



115 Jackson Energy Lane  
McKee, Kentucky 40447  
Telephone (606) 364-1000 • Fax (606) 364-1007

RECEIVED

APR 25 2018

PUBLIC SERVICE  
COMMISSION

April 24, 2018

Gwen R. Pinson, Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
P O Box 615  
Frankfort, KY 40602-0615

RE: Case No. 2018-00075

Ms. Pinson:

In accordance with the above case, we are enclosing an original and six (6) copies regarding the analysis of the environmental surcharge mechanism for the six-month billing period ending December 31, 2017.

Should you have any questions or need further information, please contact our office.

Sincerely,

A handwritten signature in blue ink, appearing to read "Ryan Henderson", is written over a horizontal line.

Ryan Henderson  
Vice President of Corporate Services

Enclosure

RECEIVED

APR 25 2018

PUBLIC SERVICE  
COMMISSION



**JACKSON ENERGY**

A Touchstone Energy<sup>®</sup>  
Cooperative



## **CASE No. 2018-00075**

**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 December  
31, 2017, and the pass-through mechanism of its sixteen Member  
Distribution Cooperatives**

*Response to Commission Staff's  
First Request for Information*

*April 24, 2018*

115 Jackson Energy Lane ~ McKee, KY 40447 ~ 606-364-1000

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

**In the Matter of:**

<b>AN EXAMINATION BY THE PUBLIC SERVICE</b>	<b>)</b>	
<b>COMMISSION OF THE ENVIRONMENTAL</b>	<b>)</b>	
<b>SURCHARGE MECHANISM OF EAST</b>	<b>)</b>	<b>CASE NO.</b>
<b>KENTUCKY POWER COOPERATIVE, INC. FOR</b>	<b>)</b>	<b>2018 - 00075</b>
<b>THE SIX-MONTH BILLING PERIOD ENDING</b>	<b>)</b>	
<b>DECEMBER 31, 2017, AND THE PASS-THROUGH</b>	<b>)</b>	
<b>OF ITS SIXTEEN MEMBER DISTRIBUTION</b>	<b>)</b>	
<b>COOPERATIVES</b>	<b>)</b>	

**JACKSON ENERGY COOPERATIVE CORPORATION RESPONSE TO  
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION**

STATE OF KENTUCKY)

COUNTY OF JACKSON)

I, Ryan Henderson, state that I am the Vice President of Corporate Services, of Jackson Energy Cooperative, that I have personal knowledge of the matters set forth in this response to the Commission's request for information, and that the statements and calculations contained in each are true as I verily believe.

This 24 day of April 2018

  
Ryan Henderson

SUBSCRIBED AND SWORN to before me by Ryan Henderson this  
24<sup>th</sup> day of April, 2018.

Gisa Baker # 592818  
Notary Public, KY State at Large

My Commission Expires: 1/19/22

**Request No. 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 all cells and formulas intact and unprotected.**

**Response No. 2:**

**Please see EKPC's response to Request 2 of the Commission Staff's First Request for Information dated April 6, 2018.**

**Request No. 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 ending November 30, 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 No. 6**

Actual Average Residential Bill

<u>12-Month Average Residential KWH Usage as of November 30, 2017</u>	<u>1,066</u>
Energy @ \$0.09591	\$102.24
Customer Charge	\$16.44
Fuel Adjustment @ \$-0.00332	(\$3.54)
Environmental Surcharge @ 10.60% (December 2017)*	\$12.20
Local School Tax @ 3.0%	<u>\$3.82</u>
 Total Bill Amount	 <u><u>\$131.16</u></u>

Recovery Period of Six Months

<u>12-Month Average Residential KWH Usage as of November 30, 2017</u>	<u>1,066</u>
Energy @ \$0.09591	\$102.24
Customer Charge	\$16.44
Fuel Adjustment @ \$-0.00332	(\$3.54)
Environmental Surcharge @ 10.75% (December 2017)*	\$12.38
Local School Tax @ 3.0%	<u>\$3.83</u>
 Total Bill Amount	 <u><u>\$131.35</u></u>

Dollar Impact on Average Residential Bill \$0.19

East Kentucky Power Cooperative, Inc. - Distribution Cooperatives  
 Pass Through Mechanism Report for Jackson Energy Cooperative

For the Month Ending November 2017

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Surcharge Factor Expense Month	EKPC CESF %	EKPC EESF %	EKPC MESF %	EKPC Monthly Revenues from Sales to Jackson	On-peak Revenue Adjustment	EKPC Net Monthly Sales to Jackson	EKPC 12-months Ended Average Monthly Revenue from Sales to Jackson	Jackson Revenue Requirement	Amortization of (Over)/Under Recovery	Jackson Net Revenue Requirement	Jackson Total Monthly Retail Revenues	On-Peak Retail Revenue Adjustment	Jackson Net Monthly Retail Revenues	12-months ended Avg. Retail Revenues, Net	Jackson 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)
Dec-15	18.40%	0.00%	18.40%	\$ 4,601,939		\$ 4,601,939	\$ 4,665,205	\$ 868,398	\$ 25,237	\$ 893,635	\$ 7,313,214		\$ 7,313,214	\$ 7,127,329	12.01%
Jan-16	16.00%	0.00%	16.00%	\$ 6,465,358		\$ 6,465,358	\$ 4,637,103	\$ 741,936	\$ 25,237	\$ 767,173	\$ 10,836,626		\$ 10,836,626	\$ 7,131,420	10.76%
Feb-16	10.92%	0.00%	10.92%	\$ 5,501,049		\$ 5,501,049	\$ 4,482,538	\$ 460,565	\$ -	\$ 460,565	\$ 9,173,168		\$ 9,173,168	\$ 7,033,416	6.86%
Mar-16	14.30%	0.00%	14.30%	\$ 4,068,146		\$ 4,068,146	\$ 4,399,498	\$ 627,698	\$ (8,463)	\$ 619,235	\$ 7,023,523		\$ 7,023,523	\$ 7,033,773	8.76%
Apr-16	17.59%	0.00%	17.59%	\$ 3,438,467		\$ 3,438,467	\$ 4,395,694	\$ 773,201	\$ (8,463)	\$ 784,708	\$ 6,242,422		\$ 6,242,422	\$ 7,105,578	10.80%
May-16	18.99%	0.00%	18.99%	\$ 3,477,503		\$ 3,477,503	\$ 4,363,848	\$ 834,392	\$ (8,463)	\$ 825,899	\$ 5,972,556		\$ 5,972,556	\$ 7,059,440	11.62%
Jun-16	19.60%	0.00%	19.60%	\$ 4,154,742		\$ 4,154,742	\$ 4,376,311	\$ 857,757	\$ (8,463)	\$ 849,294	\$ 6,639,402		\$ 6,639,402	\$ 7,072,252	12.03%
Jul-16	16.50%	0.00%	16.50%	\$ 4,800,912		\$ 4,800,912	\$ 4,388,304	\$ 724,070	\$ (8,463)	\$ 715,577	\$ 7,743,808		\$ 7,743,808	\$ 7,124,644	10.12%
Aug-16	14.29%	0.00%	14.29%	\$ 4,861,440		\$ 4,861,440	\$ 4,432,358	\$ 633,394	\$ 34,363	\$ 667,777	\$ 8,074,691		\$ 8,074,691	\$ 7,205,547	9.37%
Sep-16	14.76%	0.00%	14.76%	\$ 4,129,057		\$ 4,129,057	\$ 4,452,542	\$ 657,195	\$ 42,868	\$ 700,061	\$ 6,841,668		\$ 6,841,668	\$ 7,259,307	9.72%
Oct-16	17.17%	0.00%	17.17%	\$ 3,308,131		\$ 3,308,131	\$ 4,427,660	\$ 760,234	\$ 42,868	\$ 803,120	\$ 5,908,692		\$ 5,908,692	\$ 7,424,328	11.06%
Nov-16	19.95%	0.00%	19.95%	\$ 4,178,726		\$ 4,178,726	\$ 4,415,269	\$ 880,850	\$ 42,868	\$ 923,736	\$ 6,960,630		\$ 6,960,630	\$ 7,421,669	12.44%
Dec-16	16.92%	0.00%	16.92%	\$ 5,617,135		\$ 5,617,135	\$ 4,469,899	\$ 761,381	\$ 42,868	\$ 804,257	\$ 9,219,405		\$ 9,219,405	\$ 7,590,549	10.84%
Jan-17	11.21%	0.00%	11.21%	\$ 5,594,094		\$ 5,594,094	\$ 4,426,449	\$ 496,205	\$ 42,863	\$ 539,068	\$ 8,662,406		\$ 8,662,406	\$ 7,401,030	7.11%
Feb-17	12.26%	0.00%	12.26%	\$ 4,590,054		\$ 4,590,054	\$ 4,360,533	\$ 533,375	\$ -	\$ 533,375	\$ 7,439,360		\$ 7,439,360	\$ 7,259,547	7.21%
Mar-17	15.73%	0.00%	15.73%	\$ 4,501,464		\$ 4,501,464	\$ 4,388,810	\$ 690,045	\$ -	\$ 690,045	\$ 7,739,874		\$ 7,739,874	\$ 7,316,242	9.51%
Apr-17	15.40%	0.00%	15.40%	\$ 3,371,343		\$ 3,371,343	\$ 4,381,216	\$ 674,707	\$ (51,126)	\$ 623,581	\$ 5,972,836		\$ 5,972,836	\$ 7,293,777	8.52%
May-17	19.86%	0.00%	19.86%	\$ 3,564,345		\$ 3,564,345	\$ 4,388,453	\$ 871,547	\$ (51,126)	\$ 820,421	\$ 6,007,347		\$ 6,007,347	\$ 7,296,678	11.25%
Jun-17	18.13%	0.00%	18.13%	\$ 3,666,465		\$ 3,666,465	\$ 4,384,432	\$ 791,272	\$ (60,774)	\$ 730,498	\$ 6,561,763		\$ 6,561,763	\$ 7,265,203	10.01%
Jul-17	17.75%	0.00%	17.75%	\$ 4,509,262		\$ 4,509,262	\$ 4,340,128	\$ 770,373	\$ (60,774)	\$ 709,599	\$ 7,564,728		\$ 7,564,728	\$ 7,250,283	9.77%
Aug-17	15.89%	0.00%	15.89%	\$ 4,182,595		\$ 4,182,595	\$ 4,284,391	\$ 680,780	\$ (60,774)	\$ 620,016	\$ 7,142,909		\$ 7,142,909	\$ 7,172,635	8.55%
Sep-17	17.53%	0.00%	17.53%	\$ 3,305,665		\$ 3,305,665	\$ 4,215,777	\$ 739,028	\$ (60,771)	\$ 678,255	\$ 5,913,408		\$ 5,913,408	\$ 7,095,260	9.46%
Oct-17	20.51%	0.00%	20.51%	\$ 3,773,798		\$ 3,773,798	\$ 4,254,583	\$ 872,615	\$ (9,648)	\$ 862,967	\$ 6,121,463		\$ 6,121,463	\$ 7,113,013	12.16%
Nov-17	17.87%	0.00%	17.87%	\$ 4,402,557		\$ 4,402,557	\$ 4,273,236	\$ 763,627	\$ (9,648)	\$ 753,978					10.60%

Appendix B  
 Request No. 6  
 Page 2 of 3  
 Case No. 2018-00075  
 Witness: Ryan Henderson

Original

East Kentucky Power Cooperative, Inc. - Distribution Cooperatives  
 Pass Through Mechanism Report for Jackson Energy Cooperative

For the Month Ending November 2017

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Surcharge Factor Expense Month	EKPC CESF %	EKPC EESF %	EKPC MESF %	EKPC Monthly Revenue from Sales to Jackson	On-peak Revenue Adjustment	EKPC Net Monthly Sales to Jackson	EKPC 12-months Ended Average Monthly Revenue from Sales to Jackson	Jackson Revenue Requirement	Amortization of (Over/Under Recovery	Jackson Net Revenue Requirement	Jackson Total Monthly Retail Revenues	On-Peak Retail Revenue Adjustment	Jackson Net Monthly Retail Revenues	12-months ended Avg. Retail Revenues, Net	Jackson Pass Through Mechanism Factor
			Oct. (1) - Oct. (2)			Oct. (4) - Oct. (5)		Oct. (3) x Oct. (7)		Oct. (6) + Oct. (9)			Oct. (11) - Oct. (12)		Oct. (10) / Oct. (14)
Dec-15	18.40%	0.00%	18.40%	\$ 4,601,939		\$ 4,601,939	\$ 4,665,205	\$ 868,388	\$ 25,237	\$ 883,635	\$ 7,313,214		\$ 7,313,214	\$ 7,127,329	12.01%
Jan-16	16.00%	0.00%	16.00%	\$ 6,465,368		\$ 6,465,368	\$ 4,637,103	\$ 741,896	\$ 25,237	\$ 767,133	\$ 10,838,626		\$ 10,838,626	\$ 7,131,420	10.76%
Feb-16	10.92%	0.00%	10.92%	\$ 5,501,049		\$ 5,501,049	\$ 4,492,538	\$ 480,585	\$ -	\$ 480,585	\$ 9,173,166		\$ 9,173,166	\$ 7,056,416	8.89%
Mar-16	14.30%	0.00%	14.30%	\$ 4,068,146		\$ 4,068,146	\$ 4,399,488	\$ 627,698	\$ (8,493)	\$ 619,205	\$ 7,023,523		\$ 7,023,523	\$ 7,053,773	8.78%
Apr-16	17.59%	0.00%	17.59%	\$ 3,438,467		\$ 3,438,467	\$ 4,365,694	\$ 773,201	\$ (8,493)	\$ 764,708	\$ 6,242,422		\$ 6,242,422	\$ 7,105,576	10.80%
May-16	18.99%	0.00%	18.99%	\$ 3,477,503		\$ 3,477,503	\$ 4,363,848	\$ 834,392	\$ (8,493)	\$ 825,899	\$ 5,972,556		\$ 5,972,556	\$ 7,059,440	11.62%
Jun-16	19.60%	0.00%	19.60%	\$ 4,154,742		\$ 4,154,742	\$ 4,376,311	\$ 857,757	\$ (8,493)	\$ 849,264	\$ 6,899,402		\$ 6,899,402	\$ 7,072,252	12.03%
Jul-16	16.50%	0.00%	16.50%	\$ 4,800,912		\$ 4,800,912	\$ 4,388,304	\$ 724,070	\$ (8,493)	\$ 715,577	\$ 7,743,808		\$ 7,743,808	\$ 7,124,644	10.12%
Aug-16	14.29%	0.00%	14.29%	\$ 4,861,440		\$ 4,861,440	\$ 4,432,358	\$ 633,394	\$ 34,393	\$ 667,777	\$ 8,074,691		\$ 8,074,691	\$ 7,205,547	9.37%
Sep-16	14.76%	0.00%	14.76%	\$ 4,129,057		\$ 4,129,057	\$ 4,452,542	\$ 657,195	\$ 42,886	\$ 700,081	\$ 6,841,666		\$ 6,841,666	\$ 7,259,307	9.72%
Oct-16	17.17%	0.00%	17.17%	\$ 3,308,131		\$ 3,308,131	\$ 4,427,690	\$ 780,234	\$ 42,886	\$ 803,120	\$ 5,908,692		\$ 5,908,692	\$ 7,424,326	11.08%
Nov-16	19.95%	0.00%	19.95%	\$ 4,178,728		\$ 4,178,728	\$ 4,415,269	\$ 860,860	\$ 42,886	\$ 923,736	\$ 6,990,630		\$ 6,990,630	\$ 7,421,699	12.44%
Dec-16	16.92%	0.00%	16.92%	\$ 5,617,135		\$ 5,617,135	\$ 4,499,869	\$ 781,381	\$ 42,886	\$ 804,267	\$ 9,219,405		\$ 9,219,405	\$ 7,560,549	10.84%
Jan-17	11.21%	0.00%	11.21%	\$ 5,584,084		\$ 5,584,084	\$ 4,428,449	\$ 488,205	\$ 42,883	\$ 539,088	\$ 8,662,406		\$ 8,662,406	\$ 7,401,030	7.11%
Feb-17	12.26%	0.00%	12.26%	\$ 4,590,054		\$ 4,590,054	\$ 4,360,533	\$ 533,375	\$ -	\$ 533,375	\$ 7,439,360		\$ 7,439,360	\$ 7,259,547	7.21%
Mar-17	15.73%	0.00%	15.73%	\$ 4,501,464		\$ 4,501,464	\$ 4,366,810	\$ 690,045	\$ -	\$ 690,045	\$ 7,739,874		\$ 7,739,874	\$ 7,319,242	9.51%
Apr-17	15.40%	0.00%	15.40%	\$ 3,371,343		\$ 3,371,343	\$ 4,381,216	\$ 674,707	\$ (51,126)	\$ 623,581	\$ 5,972,836		\$ 5,972,836	\$ 7,293,777	8.52%
May-17	19.86%	0.00%	19.86%	\$ 3,564,345		\$ 3,564,345	\$ 4,388,463	\$ 871,547	\$ (51,126)	\$ 820,421	\$ 6,007,347		\$ 6,007,347	\$ 7,286,676	11.25%
Jun-17	18.13%	0.00%	18.13%	\$ 3,868,485		\$ 3,868,485	\$ 4,364,432	\$ 791,272	\$ (50,365)	\$ 740,887	\$ 6,591,763		\$ 6,591,763	\$ 7,265,206	10.15%
Jul-17	17.75%	0.00%	17.75%	\$ 4,508,262		\$ 4,508,262	\$ 4,340,128	\$ 770,373	\$ (50,365)	\$ 719,988	\$ 7,564,728		\$ 7,564,728	\$ 7,250,263	9.91%
Aug-17	15.89%	0.00%	15.89%	\$ 4,182,565		\$ 4,182,565	\$ 4,264,391	\$ 680,780	\$ (50,365)	\$ 630,405	\$ 7,142,909		\$ 7,142,909	\$ 7,172,635	8.69%
Sep-17	17.53%	0.00%	17.53%	\$ 3,305,695		\$ 3,305,695	\$ 4,215,777	\$ 799,026	\$ (50,362)	\$ 688,644	\$ 5,913,408		\$ 5,913,408	\$ 7,095,280	9.60%
Oct-17	20.51%	0.00%	20.51%	\$ 3,773,798		\$ 3,773,798	\$ 4,254,583	\$ 872,815	\$ 741	\$ 873,355	\$ 6,121,483		\$ 6,121,483	\$ 7,113,013	12.31%
Nov-17	17.87%	0.00%	17.87%	\$ 4,402,587		\$ 4,402,587	\$ 4,273,236	\$ 783,627	\$ 740	\$ 784,367					10.75%

Witness: Ryan Henderson  
 Case No. 2018-00075



**Request No. 7**

**This question is addressed to EKPC and the Member Cooperatives. State whether you would be amendable to the use of electronic filing procedures for the environmental surcharge review cases.**

**Response No. 7**

**Jackson Energy Cooperative Corporation is amendable to the use of electronic filing procedures for the environmental surcharge review cases.**