OWEN Electric

A Touchstone Energy Cooperative

RECEIVED
SEP 30 2015
PUBLIC SERVICE
COMMISSION

Case No. 2015-00281

FIRST DATA REQUEST OF THE PUBLIC SERVICE COMMISSION

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

523 Highland Avenue
P.O. Box 353
Carrollton, Kentucky 41008

James M. Crawford
Ruth H. Baxter

Phone: (502) 732-6688
1-800-442-8680
Fax: (502) 732-6920
Email: CBJ523@AOL.COM

September 25, 2015

RECEIVED
SEP 30 2015
PUBLIC SERVICE COMMISSION

Mr. Jeffrey Derouen
Executive Director
Kentucky Public Service Commission
P.O. Box 615
211 Sower Boulevard
Frankfort, KY 40602

RE: PSC Case No. 2015-00281

Dear Mr. Derouen:

Please find enclosed for filing with the Commission in the above-referenced case, an original and seven copies of the responses of Owen Electric Cooperative, Inc. to the Commission Staff's First Request for Information to East Kentucky Power Cooperative, Inc. and Each of Its Sixteen Member Distribution Cooperatives, dated August 31, 2015.

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

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION BY THE PUBLIC SERVICE COMMISSION OF THE ENVIRONMENTAL SURCHARGE MECHANISM OF EAST KENTUCKY POWER COOPERATIVE, INC. FOR THE SIX MONTH BILLING PERIODS ENDING JUNE 30, 2014 AND DECEMBER 31, 2014, TWO-YEAR BILLING PERIOD ENDING JUNE 30, 2015, AND THE PASS THROUGH MECHANISM FOR ITS SIXTEEN MEMBER DISTRIBUTION COOPERATIVES	)	**CASE NO. 2015-00281**

CERTIFICATE

STATE OF KENTUCKY)
)
COUNTY OF OWEN)

Ann F. Wood, being duly sworn, states that she has supervised the preparation of the response of Owen Electric Cooperative, Inc. to the Public Service Commission Staff's First Request for Information to East Kentucky Power Cooperative, Inc. and Each of Its Sixteen Member Distribution Cooperatives dated August 31, 2015, in the above-referenced case, 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.

Ann F Wood

Subscribed and sworn before me on this 23 day of September, 2015.

Pamela McAlister

Notary Public

OWEN ELECTRIC COOPERATIVE, INC.

PSC CASE NO. 2015-00281

ENVIRONMENTAL SURCHARGE MECHANISM

RESPONSE TO FIRST INFORMATION REQUEST

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION TO EAST KENTUCKY POWER COOPERATIVE, INC. AND EACH OF ITS SIXTEEN MEMBER COOPERATIVES DATED 8/31/2015

REQUEST 8

RESPONSIBLE PARTY: Ann F. Wood

Request 8: This question is addressed to each of the 16 Member Cooperatives. For your particular distribution cooperative, provide the actual average residential customer's monthly usage for the 12 months ended May 31, 2015. Based on this usage amount, provide the dollar impact any over- or under-recovery will have on the average residential customer's bill for the requested recovery period. Provide all supporting calculations.

Response 8: The over-recovery used to determine the impact on the average residential customer's monthly bill has been determined using the traditional methodology used in previous surcharge reviews. However, Owen Electric continues to believe that the methodology used to determine the over-or under-recovery needs revision and is working with the other EKPC members to reach a consensus solution. Owen Electric also supports the proposal that a future informal conference with the Commission be held to discuss this issue.

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 "traditional" approach over-recovery of $1,362,485, as provided in the response to Request 2 from East Kentucky Power Cooperative, was amortized during the April 2014 to March 2015 timeframe and served as a basis for calculating the average pass-through factor used to calculate the "Average Residential Monthly Bill with Refund" on page 3. Please note that the April 2014 to March 2015 expense month environmental surcharge factors represent billed factors for June 2014 through May 2015.

Actual Average Residential Monthly Bill		
Average Monthly Residential kWh:		1,134
Residential Rate:		
Customer Charge	$25.00	$25.00
kWh Charge	$0.08491	$96.26
Fuel Adjustment Factor (Average Billed June 14 -May 15)	$0.00014	$0.16
Environmental Surcharge (Computed Average Billed June 14-May 15)	9.49%	11.52
County/City Tax	3.00%	$3.99
		$136.93

Average Residential Monthly Bill with Refund--Traditional Approach		
Average Monthly Residential kWh:		1,134
Residential Rate:		
Customer Charge	$25.00	$25.00
kWh Charge	$0.08491	$96.26
Fuel Adjustment Factor (Average Billed June 14 -May 15)	$0.00014	$0.16
Environmental Surcharge (Computed Average Billed June 14-May 15)	8.17%	9.92
County/City Tax	3.00%	$3.94
		$135.27

Dollar Impact:	($1.66)

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

AS FILED

Surcharge Factor Expense Month	(1) EKPC CESF %	(2) EKPC BESF %	(3) EKPC MESF %	(4) EKPC Monthly Revenues from Sales to Owen	(5) On-peak Revenue Adjustment	(6) EKPC Net Monthly Sales to Owen	(7) EKPC 12-months Ended Average Monthly Revenue from Sales to Owen	(8a) Owen Revenue Requirement	(8b) Gallatin Surcharge Revenues	(8c) Amortization of (Over)/Under Recovery of Gallatin Revenues	(8d) EKPC Schedule B Surcharge Revenues	(8e) Amortization of EKPC Schedule B (Over)/Under Recovery of Revenues	(8f) Owen Revenue Requirements exclusive of Gallatin and Schedule B	(9) Amortization of (Over)/Under Recovery excl. of Gallatin	(10) Owen Net Revenue Revenue Requirement exclusive of Gallatin + Sch B	(11) Owen Total Monthly Retail Revenues exclusive of Gallatin + Sch B	(12) On-Peak Retail Revenue Adjustment	(13) Owen Net Monthly Retail Revenues exclusive of Gallatin + Sch B	(14) 12-months ended Avg. Retail Revenues, Net Exclusive of Gallatin + Sch B	(15) 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 (8f) + Col (9)			Col. (11) - Col. (12)		Col (10) / Col (14)
Sep-13	14.93%	0.00%	14.93%	$ 9,303,634		$ 9,303,634	$ 10,057,112	$ 1,501,527	$ 460,526	$ -	$ 142,241	$ -	$ 878,760	$ 394,275	$ 1,273,035	$ 8,601,825		$ 8,601,825	$ 8,035,455	15.95%
Oct-13	16.69%	0.00%	16.69%	$ 8,185,439		$ 8,185,439	$ 10,018,219	$ 1,672,041	$ 433,252	$ -	$ 131,785	$ -	$ 1,107,004	$ 394,275	$ 1,501,279	$ 7,022,450		$ 7,022,450	$ 8,105,316	18.68%
Nov-13	17.43%	0.00%	17.43%	$ 9,555,378		$ 9,555,378	$ 9,969,141	$ 1,737,621	$ 569,315	$ -	$ 146,758	$ -	$ 1,021,548	$ 394,275	$ 1,415,823	$ 7,434,502		$ 7,434,502	$ 8,137,456	17.47%
Dec-13	14.54%	0.00%	14.54%	$ 10,927,297		$ 10,927,297	$ 10,054,265	$ 1,461,890	$ 609,310	$ -	$ 165,180	$ -	$ 687,400	$ 394,275	$ 1,081,675	$ 8,647,005		$ 8,647,005	$ 8,217,050	13.29%
Jan-14	10.92%	0.00%	10.92%	$ 12,189,045		$ 12,189,045	$ 10,144,844	$ 1,107,817	$ 464,733	$ -	$ 142,556	$ -	$ 460,528	$ (8,623)	$ 471,905	$ 10,066,989		$ 10,066,989	$ 8,285,191	5.74%
Feb-14	5.44%	0.00%	5.44%	$ 10,859,966		$ 10,859,966	$ 10,168,110	$ 554,233	$ 340,150	$ -	$ 113,157	$ -	$ 100,926	$ -	$ 100,926	$ 11,546,443		$ 11,546,443	$ 8,431,277	1.22%
Mar-14	11.62%	0.00%	11.62%	$ 10,881,966		$ 10,881,966	$ 10,222,919	$ 1,187,903	$ 195,346	$ -	$ 62,005	$ -	$ 930,552	$ (19,592)	$ 910,960	$ 9,420,441		$ 9,420,441	$ 8,502,748	10.80%
Apr-14	13.47%	0.00%	13.47%	$ 9,598,803		$ 9,598,803	$ 10,305,580	$ 1,388,162	$ 444,447	$ -	$ 131,481	$ -	$ 812,234	$ (19,592)	$ 792,642	$ 7,810,723		$ 7,810,723	$ 8,517,187	9.32%
May-14	15.84%	0.00%	15.84%	$ 10,196,325		$ 10,196,325	$ 10,292,677	$ 1,630,360	$ 530,576	$ -	$ 166,498	$ -	$ 933,286	$ (19,592)	$ 913,694	$ 6,592,344		$ 6,592,344	$ 8,513,920	10.73%
Jun-14	15.67%	0.00%	15.67%	$ 11,096,203		$ 11,096,203	$ 10,339,754	$ 1,620,239	$ 612,106	$ -	$ 197,802	$ -	$ 810,331	$ (19,592)	$ 790,739	$ 8,103,450		$ 8,103,450	$ 8,559,550	9.29%
Jul-14	14.38%	0.00%	14.38%	$ 11,357,690		$ 11,357,690	$ 10,407,748	$ 1,496,634	$ 631,477	$ -	$ 204,468	$ -	$ 660,689	$ (19,592)	$ 641,097	$ 9,022,310		$ 9,022,310	$ 8,582,829	7.49%
Aug-14	12.62%	0.00%	12.62%	$ 11,624,136		$ 11,624,136	$ 10,481,324	$ 1,322,743	$ 576,918	$ -	$ 186,948	$ -	$ 558,877	$ (19,592)	$ 539,285	$ 8,466,629		$ 8,466,629	$ 8,561,259	6.28%
Sep-14	13.53%	0.00%	13.53%	$ 9,463,224		$ 9,463,224	$ 10,494,623	$ 1,419,922	$ 368,233	$ -	$ 150,256	$ -	$ 901,431	$ -	$ 901,431	$ 9,127,691		$ 9,127,691	$ 8,605,082	10.53%
Oct-14	15.57%	0.00%	15.57%	$ 9,315,512		$ 9,315,512	$ 10,588,795	$ 1,648,675	$ 504,174	$ -	$ 164,544	$ -	$ 979,957	$ -	$ 979,957	$ 7,118,046		$ 7,118,046	$ 8,613,048	11.39%
Nov-14	16.95%	0.00%	16.95%	$ 10,051,622		$ 10,051,622	$ 10,630,149	$ 1,801,810	$ 532,376	$ -	$ 171,139	$ -	$ 1,098,295	$ -	$ 1,098,295	$ 7,701,836		$ 7,701,836	$ 8,635,326	12.75%
Dec-14	13.88%	0.00%	13.88%	$ 10,535,514		$ 10,535,514	$ 10,597,501	$ 1,470,933	$ 581,145	$ -	$ 197,978	$ -	$ 691,810	$ -	$ 691,810	$ 8,865,847		$ 8,865,847	$ 8,653,562	8.01%
Jan-15	13.67%	0.00%	13.67%	$ 10,039,852		$ 10,039,852	$ 10,418,401	$ 1,424,195	$ 300,204	$ -	$ 159,102	$ -	$ 964,889	$ -	$ 964,889	$ 9,731,537		$ 9,731,537	$ 8,625,608	11.15%
Feb-15	11.49%	0.00%	11.49%	$ 9,782,706		$ 9,782,706	$ 10,328,629	$ 1,186,760	$ 261,234	$ -	$ 146,437	$ -	$ 779,089	$ -	$ 779,089	$ 10,381,529		$ 10,381,529	$ 8,528,532	9.03%
Mar-15	10.90%	0.00%	10.90%	$ 9,323,637		$ 9,323,637	$ 10,198,769	$ 1,111,666	$ 313,302	$ -	$ 123,554	$ -	$ 674,810	$ -	$ 674,810	$ 9,531,583		$ 9,531,583	$ 8,537,794	7.91%
Apr-15	14.44%	0.00%	14.44%	$ 7,224,538		$ 7,224,538	$ 10,000,913	$ 1,444,132	$ 272,930	$ -	$ 102,307	$ -	$ 1,068,895	$ -	$ 1,068,895	$ 7,492,172		$ 7,492,172	$ 8,511,248	12.52%
May-15	18.09%	0.00%	18.09%	$ 8,172,609		$ 8,172,609	$ 9,832,270	$ 1,778,658	$ 398,149	$ -	$ 147,058	$ -	$ 1,233,451	$ -	$ 1,233,451	$ 6,566,609		$ 6,566,609	$ 8,509,103	14.49%
Jun-15	18.44%	0.00%	18.44%	$ 9,399,657		$ 9,399,657	$ 9,690,891	$ 1,787,000	$ 482,985	$ -	$ 207,705	$ -	$ 1,096,310	$ -	$ 1,096,310	$ 7,304,717		$ 7,304,717	$ 8,442,542	12.88%
Jul-15	15.91%	0.00%	15.91%	$ 9,591,949		$ 9,591,949	$ 9,543,746	$ 1,518,410	$ 456,899	$ -	$ 209,213	$ -	$ 852,298	$ -	$ 852,298	$ 7,800,054		$ 7,800,054	$ 8,340,688	10.10%
Aug-15	16.25%	0.00%	16.25%	$ 9,579,234		$ 9,579,234	$ 9,373,338	$ 1,523,167	$ 445,236	$ -	$ 181,438	$ -	$ 896,495	$ (146,233)	$ 750,262	$ 9,204,045		$ 9,204,045	$ 8,402,139	9.00%
																			Average	9.49%

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

BACKUP FOR TRADITIONAL METHOD

	(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 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. (5)		Col (3) x Col (7)					Col (6a)-[Col (6b)+ Col(6c)]-[Col(6d)+Col(6e)]		Col (8) + Col (9)			Col. (11) - Col. (12)		Col (10) / Col (14)
Sep-13	14.93%	0.00%	14.93%	$ 9,303,634		$ 9,303,634	$ 10,057,112	$ 1,501,527	$ 480,526	$ -	$ 142,241	$ -	$ 878,760	$ 394,275	$ 1,273,035	$ 8,601,825		$ 8,601,825	$ 8,035,455	15.95%
Oct-13	16.69%	0.00%	16.69%	$ 8,185,439		$ 8,185,439	$ 10,018,219	$ 1,672,041	$ 433,252	$ -	$ 131,785	$ -	$ 1,107,004	$ 394,275	$ 1,501,279	$ 7,022,450		$ 7,022,450	$ 8,105,316	18.68%
Nov-13	17.43%	0.00%	17.43%	$ 9,555,378		$ 9,555,378	$ 9,969,141	$ 1,737,621	$ 569,315	$ -	$ 146,758	$ -	$ 1,021,548	$ 394,275	$ 1,415,823	$ 7,434,502		$ 7,434,502	$ 8,137,456	17.47%
Dec-13	14.54%	0.00%	14.54%	$ 10,927,297		$ 10,927,297	$ 10,054,265	$ 1,461,890	$ 609,310	$ -	$ 165,180	$ -	$ 687,400	$ 394,275	$ 1,081,675	$ 8,647,005		$ 8,647,005	$ 8,217,050	13.29%
Jan-14	10.92%	0.00%	10.92%	$ 12,189,045		$ 12,189,045	$ 10,144,844	$ 1,107,817	$ 484,733	$ -	$ 142,556	$ -	$ 480,528	$ (8,623)	$ 471,905	$ 10,066,989		$ 10,066,989	$ 8,265,191	5.74%
Feb-14	5.44%	0.00%	5.44%	$ 10,859,966		$ 10,859,966	$ 10,188,110	$ 554,233	$ 340,150	$ -	$ 113,157	$ -	$ 100,926	$ -	$ 100,926	$ 11,546,443		$ 11,546,443	$ 8,431,277	1.22%
Mar-14	11.62%	0.00%	11.62%	$ 10,881,966		$ 10,881,966	$ 10,222,919	$ 1,187,903	$ 195,346	$ -	$ 62,005	$ -	$ 930,552	$ (19,592)	$ 910,960	$ 9,420,441		$ 9,420,441	$ 8,502,748	10.80%
Apr-14	13.47%	0.00%	13.47%	$ 9,598,803		$ 9,598,803	$ 10,305,580	$ 1,388,162	$ 444,447	$ -	$ 131,481	$ -	$ 812,234	$ (133,141)	$ 679,093	$ 7,810,723		$ 7,810,723	$ 8,517,187	7.99%
May-14	15.84%	0.00%	15.84%	$ 10,196,325		$ 10,196,325	$ 10,292,677	$ 1,630,360	$ 530,576	$ -	$ 166,498	$ -	$ 933,286	$ (133,141)	$ 800,145	$ 6,592,344		$ 6,592,344	$ 8,513,920	9.39%
Jun-14	15.67%	0.00%	15.67%	$ 11,096,203		$ 11,096,203	$ 10,339,754	$ 1,620,239	$ 612,106	$ -	$ 197,802	$ -	$ 810,331	$ (133,141)	$ 677,190	$ 8,103,450		$ 8,103,450	$ 8,559,550	7.95%
Jul-14	14.38%	0.00%	14.38%	$ 11,357,690		$ 11,357,690	$ 10,407,748	$ 1,496,634	$ 631,477	$ -	$ 204,468	$ -	$ 660,689	$ (133,141)	$ 527,548	$ 9,022,310		$ 9,022,310	$ 8,582,829	6.16%
Aug-14	12.62%	0.00%	12.62%	$ 11,624,136		$ 11,624,136	$ 10,461,324	$ 1,322,743	$ 576,918	$ -	$ 186,948	$ -	$ 558,877	$ (133,141)	$ 425,736	$ 8,466,629		$ 8,466,629	$ 8,561,259	4.96%
Sep-14	13.53%	0.00%	13.53%	$ 9,463,224		$ 9,463,224	$ 10,494,623	$ 1,419,922	$ 368,233	$ -	$ 150,258	$ -	$ 901,431	$ (113,549)	$ 787,882	$ 9,127,691		$ 9,127,691	$ 8,605,082	9.20%
Oct-14	15.57%	0.00%	15.57%	$ 9,315,512		$ 9,315,512	$ 10,588,795	$ 1,648,675	$ 504,174	$ -	$ 164,544	$ -	$ 979,957	$ (113,549)	$ 866,408	$ 7,118,046		$ 7,118,046	$ 8,613,046	10.07%
Nov-14	16.95%	0.00%	16.95%	$ 10,051,622		$ 10,051,622	$ 10,630,149	$ 1,801,810	$ 532,376	$ -	$ 171,139	$ -	$ 1,098,295	$ (113,549)	$ 984,746	$ 7,701,836		$ 7,701,836	$ 8,635,326	11.43%
Dec-14	13.88%	0.00%	13.88%	$ 10,535,514		$ 10,535,514	$ 10,597,501	$ 1,470,933	$ 581,145	$ -	$ 197,978	$ -	$ 691,610	$ (113,549)	$ 578,261	$ 8,865,847		$ 8,865,847	$ 8,653,562	6.70%
Jan-15	13.67%	0.00%	13.67%	$ 10,039,852		$ 10,039,852	$ 10,418,401	$ 1,424,195	$ 300,204	$ -	$ 159,102	$ -	$ 964,889	$ (113,549)	$ 851,340	$ 9,731,537		$ 9,731,537	$ 8,625,608	9.84%
Feb-15	11.49%	0.00%	11.49%	$ 9,782,706		$ 9,782,706	$ 10,328,629	$ 1,186,760	$ 261,234	$ -	$ 148,437	$ -	$ 778,089	$ (113,549)	$ 665,540	$ 10,381,529		$ 10,381,529	$ 8,528,532	7.72%
Mar-15	10.90%	0.00%	10.90%	$ 9,323,637		$ 9,323,637	$ 10,188,759	$ 1,111,666	$ 313,302	$ -	$ 123,554	$ -	$ 674,810	$ (113,549)	$ 561,261	$ 9,531,583		$ 9,531,583	$ 8,537,794	6.58%
Apr-15	14.44%	0.00%	14.44%	$ 7,224,538		$ 7,224,538	$ 10,000,913	$ 1,444,132	$ 272,930	$ -	$ 102,307	$ -	$ 1,068,895	$ -	$ 1,068,895	$ 7,492,172		$ 7,492,172	$ 8,511,248	12.52%
May-15	18.09%	0.00%	18.09%	$ 8,172,609		$ 8,172,609	$ 9,832,270	$ 1,778,658	$ 398,149	$ -	$ 147,058	$ -	$ 1,233,451	$ -	$ 1,233,451	$ 6,568,609		$ 6,568,609	$ 8,509,103	14.49%
Jun-15	18.44%	0.00%	18.44%	$ 9,399,657		$ 9,399,657	$ 9,690,891	$ 1,787,000	$ 482,985	$ -	$ 207,705	$ -	$ 1,096,310	$ -	$ 1,096,310	$ 7,304,717		$ 7,304,717	$ 8,442,542	12.86%
Jul-15	15.91%	0.00%	15.91%	$ 9,591,949		$ 9,591,949	$ 9,543,746	$ 1,518,410	$ 456,899	$ -	$ 209,213	$ -	$ 852,298	$ -	$ 852,298	$ 7,800,054		$ 7,800,054	$ 8,340,688	10.10%
Aug-15	16.25%	0.00%	16.25%	$ 9,579,234		$ 9,579,234	$ 9,373,338	$ 1,523,167	$ 445,236	$ -	$ 181,436	$ -	$ 896,495	$ (146,233)	$ 750,262	$ 9,204,045		$ 9,204,045	$ 8,402,139	9.00%
																			Average	8.17%