



ATTORNEYS AT LAW | PLLC

David S. Samford  
(859) 368-7740  
david@gosssamfordlaw.com

February 3, 2021

***VIA ELECTRONIC  
TARIFF FILING***

Ms. Linda Bridwell, P.E.  
Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort, KY 40601

RE: Electronic Tariff Filing of Two New Proposed Tariffs: (1) Schedule B-1: Large Industrial Rate; and (2) Section EDR – Economic Development Rider; and Request for Deviation

Dear Ms. Bridwell:

On behalf of Clark Energy Cooperative, Inc. (“Clark Energy”), attached please find two proposed tariffs, being: (1) Schedule B-1: Large Industrial Rate (“Schedule B-1”); and (2) Section EDR – Economic Development Rider (“Section EDR”). These tariffs are filed in compliance with 807 KAR 5:011, Section 2. In addition, pursuant to 807 KAR 5:011, Section 15, Clark Energy respectfully requests a deviation be granted such that public notice of the proposed new tariffs not be required. In support of this electronic tariff filing, please accept the following:

Schedule B-1: Large Industrial Rate

Clark Energy believes that it will be advantageous to give potential new industrial customers that may locate within its service territory a new rate option that corresponds to East Kentucky Power Cooperative, Inc.’s (“EKPC”) Rate Schedule B. In preparing the new proposed Schedule B-1, Clark Energy sought to develop a better rate for large industrial loads while also maintaining a margin consistent with its existing Rate P. As such, demand charges for contract demand and excess contract demand charges align with similar charges for EKPC’s Rate B. The proposed rate for energy is one cent (\$0.01) higher per kilowatt hour (kWh) than EKPC’s wholesale rate in order to protect Clark Energy’s retail margin. Moreover, as set forth in the attached documentation, the proposed facility charge is designed to reflect the anticipated requirements of future large industrial loads. Clark Energy has conducted its own internal rate analysis of the proposed rates which demonstrates that the proposed Schedule B-1 provides

comparable margins to the existing P rate, with a slight decrease in margins at loads larger than 1500 kW. This achieves Clark Energy's goal of designing a rate that should produce comparable margins to its current P rate.

Although Clark Energy does not have any current or future customers specifically identified who will take service under the proposed Schedule B-1, it believes that offering this rate structure will allow it to compete with other utilities that offer similar tariff options. In other words, offering a Schedule B-1 rate is deemed to be an important component of the economic development strategy for both Clark Energy and the communities it serves. Subject to any further action by the Commission, and in conformity with KRS 278.180, Clark Energy has given its new Schedule B-1: Large Industrial Rate an effective date of March 5, 2021.

#### Section EDR – Economic Development Rate

Clark Energy currently does not offer an Economic Development Rider to new or existing customers and views this as a disadvantage to attracting new investment and job creation within its service territory. Clark Energy has seen the success that other cooperatives have achieved in attracting new loads by offering rates that include a reasonable rate preference in the early years, but that fully recover the utility's variable costs over time. Accordingly, Clark Energy is also proposing to add a new Section EDR to its tariff. The proposed economic development rate is modeled after EKPC's successful economic development tariff and conforms to the requirements set forth in *An Investigation into the Implementation of Economic Development Rates by Electric and Gas Utilities*, Order, Administrative Case No. 327 (Ky. P.S.C. Sept. 24, 1990).

Currently Clark Energy does not have any prospective clients whom it knows will be interested in this tariff, nor has it had any communications with existing customers regarding expansions in load or job creation that fall within the ambit of this proposed tariff. Nevertheless, with this additional tariff offering, Clark Energy intends to more aggressively market its service territory for new and expanding loads, investment and job creation.

Subject to any further action by the Commission, and in conformity with KRS 278.180, Clark Energy has given its new Section EDR – Economic Development Rate an effective date of March 5, 2021.

#### Request for Deviation

807 KAR 5:011, Section 8, provides as follows:

Notice: A utility shall provide notice if a charge, fee, condition of service, or rule regarding the provision of service is changed, revised, or initiated and the change will affect the amount that a customer pays for service or the quality, delivery, or rendering of a customer's service.

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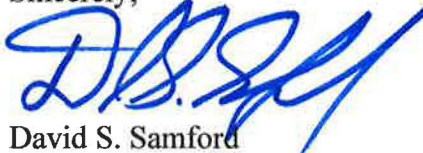
Per the plain language of the regulation, customer notice is only required if “the change will affect the amount that a customer pays for service or the quality, delivery, or rendering of a customer’s service.” As set forth above, Clark Energy does not have any customers currently taking service under either Schedule B-1 or Section EDR; nor does it have any specific customers in mind who may one day qualify for service under either tariff. Accordingly, approval of the two tariffs have will have no immediate impact upon the amount a customer pays or the quality, delivery or rendering of service to a customer and customer notice does not appear to be required.

However, Clark Energy has prepared a notice that complies with 807 KAR 5:011, Section 8(4) and intends to publicly post said notice in compliance with 807 KAR 5:011, Section 8(1). Clark Energy believes that, under the circumstances, this form of notice is sufficient and that Clark Energy should not be required to provide additional notice under 807 KAR 5:011, Section 8(2)-(3).

Although the value of providing customer notice through a mailing, publication in newspapers or publication through *Kentucky Living* would be negligible, the cost of providing such notice is significant and would impose a cost of several thousand dollars upon Clark Energy. Ultimately, this cost erodes the cooperative’s margins and deprives its members of amounts that could be otherwise used to refund capital credits or for other general corporate purposes. Given the very limited value of giving customer notice – if it is even required at all – and the better uses to which the necessary cost of publication could be applied, Clark Energy respectfully requests, pursuant to 807 KAR 5:011, Section 15, that no customer notice described in 807 KAR 5:011, Section 8(2) – (3) shall be required to be given in connection with these two tariffs filings and that the public posting of the aforementioned tariffs in compliance with 807 KAR 5:011, Section 8(1) and (4) shall be deemed sufficient.

Should you have any questions regarding the foregoing tariffs, please do not hesitate to contact me.

Sincerely,



David S. Samford

Enc.

cc: Chris Brewer  
Brian Frasure

## **PUBLIC NOTICE**

Notice is hereby given that Clark Energy Cooperative, Inc. (“Clark Energy”) has filed on February 3, 2021 a proposal with the Kentucky Public Service Commission for approval of two new rates: (1) Schedule B-1: Large Industrial Rate (“Schedule B-1); and (2) Section EDR – Economic Development Rider (“Section EDR”). The new rates are proposed to be effective on and after March 5, 2021.

The proposed tariffs are new and do not apply to any existing customer class. As proposed, the new rates for Schedule B-1, will be as follows:

|              |  |
|--------------|--|
| \$ 840.00    | Facility Charge  |
| \$ 7.17      | Demand Charge per kW of Contract Demand                              |
| \$ 9.98      | Demand Charge per kW for Billing Demand in Excess of Contract Demand |
| \$ 0 .048982 | Energy Charge per kWh  |

Because the new tariffs do not apply to any existing customer class, the current rates of Clark Energy’s customers will not change.

You may examine this tariff filing at the offices of Clark Energy located at 2640 Ironworks Road, P.O. Box 748, Winchester, KY 40392-0748 or by clicking this [link](#). Upon the expiration of the current state of emergency related to the COVID-19 global pandemic, you may also examine this tariff filing at the offices of the Kentucky Public Service Commission located at 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8:00 a.m. to 4:30 p.m. The proposed tariff may also be examined via Commission's Web site at <http://psc.ky.gov>.

Comments regarding this tariff filing may be submitted to the Public Service Commission through its Web site or by mail to Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602. The rates contained in this notice are the rates proposed by Clark Energy, however, the Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice. A person may submit a timely written request for intervention to the Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602, establishing the grounds for the request including the status and interest of the party. If the Commission does not receive a written request for intervention within thirty (30) days of the initial giving of this notice, the Commission may take final action on the tariff filing.