

August 19, 2014

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

RECEIVED

AUG 21 2014

PUBLIC SERVICE
COMMISSION

RE: Case No. 2014-00051

Dear Mr. Derouen:

Enclosed are an original and five copies of the information requested by the Public Service Commission for the Staff's Third Request for Information on August 7, 2014.

Sincerely,



Joni K. Hazelrigg
President & CEO

Enclosures

cc: Isaac Scott, EKPC
Managers, EKPC Distribution Cooperatives

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)

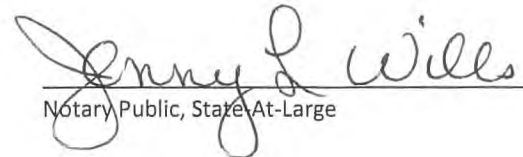
FLEMING-MASON ENERGY COOPERATIVE, INC.'S RESPONSES TO
COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION TO
EAST KENTUCKY POWER COOPERATIVE, INC. AND EACH OF ITS SIXTEEN
MEMBER COOPERATIVES

I, Joni Hazelrigg, CEO of Fleming-Mason Energy Cooperative, Inc. declare that the responses prepared for the third information request in Case No. 2014-00051 are true to the best of my information and belief.



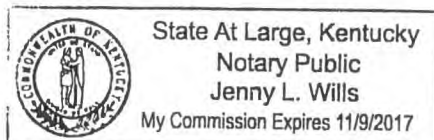
Joni Hazelrigg, CEO
Fleming-Mason Energy Cooperative, Inc.

Subscribed and sworn to before me by Joni Hazelrigg this 18th day of August, 2014.



Notary Public, State At-Large

My commission expires: 11-9-17



6. This question is addressed to all member cooperatives. Refer to each member cooperative's July 31, 2013 monthly pass-through filing.

6a. Provide the numerator used in the calculation of the respective member cooperative's pass-through mechanism factor, along with the expense month with which the numerator is associated.

Response

Numerator: Fleming-Mason's Revenue Requirement

Industrial Loads :	\$ 471,434	FROM July, 2013 EKPC's expense month
All Other:	\$ 367,360	FROM July, 2013 EKPC's expense month

6b. Provide the denominator used in the calculation of the respective member cooperative's pass-through mechanism factor, along with the calculations and the months supporting the calculations of the denominator.

Response

Denominator:

Industrial Loads :	\$ 2,907,832	Actual Revenue Billed
All Other:	\$ 3,219,456	Rolling 12 Month Average Revenue thru June, 2013

$$\$471,434 / \$2,907,832 = \sim 16.21\%$$

$$\$367,360 / \$3,219,456 = 11.41\%$$

6c. Provide the month's revenue (amount and month of the year) each member cooperative's pass-through mechanism factor for July 2013 is applied to in arriving at the monthly environmental surcharge revenues recovered.

Response

Industrial Loads: ~16.21% was applied to FME's revenue billed in August, 2013 to its Rate C and Special Contracted customers –\$2,907,832 - therefore there is no lag or over/under recoveries in the collection of the Environmental Surcharge for these customers.

ALL Other: 11.41% was applied to FME's revenue billed in September, 2013 - \$2,711,932. We actually collected \$309,239 in September, 2013 so for this particular month we under collected \$58,121 (\$367,360 less \$309,239)

7. This question is addressed to all member cooperatives. For the month of July 2005, provide the following:
- 7a. Identify the month in which the member cooperative's revenue requirement was used, along with the months in which the member cooperative's 12-months-ended average retail revenue was used in calculating the pass-through mechanism factor.

Response

For July, 2005, FME's revenue requirement was based on EKPC's 12 month rolling average of sales to FME for month ending June 30, 2005. The same is true of the 12-months-ended rolling average retail revenue used to calculate the pass-through factor.

- 7b. Identify the member cooperative's month revenues (amount and month of the year) the pass-through mechanism factor was applied to arrive at the member cooperative's monthly environmental surcharge revenues.

Response

The July, 2005 rate of 5.70% was applied to EKPC invoice dated September 1 and recorded on FME's financials as an August expense.

FME's corresponding July, 2005 rate of 4.89% was applied as follows:

Industrial Loads: August, 2005 revenue \$ 2,306,618

ALL Others: September, 2005 revenue \$ 2,843,529

Fleming-Mason was capable of using the most recent Environmental Surcharge rate on its Industrial Loads since they are all billed at the first of each calendar month. FME opted to do this to reduce the time needed to recover what EKPC had billed.

- 7c. Identify the member cooperative's month revenues (amount and month of the year) and the member cooperative's month expense (amount and month of the year) used in calculating any over/under recovery, along with the month the over/under recover is reflected, in the member cooperative's response to the Information Request of Commission Staff following the June 18, 2014 Informal Conference ("Staff's IC Information Request"), item 2.

Response

Please see corrected Exhibit A.

8. This question is addressed to all member cooperatives. For the month of December 2013, provide the following:

- 8a. Identify the month in which the member cooperative's revenue requirement was used, along with the months in which the member cooperative's 12-months-ended average retail revenue was used, in calculating the pass-through mechanism factor.

Response

For December, 2013 FME's revenue requirement was based on EKPC's 12 month rolling average of sales to FME for month ending November 30, 2013. The same is true of the 12-months-ended rolling average retail revenue used to calculate the pass-through factor.

- 8b. Provide the member cooperative's month revenues the pass-through mechanism factor was applied to arrive at the member cooperative's monthly environmental surcharge revenues.

Response

The December, 2013 rate of 14.54% was applied to EKPC invoice dated February 1 and recorded on FME's financials as a January, 2014 expense.

Industrial Loads: January, 2014 revenue \$ 3,346,968

FME's corresponding December, 2013 rate of 6.57% was applied as follows:

ALL Others: February, 2014 revenue \$ 4,382,717

- 8c. Provide the member cooperative's month revenue and the member cooperative's month expense used in calculating any over/under recovery, along with the month the over/under recovery is reflected in the member cooperative's response to Staff's IC Information Request, item 2.

Response

Using December, 2013 as an example:

EKPC billed FME on January 1 a total of \$997,456 in Environmental Surcharge at a rate of 17.43%. The \$997,456 was recorded as a December, 2013 expense.

On January 1, 2014, FME billed and recorded \$501,875 from its Industrial Customers at the corresponding rate to equal the exact dollar amount EKPC billed FME for these customers. These bills were generated on January 1, 2014 and recorded on FME's December, 2013 financials as revenue.

During December, 2013 ALL Other customers were billed at a rate of 13.73% producing \$545,531 in revenue that was recorded on FME's December, 2013 financials as revenue. The 13.73% rate was the October, 2013 calculated rate.

The over/under amount recorded on Exhibit A, Page 2 of 2, is the difference between \$997,481 expensed and \$501,875 + \$545,531 billed and recorded as revenue in December, 2013.

Please see corrected Exhibit A.

- 8d. If there was a change in the calculations between Item No. 8(c) and Item No. 7(c), fully explain the reason for the change and provide any Commission Order supporting authorization for the change.

Response

Please see response to Question 18.

- 9.. This question is addressed to all member cooperatives. In a month when there is an amortization of an over- or under-recovery amount applied in the calculation of the pass-through mechanism factor, do the member cooperatives agree that the pass-through factor is a net factor, and the net factor is a combination of the pass-through factor that is attributed to the member cooperative's revenue requirement divided by the 12-months-ended average retail revenues and the member cooperative's amortization of any over- or under-recovery amount also divided by the 12-months-ended average retail revenues? If not, explain.

Response

Fleming-Mason agrees that in a month when there is an amortization of an over- or under-recovery amount applied in the calculation of the pass-through mechanism factor that the pass-through factor is a net factor. However, Fleming-Mason does not agree with the description of the calculation of the pass-through factor as stated in the request. As clearly shown on the monthly "Pass Through Mechanism Report" filed for Fleming-Mason, the net monthly revenue requirement is shown in column 8d. This column reflects the net of the total revenue requirement as shown in column 8a, reduced by the surcharge revenues for Schedule C and Special Contracts are shown in column 8b, and combined with the amortization of any over- or under-recovery for Schedule C and Special Contracts shown in column 8c. The amortization of over- or under-recovery associated with non-Schedule C and non-Special Contract customers is shown in column 9. The net of the amounts in columns 8d and 9 is shown in column 10. The net amount in column 10 is divided by the 12-months ended average net retail revenues shown in column 14, producing the pass-through factor shown in column 15. While the approach described in the request essentially produces the same result mathematically, separate pass-through factor components are not calculated for the monthly total revenue requirement, the net Schedule C and Special Contract surcharge revenues, and the amortization of the over- or under-recovery.

10. This question is addressed to all member cooperatives.
- 10a. Does each member cooperative have a monthly Fuel Adjustment Clause ("FAC") that contains a prior month over- or under-recovery mechanism in the calculations?

Response

Yes.

- 10b. If the answer to 10.a. above is yes, does each member cooperative remove the prior month over- or under-recovery amount in calculating the current month's over- or under-recovery amount?

Response

No.

- 10c. If the answer to 10.b. above is no, explain why it is appropriate to remove any over- or under-recovery amount in the environmental surcharge, but it is not required to remove any over/under recovery in the FAC.

Response

It should be noted that the environmental surcharge is established by KRS 278.183 while the FAC is established by 807 KAR 5:056 and neither explicitly address how over- and under-recoveries are to be handled. Under the FAC for the Member Cooperatives, the over- or under-recovery from the second previous month is incorporated into the calculations of the current FAC. The current FAC is applied to retail customer bills rendered two months later. Thus, there is a four month lag from the inception of an over- or under- recovery until it is refunded or collected on the retail customers' bill. Each month the retail customers' bill will include a single month's FAC over- or under-recovery amount. There is no adjustment to remove any previous month's over- or under-recovery amount in calculating the current month's over- or under-recovery.

Under the environmental surcharge, the over- or under-recovery is determined during the periodic six-month and two-year surcharge review cases. Under normal circumstances, the over- or under-recovery determined during a surcharge review case will cover six months of surcharge operation and the amortization period of the over- or under-recovery has been six months. While the amortization results in an equal dollar amount being included in the retail customers' bills during the amortization period, rather than an amount that reflects month to month

changes in sales volumes, it is essentially the same approach as the FAC. Each month during the amortization period will reflect a single month's surcharge over- or under-recovery amount. There have been no adjustments to remove any previous month's over- or under-recovery amount when calculating the current month's over- or under-recovery.

However, the processing of Case Nos. 2012-00486 and 2013-00140 were not normal circumstances. Case No. 2012-00486 reviewed the last six months of a two-year review period and two subsequent six-month review periods, for a total of 18 months of surcharge operations. The case was opened on November 16, 2012 and the Commission's final Order was dated August 2, 2013. Although the review period covered 18 months of surcharge operations, the over- and under-recoveries determined for the Member Cooperatives were amortized over six months. The first month of the amortization of the over- and under-recoveries was reflected in the Member Cooperatives' surcharge pass-through factors filed with the Commission on August 20, 2013. Case No. 2013-00140 covered a single six-month review period. This case was opened on May 14, 2013 and the Commission's final Order was dated September 17, 2013. The over- and under-recoveries determined for the Member Cooperatives were amortized over six months. The first month of the amortization of the over- and under-recoveries was reflected in the Member Cooperatives' surcharge pass-through factors filed with the Commission on September 20, 2013. Because of the number of review periods included in the two cases and the overlapping of the amortization periods for these two cases, over- and under-recoveries resulting from 24 months of surcharge operations were amortized over a total of seven months. Thus, the normal situation where six months of surcharge operations are reflected in six months of over- or under- recovery amortization no longer was in force. Without some adjustment to remove the effects of amortizing over- or under-recoveries resulting from 24 months of surcharge operations over seven months, subsequent surcharge review over- and under-recovery calculations will be skewed.

11. This question is addressed to all member cooperatives.
- 11a. Provide the schedules which support the amount of both the environmental surcharge revenues and the environmental surcharge expenses removed from their cost-of-service on Schedule S for each of their rate filings which cover the period July 2005 through December 2013.

Response

Case No. 2007-00022 - Please see attached Exhibit B.

Case No. 2012-00369 - This case was a revenue neutral case and Schedule S was not required.

- 11b. Provide an analysis comparing the monthly amounts in 11 (a) above with the same monthly amounts the member cooperatives provided in their response to Staff's IC Information Request, Item No. 2.

Response

FLEMING-MASON ENERGY ENVIRONMENTAL SURCHARGE

EKPC Invoice Month	EKPC Invoice Environmental Surcharge Amount	Billed to Retail Consumer & recorded on Member's Books
Mo/Yr	(1)	(2)
Jan-06	\$305,769	\$448,799
Feb-06	\$364,514	\$318,259
Mar-06	\$403,984	\$385,948
Apr-06	\$348,771	\$356,599
May-06	\$377,406	\$368,468
Jun-06	\$401,585	\$362,373
Jul-06	\$446,909	\$451,177
Aug-06	\$565,188	\$486,563
Sep-06	\$480,196	\$463,540
Oct-06	\$457,051	\$470,247
Nov-06	\$386,716	\$468,181
Dec-06	\$435,499	\$406,070
	\$4,973,588	\$4,986,225

- 11c. If there is a difference in the monthly revenue and/or expense amounts in the response to 11.b. above, provide a complete explanation of the reason(s) for the difference.

Response

n/a

12. This question is addressed to all member cooperatives. For each of the member cooperatives, provide the following:

12a. The cumulative over/under recovery for the 24-month period ending December 31, 2013.

FLEMING-MASON ENERGY ENVIRONMENTAL SURCHARGE

EKPC Invoice Month	EKPC Invoice Environmental Surcharge Amount	FME Accounting Month	Billed to Retail Consumer & recorded on Member's Books	Billed to Industrial Consumers & recorded on Member's Books	TOTAL BILLED & recorded on Member's Books	Monthly (Over) or Under
Mo/Yr	(1)	Mo/Yr	(2 a)	(2 b)	(2a + 2b)	(4)
Jan-12	\$878,509	Jan-12	\$462,352	\$469,445	\$931,797	(53,288.03)
Feb-12	\$668,366	Feb-12	\$300,008	\$367,025	\$667,033	1,333.01
Mar-12	\$537,157	Mar-12	\$156,607	\$323,178	\$479,785	57,371.55
Apr-12	\$563,717	Apr-12	\$177,892	\$348,132	\$526,024	37,693.00
May-12	\$677,227	May-12	\$303,150	\$394,707	\$697,857	(20,630.22)
Jun-12	\$780,683	Jun-12	\$421,971	\$427,007	\$848,978	(68,294.65)
Jul-12	\$759,505	Jul-12	\$531,577	\$389,369	\$920,946	(161,440.76)
Aug-12	\$731,992	Aug-12	\$364,256	\$415,465	\$779,721	(47,728.52)
Sep-12	\$678,075	Sep-12	\$321,484	\$415,989	\$737,473	(59,398.21)
Oct-12	\$799,326	Oct-12	\$267,934	\$489,395	\$757,329	41,996.82
Nov-12	\$966,773	Nov-12	\$445,326	\$543,057	\$988,383	(21,609.51)
Dec-12	\$1,089,377	Dec-12	\$487,148	\$603,880	\$1,091,028	(1,651.36)
Jan-13	\$892,390	Jan-13	\$548,406	\$470,911	\$1,019,317	(126,926.94)
Feb-13	\$780,874	Feb-13	\$181,054	\$418,909	\$599,963	180,910.64
Mar-13	\$696,408	Mar-13	\$271,490	\$357,791	\$629,281	67,126.94
Apr-13	\$703,537	Apr-13	\$205,707	\$417,176	\$622,883	80,654.15
May-13	\$743,010	May-13	\$325,117	\$465,198	\$790,315	(47,304.72)
Jun-13	\$895,142	Jun-13	\$308,967	\$515,771	\$824,738	70,404.02
Jul-13	\$847,992	Jul-13	\$492,847	\$471,434	\$964,281	(116,288.75)
Aug-13	\$808,092	Aug-13	\$357,469	\$469,773	\$827,242	(19,149.81)
Sep-13	\$722,981	Sep-13	\$309,239	\$430,936	\$740,175	(17,194.40)
Oct-13	\$664,556	Oct-13	\$252,194	\$395,487	\$647,681	16,874.91
Nov-13	\$834,029	Nov-13	\$310,278	\$442,543	\$752,821	81,207.95
Dec-13	\$997,456	Dec-13	\$545,531	\$501,875	\$1,047,406	(49,949.82)

Cumulative Over Recovery (175,282.71)

- 12b. If the amount provided in 12 a. above is amortized over a six-month period, provide the bill impact on the average residential customer.

RESPONSE:

Average Residential Usage for 2013:

1075 kWh

Test Month: November, 2013

Fleming-Mason Energy Cumulative **Over** Recovery:

\$175,283

6 month spread: \$29,214/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	12.31%	\$12.52
County School Tax 3%		\$3.45		\$3.43
TOTAL		\$118.57		\$117.63
Dollar Impact				(\$0.94)

13. This question is addressed to all member cooperatives.

13a. Provide the billing cycles and billing dates for each cycle in the month of July 2013

13b. For each billing cycle in July 2013, provide the environmental surcharge factor that was billed to customers.

Response

CYCLE	BILLING DATE	E.S. FACTOR	ACCOUNTING MO/YR
Industrial Loads	Bill Date 7/5/13	~17.09%	06/13
Cycle 100	Bill Date 7/10/13	10.48%	06/13
Cycle 200	Bill Date 7/17/13	10.48%	06/13
Cycle 300	Bill Date 7/24/13	15.11%	07/13*
Cycle 400	Bill Date 7/31/13	15.11%	07/13

*Fleming-Mason changes accounting month in the middle of each month.

- 14b. Reasons for the differences in the information provided for July 2009 through June 2010, a difference of \$400,754.

Response

Fleming-Mason has reviewed the information provided to Staff's IC Information Request, Item 2 and has included as Exhibit A in this filing corrected information based on billing data from that time frame.

18. This question is addressed to Fleming-Mason Energy Cooperative, Inc. ("Fleming-Mason"). Refer to Fleming-Mason's response to Staff's Second Request, item 2.b.

18a. Explain what is meant by the response "Pass Thru Factor-Industrial Loads (avg.)"

Response

Fleming-Mason matches dollar for dollar the Environmental Surcharge billed from EKPC to four (4) of its Industrial customers that are directly billed on the EKPC invoice and separately metered. Because the Environmental Surcharge is calculated on total revenue the percentage billed will vary a small amount from EKPC's percentage due to Fleming-Mason's add-ons for customer charge, kWh charge differential and/or KW charge differential. Please refer to PSC Case No. 2009-00039.

18b. Identify the industrial loads referenced in your response.

Response

International Paper, Inc.

Dravo Lime Co.

Guardian Industries Corp.

Tennessee Gas Co.

Mo/Yr	Mo/Yr	Mo/Yr	Mo/Yr	Mo/Yr	Mo/Yr	Mo/Yr
Mo/Yr	(1)	Mo/Yr	(2)	(3)	(4)	(5)
Jul-05	\$240,575	Jul-05	\$80,669		159,906.00	159,906.00
Aug-05	\$237,991	Aug-05	\$196,333		41,658.00	201,564.00
Sep-05	\$489,381	Sep-05	\$343,583		145,798.00	347,362.00
Oct-05	\$433,472	Oct-05	\$467,317		(33,845.00)	313,517.00
Nov-05	\$444,277	Nov-05	\$469,557		(25,280.00)	288,237.00
Dec-05	\$566,686	Dec-05	\$538,835		27,851.00	316,088.00
Jan-06	\$305,769	Jan-06	\$448,799		(143,030.00)	173,058.00
Feb-06	\$364,514	Feb-06	\$318,259		46,255.00	219,313.00
Mar-06	\$403,984	Mar-06	\$385,948		18,036.45	237,349.45
Apr-06	\$348,771	Apr-06	\$356,599		(7,827.93)	229,521.52
May-06	\$377,406	May-06	\$368,468		8,937.68	238,459.20
Jun-06	\$401,585	Jun-06	\$362,373		39,212.00	277,671.20
Jul-06	\$446,909	Jul-06	\$451,177		(4,267.93)	273,403.27
Aug-06	\$565,188	Aug-06	\$486,563		78,624.51	352,027.78
Sep-06	\$480,196	Sep-06	\$463,540		16,655.55	368,683.33
Oct-06	\$457,051	Oct-06	\$470,247		(13,195.76)	355,487.57
Nov-06	\$386,716	Nov-06	\$468,181		(81,465.44)	274,022.13
Dec-06	\$435,499	Dec-06	\$406,070		29,428.77	303,450.90
Jan-07	\$416,477	Jan-07	\$421,029		(4,552.08)	298,898.82
Feb-07	\$477,718	Feb-07	\$451,447		26,270.99	325,169.81
Mar-07	\$487,314	Mar-07	\$500,051		(12,736.87)	312,432.94
Apr-07	\$418,548	Apr-07	\$512,450		(93,902.29)	218,530.65
May-07	\$362,816	May-07	\$437,669		(74,853.40)	143,677.25
Jun-07	\$386,332	Jun-07	\$426,677		(40,345.43)	103,331.82
Jul-07	\$413,831	Jul-07	\$498,224		(84,393.20)	18,938.62
Aug-07	\$478,043	Aug-07	\$476,099		1,944.05	20,882.67
Sep-07	\$524,678	Sep-07	\$445,968		78,710.11	99,592.78
Oct-07	\$443,658	Oct-07	\$473,258		(29,599.99)	69,992.79
Nov-07	\$384,897	Nov-07	\$442,794		(57,897.32)	12,095.47
Dec-07	\$416,643	Dec-07	\$443,638		(26,994.60)	(14,899.13)
Jan-08	\$480,527	Jan-08	\$442,856		37,671.40	22,772.27
Feb-08	\$372,242	Feb-08	\$454,981		(82,739.24)	(59,966.97)
Mar-08	\$358,730	Mar-08	\$380,663		(21,933.32)	(81,900.29)
Apr-08	\$302,027	Apr-08	\$326,128		(24,100.60)	(106,000.89)
May-08	\$279,286	May-08	\$301,604		(22,318.03)	(128,318.92)
Jun-08	\$302,807	Jun-08	\$300,253		2,553.57	(125,765.35)
Jul-08	\$366,313	Jul-08	\$332,959		33,353.81	(92,411.54)
Aug-08	\$324,464	Aug-08	\$307,638		16,826.00	(75,585.54)
Sep-08	\$343,002	Sep-08	\$291,355		51,646.57	(23,938.97)
Oct-08	\$312,171	Oct-08	\$281,141		31,030.20	7,091.23
Nov-08	\$458,329	Nov-08	\$344,735		113,593.56	120,684.79
Dec-08	\$489,687	Dec-08	\$482,515		7,172.03	127,856.82
Jan-09	\$534,197	Jan-09	\$477,529		56,667.51	184,524.33
Feb-09	\$529,396	Feb-09	\$462,389		67,007.00	251,531.33
Mar-09	\$505,654	Mar-09	\$502,024		3,630.00	255,161.33
Apr-09	\$472,018	Apr-09	\$489,157		(17,139.00)	238,022.33
May-09	\$445,946	May-09	\$429,696		16,250.00	254,272.33
Jun-09	\$434,172	Jun-09	\$465,230		(31,058.00)	223,214.33
Jul-09	\$460,580	Jul-09	\$215,055	\$238,229	7,296.00	230,510.33
Aug-09	\$470,399	Aug-09	\$246,098	\$243,870	(19,569.00)	210,941.33
Sep-09	\$472,727	Sep-09	\$191,339	\$243,322	38,066.09	249,007.42
Oct-09	\$464,801	Oct-09	\$232,292	\$248,742	(16,233.00)	232,774.42
Nov-09	\$324,846	Nov-09	\$296,742	\$191,973	(163,869.00)	68,905.42
Dec-09	\$460,179	Dec-09	\$112,561	\$241,362	106,255.71	175,161.13
Jan-10	\$846,917	Jan-10	\$303,491	\$412,764	130,662.00	305,823.13
Feb-10	\$805,187	Feb-10	\$606,788	\$403,768	(205,369.00)	100,454.13
Mar-10	\$547,270	Mar-10	\$287,875	\$313,370	(53,975.00)	46,479.13
Apr-10	\$201,794	Apr-10	(\$23,289)	\$126,324	98,759.00	145,238.13
May-10	\$257,909	May-10	\$50,190	\$151,523	56,196.00	201,434.13
Jun-10	\$521,435	Jun-10	\$291,136	\$288,360	(58,061.00)	143,373.13
Jul-10	\$693,616	Jul-10	\$188,661	\$378,531	126,424.00	269,797.13
Aug-10	\$675,610	Aug-10	\$317,739	\$371,557	(13,686.00)	256,111.13
Sep-10	\$532,685	Sep-10	\$315,964	\$319,193	(102,472.00)	153,639.13
Oct-10	\$388,710	Oct-10	\$182,407	\$241,517	(35,214.00)	118,425.13
Nov-10	\$522,192	Nov-10	\$83,828	\$286,855	151,509.00	269,934.13
Dec-10	\$965,243	Dec-10	\$479,223	\$463,853	22,167.00	292,101.13

Case No. 2006-00131
Cumulative 6-month (Over)/Under Recovery \$316,088

Case No. 2007-00378
Cumulative 18-month (Over)/Under Recovery (\$212,756)

Case No. 2009-00039
Cumulative 18-month (Over)/Under Recovery \$24,525

Case No. 2009-00317
Cumulative 6-month (Over)/Under Recovery \$95,358

Case No. 2010-00021
Cumulative 6-month (Over)/Under Recovery (\$12,272)

Case No. 2010-00319
Cumulative 6-month (Over)/Under Recovery

Case No. 2011-00032
Cumulative 6-month (Over)/Under Recovery \$148,728

EKPC Invoice Month	EKPC Invoice Environmental Surcharge Amount	FME Accounting Month	Billed to Retail Consumer & recorded on Member's Books	Billed to Industrial Consumers & recorded on Member's Books	Monthly (Over) or Under	Cumulative (Over) or Under
Mo/Yr	(1)	Mo/Yr	(2)	(3)	(4)	(5)
Jan-11	\$951,782	Jan-11	\$677,659	\$472,207	(198,083.95)	94,017.18
Feb-11	\$362,383	Feb-11	\$339,089	\$190,118	(166,824.40)	(72,807.22)
Mar-11	\$329,458	Mar-11	(\$210,669)	\$186,326	353,800.51	280,993.29
Apr-11	\$536,657	Apr-11	\$110,153	\$330,581	95,923.34	376,916.63
May-11	\$568,305	May-11	\$310,927	\$338,650	(81,272.32)	295,644.31
Jun-11	\$740,844	Jun-11	\$244,727	\$435,118	60,998.91	356,643.22
Jul-11	\$769,894	Jul-11	\$407,887	\$417,898	(55,891.30)	300,751.92
Aug-11	\$722,185	Aug-11	\$274,872	\$409,470	37,842.61	338,594.53
Sep-11	\$565,956	Sep-11	\$246,866	\$348,685	(29,594.51)	309,000.02
Oct-11	\$619,007	Oct-11	\$153,412	\$392,466	73,129.05	382,129.07
Nov-11	\$789,284	Nov-11	\$273,594	\$462,214	53,475.62	435,604.69
Dec-11	\$908,089	Dec-11	\$483,243	\$511,469	(86,623.15)	348,981.54
Jan-12	\$878,509	Jan-12	\$462,352	\$469,445	(53,288.03)	295,693.51
Feb-12	\$668,366	Feb-12	\$300,008	\$367,025	1,333.01	297,026.52
Mar-12	\$537,157	Mar-12	\$156,607	\$323,178	57,371.55	354,398.07
Apr-12	\$563,717	Apr-12	\$177,892	\$348,132	37,693.00	392,091.07
May-12	\$677,227	May-12	\$303,150	\$394,707	(20,630.22)	371,460.85
Jun-12	\$780,683	Jun-12	\$421,971	\$427,007	(68,294.65)	303,166.20
Jul-12	\$759,505	Jul-12	\$531,577	\$389,369	(161,440.76)	141,725.44
Aug-12	\$731,992	Aug-12	\$364,256	\$415,465	(47,728.52)	93,996.92
Sep-12	\$678,075	Sep-12	\$321,484	\$415,989	(59,398.21)	34,598.71
Oct-12	\$799,326	Oct-12	\$267,934	\$489,395	41,996.82	76,595.53
Nov-12	\$966,773	Nov-12	\$445,326	\$543,057	(21,609.51)	54,986.02
Dec-12	\$1,089,377	Dec-12	\$487,148	\$603,880	(1,651.36)	53,334.66
Jan-13	\$892,390	Jan-13	\$548,406	\$470,911	(126,926.94)	(73,592.28)
Feb-13	\$780,874	Feb-13	\$181,054	\$418,909	180,910.64	107,318.36
Mar-13	\$696,408	Mar-13	\$271,490	\$357,791	67,126.94	174,445.30
Apr-13	\$703,537	Apr-13	\$205,707	\$417,176	80,654.15	255,099.45
May-13	\$743,010	May-13	\$325,117	\$465,198	(47,304.72)	207,794.73
Jun-13	\$895,142	Jun-13	\$308,967	\$515,771	70,404.02	278,198.75
Jul-13	\$847,992	Jul-13	\$492,847	\$471,434	(116,288.75)	161,910.00
Aug-13	\$808,092	Aug-13	\$357,469	\$469,773	(19,149.81)	142,760.19
Sep-13	\$722,981	Sep-13	\$309,239	\$430,936	(17,194.40)	125,565.79
Oct-13	\$664,556	Oct-13	\$252,194	\$395,487	16,874.91	142,440.70
Nov-13	\$834,029	Nov-13	\$310,278	\$442,543	81,207.95	223,648.65
Dec-13	\$997,456	Dec-13	\$545,531	\$501,875	(49,949.82)	173,698.83

Cumulative 18-month (Over)/Under Recovery \$11,065
Case No. 2012-00486

Cumulative 6-month (Over)/Under Recovery (\$249,832)
Case No. 2013-00140

Cumulative 6-month (Over)/Under Recovery \$224,864
Case No. 2013-00324

Cumulative 6-month (Over)/Under Recovery (\$104,500)
Case No. 2014-00051

(175,282.71)

Exhibit 14
 page 3 of 3
 Witness: Jim Adkins

Fleming Mason Energy
 Case No. 2007-00022
 Analysis of Fuel Adjustment
 December 31, 2006

An analysis of fuel adjustment purchased and passed on to consumers is as follows:

<u>Month</u>	<u>Sales to Consumers</u>		<u>Purchase Power</u>	
	<u>Fuel</u>	<u>Environmental Surcharge</u>	<u>Fuel</u>	<u>Environmental Surcharge</u>
January	593,634	448,798	986,504	305,769
February	794,387	318,259	559,932	364,514
March	585,281	385,949	508,426	403,984
April	421,640	356,598	378,485	348,771
May	432,328	368,470	462,242	377,406
June	539,144	362,373	498,721	401,585
July	493,140	451,176	345,378	446,909
August	348,076	486,564	427,137	565,188
September	361,180	463,539	469,547	480,195
October	492,647	470,246	455,887	457,050
November	443,356	468,182	175,412	386,718
December	238,811	406,071	397,446	435,499
Total	<u>5,743,624</u>	<u>4,986,225</u>	<u>5,665,117</u>	<u>4,973,588</u>

The fuel purchased and Environmental Surcharge from East Kentucky Power Cooperative is passed on the the consumers in the month received from East Kentucky. The fuel adjustment and environmental surcharge are passed on to consumers using procedures established by this Commission.

Fleming Mason Energy
Case No. 2007-00022
Purchase Power
Test Year Billing Determinants

Exhibit 14
page 2 of 3
Witness: Jim Adkins

Billing Rates:

KW-Sch B/C	5.39
Excess Contract	7.82
KW-Sch E2	5.22
KW-Sch H	1.75
KWH-Sch B/C	0.027325
KWH-Sch CM	0.02556
KWH-Sch E2 On-Peak	0.034684
KWH-Sch E2 Off-Peak	0.027118
KWH-Sch H On-Peak	0.050101
KWH-Sch H Off-Peak	0.053392
Schedule H Energy adder	0.001612
Green power	0.023769
KVA 3000 - 7499	2,373.00
KVA 7500 - 14999	2,855.00
KVA 15000 - 99999	4,605.00
Meting Point	125.00

	<-- Billing Demand -->			<--->		Total kwh billing		<-- Schedule H -->		Green Power	--->			Substation Charge			Total from Base Rates	Fuel Adjustment	Environmental Surcharge	Total	
	Sch B/C	Sch H	Schedule E2	Demand Charge	Schedule B/C all Kwh	Schedule CM all Kwh	<-- Schedule E2 -->	On-Peak	Off-Peak		Energy Charge	Metering Point	Sch H Energy Add	2,855	4,605	Total					
January	290,888	43,750	435,176	769,813	408,948	467,361	661,644	624,688	264,831	327,685	38	2,755,196	1,500	18,624	22,840	13,815	36,655	3,581,788	986,504	305,769	4,874,061
February	290,888	43,750	495,080	829,718	412,367	431,058	656,069	628,980	115,074	149,834	38	2,393,420	1,500	16,483	22,840	13,815	36,655	3,277,776	559,932	364,514	4,202,222
March	290,327	43,750	455,153	789,230	427,545	478,280	612,682	592,405	189,010	242,448	33	2,542,402	1,625	14,164	25,695	13,815	39,510	3,386,931	508,426	403,984	4,299,341
April	290,548	43,750	333,245	667,543	390,022	472,272	459,087	428,986	157,830	184,827	31	2,093,055	1,625	16,543	25,695	13,815	39,510	2,818,276	378,485	348,771	3,545,532
May	298,075	43,750	379,985	721,810	423,272	486,202	586,391	366,297	277,830	318,619	31	2,458,643	1,625	16,325	25,695	13,815	39,510	3,237,912	462,242	377,406	4,077,560
June	298,049	43,750	417,783	759,582	406,655	460,610	663,506	354,550	220,593	219,971	31	2,325,917	1,625	1,653	25,695	13,815	39,510	3,128,287	498,721	401,585	4,028,593
July	299,114	43,750	434,210	777,074	413,469	495,339	817,927	413,755	177,894	244,555	0	2,562,939	1,625	12,103	25,695	13,815	39,510	3,393,251	345,378	446,909	4,185,538
August	296,948	43,750	453,320	794,018	398,207	474,584	836,745	433,732	217,121	198,679	0	2,559,068	1,625	9,222	25,695	13,815	39,510	3,403,443	427,137	565,188	4,395,768
September	299,787	43,750	306,779	650,316	409,973	470,401	556,331	334,703	53,335	93,816	0	1,918,559	1,625	8,908	25,695	13,815	39,510	2,618,918	469,547	480,195	3,568,660
October	291,364	43,750	376,868	711,983	434,408	472,967	521,168	491,961	40,412	45,991	0	2,006,906	1,625	1,248	25,695	13,815	39,510	2,761,272	455,887	457,050	3,674,209
November	290,456	43,750	443,590	777,797	401,428	437,857	581,854	540,274	123,930	166,836	0	2,252,179	1,625	11,951	25,695	13,815	39,510	3,083,061	175,412	386,718	3,645,191
December	290,456	43,750	554,390	888,596	415,637	487,295	677,466	633,637	58,917	138,498	0	2,411,450	1,625	8,276	25,695	13,815	39,510	3,349,458	397,446	435,499	4,182,403
Total	3,526,900	525,000	5,085,580	9,137,479	4,941,931	5,634,226	7,630,869	5,843,969	1,896,777	2,331,759	202	28,279,734	19,250	135,500	302,630	165,780	468,410	38,040,373	5,665,117	4,973,588	48,679,078

Normalized using rates effective	3,526,900	525,000	5,085,580	9,137,479	4,941,931	5,634,226	7,630,869	5,843,969	1,896,777	2,331,759	202	28,279,734	19,250	135,500	302,630	165,780	603,910	38,040,373			38,040,373
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Normalized adjustment 0

Fleming Mason Energy
Case No. 2007-00022
Statement of Operations, Adjusted

	<u>Actual Test Year</u>	<u>Normalized Adjustments</u>	<u>Normalized Test Year</u>	<u>Proposed Increase</u>	<u>Proposed Test Year</u>
Operating Revenues:					
Base rates	\$58,389,712	\$0	\$58,389,712	\$3,784,008	\$62,173,720
Fuel and surcharge	(559,249)	(10,729,849)	(11,289,098)		(11,289,098)
Other electric revenue	827,454	57,398	884,852		884,852
	<u>58,657,917</u>	<u>(10,672,451)</u>	<u>47,985,466</u>	<u>3,784,008</u>	<u>51,769,474</u>
Operating Expenses:					
Cost of power:					
Base rates	49,209,133	0	49,209,133		49,209,133
Fuel and surcharge	(530,055)	(10,638,705)	(11,168,760)		(11,168,760)
Distribution - operations	1,240,766	71,551	1,312,317		1,312,317
Distribution - maintenance	2,895,150	44,505	2,939,655		2,939,655
Consumer accounts	1,473,107	26,986	1,500,093		1,500,093
Customer service	40,287	915	41,202		41,202
Sales	60,797	1,273	62,070		62,070
Administrative and general	1,163,539	(116,449)	1,047,090		1,047,090
Total operating expenses	<u>55,552,724</u>	<u>(10,609,924)</u>	<u>44,942,800</u>	<u>0</u>	<u>44,942,800</u>
Depreciation	2,338,905	123,963	2,462,868		2,462,868
Taxes - other	51,141	0	51,141		51,141
Interest on long-term debt	1,815,474	259,761	2,075,235		2,075,235
Interest expense - other	220,744	(177,118)	43,626		43,626
Other deductions	23,801	(23,801)	0		0
Total cost of electric service	<u>60,002,789</u>	<u>(10,427,119)</u>	<u>49,575,670</u>	<u>0</u>	<u>49,575,670</u>
Utility operating margins	<u>(1,344,872)</u>	<u>(245,332)</u>	<u>(1,590,204)</u>	<u>3,784,008</u>	<u>2,193,804</u>
Nonoperating margins, interest	42,057	0	42,057		42,057
Nonoperating margins, other	(93,302)	(144,869)	(238,171)		(238,171)
Patronage capital redits	77,545	0	77,545		77,545
Net Margins	<u>(\$1,318,572)</u>	<u>(\$390,201)</u>	<u>(\$1,708,773)</u>	<u>\$3,784,008</u>	<u>\$2,075,235</u>
TIER	0.27		0.18		2.00

Fleming Mason Energy
Case No. 2007-00022
Revenue Analysis

Exhibit G
page 1 of 2
Witness: Jim Adkins

Rate Schedule	Kwh Useage	Test Year Revenue	Percent of Total	Effective May 24, 2005 Normalized Revenue	Percent of Total	Proposed Revenue	Percent of Total	Increase	
								Amount	Percent
RSP - Residential & Small Power	285,946,912	\$19,130,430	41%	\$19,130,430	41%	\$22,339,564	44%	\$3,209,134	16.8%
RSP-ETS - Electric Thermal Storage	1,530,815	81,802	0%	81,802	0%	94,855	0%	13,053	16.0%
SGS - Small General Service	16,051,041	1,076,127	2%	1,076,127	2%	1,304,052	3%	227,925	21.2%
LGS - Large General Service	53,581,162	3,142,817	7%	3,142,817	7%	3,259,088	6%	116,271	3.7%
LGS - Large General Service	49,228,111	2,364,182	5%	2,364,182	5%	2,471,007	5%	106,825	4.5%
AES - All Electric School	2,338,000	134,441	0%	134,441	0%	150,083	0%	15,641	11.6%
Contracted - Dravo	127,564,176	5,060,771	11%	5,060,771	11%	5,060,771	10%	0	0.0%
Contracted - Inland Container	220,444,635	7,886,269	17%	7,886,269	17%	7,886,269	16%	0	0.0%
Contracted - Guardian Industries	53,512,992	2,310,504	5%	2,310,504	5%	2,310,504	5%	0	0.0%
Contracted - Tennessee Gas	80,613,395	5,172,811	11%	5,172,811	11%	5,172,811	10%	0	0.0%
OLS - Outdoor Lighting Service	5,008,625	624,231	1%	624,231	1%	718,318	1%	94,086	15.1%
Rounding differences						1,072		1,072	
Total from base rates	<u>895,819,864</u>	<u>46,984,386</u>	100%	<u>\$46,984,386</u>	100%	<u>\$50,768,394</u>	100%	<u>\$3,784,008</u>	8.1%
Fuel		5,743,624							
Environmental surcharge		4,986,225							
									#10,729,849
Total revenue from books		<u>\$57,714,235</u>							
Increase						<u>\$0</u>		<u>\$3,784,008</u>	