

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

INVESTIGATION OF GRAYSON RURAL)
ELECTRIC COOPERATIVE CORPORATION'S) CASE NO.
REQUEST TO MODIFY SCHEDULE 14(b) AND) 2014-00083
SCHEDULE 3 OF ITS TARIFF PROVISIONS)

GRAYSON RURAL ELECTRIC'S RESPONSE TO COMMISSION
STAFF'S INITIAL REQUEST FOR INFORMATION TO
GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION

RESPECTFULLY SUBMITTED,

W. JEFFREY SCOTT, P.S.C.

BY: 

W. JEFFREY SCOTT
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I hereby certify that the original, plus ten (10) copies, of the foregoing was served by mail, postage prepaid on May 15, 2014, to:

- 1) Kentucky Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky, 40601.


W. JEFFREY SCOTT

Case No. 2014-00083
Initial Data Request – May 5, 2014

1. Refer to paragraph 2 of the motion filed by Grayson on February 3, 2014, in Case No. 2012-00426 in which Grayson requests “that the Schedule 14(b) rate be \$1,131.19, the same as was in existence prior to the July 31, 2013 Order.” Confirm that the Customer Charge in effect for Schedule 14(b) prior to July 31, 2013, was \$1,136.19 which was approved in Case No. 2010-00174 on January 14, 2011. If this cannot be confirmed, provide a copy of a Commission Order that approved a Customer Charge of \$1,131.19 for Schedule 14(b).

Response:

The discrepancy in (B) rates, 12, 13, & 14 appears to have originated during Case No. 2007-00713. It is believed by Grayson that the Order approved a Customer Charge of \$1093.28 and Grayson erroneously filed a tariff stating that the Customer Charge was \$ 1,098.28. Grayson cannot locate that Order to substantiate this. Subsequent to that event, the Customer Charge has always been \$5.00 more (Case No. 2009-00430) and in Case No. 2010-00174, \$5.00 plus a pass-through increase due to a wholesale power increase by East Kentucky Power I Case No. 2010-00167.

Below is a chart of Schedule 12(b) 13(b), & 14(b) customer charges since 2005.

Case No.	Date	12(b)	13 (b)	14(b)
2005-01010	6/1/05	\$1,069.00	\$1,069.00	\$1069.00
2007-00713	8/1/07	\$1,093.28	\$1,093.28	\$1,098.28
2009-00430	9/10/09	\$1,093.28	\$1,093.28	\$1,098.28
2010-00174	1/14/11	\$1,131.19	\$1,131.19	\$1,136.37

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2. Refer to paragraph 3 of the Motion in which Grayson requests that there be no specific Customer Charge for Schedule 3. Grayson also “requests an order that the appropriate customer charge be based upon the type of service that matched the use of the building referenced therein.”

- a. Explain why Schedule 3 was originally established as a tariff class rather than as a rider.

Response:

Grayson understands that this program originated as a tariff of East Kentucky Power before they changed their Rate E tariff to include off-peak usage. Grayson suspects that, since Grayson rates for residential services and small commercial services were identical, a separate tariff that mirrored the customer charges and on-peak usage would work and it did until cost of service studies and rate design philosophies dictated slight differences in rate components.

Other Cooperatives have moved to this type of structure with tariffs that are tied directly to their residential and small commercial tariffs. Grayson believes that a “rider” will achieve the same results.

- b. State the number of customers currently taking service under Schedule 3.

Response:

94 customers

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- c. If Grayson's proposal for Schedule 3 is approved, state whether Grayson believes that the currently approved energy rate of \$.06562 should be reduced to \$.06546 to equal 60 percent of the Schedule 1 energy charge. Explain the response

Response:

Grayson believe that the off- peak energy rate should be consistent with the off-peak energy rates already established in Residential Time of Day tariff and the Small Commercial Time-of-Day tariff approved by the Commission. This amount, \$.06225, falls within the ETS Contract language ("shall be discounted no less than 40% below the lowest rate block for regular residential and small commercial services"). Because of the variation in regular kwh energy rates of Schedules 1, 2 & 18, the discounts for ETS usage will vary accordingly.

<u>Schedule</u>	<u>Energy Charge</u>	<u>ETS rate</u>	<u>Discount</u>
Schedule 1	\$.10910	\$.06225	42.94%
Schedule 2	\$.10696	\$.06225	41.80%
Schedule 18	\$.13047	\$.06225	52.28%

- d. Explain in detail Grayson's request that "the appropriate Customer Charge be based on the type of service that matched the use of the building referenced therein."

Response:

In an effort to better classify small usage customers, Grayson added a General tariff that would contain services that were not residential or commercial in nature. As it applies to Electric Thermal Storage (ETS) units, this rate would apply to services where a ETS unit is placed in a

- 1) Residence, or
- 2) Small Commercial Enterprise, or
- 3) Garage, Barn or other facility that qualifies in the General tariff.

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3. Refer to paragraph 5 of the Motion.
 - a. Grayson states that it believes that the July 31, 2013 Order inadvertently changed the 14(b) Customer Charge to \$1,098.28. Explain the reference to \$1,098.28 and provide its location in the July 31, 2013 Order.

Response:

See response to Item 1.

- b. State whether Grayson currently serves any customers pursuant to Schedule 14(b).


Response:

Grayson serves no customers with Schedule 14(b).

The undersigned, Don M. Combs, as Manager of Finance and Accounting of Grayson Rural Electric, being first duly sworn, states that the responses herein supplied in Case No. 2014 – 00083, Initial Request for Information dated May 5, 2014, are true to the best of my knowledge and belief formed after reasonable inquiry.

Dated: May 14, 2014

Grayson Rural Electric

By:  _____

Don M. Combs
Manager of Finance and Acct.

Subscribed, sworn to, and acknowledged before me by Don M. Combs, as Manager of Finance and Acct. for Grayson Rural Electric on behalf of said Corporation this 14th day of May, 2014.

My Commission expires 23rd day of August, 2014.

Witness my hand and official seal this

14th day of May, 2014.
Justin M. Cochran ID# 426639
Notary Public in and for Carter Co., KY. State at Large