

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF FARMERS RURAL)	
ELECTRIC COOPERATIVE CORPORATION)	CASE NO.
FOR AN INCREASE IN RETAIL RATES)	2016-00365
)	

ORDER

On November 15, 2016, Farmers Rural Electric Cooperative Corporation (“Farmers”) filed an application seeking approval to adjust its base electric rates and to make changes to certain nonrecurring charges. Farmers proposes to adjust its base electric rates to increase its operating revenues by \$1,873,993.¹ Finding that an investigation would be necessary to determine the reasonableness of Farmers’ proposed increase, the Commission issued an Order on December 13, 2016, suspending the effective date of the proposed rates for five months, up to and including May 14, 2017, and establishing a procedural schedule for the processing of this matter.

The procedural schedule provided for, among other things, a deadline for intervention requests, two rounds of discovery upon Farmers and a formal evidentiary hearing. There are no intervenors in this proceeding. Farmers responded to four rounds of discovery from Commission Staff (“Staff”) and two rounds of post-hearing requests for information issued by Staff. The formal evidentiary hearing was conducted on March 29, 2017. Farmers submitted responses to post-hearing

¹ In response to Commission Staff’s Third Request for Information (“Staff’s Third Request”), the proposed increase was reduced from \$1,893,805 due to the removal of unallowable operating expenses for ratemaking purposes identified in discovery.

information requests on April 10, 2017, and April 17, 2017. The matter now stands submitted for a decision.

BACKGROUND

Farmers is a member-owned rural electric cooperative corporation, organized under KRS Chapter 279. It is engaged in the distribution and sale of electric energy to approximately 25,045 member-consumers in Adair, Barren, Edmonson, Grayson, Green, Hart, Larue, and Metcalfe counties, Kentucky.² Farmers does not own any electric generating facilities, but purchases its total power requirements from East Kentucky Power Cooperative, Inc.³ Farmers' last general rate adjustment was based on a settlement and was approved in June 2009.⁴

TEST PERIOD

Farmers proposed, and the Commission accepts, a historical 12-month period ended December 31, 2015, as the test period for determining the reasonableness of the proposed rates. In utilizing the historical test year, the Commission considers appropriate known and measurable changes.

² Annual Report of Farmers Rural Electric Cooperative Corporation to the Public Service Commission of the Commonwealth of Kentucky for the Calendar Year Ended December 31, 2015 (filed Mar. 30, 2016), at 45 and 53.

³ *Id.* at 40 and 43.

⁴ Case No. 2008-00030, *Application of Farmers Rural Electric Cooperative Corporation for an Adjustment in Rates* (Ky. PSC June 10, 2009).

VALUATION

Rate Base

Farmers determined a net investment rate base of \$63,277,446⁵ based on the adjusted test-year-end value of plant in service and construction work in progress (“CWIP”), the 13-month average balances for materials and supplies and prepayments, plus a cash working capital allowance, minus the adjusted accumulated depreciation and the test-year-end level of customer advances for construction (“Customer Advances”).

The Commission concurs with Farmers’ proposed rate base with the exception that working capital has been adjusted to reflect the pro forma adjustments to operation and maintenance expenses. With this adjustment, Farmers’ net investment rate base for ratemaking purposes is as follows:

Utility Plant in Service	\$ 86,525,960
CWIP	<u>662,102</u>
Total Utility Plant	87,188,062
Add:	
Materials & Supplies	779,564
Prepayments	286,943
Cash Working Capital	<u>651,182</u>
Total Additions	1,717,689
Deduct:	
Accumulated Depreciation	(25,640,619)
Customer Advances	<u>(347,450)</u>
Total Deductions:	(25,988,069)
Net Investment Rate Base	<u><u>\$ 62,917,682</u></u>

⁵ Application, Exhibit K at 2.

Capitalization and Capital Structure

The Commission finds that Farmers' capital structure at test-year-end was, for ratemaking purposes, \$65,871,228.⁶ This capital structure consisted of \$14,622,497 in equity and \$51,248,731 in long-term debt.⁷ The Commission excluded generation and transmission capital credits ("GTCCs") of \$24,003,706.⁸ Using this capital structure, Farmers' year-end ratio of equity to total capitalization was 22.20 percent.⁹

REVENUE AND EXPENSES

Twenty-four adjustments (ten were included in payroll-related expenses per the application) were proposed by Farmers to normalize its test-year operating revenues and expenses based upon Commission practice and precedent. The Commission finds the following adjustments proposed by Farmers are reasonable and should be accepted without change. Those adjustments are shown in the following table:

Salaries and Wages	\$ 105,044
Payroll Taxes (Excluding Benefits)	\$ 8,219
Depreciation	\$ 213,136
Retirement & Security Plan Costs	\$ 6,108
FAS 106 Costs	\$ 26,735
G&T Capital Credits	\$ 2,372,445
Normalize Revenue	\$ 119,608
Normalize Purchased Power	\$ 2,716,606
Remove FAC Revenue	\$ 1,910,752
Remove ESR Revenue	\$(4,802,473)
Property Tax Expense	\$ 28,332
Dues (Accts. 921.00 and 165.20)	\$ 2,490
Outside Services (Acct. 923.00)	\$ 24,281

⁶ Application, Exhibit K at 1.

⁷ *Id.*

⁸ *Id.*

⁹ \$14,622,497 ÷ \$65,875,228 = 22.20%.

The Commission finds that the remaining proposed adjustments should be modified as discussed in more detail below.

Other Revenue

In its response to Commission Staff's First Request for Information, Item 49, Farmers stated that \$1,578 of compensation expense was charged to its subsidiary, Farmers Energy Services Corporation. However, Farmers did not have a corresponding adjustment to its revenue requirement in the application. Therefore, the Commission finds that an adjustment shall be made to reduce Farmers' revenue requirement by \$1,578, as proposed by Farmers,¹⁰ to other revenue account.

Life and Dental Insurance

Farmers pays life insurance on behalf of its employees. Commission precedent requires that cooperatives be allowed to deduct the cost of coverage only up to \$50,000 per employee for ratemaking purposes. Based on the response to Commission Staff's Fourth Request for Information, Item 2.a., Farmers paid \$8,406 for life insurance coverage above the \$50,000 threshold, and the Commission finds this amount shall be denied for ratemaking purposes. The Commission encourages Farmers to collaborate with its employees to bring their contributions for life insurance to the levels discussed herein.

¹⁰ Farmers response to Commission Staff's First Post-Hearing Data Request (Staff's First Post-Hearing Request"), Item 10.

With respect to dental insurance, the Commission finds that Farmers' expenses should be reduced to reflect all employees contributing a 60 percent to the total dental premium. This is consistent with national employee participation averages.¹¹ Therefore, the Commission finds that Farmers dental insurance expense shall be decreased by \$30,116 to reflect this finding.

401(k)

Farmers has maintained the National Rural Electric Cooperative Retirement and Security Plan ("R&S") for employees who were hired before January 1, 2012. This plan was closed to new participants on December 31, 2011, and was replaced with a Defined Contribution 401(k) plan ("401(k)") in order to reduce costs. The cooperative pays 100 percent of the cost of the R&S plan. Employees under the R&S plan may also be allowed to participate in the 401(k), with Farmers matching up to 1 percent of the employee's contribution. For employees under the 401(k) plan only, Farmers provides a 6 percent contribution. If the employee contributes up to an additional 4 percent, Farmers will match the 4 percent up to a 10 percent maximum.

For ratemaking purposes, the Commission finds that Farmers should not be permitted to include matching contributions to the 401(k) plan, for employees already participating under the R & S plan as it creates an inequity among employees in the different plans. Accordingly, the Commission denies rate recovery of \$28,512 for the voluntary 401(k) plan for those employees already participating in the R & S plan.

¹¹ The Willis Benchmarking Survey, 2015, at 62–63.
(http://willis.com/mwg-internal/de5fs23hu73ds/progress?od=lozsydmbJ6UUSxKxrjVJW5NDCRkgZEZps6-AgHEVM_Y.)

Employee Contribution for Health Insurance

Farmers' employee health insurance plan provides for Single, Family, Employee and Spouse and Employee and Child(ren) coverage.¹² Farmers pays the monthly premiums for its employees with single coverage and requires employees with other types of coverage to pay \$149 per month or \$1,788 annually toward the premium cost.¹³

The Commission expects Farmers to continue its efforts to rein in expenses for employee benefits by establishing a policy limiting Farmers' contribution to health insurance premiums and requiring that all employees pay some portion of the premium. The Commission finds that Farmers should limit its contributions to its employees' health plans to percentages that are market competitive with other businesses. Accordingly, the Commission will for ratemaking purposes adjust test-year health expense for all employees based on the Bureau of Labor Statistics national average employee contribution rates.¹⁴

The Commission has reduced health insurance expense \$92,430,¹⁵ based on a 32 percent employee contribution rate for family, employee and spouse, and employee and child(ren) coverage and 21 percent employee contribution rate for single coverage.

¹² Application, Exhibit F, Schedule D, page 33 of 74.

¹³ Farmers' response to Commission Staff's Third Request for Information, Item 2.

¹⁴ Case No. 2016-00174, Electronic Application of Licking Valley Electric Cooperative Corporation for a General Rate Increase (Ky. PSC Mar 1, 2017).

¹⁵ Farmers' response to Commission Staff's Second Post-Hearing Information Request, Item 2.

Miscellaneous Expenses

Based on information provided by Farmers, the Commission Staff made the following adjustments to miscellaneous expenses for expenses that are not allowable for ratemaking purposes. Account 930.20, Miscellaneous General Expense was reduced by \$500,¹⁶ Account 930.23, Annual Meeting Expense was reduced by \$19,082,¹⁷ Account 426.10, Other Income Deductions was reduced by \$2,520¹⁸ and Account 930.30, Directors Expenses was reduced by \$992.¹⁹

Rate Case Expense

Farmers estimated its rate case expense at \$143,620 in its application.²⁰ It proposed to recover this expense through a three-year amortization period. In response to Staff's First Post-Hearing Information Request, Item 1, Farmers stated that its total rate case expense as of that date was \$157,941. The Commission finds this amount reasonable and that a three-year amortization of these expenses will result in an increase in operating expense of \$4,774 over the \$47,873 proposed in the application.

Public Service Company Assessment Fee ("Fee")

After adjusting the test year for the normalized Fee, the Commission finds that Farmers shall be allowed an increase in revenue to cover the cost of the Fee based on the increase granted herein. Accordingly, the Commission hereby grants an increase in revenue \$3,251 for this cost.

¹⁶ Farmers' response to Staff's Third Request, Item 9.b.

¹⁷ *Id.*, Item 9.c.

¹⁸ *Id.*, Item 10.

¹⁹ *Id.*, Item 19.

²⁰ Application, Exhibit F, Schedule G, at 42.

Depreciation Expense

Farmers requested a depreciation deduction of \$2,987,384 in its application. This included a proposed change to the depreciation rate for its Distribution Account 370, Automated Meter Reading (“AMR”), based upon a 15-year life. The Commission finds the depreciation requested is reasonable and approves the request including the change in the depreciation rate for the AMR based upon Commission precedent.²¹ However, in response to inquiries by Staff, Farmers states that it has not had a depreciation study conducted since its inception.²² While Farmers generally follows Rural Utilities Service (“RUS”) guidelines for depreciation rates, the Commission finds that Farmers should perform a depreciation study by the earlier of five years from the date of this Order or the filing of its next base rate case.

Interest Expense

Farmers proposed \$1,769,176 for interest expense on long-term debt in its application.²³ Farmers maintained that this amount should be used for ratemaking purposes due to the variable interest rates on its Federal Financing Bank debt. In response to Commission Staff’s Fourth Request for Information, Item 4., Farmers provided an update to its annualized cost of debt as of that date in the amount of \$1,730,638. Given that Commission precedent requires that actual rates be utilized in computing the annualized cost of debt, it finds that interest expense on long-term debt should be reduced by \$38,538 to reflect the current costs of its debt.

²¹ Case No. 2011-00096, *Application of South Kentucky Rural Electric Cooperative Corporation for an Adjustment of Rates* (Ky. PSC Mar. 30, 2012).

²² Farmers’ response to Commission Staff’s Second Request for Information, Item 4, and Farmers’ response to Staff’s First Post-Hearing Request, Item 4.

²³ Application, Exhibit F, at 1.

Pro Forma Adjustments Summary

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

	<u>Actual</u> <u>Test Period</u>	<u>Pro Forma</u> <u>Adjustments</u>	<u>Adjusted</u> <u>Test Period</u>
Operating Revenues	\$ 46,700,668	\$ 1,578	\$ 46,702,246
Cost of Electric Service			
Operating Expenses	\$ 41,597,629	\$ (161,505)	\$ 41,436,124
Depreciation	\$ 2,744,248	\$ 213,316	\$ 2,957,564
Taxes - Other	\$ 662,286	\$ 26,410	\$ 688,696
Interest on Long-Term Debt	\$ 1,769,176	\$ (38,538)	\$ 1,730,638
Interest Expense - Other	\$ 11,144	\$ -	\$ 11,144
Other Deductions	\$ 2,830	\$ -	\$ 2,830
Total Cost of Electric Service	\$ 46,787,313	\$ 39,683	\$ 46,826,996
Utility Operating Margins	\$ (86,645)	\$ (38,105)	\$ (124,750)
Non-operating Margins, Interest	\$ 52,038	\$ -	\$ 52,038
Income from Equity Investments	\$ (12,108)	\$ -	\$ (12,108)
Non-operating Margins - Other	\$ 14,373	\$ -	\$ 14,373
Patronage Capital Credits	\$ 98,868	\$ -	\$ 98,868
NET INCOME	\$ 66,526	\$ (38,105)	\$ 28,421

REVENUE REQUIREMENTS

The actual rate of return earned on Farmers' net investment rate base established for the test year was 2.66 percent.²⁴ Farmers requests rates that would result in a Times Interest Earned Ratio ("TIER") excluding GTCCs of 2.0X²⁵ and a rate of return of 5.35 percent²⁶ on its proposed rate base of \$63,277,446. Farmers proposes

²⁴ $(\$86,645) \text{ (Utility Operating Margins)} + \$1,769,176 \text{ (Cost of Long-Term Debt)} = \$1,605,888 \div \$63,277,446 = 2.66\%$.

²⁵ Direct Testimony of Lance C. Schafer at 4.

²⁶ $\$3,385,181 \text{ (Requested Margin before deduction of interest expense on Long-Term Debt)} \div \$63,277,446 \text{ (Net Investment Rate Base)} = 5.35\%$.

an increase in base electric rates of \$1,873,993 to achieve a 2.0X TIER excluding GTCCs.

Farmers' actual TIER excluding GTCCs for the test period was 1.07X. Farmers' Operating Times Interest Earned Ratio ("OTIER") for the test period was 0.98X.²⁷ Farmers requests this rate adjustment in order to properly maintain and operate its distribution system, meet the terms of its mortgage agreement and to maintain its financial stability and integrity.²⁸

The TIER method for determining margins has been the approach utilized in the calculation of revenue requirement used by the Commission in electric distribution cooperative rate cases. Farmers is requesting a 2.0X TIER because of its deteriorating financial position and cost increases in its vegetation management program, labor costs, construction materials, maintenance costs, property taxes and depreciation.²⁹

Farmers' mortgage agreements with the RUS require the cooperative to maintain a TIER of 1.25X and an OTIER of 1.1X using the best ratios for two years out the three most recent years. Farmers has been compliant with its RUS mortgage covenants, but the test-year TIER and OTIER were below the thresholds listed above. Farmers also has debt with the National Rural Utilities Cooperative Finance Corporation ("CFC") which require a modified debt service coverage ratio ("modified DSC") of 1.35, based on the best ratios for two years out the three most recent years. Farmers is still compliant

²⁷ Application, Exhibit G-2, at 3.

²⁸ Application, Exhibit G-1, at 2.

²⁹ *Id.*

with its modified DSC requirement, but the test-year as well as calendar year 2016 ratios were below the threshold in the CFC mortgage covenant.

Based upon the pro forma adjustments found reasonable herein, the Commission has determined that an increase in Farmers' revenues from base rates of \$1,705,468 would result in a TIER of 2.00X. This additional revenue should produce net income of \$1,730,638. The Commission has determined that the above increase in revenues should result in an OTIER of 1.91X, which should allow Farmers to meet its mortgage requirements and service its mortgage debts. Based on the net investment rate base of \$62,917,682 found reasonable herein, this additional revenue should result in a rate of return on rate base of 5.3 percent.³⁰

PRICING AND TARIFF ISSUES

Cost of Service

Farmers filed a fully allocated cost-of-service study ("COSS") in order to determine the cost to serve each customer class and the amount of revenue to be allocated to each customer class. Having reviewed Farmers' COSS, the Commission finds it to be acceptable for use as a guide in allocating the revenue increase granted herein.

Revenue Allocation

The proposed rate design uses the COSS as a general guide for Farmers' rate class increases. Farmers proposed that all rate classes would see some type of increase, even if they were providing revenues in excess of the costs to serve, and that

³⁰ \$1,577,467 (Granted Margin) + \$1,730,638 (Normalized Interest on Long-Term Debt) = \$3,308,105 ÷ \$62,917,682 (Net Investment Rate Base) = 5.3%.

the increase for the residential rate class was not to exceed 5 percent.³¹ The results of the COSS indicated that Schedule C - Commercial & Industrial Service Rate > 50 kW, Schedule C - Time-of-Day Commercial Service, Schedule E - Large Industrial Rate, Schedule LPC-2 Large Power, and Schedule LPE-4 - Large Power Time-of-Day provide revenues in excess of the costs to serve. All other rate classes produce revenues approximately at or below their class cost to serve.³² Additionally, Farmers proposed to increase demand rates for rate classes whose demand rates were below East Kentucky Power Cooperative's ("EKPC") Schedule E-2 wholesale rate.

Rate Design

Farmers is proposing to allocate the proposed increase to all its rate classes with the increase placed on the customer and demand charges only. Farmers states that increasing the customer charge better matches the customer-related costs but the increase in the customer charge is still significantly less than the full cost recovery of the customer-related costs.³³ The only classes whose energy rate is increased are Schedule RM – Residential Off-Peak Marketing – Electric Thermal Storage ("ETS") and Rate Schedule CM – Small Commercial Off-Peak Marketing – ETS.

The Commission concludes that, for an electric cooperative that is strictly a distribution utility, there is merit to the argument that there is a need for a means to guard against the revenue erosion that often occurs due to the decrease in sales volumes that accompanies poor regional economics, changes in weather patterns, and the implementation or expansion of demand-side management and energy-efficiency

³¹ Application, Exhibit G-3, at 3.

³² *Id.*, Exhibit G-4, at 18.

³³ *Id.*, Exhibit G-3, at 5.

programs. Farmers' proposed increase in the residential customer charge from \$9.35 to \$14.00 results in a 50 percent increase, which supports the general principle of gradualism. All proposed customer charges are approved. The table below shows the current and proposed/approved customer charges for those classes with customers, along with the amounts supported by the COSS.

	<u>Current</u>	<u>Proposed</u>	<u>COSS</u> <u>Results</u>
Schedule R – Residential Service	\$9.35	\$14.00	\$31.19
Schedule R – Residential Service (Prepay)	\$9.35	\$14.00	\$31.19
Schedule C – Comm. & Indust. Service <50kW	\$11.42	\$21.32	\$47.95
Schedule C – Comm. & Indust. Service >50kW	\$51.93	\$105.00	\$93.88
Schedule C – Time-of-Day Commercial Service	\$60.26	\$105.00	\$93.88
Schedule D – Large Comm/Ind Opt Time-of-Day	\$51.93	\$105.00	\$86.50
Schedule E – Large Industrial Rate	\$1,142.46	\$1,142.46	\$93.88
Schedule LPC-2 – Large Power	\$1,088.00	\$1,288.00	\$86.50
Schedule LPE-4 – Large Power TOD Tariff	\$3,015.00	\$3,215.00	\$93.88

The Commission approves the proposed increases to demand rates for those rate classes whose demand rates are below EKPC's so as to match EKPC's Schedule E-2 Wholesale Rate. Due to lowering of the revenue requirement, as found through discovery, the decrease should be applied to the volumetric charges and the Commission finds it reasonable to allocate it proportionally across the rate classes. The two ETS rates are set at 60 percent of the energy rate for each respective class. Several of the LPC and LPE classes have no customers currently taking service. For those classes with no customers, a small decrease was applied to the energy charges in the same proportion as was applied to the LPC and LPE classes that have customers. Based on Farmers' average monthly residential usage of 1,092 kWh, the average monthly bill for residential customers will increase by \$4.49, from \$106.46 to \$110.95, or 4.22 percent.

Farmers' Management

The Commission commends Farmers' management for taking advantage of opportunities to reduce costs through personnel reductions, streamlined operations, future costs savings related to prepayment of its Retirement and Security Plan, and reductions in medical insurance cost. Other cooperatives should follow Farmers' example to ensure the safe and reliable delivery of electricity at the lowest possible cost.

SUMMARY

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

1. The rates proposed by Farmers would produce revenues in excess of the amount found reasonable herein and should be denied.
2. The rates set forth in the Appendix to this Order are the fair, just, and reasonable and should be approved.
3. The rate of return and TIER granted herein will provide for Farmers' financial obligations.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Farmers are denied.
2. The rates set forth in the Appendix to this Order are approved for services rendered by Farmers on and after the date of this Order.
3. Within 20 days of the date of this Order, Farmers shall file with this Commission, using the Commission's electronic Tariff Filing System, 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. Farmers shall perform a depreciation study within five years from the date of this Order, or with the filing of its next rate case, whichever is earlier.

By the Commission

ENTERED
MAY 12 2017
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director

Case No. 2016-00365

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2016-00365 DATED **MAY 12 2017**

SCHEDULE R
RESIDENTIAL SERVICE

Customer Charge	\$	14.00
Energy Charge per kWh	\$	0.088779
Prepay Charge	\$	3.18

SCHEDULE R
RESIDENTIAL TIME-OF-DAY

Customer Charge	\$	19.65
On-Peak Energy Charge per kWh	\$	0.104529
Off-Peak Energy Charge per kWh	\$	0.060000

SCHEDULE C
COMM & INDUST SERVICE RATE <50 kW

Customer charge	\$	21.32
Energy Charge per kWh	\$	0.084055

SCHEDULE C
COMM & INDUST SERVICE RATE >50 kW

Customer Charge	\$	105.00
Demand Charge per kW	\$	7.89
Energy Charge per kWh	\$	0.064965

SCHEDULE C
COMMERCIAL TIME-OF-DAY

Customer Charge		
Single Phase	\$	21.32
Three Phase	\$	105.00
On-Peak Energy Charge per kWh	\$	0.117840
Off-Peak Energy Charge per kWh	\$	0.060000

SCHEDULE D
LARGE COMM/IND TIME-OF-DAY

Customer Charge	\$	105.00
Demand Charge per kW	\$	7.89
Energy Charge per kWh	\$	0.064880

SCHEDULE E
LARGE INDUSTRIAL

Customer Charge	\$1,142.46
Demand Charge per kW	\$ 7.89
Energy Charge per kWh	\$ 0.051512

SCHEDULE OL
OUTDOOR LIGHTING SERVICE

Monthly Rate:

175 Watt MV	\$ 9.72
175 Watt, shared MV	\$ 3.43
250 Watt MV	\$ 11.13
400 Watt MV	\$ 16.94
1000 Watt SV	\$ 30.12
100 Watt SV	\$ 9.99
150 Watt SV	\$ 11.70
250 Watt SV	\$ 15.94
400 Watt SV	\$ 20.60
1000 Watt SV	\$ 44.68
LED Lighting	\$ 9.88

SCHEDULE SL
STREET LIGHTING

Energy Charge per kWh	\$ 0.058840
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SCHEDULE LPC-1
LARGE POWER

Customer Charge	\$1,016.00
Demand Charge per kW	\$ 7.77
Energy Charge per kWh	\$ 0.057741

SCHEDULE LPC-2
LARGE POWER

Customer Charge	\$1,288.00
Demand Charge per kW	\$ 7.77
Energy Charge per kWh	\$ 0.055746

SCHEDULE LPC-3
LARGE POWER

Customer Charge	\$2,937.00
Demand Charge per kW	\$ 7.77
Energy Charge per kWh	\$ 0.054250

SCHEDULE LPC-4
LARGE POWER

Customer Charge	\$3,215.00
Demand Charge per kW	\$ 7.77
Energy Charge per kWh	\$ 0.051756

SCHEDULE LPC-5
LARGE POWER

Customer Charge	\$4,501.00
Demand Charge per kW	\$ 7.77
Energy Charge per kWh	\$ 0.049262

SCHEDULE LPB-1
LARGE POWER

Customer Charge	\$1,016.00
Demand Charge per kW	\$ 7.77
Demand Charge in excess of contract	\$ 9.98
Energy Charge per kWh	\$ 0.057882

SCHEDULE LPB-2
LARGE POWER

Customer Charge	\$1,288.00
Demand Charge per kW	\$ 7.77
Demand Charge in excess of contract	\$ 9.98
Energy Charge per kWh	\$ 0.055882

SCHEDULE LPB-3
LARGE POWER

Customer Charge	\$2,937.00
Demand Charge per kW	\$ 7.77
Demand Charge in excess of contract	\$ 9.98
Energy Charge per kWh	\$ 0.054382

SCHEDULE LPB-4
LARGE POWER

Customer Charge	\$3,215.00
Demand Charge per kW	\$ 7.77
Demand Charge in excess of contract	\$ 9.98
Energy Charge per kWh	\$ 0.051882

SCHEDULE LPB-5
LARGE POWER

Customer Charge	\$4,501.00
Demand Charge per kW	\$ 7.77
Demand Charge in excess of contract	\$ 9.98
Energy Charge per kWh	\$ 0.049382

SCHEDULE LPE-1
LARGE POWER TIME-OF-DAY

Customer Charge	\$1,016.00
Demand Charge per kW	\$ 6.62
On-Peak Energy Charge per kWh	\$ 0.067951
Off-Peak Energy Charge per kWh	\$ 0.059554

SCHEDULE LPE-2
LARGE POWER TIME-OF-DAY

Customer Charge	\$1,288.00
Demand Charge per kW	\$ 6.62
On-Peak Energy Charge per kWh	\$ 0.065961
Off-Peak Energy Charge per kWh	\$ 0.057554

SCHEDULE LPE-3
LARGE POWER TIME-OF-DAY

Customer Charge	\$2,937.00
Demand Charge per kW	\$ 6.62
On-Peak Energy Charge per kWh	\$ 0.064468

Off-Peak Energy Charge per kWh \$ 0.056054

SCHEDULE LPE-4
LARGE POWER TIME-OF-DAY

Customer Charge \$3,215.00
Demand Charge per kW \$ 6.62
On-Peak Energy Charge per kWh \$ 0.061980
Off-Peak Energy Charge per kWh \$ 0.053554

SCHEDULE LPE-5
LARGE POWER TIME-OF-DAY

Customer Charge \$4,501.00
Demand Charge per kW \$ 6.62
On-Peak Energy Charge per kWh \$ 0.059492
Off-Peak Energy Charge per kWh \$ 0.051054

SCHEDULE RM
RESIDENTIAL OFF-PEAK MARKETING - ETS

Energy Charge per kWh \$ 0.053267

SCHEDULE CM
SMALL COMMERCIAL OFF-PEAK MARKETING - ETS

Energy Charge per kWh \$ 0.050433

SCHEDULE NM
NET METERING

Customer Charge \$ 14.00
Energy Charge per kWh (purchased) \$ 0.08895

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