




A Touchstone Energy Cooperative 

RECEIVED

JUL 14 2014

PUBLIC SERVICE
COMMISSION

July 8, 2014

Mr. Jeff Derouen
Executive Director
Kentucky Public Service Commission
P.O. Box 615
Frankfort, KY 40602-0615

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 Second Request for Information dated July 1, 2014 for the above referenced case.

Please contact the office if you need additional information.

Sincerely,

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

Joni Hazelrigg
CFO

Enclosures
cc: Isaac Scott, East Ky Power Coop
Managers, EKPC Distribution Cooperatives

RECEIVED

JUL 14 2014

PUBLIC SERVICE COMMISSION

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

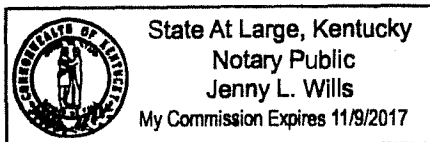
AN EXAMINATION BY THE PUBLIC SERVICE COMMISSION)
 OF THE ENVIRONMENTAL SURCHARGE MECHANISM OF)
 EAST KENTUCKY POWER COOPERATIVE, INC. FOR THE) CASE NO. 2014-00051
 SIX-MONTH BILLING PERIOD ENDING DECEMBER 31, 2013)
 AND THE PASS THROUGH MECHANISM FOR ITS SIXTEEN)
 MEMBER DISTRIBUTION COOPERATIVES)

FLEMING-MASON ENERGY COOPERATIVE, INC.'S RESPONSES TO
COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION TO
EAST KENTUCKY POWER COOPERATIVE, INC.'S SIXTEEN
MEMBER DISTRIBUTION COOPERATIVES

I, Joni Hazelrigg, CFO of Fleming-Mason Energy Cooperative, Inc. declare that the responses prepared for the Staff's Second 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 8th day of July, 2014.



Jenny L. Wills
 Notary Public, State-At-Large

My commission expires: _____

FLEMING-MASON ENERGY
PSC CASE NO. 2014-00051
RESPONSE TO COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION
WITNESS: JONI HAZELRIGG

1. This question is addressed to each of the member distribution cooperatives. To further Staff's understanding of how environmental surcharge expenses and revenues impact a cooperative's financial position, explain how the transactions are recorded on your books and provide representative journal entries showing account numbers and descriptions.

Response

Power bill received August 1, 2013 (Environmental Surcharge Portion only):

<u>Acct. Month/Year recorded on FME's books</u>		<u>Acct. No.</u>			
July, 2013	Debit	555.00	Power Cost Expense	848,017	
	Credit	236.50	Accounts Payable		848,017

Corresponding Environmental Surcharge collected from FME customers:

<u>Acct. Month/Year recorded on FME's books</u>		<u>Acct. No.</u>			
July, 2013*	Debit	142.10	Accounts Receivable	471,459	
	Credit	440.00	Revenue		471,459
August, 2013	Debit	142.10	Accounts Receivable	357,469	
	Credit	440.00	Revenue		357,469

*Industrial Loads - Direct Pass through from EKPC to customer - same accounting month as power bill.

2. This question is addressed to each of the member distribution cooperatives. Refer to the responses to the Commission Staff's First Request for Information, Item 2.a. for your cooperative.

a. Using the month of July 2013 as an example, for the amount shown in the column titled "EKPC Invoice Month recorded on Member's Books," for your cooperative, provide the month in which the expenses are incurred by EKPC and when the amount was billed to the member cooperative.

Response

Month Expenses incurred by EKPC	June, 2013
Billed to FME on Power Bill Issued	August 1, 2013
Recorded on FME's books as an expense	July, 2013

b. Using the month of July 2013 as an example, for the amount shown in the column titled "Billed to Retail Consumer & Recorded on Member's Books," for your cooperative, provide the pass-through factor and the revenue amount to which it was applied to arrive at the amount shown.

Response

Pass Thru Factor - Industrial Loads (avg)	16.21%
Revenue - Industrial Loads	\$2,907,904.77
Pass Thru Factor - All Other	15.11%
Revenue - All Other	\$3,260,122.55