COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE ELECTRONIC APPLICATION OF JACKSON ENERGY COOPERATIVE CORPORATION FOR PASS-THROUGH OF EAST KENTUCKY POWER COOPERATIVE, INC.'S WHOLESALE RATE ADJUSTMENT	)))))	Case No. 2021-00112

JACKSON ENERGY COOPERATIVE
CORPORATION'S APPLICATION

Comes now Jackson Energy Cooperative Corporation ("Jackson Energy"), 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. Jackson Energy is a not-for-profit, member-owned, rural electric distribution cooperative organized under KRS Chapter 279. Jackson Energy is engaged in the business of distributing retail electric power to approximately 51,700 members in the Kentucky counties of Breathitt, Clay, Estill, Garrard, Jackson, Laurel, Lee, Leslie, Lincoln, Madison, Owsley, Powell, Pulaski, Rockcastle and Wolfe.

2. Pursuant to 807 KAR 5:001, Section 14(1) and 807 KAR 5:007, Sections 1(2) and Section 2(2), Jackson Energy's mailing address is 115 Jackson Energy Lane, McKee, Kentucky 40447 and its electronic mail address is psc@jacksonenergy.com.

3. Pursuant to 807 KAR 5:001, Section 14(2), Jackson Energy is a Kentucky corporation that was incorporated on July 26, 1938 and is currently in good standing to conduct business within the Commonwealth of Kentucky.

4. Pursuant to 807 KAR 5:007, Sections 1(3) and Section 2(2), Jackson Energy 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 Jackson Energy.[1] In accordance with KRS 278.455, Jackson Energy seeks to pass-through the increase in EKPC's wholesale rates to Jackson Energy to Jackson Energy'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 Jackson Energy 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 Jackson Energy.

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 Jackson Energy's rate classes. Jackson Energy 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

[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).

Intervention and an electronic copy was also sent to rateintervention@ag.ky.gov is attached as **Exhibit 4**.

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 Jackson Energy'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, Jackson Energy respectfully requests that the Commission accept this Application for filing and allow Jackson Energy to pass-through to its retail members the increase in the wholesale rates granted to EKPC and for the effective date of Jackson Energy'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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Exhibit List

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Case No. 2021-00112
Application – Exhibit 1

Proposed Tariffs

Jackson Energy Cooperative Corporation

Schedule 10 - Residential Service

Availability

Available only to the consumers for residential uses.

Rate

Customer Charge Per Month	$24.83	I
All kWh	$0.09025	I

Minimum Charges

The minimum monthly charge is the customer charge.

Type of Service

Single-phase, 120/240 volt, 150 KVA or below.

Fuel Adjustment Clause

This tariff is subject to the Fuel Adjustment Clause Rider.

Energy Emergency Control Program

This tariff is subject to the Energy Emergency Control Program Rider.

Environmental Surcharge

This tariff is subject to the Environmental Surcharge Rider.

Jackson Energy Cooperative Corporation

Schedule 11 – Residential Service – Off Peak Retail Marketing Rate

Availability

Available to the consumers eligible for the Schedule 10, Residential Service tariff. The electric power and energy furnished under this tariff shall be separately metered for each point of delivery. Other power and energy sold will be billed under Schedule 10, Residential Service. The current use of this marketing rate is for Electric Thermal Storage units.

Rate

All kWh	$0.05856	I

Schedule of Hours

This rate is only applicable for the below listed off-peak hours:

Months	
October through April	12:00 noon to 5:00 p.m. 10:00 p.m. to 7:00 a.m.
May through September	10:00 p.m. to 10:00 p.m.

Type of Service

Single-phase, 120/240 volt.

Fuel Adjustment Clause

This tariff is subject to the Fuel Adjustment Clause Rider.

Energy Emergency Control Program

This tariff is subject to the Energy Emergency Control Program Rider.

Environmental Surcharge

This tariff is subject to the Environmental Surcharge Rider.

Date of Issue: April 1, 2021

Date Effective: Services rendered on or after May 1, 2021

Issued By: Carol Wright
President & CEO

Jackson Energy Cooperative Corporation

Schedule 20 – Commercial Service Less Than 50 kW

Availability

Available to commercial loads whose load requirements monthly average over a 12-month period is less than 50KW. Service under this schedule is not available to seasonal customers unless otherwise provided for.

Rate

Customer Charge Per Month	$40.84	I
All kWh	$0.08683	I

Minimum Charges

The minimum monthly charge is the customer charge.

Fuel Adjustment Clause

This tariff is subject to the Fuel Adjustment Clause Rider.

Energy Emergency Control Program

This tariff is subject to the Energy Emergency Control Program Rider.

Environmental Surcharge

This tariff is subject to the Environmental Surcharge Rider.

Schedule 22 - Commercial Service – Off Peak Retail Marketing Rate

Availability

Available to the consumers eligible for the Schedule 20, Commercial Service Less than 50KW. The electric power and energy furnished under this tariff shall be separately metered for each point of delivery. Other power and energy sold will be billed under Schedule 20, Commercial Service Less than 50KW. The current use of this marketing rate is for Electric Thermal Storage units.

Rate

All kWh	$0.05210	I

Schedule of Hours

This rate is only applicable for the below listed off-peak hours:

Months	
October through April	12:00 noon to 5:00 p.m. 10:00 p.m. to 7:00 a.m.
May through September	10:00 p.m. to 10:00 p.m.

Type of Service

Single-phase, 120/240 volt.

Fuel Adjustment Clause

This tariff is subject to the Fuel Adjustment Clause Rider.

Energy Emergency Control Program

This tariff is subject to the Energy Emergency Control Program Rider.

Environmental Surcharge

This tariff is subject to the Environmental Surcharge Rider.

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President & CEO

Jackson Energy Cooperative Corporation

Schedule 40 – Large Power Loads 50 kW and Over

Availability

Available to large power loads whose load requirements monthly average over a 12-month period is 50kW and over.

Rate

Customer Charge Per Month	$58.93	I
Demand Charge Per Month	$ 6.82 per kW	I
All kWh Per Month	$0.06375	I

Determination Billing Demand

The billing demand shall be the maximum kilowatt load used by the consumer for any period of fifteen consecutive minutes during the month for which the bill is rendered and adjusted for power factor as provided below.

Power Factor

The consumer agrees to maintain unity power factor as nearly as practicable. The Cooperative reserves the right to measure such power factor at the time of the maximum demand to determine if the power factor is less than 90%. Power factor penalty formula will be as follows:

$$\text{Power factor penalty} = \frac{\text{(maximum kW demand x 90\% pf)}}{\text{actual power factor}} - \text{(maximum kW demand)} \times \$/\text{kW}$$

Special Provisions

Primary Service: If service is furnished at available voltage, a discount of 5% shall apply to the demand and energy charges.

Minimum Monthly Charge

The minimum monthly charge is the energy charge.

Fuel Adjustment Clause

This tariff is subject to the Fuel Adjustment Clause Rider.

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President & CEO

Jackson Energy Cooperative Corporation

Schedule 46 – Large Power Rate - 500 kW and Over

Availability

Available to all consumers whose load requirements monthly average over a 12-month period is 500kW and over.

Rate

Customer Charge Per Month	$1,759.56	I
Demand Charge Per Month	$ 7.08 per kW	I
All kWh Per Month	$0.04847	I

Determination 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 peak demand during the current month or preceding eleven months. The peak demand shall be 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.

Power Factor

The consumer agrees to maintain unity power factor as nearly as practicable. The Cooperative reserves the right to measure such power factor at the time of the maximum demand to determine if the power factor is less than 90%. Power factor penalty formula will be as follows:

$$\text{Power factor penalty} = \frac{\text{(maximum kW demand x 90\% pf)}}{\text{actual power factor}} - \text{(maximum kW demand)} \times \$/\text{kW}$$

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Issued By: Carol Wright
President & CEO

Jackson Energy Cooperative Corporation

Schedule 47 – Large Power Rate – 500 kW and Over

Availability

Available to all consumers whose load requirements monthly average over a 12-month period is 500kW and over.

Rate

Customer Charge Per Month	$1,759.56	I
Demand Charge Per kW of Contract Demand	$ 7.08 per kW	I
Demand Charge Per kW for Billing Demand in Excess of Contract Demand	$ 9.83 per kW	I
All kWh Per Month	$00.04954	I

Determination Billing Demand

The monthly billing demand shall be the contract demand plus any excess demand. Excess demand occurs when the ultimate consumer's peak demand during the current month exceeds the contract demand. The peak demand shall be 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.

Power Factor

The consumer agrees to maintain unity power factor as nearly as practicable. The Cooperative reserves the right to measure such power factor at the time of the maximum demand to determine if the power factor is less than 90%. Power factor penalty formula will be as follows:

$$\text{Power factor penalty} = \left(\frac{\text{maximum kW demand x 90\% pf}}{\text{actual power factor}} - \text{(maximum kW demand)}\right) \times \$/\text{kW}$$

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President & CEO

Jackson Energy Cooperative Corporation

Schedule 50 – Schools, Churches, Community Halls, and Community Parks

Availability

Non-commercial and non-industrial loads such as schools, churches, community buildings, parks, and organizations shall be on this rate.

Rate

Customer Charge Per Month	$23.27	I
All kWh	$0.09380	I

Minimum Charges

The minimum monthly charge is the customer charge.

Fuel Adjustment Clause

This tariff is subject to the Fuel Adjustment Clause Rider.

Energy Emergency Control Program

This tariff is subject to the Energy Emergency Control Program Rider.

Environmental Surcharge

This tariff is subject to the Environmental Surcharge Rider.

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President & CEO

Jackson Energy Cooperative Corporation

Schedule 52 - All Electric Schools (A.E.S.)

Availability

Available to all public or non-profit private schools whose total energy requirements, including but not limited to, heating, air-conditioning, lighting, and water heating is supplied by electricity furnished by the Cooperative.

Rate

Customer Charge Per Month	$57.90	I
All kWh	$0.07732	I

Minimum Charges

The minimum monthly charge is the customer charge.

Fuel Adjustment Clause

This tariff is subject to the Fuel Adjustment Clause Rider.

Energy Emergency Control Program

This tariff is subject to the Energy Emergency Control Program Rider.

Environmental Surcharge

This tariff is subject to the Environmental Surcharge Rider.

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Issued By: _____
President & CEO

Schedule OL - Outdoor Lighting Service

Underground Service
If the consumer requests underground service then the consumer shall pay the monthly rate plus any additional charges as determined by the Cooperative. In addition, the consumer shall furnish all ditching, back filling, and repaving/seeding/sodding as necessary to comply with the Cooperative's specifications. Upon termination of this service the Cooperative shall not be required to remove underground wiring or conduits.

Fuel Adjustment Clause
This tariff is subject to the Fuel Adjustment Clause Rider.

Energy Emergency Control Program
This tariff is subject to the Energy Emergency Control Program Rider.

Environmental Surcharge
This tariff is subject to the Environmental Surcharge Rider.

Rate Per Light Per Month

Street Lighting:				
400 Watt Mercury Vapor	Cobra Head Light	CH1	$15.94	I
200 Watt HPS 22,000 Lumens	Cobra Head Light	HP3	$17.37	I
250 Watt HPS 27,500 Lumens	Cobra Head Light	CH2	$13.81	I
400 Watt HPS 50,000 Lumens	Cobra Head Light	CH3	$13.41	I
Residential & Commercial Standard Lighting:				
175 Watt Mercury Vapor	Security Light	MVL	$ 9.61	I
400 Watt Mercury Vapor	Flood Light	DF1	$18.24	I
1,000 Watt Mercury Vapor	Flood Light	DF2	$36.62	I
100 Watt HPS 9,500 Lumens	Security Light	HP1	$ 9.61	I
250 Watt HPS 27,500 Lumens	Flood Light	DF3	$15.40	I
400 Watt HPS 50,000 Lumens	Flood Light	DF4	$17.84	I
70 Watt EvLuma LED	Security Light	ENV	$ 9.97	I
129 Watt Cooper Night Falcon LED	Flood Light	CNF	$15.65	I

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Jackson Energy Cooperative Corporation

Schedule OL - Outdoor Lighting Service

Specialty Lighting:

175 Watt Mercury Vapor	Acorn Light	ACL	$17.69	I
100 Watt HPS 9,500 Lumens	Acorn Light	ACH	$12.48	I
100 Watt HPS 9,500 Lumens	Colonial Light	CPH	$ 8.15	I
175 Watt Mercury Vapor	Colonial Light	CPL	$ 9.47	I
400 Watt HPS 50,000 Lumens	Interstate Light	INT	$22.22	I
70 Watt HPS 4,000 Lumens	Colonial Light	CL2	$12.54	I

Poles shall be furnished by the Cooperative at the following rates per pole per month:

15 ft Aluminum Pole	$ 5.31	I
30 ft Wood Pole	$ 4.65	I
30 ft Aluminum Pole for Cobra Head	$25.27	I
35 ft Wood Pole	$ 9.06	I
35 ft Aluminum Pole	$30.57	I
35 ft Aluminum Pole for Cobra Head	$30.05	I
40 ft Wood Pole	$10.40	I
40 ft Aluminum Pole	$34.91	I
40 ft Aluminum Pole for Cobra Head	$60.84	I
45 ft Wood Pole	$12.53	I
50 ft Wood Pole	$17.49	I
Power Installed Foundation	$ 8.68	I

Date of Issue: April 1, 2021

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President & CEO

Case No. 2021-00112
Application – Exhibit 2

Existing & Proposed
Rate Comparison

JACKSON ENERGY COOPERATIVE
PRESENT & PROPOSED RATES

Rate	Code	Item		Present		Proposed
Residential Service	10					
		Customer Charge	$	24.00	$	24.83
		Energy Charge per kWh	$	0.08722	$	0.09025
Residential Off Peak ETS	11					
		Energy Charge per kWh	$	0.05659	$	0.05856
Commercial Service < 50 KW	20					
		Customer Charge	$	39.47	$	40.84
		Energy Charge per kWh	$	0.08391	$	0.08683
Commercial Off Peak ETS	22					
		Energy Charge per kWh	$	0.05035	$	0.05210
Large Power Loads 50 KW +	40					
		Customer Charge	$	56.95	$	58.93
		Energy Charge per kWh	$	0.06161	$	0.06375
		Demand Charge per kW	$	6.59	$	6.82
Large Power Rate 500 KW +	46					
		Customer Charge	$	1,700.47	$	1,759.56
		Energy Charge per kWh	$	0.04684	$	0.04847
		Demand Charge per kW	$	6.84	$	7.08
Large Power Rate 500 kW +	47					
		Customer Charge	$	1,700.47	$	1,759.56
		Energy Charge per kWh	$	0.04788	$	0.04954
		Demand Charge Contract per kW	$	6.84	$	7.08
		Demand Charge Excess per kW	$	9.50	$	9.83
Schools Churches Halls Parks	50					
		Customer Charge	$	22.49	$	23.27
		Energy Charge per kWh	$	0.09065	$	0.09380
All Electric Schools AES	52					
		Customer Charge	$	55.96	$	57.90
		Energy Charge per kWh	$	0.07472	$	0.07732
Lighting						
Cobra Head Light		400 Watt Mercury Vapor	$	15.40	$	15.94
Cobra Head Light		200 Watt HPS 22,000 Lumens	$	16.79	$	17.37
Cobra Head Light		250 Watt HPS 27,500 Lumens	$	13.35	$	13.81
Cobra Head Light		400 Watt HPS 50,000 Lumens	$	12.96	$	13.41
Security Light		175 Watt Mercury Vapor	$	9.29	$	9.61
Flood Light		400 Watt Mercury Vapor	$	17.63	$	18.24
Flood Light		1,000 Watt Mercury Vapor	$	35.39	$	36.62
Security Light		100 Watt HPS 9,500 Lumens	$	9.29	$	9.61
Flood Light		250 Watt HPS 27,500 Lumens	$	14.88	$	15.40
Flood Light		400 Watt HPS 50,000 Lumens	$	17.24	$	17.84
Security Light		70 Watt EvLuma LED	$	9.64	$	9.97
Flood Light		129 Watt Cooper Night Falcon LED	$	15.12	$	15.65
Acorn Light		175 Watt Mercury Vapor	$	17.10	$	17.69
Acorn Light		100 Watt HPS 9,500 Lumens	$	12.06	$	12.48
Colonial Light		100 Watt HPS 9,500 Lumens	$	7.88	$	8.15
Colonial Light		175 Watt Mercury Vapor	$	9.15	$	9.47
Interstate Light		400 Watt HPS 50,000 Lumens	$	21.47	$	22.22
Colonial Light		70 Watt HPS 4,000 Lumens	$	12.12	$	12.54
Pole		15 ft Aluminum Pole	$	5.13	$	5.31
Pole		30 ft Wood Pole	$	4.49	$	4.65
Pole		30 ft Aluminum Pole for Cobra Head	$	24.42	$	25.27
Pole		35 ft Wood Pole	$	8.76	$	9.06
Pole		35 ft Aluminum Pole	$	29.54	$	30.57
Pole		35 ft Aluminum Pole for Cobra Head	$	29.04	$	30.05
Pole		40 ft Wood Pole	$	10.05	$	10.40
Pole		40 ft Aluminum Pole	$	33.74	$	34.91
Pole		40 ft Aluminum Pole for Cobra Head	$	58.80	$	60.84
Pole		45 ft Wood Pole	$	12.11	$	12.53
Pole		50 ft Wood Pole	$	16.90	$	17.49
Pole		Power Installed Foundation	$	8.39	$	8.68

Case No. 2021-00112
Application – Exhibit 3

Billing Analysis for Each Rate Class

JACKSON ENERGY COOPERATIVE
Billing Analysis for Pass-Through Rate Increase

Total Revenue Increase Allocated by East Kentucky Power Cooperative: $3,235,273

#	Item	Code	Present Revenue	Present Share	Allocation Revenue	Allocation Share	Allocated Increase	Proposed Revenue	Proposed Share	Increase ($)	Base %	Total %	Rounding
1	*Base Rates*												
2	Residential Service	10	$ 68,824,783	73.92%	$ 68,824,783	73.92%	$ 2,391,608	$ 71,214,260	73.92%	$ 2,389,478	3.47%	3.25%	$ (2,130)
3	Residential Off Peak ETS	11	$ 266,108	0.29%	$ 266,108	0.29%	$ 9,247	$ 275,353	0.29%	$ 9,245	3.47%	3.33%	$ (2)
4	Commercial Service < 50 KW	20	$ 6,758,870	7.26%	$ 6,758,870	7.26%	$ 234,866	$ 6,993,681	7.26%	$ 234,811	3.47%	3.23%	$ (54)
5	Commercial Off Peak ETS	22	$ 1,873	0.00%	$ 1,873	0.00%	$ 65	$ 1,938	0.00%	$ 65	3.48%	3.34%	$ 0
6	Large Power Loads 50 KW +	40	$ 6,207,448	6.67%	$ 6,207,448	6.67%	$ 215,704	$ 6,423,400	6.67%	$ 215,951	3.48%	3.28%	$ 247
7	Large Power Rate 500 KW +	46	$ 1,103,664	1.19%	$ 1,103,664	1.19%	$ 38,351	$ 1,142,103	1.19%	$ 38,439	3.48%	3.31%	$ 87
8	Large Power Rate 500 kW +	47	$ 3,618,933	3.89%	$ 3,618,933	3.89%	$ 125,755	$ 3,744,936	3.89%	$ 126,003	3.48%	3.30%	$ 248
9	Schools Churches Halls Parks	50	$ 2,640,672	2.84%	$ 2,640,672	2.84%	$ 91,761	$ 2,732,414	2.84%	$ 91,742	3.47%	3.25%	$ (19)
10	All Electric Schools AES	52	$ 922,637	0.99%	$ 922,637	0.99%	$ 32,061	$ 954,691	0.99%	$ 32,054	3.47%	3.28%	$ (7)
11	Lighting	L	$ 2,758,463	2.96%	$ 2,758,463	2.96%	$ 95,854	$ 2,853,650	2.96%	$ 95,187	3.45%	3.45%	$ (667)
12	Total Base Rates		$ 93,103,451	100.00%	$ 93,103,451	100.00%	$ 3,235,273	$ 96,336,427	100.00%	$ 3,232,976	3.47%		$ (2,297)
13													
14	*Riders*												
15	FAC		$ (2,088,973)					$ (2,088,973)					
16	ES		$ 8,585,944					$ 8,585,944					
17	Misc Adj		$ 39,721					$ 39,721					
18	FAC Net Add/Reverse		$ -					$ -					
18	Total Riders		$ 6,536,692					$ 6,536,692					
19													
20	Total Revenue		$ 99,640,143					$ 102,873,119		$ 3,232,976		3.24%	
21	Target Revenue									$ 3,235,273			
22	Rate Rounding Variance									$ (2,297)			
23	Rate Rounding Variance									-0.07%			

JACKSON ENERGY COOPERATIVE
Billing Analysis for Pass-Through Rate Increase

#	Classification	Code	Billing Component	Billing Units	2019 Rate	2019 Revenue	Present Rate	Present Revenue	Present Share	Target Revenue	Proposed Rate	Proposed Revenue	Increase $	%	Proposed Share	Share Variance	Rate Variance
1	Residential Service	10															
2			Customer Charge	562,517	20.22	$ 11,375,284	24.00	$ 13,500,408	19.62%		24.83	$ 13,967,297	$ 466,889	3.46%	19.61%	0.00%	
3			Energy Charge per kWh	634,308,354	0.09235	$ 58,578,068	0.08722	$ 55,324,375	80.38%		0.09025	$ 57,246,963	$ 1,922,589	3.48%	80.39%	0.00%	
4			Total Base Rates			$ 69,953,353		$ 68,824,783	100.00%	$ 71,216,391		$ 71,214,260	$ 2,389,478	3.47%	100.00%	0.00%	$ (2,130.30)
5			FAC			$ (2,508,316)		$ (1,493,423)				$ (1,493,423)	$ -	-			
6			ES			$ 6,549,401		$ 6,549,401				$ 6,549,401	$ -	-			
7			Misc Adj			$ 2,448		$ 2,448				$ 2,448	$ -	-			
8			FAC Net Add/Reverse			$ (317,076)		$ (317,076)				$ (317,076)		-			
9			Total Riders			$ 3,726,456		$ 4,741,350				$ 4,741,350	$ -	-			
10			TOTAL REVENUE			$ 73,679,809		$ 73,566,132				$ 75,955,610	$ 2,389,478	3.25%			
11			Average	1,127.63		$ 130.98		$ 130.78				$ 135.03	$ 4.25	3.25%			
12																	
13	Residential Off Peak ETS	11															
14			Customer Charge	5,261	0	$ -	-	$ -	0.00%		-	$ -	$ -	0.00%	0.00%	0.00%	
15			Energy Charge per kWh	4,702,393	0.05755	$ 270,623	0.05659	$ 266,108	100.00%		0.05856	$ 275,353	$ 9,245	3.47%	100.00%	0.00%	
16			Total Base Rates			$ 270,623		$ 266,108	100.00%	$ 275,355		$ 275,353	$ 9,245	3.47%	100.00%	0.00%	$ (2.16)
17			FAC			$ (16,914)		$ (9,391)				$ (9,391)	$ -	-			
18			ES			$ 22,534		$ 22,534				$ 22,534	$ -	-			
19			Misc Adj			$ -		$ -				$ -	$ -	-			
20			FAC Net Add/Reverse			$ (1,380)		$ (1,380)				$ (1,380)					
21			Total Riders			$ 4,240		$ 11,764				$ 11,764	$ -	-			
22			TOTAL REVENUE			$ 274,863		$ 277,872				$ 287,117	$ 9,245	3.33%			
23			Average	893.82		$ 52.25		$ 52.82				$ 54.57	$ 1.76	3.33%			
24																	
25	Commercial Service < 50 KW	20															
26			Customer Charge	42,345	39.47	$ 1,671,357	39.47	$ 1,671,357	24.73%		40.84	$ 1,729,370	$ 58,013	3.47%	24.73%	0.00%	
27			Energy Charge per kWh	60,630,589	0.08551	$ 5,184,522	0.08391	$ 5,087,513	75.27%		0.08683	$ 5,264,312	$ 176,799	3.48%	75.27%	0.00%	
28			Total Base Rates			$ 6,855,879		$ 6,758,870	100.00%	$ 6,993,735		$ 6,993,681	$ 234,811	3.47%	100.00%	0.00%	$ (54.06)
29			FAC			$ (241,957)		$ (144,948)				$ (144,948)	$ -	-			
30			ES			$ 644,663		$ 644,663				$ 644,663	$ -	-			
31			Misc Adj			$ 37,274		$ 37,274				$ 37,274	$ -	-			
32			FAC Net Add/Reverse			$ (29,305)		$ (29,305)				$ (29,305)					
33			Total Riders			$ 410,675		$ 507,684				$ 507,684	$ -	-			
34			TOTAL REVENUE			$ 7,266,554		$ 7,266,554				$ 7,501,365	$ 234,811	3.23%			
35			Average	1,431.82		$ 171.60		$ 171.60				$ 177.15	$ 5.55	3.23%			
36																	
37	Commercial Off Peak ETS	22															
38			Customer Charge	48	0	$ -	-	$ -	0.00%		-	$ -	$ -	0.00%	0.00%	0.00%	
39			Energy Charge per kWh	37,207	0.05131	$ 1,909	0.05035	$ 1,873	100.00%		0.052100	$ 1,938	$ 65	3.48%	100.00%	0.00%	
40			Total Base Rates			$ 1,909		$ 1,873	100.00%	$ 1,938		$ 1,938	$ 65	3.48%	100.00%	0.00%	$ 0.01
41			FAC			$ (123)		$ (64)				$ (64)	$ -	-			
42			ES			$ 159		$ 159				$ 159	$ -	-			
43			Misc Adj			$ -		$ -				$ -	$ -	-			
44			FAC Net Add/Reverse			$ (17)		$ (17)				$ (17)					
45			Total Riders			$ 19		$ 79				$ 79	$ -	-			
46			TOTAL REVENUE			$ 1,928		$ 1,952				$ 2,017	$ 65	3.34%			
47			Average	775.15		$ 40.17		$ 40.67				$ 42.02	$ 1.36	3.34%			
48																	

JACKSON ENERGY COOPERATIVE
Billing Analysis for Pass-Through Rate Increase

#	Classification	Code	Billing Component	Billing Units	2019 Rate	2019 Revenue	Present Rate	Present Revenue	Present Share	Target Revenue	Proposed Rate	Proposed Revenue	Increase $	%	Proposed Share	Share Variance	Rate Variance
49	Large Power Loads 50 KW +	40															
50			Customer Charge	1,878	56.95	$ 106,952	56.95	$ 106,952	1.72%		58.93	$ 110,671	$ 3,718	3.48%	1.72%	0.00%	
51			Energy Charge per kWh	73,616,873	0.06321	$ 4,653,323	0.06161	$ 4,535,536	73.07%		0.063751	$ 4,693,149	$ 157,614	3.48%	73.06%	0.00%	
52			Demand Charge per kW	237,475	6.59	$ 1,564,961	6.59	$ 1,564,961	25.21%		6.82	$ 1,619,580	$ 54,619	3.49%	25.21%	0.00%	
53			Total Base Rates			$ 6,325,235		$ 6,207,448	100.00%	$ 6,423,152		$ 6,423,400	$ 215,951	3.48%	100.00%	0.00%	$ 247.40
54			FAC			$ (294,017)		$ (176,230)				$ (176,230)	$ -	-			
55			ES			$ 584,970		$ 584,970				$ 584,970	$ -	-			
56			Misc Adj			$ -		$ -				$ -	$ -	-			
57			FAC Net Add/Reverse			$ (27,536)		$ (27,536)				$ (27,536)					
58			Total Riders			$ 263,416		$ 381,203				$ 381,203	$ -	-			
59			TOTAL REVENUE			$ 6,588,652		$ 6,588,652				$ 6,804,603	$ 215,951	3.28%			
60			Average	39199.61289		$ 3,508.33		$ 3,508.33				$ 3,623.32	$ 114.99	3.28%			
61																	
62	Large Power Rate 500 KW +	46															
63			Customer Charge	24	1700.47	$ 40,811	1,700.47	$ 40,811	3.70%		1,759.56	$ 42,229	$ 1,418	3.47%	3.70%	0.00%	
64			Energy Charge per kWh	17,560,320	0.04844	$ 850,622	0.04684	$ 822,525	74.53%		0.048468	$ 851,114	$ 28,588	3.48%	74.52%	-0.01%	
65			Demand Charge per kW	35,136	6.84	$ 240,327	6.84	$ 240,327	21.78%		7.08	$ 248,759	$ 8,433	3.51%	21.78%	0.01%	
66			Total Base Rates			$ 1,131,760		$ 1,103,664	100.00%	$ 1,142,015		$ 1,142,103	$ 38,439	3.48%	100.00%	0.00%	$ 87.43
67			FAC			$ (71,376)		$ (43,280)				$ (43,280)	$ -	-			
68			ES			$ 104,054		$ 104,054				$ 104,054	$ -	-			
69			Misc Adj			$ -		$ -				$ -	$ -	-			
70			FAC Net Add/Reverse			$ (4,569)		$ (4,569)				$ (4,569)					
71			Total Riders			$ 28,109		$ 56,205				$ 56,205	$ -	-			
72			TOTAL REVENUE			$ 1,159,869		$ 1,159,869				$ 1,198,308	$ 38,439	3.31%			
73			Average	731680		$ 48,327.87		$ 48,327.87				$ 49,929.49	$ 1,601.62	3.31%			
74																	
75	Large Power Rate 500 kW +	47															
76			Customer Charge	62	1700.47	$ 105,429	1,700.47	$ 105,429	2.91%		1,759.56	$ 109,093	$ 3,664	3.47%	2.91%	0.00%	
77			Energy Charge per kWh	55,539,616	0.04948	$ 2,748,100	0.04788	$ 2,659,237	73.48%		0.04954	$ 2,751,655	$ 92,418	3.48%	73.48%	0.00%	
78			Demand Charge Contract pe	102,900	6.84	$ 703,836	6.84	$ 703,836	19.45%		7.08	$ 728,532	$ 24,696	3.51%	19.45%	0.01%	
79			Demand Charge Excess per	15,835	9.50	$ 150,431	9.50	$ 150,431	4.16%		9.83	$ 155,657	$ 5,226	3.47%	4.16%	0.00%	
80			Total Base Rates			$ 3,707,797		$ 3,618,933	100.00%	$ 3,744,689		$ 3,744,936	$ 126,003	3.48%	100.00%	0.00%	$ 247.87
81			FAC			$ (220,090)		$ (131,226)				$ (131,226)	$ -	-			
82			ES			$ 341,869		$ 341,869				$ 341,869	$ -	-			
83			Misc Adj			$ -		$ -				$ -	$ -	-			
84			FAC Net Add/Reverse			$ (15,474)		$ (15,474)				$ (15,474)					
85			Total Riders			$ 106,306		$ 195,169				$ 195,169	$ -	-			
86			TOTAL REVENUE			$ 3,814,103		$ 3,814,103				$ 3,940,106	$ 126,003	3.30%			
87			Average	895800.2581		$ 61,517.78		$ 61,517.78				$ 63,550.09	$ 2,032.31	3.30%			
88																	
89	Schools Churches Halls Parks	50															
90			Customer Charge	12,170	22.49	$ 273,703	22.49	$ 273,703	10.36%		23.27	$ 283,196	$ 9,493	3.47%	10.36%	0.00%	
91			Energy Charge per kWh	26,111,070	0.09223	$ 2,408,224	0.09065	$ 2,366,968	89.64%		0.093800	$ 2,449,218	$ 82,250	3.47%	89.64%	0.00%	
92			Total Base Rates			$ 2,681,927		$ 2,640,672	100.00%	$ 2,732,433		$ 2,732,414	$ 91,742	3.47%	100.00%	0.00%	$ (18.84)
93			FAC			$ (103,743)		$ (61,966)				$ (61,966)	$ -	-			
94			ES			$ 252,344		$ 252,344				$ 252,344	$ -	-			
95			Misc Adj			$ -		$ -				$ -	$ -	-			
96			FAC Net Add/Reverse			$ (12,356)		$ (12,356)				$ (12,356)					
97			Total Riders			$ 136,245		$ 178,023				$ 178,023	$ -	-			
98			TOTAL REVENUE			$ 2,818,172		$ 2,818,694				$ 2,910,437	$ 91,742	3.25%			
99			Average	2145.527527		$ 231.57		$ 231.61				$ 239.15	$ 7.54	3.25%			
100																	

JACKSON ENERGY COOPERATIVE
Billing Analysis for Pass-Through Rate Increase

#	Classification	Code	Billing Component	Billing Units	2019 Rate	2019 Revenue	Present Rate	Present Revenue	Present Share	Target Revenue	Proposed Rate	Proposed Revenue	Increase $	%	Proposed Share	Share Variance	Rate Variance
101	All Electric Schools AES	52															
102			Customer Charge	278	55.96	$ 15,557	55.96	$ 15,557	1.69%		57.90	$ 16,096	$ 539	3.47%	1.69%	0.00%	
103			Energy Charge per kWh	12,139,721	0.07632	$ 926,504	0.07472	$ 907,080	98.31%		0.077316	$ 938,595	$ 31,515	3.47%	98.31%	0.00%	
104			Total Base Rates			$ 942,060		$ 922,637	100.00%	$ 954,698		$ 954,691	$ 32,054	3.47%	100.00%	0.00%	$ (6.88)
105			FAC			$ (47,869)		$ (28,446)				$ (28,446)	$ -	-			
106			ES			$ 85,948		$ 85,948				$ 85,948	$ -	-			
107			Misc Adj			$ -		$ -				$ -	$ -	-			
108			FAC Net Add/Reverse			$ (3,567)		$ (3,567)				$ (3,567)					
109			Total Riders			$ 34,512		$ 53,935				$ 53,935	$ -	-			
110			TOTAL REVENUE			$ 976,572		$ 976,572				$ 1,008,626	$ 32,054	3.28%			
111			Average	43668.06115		$ 3,512.85		$ 3,512.85				$ 3,628.15	$ 115.30	3.28%			
112																	
113	Lighting	L															
114	Cobra Head Light	400	Watt Mercury Vapor	1,036	15.65	$ 16,213	15.40	$ 15,954	0.58%		15.94	$ 16,514	$ 559	3.51%	0.58%	0.00%	
115	Cobra Head Light	200	Watt HPS 22,000 Lumens	462	16.93	$ 7,822	16.79	$ 7,757	0.28%		17.37	$ 8,025	$ 268	3.45%	0.28%	0.00%	
116	Cobra Head Light	250	Watt HPS 27,500 Lumens	1,722	13.49	$ 23,230	13.35	$ 22,989	0.83%		13.81	$ 23,781	$ 792	3.45%	0.83%	0.00%	
117	Cobra Head Light	400	Watt HPS 50,000 Lumens	946	13.23	$ 12,516	12.96	$ 12,260	0.44%		13.41	$ 12,686	$ 426	3.47%	0.44%	0.00%	
118	Security Light	175	Watt Mercury Vapor	129,970	9.41	$ 1,223,018	9.29	$ 1,207,421	43.77%		9.61	$ 1,249,012	$ 41,590	3.44%	43.77%	0.00%	
119	Flood Light	400	Watt Mercury Vapor	3,568	17.88	$ 63,796	17.63	$ 62,904	2.28%		18.24	$ 65,080	$ 2,176	3.46%	2.28%	0.00%	
120	Flood Light	1,000	Watt Mercury Vapor	1,369	35.99	$ 49,270	35.39	$ 48,449	1.76%		36.62	$ 50,133	$ 1,684	3.48%	1.76%	0.00%	
121	Security Light	100	Watt HPS 9,500 Lumens	109,941	9.41	$ 1,034,545	9.29	$ 1,021,352	37.03%		9.61	$ 1,056,533	$ 35,181	3.44%	37.02%	0.00%	
122	Flood Light	250	Watt HPS 27,500 Lumens	5,260	15.02	$ 79,005	14.88	$ 78,269	2.84%		15.40	$ 81,004	$ 2,735	3.49%	2.84%	0.00%	
123	Flood Light	400	Watt HPS 50,000 Lumens	8,155	17.49	$ 142,631	17.24	$ 140,592	5.10%		17.84	$ 145,485	$ 4,893	3.48%	5.10%	0.00%	
124	Security Light	70	Watt EvLuma LED	2,410	9.68	$ 23,329	9.64	$ 23,232	0.84%		9.97	$ 24,028	$ 795	3.42%	0.84%	0.00%	
125	Flood Light	129	Watt Cooper Night Falcon LED	283	15.19	$ 4,299	15.12	$ 4,279	0.16%		15.65	$ 4,429	$ 150	3.51%	0.16%	0.00%	
126	Acorn Light	175	Watt Mercury Vapor	528	17.22	$ 9,092	17.10	$ 9,029	0.33%		17.69	$ 9,340	$ 312	3.45%	0.33%	0.00%	
127	Acorn Light	100	Watt HPS 9,500 Lumens	120	12.13	$ 1,456	12.06	$ 1,447	0.05%		12.48	$ 1,498	$ 50	3.48%	0.05%	0.00%	
128	Colonial Light	100	Watt HPS 9,500 Lumens	382	7.95	$ 3,037	7.88	$ 3,010	0.11%		8.15	$ 3,113	$ 103	3.43%	0.11%	0.00%	
129	Colonial Light	175	Watt Mercury Vapor	1,675	9.27	$ 15,527	9.15	$ 15,326	0.56%		9.47	$ 15,862	$ 536	3.50%	0.56%	0.00%	
130	Interstate Light	400	Watt HPS 50,000 Lumens	408	21.72	$ 8,862	21.47	$ 8,760	0.32%		22.22	$ 9,066	$ 306	3.49%	0.32%	0.00%	
131	Colonial Light	70	Watt HPS 4,000 Lumens	1,291	12.15	$ 15,686	12.12	$ 15,647	0.57%		12.54	$ 16,189	$ 542	3.47%	0.57%	0.00%	
132	Pole	15	ft Aluminum Pole	3,614	5.13	$ 18,540	5.13	$ 18,540	0.67%		5.31	$ 19,190	$ 651	3.51%	0.67%	0.00%	
133	Pole	30	ft Wood Pole	-	4.49	$ -	4.49	$ -	0.00%		4.65	$ -	$ -	0.00%	0.00%	0.00%	
134	Pole	30	ft Aluminum Pole for Cobra Heac	74	24.42	$ 1,807	24.42	$ 1,807	0.07%		25.27	$ 1,870	$ 63	3.48%	0.07%	0.00%	
135	Pole	35	ft Wood Pole	-	8.76	$ -	8.76	$ -	0.00%		9.06	$ -	$ -	0.00%	0.00%	0.00%	
136	Pole	35	ft Aluminum Pole	1,020	29.54	$ 30,131	29.54	$ 30,131	1.09%		30.57	$ 31,181	$ 1,051	3.49%	1.09%	0.00%	
137	Pole	35	ft Aluminum Pole for Cobra Heac	60	29.04	$ 1,742	29.04	$ 1,742	0.06%		30.05	$ 1,803	$ 61	3.48%	0.06%	0.00%	
138	Pole	40	ft Wood Pole	229	10.05	$ 2,301	10.05	$ 2,301	0.08%		10.40	$ 2,382	$ 80	3.48%	0.08%	0.00%	
139	Pole	40	ft Aluminum Pole	156	33.74	$ 5,263	33.74	$ 5,263	0.19%		34.91	$ 5,446	$ 183	3.47%	0.19%	0.00%	
140	Pole	40	ft Aluminum Pole for Cobra Heac	-	58.8	$ -	58.80	$ -	0.00%		60.84	$ -	$ -	0.00%	0.00%	0.00%	
141	Pole	45	ft Wood Pole	-	12.11	$ -	12.11	$ -	0.00%		12.53	$ -	$ -	0.00%	0.00%	0.00%	
142	Pole	50	ft Wood Pole	-	16.9	$ -	16.90	$ -	0.00%		17.49	$ -	$ -	0.00%	0.00%	0.00%	
143	Pole	Power	Installed Foundation	-	8.39	$ -	8.39	$ -	0.00%		8.68	$ -	$ -	0.00%	0.00%	0.00%	
144			Total Base Rates			$ 2,793,117		$ 2,758,463	100.00%	$ 2,854,317		$ 2,853,650	$ 95,187	3.45%	100.00%	0.00%	$ (667.30)
145			FAC			$ -		$ -				$ -	$ -	-			
146			ES			$ -		$ -				$ -	$ -	-			
147			Misc Adj			$ -		$ -				$ -	$ -	-			
148			FAC Net Add/Reverse														
149			Total Riders			$ -		$ -				$ -	$ -	-			
150			TOTAL REVENUE			$ 2,793,117		$ 2,758,463				$ 2,853,650	$ 95,187	3.45%			
151																	
152	TOTALS																
153																	
154			Total Base Rates			$ 94,663,660		$ 93,103,451				$ 96,336,427	$ 3,232,976				
155			FAC			$ (3,504,407)		$ (2,088,973)				$ (2,088,973)	$ -				
156			ES			$ 8,585,944		$ 8,585,944				$ 8,585,944	$ -				
157			Misc Adj			$ 39,721		$ 39,721				$ 39,721	$ -				
158			FAC Net Add/Reverse			$ (411,280)											
159			Total Riders			$ 4,709,978		$ 6,536,692				$ 6,536,692	$ -				
160			TOTAL REVENUE			$ 99,373,639		$ 99,640,143				$ 102,873,119	$ 3,232,976	3.24%			
161																	
162			Rate Rounding Variance										$ (2,297)				

Case No. 2021-00112
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.

David S. Samford

Counsel for Jackson Energy Cooperative Corporation

Case No. 2021-00112
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 Jackson Energy Cooperative Corporation ("Jackson Energy") of a proposed rate adjustment. Jackson Energy intends to propose an adjustment of its existing rates to pass through the rate increase of its wholesale power 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. 2021-00112. 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	Code	Item	Present	Proposed
Residential Service	10			
		Customer Charge	$ 24.00	$ 24.83
		Energy Charge per kWh	$ 0.08722	$ 0.09025
Residential Off Peak ETS	11			
		Energy Charge per kWh	$ 0.05659	$ 0.05856
Commercial Service < 50 KW	20			
		Customer Charge	$ 39.47	$ 40.84
		Energy Charge per kWh	$ 0.08391	$ 0.08683
Commercial Off Peak ETS	22			
		Energy Charge per kWh	$ 0.05035	$ 0.05210
Large Power Loads 50 KW +	40			
		Customer Charge	$ 56.95	$ 58.93
		Energy Charge per kWh	$ 0.06161	$ 0.06375
		Demand Charge per kW	$ 6.59	$ 6.82
Large Power Rate 500 KW +	46			
		Customer Charge	$ 1,700.47	$ 1,759.56
		Energy Charge per kWh	$ 0.04684	$ 0.04847
		Demand Charge per kW	$ 6.84	$ 7.08
Large Power Rate 500 kW +	47			
		Customer Charge	$ 1,700.47	$ 1,759.56
		Energy Charge per kWh	$ 0.04788	$ 0.04954
		Demand Charge Contract per kW	$ 6.84	$ 7.08
		Demand Charge Excess per kW	$ 9.50	$ 9.83
Schools Churches Halls Parks	50			
		Customer Charge	$ 22.49	$ 23.27
		Energy Charge per kWh	$ 0.09065	$ 0.09380
All Electric Schools AES	52			
		Customer Charge	$ 55.96	$ 57.90
		Energy Charge per kWh	$ 0.07472	$ 0.07732
Lighting				
Cobra Head Light		400 Watt Mercury Vapor	$ 15.40	$ 15.94
Cobra Head Light		200 Watt HPS 22,000 Lumens	$ 16.79	$ 17.37
Cobra Head Light		250 Watt HPS 27,500 Lumens	$ 13.35	$ 13.81

Cobra Head Light		400 Watt HPS 50,000 Lumens	$ 12.96	$ 13.41
Security Light		175 Watt Mercury Vapor	$ 9.29	$ 9.61
Flood Light		400 Watt Mercury Vapor	$ 17.63	$ 18.24
Flood Light		1,000 Watt Mercury Vapor	$ 35.39	$ 36.62
Security Light		100 Watt HPS 9,500 Lumens	$ 9.29	$ 9.61
Flood Light		250 Watt HPS 27,500 Lumens	$ 14.88	$ 15.40
Flood Light		400 Watt HPS 50,000 Lumens	$ 17.24	$ 17.84
Security Light		70 Watt EvLuma LED	$ 9.64	$ 9.97
Flood Light		129 Watt Cooper Night Falcon LED	$ 15.12	$ 15.65
Acorn Light		175 Watt Mercury Vapor	$ 17.10	$ 17.69
Acorn Light		100 Watt HPS 9,500 Lumens	$ 12.06	$ 12.48
Colonial Light		100 Watt HPS 9,500 Lumens	$ 7.88	$ 8.15
Colonial Light		175 Watt Mercury Vapor	$ 9.15	$ 9.47
Interstate Light		400 Watt HPS 50,000 Lumens	$ 21.47	$ 22.22
Colonial Light		70 Watt HPS 4,000 Lumens	$ 12.12	$ 12.54
Pole		15 ft Aluminum Pole	$ 5.13	$ 5.31
Pole		30 ft Wood Pole	$ 4.49	$ 4.65
Pole		30 ft Aluminum Pole for Cobra Head	$ 24.42	$ 25.27
Pole		35 ft Wood Pole	$ 8.76	$ 9.06
Pole		35 ft Aluminum Pole	$ 29.54	$ 30.57
Pole		35 ft Aluminum Pole for Cobra Head	$ 29.04	$ 30.05
Pole		40 ft Wood Pole	$ 10.05	$ 10.40
Pole		40 ft Aluminum Pole	$ 33.74	$ 34.91
Pole		40 ft Aluminum Pole for Cobra Head	$ 58.80	$ 60.84
Pole		45 ft Wood Pole	$ 12.11	$ 12.53
Pole		50 ft Wood Pole	$ 16.90	$ 17.49
Pole		Power Installed Foundation	$ 8.39	$ 8.68

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:

			Increase	
Rate Class	**Code**		**Dollars**	**Percent**
Residential Service	10		$ 2,389,478	3.25%
Residential Off Peak ETS	11		$ 9,245	3.33%
Commercial Service < 50 KW	20		$ 234,811	3.23%
Commercial Off Peak ETS	22		$ 65	3.34%
Large Power Loads 50 KW +	40		$ 215,951	3.28%
Large Power Rate 500 KW +	46		$ 38,439	3.31%
Large Power Rate 500 kW +	47		$ 126,003	3.30%
Schools Churches Halls Parks	50		$ 91,742	3.25%
All Electric Schools AES	52		$ 32,054	3.28%
Lighting			$ 95,187	3.45%
Total			$3,232,976	3.24%

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:

		Average	Increase	
Rate Class		**Usage (kWh)**	**Dollars**	**Percent**
Residential Service	10	1,128	$4.25	3.25%
Residential Off Peak ETS	11	894	$1.76	3.33%
Commercial Service < 50 KW	20	1,432	$5.55	3.23%
Commercial Off Peak ETS	22	775	$1.36	3.34%
Large Power Loads 50 KW +	40	39,200	$114.99	3.28%
Large Power Rate 500 KW +	46	731,680	$1,601.62	3.31%
Large Power Rate 500 kW +	47	895,800	$2,032.31	3.30%
Schools Churches Halls Parks	50	2,146	$7.54	3.25%
All Electric Schools AES	52	43,668	$115.30	3.28%
Lighting		NA		3.45%

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

Jackson Energy Cooperative Corporation
115 Jackson Energy Lane
McKee, Kentucky 40447
(606) 364-1000
www.jacksonenergy.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 Jackson Energy, 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. 2021-00112
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

DIRECT TESTIMONY
OF
JOHN WOLFRAM

I. INTRODUCTION

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

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

Q. On whose behalf are you testifying?

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

Q. Please summarize your education and professional experience.

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

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

A. Yes. To date I have testified in over thirty different regulatory proceedings before this Commission, most recently in Case No. 2021-00066.[1]

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

A. The purpose of my testimony is to support the proposed rates of the Owner-Members of EKPC, reflecting the flow through of the effects of the increase in wholesale rates proposed by EKPC in Case No. 2021-00103,[2] pursuant to KRS 278.455.

Q. Are you sponsoring any Exhibits?

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

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

II. PASS THROUGH OF WHOLESALE RATE INCREASE

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

A. KRS 278.455(2) specifies that

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

[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).

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

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

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

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

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

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

Q. Did you consider the recent Commission Order in Case No. 2020-00095[4] (the "*Kenergy* Order") in which the Commission clarified "proportional" for the purposes of the pass-through calculations?

A. Yes. As I understand it, in simple terms the *Kenergy* Order states that a distribution cooperative should base its "proportions" in the pass-through calculation upon the most recent Commission approved revenue allocation and billing component revenue allocation 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).

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

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

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

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

A. Relying on the last rate order to allocate the total increase to the rate classes seems reasonable in theory, but has limitations based on how the customer mix within the rate 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.

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

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

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

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

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

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

[8] *Fed. Power Comm'n v. Hope Natural Gas Co.,* 320 U.S. 591, 602 (1944).

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

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

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

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

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

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

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

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

III. <u>CONCLUSION</u>

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).

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

Q. Does this conclude your testimony?

A. Yes, it does.

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

VERIFICATION OF JOHN WOLFRAM

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF JEFFERSON)

John Wolfram, being duly sworn, states that he has supervised the preparation of his Direct Testimony in this case and that the matters and things set forth therein are true and accurate to the best of his knowledge, information and belief, formed after reasonable inquiry.

John Wolfram

The foregoing Verification was signed, acknowledged and sworn to before me this 31st day of March, 2021, by John Wolfram.

David S. Samford
NOTARY PUBLIC
STATE AT LARGE
KENTUCKY
NOTARY ID# KYNP10362
MY COMMISSION EXPIRES JULY 23, 2024

Notary Commission No. KYNP10362

Commission expiration: 7-23-24