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May 3, 2016

Mr. Aaron Greenwell
Acting Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40601

RECEIVED

MAY 04 2016

PUBLIC SERVICE
COMMISSION

Re: Case No. 2016-00144

Dear Mr. Greenwell:

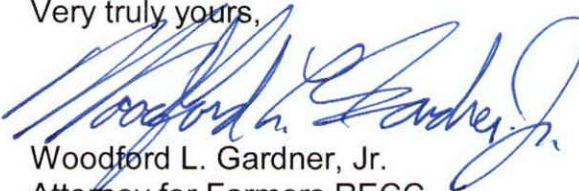
Enclosed for filing is the original and seven (7) copies of the Commission Staff's First Request for Information, dated April 14, 2016, regarding the Examination of the Environmental Surcharge Mechanism of East Kentucky Power Cooperative, Inc. and the Pass Through Mechanism for its Sixteen Member Distribution Cooperative.

The applicant, Farmers Rural Electric Cooperative Corporation, makes the following response as follows:

1. The witness who is prepared to answer questions concerning the request is William T. Prather.
2. William T. Prather, President & CEO of Farmers RECC, is the person supervising the preparation of the responses on behalf of the applicant.
3. The response and exhibit are attached hereto and incorporated by referenced herein.

Thank you for your assistance.

Very truly yours,



Woodford L. Gardner, Jr.
Attorney for Farmers RECC

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)	CASE NO.
SIX-MONTH BILLING PERIOD ENDING DECEMBER 31, 2015)	2016-00144
AND THE PASS THROUGH MECHANISM FOR ITS)	
SIXTEEN MEMBER DISTRIBUTION COOPERATIVES)	

CERTIFICATE

William T. Prather, being duly sworn, states that he has supervised the preparation of the response of Farmers Rural Electric Cooperative Corporation to the Public Service Commission Staff's First Request for Information to East Kentucky Power Cooperative, Inc.'s Sixteen Member Distribution Cooperatives in the above-referenced case, 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.

William T. Prather

COMMONWEALTH OF KENTUCKY)
)
 COUNTY OF BARREN)

Subscribed and sworn to before me by William T. Prather, President & CEO of Farmers Rural Electric Cooperative Corporation this 3rd day of May, 2016.

Linda Ann Hoover
 Notary Public
 ID: 4460566

My Commission Expires: 07-30-2019

FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION
PSC CASE NO. 2016-00144
RESPONSE TO COMMISSION STAFF'S FIRST REQUEST

Request 2.

This question is addressed to EKPC and the Member Cooperatives. For each of the 16 member distribution cooperatives, prepare a summary schedule showing the distribution cooperative's pass-through revenue requirement for the months corresponding with the six-month review utilizing the revised methodology approved in Case No. 2015-00281. Include the two months subsequent to the billing period included in the applicable review period. Include a calculation of any additional over- or under-recovery amount the distribution cooperative believes needs to be recognized the six-month review. Provide all supporting calculations and documentation in Excel spreadsheet format with formulas intact and unprotected and all rows and columns fully accessible.

Response 2.

Please see EKPC's response to Request No. 2 of the Commission Staff's First Request for Information dated April 14, 2016.

Witness: William T. Prather

FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION
PSC CASE NO. 2016-00144
RESPONSE TO COMMISSION STAFF'S FIRST REQUEST

Request 7.

This question is addressed to each of the 16 member distribution cooperatives. For your particular distribution cooperative, provide the actual average residential customer's monthly usage for the 12 months ended November 30, 2015. Based on the 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 and documentation in Excel spreadsheet format with formulas intact and unprotected and all rows and columns fully accessible.

Response 7.

Please see EKPC's response to Request No. 2 of the Commission Staff's First Request for Information dated April 14, 2016 for the calculation of the review period's over-recovery.

Exhibit A provides the dollar impact the over-recovery will have on the average residential member's monthly bill.

Witness: William T. Prather

Farmers Rural Electric Cooperative Corporation
Case No. 2016-00144

Actual Average Bill	
30 Day Monthly Usage	1,009 kwh
Energy	\$ 94.29
Customer Charge	9.35
Fuel @ (\$0.00396)	(4.00)
Environmental Surcharge @ 6.27%	6.25 *
Local School Tax @ 3.0%	3.18
Total Bill Amount	\$ 109.07

** See Exhibit A, Page 2 of 3*

Recovery Period of Six Months	
30 Day Monthly Usage	1,009 kwh
Energy	\$ 94.29
Customer Charge	9.35
Fuel @ (\$0.00396)	(4.00)
Environmental Surcharge @ 6.20%	6.18 **
Local School Tax @ 3.0%	3.17
Total Bill Amount	\$ 109.00

*** See Exhibit A, Page 3 of 3*

Notes:

- Fuel is calculated on kwh amount.
- Environmental Surcharge is calculated on energy, customer charge and fuel.
- School Tax is calculated on all charges.

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

For the Month Ending March 2016

	(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 Farmers	On-peak Revenue Adjustment	EKPC Net Monthly Sales to Farmers	EKPC 12-months Ended Average Monthly Revenue from Sales to Farmers	Farmers Revenue Requirement	Amortization of (Over)/Under Recovery	Farmers Net Revenue Requirement	Farmers Total Monthly Retail Revenues	On-Peak Retail Revenue Adjustment	Farmers Net Monthly Revenues	12-months ended Avg. Retail Revenues, Net	Farmers 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)
Apr-14	13.47%	0.00%	13.47%	\$ 2,258,681		\$ 2,258,681	\$ 2,780,485	\$ 374,531	\$ (10,054)	\$ 364,477	\$ 3,069,624		\$ 3,069,624	\$ 3,831,317	9.52%
May-14	15.84%	0.00%	15.84%	\$ 2,432,083		\$ 2,432,083	\$ 2,792,716	\$ 442,366	\$ (10,054)	\$ 432,312	\$ 3,618,329		\$ 3,618,329	\$ 3,852,690	11.28%
Jun-14	15.67%	0.00%	15.67%	\$ 2,871,288		\$ 2,871,288	\$ 2,798,981	\$ 438,600	\$ (10,054)	\$ 428,546	\$ 4,005,345		\$ 4,005,345	\$ 3,868,759	11.12%
Jul-14	14.38%	0.00%	14.38%	\$ 2,965,406		\$ 2,965,406	\$ 2,818,790	\$ 405,342	\$ (10,054)	\$ 395,288	\$ 4,008,303		\$ 4,008,303	\$ 3,872,750	10.22%
Aug-14	12.62%	0.00%	12.62%	\$ 2,998,459		\$ 2,998,459	\$ 2,840,253	\$ 358,440	\$ (10,054)	\$ 348,386	\$ 3,867,156		\$ 3,867,156	\$ 3,890,492	9.00%
Sep-14	13.53%	0.00%	13.53%	\$ 2,570,326		\$ 2,570,326	\$ 2,855,514	\$ 386,351	\$ -	\$ 386,351	\$ 3,178,323		\$ 3,178,323	\$ 3,891,950	9.93%
Oct-14	15.57%	0.00%	15.57%	\$ 2,215,033		\$ 2,215,033	\$ 2,856,123	\$ 444,698	\$ -	\$ 444,698	\$ 3,740,732		\$ 3,740,732	\$ 3,925,200	11.43%
Nov-14	16.95%	0.00%	16.95%	\$ 2,835,945		\$ 2,835,945	\$ 2,872,012	\$ 486,806	\$ -	\$ 486,806	\$ 4,167,821		\$ 4,167,821	\$ 3,938,103	12.40%
Dec-14	13.88%	0.00%	13.88%	\$ 2,968,291		\$ 2,968,291	\$ 2,860,289	\$ 397,008	\$ -	\$ 397,008	\$ 4,626,045		\$ 4,626,045	\$ 3,932,731	10.08%
Jan-15	13.67%	0.00%	13.67%	\$ 3,417,046		\$ 3,417,046	\$ 2,818,073	\$ 385,231	\$ -	\$ 385,231	\$ 4,595,094		\$ 4,595,094	\$ 3,872,559	9.80%
Feb-15	11.49%	0.00%	11.49%	\$ 3,456,440		\$ 3,456,440	\$ 2,834,931	\$ 325,734	\$ -	\$ 325,734	\$ 4,358,231		\$ 4,358,231	\$ 3,889,537	8.41%
Mar-15	10.90%	0.00%	10.90%	\$ 2,734,256		\$ 2,734,256	\$ 2,810,271	\$ 306,320	\$ -	\$ 306,320	\$ 3,163,438		\$ 3,163,438	\$ 3,866,537	7.88%
Apr-15	14.44%	0.00%	14.44%	\$ 1,900,065		\$ 1,900,065	\$ 2,780,387	\$ 401,488	\$ -	\$ 401,488	\$ 3,029,485		\$ 3,029,485	\$ 3,863,192	10.38%
May-15	18.09%	0.00%	18.09%	\$ 2,061,720		\$ 2,061,720	\$ 2,749,523	\$ 497,389	\$ -	\$ 497,389	\$ 3,135,042		\$ 3,135,042	\$ 3,822,918	12.88%
Jun-15	18.44%	0.00%	18.44%	\$ 2,712,742		\$ 2,712,742	\$ 2,736,311	\$ 504,576	\$ -	\$ 504,576	\$ 3,742,771		\$ 3,742,771	\$ 3,801,037	13.20%
Jul-15	15.91%	0.00%	15.91%	\$ 2,983,706		\$ 2,983,706	\$ 2,737,836	\$ 435,590	\$ -	\$ 435,590	\$ 4,109,024		\$ 4,109,024	\$ 3,809,430	11.46%
Aug-15	16.25%	0.00%	16.25%	\$ 2,687,371		\$ 2,687,371	\$ 2,711,912	\$ 440,686	\$ (50,408)	\$ 390,278	\$ 3,676,737		\$ 3,676,737	\$ 3,793,562	10.26%
Sep-15	17.07%	0.00%	17.07%	\$ 2,448,619		\$ 2,448,619	\$ 2,701,770	\$ 461,192	\$ (50,408)	\$ 410,784	\$ 3,161,992		\$ 3,161,992	\$ 3,792,201	10.83%
Oct-15	18.51%	0.00%	18.51%	\$ 2,094,476		\$ 2,094,476	\$ 2,691,723	\$ 498,238	\$ (50,408)	\$ 447,830	\$ 3,044,291		\$ 3,044,291	\$ 3,734,164	11.81%
Nov-15	18.81%	0.00%	18.81%	\$ 2,346,259		\$ 2,346,259	\$ 2,650,916	\$ 498,637	\$ (50,408)	\$ 448,229	\$ 3,374,226		\$ 3,374,226	\$ 3,668,031	12.00%
Dec-15	18.40%	0.00%	18.40%	\$ 2,487,616		\$ 2,487,616	\$ 2,610,860	\$ 480,398	\$ (50,408)	\$ 429,990	\$ 4,126,474		\$ 4,126,474	\$ 3,626,400	11.72%
Jan-16	16.00%	0.00%	16.00%	\$ 3,299,417		\$ 3,299,417	\$ 2,601,057	\$ 416,169	\$ (50,408)	\$ 365,761	\$ 4,407,396		\$ 4,407,396	\$ 3,610,759	10.09%
Feb-16	10.92%	0.00%	10.92%	\$ 2,908,554		\$ 2,908,554	\$ 2,555,400	\$ 279,050	\$ (50,408)	\$ 228,642	\$ 3,645,850		\$ 3,645,850	\$ 3,551,394	6.33%
Mar-16	14.30%	0.00%	14.30%	\$ 2,256,274		\$ 2,256,274	\$ 2,515,568	\$ 359,726	\$ (137,175)	\$ 222,551					6.27%

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

For the Month Ending March 2016

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
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Mar-16	14.30%	0.00%	14.30%	\$ 2,256,274		\$ 2,256,274	\$ 2,515,568	\$ 359,726	\$ (139,433)	\$ 220,293					6.20% **