



September 10, 2013

Ms. Kristi Rhude, Secretary
Arkansas Public Service Commission
1000 Center Street
Little Rock, AR 72201

Re: First Electric Cooperative Corporation
Net Metering Tariff Change Related to Docket No. 12-060-R, Order No. 7

Dear Ms. Rhude:

On behalf of First Electric Cooperative Corporation, I respectfully submit the following documents for electronic filing in support of changes to the Net Metering Tariff:

1. Docket Summary Cover Sheet
2. Net Metering Tariff
3. Direct Testimony of Michael W. Searcy

Sincerely,

GUERNSEY

Michael W. Searcy, Managing Consultant

cc: Don Crabbe

Enclosures

Arkansas Public Service Commission
Tariff ("TF") Docket Summary Cover Sheet
Must be filed with each new TF docket filed at the Commission

STYLE OF DOCKET:

DOCKET DESIGNATOR:

 TF

RELATED DOCKETS:

Does this change company name:

 Y N

LAST RATE CASE DOCKET:

ORIGIN:

 Original Action Reopened/Reinstated

Nature of Tariff: See second sheet

PETITIONER

ATTORNEYS' NAME, ADDRESS, PHONE, FAX, E-MAIL

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Write a brief statement, limited to the space provided herein describing the case that you are filing. Please provide enough information to assure that the nature of your docket is clear.

1. Number of customers by class affected by this tariff change: _____

2. Company's current authorized retail revenue requirement: _____

3. Estimated annual retail revenue impact if proposal is approved, both in dollars and as a percentage of current retail revenue requirement: _____

4. Estimated monthly impact on an average residential customer in both dollars and percentage increase: _____

Form completed by: _____ Date: _____

Representing _____

Nature of Tariff: Please Choose at least one, but not more than three	
<input type="checkbox"/>	Auto Adjustment
<input type="checkbox"/>	Grand Gulf
<input type="checkbox"/>	Nuclear Decommissioning
<input type="checkbox"/>	Rates
<input type="checkbox"/>	Retail
<input type="checkbox"/>	Shielded Outdoor Lighting
<input type="checkbox"/>	Terms and Conditions
<input type="checkbox"/>	Weather
<input type="checkbox"/>	Wholesale
<input type="checkbox"/>	Wholesale rate adjustment

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ARKANSAS PUBLIC SERVICE COMMISSION

2nd Revised	Sheet No.	70.1
Replacing 1 st Revised	Sheet No.	70.1
First Electric Cooperative Corporation		
Name of Company		
Kind of Service: Electric	Class of Service:	As Applicable
Part III. Rate Schedule	No.:	65
Title: NET METERING		

PSC File Mark Only

65. NET METERING

65.1. DEFINITIONS

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65.1.1 Net-metering Customer: An owner of a net-metering facility

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65.2. AVAILABILITY

65.2.1. To any residential or any other customer who takes service under standard Rate Schedule 1, 2, 4, 5, 9, 13, 16 or 51 who has installed a net metering facility and signed a Standard Interconnection Agreement for Net Metering Facilities with the Cooperative. Such facilities must be located on the Customer's premises and intended primarily to offset some or all of the Customer's energy usage at that location.

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65.2.2. The net metering facility shall have a generating capacity of not more than 25 kW for residential use or 300 kW for non-residential use.

65.2.3. The provisions of the Customer's standard rate schedule are modified as specified herein.

65.2.4. Customers may not take service under this tariff and simultaneously take service under the provisions of any other alternative source generation or co-generation tariff.

65.3. MONTHLY BILLING

65.3.1. On a monthly basis, the net metering Customer shall be billed the charges applicable under the currently effective standard rate schedule and any appropriate rider schedules. Under net metering, only the kilowatt-hour (kWh) units of a Customer's bill are affected.

65.3.2. If the electricity supplied by the Cooperative exceeds the electricity generated by the net metering Customer and fed back to the Cooperative during the billing period, the net metering Customer shall be billed for the net billable kWhs supplied by the Cooperative in accordance with the rates and charges under the Cooperative's standard rate schedule applicable to the Customer.

65.3.3. If the electricity generated by the net metering Customer and fed back to the Cooperative during the billing period exceeds the electricity supplied by the Cooperative to the net metering Customer during the applicable billing period, the Cooperative shall credit the net metering Customer with any accumulated net excess generation in the next applicable billing period.

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ARKANSAS PUBLIC SERVICE COMMISSION

Original	Sheet No.	70.2	
Replacing	Sheet No.		
First Electric Cooperative Corporation			
Name of Company			
Kind of Service:	Electric	Class of Service:	As Applicable
Part III.	Rate Schedule	No.:	65
Title:	NET METERING		
			PSC File Mark Only

- | | | |
|----------|---|----------------------------|
| 65.3.3.A | Net excess generation shall first be credited to the net-metering Customer's meter to which the net-metering facility is physically attached (designated meter). | AT
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| 65.3.3.B | After application of 65.3.3.A, and upon request of the net-metering Customer pursuant to 65.3.4, any remaining net excess generation shall be credited to one or more of the net-metering customer's meters (additional meters) in the rank order provided by the customer. | AT
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| 65.3.3.C | Net excess generation shall be credited as described in 65.3.3.A and 65.3.3.B during subsequent billing periods; net excess generation credit remaining in a net-metering Customer's account at the close of an annual billing cycle, up to an amount equal to four (4) months' average usage during the annual billing cycle that is closing, shall be credited to the net-metering customer's account for use during the next annual billing cycle. | AT
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| 65.3.3.D | Except as provided in 65.3.3.C, any net excess generation credit remaining in a net-metering customer's account at the close of an annual billing cycle shall expire. The annual billing cycle shall close on December 31 of each year. | AT
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MT |
| 65.3.4 | Upon request from a net-metering customer, the Cooperative will apply net excess generation to the net-metering customer's additional meters provided that: | AT
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| 65.3.4.A | The net-metering must give at least 30 days notice to the utility, and | AT |
| 65.3.4.B | The additional meter(s) must be identified at the time of the request and must be in the net-metering Customer's name, in the Cooperative's service territory, and be used to measure only electricity used for the net-metering Customer's requirements, and | AT
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| 65.3.4.C | In the event that more than one of the net-metering Customer's meters is identified, the net-metering Customer must designate the rank order for the additional meters to which excess kWhs are to be applied. The net-metering Customer cannot designate the rank order more than once during the annual billing cycle, and | AT
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| 65.3.4.D | The net-metering Customer's identified additional meters do not have to be used for the same class of service. | AT
AT |
| 65.3.5 | Any renewable energy credit created as the result of electricity supplied by a net-metering Customer is the property of the net-metering Customer that generated the renewable credit. | |

BEFORE THE
ARKANSAS PUBLIC SERVICE COMMISSION
DOCKET NO. 12-060-R

DIRECT TESTIMONY
OF
MICHAEL W. SEARCY

ON BEHALF OF
FIRST ELECTRIC COOPERATIVE CORPORATION

1 Q. Please state your name and business address.

2 A. My name is Michael W. Searcy. My business address is 5555 North Grand Boulevard, Oklahoma
3 City, Oklahoma 73112-5507.

4 Q. By whom are you employed and what is your position?

5 A. I am employed by Guernsey & Company, Oklahoma City, Oklahoma. I am a Managing
6 Consultant and work primarily in the area of Rate Analysis and Cost of Service Studies for rural
7 electric cooperatives.

8 Q. Please summarize your educational and professional background.

9 A. I have earned a Bachelor of Arts degree from Oklahoma Baptist University and have graduate
10 work at the University of Oklahoma and Louisiana State University. A copy of my resume and
11 experience is attached to this testimony as Attachment MWS-1.

12 Q. Have you testified before this Commission?

13 A. Yes. I have also testified before or provided testimony to regulatory commissions in the states of
14 Arizona, Kansas, Oklahoma, Texas, and Wyoming. Attachment MWS-1 to this testimony lists
15 some of the rate cases in which I have been involved.

16 Q. Whom do you represent in this proceeding?

17 A. I represent First Electric Cooperative Corporation (FEC).

18 Q. What is the purpose of your testimony?

19 A. My testimony is to support changes to FEC's Net Metering tariff.

20 Q. Why is FEC changing its Net Metering tariff?

1 A. The changes incorporate Amendments to Net Metering Rules (Amendments) adopted by the
2 Commission in Docket No. 12-060-R, Order No. 7. No other changes that those necessary to
3 implement Docket No. 12-060-R have been made.

4 Q. Have any other change been made to implement Docket No. 12-060.R?

5 A. Where necessary, paragraphs have been renumbered.

6 Q. How has FEC revised its Net Metering tariff to comply with the Amendments?

7 A. FEC has incorporated the wording as approved by the Commission into its policy.

8 Q. Does this conclude your testimony?

9 A. Yes it does.

MIKE W. SEARCY
MANAGING CONSULTANT

EDUCATION:

BA, Communications, Oklahoma Baptist University, 1977
Graduate work in Communications, University of Oklahoma and Louisiana State University
Completed RUS Accounting Course

PERTINENT EXPERIENCE FOR THE PROJECT:

Mr. Searcy's specializes in the areas of Rate Analysis, Cost of Service, Financial Planning and Forecasts, Financial Modeling, Strategic Planning and Revenue requirements. His areas of responsibility include rate filings, rate design, cost of service, special contract rates and financial forecasts.

During Mr. Searcy's prior experience on the staff of an electric cooperative he worked with consultants to design all rates and charges and to create and present all proposals as part of the Cooperative's marketing department. Mr. Searcy created, organized and supervised all aspects of a Cooperative subsidiary. He negotiated a contract with a neighboring municipal electric utility to conduct all maintenance functions, giving him direct experience in municipal utility operations. At GUERNSEY, Mr. Searcy has experience in developing cost of service studies, general rate and special contract rate designs.

Cost of Service and Rates

At GUERNSEY, Mr. Searcy assisted in the preparation of Rate Analysis and Cost of Service Studies and training for the following clients:

Arizona

- Ø Mohave Electric Cooperative, Bullhead City
- Ø Sulfur Spring Valley Electric Cooperative, Wilcox
- Ø Trico Electric Cooperative, Marana

Arkansas

- Ø First Electric Cooperative, Jacksonville

Colorado

- Ø Delta-Montrose Electric Association, Montrose
- Ø Mountain Parks Electric Association, Limon
- Ø Y-W Electric Association, Inc., Akron

Florida

- Ø West Florida ECA, Graceville

Kansas

- Ø Ark Valley Electric Cooperative, Hutchison
- Ø CMS Electric Cooperative, Meade
- Ø Heartland REC, Girard
- Ø Lyon-Coffey Electric Cooperative, Burlington
- Ø Nemaha-Marshall Electric Cooperative, Axtel
- Ø Radiant Electric Cooperative, Fredonia
- Ø Wheatland Electric Cooperative, Scott City

Minnesota

- Ø Agralite Electric Cooperative, Benson

Mississippi

- Ø Dixie EPA, Laurel

Nebraska

- Ø Dawson County PPD, Lexington

New Mexico

- Ø Central New Mexico Electric Cooperative, Moriarty
- Ø Lea County Electric Cooperative, Lovington

Oklahoma

- Ø Alfalfa Electric Cooperative, Cherokee
- Ø Central Rural Electric Cooperative, Stillwater
- Ø Choctaw Electric Cooperative, Hugo
- Ø City of Ardmore
- Ø City of Blackwell
- Ø City of Tecumseh
- Ø Cookson Hills Electric Cooperative, Stigler
- Ø East Central Oklahoma Electric Cooperative, Okmulgee
- Ø Indian Electric Cooperative, Cleveland
- Ø Northwestern Electric Cooperative, Woodward
- Ø Oklahoma Electric Cooperative, Norman
- Ø Southeastern Electric Cooperative, Durant
- Ø Southwest Rural Electric Association, Tipton
- Ø Verdigris Valley Electric Cooperative, Collinsville

South Carolina

- Ø Central Electric Power Cooperative, Columbia

Texas

- Ø Central Texas Electric Cooperative, Fredericksburg
- Ø Comanche County ECA, Comanche
- Ø CoServ Electric, Corinth
- Ø Farmers Electric Cooperative, Greenville
- Ø Greenbelt Electric Cooperative, Wellington
- Ø Guadalupe Valley Electric Cooperative, Gonzales
- Ø Medina Electric Cooperative, Hondo
- Ø Navarro County Electric Cooperative, Corsicana
- Ø New Braunfels Utilities
- Ø Pedernales Electric Cooperative, Johnson City
- Ø Rita Blanca Electric Cooperative, Dalhart
- Ø San Bernard Electric Cooperative, Bellville
- Ø San Patricio Electric Cooperative, Sinton
- Ø Taylor Electric Cooperative, Merkel
- Ø United Cooperative Services, Cleburne
- Ø Victoria Electric Cooperative, Victoria

Wyoming

- Ø Big Horn REC, Basin
- Ø Garland Light & Power Company, Powell
- Ø Wyrulec Company, Lingle

Education and Training

Mr. Searcy has experience in classroom teaching and utility job training and safety. He supervised cooperative public relations, providing training and educational programs on a variety of topics. At GUERNSEY he has experience in making presentations to utility management, boards of directors, consumer groups and industry organizations.

Publications and Presentations

Articles:

Searcy, Mike, Judy Lambert, and Michael Moore. "Energy Efficiency, Conservation and Margins: Catch 22 Rate Design." NRECA's *Management Quarterly* (Fall 2007): 26-47.

Presentations:

"Knowledge is Power: Financial Forecasting." Seminar written and presented by Guernsey personnel annually since 2006 in Oklahoma City, Okla. Mr. Searcy has been a presenter numerous times.

"Knowledge is Power: Understanding Rates and Cost of Service." Seminar written and presented by Guernsey personnel annually since 2005 in Oklahoma City, Okla. Mr. Searcy has been a presenter numerous times.

"Distributed Energy: The Consumer and the Utility." Presented for Texas Electric Cooperatives in Austin, Texas, 2007.

"Financial Management for Non-Accounts." Presented for Texas Electric Cooperatives since 2005.

Industry Restructuring and Competition

Mr. Searcy's cooperative experience includes supervising a Texas cooperative during key restructuring and competition exercises.

Strategic Planning and Analysis

Mr. Searcy's cooperative experience includes preparing and presenting board and other reports, budgets, business plans, and strategic planning. Mr. Searcy supervised the preparation and completion of customer surveys and focus groups.

EXPERIENCE RECORD:

2002-Present – C. H. Guernsey & Company, Oklahoma City, Okla.

2010-Present – Managing consultant with Analytical Solutions Group

2002-2010 – Consultant with Analytical Solutions Group

1982-2002 – Southwest Rural Electric Association, Inc., Tipton, Okla.

1987-2002 – Manager of Member Services

1999-2000 – SWRE's Interim Chief Executive Officer