

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 ) CASE NO. 2018-00306  
 SIX-MONTH EXPENSE PERIOD ENDING )  
 MAY 31, 2018, AND THE PASS-THROUGH )  
 MECHANISM OF ITS SIXTEEN MEMBER )  
 DISTRIBUTION COOPERATIVES )

INTER-COUNTY ENERGY COOPERATIVE RESPONSE TO  
 COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION TO  
 EAST KENTUCKY POWER COOPERATIVE, INC.  
 AND EACH OF ITS SIXTEEN MEMBER COOPERATIVES

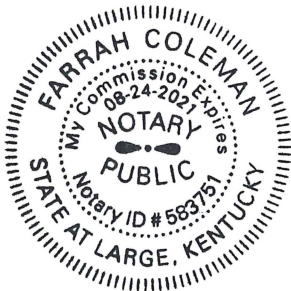
CERTIFICATION

Sheree Gilliam, Sr. Vice President-Finance and Administration, being duly sworn, states that she has prepared the responses to the question from the Commission Staff to Inter-County Energy Cooperative in Case No. 2018-00306 dated September 20, 2018, and that the response is true and accurate to the best of her knowledge, information and belief formed after a reasonable inquiry.

*Sheree Gilliam*  
 \_\_\_\_\_  
 Sheree Gilliam  
 Sr. Vice President-Finance and Administration  
 Inter-County Energy Cooperative Corporation

STATE OF KENTUCKY  
 COUNTY OF BOYLE

Subscribed and sworn to before me by Sheree Gilliam as Sr. Vice President-Finance and Administration of Inter-County Energy Cooperative Corporation this 18<sup>th</sup> day of October 2018.



*Farrah Coleman*  
 \_\_\_\_\_  
 Notary Public – ID 583751

My Commission Expires: August 24, 2021

## **INTER-COUNTY ENERGY COOPERATIVE**

### **Question 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.

**Question 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:**

Inter-County Energy total Over Recovery	\$	(4,663)
Six (6) Month Recovery	\$	(777)

		<b>Actual</b>		<b>6-Month Recovery</b>
<b>12-month average Residential usage</b>	<b>1,194</b>			
Customer Charge	\$8.97	\$8.97		\$8.97
Charge per kWh	0.09171	109.50		109.50
Fuel Adjustment Charge	-0.00610	-7.28		-7.28
Sub Total		\$111.19		\$111.19
Environmental Surcharge	0.0926	\$10.30	0.0924	\$10.27
Total		\$121.49		\$121.46
<b>Dollar Impact</b>				<b>\$0.03</b>

\*\*See Exhibit A Page 3, Actual and Exhibit B Page 4, 6-Month Recovery

**Inter-County - 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. 2017-00071 (Over)/Under-Recovery				(\$8,372)
1b	From Case No. 2017-00326 (Over)/Under-Recovery				\$52,185
1c	From Case No. 2018-00075 (Over)/Under-Recovery				(\$73,256)
1d	Total Previous (Over)/Under-Recovery				(\$29,443)
2	Jan-18	\$573,123	\$643,592	(\$70,469)	(\$99,912)
3	Feb-18	\$642,846	\$600,263	\$42,583	(\$57,328)
4	Mar-18	\$308,403	\$291,358	\$17,045	(\$40,283)
5	Apr-18	\$192,435	\$199,334	(\$6,899)	(\$47,182)
6	May-18	\$291,308	\$284,814	\$6,494	(\$40,688)
7	Jun-18	\$307,776	\$336,313	(\$28,537)	(\$69,224)
Post Review	Jul-18	\$380,133	\$406,670	(\$26,537)	(\$95,761)
	Aug-18	\$361,485	\$366,189	(\$4,704)	(\$100,465)
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. 2017-00071 Recovery	\$8,372	(\$8,372)		\$0
8b	Case No. 2017-00326 Recovery	(\$52,185)	\$43,490		(\$8,695)
8c	Case No. 2018-00075 Recovery	\$73,256	\$0		\$73,256
8d	Total Order amounts remaining - Over/(Under):				\$64,561

9	Cumulative six month (Over)/Under-Recovery [Cumulative net of remaining Case amortizations (Ln 7&8d)]	(\$4,663)
---	---	-----------

10	Monthly recovery (per month for six months)	(\$777)
----	---	---------

Reconciliation:		
11	Previous (Over)/Under-Recovery Remaining to be Amortized, beginning of Review Period	(\$29,443)
12	Previous (Over)/Under-Recovery Remaining to be Amortized, ending of Review Period	\$64,561
13	Total Amortization during Review Period	\$35,118
14	(Over)/Under-Recovery from Column 5, Line 9	(\$4,663)
15	Less: Total Monthly (Over)/Under-Recovery for Review Period (Column 4, Lines 2 thru 7)	(\$39,781)
16	Difference	\$35,118

Amortization Detail, Column 3, Line 8:

Month & Year	Case No. 2017-00071	Case No. 2017-00326	Case No. 2018-00075
Jan-18	(\$8,372)	\$0	\$0
Feb-18	\$0	\$8,698	\$0
Mar-18	\$0	\$8,698	\$0
Apr-18	\$0	\$8,698	\$0
May-18	\$0	\$8,698	\$0
Jun-18	\$0	\$8,698	\$0
Totals	(\$8,372)	\$43,490	\$0

East Kentucky Power Cooperative, Inc. - Distribution Cooperatives  
Pass Through Mechanism Report for Inter County ECC

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 Inter County	On-peak Revenue Adjustment	EKPC Net Monthly Sales to Inter County	EKPC 12-months Ended Average Monthly Revenue from Sales to Inter County	Inter County Revenue Requirement	Amortization of (Over)/Under Recovery	Inter County Net Revenue Requirement	Inter County Total Monthly Retail Revenues	On-Peak Retail Revenue Adjustment	Inter County Net Monthly Retail Revenues	12-months ended Avg. Retail Revenues, Net	Inter County 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%	\$ 2,195,865	\$	\$ 2,195,865	\$ 2,321,938	\$ 342,718	\$ (12,325)	\$ 330,393	\$ 3,101,695	\$	\$ 3,101,695	\$ 3,419,280	9.62%
Oct-16	17.17%	0.00%	17.17%	\$ 1,738,748	\$	\$ 1,738,748	\$ 2,319,052	\$ 398,181	\$ (12,325)	\$ 385,856	\$ 2,637,566	\$	\$ 2,637,566	\$ 3,412,548	11.28%
Nov-16	19.95%	0.00%	19.95%	\$ 2,141,143	\$	\$ 2,141,143	\$ 2,314,927	\$ 461,828	\$ (12,325)	\$ 449,503	\$ 3,225,291	\$	\$ 3,225,291	\$ 3,453,053	13.17%
Dec-16	16.92%	0.00%	16.92%	\$ 3,065,640	\$	\$ 3,065,640	\$ 2,371,881	\$ 401,322	\$ (12,325)	\$ 388,997	\$ 4,635,956	\$	\$ 4,635,956	\$ 3,560,661	11.27%
Jan-17	11.21%	0.00%	11.21%	\$ 3,096,251	\$	\$ 3,096,251	\$ 2,350,249	\$ 263,463	\$ (12,322)	\$ 251,141	\$ 4,416,023	\$	\$ 4,416,023	\$ 3,472,226	7.05%
Feb-17	12.26%	0.00%	12.26%	\$ 2,413,298	\$	\$ 2,413,298	\$ 2,309,035	\$ 283,088	\$ -	\$ 283,088	\$ 3,340,164	\$	\$ 3,340,164	\$ 3,416,069	8.15%
Mar-17	15.73%	0.00%	15.73%	\$ 2,339,023	\$	\$ 2,339,023	\$ 2,326,520	\$ 365,962	\$ -	\$ 365,962	\$ 3,585,377	\$	\$ 3,585,377	\$ 3,446,446	10.71%
Apr-17	15.40%	0.00%	15.40%	\$ 1,753,799	\$	\$ 1,753,799	\$ 2,321,988	\$ 357,586	\$ 183	\$ 357,769	\$ 2,500,146	\$	\$ 2,500,146	\$ 3,432,427	10.38%
May-17	19.86%	0.00%	19.86%	\$ 1,890,436	\$	\$ 1,890,436	\$ 2,329,637	\$ 462,666	\$ 183	\$ 462,849	\$ 2,940,205	\$	\$ 2,940,205	\$ 3,449,685	13.48%
Jun-17	18.13%	0.00%	18.13%	\$ 2,121,747	\$	\$ 2,121,747	\$ 2,319,674	\$ 420,557	\$ (8,188)	\$ 412,369	\$ 3,065,530	\$	\$ 3,065,530	\$ 3,419,794	11.95%
Jul-17	17.75%	0.00%	17.75%	\$ 2,411,270	\$	\$ 2,411,270	\$ 2,310,309	\$ 410,080	\$ (8,188)	\$ 401,892	\$ 3,800,272	\$	\$ 3,800,272	\$ 3,429,050	11.75%
Aug-17	15.89%	0.00%	15.89%	\$ 2,255,973	\$	\$ 2,255,973	\$ 2,285,266	\$ 363,129	\$ (8,188)	\$ 354,941	\$ 3,234,842	\$	\$ 3,234,842	\$ 3,373,589	10.35%
Sep-17	17.53%	0.00%	17.53%	\$ 1,779,411	\$	\$ 1,779,411	\$ 2,250,562	\$ 394,523	\$ (8,191)	\$ 386,332	\$ 2,670,138	\$	\$ 2,670,138	\$ 3,337,626	11.45%
Oct-17	20.51%	0.00%	20.51%	\$ 1,937,273	\$	\$ 1,937,273	\$ 2,267,105	\$ 464,983	\$ (8,371)	\$ 456,612	\$ 2,711,762	\$	\$ 2,711,762	\$ 3,343,809	13.68%
Nov-17	17.87%	0.00%	17.87%	\$ 2,288,312	\$	\$ 2,288,312	\$ 2,279,369	\$ 407,323	\$ (8,372)	\$ 398,951	\$ 3,507,168	\$	\$ 3,507,168	\$ 3,367,299	11.93%
Dec-17	16.39%	0.00%	16.39%	\$ 3,207,180	\$	\$ 3,207,180	\$ 2,291,164	\$ 375,522	\$ 8,698	\$ 384,220	\$ 4,922,178	\$	\$ 4,922,178	\$ 3,391,150	11.41%
Jan-18	10.79%	0.00%	10.79%	\$ 3,922,183	\$	\$ 3,922,183	\$ 2,359,992	\$ 254,643	\$ 8,698	\$ 263,341	\$ 5,735,279	\$	\$ 5,735,279	\$ 3,501,088	7.77%
Feb-18	7.29%	0.00%	7.29%	\$ 2,858,223	\$	\$ 2,858,223	\$ 2,397,069	\$ 174,746	\$ 8,698	\$ 183,444	\$ 3,500,730	\$	\$ 3,500,730	\$ 3,514,469	5.24%
Mar-18	13.52%	0.00%	13.52%	\$ 2,639,703	\$	\$ 2,639,703	\$ 2,422,126	\$ 327,471	\$ 8,698	\$ 336,169	\$ 4,375,311	\$	\$ 4,375,311	\$ 3,580,297	9.57%
Apr-18	14.49%	0.00%	14.49%	\$ 2,154,661	\$	\$ 2,154,661	\$ 2,455,531	\$ 355,806	\$ 8,698	\$ 364,504	\$ 3,031,518	\$	\$ 3,031,518	\$ 3,624,578	10.18%
May-18	15.84%	0.00%	15.84%	\$ 2,124,070	\$	\$ 2,124,070	\$ 2,475,001	\$ 392,040	\$ 8,695	\$ 400,735	\$ 3,199,146	\$	\$ 3,199,146	\$ 3,646,156	11.06%
Jun-18	15.59%	0.00%	15.59%	\$ 2,399,834	\$	\$ 2,399,834	\$ 2,498,174	\$ 389,465	\$ -	\$ 389,465	\$ 3,479,804	\$	\$ 3,479,804	\$ 3,680,679	10.68%
Jul-18	14.17%	0.00%	14.17%	\$ 2,318,709	\$	\$ 2,318,709	\$ 2,490,461	\$ 352,898	\$ (12,209)	\$ 340,689	\$ 3,753,243	\$	\$ 3,753,243	\$ 3,676,760	9.26%
Aug-18	15.19%	0.00%	15.19%	\$ 2,219,944	\$	\$ 2,219,944	\$ 2,487,459	\$ 377,845	\$ (12,209)	\$ 365,636	\$	\$	\$	\$	9.94%

Notes:  
Inter County 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 Inter County ECC

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 Inter County	On-peak Revenue Adjustment	EKPC Net Monthly Sales to Inter County	EKPC 12-months Ended Average Monthly Revenue from Sales to Inter County	Inter County Revenue Requirement	Amortization of (Over)/Under Recovery	Inter County Net Revenue Requirement	Inter County Total Monthly Retail Revenues	On-Peak Retail Revenue Adjustment	Inter County Net Monthly Retail Revenues	12-months ended Avg. Retail Revenues, Net	Inter County 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%	\$ 2,195,865		\$ 2,195,865	\$ 2,321,938	\$ 342,718	\$ (12,325)	\$ 330,393	\$ 3,101,695		\$ 3,101,695	\$ 3,419,280	9.62%
Oct-16	17.17%	0.00%	17.17%	\$ 1,738,748		\$ 1,738,748	\$ 2,319,052	\$ 398,181	\$ (12,325)	\$ 385,856	\$ 2,637,566		\$ 2,637,566	\$ 3,412,548	11.28%
Nov-16	19.95%	0.00%	19.95%	\$ 2,141,143		\$ 2,141,143	\$ 2,314,927	\$ 461,828	\$ (12,325)	\$ 449,503	\$ 3,225,291		\$ 3,225,291	\$ 3,453,053	13.17%
Dec-16	16.92%	0.00%	16.92%	\$ 3,065,640		\$ 3,065,640	\$ 2,371,881	\$ 401,322	\$ (12,325)	\$ 388,997	\$ 4,635,956		\$ 4,635,956	\$ 3,560,661	11.27%
Jan-17	11.21%	0.00%	11.21%	\$ 3,096,251		\$ 3,096,251	\$ 2,350,249	\$ 263,463	\$ (12,322)	\$ 251,141	\$ 4,416,023		\$ 4,416,023	\$ 3,472,226	7.05%
Feb-17	12.26%	0.00%	12.26%	\$ 2,413,298		\$ 2,413,298	\$ 2,309,035	\$ 283,088	\$ -	\$ 283,088	\$ 3,340,164		\$ 3,340,164	\$ 3,416,069	8.15%
Mar-17	15.73%	0.00%	15.73%	\$ 2,339,023		\$ 2,339,023	\$ 2,326,520	\$ 365,962	\$ -	\$ 365,962	\$ 3,585,377		\$ 3,585,377	\$ 3,446,446	10.71%
Apr-17	15.40%	0.00%	15.40%	\$ 1,753,799		\$ 1,753,799	\$ 2,321,988	\$ 357,586	\$ 183	\$ 357,769	\$ 2,500,146		\$ 2,500,146	\$ 3,432,427	10.38%
May-17	19.86%	0.00%	19.86%	\$ 1,890,436		\$ 1,890,436	\$ 2,329,637	\$ 462,666	\$ 183	\$ 462,849	\$ 2,940,205		\$ 2,940,205	\$ 3,449,685	13.48%
Jun-17	18.13%	0.00%	18.13%	\$ 2,121,747		\$ 2,121,747	\$ 2,319,674	\$ 420,557	\$ (8,188)	\$ 412,369	\$ 3,065,530		\$ 3,065,530	\$ 3,419,794	11.95%
Jul-17	17.75%	0.00%	17.75%	\$ 2,411,270		\$ 2,411,270	\$ 2,310,309	\$ 410,080	\$ (8,188)	\$ 401,892	\$ 3,800,272		\$ 3,800,272	\$ 3,429,050	11.75%
Aug-17	15.89%	0.00%	15.89%	\$ 2,255,973		\$ 2,255,973	\$ 2,285,266	\$ 363,129	\$ (8,188)	\$ 354,941	\$ 3,234,842		\$ 3,234,842	\$ 3,373,589	10.35%
Sep-17	17.53%	0.00%	17.53%	\$ 1,779,411		\$ 1,779,411	\$ 2,250,562	\$ 394,523	\$ (8,191)	\$ 386,332	\$ 2,670,138		\$ 2,670,138	\$ 3,337,626	11.45%
Oct-17	20.51%	0.00%	20.51%	\$ 1,937,273		\$ 1,937,273	\$ 2,267,105	\$ 464,983	\$ (8,371)	\$ 456,612	\$ 2,711,762		\$ 2,711,762	\$ 3,343,809	13.68%
Nov-17	17.87%	0.00%	17.87%	\$ 2,288,312		\$ 2,288,312	\$ 2,279,369	\$ 407,323	\$ (8,372)	\$ 398,951	\$ 3,507,168		\$ 3,507,168	\$ 3,367,299	11.93%
Dec-17	16.39%	0.00%	16.39%	\$ 3,207,180		\$ 3,207,180	\$ 2,291,164	\$ 375,522	\$ 8,698	\$ 384,220	\$ 4,922,178		\$ 4,922,178	\$ 3,391,150	11.41%
Jan-18	10.79%	0.00%	10.79%	\$ 3,922,183		\$ 3,922,183	\$ 2,359,992	\$ 254,643	\$ 8,698	\$ 263,341	\$ 5,735,279		\$ 5,735,279	\$ 3,501,088	7.77%
Feb-18	7.29%	0.00%	7.29%	\$ 2,858,223		\$ 2,858,223	\$ 2,397,069	\$ 174,746	\$ 8,698	\$ 183,444	\$ 3,500,730		\$ 3,500,730	\$ 3,514,469	5.24%
Mar-18	13.52%	0.00%	13.52%	\$ 2,639,703		\$ 2,639,703	\$ 2,422,126	\$ 327,471	\$ 8,698	\$ 336,169	\$ 4,375,311		\$ 4,375,311	\$ 3,580,297	9.57%
Apr-18	14.49%	0.00%	14.49%	\$ 2,154,661		\$ 2,154,661	\$ 2,455,531	\$ 355,806	\$ 8,698	\$ 364,504	\$ 3,031,518		\$ 3,031,518	\$ 3,624,578	10.18%
May-18	15.84%	0.00%	15.84%	\$ 2,124,070		\$ 2,124,070	\$ 2,475,001	\$ 392,040	\$ 8,695	\$ 400,735	\$ 3,199,146		\$ 3,199,146	\$ 3,646,156	11.06%
Jun-18	15.59%	0.00%	15.59%	\$ 2,399,834		\$ 2,399,834	\$ 2,498,174	\$ 389,465	\$ -	\$ 389,465	\$ 3,479,804		\$ 3,479,804	\$ 3,680,679	10.68%
Jul-18	14.17%	0.00%	14.17%	\$ 2,318,709		\$ 2,318,709	\$ 2,490,461	\$ 352,898	\$ (12,986)	\$ 339,912	\$ 3,753,243		\$ 3,753,243	\$ 3,676,760	9.24%
Aug-18	15.19%	0.00%	15.19%	\$ 2,219,944		\$ 2,219,944	\$ 2,487,459	\$ 377,845	\$ (12,209)	\$ 365,636					9.94%

Notes:  
Inter County 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.