

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

OCT - 1 2014

PUBLIC SERVICE
COMMISSION

In the Matter of:

AN EXAMINATION BY THE PUBLIC SERVICE)
COMMISSION OF THE ENVIRONMENTAL)
SURCHARGE MECHANISM OF EAST KENTUCKY) CASE NO.
POWER COOPERATIVE, INC. FOR THE SIX-MONTH) 2014-00051
BILLING PERIOD ENDING DECEMBER 31, 2013)
AND THE PASS-THROUGH MECHANISM FOR ITS)
SIXTEEN MEMBER DISTRIBUTION COOPERATIVES)

RESPONSE OF GRAYSON RURAL ELECTRIC COOPERATIVE
CORPORATION (GRAYSON) TO THE SUPPLEMENTAL REQUEST
FOR INFORMATION BY COMMISSION STAFF FOLLOWING
THE SEPTEMBER 4, 2014, INFORMAL CONFERENCE

Comes now Grayson Rural Electric Cooperative Corporation (GRAYSON) and for its response to the supplemental request for information of Commission Staff set forth in the informal conference of September 4, 2014, supplies herewith the cumulative over/under recovery for the current review period consisting of five separate pages of numerical data.

Don Combs, Manager of Finance and Accounting of Grayson, attached hereto his certificate that the information supplied herewith is true to the best of his knowledge ad belief.

RESPECTFULLY SUBMITTED,

W. JEFFREY SCOTT, P.S.C.

BY: 

W. JEFFREY SCOTT
ATTORNEY FOR GRECC
311 WEST MAIN STREET
P.O. BOX 608
GRAYSON, KY 41143
(606) 474-5194

I hereby certify that the original, plus ten (10) copies, of the Response of GRECC was filed with the Public Service Commission with a copy served upon all parties of record.

Kentucky Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, KY 40602-0615

Mr. Allen Anderson
President and CEO
South Kentucky RECC
925-929 N. Main Street
P.O. Box 910
Somerset, KY 42502-0910

Mr. Anthony S. Campbell
President & CEO
East Kentucky Power Cooperative, Inc.
4775 Lexington Road
P.O. Box 707
Winchester, KY 40392-0707

Mr. Paul G. Embs
President & CEO
Clark Energy Cooperative, Inc.
2640 Ironworks Road
P.O. Box 748
Winchester, KY 40392-0748

Mr. David Estep
President & General Manager
Big Sandy R.E.C.C.
504 11th Street
Paintsville, KY 41240-1422

Mr. Ted Hampton
Manager
Cumberland Valley Electric, Inc.
Highway 25E
P.O. Box 440
Gray, KY 40734

Mr. Larry Hicks
President & CEO
Salt River Electric Cooperative Corp.
111 West Brashear Avenue
P.O. Box 609
Bardstown, KY 40004

Mr. Kerry K. Howard
CEO
Licking Valley R.E.C.C.
P.O. Box 605
271 Main Street
West Liberty, KY 41472

Mr. James L. Jacobus
President & CEO
Inter-County Energy Cooperative Corporation
1009 Hustonville Road
P.O. Box 87
Danville, KY 40423-0087

Ms. Debbie J. Martin
President & CEO
Shelby Energy Cooperative, Inc.
620 Old Finchville Road
Shelbyville, KY 40065

Mr. Michael L. Miller
President & CEO
Nolin R.E.C.C.
411 Ring Road
Elizabethtown, KY 42701-6767

Mr. Barry L. Myers
Manager
Taylor County R.E.C.C.
625 West Main Street
P.O. Box 100
Campbellsville, KY 42719

Mr. Christopher S. Perry
President & CEO
Fleming-Mason Energy Cooperative, Inc.
1449 Elizaville Road
P.O. Box 328
Flemingsburg, KY 41041

Mr. Bill T. Prather
President & CEO
Farmers R.E.C.C.
504 South Broadway
P.O. Box 1298
Glasgow, KY 42141-1298

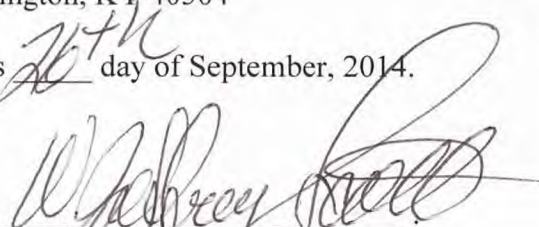
Mr. Donald Smothers
Blue Grass Energy Cooperative Corp.
1201 Lexington Road
P.O. Box 990
Nicholasville, KY 40340-0990

Mr. Mark Stallons
President & CEO
Owen Electric Cooperative, Inc.
8205 Highway 127 North
P.O. Box 400
Owenton, KY 40359

Ms. Carol Wright
President & CEO
Jackson Energy Cooperative Corporation
115 Jackson Energy Lane
McKee, KY 40447

Hon. David Samford
Goss-Samford, PLLC
2365 Harrodsburg Road
Suite B325
Lexington, KY 40504

This 26th day of September, 2014.



W. JEFFREY SCOTT
ATTORNEY FOR GRECC

Supplemental Filing based on Discussions
From the September 4, 2014
Informal Conference

To East Kentucky Power Cooperative Inc.'s
Sixteen Member Distribution Cooperatives

1. For each of the member cooperatives, provide the following:
 - a. The cumulative over/under recovery for the current review period.

Response:

See Page 2 of 5

Grayson RECC - Calculation of (Over)/Under

Mo/Yr	EKPC Invoice Month recorded Member's Books (1)	Amortization of Previous (Over)/Under Recoveries		Net EKPC Invoice and Amortization of Previous (Over)/Under Recoveries (4)	Billed to Retail Consumer & recorded on Member's Books (5)	Monthly (Over) or Under (6)	Cumulative (Over) or Under (7)
		CN 2012-00486 (2)	CN 2013-00140 (3)				
		Jul-13	\$ 241,843				
Aug-13	\$ 211,525	\$ (488)		\$ 211,037	\$ 218,956	\$ (7,919)	\$ (1,038)
Sep-13	\$ 182,445	\$ (488)	\$ (6,015)	\$ 175,942	\$ 172,401	\$ 3,541	\$ 2,503
Oct-13	\$ 166,161	\$ (488)	\$ (6,015)	\$ 159,658	\$ 203,924	\$ (44,266)	\$ (41,763)
Nov-13	\$ 244,702	\$ (488)	\$ (6,015)	\$ 238,199	\$ 295,344	\$ (57,145)	\$ (98,908)
Dec-13	\$ 297,351	\$ (488)	\$ (6,015)	\$ 290,848	\$ 337,194	\$ (46,346)	\$ (145,254)
Jan-14	\$ 314,173	\$ (488)	\$ (6,015)	\$ 307,670	\$ 297,536	\$ 10,134	\$ (135,120)
Feb-14	\$ 193,626		\$ (6,015)	\$ 187,611	\$ 179,433	\$ 8,178	\$ (126,942)

Cumulative 6-months (Over)/Under Recovery \$ (145,254)

Monthly Recovery (per month for six months) \$ (24,209)

Response to Staff's First Request, Request 2a:	
Cumulative 6-months (Over)/Under Recovery	(\$118,754)
Monthly Recovery	(\$19,792)

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

Grayson RECC
 2014-00051
 Informal Conference
 Item 4
 Page 1 of 3

For the Month Ending February 2014

	(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 Grayson	On-peak Revenue Adjustment	EKPC Net Monthly Sales to Grayson	EKPC 12-months Ended Average Monthly Revenue from Sales to Grayson	Grayson Revenue Requirement	Amortization of (Over)/Under Recovery	Grayson Net Revenue Requirement	Grayson Total Monthly Retail Revenues	On-Peak Retail Revenue Adjustment	Grayson Net Monthly Retail Revenues	12-months ended Avg. Retail Revenues, Net	Grayson 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)
Mar-12	12.92%	0.00%	12.92%	\$ 1,221,280		\$ 1,221,280	\$ 1,385,926	\$ 179,062	\$ -	\$ 179,062	\$ 1,787,650		\$ 1,787,650	\$ 2,175,314	8.18%
Apr-12	14.94%	0.00%	14.94%	\$ 1,040,576		\$ 1,040,576	\$ 1,381,197	\$ 206,351	\$ -	\$ 206,351	\$ 1,702,854		\$ 1,702,854	\$ 2,173,210	9.49%
May-12	16.90%	0.00%	16.90%	\$ 1,190,268		\$ 1,190,268	\$ 1,384,500	\$ 233,981	\$ -	\$ 233,981	\$ 1,920,190		\$ 1,920,190	\$ 2,167,291	10.77%
Jun-12	15.55%	0.00%	15.55%	\$ 1,323,562		\$ 1,323,562	\$ 1,382,858	\$ 215,034	\$ -	\$ 215,034	\$ 2,322,310		\$ 2,322,310	\$ 2,171,985	9.92%
Jul-12	14.51%	0.00%	14.51%	\$ 1,532,349		\$ 1,532,349	\$ 1,377,759	\$ 199,913	\$ -	\$ 199,913	\$ 2,240,582		\$ 2,240,582	\$ 2,150,401	9.20%
Aug-12	14.13%	0.00%	14.13%	\$ 1,364,054		\$ 1,364,054	\$ 1,366,485	\$ 193,084	\$ -	\$ 193,084	\$ 2,003,047		\$ 2,003,047	\$ 2,149,380	8.98%
Sep-12	16.23%	0.00%	16.23%	\$ 1,186,878		\$ 1,186,878	\$ 1,363,159	\$ 221,241	\$ -	\$ 221,241	\$ 1,736,739		\$ 1,736,739	\$ 2,144,748	10.29%
Oct-12	17.57%	0.00%	17.57%	\$ 1,192,170		\$ 1,192,170	\$ 1,360,825	\$ 239,097	\$ -	\$ 239,097	\$ 2,229,863		\$ 2,229,863	\$ 2,151,228	11.15%
Nov-12	18.23%	0.00%	18.23%	\$ 1,531,266		\$ 1,531,266	\$ 1,371,481	\$ 250,021	\$ -	\$ 250,021	\$ 2,380,961		\$ 2,380,961	\$ 2,151,532	11.62%
Dec-12	14.61%	0.00%	14.61%	\$ 1,653,104		\$ 1,653,104	\$ 1,372,770	\$ 200,562	\$ -	\$ 200,562	\$ 2,985,010		\$ 2,985,010	\$ 2,168,086	9.32%
Jan-13	13.49%	0.00%	13.49%	\$ 1,749,768		\$ 1,749,768	\$ 1,375,719	\$ 185,584	\$ -	\$ 185,584	\$ 2,870,638		\$ 2,870,638	\$ 2,192,194	8.56%
Feb-13	12.61%	0.00%	12.61%	\$ 1,621,938		\$ 1,621,938	\$ 1,383,934	\$ 174,514	\$ -	\$ 174,514	\$ 2,486,872		\$ 2,486,872	\$ 2,222,226	7.96%
Mar-13	14.37%	0.00%	14.37%	\$ 1,638,898		\$ 1,638,898	\$ 1,418,736	\$ 203,872	\$ -	\$ 203,872	\$ 2,230,078		\$ 2,230,078	\$ 2,259,095	9.17%
Apr-13	14.27%	0.00%	14.27%	\$ 1,217,124		\$ 1,217,124	\$ 1,433,448	\$ 204,553	\$ -	\$ 204,553	\$ 1,731,363		\$ 1,731,363	\$ 2,261,471	9.05%
May-13	17.97%	0.00%	17.97%	\$ 1,231,787		\$ 1,231,787	\$ 1,436,908	\$ 258,212	\$ -	\$ 258,212	\$ 2,078,566		\$ 2,078,566	\$ 2,274,669	11.42%
Jun-13	17.09%	0.00%	17.09%	\$ 1,341,939		\$ 1,341,939	\$ 1,438,440	\$ 245,829	\$ -	\$ 245,829	\$ 2,277,124		\$ 2,277,124	\$ 2,270,904	10.81%
Jul-13	15.77%	0.00%	15.77%	\$ 1,415,122		\$ 1,415,122	\$ 1,428,671	\$ 225,301	\$ (488)	\$ 224,813	\$ 2,173,370		\$ 2,173,370	\$ 2,265,303	9.90%
Aug-13	15.49%	0.00%	15.49%	\$ 1,341,311		\$ 1,341,311	\$ 1,426,775	\$ 221,008	\$ (6,503)	\$ 214,505	\$ 2,211,397		\$ 2,211,397	\$ 2,282,665	9.47%
Sep-13	14.93%	0.00%	14.93%	\$ 1,177,821		\$ 1,177,821	\$ 1,426,021	\$ 212,905	\$ (6,503)	\$ 206,402	\$ 1,820,885		\$ 1,820,885	\$ 2,289,677	9.04%
Oct-13	16.69%	0.00%	16.69%	\$ 1,112,940		\$ 1,112,940	\$ 1,419,418	\$ 236,901	\$ (6,503)	\$ 230,398	\$ 2,256,316		\$ 2,256,316	\$ 2,291,882	10.06%
Nov-13	17.43%	0.00%	17.43%	\$ 1,466,165		\$ 1,466,165	\$ 1,413,993	\$ 246,459	\$ (6,503)	\$ 239,956	\$ 2,938,645		\$ 2,938,645	\$ 2,338,355	10.47%
Dec-13	14.54%	0.00%	14.54%	\$ 1,705,975		\$ 1,705,975	\$ 1,418,399	\$ 206,235	\$ (6,503)	\$ 199,732	\$ 3,222,913		\$ 3,222,913	\$ 2,358,181	8.54%
Jan-14	10.92%	0.00%	10.92%	\$ 2,160,746		\$ 2,160,746	\$ 1,452,647	\$ 158,629	\$ (6,015)	\$ 152,614	\$ 3,479,636		\$ 3,479,636	\$ 2,408,930	6.47%
Feb-14	5.44%	0.00%	5.44%	\$ 1,773,121		\$ 1,773,121	\$ 1,465,246	\$ 79,709	\$ -	\$ 79,709					3.31%

Notes:
 Grayson Total Monthly Retail Revenues in Column (11) includes demand and energy charges, customer charges, and FAC revenues.
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 Witness: Don M. Combs

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

Grayson RECC
 2014-00051

For the Month Ending February 2014

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Dec-12	14.61%	0.00%	14.61%	\$ 1,653,104		\$ 1,653,104	\$ 1,372,770	\$ 200,562	\$ -	\$ 200,562	\$ 2,985,010		\$ 2,985,010	\$ 2,168,086	9.32%
Jan-13	13.49%	0.00%	13.49%	\$ 1,749,768		\$ 1,749,768	\$ 1,375,719	\$ 185,584	\$ -	\$ 185,584	\$ 2,870,638		\$ 2,870,638	\$ 2,192,194	8.56%
Feb-13	12.61%	0.00%	12.61%	\$ 1,621,938		\$ 1,621,938	\$ 1,383,934	\$ 174,514	\$ -	\$ 174,514	\$ 2,486,872		\$ 2,486,872	\$ 2,222,226	7.96%
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May-13	17.97%	0.00%	17.97%	\$ 1,231,787		\$ 1,231,787	\$ 1,436,908	\$ 258,212	\$ -	\$ 258,212	\$ 2,078,566		\$ 2,078,566	\$ 2,274,669	11.42%
Jun-13	17.09%	0.00%	17.09%	\$ 1,341,939		\$ 1,341,939	\$ 1,438,440	\$ 245,829	\$ -	\$ 245,829	\$ 2,277,124		\$ 2,277,124	\$ 2,270,904	10.81%
Jul-13	15.77%	0.00%	15.77%	\$ 1,415,122		\$ 1,415,122	\$ 1,428,671	\$ 225,301	\$ (488)	\$ 224,813	\$ 2,173,370		\$ 2,173,370	\$ 2,265,303	9.90%
Aug-13	15.49%	0.00%	15.49%	\$ 1,341,311		\$ 1,341,311	\$ 1,426,775	\$ 221,008	\$ (30,712)	\$ 190,296	\$ 2,211,397		\$ 2,211,397	\$ 2,282,665	8.40%
Sep-13	14.93%	0.00%	14.93%	\$ 1,177,821		\$ 1,177,821	\$ 1,426,021	\$ 212,905	\$ (30,712)	\$ 182,193	\$ 1,820,885		\$ 1,820,885	\$ 2,289,677	7.98%
Oct-13	16.69%	0.00%	16.69%	\$ 1,112,940		\$ 1,112,940	\$ 1,419,418	\$ 236,901	\$ (30,712)	\$ 206,189	\$ 2,256,316		\$ 2,256,316	\$ 2,291,882	9.01%
Nov-13	17.43%	0.00%	17.43%	\$ 1,466,165		\$ 1,466,165	\$ 1,413,993	\$ 246,459	\$ (30,712)	\$ 215,747	\$ 2,938,645		\$ 2,938,645	\$ 2,338,355	9.41%
Dec-13	14.54%	0.00%	14.54%	\$ 1,705,975		\$ 1,705,975	\$ 1,418,399	\$ 206,235	\$ (30,712)	\$ 175,523	\$ 3,222,913		\$ 3,222,913	\$ 2,358,181	7.51%
Jan-14	10.92%	0.00%	10.92%	\$ 2,160,746		\$ 2,160,746	\$ 1,452,647	\$ 158,629	\$ (30,712)	\$ 127,917	\$ 3,479,636		\$ 3,479,636	\$ 2,408,930	5.42%
Feb-14	5.44%	0.00%	5.44%	\$ 1,773,121		\$ 1,773,121	\$ 1,465,246	\$ 79,709	\$ -	\$ 79,709					3.31%

Notes:

Grayson 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.

Grayson Rural Electric
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 Witness: Don M. Combs

b. If the amount provided in 12(a) above is amortized over a six-month period, provide the bill impact on the average residential customer.

Response:

Impact of Additional Over Recovery

Actual Over Recovery

Additional Recovery

Average Residential Usage per Month

1,162 kwh

Average Monthly Bill

Customer Charge		\$ 15.00		\$ 15.00
Kwh Charge @	0.10910	\$ 126.77	0.10910	\$ 126.77
Fuel Adjustment (January 2014) @	0.001326	\$ 1.54	0.001326	\$ 1.54
ESC (January 2014)	6.47%	<u>\$ 9.27</u>	5.41%	<u>\$ 7.75</u>
Total Bill Amount		<u>\$ 152.59</u>		<u>\$ 151.07</u>


Dollar Impact

\$ (1.52)

The undersigned, Don M. Combs, as Manager of Finance and Accounting of Grayson Rural Electric, being first duly sworn, states that the responses herein supplied in Case No. 2014 – 00051, Supplemental filing based on discussions from the September 4, 2014 Informal Conference, are true to the best of my knowledge and belief formed after reasonable inquiry.

Dated: September 25, 2014

Grayson Rural Electric

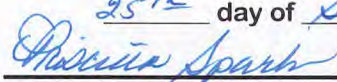
By:  _____

Don M. Combs
Manager of Finance and Acct.

Subscribed, sworn to, and acknowledged before me by Don M. Combs, as Manager of Finance and Acct. for Grayson Rural Electric on behalf of said Corporation this 25th day of September, 2014.

My Commission expires 22nd day of March, 2017.

Witness my hand and official seal this

25th day of September, 2014.


Notary Public in and for Carter Co., KY.