



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

October 7, 2013

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

RECEIVED
OCT 15 2013
PUBLIC SERVICE
COMMISSION

Re: Case No. 2013-00324

Dear Mr. Derouen:

Enclose for filing is the original and seven (7) copies of the Commission Staff's First Request for Information, dated September 18, 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 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 blue ink that reads 'Jennie G. 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 sun or starburst design.

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

**RECEIVED
OCT 15 2013
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.
TWO-YEAR BILLING PERIOD ENDING JUNE 30, 2013)	2013-00324
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.



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 7th day of October, 2013.



Notary Public
ID: 446566

My Commission Expires: 7-30-2015

**FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION
PSC CASE NO. 2013-00324
RESPONSE TO COMMISSION STAFF'S FIRST REQUEST**

Request 8. 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.

Response 8. See Attached Exhibit A.

Witness: William T. Prather

**Farmers Rural Electric Cooperative Corporation
Case No. 2013-00324**

Response 8

Actual Average Bill	
30 Day Monthly Usage	1,060 kwh
Energy	\$ 94.29
Customer Charge	9.35
Fuel @ \$0.001300	1.38
Environmental Surcharge @ 12.32%	12.94 *
Local School Tax @ 3.0%	3.54
Total Bill Amount	\$ 121.49

* See Exhibit A, Page 3 of 4

Recovery Period of Six Months	
30 Day Monthly Usage	1,060 kwh
Energy	\$ 94.29
Customer Charge	9.35
Fuel @ \$0.001300	1.38
Environmental Surcharge @ 12.05%	12.65 **
Local School Tax @ 3.0%	3.53
Total Bill Amount	\$ 121.20

** 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)
Jan-13	\$ 455,755	\$ 561,505	\$ (105,750)	\$ (105,750)
Feb-13	\$ 385,984	\$ 479,207	\$ (93,223)	\$ (198,973)
Mar-13	\$ 364,919	\$ 390,765	\$ (25,846)	\$ (224,819)
Apr-13	\$ 320,079	\$ 319,422	\$ 657	\$ (224,162)
May-13	\$ 326,114	\$ 315,735	\$ 10,379	\$ (213,783)
Jun-13	\$ 499,391	\$ 345,934	\$ 153,457	\$ (60,326)
Jul-13	\$ 466,162	\$ 491,870	\$ (25,708)	\$ (86,033)
Aug-13	\$ 432,240	\$ 487,937	\$ (55,697)	\$ (141,730)

Cumulative 6-months (Over)/Under Recovery	\$ (60,326)
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Monthly Recovery (per month for six months)	\$ (10,054)
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East Kentucky Power Cooperative, Inc. - Distribution Cooperatives
Pass Through Mechanism Report for Farmers RECC

"ACTUAL"

For the Month Ending August 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)
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	\$ 3,032,999		\$ 3,032,999	\$ 3,679,907	10.29%
May-13	17.97%	0.00%	17.97%	\$ 2,285,310		\$ 2,285,310	\$ 2,642,327	\$ 474,826	\$ -	\$ 474,826	\$ 3,361,849		\$ 3,361,849	\$ 3,680,122	12.90%
Jun-13	17.09%	0.00%	17.09%	\$ 2,796,113		\$ 2,796,113	\$ 2,653,830	\$ 453,540	\$ -	\$ 453,540	\$ 3,812,526		\$ 3,812,526	\$ 3,666,937	12.32%
Jul-13	15.77%	0.00%	15.77%	\$ 2,727,699		\$ 2,727,699	\$ 2,624,432	\$ 413,873	\$ 145,226	\$ 559,099	\$ 3,960,409		\$ 3,960,409	\$ 3,655,570	15.25%
Aug-13	15.49%	0.00%	15.49%	\$ 2,740,899		\$ 2,740,899	\$ 2,627,843	\$ 407,053	\$ 159,971	\$ 567,024					15.51%

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

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

For the Month Ending August 2013

"6 MONTH AMRTZ"

	(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
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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%
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