

GRANT, ROSE & PUMPHREY

ATTORNEYS-AT-LAW
51 SOUTH MAIN STREET

WINCHESTER, KENTUCKY 40391
(859) 744-6828

ROBERT LEE ROSE
WILLIAM R PUMPHREY
BRIAN N THOMAS

CHRISTOPHER M DAVIS
JOHN S PUMPHREY

R RUSSELL GRANT
(1015-1077)

FAX
(859) 744-6855

January 12, 2009

Mr. Jeff Derouen
Executive Director
Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602

Re: PSC Case No. 2008-00412

Dear Mr. Derouen:

Please find enclosed for filing with the Commission in the above-referenced case an original and five copies of the responses of Clark Energy Cooperative, Inc. to the Commission Staff's Initial Data Request, dated December 19, 2008.

Very truly yours,



Robert L Rose
Grant, Rose & Pumphrey

Enclosures

HAND DELIVERED

RECEIVED

JAN 12 2009

PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF CLARK ENERGY)	
COOPERATIVE, INC. TO PASS-THROUGH)	CASE NO.
AN INCREASE OF ITS WHOLESALE POWER)	2008-00412
SUPPLIER PURSUANT TO KRS 278.455(2))		

RESPONSES OF CLARK ENERGY COOPERATIVE, INC.

Comes Clark Energy Cooperative, Inc., by counsel and pursuant to the Order entered herein on December 19, 2008 files its Responses which are attached hereto as Appendix "A".

CERTIFICATE OF SERVICE

This is to certify these Responses of Clark Energy Cooperative, Inc. to the Order of the Public Service Commission entered herein on December 19, 2008 has been served upon the Public Service Commission by hand delivering the original and five true and accurate copies to the Public Service Commission on this 12th day of January, 2009.

GRANT, ROSE & PUMPHREY

By: Robert L. Rose
Robert L. Rose
51 South Main Street
Winchester, Kentucky 40391
ATTORNEYS FOR CLARK ENERGY
COOPERATIVE, INC.

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

APPLICATION OF CLARK ENERGY)	
COOPERATIVE, INC. TO PASS-THROUGH AN)	CASE NO.
INCREASE OF ITS WHOLESALE POWER)	2008-00412
SUPPLIER PURSUANT TO KRS 278.455(2))	

CERTIFICATE

STATE OF KENTUCKY)
)
 COUNTY OF CLARK)

James C Lamb, Jr., being duly sworn, states that he has supervised the preparation of the responses of Clark Energy Cooperative, Inc. to the Public Service Commission Staff Initial Data Request in the above-referenced case dated December 19, 2008, 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.

James C Lamb Jr.

Subscribed and sworn before me on this 12th day of January, 2009.

Deagyn S. Griffin
 Notary Public

My Commission expires:

December 8, 2009

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

APPLICATION OF CLARK ENERGY)	
COOPERATIVE, INC. TO PASS-THROUGH AN)	CASE NO.
INCREASE OF ITS WHOLESALE POWER)	2008-00412
SUPPLIER PURSUANT TO KRS 278.455(2))	

CERTIFICATE

STATE OF KENTUCKY)
)
 COUNTY OF CLARK)

Ann F. Wood, being duly sworn, states that she has supervised the preparation of the responses of Clark Energy Cooperative, Inc. to the Public Service Commission Staff Initial Data Request in the above-referenced case dated December 19, 2008, 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.

Ann F. Wood

Subscribed and sworn before me on this 9th day of January, 2009.

Reagan S. Duffie
 Notary Public

My Commission expires: December 8, 2009

Appendix "A"

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

In the Matter of:

APPLICATION OF CLARK ENERGY)	
COOPERATIVE, INC. TO PASS-THROUGH AN)	CASE NO.
INCREASE OF ITS WHOLESALE POWER)	2008-00412
SUPPLIER PURSUANT TO KRS 278.455(2))	

**RESPONSES TO COMMISSION STAFF'S INITIAL DATA REQUEST
TO CLARK ENERGY COOPERATIVE, INC.
DATED DECEMBER 19, 2008**

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CLARK ENERGY COOPERATIVE, INC.
PSC CASE NO. 2008-00412
INITIAL DATA REQUEST RESPONSE

COMMISSION STAFF'S INITIAL DATA REQUEST DATED 12/19/08
REQUEST 1

RESPONSIBLE PERSON: Ann F. Wood
COMPANY: Clark Energy Cooperative, Inc.

Request 1. Provide the workpapers, spreadsheets, etc. which show the calculation of the increase, by individual wholesale rate schedule, in Clark's cost of power from East Kentucky Power Cooperative, Inc. that Clark is proposing to flow through to its customers. Include a brief narrative description of the data being provided.

Response 1. Please see page 2 of this response. EKPC multiplied the projected wholesale billing units for all members for the test year by the EKPC existing rates to determine revenue before the rate increase. The revenue increase was then proportioned to EKPC rate classes in order to develop proposed rates. After the proposed wholesale rates were developed, the new rates were applied to the same projected billing units proportionally among all rate classes. These rates were then applied to the projected wholesale billing units of each member system, in order to determine their proportionate share of EKPC's revenue requirements.

Please note that the wholesale increase on page 2 totals \$2,674,240, and is higher than the retail increase of \$2,673,264 as filed in the pass-through application dated October 31, 2008 (Exhibit 3, Page 1 of 5). This slight under recovery is a result of rounding.

Appendix "A"
EKPC
Clark
Rate E
Option 2

Description	Billing Units	Current Rate		Description	Billing Units	Pro Rate	
		Rate	Calculated Billings			Rate	Calculated Billings
Metering Point Charge All Customers	276	\$ 125.00	\$ 34,500.00	Metering Point Charge All Customers	276	\$ 138.00	\$ 38,088.00
Substation charges				Substation charges			
Substation 1,000 - 2,999 kVa	12	\$ 944.00	\$ 11,328.00	Substation 1,000 - 2,9	12	\$ 1,041.00	\$ 12,492.00
Substation 3,000 - 7,499 kVa	96	\$ 2,373.00	\$ 227,808.00	Substation 3,000 - 7,4	96	\$ 2,617.00	\$ 251,232.00
Substation 7,500 - 14,999 kVa	108	\$ 2,655.00	\$ 308,340.00	Substation 7,500 - 14,	108	\$ 3,149.00	\$ 340,092.00
Substation > 15,000 kVa	36	\$ 4,605.00	\$ 165,780.00	Substation > 15,000 k	36	\$ 5,079.00	\$ 182,844.00
	252		\$ 713,256.00				
Demand Charge All Kw	1,136,103	\$ 5.22	\$ 5,930,457.66	Demand Charge All Kw	1,136,103	\$ 5.76	\$ 6,543,953.28
Energy Charge				Energy Charge			
On-Peak (April - July)	84,678,423	\$ 0.042470	\$ 3,596,292.62	On-Peak	256,019,046	\$ 0.046844	\$ 11,992,909.35
Off-Peak (April - July)	63,122,794	\$ 0.034904	\$ 2,203,238.00	Off-Peak	240,314,188	\$ 0.038499	\$ 9,251,855.92
On-Peak (Aug - March)	171,339,623	\$ 0.042470	\$ 7,276,793.79	Off-Peak	496,332,234	\$ 21,244,765.27	
Off-Peak (Aug - March)	177,191,394	\$ 0.034904	\$ 6,184,588.42				
	496,332,234		\$ 19,261,012.83				
	496,332,234						
Total Base Rates			\$ 25,939,226.49	Total Base Rates			\$ 28,613,466.55
FAC		\$ 0.007604	\$ 3,774,110.31	FAC			\$ 3,774,110.31
ES		13.62%	\$ 4,046,956.47	ES			\$ 4,046,956.47
Total Billings			\$ 33,760,293.27	Total Billings			\$ 36,434,533.33
				Increase/(Decrease)			\$ 2,674,240.06
				Percent Change			7.92%

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CLARK ENERGY COOPERATIVE, INC.

PSC CASE NO. 2008-00412

INITIAL DATA REQUEST RESPONSE

COMMISSION STAFF'S INITIAL DATA REQUEST DATED 12/19/08

REQUEST 2

RESPONSIBLE PERSON: James C. Lamb, Jr./Ann F. Wood

COMPANY: Clark Energy Cooperative, Inc.

Request 2. Refer to Exhibit 3 of the application. The billing analysis shows various rate schedules with escalation percentages applied to the billing determinants. Explain the need for the escalation percentages and provide workpapers, spreadsheets, etc. for the calculation of the percentages, as well as a narrative explanation of how the percentages were determined

Response 2. Since EKPC is using a forecasted test period, the increase is calculated based on projected billing determinants. In order to appropriately match retail rates to the forecasted test year used for wholesale rates, an escalation factor was used. The escalated data was applied to Residential and Small Commercial classes only due to the wide variance and unpredictable nature of the Large Commercial/Industrial class.

The Attachment shows the escalation percentages calculated by the Resource Planning Department of EKPC and the supporting calculations.

EKPC prepares a load forecast by working jointly with its member systems in preparing their individual load forecasts. Factors considered in preparing the forecasts include national, regional, and local economic performance, appliance saturations and

efficiencies, population and housing trends, service area industrial development, electric price, household income, and weather. Each member system reviews the preliminary forecast for reasonability.

The general steps followed by EKPC in developing its load forecast are summarized as follows:

EKPC subscribes to Global Insight, Inc., in order to analyze regional economic performance. Global Insight provides EKPC projections for population, employment, and income as well as other variables.

EKPC prepares a preliminary forecast for each of its member systems for each classification using monthly data as reported on the Rural Utilities Services (RUS) Form 7, which contains publicly available retail sales data for member systems. These include: residential, seasonal, small commercial, public buildings, large commercial, and other. EKPC's sales to member systems are then determined by adding distribution losses to total retail sales. Seasonal peak demands are determined by applying peak factors for heating, cooling, and water heating to energy.

The supplementary spreadsheets in the Attachment contain the data resulting from the above-described process. The growth rates for energy sales, winter peak demand, and customers are based upon the monthly forecasts for the test period.

Appendix "A"

Escalation for Clark

Escalation - MWH - Energy	
Time Period	MWH Sales
May 2008 to April 2009	456,267
May 2009 to April 2010	469,854
Percent change	3.0%

Escalation - MW - Demand	
Time Period	
Winter 2009-2010	133.3
Winter 2010-2011	135.8
Percent change	1.9%

Escalation - Customers - Residential	
Time Period	Average Annual Customers
2009	24,785
2010	25,154
Percent change	1.5%

Escalation - Customers - Small Commercial	
Time Period	Average Annual Customers
2009	1,661
2010	1,693
Percent change	1.9%