

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


**CERTIFICATE**

Sergio Cole, being duly sworn, states that he has supervised the preparation of the response of Shelby Electric Cooperative, Inc. to the Public Service Commission Staff's First Request for Information to East Kentucky Power Cooperative, Inc.'s Sixteen Member Distribution Cooperatives in the above-referenced case, 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.

  
\_\_\_\_\_  
Sergio Cole

COMMONWEALTH OF KENTUCKY    )  
  )  
COUNTY OF SHELBY                    )

Subscribed and sworn to before me by Sergio Cole, Manager of Accounting and Payroll of Shelby Electric Cooperative, Inc. this 22 day of October 2018.

  
\_\_\_\_\_  
Notary Public

ID: 591656\_\_\_\_\_

My Commission Expires: 12/13/2021\_\_\_\_\_



**Shelby Energy Cooperative's Response to the  
Commission Staff's First Request for Information  
Case No. 2018-00306**

**Question:**

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

Witness: Sergio T. Cole

**Shelby Energy Cooperative's Response to the  
Commission Staff's First Request for Information  
Case No. 2018-00306**

**Question:**

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**

6. Using billing data ending May 31, 2018, the average monthly residential usage is 1,289 kWh resulting in an average residential monthly bill of \$144.76 when no over-or-under-recovery amount is included. When the over-or-under-recovery is included in the calculation for the same period of time, \$143.73 is the monthly bill. The result is a dollar impact of \$1.03 credit to the customer. Please refer to Exhibit A, Pages 1-4, for supporting calculations and documentation.

**Shelby - Calculation of (Over)/Under Recovery**

Line No.	Month & Year	EKPC Invoice Month recorded Member's Books	Billed to Retail Consumer & recorded on Member's Books	Monthly (Over) or Under	Cumulative (Over) or Under
		(2)	(3)	(4)	(5)
1	Previous (Over)/Under-Recovery Remaining to be Amortized				
1a	From Case No. 2017-00326 (Over)/Under-Recovery				(\$41,754)
1b	From Case No. 2018-00075 (Over)/Under-Recovery				(\$141,806)
1c	Total Previous (Over)/Under-Recovery				(\$183,560)
2	Jan-18	\$528,597	\$592,456	(\$63,859)	(\$247,419)
3	Feb-18	\$294,534	\$421,080	(\$126,546)	(\$373,965)
4	Mar-18	\$183,515	\$279,651	(\$96,136)	(\$470,102)
5	Apr-18	\$293,105	\$175,381	\$117,724	(\$352,378)
6	May-18	\$338,507	\$314,941	\$23,566	(\$328,812)
7	Jun-18	\$399,471	\$369,798	\$29,673	(\$299,139)
Post Review	Jul-18	\$363,438	\$408,197	(\$44,759)	(\$343,898)
	Aug-18	\$338,023	\$0	\$338,023	(\$5,875)
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 Recov	\$41,754	(\$41,754)		\$0
8b	Case No. 2018-00075 Recov	\$141,806	\$0		\$141,806
8c	Total Order amounts remaining - Over/(Under):				\$141,806
9	Cumulative six month (Over)/Under-Recovery [Cumulative net of remaining Case amortizations (L				(\$157,333)
10	Monthly recovery (per month for six months)				(\$26,222)
Reconciliation:					
11	Previous (Over)/Under-Recovery Remaining to be Amortized, beginning of Review Period				(\$183,560)
12	Previous (Over)/Under-Recovery Remaining to be Amortized, ending of Review Period				\$141,806
13	Total Amortization during Review Period				(\$41,754)
14	(Over)/Under-Recovery from Column 5, Line 9				(\$157,333)
15	Less: Total Monthly (Over)/Under-Recovery for Review Period (Column 4, Lines 2 thru 7)				(\$115,579)
16	Difference				(\$41,754)

Amortization Detail, Column 3, Line 8:

Month & Year	Case No. 2017-00326	Case No. 2018-00075
Jan-18	(\$6,959)	\$0
Feb-18	(\$6,959)	\$0
Mar-18	(\$6,959)	\$0
Apr-18	(\$6,959)	\$0
May-18	(\$6,959)	\$0
Jun-18	(\$6,959)	\$0
Totals	(\$41,754)	\$0

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

For the Month Ending June 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 Shelby	On-peak Revenue Adjustment	EKPC Net Monthly Sales to Shelby	EKPC 12-months Ended Average Monthly Revenue from Sales to Shelby	Shelby Revenue Requirement	Amortization of (Over)/Under Recovery	Shelby Net Revenue Requirement	Shelby Total Monthly Retail Revenues	On-Peak Retail Revenue Adjustment	Shelby Net Monthly Retail Revenues	12-months ended Avg. Retail Revenues, Net	Shelby 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)
Jul-16	16.50%	0.00%	16.50%	\$ 2,626,236		\$ 2,626,236	\$ 2,335,407	\$ 385,342	\$ 3,288	\$ 388,630	\$ 3,149,928		\$ 3,149,928	\$ 3,145,094	12.38%
Aug-16	14.29%	0.00%	14.29%	\$ 2,742,551		\$ 2,742,551	\$ 2,357,962	\$ 336,953	\$ 12,801	\$ 349,754	\$ 3,352,320		\$ 3,352,320	\$ 3,162,434	11.12%
Sep-16	14.76%	0.00%	14.76%	\$ 2,416,818		\$ 2,416,818	\$ 2,370,457	\$ 349,879	\$ 9,513	\$ 359,392	\$ 3,540,595		\$ 3,540,595	\$ 3,171,739	11.36%
Oct-16	17.17%	0.00%	17.17%	\$ 2,008,875		\$ 2,008,875	\$ 2,374,690	\$ 407,734	\$ 9,513	\$ 417,247	\$ 3,274,885		\$ 3,274,885	\$ 3,195,018	13.16%
Nov-16	19.95%	0.00%	19.95%	\$ 2,130,080		\$ 2,130,080	\$ 2,371,923	\$ 473,199	\$ 9,513	\$ 482,712	\$ 2,774,356		\$ 2,774,356	\$ 3,199,392	15.11%
Dec-16	16.92%	0.00%	16.92%	\$ 2,775,283		\$ 2,775,283	\$ 2,407,491	\$ 407,348	\$ 9,513	\$ 416,861	\$ 3,066,518		\$ 3,066,518	\$ 3,208,914	13.03%
Jan-17	11.21%	0.00%	11.21%	\$ 2,795,250		\$ 2,795,250	\$ 2,397,031	\$ 268,707	\$ 9,511	\$ 278,218	\$ 3,659,302		\$ 3,659,302	\$ 3,250,723	8.67%
Feb-17	12.26%	0.00%	12.26%	\$ 2,312,345		\$ 2,312,345	\$ 2,369,493	\$ 290,500	\$ -	\$ 290,500	\$ 3,588,268		\$ 3,588,268	\$ 3,221,886	8.94%
Mar-17	15.73%	0.00%	15.73%	\$ 2,271,913		\$ 2,271,913	\$ 2,376,725	\$ 373,859	\$ -	\$ 373,859	\$ 3,275,906		\$ 3,275,906	\$ 3,183,353	11.60%
Apr-17	15.40%	0.00%	15.40%	\$ 1,950,132		\$ 1,950,132	\$ 2,375,564	\$ 365,837	\$ (1,893)	\$ 363,944	\$ 3,226,503		\$ 3,226,503	\$ 3,202,847	11.43%
May-17	19.86%	0.00%	19.86%	\$ 2,121,755		\$ 2,121,755	\$ 2,379,096	\$ 472,488	\$ (1,893)	\$ 470,595	\$ 2,693,816		\$ 2,693,816	\$ 3,190,808	14.69%
Jun-17	18.13%	0.00%	18.13%	\$ 2,329,055		\$ 2,329,055	\$ 2,373,358	\$ 430,290	\$ 3,516	\$ 433,806	\$ 2,727,758		\$ 2,727,758	\$ 3,194,180	13.60%
Jul-17	17.75%	0.00%	17.75%	\$ 2,481,476		\$ 2,481,476	\$ 2,361,294	\$ 419,130	\$ 3,516	\$ 422,646	\$ 3,125,397		\$ 3,125,397	\$ 3,192,135	13.23%
Aug-17	15.89%	0.00%	15.89%	\$ 2,425,806		\$ 2,425,806	\$ 2,334,899	\$ 371,015	\$ 3,516	\$ 374,531	\$ 3,272,533		\$ 3,272,533	\$ 3,185,487	11.73%
Sep-17	17.53%	0.00%	17.53%	\$ 2,013,124		\$ 2,013,124	\$ 2,301,258	\$ 403,410	\$ 3,514	\$ 406,924	\$ 3,496,189		\$ 3,496,189	\$ 3,181,786	12.77%
Oct-17	20.51%	0.00%	20.51%	\$ 2,073,511		\$ 2,073,511	\$ 2,306,644	\$ 473,093	\$ 5,409	\$ 478,502	\$ 2,930,213		\$ 2,930,213	\$ 3,153,063	15.04%
Nov-17	17.87%	0.00%	17.87%	\$ 2,234,513		\$ 2,234,513	\$ 2,315,347	\$ 413,752	\$ 5,409	\$ 419,161	\$ 2,919,171		\$ 2,919,171	\$ 3,165,131	13.29%
Dec-17	16.39%	0.00%	16.39%	\$ 2,790,924		\$ 2,790,924	\$ 2,316,650	\$ 379,699	\$ (6,959)	\$ 372,740	\$ 3,166,162		\$ 3,166,162	\$ 3,173,435	11.78%
Jan-18	10.79%	0.00%	10.79%	\$ 3,225,121		\$ 3,225,121	\$ 2,352,473	\$ 253,832	\$ (6,959)	\$ 246,873	\$ 3,969,292		\$ 3,969,292	\$ 3,199,267	7.78%
Feb-18	7.29%	0.00%	7.29%	\$ 2,729,701		\$ 2,729,701	\$ 2,387,253	\$ 174,031	\$ (6,959)	\$ 167,072	\$ 4,455,142		\$ 4,455,142	\$ 3,271,507	5.22%
Mar-18	13.52%	0.00%	13.52%	\$ 2,517,366		\$ 2,517,366	\$ 2,407,707	\$ 325,522	\$ (6,959)	\$ 318,563	\$ 3,572,323		\$ 3,572,323	\$ 3,296,208	9.74%
Apr-18	14.49%	0.00%	14.49%	\$ 2,167,945		\$ 2,167,945	\$ 2,425,858	\$ 351,507	\$ (6,959)	\$ 344,548	\$ 3,593,230		\$ 3,593,230	\$ 3,326,769	10.45%
May-18	15.84%	0.00%	15.84%	\$ 2,336,137		\$ 2,336,137	\$ 2,443,723	\$ 387,086	\$ (6,959)	\$ 380,127	\$ 3,357,154		\$ 3,357,154	\$ 3,382,047	11.43%
Jun-18	15.59%	0.00%	15.59%	\$ 2,521,895		\$ 2,521,895	\$ 2,459,793	\$ 383,482	\$ -	\$ 383,482	\$ 3,229,588		\$ 3,229,588	\$ 3,423,866	11.34%

Notes:

Shelby 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

	Tot Rev	DLC Rev	Subtot Revenues	Buy-Thru Charge (*)	Net Revenues
Total Revenues	2,925,638	(4,272)	2,921,366	-	2,921,366
Total Surcharge	(400,055)	584	(399,471)		(399,471)
Revenue for Column 4	2,525,583	(3,688)	2,521,895	-	2,521,895

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For the Month Ending June 2018

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Revenue for Column 4	2,525,583	(3,688)	2,521,895	-	2,521,895

Shelby Energy Cooperative, Inc

**Actual Average Residential Monthly Bill**

<b>Average Monthly Residential kWh:</b>		1,289
<b>Residential Rate:</b>		
<b>Facility Charge</b>	\$15.00	\$15.00
<b>kWh Charge</b>	\$0.08841	113.96
<b>Fuel Adjustment Factor</b>	(\$0.00220)	(2.84)
<b>Surcharge (May 2018)</b>	11.43%	14.42
<i>** Refer to Exhibit A - Page 2 of 4</i>		
<b>County Tax</b>	3.00%	<u>\$4.22</u>
		\$144.76

**Actual Average Residential Monthly Bill with Recovery**

<b>Average Monthly Residential kWh:</b>		1,289
<b>Residential Rate:</b>		
<b>Facility Charge</b>	\$15.00	\$15.00
<b>kWh Charge</b>	\$0.08841	113.96
<b>Fuel Adjustment Factor</b>	(\$0.00220)	(2.84)
<b>Surcharge (May 2018)</b>	10.64%	13.42
<i>** Refer to Exhibit A - Page 3 of 4</i>		
<b>County Tax</b>	3.00%	<u>\$4.19</u>
		\$143.73

**Dollar Impact:** (\$1.03)