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PUBLIC SERVICE  
COMMISSION

**OWEN** *Electric*

A Touchstone Energy Cooperative 

**Case No.  
2016-00144**

**FIRST DATA REQUEST OF THE PUBLIC  
SERVICE COMMISSION**

**OWEN ELECTRIC COOPERATIVE, INC.**

**8205 Hwy 127 N**

**PO Box 400**

**Owenton, KY 40359**

**502-484-3471**

# CRAWFORD & BAXTER, P.S.C.

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May 4, 2016

Mr. Aaron Greenwell  
Deputy Executive Director  
Kentucky Public Service Commission  
P.O. Box 615  
211 Sower Boulevard  
Frankfort, KY 40602

RE: PSC Case No. 2016-00144

Dear Mr. Greenwell:

Please find enclosed for filing with the Commission in the above-referenced case, an original and seven copies of the responses of Owen Electric Cooperative, Inc. to the Commission Staff's First Request for Information to East Kentucky Power Cooperative, Inc. and Each of Its Sixteen Member Distribution Cooperatives, dated April 14, 2016.

Please contact me with any questions.

Respectfully yours,

CRAWFORD & BAXTER, P.S.C.

  
James M. Crawford  
Attorney for Owen Electric Cooperative, Inc.

Cc: Parties of Record

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

**In the Matter of:**

<b>AN EXAMINATION BY THE PUBLIC SERVICE</b>	)	
<b>COMMISSION OF THE ENVIRONMENTAL</b>	)	
<b>SURCHARGE MECHANISM OF EAST</b>	)	
<b>KENTUCKY POWER COOPERATIVE, INC.</b>	)	
<b>FOR THE SIX MONTH BILLING PERIOD</b>	)	<b>CASE NO. 2016-00144</b>
<b>ENDING DECEMBER 31, 2015 AND THE PASS</b>	)	
<b>THROUGH MECHANISM FOR ITS SIXTEEN</b>	)	
<b>MEMBER DISTRIBUTION COOPERATIVES</b>	)	

**CERTIFICATE**

**STATE OF KENTUCKY**    )  
                                      )  
**COUNTY OF OWEN**     )

Ann F. Wood, being duly sworn, states that she has supervised the preparation of the response of Owen Electric Cooperative, Inc. to the Public Service Commission Staff's First Request for Information to East Kentucky Power Cooperative, Inc. and Each of Its Sixteen Member Distribution Cooperatives dated April 14, 2016, in the above-referenced case, and that the matters and things set forth therein are true and accurate to the best of her knowledge, information and belief, formed after reasonable inquiry.

Ann F Wood

Subscribed and sworn before me on this 4<sup>th</sup> day of May, 2016.

Phonela R McGehee  
Notary Public



**OWEN ELECTRIC COOPERATIVE, INC.**

**PSC CASE NO. 2016-00144**

**ENVIRONMENTAL SURCHARGE MECHANISM**

**RESPONSE TO FIRST INFORMATION REQUEST**

**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION TO EAST  
KENTUCKY POWER COOPERATIVE, INC. AND EACH OF ITS SIXTEEN MEMBER  
COOPERATIVES DATED 4/14/2016**

**REQUEST 2**

**RESPONSIBLE PARTY: Ann F. Wood**

**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 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 2 of the Commission Staff's First Request for Information dated April 14, 2016.

**OWEN ELECTRIC COOPERATIVE, INC.**

**PSC CASE NO. 2016-00144**

**ENVIRONMENTAL SURCHARGE MECHANISM**

**RESPONSE TO FIRST INFORMATION REQUEST**

**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION TO EAST  
KENTUCKY POWER COOPERATIVE, INC. AND EACH OF ITS SIXTEEN MEMBER  
COOPERATIVES DATED 4/14/2016**

**REQUEST 7**

**RESPONSIBLE PARTY: Ann F. Wood**

**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 7:** Please see EKPC's response to Request 2 of the Commission Staff's First Request for Information dated April 14, 2016 for the calculation of the review period's over-recovery.

Page 3 of this response reflects the impact on the average residential customer.

Page 4 of this response represents the “as filed” surcharge factors, and served as the basis for calculating the average pass-through factor used to calculate the “Actual Average Residential Monthly Bill” on page 3. Page 5 of this response assumes the over-recovery of \$516,028, as provided in the response to Request 2 from East Kentucky Power Cooperative, was amortized over the last 6 months of the October 2014 to September 2015 timeframe and served as a basis for calculating the average pass-through factor used to calculate the “Average Residential Monthly Bill with Refund” on page 3. Please note that the October 2014 to September 2015 expense month environmental surcharge factors represent billed factors for December 2014 through November 2015.

Please see the enclosed CD for supporting calculations and documentation in Excel spreadsheet format with formulas intact and unprotected and all rows and columns fully accessible.

<u>Actual Average Residential Monthly Bill</u>		
Average Monthly Residential kWh:		<u>1,131</u>
Residential Rate:		
Customer Charge	\$20.00	\$20.00
kWh Charge	\$0.08491	\$96.06
Fuel Adjustment Factor (Average Billed Dec 14 -Nov 15)	(\$0.00331)	(\$3.74)
Environmental Surcharge (Computed Average Billed Dec 14- Nov 15)	10.77%	12.10
County/City Tax	3.00%	<u>\$3.73</u>
		<u><u>\$128.15</u></u>

<u>Average Residential Monthly Bill with Refund</u>		
Average Monthly Residential kWh:		<u>1,131</u>
Residential Rate:		
Customer Charge	\$20.00	\$20.00
kWh Charge	\$0.08491	\$96.06
Fuel Adjustment Factor (Average Billed Dec 14 -Nov 15)	(\$0.00331)	(\$3.74)
Environmental Surcharge (Computed Average Billed Dec 14- Nov 15)	10.26%	11.53
County/City Tax	3.00%	<u>\$3.72</u>
		<u><u>\$127.56</u></u>

Dollar Impact:	(\$0.59)
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East Kentucky Power Cooperative, Inc. - Distribution Cooperatives  
 Pass Through Mechanism Report for Owen Electric Cooperative

AS FILED

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8a)	(8b)	(8c)	(8d)	(8e)	(8f)	(8)	(10)	(11)	(12)	(13)	(14)	(15)
Surcharge Factor Expense Month	EKPC CESF %	EKPC BESF %	EKPC MESF %	EKPC Monthly Revenues from Sales to Owen	On-peak Revenue Adjustment	EKPC Net Monthly Sales to Owen	EKPC 12-months Ended Average Monthly Revenue from Sales to Owen	Owen Revenue Requirement	Gallatin Surcharge Revenues	Amortization of (Over)/Under Recovery of Gallatin Revenues	EKPC Schedule B Surcharge Revenues	Amortization of EKPC Schedule B (Over)/Under Recovery of Revenues	Owen Revenue Requirements exclusive of Gallatin and Schedule B	Amortization of (Over)/Under Recovery excl. of Gallatin	Owen Net Revenue Requirement exclusive of Gallatin + Sch B	Owen Total Monthly Retail Revenues exclusive of Gallatin + Sch B	On-Peak Retail Revenue Adjustment	Owen Net Monthly Retail Revenues exclusive of Gallatin + Sch B	12-months ended Avg. Retail Revenues, Net Exclusive of Gallatin + Sch B	Owen Pass Through Mechanism Factor, Net of Gallatin + Sch B
			Col. (1) - Col. (2)			Col. (4) - Col. (5)		Col (3) x Col (7)					Col (8a)-[Col (8b)+ Col(8c)]-[Col(8d)+Col(8e)]		Col (8f) + Col (9)			Col. (11) - Col. (12)		Col (10) / Col (14)
Oct-14	15.57%	0.00%	15.57%	\$ 9,315,512	\$	\$ 9,315,512	\$ 10,588,795	\$ 1,648,675	\$ 504,174	\$ -	\$ 184,544	\$ -	\$ 979,957	\$ -	\$ 979,957	\$ 7,118,046	\$	\$ 7,118,046	\$ 8,613,048	11.39%
Nov-14	16.95%	0.00%	16.95%	\$ 10,051,622	\$	\$ 10,051,622	\$ 10,630,149	\$ 1,801,810	\$ 532,376	\$ -	\$ 171,139	\$ -	\$ 1,098,295	\$ -	\$ 1,098,295	\$ 7,701,836	\$	\$ 7,701,836	\$ 8,635,326	12.75%
Dec-14	13.88%	0.00%	13.88%	\$ 10,535,514	\$	\$ 10,535,514	\$ 10,597,501	\$ 1,470,933	\$ 581,145	\$ -	\$ 197,978	\$ -	\$ 691,810	\$ -	\$ 691,810	\$ 8,865,847	\$	\$ 8,865,847	\$ 8,653,562	8.01%
Jan-15	13.67%	0.00%	13.67%	\$ 10,039,852	\$	\$ 10,039,852	\$ 10,418,401	\$ 1,424,195	\$ 300,204	\$ -	\$ 159,102	\$ -	\$ 964,889	\$ -	\$ 964,889	\$ 9,731,537	\$	\$ 9,731,537	\$ 8,625,608	11.15%
Feb-15	11.49%	0.00%	11.49%	\$ 9,782,706	\$	\$ 9,782,706	\$ 10,328,629	\$ 1,186,760	\$ 261,234	\$ -	\$ 148,437	\$ -	\$ 779,089	\$ -	\$ 779,089	\$ 10,381,529	\$	\$ 10,381,529	\$ 8,528,532	9.03%
Mar-15	10.90%	0.00%	10.90%	\$ 9,323,637	\$	\$ 9,323,637	\$ 10,198,769	\$ 1,111,666	\$ 313,302	\$ -	\$ 123,554	\$ -	\$ 674,810	\$ -	\$ 674,810	\$ 9,531,583	\$	\$ 9,531,583	\$ 8,537,794	7.91%
Apr-15	14.44%	0.00%	14.44%	\$ 7,224,538	\$	\$ 7,224,538	\$ 10,000,913	\$ 1,444,132	\$ 272,930	\$ -	\$ 102,307	\$ -	\$ 1,068,895	\$ -	\$ 1,068,895	\$ 7,492,172	\$	\$ 7,492,172	\$ 8,511,248	12.52%
May-15	18.09%	0.00%	18.09%	\$ 8,172,609	\$	\$ 8,172,609	\$ 9,832,270	\$ 1,778,658	\$ 398,149	\$ -	\$ 147,058	\$ -	\$ 1,233,451	\$ -	\$ 1,233,451	\$ 6,568,609	\$	\$ 6,568,609	\$ 8,509,103	14.49%
Jun-15	18.44%	0.00%	18.44%	\$ 9,399,657	\$	\$ 9,399,657	\$ 9,690,891	\$ 1,787,000	\$ 482,985	\$ -	\$ 207,705	\$ -	\$ 1,096,310	\$ -	\$ 1,096,310	\$ 7,304,717	\$	\$ 7,304,717	\$ 8,442,542	12.88%
Jul-15	15.91%	0.00%	15.91%	\$ 8,591,949	\$	\$ 8,591,949	\$ 9,543,746	\$ 1,518,410	\$ 456,899	\$ -	\$ 209,213	\$ -	\$ 852,288	\$ -	\$ 852,288	\$ 7,800,054	\$	\$ 7,800,054	\$ 8,340,688	10.10%
Aug-15	16.25%	0.00%	16.25%	\$ 9,579,234	\$	\$ 9,579,234	\$ 9,373,338	\$ 1,523,167	\$ 445,238	\$ -	\$ 181,436	\$ -	\$ 896,495	\$ (146,233)	\$ 750,262	\$ 9,204,045	\$	\$ 9,204,045	\$ 8,402,139	9.00%
Sep-15	17.07%	0.00%	17.07%	\$ 8,907,082	\$	\$ 8,907,082	\$ 9,326,993	\$ 1,592,118	\$ 422,945	\$ -	\$ 180,128	\$ -	\$ 989,045	\$ (146,233)	\$ 842,812	\$ 8,507,224	\$	\$ 8,507,224	\$ 8,350,433	10.03%

10.77%



East Kentucky Power Cooperative, Inc. - Distribution Cooperatives  
 Pass Through Mechanism Report for Owen Electric Cooperative

WITH REFUND

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)					
Surcharge Factor Expense Month	EKPC CESF %	EKPC DESF %	EKPC MESF %	EKPC Monthly Revenue From Sales to Owen	On-peak Revenue Adjustment	EKPC Net Monthly Revenue to Owen	EKPC 12-month Ended Average Monthly Revenue From Sales to Owen	Owen Revenue Requirement	Gallon Surcharge Revenues	Amortization of (Over)/Under Recovery of Gallon Revenues	EKPC Schedule D Surcharge Revenues	Amortization of EKPC Schedule B (Over)/Under Recovery of Revenues	Owen Revenue Requirements exclusive of Gallon and Schedule B	Amortization of (Over)/Under Recovery end of Gallon	Owen Net Revenue Requirement exclusive of Gallon + Sch B	Owen Total Monthly Retail Revenues exclusive of Gallon + Sch B	On-Peak Retail Revenue Adjustment	Owen Net Monthly Retail Revenues exclusive of Gallon + Sch B	12-month ended Avg. Retail Revenues, Net Exclusive of Gallon + Sch B	Owen Pass Through Mechanism Factor, Net of Gallon + Sch B
			Col (1) - Col (2)			Col (4) - Col (5)		Col (3) x Col (7)				Col (8)+Col (9)+ Col(10)+Col(11)		Col (13) + Col (9)				Col (11) - Col (12)	Col (14) / Col (13)	Col (10) / Col (14)
Oct-14	15.57%	0.00%	15.57%	\$ 9,315,512	\$	\$ 9,315,512	\$ 10,588,785	\$ 1,848,875	\$ 504,174	\$ -	\$ 164,544	\$ -	\$ 979,857	\$ -	\$ 979,857	\$ 7,118,048	\$	\$ 7,118,048	\$ 8,613,048	11.39%
Nov-14	16.95%	0.00%	16.95%	\$ 10,051,622	\$	\$ 10,051,622	\$ 10,630,149	\$ 1,801,810	\$ 532,378	\$ -	\$ 171,139	\$ -	\$ 1,098,295	\$ -	\$ 1,098,295	\$ 7,701,836	\$	\$ 7,701,836	\$ 8,653,326	12.75%
Dec-14	13.88%	0.00%	13.88%	\$ 10,535,514	\$	\$ 10,535,514	\$ 10,597,501	\$ 1,470,933	\$ 581,145	\$ -	\$ 197,978	\$ -	\$ 691,810	\$ -	\$ 691,810	\$ 8,865,847	\$	\$ 8,865,847	\$ 8,653,562	8.01%
Jan-15	13.67%	0.00%	13.67%	\$ 10,039,852	\$	\$ 10,039,852	\$ 10,416,401	\$ 1,424,195	\$ 300,204	\$ -	\$ 159,102	\$ -	\$ 964,889	\$ -	\$ 964,889	\$ 9,731,537	\$	\$ 9,731,537	\$ 8,625,508	11.15%
Feb-15	11.49%	0.00%	11.49%	\$ 9,782,706	\$	\$ 9,782,706	\$ 10,328,629	\$ 1,186,760	\$ 261,234	\$ -	\$ 146,437	\$ -	\$ 779,089	\$ -	\$ 779,089	\$ 10,381,529	\$	\$ 10,381,529	\$ 8,528,532	9.03%
Mar-15	10.90%	0.00%	10.90%	\$ 9,323,637	\$	\$ 9,323,637	\$ 10,198,769	\$ 1,111,666	\$ 313,302	\$ -	\$ 123,554	\$ -	\$ 674,810	\$ -	\$ 674,810	\$ 9,531,583	\$	\$ 9,531,583	\$ 8,537,784	7.91%
Apr-15	14.44%	0.00%	14.44%	\$ 7,224,538	\$	\$ 7,224,538	\$ 10,000,913	\$ 1,444,132	\$ 272,930	\$ -	\$ 102,307	\$ -	\$ 1,068,895	\$ (98,005)	\$ 982,890	\$ 7,492,172	\$	\$ 7,492,172	\$ 8,511,248	11.51%
May-15	18.05%	0.00%	18.05%	\$ 8,172,809	\$	\$ 8,172,809	\$ 8,832,270	\$ 1,778,658	\$ 398,149	\$ -	\$ 147,058	\$ -	\$ 1,233,451	\$ (98,005)	\$ 1,147,446	\$ 6,568,609	\$	\$ 6,568,609	\$ 8,500,103	13.48%
Jun-15	18.44%	0.00%	18.44%	\$ 9,399,657	\$	\$ 9,399,657	\$ 8,930,891	\$ 1,787,000	\$ 482,985	\$ -	\$ 207,706	\$ -	\$ 1,096,310	\$ (98,005)	\$ 1,010,305	\$ 7,304,717	\$	\$ 7,304,717	\$ 8,442,542	11.87%
Jul-15	15.91%	0.00%	15.91%	\$ 9,591,949	\$	\$ 9,591,949	\$ 8,543,748	\$ 1,518,410	\$ 456,890	\$ -	\$ 209,213	\$ -	\$ 852,298	\$ (98,005)	\$ 768,293	\$ 7,800,054	\$	\$ 7,800,054	\$ 8,340,688	9.08%
Aug-15	18.25%	0.00%	18.25%	\$ 9,579,234	\$	\$ 9,579,234	\$ 8,373,338	\$ 1,523,187	\$ 445,238	\$ -	\$ 161,439	\$ -	\$ 896,495	\$ (232,238)	\$ 664,257	\$ 9,204,045	\$	\$ 9,204,045	\$ 8,402,139	7.96%
Sep-15	17.07%	0.00%	17.07%	\$ 9,907,082	\$	\$ 9,907,082	\$ 9,326,893	\$ 1,592,118	\$ 422,945	\$ -	\$ 180,120	\$ -	\$ 989,045	\$ (232,238)	\$ 766,807	\$ 8,507,224	\$	\$ 8,507,224	\$ 8,350,433	9.01%

10.26%