



Shelby Energy Cooperative

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MAY 04 2016

PUBLIC SERVICE
COMMISSION

May 4, 2016

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

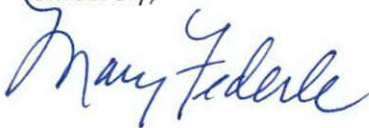
RE: Case No. 2016-00144

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 April 14, 2016. 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. 2016-00144

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
Mary E. Federle

COMMONWEALTH OF KENTUCKY

COUNTY OF SHELBY

Subscribed and sworn to before me by Mary E. Federle, Billing Manager of Shelby Energy Cooperative, Inc., to be her free act and deed this 4th day of May, 2016.

Candice H. Waford
Notary Public ID 502959

(SEAL)

My Commission Expires:

January 13, 2018
ID: 502959

RECEIVED

MAY 04 2016

PUBLIC SERVICE
COMMISSION

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

RESPONSE OF SHELBY ENERGY COOPERATIVE, INC. TO COMMISSION
STAFF'S FIRST REQUEST FOR INFORMATION TO EAST KENTUCKY
POWER COOPERATIVE, INC.'S SIXTEEN MEMBER COOPERATIVES

DATED: May 4, 2016

**Shelby Energy Cooperative's Response to the
Commission Staff's First Request for Information
Case No. 2016-00144**

Question:

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 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: Mary E. Federle

**Shelby Energy Cooperative's Response to the
Commission Staff's First Request for Information
Case No. 2016-00144**

Question:

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:

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 under recovery. Using billing data ending November 30, 2015, the average monthly residential usage is 1,510 kWh resulting in an average residential monthly bill of \$160.16 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, \$160.57 is the monthly bill. The result is a dollar impact of \$0.41 to the customer. Please refer to Exhibit A, Pages 1-4, for supporting calculations and documentation.

Witness: Mary E. Federle

Shelby Energy Cooperative - 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				\$34,990
1b	From Case No. 2015-00281 (Over)/Under-Recovery				\$19,730
1c	Total Previous (Over)/Under-Recovery				\$54,720
2	Jul-15	\$482,457	\$420,423	\$62,034	\$116,754
3	Aug-15	\$393,278	\$467,411	(\$74,133)	\$42,621
4	Sep-15	\$368,367	\$352,926	\$15,441	\$58,062
5	Oct-15	\$334,160	\$331,832	\$2,328	\$60,390
6	Nov-15	\$400,424	\$378,511	\$21,913	\$82,303
7	Dec-15	\$441,648	\$435,483	\$6,165	\$88,468
Post Review	Jan-16	\$537,423	\$545,735	(\$8,312)	\$80,156
	Feb-16	\$422,848	\$505,476	(\$82,628)	(\$2,472)
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	(\$34,990)	\$23,328		(\$11,662)
8b	Case No. 2015-00281 Recovery	(\$19,730)	\$0		(\$19,730)
8c	Total Order amounts remaining - Over/(Under):				(\$31,392)

9	Cumulative six month (Over)/Under-Recovery [Cumulative net of remaining Case amortizations - Lines 7 & 8c]	\$57,076
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10	Monthly recovery (per month for six months)	\$9,513
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Reconciliation:		
11	Previous (Over)/Under-Recovery Remaining to be Amortized, beginning of Review Period	\$54,720
12	Previous Over/(Under)-Recovery Remaining to be Amortized, ending of Review Period	(\$31,392)
13	Total Amortization during Review Period	\$23,328
14	(Over)/Under-Recovery from Column 5, Line 9	\$57,076
15	Less: Total Monthly (Over)/Under-Recovery for Review Period (Column 4, Lines 2 thru 7)	\$33,748
16	Difference	\$23,328

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	\$5,832	\$0
Oct-15	\$5,832	\$0
Nov-15	\$5,832	\$0
Dec-15	\$5,832	\$0
Totals	\$23,328	\$0

East Kentucky Power Cooperative, Inc. - Distribution Cooperatives
Pass Through Mechanism Report for Shelby Energy Cooperative
For the Month Ending February 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 Shelby	On-peak Revenue Adjustment	EKPC Net Monthly Sales to Shelby	EKPC 12-months Ended Average Monthly Revenue from Sales to Shelby	Shelby Revenue Requirement	Amortization of (Over)/Under Recovery	Shelby Net Revenue Requirement	Shelby Total Monthly Retail Revenues	On-Peak Retail Revenue Adjustment	Shelby Net Monthly Retail Revenues	12-months ended Avg. Retail Revenues, Net	Shelby 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)
Mar-14	11.62%	0.00%	11.62%	\$ 2,739,976		\$ 2,739,976	\$ 2,506,661	\$ 291,274	\$ (11,605)	\$ 279,669	\$ 4,157,604		\$ 4,157,604	\$ 3,290,016	8.59%
Apr-14	13.47%	0.00%	13.47%	\$ 2,167,068		\$ 2,167,068	\$ 2,508,532	\$ 337,899	\$ (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		\$ 2,253,181	\$ 2,511,055	\$ 397,751	\$ (11,605)	\$ 386,146	\$ 2,764,273		\$ 2,764,273	\$ 3,290,695	11.72%
Jun-14	15.67%	0.00%	15.67%	\$ 2,548,258		\$ 2,548,258	\$ 2,522,986	\$ 395,352	\$ (11,605)	\$ 383,747	\$ 2,808,862		\$ 2,808,862	\$ 3,298,145	11.66%
Jul-14	14.38%	0.00%	14.38%	\$ 2,616,203		\$ 2,616,203	\$ 2,542,223	\$ 365,572	\$ (11,605)	\$ 353,967	\$ 3,343,967		\$ 3,343,967	\$ 3,319,949	10.73%
Aug-14	12.62%	0.00%	12.62%	\$ 2,719,966		\$ 2,719,966	\$ 2,563,924	\$ 323,567	\$ (11,605)	\$ 311,962	\$ 3,384,596		\$ 3,384,596	\$ 3,321,469	9.40%
Sep-14	13.53%	0.00%	13.53%	\$ 2,397,957		\$ 2,397,957	\$ 2,582,910	\$ 349,468	\$ -	\$ 349,468	\$ 3,402,021		\$ 3,402,021	\$ 3,333,010	10.52%
Oct-14	15.57%	0.00%	15.57%	\$ 2,140,163		\$ 2,140,163	\$ 2,592,360	\$ 403,630	\$ -	\$ 403,630	\$ 3,095,973		\$ 3,095,973	\$ 3,354,849	12.11%
Nov-14	16.95%	0.00%	16.95%	\$ 2,536,778		\$ 2,536,778	\$ 2,605,435	\$ 441,621	\$ -	\$ 441,621	\$ 2,952,706		\$ 2,952,706	\$ 3,371,953	13.16%
Dec-14	13.88%	0.00%	13.88%	\$ 2,629,514		\$ 2,629,514	\$ 2,591,663	\$ 359,723	\$ -	\$ 359,723	\$ 3,548,100		\$ 3,548,100	\$ 3,401,501	10.67%
Jan-15	13.67%	0.00%	13.67%	\$ 2,977,849		\$ 2,977,849	\$ 2,559,437	\$ 349,875	\$ -	\$ 349,875	\$ 3,745,006		\$ 3,745,006	\$ 3,407,289	10.29%
Feb-15	11.49%	0.00%	11.49%	\$ 3,029,412		\$ 3,029,412	\$ 2,563,027	\$ 294,492	\$ -	\$ 294,492	\$ 3,943,011		\$ 3,943,011	\$ 3,379,000	8.64%
Mar-15	10.90%	0.00%	10.90%	\$ 2,510,563		\$ 2,510,563	\$ 2,543,909	\$ 277,286	\$ -	\$ 277,286	\$ 4,286,098		\$ 4,286,098	\$ 3,389,708	8.21%
Apr-15	14.44%	0.00%	14.44%	\$ 1,866,869		\$ 1,866,869	\$ 2,518,893	\$ 363,728	\$ -	\$ 363,728	\$ 3,225,113		\$ 3,225,113	\$ 3,374,977	10.73%
May-15	18.09%	0.00%	18.09%	\$ 1,957,255		\$ 1,957,255	\$ 2,494,232	\$ 451,207	\$ -	\$ 451,207	\$ 2,700,216		\$ 2,700,216	\$ 3,369,639	13.37%
Jun-15	18.44%	0.00%	18.44%	\$ 2,499,139		\$ 2,499,139	\$ 2,490,139	\$ 459,182	\$ -	\$ 459,182	\$ 2,718,292		\$ 2,718,292	\$ 3,362,091	13.63%
Jul-15	15.91%	0.00%	15.91%	\$ 2,617,471		\$ 2,617,471	\$ 2,490,245	\$ 396,198	\$ -	\$ 396,198	\$ 3,070,753		\$ 3,070,753	\$ 3,339,324	11.78%
Aug-15	16.25%	0.00%	16.25%	\$ 2,471,895		\$ 2,471,895	\$ 2,469,572	\$ 401,305	\$ 5,832	\$ 407,137	\$ 3,144,231		\$ 3,144,231	\$ 3,319,293	12.19%
Sep-15	17.07%	0.00%	17.07%	\$ 2,266,873		\$ 2,266,873	\$ 2,458,648	\$ 419,691	\$ 5,832	\$ 425,523	\$ 3,428,938		\$ 3,428,938	\$ 3,321,536	12.82%
Oct-15	18.51%	0.00%	18.51%	\$ 1,958,079		\$ 1,958,079	\$ 2,443,475	\$ 452,287	\$ 5,832	\$ 458,119	\$ 2,995,536		\$ 2,995,536	\$ 3,313,167	13.79%
Nov-15	18.81%	0.00%	18.81%	\$ 2,163,292		\$ 2,163,292	\$ 2,412,351	\$ 453,763	\$ 5,832	\$ 459,595	\$ 2,721,866		\$ 2,721,866	\$ 3,293,930	13.87%
Dec-15	18.40%	0.00%	18.40%	\$ 2,348,457		\$ 2,348,457	\$ 2,388,930	\$ 439,563	\$ 5,832	\$ 445,395	\$ 2,952,256		\$ 2,952,256	\$ 3,244,276	13.52%
Jan-16	16.00%	0.00%	16.00%	\$ 2,920,781		\$ 2,920,781	\$ 2,384,174	\$ 381,468	\$ 5,832	\$ 387,300	\$ 3,157,597		\$ 3,157,597	\$ 3,195,326	11.94%
Feb-16	10.92%	0.00%	10.92%	\$ 2,642,798		\$ 2,642,798	\$ 2,351,956	\$ 256,834	\$ -	\$ 256,834	\$ 3,934,308		\$ 3,934,308	\$ 3,194,600	8.04%

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

For the Month Ending February 2016

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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.

Shelby Energy Cooperative, Inc

Actual Average Residential Monthly Bill

Average Monthly Residential kWh:		1,510
Residential Rate:		
Facility Charge	\$10.14	\$10.14
kWh Charge	\$0.08861	133.80
Fuel Adjustment Factor	(\$0.00489)	(7.38)
Surcharge (November, 2015)	13.87%	18.94
<i>** Refer to Exhibit B - Page 2 of 4</i>		
County Tax	3.00%	<u>\$4.66</u>
		\$160.16

Actual Average Residential Monthly Bill with Recovery

Average Monthly Residential kWh:		1,510
Residential Rate:		
Facility Charge	\$10.14	\$10.14
kWh Charge	\$0.08861	133.80
Fuel Adjustment Factor	(\$0.00489)	(7.38)
Surcharge (November, 2015)	14.16%	19.34
<i>** Refer to Exhibit B - Page 3 of 4</i>		
County Tax	3.00%	<u>\$4.68</u>
		\$160.57

Dollar Impact: \$0.41