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PUBLIC SERVICE COMMISSION

October 21, 2014

Mr. Jeff Derouen Executive Director Kentucky Public Service Commission 211 Sower Boulevard P.O. Box 615 Frankfort, Kentucky 40602-0615

Re: PSC Case No. 2014-00051

Dear Mr. Derouen:

Enclosed are the original and six copies of the response of Cumberland Valley Electric to Commission Staff's Fourth Request for Information. Each response includes the name of the witness. A signed certification of the person supervising the preparation is included.

If you have any questions about this filing, please feel free to contact me.

Sincerely,

Robert Tolliver Office Manager

Enclosures

Phone: 606-528-2677 • Fax: 606-523-2698

Phone:606-589-4421 • Fax: 606-589-5297

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

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In T	ne	IVI	aτ	tei	r U	т:

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

AFFIDAVIT

STATE OF KENTUCKY)

COUNTY OF KNOX)

Robert D. Tolliver, being duly sworn, states he has read the foregoing prepared testimony and that he would respond in the same manner to the questions if so asked upon taking the stand, and that the matters and things set forth therein are true and correct to the best of his knowledge, information and belief.

Robert Tolliver

Subscribed and sworn before me on this alet day of October 2014

Notary Public

My Commission Expires 1-24-15

CUMBERLAND VALLEY ELECTRIC CASE NO. 2014-00051 RESPONSE TO COMMISSION STAFF'S FOURTH REQUEST FOR INFORMATION

Item 1

This question is addressed to each of the 16 member distribution cooperatives. Confirm that the requested amortization period for the over- or under-recovery amounts determined in the response to the September 4, 2014 informal conference information request is six months.

Response:

The requested amortization period is 6 months.

Witness: Robert Tolliver

CUMBERLAND VALLEY ELECTRIC PSC CASE NO. 2014-00051 RESPONSE TO COMMISSION STAFF'S FOURTH REQUEST FOR INFORMTION

ITEM 2

This question is addressed to each of the 16 member distribution cooperatives except for Grayson Rural Electric Cooperative Corporation and South Kentucky Rural Electric Cooperative Corporation ("South Kentucky"). Based on the average residential usage amount determined in your response to Item 6 of Commission Staff's First request for Information, provide the dollar impact the over-or under-recovery amount determined in your response to the September 4, 2014 informal conference information request will have on the average residential customer's monthly bill for the requested amortization period. Provide all Supporting calculations.

1,117

Response:

No Recovery

Average Monthly Residential Usa	age	1,117
12 Months Ending November 30	, 2013	
Energy@	0.08563	\$95.65
Customer Charge		\$5.74
Fuel @	-0.0013372	(\$1.49)
Environmental Surcharge @	4.25%	\$4.25
Local School Tax @	3.00%	\$3.12
TOTAL BILL AMOUNT		\$107.27

^{*}See Exhibit A Page 2 of 3

Average Monthly Residential Usage

Six-Month Recovery

12 Months Ending Nover	nber 30, 2013	
Energy@	0.08563	\$95.65
Customer Charge		\$5.74
Fuel @	-0.0013372	(\$1.49)

Fuel @ -0.0013372 (\$1.49)
Environmental Surcharge @ 4.27% \$4.27
Local School Tax @ 3.00% \$3.13
TOTAL BILL AMOUNT \$107.30

The Dollar Impact \$0.03

Our most current billing period of February 2014 was used for calculation

Witness: Robert Tolliver

^{*}See Exhibit A Page 3 of 3

Cumberland Valley Electric - Calculation of (Over)/Under

		EKPC Invoice Amortization of Month Previous (Over)/Under recorded Recoveries				Net EKPC Invoice and Amortization of Previous			Billed to Retail Consumer & recorded on		Monthly	Cumulative		
	Member's Books		CN 2012- 00486		CN 2013- 00140		(Over)/Under Recoveries		Member's Books		(Over) or Under		(Over) or Under	
Mo/Yr		(1)) (2) (3)		(4)		(5)		(6)		(7)			
Jul-13	\$	416,024					\$	416,024	\$	436,855	\$	(20,831)	\$	(20,831)
Aug-13	\$	382,917					\$	382,917	\$	416,273	\$	(33,356)	\$	(54,187)
Sep-13	\$	329,986	\$	(86,631)			\$	243,355	\$	275,954	\$	(32,599)	\$	(86,786)
Oct-13	\$	308,426	\$	(86,631)	\$	14,092	\$	235,887	\$	262,679	\$	(26,792)	\$	(113,578)
Nov-13	\$	449,675	\$	(86,631)	\$	14,092	\$	377,136	\$	297,199	\$	79,937	\$	(33,641)
Dec-13	\$	544,950	\$	(86,631)	\$	14,092	\$	472,411	\$	435,317	\$	37,094	\$	3,453
Jan-14	\$	583,838	\$	(86,631)	\$	14,092	\$	511,299	\$	572,762	\$	(61,463)	\$	(58,010)
Feb-14	\$	341,990	\$	(86,631)	\$	14,092	\$	269,451	\$	398,088	\$	(128,637)	\$	(186,647)

Cumulative 6-months (Over)/Under Recovery	\$ 3,453

Monthly Recovery (per month for six months) \$ 576

Response to Staff's First Request, Request 2a:	
Cumulative 6-months (Over)/Under Recovery	\$307,701
Monthly Recovery	\$51,284

East Kentucky Power Cooperative, Inc. - Distribution Cooperatives Pass Through Mechanism Report for Cumberland Valley Electric

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 Cumberland Valley	On-peak Revenue Adjustment	EKPC Net Monthly Sales to Cumberland Valley	EKPC 12-months Ended Average Monthly Revenue from Sales to Cumberland Valley	Cumberland Valley Revenue Requirement	Amortization of (Over)/Under Recovery	Cumberland Valley Net Revenue Revenue Requirement	Cumberland Valley Total Monthly Retail Revenues	On-Peak Retail Revenue Adjustment	Cumberland Valley Net Monthly Retail Revenues	12-months ended Avg. Retail Revenues, Net	Cumberland Valley 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 Apr-12 May-12	12.92% 14.94% 16.90%	0.00% 0.00% 0.00%	12.92% 14.94% 16.90%	2,412,544 2,088,654 2,273,514		2,412,544 2,088,654 2,273,514	2,697,313	350,246 402,978 455,681		350,246 402,978 455,681	2,969,090 2,800,486 3,041,094		2,969,090 2,800,486 3,041,094	3,480,760 3,461,927 3,485,559	9 899 11 589 13 169
Jun-12 Jul-12	15.55% 14.51%	0.00%	15.55% 14.51%	2,464,606 2,706,093		2,464,606 2,706,093	2,676,388	416,178 385,488	-	416,178 385,488	2,781,417 3,575,045		2,781,417 3,575,045	3,455,567 3,456,933	11.949
Aug-12 Sep-12	14.13% 16.23%	0.00%	14.13% 16.23%	2,516,047 2,217,586		2,516,047 2,217,586	2,621,269	370,385 423,967		370,385 423,967	3,598,947 2,760,296		3,598,947 2,760,296	3,416,893 3,391,047	10.719 12.419
Oct-12 Nov-12	17.57% 18.23%	0.00%	17.57% 18.23%	2,342,637 2,951,708		2,342,637 2,951,708	2,612,369	458,993 478,605	-	458,993 478,605	2,893,662 3,724,856		2,893,662 3,724,856	3,396,871 3,413,007	13.549 14.099
Dec-12 Jan-13	14.61% 13.49%	0.00%	14.61% 13.49%	3,071,075 3,226,392		3,071,075 3,226,392		382,317 351,863	-	382,317 351,863	3,595,071 4,642,247		3,595,071 4,642,247	3,368,792 3,391,523	11.20° 10.44°
Feb-13 Mar-13	12.61% 14.37%	0.00%	12.61% 14.37%	2,916,221 3,064,072		2,916,221 3,064,072		327,724 381,267		327,724 381,267	3,893,708 3,770,405		3,893,708 3,770,405	3,356,327 3,423,103	9.669 11.369
Apr-13 May-13	14.27% 17.97%	0.00%	14.27% 17.97%	2,250,724 2,239,113		2,250,724 2,239,113	2,663,856	380,541 478,695		380,541 478,695	3,085,730 2,800,325		3,085,730 2,800,325	3,446,873 3,426,809	11.129 13.899
Jun-13 Jul-13	17.09% 15.77%	0.00%	17.09% 15.77%	2,432,452 2,434,308		2,432,452 2,434,308	2,638,528	454,795 416,096	(86,631)	454,795 329,465	3,151,321 3,144,888		3,151,321 3,144,888	3,457,634 3,421,788	13.279 9.539
Aug-13 Sep-13	15.49% 14.93%	0.00%	15.49% 14.93%	2,428,129 2,130,317		2,428,129 2,130,317	2,623,929	407,573 391,753	(72,539) (72,539)	335,034 319,214	3,137,474 2,896,035		3,137,474 2,896,035	3,383,332 3,394,643	9.79%
Oct-13 Nov-13	16.69% 17.43%	0.00%	16.69% 17.43%	2,065,805 2,694,276		2,065,805 2,694,276	2,579,407	434,083 449,591	(72,539) (72,539)	361,544 377,052	2,683,025 3,151,601		2,683,025 3,151,601 4,087,434	3,377,090 3,329,319 3,370,349	10.659 11.169 9.119
Dec-13 Jan-14 Feb-14	14.54% 10.92% 5.44%	0.00% 0.00% 0.00%	14.54% 10.92% 5.44%			3,126,509 4,015,375 3,131,762	2,649,775	375,717 289,355 145,125	(72,539) 14,092	303,178 303,447 145,125	4,087,434 5,132,308 4,369,862		5,132,308 4,369,862	3,411,188 3,450,867	9 00%

Notes:
Cumberland Valley 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 Cumberland Valley Electric

For the Month Ending February 2014

Г	(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 Cumberland Valley	On-peak Revenue Adjustment	EKPC Net Monthly Sales to Cumberland Valley	EKPC 12-months Ended Average Monthly Revenue from Sales to Cumberland Valley	Cumberland Valley Revenue Requirement	Amortization of (Over)/Under Recovery	Cumberland Valley Net Revenue Revenue Requirement	Cumberland Valley Total Monthly Retail Revenues	On-Peak Retail Revenue Adjustment	Cumberland Valley Net Monthly Retail Revenues	12-months ended Avg. Retail Revenues, Net	Cumberland Valley 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%	2.412.544		2,412,544	2,710,882	350,246	1	350,246	2,969,090		2,969,090	3,480,760	9.89%
Apr-12	14.94%	0.00%	14.94%	2,088,654		2,088,654	2,697,313	402,978	1 2	402,978	2,800,486		2,800,486	3,461,927	11.58%
May-12	16.90%	0.00%	16.90%	2.273,514		2,273,514	2,696,338	455,681	141	455,681	3,041,094		3,041,094	3,485,559	13 16%
Jun-12	15.55%	0.00%	15.55%	2,464,606		2,464,606	2,676,388	416,178		416,178	2,781,417		2,781,417	3,455,567	11.94%
Jul-12	14.51%	0.00%	14.51%	2,706,093		2,706,093	2,656,703	385,488	1	385,488	3,575,045		3,575,045	3,456,933	11 16%
Aug-12	14.13%	0.00%	14 13%	2,516.047		2,516,047	2,621,269	370,385	-	370,385	3,598,947		3,598,947	3,416,893	10.71%
Sep-12	16.23%	0.00%	16.23%	2,217,586		2,217,586	2,612,242	423,967	4	423,967	2,760,296		2,760,296	3,391,047	12.41%
Oct-12	17.57%	0.00%	17.57%	2,342,637		2,342,637	2,612,369	458,993		458,993	2,893,662		2,893,662	3,396,871	13.54%
Nov-12	18.23%	0.00%	18.23%	2,951,708		2,951,708	2,625,372	478,605	-	478,605	3,724,856		3,724,856	3,413,007	14.09%
Dec-12	14.61%	0.00%	14.61%	3,071,075		3,071,075	2,616,819	382,317	2	382,317	3,595,071		3,595,071	3,368,792	11.20%
Jan-13	13.49%	0.00%	13.49%	3,226,392		3,226,392	2,608,325	351,863		351,863	4,642,247		4,642,247	3,391,523	10.44%
Feb-13	12.61%	0.00%	12.61%	2,916,221		2,916,221	2,598,923	327,724	1.00	327,724	3,893,708		3,893,708	3,356,327	9.66%
Mar-13	14.37%	0.00%	14.37%	3,064,072		3,064,072	2,653,217	381,267	1.5	381,267	3,770,405		3,770,405	3,423,103	11.36%
Apr-13	14.27%	0.00%	14.27%	2,250,724		2,250,724	2,666,723	380,541		380,541	3,085,730		3,085,730	3,446,873	11.12%
May-13	17.97%	0.00%	17.97%	2,239,113		2,239,113	2,663,856	478,695		478,695	2,800,325		2,800,325	3,426,809	13.89%
Jun-13	17.09%	0.00%	17.09%	2,432,452		2,432,452	2,661,177	454,795		454,795	3,151,321		3,151,321	3,457,634	13.27%
Jul-13	15.77%	0.00%	15.77%	2,434,308		2,434,308	2,638,528	416,096	(86,631)	329,465	3,144,888		3,144,888	3,421,788	9.53%
Aug-13	15.49%	0.00%	15.49%	2,428,129		2,428,129	2,631,201	407,573	(72,539)	335,034	3,137,474		3,137,474	3,383,332	9.79%
Sep-13	14.93%	0.00%	14.93%	2,130,317		2,130,317	2,623,929	391,753	(72,539)	319,214	2,896,035		2,896,035	3,394,643	9.43%
Oct-13	16.69%	0.00%	16 69%	2,065,805		2,065,805	2,600,860	434,083	(72,539)	361,544	2,683,025		2,683,025	3,377,090	10.65%
Nov-13	17.43%	0.00%	17.43%	2,694,276		2,694,276	2,579,407	449,591	(72,539)	377,052	3,151,601		3,151,601	3,329,319	11 16%
Dec-13	14.54%	0.00%	14.54%	3,126,509		3,126,509	2,584,027	375,717	(72,539)	303,178	4,087,434		4,087,434	3,370,349	9.11%
Jan-14	10.92%		10.92%	4,015,375		4,015,375	2,649,775	289,355	14,092	303,447	5,132,308		5,132,308	3,411,188	9.00%
Feb-14	5 44%		5.44%			3,131,762	2,667,737	145,125	576	145,701	4,369,862		4,369,862	3,450,867	4.27%

Notes:
Cumberland Valley 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.