

Rural Electric Cooperative Corporation

A Touchstone Energy® Cooperative 

RECEIVED

SEP 26 2017

PUBLIC SERVICE
COMMISSION

September 22, 2017

MR. JOHN S. LYONS
EXECUTIVE DIRECTOR
PUBLIC SERVICE COMMISSION
PO BOX 615
FRANKFORT KY 40602

RE: PSC CASE NO. 2017-00326

Dear Mr. Lyons:

Please find enclosed an original and seven (7) copies of the responses of Nolin RECC as requested in the above referenced case dated August 31, 2017.

If you have any questions please call me at 270.765.6153.

Sincerely,

A handwritten signature in cursive script that reads "Michael L. Miller".

Michael L. Miller
President and CEO

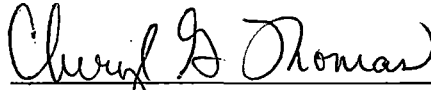
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Enclosures

Commonwealth of Kentucky
Before the Public Service Commission
Case No. 2017-00326

VERIFICATION

I verify, state and affirm that the testimony filed with this verification and for which I am listed as a witness is true and correct to the best of my knowledge, information and belief formed after a reasonable inquiry.



Cheryl G. Thomas, Vice President Office Services

State of Kentucky

County of Hardin

The foregoing was signed, acknowledged and sworn to before me by Cheryl G. Thomas, this 21st day of September, 2017.


Notary Public

My Commission Expires:

1/12/2021

**NOLIN RURAL ELECTRIC COOPERATIVE CORPORATION
PSC CASE NO. 2017-00326
RESPONSE TO COMMISSION STAFF'S FIRST REQUEST**

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 two-year review. Include the two months subsequent to the billing period included in the applicable review period. Include a calculation of any additional over-or under-recovery amount the distribution cooperative believes needs to be recognized for the two-year review. Provide the schedule and all supporting calculations and documentation in Excel spreadsheet format with all cells and formulas intact and unprotected.

Response:

Please refer to EKPC's response to Request No. 2 of the Commission Staff's First Request for Information dated August 31, 2017.

Witness: Cheryl G. Thomas, Vice President Office Services

**NOLIN RURAL ELECTRIC COOPERATIVE CORPORATION
PSC CASE NO. 2017-00326
RESPONSE TO COMMISSION STAFF'S FIRST REQUEST**

Request 7.

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 May 31, 2017. 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:

Please refer to EKPC's response to Request No. 2 of the Commission Staff's First Request for Information dated August 31, 2017, for the calculation of the review period's over- or under- recovery. The impact on the average residential customer's monthly bill has been determined using the methodology used in previous surcharge reviews.

Actual Average Residential Bill:

<u>12-Month Average Residential KWH usage as of May 31, 2017</u>		1,179
Energy @	0.08598	\$ 101.37
Customer Charge		\$ 9.04
Fuel Adjustment @	(\$0.007293)	\$ (8.60)
Environmental Surcharge @	14.89%	<u>\$ 15.16</u>
Total		\$ 116.97

Recovery Period of Six Months

<u>12-Month Average Residential KWH usage as of May 31, 2017</u>		
Energy @	0.08598	\$ 101.37
Customer Charge		\$ 9.04
Fuel Adjustment @	(\$0.007293)	\$ (8.60)
Environmental Surcharge @	14.90%	<u>\$ 15.17</u>
Total		\$ 116.98
Dollar Impact on Average Residential Bill		\$ 0.01

Nolin Rural Electric Cooperative Corporation
PSC Case No. 2017-00326

<u>MONTH</u>	<u>YEAR</u>	<u>CONSUMERS</u>	<u>KWH SOLD</u>
June	2016	32,916	41,281,853
July	2016	32,978	45,028,379
August	2016	32,936	43,769,830
September	2016	32,958	35,815,331
October	2016	32,977	28,985,441
November	2016	32,948	37,909,875
December	2016	32,967	53,479,129
January	2017	33,025	46,696,065
February	2017	33,054	37,566,425
March	2017	33,090	34,817,720
April	2017	33,088	28,915,726
May	2017	<u>33,139</u>	<u>32,765,742</u>
Totals		396,076	467,031,516
Averages		33,006	38,919,293
Average Usage			1,179

**East Kentucky Power Cooperative, Inc. - Distribution Cooperatives
Pass Through Mechanism Report for Nolin RECC**

For the Month Ending July 2017

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Surcharge Factor Expense Month	EKPC CESF %	EKPC BESF %	EKPC MESF %	EKPC Monthly Revenues from Sales to Nolin	On-peak Revenue Adjustment	EKPC Net Monthly Sales to Nolin	EKPC 12-months Ended Average Monthly Revenue from Sales to Nolin	Nolin Revenue Requirement	Amortization of (Over)/Under Recovery	Nolin Net Revenue Requirement	Nolin Total Monthly Retail Revenues	On-Peak Retail Revenue Adjustment	Nolin Net Monthly Retail Revenues	12-months ended Avg. Retail Revenues, Net	Nolin Pass Through Mechanism Factor
	Col. (1) - Col. (2)			Col. (4) - Col. (5)			Col. (3) x Col. (7)		Col. (8) + Col. (9)		Col. (11) - Col. (12)			Col. (10) / Col. (14)	
Aug-15	16.25%	0.00%	16.25%	\$ 3,903,725		\$ 3,903,725	\$ 4,018,650	\$ 653,031	\$ (82,842)	\$ 570,189	\$ 5,354,786		\$ 5,354,786	\$ 5,365,894	10.55%
Sep-15	17.07%	0.00%	17.07%	\$ 3,574,886		\$ 3,574,886	\$ 3,999,530	\$ 682,720	\$ (82,842)	\$ 599,878	\$ 4,482,080		\$ 4,482,080	\$ 5,345,418	11.18%
Oct-15	18.51%	0.00%	18.51%	\$ 2,993,116		\$ 2,993,116	\$ 3,977,204	\$ 736,181	\$ (82,842)	\$ 653,339	\$ 4,231,250		\$ 4,231,250	\$ 5,307,566	12.22%
Nov-15	18.81%	0.00%	18.81%	\$ 3,449,363		\$ 3,449,363	\$ 3,910,844	\$ 735,630	\$ (82,842)	\$ 652,788	\$ 4,657,579		\$ 4,657,579	\$ 5,206,598	12.30%
Dec-15	18.40%	0.00%	18.40%	\$ 3,785,816		\$ 3,785,816	\$ 3,857,369	\$ 709,756	\$ (82,842)	\$ 626,914	\$ 5,293,216		\$ 5,293,216	\$ 5,127,381	12.04%
Jan-16	16.00%	0.00%	16.00%	\$ 4,963,972		\$ 4,963,972	\$ 3,834,943	\$ 613,591	\$ (82,842)	\$ 530,749	\$ 6,851,123		\$ 6,851,123	\$ 5,131,783	10.35%
Feb-16	10.92%	0.00%	10.92%	\$ 4,330,294		\$ 4,330,294	\$ 3,759,061	\$ 410,489	\$ -	\$ 410,489	\$ 5,491,866		\$ 5,491,866	\$ 5,011,714	8.00%
Mar-16	14.30%	0.00%	14.30%	\$ 3,385,894		\$ 3,385,894	\$ 3,690,358	\$ 527,721	\$ (24,806)	\$ 502,915	\$ 4,611,700		\$ 4,611,700	\$ 4,981,201	10.03%
Apr-16	17.59%	0.00%	17.59%	\$ 2,938,732		\$ 2,938,732	\$ 3,699,355	\$ 650,717	\$ (24,806)	\$ 625,911	\$ 4,022,544		\$ 4,022,544	\$ 4,974,331	12.57%
May-16	18.99%	0.00%	18.99%	\$ 3,079,506		\$ 3,079,506	\$ 3,703,705	\$ 703,334	\$ (24,806)	\$ 678,528	\$ 4,248,853		\$ 4,248,853	\$ 4,972,629	13.64%
Jun-16	19.60%	0.00%	19.60%	\$ 3,728,515		\$ 3,728,515	\$ 3,693,852	\$ 723,995	\$ (24,806)	\$ 699,189	\$ 5,087,510		\$ 5,087,510	\$ 4,993,792	14.06%
Jul-16	16.50%	0.00%	16.50%	\$ 4,136,077		\$ 4,136,077	\$ 3,689,158	\$ 608,711	\$ (24,806)	\$ 583,905	\$ 5,520,486		\$ 5,520,486	\$ 4,987,749	11.69%
Aug-16	14.29%	0.00%	14.29%	\$ 4,197,256		\$ 4,197,256	\$ 3,713,619	\$ 530,676	\$ (36,340)	\$ 494,336	\$ 5,628,864		\$ 5,628,864	\$ 5,010,589	9.91%
Sep-16	14.76%	0.00%	14.76%	\$ 3,716,159		\$ 3,716,159	\$ 3,725,392	\$ 549,868	\$ (11,534)	\$ 538,334	\$ 4,855,064		\$ 4,855,064	\$ 5,041,671	10.74%
Oct-16	17.17%	0.00%	17.17%	\$ 3,035,548		\$ 3,035,548	\$ 3,728,928	\$ 640,257	\$ (11,534)	\$ 628,723	\$ 4,201,393		\$ 4,201,393	\$ 5,039,183	12.47%
Nov-16	19.95%	0.00%	19.95%	\$ 3,270,540		\$ 3,270,540	\$ 3,714,026	\$ 740,948	\$ (11,534)	\$ 729,414	\$ 4,750,145		\$ 4,750,145	\$ 5,046,897	14.47%
Dec-16	16.92%	0.00%	16.92%	\$ 4,534,721		\$ 4,534,721	\$ 3,776,435	\$ 638,973	\$ (11,534)	\$ 627,439	\$ 5,953,262		\$ 5,953,262	\$ 5,101,901	12.43%
Jan-17	11.21%	0.00%	11.21%	\$ 4,574,527		\$ 4,574,527	\$ 3,743,981	\$ 419,700	\$ (11,537)	\$ 408,163	\$ 5,648,102		\$ 5,648,102	\$ 5,001,649	8.00%
Feb-17	12.26%	0.00%	12.26%	\$ 3,595,458		\$ 3,595,458	\$ 3,682,744	\$ 451,504	\$ -	\$ 451,504	\$ 4,890,686		\$ 4,890,686	\$ 4,951,551	9.03%
Mar-17	15.73%	0.00%	15.73%	\$ 3,506,049		\$ 3,506,049	\$ 3,692,757	\$ 580,871	\$ -	\$ 580,871	\$ 4,555,154		\$ 4,555,154	\$ 4,946,839	11.73%
Apr-17	15.40%	0.00%	15.40%	\$ 2,851,788		\$ 2,851,788	\$ 3,685,512	\$ 567,569	\$ 2,012	\$ 569,581	\$ 3,953,703		\$ 3,953,703	\$ 4,941,102	11.51%
May-17	19.86%	0.00%	19.86%	\$ 3,193,868		\$ 3,193,868	\$ 3,695,042	\$ 733,835	\$ 2,012	\$ 735,847	\$ 4,476,319		\$ 4,476,319	\$ 4,960,057	14.89%
Jun-17	18.13%	0.00%	18.13%	\$ 3,597,721		\$ 3,597,721	\$ 3,684,143	\$ 667,935	\$ 3,282	\$ 671,217	\$ 5,077,058		\$ 5,077,058	\$ 4,959,186	13.53%
Jul-17	17.75%	0.00%	17.75%	\$ 4,009,190		\$ 4,009,190	\$ 3,673,569	\$ 652,058	\$ 3,282	\$ 655,340					13.21%

Notes:

Nolin Total Monthly Retail Revenues in Column (11) includes demand and energy charges, customer charges, and FAC revenues. Revenues reported in Columns (4), (6), (7), (11), (13), and (14) are net of Green Power Revenues.

East Kentucky Power Cooperative, Inc. - Distribution Cooperatives
 Pass Through Mechanism Report for Nolin RECC

For the Month Ending July 2017

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			Col. (1) - Col. (2)			Col. (4) - Col. (5)		Col. (3) x Col. (7)		Col. (8) + Col. (9)			Col. (11) - Col. (12)		Col. (10) / Col. (14)
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Jul-17	17.75%	0.00%	17.75%	\$ 4,009,190		\$ 4,009,190	\$ 3,673,569	\$ 652,058	\$ 3,282	\$ 655,340					13.21%

Notes:
 Nolin Total Monthly Retail Revenues in Column (11) includes demand and energy charges, customer charges, and FAC revenues.
 Revenues reported in Columns (4), (6), (7), (11), (13), and (14) are net of Green Power Revenues.

Nolin - 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. 2016-00144 (Over)/Under-Recovery				(\$23,071)
1b	From Case No. 2016-00335 (Over)/Under-Recovery				\$12,072
1c	From Case No. 2017-00071 (Over)/Under-Recovery				\$7,617
1d	Total Previous (Over)/Under-Recovery				(\$3,382)
2	Jan-17	\$774,009	\$702,056	\$71,953	\$68,571
3	Feb-17	\$403,052	\$391,252	\$11,800	\$80,371
4	Mar-17	\$429,842	\$411,333	\$18,509	\$98,880
5	Apr-17	\$448,586	\$463,772	(\$15,186)	\$83,693
6	May-17	\$491,856	\$515,182	(\$23,326)	\$60,367
7	Jun-17	\$714,506	\$756,020	(\$41,514)	\$18,853
Post Review	Jul-17	\$726,866	\$791,634	(\$64,768)	(\$45,915)
	Aug-17	\$662,529	\$0	\$662,529	\$616,614
Less Adjustment for Order amounts remaining to be amortized at end of review period June 2017					
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. 2016-00144 Recovery	\$23,071	(\$23,071)		\$0
8b	Case No. 2016-00335 Recovery	(\$12,072)	\$4,024		(\$8,048)
8c	Case No. 2017-00071 Recovery	(\$7,617)	\$0		(\$7,617)
8d	Total Order amounts remaining - Over/(Under):				(\$15,665)
9	Cumulative six month (Over)/Under-Recovery [Cumulative net of remaining Case amortizations (Ln 7&8d)]				\$3,188
10	Monthly recovery (per month for six months)				\$531
Reconciliation:					
11	Previous (Over)/Under-Recovery Remaining to be Amortized, beginning of Review Period				(\$3,382)
12	Previous (Over)/Under-Recovery Remaining to be Amortized, ending of Review Period				(\$15,665)
13	Total Amortization during Review Period				(\$19,047)
14	(Over)/Under-Recovery from Column 5, Line 9				\$3,188
15	Less: Total Monthly (Over)/Under-Recovery for Review Period (Column 4, Lines 2 thru 7)				\$22,235
16	Difference				(\$19,047)

Amortization Detail, Column 3, Line 8:

Month & Year	Case No. 2016-00144	Case No. 2016-00335	Case No. 2017-00071
Jan-17	(\$11,534)	\$0	\$0
Feb-17	(\$11,537)	\$0	\$0
Mar-17	\$0	\$0	\$0
Apr-17	\$0	\$0	\$0
May-17	\$0	\$2,012	\$0
Jun-17	\$0	\$2,012	\$0
Totals	(\$23,071)	\$4,024	\$0

Witness: Cheryl G. Thomas, Vice President Office Services