

RECEIVED

MAR 30 2018

PUBLIC SERVICE
COMMISSION

March 30, 2018

Ms. Gwen Pinson
Executive Director
Kentucky Public Service Commission
P.O. Box 615
211 Sower Boulevard
Frankfort, KY 40602

Re: PSC Case Nos. 2014-00034 and 2016-00316 – Economic Development
Rate Contract Reports

Dear Ms. Pinson:

Pursuant to the Commission's June 20, 2014 Order in Case No. 2014-00034 and its November 21, 2016 Order in Case No. 2016-00316, please find enclosed for filing the 2017 Economic Development Rate Contract Reports for East Kentucky Power Cooperative, Inc. ("EKPC").

In Case No. 2016-00316, the Commission approved EKPC's first special contract incorporating the Economic Development Rider ("EDR") since the approval of that Rider in Case No. 2014-00034. The Commission clarified that two annual reports would be required and both would be due by March 31 of each year. This contract is between EKPC, South Kentucky RECC, and Kroger and became effective December 1, 2016. The enclosed report for the Kroger contract reflects 12 months of operations.

Also included in this report is information for a second special contract between EKPC, Owen Electric Cooperative, Inc. and Wayfair LLC. The Wayfair contract became effective March 1, 2017. The enclosed report for the Wayfair contract reflects 10 months of operations.

Very truly yours,



David S. Samford

Enclosure

ECONOMIC DEVELOPMENT RIDER

2017 Report of Revenues Received and Marginal Costs Associated with Serving the Customer

Member Distribution Cooperative: South Kentucky RECC
EDR Customer: Kroger
EKPC Rate Schedule: Rate B

Revenues

Demand Charge Revenues Billed	\$26,432
Energy Charge Revenues Billed	<u>\$132,452</u>
Total Revenues	<u>\$158,884</u>

Marginal Costs

Demand:

Billed demand (kW)	7,238	
Marginal Demand Cost		\$20,899
(See attached spreadsheet for calculations)		

Energy:

Billed Energy (kWh)	3,553,884	
Marginal Energy Cost		<u>\$102,433</u>
(See attached spreadsheet for calculations)		

Total Marginal Costs	<u>\$123,332</u>
----------------------	------------------

ECONOMIC DEVELOPMENT RIDER

2017 Report of Revenues Received and Marginal Costs Associated with Serving the Customer

Member Distribution Cooperative: Owen Electric Cooperative, Inc.
EDR Customer: Wayfair LLC
EKPC Rate Schedule: Rate B

Revenues

Demand Charge Revenues Billed	\$23,302
Energy Charge Revenues Billed	<u>\$123,231</u>
Total Revenues	<u>\$146,533</u>

Marginal Costs

Demand:

Billed demand (kW)	6,500	
Marginal Demand Cost		\$20,142
(See attached spreadsheet for calculations)		

Energy:

Billed Energy (kWh)	3,332,110	
Marginal Energy Cost		<u>\$96,773</u>
(See attached spreadsheet for calculations)		

Total Marginal Costs	<u>\$116,915</u>
----------------------	------------------

ECONOMIC DEVELOPMENT RATE CONTRACT REPORT

UTILITY: East Kentucky Power Cooperative, Inc.

YEAR: 2017

	<u>Current Reporting Period</u>	<u>Cumulative</u>
1) Number of EDR Contracts –		
Total:	1	2
Existing Customers:	0	0
New Customers:	1	2
2) Number of Jobs Created –		
Total:	250	500
Existing Customers:	0	0
New Customers:	250	500
3) Amount of Capital Investment –		
Total:	\$15.0M	\$38.7M
Existing Customers:	\$0	\$0
New Customers:	\$15.0M	\$38.7M
4) Consumption –		
	<u>Current Reporting Period</u>	<u>Cumulative</u>
(A) DEMAND		
Total:	13,738 kW	14,338 kW
Existing Customers:	0 kW	0 kW
New Customers:	13,738 kW	14,338 kW
(B) ENERGY/CONSUMPTION		
Total:	6,885,994 kWh	7,144,369 kWh
Existing Customers:	0 kWh	0 kWh
New Customers:	6,885,994 kWh	7,144,369 kWh