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Energy and Environment Cabinet



Commonwealth of Kentucky
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David L. Armstrong
Chairman

James W. Gardner
Vice Chairman

Linda Breathitt
Commissioner

January 13, 2014

PARTIES OF RECORD

Re: Case No. 2013-00324

Attached is a copy of a memorandum which is being filed in the record of the above-referenced case. If you have any comments you would like to make regarding the contents of the memorandum concerning the January 6, 2014 Informal Conference, please do so within five days of receipt of this letter. If you have any questions, please contact Jonathan Beyer, Staff Attorney, at 502/782-2581.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Derouen".

Jeff Derouen
Executive Director

Attachments

INTRA-AGENCY MEMORANDUM

KENTUCKY PUBLIC SERVICE COMMISSION

TO: Case File – Case No. 2013-00324

FROM: Jonathan Beyer, Staff Attorney

DATE: January 13, 2014

RE: Informal Conference of January 6, 2014

Pursuant to a Commission Staff notice, a telephonic informal conference was held in this matter on January 6, 2014. A list of attendees is attached to this memorandum.

Staff began the conference by electronically distributing the attached Excel spreadsheet. Staff referred to Taylor County RECC's ("Taylor County") response to Staff's Second Request for Information and questioned whether the correct customer charge had been utilized in calculating Item number 3. Taylor County indicated that the customer charge was incorrectly stated and should be \$9.82. Next, Taylor County confirmed that the six month over-recovery, amortized over six months in the amount of (\$7,168), is the company wide total amount and not limited to the residential customer amount. Staff questioned whether this amount should be allocated between the residential and non-residential customers, wherein Taylor County indicated that the only viable avenue to allocate would be on a purely percentage basis. Finally, Staff questioned Taylor County as to the methodology utilized in the calculation of the dollar impact the monthly over-recovery amount will have on the average residential customer's monthly bill. Taylor County stated that it did not dispute the methodology utilized by Staff in calculating the monthly impact on the average residential customer's bill of the over-recovery during this review period.

Staff requested that Taylor County submit a response addressing whether they agree/disagree with Staff's methodology and resulting calculation of the average residential bill impact of Taylor County's over-recovery within ten days of receipt of this memorandum.

Finding that no party had any further questions, the conference was adjourned.

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 TWO-YEAR) CASE NO.
BILLING PERIOD ENDING JUNE 30, 2013 AND THE) 2013-00324
PASS THROUGH MECHANISM FOR ITS SIXTEEN)
MEMBER DISTRIBUTION COOPERATIVES)

January 6, 2013

Please sign in:

NAME	REPRESENTING
<u>Isaac Scott</u>	<u>IEAPE</u> -via telephone
<u>John Patterson</u>	<u>Taylor RECC</u> -via telephone
<u>Robert Spragens</u>	<u>Taylor RECC, counsel</u> -via telephone
<u>Jonathan Beyer</u>	<u>PSC - Legal</u>
<u>Errol K. Wagner</u>	<u>PSC F-A</u>
<u>Ron Handyside</u>	<u>PSC-FA</u>
<u>Gay Tennill</u>	<u>Shelby Energy</u> -via telephone

Taylor County RECC
P O Box 100
Campbellsville KY 42719
PSC Case No. 2013-00324

<u>Ln</u> <u>No</u>		<u>Amount</u>	<u>Percent</u>
1	Taylor County Pass Through Mechanism Factor with Adjustment of (\$7,168)		13.04%
2	Taylor County Pass Through Mechanism Factor as filed		<u>13.25%</u>
3	Difference (Ln 1 - Ln 2)		<u>-0.21%</u>
	Taylor County June 2013 Residential Bill Calculation Customer using 1,104 kWhs		
4	Customer Charge	\$9.82	
5	Energy Charge (1,104 X \$0.0822)	\$90.75	
6	FAC Charge (1,104 X \$0.00115)	<u>\$1.27</u>	
7	Sub-Total Prior to ESC	\$101.84	
8	ESC Factor Difference (See Line 3)	<u>-0.21%</u>	
9	Change in Residential Customer Bill Reflecting Adjustment	(\$0.21)	
10	Company's Response Staff Second Set, Item No. 3, page 2 of 2	<u>(\$0.32)</u>	
11	Difference (Ln 9 - Ln 10)	\$0.11	
12	Percent Difference (Ln 11/Ln 9)	<u>-52.38%</u>	

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

For the Month Ending August 2013

	(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 Clark	On-peak Revenue Adjustment	EKPC Net Monthly Sales to Clark	EKPC 12-months Ended Average Monthly Revenue from Sales to Clark	Taylor Revenue Requirement	Amortization of (Over)/Under Recovery	Taylor Net Revenue Requirement	Taylor Total Monthly Retail Revenues	On-Peak Retail Revenue Adjustment	Taylor Net Monthly Retail Revenues	12-months ended Avg. Retail Revenues, Net	Taylor 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)
Sep-11	12.01%	0.00%	12.01%	\$ 2,200,750	3,923	\$ 2,196,827	\$ 2,569,867	\$ 308,641	\$ (32,709)	\$ 275,932	\$ 2,781,948	\$ 3,923	\$ 2,778,025	\$ 3,324,449	8.28%
Oct-11	14.85%	0.00%	14.85%	\$ 2,094,185	2,848	\$ 2,091,337	\$ 2,599,566	\$ 386,036	\$ (32,709)	\$ 353,327	\$ 2,781,948	\$ 2,848	\$ 2,779,100	\$ 3,346,316	10.63%
Nov-11	15.11%	0.00%	15.11%	\$ 2,446,667	3,438	\$ 2,443,229	\$ 2,632,851	\$ 397,824	\$ (32,709)	\$ 365,115	\$ 2,745,745	\$ 3,438	\$ 2,742,307	\$ 3,348,892	10.91%
Dec-11	14.21%	0.00%	14.21%	\$ 2,883,175	3,450	\$ 2,879,725	\$ 2,582,960	\$ 367,039	\$ (32,709)	\$ 334,330	\$ 3,007,181	\$ 3,450	\$ 3,003,731	\$ 3,241,391	9.98%
Jan-12	12.09%	0.00%	12.09%	\$ 3,054,209	3,128	\$ 3,051,081	\$ 2,537,092	\$ 306,734	\$ -	\$ 306,734	\$ 3,901,788	\$ 3,128	\$ 3,898,660	\$ 3,181,178	9.46%
Feb-12	10.78%	0.00%	10.78%	\$ 2,685,017	3,193	\$ 2,681,824	\$ 2,516,739	\$ 271,304	\$ -	\$ 271,304	\$ 3,986,472	\$ 3,193	\$ 3,983,279	\$ 3,186,889	8.53%
Mar-12	12.92%	0.00%	12.92%	\$ 2,144,281	3,001	\$ 2,141,280	\$ 2,493,839	\$ 322,204	\$ -	\$ 322,204	\$ 3,441,759	\$ 3,001	\$ 3,438,758	\$ 3,200,251	10.11%
Apr-12	14.94%	0.00%	14.94%	\$ 1,858,413	2,789	\$ 1,855,624	\$ 2,480,926	\$ 370,650	\$ -	\$ 370,650	\$ 2,794,528	\$ 2,789	\$ 2,791,739	\$ 3,220,748	11.58%
May-12	16.90%	0.00%	16.90%	\$ 2,204,704	4,155	\$ 2,200,549	\$ 2,489,487	\$ 420,723	\$ -	\$ 420,723	\$ 2,544,169	\$ 4,155	\$ 2,540,014	\$ 3,205,127	13.06%
Jun-12	15.55%	0.00%	15.55%	\$ 2,466,073	4,304	\$ 2,461,769	\$ 2,481,491	\$ 385,872	\$ -	\$ 385,872	\$ 2,819,636	\$ 4,304	\$ 2,815,332	\$ 3,208,874	12.04%
Jul-12	14.51%	0.00%	14.51%	\$ 2,882,309	5,401	\$ 2,876,908	\$ 2,474,690	\$ 359,078	\$ -	\$ 359,078	\$ 3,052,470	\$ 5,401	\$ 3,047,069	\$ 3,119,484	11.19%
Aug-12	14.13%	0.00%	14.13%	\$ 2,527,138	4,072	\$ 2,523,066	\$ 2,450,268	\$ 346,223	\$ -	\$ 346,223	\$ 3,800,820	\$ 4,072	\$ 3,796,748	\$ 3,134,564	11.10%
Sep-12	16.23%	0.00%	16.23%	\$ 2,158,092	3,316	\$ 2,154,776	\$ 2,446,764	\$ 397,110	\$ -	\$ 397,110	\$ 3,292,124	\$ 3,316	\$ 3,288,808	\$ 3,177,129	12.67%
Oct-12	17.57%	0.00%	17.57%	\$ 2,058,303	3,560	\$ 2,054,743	\$ 2,443,715	\$ 429,361	\$ -	\$ 429,361	\$ 2,727,104	\$ 3,560	\$ 2,723,544	\$ 3,172,499	13.51%
Nov-12	18.23%	0.00%	18.23%	\$ 2,630,335	4,058	\$ 2,626,277	\$ 2,458,969	\$ 448,270	\$ -	\$ 448,270	\$ 2,671,875	\$ 4,058	\$ 2,667,817	\$ 3,166,292	14.13%
Dec-12	14.61%	0.00%	14.61%	\$ 2,880,071	3,427	\$ 2,876,644	\$ 2,458,712	\$ 359,218	\$ -	\$ 359,218	\$ 3,268,894	\$ 3,427	\$ 3,265,467	\$ 3,188,103	11.35%
Jan-13	13.49%	0.00%	13.49%	\$ 3,098,302	4,050	\$ 3,094,252	\$ 2,462,309	\$ 332,165	\$ -	\$ 332,165	\$ 3,697,058	\$ 4,050	\$ 3,693,008	\$ 3,170,965	10.42%
Feb-13	12.61%	0.00%	12.61%	\$ 2,866,662	3,422	\$ 2,863,240	\$ 2,477,427	\$ 312,404	\$ -	\$ 312,404	\$ 4,201,620	\$ 3,422	\$ 4,198,198	\$ 3,188,875	9.85%
Mar-13	14.37%	0.00%	14.37%	\$ 2,937,527	3,363	\$ 2,934,164	\$ 2,543,501	\$ 365,501	\$ -	\$ 365,501	\$ 3,611,862	\$ 3,363	\$ 3,608,499	\$ 3,203,020	11.46%
Apr-13	14.27%	0.00%	14.27%	\$ 2,146,609	4,305	\$ 2,142,304	\$ 2,567,391	\$ 366,367	\$ -	\$ 366,367	\$ 3,896,802	\$ 4,305	\$ 3,892,497	\$ 3,294,750	11.44%
May-13	17.97%	0.00%	17.97%	\$ 2,207,736	4,580	\$ 2,203,156	\$ 2,567,608	\$ 461,399	\$ -	\$ 461,399	\$ 2,789,027	\$ 4,580	\$ 2,784,447	\$ 3,315,120	14.00%
Jun-13	17.09%	0.00%	17.09%	\$ 2,508,158	3,954	\$ 2,504,204	\$ 2,571,145	\$ 439,409	\$ (7,168)	\$ 432,241	\$ 2,834,803	\$ 3,954	\$ 2,830,849	\$ 3,316,413	13.04%
Jul-13	15.77%	0.00%	15.77%	\$ 2,535,517	5,697	\$ 2,529,820	\$ 2,542,221	\$ 400,908	\$ 48,684	\$ 449,592	\$ 3,320,799	\$ 5,697	\$ 3,315,102	\$ 3,338,749	13.56%
Aug-13	15.49%	0.00%	15.49%	\$ 2,551,914	4,077	\$ 2,547,837	\$ 2,544,285	\$ 394,110	\$ 53,661	\$ 447,771	\$ 3,479,594	\$ 4,077	\$ 3,475,517	\$ 3,311,979	13.41%

Notes:

Taylor County Total Monthly Retail Revenues in Column (11) includes demand and energy charges, customer charges, and FAC revenues.

Revenues reported in Columns (4) for September 2011 contained an error which has been corrected; the correction did not change the September Pass-through factor shown in Column 15.