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PUBLIC SERVICE COMMISSION

September 29, 2015

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

RE: Case No. 2015-00281

Dear Mr. Derouen:

Enclosed are an original and seven (7) copies of Shelby Energy Cooperative Inc.'s response to the commission staff's first request for information to East Kentucky Power Cooperative and each of its sixteen member cooperatives dated August 31, 2015. The information has been provided by email to all parties of record.

Should you have any questions or need further information, please let me know.

Sincerely,

Mary Federle Billing Manager

**Enclosures** 

www.shelbyenergy.com 620 Old Finchville Road • Shelbyville, Kentucky 40065-1714 Shelby Co. (502) 633-4420 • Fax: (502) 633-2387 • Trimble Co. (502) 255-3001 • 1-800-292-6585

This institution is an equal opportunity provider and employer.

### COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION CASE NO. 2015-00281

### **VERIFICATION**

The undersigned, Mary E. Federle, Billing Manager of Shelby Energy Cooperative, Inc. certifies that the responses contained in this document are true and accurate to the best of her knowledge, information and belief formed after a reasonable inquiry.

Mary E. Federle

COMMONWEALTH OF KENTUCKY

**COUNTY OF SHELBY** 

(SEAL)

Notary Public STATE AT LARGE

My Commission Expires:

4/18/16

Case No. 2015-00281

## COMMONWEALTH OF KENTUCKY BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of

AN EXAMINATION BY THE PUBLIC SERVICE	)	
COMMISSION OF THE ENVIRONMENTAL	Ś	
SURCHARGE MECHANISM OF EAST KENTUCKY	ý	
POWER COOPERATIVE, INC. FOR THE	ý	
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	ý	2015-00281
MECHANISM FOR ITS SIXTEEN MEMBER	<b>,</b> , ,	
DISTRIBUTION COOPERATIVES	j "	

RESPONSE OF <u>SHELBY ENERGY COOPERATIVE</u>, INC. TO COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION TO EAST KENTUCKY POWER COOPERATIVE, INC. AND EACH OF ITS SIXTEEN MEMBER COOPERATIVES

DATED: SEPTEMBER 29, 2015

# Shelby Energy Cooperative's Response to the Commission Staff's First Request for Information Case No. 2015-00281

### Question:

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 ending 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:

8. Using billing data ending May 2015, the average monthly residential usage is 1423 kWh resulting in an average residential monthly bill of \$150.95 when no over-or under-recovery amount is included. When the over- or under-recovery is included in the calculation for the same period of time, \$151.09 is the monthly bill. This results in a dollar impact of \$.14 to the customer. Please refer to Exhibit A for supporting calculations and documentation.

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, Shelby Energy

Cooperative (Shelby Energy) 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. Shelby Energy also supports the

# Shelby Energy Cooperative's Response to the Commission Staff's First Request for Information Case No. 2015-00281

proposal	that a	future ir	nformal c	onference	with the	Commission	Staff be	held to	discuss
this issue	∋.								

Witness: Mary E. Federle

### Shelby Energy Coop - Calculation of (Over)/Under

<del></del>	EKPC		Billed to	Г		1	
	Invoice		Retail				
	Month	C	onsumer &				
	recorded		ecorded on	1	Monthly	ا ا	umulative
	Member's		Member's	١,	(Over) or	l	(Over) or
	Books	•	Books	l '	Under	١ '	Under
Mo/Yr	(1)		(2)	$\vdash$	(3)		(4)
Jul-13	\$ 407,660	\$	450,714	\$	(43,054)	\$	(43,054)
Aug-13	\$ 387,875	\$	384,038	\$	3,837	\$	(39,218)
Sep-13	\$ 335,874	\$	316,359	\$	19,515	\$	(19,703)
Oct-13	\$ 302,599	\$	300,133	\$	2,466	\$	(17,237)
Nov-13	\$ 397,201	\$	374,304	\$	22,897	\$	5,661
Dec-13	\$ 487,131	\$	457,802	\$	29,329	\$	34,990
Jan-14	\$ 489,209	\$	483,642	\$	5,567	\$	5,567
Feb-14	\$ 326,107	\$	393,414	\$	(67,307)	\$	(61,740)
Mar-14	\$ 149,055	\$	202,212	\$	(53,157)	\$	(114,897)
Apr-14	\$ 251,815	\$	197,559	\$	54,256	\$	(60,641)
May-14	\$ 303,504	\$	267,493	\$	36,011	\$	(24,630)
Jun-14	\$ 403,556	\$	371,165	\$	32,391	\$	7,761
Jul-14	\$ 410,048	\$	395,106	\$	14,942	\$	22,703
Aug-14	\$ 390,899	\$	376,115	\$	14,784	\$	37,487
Sep-14	\$ 302,625	\$	306,138	\$	(3,513)	\$	33,973
Oct-14	\$ 289,564	\$	277,566	\$	11,998	\$	45,971
Nov-14	\$ 394,974	\$	373,271	\$	21,703	\$	67,675
Dec-14	\$ 445,702	\$	453,549	\$	(7,847)	\$	59,828
Jan-15	\$ 413,326	\$	518,923	\$	(105,597)	\$	(45,770)
Feb-15	\$ 414,122	\$	457,361	\$	(43,239)	\$	(89,008)
Mar-15	\$ 288,464	\$	331,883	\$	(43,419)	\$	(132,427)
Apr-15	\$ 203,489	\$	233,339	\$	(29,850)	\$	(162,277)
May-15	\$ 282,628	\$	223,199	\$	59,429	\$	(102,848)
Jun-15	\$ 452,096	\$	329,518	\$	122,578	\$	19,730
Jul-15	\$ 482,457	\$	420,423	\$	62,034	\$	81,764
Aug-15	\$ 393,278	\$		\$	393,278	\$	475,042
Cumulative	18-months (0	Ove	r)/Under Rec	ove	ry	\$	19,730

Cumulative 18-months (Over)/Under Recovery	\$	19,730
Monthly Recovery (per month for six months)	\$	3,288
Total Net (Over)/Under Recovery for 2-Year Period	l s	54.720

Case No. 2015-00281

East Kentucky Power Cooperative, Inc. - Distribution Cooperatives

Pass Through Mechanism Report for Shelby Energy Cooperative

Exhibit A Page 2 of 4

#### For the Month Ending June 2015

	(1)	(2)	(3)	(4)	(5)		(6)		(7)	_	(8)	Т	(9)		(10)	Ι	(11)	(12)	1	(13)		(14)	(15)
		1,000/		EKPC	On-peak	EK	PC Net	EKP	C 12-months		Shelby	Ar	nortization		Shelby		Shelby	On-Peak		Shelby	-	2-months	Shelby
1				Monthly	Revenue		onthly		led Average		levenue		of		Revenue		Total	Retail	١ ١	Net Monthly		ended	Pass
Surcharge		ľ		Revenues from	Adjustment		Sales		thly Revenue		quirement	10	ver)/Under		Revenue	Mor	nthly Retail	Revenue		Retail	A	vg. Retail	Through
Factor				Sales to	,		to		m Sales to		•		ecovery		quirement		evenues	Adjustment		Revenues		Revenues.	Mechanism
Expense	EKPC	EKPC	EKPC	Shelby		S	Shelby		Shelby						,							Net	Factor
Month	CESF %	BEŞF %	MESF %	•			•	•	·														
- "			Col. (1) - Col. (2)			Col. (	4) - Col. (5)			Col	(3) x Col (7)			Col	(8) + Co! (9)				Col	l. (11) - Col. (12)			Cof (10) / Col (14)
Jul-13	15.77%	0.00%	15.77%	\$ 2,385,367		\$ 2	2,385,367	\$	2,421,153	\$	381,816	\$	(30,009)	\$	351,807	\$	3,082,318		\$	3,082,318	\$	3,177,423	11.08%
Aug-13	15.49%	0.00%	15.49%	\$ 2,459,555		\$ 2	2,459,555	\$	2,418,552	\$	374,634	\$	(18,324)	\$	356,310	\$	3,366,360		\$	3,366,360	\$	3,171,252	11.21%
Sep-13	14.93%	0.00%	14.93%			\$ 2	2,170,116	\$	2,417,624	\$	360,951	\$	(18,324)	\$	342,627		3,263,531		\$	3,263,531	\$	3,167,139	10.80%
Oct-13	16.69%	0.00%	16.69%			•	2,026,771	•	2,411,854	\$	402,538	\$	(18,324)	-	384,214	\$	2,833,897		\$	2,833,897	\$	3,176,542	12.13%
Nov-13	17.43%	0.00%	17.43%				2,379,872	•	2,408,886	\$	419,869	\$	(18,324)		401,545	\$	2,747,463		\$	2,747,463	\$	3,181,200	12.64%
Dec-13	14.54%	0.00%	14.54%				2,794,783		2,421,792	\$	352,129	\$	(18,324)		333,805		3,193,519		\$	3,193,519	\$	3,199,505	10.49%
Jan-14	10,92%	0,00%.	10.92%				3,364,558		2,467,248	\$	269,423	\$	11,685	\$	281,108		3,675,557		\$		\$	3,223,558	8.79%
Feb-14	5.44%	0.00%	5.44%			*	2,986,330	-	2,497,956	\$	135,889	\$	-	\$	135,889		4,282,470		\$	4,282,470	\$	3,256,604	4.22%
Mar-14	11.62%	0.00%	11.62%				2,739,976		2,506,661	\$	291,274	\$	(11,605)		279,669	-	4,157,604		\$		\$	3,290,016	8.59%
Apr-14	13.47%	0,00%	13.47%				2,167,068		2,508,532	\$		\$	(11,605)		326,294		3,401,885		\$	3,401,885		3,293,843	9.92%
May-14	15.84%	0.00%	15.84%				2,253,181		2,511,055	\$	397,751	-	(11,605)		386,146		2,764,273		\$			3,290,695	11.72%
Jun-14	15.67%	0.00%	15.67%				2,548,258		2,522,986	\$	,	\$	(11,605)		383,747		2,808,862		\$		•	3,298,145	11.66%
Jul-14	14.38%	0.00%	14.38%				2,616,203		2,542,223	\$	365,572	\$	(11,605)	-	353,967		3,343,967		\$		\$	3,319,949	10.73%
Aug-14	12.62%	0.00%	12.62%				2,719,966		2,563,924	\$	323,567	\$	(11,605)	5	311,962	-	3,384,596		\$		\$	3,321,469	9.40%
Sep-14	13.53%	0.00%	13.53%				2,397,957		2,582,910	\$	349,468		-	,\$	349,468		3,402,021		\$			3,333,010	10.52%
Oct-14	15.57%	0.00%	15.57%				2,140,163	•	2,592,360	\$	403,630		-	.\$	403,630		3,095,973		\$		\$	3,354,849	12.11%
Nov-14	16.95%	0.00%	16.95%				2,536,778		2,605,435	\$	441,621	\$	-	\$	441,621		2,952,706		\$			3,371,953	13.16%
Dec-14	13.88%	0.00%	13.88%				2,629,514		2,591,663	\$	359,723	\$	-	\$	359,723		3,548,100		\$			3,401,501	10.67%
Jan-15	13.67%	0.00%	13.67%		•		2,977,849		2,559,437	\$	349,875		-	\$	349,875		3,745,006		\$		\$	3,407,289	10.29%
Feb-15	11.49%	0.00%	11.49%				3,029,412		2,563,027	\$	294,492		-	\$	294,492		3,943,011		\$			3,379,000	8.64%
Mar-15	10.90%	0.00%	10.90%			•	2,510,563		2,543,909	\$	277,286		-	\$	277,286		4,286,098		\$	, ,		3,389,708	8.21%
Apr-15	14,44%	0.00%	14.44%				1,866,869		2,518,893	\$	363,728	<u>\$</u>	-	<u> </u>			3,225,113		\$	3,225,113			10.73%
May-15	18.09%	0.00%	18.09%			•	1,957,255	_	2,494,232	<u>5</u>	,	<u>\$</u>	<u> </u>	<u>\$</u>	451,207	_	2,700,216		\$		<u> </u>	3,369,639	13.37%
Jun-15	18.44%	0.00%	18.44%	\$ 2,499,139		\$ 2	2,499,139	\$	2,490,139	\$	459,182	\$	-	\$	459,182	\$	2,718,292		\$	2,718,292	\$	3,362,091	13.63%

### Notes:

Shelby 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 Shelby Energy Cooperative

Exhibit A Page 3 of 4

#### For the Month Ending June 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 Monthl Revenues Sales to Shelby	rom Adjus	peak enue stment	N	CPC Net Monthly Sales to Shelby	En	PC 12-months ided Average onthly Revenue om Sales to Shelby	F	Shelby Revenue equirement	(0	nortization of ver)/Under Recovery	Ne F	Shelby at Revenue Revenue equirement	14,4 4,5	Shelby Total onthly Retail Revenues	On-Peak Retail Revenue Adjustment		Shelby let Monthly Retail Revenues	A	2-months ended tvg. Retail Revenues, Net	Shelby Pass Through Mechanism Factor
			Col. (1) - Col. (2)				Col. (	4) - Col. (5)			Co	(3) x Col (7)			Col	(8) + Col (9)				Col	. (11) - Col. (12)			Col (10) / Col (14)
Jul-13 Aug-13 Sep-13	15.77% 15.49% 14.93%	0.00% 0.00% 0.00%	15.77% 15.49% 14.93%	\$ 2,459 \$ 2,170	555 116		\$ 2	2,385,367 2,459,555 2,170,116	\$	2,421,153 2,418,552 2,417,624		360,951	\$	(30,009) (18,324) (18,324)	\$	351,807 356,310 342,627	5 5 5	3,082,318 3,366,360 3,263,531		\$ \$	3,263,531	\$	3,171,252 3,167,139	11.08% 11.21% 10.80%
Oct-13 Nov-13 Dec-13	16.69% 17.43% 14.54%	0.00% 0.00% 0.00%	16.69% 17.43% 14.54%	\$ 2,379	872		\$ 2	2,026,771 2,379,872 2,794,783	\$	2,411,854 2,408,886 2,421,792	\$ \$	402,538 419,869 352,129	\$	(18,324) (18,324) (18,324)	\$	384,214 401,545 333,805	5 5	2,833,897 2,747,463 3,193,519		\$	2,747,463	\$	3,176,542 3,181,200 3,199,505	12.13% 12.64% 10.49%
Jan-14 Feb-14	10.92% 5.44%	0.00%	10.92% 5.44%	\$ 3,364 \$ 2,986	558 330		\$ 3	3,364,558 2,986,330	\$	2,467,248 2,497,956	\$	269,423 135,889	\$	11,685	\$	281,108 135,889	\$	3,675,557 4,282,470		\$	3,675,557 4,282,470	\$	3,223,558 3,256,604	8.79% 4.22%
Mar-14 Apr-14 May-14	11.62% 13.47% 15.84%	0.00% 0.00% 0.00%	11.62% 13.47% 15.84%	\$ 2,167	068		\$ 2	2,739,976 2,167,068 2,253,181	\$	2,508,532	\$ \$	291,274 337,899 397,751	\$	(11,605) (11,605) (11,605)	\$	279,669 326,294 386,146	\$ \$	4,157,604 3,401,885 2,764,273		\$	4,157,604 3,401,885 2,764,273	\$ \$	3,290,016 3,293,843 3,290,695	8.59% 9.92% 11.72%
Jun-14 Jul-14	15.67% 14.38% 12.62%	0.00% 0.00% 0.00%	15.67% 14.38%	\$ 2,616	203		\$ 2	2,548,258 2,616,203 2,719,966	\$	2,542,223	\$ \$	395,352 365,572 323,567		(11,605) (11,605)	\$	383,747 353,967	\$	2,808,862 3,343,967		\$	2,808,862 3,343,967	\$ \$	3,298,145 3,319,949	11.66% 10.73%
Aug-14 Sep-14 Oct-14	13.53% 15.57%	0.00%	12.62% 13.53% 15.57%	\$ 2,397	957		\$ 2	2,719,966 2,397,957 2,140,163	\$		\$ \$		\$	(11,605)	\$	311,962 349,468 403,630	\$	3,384,596 3,402,021 3,095,973		\$	3,384,596 3,402,021 3,095,973	\$	3,321,469 3,333,010 3,354,849	9.40% 10.52% 12.11%
Nov-14 Dec-14	16.95% 13.88%	0.00%	16.95% 13.88%	\$ 2,629	514		\$ 2	2,536,778	\$	2,605,435 2,591,663	\$	441,621 359,723	\$	-	\$	441,621 359,723	\$	2,952,706 3,548,100		\$	2,952,706 3,548,100	\$	3,371,953 3,401,501	13.16% 10.67%
Jan-15 Feb-15 Mar-15	13.67% 11.49% 10.90%	0.00% 0.00% 0.00%	13.67% 11.49% 10.90%	\$ 3,029	412		\$ 3	2,977,849 3,029,412 2,510,563	\$	2,559,437 2,563,027 2,543,909	\$		\$	-	\$	349,875 294,492 277,286	\$	3,745,006 3,943,011 4,286,098		\$		\$	3,407,289 3,379,000 3,389,708	10.29% 8.64% 8.21%
Apr-15 May-15	14.44%	0.00%	14.44%	\$ 1,866	869		\$ 1	1,866,869	\$		\$	363,728		3,288	\$			3,225,113		\$	3,225,113	\$	3,374,977	10.73% 13.47%
Jun-15	18.44%	0.00%	18.44%					2,499,139		2,490,139		459,182	\$		\$	459,182	\$	2,718,292		\$	2,718,292	-		13,63%

#### Notes

Shelby 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.

Average Monthly Residential kWh:		1,423
Residential Rate:		1,125
Facility Charge	\$10.14	\$10.14
kWh Charge	\$0.08861	126.09
Fuel Adjustment Factor	(\$0.00489)	(6.96)
Surcharge (May, 2015)	13.37%	17.28
** Refer to Exhibit A - Page 2	? of 4 .	
County Tax	3.00%	<u>\$4.40</u>
		\$150.95
Actual Average Residential Monthly  Average Monthly Residential kWh:	Bill with Recovery	1.423
Average Monthly Residential kWh: Residential Rate:		·
Average Monthly Residential kWh: Residential Rate: Facility Charge	\$10.14	\$10.14
Average Monthly Residential kWh: Residential Rate: Facility Charge kWh Charge	\$10.14 \$0.08861	\$10.14 126.09
Average Monthly Residential kWh: Residential Rate: Facility Charge kWh Charge Fuel Adjustment Factor	\$10.14 \$0.08861 (\$0.00489)	\$10.14 126.09 (6.96)
Average Monthly Residential kWh: Residential Rate: Facility Charge kWh Charge Fuel Adjustment Factor Surcharge (May, 2015)	\$10.14 \$0.08861 (\$0.00489) 13.47%	\$10.14 126.09 (6.96)
Average Monthly Residential kWh: Residential Rate: Facility Charge kWh Charge Fuel Adjustment Factor	\$10.14 \$0.08861 (\$0.00489) 13.47%	1,423 \$10.14 126.09 (6.96) 17.41
Average Monthly Residential kWh: Residential Rate: Facility Charge kWh Charge Fuel Adjustment Factor Surcharge (May, 2015) ** Refer to Exhibit A - Page 3	\$10.14 \$0.08861 (\$0.00489) 13.47%	\$10.14 126.09 (6.96)
Average Monthly Residential kWh: Residential Rate: Facility Charge kWh Charge Fuel Adjustment Factor Surcharge (May, 2015) ** Refer to Exhibit A - Page 3	\$10.14 \$0.08861 (\$0.00489) 13.47%	\$10.14 126.09 (6.96) 17.41 <u>\$4.40</u>
Average Monthly Residential kWh: Residential Rate: Facility Charge kWh Charge Fuel Adjustment Factor Surcharge (May, 2015) ** Refer to Exhibit A - Page 3	\$10.14 \$0.08861 (\$0.00489) 13.47%	\$10.14 126.09 (6.96) 17.41 <u>\$4.40</u>

Case No. 2015-00281