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October 16, 2013

**RECEIVED**

OCT 17 2013

PUBLIC SERVICE  
COMMISSION

Mr. Jeff R. Derouen, Executive Director  
Kentucky Public Service Commission  
P.O. Box 615  
Frankfort, KY 40602

RE: PSC Case No. 2013-00324

Dear Mr. Derouen:

Please find enclosed an original and seven copies of the response to the two year billing period Examination of Environmental Surcharge ending June 30, 2013 as requested in the above referenced case.

If additional information is needed, please do not hesitate to contact me.

Respectfully,

*Michelle D. Herrman*

Michelle D. Herrman  
Vice President of Finance

MH:jb

Enclosures

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

AN EXAMINATION BY THE PUBLIC SERVICE )  
COMMISSION OF THE ENVIROMENTAL )  
SURCHARGE MECHANISM OF EAST KENTUCKY )  
POWER COOPERATIVE, INC. FOR THE TWO-YEAR ) CASE NO.  
BILLING PERIOD ENDING JUNE 30, 2013 AND THE ) 2013-00324  
PASS THROUGH MECHANISM FOR ITS SIXTEEN )  
MEMBER DISTRIBUTION COOPERATIVES )

**CERTIFICATE**

**STATE OF KENTUCKY**

**COUNTY OF PULASKI**

Michelle D. Herrman, being duly sworn, states that she has supervised the preparation of the Responses of South Kentucky RECC to the Public Service Commission Staff's First Data Request for Information contained in the above-referenced case dated September 18, 2013, and that the matters and things set forth therein are true and accurate to the best of her knowledge, information and belief, formed after reasonable inquiry.

Michelle D. Herrman

Subscribed and sworn before me on the 16 day of October, 2013.

Janice A. Baker  
Notary Public

My commission expires 12-2-2013.

SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE

PSC CASE NO. 2013-00324

ENVIRONMENTAL SURCHARGE MECHANISM

RESPONSE TO COMMISSION STAFF'S FIRST DATA REQUEST FOR INFORMATION  
TO EAST KENTUCKY POWER COOPERATIVE, INC.'S SIXTEEN MEMBER DISTRIBUTION  
COOPERATIVES

**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 this 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:** See attached Exhibit A.

**South Kentucky RECC**  
 Impact on Average Residential Consumer's Bill

Average Residential Account:	<b>Actual</b>	
	<u>Rate</u>	<u>Bill Amount</u>
Consumer Charge	\$12.82	\$12.82
kWh Charge	\$0.08543	
kWh Average Monthly Usage	1,028	\$87.82
Fuel Adjustment	\$0.00098	\$1.01
		\$101.65
*Environmental Monthly Charge	<b>12.36%</b>	\$12.56
School Tax	3.00%	\$3.43
<b>Total Monthly Bill</b>		<b>\$117.64</b>

\*Based on page 3 of 5 Rate

Average Residential Account:	<b>6 Month Recovery</b>	
	<u>Rate</u>	<u>Bill Amount</u>
Consumer Charge	\$12.82	\$12.82
kWh Charge	\$0.08543	
kWh Average Monthly Usage	1,028	\$87.82
Fuel Adjustment	\$0.00098	\$1.01
		\$101.65
*Environmental Monthly Charge	<b>11.74%</b>	\$11.93
School Tax	3.00%	\$3.41
<b>Total Monthly Bill</b>		<b>\$116.99</b>
	<b>Impact</b>	<b>-\$0.65</b>

\*Based on page 4 of 5 Rate

Additional Monthly Recovery of (\$60,127) for six months  
 Over Recovery (\$360,764)/6

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

For the Month Ending August 2013

Surcharge Factor Expense Month	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
	EKPC CESF %	EKPC BESF %	EKPC MESF %	EKPC Monthly Revenues from Sales to South Kentucky	On-peak Revenue Adjustment	EKPC Net Monthly Sales to South Kentucky	EKPC 12-months Ended Average Monthly Revenue from Sales to South Kentucky	South Kentucky Revenue Requirement	Amortization of (Over)/Under Recovery	South Kentucky Net Revenue Requirement	South Kentucky Total Monthly Retail Revenues	On-Peak Retail Revenue Adjustment	South Kentucky Net Monthly Retail Revenues	12-months ended Avg. Retail Revenues, Net	South Kentucky Pass Through Mechanism Factor
			Col (1) - Col (2)			Col (4) - Col (6)		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%	\$ 5,845,122		\$ 5,845,122	\$ 6,915,662	\$ 830,571	\$ 260,165	\$ 1,090,736	\$ 9,536,854		\$ 9,536,854	\$ 9,352,003	11.64%
Oct-11	14.85%	0.00%	14.85%	\$ 5,673,946		\$ 5,673,946	\$ 7,006,173	\$ 1,040,417	\$ 260,165	\$ 1,300,582	\$ 7,318,628		\$ 7,318,628	\$ 9,351,070	13.91%
Nov-11	15.11%	0.00%	15.11%	\$ 6,632,354		\$ 6,632,354	\$ 7,099,874	\$ 1,072,791	\$ 260,165	\$ 1,332,956	\$ 8,039,947		\$ 8,039,947	\$ 9,404,788	14.25%
Dec-11	14.21%	0.00%	14.21%	\$ 7,829,382		\$ 7,829,382	\$ 6,933,485	\$ 985,248	\$ 260,165	\$ 1,245,413	\$ 9,438,041		\$ 9,438,041	\$ 9,402,480	13.24%
Jan-12	12.09%	0.00%	12.09%	\$ 8,445,069		\$ 8,445,069	\$ 6,786,606	\$ 820,501	\$ -	\$ 820,501	\$ 11,260,653		\$ 11,260,653	\$ 9,288,986	8.73%
Feb-12	10.78%	0.00%	10.78%	\$ 7,494,679		\$ 7,494,679	\$ 6,735,803	\$ 726,120	\$ -	\$ 726,120	\$ 10,885,650		\$ 10,885,650	\$ 9,064,730	7.82%
Mar-12	12.92%	0.00%	12.92%	\$ 5,833,422		\$ 5,833,422	\$ 6,683,282	\$ 863,480	\$ -	\$ 863,480	\$ 9,070,418		\$ 9,070,418	\$ 8,986,989	9.53%
Apr-12	14.94%	0.00%	14.94%	\$ 5,039,236		\$ 5,039,236	\$ 6,654,446	\$ 994,174	\$ -	\$ 994,174	\$ 7,707,437		\$ 7,707,437	\$ 8,892,189	11.06%
May-12	16.90%	0.00%	16.90%	\$ 5,774,776		\$ 5,774,776	\$ 6,674,610	\$ 1,128,009	\$ -	\$ 1,128,009	\$ 7,695,942		\$ 7,695,942	\$ 8,941,421	12.69%
Jun-12	15.55%	0.00%	15.55%	\$ 6,377,242		\$ 6,377,242	\$ 6,651,811	\$ 1,034,357	\$ -	\$ 1,034,357	\$ 8,221,562		\$ 8,221,562	\$ 8,943,727	11.57%
Jul-12	14.51%	0.00%	14.51%	\$ 7,269,717		\$ 7,269,717	\$ 6,630,839	\$ 962,135	\$ -	\$ 962,135	\$ 9,657,844		\$ 9,657,844	\$ 9,091,963	10.76%
Aug-12	14.13%	0.00%	14.13%	\$ 6,554,562		\$ 6,554,562	\$ 6,564,126	\$ 927,511	\$ -	\$ 927,511	\$ 9,929,869		\$ 9,929,869	\$ 9,063,570	10.20%
Sep-12	16.23%	0.00%	16.23%	\$ 5,681,667		\$ 5,681,667	\$ 6,550,504	\$ 1,063,147	\$ -	\$ 1,063,147	\$ 8,915,852		\$ 8,915,852	\$ 9,011,820	11.73%
Oct-12	17.57%	0.00%	17.57%	\$ 5,651,327		\$ 5,651,327	\$ 6,548,619	\$ 1,150,592	\$ -	\$ 1,150,592	\$ 7,396,071		\$ 7,396,071	\$ 9,018,274	12.77%
Nov-12	18.23%	0.00%	18.23%	\$ 7,240,850		\$ 7,240,850	\$ 6,599,327	\$ 1,203,057	\$ -	\$ 1,203,057	\$ 8,801,431		\$ 8,801,431	\$ 9,081,731	13.34%
Dec-12	14.61%	0.00%	14.61%	\$ 7,914,412		\$ 7,914,412	\$ 6,606,413	\$ 965,197	\$ -	\$ 965,197	\$ 9,605,115		\$ 9,605,115	\$ 9,095,654	10.63%
Jan-13	13.49%	0.00%	13.49%	\$ 8,687,605		\$ 8,687,605	\$ 6,626,625	\$ 893,932	\$ -	\$ 893,932	\$ 11,917,064		\$ 11,917,064	\$ 9,150,355	9.83%
Feb-13	12.61%	0.00%	12.61%	\$ 7,993,024		\$ 7,993,024	\$ 6,668,153	\$ 840,854	\$ -	\$ 840,854	\$ 12,507,964		\$ 12,507,964	\$ 9,285,547	9.19%
Mar-13	14.37%	0.00%	14.37%	\$ 8,229,515		\$ 8,229,515	\$ 6,867,828	\$ 986,907	\$ -	\$ 986,907	\$ 10,651,391		\$ 10,651,391	\$ 9,417,295	10.63%
Apr-13	14.27%	0.00%	14.27%	\$ 5,856,204		\$ 5,856,204	\$ 6,935,908	\$ 989,754	\$ -	\$ 989,754	\$ 10,003,319		\$ 10,003,319	\$ 9,608,619	10.51%
May-13	17.97%	0.00%	17.97%	\$ 5,862,754		\$ 5,862,754	\$ 6,943,240	\$ 1,247,700	\$ -	\$ 1,247,700	\$ 7,640,542		\$ 7,640,542	\$ 9,604,002	12.99%
Jun-13	17.09%	0.00%	17.09%	\$ 6,435,598		\$ 6,435,598	\$ 6,948,103	\$ 1,187,431	\$ -	\$ 1,187,431	\$ 8,393,400		\$ 8,393,400	\$ 9,618,322	12.36%
Jul-13	15.77%	0.00%	15.77%	\$ 6,564,126		\$ 6,564,126	\$ 6,889,304	\$ 1,086,443	\$ (288,417)	\$ 798,026	\$ 9,363,789		\$ 9,363,789	\$ 9,593,817	8.30%
Aug-13	15.49%	0.00%	15.49%	\$ 6,606,279		\$ 6,606,279	\$ 6,893,613	\$ 1,067,821	\$ (260,189)	\$ 807,632					8.42%

Notes:

South Kentucky Total Monthly Retail Revenues in Column (11) includes demand and energy charges, customer charges, and FAC revenues.  
 Revenues reported in Columns (4), (6), (7), (11), (13), and (14) are net of Green Power Revenues.

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

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 South Kentucky	On-peak Revenue Adjustment	EKPC Net Monthly Sales to South Kentucky	EKPC 12-months Ended Average Monthly Revenue from Sales to South Kentucky	South Kentucky Revenue Requirement	Amortization of (Over)/Under Recovery	South Kentucky Net Revenue Requirement	South Kentucky Total Monthly Retail Revenues	On-Peak Retail Revenue Adjustment	South Kentucky Net Monthly Retail Revenues	12-months ended Avg. Retail Revenues, Net	South Kentucky 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)
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**South Kentucky 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	\$ 1,269,258	\$ 1,589,913	\$ (320,655)	\$ (320,655)
Feb-13	\$ 1,078,259	\$ 1,329,661	\$ (251,402)	\$ (572,057)
Mar-13	\$ 1,037,739	\$ 1,047,048	\$ (9,309)	\$ (581,366)
Apr-13	\$ 841,539	\$ 919,482	\$ (77,943)	\$ (659,309)
May-13	\$ 836,616	\$ 812,306	\$ 24,310	\$ (634,999)
Jun-13	\$ 1,156,480	\$ 882,245	\$ 274,235	\$ (360,764)
Jul-13	\$ 1,121,811	\$ 1,216,380	\$ (94,569)	\$ (455,333)
Aug-13	\$ 1,041,807	\$ 1,170,195	\$ (128,388)	\$ (583,721)

Cumulative 6-months (Over)/Under Recovery	\$ (360,764)
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Monthly Recovery (per month for six months)	\$ (60,127)
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