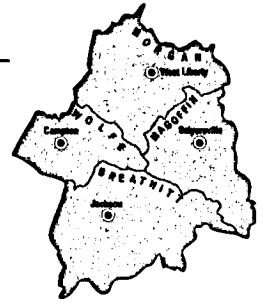


LICKING VALLEY
RURAL ELECTRIC COOPERATIVE CORPORATION
P. O. Box 605 • 271 Main Street
West Liberty, KY 41472-0605
(606) 743-3179



November 26, 2013

Mr. Jeff Derouen
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40601

RECEIVED

DEC - 2 2013
PUBLIC SERVICE
COMMISSION

Re: Case No. 2013-00324

Dear Mr. Derouen:

Please find enclosed and original and six copies of Licking Valley Rural Electric Cooperative Corporation's (Licking Valley RECC) Responses to the Commission Staff's Second Request for Information, dated November 12, 2013, regarding the Examination of the Environmental Surcharge Mechanism of East Kentucky Power Cooperative, Inc., and the Pass Through Mechanism for its Sixteen Member Distribution Cooperative.

The applicant, Licking Valley RECC, makes the following response as follows:

1. The witness who is prepared to answer questions concerning the request is Kerry K. Howard.
2. Kerry K. Howard, General Manager/CEO of Licking Valley RECC, is the person supervising the preparation of the responses on behalf of the applicant.
3. The response and exhibit are attached hereto and incorporated by referenced herein.

Thank you for your assistance.

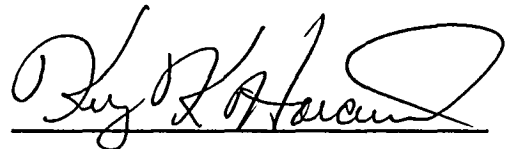
Sincerely,

Kerry K. Howard
General Manager/CEO

Enclosures: CD containing Excel Worksheets
cc: Isaac Scott @ East Kentucky Power Cooperative
Managers @ Member Distribution Cooperatives

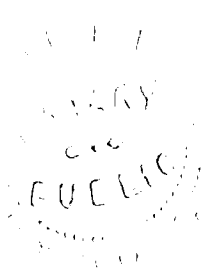
AFFIDAVIT

The Affiant, Kerry K. Howard, General Manager/CEO for Licking Valley Rural Electric Cooperative Corporation, Post Office Box 605, West Liberty, Kentucky 41472-0605, states that the answers given by him to the foregoing questions are true and correct to the best of his knowledge and belief.



Kerry K. Howard
General Manager/CEO

Subscribed and sworn before me by the Affiant, Kerry K. Howard, this 26th day of November 2013.



Notary Public
State of Kentucky at Large

My Commission Expires: 05/29/2016

LICKING VALLEY RURAL ELECTRIC
COOPRATIVE CORPORATION

PSC CASE NO. 2013-00324

ENVIRONMENTAL SURCHARGE MECHANISM

RESPONSE TO INFORMATION REQUEST

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION TO EAST KENTUCKY POWER
COOPERATIVE, INC. AND EACH OF ITS SIXTEEN MEMBER DISTRIBUTION COOPERATIVE DATED 11/12/13

Request 2: This question is addressed to each of the 16 member distribution cooperatives. Refer to the 16 member cooperatives' response to Staff's First Request, Item 8. Provide all documents of your response in electronic Excel format, with formulas intact and cells unprotected.

Response 2: The Excel files used to respond to Item 8 of the Commission Staff's first request is provided on the attached CD.

Response 8

		Actual	6-Month Recovery	12-Month Recovery
<i>12-Month Average Residential kwh</i>		840	840	840
<i>Residential Rate:</i>				
<i>Customer Charge</i>	9.32	9.32	9.32	9.32
<i>Kwh Charge</i>	0.09355	78.58	78.58	78.58
<i>Fuel Adjustment</i>	0.00197	1.65	1.65	1.65
<i>Subtotal</i>		87.90	87.90	87.90
<i>Surcharge December 2012</i>	11.49%	11.49%	11.49%	11.49%
<i>Surcharge</i>		10.10	10.10	10.10
<i>Total</i>		98.00	98.00	98.00
<i>Impact</i>	\$.00			

**** June 2013 was used as a representative month for the calculation.

Licking Valley RECC - Calculation of (Over)/Under

	EKPC Invoice Month recorded Member's Books	Billed to Retail Consumer & recorded on Member's Books	Monthly (Over) or Under	Cumulative (Over) or Under
Mo/Yr	(1)	(2)	(3)	(4)
Jan-13	\$ 261,392	\$ 281,271	\$ (19,879)	\$ (19,879)
Feb-13	\$ 220,474	\$ 217,823	\$ 2,651	\$ (17,227)
Mar-13	\$ 211,292	\$ 194,973	\$ 16,319	\$ (908)
Apr-13	\$ 179,972	\$ 169,140	\$ 10,832	\$ 9,924
May-13	\$ 175,702	\$ 176,842	\$ (1,140)	\$ 8,784
Jun-13	\$ 239,788	\$ 249,273	\$ (9,485)	\$ (701)
Jul-13	\$ 241,896	\$ 256,289	\$ (14,393)	\$ (15,094)
Aug-13	\$ 212,327	\$ 211,666	\$ 661	\$ (14,433)

Cumulative 6-months (Over)/Under Recovery \$ (701)

Monthly Recovery (per month for six months) \$ (117)

East Kentucky Power Cooperative, Inc. - Distribution Cooperatives
 Pass Through Mechanism Report for Licking Valley RECC

For the Month Ending August 2013

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)*	(10)	(11)	(12)	(13)	(14)	(15)
Surcharge Factor Expense Month	EKPC CESF %	EKPC BESF %	EKPC MESF %	EKPC Monthly Revenues from Sales to Licking Valley	On-peak Revenue Adjustment	EKPC Net Monthly Sales to Licking Valley	EKPC 12-months Ended Average Monthly Revenue from Sales to Licking Valley	Licking Valley Revenue Requirement	Amortization of (Over)/Under Recovery	Licking Valley Net Revenue Requirement	Licking Valley Total Monthly Retail Revenues	On-Peak Retail Revenue Adjustment	Licking Valley Net Monthly Retail Revenues	12-months ended Avg. Retail Revenues, Net	Licking Valley Pass Through Mechanism Factor
			Col. (1) - Col. (2)			Col. (4) - Col. (5)		Col (3) x Col (7)		Col (5) + Col (9)			Col. (11) - Col. (12)		Col (10) / Col (14)
Sep-11	12.01%	0.00%	12.01%	\$ 1,229,591		\$ 1,229,591	\$ 1,449,087	\$ 174,035	\$ (4,922)	\$ 189,113	\$ 1,574,738		\$ 1,574,738	\$ 2,158,513	7.88%
Oct-11	14.85%	0.00%	14.85%	\$ 1,237,339		\$ 1,237,339	\$ 1,468,910	\$ 217,838	\$ (4,922)	\$ 212,914	\$ 2,127,047		\$ 2,127,047	\$ 2,179,331	9.88%
Nov-11	15.11%	0.00%	15.11%	\$ 1,442,809		\$ 1,442,809	\$ 1,482,052	\$ 223,938	\$ (4,922)	\$ 219,018	\$ 2,220,482		\$ 2,220,482	\$ 2,165,478	10.05%
Dec-11	14.21%	0.00%	14.21%	\$ 1,898,715		\$ 1,898,715	\$ 1,454,701	\$ 206,713	\$ (4,922)	\$ 201,791	\$ 2,785,828		\$ 2,785,828	\$ 2,159,008	9.32%
Jan-12	12.09%	0.00%	12.09%	\$ 1,780,108		\$ 1,780,108	\$ 1,428,878	\$ 172,727	\$ -	\$ 172,727	\$ 2,487,579		\$ 2,487,579	\$ 2,090,189	8.00%
Feb-12	10.78%	0.00%	10.78%	\$ 1,579,437		\$ 1,579,437	\$ 1,422,489	\$ 153,344	\$ -	\$ 153,344	\$ 2,187,722		\$ 2,187,722	\$ 2,095,487	7.34%
Mar-12	12.92%	0.00%	12.92%	\$ 1,190,390		\$ 1,190,390	\$ 1,407,230	\$ 181,814	\$ -	\$ 181,814	\$ 1,723,390		\$ 1,723,390	\$ 2,059,095	8.88%
Apr-12	14.94%	0.00%	14.94%	\$ 1,080,482		\$ 1,080,482	\$ 1,403,948	\$ 209,750	\$ -	\$ 209,750	\$ 1,730,801		\$ 1,730,801	\$ 2,070,506	10.19%
May-12	18.90%	0.00%	18.90%	\$ 1,212,841		\$ 1,212,841	\$ 1,407,435	\$ 237,857	\$ -	\$ 237,857	\$ 1,813,298		\$ 1,813,298	\$ 2,081,858	11.49%
Jun-12	15.55%	0.00%	15.55%	\$ 1,348,833		\$ 1,348,833	\$ 1,406,980	\$ 218,785	\$ -	\$ 218,785	\$ 2,110,180		\$ 2,110,180	\$ 2,104,791	10.51%
Jul-12	14.51%	0.00%	14.51%	\$ 1,550,009		\$ 1,550,009	\$ 1,403,885	\$ 203,875	\$ -	\$ 203,875	\$ 2,212,278		\$ 2,212,278	\$ 2,085,818	9.88%
Aug-12	14.13%	0.00%	14.13%	\$ 1,388,845		\$ 1,388,845	\$ 1,392,917	\$ 198,819	\$ -	\$ 198,819	\$ 1,987,788		\$ 1,987,788	\$ 2,078,725	9.44%
Sep-12	18.23%	0.00%	18.23%	\$ 1,197,094		\$ 1,197,094	\$ 1,390,209	\$ 225,831	\$ -	\$ 225,831	\$ 1,667,259		\$ 1,667,259	\$ 2,084,436	10.88%
Oct-12	17.57%	0.00%	17.57%	\$ 1,227,424		\$ 1,227,424	\$ 1,389,382	\$ 244,114	\$ -	\$ 244,114	\$ 2,022,838		\$ 2,022,838	\$ 2,075,751	11.71%
Nov-12	18.23%	0.00%	18.23%	\$ 1,590,599		\$ 1,590,599	\$ 1,401,715	\$ 255,533	\$ -	\$ 255,533	\$ 2,271,015		\$ 2,271,015	\$ 2,079,984	12.31%
Dec-12	14.81%	0.00%	14.81%	\$ 1,893,400		\$ 1,893,400	\$ 1,401,272	\$ 204,728	\$ -	\$ 204,728	\$ 2,712,774		\$ 2,712,774	\$ 2,075,560	9.84%
Jan-13	13.49%	0.00%	13.49%	\$ 1,789,127		\$ 1,789,127	\$ 1,403,890	\$ 189,358	\$ -	\$ 189,358	\$ 2,658,397		\$ 2,658,397	\$ 2,107,981	9.12%
Feb-13	12.81%	0.00%	12.81%	\$ 1,834,382		\$ 1,834,382	\$ 1,408,287	\$ 177,582	\$ -	\$ 177,582	\$ 2,388,488		\$ 2,388,488	\$ 2,124,890	8.42%
Mar-13	14.37%	0.00%	14.37%	\$ 1,875,598		\$ 1,875,598	\$ 1,448,701	\$ 208,178	\$ -	\$ 208,178	\$ 2,318,067		\$ 2,318,067	\$ 2,174,080	9.80%
Apr-13	14.27%	0.00%	14.27%	\$ 1,252,418		\$ 1,252,418	\$ 1,483,029	\$ 208,774	\$ -	\$ 208,774	\$ 1,725,718		\$ 1,725,718	\$ 2,173,873	9.80%
May-13	17.97%	0.00%	17.97%	\$ 1,231,285		\$ 1,231,285	\$ 1,464,564	\$ 283,182	\$ -	\$ 283,182	\$ 1,842,124		\$ 1,842,124	\$ 2,178,075	12.11%
Jun-13	17.09%	0.00%	17.09%	\$ 1,334,380		\$ 1,334,380	\$ 1,483,543	\$ 250,120	\$ (117)	\$ 250,003	\$ 2,058,044		\$ 2,058,044	\$ 2,171,730	11.49%
Jul-13	15.77%	0.00%	15.77%	\$ 1,415,429		\$ 1,415,429	\$ 1,452,328	\$ 229,032	\$ 8,048	\$ 237,078	\$ 2,230,547		\$ 2,230,547	\$ 2,173,253	10.92%
Aug-13	15.49%	0.00%	15.49%	\$ 1,348,400		\$ 1,348,400	\$ 1,448,958	\$ 224,444	\$ 7,528	\$ 231,972					10.87%

Notes:
 Licking Valley Total Monthly Retail Revenues in Column (11) includes demand and energy charges, customer charges, and FAC revenues.
 Revenues reported in Columns (4), (8), (7), (11), (13), and (14) are net of Green Power Revenues.

East Kentucky Power Cooperative, Inc. - Distribution Cooperatives
 Pass Through Mechanism Report for Licking Valley RECC

For the Month Ending August 2013

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)*	(10)	(11)	(12)	(13)	(14)	(15)
Surcharge Factor Expense Month	EKPC CESF %	EKPC BESF %	EKPC MESF %	EKPC Monthly Revenues from Sales to Licking Valley	On-peak Revenue Adjustment	EKPC Net Monthly Sales to Licking Valley	EKPC 12-months Ended Average Monthly Revenue from Sales to Licking Valley	Licking Valley Revenue Requirement	Amortization of (Over)/Under Recovery	Licking Valley Net Revenue Requirement	Licking Valley Total Monthly Retail Revenues	On-Peak Retail Revenue Adjustment	Licking Valley Net Monthly Retail Revenues	12-months ended Avg. Retail Revenues, Net	Licking Valley Pass Through Mechanism Factor
			Col. (1) - Col. (2)			Col. (4) - Col. (5)		Col. (3) x Col. (7)		Col. (8) + Col. (9)			Col. (11) - Col. (12)		Col. (10) / Col. (14)
Sep-11	12.01%	0.00%	12.01%	\$ 1,229,591		\$ 1,229,591	\$ 1,449,087	\$ 174,035	\$ (4,922)	\$ 169,113	\$ 1,574,736		\$ 1,574,736	\$ 2,158,513	7.88%
Oct-11	14.85%	0.00%	14.85%	\$ 1,237,339		\$ 1,237,339	\$ 1,466,910	\$ 217,836	\$ (4,922)	\$ 212,914	\$ 2,127,047		\$ 2,127,047	\$ 2,179,331	9.86%
Nov-11	15.11%	0.00%	15.11%	\$ 1,442,609		\$ 1,442,609	\$ 1,482,052	\$ 223,938	\$ (4,922)	\$ 219,016	\$ 2,220,462		\$ 2,220,462	\$ 2,165,478	10.05%
Dec-11	14.21%	0.00%	14.21%	\$ 1,698,715		\$ 1,698,715	\$ 1,454,701	\$ 208,713	\$ (4,922)	\$ 201,791	\$ 2,765,828		\$ 2,765,828	\$ 2,159,008	9.32%
Jan-12	12.09%	0.00%	12.09%	\$ 1,760,108		\$ 1,760,108	\$ 1,428,878	\$ 172,727	\$ -	\$ 172,727	\$ 2,487,579		\$ 2,487,579	\$ 2,090,169	8.00%
Feb-12	10.78%	0.00%	10.78%	\$ 1,579,437		\$ 1,579,437	\$ 1,422,489	\$ 153,344	\$ -	\$ 153,344	\$ 2,187,722		\$ 2,187,722	\$ 2,095,487	7.34%
Mar-12	12.92%	0.00%	12.92%	\$ 1,190,390		\$ 1,190,390	\$ 1,407,230	\$ 181,814	\$ -	\$ 181,814	\$ 1,723,390		\$ 1,723,390	\$ 2,059,095	6.68%
Apr-12	14.94%	0.00%	14.94%	\$ 1,080,482		\$ 1,080,482	\$ 1,403,948	\$ 209,750	\$ -	\$ 209,750	\$ 1,730,801		\$ 1,730,801	\$ 2,070,506	10.19%
May-12	16.90%	0.00%	16.90%	\$ 1,212,841		\$ 1,212,841	\$ 1,407,435	\$ 237,857	\$ -	\$ 237,857	\$ 1,813,298		\$ 1,813,298	\$ 2,081,858	11.49%
Jun-12	15.55%	0.00%	15.55%	\$ 1,348,833		\$ 1,348,833	\$ 1,408,980	\$ 218,785	\$ -	\$ 218,785	\$ 2,110,180		\$ 2,110,180	\$ 2,104,791	10.51%
Jul-12	14.51%	0.00%	14.51%	\$ 1,550,009		\$ 1,550,009	\$ 1,403,685	\$ 203,875	\$ -	\$ 203,875	\$ 2,212,278		\$ 2,212,278	\$ 2,085,816	9.68%
Aug-12	14.13%	0.00%	14.13%	\$ 1,388,845		\$ 1,388,845	\$ 1,392,917	\$ 198,819	\$ -	\$ 198,819	\$ 1,987,788		\$ 1,987,788	\$ 2,078,725	9.44%
Sep-12	18.23%	0.00%	18.23%	\$ 1,197,094		\$ 1,197,094	\$ 1,390,209	\$ 225,631	\$ -	\$ 225,631	\$ 1,867,259		\$ 1,867,259	\$ 2,064,436	10.68%
Oct-12	17.57%	0.00%	17.57%	\$ 1,227,424		\$ 1,227,424	\$ 1,389,382	\$ 244,114	\$ -	\$ 244,114	\$ 2,022,836		\$ 2,022,836	\$ 2,075,751	11.71%
Nov-12	16.23%	0.00%	16.23%	\$ 1,590,599		\$ 1,590,599	\$ 1,401,715	\$ 255,533	\$ -	\$ 255,533	\$ 2,271,015		\$ 2,271,015	\$ 2,076,964	12.31%
Dec-12	14.81%	0.00%	14.81%	\$ 1,693,400		\$ 1,693,400	\$ 1,401,272	\$ 204,726	\$ -	\$ 204,726	\$ 2,712,774		\$ 2,712,774	\$ 2,075,580	9.64%
Jan-13	13.49%	0.00%	13.49%	\$ 1,789,127		\$ 1,789,127	\$ 1,403,690	\$ 189,358	\$ -	\$ 189,358	\$ 2,656,397		\$ 2,656,397	\$ 2,107,961	9.12%
Feb-13	12.61%	0.00%	12.61%	\$ 1,634,362		\$ 1,634,362	\$ 1,408,287	\$ 177,562	\$ -	\$ 177,562	\$ 2,388,466		\$ 2,388,466	\$ 2,124,690	8.42%
Mar-13	14.37%	0.00%	14.37%	\$ 1,675,598		\$ 1,675,598	\$ 1,448,701	\$ 208,176	\$ -	\$ 208,176	\$ 2,316,067		\$ 2,316,067	\$ 2,174,060	9.80%
Apr-13	14.27%	0.00%	14.27%	\$ 1,252,418		\$ 1,252,418	\$ 1,463,029	\$ 208,774	\$ -	\$ 208,774	\$ 1,725,716		\$ 1,725,716	\$ 2,173,873	9.80%
May-13	17.97%	0.00%	17.97%	\$ 1,231,265		\$ 1,231,265	\$ 1,464,564	\$ 263,182	\$ -	\$ 263,182	\$ 1,642,124		\$ 1,642,124	\$ 2,178,075	12.11%
Jun-13	17.09%	0.00%	17.09%	\$ 1,334,380		\$ 1,334,380	\$ 1,463,543	\$ 250,120	\$ -	\$ 250,120	\$ 2,058,044		\$ 2,058,044	\$ 2,171,730	11.49%
Jul-13	15.77%	0.00%	15.77%	\$ 1,415,429		\$ 1,415,429	\$ 1,452,328	\$ 229,032	\$ 6,046	\$ 237,078	\$ 2,230,547		\$ 2,230,547	\$ 2,173,253	10.92%
Aug-13	15.49%	0.00%	15.49%	\$ 1,348,400		\$ 1,348,400	\$ 1,448,958	\$ 224,444	\$ 7,528	\$ 231,972					10.87%

Notes:
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