



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

MAY 26 2017

Public Service
Commission

May 24, 2017

Talina R. Mathews
Executive Director
Public Service Commission
211 Sower Blvd.
PO Box 615
Frankfort, KY 40602

RE: Public Service Commission Case No. 2017-00007

Dear Ms. Mathews:

Please find enclosed the original and seven (7) copies of Big Sandy Rural Electric Cooperative Corporation's response to Commission Staff's second request for information regarding Case No. 2017-00007 AN EXAMINATION OF THE APPLICATION OF THE FUEL ADJUSTMENT CLAUSE OF BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION FROM NOVEMBER 1, 2014 THROUGH OCTOBER 31, 2016.

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

Thank you,

Billy Frasure
Accounting & Finance Manager

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

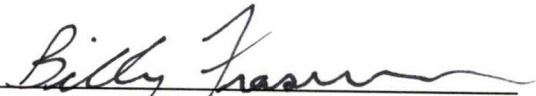
In The Matter Of:

AN EXAMINATION OF THE APPLICATION OF)	
THE FUEL ADJUSTMENT CLAUSE OF BIG)	
SANDY RURAL ELECTRIC COOPERATIVE)	CASE NO.
CORPORATION FROM NOVEMBER 1, 2014)	2017-00007
THROUGH OCTOBER 31, 2016)	

AFFIDAVIT

Billy O. Frasure, CPA, being duly sworn states that he is the person who prepared and compiled items 1-2 and exhibits C-E of Big Sandy RECC's responses to Commission Staff's second request for information in Case No. 2017-00007; that he has read the same and knows the contents thereof; that the matters stated therein are true and correct to the best of his knowledge and belief.

Witness my signature this 24th day of May, 2017.



Billy O. Frasure, CPA

Subscribed and sworn to before me by Billy O. Frasure, CPA this 24th day of May, 2017.



Notary Public, State at Large

My commission expires: 6-19-2018.

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In The Matter Of:

AN EXAMINATION OF THE APPLICATION OF)
THE FUEL ADJUSTMENT CLAUSE OF BIG)
SANDY RURAL ELECTRIC COOPERATIVE)
CORPORATION FROM NOVEMBER 1, 2014)
THROUGH OCTOBER 31, 2016)

CASE NO.
2017-00007

**RESPONSE TO COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION TO
BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION**

DATED APRIL 06, 2017

Request 1:

Refer to Big Sandy's response to Commission Staffs February 6, 2017 Request for Information ("February 6, 2017 Request"), Exhibit 3. Explain why Big Sandy averaged the line losses for the 24 months of the two-year review period rather than using the 12-month line loss at October 2016, the last month of the two-year review period.

Response 1:

The response was modeled from Big Sandy's previous response in Case No. 2010-00496. Big Sandy has reviewed and revised its response.

WITNESS: BILLY FRASURE

Request 2:

Refer to Big Sandy's response to the February 6, 2017 Request, Exhibits C, D, and E. Revise these Exhibits using a line loss of 5.35 percent rather than 5.43 percent to calculate the change in base fuel costs.

Response 2:

Big Sandy has revised and attached updated Exhibits C, D, and E using 5.35 percent as its line loss. Big Sandy also realized Exhibits D and E, of its first response, did not include its Schedule IND 1-B rate. The updated exhibits now contain this rate.

WITNESS: BILLY FRASURE

Big Sandy RECC
CASE NO. 2017-00007

12-Month Line Loss at October 31, 2016		5.35%
EKPC proposed change to the base fuel cost:	\$	(0.00238) per KWH
Adjustment for average line loss:		
100% less 5.35% (line loss):		94.65%
Wholesale charge divided by 94.65%:	\$	(0.00251) per KWH

**Big Sandy RECC
CASE NO. 2017-00007
PRESENT AND PROPOSED RATES**

A-1 Farm and Home

Rates	Present	Proposed	Difference
Energy Charge	\$ 0.08900	\$ 0.08649	\$ (0.00251)
Off-Peak Energy Charge	\$ 0.05441	\$ 0.05190	\$ (0.00251)

A-2 Commercial and Small Power

Rates	Present	Proposed	Difference
Energy Charge	\$ 0.07880	\$ 0.07629	\$ (0.00251)

LP Large Power Service

Rates	Present	Proposed	Difference
Primary Meter	\$ 0.05507	\$ 0.05256	\$ (0.00251)
Secondary Meter	\$ 0.06119	\$ 0.05868	\$ (0.00251)

LPR Large Power Service

Rates	Present	Proposed	Difference
Primary Meter	\$ 0.05427	\$ 0.05176	\$ (0.00251)
Secondary Meter	\$ 0.06030	\$ 0.05779	\$ (0.00251)

**Big Sandy RECC
CASE NO. 2017-00007
PRESENT AND PROPOSED RATES**

IND-1

Rates	Present	Proposed	Difference
Primary Meter	\$ 0.05638	\$ 0.05387	\$ (0.00251)
Secondary Meter	\$ 0.05701	\$ 0.05450	\$ (0.00251)

IND-2

Rates	Present	Proposed	Difference
Primary Meter	\$ 0.05102	\$ 0.04851	\$ (0.00251)
Secondary Meter	\$ 0.05151	\$ 0.04900	\$ (0.00251)

IND 1-B

Rates	Present	Proposed	Difference
Primary Meter	\$ 0.05178	\$ 0.04927	\$ (0.00251)
Secondary Meter	\$ 0.05244	\$ 0.04993	\$ (0.00251)

YL - Yard Lights

Rates	Present	Proposed	Difference	
175 Watt	\$ 9.49	\$ 9.31	\$ (0.18)	70
400 Watt	\$ 14.27	\$ 13.89	\$ (0.38)	153
500 Watt	\$ 16.82	\$ 16.29	\$ (0.53)	210
1,500 Watt	\$ 39.13	\$ 37.55	\$ (1.58)	630
400 Watt Flood	\$ 19.28	\$ 18.90	\$ (0.38)	153

FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO. 2012-00030

1ST REVISED SHEET NO. 1

CANCELLING PSC NO. 2012-00030

ORIGINAL SHEET NO. 1

BIG SANDY RURAL ELECTRIC
COOPERATIVE CORPORATION

CLASSIFICATION OF SERVICE

SCHEDULE A-1 FARM & HOME

RATE PER UNIT

APPLICABLE:

Entire territory served.

AVAILABILITY OF SERVICE:

Available to members of this Cooperative for Farm and Home use having a required transformer capacity not to exceed 50 KVA, subject to all rules and regulations established by the Cooperative.

TYPE OF SERVICE:

- A. Single-Phase, 120/240 volts, or
- B. Three-Phase, 240/480 volts, or
- C. Three-Phase, 120/208 wye volts

RATES:

Customer charge per delivery point	\$ 15.00 per month	
Energy charge	0.08649	0.08900 per KWH (R)
Off peak energy charge	0.05190	0.05441 (R)

Applicable only to programs which are expressly approved by the Commission to be offered under the Marketing Rate of East Kentucky Power Cooperative's Wholesale Power Rate Schedule A during the following off-peak hours. Energy furnished under this rate shall be separately metered for each point of delivery.

Months	Off-Peak Hours (EST)
October through April	12:00 noon to 5:00 PM 10:00 PM to 7:00 AM
May through September	10:00 PM to 10:00 AM

DATE OF ISSUE: Sept. 24, 2013

DATE EFFECTIVE: November 1, 2013

ISSUED BY:

TITLE: PRESIDENT/GENERAL MANAGER

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2012-00030, dated October 31, 2012.

FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO. 2012-00030

ORIGINAL SHEET NO. 4

CANCELLING PSC NO. 2010-00496

ORIGINAL SHEET NO. 4

BIG SANDY RURAL ELECTRIC
COOPERATIVE CORPORATION

CLASSIFICATION OF SERVICE

SCHEDULE A-2 COMMERCIAL AND SMALL POWER RATE PER UNIT

APPLICABLE:

Entire territory served.

AVAILABILITY OF SERVICE:

Available to commercial loads having a required transformer capacity not to exceed 25 KVA

TYPE OF SERVICE:

Single-phase and Three-phase at a standard voltage

RATES:

Customer charge per delivery point		\$ 24.64	per month	
Energy charge	0.07629	0.07880	per KWH	(R)
Demand charge		5.50	per KW	

MINIMUM MONTHLY CHARGE:

The minimum monthly charge under the above rate shall be \$24.64 where 15 KVA or less of transformer capacity is required. For consumers requiring more than 15 KVA of transformer capacity, the minimum monthly charge shall be increased at the rate of 75 cents for each additional KVA or fraction thereof required.

MINIMUM ANNUAL CHARGE FOR SEASONAL SERVICE:

Customers requiring service during, but not to exceed nine months per year may guarantee a minimum annual payment of twelve (12) times the minimum monthly charge determined in accordance with the foregoing section, in which case there shall be no minimum monthly charge.

DATE OF ISSUE: Oct. 31, 2012

DATE EFFECTIVE: Oct. 31, 2012

ISSUED BY: _____

TITLE: PRESIDENT/GENERAL MANAGER

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2012-00030, dated October 31, 2012.

FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO. 2012-00030

ORIGINAL SHEET NO. 7

CANCELLING PSC NO. 2010-00496

ORIGINAL SHEET NO. 7

BIG SANDY RURAL ELECTRIC
COOPERATIVE CORPORATION

CLASSIFICATION OF SERVICE

SCHEDULE LP LARGE POWER SERVICE

RATE PER UNIT

APPLICABLE:

Entire territory served.

AVAILABILITY OF SERVICE:

Available to customers located on or near Seller's three-phase lines having a required transformer capacity not to exceed 750 KVA, subject of the established rules and regulations of seller.

RATES:

Demand Charge		\$ 6.25	per KW of billing	
Secondary Meter Energy Charge	0.05868	0.06119	per KWH	(R)
Primary Meter Energy Charge	0.05256	0.05507	per KWH	(R)
Customer Charge Per Delivery Point		93.28	per Month	

DETERMINATION OF BILLING DEMAND:

The billing demand shall be the maximum kilowatt demand established by the customer for any period of fifteen (15) consecutive minutes during the month for which the bill is rendered, as indicated or recorded by demand meter and adjusted for power factor as follows:

POWER FACTOR ADJUSTMENT:

The customer agrees to maintain unity power factor as nearly as practicable. Should the demand meter indicate that the average power factor is less than ninety percent (90%), the demand for billing purposes shall be the demand as indicated or recorded by the demand meter multiplied by ninety percent (90%) and divided by the percentage power factor.

DATE OF ISSUE: Oct. 31, 2012

DATE EFFECTIVE: Oct. 31, 2012

ISSUED BY: _____

TITLE: PRESIDENT/GENERAL MANAGER

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2012-00030, dated October 31, 2012.

FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO. 2012-00030

ORIGINAL SHEET NO. 10

CANCELLING PSC NO. 2010-00496

ORIGINAL SHEET NO. 10

BIG SANDY RURAL ELECTRIC
COOPERATIVE CORPORATION

CLASSIFICATION OF SERVICE

SCHEDULE LPR LARGE POWER SERVICE

RATE PER UNIT

APPLICABLE:

In all territory served.

AVAILABILITY OF SERVICE:

Available to all commercial and industrial customers whose power requirements shall exceed 750 KVA of transformer capacity.

CONDITIONS:

An "Agreement for Purchase of Power" shall be executed by the customer for service under this schedule.

CHARACTER OF SERVICE:

The electric service furnished under this schedule will be 60 hertz, alternating current and at available nominal voltage.

RATE:

Maximum Demand Charge:	\$ 6.25	per KW of billing demand	
Secondary Meter Energy Charge:	0.05779 0.06030	per KWH	(R)
Primary Meter Energy Charge:	0.05176 0.05427	per KWH	(R)
Customer Charge Per Delivery Point:	\$ 107.68	per month	

DETERMINATION OF BILLING DEMAND:

The billing demand shall be the maximum kilowatt demand established by the customer for any period of fifteen (15) consecutive minutes during the month for which the bill is

DATE OF ISSUE: Oct. 31, 2012

DATE EFFECTIVE: Oct. 31, 2012

ISSUED BY: _____

TITLE: PRESIDENT/GENERAL MANAGER

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2012-00030, dated October 31, 2012.

FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO. 2012-00030

ORIGINAL SHEET NO. 13

CANCELLING PSC NO. 2010-00496

ORIGINAL SHEET NO. 13

BIG SANDY RURAL ELECTRIC
COOPERATIVE CORPORATION

CLASSIFICATION OF SERVICE

SCHEDULE YL-1

RATE PER UNIT

APPLICABLE:

Entire territory served.

AVAILABILITY OF SERVICE:

Available to all members of the Cooperative subject to its established rules and regulations.

TYPE OF SERVICE:

Single-Phase, 120 volts, mercury vapor type or equivalent lighting unit.

RATES:

Flat rate per light per month as follows:

175	Watt	@	9.31	9.49	per month	(R)
400	Watt	@	13.89	14.27	per month	(R)
500	Watt	@	16.29	16.82	per month	(R)
1,500	Watt	@	37.55	39.13	per month	(R)
400	Watt Flood	@	18.90	19.28	per month	(R)

TERMS OF PAYMENT:

All of the above rates are net, the gross rates being seven percent (7%) higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.

FUEL ADJUSTMENT CLAUSE:

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not exceed 10%

DATE OF ISSUE: Oct. 31, 2012

DATE EFFECTIVE: Oct. 31, 2012

ISSUED BY: _____

TITLE: PRESIDENT/GENERAL MANAGER

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2012-00030, dated October 31, 2012.

FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO. 2012-00030

ORIGINAL SHEET NO. 15

CANCELLING PSC NO. 2010-00496

ORIGINAL SHEET NO. 15

BIG SANDY RURAL ELECTRIC
COOPERATIVE CORPORATION

CLASSIFICATION OF SERVICE

SCHEDULE IND 1

RATE PER UNIT

APPLICABLE:

Applicable to contracts with contract demands of 1000 KW or greater with a monthly energy usage equal to or greater than 425 hours per KW of Billing Demand. These contracts will be a "two party" contract between the Cooperative and the ultimate consumer.

AVAILABILITY:

Available to all members.

MONTHLY RATE:

Demand Charge:		\$ 5.93	per KW of Billing Demand	
Secondary Meter Energy Charge	0.05450	0.05701	per KWH	(R)
Primary Meter Energy Charge:	0.05387	0.05638	per KWH	(R)
Customer Charge:		\$ 165.06		

BILLING DEMAND:

The Kilowatt Demand shall be the greater of (A) or (B) listed below:

- A. The Contract Demand.
- B. The ultimate consumer's highest demand during the current month or the preceding eleven months coincident with the load center's peak demand. The load center's peak demand is the highest average rate at which energy is used during any fifteen minute interval in the below listed hours for each month and adjusted for power factor as provided herein:

Months:

October through April	7:00 AM to 12:00 Noon
	5:00 PM to 10:00 PM
May through September	10:00 AM to 10:00 PM

DATE OF ISSUE: Oct. 31, 2012

DATE EFFECTIVE: Oct. 31, 2012

ISSUED BY: _____

TITLE: PRESIDENT/GENERAL MANAGER

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2012-00030, dated October 31, 2012.

FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED
PSC NO. 2012-00030

BIG SANDY RURAL ELECTRIC
COOPERATIVE CORPORATION

ORIGINAL SHEET NO. 19

CANCELLING PSC NO. 2010-00496

ORIGINAL SHEET NO. 19

CLASSIFICATION OF SERVICE

SCHEDULE IND 2

RATE PER UNIT

APPLICABLE:

Applicable to contracts with contract demands of 5000 KW or greater with a monthly energy usage equal to or greater than 425 hours per KW of Billing Demand. These contracts will be a "two party" contract between the Cooperative and the ultimate consumer.

AVAILABILITY:

Available to all members.

MONTHLY RATE:

Demand Charge:		\$ 5.93	per KW of Billing Demand	
Secondary Meter Energy Charge	0.04900	0.05151	per KWH	(R)
Primary Meter Energy Charge	0.04851	0.05102	per KWH	(R)
Customer Charge		\$ 1,176.33		

BILLING DEMAND:

The Kilowatt Demand shall be the greater of (A) or (B) listed below:

- A. The Contract Demand.
- B. The ultimate consumer's highest demand during the current month or the preceding eleven months coincident with the load center's peak demand. The load center's peak demand is the highest average rate at which energy is used during any fifteen minute interval in the below listed hours for each month and adjusted for power factor as provided herein.

DATE OF ISSUE: Oct. 31, 2012

DATE EFFECTIVE: Oct. 31, 2012

ISSUED BY: _____

TITLE: PRESIDENT/GENERAL MANAGER

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2012-00030, dated October 31, 2012.

FORM FOR FILING RATE SCHEDULES

FOR TERRITORIES SERVED
PSC NO. 2010-000496
1ST REVISED SHEET NO. 25
CANCELLING PSC NO. 2010-00496
ORIGINAL SHEET NO. 25

BIG SANDY RURAL ELECTRIC COOPERATIVE
CORPORATION

CLASSIFICATION OF SERVICE

SCHEDULE IND 1-B	RATE PER UNIT
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APPLICABLE

Applicable to contracts with contract demands of 500 kW or greater with a monthly energy usage equal to or greater than 400 hours per kW of Billing Demand. These contracts will be a "two party" contract between the Cooperative and the ultimate consumer.

AVAILABILITY

Available to all members

MONTHLY RATE

Demand Charge			
Contract Demand	\$	6.16 per kW of Billing Demand	
Excess Demand		8.93 per kW of Billing Demand	
Secondary Meter Energy Charge	0.04993	0.05244 per kWh	(R)
Primary Meter Energy Charge	0.04927	0.05178 per kWh	(R)
Customer Charge	\$	173.33	

BILLING DEMAND

The monthly Billing Demand (kilowatt demand) shall be the contract demand plus any excess demand. Excess demand occurs when the consumer's peak demand, during the current month, exceeds the contract demand. The consumer's peak demand is the highest average rate at which energy is used during any fifteen-minute interval, (in the below listed hours) for each month, and adjusted for power factor as provided herein.

Months – All hours are Eastern Standard Time

October through April	7:00 A.M. to 12:00 Noon 5:00 P.M. to 10:00 P.M.
May through September	10:00 A.M. to 10:00 P.M.

Date of Issue: _____

Date Effective: _____

Issued By: _____

Title: President & General Manager