

Goss ■ Samford PLLC



Attorneys at Law

January 28, 2016

Hand Delivered

Mr. Jeff Derouen
Executive Director
Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602

RECEIVED

JAN 28 2016

Re: PSC Case No. 2015-00281

PUBLIC SERVICE
COMMISSION

Dear Mr. Derouen:

Please find enclosed for filing with the Commission in the above-referenced case, an original and ten copies of a Motion Requesting Leave to File Supplemental Testimony, the Scheduling of an Informal Conference, and the Suspension of the Current Procedural Schedule. In addition, please find enclosed an original and ten copies of the Supplemental Testimony of Isaac S. Scott on behalf of East Kentucky Power Cooperative, Inc., ("EKPC") and on behalf of EKPC's member systems.

Very truly yours,

David S. Samford

Enclosures

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

JAN 28 2016

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

**MOTION REQUESTING LEAVE TO FILE SUPPLEMENTAL TESTIMONY,
THE SCHEDULING OF AN INFORMAL CONFERENCE, AND
THE SUSPENSION OF THE CURRENT PROCEDURAL SCHEDULE**

Comes now East Kentucky Power Cooperative, Inc. ("EKPC"), by counsel, and, on behalf of its sixteen Members, hereby moves the Kentucky Public Service Commission ("Commission") to: 1) grant leave to file supplemental testimony concerning an alternative methodology for the determination of the Members' over- or under-recoveries during future surcharge review periods; 2) schedule an informal conference to present and discuss the alternative methodology; and 3) suspend the procedural schedule amended on December 28, 2015 in order for the Commission Staff to examine the proposed alternative methodology and conduct the requested informal conference, respectfully stating as follows:

On August 31, 2015, the Commission issued an Order opening an investigation for the six-month and two-year review of EKPC's environmental surcharge and pass-through mechanisms. Attached as Appendix A to the August 31, 2015 Order is a procedural schedule

setting December 30, 2015 as the last day for EKPC and its sixteen Members to request a hearing or submit this case for decision based on the record.

The August 31, 2015 Order also stated that EKPC and its Members could include with the filing of prepared direct testimony and information responses a proposal for a revised methodology in accordance with the finding and decision in Case No. 2014-00051.¹ In the direct testimony filed in this proceeding, EKPC indicated that the Members still believed a modification to the methodology used to determine the over- or under-recoveries was needed. However, as of the date the direct testimony was filed, the Members had not yet reached a consensus on the appropriate alternative methodology. The direct testimony indicated that the Members would request an informal conference with the Commission Staff when a consensus approach had been reached.²

On December 22, 2015 EKPC and its Members filed a motion requesting an extension until January 29, 2016 in which to either request a hearing or submit the case on the record. In the motion, EKPC stated that the Members were considering alternative methodologies while this case has been proceeding, and EKPC has been supportive of those efforts. EKPC further stated that an alternative methodology had recently been suggested which could be acceptable to all the Members. However, additional time was needed for the Members to consider and evaluate this alternative methodology. EKPC and its Members believed it was reasonable to request that the December 30, 2015 deadline be briefly extended to allow for this evaluation. The Commission granted the requested thirty (30) day extension on December 28, 2015.

¹ *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 Period Ending December 31, 2013 and the Pass Through Mechanism for Its Sixteen Member Distribution Cooperatives*, Order, Case No. 2014-00051, p. 9-10 (Ky. P.S.C., Aug. 25, 2015).

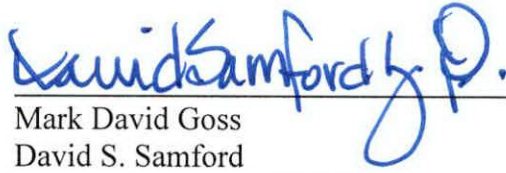
² See Direct Testimony of Isaac S. Scott, filed September 30, 2015, p. 11-12.

The Members have completed their review and evaluation of the alternative methodology and have concluded it is a reasonable solution to the over- and under-recovery determination issue in the surcharge review periods. The Members unanimously support the submission and adoption of the alternative methodology by the Commission. In support of this alternative methodology, each Member's chief executive officer has executed an affidavit in support of the alternative methodology. While not directly impacted, EKPC continues to support the Members in this matter and is tendering herewith supplemental testimony from Mr. Isaac Scott which explains the proposed alternative methodology and provides an example of how it would work in comparison to the traditional approach currently employed. EKPC respectfully requests the Commission to allow it to file the supplemental testimony. Moreover, as part of the Commission's consideration of the alternative methodology, EKPC and the Members suggest that an informal conference should be scheduled to further describe and discuss the alternative methodology. Lastly, EKPC and the Members believe the procedural schedule's requirement to either request a hearing or submit this case for decision based on the record on or before January 29, 2016 should be suspended until the Commission Staff has had time to consider and evaluate the proposed alternative methodology.

WHEREFORE, on the basis of the foregoing, EKPC and its Members request that the Commission permit the filing of supplemental testimony in support of an alternative methodology, schedule an informal conference to discuss the alternative methodology, and suspend the current procedural schedule.

This 28th day of January, 2016.

Respectfully submitted,



Mark David Goss
David S. Samford
GOSS SAMFORD, PLLC
2365 Harrodsburg Road, Suite B325
Lexington, KY 40504
(859) 368-7740
mdgoss@gosssamfordlaw.com
david@gosssamfordlaw.com

Counsel for East Kentucky Power Cooperative, Inc.

CERTIFICATE OF SERVICE

This is to certify that a true and correct copy of the foregoing was served by depositing same in the custody and care of the U.S. Mails, postage pre-paid, on this 28th day of January, 2016, addressed to the following:

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

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

Robert Christopher Brewer
President & CEO
Clark Energy Cooperative, Inc.
2640 Ironworks Road
P. O. Box 748
Winchester, KY 40392-0748

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

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

Joni K. Hazelrigg
President & CEO
Fleming-Mason Energy Cooperative, Inc.
1449 Elizaville Road
P. O. Box 328
Flemingsburg, KY 41041

Carol Ann Fraley
President & CEO
Grayson R.E.C.C.
109 Bagby Park
Grayson, KY 41143

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

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

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

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


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

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

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

Allen Anderson
President & CEO
South Kentucky R.E.C.C.
925-929 North Main Street
P. O. Box 910
Somerset, KY 42502-0910

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


Counsel for East Kentucky Power Cooperative, Inc.

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In re 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	)	CASE NO.
JUNE 30, 2014 AND DECEMBER 31, 2014,	)	2015-00281
TWO-YEAR BILLING PERIOD ENDING)	
JUNE 30, 2015, AND THE PASS THROUGH)	
MECHANISM FOR ITS SIXTEEN MEMBER)	
DISTRIBUTION COOPERATIVES)	

SUPPLEMENTAL TESTIMONY OF ISAAC S. SCOTT
ON BEHALF OF EAST KENTUCKY POWER COOPERATIVE, INC.

Filed: January 28, 2016

1 **Q. Are you the same Isaac S. Scott who submitted direct testimony in this proceeding?**

2 A. Yes. I am the same Isaac S. Scott who submitted testimony dated September 30, 2015.

3 **Q. Have there been any changes in your background information or duties at EKPC?**

4 A. No. My background information and duties are still the same.

5 **Q. What is the purpose of your supplemental testimony in this proceeding?**

6 A. As was noted in EKPC's December 22, 2015 Motion¹ in this proceeding, my September
7 30, 2015 direct testimony in this proceeding indicated that the Member Systems believed
8 a modification to the methodology used to determine the over- or under-recoveries was
9 needed and that the Member Systems were considering alternative methodologies. The
10 purpose of my supplemental testimony is to present and describe an alternative
11 methodology to determine the over- or under-recoveries that is supported by all of
12 EKPC's Member Systems.

13 **Q. On whose behalf is EKPC preparing supplemental testimony?**

14 A. As has been noted in this proceeding and the previous six-month surcharge review case,
15 Case No. 2014-00051,² EKPC is not directly affected by the Member Systems' over- or
16 under-recovery calculation problem. However, EKPC supports the Member Systems on
17 this issue and has facilitated the evaluations and discussions held concerning alternative
18 methodologies. The Member Systems are: Big Sandy Rural Electric Cooperative
19 Corporation ("RECC"), Blue Grass Energy Cooperative Corporation, Clark Energy
20 Cooperative, Inc., Cumberland Valley Electric, Inc., Farmers RECC ("Farmers"),
21 Fleming-Mason Energy Cooperative ("Fleming-Mason"), Grayson RECC, Inter-County

¹ See Motion for an Extension of Time to File a Request for Hearing or Submit Case for Decision Based on the Record filed December 22, 2015.

² 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 Period Ending December 31, 2013 and the Pass Through Mechanism for Its Sixteen Member Distribution Cooperatives, Case No. 2014-00051.

1 Energy Cooperative Corporation, Jackson Energy Cooperative, Licking Valley RECC,
2 Nolin RECC, Owen Electric Cooperative, Inc. ("Owen"), Salt River Electric Cooperative
3 Corporation, Shelby Energy Cooperative, Inc., South Kentucky RECC, and Taylor
4 County RECC.

5 **Q. Would you describe how the over- or under-recoveries are determined for the**
6 **Member Systems during a surcharge review period?**

7 A. Yes. Over- and under-recoveries are calculated for each Member System. For each
8 month of the surcharge review period, the environmental surcharge billed to the Member
9 System by EKPC is compared to the corresponding surcharge amount billed to the retail
10 customers and recorded on the Member System's books. The difference in the amounts
11 constitutes the over- or under-recovery for the month. A cumulative net over- or under-
12 recovery is determined for the entire review period and is proposed to be amortized over
13 a 6-month period or 12-month period as appropriate. In the current review case, these
14 calculations were provided in Response 2 to the Commission Staff's First Request for
15 Information.

16 **Q. Would you describe the problem the EKPC Member Systems believe exists in the**
17 **over- and under-recoveries determined during the surcharge reviews?**

18 A. In addition to the monthly over- or under-recovery activity described above, the Member
19 Systems are also amortizing Commission-authorized over- or under-recoveries
20 determined in previous surcharge review cases. If the Member System is amortizing an
21 over-recovery from a previous surcharge review case, then the surcharge amount billed to
22 its retail customers and recorded on its books is reduced by an amount reflecting the
23 monthly amortization. If the Member System is amortizing an under-recovery from a
24 previous surcharge review case, then the surcharge amount billed to its retail customers

1 and recorded on its books is increased by an amount reflecting the monthly amortization.
2 In either situation, the inclusion of the monthly amortization impacts the determination of
3 the monthly over- or under- recovery determination during the surcharge review case.
4 During the processing of Case No. 2014-00051, the impact of amortizing over- or under-
5 recoveries from previous surcharge review cases on current surcharge review periods
6 became more apparent. The billing months of July through December 2013 included the
7 amortization of over- and under-recoveries authorized in Case Nos. 2012-00486³ and
8 2013-00140,⁴ and the amortization periods actually over-lapped.⁵ It became apparent that
9 those Member Systems with an amortization of a net over-recovery from Case Nos.
10 2012-00486 and 2013-00140 were showing an under-recovery for the months in the
11 review period for Case No. 2014-00051. Conversely, those Member Systems with an
12 amortization of a net under-recovery from those two previous review cases were now
13 showing an over-recovery during the current review period. Looking at all the Member
14 Systems, it was determined this pattern existed for 14 of the 16 Member Systems. The
15 dollars involved vary with each Member System.
16 EKPC and the Member Systems believe this situation has always existed, but it gained
17 attention when the impact of the amortization of the over- and under-recoveries resulting
18 from Case Nos. 2012-00486 and 2013-00140 was more closely examined. While all of

³ *In the Matter of An Examination by the Public Service Commission of the Environmental Surcharge Mechanism of East Kentucky Power Cooperative, Inc. for the Two-Year Billing Period Ending June 30, 2011, for the Six-Month Billing Periods Ending December 31, 2011 and June 30, 2012, and the Pass Through Mechanism for its Sixteen Member Distribution Cooperatives*, Case No. 2012-00486.

⁴ *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 Period Ending December 31, 2012 and the Pass Through Mechanism for its Sixteen Member Distribution Cooperatives*, Case No. 2013-00140.

⁵ Case No. 2012-00486 covered 18 months of surcharge operations and Case No. 2013-00140 covered 6 months of operations. Because of the timing of the issuance of the final Orders in these cases, the amortization periods overlapped and the net over- or under-recoveries from these cases were spread over a seven month billing period.

1 the Member Systems have not been impacted to the same extent, they are in agreement
2 that the problem needs to be addressed and resolved.

3 This “back and forth” pattern leaves the Member Systems in the situation that the
4 amortization of an over- or under-recovery is never completely finished. Over-recoveries
5 in one review period lead to under-recoveries in the subsequent review period when the
6 amortization occurs and vice versa. The Member Systems do not believe this “back and
7 forth” pattern is reasonable. As noted by Farmers during Case No. 2014-00051, this
8 pattern “creates great volatility in the billings to its members and margin instability. The
9 impacts on margins can be significant enough to cause the Cooperative to greatly exceed
10 or fail financial ratios and benchmarks required by its lenders, and significantly affect
11 cash flow.”⁶ The Member Systems do not object to the initial amortization of the
12 determined over- or under-recoveries of the surcharge pass-through. However, once the
13 amortization period has finished, the Member Systems believe the amortization for that
14 particular review case should be completed.

15 **Q. Was this problem considered and addressed by the Commission in Case No. 2014-**
16 **00051?**

17 **A.** Yes. In Case No. 2014-00051 the Member Systems proposed two steps to address the
18 problem. One step involved the calculation of a historic over- or under-recovery total for
19 each Member System. The second step involved a modification of the format utilized to
20 determine over- or under-recoveries in subsequent surcharge review cases. These steps
21 are summarized and discussed in the Commission’s August 25, 2015 Order in Case No.
22 2014-00051. While EKPC was not directly affected by this problem, it fully supported
23 the proposals.

⁶ See Farmers Response to the Commission Staff’s First Request for Information dated March 6, 2014, Request 2b.

1 In its August 25, 2015 Order the Commission found that the proposed historic over- or
2 under-recovery total was in conflict with the provisions of the environmental surcharge
3 statute and the prohibition against retroactively considering environmental surcharge
4 operations that preceded the current two-year review period, and consequently denied
5 that step.⁷ As for the second step, the Commission noted that the format proposal did
6 not include an explanation of what happened to the difference in the amounts determined
7 under both methodologies, leaving the Commission concerned that the Member Systems'
8 retail customers may not be properly billed for environmental costs. The Commission
9 also noted that only three Member Systems clearly indicated their support for the new
10 format. The Commission continued the use of the original format to determine over- or
11 under-recoveries. However, the Commission did state that the Member Systems could
12 propose a revised methodology in a future review proceeding, in accordance with the
13 parameters discussed in that Order.⁸ Further, in its August 31, 2015 Order opening this
14 current review case, the Commission noted that EKPC and the Member Systems could
15 also propose a revised methodology in accordance with the finding and decision in Case
16 No. 2014-00051.

17 **Q. In your September 30, 2015 direct testimony and in EKPC's December 22, 2015**
18 **Motion filed in this proceeding it was indicated that EKPC and the Member**
19 **Systems have been considering revised methodologies for the over- and under-**
20 **recovery calculation performed during the surcharge review cases. Have the**
21 **Member Systems come to agreement on a proposal for consideration in this review**
22 **case?**

⁷ See Case No. 2014-00051, August 25, 2015 Order at 7-8.

⁸ See Case No. 2014-00051, August 25, 2015 Order, at 9-10.

1 A. Yes they have. While the current review case has been in process, the Member Systems
2 have been considering different approaches to try and adequately address the problem
3 caused by the amortization of previously determined over- or under-recoveries. In early
4 December 2015, an approach was developed by one of the Member Systems and
5 circulated for comments. After further modifications, the Member Systems unanimously
6 agreed this approach should be proposed in this case as a revised methodology for the
7 determination of over- or under-recoveries during the surcharge review cases.

8 **Q. Do the Member Systems recommend that this revised methodology should be**
9 **applied to determine the over- or under-recoveries in Case No. 2015-00281?**

10 A. No. As they were considering alternatives the Member Systems believed it was
11 necessary to try and develop an approach that they believed was consistent with the
12 Commission's decision in Case No. 2014-00051 concerning the finality of the two-year
13 environmental surcharge reviews. Case No. 2015-00281 completes a two-year review
14 cycle for the environmental surcharge. The Member Systems concluded it would be
15 more appropriate to begin applying the revised methodology with the start of a new two-
16 year cycle. Consequently, the Member Systems are proposing that the revised
17 methodology should be applied to all surcharge review cases subsequent to this current
18 review case.

19 **Q. Could you describe the revised methodology the Member Systems are proposing to**
20 **be used to determine the over- and under- recoveries during subsequent review**
21 **periods?**

22 A. Yes. Exhibit ISS-1 has two pages which show the revised methodology being proposed.
23 The first page is a blank format and the second page is an example with dollar amounts
24 included to better show how the revised methodology works. The example reflects the

1 next six-month review period beginning with July 2015 and assumes that the current
2 review case has been closed before the review beginning with July 2015 is opened. The
3 format is essentially the same as used for the current methodology, which I will refer to
4 as the “traditional approach”. Column numbers have been realigned, and line numbers
5 have been added for reference purposes. The revised methodology adds in sections at
6 Lines 1, 8, and 11 through 16.

7 The section at Line 1 lists any previous surcharge review case over- or under-recovery
8 that would be pending at the beginning of the new review period. In the example in
9 Exhibit ISS-1, two previous surcharge review cases have over- or under-recoveries to be
10 amortized, those from Case Nos. 2014-00051 and 2015-00281. The net over- and under-
11 recoveries from these cases are treated as a beginning balance in the cumulative over- or
12 under-recovery column for the review period. The traditional approach in effect looked
13 at a surcharge review period in a vacuum and did not recognize the fact that
14 amortizations had been authorized and would be reflected in the surcharge billed to retail
15 customers during the review period. The revised methodology recognizes the previous
16 Commission-authorized surcharge review case over- or under-recoveries as outstanding
17 beginning cumulative balances. This approach provides for a proper matching of the
18 amount to be amortized with the amortization that takes place during the surcharge
19 review period.

20 The section at Line 8 is used to determine the remaining unamortized balance of the
21 previous surcharge review case over- or under-recoveries and determines an amount to be
22 excluded from the end-of-period cumulative balance. While it is possible in a future
23 review case that the authorized amortization of an over- or under-recovery could be
24 begun and completed in the same six-month review period, it is more likely that the

1 amortization periods will span more than one six-month review period. Consequently,
2 there will usually be an unamortized balance remaining in the cumulative total shown at
3 Column 5, Line 7. The goal of the revised methodology is to remove the effects of
4 previous surcharge review case over- or under-recovery amortizations from the
5 determination of the current period's over- or under-recovery. In order to do so, it is
6 necessary to exclude the unamortized balances from the cumulative total. The
7 accounting signs for the amount to be amortized and the unamortized balances have been
8 changed to make the determination of the unamortized balance and its exclusion from the
9 cumulative total easier to perform.

10 The difference between the cumulative over- or under-recovery balance shown at
11 Column 5, Line 7 and the total unamortized balance determined at Column 5, Line 8
12 produces the over- or under- recovery for the current review period, as shown on Line 9.

13 The section at Lines 11 through 16 provides for the reconciliation of the traditional
14 approach and the revised methodology and links the reconciliation amount with the
15 amortization that took place during the review period. The total of the amortizations
16 listed in Column 3, Line 8 should always match the totals shown on Lines 13 and 16.

17 **Q. In its August 25, 2015 Order, the Commission stated the Member Systems could**
18 **propose a revised methodology in a future review proceeding in accordance with the**
19 **parameters discussed in that Order. What are those parameters?**

20 **A.** EKPC and the Member Systems understand the parameters identified by the Commission
21 to be the following items:

- 22 1) Provide an explanation of what happens to the difference in the amounts
23 determined under the traditional approach and the revised methodology, so there

1 can be assurance that Member System retail customers are properly billed for
2 environmental costs.

3 2) Provide an indication of the full support of the Member Systems for the change.

4 3) Provide an explanation of why the proposed change is reasonable.

5 **Q. Would you address each of these parameters?**

6 A. Yes. Concerning the first parameter, the difference between the over- or under-recovery
7 determined under the traditional approach and the revised methodology is the
8 amortization of previous surcharge review case over- or under-recoveries that took place
9 during the current surcharge review period. The sum of the monthly over- or under-
10 recoveries shown in Exhibit ISS-1 at Column 4, Lines 2 through 7 equals the net over- or
11 under-recovery that would be determined under the traditional approach. The
12 reconciliation section of the format, at Lines 14 through 16, documents that the difference
13 in the approaches is the amortization that occurred during the review period. The
14 amortization occurring during the review period is the total of the amounts shown in
15 Column 3, Line 8.

16 EKPC and the Member Systems believe the revised methodology does ensure that
17 Member System retail customers are properly billed for environmental costs. The
18 recognition of the previous Commission-authorized surcharge review case over- or
19 under-recoveries as the beginning cumulative balance for the current review period in
20 effect treats these obligations as payables to or receivables from the retail customers.
21 Through the monthly amortization, over-recoveries are returned to and under-recoveries
22 are collected from retail customers. The amortization reduces the outstanding payable or
23 receivable. Excluding the unamortized balances from the ending cumulative balance in
24 effect allows for a determination of the over- or under-recovery activity during the

1 current review period as if there had been no amortization to perform. Over-recoveries
2 are returned and under-recoveries are collected only once from retail customers under the
3 revised methodology. The net over- or under-recovery determined for the current review
4 period under the revised methodology reflects what is owed to or due to be collected
5 from retail customers for that review period only.

6 Concerning the second parameter, attached as Exhibit ISS-2 are affidavits from the Chief
7 Operating Officers, Presidents, or General Managers of the 16 Member Systems. Each
8 affidavit states that the Member System was involved with the discussions and
9 consideration of the revised methodology and that the Member System supports the
10 change in the methodology.

11 For the third parameter, EKPC and the Member Systems believe the revised methodology
12 is reasonable as it allows for the return of over-recoveries and collection of under-
13 recoveries from surcharge review cases only once. Once the amortization is completed it
14 no longer would impact the calculation of over- or under-recoveries in future surcharge
15 review cases. EKPC and the Member Systems also believe by tracking the previously
16 authorized surcharge review case over- and under-recoveries and corresponding
17 amortizations by case number will allow for easier identification of the amortization
18 activity during a review period.

19 **Q. Would all 16 Member Systems be using this revised methodology format?**

20 **A.** Yes. There would be a supplemental page included for Fleming-Mason and Owen. The
21 surcharge amounts related to Fleming-Mason's Rate C and Special Contract customer
22 and Owen's Rate B and Special Contract customer are direct pass-throughs of the
23 amounts EKPC bills these Member Systems. The amortization of previous review cases
24 does not impact the Member Systems' surcharge revenues from these customers, so the

1 adjustment to remove an amortization amount is not applicable. The supplemental page
2 would simply document the surcharge amounts for these customers of Fleming-Mason
3 and Owen and show there was no over- or under-recovery for these customers. The
4 revised methodology format shown in Exhibit ISS-1 would apply to Fleming-Mason's
5 and Owen's remaining customers.

6 **Q. Does EKPC or the Member Systems believe there would need to be revisions to the**
7 **Member System Environmental Surcharge tariff sheets relating to this revised**
8 **methodology?**

9 A. No, EKPC and the Member Systems do not believe tariff sheet revisions would be
10 needed because the formats utilized in the surcharge review are not described or
11 established in the tariff sheets.

12 **Q. Do you have a recommendation concerning the revised methodology?**

13 A. The Member Systems recommend that the Commission adopt the revised methodology
14 for the determination of over- or under-recoveries during surcharge review cases. While
15 EKPC is not directly affected by this recommendation, it fully supports the Member
16 Systems in this matter.

17 **Q. Does the proposal of the revised methodology in determining the over- or under-**
18 **recoveries during surcharge review cases address all the concerns that the Member**
19 **Systems have related to the environmental surcharge and the accompanying pass-**
20 **through mechanism?**

21 A. No, they do not. EKPC and the Member Systems continue to discuss concerns about the
22 volatility of EKPC's surcharge factor and the resulting Member Systems' pass-through
23 factors. The revised methodology only addresses a small part of the overall concerns the

1 Member Systems have with the surcharge mechanism. EKPC and the Member Systems
2 are continuing to explore alternatives that will address these concerns.

3 **Q. Does this conclude your testimony?**

4 **A.** Yes it does.

COMMONWEALTH OF KENTUCKY

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SIX-MONTH BILLING PERIODS ENDING)
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MECHANISM FOR ITS SIXTEEN MEMBER)
DISTRIBUTION COOPERATIVES)

CASE NO.
2015-00281

AFFIDAVIT

STATE OF KENTUCKY)
COUNTY OF CLARK)

Isaac S. Scott, being duly sworn, states that he has read the foregoing prepared supplemental 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.

Isaac S. Scott

Subscribed and sworn before me on this 28th day of January, 2016.

Gwyn M. Willoughby
Notary Public
GWYN M. WILLOUGHBY
Notary Public
State at Large
Kentucky
My Commission Expires Nov 30, 2017

Exhibit ISS-1

Revised Methodology

Format and Example

{Cooperative Name} - Calculation of (Over)/Under Recovery					
Line No.	Month & Year	EKPC Invoice Month recorded Member's Books (2)	Billed to Retail Consumer & recorded on Member's Books (3)	Monthly (Over) or Under (4)	Cumulative (Over) or Under (5)
1	Previous (Over)/Under-Recovery Remaining to be Amortized				
1a	From Case No. 20xx-00xxx (Over)/Under-Recovery				
1b	From Case No. 20xx-00xxx (Over)/Under-Recovery				
1c	Total Previous (Over)/Under-Recovery				
2	Month-Year				
3	Month-Year				
4	Month-Year				
5	Month-Year				
6	Month-Year				
7	Month-Year				
Less Adjustment for Order amounts remaining to be amortized at end of review period (ending month)					
8		Amount Per Case Order Remaining to be Amortized at beginning of Review Period	Amortization of Previous (Over)/Under Recoveries During Review Period		Amount Per Case Order Remaining to be Amortized at end of Review Period
8a	Case No. 20xx-00xxx Recovery				
8b	Case No. 20xx-00xxx Recovery				
8c	Total Order amounts remaining - Over/(Under):				
9	Cumulative six month (Over)/Under-Recovery {Cumulative net of remaining Case amortizations}				
10	Monthly recovery (per month for six months)				
Reconciliation:					
11	Previous (Over)/Under-Recovery Remaining to be Amortized, beginning of Review Period				
12	Previous (Over)/Under-Recovery Remaining to be Amortized, ending of Review Period				
13	Total Amortization during Review Period				
14	(Over)/Under-Recovery from Column 5, Line 9				
15	Less: Total Monthly (Over)/Under-Recovery for Review Period (Column 4, Lines 2 thru 7)				
16	Difference				

(Cooperative Name) - Calculation of (Over)/Under Recovery					
		EKPC Invoice Month recorded Member's Books	Billed to Retail Consumer & recorded on Member's Books	Monthly (Over) or Under	Cumulative (Over) or Under
Line No.	Month & Year	(2)	(3)	(4)	(5)
1	Previous (Over)/Under-Recovery Remaining to be Amortized				
1a	From Case No. 2014-00051 (Over)/Under-Recovery				\$658,068
1b	From Case No. 2015x-00281 (Over)/Under-Recovery				\$91,062
1c	Total Previous (Over)/Under-Recovery				\$749,130
2	Jul-15	\$1,278,016	\$1,117,632	\$160,384	\$909,514
3	Aug-15	\$1,053,341	\$1,302,174	(\$248,833)	\$660,681
4	Sep-15	\$985,325	\$1,066,153	(\$79,828)	\$580,853
5	Oct-15	\$883,606	\$998,918	(\$115,312)	\$465,541
6	Nov-15	\$1,116,203	\$1,042,344	\$73,859	\$539,400
7	Dec-15	\$1,453,176	\$1,523,133	(\$69,957)	\$469,443
Less Adjustment for Order amounts remaining to be amortized at end of review period (ending month)					
8		Amount Per Case Order Remaining to be Amortized at beginning of Review Period	Amortization of Previous (Over)/Under Recoveries During Review Period		Amount Per Case Order Remaining to be Amortized at end of Review Period
8a	Case No. 2014-00051 Recovery	(\$658,068)	\$438,712		(\$219,356)
8b	Case No. 2015-00281 Recovery	(\$91,062)	\$0		(\$91,062)
8c	Total Order amounts remaining - Over/(Under):				(\$310,418)
9	Cumulative six month (Over)/Under-Recovery		Cumulative net of remaining Case amortizations		\$159,025
10	Monthly recovery (per month for six months)				\$26,504
Reconciliation:					
11	Previous (Over)/Under-Recovery Remaining to be Amortized, beginning of Review Period				\$749,130
12	Previous Over/(Under)-Recovery Remaining to be Amortized, ending of Review Period				(\$310,418)
13	Total Amortization during Review Period				\$438,712
14	(Over)/Under-Recovery from Column 5, Line 9				\$159,025
15	Less: Total Monthly (Over)/Under-Recovery for Review Period (Column 4, Lines 2 thru 7)				(\$279,687)
16	Difference				\$438,712

Exhibit ISS-2

Affidavits from Member Systems

In Support of the Revised Methodology

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

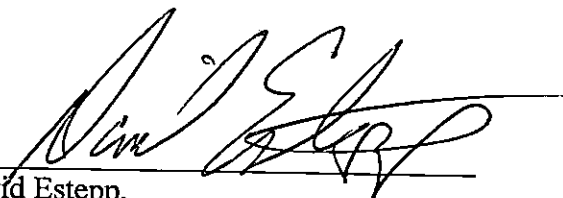
**AN EXAMINATION BY THE PUBLIC SERVICE)
COMMISSION OF THE ENVIRONMENTAL)
SURCHARGE MECHANISM OF EAST KENTUCKY)
POWER COOPERATIVE, INC. FOR THE)
SIX-MONTH BILLING PERIODS ENDING)
JUNE 30, 2014 AND DECEMBER 31, 2014,)
TWO-YEAR BILLING PERIOD ENDING)
JUNE 30, 2015, AND THE PASS THROUGH)
MECHANISM FOR ITS SIXTEEN MEMBER)
DISTRIBUTION COOPERATIVES)**

**CASE NO.
2015-00281**

AFFIDAVIT

I, David Estepp, President and General Manager of Big Sandy Rural Electric Cooperative Corporation, after first being duly sworn, do hereby state that I have reviewed and considered the proposed change in the calculation format of the over/under recovery determined during the surcharge review cases. I have also participated, on behalf of the Cooperative, in the discussions with the other Member Distribution Cooperatives of East Kentucky Power Cooperative, Inc. concerning the proposed change in format. The Cooperative fully supports the proposed change in the calculation format for the over/under recovery of the environmental surcharge.

FURTHER, THE AFFIANT SAYETH NOT.



David Estepp,
President and General Manager

COMMONWEALTH OF KENTUCKY

COUNTY OF Johnson

The foregoing affidavit was signed, sworn to and acknowledged before me, by David
Estep on this the 20th day of January 2016.

Judy L. McClure
Notary Public
Commission #:

Commission Expiration: 6-19-2018

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

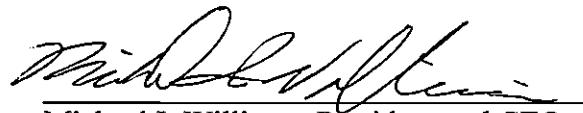
AN EXAMINATION BY THE PUBLIC SERVICE)
COMMISSION OF THE ENVIRONMENTAL)
SURCHARGE MECHANISM OF EAST KENTUCKY)
POWER COOPERATIVE, INC. FOR THE)
SIX-MONTH BILLING PERIODS ENDING)
JUNE 30, 2014 AND DECEMBER 31, 2014,)
TWO-YEAR BILLING PERIOD ENDING)
JUNE 30, 2015, AND THE PASS THROUGH)
MECHANISM FOR ITS SIXTEEN MEMBER)
DISTRIBUTION COOPERATIVES)

CASE NO.
2015-00281

AFFIDAVIT

I, Michael I. Williams, President and Chief Executive Officer of Blue Grass Energy, after first being duly sworn, do hereby state that I have reviewed and considered the proposed change in the calculation format of the over/under recovery determined during the surcharge review cases. I have also participated, on behalf of the Cooperative, in the discussions with the other Member Distribution Cooperatives of East Kentucky Power Cooperative, Inc. concerning the proposed change in format. The Cooperative fully supports the proposed change in the calculation format for the over/under recovery of the environmental surcharge.

FURTHER, THE AFFIANT SAYETH NOT.


Michael I. Williams, President and CEO

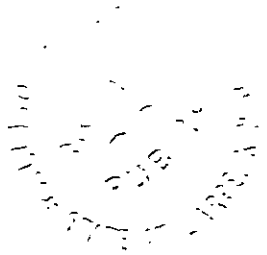
COMMONWEALTH OF KENTUCKY

COUNTY OF Jessamine

The foregoing affidavit was signed, sworn to and acknowledged before me, by Michael Williams
_____ on this the 20th day of January 2016.

Allia R. Mont
Notary Public
Commission #: **527583**

Commission Expiration: **2/5/2019**



In the Matter of:

CASE NO.
2015-00281

My Commission Expires 6/18/2016

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

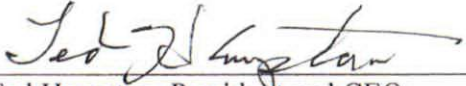
In the Matter of:

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

AFFIDAVIT

I, Ted Hampton, President and Chief Executive Officer of Cumberland Valley Electric, after first being duly sworn, do hereby state that I have reviewed and considered the proposed change in the calculation format of the over/under recovery determined during the surcharge review cases. I have also participated, on behalf of the Cooperative, in the discussions with the other Member Distribution Cooperatives of East Kentucky Power Cooperative, Inc. concerning the proposed change in format. The Cooperative fully supports the proposed change in the calculation format for the over/under recovery of the environmental surcharge.

FURTHER, THE AFFIANT SAYETH NOT.



Ted Hampton, President and CEO

COMMONWEALTH OF KENTUCKY

COUNTY OF Knox

The foregoing affidavit was signed, sworn to and acknowledged before me, by Ted Hampton on this the 20th day of January 2016.

Barbara Elliott

Notary Public

Commission #: 528194

Commission Expiration: 2-13-19

COMMONWEALTH OF KENTUCKY
BEFORE THE 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	)	CASE NO.
JUNE 30, 2014 AND DECEMBER 31, 2014,	)	2015-00281
TWO-YEAR BILLING PERIOD ENDING)	
JUNE 30, 2015, AND THE PASS THROUGH)	
MECHANISM FOR ITS SIXTEEN MEMBER)	
DISTRIBUTION COOPERATIVES)	

AFFIDAVIT

I, William T. Prather, President and Chief Executive Officer of Farmers Rural Electric Cooperative Corporation, after first being duly sworn, do hereby state that I have reviewed and considered the proposed change in the calculation format of the over/under recovery determined during the surcharge review cases. I have also participated, on behalf of the Cooperative, in the discussions with the other Member Distribution Cooperatives of East Kentucky Power Cooperative, Inc. concerning the proposed change in format. The Cooperative fully supports the proposed change in the calculation format for the over/under recovery of the environmental surcharge.

FURTHER, THE AFFIANT SAYETH NOT.

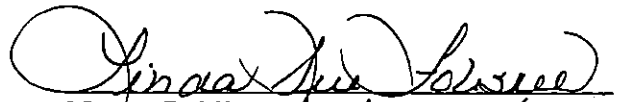


William T. Prather, President and CEO

COMMONWEALTH OF KENTUCKY

COUNTY OF BARREN

The foregoing affidavit was signed, sworn to and acknowledged before me, by William T. Prather on this the 19 day of January 2016.


Notary Public *Linda Sue Lister*
Commission #: *44546*

Commission Expiration: *07-30-2019*

COMMONWEALTH OF KENTUCKY

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

AFFIDAVIT

I, Joni K. Hazelrigg, President and CEO of Fleming-Mason Energy Cooperative, Inc., after first being duly sworn, do hereby state that I have reviewed and considered the proposed change in the calculation format of the over/under recovery determined during the surcharge review cases. I have also participated, on behalf of the Cooperative, in the discussions with the other Member Distribution Cooperatives of East Kentucky Power Cooperative, Inc. concerning the proposed change in format. The Cooperative fully supports the proposed change in the calculation format for the over/under recovery of the environmental surcharge.

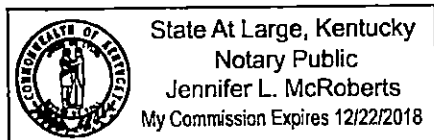
FURTHER, THE AFFIANT SAYETH NOT.

Joni K Hazelrigg
Joni K. Hazelrigg, President & CEO

COMMONWEALTH OF KENTUCKY

COUNTY OF Fleming

The foregoing affidavit was signed, sworn to and acknowledged before me, by Joni K. Hazelrigg on this the 20th day of January 2016.



Notary Public: Jennifer L. McRoberts
Commission Expiration: 12/22/18

COMMONWEALTH OF KENTUCKY
BEFORE THE 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	)	CASE NO.
JUNE 30, 2014 AND DECEMBER 31, 2014,	)	2015-00281
TWO-YEAR BILLING PERIOD ENDING)	
JUNE 30, 2015, AND THE PASS THROUGH)	
MECHANISM FOR ITS SIXTEEN MEMBER)	
DISTRIBUTION COOPERATIVES)	

AFFIDAVIT

I, Carol Hall Fraley, President and Chief Executive Officer of Grayson Rural Electric Cooperative Corporation, after first being duly sworn, do hereby state that I have reviewed and considered the proposed change in the calculation format of the over/under recovery determined during the surcharge review cases. I have also participated, on behalf of the Cooperative, in the discussions with the other Member Distribution Cooperatives of East Kentucky Power Cooperative, Inc. concerning the proposed change in format. The Cooperative fully supports the proposed change in the calculation format for the over/under recovery of the environmental surcharge.

FURTHER, THE AFFIANT SAYETH NOT.



Carol Hall Fraley, President and CEO

COMMONWEALTH OF KENTUCKY

COUNTY OF CARTER

The foregoing affidavit was signed, sworn to and acknowledged before me, by Priscilla Sparks on this the 20th day of January 2016.

_____

Notary Public

Commission #: 485234

Commission Expiration: March 22, 2017

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

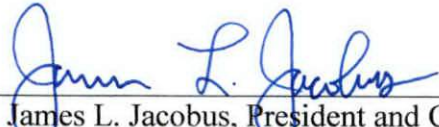
In the Matter of:

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

AFFIDAVIT

I, James L. Jacobus, President and Chief Executive Officer of Inter-County Energy Cooperative Corporation, after first being duly sworn, do hereby state that I have reviewed and considered the proposed change in the calculation format of the over/under recovery determined during the surcharge review cases. I have also participated, on behalf of the Cooperative, in the discussions with the other Member Distribution Cooperatives of East Kentucky Power Cooperative, Inc. concerning the proposed change in format. The Cooperative fully supports the proposed change in the calculation format for the over/under recovery of the environmental surcharge.

FURTHER, THE AFFIANT SAYETH NOT.




James L. Jacobus, President and CEO

COMMONWEALTH OF KENTUCKY

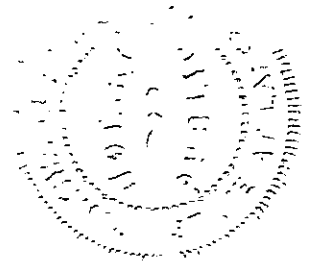
COUNTY OF BOYLE

The foregoing affidavit was signed, sworn to and acknowledged before me, by James L. Jacobus, on this the 19th day of January, 2016.



Notary Public
Commission #: 492615

Commission Expiration: July 15, 2017



COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

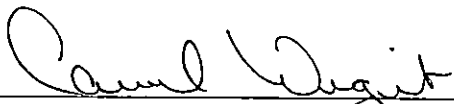
In the Matter of:

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

AFFIDAVIT

I, Carol Wright, President and Chief Executive Officer of Jackson Energy Cooperative, after first being duly sworn, do hereby state that I have reviewed and considered the proposed change in the calculation format of the over/under recovery determined during the surcharge review cases. I have also participated, on behalf of the Cooperative, in the discussions with the other Member Distribution Cooperatives of East Kentucky Power Cooperative, Inc. concerning the proposed change in format. The Cooperative fully supports the proposed change in the calculation format for the over/under recovery of the environmental surcharge.

FURTHER, THE AFFIANT SAYETH NOT.



Carol Wright, President and CEO

COMMONWEALTH OF KENTUCKY

COUNTY OF JACKSON

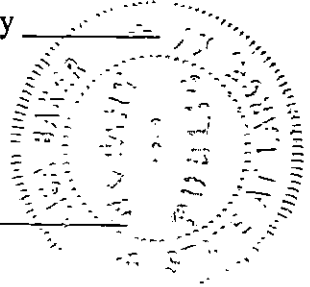
The foregoing affidavit was signed, sworn to and acknowledged before me, by Carol Wright on this the 19th day of January 2016.

Glisa Baker

Notary Public

Commission #: 503554

Commission Expiration: 1/19/18



COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

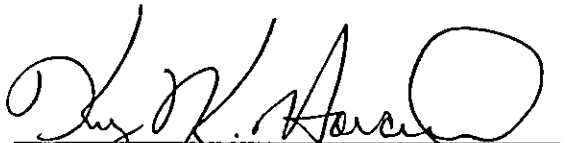
**AN EXAMINATION BY THE PUBLIC SERVICE)
COMMISSION OF THE ENVIRONMENTAL)
SURCHARGE MECHANISM OF EAST KENTUCKY)
POWER COOPERATIVE, INC. FOR THE)
SIX-MONTH BILLING PERIODS ENDING)
JUNE 30, 2014 AND DECEMBER 31, 2014,)
TWO-YEAR BILLING PERIOD ENDING)
JUNE 30, 2015, AND THE PASS THROUGH)
MECHANISM FOR ITS SIXTEEN MEMBER)
DISTRIBUTION COOPERATIVES)**

**CASE NO.
2015-00281**

AFFIDAVIT

I, Kerry K. Howard General Manager/CEO of Licking Valley Rural Electric Cooperative Corporation, after first being duly sworn, do hereby state that I have reviewed and considered the proposed change in the calculation format of the over/under recovery determined during the surcharge review cases. I have also participated, on behalf of the Cooperative, in the discussions with the other Member Distribution Cooperatives of East Kentucky Power Cooperative, Inc. concerning the proposed change in format. The Cooperative fully supports the proposed change in the calculation format for the over/under recovery of the environmental surcharge.

FURTHER, THE AFFIANT SAYETH NOT.


Kerry K. Howard, General Manager/CEO

COMMONWEALTH OF KENTUCKY

COUNTY OF Morgan

The foregoing affidavit was signed, sworn to and acknowledged before me, by Kerry R. Howard on this the 25th day of January 2016.

[Signature]

Notary Public

Commission #: 466856

Commission Expiration:

05/29/2016

COMMONWEALTH OF KENTUCKY
BEFORE THE 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	)	CASE NO.
JUNE 30, 2014 AND DECEMBER 31, 2014,	)	2015-00281
TWO-YEAR BILLING PERIOD ENDING)	
JUNE 30, 2015, AND THE PASS THROUGH)	
MECHANISM FOR ITS SIXTEEN MEMBER)	
DISTRIBUTION COOPERATIVES)	

AFFIDAVIT

I, Michael L. Miller, President and Chief Executive Officer of Nolin Rural Electric Cooperative Corporation, after first being duly sworn, do hereby state that I have reviewed and considered the proposed change in the calculation format of the over/under recovery determined during the surcharge review cases. I have also participated, on behalf of the Cooperative, in the discussions with the other Member Distribution Cooperatives of East Kentucky Power Cooperative, Inc. concerning the proposed change in format. The Cooperative fully supports the proposed change in the calculation format for the over/under recovery of the environmental surcharge.

FURTHER, THE AFFIANT SAYETH NOT.

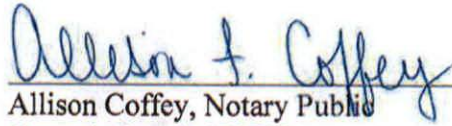


Michael L. Miller, President and CEO

COMMONWEALTH OF KENTUCKY

COUNTY OF HARDIN

The foregoing affidavit was signed, sworn to and acknowledged before me, by Michael L. Miller on this the 18th day of January 2016.

A handwritten signature in blue ink, reading "Allison F. Coffey", is written over a horizontal line.

Allison Coffey, Notary Public
Commission #: 472718

Commission Expiration: August 27, 2016

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

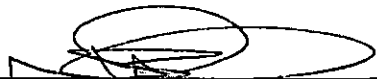
In the Matter of:

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

AFFIDAVIT

I, Mark A. Stallons, President and Chief Executive Officer of Owen Electric Cooperative, Inc., after first being duly sworn, do hereby state that I have reviewed and considered the proposed change in the calculation format of the over/under recovery determined during the surcharge review cases. I have also participated, on behalf of the Cooperative, in the discussions with the other Member Distribution Cooperatives of East Kentucky Power Cooperative, Inc. concerning the proposed change in format. The Cooperative fully supports the proposed change in the calculation format for the over/under recovery of the environmental surcharge.

FURTHER, THE AFFIANT SAYETH NOT.



Mark A. Stallons, President and CEO

COMMONWEALTH OF KENTUCKY

COUNTY OF State At Large

The foregoing affidavit was signed, sworn to and acknowledged before me, by Mark A. Stallons on this the 20th day of January 2016.

Melissa K Moore

Notary Public

Commission #: 531307

Commission Expiration: April 14, 2019



**COMMONWEALTH OF KENTUCKY
BEFORE THE 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	)	CASE NO.
JUNE 30, 2014, AND DECEMBER 31, 2014; FOR	)	2015-00281
THE TWO-YEAR BILLING PERIOD ENDING)	
JUNE 30, 2015; AND THE PASS THROUGH)	
MECHANISM FOR ITS SIXTEEN MEMBER)	
DISTRIBUTION COOPERATIVES)	

AFFIDAVIT

I, Tim Sharp, President and Chief Executive Officer of Salt River Electric Cooperative Corporation, after first being duly sworn, do hereby state that I have reviewed and considered the proposed change in the calculation format of the over/under recovery determined during the surcharge review cases. I have also participated, on behalf of the Cooperative, in the discussions with the other Member Distribution Cooperatives of East Kentucky Power Cooperative, Inc. concerning the proposed change in format. The Cooperative fully supports the proposed change in the calculation format for the over/under recovery of the environmental surcharge.

FURTHER, THE AFFIANT SAYETH NOT.

SALT RIVER ELECTRIC COOPERATIVE CORP.



Tim Sharp, President and CEO

STATE OF KENTUCKY
COUNTY OF NELSON

The foregoing affidavit was signed, sworn to and acknowledged before me by Tim Sharp, President and CEO of Salt River Electric Cooperative Corporation, on this the 19th day of January, 2016.



Notary Public, Kentucky State at Large
Commission No. 433406
Commission Expiration: December 16, 2018

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

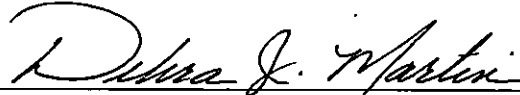
In the Matter of:

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

AFFIDAVIT

I, Debra J. Martin, President and Chief Executive Officer of Shelby Energy Cooperative, Inc., after first being duly sworn, do hereby state that I have reviewed and considered the proposed change in the calculation format of the over/under recovery determined during the surcharge review cases. I have also participated, on behalf of the Cooperative, in the discussions with the other Member Distribution Cooperatives of East Kentucky Power Cooperative, Inc. concerning the proposed change in format. The Cooperative fully supports the proposed change in the calculation format for the over/under recovery of the environmental surcharge.


FURTHER, THE AFFIANT SAYETH NOT.


Debra J. Martin, President and CEO

COMMONWEALTH OF KENTUCKY

COUNTY OF SHELBY

The foregoing affidavit was signed, sworn to and acknowledged before me, by Debra J. Martin, on this the 20th day of January, 2016.



Notary Public

Commission #: 520745

Commission Expiration: 10-7-18

COMMONWEALTH OF KENTUCKY
BEFORE THE 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	)	CASE NO.
JUNE 30, 2014 AND DECEMBER 31, 2014,	)	2015-00281
TWO-YEAR BILLING PERIOD ENDING)	
JUNE 30, 2015, AND THE PASS THROUGH)	
MECHANISM FOR ITS SIXTEEN MEMBER)	
DISTRIBUTION COOPERATIVES)	

AFFIDAVIT

I, Edward Allen Anderson, President and Chief Executive Officer of South Kentucky
R.E.C.C., after first being duly sworn, do hereby state that I have reviewed and considered the proposed change in the calculation format of the over/under recovery determined during the surcharge review cases. I have also participated, on behalf of the Cooperative, in the discussions with the other Member Distribution Cooperatives of East Kentucky Power Cooperative, Inc. concerning the proposed change in format. The Cooperative fully supports the proposed change in the calculation format for the over/under recovery of the environmental surcharge.

FURTHER, THE AFFIANT SAYETH NOT.


{Name}, President and CEO

COMMONWEALTH OF KENTUCKY

COUNTY OF Pulaski

The foregoing affidavit was signed, sworn to and acknowledged before me, by Allen
Anderson on this the 20th day of January 2016.

Cherry A. Nelson
Notary Public
Commission #:

Commission Expiration: July 16, 2018

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

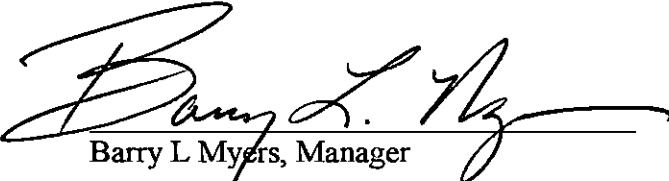
**AN EXAMINATION BY THE PUBLIC SERVICE)
COMMISSION OF THE ENVIRONMENTAL)
SURCHARGE MECHANISM OF EAST KENTUCKY)
POWER COOPERATIVE, INC. FOR THE)
SIX-MONTH BILLING PERIODS ENDING)
JUNE 30, 2014 AND DECEMBER 31, 2014,)
TWO-YEAR BILLING PERIOD ENDING)
JUNE 30, 2015, AND THE PASS THROUGH)
MECHANISM FOR ITS SIXTEEN MEMBER)
DISTRIBUTION COOPERATIVES)**

**CASE NO.
2015-00281**

AFFIDAVIT

I, Barry L. Myers, Manager of Taylor County Rural Electric Cooperative Corporation, after first being duly sworn, do hereby state that I have reviewed and considered the proposed change in the calculation format of the over/under recovery determined during the surcharge review cases. I have also participated, on behalf of the Cooperative, in the discussions with the other Member Distribution Cooperatives of East Kentucky Power Cooperative, Inc. concerning the proposed change in format. The Cooperative fully supports the proposed change in the calculation format for the over/under recovery of the environmental surcharge.

FURTHER, THE AFFIANT SAYETH NOT.


Barry L Myers, Manager

COMMONWEALTH OF KENTUCKY

COUNTY OF TAYLOR

The foregoing affidavit was signed, sworn to and acknowledged before me, by
Barry L. Myers on this the 20th day of January 2016.

A handwritten signature in cursive script, appearing to read "Shylla Rhodes", is written over a horizontal line.

Notary Public

Commission #: ID526377

Commission Expiration: 01/22/19