

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

**IN THE MATTER OF:**

<b>AN EXAMINATION BY THE PUBLIC SERVICE</b>	)	
<b>COMMISSION OF THE ENVIRONMENTAL</b>	)	
<b>SURCHARGE MECHANISM OF EAST KENTUCKY</b>	)	
<b>POWER COOPERATIVE, INC. FOR THE SIX-MONTH</b>	)	<b>CASE NO.</b>
<b>BILLING PERIOD ENDING NOVEMBER 30, 2018,</b>	)	<b>2019-00171</b>
<b>AND THE PASS-THROUGH MECHANISM</b>	)	
<b>OF ITS SIXTEEN MEMBER</b>	)	
<b>DISTRIBUTION COOPERATIVES</b>	)	

**CERTIFICATE**

**STATE OF KENTUCKY**

**COUNTY OF PULASKI**

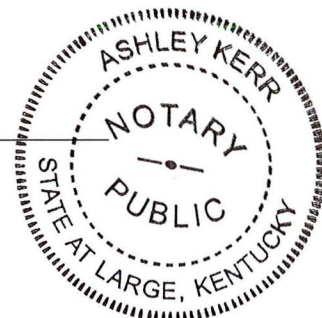
Michelle D. Herrman, being duly sworn, states that she has supervised the preparation of the Responses of South Kentucky RECC to the Public Service Commission Staff's First Data Request for Information contained in the above-referenced case dated June 5, 2019, and that the matters and things set forth therein are true and accurate to the best of her knowledge, information and belief, formed after reasonable inquiry.

Michelle D. Herrman

Subscribed and sworn before me on the 20th day of June, 2019.

Ashley Kerr  
Notary Public

My commission expires 8/31/19.



SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE  
PSC CASE NO. 2019-00171  
ENVIRONMENTAL SURCHARGE MECHANISM  
RESPONSE TO COMMISSION STAFF'S FIRST REQUEST  
FOR INFORMATION DATED JUNE 5, 2019

**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**

Page 2 of 2 shows the calculation of the Over-Recovery in the amount of \$15,226.

Please see East Kentucky Power Cooperative's response to Request No. 2 of the Commission Staff's First Request for Information dated June 5, 2019 for the Excel spreadsheet supporting the calculations of the over-recovery.

South Kentucky - 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. 2017-00326 (Over)/Under-Recovery				(\$34,288)
1b	From Case No. 2018-00075 (Over)/Under-Recovery				\$178,319
1c	From Case No. 2018-00306 (Over)/Under-Recovery				(\$435,336)
1d	Total Previous (Over)/Under-Recovery				(\$291,305)
2	Jul-18	\$991,869	\$1,055,960	(\$64,091)	(\$355,396)
3	Aug-18	\$863,356	\$1,077,896	(\$214,540)	(\$569,936)
4	Sep-18	\$859,205	\$926,295	(\$67,090)	(\$637,026)
5	Oct-18	\$828,076	\$864,876	(\$36,800)	(\$673,826)
6	Nov-18	\$1,106,066	\$962,465	\$143,601	(\$530,225)
7	Dec-18	\$1,350,194	\$1,211,092	\$139,102	(\$391,123)
Post Review	Jan-19	\$1,222,029	\$1,310,216	(\$88,187)	(\$479,310)
	Feb-19	\$805,886	\$1,307,643	(\$501,757)	(\$981,066)
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		\$34,288	(\$34,288)	\$0
8b	Case No. 2018-00075 Recovery		(\$178,319)	\$118,880	(\$59,439)
8c	Case No. 2018-00306 Recovery		\$435,336	\$0	\$435,336
8d	Total Order amounts remaining - Over/(Under):				\$375,897
9	Cumulative six month (Over)/Under-Recovery [Cumulative net of remaining Case amortizations (Ln 7&8d)]				(\$15,226)
10	Monthly recovery (per month for six months)				(\$2,538)
Reconciliation:					
11	Previous (Over)/Under-Recovery Remaining to be Amortized, beginning of Review Period				(\$291,305)
12	Previous (Over)/Under-Recovery Remaining to be Amortized, ending of Review Period				\$375,897
13	Total Amortization during Review Period				84,592
14	(Over)/Under-Recovery from Column 5, Line 9				(\$15,226)
15	Less: Total Monthly (Over)/Under-Recovery for Review Period (Column 4, Lines 2 thru 7)				(99,818)
16	Difference (reflects rounding differences)				84,592

Amortization Detail, Column 3, Line 8:

Month & Year	Case No. 2017-00326	Case No. 2018-00075	Case No. 2018-00306
Jul-18	(\$34,288)	\$0	\$0
Aug-18	\$0	\$0	\$0
Sep-18	\$0	\$29,720	\$0
Oct-18	\$0	\$29,720	\$0
Nov-18	\$0	\$29,720	\$0
Dec-18	\$0	\$29,720	\$0
Totals	(\$34,288)	\$118,880	\$0

SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE  
PSC CASE NO. 2019-00171  
ENVIRONMENTAL SURCHARGE MECHANISM  
RESPONSE TO COMMISSION STAFF'S FIRST REQUEST  
FOR INFORMATION DATED JUNE 5, 2019

**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 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**

South Kentucky has used a six-month amortization for the Over Recovery in this case.

Please see Item 6, pages 2-5 for the requested calculations.

South Kentucky RECC  
Average Residential Consumer's Usage

	<u># Customers</u>	<u>kWh</u>
Dec 2017	61,761	75,959,191
Jan 2018	61,566	118,314,476
Feb	61,605	95,388,123
Mar	61,852	62,044,914
Apr	61,564	66,952,101
May	61,683	50,417,942
Jun	61,893	58,071,910
Jul	61,792	66,303,012
Aug	62,156	63,805,942
Sep	61,879	62,113,026
Oct	61,994	50,901,611
Nov	<u>62,040</u>	<u>60,969,525</u>
Totals	<u>741,785</u>	<u>831,241,773</u>
Average Residential Usage		<u>1,121</u>

## South Kentucky RECC Impact on Average Residential Consumer's Bill

Average Residential Account:	<b>Actual</b>	
	<u>Rate</u>	<u>Bill Amount</u>
Consumer Charge	\$12.82	\$12.82
kWh Charge	\$0.08294	
kWh Average Monthly Usage	1,121	\$92.98
Fuel Adjustment	-\$0.00352	-\$3.95
		\$101.85
*Environmental Monthly Charge	<b>12.20%</b>	\$12.43
School Tax	3.00%	\$3.43
<b>Total Monthly Bill</b>		<b>\$117.71</b>

\*Based on Page 4 of 5 Rate.

Average Residential Account:	<b>6 Month Recovery</b>	
	<u>Rate</u>	<u>Bill Amount</u>
Consumer Charge	\$12.82	\$12.82
kWh Charge	\$0.08294	
kWh Average Monthly Usage	1,121	\$92.98
Fuel Adjustment	-\$0.00352	-\$3.95
		\$101.85
*Environmental Monthly Charge	<b>12.17%</b>	\$12.40
School Tax	3.00%	\$3.43
<b>Total Monthly Bill</b>		<b>\$117.68</b>
	<b>Impact</b>	<b>-\$0.03</b>

\*Based on Page 5 of 5 Rate.

Monthly Recovery of \$2,538 for six months

Over Recovery \$15,226/6

East Kentucky Power Cooperative, Inc. - Distribution Cooperatives  
Pass Through Mechanism Report for South Kentucky RECC

For the Month Ending December 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 South Kentucky	On-peak Revenue Adjustment	EKPC Net Monthly Sales to South Kentucky	EKPC 12-months Ended Average Monthly Revenue from Sales to South Kentucky	South Kentucky Revenue Requirement	Amortization of (Over)/Under Recovery	South Kentucky Net Revenue Requirement	South Kentucky Total Monthly Retail Revenues	On-Peak Retail Revenue Adjustment	South Kentucky Net Monthly Retail Revenues	12-months ended Avg. Retail Revenues, Net	South Kentucky 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)			
Jan-17	11.21%	0.00%	11.21%	\$ 8,116,799		\$ 8,116,799	\$ 6,427,759	\$ 720,552	\$ 26,243	\$ 746,795	\$10,886,127		\$ 10,886,127	\$ 9,268,695	8.09%
Feb-17	12.26%	0.00%	12.26%	\$ 6,422,306		\$ 6,422,306	\$ 6,297,594	\$ 772,085	\$ -	\$ 772,085	\$10,417,092		\$ 10,417,092	\$ 9,061,776	8.33%
Mar-17	15.73%	0.00%	15.73%	\$ 6,400,398		\$ 6,400,398	\$ 6,337,259	\$ 996,851	\$ -	\$ 996,851	\$ 8,919,381		\$ 8,919,381	\$ 8,996,378	11.00%
Apr-17	15.40%	0.00%	15.40%	\$ 4,919,040		\$ 4,919,040	\$ 6,334,332	\$ 975,487	\$ (18,274)	\$ 957,213	\$ 8,312,184		\$ 8,312,184	\$ 8,993,376	10.64%
May-17	19.86%	0.00%	19.86%	\$ 5,264,029		\$ 5,264,029	\$ 6,350,538	\$ 1,261,217	\$ (18,274)	\$ 1,242,943	\$ 7,170,662		\$ 7,170,662	\$ 9,000,848	13.82%
Jun-17	18.13%	0.00%	18.13%	\$ 5,874,501		\$ 5,874,501	\$ 6,327,221	\$ 1,147,125	\$ 18,181	\$ 1,165,306	\$ 8,113,770		\$ 8,113,770	\$ 9,013,175	12.95%
Jul-17	17.75%	0.00%	17.75%	\$ 6,664,414		\$ 6,664,414	\$ 6,307,356	\$ 1,119,556	\$ 18,181	\$ 1,137,737	\$ 8,747,877		\$ 8,747,877	\$ 8,987,762	12.62%
Aug-17	15.89%	0.00%	15.89%	\$ 6,270,808		\$ 6,270,808	\$ 6,238,598	\$ 991,313	\$ 18,181	\$ 1,009,494	\$ 9,581,425		\$ 9,581,425	\$ 8,956,731	11.23%
Sep-17	17.53%	0.00%	17.53%	\$ 4,883,248		\$ 4,883,248	\$ 6,136,303	\$ 1,075,694	\$ 18,184	\$ 1,093,878	\$ 8,439,119		\$ 8,439,119	\$ 8,836,198	12.21%
Oct-17	20.51%	0.00%	20.51%	\$ 5,566,440		\$ 5,566,440	\$ 6,190,549	\$ 1,269,682	\$ 36,455	\$ 1,306,137	\$ 7,542,849		\$ 7,542,849	\$ 8,796,151	14.78%
Nov-17	17.87%	0.00%	17.87%	\$ 6,233,186		\$ 6,233,186	\$ 6,224,603	\$ 1,112,336	\$ 36,452	\$ 1,148,788	\$ 7,835,584		\$ 7,835,584	\$ 8,800,410	13.06%
Dec-17	16.39%	0.00%	16.39%	\$ 8,474,684		\$ 8,474,684	\$ 6,257,488	\$ 1,025,602	\$ (34,288)	\$ 991,314	\$ 9,869,122		\$ 9,869,122	\$ 8,819,599	11.26%
Jan-18	10.79%	0.00%	10.79%	\$ 10,476,278		\$ 10,476,278	\$ 6,454,111	\$ 696,399	\$ (34,288)	\$ 662,111	\$13,746,901		\$ 13,746,901	\$ 9,057,997	7.51%
Feb-18	7.29%	0.00%	7.29%	\$ 7,495,592		\$ 7,495,592	\$ 6,543,552	\$ 477,025	\$ (34,288)	\$ 442,737	\$12,233,642		\$ 12,233,642	\$ 9,209,376	4.89%
Mar-18	13.52%	0.00%	13.52%	\$ 7,009,204		\$ 7,009,204	\$ 6,594,285	\$ 891,547	\$ (34,288)	\$ 857,259	\$ 9,077,326		\$ 9,077,326	\$ 9,222,538	9.31%
Apr-18	14.49%	0.00%	14.49%	\$ 5,858,677		\$ 5,858,677	\$ 6,672,588	\$ 966,858	\$ (34,288)	\$ 932,570	\$10,190,496		\$ 10,190,496	\$ 9,379,064	10.11%
May-18	15.84%	0.00%	15.84%	\$ 5,778,961		\$ 5,778,961	\$ 6,715,499	\$ 1,063,735	\$ (34,288)	\$ 1,029,447	\$ 7,995,121		\$ 7,995,121	\$ 9,447,769	10.98%
Jun-18	15.59%	0.00%	15.59%	\$ 6,507,073		\$ 6,507,073	\$ 6,768,214	\$ 1,055,165	\$ -	\$ 1,055,165	\$ 8,895,045		\$ 8,895,045	\$ 9,512,876	11.17%
Jul-18	14.17%	0.00%	14.17%	\$ 6,362,237		\$ 6,362,237	\$ 6,743,032	\$ 955,488	\$ 29,720	\$ 985,208	\$ 9,615,965		\$ 9,615,965	\$ 9,585,216	10.36%
Aug-18	15.19%	0.00%	15.19%	\$ 6,092,851		\$ 6,092,851	\$ 6,728,203	\$ 1,022,014	\$ 29,720	\$ 1,051,734	\$ 9,648,920		\$ 9,648,920	\$ 9,590,841	10.97%
Sep-18	15.42%	0.00%	15.42%	\$ 5,656,367		\$ 5,656,367	\$ 6,792,629	\$ 1,047,423	\$ 29,720	\$ 1,077,143	\$ 8,939,799		\$ 8,939,799	\$ 9,632,564	11.23%
Oct-18	16.16%	0.00%	16.16%	\$ 5,370,151		\$ 5,370,151	\$ 6,776,272	\$ 1,095,046	\$ 29,720	\$ 1,124,766	\$ 7,882,862		\$ 7,882,862	\$ 9,660,899	11.68%
Nov-18	16.83%	0.00%	16.83%	\$ 6,844,447		\$ 6,844,447	\$ 6,827,210	\$ 1,149,019	\$ 29,720	\$ 1,178,739	\$ 8,569,633		\$ 8,569,633	\$ 9,722,069	12.20%
Dec-18	14.68%	0.00%	14.68%	\$ 8,022,554		\$ 8,022,554	\$ 6,789,533	\$ 996,703	\$ 29,719	\$ 1,026,422					10.56%

Notes:  
South Kentucky 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.

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Jun-18	15.59%	0.00%	15.59%	\$ 6,507,073		\$ 6,507,073	\$ 6,768,214	\$ 1,055,165	\$ -	\$ 1,055,165	\$ 8,895,045		\$ 8,895,045	\$ 9,512,876	11.17%
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Case No. 2018-00075	\$ 29,720
Case No. 2019-00171	<u>\$ (2,538)</u>
	<u>\$ 27,182</u>

\* Note Case No. 2018-00306 Over Recovery Monthly amortization begins in January 2019 at \$72,556.