



Blue Grass Energy

A Touchstone Energy Cooperative



P.O. Box 990 • 1201 Lexington Road • Nicholasville, Kentucky 40340-0990
Phone: 888-546-4243 • Fax: 859-885-2854 • bgenergy.com

October 16, 2018

Ms. Gwen Pinson
Executive Director
Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602

RE: Case 2018-00306

Dear Ms. Pinson:

Attached is Blue Grass Energy Cooperative Corporation's response to Item 6 in Appendix B of the September 20, 2018 order in Case No. 2018-00306.

The response includes the name of the witness responsible for responding to the questions related to the information provided. A signed certification of the person supervising the preparation of the response on behalf of the entity and that the response is true and accurate to the best of that person's knowledge, information and belief, is included.

If you have any questions, please contact me at chuckw@bgenergy.com or 859.885.2138.

Sincerely,

Charles G. Williamson III
Vice President, Finance & CFO
Blue Grass Energy Cooperative Corporation

CERTIFICATION

Charles G. Williamson III, Vice President, Finance & CFO for Blue Grass Energy Cooperative Corporation, being duly sworn, states as follows with regards to the Responses filed by Blue Grass Energy Cooperative Corporation in the Case No 2018-00306, now pending before the Public Service Commission of the Commonwealth of Kentucky:

1. That he is the person supervising the preparation of the responses on behalf of Blue Grass Energy Cooperative Corporation.
2. That the responses are true and accurate to the best of his knowledge and belief.



Charles G. Williamson III

Subscribed and sworn to before me the affiant, Charles G. Williamson III, this 16th day of Oct 2018.

My commission expires 2/5/2019



Notary Public, State of Kentucky at Large

Request No. 2:

This question is addressed to EKP 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 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 see EKPC's response to Request No. 2 of the Commission Staff's First Request for Information dated September 20, 2018.

Witness: Charles G. Williamson III

Blue Grass Energy Cooperative Corporation

Case No. 2018-00306

Response to Commission's Request No. 6

Appendix B

Item 6

Page 1 of 4

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 of any over or under recovery will have on the average residential customer's monthly bill for the requested recovery period.

Response:

Please see EKPC's response to Request No. 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.

	<u>Residential KWH</u>	<u>Residential No. of Consumers</u>	<u>Average KWH</u>
Jun-17	59,117,921	55,192	1,071
Jul-17	73,048,864	55,168	1,324
Aug-17	62,768,058	55,360	1,134
Sep-17	50,531,468	55,200	915
Oct-17	49,923,346	55,234	904
Nov-17	64,056,081	55,293	1,158
Dec-17	97,541,157	55,274	1,765
Jan-18	114,783,781	55,369	2,073
Feb-18	69,299,719	55,313	1,253
Mar-18	75,127,502	55,356	1,357
Apr-18	87,303,631	55,446	1,575
May-18	58,811,046	55,497	1,060
	<u>862,312,574</u>	<u>663,702</u>	<u>1,299</u>

WITNESS: Charles G. Williamson III

Actual Average Bill

Average KWH usage	1,299 KWH	
Energy	\$	107.57
Customer Charge		16.50
Fuel Adj @ (.00243)		(8.21)
Environmental Surcharge @ 11.35%		13.15
School Tax @ 3.0%		<u>3.87</u>
TOTAL BILL AMOUNT	\$	132.88

**Test Month-June 2018
Monthly over recovery of
Recovery Period of Six Months**

Average KWH usage	1,299 KWH	
Energy	\$	107.57
Customer Charge		16.50
Fuel Adj @ (.00243)		(8.21)
Environmental Surcharge @ 10.68%		12.37
School Tax @ 3.0%		<u>3.85</u>
TOTAL BILL AMOUNT	\$	132.08

A difference of \$0.80 decrease per month would result in average residential monthly bill.

WITNESS: Charles G. Williamson III

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 Blue Grass	On-peak Revenue Adjustment	EKPC Net Monthly Sales to Blue Grass	EKPC 12-months Ended Average Monthly Revenue from Sales to Blue Grass	Blue Grass Revenue Requirement	Amortization of (Over)/Under Recovery (*)	Cooperative Net Revenue Requirement	Cooperative Total Monthly Retail Revenues	On-Peak Retail Revenue Adjustment	Blue Grass Net Monthly Retail Revenues	12-months ended Avg. Retail Revenues, Net	Cooperative 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)
Feb-16	10.92%	0.00%	10.92%	\$ 7,594,980		\$ 7,594,980	\$ 6,479,027	\$ 707,510	\$ -	\$ 707,510	\$ 12,123,791		\$ 12,123,791	\$ 9,094,297	7.75%
Mar-16	14.30%	0.00%	14.30%	\$ 5,880,050		\$ 5,880,050	\$ 6,359,704	\$ 909,438	\$ 15,177	\$ 924,615	\$ 9,462,792		\$ 9,462,792	\$ 8,910,989	10.17%
Apr-16	17.59%	0.00%	17.59%	\$ 5,179,644		\$ 5,179,644	\$ 6,378,337	\$ 1,121,949	\$ 15,177	\$ 1,137,126	\$ 8,326,776		\$ 8,326,776	\$ 8,902,310	12.76%
May-16	18.99%	0.00%	18.99%	\$ 5,302,066		\$ 5,302,066	\$ 6,373,390	\$ 1,210,307	\$ 15,177	\$ 1,225,484	\$ 7,384,242		\$ 7,384,242	\$ 8,912,481	13.77%
Jun-16	19.60%	0.00%	19.60%	\$ 6,353,890		\$ 6,353,890	\$ 6,356,065	\$ 1,245,789	\$ 15,177	\$ 1,260,966	\$ 7,886,860		\$ 7,886,860	\$ 8,901,037	14.15%
Jul-16	16.50%	0.00%	16.50%	\$ 7,189,319		\$ 7,189,319	\$ 6,378,221	\$ 1,052,407	\$ 15,177	\$ 1,067,584	\$ 9,050,572		\$ 9,050,572	\$ 8,947,018	11.99%
Aug-16	14.29%	0.00%	14.29%	\$ 7,456,629		\$ 7,456,629	\$ 6,447,890	\$ 921,403	\$ 29,513	\$ 950,916	\$ 9,922,182		\$ 9,922,182	\$ 8,961,620	10.63%
Sep-16	14.76%	0.00%	14.76%	\$ 6,400,099		\$ 6,400,099	\$ 6,475,699	\$ 955,813	\$ 14,336	\$ 970,149	\$ 10,010,083		\$ 10,010,083	\$ 9,027,235	10.83%
Oct-16	17.17%	0.00%	17.17%	\$ 5,145,558		\$ 5,145,558	\$ 6,473,131	\$ 1,111,437	\$ 14,336	\$ 1,125,773	\$ 8,219,332		\$ 8,219,332	\$ 9,069,977	12.47%
Nov-16	19.95%	0.00%	19.95%	\$ 5,791,314		\$ 5,791,314	\$ 6,453,218	\$ 1,287,417	\$ 14,336	\$ 1,301,753	\$ 7,745,439		\$ 7,745,439	\$ 9,070,602	14.35%
Dec-16	16.92%	0.00%	16.92%	\$ 7,912,505		\$ 7,912,505	\$ 6,572,712	\$ 1,112,103	\$ 14,336	\$ 1,126,439	\$ 9,494,485		\$ 9,494,485	\$ 9,143,911	12.42%
Jan-17	11.21%	0.00%	11.21%	\$ 7,987,294		\$ 7,987,294	\$ 6,516,112	\$ 730,456	\$ 14,333	\$ 744,789	\$ 10,772,371		\$ 10,772,371	\$ 9,199,910	8.15%
Feb-17	12.26%	0.00%	12.26%	\$ 6,493,443		\$ 6,493,443	\$ 6,424,318	\$ 787,621	\$ -	\$ 787,621	\$ 10,140,785		\$ 10,140,785	\$ 9,034,660	8.56%
Mar-17	15.73%	0.00%	15.73%	\$ 6,343,465		\$ 6,343,465	\$ 6,462,936	\$ 1,016,620	\$ -	\$ 1,016,620	\$ 8,779,787		\$ 8,779,787	\$ 8,977,743	11.25%
Apr-17	15.40%	0.00%	15.40%	\$ 5,066,717		\$ 5,066,717	\$ 6,453,525	\$ 993,843	\$ (14,223)	\$ 979,620	\$ 8,655,909		\$ 8,655,909	\$ 9,005,171	10.91%
May-17	19.86%	0.00%	19.86%	\$ 5,534,192		\$ 5,534,192	\$ 6,472,869	\$ 1,285,512	\$ (14,223)	\$ 1,271,289	\$ 7,216,135		\$ 7,216,135	\$ 8,991,162	14.12%
Jun-17	18.13%	0.00%	18.13%	\$ 6,269,623		\$ 6,269,623	\$ 6,465,847	\$ 1,172,258	\$ 26,273	\$ 1,198,531	\$ 8,210,451		\$ 8,210,451	\$ 9,018,128	13.33%
Jul-17	17.75%	0.00%	17.75%	\$ 6,952,362		\$ 6,952,362	\$ 6,446,100	\$ 1,144,183	\$ 26,273	\$ 1,170,456	\$ 9,127,320		\$ 9,127,320	\$ 9,024,523	12.98%
Aug-17	15.89%	0.00%	15.89%	\$ 6,489,376		\$ 6,489,376	\$ 6,365,496	\$ 1,011,477	\$ 26,273	\$ 1,037,750	\$ 9,447,838		\$ 9,447,838	\$ 8,984,995	11.50%
Sep-17	17.53%	0.00%	17.53%	\$ 5,216,078		\$ 5,216,078	\$ 6,266,827	\$ 1,098,575	\$ 26,275	\$ 1,124,850	\$ 8,218,948		\$ 8,218,948	\$ 8,835,733	12.52%
Oct-17	20.51%	0.00%	20.51%	\$ 5,400,793		\$ 5,400,793	\$ 6,288,097	\$ 1,289,689	\$ 40,496	\$ 1,330,185	\$ 7,719,222		\$ 7,719,222	\$ 8,794,058	15.05%
Nov-17	17.87%	0.00%	17.87%	\$ 6,111,304		\$ 6,111,304	\$ 6,314,763	\$ 1,128,448	\$ 40,495	\$ 1,168,943	\$ 7,846,629		\$ 7,846,629	\$ 8,802,490	13.29%
Dec-17	16.39%	0.00%	16.39%	\$ 8,264,840		\$ 8,264,840	\$ 6,344,124	\$ 1,039,802	\$ (31,479)	\$ 1,008,323	\$ 9,535,913		\$ 9,535,913	\$ 8,805,942	11.45%
Jan-18	10.79%	0.00%	10.79%	\$ 9,883,545		\$ 9,883,545	\$ 6,502,145	\$ 701,581	\$ (31,479)	\$ 670,102	\$ 12,865,995		\$ 12,865,995	\$ 8,980,411	7.61%
Feb-18	7.29%	0.00%	7.29%	\$ 7,587,894		\$ 7,587,894	\$ 6,593,349	\$ 480,655	\$ (31,479)	\$ 449,176	\$ 11,975,901		\$ 11,975,901	\$ 9,133,337	5.00%
Mar-18	13.52%	0.00%	13.52%	\$ 7,090,097		\$ 7,090,097	\$ 6,655,568	\$ 899,833	\$ (31,479)	\$ 868,354	\$ 9,165,333		\$ 9,165,333	\$ 9,165,466	9.51%
Apr-18	14.49%	0.00%	14.49%	\$ 5,938,683		\$ 5,938,683	\$ 6,728,232	\$ 974,921	\$ (31,479)	\$ 943,442	\$ 10,589,653		\$ 10,589,653	\$ 9,326,612	10.29%
May-18	15.84%	0.00%	15.84%	\$ 6,222,814		\$ 6,222,814	\$ 6,785,617	\$ 1,074,842	\$ (31,476)	\$ 1,043,366	\$ 8,074,885		\$ 8,074,885	\$ 9,398,174	11.19%
Jun-18	15.59%	0.00%	15.59%	\$ 6,921,195		\$ 6,921,195	\$ 6,839,915	\$ 1,066,343	\$ -	\$ 1,066,343	\$ 9,107,492		\$ 9,107,492	\$ 9,472,928	11.35%
Jul-18	14.17%	0.00%	14.17%	\$ 6,505,088		\$ 6,505,088	\$ 6,802,642	\$ 963,934	\$ 20,088	\$ 984,022	\$ 9,751,431		\$ 9,751,431	\$ 9,524,937	10.39%
Aug-18	15.19%	0.00%	15.19%	\$ 6,507,169		\$ 6,507,169	\$ 6,804,125	\$ 1,033,547	\$ 20,088	\$ 1,053,635	\$ 9,689,590		\$ 9,689,590	\$ 9,545,083	11.06%

Notes:
 Blue Grass 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.

Column 4 - EKPC Revenues	DLC Rev	Subtot Rev	Buy Thru Charge (*)	Net Revenue
Total Revenue	7,453,673	7,429,236	-	7,429,236
Surcharge	(925,100)	(922,067)		(922,067)
Net Revenue	6,528,573	6,507,169	0	6,507,169

Note (*):
 For PGW - Exclude Buy-thru charge, per BGEC/PGW contract dated 7/1/2013

East Kentucky Power Cooperative, Inc. - Distribution Cooperatives
 Pass Through Mechanism Report for Blue Grass Energy

Appendix B
 Item 6
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 Adjusted

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 Blue Grass	On-peak Revenue Adjustment	EKPC Net Monthly Sales to Blue Grass	EKPC 12-months Ended Average Monthly Revenue from Sales to Blue Grass	Blue Grass Revenue Requirement	Amortization of (Over)/Under Recovery (*)	Cooperative Net Revenue Requirement	Cooperative Total Monthly Retail Revenues	On-Peak Retail Revenue Adjustment	Blue Grass Net Monthly Retail Revenues	12-months ended Avg. Retail Revenues, Net	Cooperative Pass Through Mechanism Factor
			Col. (1) - Col. (2)			Col. (4) - Col. (5)		Col. (8) x Col. (7)		Col. (8) + Col. (9)			Col. (11) - Col. (12)		Col. (10) / Col. (14)
Jun-04				\$ 3,862,862		\$ 3,862,862				\$ 5,518,297			\$ 5,518,297		
Apr-16	17.59%	0.00%	17.59%	\$ 5,179,644		\$ 5,179,644	\$ 6,378,337	\$ 1,121,949	\$ 15,177	\$ 1,137,126	\$ 8,326,776		\$ 8,326,776	\$ 8,902,310	12.76%
May-16	18.99%	0.00%	18.99%	\$ 5,302,066		\$ 5,302,066	\$ 6,373,390	\$ 1,210,307	\$ 15,177	\$ 1,225,484	\$ 7,384,242		\$ 7,384,242	\$ 8,912,481	13.77%
Jun-16	19.60%	0.00%	19.60%	\$ 6,353,890		\$ 6,353,890	\$ 6,356,065	\$ 1,245,789	\$ 15,177	\$ 1,260,966	\$ 7,886,860		\$ 7,886,860	\$ 8,901,037	14.15%
Jul-16	16.50%	0.00%	16.50%	\$ 7,189,319		\$ 7,189,319	\$ 6,378,221	\$ 1,052,407	\$ 15,177	\$ 1,067,584	\$ 9,050,572		\$ 9,050,572	\$ 8,947,018	11.99%
Aug-16	14.29%	0.00%	14.29%	\$ 7,456,629		\$ 7,456,629	\$ 6,447,890	\$ 921,403	\$ 29,513	\$ 950,916	\$ 9,922,182		\$ 9,922,182	\$ 8,961,620	10.63%
Sep-16	14.76%	0.00%	14.76%	\$ 6,400,099		\$ 6,400,099	\$ 6,475,699	\$ 955,813	\$ 14,336	\$ 970,149	\$ 10,010,083		\$ 10,010,083	\$ 9,027,235	10.83%
Oct-16	17.17%	0.00%	17.17%	\$ 5,145,558		\$ 5,145,558	\$ 6,473,131	\$ 1,111,437	\$ 14,336	\$ 1,125,773	\$ 8,219,332		\$ 8,219,332	\$ 9,069,977	12.47%
Nov-16	19.95%	0.00%	19.95%	\$ 5,791,314		\$ 5,791,314	\$ 6,453,218	\$ 1,287,417	\$ 14,336	\$ 1,301,753	\$ 7,745,439		\$ 7,745,439	\$ 9,070,602	14.35%
Dec-16	16.92%	0.00%	16.92%	\$ 7,912,505		\$ 7,912,505	\$ 6,572,712	\$ 1,112,103	\$ 14,336	\$ 1,126,439	\$ 9,494,485		\$ 9,494,485	\$ 9,143,911	12.42%
Jan-17	11.21%	0.00%	11.21%	\$ 7,987,294		\$ 7,987,294	\$ 6,516,112	\$ 730,456	\$ 14,333	\$ 744,789	\$ 10,772,371		\$ 10,772,371	\$ 9,199,910	8.15%
Feb-17	12.26%	0.00%	12.26%	\$ 6,493,443		\$ 6,493,443	\$ 6,424,318	\$ 787,621	\$ -	\$ 787,621	\$ 10,140,785		\$ 10,140,785	\$ 9,034,660	8.56%
Mar-17	15.73%	0.00%	15.73%	\$ 6,343,465		\$ 6,343,465	\$ 6,462,936	\$ 1,016,620	\$ -	\$ 1,016,620	\$ 8,779,787		\$ 8,779,787	\$ 9,977,743	11.25%
Apr-17	15.40%	0.00%	15.40%	\$ 5,066,717		\$ 5,066,717	\$ 6,453,525	\$ 993,843	\$ (14,223)	\$ 979,620	\$ 8,655,909		\$ 8,655,909	\$ 9,005,171	10.91%
May-17	19.86%	0.00%	19.86%	\$ 5,534,192		\$ 5,534,192	\$ 6,472,869	\$ 1,285,512	\$ (14,223)	\$ 1,271,289	\$ 7,216,135		\$ 7,216,135	\$ 8,991,162	14.12%
Jun-17	18.13%	0.00%	18.13%	\$ 6,269,623		\$ 6,269,623	\$ 6,465,847	\$ 1,172,258	\$ 26,273	\$ 1,198,531	\$ 8,210,451		\$ 8,210,451	\$ 9,018,128	13.33%
Jul-17	17.75%	0.00%	17.75%	\$ 6,952,362		\$ 6,952,362	\$ 6,446,100	\$ 1,144,183	\$ 26,273	\$ 1,170,456	\$ 9,127,320		\$ 9,127,320	\$ 9,024,523	12.98%
Aug-17	15.89%	0.00%	15.89%	\$ 6,489,376		\$ 6,489,376	\$ 6,365,496	\$ 1,011,477	\$ 26,273	\$ 1,037,750	\$ 9,447,838		\$ 9,447,838	\$ 8,984,995	11.50%
Sep-17	17.53%	0.00%	17.53%	\$ 5,216,078		\$ 5,216,078	\$ 6,266,827	\$ 1,098,575	\$ 26,275	\$ 1,124,850	\$ 8,218,948		\$ 8,218,948	\$ 8,835,733	12.52%
Oct-17	20.51%	0.00%	20.51%	\$ 5,400,793		\$ 5,400,793	\$ 6,288,097	\$ 1,289,689	\$ 40,496	\$ 1,330,185	\$ 7,719,222		\$ 7,719,222	\$ 8,794,058	15.05%
Nov-17	17.87%	0.00%	17.87%	\$ 6,111,304		\$ 6,111,304	\$ 6,314,763	\$ 1,128,448	\$ 40,495	\$ 1,168,943	\$ 7,846,629		\$ 7,846,629	\$ 8,802,490	13.29%
Dec-17	16.39%	0.00%	16.39%	\$ 8,264,840		\$ 8,264,840	\$ 6,344,124	\$ 1,039,802	\$ (31,479)	\$ 1,008,323	\$ 9,535,913		\$ 9,535,913	\$ 8,805,942	11.45%
Jan-18	10.79%	0.00%	10.79%	\$ 9,883,545		\$ 9,883,545	\$ 6,502,145	\$ 701,581	\$ (31,479)	\$ 670,102	\$ 12,865,995		\$ 12,865,995	\$ 8,980,411	7.61%
Feb-18	7.29%	0.00%	7.29%	\$ 7,587,894		\$ 7,587,894	\$ 6,593,349	\$ 480,655	\$ (31,479)	\$ 449,176	\$ 11,975,901		\$ 11,975,901	\$ 9,133,337	5.00%
Mar-18	13.52%	0.00%	13.52%	\$ 7,090,097		\$ 7,090,097	\$ 6,655,568	\$ 899,833	\$ (31,479)	\$ 868,354	\$ 9,165,333		\$ 9,165,333	\$ 9,165,466	9.51%
Apr-18	14.49%	0.00%	14.49%	\$ 5,938,683		\$ 5,938,683	\$ 6,728,232	\$ 974,921	\$ (31,479)	\$ 943,442	\$ 10,589,653		\$ 10,589,653	\$ 9,326,612	10.29%
May-18	15.84%	0.00%	15.84%	\$ 6,222,814		\$ 6,222,814	\$ 6,785,617	\$ 1,074,842	\$ (31,476)	\$ 1,043,366	\$ 8,074,885		\$ 8,074,885	\$ 9,398,174	11.19%
Jun-18	15.59%	0.00%	15.59%	\$ 6,921,195		\$ 6,921,195	\$ 6,839,915	\$ 1,066,343	\$ (62,273)	\$ 1,004,070	\$ 9,107,492		\$ 9,107,492	\$ 9,472,928	10.68%
Jul-18	14.17%	0.00%	14.17%	\$ 6,505,088		\$ 6,505,088	\$ 6,802,642	\$ 963,934	\$ 20,088	\$ 984,022	\$ 9,751,431		\$ 9,751,431	\$ 9,524,937	10.39%
Aug-18	15.19%	0.00%	15.19%	\$ 6,507,169		\$ 6,507,169	\$ 6,804,125	\$ 1,033,547	\$ 20,088	\$ 1,053,635	\$ 9,689,590		\$ 9,689,590	\$ 9,545,083	11.06%

Notes:
 Blue Grass 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.

Column 4 - EKPC Revenues	DLC Rev	Subtot Rev	Buy Thru Charge (*)	Net Revenue	
Total Revenue	7,453,673	(24,437)	7,429,236	-	7,429,236