






A Touchstone Energy Cooperative 

## **CASE NO. 2016-00335**

**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 June 30, 2016, and the pass through mechanism for its sixteen member distribution cooperatives.**

**Response to Commission Staff's Second Request for Information**

**December 12, 2016**

P. O. Box 87 • Danville, KY 40423-0087 • (859) 236-4561

**INTER-COUNTY ENERGY COOPERATIVE**

P. O. Box 87 • Danville, KY 40423-0087

**Case No. 2016-00335**

**CONTENT**

	<b><u>Pages</u></b>
Certificate .....	1
Response to Request 3.....	2
Response to Request 4.....	3-4
Service List .....	5

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

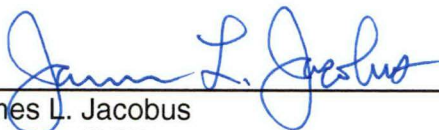
In the Matter of:

AN EXAMINATION BY THE PUBLIC SERVICE )  
COMMISSION OF THE ENVIRONMENTAL )  
SURCHARGE MECHANISM OF EAST KENTUCKY )  
POWER COOPERATIVE, INC. FOR THE )  
SIX-MONTH BILLING PERIOD ENDING ) CASE NO. 2016-00335  
JUNE 30, 2016, AND THE PASS THROUGH )  
MECHANISM FOR ITS SIXTEEN MEMBER )  
DISTRIBUTION COOPERATIVES )

**INTER-COUNTY ENERGY COOPERATIVE RESPONSE TO  
COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION TO  
EAST KENTUCKY POWER COOPERATIVE, INC.  
AND EACH OF ITS SIXTEEN MEMBER COOPERATIVES**


**CERTIFICATION**

James L. Jacobus, President/CEO, being duly sworn, states that he has prepared the responses to the question from the Commission Staff to Inter-County Energy Cooperative in Case No. 2016-00335 dated November 30, 2016, and that the response is true and accurate to the best of his knowledge, information and belief formed after a reasonable inquiry.

  
\_\_\_\_\_  
James L. Jacobus  
President/CEO  
Inter-County Energy Cooperative Corporation

STATE OF KENTUCKY  
COUNTY OF BOYLE

Subscribed and sworn to before me by James L. Jacobus as President/CEO of Inter-County Energy Cooperative Corporation this 12<sup>th</sup> day of December 2016.

  
\_\_\_\_\_  
Notary Public – ID 494777  
My Commission Expires: August 24, 2017

**INTER-COUNTY ENERGY COOPERATIVE**

**Request 3.** This item is addressed to each of the 16 Member Cooperatives.

- a. Provide the accounting methodology (i.e., cash or accrual) utilized by your particular Member Cooperative.

**Response:** Inter-County Energy Cooperative utilizes the accrual accounting methodology.

- b. Explain whether the accounting methodology utilized by your particular Member Cooperative could exacerbate the possible impact to cash flow and margins caused by volatility in the environmental surcharge.

**Response:** Inter-County Energy Cooperative does not believe that utilizing the accrual accounting methodology exacerbates the possible impact to cash flow and margins caused by volatility in the environmental surcharge.

**Request 4:** This item is addressed to each of the 16 Member Cooperatives. For your particular Member Cooperative, provide the following information as it relates to the environmental surcharge calculated for EKPC's December 2015 expense month, as billed to the Member Cooperatives in February 2016 for January 2016 usage:

- a. The month in which the Member Cooperative records the amount billed in February 2016 as an expense.

**Response:** Inter-County Energy records the bill received in February as a January 2016 expense.

- b. The month in which the retail customer's usage will be subject to the Member Cooperative's pass-through factor calculated from EKPC's December 2015 expense month.

**Response:** Inter-County Energy applied the Environmental Surcharge pass-through factor from EKPC's December 2015 expense month to member's usage from read dates in January through early February 2016 depending on the members' particular billing cycle.

- c. The month in which the Member Cooperative bills its retail customers the pass-through factor calculated from EKPC's December 2015 expense month.

**Response:** Inter-County Energy applied the EKPC December 2015 expense month factor to bills rendered to members in February to early March 2016 depending on the members' particular billing cycle.

- d. The month in which the Member Cooperative records as revenue the amounts billed in the month indicated in part c. above.

**Response:** Inter-County Energy records as revenue the amounts billed in the month indicated in part c. above as February 2016 revenue.

\*Taylor County R.E.C.C.  
Taylor County R.E.C.C.  
625 West Main Street  
P. O. Box 100  
Campbellsville, KY 42719

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

\*Licking Valley R.E.C.C.  
Licking Valley R.E.C.C.  
P. O. Box 605  
271 Main Street  
West Liberty, KY 41472

\*Big Sandy R.E.C.C.  
Big Sandy R.E.C.C.  
4 11th Street  
Mintsville, KY 41240-1422

\*Clark Energy Cooperative, Inc.  
Clark Energy Cooperative, Inc.  
2640 Ironworks Road  
P. O. Box 748  
Winchester, KY 40392-0748

\*Owen Electric Cooperative, Inc.  
Owen Electric Cooperative, Inc.  
8205 Highway 127 North  
P. O. Box 400  
Owenton, KY 40359

\*Farmers R.E.C.C.  
Farmers R.E.C.C.  
504 South Broadway  
P. O. Box 1298  
Glasgow, KY 42141-1298

\*Cumberland Valley Electric, Inc.  
Cumberland Valley Electric, Inc.  
Highway 25E  
P. O. Box 440  
Gray, KY 40734

\*Shelby Energy Cooperative, Inc.  
Shelby Energy Cooperative, Inc.  
620 Old Finchville Road  
Shelbyville, KY 40065

\*Fleming-Mason Energy Cooperative, Inc.  
Fleming-Mason Energy Cooperative, Inc.  
149 Elizaville Road  
P. O. Box 328  
Flemingsburg, KY 41041

\*East Kentucky Power Cooperative, Inc.  
4775 Lexington Road  
P. O. Box 707  
Winchester, KY 40392-0707

\*Grayson R.E.C.C.  
Grayson R.E.C.C.  
109 Bagby Park  
Grayson, KY 41143

\*Hollin R.E.C.C.  
Hollin R.E.C.C.  
411 Ring Road  
Elizabethtown, KY 42701-6767

\*East Kentucky Power Cooperative, Inc.  
East Kentucky Power Cooperative, Inc.  
4775 Lexington Road  
P. O. Box 707  
Winchester, KY 40392-0707

\*South Kentucky R.E.C.C.  
South Kentucky R.E.C.C.  
15-929 N Main Street  
P. O. Box 910  
Somerset, KY 42502-0910

\*Inter-County Energy Cooperative Corp  
Inter-County Energy Cooperative Corporation  
1009 Hustonville Road  
P. O. Box 87  
Danville, KY 40423-0087

\*Salt River Electric Cooperative Corp  
Salt River Electric Cooperative Corp.  
111 West Brashear Avenue  
P. O. Box 609  
Hardstown, KY 40004

\*Jackson Energy Cooperative Corporation  
Jackson Energy Cooperative Corporation  
115 Jackson Energy Lane  
McKee, KY 40447