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SEP 2 6 2014

PUBLIC SERVICE

COMMISSION

BOBBY H. RICHARDSON WOODFORD L. GARDNER, JR. T. RICHARD ALEXANDER II

September 24, 2014

(270) 651-8884 (270) 651-2116 FAX (270) 651-3662

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

Re: Case No. 2014-00051

Enclosed for filing is the original and seven (7) copies of the response to Information Requested at the September 4, 2014 Informal Conference, 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 responses and exhibits are attached hereto and incorporated by referenced herein.

Thank you for your assistance.

Woodford L. Gardner, Jr.

Attorney for Applicant

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

	August 2						
In	Th	0	NZI	21	tai	r (14.

AN EXAMINATION BY THE PUBLIC SERVICE COMMISSION	4	
OF THE ENVIRONMENTAL SURCHARGE MECHANISM OF)	
EAST KENTUCKY POWER COOPERATIVE, INC. FOR THE)	CASE NO.
SIX-MONTH BILLING PERIOD ENDING DECEMBER 31, 2013)	2014-00051
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 Request for Information from the September 4, 2014 Informal Conference in regards 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 J. Pretty
COMMONWEATLH OF KENTUCKY)	
COUNTY OF BARREN)	

Subscribed and sworn to before me by William T. Prather, President & CEO of Farmers Rural Electric Cooperative Corporation this day of September, 2014.

Notary Public

My Commission Expires: 7-30-2015

FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION PSC CASE NO. 2014-00051 RESPONSE TO INFORMATION REQUESTED AT SEPTEMBER 4, 2014 INFORMAL CONFERENCE

Request 1.

Provide a calculation of the over/under recovery for this review period with the exclusion of the amortization of any previous over/under recoveries that were in effect during the review period.

Response 1.

See Attached Exhibit A.

Per this calculation, the cumulative six-month under recovery totals \$20,247.

Witness: William T. Prather

Farmers RECC - Calculation of (Over)/Under

	-	EKPC					N	et EKPC		Billed to				
		Invoice	Amortization of		Invoice and Retail		Retail							
		Month	1	Previous (C	ver	r)/Under	An	nortization	Co	onsumer &		24.53		
	r	ecorded		Reco	veri	es	of	Previous	recorded on		Monthly		Cumulative	
	V	lember's	C	N 2012-	CN 2013-		(Over)/Under		Member's		(Over) or		(Over) or	
		Books		00486		00140	Recoveries		Books		Under		Under	
Mo/Yr		(1)		(2)		(3)	(4)		(5)		(6)		(7)	
Jul-13	\$	466,162					\$	466,162	\$	491,870	\$	(25,708)	\$	(25,708)
Aug-13	\$	432,240					\$	432,240	\$	487,937	\$	(55,697)	\$	(81,405)
Sep-13	\$	369,778	\$	145,226			\$	515,004	\$	557,291	\$	(42,287)	\$	(123,692)
Oct-13	\$	329,614	\$	145,226	\$	14,745	\$	489,585	\$	490,337	\$	(752)	\$	(124,443)
Nov-13	\$	441,498	\$	145,226	\$	14,745	\$	601,469	\$	504,930	\$	96,539	\$	(27,904)
Dec-13	\$	541,894	\$	145,226	\$	14,745	\$	701,865	\$	653,714	\$	48,151	\$	20,247
Jan-14	\$	570,498	\$	145,226	\$	14,745	\$	730,469	\$	789,556	\$	(59,087)	\$	(38,841)
Feb-14	\$	355,351	\$	145,226	\$	14,745	\$	515,322	\$	780,558	\$	(265, 236)	\$	(304,076)

Cumulative 6-months (Over)/Under Recovery				
Monthly Recovery (per month for twelve months)		\$	1,687	
	If 6 Months	\$	3 374	

Response to Staff's First Request, Request 2a:	
Cumulative 6-months (Over)/Under Recovery	(\$604,892)
Monthly Recovery (per month for twelve months)	(\$50,408)