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| APPLICATION OF BLUEBONNET | § | |
| ELECTRIC COOPERATIVE, INC. | § | PUBLIC UTILITY COMMISSION |
| TO CHANGE RATES FOR | § | |
| WHOLESALE TRANSMISSION | § | OF TEXAS |
| SERVICE | | |

**APPLICATION OF
BLUEBONNET ELECTRIC COOPERATIVE
TO CHANGE RATES
FOR WHOLESALE TRANSMISSION SERVICE**

**SCHEDULES, TESTIMONY
AND WORKPAPERS**

DECEMBER 29, 2010

2010 DEC 29 PM 2:21

DOCKET NO. 39039

APPLICATION OF BLUEBONNET §
ELECTRIC COOPERATIVE, INC. § PUBLIC UTILITY COMMISSION
TO CHANGE RATES FOR §
WHOLESALE TRANSMISSION § OF TEXAS
SERVICE

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PUC DOCKET NO. 39032

APPLICATION OF BLUEBONNET
ELECTRIC COOPERATIVE, INC.
TO CHANGE RATES FOR
WHOLESALE TRANSMISSION
SERVICE

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§

PUBLIC UTILITY COMMISSION
OF TEXAS

**STATEMENT OF INTENT
TO CHANGE RATES FOR
WHOLESALE TRANSMISSION SERVICE**

TO THE HONORABLE PUBLIC UTILITY COMMISSION OF TEXAS:

Bluebonnet Electric Cooperative, Inc. ("Bluebonnet"), an electric distribution cooperative, files this Application to Change Rates for Wholesale Transmission Service and to Revise Its Transmission Cost of Service ("TCOS" or "Application"), and in support of this filing would respectfully show the following:

I. STATEMENT OF JURISDICTION

The Commission has jurisdiction over this Application pursuant to Chapter 35 of the Public Utility Regulatory Act,¹ and Public Utility Commission of Texas ("PUC" or "Commission") SUBST. R. 25.191-.203. Bluebonnet is a transmission service provider as defined in P.U.C. SUBST. R. 25.5(143).

II. FACTUAL STATEMENT

Bluebonnet owns 90 miles of transmission lines in the Electric Reliability Council of Texas ("ERCOT"). Bluebonnet's previous TCOS filing was approved in Docket No. 22533, *Application of Lower Colorado River Authority to Change Rates for Transmission Utility Cost of Service (Non-IOU)*. A TCOS in the amount of \$659,626 was approved in Docket No. 22533 and

¹ Public Utility Regulatory Act, TEX. UTIL. CODE ANN. §§ 11.001-66.016 (Vernon 2007 & Supp. 2010).

has been used for calculating transmission service charges owed to Bluebonnet since March 2001.

This Application has been completed using the Commission's Transmission Cost of Service Rate Filing Package. This Application is based on a test year ending on December 31, 2009, which coincides with Bluebonnet's fiscal year 2009, and is supported by the schedules, workpapers, and testimony of Judy K. Lambert. The testimony, schedules, and workpapers are being filed contemporaneously with this statement.

III. REQUESTED RELIEF

Bluebonnet's TCOS for the test year period is \$1,689,198. The requested change in rates corresponding to the revised TCOS will result in an increase of approximately \$1,029,572 or 156.1% of annual revenue for Bluebonnet above the level established in Docket No. 22533. Bluebonnet is requesting an access charge of \$0.0277562 per kW-Year for use of its transmission system, which is an estimated 139.1% increase over the current access charge. LCRA Transmission Services Corporation ("LCRA TSC") will submit the compliance rate schedule because Bluebonnet's transmission rate is embedded in LCRA TSC's wholesale transmission rate schedule.

IV. PARTIES AFFECTED

The requested change in rates will be applicable to all transmission service customers, as defined in P.U.C. Subst. R. 25.5(142), within ERCOT.

V. EFFECTIVE DATE

The effective date for the new rate and tariff for wholesale transmission service is February 2, 2011.

VI. DESIGNATED REPRESENTATIVE

Bluebonnet's designated representative for service of pleadings, orders, and other matters related to this Application is:

Lambeth Townsend
LLOYD GOSSELINK
ROCHELLE & TOWNSEND, P.C.
816 Congress Avenue, Suite 1900
Austin, Texas 78701
Telephone: (512) 322-5830
Facsimile: (512) 472-0532
ltownsend@lglawfirm.com

VII. NOTICE

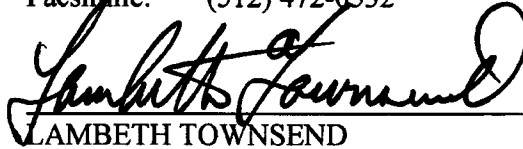
Bluebonnet is providing notice of its Application consistent with notice provided in previous TCOS cases. Bluebonnet is providing direct mail notice to all distribution service providers listed on the PUC's transmission matrix in Docket No. 37680, *Commission Staff's Application to Set 2010 Wholesale Transmission Service Charges for the Electric Reliability Council of Texas (ERCOT)*. A copy of Bluebonnet's notice is attached hereto as Attachment A, and a list of those entities served with notice is Attachment B.

VIII. PRAYER

WHEREFORE, PREMISES CONSIDERED, Bluebonnet requests that the Public Utility Commission of Texas approve Bluebonnet's requested change in rates to be effective February 2, 2011. Additionally, Bluebonnet requests all other and further relief, general or special, at law or in equity, to which Bluebonnet may show itself to be justly entitled.

Respectfully submitted,

LLOYD, GOSSELINK,
ROCHELLE & TOWNSEND, P.C.
816 Congress Avenue, Suite 1900.
Austin, Texas 78701
Telephone: (512) 322-5832
Facsimile: (512) 472-0532


LAMBETH TOWNSEND


State Bar No. 20167500

DANIEL M. GONZALES
State Bar No. 24068145

ATTORNEYS FOR BLUEBONNET ELECTRIC
COOPERATIVE, INC.

CERTIFICATE OF SERVICE

I, Lambeth Townsend, attorney, certify that a true and correct copy of the attached notice was served on all entities listed on Attachment B, via U.S. First Class mail on this, the 29th day of December, 2010.


LAMBETH TOWNSEND

NOTICE

On December 29, 2010, Bluebonnet Electric Cooperative, Inc. ("Bluebonnet"), an electric distribution cooperative, filed with the Public Utility Commission of Texas ("Commission") its Application to Change Rates for Wholesale Transmission Service and to Revise Its Transmission Cost of Service ("TCOS" or "Application") pursuant to P.U.C. SUBST. R. 25.191-.203.

Bluebonnet previously made a TCOS filing that was approved in PUC Docket No. 22533, *Application of the Lower Colorado River Authority to Change Rates for Transmission Utility Cost of Service (NON-IOU)*.

This Application is based on a test year ending on December 31, 2009. Bluebonnet's TCOS for the test year period is \$1,689,198. The requested change in rates corresponding to the revised TCOS will result in an increase of approximately \$1,029,572 or 156.1% of annual revenue for Bluebonnet above the level established in Docket No. 22533. The access charge for use of Bluebonnet's transmission system will increase to \$0.0277562 per kW-Year. Bluebonnet has requested an effective date for the new rate and tariff for wholesale transmission service of February 2, 2011.

Persons wishing to intervene on this Petition and Application should notify the Public Utility Commission within 45 days of the date of this notice, which is the intervention deadline in this matter. A request to intervene should be mailed to the Public Utility Commission of Texas, P. O. Box 13326, Austin, Texas 78711-3326 and reference Docket No. _____. Further, information may be obtained by calling the Public Utility Commission's Office of Customer Protection at (512) 936-7150 or (888) 782-8477. Hearing and speech-impaired individuals with text telephones (TTY) may contact the Commission at (512) 936-7136.

ATTACHMENT B

AEP TEXAS CENTRAL COMPANY
AEP TEXAS NORTH COMPANY
300 WEST 6TH STREET, 15th FLOOR
AUSTIN, TX 78701

BIG COUNTRY ELECTRIC COOPERATIVE, INC.
P.O. BOX 518
ROBY, TX 79543-0518

AUSTIN ENERGY
721 BARTON SPRINGS RD.
AUSTIN, TX 78704-1167

ELECTRIC TRANSMISSION TEXAS
400 W. 15TH ST., SUITE 800
AUSTIN, TX 78701

BANDERA ELECTRIC COOPERATIVE, INC.
P.O. BOX 667
BANDERA, TX 78003-0667

CITY OF BOERNE
P.O. BOX 1677
BOERNE, TX 78006-6677

BARTLETT ELECTRIC COOPERATIVE, INC.
P.O. BOX 200
BARTLETT, TX 76511

CITY OF BOWIE
304 LINDSEY STREET
BOWIE, TX 76230-4912

CITY OF BASTROP
P.O. BOX 427
BASTROP, TX 78602-0427

CITY OF BRADY
P.O. BOX 351
BRADY, TX 76825-0351

CITY OF BELLVILLE
10 SOUTH HOLLAND STREET
BELLVILLE, TX 77418

CITY OF BRENHAM
P.O. BOX 1059
BRENHAM, TX 77834-1059

CITY OF BRIDGEPORT MUNICIPAL ELECTRIC
SYSTEM
900 THOMPSON STREET
BRIDGEPORT, TX 76426

BROWNSVILLE PUBLIC UTILITIES BOARD
P.O. BOX 3270
BROWNSVILLE, TX 78523-3270

BRYAN TEXAS UTILITIES
P.O. BOX 8000
BRYAN, TX 77805

CITY OF BURNET
P.O. BOX 1369
BURNET, TX 78611-1369

BRAZOS ELECTRIC COOPERATIVE, INC.
2404 LA SALLE AVENUE
WACO, TX 76706

CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
1111 LOUISIANA STREET
HOUSTON, TX 77002

ATTACHMENT B

CENTRAL TEXAS ELECTRIC COOPERATIVE, INC.
P.O. BOX 553
FREDERICKSBURG, TX 78624-0553

CHEROKEE COUNTY ELECTRIC COOPERATIVE
ASSOCIATION
P.O. BOX 257
RUSK, TX 75785-0257

CITY OF COLEMAN
200 WEST LIVEOAK STREET
COLEMAN, TX 76834

COLEMAN COUNTY ELECTRIC COOPERATIVE
P.O. BOX 860
COLEMAN, TX 76834-0860

CITY OF COLLEGE STATION
P.O. BOX 9960
COLLEGE STATION, TX 77842-9960

COMANCHE ELECTRIC COOPERATIVE
ASSOCIATION
P.O. BOX 729
COMANCHE, TX 76442

CONCHO VALLEY ELECTRIC COOPERATIVE, INC.
P.O. BOX 3388
SAN ANGELO, TX 76902-3388

COOKE COUNTY ELECTRIC COOPERATIVE
ASSOCIATION, INC.
P.O. BOX 530
MUNSTER, TX 76252-0530

COSERVE ELECTRIC
7701 SOUTH STEMMONS
CORINTH, TX 76210-1842

CITY OF CUERO
P.O. BOX 660
CUERO, TX 77954-0660

DEEP EAST TEXAS ELECTRIC COOPERATIVE, INC.
P.O. BOX 736
SAN AUGUSTINE, TX 75972

DENTON MUNICIPAL ELECTRIC
215 EAST MCKINNEY STREET
DENTON, TX 76201

FAYETTE ELECTRIC COOPERATIVE, INC.
P.O. BOX 490
LA GRANGE, TX 78945-0490

FANNIN COUNTY ELECTRIC COOPERATIVE, INC.
P.O. BOX 250
BONHAM, TX 75418-0250

FARMERS ELECTRIC COOPERATIVE, INC.
2000 EAST I-30
GREENVILLE, TX 75402

CITY OF FLATONIA
P.O. BOX 329
FLATONIA, TX 78941-0329

FLORESVILLE ELECTRIC LIGHT & POWER
1400 4TH STREET
FLORESVILLE, TX 78114

FORT BELKNAP ELECTRIC COOPERATIVE, INC.
P.O. BOX 486
OLNEY, TX 76374-0486

ATTACHMENT B

CITY OF FREDERICKSBURG
126 WEST MAIN STREET
FREDERICKSBURG, TX 78624-3708

CITY OF GEORGETOWN
P.O. BOX 409
GEORGETOWN, TX 78627-0409

CITY OF GIDDINGS
118 EAST RICHMOND STREET
GIDDINGS, TX 78942

CITY OF GOLDSMITH
P.O. BOX 629
GOLDSMITH, TX 79741-0629

CITY OF GOLDTHWAITE
P.O. BOX 450
GOLDTHWAITE, TX 76844-0450

CITY OF GONZALES
P.O. BOX 547
GONZALES, TX 78629-0547

CITY OF GRANBURY
P.O. BOX 969
GRANBURY, TX 76048-0969

GRAYSON-COLLIN ELECTRIC COOPERATIVE, INC.
P.O. BOX 548
VAN ALSTYNE, TX 75495-0548

GEUS ELECTRIC
6000 JOE RAMSEY BLVD.
GREENVILLE, TX 75402-5834

GUADALUPE VALLEY ELECTRIC COOP., INC.
P.O. BOX 118
GONZALES, TX 78629-0118

CITY OF HALLETTSVILLE
101 NORTH MAIN STREET
HALLETTSVILLE, TX 77964-2727

HAMILTON COUNTY ELECTRIC COOPERATIVE
P.O. BOX 753
HAMILTON, TX 76531

CITY OF HEARNE
209 CEDAR STREET
HEARNE, TX 77859-2525

HEART OF TEXAS ELECTRIC COOPERATIVE, INC.
P.O. BOX 357
McGREGOR, TX 76657

CITY OF HEMPSTEAD
1125 AUSTIN STREET
HEMPSTEAD, TX 77445-4427

HILCO ELECTRIC COOPERATIVE, INC.
P.O. BOX 127
ITASCA, TX 76055-0127

HOUSTON COUNTY ELECTRIC COOPERATIVE, INC.
P.O. BOX 52
CROCKETT, TX 75835

J-A-C ELECTRIC COOPERATIVE, INC.
P.O. BOX 278
BLUEGROVE, TX 76352-0278

ATTACHMENT B

JACKSON ELECTRIC COOPERATIVE, INC.
P.O. BOX 1189
EDNA, TX 77957-1189

JASPER-NEWTON ELECTRIC COOPERATIVE, INC.
812 SOUTH MARGARET AVE.
KIRBYVILLE, TX 75956

KARNES ELECTRIC COOPERATIVE, INC.
P.O. BOX 7
KARNES CITY, TX 78118

KERRVILLE PUBLIC UTILITY BOARD
P.O. BOX 294999
KERRVILLE, TX 78029-4999

CITY OF LA GRANGE
155 EAST COLORADO STREET
LA GRANGE, TX 78945

LAMAR ELECTRIC COOPERATIVE
P.O. BOX 580
PARIS, TX 75461-0580

CITY OF LAMPASAS
312 EAST THIRD STREET
LAMPASAS, TX 76550-2820

LCRA TSC
P.O. BOX 220
AUSTIN, TX 78767

CITY OF LEXINGTON
P.O. BOX 56
LEXINGTON, TX 78947-0056

LIGHTHOUSE ELECTRIC COOPERATIVE, INC.
P.O. BOX 600
FLOYDADA, TX 79235-0600

CITY OF LLANO
301 WEST MAIN STREET
LLANO, TX 78643

CITY OF LOCKHART
P.O. BOX 239
LOCKHART, TX 78644-0239

CITY OF LULING
509 E. CROCKETT STREET
LULING, TX 78648

LYNTEGAR ELECTRIC COOPERATIVE, INC.
P.O. BOX 970
TAHOKA, TX 79373

MAGIC VALLEY ELECTRIC COOPERATIVE, INC.
P.O. BOX 267
MERCEDES, TX 78570-0267

CITY OF MASON
P.O. BOX 68
MASON, TX 76856-0068

MEDINA ELECTRIC COOPERATIVE, INC.
P.O. BOX 370
HONDO, TX 78861-0370

MID-SOUTH ELECTRIC COOPERATIVE ASSOCIATION
P.O. BOX 970
NAVASOTA, TX 77868-5100

ATTACHMENT B

CITY OF MOULTON
P.O. BOX 369
MOULTON, TX 77975-0369

NAVARRO COUNTY ELECTRIC COOPERATIVE, INC.
P.O. BOX 616
CORSICANA, TX 75151-0616

NAVASOTA VALLEY ELECTRIC COOP INC.
P.O. BOX 848
FRANKLIN, TX 77856-0848

NEW BRAUNFELS UTILITIES
P.O. BOX 310289
NEW BRAUNFELS, TX 78131-0289

NUECES ELECTRIC COOPERATIVE, INC.
P.O. BOX 1032
ROBSTOWN, TX 78380-1032

ONCOR ELECTRIC DELIVERY COMPANY, LLC
1601 BRYAN STREET, #2300
DALLAS, TX 75201

PEDERNALES ELECTRIC COOPERATIVE, INC.
P.O. BOX 1
JOHNSON CITY, TX 78636-0001

RIO GRANDE ELECTRIC COOPERATIVE, INC.
P.O. BOX 1509
BRACKETVILLE, TX 78832

CITY OF ROBSTOWN UTILITY SYSTEM
400 WEST 15TH STREET, SUITE 1520
AUSTIN, TX 78701

RUSK COUNTY ELECTRIC COOPERATIVE, INC.
P.O. BOX 1169
HENDERSON, TX 75653-1169

SAM HOUSTON ELECTRIC COOPERATIVE, INC.
P.O. BOX 1121
LIVINGSTON, TX 77351-1121

SAN ANTONIO CITY PUBLIC SERVICE BOARD
P.O. BOX 1771
SAN ANTONIO, TX 78296-1771

SAN BERNARD ELECTRIC COOPERATIVE, INC.
P.O. BOX 1208
BELLVILLE, TX 77418

CITY OF SAN MARCOS
630 E. HOPKINS ST.
SAN MARCOS, TX 78666-6397

SAN MIGUEL ELECTRIC COOPERATIVE, INC.
P.O. BOX 280
JOURDANTON, TX 78026-0280

CITY OF SAN SABA
P.O. BOX 788
SAN SABA, TX 76877-0788

SAN PATRICIO ELECTRIC COOPERATIVE, INC.
P.O. DRAWER 400
SINTON, TX 78387

CITY OF SANGER
P.O. BOX 1729
SANGER, TX 76266-0017

ATTACHMENT B

CITY OF SCHULENBURG
P.O. BOX 8
SCHULENBURG, TX 78956-0008

CITY OF SEGUIN
P.O. BOX 591
SEGUIN, TX 78156-0591

CITY OF SEYMOUR
P.O. BOX 31
SEYMOUR, TX 76380-0031

SHARYLAND UTILITIES, LP
4403 WEST MILITARY HWY, SUITE 700
MCALLEN, TX 78503

CITY OF SHINER
P.O. BOX 308
SHINER, TX 77984-0308

CITY OF SMITHVILLE
P.O. BOX 449
SMITHVILLE, TX 78957-0449

SOUTH PLAINS ELECTRIC COOPERATIVE, INC.
P.O. BOX 1830
LUBBOCK, TX 79408

SOUTH TEXAS ELECTRIC COOPERATIVE, INC.
P.O. BOX 119
NURSERY, TX 77976-0119

SOUTHWEST TEXAS ELECTRIC COOPERATIVE, INC.
P.O. BOX 677
ELDORADO, TX 76936-0677

TAYLOR ELECTRIC COOPERATIVE, INC.
226 COUNTY ROAD 287, BUILDING A
MERKEL, TX 79536

TEXAS-NEW MEXICO POWER COMPANY
225 E. JOHN CARPENTER FREEWAY
IRVING, TX 75062

TEXAS MUNICIPAL POWER AGENCY
P.O. BOX 7000
BRYAN, TX 77805-7000

TRI-COUNTY ELECTRIC COOPERATIVE, INC.
600 N.W. PARKWAY
AZLE, TX 76020

TRINITY VALLEY ELECTRIC COOPERATIVE, INC.
1800 HIGHWAY 243 EAST
P. O. BOX 888
KAUFMAN, TX 75142

UNITED ELECTRIC COOPERATIVE SERVICES, INC.
P.O. BOX 16
CLEBURNE, TX 76033

VICTORIA ELECTRIC COOPERATIVE, INC.
P.O. BOX 2178
VICTORIA, TX 77902

CITY OF WAELDER
P.O. BOX 427
WAELDER, TX 78959-0427

WEATHERFORD MUNICIPAL UTILITY SYSTEM
917 EUREKA STREET
WEATHERFORD, TX 76086

ATTACHMENT B

CITY OF WEIMAR
P.O. BOX 67
WEIMAR, TX 78962 0067

WESTERN FARMERS ELECTRIC COOPERATIVE
P.O. BOX 429
ANADARKO, OK 73005-0429

WHARTON COUNTY ELECTRIC COOPERATIVE, INC.
P.O. BOX 31
EL CAMPO, TX 77437

CITY OF WHITESBORO
P.O. BOX 340
WHITESBORO, TX 76273-0340

WISE ELECTRIC COOPERATIVE, INC.
P.O. BOX 269
DECATUR, TX 76234

WOODS COUNTY ELECTRIC COOPERATIVE, INC.
501 SOUTH MAIN STREET
P.O. BOX 1827
QUITMAN, TX 75783

CITY OF YOAKUM
P.O. BOX 738
YOAKUM, TX 77995-0738

GARLAND POWER & LIGHT
P.O. BOX 469002
GARLAND, TX 75046-9002

GOLDEN SPREAD ELECTRIC COOPERATIVE, INC.
P.O. BOX 9898
AMARILLO, TX 79105-5898

RAYBURN COUNTRY ELECTRIC COOPERATIVE
P.O. BOX 37
ROCKWALL, TX 75087-0037

TEX-LA ELECTRIC COOPERATIVE OF TEXAS, INC.
P.O. BOX 631623
NACOGDOCHES, TX 75963-1623

LEGAL DIVISION
PUBLIC UTILITY COMMISSION
1701 N CONGRESS AVE STE 8-110
AUSTIN TX 78711

PUC DOCKET NO. _____

| | | |
|---------------------------------------|----------|----------------------------------|
| APPLICATION OF BLUEBONNET | § | PUBLIC UTILITY COMMISSION |
| ELECTRIC COOPERATIVE, INC. TO | § | |
| CHANGE RATES FOR WHOLESALE | § | OF TEXAS |
| TRANSMISSION SERVICE (NON-IOU) | § | |

DIRECT TESTIMONY

OF

JUDY K. LAMBERT

ON BEHALF OF

BLUEBONNET ELECTRIC COOPERATIVE, INC.

DECEMBER 29, 2010

**DIRECT TESTIMONY OF
JUDY K. LAMBERT**

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ATTACHMENTS:

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| Exhibit JKL-2 | Consolidated Balance Sheet and Income Statement |
| Exhibit JKL-3 | Substation One-Line Diagrams |

PUC DOCKET NO. _____

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|--------------------------------|---|---------------------------------------|
| APPLICATION OF BLUEBONNET | § | PUBLIC UTILITY COMMISSION OF TEXAS |
| ELECTRIC COOPERATIVE, INC. TO | § | |
| CHANGE RATES FOR WHOLESALE | § | |
| TRANSMISSION SERVICE (NON-IOU) | § | |

**DIRECT TESTIMONY OF
JUDY K. LAMBERT**

I. INTRODUCTION

1
2 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

3 A. My name is Judy K. Lambert. My business address is 5555 North Grand Boulevard,
4 Oklahoma City, Oklahoma 73112-5507.

5 **Q. BY WHOM ARE YOU EMPLOYED?**

6 A. I am employed by C. H. Guernsey & Company, Engineers • Architects • Consultants,
7 Oklahoma City, Oklahoma. I am a Managing Consultant and I primarily prepare
8 Rate Analysis and Cost of Service Studies for rural electric cooperatives.

9 **Q. PLEASE SUMMARIZE YOUR EDUCATIONAL AND PROFESSIONAL**
10 **BACKGROUND.**

11 A. I have earned a Bachelor of Science degree from Oklahoma State University and an
12 M.B.A. degree from Oklahoma City University. A copy of my resume is attached as
13 Exhibit JKL-1.

14 **Q. HAVE YOU TESTIFIED BEFORE THIS COMMISSION?**

15 A. Yes. I have also testified before regulatory commissions in the states of Arizona,
16 Arkansas, Colorado, Kansas, Oklahoma, and Wyoming. Exhibit JKL-1, which is

1 attached to this testimony, lists many of the retail rate cases in which I have been
2 involved.

3 **Q. ON WHOSE BEHALF ARE YOU APPEARING IN THIS PROCEEDING?**

4 A. I am appearing on behalf of Bluebonnet Electric Cooperative, Inc. (Bluebonnet).
5 Bluebonnet is a wholesale customer of the Lower Colorado River Authority (LCRA).
6 Bluebonnet is an electric distribution cooperative headquartered in Bastrop, Texas,
7 that serves nearly 80,000 meters and owns and maintains about 11,000 miles of
8 power lines, located across more than 3,800 square miles within 14 southeastern
9 Texas counties. Bluebonnet's service area stretches from Travis County to
10 Washington County and from Milam County down to Gonzales County. Bluebonnet
11 owns certain transmission facilities, as that term is defined in Substantive Rule
12 §25.192(c)(1), that are located in the Electric Reliability Council of Texas (ERCOT)
13 and connected to the LCRA transmission system. Some of Bluebonnet's transmission
14 facilities are leased to LCRA pursuant to an agreement approved by the Commission
15 in Docket No. 9427.

16 **II. PURPOSE OF TESTIMONY**

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

18 A. The purpose of my testimony is to present the TCOS for Bluebonnet pursuant to
19 Substantive Rules §§25.191 - 25.198 and §§25.200 - 25.203.

20 **Q. HAS BLUEBONNET PREVIOUSLY FILED A TCOS?**

21 A. Yes. Bluebonnet last filed a TCOS in Docket No. 22533, which was approved in
22 March 2001. This TCOS filing supersedes all previous TCOS filings.

1 **Q. ARE YOU SPONSORING ANY SCHEDULES IN SUPPORT OF YOUR**
2 **DIRECT TESTIMONY?**

3 A. Yes. Bluebonnet's filing includes the schedules required under the Commission's
4 Transmission Cost of Service Rate Filing Package (TCOS RFP) as well as the
5 workpapers supporting the TCOS RFP schedules.

6 **Q. WERE THESE SCHEDULES DEVELOPED CONSISTENT WITH THE**
7 **REQUIREMENTS OF THE TCOS RFP?**

8 A. Yes, they were.

9 **Q. WERE THESE SCHEDULES PREPARED BY YOU OR UNDER YOUR**
10 **DIRECT SUPERVISION?**

11 A. Yes, they were.

12 **Q. WHAT IS THE SOURCE OF THE DATA USED TO DEVELOP THESE**
13 **SCHEDULES?**

14 A. Bluebonnet provided the financial data from its books and records. Exhibit JKL-2
15 contains a copy of its 2006-2009 Form 7 Statement of Operations and Balance Sheet
16 (in descending date order). In addition, LCRA provided information regarding the
17 functionalization of costs recorded in Accounts 360, 361, and 362 between the
18 transmission and distribution functions.

19 **Q. IS THIS THE TYPE OF INFORMATION THAT EXPERTS IN THIS FIELD**
20 **WOULD NORMALLY RELY UPON?**

21 A. Yes.

1 **Q. ARE THESE SCHEDULES TRUE AND CORRECT TO THE BEST OF YOUR**
2 **KNOWLEDGE?**

3 **A. Yes, they are.**

4 **Q. WERE THE EXHIBITS ATTACHED TO YOUR TESTIMONY PREPARED**
5 **BY YOU OR UNDER YOUR DIRECT SUPERVISION?**

6 **A. Yes, they were.**

7 **Q. ARE THESE EXHIBITS TRUE AND CORRECT TO THE BEST OF YOUR**
8 **KNOWLEDGE?**

9 **A. Yes, they are.**

10 **Q. HAVE YOU DETERMINED THE TCOS FOR BLUEBONNET IN**
11 **ACCORDANCE WITH SUBSTANTIVE RULES §§25.191-25.198 AND**
12 **§§25.200-25.203 AND THE TCOS RFP?**

13 **A. Yes. As shown on Schedule A, Bluebonnet's total TCOS is \$2,595,865. However,**
14 **Bluebonnet is only requesting an additional TCOS of \$1,689,198. This amount is the**
15 **difference between the lease payment received from LCRA and Bluebonnet's total**
16 **transmission revenue requirement determined in accordance with the Commission's**
17 **Substantive Rules.**

1 **III. CHANGES SINCE BLUEBONNET'S LAST TCOS**

2 **Q. PLEASE COMPARE BLUEBONNET'S LAST TCOS WITH THE**
3 **REQUESTED TCOS.**

4 **A.** Table 1 compares the various TCOS elements of Bluebonnet's last TCOS, approved
5 in Docket No. 22533, and the requested TCOS. As shown, the requested TCOS
6 represents an increase of \$1,029,572.

7 **Table 1 – Comparison of Bluebonnet's TCOS Filings**

| Description | PUC Docket No. 22533 (March 2001) | Current TCOS Request | Amount of Change | Percent of Change |
|---------------------------|---|-------------------------|---------------------|-------------------------|
| Total Revenue Requirement | 1,350,804 | 2,595,865 | 1,245,061 | 92.2% |
| LCRA Lease Revenues | (691,178) | (906,666) | (215,488) | 31.2% |
| Total TCOS | 659,626 | 1,689,198 | 1,029,572 | 156.1% |
| Transmission Rate Base | 9,192,847 | 19,651,318 | 10,458,471 | 113.8% |

8
9 **Q. WHAT HAS CHANGED SINCE BLUEBONNET'S LAST TCOS?**

10 **A.** Bluebonnet's last TCOS filing was approved in March 2001, and it was based on a
11 projected test year-ending December 31, 2002. Bluebonnet's system has experienced
12 significant load growth since that time. Subsequently, Bluebonnet has added
13 facilities to ensure reliable service to its member-consumers. As shown in Table 1,
14 Bluebonnet's transmission rate base has increased 113.8% and its transmission
15 revenue requirement has increased 156.1% since its last TCOS.

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IV. DESCRIPTION OF BLUEBONNET'S TCOS

Q. PLEASE BRIEFLY DESCRIBE THE TRANSMISSION FACILITIES OWNED BY BLUEBONNET?

A. Bluebonnet owns 90 miles of transmission line rated 60 kV or above. Bluebonnet owns 25 substations with a high-side transmission voltage, all or a portion of which are considered transmission facilities under Substantive Rule §25.192(c). Bluebonnet leases some of its transmission facilities (and a portion of its distribution facilities) to LCRA pursuant to a lease agreement approved by the Commission.

Q. WHAT IS THE TRANSMISSION LEASE?

A. The Transmission Lease Agreement granted the LCRA “the exclusive right to use, connect to and operate Lessor’s Facilities described in Exhibit A, together with the premises upon which such Facilities are situated, whether by easement or by fee, as part of LCRA’s transmission system.” For this right the LCRA pays a monthly fee, based on the book value of the lease facilities. The Lease was approved by the Commission in Docket No. 9427, and enables the LCRA, with its customers, to jointly plan and operate facilities owned by several entities as a single system

Q. WHAT TEST YEAR HAS BLUEBONNET USED IN ITS TCOS?

A. Bluebonnet’s TCOS is based on the twelve-month period ending December 31, 2009.

Q. WERE THERE ANY UNUSUAL OR NON-RECURRING EVENTS DURING 2009 THAT IMPACTED THE TCOS CALCULATION?

A. No. There were no unusual or non-recurring events that occurred during 2009 that impacted Bluebonnet’s TCOS calculation.

1 **Q. PLEASE EXPLAIN HOW YOU CALCULATED RATE BASE FOR THE**
2 **TRANSMISSION FUNCTION.**

3 A. The calculation of the various components of rate base is presented in Schedules B-1
4 through B-12, and summarized on Schedule B. The only transmission rate base
5 components for Bluebonnet are net plant in service and working capital. As shown
6 on Schedule B, the total transmission rate base for Bluebonnet is \$19,651,318.

7 **Q. DID YOU MAKE ANY POST-TEST YEAR ADJUSTMENTS?**

8 A. No.

9 **Q. HOW WAS THE AMOUNT OF TRANSMISSION FACILITIES IN**
10 **ACCOUNTS 350, 352, 353, 360, 361, AND 362 DETERMINED?**

11 A. LCRA performed a substation-by-substation replacement cost analysis of the
12 distribution substation facilities owned by Bluebonnet. Based upon its analysis,
13 LCRA determined that 35.57% of the facilities in Accounts 360 - 362 that are leased
14 by LCRA from Bluebonnet were transmission related. The calculation of the
15 functionalization of Accounts 360 through 362 is provided in Workpapers WP/B-1/1
16 and WP/B-1/2. Substation one-line diagrams are included in Exhibit JKL-3.

17 **Q. HOW DID YOU CALCULATE CASH WORKING CAPITAL?**

18 A. As shown in Schedule B-9, cash working capital was calculated as one-eighth of
19 annual O&M expenses excluding fuel and purchased power. This method is
20 prescribed by Commission's Substantive Rule §25.231.

21 **Q. DID YOU CALCULATE A RATE OF RETURN FOR BLUEBONNET BASED**
22 **ON THE MODIFIED TIMES-INTEREST-EARNED-RATIO (TIER)**
23 **EXCLUDING CAPITAL CREDITS OF 2.0 TIMES, WHICH IS PRESUMED**

1 **REASONABLE FOR DISTRIBUTION COOPERATIVES UNDER THE TCOS**
2 **RFP?**

3 A. Yes. The modified TIER's reasonableness is presumed in TCOS RFP Schedule C-4
4 for Electric Distribution Cooperatives. Based on a modified TIER of 2.0 times, and
5 Bluebonnet's interest expense for long-term debt, the rate of return is 6.3033%, the
6 calculation of which is presented in Schedule C-4.

7 **Q. DID YOU FUNCTIONALIZE ANY PURCHASED POWER EXPENSE TO**
8 **TRANSMISSION?**

9 A. No.

10 **Q. HOW DID YOU DETERMINE O&M EXPENSES ASSIGNED TO THE**
11 **TRANSMISSION FUNCTION?**

12 A. The O&M expenses assigned to the transmission function are shown on Schedule D-
13 1. These O&M expenses include a direct assignment of the expenses in transmission
14 O&M accounts (560 – 573). A portion of the distribution O&M expenses have also
15 been functionalized to the transmission function. The C362 allocation factor, based
16 on the functionalization of investment in Account 362, is used to allocate Accounts
17 582 and 592. A portion of the A&G expenses were also functionalized to
18 transmission as described below.

19 **Q. HOW WERE A&G EXPENSES FUNCTIONALIZED?**

20 A. Bluebonnet's A&G expenses were functionalized pursuant to the General Instruction
21 11(c) in the TCOS RFP.

1 **Q. HOW DID YOU FUNCTIONALIZE TAXES OTHER THAN FEDERAL**
2 **INCOME TAXES?**

3 A. Consistent with RUS accounting practices, Bluebonnet's property and payroll taxes
4 are included among the O&M accounts.

5 **Q. PLEASE EXPLAIN THE DEVELOPMENT OF THE ALLOCATION**
6 **FACTORS USED IN THE TCOS.**

7 A. The allocation factors used in Bluebonnet's TCOS are shown on Schedules F-1
8 through F-4. The payroll allocation factors (PAYXAG, PAYXAGIC, and
9 PAYROLL) are calculated on Schedule F-1. The TOMXFP allocation factor is
10 calculated on Schedule F-2. Plant allocation factors (PLTXGNL-N, GNLPLT-N,
11 PLTSVC-NX, and PLTSVC-N) are calculated on Schedule F-3. The remaining
12 allocation factors are calculated on Schedule F-4.

13 **Q. PLEASE DESCRIBE THE ALLOCATION FACTORS DEVELOPED ON**
14 **SCHEDULE F-4.**

15 A. As used in the TCOS RFP, the TOTREV and TRB allocation factors are calculated
16 on Schedule F-4. Also calculated on Schedule F-4 are the DISTOPX and DISTMAX
17 allocation factors as defined in the Commission's Unbundled Cost of Service Rate
18 Filing Package (UCOS RFP). As described above, the DISTOPX is used to allocate
19 Account 580, Distribution Operation Supervision and Engineering and Account 588,
20 Distribution Miscellaneous Operation Expense. The DISTMAX is used to allocate
21 Account 590, Distribution Maintenance Supervision and Engineering and Account
22 598, Distribution Miscellaneous Maintenance Expense. The remaining allocation
23 factors (C361 and C362) are based on the functionalized costs in Accounts 361 and

1 362, respectively. The C361 allocation factor is used to allocate Account 591,
2 Distribution Maintenance of Structures. The C362 allocation factor is used to
3 allocate Account 582, Distribution Operation Station Equipment and Account 592,
4 Distribution Maintenance of Station Equipment.

5 **Q. IN YOUR OPINION, IS THE TCOS FOR WHICH BLUEBONNET**
6 **REQUESTS APPROVAL REASONABLE? WHY?**

7 A. Yes. Bluebonnet's requested TCOS of \$1,689,198 is reasonable. Bluebonnet has
8 followed the appropriate requirements as specified in the applicable Substantive
9 Rules and the TCOS RFP. The facilities included in Bluebonnet's TCOS meet the
10 requirements for wholesale transmission service and are reasonable to be included in
11 Bluebonnet's TCOS.

12 **V. BLUEBONNET'S TRANSMISSION TARIFF**

13 **Q. PLEASE DESCRIBE BLUEBONNET'S TRANSMISSION TARIFF.**

14 A. Bluebonnet's wholesale transmission rate is included as part of LCRA's Wholesale
15 Transmission Tariff. Bluebonnet will remain a part of the LCRA tariff.

16 **Q. WHAT IS BLUEBONNET'S ACCESS CHARGE?**

17 A. The Access Charge is \$0.0277562 per kW-Year. It is applied to the Eligible
18 Customer's average system demand coincident with the ERCOT peak demand during
19 each of the months from June through September (ERCOT Average 4-CP) of the
20 preceding calendar year.

1 **Q. HOW WAS THIS CALCULATED?**

2 A. It is calculated as Bluebonnet's TCOS (\$1,689,198) divided by the 2009 ERCOT
3 Average 4-CP load responsibility (60,858,331.4 kW). The load responsibility data
4 was obtained from Docket 37680, *Commission Staff's Application to set 2010*
5 *Wholesale Transmission Service Charges for the Electric Reliability Council of*
6 *Texas.*

7 **Q. IN YOUR OPINION, IS THE RATE CALCULATED ABOVE JUST AND**
8 **REASONABLE? WHY?**

9 A. Yes. The rate calculated above is based on Bluebonnet's reasonable TCOS request
10 and uses methodologies used by the other transmission providers within ERCOT.

11 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

12 A. Yes, it does.

13 **Q. DOES THIS CONCLUDE YOUR TESTIMONY AT THIS TIME?**

14 A. Yes it does.

EDUCATION:

M.B.A., Oklahoma City University, 1979
B.S., Oklahoma State University, 1971

EXPERIENCE RECORD:

1973 - Present C. H. Guernsey & Company, Oklahoma City, Okla.

Ms. Lambert is Managing Consultant in the Rate Analysis Section of the Analytical Solutions Group. Ms. Lambert has vast experience in this area. Ms. Lambert's primary responsibilities include working closely with rural electric cooperatives in the areas of allocation of capital credits, financial forecasts and rate analysis, rate design, cost of service, and the preparation of filing requirements before state regulatory agencies.

Ms. Lambert has testified before regulatory commissions in the states of Arizona, Arkansas, Colorado, Kansas, Oklahoma, Texas and Wyoming.

Ms. Lambert developed the following CoOPTIONS® family of computer software programs for financial forecasts, cost of service studies, and tariff analysis studies.

SPECIFIC CONSULTING EXPERIENCE:

Cost of Service and Rates

Electric and Water

Ms. Lambert has prepared or directed the preparation of Cost of Service studies for numerous electric distribution cooperatives. She developed the CoOPTIONS:® Cost of Service software used in the preparation of the studies. Studies have been prepared for clients in Arkansas, Colorado, Florida, Georgia, Iowa, Kansas, Oklahoma, South Dakota, Texas, and Wyoming. She has testified before state regulatory commissions in support of Cost of Service studies.

Ms. Lambert has designed bundled and unbundled general application electric rates as well as special contract rates. Emphasis is placed on designing cost-based rates with consideration of consumer impact and revenue stability.

Financial Forecasting and Analysis

Ms. Lambert has prepared or directed the preparation of test-year and adjusted test-year schedules for numerous Rate Analysis and Cost of Service studies. Many studies were filed with state regulatory commissions and were prepared to fulfill specific filing requirements.

She has prepared numerous ten-year financial forecast studies, including sensitivity cases as well as preparing operating budgets, including pro forma cash flow statements.

Corporate Office:
5555 N. Grand Boulevard
Oklahoma City, OK 73112-5507
405.416.8100 / 405.416. 8111 fax

C. H. Guernsey & Company
Engineers • Architects • Consultants

www.CHGuernsey.com

Direct Contact:

405.416.8169
Judy.Lambert@CHGuernsey.com

Strategic Planning and Analysis

Ms. Lambert provides analysis and forecasting of special contracts and projects. She has developed presentations of rate and cost of service concepts and methodologies used for training client staff and directors.

Ms. Lambert has developed contract rates and contract terms for large industrial and specialized loads to appropriately recover costs and margins while providing protection from risk of termination of the load.

Acquisition, Consolidation, and Valuation Analysis

Ms. Lambert has prepared cost-benefit analysis, consolidated financial statements and pro forma financial statements, and financial forecast cases for acquisitions, consolidations, or mergers of rural electric systems.

Expert Witness

Ms. Lambert has testified in rate and cost of service filings before regulatory commissions in Arizona, Arkansas, Colorado, Kansas, Oklahoma, Texas, and Wyoming. Her testimony has been in support of development of revenue requirements, margin requirements, rate design, and cost of service.

Software Sales and Support

Ms. Lambert developed the CoOPTIONS: ® software programs, wrote the User's Manuals, and supervises all upgrades to the software. The CoOPTIONS:® programs include Cost of Service, Financial Performance Analysis, and Ten-Year Financial Forecast.

Education and Training

Ms. Lambert has presented workshops and seminars on Rate Design and Cost of Service issues and methodologies as well as on Financial Forecasts.

Publications and Presentations:

"Knowledge is Power: Financial Forecasting" has been presented yearly in GUERNSEY's offices in Oklahoma City, Okla., since 2006. Ms. Lambert has been a presenter for this seminar numerous times.

"Knowledge is Power: Understanding Rates and Cost of Service" has been presented several times each year since 2005, in Oklahoma City, Okla., as well as in other locations. Ms. Lambert has been a presenter for this seminar several times each year.

"Rate Workshop," Co-presenter with Rod Crile and William K. Edwards. CFC Independent Borrower Executive Summit, Tucson, Ariz., November 2009.

"Why Financial Forecasting is More Important than Ever," NRECA 2009 Accounting, Finance and Tax Conference. Co-Presenter with Mike Searcy. Minneapolis, Minn., July 2009.

- "Preparing for Upcoming Changes Through a Rate Analysis and Cost of Service Study," co-presenter with Mike Searcy. NRECA 2009 Accounting, Finance, and Tax Conference, Minneapolis, Minn., July 2009.
- "Understanding Rates and Cost of Service," Southwest Accountants Association, Albuquerque, N.Mex., April 2009.
- "Financial Forecasts," Southwest Accountants Association, Albuquerque, N.Mex., April 2009.
- "Energy Efficiency, Conservation and Margins: Catch 22 Rate Design" co-authored with Michael Moore and Mike Searcy. NRECA's Management Quarterly, Fall 2007 Edition, pp. 26-47.
- "Cooperative Financial Management" presented at Texas Electric Cooperatives' Non-Accountants Workshop in Austin, Texas; November 30-December 1, 2005.
- "Ten-Year Financial Forecast Interpretation," presented at NRECA 2004 Accounting, Finance, and Tax Conference; San Diego, California, July 25, 2004.
- "Retail Rates Session 1" and "Retail Rates Session 2," presented at Texas Electric Cooperatives' Marketing Member Services, and Communications Conference; San Antonio, Texas; May 21, 2003.
- "Wires Cost for Distribution Cooperatives" and "Competitive Issues Regarding Wires Rates," presented at "Positioning The Member Distribution Cooperative to Deal with a Customer Choice Environment," Brazos Electric Cooperative's Strategic Planning Workshop; Waco, Texas; October 5, 2001.
- "Rate Design in a Restructured Environment," presented for Texas Electric Cooperatives Accountants Association, Austin, Texas; April 19, 2000.
- "Rate Design and Financial Strategy Issues for Cooperatives," presented for South Dakota Rural Electric Office Managers and Accountants Association; Huron, S.Dak.; April 27, 1995.
- "Understanding the Financial Forecast," presented at NRECA Management Internship Program; The University of Nebraska - Lincoln; October and December 1987; and at NRECA's Accounting and Finance Conference; Lexington, Ky.; September 10, 1987.
- Assisted with "Course 495.3 - Rate Issues and Philosophies," NRECA's Summer School; Lake of the Ozarks, Mo.; July 20-22, 1987.
- Assisted with "Rate Issues and Philosophies," NRECA's Management Internship Program; The University of Nebraska - Lincoln; April and May 1987.
- Presentation to Texas Electric Cooperatives' Accountants Meeting; Lubbock, Texas; April 23, 1987.
- Assisted with "Course 495.2 - Rate Issues and Philosophies," NRECA's Summer Schools; Myrtle Beach, S.C.; Nashville, Tenn.; and Taos, N.Mex.; July 1986.
- "Personal Computer Applications," presented for Texas Electric Cooperatives' Accountants Association; April 1986.

List of Rate and Cost of Service Studies Performed:

Arizona (Arizona Corporation Commission)

- Navopache Electric Cooperative, Inc.

Arkansas (Arkansas Public Service Commission)

- First Electric Cooperative Corporation
- Ouachita Electric Cooperative Corporation, Docket Nos. 96-043-U and 99-238-U
- Ozarks Electric Cooperative Corporation

Colorado (Colorado Public Utilities Commission)

- Delta-Montrose Electric Association
- Empire Electric Association, Inc., Case Nos. 1312, 1479, 6366
- Highline Electric Association
- Intermountain Rural Electric Association, Case No. 1396
- K.C. Electric Association, Inc.
- La Plata Electric Association, Inc., Case No. 1395
- Morgan Country Rural Electric Association
- Mountain Parks Electric Inc.
- Poudre Valley Rural Electric Association, Inc., Case No. 6044
- San Isabel Electric Services, Case Nos. 1144, 1508
- San Luis Valley Rural Elec. Coop., Inc., Case Nos. 1308, 1461
- Sangre de Cristo Electric Cooperative, Inc.
- Y-W Electric Association, Inc.

Georgia

- GreyStone Power Cooperative
- Jackson Electric Membership Corporation

Illinois

- Egyptian Electric Cooperative Assn.
- SouthEastern Illinois Electric Cooperative
- Southern Illinois Electric Cooperative

Indiana (Indiana Public Service Commission)

- Clark County Rural Electric Membership Corporation

Iowa

- Harrison County Rural Electric Cooperative
- Iowa Lakes Electric Cooperative
- Nishnabotna Valley Rural Electric Cooperative
- Western Iowa Power Cooperative

Kansas (Kansas Corporation Commission)

- Sumner-Cowley Electric Cooperative, Inc.

Minnesota

- Minnesota Valley Cooperative Light & Power Association

Missouri

- M & A Electric Power Cooperative
- Platte-Clay Electric Cooperative, Inc.

Montana

- Beartooth Electric Cooperative
- Sun River Electric Cooperative, Inc.

New Mexico

- Central New Mexico Electric Cooperative
- Central Valley Electric Cooperative
- Lea County Electric Cooperative

Oklahoma (Oklahoma Corporation Commission)

- Grand River Dam Authority (Wholesale)
- KAMO Electric Cooperative, Inc.
- Kiwash Electric Cooperative, Inc.
- Oklahoma Electric Cooperative

South Dakota

- Lacreek Electric Association, Inc.
- Moreau-Grand Electric Cooperative, Inc.
- West Central Electric Cooperative, Inc.
- West River Electric Association, Inc.

Texas (Public Utility Commission of Texas)

- Bailey County Electric Cooperative Association, Dockets 2915, 5003, and 7900
- Bandera Electric Cooperative, Inc., Docket Nos. 2786, 4279, and 10438
- Big Country Electric Cooperative, Inc.
- Bluebonnet Electric Cooperative, Inc., Docket Nos. 4070, 7415, 9976, 10435 and 11274
- Central Texas Electric Cooperative, Inc., Docket Nos. 3170, 6363, and 10325
- Cherokee County Electric Cooperative Association
- Coleman County Electric Cooperative, Inc., Docket No. 4875
- Comanche County Electric Cooperative, Inc., Docket Nos. 5272 and 8272
- Concho Valley Electric Cooperative, Inc., Docket Nos. 6540 and 9056
- Cooke County Electric Cooperative Assn., Docket No. 9240
- CoServ Electric, Docket No. 9892
- Deaf Smith Electric Cooperative, Inc., Docket Nos. 4481 and 8354
- Fannin County Electric Cooperative, Inc., Docket No. 4940 and 9992
- Farmers Electric Cooperative, Inc., Docket Nos. 3780, 4422, 6475
- Fort Belknap Electric Cooperative, Inc., Docket Nos. 4396, 6558, 9944
- Grayson-Collin Electric Cooperative, Inc., Docket Nos. 3945, 6510
- Greenbelt Electric Cooperative, Inc., Docket No. 9930
- Guadalupe Valley Electric Coop., Inc., Docket Nos. 3397, 4516, 6338, 7550
- Hamilton County Electric Cooperative Association, Docket No. 5971
- Heart of Texas Electric Cooperative
- HILCO Electric Cooperative, Inc., Docket Nos. 7154 and 10841

- Jackson Electric Cooperative, Inc., Docket Nos. 2753, 4710
- Karnes Electric Cooperative, Inc.
- Lamb County Electric Cooperative, Inc., Docket No. 3270
- Lighthouse Electric Cooperative, Inc., Docket Nos. 2995, 4612 and 8097
- Lyntegar Electric Cooperative, Inc., Docket Nos. 2988, 4564
- Magic Valley Electric Coop., Inc., Dockets 1991, 3212, 5477, 6460, 9516, and 10820
- Medina Electric Cooperative, Inc., Docket No. 4113
- Navarro County Electric Cooperative, Inc., Docket No. 3116
- Navasota Valley Electric Cooperative, Inc., Docket Nos. 7355 and 11650
- North Plains Electric Cooperative, Inc., Docket No. 4958
- Nueces Electric Cooperative, Inc., Docket Nos. 3936, 5203
- Pedernales Electric Cooperative, Inc.
- Rayburn Country Electric Cooperative, Inc., Docket No. 7361
- Rita Blanca Electric Cooperative, Inc., Docket No. 2527
- Rusk County Electric Cooperative, Inc., Docket No. 3383
- San Bernard Electric Coop., Inc., Docket Nos. 2699, 3692, 4534, 5467, 6218, 10432, 10549
- San Miguel Electric Cooperative, Inc., Docket No. 5351
- Seguin (City of), Electric Department
- South Plains Electric Cooperative, Inc., Docket Nos. 2936, 4822, 6598
- Southwest Texas Electric Cooperative, Inc., Docket Nos. 5335, 8102, 11777
- Swisher Electric Cooperative, Inc., Docket Nos. 3062 and 6796
- Taylor Electric Cooperative, Inc., Docket Nos. 5767 and 9159
- Texas Utilities Electric Company, Docket No. 9300
- Tri-County Electric Cooperative, Inc.
- Trinity Valley Electric Cooperative
- United Cooperative Services
- Victoria County Electric Cooperative Company, Docket Nos. 3949 and 6680
- Wharton County Electric Cooperative, Inc., Docket Nos. 4541 and 6685
- Wise Electric Cooperative, Inc., Docket No. 11502
- Modification of PCA Clause, Docket No. 4679
 - Coleman County EC
 - Concho Valley EC
 - Southwest Texas EC
 - Taylor EC

Wyoming (Wyoming Public Service Commission)

Rate Studies

- Big Horn Rural Electric Cooperative
- Bridger Valley Electric Association, Inc.
- Carbon Power & Light, Inc.
- Garland Light & Power Company
- High Plains Power, Inc.
- Niobrara Electric Association, Inc.
- Powder River Energy Corporation, Inc.
- Wheatland Rural Electric Association
- Wyrulec Company

Flow-Throughs

- Big Horn Rural Electric Cooperative
- Carbon Power & Light, Inc.
- Garland Light & Power Co.
- Niobrara Electric Association, Inc.
- Wyrulec Company

| | | | |
|--|--|---------------------------------------|--|
| NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT | | BORROWER DESIGNATION | |
| Submit one electronic copy and one signed hard copy to CFC. Round all numbers to the nearest dollar. | | TX 100 | |
| | | BORROWER NAME | |
| | | Bluebonnet Electric Cooperative, Inc. | |
| | | ENDING DATE | |
| | | 12/31/2009 | |

| | |
|---|---|
| CERTIFICATION | |
| We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief. | |
| Elizabeth Kana 4/27/10 Signature of Office Manager or Accountant Date | NEW AUTHORIZATION CHOICES A. NRECA uses rural electric system data for legislative, regulatory and other purposes. May we provide this report from your system to NRECA? NRECA <input checked="" type="radio"/> YES <input type="radio"/> NO |
| Max B. O 4/27/10 Signature of Manager Date | B. Will you authorize CFC to share your data with other cooperatives? <input type="radio"/> YES <input checked="" type="radio"/> NO |

| PART A: STATEMENT OF OPERATIONS | | | | |
|--|------------------|------------------|---------------|-------------------|
| ITEM | LAST YEAR (a) | YEAR-TO-DATE | | THIS MONTH (d) |
| | | THIS YEAR (b) | BUDGET (c) | |
| 1. Operating Revenue and Patronage Capital | 192,272,198 | 187,004,489 | 0 | 18,632,915 |
| 2. Power Production Expense | 0 | 0 | 0 | 0 |
| 3. Cost of Purchased Power | 132,494,204 | 124,486,377 | 0 | 12,661,110 |
| 4. Transmission Expense | 406,301 | 353,737 | 0 | (1,857) |
| 5. Distribution Expense - Operation | 7,598,879 | 8,548,177 | 0 | 711,065 |
| 6. Distribution Expense - Maintenance | 7,462,287 | 7,994,453 | 0 | 717,734 |
| 7. Consumer Accounts Expense | 5,051,045 | 5,135,906 | 0 | 624,644 |
| 8. Customer Service and Informational Expense | 2,333,741 | 2,422,074 | 0 | 276,106 |
| 9. Sales Expense | 0 | 0 | 0 | 0 |
| 10. Administrative and General Expense | 8,708,701 | 9,853,413 | 0 | 1,027,485 |
| 11. Total Operation & Maintenance Expense (2 thru 10) | 164,035,158 | 158,814,137 | 0 | 16,016,307 |
| 12. Depreciation & Amortization Expense | 12,722,705 | 14,331,430 | 0 | 982,936 |
| 13. Tax Expense - Property & Gross Receipts | 0 | 0 | 0 | 0 |
| 14. Tax Expense - Other | (16,128) | (8,298) | 0 | 0 |
| 15. Interest on Long-Term Debt | 10,093,571 | 10,251,732 | 0 | 880,130 |
| 16. Interest Charged to Construction (Credit) | 0 | 0 | 0 | 0 |
| 17. Interest Expense - Other | 302,577 | 230,074 | 0 | 37,794 |
| 18. Other Deductions | 0 | 0 | 0 | 0 |
| 19. Total Cost of Electric Service (11 thru 18) | 187,157,883 | 183,619,075 | 0 | 17,917,167 |
| 20. Patronage Capital & Operating Margins (1 minus 19) | 5,114,315 | 3,385,414 | 0 | 715,748 |
| 21. Non Operating Margins - Interest | 253,903 | 96,454 | 0 | 7,925 |
| 22. Allowance for Funds Used During Construction | 0 | 0 | 0 | 0 |
| 23. Income (Loss) from Equity Investments | 0 | 0 | 0 | 0 |
| 24. Non Operating Margins - Other | 327,319 | 76,152 | 0 | (3,087) |
| 25. Generation & Transmission Capital Credits | 0 | 0 | 0 | 0 |
| 26. Other Capital Credits & Patronage Dividends | 1,252,860 | 1,017,060 | 0 | 0 |
| 27. Extraordinary Items | 749,512 | 0 | 0 | 0 |
| 28. Patronage Capital or Margins (20 thru 27) | 7,697,909 | 4,575,080 | 0 | 720,586 |

| PART B: DATA ON TRANSMISSION AND DISTRIBUTION PLANT | | | | | |
|---|------------------|------------------|-----------------------------------|------------------|------------------|
| ITEM | YEAR-TO-DATE | | ITEM | YEAR-TO-DATE | |
| | LAST YEAR (a) | THIS YEAR (b) | | LAST YEAR (a) | THIS YEAR (b) |
| 1. New Services Connected | 2,102 | 1,947 | 5. Miles Transmission | 90 | 90 |
| 2. Services Retired | 123 | 21 | 6. Miles Distribution Overhead | 10,381 | 10,488 |
| 3. Total Services in Place | 104,397 | 106,343 | 7. Miles Distribution Underground | 315 | 338 |
| 4. Idle Services (Exclude Seasonal) | 24,979 | 25,868 | 8. Total Miles Energized (5+6+7) | 10,786 | 10,916 |

| CFC FINANCIAL AND STATISTICAL REPORT | | BORROWER DESIGNATION | |
|--|-------------|---|-------------|
| | | TX100 | |
| | | YEAR ENDING | |
| | | 12/31/2009 | |
| PART C: BALANCE SHEET | | | |
| ASSETS AND OTHER DEBITS | | LIABILITIES AND OTHER CREDITS | |
| 1. Total Utility Plant in Service | 374,283,328 | 28. Memberships | 1,361,025 |
| 2. Construction Work in Progress | 12,720,966 | 29. Patronage Capital | 133,088,968 |
| 3. Total Utility Plant (1+2) | 387,004,294 | 30. Operating Margins - Prior Years | 0 |
| 4. Accum. Provision for Depreciation and Amort | 74,478,125 | 31. Operating Margins - Current Year | 4,362,541 |
| 5. Net Utility Plant (3-4) | 312,526,169 | 32. Non-Operating Margins | 212,539 |
| 6. Nonutility Property - Net | 0 | 33. Other Margins & Equities | 1,886,830 |
| 7. Investment in Subsidiary Companies | 0 | 34. Total Margins & Equities (28 thru 33) | 148,911,923 |
| 8. Invest. in Assoc. Org. - Patronage Capital | 4,794,370 | 35. Long-Term Debt CFC (Net) | 143,630,431 |
| 9. Invest. in Assoc. Org. - Other - General Funds | 0 | (Payments-Unapplied (\$)) | |
| 10. Invest in Assoc. Org. - Other - Nongeneral Funds | 4,605,552 | 36. Long-Term Debt - Other (Net) | 44,115,837 |
| 11. Investments in Economic Development Projects | 0 | (Payments-Unapplied (\$)) | |
| 12. Other Investments | 0 | 37. Total Long-Term Debt (35+36) | 187,746,268 |
| 13. Special Funds | 0 | 38. Obligations Under Capital Leases - Non current | 0 |
| 14. Total Other Property & Investments (6 thru 13) | 9,399,922 | 39. Accumulated Operating Provisions - Asset Retirement Obligations | 8,671,512 |
| 15. Cash-General Funds | 4,466,935 | 40. Total Other Noncurrent Liabilities (38+39) | 8,671,512 |
| 16. Cash-Construction Funds-Trustee | 0 | 41. Notes Payable | 700,000 |
| 17. Special Deposits | 0 | 42. Accounts Payable | 16,783,443 |
| 18. Temporary Investments | 11,043,181 | 43. Consumers Deposits | 3,636,104 |
| 19. Notes Receivable - Net | 0 | 44. Current Maturities Long-Term Debt | 3,720,864 |
| 20. Accounts Receivable - Net Sales of Energy | 11,621,012 | 45. Current Maturities Long-Term Debt-Economic Development | 0 |
| 21. Accounts Receivable - Net Other | 417,113 | 46. Current Maturities Capital Leases | 0 |
| 22. Materials & Supplies - Electric and Other | 4,816,637 | 47. Other Current & Accrued Liabilities | 5,423,417 |
| 23. Prepayments | 0 | 48. Total Current & Accrued Liabilities (41 thru 47) | 30,263,828 |
| 24. Other Current & Accrued Assets | 3,336,231 | 49. Deferred Credits | 224,857 |
| 25. Total Current & Accrued Assets (18 thru 24) | 35,901,109 | 50. Total Liabilities & Other Credits (34+37+40+48+49) | 367,818,388 |
| 26. Deferred Debits | 10,191,188 | | |
| 27. Total Assets & Other Debits (3+14+25+26) | 367,818,388 | | |
| | | ESTIMATED CONTRIBUTION-IN-AID-OF-CONSTRUCTION | |
| | | Balance Beginning of Year | 38,482,800 |
| | | Amounts Received This Year (Net) | 3,036,857 |
| | | TOTAL Contributions-In-Aid-Of-Construction | 41,519,657 |
| PART D: THE SPACE BELOW IS PROVIDED FOR IMPORTANT NOTES REGARDING THE FINANCIAL STATEMENT CONTAINED IN THIS REPORT. | | | |
| | | | |

| | |
|---|---|
| NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT Submit one electronic copy and one signed hard copy to CFC. Round all numbers to the nearest dollar. | BORROWER DESIGNATION TX100 BORROWER NAME Bluebonnet Electric Cooperative, Inc. ENDING DATE 12/31/2008 |
|---|---|

| | | |
|--|--|--|
| CERTIFICATION We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief. | | NEW AUTHORIZATION CHOICES A. NRECA uses rural electric system data for legislative, regulatory and other purposes. May we provide this report from your system to NRECA? <div style="display: flex; justify-content: space-around;"> <input checked="" type="radio"/> YES <input type="radio"/> NO </div> B. Will you authorize CFC to share your data with other cooperatives? <div style="display: flex; justify-content: space-around;"> <input type="radio"/> YES <input checked="" type="radio"/> NO </div> |
|--|--|--|

Elizabeth Kana 4/28/09
 Signature of Office Manager or Accountant Date

[Signature] 4/29/09
 Signature of Manager Date

NEW AUTHORIZATION CHOICES

 A. NRECA uses rural electric system data for legislative,
regulatory and other purposes. May we provide this report
from your system to NRECA?

☒ YES
 ☐ NO

 B. Will you authorize CFC to share your data with
other cooperatives?

☐ YES
 ☒ NO

| PART A. STATEMENT OF OPERATIONS | | | | |
|--|------------------|----------------------------------|---------------|-------------------|
| ITEM | LAST YEAR (a) | YEAR-TO-DATE THIS YEAR (b) | BUDGET (c) | THIS MONTH (d) |
| 1. Operating Revenue and Patronage Capital | 159,098,247 | 192,272,198 | 0 | 12,847,347 |
| 2. Power Production Expense | 0 | 0 | 0 | 0 |
| 3. Cost of Purchased Power | 99,601,331 | 132,494,204 | 0 | 7,878,632 |
| 4. Transmission Expense | 347,264 | 406,301 | 0 | (2,345) |
| 5. Distribution Expense - Operation | 7,101,181 | 7,598,879 | 0 | 640,605 |
| 6. Distribution Expense - Maintenance | 6,936,961 | 7,462,287 | 0 | 1,222,915 |
| 7. Consumer Accounts Expense | 4,952,598 | 5,051,045 | 0 | 857,867 |
| 8. Customer Service and Informational Expense | 2,265,859 | 2,333,741 | 0 | 323,154 |
| 9. Sales Expense | 0 | 0 | 0 | 0 |
| 10. Administrative and General Expense | 7,909,990 | 8,708,701 | 0 | 1,082,086 |
| 11. Total Operation & Maintenance Expense (2 thru 10) | 129,115,184 | 164,055,158 | 0 | 12,002,914 |
| 12. Depreciation & Amortization Expense | 11,872,540 | 12,722,705 | 0 | 1,088,431 |
| 13. Tax Expense - Property & Gross Receipts | 0 | 0 | 0 | 0 |
| 14. Tax Expense - Other | (27,458) | (16,128) | 0 | 0 |
| 15. Interest on Long-Term Debt | 9,864,783 | 10,093,571 | 0 | 848,520 |
| 16. Interest Charged to Construction (Credit) | 0 | 0 | 0 | 0 |
| 17. Interest Expense - Other | 333,153 | 302,577 | 0 | 30,346 |
| 18. Other Deductions | 0 | 0 | 0 | 0 |
| 19. Total Cost of Electric Service (11 thru 18) | 151,158,202 | 187,157,883 | 0 | 13,970,211 |
| 20. Patronage Capital & Operating Margins (1 minus 19) | 7,940,045 | 5,114,315 | 0 | (1,122,864) |
| 21. Non Operating Margins - Interest | 479,986 | 253,903 | 0 | 10,391 |
| 22. Allowance for Funds Used During Construction | 0 | 0 | 0 | 0 |
| 23. Income (Loss) from Equity Investments | 0 | 0 | 0 | 0 |
| 24. Non Operating Margins - Other | 28,240 | 327,319 | 0 | (54,083) |
| 25. Generation & Transmission Capital Credits | 0 | 0 | 0 | 0 |
| 26. Other Capital Credits & Patronage Dividends | 1,213,053 | 1,252,860 | 0 | 0 |
| 27. Extraordinary Items | 1,136,880 | 749,512 | 0 | 0 |
| 28. Patronage Capital or Margins (20 thru 27) | 10,798,204 | 7,697,909 | 0 | (1,166,556) |

| PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT | | | | | |
|---|------------------|------------------|-----------------------------------|------------------|------------------|
| ITEM | YEAR-TO-DATE | | ITEM | YEAR-TO-DATE | |
| | LAST YEAR (a) | THIS YEAR (b) | | LAST YEAR (a) | THIS YEAR (b) |
| 1. New Services Connected | 2,452 | 2,102 | 5. Miles Transmission | 91 | 90 |
| 2. Services Retired | 281 | 123 | 6. Miles Distribution Overhead | 11,050 | 10,381 |
| 3. Total Services In Place | 102,729 | 104,397 | 7. Miles Distribution Underground | 195 | 315 |
| 4. Idle Services (Exclude Seasonal) | 24,582 | 24,979 | 8. Total Miles Energized (5+6+7) | 11,336 | 10,786 |

| CFC FINANCIAL AND STATISTICAL REPORT | | BORROWER DESIGNATION TX100 INC. | |
|--|-------------|---|-------------|
| | | YEAR ENDING | 12/31/2008 |
| PART C. BALANCE SHEET | | | |
| ASSETS AND OTHER DEBITS | | LIABILITIES AND OTHER CREDITS | |
| 1. Total Utility Plant in Service | 354,164,666 | 28. Memberships | 1,482,450 |
| 2. Construction Work in Progress | 12,489,367 | 29. Patronage Capital | 132,239,852 |
| 3. Total Utility Plant (1+2) | 366,654,033 | 30. Operating Margins - Prior Years | 0 |
| 4. Accoun. Provision for Depreciation and Amort | 66,387,056 | 31. Operating Margins - Current Year | 7,116,687 |
| 5. Net Utility Plant (3-4) | 300,266,977 | 32. Non-Operating Margins | 581,222 |
| 6. Nonutility Property - Net | 0 | 33. Other Margins & Equities | (4,198,729) |
| 7. Investment in Subsidiary Companies | 0 | 34. Total Margins & Equities (28 thru 33) | 137,191,482 |
| 8. Invest. in Assoc. Org. - Patronage Capital | 4,407,153 | 35. Long-Term Debt CFC (Net) | 161,509,784 |
| 9. Invest. in Assoc. Org. - Other - General Funds | 0 | (Payments-Unapplied (\$)) | |
| 10. Invest in Assoc. Org. - Other - Nongeneral Funds | 4,842,794 | 36. Long-Term Debt - Other (Net) | 15,000,000 |
| 11. Investments in Economic Development Projects | 0 | (Payments-Unapplied (\$)) | |
| 12. Other Investments | 0 | 37. Total Long-Term Debt (35+36) | 178,509,784 |
| 13. Special Funds | 0 | 38. Obligations Under Capital Leases - Non current | 0 |
| 14. Total Other Property & Investments (6 thru 13) | 9,249,947 | 39. Accumulated Operating Provisions - Asset Retirement Obligations | 13,084,193 |
| 15. Cash-General Funds | 2,685,439 | 40. Total Other Noncurrent Liabilities (38+39) | 13,084,193 |
| 16. Cash-Construction Funds-Trustee | 0 | 41. Notes Payable | 0 |
| 17. Special Deposits | 0 | 42. Accounts Payable | 13,763,951 |
| 18. Temporary Investments | 9,170,948 | 43. Customers Deposits | 3,817,961 |
| 19. Notes Receivable - Net | 205 | 44. Current Maturities Long-Term Debt | 2,844,460 |
| 20. Accounts Receivable - Net Sales of Energy | 13,913,638 | 45. Current Maturities Long-Term Debt-Economic Development | 0 |
| 21. Accounts Receivable - Net Other | 1,536,331 | 46. Current Maturities Capital Leases | 0 |
| 22. Materials & Supplies - Electric and Other | 3,960,326 | 47. Other Current & Accrued Liabilities | 4,018,981 |
| 23. Prepayments | 0 | 48. Total Current & Accrued Liabilities (41 thru 47) | 24,445,353 |
| 24. Other Current & Accrued Assets | 1,616,152 | 49. Deferred Credits | 185,572 |
| 25. Total Current & Accrued Assets (15 thru 24) | 32,883,039 | 50. Total Liabilities & Other Credits (34+37+40+48+49) | 353,416,334 |
| 26. Deferred Debits | 11,016,371 | | |
| 27. Total Assets & Other Debits (5+14+25+26) | 353,416,334 | | |
| | | ESTIMATED CONTRIBUTION-IN-AID-OF-CONSTRUCTION | |
| | | Balance Beginning of Year | 34,407,858 |
| | | Amounts Received This Year (Net) | 4,074,942 |
| | | TOTAL Contributions-In-Aid-Of-Construction | 38,482,800 |
| PART D. THE SPACE BELOW IS PROVIDED FOR IMPORTANT NOTES REGARDING THE FINANCIAL STATEMENT CONTAINED IN THIS REPORT. | | | |

| | |
|--|---|
| NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION | BORROWER DESIGNATION TX100 |
| FINANCIAL AND STATISTICAL REPORT | BORROWER NAME Bluebonnet Electric Cooperative, Inc. |
| Submit one electronic copy and one signed hard copy to CFC. Round all numbers to the nearest dollar. | ENDING DATE 12/31/2007 |

CERTIFICATION

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

Elizabeth Kana 4-28-08
 Signature of Office Manager or Accountant Date

[Signature] 4-28-08
 Signature of Manager Date

NEW AUTHORIZATION CHOICES

A. NRECA uses rural electric system data for legislative, regulatory and other purposes. May we provide this report from your system to NRECA?

NRECA ☒ YES ☐ NO

B. Will you authorize CFC to share your data with other cooperatives?

☐ YES ☒ NO

PART A. STATEMENT OF OPERATIONS

| ITEM | YEAR-TO-DATE | | | THIS MONTH |
|--|------------------|------------------|---------------|------------|
| | LAST YEAR (a) | THIS YEAR (b) | BUDGET (c) | |
| 1. Operating Revenue and Patronage Capital | 166,810,296 | 159,098,247 | 0 | 13,328,331 |
| 2. Power Production Expense | 0 | 0 | 0 | 0 |
| 3. Cost of Purchased Power | 107,714,142 | 99,601,331 | 0 | 7,436,757 |
| 4. Transmission Expense | 137,356 | 347,264 | 0 | 130,321 |
| 5. Distribution Expense - Operation | 7,191,088 | 7,101,181 | 0 | 654,468 |
| 6. Distribution Expense - Maintenance | 6,068,125 | 6,936,961 | 0 | 1,347,974 |
| 7. Consumer Accounts Expense | 4,870,157 | 4,952,598 | 0 | 509,690 |
| 8. Customer Service and Informational Expense | 2,526,841 | 2,265,859 | 0 | 284,289 |
| 9. Sales Expense | 0 | 0 | 0 | 0 |
| 10. Administrative and General Expense | 7,441,745 | 7,909,990 | 0 | 947,234 |
| 11. Total Operation & Maintenance Expense (2 thru 10) | 135,949,454 | 129,115,184 | 0 | 11,310,753 |
| 12. Depreciation & Amortization Expense | 10,164,624 | 11,872,540 | 0 | 1,006,487 |
| 13. Tax Expense - Property & Gross Receipts | 0 | 0 | 0 | 0 |
| 14. Tax Expense - Other | (5,097) | (27,458) | 0 | 0 |
| 15. Interest on Long-Term Debt | 8,649,746 | 9,864,783 | 0 | 1,052,251 |
| 16. Interest Charged to Construction (Credit) | 0 | 0 | 0 | 0 |
| 17. Interest Expense - Other | 293,353 | 333,153 | 0 | 57,568 |
| 18. Other Deductions | 0 | 0 | 0 | 0 |
| 19. Total Cost of Electric Service (11 thru 18) | 155,052,080 | 151,158,202 | 0 | 13,427,059 |
| 20. Patronage Capital & Operating Margins (1 minus 19) | 11,758,216 | 7,940,045 | 0 | (98,728) |
| 21. Non Operating Margins - Interest | 429,964 | 479,986 | 0 | 47,261 |
| 22. Allowance for Funds Used During Construction | 0 | 0 | 0 | 0 |
| 23. Income (Loss) from Equity Investments | 0 | 0 | 0 | 0 |
| 24. Non Operating Margins - Other | 205,073 | 28,240 | 0 | (104,415) |
| 25. Generation & Transmission Capital Credits | 0 | 0 | 0 | 0 |
| 26. Other Capital Credits & Patronage Dividends | 986,306 | 1,213,053 | 0 | (62,266) |
| 27. Extraordinary Items | 1,136,880 | 1,136,880 | 0 | 94,740 |
| 28. Patronage Capital or Margins (20 thru 27) | 14,516,439 | 10,798,204 | 0 | (123,408) |

PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT

| ITEM | YEAR-TO-DATE | | ITEM | YEAR-TO-DATE | |
|-------------------------------------|------------------|------------------|-----------------------------------|------------------|------------------|
| | LAST YEAR (a) | THIS YEAR (b) | | LAST YEAR (a) | THIS YEAR (b) |
| 1. New Services Connected | 3,477 | 2,452 | 5. Miles Transmission | 93 | 91 |
| 2. Services Retired | 265 | 281 | 6. Miles Distribution Overhead | 10,966 | 11,050 |
| 3. Total Services In Place | 100,204 | 102,729 | 7. Miles Distribution Underground | 170 | 195 |
| 4. Idle Services (Exclude Seasonal) | 23,786 | 24,582 | 8. Total Miles Energized (5+6+7) | 11,229 | 11,336 |

CFC Form 7 Short Form (11/2007)

Page 1 of 5

Final Copy - Mailed 4/28/08

| CFC FINANCIAL AND STATISTICAL REPORT | | BORROWER DESIGNATION TX100 | |
|--|-------------|---|-------------|
| | | YEAR ENDING | 12/31/2007 |
| PART C: FINANCIAL STATEMENT | | | |
| ASSETS AND OTHER DEBITS | | LIABILITIES AND OTHER CREDITS | |
| 1. Total Utility Plant in Service | 333,772,391 | 28. Memberships | 1,567,365 |
| 2. Construction Work in Progress | 8,896,111 | 29. Patronage Capital | 123,924,885 |
| 3. Total Utility Plant (1+2) | 342,668,502 | 30. Operating Margins - Prior Years | 0 |
| 4. Accum. Provision for Depreciation and Amort | 60,905,480 | 31. Operating Margins - Current Year | 10,289,978 |
| 5. Net Utility Plant (3-4) | 281,763,022 | 32. Non-Operating Margins | 508,226 |
| 6. Nonutility Property - Net | 0 | 33. Other Margins & Equities | (3,856,118) |
| 7. Investment in Subsidiary Companies | 0 | 34. Total Margins & Equities (28 thru 33) | 132,434,336 |
| 8. Invest. in Assoc. Org. - Patronage Capital | 4,244,049 | 35. Long-Term Debt CFC (Net) | 157,654,067 |
| 9. Invest. in Assoc. Org. - Other - General Funds | 0 | (Payments-Unapplied (\$ | |
| 10. Invest in Assoc. Org. - Other - Nongeneral Funds | 4,511,668 | 36. Long-Term Debt - Other (Net) | 8,700,000 |
| 11. Investments in Economic Development Projects | 0 | (Payments-Unapplied (\$ | |
| 12. Other Investments | 0 | 37. Total Long-Term Debt (35+36) | 166,354,067 |
| 13. Special Funds | 0 | 38. Obligations Under Capital Leases - Non current | 0 |
| 14. Total Other Property & Investments (6 thru 13) | 8,755,717 | 39. Accumulated Operating Provisions - Asset Retirement Obligations | 11,029,100 |
| 15. Cash-General Funds | 4,005,134 | 40. Total Other Noncurrent Liabilities (38+39) | 11,029,100 |
| 16. Cash-Construction Prods-Trustee | 0 | 41. Notes Payable | 0 |
| 17. Special Deposits | 0 | 42. Accounts Payable | 11,775,993 |
| 18. Temporary Investments | 12,362,795 | 43. Consumers Deposits | 3,643,840 |
| 19. Notes Receivable - Net | 12,000 | 44. Current Maturities Long-Term Debt | 2,683,085 |
| 20. Accounts Receivable - Net Sales of Energy | 11,978,927 | 45. Current Maturities Long-Term Debt-Economic Development | 0 |
| 21. Accounts Receivable - Net Other | 491,263 | 46. Current Maturities Capital Leases | 0 |
| 22. Materials & Supplies - Electric and Other | 4,618,131 | 47. Other Current & Accrued Liabilities | 7,371,781 |
| 23. Prepayments | 0 | 48. Total Current & Accrued Liabilities (41 thru 47) | 25,474,699 |
| 24. Other Current & Accrued Assets | 678,184 | 49. Deferred Credits | 5,469,143 |
| 25. Total Current & Accrued Assets (15 thru 24) | 34,146,434 | 50. Total Liabilities & Other Credits (34+37+40+48+49) | 340,761,345 |
| 26. Deferred Debits | 16,096,172 | | |
| 27. Total Assets & Other Debits (5+14+25+26) | 340,761,345 | | |
| | | ESTIMATED CONTRIBUTION IN-AID-OF-CONSTRUCTION | |
| | | Balance Beginning of Year | 31,130,912 |
| | | Amounts Received This Year (Net) | 3,276,946 |
| | | TOTAL Contributions in-Aid-Of-Construction | 34,407,858 |
| PART D: THE SPACE BELOW IS PROVIDED FOR IMPORTANT NOTES REGARDING THE FINANCIAL STATEMENT CONTAINED IN THIS REPORT. | | | |

| | |
|--|--|
| NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT Submit one electronic copy and one signed hard copy to CPC. Round all numbers to the nearest dollar. | BORROWER DESIGNATION 10400 BORROWER NAME Blount Electric Cooperative, Inc. ENDING DATE 12/31/2006 |
| CERTIFICATION We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief. | |
| Signature of Office Manager or Accountant: <u>Elizabeth Kana</u> Date: <u>4/27/07</u> Signature of Manager: <u>[Signature]</u> Date: <u>4/27/07</u> | NEW AUTHORIZATION CHOICES A. NRECA uses rural electric system data for legislative, regulatory and other purposes. May we provide this report from your system to NRECA? NRECA <input checked="" type="radio"/> YES <input type="radio"/> NO B. Will you authorize CFC to share your data with other co-ops on Cooperative.com's website? Cooperative.com <input type="radio"/> YES <input checked="" type="radio"/> NO |

| ITEM | YEAR-TO-DATE | | | |
|--|------------------|------------------|---------------|-------------------|
| | LAST YEAR (a) | THIS YEAR (b) | BUDGET (c) | THIS MONTH (d) |
| 1. Operating Revenue and Patronage Capital | 140,235,489 | 166,810,296 | 0 | 12,219,872 |
| 2. Power Production Expense | 0 | 0 | 0 | 0 |
| 3. Cost of Purchased Power | 92,683,325 | 107,714,142 | 0 | 4,685,681 |
| 4. Transmission Expense | 185,255 | 137,356 | 0 | 6,319 |
| 5. Distribution Expense - Operation | 6,490,869 | 7,191,088 | 0 | 532,569 |
| 6. Distribution Expense - Maintenance | 8,633,908 | 6,068,125 | 0 | 840,413 |
| 7. Consumer Accounts Expense | 5,071,862 | 4,870,157 | 0 | 1,116,892 |
| 8. Customer Service and Informational Expense | 1,846,872 | 2,526,841 | 0 | 590,582 |
| 9. Sales Expense | 0 | 0 | 0 | 0 |
| 10. Administrative and General Expense | 7,120,735 | 7,441,745 | 0 | 998,369 |
| 11. Total Operation & Maintenance Expense (2 thru 10) | 122,032,826 | 135,949,454 | 0 | 8,770,825 |
| 12. Depreciation & Amortization Expense | 8,910,017 | 10,164,624 | 0 | 943,678 |
| 13. Tax Expense - Property & Gross Receipts | 0 | 0 | 0 | 0 |
| 14. Tax Expense - Other | 381,314 | (5,097) | 0 | 0 |
| 15. Interest on Long-Term Debt | 6,608,241 | 8,649,746 | 0 | 739,326 |
| 16. Interest Charged to Construction (Credit) | 0 | 0 | 0 | 0 |
| 17. Interest Expense - Other | 957,278 | 293,353 | 0 | 63,359 |
| 18. Other Deductions | 0 | 0 | 0 | 0 |
| 19. Total Cost of Electric Service (11 thru 18) | 138,889,676 | 155,052,080 | 0 | 10,517,188 |
| 20. Patronage Capital & Operating Margins (1 minus 19) | 1,345,813 | 11,758,216 | 0 | 1,702,684 |
| 21. Non Operating Margins - Interest | 269,736 | 429,964 | 0 | 38,011 |
| 22. Allowance for Funds Used During Construction | 0 | 0 | 0 | 0 |
| 23. Income (Loss) from Equity Investments | 0 | 0 | 0 | 0 |
| 24. Non Operating Margins - Other | 329,033 | 205,073 | 0 | 6,519 |
| 25. Generation & Transmission Capital Credits | 0 | 0 | 0 | 0 |
| 26. Other Capital Credits & Patronage Dividends | 633,623 | 986,306 | 0 | 0 |
| 27. Extraordinary Items | 1,136,883 | 1,136,880 | 0 | 94,740 |
| 28. Patronage Capital or Margins (20 thru 27) | 3,715,088 | 14,516,439 | 0 | 1,841,954 |

| ITEM | YEAR-TO-DATE | | ITEM | YEAR-TO-DATE | |
|-------------------------------------|------------------|------------------|-----------------------------------|------------------|------------------|
| | LAST YEAR (a) | THIS YEAR (b) | | LAST YEAR (a) | THIS YEAR (b) |
| 1. New Services Connected | 1,858 | 3,477 | 5. Miles Transmission | 93 | 93 |
| 2. Services Retired | 433 | 265 | 6. Miles Distribution Overhead | 10,880 | 10,966 |
| 3. Total Services in Place | 90,993 | 100,204 | 7. Miles Distribution Underground | 147 | 170 |
| 4. Idle Services (Exclude Seasonal) | 18,940 | 23,786 | 8. Total Miles Energized (5+6+7) | 11,120 | 11,229 |

CPC Form 7 Short Form (1/1/2006)

Page 1 of 5

| CFC FINANCIAL AND STATISTICAL REPORT | | BORROWER DESIGNATION TX100 | |
|--|-------------|---|-------------|
| | | YEAR ENDING | |
| | | 12/31/2006 | |
| ASSETS AND OTHER DEBITS | | LIABILITIES AND OTHER CREDITS | |
| 1. Total Utility Plant in Service | 305,976,431 | 28. Memberships | 1,734,440 |
| 2. Construction Work in Progress | 17,667,700 | 29. Patronage Capital | 110,681,877 |
| 3. Total Utility Plant (1+2) | 323,644,131 | 30. Operating Margins - Prior Years | 0 |
| 4. Accum. Provision for Depreciation and Amort | 57,411,301 | 31. Operating Margins - Current Year | 13,881,402 |
| 5. Net Utility Plant (3-4) | 266,232,830 | 32. Non-Operating Margins | 635,037 |
| 6. Nonutility Property - Net | 0 | 33. Other Margins & Equities | 359,357 |
| 7. Investment in Subsidiary Companies | 0 | 34. Total Margins & Equities (28 thru 33) | 127,292,113 |
| 8. Invest. in Assoc. Org. - Patronage Capital | 3,978,968 | 35. Long-Term Debt CFC (Net) | 0 |
| 9. Invest. in Assoc. Org. - Other - General Funds | 0 | (Payments-Unapplied (\$)) | 0 |
| 10. Invest in Assoc. Org. - Other - Nongeneral Funds | 4,101,040 | 36. Long-Term Debt - Other (Net) | 153,668,106 |
| 11. Investments in Economic Development Projects | 0 | (Payments-Unapplied (\$)) | 0 |
| 12. Other Investments | 0 | 37. Total Long-Term Debt (35+36) | 153,668,106 |
| 13. Special Funds | 0 | 38. Obligations Under Capital Leases - Non current | 0 |
| 14. Total Other Property & Investments (6 thru 13) | 8,080,008 | 39. Accumulated Operating Provisions - Asset Retirement Obligations | 5,262,700 |
| 15. Cash-General Funds | 2,459,290 | 40. Total Other Nongurrent Liabilities (38+39) | 5,262,700 |
| 16. Cash-Construction Funds-Trustee | 0 | 41. Notes Payable | 0 |
| 17. Special Deposits | 0 | 42. Accounts Payable | 8,747,483 |
| 18. Temporary Investments | 8,370,198 | 43. Consumers Deposits | 3,392,535 |
| 19. Notes Receivable - Net | 16,642 | 44. Current Maturities Long-Term Debt | 2,103,522 |
| 20. Accounts Receivable - Net Sales of Energy | 11,053,494 | 45. Current Maturities Long-Term Debt-Economic Development | 0 |
| 21. Accounts Receivable - Net Other | 609,350 | 46. Current Maturities Capital Leases | 0 |
| 22. Materials & Supplies - Electric and Other | 8,745,496 | 47. Other Current & Accrued Liabilities | 9,457,628 |
| 23. Prepayments | 5,476,985 | 48. Total Current & Accrued Liabilities (41 thru 47) | 23,701,168 |
| 24. Other Current & Accrued Assets | 544,192 | 49. Deferred Credits | 2,172,147 |
| 25. Total Current & Accrued Assets (15 thru 24) | 37,275,647 | 50. Total Liabilities & Other Credits (34+37+40+48+49) | 312,056,234 |
| 26. Deferred Debits | 507,749 | | |
| 27. Total Assets & Other Debits (5+14+25+26) | 312,056,234 | | |
| | | CONTRIBUTIONS IN AID OF CONSTRUCTION | |
| | | Balance Beginning of Year | 25,022,621 |
| | | Amounts Received This Year (Net) | 6,108,291 |
| | | TOTAL Contributions-In-Aid-Of-Construction | 31,130,912 |

