

RECEIVED
MAR 31 2014
PUBLIC SERVICE
COMMISSION

March 28, 2014

Jeff R. Derouen
Public Service Commission
P.O. Box 615
Frankfort, KY 40602

Re: Case No. 2014-00051

Dear Mr. Derouen:

Please find enclosed for filing in the above referenced case an original and six (6) copies of the response of Clark Energy Cooperative, Inc. to the PSC Order dated March 6, 2014.

Please be advised that Ms. Holly S. Eades, Vice President of Finance for Clark Energy, is the witness responsible for Clark Energy's response.

Sincerely,

Paul G. Embs
President & CEO

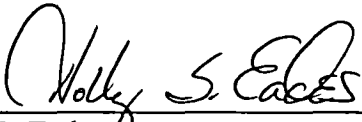
Enclosures

CERTIFICATION

Comes now Holly S. Eades, Vice President of Finance for Clark Energy Cooperative, Inc., and being duly sworn states as follows with regards to the Responses filed by Clark Energy Cooperative, Inc. in Case No. 2014-00051, now pending before the Public Service Commission of the Commonwealth of Kentucky:

1. That she is the person supervising the preparation of the Responses on behalf of Clark Energy Cooperative, Inc.
2. That the responses are true and accurate to the best of my personal knowledge, information and belief formed after a reasonable inquiry.

Witness my hand as of this 28th day of March, 2014.



Holly S. Eades

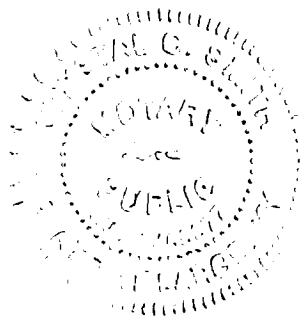
COMMONWEALTH OF KENTUCKY
COUNTY OF CLARK

The foregoing Certification was subscribed, sworn to and acknowledged before me by Holly S. Eades, Vice President of Finance for Clark Energy Cooperative, Inc., this the 28 day of March, 2014.



NOTARY PUBLIC, STATE AT LARGE, KY

My Commission Expires 6/18/2016



Clark Energ Cooperative, Inc.
PSC Case No. 2014-00051
Request No. 2A

Clark Energy Coop - Calculation of (Over)/Under
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	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)
Jul-13	\$ 410,507	\$ 424,184	\$ (13,677)	\$ (13,677)
Aug-13	\$ 403,218	\$ 416,838	\$ (13,620)	\$ (27,298)
Sep-13	\$ 359,458	\$ 404,454	\$ (44,996)	\$ (72,294)
Oct-13	\$ 306,036	\$ 338,408	\$ (32,372)	\$ (104,666)
Nov-13	\$ 281,105	\$ 350,640	\$ (69,535)	\$ (174,201)
Dec-13	\$ 415,135	\$ 493,427	\$ (78,292)	\$ (252,493)
Jan-14	\$ 519,631	\$ 625,138	\$ (105,507)	\$ (358,000)
Feb-14	\$ 559,178	\$ 644,892	\$ (85,714)	\$ (443,715)

Cumulative 6-months (Over)/Under Recovery	\$ (252,493)
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Monthly Recovery (per month for six months)	\$ (42,082)
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CLARK ENERGY COOPERATIVE, INC.

PSC CASE NO 2014-00051

RESPONSE TO PSC REQUEST 2B

Request 2B: For each of the 16 member distribution cooperatives, provide an explanation of the factors that contributed to each member distribution cooperative's over-or-under recovery amount.

The basic operation of the surcharge pass-through mechanism will produce monthly over- and under-recoveries as a result of the fact the 12-month average retail revenues used to calculate the pass-through factor never match the retail revenues the pass-through factor is applied to. If the 12-month average retail revenues are below the retail revenues the pass-through factor is applied to, then there will be over-recoveries. If the 12-month average retail revenues are above the retail revenues the factor is applied to, under-recoveries will result. This is part of the natural operation of the mechanism.

Another factor contributing to the over- or under-recoveries calculated for this review period is the amortization of previous surcharge over- or under-recoveries as determined in the final Orders in Case Nos. 2012-00486 and 2013-00140. Case No. 2012-00486 covered 18 months of surcharge operations and Case No. 2013-00140 covered 6 months of operations. While the over- or under-recoveries reflected 24 months of surcharge operations, in each case the amortization period was 6 months. Because of the timing of the final Orders in these cases, the amortization periods overlapped for 5 months.

The net amortization from two surcharge review proceedings resulted in a net under-recovery for Clark, which resulted in the surcharge revenues to be collected from retail customers being higher than the amounts billed by EKPC. Coupled with the natural operation of the surcharge pass-through mechanism, Clark experienced an over-recovery for the current review period.

East Kentucky Power Cooperative, Inc. - Distribution Cooperatives
 Pass Through Mechanism Report for Clark Energy Cooperative

ACTUAL

For the Month Ending February 2014

	(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 Clark	On-peak Revenue Adjustment	EKPC Net Monthly Sales to Clark	EKPC 12-months Ended Average Monthly Revenue from Sales to Clark	Clark Revenue Requirement	Amortization of (Over)/Under Recovery	Clark Net Revenue Requirement	Clark Total Monthly Retail Revenues	On-Peak Retail Revenue Adjustment	Clark Net Monthly Retail Revenues	12-months ended Avg. Retail Revenues, Net	Clark 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)
Mar-12	12.92%	0.00%	12.92%	\$ 1,997,290		\$ 1,997,290	\$ 2,298,975	\$ 297,028	\$ -	\$ 297,028	\$ 3,786,281		\$ 3,786,281	\$ 3,505,149	8.41%
Apr-12	14.94%	0.00%	14.94%	\$ 1,712,593		\$ 1,712,593	\$ 2,290,980	\$ 342,272	\$ -	\$ 342,272	\$ 2,914,539		\$ 2,914,539	\$ 3,470,274	9.76%
May-12	16.90%	0.00%	16.90%	\$ 1,997,141		\$ 1,997,141	\$ 2,297,032	\$ 388,198	\$ -	\$ 388,198	\$ 2,814,843		\$ 2,814,843	\$ 3,466,957	11.19%
Jun-12	15.55%	0.00%	15.55%	\$ 2,260,796		\$ 2,260,796	\$ 2,295,675	\$ 356,977	\$ -	\$ 356,977	\$ 2,963,053		\$ 2,963,053	\$ 3,458,569	10.30%
Jul-12	14.51%	0.00%	14.51%	\$ 2,629,402		\$ 2,629,402	\$ 2,290,765	\$ 332,390	\$ -	\$ 332,390	\$ 3,634,819		\$ 3,634,819	\$ 3,511,987	9.61%
Aug-12	14.13%	0.00%	14.13%	\$ 2,328,711		\$ 2,328,711	\$ 2,275,720	\$ 321,559	\$ -	\$ 321,559	\$ 3,862,148		\$ 3,862,148	\$ 3,481,640	9.16%
Sep-12	16.23%	0.00%	16.23%	\$ 1,968,110		\$ 1,968,110	\$ 2,275,683	\$ 369,343	\$ -	\$ 369,343	\$ 3,551,754		\$ 3,551,754	\$ 3,475,740	10.61%
Oct-12	17.57%	0.00%	17.57%	\$ 1,968,939		\$ 1,968,939	\$ 2,280,437	\$ 400,673	\$ -	\$ 400,673	\$ 2,812,834		\$ 2,812,834	\$ 3,470,313	11.53%
Nov-12	18.23%	0.00%	18.23%	\$ 2,550,167		\$ 2,550,167	\$ 2,306,049	\$ 420,393	\$ -	\$ 420,393	\$ 3,222,405		\$ 3,222,405	\$ 3,484,371	12.11%
Dec-12	14.61%	0.00%	14.61%	\$ 2,792,743		\$ 2,792,743	\$ 2,312,327	\$ 337,831	\$ -	\$ 337,831	\$ 3,771,007		\$ 3,771,007	\$ 3,506,338	9.70%
Jan-13	13.49%	0.00%	13.49%	\$ 3,025,176		\$ 3,025,176	\$ 2,317,341	\$ 312,609	\$ -	\$ 312,609	\$ 4,245,225		\$ 4,245,225	\$ 3,491,669	8.92%
Feb-13	12.61%	0.00%	12.61%	\$ 2,776,820		\$ 2,776,820	\$ 2,333,991	\$ 294,316	\$ -	\$ 294,316	\$ 4,848,545		\$ 4,848,545	\$ 3,535,621	8.43%
Mar-13	14.37%	0.00%	14.37%	\$ 2,816,701		\$ 2,816,701	\$ 2,402,275	\$ 345,207	\$ -	\$ 345,207	\$ 4,086,939		\$ 4,086,939	\$ 3,560,676	9.76%
Apr-13	14.27%	0.00%	14.27%	\$ 2,019,160		\$ 2,019,160	\$ 2,427,822	\$ 346,450	\$ -	\$ 346,450	\$ 3,948,687		\$ 3,948,687	\$ 3,646,855	9.73%
May-13	17.97%	0.00%	17.97%	\$ 2,033,794		\$ 2,033,794	\$ 2,430,877	\$ 436,829	\$ -	\$ 436,829	\$ 2,935,256		\$ 2,935,256	\$ 3,656,889	11.98%
Jun-13	17.09%	0.00%	17.09%	\$ 2,284,410		\$ 2,284,410	\$ 2,432,844	\$ 415,773	\$ -	\$ 415,773	\$ 3,188,337		\$ 3,188,337	\$ 3,675,663	11.37%
Jul-13	15.77%	0.00%	15.77%	\$ 2,359,366		\$ 2,359,366	\$ 2,410,341	\$ 380,111	\$ 56,251	\$ 436,362	\$ 3,540,993		\$ 3,540,993	\$ 3,667,844	11.87%
Aug-13	15.49%	0.00%	15.49%	\$ 2,279,374		\$ 2,279,374	\$ 2,406,230	\$ 372,725	\$ 55,316	\$ 428,041	\$ 3,666,134		\$ 3,666,134	\$ 3,651,510	11.67%
Sep-13	14.93%	0.00%	14.93%	\$ 1,975,705		\$ 1,975,705	\$ 2,406,863	\$ 359,345	\$ 55,316	\$ 414,661	\$ 3,407,312		\$ 3,407,312	\$ 3,639,473	11.36%
Oct-13	16.69%	0.00%	16.69%	\$ 1,882,817		\$ 1,882,817	\$ 2,399,686	\$ 400,508	\$ 55,316	\$ 455,824	\$ 2,899,788		\$ 2,899,788	\$ 3,646,719	12.52%
Nov-13	17.43%	0.00%	17.43%	\$ 2,487,330		\$ 2,487,330	\$ 2,394,450	\$ 417,353	\$ 55,316	\$ 472,669	\$ 3,086,638		\$ 3,086,638	\$ 3,635,405	12.96%
Dec-13	14.54%	0.00%	14.54%	\$ 2,981,235		\$ 2,981,235	\$ 2,410,157	\$ 350,437	\$ 55,316	\$ 405,753	\$ 3,941,090		\$ 3,941,090	\$ 3,649,579	11.16%
Jan-14	10.92%	0.00%	10.92%	\$ 3,845,793		\$ 3,845,793	\$ 2,478,542	\$ 270,657	\$ (935)	\$ 269,722	\$ 4,823,567		\$ 4,823,567	\$ 3,697,774	7.39%
Feb-14	5.44%	0.00%	5.44%	\$ 3,193,996		\$ 3,193,996	\$ 2,513,307	\$ 136,724	\$ -	\$ 136,724	\$ 5,778,537		\$ 5,778,537	\$ 3,775,273	3.70%

Notes:
 Clark Total Monthly Retail Revenues in Column (11) includes demand and energy charges, customer charges, and FAC revenues.
 Revenues reported in Columns (4), (6), (7), (11), (13), and (14) are net of Green Power Revenues.

East Kentucky Power Cooperative, Inc. - Distribution Cooperatives
Pass Through Mechanism Report for Clark Energy Cooperative

6 month recovery

For the Month Ending February 2014

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
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			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)
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Notes:

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