

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. 2019-00171
SIX-MONTH EXPENSE PERIOD ENDING)
NOVEMBER 30, 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. 2019-00171 dated June 5, 2019, and that the response is true and accurate to the best of her knowledge, information and belief formed after a reasonable inquiry.



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 21st day of June 2019.



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 June 5, 2019.

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 November 30, 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 see EKPC's response to Request No. 2 of the Commission Staff's First Request for Information, dated June 5, 2019, for the calculation of the review periods over or under recovery.

12-MO AVERAGE RESIDENTIAL MEMBERS MONTHLY USAGE			
<u>MONTH/YR</u>	<u>CUSTOMERS</u>	<u>KWH SOLD</u>	
Dec-17	24,669	32,327,828	
Jan-18	25,348	49,755,744	
Feb-18	25,329	46,687,855	
Mar-18	25,362	28,548,855	
Apr-18	25,280	31,959,516	
May-18	25,270	23,354,507	
Jun-18	25,297	26,050,278	
Jul-18	25,267	29,516,407	
Aug-18	25,354	29,579,288	
Sep-18	25,308	28,477,817	
Oct-18	25,363	23,918,895	
Nov-18	25,334	25,870,999	
TOTAL	303,181	376,047,989	
AVERAGE		1,240	

			Actual		6-Month Recovery
12-month average Residential usage			1,240		
Customer Charge			\$ 8.97		\$ 8.97
Charge per kWh		\$0.09171	\$ 113.72	\$0.09171	\$ 113.72
Fuel Adjustment Charge		(\$0.00456)	\$ (5.65)	(\$0.00456)	\$ (5.65)
Sub Total			\$ 117.04		\$ 117.04
Environmental Surcharge		9.50%	\$ 11.12	9.10%	\$ 10.65
Total			\$ 128.16		\$ 127.69
Dollar Impact on Average Residential Bill					\$ (0.47)

**See Exhibit A Page 4, Actual and Exhibit B Page 5, 6-Month Recovery

Inter-County - 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				\$8,695
1b	From Case No. 2018-00075 (Over)/Under-Recovery				(\$73,256)
1c	From Case No. 2018-00306 (Over)/Under-Recovery				(\$4,663)
1d	Total Previous (Over)/Under-Recovery				(\$69,224)
2	Jul-18	\$380,133	\$406,670	(\$26,537)	(\$95,761)
3	Aug-18	\$361,485	\$366,189	(\$4,704)	(\$100,465)
4	Sep-18	\$314,566	\$313,300	\$1,266	(\$99,199)
5	Oct-18	\$314,576	\$293,826	\$20,750	(\$78,449)
6	Nov-18	\$308,177	\$327,448	(\$19,271)	(\$97,720)
7	Dec-18	\$422,209	\$444,272	(\$22,063)	(\$119,783)
Post Review	Jan-19	\$510,550	\$494,966	\$15,584	(\$104,199)
	Feb-19	\$474,568	\$490,306	(\$15,738)	(\$119,937)
Less Adjustment for Order amounts remaining to be amortized at end of review period December 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	(\$8,695)	\$8,695		\$0
8b	Case No. 2018-00075 Recovery	\$73,256	(\$48,836)		\$24,420
8c	Case No. 2018-00306 Recovery	\$4,663	\$0		\$4,663
8d	Total Order amounts remaining - Over/(Under):				\$29,083
9	Cumulative six month (Over)/Under-Recovery [Cumulative net of remaining Case amortizations (Ln 7&8d)]				(\$90,700)
10	Monthly recovery (per month for six months)				(\$15,117)
Reconciliation:					
11	Previous (Over)/Under-Recovery Remaining to be Amortized, beginning of Review Period				(\$69,224)
12	Previous (Over)/Under-Recovery Remaining to be Amortized, ending of Review Period				\$29,083
13	Total Amortization during Review Period				(\$40,141)
14	(Over)/Under-Recovery from Column 5, Line 9				(\$90,700)
15	Less: Total Monthly (Over)/Under-Recovery for Review Period (Column 4, Lines 2 thru 7)				(\$50,559)
16	Difference				(\$40,141)

Amortization Detail, Column 3, Line 8:

Month & Year	Case No. 2017-00326	Case No. 2018-00075	Case No. 2018-00306
Jul-18	\$8,695	\$0	\$0
Aug-18	\$0	\$0	\$0
Sep-18	\$0	(\$12,209)	\$0
Oct-18	\$0	(\$12,209)	\$0
Nov-18	\$0	(\$12,209)	\$0
Dec-18	\$0	(\$12,209)	\$0
Totals	\$8,695	(\$48,836)	\$0

Exhibit A

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

For the Month Ending April 2019

	(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 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)
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	\$ 3,335,648		\$ 3,335,648	\$ 3,685,160	9.94%
Sep-18	15.42%	0.00%	15.42%	\$ 2,070,945		\$ 2,070,945	\$ 2,511,753	\$ 387,312	\$ (12,209)	\$ 375,103	\$ 2,952,417		\$ 2,952,417	\$ 3,708,684	10.18%
Oct-18	16.16%	0.00%	16.16%	\$ 1,998,566		\$ 1,998,566	\$ 2,516,861	\$ 406,725	\$ (12,209)	\$ 394,516	\$ 3,081,944		\$ 3,081,944	\$ 3,739,532	10.64%
Nov-18	16.83%	0.00%	16.83%	\$ 2,612,673		\$ 2,612,673	\$ 2,543,891	\$ 428,137	\$ (12,209)	\$ 415,928	\$ 4,004,341		\$ 4,004,341	\$ 3,780,963	11.12%
Dec-18	14.68%	0.00%	14.68%	\$ 3,033,574		\$ 3,033,574	\$ 2,529,424	\$ 371,319	\$ (12,211)	\$ 359,108	\$ 4,319,451		\$ 4,319,451	\$ 3,730,736	9.50%
Jan-19	12.16%	0.00%	12.16%	\$ 3,232,767		\$ 3,232,767	\$ 2,471,972	\$ 300,592	\$ (777)	\$ 299,815	\$ 5,441,482		\$ 5,441,482	\$ 3,706,253	8.04%
Feb-19	12.10%	0.00%	12.10%	\$ 2,579,306		\$ 2,579,306	\$ 2,448,729	\$ 296,296	\$ (777)	\$ 295,519	\$ 3,723,728		\$ 3,723,728	\$ 3,724,836	7.97%
Mar-19	15.23%	0.00%	15.23%	\$ 2,721,575		\$ 2,721,575	\$ 2,455,552	\$ 373,981	\$ (777)	\$ 373,204	\$ 4,334,866		\$ 4,334,866	\$ 3,721,466	10.02%
Apr-19	15.77%	0.00%	15.77%	\$ 1,928,141		\$ 1,928,141	\$ 2,436,675	\$ 384,264	\$ (777)	\$ 383,487					10.30%

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.

Exhibit B

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For the Month Ending April 2019

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