



Big Sandy Rural Electric
Cooperative Corporation

504 11th Street
Paintsville, Kentucky 41240-1422
(606) 789-4095 • Fax (606) 789-5454
Toll Free (888) 789-RECC (7322)

RECEIVED

SEP 29 2015

PUBLIC SERVICE
COMMISSION

September 28, 2015

Mr. Jeff Derouen
Executive Director
Public Service Commission
211 Sower Blvd.
Frankfort, KY 40602

RE: Public Service Commission Case No. 2015-00281

Dear Mr. Derouen:

Please find enclosed the original and 7 copies of Big Sandy Rural Electric Cooperative Corporation's response as requested in Case No. 2015-00281, AN EXAMINATION BY THE PUBLIC SERVICE COMMISSION OF THE ENVIRONMENTAL SURCHARGE MECHANISM OF EAST KENTUCKY POWER COOPERATIVE, INC. FOR THE SIXMONTH BILLING PERIODS ENDING JUNE 30, 2014 AND DECEMBER 31, 2014, TWO-YEAR BILLING PERIOD ENDING JUNE 30, 2015, AND THE PASS THROUGH MECHANISM FOR ITS SIXTEEN MEMBER DISTRIBUTION COOPERATIVES. Billy Frasure will be the witness responsible for responding to the questions related to the information provided.

If you should need any additional information, please do not hesitate to contact me.

Thank you,

David Estep
President & General Manager

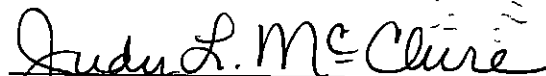
CERTIFICATE

STATE OF KENTUCKY)
COUNTY OF JOHNSON)

Billy O. Frasure, CPA, being duly sworn, states that he has supervised the preparation of the response of Big Sandy RECC to the Public Service Commission Staff's Request for information in the above-referenced Case No. 2015-00281 dated August 31, 2015 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.


Billy O. Frasure, CPA

Subscribed and sworn before me on this 28th day of September, 2015


Notary Public

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED
SEP 29 2015
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 SIX)	
MONTH BILLING PERIODS ENDING)	
JUNE 30, 2014 AND DECEMBER 31, 2014,)	
TWO-YEAR BILLING PERIOD ENDING)	CASE NO.
JUNE 30, 2015, AND THE PASS THROUGH)	2015-00281
MECHANISM FOR ITS SIXTEEN MEMBER)	
DISTRIBUTION COOPERATIVES)	

RESPONSE TO COMMISSION STAFF'S INFORMATION REQUEST TO BIG SANDY
RURAL ELECTRIC COOPERATIVE CORPORATION

DATED AUGUST 31, 2015

REQUEST NO. 8:

This question is addressed to each of the 16 Member Cooperatives. For your particular distribution cooperative, provide the actual average residential customer's monthly usage for the 12 months ended May 31, 2015. 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:

The over- or under-recovery used to determine the impact on the average residential customer's monthly bill has been determined using the traditional methodology used in previous surcharge reviews. However, Big Sandy RECC continues to believe that the methodology used to determine the over- or under-recovery needs revision and is working with the other EKPC Members to reach a consensus solution. Big Sandy RECC also supports the proposal that a future informal conference with the Commission Staff be held to discuss this issue.

WITNESS: BILLY FRASURE

Big Sandy RECC total under-recovery		\$	5,648		
Six month recovery spread:		\$	941		
		Actual		6 Month Spread	
12 month Average Residential Usage			1,196		1,196
Customer Charge		\$	15.00	\$	15.00
KWH Charge		0.08900	106.44		106.44
FAC		-0.008215	(9.83)		(9.83)
Sub Total		\$	111.61	\$	111.61
* Surcharge May 2015		12.21%	13.63	12.26%	13.68
Total		\$	125.24	\$	125.29
			[A]		[B]
Dollar Impact	\$ 0.05	[B]-[A]			
* Please see attached EKP Pass Through Mechanism Reports.					
Actual					
Spreading \$941					

WITNESS: BILLY FRASURE

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

For the Month Ending May 2015

	(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 Big Sandy	On-peak Revenue Adjustment	EKPC Net Monthly Sales to Big Sandy	EKPC 12-months Ended Average Monthly Revenue from Sales to Big Sandy	Big Sandy Revenue Requirement	Amortization of (Over)/Under Recovery	Big Sandy Net Revenue Requirement	Big Sandy Total Monthly Retail Revenues	On-Peak Retail Revenue Adjustment	Big Sandy Net Monthly Retail Revenues	12-months ended Avg. Retail Revenues, Net	Big Sandy 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)
Jun-13	17.09%	0.00%	17.09%	\$ 1,266,813		\$ 1,266,813	\$ 1,376,987	\$ 235,327	\$ -	\$ 235,327	\$ 1,854,262		\$ 1,854,262	\$ 1,994,510	11.93%
Jul-13	15.77%	0.00%	15.77%	\$ 1,333,577		\$ 1,333,577	\$ 1,369,825	\$ 216,021	\$ 18,477	\$ 234,498	\$ 2,004,628		\$ 2,004,628	\$ 1,983,834	11.76%
Aug-13	15.49%	0.00%	15.49%	\$ 1,260,375		\$ 1,260,375	\$ 1,370,140	\$ 212,235	\$ 14,199	\$ 226,434	\$ 1,834,960		\$ 1,834,960	\$ 1,986,811	11.41%
Sep-13	14.93%	0.00%	14.93%	\$ 1,088,977		\$ 1,088,977	\$ 1,368,827	\$ 204,515	\$ 14,199	\$ 218,714	\$ 1,568,895		\$ 1,568,895	\$ 1,991,373	11.01%
Oct-13	16.69%	0.00%	16.69%	\$ 1,061,773		\$ 1,061,773	\$ 1,365,580	\$ 227,915	\$ 14,199	\$ 242,114	\$ 1,602,099		\$ 1,602,099	\$ 1,994,172	12.16%
Nov-13	17.43%	0.00%	17.43%	\$ 1,473,559		\$ 1,473,559	\$ 1,359,954	\$ 237,040	\$ 14,199	\$ 251,239	\$ 2,167,107		\$ 2,167,107	\$ 1,992,147	12.60%
Dec-13	14.54%	0.00%	14.54%	\$ 1,681,366		\$ 1,681,366	\$ 1,366,100	\$ 198,631	\$ 14,199	\$ 212,830	\$ 2,455,793		\$ 2,455,793	\$ 2,003,106	10.68%
Jan-14	10.92%	0.00%	10.92%	\$ 2,207,416		\$ 2,207,416	\$ 1,405,973	\$ 153,532	\$ (4,278)	\$ 149,254	\$ 3,172,926		\$ 3,172,926	\$ 2,054,510	7.45%
Feb-14	5.44%	0.00%	5.44%	\$ 1,759,257		\$ 1,759,257	\$ 1,421,751	\$ 77,343	\$ -	\$ 77,343	\$ 2,432,240		\$ 2,432,240	\$ 2,060,251	3.76%
Mar-14	11.62%	0.00%	11.62%	\$ 1,660,817		\$ 1,660,817	\$ 1,426,326	\$ 165,739	\$ (5,357)	\$ 160,382	\$ 2,300,971		\$ 2,300,971	\$ 2,055,013	7.78%
Apr-14	13.47%	0.00%	13.47%	\$ 1,139,587		\$ 1,139,587	\$ 1,423,938	\$ 191,804	\$ (5,357)	\$ 186,447	\$ 1,592,845		\$ 1,592,845	\$ 2,051,603	9.07%
May-14	15.84%	0.00%	15.84%	\$ 1,131,283		\$ 1,131,283	\$ 1,422,067	\$ 225,255	\$ (5,357)	\$ 219,898	\$ 1,686,916		\$ 1,686,916	\$ 2,056,137	10.72%
Jun-14	15.67%	0.00%	15.67%	\$ 1,266,853		\$ 1,266,853	\$ 1,422,070	\$ 222,838	\$ (5,357)	\$ 217,481	\$ 1,839,015		\$ 1,839,015	\$ 2,054,866	10.58%
Jul-14	14.38%	0.00%	14.38%	\$ 1,303,224		\$ 1,303,224	\$ 1,419,541	\$ 204,130	\$ (5,357)	\$ 198,773	\$ 1,868,873		\$ 1,868,873	\$ 2,043,553	9.67%
Aug-14	12.82%	0.00%	12.82%	\$ 1,269,803		\$ 1,269,803	\$ 1,420,326	\$ 179,245	\$ (5,357)	\$ 173,888	\$ 1,867,471		\$ 1,867,471	\$ 2,046,262	8.51%
Sep-14	13.53%	0.00%	13.53%	\$ 1,094,371		\$ 1,094,371	\$ 1,420,776	\$ 192,231	\$ -	\$ 192,231	\$ 1,609,766		\$ 1,609,766	\$ 2,049,668	9.39%
Oct-14	15.57%	0.00%	15.57%	\$ 992,145		\$ 992,145	\$ 1,414,973	\$ 220,311	\$ -	\$ 220,311	\$ 1,625,101		\$ 1,625,101	\$ 2,051,585	10.75%
Nov-14	16.95%	0.00%	16.95%	\$ 1,513,000		\$ 1,513,000	\$ 1,418,260	\$ 240,395	\$ -	\$ 240,395	\$ 2,198,553		\$ 2,198,553	\$ 2,054,206	11.72%
Dec-14	13.88%	0.00%	13.88%	\$ 1,530,031		\$ 1,530,031	\$ 1,405,649	\$ 195,104	\$ -	\$ 195,104	\$ 2,228,327		\$ 2,228,327	\$ 2,035,250	9.50%
Jan-15	13.67%	0.00%	13.67%	\$ 1,816,836		\$ 1,816,836	\$ 1,373,101	\$ 187,703	\$ -	\$ 187,703	\$ 2,697,800		\$ 2,697,800	\$ 1,995,656	8.22%
Feb-15	11.49%	0.00%	11.49%	\$ 1,958,655		\$ 1,958,655	\$ 1,389,717	\$ 159,878	\$ -	\$ 159,878	\$ 2,711,263		\$ 2,711,263	\$ 2,018,908	8.00%
Mar-15	10.90%	0.00%	10.90%	\$ 1,399,911		\$ 1,399,911	\$ 1,367,975	\$ 149,109	\$ -	\$ 149,109	\$ 1,983,632		\$ 1,983,632	\$ 1,992,463	7.39%
Apr-15	14.44%	0.00%	14.44%	\$ 919,116		\$ 919,116	\$ 1,349,602	\$ 194,883	\$ -	\$ 194,883	\$ 1,428,865		\$ 1,428,865	\$ 1,978,798	9.78%
May-15	18.09%	0.00%	18.09%	\$ 966,048		\$ 966,048	\$ 1,335,833	\$ 241,652	\$ -	\$ 241,652	\$ 1,508,652		\$ 1,508,652	\$ 1,963,943	12.21%

Notes:

Big Sandy 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.

ITEM 8
PAGE 4 OF 4
"TRADITIONAL SPREADING \$941"

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

For the Month Ending May 2015

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			Col. (1) - Col. (2)			Col. (4) - Col. (5)		Col. (8) x Col. (7)		Col. (8) ÷ Col. (9)			Col. (11) - Col. (12)		Col. (10) / Col. (14)
Jun-13	17.09%	0.00%	17.09%	\$ 1,266,813		\$ 1,266,813	\$ 1,376,987	\$ 235,327	\$ -	\$ 235,327	\$ 1,854,262		\$ 1,854,262	\$ 1,994,510	11.93%
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