

March 29, 2019

**VIA HAND DELIVERY**

Ms. Gwen Pinson  
Executive Director  
Kentucky Public Service Commission  
P.O. Box 615  
211 Sower Boulevard  
Frankfort, KY 40602

RECEIVED

MAR 29 2019

PUBLIC SERVICE  
COMMISSION

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


Dear Ms. Pinson:

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 2018 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 ("EDR") 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. This contract is between EKPC, South Kentucky RECC, and Kroger and became effective December 1, 2016. The enclosed report for the Kroger contract reflects 12 months of operations.

Also included in this report is information for a second special contract between EKPC, Owen Electric Cooperative, Inc. and Wayfair LLC. The Wayfair contract became effective March 1, 2017. The enclosed report for the Wayfair contract reflects 12 months of operations.

Very truly yours,

  
David S. Samford

Enclosure

## ECONOMIC DEVELOPMENT RIDER

### 2018 Report of Revenues Received and Marginal Costs Associated with Serving the Customer

Member Distribution Cooperative: South Kentucky RECC  
EDR Customer: Kroger  
EKPC Rate Schedule: Rate B

#### Revenues

Demand Charge Revenues Billed	\$28,960
Energy Charge Revenues Billed	<u>\$124,966</u>
Total Revenues	<u>\$153,926</u>

#### Marginal Costs

Demand:		
Billed demand (kW)	6,607	
Marginal Demand Cost		\$29,021
(See attached spreadsheet for calculations)		
Energy:		
Billed Energy (kWh)	3,398,061	
Marginal Energy Cost		<u>\$106,021</u>
(See attached spreadsheet for calculations)		
Total Marginal Costs		<u>\$135,042</u>

## ECONOMIC DEVELOPMENT RIDER

### 2018 Report of Revenues Received and Marginal Costs Associated with Serving the Customer

Member Distribution Cooperative: Owen Electric Cooperative, Inc.  
EDR Customer: Wayfair LLC  
EKPC Rate Schedule: Rate B

#### Revenues

Demand Charge Revenues Billed	\$30,536
Energy Charge Revenues Billed	<u>\$148,781</u>
Total Revenues	<u>\$179,317</u>

#### Marginal Costs

Demand:		
Billed demand (kW)	7,281	
Marginal Demand Cost		\$32,063
(See attached spreadsheet for calculations)		
Energy:		
Billed Energy (kWh)	3,898,142	
Marginal Energy Cost		<u>\$126,252</u>
(See attached spreadsheet for calculations)		
Total Marginal Costs		<u>\$158,315</u>

## ECONOMIC DEVELOPMENT RATE CONTRACT REPORT

UTILITY: East Kentucky Power Cooperative, Inc.

YEAR: 2018

	<u>Current Reporting Period</u>	<u>Cumulative</u>
1) Number of EDR Contracts –		
Total:	0	2
Existing Customers:	0	0
New Customers:	0	2
2) Number of Jobs Created –		
Total:	0	500
Existing Customers:	0	0
New Customers:	0	500
3) Amount of Capital Investment –		
Total:	\$0	\$38.7M
Existing Customers:	\$0	\$0
New Customers:	\$0	\$38.7M
4) Consumption –		
	<u>Current Reporting Period</u>	<u>Cumulative</u>
(A) DEMAND		
Total:	13,888 kW	41,964 kW
Existing Customers:	0 kW	0 kW
New Customers:	13,888 kW	41,964 kW
(B) ENERGY/CONSUMPTION		
Total:	7,196,203 kWh	21,226,566 kWh
Existing Customers:	0 kWh	0 kWh
New Customers:	7,196,203 kWh	21,226,566 kWh