COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF CLARK ENERGY COOPERATIVE, INC. FOR A GENERAL ADJUSTMENT OF RATES PURSUANT TO STREAMLINED PROCEDURE PILOT PROGRAM ESTABLISHED IN CASE NO. 2018-00407	))))))	CASE NO. 2020-00104

O R D E R

On May 1, 2020, Clark Energy Cooperative, Inc. (Clark Energy), pursuant to the amended "streamlined procedure" established in Case No. 2018-00407,[1] filed an application seeking a general adjustment in its rates with a proposed effective date of June 1, 2020. By Order dated May 14, 2020, the Commission accepted Clark Energy's application pursuant to the "streamlined procedure" established in Case No. 2018-00407. The Order also established a procedural schedule for processing this case. Pursuant to the streamline procedure, the Attorney General of the Commonwealth of Kentucky, through the Office of Rate Intervention (Attorney General) was made a party to the case. On May 12, 2020, the Commission, pursuant to KRS 278.190(2), suspended the effective date of the proposed rates for five months, up to and including November 1, 2020.

The Attorney General is the only intervenor in the case. Clark Energy responded to one information request from Commission Staff and one information request from the Attorney General. On June 29, 2020, the Attorney General and Clark Energy separately

[1] Case No. 2018-00407, *A Review of the Rate Case Procedure for Electric Distribution Cooperatives* (Ky. PSC Dec. 20, 2019).

filed comments on Clark Energy's application. On July 9, 2020, the Commission, by its own motion, issued an Order extending the 75-day review period for a final Order, as established by the streamlined procedure, to August 14, 2020.

BACKGROUND

Clark Energy is a nonprofit, member-owned rural electric cooperative corporation, organized under KRS Chapter 279. It is engaged in the distribution and sale of electric energy to 26,782 customers in Bath, Bourbon, Clark, Estill, Fayette, Madison, Menifee, Montgomery, Morgan, Powell, and Rowan counties, Kentucky.[2] Clark Energy does not own any electric generating facilities and is one of the 16-member cooperatives that own and receive wholesale power from East Kentucky Power Cooperative, Inc. Clark Energy's last general rate adjustment was effective April 16, 2010, in Case No. 2009-00314.[3]

TEST PERIOD

Pursuant to the streamlined procedures established in Case No. 2018-00407, Clark Energy is using a historical test period for the year ended December 31, 2018.[4]

CLARK ENERGY'S PROPOSAL

Clark Energy requests an overall increase of 2.00 percent, or $916,755, to its revenue requirement to meet a Times Interest Earned Ratio (TIER) of 2.00 and to meet

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[2] Annual Report of Clark Energy Cooperative, Inc. to the Public Service Commission of the Commonwealth of Kentucky for the Calendar Year Ended December 31, 2019, at 45 and 53.

[3]. Case No. 2009-00314, *Application of Clark Energy Cooperative, Inc. for an Adjustment in Rates* (Ky. PSC Apr. 16, 2010).

[4] Case No. 2018-00407, *A Review of the Rate Case Procedure for Electric Distribution Cooperatives* (Ky. PSC Dec. 11, 2018) at 6.

an Operational Times Interest Earned Ratio (OTIER) of 1.77.[5] Clark Energy proposes to allocate 99.51 percent of the requested revenue increase to the residential rate class and the balance to the residential Time of Use (TOU) Marketing rate class. Clark Energy also proposes to increase the residential customer charge by 44.81 percent, from $12.43 per month to $18.00 per month and lower the energy charge from $0.08832 per kWh to $0.08608 per kWh.[6] Regarding the residential TOU Marketing Service Rate, Clark Energy proposes an increase in the volumetric charge from $0.05634 per kWh to $0.06264 per kWh.[7] According to Clark Energy, the effect upon the average bill for a residential customer using 1,103 kWh per month will result in an increase of $3.09 or 2.65 percent.[8]

Clark Energy states that the rate increase is necessary because its existing retail rates do not provide sufficient revenue to ensure necessary financial strength.[9] Clark Energy asserts that since its last general adjustment to rates in 2010, it has experienced increased operating expenses coupled with flat customer and load growth.[10] Clark Energy also states that its existing rates do not align with its cost of providing service, causing subsidization between customer classes and, without an adjustment to its rates,

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[5] Application, paragraph 5; Direct Testimony of John Wolfram (Wolfram Testimony) at 7.

[6] Application, Exhibit 4.

[7] *Id*.

[8] *Id.*

[9] *Id*., paragraph 7.

[10] *Id.,* Exhibit 1.

Clark Energy may not be able to meet its loan obligations and imperil its ability to provide safe and reliable service.[11]

Clark Energy additionally proposes to address subsidization between rate classes and the imbalance within the current rate structure between the recovery of fixed and variable costs.[12] Pursuant to the streamline procedure, Clark Energy filed an updated Cost of Service Study (COSS). Clark Energy's COSS indicates the average monthly residential customer-related cost is $35.01.[13]

INTERVENOR COMMENTS

The Attorney General requests that the Commission set fair, just, and reasonable rates for the members of Clark Energy.[14] The Attorney General asks that the Commission review Clark Energy's request for adjustments to its pro forma expenses to ensure that the adjustments are reasonable and supported.[15] The Attorney General further asks that the Commission pay particular attention to the compensation of Clark Energy's Staff, and comments that increases to the CEO salary and benefits and in executive salaries since 2017 are unjustified and should be kept within the bounds of reason.[16] The Attorney General encourages the Commission to fully evaluate the benefits offered by Clark Energy such as the retirement plans, vision coverage, spousal life insurance, and long-

[11] *Id.*

[12] Wolfram Testimony at 21, lines 19–20, and at 22, lines 1–3.

[13] *Id*. at 22 and Exhibit JW-3 at 2

[14] Attorney General Comments at 6.

[15] *Id.* at 2.

[16] *Id*. at 3.

term disability and ensure these benefits correspond with similar situated rural electric cooperatives.[17]

The Attorney General expresses concern that almost the entirety of the proposed rate increase is applied to the residential class and that this increase is placed upon the customer charge. The Attorney General argues that other rate classes are not paying their full-cost-based customer charge and that it is inequitable to meet revenue deficiencies by increasing the fixed charge for some rate classes and not for others. The Attorney General suggests mitigating the rate increase to the residential class by increasing the customer charges for other classes.[18] The Attorney General further contends that the 44.81 percent increase to the residential customer charge is unreasonable, especially given current financial hardships, and requests that the Commission fully evaluate the shift of costs from the energy charge to the customer charge.[19] Finally, the Attorney General calls for the increase in rates be delayed 6–12 months until after the current pandemic has abated.[20]

DISCUSSION

Revenue and Expenses

Clark Energy proposed 11 adjustments to normalize its test-year operating revenues and expenses per the streamlined application. The Commission finds that 9 of the adjustments proposed by Clark Energy are reasonable and should be accepted without change.

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[17] *Id*.

[18] *Id*. at 4.

[19] *Id*.

[20] *Id*. at 6.

The Commission finds that the rate case and director's expenses should be modified. Clark Energy estimated its rate case expense at $50,000 in it application and proposed to recover this expense through a three-year amortization period. Actual rate case expenses totaled $61,703.[21] A three-year amortization of these expenses will result in an increase in operating expenses of $3,901 over the $16,667 proposed in the application. The Commission finds that this increase in rate case is justified and reasonable and that the adjustment to rate case expense should be made. The second adjustment increases the exclusion of director's fees by $800 to account for the cancellation fee for the Annual NRECA meeting.[22] The Commission finds that this adjustment is reasonable and should be made, resulting in a total adjustment to director's fees of $59,446.

Shown below are the Commission approved adjustments:[23]

Fuel Adjustment Clause	$ (118,396)
Environmental Surcharge	$ 58,483
Rate Case Expenses	$ (20,568)
Year-End Customer Normalization	$ 58,877
Generation & Transmission Capital Credits (GTCC)	$(1,217,024)
Non-Recurring Item	$ (191,604)
Depreciation Expense Normalization	$ 83,099
Advertising & Donations	$ 67,535
Director's Expense	$ 59,446
Interest	$ 89,638
Life Insurance Premiums	$ 20,626
TOTAL	$(1,109,889)

Wages and Salaries

[21] Clark Energy's Supplemental Response to Commission Staff's Requests, Item 13.

[22] Clark Energy's Response to the Attorney General's Initial Request for Information, Item 29.

[23] Wolfram Testimony, Exhibit JW-2, at 2. Updated for Rate Case Expense and Director's Fees.

The Attorney General comments that Executive Salaries have increased 14.00 percent in the last three years and that ratepayers should not fund wage and salary increases at unjustified levels.[24] In its responses to Staff's First Request, Item 17, Clark Energy explains that while there are several factors that it takes into account when setting the level of executive compensation, there are three primary factors that Clark Energy has taken into consideration: job performance, experience, and market intelligence.[25] Clark Energy states in its response that with regard to Clark Energy's President and CEO, its Directors evaluated his compensation annually using the above criteria. Clark Energy asserts that while the increase in compensation for Clark Energy's President and CEO over the last three years has been higher than those of other executives, a comparison of the overall compensation with similarly situated executives demonstrates that Clark Energy's President and CEA is below market.[26]

The Commission has reviewed the information provided with regard to Salary and Wage increases, including the salary survey that was provided in response to Staff's First Request, Item 12. From the information provided, the Commission finds the compensation levels for Clark Energy's executive staff to be reasonable and within the ranges set forth in the salary survey, and therefore no adjustment to compensation is required.

<u>Benefits</u>

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[24] Attorney General's Comments at 2–3.

[25] Clark Energy's Response to Commission Staff's First Request for Information (Staff's First Request), Item 17.

[26] *Id.*

The Attorney General has also commented that the Commission should fully evaluate the employee benefits offered by Clark Energy to ensure it provides a similar level of compensation as other similarly situated rural cooperatives.[27] The Commission notes that it has more recently evaluated utilities' health plans and retirement and savings (R&S) plans with regard to total compensation package. However, the Commission has not compared similarly situated utilities for benefits packages, but rather has relied on the Bureau of Labor Statistics averages to evaluate the reasonableness of a utility's health plans[28] and has additionally shown concern for utilities that combine both 401k benefits with an R&S plan in its compensation package.[29]

Clark Energy has provided evidence that it provides only one R&S plan for its employees and that it has employed cost-saving measures in more recent years to mitigate the cost of this plan to ratepayers.[30] In addition, Clark Energy has provided testimony that employee contributions towards their healthcare range from 10 to 27 percent based on the coverage of the plan.[31] Clark Energy has also testified that, since its last rate case, it has performed cost-saving measures with regard to healthcare costs

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[27] Attorney General's Comments at 3.

[28] *See e.g.,* Case No. 2016-00169, *Application of Cumberland Valley Electric, Inc. for a General Adjustment of Rates* (Ky. PSC Feb. 6, 2017) at 12 (Final Order), *see also*, Case No. 2019-0053, *Electronic Application of Jackson Purchase Energy Corporation for a General Adjustment of Rates* (Ky. PSC June 20, 2019) final Order at 8–11 (Where the Commission determined that if a utility's employee's health insurance contribution rate at least 12 percent, the Commission would make no adjustment to the take contribution rate. The Commission also found that if the contribution rate was below 12 percent, it would adjust the contribution rate to the Bureau of Labor Statistics national average). Clark Energy's employee's average contribution rate is over this 12 percent threshold. *See* Clark Energy's Application, Exhibit 35, page 1 of 6.

[29] Case No. 2016-00169, Final Order at 10.

[30] See Application, Direct Testimony of Robert C. Brewer (Brewer Testimony) at 7, and the response to Staff's First Request, Item 3.

[31] *Id.,* Direct Testimony of Holly S. Eades (Eades Testimony) at 9.

by moving health care plans from the National Rural Electric Cooperation Association to a self-insured plan offered by the Kentucky Rural Electric Cooperatives,[32] as well as increasing deductibles, co-pays and prescription co-pays.[33] The Commission finds that with the combination of providing a single R&S plan, the level of healthcare contributions, and the efforts of Clark Energy to perform cost saving measures, Clark Energy's total compensation package is reasonable and should not be adjusted.

Pro Forma Adjustments Summary

The pro forma adjustments are found in Appendix A. The effects of the adjustments on Clark Energy's net income results in utility operating margins of $389,192 based upon a total revenue of $44,751,800, a total cost of electric service of $44,362,608, and resulting net margins of $776.463.

Revenue Requirement

Adjusting for the test year FAC roll-in, Clark Energy's actual TIER Excluding GTCC's for the test period was 1.37 and OTIER was 1.16.[34] Since Clark Energy's last rate case, levelized growth rates have been approximately 0.21 percent per year and energy purchases have increased 1.53 percent over approximately ten years.[35] Clark Energy notes that it has implemented cost cutting measures to serve its members more efficiently. Such projects include the installation of an advanced metering infrastructure,

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[32] Brewer Testimony at 7.

[33] Eades Testimony at 9–10.

[34] Application, Wolfram Testimony, Exhibit JW-2, at 1. Per Case No. 2019-00008*, Electric Examination of the Application of the Fuel Adjustment Clause of East Kentucky Power Cooperative, Inc. Cooperatives from November 1, 2016 Through October 31, 2018* (Ky. PSC Dec. 26, 2019) rates were adjusted per the revised FAC base rate amount.

[35] Brewer Testimony at 5.

expanded service offerings such as the Pre-Pay Program, and a reduction from 53 full-time employees to 48.[36] Clark Energy also put into place cost-containment measures, such as the removal of cost of living adjustments from the R&S Plan, made a prepayment to the R&S Plan, and the lowered the R&S benefits for new employees hired after December 2015.[37] Additionally, Clark Energy initiated changes to its healthcare plan lowering employer healthcare insurance expenses.[38]

The streamlined procedure allows for an increase in rate revenues of up to 4.00 percent or a 1.85 OTIER target; however, Clark Energy is asking for a 2.00 percent increase, or an OTIER of 1.77. Clark Energy states that in order to minimize the impact on its members, its Board chose to impose a 2.00 percent cap on the increase or an increase in base electric rates of $916,755.[39]

Based upon the pro forma adjustments found reasonable herein, the Commission has determined that an increase in revenues from base rates of $1,054,917 would result in an OTIER of 1.85.[40] Although the Commission appreciates Clark Energy's concern of the rate impact upon its members, the Commission also supports healthy financial metrics that ensure a member-owned cooperative is able to adequately and reasonably serve its members. The Commonwealth of Kentucky is under a State of Emergency due to the

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[36] *Id*. at 5–6.

[37] *Id*. at 7.

[38] *Id.*

[39] *Id.* at 11.

[40] *See* Appendix A.

COVID-19 pandemic and the full costs of this pandemic have not been fully estimated.[41] Furthermore, the current interest rate environment means that a 1.85 OTIER results in a lower margin than the same OTIER would when the prevailing borrowing cost is higher. Due to the way OTIER is calculated, lower debt costs results in a lower margin for the same OTIER amount. For instance, in Clark Energy's last rate case, a 1.85 OTIER resulted in an Operating Margin of $2,186,152 when its long-term interest was $2,591,572.[42] In this matter, and as discussed in this order, with a 1.85 OTIER Clark Energy's Operating Margin is $1,444,109 with long-term interest of $1,698,592. While Clark Energy's members certainly enjoy lower electric rates due to lower financing costs relative to its 2009 rate case, the result is a reduction in Clark Energy's margin. As the Commission notes below in regard to Clark Energy's rate design, there is merit in providing a means to guard against revenue erosion that often occurs due to the decrease in sale volumes that accompanies poor regional economies and changes in weather patterns. The Commission finds that ensuring Clark Energy has enough margins to operate its business for the benefit of its members is a necessary consideration in determining fair, just and reasonable rates. As such, the Commission finds that granting an increase that results in a test-year OTEIR of 1.85 is prudent and ultimately in Clark Energy's member's long-term best interest.

Cost of Service

[41] *See* Clark Energy's Response to Staff's First Request for Information, Item 19. Clark Energy estimated its measurable costs at that time of $180,799. This estimate did not include the loss in revenue due to decreased sales and lowered demand.

[42] Case No. 2009-00314 *Application of Clark Energy Cooperative, Inc., for an Adjustment o*f *Rates* (Ky. PSC Apr. 16, 2010).

Clark Energy filed a fully allocated COSS in order to determine the cost to serve each customer class. This COSS determined Clark Energy's overall rate of return on rate base and the relative rates of return from each rate class and was used as a guide in the proposed rate design.[43] Having reviewed Clark Energy's COSS, the Commission finds it to be acceptable for use as a guide in allocating the revenue increase granted herein.

Revenue Allocation and Rate Design

Based on the results of the COSS, at current rates, the residential rate class and TOU marketing rate class are providing less than the cost to serve while all other classes produce revenues at, or in excess of, their respective class cost to serve.[44] Clark Energy proposed to apply 100 percent of the rate increase to these two residential rate schedules.[45] Clark Energy also proposed a rate design in which the customer charge increases and the energy charge decreases. Clark Energy asserts that the COSS supports a fixed monthly charge of $35.01 for the residential class, and with the current charge being far below cost-based rates, there exists a significant under-recovery of fixed costs.[46] Clark Energy states that the proposed $18.00 residential monthly customer charge is a quarter step towards closing the gap between the current rate and the cost-based rate.[47] Using an $18.00 customer charge and applying this revenue to the 2.00

[43] Wolfram Testimony at 14.

[44] *Id*. at 20–21 and Exhibit JW-3 at 1.

[45] *Id*. at 22.

[46] *Id*.

[47] *Id*. at 24.

percent overall rate increase cap, the decrease in the energy charge for the residential class is calculated.[48]

The Commission finds that the COSS supports the proposed increase to the residential class. The Commission gives substantial weight to the evidence from the COSS that indicates other classes are earning considerably better than the residential class relative to their cost of service. The Commission also finds that, for an electric cooperative that is strictly a distribution utility, there is merit in providing a means to guard against revenue erosion that often occurs due to the decrease in sale volumes that accompanies poor regional economies and changes in weather patterns and the implementation or expansion of demand-side management and energy-efficiency programs. These factors are present in this matter and applicable to Clark Energy. Again, the Commission gives considerable weight to the COSS, which supports a customer charge of $35.01, and the proposed customer charge is within what is calculated in the COSS and is therefore reasonable. However, at the proposed increase, the Public Utilities Rate, or Rate E, which currently has a customer charge of $16.57, will have a lower customer charge. The Commission does not support a rate design in which nonresidential rate classes pay a monthly customer charge that is lower than that charged to the residential class and finds that a customer charge that, at a minimum, is equal to the residential class is reasonable.[49] Therefore, the Commission finds a monthly customer charge of $18.00 for both the residential and Public Utilities Rate to be

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[48] The rate increase also applies to those residential customers participating in the Prepay Program.

[49] See Case No. 2019-00053, *Electronic Application of Jackson Purchase Energy Corporation for a General Adjustment in Existing Rates*, (Ky. PSC Jun. 20, 2019) at 16–17.

reasonable. Based upon Clark Energy's average monthly residential usage of 1,103 kWh, the average monthly bill for residential customers will increase by $3.55 from $109.85 to $113.40, or 3.23 percent.

For the TOU Marketing Service Rate, Clark Energy proposes an increase to the energy charge. This rate is applicable to only off-peak hours and applies to those customers with Electric Thermal Storage (ETS) units. These separately metered units receive a discounted rate on electricity that the ETS heater uses. Clark Energy proposes to increase the current off-peak energy rate one-third of the way towards cost-based rates.[50] Based on the results of the COSS, this rate class is heavily subsidized and, with the proposed rate revision, still has a negative margin and correspondingly a negative rate of return on rate based.[51] The Commission finds the proposed increase to the TOU marketing rate to be reasonable. Although the rate class's return relative to cost is still low, the number of ETS units is relatively small and the revenues associated with the class is less than 0.10 percent of the total revenue.[52] Furthermore, the Commission recognizes that the ETS Rate will eventually phase out due to limited service offerings and replacement parts and that the rate is unique with a complicated history.[53]

SUMMARY

The Commission recognizes the Attorney General's concern over the reasonableness of the expenses, the allocation of the rate increase, the changes to the

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[50] Wolfram Testimony, at 25.

[51] Clark Energy's Response to Staff First Request, Item 14.

[52] Wolfram Testimony at 6.

[53] Clark Energy's Response to Staff's First Request, Item 15.

customer charge, and particularly, the impact of a rate increase. The Commission also recognizes Clark Energy's cost containment measures and effort to thwart a rate increase for ten years in the midst of flat membership and flat sales growth.[54] Clark Energy's OTIER as of April 30, 2020, was 1.34,[55] an indication that although the timing of the rate case in the midst of a pandemic is not ideal, the timing for achieving and insuring financial stability is. Further, the Commission agrees with Clark Energy that the Attorney General's request to delay the proposed rate increase for up to a year would violate KRS 278.190.[56] The proposed increase in rates is based upon a test year prior to the current pandemic, and delaying the rate increase would impair Clark Energy's duty to safeguard its financial integrity for the benefit of its members.

After consideration of the evidence of record and being otherwise sufficiently advised, the Commission finds that:

1. The rates proposed by Clark Energy should be denied.

2. The rates set forth in Appendix B to this Order are the fair, just, and reasonable rates for Clark Energy to charge for service rendered on and after the date of this Order and should be approved.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Clark Energy are denied.

2. The rates set forth in Appendix B to this Order are approved for services rendered by Clark Energy on and after the date of this Order.

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[54] Clark Energy's Comments filed June 29, 2020 (Clark Energy's Comments), at 2.

[55] Clark Energy's Response to the Attorney General's First Request for Information, Item 13.

[56] Clark Energy's Comments at 11.

3. Within 20 days of the date of entry of this Order, Clark Energy shall file with the Commission, using the Commission's electronic Tariff Filing System, new tariff sheets setting forth the rates and charges approved herein and reflecting their effective data and that they were authorized by this Order.

4. This case is closed and removed from the Commission's docket.

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By the Commission

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KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:

Acting Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2020-00104 AUG 11 2020

Description (1)	Actual Test Year (2)	Test Year w FAC Roll-In (3)	Pro Forma Adjustments (4)	Pro Forma Test Yr (5)	Proposed Rates (6)
Operating Revenues					
Total Sales of Electric Energy	46,517,807	45,837,767	(2,349,833)	43,487,934	44,542,851
Other Electric Revenue	1,459,768	1,459,768	(195,902)	1,263,866	1,263,866
Total Operating Revenue	47,977,575	47,297,535	(2,545,735)	44,751,800	45,806,717
Operating Expenses:					
Purchased Power	31,106,651	31,106,651	(2,348,796)	28,757,855	28,757,855
Distribution Operations	2,007,139	2,007,139	-	2,007,139	2,007,139
Distribution Maintenance	3,520,873	3,520,873	-	3,520,873	3,520,873
Customer Accounts	1,313,590	1,313,590	-	1,313,590	1,313,590
Customer Service	330,284	330,284	-	330,284	330,284
Sales Expense	7,658	7,658	-	7,658	7,658
A&G	1,454,846	1,454,846	(131,336)	1,323,510	1,323,510
Total O&M Expense	39,741,041	39,741,041	(2,480,132)	37,260,909	37,260,909
Depreciation	5,306,725	5,306,725	(83,099)	5,223,626	5,223,626
Taxes - Other	63,374	63,374	-	63,374	63,374
Interest on LTD	1,788,590	1,788,590	(89,638)	1,698,952	1,698,952
Interest - Other	63,195	63,195	-	63,195	63,195
Other Deductions	52,553	52,553	-	52,553	52,553
Total Cost of Electric Service	47,015,478	47,015,478	(2,652,870)	44,362,608	44,362,608
Utility Operating Margins	962,097	282,057	107,135	389,192	1,444,109
Non-Operating Margins - Interest	57,924	57,924	-	57,924	57,924
Income(Loss) from Equity Investments	255,303	255,303	-	255,303	255,303
Non-Operating Margins - Other	12,289	12,289	-	12,289	12,289
G&T Capital Credits	1,217,024	1,217,024	(1,217,024)	-	-
Other Capital Credits	61,755	61,755	-	61,755	61,755
Net Margins	2,566,392	1,886,352	(1,109,889)	776,463	1,831,380
Cash Receipts from Lenders	-	-	-	-	-
OTIER	1.54	1.16		1.23	1.85
TIER	2.43	2.05		1.46	2.08
TIER excluding GTCC	1.75	1.37		1.46	2.08
Target OTIER	1.85	1.85		1.85	
Margins at Target OTIER	3,124,597	3,124,597		1,831,380	
Revenue Requirement	50,140,075	50,140,075		46,193,988	
Revenue Deficiency (Excess)	558,204	1,238,244		1,054,917	

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2020-00104 AUG 11 2020

The following rates and charges are prescribed for the customers served by Clark Energy Cooperation, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under the authority of this Commission prior to the effective date of this Order.

SCHEDULE R – RESDENTIAL

Facilities Charge	$18.00 per month
Energy Charge per kWh	$ 0.08649

PREPAY SERVICE RIDER

Facilities Charge	$18.00 per month or $ 0.60 per day
Prepay Service fee	$ 5.00 per month or $ 0.167 per day
Energy Charge per kWh	$ 0.08649

SCHEDULE D – TIME OF USE MARKETING SERVICE

Off Peak Energy Charge per kWh	$ 0.06264

SCHEDULE E – PUBLIC FACILITIES

Facilities Charge	$18.00 per month
Energy Charger per kWh	$ 0.09526

*L Allyson Honaker
Goss Samford, PLLC
2365 Harrodsburg Road, Suite B325
Lexington, KENTUCKY 40504

*Chris Brewer
Clark Energy Cooperative, Inc.
2640 Ironworks Road
P. O. Box 748
Winchester, KY 40392-0748

*David S Samford
Goss Samford, PLLC
2365 Harrodsburg Road, Suite B325
Lexington, KENTUCKY 40504

*John Wolfram
Catalyst Consulting
3308 Haddon Rd
Louisville, KENTUCKY 40241

*J. Michael West
Office of the Attorney General Office of Rate
700 Capitol Avenue
Suite 20
Frankfort, KENTUCKY 40601-8204

*Clark Energy Cooperative, Inc.
2640 Ironworks Road
P. O. Box 748
Winchester, KY 40392-0748