




A Touchstone Energy Cooperative 

March 27, 2014

Mr. Jeff Derouen
Executive Director
Kentucky Public Service Commission
P. O. Box 615
Frankfort KY 40602

RECEIVED
MAR 31 2014
PUBLIC SERVICE
COMMISSION

RE: Case No. 2014-00051

Dear Mr. Derouen:

Enclosed are an original and seven (7) copies of the response of Fleming-Mason Energy Cooperative, Inc. for the Staff's First Request for Information dated March 6, 2014 for the above referenced case.

Please contact the office if you have questions.

Sincerely,

A handwritten signature in cursive script that reads "Joni K. Hazelrigg".

Joni K. Hazelrigg
CFO

Enclosures

cc: Isaac Scott, EKPC
Managers, EKPC Distribution Cooperatives

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

MAR 31 2014

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) CASE NO. 2014-00051
TWO-YEAR BILLING PERIOD ENDING DECEMBER 31, 2013)
AND THE PASS THROUGH MECHANISM FOR ITS SIXTEEN)
MEMBER DISTRIBUTION COOPERATIVES)

FLEMING-MASON ENERGY COOPERATIVE, INC.'S RESPONSES TO
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION TO
EAST KENTUCKY POWER COOPERATIVE, INC. AND EACH OF ITS SIXTEEN
MEMBER COOPERATIVES

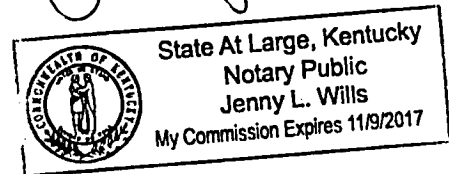
I, Joni Hazelrigg, CFO of Fleming-Mason Energy Cooperative, Inc. declare that the responses prepared for the Staff's First Request for Information in Case No. 2014-00051 are true to the best of my information and belief.

Joni Hazelrigg
Joni Hazelrigg, CFO
Fleming-Mason Energy Cooperative, Inc.

Subscribed and sworn to before me by Joni Hazelrigg this 27th day of March, 2014.

Jenny L. Wills
Notary Public, State At-Large

My commission expires: 11-9-17



2 (b). For each of the 16 member distribution cooperatives, provide an explanation of the factors that contributed to each individual member distribution cooperative's over- or under- recovery amount.

RESPONSE:

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.

7. 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 for the 12 months ending November 30, 2013. 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:

Average Residential Usage for 2013:

1075 kWh

Test Month: November, 2013

Fleming-Mason Energy Cumulative Over Recovery:

\$104,500

6 month spread: \$17,417/month

	ACTUAL		6 MONTH RECOVERY	
Customer Charge		\$15.00		\$15.00
kWh Charge		\$90.63		\$90.63
Fuel Adjustment @(.00368)		(\$3.96)		(\$3.96)
Subtotal		\$101.68		\$101.68
Env. Surcharge	13.22%	\$13.44	12.68%	\$12.89
County School Tax 3%		\$3.45		\$3.44
TOTAL		\$118.57		\$118.01
Dollar Impact				(\$0.57)

Fleming-Mason - Calc of (Over)/Under - Sch C + Spec Contracts

<i>Steam, C, G, H</i>				
	EKPC Invoice Month recorded on Member's Books	Billed to Retail Consumer & recorded on Member's Books	Monthly (Over) or Under	Cumulative (Over) or Under
Jul-13	471,434	471,434	0	0
Aug-13	469,773	469,773	0	0
Sep-13	430,936	430,936	0	0
Oct-13	395,487	395,487	0	0
Nov-13	442,543	442,543	0	0
Dec-13	501,875	501,875	0	0
Jan-14	461,082	461,082	0	0
Feb-14	322,034	322,034	0	0

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

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

Fleming-Mason - Calc of (Over)/Under - All Others

E					
	EKPC Invoice Month recorded on Member's Books	Billed to Retail Consumer & recorded on Member's Books	Monthly (Over) or Under	Cumulative (Over) or Under	Fleming-Mason Total (Over)/Under
	376,583	492,872	(116,289)	(116,289)	(116,289)
	338,342	357,492	(19,150)	(135,439)	(135,439)
	292,067	309,261	(17,194)	(152,633)	(152,633)
	269,090	252,215	16,875	(135,758)	(135,758)
	391,510	310,302	81,208	(54,550)	(54,550)
	495,606	545,556	(49,950)	(104,500)	(104,500)
	526,132	627,675	(101,543)	(206,043)	(206,043)
	334,034	287,933	46,101	(159,941)	(159,941)

Cumulative 6-months (Over)/Under Recovery \$ (104,500) \$ (104,500)

Monthly Recovery (per month for six months) \$ (17,417) \$ (17,417)

ACTUAL

**East Kentucky Power Cooperative, Inc. - Distribution Cooperatives
Pass Through Mechanism Report for Fleming-Mason RECC**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8a)	(8b)	(8c)	(8d)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Surcharge Factor Expense Month	EKPC CESF %	EKPC BESF %	EKPC MESF %	EKPC Monthly Revenues from Sales to Fleming Mason	On-peak Revenue Adjustment	EKPC Net Monthly Sales to Fleming Mason	EKPC 12-months Ended Average Monthly Revenue from Sales to Fleming Mason	Fleming-Mason Revenue Requirement	Schedule C and Special Contracts Surcharge Revenues	Amortization of (Over)/Under Recovery of Sch C & Special Contracts Revenues*	Fleming-Mason Revenue Requirements net of Sch C & Special Contracts	Amortization of (Over)/Under Recovery net of Sch C & Spec Cntrcts*	Fleming-Mason Net Revenue Requirement net of Sch C & Spec Cntrcts	Fleming-Mason Total Monthly Retail Revenues net of Sch C & Spec Cntrcts	On-Peak Retail Revenue Adjustment	Fleming-Mason Net Monthly Retail Revenues net of Sch C & Spec Cntrcts	12-months ended Avg. Retail Revenues, net of Sch C & Spec Cntrcts	Fleming-Mason Pass-through Mechanism Factor net of Sch C & Spec Cntrcts
			Col. (1) - Col. (2)			Col. (4) - Col. (5)		Col (3) x Col (7)			Col (8a)-(Col (8b)+Col(8c))		Col (8d) + Col (9)			Col. (11) - Col. (12)		Col (10) / Col (14)
Jul-13	15.77%	0.00%	15.77%	\$ 4,962,603	\$ 544	\$ 4,962,059	\$ 5,307,229	\$ 836,950	\$ 471,434	\$ -	\$ 365,516	\$ 1,844	\$ 367,360	\$ 2,948,320	\$ 544	\$ 2,947,776	\$ 3,223,165	11.41%
Aug-13	15.49%	0.00%	15.49%	\$ 5,124,683	\$ 295	\$ 5,124,388	\$ 5,313,855	\$ 823,116	\$ 469,773	\$ -	\$ 353,343	\$ (39,795)	\$ 313,548	\$ 3,260,418	\$ 295	\$ 3,260,123	\$ 3,223,595	9.73%
Sep-13	14.93%	0.00%	14.93%	\$ 4,605,301	\$ 246	\$ 4,605,055	\$ 5,297,695	\$ 790,946	\$ 430,936	\$ -	\$ 360,010	\$ (39,795)	\$ 320,215	\$ 2,945,110	\$ 246	\$ 2,944,864	\$ 3,215,060	9.93%
Oct-13	16.69%	0.00%	16.69%	\$ 4,389,044	\$ 246	\$ 4,388,798	\$ 5,253,000	\$ 876,726	\$ 395,487	\$ -	\$ 481,239	\$ (39,795)	\$ 441,444	\$ 2,712,178	\$ 246	\$ 2,711,932	\$ 3,215,718	13.73%
Nov-13	17.43%	0.00%	17.43%	\$ 4,935,003	\$ 178	\$ 4,934,825	\$ 5,205,689	\$ 907,352	\$ 442,543	\$ -	\$ 464,809	\$ (39,795)	\$ 425,014	\$ 2,592,919	\$ 178	\$ 2,592,741	\$ 3,215,771	13.22%
Dec-13	14.54%	0.00%	14.54%	\$ 5,690,068	\$ 29,782	\$ 5,660,286	\$ 5,179,389	\$ 753,083	\$ 501,875	\$ -	\$ 251,208	\$ (39,795)	\$ 211,413	\$ 3,154,675	\$ 29,782	\$ 3,124,893	\$ 3,206,910	6.57%
Jan-14	10.92%	0.00%	10.92%	\$ 6,841,036	\$ 72,245	\$ 6,768,791	\$ 5,234,448	\$ 571,602	\$ 461,082	\$ -	\$ 110,520	\$ (41,639)	\$ 68,881	\$ 4,044,852	\$ 72,245	\$ 3,972,607	\$ 3,229,725	2.15%

6 MONTH AMORTIZATION

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

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8a)	(8b)	(8c)	(8d)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Surcharge Factor Expense Month	EKPC CESF %	EKPC BESF %	EKPC MESF %	EKPC Monthly Revenues from Sales to Fleming Mason	On-peak Revenue Adjustment	EKPC Net Monthly Sales to Fleming Mason	EKPC 12-months Ended Average Monthly Revenue from Sales to Fleming Mason	Fleming-Mason Revenue Requirement	Schedule C and Special Contracts Surcharge Revenues	Amortization of (Over)/Under Recovery of Sch C & Special Contracts Revenues*	Fleming-Mason Revenue Requirements net of Sch C & Special Contracts	Amortization of (Over)/Under Recovery net of Sch C & Spec Cntrcts*	Fleming-Mason Net Revenue Requirement net of Sch C & Spec Cntrcts	Fleming-Mason Total Monthly Retail Revenues net of Sch C & Spec Cntrcts	On-Peak Retail Revenue Adjustment	Fleming-Mason Net Monthly Retail Revenues net of Sch C & Spec Cntrcts	12-months ended Avg. Retail Revenues net of Sch C & Spec Cntrcts	Fleming-Mason Pass-through Mechanism Factor net of Sch C & Spec Cntrcts
			Col. (1) - Col. (2)			Col. (4) - Col. (5)		Col (3) x Col (7)			Col (8a)-[Col (8b)+Col(8c)]		Col (8d) + Col (9)			Col. (11) - Col. (12)		Col (10) / Col (14)
Jul-13	15.77%	0.00%	15.77%	\$ 4,962,603	\$ 544	\$ 4,962,059	\$ 5,307,229	\$ 836,950	\$ 471,434	\$ -	\$ 365,516	\$ 1,844	\$ 367,360	\$ 2,948,320	\$ 544	\$ 2,947,776	\$ 3,223,165	11.41%
Aug-13	15.49%	0.00%	15.49%	\$ 5,124,683	\$ 295	\$ 5,124,388	\$ 5,313,855	\$ 823,116	\$ 469,773	\$ -	\$ 353,343	\$ (39,795)	\$ 313,548	\$ 3,260,418	\$ 295	\$ 3,260,123	\$ 3,223,595	9.73%
Sep-13	14.93%	0.00%	14.93%	\$ 4,605,301	\$ 246	\$ 4,605,055	\$ 5,297,695	\$ 790,946	\$ 430,936	\$ -	\$ 360,010	\$ (39,795)	\$ 320,215	\$ 2,945,110	\$ 246	\$ 2,944,864	\$ 3,215,060	9.93%
Oct-13	16.69%	0.00%	16.69%	\$ 4,389,044	\$ 246	\$ 4,388,798	\$ 5,253,000	\$ 876,726	\$ 395,487	\$ -	\$ 481,239	\$ (39,795)	\$ 441,444	\$ 2,712,178	\$ 246	\$ 2,711,932	\$ 3,215,718	13.73%
Nov-13	17.43%	0.00%	17.43%	\$ 4,935,003	\$ 178	\$ 4,934,825	\$ 5,205,689	\$ 907,352	\$ 442,543	\$ -	\$ 464,809	\$ (57,212)	\$ 407,597	\$ 2,592,919	\$ 178	\$ 2,592,741	\$ 3,215,771	12.68%
Dec-13	14.54%	0.00%	14.54%	\$ 5,690,088	\$ 29,782	\$ 5,660,286	\$ 5,179,389	\$ 753,083	\$ 501,875	\$ -	\$ 251,208	\$ (57,212)	\$ 193,996	\$ 3,154,675	\$ 29,782	\$ 3,124,893	\$ 3,206,910	6.03%
Jan-14	10.92%	0.00%	10.92%	\$ 6,841,036	\$ 72,245	\$ 6,768,791	\$ 5,234,448	\$ 571,602	\$ 461,082	\$ -	\$ 110,520	\$ (59,056)	\$ 51,464	\$ 4,044,852	\$ 72,245	\$ 3,972,607	\$ 3,229,725	1.60%