



Farmers Rural Electric Cooperative Corporation

504 South Broadway, Glasgow, KY 42141 • P.O. Box 1298, Glasgow, KY 42142-1298 • (270) 651-2191 • FAX (270) 651-7332

June 10, 2013

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

RECEIVED

JUN 13 2013

PUBLIC SERVICE
COMMISSION

Re: **Case No. 2013-00140**

Dear Mr. Derouen:

Enclose for filing is the original and seven (7) copies of the Commission Staff's First Request for Information, dated May 14, 2013, regarding the Examination of the Environmental Surcharge Mechanism of East Kentucky Power Cooperative, Inc. and the Pass Through Mechanism for its Sixteen Member Distribution Cooperative. The original response, dated May 28, 2013, contained an error which is corrected in this revised response. Through an oversight, the total under-recovery rather than the monthly under-recovery amount was used in the calculations.

The applicant, Farmers Rural Electric Cooperative Corporation ("Farmers"), makes the following response as follows:

1. The witness who is prepared to answer questions concerning the request is William T. Prather.
2. William T. Prather, President & CEO of Farmers, is the person supervising the preparation of the responses on behalf of the applicant.
3. The response and exhibit are attached hereto and incorporated by referenced herein.

Thank you for your assistance.

Sincerely,

A handwritten signature in black ink that reads 'Jennie D. Phelps'.

Jennie Gibson Phelps
Vice President, Finance & Accounting

Enclosures

cc: Isaac Scott @ East Kentucky Power Cooperative
Managers @ Member Distribution Cooperatives

www.farmersrecc.com

A Touchstone Energy® Cooperative The logo for Touchstone Energy, featuring a stylized 'T' and 'E' inside a circle.

RECEIVED

JUN 13 2013

**PUBLIC SERVICE
COMMISSION**

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)	CASE NO.
SIX-MONTH BILLING PERIOD ENDING DECEMBER 31,)	2013-00140
2012 AND THE PASS THROUGH MECHANISM FOR ITS)	
SIXTEEN MEMBER DISTRIBUTION COOPERATIVES)	

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

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In The Matter Of:

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OF THE ENVIRONMENTAL SURCHARGE MECHANISM OF)	
EAST KENTUCKY POWER COOPERATIVE, INC. FOR THE)	CASE NO.
SIX-MONTH BILLING PERIOD ENDING DECEMBER 31,)	2013-00140
2012 AND THE PASS THROUGH MECHANISM FOR ITS)	
SIXTEEN MEMBER DISTRIBUTION COOPERATIVES)	

CERTIFICATE

William T. Prather, being duly sworn, states that he has supervised the preparation of the response of Farmers Rural Electric Cooperative Corporation to the Public Service Commission Staff's First Request for Information to East Kentucky Power Cooperative, Inc.'s Sixteen Member Distribution Cooperatives in the above-referenced case, and that the matters and things set forth therein are true and accurate to the best of his knowledge, information and belief, formed after reasonable inquiry.

William T. Prather

COMMONWEALTH OF KENTUCKY)
)
 COUNTY OF BARREN)

Subscribed and sworn to before me by William T. Prather, President & CEO of Farmers Rural Electric Cooperative Corporation this 10th day of June, 2013.

Ginae Sue Tolson
 Notary Public
 ID: 446566

My Commission Expires: 7-30-15

**FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION
PSC CASE NO. 2013-00140
REVISED RESPONSE TO COMMISSION STAFF'S FIRST REQUEST**

Request 7. This question is addressed to each of the 16 member distribution cooperatives. For your particular distribution cooperative, provide the actual average residential customer's monthly usage. Based on the 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.

Request 7. See Attached Revised Exhibit A.

Witness: William T. Prather

Farmers Rural Electric Cooperative Corporation
Case No. 2013-00140
 Response 7

Actual Average Bill	
31 Day Monthly Usage	1,060 kwh
Energy	\$ 94.29
Customer Charge	9.35
Fuel @ (\$0.000570)	(0.60)
Environmental Surcharge @ 10.41%	10.73 *
Local School Tax @ 3.0%	3.41
Total Bill Amount	\$ 117.17

* See Exhibit A, Page 3 of 4

Recovery Period of Six Months	
31 Day Monthly Usage	1,060 kwh
Energy	\$ 94.29
Customer Charge	9.35
Fuel @ (\$0.000570)	(0.60)
Environmental Surcharge @ 10.82%	11.15 **
Local School Tax @ 3.0%	3.43
Total Bill Amount	\$ 117.61

** See Exhibit A, Page 4 of 4

Notes:

- Fuel is calculated on kwh amount.
- Environmental Surcharge is calculated on energy, customer charge and fuel.
- School Tax is calculated on all charges.

Farmers RECC - Calculation of (Over)/Under

	EKPC Invoice Month recorded Member's Books	Billed to Retail Consumer & recorded on Member's Books	Monthly (Over) or Under	Cumulative (Over) or Under
Mo/Yr	(1)	(2)	(3)	(4)
Jul-12	\$ 479,014	\$ 488,013	\$ (8,999)	\$ (8,999)
Aug-12	\$ 391,766	\$ 460,494	\$ (68,728)	\$ (77,727)
Sep-12	\$ 322,028	\$ 366,177	\$ (44,149)	\$ (121,876)
Oct-12	\$ 346,146	\$ 284,662	\$ 61,484	\$ (60,392)
Nov-12	\$ 459,559	\$ 386,756	\$ 72,803	\$ 12,411
Dec-12	\$ 520,408	\$ 444,352	\$ 76,056	\$ 88,467
Jan-13	\$ 455,755	\$ 561,505	\$ (105,750)	\$ (17,283)
Feb-13	\$ 385,984	\$ 479,207	\$ (93,223)	\$ (110,506)

Cumulative 6-months (Over)/Under Recovery	\$ 88,467
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Monthly Recovery (per month for six months)	\$ 14,745
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REVISED

EXHIBIT A

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

"ACTUAL"

For the Month Ending April 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 Farmers	On-peak Revenue Adjustment	EKPC Net Monthly Sales to Farmers	EKPC 12-months Ended Average Monthly Revenue from Sales to Farmers	Farmers Revenue Requirement	Amortization of (Over)/Under Recovery	Farmers Net Revenue Requirement	Farmers Total Monthly Retail Revenues	On-Peak Retail Revenue Adjustment	Farmers Net Monthly Retail Revenues	12-months ended Avg. Retail Revenues, Net	Farmers 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)
May-11	14.35%	0.00%	14.35%	\$ 2,169,842		\$ 2,169,842	\$ 2,573,318	\$ 369,271	\$ -	\$ 369,271	\$ 3,128,015		\$ 3,128,015	\$ 3,649,182	10.15%
Jun-11	13.99%	0.00%	13.99%	\$ 2,677,507		\$ 2,677,507	\$ 2,575,351	\$ 360,292	\$ -	\$ 360,292	\$ 3,260,194		\$ 3,260,194	\$ 3,605,833	9.87%
Jul-11	13.15%	0.00%	13.15%	\$ 3,079,925		\$ 3,079,925	\$ 2,585,312	\$ 339,969	\$ (30,804)	\$ 309,165	\$ 4,323,049		\$ 4,323,049	\$ 3,615,834	8.57%
Aug-11	11.28%	0.00%	11.28%	\$ 2,969,363		\$ 2,969,363	\$ 2,589,961	\$ 292,148	\$ (30,804)	\$ 261,344	\$ 3,890,821		\$ 3,890,821	\$ 3,609,569	7.23%
Sep-11	12.01%	0.00%	12.01%	\$ 2,327,029		\$ 2,327,029	\$ 2,596,484	\$ 311,838	\$ (30,804)	\$ 281,034	\$ 2,894,220		\$ 2,894,220	\$ 3,604,027	7.79%
Oct-11	14.85%	0.00%	14.85%	\$ 2,126,204		\$ 2,126,204	\$ 2,626,376	\$ 390,017	\$ (30,804)	\$ 359,213	\$ 3,193,574		\$ 3,193,574	\$ 3,612,083	9.97%
Nov-11	15.11%	0.00%	15.11%	\$ 2,431,137		\$ 2,431,137	\$ 2,659,391	\$ 401,834	\$ (30,804)	\$ 371,030	\$ 3,740,379		\$ 3,740,379	\$ 3,625,030	10.27%
Dec-11	14.21%	0.00%	14.21%	\$ 2,813,245		\$ 2,813,245	\$ 2,618,360	\$ 372,069	\$ (30,804)	\$ 341,265	\$ 4,150,036		\$ 4,150,036	\$ 3,603,123	9.41%
Jan-12	12.09%	0.00%	12.09%	\$ 3,030,904		\$ 3,030,904	\$ 2,578,406	\$ 311,729	\$ -	\$ 311,729	\$ 4,108,627		\$ 4,108,627	\$ 3,553,768	8.65%
Feb-12	10.78%	0.00%	10.78%	\$ 2,697,925		\$ 2,697,925	\$ 2,560,389	\$ 276,010	\$ -	\$ 276,010	\$ 3,575,840		\$ 3,575,840	\$ 3,521,771	7.77%
Mar-12	12.92%	0.00%	12.92%	\$ 2,199,686		\$ 2,199,686	\$ 2,546,831	\$ 329,051	\$ -	\$ 329,051	\$ 2,945,369		\$ 2,945,369	\$ 3,496,512	9.34%
Apr-12	14.94%	0.00%	14.94%	\$ 1,939,493		\$ 1,939,493	\$ 2,538,522	\$ 379,255	\$ -	\$ 379,255	\$ 2,968,246		\$ 2,968,246	\$ 3,514,864	10.85%
May-12	16.90%	0.00%	16.90%	\$ 2,381,701		\$ 2,381,701	\$ 2,556,177	\$ 431,994	\$ -	\$ 431,994	\$ 3,359,278		\$ 3,359,278	\$ 3,534,136	12.29%
Jun-12	15.55%	0.00%	15.55%	\$ 2,658,075		\$ 2,658,075	\$ 2,554,557	\$ 397,234	\$ -	\$ 397,234	\$ 3,970,742		\$ 3,970,742	\$ 3,593,348	11.24%
Jul-12	14.51%	0.00%	14.51%	\$ 3,080,477		\$ 3,080,477	\$ 2,554,603	\$ 370,673	\$ -	\$ 370,673	\$ 4,096,807		\$ 4,096,807	\$ 3,574,495	10.32%
Aug-12	14.13%	0.00%	14.13%	\$ 2,699,968		\$ 2,699,968	\$ 2,532,154	\$ 357,793	\$ -	\$ 357,793	\$ 3,548,260		\$ 3,548,260	\$ 3,545,948	10.01%
Sep-12	16.23%	0.00%	16.23%	\$ 2,279,035		\$ 2,279,035	\$ 2,528,154	\$ 410,319	\$ -	\$ 410,319	\$ 2,843,720		\$ 2,843,720	\$ 3,541,740	11.57%
Oct-12	17.57%	0.00%	17.57%	\$ 2,132,758		\$ 2,132,758	\$ 2,528,700	\$ 444,293	\$ -	\$ 444,293	\$ 3,342,760		\$ 3,342,760	\$ 3,554,172	12.54%
Nov-12	18.23%	0.00%	18.23%	\$ 2,615,595		\$ 2,615,595	\$ 2,544,072	\$ 463,784	\$ -	\$ 463,784	\$ 3,543,393		\$ 3,543,393	\$ 3,537,756	13.05%
Dec-12	14.61%	0.00%	14.61%	\$ 2,854,676		\$ 2,854,676	\$ 2,547,524	\$ 372,193	\$ -	\$ 372,193	\$ 4,302,313		\$ 4,302,313	\$ 3,550,446	10.52%
Jan-13	13.49%	0.00%	13.49%	\$ 3,119,470		\$ 3,119,470	\$ 2,554,905	\$ 344,657	\$ -	\$ 344,657	\$ 4,555,242		\$ 4,555,242	\$ 3,587,664	9.71%
Feb-13	12.61%	0.00%	12.61%	\$ 2,861,265		\$ 2,861,265	\$ 2,568,517	\$ 323,890	\$ -	\$ 323,890	\$ 4,026,058		\$ 4,026,058	\$ 3,625,182	9.03%
Mar-13	14.37%	0.00%	14.37%	\$ 2,893,886		\$ 2,893,886	\$ 2,626,367	\$ 377,409	\$ -	\$ 377,409	\$ 3,537,316		\$ 3,537,316	\$ 3,674,511	10.41%
Apr-13	14.27%	0.00%	14.27%	\$ 2,227,407		\$ 2,227,407	\$ 2,650,359	\$ 378,206	\$ -	\$ 378,206					10.29%

Note:
 Farmers Total Monthly Retail Revenues in Column (11) includes demand and energy charges, customer charges, and FAC revenues.

REVISED

EXHIBIT A

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

" 6 MONTH AMRTZ "

For the Month Ending April 2013

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
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