



# JACKSON ENERGY COOPERATIVE

115 Jackson Energy Lane  
McKee, Kentucky 40447  
Telephone (606) 364-1000 • Fax (606) 364-1007

RECEIVED

APR 04 2014

PUBLIC SERVICE  
COMMISSION

April 3, 2014

Jeff Derouen  
Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
P O Box 615  
Frankfort, Kentucky 40602-0615

Dear Mr. Derouen:

Enclosed please find an original and seven copies of Jackson Energy Cooperative's response to the Commission Staff's first request for information to East Kentucky Power Cooperative and each of its sixteen member cooperatives in Case No. 2014-00051. The response includes the name of the witness responsible for responding to the questions relating to the information provided. A signed certificate of the person supervising the preparation of the response on behalf of Jackson Energy Cooperative is also included.

If you have any questions, please contact me at 606-364-9231.

Respectfully yours,

JACKSON ENERGY COOPERATIVE

Mark R. Keene  
Manager of Finance

Enclosure

STATE OF KENTUCKY)

COUNTY OF JACKSON)

I, Mark R. Keene, state that I am the Manager of Finance, of Jackson Energy Cooperative, that I have personal knowledge of the matters set forth in this response to the Commission's request for information, and that the statements and calculations contained in each are true as I verily believe.

This 3<sup>RD</sup> day of APRIL 2014.

  
Mark R. Keene

SUBSCRIBED AND SWORN to before me by Mark R. Keene this  
3 day of April, 2014.

  
Notary Public, KY State at Large

My Commission Expires: 7-30-16

Question # 2 This question is addressed to EKPC and each of the 16 member distribution cooperatives.

Question # 2a For each of the 16 member distribution cooperatives, prepare a summary schedule showing the distribution cooperative's pass-through revenue requirement for the months corresponding with the six-month review. Include the two months subsequent to the billing period included in the applicable review period. Include a calculation of any over- and under-recovery amount the distribution cooperative believes needs to be recognized for the six-month review. Include all supporting calculations and documentation for the additional over- or under-recovery.

Response:

<b>Jackson Energy Coop - Calculation of (Over)/Under</b>				
	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	\$ 799,784	\$ 839,984	\$ (40,200)	\$ (40,200)
Aug-13	\$ 732,359	\$ 667,712	\$ 64,647	\$ 24,447
Sep-13	\$ 626,419	\$ 558,627	\$ 67,792	\$ 92,239
Oct-13	\$ 594,070	\$ 570,747	\$ 23,323	\$ 115,562
Nov-13	\$ 888,776	\$ 811,186	\$ 77,590	\$ 193,152
Dec-13	\$ 1,070,921	\$ 1,112,651	\$ (41,730)	\$ 151,422
Jan-14	\$ 1,171,927	\$ 976,269	\$ 195,658	\$ 347,080
Feb-14	\$ 694,483	\$ 647,449	\$ 47,034	\$ 394,114
<b>Cumulative 6-months (Over)/Under Recovery</b>				<b>\$ 151,422</b>
<b>Monthly Recovery (per month for six months)</b>				<b>\$ 25,237</b>

Witness: Mark R. Keene

Question # 2 This question is addressed to EKPC and each of the 16 member distribution cooperatives.

Question # 2b 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 the 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 over-recovery for Jackson, which resulted in the surcharge revenues to be collected from retail customers being lower than the amounts billed by EKPC. Coupled with the natural operation of the surcharge pass-through mechanism, Jackson experienced an under-recovery for the current period.

Witness: Mark R. Keene

Question # 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 bill for the requested recovery period. Provide all supporting calculations.

Response: Actual Average Residential Bill

<u>12-Month Average Residential KWH Usage as of November 30, 2013</u>	<u>1,155</u>
Energy @ \$0.09849	\$113.76
Customer Charge	\$10.44
Fuel Adjustment @ \$-0.00041	(\$0.47)
Environmental Surcharge @ 8.37% (December 2013)*	\$10.36
Local School Tax @ 3.0%	<u>\$4.02</u>
Total Bill Amount	<u><u>\$138.11</u></u>

\* See Question 7, Page 2 of 3

Recovery Period of Six Months

<u>12-Month Average Residential KWH Usage as of November 30, 2013</u>	<u>1,155</u>
Energy @ \$0.09849	\$113.76
Customer Charge	\$10.44
Fuel Adjustment @ \$-0.00041	(\$0.47)
Environmental Surcharge @ 8.7% (December 2013)*	\$10.76
Local School Tax @ 3.0%	<u>\$4.03</u>
Total Bill Amount	<u><u>\$138.52</u></u>

\* See Question 7, Page 3 of 3

Dollar Impact on Average Residential Bill	<u><u>\$0.41</u></u>
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Witness: Mark R. Keene

East Kentucky Power Cooperative, Inc. - Distribution Cooperatives  
Pass Through Mechanism Report for Jackson Energy Cooperative  
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 BESF %	EKPC MESF %	EKPC Monthly Revenues from Sales to Jackson	On-peak Revenue Adjustment	EKPC Net Monthly Sales to Jackson	EKPC 12-months Ended Average Monthly Revenue from Sales to Jackson	Jackson Revenue Requirement	Amortization of (Over)/Under Recovery	Jackson Net Revenue Requirement	Jackson Total Monthly Retail Revenues	On-Peak Retail Revenue Adjustment	Jackson Net Monthly Retail Revenues	12-months ended Avg. Retail Revenues, Net	Jackson Pass Through Mechanism Factor
		Col. (1) - Col. (2)	Col. (3) x Col. (4)	Col. (3) x Col. (7)	Col. (4) - Col. (5)	Col. (3) x Col. (7)	Col. (8) + Col. (9)	Col. (8) + Col. (9)	Col. (11) - Col. (12)	Col. (11) - Col. (12)	Col. (11) - Col. (12)	Col. (11) - Col. (12)	Col. (10) / Col. (14)	
Mar-12	12.92%	12.92%	\$ 4,259,714	\$ 4,259,714	\$ 4,259,714	\$ 4,865,207	\$ 628,585	\$ -	\$ 628,585	\$ 6,074,938	\$ -	\$ 6,074,938	\$ 7,233,627	8.53%
Apr-12	14.94%	14.94%	\$ 3,642,727	\$ 3,642,727	\$ 3,642,727	\$ 4,840,886	\$ 723,228	\$ -	\$ 723,228	\$ 6,058,920	\$ -	\$ 6,058,920	\$ 7,239,616	10.00%
May-12	16.90%	16.90%	\$ 4,110,545	\$ 4,110,545	\$ 4,110,545	\$ 4,850,861	\$ 819,795	\$ -	\$ 819,795	\$ 6,462,801	\$ -	\$ 6,462,801	\$ 7,226,184	11.32%
Jun-12	15.55%	15.55%	\$ 4,519,229	\$ 4,519,229	\$ 4,519,229	\$ 4,836,549	\$ 752,083	\$ -	\$ 752,083	\$ 7,347,674	\$ -	\$ 7,347,674	\$ 7,303,016	10.41%
Jul-12	14.51%	14.51%	\$ 5,183,962	\$ 5,183,962	\$ 5,183,962	\$ 4,821,286	\$ 699,569	\$ -	\$ 699,569	\$ 7,755,245	\$ -	\$ 7,755,245	\$ 7,352,086	9.58%
Aug-12	14.13%	14.13%	\$ 4,657,710	\$ 4,657,710	\$ 4,657,710	\$ 4,775,729	\$ 674,811	\$ -	\$ 674,811	\$ 6,936,465	\$ -	\$ 6,936,465	\$ 7,318,720	9.18%
Sep-12	16.23%	16.23%	\$ 4,020,968	\$ 4,020,968	\$ 4,020,968	\$ 4,768,854	\$ 773,985	\$ -	\$ 773,985	\$ 5,717,659	\$ -	\$ 5,717,659	\$ 7,297,473	10.58%
Oct-12	17.57%	17.57%	\$ 4,177,843	\$ 4,177,843	\$ 4,177,843	\$ 4,765,505	\$ 837,299	\$ -	\$ 837,299	\$ 7,136,104	\$ -	\$ 7,136,104	\$ 7,315,060	11.47%
Nov-12	18.23%	18.23%	\$ 5,408,826	\$ 5,408,826	\$ 5,408,826	\$ 4,803,327	\$ 875,646	\$ -	\$ 875,646	\$ 7,789,872	\$ -	\$ 7,789,872	\$ 7,303,078	11.97%
Dec-12	14.61%	14.61%	\$ 5,867,090	\$ 5,867,090	\$ 5,867,090	\$ 4,803,942	\$ 701,856	\$ -	\$ 701,856	\$ 9,450,313	\$ -	\$ 9,450,313	\$ 7,309,135	9.61%
Jan-13	13.49%	13.49%	\$ 6,384,171	\$ 6,384,171	\$ 6,384,171	\$ 4,816,137	\$ 649,697	\$ -	\$ 649,697	\$ 10,206,200	\$ -	\$ 10,206,200	\$ 7,380,491	8.89%
Feb-13	12.61%	12.61%	\$ 5,788,318	\$ 5,788,318	\$ 5,788,318	\$ 4,835,092	\$ 609,705	\$ -	\$ 609,705	\$ 8,983,879	\$ -	\$ 8,983,879	\$ 7,493,339	8.26%
Mar-13	14.37%	14.37%	\$ 6,010,673	\$ 6,010,673	\$ 6,010,673	\$ 4,981,005	\$ 715,770	\$ -	\$ 715,770	\$ 7,894,500	\$ -	\$ 7,894,500	\$ 7,644,969	9.55%
Apr-13	14.27%	14.27%	\$ 4,207,838	\$ 4,207,838	\$ 4,207,838	\$ 5,028,098	\$ 717,510	\$ -	\$ 717,510	\$ 5,954,697	\$ -	\$ 5,954,697	\$ 7,636,284	9.39%
May-13	17.97%	17.97%	\$ 4,162,201	\$ 4,162,201	\$ 4,162,201	\$ 5,032,402	\$ 904,323	\$ -	\$ 904,323	\$ 6,389,518	\$ -	\$ 6,389,518	\$ 7,630,177	11.84%
Jun-13	17.09%	17.09%	\$ 4,587,222	\$ 4,587,222	\$ 4,587,222	\$ 5,038,069	\$ 861,006	\$ -	\$ 861,006	\$ 7,182,616	\$ -	\$ 7,182,616	\$ 7,616,422	11.28%
Jul-13	15.77%	15.77%	\$ 4,679,844	\$ 4,679,844	\$ 4,679,844	\$ 4,996,059	\$ 787,878	\$ (81,858)	\$ 861,006	\$ 7,060,020	\$ (81,858)	\$ 7,060,020	\$ 7,591,075	9.27%
Aug-13	15.49%	15.49%	\$ 4,643,988	\$ 4,643,988	\$ 4,643,988	\$ 4,994,915	\$ 773,712	\$ (86,007)	\$ 687,705	\$ 7,225,394	\$ (86,007)	\$ 7,225,394	\$ 7,615,152	9.06%
Sep-13	14.93%	14.93%	\$ 4,044,041	\$ 4,044,041	\$ 4,044,041	\$ 4,996,838	\$ 746,028	\$ (86,007)	\$ 660,021	\$ 6,179,571	\$ (86,007)	\$ 6,179,571	\$ 7,653,645	8.67%
Oct-13	16.69%	16.69%	\$ 3,979,037	\$ 3,979,037	\$ 3,979,037	\$ 4,980,271	\$ 831,207	\$ (86,007)	\$ 745,200	\$ 6,590,764	\$ (86,007)	\$ 6,590,764	\$ 7,608,200	9.74%
Nov-13	17.43%	17.43%	\$ 5,325,220	\$ 5,325,220	\$ 5,325,220	\$ 4,973,304	\$ 866,847	\$ (86,007)	\$ 780,840	\$ 8,347,392	\$ (86,007)	\$ 8,347,392	\$ 7,654,660	10.26%
Dec-13	14.54%	14.54%	\$ 6,144,113	\$ 6,144,113	\$ 6,144,113	\$ 4,996,389	\$ 726,475	\$ (86,007)	\$ 640,468	\$ 10,846,547	\$ (86,007)	\$ 10,846,547	\$ 7,771,013	8.37%
Jan-14	10.92%	10.92%	\$ 8,060,007	\$ 8,060,007	\$ 8,060,007	\$ 5,136,042	\$ 560,856	\$ (4,149)	\$ 565,707	\$ 11,694,316	\$ (4,149)	\$ 11,694,316	\$ 7,895,023	7.16%
Feb-14	5.44%	5.44%	\$ 6,359,753	\$ 6,359,753	\$ 6,359,753	\$ 5,183,661	\$ 281,991	\$ -	\$ 281,991	\$ -	\$ -	\$ -	\$ -	3.57%

Notes:  
Jackson 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.

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Surcharge Factor Expense Month	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
	EKPC CESF %	EKPC BESF %	EKPC MESF %	EKPC Monthly Revenues from Sales to Jackson	On-peak Revenue Adjustment	EKPC Net Monthly Sales to Jackson	EKPC 12-months Ended Average Monthly Revenue from Sales to Jackson	Jackson Revenue Requirement	Amortization of (Over)/Under Recovery	Jackson Net Revenue Requirement	Jackson Total Monthly Retail Revenues	On-Peak Retail Revenue Adjustment	Jackson Net Monthly Retail Revenues	12-months ended Avg. Retail Revenues, Net	Jackson 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. (11) - Col. (12)		Col. (10) / Col. (14)
Mar-12	12.92%	0.00%	12.92%	\$ 4,259,714	\$ 4,259,714	\$ 4,259,714	\$ 4,865,207	\$ 628,585	\$ -	\$ 628,585	\$ 6,074,938	\$ -	\$ 6,074,938	\$ 7,233,627	8.53%
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May-12	16.90%	0.00%	16.90%	\$ 4,110,545	\$ 4,110,545	\$ 4,110,545	\$ 4,850,861	\$ 819,795	\$ -	\$ 819,795	\$ 6,462,801	\$ -	\$ 6,462,801	\$ 7,226,184	11.32%
Jun-12	15.55%	0.00%	15.55%	\$ 4,519,229	\$ 4,519,229	\$ 4,519,229	\$ 4,836,549	\$ 752,083	\$ -	\$ 752,083	\$ 7,347,674	\$ -	\$ 7,347,674	\$ 7,303,016	10.41%
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Oct-12	17.57%	0.00%	17.57%	\$ 4,177,843	\$ 4,177,843	\$ 4,177,843	\$ 4,765,505	\$ 837,299	\$ -	\$ 837,299	\$ 7,136,104	\$ -	\$ 7,136,104	\$ 7,315,060	11.47%
Nov-12	18.23%	0.00%	18.23%	\$ 5,408,826	\$ 5,408,826	\$ 5,408,826	\$ 4,803,327	\$ 875,646	\$ -	\$ 875,646	\$ 7,789,872	\$ -	\$ 7,789,872	\$ 7,303,078	11.97%
Dec-12	14.61%	0.00%	14.61%	\$ 5,867,090	\$ 5,867,090	\$ 5,867,090	\$ 4,803,942	\$ 701,856	\$ -	\$ 701,856	\$ 9,450,313	\$ -	\$ 9,450,313	\$ 7,309,135	9.61%
Jan-13	13.49%	0.00%	13.49%	\$ 6,384,171	\$ 6,384,171	\$ 6,384,171	\$ 4,816,137	\$ 649,697	\$ -	\$ 649,697	\$ 10,206,200	\$ -	\$ 10,206,200	\$ 7,380,491	8.89%
Feb-13	12.61%	0.00%	12.61%	\$ 5,786,318	\$ 5,786,318	\$ 5,786,318	\$ 4,835,092	\$ 609,705	\$ -	\$ 609,705	\$ 8,983,879	\$ -	\$ 8,983,879	\$ 7,493,339	8.26%
Mar-13	14.37%	0.00%	14.37%	\$ 6,010,673	\$ 6,010,673	\$ 6,010,673	\$ 4,981,005	\$ 715,770	\$ -	\$ 715,770	\$ 7,884,500	\$ -	\$ 7,884,500	\$ 7,644,969	9.55%
Apr-13	14.27%	0.00%	14.27%	\$ 4,207,838	\$ 4,207,838	\$ 4,207,838	\$ 5,028,098	\$ 717,510	\$ -	\$ 717,510	\$ 5,954,697	\$ -	\$ 5,954,697	\$ 7,636,284	9.39%
May-13	17.97%	0.00%	17.97%	\$ 4,162,201	\$ 4,162,201	\$ 4,162,201	\$ 5,032,402	\$ 904,323	\$ -	\$ 904,323	\$ 6,389,518	\$ -	\$ 6,389,518	\$ 7,630,177	11.84%
Jun-13	17.09%	0.00%	17.09%	\$ 4,587,222	\$ 4,587,222	\$ 4,587,222	\$ 5,038,069	\$ 861,006	\$ -	\$ 861,006	\$ 7,182,616	\$ -	\$ 7,182,616	\$ 7,616,422	11.28%
Jul-13	15.77%	0.00%	15.77%	\$ 4,679,844	\$ 4,679,844	\$ 4,679,844	\$ 4,996,059	\$ 787,878	\$ (56,621)	\$ 731,257	\$ 7,451,075	\$ -	\$ 7,451,075	\$ 7,591,075	11.28%
Aug-13	15.49%	0.00%	15.49%	\$ 4,643,988	\$ 4,643,988	\$ 4,643,988	\$ 4,994,915	\$ 773,712	\$ (60,770)	\$ 712,942	\$ 7,225,394	\$ -	\$ 7,225,394	\$ 7,615,152	9.39%
Sep-13	14.93%	0.00%	14.93%	\$ 4,044,041	\$ 4,044,041	\$ 4,044,041	\$ 4,996,838	\$ 746,028	\$ (60,770)	\$ 685,258	\$ 6,179,571	\$ -	\$ 6,179,571	\$ 7,653,645	9.00%
Oct-13	16.69%	0.00%	16.69%	\$ 3,979,037	\$ 3,979,037	\$ 3,979,037	\$ 4,980,271	\$ 831,207	\$ (60,770)	\$ 770,437	\$ 6,590,764	\$ -	\$ 6,590,764	\$ 7,608,200	10.07%
Nov-13	17.43%	0.00%	17.43%	\$ 5,325,220	\$ 5,325,220	\$ 5,325,220	\$ 4,973,304	\$ 866,847	\$ (60,770)	\$ 806,077	\$ 8,347,392	\$ -	\$ 8,347,392	\$ 7,654,660	10.59%
Dec-13	14.54%	0.00%	14.54%	\$ 6,144,113	\$ 6,144,113	\$ 6,144,113	\$ 4,996,389	\$ 726,475	\$ (60,770)	\$ 665,705	\$ 10,846,547	\$ -	\$ 10,846,547	\$ 7,771,013	8.70%
Jan-14	10.92%	0.00%	10.92%	\$ 8,060,007	\$ 8,060,007	\$ 8,060,007	\$ 5,136,042	\$ 560,856	\$ (4,149)	\$ 556,707	\$ 11,694,316	\$ -	\$ 11,694,316	\$ 7,895,023	7.16%
Feb-14	5.44%	0.00%	5.44%	\$ 6,359,753	\$ 6,359,753	\$ 6,359,753	\$ 5,183,661	\$ 281,991	\$ -	\$ 281,991	\$ -	\$ -	\$ -	\$ -	3.57%

Notes:  
Jackson 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.