



September 12, 2013

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

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

Dear Ms. Rhude:

On behalf of Ouachita 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, Sheet Numbers 26.1 and 26.2
3. Direct Testimony of Judy K. Lambert

Sincerely,

GUERNSEY

Judy K. Lambert, Managing Consultant

cc: Mark Cayce

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

ARKANSAS PUBLIC SERVICE COMMISSION

3 rd Revised	Sheet No.	26.1
Replacing	2 nd Revised	Sheet No. 26.1
Ouachita Electric Cooperative Corporation		
Name of Company		
Kind of Service:	Electric	Class of Service: As Applicable
Part III. Rate Schedule No.	14	
Title:	NET METERING	

PSC File Mark Only

14. NET METERING

14.1. AVAILABILITY

14.1.1. To any residential or any other customer who takes service under Rate Schedule(s) 1, 2, 3, or 6 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.

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

- 14.1.2. 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.
- 14.1.3. 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.

14.2. MONTHLY BILLING

- 14.2.1. 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.
- 14.2.2. 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.
- 14.2.3. If the kWhs generated by the net metering facility and fed back to the electric utility exceed the kWhs supplied by the electric utility to the net metering customer during the applicable billing period, the utility 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

1 st Revised	Sheet No. <u>26.2</u>	
Replacing <u>Original</u>	Sheet No. <u>26.2</u>	
Ouachita Electric Cooperative Corporation		
Name of Company		
Kind of Service: <u>Electric</u>	Class of Service: <u>As Applicable</u>	
Part III. Rate Schedule No.	<u>14</u>	
Title: NET METERING		
		PSC File Mark Only

- 14.2.3.1. 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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- 14.2.3.2. After application of 14.2.3.1 and upon request of the net-metering customer pursuant to 14.2.4, 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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- 14.2.3.3. Net excess generation shall be credited as described in 14.2.3.1 and 14.2.3.2 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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- 14.2.3.4. Except as provided in 14.2.3.3, any net excess generation credit remaining in a net-metering customer's account at the close of an annual billing cycle shall expire. AT
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- 14.2.4. Upon request from a net-metering customer an electric utility must apply net excess generation to the net-metering customer's additional meters provided that: AT
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- 14.2.4.1. The net-metering customer must give at least 30 days' notice to the utility. AT

- 14.2.4.2. 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 same utility service territory, and be used to measure only electricity used for the net-metering customer's requirements. AT
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- 14.2.4.3. 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. AT
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- 14.2.4.4. The net-metering customer's identified additional meters do not have to be used for the same class of service. AT
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- 14.2.5. Any renewable energy credit created as a 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
JUDY K. LAMBERT

ON BEHALF OF
OUACHITA ELECTRIC COOPERATIVE CORPORATION

1 Q. Please state your name and business address.

2 A. My name is Judy K. Lambert. 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 C. H. Guernsey & Company, Engineers • Architects • Consultants, Oklahoma
6 City, Oklahoma. I am a Managing Consultant and primarily prepare Rate Analysis and Cost of
7 Service Studies for rural electric cooperatives.

8 Q. Please summarize your educational and professional background.

9 A. I have earned a Bachelor of Science degree from Oklahoma State University and an M.B.A.
10 degree from Oklahoma City University. A copy of my resume and experience is attached to this
11 testimony as Attachment JKL-1.

12 Q. Have you testified before this Commission?

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

16 Q. Whom do you represent in this proceeding?

17 A. I represent Ouachita Electric Cooperative Corporation (OECC).

18 Q. What is the purpose of your testimony?

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

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

1 A. The changes incorporate the Amendments to the Net Metering Rules (Amendments) adopted by
2 the Commission in Docket No. 12-060-R, Order No. 7. The changes also remove duplicate
3 paragraphs 14.2.3 and 14.2.4 from the tariff.

4 Q. How has OECC revised its Net Metering tariff to remove the duplicated paragraphs?

5 A. Paragraphs 14.2.3 and 14.2.4 appeared on both Sheet Nos. 26.1 and 26.2. The text for these
6 paragraphs as it appears on Sheet 26.2 is retained with the text for 14.2.3 moved to Sheet 26.1.
7 Paragraph 14.2.4 is renumbered as explained below.

8 Q. How has OECC revised its Net Metering tariff to comply with the Amendments?

9 A. Paragraph 14.2.3 was moved from Sheet No. 26.2 to Sheet No. 26.1. This paragraph required no
10 other changes since it was the same as Paragraph C of the Amendments. Paragraphs 14.2.3.1
11 through 14.2.3.4 were added to Sheet No. 26.2 to adopt Paragraphs C(1) through C(4),
12 respectively, of the Amendments. Paragraphs 14.2.4 through 14.2.4.4 were added on Sheet No.
13 26.2 to adopt Paragraph D and Paragraphs D(1) through D(4), respectively, of the Amendments.
14 The numbering of paragraph 14.2.4 on Sheet 26.2 was changed to 14.2.5; this paragraph required
15 no other changes since it was the same as Paragraph E of the Amendments.


16 Q. Does this conclude your testimony?

17 A. Yes it does.

STATE OF OKLAHOMA §
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COUNTY OF OKLAHOMA §

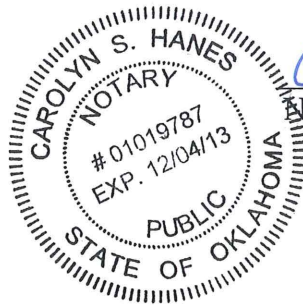
BEFORE ME, the undersigned authority, on this day personally appeared Judy K. Lambert, who, having been placed under oath by me, did depose as follows:

My name is Judy K. Lambert. I am of legal age and a resident of the State of Oklahoma. The foregoing direct testimony and the attached exhibits offered by me are true and correct, and the opinions stated therein are, to the best of my knowledge and belief, accurate, true and correct.



Judy K. Lambert.

SUBSCRIBED AND SWORN TO BEFORE ME by the said Judy K. Lambert this 12th day of September 2013.





Notary Public, State of Oklahoma

**JUDY K. LAMBERT
MANAGING CONSULTANT**

EDUCATION:

M.B.A., Oklahoma City University, 1979

B.S., Oklahoma State University, 1971

PERTINENT EXPERIENCE FOR THE PROJECT:

Ms. Lambert has experience with rural electric cooperatives and municipal systems 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 CoOPTIONS:[®] family of computer software programs for financial forecasts, cost of service studies, and financial performance analysis.

SPECIFIC CONSULTING EXPERIENCE:

Cost of Service and Rates for 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. Many studies were filed with state regulatory commissions and were prepared to fulfill specific filing requirements. 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

She has prepared numerous financial forecast studies, including sensitivity cases to support loan applications, to analyze merger and consolidations, and to analyze and define financial goals and objectives. She has also prepared operating budgets, including pro forma cash flow statements.

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," presentation to 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" presentation to 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," presentation to 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," presentation to Texas Electric Cooperatives Accountants Association, Austin, Texas; April 19, 2000.

"Rate Design and Financial Strategy Issues for Cooperatives," presentation to South Dakota Rural Electric Office Managers and Accountants Association; Huron, S.Dak.; April 27, 1995.

"Understanding the Financial Forecast," presentation to 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," presentation to 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, 10438, and 39542.
- Big Country Electric Cooperative, Inc.
- Bluebonnet Electric Cooperative, Inc., Docket Nos. 4070, 7415, 9976, 10435, 11274, and 39032
- Central Texas Electric Cooperative, Inc., Docket Nos. 3170, 6363, 10325, and 40029
- 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

Texas (Public Utility Commission of Texas)

- 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
- Golden Spread Electric Cooperative, Inc., Docket No. 39024
- 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, 9159, and 39861
- 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

EMPLOYMENT HISTORY:

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

CERTIFICATE OF SERVICE

I, Judy K. Lambert, hereby certify that a copy of the foregoing has been served on all parties of record by electronic mail or first-class mail, postage prepaid, September 12, 2013.

/s/ *Judy K. Lambert*

Judy K. Lambert