

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

STUDY DATE:

RUN DATE AND TIME: 10-Apr-19

RETURN ON COMMON EQUITY

OVERALL RATE OF RETURN

CAPITALIZATION:

OUTSTANDING EFFECTIVE RATE

DBT \$37,350,107 3.68%

PRF \$0 0.00%

CMN \$24,883,458 5.60%

FEDERAL EFFECTIVE INCOME TAX RATE

FEDERAL NOMINAL INCOME TAX RATE

STATE EFFECTIVE INCOME TAX RATE

STATE NOMINAL INCOME TAX RATE

NOTATIONS:

PRO FORMA DECEMBER 31, 2019

01:43 PM

5.60%

2.98%

COMPOSITE

2.22%

0.00%

2.23%

0.00%

0.00%

0.00%

0.00%

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

LINE NO.	DESCRIPTION	CONTROL ALL	OUT	TOTAL COMPANY	RESIDENTIAL	COMMERCIAL	LARGE POWER	LIGHTING
1	NUMBER OF CUSTOMERS	C1A	C1A	11,360	10,465	583	12	300
2	PERCENT OF TOTAL	C1A	C1A	100.000%	92.124%	5.131%	0.106%	2.640%
3	NUMBER OF WEIGHTED CUSTOMERS	C2A	C2A	11,513	10,465	874	24	150
4	PERCENT OF TOTAL	C2A	C2A	100.000%	90.896%	7.593%	0.208%	1.302%
5	NUMBER OF RETAIL DISTR CUSTOMERS	C3A	C3A	11,360	10,465	583	12	300
6	PERCENT OF TOTAL	C3A	C3A	100.000%	92.124%	5.131%	0.106%	2.640%
7	NMBR OF RETAIL WTD CUSTOMERS	C4A	C4A	11,513	10,465	874	24	150
8	PERCENT OF TOTAL	C4A	C4A	100.000%	90.896%	7.593%	0.208%	1.302%
9	LIGHTING DIRECT ALLOCATOR	LDE	LDE	1	0	0	0	1
10	PERCENT OF TOTAL	LDE	LDE	100.000%	0.000%	0.000%	0.000%	100.000%
11	LPS DIRECT ALLOCATOR	DA1	DA1	0	0	0	0	0
12	PERCENT OF TOTAL	DA1	DA1	100.000%	0.000%	0.000%	0.000%	100.000%
13	AVERAGE COINCIDENT KW DEMAND	D1A	D1A	12,966	11,026	942	998	0
14	DEMAND ALLOCATION FACTOR-PROD	D1A	D1A	100.000%	85.038%	7.264%	7.698%	0.000%
15	AVERAGE COINCIDENT KW DEMAND	D1B	D1B	12,966	11,026	942	998	0
16	DEMAND ALLOCATION FACTOR-TRANS	D1B	D1B	100.000%	85.038%	7.264%	7.698%	0.000%
17	AVG PRIMARY DISTRIB KW DEMAND	D2A	D2A	13,586	11,478	981	1,095	32
18	DIST-PRI DEMAND ALLOC FACTOR	D2A	D2A	100.000%	84.489%	7.217%	8.060%	0.234%
19	AVG SECONDARY DISTRIB KW DEMAND	D3A	D3A	13,586	11,478	981	1,095	32
20	DIST-SEC DEMAND ALLOC FACTOR	D3A	D3A	100.000%	84.489%	7.217%	8.060%	0.234%
21	AVG SECONDARY DISTRIB KW DEMAND	D4A	D4A	13,586	11,478	981	1,095	32
22	DIST-SEC DEMAND ALLOC FACTOR	D4A	D4A	100.000%	84.489%	7.217%	8.060%	0.234%
23	ANNUAL MWH ENERGY CONTRIBUTION	E1A	E1A	79,299,110	69,203,890	5,911,481	3,992,283	191,456
24	ENERGY ALLOCATION FACTOR	E1A	E1A	100.000%	87.269%	7.455%	5.034%	0.241%

WASHINGTON ELECTRIC COOPERATIVE, INC.
COST OF SERVICE STUDY
FOR TWELVE MONTHS ENDED
PRO FORMA DECEMBER 31, 2019

PAGE 3

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

LINE NO.	DESCRIPTION	ALL	OUT	TOTAL COMPANY	RESIDENTIAL	COMMERCIAL	LARGE POWER	LIGHTING
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		\$54,761	\$46,567	\$3,978	\$4,216	\$0
28	TRANSMISSION	NPT		\$31,010	\$26,298	\$2,246	\$2,435	\$31
29	DISTRIBUTION	NPD		\$2,767,554	\$2,429,975	\$204,999	\$104,499	\$28,081
30	GENERAL	NPG		\$961,499	\$851,097	\$71,640	\$28,520	\$10,242
31	WAGES/SALARIES: TOTAL	LBR	LBR	\$3,814,824	\$3,353,937	\$282,863	\$139,670	\$38,354
32	PERCENT OF TOTAL	LBR		100.000%	87.919%	7.415%	3.661%	1.005%
33	BULK TRANSMISSION REVENUE	D1A		\$0	\$0	\$0	\$0	\$0
34	PRIMARY TRANSMISSION REVENUE	D: 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	\$15,752,458	\$13,931,596	\$1,156,958	\$578,793	\$85,111
38	GROSS RECEIPTS TAXES	NPD		\$168,376	\$146,899	\$12,424	\$7,697	\$1,356
39	MISCELLANEOUS REVENUE	NPD		\$2,170,254	\$1,905,533	\$160,755	\$81,946	\$22,020
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	\$18,091,088	\$15,984,028	\$1,330,137	\$668,436	\$108,487
PROPOSED REVENUE								
43	PROPOSED BASE REV			\$15,752,458	\$13,700,969	\$1,162,771	\$809,272	\$79,447
44	FUEL REVENUE			\$168,376	\$146,899	\$12,424	\$7,697	\$1,356
45	MISCELLANEOUS REVENUE			\$2,170,254	\$1,905,533	\$160,755	\$81,946	\$22,020
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	\$18,091,089	\$15,753,401	\$1,335,950	\$898,915	\$102,823
49	PROPOSED BASE REVENUE INCREASE/(DECREASE)			\$0	-\$230,627	\$5,813	\$230,479	-\$5,664
50	PROPOSED BASE REVENUE INCR/(DECR) - %			0.00%	-1.66%	0.50%	39.82%	-6.66%

****ELECTRIC GROSS PLANT****

LINE NO.	DESCRIPTION	ALL	OUT	TOTAL COMPANY	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	LIGHTING
1	TOTAL PRODUCTION PLANT	D1A	GPP	\$16,029,863	\$13,631,423	\$1,164,413	\$1,234,027	\$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		\$1,110,634	\$938,361	\$80,156	\$89,521	\$2,596
5	ALL OTHER TRANSMISSION	D1B		\$1,521,100	\$1,293,508	\$110,493	\$117,099	\$0
6	TOTAL TRANSMISSION PLANT	GPT	GPT	\$2,631,734	\$2,231,869	\$190,649	\$206,620	\$2,596
DISTRIBUTION PLANT								
7	PRIMARY DEMAND RELATED	D4A		\$21,683,396	\$18,320,027	\$1,564,919	\$1,747,767	\$50,683
8	SECONDARY DEMAND RELATED	D3A		\$3,503,036	\$2,959,671	\$252,819	\$282,358	\$8,188
9	CUSTOMER RELATED	C4A		\$30,131,618	\$27,388,335	\$2,288,014	\$62,811	\$392,458
10	SUB-TOTAL DISTR PLANT	SGD		\$55,318,050	\$48,668,033	\$4,105,752	\$2,092,936	\$451,329
11	LIGHTING SPECIFIC	LDE		\$111,082	\$0	\$0	\$0	\$111,082
12	TOTAL DISTRIBUTION PLANT	GPD	GPD	\$55,429,132	\$48,668,033	\$4,105,752	\$2,092,936	\$562,411
GENERAL AND INTANGIBLE PLANT								
13	PRODUCTION RELATED	GPP		\$83,626	\$71,113	\$6,075	\$6,438	\$0
14	TRANSMISSION RELATED	GPT		\$47,356	\$40,180	\$3,431	\$3,718	\$47
15	DISTRIBUTION RELATED	GPD		\$4,226,377	\$3,710,854	\$313,057	\$159,583	\$42,883
16	CUST ACCT/SERV & INFO/SALES RELATED	C2A		\$1,468,321	\$1,334,640	\$111,495	\$3,061	\$19,125
17	TOTAL GENERAL & INTANGIBLE PLANT	GPG	GPG	\$5,825,680	\$5,156,767	\$434,058	\$172,800	\$62,055
18	TOTAL GROSS PLANT IN SERVICE	GPR	GPR	\$79,916,410	\$69,688,093	\$5,894,872	\$3,706,383	\$627,062

WASHINGTON ELECTRIC COOPERATIVE, INC.
COST OF SERVICE STUDY
FOR TWELVE MONTHS ENDED
PRO FORMA DECEMBER 31, 2019

PAGE 5

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

LINE NO.	DESCRIPTION	ALL	OUT	TOTAL COMPANY	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	LIGHTING
1	TOTAL PRODUCTION PLANT	D1A	DPP	\$7,033,382	\$5,381,535	\$510,950	\$541,497	\$0
	TRANSMISSION PLANT							
2	POWER PLANT EQUIP	D1B		-\$1	-\$1	\$0	\$0	\$0
3	LARGE POWER SERVICE EQUIP	DA1		\$0	\$0	\$0	\$0	\$0
4	OTHER DIST IN ACCT 353	D2A		\$445,567	\$376,455	\$32,157	\$35,914	\$1,041
5	ALL OTHER TRANSMISSION	D1A		\$610,239	\$518,933	\$44,328	\$46,978	\$0
6	TOTAL TRANSMISSION PLANT	DPT	DPT	\$1,055,805	\$895,387	\$76,485	\$82,892	\$1,041
	DISTRIBUTION PLANT							
7	PRIMARY DEMAND RELATED	D4A		\$7,320,636	\$6,185,113	\$528,340	\$590,072	\$17,111
8	SECONDARY DEMAND RELATED	D3A		\$1,182,677	\$999,230	\$85,355	\$95,328	\$2,764
9	CUSTOMER RELATED	C4A		\$10,172,881	\$9,246,708	\$772,467	\$21,206	\$132,500
10	SUB-TOTAL DISTR PLANT	SDD		\$18,676,194	\$16,431,051	\$1,386,162	\$706,606	\$152,375
11	LIGHTING SPECIFIC	LDE		\$37,503	\$0	\$0	\$0	\$37,503
12	TOTAL DISTRIBUTION PLANT	DPD	DPD	\$18,713,697	\$16,431,051	\$1,386,162	\$706,606	\$189,878
	GENERAL AND INTANGIBLE PLANT							
13	PRODUCTION RELATED	GPP		\$47,027	\$39,991	\$3,416	\$3,620	\$0
14	TRANSMISSION RELATED	GPT		\$26,631	\$22,585	\$1,929	\$2,091	\$26
15	DISTRIBUTION RELATED	GPD		\$2,376,703	\$2,086,800	\$176,047	\$89,741	\$24,115
16	CUST ACCT/SERV & INFO/SALES RELATED	C2A		\$825,710	\$750,535	\$62,699	\$1,721	\$10,755
17	TOTAL GENERAL & INTANGIBLE PLANT	DPG	DPG	\$3,276,071	\$2,899,911	\$244,091	\$97,173	\$34,896
18	TOTAL ACCUMULATED DEPRECIATION	DPR	DPR	\$30,079,555	\$26,207,884	\$2,217,688	\$1,428,168	\$225,815

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

LINE NO.	DESCRIPTION	CONTROL ALL	OUT	TOTAL COMPANY	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	LIGHTING
1	TOTAL PRODUCTION PLANT	D1A	NPP	\$8,995,881	\$7,649,888	\$653,463	\$692,530	\$0
	TRANSMISSION PLANT							
2	POWER PLANT EQUIP	D1B		\$1	\$1	\$0	\$0	\$0
3	LARGE POWER SERVICE EQUIP	DA1		\$0	\$0	\$0	\$0	\$0
4	OTHER DIST IN ACCT 353	D2A		\$665,067	\$561,906	\$47,999	\$53,607	\$1,555
5	ALL OTHER TRANSMISSION	D1A		\$910,861	\$774,575	\$66,165	\$70,121	\$0
6	TOTAL TRANSMISSION PLANT	NPT	NPT	\$1,575,929	\$1,336,482	\$114,164	\$123,728	\$1,555
	DISTRIBUTION PLANT							
7	PRIMARY DEMAND RELATED	D4A		\$14,362,759	\$12,134,913	\$1,036,579	\$1,157,695	\$33,572
8	SECONDARY DEMAND RELATED	D3A		\$2,320,359	\$1,960,441	\$167,464	\$187,030	\$5,424
9	CUSTOMER RELATED	C4A		\$19,958,737	\$18,141,627	\$1,515,547	\$41,605	\$259,958
10	SUB-TOTAL DISTR PLANT	SPD		\$36,641,856	\$32,236,982	\$2,719,590	\$1,386,330	\$298,954
11	LIGHTING SPECIFIC	LDE		\$73,579	\$0	\$0	\$0	\$73,579
12	TOTAL DISTRIBUTION PLANT	NPD	NPD	\$36,715,435	\$32,236,982	\$2,719,590	\$1,386,330	\$372,533
	GENERAL AND INTANGIBLE PLANT							
13	PRODUCTION RELATED	NPP		\$36,599	\$31,122	\$2,659	\$2,818	\$0
14	TRANSMISSION RELATED	NPT		\$20,725	\$17,575	\$1,502	\$1,627	\$21
15	DISTRIBUTION RELATED	NPD		\$1,849,674	\$1,624,054	\$137,010	\$69,842	\$18,768
16	CUST ACCT/SERV & INFO/SALES RELATED	C2A		\$642,611	\$584,105	\$48,796	\$1,340	\$8,370
17	TOTAL GENERAL & INTANGIBLE PLANT	NPB	NPB	\$2,549,609	\$2,256,856	\$189,967	\$75,627	\$27,159
18	TOTAL NET PLANT IN SERVICE	NPR	NPR	\$49,836,855	\$43,480,208	\$3,677,184	\$2,278,215	\$401,247

WASHINGTON ELECTRIC COOPERATIVE, INC.
COST OF SERVICE STUDY
FOR TWELVE MONTHS ENDED
PRO FORMA DECEMBER 31, 2019

PAGE 7

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

LINE NO.	DESCRIPTION	CONTROL		TOTAL COMPANY	SMALL COMMERCIAL		LARGE POWER	LIGHTING
		ALL	OUT		RESIDENTIAL	COMMERCIAL		
1	NET PLANT IN SERVICE	NPR	NPR	\$49,836,855	\$43,480,208	\$3,677,184	\$2,278,215	\$401,247
CONSTRUCTION WORK IN PROGRESS								
2	PRODUCTION PLANT	NPP						
3	TRANSMISSION PLANT	NPT		\$2,117	\$1,800	\$154	\$163	\$0
4	DISTRIBUTION PLANT	NPB		\$7,630	\$6,470	\$553	\$599	\$8
5	GENERAL PLANT	NPG		\$562,725	\$494,085	\$41,682	\$21,248	\$5,710
				\$0	\$0	\$0	\$0	\$0
6	TOTAL CWP	CWP	CWP	\$572,471	\$502,354	\$42,389	\$22,010	\$5,718
7	NET ACQUISITION ADJUSTMENT	D2A	ACQ	\$0	\$0	\$0	\$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		\$11,898	\$10,090	\$862	\$934	\$12
11	DIST RELATED	NPB		\$19,032	\$16,710	\$1,410	\$719	\$193
12	GENR RELATED	NPG		\$55,481	\$49,110	\$4,134	\$1,646	\$591
13	LABOR RELATED	LBR		\$941,406	\$827,670	\$69,804	\$34,467	\$9,465
14	NPR RELATED	NPR		\$0	\$0	\$0	\$0	\$0
15	TOTAL MISC DEFERD DEBITS			\$1,027,817	\$903,580	\$76,210	\$37,766	\$10,261
WORKING CAPITAL								
16	CASH WORK CAP, FUNDS, MAT&SUP	NPR	MAS	\$1,990,415	\$1,736,539	\$146,862	\$90,989	\$16,025
17	FUEL STOCK	E1A	FUL	\$0	\$0	\$0	\$0	\$0
18	PREPAID LIGNITE ROYALTIES	E1A		\$0	\$0	\$0	\$0	\$0
19	OTHER PREPAYMENTS	NPR		\$403,326	\$351,883	\$29,759	\$18,437	\$3,247
20	TOTAL WORKING CAPITAL			\$2,393,741	\$2,088,422	\$176,621	\$109,426	\$19,272
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)

WASHINGTON ELECTRIC COOPERATIVE, INC.
COST OF SERVICE STUDY
FOR TWELVE MONTHS ENDED
PRO FORMA DECEMBER 31, 2019

PAGE 8

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

LINE NO.	DESCRIPTION	CONTROL ALL OUT	TOTAL COMPANY	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	LIGHTING
23	ACCUMULATED DEFERRED INCOME TAX						
24	ACCT 281: POL CON	NPP	\$0	\$0	\$0	\$0	\$0
25	ACCT 282: LIBERAL DEP - PROD	NPP	\$0	\$0	\$0	\$0	\$0
26	TRAN	NPT	\$0	\$0	\$0	\$0	\$0
27	DIST	NPD	\$0	\$0	\$0	\$0	\$0
28	GENR	NPB	\$0	\$0	\$0	\$0	\$0
29	LIGNITE EXPLORATN	E1A	\$0	\$0	\$0	\$0	\$0
30	LABOR RELATED	LBR	\$0	\$0	\$0	\$0	\$0
31	TOTAL ACCOUNT 282		\$0	\$0	\$0	\$0	\$0
32	ACCT 283: THIS LINE RESERVED		\$0	\$0	\$0	\$0	\$0
33	LONG TERM DEBT LOSS	NPR	\$0	\$0	\$0	\$0	\$0
34	TOTAL ACCOUNT 283		\$0	\$0	\$0	\$0	\$0
35	ACCOUNT 190: PRODUCTION RELATED						
36	PLANT RELATED	NPP	\$0	\$0	\$0	\$0	\$0
37	ENERGY RELATED	NPR	\$0	\$0	\$0	\$0	\$0
38	LABOR RELATED	E1A	\$0	\$0	\$0	\$0	\$0
39	FERC REFUND	LBR	\$0	\$0	\$0	\$0	\$0
40	TOTAL ACCOUNT 190	TRN	\$0	\$0	\$0	\$0	\$0
41	TOTAL ACCUM DEFERD INC TAX		\$0	\$0	\$0	\$0	\$0
42	INVESTMENT TAX CREDIT PRE 71	ACC ACC	\$0	\$0	\$0	\$0	\$0
43	CUSTOMER ADVANCES AND DEPOSITS	NPR PIC	\$0	\$0	\$0	\$0	\$0
44	STORM DAMAGE & INJ & DAM RESRVS	C3A CAD	-\$206,263	-\$191,860	-\$10,685	-\$220	-\$5,498
45	PNSN & MIS OP RSRVS, OTR DEF CR	D2A SDR	\$0	\$0	\$0	\$0	\$0
46	TRANSMISSION RATE REFUND RESERVE	OMA PEN	-\$71,551	-\$62,896	-\$5,305	-\$2,633	-\$717
47	TOTAL RATE BASE	TRN	\$0	\$0	\$0	\$0	\$0
48		RBT	\$53,551,069	\$46,719,808	\$3,956,414	\$2,444,564	\$430,283

WASHINGTON ELECTRIC COOPERATIVE, INC.
COST OF SERVICE STUDY
FOR TWELVE MONTHS ENDED
PRO FORMA DECEMBER 31, 2019

PAGE 9

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

LINE NO.	DESCRIPTION	CONTROL ALL	OUT	TOTAL COMPANY	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	LIGHTING
1	PRODUCTION O&M EXPENSE							
	FUEL EXPENSE - ACCT 501	E1A		\$0	\$0	\$0	\$0	\$0
2	PURCHASED POWER - ACCT 555	D1A		\$4,217,993	\$3,586,883	\$306,396	\$324,714	\$0
3	DEMAND - OTHER	E1A		\$2,796,783	\$2,440,737	\$208,491	\$140,803	\$6,752
4	ENERGY - OTHER	E1A		\$0	\$0	\$0	\$0	\$0
5	NET OFF SYSTEM REVENUE							
6	OTHER PRODUCTION O&M ACCTS	D1A		\$209,397	\$178,066	\$15,211	\$16,120	\$0
7	DEMAND - OTHER	E1A		\$0	\$0	\$0	\$0	\$0
8	ENERGY - OTHER							
9	TOTAL OTHER PRODUCTION O&M	PRO	PRO	\$209,397	\$178,066	\$15,211	\$16,120	\$0
10	TOTAL PRODUCTION O&M EXPENSE	OMP	OMP	\$7,224,173	\$6,205,686	\$530,098	\$481,637	\$6,752
11	TOTAL TRANSMISSION O&M EXPENSE	NPT	OMT	\$95,476	\$80,989	\$6,917	\$7,496	\$94
12	DISTRIBUTION O&M EXPENSE	LDE		\$2,865	\$0	\$0	\$0	\$2,865
13	LIGHTING SPECIFIC	SPD		\$4,341,651	\$3,819,722	\$322,241	\$164,265	\$35,423
14	ALL OTHER	OMD	OMD	\$4,344,516	\$3,819,722	\$322,241	\$164,265	\$38,288
15	TOTAL DISTRIBUTION O&M EXPENSE							
16	TOTAL CUST ACCT/SERV & INFO/SALES EXPENSE	C2A	OMC	\$950,608	\$864,062	\$72,183	\$1,982	\$12,381
17	ADMINISTRATIVE & GENERAL EXPENSE							
18	PROP INSURANCE/INJ & DAMG	NPR		\$28,953	\$23,515	\$1,989	\$1,232	\$217
19	CUST ACCT/SERV&INFO/SALES REL	LBR		\$1,324,050	\$1,164,085	\$98,176	\$48,477	\$13,312
20	TOTAL ADMIN & GENERAL EXPENSE	OMA	OMA	\$1,351,003	\$1,187,600	\$100,165	\$49,709	\$13,529
21	TOTAL OPER & MTN EXPENSES	OMX	OMX	\$13,965,776	\$12,158,039	\$1,031,604	\$705,089	\$71,044

WASHINGTON ELECTRIC COOPERATIVE, INC.
COST OF SERVICE STUDY
FOR TWELVE MONTHS ENDED
PRO FORMA DECEMBER 31, 2019

PAGE 10

EXPENSES OTHER THAN INCOME TAXES

LINE NO.	DESCRIPTION	CONTROL ALL	OUT	TOTAL COMPANY	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	LIGHTING
1	TOTAL OPER & MTN EXPENSES	OMX		\$13,965,776	\$12,158,039	\$1,031,604	\$705,089	\$71,044
DEPRECIATION & AMORTIZATION EXPENSES								
2	PRODUCTION	NPP		\$568,147	\$483,139	\$41,270	\$43,738	\$0
3	TRANSMISSION	NPT		\$72,363	\$61,389	\$5,242	\$5,681	\$71
4	DISTRIBUTION	NPB		\$1,585,844	\$1,392,406	\$117,467	\$59,880	\$16,091
5	GENERAL	NPG		\$135,710	\$120,127	\$10,112	\$4,025	\$1,446
6	TOTAL DEPR & AMORT EXPEN	DEP	DEP	\$2,362,064	\$2,057,041	\$174,091	\$113,324	\$17,608
7	INTEREST ON CUSTOMER DEPOSITS	C3A	ICD	\$0	\$0	\$0	\$0	\$0
GENERAL TAXES								
8	AD VALOREM	NPR	VAL	\$168,376	\$146,899	\$12,424	\$7,697	\$1,356
9	CORP FRANCHISE TAX	NPR	SFT	\$0	\$0	\$0	\$0	\$0
10	MISCELLANEOUS GENERAL TAXES	LBR	MIS	\$0	\$0	\$0	\$0	\$0
11	REVENUE-RELATED (AS PROPOSED)	RTX		\$0	\$0	\$0	\$0	\$0
12	TOTAL GENERAL TAXES	GTX	GTX	\$168,376	\$146,899	\$12,424	\$7,697	\$1,356
13	TOTAL EXPENSES EXCEPT INCOME TAX	EXP	EXP	\$16,496,216	\$14,361,979	\$1,218,119	\$826,110	\$90,008

INCOME TAX FOR 5.60% ROE

LINE NO.	DESCRIPTION	CONTROL ALL	OUT	TOTAL COMPANY	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	LIGHTING
1	RATE BASE	RBT		\$53,551,069	\$46,719,808	\$3,956,414	\$2,444,564	\$430,283
2	RETURN AT 2.98%	RBT	RET	\$1,594,873	\$1,391,422	\$117,831	\$72,805	\$12,815
3	INTEREST (2.22% OF LINE 1)	RBT	INT	-\$1,186,536	-\$1,035,175	-\$87,663	-\$54,164	-\$9,534
4	A F U D C	NPR	AFD	\$0	\$0	\$0	\$0	\$0
5	PROVISION FOR DEFERRED TAXES							
6	ACT 410.1: PROD RLTD	NPP		\$0	\$0	\$0	\$0	\$0
7	TRAN RLTD	NPT		\$0	\$0	\$0	\$0	\$0
8	PLANT RLTD	NPR		\$0	\$0	\$0	\$0	\$0
9	ENERGY RLTD	E1A		\$0	\$0	\$0	\$0	\$0
10	LABOR RLTD	LBR		\$0	\$0	\$0	\$0	\$0
11	CUSTOMER RELATED	C3A		\$0	\$0	\$0	\$0	\$0
12	RESERVED			\$0	\$0	\$0	\$0	\$0
13	TOTAL 410.1			\$0	\$0	\$0	\$0	\$0
14	ACT 411.1: PROD RLTD	NPP		\$0	\$0	\$0	\$0	\$0
15	TRAN RLTD	NPT		\$0	\$0	\$0	\$0	\$0
16	PLANT RELATED	NPR		\$0	\$0	\$0	\$0	\$0
17	ENERGY RELATED	E1A		\$0	\$0	\$0	\$0	\$0
18	LABOR RELATED	LBR		\$0	\$0	\$0	\$0	\$0
19	CUSTOMER RELATED	C3A		\$0	\$0	\$0	\$0	\$0
20	TOTAL 411.1			\$0	\$0	\$0	\$0	\$0
21	NET PROVISION FOR DEFERD INC TAX		PDT	\$0	\$0	\$0	\$0	\$0
22	ITC AMORT	NPR	ITA	\$0	\$0	\$0	\$0	\$0
23	ADJUSTED RETURN	ART	ART	\$408,337	\$356,247	\$30,168	\$18,641	\$3,281
24	FED ADD INC & UNALLOW DEDUCTS							
25	PRODUCTION RELATED	NPP		\$0	\$0	\$0	\$0	\$0
26	DISTRIBUTION RELATED	NPD		\$0	\$0	\$0	\$0	\$0
27	PLANT RELATED	NPR		\$0	\$0	\$0	\$0	\$0
28	ENERGY RELATED	E1A		\$0	\$0	\$0	\$0	\$0
29	LABOR RELATED	LBR		\$0	\$0	\$0	\$0	\$0
30	TRANSMISSION REV RELATED	TRN		\$0	\$0	\$0	\$0	\$0
31	RESERVED			\$0	\$0	\$0	\$0	\$0
32	DISTRIBUTION CUSTOMER RELATED	C3A		\$0	\$0	\$0	\$0	\$0
33	TOTAL ADDITIONS	FTA	FTA	\$0	\$0	\$0	\$0	\$0

(INCOME TAX CALCULATION CONTINUED ON NEXT PAGE)

WASHINGTON ELECTRIC COOPERATIVE, INC.
COST OF SERVICE STUDY
FOR TWELVE MONTHS ENDED
PRO FORMA DECEMBER 31, 2019

PAGE 12

INCOME TAX FOR 5.60% ROE
*** CONTINUED ***

LINE NO.	DESCRIPTION	CONTROL ALL	OUT	TOTAL COMPANY	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	LIGHTING
32	FED DEDUCTS AND NON-TAX INCOME							
33	PRODUCTION RELATED	NPP		\$0	\$0	\$0	\$0	\$0
34	DISTRIBUTION RELATED	NPD		\$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	TRANSMISSION REV RELATED	TRN		\$0	\$0	\$0	\$0	\$0
39	DISTRIBUTION CUSTOMER RELATED	C3A		\$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
45	FEDERAL TAXABLE INCOME							
46	ADJ RET * 1/(1-0.0000-0.0000)	ART	TART	\$408,337	\$356,247	\$30,168	\$18,641	\$3,281
47	NET FED DED * 1/(1-0.0000)	NFD		\$0	\$0	\$0	\$0	\$0
48	NET ST DED * (1/(1-0.0000))-1	NSD		\$0	\$0	\$0	\$0	\$0
49	CURRENT ITC * (1/(1-0.00))-1	ITC		\$0	\$0	\$0	\$0	\$0
49	TOTAL FEDERAL TAXABLE INCOME	FTI	FTI	\$408,337	\$356,247	\$30,168	\$18,641	\$3,281
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	\$408,337	\$356,247	\$30,168	\$18,641	\$3,281
53	FED & ST INCOME TAXES:							
54	FED TAXABLE INC * 0.0000	FTI		\$0	\$0	\$0	\$0	\$0
55	ST. TAXABLE INC * 0.0000	STI		\$0	\$0	\$0	\$0	\$0
56	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
57	INVESTMENT TAX CREDIT - NET	NPR	ITN	\$0	\$0	\$0	\$0	\$0

WASHINGTON ELECTRIC COOPERATIVE, INC.
COST OF SERVICE STUDY
FOR TWELVE MONTHS ENDED
PRO FORMA DECEMBER 31, 2019

PAGE 13

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

LINE NO.	DESCRIPTION	CONTROL ALL	OUT	TOTAL COMPANY	RESIDENTIAL	COMMERCIAL	LARGE POWER	LIGHTING
1	RATE BASE	RBT		\$53,551,069	\$46,719,808	\$3,956,414	\$2,444,564	\$430,283
2	RETURN AT 2.98%	RET		\$1,594,873	\$1,391,422	\$117,831	\$72,805	\$12,815
3	OPERATION & MAINTENANCE EXPENSES	OMX		\$13,965,776	\$12,158,039	\$1,031,604	\$705,089	\$71,044
4	DEPRECIATION & AMORT EXPENSES	DEP		\$2,362,064	\$2,057,041	\$174,091	\$113,324	\$17,608
5	INTEREST ON CUSTOMER DEPOSITS	ICD		\$0	\$0	\$0	\$0	\$0
6	GENERAL TAXES	GTX		\$168,376	\$146,899	\$12,424	\$7,697	\$1,356
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	A F U D C	AFD		\$0	\$0	\$0	\$0	\$0
11	COST OF SERVICE REVENUE REQUIREMENT BEFORE ATTRITION ADJUSTMENT	CSR	CSR	\$18,091,089	\$15,753,401	\$1,335,950	\$898,915	\$102,823
12	LESS: FUEL REVENUE	FUL		-\$168,376	-\$146,899	-\$12,424	-\$7,697	-\$1,356
13	BASE COST OF SERVICE REVENUE REQUIREMENT	BRR	BRR	\$17,922,713	\$15,606,502	\$1,323,526	\$891,218	\$101,467
14	ATTRITION ADJUSTMENT	BRR		\$0	\$0	\$0	\$0	\$0
15	BASE COST OF SERVICE REVENUE REQUIREMENT AFTER ATTRITION ADJUSTMENT	ARR	ARR	\$17,922,713	\$15,606,502	\$1,323,526	\$891,218	\$101,467
16	PLUS: FUEL REVENUE	FUL		\$168,376	\$146,899	\$12,424	\$7,697	\$1,356
17	COST OF SERVICE REVENUE REQUIREMENT AFTER ATTRITION ADJUSTMENT			\$18,091,089	\$15,753,401	\$1,335,950	\$898,915	\$102,823
18	LESS: MISCELLANEOUS REVENUE			-\$2,170,254	-\$1,905,533	-\$160,755	-\$81,946	-\$22,020
19	LESS: BULK TRANSMISSION REVENUE	D1A AL		\$0	\$0	\$0	\$0	\$0
20	LESS: PRIMARY TRANSMISSION REVENUE	D2A ALLOC		\$0	\$0	\$0	\$0	\$0
21	LESS: NON-FRM SLS FOR RESALE			\$0	\$0	\$0	\$0	\$0
22	NET ELECTRIC REVENUE REQUIREMENT			\$15,920,834	\$13,847,868	\$1,175,195	\$816,969	\$80,803

EXISTING RETURN AND INCOME TAX

LINE NO.	DESCRIPTION	CONTROL ALL	OUT	TOTAL COMPANY	RESIDENTIAL	COMMERCIAL	LARGE POWER	LIGHTING
1	EXISTING REVENUE	EXR		\$18,091,088	\$15,984,028	\$1,330,137	\$668,436	\$108,487
2	REVENUE DEDUCTIONS:							
3	O&M EXPENSES	OMX		-\$13,965,776	-\$12,158,039	-\$1,031,604	-\$705,089	-\$71,044
4	DEPRECIATION & AMORT EXPENSES	DEP		-\$2,362,064	-\$2,057,041	-\$174,091	-\$113,324	-\$17,608
5	AD VALOREM TAXES	VAL		-\$168,376	-\$146,899	-\$12,424	-\$7,697	-\$1,356
6	CORP FRANCHISE TAX	SFT		\$0	\$0	\$0	\$0	\$0
7	MISC GENERAL TAXES	MIS		\$0	\$0	\$0	\$0	\$0
8	REVENUE-RELATED TAXES	RTX		\$0	\$0	\$0	\$0	\$0
9	INTEREST ON CUST DEPOSITS	ICD		\$0	\$0	\$0	\$0	\$0
10	TOTAL REVENUE DEDUCTIONS			-\$16,496,216	-\$14,361,979	-\$1,218,119	-\$826,110	-\$90,008
11	NET FOR RETURN AND INCOME TAXES	NET	NET	\$1,594,873	\$1,622,049	\$112,018	-\$157,674	\$18,479
12	LESS: INTEREST EXPENSE	INT		-\$1,186,536	-\$1,035,175	-\$87,663	-\$54,164	-\$9,534
13	LESS: NET FEDERAL DEDUCTIONS	NFD		\$0	\$0	\$0	\$0	\$0
14	TOTAL FEDERAL TAXABLE INCOME			\$408,337	\$586,874	\$24,355	-\$211,838	\$8,945
15	PLUS: NET FEDERAL DEDUCTIONS	NFD		\$0	\$0	\$0	\$0	\$0
16	LESS: NET STATE DEDUCTIONS	NSD		\$0	\$0	\$0	\$0	\$0
17	TOTAL STATE TAXABLE INCOME			\$408,337	\$586,874	\$24,355	-\$211,838	\$8,945
18	FED AND ST INCOME TAXES			\$0	\$0	\$0	\$0	\$0
19	FED TAXABLE INC * 0.0000			\$0	\$0	\$0	\$0	\$0
20	ST TAXABLE INC * 0.0000			\$0	\$0	\$0	\$0	\$0
21	LESS: CRNT ITC * (1-0.0000)			\$0	\$0	\$0	\$0	\$0
22	TOTAL FED & ST INCOME TAXES			\$0	\$0	\$0	\$0	\$0
23	NET FOR RETURN AND INCOME TAXES	NET		\$1,594,873	\$1,622,049	\$112,018	-\$157,674	\$18,479
24	FED & ST INCOME TAXES	PDT		\$0	\$0	\$0	\$0	\$0
25	PROV FOR DEF TAXES	ITN		\$0	\$0	\$0	\$0	\$0
26	INVESTMENT TAX CREDIT - NET	AFD		\$0	\$0	\$0	\$0	\$0
27	NET RETURN			\$1,594,873	\$1,622,049	\$112,018	-\$157,674	\$18,479
28	RATE BASE	RBT		\$53,551,069	\$46,719,808	\$3,956,414	\$2,444,564	\$430,283
29	RETURN ON RATE BASE	ROR		2.98%	3.47%	2.83%	-6.45%	4.29%
30	NON-EQUITY PORTION OF RETURN	DA3		-2.22%	-2.22%	-2.22%	-2.22%	-2.22%
31	EQUITY PORTION OF EXISTING RETRN	DA3		0.76%	1.25%	0.61%	-8.67%	2.07%
32	EXISTING RETURN ON EQUITY	DA3	ROE	1.92%	3.15%	1.54%	-21.78%	5.21%

PROPOSED RETURN AND INCOME TAX

LINE NO.	DESCRIPTION	CONTROL ALL	OUT	TOTAL COMPANY	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	LIGHTING
1	PROPOSED REVENUE	PRV		\$18,091,089	\$15,753,401	\$1,335,950	\$898,915	\$102,823
2	REVENUE DEDUCTIONS:							
3	O&M EXPENSES	OMX		-\$13,965,776	-\$12,158,039	-\$1,031,604	-\$705,089	-\$71,044
4	DEPRECIATION & AMORT EXPENSES	DEP		-\$2,362,064	-\$2,057,041	-\$174,091	-\$113,324	-\$17,608
5	AD VALOREM TAXES	VAL		-\$168,376	-\$146,899	-\$12,424	-\$7,697	-\$1,356
6	CORP FRANCHISE TAX	SFT		\$0	\$0	\$0	\$0	\$0
7	MISC GENERAL TAXES	MIS		\$0	\$0	\$0	\$0	\$0
8	REVENUE-RELATED TAXES	RTX		\$0	\$0	\$0	\$0	\$0
9	INTEREST ON CUST DEPOSITS	ICD		\$0	\$0	\$0	\$0	\$0
10	TOTAL REVENUE DEDUCTIONS			-\$16,496,216	-\$14,361,979	-\$1,218,119	-\$826,110	-\$90,008
11	NET FOR RETURN AND INCOME TAXES	NET	NET	\$1,594,873	\$1,391,422	\$117,831	\$72,805	\$12,815
12	LESS: INTEREST EXPENSE	INT		-\$1,186,536	-\$1,035,175	-\$87,663	-\$54,164	-\$9,534
13	LESS: NET FEDERAL DEDUCTIONS	NFD		\$0	\$0	\$0	\$0	\$0
14	TOTAL FEDERAL TAXABLE INCOME			\$408,337	\$356,247	\$30,168	\$18,641	\$3,281
15	PLUS: NET FEDERAL DEDUCTIONS	NFD		\$0	\$0	\$0	\$0	\$0
16	LESS: NET STATE DEDUCTIONS	NSD		\$0	\$0	\$0	\$0	\$0
17	TOTAL STATE TAXABLE INCOME			\$408,337	\$356,247	\$30,168	\$18,641	\$3,281
18	FED AND ST INCOME TAXES			\$0	\$0	\$0	\$0	\$0
19	FED TAXABLE INC * 0.0000			\$0	\$0	\$0	\$0	\$0
20	ST. TAXABLE INC * 0.0000			\$0	\$0	\$0	\$0	\$0
21	LESS: CRNT ITC * (1-0.0000)			\$0	\$0	\$0	\$0	\$0
22	TOTAL FED & ST INCOME TAXES			\$0	\$0	\$0	\$0	\$0
23	NET FOR RETURN AND INCOME TAXES	NET		\$1,594,873	\$1,391,422	\$117,831	\$72,805	\$12,815
24	FED & ST INCOME TAXES	PDT		\$0	\$0	\$0	\$0	\$0
25	PROV FOR DEF TAXES	ITN		\$0	\$0	\$0	\$0	\$0
26	INVESTMENT TAX CREDIT - NET	AFD		\$0	\$0	\$0	\$0	\$0
27	A F D C			\$0	\$0	\$0	\$0	\$0
28	NET RETURN			\$1,594,873	\$1,391,422	\$117,831	\$72,805	\$12,815
29	RATE BASE	RBT		\$53,551,069	\$46,719,808	\$3,956,414	\$2,444,564	\$430,283
30	RETURN ON RATE BASE	ROR		2.98%	2.98%	2.98%	2.98%	2.98%
31	NON-EQUITY PORTION OF RETURN	DA3		-2.22%	-2.22%	-2.22%	-2.22%	-2.22%
32	EQUITY PORTION OF EXISTING RETRN	DA3		0.76%	0.76%	0.76%	0.76%	0.76%
33	PROPOSED RETURN ON EQUITY	DA3	ROE	1.92%	1.92%	1.92%	1.92%	1.92%

WASHINGTON ELECTRIC COOPERATIVE, INC.
COST OF SERVICE STUDY
FOR TWELVE MONTHS ENDED
PRO FORMA DECEMBER 31, 2019

PAGE 16

COST OF SERVICE SUMMARY

LINE NO.	DESCRIPTION	CONTROL ALL OUT	TOTAL COMPANY	RESIDENTIAL	COMMERCIAL	LARGE POWER	LIGHTING
NET PLANT IN SERVICE:							
1	PRODUCTION PLANT	NPP	\$8,995,881	\$7,649,888	\$653,463	\$692,530	\$0
2	TRANSMISSION PLANT	NPT	\$1,575,929	\$1,336,482	\$114,164	\$123,728	\$1,555
3	DISTRIBUTION PLANT	NPB	\$36,715,435	\$32,236,982	\$2,719,590	\$1,386,330	\$372,533
4	GENERAL PLANT	NPG	\$2,549,609	\$2,256,856	\$189,967	\$75,627	\$27,159
5	TOTAL NET ELECTRIC PLANT	NPR	\$49,836,855	\$43,480,208	\$3,677,184	\$2,278,215	\$401,247
6	CONST. WORK IN PROGRESS	CWP	\$572,471	\$502,354	\$42,389	\$22,010	\$5,718
7	ACQUISITION ADJUSTMENT	ACQ	\$0	\$0	\$0	\$0	\$0
8	PLANT HELD FOR FUTURE USE	PLH	\$0	\$0	\$0	\$0	\$0
9	TOTAL MISC DEFRO DEBITS		\$1,027,817	\$903,580	\$76,210	\$37,766	\$10,261
WORKING CAPITAL:							
10	CASH WORK CAP, FUNDS, MAT&SUP	MAS	\$1,990,415	\$1,736,539	\$146,862	\$90,989	\$16,025
11	FUEL STOCK	FUL	\$0	\$0	\$0	\$0	\$0
12	PREPAID LIGNITE ROYALTIES	E1A	\$0	\$0	\$0	\$0	\$0
13	OTHER PREPAYMENTS	NPR	\$403,326	\$351,883	\$29,759	\$18,437	\$3,247
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	\$0
18	CUSTOMER ADVANCES AND DEPOSITS	CAD	\$-208,263	\$-191,860	\$-10,685	\$-220	\$-5,498
19	STORM DAMAGE/INJ & DAM RESRVS	SDR	\$0	\$0	\$0	\$0	\$0
20	PNSN & MIS OP RSRVS, OTR DEF CRS	PEN	\$-71,551	\$-62,896	\$-5,305	\$-2,633	\$-717
21	TRANSMISSION RATE REFUND RESERVE	TRN	\$0	\$0	\$0	\$0	\$0
22	AVERAGE ORIGINAL COST RATE BASE	RBT	\$53,551,069	\$46,719,808	\$3,956,414	\$2,444,564	\$430,283
23	RETURN AT 2.98%	RET	\$1,594,873	\$1,391,422	\$117,831	\$72,805	\$12,815
OPERATION & MAINTENANCE EXPENSES							
24	PRODUCTION O&M	OMP	\$7,224,173	\$6,205,686	\$530,098	\$481,637	\$6,752
25	TRANSMISSION O&M	OMT	\$95,476	\$80,969	\$6,917	\$7,496	\$94
26	DISTRIBUTION O&M	OMD	\$4,344,516	\$3,819,722	\$322,241	\$164,265	\$38,288
27	CUST ACCT/SERV/SALES	OMC	\$950,608	\$864,062	\$72,183	\$1,982	\$12,381
28	ADMINISTRATIVE & GENERAL	OMA	\$1,351,003	\$1,187,600	\$100,165	\$49,709	\$13,529
29	TOTAL OPER & MAIN EXPENSES	OMX	\$13,965,776	\$12,158,039	\$1,031,604	\$705,089	\$71,044
30	DEPRECIATION & AMORT EXPENSES	DEP	\$2,362,064	\$2,057,041	\$174,091	\$113,324	\$17,608
31	INTEREST ON CUSTOMER DEPOSITS	ICD	\$0	\$0	\$0	\$0	\$0
32	GENERAL TAXES	GTX	\$168,376	\$146,899	\$12,424	\$7,697	\$1,356
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 D C	AFD	\$0	\$0	\$0	\$0	\$0
37	COST OF SERVICE REVENUE REQD	CSR	\$18,091,089	\$15,753,401	\$1,335,950	\$898,915	\$102,823

WASHINGTON ELECTRIC COOPERATIVE, INC.
COST OF SERVICE STUDY
FOR TWELVE MONTHS ENDED
PRO FORMA DECEMBER 31, 2019

PAGE 17

COST OF SERVICE COMPARISON

LINE NO.	DESCRIPTION	CONTROL ALL	CONTROL OUT	TOTAL COMPANY	RESIDENTIAL	COMMERCIAL	SMALL	LARGE POWER	LIGHTING
*** OTHER REVENUE INCLUDED ***									
1	COST OFF SERVICE REVENUE REQ			\$18,091,089	\$15,753,401		\$1,335,950	\$898,915	\$102,823
2	EXISTING REVENUE			\$18,091,088	\$15,984,028		\$1,330,137	\$668,436	\$108,487
3	REVENUE DEFICIENCY			\$0	-\$230,627		\$5,813	\$230,479	-\$5,664
4	REQUIRED INCREASE (%)			0.00%	-1.44%		0.44%	34.48%	-5.22%
5	EXISTING RATE OF RETURN-AS ADJ.			2.98%	3.47%		2.83%	-6.45%	4.29%
6	EXISTING ROR AS % OF OVERALL ROR-AS ADJ.			100.00%	116.44%		94.97%	-216.44%	143.96%
7	EXISTING RETURN ON EQUITY-AS ADJ.			1.92%	3.15%		1.54%	-21.78%	5.21%
8	EXISTING ROE AS % OF OVERALL ROE-AS ADJ.			100.00%	164.06%		80.21%	-1134.38%	271.35%
9	PROPOSED RATE OF RETURN-AS ADJ			2.98%	2.98%		2.98%	2.98%	2.98%
10	PROPOSED RETURN ON EQUITY-AS ADJ			1.92%	1.92%		1.92%	1.92%	1.92%
*** OTHER REVENUE EXCLUDED ***									
11	COST OF SERVICE REVENUE REQ			\$15,920,834	\$13,847,868		\$1,175,195	\$816,969	\$80,803
12	EXISTING REVENUE			\$15,920,834	\$14,078,495		\$1,169,382	\$586,490	\$86,467
13	REVENUE DEFICIENCY			\$0	-\$230,627		\$5,813	\$230,479	-\$5,664
14	REQUIRED INCREASE (%)			0.00%	-1.64%		0.50%	39.30%	-6.55%
15	EXISTING RATE OF RETURN - UNADJ			2.98%	3.47%		2.83%	-6.45%	4.29%
16	EXISTING ROR AS % OF OVERALL ROR-UNADJ.			100.00%	116.44%		94.97%	-216.44%	143.96%
17	EXISTING RETURN ON EQUITY-UNADJ			1.92%	3.15%		1.54%	-21.78%	5.21%
18	EXISTING ROE AS % OF OVERALL ROE-UNADJ.			100.00%	164.06%		80.21%	-1134.38%	271.35%
19	PROPOSED RATE OF RETURN - UNADJ			2.98%	2.98%		2.98%	2.98%	2.98%
20	PROPOSED RETURN ON EQUITY-UNADJ			1.92%	1.92%		1.92%	1.92%	1.92%

WASHINGTON ELECTRIC COOPERATIVE, INC.
 COST OF SERVICE STUDY
 FOR TWELVE MONTHS ENDED
 PRO FORMA DECEMBER 31, 2019

PAGE 18

PROPOSED MILLS/KWH

	TOTAL COMPANY	RESIDENTIAL	SMALL COMMERCIAL	LARGE POWER	LIGHTING
1 EXISTING BASE REV	198.65	201.31	195.71	144.98	444.54
2 GROSS RECEIPTS TAXES	2.12	2.12	2.10	1.93	7.08
3 TOTAL MILLS / KWH	200.77	203.43	197.81	146.91	451.62
	=====	=====	=====	=====	=====
4 PROPOSED BASE REV	198.65	197.98	196.70	202.71	414.96
5 FUEL REVENUE	2.12	2.12	2.10	1.93	7.08
6 TOTAL MILLS / KWH	200.77	200.10	198.80	204.64	422.04
	=====	=====	=====	=====	=====