

MAY 15 2013

PUBLIC SERVICE
COMMISSION

P.O. Box 990 • 1201 Lexington Road • Nicholasville, Kentucky 40340-0990
Phone: 888-546-4243 • Fax: 859-885-2854 • www.bgenergy.com

May 15, 2013

Jeff Derouen, Executive Director
Kentucky Public Service Commission
P O Box 615
Frankfort Kentucky 40602

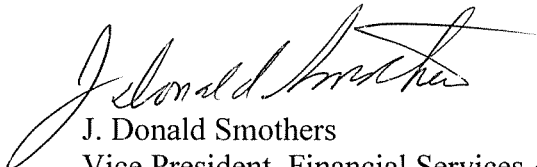
Re: PSC Case No. 2012-00486

Dear Mr. Derouen,

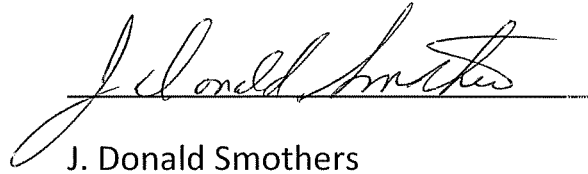
Please find enclosed for filing with the Commission in the above-referenced case an original and five copies of the third request for information relating to the environmental surcharge mechanism of East Kentucky Power Cooperative and the pass through mechanism for its sixteen member distribution cooperatives. Each response contains the name of the witness responsible for responding to the questions related to the information provided. A signed certification of the person supervision the preparation of the response on behalf of the entity, that the response is true and accurate to the best of that person's knowledge and belief, is included.

If you have any questions, please contact me at 859-885-2118. As always, your continued assistance and cooperation is appreciated.

Sincerely,

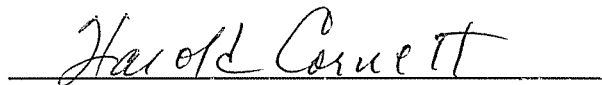

J. Donald Smothers
Vice President, Financial Services & CFO

The affiant, J. Donald Smothers, Vice President, Financial Services & CFO for Blue Grass Energy, states that the answers given by him to the foregoing questions are true and correct to the best of his knowledge and belief.


J. Donald Smothers

Subscribed and sworn to before me by the affiant, Chris Brewer, this 15 day of May 2013.

My Commission expires July 31, 2016



Notary Public, State of Kentucky at Large

- a. Request:
Provide the average residential customer's monthly bill when no over -or under-recovery amount is included.

Response:

<u>2012 Residential Customer Monthly Bill</u>	\$1,383.93
Environmental Surcharge Amount	\$147.02
Total Bill Amount	<u>\$1,530.95</u>
Average Monthly Bill	<u>\$127.58</u>

- b. Request
Provide the impact on an average residential customer's bill when your particular cooperative's environmental surcharge over- or under-recovery amount is included for a recovery period of six months.

Response
Impact on an average residential customer's bill for a 6 month recovery.

Environmental Surcharge for 2012 Residential monthly bill: No over- or under-recovery included	\$147.02
Over- or under- recovery period of six months	<u>\$130.87</u>
Impact on an average Residential monthly bill	-\$2.69

- c. Request
Provide the impact on an average residential customer's bill when your particular cooperative's environmental surcharge over- or under-recovery amount is included for a recovery period of 12 months.

Response
Impact on an average residential customer's bill for a 12 month recovery.

Environmental Surcharge for 2012 Residential monthly bill: No over- or under-recovery included	\$147.02
Over- or under- recovery period of 12 months	<u>\$130.70</u>
Impact on an average Residential monthly bill	-\$1.36

Witness: J. Donald Smothers

1/20/11
Page 2 of 2

Environmental Surcharge over or under recovery analysis
Per East Kentucky over recovered \$1,236,000

ES Based on 2012 Actual

Month	2012 Residential	Avg. Residential	Fuel			Assume no billing lag		Includes Refund		Includes Refund	
	Members	Monthly kWh Usage	Bill	Adj	Subtotal	ES	ES Amount	In 6 month	ES	ES Amount	ES
Jan	52,232	1,551	\$148.56	\$0.00274	\$152.81	8.74%	\$13.36	8.74%	\$13.36	7.59%	\$11.60
Feb	52,453	1,591	\$152.14	\$0.00077	\$153.37	7.80%	\$11.96	7.80%	\$11.96	6.65%	\$10.20
Mar	52,560	1,247	\$121.35	\$0.00072	\$122.25	9.44%	\$11.54	9.44%	\$11.54	8.26%	\$10.10
Apr	52,339	898	\$90.11	-\$0.00125	\$88.99	10.90%	\$9.70	10.90%	\$9.70	9.72%	\$8.65
May	52,505	883	\$88.77	-\$0.00179	\$87.19	12.59%	\$10.98	12.59%	\$10.98	11.39%	\$9.93
Jun	52,695	1,056	\$104.25	-\$0.00399	\$100.04	11.54%	\$11.54	11.54%	\$11.54	10.35%	\$10.35
Jul	52,564	1,350	\$130.57	-\$0.00387	\$125.34	10.73%	\$13.45	8.34%	\$10.45	9.54%	\$11.96
Aug	52,823	1,427	\$137.46	-\$0.00339	\$132.62	10.22%	\$13.55	7.86%	\$10.42	9.04%	\$11.99
Sep	52,627	1,178	\$115.17	-\$0.00280	\$111.87	11.76%	\$13.16	9.39%	\$10.51	10.57%	\$11.83
Oct	52,745	854	\$86.17	-\$0.00245	\$84.08	12.79%	\$10.75	10.41%	\$8.75	11.60%	\$9.75
Nov	52,861	1,053	\$103.98	\$0.00003	\$104.02	13.41%	\$13.95	11.02%	\$11.46	12.22%	\$12.71
Dec	<u>52,670</u>	1,261	<u>\$122.60</u>	-\$0.00099	<u>\$121.35</u>	10.78%	<u>\$13.08</u>	8.40%	<u>\$10.19</u>	9.59%	<u>\$11.64</u>
Total Per Res. Memb.	631,074		\$1,401.14		\$1,383.93		\$147.02		\$130.87		\$130.70