"CONTINUED"

LINE NO.	DESCRIPTION	CONTROL	- OUT	TOTAL SMEC	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	LIGHTING	MUNICIPAL PUMPING
110.	5250 m 114 m								
	ACCUMULATED DEFERRED INCOME TAX						\$0	\$0	\$0
23	ACCT 281: POL CON	NPP		\$0	\$0	\$0	\$0	\$0	Ψ0
24	ACCT 282: LIBERAL DEP - PROD	NPP		\$0	\$0	\$0	\$0	\$0	\$0
24 25	TRAN	NPT		\$0	\$0	\$0	\$0	\$0	\$0
26	DIST	NPD		\$0	\$0	\$0	\$0	\$0	\$0
27	GENR	NPG		\$0	\$0	\$0	\$0	\$0	\$0
28	LIGNITE EXPLORATN	E1A		\$0	\$0	\$0	\$0	\$0	\$0
29	LABOR RELATED	LBR		\$0	\$0	\$0	\$0	\$0	\$0

30	TOTAL ACCOUNT 282			\$0	\$0	\$0	\$0	\$0	\$0
	ACCT 283: THIS LINE RESERVED			\$0	\$0	\$0	\$0	\$0	\$0
31	LONG TERM DEBT LOSS	NPR		\$0	\$0	\$0	\$0	\$0	\$0
32	LONG TERM DEBT LOSS								
33	TOTAL ACCOUNT 283			\$0	\$0	\$0	\$0	\$0	\$0
24	ACCOUNT 190: PRODUCTION RELATED	NPP		\$0	\$0	\$0	\$0	\$0	\$0
34	PLANT RELATED	NPR		\$0	\$0	\$0	\$0	\$0	\$0
35	ENERGY RELATED	E1A		\$0	\$0	\$0	\$0	\$0	\$0
36	LABOR RELATED	LBR		\$0	\$0	\$0	\$0	\$0	\$0
37 38	FERC REFUND	TRN		\$0	\$0	\$0	\$0	\$0	\$0
30	TENOTIES SILE								
39	TOTAL ACCOUNT 190			\$0	\$0	\$0	\$0	\$0	\$0
40	TOTAL ACCUM DEFRD INC TAX	ACC	ACC	\$0	\$0	\$0	\$0	\$0	\$0
41	INVESTMENT TAX CREDIT PRE '71	NPR	PIC	\$0	\$0	\$0	\$0	\$0	\$0
42	CUSTOMER ADVANCES AND DEPOSITS	СЗА	CAD	-\$21,714	- \$16,376	-\$4,883	-\$64	-\$204	-\$187
44	COSTOMENT REVINOES THE SELECTION								•
43	STORM DAMAGE & INJ & DAM RESRVS	D2A	SDR	\$0	\$0	\$0	\$0	\$0	\$0
44	PNSN & MIS OP RSRVS, OTR DEF CR	OMA	PEN	-\$10,45	1 -\$6,880	-\$2,652	-\$358	-\$462	-\$99
45	TRANSMISSION RATE REFUND RESERVE	TRN		\$6			\$0 	\$0 	\$0
46	TOTAL RATE BASE	RBT	RBT	\$8,430,38		\$2,161,226	\$309,168	\$383,553	\$97,769
				======	= ======	=======	=======	===	

SOUTH CENTRAL ELECTRIC ASSOCIATION- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

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*******OPER AND MTN EXPENSES*******

LINE		CONTRO	L	TOTAL		SMALL	LARGE		MUNICIPAL
NO.	DESCRIPTION	ALL	OUT	SMEC	RESIDENTIAL	COMMERCIAL	POWER	LIGHTING	PUMPING
	PRODUCTION O&M EXPENSE								
1	FUEL EXPENSE - ACCT 501	E1A		\$0	\$0	\$0	\$0	\$0	\$0
	PURCHASED POWER - ACCT 555								
2	DEMAND - OTHER	D1A		[TRADE S	SECRET DATA	BEGINS	TI	RADE SECRET	DATA ENDS]
3	ENERGY - OTHER	E1A							
4	NET OFF SYSTEM REVENUE	E1A		\$0	\$0	\$0	\$0	\$0	\$0
	OTHER PRODUCTION O&M ACCTS								
5	DEMAND - OTHER	D1A		\$2,514	\$1,562	\$754	\$161	\$0	\$37
6	ENERGY - OTHER	E1A		\$0	\$0	\$0	\$0	\$0	\$0
7	TOTAL OTHER PRODUCTION O&M	PRO	PRO	\$2,514	\$1,562	\$754	\$161	\$0	\$37
8	TOTAL PRODUCTION O&M EXPENSE	OMP	OMP	[TRADE	SECRET DATA	A BEGINS	Т	RADE SEČRE	T DATA ENDS]
0	TOTAL PRODUCTION OR IN EXTERNOL	O							
9	TOTAL TRANSMISSION O&M EXPENSE	NPT	ОМТ	\$0	\$0	\$0	\$0	\$0	\$0
	DISTRIBUTION O&M EXPENSE								
10	LIGHTING SPECIFIC	LDE		[TR	ADE SECRET	DATA BEGINS	TRAD	E SECRET DA	.TA ENDS]
11	ALL OTHER	SPD							
12	TOTAL DISTRIBUTION O&M EXPENSE	OMD	OMD	TRADE	SECRET DAT	A BEGINS		TRADE SECRI	ET DATA ENDS]
	TOTAL CUST ACCT/SERV & INFO/								
13	SALES EXPENSE	C2A	OMC	\$304,408	\$229,576	\$68,457	\$899	\$2,857	\$2,619
	ADMINISTRATIVE & GENERAL EXPENSE								
14	PROP INSURANCE/INJ & DAMG	NPR		\$0	\$0	\$0	\$0	\$0	\$0
15	CUST ACCT/SERV&INFO/SALES REL	LBR		\$213,801	\$140,751	\$54,258	\$7,316	\$9,444	\$2,032
16	TOTAL ADMIN & GENERAL EXPENSE	OMA	ОМА	\$213,801	\$140,751	\$54,258	\$7,316	\$9,444	\$2,032
17	TOTAL OPER & MTN EXPENSES	OMX	OMX	[TRADE	SECRET DAT			RADE SECRI	T DATA ENDS]
17	TOTAL OF ER GIBIN DA LINGEO	J		======	======	=======	======	======	======

SOUTH CENTRAL ELECTRIC ASSOCIATION- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

EXPENSES OTHER THAN INCOME TAXES

LINE NO.	DESCRIPTION	CONTROI ALL	L OUT	TOTAL SMEC	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	LIGHTING	MUNICIPAL PUMPING
1	TOTAL OPER & MTN EXPENSES	ОМХ		[TRADE S	ECRET DATA	BEGINS	TR	ADE SECRET	DATA ENDS]
	DEPRECIATION & AMORTIZATION EXPENS	ES					20	\$0	\$0
2	PRODUCTION	NPP		\$0	\$0		\$0	\$0 \$0	\$0
3	TRANSMISSION	NPT		\$0	\$0		\$0	\$15.379	\$3,742
4	DISTRIBUTION	NPD		\$323,790	\$210,095		\$11,799	\$15,379 \$581	\$212
5	GENERAL	NPG		\$20,194	\$13,968	\$4,950	\$483	\$501	φειε
6	TOTAL DEPR & AMORT EXPEN	DEP	DEP	\$343,984	\$224,063		\$12,282	\$15,960	\$3,954
7	INTEREST ON CUSTOMER DEPOSITS	СЗА	ICD	\$0	\$0	\$0	\$0	\$0	\$0
	GENERAL TAXES						40	\$0	\$0
8	AD VALOREM	NPR	VAL	\$0			\$0	\$0 \$0	\$0
9	CORP FRANCHISE TAX	NPR	SFT	\$0		:	\$0	\$0 \$0	\$0 \$0
10	MISCELLANEOUS GENERAL TAXES	LBR	MIS	\$0			\$0	\$0 \$0	\$0 \$0
11	REVENUE-RELATED (AS PROPOSED)	RTX		\$0	- \$0	\$0	\$0	30	φ υ
12	TOTAL GENERAL TAXES	GTX	GTX	\$0		_	\$0	\$0	\$0
40	TOTAL EXPENSES EXCEPT INCOME TAX	EXP	EXP	TRADE	SECRET DAT	A BEGINS		RADE SECRI	ET DATA ENDS]
13	TOTAL EXPENSES EXCEPT INCOME TAX			======	======	======	======		=4===4=

SOUTH CENTRAL ELECTRIC ASSOCIATION- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

""INCOME TAX FOR 7.24% ROE""

LINE NO.	DESCRIPTION	CONTRO ALL	L OUT	TOTAL SMEC	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	LIGHTING	MUNICIPAL PUMPING
1	RATE BASE	RBT		\$8,430,380	\$5,478,664	\$2,161,226	\$309,168	\$383,553	\$97,769
2	RETURN AT 4.59%	RBT	RET	\$386,820	\$251,383	\$99,166	\$14,186	\$17,599	\$4,486
3	INTEREST (2.23% OF LINE 1)	RBT	INT	-\$188,334	-\$122,392	-\$48,282	-\$6,907	-\$8,569	-\$2,184
4	AFUDC	NPR	AFD	\$0	\$0	\$0	\$0	\$0	\$0
	PROVISION FOR DEFERRED TAXES								
5	ACT 410.1: PROD RLTD	NPP		\$0	\$0	\$0	\$0	\$0	\$0
6	TRAN RLTD	NPT		\$0	\$0	\$0	\$0	\$0	\$0
7	PLANT RLTD	NPR		\$0	\$0	\$0	\$0	\$0	\$0
8	ENERGY RLTD	E1A		\$0	\$0	\$0	\$0	\$0	\$0
9	LABOR RLTD	LBR		\$0	\$0	\$0	\$0	\$0	\$0
10	CUSTOMER RELATED	СЗА		\$0	\$0	\$0	\$0	\$0	\$0
11	RESERVED			\$0	\$0	\$0	\$0 	\$0 	\$0
12	TOTAL 410.1			\$0	\$0	\$0	\$0	\$0	\$0
13	ACT 411.1: PROD RLTD	NPP		\$0	\$0	\$0	\$0	\$0	\$0
14	TRAN RLTD	NPT		\$0	\$0	\$0	\$0	\$0	\$0
15	PLANT RELATED	NPR		\$0	\$0	\$0	\$0	\$0	\$0
16	ENERGY RELATED	E1A		\$0	\$0	\$0	\$0	\$0	\$0
17	LABOR RELATED	LBR		\$0	\$0	\$0	\$0	\$0	\$0
18	CUSTOMER RELATED	СЗА		\$0		\$0 	\$0 	\$0 	\$0
19	TOTAL 411.1			\$0			\$0	\$0	\$0
20	NET PROVISION FOR DEFRD INC TAX		PDT	\$0	\$0	\$0	\$0	\$0	\$0
21	ITC AMORT	NPR	ITA	\$0		\$0	\$0	\$0 	\$0
22	ADJUSTED RETURN	ART	ART	\$198,486			\$7,279	\$9,030	\$2,302
	FED ADD INC & UNALLOW DEDUCTS							••	***
23	PRODUCTION RELATED	NPP		\$0			\$0	\$0	\$0
24	DISTRIBUTION RELATED	NPD		\$0			\$0	\$0	\$0 \$0
25	PLANT RELATED	NPR		\$0	\$0		\$0	\$0	\$0 \$0
26	ENERGY RELATED	E1A		\$0			\$0	\$0	
27	LABOR RELATED	LBR		\$0			\$0	\$0	\$0
28	TRANSMISSION REV RELATED	TRN		\$0			\$0	\$0	\$0
29	RESERVED			\$0			\$0	\$0	\$0 \$0
30	DISTRIBUTION CUSTOMER RELATED	C3A		\$0			\$0	\$0 	\$0
31	TOTAL ADDITIONS	FTA	FTA	\$0			\$0	\$0	\$0

(INCOME TAX CALCULATION CONTINUED ON NEXT PAGE)

SOUTH CENTRAL ELECTRIC ASSOCIATION- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

""INCOME TAX FOR 7.24% ROE"
" CONTINUED ""

LINE		CONTRO	L	TOTAL		SMALL	LARGE		MUNICIPAL
NO.	DESCRIPTION	ALL	OUT	SMEC	RESIDENTIAL	COMMERCIAL	POWER	LIGHTING	PUMPING
	FED DEDUCTS AND NON-TAX INCOME					***	60	\$0	\$0
32	PRODUCTION RELATED	NPP		\$0	\$0	\$0	\$0	\$0 \$0	\$0 \$0
33	DISTRIBUTION RELATED	NPD		\$0	\$0	\$0	\$0	\$0 \$0	\$0
34	PLANT RELATED	NPR		\$0	\$0	\$0	\$0		\$0
35	ENERGY RELATED	E1A		\$0	\$0	\$0	\$0	\$0	\$0 \$0
36	LABOR RELATED	LBR		\$0	\$0	\$0	\$0	\$0	\$0 \$0
37	TRANSMISSION REV RELATED	TRN		\$0	\$0	\$0	\$0	\$0	\$0 \$0
38	DISTRIBUTION CUSTOMER RELATED	СЗА		\$0	\$0	\$0 	\$0 	\$0 	
39	TOTAL DEDUCTIONS	FTD	FTD	\$0	\$0	\$0	\$0	\$0	\$0
40	NET FEDERAL DEDUCTIONS	NFD	NFD	\$0	\$0	\$0	\$0	\$0	\$0
40	NETT ESERVE SESSO NO.10								60
41	ST ADD INC & UNALLOW DEDUCTS	FTA		\$0	\$0		\$0	\$0	\$0
42	ST DEDUCTS AND NON-TAX INCOME	FTD		\$0	\$0	\$0	\$0	\$0	\$ 0
43	NET STATE DEDUCTIONS	NSD	NSD	\$0	\$0		\$0	\$0	\$0
44	PROV FOR DEF'D ITC - CURRENT	NPR	ITC	\$0	\$0	\$0	\$0	\$0	\$0
	FEDERAL TAXABLE INCOME								40.000
45	ADJ RET * 1/(1-0.0000-0.0000)	ART	TART	\$198,486	\$128,991		\$7,279	\$9,030	\$2,302
46	NET FED DED * 1/(1-0.0000)	NFD		\$0			\$0	\$0	\$0
47	NET ST DED * (1/(1-0.0000))-1	NSD		\$0	\$0		\$0	\$0	\$0
48	CURRENT ITC * (1/1-0.00))-1	ITC		\$0			\$0	\$0 	\$0
49	TOTAL FEDERAL TAXABLE INCOME	FTI	FTI	\$198,486	\$128,991		\$7,279	\$9,030	\$2,302
40	TOTAL TESCHILE THE SECTION								••
50	PLUS: NET FED DEDUCTS	NFD		\$0			\$0	\$0 \$0	\$0 \$0
51	LESS: NET STATE DEDUCTS	NSD		\$0			\$0 		
52	TOTAL STATE TAXABLE INCOME	STI	STI	\$198,486	\$128,991		\$7,279	\$9,030	\$2,302
	FED & ST INCOME TAXES:								
53	FED TAXABLE INC * 0.0000	FTI		\$0	\$0	\$0	\$0	\$0	\$0
54	ST. TAXABLE INC * 0.0000	STI		\$0	\$0	\$0	\$0	\$0	\$0
55	LESS: CRNT ITC * (1-0.0000)	ITC		\$0	\$0		\$0	\$0	\$0
	•	===	F0.T				\$0	\$0	\$0
56	TOTAL FED & ST INCOME TAXES	FST	FST	\$0 ======		,	====== ⊅0	======	======
57	INVESTMENT TAX CREDIT - NET	NPR	ITN	\$0			\$0	\$0	\$0

SOUTH CENTRAL ELECTRIC ASSOCIATION- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

""COST OF SERVICE"
" (PROPOSED) "

LINE NO.	DESCRIPTION	CONTROI ALL	OUT	TOTAL SMEC	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	LIGHTING	MUNICIPAL PUMPING
1	RATE BASE	RBT		\$8,430,380	\$5,478,664	\$2,161,226	\$309,168	\$383,553	\$97,769
2	RETURN AT 4.59%	RET		\$386,820	\$251,383	\$99,166	\$14,186	\$17,599	\$4,486
3	OPERATION & MAINTENANCE EXPENSES	ОМХ		[TRADE S	ECRET DATA	BEGINS	TR	ADE SECRET	DATA ENDS
4	DEPRECIATION & AMORT EXPENSES	DEP		\$343,984	\$224,063	\$87,725	\$12,282	\$15,960	\$3,954
5	INTEREST ON CUSTOMER DEPOSITS	ICD		\$0	\$0	\$0	\$0	\$0	\$0
6	GENERAL TAXES	GTX		\$0	\$0	\$0	\$0	\$0	\$0
7	FEDERAL AND STATE INCOME TAX	FST		\$0	\$0	\$0	\$0	\$0	\$0
8	PROVISION FOR DEFERRED TAXES	PDT		\$0	\$0	\$0	\$0	\$0	\$0
9	INVESTMENT TAX CREDIT - NET	ITN		\$0	\$0	\$0	\$0	\$0	\$0
10	AFUDC	AFD		\$0	\$0	\$0	\$0	\$0	\$0
11	COST OF SERVICE REVENUE REQUIREME BEFORE ATTRITION ADJUSTMENT	ENT CSR	CSR	\$3,678,281	\$2,323,141	\$1,049,276	\$197,563	\$61,346	\$46,955
12	LESS: FUEL REVENUE	FUL		\$0	\$0 	\$0	\$0 	\$0	\$0
13	BASE COST OF SERVICE REVENUE REQUIREMENT	BRR	BRR	\$3,678,281	\$2,323,141		\$197,563	\$61,346	\$46,955
14	ATTRITION ADJUSTMENT	BRR		\$0	\$0	\$0	\$0 	\$0 	\$0
15	BASE COST OF SERVICE REVENUE REQU AFTER ATTRITION ADJUSTMENT	JIREMENT ARR	ARR	\$3,678,281			\$197,563	\$61,346	\$46,955
16	PLUS: FUEL REVENUE	FUL		\$0			\$0 	\$0 	\$0
17	COST OF SERVICE REVENUE REQUIREM AFTER ATTRITION ADJUSTMENT	ENT		\$3,678,281			\$197,563	\$61,346	\$46,955
18	LESS: MISCELLANEOUS REVENUE			-\$25,308	-\$16,422	-\$6,470	-\$922	-\$1,202	-\$292
19	LESS: BULK TRANSMISSION REVENUE			\$0	\$0	\$0	\$0	\$0	\$0
20	LESS: PRIMARY TRANSMISSION REVENU	ΙE		\$0	\$0	\$0	\$0	\$0	\$0
21	LESS: NON-FRM SLS FOR RESALE			\$0			\$0	\$0	\$0
22	NET ELECTRIC REVENUE REQUIREMENT	г		\$3,652,973 ======	\$2,306,71	\$1,042,806	\$196,641 ======	\$60,144 ======	\$46,663 ======

SOUTH CENTRAL ELECTRIC ASSOCIATION- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

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EXISTING RETURN AND INCOME TAX

LINÉ NO.	DESCRIPTION	CONTRO ALL	L OUT		RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	LIGHTING	MUNICIPAL PUMPING
1	EXISTING REVENUE REVENUE DEDUCTIONS:	EXR		[TRADE SE	CRET DATA	BEGINS	TR	RADE SECRET	DATA ENDS]
2	O&M EXPENSES	OMX							
3	DEPRECIATION & AMORT EXPENSES	DEP		-\$343,984	-\$224,063	-\$87,725	-\$12,282	-\$15,960	-\$3,954
4	AD VALOREM TAXES	VAL		\$0	\$0	\$0	\$0	\$0	\$0
5	CORP FRANCHISE TAX	SFT		\$0	\$0	\$0	\$0	\$0	\$0
6	MISC GENERAL TAXES	MIS		\$0	\$0	\$0	\$0	\$0	\$0
7	REVENUE-RELATED TAXES	RTX		\$0	\$0	\$0	\$0	\$0	\$0
8	INTEREST ON CUST DEPOSITS	ICD		\$0	\$0	\$0	\$0 	\$0 	\$0
9	TOTAL REVENUE DEDUCTIONS			[TRA	DE SECRET	DATA BEGINS.	TRAD	E SECRET DA	TA ENDS]
10	NET FOR RETURN AND INCOME TAXES	NET	NET	-\$186,382	-\$348,026	\$25,259	\$131,798	\$8,083	-\$3,496
11	LESS: INTEREST EXPENSE	INT		-\$188,334	-\$122,392	-\$48,282	-\$6,907	-\$8,569	-\$2,184
12	LESS: NET FEDERAL DEDUCTIONS	NFD		\$0	\$0	\$0 	\$0	\$0	\$0
13	TOTAL FEDERAL TAXABLE INCOME			-\$374,716	-\$470,418	-\$23,023	\$124,891	-\$486	-\$5,680
14	PLUS: NET FEDERAL DEDUCTIONS	NFD		\$0	\$0	\$0	\$0	\$0	\$0
15	LESS: NET STATE DEDUCTIONS	NSD		\$0	\$0	\$0	\$0	\$0	\$0
16	TOTAL STATE TAXABLE INCOME			-\$374,716	-\$470,418	-\$23,023	\$124,891	-\$486	-\$5,680
	FED AND ST INCOME TAXES								
17	FED TAXABLE INC * 0.0000			\$0	\$0	\$0	\$0	\$0	\$0
18	ST. TAXABLE INC * 0.0000			\$0	\$0	\$0	\$0	\$0	\$0
19	LESS: CRNT ITC * (1-0.0000)			\$0 	\$0	\$0	\$0 	\$0	\$0
20	TOTAL FED & ST INCOME TAXES			\$0	\$0	\$0	\$0	\$0	\$0
	*****RETURN COMPUTATION*****								
21	NET FOR RETURN AND INCOME TAXES	NET		-\$186,382	-\$348,026	\$25,259	\$131,798	\$8,083	-\$3,496
22	FED & ST INCOME TAXES			\$0	\$0	\$0	\$0	\$0	\$0 \$0
23	PROV FOR DEF TAXES	PDT		\$0	\$0	\$0	\$0	\$0 \$0	\$0 \$0
24	INVESTMENT TAX CREDIT - NET	ITN		\$0	\$0	\$0	\$0 \$0	\$0 \$0	\$0
25	AFUDC	AFD		\$0 	\$0 	\$0 			-
26	NET RETURN			-\$186,382	-\$348,026	\$25,259	\$131,798	\$8,083	-\$3,496
27	RATE BASE	RBT		\$8,430,380	\$5,478,664	\$2,161,226	\$309,168	\$383,553	\$97,769
28	RETURN ON RATE BASE	ROR		-2.21%	-6.35%	1.17%	42.63%	2.11%	-3.58%
29	NON-EQUITY PORTION OF RETURN	DA3		-2.23%	-2.23%	-2.23%	-2.23%	-2.23%	-2.23%
30	EQUITY PORTION OF EXISTING RETRN	DA3		-4.44%	-8.58%		40.40%	-0.12%	-5.81%
31	EXISTING RETURN ON EQUITY	DA3	ROE	-13.66%	-26.39%	-3.27%	124.19%	-0.38%	-17.87%

SOUTH CENTRAL ELECTRIC ASSOCIATION- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

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PROPOSED RETURN AND INCOME TAX

LINE	o coordination.	CONTROL	OUT	TOTAL SMEC	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	LIGHTING	MUNICIPAL PUMPING
NO.	DESCRIPTION	ALL	001						
1	PROPOSED REVENUE	PRV		\$3,678,281	\$2,323,141	\$1,049,276	\$197,563	\$61,346	\$46,955
	REVENUE DEDUCTIONS:			ITD ADE	SECRET DATA	A REGINS	T	RADE SECRE	ΓDATA ENDS]
2	O&M EXPENSES	OMX		•			-\$12,282	-\$15,960	-\$3,954
3	DEPRECIATION & AMORT EXPENSES	DEP		-\$343,984	-\$224,063		-\$12,282 \$0	\$0	\$0
4	AD VALOREM TAXES	VAL		\$0	\$0		\$0 \$0	\$0	\$0
5	CORP FRANCHISE TAX	SFT		\$0	\$0	• -	\$0	\$0	\$0
6	MISC GENERAL TAXES	MIS		\$0	\$0	·	\$0	\$0	\$0
7	REVENUE-RELATED TAXES	RTX		\$0	\$0		\$0 \$0	\$0	\$0
8	INTEREST ON CUST DEPOSITS	ICD		\$0	\$0	20			
9	TOTAL REVENUE DEDUCTIONS			[TR/	DE SECRET	DATA BEGINS	. TRADI	SECRET DA	TA ENDS]
10	NET FOR RETURN AND INCOME TAXES	NET	NET	\$386,820	\$251,383	\$99,166	\$14,186	\$ 17,599	\$4,486
							6 0.007	-\$8,569	-\$2,184
11	LESS: INTEREST EXPENSE	INT		-\$188,334	-\$122,392		-\$6,907	-\$6,369	\$0
12	LESS: NET FEDERAL DEDUCTIONS	NFD		\$0	\$0	\$0	\$0 		
13	TOTAL FEDERAL TAXABLE INCOME			\$198,486	\$128,991		\$7,279	\$9,030	\$2,302
				**	\$0	\$0	\$0	\$0	\$0
14	PLUS: NET FEDERAL DEDUCTIONS	NFD		\$0	\$0		\$0	\$0	\$0
15	LESS: NET STATE DEDUCTIONS	NSD		\$0 					
16	TOTAL STATE TAXABLE INCOME			\$198,486			\$7,279	\$9,030	\$2,302
	FED AND ST INCOME TAXES				_	- **	\$0	\$0	\$0
17	FED TAXABLE INC * 0.0000			\$0			\$0 \$0	\$0	\$0
18	ST. TAXABLE INC * 0.0000			\$0			\$0	\$0	\$0
19	LESS: CRNT ITC * (1-0.0000)			\$0	\$6	0 \$0	\$U		
20	TOTAL FED & ST INCOME TAXES			\$0	\$1	0 \$0	\$0	\$0	\$0
	*****RETURN COMPUTATION*****								
21	NET FOR RETURN AND INCOME TAXES	NET		\$386,820	\$251,38	3 \$99,166	\$14,186	\$17,599	\$4,486
22	FED & ST INCOME TAXES			\$0	\$	0 \$0	\$0	\$0	\$0
23	PROV FOR DEF TAXES	PDT		\$0	\$	0 \$0	\$0	\$0	\$0
23 24	INVESTMENT TAX CREDIT - NET	ITN		\$0	\$	0 \$0	\$0	\$0	\$0
25	AFUDC	AFD		\$0	\$	0 \$0	\$0	\$0	\$0
	XI 0 5 0						******	\$17,599	\$4,486
26	NET RETURN			\$386,820) \$251,38	3 \$99,166	\$14,186	\$17,588	
27	RATE BASE	RBT		\$8,430,380	\$5,478,66	\$2,161,226	\$309,168	\$383,553	\$97,769
	RETURN ON RATE BASE	ROR		4.59%	6 4.59°	% 4.59%	4.59%	4.59%	
28		DA3		-2.239		% -2.23%	-2.23%	-2.23%	
29		DA3		2.35%	6 2.35	% 2.35%	2.35%	2.35%	
30 31		DA3	ROE	7.249	6 7.24	% 7.24%	7.24%	7.24%	, 7.24%
31	FINO COLD RETORN ON EGOTT	=71=							

SOUTH CENTRAL ELECTRIC ASSOCIATION- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

COST OF SERVICE SUMMARY

LINE		CONTROL	TOTAL		SMALL	LARGE		MUNICIPAL
NO.	DESCRIPTION	ALL OUT	SMEC	RESIDENTIAL	COMMERCIAL	POWER	LIGHTING	PUMPING
	NET PLANT IN SERVICE:		••	40	en.	\$0	\$0	\$0
1	PRODUCTION PLANT	NPP	\$0	\$0	\$0 \$0	\$0	\$0	\$0
2	TRANSMISSION PLANT	NPT	\$0	\$0		\$267.416	\$348,532	\$84,796
3	DISTRIBUTION PLANT	NPD	\$7,338,181	\$4,761,479	\$1,875,958	\$11,195	\$13,472	\$4,909
4	GENERAL PLANT	NPG	\$467,959	\$323,667	\$114,716	φ11,133 		ψ 1,00 0
5	TOTAL NET ELECTRIC PLANT	NPR	\$7,806,140		\$1,990,674	\$278,611	\$362,004	\$89,705
6	CONST. WORK IN PROGRESS	CWP	\$39,450	\$25,597	\$10,085	\$1,438	\$1,874	\$456
7	ACQUISITION ADJUSTMENT	ACQ	\$271,282	\$166,296	\$79,777	\$17,116	\$4,179	\$3,914
8	PLANT HELD FOR FUTURE USE	PLH	\$0	\$0	\$0	\$0	\$0	\$0
9	TOTAL MISC DEFRO DEBITS		\$116,703	\$75,724	\$29,834	\$4,253	\$5,543	\$1,349
•	WORKING CAPITAL:							
10	CASH WORK CAP, FUNDS, MAT&SUP	MAS	\$210,776	\$137,305	\$53,751	\$7,523	\$9,775	\$2,422
11	FUEL STOCK	FUL	\$0	\$0		\$0	\$0	\$0
12	PREPAID LIGNITE ROYALTIES	E1A	\$0	\$0	\$0	\$0	\$0	\$0
13	OTHER PREPAYMENTS	NPR	\$18,194	\$11,852	\$4,640	\$649	\$844	\$209
14	UNAMORTIZED LOSS ON REACQD LTD	NPR	\$0	\$0	\$0	\$0	\$0	\$0
15	DEFERRED FUEL	DEF	\$0	\$0	\$0	\$0	\$0	\$0
16	ACCUMULATED DEFERRED INCOME TAX	ACC	\$0	\$0	\$0	\$0	\$0	\$0
17	PRE-1971 INVESTMENT TAX CREDIT	PIC	\$0	\$0	\$0	\$0	\$0	\$0
18	CUSTOMER ADVANCES AND DEPOSITS	CAD	-\$21,714	-\$16,376	-\$4,883	-\$64	-\$204	-\$187
19	STORM DAMAGE/INJ & DAM RESRVS	SDR	\$0	\$0	\$0	\$0	\$0	\$0
20	PNSN & MIS OP RSRVS, OTR DEF CRS	PEN	-\$10,451	-\$6,880	-\$2,652	-\$358	-\$462	-\$99
21	TRANSMISSION RATE REFUND RESERVE	TRN	\$0			\$0	\$0	\$0
22	AVERAGE ORIGINAL COST RATE BASE	RBT	\$8,430,380		\$2,161,226	\$309,168	\$383,553	\$97,769
23	RETURN AT 4.59%	RET	\$386,820	\$251,383	\$99,166	\$14,186	\$17,599	\$4,486
	OPERATION & MAINTENANCE EXPENSES		(ED) N	CECULT DAT	A DECINE		FRADE SECRE	T DATA ENDS
24	PRODUCTION O&M	OMP		SECRET DAT			\$0	\$0
25	TRANSMISSION O&M	OMT	\$0		· · · · · · · · · · · · · · · · · · ·	\$0	DE SECRET D	
26	DISTRIBUTION O&M	OMD			T DATA BEGIN			\$2,619
27	CUST ACCT/SERV/SALES	OMC	\$304,408			\$899	\$2,857 \$9,444	\$2,032
28	ADMINISTRATIVE & GENERAL	OMA	\$213,80			\$7,316	\$9,444 	\$2,032
29	TOTAL OPER & MAIN EXPENSES	ОМХ	[TR		DATA BEGINS.	TRAD	E SECRET DA	TA ENDS]
30	DEPRECIATION & AMORT EXPENSES	DEP	\$343,98	4 \$224,063	\$87,725	\$12,282	\$15,960	\$3,954
30	INTEREST ON CUSTOMER DEPOSITS	ICD	\$1		\$0	\$0	\$0	\$0
31	GENERAL TAXES	GTX	\$(\$0	\$0	\$0	\$0
32	FED & ST INCOME TAX	FST	\$	0 \$6	\$0	\$0	\$0	\$0
33	PROV FOR DEF TAXES	PDT	\$		\$0	\$0	\$0	\$0
	INVESTMENT TAX CREDIT - NET	ITN	s	0 \$	\$0	\$0	\$0	\$0
35 36	A F U D C	AFD	\$	- ,		\$0	\$0	\$0
37	COST OF SERVICE REVENUE REQT	CSR	\$3,678,28			\$197,563	\$61,346	\$46,955
			=====	= =====	= ======	=======	======	*=====

SOUTH CENTRAL ELECTRIC ASSOCIATION- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

COST OF SERVICE COMPARISON

LINE NO.	DESCRIPTION	CONTRO ALL	L OUT	TOTAL SMEC	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	LIGHTING	MUNICIPAL PUMPING
	*** OTHER REVENUE INCLUDED ***								
1	COST OFF SERVICE REVENUE REQT			\$3,678,281	\$2,323,141	\$1,049,276	\$197,563	\$61,346	\$46,955
	THE THIS SELECTION			\$3,105,079	\$1,723,732	\$975,369	\$315,175	\$51,830	\$38,973
2	EXISTING REVENUE			\$573,202	\$599,409	\$73,907	-\$117,612	\$9,516	\$7,982
3 4	REVENUE DEFICIENCY REQUIRED INCREASE (%)			18.46%	34.77%	7.58%	-37.32%	18.36%	20.48%
_	EXISTING RATE OF RETURN-AS ADJ.			-2.21%	-6.35%	1.17%	42.63%	2.11%	-3.58%
5	EXISTING ROR AS % OF OVERALL ROR-AS	S ADJ.		100.00%	287.33%	-52.94%	-1928.96%	-95.48%	161.99%
6 7	EXISTING RETURN ON EQUITY-AS ADJ.	37.00.		-13.66%	-26.39%	-3.27%	124.19%	-0.38%	-17.87%
8	EXISTING ROE AS % OF OVERALL ROE-AS	S ADJ.		100.00%	193.19%	23.94%	-909.15%	2.78%	130.82%
				4.59%	4.59%	4.59%	4.59%	4.59%	4.59%
9 10	PROPOSED RATE OF RETURN-AS ADJ PROPOSED RETURN ON EQUITY-AS ADJ			7.24%	7.24%		7.24%	7,24%	7.24%
11	*** OTHER REVENUE EXCLUDED *** COST OF SERVICE REVENUE REQT			\$3,652,973	\$2,306,719	\$1,042,806	\$196,641	\$60,144	\$46,663
	0031 01 0211102112121							\$50.628	\$38,681
12	EXISTING REVENUE			\$3,079,771	\$1,707,310		\$314,253	\$9,516	\$7.982
13	REVENUE DEFICIENCY			\$573,202			-\$117,612 -37,43%	18.80%	20.64%
14	REQUIRED INCREASE (%)			18.61%	35.11%	7.63%	-37,43%	10.00%	20.0
				-2.21%	-6.35%	1.17%	42.63%	2.11%	-3.58%
15	EXISTING RATE OF RETURN - UNADJ			100.00%			-1928.96%	-95.48%	161.99%
16	EXISTING ROR AS % OF OVERALL ROR-U	JNADJ.		-13.66%			124.19%	-0.38%	-17.87%
17	EXISTING RETURN ON EQUITY-UNADJ EXISTING ROE AS % OF OVERALL ROE-U	INAD.I		100.00%			-909.15%	2.78%	130.82%
18	EXISTING HOE AS % OF OVERALL HOE-O	IIIADU.		100.0070					
40	PROPOSED RATE OF RETURN - UNADJ			4.59%	4.59%	4.59%	4.59%	4.59%	4.59%
19 20	PROPOSED RETURN ON EQUITY-UNADJ			7.24%	7.24%	7.24%	7.24%	7.24%	7.24%

SOUTH CENTRAL ELECTRIC ASSOCIATION- SMEC CUSTOMERS COST OF SERVICE STUDY

COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

DECEM	иBER 31, 2016	TOTAL		SMALL	LARGE		MUNICIPAL
	DSED MILLS/KWH	SMEC	RESIDENTIAL	COMMERCIAL	POWER	LIGHTING	PUMPING
1 2 3	EXISTING BASE REV FUEL REVENUE TOTAL MILLS / KWH	108.45 0.00 108.45	106.89 0.00 106.89	104.36 0.00 104.36	132.53 0.00 132.53	131.16 0.00 131.16	100.51 0.00 100.51
4 5	PROPOSED BASE REV FUEL REVENUE TOTAL MILLS / KWH	128.63 0.00 128.63	144.41 0.00 144.41	112.33 0.00 112.33	82.93 0.00 82.93	155.82 0.00 155.82	121.25 0.00 121.25

STEELE- WASECA COOPERATIVE ELECTRIC CLASS COST OF SERVICE FOR MPSC COMPLIANCE FILING SCENARIO 2: SMEC DIRECT ASSIGNMENT

LINE	RE	S BASED VENUE OCATION	EXISTING REVENUE ALLOCATION	DIE	EEDENCE	PERCENT DIFFERENCE
NO. CLASS	ALLO	CATION	ALLOCATION	חוע	FERENCE	DIFFERENCE
LEGACY:						
1 RESIDENT	IAL \$16.	273,823	\$16,775,844	\$	(502,021)	-2.99%
2 TIME OF D		059,099	\$1,796,569	\$	262,530	14.61%
3 L/P 3 PHAS		526,614	\$3,830,502	\$ (1,303,888)	-34.04%
4 INTERRUF		335,163	\$3,707,831	\$	627,332	16.92%
5 CURTAILA		640,252	\$3,447,765	\$	192,487	5.58%
	LED SERVICE \$1	243,594	\$772,871	\$	470,723	60.91%
7 STREET L	GHTING \$	121,183	\$220,212	\$_	(99,029)	-44. <u>97%</u>
8 TOTAL LE	330 SACY	,199,728	\$30,551,594	\$	(351,866)	-1.15%
SMEC	A 4	005 400	#4 450 000	Φ.	000 000	25.36%
9 RESIDENT	•	,825,420	\$1,456,200		369,220	
		822,809	\$775,522		47,287	6.10%
11 LARGE PC	WER \$3	,450,239	\$3,120,074		330,165	10.58%
12 LIGHTING		\$40,516	\$46,473	\$	(5,957)	
• •	L PUMPING	\$37,926	\$29,805		\$8,121	
14 TOTAL SM	IEC \$6	,176,910	\$5,428,074		\$748,836	13.60%
15		276 627	\$35,979,668	\$	396,969	1.10%
16 TOTAL CO	·	,370,037 \$480,283	\$480,283	Ψ \$	-	0.00%
17 MISC. REV			\$36,459,951	\$	396,969	1.09%
18	<u> </u>	,030,920	\$30,439,931	Ψ	000,000	1.0070
CONSOLIDATED						
19 RESIDEN	TIAL \$18	.099.242	\$18,232,044	\$	(132,802	-0.73%
20 TIME OF I		,059,099			262,530	
21 L/P 3 PHA	<u>:</u>	,526,614			(1,303,888	-34.04%
22 INTERRU		,335,163		\$	627,332	
23 CURTAILA		,640,252		\$	192,487	5.58%
		,243,594	\$772,871		470,723	60.91%
25 STREET I		\$161,699	\$266,685		(104,986) -39.37%
		\$822,809			47,287	
27 LARGE PO	_	,450,239		\$	330,165	10.58%
	AL PUMPING	\$37,926		\$	8,121	27.25%
29			\$35,979,668		396,969	1.10%
30 MISC. RE		\$480,283				0.00%
31 TOTAL CO		3,856,920	\$36,459,951	\$	396,969	1.09%

STEELE WASECA- SMEC CUSTOMERS

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FILESPEC: K:\RATERES\COS\93RESALE\COS1292.WK3

STUDY DA	TE:		DECEMBER 31, 2016
RUN DATE	AND TIME:	19-Sep-17	11:42 AM
RETURN O	N COMMON EQUITY		7.01%
OVERALL F	RATE OF RETURN		6.31%
CAPITALIZA	ATION:		
	OUTSTANDING	EFFECTIVE RATE	COMPOSITE
DBT	\$31,915,538	5.53%	2.61%
PRF		0.00%	0.00%
CMN	\$35,581,456	7.01%	3.70%
FEDERAL E	EFFECTIVE INCOME T	AX RATE	0.00%
FEDERAL!	NOMINAL INCOME TA	X RATE	0.00%
STATE EFF	ECTIVE INCOME TAX	RATE	0.00%
STATE NO	MINAL INCOME TAX R	RATE	0.00%

NOTATIONS: THIS RUN ALLOCATES ALL PLANT ON AVG OF 12 CP

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STEELE WASECA- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

*******CUSTOMER DATA******

LINE		CONTRO	Ł	TOTAL		SMALL	LARGE		MUNICIPAL
NO.	DESCRIPTION	ALL	OUT	SMEC	RESIDENTIAL	COMMERCIAL	POWER	LIGHTING	PUMPING
1	NUMBER OF CUSTOMERS	C1A	C1A	1,579	1,249	295	21	7	7
2	PERCENT OF TOTAL	C1A		100.000%	79.105%	18.652%	1.330%	0.470%	0.443%
3	NUMBER OF WEIGHTED CUSTOMERS	C2A	C2A	1,579	1,249	295	21	7	7 0.443%
4	PERCENT OF TOTAL	C2A		100.000%	79.105%	18.652%	1.330%	0.470%	0.443%
5	NUMBER OF RETAIL DISTR CUSTOMERS	СЗА	СЗА	1,579	1,249	295	21	7	7
6	PERCENT OF TOTAL	СЗА		100.000%	79.105%	18.652%	1.330%	0.470%	0.443%
7	NMBR OF RETAIL WTD CUSTOMERS	C4A	C4A	1,579	1,249	295	21	7	7 0.443%
8	PERCENT OF TOTAL	C4A		100.000%	79.105%	18.652%	1.330%	0.470%	0.443%
9	LIGHTING DIRECT ALLOCATOR	LDE	LDE	1	0	0	0	1	0.000%
10	PERCENT OF TOTAL	LDE		100.000%	0.000%	0.000%	0.000%	100.000%	0.00076
11	LPS DIRECT ALLOCATOR	DA1	DA1	0	0	0	0	0 #DIV/0!	0 #DIV/0!
12	PERCENT OF TOTAL	DA1		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/O:
13	AVERAGE COINCIDENT KW DEMAND	D1A	D1A	11,518	2,972	1,523	6,942	0	81 0.706%
14	DEMAND ALLOCATION FACTOR-PROD	D1A		100.000%	25.802%	13.224%	60.269%	0.000%	0.706%
15	AVERAGE COINCIDENT KW DEMAND	D1B	D1B	11,518	2,972		6,942	0	81
16	DEMAND ALLOCATION FACTOR-TRANS	D1B		100.000%	25.802%	13.224%	60.269%	0.000%	0.706%
17	AVG PRIMARY DISTRIB KW DEMAND	D2A	D2A	12,077	3,086		7,219	88	84
18	DIST-PRI DEMAND ALLOC FACTOR	D2A		100.000%	25.553%	13.241%	59.776%	0.732%	0.698%
19	AVG SECONDARY DISTRIB KW DEMAND	D3A	D3A	12,077	3,086	1,599	7,219	88	84
20	DIST-SEC DEMAND ALLOC FACTOR	D3A		100.000%	25.553%	13.241%	59.776%	0.732%	0.698%
21	AVG SECONDARY DISTRIB KW DEMAND	D4A	D4A	12,077	3,086	1,599	7,219	88	84
22	DIST-SEC DEMAND ALLOC FACTOR	D4A		100.000%	25.553%	13.241%	59.776%	0.732%	0.698%
23	ANNUAL MWH ENERGY CONTRIBUTION	E1A	E1A	70,672,172	14,057,576	8,405,404	47,430,515	387,090	391,587
24	ENERGY ALLOCATION FACTOR	E1A		100.000%	19.891%	11.894%	67.113%	0.548%	0.554%

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STEELE WASECA- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

******CUSTOMER DATA******
**** CONTINUED ****

LINE NO.	DESCRIPTION	ALL	OUT	TOTAL SMEC	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	LIGHTING	MUNICIPAL PUMPING
					0	0	0	0	0
25	RESERVED			0	0.000%	0.000%	0.000%	0.000%	0.000%
26	PERCENT OF TOTAL			0.000%	0.000%	0.000%	0.000%	0.00078	0.00070
27	WAGES/SALARIES: PRODUCTION	NPP		\$0	\$0	\$0	\$0	\$0	\$0
28	TRANSMISSION	NPT		\$0	\$0	\$0	\$0	\$0	\$0
29	DISTRIBUTION	NPD		\$144,427	\$66,157	\$21,595	\$50,425	\$5,418	\$832
30	GENERAL	NPG		\$148,505	\$111,697	\$27,003	\$8,671	\$1,134	\$0
31	WAGES/SALARIES: TOTAL	LBR	LBR	\$292,932	\$177.854	\$48,598	\$59,096	\$6,552	\$832
32	PERCENT OF TOTAL	LBR		100.000%	60.715%	16.590%	20.174%	2.237%	0.284%
33	BULK TRANSMISSION REVENUE	D1A		\$0	\$0	\$0	\$0	\$0	\$0
34	PRIMARY TRANSMISSION REVENUE	D2A		\$0	\$0	\$0	\$0	\$0	\$0
35	TOTAL TRANSMISSION REVENUE	TRN	TRN	\$0	\$0	\$0	\$0	\$0	\$0
36	PERCENT OF TOTAL	TRN		100.000%	100.000%	0.000%	0.000%	0.000%	0.000%
	EXISTING REVENUE								
37	EXISTING BASE REV	OTR	OTR	\$5,428,074	\$1,456,200	\$775,522	\$3,120,074	\$46,473	\$29,805
38	FUEL REVENUE	FUL	•	\$0	\$0	\$0	\$0	\$0	\$0
39	MISCELLANEOUS REVENUE	NPD		\$51,692	\$23,678	\$7,729	\$18,048	\$1,939	\$298
40	TRANSMISSION REVENUE	TRN		\$0	\$0	\$0	\$0	\$0	\$0
41	NON-FRM SLS FOR RESALE	E1A		\$0	\$0	\$0	\$0	\$0	\$0
42	TOTAL EXISTING REVENUE	EXR	EXR	\$5,479,766	\$1,479,878	\$783,251	\$3,138,122	\$48,412	\$30,103
				=======	×200000	=======	======		======
	PROPOSED REVENUE							****	****
43	PROPOSED BASE REV			\$6,176,910	\$1,825,420	\$822,809	\$3,450,239	\$40,516	\$37,926
44	FUEL REVENUE			\$0	\$0		\$0	\$0	\$0
45	MISCELLANEOUS REVENUE			\$51,692	\$23,678	\$7,729	\$18,048	\$1,939	\$298
46	TRANSMISSION REVENUE			\$0	\$0		\$0	\$0	\$0
47	NON-FRM SLS FOR RESALE			\$0	\$0	\$0	\$0 	\$0	\$0
48	TOTAL PROPOSED REVENUE	PRV	PRV	\$6,228,602	\$1.849.098		\$3,468,287	\$42,455	\$38,224
40	TO THE LADI COED HE FEROE	•		======	======	=======	======	======	24====
49	PROPOSED BASE REVENUE INCREASE/(I	DECREASE	,	\$748,836	\$369,220	\$47,287	\$330,165	-\$5,957	\$8,121
50	PROPOSED BASE REVENUE INCR/(DECR			13.80%	25.36%		10.58%	-12.82%	27.25%
30	THOI COED BACK THE VEHICL INCIDENT	, ,,,		. 5.00 /0					

STEELE WASECA- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

****ELECTRIC GROSS PLANT****

LINE NO.	DESCRIPTION	ALL	OUT	TOTAL SMEC	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	LIGHTING	MUNICIPAL PUMPING
1	TOTAL PRODUCTION PLANT	D1A	GPP	\$0	\$0	\$0	\$0	\$0	\$0
	TRANSMISSION PLANT							•	\$0
2	POWER PLANT EQUIP	D1A		\$0	\$0	\$0	\$0	\$0	\$0 \$0
3	LARGE POWER SERVICE EQUIP	DA1		\$0	\$0	\$0	\$0	\$0	\$0 \$0
4	OTHER DIST IN ACCT 353	D2A		\$0	\$0	\$0	\$0	\$0	\$0 \$0
5	ALL OTHER TRANSMISSION	D1B		\$0	\$0	\$0	\$0	\$0	
6	TOTAL TRANSMISSION PLANT	GPT	GPT	\$0	\$0	\$0	\$0	\$0	\$0
	DISTRIBUTION PLANT								400.470
7	PRIMARY DEMAND RELATED	D4A		\$4,320,424	\$1,103,983	\$572,087	\$2,582,567	\$31,615	\$30,172
8	SECONDARY DEMAND RELATED	D3A		\$1,285,275	\$328,422	\$170,189	\$768,283	\$9,405	\$8,976
9	CUSTOMER RELATED	C4A		\$3,762,070	\$2,975,980	\$701,702	\$50,037	\$17,672	\$16,679
							\$3,400,887	\$58,692	\$55,827
10	SUB-TOTAL DISTR PLANT		SGD	\$9,367,770			\$3,400,667	\$199,620	\$0
11	LIGHTING SPECIFIC	LDE		\$199,620	\$0	\$0 	5 0	\$199,020	
12	TOTAL DISTRIBUTION PLANT	GPD	GPD	\$9,567,390			\$3,400,887	\$258,312	\$55,827
	GENERAL AND INTANGIBLE PLANT								\$0
13	PRODUCTION RELATED	GPP		\$0			\$0	\$0	\$0
14	TRANSMISSION RELATED	GPT		\$0	\$0		\$0	\$0	\$273
15	DISTRIBUTION RELATED	GPD		\$46,747	\$21,540	\$7,055	\$16,617	\$1,262	φ210
	CUST ACCT/SERV & INFO/							60.222	\$2,201
16	SALES RELATED	C2A		\$496,444			\$6,603	\$2,332	\$2,201
17	TOTAL GENERAL & INTANGIBLE PLANT	GPG	GPG	\$543,191	\$414,251		\$23,220	\$3,594	\$2,474
18	TOTAL GROSS PLANT IN SERVICE	GPR	GPR	\$10,110,581	\$4,822,637	\$1,543,630	\$3,424,107	\$261,906	\$58,301
10	TO THE GROOD I BUT IT DECEMBE			=======	======	======	=======	442233	*****

STEELE WASECA- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

LINE NO.	DESCRIPTION	ALL	OUT	TOTAL SMEC	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	LIGHTING	MUNICIPAL PUMPING
1	TOTAL PRODUCTION PLANT	D1A	DPP	\$0	\$0	\$0	\$0	\$0	\$0
	TRANSMISSION PLANT								\$0
2	POWER PLANT EQUIP	D1B		\$0	\$0	\$0	\$0	\$0	• •
3	LARGE POWER SERVICE EQUIP	DA1		\$0	\$0	\$0	\$0	\$0	\$0
4	OTHER DIST IN ACCT 353	D2A		\$0	\$0	\$0	\$0	\$0	\$0
5	ALL OTHER TRANSMISSION	D1A		\$0	\$0	\$0 	\$0 	\$0 	\$0
6	TOTAL TRANSMISSION PLANT	DPT	DPT	\$0	\$0	\$0	\$0	\$0	\$0
	DISTRIBUTION PLANT								*** 700
7	PRIMARY DEMAND RELATED	D4A		\$1,822,848	\$465,785	\$241,372	\$1,089,622	\$13,339	\$12,730
8	SECONDARY DEMAND RELATED	D3A		\$600,846	\$153,532	\$79,561	\$359,160	\$4,397	\$4,196
9	CUSTOMER RELATED	C4A		\$1,587,271	\$1,255,609	\$296,058	\$21,111	\$7,456 	\$7,037
10	SUB-TOTAL DISTR PLANT		SDD	\$4,010,965	\$1,874,926		\$1,469,893	\$25,192	\$23,963
11	LIGHTING SPECIFIC	LDE		\$25,652	\$0		\$0	\$25,652	\$0
12	TOTAL DISTRIBUTION PLANT	DPD	DPD	\$4,036,617	\$1,874,926	\$616,991	\$1,469,893	\$50,844	\$23,963
	GENERAL AND INTANGIBLE PLANT								40
13	PRODUCTION RELATED	GPP		\$0	\$0		\$0	\$0	\$0
14	TRANSMISSION RELATED	GPT		\$0	\$0		\$0	\$0	\$0
15	DISTRIBUTION RELATED	GPD		\$3,740	\$1,724	\$564	\$1,329	\$101	\$22
	CUST ACCT/SERV & INFO/							*. ***	\$945
16	SALES RELATED	C2A		\$213,059	\$168,539		\$2,834	\$1,001	3945
17	TOTAL GENERAL & INTANGIBLE PLANT	DPG	DPG	\$216,799	\$170,263		\$4,163	\$1,102	\$967
18	TOTAL ACCUMULATED DEPRECIATION	DPR	DPR	\$4,253,416	\$2,045,189	\$657,295	\$1,474,056	\$51,946	\$24,930
				±======	======	======			==#====

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STEELE WASECA- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

*******ELECTRIC NET PLANT*******

LINE NO.	DESCRIPTION	CONTRO	L OUT	TOTAL SMEC	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	LIGHTING	MUNICIPAL PUMPING
NO.	DESCRIPTION								
1	TOTAL PRODUCTION PLANT	DIA	NPP	\$0	\$0	\$0	\$0	\$0	\$0
	TRANSMISSION PLANT								
2	POWER PLANT EQUIP	D1B		\$0	\$0	\$0	\$0	\$0	\$0
3	LARGE POWER SERVICE EQUIP	DA1		\$0	\$0	\$0	\$0	\$0	\$0
4	OTHER DIST IN ACCT 353	D2A		\$0	\$0	\$0	\$0	\$0	\$0
5	ALL OTHER TRANSMISSION	D1A		\$0	\$0	\$0	\$0	\$0 	\$0
6	TOTAL TRANSMISSION PLANT	NPT	NPT	\$0	\$0	\$0	\$0	\$0	\$0
	DISTRIBUTION PLANT								
7	PRIMARY DÉMAND RELATED	D4A		\$2,497,576	\$638,198	\$330,715	\$1,492,945	\$18,276	\$17,442
8	SECONDARY DEMAND RELATED	D3A		\$684,429	\$174,890	\$90,628	\$409,123	\$5,008	\$4,780
9	CUSTOMER RELATED	C4A		\$2,174,800	\$1,720,372	\$405,644	\$28,926	\$10,216	\$9,642
10	SUB-TOTAL DISTR PLANT		SPD	\$5,356,805	\$2,533,460	\$826,987	\$1,930,994	\$33,500	\$31,864
11	LIGHTING SPECIFIC	LDE		\$173,968	\$0	\$0	\$0 	\$173,968 	\$0
12	TOTAL DISTRIBUTION PLANT	NPD	NPD	\$5,530,773	\$2,533,460	\$826,987	\$1,930,994	\$207,468	\$31,864
	GENERAL AND INTANGIBLE PLANT								
13	PRODUCTION RELATED	NPP		\$0	\$0	\$0	\$0	\$0	\$0
14	TRANSMISSION RELATED	NPT		\$0	\$0	\$0	\$0	\$0	\$0
15	DISTRIBUTION RELATED	NPD		\$43,007	\$19,816	\$6,491	\$15,288	\$1,161	\$251
	CUST ACCT/SERV & INFO/								
16	SALES RELATED	C2A		\$283,385	\$224.172	\$52,857 	\$3,769	\$1,331 	\$1,256
17	TOTAL GENERAL & INTANGIBLE PLANT	NPG	NPG	\$326,392	\$243,988	\$59,348	\$19,057	\$2,492	\$1,507

18	TOTAL NET PLANT IN SERVICE	NPR	NPR	\$5,857,165	\$2,777,448	\$886,335	\$1,950,051	\$209,960	\$33,371
				=======	======	=======	======	======	======

STEELE WASECA- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

****** RATE BASE *****

LINE NO.	DESCRIPTION	CONTRO ALL	L OUT	TOTAL SMEC	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	LIGHTING	MUNICIPAL PUMPING
1	NET PLANT IN SERVICE	NPR	NPR	\$5,857,165	\$2,777,448	\$886,335	\$1,950,051	\$209,960	\$33,371
	CONSTRUCTION WORK IN PROGRESS								***
2	PRODUCTION PLANT	NPP		\$0	\$0	\$0	\$0	\$0	\$0 \$0
3	TRANSMISSION PLANT	NPT		\$0	\$0	\$0	\$0	\$0	\$0 \$625
4	DISTRIBUTION PLANT	NPD		\$108,535	\$49,716	\$16,229	\$37,894	\$4,071	\$625 \$0
5	GENERAL PLANT	NPG		\$0	\$0	\$0	\$0	\$0	\$ 0
6	TOAL CWIP	CWP	CWP	\$108,535	\$49.716	\$16,229	\$37,894	\$4,071	\$625
7	NET ACQUISITION ADJUSTMENT	D2A	ACQ	\$302,015	\$77,173	\$39,991	\$180,532	\$2,210	\$2,109
8	PLANT HELD FOR FUTURE USE	E1A	PLH	\$0	\$0	\$0	\$0	\$0	\$0
	MISC DEFERRED DEBITS								
9	PROD RELATED	NPP		\$0	\$0	\$0	\$0	\$0	\$0
10	TRAN RELATED	NPT		\$0	\$0	\$0	\$0	\$0	\$0
11	DIST RELATED	NPD		\$2,583	\$1,183	\$386	\$902	\$97	\$15
12	GENR RELATED	NPG		\$0	\$0		\$0	\$0	\$0
13	LABOR RELATED	LBR		\$0	\$0		\$0	\$0	\$0
14	NPR RELATED	NPR		\$179,292	\$85,020		\$59,692	\$6,427	\$1,022
15	TOTAL MISC DEFRD DEBITS			\$181,875	\$86,203	\$27,51 7	\$60,594	\$6,524	\$1,037
	WORKING CAPITAL								***
16	CASH WORK CAP, FUNDS, MAT&SUP	NPR	MAS	\$169,833	\$80,534		\$56,543	\$6,088	\$968
17	FUEL STOCK	E1A	FUL	\$0	\$0		\$0	\$0	\$0
18	PREPAID LIGNITE ROYALTIES	E1A		\$0			\$0	\$0	\$0
19	OTHER PREPAYMENTS	NPR		\$572			\$190	\$21	\$3
20	TOTAL WORKING CAPITAL			\$170,405		\$25,787	\$56,733	\$6,109	\$971
21	UNAMORTIZED LOSS ON REACQD LTD	NPR		\$0	\$0	\$0	\$0	\$0	\$0
22	DEFERRED FUEL	E1A	DEF	\$0	\$0	\$0	\$0	\$0	\$0

(RATE BASE CONTINUED ON NEXT PAGE)

STEELE WASECA- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

"CONTINUED"

LINE NO.	DESCRIPTION	CONTROL ALL	OUT	TOTAL SMEC	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	LIGHTING	MUNICIPAL PUMPING
	ACCUMULATED DEFERRED INCOME TAX					20	***	\$0	\$0
23	ACCT 281: POL CON	NPP		\$0	\$0	\$0	\$0	40	Ψ
24	ACCT 282: LIBERAL DEP - PROD	NPP		\$0	\$0	\$0	\$0	\$0	\$0
25	TRAN	NPT		\$0	\$0	\$0	\$0	\$0	\$0
26	DIST	NPD		\$0	\$0	\$0	\$0	\$0	\$0
27	GENR	NPG		\$0	\$0	\$0	\$0	\$0	\$0
28	LIGNITE EXPLORATN	E1A		\$0	\$0	\$0	\$0	\$0	\$0
29	LABOR RELATED	LBR		\$0	\$0	\$0	\$0	\$0	\$0
30	TOTAL ACCOUNT 282			\$0	\$0	\$0	\$0	\$0	\$0
0.4	ACCT 283: THIS LINE RESERVED			\$0	\$0	\$0	\$0	\$0	\$0
31	LONG TERM DEBT LOSS	NPR		\$0	\$0	\$0	\$0	\$0	\$0
32	LONG TERM DEBT 2000								
33	TOTAL ACCOUNT 283			\$0	\$0	\$0	\$0	\$0	\$0
34	ACCOUNT 190: PRODUCTION RELATED	NPP		\$0	\$0	\$0	\$0	\$0	\$0
35	PLANT RELATED	NPR		\$0	\$0	\$0	\$0	\$0	\$0
36	ENERGY RELATED	E1A		\$0	\$0	\$0	\$0	\$0	\$0
37	LABOR RELATED	LBR		\$0	\$0	\$0	\$0	\$0	\$0
38	FERC REFUND	TRN		\$0	\$0		\$0	\$0 	\$0
39	TOTAL ACCOUNT 190			\$0	\$0	\$0	\$0	\$0	\$0
40	TOTAL ACCUM DEFRD INC TAX	ACC	ACC	\$0	\$0	\$0	\$0	\$0	\$0
41	INVESTMENT TAX CREDIT PRE '71	NPR	PIC	\$0	\$0	\$0	\$0	\$0	\$0
42	CUSTOMER ADVANCES AND DEPOSITS	СЗА	CAD	-\$39,961	-\$31,611	-\$7,454	-\$531	-\$188	-\$177
43	STORM DAMAGE & INJ & DAM RESRVS	D2A	SDR	\$0	\$0	\$0	\$0	\$0	\$0
44	PNSN & MIS OP RSRVS, OTR DEF CR	ОМА	PEN	-\$8,449	-\$5,129	-\$1,402	-\$1,705	-\$189	-\$24
45	TRANSMISSION RATE REFUND RESERVE	TRN		\$0			\$0 	\$0 	\$0
46	TOTAL RATE BASE	RBT	RBT	\$6,571,585 ======	\$3,034,605	\$987,003	\$2,283,568 ======	\$228,497 	\$37,912 ======
				======					

STEELE WASECA- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016 PAGE 9

*******OPER AND MTN EXPENSES*******

LINE NO.	DESCRIPTION	CONTRO	OUT	TOTAL SMEC	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	LIGHTING	MUNICIPAL PUMPING
	PRODUCTION O&M EXPENSE						***********		
1	FUEL EXPENSE - ACCT 501	E1A		\$0	\$0	\$0	\$0	\$0	\$0
	PURCHASED POWER - ACCT 555								DT D I TH ENDOL
2	DEMAND - OTHER	D1A		[TRADE S	SECRET DATA	A BEGINS		TRADE SECR	ET DATA ENDS]
3	ENERGY - OTHER	E1A							
4	NET OFF SYSTEM REVENUE	E1A		\$0	\$0	\$0	\$0	\$0	\$0
	OTHER PRODUCTION O&M ACCTS								
5	DEMAND - OTHER	D1A		\$0	\$0		\$0	\$0	\$0
6	ENERGY - OTHER	E1A		\$0	\$0	\$0	\$0	\$0	\$0
		220	BBO	\$0	\$0		\$0	\$0	\$0
7	TOTAL OTHER PRODUCTION O&M	PRO	PRO	\$0	φυ	, 40	Ψ		·
8	TOTAL PRODUCTION O&M EXPENSE	OMP	OMP	TRADE	SÉCRET DAT	A BEGINS		TRADE SEC	RET DATA ENDS]
0	TOTAL PRODUCTION CAM EXTENSE	0			•				
9	TOTAL TRANSMISSION O&M EXPENSE	NPT	OMT	\$0	\$0	\$0	\$0	\$0	\$0
	DISTRIBUTION O&M EXPENSE			TR	ADE SECRET	DATA BEGIN	IS TR	ADE SECRET	DATA ENDS
10	LIGHTING SPECIFIC	LDE		[11.					
11	ALL OTHER	SPD							
12	TOTAL DISTRIBUTION O&M EXPENSE	OMD	OMD	TRADE	SECRET DAT	A BEGINS		TRADE SEC	RET DATA ENDSJ
12	TOTAL DISTRIBUTION OUR EXCENSE	J							
	TOTAL CUST ACCT/SERV & INFO/								
13	SALES EXPENSE	C2A	OMC	\$199,023	\$157,437	7 \$37,122	\$2,647	\$935	\$882
	<u> </u>								
	ADMINISTRATIVE & GENERAL EXPENSE								
14	PROP INSURANCE/INJ & DAMG	NPR		\$0	\$ \$6	50	\$0	\$0	\$0
15	CUST ACCT/SERV&INFO/SALES REL	LBR		\$189,669	\$115,15	8 \$31,466	\$38,264	\$4,242	\$539
									\$539
16	TOTAL ADMIN & GENERAL EXPENSE	OMA	OMA	\$189,669	9 \$115,15	8 \$31,466	\$38,264	\$4,242	2039
	TOTAL OPER A MINI EVERNICES	OMX	ОМХ	TTRADE	SECRET DAT	TA BEGINS		TRADE SEC	RET DATA ENDS]
17	TOTAL OPER & MTN EXPENSES	UMIX	CIVIX	HICKSE			======	======	2== E E==

STEELE WASECA- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

EXPENSES OTHER THAN INCOME TAXES

LINE NO.	DESCRIPTION TOTAL OPER & MTN EXPENSES	CONTROL ALL OMX	OUT	TOTAL SMEC [TRADE S	RESIDENTIAL	SMALL COMMERCIAL 	LARGE POWER	LIGHTING TRADE SECT	MUNICIPAL PUMPING RET DATA ENDS
	DEPRECIATION & AMORTIZATION EXPENSE	ES .					••	\$0	\$0
2	PRODUCTION	NPP		\$0	\$0	\$0	\$0		\$0
3	TRANSMISSION	NPT		\$0	\$0	\$0	\$0	\$0	\$1,448
4	DISTRIBUTION	NPD		\$251,275	\$115,100	\$37,572	\$87,729	\$9,426 \$29	\$1,440
5	GENERAL	NPG		\$3,740	\$2,796	\$680	\$218	* '	D 17
6	TOTAL DEPR & AMORT EXPEN	DEP	DEP	\$255,015	\$117,896	\$38,252	\$87,947	\$9,455	\$1,465
7	INTEREST ON CUSTOMER DEPOSITS	СЗА	ICD	\$0	\$0	\$0	\$0	\$0	\$0
	GENERAL TAXES					••	\$0	\$0	\$0
8	AD VALOREM	NPR	VAL	\$0	\$0		\$0	\$0	\$0
9	CORP FRANCHISE TAX	NPR	SFT	\$0	\$0		\$0 \$0	\$0	\$0
10	MISCELLANEOUS GENERAL TAXES	LBR	MIS	\$0	\$0	•	\$0 \$0	\$0	\$0
11	REVENUE-RELATED (AS PROPOSED)	RTX		\$0	\$0		**	φυ 	ψ0
12	TOTAL GENERAL TAXES	GTX	GТХ	\$0	\$0	\$0	\$0	\$0	\$0
13	TOTAL EXPENSES EXCEPT INCOME TAX	EXP	EXP	[TRADE	SECRET DA	TA BEGINS		TRADE SEC	RET DATA ENDS

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STEELE WASECA- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

""INCOME TAX FOR 7.01% ROE""

LINE NO.	DESCRIPTION	CONTRO!	L OUT	TOTAL SMEC	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	LIGHTING	MUNICIPAL PUMPING
1	RATE BASE	RBT		\$6,571,585	\$3,034,605	\$987,003	\$2,283,568	\$228,497	\$37,912
2	RETURN AT 6.31%	RBT	RET	\$414,674	\$191,487	\$62,281	\$144,096	\$14,418	\$2,392
3	INTEREST (2.61% OF LINE 1)	RBT	INT	-\$171,693	-\$79,283	-\$25,787	-\$59,662	-\$5,970	-\$991
4	AFUDC	NPR	AFD	\$0	\$0	\$0	\$0	\$0	\$0
-	PROVISION FOR DEFERRED TAXES								
5	ACT 410.1: PROD RLTD	NPP		\$0	\$0	\$0	\$0	\$0	\$0
6	TRAN RLTD	NPT		\$0	\$0	\$0	\$0	\$0	\$0
7	PLANT RLTD	NPR		\$0	\$0	\$0	\$0	\$0	\$0
8	ENERGY RLTD	E1A		\$0	\$0	\$0	\$0	\$0	\$0
9	LABOR RLTD	LBR		\$0	\$0	\$0	\$0	\$0	\$0
10	CUSTOMER RELATED	СЗА		\$0	\$0	\$0	\$0	\$0	\$0
11	RESERVED	00.1		\$0	\$0	\$0	\$0	\$0	\$0
12	TOTAL 410.1			\$0	\$0	\$0	\$0	\$0	\$0
13	ACT 411.1: PROD RLTD	NPP		\$0	\$0	\$0	\$0	\$0	\$0
14	TRAN RLTD	NPT		\$0	\$0	\$0	\$0	\$0	\$0
15	PLANT RELATED	NPR		\$0	\$0	\$0	\$0	\$0	\$0
16	ENERGY RELATED	E1A		\$0	\$0	\$0	\$0	\$0	\$0
17	LABOR RELATED	LBR		\$0	\$0	\$0	\$0	\$0	\$0
18	CUSTOMER RELATED	СЗА		\$0	\$0		\$0	\$0	\$0
19	TOTAL 411.1			\$0	\$0	\$0	\$0	\$0	\$0
20	NET PROVISION FOR DEFRD INC TAX		PDT	\$0	\$0	\$0	\$0	\$0	\$0
21	ITC AMORT	NPR	ITA	\$0	\$0		\$0 	\$0 	\$0
22	ADJUSTED RETURN	ART	ART	\$242,981	\$112.204	\$36,494	\$84,434	\$8,448	\$1,401
	FED ADD INC & UNALLOW DEDUCTS							**	* 0
23	PRODUCTION RELATED	NPP		\$0			\$0	\$0	\$0
24	DISTRIBUTION RELATED	NPD		\$0	\$0		\$0	\$0	\$0
25	PLANT RELATED	NPR		\$0	\$0		\$0	\$0	\$0
26	ENERGY RELATED	E1A		\$0	\$0		\$0	\$0	\$0
27	LABOR RELATED	LBR		\$0	\$0		\$0	\$0	\$0
28	TRANSMISSION REV RELATED	TRN		\$0	\$0	\$0	\$0	\$0	\$0
29	RESERVED			\$0	\$0		\$0	\$0	\$0
30	DISTRIBUTION CUSTOMER RELATED	СЗА		\$0			\$0	\$0	\$0
31	TOTAL ADDITIONS	FTA	FTA	\$0			\$0	\$0	\$0

(INCOME TAX CALCULATION CONTINUED ON NEXT PAGE)

STEELE WASECA- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

""NCOME TAX FOR 7.01% ROE"
" CONTINUED ""

LINE		CONTRO	L	TOTAL		SMALL	LARGE		MUNICIPAL
NO.	DESCRIPTION	ALL	OUT	SMEC	RESIDENTIAL	COMMERCIAL	POWER	LIGHTING	PUMPING
	FED DEDUCTS AND NON-TAX INCOME				••		\$0	\$0	\$0
32	PRODUCTION RELATED	NPP		\$0	\$0	\$0	\$0	\$0	\$0
33	DISTRIBUTION RELATED	NPD		\$0	\$0	\$0 \$0	\$0	\$0	\$0
34	PLANT RELATED	NPR		\$0	\$0	\$0 \$0	\$0	\$0	\$0
35	ENERGY RELATED	E1A		\$0	\$0	· · · · · · · · · · · · · · · · · · ·	\$0	\$0	\$0
36	LABOR RELATED	LBR		\$0	\$0	\$0	\$0 \$0	\$0 \$0	\$0
37	TRANSMISSION REV RELATED	TRN		\$0	\$0	\$0	\$0	\$0 \$0	\$0
38	DISTRIBUTION CUSTOMER RELATED	C3A		\$0 	\$0 	\$0 	30		
39	TOTAL DEDUCTIONS	FTD	FTD	\$0	\$0	\$0	\$0	\$0	\$0
40	NET FEDERAL DEDUCTIONS	NFD	NFD	\$0	\$0	\$0	\$0	\$0	\$0
	ST ADD INC & UNALLOW DEDUCTS	FTA		\$0	\$0	\$0	\$0	\$0	\$0
41		FTD		\$0	\$0	\$0	\$0	\$0	\$0
42	ST DEDUCTS AND NON-TAX INCOME	110							
43	NET STATE DEDUCTIONS	NSD	NSD	\$0	\$0	\$0	\$0	\$0	\$0
44	PROV FOR DEF'D ITC - CURRENT	NPR	ITC	\$0	\$0	\$0	\$0	\$0	\$0
	FEDERAL TAXABLE INCOME								
45	ADJ RET * 1/(1-0.0000-0.0000)	ART	TART	\$242,981	\$112,204	\$36,494	\$84,434	\$8,448	\$1,401
46	NET FED DED * 1/(1-0.0000)	NFD		\$0	\$0		\$0	\$0	\$0
47	NET ST DED * (1/(1-0.0000))-1	NSD		\$0	\$0	\$0	\$0	\$0	\$0
48	CURRENT ITC * (1/1-0.00))-1	ITC		\$0	\$0		\$0	\$0	\$0
					2440.004		\$84,434	\$8,448	\$1,401
49	TOTAL FEDERAL TAXABLE INCOME	FTI	FTI	\$242,981	\$112,204	\$30,494	ф04, 4 04	00,410	¥.((.=:
50	PLUS: NET FED DEDUCTS	NFD		\$0	\$0	\$0	\$0	\$0	\$0
51	LESS: NET STATE DEDUCTS	NSD		\$0	\$0	\$0	\$0	\$0	\$0
52	TOTAL STATE TAXABLE INCOME	STI	STI	\$242,981	\$112,204	\$36,494	\$84,434	\$8,448	\$1,401
	FED & ST INCOME TAXES:								
53	FED TAXABLE INC * 0.0000	FTI		\$0	\$0		\$0	\$0	\$0
54	ST. TAXABLE INC * 0.0000	STI		\$0	\$0		\$0	\$0	\$0
55	LESS: CRNT ITC * (1-0.0000)	πc		\$0	\$0		\$0	\$0 	\$0
56	TOTAL FED & ST INCOME TAXES	FST	FST	\$0	\$0		\$0	\$0	\$0
				======	======		====== \$0	\$0	\$0
57	INVESTMENT TAX CREDIT - NET	NPR	ITN	\$0	\$0	, 50	\$ 0	40	••

STEELE WASECA- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

"COST OF SERVICE"
" (PROPOSED)

LINE NO.	DESCRIPTION	CONTROI ALL	OUT	TOTAL SMEC	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	LIGHTING	MUNICIPAL PUMPING
1	RATE BASE	RBT		\$6,571,585	\$3,034,605	\$987,003	\$2,283,568	\$228,497	\$37,912
2	RETURN AT 6.31%	RET		\$414,674	\$191,487	\$62,281	\$144,096	\$14,418	\$2,392
3	OPERATION & MAINTENANCE EXPENSES	ОМХ		[TRADE S	SECRET DAT	A BEGINS		TRADE SEC	RET DATA ENDS]
4	DEPRECIATION & AMORT EXPENSES	DEP		\$255,015	\$117,896	\$38,252	\$87,947	\$9,455	\$1,465
5	INTEREST ON CUSTOMER DEPOSITS	ICD		\$0	\$0	\$0	\$0	\$0	\$0
6	GENERAL TAXES	GTX		\$0	\$0	\$0	\$0	\$0	\$0
7	FEDERAL AND STATE INCOME TAX	FST		\$0	\$0	\$0	\$0	\$0	\$0
8	PROVISION FOR DEFERRED TAXES	PDT		\$0	\$0	\$0	\$0	\$0	\$0
9	INVESTMENT TAX CREDIT - NET	ITN		\$0	\$0	\$0	\$0	\$0	\$0
10	AFUDC	AFD		\$0	\$0	\$0	\$0	\$0	\$0
11	COST OF SERVICE REVENUE REQUIREMENT BEFORE ATTRITION ADJUSTMENT	IT CSR	CSR	\$6,228,602	\$1,849,098	\$830,538	\$3,468,287	\$42,455	\$38,224
12	LESS: FUEL REVENUE	FUL		\$0	\$0 	\$0	\$0	\$0	\$ 0
13	BASE COST OF SERVICE REVENUE REQUIREMENT	BRR	BRR	\$6,228,602	\$1,849,098		\$3,468,287	\$42,455	\$38,224
14	ATTRITION ADJUSTMENT	BRR		\$0	\$0	\$0	\$0	\$0 	\$0
15	BASE COST OF SERVICE REVENUE REQUIR AFTER ATTRITION ADJUSTMENT	REMENT ARR	ARR	\$6,228,602	\$1,849,098		\$3,468,287	\$42,455	\$38,224
16	PLUS: FUEL REVENUE	FUL		\$0	\$0		\$0	\$0	\$0
17	COST OF SERVICE REVENUE REQUIREMENT	NT		\$6,228,602			\$3,468,287	\$42,455	\$38,224
18	LESS: MISCELLANEOUS REVENUE			-\$51,692	-\$23,678	-\$7,729	-\$18,048	-\$1,939	-\$298
19	LESS: BULK TRANSMISSION REVENUE			\$0	\$0	\$0	\$0	\$0	\$0
20	LESS: PRIMARY TRANSMISSION REVENUE			\$0	\$6	\$0	\$0	\$0	\$0
21	LESS: NON-FRM SLS FOR RESALE			\$0			\$0	\$0	\$0
22	NET ELECTRIC REVENUE REQUIREMENT			\$6,176,910 ======		\$822,809	\$3,450,239	\$40,516	\$37,926 ======

PAGE 14

-17.**72**%

-33.62%

6.31%

11,96%

-2.61%

-10.76%

-20.42%

-2.61%

-1.09%

-2.07%

STEELE WASECA- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

29 NON-EQUITY PORTION OF RETURN

31 EXISTING RETURN ON EQUITY

30 EQUITY PORTION OF EXISTING RETRN

EXISTING RETURN AND INCOME TAX

					***EXISTING RET	UKN AND INCOME I	AX		
LINE NO.	DESCRIPTION	CONTRO ALL	L OUT	TOTAL SMEC	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	LIGHTING	MUNICIPAL PUMPING
		EXR			ECRET DATA	BEGINS			ET DATA ENDS
1	EXISTING REVENUE REVENUE DEDUCTIONS:	EAR		[
2	O&M EXPENSES	OMX							
3	DEPRECIATION & AMORT EXPENSES	DEP		-\$255,015	-\$117,896		-\$87,947	-\$9,455	-\$1,465
4	AD VALOREM TAXES	VAL		\$0	\$0		\$0	\$0	\$0
5	CORP FRANCHISE TAX	SFT		\$0	\$0		\$0	\$0	\$0
6	MISC GENERAL TAXES	MIS		\$0	\$0		\$0	\$0	\$0
7	REVENUE-RELATED TAXES	RTX		\$0	\$0		\$0	\$0	\$0
8	INTEREST ON CUST DEPOSITS	ICD		\$0	\$0	\$0	\$0	\$0	\$0
9	TOTAL REVENUE DEDUCTIONS			[TRAE	DE SECRET D	ATA BEGINS	. TRAD	E SECRET D	ATA ENDS]
10	NET FOR RETURN AND INCOME TAXES	NET	NET	-\$334,162	-\$177,733	\$14,994	-\$186,069	\$20,375	-\$5,729
11	LESS: INTEREST EXPENSE	INT		-\$171,693	-\$79,283	-\$25,787	-\$59,662	-\$5,970	-\$991
12	LESS: NET FEDERAL DEDUCTIONS	NFD		\$0		\$0	\$0	\$0	\$ 0
13	TOTAL FEDERAL TAXABLE INCOME			-\$505,855	-\$257,016		-\$245,731	\$14,405	-\$6,720
	PLUS: NET FEDERAL DEDUCTIONS	NFD		\$0	\$0	\$0	\$0	\$0	\$0
14 15	LESS. NET STATE DEDUCTIONS	NSD		\$0			\$0	\$0	\$0
16	TOTAL STATE TAXABLE INCOME			-\$505,855			-\$245,731	\$14,405	-\$6,720
16	TOTAL STATE TAXABLE INCOME			*****					
	FED AND ST INCOME TAXES			•	s (\$0) \$0	\$0	\$0	\$0
17	FED TAXABLE INC * 0.0000			\$0			\$0	\$0	\$0
18	ST. TAXABLE INC * 0.0000			\$0 \$0			\$0	\$0	\$0
19	LESS: CRNT ITC * (1-0.0000)				•				
20	TOTAL FED & ST INCOME TAXES			\$0	\$6	\$0	\$0	\$0	\$0
	*****RETURN COMPUTATION*****								45 700
21	NET FOR RETURN AND INCOME TAXES	NET		-\$334,162	-\$177,73	3 \$14,994	-\$186,069	\$20,375	
22	FED & ST INCOME TAXES			\$0	\$		\$0	\$0	
23	PROV FOR DEF TAXES	PDT		\$0	\$	0 \$0	\$0	\$0	
24	INVESTMENT TAX CREDIT - NET	ITN		\$0	\$	0 \$0	\$0	\$0	
25	AFUDC	AFD		\$0			\$0	\$0	\$0
26	NET RETURN			-\$334,162		3 \$14,994	-\$186,069	\$20,375	
27	RATE BASE	RBT		\$6,571,585	5 \$3,034,60	5 \$987,003	\$2,283,568	\$228,497	\$37,912
		D.C.		E 000	6 -5.86°	% 1.52%	-8.15%	8.92%	-15.11%
28	RETURN ON RATE BASE	ROR		-5.08% -2.61%	-	-	-2.61%	-2.61%	

DA3

DA3

DA3 ROE

-2.61%

-7.69%

-14.59%

-2.61%

-8.47%

-16.07%

STEELE WASECA- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

PROPOSED RETURN AND INCOME TAX

LINE		CONTROL		TOTAL	DECORPORATE AND ADDRESS OF THE PARTY OF THE	SMALL COMMERCIAL	LARGE POWER	LIGHTING	MUNICIPAL PUMPING
NO.	DESCRIPTION	ALL	OUT	SMEC	RESIDENTIAL				
1	PROPOSED REVENUE	PRV		\$6,228,602	\$1,849,098	\$830,538	\$3,468,287	\$42,455	\$38,224
'	REVENUE DEDUCTIONS:							TO LOT CUC	DET DATA ENDE
2	O&M EXPENSES	OMX		TRADE S	SECRET DAT.	A BEGINS			RET DATA ENDS
3	DEPRECIATION & AMORT EXPENSES	DEP		-\$255,015	-\$117,896	-\$38,252	-\$87,947	-\$9,455	-\$1,465
4	AD VALOREM TAXES	VAL		\$0	\$0	\$0	\$0	\$0	\$0
5	CORP FRANCHISE TAX	SFT		\$0	\$0	\$0	\$0	\$0	\$0
6	MISC GENERAL TAXES	MIS		\$0	\$0	\$0	\$0	\$0	\$0
7	REVENUE-RELATED TAXES	RTX		\$0	\$0	\$0	\$0	\$0	\$0
8	INTEREST ON CUST DEPOSITS	ICD		\$0	\$0		\$0	\$0	\$0
9	TOTAL REVENUE DEDUCTIONS			TRA	DE SECRET D	ATĀ BEGINS	. TRAD	E SECRET DA	ATA ENDS]
10	NET FOR RETURN AND INCOME TAXES	NET	NET	\$414,674	\$191,487	\$62,281	\$144,096	\$14,418	\$2,392
	LESS: INTEREST EXPENSE	INT		-\$171.693	-\$79,283	-\$25,787	-\$59,662	-\$5,970	-\$991
11 12	LESS: NET FEDERAL DEDUCTIONS	NFD		\$0	\$0	\$0	\$0	\$0	\$0
12	LESS: NET PEDERAL DEDUCTIONS	14.15							
13	TOTAL FEDERAL TAXABLE INCOME			\$242,981	\$112,204	\$36,494	\$84,434	\$8,448	\$1,401
14	PLUS: NET FEDERAL DEDUCTIONS	NFD		\$0	\$0		\$0	\$0	\$ 0
15	LESS: NET STATE DEDUCTIONS	NSD		\$0	\$0	\$0	\$0	\$0	\$0
16	TOTAL STATE TAXABLE INCOME			\$242,981	\$112,204	\$36,494	\$84,434	\$8,448	\$1,401
	FED AND ST INCOME TAXES								
17	FED TAXABLE INC * 0.0000			\$0	\$0	\$0	\$0	\$0	\$0
18	ST. TAXABLE INC * 0.0000			\$0		\$0	\$0	\$0	\$0
19	LESS: CRNT ITC * (1-0.0000)			\$0	\$0	\$0	\$0	\$0	\$0
13	EE33. 01/141 110 (1 0.0000)								
20	TOTAL FED & ST INCOME TAXES			\$0	\$0	\$0	\$0	\$0	\$0
	*****RETURN COMPUTATION*****						#444 DOO	\$14,418	\$2,392
21	NET FOR RETURN AND INCOME TAXES	NET		\$414,674			\$144,096 \$0	\$14,418	\$0
22	FED & ST INCOME TAXES			\$0			\$0 \$0	\$0	\$0
23	PROV FOR DEF TAXES	PDT		\$0			\$0 \$0	\$0	\$0
24	INVESTMENT TAX CREDIT - NET	ITN		\$0			\$0	\$0	\$0
25	AFUDC	AFD		\$C	. \$6		—		
26	NET RETURN			\$414,674	\$191.48	7 \$62,281	\$144,096	\$14,418	\$2,392
27	RATE BASE	RBT		\$6,571,585	\$3,034,60	5 \$987,003	\$2,283,568	\$228,497	\$37,912
20	RETURN ON RATE BASE	ROR		6.31%	6.31%	6.31%	6.31%	6.31%	
28 29	NON-EQUITY PORTION OF RETURN	DA3		-2.61%			-2.61%	-2.61%	
30	EQUITY PORTION OF EXISTING RETRN	DA3		3.70%			3.70%	3.70%	
31	PROPOSED RETURN ON EQUITY	DA3	ROE	7.01%	7.019	6 7.01%	7.01%	7.01%	7.01%
31	FROFUSED RETURN ON EGOLT	2,.0							

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STEELE WASECA- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

COST OF SERVICE SUMMARY

LINE		CONTROL	TOTAL		SMALL	LARGE		
NO.	DESCRIPTION	ALL OUT	SMEC	RESIDENTIAL	COMMERCIAL	POWER	LIGHTING	PUMPING
	NET PLANT IN SERVICE:							\$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$
1	PRODUCTION PLANT	NPP	\$0	\$0	\$0	\$0		*-
2	TRANSMISSION PLANT	NPT	\$0	\$0	\$0	\$0	*-	•
3	DISTRIBUTION PLANT	NPD	\$5,530,773	\$2,533,460	\$826,987	\$1,930,994	\$207,468	
4	GENERAL PLANT	NPG	\$326,392	\$243,988	\$59,348 	\$19,057	\$2,492	
5	TOTAL NET ELECTRIC PLANT	NPR	\$5,857,165	\$2,777,448	\$886,335	\$1,950,051	\$209,960	\$33,371
6	CONST. WORK IN PROGRESS	CWP	\$108,535	\$49.716	\$16,229	\$37,894	\$4,071	
7	ACQUISITION ADJUSTMENT	ACQ	\$302,015	\$77,173	\$39,991	\$180,532	\$2,210	
8	PLANT HELD FOR FUTURE USE	PLH	\$0	\$0	\$0	\$0		•
9	TOTAL MISC DEFRD DEBITS WORKING CAPITAL:		\$181,875	\$86,203	\$27,517	\$60,594	\$6,524	\$1,037
10	CASH WORK CAP, FUNDS, MAT&SUP	MAS	\$169,833	\$80,534	\$25,700	\$56,543	\$6,088	\$968
11	FUEL STOCK	FUL	\$0	\$0	\$0	\$0	\$0	\$0
12	PREPAID LIGNITE ROYALTIES	E1A	\$0	\$0	\$0	\$0	\$0	\$0
13	OTHER PREPAYMENTS	NPR	\$572	\$271	\$87	\$190	\$21	\$3
14	UNAMORTIZED LOSS ON REACQD LTD	NPR	\$0	\$0	\$0	\$0	\$0	
15	DEFERRED FUEL	DEF	\$0	\$0	\$0	\$0	\$0	•
16	ACCUMULATED DEFERRED INCOME TAX	ACC	\$0	\$0	\$0	\$0	\$0	* * *
17	PRE-1971 INVESTMENT TAX CREDIT	PIC	\$0	\$0	\$0	\$0		
18	CUSTOMER ADVANCES AND DEPOSITS	CAD	-\$39,961	-\$31,611	-\$7,454	-\$531	-\$188	•
19	STORM DAMAGE/INJ & DAM RESRVS	SDR	\$0	\$0	\$0	\$0	\$0	
20	PNSN & MIS OP RSRVS, OTR DEF CRS	PEN	-\$8,449	-\$5,129	-\$1,402	-\$1,705	-\$189	
21	TRANSMISSION RATE REFUND RESERVE	TRN	\$ 0	\$0	\$0 	\$0	\$0	•
22	AVERAGE ORIGINAL COST RATE BASE	RBT	\$6,571,585	\$3,034,605		\$2,283,568	\$228,497	\$37,912
23	RETURN AT 6.31%	RET	\$414,674	\$191,487	\$62,281	\$144,096	\$14,418	\$2,392
	OPERATION & MAINTENANCE EXPENSES				T. DEGING		TD ADE CU	DET DATA E
24	PRODUCTION O&M	OMP			TA BEGINS			
25	TRANSMISSION O&M	OMT	\$0	\$0		\$0	•	**
26	DISTRIBUTION O&M	OMD	[TRA		DATA BEGINS			
27	CUST ACCT/SERV/SALES	OMC	\$199,023	\$157,437		\$2,647	****	
28	ADMINISTRATIVE & GENERAL	ОМА	\$189,669	\$115,158		\$38,264		
29	TOTAL OPER & MAIN EXPENSES	OMX	[TRAD	DE SECRET D	ATA BEGINS	TRAD	E SECRET D.	ATA ENDS]
30	DEPRECIATION & AMORT EXPENSES	DEP	\$255,015	\$117,896	\$38,252	\$87,947	\$9,455	• .,
31	INTEREST ON CUSTOMER DEPOSITS	ICD	\$0	\$0	\$0	\$0		
32	GENERAL TAXES	GTX	\$0	\$0	\$0	\$0		
33	FED & ST INCOME TAX	FST	\$0	\$0	\$0	\$0		•
34	PROV FOR DEF TAXES	PDT	\$0	\$0	\$0	\$0	• -	
35	INVESTMENT TAX CREDIT - NET	ITN	\$0	\$0	\$0	\$0		
36	AFUDC	AFD	\$0	\$0	\$0	\$0	\$0	\$0
37	COST OF SERVICE REVENUE REQT	CSR	\$6,228,602	\$1,849,098	\$830,538	\$3,468,287	\$42,455	\$38,224

STEELE WASECA- SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED PAGE 17

DECEMBER 31, 2016

""COST OF SERVICE COMPARISON""

LINE NO.	DESCRIPTION	CONTROL ALL OUT	TOTAL SMEC	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	LIGHTING	MUNICIPAL PUMPING
	*** OTHER REVENUE INCLUDED ***							
1	COST OFF SERVICE REVENUE REQT		\$6,228,602	\$1,849,098	\$830,538	\$3,468,287	\$42,455	\$38,224
2	EXISTING REVENUE		\$5,479,766	\$1,479,878	\$783,251	\$3,138,122	\$48,412	\$30,103
3	REVENUE DEFICIENCY		\$748,836	\$369,220	\$47,287	\$330,165	-\$5,957	\$8,121
4	REQUIRED INCREASE (%)		13.67%	24.95%	6.04%	10.52%	-12.30%	26.98%
5	EXISTING RATE OF RETURN-AS ADJ.		-5.08%	-5.86%	1.52%	-8.15%	8.92%	-15.11%
6	EXISTING ROR AS % OF OVERALL ROR-AS	S AD.I	100.00%	115.35%	-29.92%	160.43%	-175.59%	297.44%
7	EXISTING RETURN ON EQUITY-AS ADJ.	37.50.	-14.59%	-16.07%	-2.07%	-20.42%	11.96%	-33.62%
8	EXISTING ROE AS % OF OVERALL ROE-AS	S ADJ.	100.00%	110.14%	14.19%	139.96%	-81.97%	230.43%
	PROPOSED RATE OF RETURN-AS ADJ		6.31%	6.31%	6.31%	6.31%	6.31%	6.31%
9 10	PROPOSED RETURN ON EQUITY-AS ADJ		7.01%	7.01%	7.01%	7.01%	7.01%	7.01%
	*** OTHER REVENUE EXCLUDED ***						****	607.006
11	COST OF SERVICE REVENUE REQT		\$6,176,910	\$1,825,420	\$822,809	\$3,450,239	\$40,516	\$37,926
12	FXISTING REVENUE		\$5,428,074	\$1,456,200	\$775,522	\$3,120,074	\$46,473	\$29,805
13	REVENUE DEFICIENCY		\$748,836	\$369,220	\$47,287	\$330,165	-\$5,957	\$8,121
14	REQUIRED INCREASE (%)		13.80%	25.36%	6.10%	10.58%	-12.82%	27.25%
	EXISTING RATE OF RETURN - UNADJ		-5.08%	-5.86%	1.52%	-8.15%	8.92%	-15.11%
15	EXISTING ROR AS % OF OVERALL ROR-U	NAD.I	100.00%	115.35%	-29.92%	160.43%	-175.59%	297.44%
16 17	EXISTING RETURN ON EQUITY-UNADJ	11.00.	-14.59%		-2.07%	-20.42%	11.96%	-33.62%
18	EXISTING ROE AS % OF OVERALL ROE-U	NAD.I	100.00%	110.14%	14.19%	139.96%	-81.97%	230.43%
10	EXISTING ROL NO 76 OF CHALL HOLD							
19	PROPOSED RATE OF RETURN - UNADJ		6.31%	6.31%	6.31%	6.31%	6.31%	6.31%
20	PROPOSED RETURN ON EQUITY-UNADJ		7.01%	7.01%	7.01%	7.01%	7.01%	7.01%
20	THO OOLD HE COME OF EGOT OF STREET							

STEELE WASECA- SMEC CUSTOMERS COST OF SERVICE STUDY

FOR TWELVE MONTHS ENDED DECEMBER 31, 2016

DECEM	1BEN 31, 2010	TOTAL		SMALL	LARGE		MUNICIPAL
PROPO	OSED MIŁLS/KWH	SMEC	RESIDENTIAL	COMMERCIAL	POWER	LIGHTING	PUMPING
1	EXISTING BASE REV	76.81	103.59	92.26	65.78	120.06	76.11
2	FUEL REVENUE	0.00	0.00	0.00	0.00	0.00	0.00
-	1 OLE HE VEHOL						
3	TOTAL MILLS / KWH	76.81	103.59	92.26	65.78	120.06	76.11
3	TO THE IMILES / INVIT	======	=====	223484	======	=====	======
4	PROPOSED BASE REV	87.40	129.85	97.89	72.74	104.67	96.85
5	FUEL REVENUE	0.00	0.00	0.00	0.00	0.00	0.00
5	FUEL REVENUE						
6	TOTAL MILLS / KWH	87.40	129.85	97.89	72.74	104.67	96.85
ь	TO TAL MILLS / ROOT	=====		======	======	======	=====

TRI-COUNTY

SPECIFICALLY ASSIGNED DISTRIBUTION & PURCH POWER

TRI-COUNTY ELECTRIC CLASS COST OF SERVICE FOR MPSC COMPLIANCE FILING SCENARIO 2: SPECIFIC ASSIGNMENT OF DISTRIBUTION AND PURCHASE POWER

LINE		COSS BASED REVENUE	EXISTING REVENUE		PERCENT
NO.	CLASS	ALLOCATION	ALLOCATION	DIFFERENCE	DIFFERENCE
	LEGACY:				
1	RESIDENTIAL	\$22,049,843	\$23,093,002	(\$1,043,158)	-4.52%
2	SEASONAL	\$185,126	\$143,656	\$41,470	28.87%
3	IRRIGATION	\$13,849	\$14,505	(\$656)	-4.52%
4	C&I <= 1000 KVA	\$4,551,948	\$5,823,153	(\$1,271,205)	-21.83%
5	C&I > 1000 KVA	\$4,429,652	\$3,866,414	\$563,238	14.57%
6	STREET LIGHTING	\$59,974	\$58,704	\$1,270	2.16%
7	RESALE	\$8,741,580	\$6,548,120	\$2,193,460	33.50%
8	TOTAL LEGACY	\$40,031,973	\$39,547,554	\$484,419	1.22%
	SMEC				
9	RESIDENTIAL	\$3,221,152	\$2,559,258	\$661,894	25.86%
11	C&I <= 1000 KVA	\$1,816,779	\$1,669,217	\$147,562	8.84%
12	C&I > 1000 KVA	\$1,144,537	\$1,077,466	\$67,071	6.22%
13	STREET LIGHTING	\$35,759	\$39,305	(\$3,546)	-9.02%
10	PUBLIC AUTHORITY	\$44,304	\$54,741	(\$10,437)	-19.07%
14	TOTAL SMEC	\$6,262,531	\$5,399,989	\$862,542	15.97%
16	ELECTRIC REVENUES	\$46,294,504	\$44,947,542	\$1,346,961	3.00%
17	MISC. REVENUES	\$1,217,986	<u>\$1,2</u> 17,986	\$0	0.00%
18	OPERATING REVENUES	\$47,512,490	\$46,165,529	\$1,346,961	2.92%
	CONSOLIDATED			(400 (00 ()	1 100/
19	RESIDENTIAL	\$25,270,995	\$25,652,260	(\$381,264)	
20	SEASONAL	\$185,126	\$143,656	\$41,470	28.87%
21	IRRIGATION	\$13,849	\$14,505	(\$656)	
22	C&I <= 1000 KVA	\$6,368,727	\$7,492,370	(\$1,123,643)	
23	C&I > 1000 KVA	\$5,574,189	\$4,943,880	\$630,309	12.75%
24	STREET LIGHTING	\$95,733		(\$2,276)	
25	RESALE	\$8,741,580		\$2,193,460	33.50%
26	PUBLIC AUTHORITY	\$44,304		(\$10,437)	-19.07%
27	ELECTRIC REVENUES	\$46,294,504		\$1,346,961	3.00%
28	MISC. REVENUES	\$1,217,986		\$0	0.00%
29	OPERATING REVENUES	\$47,512,490	\$46,165,529	\$1,346,961	2.92%

TRI-COUNTY

SPECIFICALLY ASSIGNED DISTRIBUTION & PURCH POWER

TRI-COUNTY ELECTRIC - SMEC CUSTOMERS

PAGE 1

FILESPEC: K:\RATERES\COS\93RESALE\COS1292.WK3

STUDY DA	TE:		DECEMBER 31, 1992
RUN DATE	AND TIME:	15-Oct-17	07:20 PM
RETURN O	N COMMON EQUITY		4.38%
OVERALL F	RATE OF RETURN		4.55%
CAPITALIZ	ATION:		
	OUTSTANDING	EFFECTIVE RATE	COMPOSITE
DBT	\$58,992,430	4.67%	2.68%
PRF	\$0	0.00%	0.00%
CMN	\$43,617,187	4.38%	1.86%
FEDERAL I	EFFECTIVE INCOME	TAX RATE	0.00%
FEDERAL 1	NOMINAL INCOME TA	X RATE	0.00%
STATE EFF	FECTIVE INCOME TAX	X RATE	0.00%
STATE NO	MINAL INCOME TAX F	RATE	0.00%

NOTATIONS: THIS RUN ALLOCATES PRODUCTION PLANT ON AVG OF 12 CP

TRI-COUNTY

SPECIFICALLY ASSIGNED DISTRIBUTION & PURCH POWER

TRI-COUNTY ELECTRIC - SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 1992 PAGE 2

*******CUSTOMER DATA*******

LINE NO.	DESCRIPTION	CONTRO ALL	OUT	TOTAL SMEC	RESIDENTIAL 440.01	SMALL C&I 442.01	LARGE C&I 442.02	ST. LIGHTING 444	PUB. AUTH. 445
1 2	NUMBER OF CUSTOMERS PERCENT OF TOTAL	C1A C1A	C1A	2,576 100.000%	2,071 80.396%	468 18.168%	14 0.543%	8 0.311%	15 0.582%
3 4	NUMBER OF WEIGHTED CUSTOMERS PERCENT OF TOTAL	C2A C2A	C2A	2,576 100.000%	2,071 80.396%	468 18.168%	14 0.543%	8 0.311%	15 0.582%
5 6	NUMBER OF RETAIL DISTR CUSTOMERS PERCENT OF TOTAL	C3A C3A	СЗА	2,576 100.000%	2,071 80.396%	468 18.168%	14 0.543%		15 0.582%
7 8	NMBR OF RETAIL WTD CUSTOMERS PERCENT OF TOTAL	C4A C4A	C4A	2,576 100.000%		468 18.168%	14 0.543%		15 0.582%
9 10	LIGHTING DIRECT ALLOCATOR PERCENT OF TOTAL	LDE LDE	LDE	100 100.000%		0 0.000%	0 0.000%		0.000%
11 12	LPS DIRECT ALLOCATOR PERCENT OF TOTAL	DA1 DA1	DA1	0 ERR		0 ERR	0 ERR		0 ERR
13 14	AVERAGE COINCIDENT KW DEMAND DEMAND ALLOCATION FACTOR-PROD	D1A D1A	D1A	8,188 100.000%		2,498 30.503%	1,687 20.603%		62 0.753%
15 16	AVERAGE COINCIDENT KW DEMAND DEMAND ALLOCATION FACTOR-TRANS	D1B D1B	D1B	8,188 100.000%		2,498 30.503%	1,687 20.603%		62 0.753%
17 18	AVG PRIMARY DISTRIB KW DEMAND DIST-PRI DEMAND ALLOC FACTOR	D2A D2A	D2A	10,282 100.000%		3,122 30.364%	2,109 20.510%		77 0.749%
19 20	AVG SECONDARY DISTRIB KW DEMAND DIST-SEC DEMAND ALLOC FACTOR	D3A D3A	D3A	10,282 100.000%		3,122 30.364%			77 0.749%
21 22	AVG SECONDARY DISTRIB KW DEMAND DIST-SEC DEMAND ALLOC FACTOR	D4A D4A	D4A	10,282 100.000%		3,122 30.364%			
23 24	ANNUAL MWH ENERGY CONTRIBUTION ENERGY ALLOCATION FACTOR	E1A E1A	E1A	54,750,447 100.000%					

TRI-COUNTY

SPECIFICALLY ASSIGNED DISTRIBUTION & PURCH POWER

TRI-COUNTY ELECTRIC - SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 1992 PAGE 3

······CUSTOMER DATA******* ···· C O N T I N U E D ****

LINE NO.	DESCRIPTION	ALL	OUT	TOTAL SMEC	RESIDENTIAL 440.01	SMALL C&I 442.01	LARGE C&1 442.02	ST. LIGHTING 444	PUB. AUTH. 445
25	RESERVED			0	0	0	0	0	0
26	PERCENT OF TOTAL			0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
27	WAGES/SALARIES: PRODUCTION	NPP		\$0	\$0	\$0	\$0	\$0	\$0
28	TRANSMISSION	NPT		\$0	\$0	\$0	\$0	\$0	\$0
29	DISTRIBUTION	NPD		\$500,458	\$302,520	\$124,929	\$60,497	\$9,156	\$3,356
30	GENERAL	NPG		\$44,286	\$30,508	\$9,782	\$3,190	\$526	\$280
31	WAGES/SALARIES: TOTAL	LBR	LBR	\$544,744	\$333,028	\$134,711	\$63,687	\$9,682	\$3,636 0.667%
32	PERCENT OF TOTAL	LBR		100.000%	61.135%	24.729%	11.691%	1.777%	0.667%
33	BULK TRANSMISSION REVENUE D1A ALL	D1A		\$0		\$0	\$0		\$0
34	PRIMARY TRANSMISSION REVENUE D2A	D2A		\$0		\$0	\$0		\$0
35	TOTAL TRANSMISSION REVENUE	TRN	TRN	\$0		\$0	\$0		\$0
36	PERCENT OF TOTAL	TRN		100.000%	100.000%	0.000%	0.000%	0.000%	0.000%
	EXISTING REVENUE					** *** ***	04 077 400	¢20.20E	\$54,741
37	EXISTING BASE REV	OTR	OTR	\$5,399,989		\$1,669,217	\$1,077,466 \$0		\$04,741
38	FUEL REVENUE	FUL		\$0		\$0	ან \$18,968		\$1,052
39	MISCELLANEOUS REVENUE MUCH IS			\$156,913		\$39,170 \$0	\$10,900		\$0
40	TRANSMISSION REVENUE	TRN		\$0		\$0 \$0	\$0 \$0	•	\$0
41	NON-FRM SLS FOR RESALE	E1A		\$0 	•				
42	TOTAL EXISTING REVENUE	EXR	EXR	\$5,556,902		\$1,708,387	\$1,096,434		\$55,793 ======
				======	=======	======	======	======	 -
40	PROPOSED REVENUE PROPOSED BASE REV			\$6,262,531	\$3,221,152	\$1,816,779	\$1,144,537	\$35,759	\$44,304
43 44	FUEL REVENUE			\$0		\$0	\$0	\$0	\$0
44	MISCELLANEOUS REVENUE			\$156,913		\$39,170	\$18,968		\$1,052
46	TRANSMISSION REVENUE			\$0		\$0	\$0		\$0
47	NON-FRM SLS FOR RESALE			\$0	•	\$0 	\$0		\$0
48	TOTAL PROPOSED REVENUE	PRV	PRV	\$6,419,444		\$1,855,949	\$1,163,505	\$38,630	\$45,356
.5				======	= ======	=======	======	=======	======
49	PROPOSED BASE REVENUE INCREASE/(DEC	REAS	E)	\$862,542	2 \$661,894	\$147,562			
50	PROPOSED BASE REVENUE INCR/(DECR) - 9			15.97%	25.86%	8.84%	6.22%	-9.02%	-19.07%

TRI-COUNTY

SPECIFICALLY ASSIGNED DISTRIBUTION & PURCH POWER

TRI-COUNTY ELECTRIC - SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 1992 PAGE 4

*****ELECTRIC GROSS PLANT****

		ALL	OUT	SMEC	440.01	442.01	442.02	444	445
1	TOTAL PRODUCTION PLANT	D1A	GPP	\$0	\$0	\$0	\$0	\$0	\$0
	TRANSMISSION PLANT								
2	POWER PLANT EQUIP	D1A		\$0	\$0	\$0	\$0	\$0	\$0
3	LARGE POWER SERVICE EQUIP	DA1		\$0	\$0	\$0	\$0	\$0	\$0
4	OTHER DIST IN ACCT 353	D2A		\$0	\$0	\$0	\$0	\$0	\$0
5	ALL OTHER TRANSMISSION	D1B		\$0	\$0	\$0	\$0	\$0	\$0
6	TOTAL TRANSMISSION PLANT	GPT	GPT	\$0	\$0	\$0	\$0	\$0	\$0
	DISTRIBUTION PLANT								
7	PRIMARY DEMAND RELATED	D4A		\$7,883,609	\$3,778,017	\$2,393,804	\$1,616,925	\$35,777	\$59,086
8	SECONDARY DEMAND RELATED	D3A		\$1,408,223	\$674,855	\$427,597	\$288,826	\$6,391	\$10,554
9	CUSTOMER RELATED	C4A		\$6,535,775	\$5,254,499	\$1,187,400	\$35,521	\$20,297	\$38,058
	OUR TOTAL DIOTE BLANT		SGD	\$15,827,607	\$9,707,371	\$4,008,801	\$1,941,272		\$107,698
10 11	SUB-TOTAL DISTR PLANT LIGHTING SPECIFIC	LDE	300	\$231,352	7-1 1-	\$0	\$0		\$0
									\$107.698
12	TOTAL DISTRIBUTION PLANT	GPD	GPD	\$16,058,959	\$9,707,371	\$4,008,801	\$1,941,272	\$293,817	\$107,086
	GENERAL AND INTANGIBLE PLANT								
13	PRODUCTION RELATED	GPP		\$0	\$0	\$0	\$0		\$0
14	TRANSMISSION RELATED	GPT		\$0	\$0	\$0	\$0		\$0
15	DISTRIBUTION RELATED	GPD		\$52,520	\$31,747	\$13,111	\$6,349	\$961	\$352
10	CUST ACCT/SERV & INFO/								
16	SALES RELATED	C2A		\$38,537		\$7,001	\$209		\$224
17	TOTAL GENERAL & INTANGIBLE PLANT	GPG	GPG	\$91,057		\$20,112	\$6,558		\$576
						\$4,028,913	 \$1,947,830		\$108,274
18	TOTAL GROSS PLANT IN SERVICE	GPR	GPR	\$16,150,016 ======		\$4,028,913 === = ==		• •	

TRI-COUNTY

SPECIFICALLY ASSIGNED DISTRIBUTION & PURCH POWER

TRI-COUNTY ELECTRIC - SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 1992 PAGE 5

*********ELECTRIC PLANT******** ***ACCUMULATED DEPRECIATION***

LINE NO.	DESCRIPTION	ALL	OUT	TOTAL SMEC	RESIDENTIAL 440.01	SMALL C&I 442.01	LARGE C&I 442.02	ST. LIGHTING 444	PUB. AUTH. 445
1	TOTAL PRODUCTION PLANT	D1A	DPP	\$0	\$0	\$0	\$0	\$0	\$0
	TRANSMISSION PLANT								
2	POWER PLANT EQUIP	D1B		\$0	\$0	\$0	\$0	\$0	\$0
3	LARGE POWER SERVICE EQUIP	DA1		\$0	\$0	\$0	\$0	\$0	\$0
4	OTHER DIST IN ACCT 353	D2A		\$0	\$0	\$0	\$0	\$0	\$0
5	ALL OTHER TRANSMISSION	D1A		\$0	\$0	\$0	\$0	\$0	\$0
6	TOTAL TRANSMISSION PLANT	DPT	DPT	\$0	\$0	\$0	\$0	\$0	\$0
	DISTRIBUTION PLANT								
7	PRIMARY DEMAND RELATED	D4A		\$3,013,921	\$1,444,344	\$915,156	\$618,154	\$13,678	\$22,589
8	SECONDARY DEMAND RELATED	D3A		\$538,367	\$257,999	\$163,471	\$110,419	\$2,443	\$4,035
9	CUSTOMER RELATED	C4A		\$2,498,640		\$453,945	\$13,580	\$7,760	\$14,550
	OUR TOTAL RIGITS BLANT		SDD	\$6,050,928	\$3,711,148	\$1,532,572	\$742,153	\$23,881	\$41,174
10 11	SUB-TOTAL DISTR PLANT LIGHTING SPECIFIC	LDE	200	\$88.446		\$0	\$0		\$0
1.1	EIGHTING STEON IO								
12	TOTAL DISTRIBUTION PLANT	DPD	DPD	\$6,139,374	\$3,711,148	\$1,532,572	\$742,153	\$112,327	\$41,174
	GENERAL AND INTANGIBLE PLANT								
13	PRODUCTION RELATED	GPP		\$0	\$0	\$0	\$0	\$0	\$0
14	TRANSMISSION RELATED	GPT		\$0	\$0	\$0	\$0	\$0	\$0
15	DISTRIBUTION RELATED	GPD		\$0	\$0	\$0	\$0	\$0	\$0
10	CUST ACCT/SERV & INFO/								
16	SALES RELATED	C2A		\$0	\$0	\$0	\$0	•	\$0
17	TOTAL GENERAL & INTANGIBLE PLANT	DPG	DPG	\$0		\$0	\$0		\$0
18	TOTAL ACCUMULATED DEPRECIATION	DPR	DPR	\$6,139,374	\$3,711,148	\$1,532,572	\$742,153 =======	\$112,327	\$41,174

TRI-COUNTY

SPECIFICALLY ASSIGNED DISTRIBUTION & PURCH POWER

TRI-COUNTY ELECTRIC - SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 1992 PAGE 6

*******ELECTRIC NET PLANT******

LINE NO.	DESCRIPTION	CONTRO! ALL	L OUT	TOTAL SMEC	RESIDENTIAL 440.01	SMALL C&I 442.01	LARGE C&I 442.02	ST. LIGHTING 444	PUB. AUTH. 445
1	TOTAL PRODUCTION PLANT	D1A	NPP	\$0	\$0	\$0	\$0	\$0	\$0
	TRANSMISSION PLANT								40
2	POWER PLANT EQUIP	D1B		\$0	\$0	\$0	\$0	\$0	\$0
3	LARGE POWER SERVICE EQUIP	DA1		\$0	\$0	\$0	\$0	\$0	\$0
4	OTHER DIST IN ACCT 353	D2A		\$0	\$0	\$0	\$0	\$0	\$0
5	ALL OTHER TRANSMISSION	D1A		\$0	\$0	\$0	\$0	\$0 	\$0
6	TOTAL TRANSMISSION PLANT	NPT	NPT	\$0	\$0	\$0	\$0	\$0	\$0
	DISTRIBUTION PLANT								
7	PRIMARY DEMAND RELATED	D4A		\$4,869,688	\$2,333,673	\$1,478,648	\$998,771	\$22,099	\$36,497
8	SECONDARY DEMAND RELATED	D3A		\$869,856	\$416,856	\$264,126	\$178,407	\$3,948	\$6,519
9	CUSTOMER RELATED	C4A		\$4,037,135	\$3,245,694	\$733,455	\$21,941	\$12,537	\$23,508
	CUE TOTAL DIOTO DI ANT		SPD	\$9,776,679		\$2,476,229	\$1,199,119	\$38.584	\$66,524
10 11	SUB-TOTAL DISTR PLANT LIGHTING SPECIFIC	LDE	SFU	\$142,906		\$0	\$0		\$0
	Liairriita di 15ii 15			·					#66 F04
12	TOTAL DISTRIBUTION PLANT	NPD	NPD	\$9,919,585	\$5,996,223	\$2,476,229	\$1,199,119	\$181,490	\$66,524
	GENERAL AND INTANGIBLE PLANT								
13	PRODUCTION RELATED	NPP		\$0	\$0	\$0	\$0		\$0
14	TRANSMISSION RELATED	NPT		\$0	\$0	\$0	\$0		\$0
15	DISTRIBUTION RELATED	NPD		\$52,520	\$31,747	\$13,111	\$6,349	\$961	\$352
	CUST ACCT/SERV & INFO/								
16	SALES RELATED	C2A		\$38,537	\$30,983	\$7,001	\$209		\$224
17	TOTAL GENERAL & INTANGIBLE PLANT	NPG	NPG	\$91,057		\$20,112	\$6,558		\$576
18	TOTAL NET PLANT IN SERVICE	NPR	NPR	\$10,010,642	\$6,058,953	\$2,496,341	\$1,205,677		\$67,100
-				======	=======	==#====	=======	========	======

TRI-COUNTY

SPECIFICALLY ASSIGNED DISTRIBUTION & PURCH POWER

TRI-COUNTY ELECTRIC - SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 1992 PAGE 7

****** RATE BASE *****

LINE NO.	DESCRIPTION	CONTRO ALL	L OUT	TOTAL SMEC	RESIDENTIAL 440.01	SMALL C&I 442.01	LARGE C&I 442.02	ST. LIGHTING 444	PUB. AUTH. 445
1	NET PLANT IN SERVICE	NPR	NPR	\$10,010,642	\$6,058,953	\$2,496,341	\$1,205,677	\$182,571	\$67,100
	CONSTRUCTION WORK IN PROGRESS								
2	PRODUCTION PLANT	NPP		\$0	\$0	\$0	\$0	\$0	\$0
3	TRANSMISSION PLANT	NPT		\$0	\$0	\$0	\$0	\$0	\$0
4	DISTRIBUTION PLANT	NPD		\$60,135	\$36,351	\$15,012	\$7,269	\$1,100	\$403
5	GENERAL PLANT	NPG		\$0	\$0 	\$0 	\$0 - -	\$0 	\$ 0
6	TOAL CWIP	CWP	CWP	\$60,135	\$36,351	\$15,012	\$7,269	\$1,100	\$403
7	NET ACQUISITION ADJUSTMENT	D2A	ACQ	\$349,815	\$167,639	\$106,219	\$71,747	\$1,588	\$2,622
8	PLANT HELD FOR FUTURE USE	E1A	PLH	\$0	\$0	\$0	\$0	\$0	\$0
	MISC DEFERRED DEBITS								
9	PROD RELATED	NPP		\$0	\$0	\$0	\$0		\$0
10	TRAN RELATED	NPT		\$0	\$0	\$0	\$0		\$0
11	DIST RELATED	NPD		\$0	\$0	\$0	\$0	\$0	\$0
12	GENR RELATED	NPG		\$0	\$0	\$0	\$0	\$0	\$0
13	LABOR RELATED	LBR		\$79,268	\$48,461	\$19,602	\$9,267	\$1,409	\$529
14	NPR RELATED	NPR		\$167,370		\$41,737	\$20,158		\$1,122
15	TOTAL MISC DEFRD DEBITS			\$246,638		\$61,339	\$29,425		\$1,651
	WORKING CAPITAL								04 700
16	CASH WORK CAP, FUNDS, MAT&SUP	NPR	MAS	\$254,053		\$63,353			
17	FUEL STOCK	E1A	FUL	\$0		\$0	\$0		
18	PREPAID LIGNITE ROYALTIES	E1A		\$0		\$0	•		* -
19	OTHER PREPAYMENTS	NPR		\$5,634		\$1,405	\$679	•	
20	TOTAL WORKING CAPITAL			\$259,687		\$64,758			\$1,741
21	UNAMORTIZED LOSS ON REACQD LTD	NPR		\$0	\$0	\$0	\$0	\$0	\$0
22	DEFERRED FUEL	E1A	DEF	\$0	\$0	\$0	\$0	\$0	\$0

(RATE BASE CONTINUED ON NEXT PAGE)

TRI-COUNTY

SPECIFICALLY ASSIGNED DISTRIBUTION & PURCH POWER

TRI-COUNTY ELECTRIC - SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 1992 PAGE 8

****** RATE BASE****** ** CONTINUED **

LINE NO.	DESCRIPTION	CONTROL ALL	OUT	TOTAL SMEC	RESIDENTIAL 440.01	SMALL C&I 442.01	LARGE C&I 442.02	ST. LIGHTING 444	PUB. AUTH. 445
	ACCUMULATED DEFERRED INCOME TAX								
23	ACCT 281: POL CON	NPP		\$0	\$0	\$0	\$0	\$0	\$0
24	ACCT 282: LIBERAL DEP - PROD	NPP		\$0	\$0	\$0	\$0	\$0	\$0
25	TRAN	NPT		\$0	\$0	\$0	\$0	\$0	\$0
26	DIST	NPD		\$0	\$0	\$0	\$0	\$0	\$0
27	GENR	NPG		\$0	\$0	\$0	\$0	\$0	\$0
28	LIGNITE EXPLORATN	E1A		\$0	\$0	\$0	\$0	\$0	\$0
29	LABOR RELATED	LBR		\$0	\$0	\$0 	\$0	\$0	\$0
30	TOTAL ACCOUNT 282			\$0	\$0	\$0	\$0	\$0	\$0
31	ACCT 283: THIS LINE RESERVED			\$0	\$0	\$0	\$0	\$0	\$0
32	LONG TERM DEBT LOSS	NPR		\$0	\$0	\$0	\$0	\$0	\$0
33	TOTAL ACCOUNT 283			\$0	\$0	\$0	\$0	\$0	\$0
34	ACCOUNT 190: PRODUCTION RELATED	NPP		\$0	\$0	\$0	\$0	\$0	\$0
35	PLANT RELATED	NPR		\$0	\$0	\$0	\$0	\$0	\$0
36	ENERGY RELATED	E1A		\$0	\$0	\$0	\$0	\$0	\$0
37	LABOR RELATED	LBR		\$0	\$0	\$0	\$0	\$0	\$0
38	FERC REFUND	TRN		\$0	\$0	\$0	\$0	•	\$ 0
39	TOTAL ACCOUNT 190			\$0	\$0	\$0	\$0		\$0
40	TOTAL ACCUM DEFRD INC TAX	ACC	ACC	\$0	\$0	\$0	\$0	\$0	\$0
41	INVESTMENT TAX CREDIT PRE '71	NPR	PIC	\$0	\$0	\$0	\$0	\$0	\$0
42	CUSTOMER ADVANCES AND DEPOSITS	СЗА	CAD	(\$12,483)) (\$10,035)	(\$2,268)	(\$68) (\$39)	(\$73)
43	STORM DAMAGE & INJ & DAM RESRVS	D2A	SDR	\$0	\$0	\$0	\$0	\$0	\$0
44	PNSN & MIS OP RSRVS, OTR DEF CR	OMA	PEN	(\$127,824	(\$78,109)	(\$31,622)	(\$14,965	i) (\$2,274)	(\$854)
45	TRANSMISSION RATE REFUND RESERVE	TRN		\$0 		\$0 	\$0	•	\$0
46	TOTAL RATE BASE	RBT	RBT	\$10,786,610 ======	\$6,481,736	\$2,709,779 ======	\$1,330,362 ======		\$72,590 ======

TRI-COUNTY

SPECIFICALLY ASSIGNED DISTRIBUTION & PURCH POWER

TRI-COUNTY ELECTRIC - SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 1992 PAGE 9

*******OPER AND MTN EXPENSES*******

LINE NO.	DESCRIPTION	CONTRO ALL	L OUT	TOTAL F	ESIDENTIAL 440.01	SMALL C&I 442.01	LARGE C&I 442.02	ST. LIGHTING 444	PUB. AUTH. 445
1	PRODUCTION O&M EXPENSE FUEL EXPENSE - ACCT 501 PURCHASED POWER - ACCT 555	E1A		\$0	\$0	\$0	\$0	·	\$0
2	DEMAND - OTHER	D1A		TRADÉS	ECRET DATA	BEGINS		TRADE SECRÉ	T DATA ENDS]
3	ENERGY - OTHER	E1A							
4	NET OFF SYSTEM REVENUE OTHER PRODUCTION O&M ACCTS	E1A		\$0	\$0	\$0	\$0	\$0	\$0
5	DEMAND - OTHER	D1A		\$0	\$0	\$0	\$0	\$0	\$0
6	ENERGY - OTHER	E1A		\$0	\$0	\$0	\$0	\$0 	\$0
7	TOTAL OTHER PRODUCTION O&M	PRO	PRO	\$0	\$0	\$0	\$0		\$0
8	TOTAL PRODUCTION O&M EXPENSE	OMP	OMP	[TRADE S	ECRET DATA	A BEGINS			ET DATA ENDSJ
9	TOTAL TRANSMISSION O&M EXPENSE	NPT	ОМТ	\$0	\$0	\$0	\$0	\$0	\$0
10 11	DISTRIBUTION O&M EXPENSE LIGHTING SPECIFIC ALL OTHER	LDE SPD		[TR/	ADE SECRET	DATA BEGIN	S TRA	DE SECRET DA	
12	TOTAL DISTRIBUTION O&M EXPENSE	OMD	OMD		SECRET DAT.			TRADE SECR	ET DATA ENDS]
13	TOTAL CUST ACCT/SERV & INFO/ SALES EXPENSE	C2A	омс	\$199,930	\$160,735	\$36,323	\$1,087	\$621	\$1,164
14 15	ADMINISTRATIVE & GENERAL EXPENSE PROP INSURANCE/INJ & DAMG CUST ACCT/SERV&INFO/SALES REL	NPR LBR		\$7,150 \$149,310	\$4,328 \$91,280	\$1,783 \$36,923	\$861 \$17,456	\$2,654	\$997
16	TOTAL ADMIN & GENERAL EXPENSE	OMA	OMA	\$156,460	\$95,608	\$38,706	\$18,317		
17	TOTAL OPER & MTN EXPENSES	ОМХ	OMX	[TRADE S	ECRET DATA	A BEGINS	=====	TRADE SECRE	T DATA ENDS]

TRI-COUNTY

SPECIFICALLY ASSIGNED DISTRIBUTION & PURCH POWER

TRI-COUNTY ELECTRIC - SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 1992 PAGE 10

EXPENSES OTHER THAN INCOME TAXES

LINE NO.	DESCRIPTION	CONTRO ALL	L OUT	TOTAL SMEC	RESIDENTIAL 440.01	SMALL C&I 442.01	LARGE C&I 442.02	ST. LIGHTING 444	PUB. AUTH. 445
1	TOTAL OPER & MTN EXPENSES	OMX		[TRADE	SECRET DATA	BEGINS			T DATA ENDS]
	DEPRECIATION & AMORTIZATION EXPENS	SES							
2	PRODUCTION	NPP		\$0	\$0	\$0	\$0	\$0	\$0
3	TRANSMISSION	NPT		\$0	\$0	\$0	\$0	\$0	\$0
4	DISTRIBUTION	NPD		\$511,916	\$309,445	\$127,790	\$61,882	\$9,366	\$3,433
5	GENERAL	NPG		\$18,103		\$3,998	\$1,304	\$215	\$115
6	TOTAL DEPR & AMORT EXPEN	DEP	DEP	\$530,019	\$321,916	\$131,788	\$63,186		\$3,548
7	INTEREST ON CUSTOMER DEPOSITS	СЗА	ICD	\$0	\$0	\$0	\$0	\$0	\$0
	GENERAL TAXES								
8	AD VALOREM	NPR	VAL	\$0	\$0	. \$0	\$0	\$0	\$0
9	LA CORP FRANCHISE TAX	NPR	SFT	\$0	\$0	\$0	\$0	\$0	\$0
10	MISCELLANEOUS GENERAL TAXES	LBR	MIS	\$0	\$0	\$0	\$0	\$0	\$0
11	REVENUE-RELATED (AS PROPOSED)	RTX		\$0	*-	\$0	\$0	•	\$0
12	TOTAL GENERAL TAXES	GTX	GTX	\$0		\$0	\$0		\$0
									T DATA ENDO
13	TOTAL EXPENSES EXCEPT INCOME TAX	EXP	EXP	[TRADI	SECRET DATA	A BEGINS		TRADE SECRE	
				======	======	======	=======	======	======

TRI-COUNTY

SPECIFICALLY ASSIGNED DISTRIBUTION & PURCH POWER

TRI-COUNTY ELECTRIC - SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 1992 PAGE 11

INCOME TAX FOR 4.38% ROE

LINE NO.	DESCRIPTION	CONTROI ALL	OUT	TOTAL SMEC	RESIDENTIAL 440.01	SMALL C&I 442.01	LARGE C&I 442.02	ST. LIGHTING 444	PUB. AUTH. 445
1	RATE BASE	RBT		\$10,786,610	\$6,481,736	\$2,709,779	\$1,330,362	\$192,143	\$72,590
2	RETURN AT 4.55%	RBT	RET	\$490,422	\$294,698	\$123,202	\$60,486	\$8,736	\$3,300
3	INTEREST (2.68% OF LINE 1)	RBT	INT	(\$289,450)	(\$173,932)	(\$72,715)	(\$35,699)	(\$5,156)	(\$1,948)
4	AFUDC	NPR	AFD	\$0	\$0	\$0	\$0	\$0	\$0
	PROVISION FOR DEFERRED TAXES								
5	ACT 410.1: PROD RLTD	NPP		\$0	\$0	\$0	\$0	\$0	\$0
6	TRAN RLTD	NPT		\$0	\$0	\$0	\$0	\$0	\$0
7	PLANT RLTD	NPR		\$0	\$0	\$0	\$0	\$0	\$0
8	ENERGY RLTD	E1A		\$0	\$0	\$0	\$0	\$0	\$0
9	LABOR RLTD	LBR		\$0	\$0	\$0	\$0	\$0	\$0
10	CUSTOMER RELATED	C3A		\$0	\$0	\$0	\$0	\$0	\$0
11	RESERVED			\$0	\$0	\$0	\$0	\$0 	\$0
12	TOTAL 410.1			\$0		\$0	\$0		\$0
13	ACT 411.1: PROD RLTD	NPP		\$0	\$0	\$0	\$0	\$0	\$0
14	TRAN RLTD	NPT		\$0	\$0	\$0	\$0	\$0	\$0
15	PLANT RELATED	NPR		\$0	\$0	\$0	\$0	\$0	\$0
16	ENERGY RELATED	E1A		\$0	\$0	\$0	\$0	\$0	\$0
17	LABOR RELATED	LBR		\$0	\$0	\$0	\$0	\$0	\$0
18	CUSTOMER RELATED	C3A		\$0		\$0 	\$0	,	\$0
19	TOTAL 411.1			\$0		\$0	\$0		\$0
20	NET PROVISION FOR DEFRD INC TAX		PDT	\$0	\$0	\$0	\$0	\$0	\$0
21	ITC AMORT	NPR	ITA	\$0	•	\$0 	\$0		\$0
22	ADJUSTED RETURN	ART	ART	\$200,972		\$50,487	\$24,787	\$3,580	\$1,352
	FED ADD INC & UNALLOW DEDUCTS							_	
23	PRODUCTION RELATED	NPP		\$0		\$0	\$0		\$0
24	DISTRIBUTION RELATED	NPD		\$0	\$0	\$0	\$0		\$0
25	PLANT RELATED	NPR		\$0	\$0	\$0	\$0		\$0
26	ENERGY RELATED	E1A		\$0	\$0	\$0	\$0		\$0
27	LABOR RELATED	LBR		\$0	\$0	\$0	\$0		\$0
28	TRANSMISSION REV RELATED	TRN		\$0	\$0	\$0	\$0		\$0
29	RESERVED			\$0	\$0	\$0	\$0		\$0
30	DISTRIBUTION CUSTOMER RELATED	СЗА		\$0	•	\$0 -	\$0		\$0
31	TOTAL ADDITIONS	FTA	FTA	\$0			\$0		

(INCOME TAX CALCULATION CONTINUED ON NEXT PAGE)

TRI-COUNTY

SPECIFICALLY ASSIGNED DISTRIBUTION & PURCH POWER

TRI-COUNTY ELECTRIC - SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 1992 PAGE 12

""INCOME TAX FOR 4.38% ROE""
"" CONTINUED ""

LINE NO.	DESCRIPTION	CONTRO ALL	L OUT	TOTAL SMEC	RESIDENTIAL 440.01	SMALL C&I 442.01	LARGE C&I 442.02	ST. LIGHTING 444	PUB. AUTH. 445
	FED DEDUCTS AND NON-TAX INCOME					**********	*		
32	PRODUCTION RELATED	NPP		\$0	\$0	\$0	\$0	\$0	\$0
33	DISTRIBUTION RELATED	NPD		\$0	\$0	\$0	\$0	\$0	\$0
34	PLANT RELATED	NPR		\$0	\$0	\$0	\$0	\$0	\$0
35	ENERGY RELATED	E1A		\$0	\$0	\$0	\$0	\$0	\$0
36	LABOR RELATED	LBR		\$0	\$0	\$0	\$0	\$0	\$0
37	TRANSMISSION REV RELATED	TRN		\$0	\$0	\$0	\$0	\$0	\$0
38	DISTRIBUTION CUSTOMER RELATED	СЗА		\$0	\$0 	\$0	\$0 	\$0	\$0
39	TOTAL DEDUCTIONS	FTD	FTD	\$0	\$0	\$0	\$0		\$0
40	NET FEDERAL DEDUCTIONS	NFD	NFD	\$0	\$0	\$0	\$0	\$0	\$0
41	ST ADD INC & UNALLOW DEDUCTS	FTA		\$0	\$0	\$0	\$0		\$0
42	ST DEDUCTS AND NON-TAX INCOME	FTD		\$0	\$0	\$0	\$0 		\$0
43	NET STATE DEDUCTIONS	NSD	NSD	\$0	\$0	\$0	\$0		\$0
44	PROV FOR DEF'D ITC - CURRENT	NPR	ITC	\$0	\$0	\$0	\$0	\$0	\$0
	FEDERAL TAXABLE INCOME								44.050
45	ADJ RET * 1/(1-0.0000-0.0000)	ART	TART	\$200,972	\$120,766	\$50,487	\$24,787		\$1,352
46	NET FED DED * 1/(1-0.0000)	NFD		\$0	\$0	\$0	\$0		\$0 #0
47	NET ST DED * (1/(1-0.0000))-1	NSD		\$0	\$0	\$0	\$0		\$0
48	CURRENT ITC * (1/1-0.00))-1	ITC		\$0 	-	\$0 	\$0 		\$0
49	TOTAL FEDERAL TAXABLE INCOME	FTI	FTI	\$200,972		\$50,487	\$24,787	\$3,580	\$1,352
50	PLUS: NET FED DEDUCTS	NFD		\$-0	\$0	\$-0	\$-0		
51	LESS: NET STATE DEDUCTS	NSD		\$0		\$0	\$0		•
52	TOTAL STATE TAXABLE INCOME	STI	STI	\$200,972		\$50,487	\$24,787		
	FED & ST INCOME TAXES:								
53	FED TAXABLE INC * 0.0000	FTI		\$0	\$0	\$0	\$0		
54	ST, TAXABLE INC * 0.0000	STI		\$0	\$0	\$0	\$0		
55	LESS: CRNT ITC * (1-0.0000)	ITC		\$-0		\$-0	\$-C		,
56	TOTAL FED & ST INCOME TAXES	FST	FST	\$0	\$0	\$0	\$(\$0	\$0
57	INVESTMENT TAX CREDIT - NET	NPR	ITN	==== == \$0		\$0	\$0		

TRI-COUNTY

SPECIFICALLY ASSIGNED DISTRIBUTION & PURCH POWER

TRI-COUNTY ELECTRIC - SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 1992 PAGE 13

*****COST OF SERVICE***** *** (PROPOSED) ***

LINE NO.	DESCRIPTION	CONTRO ALL	L OUT	TOTAL SMEC	RESIDENTIAL 440.01	SMALL C&I 442.01	LARGE C&I 442.02	ST. LIGHTING 444	PUB. AUTH. 445
1	RATE BASE	RBT		\$10,786,610	\$6,481,736	\$2,709,779	\$1,330,362	\$192,143	\$72,590
2	RETURN AT 4.55%	RET		\$490,422	\$294,698	\$123,202	\$60,486	\$8,736	\$3,300
3	OPERATION & MAINTENANCE EXPENSES	OMX		[TRADE S	ECRET DATA I	BEGINS	TI	RADE SECRET	DATA ÉNDS]
4	DEPRECIATION & AMORT EXPENSES	DEP		\$530,019	\$321,916	\$131,788	\$63,186	\$9,581	\$3,548
5	INTEREST ON CUSTOMER DEPOSITS	ICD		\$0	\$0	\$0	\$0	\$0	\$0
6	GENERAL TAXES	GTX		\$0	\$0	\$0	\$0	\$0	\$0
7	FEDERAL AND STATE INCOME TAX	FST		\$0	\$0	\$0	\$0	\$0	\$0
8	PROVISION FOR DEFERRED TAXES	PDT		\$0	\$0	\$0	\$0	\$0	\$0
9	INVESTMENT TAX CREDIT - NET	ITN		\$0	\$0	\$0	\$0	\$0	\$0
10	AFUDC	AFD		\$0		\$0	\$0		\$ 0
11	COST OF SERVICE REVENUE REQUIREM BEFORE ATTRITION ADJUSTMENT	ENT CSR	CSR	\$6,419,444	\$3,316,004	\$1,855,949	\$1,163,505		\$45,356
12	LESS: FUEL REVENUE	FUL		\$-0		\$-0 	\$-0		\$-0
13	BASE COST OF SERVICE REVENUE REQUIREMENT	BRR	BRR	\$6,419,444		\$1,855,949	\$1,163,505		\$45,356
14	ATTRITION ADJUSTMENT	BRR		\$0	•	\$0 	\$0		·
15	BASE COST OF SERVICE REVENUE REQU AFTER ATTRITION ADJUSTMENT	JIREMENT ARR	ARR	\$6,419,444		\$1,855,949	\$1,163,505	\$38,630	\$45,356
16	PLUS: FUEL REVENUE	FUL		\$0		\$0	\$0		
17	COST OF SERVICE REVENUE REQUIREM AFTER ATTRITION ADJUSTMENT	ENT		\$6,419,444		\$1,855,949	\$1,163,505		\$45,356
18	LESS: MISCELLANEOUS REVENUE	MUCH IS	DISTR F	(\$156,913	(\$94,852)	(\$39,170)	(\$18,968	3) (\$2,871) (\$1,052)
19	LESS: BULK TRANSMISSION REVENUE	D1A ALI	_((\$0) (\$0)	\$-0	\$-0	\$-0	\$-0
20	LESS: PRIMARY TRANSMISSION REVENU	IE D2A	ALLOCA	\$-0	\$0	\$-0	\$-0	\$-0	\$-0
21	LESS: NON-FRM SLS FOR RESALE			\$-0	\$0	\$-0 	\$-0		\$-0
22	NET ELECTRIC REVENUE REQUIREMENT	Г		\$6,262,531 ======	\$3,221,152	\$1,816,779 ======	\$1,144,53 ======	7 \$35,759	

TRI-COUNTY

SPECIFICALLY ASSIGNED DISTRIBUTION & PURCH POWER

TRI-COUNTY ELECTRIC - SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 1992 PAGE 14

EXISTING RETURN AND INCOME TAX

LINE NO.	DESCRIPTION	CONTROI ALL	L OUT	TOTAL SMEC	RESIDENTIAL 440.01	SMALL C&I 442.01	LARGE C&I 442.02	ST. LIGHTING 444 	PUB. AUTH. 445
1	EXISTING REVENUE REVENUE DEDUCTIONS:	EXR		TRADES	SECRET DATA	BEGINS	1	TRADE SECRET	TDĀTA ENDSJ
2	O&M EXPENSES	OMX		(0500.010)	(#201.016)	(\$131,788)	(\$63,186)	(\$9,581)	(\$3,548)
3 4	DEPRECIATION & AMORT EXPENSES AD VALOREM TAXES	DEP VAL		(\$530,019) \$-0	(\$321,916) \$0	(\$131,766)	\$-0	\$-0	\$-0
5	CORP FRANCHISE TAX	SFT		\$-0	\$0	\$-0	\$-0	\$-0	\$-0
6	MISC GENERAL TAXES	MIS		\$-0	\$0	\$-0	\$-0	\$-0	\$-0
7	REVENUE-RELATED TAXES	RTX		\$0	\$0	\$0	\$0	\$0	\$0
8	INTEREST ON CUST DEPOSITS	ICD		\$-0	\$0	\$-0	\$-0	\$-0	\$-0
9	TOTAL REVENUE DEDUCTIONS			[TR/	ADE SECRET D	ATA BEGINS.	TRAD	E SECRET DA	TÄ ENDS]
10	NET FOR RETURN AND INCOME TAXES	NET	NET	(\$372,120)	(\$367,196)	(\$24,360)	(\$6,585	\$12,282	\$13,737
11	LESS: INTEREST EXPENSE	INT		(\$289,450)	(\$173,932)	(\$72,715)	(\$35,699) (\$5,156)	(\$1,948)
12	LESS: NET FEDERAL DEDUCTIONS	NFD		\$0	\$0	\$0 	\$0 		\$0
13	TOTAL FEDERAL TAXABLE INCOME			(\$661,570)		(\$97,075)	(\$42,284	\$7,126	\$11,789
14	PLUS: NET FEDERAL DEDUCTIONS	NFD		\$-0	\$0	\$-0	\$-0		\$-0
15	LESS: NET STATE DEDUCTIONS	NSD		\$0	\$0	\$0	\$0 		\$0
16	TOTAL STATE TAXABLE INCOME			(\$661,570)	(\$541,128)	(\$97,075)	(\$42,284		\$11,789
	FED AND ST INCOME TAXES								•
17	FED TAXABLE INC * 0.0000			\$0		\$0	\$0		\$0 *0
18	ST. TAXABLE INC * 0.0000			\$0	• • • • • • • • • • • • • • • • • • • •	\$0	\$0 \$-0		\$0 \$-0
19	LESS: CRNT ITC * (1-0.0000)			\$-0 	\$0 	\$-0 	\$-U		\$- 0
20	TOTAL FED & ST INCOME TAXES			\$0	\$0	\$0	\$0	\$0	\$0
	*****RETURN COMPUTATION*****								A 4 A 7 A 7
21	NET FOR RETURN AND INCOME TAXES	NET		(\$372,120		(\$24,360)		•	
22	FED & ST INCOME TAXES			\$-0		\$-0	\$-(\$-(
23	PROV FOR DEF TAXES	PDT		\$-0		\$-0 \$-0	\$-(\$-(•
24	INVESTMENT TAX CREDIT - NET	ITN		\$-0 \$-0		ъ-∪ \$-0	φ-(\$-(•
25	AFUDC	AFD		φ-υ	•				•
26	NET RETURN			(\$372,120) (\$367,196)	(\$24,360)	(\$6,585	5) \$12,282	\$13,737
27	RATE BASE	RBT		\$10,786,610	\$6,481,736	\$2,709,779	\$1,330,362	\$192,143	\$72,590
28	RETURN ON RATE BASE	ROR		-3.45%		-0.90%	-0.49%		
29	NON-EQUITY PORTION OF RETURN	DA3		-2.68%		-2.68%	-2.68%		
30	EQUITY PORTION OF EXISTING RETRN	DA3		-6.13%		-3.58%	-3.17%		
31	EXISTING RETURN ON EQUITY	DA3	ROE	-14.43%	-19.65%	-8.43%	-7.47%	8.72%	38.20%

TRI-COUNTY

SPECIFICALLY ASSIGNED DISTRIBUTION & PURCH POWER

TRI-COUNTY ELECTRIC - SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 1992 PAGE 15

PROPOSED RETURN AND INCOME TAX

LINE NO.	DESCRIPTION	CONTRO ALL		TOTAL SMEC	RESIDENTIAL 440.01	SMALL C&I 442.01	LARGE C&I 442.02	ST. LIGHTING 444	PUB. AUTH. 445
1	PROPOSED REVENUE	PRV		\$6,419,444	\$3,316,004	\$1,855,949	\$1,163,505	\$38,630	\$45,356
	REVENUE DEDUCTIONS:	0111/		TRADES	SECRET DATA	BEGINS	T	RADE SECRET	DATA ENDS]
2	O&M EXPENSES	OMX DEP		(\$530,019)		(\$131,788)	(\$63,186)	(\$9,581)	(\$3,548)
3	DEPRECIATION & AMORT EXPENSES	VAL		(\$550,019) \$-0	(φ321,910) \$0	(ψ131,760) \$-0	\$-0		\$-0
4 5	AD VALOREM TAXES CORP FRANCHISE TAX	SFT		\$-0 \$-0	\$0	\$-0	\$-0	•	\$-0
6	MISC GENERAL TAXES	MIS		\$-0	\$0	\$-0	\$-0		\$-0
7	REVENUE-RELATED TAXES	RTX		\$0	\$0	\$0	\$0	\$0	\$0
8	INTEREST ON CUST DEPOSITS	ICD		\$-0	\$0	\$-0	\$-0	\$-0	\$-0
9	TOTAL REVENUE DEDUCTIONS			[TR/	ADE SECRET D	ATA BEGINS	TRADI	E SECRET DAT	A ENDS]
10	NET FOR RETURN AND INCOME TAXES	NET	NET	\$490,422	\$294,698	\$123,202	\$60,486	\$8,736	\$3,300
11	LESS: INTEREST EXPENSE	INT		(\$289,450) (\$173,932)	(\$72,715)	(\$35,699	(\$5,156)	(\$1,948)
12	LESS: NET FEDERAL DEDUCTIONS	NFD		\$0	\$0	\$0	\$0		\$0
13	TOTAL FEDERAL TAXABLE INCOME			\$200,972		\$50,487	\$24,787		\$1,352
14	PLUS: NET FEDERAL DEDUCTIONS	NFD		\$-0	\$0	\$-0	\$-0		\$-0
15	LESS: NET STATE DEDUCTIONS	NSD		\$0		\$0	\$0		\$0
16	TOTAL STATE TAXABLE INCOME			\$200,972		\$50,487	\$24,787		\$1,352
	FED AND ST INCOME TAXES						4.		Φ0
17	FED TAXABLE INC * 0.0000			\$0		\$0	\$0		\$0 \$ 0
18	ST. TAXABLE INC * 0.0000			\$0		\$0	\$(\$-(· ·
19	LESS: CRNT ITC * (1-0.0000)			\$-C		\$-0 	Φ-0		φ-0
20	TOTAL FED & ST INCOME TAXES			\$0	\$0	\$0	\$0	\$0	\$0
	*****RETURN COMPUTATION*****								40.000
21	NET FOR RETURN AND INCOME TAXES	NET		\$490,422		\$123,202			
22	FED & ST INCOME TAXES			\$-0		\$-0		-	
23	PROV FOR DEF TAXES	PDT		\$-0			•		•
24	INVESTMENT TAX CREDIT - NET	ITN		\$-0		* -	•	- :	* -
25	AFUDC	AFD		\$-0 	• -	φ-0			
26	NET RETURN			\$490,422	2 \$294,698	\$123,202	\$60,486	6 \$8,736	\$3,300
27	RATE BASE	RBT		\$10,786,610	\$6,481,736	\$2,709,779	\$1,330,36	2 \$192,143	\$72,590
28	RETURN ON RATE BASE	ROR		4.55%	6 4.55%	4.55%			
29	NON-EQUITY PORTION OF RETURN	DA3		-2.68%	6 -2.68%	-2.68%			
30	EQUITY PORTION OF EXISTING RETRN	DA3		1.86%					
31	PROPOSED RETURN ON EQUITY	DA3	ROE	4.38%	4.38%	4.38%	4.38%	% 4.38%	4.38%

TRI-COUNTY

SPECIFICALLY ASSIGNED DISTRIBUTION & PURCH POWER

TRI-COUNTY ELECTRIC - SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 1992 PAGE 16

COST OF SERVICE SUMMARY

LINE NO.	DESCRIPTION	CONTROL ALL OUT	TOTAL SMEC	RESIDENTIAL 440.01	SMALL C&I 442.01	LARGE C&I 442.02	ST. LIGHTING 444	PUB. AUTH. 445

	NET PLANT IN SERVICE: PRODUCTION PLANT	NPP	\$0	\$0	\$0	\$0	\$0	\$0
1 2	TRANSMISSION PLANT	NPT	\$0 \$0	\$0	\$0	\$0	\$0	\$0
3	DISTRIBUTION PLANT	NPD	\$9,919,585	\$5,996,223	\$2,476,229	\$1,199,119	\$181,490	\$66,524
4	GENERAL PLANT	NPG	\$91,057	\$62,730	\$20,112	\$6,558	\$1,081	\$576
4	GENERAL PLANT	NEG	φ51,057	ΨΟΣ,700	Ψ20,112	Ψο,σσσ		
5	TOTAL NET ELECTRIC PLANT	NPR	\$10,010,642	\$6,058,953	\$2,496,341	\$1,205,677	\$182,571	\$67,100
6	CONST. WORK IN PROGRESS	CWP	\$60,135	\$36,351	\$15,012	\$7,269	\$1,100	\$403
7	ACQUISITION ADJUSTMENT	ACQ	\$349,815	\$167,639	\$106,219	\$71,747	\$1,588	\$2,622
8	PLANT HELD FOR FUTURE USE	PLH	\$0	\$0	\$0	\$0	\$0	\$0
9	TOTAL MISC DEFRD DEBITS		\$246,638	\$149,762	\$61,339	\$29,425	\$4,461	\$1,651
3	WORKING CAPITAL:		42 10,000	* , , . ==	*,	, ,		
10	CASH WORK CAP, FUNDS, MAT&SUP	MAS	\$254,053	\$153,766	\$63,353	\$30,598	\$4,633	\$1,703
11	FUEL STOCK	FUL	\$0	\$0	\$0	\$0	\$0	\$0
12	PREPAID LIGNITE ROYALTIES	E1A	\$0	\$0	\$0	\$0	\$0	\$0
13	OTHER PREPAYMENTS	NPR	\$5.634	\$3,409	\$1,405	\$679	\$103	\$38
14	UNAMORTIZED LOSS ON REACOD LTD	NPR	\$0	\$0	\$0	\$0		\$0
15	DEFERRED FUEL	DEF	\$0	\$0	\$0	\$0		\$0
16	ACCUMULATED DEFERRED INCOME TAX		\$0	\$0	\$0	\$0		\$0
17	PRE-1971 INVESTMENT TAX CREDIT	PIC	\$0	\$0	\$0	\$0	\$0	\$0
18	CUSTOMER ADVANCES AND DEPOSITS	CAD	(\$12,483)	*-	(\$2,268)	(\$68		(\$73)
19	STORM DAMAGE/INJ & DAM RESRVS	SDR	\$0	, , , ,	\$0	\$0	, , , ,	\$0
20	PNSN & MIS OP RSRVS, OTR DEF CRS	PEN	(\$127,824)		(\$31,622)	(\$14,965		(\$854)
21	TRANSMISSION RATE REFUND RESERVE		(ψ127,024) \$0		\$0	\$0	, , , , ,	\$0
21	TRANSINISSION HATE HELI OND HESERVE	. ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,						
22	AVERAGE ORIGINAL COST RATE BASE	RBT	\$10,786,610	\$6,481,736	\$2,709,779	\$1,330,362	\$192,143	\$72,590
23	RETURN AT 4.55%	RET	\$490,422	\$294,698	\$123,202	\$60,486	\$8,736	\$3,300
	OPERATION & MAINTENANCE EXPENSES	;			DEZINÓ.		EN ATME OF A DIE	T DATA ENDEL
24	PRODUCTION O&M	OMP		SECRET DATA				r data endsj_
25	TRANSMISSION O&M	OMT	\$0	SADE SECRET	\$0	\$(DE SECRET DA	TA UNDSI
26	DISTRIBUTION O&M	OMD	[IR					
27	CUST ACCT/SERV/SALES	OMC	\$199,930		\$36,323	\$1,087		\$1,164
28	ADMINISTRATIVE & GENERAL	OMA	\$156,460		\$38,706	\$18,317		\$1,045
								ATA INDEL
29	TOTAL OPER & MAIN EXPENSES	OMX	[TI	RADE SECRET	DATA BEGIN	S TRA	DE SECRET DA	ATA ENDS]
30	DEPRECIATION & AMORT EXPENSES	DEP	\$530,019	\$321,916	\$131,788	\$63,186	\$9,581	\$3,548
31	INTEREST ON CUSTOMER DEPOSITS	ICD	\$0	\$0	\$0	\$0	\$0	\$0
32	GENERAL TAXES	GTX	\$0		\$0	\$0	\$0	\$0
33	FED & ST INCOME TAX	FST	\$0		\$0	\$0	\$0	\$0
34	PROV FOR DEF TAXES	PDT	\$0		\$0	\$0	\$0	\$0
35	INVESTMENT TAX CREDIT - NET	ITN	\$0	\$0	\$0	\$0	\$0	\$0
36	AFUDC	AFD	\$0		\$0	\$0	•	•
37	COST OF SERVICE REVENUE REQT	CSR	\$6,419,444		\$1,855,949	\$1,163,50		
	- -		======	======	======	======	=======	======

TRI-COUNTY

SPECIFICALLY ASSIGNED DISTRIBUTION & PURCH POWER

TRI-COUNTY ELECTRIC - SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 1992 PAGE 17

COST OF SERVICE COMPARISON

LINE NO.	DESCRIPTION	CONTROL ALL OUT	TOTAL SMEC	RESIDENTIAL 440.01	SMALL C&I 442.01	LARGE C&I 442.02	ST. LIGHTING 444 	PUB. AUTH. 445
	*** OTHER REVENUE INCLUDED ***							
1	COST OFF SERVICE REVENUE REQT		\$6,419,444	\$3,316,004	\$1,855,949	\$1,163,505	\$38,630	\$45,356
2 3 4	EXISTING REVENUE REVENUE DEFICIENCY REQUIRED INCREASE (%)		\$5,556,902 \$862,542 15.52%	\$2,654,110 \$661,894 24.94%	\$1,708,387 \$147,562 8.64%	\$1,096,434 \$67,071 6.12%	\$42,176 (\$3,546) -8.41%	\$55,793 (\$10,437) -18.71%
5 6 7 8	EXISTING RATE OF RETURN-AS ADJ. EXISTING ROR AS % OF OVERALL ROR-A EXISTING RETURN ON EQUITY-AS ADJ. EXISTING ROE AS % OF OVERALL ROE-A:		-3.45% 100.00% -14.43% 100.00%		-0.90% 26.09% -8.43% 58.42%	-0.49% 14.20% -7.47% 51.77%	6.39% -185.22% 8.72% -60.43%	18.92% -548.41% 38.20% -264.73%
9 10	PROPOSED RATE OF RETURN-AS ADJ PROPOSED RETURN ON EQUITY-AS ADJ		4.55% 4.38%	4.55% 4.38%	4.55% 4.38%	4.55% 4.38%	4.55% 4.38%	4.55% 4.38%
11	*** OTHER REVENUE EXCLUDED *** COST OF SERVICE REVENUE REQT		\$6,262,531	\$3,221,152	\$1,816,779	\$1,144,537	\$35,759	\$44,304
12 13 14	EXISTING REVENUE REVENUE DEFICIENCY REQUIRED INCREASE (%)		\$5,399,989 \$862,542 15.97%	\$661,894	\$1,669,217 \$147,562 8.84%	\$1,077,466 \$67,071 6.22%	(\$3,546)	\$54,741 (\$10,437) -19.07%
15 16 17 18	EXISTING RATE OF RETURN - UNADJ EXISTING ROR AS % OF OVERALL ROR-L EXISTING RETURN ON EQUITY-UNADJ EXISTING ROE AS % OF OVERALL ROE-U		-3.45% 100.00% -14.43% 100.00%	164.35% -19.65%	-0.90% 26.09% -8.43% 58.42%	-0.49% 14.20% -7.47% 51.77%	-185.22% 8.72%	18.92% -548.41% 38.20% -264.73%
19 20	PROPOSED RATE OF RETURN - UNADJ PROPOSED RETURN ON EQUITY-UNADJ		4.55% 4.38%		4.55% 4.38%	4.55% 4.38%		4.55% 4.38%

TRI-COUNTY

SPECIFICALLY ASSIGNED DISTRIBUTION & PURCH POWER

TRI-COUNTY ELECTRIC - SMEC CUSTOMERS COST OF SERVICE STUDY FOR TWELVE MONTHS ENDED DECEMBER 31, 1992 PAGE 18

PROPOSED MILLS/KWH		TOTAL SMEC	RESIDENTIAL 440.01	SMALL C&I 442.01	LARGE C&I 442.02	ST. LIGHTING 444	PUB. AUTH. 445
1	EXISTING BASE REV	98.63	106.53	95.36	85.77	138.21	145.69
2	FUEL REVENUE	0.00		0.00	0.00	0.00	0.00
3	TOTAL MILLS / KWH	98.63		95.36	85.77	138.21	145.69
		=====	=====	======	*****	=====	=====
4	PROPOSED BASE REV	114.38	134.08	103.79	91.11	125.74	117.91
5	FUEL REVENUE	0.00	0.00	0.00	0.00	0.00	0.00
6	TOTAL MILLS / KWH	114.38	134.08	103.79	91.11	125.74	117.91
					=====	======	======