



**Rural Electric Cooperative Corporation**

A Touchstone Energy® Cooperative 

October 22, 2018

MRS. GWEN R. PINSON  
EXECUTIVE DIRECTOR  
PUBLIC SERVICE COMMISSION  
PO BOX 615  
FRANKFORT KY 40602

RE: PSC CASE NO. 2018-00306

Dear Mrs. Pinson:

Enclosed is an original response of Nolin Rural Cooperative Corporation for the Staff's First Request for Information dated September 20, 2018, for the above referenced case.

If you have any questions please call me at 270.765.6153.

Sincerely,

A handwritten signature in black ink that reads "Michael L. Miller".

Michael L. Miller  
President and CEO

ccf

Enclosures

**Commonwealth of Kentucky**  
**Before the Public Service Commission**  
**Case No. 2018-00306**

**VERIFICATION**

I verify, state and affirm that the testimony filed with this verification and for which I am listed as a witness is true and correct to the best of my knowledge, information and belief formed after a reasonable inquiry.



Cheryl G. Thomas, Vice President Office Services

**State of Kentucky**

**County of Hardin**

The foregoing was signed, acknowledged and sworn to before me by Cheryl G. Thomas, this 16<sup>th</sup> day of October, 2018.



Notary Public

My Commission Expires:

1/12/2021

**NOLIN RURAL ELECTRIC COOPERATIVE CORPORATION  
PSC CASE NO. 2018-00306  
RESPONSE TO COMMISSION STAFF'S FIRST REQUEST**

**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:**

Please refer to EKPC's response to Request 2 of the Commission Staff's First Request for Information dated September 20, 2018.

**NOLIN RURAL ELECTRIC COOPERATIVE CORPORATION  
PSC CASE NO. 2018-00306  
RESPONSE TO COMMISSION STAFF'S FIRST REQUEST**

**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 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 EKPC's response to Request 2 of the Commission Staff's First Request for Information dated September 20, 2018, for the calculation of the review period's over-or under- recovery. The impact on the average residential customer's monthly bill has been determined using the methodology used in previous surcharge reviews.

**Actual Average Residential Bill:**

<b><u>12-Month Average Residential KWH usage as of May 31, 2018</u></b>		1,256
Energy @ 0.09022		\$ 113.32
Member Cost of Service Charge		\$ 13.50
Fuel Adjustment @ (\$0.002406)		\$ (3.02)
Environmental Surcharge @ 11.06%		<u>\$ 13.69</u>
Total		\$ 137.49

**Recovery Period of Six Months**

<b><u>12-Month Average Residential KWH usage as of May 31, 2018</u></b>		
Energy @ 0.09022		\$ 113.32
Member Cost of Service Charge		\$ 13.50
Fuel Adjustment @ (\$0.002406)		\$ (3.02)
Environmental Surcharge @ 10.89%		<u>\$ 13.48</u>
Total		\$ 137.28
Dollar Impact on Average Residential Bill		\$ (0.21)

**Nolin Rural Electric Cooperative Corporation**  
**PSC Case No. 2018-00306**

<u>MONTH</u>	<u>YEAR</u>	<u>CONSUMERS</u>	<u>KWH SOLD</u>
June	2017	33,159	38,624,429
July	2017	33,249	43,476,518
August	2017	33,236	37,895,984
September	2017	33,259	32,790,235
October	2017	33,210	31,877,364
November	2017	33,244	41,861,628
December	2017	33,254	58,168,788
January	2018	33,335	64,610,203
February	2018	33,379	41,885,647
March	2018	33,429	40,766,110
April	2018	33,412	33,279,173
May	2018	33,440	36,848,432
Totals		399,606	502,084,511
Averages		33,301	41,840,376
Average Usage			1,256

East Kentucky Power Cooperative, Inc. - Distribution Cooperatives  
 Pass Through Mechanism Report for Nolin 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 Nolin	On-peak Revenue Adjustment	EKPC Net Monthly Sales to Nolin	EKPC 12-months Ended Average Monthly Revenue from Sales to Nolin	Nolin Revenue Requirement	Amortization of (Over)/Under Recovery	Nolin Net Revenue Requirement	Nolin Total Monthly Retail Revenues	On-Peak Retail Revenue Adjustment	Nolin Net Monthly Retail Revenues	12-months ended Avg. Retail Revenues, Net	Nolin 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%	\$ 3,716,159	\$ 3,725,392	\$ 3,716,159	\$ 3,725,392	\$ 549,868	\$ (11,534)	\$ 538,334	\$ 4,855,064	\$ 538,334	\$ 4,855,064	\$ 5,041,671	10.74%
Oct-16	17.17%	0.00%	17.17%	\$ 3,035,548	\$ 3,728,928	\$ 3,035,548	\$ 3,728,928	\$ 640,257	\$ (11,534)	\$ 628,723	\$ 4,201,393	\$ 628,723	\$ 4,201,393	\$ 5,039,183	12.47%
Nov-16	19.95%	0.00%	19.95%	\$ 3,270,540	\$ 3,714,026	\$ 3,270,540	\$ 3,714,026	\$ 740,948	\$ (11,534)	\$ 729,414	\$ 4,750,145	\$ 729,414	\$ 4,750,145	\$ 5,046,897	14.47%
Dec-16	16.92%	0.00%	16.92%	\$ 4,534,721	\$ 3,776,435	\$ 4,534,721	\$ 3,776,435	\$ 638,973	\$ (11,534)	\$ 627,439	\$ 5,953,262	\$ 627,439	\$ 5,953,262	\$ 5,101,901	12.43%
Jan-17	11.21%	0.00%	11.21%	\$ 4,574,527	\$ 3,743,981	\$ 4,574,527	\$ 3,743,981	\$ 419,700	\$ (11,537)	\$ 408,163	\$ 5,648,102	\$ 408,163	\$ 5,648,102	\$ 5,001,649	8.00%
Feb-17	12.26%	0.00%	12.26%	\$ 3,595,458	\$ 3,682,744	\$ 3,595,458	\$ 3,682,744	\$ 451,504	\$ -	\$ 451,504	\$ 4,890,686	\$ 451,504	\$ 4,890,686	\$ 4,951,551	9.03%
Mar-17	15.73%	0.00%	15.73%	\$ 3,506,049	\$ 3,692,757	\$ 3,506,049	\$ 3,692,757	\$ 580,871	\$ -	\$ 580,871	\$ 4,555,154	\$ 580,871	\$ 4,555,154	\$ 4,946,839	11.73%
Apr-17	15.40%	0.00%	15.40%	\$ 2,851,788	\$ 3,685,512	\$ 2,851,788	\$ 3,685,512	\$ 567,569	\$ 2,012	\$ 569,581	\$ 3,953,703	\$ 569,581	\$ 3,953,703	\$ 4,941,102	11.51%
May-17	19.86%	0.00%	19.86%	\$ 3,193,868	\$ 3,695,042	\$ 3,193,868	\$ 3,695,042	\$ 733,835	\$ 2,012	\$ 735,847	\$ 4,476,319	\$ 735,847	\$ 4,476,319	\$ 4,960,057	14.89%
Jun-17	18.13%	0.00%	18.13%	\$ 3,597,721	\$ 3,684,143	\$ 3,597,721	\$ 3,684,143	\$ 667,935	\$ 3,282	\$ 671,217	\$ 5,077,058	\$ 671,217	\$ 5,077,058	\$ 4,959,186	13.53%
Jul-17	17.75%	0.00%	17.75%	\$ 4,009,190	\$ 3,673,569	\$ 4,009,190	\$ 3,673,569	\$ 652,058	\$ 3,282	\$ 655,340	\$ 5,841,051	\$ 655,340	\$ 5,841,051	\$ 4,985,900	13.21%
Aug-17	15.89%	0.00%	15.89%	\$ 3,732,559	\$ 3,634,844	\$ 3,732,559	\$ 3,634,844	\$ 577,577	\$ 3,282	\$ 580,859	\$ 5,267,411	\$ 580,859	\$ 5,267,411	\$ 4,955,779	11.65%
Sep-17	17.53%	0.00%	17.53%	\$ 3,044,395	\$ 3,578,864	\$ 3,044,395	\$ 3,578,864	\$ 627,375	\$ 3,282	\$ 630,657	\$ 4,679,390	\$ 630,657	\$ 4,679,390	\$ 4,941,140	12.73%
Oct-17	20.51%	0.00%	20.51%	\$ 3,122,107	\$ 3,586,077	\$ 3,122,107	\$ 3,586,077	\$ 735,504	\$ 1,270	\$ 736,774	\$ 4,458,420	\$ 736,774	\$ 4,458,420	\$ 4,962,558	14.91%
Nov-17	17.87%	0.00%	17.87%	\$ 3,459,912	\$ 3,601,858	\$ 3,459,912	\$ 3,601,858	\$ 643,652	\$ 1,267	\$ 644,919	\$ 5,462,369	\$ 644,919	\$ 5,462,369	\$ 5,021,910	13.00%
Dec-17	16.39%	0.00%	16.39%	\$ 4,605,804	\$ 3,607,782	\$ 4,605,804	\$ 3,607,782	\$ 591,315	\$ 531	\$ 591,846	\$ 6,943,742	\$ 591,846	\$ 6,943,742	\$ 5,104,450	11.79%
Jan-18	10.79%	0.00%	10.79%	\$ 5,559,866	\$ 3,689,893	\$ 5,559,866	\$ 3,689,893	\$ 398,139	\$ 531	\$ 398,670	\$ 7,699,991	\$ 398,670	\$ 7,699,991	\$ 5,275,441	7.81%
Feb-18	7.29%	0.00%	7.29%	\$ 4,398,345	\$ 3,756,800	\$ 4,398,345	\$ 3,756,800	\$ 273,871	\$ 531	\$ 274,402	\$ 5,701,256	\$ 274,402	\$ 5,701,256	\$ 5,342,989	5.20%
Mar-18	13.52%	0.00%	13.52%	\$ 3,941,220	\$ 3,793,065	\$ 3,941,220	\$ 3,793,065	\$ 512,822	\$ 531	\$ 513,353	\$ 5,998,577	\$ 513,353	\$ 5,998,577	\$ 5,463,274	9.61%
Apr-18	14.49%	0.00%	14.49%	\$ 3,308,204	\$ 3,831,099	\$ 3,308,204	\$ 3,831,099	\$ 555,126	\$ 531	\$ 555,657	\$ 4,869,482	\$ 555,657	\$ 4,869,482	\$ 5,539,589	10.17%
May-18	15.84%	0.00%	15.84%	\$ 3,600,005	\$ 3,864,944	\$ 3,600,005	\$ 3,864,944	\$ 612,207	\$ 533	\$ 612,740	\$ 5,317,243	\$ 612,740	\$ 5,317,243	\$ 5,609,666	11.06%
Jun-18	15.59%	0.00%	15.59%	\$ 3,941,198	\$ 3,893,567	\$ 3,941,198	\$ 3,893,567	\$ 607,007	\$ -	\$ 607,007	\$ 5,888,825	\$ 607,007	\$ 5,888,825	\$ 5,677,313	10.82%
Jul-18	14.17%	0.00%	14.17%	\$ 3,800,439	\$ 3,876,171	\$ 3,800,439	\$ 3,876,171	\$ 549,253	\$ (11,535)	\$ 537,718	\$ 5,954,789	\$ 537,718	\$ 5,954,789	\$ 5,686,791	9.47%
Aug-18	15.19%	0.00%	15.19%	\$ 3,702,958	\$ 3,873,704	\$ 3,702,958	\$ 3,873,704	\$ 588,416	\$ (11,535)	\$ 576,881	\$ 5,317,243	\$ 576,881	\$ 5,317,243	\$ 5,609,666	10.17%

Notes:  
 Nolin 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 Nolin 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 MESF %	EKPC Monthly Revenues from Sales to Nolin	On-peak Revenue Adjustment	EKPC Net Monthly Sales to Nolin	EKPC 12-months Ended Average Monthly Revenue from Sales to Nolin	Nolin Revenue Requirement	Amortization of (Over)/Under Recovery	Net Revenue Requirement	Nolin Monthly Retail Revenues	On-Peak Retail Revenue Adjustment	Nolin Net Monthly Retail Revenues	12-months ended Avg. Retail Revenues, Net	Nolin 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%	\$ 3,716,159	\$ 3,725,392	\$ 3,716,159	\$ 3,725,392	\$ 549,868	\$ (11,534)	\$ 538,334	\$ 4,855,064	\$ 538,334	\$ 4,855,064	\$ 5,041,671	10.74%
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Mar-17	15.73%	0.00%	15.73%	\$ 3,506,049	\$ 3,692,757	\$ 3,506,049	\$ 3,692,757	\$ 580,871	-	\$ 580,871	\$ 4,555,154	\$ 580,871	\$ 4,555,154	\$ 4,946,839	11.73%
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May-18	15.84%	0.00%	15.84%	\$ 3,600,005	\$ 3,864,944	\$ 3,600,005	\$ 3,864,944	\$ 612,207	\$ (8,809)	\$ 603,398	\$ 5,317,243	\$ 603,398	\$ 5,317,243	\$ 5,609,866	10.89%
Jun-18	15.59%	0.00%	15.59%	\$ 3,941,198	\$ 3,893,967	\$ 3,941,198	\$ 3,893,967	\$ 607,007	-	\$ 607,007	\$ 5,888,825	\$ 607,007	\$ 5,888,825	\$ 5,677,313	10.82%
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Aug-18	15.19%	0.00%	15.19%	\$ 3,702,958	\$ 3,873,704	\$ 3,702,958	\$ 3,873,704	\$ 588,416	\$ (11,535)	\$ 576,881	\$ 5,954,789	\$ 576,881	\$ 5,954,789	\$ 5,686,791	10.14%

Notes:  
 Nolin 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.

Nolin - 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. 2017-00326 (Over)/Under-Recovery					\$3,188	
1b	From Case No. 2018-00075 (Over)/Under-Recovery					(\$69,207)	
1c	Total Previous (Over)/Under-Recovery					(\$66,019)	
2	Jan-18	\$911,260	\$907,828	\$3,432	(\$62,587)		
3	Feb-18	\$474,581	\$445,265	\$29,316	(\$33,270)		
4	Mar-18	\$287,314	\$312,476	(\$25,162)	(\$58,432)		
5	Apr-18	\$447,269	\$467,958	(\$20,689)	(\$79,121)		
6	May-18	\$521,640	\$540,764	(\$19,124)	(\$98,245)		
7	Jun-18	\$624,286	\$651,300	(\$27,014)	(\$125,259)		
Post Review	Jul-18	\$592,489	\$644,308	(\$51,819)	(\$177,078)		
	Aug-18	\$524,709	\$513,555	\$11,154	(\$165,924)		
Less Adjustment for Order amounts remaining to be amortized at end of review period June 2018							
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. 2017-00326 Recovery		(\$3,188)	\$3,188	\$0		
8b	Case No. 2018-00075 Recovery		\$69,207	\$0	\$69,207		
8c	Total Order amounts remaining - Over/(Under):					\$69,207	
9	Cumulative six month (Over)/Under-Recovery [Cumulative net of remaining Case amortizations (Ln 7&8c)]					(\$56,052)	
10	Monthly recovery (per month for six months)					(\$9,342)	
Reconciliation:							
11	Previous (Over)/Under-Recovery Remaining to be Amortized, beginning of Review Period					(\$66,019)	
12	Previous (Over)/Under-Recovery Remaining to be Amortized, ending of Review Period					\$69,207	
13	Total Amortization during Review Period					\$3,188	
14	(Over)/Under-Recovery from Column 5, Line 9					(\$56,052)	
15	Less: Total Monthly (Over)/Under-Recovery for Review Period (Column 4, Lines 2 thru 7)					(\$59,240)	
16	Difference					\$3,188	

Amortization Detail, Column 3, Line 8:

Month & Year	Case No. 2017-00326	Case No. 2018-00075
Jan-18	\$531	\$0
Feb-18	\$531	\$0
Mar-18	\$531	\$0
Apr-18	\$531	\$0
May-18	\$531	\$0
Jun-18	\$533	\$0
Totals	\$3,188	\$0