


INTER COUNTY
ENERGY COOPERATIVE

A Touchstone Energy Cooperative 

December 12, 2016

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PUBLIC SERVICE
COMMISSION

Ms. Talina R. Mathews
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, KY 40601

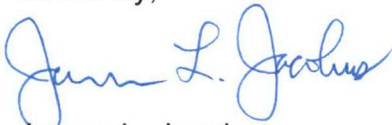
RE: Case No. 2016-00335

Dear Ms. Mathews:

Please find enclosed an original and eight (8) copies of our responses of Inter-County Energy Cooperative as requested in the above referenced case.

Please contact me if you have any questions.

Sincerely,




James L. Jacobus
President/CEO

Enclosures

Copy to Service List (Via Email)



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

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COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

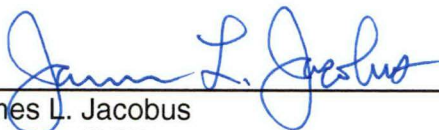
In the Matter of:

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 12th 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.
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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.
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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
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*Farmers R.E.C.C.
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504 South Broadway
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*Cumberland Valley Electric, Inc.
Cumberland Valley Electric, Inc.
Highway 25E
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*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

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4775 Lexington Road
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109 Bagby Park
Grayson, KY 41143

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*South Kentucky R.E.C.C.
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*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