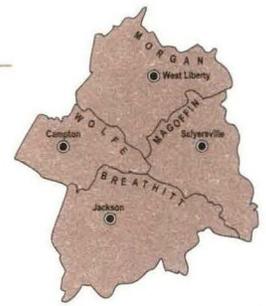




**LICKING VALLEY**  
RURAL ELECTRIC COOPERATIVE CORPORATION  
P. O. Box 605 • 271 Main Street  
West Liberty, KY 41472-0605  
(606) 743-3179



**KERRY K. HOWARD**  
General Manager/CEO

**RECEIVED**

**APR 30 2018**

**PUBLIC SERVICE  
COMMISSION**

April 27, 2018

Ms. Gwen Pinson  
Executive Director  
Kentucky Public Service Commission  
PO Box 615  
Frankfort KY 40602-0615

RE: Case No. 2018-00075  
Environmental Surcharge

Dear Ms. Pinson:

Enclosed are the original and six (6) 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 April 06, 2018 in the above referenced case.

Kerry K. Howard is witness to all responses.

Sincerely

Kerry K. Howard  
General Manager/CEO  
[kkhoward@lvrecc.com](mailto:kkhoward@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 27<sup>th</sup> day of April 2018.

My commission expires 05/29/2020

  
Notary Public, State of Kentucky at Large  
#556518

(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 SIX -</b>	)	<b>CASE NO.</b>
<b>MONTH BILLING PERIOD ENDING</b>	)	<b>2018-00075</b>
<b>DECEMBER 31, 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 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 2. Please refer to EKPC's responses to Request No. 2 of the Commission Staff's First Request for Information dated April 6, 2018.

Request 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 6. Please see Exhibit 1

Request 7. This question is addressed to EKPC and the Member Cooperatives. State whether you would be amenable to the use of electronic filing procedures for environmental surcharge review cases.

Response 7. It is Licking Valley RECC understanding that cases processed using the Commission's electronic filing procedures, only one hard copy of the responses would be required to be filed. All spreadsheets would be submitted electronically and all copies to the parties of record would be forwarded by e-mail. Licking Valley RECC believes there would be benefits from having to prepare and process fewer hard copies and preparing no CDs. Based on this understanding, Licking Valley RECC is amenable to the use of electronic filing procedures for the environmental surcharge review cases.

**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	<b>Previous (Over)/Under-Recovery Remaining to be Amortized</b>				
1a	From Case No. 2016-00335 (Over)/Under-Recovery				\$1,209
1b	From Case No. 2017-00071 (Over)/Under-Recovery				(\$17,415)
1c	From Case No. 2017-00326 (Over)/Under-Recovery				(\$24,540)
1d	<b>Total Previous (Over)/Under-Recovery</b>				<b>(\$40,746)</b>
2	Jul-17	\$238,438	\$239,337	(\$899)	(\$41,645)
3	Aug-17	\$212,955	\$200,831	\$12,124	(\$29,521)
4	Sep-17	\$147,561	\$163,152	(\$15,591)	(\$45,112)
5	Oct-17	\$185,270	\$185,583	(\$313)	(\$45,426)
6	Nov-17	\$253,209	\$287,062	(\$33,853)	(\$79,279)
7	Dec-17	\$293,991	\$326,014	(\$32,023)	(\$111,301)
Post Review	Jan-18	\$324,791	\$282,915	\$41,876	(\$69,425)
	Feb-18	\$153,143	\$128,043	\$25,100	(\$44,325)
	<b>Less Adjustment for Order amounts remaining to be amortized at end of review period December 2017</b>				
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. 2016-00335 Recovery		(\$1,209)	\$1,209	\$0
8b	Case No. 2017-00071 Recovery		\$17,415	(\$17,415)	\$0
8c	Case No. 2017-00326 Recovery		\$24,540	\$0	\$24,540
8d	<b>Total Order amounts remaining - Over/(Under):</b>				<b>\$24,540</b>
9	<b>Cumulative six month (Over)/Under-Recovery [Cumulative net of remaining Case amortizations (Ln 7&amp;8d)]</b>				<b>(\$86,761)</b>
10	<b>Monthly recovery (per month for six months)</b>				<b>(\$14,460)</b>
	<b>Reconciliation:</b>				
11	Previous (Over)/Under-Recovery Remaining to be Amortized, beginning of Review Period				(\$40,746)
12	Previous (Over)/Under-Recovery Remaining to be Amortized, ending of Review Period				\$24,540
13	<b>Total Amortization during Review Period</b>				<b>(\$16,206)</b>
14	(Over)/Under-Recovery from Column 5, Line 9				(\$86,761)
15	Less: Total Monthly (Over)/Under-Recovery for Review Period (Column 4, Lines 2 thru 7)				(\$70,555)
16	<b>Difference</b>				<b>(\$16,206)</b>

Amortization Detail, Column 3, Line 8:

Month & Year	Case No. 2016-00335	Case No. 2017-00071	Case No. 2017-00326
Jul-17	\$302	(\$2,903)	\$0
Aug-17	\$302	(\$2,903)	\$0
Sep-17	\$302	(\$2,903)	\$0
Oct-17	\$303	(\$2,903)	\$0
Nov-17	\$0	(\$2,903)	\$0
Dec-17	\$0	(\$2,900)	\$0
<b>Totals</b>	<b>\$1,209</b>	<b>(\$17,415)</b>	<b>\$0</b>

Month	Year	Consumers	KWH Sold
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
June	2017	16093	14,124,114
July	2017	16110	15,686,060
August	2017	16076	12,954,206
September	2017	16112	11,474,049
October	2017	16121	13,246,568
November	2017	16121	18,102,445
Totals		193403	177,356,772
Averages		16117	14,779,731
Average Usage			917

Actual Average Residential Bill:

12-Month Average Residential KWH usage as of November 30, 2017

917

Energy @ 0.092002	84.37
Customer Charge	14.00
Fuel Adjustment @ (-.00363)	-3.33
Environmental Surcharge @ .0814	7.74
Total	102.77

Energy @ 0.092002	84.37
Customer Charge	14.00
Fuel Adjustment @ (-.00363)	-3.33
Environmental Surcharge @ .0744	7.07
Total	102.11

Dollar Impact on Average Residential Bill -0.67

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

For the Month Ending March 2018

	(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)
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	\$ 1,824,125		\$ 1,824,125	\$ 1,942,719	9.72%
Sep-17	17.53%	0.00%	17.53%	\$ 928,632		\$ 928,632	\$ 1,196,984	\$ 209,831	\$ (2,600)	\$ 207,231	\$ 1,678,698		\$ 1,678,698	\$ 1,942,726	10.67%
Oct-17	20.51%	0.00%	20.51%	\$ 1,056,874		\$ 1,056,874	\$ 1,206,238	\$ 247,399	\$ (2,903)	\$ 244,496	\$ 1,739,181		\$ 1,739,181	\$ 1,950,361	12.59%
Nov-17	17.87%	0.00%	17.87%	\$ 1,234,567		\$ 1,234,567	\$ 1,208,924	\$ 216,035	\$ (2,900)	\$ 213,135	\$ 2,279,970		\$ 2,279,970	\$ 1,965,042	10.93%
Dec-17	16.39%	0.00%	16.39%	\$ 1,645,157		\$ 1,645,157	\$ 1,213,735	\$ 198,931	\$ (4,090)	\$ 194,841	\$ 2,983,284		\$ 2,983,284	\$ 2,004,725	9.92%
Jan-18	10.79%	0.00%	10.79%	\$ 1,981,642		\$ 1,981,642	\$ 1,251,862	\$ 135,076	\$ (4,090)	\$ 130,986	\$ 2,852,646		\$ 2,852,646	\$ 2,058,047	6.53%
Feb-18	7.29%	0.00%	7.29%	\$ 1,419,293		\$ 1,419,293	\$ 1,262,694	\$ 92,050	\$ (4,090)	\$ 87,960	\$ 1,961,940		\$ 1,961,940	\$ 2,059,558	4.27%
Mar-18	13.52%	0.00%	13.52%	\$ 1,364,114		\$ 1,364,114	\$ 1,270,438	\$ 171,763	\$ (18,550)	\$ 153,213					7.44%

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 March 2018

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Jan-18	10.79%	0.00%	10.79%	\$ 1,981,642		\$ 1,981,642	\$ 1,251,862	\$ 135,076	\$ (4,090)	\$ 130,986	\$ 2,852,646		\$ 2,852,646	\$ 2,058,047	6.53%
Feb-18	7.29%	0.00%	7.29%	\$ 1,419,293		\$ 1,419,293	\$ 1,262,694	\$ 92,050	\$ (4,090)	\$ 87,960	\$ 1,961,940		\$ 1,961,940	\$ 2,059,558	4.27%
Mar-18	13.52%	0.00%	13.52%	\$ 1,364,114		\$ 1,364,114	\$ 1,270,438	\$ 171,763	\$ (4,090)	\$ 167,673					8.14%

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.