

ATTORNEYS AT LAW | PLLC

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APR 28 2017

PUBLIC SERVICE
COMMISSION

David S. Samford
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April 28, 2017

VIA HAND DELIVERY

Dr. Talina R. Mathew, Ph.D.
Executive Director
Kentucky Public Service Commission
P.O. Box 615
211 Sower Boulevard
Frankfort, KY 40602

Re: East Kentucky Power Cooperative, Inc.'s Post-Hearing Data Requests;
PSC Case No. 2017-00002

Dear Dr. Mathews:

Please find enclosed for filing with the Commission in the above-referenced case an original and ten copies of the responses of East Kentucky Power Cooperative, Inc. ("EKPC"), to the information requests from the hearing held on April 18, 2017.

Please return a file-stamped copy of this fling to my office.

Sincerely,

A handwritten signature in black ink that reads "David S. Samford (by R. J. K. Lewis)".

David S. Samford

Enclosures

RECEIVED

APR 28 2017

PUBLIC SERVICE
COMMISSION

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

In the Matter of:

**AN EXAMINATION OF THE APPLICATION OF)
THE FUEL ADJUSTMENT CLAUSE OF EAST)
KENTUCKY POWER COOPERATIVE, INC.)
FROM NOVEMBER 1, 2014 THROUGH OCTOBER)
31, 2016)**

**CASE NO.
2017-00002**

**RESPONSE OF EAST KENTUCKY POWER COOPERATIVE, INC.
TO COMMISSION'S DATA REQUESTS FROM
HEARING HELD ON APRIL 18, 2017**

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

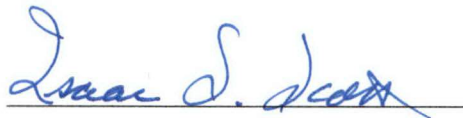
IN THE MATTER OF:

AN EXAMINATION OF THE APPLICATION OF)	
THE FUEL ADJUSTMENT CLAUSE OF EAST)	CASE NO.
KENTUCKY POWER COOPERATIVE, INC.)	2017-00002
FROM NOVEMBER 1, 2014 THROUGH OCTOBER)	
31, 2016)	

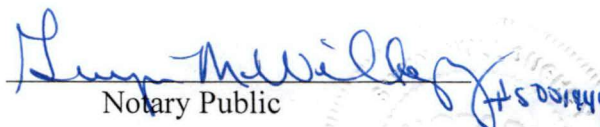
CERTIFICATE

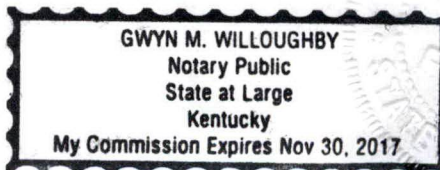
STATE OF KENTUCKY)
)
COUNTY OF CLARK)

Isaac S. Scott, being duly sworn, states that he has supervised the preparation of the responses of East Kentucky Power Cooperative, Inc. to the Public Service Commission Staff Data Requests from the hearing in the above-referenced case held on April 18, 2017 and that the matters and things set forth therein are true and accurate to the best of his knowledge, information and belief, formed after reasonable inquiry.



Subscribed and sworn before me on this 28th day of April, 2017


Notary Public



COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

AN EXAMINATION OF THE APPLICATION OF)
THE FUEL ADJUSTMENT CLAUSE OF EAST)
KENTUCKY POWER COOPERATIVE, INC.) CASE NO.
FROM NOVEMBER 1, 2014 THROUGH OCTOBER) 2017-00002
31, 2016)

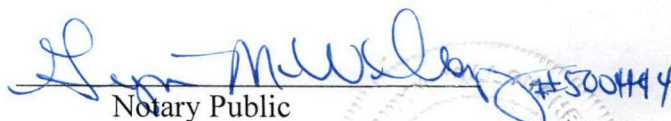
CERTIFICATE

STATE OF KENTUCKY)
COUNTY OF CLARK)

Julia J. Tucker, being duly sworn, states that she has supervised the preparation of the responses of East Kentucky Power Cooperative, Inc. to the Public Service Commission Staff Data Requests from the hearing in the above-referenced case held on April 18, 2017, 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.



Subscribed and sworn before me on this 24th day of April, 2017.


Notary Public #50044



EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2017-00002

FUEL ADJUSTMENT CLAUSE

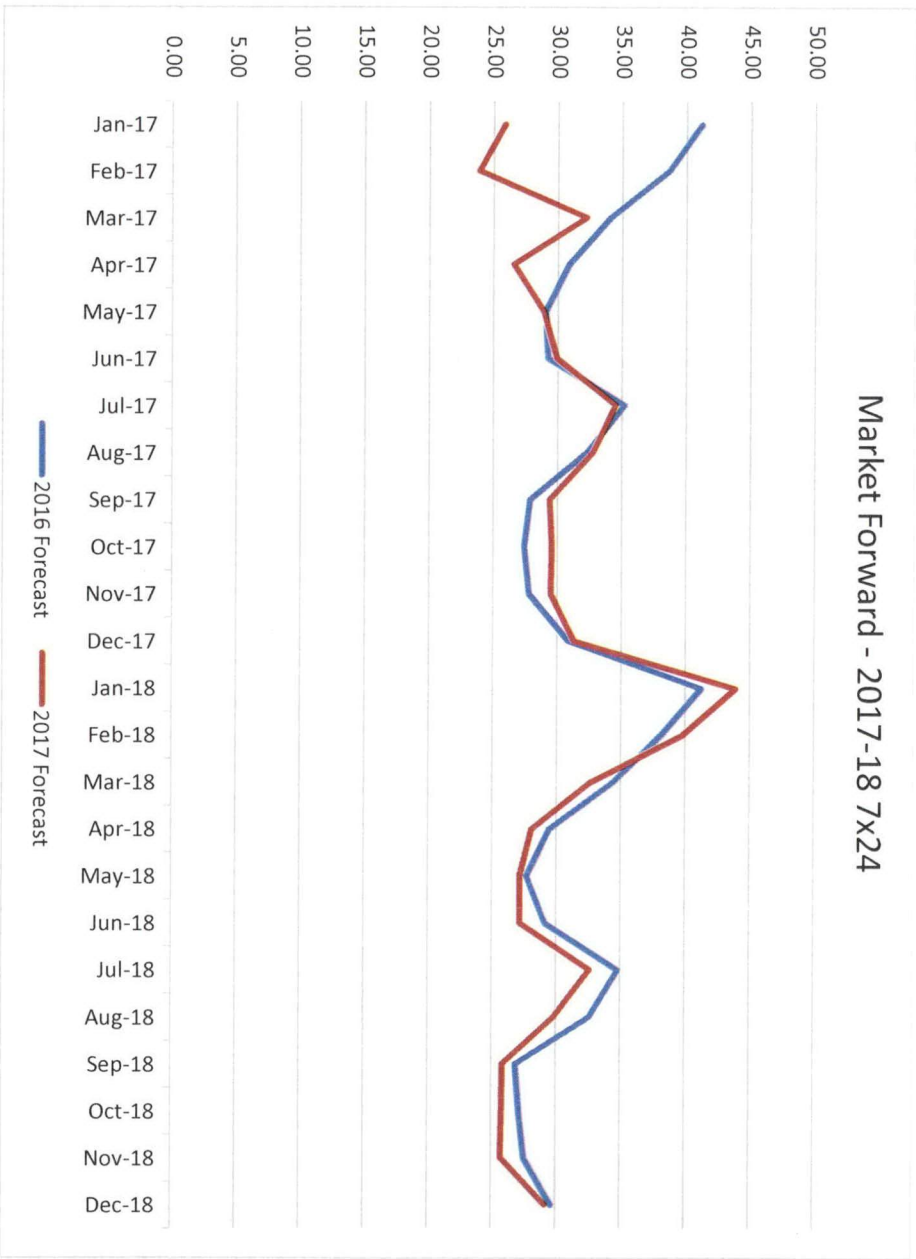
RESPONSE TO POST HEARING DATA REQUEST

**COMMISSION'S DATA REQUEST FROM HEARING HELD ON 04/18/17
REQUEST 1**

RESPONSIBLE PARTY: Julia J. Tucker

Request 1. Refer to East Kentucky's response to Item 6 of the February 6, 2017 Request for Information ("Commission's First Request"). If updated price forecasts are available, provide an update to this response.

Response 1. The energy sales to members and PJM were based on EKPC's budget data developed in 2016. An updated budget has not yet been developed in 2017, so comparable energy and revenue data is not available. However, updated price forecasts for the PJM market are available and shown on page two of this response. Market prices are still comparable for the remainder of 2017 and show minor differences in 2018. Based on this information, EKPC continues to expect its sales into PJM to be a minimal portion of its total sales, less than 5%.



EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2017-00002

FUEL ADJUSTMENT CLAUSE

RESPONSE TO POST HEARING DATA REQUEST

COMMISSION'S DATA REQUEST FROM HEARING HELD ON 04/18/17

REQUEST 2

RESPONSIBLE PARTY: Isaac S. Scott

Request 2. Refer to East Kentucky's response to the Commission's First Request, Item 12, page 2 of 43. For each of the columns titled "Base Mills/KWH," "Fuel Mills/KWH," and "Surcharge Mills/KWh," explain what the column reflects, how the rate in each column is calculated, and why the rate in each column varies each month.

Response 2. The Base Mills/KWH, Fuel Mills/KWH, and Surcharge Mills/KWH are calculated for the current billing month and the calendar year to date for each Member Cooperative, for steam service sold to Fleming-Mason Energy for International Paper, and East Kentucky's own usage. The calculation of each average rate is described below.

Base Mills/KWH – reflects the average cost per kWh from base rates. For purposes of this calculation, base rates represent total charges as reflected on the monthly billing. Those charges include, but are not limited to, energy, demand, meter

point, and substation charges. The average cost is calculated by dividing the sum of all base rate charges as described above by the billed kWh.

Fuel Mills/KWH – reflects the average cost per kWh from base rates plus the fuel adjustment clause charge (credit). This average cost is calculated by dividing the sum of the charges from base rates and the fuel adjustment clause by the billed kWh. In other words, the calculation of the Base Mills/KWH is repeated with the fuel adjustment clause included in the base rate charges.

Surcharge Mills/KWH – reflects the average cost per kWh from base rates plus the fuel adjustment clause charge (credit) plus the environmental surcharge. This average cost is calculated by dividing the sum of the charges from base rates, fuel adjustment clause, and the environmental surcharge by the billed kWh. In other words, the calculation of the Base Mills/KWH is repeated with the fuel adjustment clause and environmental surcharge included in base rate charges.

The three Mills/KWH calculations do not include the direct load control credits, the green power charges, or the Salt River generator credit that appear on the Member Cooperative monthly bills.

The three Mills/KWH rates vary each month because the billed demand in kW and billed energy use in kWh will vary from month to month and Member Cooperative to Member Cooperative. In addition, the fuel adjustment clause factor and the environmental surcharge factor vary month to month based upon calculations submitted to the Commission. The calendar year to date amount for these three

Mills/KWH rates also vary because of the number of months included in the calculations change and reflect the results of the actual billings. The demand rates, energy rates, meter point rate, and substation charges are the only constants from month to month.