

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF MEADE COUNTY RURAL)	CASE NO.
ELECTRIC COOPERATIVE CORPORATION)	2010-00222
TO ADJUST ELECTRIC RATES)	

ORDER

On August 6, 2010, Meade County Rural Electric Cooperative Corporation (“Meade”) filed an application requesting approval to increase its electric rates and to make changes to its nonrecurring charges.¹ Meade proposed to increase its retail electric service rates \$1,783,058, a 5.7 percent increase over its normalized revenues. Meade’s application provided for the new rates to become effective for service rendered on or after September 12, 2010. A review of the application revealed that it did not meet the minimum filing requirements set forth in 807 KAR 5:001, Section 10 and 807 KAR 5:011, Sections 6 and 10; therefore, a notice of filing deficiencies was issued. On August 16, 2010, Meade filed information to cure the deficiencies and proposed a new effective date of September 18, 2010. The Commission deemed the case filed as of August 16, 2010, found that an investigation would be necessary to determine the reasonableness of Meade’s proposed rates, and suspended the rates for five months, up to and including February 17, 2011, pursuant to KRS 278.190(2).

¹ Meade’s most recent general rate increase was awarded in Case No. 2006-00500, Application of Meade County Rural Electric Cooperative Corporation to Adjust Electric Rates (Ky. PSC Dec. 19, 2007).

BACKGROUND

Meade is a consumer-owned rural electric cooperative organized pursuant to KRS Chapter 279 and engaged in the sale of electric energy to approximately 28,000 customers in the Kentucky counties of Breckinridge, Grayson, Hancock, Hardin, Meade, and Ohio. It is one of three member distribution cooperatives that receive wholesale power from Big Rivers Electric Corporation (“Big Rivers”).

On August 27, 2010, the Commission issued a procedural schedule that provided for discovery, intervenor testimony, and rebuttal testimony by Meade. There were no intervenors in this proceeding. The Commission held a public hearing on the proposed rate adjustment on December 10, 2010. No members of the public attended the hearing and the Commission has received no written comments on the proposed increase. On December 29, 2010, Meade filed its post-hearing brief. All information requested at the public hearing has been filed and the case now stands submitted for a decision.

TEST PERIOD

Meade proposes to use the 12-month period ending March 31, 2010 as the test period to determine the reasonableness of its proposed rates. The Commission finds the use of this test period to be reasonable. In using an historic test period, the Commission gives full consideration to appropriate known and measurable changes.

VALUATION

Rate Base

Meade proposed a net investment rate base of \$69,002,856² based on the test-year-end value of plant in service and construction work in progress, the 13-month average balances for materials and supplies and prepayments, plus a cash working capital allowance, minus the adjusted accumulated depreciation balance and the test-year-end level of customer advances for construction.

The Commission concurs with Meade's proposed rate base with the exception that working capital has been adjusted to reflect the pro forma adjustments to operation and maintenance expenses found reasonable herein. Based on this adjustment, Meade's net investment rate base for rate-making purposes is as follows:

Utility Plant in Service	\$ 90,449,647
Construction In Progress	<u>1,951,042</u>
Total Utility Plant	\$ 92,400,689
ADD:	
Materials and Supplies	\$ 1,005,093
Prepayments	380,967
Working Capital	<u>1,041,944</u>
Subtotal	\$ 94,828,693
DEDUCT:	
Accumulated Depreciation	\$ 25,192,404
Customer Advances for Construction	<u>597,626</u>
Subtotal	\$ 25,790,030
NET INVESTMENT RATE BASE	<u><u>\$ 69,038,663</u></u>

² Application, Exhibit K, page 2 of 7.

Capitalization and Capital Structure

The Commission finds that Meade's capitalization at test-year-end for rate-making purposes was \$78,396,020³ and consisted of \$24,382,615 in equity⁴ and \$54,013,405 in long-term debt. Using this capital structure, Meade's equity to total capitalization ratio is 31.1 percent.

REVENUES AND EXPENSES

Meade proposed several adjustments to revenues and expenses to reflect current and expected operating conditions. The Commission finds that 13 of the adjustments proposed by Meade are reasonable and should be accepted. Those adjustments are contained in the following table:

Meade's Proposed Adjustments	
<u>Descriptions</u>	<u>Adjustments</u>
Payroll – Salaries & Wages	\$ (10,347)
Payroll Taxes	\$ (856)
Normalize Depreciation	\$ 89,655
Normalize Property Taxes	\$ 20,169
Financial Accounting Standards 106 Costs	\$ 28,736
Retirement	\$ 122,729
Donations	\$ (15,129)
Professional Fees	\$ (321)
Directors	\$ (8,504)
Miscellaneous Expenses	\$ (15,702)
Normalize Nonrecurring revenues	\$ 50,636
Normalize Base Rates	\$ (1,643)
Test Year-End Customer Adjustment	\$ 51,548

³ Id., page 7 of 7.

⁴ The Commission normally excludes Generation and Transmission Capital Credits ("G & T Capital Credits") from equity and the capital structure. During the test year, Meade had a zero balance in its G & T Capital Credits account.

The Commission makes the following modifications to the remaining proposed adjustments:

Special Meter Reading Expense

During the test year, Meade experienced a decrease of \$84,810 in special meter-reading expenses compared to that of the previous 12 months. Meade attributed all of this decrease to a credit of \$89,000 received from a vendor for warranty repairs of failed Automated Metering Infrastructure meter modules. Meade stated that this amount represented a one-time credit and that it did not expect to receive any additional credits. Due to the one-time nature of the event giving rise to the decrease in expense, the Commission finds that the credit should be eliminated in order to adjust the expense to a more normal level. Accordingly, we have increased Meade's pro forma operating expenses by \$89,000.

Interest Expense

Meade proposed an adjustment to increase interest expense on long-term debt by \$212,686.⁵ The adjustment was based on test year-end debt balances and interest rates.

The Commission finds that Meade's proposed adjustment to interest on long-term debt should be increased by \$21,207 based on updated interest rates provided in response to data requests. Therefore, Meade's \$212,686 adjustment to interest expense on long-term debt has been increased by \$21,207 to \$233,893.

⁵ Application, Exhibit 5, Adjustment for Interest on Long Term Debt.

Rate Case Expenses

Meade proposed estimated rate case expenses of \$57,000 based on costs incurred in previous rate cases before the Commission. Meade proposed that its estimated rate case expense be amortized over a three-year period, consistent with the Commission's treatment in previous rate cases.⁶ Using its estimated total rate case expense, Meade proposed an expense adjustment of \$19,000 for rate case expense.

The Commission finds that Meade's proposed rate case expense should be decreased by \$4,339, from \$57,000 to \$52,661. The decrease reflects the Commission's longstanding practice of allowing rate case expenses based on the most recent actual costs filed by the utility. Meade's most recent actual rate case expense, through December 15, 2010, is \$52,661.⁷ Additionally, the Commission generally permits amortization of a utility's actual rate case expenses over a three-year period, as proposed by Meade. Accordingly, the Commission finds that Meade's actual rate case expenses should be amortized over a three-year period for rate-making purposes. This will result in an annual expense of \$17,554, which is \$1,446 less than the amount proposed.

Pole Attachment Rates

Meade proposed increases in its cable television ("CATV") attachment charges that resulted in additional revenues of \$25,220. In response to data requests, Meade revised its proposed CATV rates to correct for an error in the cost of poles and to reflect

⁶ Id., Exhibit 12, Rate Case Expenses.

⁷ Post-Hearing Response, Item 5, filed December 21, 2010.

a change in the rate of return included in its original CATV calculation. The Commission has reviewed Meade's revised approach for determining its CATV rates and finds it to be reasonable and consistent with previous Commission decisions on CATV rates. However, Meade's new CATV rates should reflect the current rate of return as awarded in this case. Therefore, the Commission finds that Meade's CATV rates should be calculated based on the rate of return approved in this Order, which results in additional revenues of \$2,913. Accordingly, Meade's proposed CATV revenues have been reduced by \$22,307.

PSC Assessment

Meade did not propose an adjustment to its PSC Assessment to reflect the effects of normalizing revenues and purchased power expense or the impact of its proposed revenue increase.

The Commission has determined that an adjustment to the PSC Assessment to reflect the normalization of revenue and purchased power expense found reasonable in this Order is appropriate. Based on the 2010–2011 PSC Assessment rate, such an adjustment results in an increase of \$1,416 in the PSC Assessment for the test year. The Commission has also determined that an adjustment to the PSC Assessment based on the revenue increase being granted herein should be calculated using the same PSC Assessment rate. This calculation results in an increase in the PSC Assessment of \$1,821. The result of these adjustments is an increase of \$3,237 in the PSC Assessment.

Pro Forma Adjustments Summary

The effect of the pro forma adjustments on Meade's net income is as follows:

	<u>Actual Test Period</u>	<u>Pro Forma Adjustments</u>	<u>Adjusted Test Period</u>
Operating Revenues	\$32,033,858	\$ 103,454	\$32,137,312
Operating Expenses	<u>28,232,492</u>	<u>333,529</u>	<u>28,566,021</u>
Net Operating Income	3,801,366	(230,075)	3,571,291
Interest on Long-Term Debt	2,244,699	233,893	2,478,592
Interest Expense-Other	38,814		38,814
Other Deductions	<u>15,129</u>	<u>(15,129)</u>	<u>0</u>
NET INCOME	<u>\$ 1,502,724</u>	<u>\$ (448,839)</u>	<u>\$ 1,053,885</u>

REVENUE REQUIREMENTS

Meade's test year rate of return on its net investment rate base was 5.13 percent.⁸ Its test year Time Interest Earned Ratio ("TIER"), excluding G & T Capital Credits, was 1.79X.⁹

It is Meade's practice to annually make general rotations of capital credits to its members, based on its capital management policy which was implemented in 1994.¹⁰ In keeping with that policy, it based its requested increase on an "equity growth and capital credit rotation" model. Using that model, Meade set a goal to increase its equity ratio to 40 percent over a period of 15 years while continuing to make general rotations

⁸ Application, Exhibit K, page 1.

⁹ Id., page 5.

¹⁰ Meade Policy No. 201 – Subject: Capital Management.

of capital credits. This approach produced a revenue increase resulting in a TIER of 2.32X and a return on net investment rate base of 8.26 percent.¹¹

Meade testified that it opted to base its requested increase on a 2.32X TIER in order to build equity, continue general capital credit retirements (rotations), and maintain adequate cash reserves.¹² Since 2006, Meade's equity ratio has been approximately 31 percent, while it has made general capital credit rotations of just under \$2 million.¹³ We note that the annual amounts rotated since 2006 exceeded the amount rotated in any previous year since Meade first implemented its capital management policy.

Having carefully considered Meade's request, we are not persuaded to award a TIER greater than the 2.00X typically awarded in distribution cooperative rate cases. We appreciate Meade's approach to capital management and understand the "cooperative spirit" of providing capital credits to member-owners. However, under current economic conditions, the Commission believes that consumers are better served with a lesser increase in rates, without an explicit effort to rotate capital credits,

¹¹ Application, Exhibit K, pages 1 and 5.

¹² Meade noted that it was awarded a 2.00 TIER in its most recent rate case (the TIER level the Commission has typically awarded in distribution cooperative rate cases for several years) but that it was unable to increase its equity ratio over the three years since that case.

¹³ These credit rotations were made in 2006, 2007 and 2008. Meade stated that its financial condition did not allow for a general rotation of capital credits in 2009.

than would result under Meade's approach, which does provide for general rotations of capital credits.¹⁴

The Commission finds that a 2.00X TIER is reasonable in this instance. Based on the pro forma adjustments found reasonable herein, the Commission has determined that, in order to produce a TIER of 2.00X, Meade will require an increase in revenues of \$1,152,208. This should produce net operating income of \$4,959,006, resulting in a 7.18 percent return on Meade's net investment rate base found reasonable herein.¹⁵

PRICING AND TARIFF ISSUES

Cost of Service

Meade filed a fully allocated cost-of-service study ("COSS") for the purposes of determining the cost to serve each customer class and the amount of revenue to be allocated to each customer class. The COSS indicates that, to achieve the requested return on rate base, all customer classes should receive an increase in rates.

Having reviewed Meade's COSS, the Commission finds it to be acceptable for use as a guide in allocating the revenue increase granted herein.

¹⁴ This is especially so given that the evidence indicates that Meade chose to increase the amounts rotated to its members during a period of time when its equity ratio was at a historically low level. The Commission cautions Meade to place greater emphasis on its financial condition when considering the amounts of any future general rotations of capital credits.

¹⁵ The revised CATV rates provided in response to Item 16, Third Information Request of Commission Staff to Meade, were based on a rate of return of 8.26 percent. The revised rate of return of 7.18 percent has decreased the proposed revenues provided in that response to \$58,506. The revised proposed revenue is an increase of \$2,913 from the existing CATV revenue of \$55,593.

Revenue Allocation and Rate Design

Meade’s COSS shows that the current customer charge for each rate class is insufficient to recover the customer-related costs of serving the class. Meade requested an overall base rate revenue increase of 5.7 percent and proposed to allocate that percentage increase to each rate class, and within each rate class, only to the customer charge.¹⁶ Within each class, Meade proposed to increase customer charges as follows:

Meade’s Proposal			
Rate Class	Current	Proposed	Increase
1 - Residential, Schools & Churches	\$ 9.85	\$ 14.16	\$ 4.31
2 - Commercial Rate	\$ 14.87	\$ 20.62	\$ 5.75
3 - General Service Rate			
0 – 100 kVa	\$ 34.70	\$ 60.47	\$ 25.77
101 – 1000 kVa	\$ 34.70	\$133.20	\$ 98.50
Over 1,000 kVa	\$ 34.70	\$295.10	\$ 260.40
3A - Time of Day Rate	\$ 53.68	\$ 60.74	\$ 7.06

As shown in the table, Meade proposes to separate the General Service Rate customer charge into three different charges based on kVa levels. Meade calculated the increases for the three levels using transformer investment costs. In addition, Meade proposed to increase its CATV rates and nonrecurring charge rates.

The approved increase of \$1,152,208 results in an overall increase of 3.7 percent in base rate revenue. Given the results of Meade’s COSS, the Commission finds it reasonable to allocate the same percentage increase to each rate class as proposed. Within rate classes, when determining the allocation of a rate increase, the Commission

¹⁶ The lighting class would also receive the same percentage increase. However, as there are no customer charges in the lighting class, Meade proposed to increase each lighting rate by approximately 3 percent and to increase the pole rental charge from 25 cents to 1 dollar.

has long employed the principle of gradualism. In this instance, we find that allocating a portion of the increase to the customer charge and a portion to the energy charge within each rate class is in keeping with that principle. Specific details of the allocation are set forth in the following paragraph.

In recent years, several cooperatives have stated before the Commission that increases in customer charges are required to increase the level of costs recovered through the fixed component of rates and decrease reliance on energy sales to recover fixed costs.¹⁷ We have been told such a move away from the historical reliance on energy charges is needed in order for the utility to pursue demand-side management (“DSM”) programs, which can often result in reduced energy sales.¹⁸ As discussed later in this Order, given that Meade currently offers little in the way of DSM programs to its customers, we find that its need for higher customer charges is not as great as that of cooperatives more aggressively pursuing DSM. Therefore, in keeping with our principle of gradualism and recognizing the minimal prospects for substantive involvement in DSM by Meade in the foreseeable future, we find that the increase being granted herein should be allocated 50 percent to customer charges and 50 percent to energy charges

¹⁷ See Case No. 2008-00408, Consideration of the New Federal Standards of the Energy Independence and Security Act of 2007, Direct Testimony of Isaac S. Scott for East Kentucky Power Cooperative, Inc., January 12, 2009, and Testimony of Christopher S. Perry for Fleming-Mason Energy Cooperative, March 20, 2009.

¹⁸ Id., Data Response of Big Rivers Electric Corporation, Kenergy Corp., Jackson Purchase Energy Corporation, and Meade, March, 30, 2009; and Case No. 2008-00154, Application of Owen Electric Cooperative for Adjustment of Rates, Testimony of Mark A. Stallons, January 29, 2009.

within Meade's different rate classes.¹⁹ For the lighting classes, we have accepted Meade's proposed rates. However, in order to achieve a 3.7 percent increase for the classes combined, the pole rental charge was increased from \$.25 to \$.40 per month rather than the \$1.00 proposed by Meade.

All other rates and charges proposed by Meade are accepted as proposed, with the exception of the CATV attachment rates. Meade updated its proposed CATV rates in response to a Commission Staff information request.²⁰ As discussed previously in this Order, the rates have been further adjusted for the rate of return of 7.18 percent approved in this case. Meade's current and approved CATV attachment rates are as follows:

Type	Meade Current	Approved
2 Party Pole	\$ 7.21	\$ 9.30
3 Party Pole	\$ 5.98	\$ 5.89
2 Party Anchor	\$ 5.67	\$ 7.97
3 Party Anchor	\$ 4.72	\$ 5.26
2 Party Ground	\$.27	\$.26
3 Party Ground	\$.15	\$.16

¹⁹ In setting Meade's rates, a correction was made to the present and proposed rates for two outdoor lights that were the subject of Item 8 of Commission Staff's Second Information Request, Item 5 of Commission Staff's Third Information Request, and Item 8 of the Post-hearing Request. The error remained in the response to the Post-hearing Request but was corrected when calculating the rates approved in this Order. Additionally, the Commission accepts and will approve Meade's proposal to separate the General Service customer charge (for Schedule 3) into three different charges. Because they are currently linked, the energy charges for Schedules 3 and 3A were kept at equal levels when setting the rates in this case.

²⁰ Response to Item 16, Commission Staff's Third Information Request to Meade Cooperative, Inc., filed October 22, 2010.

Tariff Changes

In its application, Meade proposed minor text changes and changes to its non-recurring charges as shown in the following table:

Type of Charge	Present	Proposed
Return Check	\$14.00	\$25.00
Tampering	Cost	\$180.00
Connection	\$25.00	\$35.00
Reconnect	\$25.00	\$35.00
Termination/ Field Collection	\$25.00	\$30.00
Special Meter Reading	\$25.00	\$30.00
Meter Resetting	\$25.00	\$35.00
Meter Test	\$25.00	\$40.00
After Hours	\$45.00	\$80.00
Temporary Service	\$60.00	\$40.00
Meter Pole	\$35.00	\$40.00
Remote Disconnect/Reconnect	N/A	\$30.00

Meade included in its application proposed tariff sheets reflecting those changes. In responding to discovery and the Post-Hearing Information Request ("Post-Hearing Request"), Meade revised certain tariff pages; however, there are two issues that remain to be addressed regarding those revised tariff filings.

The first issue pertains to PSC 38, Sheet No. 5. As proposed by Meade, Tariff Sheet No. 5 includes the following language:

Special charges shall be applied uniformly throughout the area served by the Cooperative. These special charges include the following: A Reconnect Charge of \$30.00 will be assessed for an automated meter reading (AMI). A Disconnect Charge of \$30.00 will be assessed for an AMI reading.

During the discovery phase of this case, Meade was questioned about this language and whether it indicated that a fee would be charged for a remote meter reading only. Meade stated that a fee would not be charged for a remote reading only and, in response to Item 9 of the Post-Hearing Request, filed a revised PSC 38, Sheet 4, stating same. However, as proposed, the above language remains in Section d. of PSC

38, Sheet No. 5. The first sentence of the language, while relevant, appears at the beginning of the Special Charges section of Meade's proposed tariff and, therefore, is redundant here. The remaining language is confusing, unnecessary, and should be deleted. Instead, Sheet No. 5, Section d., should be given the title "Remote Disconnect and Reconnect" and should include the remaining proposed language in Section d. as follows:

In some instances, a remote disconnect switch will be installed. If service is disconnected or reconnected for non-payment with the switch, a fee of \$30.00 will be applied to the member's account for this extra service and is due and payable at the time such account is collected.

The second issue pertains to PSC 38, Sheet No. 13. In its response to Item 1 of the Post-Hearing Request, Meade filed a revised PSC 38, Sheet No. 13. This revised page included an incorrect reference to the Environmental Surcharge as Schedule 9. The correct reference would have been to Schedule 19. When filing new tariffs required by this Order, Sheet No. 13 should be revised to reflect the correct reference.

OTHER ISSUES

Energy Efficiency and Demand-Side Management ("DSM")

The Commission believes that conservation, energy efficiency and DSM, generally, will become more important and cost-effective as there will likely be more constraints placed upon utilities whose main source of supply is coal-based generation. The Governor's proposed energy plan, *Intelligent Energy Choices for Kentucky's Future, November 2008*, calls for an increase in DSM by 2025. In addition, the Commission stated its support for cost-effective DSM programs in response to several recommendations included in *Electric Utility Regulation and Energy Policy in Kentucky*,

the report the Commission submitted in July 2008 to the Kentucky General Assembly pursuant to Section 50 of the 2007 Energy Act.

According to its application, Meade does not currently offer any DSM programs to its residential and commercial members.²¹ Meade states that it is working with its supplier, Big Rivers, as it works with a consultant to develop DSM programs for Big Rivers and its member cooperatives. Big Rivers has proposed several DSM pilot programs in its recently filed Integrated Resource Plan²² that should be available to its member cooperatives after the results of planned pilot programs are determined.²³ However, the scope and magnitude of Big Rivers' pilot programs appears to be very limited,²⁴ which the Commission finds to be disappointing. Having given this brief assessment of the prospects for substantive DSM programs to be offered to Meade's customers in the near-term, the Commission believes that it is appropriate to strongly encourage Meade, and all other electric energy providers, to make a greater effort to offer cost-effective DSM and other energy efficiency programs.

Depreciation Study

Meade stated that it has not conducted a depreciation study since its inception. While Meade generally follows the Rural Utilities Service guidelines for depreciation rates, the Commission has, for a number of years, directed electric and gas utilities to

²¹ Response to Item 47, First Data Request of Commission Staff, filed August 23, 2010.

²² Case No. 2010-00443, 2010 Integrated Resource Plan of Big Rivers Electric Corporation, filed November 15, 2010.

²³ December 10, 2010, Hearing, video transcript at 11:24:50 a.m.

²⁴ December 10, 2010, Hearing, video transcript at 11:32:24 a.m.

perform periodic depreciation studies. In this instance, we find that Meade should perform a depreciation study to be filed with the Commission by the earlier of five years from the date of this order or the filing of its next general rate case.

SUMMARY

The Commission, after consideration of the evidence of record and being otherwise sufficiently advised, finds that:

1. The rates set forth in the Appendix to this Order are the fair, just, and reasonable rates for Meade to charge for service rendered on and after the date of this Order.

2. The rate of return and TIER granted herein are fair, just, and reasonable and will provide for Meade's financial obligations.

3. The rates proposed by Meade would produce revenue in excess of that found reasonable herein and should be denied.

IT IS THEREFORE ORDERED that:

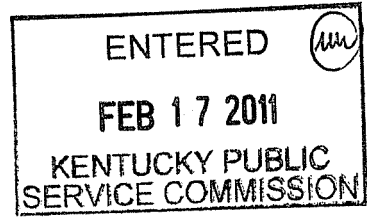
1. The rates and charges proposed by Meade are denied.

2. The rates in the Appendix to this Order are approved for service rendered by Meade on and after the date of this Order.

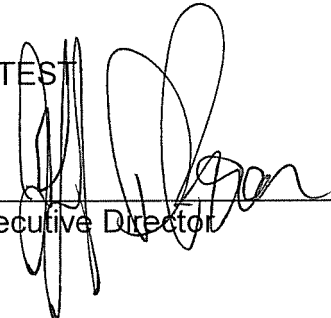
3. Within 20 days of the date of this Order, Meade shall file new tariff sheets setting forth the rates and charges approved herein and reflecting their effective date and that they were authorized by this Order.

4. Meade shall perform a depreciation study within five years of the date of this order, or the filing of its next rate case, whichever is earlier.

By the Commission



ATTEST



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2010-00222 DATED FEB 17 2011

The following rates and charges are prescribed for the customers in the area served by Meade County Rural Electric Cooperative Corporation. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

SCHEDULE 1
RESIDENTIAL, FARM, NON-FARM, SCHOOLS AND CHURCHES

Customer Charge per Month	\$ 11.24
Customer Charge per Day	\$.37
Energy Charge per kWh	\$.06129

SCHEDULE 2
COMMERCIAL RATE

Customer Charge per Month	\$ 16.74
Customer Charge per Day	\$.55
Energy Charge per kWh	\$.06610

SCHEDULE 3
THREE PHASE POWER SERVICE, 0 KVA AND GREATER

Customer Charge per Month, 0 - 100 kVa	\$ 40.00
Customer Charge per Day, 0 - 100 kVa	\$ 1.32
Customer Charge per Month, 101 -1,000 kVa	\$ 70.00
Customer Charge per Day, 101 - 1,000 kVa	\$ 2.30
Customer Charge per Month, Over 1,000 kVa	\$ 100.00
Customer Charge per Day, Over 1,000 kVa	\$ 3.29
Energy Charge per kWh	\$.03776
Demand Charge per kW	\$ 8.12

SCHEDULE 3A
THREE PHASE POWER SERVICE, 0 KVA - 999 KVA
OPTIONAL TIME-OF-DAY RATE

Customer Charge per Month	\$ 57.70
Customer Charge per Day	\$ 1.90
Energy Charge per kWh	\$.03776
Demand Charge per kW	\$ 8.12

SCHEDULE 5
OUTDOOR LIGHTING SERVICE

Monthly Rates:	
175 Watt Unmetered	\$ 6.93
175 Watt Metered	\$ 3.35
400 Watt Unmetered	\$ 9.85
400 Watt Metered	\$ 3.35
Pole Rental	\$.40

SCHEDULE 6
STREET LIGHTING SERVICE – COMMUNITY, MUNICIPALITIES, TOWNS

Monthly Rates:	
175 Watt	\$ 6.09
400 Watt	\$ 9.09

RATE 7
CABLE TELEVISION ATTACHMENTS

Annual charge as follows:	
Two-party Pole Attachment	\$ 9.30
Three-party Pole Attachment	\$ 5.89
Two-party Anchor Attachment	\$ 7.97
Three-party Anchor Attachment	\$ 5.26
Two-party Grounding Attachment	\$.26
Three-party Grounding Attachment	\$.16

NONRECURRING CHARGES

Return Check	\$ 25.00
Tampering	\$ 180.00
Connection	\$ 35.00
Reconnect	\$ 35.00
Termination/Field Collection	\$ 30.00
Special Meter Reading	\$ 30.00
Meter Resetting	\$ 35.00
Meter Test	\$ 40.00
After Hours	\$ 80.00
Temporary Service	\$ 40.00
Meter Pole	\$ 40.00
Remote Disconnect/Reconnect	\$ 30.00

Honorable Thomas C Brite
Attorney At Law
Brite & Hopkins, PLLC
83 Ballpark Road
P.O. Box 309
Hardinsburg, KENTUCKY 40143-030

Burns E Mercer
Manager
Meade County R.E.C.C.
P. O. Box 489
Brandenburg, KY 40108-0489