

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE ELECTRONIC APPLICATION OF)
GRAYSON RURAL ELECTRIC COOPERATIVE)
CORPORATION FOR PASS-THROUGH OF EAST) Case No. 2021-00110
KENTUCKY POWER COOPERATIVE, INC.'S)
WHOLESALE RATE ADJUSTMENT)

GRAYSON RURAL ELECTRIC COOPERATIVE
CORPORATION'S APPLICATION

Comes now Grayson Rural Electric Cooperative Corporation (“Grayson”), 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. Grayson is a not-for-profit, member-owned, rural electric distribution cooperative organized under KRS Chapter 279. Grayson is engaged in the business of distributing retail electric power to approximately 15,300 members in the Kentucky counties of Carter, Elliott, Greenup, Lawrence, Lewis and Rowan.

2. Pursuant to 807 KAR 5:001, Section 14(1) and 807 KAR 5:007, Sections 1(2) and Section 2(2), Grayson’s mailing address is 109 Bagby Park, Grayson, Kentucky 41143 and its electronic mail address is pscinfo@graysonrecc.com.

3. Pursuant to 807 KAR 5:001, Section 14(2), Grayson is a Kentucky corporation that was incorporated on October 13, 1950 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), Grayson 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 Grayson.¹ In accordance with KRS 278.455, Grayson seeks to pass-through the increase in EKPC's wholesale rates to Grayson to Grayson'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 Grayson 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 Grayson.

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 Grayson's rate classes. Grayson 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 is attached as **Exhibit 4**.

¹ 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).

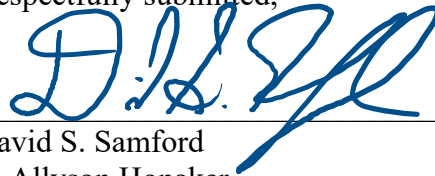
9. Pursuant to 807 KAR 5:007 Sections 1(7)(b) and (8) and Section 2(2), notice of the proposed rate changes has been given, not more than thirty (30) days prior to April 1, 2021, by publication in a newspaper of general circulation throughout Grayson's service territory. A copy of the notice is attached 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, Grayson respectfully requests that the Commission accept this Application for filing and allow Grayson to pass-through to its retail members the increase in the wholesale rates granted to EKPC and for the effective date of Grayson's pass-through rates to be the same as the effective date of EKPC's rate increase.

Done this 1st day of April 2021.

Respectfully submitted,



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*Counsel for Grayson Rural Electric
Cooperative Corporation*

Exhibit List

Document	Tab
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. 2021-00110
Application – Exhibit 1

Proposed Tariffs

GRAYSON RURAL ELECTRIC
COOPERATIVE CORPORATION

FOR: ENTIRE AREA SERVED
PSC NO.: 6
16th REVISED SHEET NO.: 1.00
CANCELING PSC NO.: 5
15th REVISED SHEET NO.: 1.00

SCHEDULE 1

CLASSIFICATION OF SERVICE

DOMESTIC – FARM & HOME SERVICE

RATE PER UNIT

AVAILABILITY-DOMESTIC

Available to members of the Cooperative for all residential farm and home uses subject to its established rules and regulations. Approval of the Cooperative must be obtained prior to the installation of any motor having a rated capacity of five horsepower or more.

TYPE OF SERVICE

Single-phase and/or three-phase, 60 cycle, alternating current at the Cooperative's standard secondary voltages.

RATE PER MONTH

Customer Charge
Energy Charge Per KWH

\$21.89 I
0.10963 I

FUEL ADJUSTMENT CLAUSE

All rates are applicable to the Fuel Adjustment Clause and 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. The Fuel clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

MINIMUM CHARGE

The minimum monthly charge under the above rate shall be equal to the customer charge where 25 KVA or less of transformer capacity is required. For members requiring more than 25 KVA of transformer capacity, the minimum monthly charge shall be increased at a rate of \$.75 for each additional KVA or fraction thereof required. Where it is necessary to extend or reinforce existing distribution facilities, the minimum monthly charge may be increased to assure adequate compensation for the added facilities. Where the minimum charge is increased in accordance with this section, additional energy and demand shall be included in accordance with the foregoing rate schedule.

DATE OF ISSUE: April 1, 2021
Month / Date / Year

DATE EFFECTIVE: Service Rendered on and after May 1, 2021
Month / Date / Year

ISSUED BY: Bradley Cherry
(Signature of Officer)

TITLE: President and Chief Executive Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO.: 2021-00110 DATED: _____

SCHEDULE 2

CLASSIFICATION OF SERVICE

COMMERCIAL AND SMALL POWER LESS THAN 50 KVA, INCLUDING PUBLIC BUILDINGS, SCHOOLS, CHURCHES, ETC.

RATE PER UNIT

AVAILABILITY OF SERVICE

Available to members of the Cooperative for all Commercial and Small Power uses less than 50 KVA, subject to its established rules and regulations. Approval of the Cooperative must be obtained prior to the installation of any motor having a rated capacity of five horsepower or more.

TYPE OF SERVICE

Single-phase and/or three-phase, 60 cycle, alternating current at the Cooperative's standard secondary voltages.

RATE PER MONTH

Customer Charge
Energy Charge per KWH

\$30.91 I
.10963 I

FUEL ADJUSTMENT CLAUSE

All rates are applicable to the Fuel Adjustment Clause and 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. The Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

MINIMUM CHARGE

The minimum monthly charge under the above rate shall be equal to the customer charge where 25 KVA or less of transformer capacity is required. For members requiring more than 25 KVA of transformer capacity, the minimum monthly charge shall be increased at a rate of \$.75 for each additional KVA or fraction thereof required. Where it is necessary to extend or reinforce existing distribution facilities, the minimum monthly charge may be increased to assure adequate compensation for the added facilities. Where the minimum charge is increased in accordance with this section, additional energy and demand shall be included in accordance with the foregoing rate schedule.

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TITLE: President and Chief Executive Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO.: 2021-00110 DATED: _____

GRAYSON RURAL ELECTRIC
COOPERATIVE CORPORATION

FOR: ENTIRE AREA SERVED
PSC NO.: 6
16th REVISED SHEET NO.: 4.00
CANCELING PSC NO.: 5
15th REVISED SHEET NO.: 4.00

SCHEDULE 4

CLASSIFICATION OF SERVICE

LARGE POWER SERVICE-SINGLE AND THREE-PHASE

50-999 KVA

RATE PER UNIT

AVAILABILITY

Available to members located on or near the Cooperative's facilities for Commercial service. Members shall contract for a definite amount of electrical capacity in kilovolt-amperes which shall be sufficient to meet normal maximum requirements but in no case shall the capacity contracted be less than 50 KVA. The Cooperative may not be required to supply capacity in excess multiples of 25 KVA.

TYPE OF SERVICE

Single-phase, three-phase, 60 cycles, at Cooperative's standard voltage.

RATE PER MONTH

Customer Charge

\$69.55 I

Demand Charge per KW

8.80 I

Energy Charge per KWH

.06033 I

DETERMINATION OF BILLING DEMAND

The billing demand shall be the maximum kilowatt demand established by the consumer for any 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 in the power factor adjustment clause.

POWER FACTOR ADJUSTMENT

The consumer agrees to maintain unity power factor as nearly as practicable. The measured demand will be demand to correct for average power factors lower than 90%, and may be so adjusted for other consumers if and when the Cooperative deems necessary. Such adjustments will be made by increasing the measured demand by 1% for each 1% by which the average power factor is less than 90% lagging.

RULES AND REGULATIONS

Service under this tariff is subject to the terms of all rules and regulations of the Cooperative that have been or may be adopted by its Board of Director's.

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TITLE: President and Chief Executive Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO.: 2021-00110 DATED: _____

GRAYSON RURAL ELECTRIC
COOPERATIVE CORPORATION

FOR: ENTIRE AREA SERVED
PSC NO.: 6
17th REVISED SHEET NO.: 6.00
CANCELING PSC NO.: 5
16th REVISED SHEET NO.: 6.00

SCHEDULE 6

CLASSIFICATION OF SERVICE

OUTDOOR LIGHTING SERVICE – SECURITY LIGHTS

RATE PER UNIT

AVAILABILITY

Available to members for dusk to dawn outdoor lighting on existing overhead secondary circuits.

RATE PER LIGHT PER MONTH

LIGHTING

7,000	Lumens	\$12.76	I
10,000	Lumens	\$15.33	I
	Flood Lighting	\$21.98	I

LED LIGHTING

3,600	LED Yard Light	\$12.76	I
19,176	LED Flood Light	\$26.67	I

STREET LIGHTING

7,000	Lumens	\$12.76	I
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FUEL ADJUSTMENT CLAUSE

All rates are applicable to the Fuel Adjustment Clause and 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. The Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

CONDITIONS OF SERVICE

1. The Cooperative shall furnish, install, and maintain the outdoor lighting equipment including lamp, luminaire, bracket attachment and control device on an existing pole of the Cooperative, electrically connected so that power for operation of the light does not pass through out the meter for the consumer's other usage, at a location mutually agreeable to both the Cooperative and the customer.

2. The Cooperative shall maintain the lighting equipment, including lamp replacement, at no additional cost the customer within 72 hours after the customer notifies the Cooperative of the need for maintenance of the lighting equipment.

3. The lighting equipment shall remain the property of the Cooperative. The customer shall protect the lighting equipment from deliberate damage.

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(Signature of Officer)

TITLE: President and Chief Executive Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO.: 2021-00110 DATED: _____

GRAYSON RURAL ELECTRIC
COOPERATIVE CORPORATION

FOR: ENTIRE AREA SERVED
PSC NO.: 6
15TH REVISED SHEET NO.: 7.00
CANCELING PSC NO.: 5
14TH REVISED SHEET NO.: 7.00

SCHEDULE 7

CLASSIFICATION OF SERVICE

ALL ELECTRIC SCHOOLS (A.E.S.)

RATE PER UNIT

APPLICABLE

In all territory served by Seller.

AVAILABILITY

Available to all public or not-profit private schools whose total energy requirement, including but not limited to heating, air conditioning, lighting and water heating, is supplied electricity furnished by the Cooperative, subject to its established rules and regulations.

CHARACTER OF SERVICE

The electric service furnished under this rate schedule will be 60 cycle, alternating current, single phase or three phase service, present facilities permitting, and at the following nominal voltages: Single Phase: 120, 120/240, 480, 240/480 volts; Three Phase: 120/240, 120/208Y, 240/480, 277/480Y volts.

RATE PER MONTH

Customer Charge

\$38.64 I

Demand Charge per KW

6.80 I

Energy Charge per KWH

.07605 I

MINIMUM CHARGE

The minimum annual charge shall be sufficient to assure adequate compensation for the facilities installed to serve the consumer, and in no event shall it be less than \$9.00 per KVA of required transformer capacity as determined by the Cooperative, or the amount specified in the contract for service, whichever is greater.

TERMS 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.

TERMS OF PAYMENT

The above rates are net, the gross being ten percents higher. In the event the current monthly bill is not paid within fifteen (15) days from the mailing date of the bill, the gross rates shall apply.

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IN CASE NO.: 2021-00110 DATED: _____

GRAYSON RURAL ELECTRIC
COOPERATIVE CORPORATION

FOR: ENTIRE AREA SERVED
PSC NO.: 3
6th REVISED SHEET NO.: 10.10
CANCELING PSC NO.: 2
5th REVISED SHEET NO.: 10.10

Schedule 10

CLASSIFICATION OF SERVICE

RESIDENTIAL TIME OF DAY (TOD)

RATE PER UNIT

AVAILABILITY

Available to members of the Cooperative for all residential farm and home uses subject to its established rules and regulations. Approval of the Cooperative must be obtained prior to the installation of any motor having a rated capacity of five horsepower or more.

TYPE OF SERVICE

Single-phase and/or three-phase, 60 cycle, alternating current at the Cooperative's standard secondary voltages.

RATE

Customer Charge

\$21.89 I

On-Peak Energy per kWh

.20644 I

Off-Peak Energy per kWh

.06527 I

WINTER SCHEDULE

For the purpose of this tariff, the on-peak billing period for the months of October, November, December, January, February, March, & April is defined as 7:00 am to 11:00 am and 5:00 pm to 9:00 pm, Monday through Friday. The off-peak billing period is defined as 9:00 pm to 7:00 am and 11:00 am to 5:00 pm, Monday through Friday. All weekends and holidays are off-peak.

SUMMER SCHEDULE

For the purpose of this tariff, the on-peak billing period for the months of May, June, July, August, & September is defined as 1:00 pm to 9:00 pm, Monday through Friday. The off-peak billing period is defined as 9:00 pm to 1:00 pm, Monday through Friday. All weekends and holidays are off-peak.

MINIMUM MONTHLY CHARGE

The minimum monthly charge shall be the minimum charge specified in the contract, or the minimum monthly customer charge, or \$0.75 per KVA or installed capacity, whichever is greater.

FUEL ADJUSTMENT CHARGE

All rates are applicable to the Fuel Adjustment Clause and 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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TITLE: President and Chief Executive Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO.: 2021-00110 DATED: _____

SCHEDULE 11

CLASSIFICATION OF SERVICE

SMALL COMMERCIAL TIME OF DAY (TOD)

RATE PER UNIT

AVAILABILITY

Available to members of the Cooperative for all Small Commercial uses less than 50 KVA, subject to established rules and regulations. Approval of the Cooperative must be obtained prior to the installation of any motor having a rated capacity of five horsepower or more.

TYPE OF SERVICE

Single-phase and/or three-phase, 60 cycle, alternating current at the Cooperative's standard secondary voltages.

RATE

Customer Charge	\$28.33	I
On-peak Energy per kWh	.20177	I
Off-peak Energy per kWh	.05984	I

WINTER SCHEDULE

For the purpose of this tariff, the on-peak billing period for the months of October, November, December, January, February, March, & April is defined as 7:00 am to 11:00 am and 5:00 pm to 9:00 pm, Monday through Friday. The off-peak billing period is defined as 9:00 pm to 7:00 am and 11:00 am to 5:00 pm, Monday through Friday. All weekends and holidays are off-peak.

SUMMER SCHEDULE

For the purpose of this tariff, the on-peak billing period for the months of May, June, July, August, & September is defined as 1:00 pm to 9:00 pm, Monday through Friday. The off-peak billing period is defined as 9:00 pm to 1:00 pm, Monday through Friday. All weekends and holidays are off-peak.

MINIMUM MONTHLY CHARGE

The minimum monthly charge shall be the minimum charge specified in the contract, or the minimum monthly customer charge, or \$0.75 per KVA or installed capacity, whichever is greater.

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ISSUED BY: Bradley Cherry
(Signature of Officer)

TITLE: President and Chief Executive Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO.: 2021-00110 DATED: _____

GRAYSON RURAL ELECTRIC
COOPERATIVE CORPORATION

FOR: ENTIRE AREA SERVED
PSC NO.: 5
8th REVISED SHEET NO.: 12.00
CANCELING PSC NO.: 4
7th REVISED SHEET NO.: 12.00

SCHEDULE 12 (a)

CLASSIFICATION OF SERVICE

LARGE INDUSTRIAL SERVICE – LLF 1,000 TO 4,999 KVA

RATE PER UNIT

AVAILABILITY

Available to all members of the Cooperative whose monthly contract demand is equal to or greater than 500 KW but less than 5,000 KW. All use is subject to the established rules and regulations of the Cooperative that have been or may be adopted by its Board of Directors.

CONDITION FOR SERVICE

An "INDUSTRIAL POWER AGREEMENT" shall be executed by the member for service under this schedule.

TYPE OF SERVICE

Three-phase, 60 hertz, alternating current as specified in the "INDUSTRIAL POWER AGREEMENT".

RATE PER MONTH

Customer Charge	\$583.30	I
Demand Charge per KW of Billing Demand	10.82	I
Energy Charge per KWH	.04621	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 shall be the highest average rate at which energy is used during the fifteen minute interval coincident with Grayson's wholesale power supplier's billing demand during the current month for the below listed hours:

<u>Months</u>	<u>Hours Applicable For Demand Billing - Est</u>
October through April	7:00a.m.to 12:00 Noon; 5:00p.m. to 10:00 p.m.
May through September	10:00a.m.to 10:00 p.m.

DATE OF ISSUE: April 1, 2021
Month / Date / Year

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ISSUED BY: Bradley Cherry
(Signature of Officer)

TITLE: President and Chief Executive Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO.: 2021-00110 DATED: _____

GRAYSON RURAL ELECTRIC
COOPERATIVE CORPORATION

FOR: ENTIRE AREA SERVED
PSC NO.: 6
9th REVISED SHEET NO.: 12.20
CANCELING PSC NO.: 5
8th REVISED SHEET NO.: 12.20

SCHEDULE 12 (b)

CLASSIFICATION OF SERVICE

LARGE INDUSTRIAL SERVICE – LLF

5,000 TO 9,999 KVA

RATE PER UNIT

AVAILABILITY

Available to all members of the Cooperative whose monthly contract demand is equal to or greater than 4,999 KW but less than 10,000 KW> All use is subject to the established rules and regulations of the Cooperative that have been or may be adopted by its Board of Directors.

CONDITION FOR SERVICE

An "INDUSTRIAL POWER AGREEMENT" shall be executed by the member for service under this schedule.

TYPE OF SERVICE

Three-phase, 60 hertz, alternating current as specified in the "INDUSTRIAL POWER AGREEMENT".

RATE PER MONTH

Customer Charge

\$1,165.52 I

Demand Charge per KW of Billing Demand

10.82 I

Energy Charge per KWH

.04378 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:

Months

Hours Applicable For
Demand Billing - EST

October through April

7:00 a.m. to 12:00 Noon

5:00 p.m. to 10:00 p.m.

May through September

10:00 a.m. to 10:00 p.m.

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GRAYSON RURAL ELECTRIC
COOPERATIVE CORPORATION

FOR: ENTIRE AREA SERVED
PSC NO.: 6
9th REVISED SHEET NO.: 12.40
CANCELING PSC NO.: 5
8th REVISED SHEET NO.: 12.40

SCHEDULE 12 (c)

CLASSIFICATION OF SERVICE

LARGE INDUSTRIAL SERVICE – LLF

10,000 KVA AND UNDER

RATE PER UNIT

AVAILABILITY

Available to all members of the Cooperative whose monthly contract demand is equal to or greater than 10,000 KW. All use is subject to the established rules and regulations of the Cooperative that have been or may be adopted by its Board of Directors.

CONDITION FOR SERVICE

An "INDUSTRIAL POWER AGREEMENT" shall be executed by the member for service under this schedule.

TYPE OF SERVICE

Three-phase, 60 hertz, alternating current as specified in the "INDUSTRIAL POWER AGREEMENT".

RATE PER MONTH

Customer Charge

\$1,165.52 I

Demand Charge per KW of Billing Demand

10.82 I

Energy Charge per KWH

.04276 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:

Months

Hours Applicable For
Demand Billing - EST

October through April

7:00 a.m. to 12:00 Noon
5:00 p.m. to 10:00 p.m.

May through September

10:00 a.m. to 10:00 p.m.

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GRAYSON RURAL ELECTRIC
COOPERATIVE CORPORATION

FOR: ENTIRE AREA SERVED
PSC NO.: 5
9th REVISED SHEET NO.: 13.00
CANCELING PSC NO.: 4
8th REVISED SHEET NO.: 13.00

SCHEDULE 13 (a)

CLASSIFICATION OF SERVICE

LARGE INDUSTRIAL SERVICE – HLF

1,000 TO 4,999 KVA

RATE PER UNIT

AVAILABILITY

Available to all members of the Cooperative whose monthly contract demand is equal to or greater than 500 KW but less than 5,000 KW. All use is subject to the established rules and regulations of the Cooperative that have been or may be adopted by its Board of Directors.

CONDITION OF SERVICE

An "INDUSTRIAL POWER AGREEMENT" shall be executed by the member for service under this schedule.

TYPE OF SERVICE

Three-phase, 60 hertz, alternating current as specified in the "INDUSTRIAL POWER AGREEMENT".

RATE PER MONTH

Customer Charge	\$583.30	I
Demand Charge per KW of Billing Demand	7.45	I
Energy charge per KWH	.04621	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 retail consumer's highest demand during the current month or preceding eleven months, coincident with Grayson's wholesale power supplier's billing demand for the below listed hours (and adjusted for power factor as provided herein):

<u>Months</u>	<u>Hours Applicable For Demand Billing - EST</u>
October through April	7:00a.m. to 12:00 Noon 5:00p.m. to 10:00 p.m.
May through September	10:00a.m. to 10:00 p.m.

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COOPERATIVE CORPORATION

FOR: ENTIRE AREA SERVED
PSC NO.: 6
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CANCELING PSC NO.: 5
8th REVISED SHEET NO.: 13.20

SCHEDULE 13 (b)

CLASSIFICATION OF SERVICE

LARGE INDUSTRIAL SERVICE – HLF

5,000 TO 9,999 KVA

RATE PER UNIT

AVAILABILITY

Available to all members of the Cooperative whose monthly contract demand is equal to or greater than 5,000 KW but less than 10,000 KW. All use is subject to the established rules and regulations of the Cooperative that have been or may be adopted by its Board of Directors.

CONDITION OF SERVICE

An "INDUSTRIAL POWER AGREEMENT" shall be executed by the member for service under this schedule.

TYPE OF SERVICE

Three-phase, 60 hertz, alternating current as specified in the "INDUSTRIAL POWER AGREEMENT".

RATE PER MONTH

Customer Charge

\$1,165.52 I

Demand Charge per KW of Billing Demand

10.82 I

Energy Charge per KWH

.04378 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, coincident with the 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):

Months

Hours Applicable For
Demand Billing - EST

October through April

7:00 a.m. to 12:00 Noon

5:00 p.m. to 10:00 p.m.

May through September

10:00 a.m. to 10:00 p.m.

DATE OF ISSUE: April 1, 2021
Month / Date / Year

DATE EFFECTIVE: Service Rendered on and after May 1, 2021
Month / Date / Year

ISSUED BY: Bradley Cherry
(Signature of Officer)

TITLE: President and Chief Executive Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO.: 2021-00110 DATED: _____

GRAYSON RURAL ELECTRIC
COOPERATIVE CORPORATION

FOR: ENTIRE AREA SERVED
PSC NO.: 6
9th REVISED SHEET NO.: 13.40
CANCELING PSC NO.: 5
8th REVISED SHEET NO.: 13.40

SCHEDULE 13 (c)

CLASSIFICATION OF SERVICE

LARGE INDUSTRIAL SERVICE – HLF 10,000 KVA AND OVER

RATE PER UNIT

AVAILABILITY

Available to all members of the Cooperative whose monthly contract demand is equal to or greater than 10,000 KW. All use is subject to the established rules and regulations of the Cooperative that have been or may be adopted by its Board of Directors.

CONDITION OF SERVICE

An "INDUSTRIAL POWER AGREEMENT" shall be executed by the member for service under this schedule.

TYPE OF SERVICE

Three-phase, 60 hertz, alternating current as specified in the "INDUSTRIAL POWER AGREEMENT".

RATE PER MONTH

Customer Charge	\$1,165.52	I
Demand Charge per KW of Billing Demand	10.82	I
Energy Charge per KWH	.04276	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, coincident with the 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 through April	7:00 a.m. to 12:00 Noon 5:00 p.m. to 10:00 p.m.
May through September	10:00 a.m. to 10:00 p.m.

DATE OF ISSUE: April 1, 2021
Month / Date / Year

DATE EFFECTIVE: Service Rendered on and after May 1, 2021
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ISSUED BY: Bradley Cherry
(Signature of Officer)

TITLE: President and Chief Executive Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO.: 2021-00110 DATED: _____

GRAYSON RURAL ELECTRIC
COOPERATIVE CORPORATION

FOR: ENTIRE AREA SERVED
PSC NO.: 5
8th REVISED SHEET NO.: 14.00
CANCELING PSC NO.: 4
7th REVISED SHEET NO.: 14.00

SCHEDULE 14 (a)

CLASSIFICATION OF SERVICE

LARGE INDUSTRIAL SERVICE – MLF

1,000 TO 4,999 KVA

RATE PER UNIT

AVAILABILITY

Available to all members of the Cooperative whose monthly contract demand is equal to or greater than 4,000 500 KW but less than 5,000 KW. All use is subject to the established rules and regulations of the Cooperative that have been or may be adopted by its Board of Directors.

CONDITION OF SERVICE

An "INDUSTRIAL POWER AGREEMENT" shall be executed by the member for service under this schedule.

TYPE OF SERVICE

Three-phase, 60 hertz, alternating current as specified in the "INDUSTRIAL POWER AGREEMENT".

RATE PER MONTH

Customer Charge	\$583.30	I
Demand Charge per KW of Contract Demand	7.45	I
Demand Charge per KW for Billing Demand In Excess of Contract Demand	10.82	I
Energy Charge per KWH	.04620	I

BILLING DEMAND

The 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 herein:

<u>Months</u>	<u>Hours Applicable For Demand Billing - EST</u>
October through April	7:00 a.m. to 12:00 Noon 5:00 p.m. to 10:00 p.m.
May through September	10:00a.m. to 10:00 p.m.

DATE OF ISSUE: April 1, 2021
Month / Date / Year

DATE EFFECTIVE: Service Rendered on and after May 1, 2021
Month / Date / Year

ISSUED BY: Bradley Cherry
(Signature of Officer)

TITLE: President and Chief Executive Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO.: 2021-00110 DATED: _____

GRAYSON RURAL ELECTRIC
COOPERATIVE CORPORATION

FOR: ENTIRE AREA SERVED
PSC NO.: 6
9th REVISED SHEET NO.: 14.20
CANCELING PSC NO.: 5
8th REVISED SHEET NO.: 14.20

SCHEDULE 14 (b)

CLASSIFICATION OF SERVICE

LARGE INDUSTRIAL SERVICE – MLF 5,000 TO 9,999 KVA

RATE PER UNIT

AVAILABILITY

Available to all members of the Cooperative whose monthly contract demand is equal to or greater than 5,000 KW but less than 10,000 KW. All use is subject to the established rules and regulations of the Cooperative that have been or may be adopted by its Board of Directors.

CONDITION OF SERVICE

An "INDUSTRIAL POWER AGREEMENT" shall be executed by the member for service under this schedule.

TYPE OF SERVICE

Tree-phase, 60 hertz, alternating current as specified in the "INDUSTRIAL POWER AGREEMENT".

RATE PER MONTH

Customer Charge	\$1,170.86	I
Demand Charge per KW of Contract Demand	7.45	I
Demand Charge per KW for Billing Demand In Excess of Contract Demand	10.82	I
Energy Charge per KWH	.04378	I

BILLING DEMAND

The 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 herein:

<u>Months</u>	<u>Hours Applicable For Demand Billing - EST</u>
October through April	7:00 a.m. to 12:00 Noon 5:00 p.m. to 10:00 p.m.
May through September	10:00 a.m. to 10:00 p.m.

DATE OF ISSUE: April 1, 2021
Month / Date / Year

DATE EFFECTIVE: Service Rendered on and after May 1, 2021
Month / Date / Year

ISSUED BY: Bradley Cherry
(Signature of Officer)

TITLE: President and Chief Executive Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO.: 2021-00110 DATED: _____

GRAYSON RURAL ELECTRIC
COOPERATIVE CORPORATION

FOR: ENTIRE AREA SERVED
PSC NO.: 6
9th REVISED SHEET NO.: 14.40
CANCELING PSC NO.: 5
8th REVISED SHEET NO.: 14.40

SCHEDULE 14 (c)

CLASSIFICATION OF SERVICE

LARGE INDUSTRIAL SERVICE – MLF

10,000 KVA AND OVER

RATE PER UNIT

AVAILABILITY

Available to all members of the Cooperative whose monthly contract demand is equal to or greater than 10,000 KW. All use is subject to the established rules and regulations of the Cooperative that have been or may be adopted by its Board of Directors.

CONDITION OF SERVICE

An "INDUSTRIAL POWER AGREEMENT" shall be executed by the member for service under this schedule.

TYPE OF SERVICE

Three-phase, 60 hertz, alternating current as specified in the "INDUSTRIAL POWER AGREEMENT".

RATE PER MONTH

Customer Charge	\$1,170.86	I
Demand Charge per KW of Contract Demand	7.45	I
Demand Charge per KW for Billing Demand In Excess of Contract Demand	10.82	I
Energy Charge per KWH	.04276	I

BILLING DEMAND

The 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 herein:

<u>Months</u>	<u>Hours Applicable For Demand Billing - EST</u>
October through April	7:00 a.m. to 12:00 Noon 5:00 p.m. to 10:00 p.m.
May through September	10:00 a.m. to 10:00 p.m.

DATE OF ISSUE: April 1, 2021
Month / Date / Year

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(Signature of Officer)

TITLE: President and Chief Executive Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO.: 2021-00110 DATED: _____

SCHEDULE 15

CLASSIFICATION OF SERVICE

RESIDENTIAL DEMAND & ENERGY RATE

RATE PER UNIT

Availability

Available to members of the Cooperative for all residential farm and home uses subject to established rules and regulations. Approval of the Cooperative must be obtained prior to the installation of any motor having a rated capacity of five horsepower or more.

TYPE OF SERVICE

Single-phase and/or three-phase, 60 cycle, alternating current at the Cooperative's standard secondary voltages.

RATE

Customer Charge
Energy Charge per kWh
Demand Charge per kW

\$20.61 (I)
.06577 (I)
4.75 (I)

MINIMUM MONTHLY CHARGE

The minimum monthly charge shall be the minimum charge specified in the contract, or the minimum monthly customer charge, or \$0.75 per KVA or installed capacity, whichever is greater.

FUEL ADJUSTMENT CHARGE

All rates are applicable to the Fuel Adjustment Clause and 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.

DATE OF ISSUE: April 1, 2021
Month / Date / Year

DATE EFFECTIVE: Service Rendered on and after May 1, 2021
Month / Date / Year

ISSUED BY: Bradley Cherry
(Signature of Officer)

TITLE: President and Chief Executive Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO.: 2021-00110 DATED: _____

GRAYSON RURAL ELECTRIC
COOPERATIVE CORPORATION

FOR: ENTIRE AREA SERVED
PSC NO.: 3
6th REVISED SHEET NO.: 16.10
CANCELING PSC NO.: 2
5th REVISED SHEET NO.: 16.10

SCHEDULE 16

CLASSIFICATION OF SERVICE

SMALL COMMERCIAL DEMAND & ENERGY RATE

RATE PER UNIT

AVAILABILITY

Available to members of the Cooperative for Small Commercial uses less than 50 KVA, subject to established rules and regulations. Approval of the Cooperative must be obtained prior to the installation of any motor having a rated capacity of five horsepower or more.

TYPE OF SERVICE

Single-phase and/or three-phase, 60 cycle, alternating current at the Cooperative's standard secondary voltages.

RATE

Customer Charge	\$ 30.91	I
Energy Charge per kWh	\$.06421	I
Demand Charge per kW	\$ 6.80	I

MINIMUM MONTHLY CHARGE

The minimum monthly charge shall be the minimum charge specified in the contract, or the minimum monthly customer charge, or \$0.75 per KVA or installed capacity, whichever is greater.

FUEL ADJUSTMENT CHARGE

All rates are applicable to the Fuel Adjustment Clause and 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.

DATE OF ISSUE: April 1, 2021
Month / Date / Year

DATE EFFECTIVE: Service Rendered on and after May 1, 2021
Month / Date / Year

ISSUED BY: Bradley Cherry
(Signature of Officer)

TITLE: President and Chief Executive Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO.: 2021-00110 DATED: _____

GRAYSON RURAL ELECTRIC
COOPERATIVE CORPORATION

FOR: ENTIRE AREA SERVED
PSC NO.: 4
8th REVISED SHEET NO.: 17.10
CANCELING PSC NO.: 3
7th REVISED SHEET NO.: 17.10

SCHEDULE 17

CLASSIFICATION OF SERVICE

WATER PUMPING SERVICE

RATE PER UNIT

Availability

Available for water pumping service in areas served by the Cooperative.

Conditions

Consumer shall have the option of service under this schedule or any other applicable rate schedule. Consumer, having selected one schedule, will continue to be billed under such schedule for not less than twelve (12) consecutive months, unless there should be a material and permanent change in Consumer's use of service.

Rate

Customer Charge Per Month – Includes No kWh Usage

\$46.37 I

On Peak Energy – per kWh per Month

.14242 I

Off Peak Energy – per kWh per Month

.07042 I

On - Peak Hours and Off-Peak Hours

On Peak Hours

May through September

10:00 a.m. to 10:00 p.m. EST

October through April

7:00 a.m. to 12:00 noon EST

5:00 p.m. to 10:00 p.m. EST

Off Peak Hours

May through September

10:00 p.m. to 10:00 a.m. EST

October through April

12:00 noon to 5:00 p.m. EST

10:00 p.m. to 7:00 a.m. EST

Minimum Monthly Charge

The minimum monthly charge shall be the minimum charge specified in the contract, or the minimum monthly customer charge, or \$.75 per **KVA** of installed transformer capacity, whichever may be greater.

Fuel Cost Adjustment Charge

All rates are applicable to the Fuel Adjustment Clause and 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.

DATE OF ISSUE: April 1, 2021
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DATE EFFECTIVE: Service Rendered on and after May 1, 2021
Month / Date / Year

ISSUED BY: Bradley Cherry
(Signature of Officer)

TITLE: President and Chief Executive Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO.: 2021-00110 DATED: _____

GRAYSON RURAL ELECTRIC
COOPERATIVE CORPORATION

FOR: ENTIRE AREA SERVED
PSC NO.: 4
7th REVISED SHEET NO.: 18.10
CANCELING PSC NO.: 3
6th REVISED SHEET NO.: 18.10

SCHEDULE 18

CLASSIFICATION OF SERVICE

GENERAL SERVICE RATE

RATE PER UNIT

AVAILABILITY

Available for camps, barns, garages, outbuildings, domestic pumping stations, and unoccupied dwellings in areas served by the Cooperative, that are not eligible to be classified as permanent residential and small commercial uses subject to established rules and regulations. Approval of the Cooperative must be obtained prior to the installation of any motor having a rated capacity of five horsepower or more.

TYPE OF SERVICE

Single-phase and/or three-phase, 60 cycle, alternating current at the Cooperative's standard secondary voltages.

RATE

Customer Charge
Energy Charge

per kWh

\$28.33 I
.14358 I

MINIMUM MONTHLY CHARGE

The minimum monthly charge shall be the minimum charge specified in the contract, or the minimum monthly customer charge, or \$0.75 per KVA of installed capacity, whichever is greater.

FUEL ADJUSTMENT CHARGE

All rates are applicable to the Fuel Adjustment Clause and 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.

DATE OF ISSUE: April 1, 2021
Month / Date / Year

DATE EFFECTIVE: Service Rendered on and after May 1, 2021
Month / Date / Year

ISSUED BY: Bradley Cherry
(Signature of Officer)

TITLE: President and Chief Executive Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO.: 2021-00110 DATED: _____

GRAYSON RURAL ELECTRIC
COOPERATIVE CORPORATION

FOR: ENTIRE AREA SERVED
PSC NO.: 2
5th REVISED SHEET NO.: 19.10
CANCELING PSC NO.: 1
4th REVISED SHEET NO.: 19.10

SCHEDULE 19

CLASSIFICATION OF SERVICE

TEMPORARY SERVICE RATE

RATE PER UNIT

AVAILABILITY-DOMESTIC

Available to members of the Cooperative for all temporary service purposes subject to its established rules and regulations. Approval of the Cooperative must be obtained prior to the installation of any motor having a rated capacity of five horsepower or more.

TYPE OF SERVICE

Single-phase and/or three-phase, 60 cycle, alternating current at the Cooperative's standard secondary voltages.

RATE PER MONTH

Customer Charge
Energy Charge Per KWH

\$56.67 I
.10513 I

FUEL ADJUSTMENT CLAUSE

All rates are applicable to the Fuel Adjustment Clause and 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. The Fuel clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

MINIMUM CHARGE

The minimum monthly charge under the above rate shall be equal to the customer charge where 25 KVA or less of transformer capacity is required. For members requiring more than 25 KVA of transformer capacity, the minimum monthly charge shall be increased at a rate of \$.75 for each additional KVA or fraction thereof required. Where it is necessary to extend or reinforce existing distribution facilities, the minimum monthly charge may be increased to assure adequate compensation for the added facilities. Where the minimum charge is increased in accordance with this section, additional energy and demand shall be included in accordance with the foregoing rate schedule.

DATE OF ISSUE: April 1, 2021
Month / Date / Year

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Month / Date / Year

ISSUED BY: Bradley Cherry
(Signature of Officer)

TITLE: President and Chief Executive Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO.: 2021-00110 DATED: _____

GRAYSON RURAL ELECTRIC
COOPERATIVE CORPORATION

FOR: ENTIRE AREA SERVED
PSC NO.: 3
6th REVISED SHEET NO.: 20.10
CANCELING PSC NO.: 2
5th REVISED SHEET NO.: 20.10

SCHEDULE 20

CLASSIFICATION OF SERVICE

RESIDENTIAL INCLINING BLOCK RATE

RATE PER UNIT

AVAILABILITY

Available to members of the Cooperative for all residential farm and home uses subject to established rules and regulations. Approval of the Cooperative must be obtained prior to the installation of any motor having a rated capacity of five horsepower or more.

TYPE OF SERVICE

Single-phase and/or three-phase, 60 cycle, alternating current at the Cooperative's standard secondary voltages.

RATE

Customer Charge		\$21.89	I
First 300 kWh	per kWh	.08073	I
Next 200 kWh	per kWh	.10133	I
All Over 500 kWh	per kWh	.19816	I

MINIMUM MONTHLY CHARGE

The minimum monthly charge shall be the minimum charge specified in the contract, or the minimum monthly customer charge, or \$0.75 per KVA or installed capacity, whichever is greater.

FUEL ADJUSTMENT CHARGE

All rates are applicable to the Fuel Adjustment Clause and 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.

DATE OF ISSUE: April 1, 2021
Month / Date / Year

DATE EFFECTIVE: Service Rendered on and after May 1, 2021
Month / Date / Year

ISSUED BY: Bradley Cherry
(Signature of Officer)

TITLE: President and Chief Executive Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO.: 2021-00110 DATED: _____

Case No. 2021-00110
Application – Exhibit 2

Existing & Proposed
Rate Comparison

GRAYSON RECC
Notice Table

Present & Proposed Rates	Item	Present	Proposed
1	<u>Residential</u>		
	Customer Charge	\$ 21.25	\$ 21.89
	Energy Charge per kWh	\$ 0.10640	\$ 0.10963
2	<u>Commercial & Small Power</u>		
	Customer Charge	\$ 30.00	\$ 30.91
	Energy Charge per kWh	\$ 0.10640	\$ 0.10963
4	<u>Large Power</u>		
	Customer Charge	\$ 67.50	\$ 69.55
	Demand Charge per kW	\$ 8.54	\$ 8.80
	Energy Charge per kWh	\$ 0.05855	\$ 0.06033
7	<u>All Electric Schools</u>		
	Customer Charge	\$ 37.50	\$ 38.64
	Demand Charge per kW	\$ 6.60	\$ 6.80
	Energy Charge per kWh	\$ 0.07381	\$ 0.07605
10	<u>Schedule 10 - Residential TOD</u>		
	Customer Charge	\$ 21.25	\$ 21.89
	Energy Charge On Peak per kWh	\$ 0.20036	\$ 0.20644
	Energy Charge Off Peak per kWh	\$ 0.06335	\$ 0.06527
16	<u>Schedule 16 - Small Commercial Demand & Energy Rate</u>		
	Customer Charge	\$ 30.00	\$ 30.91
	Energy Charge per kWh	\$ 0.06232	\$ 0.06421
	Demand Charge per kW	\$ 6.60	\$ 6.80
17	<u>Schedule 17 - Water Pumping Service</u>		
	Customer Charge	\$ 45.00	\$ 46.37
	Energy Charge On Peak per kWh	\$ 0.13822	\$ 0.14242
	Energy Charge Off Peak per kWh	\$ 0.06835	\$ 0.07042
18	<u>Schedule 18 - General Service Rate</u>		
	Customer Charge	\$ 27.50	\$ 28.33
	Energy Charge per kWh	\$ 0.13935	\$ 0.14358
19	<u>Schedule 19 - Temporary Service Rate</u>		
	Customer Charge	\$ 55.00	\$ 56.67
	Energy Charge per kWh	\$ 0.10203	\$ 0.10513
20	<u>Schedule 20 - Inclining Block Rate</u>		
	Customer Charge	21.25	21.89
	Energy Charge Per KWH - First 300	\$ 0.07835	\$ 0.08073
	Energy Charge Per KWH - Next 200	\$ 0.09835	\$ 0.10133
	Energy Charge Per KWH - All Over 500	\$ 0.19232	\$ 0.19816
21	<u>Schedule 21 - Prepay Metering Program (Residential)</u>		
	Customer Charge	\$ 21.25	\$ 21.89
	Energy Charge Per KWH	\$ 0.10640	\$ 0.10963
32	<u>Schedule 21 - Prepay Metering Program (General Service)</u>		
	Customer Charge	\$ 27.50	\$ 28.33
	Energy Charge per kWh	\$ 0.13935	\$ 0.14358
22	<u>Schedule NM - Residential Net Metering</u>		
	Customer Charge	\$ 21.25	\$ 21.89
	Energy Charge per kWh	\$ 0.10640	\$ 0.10963
28	<u>Schedule NM - General Service Net Metering</u>		
	Customer Charge	\$ 27.50	\$ 28.33
	Energy Charge per kWh	\$ 0.13935	\$ 0.14358
11	<u>Schedule 11 - Small Commercial TOD</u>		
	Customer Charge	\$ 27.50	\$ 28.33
	Energy Charge per kWh	\$ 0.19583	\$ 0.20177
	Energy Charge per kWh	\$ 0.05808	\$ 0.05984
30	<u>Industrial 14(a) - Large Industrial Service MLF</u>		
	Customer Charge	\$ 566.12	\$ 583.30
	Energy Charge per kWh	\$ 0.04484	\$ 0.04620
	Demand Charge Contract per kW	\$ 7.23	\$ 7.45
	Demand Charge Excess per kW	\$ 10.50	\$ 10.82
6	<u>Lighting</u>		
	7000 Lumens	\$ 12.38	\$ 12.76
	10000 Lumens	\$ 14.88	\$ 15.33
	Flood Lighting	\$ 21.33	\$ 21.98
	3600 LED Yard Light	\$ 12.38	\$ 12.76
	19176 LED Flood Light	\$ 25.88	\$ 26.67
	7000 Lumens SL	\$ 12.38	\$ 12.76

GRAYSON RECC
Notice Table

Present & Proposed Rates		Item	Present	Proposed
15	Residential Demand & Energy Rate	Customer Charge	\$ 20.00	\$ 20.61
		Energy Charge per kWh	\$ 0.06383	\$ 0.06577
		Demand Charge per kW	\$ 4.61	\$ 4.75
12(a)	Large Industrial LLF	Customer Charge	\$ 566.12	\$ 583.30
		Demand Charge per kW	\$ 10.50	\$ 10.82
		Energy Charge per kWh	\$ 0.04485	\$ 0.04621
12(b)	Large Industrial LLF	Customer Charge	\$ 1,131.19	\$ 1,165.52
		Demand Charge per kW	\$ 10.50	\$ 10.82
		Energy Charge per kWh	\$ 0.04249	\$ 0.04378
12(c)	Large Industrial LLF	Customer Charge	\$ 1,131.19	\$ 1,165.52
		Demand Charge per kW	\$ 10.50	\$ 10.82
		Energy Charge per kWh	\$ 0.04150	\$ 0.04276
13(a)	Large Industrial HLF	Customer Charge	\$ 566.12	\$ 583.30
		Demand Charge per kW	\$ 7.23	\$ 7.45
		Energy Charge per kWh	\$ 0.04485	\$ 0.04621
13(b)	Large Industrial HLF	Customer Charge	\$ 1,131.19	\$ 1,165.52
		Demand Charge per kW	\$ 10.50	\$ 10.82
		Energy Charge per kWh	\$ 0.04249	\$ 0.04378
13(c)	Large Industrial HLF	Customer Charge	\$ 1,131.19	\$ 1,165.52
		Demand Charge per kW	\$ 10.50	\$ 10.82
		Energy Charge per kWh	\$ 0.04150	\$ 0.04276
14(b)	Large Industrial MLF	Customer Charge	\$ 1,136.37	\$ 1,170.86
		Demand Charge Contract per kW	\$ 7.23	\$ 7.45
		Demand Charge Demand per kW	\$ 10.50	\$ 10.82
		Energy Charge per kWh	\$ 0.04249	\$ 0.04378
14(c)	Large Industrial MLF	Customer Charge	\$ 1,136.37	\$ 1,170.86
		Demand Charge Contract per kW	\$ 7.23	\$ 7.45
		Demand Charge Demand per kW	\$ 10.50	\$ 10.82
		Energy Charge per kWh	\$ 0.04150	\$ 0.04276

Case No. 2021-00110
Application – Exhibit 3

Billing Analysis for
Each Rate Class

GRAYSON RECC
Billing Analysis for Pass-Through Rate Increase

Total Revenue Increase Allocated by East Kentucky Power Cooperative: \$891,373

#	Item	Code	Present Revenue	Present Share	Allocation Revenue	Allocation Share	Allocated Increase	Proposed Revenue	Proposed Share	Base Rate Increase	Base %	Total %	Rounding
1	<u>Base Rates</u>												
2	Residential	1	\$ 18,680,079	63.60%	\$ 18,680,079	63.60%	\$ 566,944	\$ 19,246,493	63.60%	\$ 566,413	3.03%	2.86%	\$ (531)
3	ETS	3,9,12	\$ -	0.00%	\$ -	0.00%	\$ -	\$ -	0.00%	\$ -	0.00%	0.00%	\$ -
4	Commercial & Small Power	2	\$ 2,151,018	7.32%	\$ 2,151,018	7.32%	\$ 65,284	\$ 2,216,307	7.32%	\$ 65,289	3.04%	2.87%	\$ 5
5	Large Power	4	\$ 1,691,756	5.76%	\$ 1,691,756	5.76%	\$ 51,345	\$ 1,743,211	5.76%	\$ 51,455	3.04%	2.91%	\$ 110
6	All Electric Schools	7	\$ 494,113	1.68%	\$ 494,113	1.68%	\$ 14,996	\$ 509,104	1.68%	\$ 14,990	3.03%	2.90%	\$ (6)
7	Schedule 10 - Residential TOD	10	\$ 5,813	0.02%	\$ 5,813	0.02%	\$ 176	\$ 5,989	0.02%	\$ 176	3.03%	2.88%	\$ (0)
8	Schedule 14 - Large Industrial Service w/Pri Disc	14	\$ 554,876	1.89%	\$ 554,876	1.89%	\$ 16,841	\$ 572,136	1.89%	\$ 17,260	3.11%	3.11%	\$ 420
9	Schedule 16 - Small Commercial Demand & Energy Rate	16	\$ 21,459	0.07%	\$ 21,459	0.07%	\$ 651	\$ 22,110	0.07%	\$ 651	3.03%	2.93%	\$ (0)
10	Schedule 17 - Water Pumping Service	17	\$ 1,423	0.00%	\$ 1,423	0.00%	\$ 43	\$ 1,466	0.00%	\$ 43	3.04%	2.79%	\$ 0
11	Schedule 18 - General Service Rate	18	\$ 1,576,581	5.37%	\$ 1,576,581	5.37%	\$ 47,850	\$ 1,624,313	5.37%	\$ 47,732	3.03%	2.83%	\$ (117)
12	Schedule 19 - Temporary Service Rate	19	\$ 70,458	0.24%	\$ 70,458	0.24%	\$ 2,138	\$ 72,599	0.24%	\$ 2,140	3.04%	2.83%	\$ 2
13	Schedule 20 - Inclining Block Rate	20	\$ 26,267	0.09%	\$ 26,267	0.09%	\$ 797	\$ 27,062	0.09%	\$ 795	3.03%	2.89%	\$ (2)
14	Schedule 21 - Prepay Metering Program (Residential)	21	\$ 1,607,290	5.47%	\$ 1,607,290	5.47%	\$ 48,782	\$ 1,656,030	5.47%	\$ 48,740	3.03%	2.73%	\$ (42)
15	Schedule 21 - Prepay Metering Program (General Service)	32	\$ 23,004	0.08%	\$ 23,004	0.08%	\$ 698	\$ 23,701	0.08%	\$ 697	3.03%	2.62%	\$ (1)
16	Schedule NM - Residential Net Metering	22	\$ 5,774	0.02%	\$ 5,774	0.02%	\$ 175	\$ 5,949	0.02%	\$ 175	3.03%	2.89%	\$ (0)
17	Schedule NM - General Service Net Metering	28	\$ 1,922	0.01%	\$ 1,922	0.01%	\$ 58	\$ 1,980	0.01%	\$ 58	3.03%	3.14%	\$ (0)
18	Schedule 11 - Small Commercial TOD	11	\$ 5,731	0.02%	\$ 5,731	0.02%	\$ 174	\$ 5,904	0.02%	\$ 173	3.02%	2.76%	\$ (1)
19	Industrial 14(a) - Large Industrial Service MLF	30	\$ 1,769,715	6.03%	\$ 1,769,715	6.03%	\$ 53,711	\$ 1,823,432	6.03%	\$ 53,717	3.04%	3.07%	\$ 6
20	Lighting	6	\$ 682,305	2.32%	\$ 682,305	2.32%	\$ 20,708	\$ 703,233	2.32%	\$ 20,928	3.07%	3.06%	\$ 220
21	SubTotal Base Rates		\$ 29,369,586	100.00%	\$ 29,369,586	100.00%	\$ 891,373	\$ 30,261,020	100.00%	\$ 891,435	3.04%		\$ 62
22													
23	TOTAL Base Rates		\$ 29,369,586	100.00%	\$ 29,369,586	100.00%	\$ 891,373	\$ 30,261,020	100.00%	\$ 891,435	3.04%		\$ 62
24													
25	<u>Riders</u>												
26	FAC		\$ (710,828)				\$ (710,828)						
27	ES		\$ 2,252,777				\$ 2,252,777						
28	Misc Adj		\$ 103,523				\$ 103,523						
29	Green Power		\$ 1,426				\$ 1,426						
30	Total Riders		\$ 1,646,898				\$ 1,646,898						
31													
32	Total Revenue		\$ 31,016,483				\$ 31,907,918			\$ 891,435		2.87%	
33	Target Revenue									\$ 891,373			
34	Rate Rounding Variance									\$ 62			
35	Rate Rounding Variance										0.01%		

GRAYSON RECC
Billing Analysis for Pass-Through Rate Increase

#	Classification	Code	Billing Component	Billing Units	Present Rate	Present Revenue	Target Share	Target Revenue	Proposed Rate	Proposed Revenue	Increase \$	%	Proposed Share	Share Variance	Rate Variance	
1	Residential	1														
2			Customer Charge	129,775	21.25	\$ 2,757,719	14.76%		21.89	\$ 2,840,775	\$ 83,056	3.01%	14.76%	0.00%		
3			Energy Charge per kWh	149,646,246	0.10640	\$ 15,922,361	85.24%		0.10963	\$ 16,405,718	\$ 483,357	3.04%	85.24%	0.00%		
4			Total Base Rates			\$ 18,680,079	100.00%	\$ 19,247,024		\$ 19,246,493	\$ 566,413	3.03%	100.00%	0.00%	\$ (530.90)	
5			FAC			\$ (470,431)				\$ (470,431)	\$ -	-				
6			ES			\$ 1,566,512				\$ 1,566,512	\$ -	-				
7			Misc Adj			\$ -				\$ -	\$ -	-				
8			Green Power			\$ 1,336				\$ 1,336	\$ -	-				
9			Total Riders			\$ 1,097,417				\$ 1,097,417	\$ -	-				
10			TOTAL REVENUE			\$ 19,777,496				\$ 20,343,910	\$ 566,413	2.86%				
11			Average	1,153.12		\$ 152.40				\$ 156.76	\$ 4.36	2.86%				
12																
13	ETS	3,9,12														
14			Customer Charge - Res	225	-	\$ -	0.00%		-	\$ -	\$ -	0.00%	0.00%	0.00%		
15	Note: Tariff		Customer Charge - Small Comm	6	-	\$ -	0.00%		-	\$ -	\$ -	0.00%	0.00%	0.00%		
16	Cancelled 3/28/2019		Customer Charge - General Serv	9	-	\$ -	0.00%		-	\$ -	\$ -	0.00%	0.00%	0.00%		
17			Energy Charge Off Peak per kWh	447,501	-	\$ -	0.00%		0.000000	\$ -	\$ -	0.00%	0.00%	0.00%		
18			Total Base Rates			\$ -	0.00%	\$ -		\$ -	\$ -	0.00%	0.00%	0.00%	\$ -	
19			FAC			\$ -				\$ -	\$ -	-				
20			ES			\$ -				\$ -	\$ -	-				
21			Misc Adj			\$ -				\$ -	\$ -	-				
22			Green Power			\$ -				\$ -	\$ -	-				
23			Total Riders			\$ -				\$ -	\$ -	-				
24			TOTAL REVENUE			\$ -				\$ -	\$ -	0.00%				
25			Average	1,988.89		\$ -				\$ -	\$ -	0.00%				
26	Commercial & Small Power	2														
27			Customer Charge	13,300	30.00	\$ 399,000	18.55%		30.91	\$ 411,103	\$ 12,103	3.03%	18.55%	0.00%		
28			Energy Charge per kWh	16,466,332	0.106400	\$ 1,752,018	81.45%		0.109630	\$ 1,805,204	\$ 53,186	3.04%	81.45%	0.00%		
29			Total Base Rates			\$ 2,151,018	100.00%	\$ 2,216,302		\$ 2,216,307	\$ 65,289	3.04%	100.00%	0.00%	\$ 5.42	
30			FAC			\$ (57,021)				\$ (57,021)	\$ -	-				
31			ES			\$ 180,295				\$ 180,295	\$ -	-				
32			Misc Adj			\$ -				\$ -	\$ -	-				
33			Green Power			\$ 25				\$ 25	\$ -	-				
34			Total Riders			\$ 123,299				\$ 123,299	\$ -	-				
35			TOTAL REVENUE			\$ 2,274,317				\$ 2,339,606	\$ 65,289	2.87%				
36			Average	1,238.07		\$ 171.00				\$ 175.91	\$ 4.91	2.87%				

GRAYSON RECC
Billing Analysis for Pass-Through Rate Increase

#	Classification	Code	Billing Component	Billing Units	Present Rate	Present Revenue	Target Share	Target Revenue	Proposed Rate	Proposed Revenue	Increase \$	%	Proposed Share	Share Variance	Rate Variance	
37	Large Power	4														
38			Customer Charge	749	67.50	\$ 50,558	2.99%		69.55	\$ 52,093	\$ 1,535	2.99%	2.99%	0.00%		
39			Demand Charge per kW	66,486	8.54	\$ 567,791	33.56%		8.80	\$ 585,078	\$ 17,286	33.56%	33.56%	0.00%		
40			Energy Charge per kWh	18,333,174	0.05855	\$ 1,073,407	63.45%		0.06033	\$ 1,106,040	\$ 32,633	63.42%	63.45%	0.00%		
41			Total Base Rates			\$ 1,691,756	100.00%	\$ 1,743,101		\$ 1,743,211	\$ 51,455	99.97%	100.00%	0.00%	\$ 109.74	
42			FAC			\$ (65,619)				\$ (65,619)	\$ -	-				
43			ES			\$ 142,355				\$ 142,355	\$ -	-				
44			Misc Adj			\$ -				\$ -	\$ -	-				
45			Other			\$ -				\$ -	\$ -	-				
46			Total Riders			\$ 76,736				\$ 76,736	\$ -	-				
47			TOTAL REVENUE			\$ 1,768,492				\$ 1,819,947	\$ 51,455	2.91%				
48			Average	24,476.87		\$ 2,361.14				\$ 2,429.84	\$ 68.70	2.91%				
49																
50	All Electric Schools	7														
51			Customer Charge	108	37.50	\$ 4,050	0.82%		38.64	\$ 4,173	\$ 123	3.04%	0.82%	0.00%		
52			Demand Charge per kW	17,337	6.60	\$ 114,423	23.16%		6.80	\$ 117,891	\$ 3,467	3.03%	23.16%	0.00%		
53			Energy Charge per kWh	5,089,282	0.07381	\$ 375,640	76.02%		0.07605	\$ 387,040	\$ 11,400	3.03%	76.02%	0.00%		
54			Total Base Rates			\$ 494,113	100.00%	\$ 509,110		\$ 509,104	\$ 14,990	3.03%	100.00%	0.00%	\$ (5.95)	
55			FAC			\$ (17,645)				\$ (17,645)	\$ -	-				
56			ES			\$ 40,597				\$ 40,597	\$ -	-				
57			Misc Adj			\$ -				\$ -	\$ -	-				
58			Other			\$ -				\$ -	\$ -	-				
59			Total Riders			\$ 22,952				\$ 22,952	\$ -	-				
60			TOTAL REVENUE			\$ 517,065				\$ 532,056	\$ 14,990	2.90%				
61			Average	47,122.98		\$ 4,787.64				\$ 4,926.44	\$ 138.80	2.90%				
62																
63	Schedule 10 - Residential TOD	10														
64			Customer Charge	24	21.25	\$ 510	8.77%		21.89	\$ 525	\$ 15	3.01%	8.77%	0.00%		
65			Energy Charge On Peak per kWh	14,678	0.20036	\$ 2,941	50.59%		0.20644	\$ 3,030	\$ 89	3.03%	50.59%	0.00%		
66			Energy Charge Off Peak per kWh	37,291	0.06335	\$ 2,362	40.64%		0.06527	\$ 2,434	\$ 72	3.03%	40.64%	0.00%		
67			Total Base Rates			\$ 5,813	100.00%	\$ 5,990		\$ 5,989	\$ 176	3.03%	100.00%	0.00%	\$ (0.23)	
68			FAC			\$ (171)				\$ (171)	\$ -	-				
69			ES			\$ 475				\$ 475	\$ -	-				
70			Misc Adj			\$ -				\$ -	\$ -	-				
71			Other			\$ -				\$ -	\$ -	-				
72			Total Riders			\$ 304				\$ 304	\$ -	-				
73			TOTAL REVENUE			\$ 6,117				\$ 6,293	\$ 176	2.88%				
74			Average	2,165.38		\$ 254.87				\$ 262.22	\$ 7.34	2.88%				
75																
76	Schedule 14 - Large Industrial Service w/Pri Disc	14														
77			Customer Charge	72	67.50	\$ 4,860	0.88%		69.55	\$ 5,008	\$ 148	3.04%	0.88%	0.00%		
78			Demand Charge Contract per kW	22,711	8.39	\$ 190,544	34.34%		8.65	\$ 196,449	\$ 5,905	3.10%	34.34%	0.00%		
79			Energy Charge per kWh	6,296,580	0.05709	\$ 359,472	64.78%		0.05887	\$ 370,680	\$ 11,208	3.12%	64.79%	0.00%		
80			Total Base Rates			\$ 554,876	100.00%	\$ 571,716		\$ 572,136	\$ 17,260	3.11%	100.00%	0.00%	\$ 419.74	
81			FAC			\$ (21,818)				\$ (21,818)	\$ -	-				
82			ES			\$ 46,383				\$ 46,383	\$ -	-				
83			Misc Adj			\$ -				\$ -	\$ -	-				
84			Other			\$ -				\$ -	\$ -	-				
85			Total Riders			\$ 24,564				\$ 24,564	\$ -	-				
86			TOTAL REVENUE			\$ 579,440				\$ 596,700	\$ 17,260	2.98%				
87			Average	87452.5		\$ 8,047.77				\$ 8,287.50	\$ 239.73					

GRAYSON RECC
Billing Analysis for Pass-Through Rate Increase

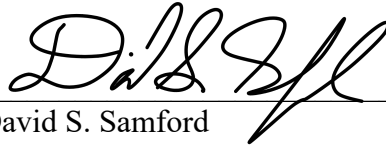
#	Classification	Code	Billing Component	Billing Units	Present Rate	Present Revenue	Target Share	Target Revenue	Proposed Rate	Proposed Revenue	Increase \$	%	Proposed Share	Share Variance	Rate Variance
201	Schedule 11 - Small Commercial	11													
202	TOD		Customer Charge	143	27.50	\$ 3,933	68.62%		28.33	\$ 4,051	\$ 119	3.02%	68.62%	0.00%	
203			Energy Charge per kWh	4,604	0.19583	\$ 902	15.73%		0.201770	\$ 929	\$ 27	3.03%	15.73%	0.00%	
204			Energy Charge per kWh	15,435	0.05808	\$ 896	15.64%		0.059840	\$ 924	\$ 27	3.03%	15.64%	0.00%	
205			Total Base Rates			\$ 5,731	100.00%	\$ 5,904		\$ 5,904	\$ 173	3.02%	100.00%	0.00%	\$ (0.72)
206			FAC			\$ (237)				\$ (237)	\$ -	-			
207			ES			\$ 778				\$ 778	\$ -	-			
208			Misc Adj			\$ -				\$ -	\$ -	-			
209			Other			\$ -				\$ -	\$ -	-			
210			Total Riders			\$ 542				\$ 542	\$ -	-			
211			TOTAL REVENUE			\$ 6,272				\$ 6,445	\$ 173	2.76%			
212			Average	140.13		\$ 43.86				\$ 45.07	\$ 1.21	2.76%			
213															
214	Industrial 14(a) - Large Industrial	30													
215	Service MLF		Customer Charge	24	566.12	\$ 13,587	0.77%		583.30	\$ 13,999	\$ 412	3.03%	0.77%	0.00%	
216			Energy Charge per kWh	29,820,564	0.04484	\$ 1,337,154	75.56%		0.046200	\$ 1,377,710	\$ 40,556	3.03%	75.56%	0.00%	
217			Demand Charge Contract per kW	57,949	7.23	\$ 418,974	23.67%		7.45	\$ 431,723	\$ 12,749	3.04%	23.68%	0.00%	
218			Demand Charge Excess per kW	-	10.50	\$ -	0.00%		10.82	\$ -	\$ -	0.00%	0.00%	0.00%	
219			Total Base Rates			\$ 1,769,715	100.00%	\$ 1,823,426		\$ 1,823,432	\$ 53,717	3.04%	100.00%	0.00%	\$ 5.94
220			FAC			\$ (161,857)				\$ (161,857)	\$ -	-			
221			ES			\$ 144,475				\$ 144,475	\$ -	-			
222			Misc Adj			\$ -				\$ -	\$ -	-			
223			Other			\$ -				\$ -	\$ -	-			
224			Total Riders			\$ (17,382)				\$ (17,382)	\$ -	-			
225			TOTAL REVENUE			\$ 1,752,333				\$ 1,806,050	\$ 53,717	3.07%			
226			Average	1,242,523.50		\$ 73,013.87				\$ 75,252.09	\$ 2,238.21	3.07%			
227															
228	Lighting	6													
229			7000 Lumens	31,338	12.38	\$ 387,964	56.86%		12.76	\$ 399,873	\$ 11,908	3.07%	56.86%	0.00%	
230			10000 Lumens	-	14.88	\$ -	0.00%		15.33	\$ -	\$ -	0.00%	0.00%	0.00%	
231			Flood Lighting	3,261	21.33	\$ 69,557	10.19%		21.98	\$ 71,677	\$ 2,120	3.05%	10.19%	0.00%	
232			3600 LED Yard Light	17,684	12.38	\$ 218,928	32.09%		12.76	\$ 225,648	\$ 6,720	3.07%	32.09%	0.00%	
233			19176 LED Flood Light	-	25.88	\$ -	0.00%		26.67	\$ -	\$ -	0.00%	0.00%	0.00%	
234			7000 Lumens SL	473	12.38	\$ 5,856	0.86%		12.76	\$ 6,035	\$ 180	3.07%	0.86%	0.00%	
235			Total Base Rates			\$ 682,305	100.00%	\$ 703,013		\$ 703,233	\$ 20,928	3.07%	100.00%	0.00%	\$ 219.65
236			FAC			\$ (872)				\$ (872)	\$ -	-			
237			ES			\$ 2,585				\$ 2,585	\$ -	-			
238			Misc Adj			\$ -				\$ -	\$ -	-			
239			Green Power			\$ 33				\$ 33	\$ -	-			
240			Total Riders			\$ 1,713				\$ 1,713	\$ -	-			
241			TOTAL REVENUE			\$ 684,019				\$ 704,946	\$ 20,928	3.06%			
242															
243															
244															
245	TOTALS		Total Base Rates			\$ 27,592,218				\$ 28,429,704	\$ 837,486	3.04%			
246			FAC			\$ (710,828)				\$ (710,828)	\$ -	-			
247			ES			\$ 2,252,777				\$ 2,252,777	\$ -	-			
248			Misc Adj			\$ 103,523				\$ 103,523	\$ -	-			
249			Green Power			\$ 1,426				\$ 1,426	\$ -	-			
250			Total Riders			\$ 1,646,898				\$ 1,646,898	\$ -	-			
251			TOTAL REVENUE			\$ 29,239,116				\$ 30,076,602	\$ 837,486	2.86%			
252															
253			Rate Rounding Variance								\$ (53,887)				

Case No. 2021-00110
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 on this 1st day of April 2021.

A handwritten signature in black ink, appearing to read "D. S. Samford", written over a horizontal line.

David S. Samford

*Counsel for Grayson Rural Electric
Cooperative Corporation*

Case No. 2021-00110
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 Grayson Rural Electric Cooperative Corporation (“Grayson RECC”) of a proposed rate adjustment. Grayson RECC 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. 2021-00110. 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:

Rate	Item	Present	Proposed
1	<u>Residential</u>		
	Customer Charge	\$ 21.25	\$ 21.89
	Energy Charge per kWh	\$ 0.10640	\$ 0.10963
2	<u>Commercial & Small Power</u>		
	Customer Charge	\$ 30.00	\$ 30.91
	Energy Charge per kWh	\$ 0.10640	\$ 0.10963
4	<u>Large Power</u>		
	Customer Charge	\$ 67.50	\$ 69.55
	Demand Charge per kW	\$ 8.54	\$ 8.80
	Energy Charge per kWh	\$ 0.05855	\$ 0.06033
7	<u>All Electric Schools</u>		
	Customer Charge	\$ 37.50	\$ 38.64
	Demand Charge per kW	\$ 6.60	\$ 6.80
	Energy Charge per kWh	\$ 0.07381	\$ 0.07605
10	<u>Schedule 10 - Residential Time of Day</u>		
	Customer Charge	\$ 21.25	\$ 21.89
	Energy Charge On Peak per kWh	\$ 0.20036	\$ 0.20644
	Energy Charge Off Peak per kWh	\$ 0.06335	\$ 0.06527
16	<u>Schedule 16 - Small Commercial Demand & Energy Rate</u>		
	Customer Charge	\$ 30.00	\$ 30.91
	Energy Charge per kWh	\$ 0.06232	\$ 0.06421
	Demand Charge per kW	\$ 6.60	\$ 6.80
17	<u>Schedule 17 - Water Pumping Service</u>		
	Customer Charge	\$ 45.00	\$ 46.37
	Energy Charge On Peak per kWh	\$ 0.13822	\$ 0.14242
	Energy Charge Off Peak per kWh	\$ 0.06835	\$ 0.07042
18	<u>Schedule 18 - General Service Rate</u>		
	Customer Charge	\$ 27.50	\$ 28.33
	Energy Charge per kWh	\$ 0.13935	\$ 0.14358
19	<u>Schedule 19 - Temporary Service Rate</u>		
	Customer Charge	\$ 55.00	\$ 56.67
	Energy Charge per kWh	\$ 0.10203	\$ 0.10513
20	<u>Schedule 20 - Inclining Block Rate</u>		

		Customer Charge	21.25	21.89
		Energy Charge Per KWH - First 300	\$ 0.07835	\$ 0.08073
		Energy Charge Per KWH - Next 200	\$ 0.09835	\$ 0.10133
		Energy Charge Per KWH - All Over 500	\$ 0.19232	\$ 0.19816
21	<u>Schedule 21 - Prepay Metering Program (Residential)</u>			
		Customer Charge	\$ 21.25	\$ 21.89
		Energy Charge Per KWH	\$ 0.10640	\$ 0.10963
32	<u>Schedule 21 - Prepay Metering Program (General Service)</u>			
		Customer Charge	\$ 27.50	\$ 28.33
		Energy Charge per kWh	\$ 0.13935	\$ 0.14358
22	<u>Schedule NM - Residential Net Metering</u>			
		Customer Charge	\$ 21.25	\$ 21.89
		Energy Charge per kWh	\$ 0.10640	\$ 0.10963
28	<u>Schedule NM - General Service Net Metering</u>			
		Customer Charge	\$ 27.50	\$ 28.33
		Energy Charge per kWh	\$ 0.13935	\$ 0.14358
11	<u>Schedule 11 - Small Commercial TOD</u>			
		Customer Charge	\$ 27.50	\$ 28.33
		Energy Charge per kWh	\$ 0.19583	\$ 0.20177
		Energy Charge per kWh	\$ 0.05808	\$ 0.05984
30	<u>Industrial 14(a) - Large Industrial Service MLF</u>			
		Customer Charge	\$ 566.12	\$ 583.30
		Energy Charge per kWh	\$ 0.04484	\$ 0.04620
		Demand Charge Contract per kW	\$ 7.23	\$ 7.45
		Demand Charge Excess per kW	\$ 10.50	\$ 10.82
6	<u>Lighting</u>			
		7000 Lumens	\$ 12.38	\$ 12.76
		10000 Lumens	\$ 14.88	\$ 15.33
		Flood Lighting	\$ 21.33	\$ 21.98
		3600 LED Yard Light	\$ 12.38	\$ 12.76
		19176 LED Flood Light	\$ 25.88	\$ 26.67
		7000 Lumens SL	\$ 12.38	\$ 12.76
15	<u>Residential Demand & Energy Rate</u>			
		Customer Charge	\$ 20.00	\$ 20.61
		Energy Charge per kWh	\$ 0.06383	\$ 0.06577
		Demand Charge per kW	\$ 4.61	\$ 4.75
12(a)	<u>Large Industrial LLF</u>			
		Customer Charge	\$ 566.12	\$ 583.30
		Demand Charge per kW	\$ 10.50	\$ 10.82
		Energy Charge per kWh	\$ 0.04485	\$ 0.04621
12(b)	<u>Large Industrial LLF</u>			
		Customer Charge	\$ 1,131.19	\$ 1,165.52
		Demand Charge per kW	\$ 10.50	\$ 10.82
		Energy Charge per kWh	\$ 0.04249	\$ 0.04378
12(c)	<u>Large Industrial LLF</u>			
		Customer Charge	\$ 1,131.19	\$ 1,165.52

		Demand Charge per kW	\$ 10.50	\$ 10.82
		Energy Charge per kWh	\$ 0.04150	\$ 0.04276
13(a)	Large Industrial HLF			
		Customer Charge	\$ 566.12	\$ 583.30
		Demand Charge per kW	\$ 7.23	\$ 7.45
		Energy Charge per kWh	\$ 0.04485	\$ 0.04621
13(b)	Large Industrial HLF			
		Customer Charge	\$ 1,131.19	\$ 1,165.52
		Demand Charge per kW	\$ 10.50	\$ 10.82
		Energy Charge per kWh	\$ 0.04249	\$ 0.04378
13(c)	Large Industrial HLF			
		Customer Charge	\$ 1,131.19	\$ 1,165.52
		Demand Charge per kW	\$ 10.50	\$ 10.82
		Energy Charge per kWh	\$ 0.04150	\$ 0.04276
14(b)	Large Industrial MLF			
		Customer Charge	\$ 1,136.37	\$ 1,170.86
		Demand Charge Contract per kW	\$ 7.23	\$ 7.45
		Demand Charge Demand per kW	\$ 10.50	\$ 10.82
		Energy Charge per kWh	\$ 0.04249	\$ 0.04378
14(c)	Large Industrial MLF			
		Customer Charge	\$ 1,136.37	\$ 1,170.86
		Demand Charge Contract per kW	\$ 7.23	\$ 7.45
		Demand Charge Demand per kW	\$ 10.50	\$ 10.82
		Energy Charge per kWh	\$ 0.04150	\$ 0.04276

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 Class			Increase	
			Dollars	Percent
1	Residential		\$ 566,413	2.86%
2	Commercial & Small Power		\$ 65,289	2.87%
4	Large Power		\$ 51,455	2.91%
7	All Electric Schools		\$ 14,990	2.90%
10	Schedule 10 - Residential Time of Day		\$ 176	2.88%
14	Schedule 14 - Large Industrial Service w/Pri Disc		\$ 17,260	3.11%
16	Schedule 16 - Small Commercial Demand & Energy Rate		\$ 651	2.93%
17	Schedule 17 - Water Pumping Service		\$ 43	2.79%
18	Schedule 18 - General Service Rate		\$ 47,732	2.83%
19	Schedule 19 - Temporary Service Rate		\$ 2,140	2.83%
20	Schedule 20 - Inclining Block Rate		\$ 795	2.89%
21	Schedule 21 - Prepay Metering Program (Residential)		\$ 48,740	2.73%
32	Schedule 21 - Prepay Metering Program (General Service)		\$ 697	2.62%
22	Schedule NM - Residential Net Metering		\$ 175	2.89%
28	Schedule NM - General Service Net Metering		\$ 58	3.14%

11	Schedule 11 - Small Commercial TOD		\$ 173	2.76%
30	Industrial 14(a) - Large Industrial Service MLF		\$ 53,717	3.07%
6	Lighting		\$ 20,928	3.06%
	Total		\$ 891,435	2.87%

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 Class		Average	Increase	
		Usage (kWh)	Dollars	Percent
1	Residential	1,153	\$ 4.36	2.86%
2	Commercial & Small Power	1,238	\$ 4.91	2.87%
4	Large Power	24,477	\$ 68.70	2.91%
7	All Electric Schools	47,123	\$ 138.80	2.90%
10	Schedule 10 - Residential Time of Day	2,165	\$ 7.34	2.88%
14	Schedule 14 - Large Industrial Service w/Pri Disc	87,453	\$ 239.73	3.11%
16	Schedule 16 - Small Commercial Demand & Energy Rate	4,299	\$ 10.85	2.93%
17	Schedule 17 - Water Pumping Service	777	\$ 3.60	2.79%
18	Schedule 18 - General Service Rate	233	\$ 1.82	2.83%
19	Schedule 19 - Temporary Service Rate	652	\$ 3.69	2.83%
20	Schedule 20 - Inclining Block Rate	440	\$ 1.91	2.89%
21	Schedule 21 - Prepay Metering Program (Residential)	1,251	\$ 4.68	2.73%
32	Schedule 21 - Prepay Metering Program (General Service)	517	\$ 3.02	2.62%
22	Schedule NM - Residential Net Metering	44,085	\$ 3.43	2.89%
28	Schedule NM - General Service Net Metering	11,424	\$ 4.86	3.14%
11	Schedule 11 - Small Commercial TOD	140.13	\$ 1.21	2.76%
30	Industrial 14(a) - Large Industrial Service MLF	1,242,524	\$ 2,238.21	3.07%
6	Lighting	NA	NA	3.06%

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

Grayson Rural Electric Cooperative Corporation
109 Bagby Park
Grayson, Kentucky 41143
(606) 474-5136
<https://graysonrecc.com>

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 Grayson RECC, 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. 2021-00110
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

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**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. 2021-00066.¹

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. 2021-00103,² 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

¹ 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).

² 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, 2020,³ 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. 2020-00095⁴ (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

³ 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).

⁴ *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.⁵

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.⁶ 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,⁷ 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

⁵ 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).

⁶ 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.

⁷ 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.⁸ 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.

⁸ *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 2010-00167,⁹ 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?**

⁹ *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.

