

OWEN *Electric*

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**Case No.
2017-00071**

**COMMISSION STAFF'S FIRST
REQUEST FOR INFORMATION**

OWEN ELECTRIC COOPERATIVE, INC.

8205 Hwy 127 N

PO Box 400

Owenton, KY 40359

502-484-3471

CRAWFORD & BAXTER, P.S.C.

ATTORNEYS AT LAW

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March 23, 2017

Ms. Talina Mathews
Executive Director
Kentucky Public Service Commission
P.O. Box 615
211 Sower Boulevard
Frankfort, KY 40602

RE: **PSC Case No. 2017-00071**

Dear Ms. Mathews:

Please find enclosed for filing with the Commission in the above-referenced case, an original and eight copies of the responses of Owen Electric Cooperative, Inc., to the Commission Staff's First Request for Information to East Kentucky Power Cooperative, Inc., dated February 21, 2017.

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

OWEN ELECTRIC COOPERATIVE, INC.

PSC CASE NO. 2017-00071

ENVIRONMENTAL SURCHARGE MECHANISM

RESPONSE TO FIRST INFORMATION REQUEST

**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION TO EAST
KENTUCKY POWER COOPERATIVE, INC. DATED 02/21/2017**

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 Cooperatives, prepare a summary schedule showing the Member Cooperative's pass-through revenue requirement for the months corresponding with the six-month review. 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 the schedule and all supporting calculations and documentation in Excel spreadsheet format with formulas intact and unprotected.

Response 2: Please see pages 2 and 3 of this response and EKPC's response to Request 2 of the Commission Staff's First Request for Information dated February 21, 2017. Please note that the electronic version of this response is being filed by EKPC.

Owen - Calculation of (Over)/Under Recovery

Line No.	Month & Year	EKPC Invoice Month recorded Member's Books (2)	Billed to Retail Consumer & recorded on Member's Books (3)	Monthly (Over) or Under (4)	Cumulative (Over) or Under (5)
1	Previous (Over)/Under-Recovery Remaining to be Amortized				
1a	From Case No. 2014-00051 (Over)/Under-Recovery				(\$438,703)
1b	From Case No. 2015-00281 (Over)/Under-Recovery				(\$1,135,405)
1c	From Case No. 2016-00144 (Over)/Under-Recovery				(\$516,028)
1d	From Case No. 2016-00335 (Over)/Under-Recovery				\$0
1e	Total Previous (Over)/Under-Recovery				(\$2,090,136)
2	Jul-16	\$1,208,987	\$734,100	\$474,887	(\$1,615,249)
3	Aug-16	\$1,056,648	\$871,222	\$185,426	(\$1,429,823)
4	Sep-16	\$782,228	\$498,907	\$283,321	(\$1,146,502)
5	Oct-16	\$590,692	\$414,216	\$176,476	(\$970,026)
6	Nov-16	\$736,064	\$508,975	\$227,089	(\$742,937)
7	Dec-16	\$1,219,303	\$776,829	\$442,474	(\$300,463)
Post Review	Jan-17	\$1,001,352	\$1,120,583	(\$119,231)	(\$419,694)
	Feb-17	\$538,677	\$638,997	(\$100,320)	(\$520,014)
Less Adjustment for Order amounts remaining to be amortized at end of review period December 2016					
8		Amount Per Case Order Remaining to be Amortized at beginning of Review Period	Amortization of Previous (Over)/Under Recoveries During Review Period		Amount Per Case Order Remaining to be Amortized at end of Review Period
8a	Case No. 2014-00051 Recovery		\$438,703	(\$438,699)	\$4
8b	Case No. 2015-00281 Recovery		\$1,135,405	(\$681,240)	\$454,165
8c	Case No. 2016-00144 Recovery		\$516,028	(\$258,015)	\$258,013
8d	Case No. 2016-00335 Recovery		\$0	\$0	\$0
8e	Total Order amounts remaining - Over/(Under):				\$712,182
9	Cumulative six month (Over)/Under-Recovery [Cumulative net of remaining Case amortizations (Ln 7&8)]				\$411,719
10	Monthly recovery (per month for six months)				\$68,620
Reconciliation:					
11	Previous (Over)/Under-Recovery Remaining to be Amortized, beginning of Review Period				(\$2,090,136)
12	Previous (Over)/Under-Recovery Remaining to be Amortized, ending of Review Period				\$712,182
13	Total Amortization during Review Period				(\$1,377,954)
14	(Over)/Under-Recovery from Column 5, Line 9				\$411,719
15	Less: Total Monthly (Over)/Under-Recovery for Review Period (Column 4, Lines 2 thru 7)				\$1,789,673
16	Difference				(\$1,377,954)

Amortization Detail, Column 3, Line 8:

Month & Year	Case No. 2014-00051	Case No. 2015-00281	Case No. 2016-00144	Case No. 2016-00335
Jul-16	(\$146,233)	(\$113,540)	\$0	\$0
Aug-16	(\$146,233)	(\$113,540)	\$0	\$0
Sep-16	(\$146,233)	(\$113,540)	\$0	\$0
Oct-16	\$0	(\$113,540)	(\$86,005)	\$0
Nov-16	\$0	(\$113,540)	(\$86,005)	\$0
Dec-16	\$0	(\$113,540)	(\$86,005)	\$0
Totals	(\$438,699)	(\$681,240)	(\$258,015)	\$0

Owen Electric Cooperative - Calculation of (Over)/Under Recovery - Direct Surcharge Pass-Throughs

Special Contract

	EKPC Invoice Month recorded Member's Books	Billed to Retail Consumer & recorded on Member's Books	Monthly (Over) or Under	Cumulative (Over) or Under
Month & Year	(1)	(2)	(3)	(4)
Jul-16	\$604,862	\$604,862	\$0	\$0
Aug-16	\$454,140	\$454,140	\$0	\$0
Sep-16	\$345,906	\$345,906	\$0	\$0
Oct-16	\$384,503	\$384,503	\$0	\$0
Nov-16	\$477,172	\$477,172	\$0	\$0
Dec-16	\$596,884	\$596,884	\$0	\$0
Jan-17	\$559,613	\$559,613	\$0	\$0
Feb-17	\$322,545	\$322,545	\$0	\$0

Cumulative 6-month (Over)/Under Recovery	\$0
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Monthly Recovery (per month for six months)	\$0
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Rate B Customers

	EKPC Invoice Month recorded Member's Books	Billed to Retail Consumer & recorded on Member's Books	Monthly (Over) or Under	Cumulative (Over) or Under
Month & Year	(1)	(2)	(3)	(4)
Jul-16	\$228,749	\$228,749	\$0	\$0
Aug-16	\$198,068	\$198,068	\$0	\$0
Sep-16	\$162,063	\$162,063	\$0	\$0
Oct-16	\$168,407	\$168,407	\$0	\$0
Nov-16	\$182,026	\$182,026	\$0	\$0
Dec-16	\$221,212	\$221,212	\$0	\$0
Jan-17	\$193,201	\$193,201	\$0	\$0
Feb-17	\$117,600	\$117,600	\$0	\$0

Cumulative 6-month (Over)/Under Recovery	\$0
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Monthly Recovery (per month for six months)	\$0
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OWEN ELECTRIC COOPERATIVE, INC.

PSC CASE NO. 2017-00071

ENVIRONMENTAL SURCHARGE MECHANISM

RESPONSE TO FIRST INFORMATION REQUEST

**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION TO EAST
KENTUCKY POWER COOPERATIVE, INC. DATED 02/21/2017**

REQUEST 6

RESPONSIBLE PARTY: Ann F. Wood

Request 6: This question is addressed to each of the 16 Member Cooperatives. For your particular Member Cooperative, provide the actual average residential customer's monthly usage for the 12 months ended November 30, 2016. 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.

Response 6: Please see the response to Request 2 for the calculation of the review period's under-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 under-recovery of \$411,719, as provided in the response to Request 2, Page 2 of 3, was amortized over the last 6 months of the October 2015 to September 2016 timeframe and served as a basis for calculating the average pass-through factor used to calculate the “Average Residential Monthly Bill with Recovery” on page 3. Please note that the October 2015 to September 2016 expense month environmental surcharge factors represent billed factors for December 2015 through November 2016.

<u>Actual Average Residential Monthly Bill</u>		
Average Monthly Residential kWh:		<u>1,088</u>
Residential Rate:		
Customer Charge	\$20.00	\$20.00
kWh Charge	\$0.08491	\$92.41
Fuel Adjustment Factor (Average Billed Dec 15 -Nov 16)	(\$0.00475)	(\$5.16)
Environmental Surcharge (Computed Average Billed Dec 15- Nov 16)	7.69%	8.25
County/City Tax	3.00%	<u>\$3.46</u>
		<u><u>\$118.95</u></u>

<u>Average Residential Monthly Bill with Recovery</u>		
Average Monthly Residential kWh:		<u>1,088</u>
Residential Rate:		
Customer Charge	\$20.00	\$20.00
kWh Charge	\$0.08491	\$92.41
Fuel Adjustment Factor (Average Billed Dec 15 -Nov 16)	(\$0.00475)	(\$5.16)
Environmental Surcharge (Computed Average Billed Dec 15-Nov 16)	8.12%	8.71
County/City Tax	3.00%	<u>\$3.48</u>
		<u><u>\$119.43</u></u>

Dollar Impact:	\$0.48
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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)	(9)	(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 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 (8) + Col (9)				Col. (11) - Col. (12)		Col (10) / Col (14)
Oct-15	18.51%	0.00%	18.51%	\$ 7,001,451	\$ 7,001,451	\$ 9,134,154	\$ 1,690,732	\$ 345,964	\$ -	\$ 177,290	\$ -	\$ -	\$ 1,167,478	\$ (146,233)	\$ 1,021,245	\$ 7,098,102	\$ 7,098,102	\$ 7,098,102	\$ 8,348,771	12.23%
Nov-15	18.81%	0.00%	18.81%	\$ 8,381,346	\$ 8,381,346	\$ 8,994,965	\$ 1,691,953	\$ 527,810	\$ -	\$ 190,937	\$ -	\$ -	\$ 973,206	\$ (146,233)	\$ 826,973	\$ 6,672,626	\$ 6,672,626	\$ 6,672,626	\$ 8,263,004	9.91%
Dec-15	18.40%	0.00%	18.40%	\$ 9,287,280	\$ 9,287,280	\$ 8,890,945	\$ 1,635,934	\$ 590,699	\$ -	\$ 209,557	\$ -	\$ -	\$ 845,678	\$ (146,233)	\$ 699,445	\$ 7,249,541	\$ 7,249,541	\$ 7,249,541	\$ 8,128,312	8.46%
Jan-16	16.00%	0.00%	16.00%	\$ 10,223,171	\$ 10,223,171	\$ 8,906,222	\$ 1,424,995	\$ 506,755	\$ -	\$ 204,904	\$ -	\$ -	\$ 713,336	\$ (146,233)	\$ 567,103	\$ 8,552,817	\$ 8,552,817	\$ 8,552,817	\$ 8,030,085	6.98%
Feb-16	10.92%	0.00%	10.92%	\$ 9,697,505	\$ 9,697,505	\$ 8,899,122	\$ 971,784	\$ 486,400	\$ -	\$ 174,728	\$ -	\$ -	\$ 310,656	\$ (146,233)	\$ 164,423	\$ 10,756,793	\$ 10,756,793	\$ 10,756,793	\$ 8,061,357	2.05%
Mar-16	14.30%	0.00%	14.30%	\$ 8,450,447	\$ 8,450,447	\$ 8,826,356	\$ 1,262,169	\$ 314,534	\$ -	\$ 119,554	\$ -	\$ -	\$ 828,081	\$ (259,773)	\$ 568,308	\$ 7,964,517	\$ 7,964,517	\$ 7,964,517	\$ 7,930,768	7.05%
Apr-16	17.59%	0.00%	17.59%	\$ 7,850,049	\$ 7,850,049	\$ 8,878,482	\$ 1,561,725	\$ 413,828	\$ -	\$ 146,170	\$ -	\$ -	\$ 1,001,727	\$ (259,773)	\$ 741,954	\$ 7,307,451	\$ 7,307,451	\$ 7,307,451	\$ 7,915,375	9.36%
May-16	18.99%	0.00%	18.99%	\$ 8,569,592	\$ 8,569,592	\$ 8,911,564	\$ 1,692,306	\$ 542,547	\$ -	\$ 193,101	\$ -	\$ -	\$ 956,658	\$ (259,773)	\$ 696,885	\$ 6,360,074	\$ 6,360,074	\$ 6,360,074	\$ 7,898,163	8.80%
Jun-16	19.60%	0.00%	19.60%	\$ 9,288,919	\$ 9,288,919	\$ 8,902,335	\$ 1,744,858	\$ 548,609	\$ -	\$ 211,977	\$ -	\$ -	\$ 984,272	\$ (259,773)	\$ 724,499	\$ 7,303,087	\$ 7,303,087	\$ 7,303,087	\$ 7,898,028	9.17%
Jul-16	16.50%	0.00%	16.50%	\$ 10,421,420	\$ 10,421,420	\$ 8,971,458	\$ 1,480,291	\$ 604,862	\$ -	\$ 228,749	\$ -	\$ -	\$ 646,680	\$ (259,773)	\$ 386,907	\$ 8,470,437	\$ 8,470,437	\$ 8,470,437	\$ 7,953,893	4.90%
Aug-16	14.29%	0.00%	14.29%	\$ 10,213,690	\$ 10,213,690	\$ 9,024,329	\$ 1,289,577	\$ 454,140	\$ -	\$ 198,068	\$ -	\$ -	\$ 637,369	\$ (199,545)	\$ 437,824	\$ 9,090,500	\$ 9,090,500	\$ 9,090,500	\$ 7,944,431	5.50%
Sep-16	14.76%	0.00%	14.76%	\$ 8,985,532	\$ 8,985,532	\$ 9,030,867	\$ 1,332,956	\$ 345,906	\$ -	\$ 162,063	\$ -	\$ -	\$ 824,987	\$ (199,545)	\$ 625,442	\$ 9,484,644	\$ 9,484,644	\$ 9,484,644	\$ 8,025,882	7.87%

7.69%

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

With Recovery

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8a)	(8b)	(8c)	(8d)	(8e)	(8f)	(9)	(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 (6)		Col (7) 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-15	18.51%	0.00%	18.51%	\$ 7,001,451	\$ 7,001,451	\$ 9,134,154	\$ 1,690,732	\$ 345,964	\$ -	\$ 177,290	\$ -	\$ 1,167,478	\$ (146,233)	\$ 1,021,245	\$ 7,098,102	\$ 7,098,102	\$ 8,348,771	\$ 7,098,102	\$ 8,348,771	12.23%
Nov-15	18.81%	0.00%	18.81%	\$ 8,381,346	\$ 8,381,346	\$ 8,994,965	\$ 1,691,953	\$ 527,810	\$ -	\$ 190,937	\$ -	\$ 973,206	\$ (146,233)	\$ 826,973	\$ 6,672,626	\$ 6,672,626	\$ 8,263,004	\$ 6,672,626	\$ 8,263,004	9.91%
Dec-15	18.40%	0.00%	18.40%	\$ 9,287,280	\$ 9,287,280	\$ 8,890,945	\$ 1,635,934	\$ 580,699	\$ -	\$ 209,557	\$ -	\$ 845,678	\$ (146,233)	\$ 699,445	\$ 7,249,541	\$ 7,249,541	\$ 8,128,312	\$ 7,249,541	\$ 8,128,312	8.46%
Jan-16	16.00%	0.00%	16.00%	\$ 10,223,171	\$ 10,223,171	\$ 8,906,222	\$ 1,424,955	\$ 506,755	\$ -	\$ 204,904	\$ -	\$ 713,336	\$ (146,233)	\$ 567,103	\$ 8,552,817	\$ 8,552,817	\$ 8,030,085	\$ 8,552,817	\$ 8,030,085	6.98%
Feb-16	10.92%	0.00%	10.92%	\$ 9,697,505	\$ 9,697,505	\$ 8,899,122	\$ 971,784	\$ 486,400	\$ -	\$ 174,728	\$ -	\$ 310,656	\$ (146,233)	\$ 164,423	\$ 10,756,793	\$ 10,756,793	\$ 8,061,357	\$ 10,756,793	\$ 8,061,357	2.05%
Mar-16	14.30%	0.00%	14.30%	\$ 8,450,447	\$ 8,450,447	\$ 8,826,356	\$ 1,262,169	\$ 314,534	\$ -	\$ 119,654	\$ -	\$ 828,081	\$ (259,773)	\$ 568,308	\$ 7,964,517	\$ 7,964,517	\$ 7,930,768	\$ 7,964,517	\$ 7,930,768	7.05%
Apr-16	17.59%	0.00%	17.59%	\$ 7,850,049	\$ 7,850,049	\$ 8,878,482	\$ 1,561,725	\$ 413,828	\$ -	\$ 148,170	\$ -	\$ 1,001,727	\$ (191,153)	\$ 810,574	\$ 7,307,451	\$ 7,307,451	\$ 7,915,375	\$ 7,307,451	\$ 7,915,375	10.22%
May-16	18.99%	0.00%	18.99%	\$ 8,569,592	\$ 8,569,592	\$ 8,911,564	\$ 1,692,306	\$ 542,547	\$ -	\$ 193,101	\$ -	\$ 956,658	\$ (191,153)	\$ 765,505	\$ 6,360,074	\$ 6,360,074	\$ 7,898,163	\$ 6,360,074	\$ 7,898,163	9.67%
Jun-16	19.60%	0.00%	19.60%	\$ 9,288,919	\$ 9,288,919	\$ 8,902,335	\$ 1,744,858	\$ 548,609	\$ -	\$ 211,977	\$ -	\$ 984,272	\$ (191,153)	\$ 793,119	\$ 7,303,087	\$ 7,303,087	\$ 7,898,028	\$ 7,303,087	\$ 7,898,028	10.04%
Jul-16	16.50%	0.00%	16.50%	\$ 10,421,420	\$ 10,421,420	\$ 8,971,458	\$ 1,480,291	\$ 604,862	\$ -	\$ 228,749	\$ -	\$ 646,680	\$ (191,153)	\$ 455,527	\$ 8,470,437	\$ 8,470,437	\$ 7,953,893	\$ 8,470,437	\$ 7,953,893	5.77%
Aug-16	14.29%	0.00%	14.29%	\$ 10,213,690	\$ 10,213,690	\$ 9,024,329	\$ 1,289,577	\$ 454,140	\$ -	\$ 198,068	\$ -	\$ 637,369	\$ (130,925)	\$ 506,444	\$ 9,090,500	\$ 9,090,500	\$ 7,944,431	\$ 9,090,500	\$ 7,944,431	6.37%
Sep-16	14.76%	0.00%	14.76%	\$ 8,985,532	\$ 8,985,532	\$ 9,030,867	\$ 1,332,956	\$ 345,906	\$ -	\$ 162,063	\$ -	\$ 824,987	\$ (130,925)	\$ 694,062	\$ 9,484,644	\$ 9,484,644	\$ 8,025,882	\$ 9,484,644	\$ 8,025,882	8.74%

8.12%