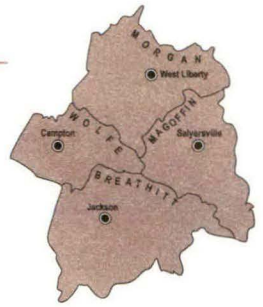




**LICKING VALLEY**  
RURAL ELECTRIC COOPERATIVE CORPORATION  
P. O. Box 605 • 271 Main Street  
West Liberty, KY 41472-0605  
(606) 743-3179



September 22, 2017

John S. Lyons  
Executive Director  
Kentucky Public Service Commission  
PO Box 615  
Frankfort KY 40602-0615

**RECEIVED**

SEP 28 2017

PUBLIC SERVICE  
COMMISSION

RE: Case No. 2017-00326  
Environmental Surcharge

Dear Mr. Lyons:

Enclosed are the original and seven (7) copies of Licking Valley Rural Electric Cooperative Corporation's response to the above referenced case number in the Commission Staff's Request for Information dated August 31, 2017 in the above referenced case.

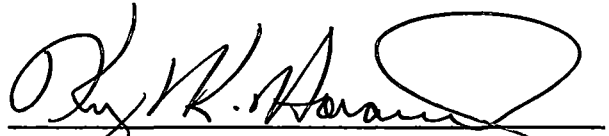
Kerry K. Howard is witness to all responses.

Sincerely

Kerry K. Howard  
General Manager/CEO  
[khoward@lvrecc.com](mailto:khoward@lvrecc.com)  
Fax-606-743-7775

**VERIFICATION**


The undersigned hereby verifies that the statements and information set forth in the foregoing application are true and correct to the best of my knowledge and belief.

  
Kerry K. Howard, General Manager/CEO  
Licking Valley Rural Electric  
Cooperative Corporation

STATE OF KENTUCKY  
COUNTY OF Morgan

The foregoing was signed, acknowledged and sworn to before me by **KERRY K. HOWARD, General Manager and CEO of Licking Valley RECC**, this 22nd day of September 2017.

My commission expires 05/29/2020

  
Notary Public, State of Kentucky at Large

(seal)

**In the Matter of:**

<b>AN EXAMINATION BY THE PUBLIC SERVICE</b>	)	
<b>COMMISSION OF THE ENVIRONMENTAL</b>	)	
<b>SURCHARGE MECHANISM OF EAST KENTUCKY</b>	)	
<b>POWER COOPERATIVE, INC. FOR THE TWO-</b>	)	<b>CASE NO.</b>
<b>YEAR BILLING PERIOD ENDING</b>	)	<b>2017-00326</b>
<b>JUNE 30, 2017, AND THE PASS-THROUGH</b>	)	
<b>MECHANISM FOR ITS SIXTEEN MEMBER</b>	)	
<b>DISTRIBUTION COOPERATIVES</b>	)	

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

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 7. Please see Exhibit 1

**Licking Valley - 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				(\$15,235)
1b	From Case No. 2016-00335 (Over)/Under-Recovery				\$1,813
1c	From Case No. 2017-00071 (Over)/Under-Recovery				(\$17,415)
1d	Total Previous (Over)/Under-Recovery				(\$30,837)
2	Jan-17	\$257,881	\$233,664	\$24,217	(\$6,620)
3	Feb-17	\$144,533	\$129,396	\$15,137	\$8,517
4	Mar-17	\$155,849	\$159,482	(\$3,633)	\$4,884
5	Apr-17	\$152,766	\$162,515	(\$9,749)	(\$4,865)
6	May-17	\$156,541	\$173,492	(\$16,951)	(\$21,816)
7	Jun-17	\$220,924	\$239,853	(\$18,929)	(\$40,746)
Post Review	Jul-17	\$238,438	\$239,337	(\$899)	(\$41,645)
	Aug-17	\$212,955	\$0	\$212,955	\$171,310
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	\$15,235	(\$15,235)		\$0
8b	Case No. 2016-00335 Recovery	(\$1,813)	\$604		(\$1,209)
8c	Case No. 2017-00071 Recovery	\$17,415	\$0		\$17,415
8d	Total Order amounts remaining - Over/(Under):				\$16,206
9	Cumulative six month (Over)/Under-Recovery [Cumulative net of remaining Case amortizations (Ln 7&]				(\$24,540)
10	Monthly recovery (per month for six months)				(\$4,090)
<b>Reconciliation:</b>					
11	Previous (Over)/Under-Recovery Remaining to be Amortized, beginning of Review Period				(\$30,837)
12	Previous (Over)/Under-Recovery Remaining to be Amortized, ending of Review Period				\$16,206
13	Total Amortization during Review Period				(\$14,631)
14	(Over)/Under-Recovery from Column 5, Line 9				(\$24,540)
15	Less: Total Monthly (Over)/Under-Recovery for Review Period (Column 4, Lines 2 thru 7)				(\$9,909)
16	Difference				(\$14,631)

Amortization Detail, Column 3, Line 8:

Month & Year	Case No. 2016-00144	Case No. 2016-00335	Case No. 2017-00071
Jan-17	(\$7,618)	\$0	\$0
Feb-17	(\$7,617)	\$0	\$0
Mar-17	\$0	\$0	\$0
Apr-17	\$0	\$0	\$0
May-17	\$0	\$302	\$0
Jun-17	\$0	\$302	\$0
Totals	(\$15,235)	\$604	\$0

Month	Year	Consumers	KWH Sold
June	2016	16073	15,046,326
July	2016	16121	17,963,119
August	2016	16102	16,067,212
September	2016	16125	11,849,567
October	2016	16131	11,883,009
November	2016	16138	17,363,457
December	2016	16152	21,757,810
January	2017	16119	17,635,148
February	2017	16118	14,409,328
March	2017	16129	14,997,856
April	2017	16124	10,930,337
May	2017	16128	12,038,851
Totals		193460	181,942,020
Averages		16122	15,161,835
Average Usage			940

Actual Average Residential Bill:  
12-Month Average Residential KWH usage as of May 31, 2017

940

Energy @ 0.092002	86.48
Customer Charge	14.00
Fuel Adjustment @ (-.00507)	-4.77
Environmental Surcharge @ .1132	10.84
Total	106.55

Energy @ 0.092002	86.48
Customer Charge	14.00
Fuel Adjustment @ (-.00507)	-4.77
Environmental Surcharge @ .0.1112	10.64
Total	106.36

Dollar Impact on Average Residential Bill	-0.19
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East Kentucky Power Cooperative, Inc. - Distribution Cooperatives  
Pass Through Mechanism Report for Licking Valley RECC

For the Month Ending August 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 Licking Valley	On-peak Revenue Adjustment	EKPC Net Monthly Sales to Licking Valley	EKPC 12-months Ended Average Monthly Revenue from Sales to Licking Valley	Licking Valley Revenue Requirement	Amortization of (Over)/Under Recovery	Licking Valley Net Revenue Requirement	Licking Valley Total Monthly Retail Revenues	On-Peak Retail Revenue Adjustment	Licking Valley Net Monthly Retail Revenues	12-months ended Avg. Retail Revenues, Net	Licking Valley 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)
Sep-15	17.07%	0.00%	17.07%	\$ 1,132,023		\$ 1,132,023	\$ 1,396,907	\$ 238,452	\$ (15,564)	\$ 222,888	\$ 1,554,710		\$ 1,554,710	\$ 2,129,059	10.42%
Oct-15	18.51%	0.00%	18.51%	\$ 1,054,697		\$ 1,054,697	\$ 1,392,719	\$ 257,792	\$ (15,564)	\$ 242,228	\$ 1,719,870		\$ 1,719,870	\$ 2,106,729	11.38%
Nov-15	18.81%	0.00%	18.81%	\$ 1,239,847		\$ 1,239,847	\$ 1,364,170	\$ 256,600	\$ (15,564)	\$ 241,036	\$ 1,996,306		\$ 1,996,306	\$ 2,060,433	11.44%
Dec-15	18.40%	0.00%	18.40%	\$ 1,324,005		\$ 1,324,005	\$ 1,338,566	\$ 246,296	\$ (15,564)	\$ 230,732	\$ 2,213,722		\$ 2,213,722	\$ 2,012,068	11.20%
Jan-16	16.00%	0.00%	16.00%	\$ 1,789,024		\$ 1,789,024	\$ 1,330,993	\$ 212,959	\$ (15,564)	\$ 197,395	\$ 2,869,722		\$ 2,869,722	\$ 2,022,205	9.81%
Feb-16	10.92%	0.00%	10.92%	\$ 1,508,313		\$ 1,508,313	\$ 1,290,497	\$ 140,922	\$ -	\$ 140,922	\$ 2,148,491		\$ 2,148,491	\$ 1,974,618	6.97%
Mar-16	14.30%	0.00%	14.30%	\$ 1,155,318		\$ 1,155,318	\$ 1,263,435	\$ 180,671	\$ (951)	\$ 179,720	\$ 1,847,147		\$ 1,847,147	\$ 1,970,483	9.10%
Apr-16	17.59%	0.00%	17.59%	\$ 992,250		\$ 992,250	\$ 1,262,892	\$ 222,143	\$ (951)	\$ 221,192	\$ 1,574,317		\$ 1,574,317	\$ 1,965,301	11.23%
May-16	18.99%	0.00%	18.99%	\$ 1,016,726		\$ 1,016,726	\$ 1,260,816	\$ 239,429	\$ (951)	\$ 238,478	\$ 1,592,777		\$ 1,592,777	\$ 1,953,586	12.13%
Jun-16	19.60%	0.00%	19.60%	\$ 1,199,347		\$ 1,199,347	\$ 1,255,758	\$ 246,129	\$ (951)	\$ 245,178	\$ 1,865,315		\$ 1,865,315	\$ 1,960,562	12.55%
Jul-16	16.50%	0.00%	16.50%	\$ 1,401,359		\$ 1,401,359	\$ 1,257,789	\$ 207,535	\$ (951)	\$ 206,584	\$ 2,199,066		\$ 2,199,066	\$ 1,962,087	10.54%
Aug-16	14.29%	0.00%	14.29%	\$ 1,434,698		\$ 1,434,698	\$ 1,270,634	\$ 181,574	\$ (8,569)	\$ 173,005	\$ 2,098,242		\$ 2,098,242	\$ 1,973,307	8.82%
Sep-16	14.76%	0.00%	14.76%	\$ 1,191,028		\$ 1,191,028	\$ 1,275,551	\$ 188,271	\$ (7,618)	\$ 180,653	\$ 1,678,621		\$ 1,678,621	\$ 1,983,633	9.15%
Oct-16	17.17%	0.00%	17.17%	\$ 945,832		\$ 945,832	\$ 1,266,479	\$ 217,454	\$ (7,618)	\$ 209,836	\$ 1,647,561		\$ 1,647,561	\$ 1,977,607	10.58%
Nov-16	19.95%	0.00%	19.95%	\$ 1,202,327		\$ 1,202,327	\$ 1,263,352	\$ 252,039	\$ (7,618)	\$ 244,421	\$ 2,103,795		\$ 2,103,795	\$ 1,986,565	12.36%
Dec-16	16.92%	0.00%	16.92%	\$ 1,587,424		\$ 1,587,424	\$ 1,285,304	\$ 217,473	\$ (7,618)	\$ 209,855	\$ 2,507,096		\$ 2,507,096	\$ 2,011,012	10.56%
Jan-17	11.21%	0.00%	11.21%	\$ 1,524,118		\$ 1,524,118	\$ 1,263,228	\$ 141,608	\$ (7,617)	\$ 133,991	\$ 2,212,782		\$ 2,212,782	\$ 1,956,267	6.66%
Feb-17	12.26%	0.00%	12.26%	\$ 1,289,310		\$ 1,289,310	\$ 1,244,978	\$ 152,634	\$ -	\$ 152,634	\$ 1,943,798		\$ 1,943,798	\$ 1,939,210	7.80%
Mar-17	15.73%	0.00%	15.73%	\$ 1,271,186		\$ 1,271,186	\$ 1,254,634	\$ 197,354	\$ -	\$ 197,354	\$ 2,044,679		\$ 2,044,679	\$ 1,955,671	10.18%
Apr-17	15.40%	0.00%	15.40%	\$ 971,177		\$ 971,177	\$ 1,252,878	\$ 192,943	\$ 302	\$ 193,245	\$ 1,596,231		\$ 1,596,231	\$ 1,957,497	9.88%
May-17	19.86%	0.00%	19.86%	\$ 1,016,499		\$ 1,016,499	\$ 1,252,859	\$ 248,818	\$ 302	\$ 249,120	\$ 1,756,210		\$ 1,756,210	\$ 1,971,116	12.73%
Jun-17	18.13%	0.00%	18.13%	\$ 1,112,402		\$ 1,112,402	\$ 1,245,613	\$ 225,830	\$ (2,601)	\$ 223,229	\$ 1,883,357		\$ 1,883,357	\$ 1,972,620	11.32%
Jul-17	17.75%	0.00%	17.75%	\$ 1,315,153		\$ 1,315,153	\$ 1,238,430	\$ 219,821	\$ (2,601)	\$ 217,220	\$ 2,114,379		\$ 2,114,379	\$ 1,965,562	11.01%
Aug-17	15.89%	0.00%	15.89%	\$ 1,199,748		\$ 1,199,748	\$ 1,218,850	\$ 193,675	\$ (2,601)	\$ 191,074					9.72%

Notes:  
Licking Valley 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 Licking Valley RECC

For the Month Ending August 2017

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