

**Goss
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November 2, 2018

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NOV 02 2018

PUBLIC SERVICE
COMMISSION

VIA HAND DELIVERY

Gwen R. Pinson, Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, KY 40602

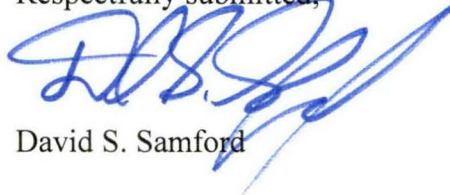
Re: IN THE MATTER OF: APPLICATION OF INTER-COUNTY ENERGY
COOPERATIVE CORPORATION FOR A GENERAL ADJUSTMENT OF EXISTING
RATES - Case No. 2018-00129

Ms. Pinson:

Please find enclosed and accept for filing in the above-styled matter an original and ten (10) copies of Inter-County Energy Cooperative Corporation's Responses to Commission Staff's Informal Conference Request for Information. Please return a file-stamped copy to me.

I appreciate your assistance with this matter, and please do not hesitate to contact me with any questions or concerns.

Respectfully submitted,



David S. Samford

Enclosures

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COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

PUBLIC SERVICE
COMMISSION

In the Matter of:

APPLICATION OF INTER-COUNTY ENERGY)
COOPERATIVE CORPORATION FOR A GENERAL) Case No. 2018-00129
ADJUSTMENT OF EXISTING RATES)

**INTER-COUNTY ENERGY COOPERATIVE CORPORATION'S RESPONSE
TO COMMISSION STAFF'S INFORMAL CONFERENCE REQUEST FOR
INFORMATION**

Filed: November 2, 2018

Inter-County Energy Cooperative Corporation
Case No. 2018-00129
Commission Staff's Informal Conference Request for Information

1. Please provide the new proposed changes to Schedule 2 – Small Commercial and Small Power rates.

Response:

In its application, Exhibit 12, Page 1 of 1, Inter-County Energy showed a revenue request for Schedule 2 of \$1,670,807, representing a \$151,070, or 9.9% increase from present rate levels. Exhibit 13, Page 2 of 4 of the application shows the proposed rate design used to produce this revenue request. The request also included a change in how the rate is administered. In administering the present rate members are assessed the Demand Charge only on kW that exceeds 10 kW in each month, if any. Inter-County proposed to change the administration so that all members would be assessed the Demand Charge on all kW each month. However, in preparing its response to Staff Data Request No. 4, question 5, it became apparent that it would be problematic to administer Schedule 2 in this manner in the short-term. Therefore, Inter-County Energy is proposing to maintain the present administration of the rate whereby only kW that exceeds 10 kW is billed the Demand Charge. The overall revenue request would not change, and the rate design shown below in the “Alternative” column would achieve the requested revenue while maintaining the present administration of the rate (there is a \$1 difference due to rounding).

Schedule 2 - Small Commercial and Small Power

	Present	As Filed	Alternative
	(> 10 kW)	(all kW)	(> 10 kW)
Customer Charge	\$6.28	\$18.00	\$18.00
Demand Charge	\$4.54	\$5.85	\$5.85
Energy Charge	\$0.08688	\$0.07150	\$0.08612
Annual Revenue	\$1,519,737	\$1,670,807	\$1,670,806
Change		9.9%	9.9%

Inter-County Energy Cooperative Corporation
Case No. 2018-00129
Commission Staff's Informal Conference Request for Information

2. Provide the number of Inter-County Energy employees engaged in storm restoration that have hours included in the 2018 Project 9, March snow storm. Please provide the total number of regular hours worked by these Inter-County Energy employees and the total expense for these regular hours worked.

Response:

Total number of Inter-County Energy employees who billed labor expenses to Project 9: 47

Total regular hours worked for Inter-County Energy employees: 1,408.25 hours

Total expense for regular hours worked for Inter-County Energy employees: \$44,387.18

**Inter-County Energy Cooperative Corporation
Case No. 2018-00129
Commission Staff's Informal Conference Request for Information**

3. Please provide the regular hour and the overtime expense incurred by Inter-County Energy, by quarter, for 2013 – 2018, along with regular and overtime expense for March 2013, March 2014, March 2015, March 2016, March 2017 & March 2018 through October 21, 2018.

Response:

Please see attached. The information included is for Inter-County Energy employees only. The “outside” employees are those who work primarily in outdoor conditions. The “inside” employees are those who work primarily in an office setting. On page 2 of this response, Inter-County Energy is providing the general ledger entries related to Inter-County Energy’s labor expense for its own employees.

7/11/2018	
PROJECT 9 MARCH 2018 SNOW STORM	
EXECUTIVE	
920	\$ 1,666.72
TOTALS	\$ 1,666.72
CUSTOMER SERVICE	
901	\$ 1,262.73
903	\$ 2,692.26
TOTALS	\$ 3,954.99
MEMBERS SERVICE	
907	\$ 2,510.85
908	\$ 852.55
TOTALS	\$ 3,363.40
MAINTAINCE	
580	\$ 3,498.66
583	\$ 2,867.28
586	\$ 905.28
590	\$ 1,224.60
593	\$ 67,681.75
595	\$ 121.00
598	\$ 154.82
TOTALS	\$ 76,433.17
CONSTRUCTION	
107.20	\$ 5,415.01
107.21	\$ 3,879.98
163.00	\$ 1,109.85
TOTALS	\$ 10,404.84
RETIREMENT	
108.80	\$ 1,806.21
108.81	\$ 1,170.42
TOTALS	\$ 2,976.63
BUDGET 10	
903	\$ 1,560.20
TOTAL	\$ 1,560.20
GRAND TOTAL	\$ 100,369.96

*Inter-County Emergency Work
Force*

Regular/Overtime hours & expense 2013 - 2018 by quarter

2013	1st Quarter				2nd Quarter				3rd Quarter				4th Quarter			
	Reg Hr.	Reg Expense	OT Hrs	OT Expense	Reg Hr.	Reg Expense	OT Hrs	OT Expense	Reg Hr.	Reg Expense	OT Hrs	OT Expense	Reg Hr.	Reg Expense	OT Hrs	OT Expense
Outside employees	15442.00	\$ 459,163.25	705.50	\$ 31,922.92	18144.50	\$ 531,309.64	1027.00	\$ 45,064.12	15697.50	\$ 459,227.55	1390.50	\$ 61,397.23	18695.50	\$ 550,140.98	1394.00	\$ 62,282.74
Inside employees	16036.50	\$ 434,928.98	108.00	\$ 3,455.30	17181.00	\$ 468,545.81	176.50	\$ 5,710.51	14428.00	\$ 398,813.53	113.00	\$ 3,681.35	16905.00	\$ 479,079.88	127.00	\$ 4,036.06
Total	31478.50	\$ 894,092.23	813.50	\$ 35,378.22	35325.50	\$ 999,855.45	1203.50	\$ 50,774.63	30125.50	\$ 858,041.08	1503.50	\$ 65,078.58	35600.50	\$ 1,029,220.86	1521.00	\$ 66,318.80

2014	1st Quarter				2nd Quarter				3rd Quarter				4th Quarter			
	Reg Hr.	Reg Expense	OT Hrs	OT Expense	Reg Hr.	Reg Expense	OT Hrs	OT Expense	Reg Hr.	Reg Expense	OT Hrs	OT Expense	Reg Hr.	Reg Expense	OT Hrs	OT Expense
Outside employees	15404.7	\$ 466,327.58	1538.05	\$ 68,566.79	16049.00	\$ 464,896.53	1215.50	\$ 52,706.55	16837.50	\$ 491,569.56	1345.00	\$ 59,376.92	17037.00	\$ 505,555.08	853.00	\$ 37,499.14
Inside employees	15420.5	\$ 460,025.98	237.50	\$ 8,627.28	15552.00	\$ 427,145.38	120.50	\$ 3,633.96	18174.40	\$ 513,683.27	345.50	\$ 11,084.95	18426.00	\$ 518,875.19	192.50	\$ 5,857.01
Total	30825.20	\$ 926,353.56	1775.55	\$ 77,194.07	31601.00	\$ 892,041.91	1336.00	\$ 56,340.51	35011.90	\$ 1,005,252.83	1690.50	\$ 70,461.87	35463.00	\$ 1,024,430.27	1045.50	\$ 43,356.15

2015	1st Quarter				2nd Quarter				3rd Quarter				4th Quarter			
	Reg Hr.	Reg Expense	OT Hrs	OT Expense	Reg Hr.	Reg Expense	OT Hrs	OT Expense	Reg Hr.	Reg Expense	OT Hrs	OT Expense	Reg Hr.	Reg Expense	OT Hrs	OT Expense
Outside employees	14876.5	\$ 450,026.58	592.25	\$ 26,641.99	18130.00	\$ 539,366.86	1443.25	\$ 64,519.57	15512.00	\$ 463,480.63	1764.50	\$ 78,211.05	18077.50	\$ 549,471.26	537.50	\$ 24,227.39
Inside employees	15902.5	\$ 453,628.06	152.25	\$ 4,497.85	18600.00	\$ 527,905.19	244.75	\$ 7,719.76	16087.00	\$ 459,825.49	139.00	\$ 4,451.47	18872.50	\$ 548,427.06	101.00	\$ 3,149.41
Total	30779.00	\$ 903,654.64	744.50	\$ 31,139.84	36730.00	\$ 1,067,272.05	1688.00	\$ 72,239.33	31599.00	\$ 923,306.12	1903.50	\$ 82,662.52	36950.00	\$ 1,097,898.32	638.50	\$ 27,376.80

2016	1st Quarter				2nd Quarter				3rd Quarter				4th Quarter			
	Reg Hr.	Reg Expense	OT Hrs	OT Expense	Reg Hr.	Reg Expense	OT Hrs	OT Expense	Reg Hr.	Reg Expense	OT Hrs	OT Expense	Reg Hr.	Reg Expense	OT Hrs	OT Expense
Outside employees	17677.00	\$ 545,875.17	689.00	\$ 32,271.68	15680.50	\$ 485,315.71	1268.75	\$ 58,888.90	18751.50	\$ 577,573.35	1629.75	\$ 75,365.31	16027.50	\$ 502,968.86	526.75	\$ 24,967.82
Inside employees	19338.25	\$ 572,384.06	94.25	\$ 3,075.34	16140.00	\$ 484,912.78	147.75	\$ 4,960.56	17501.50	\$ 525,041.83	89.25	\$ 2,878.90	15544.50	\$ 471,963.54	80.75	\$ 2,635.05
Total	37015.25	\$ 1,118,259.23	783.25	\$ 35,347.02	31820.50	\$ 970,228.49	1416.50	\$ 63,849.46	36253.00	\$ 1,102,615.18	1719.00	\$ 78,244.21	31572.00	\$ 974,932.40	607.50	\$ 27,602.87

2017	1st Quarter				2nd Quarter				3rd Quarter				4th Quarter			
	Reg Hr.	Reg Expense	OT Hrs	OT Expense	Reg Hr.	Reg Expense	OT Hrs	OT Expense	Reg Hr.	Reg Expense	OT Hrs	OT Expense	Reg Hr.	Reg Expense	OT Hrs	OT Expense
Outside employees	18722.00	\$ 594,926.81	961.75	\$ 44,635.97	16187.00	\$ 522,135.81	1202.00	\$ 56,867.91	19165.00	\$ 616,052.74	1208.75	\$ 57,796.26	15961.00	\$ 511,368.20	606.50	\$ 28,961.43
Inside employees	17946.53	\$ 550,296.67	115.00	\$ 3,959.31	16123.10	\$ 502,596.69	151.25	\$ 5,181.46	17725.75	\$ 532,282.34	87.00	\$ 2,921.83	15705.00	\$ 494,059.31	87.25	\$ 2,807.85
Total	36668.53	\$ 1,145,223.48	1076.75	\$ 48,595.28	32310.10	\$ 1,024,732.50	1353.25	\$ 62,049.37	36890.75	\$ 1,148,335.08	1295.75	\$ 60,718.09	31666.00	\$ 1,005,427.51	693.75	\$ 31,769.28

**2018	1st Quarter				2nd Quarter				3rd Quarter				**4th Quarter			
	Reg Hr.	Reg Expense	OT Hrs	OT Expense	Reg Hr.	Reg Expense	OT Hrs	OT Expense	Reg Hr.	Reg Expense	OT Hrs	OT Expense	Reg Hr.	Reg Expense	OT Hrs	OT Expense
Outside employees	17804.00	\$ 578,037.78	1911.75	\$ 91,072.83	15389.50	\$ 499,684.15	1279.25	\$ 61,002.52	17830.50	\$ 581,849.53	1921.50	\$ 92,593.37	5128.00	\$ 165,826.41	428.75	\$ 20,664.63
Inside employees	18646.50	\$ 619,340.99	230.75	\$ 8,403.30	15226.25	\$ 462,317.53	131.00	\$ 4,668.77	17736.50	\$ 538,942.54	97.75	\$ 3,451.09	4973.50	\$ 155,574.02	27.50	\$ 948.40
Total	36450.50	\$ 1,197,378.77	2142.50	\$ 99,476.13	30615.75	\$ 962,001.68	1410.25	\$ 65,671.29	35567.00	\$ 1,120,792.07	2019.25	\$ 96,044.46	10101.50	\$ 321,400.43	456.25	\$ 21,613.03

**2018 Budget OT Hrs & Expense:
4,500 Hrs/\$201,000

** Reg/ OT Hrs & Expense 10/1/18 -
10/21/2018

March, 2013	Reg. Hrs	Reg. Exp.	OT Hrs.	OT Exp.
Outside Employees	5208.00	\$ 152,973.84	186.00	\$ 8,334.74
Inside Employees	5612.50	\$ 148,042.01	37.00	\$ 1,186.89
Total	10820.50	\$ 301,015.85	223.00	\$ 9,521.63

March, 2014	Reg. Hrs	Reg. Exp.	OT Hrs.	OT Exp.
Outside Employees	9303.50	\$ 273,263.82	357.50	\$ 15,242.92
Inside Employees	4902.50	\$ 144,153.24	49.50	\$ 1,694.65
Total	14206.00	\$ 417,417.06	407.00	\$ 16,937.57

March, 2015	Reg. Hrs	Reg. Exp.	OT Hrs.	OT Exp.
Outside Employees	5121.00	\$ 153,158.61	271.25	\$ 12,123.20
Inside Employees	4962.50	\$ 143,362.46	48.50	\$ 1,473.66
Total	10083.50	\$ 296,521.07	319.75	\$ 13,596.86

March, 2016	Reg. Hrs	Reg. Exp.	OT Hrs.	OT Exp.
Outside Employees	7606.00	\$ 234,840.28	161.25	\$ 7,542.05
Inside Employees	7968.00	\$ 233,864.17	36.25	\$ 1,182.02
Total	15574.00	\$ 468,704.45	197.50	\$ 8,724.07

March, 2017	Reg. Hrs	Reg. Exp.	OT Hrs.	OT Exp.
Outside Employees	7995.50	\$ 254,729.88	578.00	\$ 26,031.76
Inside Employees	7608.00	\$ 231,083.40	45.00	\$ 1,571.34
Total	15603.50	\$ 485,813.28	623.00	\$ 27,603.10

March, 2018	Reg. Hrs	Reg. Exp.	OT Hrs.	OT Exp.
Outside Employees	7627.00	\$ 232,878.69	174.75	\$ 6,444.06
Inside Employees	7569.00	\$ 246,465.09	1517.25	\$ 71,848.22
Total	15196.00	\$ 479,343.78	1692.00	\$ 78,292.28