


# Shelby Energy Cooperative

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May 13, 2013

RECEIVED  
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PUBLIC SERVICE  
COMMISSION

Mr. Jeff Derouen  
Executive Director  
Kentucky Public Service Commission  
211 Sower Blvd  
P O Box 615  
Frankfort, KY 40602-0615

RE: Case No. 2012-00486

Dear Mr. Derouen:

Enclosed are an original and five (5) copies of Shelby Energy Cooperative Inc.'s responses to the commission staff's third request for information dated May 8, 2013. The information has been provided by e-mail to all parties of record.

Should you have any questions or need further information, please let me know.

Sincerely,



Debra J. Martin  
President & CEO

Enclosures

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CASE NO. 2012-00486

SHELBY ENERGY COOPERATIVE, INC.

RESPONSES TO COMMISSION STAFF'S THIRD  
REQUEST FOR INFORMATION

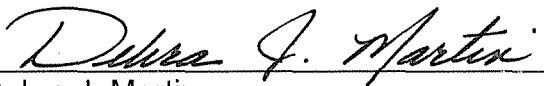
DATED: MAY 8, 2013

Certification .....	Tab 1
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COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION  
CASE NO. 2012-00486

VERIFICATION

The undersigned, Debra J. Martin, President and CEO of Shelby Energy Cooperative, Inc. certifies that the responses contained in this document are true and accurate to the best of her knowledge, information and belief formed after a reasonable inquiry.

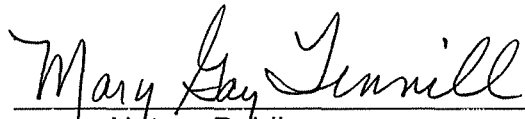
  
Debra J. Martin

COMMONWEALTH OF KENTUCKY

COUNTY OF SHELBY

Subscribed and sworn to before me by Debra J. Martin, President and CEO of Shelby Energy Cooperative, Inc., to be her free act and deed this 13 day of May, 2013.

(SEAL)

  
Notary Public

My Commission Expires:

March 28, 2014

ID: 415621

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 BILLING PERIOD ENDING	)	CASE NO
JUNE 30, 2011, FOR THE SIX-MONTH BILLING	)	2012-00486
PERIODS ENDING DECEMBER 31, 2011 AND	)	
JUNE 30, 2012, AND THE PASS THROUGH	)	
MECHANISM FOR ITS SIXTEEN MEMBER	)	
DISTRIBUTION COOPERATIVES	)	

RESPONSE TO COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION TO BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION; BLUEGRASS ENERGY COOPERATIVE CORPORATION; CUMBERLAND VALLEY ELECTRIC, INC.; GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION; INTER-COUNTY ENERGY COOPERATIVE CORPORATION; LICKING VALLEY RURAL ELECTRIC COOPERATIVE CORPORATION; SALT RIVER ELECTRIC COOPERATIVE CORPORATION; AND SHELBY ENERGY COOPERATIVE, INC.

DATED: MAY 8, 2013

**Commission Staff's Third Request for Information**  
**Case No. 2012-00486**

**Question:**

1. The following question is directed to Big Sandy, Blue Grass, Cumberland Valley, Grayson, Inter-County, Licking Valley, Salt River, and Shelby. Refer to your particular cooperative's response to Commission Staff's Amended Second Request for Case No. 2012-00486 Information, Item 2. The request was intended to determine the impact on an average residential customer's monthly bill when the member cooperatives environmental surcharge over- or under-recovery amount is included for a recovery period of six months and a recovery period of 12 months, as compared with the average residential customer's monthly bill without any over- or under-recovery amount included.' For your particular cooperative provide:

- a. The average residential customer's monthly bill when no over-or under-recovery amount is included;
- b. The impact on an average residential customer's monthly bill when your particular cooperative's environmental surcharge over- or under-recovery amount is included for a recovery period of six months;
- c. The impact on an average residential customer's monthly bill when your particular cooperative's environmental surcharge over- or under-recovery amount is included for a recovery period of 12 months; and
- d. All supporting calculations for each item requested above.

**Response:**

1a. \$134.99 is the average residential monthly bill for Shelby when no over-or under-recovery amount is included.

**Commission Staff's Third Request for Information**  
**Case No. 2012-00486**

1b. \$1.14 is the impact on an average residential monthly bill for Shelby when the over-or under-recover amount is included for a recovery period of six months.

1c. \$.57 is the impact on an average residential monthly bill for Shelby when the over-or under-recover amount is included for a recovery period of twelve months.

1d. For Shelby's supporting calculations, please refer to Exhibit 1 which is included and made a part of this response.

Witness: Debra J. Martin

**SHELBY ENERGY COOPERATIVE, INC.**  
Case No. 2012 - 00486  
**Dollar Impact to Average Residential Bill**  
**for Over/Under Recovery of Environmental Surcharge ("ES")**

	Average Monthly kWh: 1,235	Rate per kWh: \$0.08861	Facility Chg: \$10.14	County Tax: 3.00%									
<b>ORIGINAL BILLING</b>	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Total
Energy Cost	\$109.43	\$109.43	\$109.43	\$109.43	\$109.43	\$109.43	\$109.43	\$109.43	\$109.43	\$109.43	\$109.43	\$109.43	\$1,313.20
Facility Charge	10.14	10.14	10.14	10.14	10.14	10.14	10.14	10.14	10.14	10.14	10.14	10.14	121.68
Fuel Cost	<u>2.51</u>	<u>0.94</u>	<u>0.35</u>	<u>(0.72)</u>	<u>(1.96)</u>	<u>(5.38)</u>	<u>(4.26)</u>	<u>(2.89)</u>	<u>(3.14)</u>	<u>(3.48)</u>	<u>(1.67)</u>	<u>(1.28)</u>	<u>(21.00)</u>
Subtotal	\$122.08	\$120.51	\$119.92	\$118.86	\$117.61	\$114.19	\$115.31	\$116.68	\$116.44	\$116.09	\$117.91	\$118.29	\$1,413.89
ES	<u>10.94</u>	<u>9.73</u>	<u>11.60</u>	<u>13.35</u>	<u>15.28</u>	<u>13.65</u>	<u>12.78</u>	<u>12.43</u>	<u>14.11</u>	<u>15.37</u>	<u>16.39</u>	<u>13.21</u>	<u>158.82</u>
Subtotal	\$133.02	\$130.24	\$131.52	\$132.20	\$132.89	\$127.83	\$128.09	\$129.11	\$130.55	\$131.46	\$134.30	\$131.50	\$1,572.70
County Tax	<u>3.99</u>	<u>3.91</u>	<u>3.95</u>	<u>3.97</u>	<u>3.99</u>	<u>3.84</u>	<u>3.84</u>	<u>3.87</u>	<u>3.92</u>	<u>3.94</u>	<u>4.03</u>	<u>3.95</u>	<u>47.18</u>
<b>TOTAL</b>	<b>\$137.01</b>	<b>\$134.14</b>	<b>\$135.46</b>	<b>\$136.17</b>	<b>\$136.87</b>	<b>\$131.67</b>	<b>\$131.93</b>	<b>\$132.98</b>	<b>\$134.47</b>	<b>\$135.40</b>	<b>\$138.32</b>	<b>\$135.45</b>	<b>\$1,619.88</b>
<b>RESPONSE 1a.</b>	<b>Average Monthly Bill: \$134.99</b>												
<b>6-MONTH RECOVERY OF ES</b>													
Energy Cost	\$109.43	\$109.43	\$109.43	\$109.43	\$109.43	\$109.43	\$109.43	\$109.43	\$109.43	\$109.43	\$109.43	\$109.43	\$1,313.20
Facility Charge	10.14	10.14	10.14	10.14	10.14	10.14	10.14	10.14	10.14	10.14	10.14	10.14	121.68
Fuel Cost	<u>2.51</u>	<u>0.94</u>	<u>0.35</u>	<u>(0.72)</u>	<u>(1.96)</u>	<u>(5.38)</u>	<u>(4.26)</u>	<u>(2.89)</u>	<u>(3.14)</u>	<u>(3.48)</u>	<u>(1.67)</u>	<u>(1.28)</u>	<u>(21.00)</u>
Subtotal	\$122.08	\$120.51	\$119.92	\$118.86	\$117.61	\$114.19	\$115.31	\$116.68	\$116.44	\$116.09	\$117.91	\$118.29	\$1,413.89
ES	<u>10.94</u>	<u>9.73</u>	<u>11.60</u>	<u>13.35</u>	<u>15.28</u>	<u>13.65</u>	<u>11.64</u>	<u>11.28</u>	<u>12.98</u>	<u>14.23</u>	<u>15.23</u>	<u>12.07</u>	<u>151.97</u>
Subtotal	\$133.02	\$130.24	\$131.52	\$132.20	\$132.89	\$127.84	\$126.95	\$127.97	\$129.42	\$130.32	\$133.14	\$130.35	\$1,565.86
County Tax	<u>3.99</u>	<u>3.91</u>	<u>3.95</u>	<u>3.97</u>	<u>3.99</u>	<u>3.84</u>	<u>3.81</u>	<u>3.84</u>	<u>3.88</u>	<u>3.91</u>	<u>3.99</u>	<u>3.91</u>	<u>46.98</u>
<b>TOTAL</b>	<b>\$137.01</b>	<b>\$134.15</b>	<b>\$135.47</b>	<b>\$136.17</b>	<b>\$136.87</b>	<b>\$131.67</b>	<b>\$130.76</b>	<b>\$131.81</b>	<b>\$133.30</b>	<b>\$134.23</b>	<b>\$137.13</b>	<b>\$134.27</b>	<b>\$1,612.83</b>
<b>RESPONSE 1b.</b>	<b>Impact of 6-month Recovery of ES on Average Monthly Bill: \$1.14</b>												
<b>12-MONTH RECOVERY OF ES</b>													
Energy Cost	\$109.43	\$109.43	\$109.43	\$109.43	\$109.43	\$109.43	\$109.43	\$109.43	\$109.43	\$109.43	\$109.43	\$109.43	\$1,313.20
Facility Charge	10.14	10.14	10.14	10.14	10.14	10.14	10.14	10.14	10.14	10.14	10.14	10.14	121.68
Fuel Cost	<u>2.51</u>	<u>0.94</u>	<u>0.35</u>	<u>(0.72)</u>	<u>(1.96)</u>	<u>(5.38)</u>	<u>(4.26)</u>	<u>(2.89)</u>	<u>(3.14)</u>	<u>(3.48)</u>	<u>(1.67)</u>	<u>(1.28)</u>	<u>(21.00)</u>
Subtotal	\$122.08	\$120.51	\$119.92	\$118.86	\$117.61	\$114.19	\$115.31	\$116.68	\$116.44	\$116.09	\$117.91	\$118.29	\$1,413.89
ES	<u>10.35</u>	<u>9.15</u>	<u>11.02</u>	<u>12.77</u>	<u>14.69</u>	<u>13.09</u>	<u>12.21</u>	<u>11.86</u>	<u>13.54</u>	<u>14.80</u>	<u>15.81</u>	<u>12.65</u>	<u>151.93</u>
Subtotal	\$132.43	\$129.66	\$130.94	\$131.62	\$132.30	\$127.27	\$127.52	\$128.54	\$129.98	\$130.89	\$133.72	\$130.93	\$1,565.81
County Tax	<u>3.97</u>	<u>3.89</u>	<u>3.93</u>	<u>3.95</u>	<u>3.97</u>	<u>3.82</u>	<u>3.83</u>	<u>3.86</u>	<u>3.90</u>	<u>3.93</u>	<u>4.01</u>	<u>3.93</u>	<u>46.97</u>
<b>TOTAL</b>	<b>\$136.41</b>	<b>\$133.55</b>	<b>\$134.87</b>	<b>\$135.57</b>	<b>\$136.27</b>	<b>\$131.09</b>	<b>\$131.35</b>	<b>\$132.39</b>	<b>\$133.88</b>	<b>\$134.82</b>	<b>\$137.73</b>	<b>\$134.86</b>	<b>\$1,612.79</b>
<b>RESPONSE 1c.</b>	<b>Impact of 12-month Recovery of ES on Average Monthly Bill: \$0.57</b>												
<b>6-Mth versus 12-Mth Recovery</b>	\$0.60	\$0.60	\$0.60	\$0.60	\$0.61	\$0.58	(\$0.59)	(\$0.59)	(\$0.58)	(\$0.59)	(\$0.60)	(\$0.60)	
<b>Fuel Cost Factor</b>	0.00203	0.00076	0.00028	(0.00058)	(0.00159)	(0.00436)	(0.00345)	(0.00234)	(0.00254)	(0.00282)	(0.00135)	(0.00104)	
<b>ES Percent - Original</b>	8.96%	8.07%	9.67%	11.23%	12.99%	11.95%	11.08%	10.65%	12.12%	13.24%	13.90%	11.17%	
<b>ES Percent - 6 mth</b>	8.96%	8.07%	9.67%	11.23%	12.99%	11.95%	10.09%	9.67%	11.15%	12.26%	12.92%	10.20%	
<b>ES Percent - 12 mth</b>	8.48%	7.59%	9.19%	10.74%	12.49%	11.46%	10.59%	10.16%	11.63%	12.75%	13.41%	10.69%	