

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,)	CASE NO.
INC. FOR THE SIX-MONTH EXPENSE PERIOD ENDING)	2019-00171
NOVEMBER 30, 2018 AND THE PASS-THROUGH MECHANISM)	
OF ITS SIXTEEN MEMBER DISTRIBUTION COOPERATIVES)	

CERTIFICATE

William T. Prather, being duly sworn, states that he has supervised the preparation of the response of Farmers Rural Electric Cooperative Corporation to the Public Service Commission Staff's First Request for Information to East Kentucky Power Cooperative, Inc. 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.

William T. Prather

COMMONWEALTH OF KENTUCKY)
)
 COUNTY OF BARREN)

Subscribed and sworn to before me by William T. Prather, President & CEO of Farmers Rural Electric Cooperative Corporation this 21st day of June, 2019.

Dinaa Sue Fowser

Notary Public
ID: 446566

My Commission Expires: 07-30-2019

**FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION
PSC CASE NO. 2019-00171
RESPONSE TO COMMISSION STAFF'S FIRST REQUEST**

Request 2.

This question is addressed to EKPC and 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 an 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 refer to EKPC's responses to Request No. 2 of the Commission Staff's First Request for Information.

FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION
PSC CASE NO. 2019-00171
RESPONSE TO COMMISSION STAFF'S FIRST REQUEST

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 ended 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 6.

Please see the schedules attached to this response.

Actual Average Bill

30 Day Monthly Usage	1,172 kwh
Energy	\$ 101.13
Customer Charge	14.00
Fuel @ (\$0.005370)	(6.29)
Environmental Surcharge	
@ 9.56%	10.40 *
Local School Tax @ 3.0%	3.58
Total Bill Amount	\$ 122.82

* See PSC Request 6, Page 4 of 5

Recovery Period of Six Months

30 Day Monthly Usage	1,172 kwh
Energy	\$ 101.13
Customer Charge	14.00
Fuel @ (\$0.005370)	(6.29)
Environmental Surcharge	
@ 9.53%	10.37 ***
Local School Tax @ 3.0%	3.58
Total Bill Amount	\$ 122.78

*** See PSC Request 6, Page 5 of 5

Notes:

- Fuel is calculated on kwh amount.
- Environmental Surcharge is calculated on energy, customer charge and fuel.
- School Tax is calculated on all charges.

Farmers - 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				(\$3,030)
1b	From Case No. 2018-00075 (Over)/Under-Recovery				(\$92,910)
1c	From Case No. 2018-00306 (Over)/Under-Recovery				(\$105,568)
1d	Total Previous (Over)/Under-Recovery				(\$201,508)
2	Jul-18	\$412,720	\$440,299	(\$27,579)	(\$229,087)
3	Aug-18	\$366,094	\$438,463	(\$72,369)	(\$301,456)
4	Sep-18	\$355,565	\$350,533	\$5,032	(\$296,423)
5	Oct-18	\$338,587	\$320,549	\$18,038	(\$278,385)
6	Nov-18	\$417,755	\$340,064	\$77,691	(\$200,694)
7	Dec-18	\$487,179	\$430,679	\$56,500	(\$144,194)
Post Review	Jan-19	\$439,095	\$444,270	(\$5,175)	(\$149,369)
	Feb-19	\$304,745	\$443,506	(\$138,761)	(\$288,130)
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	\$3,030	(\$3,030)		\$0
8b	Case No. 2018-00075 Recovery	\$92,910	(\$61,940)		\$30,970
8c	Case No. 2018-00306 Recovery	\$105,568	\$0		\$105,568
8d	Total Order amounts remaining - Over/(Under):				\$136,538
9	Cumulative six month (Over)/Under-Recovery (Cumulative net of remaining Case amortizations (Ln 7&8d))				(7,656)
10	Monthly recovery (per month for six months)				(\$1,276)
Reconciliation:					
11	Previous (Over)/Under-Recovery Remaining to be Amortized, beginning of Review Period				(\$201,508)
12	Previous (Over)/Under-Recovery Remaining to be Amortized, ending of Review Period				\$136,538
13	Total Amortization during Review Period				(\$64,970)
14	(Over)/Under-Recovery from Column 5, Line 9				(\$7,656)
15	Less: Total Monthly (Over)/Under-Recovery for Review Period (Column 4, Lines 2 thru 7)				\$57,314
16	Difference				(\$64,970)

Amortization Detail, Column 3, Line 8:

Month & Year	Case No. 2017-00326	Case No. 2018-00075	Case No. 2018-00306
Jul-18	(\$3,030)	\$0	\$0
Aug-18	\$0	\$0	\$0
Sep-18	\$0	(\$15,485)	\$0
Oct-18	\$0	(\$15,485)	\$0
Nov-18	\$0	(\$15,485)	\$0
Dec-18	\$0	(\$15,485)	\$0
Totals	(\$3,030)	(\$61,940)	\$0

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

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 Farmers	On-peak Revenue Adjustment	EKPC Net Monthly Sales to Farmers	EKPC 12-months Ended Average Monthly Revenue from Sales to Farmers	Farmers Revenue Requirement	Amortization of (Over)/Under Recovery	Farmers Net Revenue Requirement	Farmers Total Monthly Retail Revenues	On-Peak Retail Revenue Adjustment	Farmers Net Monthly Retail Revenues	12-months ended Avg. Retail Revenues, Net	Farmers 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%	\$ 2,152,111		\$ 2,152,111	\$ 2,487,850	\$ 494,087	\$ (8,917)	\$ 485,170	\$ 3,226,743		\$ 3,226,743	\$ 3,541,896	13.71%
Jun-17	18.13%	0.00%	18.13%	\$ 2,448,718		\$ 2,448,718	\$ 2,472,729	\$ 448,306	\$ 49	\$ 448,355	\$ 3,846,683		\$ 3,846,683	\$ 3,533,481	12.66%
Jul-17	17.75%	0.00%	17.75%	\$ 2,755,333		\$ 2,755,333	\$ 2,461,066	\$ 436,839	\$ 49	\$ 436,888	\$ 3,975,434		\$ 3,975,434	\$ 3,527,356	12.36%
Aug-17	15.89%	0.00%	15.89%	\$ 2,595,472		\$ 2,595,472	\$ 2,431,422	\$ 386,353	\$ 49	\$ 386,402	\$ 3,658,561		\$ 3,658,561	\$ 3,491,957	10.95%
Sep-17	17.53%	0.00%	17.53%	\$ 2,039,274		\$ 2,039,274	\$ 2,392,643	\$ 419,430	\$ 48	\$ 419,478	\$ 3,095,043		\$ 3,095,043	\$ 3,476,230	12.01%
Oct-17	20.51%	0.00%	20.51%	\$ 2,136,511		\$ 2,136,511	\$ 2,401,522	\$ 492,552	\$ 8,966	\$ 501,518	\$ 3,186,111		\$ 3,186,111	\$ 3,489,258	14.43%
Nov-17	17.87%	0.00%	17.87%	\$ 2,327,859		\$ 2,327,859	\$ 2,413,341	\$ 431,264	\$ 8,963	\$ 440,227	\$ 3,980,052		\$ 3,980,052	\$ 3,505,494	12.62%
Dec-17	16.39%	0.00%	16.39%	\$ 3,017,029		\$ 3,017,029	\$ 2,418,103	\$ 396,327	\$ (3,031)	\$ 393,296	\$ 4,958,169		\$ 4,958,169	\$ 3,588,653	11.22%
Jan-18	10.79%	0.00%	10.79%	\$ 3,637,276		\$ 3,637,276	\$ 2,475,887	\$ 267,148	\$ (3,031)	\$ 264,117	\$ 4,440,584		\$ 4,440,584	\$ 3,645,678	7.36%
Feb-18	7.29%	0.00%	7.29%	\$ 2,829,135		\$ 2,829,135	\$ 2,517,077	\$ 183,495	\$ (3,031)	\$ 180,464	\$ 3,740,565		\$ 3,740,565	\$ 3,666,782	4.95%
Mar-18	13.52%	0.00%	13.52%	\$ 2,577,620		\$ 2,577,620	\$ 2,536,923	\$ 342,992	\$ (3,031)	\$ 339,961	\$ 3,951,808		\$ 3,951,808	\$ 3,735,643	9.27%
Apr-18	14.49%	0.00%	14.49%	\$ 2,226,377		\$ 2,226,377	\$ 2,561,893	\$ 371,218	\$ (3,031)	\$ 368,187	\$ 3,284,376		\$ 3,284,376	\$ 3,778,677	9.86%
May-18	15.84%	0.00%	15.84%	\$ 2,441,908		\$ 2,441,908	\$ 2,586,043	\$ 409,629	\$ (3,030)	\$ 406,599	\$ 3,958,077		\$ 3,958,077	\$ 3,839,622	10.76%
Jun-18	15.59%	0.00%	15.59%	\$ 2,767,253		\$ 2,767,253	\$ 2,612,587	\$ 407,302	\$ -	\$ 407,302	\$ 4,091,946		\$ 4,091,946	\$ 3,860,061	10.61%
Jul-18	14.17%	0.00%	14.17%	\$ 2,634,565		\$ 2,634,565	\$ 2,602,523	\$ 368,778	\$ (15,485)	\$ 353,293	\$ 4,132,508		\$ 4,132,508	\$ 3,873,150	9.15%
Aug-18	15.19%	0.00%	15.19%	\$ 2,570,814		\$ 2,570,814	\$ 2,600,468	\$ 395,011	\$ (15,485)	\$ 379,526	\$ 3,830,945		\$ 3,830,945	\$ 3,887,515	9.80%
Sep-18	15.42%	0.00%	15.42%	\$ 2,328,426		\$ 2,328,426	\$ 2,624,564	\$ 404,708	\$ (15,485)	\$ 389,223	\$ 3,270,344		\$ 3,270,344	\$ 3,902,124	10.01%
Oct-18	16.16%	0.00%	16.16%	\$ 2,182,991		\$ 2,182,991	\$ 2,628,438	\$ 424,756	\$ (15,485)	\$ 409,271	\$ 3,397,245		\$ 3,397,245	\$ 3,919,718	10.49%
Nov-18	16.83%	0.00%	16.83%	\$ 2,572,751		\$ 2,572,751	\$ 2,648,845	\$ 445,801	\$ (15,485)	\$ 430,316	\$ 4,105,600		\$ 4,105,600	\$ 3,930,181	10.98%
Dec-18	14.68%	0.00%	14.68%	\$ 2,881,930		\$ 2,881,930	\$ 2,637,587	\$ 387,198	\$ (15,485)	\$ 371,713	\$ 4,045,565		\$ 4,045,565	\$ 3,854,130	9.46%
Jan-19	12.16%	0.00%	12.16%	\$ 2,978,339		\$ 2,978,339	\$ 2,582,676	\$ 314,053	\$ (17,595)	\$ 296,458	\$ 4,688,212		\$ 4,688,212	\$ 3,874,766	7.69%
Feb-19	12.10%	0.00%	12.10%	\$ 2,494,589		\$ 2,494,589	\$ 2,554,797	\$ 309,130	\$ (17,595)	\$ 291,535	\$ 3,871,157		\$ 3,871,157	\$ 3,885,648	7.52%
Mar-19	15.23%	0.00%	15.23%	\$ 2,587,904		\$ 2,587,904	\$ 2,555,654	\$ 389,226	\$ (17,595)	\$ 371,631	\$ 3,273,914		\$ 3,273,914	\$ 3,829,157	9.56%
Apr-19	15.77%	0.00%	15.77%	\$ 2,013,174		\$ 2,013,174	\$ 2,537,887	\$ 400,225	\$ (17,595)	\$ 382,630					9.99%

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Surcharge Factor Expense Month	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
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Feb-19	12.10%	0.00%	12.10%	\$ 2,494,589		\$ 2,494,589	\$ 2,554,797	\$ 309,130	\$ (17,595)	\$ 291,535	\$ 3,871,157		\$ 3,871,157	\$ 3,885,648	7.52%
Mar-19	15.23%	0.00%	15.23%	\$ 2,587,904		\$ 2,587,904	\$ 2,555,654	\$ 389,226	\$ (18,871)	\$ 370,355	\$ 3,273,914		\$ 3,273,914	\$ 3,829,157	9.53% ***
Apr-19	15.77%	0.00%	15.77%	\$ 2,013,174		\$ 2,013,174	\$ 2,537,887	\$ 400,225	\$ (17,595)	\$ 382,630					9.99%