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June 1, 2006

Mary Jo Kunkle
Executive Secretary
Michigan Public Service Commission
PO Box 30221
Lansing, MI 48909-7721

Re: Case No. U-14709
Alger Delta Cooperative Electric Association
Supplemental Direct Testimony and Exhibits of John A. Abramson

Dear Ms. Kunkle:

Enclosed for paperless filing is Supplemental Direct Testimony and Exhibits of John A. Abramson on behalf of Alger Delta Cooperative Electric Association and Proof of Service in the above-referenced matter.

If there are any questions or comments, do not hesitate to contact me.

Sincerely,

DYKEMA GOSSETT PLLC

Albert Ernst

Digitally signed by Albert Ernst
DN: cn=Albert Ernst, c=US,
o=Dykema Gossett PLLC
Date: 2006.06.01 17:05:22 -04'00'

Albert Ernst

AE:jmb

cc: Tom Harrell
John Abramson

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ID\JMBA1

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

**In the matter of the application of)
ALGER DELTA COOPERATIVE ELECTRIC)
ASSOCIATION for authority to implement)
its power supply cost recovery plan for the)
12-month period ending December 31, 2006.)**

Case No. U-14709

SUPPLEMENTAL DIRECT TESTIMONY AND EXHIBITS OF

JOHN A. ABRAMSON

ON BEHALF OF

ALGER DELTA COOPERATIVE ELECTRIC ASSOCIATION

May 31, 2006

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter of the application of)
ALGER DELTA COOPERATIVE ELECTRIC)
ASSOCIATION for authority to implement)
its power supply cost recovery plan for the)
12-month period ending December 31, 2006.)
_____)

Case No. U-14709

SUPPLEMENTAL DIRECT TESTIMONY OF JOHN A. ABRAMSON

Q₂₂ PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A₂₂ My name is John A. Abramson. My business address is 426 N. Ninth Street, Gladstone,
Michigan 49837.

Q₂₃ ARE YOU THE SAME JOHN A. ABRAMSON WHO PREFILED DIRECT
TESTIMONY IN THIS DOCKET ON SEPTEMBER 30, 2005?

A₂₃ Yes, I am.

Q₂₄ WHAT IS THE PURPOSE OF YOUR SUPPLEMENTAL TESTIMONY IN THIS
DOCKET?

A₂₄ On September 30, 2005, Alger Delta timely filed its Power Supply Cost Recovery (PSCR)
plan for the 12-month period ending December 31, 2006. In its PSCR plans filing, Alger

Delta derived a ceiling PSCR factor of 34.22 mills per kWh, or \$0.03422 per kWh, based on a 41.61 mills per kWh, or \$0.04161 per kWh allowance for cost of power supply included in base rates. Subsequent to the filing of Alger Delta's PSCR plan, three events have impacted Alger Delta's 2006 PSCR Plan filing: (i) a revised wholesale power supply agreement with Upper Peninsula Power Company, effective January 1, 2006, (ii) a revised wholesale power agreement with Wisconsin Electric Power Company, effective May 15, 2006 and (iii) an increase in Alger Delta's allowance for cost of power supply included in base rates to 54.98 mills per kWh or \$0.05498 per kWh.¹ The purpose of this supplemental filing is to bring these matters to the attention of the Commission.

Q₂₅ PLEASE DESCRIBE THE EXHIBITS SUPPORTING YOUR SUPPLEMENTAL TESTIMONY.

A₂₅ Revised Exhibit A-3 is an exhibit prepared by me which summarizes the wholesale power supply changes which have taken effect this year. Copies of the new wholesale agreements have been separately provided to the Staff. These contracts include capacity charges associated with power purchased for periods in excess of 6 months – for which prior approval is sought pursuant to MCL 460.6j(13)(b).

¹ At the time of its initial filing in this docket, Alger Delta had 41.61 mills per kWh established as its allowance for cost of power supply in base rates. In its initialing filing, it therefore requested a ceiling monthly PSCR factor of 34.22 mills per kWh for the 12-month period ending December 31, 2006. However, on October 18, 2005, in Case No. U-14501, the Commission revised Alger Delta's base rates and increased its allowance for cost of power supply included in base rates from 41.61 mills per kWh to 54.98 mills per kWh. This increase in the allowance for cost of power supply included in base rates results in a reduced ceiling monthly PSCR from the originally requested 34.22 mills per kWh to 20.85 mills per kWh.

1 **Q₂₆ YOUR PREVIOUS ANSWER REFERENCED NEW WHOLESALE POWER**
2 **AGREEMENTS. COULD YOU PLEASE EXPAND ON HOW THESE NEW**
3 **AGREEMENTS OR OTHER FACTORS AFFECTED YOUR PROJECTIONS?**

4 A₂₆ UPPCO Changes -- When the September 30, 2005 PSCR filing was submitted, contract
5 discussions with UPPCO had not been finalized. On November 1, 2005, a new UPPCO
6 agreement was finalized. The estimated impact of that agreement is included in the revised
7 Exhibit A-3.

8 Wisconsin Electric Changes -- Also subsequent to the September 30, 2005 filing, as a result
9 of further discussions, Wisconsin Electric advised that it would be offering an alternative
10 wholesale power contract that would likely reduce the cost of power. Initially, Wisconsin
11 Electric advised that it would extend the then-existing agreement and rates until February
12 15, 2006, and later, when an agreement had not yet been reached, Wisconsin Electric
13 extended the then-existing agreement and rates until May 15, 2006. The new contract,
14 which is effective May 15, 2006, results in power costs that are lower than those anticipated
15 by the September 30, 2005 filing. The impact of the extension of the past agreement and
16 the new agreement effective May 15, 2006 is reflected in the revised Exhibit A-3.

17 2005 PSCR Undercollections -- Alger Delta has determined that it experienced a \$47,780
18 2005 PSCR underrecovery. This amount has been added to the 2006 PSCR costs in the
19 revised Exhibit A-3.

UPPCO Billing Adjustment -- In 2006, UPPCO advised Alger Delta that the contract in effect through 2005 had resulted in an out-of-period billing adjustment of \$156,000. This amount has been added to the 2006 PSCR costs in the revised Exhibit A-3. This is consistent with similar adjustments made in prior years.

The net result of the above is a reduction in 2006 projected purchased power costs. Alger Delta is current charging a PSCR factor of 14.59 mills per kWh (\$0.01459/kWh) over the current basing point of 54.98 mills per kWh. The adjustments above now indicate that the estimated costs would result in a factor just slightly lower, or 14.06 mills/kWh (\$0.01406/kWh).

Q₂₇ WHAT IS YOUR RECOMMENDATION WITH RESPECT TO THE APPROPRIATE PSCR FACTOR WHICH SHOULD BE APPROVED?

A₂₇ I recommend that the originally requested PSCR factor, adjusted for the change in the basing point, be approved by the Commission, *i.e.*, 20.85 mills per kWh (\$0.02085/kWh). In doing so, I recognize that it now appears that the costs will be below that level for the year. While the new contracts have been finalized, there are still uncertainties as to what costs of power might be for the year. In particular the costs of power from UPPCO included in these calculations are estimates based not only on UPPCO costs for the year, but also on an estimate of Alger Delta's kW demands that are coincident with UPPCO demands. This is a very delicate type of association and one that can change costs dramatically simply because either UPPCO's peak demand times or Alger Delta's peak

1 demand times in the various months changes. The demand charges in the contract are in
2 excess of \$20 per kW, so even a minor shift in demand coincidence can significantly alter
3 the costs. A similar problem relates to the purchases from WPS Resources.

4 It would therefore be my recommendation to keep the authorized factor based on the
5 originally requested factor. Alger Delta is currently billing customers a PSCR factor of
6 14.59 mills per kWh. It has no intention of billing a higher factor this year. The originally
7 requested factor, adjusted for the change in the basing point, would permit a PSCR factor of
8 20.85 mills per kWh. This factor would permit Alger Delta to increase charges if it appears
9 later in the year that the estimated costs will be exceeded by actual costs due to unforeseen
10 circumstances. Of course, if it becomes necessary to bill a higher factor, Alger Delta would
11 notify the Commission and the Staff.

12 **Q₂₈ DOES THIS CONCLUDE YOUR SUPPLEMENTAL DIRECT TESTIMONY?**

13 **A₂₈** Yes, it does.

ALGER DELTA COOPERATIVE ELECTRIC ASSOCIATION
Jan

Case No. U-14709
Exhibit A-3
Page 1 of 13
June 1, 2006

PART 1: ENERGY SUPPLIER	UNITS	\$	\$/UNIT
MARQUETTE			
Energy	1596900	\$ 66,271.35	\$ 0.04150
FCA		\$ 1,133.80	\$ 0.00071
Total Energy		\$ 67,405.15	
Demand (kw)	3117.3	\$ 19,327.26	\$ 6.20
TOTAL	1596900	\$ 86,732.41	
U P POWER			
Energy-On Peak	1784222	\$ 51,938.70	\$ 0.02911
Energy-Off Peak	570747	\$ 11,078.20	\$ 0.01941
Demand			
Coin.-Gen.	3818.19	\$ 83,186.91	\$ 21.79
Coin.-Trans.	3818.19	\$ 11,340.02	\$ 2.97
Max.-Sub	2430	\$ 3,426.30	\$ 1.41
Max.-Pri Dist.	2430	\$ 10,546.20	\$ 4.34
Cust Chg		\$ 200.00	\$ 200.00
Meter Chg		\$ 122.35	\$ 24.47
TOTAL	2354969	\$ 171,838.68	
WI ELEC OTHER			
Energy:			
On-Peak	641833	\$ 61,327.14	\$ 0.09555
Off-Peak	942564	\$ 53,377.40	\$ 0.05663
Total Energy	1584397	\$ 114,704.54	
non coin dmd	3052	\$ 6,409.20	\$ 2.10
coin dmd	2963	\$ 6,518.60	\$ 2.20
Cust Charge		\$ 800.00	\$ 200.00
TOTAL	1584397	\$ 128,432.34	
WISCONSIN ELECT/NATHAN			
Energy:			
On-Peak	319404	\$ 30,519.05	\$ 0.09555
Off-Peak	499278	\$ 28,274.11	\$ 0.05663
Total Energy	818682	\$ 58,793.17	
non coin dmd	1579	\$ 1,579.00	\$ 1.00
coin dmd	1579	\$ 3,473.80	\$ 2.20
cust charge		\$ 200.00	\$ 200.00
TOTAL	818682	\$ 64,045.97	
WISC PUB SVC			
Energy:			
On-Peak	183158	\$ 6,124.80	\$ 0.03344
Off-Peak	201268	\$ 4,486.26	\$ 0.02229
Prior Mo. True-Up		\$ -	
Ser Chgs		\$ 124.71	\$ 124.71
Total Energy	384426	\$ 10,735.78	
Sys Demand (kw)	540	\$ 9,309.60	\$ 17.24
Max Demand (kw)	1	\$ 641.65	\$ 641.65
TOTAL	384426	\$ 20,687.03	
	6739374	\$ 471,736.43	

ALGER DELTA COOPERATIVE ELECTRIC ASSOCIATION
Feb

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Exhibit A-3
Page 2 of 13
June 1, 2006

PART 1: ENERGY SUPPLIER	UNITS	\$	\$/UNIT
MARQUETTE			
Energy	1260600	\$ 52,314.90	\$ 0.04150
FCA		\$ 895.03	\$ 0.00071
Total Energy		\$ 53,209.93	
Demand (kw)	2781	\$ 17,242.20	\$ 6.20
TOTAL	1260600	\$ 70,452.13	
U P POWER			
Energy-On Peak	1423753	\$ 41,445.45	\$ 0.02911
Energy-Off Peak	449858	\$ 8,731.74	\$ 0.01941
Demand			
Coin.-Gen.	3911.13	\$ 85,211.79	\$ 21.79
Coin.-Trans.	3911.13	\$ 11,616.06	\$ 2.97
Max.-Sub	1965	\$ 2,770.65	\$ 1.41
Max.-Pri Dist.	1965	\$ 8,528.10	\$ 4.34
Cust Chg		\$ 200.00	\$ 200.00
Meter Chg		\$ 122.35	\$ 24.47
Adj. For last yr			
TOTAL	1873611	\$ 158,626.14	
WI ELEC OTHER			
Energy:			
On-Peak	546440	\$ 52,212.34	\$ 0.09555
Off-Peak	942503	\$ 53,373.94	\$ 0.05663
Total Energy	1488943	\$ 105,586.29	
non coin dmd	2893	\$ 6,075.30	\$ 2.10
coin dmd	2881	\$ 6,338.20	\$ 2.20
Cust Charge		\$ 800.00	\$ 200.00
TOTAL	1488943	\$ 118,799.79	
WISCONSIN ELECT/NATHAN			
Energy:			
On-Peak	263124	\$ 25,141.50	\$ 0.09555
Off-Peak	498145	\$ 28,209.95	\$ 0.05663
Total Energy	761269	\$ 53,351.45	
non coin dmd	1491	\$ 1,491.00	\$ 1.00
coin dmd	1484	\$ 3,264.80	\$ 2.20
cust charge		\$ 200.00	\$ 200.00
TOTAL	761269	\$ 58,307.25	
WISC PUB SVC			
Energy:			
On-Peak	157455	\$ 5,265.30	\$ 0.03344
Off-Peak	155736	\$ 3,471.36	\$ 0.02229
FCA		\$	
Ser Chg		\$ 124.71	\$ 124.71
Total Energy	313191	\$ 8,861.36	
Sys Demand (kw)	540	\$ 9,309.60	\$ 17.24
Max Demand (kw)	1	\$ 641.65	\$ 641.65
TOTAL	313191	\$ 18,812.61	
TOTAL	5697614	\$ 424,997.91	

ALGER DELTA COOPERATIVE ELECTRIC ASSOCIATION
Mar

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Exhibit A-3
Page 3 of 13
June 1, 2006

PART 1: ENERGY SUPPLIER	UNITS	\$		\$/UNIT
MARQUETTE				
Energy	1234800	\$ 51,244.20	\$	0.04150
FCA		\$ 876.71	\$	0.00071
Total Energy		\$ 52,120.91		
Demand (kw)	2629.96	\$ 16,305.75	\$	6.20
TOTAL	1234800	\$ 68,426.66		
U P POWER				
Energy-On Peak	1465451	\$ 42,659.28	\$	0.02911
Energy-Off Peak	453896	\$ 8,810.12	\$	0.01941
Demand				
Coin.-Gen.	2960.16	\$ 64,493.01	\$	21.79
Coin.-Trans.	2960.16	\$ 8,791.68	\$	2.97
Max.-Sub	1861	\$ 2,624.01	\$	1.41
Max.-Pri Dist.	1861	\$ 8,076.74	\$	4.34
Cust Chg		\$ 200.00	\$	200.00
Meter Chg		\$ 122.35	\$	24.47
TOTAL	1919347	\$ 135,777.18		
WI ELEC OTHER				
Energy:				
On-Peak	501143	\$ 47,884.21	\$	0.09555
Off-Peak	804986	\$ 45,586.36	\$	0.05663
Total Energy	1306129	\$ 93,470.57		
non coin dmd	2675	\$ 5,617.50	\$	2.10
coin dmd	2655	\$ 5,841.00	\$	2.20
Cust Charge		\$ 800.00	\$	200.00
TOTAL	1306129	\$ 105,729.07		
WISCONSIN ELECT/NATHAN				
Energy:				
On-Peak	236607	\$ 22,607.80	\$	0.09555
Off-Peak	417703	\$ 23,654.52	\$	0.05663
Total Energy	654310	\$ 46,262.32		
non coin dmd	1315	\$ 1,315.00	\$	1.00
coin dmd	1315	\$ 2,893.00	\$	2.20
cust charge		\$ 200.00	\$	200.00
TOTAL	654310	\$ 50,670.32		
WISC PUB SVC				
Energy:				
On-Peak	169228	\$ 5,658.98	\$	0.03344
Off-Peak	169756	\$ 3,783.86	\$	0.02229
FCA		\$ -		
Ser Chg		\$ 124.71	\$	124.71
Total Energy	338984	\$ 9,567.56		
Sys Demand (kw)	540	\$ 9,309.60	\$	17.24
Max Demand (kw)	1	\$ 641.65	\$	641.65
TOTAL	338984	\$ 19,518.81		
TOTAL	5453570	\$ 380,122.04		

ALGER DELTA COOPERATIVE ELECTRIC ASSOCIATION
Apr

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Exhibit A-3
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June 1, 2006

PART 1: ENERGY SUPPLIER	UNITS	\$		\$/UNIT
MARQUETTE				
Energy	1111080	\$	46,109.82	\$ 0.04150
FCA		\$	788.87	\$ 0.00071
Total Energy		\$	46,898.69	
Demand (kw)	2318.16	\$	14,372.59	\$ 6.20
TOTAL	1111080	\$	61,271.28	
U P POWER				
Energy-On Peak	1128900	\$	32,862.28	\$ 0.02911
Energy-Off Peak	351536	\$	6,823.31	\$ 0.01941
Demand				
Coin.-Gen.	2335.4	\$	50,881.36	\$ 21.79
Coin.-Trans.	2335.4	\$	6,936.14	\$ 2.97
Max.-Sub	1617	\$	2,279.97	\$ 1.41
Max.-Pri Dist.	1617	\$	7,017.78	\$ 4.34
Cust Chg		\$	200.00	\$ 200.00
Meter Chg		\$	122.35	\$ 24.47
		\$		
TOTAL	1480436	\$	107,123.19	
WI ELEC OTHER				
Energy:				
On-Peak	503124	\$	48,073.50	\$ 0.09555
Off-Peak	762563	\$	43,183.94	\$ 0.05663
Total Energy	1265687	\$	91,257.44	
non coin dmd	2468	\$	5,182.80	\$ 2.10
coin dmd	2368	\$	5,209.60	\$ 2.20
Cust Charge		\$	800.00	\$ 200.00
TOTAL	1265687	\$	102,449.84	
WISCONSIN ELECT/NATHAN				
Energy:				
On-Peak	227049	\$	21,694.53	\$ 0.09555
Off-Peak	384213	\$	21,757.98	\$ 0.05663
Total Energy	611262	\$	43,452.51	
non coin dmd	1186	\$	1,186.00	\$ 1.00
coin dmd	1178	\$	2,591.60	\$ 2.20
cust charge		\$	200.00	\$ 200.00
TOTAL	611262	\$	47,430.11	
WISC PUB SVC				
Energy:				
On-Peak	136346	\$	4,559.41	\$ 0.03344
Off-Peak	142456	\$	3,175.34	\$ 0.02229
FCA		\$		
Ser Chg		\$	124.71	\$ 124.71
Total Energy	278802	\$	7,859.46	
Sys Demand (kw)	565	\$	9,740.60	\$ 17.24
Max Demand (kw)	1	\$	641.65	\$ 641.65
TOTAL	278802	\$	18,241.71	
TOTAL	4747267	\$	336,516.14	

ALGER DELTA COOPERATIVE ELECTRIC ASSOCIATION
May

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Exhibit A-3
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June 1, 2006

PART 1: ENERGY SUPPLIER	UNITS	\$	\$/UNIT
MARQUETTE			
Energy	1167840	\$ 48,465.36	\$ 0.04150
FCA		\$ 829.17	\$ 0.00071
Total Energy		\$ 49,294.53	
Demand (kw)	2231.28	\$ 13,833.94	\$ 6.20
TOTAL	1167840	\$ 63,128.46	
U P POWER			
Energy-On Peak	1361166	\$ 39,623.54	\$ 0.02911
Energy-Off Peak	427277	\$ 8,293.45	\$ 0.01941
Demand			
Coin.-Gen.	2615.43	\$ 56,982.37	\$ 21.79
Coin.-Trans.	2615.43	\$ 7,767.83	\$ 2.97
Max.-Sub	1764	\$ 2,487.24	\$ 1.41
Max.-Pri Dist.	1764	\$ 7,655.76	\$ 4.34
Cust Chg		\$ 200.00	\$ 200.00
Meter Chg		\$ 122.35	\$ 24.47
		\$	
TOTAL	1788443	\$ 123,132.54	
WI ELEC OTHER			
Energy:			
On-Peak	437576	\$ 41,810.39	\$ 0.09555
Off-Peak	719998	\$ 40,773.49	\$ 0.05663
Total Energy	1157574	\$ 82,583.87	
non coin dmd	2090.9	\$ 4,390.89	\$ 2.10
coin dmd	1995.9	\$ 4,390.98	\$ 2.20
Cust Charge		\$ 800.00	\$ 200.00
TOTAL	1157574	\$ 92,165.74	
WISCONSIN ELECT/NATHAN			
Energy:			
On-Peak	195707	\$ 18,699.80	\$ 0.09555
Off-Peak	366357	\$ 20,746.80	\$ 0.05663
Total Energy	562064	\$ 39,446.60	
non coin dmd	1045	\$ 1,045.00	\$ 1.00
coin dmd	967	\$ 2,127.40	\$ 2.20
cust charge		\$ 200.00	\$ 200.00
TOTAL	562064	\$ 42,819.00	
WISC PUB SVC			
Energy:			
On-Peak	139516	\$ 4,665.42	\$ 0.03344
Off-Peak	155252	\$ 3,460.57	\$ 0.02229
FCA		\$	
Ser Chg		\$ 124.71	\$ 124.71
Total Energy	294768	\$ 8,250.69	
Sys Demand (kw)	565	\$ 9,740.60	\$ 17.24
Max Demand (kw)	1	\$ 641.65	\$ 641.65
TOTAL	294768	\$ 18,632.94	
TOTAL	4970689	\$ 339,878.69	

ALGER DELTA COOPERATIVE ELECTRIC ASSOCIATION
Jun

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Exhibit A-3
Page 6 of 13
June 1, 2006

PART 1: ENERGY SUPPLIER	UNITS	\$		\$/UNIT
MARQUETTE				
Energy	1226760	\$ 50,910.54	\$	0.04150
FCA		\$ 871.00	\$	0.00071
Total Energy		\$ 51,781.54		
Demand (kw)	2437.44	\$ 15,112.13	\$	6.20
TOTAL	1226760	\$ 66,893.67		
U P POWER				
Energy-On Peak	1378641	\$ 40,132.24	\$	0.02911
Energy-Off Peak	451372	\$ 8,761.13	\$	0.01941
Demand				
Coin.-Gen.	3327.78	\$ 72,502.34	\$	21.79
Coin.-Trans.	3327.78	\$ 9,883.51	\$	2.97
Max.-Sub	1999	\$ 2,818.59	\$	1.41
Max.-Pri Dist.	1999	\$ 8,675.66	\$	4.34
Cust Chg		\$ 200.00	\$	200.00
Meter Chg		\$ 122.35	\$	24.47
TOTAL	1830013	\$ 143,095.82		
WI ELEC OTHER				
Energy:				
On-Peak	444177	\$ 42,441.11	\$	0.09555
Off-Peak	735699	\$ 41,862.63	\$	0.05663
Total Energy	1179876	\$ 84,103.75		
non coin dmd	2172.4	\$ 4,562.04	\$	2.10
coin dmd	2250.6	\$ 17,959.79	\$	7.98
Cust Charge		\$ 800.00	\$	200.00
TOTAL	1179876	\$ 107,425.57		
WISCONSIN ELECT/NATHAN				
Energy:				
On-Peak	210377	\$ 20,101.52	\$	0.09555
Off-Peak	399353	\$ 22,615.36	\$	0.05663
Total Energy	609730	\$ 42,716.88		
non coin dmd	1183.6	\$ 1,183.60	\$	1.00
coin dmd	1198.3	\$ 9,562.43	\$	7.98
cust charge		\$ 200.00	\$	200.00
TOTAL	609730	\$ 53,662.92		
WISC PUB SVC				
Energy:				
On-Peak	173288	\$ 5,794.75	\$	0.03344
Off-Peak	152185	\$ 3,392.20	\$	0.02229
FCA		\$		
Ser Chg		\$ 124.71	\$	124.71
Total Energy	325473	\$ 9,311.66		
Sys Demand (kw)	565	\$ 9,740.60	\$	17.24
Max Demand (kw)	1	\$ 641.65	\$	641.65
TOTAL	325473	\$ 19,693.91		
TOTAL	5171852	\$ 390,771.89		

ALGER DELTA COOPERATIVE ELECTRIC ASSOCIATION
July

Case No. U-14709
Exhibit A-3
Page 7 of 13
June 1, 2006

PART 1: ENERGY SUPPLIER	UNITS	\$		\$/UNIT
MARQUETTE				
Energy	1224540	\$ 50,818.41	\$	0.04150
FCA		\$ 868.42	\$	0.00071
Total Energy		\$ 51,687.83		
Demand (kw)	2715.66	\$ 16,837.09	\$	6.20
TOTAL	1224540	\$ 68,524.93		
U P POWER				
Energy-On Peak	1610762	\$ 46,889.28	\$	0.02911
Energy-Off Peak	535942	\$ 10,402.63	\$	0.01941
Demand				
Coin.-Gen.	3326.16	\$ 72,467.05	\$	21.79
Coin.-Trans.	3326.16	\$ 9,878.70	\$	2.97
Max.-Sub	2203	\$ 3,106.23	\$	1.41
Max.-Prj Dist.	2203	\$ 9,561.02	\$	4.34
Cust Chg		\$ 200.00	\$	200.00
Meter Chg		\$ 122.35	\$	24.47
TOTAL	2146704	\$ 152,627.26		
WI ELEC OTHER				
Energy:				
On-Peak	447853	\$ 42,792.35	\$	0.09555
Off-Peak	689487	\$ 39,045.65	\$	0.05663
Total Energy	1137340	\$ 81,838.00		
non coin dmd	2295	\$ 4,819.50	\$	2.10
coin dmd	2137	\$ 17,053.26	\$	7.98
Cust Charge		\$ 800.00	\$	200.00
TOTAL	1137340	\$ 104,510.76		
WISCONSIN ELECT/NATHAN				
Energy:				
On-Peak	218824	\$ 20,908.63	\$	0.09555
Off-Peak	371600	\$ 21,043.71	\$	0.05663
Total Energy	590424	\$ 41,952.34		
non coin dmd	1203	\$ 1,203.00	\$	1.00
coin dmd	1192	\$ 9,512.16	\$	7.98
cust charge		\$ 200.00	\$	200.00
TOTAL	590424	\$ 52,867.50		
WISC PUB SVC				
Energy:				
On-Peak	187387	\$ 6,266.22	\$	0.03344
Off-Peak	194583	\$ 4,337.26	\$	0.02229
FCA		\$ -		
Ser Chg	1	\$ 124.71	\$	124.71
Total Energy	381970	\$ 10,728.19		
Sys Demand (kw)	540	\$ 9,309.60	\$	17.24
Max Demand (kw)	1	\$ 641.65	\$	641.65
TOTAL	381970	\$ 20,679.44		
TOTAL	5480978	\$ 399,209.89		

ALGER DELTA COOPERATIVE ELECTRIC ASSOCIATION
Aug

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June 1, 2006

PART 1: ENERGY SUPPLIER	UNITS	\$		\$/UNIT
MARQUETTE				
Energy	1524960	\$ 63,285.84	\$	0.04150
FCA		\$ 1,082.72	\$	0.00071
Total Energy		\$ 64,368.56		
Demand (kw)	2828.52	\$ 17,536.82	\$	6.20
TOTAL	1524960	\$ 81,905.39		
UP POWER				
Energy-On Peak	1643115	\$ 47,831.08	\$	0.02911
Energy-Off Peak	554470	\$ 10,762.26	\$	0.01941
Demand				
Coin.-Gen.	2951.19	\$ 64,297.58	\$	21.79
Coin.-Trans.	2951.19	\$ 8,765.03	\$	2.97
Max.-Sub	2098	\$ 2,958.18	\$	1.41
Max.-Pri Dist.	2098	\$ 9,105.32	\$	4.34
Cust Chg		\$ 200.00	\$	200.00
Meter Chg		\$ 122.35	\$	24.47
TOTAL	2197585	\$ 144,041.80		
WI ELEC OTHER				
Energy:				
On-Peak	484704	\$ 46,313.47	\$	0.09555
Off-Peak	719680	\$ 40,755.48	\$	0.05663
Total Energy	1204384	\$ 87,068.95		
non coin dmd	2276	\$ 4,779.60	\$	2.10
coin dmd	2202	\$ 17,571.96	\$	7.98
Cust Charge		\$ 800.00	\$	200.00
TOTAL	1204384	\$ 110,220.51		
WISCONSIN ELECT/NATHAN				
Energy:				
On-Peak	249702	\$ 23,859.03	\$	0.09555
Off-Peak	398910	\$ 22,590.27	\$	0.05663
Total Energy	648612	\$ 46,449.30		
non coin dmd	1272	\$ 1,272.00	\$	1.00
coin dmd	1241	\$ 9,903.18	\$	7.98
cust charge		\$ 200.00	\$	200.00
TOTAL	648612	\$ 57,824.48		
WISC PUB SVC				
Energy:				
On-Peak	184134	\$ 6,157.44	\$	0.03344
Off-Peak	179413	\$ 3,999.12	\$	0.02229
FCA	1	\$		
Ser Chg	1	\$ 124.71	\$	124.71
Total Energy	363547	\$ 10,281.27		
Sys Demand (kw)	540	\$ 9,309.60	\$	17.24
Max Demand (kw)	1	\$ 641.65	\$	641.65
TOTAL	363547	\$ 20,232.52		
TOTAL	5939088	\$ 414,224.69		

ALGER DELTA COOPERATIVE ELECTRIC ASSOCIATION
Sep

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June 1, 2006

PART 1: ENERGY SUPPLIER	UNITS	\$	\$/UNIT
MARQUETTE			
Energy	1335420	\$ 55,419.93	\$ 0.04150
FCA		\$ 948.15	\$ 0.00071
Total Energy		\$ 56,368.08	
Demand (kw)	2712.78	\$ 16,819.24	\$ 6.20
TOTAL	1335420	\$ 73,187.31	
U P POWER			
Energy-On Peak	1410101	\$ 41,048.04	\$ 0.02911
Energy-Off Peak	476846	\$ 9,255.58	\$ 0.01941
Demand			
Coin.-Gen.	2552.04	\$ 55,601.30	\$ 21.79
Coin.-Trans.	2552.04	\$ 7,579.56	\$ 2.97
Max.-Sub	2263	\$ 3,190.83	\$ 1.41
Max.-Pri Dist.	2263	\$ 9,821.42	\$ 4.34
Cust Chg		\$ 200.00	\$ 200.00
Meter Chg		\$ 122.35	\$ 24.47
TOTAL	1886947	\$ 126,819.08	
WI ELEC OTHER			
Energy:			
On-Peak	458957.4	\$ 43,948.93	\$ 0.09555
Off-Peak	753423	\$ 42,666.34	\$ 0.05663
Total Energy	1213380	\$ 86,615.27	
non coin dmd	2313	\$ 4,857.30	\$ 2.10
coin dmd	2115	\$ 16,877.70	\$ 7.98
Cust Charge		\$ 800.00	\$ 200.00
TOTAL	1213380	\$ 109,150.27	
WISCONSIN ELECT/NATHAN			
Energy:			
On-Peak	217772	\$ 20,808.11	\$ 0.09555
Off-Peak	408739	\$ 23,033.63	\$ 0.05663
Total Energy	624511	\$ 43,841.74	
non coin dmd	1312	\$ 1,312.00	\$ 1.00
coin dmd	1295	\$ 10,334.10	\$ 7.98
cust charge		\$ 200.00	\$ 200.00
TOTAL	624511	\$ 55,687.84	
WISC PUB SVC			
Energy:			
On-Peak	154539	\$ 5,167.78	\$ 0.03344
Off-Peak	164793	\$ 3,673.24	\$ 0.02229
FCA		\$ -	
Ser Chg	1	\$ 124.71	\$ 124.71
Total Energy	319332	\$ 8,965.73	
Sys Demand (kw)	540	\$ 9,309.60	\$ 17.24
Max Demand (kw)	1	\$ 641.65	\$ 641.65
TOTAL	319332	\$ 18,916.98	
TOTAL	5379590	\$ 383,761.49	

ALGER DELTA COOPERATIVE ELECTRIC ASSOCIATION
Oct

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PART 1: ENERGY SUPPLIER	UNITS	\$		\$/UNIT
MARQUETTE				
Energy	1234620	\$ 51,236.73	\$	0.04150
FCA		\$ 876.58	\$	0.00071
Total Energy		\$ 52,113.31		
Demand (kw)	2546	\$ 15,785.20	\$	6.20
TOTAL	1234620	\$ 67,898.51		
U P POWER				
Energy-On Peak	1391729	\$ 40,513.23	\$	0.02911
Energy-Off Peak	468339	\$ 9,090.46	\$	0.01941
Demand				
Coin.-Gen.	3374.37	\$ 73,517.40	\$	21.79
Coin.-Trans.	2122	\$ 6,302.34	\$	2.97
Max.-Sub	2122	\$ 2,992.02	\$	1.41
Max.-Pri Dist.		\$ -	\$	4.34
Cust Chg		\$ 200.00	\$	200.00
Meter Chg		\$ 122.35	\$	24.47
TOTAL	1860068	\$ 132,737.80		
WI ELEC OTHER				
Energy:				
On-Peak	481749	\$ 46,031.12	\$	0.09555
Off-Peak	715985	\$ 40,546.23	\$	0.05663
Total Energy	1197734	\$ 86,577.35		
non coin dmd	2437	\$ 5,117.70	\$	2.10
coin dmd	2305	\$ 5,071.00	\$	2.20
Cust Charge		\$ 800.00	\$	200.00
TOTAL	1197734	\$ 97,566.05		
WISCONSIN ELECT/NATHAN				
Energy:				
On-Peak	220992	\$ 21,115.79	\$	0.09555
Off-Peak	364593	\$ 20,646.90	\$	0.05663
Total Energy	585585	\$ 41,762.69		
non coin dmd	1136.45	\$ 1,136.45	\$	1.00
coin dmd	1139	\$ 2,505.80	\$	2.20
cust charge		\$ 200.00	\$	200.00
TOTAL	585585	\$ 45,604.94		
WISC PUB SVC				
Energy:				
On-Peak	149816	\$ 5,009.85	\$	0.03344
Off-Peak	164603	\$ 3,669.00	\$	0.02229
FCA		\$ -		
Ser Chg		\$ 124.71	\$	124.71
Total Energy	314419	\$ 8,803.56		
Sys Demand (kw)	540	\$ 9,309.80	\$	17.24
Max Demand (kw)	1	\$ 641.65	\$	641.65
TOTAL	314419	\$ 18,754.81		
TOTAL	5192426	\$ 362,562.10		

ALGER DELTA COOPERATIVE ELECTRIC ASSOCIATION
Nov

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June 1, 2006

PART 1: ENERGY SUPPLIER	UNITS	\$	\$/UNIT
MARQUETTE			
Energy	1197780	\$ 49,707.87	\$ 0.04150
FCA		\$ 850.42	\$ 0.00071
Total Energy		\$ 50,558.29	
Demand (kw)	2475	\$ 15,345.00	\$ 6.20
TOTAL	1197780	\$ 65,903.29	
U P POWER			
Energy-On Peak	1641130	\$ 47,773.29	\$ 0.02911
Energy-Off Peak	543724	\$ 10,553.68	\$ 0.01941
Demand			
Coin.-Gen.	3676.74	\$ 80,105.13	\$ 21.79
Coin.-Trans.	3676.74	\$ 10,919.92	\$ 2.97
Max.-Sub	2409	\$ 3,396.69	\$ 1.41
Max.-Pri Dist.	2409	\$ 10,455.06	\$ 4.34
Cust Chg		\$ 200.00	\$ 200.00
Meter Chg		\$ 122.35	\$ 24.47
TOTAL	2184854	\$ 163,526.13	
WI ELEC OTHER			
Energy:			
On-Peak	495527	\$ 47,347.60	\$ 0.09555
Off-Peak	850044	\$ 48,137.99	\$ 0.05663
Total Energy	1345571	\$ 95,485.60	
non coin dmd	1757	\$ 3,689.70	\$ 2.10
coin dmd	2530	\$ 5,566.00	\$ 2.20
Cust Charge		\$ 800.00	\$ 200.00
TOTAL	1345571	\$ 105,541.30	
WISCONSIN ELECT/NATHAN			
Energy:			
On-Peak	233622	\$ 22,322.58	\$ 0.09555
Off-Peak	446482	\$ 25,284.28	\$ 0.05663
Total Energy	680104	\$ 47,606.86	
non coin dmd	1423	\$ 1,423.00	\$ 1.00
coin dmd	1393	\$ 3,064.60	\$ 2.20
cust charge		\$ 200.00	\$ 200.00
TOTAL	680104	\$ 52,294.46	
WISC PUB SVC			
Energy:			
On-Peak	157503	\$ 5,266.90	\$ 0.03344
Off-Peak	177795	\$ 3,963.05	\$ 0.02229
FCA		\$	
Ser Chg		\$ 124.71	\$ 124.71
Total Energy	335298	\$ 9,354.66	
Sys Demand (kw)	540	\$ 9,309.60	\$ 17.24
Max Demand (kw)	1	\$ 641.65	\$ 641.65
TOTAL	335298	\$ 19,305.91	
TOTAL	5743607	\$ 406,571.09	

ALGER DELTA COOPERATIVE ELECTRIC ASSOCIATION
Dec

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June 1, 2006

PART 1: ENERGY SUPPLIER UNITS \$ \$/UNIT

MARQUETTE

Energy	1401360	\$ 58,156.44	\$ 0.04150
FCA		\$ 994.97	\$ 0.00071
Total Energy		\$ 59,151.41	
Demand (kw)	2965	\$ 18,383.00	\$ 6.20

TOTAL 1401360 \$ 77,534.41

U P POWER

Energy-On Peak	1760570	\$ 51,250.19	\$ 0.02911
Energy-Off Peak	584532	\$ 11,345.77	\$ 0.01941
Demand			
Coin.-Gen.	4310.22	\$ 93,906.76	\$ 21.79
Coin.-Trans.	4310.22	\$ 12,801.35	\$ 2.97
Max.-Sub	2628	\$ 3,705.48	\$ 1.41
Max.-Pri Dist.	2628	\$ 11,405.52	\$ 4.34
Cust Chg		\$ 200.00	\$ 200.00
Meter Chg		\$ 122.35	\$ 24.47

TOTAL 2345102 \$ 184,737.43

WI ELEC OTHER

Energy:			
On-Peak	553074	\$ 52,846.22	\$ 0.09555
Off-Peak	885506	\$ 50,146.20	\$ 0.05663
Total Energy	1438580	\$ 102,992.43	
non coin dmd	3104	\$ 6,518.40	\$ 2.10
coin dmd	2989	\$ 6,575.80	\$ 2.20
Cust Charge		\$ 800.00	\$ 200.00

TOTAL 1438580 \$ 116,886.63

WISCONSIN ELECT/NATHAN

Energy:			
On-Peak	279632	\$ 26,718.84	\$ 0.09555
Off-Peak	474079	\$ 26,847.09	\$ 0.05663
Total Energy	753711	\$ 53,565.93	
non coin dmd	1734	\$ 1,734.00	\$ 1.00
coin dmd	1734	\$ 3,814.80	\$ 2.20
cust charge		\$ 200.00	\$ 200.00

TOTAL 753711 \$ 59,314.73

WISC PUB SVC

Energy:			
On-Peak	184595	\$ 6,172.86	\$ 0.03344
Off-Peak	197375	\$ 4,399.49	\$ 0.02229
FCA		\$ -	
Ser Chg		\$ 124.71	\$ 124.71
Total Energy	381970	\$ 10,697.06	
Sys Demand (kw)	540	\$ 9,309.60	\$ 17.24
Max Demand (kw)	1	\$ 641.65	\$ 641.65

TOTAL 381970 \$ 20,648.31

TOTAL 6320723 \$ 459,121.49

ALGER DELTA COOPERATIVE ELECTRIC ASSOCIATION
Summary for the year 2006

PART 1: ENERGY BL UNITS	\$	\$/UNIT
MARQUE JAN	1506000	\$ 86,732
FEB	1200000	\$ 70,482
MARCH	1234800	\$ 66,427
APRIL	1111050	\$ 61,271
MAY	1167640	\$ 63,128
JUNE	1226760	\$ 66,084
JULY	1224540	\$ 66,526
AUGUST	1524960	\$ 81,905
SEPTEMB	1335420	\$ 73,187
OCTOBER	1234620	\$ 67,890
NOVEMBER	1197780	\$ 66,903
DECEMBER	1401380	\$ 77,334
TOTAL	15510880	\$ 851,858

UP POWER JAN	2354960	\$ 171,839
FEB	1973611	\$ 158,626
MARCH	1919347	\$ 135,777
APRIL	1489436	\$ 107,123
MAY	1788443	\$ 123,133
JUNE	1830913	\$ 143,086
JULY	2145704	\$ 152,827
AUGUST	2197585	\$ 144,042
SEPTEMB	1886847	\$ 126,619
OCTOBER	1860008	\$ 132,738
NOVEMBER	2184854	\$ 163,626
DECEMBER	2345102	\$ 184,737
TOTAL	23868079	\$ 1,744,063

WI ELEC JAN	1684357	\$ 128,432
FEB	1488943	\$ 118,808
MARCH	1305126	\$ 105,728
APRIL	1265587	\$ 102,450
MAY	1157574	\$ 92,185
JUNE	1178876	\$ 10,720
JULY	1137340	\$ 104,831
AUGUST	1204384	\$ 110,220
SEPTEMB	1218300	\$ 106,160
OCTOBER	1197734	\$ 97,666
NOVEMBER	1346571	\$ 106,541
DECEMBER	1438580	\$ 116,887
TOTAL	15519585	\$ 1,202,178

PART 1: ENERGY BL UNITS	\$	\$/UNIT
WI ELEC JAN	818882	\$ 64,040
FEB	701260	\$ 56,307
MARCH	664310	\$ 50,670
APRIL	611262	\$ 47,430
MAY	582084	\$ 42,810
JUNE	600730	\$ 53,563
JULY	580424	\$ 62,868
AUGUST	648612	\$ 67,824
SEPTEMB	624511	\$ 55,608
OCTOBER	585885	\$ 45,835
NOVEMBER	680104	\$ 52,204
DECEMBER	753711	\$ 59,315
TOTAL	7800254	\$ 640,530

WI Public JAN	384426	\$ 20,687.03
FEB	313191	\$ 18,512.81
MARCH	336904	\$ 19,518.81
APRIL	278802	\$ 15,241.71
MAY	294768	\$ 16,632.94
JUNE	325473	\$ 19,603.01
JULY	381970	\$ 20,675.44
AUGUST	383647	\$ 20,232.52
SEPTEMB	318332	\$ 18,916.80
OCTOBER	314419	\$ 16,754.31
NOVEMBER	335298	\$ 19,305.81
DECEMBER	381970	\$ 20,648.81
TOTAL	4028180	\$ 234,124.98

ALGER DELTA COOPERATIVE ELECTRIC ASSOCIATION
ESTIMATED 2006 POWER SUPPLY COSTS

Total Supp JAN	6739374	\$ 471,735
FEB	5697614	\$ 424,908
MARCH	5453570	\$ 380,122
APRIL	4747267	\$ 336,516
MAY	4970689	\$ 339,579
JUNE	5171852	\$ 294,072
JULY	5480878	\$ 399,210
AUGUST	5939088	\$ 414,224
SEPTEMB	5378590	\$ 383,761
OCTOBER	5192426	\$ 362,632
NOVEMBER	5743607	\$ 406,571
DECEMBER	6320723	\$ 459,121
TOTAL	66836778	\$ 4,672,774

ALGER DELTA COOPERATIVE ELECTRIC ASSOCIATION

PSCR FACTOR TO BE APPLIED FOR THE MONTHS OF JANUARY THROUGH DECEMBER 2006

PART II: PSCR COST

Total Purchases	65836778	\$ 4,672,774
Less: Line Loss	8142299.899	\$ 0.0819
PSCR SALES & PSCR POWER COST	60694478.1	\$ 0.07696

PART III: PSCR O(U) RECOVERY

PSCR REVENUE	BASE	FACTOR	TOTAL
Miles/KWH	\$ 41.61	\$ 35.30	\$ 75.99
PSCR Sales	50694478	\$ -	\$ -
PSCR Revenue	\$ 2,525,497	\$ 2,147,277	
PSCR Revenue		\$ 4,672,774	

Adjusted PSCR factor to reflect WE new rate offer (12/8/05)

Total purchases	\$ 4,642,774
Less WE cost reduction	\$ 467,862
REVISED PWR COST	\$ 4,174,912
Cost/kwh purch	\$ 0.06246
Cost/kwh sold	\$ 0.06678
REVISED FACTOR	old base (41.61) \$ 0.02717
REVISED FACTOR	new base (64.98) \$ 0.01380
2004 PSCR underrecovery	\$ 47,780 Per Deb Miles
Underrecovery add-on factor (new base)	\$ 0.00079
REVISED FACTOR FOR 06 INCLUDING 04 UNDERRECOVERY	\$ 0.01459
Prelim 05 UPPCO contract adjustment	\$ 156,000 Per Tom Harrell
Underrecovery add-on factor (new base)	\$ 0.00267
REVISED FACTOR FOR 06 (INCL UNDERRECOVERY & CONTR ADJ)	\$ 0.01716
Possible savings by WE freezing rates (at 05 levels up till 5/15/06)	\$ 107,870
Cost savings adj	\$ 0.003100
PRELIM REVISED FACTOR FOR 06 (WITH ALL KNOWN CHANGES)	\$ 0.01406

Est. Pwr Cost reduction from WE contract offer (vs LMP)

	WE kwh	prior est cost
Nailhan	7500254	\$ 640,530
Other	15519585	\$ 1,202,178
	23419839	\$ 1,842,708
WE new rate offer	\$ 1,374,745	\$ 0.0587
Cost reduction	\$ 457,862	

Est. Pwr cost savings (06) from WE rate freeze

Pur from WE (through May)	10,210,317
Unit cost savings (contract offer cost minus 06 avg cost)	\$ 0.0184
or 5.37 cents minus 4.03 cents/kwh	
Est pwr cost savings from WE freeze	\$ 167,870

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter of the application of)	
ALGER DELTA COOPERATIVE ELECTRIC)	
ASSOCIATION for authority to implement)	Case No. U-14709
its power supply cost recovery plan for the)	
12-month period ending December 31, 2006.)	
_____)	

PROOF OF SERVICE

STATE OF MICHIGAN)
) SS.
COUNTY OF INGHAM)

Jeanne M. Beachnau, an employee of Dykema Gossett PLLC, being first duly sworn, deposes and says that on the 1st day of June, 2006, she served a copy of Supplemental Direct Testimony and Exhibits of John A. Abramson on behalf of Alger Delta Cooperative Electric Association upon parties listed in the attached Service List at their respective addresses, by enclosing copies of the same in an envelope properly addressed, and by depositing said envelope in the United States Mail with postage thereon having been fully prepaid.

Jeanne Beachnau
Digitally signed by Jeanne Beachnau
DN: cn=Jeanne Beachnau, c=US,
o=Dykema Gossett PLLC
Date: 2006.06.01 17:06:46 -04'00'

Jeanne M. Beachnau

Subscribed and sworn before
me this 1st day of June, 2006.

Carolyn Ann Priest
Digitally signed by Carolyn Ann Priest
DN: cn=Carolyn Ann Priest, c=US, o=Dykema
Gossett, email=cpriest@dykema.com
Date: 2006.06.01 17:05:42 -04'00'

Carolyn Ann Priest, Notary Public, Ingham Co., MI
Acting in Ingham County, Michigan
My Commission Expires: 07/01/2012

SERVICE LIST

Michael J. Orris
Assistant Attorney General
Department Of Attorney General
6465 Mercantile Way Ste. 15
Lansing, MI 48911

Hon. Sharon Feldman
Administrative Law Judge
Michigan Public Service Commission
PO Box 30221
Lansing, MI 48909-7721

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