

March 31, 2017

Ms. Talina Mathews, Ph.D.  
Executive Director  
Kentucky Public Service Commission  
P.O. Box 615  
211 Sower Boulevard  
Frankfort, KY 40602

RECEIVED

MAR 31 2017

PUBLIC SERVICE  
COMMISSION

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

Dear Dr. Mathews:

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

In Case No. 2016-00316, the Commission approved EKPC's first special contract incorporating the Economic Development Rider since the approval of that Rider in Case No. 2014-00034. The Commission clarified that two annual reports would be required and both would be due by March 31 of each year.

EKPC would note that as the Commission approved the special contract effective December 1, 2016, the attached reports only reflect one month of operation under the special contract. All future reports associated with this customer will cover 12 months of operations.

Very truly yours,



David S. Samford

Enclosure

## ECONOMIC DEVELOPMENT RIDER

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

Member Distribution Cooperative: South Kentucky RECC

EDR Customer: Kroger

#### Revenues

Demand Charge Revenues Billed	\$2,151
Energy Charge Revenues Billed	<u>\$11,080</u>
Total Revenues	<u>\$13,231</u>

#### Marginal Costs

##### Demand:

Billed demand (kW)	600	
PJM BRA Results 2016-2017 Delivery Year (\$ / kW-month)	\$1.81	
Marginal Demand Cost		\$1,086

##### Energy:

Rate B Energy Charge (per kWh)	\$0.042882	
Applicable FAC Rate	<u>-\$0.003230</u>	
Net Energy Charge	\$0.039652	
Cost of Market Purchases	<u>\$0.030560</u>	
Marginal Energy Rate	<u>\$0.009092</u>	
Billed Energy (kWh)	258,375	
Marginal Energy Cost		<u>\$2,349</u>

Total Marginal Costs		<u>\$3,435</u>
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PJM BRA Results 2016-2017 Delivery Year – Conversion to \$ / kW-month

$$\$59.37 / \text{MW-day} \times 365 \text{ days} \div 1,000 \div 12 = \$1.81 / \text{kW-month}$$

## ECONOMIC DEVELOPMENT RATE CONTRACT REPORT

UTILITY: East Kentucky Power Cooperative, Inc.

YEAR: 2016

	<u>Current Reporting Period</u>	<u>Cumulative</u>
1) Number of EDR Contracts –		
Total:	1	1
Existing Customers:	0	0
New Customers:	1	1
2) Number of Jobs Created –		
Total:	250	250
Existing Customers:	0	0
New Customers:	250	250
3) Amount of Capital Investment –		
Total:	\$23.7M	\$23.7M
Existing Customers:	\$0	\$0
New Customers:	\$23.7M	\$23.7M
4) Consumption –		
	<u>Current Reporting Period</u>	<u>Cumulative</u>
(A) DEMAND		
Total:	600 kW	600 kW
Existing Customers:	0 kW	0 kW
New Customers:	600 kW	600 kW
(B) ENERGY/CONSUMPTION		
Total:	258,375 kWh	258,375 kWh
Existing Customers:	0 kWh	0 kWh
New Customers:	258,375 kWh	258,375 kWh