

OWEN *Electric*

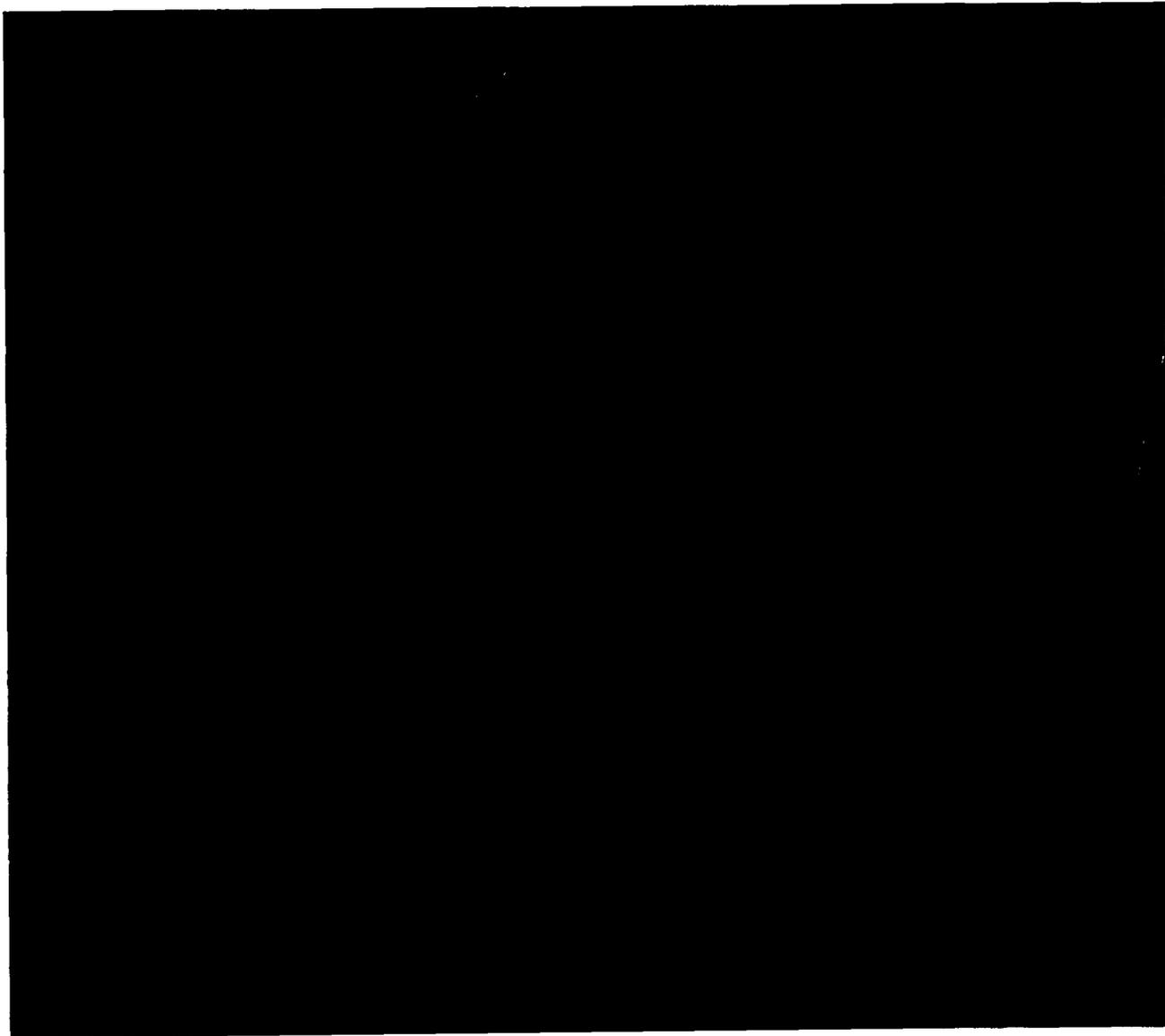


A Touchstone Energy Cooperative 

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PUBLIC SERVICE
COMMISSION



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August 22, 2014

Mr. Jeffrey Derouen
Executive Director
Kentucky Public Service Commission
P.O. Box 615
211 Sower Boulevard
Frankfort, KY 40602

RE: PSC Case No. 2014-00051

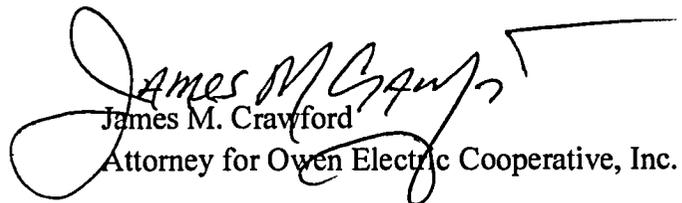
Dear Mr. Derouen:

Please find enclosed for filing with the Commission in the above-referenced case, an original and five copies of the responses of Owen Electric Cooperative, Inc. to the Commission Staff's Third Request for Information to East Kentucky Power Cooperative, Inc.'s Sixteen Member Distribution Cooperatives, dated August 7, 2014.

Please contact me with any questions.

Respectfully yours,

CRAWFORD & BAXTER, P.S.C.


James M. Crawford
Attorney for Owen Electric Cooperative, Inc.

cc: Parties of Record

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

CERTIFICATE

STATE OF KENTUCKY)
)
 COUNTY OF OWEN)

Ann F. Wood, being duly sworn, states that she has supervised the preparation of the response of Owen Electric Cooperative, Inc. to the Public Service Commission Staff's Third Request for Information to East Kentucky Power Cooperative, Inc.'s Sixteen Member Distribution Cooperatives dated August 7, 2014 in the above-referenced case, and that the matters and things set forth therein are true and accurate to the best of her knowledge, information and belief, formed after reasonable inquiry.

Ann F Wood

Subscribed and sworn before me on this 20 day of August, 2014.

Pamela R. McAlister
 Notary Public

2014 AUG 20 10:00 AM
 KYNOTARY.COM

OWEN ELECTRIC COOPERATIVE, INC.

PSC CASE NO. 2014-00051

ENVIRONMENTAL SURCHARGE MECHANISM

RESPONSE TO INFORMATION REQUEST

**COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION TO EAST
KENTUCKY POWER COOPERATIVE, INC.'S SIXTEEN MEMBER DISTRIBUTION
COOPERATIVES DATED 08/07/2014**

REQUEST 6

RESPONSIBLE PARTY: Ann F. Wood

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

Request 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.

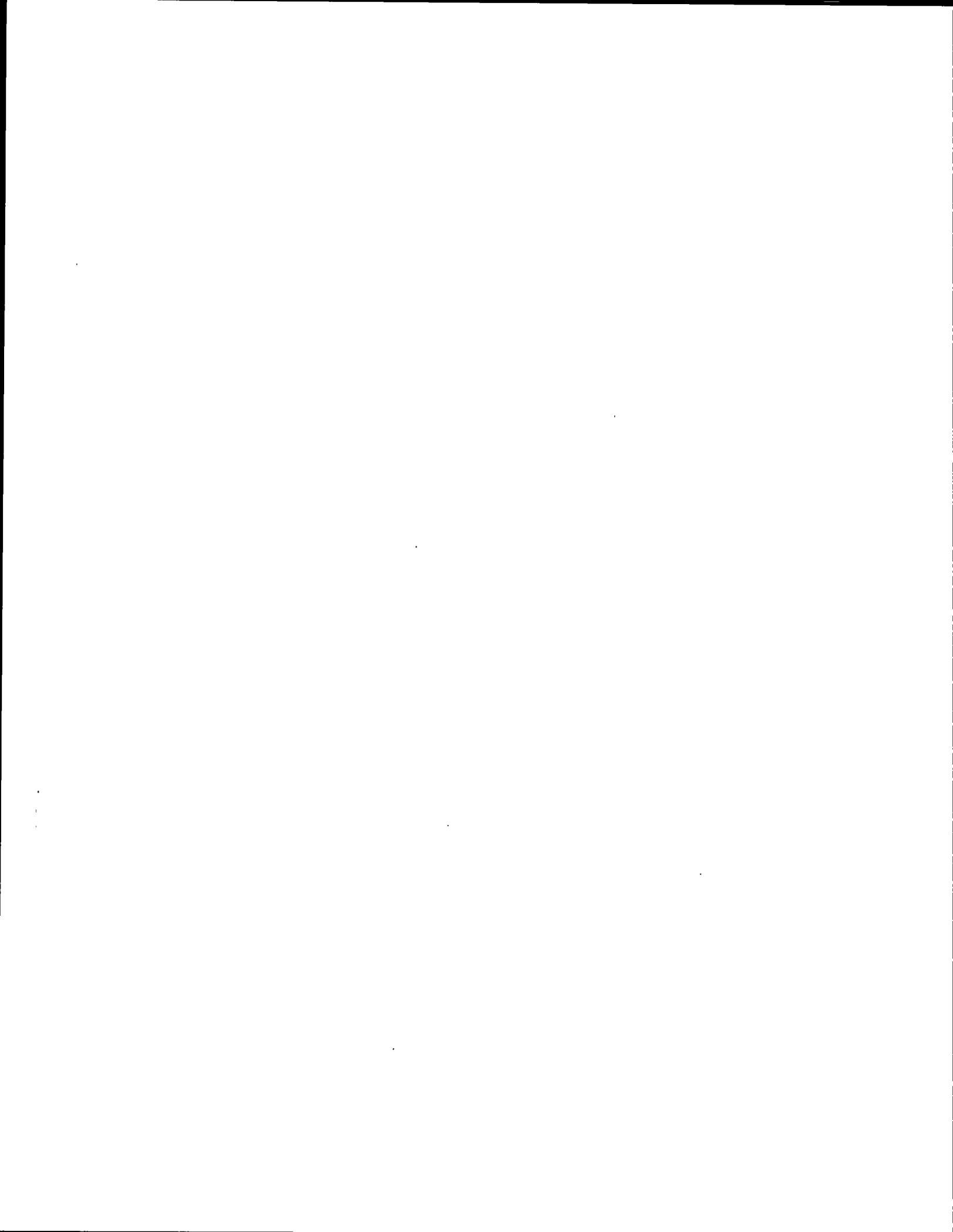
Response 6a. Owen Electric's July 31, 2013 monthly pass-through filing showed a pass-through mechanism factor, net of Gallatin and Schedule B customers, of 15.11%. The numerator used in the calculation of this factor was \$1,211,668. This numerator is calculated using EKPC's wholesale factor from its July expense month (15.77%) multiplied by EKPC's average 12-month revenue (August 2012-July 2013) from sales to Owen (\$10,015,126) to yield an Owen revenue requirement of \$1,579,385. Direct assignments to Gallatin and Schedule B customers and the first month's amortization in Case No. 2012-00486 were considered to arrive at \$1,211,668.

Request 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 6b. Owen Electric's July 31, 2013 monthly pass-through filing showed a pass-through mechanism factor, net of Gallatin and Schedule B customers, of 15.11%. The denominator used in the calculation of this factor was \$8,021,536, which represents Owen Electric's average 12-month net retail revenues (July 2012-June 2013), exclusive of Gallatin and Schedule B customers.

Request 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 6c. The July 2013 pass-through factor of 15.11% was applied to Owen Electric's September 2013 revenue of \$8,601,825 (net of Gallatin and Schedule B customers) to arrive at calculated September 2013 environmental surcharge revenues of \$1,299,322. The difference between the amount calculated and the amount as filed in this proceeding, \$1,311,869, relates to billing adjustments.



OWEN ELECTRIC COOPERATIVE, INC.

PSC CASE NO. 2014-00051

ENVIRONMENTAL SURCHARGE MECHANISM

RESPONSE TO INFORMATION REQUEST

**COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION TO EAST
KENTUCKY POWER COOPERATIVE, INC.'S SIXTEEN MEMBER DISTRIBUTION
COOPERATIVES DATED 08/07/2014**

REQUEST 7

RESPONSIBLE PARTY: Ann F. Wood

Request 7: This question is addressed to all member cooperatives. For the month of July 2005, provide the following:

Request 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.

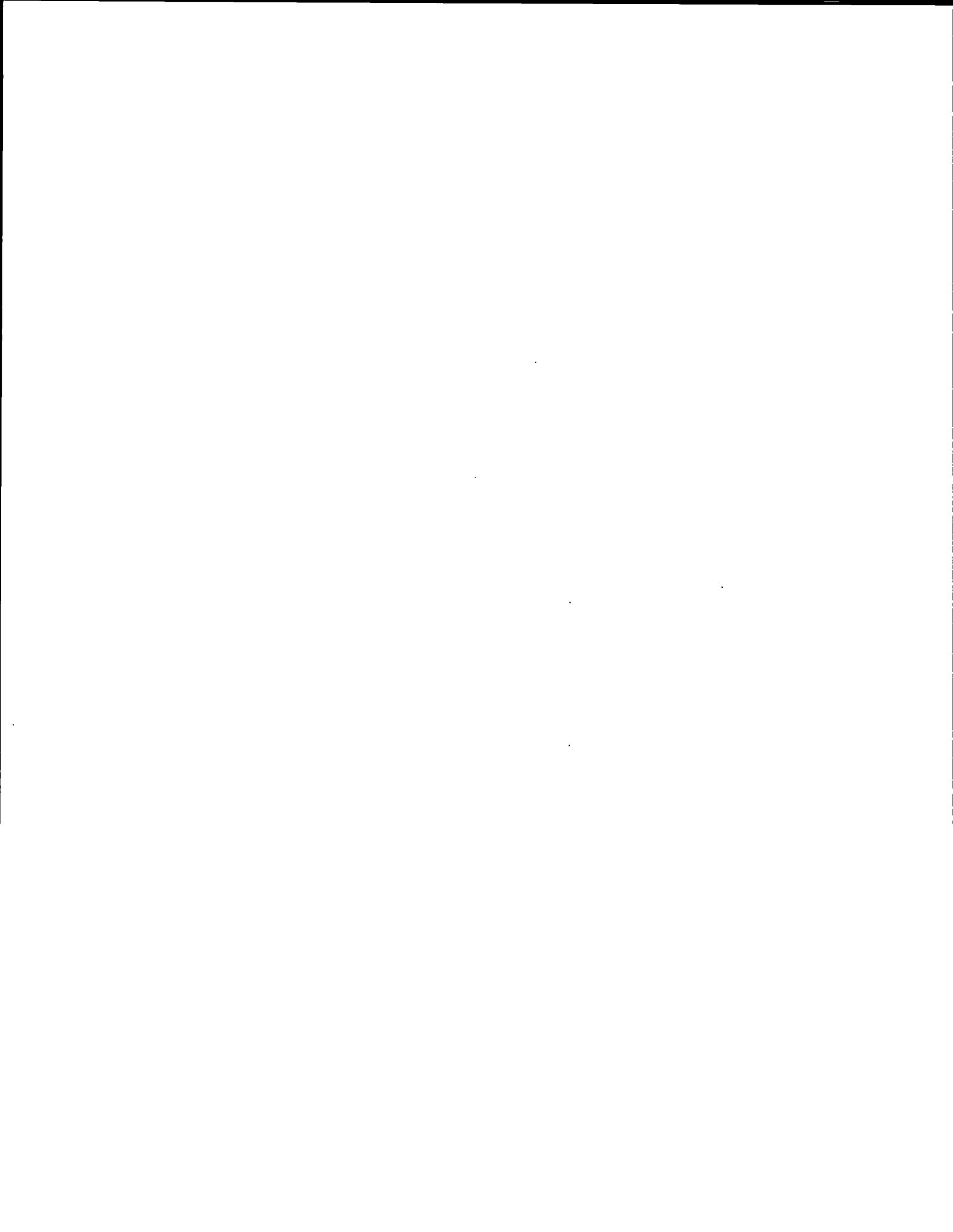
Response 7a: For the month of July 2005, Owen Electric's revenue requirement for that month (as filed in EKPC's July 2005 expense month filing) and the 12-months-ended June 2005 average retail revenue were used in calculating the pass-through mechanism factor of 4.65%.

Request 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.

Request 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 recovery 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 7b and 7c: The July 2005 factor of 4.65% was applied to the September 2005 revenues of \$11,065,021 to arrive at monthly environmental surcharge revenues of \$514,523. There were adjustments to Gallatin Steel for the months of July and August 2005 of \$383,189, which were reflected in September revenues. Total environmental surcharge revenues recorded for the month were \$897,712 (\$514,523 + \$383,189). The total billed to retail customers and recorded on Owen Electric's books as provided in the response to item 2 to the Staff's IC Information Request, was \$896,815. The difference of \$897 is billing adjustments.



OWEN ELECTRIC COOPERATIVE, INC.

PSC CASE NO. 2014-00051

ENVIRONMENTAL SURCHARGE MECHANISM

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KENTUCKY POWER COOPERATIVE, INC.'S SIXTEEN MEMBER DISTRIBUTION
COOPERATIVES DATED 08/07/2014**

REQUEST 8

RESPONSIBLE PARTY: Ann F. Wood

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

Request 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 8a: For the month of December 2013, Owen Electric's revenue requirement for that month (as filed in EKPC's December 2013 expense month filing) and the 12-months-ended November 2013 average retail revenue were used in calculating the pass-through mechanism factor of 13.29%.

Request 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.

Request 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 8b and 8c. The December 2013 factor of 13.29% was applied to the February 2014 revenues, excluding Gallatin Steel and Schedule B customers, of \$11,546,443 to arrive at calculated monthly environmental surcharge revenues of \$1,534,522. The total billed to retail customers and recorded on Owen Electric's books as provided in the response to item 2 of EKPC's Response to Staff's First Request for Information was \$1,566,615. The difference relates to billing adjustments.

Request 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 supporting authorization for the change.

Response 8d. Yes, there has been a change in the calculation between Item No. 8(c) and Item No. 7(c). In the Order in Case No. 2009-00039 dated November 6, 2009, the Commission approved Owen Electric's proposed revision to the environmental surcharge tariff and pass-through mechanism which allowed a direct pass-through of EKPC's wholesale environmental costs attributable to retail customers served under tariffs based on EKPC's Schedule B or special contracts. Therefore, the factor as calculated in July 2005 (response to Request 7) was applied to all Owen Electric customers. The factor as calculated December 2013 (this response, Request 8) is applied to Owen Electric's customers excluding Gallatin Steel and Schedule B customers; Gallatin Steel and Schedule B customers are charged a direct pass-through from EKPC.

Additionally, Owen Electric had a change in accounting principle in 2011. The following was included in Case No. 2012-00486:

Since its inception, Owen Electric Cooperative, Inc. ("Owen"), has recorded the monthly cost for purchased power one month in arrears (i.e. in the month in which the power bill was paid, as opposed to when the expense was incurred), which resulted in an inaccurate matching of power cost to energy revenue. In consultation with our financial audit firm and Rural Utilities Service ("RUS"), Owen invoked a "change in accounting principle", effective for the year ending December 31, 2011. This decision enabled Owen to make a one-time true up of the purchased power cost to begin recording the bill in the appropriate month. As Owen's audited financial statements present a two year audit period, the true up

entry was recorded as of the beginning of the first period presented, January 1, 2010, in accordance with generally accepted accounting principles. This accounting change was noted in Owen's audited financial statements for the years ended December 31, 2011, and was also noted in its annual Form 7 filed with the RUS as well as the annual financial statement filed with the Kentucky Public Service Commission ("PSC").

In previous environmental surcharge review cases, the columns marked "EKPC Invoice Month Recorded on Member's Books" listed the environmental surcharge amount one month in arrears, accurately reflecting the lag in the recording of the power bill. The final month reported in the last two year review case, Case No. 2009-00317, June 2009, reported the environmental surcharge amount paid to East Kentucky Power Cooperative on the May 2009 power bill, recorded on Owen's books in June 2009.

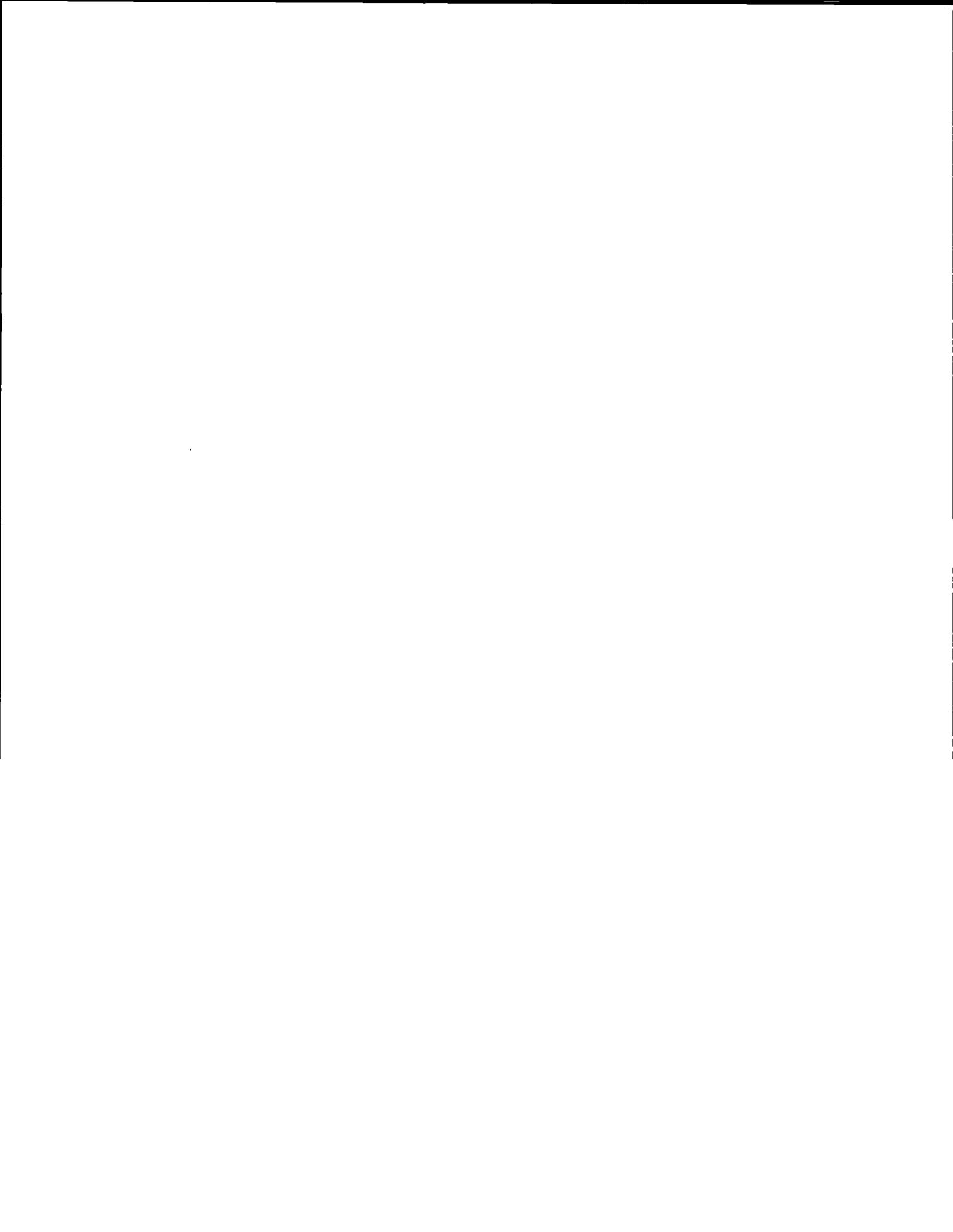
Following the historical approach, the 18-month review in Case No. 2012-00486 would have included the environmental surcharge on the December 2010 East Kentucky Power Cooperative's purchased power invoice as the January 2011 amount in the columns marked "EKPC Invoice Month Recorded on Member's Books". However, since the "change in accounting principle" was invoked for the year ending December 31, 2011, and to accurately document the recording of the power bill in Owen's books, the 18-month review shall include 19 months of power bills. Therefore, data for January 2011, listed in the power cost columns, include the environmental surcharges from the December 2010 and January 2011 cost of purchased power bills.

Owen Electric is restating a portion of its response to Request 2 in Commission Staff's First Information Request in this proceeding.

Owen's under-recovery in Case No. 2012-00486 totaled \$2,417,387. This large under-recovery resulted from Owen's change to accrual accounting for its wholesale power billing, coupled with the length of the review period—an 18-month period. In Case No. 2012-00486, Owen requested that the Commission consider a 12-month amortization period to lessen the impact on the members' bills. In its final Order, the Commission granted a 6-month amortization to be consistent with the amortization period of EKPC's other member distribution cooperatives. As reflected in the response to Request 7, page 4 of 5, this shortened amortization period yielded surcharge factors ranging from 15 to approximately 19 percent. These higher than normal factors were being billed during this cold winter season.

Because the over- and under- recoveries are calculated by comparing EKPC's surcharge billings to Owen's surcharge billings, which for Owen includes the impacts of the amortization in Case No. 2012-00486, Owen is now experiencing a large over-recovery as reflected on page 4 of this response. This over-recovery has negatively impacted Owen's margins for 2013 and early 2014, as Owen books these monthly over-recoveries as a reduction to revenue and an increase to regulatory liabilities. Owen foresees a pattern of large over-recoveries in one case followed by large under-recoveries in the next case. This creates volatility in the billings to our members and margin instability.

Owen Electric respectfully requests that the Commission consider the unusual circumstances of Case No. 2012-00486 that impact this current case, and consider the proposed modifications to the monthly over- and under-recovery calculations as presented in the record in Case No. 2014-00051.



OWEN ELECTRIC COOPERATIVE, INC.

PSC CASE NO. 2014-00051

ENVIRONMENTAL SURCHARGE MECHANISM

RESPONSE TO INFORMATION REQUEST

**COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION TO EAST
KENTUCKY POWER COOPERATIVE, INC.'S SIXTEEN MEMBER DISTRIBUTION
COOPERATIVES DATED 08/07/2014**

REQUEST 9

RESPONSIBLE PARTY: Ann F. Wood

Request 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 9. Owen Electric 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, Owen Electric 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 Owen Electric, the net monthly revenue requirement is shown in column 8f. This column reflects the net of the total revenue requirement as shown in column 8a, reduced by the net surcharge revenues for Gallatin Steel (surcharge revenues are shown in column 8b and the amortization of any over- or under-recovery for

Gallatin Steel shown in column 8c) and the net surcharge revenues for Schedule B (surcharge revenues are shown in column 8d and the amortization of any over- or under-recovery for Schedule B shown in column 8e). The amortization of over- or under-recovery associated with non-Gallatin Steel and non-Schedule B customers is shown in column 9. The net of the amounts in columns 8f 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 Gallatin Steel and Schedule B surcharge revenues, and the amortization of the over- or under-recovery.



OWEN ELECTRIC COOPERATIVE, INC.

PSC CASE NO. 2014-00051

ENVIRONMENTAL SURCHARGE MECHANISM

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KENTUCKY POWER COOPERATIVE, INC.'S SIXTEEN MEMBER DISTRIBUTION
COOPERATIVES DATED 08/07/2014**

REQUEST 10

RESPONSIBLE PARTY: Ann F. Wood

Request 10: This question is addressed to all member cooperatives.

Request 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 10a: Yes. Owen Electric has a monthly FAC that contains a prior month over- or under-recovery mechanism in the calculation.

Request 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 in calculating the current month's over- or under-recovery amount?

Response 10b: No, Owen Electric does not remove the prior month over- or under-recovery amount in calculating the current month over- or under-recovery amount.

Request 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 10c. 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 addresses 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.

OWEN ELECTRIC COOPERATIVE, INC.

PSC CASE NO. 2014-00051

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KENTUCKY POWER COOPERATIVE, INC.'S SIXTEEN MEMBER DISTRIBUTION
COOPERATIVES DATED 08/07/2014**

REQUEST 11

RESPONSIBLE PARTY: Ann F. Wood

Request 11: This question is addressed to all member cooperatives.

Request 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 study on Schedule S for each of their rate filings which cover the period July 2005 through December 2013.

Response 11a: For the period July 2005 through July 2013, Owen Electric had two base rate case filings (Case Nos. 2008-00154 and 2012-00448) resulting in base rate increases. The remaining rate cases within that time period were either pass-throughs of EKPC's wholesale rate adjustments or a revenue neutral case. The applicable pages of Exhibit S, as filed in Case No. 2008-00154, are provided on pages 3 and 4 of this response. \$8,941,630 in environmental surcharge revenue was removed from this case and \$9,482,775 in environmental surcharge expenses were removed from this case. The applicable pages of Exhibit S, as filed in Case No. 2012-00448, are provided on pages 5 and 6 of this response. \$14,616,984 in environmental surcharge revenue was removed in this case and \$15,774,383 in environmental surcharge expenses were removed from this case. The requested schedules are provided in the response to Request 11b and included on page 7 of this response.

Request 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 11b: Please see the comparison on page 7 of this response.

Request 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 11c. Owen Electric does not find anything in the case record in either of the two rate cases that explains the reasons for the difference.

Owen Electric Cooperative
Case No. 2008-00154
Statement of Operations, Adjusted

Exhibit S
page 2 of 4
Witness: Alan Zumstein

	<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	81,809,900	5,256,227	87,066,127	4,064,395	91,130,522
Fuel and surcharge	15,052,264	(15,052,264)	0		0
Contract customer	35,125,060	3,806,301	38,931,361		38,931,361
Fuel and surcharge	9,230,125	(9,230,125)	0		0
Other electric revenue	1,775,002	297,026	2,072,028		2,072,028
	<u>142,992,351</u>	<u>(14,922,835)</u>	<u>128,069,516</u>	<u>4,064,395</u>	<u>132,133,911</u>
Operating Expenses:					
Cost of power:					
Base rates	56,288,336	5,783,125	62,071,461		62,071,461
Fuel and surcharge	14,645,390	(14,645,390)	0		0
Contract customer	34,771,911	3,806,300	38,578,211		38,578,211
Fuel and surcharge	10,095,088	(10,095,088)	0		0
Distribution - operations	3,937,933	192,764	4,130,697		4,130,697
Distribution - maintenance	3,214,001	51,217	3,265,218		3,265,218
Consumer accounts	3,465,044	72,270	3,537,314		3,537,314
Customer service	384,855	10,757	395,612		395,612
Sales	0	0	0		0
Administrative and general	3,054,835	(52,709)	3,002,126		3,002,126
Total operating expenses	<u>129,857,393</u>	<u>(14,876,754)</u>	<u>114,980,639</u>	<u>0</u>	<u>114,980,639</u>
Depreciation	9,656,698	(1,175,664)	8,481,034		8,481,034
Taxes - other	128,898	0	128,898		128,898
Interest on long-term debt	3,823,761	478,648	4,302,409		4,302,409
Interest expense - other	819,788	(344,869)	474,919		474,919
Other deductions	105,200	(68,267)	36,933		36,933
Total cost of electric service	<u>144,391,738</u>	<u>(15,986,906)</u>	<u>128,404,832</u>	<u>0</u>	<u>128,404,832</u>
Utility operating margins	<u>(1,399,387)</u>	<u>1,064,071</u>	<u>(335,316)</u>	<u>4,064,395</u>	<u>3,729,079</u>
Nonoperating margins, interest	113,134	0	113,134		113,134
Nonoperating margins, other	31,595	0	31,595		31,595
Patronage capital credits	428,601	0	428,601		428,601
Net Margins	<u>(\$826,057)</u>	<u>\$1,064,071</u>	<u>\$238,014</u>	<u>\$4,064,395</u>	<u>\$4,302,409</u>
TIER	0.78		1.06		2.00

Owen Electric Cooperative
Case No. 2008-00154
Summary of Adjustments to Test Year

Exhibit S
page 3 of 4
Witness: Alan Zumstein

	Adj 1	Adj 2	Adj 3	Adj 4	Adj 5	Adj 6	Adj 7	Adj 8	Adj 9	Adj 10	Adj 11	Adj 12	Adj 13	Adj 14	Adj 15	Adj 16	
	Salanes	Payroll Taxes	Deprec	Property Tax	Interest	FAS 106 Cost	Retirement	Donations	Professional Fees	Directors	Misc Expenses	Non-Recurring	Rate Case	Purchase Power	Normalize Revenue	Additional Revenue	Total
Operating Revenues:																	
Base rates															5,256,227		5,256,227
Fuel and surcharge															(15,052,264)		(15,052,264)
Rate GA customer															3,806,301		3,806,301
Fuel and surcharge															(9,230,125)		(9,230,125)
Other electric revenue												235,087				61,939	297,028
	0	0	0	0	0	0	0	0	0	0	0	235,087	0	0	(15,219,861)	61,939	(14,922,835)
Operating Expenses:																	
Cost of power:																	
Base rates														5,783,125			5,783,125
Fuel and surcharge														(14,645,390)			(14,645,390)
Rate GA customer														3,806,300			3,806,300
Fuel and surcharge														(10,095,088)			(10,095,088)
Distribution - operation	48,763	71	(98)	102,339		12,619	29,070										192,764
Distribution - maintena	27,684	41	(176)			7,164	16,504										51,217
Consumer accounts	37,381	55	(45)	2,920		9,674	22,285										72,270
Customer service	5,290	8	(37)	973		1,369	3,154										10,757
Sales																	0
Administrative and gen	37,728	55	(64)	1,925		9,764	22,492		(853)	(154,035)	6,279		24,000				(52,709)
Total operating expen	156,846	230	(420)	108,157	0	40,590	93,505	0	(853)	(154,035)	6,279	0	24,000	(15,151,053)	0	0	(14,876,754)
Depreciation			(1,175,664)														
Taxes - other																	(1,175,664)
Interest on long-term debt					478,648												0
Interest expense - other					(344,869)												(344,869)
Other deductions								(68,267)									(68,267)
Total cost of electric	156,846	230	(1,178,084)	108,157	133,779	40,590	93,505	(68,267)	(853)	(154,035)	6,279	0	24,000	(15,151,053)	0	0	(15,986,906)
Utility operating margin	(156,846)	(230)	1,176,084	(108,157)	(133,779)	(40,590)	(93,505)	68,267	853	154,035	(6,279)	235,087	(24,000)	15,151,053	(15,219,861)	61,939	1,064,071
Nonoperating margins, interest																	0
Nonoperating margins, other																	0
Patronage capital credits																	0
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Margins	<u>(156,846)</u>	<u>(230)</u>	<u>1,176,084</u>	<u>(108,157)</u>	<u>(133,779)</u>	<u>(40,590)</u>	<u>(93,505)</u>	<u>68,267</u>	<u>853</u>	<u>154,035</u>	<u>(6,279)</u>	<u>235,087</u>	<u>(24,000)</u>	<u>15,151,053</u>	<u>(15,219,861)</u>	<u>61,939</u>	<u>1,064,071</u>

Owen Electric Cooperative
Case No. 2012-00448
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	148,075,542	15	148,075,557	4,074,169	152,149,726
Fuel adjustment	(2,377,589)	2,377,589	-	-	-
Environmental surcharge	14,616,984	(14,616,984)	-	-	-
Accounting change	(296,099)	296,099	-	-	-
Other electric revenue	<u>2,016,098</u>	<u>59,914</u>	<u>2,076,012</u>		<u>2,076,012</u>
	<u>162,034,936</u>	<u>(11,883,367)</u>	<u>150,151,569</u>	<u>4,074,169</u>	<u>154,225,738</u>
Operating Expenses:					
Cost of power:					
Base rates	118,377,226	59,149	118,436,375		118,436,375
Fuel adjustment	(1,892,064)	1,892,064	-	-	-
Environmental surcharge	15,774,383	(15,774,383)	-	-	-
Accounting change	(905,062)	905,062	-	-	-
Distribution - operations	5,084,951	189,967	5,274,918		5,274,918
Distribution - maintenance	3,133,881	86,066	3,219,947		3,219,947
Consumer accounts	3,664,322	106,514	3,770,836		3,770,836
Customer service	651,599	16,939	668,538		668,538
Sales	-	-	-		-
Administrative and general	<u>3,596,356</u>	<u>(82,634)</u>	<u>3,513,722</u>		<u>3,513,722</u>
Total operating expenses	<u>147,485,592</u>	<u>(12,601,256)</u>	<u>134,884,336</u>	<u>-</u>	<u>134,884,336</u>
Depreciation	10,319,471	328,546	10,648,017		10,648,017
Taxes - other	146,131	-	146,131		146,131
Interest on long-term debt	4,487,322	26,832	4,514,154		4,514,154
Interest expense - other	273,574	-	273,574		273,574
Other deductions	<u>83,082</u>	<u>(83,082)</u>	<u>-</u>		<u>-</u>
Total cost of electric service	<u>162,795,172</u>	<u>(12,328,959)</u>	<u>150,466,213</u>	<u>-</u>	<u>150,466,213</u>
Utility operating margins	<u>(760,236)</u>	<u>445,592</u>	<u>(314,644)</u>	<u>4,074,169</u>	<u>3,759,525</u>
Nonoperating margins, interest	424,767	-	424,767		424,767
Nonoperating margins, other	176,317	(197,168)	(20,851)		(20,851)
G & T capital credits	7,931,126	(7,931,126)	-		-
Patronage capital credits	<u>28,798</u>	<u>-</u>	<u>28,798</u>		<u>28,798</u>
Net Margins	<u>7,800,772</u>	<u>(7,682,702)</u>	<u>118,070</u>	<u>4,074,169</u>	<u>4,192,239</u>
TIER	2.74		1.03		1.93
OTIER	0.84		0.94		1.84

Owen Electric Cooperative
Case No. 2012-00448
Summary of Adjustments to Test Year

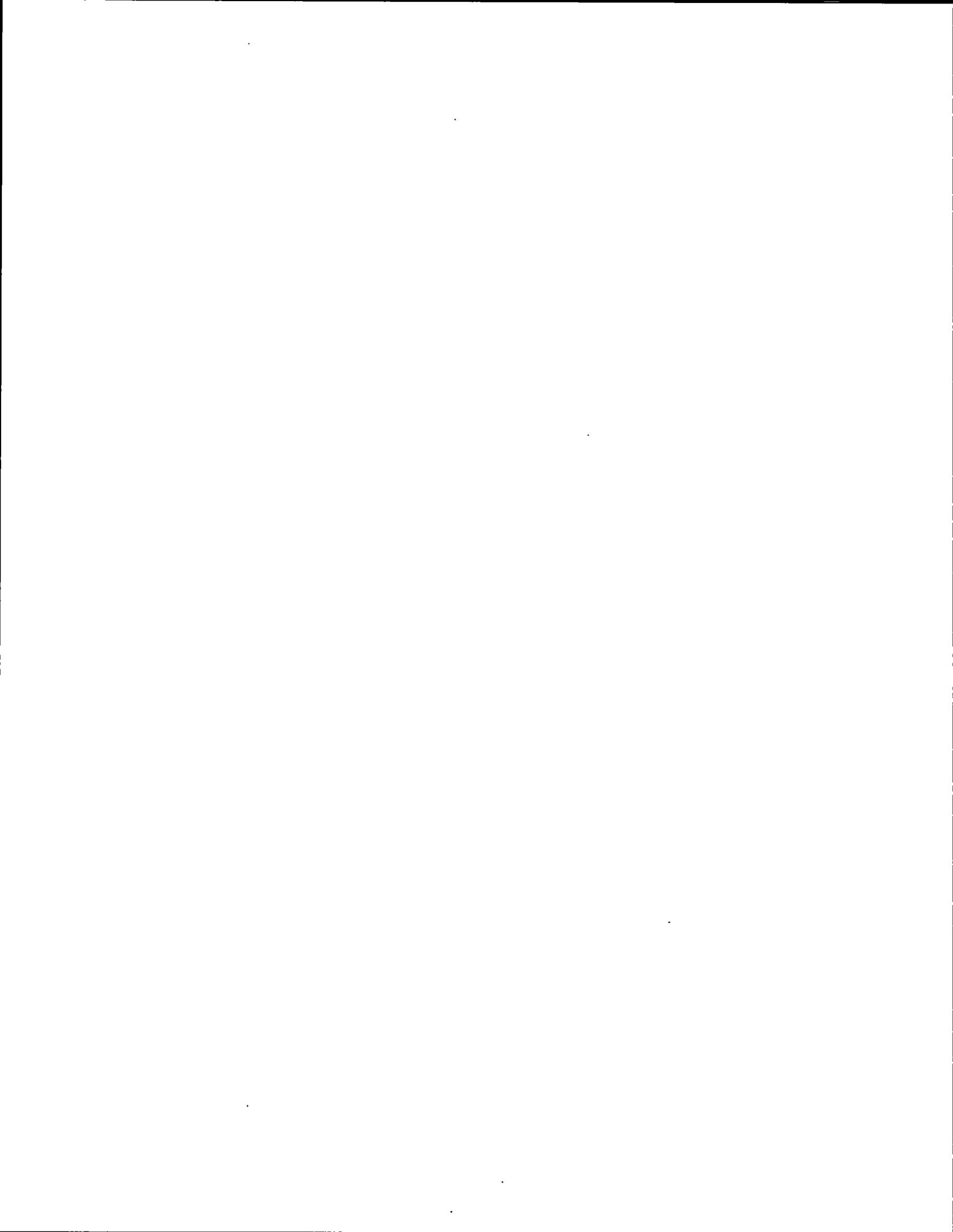
Exhibit S
page 3 of 4
Witness: Alan Zumstein

	Adj 1	Adj 2	Adj 3	Adj 4	Adj 5	Adj 6	Adj 7	Adj 8	Adj 9	Adj 10	Adj 11	Adj 12	Adj 13	Adj 14	Adj 15	Adj 16	Adj 17	Total
	Salaries	Payroll Taxes	Deprec	Property Tax	Interest	FAS 106	Retirement	Other Deductions	Directors	Professional Fees	Misc Expenses	Rate Case	Non-Op Income	G & T Capital Cr	Purchase Power	Normalize Revenue	Additional Revenue	
Operating Revenues:																		
Base rates																15		15
Fuel adjustment																2,377,589		2,377,589
Environmental surcharge																(14,616,984)		(14,616,984)
Accounting change/fuel adjustment																296,099		296,099
Other electric revenue																	59,914	59,914
																(11,943,281)	59,914	(11,883,367)
Operating Expenses:																		
Cost of power:																		
Base rates															59,149			59,149
Fuel adjustment															1,892,064			1,892,064
Environmental surcharge															(15,774,383)			(15,774,383)
Accounting change															905,062			905,062
Distribution - operations	67,362	2,693	9,476	48,501		(3,346)	65,281											189,967
Distribution - maintainanc	36,848	1,473	13,866			(1,830)	35,710											86,066
Consumer accounts	54,360	2,173				(2,700)	52,681											106,514
Customer service	8,645	346				(429)	8,378											16,939
Sales																		-
Administrative and gener	51,674	2,066	1,074	2,757		(2,566)	50,078		(158,900)	(26,999)	(31,817)	30,000						(82,634)
Total operating expense:	218,889	8,749	24,416	51,258	-	(10,871)	212,127	-	(158,900)	(26,999)	(31,817)	30,000	-	-	(12,918,108)	-	-	(12,601,256)
Depreciation			328,546															328,546
Taxes - other																		-
Interest on long-term debt					26,832													26,832
Interest expense - other																		-
Other deductions								(83,082)										(83,082)
Total cost of electric ser	218,889	8,749	352,962	51,258	26,832	(10,871)	212,127	(83,082)	(158,900)	(26,999)	(31,817)	30,000	-	-	(12,918,108)	-	-	(12,328,959)
Utility operating margin:	(218,889)	(8,749)	(352,962)	(51,258)	(26,832)	10,871	(212,127)	83,082	158,900	26,999	31,817	(30,000)	-	-	12,918,108	(11,943,281)	59,914	445,592
Nonoperating margins, interest																		
Nonoperating margins, other													(197,168)					(197,168)
G & T capital credits														(7,931,126)				(7,931,126)
Patronage capital credits																		-
													(197,168)	(7,931,126)				(8,128,294)
Net Margins	(218,889)	(8,749)	(352,962)	(51,258)	(26,832)	10,871	(212,127)	83,082	158,900	26,999	31,817	(30,000)	(197,168)	(7,931,126)	12,918,108	(11,943,281)	59,914	(7,682,702)

	Provided in Response to Staff's IC Request 2	Surcharge Revenue Removed from Rate Case 2008-00154			Surcharge Expense (Cost of Power) Removed from Rate Case 2008-00154		
		All Others	Gallatin	Total	All Others	Gallatin	Total
Jan-07	\$ 728,782	\$ 515,003	\$ 213,079	\$ 728,082	\$ 478,180	\$ 279,396	\$ 757,576
Feb-07	\$ 765,460	\$ 572,504	\$ 193,946	\$ 766,450	\$ 450,323	\$ 290,767	\$ 741,090
Mar-07	\$ 740,045	\$ 454,510	\$ 265,743	\$ 720,253	\$ 561,394	\$ 360,584	\$ 921,978
Apr-07	\$ 629,280	\$ 419,488	\$ 206,370	\$ 625,858	\$ 480,615	\$ 281,799	\$ 762,414
May-07	\$ 636,286	\$ 448,759	\$ 178,110	\$ 626,869	\$ 415,453	\$ 250,452	\$ 665,905
Jun-07	\$ 560,703	\$ 370,018	\$ 189,506	\$ 559,524	\$ 393,333	\$ 257,985	\$ 651,318
Jul-07	\$ 776,702	\$ 584,008	\$ 192,834	\$ 776,842	\$ 456,020	\$ 263,462	\$ 719,482
Aug-07	\$ 769,665	\$ 523,116	\$ 244,667	\$ 767,783	\$ 493,006	\$ 331,849	\$ 824,855
Sep-07	\$ 1,078,643	\$ 751,948	\$ 326,613	\$ 1,078,561	\$ 662,359	\$ 408,620	\$ 1,070,979
Oct-07	\$ 809,606	\$ 536,342	\$ 269,765	\$ 806,107	\$ 645,678	\$ 328,023	\$ 973,701
Nov-07	\$ 763,252	\$ 542,755	\$ 219,640	\$ 762,395	\$ 477,351	\$ 267,796	\$ 745,147
Dec-07	\$ 729,264	\$ 523,677	\$ 199,229	\$ 722,906	\$ 404,598	\$ 243,732	\$ 648,330
	\$ 8,987,688	\$ 6,242,128	\$ 2,699,502	\$ 8,941,630	\$ 5,918,310	\$ 3,564,465	\$ 9,482,775
Surcharge portion of Exhibit S	\$ 8,941,630						
Difference	\$ 46,058						

Fuel	\$ 8,810,136	\$ 6,530,623	\$ 15,340,759	\$ 8,727,080	\$ 6,530,623	\$ 15,257,703
Exh S	\$ 15,052,264	\$ 9,230,125	\$ 24,282,389	\$ 14,645,390	\$ 10,095,088	\$ 24,740,478

	Provided in Response to Staff's IC Request 2	Surcharge Revenue Removed from Rate Case 2012-00448			Surcharge Expense (Cost of Power) Removed from Rate Case 2012-00448		
		All Others	Gallatin	Total-Exh S	All Others	Gallatin	Total-Exh S
Jul-11	\$ 1,359,412	\$ 944,419	\$ 415,067	\$ 1,359,486	\$ 1,119,367	\$ 415,067	\$ 1,534,434
Aug-11	\$ 1,512,793	\$ 1,050,752	\$ 463,813	\$ 1,514,565	\$ 987,735	\$ 463,813	\$ 1,451,548
Sep-11	\$ 1,077,569	\$ 713,522	\$ 364,045	\$ 1,077,567	\$ 687,160	\$ 364,045	\$ 1,051,205
Oct-11	\$ 722,647	\$ 381,249	\$ 342,964	\$ 724,213	\$ 632,452	\$ 342,964	\$ 975,416
Nov-11	\$ 1,079,326	\$ 564,101	\$ 515,211	\$ 1,079,312	\$ 873,173	\$ 515,211	\$ 1,388,384
Dec-11	\$ 1,513,042	\$ 967,950	\$ 545,093	\$ 1,513,043	\$ 1,029,255	\$ 545,093	\$ 1,574,348
Jan-12	\$ 1,481,987	\$ 947,015	\$ 534,972	\$ 1,481,987	\$ 1,042,198	\$ 534,972	\$ 1,577,170
Feb-12	\$ 1,190,902	\$ 773,114	\$ 417,788	\$ 1,190,902	\$ 770,145	\$ 417,788	\$ 1,187,933
Mar-12	\$ 994,602	\$ 603,643	\$ 390,959	\$ 994,602	\$ 598,683	\$ 390,959	\$ 989,642
Apr-12	\$ 944,434	\$ 527,594	\$ 416,840	\$ 944,434	\$ 600,003	\$ 416,840	\$ 1,016,843
May-12	\$ 1,193,110	\$ 729,001	\$ 464,109	\$ 1,193,110	\$ 897,082	\$ 464,109	\$ 1,361,191
Jun-12	\$ 1,542,536	\$ 1,007,068	\$ 536,695	\$ 1,543,763	\$ 1,129,574	\$ 536,695	\$ 1,666,269
	\$ 14,612,362			\$ 14,616,984			\$ 15,774,383
Exhibit S	\$ 14,616,984						
Difference	\$ (4,622)						



OWEN ELECTRIC COOPERATIVE, INC.

PSC CASE NO. 2014-00051

ENVIRONMENTAL SURCHARGE MECHANISM

RESPONSE TO INFORMATION REQUEST

**COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION TO EAST
KENTUCKY POWER COOPERATIVE, INC.'S SIXTEEN MEMBER DISTRIBUTION
COOPERATIVES DATED 08/07/2014**

REQUEST 12

RESPONSIBLE PARTY: Ann F. Wood

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

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

Response 12a: The cumulative over recovery for the 24-month period ending December 31, 2013 is \$1,473,839. Please see the schedule on page 2 of this response.

Request 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 12b: The bill impact is provided on page 3 of this response. The calculations of the environmental surcharge factors used are provided on pages 4 and 5 of this response.

OWEN ELECTRIC COOPERATIVE, INC.
CUMULATIVE (OVER)UNDER RECOVERY FOR
THE 24-MONTH PERIOD ENDING DECEMBER 31, 2013

Month	EKPC Invoice (1)	Billed to Retail Customers (2)	Monthly (Over)Under Recovery	Cumulative (Over)Under Recovery
Jan-12	\$ 1,577,170	\$ 1,481,987	\$ 95,183	\$ 95,183
Feb-12	\$ 1,187,933	\$ 1,190,902	\$ (2,969)	\$ 92,214
Mar-12	\$ 989,642	\$ 994,602	\$ (4,960)	\$ 87,254
Apr-12	\$ 1,016,843	\$ 944,434	\$ 72,409	\$ 159,663
May-12	\$ 1,361,191	\$ 1,193,110	\$ 168,081	\$ 327,743
Jun-12	\$ 1,665,042	\$ 1,542,536	\$ 122,506	\$ 450,249
Jul-12	\$ 1,684,610	\$ 1,852,600	\$ (167,990)	\$ 282,258
Aug-12	\$ 1,537,625	\$ 1,640,868	\$ (103,243)	\$ 179,016
Sep-12	\$ 1,224,955	\$ 1,305,688	\$ (80,733)	\$ 98,283
Oct-12	\$ 1,404,242	\$ 1,198,602	\$ 205,640	\$ 303,923
Nov-12	\$ 1,782,560	\$ 1,773,785	\$ 8,775	\$ 312,698
Dec-12	\$ 1,805,830	\$ 1,720,017	\$ 85,813	\$ 398,511
Jan-13	\$ 1,622,015	\$ 1,817,920	\$ (195,905)	\$ 202,606
Feb-13	\$ 1,394,972	\$ 1,511,102	\$ (116,130)	\$ 86,476
Mar-13	\$ 1,319,544	\$ 1,269,118	\$ 50,426	\$ 136,902
Apr-13	\$ 1,236,807	\$ 1,182,275	\$ 54,532	\$ 191,434
May-13	\$ 1,477,112	\$ 1,443,048	\$ 34,064	\$ 225,498
Jun-13	\$ 1,892,471	\$ 1,837,009	\$ 55,462	\$ 280,960
Jul-13	\$ 1,801,588	\$ 1,924,672	\$ (123,084)	\$ 157,876
Aug-13	\$ 1,693,893	\$ 1,676,515	\$ 17,378	\$ 175,254
Sep-13	\$ 1,441,132	\$ 1,934,636	\$ (493,504)	\$ (318,250)
Oct 13	\$ 1,222,087	\$ 1,639,128	\$ (417,041)	\$ (735,291)
Nov 13	\$ 1,594,790	\$ 1,848,377	\$ (253,587)	\$ (988,878)
Dec 13	\$ 1,904,628	\$ 2,389,589	\$ (484,961)	\$ (1,473,839)
Amortization over a 6-month period				\$ (245,640)

Actual Average Residential Monthly Bill

Average Monthly Residential kWh:		<u>1,117</u>
Residential Rate:		
Customer Charge	\$17.10	\$17.10
kWh Charge	\$0.08756	\$97.80
Fuel Adjustment Factor (Average Billed Dec 12 -Nov 13)	(\$0.00008)	(\$0.08)
Environmental Surcharge (Computed Average June 13-Nov 13)	15.49%	17.79
County/City Tax	3.00%	<u>\$3.98</u>
		<u><u>\$136.59</u></u>

Average Residential Monthly Bill with Refund

Average Monthly Residential kWh:		<u>1,117</u>
Residential Rate:		
Customer Charge	\$17.10	\$17.10
kWh Charge	\$0.08756	\$97.80
Fuel Adjustment Factor (Average Billed Dec 12 -Nov 13)	(\$0.00008)	(\$0.08)
Environmental Surcharge (Computed Average June 13-Nov 13)	12.43%	14.27
County/City Tax	3.00%	<u>\$3.87</u>
		<u><u>\$132.97</u></u>

Dollar Impact:	<u>(\$3.62)</u>
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* Customer charge and kWh charge as reflected on Schedule 1- Farm and Home, effective September 1, 2013

East Kentucky Power Cooperative, Inc. - Distribution Cooperatives
Pass Through Mechanism Report for Owen Electric 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	EPC CESP %	EPC BEPS %	EPC MESP %	EPC Monthly Revenues from Sales to Owen	On-peak Revenue Adjustment	EPC Net Monthly Sales to Owen	EPC 12-months Ended Average Monthly Revenue from Sales to Owen	Owen Revenue Requirement	Galena Surcharge Revenues	Amortization of EPC Schedule B Revenues (Over/Under Recovery of Galena Revenues)	EPC Schedule B Surcharge Revenues	Amortization of EPC Schedule B Revenues (Over/Under Recovery of Galena Revenues)	Owen Revenue Requirements exclusive of Galena and Schedule B	Owen Total Monthly Retail Revenue exclusive of Galena + Sch B	Owen Net Monthly Retail Revenue exclusive of Galena + Sch B	12-months ended Avg. Retail Revenue Net Exclusive of Galena + Sch B	Owen Pass Through Mechanism Factor, Net of Galena + Sch B
Mar-12	12.92%	0.00%	12.92%	\$ 9,180,345	\$ 9,180,345	\$ 9,180,345	\$ 9,171,721	\$ 1,254,754	\$ 390,959	\$ -	\$ 98,886	\$ -	\$ 764,909	\$ 7,736,947	\$ 7,736,947	\$ 7,721,852	9.84%
Apr-12	14.94%	0.00%	14.94%	\$ 7,870,314	\$ 7,870,314	\$ 7,870,314	\$ 9,663,199	\$ 1,443,682	\$ 416,840	\$ -	\$ 107,265	\$ -	\$ 919,577	\$ 6,451,608	\$ 6,451,608	\$ 7,673,407	11.91%
May-12	16.90%	0.00%	16.90%	\$ 9,111,053	\$ 9,111,053	\$ 9,111,053	\$ 9,680,156	\$ 1,635,946	\$ 464,109	\$ -	\$ 133,941	\$ -	\$ 1,037,896	\$ 6,318,278	\$ 6,318,278	\$ 7,680,717	13.53%
Jun-12	15.55%	0.00%	15.55%	\$ 9,854,764	\$ 9,854,764	\$ 9,854,764	\$ 9,677,819	\$ 1,504,970	\$ 535,468	\$ -	\$ 157,558	\$ -	\$ 811,844	\$ 7,331,378	\$ 7,331,378	\$ 7,689,368	10.57%
Jul-12	14.51%	0.00%	14.51%	\$ 10,833,473	\$ 10,833,473	\$ 10,833,473	\$ 9,665,870	\$ 1,402,518	\$ 498,280	\$ -	\$ 148,663	\$ -	\$ 755,575	\$ 8,843,501	\$ 8,843,501	\$ 7,801,143	9.83%
Aug-12	14.13%	0.00%	14.13%	\$ 10,596,976	\$ 10,596,976	\$ 10,596,976	\$ 9,631,768	\$ 1,360,969	\$ 527,282	\$ -	\$ 139,927	\$ -	\$ 693,760	\$ 9,128,686	\$ 9,128,686	\$ 7,736,671	8.89%
Sep-12	16.23%	0.00%	16.23%	\$ 8,944,054	\$ 8,944,054	\$ 8,944,054	\$ 9,600,508	\$ 1,558,162	\$ 386,097	\$ -	\$ 133,137	\$ -	\$ 1,038,928	\$ 7,931,045	\$ 7,931,045	\$ 7,707,416	13.43%
Oct-12	17.57%	0.00%	17.57%	\$ 8,652,155	\$ 8,652,155	\$ 8,652,155	\$ 9,444,772	\$ 1,694,376	\$ 514,689	\$ -	\$ 153,397	\$ -	\$ 1,026,310	\$ 6,184,112	\$ 6,184,112	\$ 7,676,043	13.32%
Nov-12	18.23%	0.00%	18.23%	\$ 10,144,311	\$ 10,144,311	\$ 10,144,311	\$ 7,710,954	\$ 1,770,307	\$ 672,764	\$ -	\$ 168,873	\$ -	\$ 720,447	\$ 7,691,877	\$ 7,691,877	\$ 7,717,762	9.33%
Dec-12	14.61%	0.00%	14.61%	\$ 9,905,814	\$ 9,905,814	\$ 9,905,814	\$ 9,668,167	\$ 1,412,519	\$ 526,462	\$ -	\$ 165,590	\$ -	\$ 631,269	\$ 9,249,296	\$ 9,249,296	\$ 7,809,284	8.18%
Jan-13	13.49%	0.00%	13.49%	\$ 11,102,093	\$ 11,102,093	\$ 11,102,093	\$ 9,668,423	\$ 1,304,270	\$ 532,128	\$ -	\$ 140,873	\$ -	\$ 649,581	\$ 9,793,411	\$ 9,793,411	\$ 7,809,284	8.41%
Feb-13	12.61%	0.00%	12.61%	\$ 10,340,774	\$ 10,340,774	\$ 10,340,774	\$ 9,711,344	\$ 1,224,600	\$ 455,694	\$ -	\$ 119,325	\$ -	\$ 846,956	\$ 8,562,793	\$ 8,562,793	\$ 7,877,938	10.85%
Mar-13	14.37%	0.00%	14.37%	\$ 10,464,263	\$ 10,464,263	\$ 10,464,263	\$ 9,818,337	\$ 1,410,895	\$ 444,336	\$ -	\$ 119,603	\$ -	\$ 846,956	\$ 8,562,793	\$ 8,562,793	\$ 7,877,938	10.85%
Apr-13	14.27%	0.00%	14.27%	\$ 8,606,868	\$ 8,606,868	\$ 8,606,868	\$ 9,879,717	\$ 1,409,636	\$ 419,659	\$ -	\$ 142,714	\$ -	\$ 847,463	\$ 7,637,457	\$ 7,637,457	\$ 7,976,759	10.76%
May-13	17.09%	0.00%	17.09%	\$ 10,351,162	\$ 10,351,162	\$ 10,351,162	\$ 9,983,059	\$ 1,793,956	\$ 583,221	\$ -	\$ 152,420	\$ -	\$ 1,053,315	\$ 6,631,541	\$ 6,631,541	\$ 8,002,828	13.20%
Jun-13	17.09%	0.00%	17.09%	\$ 10,541,762	\$ 10,541,762	\$ 10,541,762	\$ 10,015,128	\$ 1,579,385	\$ 594,450	\$ -	\$ 178,165	\$ -	\$ 808,970	\$ 7,555,898	\$ 7,555,898	\$ 8,021,536	10.62%
Jul-13	15.77%	0.00%	15.77%	\$ 10,741,227	\$ 10,741,227	\$ 10,741,227	\$ 10,027,147	\$ 1,553,205	\$ 582,148	\$ -	\$ 153,813	\$ -	\$ 817,244	\$ 8,742,963	\$ 8,742,963	\$ 8,013,158	15.11%
Aug-13	14.93%	0.00%	14.93%	\$ 9,303,634	\$ 9,303,634	\$ 9,303,634	\$ 10,057,112	\$ 1,501,627	\$ 480,526	\$ -	\$ 142,241	\$ -	\$ 878,760	\$ 8,601,925	\$ 8,601,925	\$ 8,035,455	15.95%
Sep-13	16.69%	0.00%	16.69%	\$ 9,185,439	\$ 9,185,439	\$ 9,185,439	\$ 10,018,219	\$ 1,672,041	\$ 433,252	\$ -	\$ 131,765	\$ -	\$ 1,107,004	\$ 7,022,426	\$ 7,022,426	\$ 8,105,318	18.68%
Oct-13	17.43%	0.00%	17.43%	\$ 9,555,378	\$ 9,555,378	\$ 9,555,378	\$ 9,969,141	\$ 1,737,621	\$ 569,315	\$ -	\$ 146,758	\$ -	\$ 1,021,548	\$ 8,647,005	\$ 8,647,005	\$ 8,217,050	17.47%
Nov-13	14.54%	0.00%	14.54%	\$ 10,927,297	\$ 10,927,297	\$ 10,927,297	\$ 10,054,265	\$ 1,461,890	\$ 609,310	\$ -	\$ 165,160	\$ -	\$ 687,400	\$ 10,866,989	\$ 10,866,989	\$ 8,285,191	5.74%
Dec-13	10.92%	0.00%	10.92%	\$ 12,189,045	\$ 12,189,045	\$ 12,189,045	\$ 10,144,844	\$ 1,107,617	\$ 484,733	\$ -	\$ 142,596	\$ -	\$ 480,528	\$ 11,546,443	\$ 11,546,443	\$ 8,431,277	1.22%
Jan-14	5.44%	0.00%	5.44%	\$ 10,859,966	\$ 10,859,966	\$ 10,859,966	\$ 10,188,110	\$ 554,233	\$ 340,150	\$ -	\$ 113,157	\$ -	\$ 100,928	\$ 11,546,443	\$ 11,546,443	\$ 8,431,277	1.22%
Feb-14	5.44%	0.00%	5.44%	\$ 10,859,966	\$ 10,859,966	\$ 10,859,966	\$ 10,188,110	\$ 554,233	\$ 340,150	\$ -	\$ 113,157	\$ -	\$ 100,928	\$ 11,546,443	\$ 11,546,443	\$ 8,431,277	1.22%

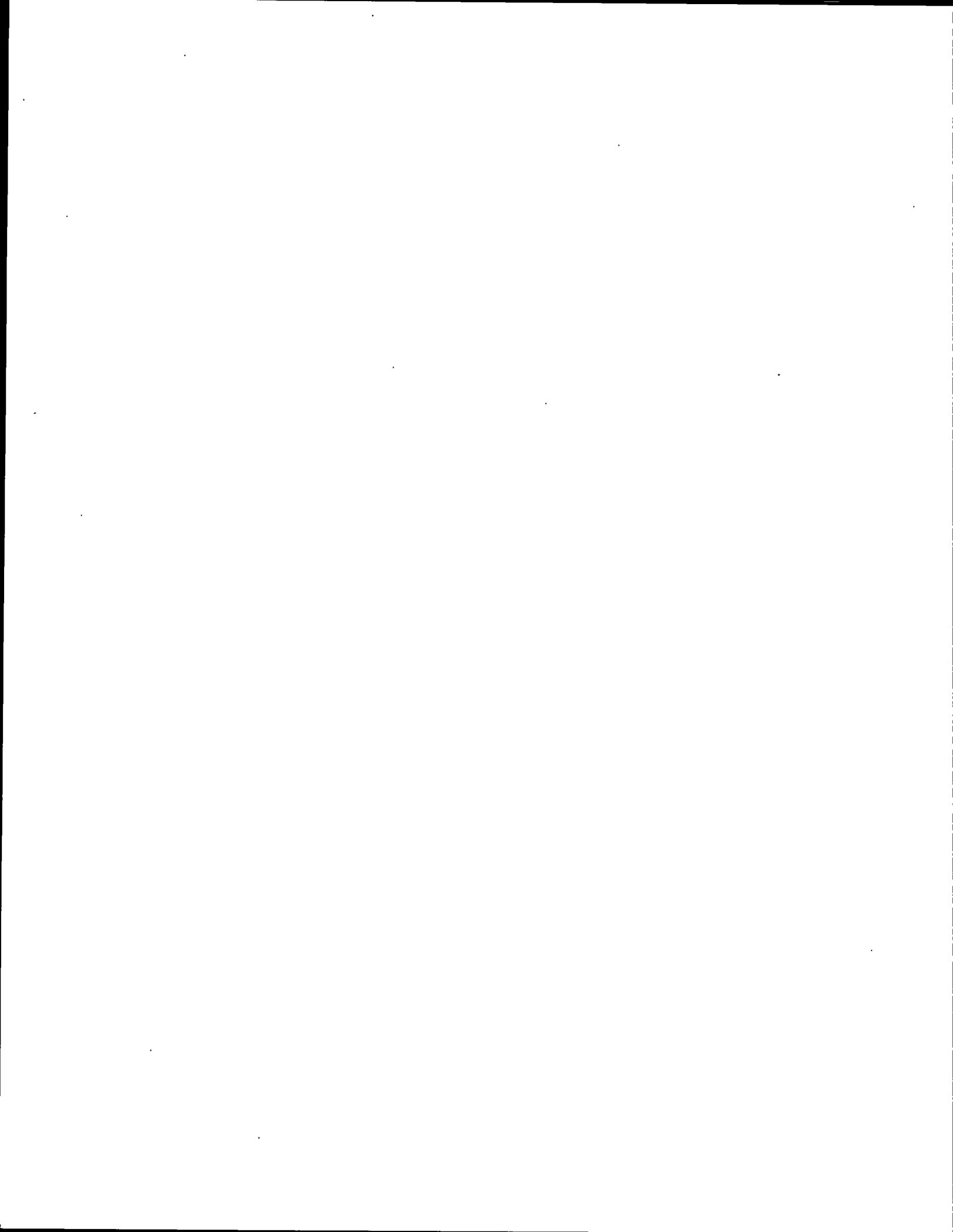
Owen Total Monthly Retail Revenues in Column (11) includes demand and energy charges, customer charges, and FAC revenues.
 Revenues reported in Columns (4), (6), (7), (11), (13), and (14) are net of Green Power Revenues.
 In September 2011 discovered an error in the Owen Revenues reported in Column 11 for April 2011; corrected revenues included in this schedule. Correction for the period May - August 2011 will be addressed in six-month review.

Average for 6 months highlighted

East Kentucky Power Cooperative, Inc. - Distribution Cooperatives
Pass Through Mechanism Report for Owen Electric Cooperative
For the Month Ending February 2014

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)			
Surcharge Factor Engine Month	EPIC CESF %	EPIC MESF %	EPIC Monthly Revenue From Sales to Owen	On-peak Revenue Adjustment	EPIC Net Monthly Sales to Owen	EPIC 12-month Monthly Revenue From Sales to Owen	Owen Requirement	EPIC Surcharge Revenue	Amortization (Over)/Under Recovery of Costs	EPIC Schedule B Surcharge Revenue	Owen Requirements exclusive of Schedule B and Schedule C	Amortization (Over)/Under Recovery incl. of Costs	Owen Monthly Retail Revenue exclusive of Schedule B	On-Peak Retail Revenue Adjustment	Owen Monthly Retail Revenue exclusive of Schedule B	12-months ended Avg. Retail Revenue, Net Excl. of Schedule B	Owen Past Through Mechanism Factor, Net of Collection - Sch B
	Col. (1) - Col. (2)	Col. (1) - Col. (3)	Col. (4) - Col. (5)	Col. (5) - Col. (6)	Col. (6) - Col. (7)	Col. (7) - Col. (8)	Col. (8) - Col. (9)	Col. (9) - Col. (10)	Col. (10) - Col. (11)	Col. (11) - Col. (12)	Col. (12) - Col. (13)	Col. (13) - Col. (14)	Col. (14) - Col. (15)	Col. (15) - Col. (16)			
Mar-12	12.92%	0.00%	\$ 9,160,345	\$ 9,160,345	\$ 9,171,721	\$ 1,254,754	\$ 390,959	\$ -	\$ 764,909	\$ 7,736,947	\$ -	\$ -	\$ 7,736,947	\$ 7,736,947	\$ 7,721,852	9.84%	
Apr-12	14.94%	0.00%	\$ 7,870,314	\$ 7,870,314	\$ 9,663,199	\$ 1,443,622	\$ 415,840	\$ -	\$ 915,377	\$ 6,451,908	\$ -	\$ -	\$ 6,451,908	\$ 6,451,908	\$ 7,673,407	11.91%	
May-12	16.90%	0.00%	\$ 9,111,053	\$ 9,111,053	\$ 9,884,156	\$ 1,633,946	\$ 664,169	\$ -	\$ 1,027,886	\$ 5,316,728	\$ -	\$ -	\$ 5,316,728	\$ 5,316,728	\$ 7,689,357	13.87%	
Jun-12	15.35%	0.00%	\$ 9,854,764	\$ 9,854,764	\$ 9,672,819	\$ 1,633,946	\$ 258,169	\$ -	\$ 171,941	\$ 8,241,710	\$ -	\$ -	\$ 8,241,710	\$ 8,241,710	\$ 7,689,357	9.87%	
Jul-12	14.51%	0.00%	\$ 10,633,174	\$ 10,633,174	\$ 9,672,819	\$ 1,260,355	\$ 329,282	\$ -	\$ 19,657	\$ 9,273,696	\$ -	\$ -	\$ 9,273,696	\$ 9,273,696	\$ 7,689,357	8.89%	
Aug-12	14.13%	0.00%	\$ 10,633,174	\$ 10,633,174	\$ 9,672,819	\$ 1,260,355	\$ 329,282	\$ -	\$ 19,657	\$ 9,273,696	\$ -	\$ -	\$ 9,273,696	\$ 9,273,696	\$ 7,689,357	8.89%	
Sep-12	16.23%	0.00%	\$ 8,844,054	\$ 8,844,054	\$ 9,672,819	\$ 1,553,162	\$ 366,037	\$ -	\$ 103,928	\$ 10,398,928	\$ -	\$ -	\$ 10,398,928	\$ 10,398,928	\$ 7,702,416	13.43%	
Oct-12	17.57%	0.00%	\$ 8,552,155	\$ 8,552,155	\$ 9,672,819	\$ 1,694,576	\$ 514,869	\$ -	\$ 1,028,310	\$ 10,283,310	\$ -	\$ -	\$ 10,283,310	\$ 10,283,310	\$ 7,676,043	13.32%	
Nov-12	18.23%	0.00%	\$ 10,144,311	\$ 10,144,311	\$ 9,710,954	\$ 1,770,307	\$ 672,764	\$ -	\$ 168,873	\$ 9,278,670	\$ -	\$ -	\$ 9,278,670	\$ 9,278,670	\$ 7,721,203	12.10%	
Dec-12	14.61%	0.00%	\$ 9,905,814	\$ 9,905,814	\$ 9,668,167	\$ 1,412,519	\$ 526,482	\$ -	\$ 165,590	\$ 7,700,447	\$ -	\$ -	\$ 7,700,447	\$ 7,691,877	\$ 7,717,375	9.33%	
Jan-13	13.49%	0.00%	\$ 11,102,093	\$ 11,102,093	\$ 9,668,167	\$ 1,224,200	\$ 572,128	\$ -	\$ 140,873	\$ 7,700,447	\$ -	\$ -	\$ 7,700,447	\$ 7,691,877	\$ 7,717,375	9.33%	
Feb-13	13.49%	0.00%	\$ 10,340,774	\$ 10,340,774	\$ 9,711,344	\$ 1,410,895	\$ 444,336	\$ -	\$ 119,325	\$ 9,193,253	\$ -	\$ -	\$ 9,193,253	\$ 9,193,253	\$ 7,699,284	8.41%	
Mar-13	14.37%	0.00%	\$ 10,464,263	\$ 10,464,263	\$ 9,819,337	\$ 1,410,895	\$ 444,336	\$ -	\$ 157,420	\$ 8,469,568	\$ -	\$ -	\$ 8,469,568	\$ 8,469,568	\$ 7,727,752	9.18%	
Apr-13	14.27%	0.00%	\$ 8,608,868	\$ 8,608,868	\$ 9,879,717	\$ 1,409,836	\$ 419,659	\$ -	\$ 846,956	\$ 7,736,947	\$ -	\$ -	\$ 7,736,947	\$ 7,736,947	\$ 7,699,284	8.41%	
May-13	17.97%	0.00%	\$ 10,351,162	\$ 10,351,162	\$ 9,803,059	\$ 1,793,956	\$ 593,221	\$ -	\$ 1,053,315	\$ 9,300,854	\$ -	\$ -	\$ 9,300,854	\$ 9,300,854	\$ 7,727,752	10.85%	
Jun-13	17.05%	0.00%	\$ 10,531,283	\$ 10,531,283	\$ 10,039,436	\$ 1,715,740	\$ 692,184	\$ -	\$ 183,585	\$ 8,469,568	\$ -	\$ -	\$ 8,469,568	\$ 8,469,568	\$ 8,021,826	10.76%	
Jul-13	15.77%	0.00%	\$ 10,541,262	\$ 10,541,262	\$ 10,027,147	\$ 1,553,205	\$ 594,450	\$ -	\$ 176,165	\$ 8,469,568	\$ -	\$ -	\$ 8,469,568	\$ 8,469,568	\$ 8,013,158	13.20%	
Aug-13	15.49%	0.00%	\$ 10,741,227	\$ 10,741,227	\$ 10,027,147	\$ 1,501,527	\$ 432,528	\$ -	\$ 142,241	\$ 8,469,568	\$ -	\$ -	\$ 8,469,568	\$ 8,469,568	\$ 8,021,826	10.76%	
Sep-13	14.93%	0.00%	\$ 9,303,634	\$ 9,303,634	\$ 10,057,112	\$ 1,672,041	\$ 432,528	\$ -	\$ 131,785	\$ 8,469,568	\$ -	\$ -	\$ 8,469,568	\$ 8,469,568	\$ 8,013,158	12.04%	
Oct-13	16.69%	0.00%	\$ 8,185,439	\$ 8,185,439	\$ 9,869,141	\$ 1,737,621	\$ 565,310	\$ -	\$ 1,027,548	\$ 7,736,947	\$ -	\$ -	\$ 7,736,947	\$ 7,736,947	\$ 8,035,455	12.88%	
Nov-13	17.43%	0.00%	\$ 9,555,378	\$ 9,555,378	\$ 10,054,265	\$ 1,461,890	\$ 609,310	\$ -	\$ 1,027,548	\$ 7,736,947	\$ -	\$ -	\$ 7,736,947	\$ 7,736,947	\$ 8,137,456	15.63%	
Dec-13	14.54%	0.00%	\$ 10,927,297	\$ 10,927,297	\$ 10,144,844	\$ 1,107,817	\$ 340,733	\$ -	\$ 687,400	\$ 10,927,297	\$ -	\$ -	\$ 10,927,297	\$ 10,927,297	\$ 8,137,456	14.44%	
Jan-14	10.92%	0.00%	\$ 12,189,045	\$ 12,189,045	\$ 10,144,844	\$ 1,107,817	\$ 340,733	\$ -	\$ 142,556	\$ 10,927,297	\$ -	\$ -	\$ 10,927,297	\$ 10,927,297	\$ 8,217,050	13.29%	
Feb-14	5.44%	0.00%	\$ 10,859,966	\$ 10,859,966	\$ 10,188,110	\$ 554,233	\$ 340,150	\$ -	\$ 113,157	\$ 10,927,297	\$ -	\$ -	\$ 10,927,297	\$ 10,927,297	\$ 8,217,050	13.29%	
																12.43%	

Notes:
Owen Total Monthly Retail Revenues in Column (11) includes demand and energy charges, customer charges, and FAC revenues.
Revenues reported in Columns (4), (5), (7), (11), (13), and (14) are net of Green Power Revenues.
In September 2011 discovered an error in the Owen Revenues reported in Column 11 for April 2011, corrected revenues included in this schedule. Correction for the period May - August 2011 will be addressed in six-month review.
Average for 8 months highlighted



OWEN ELECTRIC COOPERATIVE, INC.
PSC CASE NO. 2014-00051
ENVIRONMENTAL SURCHARGE MECHANISM
RESPONSE TO INFORMATION REQUEST

**COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION TO EAST
KENTUCKY POWER COOPERATIVE, INC.'S SIXTEEN MEMBER DISTRIBUTION
COOPERATIVES DATED 08/07/2014**

REQUEST 13

RESPONSIBLE PARTY: Ann F. Wood

Request 13: This question is addressed to all member cooperatives.

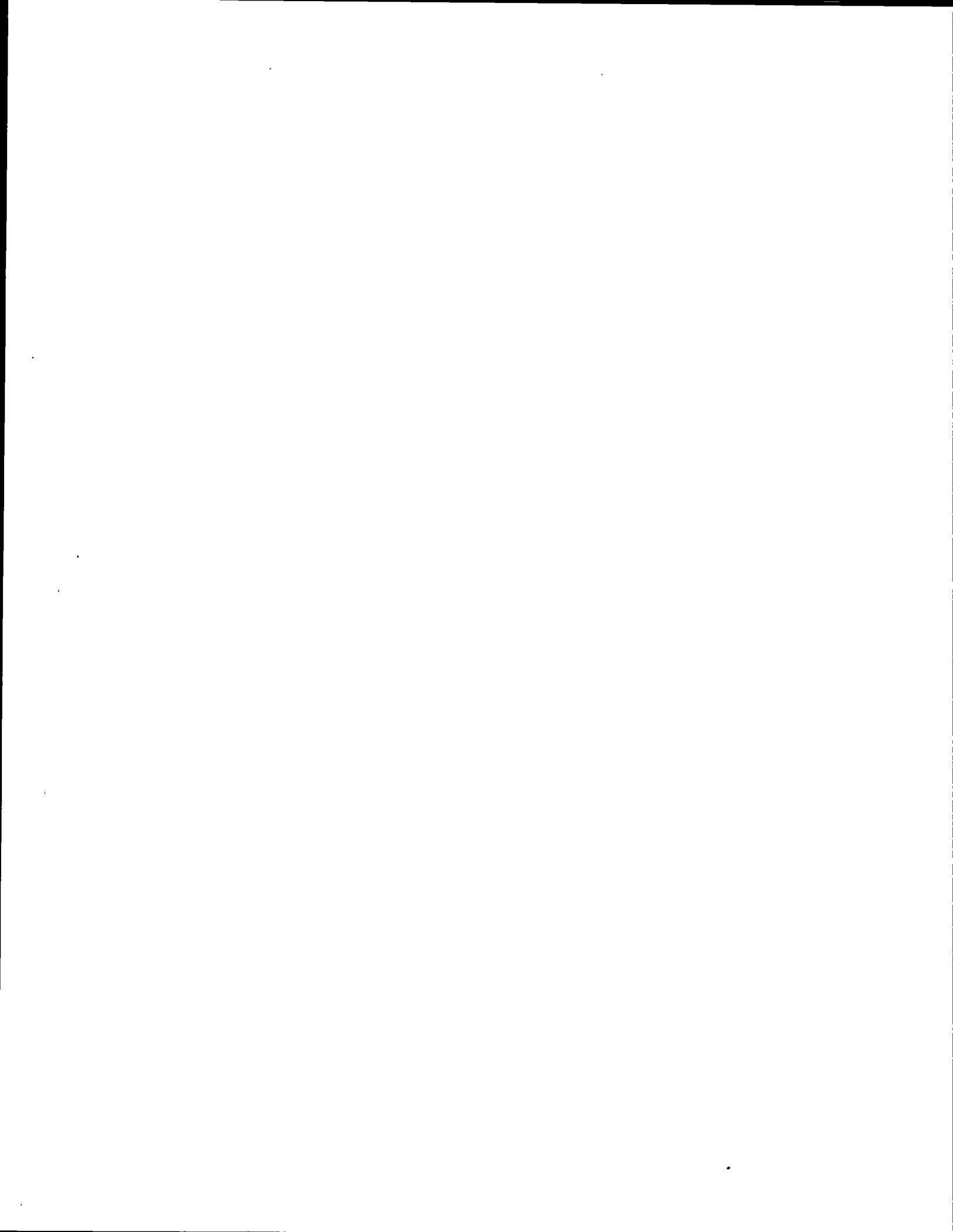
Request 13a: Provide the billing cycles and billing dates for each cycle in the month of July 2013.

Response 13a: The schedule reflecting billing cycles and billing dates for each cycle for the month of July 2013 is provided on page 2 of this response.

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

Response 13b: For each billing cycle in July 2013, the environmental surcharge factor that was billed to customers was 13.20%.

Meter Reading and Billing Schedule																					
July-13																					
Cycle	Service Period	From Date	To Date	No. Days	Service	Reading	Date	Bill	Date	Mailing	Date	Due	Date	Delinquent	Date	Delinquent	Mail Date	Follow-Up	Date	Cut - Off	
1	6/3/2013	7/1/2013	7/1/2013	28		7/1/2013	7/3/2013	7/5/2013	7/22/2013	7/5/2013	7/26/2013	7/29/2013	8/9/2013	8/8/2013	7/29/2013	7/29/2013	7/29/2013	8/9/2013	8/8/2013	8/8/2013	
2	6/4/2013	7/2/2013	7/2/2013	28		7/2/2013	7/5/2013	7/8/2013	7/25/2013	7/8/2013	7/29/2013	7/30/2013	8/12/2013	8/9/2013	7/29/2013	7/29/2013	7/29/2013	8/9/2013	8/8/2013	8/8/2013	8/9/2013
3	6/4/2013	7/3/2013	7/3/2013	29		7/3/2013	7/8/2013	7/9/2013	7/26/2013	7/9/2013	7/30/2013	7/31/2013	8/13/2013	8/12/2013	7/31/2013	7/30/2013	7/30/2013	8/13/2013	8/12/2013	8/12/2013	8/12/2013
4	6/5/2013	7/5/2013	7/5/2013	30		7/5/2013	7/9/2013	7/10/2013	7/27/2013	7/10/2013	7/27/2013	7/31/2013	8/13/2013	8/12/2013	7/31/2013	7/27/2013	7/27/2013	8/13/2013	8/13/2013	8/12/2013	8/12/2013
5	6/6/2013	7/8/2013	7/8/2013	32		7/8/2013	7/10/2013	7/11/2013	7/28/2013	7/11/2013	7/28/2013	8/1/2013	8/2/2013	8/14/2013	8/2/2013	8/1/2013	8/2/2013	8/14/2013	8/14/2013	8/13/2013	8/13/2013
6	6/7/2013	7/9/2013	7/9/2013	32		7/9/2013	7/11/2013	7/12/2013	7/29/2013	7/12/2013	7/29/2013	8/2/2013	8/5/2013	8/16/2013	8/5/2013	8/2/2013	8/5/2013	8/16/2013	8/16/2013	8/15/2013	8/15/2013
7	6/10/2013	7/10/2013	7/10/2013	30		7/10/2013	7/12/2013	7/15/2013	8/1/2013	7/15/2013	8/1/2013	8/6/2013	8/5/2013	8/19/2013	8/6/2013	8/6/2013	8/5/2013	8/19/2013	8/19/2013	8/16/2013	8/16/2013
8	6/11/2013	7/11/2013	7/11/2013	30		7/11/2013	7/15/2013	7/16/2013	8/2/2013	7/16/2013	8/2/2013	8/7/2013	8/6/2013	8/20/2013	8/7/2013	8/7/2013	8/6/2013	8/20/2013	8/20/2013	8/19/2013	8/19/2013
9	6/12/2013	7/12/2013	7/12/2013	30		7/12/2013	7/16/2013	7/17/2013	8/3/2013	7/17/2013	8/3/2013	8/7/2013	8/8/2013	8/20/2013	8/7/2013	8/7/2013	8/8/2013	8/20/2013	8/20/2013	8/21/2013	8/21/2013
10	6/13/2013	7/15/2013	7/15/2013	32		7/15/2013	7/17/2013	7/18/2013	8/4/2013	7/18/2013	8/4/2013	8/8/2013	8/9/2013	8/22/2013	8/8/2013	8/8/2013	8/9/2013	8/22/2013	8/22/2013	8/21/2013	8/21/2013
11	6/14/2013	7/16/2013	7/16/2013	32		7/16/2013	7/18/2013	7/19/2013	8/5/2013	7/19/2013	8/5/2013	8/9/2013	8/12/2013	8/22/2013	8/9/2013	8/9/2013	8/12/2013	8/23/2013	8/23/2013	8/22/2013	8/22/2013
12	6/17/2013	7/17/2013	7/17/2013	30		7/17/2013	7/19/2013	7/22/2013	8/8/2013	7/22/2013	8/8/2013	8/12/2013	8/13/2013	8/26/2013	8/13/2013	8/13/2013	8/13/2013	8/26/2013	8/26/2013	8/23/2013	8/23/2013
13	6/18/2013	7/18/2013	7/18/2013	30		7/18/2013	7/22/2013	7/23/2013	8/9/2013	7/23/2013	8/9/2013	8/13/2013	8/14/2013	8/27/2013	8/14/2013	8/14/2013	8/15/2013	8/27/2013	8/27/2013	8/27/2013	8/27/2013
14	6/19/2013	7/19/2013	7/19/2013	30		7/19/2013	7/23/2013	7/24/2013	8/10/2013	7/24/2013	8/10/2013	8/14/2013	8/15/2013	8/27/2013	8/15/2013	8/15/2013	8/15/2013	8/28/2013	8/28/2013	8/27/2013	8/27/2013
15	6/20/2013	7/22/2013	7/22/2013	32		7/22/2013	7/24/2013	7/25/2013	8/11/2013	7/25/2013	8/11/2013	8/15/2013	8/16/2013	8/27/2013	8/16/2013	8/16/2013	8/16/2013	8/28/2013	8/28/2013	8/27/2013	8/27/2013
16	6/21/2013	7/23/2013	7/23/2013	32		7/23/2013	7/25/2013	7/26/2013	8/12/2013	7/26/2013	8/12/2013	8/16/2013	8/19/2013	8/29/2013	8/16/2013	8/16/2013	8/19/2013	8/30/2013	8/30/2013	8/29/2013	8/29/2013
17	6/24/2013	7/24/2013	7/24/2013	30		7/24/2013	7/26/2013	7/29/2013	8/15/2013	7/29/2013	8/15/2013	8/19/2013	8/20/2013	8/30/2013	8/20/2013	8/20/2013	8/20/2013	9/3/2013	9/3/2013	8/30/2013	8/30/2013
18	6/25/2013	7/25/2013	7/25/2013	30		7/25/2013	7/29/2013	7/30/2013	8/16/2013	7/30/2013	8/16/2013	8/20/2013	8/21/2013	9/3/2013	8/21/2013	8/21/2013	8/21/2013	9/4/2013	9/4/2013	9/3/2013	9/3/2013
19	6/26/2013	7/26/2013	7/26/2013	30		7/26/2013	7/30/2013	7/31/2013	8/17/2013	7/31/2013	8/17/2013	8/21/2013	8/22/2013	9/3/2013	8/22/2013	8/22/2013	8/22/2013	9/4/2013	9/4/2013	9/3/2013	9/3/2013
20	6/27/2013	7/29/2013	7/29/2013	32		7/29/2013	7/31/2013	8/1/2013	8/18/2013	8/1/2013	8/18/2013	8/22/2013	8/23/2013	9/4/2013	8/23/2013	8/23/2013	8/23/2013	9/5/2013	9/5/2013	9/4/2013	9/4/2013
900	5/31/2013	6/30/2013	6/30/2013	30		6/30/2013	7/3/2013	7/5/2013	7/22/2013	7/5/2013	7/22/2013	7/26/2013	7/29/2013	8/8/2013	7/29/2013	7/29/2013	7/29/2013	8/9/2013	8/8/2013	8/8/2013	8/8/2013
902	5/31/2013	6/30/2013	6/30/2013	30		6/30/2013	7/9/2013	7/9/2013	7/26/2013	7/9/2013	7/26/2013	7/30/2013	7/31/2013	8/12/2013	7/31/2013	7/30/2013	7/30/2013	8/13/2013	8/12/2013	8/12/2013	8/12/2013



OWEN ELECTRIC COOPERATIVE, INC.

PSC CASE NO. 2014-00051

ENVIRONMENTAL SURCHARGE MECHANISM

RESPONSE TO INFORMATION REQUEST

**COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION TO EAST
KENTUCKY POWER COOPERATIVE, INC.'S SIXTEEN MEMBER DISTRIBUTION
COOPERATIVES DATED 08/07/2014**

REQUEST 14

RESPONSIBLE PARTY: Ann F. Wood

Request 14: This question is addressed to Blue Grass Energy ("Blue Grass"), Fleming-Mason Cooperative, Inc. ("Fleming-Mason"), Owen Electric Cooperative, Inc. ("Owen Electric"), Salt River Electric Cooperative, Inc. ("Salt River"), and Shelby Energy Cooperative ("Shelby Energy"). Staff reviewed the member cooperatives' responses to Staff's IC Information Request, Item 2. The responses were compared with the member cooperatives' responses to data requests that provided the calculations of the over/under recoveries for the six-month and two-year environmental surcharge reviews for the period July 2005 through December 31, 2013. Several significant discrepancies for the above-mentioned cooperatives were identified. For each of the cooperatives indicated above, explain the discrepancies noted. See the Cumulative (Over)/Under Calculation Schedule, attached hereto, prepared by Staff with the discrepancies highlighted.

Request 14c: Owen Electric: reasons for the differences in the information provided for July 2009 through December 2009, September 2012 through November 2012, and May 2013 through June 2013, a difference of \$(92,232.)

Response 14c: Owen Electric has reviewed the attachment to Commission's Staff's Third Information Request. Attachment lines 49-54 for the months of July through December 2009 appear to reflect the information as originally filed by EKPC on March 3, 2010 in Case No. 2010-00021. On April 30, 2010, EKPC filed a revision to Owen Electric's over and under

calculation, which corrected the original filing on March 3, 2010. Owen Electric's response to Request 2, filed on June 25, 2014 in Case No. 2014-00051, reflects the revised amounts from July 2009 through December 2009.

Owen Electric agrees with Staff's calculations on lines 87-89 and has modified its schedule accordingly for the months of September through November 2012. Please see the revised schedule provided on page 3 of this response.

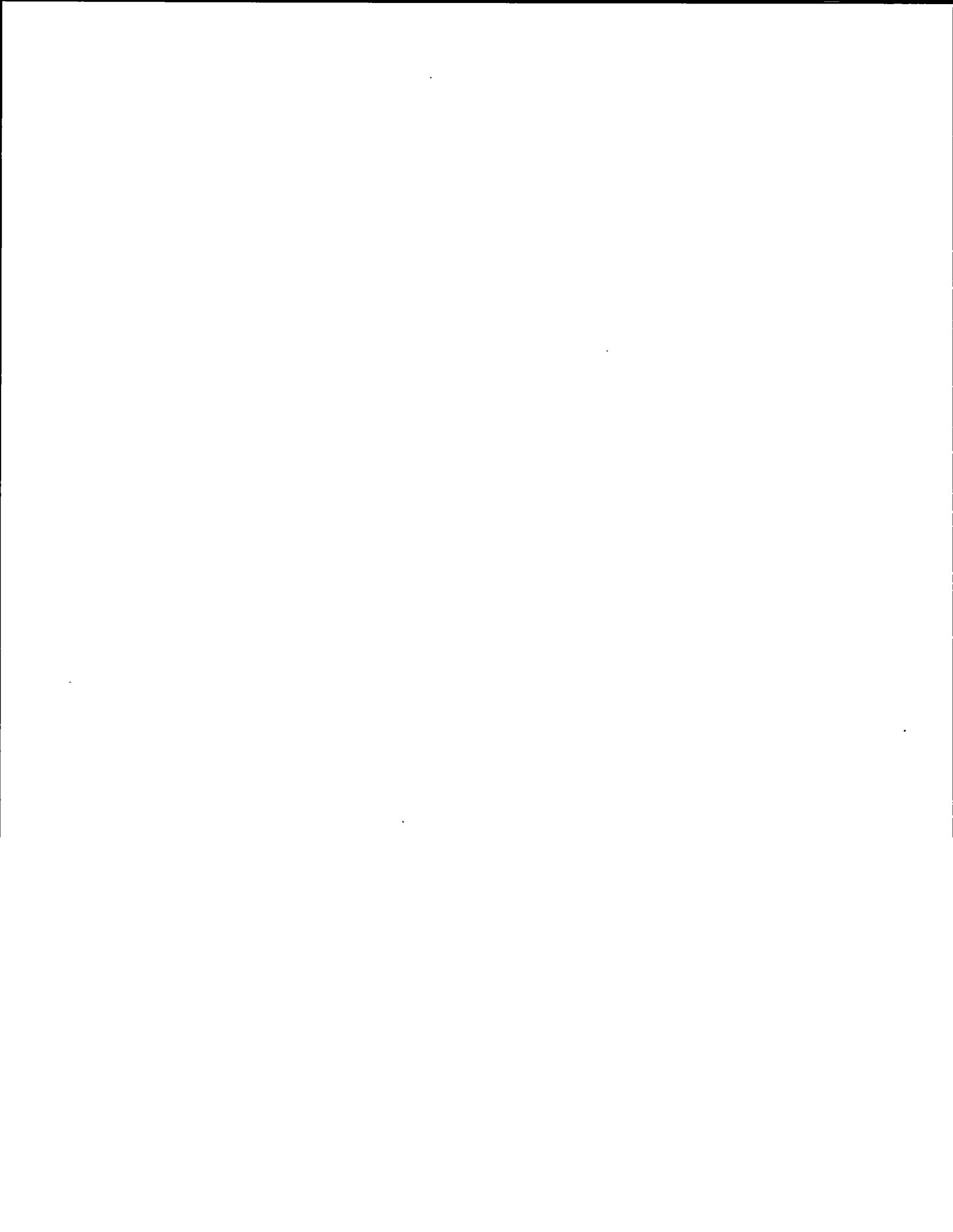
Owen Electric agrees with Staff's calculations on lines 96 and 97 and has modified its schedule accordingly for the months of May and June 2013. Please see the revised schedule provided on page 3 of this response.

Please note that Owen Electric's cumulative over recovery of \$282, 193 remains unchanged from its filing on June 25, 2014.

**OWEN ELECTRIC COOPERATIVE, INC.
ENVIRONMENTAL SURCHARGE (OVER)UNDER RECOVERY SINCE INCEPTION**

Month	EKPC Invoice (1)	Billed to Retail Customers (2)	Monthly (Over)Under Recovery	Cumulative (Over)Under Recovery	Case Reconciliation
Feb-10	\$ 1,486,506	\$ 1,583,225	\$ (96,719)	\$ (455,292)	
Mar-10	\$ 1,333,007	\$ 1,118,076	\$ 214,931	\$ (240,361)	
Apr-10	\$ 748,526	\$ 477,044	\$ 271,482	\$ 31,121	
May-10	\$ 405,210	\$ 343,009	\$ 62,201	\$ 93,322	
Jun-10	\$ 672,694	\$ 732,155	\$ (59,461)	\$ 33,861	\$ 359,718 *
Jul-10	\$ 1,140,547	\$ 1,186,914	\$ (46,367)	\$ (12,506)	\$0 per 2010-00319
Aug-10	\$ 1,378,818	\$ 1,698,968	\$ (320,150)	\$ (332,656)	
Sep-10	\$ 1,219,947	\$ 1,472,110	\$ (252,163)	\$ (584,819)	
Oct-10	\$ 916,271	\$ 832,264	\$ 84,007	\$ (500,812)	
Nov-10	\$ 710,381	\$ 729,955	\$ (19,574)	\$ (520,386)	
Dec-10	\$ 1,112,577	\$ 1,367,683	\$ (255,106)	\$ (775,492)	\$ (809,353) 2011-00032
Jan-11	\$ 2,875,506	\$ 1,905,078	\$ 970,428	\$ 194,936	
Feb-11	\$ 642,450	\$ 1,240,345	\$ (597,895)	\$ (402,960)	
Mar-11	\$ 591,737	\$ 160,120	\$ 431,617	\$ 28,658	
Apr-11	\$ 979,654	\$ 750,051	\$ 229,603	\$ 258,260	
May-11	\$ 1,118,792	\$ 1,134,547	\$ (15,755)	\$ 242,505	
Jun-11	\$ 1,418,527	\$ 1,180,687	\$ 237,840	\$ 480,345	
Jul-11	\$ 1,535,190	\$ 1,359,412	\$ 175,778	\$ 656,122	
Aug-11	\$ 1,451,548	\$ 1,512,793	\$ (61,245)	\$ 594,877	
Sep-11	\$ 1,051,205	\$ 1,077,569	\$ (26,364)	\$ 568,513	
Oct-11	\$ 975,416	\$ 722,647	\$ 252,769	\$ 821,282	
Nov-11	\$ 1,388,384	\$ 1,079,326	\$ 309,058	\$ 1,130,340	
Dec-11	\$ 1,574,348	\$ 1,513,042	\$ 61,306	\$ 1,191,646	
Jan-12	\$ 1,577,170	\$ 1,481,987	\$ 95,183	\$ 1,286,829	
Feb-12	\$ 1,187,933	\$ 1,190,902	\$ (2,969)	\$ 1,283,860	
Mar-12	\$ 989,642	\$ 994,602	\$ (4,960)	\$ 1,278,900	
Apr-12	\$ 1,016,843	\$ 944,434	\$ 72,409	\$ 1,351,309	
May-12	\$ 1,361,191	\$ 1,193,110	\$ 168,081	\$ 1,519,389	
Jun-12	\$ 1,665,042	\$ 1,542,536	\$ 122,506	\$ 1,641,895	\$ 2,417,387 2012-00486
Jul-12	\$ 1,684,610	\$ 1,852,600	\$ (167,990)	\$ 1,473,904	
Aug-12	\$ 1,537,625	\$ 1,640,868	\$ (103,243)	\$ 1,370,662	
Sep-12	\$ 1,224,955	\$ 1,305,688	\$ (80,733)	\$ 1,289,929	
Oct-12	\$ 1,404,242	\$ 1,198,602	\$ 205,640	\$ 1,495,569	
Nov-12	\$ 1,782,560	\$ 1,773,785	\$ 8,775	\$ 1,504,344	
Dec-12	\$ 1,805,830	\$ 1,720,017	\$ 85,813	\$ 1,590,157	\$ (51,738) 2013-00140
Jan-13	\$ 1,622,015	\$ 1,817,920	\$ (195,905)	\$ 1,394,251	
Feb-13	\$ 1,394,972	\$ 1,511,102	\$ (116,130)	\$ 1,278,121	
Mar-13	\$ 1,319,544	\$ 1,269,118	\$ 50,426	\$ 1,328,548	
Apr-13	\$ 1,236,807	\$ 1,182,275	\$ 54,532	\$ 1,383,080	
May-13	\$ 1,477,112	\$ 1,443,048	\$ 34,064	\$ 1,417,144	
Jun- 13	\$ 1,892,471	\$ 1,837,009	\$ 55,462	\$ 1,472,606	\$ (117,550) 2013-00324
Jul-13	\$ 1,801,588	\$ 1,924,672	\$ (123,084)	\$ 1,349,522	
Aug-13	\$ 1,693,893	\$ 1,676,515	\$ 17,378	\$ 1,366,900	
Sep-13	\$ 1,441,132	\$ 1,934,636	\$ (493,504)	\$ 873,396	
Oct 13	\$ 1,222,087	\$ 1,639,128	\$ (417,041)	\$ 456,355	
Nov 13	\$ 1,594,790	\$ 1,848,377	\$ (253,587)	\$ 202,768	
Dec 13	\$ 1,904,628	\$ 2,389,589	\$ (484,961)	\$ (282,193)	\$ (1,754,800) 2014-00051

*Represents cases where one month over/under recovery was applied vs. a 6 month accumulation of over/under recoveries. No over/under recoveries were approved in the Orders at this time. Monthly amounts reflected are included in the review cases. There was a residual cumulative under-recovery of \$33,861 (see June 2010 line) after the monthly true-up methodology ceased.



OWEN ELECTRIC COOPERATIVE, INC.

PSC CASE NO. 2014-00051

ENVIRONMENTAL SURCHARGE MECHANISM

RESPONSE TO INFORMATION REQUEST

**COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION TO EAST
KENTUCKY POWER COOPERATIVE, INC.'S SIXTEEN MEMBER DISTRIBUTION
COOPERATIVES DATED 08/07/2014**

REQUEST 22

RESPONSIBLE PARTY: Ann F. Wood

Request 22: This question is addressed to Owen Electric. Refer to the response to Staff's Second Request, item 1.

Request 22a: Explain the methodology Owen utilized to record environmental surcharge over/under recoveries prior to adopting the regulatory accounting methodology.

Response 22a: Owen Electric adopted the regulatory accounting methodology for the environmental surcharge in 2012. Prior to adopting this methodology, Owen Electric did not record over/under recoveries on its books.

Request 22b: Discuss the reasons prompting Owen to make this change.

Response 22b: Owen Electric made the change to the regulatory accounting methodology to properly reflect the future refunds to or recoveries from its members.