

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

ELECTRONIC TARIFF FILING OF THE EAST)	
KENTUCKY POWER COOPERATIVE, INC.)	CASE NO.
DISTRIBUTION COOPERATIVES TO ESTABLISH)	2023-00135
AN EARNING MECHANISM TARIFF)	

**RESPONSES TO COMMISSION STAFF'S SECOND REHEARING REQUEST FOR
INFORMATION TO EAST KENTUCKY POWER COOPERATIVE, INC.'S
DISTRIBUTION COOPERATIVES DATED JULY 5, 2023**

Filed: July 14, 2023

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VERIFICATION OF JOHN WOLFRAM

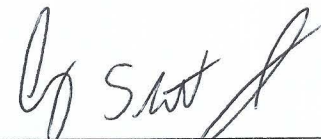
COMMONWEALTH OF KENTUCKY)
)
 COUNTY OF JEFFERSON)

John Wolfram, Principal, Catalyst Consulting LLC, being duly sworn, states that he has supervised the preparation of certain responses to Commission Staff's Second Rehearing Request for Information in the above referenced case on behalf of East Kentucky Power Cooperative Inc.'s Distribution Cooperatives, 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.



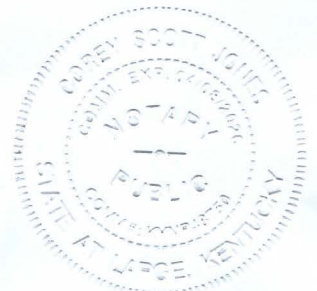
 John Wolfram

The foregoing Verification was signed, acknowledged and sworn to before me this 10th day of July, 2023, by John Wolfram.



 Commission expiration: 04/08/2026

COREY SCOTT JONES
 Notary Public - State at Large
 Kentucky
 My Commission Expires Apr. 08, 2026
 Notary ID KYNP48750



**EAST KENTUCKY POWER COOPERATIVE INC. DISTRIBUTION COOPERATIVES
PSC CASE NO. 2023-00135
RESPONSE TO REQUEST FOR INFORMATION**

PSC'S REQUEST FOR INFORMATION DATED 07/05/23

REQUEST 1

RESPONSIBLE PARTY: John Wolfram

Request 1. Refer to Distribution Cooperatives/ response to Commission staff's First Rehearing Request for Information (Staff's First Rehearing Request), Item 1(a). Explain whether there would be any reason to allocate the bill credits to residential customers by any other means than customer count.

Response 1. It would be reasonable to allocate the bill credits to residential customers by either customer count or by revenue. Some Distribution Cooperatives may view that allocation based on revenue dollars (exclusive of taxes and fees) more accurately reflects each residential customer's contribution to any excess earnings calculation. This calculation would result in those residential members who have larger bills receiving larger refunds. However, other Distribution Cooperatives (particularly those with fewer staff members, less homogeneity within the residential rate class, and/or fewer options within their billing systems) may not be able to allocate in this manner as easily, if at all. In those cases, allocation by customer counts may be more practical.

**EAST KENTUCKY POWER COOPERATIVE INC. DISTRIBUTION COOPERATIVES
PSC CASE NO. 2023-00135
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PSC'S REQUEST FOR INFORMATION DATED 07/05/23

REQUEST 2

RESPONSIBLE PARTY: John Wolfram

Request 2. Refer to the Distribution Cooperatives' response to Staff's First Rehearing Request, Items 1(a) and 1(b). Explain whether the Distribution Cooperatives will commit to providing a narrative description with its future Earnings Mechanism filings explaining the basis for the allocations and any change from the prior filing.

Response 2. The Distribution Cooperatives will commit to provide a narrative description with their future Earnings Mechanism filings explaining the basis for the allocations and any change from the prior filing if applicable.

**EAST KENTUCKY POWER COOPERATIVE INC. DISTRIBUTION COOPERATIVES
PSC CASE NO. 2023-00135
RESPONSE TO REQUEST FOR INFORMATION**

PSC'S REQUEST FOR INFORMATION DATED 07/05/23

REQUEST 3

RESPONSIBLE PARTY: John Wolfram

Request 3. Refer to the Distribution Cooperatives' response to Staff's First Rehearing Request Item 3.

a. Explain in detail what period(s) will be used to establish the billing determinants used to allocate the credit and the billing determinants to which the credit will be applied. Also explain whether these time periods will be used uniformly for all Distribution Cooperatives.

b. Explain whether there will be an over- or under-recovery as a result of the timing of determining the allocation units and the billing determinants to which the credit will be applied. If so, explain how the Distribution Cooperatives plan to address that.

Response 3a. For determining the credit, the Distribution Cooperatives will use billed information for the same period as the allocation from EKPC, but only using members active at the time of the application of the credit to member bills (e.g., if EKPC uses calendar 2023 billings for a billing credit in mid-2024, then the Distribution Cooperatives will use calendar 2023 billing determinants for their calculations, using only members who are active at the point in mid-2024 that the credit is applied). For applying the credit, the Distribution Cooperatives will use the then-current information about active members for the billing cycles at the time of the application of

the credit. At this juncture, all of the Distribution Cooperatives anticipate using the same time periods. (It is possible that continued work with the billing system vendors could reveal problems that necessitate an alternative approach, but this is considered unlikely.)

Response 3b. Because the allocations would be made based on known historical billing data, and because the billing credit amounts are expected to be small, the Distribution Cooperatives expect that any under/over allocation of the margins will result from rounding and will be negligible. For this reason, no true up of any over/under recovery is planned.