



**SALT RIVER ELECTRIC**

A Touchstone Energy Cooperative 

111 West Brashear Avenue • Bardstown, Kentucky 40004  
(502) 348-3931 • (502) 955-9732 • Fax (502) 348-1993

RECEIVED

DEC 13 2016

Public Service  
Commission

December 9, 2016

Ms. Talina R. Mathews  
Executive Director  
KY Public Service Commission  
PO Box 615  
Frankfort KY 40602-0615

Re: 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 the Sixteen Member  
Distribution Cooperatives

Dear Ms. Mathews:

Enclosed are the original and eight copies of Salt River Electric Cooperative Corporation's Responses to Commission Staff's Second Request for Information by Order dated November 30, 2016, in the above-named case.

If you have any questions about these responses, please contact this office.

Sincerely,



Tim Sharp  
President and CEO

Enclosures

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

DEC 13 2016

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 ) CASE NO.  
BILLING PERIOD ENDING JUNE 30, 2016, AND THE ) 2016-00335  
PASS-THROUGH MECHANISM FOR ITS SIXTEEN )  
MEMBER DISTRIBUTION COOPERATIVES )

SALT RIVER ELECTRIC COOPERATIVE CORPORATION  
RESPONSES TO **SECOND** DATA REQUEST OF COMMISSION STAFF  
BY ORDER DATED NOVEMBER 30, 2016  
TO EAST KENTUCKY POWER COOPERATIVE, INC., AND  
ITS SIXTEEN MEMBER DISTRIBUTION COOPERATIVES,  
SPECIFICALLY ITEMS #3 AND #4



Salt River Electric

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 ) CASE NO.  
BILLING PERIOD ENDING JUNE 30, 2016, AND THE ) 2016-00335  
PASS-THROUGH MECHANISM FOR ITS SIXTEEN )  
MEMBER DISTRIBUTION COOPERATIVES )

SALT RIVER ELECTRIC COOPERATIVE CORPORATION  
RESPONSES TO SECOND DATA REQUEST OF COMMISSION STAFF  
BY ORDER DATED NOVEMBER 30, 2016  
TO EAST KENTUCKY POWER COOPERATIVE, INC., AND  
ITS SIXTEEN MEMBER DISTRIBUTION COOPERATIVES,  
SPECIFICALLY ITEMS #3 AND #4

The undersigned, Tim Sharp, President and CEO of Salt River Electric Cooperative Corporation, being duly sworn, responds to requests for information herein as follows:

Item No. 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: Salt River Electric uses the accrual accounting method.

- 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: Salt River Electric's method does not exacerbate the cash flow and margins caused by the volatility in the environmental surcharge.

Item No. 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: January 2016.

- 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: February 2016.

- 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: February 17, 2016 – March 14, 2016.

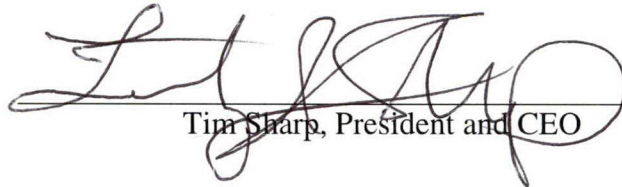
- d. The month in which the Member Cooperative records as revenue the amounts billed in the month indicated in part c. above.

Response: February 2016.

Responsible Witness for All Responses: J. Edward Boone, Vice-President of Finance

I, Tim Sharp, President and CEO of Salt River Electric Cooperative Corporation, hereby certify that the above responses to the request for information are true and accurate to the best of my knowledge and belief formed after a reasonable inquiry.

SALT RIVER ELECTRIC COOPERATIVE CORP.



Tim Sharp, President and CEO

STATE OF KENTUCKY  
COUNTY OF NELSON

Subscribed and sworn to before me this 8<sup>th</sup> day of December, 2016, by Tim Sharp, President and CEO of Salt River Electric Cooperative Corporation, to be his voluntary act and deed and that of Salt River Electric.



Notary Public KY State at Large  
My Commission Expires: December 16, 2018  
I.D. No. 433406



Salt River Electric

Mike Williams  
Blue Grass ECC  
PO Box 990  
Nicholasville KY 40340-0990

Carol Wright  
Jackson Energy Co-Op  
115 Jackson Energy Ln  
McKee KY 40447

Carol Hall Fraley  
Grayson RECC  
109 Bagby Park  
Grayson KY 41143

Bill Prather  
Farmers RECC  
PO Box 1298  
Glasgow KY 42141-1298

James L. Jacobus  
Inter-County ECC  
PO Box 87  
Danville KY 40423-0087

Michael L. Miller  
Nolin RECC  
411 Ring Rd  
Elizabethtown KY 42701

Debra J. Martin  
Shelby Energy  
620 Old Finchville Rd  
Shelbyville KY 40065

Chris Brewer  
Clark Energy Cooperative  
PO Box 748  
Winchester KY 40392-0748

Kerry K. Howard  
Licking Valley RECC  
PO Box 605  
West Liberty KY 41472

Ted Hampton  
Cumberland Valley Electric  
PO Box 440  
Gray KY 40734-0440

Barry L. Myers  
Taylor County RECC  
PO Box 100  
Campbellsville KY 42719

David Estep  
Big Sandy RECC  
504 11th St  
Paintsville KY 41240

Tony Campbell  
East Kentucky Power Cooperative  
PO Box 707  
Winchester KY 40392-0707

Allen Anderson  
South Kentucky RECC  
PO Box 910  
Somerset KY 42502-0910

Joni K. Hazelrigg  
Fleming-Mason Energy  
PO Box 328  
Flemingsburg KY 41041

Mark Stallons  
Owen Electric Cooperative Inc  
PO Box 400  
Owenton KY 40359-0400

Patrick C. Woods  
EKPC  
PO Box 707  
Winchester KY 40392-0707