

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN ELECTRONIC EXAMINATION BY THE PUBLIC	)	
SERVICE COMMISSION OF THE ENVIRONMENTAL	)	
SURCHARGE MECHANISM OF EAST KENTUCKY	)	
POWER COOPERATIVE, INC. FOR THE SIX-	)	CASE NO.
MONTH EXPENSE PERIOD ENDING	)	2018-00306
MAY 31, 2018, AND THE PASS-THROUGH	)	
MECHANISM FOR ITS SIXTEEN MEMBER	)	
DISTRIBUTION COOPERATIVES	)	

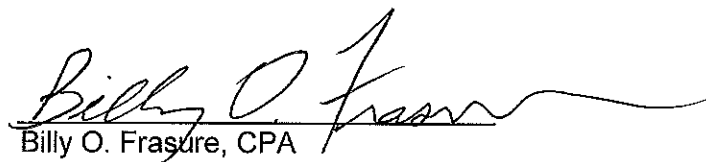
RESPONSE TO COMMISSION STAFF'S REQUEST FOR INFORMATION TO BIG SANDY  
RURAL ELECTRIC COOPERATIVE CORPORATION

DATED SEPTEMBER 20, 2018

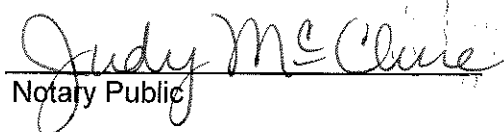
**CERTIFICATE**

**STATE OF KENTUCKY    )**  
**COUNTY OF JOHNSON   )**

Billy O. Frasure, CPA, being duly sworn, states that he has supervised the preparation of the response of Big Sandy RECC to the Public Service Commission Staff's Request for information in Case No. 2018-00306 dated September 20, 2018 and that the matters and things set forth therein are true and accurate to the best of his knowledge, information and belief, formed after reasonable inquiry.

  
Billy O. Frasure, CPA

Subscribed and sworn before me on this 17<sup>th</sup> day of October, 2018

  
Notary Public

**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:**

Please refer to EKPC's response to request No. 2 of the Commission Staff's First Request for Information dated September 20, 2018.

WITNESS: BILLY FRASURE

**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 May 31, 2018. 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:**

Please refer to Exhibit A for the average residential customer's monthly usage and the calculation of the dollar impact Big Sandy's over-recovery will have on the average residential customer's monthly bill.

**WITNESS: BILLY FRASURE**

EXHIBIT A

Big Sandy RECC total over-recovery \$ 6,543  
Six month recovery spread: \$ 1,091

	Actual	6 Month Spread
12 month Average Residential Usage	1,182	1,182
Customer Charge	\$ 21.25	\$ 21.25
KWH Charge	0.08756 103.50	103.50
FAC	-0.002691 (3.18)	(3.18)
Sub Total	\$ 121.57	\$ 121.57
* Surcharge May 2018	10.49% 12.75	10.43% 12.68
Total	\$ 134.32	\$ 134.25
	[A]	[B]

Dollar Impact \$ (0.07) [B]-[A]

\* Please see attached EKPC Pass Through Mechanism Reports.  
Actual  
Spreading \$1,091

Actual

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

For the Month Ending August 2018

Surcharge Factor Expense Month	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
	EKPC CESF %	EKPC BESF %	EKPC MESF %	EKPC Monthly Revenues from Sales to Big Sandy	On-peak Revenue Adjustment	EKPC Net Monthly Sales to Big Sandy	EKPC 12-months Ended Average Monthly Revenue from Sales to Big Sandy	Big Sandy Revenue Requirement	Amortization of (Over)/Under Recovery	Big Sandy Net Revenue Requirement	Big Sandy Total Monthly Retail Revenues	On-Peak Retail Revenue Adjustment	Big Sandy Net Monthly Retail Revenues	12-months ended Avg. Retail Revenues, Net	Big Sandy 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. (11) - Col. (12)		Col. (11) / Col. (14)		
Sep-16	14.76%	0.00%	14.76%	1,039,803	\$	1,039,803	\$	170,176	\$	(3,084)	\$	167,092	\$	1,561,560	9.57%
Oct-16	17.17%	0.00%	17.17%	818,411	\$	818,411	\$	196,214	\$	(3,084)	\$	193,330	\$	1,337,307	11.03%
Nov-16	19.95%	0.00%	19.95%	1,106,886	\$	1,106,886	\$	227,542	\$	(3,084)	\$	224,458	\$	1,681,751	12.88%
Dec-16	16.92%	0.00%	16.92%	1,432,822	\$	1,432,822	\$	196,012	\$	(3,084)	\$	192,928	\$	2,158,644	11.07%
Jan-17	11.21%	0.00%	11.21%	1,391,529	\$	1,391,529	\$	128,995	\$	(3,086)	\$	123,474	\$	2,046,165	6.96%
Feb-17	12.26%	0.00%	12.26%	1,182,629	\$	1,182,629	\$	111,302	\$	-	\$	136,246	\$	1,720,989	7.92%
Mar-17	15.73%	0.00%	15.73%	1,185,754	\$	1,185,754	\$	123,884	\$	-	\$	136,246	\$	1,677,080	10.47%
Apr-17	15.40%	0.00%	15.40%	841,895	\$	841,895	\$	120,797	\$	(1,932)	\$	170,671	\$	1,836,080	10.02%
May-17	19.86%	0.00%	19.86%	898,708	\$	898,708	\$	121,007	\$	(1,932)	\$	220,700	\$	1,345,733	13.00%
Jun-17	18.13%	0.00%	18.13%	997,250	\$	997,250	\$	202,255	\$	(1,679)	\$	200,576	\$	1,366,464	11.82%
Jul-17	17.75%	0.00%	17.75%	1,161,679	\$	1,161,679	\$	109,747	\$	(1,679)	\$	195,301	\$	1,553,836	11.54%
Aug-17	15.89%	0.00%	15.89%	1,062,205	\$	1,062,205	\$	109,298	\$	(1,679)	\$	186,808	\$	1,825,898	10.17%
Sep-17	17.53%	0.00%	17.53%	822,883	\$	822,883	\$	107,522	\$	(1,678)	\$	186,808	\$	1,612,875	11.21%
Oct-17	20.51%	0.00%	20.51%	933,113	\$	933,113	\$	108,477	\$	253	\$	222,741	\$	1,329,809	13.52%
Nov-17	17.87%	0.00%	17.87%	1,132,366	\$	1,132,366	\$	108,690	\$	254	\$	194,484	\$	1,366,287	11.79%
Dec-17	16.39%	0.00%	16.39%	1,508,766	\$	1,508,766	\$	194,230	\$	(154)	\$	179,027	\$	1,756,669	10.81%
Jan-18	10.79%	0.00%	10.79%	1,872,333	\$	1,872,333	\$	179,181	\$	(154)	\$	122,129	\$	2,261,495	7.34%
Feb-18	7.29%	0.00%	7.29%	1,288,595	\$	1,288,595	\$	122,283	\$	(154)	\$	83,107	\$	2,703,587	4.83%
Mar-18	13.52%	0.00%	13.52%	1,244,084	\$	1,244,084	\$	142,129	\$	(154)	\$	154,919	\$	1,731,223	8.99%
Apr-18	14.49%	0.00%	14.49%	1,012,813	\$	1,012,813	\$	146,990	\$	(154)	\$	168,109	\$	1,564,306	9.62%
May-18	15.84%	0.00%	15.84%	1,002,641	\$	1,002,641	\$	169,894	\$	(151)	\$	185,160	\$	1,633,689	10.49%
Jun-18	15.59%	0.00%	15.59%	1,121,137	\$	1,121,137	\$	160,218	\$	-	\$	183,996	\$	1,745,395	10.30%
Jul-18	14.17%	0.00%	14.17%	1,107,740	\$	1,107,740	\$	175,723	\$	(901)	\$	165,899	\$	1,905,734	9.19%
Aug-18	15.19%	0.00%	15.19%	1,054,242	\$	1,054,242	\$	175,059	\$	(901)	\$	177,591	\$	1,669,444	8.81%

Notes:  
 Big Sandy 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.

Spreading \$1,091

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

For the Month Ending August 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 MESH %	EKPC Monthly Revenues from Sales to Big Sandy	On-peak Revenue Adjustment	EKPC Net Monthly Sales to Big Sandy	EKPC 12-months Ended Average Monthly Revenue from Sales to Big Sandy	Big Sandy Revenue Requirement	Amortization of (Over)/Under Recovery	Big Sandy Net Revenue Requirement	Big Sandy Total Monthly Retail Revenues	On-Peak Retail Revenue Adjustment	Big Sandy Net Monthly Retail Revenues	12-months ended Avg. Retail Revenues, Net	Big Sandy 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-16	14.76%	0.00%	14.76%	1,039,803		\$ 1,039,803	\$ 1,152,957	\$ 170,176	\$ (3,084)	\$ 167,092	\$ 1,561,560	\$	\$ 1,561,560	\$ 1,751,187	9.57%
Oct-16	17.17%	0.00%	17.17%	818,411		\$ 818,411	\$ 1,142,772	\$ 196,214	\$ (3,084)	\$ 193,130	\$ 1,337,307	\$	\$ 1,337,307	\$ 1,742,124	11.03%
Nov-16	19.95%	0.00%	19.95%	1,106,886		\$ 1,106,886	\$ 1,140,562	\$ 227,542	\$ (3,084)	\$ 224,458	\$ 1,681,751	\$	\$ 1,681,751	\$ 1,743,579	12.88%
Dec-16	16.92%	0.00%	16.92%	1,432,822		\$ 1,432,822	\$ 1,158,462	\$ 196,012	\$ (3,084)	\$ 192,928	\$ 2,158,644	\$	\$ 2,158,644	\$ 1,772,852	11.07%
Jan-17	11.21%	0.00%	11.21%	1,391,529		\$ 1,391,529	\$ 1,128,995	\$ 126,560	\$ (3,086)	\$ 123,474	\$ 2,046,165	\$	\$ 2,046,165	\$ 1,720,989	6.96%
Feb-17	12.26%	0.00%	12.26%	1,182,629		\$ 1,182,629	\$ 1,111,302	\$ 136,246	\$ -	\$ 136,246	\$ 1,677,080	\$	\$ 1,677,080	\$ 1,688,077	7.92%
Mar-17	15.73%	0.00%	15.73%	1,185,754		\$ 1,185,754	\$ 1,123,684	\$ 176,755	\$ -	\$ 176,755	\$ 1,836,080	\$	\$ 1,836,080	\$ 1,703,744	10.47%
Apr-17	15.40%	0.00%	15.40%	841,895		\$ 841,895	\$ 1,120,797	\$ 172,603	\$ (1,932)	\$ 170,671	\$ 1,345,733	\$	\$ 1,345,733	\$ 1,697,893	10.02%
May-17	19.86%	0.00%	19.86%	898,708		\$ 898,708	\$ 1,121,007	\$ 222,632	\$ (1,932)	\$ 220,700	\$ 1,366,464	\$	\$ 1,366,464	\$ 1,697,340	13.00%
Jun-17	18.13%	0.00%	18.13%	997,250		\$ 997,250	\$ 1,115,580	\$ 202,255	\$ (1,679)	\$ 200,576	\$ 1,553,836	\$	\$ 1,553,836	\$ 1,692,066	11.82%
Jul-17	17.75%	0.00%	17.75%	1,161,679		\$ 1,161,679	\$ 1,109,747	\$ 196,980	\$ (1,679)	\$ 195,301	\$ 1,825,898	\$	\$ 1,825,898	\$ 1,690,989	11.54%
Aug-17	15.89%	0.00%	15.89%	1,062,205		\$ 1,062,205	\$ 1,093,298	\$ 173,725	\$ (1,679)	\$ 172,046	\$ 1,612,875	\$	\$ 1,612,875	\$ 1,666,949	10.17%
Sep-17	17.53%	0.00%	17.53%	822,883		\$ 822,883	\$ 1,075,221	\$ 188,486	\$ (1,676)	\$ 186,808	\$ 1,329,809	\$	\$ 1,329,809	\$ 1,647,637	11.21%
Oct-17	20.51%	0.00%	20.51%	933,113		\$ 933,113	\$ 1,084,779	\$ 222,488	\$ 253	\$ 222,741	\$ 1,366,287	\$	\$ 1,366,287	\$ 1,650,052	13.52%
Nov-17	17.87%	0.00%	17.87%	1,132,368		\$ 1,132,368	\$ 1,086,803	\$ 194,230	\$ 254	\$ 194,484	\$ 1,756,669	\$	\$ 1,756,669	\$ 1,656,295	11.79%
Dec-17	16.39%	0.00%	16.39%	1,508,766		\$ 1,508,766	\$ 1,093,231	\$ 179,181	\$ 254	\$ 179,027	\$ 2,261,495	\$	\$ 2,261,495	\$ 1,664,866	10.81%
Jan-18	10.79%	0.00%	10.79%	1,872,333		\$ 1,872,333	\$ 1,133,298	\$ 122,223	\$ (154)	\$ 122,129	\$ 2,703,587	\$	\$ 2,703,587	\$ 1,719,651	7.34%
Feb-18	7.29%	0.00%	7.29%	1,288,595		\$ 1,288,595	\$ 1,142,129	\$ 83,261	\$ (154)	\$ 83,107	\$ 1,731,223	\$	\$ 1,731,223	\$ 1,724,163	4.83%
Mar-18	13.52%	0.00%	13.52%	1,244,084		\$ 1,244,084	\$ 1,146,990	\$ 155,073	\$ (154)	\$ 154,919	\$ 2,106,365	\$	\$ 2,106,365	\$ 1,746,887	8.99%
Apr-18	14.49%	0.00%	14.49%	1,012,813		\$ 1,012,813	\$ 1,161,233	\$ 168,263	\$ (154)	\$ 168,109	\$ 1,564,306	\$	\$ 1,564,306	\$ 1,764,901	9.82%
May-18	15.84%	0.00%	15.84%	1,002,641		\$ 1,002,641	\$ 1,169,894	\$ 185,311	\$ (1,242)	\$ 184,069	\$ 1,633,689	\$	\$ 1,633,689	\$ 1,787,170	10.43%
Jun-18	15.59%	0.00%	15.59%	1,121,137		\$ 1,121,137	\$ 1,180,218	\$ 183,996	\$ -	\$ 183,996	\$ 1,745,395	\$	\$ 1,745,395	\$ 1,803,133	10.30%
Jul-18	14.17%	0.00%	14.17%	1,107,740		\$ 1,107,740	\$ 1,175,723	\$ 166,600	\$ (901)	\$ 165,699	\$ 1,905,734	\$	\$ 1,905,734	\$ 1,809,786	9.19%
Aug-18	15.19%	0.00%	15.19%	1,054,242		\$ 1,054,242	\$ 1,175,059	\$ 178,482	\$ (901)	\$ 177,581	\$ 1,669,444	\$	\$ 1,669,444	\$ 1,814,500	9.81%

Notes:  
 Big Sandy Total Monthly Retail Revenues in Column (11) includes demand and energy charges, customer charges, and FAC revenues.  
 Revenues reported in Columns (4), (5), (7), (11), (13), and (14) are net of Green Power Revenues.