



SALT RIVER ELECTRIC

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RECEIVED

AUG 22 2014

PUBLIC SERVICE
COMMISSION

August 17, 2014

Mr. Jeff Derouen
Executive Director
KY Public Service Commission
PO Box 615
Frankfort KY 40602-0615

Re: 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 the Sixteen
Member Distribution Cooperatives

Dear Mr. Derouen:

Enclosed are the original and five copies of Salt River Electric Cooperative Corporation's Response to Commission Staff's Third Request for Information dated August 7, 2014, in the above-named case.

If you have any questions about these responses, please contact this office.

Sincerely,

Larry Hicks
President and CEO

Enclosures

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED
AUG 22 2014
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 ENDING)
DECEMBER 31, 2013, AND THE PASS-)
THROUGH MECHANISM FOR ITS SIXTEEN)
MEMBER DISTRIBUTION COOPERATIVES)

CASE NO.
2014-00051

SALT RIVER ELECTRIC COOPERATIVE CORPORATION
RESPONSE TO **THIRD** DATA REQUEST OF COMMISSION STAFF
DATED AUGUST 7, 2014



Salt River Electric

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION BY THE PUBLIC SERVICE)	
COMISSION OF THE ENVIRONMENTAL SURCHARGE)	
MECHANISM OF EAST KENTUCKY POWER)	
COOPERATIVE INC FOR THE SIX-MONTH BILLING)	CASE NO.
PERIOD ENDING DECEMBER 31, 2013, AND THE PASS-)	2014-00051
THROUGH MECHANISM FOR ITS SIXTEEN MEMBER)	
DISTRIBUTION COOPERATIVES)	

SALT RIVER ELECTRIC COOPERATIVE CORPORATION
RESPONSE TO **THIRD** DATA REQUEST OF COMMISSION STAFF
DATED AUGUST 7, 2014

The undersigned, Larry Hicks, President and CEO of Salt River Electric Cooperative Corporation, being duly sworn, responds to requests for information herein as follows:

No. 6 Refer to each member cooperative's July 31, 2013 monthly pass-through filing.

6.a. 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: \$817,356; July 2013

6.b. 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: \$7,539,368

Jul 2012	8,766,217
Aug 2012	7,941,875
Sep 2012	6,788,493
Oct 2012	6,160,026
Nov 2012	7,284,644
Dec 2012	8,213,530
Jan 2013	8,444,115
Feb 2013	7,939,235
Mar 2013	7,667,285
Apr 2013	6,537,436
May 2013	6,756,241
<u>Jun 2013</u>	<u>7,973,321</u>
Total	
90,472,418 ÷ 12 =	7,539,368

6.c. 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: Factor calculated for July 2013 of 10.84% was applied to billings for Salt River revenue month September 2013 of \$7,054,356.81 which resulted in the amount of \$764,698.23 recovered.

No. 7

For the month of July 2005, provide the following:

7.a. 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: June 2005

Jul 2004	4,805,290
Aug 2004	4,362,358
Sep 2004	4,282,967
Oct 2004	3,586,672
Nov 2004	4,341,944
Dec 2004	5,409,270
Jan 2005	5,230,937
Feb 2005	4,979,395
Mar 2005	5,352,141
Apr 2005	4,447,538
May 2005	4,527,650
<u>Jun 2005</u>	<u>5,993,861</u>

Total
 $57,320,023 \div 12 = 4,776,669$

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

Response: Factor calculated for July 2005 of 4.28% was applied to billings for Salt River revenue month September 2005 of \$5,175,473.55 which resulted in the amount of \$221,496.16 recovered.

7.c. 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: September 2005 environmental surcharge revenues of \$221,496 and August 2005 Power bill expense of \$267,988 resulting in under recovery of \$46,492 for September 2005.

No. 8

For the month of December 2013, provide the following:

- 8.a. 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 our December 2013 billing the October 2013 environmental surcharge calculated factor was used. That month used September 2013 revenue requirement.

Oct 2012	6,160,026
Nov 2012	7,284,644
Dec 2012	8,213,530
Jan 2013	8,444,115
Feb 2013	7,939,235
Mar 2013	7,667,285
Apr 2013	6,537,436
May 2013	6,756,241
Jun 2013	7,973,321
Jul 2013	7,817,310
Aug 2013	7,844,587
<u>Sep 2013</u>	<u>6,794,382</u>

Total
 $89,432,112 \div 12 = 7,452,676$

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

Response: Factor calculated for October 2013 of 12.09% was applied to billings for Salt River revenue month December 2013 of \$8,644,135.27 which resulted in the amount of \$1,045,062.04 recovered.

- 8.c. 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: December 2013 environmental surcharge revenues of \$1,045,062 and December 2013 Power bill expense of \$1,1193,123 resulting in under recovery of \$148,061.00 for December 2013.

- 8.d. 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: The change in the calculation was due to error in calculation of over/under recovery starting with the Case 2009-00039 as explained in response to question 14(d.). There would be no Commission supporting authorization for the change.

No. 9

9. 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: Salt River 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, Salt River 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 Salt River, the monthly revenue requirement shown in column 8 is combined with the amortization of over- or under-recovery shown in column 9. The net amount 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 revenue requirement and the amortization of the over- or under-recovery.

No. 10

- 10.a. 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.

- 10.b. 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.

- 10.c. 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: 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.

No. 11

- 11.a. 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: Salt River had no rate filings that required a Schedule S for this time period.

- 11.b. 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: See 11.a. Response above.

- 11.c. 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 reasons(s) for the difference.

Response: See 11.a. Response above.

No. 12

Provide the following:

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

Response: See attached Schedule A.

12.b. 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: The bill impact on the average residential customer is (\$0.37). See attached Schedule B.

No. 13

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

Response:

Cycle 3	(June 2013 Revenue month)	July 10, 2013
Cycle 4	(June 2013 Revenue month)	July 15, 2013
Cycle 7	(June 2013 Revenue month)	July 16, 2013
Cycle 1	(July 2013 Revenue month)	July 24, 2013
Cycle 2	(July 2013 Revenue month)	July 30, 2013

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

Response:

Cycle 3	11.46%
Cycle 4	11.46%
Cycle 7	11.46%
Cycle 1	14.30%
Cycle 2	14.30%

No. 14

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 31, 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.

14.d. Salt River reasons for the differences in the information provided for June 2007 through July 2007, a difference of \$404,083.

Response: For Case No. 2006-00131 and Case No. 2007-00378 the monthly over/under was being calculated by taking the EKPC power bill amount for the month less SRECC billed to members for the following month. Example: July 2005 Power bill of \$265,360 less SRECC August 2005 billed to members of \$242,692 equals \$22,668 under recovery. For the Case No. 2009-00039 starting with the July 2007 through December 2008, when the monthly over/under recoveries were calculated the Power bill and SRECC billed to members got changed to using the same month for the calculation. Neither EKPC nor SRECC noticed this had happened until the data for this information request was being reviewed by Commission Staff. Thus the June 2007 EKPC power bill amount of \$404,083 had not been included in any cumulative over/under recovery calculations. Therefore, the cumulative over/under recovery should be \$666,215 for December 2013; not \$262,132 as reported.

No. 23

23.a. Refer to the response to Staff's Second Request, item 1. Explain the disposition of the amounts accumulated in account 182.31 Unbilled ESC.

Response: The monthly amounts accumulated in 182.31-Unbilled ESC, is the monthly over/under environmental surcharges billed to our customers. This monthly amount is added/subtracted from the month's billed revenues. The monthly amount is allocated to accounts 440.1, 442.1, 442.2 and 444 based on each account's previous month percentage of total billed revenue.

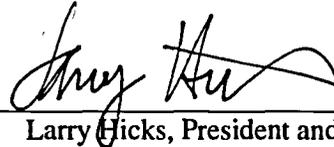
23.b. Refer to the response to Staff's Second Request, item 2.b., wherein Salt River states that \$8,441,036 was used to calculate the amount billed to customers in July 2013 in the amount of \$1,207,070. The monthly pass-through report shows July 2013 revenues of \$7,817,310. Explain this discrepancy.

Response: The \$8,441,036 was the actual amount billed to customers subject to the environment surcharge factor of 14.30% to obtain the \$1,207,070 for July 2013. Our total recorded revenues for the month of July 2013 was \$9,025,703.37 less \$1,207,070.13 for environmental surcharge billed and \$1,322.75 for green power billed equals the \$7,817,310.49 that shows on the July 2013 pass-through report. The difference for July 2013 is for the recorded unbilled environmental surcharge and fuel charge under recoveries that Salt River had recorded on our books for the month of July 2013.

Responsible Witness for All Responses: J. Edward Boone, Vice-President of Finance

I, Larry Hicks, President and CEO of Salt River Electric Cooperative Corporation, hereby certify that the above responses to the request for information are true and accurate to the best of my knowledge and belief formed after a reasonable inquiry.

SALT RIVER ELECTRIC COOPERATIVE CORP.

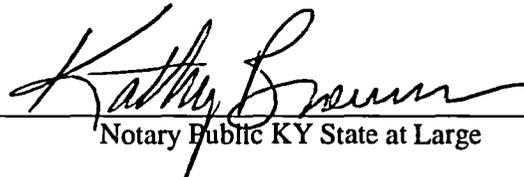


Larry Hicks, President and CEO

STATE OF KENTUCKY

COUNTY OF NELSON

Subscribed and sworn to before me this 17 day of August, 2014, by Larry Hicks, President and CEO of Salt River Electric Cooperative Corporation, to be his voluntary act and deed.



Notary Public KY State at Large

My Commission Expires: December 16, 2014



Salt River Electric

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Salt River Electric
Cumulative over/under recovery
for 24-month period ending December 21, 2013

Month	EKPC Invoice	SRECC billed	Monthly (over)/under	Cumulative (over)/under
Jan-12	946,733.00	1,204,994.00	(258,261.00)	(258,261.00)
Feb-12	702,764.00	1,027,751.00	(324,987.00)	(583,248.00)
Mar-12	527,962.00	600,453.00	(72,491.00)	(655,739.00)
Apr-12	532,683.00	508,870.00	23,813.00	(631,926.00)
May-12	823,711.00	682,361.00	141,350.00	(490,576.00)
Jun-12	1,021,323.00	893,460.00	127,863.00	(362,713.00)
Jul-12	1,116,106.00	1,197,569.00	(81,463.00)	(444,176.00)
Aug-12	927,244.00	1,010,779.00	(83,535.00)	(527,711.00)
Sep-12	763,243.00	771,557.00	(8,314.00)	(536,025.00)
Oct-12	773,415.00	658,398.00	115,017.00	(421,008.00)
Nov-12	1,017,419.00	893,368.00	124,051.00	(296,957.00)
Dec-12	1,171,419.00	1,086,684.00	84,735.00	(212,222.00)
Jan-13	992,980.00	1,331,363.00	(338,383.00)	(550,605.00)
Feb-13	838,638.00	983,020.00	(144,382.00)	(694,987.00)
Mar-13	794,292.00	815,757.00	(21,465.00)	(716,452.00)
Apr-13	707,371.00	647,526.00	59,845.00	(656,607.00)
May-13	786,461.00	741,107.00	45,354.00	(611,253.00)
Jun-13	1,124,715.00	889,283.00	235,432.00	(375,821.00)
Jul-13	1,073,045.00	1,207,070.00	(134,025.00)	(509,846.00)
Aug-13	1,017,925.00	1,120,703.00	(102,778.00)	(612,624.00)
Sep-13	866,348.00	764,698.00	101,650.00	(510,974.00)
Oct-13	708,346.00	686,228.00	22,118.00	(488,856.00)
Nov-13	943,537.00	759,358.00	184,179.00	(304,677.00)
Dec-13	1,193,123.00	1,045,062.00	148,061.00	(156,616.00)
Cumulative (over)/under recovery				(156,616.00)
Monthly recovery(6-month amortization)				(26,102.67)

Salt River Electric Cooperative Corporation
Response to Question 12b

		Actual		6 month Recovery
12-month Average Residential kwh		1321		1321
Residential Rate:				
Customer Charge	8.84	8.84		8.84
Kwh Charge	0.07952	\$105.05		\$105.05
FAC Charge	-0.00401	-\$5.30	-0.00401	-\$5.30
Subtotal		\$108.59		\$108.59
Surcharge December 2013 (1)	10.37%	\$11.26	(2)	10.03% \$10.89
Total		\$119.85		\$119.48
Impact				-\$0.37

(1) See Schedule A Page 2 of 3

(2) See Schedule A Page 3 of 3

December 2013 was used as a representative month for the calculation.

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

For the Month Ending December 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 Salt River	On-peak Revenue Adjustment	EKPC Net Monthly Sales to Salt River	EKPC 12-months Ended Average Monthly Revenue from Sales to Salt River	Salt River Revenue Requirement	Amortization of (Over)/Under Recovery	Salt River Net Revenue Requirement	Salt River Total Monthly Retail Revenues	On-Peak Retail Revenue Adjustment	Salt River Net Monthly Retail Revenues	12-months ended Avg. Retail Revenues, Net	Salt River 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)
Jan-12	12.09%	0.00%	12.09%	\$ 6,662,452		\$ 6,662,452	\$ 5,760,475	\$ 696,441	\$ -	\$ 696,441	\$ 8,123,903		\$ 8,123,903	\$ 7,209,150	9.52%
Feb-12	10.78%	0.00%	10.78%	\$ 5,812,780		\$ 5,812,780	\$ 5,743,004	\$ 619,096	\$ -	\$ 619,096	\$ 7,338,504		\$ 7,338,504	\$ 7,228,791	8.59%
Mar-12	12.92%	0.00%	12.92%	\$ 4,897,611		\$ 4,897,611	\$ 5,725,610	\$ 739,749	\$ -	\$ 739,749	\$ 6,089,243		\$ 6,089,243	\$ 7,191,237	10.23%
Apr-12	14.94%	0.00%	14.94%	\$ 4,122,934		\$ 4,122,934	\$ 5,704,411	\$ 852,239	\$ -	\$ 852,239	\$ 5,690,014		\$ 5,690,014	\$ 7,147,722	11.85%
May-12	16.90%	0.00%	16.90%	\$ 5,513,452		\$ 5,513,452	\$ 5,742,572	\$ 970,495	\$ -	\$ 970,495	\$ 6,636,921		\$ 6,636,921	\$ 7,173,673	13.58%
Jun-12	15.55%	0.00%	15.55%	\$ 6,043,338		\$ 6,043,338	\$ 5,725,856	\$ 890,371	\$ -	\$ 890,371	\$ 7,795,215		\$ 7,795,215	\$ 7,145,105	12.41%
Jul-12	14.51%	0.00%	14.51%	\$ 7,177,531		\$ 7,177,531	\$ 5,711,391	\$ 828,723	\$ -	\$ 828,723	\$ 8,766,217		\$ 8,766,217	\$ 7,144,239	11.60%
Aug-12	14.13%	0.00%	14.13%	\$ 6,390,370		\$ 6,390,370	\$ 5,669,266	\$ 801,067	\$ -	\$ 801,067	\$ 7,941,875		\$ 7,941,875	\$ 7,087,371	11.21%
Sep-12	16.23%	0.00%	16.23%	\$ 5,401,591		\$ 5,401,591	\$ 5,674,331	\$ 920,944	\$ -	\$ 920,944	\$ 6,788,493		\$ 6,788,493	\$ 7,116,780	12.99%
Oct-12	17.57%	0.00%	17.57%	\$ 4,765,334		\$ 4,765,334	\$ 5,685,707	\$ 998,979	\$ -	\$ 998,979	\$ 6,160,026		\$ 6,160,026	\$ 7,153,361	14.04%
Nov-12	18.23%	0.00%	18.23%	\$ 5,790,654		\$ 5,790,654	\$ 5,732,173	\$ 1,044,975	\$ -	\$ 1,044,975	\$ 7,284,644		\$ 7,284,644	\$ 7,186,905	14.61%
Dec-12	14.61%	0.00%	14.61%	\$ 6,425,783		\$ 6,425,783	\$ 5,750,319	\$ 840,122	\$ -	\$ 840,122	\$ 8,213,530		\$ 8,213,530	\$ 7,235,715	11.69%
Jan-13	13.49%	0.00%	13.49%	\$ 6,796,553		\$ 6,796,553	\$ 5,761,494	\$ 777,226	\$ -	\$ 777,226	\$ 8,444,115		\$ 8,444,115	\$ 7,262,400	10.74%
Feb-13	12.61%	0.00%	12.61%	\$ 6,216,733		\$ 6,216,733	\$ 5,795,157	\$ 730,769	\$ -	\$ 730,769	\$ 7,939,235		\$ 7,939,235	\$ 7,312,461	10.06%
Mar-13	14.37%	0.00%	14.37%	\$ 6,298,928		\$ 6,298,928	\$ 5,911,933	\$ 849,545	\$ -	\$ 849,545	\$ 7,667,285		\$ 7,667,285	\$ 7,443,964	11.62%
Apr-13	14.27%	0.00%	14.27%	\$ 4,922,555		\$ 4,922,555	\$ 5,978,569	\$ 853,142	\$ -	\$ 853,142	\$ 6,537,436		\$ 6,537,436	\$ 7,514,583	11.46%
May-13	17.97%	0.00%	17.97%	\$ 5,511,296		\$ 5,511,296	\$ 5,978,389	\$ 1,074,316	\$ -	\$ 1,074,316	\$ 6,756,241		\$ 6,756,241	\$ 7,524,526	14.30%
Jun-13	17.09%	0.00%	17.09%	\$ 6,258,838		\$ 6,258,838	\$ 5,996,347	\$ 1,024,776	\$ -	\$ 1,024,776	\$ 7,973,321		\$ 7,973,321	\$ 7,539,368	13.62%
Jul-13	15.77%	0.00%	15.77%	\$ 6,277,910		\$ 6,277,910	\$ 5,921,379	\$ 933,801	\$ (116,445)	\$ 817,356	\$ 7,817,310		\$ 7,817,310	\$ 7,460,293	10.84%
Aug-13	15.49%	0.00%	15.49%	\$ 6,489,530		\$ 6,489,530	\$ 5,929,642	\$ 918,502	\$ (91,363)	\$ 827,139	\$ 7,844,587		\$ 7,844,587	\$ 7,452,185	11.09%
Sep-13	14.93%	0.00%	14.93%	\$ 5,592,940		\$ 5,592,940	\$ 5,945,588	\$ 887,676	\$ (91,363)	\$ 796,313	\$ 6,794,382		\$ 6,794,382	\$ 7,452,676	10.69%
Oct-13	16.69%	0.00%	16.69%	\$ 4,744,434		\$ 4,744,434	\$ 5,943,846	\$ 992,028	\$ (91,363)	\$ 900,665	\$ 6,499,839		\$ 6,499,839	\$ 7,480,994	12.09%
Nov-13	17.43%	0.00%	17.43%	\$ 5,653,308		\$ 5,653,308	\$ 5,932,401	\$ 1,034,017	\$ (91,363)	\$ 942,654	\$ 7,306,757		\$ 7,306,757	\$ 7,482,837	12.60%
Dec-13	14.54%	0.00%	14.54%	\$ 6,845,217		\$ 6,845,217	\$ 5,967,354	\$ 867,653	\$ (91,363)	\$ 776,290					10.37%

Notes:
 Salt River 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 Salt River RECC

Schedule B
Page 3 of 3

For the Month Ending December 2013

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)*	(10)	(11)	(12)	(13)	(14)	(15)
Surcharge Factor Expense Month	EKPC GESF %	EKPC 8ESF %	EKPC MESF %	EKPC Monthly Revenues from Sales to Salt River	On-peak Revenue Adjustment	EKPC Net Monthly Sales to Salt River	EKPC 12-months Ended Average Monthly Revenue from Sales to Salt River	Salt River Requirement	Amortization of (Over)/Under Recovery	Salt River Net Revenue Requirement	Salt River Total Monthly Retail Revenues	On-Peak Retail Revenue Adjustment	Salt River Net Monthly Retail Revenues	12-months ended Avg. Retail Revenues, Net	Salt River 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)
Jan-12	12.09%	0.00%	12.09%	\$ 6,662,452		\$ 6,662,452	\$ 5,760,475	\$ 696,441	\$ -	\$ 696,441	\$ 8,123,903		\$ 8,123,903	\$ 7,209,150	9.52%
Feb-12	10.78%	0.00%	10.78%	\$ 5,812,780		\$ 5,812,780	\$ 5,743,004	\$ 619,096	\$ -	\$ 619,096	\$ 7,338,504		\$ 7,338,504	\$ 7,228,791	8.59%
Mar-12	12.92%	0.00%	12.92%	\$ 4,897,611		\$ 4,897,611	\$ 5,725,610	\$ 739,749	\$ -	\$ 739,749	\$ 6,089,243		\$ 6,089,243	\$ 7,191,237	10.23%
Apr-12	14.94%	0.00%	14.94%	\$ 4,122,934		\$ 4,122,934	\$ 5,704,411	\$ 852,239	\$ -	\$ 852,239	\$ 5,690,014		\$ 5,690,014	\$ 7,147,722	11.85%
May-12	16.90%	0.00%	16.90%	\$ 5,513,452		\$ 5,513,452	\$ 5,742,572	\$ 970,495	\$ -	\$ 970,495	\$ 6,636,921		\$ 6,636,921	\$ 7,173,673	13.58%
Jun-12	15.55%	0.00%	15.55%	\$ 6,043,338		\$ 6,043,338	\$ 5,725,856	\$ 890,371	\$ -	\$ 890,371	\$ 7,795,215		\$ 7,795,215	\$ 7,145,105	12.41%
Jul-12	14.51%	0.00%	14.51%	\$ 7,177,531		\$ 7,177,531	\$ 5,711,391	\$ 828,723	\$ -	\$ 828,723	\$ 8,766,217		\$ 8,766,217	\$ 7,144,239	11.60%
Aug-12	14.13%	0.00%	14.13%	\$ 6,390,370		\$ 6,390,370	\$ 5,669,266	\$ 801,067	\$ -	\$ 801,067	\$ 7,941,875		\$ 7,941,875	\$ 7,087,371	11.21%
Sep-12	16.23%	0.00%	16.23%	\$ 5,401,591		\$ 5,401,591	\$ 5,674,331	\$ 920,944	\$ -	\$ 920,944	\$ 6,788,493		\$ 6,788,493	\$ 7,116,780	12.99%
Oct-12	17.57%	0.00%	17.57%	\$ 4,765,334		\$ 4,765,334	\$ 5,685,707	\$ 998,979	\$ -	\$ 998,979	\$ 6,160,026		\$ 6,160,026	\$ 7,153,361	14.04%
Nov-12	18.23%	0.00%	18.23%	\$ 5,790,654		\$ 5,790,654	\$ 5,732,173	\$ 1,044,975	\$ -	\$ 1,044,975	\$ 7,284,644		\$ 7,284,644	\$ 7,186,905	14.61%
Dec-12	14.61%	0.00%	14.61%	\$ 6,425,783		\$ 6,425,783	\$ 5,750,319	\$ 840,122	\$ -	\$ 840,122	\$ 8,213,530		\$ 8,213,530	\$ 7,235,715	11.69%
Jan-13	13.49%	0.00%	13.49%	\$ 6,796,553		\$ 6,796,553	\$ 5,761,494	\$ 777,226	\$ -	\$ 777,226	\$ 8,444,115		\$ 8,444,115	\$ 7,262,400	10.74%
Feb-13	12.61%	0.00%	12.61%	\$ 6,216,733		\$ 6,216,733	\$ 5,795,157	\$ 730,769	\$ -	\$ 730,769	\$ 7,939,235		\$ 7,939,235	\$ 7,312,461	10.06%
Mar-13	14.37%	0.00%	14.37%	\$ 6,298,928		\$ 6,298,928	\$ 5,911,933	\$ 849,545	\$ -	\$ 849,545	\$ 7,667,285		\$ 7,667,285	\$ 7,443,964	11.62%
Apr-13	14.27%	0.00%	14.27%	\$ 4,922,555		\$ 4,922,555	\$ 5,978,569	\$ 853,142	\$ -	\$ 853,142	\$ 6,537,436		\$ 6,537,436	\$ 7,514,583	11.46%
May-13	17.97%	0.00%	17.97%	\$ 5,511,296		\$ 5,511,296	\$ 5,978,389	\$ 1,074,316	\$ -	\$ 1,074,316	\$ 6,756,241		\$ 6,756,241	\$ 7,524,526	14.30%
Jun-13	17.09%	0.00%	17.09%	\$ 6,258,838		\$ 6,258,838	\$ 5,996,347	\$ 1,024,776	\$ -	\$ 1,024,776	\$ 7,973,321		\$ 7,973,321	\$ 7,539,368	13.62%
Jul-13	15.77%	0.00%	15.77%	\$ 6,277,910		\$ 6,277,910	\$ 5,921,379	\$ 933,801	\$ (142,548)	\$ 791,253	\$ 7,817,310		\$ 7,817,310	\$ 7,460,293	10.49%
Aug-13	15.49%	0.00%	15.49%	\$ 6,489,530		\$ 6,489,530	\$ 5,929,642	\$ 918,502	\$ (117,466)	\$ 801,036	\$ 7,844,587		\$ 7,844,587	\$ 7,452,185	10.74%
Sep-13	14.93%	0.00%	14.93%	\$ 5,592,940		\$ 5,592,940	\$ 5,945,588	\$ 887,676	\$ (117,466)	\$ 770,210	\$ 6,794,382		\$ 6,794,382	\$ 7,452,676	10.34%
Oct-13	16.69%	0.00%	16.69%	\$ 4,744,434		\$ 4,744,434	\$ 5,943,846	\$ 992,028	\$ (117,466)	\$ 874,562	\$ 6,499,839		\$ 6,499,839	\$ 7,480,994	11.73%
Nov-13	17.43%	0.00%	17.43%	\$ 5,653,308		\$ 5,653,308	\$ 5,932,401	\$ 1,034,017	\$ (117,466)	\$ 916,551	\$ 7,306,757		\$ 7,306,757	\$ 7,482,837	12.25%
Dec-13	14.54%	0.00%	14.54%	\$ 6,845,217		\$ 6,845,217	\$ 5,967,354	\$ 867,653	\$ (117,466)	\$ 750,187					10.03%

Notes:

Salt River 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.

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