



**Big Sandy Rural Electric  
Cooperative Corporation**

504 11th Street  
Paintsville, Kentucky 41240-1422  
(606) 789-4095 • Fax (606) 789-5454  
Toll Free (888) 789-RECC (7322)

**ORIGINAL**

RECEIVED

OCT 20 2014

PUBLIC SERVICE  
COMMISSION

October 16, 2014

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

RE: Commission Staff's fourth request for information.  
Public Service Commission Case No. 2014-00051

Dear Mr. Derouen:

Please find enclosed the original and six (6) copies of Big Sandy Rural Electric Cooperative Corporation's response to Commission Staff's fourth request for information regarding Case No. 2014-00051, AN EXAMINATION BY THE PUBLIC SERVICE COMMISSION OF THE ENVIRONMENTAL SURCHARGE MECHANISM OF EAST KENTUCKY POWER COOPERATIVE, INC. FOR THE SIX-MONTH BILLING PERIOD ENDING DECEMBER 31, 2013, AND THE PASS THROUGH MECHANISM FOR ITS SIXTEEN MEMBER DISTRIBUTION COOPERATIVES. Billy Frasure will be the witness responsible for responding to the questions related to the information provided.

If you should need any additional information, please do not hesitate to contact me.

Thank you,

David Estep  
President & General Manager

**CERTIFICATE**

**STATE OF KENTUCKY    )**  
**COUNTY OF JOHNSON    )**

Billy O. Frasure, CPA, being duly sworn, states that he has supervised the preparation of the response of Big Sandy RECC to the Public Service Commission Staff's fourth request for information in Case No. 2014-00051 dated October 14, 2014 and that the matters and things set forth therein are true and accurate to the best of his knowledge, information and belief, formed after reasonable inquiry.

  
\_\_\_\_\_  
Billy O. Frasure, CPA

Subscribed and sworn before me on this 16<sup>th</sup> day of October, 2014

  
\_\_\_\_\_  
Notary Public



**BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION**  
**CASE NO. 2014-00051**  
**RESPONSE TO PSC 4<sup>TH</sup> DATA REQUEST**  
**ITEM NO. 1**  
**WITNESS: BILLY FRASURE**

**REQUEST**

This question is addressed to each of the 16 member distribution cooperatives. Confirm that the requested amortization period for the over- or under-recovery amounts determined in the response to the September 4, 2014 informal conference information request is six months.

**RESPONSE**

Big Sandy confirms that six (6) months is the requested amortization period for the determined over-recovery.

**BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION**  
**CASE NO. 2014-00051**  
**RESPONSE TO PSC 4<sup>TH</sup> DATA REQUEST**  
**ITEM NO. 2**  
**WITNESS: BILLY FRASURE**

**REQUEST**

This question is addressed to each of the 16 member distribution cooperatives except for Grayson Rural Electric Cooperative Corporation and South Kentucky Rural Electric Cooperative Corporation ("South Kentucky"). Based on the average residential usage amount determined in your response to item 6 of Commission Staff's First Request for Information, provide the dollar impact the over- or under-recovery amount determined in your response to the September 4, 2014 informal conference information request will have on the average residential customer's monthly bill for the requested amortization period. Provide all supporting calculations.

**RESPONSE**

Please refer to Item 2 pages 2 through 4 for the dollar impact and all supporting calculations.

**BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION  
CASE NO. 2014-00051  
RESPONSE TO PSC 4TH DATA REQUEST ITEM NO. 2  
WITNESS: BILLY FRASURE**

Big Sandy RECC total over recovery	\$	15,131
Six month recovery spread:	\$	2,522

	Actual	6 Month Spread
12 month Average Residential Usage	1,232	1,232
Customer Charge	\$ 15.00	\$ 15.00
KWH Charge	0.08900 109.65	109.65
FAC	-0.001298 (1.60)	(1.60)
Sub Total	\$ 123.05	\$ 123.05
* Surcharge February 2014	3.76% 4.63	3.64% 4.48
Total	\$ 127.68	\$ 127.53
	[A]	[B]

**Dollar Impact    \$                    0.15 [A]-[B]**

\* Please see attached EKP Pass Through Mechanism Reports.  
Actual  
Spreading 2,522 (15,131/6)

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

For the Month Ending February 2014

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Surcharge Factor Expense Month	EKPC CESF %	EKPC BESF %	EKPC MESF %	EKPC Monthly Revenues from Sales to Big Sandy	On-peak Revenue Adjustment	EKPC Net Monthly Sales to Big Sandy	EKPC 12-months Ended Average Monthly Revenue from Sales to Big Sandy	Big Sandy Revenue Requirement	Amortization of (Over)/Under Recovery	Big Sandy Net Revenue Requirement	Big Sandy Total Monthly Retail Revenues	On-Peak Retail Revenue Adjustment	Big Sandy Net Monthly Retail Revenues	12-months ended Avg. Retail Revenues, Net	Big Sandy Pass Through Mechanism Factor
			Col. (1) - Col. (2)			Col. (4) - Col. (5)		Col (3) x Col (7)		Col (8) + Col (9)			Col. (11) - Col. (12)		Col (10) / Col (14)
Mar-12	12.92%	0.00%	12.92%	\$ 1,182,701		\$ 1,182,701	\$ 1,356,391	\$ 175,246	\$ -	\$ 175,246	\$ 1,694,331		\$ 1,694,331	\$ 1,888,910	9.17%
Apr-12	14.94%	0.00%	14.94%	\$ 1,017,253		\$ 1,017,253	\$ 1,353,466	\$ 202,208	\$ -	\$ 202,208	\$ 1,492,563		\$ 1,492,563	\$ 1,890,160	10.71%
May-12	16.90%	0.00%	16.90%	\$ 1,139,333		\$ 1,139,333	\$ 1,356,753	\$ 229,291	\$ -	\$ 229,291	\$ 1,630,984		\$ 1,630,984	\$ 1,894,592	12.13%
Jun-12	15.55%	0.00%	15.55%	\$ 1,255,101		\$ 1,255,101	\$ 1,352,836	\$ 210,366	\$ -	\$ 210,366	\$ 1,595,991		\$ 1,595,991	\$ 1,895,955	11.10%
Jul-12	14.51%	0.00%	14.51%	\$ 1,419,528		\$ 1,419,528	\$ 1,347,019	\$ 195,452	\$ -	\$ 195,452	\$ 2,132,740		\$ 2,132,740	\$ 1,889,721	10.31%
Aug-12	14.13%	0.00%	14.13%	\$ 1,256,596		\$ 1,256,596	\$ 1,333,467	\$ 188,419	\$ -	\$ 188,419	\$ 1,801,645		\$ 1,801,645	\$ 1,880,433	9.97%
Sep-12	16.23%	0.00%	16.23%	\$ 1,092,731		\$ 1,092,731	\$ 1,328,571	\$ 215,627	\$ -	\$ 215,627	\$ 1,511,751		\$ 1,511,751	\$ 1,874,312	11.47%
Oct-12	17.57%	0.00%	17.57%	\$ 1,112,733		\$ 1,112,733	\$ 1,324,204	\$ 232,663	\$ -	\$ 232,663	\$ 1,568,508		\$ 1,568,508	\$ 1,868,058	12.41%
Nov-12	18.23%	0.00%	18.23%	\$ 1,541,080		\$ 1,541,080	\$ 1,333,712	\$ 243,136	\$ -	\$ 243,136	\$ 2,191,412		\$ 2,191,412	\$ 1,891,428	13.02%
Dec-12	14.61%	0.00%	14.61%	\$ 1,607,607		\$ 1,607,607	\$ 1,327,307	\$ 193,920	\$ -	\$ 193,920	\$ 2,324,278		\$ 2,324,278	\$ 1,885,086	10.25%
Jan-13	13.49%	0.00%	13.49%	\$ 1,728,944		\$ 1,728,944	\$ 1,327,492	\$ 179,079	\$ -	\$ 179,079	\$ 2,556,078		\$ 2,556,078	\$ 1,892,303	9.50%
Feb-13	12.61%	0.00%	12.61%	\$ 1,569,914		\$ 1,569,914	\$ 1,326,960	\$ 167,330	\$ -	\$ 167,330	\$ 2,363,353		\$ 2,363,353	\$ 1,905,303	8.84%
Mar-13	14.37%	0.00%	14.37%	\$ 1,605,923		\$ 1,605,923	\$ 1,362,229	\$ 195,752	\$ -	\$ 195,752	\$ 2,363,821		\$ 2,363,821	\$ 1,961,094	10.27%
Apr-13	14.27%	0.00%	14.27%	\$ 1,168,240		\$ 1,168,240	\$ 1,374,811	\$ 196,186	\$ -	\$ 196,186	\$ 1,633,770		\$ 1,633,770	\$ 1,972,861	10.00%
May-13	17.97%	0.00%	17.97%	\$ 1,153,740		\$ 1,153,740	\$ 1,376,011	\$ 247,269	\$ -	\$ 247,269	\$ 1,632,508		\$ 1,632,508	\$ 1,972,988	12.53%
Jun-13	17.09%	0.00%	17.09%	\$ 1,266,813		\$ 1,266,813	\$ 1,376,987	\$ 235,327	\$ -	\$ 235,327	\$ 1,854,262		\$ 1,854,262	\$ 1,994,510	11.93%
Jul-13	15.77%	0.00%	15.77%	\$ 1,333,577		\$ 1,333,577	\$ 1,369,825	\$ 216,021	\$ 18,477	\$ 234,498	\$ 2,004,628		\$ 2,004,628	\$ 1,983,834	11.76%
Aug-13	15.49%	0.00%	15.49%	\$ 1,260,375		\$ 1,260,375	\$ 1,370,140	\$ 212,235	\$ 14,199	\$ 226,434	\$ 1,834,960		\$ 1,834,960	\$ 1,986,611	11.41%
Sep-13	14.93%	0.00%	14.93%	\$ 1,088,977		\$ 1,088,977	\$ 1,369,827	\$ 204,515	\$ 14,199	\$ 218,714	\$ 1,568,895		\$ 1,568,895	\$ 1,991,373	11.01%
Oct-13	16.69%	0.00%	16.69%	\$ 1,061,773		\$ 1,061,773	\$ 1,365,580	\$ 227,915	\$ 14,199	\$ 242,114	\$ 1,602,099		\$ 1,602,099	\$ 1,994,172	12.16%
Nov-13	17.43%	0.00%	17.43%	\$ 1,473,559		\$ 1,473,559	\$ 1,359,954	\$ 237,040	\$ 14,199	\$ 251,239	\$ 2,167,107		\$ 2,167,107	\$ 1,992,147	12.60%
Dec-13	14.54%	0.00%	14.54%	\$ 1,681,366		\$ 1,681,366	\$ 1,366,100	\$ 198,631	\$ 14,199	\$ 212,830	\$ 2,455,793		\$ 2,455,793	\$ 2,003,106	10.68%
Jan-14	10.92%	0.00%	10.92%	\$ 2,207,416		\$ 2,207,416	\$ 1,405,973	\$ 153,532	\$ (4,278)	\$ 149,254	\$ 3,172,926		\$ 3,172,926	\$ 2,054,510	7.45%
Feb-14	5.44%	0.00%	5.44%	\$ 1,759,257		\$ 1,759,257	\$ 1,421,751	\$ 77,343	\$ -	\$ 77,343	\$ 2,432,240		\$ 2,432,240	\$ 2,060,251	3.76%

Notes:  
 Big Sandy 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.

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

For the Month Ending February 2014

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
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