

COMMONWEATH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXANMINATION BY THE PUBLIC SERVICE)
COMMISSION OF THE ENVIRONMENTAL)
SURCHARGE MECHANISM OF EAST KENTUCKY)
POWER COOPERATIVE, INC. FOR THE SIX-)
MONTH EXPENSE PERIOD ENDING)
MAY 31, 2018, AND THE PASS-THROUGH)
MECHANISM OF ITS SIXTEEN MEMBER)
DISTRIBUTION COOPERATIVES)

CASE NO.
2018-00306

CERTIFICATE

STATE OF KENTUCKY)
)
COUNTY OF OWEN)

Teresa Hamilton, being duly sworn, states that she has supervised the preparation of the response of Owen Electric Cooperative, Inc. to the Public Service Commission Staff's First Request for Information to East Kentucky Power Cooperative, Inc. and Each of its Sixteen Member Cooperatives, dated September 20, 2018, in the above-referenced case, and that the matters and things set forth therein are true and accurate to the best of her knowledge, information and belief, formed after reasonable inquiry.

[Handwritten signature of Teresa Hamilton]

Subscribed and sworn before me on this 18th day of October, 2018.

[Handwritten signature of Shannon Kaye Chappelle]
Notary Public

Commission Expires April 25, 2019

OWEN ELECTRIC COOPERATIVE
PSC CASE NO. 2018-00306
ENVIRONMENTAL SURCHARGE MECHANISM
RESPONSE TO FIRST INFORMATION REQUEST
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION TO
EAST KENTUCKY POWER, INC. AND EACH OF ITS SIXTEEN
MEMBER COOPERATIVES DATED SEPTEMBER 20, 2018

REQUEST 2

RESPONSIBLE PARTY: Teresa Hamilton

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 2: Please see pages 2 through 3 of this response and EKPC's response to Request 2 of the Commission Staff's First Request for Information dated September 20, 2018. Please note that the electronic version of this response is being filed by EKPC.

Owen - 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				\$68,619
1b	From Case No. 2017-00326 (Over)/Under-Recovery				\$104,745
1c	From Case No. 2018-00075 (Over)/Under-Recovery				\$52,158
1d	Total Previous (Over)/Under-Recovery				\$225,522
2	Jan-18	\$1,181,323	\$1,272,899	(\$91,576)	\$133,946
3	Feb-18	\$628,437	\$1,010,343	(\$381,906)	(\$247,960)
4	Mar-18	\$390,036	\$323,138	\$66,898	(\$181,062)
5	Apr-18	\$611,189	\$128,778	\$482,411	\$301,349
6	May-18	\$769,745	\$837,369	(\$67,624)	\$233,725
7	Jun-18	\$955,280	\$824,899	\$130,381	\$364,106
Post Review	Jul-18	\$886,361	\$1,006,696	(\$120,335)	\$243,771
	Aug-18	\$793,300	\$908,007	(\$114,707)	\$129,064
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. 2017-00071 Recovery	(\$68,619)	\$68,619		\$0
8b	Case No. 2017-00326 Recovery	(\$104,745)	\$87,290		(\$17,455)
8c	Case No. 2018-00075 Recovery	(\$52,158)	\$0		(\$52,158)
8d	Total Order amounts remaining - Over/(Under):				(\$69,613)
9	Cumulative six month (Over)/Under-Recovery [Cumulative net of remaining Case amortizations (Ln 7&8d)]				\$294,493
10	Monthly recovery (per month for six months)				\$49,082
Reconciliation:					
11	Previous (Over)/Under-Recovery Remaining to be Amortized, beginning of Review Period				\$225,522
12	Previous (Over)/Under-Recovery Remaining to be Amortized, ending of Review Period				(\$69,613)
13	Total Amortization during Review Period				\$155,909
14	(Over)/Under-Recovery from Column 5, Line 9				\$294,493
15	Less: Total Monthly (Over)/Under-Recovery for Review Period (Column 4, Lines 2 thru 7)				\$138,584
16	Difference				\$155,909

Amortization Detail, Column 3, Line 8:

Month & Year	Case No. 2017-00071	Case No. 2017-00326	Case No. 2018-00075
Jan-18	\$68,619	\$0	\$0
Feb-18	\$0	\$17,458	\$0
Mar-18	\$0	\$17,458	\$0
Apr-18	\$0	\$17,458	\$0
May-18	\$0	\$17,458	\$0
Jun-18	\$0	\$17,458	\$0
Totals	\$68,619	\$87,290	\$0

Owen Electric Cooperative - Calculation of (Over)/Under Recovery - Direct Surcharge Pass-Throughs
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Special Contract

	EKPC Invoice Month recorded Member's Books	Billed to Retail Consumer & recorded on Member's Books	Monthly (Over) or Under	Cumulative (Over) or Under
Month & Year	(1)	(2)	(3)	(4)
Jan-18	\$542,251	\$542,251	\$0	\$0
Feb-18	\$384,879	\$384,879	\$0	\$0
Mar-18	\$249,977	\$249,977	\$0	\$0
Apr-18	\$452,394	\$452,394	\$0	\$0
May-18	\$496,882	\$496,882	\$0	\$0
Jun-18	\$520,818	\$520,818	\$0	\$0
Jul-18	\$462,793	\$462,793	\$0	\$0
Aug-18	\$430,932	\$430,932	\$0	\$0

Cumulative 6-month (Over)/Under Recovery	\$0
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Monthly Recovery (per month for six months)	\$0
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Rate B Customers

	EKPC Invoice Month recorded Member's Books	Billed to Retail Consumer & recorded on Member's Books	Monthly (Over) or Under	Cumulative (Over) or Under
Month & Year	(1)	(2)	(3)	(4)
Jan-18	\$193,819	\$193,819	\$0	\$0
Feb-18	\$132,686	\$132,686	\$0	\$0
Mar-18	\$86,957	\$86,957	\$0	\$0
Apr-18	\$155,346	\$155,346	\$0	\$0
May-18	\$167,111	\$167,111	\$0	\$0
Jun-18	\$178,319	\$178,319	\$0	\$0
Jul-18	\$168,209	\$168,209	\$0	\$0
Aug-18	\$160,438	\$160,438	\$0	\$0

Cumulative 6-month (Over)/Under Recovery	\$0
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Monthly Recovery (per month for six months)	\$0
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OWEN ELECTRIC COOPERATIVE
PSC CASE NO. 2018-00306
ENVIRONMENTAL SURCHARGE MECHANISM
RESPONSE TO FIRST INFORMATION REQUEST
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION TO
EAST KENTUCKY POWER, INC. AND EACH OF ITS SIXTEEN
MEMBER COOPERATIVES DATED SEPTEMBER 20, 2018

REQUEST 6

RESPONSIBLE PARTY: Teresa Hamilton

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 6: Please see the response to Request 2 for the calculation of the review period's under-recovery.

Page 2 of this response reflects the impact on the average residential customer.

Page 3 of this response represents the "as filed" surcharge factors, and served as the basis for calculating the average pass-through factor used to calculate the "Actual Average Residential Monthly Bill" on page 2. Page 4 of this response assumes the under-recovery of \$294,493, as provided in the response to Request 2, page 2 of 3, was amortized over the last six months of the December 2017 to May 2018 timeframe and served as a basis for calculating the average pass-through factor used to calculate the "Average Residential Monthly Bill with Recover" on page 2.

<u>Actual Average Residential Monthly Bill</u>		
Average Monthly Residential kWh:		<u>1,123</u>
Residential Rate:		
Customer Charge	\$20.00	\$20.00
kWh Charge*	\$0.08425	\$94.61
Fuel Adjustment Factor (Average Billed Jun 17 - May 18)	(\$0.00340)	(\$3.81)
Environmental Surcharge (Computed Average Billed June 17 - May 18)	10.11%	11.20
County/City Tax	3.00%	<u>\$3.66</u>
		<u><u>\$125.66</u></u>

<u>Average Residential Monthly Bill with Recovery</u>		
Average Monthly Residential kWh:		<u>1,123</u>
Residential Rate:		
Customer Charge	\$20.00	\$20.00
kWh Charge*	\$0.08425	\$94.61
Fuel Adjustment Factor (Average Billed Jun 17 - May 18)	(\$0.00340)	(\$3.81)
Environmental Surcharge (Computed Average Billed June 17 - May 18)	10.42%	11.55
County/City Tax	3.00%	<u>\$3.67</u>
		<u><u>\$126.01</u></u>

Dollar Impact:	\$0.35
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*Used kWh charge in effect September 1, 2017.

East Kentucky Power Cooperative, Inc. - Distribution Cooperatives
 Pass Through Mechanism Report for Owen Electric Cooperative

For the Month Ending June 2018

	(1)	(8c)	(8d)	(8e)	(8f)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Surcharge Factor Expense Month	EKPC CESF %	Amortization of (Over)/Under Recovery of Gallatin Revenues	EKPC Schedule B Surcharge Revenues	Amortization of EKPC Schedule B (Over)/Under Recovery of Revenues	Owen Revenue Requirements exclusive of Gallatin and Schedule B	Amortization of (Over)/Under Recovery excl. of Gallatin	Owen Net Revenue Revenue Requirement exclusive of Gallatin + Sch B	Owen Total Monthly Retail Revenues exclusive of Gallatin + Sch B	On-Peak Retail Revenue Adjustment	Owen Net Monthly Retail Revenues exclusive of Gallatin + Sch B	12-months ended Avg. Retail Revenues, Net Exclusive of Gallatin + Sch B	Owen Pass Through Mechanism Factor, Net of Gallatin + Sch B
					Col (8a)-[Col (8b)+ Col(8c)]-[Col(8d)+Col(8e)]		Col (8f) + Col (9)			Col. (11) - Col. (12)		Col (10) / Col (14)
Jul-16	16.50%	\$ -	\$ 228,749	\$ -	\$ 646,680	\$ (259,773)	\$ 386,907	\$ 8,470,437		\$ 8,470,437	\$ 7,953,893	4.90%
Aug-16	14.29%	\$ -	\$ 198,068	\$ -	\$ 637,369	\$ (199,545)	\$ 437,824	\$ 9,090,500		\$ 9,090,500	\$ 7,944,431	5.50%
Sep-16	14.76%	\$ -	\$ 162,063	\$ -	\$ 824,987	\$ (199,545)	\$ 625,442	\$ 9,484,644		\$ 9,484,644	\$ 8,025,882	7.87%
Oct-16	17.17%	\$ -	\$ 168,407	\$ -	\$ 1,007,689	\$ (199,545)	\$ 808,144	\$ 7,635,861		\$ 7,635,861	\$ 8,070,696	10.07%
Nov-16	19.95%	\$ -	\$ 182,026	\$ -	\$ 1,149,043	\$ (199,545)	\$ 949,498	\$ 6,740,505		\$ 6,740,505	\$ 8,076,352	11.76%
Dec-16	16.92%	\$ -	\$ 221,212	\$ -	\$ 727,884	\$ (199,545)	\$ 528,339	\$ 8,112,522		\$ 8,112,522	\$ 8,148,267	6.54%
Jan-17	11.21%	\$ -	\$ 193,201	\$ -	\$ 272,113	\$ (199,543)	\$ 72,570	\$ 9,189,146		\$ 9,189,146	\$ 8,201,295	0.89%
Feb-17	12.26%	\$ -	\$ 117,600	\$ -	\$ 670,072	\$ (113,545)	\$ 556,527	\$ 8,672,575		\$ 8,672,575	\$ 8,027,610	6.79%
Mar-17	15.73%	\$ -	\$ 133,330	\$ -	\$ 935,698	\$ -	\$ 935,698	\$ 7,869,567		\$ 7,869,567	\$ 8,019,697	11.66%
Apr-17	15.40%	\$ -	\$ 168,819	\$ -	\$ 745,400	\$ 44,859	\$ 790,259	\$ 7,357,665		\$ 7,357,665	\$ 8,023,882	9.85%
May-17	19.86%	\$ -	\$ 177,823	\$ -	\$ 1,132,134	\$ 44,859	\$ 1,176,993	\$ 6,160,685		\$ 6,160,685	\$ 8,007,266	14.67%
Jun-17	18.13%	\$ -	\$ 232,065	\$ -	\$ 804,314	\$ 113,479	\$ 917,793	\$ 7,662,204		\$ 7,662,204	\$ 8,037,193	11.46%
Jul-17	17.75%	\$ -	\$ 208,939	\$ -	\$ 844,967	\$ 113,479	\$ 958,446	\$ 8,368,841		\$ 8,368,841	\$ 8,028,726	11.93%
Aug-17	15.89%	\$ -	\$ 217,885	\$ -	\$ 658,117	\$ 113,479	\$ 771,596	\$ 8,834,468		\$ 8,834,468	\$ 8,007,390	9.61%
Sep-17	17.53%	\$ -	\$ 165,707	\$ -	\$ 970,104	\$ 113,477	\$ 1,083,581	\$ 7,917,304		\$ 7,917,304	\$ 7,876,779	13.53%
Oct-17	20.51%	\$ -	\$ 202,700	\$ -	\$ 1,113,255	\$ 68,620	\$ 1,181,875	\$ 7,152,145		\$ 7,152,145	\$ 7,836,469	15.00%
Nov-17	17.87%	\$ -	\$ 220,754	\$ -	\$ 851,818	\$ 68,619	\$ 920,437	\$ 6,633,147		\$ 6,633,147	\$ 7,827,522	11.75%
Dec-17	16.39%	\$ -	\$ 202,758	\$ -	\$ 761,843	\$ 17,458	\$ 779,301	\$ 8,263,661		\$ 8,263,661	\$ 7,840,117	9.96%
Jan-18	10.79%	\$ -	\$ 193,819	\$ -	\$ 253,074	\$ 17,458	\$ 270,532	\$ 10,672,430		\$ 10,672,430	\$ 7,963,724	3.45%
Feb-18	7.29%	\$ -	\$ 132,686	\$ -	\$ 162,370	\$ 17,458	\$ 179,828	\$ 9,588,086		\$ 9,588,086	\$ 8,040,017	2.26%
Mar-18	13.52%	\$ -	\$ 86,957	\$ -	\$ 938,377	\$ 17,458	\$ 955,835	\$ 7,793,514		\$ 7,793,514	\$ 8,033,679	11.89%
Apr-18	14.49%	\$ -	\$ 155,346	\$ -	\$ 769,904	\$ 17,458	\$ 787,362	\$ 8,939,587		\$ 8,939,587	\$ 8,165,506	9.80%
May-18	15.84%	\$ -	\$ 167,111	\$ -	\$ 856,257	\$ 17,455	\$ 873,712	\$ 7,131,494		\$ 7,131,494	\$ 8,246,407	10.70%
Jun-18	15.59%	\$ -	\$ 178,319	\$ -	\$ 810,170	\$ -	\$ 810,170	\$ 8,596,366		\$ 8,596,366	\$ 8,324,254	9.82%

Notes:

Owen 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.

10.11%

East Kentucky Power Cooperative, Inc. - Distribution Cooperatives
 Pass Through Mechanism Report for Owen Electric Cooperative

For the Month Ending June 2018

	(1)	(8c)	(8d)	(8e)	(8f)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Surcharge Factor Expense Month	EKPC CESF %	Amortization of (Over)/Under Recovery of Gallatin Revenues	EKPC Schedule B Surcharge Revenues	Amortization of EKPC Schedule B (Over)/Under Recovery of Revenues	Owen Revenue Requirements exclusive of Gallatin and Schedule B	Amortization of (Over)/Under Recovery excl. of Gallatin	Owen Net Revenue Revenue Requirement exclusive of Gallatin + Sch B	Owen Total Monthly Retail Revenues exclusive of Gallatin + Sch B	On-Peak Retail Revenue Adjustment	Owen Net Monthly Retail Revenues exclusive of Gallatin + Sch B	12-months ended Avg. Retail Revenues, Net Exclusive of Gallatin + Sch B	Owen Pass Through Mechanism Factor, Net of Gallatin + Sch B
					Col (8a)-[Col (8b)+ Col(8c)]-[Col(8d)+Col(8e)]		Col (8f) + Col (9)			Col. (11) - Col. (12)		Col (10) / Col (14)
Jul-16	16.50%	\$ -	\$ 228,749	\$ -	\$ 646,680	\$ (259,773)	\$ 386,907	\$ 8,470,437		\$ 8,470,437	\$ 7,953,893	4.90%
Aug-16	14.29%	\$ -	\$ 198,068	\$ -	\$ 637,369	\$ (199,545)	\$ 437,824	\$ 9,090,500		\$ 9,090,500	\$ 7,944,431	5.50%
Sep-16	14.76%	\$ -	\$ 162,063	\$ -	\$ 824,987	\$ (199,545)	\$ 625,442	\$ 9,484,644		\$ 9,484,644	\$ 8,025,882	7.87%
Oct-16	17.17%	\$ -	\$ 168,407	\$ -	\$ 1,007,689	\$ (199,545)	\$ 808,144	\$ 7,635,861		\$ 7,635,861	\$ 8,070,696	10.07%
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Dec-16	16.92%	\$ -	\$ 221,212	\$ -	\$ 727,884	\$ (199,545)	\$ 528,339	\$ 8,112,522		\$ 8,112,522	\$ 8,148,267	6.54%
Jan-17	11.21%	\$ -	\$ 193,201	\$ -	\$ 272,113	\$ (199,543)	\$ 72,570	\$ 9,189,146		\$ 9,189,146	\$ 8,201,295	0.89%
Feb-17	12.26%	\$ -	\$ 117,600	\$ -	\$ 670,072	\$ (113,545)	\$ 556,527	\$ 8,672,575		\$ 8,672,575	\$ 8,027,610	6.79%
Mar-17	15.73%	\$ -	\$ 133,330	\$ -	\$ 935,698	\$ -	\$ 935,698	\$ 7,869,567		\$ 7,869,567	\$ 8,019,697	11.66%
Apr-17	15.40%	\$ -	\$ 168,819	\$ -	\$ 745,400	\$ 44,859	\$ 790,259	\$ 7,357,665		\$ 7,357,665	\$ 8,023,882	9.85%
May-17	19.86%	\$ -	\$ 177,823	\$ -	\$ 1,132,134	\$ 44,859	\$ 1,176,993	\$ 6,160,685		\$ 6,160,685	\$ 8,007,266	14.67%
Jun-17	18.13%	\$ -	\$ 232,065	\$ -	\$ 804,314	\$ 113,479	\$ 917,793	\$ 7,662,204		\$ 7,662,204	\$ 8,037,193	11.46%
Jul-17	17.75%	\$ -	\$ 208,939	\$ -	\$ 844,967	\$ 113,479	\$ 958,446	\$ 8,368,841		\$ 8,368,841	\$ 8,028,726	11.93%
Aug-17	15.89%	\$ -	\$ 217,885	\$ -	\$ 658,117	\$ 113,479	\$ 771,596	\$ 8,834,468		\$ 8,834,468	\$ 8,007,390	9.61%
Sep-17	17.53%	\$ -	\$ 165,707	\$ -	\$ 970,104	\$ 113,477	\$ 1,083,581	\$ 7,917,304		\$ 7,917,304	\$ 7,876,779	13.53%
Oct-17	20.51%	\$ -	\$ 202,700	\$ -	\$ 1,113,255	\$ 68,620	\$ 1,181,875	\$ 7,152,145		\$ 7,152,145	\$ 7,836,469	15.00%
Nov-17	17.87%	\$ -	\$ 220,754	\$ -	\$ 851,818	\$ 68,619	\$ 920,437	\$ 6,633,147		\$ 6,633,147	\$ 7,827,522	11.75%
Dec-17	16.39%	\$ -	\$ 202,758	\$ -	\$ 761,843	\$ 66,540	\$ 828,383	\$ 8,263,661		\$ 8,263,661	\$ 7,840,117	10.58%
Jan-18	10.79%	\$ -	\$ 193,819	\$ -	\$ 253,074	\$ 66,540	\$ 319,614	\$ 10,672,430		\$ 10,672,430	\$ 7,963,724	4.08%
Feb-18	7.29%	\$ -	\$ 132,686	\$ -	\$ 162,370	\$ 66,540	\$ 228,910	\$ 9,588,086		\$ 9,588,086	\$ 8,040,017	2.87%
Mar-18	13.52%	\$ -	\$ 86,957	\$ -	\$ 938,377	\$ 66,540	\$ 1,004,917	\$ 7,793,514		\$ 7,793,514	\$ 8,033,679	12.50%
Apr-18	14.49%	\$ -	\$ 155,346	\$ -	\$ 769,904	\$ 66,540	\$ 836,444	\$ 8,939,587		\$ 8,939,587	\$ 8,165,506	10.41%
May-18	15.84%	\$ -	\$ 167,111	\$ -	\$ 856,257	\$ 66,537	\$ 922,794	\$ 7,131,494		\$ 7,131,494	\$ 8,246,407	11.30%
Jun-18	15.59%	\$ -	\$ 178,319	\$ -	\$ 810,170	\$ -	\$ 810,170	\$ 8,596,366		\$ 8,596,366	\$ 8,324,254	9.82%

Recovery of \$49,082 monthly for 6 months

Notes:

Owen 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.

10.42%