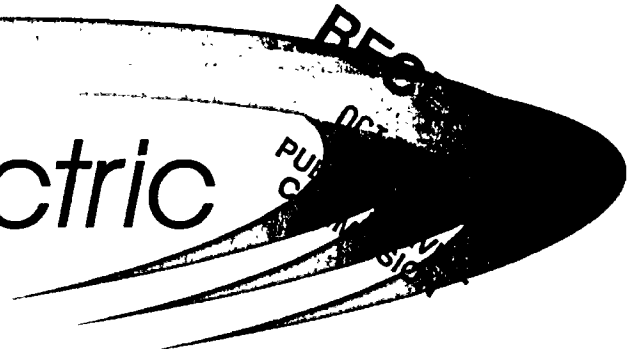
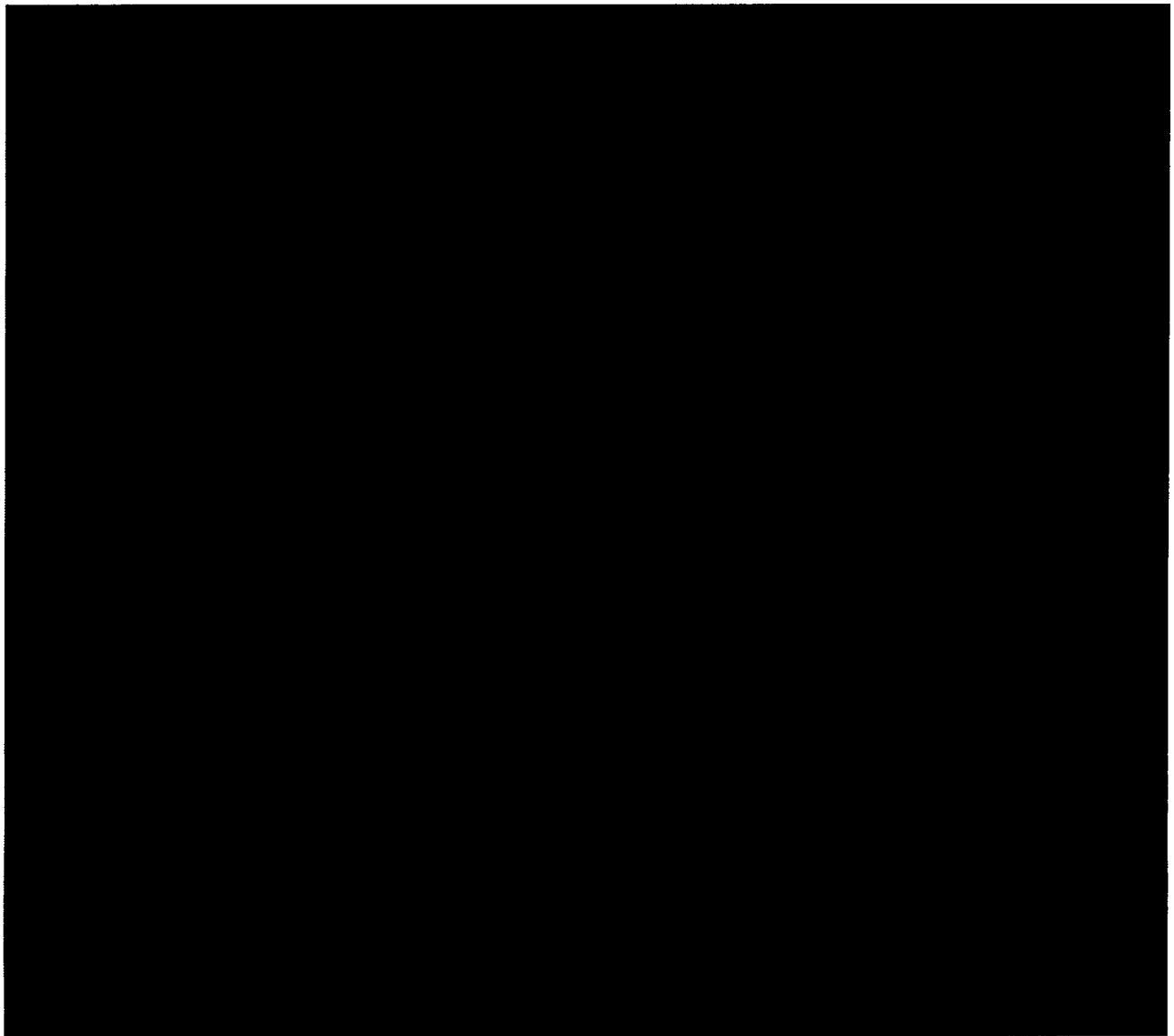


# **OWEN** *Electric*



A Touchstone Energy Cooperative 



**CRAWFORD & BAXTER, P.S.C.**

ATTORNEYS AT LAW

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October 18, 2013

Mr. Jeffrey Derouen  
Executive Director  
Kentucky Public Service Commission  
P.O. Box 615  
211 Sower Boulevard  
Frankfort, KY 40602

RE: PSC Case No. 2013-00324


Dear Mr. Derouen:

Please find enclosed for filing with the Commission in the above-referenced case, an original and seven copies of the response of Owen Electric Cooperative, Inc. ("Owen") to the Commission Staff's First Request for Information to East Kentucky Power Cooperative, Inc., dated September 18, 2013.

Please contact me with any questions.

Respectfully yours,

CRAWFORD & BAXTER, P.S.C.

  
James M. Crawford  
Attorney for Owen Electric Cooperative, Inc.

cc: Parties of Record

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION BY THE PUBLIC SERVICE )  
 COMMISSION OF THE ENVIRONMENTAL )  
 SURCHARGE MECHANISM OF EAST )  
 KENTUCKY POWER COOPERATIVE, INC. )  
 FOR THE TWO-YEAR BILLING PERIOD ) CASE NO. 2013-00324  
 ENDING JUNE 30, 2013 AND THE PASS )  
 THROUGH MECHANISM FOR ITS SIXTEEN )  
 MEMBER DISTRIBUTION COOPERATIVES )

CERTIFICATE

STATE OF KENTUCKY )  
 )  
 COUNTY OF OWEN )

Ann F. Wood, being duly sworn, states that she has supervised the preparation of the response of Owen Electric Cooperative, Inc. to the Public Service Commission Staff's First Request for Information to East Kentucky Power Cooperative, Inc. in the above-referenced case dated September 18, 2013, and that the matters and things set forth therein are true and accurate to the best of her knowledge, information and belief, formed after reasonable inquiry.

Ann F Wood

Subscribed and sworn before me on this 17 day of October, 2013.

Parnele B McAlester  
 Notary Public

**OWEN ELECTRIC COOPERATIVE, INC.**

**PSC CASE NO. 2013-00324**

**ENVIRONMENTAL SURCHARGE MECHANISM**

**RESPONSE TO INFORMATION REQUEST**

**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION TO EAST  
KENTUCKY POWER COOPERATIVE, INC. DATED 9/18/13**

**REQUEST 8**

**RESPONSIBLE PARTY: Ann F. Wood**

**Request 8:** This question is addressed to each of the 16 member distribution cooperatives. For your particular distribution cooperative, provide the actual average residential customer's monthly usage. Based on this usage amount, provide the dollar impact any over- or under-recovery will have on the average residential customer's monthly bill for the requested recovery period. Provide all supporting calculations.

**Response 8:** Page 2 of this response provides the dollar impact the over-recovery will have on the average residential customer's monthly bill. The average monthly residential kWh is based on the average usage from January 2013 to June 2013. The impact is a \$.31 reduction on the average residential bill.

Page 3 of this response contains the over- and under-recovery information as provided in the response to Request 2. Page 4 of this response represents the "as filed" surcharge factors, and served as the basis for calculating the average pass-through factor used to calculate the "Actual Average Residential Monthly Bill" on page 2. Page 5 of this response assumes the over-recovery was amortized during the January 2013 through June 2013 review period and served as the basis for calculating the average pass-through factor used to calculate the "Average Residential Monthly Bill with Recovery" on page 2.

<u>Actual Average Residential Monthly Bill</u>		
Average Monthly Residential kWh:		<u>1,166</u>
Residential Rate:		
Customer Charge	\$17.10	\$17.10
kWh Charge	\$0.08756	\$102.09
Fuel Adjustment Factor (Average Billed Jan 13- June 13)	\$0.00050	\$0.58
Environmental Surcharge (Computed Average Jan 13- June 13)	10.34%	12.39
County/City Tax	3.00%	<u>\$3.96</u>
		<u><u>\$136.13</u></u>

<u>Average Residential Monthly Bill with Refund</u>		
Average Monthly Residential kWh:		<u>1,166</u>
Residential Rate:		
Customer Charge	\$17.10	\$17.10
kWh Charge	\$0.08756	\$102.09
Fuel Adjustment Factor (Average Billed Jan 13- June 13)	\$0.00050	\$0.58
Environmental Surcharge (Computed Average Jan 13- June 13)	10.09%	12.09
County/City Tax	3.00%	<u>\$3.96</u>
		<u><u>\$135.82</u></u>

Dollar Impact:	(\$0.31)
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\* Customer charge and kWh charge as reflected on Schedule 1- Farm and Home, effective September 1, 2013

Owen Electric Cooperative - Calculation of (Over)/Under - Gallatin

Gallatin Bill				
Mo/Yr	EKPC Invoice Month recorded on Member's Books (1)	Billed to Retail Consumer & recorded on Member's Books (2)	Monthly (Over) or Under (3)	Cumulative (Over) or Under (4)
Jan-13	\$ 532,128	\$ 532,128	\$ -	\$ -
Feb-13	\$ 455,694	\$ 455,694	\$ -	\$ -
Mar-13	\$ 444,336	\$ 444,336	\$ -	\$ -
Apr-13	\$ 419,659	\$ 419,659	\$ -	\$ -
May-13	\$ 583,221	\$ 583,221	\$ -	\$ -
Jun-13	\$ 682,184	\$ 682,184	\$ -	\$ -
Jul-13	\$ 594,450	\$ 594,450	\$ -	\$ -
Aug-13	\$ 582,148	\$ 582,148	\$ -	\$ -

Cumulative 6-months (Over)/Under Recovery	\$ -
Monthly Recovery (per month for six months)	\$ -

Owen Electric Cooperative - Calculation of (Over)/Under - Sch B

B				
Mo/Yr	EKPC Invoice Month recorded on Member's Books (1)	Billed to Retail Consumer & recorded on Member's Books (2)	Monthly (Over) or Under (3)	Cumulative (Over) or Under (4)
Jan-13	\$ 141,691	\$ 166,610	\$ (24,919)	\$ (24,919)
Feb-13	\$ 120,080	\$ 141,691	\$ (21,611)	\$ (46,530)
Mar-13	\$ 120,309	\$ 124,363	\$ (4,054)	\$ (50,584)
Apr-13	\$ 143,519	\$ 120,309	\$ 23,210	\$ (27,374)
May-13	\$ 158,219	\$ 143,519	\$ 14,700	\$ (12,674)
Jun-13	\$ 183,585	\$ 341,804	\$ (158,219)	\$ (170,893)
Jul-13	\$ 178,165	\$ 178,165	\$ -	\$ (170,893)
Aug-13	\$ 153,813	\$ 153,813	\$ -	\$ (170,893)

Cumulative 6-months (Over)/Under Recovery	\$ (170,893)
Monthly Recovery (per month for six months)	\$ (28,482)

Owen Electric Cooperative - Calculation of (Over)/Under - All Others

E				
Mo/Yr	EKPC Invoice Month recorded on Member's Books (1)	Billed to Retail Consumer & recorded on Member's Books (2)	Monthly (Over) or Under (3)	Cumulative (Over) or Under (4)
Jan-13	\$ 948,198	\$ 1,119,182	\$ (170,986)	\$ (170,986)
Feb-13	\$ 819,198	\$ 913,717	\$ (94,519)	\$ (265,506)
Mar-13	\$ 754,899	\$ 700,419	\$ 54,480	\$ (211,025)
Apr-13	\$ 673,629	\$ 642,307	\$ 31,322	\$ (179,703)
May-13	\$ 735,672	\$ 716,308	\$ 19,364	\$ (160,339)
Jun-13	\$ 1,026,702	\$ 813,021	\$ 213,681	\$ 53,343
Jul-13	\$ 1,030,973	\$ 1,154,057	\$ (123,084)	\$ (69,741)
Aug-13	\$ 957,932	\$ 940,554	\$ 17,378	\$ (52,364)

Cumulative 6-months (Over)/Under Recovery	\$ 53,343
Monthly Recovery (per month for six months)	\$ 8,890

Owen Total (Over)/Under

Jan-13	\$ (195,905)
Feb-13	\$ (312,036)
Mar-13	\$ (261,609)
Apr-13	\$ (207,077)
May-13	\$ (173,013)
Jun-13	\$ (117,550)
Jul-13	\$ (240,634)
Aug-13	\$ (223,257)

Cumulative 6-months (Over)/Under Recovery	\$ (117,550)
Monthly Recovery (per month for six months)	\$ (19,592)

Pass Through Mechanism Report for Owen Electric Cooperative

For the Month Ending August 2013

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8a)	(8b)	(8c)	(8d)	(8e)	(8f)	(8g)	(8h)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Surcharge	ERPC	ERPC	ERPC	ERPC	ERPC	ERPC	ERPC	ERPC	ERPC	ERPC	ERPC	ERPC	ERPC	ERPC	ERPC	ERPC	ERPC	ERPC	ERPC	ERPC	ERPC	ERPC
Factor	CESE %	BESF %	MESF %	From Sales to Owen	Monthly Status to Owen	13-months	End-of-Month	Revenue Requirement	Surcharge Revenue	Over/Under Recovery of Gains Revenue	ERPC Surcharge Revenue	ERPC Schedule B Revenue	ERPC Schedule B Revenue	ERPC Schedule B Revenue	ERPC Schedule B Revenue	Over/Under Recovery of Gains Revenue	Net Revenue Requirement	Total Monthly Revenue	Over/Under Revenue Adjustment	Net Monthly Revenue	12-months	Over
Expense	Col. (1) - Col. (2)	Col. (3) - Col. (4)	Col. (5) - Col. (6)	Col. (7) - Col. (8)	Col. (9) - Col. (10)	Col. (11) - Col. (12)	Col. (13) - Col. (14)	Col. (15) - Col. (16)	Col. (17) - Col. (18)	Col. (19) - Col. (20)	Col. (21) - Col. (22)	Col. (23) - Col. (24)	Col. (25) - Col. (26)	Col. (27) - Col. (28)	Col. (29) - Col. (30)	Col. (31) - Col. (32)	Col. (33) - Col. (34)	Col. (35) - Col. (36)	Col. (37) - Col. (38)	Col. (39) - Col. (40)	Col. (41) - Col. (42)	Col. (43) - Col. (44)
Month	Col. (1) - Col. (2)	Col. (3) - Col. (4)	Col. (5) - Col. (6)	Col. (7) - Col. (8)	Col. (9) - Col. (10)	Col. (11) - Col. (12)	Col. (13) - Col. (14)	Col. (15) - Col. (16)	Col. (17) - Col. (18)	Col. (19) - Col. (20)	Col. (21) - Col. (22)	Col. (23) - Col. (24)	Col. (25) - Col. (26)	Col. (27) - Col. (28)	Col. (29) - Col. (30)	Col. (31) - Col. (32)	Col. (33) - Col. (34)	Col. (35) - Col. (36)	Col. (37) - Col. (38)	Col. (39) - Col. (40)	Col. (41) - Col. (42)	Col. (43) - Col. (44)
Sep-12	18.23%	0.00%	16.23%	\$ 8,944,054	\$ 9,600,508	\$ 1,558,162	\$ 388,097	\$ 1,558,162	\$ 388,097	\$ -	\$ 133,137	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,038,928	\$ 7,931,045	\$ -	\$ 7,931,045	\$ 7,707,416	13.43%
Oct-12	17.57%	0.00%	17.57%	\$ 8,652,155	\$ 9,644,712	\$ 1,694,578	\$ 514,869	\$ 1,694,578	\$ 514,869	\$ -	\$ 153,397	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,028,310	\$ 6,184,112	\$ -	\$ 6,184,112	\$ 7,676,043	13.32%
Nov-12	18.23%	0.00%	18.23%	\$ 10,144,311	\$ 9,710,954	\$ 1,770,307	\$ 672,764	\$ 1,770,307	\$ 672,764	\$ -	\$ 168,873	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 928,670	\$ 7,048,822	\$ -	\$ 7,048,822	\$ 7,721,203	12.10%
Dec-12	14.61%	0.00%	14.61%	\$ 9,905,814	\$ 9,658,167	\$ 1,412,519	\$ 528,482	\$ 1,412,519	\$ 528,482	\$ -	\$ 165,590	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 720,447	\$ 7,691,877	\$ -	\$ 7,691,877	\$ 7,717,762	9.33%
Jan-13	13.49%	0.00%	13.49%	\$ 11,102,093	\$ 9,658,423	\$ 1,304,270	\$ 532,128	\$ 1,304,270	\$ 532,128	\$ -	\$ 140,873	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 631,269	\$ 9,249,298	\$ -	\$ 9,249,298	\$ 7,727,375	8.15%
Feb-13	12.81%	0.00%	12.81%	\$ 10,340,774	\$ 9,711,344	\$ 1,224,600	\$ 455,694	\$ 1,224,600	\$ 455,694	\$ -	\$ 119,325	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 640,581	\$ 8,793,411	\$ -	\$ 8,793,411	\$ 7,809,284	8.41%
Mar-13	14.37%	0.00%	14.37%	\$ 10,464,263	\$ 8,818,337	\$ 1,410,895	\$ 444,338	\$ 1,410,895	\$ 444,338	\$ -	\$ 119,603	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 848,958	\$ 8,562,793	\$ -	\$ 8,562,793	\$ 7,877,938	10.85%
Apr-13	14.27%	0.00%	14.27%	\$ 8,608,868	\$ 9,878,717	\$ 1,409,856	\$ 418,639	\$ 1,409,856	\$ 418,639	\$ -	\$ 142,714	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 847,463	\$ 7,637,457	\$ -	\$ 7,637,457	\$ 7,978,759	10.76%
May-13	17.97%	0.00%	17.97%	\$ 10,351,162	\$ 9,983,059	\$ 1,793,956	\$ 583,221	\$ 1,793,956	\$ 583,221	\$ -	\$ 157,420	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,053,315	\$ 6,631,541	\$ -	\$ 6,631,541	\$ 8,002,826	13.20%
Jun-13	17.09%	0.00%	17.09%	\$ 10,531,283	\$ 10,039,436	\$ 1,715,740	\$ 682,184	\$ 1,715,740	\$ 682,184	\$ -	\$ 163,585	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 849,971	\$ 7,555,898	\$ -	\$ 7,555,898	\$ 8,021,536	10.62%
Jul-13	15.77%	0.00%	15.77%	\$ 10,541,762	\$ 10,015,128	\$ 1,579,365	\$ 584,450	\$ 1,579,365	\$ 584,450	\$ -	\$ 176,165	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 808,770	\$ 1,211,568	\$ 402,898	\$ 8,742,963	\$ 8,013,158	15.11%
Aug-13	15.49%	0.00%	15.49%	\$ 10,741,227	\$ 10,027,147	\$ 1,553,205	\$ 582,148	\$ 1,553,205	\$ 582,148	\$ -	\$ 153,813	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 817,244	\$ 1,211,519	\$ 394,275	\$ 8,725,463	\$ 7,979,556	15.12%

6 month average of columns highlighted

10.34%

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8a)	(8b)	(8c)	(8d)	(8e)	(8f)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Surcharge Expense Month	EFPC BEFP %	EFPC MESP %	EFPC Monthly Revenue from Sables to Owm	On-Peak Revenue Adjustment	EFPC Net Monthly Sables to Owm	EFPC 12-months Ended Average Monthly Revenue from Sables to Owm	Owm Revenue Requirement	Qualitas Surcharge Revenue	Amortization of (Over)/Under Recovery of Qualitas Revenue	EFPC Schedule B Surcharge Revenue	Amortization of Schedule B (Over)/Under Recovery of Revenue	Owm Revenue Requirement exclusive of Qualitas and Schedule B	Amortization of (Over)/Under Recovery of Qualitas	Owm Revenue Requirement exclusive of Qualitas	Owm Monthly Revenue exclusive of Qualitas	On-Peak Retail Revenue Adjustment	Owm Net Monthly Revenue exclusive of Qualitas	12-months ended Avg. Retail Revenue, Net Excludes of Qualitas	Owm Pass Through Mechanism Factor, Net of Qualitas
	Col. (1) - Col. (2)	Col. (1) - Col. (3)	Col. (4) - Col. (5)	Col. (6) - Col. (7)	Col. (8) - Col. (9)	Col. (8) - Col. (9)	Col. (8) - Col. (9)	Col. (8) - Col. (9)	Col. (8) - Col. (9)	Col. (8) - Col. (9)	Col. (8) - Col. (9)	Col. (8) - Col. (9)	Col. (8) - Col. (9)	Col. (8) - Col. (9)	Col. (11) - Col. (12)	Col. (12) - Col. (13)	Col. (13) - Col. (14)	Col. (14) - Col. (15)	Col. (15) - Col. (16)
Sept-12	16.23%	0.00%	\$ 8,944,054	\$ 8,944,054	\$ 9,600,508	\$ 1,558,162	\$ 398,097	\$ -	\$ -	\$ 133,137	\$ -	\$ 1,038,928	\$ -	\$ 1,038,928	\$ 7,931,045	\$ -	\$ 7,931,045	\$ 7,707,418	13.43%
Oct-12	17.57%	0.00%	\$ 8,652,155	\$ 8,652,155	\$ 9,644,712	\$ 1,694,578	\$ 514,869	\$ -	\$ -	\$ 153,397	\$ -	\$ 1,028,310	\$ -	\$ 1,028,310	\$ 6,194,112	\$ -	\$ 6,194,112	\$ 7,678,043	13.52%
Nov-12	18.23%	0.00%	\$ 10,144,311	\$ 10,144,311	\$ 9,710,854	\$ 1,770,307	\$ 872,764	\$ -	\$ -	\$ 168,873	\$ -	\$ 928,670	\$ -	\$ 928,670	\$ 7,048,822	\$ -	\$ 7,048,822	\$ 7,721,203	12.10%
Dec-12	14.61%	0.00%	\$ 9,905,614	\$ 9,905,614	\$ 9,668,167	\$ 1,412,519	\$ 526,462	\$ -	\$ -	\$ 165,590	\$ -	\$ 720,447	\$ -	\$ 720,447	\$ 7,691,677	\$ -	\$ 7,691,677	\$ 7,717,762	9.33%
Jan-13	13.49%	0.00%	\$ 11,102,093	\$ 11,102,093	\$ 9,988,423	\$ 1,304,270	\$ 532,128	\$ -	\$ -	\$ 140,873	\$ -	\$ 651,269	\$ (18,592)	\$ 611,677	\$ 9,248,298	\$ -	\$ 9,248,298	\$ 7,727,375	7.83%
Feb-13	12.61%	0.00%	\$ 10,340,774	\$ 10,340,774	\$ 9,711,344	\$ 1,224,600	\$ 455,894	\$ -	\$ -	\$ 119,325	\$ -	\$ 848,561	\$ (19,592)	\$ 629,869	\$ 9,793,411	\$ -	\$ 9,793,411	\$ 7,699,264	8.15%
Mar-13	14.37%	0.00%	\$ 10,464,263	\$ 10,464,263	\$ 9,618,337	\$ 1,410,695	\$ 444,336	\$ -	\$ -	\$ 119,603	\$ -	\$ 848,956	\$ (19,592)	\$ 627,364	\$ 8,562,793	\$ -	\$ 8,562,793	\$ 7,877,938	10.59%
Apr-13	14.27%	0.00%	\$ 6,606,868	\$ 6,606,868	\$ 9,878,717	\$ 1,409,836	\$ 419,659	\$ -	\$ -	\$ 142,714	\$ -	\$ 847,463	\$ (19,592)	\$ 627,871	\$ 7,637,457	\$ -	\$ 7,637,457	\$ 7,978,759	10.51%
May-13	17.97%	0.00%	\$ 10,351,182	\$ 10,351,182	\$ 9,863,059	\$ 1,793,658	\$ 563,221	\$ -	\$ -	\$ 157,420	\$ -	\$ 1,053,315	\$ (19,592)	\$ 830,379	\$ 6,631,541	\$ -	\$ 6,631,541	\$ 8,002,528	12.99%
Jun-13	17.09%	0.00%	\$ 10,531,263	\$ 10,531,263	\$ 10,038,436	\$ 1,716,740	\$ 662,184	\$ -	\$ -	\$ 183,585	\$ -	\$ 849,971	\$ (19,592)	\$ 830,379	\$ 7,555,898	\$ -	\$ 7,555,898	\$ 8,021,536	10.38%
Jul-13	15.77%	0.00%	\$ 10,541,762	\$ 10,541,762	\$ 10,015,126	\$ 1,579,365	\$ 594,460	\$ -	\$ -	\$ 176,165	\$ -	\$ 808,770	\$ 402,898	\$ 1,211,668	\$ 6,742,963	\$ -	\$ 6,742,963	\$ 8,013,158	15.11%
Aug-13	15.49%	0.00%	\$ 10,741,227	\$ 10,741,227	\$ 10,027,147	\$ 1,553,205	\$ 562,146	\$ -	\$ -	\$ 153,613	\$ -	\$ 617,244	\$ 394,275	\$ 1,211,519	\$ 6,725,463	\$ -	\$ 6,725,463	\$ 7,978,556	15.12%
6 month average of columns highlighted																			
10.05%																			