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PUBLIC SERVICE
COMMISSION

September 29, 2015

Mr. Jeff Derouen
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, KY 40601

RE: Case No. 2015-00281

Dear Mr. Derouen:

Please find enclosed the original and (6) copies of the information requested in Case No. 2015-00281, An Examination by the Public Service Commission of the Environmental Surcharge Mechanism of East Kentucky Power Cooperative, Inc. for the Six-Month Billing Periods Ending June 30, 2014 and December 31, 2014, Two-Year Billing Period Ending June 30, 2015, and the Pass Through Mechanism for its Sixteen Member Distribution Cooperatives. Sheree Gilliam, Sr. Vice President-Finance and Administration, will be the witness responsible for responding to questions related to the information provided.

Should you need additional information concerning this filing, please let me know.

Very truly yours,



James L. Jacobus
President/CEO

Enclosures

Copy To Service List (Via Email)

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 PERIODS ENDING) CASE NO. 2015-00281
JUNE 30, 2014 AND DECEMBER 31, 2014,)
TWO-YEAR BILLING PERIOD ENDING)
JUNE 30, 2015, AND THE PASS THROUGH)
MECHANISM FOR ITS SIXTEEN MEMBER)
DISTRIBUTION COOPERATIVES)

**INTER-COUNTY ENERGY COOPERATIVE RESPONSE TO
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION TO
EAST KENTUCKY POWER COOPERATIVE, INC.
AND EACH OF ITS SIXTEEN MEMBER COOPERATIVES**

CERTIFICATION

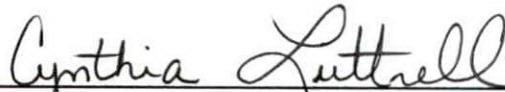
Sheree Gilliam, Sr. Vice President-Finance and Administration, being duly sworn, states that she has prepared the responses to the question from the Commission Staff to Inter-County Energy Cooperative in Case No. 2015-00281 dated August 31, 2015, and that the response is true and accurate to the best of her knowledge, information and belief formed after a reasonable inquiry.



Sheree Gilliam
Sr. Vice President-Finance and Administration
Inter-County Energy Cooperative Corporation

STATE OF KENTUCKY
COUNTY OF BOYLE

Subscribed and sworn to before me by Sheree Gilliam as Sr. Vice President-Finance and Administration of Inter-County Energy Cooperative Corporation this 29th day of September 2015.



Notary Public – ID 492615

My Commission Expires: July 15, 2017



INTER-COUNTY ENERGY COOPERATIVE

8. This question is addressed to each of the 16 Member Cooperatives. For your particular distribution cooperative, provide the actual average residential customer's monthly usage for the 12 months ended May 31, 2015. Based on this usage amount, provide the dollar impact any over- or under-recovery will have on the average residential customer's monthly bill for the requested recovery period. Provide all supporting calculations.

Response:

The over- or under-recovery used to determine the impact on the average residential customer's monthly bill has been determined using the traditional methodology used in previous surcharge reviews. However, Inter-County Energy Cooperative continues to believe that the methodology used to determine the over- or under-recovery needs revision and is working with the other EKPC Members to reach a consensus solution. Inter-County Energy Cooperative also supports the proposal that a future informal conference with the Commission Staff be held to discuss this issue.

Using the traditional approach, the net over-recovery for the 18-month period covered by this review is \$270,395. If this amount is amortized over a six-month period, the dollar impact is stated below.

Total Over-Recovery (\$270,395)
 Monthly Recovery (\$45,066)

		Actual		6-Month Recovery
12-Month Avg. Residential kWh	1,237		1,237	
Charge per kWh	\$0.09421	\$116.54	\$0.09421	\$116.54
Customer Charge	\$8.97	\$8.97	\$8.97	\$8.97
Fuel Adjustment Charge	\$(0.00168)	(2.08)	\$(0.00168)	(2.08)
Environmental Surcharge	10.09%	\$12.45	\$8.87	\$10.95
Total		\$135.88		\$134.38
Dollar Impact				(\$1.50)

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

For the Month Ending August 2015

Surcharge Factor Expense Month	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
	EKPC CESF %	EKPC BESF %	EKPC MESF %	EKPC Monthly Revenues from Sales to Inter County	On-peak Revenue Adjustment	EKPC Net Monthly Sales to Inter County	EKPC 12-months Ended Average Monthly Revenue from Sales to Inter County	Inter County Revenue Requirement	Amortization of (Over)/Under Recovery	Inter County Net Revenue Requirement	Inter County Total Monthly Retail Revenues	On-Peak Retail Revenue Adjustment	Inter County Net Monthly Retail Revenues	12-months ended Avg. Retail Revenues, Net	Inter County 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-13	14.93%	0.00%	14.93%	\$ 1,996,854		\$ 1,996,854	\$ 2,444,543	\$ 364,970	\$ 51,404	\$ 416,374	\$ 3,383,303		\$ 3,383,303	\$ 3,576,019	11.66%
Oct-13	16.69%	0.00%	16.69%	\$ 1,920,519		\$ 1,920,519	\$ 2,439,207	\$ 407,104	\$ 51,404	\$ 458,508	\$ 2,902,216		\$ 2,902,216	\$ 3,594,436	12.82%
Nov-13	17.43%	0.00%	17.43%	\$ 2,569,252		\$ 2,569,252	\$ 2,437,864	\$ 424,920	\$ 51,404	\$ 476,324	\$ 3,036,946		\$ 3,036,946	\$ 3,584,189	13.25%
Dec-13	14.54%	0.00%	14.54%	\$ 3,081,609		\$ 3,081,609	\$ 2,454,841	\$ 356,934	\$ 51,404	\$ 408,338	\$ 3,219,350		\$ 3,219,350	\$ 3,542,276	11.39%
Jan-14	10.92%	0.00%	10.92%	\$ 4,113,387		\$ 4,113,387	\$ 2,533,902	\$ 276,702	\$ (2,061)	\$ 274,641	\$ 5,002,452		\$ 5,002,452	\$ 3,579,564	7.75%
Feb-14	5.44%	0.00%	5.44%	\$ 3,374,040		\$ 3,374,040	\$ 2,571,441	\$ 139,886	\$ -	\$ 139,886	\$ 5,062,622		\$ 5,062,622	\$ 3,609,084	3.91%
Mar-14	11.62%	0.00%	11.62%	\$ 3,023,167		\$ 3,023,167	\$ 2,576,947	\$ 299,441	\$ (4,551)	\$ 294,890	\$ 4,553,381		\$ 4,553,381	\$ 3,640,146	8.17%
Apr-14	13.47%	0.00%	13.47%	\$ 2,045,832		\$ 2,045,832	\$ 2,578,244	\$ 347,289	\$ (4,551)	\$ 342,738	\$ 4,131,701		\$ 4,131,701	\$ 3,650,812	9.42%
May-14	15.84%	0.00%	15.84%	\$ 2,055,554		\$ 2,055,554	\$ 2,584,561	\$ 409,394	\$ (4,551)	\$ 404,843	\$ 2,680,073		\$ 2,680,073	\$ 3,640,017	11.09%
Jun-14	15.67%	0.00%	15.67%	\$ 2,416,057		\$ 2,416,057	\$ 2,599,081	\$ 407,276	\$ (4,551)	\$ 402,725	\$ 3,602,349		\$ 3,602,349	\$ 3,691,869	11.06%
Jul-14	14.38%	0.00%	14.38%	\$ 2,441,891		\$ 2,441,891	\$ 2,611,035	\$ 375,467	\$ (4,551)	\$ 370,916	\$ 3,189,144		\$ 3,189,144	\$ 3,679,673	10.05%
Aug-14	12.62%	0.00%	12.62%	\$ 2,495,782		\$ 2,495,782	\$ 2,627,829	\$ 331,632	\$ (4,551)	\$ 327,081	\$ 3,539,195		\$ 3,539,195	\$ 3,691,894	8.89%
Sep-14	13.53%	0.00%	13.53%	\$ 2,137,472		\$ 2,137,472	\$ 2,639,547	\$ 357,131	\$ -	\$ 357,131	\$ 3,474,386		\$ 3,474,386	\$ 3,699,485	9.67%
Oct-14	15.57%	0.00%	15.57%	\$ 1,871,532		\$ 1,871,532	\$ 2,635,465	\$ 410,342	\$ -	\$ 410,342	\$ 2,722,048		\$ 2,722,048	\$ 3,684,471	11.09%
Nov-14	16.95%	0.00%	16.95%	\$ 2,773,064		\$ 2,773,064	\$ 2,652,449	\$ 449,590	\$ -	\$ 449,590	\$ 3,735,505		\$ 3,735,505	\$ 3,742,684	12.20%
Dec-14	13.88%	0.00%	13.88%	\$ 2,910,358		\$ 2,910,358	\$ 2,638,178	\$ 366,179	\$ -	\$ 366,179	\$ 4,147,578		\$ 4,147,578	\$ 3,820,036	9.78%
Jan-15	13.67%	0.00%	13.67%	\$ 3,493,671		\$ 3,493,671	\$ 2,586,535	\$ 353,579	\$ -	\$ 353,579	\$ 5,319,321		\$ 5,319,321	\$ 3,846,442	9.26%
Feb-15	11.49%	0.00%	11.49%	\$ 3,764,869		\$ 3,764,869	\$ 2,619,104	\$ 300,935	\$ -	\$ 300,935	\$ 5,261,113		\$ 5,261,113	\$ 3,862,983	7.82%
Mar-15	10.90%	0.00%	10.90%	\$ 2,762,180		\$ 2,762,180	\$ 2,597,355	\$ 283,112	\$ -	\$ 283,112	\$ 3,703,991		\$ 3,703,991	\$ 3,792,200	7.33%
Apr-15	14.44%	0.00%	14.44%	\$ 1,701,774		\$ 1,701,774	\$ 2,568,684	\$ 370,918	\$ -	\$ 370,918	\$ 2,547,631		\$ 2,547,631	\$ 3,660,195	9.78%
May-15	18.09%	0.00%	18.09%	\$ 1,778,073		\$ 1,778,073	\$ 2,545,560	\$ 460,492	\$ -	\$ 460,492	\$ 2,813,577		\$ 2,813,577	\$ 3,671,320	12.58%
Jun-15	18.44%	0.00%	18.44%	\$ 2,278,726		\$ 2,278,726	\$ 2,534,116	\$ 467,291	\$ -	\$ 467,291	\$ 3,124,224		\$ 3,124,224	\$ 3,631,476	12.73%
Jul-15	15.91%	0.00%	15.91%	\$ 2,387,050		\$ 2,387,050	\$ 2,529,546	\$ 402,451	\$ -	\$ 402,451	\$ 3,696,723		\$ 3,696,723	\$ 3,673,774	11.08%
Aug-15	16.25%	0.00%	16.25%	\$ 2,216,167		\$ 2,216,167	\$ 2,506,245	\$ 407,265	\$ (36,516)	\$ 370,749					10.09%

Notes:

Inter County 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 Inter County ECC

For the Month Ending August 2015

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			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)
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Jul-15	15.91%	0.00%	15.91%	\$ 2,387,050		\$ 2,387,050	\$ 2,529,546	\$ 402,451	\$ -	\$ 402,451	\$ 3,696,723		\$ 3,696,723	\$ 3,673,774	11.08%
Aug-15	16.25%	0.00%	16.25%	\$ 2,216,167		\$ 2,216,167	\$ 2,506,245	\$ 407,265	\$ (81,582)	\$ 325,683					8.87%

Notes:

Inter County 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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*Denotes Served by Email