

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE ELECTRONIC APPLICATION OF	)	
FLEMING-MASON ENERGY COOPERATIVE,	)	
INC., FOR PASS-THROUGH OF EAST	)	Case No. 2021-00109
KENTUCKY POWER COOPERATIVE, INC.'S	)	
WHOLESALE RATE ADJUSTMENT	)	

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FLEMING-MASON ENERGY  
COOPERATIVE, INC.'S APPLICATION

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Comes now Fleming-Mason Energy Cooperative, Inc. (“Fleming-Mason”), by counsel, pursuant to KRS 278.455(2), 807 KAR 5:007 and other applicable law, and does hereby request the Kentucky Public Service Commission (“Commission”) to grant it a pass-through of East Kentucky Power Cooperative Inc.’s (“EKPC”) wholesale rate adjustment, respectfully stating as follows:

1. Fleming-Mason is a not-for-profit, member-owned, rural electric distribution cooperative organized under KRS Chapter 279. Fleming-Mason is engaged in the business of distributing retail electric power to approximately 24,800 members in the Kentucky counties of Bath, Bracken, Fleming, Lewis, Mason, Nicholas, Robertson and Rowan.

2. Pursuant to 807 KAR 5:001, Section 14(1) and 807 KAR 5:007, Sections 1(2) and Section 2(2), Fleming-Mason’s mailing address is 1449 Elizaville Road, P.O. Box 328, Flemingsburg, Kentucky 41041 and its electronic mail address is [jhazelrigg@fme.coop](mailto:jhazelrigg@fme.coop).

3. Pursuant to 807 KAR 5:001, Section 14(2), Fleming-Mason is a Kentucky corporation that was incorporated on March 12, 1938 and is currently in good standing to conduct business within the Commonwealth of Kentucky.

4. Pursuant to 807 KAR 5:007, Sections 1(3) and Section 2(2), Fleming-Mason is one of the sixteen owner-member cooperatives of EKPC. EKPC has filed an Application for a general adjustment of its existing wholesale rates to its owner-members, including Fleming-Mason.<sup>1</sup> In accordance with KRS 278.455, Fleming-Mason seeks to pass-through the increase in EKPC's wholesale rates to Fleming-Mason to Fleming-Mason's retail members.

5. Pursuant to 807 KAR 5:007 Section 2(1), attached as **Exhibit 1** to this Application are the proposed tariffs of Fleming-Mason incorporating the new rates and proposing an effective date of May 1, 2021, which is the same effective date proposed by EKPC in its rate case.

6. Pursuant to 807 KAR 5:007 Sections 1(4) and Section 2(2), attached as **Exhibit 2** to this Application is a comparison of the current and the proposed rates of Fleming-Mason.

7. Pursuant to 807 KAR 5:007 Sections 1(5)(a)-(b) and Section 2(2), attached as **Exhibit 3** to this Application is a billing analysis which shows the existing and proposed rates for each of Fleming-Mason's rate classes. Fleming-Mason further states that the effects of the increase in rates from its wholesale supplier, EKPC, are being passed through to its retail members through its retail tariffs on a proportional basis and that the rate design structure proposed for each retail rate schedule does not change the rate design currently in effect.

8. Pursuant to 807 KAR 5:007 Sections 1(6) and Section 2(2), a certification that a complete copy of this filing has been mailed to the Kentucky Attorney General's Office of Rate Intervention and an electronic copy was also sent to [rateintervention@ag.ky.gov](mailto:rateintervention@ag.ky.gov) is attached as **Exhibit 4**.

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<sup>1</sup> See *In the Matter of the Electronic Application of East Kentucky Power Cooperative, Inc. for a General Adjustment of Rates, Approval of Depreciation Study, Amortization of Certain Regulatory Assets and Other General Relief*, Application, Case No. 2021-00103 (filed April 1, 2021).

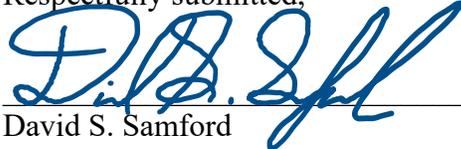
9. Pursuant to 807 KAR 5:007 Sections 1(7)(b) and (8) and Section 2(2), notice of the proposed rate changes has been given, not more than thirty (30) days prior to April 1, 2021, by publication in a newspaper of general circulation throughout Fleming-Mason's service territory. A copy of the notice is attached as **Exhibit 5** and contains all of the required information pursuant to 807 KAR 5:007, Section 3.

10. This application is supported by the Testimony of Mr. John Wolfram, which is attached as **Exhibit 6**.

WHEREFORE, on the basis of the foregoing, Fleming-Mason respectfully requests that the Commission accept this Application for filing and allow Fleming-Mason to pass-through to its retail members the increase in the wholesale rates granted to EKPC and for the effective date of Fleming-Mason's pass-through rates to be the same as the effective date of EKPC's rate increase.

Done this 1<sup>st</sup> day of April 2021.

Respectfully submitted,



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*Counsel for Fleming-Mason Energy  
Cooperative, Inc.*

**Exhibit List**

<b>Document</b>	<b>Tab</b>
Proposed Tariffs Incorporating the New Rates Proposed to be Effective on May 1, 2021	1
Comparison of the Current and Proposed Rates	2
Billing Analysis Showing the Existing and Proposed Rates for Each Rate Class	3
Certification of Mailing to Office of Rate Intervention	4
Copy of Notice	5
Testimony of John Wolfram	6

Case No. 2021-00109  
Application – Exhibit 1

Proposed Tariffs

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## CLASSIFICATION OF SERVICE

### RESIDENTIAL AND SMALL POWER – SCHEDULE RSP

Applicability:

Available to all members of the Cooperative for all service requiring not more than 25kVa of transformer capacity. All use is subject to the established rules and regulations of the Cooperative.

Character of Service:

Single-phase 60 Hertz at 120/240 volts alternating current, or where available, three-phase 60 Hertz at 120/240 volts alternating current.

Monthly Rate:

Customer Charge	\$15.66/meter	(I)
Energy Charge – For All kWh	\$0.08379/kWh	(I)

Minimum Charge:

The monthly customer charge.

Temporary Service:

Temporary service shall be supplied in accordance with the foregoing rate except that the customer shall pay in addition to the foregoing charges the total cost of connecting and disconnecting service less the value of materials returned to stock. The Cooperative may require a deposit, in advance, or the full amount of the estimated bill for service, including the cost of connection and disconnection.

Fuel Adjustment Clause:

The above rate may be increased or decreased by an amount per kWh equal to the fuel adjustment amount per kWh as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve month moving average of such losses. This fuel clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

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**DATE OF ISSUE:** April 1, 2021

**DATE EFFECTIVE:** May 1, 2021

**ISSUED BY:**

  
Joni K. Hazelrigg,  
President and Chief Executive Officer

Issued by authority of an order of the Public Service Commission of Kentucky.  
Case No. 2021-00109 Dated:

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## CLASSIFICATION OF SERVICE

### RESIDENTIAL AND SMALL POWER – SCHEDULE RSP

#### Terms of Payment:

The above rates are net and are due on the billing date, the gross rates being 5% higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.

#### Taxes and Fees

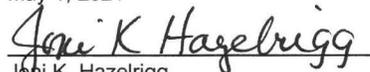
The Cooperative shall add to the electric bills of all applicable members the Kentucky Sales and Use Tax, any Utility Gross Receipt License Tax for Schools, any other tax that may be imposed on the Cooperative that is measured or determined by sales or receipts, or any Franchise Fee enacted by an ordinance of a municipality.

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**DATE OF ISSUE:** April 1, 2021

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## CLASSIFICATION OF SERVICE

### RESIDENTIAL AND SMALL POWER – ELECTRIC THERMAL STORAGE SCH RSP-ETS

#### Fuel Adjustment Clause:

The above rate may be increased or decreased by an amount per kWh equal to the fuel adjustment amount per kWh as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve month moving average of such losses. This fuel clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

#### Terms of Payment:

The above rates are net and are due on the billing date, the gross rates being 5% higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.

#### Taxes and Fees

The Cooperative shall add to the electric bills of all applicable members the Kentucky Sales and Use Tax, any Utility Gross Receipt License Tax for Schools, any other tax that may be imposed on the Cooperative that is measured or determined by sales or receipts, or any Franchise Fee enacted by an ordinance of a municipality.

#### Terms and Conditions:

This tariff is subject to the Cooperative's standard terms and conditions of service.

The retail marketing rate applies only to programs which are expressly approved by the Commonwealth of Kentucky Public Service Commission to be offered under the Marketing Rate of East Kentucky Power's Wholesale Power Rate Schedule A.

Under this rate, a separate contract will be executed between the Cooperative and the Consumer/Member. A sample copy of which is filed as part of this tariff.

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**ISSUED BY:**

  
Jon K. Hazelrigg,  
President and Chief Executive Officer

**CLASSIFICATION OF SERVICE**

**RESIDENTIAL AND SMALL POWER – SCHEDULE RSP – INCLINING BLOCK**

Applicability:

Available to all members of the Cooperative for all service requiring not more than 25kVa of transformer capacity. All use is subject to the established rules and regulations of the Cooperative.

Character of Service:

Single-phase 60 Hertz at 120/240 volts alternating current, or where available, three-phase 60 Hertz at 120/240 volts alternating current.

Monthly Rate:

Customer Charge	\$15.66/meter	(I)
Energy Charge –		
0 – 300 kWh	\$.06551/kWh	(I)
301 – 500 kWh	\$.07596/kWh	(I)
Over 500 kWh	\$.10728/kWh	(I)

Temporary Service:

Temporary service shall be supplied in accordance with the foregoing rate except that the customer shall pay in addition to the foregoing charges the total cost of connecting and disconnecting service less the value of materials returned to stock. The Cooperative may require a deposit, in advance, or the full amount of the estimated bill for service, including the cost of connection and disconnection.

**DATE OF ISSUE:** April 1, 2021

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**ISSUED BY:** Joni K. Hazelrigg  
 Joni K. Hazelrigg,  
 President and Chief Executive Officer

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**CLASSIFICATION OF SERVICE**

**RESIDENTIAL AND SMALL POWER – SCHEDULE RSP – INCLINING BLOCK**

Fuel Adjustment Clause:

The above rate may be increased or decreased by an amount per kWh equal to the fuel adjustment amount per kWh as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve month moving average of such losses. This fuel clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

Terms of Payment:

The above rates are net and are due on the billing date, the gross rates being 5% higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.

Taxes and Fees

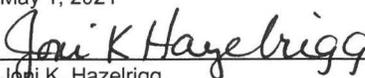
The Cooperative shall add to the electric bills of all applicable members the Kentucky Sales and Use Tax, any Utility Gross Receipt License Tax for Schools, any other tax that may be imposed on the Cooperative that is measured or determined by sales or receipts, or any Franchise Fee enacted by an ordinance of a municipality.

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**DATE OF ISSUE:** April 1, 2021

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**ISSUED BY:**

  
Jani K. Hazelrigg,  
President and Chief Executive Officer

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## PREPAY SERVICE

Standard Rider:

Fleming-Mason Energy Cooperative's Prepay Service ("Prepay") is an optional rider to Rate Schedule RSP – Residential and Small Power as defined by the Cooperative.

Availability:

All Rate Schedule RSP – Residential and Small Power, excluding accounts on Levelized/Fixed Budget, Automatic Bank Draft, Net Metering, and accounts greater than 200 Amp Service within the territory served by Fleming-Mason.

Monthly Rate:

Rate Schedule RSP:			
Consumer Facility Charge:	\$	15.66	(I)
Energy Charge per kWh:	\$	0.08379	(I)
Prepay Service Fee:	\$	5.00	

TERMS & CONDITIONS:

Members who qualify as defined above in "Availability" may choose to voluntarily enroll their electric account(s) in the Prepay service and are subject to the following:

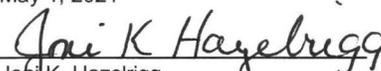
1. Each member electing Prepay will be subject to all other applicable rules and regulations which apply to members using the residential tariff, without the Prepay rider.
2. Members should have internet access or the ability to receive electronic communications, including texting services to participate in the voluntary Prepay service.
3. Any member choosing to enroll in Prepay shall sign a *Prepay Service Agreement* ("Agreement"). The Agreement shall remain in effect until the member notifies Fleming-Mason, in writing, to cancel the Agreement.
4. Upon written cancellation of the Agreement, the member shall be subject to the conditions of the applicable tariff, without the Prepay rider. In accordance with Fleming-Mason's current Rules and Regulations, this may require a security deposit to be paid by the member at the time of cancellations of the Prepay service.

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John K. Hazelrigg,  
President and Chief Executive Officer

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Case No. 2021-00109 Dated:

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**PREPAY SERVICE (CONTINUED)**

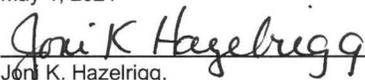
5. Any special equipment issued to the member for participation in Prepay shall be returned in good working condition by the member. Refusal by the member to return the equipment shall result in replacement cost of the equipment being charged to the member.
6. The Consumer Facility Charge and Energy Charge will be the same as Fleming-Mason's applicable residential tariff. The Energy Charge per kWh will be calculated and deducted from the member's account on a daily basis. The Consumer Facility Charge and Prepay Service Fee will be pro-rated and deducted from the member's account on a daily basis.
7. The Fuel Cost Adjustment and Environmental Surcharge will be charged or credited to the account daily. The Fuel Adjustment and Environmental Surcharge will be the rates in effect for the time of update.
8. The Prepay account will not be subject to deposits, late fees, disconnect fees, and reconnect fees.
9. At the time Prepay is activated for an account, the initial purchase is recommended to be a minimum of \$100.00. Purchases beyond the point of activation will be at an increment of the member's choosing, with a minimum purchase being \$20.00. Members may apply funds to their prepay account(s) by most methods as post pay and include the following: credit card, debit card, check and cash. Payment can be made via the website, phone and in person at one of Fleming Mason's offices. Payment methods are listed on Fleming Mason's website, [www.fme.coop](http://www.fme.coop).
10. When an existing member selects to participate in Prepay and has a security deposit on file, the deposit and any accumulated interest will not be refunded. The deposit will be converted into a credit on the Prepay account going forward. No crediting of the deposit to the Prepay account shall occur if the deposit is needed to cover a pre-existing indebtedness by the member or the member has another account(s) which does not have a satisfactory credit history, the remaining credit will be transferred as a deposit to the unsecured account(s).
11. If a member who has not participated in Prepay is disconnected for non-payment, the member may request to be reconnected and enrolled in Prepay. If the member is unable to pay the account balance in full for the disconnected account, a payment plan whereby future purchases for Prepay will be split 70/30 until the old debt is retired will be established. Seventy percent (70%) of the payments will be applied to new purchases and thirty percent (30%) will be applied towards retirement of the previous balance minus any applicable deposit.
12. A prior member, who previously received service from Fleming-Mason and discontinued service without paying his/her final bill, (i.e. an uncollectible account/bad debt) will be required to pay the past due amount prior to establishing prepay service. If the member is unable to pay the account balance in full, a payment plan whereby future purchases for Prepay will be split 70/30 until the old debt is retired will be established. Seventy percent (70%) of the payments will be applied to new purchases and thirty percent (30%) will be applied towards retirement of the previous balance.

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Jon K. Hazelrigg,  
President and Chief Executive Officer

### PREPAY SERVICE (CONTINUED)

13. Once an account is enrolled in Prepay, the account will no longer be eligible for additional payment arrangements.
14. Financial assistance from community action or other agencies received for a Prepay account will be credited to the balance of the Prepay account upon receipt of a voucher or other supporting official documents of commitment from the agency providing assistance.
15. When a Prepay account reaches a balance of \$25.00, an automated message(s) will be processed and sent to the member and no written notice will be sent by mail.
16. If a payment on a Prepay account is returned for any reason, the account is subject to the service fee as provided in Fleming-Mason's Rules and Regulations.
17. Members presenting a Winter Hardship Reconnect, Certificate of Need or Medical Certificate as provided in 807 KAR 5:006, Sections 14, 15, and 16 will be removed from Prepay and the account will return to the status of a post-pay account.
18. A monthly paper bill will not be mailed to a member who elects to participate in Prepay. The member may view their Prepay account status on Fleming-Mason's website. Based on the Prepay notification system, the account should not be eligible for past-due status, therefore; a delinquent notice will not be processed or mailed.
19. A Prepay account will be disconnected if the balance of the account becomes negative. The account will be disconnected regardless of weather/temperature as the member is responsible for ensuring that the Prepay account is adequately funded. Fleming-Mason discourages participation in the Prepay program if the member cannot ensure proper funding.
20. If a Prepay account is disconnected due to lack of funds or any other reason, Fleming-Mason shall be held harmless for any damages due to loss of energy service. Likewise, if the account is disconnected and the member applied funds to the Prepay account thus causing the account to be reconnected, the member accepts full responsibility for any damages to the location caused by the account being reconnected and holds the Cooperative harmless from any damages arising from such a reconnection.
21. Prepay accounts will be billed daily with a month-end billing being processed to finalize any applicable miscellaneous fees such as billing contracts, EnviroWatts, WinterCare, etc.
22. If a request is made to disconnect the service at a Prepay account, any remaining balance will be transferred to other active accounts, if applicable, or refunded in form of check.
23. Should damage occur to the equipment as a result of malice or neglect by the member, the member shall be billed for the replacement cost of the equipment.

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### PREPAY SERVICE (CONTINUED)

24. Members may check the status of a Prepay account by utilizing Fleming Mason's website or by calling the office at any time.
  
25. The member shall pay any fees as applicable by the Cooperative bylaws and the Cooperative Rules and Regulations as approved by the Kentucky Public Service Commission and as may be required for the member to participate in the Prepay electric service program.

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**DATE OF ISSUE:** April 1, 2021

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**ISSUED BY:**

  
Joni K. Hazelrigg,  
President and Chief Executive Officer

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**CLASSIFICATION OF SERVICE**

**RESIDENTIAL AND SMALL POWER – SCHEDULE RSP – TIME OF DAY**

Applicability:

Available to all members of the Cooperative for all service requiring not more than 25kVa of transformer capacity. All use is subject to the established rules and regulations of the Cooperative.

Character of Service:

Single-phase 60 Hertz at 120/240 volts alternates current, or where available, three-phase 60 Hertz at 120/240 volts alternating current.

Monthly Rate:

Customer Charge	\$19.12/meter	(I)
Energy Charge –		
On-Peak Energy	\$.12618/kWh	(I)
Off-Peak Energy	\$0.05827/kWh	(I)

Schedule of Hours:

On-Peak and Off-Peak Hours

<u>Months</u>	<u>Days (5 days a week)*</u>	<u>On-Peak Hours</u>	<u>Off-Peak Hours</u>
May thru Sept	Monday thru Friday	2:00 pm-9:00 pm	9:00 pm-2:00 pm
Oct thru April	Monday thru Friday	5:00 am-11:00 am 5:00 pm-10:00 pm	11:00 am-5:00 pm 10:00 pm-5:00 am

\*Weekends are Off-Peak

Minimum Charge:

The monthly customer charge.

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**DATE OF ISSUE:** April 1, 2021  
**DATE EFFECTIVE:** May 1, 2021  
**ISSUED BY:**   
 Joni K. Hazelrigg,  
 President and Chief Executive Officer

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## CLASSIFICATION OF SERVICE

### RESIDENTIAL AND SMALL POWER – SCHEDULE RSP – TIME OF DAY

#### Temporary Service:

Temporary service shall be supplied in accordance with the foregoing rate except that the customer shall pay in addition to the foregoing charges the total cost of connecting and disconnecting service less the value of materials returned to stock. The Cooperative may require a deposit, in advance, or the full amount of the estimated bill for service, including the cost of connection and disconnection.

#### Fuel Adjustment Clause:

The above rate may be increased or decreased by an amount per kWh equal to the fuel adjustment amount per kWh as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve month moving average of such losses. This fuel clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

#### Terms of Payment:

The above rates are net and are due on the billing date, the gross rates being 5% higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.

#### Taxes and Fees

The Cooperative shall add to the electric bills of all applicable members the Kentucky Sales and Use Tax, any Utility Gross Receipt License Tax for Schools, any other tax that may be imposed on the Cooperative that is measured or determined by sales or receipts, or any Franchise Fee enacted by an ordinance of a municipality.

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**ISSUED BY:**

  
Joni K. Hazelrigg,  
President and Chief Executive Officer

Issued by authority of an order of the Public Service Commission of Kentucky.  
Case No. 2021-00109 Dated:

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## CLASSIFICATION OF SERVICE

### OUTDOOR LIGHTING SERVICE – SCHEDULE OLS

Applicability:

Available to members of the Cooperative for controlled lighting from dusk to dawn, approximately 4,000 hours per year.

Character of Service:

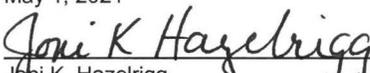
1. Standard Service: Street Lighting equipment furnished under the standard service rate shall consist of overhead service on wood poles within 300' of the Cooperative's existing 7200 or 14400 volt lines. The Cooperative will install, own, operate and maintain street lighting equipment including lamps, fixtures, circuits, protective equipment and transformers. The member shall pay the standard service rate.
2. Ornamental Service: Upon request, the Cooperative will furnish, under the Ornamental Service Rate, ornamental poles of the Cooperative's choosing, together with overhead wiring as specified in 1 above. The member shall pay the Ornamental Service Rate.
3. Directional Service: Upon request, the Cooperative will furnish, under the Directional Service Rate, directional lights on wood poles with overhead wiring as specified in 1 above. The member shall pay the Directional Service Rate.
4. Other than systems specified under Standard, Ornamental or Directional Service should the member require either initially or upon replacement, a system or equipment other than described in 1, 2 or 3 above, the member may make a nonrefundable contribution to the Cooperative. Where installations are located within 300 feet of the Cooperative's existing 7200 or 14400 volt facilities, the contribution may be equal to the difference in the installed cost between the system or equipment so required and the cost of a conventional system specified in 1, 2 or 3 above. Where installations are located greater than 300 feet of the Cooperative's 7200 or 14400 volt facilities, the contribution may be equal to the installed cost for the system or equipment required for service for the portion in excess of 300 feet, plus the cost difference if any, for that portion of the service or facilities under 300 feet. In a similar manner the member will pay the difference in the cost of operation and maintaining such a system or equipment and the cost of operation and maintaining a conventional overhead system.

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Joni K. Hazelrigg,  
President and Chief Executive Officer

Issued by authority of an order of the Public Service Commission of Kentucky.

Case No. 2021-00109

Dated:

**CLASSIFICATION OF SERVICE**

**OUTDOOR LIGHTING SERVICE – SCHEDULE OLS**

5. Any installation costs which are to be borne by the member are due and payable at the time of installation.

<b>Monthly Rate:</b>				
<u>Mercury Vapor</u>		<u>Watt</u>		
7,000 Lumens (approx.)	207	Standard Service	\$ 9.03/Mo.	(I)
		Ornamental Service	\$20.60/Mo.	(I)
20,000 Lumens (approx.)	453	Standard Service	\$17.36/Mo.	(I)
		Ornamental Service	\$27.40/Mo.	(I)
<u>High Pressure Sodium</u>		<u>Watt</u>		
9,500 Lumens (approx.)	117	Standard Service	\$ 8.83/Mo.	(I)
		Ornamental Service	\$18.83/Mo.	(I)
		Directional Service	\$ 8.93/Mo.	(I)
22,000 Lumens (approx.)	242	Standard Service	\$12.53/Mo.	(I)
		Ornamental Service	\$22.54/Mo.	(I)
		Directional Service	\$12.29/Mo.	(I)
50,000 Lumens (approx.)	485	Standard Service	\$18.81/Mo.	(I)
		Ornamental Service	\$28.30/Mo.	(I)
		Directional Service	\$18.43/Mo.	(I)
<u>Light-Emitting Diode (LED)</u>		<u>Watt</u>		
6,100 Lumens (approx.)	62	Standard Service	\$ 9.19/Mo.	(I)
9,500 Lumens (approx.)	110	Standard Service	\$12.59/Mo.	(I)
23,000 Lumens (approx.)	213	Directional Floodlight	\$25.05/Mo.	(I)

Minimum Charge:

First year, or any portion thereof, the sum of the monthly charge multiplied by 12 per unit payable in advance. Thereafter, the monthly charge per month per unit.

Additional Charges:

The above charge and term applies to lights mounted on existing Cooperative poles with 120 volts available, or on Cooperative poles, to be set, within 150 feet of an existing 120 volt source. If additional secondary service poles, or conductor, is required the term of the agreement shall be extended in proportion to the number of additional poles needed in excess of one, at the rate of the sum of the monthly charge multiplied by 12 for each additional pole, all paid in advance at the time of commencement of service.

**DATE OF ISSUE:** April 1, 2021

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**ISSUED BY:**   
 Jodi K. Hazelrigg,  
 President and Chief Executive Officer

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**CLASSIFICATION OF SERVICE**

**OUTDOOR LIGHTING SERVICE – SCHEDULE OLS**

Fuel Adjustment Clause:

The above rate may be increased or decreased by an amount per kWh equal to the fuel adjustment amount per kWh as billed by the Wholesale Power Supplier plus an allowance for line losses. The monthly energy to which this clause applies for billing purposes is the average monthly operations of 333 hours times the wattage listed above for the appropriate light. This fuel clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

Terms of Payment:

The above rates are net and are due on the billing date, the gross rates being 5% higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.

Taxes and Fees

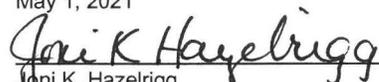
The Cooperative shall add to the electric bills of all applicable members the Kentucky Sales and Use Tax, any Utility Gross Receipt License Tax for Schools, any other tax that may be imposed on the Cooperative that is measured or determined by sales or receipts, or any Franchise Fee enacted by an ordinance of a municipality.

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**DATE OF ISSUE:** April 1, 2021

**DATE EFFECTIVE:** May 1, 2021

**ISSUED BY:**

  
Joni K. Hazelrigg,  
President and Chief Executive Officer

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**CLASSIFICATION OF SERVICE**
**ALL ELECTRIC SCHOOL- SCHEDULE AES**Applicability:

Available to all public or nonprofit private schools whose total energy requirement excluding lighting for athletic fields, is supplied by electricity furnished by the Cooperative.

Character of Service:

Single or three-phase 60 Hertz alternating current, at the Cooperative's prevailing voltage levels.

Monthly Rate:

Customer Charge	\$67.74/meter	(I)
Energy Charge – For All kWh	\$0.08227/kWh	(I)

Minimum Charge:

The minimum annual charge will be not less than \$19.00 per kva of required transformer capacity as determined by the Cooperative.

Term of Contract:

Service under this rate schedule will be furnished under an "Agreement for Purchase of Power" for a term of not less than five (5) years.

Fuel Adjustment Clause:

The above rate may be increased or decreased by an amount per kWh equal to the fuel adjustment amount per kWh as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve month moving average of such losses. This fuel clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

Terms of Payment:

The above rates are net and are due on the billing date, the gross rates being 5% higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.

Taxes and Fees

The Cooperative shall add to the electric bills of all applicable members the Kentucky Sales and Use Tax, any Utility Gross Receipt License Tax for Schools, any other tax that may be imposed on the Cooperative that is measured or determined by sales or receipts, or any Franchise Fee enacted by an ordinance of a municipality.

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**DATE OF ISSUE:** April 1, 2021

**DATE EFFECTIVE:** May 1, 2021

**ISSUED BY:**

  
Joni K. Hazelrigg,  
President and Chief Executive Officer

Issued by authority of an order of the Public Service Commission of Kentucky.  
Case No. 2021-00109 Dated:

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**CLASSIFICATION OF SERVICE**
**SMALL GENERAL SERVICE – SCHEDULE SGS**Applicability:

Available to all members of the Cooperative for all service requiring 30kva to 112.5kva transformer capacity. All use is subject to the established rules and regulations of the Cooperative.

Character of Service:

Single-phase 60 Hertz alternating current, or where available, three-phase 60 Hertz alternating current, at the Cooperative's prevailing voltage levels.

Monthly Rate:

Customer Charge	\$51.40/meter	(I)
Demand Charge – Per Billing KW	\$7.74/KW	(I)
Energy Charge – All kWh	\$0.06379/kWh	(I)

Determination of Billing Demand:

The billing demand shall be the maximum average kilowatt load used by the consumer for any period of fifteen consecutive minutes during the month for which the bill is rendered, as indicated or recorded by a demand meter.

Power Factor:

The consumer agrees to maintain unity power factor as nearly as practicable. The Cooperative reserves the right to measure such power factor at the time. Should such measurements indicate that the power factor at the time of maximum demand is less than 90%, the demand for billing purposes shall be the demand as indicated or recorded by the demand meter multiplied by 90% and divided by the percent power factor.

Minimum Charge:

The monthly customer charge. For temporary or seasonal service a minimum charge of \$590.76 per annum is required in lieu of the monthly customer charge payable at the time of request for service.

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**DATE OF ISSUE:** April 1, 2021

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Joni K. Hazelrigg,  
President and Chief Executive Officer

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Case No. 2021-00109 Dated:

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**CLASSIFICATION OF SERVICE**

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**SMALL GENERAL SERVICE – SCHEDULE SGS**Temporary Service:

Temporary service shall be supplied in accordance with the foregoing rate except that the customer shall pay in addition to the foregoing charges the total cost of connecting and disconnecting service less the value of materials returned to stock. The Cooperative may require a deposit, in advance, or the full amount of the estimated bill for service, including the cost of connection and disconnection.

Fuel Adjustment Clause:

The above rate may be increased or decreased by an amount per kWh equal to the fuel adjustment amount per kWh as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve month moving average of such losses. This fuel clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

Service Provisions:

**Delivery Point.** If service is furnished at secondary voltage, the delivery point shall be the metering point unless otherwise specified in the contract of service. All wiring, pole lines and other electric equipment on the load side of the delivery point shall be owned and maintained by the consumer.

If service is furnished at the Cooperative's primary line voltage, the delivery point shall be the point of attachment of the Cooperative's primary line to consumer's transformer structure unless otherwise specified in the contract for service. All wiring, pole lines and their electric equipment (except metering equipment) on the load side of the delivery point shall be owned and maintained by the consumer.

Service at Primary Voltage:

If service is furnished at primary distribution voltage, a discount of \$0.40 shall apply to the demand charge.

Terms of Payment:

The above rates are net and are due on the billing date, the gross rates being 5% higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.

Taxes and Fees

The Cooperative shall add to the electric bills of all applicable members the Kentucky Sales and Use Tax, any Utility Gross Receipt License Tax for Schools, any other tax that may be imposed on the Cooperative that is measured or determined by sales or receipts, or any Franchise Fee enacted by an ordinance of a municipality.

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**DATE OF ISSUE:** April 1, 2021

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**ISSUED BY:**

  
Joni K. Hazelrigg,  
President and Chief Executive Officer

Issued by authority of an order of the Public Service Commission of Kentucky.  
Case No. 2021-00109 Dated:

---

**CLASSIFICATION OF SERVICE**
**LARGE GENERAL SERVICE – SCHEDULE LGS**Applicability:

Available to all members of the Cooperative for all service requiring greater than 112.5kva at voltages of 25kv or less. All use is subject to the established rules and regulations of the Cooperative.

Character of Service:

Three-phase 60 Hertz alternating current at the Cooperative's prevailing voltage levels.

Monthly Rate:

Customer Charge	\$68.40/meter	(I)
Demand Charge – Per Billing KW	\$7.24/KW	(I)
Energy Charge – All kWh	\$0.05194/kWh	(I)

Determination of Billing Demand:

The billing demand shall be the maximum kilowatt demand established by the consumer for any period of fifteen consecutive minutes during the month for which the bill is rendered, as indicated or recorded by a demand meter and adjusted for power factor as provided below.

Power Factor:

The consumer agrees to maintain unity power factor as nearly as practicable. Power factor may be measured at any time. Should such measurements indicate that the power factor at the time of maximum demand is less than 90%, the demand for billing purposes shall be the demand as indicated or recorded by the demand meter multiplied by 90% and divided by the percent power factor.

Minimum Charge:

The monthly customer charge. For temporary or seasonal service a minimum charge of \$786.12 per annum is required in lieu of the monthly customer charge payable at the time of request for service.

---

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Joni K. Hazelrigg,  
President and Chief Executive Officer

Issued by authority of an order of the Public Service Commission of Kentucky.  
Case No. 2021-00109 Dated:

---

**CLASSIFICATION OF SERVICE**

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**LARGE GENERAL SERVICE – SCHEDULE LGS**

Temporary Service:

Temporary service shall be supplied in accordance with the foregoing rate except that the customer shall pay in addition to the foregoing charges the total cost of connecting and disconnecting service less the value of materials returned to stock. The Cooperative may require a deposit, in advance, or the full amount of the estimated bill for service, including the cost of connection and disconnection.

Fuel Adjustment Clause:

The above rate may be increased or decreased by an amount per kWh equal to the fuel adjustment amount per kWh as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve month moving average of such losses. This fuel clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

Service Provisions:

Delivery Point. If service is furnished at secondary voltage, the delivery point shall be the metering point unless otherwise specified in the contract for service. All wiring, pole lines and other electric equipment on the load side of the delivery point shall be owned and maintained by the consumer.

If service is furnished at the Cooperative's primary line voltage, the delivery point shall be the point of attachment of the Cooperative's primary line to consumer's transformer structure unless otherwise specified in the contract for service. All wiring, pole lines and their electric equipment (except metering equipment) on the load side of the delivery point shall be owned and maintained by the consumer.

Service at Primary Voltage:

If service is furnished at primary distribution voltage, a discount of \$0.40 shall apply to the demand charge.

Terms of Payment:

The above rates are net and are due on the billing date, the gross rates being 5% higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.

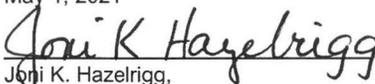
Taxes and Fees

The Cooperative shall add to the electric bills of all applicable members the Kentucky Sales and Use Tax, any Utility Gross Receipt License Tax for Schools, any other tax that may be imposed on the Cooperative that is measured or determined by sales or receipts, or any Franchise Fee enacted by an ordinance of a municipality.

---

**DATE OF ISSUE:** April 1, 2021

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**ISSUED BY:**   
Joni K. Hazelrigg,  
President and Chief Executive Officer

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### CLASSIFICATION OF SERVICE

#### LARGE INDUSTRIAL SERVICE – SCHEDULE LIS 1

Applicability:

Available to all members of the Cooperative for all service where the monthly contract demand is between 1000KW and 4999 KW. All use is subject to the established rules and regulations of the Cooperative.

Condition:

An "Agreement for Purchased Power" shall be executed by the consumer for service under this schedule.

Character of Service:

Three-phase 60 Hertz alternating current as specified in Agreement for Purchased Power.

Monthly Rate:

Customer Charge	\$638.41/Mo.	(I)
Demand Charge – Per Billing KW	\$ 9.33/KW	(I)
Energy Charge – For All kWh	\$0.05101/kWh	(I)

Determination of Billing Demand:

The monthly billing demand shall be the greater of (A) or (B) listed below:

- (A) The contract demand
- (B) The kilowatt demand as metered at the load center shall be the highest average rate at which energy is used during any fifteen minute interval during the current month during the below listed hours:

<u>Months</u>	<u>Hours Applicable for Demand Billing - EST</u>
October – April	7:00 A.M. to 12:00 Noon; 5:00 P.M. to 10:00 P.M.
May – September	10:00 A.M. to 10:00 P.M.

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**DATE OF ISSUE:** April 1, 2021

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**ISSUED BY:**   
Jodi K. Hazelrigg,  
President and Chief Executive Officer

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**CLASSIFICATION OF SERVICE**

**LARGE INDUSTRIAL SERVICE – SCHEDULE LIS 1**

Monthly Minimum Charge:

The minimum monthly charge shall not be less than the sum of the consumer charge plus the product of the billing demand multiplied by the demand charge per KW.

Power Factor Adjustment:

The consumer agrees to maintain a unity power factor as nearly as practicable at each delivery point at the time of the monthly maximum demand. When the power factor is determined to be less than 90%, the monthly maximum demand at the delivery point will be adjusted by multiplying the actual monthly maximum demand by 90% and dividing this product by the actual power factor at the time of the monthly maximum demand.

Fuel Adjustment Clause:

The above rate may be increased or decreased by amount per kWh equal to the fuel adjustment amount per kWh as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve month moving average of such losses. This fuel clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

Terms of Payment:

The above rates are net and are due on the billing date, the gross rates being 5% higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.

Taxes and Fees:

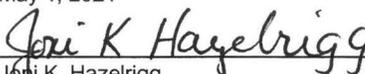
The Cooperative shall add to the electric bills of all applicable members the Kentucky Sales and Use Tax, any Utility Gross Receipt License Tax for Schools, any other tax that may be imposed on the Cooperative that is measured or determined by sales or receipts, or any Franchise Fee enacted by an ordinance of a municipality.

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**DATE OF ISSUE:** April 1, 2021

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**ISSUED BY:**

  
Jodi K. Hazelrigg,  
President and Chief Executive Officer

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**CLASSIFICATION OF SERVICE**

**LARGE INDUSTRIAL SERVICE – SCHEDULE LIS 2**

Applicability:

Available to all members of the Cooperative for all service where the monthly contract demand is between 5000KW and 9999 KW. All use is subject to the established rules and regulations of the Cooperative.

Condition:

An "Agreement for Purchased Power" shall be executed by the consumer for service under this schedule.

Character of Service:

Three-phase 60 Hertz alternating current as specified in Agreement for Purchased Power.

Monthly Rate:

Customer Charge	\$1,275.59/Mo.	(1)
Demand Charge – Per Billing KW	\$ 9.33/KW	(1)
Energy Charge – For All kWh	\$0.04713/kWh	(1)

Determination of Billing Demand:

The monthly billing demand shall be the greater of (A) or (B) listed below:

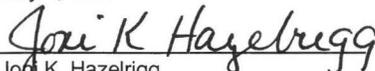
- (A) The contract demand
- (B) The kilowatt demand as metered at the load center shall be the highest average rate at which energy is used during any fifteen minute interval during the current month during the below listed hours:

<u>Months</u>	<u>Hours Applicable for Demand Billing - EST</u>
October – April	7:00 A.M. to 12:00 Noon; 5:00 P.M. to 10:00 P.M.
May – September	10:00 A.M. to 10:00 P.M.

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**DATE OF ISSUE:** April 1, 2021

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**ISSUED BY:**   
 Joni K. Hazelrigg,  
 President and Chief Executive Officer

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 Case No. 2021-00109 Dated:

---

**CLASSIFICATION OF SERVICE**

**LARGE INDUSTRIAL SERVICE – SCHEDULE LIS 2**

Monthly Minimum Charge:

The minimum monthly charge shall not be less than the sum of the consumer charge plus the product of the billing demand multiplied by the demand charge per KW.

Power Factor Adjustment:

The consumer agrees to maintain a unity power factor as nearly as practicable at each delivery point at the time of the monthly maximum demand. When the power factor is determined to be less than 90%, the monthly maximum demand at the delivery point will be adjusted by multiplying the actual monthly maximum demand by 90% and dividing this product by the actual power factor at the time of the monthly maximum demand.

Fuel Adjustment Clause:

The above rate may be increased or decreased by amount per kWh equal to the fuel adjustment amount per kWh as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve month moving average of such losses. This fuel clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

Terms of Payment:

The above rates are net and are due on the billing date, the gross rates being 5% higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.

Taxes and Fees:

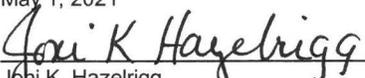
The Cooperative shall add to the electric bills of all applicable members the Kentucky Sales and Use Tax, any Utility Gross Receipt License Tax for Schools, any other tax that may be imposed on the Cooperative that is measured or determined by sales or receipts, or any Franchise Fee enacted by an ordinance of a municipality.

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**DATE OF ISSUE:** April 1, 2021

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**ISSUED BY:**

  
Joni K. Hazelrigg,  
President and Chief Executive Officer

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**CLASSIFICATION OF SERVICE**

**LARGE INDUSTRIAL SERVICE – SCHEDULE LIS 3**

Applicability:

Available to all members of the Cooperative for all service where the monthly contract demand is 10,000 KW and above. All use is subject to the established rules and regulations of the Cooperative.

Condition:

An "Agreement for Purchased Power" shall be executed by the consumer for service under this schedule.

Character of Service:

Three-phase 60 Hertz alternating current as specified in Agreement for Purchased Power.

Monthly Rate:

Customer Charge	\$1,275.59Mo.	(I)
Demand Charge – Per Billing KW	\$ 7.63/KW	(I)
Energy Charge – For All kWh	\$0.04587/kWh	(I)

Determination of Billing Demand:

The monthly billing demand shall be the greater of (A) or (B) listed below:

- (A) The contract demand
- (B) The kilowatt demand as metered at the load center shall be the highest average rate at which energy is used during any fifteen minute interval during the current month during the below listed hours:

<u>Months</u>	<u>Hours Applicable for Demand Billing - EST</u>
October – April	7:00 A.M. to 12:00 Noon; 5:00 P.M. to 10:00 P.M.
May – September	10:00 A.M. to 10:00 P.M.

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**DATE OF ISSUE:** April 1, 2021

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 Joni K. Hazelrigg,  
 President and Chief Executive Officer

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 Case No. 2021-00109 Dated:

---

## CLASSIFICATION OF SERVICE

### LARGE INDUSTRIAL SERVICE – SCHEDULE LIS 3

#### Monthly Minimum Charge:

The minimum monthly charge shall not be less than the sum of the consumer charge plus the product of the billing demand multiplied by the demand charge per KW.

#### Power Factor Adjustment:

The consumer agrees to maintain a unity power factor as nearly as practicable at each delivery point at the time of the monthly maximum demand. When the power factor is determined to be less than 90%, the monthly maximum demand at the delivery point will be adjusted by multiplying the actual monthly maximum demand by 90% and dividing this product by the actual power factor at the time of the monthly maximum demand.

#### Fuel Adjustment Clause:

The above rate may be increased or decreased by amount per kWh equal to the fuel adjustment amount per kWh as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve month moving average of such losses. This fuel clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

#### Terms of Payment:

The above rates are net and are due on the billing date, the gross rates being 5% higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.

#### Taxes and Fees:

The Cooperative shall add to the electric bills of all applicable members the Kentucky Sales and Use Tax, any Utility Gross Receipt License Tax for Schools, any other tax that may be imposed on the Cooperative that is measured or determined by sales or receipts, or any Franchise Fee enacted by an ordinance of a municipality.

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Case No. 2021-00109 Dated:

---

**CLASSIFICATION OF SERVICE**

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**LARGE INDUSTRIAL SERVICE – SCHEDULE LIS 4**Applicability:

Available to all members of the Cooperative for individual metered service where the monthly contract demand is 500 - 4999 KW with a monthly energy usage equal to or greater than 400 hours per KW of billing demand.

Condition:

An "Agreement for Purchased Power" shall be executed by the consumer for service under this schedule.

Character of Service:

Three-phase 60 Hertz alternating current as specified in Agreement for Purchased Power.

Monthly Rate:

Customer Charge	\$ 638.41/Mo.	(I)
Demand Charge – Per Billing KW	\$ 7.49/KW	(I)
Energy Charge – For All kWh	\$0.05153/kWh	(I)

Determination of Billing Demand:

The monthly billing demand shall be the greater of (A) or (B) listed below:

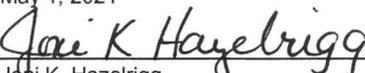
- (A) The contract demand
- (B) The ultimate consumer's highest demand during the current month or preceding eleven months coincide with load center's peak demand. The load center's peak demand is the highest average rate at which energy is used during any fifteen minute interval in the below listed hours for each month and adjusted for power factor as provided herein:

<u>Months</u>	<u>Hours Applicable for Demand Billing - EST</u>
October – April	7:00 A.M. to 12:00 Noon; 5:00 P.M. to 10:00 P.M.
May – September	10:00 A.M. to 10:00 P.M.

**DATE OF ISSUE:** April 1, 2021

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**ISSUED BY:**

  
Jodi K. Hazelrigg,  
President and Chief Executive Officer

Issued by authority of an order of the Public Service Commission of Kentucky.  
Case No. 2021-00109 Dated:

---

**CLASSIFICATION OF SERVICE**

**LARGE INDUSTRIAL SERVICE – SCHEDULE LIS 4**

Monthly Minimum Charge:

The minimum monthly charge shall not be less than the sum of (A), (B), and (C) below:

- (A) The customer charge plus,
- (B) The product of the billing demand multiplied by the demand charge, plus
- (C) The product of the billing demand multiplied by 400 hours and the energy charge per kWh.

Power Factor Adjustment:

The consumer agrees to maintain a unity power factor as nearly as practicable at each delivery point at the time of the monthly maximum demand. When the power factor is determined to be less than 90%, the monthly maximum demand at the delivery point will be adjusted by multiplying the actual monthly maximum demand by 90% and dividing this product by the actual power factor at the time of the monthly maximum demand.

Fuel Adjustment Clause:

The above rate may be increased or decreased by amount per kWh equal to the fuel adjustment amount per kWh as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve month moving average of such losses. This fuel clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

Terms of Payment:

The above rates are net and are due on the billing date, the gross rates being 5% higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.

Taxes and Fees:

The Cooperative shall add to the electric bills of all applicable members the Kentucky Sales and Use Tax, any Utility Gross Receipt License Tax for Schools, any other tax that may be imposed on the Cooperative that is measured or determined by sales or receipts, or any Franchise Fee enacted by an ordinance of a municipality.

Service at Transmission Voltage:

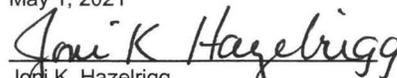
If service is furnished at transmission voltage, a discount equal to the Customer Charge shall apply.

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Joni K. Hazelrigg,  
President and Chief Executive Officer

---

**CLASSIFICATION OF SERVICE**

**LARGE INDUSTRIAL SERVICE – SCHEDULE LIS 4B**

Applicability:

Available to all members of the Cooperative for individual metered service where the monthly contract demand is 500 - 4999 KW with a monthly energy usage equal to or greater than 400 hours per KW of billing demand.

Condition:

An "Agreement for Purchased Power" shall be executed by the consumer for service under this schedule.

Character of Service:

Three-phase 60 Hertz alternating current as specified in Agreement for Purchased Power.

Monthly Rate:

Customer Charge	\$ 638.41/Mo.	(I)
Demand Charge – Per Contract kW	\$ 7.49/kW	(I)
Demand Charge – Per kW in Excess of Contract	\$ 10.43/kW	(I)
Energy Charge – For All kWh	\$0.05153/kWh	(I)

Determination of Billing Demand:

The monthly billing demand (kilowatt demand) shall be the contract demand plus any excess demand. Excess demand occurs when the ultimate consumer's highest demand during the current month, coincident with the load center's peak, exceeds the contract demand. The load center's peak demand is highest average rate at which energy is used during any fifteen-minute interval in the below listed hours for each month and adjusted for power factor as provided therein:

<u>Months</u>	<u>Hours Applicable for Demand Billing - EST</u>
October – April	7:00 A.M. to 12:00 Noon; 5:00 P.M. to 10:00 P.M.
May – September	10:00 A.M. to 10:00 P.M.

---

**DATE OF ISSUE:** April 1, 2021

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**ISSUED BY:**

  
 Jon K. Hazelrigg,  
 President and Chief Executive Officer

Issued by authority of an order of the Public Service Commission of Kentucky.  
 Case No. 2021-00109 Dated:

---

**CLASSIFICATION OF SERVICE**

**LARGE INDUSTRIAL SERVICE – SCHEDULE LIS 4B**

Monthly Minimum Charge:

The minimum monthly charge shall not be less than the sum of (A), (B), and (C) below:

- (A) The customer charge plus,
- (B) The product of the contract demand multiplied by the demand charge, plus
- (C) The product of the contract demand multiplied by 400 hours and the energy charge per kWh.

Power Factor Adjustment:

The consumer agrees to maintain a unity power factor as nearly as practicable at each delivery point at the time of the monthly maximum demand. When the power factor is determined to be less than 90%, the monthly maximum demand at the delivery point will be adjusted by multiplying the actual monthly maximum demand by 90% and dividing this product by the actual power factor at the time of the monthly maximum demand.

Fuel Adjustment Clause:

The above rate may be increased or decreased by amount per kWh equal to the fuel adjustment amount per kWh as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve month moving average of such losses. This fuel clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

Terms of Payment:

The above rates are net and are due on the billing date, the gross rates being 5% higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.

Taxes and Fees:

The Cooperative shall add to the electric bills of all applicable members the Kentucky Sales and Use Tax, any Utility Gross Receipt License Tax for Schools, any other tax that may be imposed on the Cooperative that is measured or determined by sales or receipts, or any Franchise Fee enacted by an ordinance of a municipality.

Service at Transmission Voltage:

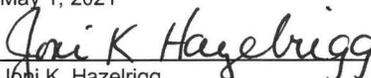
If service is furnished at transmission voltage, a discount equal to the Customer Charge shall apply.

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**DATE OF ISSUE:** April 1, 2021

**DATE EFFECTIVE:** May 1, 2021

**ISSUED BY:**

  
Joni K. Hazelrigg,  
President and Chief Executive Officer

---

**CLASSIFICATION OF SERVICE**

**LARGE INDUSTRIAL SERVICE – SCHEDULE LIS 5**

Applicability:

Available to all members of the Cooperative for individual metered service where the monthly contract demand is 5000 - 9999 KW with a monthly energy usage equal to or greater than 400 hours per KW of billing demand.

Condition:

An "Agreement for Purchased Power" shall be executed by the consumer for service under this schedule.

Character of Service:

Three-phase 60 Hertz alternating current as specified in Agreement for Purchased Power.

Monthly Rate:

Customer Charge	\$1,275.59/Mo.	(I)
Demand Charge – Per Billing KW	\$ 7.49/KW	(I)
Energy Charge – For All kWh	\$0.04765/kWh	(I)

Determination of Billing Demand:

The monthly billing demand shall be the greater of (A) or (B) listed below:

- (A) The contract demand
- (B) The ultimate consumer's highest demand during the current month or preceding eleven months coincide with load center's peak demand. The load center's peak demand is the highest average rate at which energy is used during any fifteen minute interval in the below listed hours for each month and adjusted for power factor as provided herein:

<u>Months</u>	<u>Hours Applicable for Demand Billing - EST</u>
October – April	7:00 A.M. to 12:00 Noon; 5:00 P.M. to 10:00 P.M.
May – September	10:00 A.M. to 10:00 P.M.

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**DATE OF ISSUE:** April 1, 2021

**DATE EFFECTIVE:** May 1, 2021

**ISSUED BY:**   
 Joni K. Hazelrigg,  
 President and Chief Executive Officer

Issued by authority of an order of the Public Service Commission of Kentucky.  
 Case No. 2021-00109 Dated:

---

## CLASSIFICATION OF SERVICE

### LARGE INDUSTRIAL SERVICE – SCHEDULE LIS 5

#### Monthly Minimum Charge:

The minimum monthly charge shall not be less than the sum of (A), (B), and (C) below:

- (A) The customer charge plus,
- (B) The product of the billing demand multiplied by the demand charge, plus
- (C) The product of the billing demand multiplied by 400 hours and the energy charge per kWh.

#### Power Factor Adjustment:

The consumer agrees to maintain a unity power factor as nearly as practicable at each delivery point at the time of the monthly maximum demand. When the power factor is determined to be less than 90%, the monthly maximum demand at the delivery point will be adjusted by multiplying the actual monthly maximum demand by 90% and dividing this product by the actual power factor at the time of the monthly maximum demand.

#### Fuel Adjustment Clause:

The above rate may be increased or decreased by amount per kWh equal to the fuel adjustment amount per kWh as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve month moving average of such losses. This fuel clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

#### Terms of Payment:

The above rates are net and are due on the billing date, the gross rates being 5% higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.

#### Taxes and Fees:

The Cooperative shall add to the electric bills of all applicable members the Kentucky Sales and Use Tax, any Utility Gross Receipt License Tax for Schools, any other tax that may be imposed on the Cooperative that is measured or determined by sales or receipts, or any Franchise Fee enacted by an ordinance of a municipality.

#### Service at Transmission Voltage:

If service is furnished at transmission voltage, a discount equal to the Customer Charge shall apply.

---

**DATE OF ISSUE:** April 1, 2021

**DATE EFFECTIVE:** May 1, 2021

**ISSUED BY:**

  
Jodi K. Hazelrigg,  
President and Chief Executive Officer

**CLASSIFICATION OF SERVICE**

**LARGE INDUSTRIAL SERVICE – SCHEDULE LIS 5B**

Applicability:

Available to all members of the Cooperative for individual metered service where the monthly contract demand is 5000 - 9999 KW with a monthly energy usage equal to or greater than 400 hours per KW of billing demand.

Condition:

An "Agreement for Purchased Power" shall be executed by the consumer for service under this schedule.

Character of Service:

Three-phase 60 Hertz alternating current as specified in Agreement for Purchased Power.

Monthly Rate:

Customer Charge	\$1,275.59/Mo.	(I)
Demand Charge – Per Contract KW	\$ 7.49/KW	(I)
Demand Charge – Per kW in Excess of Contract	\$ 10.43/kW	(I)
Energy Charge – For All kWh	\$0.04765/kWh	(I)

Determination of Billing Demand:

The monthly billing demand (kilowatt demand) shall be the contract demand plus any excess demand. Excess demand occurs when the ultimate consumer's highest demand during the current month, coincident with the load center's peak, exceeds the contract demand. The load center's peak demand is highest average rate at which energy is used during any fifteen-minute interval in the below listed hours for each month and adjusted for power factor as provided therein:

<u>Months</u>	<u>Hours Applicable for Demand Billing - EST</u>
October – April	7:00 A.M. to 12:00 Noon; 5:00 P.M. to 10:00 P.M.
May – September	10:00 A.M. to 10:00 P.M.

**DATE OF ISSUE:** April 1, 2021

**DATE EFFECTIVE:** May 1, 2021

**ISSUED BY:**

  
 Joni K. Hazelrigg,  
 President and Chief Executive Officer

Issued by authority of an order of the Public Service Commission of Kentucky.  
 Case No. 2021-00109 Dated:

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## CLASSIFICATION OF SERVICE

### LARGE INDUSTRIAL SERVICE – SCHEDULE LIS 5B

#### Monthly Minimum Charge:

The minimum monthly charge shall not be less than the sum of (A), (B), and (C) below:

- (A) The customer charge plus,
- (B) The product of the contract demand multiplied by the demand charge, plus
- (C) The product of the contract demand multiplied by 400 hours and the energy charge per kWh.

#### Power Factor Adjustment:

The consumer agrees to maintain a unity power factor as nearly as practicable at each delivery point at the time of the monthly maximum demand. When the power factor is determined to be less than 90%, the monthly maximum demand at the delivery point will be adjusted by multiplying the actual monthly maximum demand by 90% and dividing this product by the actual power factor at the time of the monthly maximum demand.

#### Fuel Adjustment Clause:

The above rate may be increased or decreased by amount per kWh equal to the fuel adjustment amount per kWh as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve month moving average of such losses. This fuel clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

#### Terms of Payment:

The above rates are net and are due on the billing date, the gross rates being 5% higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.

#### Taxes and Fees:

The Cooperative shall add to the electric bills of all applicable members the Kentucky Sales and Use Tax, any Utility Gross Receipt License Tax for Schools, any other tax that may be imposed on the Cooperative that is measured or determined by sales or receipts, or any Franchise Fee enacted by an ordinance of a municipality.

#### Service at Transmission Voltage:

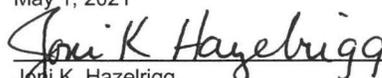
If service is furnished at transmission voltage, a discount equal to the Customer Charge shall apply.

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**DATE OF ISSUE:** April 1, 2021

**DATE EFFECTIVE:** May 1, 2021

**ISSUED BY:**

  
Joni K. Hazelrigg,  
President and Chief Executive Officer

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**CLASSIFICATION OF SERVICE**

**LARGE INDUSTRIAL SERVICE – SCHEDULE LIS 6**

Applicability:

Available to all members of the Cooperative for individual metered service where the monthly contract demand is 10,000 KW and above with a monthly energy usage equal to or greater than 400 hours per KW of billing demand.

Condition:

An "Agreement for Purchased Power" shall be executed by the consumer for service under this schedule.

Character of Service:

Three-phase 60 Hertz alternating current as specified in Agreement for Purchased Power.

Monthly Rate:

Customer Charge	\$1,275.59/Mo.	(I)
Demand Charge – Per Billing KW	\$ 7.49/KW	(I)
Energy Charge – For All kWh	\$0.04286/kWh	(I)

Determination of Billing Demand:

The monthly billing demand shall be the greater of (A) or (B) listed below:

- (A) The contract demand
- (B) The ultimate consumer's highest demand during the current month or preceding eleven months coincide with load center's peak demand. The load center's peak demand is the highest average rate at which energy is used during any fifteen minute interval in the below listed hours for each month and adjusted for power factor as provided herein:

<u>Months</u>	<u>Hours Applicable for Demand Billing - EST</u>
October – April	7:00 A.M. to 12:00 Noon; 5:00 P.M. to 10:00 P.M.
May – September	10:00 A.M. to 10:00 P.M.

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**DATE OF ISSUE:** April 1, 2021

**DATE EFFECTIVE:** May 1, 2021

**ISSUED BY:**   
 Joni K. Hazelrigg,  
 President and Chief Executive Officer

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## CLASSIFICATION OF SERVICE

### LARGE INDUSTRIAL SERVICE – SCHEDULE LIS 6

#### Monthly Minimum Charge:

The minimum monthly charge shall not be less than the sum of (A), (B), and (C) below:

- (A) The customer charge plus,
- (B) The product of the billing demand multiplied by the demand charge, plus
- (C) The product of the billing demand multiplied by 400 hours and the energy charge per kWh.

#### Power Factor Adjustment:

The consumer agrees to maintain a unity power factor as nearly as practicable at each delivery point at the time of the monthly maximum demand. When the power factor is determined to be less than 90%, the monthly maximum demand at the delivery point will be adjusted by multiplying the actual monthly maximum demand by 90% and dividing this product by the actual power factor at the time of the monthly maximum demand.

#### Fuel Adjustment Clause:

The above rate may be increased or decreased by amount per kWh equal to the fuel adjustment amount per kWh as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve month moving average of such losses. This fuel clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

#### Terms of Payment:

The above rates are net and are due on the billing date, the gross rates being 5% higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.

#### Taxes and Fees:

The Cooperative shall add to the electric bills of all applicable members the Kentucky Sales and Use Tax, any Utility Gross Receipt License Tax for Schools, any other tax that may be imposed on the Cooperative that is measured or determined by sales or receipts, or any Franchise Fee enacted by an ordinance of a municipality.

#### Service at Transmission Voltage:

If service is furnished at transmission voltage, a discount equal to the Customer Charge shall apply.

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**DATE OF ISSUE:** April 1, 2021

**DATE EFFECTIVE:** May 1, 2021

**ISSUED BY:**

  
Joni K. Hazelrigg,  
President and Chief Executive Officer

**CLASSIFICATION OF SERVICE**

**LARGE INDUSTRIAL SERVICE – SCHEDULE LIS 6B**

Applicability:

Available to all members of the Cooperative for individual metered service where the monthly contract demand is 10,000 KW and above with a monthly energy usage equal to or greater than 400 hours per KW of billing demand.

Condition:

An "Agreement for Purchased Power" shall be executed by the consumer for service under this schedule.

Character of Service:

Three-phase 60 Hertz alternating current as specified in Agreement for Purchased Power.

Monthly Rate:

Customer Charge	\$1,275.59/Mo.	(I)
Demand Charge – Per Contract kW	\$ 7.49/kW	(I)
Demand Charge – Per kW in Excess of Contract	\$ 10.43/kW	(I)
Energy Charge – For All kWh	\$0.04286/kWh	(I)

Determination of Billing Demand:

The monthly billing demand (kilowatt demand) shall be the contract demand plus any excess demand. Excess demand occurs when the ultimate consumer's highest demand during the current month, coincident with the load center's peak, exceeds the contract demand. The load center's peak demand is highest average rate at which energy is used during any fifteen-minute interval in the below listed hours for each month and adjusted for power factor as provided therein:

<u>Months</u>	<u>Hours Applicable for Demand Billing - EST</u>
October – April	7:00 A.M. to 12:00 Noon; 5:00 P.M. to 10:00 P.M.
May – September	10:00 A.M. to 10:00 P.M.

**DATE OF ISSUE:** April 1, 2021

**DATE EFFECTIVE:** May 1, 2021

**ISSUED BY:**   
 Joni K. Hazelrigg,  
 President and Chief Executive Officer

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## CLASSIFICATION OF SERVICE

### LARGE INDUSTRIAL SERVICE – SCHEDULE LIS 6B

#### Monthly Minimum Charge:

The minimum monthly charge shall not be less than the sum of (A), (B), and (C) below:

- (A) The customer charge plus,
- (B) The product of the contract demand multiplied by the demand charge, plus
- (C) The product of the contract demand multiplied by 400 hours and the energy charge per kWh.

#### Power Factor Adjustment:

The consumer agrees to maintain a unity power factor as nearly as practicable at each delivery point at the time of the monthly maximum demand. When the power factor is determined to be less than 90%, the monthly maximum demand at the delivery point will be adjusted by multiplying the actual monthly maximum demand by 90% and dividing this product by the actual power factor at the time of the monthly maximum demand.

#### Fuel Adjustment Clause:

The above rate may be increased or decreased by amount per kWh equal to the fuel adjustment amount per kWh as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve month moving average of such losses. This fuel clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

#### Terms of Payment:

The above rates are net and are due on the billing date, the gross rates being 5% higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.

#### Taxes and Fees:

The Cooperative shall add to the electric bills of all applicable members the Kentucky Sales and Use Tax, any Utility Gross Receipt License Tax for Schools, any other tax that may be imposed on the Cooperative that is measured or determined by sales or receipts, or any Franchise Fee enacted by an ordinance of a municipality.

#### Service at Transmission Voltage:

If service is furnished at transmission voltage, a discount equal to the Customer Charge shall apply.

---

DATE OF ISSUE: April 1, 2021

DATE EFFECTIVE: May 1, 2021

ISSUED BY:

  
Joni K. Hazelrigg,  
President and Chief Executive Officer

Issued by authority of an order of the Public Service Commission of Kentucky.  
Case No. 2021-00109 Dated:

---

**CLASSIFICATION OF SERVICE**

**LARGE INDUSTRIAL SERVICE – SCHEDULE LIS 7**

Applicability:

Available to all members of the Cooperative who receive service directly off of a distribution substation and where the monthly contract demand is 7,500 kW and above with a monthly energy usage to or greater than 400 hours per kW of billing demand. Member pays for cost of connecting to substation.

Condition:

An "Agreement for Purchased Power" shall be executed by the consumer for service under this schedule.

Character of Service:

Three-phase 60 Hertz alternating current as specified in Agreement for Purchased Power.

Monthly Rate:

Customer Charge	\$1,275.59/Mo.	(I)
Demand Charge – Per Billing KW	\$ 7.49KW	(I)
Energy Charge – For All kWh	\$0.04286/kWh	(I)

Determination of Billing Demand:

The monthly billing demand shall be the greater of (A) or (B) listed below:

- (A) The contract demand
- (B) The ultimate consumer's highest demand during the current month or preceding eleven (11) months coincide with load center's peak demand. The peak demand is the highest average rate at which energy is used during any fifteen minute interval in the below listed hours for each month and adjusted for power factor as provided herein:

<u>Months</u>	<u>Hours Applicable for Demand Billing - EST</u>
October – April	7:00 A.M. to 12:00 Noon; 5:00 P.M. to 10:00 P.M.
May – September	10:00 A.M. to 10:00 P.M.

---

**DATE OF ISSUE:** April 1, 2021

**DATE EFFECTIVE:** May 1, 2021

**ISSUED BY:**   
 Jodi K. Hazelrigg,  
 President and Chief Executive Officer

Issued by authority of an order of the Public Service Commission of Kentucky.  
 Case No. 2021-00109 Dated:

---

## CLASSIFICATION OF SERVICE

### LARGE INDUSTRIAL SERVICE – SCHEDULE LIS 7

#### Monthly Minimum Charge:

The minimum monthly charge shall not be less than the sum of (A), (B), and (C) below:

- (A) The customer charge plus,
- (B) The product of the billing demand multiplied by the demand charge, plus
- (C) The product of the billing demand multiplied by 400 hours and the energy charge per kWh.

#### Power Factor Adjustment:

The consumer agrees to maintain a unity power factor as nearly as practicable at each delivery point at the time of the monthly maximum demand. When the power factor is determined to be less than 90%, the monthly maximum demand at the delivery point will be adjusted by multiplying the actual monthly maximum demand by 90% and dividing this product by the actual power factor at the time of the monthly maximum demand.

#### Fuel Adjustment Clause:

The above rate may be increased or decreased by amount per kWh equal to the fuel adjustment amount per kWh as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve month moving average of such losses. This fuel clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

#### Terms of Payment:

The above rates are net and are due on the billing date, the gross rates being 5% higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.

#### Service at Transmission Voltage:

If service is furnished at transmission voltage, a discount equal to the Customer Charge shall apply.

#### Taxes and Fees:

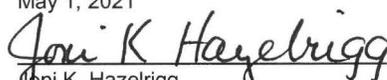
The Cooperative shall add to the electric bills of all applicable members the Kentucky Sales and Use Tax, any Utility Gross Receipt License Tax for Schools, any other tax that may be imposed on the Cooperative that is measured or determined by sales or receipts, or any Franchise Fee enacted by an ordinance of a municipality.

---

**DATE OF ISSUE:** April 1, 2021

**DATE EFFECTIVE:** May 1, 2021

**ISSUED BY:**

  
Joni K. Hazelrigg,  
President and Chief Executive Officer

Issued by authority of an order of the Public Service Commission of Kentucky.  
Case No. 2021-00109 Dated:

**FLEMING-MASON ENERGY COOPERATIVE, INC.**  
**CHARGES UNDER SPECIAL CONTRACTS**

**International Paper**

Customer Charge	\$5,726.70	(I)
Demand Charge Per KW	\$7.29	(I)
Energy Charge Per kWh	\$0.04116	(I)

**International Paper - Steam**

Demand Charge Per MMBTU	\$582.18	(I)
Energy Charge Per MMBTU	\$4.30000	(I)

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**DATE OF ISSUE:** April 1, 2021

**DATE EFFECTIVE:** May 1, 2021

**ISSUED BY:**

  
Jodi K. Hazelrigg,  
President and Chief Executive Officer

Case No. 2021-00109  
Application – Exhibit 2

Existing & Proposed  
Rate Comparison

Fleming-Mason RECC  
Present & Proposed Rates

Rate	Item	Present	Proposed
<u>RSP</u>	<u>Residential &amp; Small Power (1)</u>		
	Customer Charge	\$ 15.00	\$ 15.66
	Energy Charge per kWh	\$ 0.08025	\$ 0.08379
	<u>Prepay Service</u>		
	Customer Charge	\$ 15.00	\$ 15.66
	Energy Charge per kWh	\$ 0.08025	\$ 0.08379
	Prepay Fee	\$ 5.00	\$ 5.00
<u>ETS</u>	<u>Residential &amp; Small Power ETS (11)</u>		
	Energy Charge - Off Peak per kWh	\$ 0.04893	\$ 0.05109
<u>RSP-IB</u>	<u>Inclining Block Rate (8)</u>		
	Customer Charge	\$ 15.00	\$ 15.66
	Energy Charge 0-300 per kWh	\$ 0.06275	\$ 0.06551
	Energy Charge 301-500 per kWh	\$ 0.07275	\$ 0.07596
	Energy Charge Over 500 per kWh	\$ 0.10275	\$ 0.10728
<u>SGS</u>	<u>Small General Service (2)</u>		
	Customer Charge	\$ 49.23	\$ 51.40
	Energy Charge per kWh	\$ 0.06110	\$ 0.06379
	Demand Charge per kW	\$ 7.41	\$ 7.74
<u>LGS</u>	<u>Large General Service (3)</u>		
	Customer Charge	\$ 65.51	\$ 68.40
	Energy Charge per kWh	\$ 0.04975	\$ 0.05194
	Demand Charge per kW	\$ 6.93	\$ 7.24
<u>AES</u>	<u>All Electric School (4)</u>		
	Customer Charge	\$ 64.88	\$ 67.74
	Energy Charge per kWh	\$ 0.07880	\$ 0.08227
<u>LIS7</u>	<u>Large Industrial Service (7)</u>		
	Customer Charge	\$ 1,221.76	\$ 1,275.59
	Energy Charge per kWh	\$ 0.04105	\$ 0.04286
	Demand Charge - Contract per kW	\$ 7.17	\$ 7.49
<u>LIS1</u>	<u>Large Industrial Service (1)</u>		
	Customer Charge	\$ 611.47	\$ 638.41
	Energy Charge per kWh	\$ 0.04886	\$ 0.05101
	Demand Charge per kW	\$ 8.94	\$ 9.33
<u>OL</u>	<u>Lighting</u>		
	MV 7000 Lumens Standard Service	\$ 8.65	\$ 9.03
	MV 7000 Lumens Ornamental Service	\$ 19.73	\$ 20.60
	MV 20,000 Lumens Standard Service	\$ 16.63	\$ 17.36
	MV 20,000 Lumens Ornamental Service	\$ 26.24	\$ 27.40
	HPS 9500 Lumens Standard	\$ 8.46	\$ 8.83
	HPS 9500 Lumens Ornamental	\$ 18.04	\$ 18.83
	HPS 9500 Lumens Directional	\$ 8.55	\$ 8.93
	HPS 22,000 Lumens Standard	\$ 12.00	\$ 12.53
	HPS 22,000 Lumens Ornamental	\$ 21.59	\$ 22.54
	HPS 22,000 Lumens Directional	\$ 11.77	\$ 12.29
	HPS 50,000 Lumens Standard	\$ 18.02	\$ 18.81
	HPS 50,000 Lumens Ornamental	\$ 27.11	\$ 28.30
	HPS 50,000 Lumens Directional	\$ 17.65	\$ 18.43
	LED 6100 Lumens Standard	\$ 8.80	\$ 9.19
	LED 9500 Lumens Standard	\$ 12.06	\$ 12.59
	LED 23,000 Lumens Directional Floodlight	\$ 23.99	\$ 25.05
<u>Special</u>	<u>Special Contract - EKPC Rate G</u>		
	Customer Charge	\$ 5,454.00	\$ 5,726.70
	Demand Charge per kW	\$ 6.98	\$ 7.29
	Energy Charge per kWh	\$ 0.03895	\$ 0.04116
<u>Contract</u>	<u>Steam</u>		
	Demand Charge per MMBTU	\$ 577.15	\$ 582.18
	Energy Charge per MMBTU	\$ 4.16600	\$ 4.30000
<u>LIS2</u>	<u>Large Industrial Service (2)</u>		
	Customer Charge	1,221.76	1,275.59
	Energy Charge per kWh	\$ 0.04514	\$ 0.04713
	Demand Charge - Contract per kW	8.94	9.33

Fleming-Mason RECC  
Present & Proposed Rates

Rate	Item	Present	Proposed
<u>LIS3</u> <u>Large Industrial Service (3)</u>	Customer Charge	1,221.76	1,275.59
	Energy Charge per kWh	\$ 0.04393	\$ 0.04587
	Demand Charge - Contract per kW	7.31	7.63
<u>LIS4</u> <u>Large Industrial Service (4)</u>	Customer Charge	611.47	638.41
	Energy Charge per kWh	\$ 0.04936	\$ 0.05153
	Demand Charge - Contract per kW	7.17	7.49
<u>LIS4B</u> <u>Large Industrial Service (4B)</u>	Customer Charge	611.47	638.41
	Energy Charge per kWh	\$ 0.04936	\$ 0.05153
	Demand Charge - Contract per kW	7.17	7.49
	Demand Charge - Excess per kW	9.98	10.43
<u>LIS5</u> <u>Large Industrial Service (5)</u>	Customer Charge	1,221.76	1,275.59
	Energy Charge per kWh	\$ 0.04564	\$ 0.04765
	Demand Charge - Contract per kW	7.17	7.49
<u>LIS5B</u> <u>Large Industrial Service (5B)</u>	Customer Charge	1,221.76	1,275.59
	Energy Charge per kWh	\$ 0.04564	\$ 0.04765
	Demand Charge - Contract per kW	7.17	7.49
	Demand Charge - Excess per kW	9.98	10.43
<u>LIS6</u> <u>Large Industrial Service (6)</u>	Customer Charge	1,221.76	1,275.59
	Energy Charge per kWh	\$ 0.04105	\$ 0.04286
	Demand Charge - Contract per kW	7.17	7.49
<u>LIS6B</u> <u>Large Industrial Service (6B)</u>	Customer Charge	1,221.76	1,275.59
	Energy Charge per kWh	\$ 0.04105	\$ 0.04286
	Demand Charge - Contract per kW	7.17	7.49
	Demand Charge - Excess per kW	9.98	10.43
<u>RSP-TOD</u> <u>Residential &amp; Small Power Time of Day (TOD)</u>	Customer Charge	18.36	19.12
	Energy Charge On Peak per kWh	0.12114	0.12618
	Energy Charge Off Peak per kWh	0.05594	0.05827

Case No. 2021-00109  
Application – Exhibit 3

Billing Analysis for  
Each Rate Class

Fleming-Mason RECC  
Billing Analysis for Pass-Through Rate Increase

Total Revenue Increase Allocated by East Kentucky Power Cooperative:	\$2,901,877
Total Rate G Revenue Increase Allocated by East Kentucky Power Cooperative:	\$688,678
Total Steam Revenue Increase Allocated by East Kentucky Power Cooperative:	\$257,888
Remaining Revenue Increase Allocated by East Kentucky Power Cooperative:	\$1,955,311

#	Item	Code	Present Revenue	Present Share	Allocation Revenue	Allocation Share	Allocated Increase	Proposed Revenue	Proposed Share	Increase (\$)	Base %	Total %	Rounding
1	<u>Base Rates</u>												
2	Residential & Small Power (1)	RSP	\$ 29,162,012	61.33%	\$ 29,162,012	65.72%	\$ 1,284,946	\$ 30,447,927	61.50%	\$ 1,285,915	4.41%	4.48%	\$ 969
3	Residential & Small Power ETS (11)	ETS	\$ 15,734	0.03%	\$ 15,734	0.04%	\$ 693	\$ 16,429	0.03%	\$ 695	4.41%	4.48%	\$ 1
4	Inclining Block Rate (8)	RSP-IB	\$ 61,910	0.13%	\$ 61,910	0.14%	\$ 2,728	\$ 64,635	0.13%	\$ 2,725	4.40%	4.06%	\$ (3)
5	Small General Service (2)	SGS	\$ 1,756,896	3.69%	\$ 1,756,896	3.96%	\$ 77,413	\$ 1,834,526	3.71%	\$ 77,630	4.42%	4.21%	\$ 217
6	Large General Service (3)	LGS	\$ 7,490,122	15.75%	\$ 7,490,122	16.88%	\$ 330,032	\$ 7,821,407	15.80%	\$ 331,284	4.42%	4.32%	\$ 1,252
7	All Electric School (4)	AES	\$ 45,562	0.10%	\$ 45,562	0.10%	\$ 2,008	\$ 47,569	0.10%	\$ 2,006	4.40%	4.25%	\$ (1)
8	Tennessee Gas	Contract	\$ 3,173,043	6.67%	\$ -	0.00%	\$ -	\$ 3,173,043	6.41%	\$ -	0.00%	0.00%	\$ -
9	Large Industrial Service (7)	LIS7	\$ 3,525,170	7.41%	\$ 3,525,170	7.94%	\$ 155,327	\$ 3,681,067	7.44%	\$ 155,897	4.42%	4.25%	\$ 570
10	Large Industrial Service (1)	LIS1	\$ 1,343,319	2.83%	\$ 1,343,319	3.03%	\$ 59,190	\$ 1,402,329	2.83%	\$ 59,010	4.39%	3.80%	\$ (180)
11	Lighting	OL	\$ 975,291	2.05%	\$ 975,291	2.20%	\$ 42,974	\$ 1,018,264	2.06%	\$ 42,973	4.41%	4.41%	\$ (1)
12	SubTotal Base Rates		\$ 47,549,060	100.00%	\$ 44,376,016	100.00%	\$ 1,955,311	\$ 49,507,195	100.00%	\$ 1,958,136	4.12%		\$ 2,824
13													
14	Special Contract - EKPC Rate G	Special	\$ 12,912,960	100.00%	\$ 688,678	100.00%	\$ 688,678	\$ 13,610,037	100.00%	\$ 697,076	5.40%	5.22%	\$ 8,398
10	Steam	LIS7	\$ 9,737,928	100.00%	\$ 257,888	100.00%	\$ 257,888	\$ 10,001,041	100.00%	\$ 263,114	2.70%	2.53%	\$ 5,226
15	TOTAL Base Rates		\$ 70,199,947		\$ 45,322,582		\$ 2,901,877	\$ 73,118,273		\$ 2,918,326	4.16%		\$ 16,449
16													
17	<u>Riders</u>												
18	FAC		\$ (5,434,961)				\$ (5,434,961)						
19	ES		\$ 8,854,389				\$ 8,854,389						
20	Prepay Daily Charges		\$ 28,285				\$ 28,285						
21	Green Power & Solar		\$ (673)				\$ (673)						
22	Total Riders		\$ 3,447,040				\$ 3,447,040						
23													
24	Total Revenue		\$ 73,646,988				\$ 76,565,313			\$ 2,918,326		3.96%	
25	Target Revenue									\$ 2,901,877			
26	Rate Rounding Variance									\$ 16,449			
27	Rate Rounding Variance									0.57%			









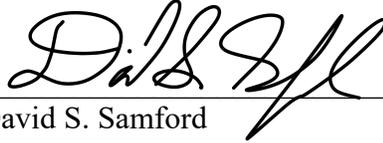


Case No. 2021-00109  
Application – Exhibit 4

Certificate of Service to  
The Attorney General

**Exhibit 4**  
**Statement of Service to the Attorney General**

Pursuant to 807 KAR 5:007, Sections 1(6) and Section 2(2), the undersigned does hereby certify that a complete copy of this filing has been mailed to the Kentucky Attorney General's Office of Rate Intervention and an electronic copy was also sent to [rateintervention@ag.ky.gov](mailto:rateintervention@ag.ky.gov) on this 1<sup>st</sup> day of April 2021.



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David S. Samford

*Counsel for Fleming-Mason  
Energy Cooperative, Inc.*

Case No. 2021-00109  
Application – Exhibit 5

Customer Notice

## NOTICE

In accordance with the requirements of the Public Service Commission (“Commission”) as set forth in 807 KAR 5:001, Section 17 and 807 KAR 5:007, Section 3, of the Rules and Regulations of the Commission, notice is hereby given to the member consumers of Fleming-Mason Energy Cooperative, Inc. (“Fleming-Mason”) of a proposed rate adjustment. Fleming-Mason intends to propose an adjustment of its existing rates to reflect the wholesale rate adjustment of its wholesale supplier, East Kentucky Power Cooperative, Inc., pursuant to KRS 278.455(2), by filing an application with the Commission on April 1, 2021, in Case No. 2021-00109. The application will request that the proposed rates become effective May 1, 2021. The present and proposed rates for each customer classification to which the proposed rates will apply are set forth below:

<u>Rate</u>		<u>Item</u>	<u>Present</u>	<u>Proposed</u>
<u>RSP</u>	<u>Residential &amp; Small Power (1)</u>			
		Customer Charge	\$ 15.00	\$ 15.66
		Energy Charge per kWh	\$ 0.08025	\$ 0.08379
	<u>Prepay Service</u>			
		Customer Charge	\$ 15.00	\$ 15.66
		Energy Charge per kWh	\$ 0.08025	\$ 0.08379
		Prepay Fee	\$ 5.00	\$ 5.00
<u>ETS</u>	<u>Residential &amp; Small Power ETS (11)</u>			
		Energy Charge - Off Peak per kWh	\$ 0.04893	\$ 0.05109
<u>RSP-IB</u>	<u>Inclining Block Rate (8)</u>			
		Customer Charge	\$ 15.00	\$ 15.66
		Energy Charge 0-300 per kWh	\$ 0.06275	\$ 0.06551
		Energy Charge 301-500 per kWh	\$ 0.07275	\$ 0.07596
		Energy Charge Over 500 per kWh	\$ 0.10275	\$ 0.10728
<u>SGS</u>	<u>Small General Service (2)</u>			
		Customer Charge	\$ 49.23	\$ 51.40
		Energy Charge per kWh	\$ 0.06110	\$ 0.06379
		Demand Charge per kW	\$ 7.41	\$ 7.74
<u>LGS</u>	<u>Large General Service (3)</u>			
		Customer Charge	\$ 65.51	\$ 68.40
		Energy Charge per kWh	\$ 0.04975	\$ 0.05194
		Demand Charge per kW	\$ 6.93	\$ 7.24
<u>AES</u>	<u>All Electric School (4)</u>			
		Customer Charge	\$ 64.88	\$ 67.74
		Energy Charge per kWh	\$ 0.07880	\$ 0.08227
<u>LIS7</u>	<u>Large Industrial Service (7)</u>			
		Customer Charge	\$ 1,221.76	\$ 1,275.59
		Energy Charge per kWh	\$ 0.04105	\$ 0.04286
		Demand Charge - Contract per kW	\$ 7.17	\$ 7.49
<u>LIS1</u>	<u>Large Industrial Service (1)</u>			
		Customer Charge	\$ 611.47	\$ 638.41
		Energy Charge per kWh	\$ 0.04886	\$ 0.05101
		Demand Charge per kW	\$ 8.94	\$ 9.33
<u>OL</u>	<u>Lighting</u>			
		MV 7000 Lumens Standard Service	\$ 8.65	\$ 9.03
		MV 7000 Lumens Ornamental Service	\$ 19.73	\$ 20.60

		MV	20,000 Lumens Standard Service	\$ 16.63	\$ 17.36
		MV	20,000 Lumens Ornamental Service	\$ 26.24	\$ 27.40
		HPS	9500 Lumens Standard	\$ 8.46	\$ 8.83
		HPS	9500 Lumens Ornamental	\$ 18.04	\$ 18.83
		HPS	9500 Lumens Directional	\$ 8.55	\$ 8.93
		HPS	22,000 Lumens Standard	\$ 12.00	\$ 12.53
		HPS	22,000 Lumens Ornamental	\$ 21.59	\$ 22.54
		HPS	22,000 Lumens Directional	\$ 11.77	\$ 12.29
		HPS	50,000 Lumens Standard	\$ 18.02	\$ 18.81
		HPS	50,000 Lumens Ornamental	\$ 27.11	\$ 28.30
		HPS	50,000 Lumens Directional	\$ 17.65	\$ 18.43
		LED	6100 Lumens Standard	\$ 8.80	\$ 9.19
		LED	9500 Lumens Standard	\$ 12.06	\$ 12.59
		LED	23,000 Lumens Directional Floodlight	\$ 23.99	\$ 25.05
<u>Special</u>	<u>Special Contract - EKPC Rate G</u>				
			Customer Charge	\$ 5,454.00	\$ 5,726.70
			Demand Charge per kW	\$ 6.98	\$ 7.29
			Energy Charge per kWh	\$ 0.03895	\$ 0.04116
<u>Contract</u>	<u>Steam</u>				
			Demand Charge per MMBTU	\$ 577.15	\$ 582.18
			Energy Charge per MMBTU	\$ 4.16600	\$ 4.30000
<u>LIS2</u>	<u>Large Industrial Service (2)</u>				
			Customer Charge	1,221.76	1,275.59
			Energy Charge per kWh	\$ 0.04514	\$ 0.04713
			Demand Charge - Contract per kW	8.94	9.33
<u>LIS3</u>	<u>Large Industrial Service (3)</u>				
			Customer Charge	1,221.76	1,275.59
			Energy Charge per kWh	\$ 0.04393	\$ 0.04587
			Demand Charge - Contract per kW	7.31	7.63
<u>LIS4</u>	<u>Large Industrial Service (4)</u>				
			Customer Charge	611.47	638.41
			Energy Charge per kWh	\$ 0.04936	\$ 0.05153
			Demand Charge - Contract per kW	7.17	7.49
<u>LIS4B</u>	<u>Large Industrial Service (4B)</u>				
			Customer Charge	611.47	638.41
			Energy Charge per kWh	\$ 0.04936	\$ 0.05153
			Demand Charge - Contract per kW	7.17	7.49
			Demand Charge - Excess per kW	9.98	10.43
<u>LIS5</u>	<u>Large Industrial Service (5)</u>				
			Customer Charge	1,221.76	1,275.59
			Energy Charge per kWh	\$ 0.04564	\$ 0.04765
			Demand Charge - Contract per kW	7.17	7.49
<u>LIS5B</u>	<u>Large Industrial Service (5B)</u>				
			Customer Charge	1,221.76	1,275.59
			Energy Charge per kWh	\$ 0.04564	\$ 0.04765
			Demand Charge - Contract per kW	7.17	7.49
			Demand Charge - Excess per kW	9.98	10.43
<u>LIS6</u>	<u>Large Industrial Service (6)</u>				
			Customer Charge	1,221.76	1,275.59

		Energy Charge per kWh	\$ 0.04105	\$ 0.04286
		Demand Charge - Contract per kW	7.17	7.49
<u>LIS6B</u>	<u>Large Industrial Service (6B)</u>			
		Customer Charge	1,221.76	1,275.59
		Energy Charge per kWh	\$ 0.04105	\$ 0.04286
		Demand Charge - Contract per kW	7.17	7.49
		Demand Charge - Excess per kW	9.98	10.43
<u>RSP-TOD</u>	<u>Residential &amp; Small Power Time of Day (TOD)</u>			
		Customer Charge	18.36	19.12
		Energy Charge On Peak per kWh	0.12114	0.12618
		Energy Charge Off Peak per kWh	0.05594	0.05827

The effect of the change requested, in both dollar amounts and as a percentage, for each customer classification to which the proposed rates will apply is set forth below:

Rate			Increase	
			Dollars	Percent
RSP	Residential & Small Power (1)		\$ 1,285,915	4.48%
ETS	Residential & Small Power ETS (11)		\$ 695	4.48%
RSP-IB	Inclining Block Rate (8)		\$ 2,725	4.06%
SGS	Small General Service (2)		\$ 77,630	4.21%
LGS	Large General Service (3)		\$ 331,284	4.32%
AES	All Electric School (4)		\$ 2,006	4.25%
Contract	Tennessee Gas		\$ -	0.00%
LIS7	Large Industrial Service (7)		\$ 155,897	4.25%
LIS1	Large Industrial Service (1)		\$ 59,010	3.80%
OL	Lighting		\$ 42,973	4.41%
Special	Special Contract - EKPC Rate G		\$ 697,076	5.22%
LIS7	Steam		\$ 263,114	2.53%
Total			\$ 2,918,326	3.96%

The amount of the average usage and the effect upon the average bill for each customer classification to which the proposed rates will apply is set forth below:

Rate		Average	Increase	
		Usage (kWh)	Dollars	Percent
RSP	Residential & Small Power (1)	1,076	\$4.47	4.21%
ETS	Residential & Small Power ETS (11)	NA	NA	4.48%
RSP-IB	Inclining Block Rate (8)	185	\$1.24	4.06%
SGS	Small General Service (2)	6,367	\$27.90	4.21%
LGS	Large General Service (3)	55,875	\$177.63	4.32%
AES	All Electric School (4)	15,238	\$55.74	4.25%
Contract	Tennessee Gas	7,872,113	\$0.00	0.00%
LIS7	Large Industrial Service (7)	5,375,808	\$12,991.43	4.25%
LIS1	Large Industrial Service (1)	1,840,150	\$4,917.52	3.80%
OL	Lighting	NA	NA	4.41%
Special	Special Contract - EKPC Rate G	21,334,949	\$58,089.70	5.22%
Contract	Steam	NA	\$71.07	2.53%

A person may examine the application and any related documents Fleming-Mason has filed with the PSC at the utility's principal office, located at:

Fleming-Mason Energy Cooperative, Inc.  
1449 Elizaville Road  
Flemingsburg, Kentucky 41041  
(606) 845-2661  
[www.fme.coop](http://www.fme.coop)

A person may also examine the application: (i) at the Commission's offices located at 211 Sower Boulevard, Frankfort, Kentucky 40601, Monday through Friday, 8:00 a.m. to 4:30 p.m.; or (ii) through the Commission's website at <http://psc.ky.gov>. Comments regarding the application may be submitted to the 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 Fleming-Mason, but the 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 Commission at 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 initial publication or mailing of the notice, the Commission may take final action on the application.

Case No. 2021-00109  
Application – Exhibit 6

Testimony of John Wolfram  
Catalyst Consulting, LLC

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

**DIRECT TESTIMONY**

**OF**

**JOHN WOLFRAM  
PRINCIPAL OF CATALYST CONSULTING, LLC**

**ON BEHALF OF**

**BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION  
BLUE GRASS ENERGY COOPERATIVE CORPORATION  
CLARK ENERGY COOPERATIVE, INC.  
CUMBERLAND VALLEY ELECTRIC INC.  
FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION  
FLEMING-MASON ENERGY COOPERATIVE, INC.  
GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION  
INTER-COUNTY ENERGY COOPERATIVE CORPORATION  
JACKSON ENERGY COOPERATIVE CORPORATION  
LICKING VALLEY RURAL ELECTRIC COOPERATIVE CORPORATION  
NOLIN RURAL ELECTRIC COOPERATIVE CORPORATION  
OWEN ELECTRIC COOPERATIVE INC.  
SALT RIVER ELECTRIC COOPERATIVE CORPORATION  
SHELBY ENERGY COOPERATIVE INC.  
SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION  
TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION**

**FILED: April 1, 2021**

1  
2  
3  
4

**DIRECT TESTIMONY  
OF  
JOHN WOLFRAM**

5 **I. INTRODUCTION**

6 **Q. Please state your name, business address and occupation.**

7 A. My name is John Wolfram. I am the Principal of Catalyst Consulting LLC. My business  
8 address is 3308 Haddon Road, Louisville, Kentucky 40241.

9 **Q. On whose behalf are you testifying?**

10 A. I am testifying on behalf of each of the sixteen Owner-Members of East Kentucky Power  
11 Cooperative, Inc. ("EKPC").

12 **Q. Please summarize your education and professional experience.**

13 A. I received a Bachelor of Science degree in Electrical Engineering from the University of  
14 Notre Dame in 1990 and a Master of Science degree in Electrical Engineering from Drexel  
15 University in 1997. I founded Catalyst Consulting LLC in June 2012. From March 2010  
16 through May 2012, I was a Senior Consultant with The Prime Group, LLC. I have  
17 developed cost of service studies or rates for numerous electric and gas utilities, including  
18 electric distribution cooperatives, generation, and transmission cooperatives, municipal  
19 utilities, and investor-owned utilities. I have performed economic analyses, rate  
20 mechanism reviews, ISO/RTO membership evaluations, and wholesale formula rate  
21 reviews. I have also been employed by the parent companies of Louisville Gas and Electric  
22 Company ("LG&E") and Kentucky Utilities Company ("KU"), by the PJM  
23 Interconnection, and by the Cincinnati Gas & Electric Company.

24 **Q. Have you previously testified before the Kentucky Public Service Commission**  
25 **("Commission")?**

1 A. Yes. To date I have testified in over thirty different regulatory proceedings before this  
2 Commission, most recently in Case No. 2021-00066.<sup>1</sup>

3 **Q. What is the purpose of your testimony in this proceeding?**

4 A. The purpose of my testimony is to support the proposed rates of the Owner-Members of  
5 EKPC, reflecting the flow through of the effects of the increase in wholesale rates proposed  
6 by EKPC in Case No. 2021-00103,<sup>2</sup> pursuant to KRS 278.455.

7 **Q. Are you sponsoring any Exhibits?**

8 A. Yes. I have prepared the following exhibits to the Application in this docket:

- 9 • Exhibit 2: Comparison of Current and Proposed Rates
- 10 • Exhibit 3: Billing Analysis

11

12 **II. PASS THROUGH OF WHOLESALE RATE INCREASE**

13 **Q. What does KRS 278.455(2) permit for the pass-through of wholesale rate increases?**

14 A. KRS 278.455(2) specifies that

15 “Notwithstanding any other statute, **any revenue increase authorized by**  
16 **the Public Service Commission** or any revenue decrease authorized in  
17 subsection (1) of this section **that is to flow through the effects of an**  
18 **increase or decrease in wholesale rates may, at the distribution**  
19 **cooperative's discretion, be allocated to each class and within each tariff**  
20 **on a proportional basis that will result in no change in the rate design**  
21 **currently in effect....”** (emphasis added)

22

23

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<sup>1</sup> See *In the Matter of: The Electronic Application of Kenergy Corp. For A General Adjustment Of Rates Pursuant To Streamlined Procedure Pilot Program Established In Case No. 2018-00407*, Order, Case No. 2021-00066 (Ky. P.S.C. March 11, 2021).

<sup>2</sup> See *In The Matter Of: Electronic Application Of East Kentucky Power Cooperative, Inc. For A General Adjustment Of Rates, Approval Of Depreciation Study, Amortization Of Certain Regulatory Assets, And Other General Relief*, Case No. 2021-00103 (filed April 1, 2021).

1 **Q. Did EKPC provide you with the relevant data regarding its proposed wholesale**  
2 **increase?**

3 A. Yes. EKPC provided me with a summary of the proposed increase in dollars by  
4 distribution cooperative and by wholesale rate class, including the total proposed revenue  
5 increase in dollars for each distribution cooperative.

6 **Q. Please generally describe the approach you used to determine the proposed rates for**  
7 **each distribution cooperative.**

8 A. For each distribution cooperative, I first collected 2019 billing information for each rate  
9 class in the cooperative's Commission-approved tariffs, to correspond with the 2019 test  
10 period used by EKPC in Case No. 2021-00103. I calculated the billings for each rate class  
11 and for each base rate billing component within the respective classes (*e.g.*, customer  
12 charge, energy charge, demand charge). I also compiled annual amounts for rate riders,  
13 billing adjustments, and other non-base-rate billing items by class. I then determined  
14 "present" rates and revenues by accounting for a limited number of adjustments that I  
15 describe below. Then I allocated the EKPC revenue increase proportionately, first to each  
16 rate class, and then to the individual base rate billing components of each class. I  
17 determined the proposed per-unit charges such that the rate class revenue allocation shares  
18 and the billing component allocation shares were maintained. In other words, I allocated  
19 the increase first to the rate classes and then to the billing components on a proportionate  
20 basis, resulting in no change in the rate design currently in effect.

21 **Q. How did you adjust 2019 amounts to determine the "present" amounts?**

1 A. I adjusted 2019 data on an extremely limited basis. Because the Commission approved a  
2 Fuel Adjustment Clause (“FAC”) roll-in effective February 1, 2020,<sup>3</sup> it was necessary to  
3 adjust 2019 amounts to reflect the revised base energy charges and FAC charges. I adjusted  
4 2019 amounts to account for the FAC roll-in for all Owner-Members. Also, there were a  
5 small number of large commercial or industrial retail members that either switched rates  
6 or revised their contract demand amounts since 2019; I adjusted the billing determinants  
7 for these end-users to ensure that the rate calculations would result in no change in the  
8 retail rate design currently in effect. These types of adjustments are reflected where  
9 applicable in the “Present Rates” and “Present Revenues” in Exhibit 3 and are needed to  
10 ensure that the full effects of the wholesale rate increase are flowed through  
11 proportionately. Other than the FAC roll-in and limited number of rate switching/contract  
12 demand changes, I did not make any other adjustments to the test year data.

13 **Q. Did you consider the recent Commission Order in Case No. 2020-00095<sup>4</sup> (the**  
14 **“Kenergy Order”) in which the Commission clarified “proportional” for the purposes**  
15 **of the pass-through calculations?**

16 A. Yes. As I understand it, in simple terms the *Kenergy* Order states that a distribution  
17 cooperative should base its “proportions” in the pass-through calculation upon the most  
18 recent Commission approved revenue allocation and billing component revenue allocation  
19 from the cooperative’s last rate order. Here, my approach was to first attempt to determine

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<sup>3</sup> See *In The Matter Of Electronic Examination Of The Application Of The Fuel Adjustment Clause Of East Kentucky Power Cooperative, Inc. From November 1, 2016 Through October 31, 2018*, Order, Case No. 2019-00003 (Ky. P.S.C. Dec. 26, 2019); *In The Matter Of: Electronic Examination Of The Application Of The Fuel Adjustment Clause Of East Kentucky Power Cooperative, Inc. Cooperatives From November 1, 2016 Through October 31, 2018*, Order, Case No. 2019-00008 (Ky. P.S.C. Dec. 26, 2019; Order, Case No. 2019-00008 (Ky. P.S.C. Jan. 22, 2020).

<sup>4</sup> *In the Matter of: Electronic Application of Kenergy Corp. for a Declaratory Order*, Order, Case No. 2020-00095 (Ky. P.S.C. March 11, 2021).

1 the proposed rates based on the allocations from the last rate order. If those results proved  
2 to be self-evidently unreasonable, I then determined the proposed rates based on the present  
3 test year allocations, consistent with the method approved in the pass-through filings for  
4 EKPC's last two rate cases.<sup>5</sup>

5 **Q. Did the *Kenergy* Order method produce reasonable results for the EKPC distribution**  
6 **cooperatives?**

7 A. It did for Clark Energy and Cumberland Valley Electric because these utilities relied upon  
8 a 2019 test year in their last filings.<sup>6</sup> In other words for these utilities, the *Kenergy* Order  
9 method and the present test year allocation method are identical. For the other cooperatives  
10 that I analyzed using the *Kenergy* Order method,<sup>7</sup> the analysis did not produce reasonable  
11 rates for all rate classes. Thus, for those utilities I used the present test year allocations  
12 instead of the last rate order allocations to develop proposed rates.

13 **Q. Please describe how the *Kenergy* Order method provided unreasonable results for**  
14 **certain rate classes of the Owner-Members.**

15 A. Relying on the last rate order to allocate the total increase to the rate classes seems  
16 reasonable in theory, but has limitations based on how the customer mix within the rate  
17 classifications has changed over time. For some cooperatives, the list of rate classes with

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<sup>5</sup> See *In The Matter Of Application Of East Kentucky Power Cooperative, Inc. For General Adjustment Of Electric Rates*, Order, Case No. 2010-00167 (Ky. P.S.C. Jan. 14, 2011); *In The Matter Of Application For General Adjustment of Electric Rates of East Kentucky Power Cooperative, Inc.*, Order, Case No. 2006-00472 (Ky. P.S.C. Dec. 5, 2011).

<sup>6</sup> The same result is anticipated for Licking Valley RECC, who expects an order imminently in its streamlined rate filing currently before the Commission in Case No. 2020-00338, *In the Matter Of: Electronic Application of Licking Valley Rural Electric Cooperative Corporation For A General Adjustment Of Rates Pursuant To Streamlined Procedure Pilot Program Established In Case No. 2018-00407*. Licking Valley anticipates providing updated schedules in this docket following that order.

<sup>7</sup> The other cooperatives include all but Licking Valley RECC (see previous footnote) and Salt River Electric Cooperative, whose last rate order in Case No. 92-560 is dated September 28, 1993. I did not compute proposed rates using the *Kenergy* Order method for these two utilities.

1 active members differed from the last rate order and the present test year. The *Kenergy*  
2 Order does not specify how to address this kind of variance.

3 More importantly, relying on the last rate order to allocate the class revenue to the  
4 individual billing components was more problematic. For certain two-part rate classes like  
5 residential, the percentage split between customer charge revenue and energy charge  
6 revenue does not typically fluctuate much over time between rate cases, so for those classes  
7 the results were mostly reasonable. However, for rate classes with more than two parts –  
8 for example, a large customer class with four parts (customer charge, energy charge,  
9 contract demand charge, and excess demand charge) – it was more common for the  
10 percentage shares across the components to vary significantly between the last rate order  
11 method and the present test year method. For example, there might be zero excess demand  
12 kW (and thus revenue) in the present test year, but 25 percent excess demand revenue in  
13 the last rate order. The converse could also be true. In either event, holding the last rate  
14 order component percentages fixed and applying them to 2019 billing units often resulted  
15 in skewed charges on a per-unit basis. For most cooperatives, applying the last rate order  
16 component percentages yielded declines in the excess demand charge which would have  
17 resulted in a significant change to the rate design currently in effect (where the excess  
18 demand charge currently exceeds the contract demand charge). This appears to run afoul  
19 of the proportionality standard in KRS 278.455(2) and would result in a rate design change.  
20 It could also violate the ratemaking principle of gradualism. In situations like this, the  
21 cooperative elected to use the present test year allocations in full to develop proposed rates.

1 **Q. Did any cooperative use a hybrid approach where it employed the last rate order**  
2 ***Kenergy* Order method for some of its rate classes and the traditional test year method**  
3 **for other rate classes?**

4 A. No. Each cooperative used one method or the other. No cooperative opted to determine  
5 some rates from the *Kenergy* Order method and other rates from the present test year  
6 allocation method. Only one method was used consistently for determining all proposed  
7 rates for any particular Owner-Member.

8 **Q. Is it reasonable to use present test year allocations in instances where the *Kenergy***  
9 **Order method produced unreasonable results?**

10 A. Yes. In 1944, in *Federal Power Commission v. Hope Natural Gas Co.*, the Supreme Court  
11 held that, in setting maximum rates, the utility commission would not be "bound to the use  
12 of any single formula or combination of formulae in determining rates." Rather, it would  
13 be the "result reached, not the method employed" that would be controlling.<sup>8</sup> I am not an  
14 attorney, but it is my understanding that Kentucky law fully embraces the *Hope* Doctrine.  
15 The approach here was to use the *Kenergy* Order method to the fullest practical extent; in  
16 the cases where the *Kenergy* Order method did not produce reasonable rates, the use of the  
17 present test year allocations did so, consistent with previous Commission orders in pass-  
18 through rate cases. For this reason, the determination of proposed rates based on the  
19 present test year allocations should be accepted as it has been in the past, specifically in  
20 Case Nos. 2010-00167 and 2008-00409.

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<sup>8</sup> *Fed. Power Comm'n v. Hope Natural Gas Co.*, 320 U.S. 591, 602 (1944).

1 **Q. The *Kenergy* Order states that any revenue distortions could be addressed through**  
2 **subsequent rate filings by a distribution cooperative. If the last rate order approach**  
3 **is strictly applied, what is likely to happen?**

4 A. The overall revenue impact of the rate pass-through is consistent regardless of whether the  
5 *Kenergy* Order last rate order method or the present test year approach is applied. Either  
6 way, the distribution cooperative should be able to successfully absorb and pass through  
7 any increase in its wholesale power expense to its end-use retail members, even if the pass-  
8 through introduces some revenue distortions within a particular rate class. The bigger  
9 problem under the *Kenergy* Order method is that some end-use retail customer classes will  
10 immediately see very significant changes in their monthly bills. This skewing effect  
11 between retail customer classes will likely force most of EKPC's distribution cooperatives  
12 to file near-simultaneous rate cases shortly after EKPC's wholesale rates take effect. Since  
13 the goal behind the enactment of KRS 278.455 was to avoid the need for each distribution  
14 cooperative to file a rate case following an increase in wholesale rates, the *Kenergy* Order  
15 approach could work at somewhat cross-purposes to the policy embodied in the statute.

16 **Q. Did you treat any retail rate classes differently than the others in the pass-through**  
17 **calculation?**

18 A. For the most part, I made no distinction between retail rate classes taking service under  
19 EKPC's different wholesale rate classes (Rate B, Rate C, Rate E, etc.), consistent with  
20 previous Commission orders and Owner-Member pass-through rate filings. However, I  
21 did separately calculate proposed rates for retail members served under EKPC Rate G -  
22 Special Electric Contract Rate, as well as for those served under EKPC's other large special  
23 contracts. These are listed separately in Exhibit 2. These classes are given separate

1 consideration by EKPC, so I determined the retail rate increases associated with these  
2 classes using the specific data provided to me for these classes by EKPC. This is consistent  
3 with the treatment afforded these particular classes in EKPC’s last rate case in Case No.  
4 2010-00167,<sup>9</sup> which was based on KRS 278.455(3):

5 “Any increase or decrease as provided for in subsections (1) and (2) of this  
6 section shall not apply to special contracts under which the rates are subject  
7 to change or adjustment only as stipulated in the contract.”  
8

9 **Q. How did you determine proposed rates for any rate classes under which no retail**  
10 **members took service in 2019 (“vacant rate classes”)?**

11 A. For vacant rate classes, I first checked to see if the per-unit charges were identical to any  
12 per-unit charges of other, non-vacant rate classes; if so, I set the proposed vacant rate class  
13 per-unit charge equivalently. Otherwise, I increased the vacant rate class per-unit charges  
14 by the same percentage as the overall base rate increase for the utility. There is no revenue  
15 impact associated with these changes, but the changes are necessary for the flow through  
16 of the effects of the proposed EKPC rate increase to result in no change to the retail rate  
17 design currently in effect, particularly on an inter-class basis. (For example, increasing  
18 other per-unit rates without also increasing the vacant rate class rates will skew the current  
19 retail rates relative to one another and could inappropriately provide incentives for rate  
20 switching at the retail level.)

21

22 **III. CONCLUSION**

23 **Q. What is your recommendation to the Commission in this case?**

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<sup>9</sup> *In The Matter Of Application Of East Kentucky Power Cooperative, Inc. For General Adjustment Of Electric Rates, Order, Case No. 2010-00167 (Ky. P.S.C. Jan. 14, 2011).*

1 A. In this docket, the proposed rates are allocated to each retail class and within each retail  
2 tariff on a proportional basis, and result in no change in the retail rate design currently in  
3 effect. The proposed rates are fair, just, and reasonable, and are also consistent with KRS  
4 278.455 and prior Commission precedent, specifically Case Nos. 2010-00167 and 2008-  
5 00409. The proposed rates should be approved.

6 **Q. Does this conclude your testimony?**

7 A. Yes, it does.

