



Rural Electric Cooperative Corporation

A Touchstone Energy® Cooperative 

May 2, 2016

EXECUTIVE DIRECTOR
PUBLIC SERVICE COMMISSION
PO BOX 615
FRANKFORT KY 40602

RE: PSC CASE NO. 2016-00144

Dear Mr. Derouen:

Please find enclosed an original and six (6) copies of our responses of Nolin RECC as requested in the above referenced case.

If you have any questions, please let me know.

Sincerely,

A handwritten signature in cursive script that reads "Michael L. Miller".

Michael L. Miller
President & CEO

afc

Enclosures

RECEIVED

MAY - 4 2016

Public Service
Commission

Commonwealth of Kentucky
Before the Public Service Commission

Case No. 2016-00144

VERIFICATION

I verify, state and affirm that the testimony filed with this verification and for which I am listed as a witness is true and correct to the best of my knowledge, information and belief formed after a reasonable inquiry.

Mechonda O'Brien

Mechonda O'Brien, Regulatory Accounting Manager

State of Kentucky

County of Hardin

The foregoing was signed, acknowledged and sworn to before me by Mechonda O'Brien, this 2nd day of May, 2016.

Allison Coffey
Notary Public

My Commission Expires:

August 27, 2016

NOLIN 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 for the six-month review. Provide all supporting calculations and documents in Excel spreadsheet format with formats intact and unprotected and all rows and columns fully accessible.

Response:

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

NOLIN 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 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 and documentation in Excel spreadsheet format with formulas intact and unprotected and all rows and columns fully accessible.

Response:

Please see EKPC's response to Request No. 2 of the Commission Staff's First Request for Information dated April 14, 2015 for the calculation of the review period's over-or under- recovery. The impact on the average residential customer's monthly bill has been determined using the methodology used in previous surcharge reviews.

Actual Average Residential Bill:

<u>12-Month Average Residential KWH usage as of November 30, 2015</u>		1,249
Energy @	0.08598	\$ 107.40
Customer Charge		\$ 9.04
Fuel Adjustment @	(\$0.003875)	\$ (4.84)
Environmental Surcharge @	12.30%	<u>\$ 13.73</u>
Total		\$ 125.33

Recovery Period of Six Months

<u>12-Month Average Residential KWH usage as of November 30, 2015</u>		
Energy @	0.08598	\$ 107.40
Customer Charge		\$ 9.04
Fuel Adjustment @	(\$0.003875)	\$ (4.84)
Environmental Surcharge @	12.08%	<u>\$ 13.48</u>
Total		\$ 125.08
Dollar Impact on Average Residential Bill		\$ (0.25)

Nolin Rural Electric Cooperative Corporation
PSC Case No. 2016-00144

<u>MONTH</u>	<u>YEAR</u>	<u>CONSUMERS</u>	<u>KWH SOLD</u>
December	2014	32,442	52,706,524
January	2015	32,536	57,855,777
February	2015	32,544	62,106,203
March	2015	32,585	38,065,622
April	2015	32,526	28,948,422
May	2015	32,623	31,997,162
June	2015	32,705	38,966,408
July	2015	32,757	42,546,060
August	2015	32,763	39,815,473
September	2015	32,733	31,737,679
October	2015	32,840	29,105,389
November	2015	<u>32,784</u>	<u>35,599,113</u>
Totals		391,838	489,449,832
Averages		32,653	40,787,486
Average Usage			1,249

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

For the Month Ending January 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 Nolin	On-peak Revenue Adjustment	EKPC Net Monthly Sales to Nolin	EKPC 12-months Ended Average Monthly Revenue from Sales to Nolin	Nolin Revenue Requirement	Amortization of (Over)/Under Recovery	Nolin Net Revenue Requirement	Nolin Total Monthly Retail Revenues	On-Peak Retail Revenue Adjustment	Nolin Net Monthly Retail Revenues	12-months ended Avg. Retail Revenues, Net	Nolin 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)
Feb-14	5.44%	0.00%	5.44%	\$ 5,179,183		\$ 5,179,183	\$ 4,226,088	\$ 229,899	\$ -	\$ 229,899	\$ 6,540,568		\$ 6,540,568	\$ 5,592,479	4.15%
Mar-14	11.62%	0.00%	11.62%	\$ 4,569,156		\$ 4,569,156	\$ 4,230,311	\$ 491,562	\$ (2,429)	\$ 489,133	\$ 5,523,895		\$ 5,523,895	\$ 5,578,049	8.75%
Apr-14	13.47%	0.00%	13.47%	\$ 3,449,261		\$ 3,449,261	\$ 4,232,678	\$ 570,142	\$ (2,429)	\$ 567,713	\$ 4,478,167		\$ 4,478,167	\$ 5,575,303	10.18%
May-14	15.84%	0.00%	15.84%	\$ 3,680,230		\$ 3,680,230	\$ 4,238,002	\$ 671,300	\$ (2,429)	\$ 668,871	\$ 4,867,134		\$ 4,867,134	\$ 5,588,667	12.00%
Jun-14	15.67%	0.00%	15.67%	\$ 4,152,773		\$ 4,152,773	\$ 4,253,613	\$ 666,541	\$ (2,429)	\$ 664,112	\$ 5,526,453		\$ 5,526,453	\$ 5,605,351	11.88%
Jul-14	14.38%	0.00%	14.38%	\$ 4,240,099		\$ 4,240,099	\$ 4,273,244	\$ 614,492	\$ (2,429)	\$ 612,063	\$ 5,450,563		\$ 5,450,563	\$ 5,597,259	10.92%
Aug-14	12.62%	0.00%	12.62%	\$ 4,391,710		\$ 4,391,710	\$ 4,297,183	\$ 542,305	\$ (2,429)	\$ 539,876	\$ 5,794,348		\$ 5,794,348	\$ 5,634,980	9.65%
Sep-14	13.53%	0.00%	13.53%	\$ 3,804,317		\$ 3,804,317	\$ 4,312,044	\$ 583,420	\$ -	\$ 583,420	\$ 4,727,783		\$ 4,727,783	\$ 5,640,063	10.35%
Oct-14	15.57%	0.00%	15.57%	\$ 3,261,026		\$ 3,261,026	\$ 4,305,768	\$ 670,408	\$ -	\$ 670,408	\$ 4,685,480		\$ 4,685,480	\$ 5,650,850	11.89%
Nov-14	16.95%	0.00%	16.95%	\$ 4,245,684		\$ 4,245,684	\$ 4,326,177	\$ 733,287	\$ -	\$ 733,287	\$ 5,869,199		\$ 5,869,199	\$ 5,686,767	12.98%
Dec-14	13.88%	0.00%	13.88%	\$ 4,427,516		\$ 4,427,516	\$ 4,294,938	\$ 596,137	\$ -	\$ 596,137	\$ 6,243,813		\$ 6,243,813	\$ 5,655,540	10.48%
Jan-15	13.67%	0.00%	13.67%	\$ 5,233,089		\$ 5,233,089	\$ 4,219,504	\$ 576,806	\$ -	\$ 576,806	\$ 6,798,305		\$ 6,798,305	\$ 5,542,142	10.20%
Feb-15	11.49%	0.00%	11.49%	\$ 5,240,879		\$ 5,240,879	\$ 4,224,645	\$ 485,412	\$ -	\$ 485,412	\$ 6,932,693		\$ 6,932,693	\$ 5,574,819	8.76%
Mar-15	10.90%	0.00%	10.90%	\$ 4,210,329		\$ 4,210,329	\$ 4,194,743	\$ 457,227	\$ -	\$ 457,227	\$ 4,977,851		\$ 4,977,851	\$ 5,529,316	8.20%
Apr-15	14.44%	0.00%	14.44%	\$ 2,830,770		\$ 2,830,770	\$ 4,143,202	\$ 598,278	\$ -	\$ 598,278	\$ 4,104,985		\$ 4,104,985	\$ 5,498,217	10.82%
May-15	18.09%	0.00%	18.09%	\$ 3,027,301		\$ 3,027,301	\$ 4,088,791	\$ 739,662	\$ -	\$ 739,662	\$ 4,269,280		\$ 4,269,280	\$ 5,448,396	13.45%
Jun-15	18.44%	0.00%	18.44%	\$ 3,846,754		\$ 3,846,754	\$ 4,063,290	\$ 749,271	\$ -	\$ 749,271	\$ 4,833,547		\$ 4,833,547	\$ 5,390,654	13.75%
Jul-15	15.91%	0.00%	15.91%	\$ 4,192,404		\$ 4,192,404	\$ 4,059,315	\$ 645,837	\$ -	\$ 645,837	\$ 5,593,002		\$ 5,593,002	\$ 5,402,524	11.98%
Aug-15	16.25%	0.00%	16.25%	\$ 3,903,725		\$ 3,903,725	\$ 4,018,650	\$ 653,031	\$ (82,842)	\$ 570,189	\$ 5,354,786		\$ 5,354,786	\$ 5,365,894	10.55%
Sep-15	17.07%	0.00%	17.07%	\$ 3,574,886		\$ 3,574,886	\$ 3,999,530	\$ 682,720	\$ (82,842)	\$ 599,878	\$ 4,482,080		\$ 4,482,080	\$ 5,345,418	11.18%
Oct-15	18.51%	0.00%	18.51%	\$ 2,993,116		\$ 2,993,116	\$ 3,977,204	\$ 736,181	\$ (82,842)	\$ 653,339	\$ 4,231,250		\$ 4,231,250	\$ 5,307,566	12.22%
Nov-15	18.81%	0.00%	18.81%	\$ 3,449,363		\$ 3,449,363	\$ 3,910,844	\$ 735,630	\$ (82,842)	\$ 652,788	\$ 4,657,579		\$ 4,657,579	\$ 5,206,598	12.30%
Dec-15	18.40%	0.00%	18.40%	\$ 3,785,816		\$ 3,785,816	\$ 3,857,369	\$ 709,756	\$ (82,842)	\$ 626,914	\$ 5,293,216		\$ 5,293,216	\$ 5,127,381	12.04%
Jan-16	16.00%	0.00%	16.00%	\$ 4,963,972		\$ 4,963,972	\$ 3,834,943	\$ 613,591	\$ (82,842)	\$ 530,749	\$ 6,851,123		\$ 6,851,123	\$ 5,131,783	10.35%

Notes:
Nolin 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 Nolin RECC**

For the Month Ending January 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 Nolin	On-peak Revenue Adjustment	EKPC Net Monthly Sales to Nolin	EKPC 12-months Ended Average Monthly Revenue from Sales to Nolin	Nolin Revenue Requirement	Amortization of (Over)/Under Recovery	Nolin Net Revenue Requirement	Nolin Total Monthly Retail Revenues	On-Peak Retail Revenue Adjustment	Nolin Net Monthly Retail Revenues	12-months ended Avg Retail Revenues, Net	Nolin 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)
Feb-14	5.44%	0.00%	5.44%	\$ 5,179,183		\$ 5,179,183	\$ 4,226,088	\$ 229,899	\$ -	\$ 229,899	\$ 6,540,568		\$ 6,540,568	\$ 5,592,479	
Mar-14	11.62%	0.00%	11.62%	\$ 4,569,156		\$ 4,569,156	\$ 4,230,311	\$ 491,562	\$ (2,429)	\$ 489,133	\$ 5,523,895		\$ 5,523,895	\$ 5,578,049	4.15%
Apr-14	13.47%	0.00%	13.47%	\$ 3,449,261		\$ 3,449,261	\$ 4,232,678	\$ 570,142	\$ (2,429)	\$ 567,713	\$ 4,478,167		\$ 4,478,167	\$ 5,575,303	10.18%
May-14	15.84%	0.00%	15.84%	\$ 3,680,230		\$ 3,680,230	\$ 4,238,002	\$ 671,300	\$ (2,429)	\$ 668,871	\$ 4,867,134		\$ 4,867,134	\$ 5,588,667	12.00%
Jun-14	15.67%	0.00%	15.67%	\$ 4,152,773		\$ 4,152,773	\$ 4,253,613	\$ 666,541	\$ (2,429)	\$ 664,112	\$ 5,526,453		\$ 5,526,453	\$ 5,605,351	11.88%
Jul-14	14.38%	0.00%	14.38%	\$ 4,240,099		\$ 4,240,099	\$ 4,273,244	\$ 614,492	\$ (2,429)	\$ 612,063	\$ 5,450,563		\$ 5,450,563	\$ 5,597,259	10.92%
Aug-14	12.62%	0.00%	12.62%	\$ 4,391,710		\$ 4,391,710	\$ 4,297,183	\$ 542,305	\$ (2,429)	\$ 539,876	\$ 5,794,348		\$ 5,794,348	\$ 5,634,980	9.65%
Sep-14	13.53%	0.00%	13.53%	\$ 3,804,317		\$ 3,804,317	\$ 4,312,044	\$ 583,420	\$ -	\$ 583,420	\$ 4,727,783		\$ 4,727,783	\$ 5,640,063	10.35%
Oct-14	15.57%	0.00%	15.57%	\$ 3,261,026		\$ 3,261,026	\$ 4,305,768	\$ 670,408	\$ -	\$ 670,408	\$ 4,685,480		\$ 4,685,480	\$ 5,650,850	11.89%
Nov-14	16.95%	0.00%	16.95%	\$ 4,245,684		\$ 4,245,684	\$ 4,326,177	\$ 733,287	\$ -	\$ 733,287	\$ 5,869,199		\$ 5,869,199	\$ 5,686,767	12.98%
Dec-14	13.88%	0.00%	13.88%	\$ 4,427,516		\$ 4,427,516	\$ 4,294,938	\$ 596,137	\$ -	\$ 596,137	\$ 6,243,813		\$ 6,243,813	\$ 5,655,540	10.48%
Jan-15	13.67%	0.00%	13.67%	\$ 5,233,089		\$ 5,233,089	\$ 4,219,504	\$ 576,806	\$ -	\$ 576,806	\$ 6,798,305		\$ 6,798,305	\$ 5,542,142	10.20%
Feb-15	11.49%	0.00%	11.49%	\$ 5,240,879		\$ 5,240,879	\$ 4,224,645	\$ 485,412	\$ -	\$ 485,412	\$ 6,932,693		\$ 6,932,693	\$ 5,574,819	8.76%
Mar-15	10.90%	0.00%	10.90%	\$ 4,210,329		\$ 4,210,329	\$ 4,194,743	\$ 457,227	\$ -	\$ 457,227	\$ 4,977,851		\$ 4,977,851	\$ 5,529,316	8.20%
Apr-15	14.44%	0.00%	14.44%	\$ 2,830,770		\$ 2,830,770	\$ 4,143,202	\$ 598,278	\$ -	\$ 598,278	\$ 4,104,985		\$ 4,104,985	\$ 5,498,217	10.82%
May-15	18.09%	0.00%	18.09%	\$ 3,027,301		\$ 3,027,301	\$ 4,088,791	\$ 739,662	\$ -	\$ 739,662	\$ 4,269,280		\$ 4,269,280	\$ 5,448,396	13.45%
Jun-15	18.44%	0.00%	18.44%	\$ 3,846,754		\$ 3,846,754	\$ 4,063,290	\$ 749,271	\$ -	\$ 749,271	\$ 4,833,547		\$ 4,833,547	\$ 5,390,654	13.75%
Jul-15	15.91%	0.00%	15.91%	\$ 4,192,404		\$ 4,192,404	\$ 4,059,315	\$ 645,837	\$ -	\$ 645,837	\$ 5,593,002		\$ 5,593,002	\$ 5,402,524	11.98%
Aug-15	16.25%	0.00%	16.25%	\$ 3,903,725		\$ 3,903,725	\$ 4,018,650	\$ 653,031	\$ (82,842)	\$ 570,189	\$ 5,354,786		\$ 5,354,786	\$ 5,365,894	10.55%
Sep-15	17.07%	0.00%	17.07%	\$ 3,574,886		\$ 3,574,886	\$ 3,999,530	\$ 682,720	\$ (82,842)	\$ 599,878	\$ 4,482,080		\$ 4,482,080	\$ 5,345,418	11.18%
Oct-15	18.51%	0.00%	18.51%	\$ 2,993,116		\$ 2,993,116	\$ 3,977,204	\$ 736,181	\$ (82,842)	\$ 653,339	\$ 4,231,250		\$ 4,231,250	\$ 5,307,566	12.22%
Nov-15	18.81%	0.00%	18.81%	\$ 3,449,363		\$ 3,449,363	\$ 3,910,844	\$ 735,630	\$ (94,376)	\$ 641,254	\$ 4,657,579		\$ 4,657,579	\$ 5,206,598	12.08%
Dec-15	18.40%	0.00%	18.40%	\$ 3,785,816		\$ 3,785,816	\$ 3,857,369	\$ 709,756	\$ (82,842)	\$ 626,914	\$ 5,293,216		\$ 5,293,216	\$ 5,127,381	12.04%
Jan-16	16.00%	0.00%	16.00%	\$ 4,963,972		\$ 4,963,972	\$ 3,834,943	\$ 613,591	\$ (82,842)	\$ 530,749	\$ 6,851,123		\$ 6,851,123	\$ 5,131,783	10.35%

Notes:
Nolin 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.

Noln RECC - 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. 2014-00051 (Over)/Under-Recovery				(\$497,051)
1b	From Case No. 2015-00281 (Over)/Under-Recovery				(\$148,835)
1c	Total Previous (Over)/Under-Recovery				(\$645,886)
2	Jul-15	\$775,299	\$769,039	\$6,260	(\$639,626)
3	Aug-15	\$621,080	\$641,482	(\$20,402)	(\$660,028)
4	Sep-15	\$580,920	\$472,858	\$108,062	(\$551,966)
5	Oct-15	\$510,922	\$473,054	\$37,868	(\$514,098)
6	Nov-15	\$638,478	\$569,152	\$69,326	(\$444,772)
7	Dec-15	\$712,109	\$651,062	\$61,047	(\$383,725)
Post Review	Jan-16	\$913,370	\$824,883	\$88,487	(\$295,238)
	Feb-16	\$692,847	\$568,414	\$124,433	(\$170,804)
Less Adjustment for Order amounts remaining to be amortized at end of review period December 2015					
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		\$497,051	(\$331,368)	\$165,683
8b	Case No. 2015-00281 Recovery		\$148,835	\$0	\$148,835
8c	Total Order amounts remaining - Over/(Under):				\$314,518
9	Cumulative six month (Over)/Under-Recovery (Cumulative net of remaining Case amortizations - Lines 7 & 8c)				(\$69,207)
10	Monthly recovery (per month for six months)				(\$11,534)
Reconciliation:					
11	Previous (Over)/Under-Recovery Remaining to be Amortized, beginning of Review Period				(\$645,886)
12	Previous Over/(Under)-Recovery Remaining to be Amortized, ending of Review Period				\$314,518
13	Total Amortization during Review Period				(\$331,368)
14	(Over)/Under-Recovery from Column 5, Line 9				(\$69,207)
15	Less: Total Monthly (Over)/Under-Recovery for Review Period (Column 4, Lines 2 thru 7)				\$262,162
16	Difference				(\$331,368)

Amortization Detail, Column 3, Line 8:

Month & Year	Case No. 2014-00051	Case No. 2015-00281
Jul-15	\$0	\$0
Aug-15	\$0	\$0
Sep-15	(\$82,842)	\$0
Oct-15	(\$82,842)	\$0
Nov-15	(\$82,842)	\$0
Dec-15	(\$82,842)	\$0
Totals	(\$331,368)	\$0