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March 31, 2021

VIA E-MAIL TRANSMISSION

Ms. Linda C. Bridwell, P.E.
Executive Director
Kentucky Public Service Commission
P.O. Box 615
211 Sower Boulevard
Frankfort, KY 40602

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

Dear Ms. Bridwell:

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 2020 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 first contract is between EKPC, South Kentucky RECC ("South Kentucky"), and Kroger and became effective December 1, 2016.

During 2020 EKPC had four active EDR contracts:

- EKPC, South Kentucky, and Kroger contract, effective December 1, 2016. The enclosed report for the Kroger contract reflects 12 months of operations.
- EKPC, Owen Electric Cooperative, Inc. ("Owen"), and Wayfair LLC contract, effective March 1, 2017. The enclosed report for the Wayfair contract reflects 12 months of operations. During the last 48 months of the EDR discount period, Wayfair could have missed the 60% load factor requirement a total of eight times and still receive the EDR discount. Wayfair missed the 60% load factor requirement for the eighth time with the May 2020 billing. When Wayfair missed the 60% load factor requirement in October, November, and December 2020, no EDR discount was applied to the bill.

Ms. Linda C. Bridwell

March 31, 2021

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- EKPC, Owen, and Safran Landings contract, effective February 1, 2020. Safran Landings was an existing customer of Owen that undertook an expansion of its operations, which qualified for the EDR. All monthly demand over 9,600 kW is eligible for the EDR discount. The enclosed report for Safran Landings reflects 11 months of operations under the new EDR contract. It should be noted that Safran Landings is also an interruptible service customer.
- EKPC, Fleming-Mason Energy Cooperative, and AppHarvest Morehead Farm, LLC (“AppHarvest”) contract. This contract was effective July 1, 2019 but AppHarvest did not commence operations until October 2020. The enclosed report for AppHarvest reflects three months of operations under the EDR contract. AppHarvest is also an interruptible service customer.

EKPC would note that on November 16, 2020 the Commission in Case No. 2020-00193 approved a special contract between EKPC, Inter-County Energy Cooperative Corporation, and Diageo Americas Supply, Inc. (“Diageo”). This special contract is the fifth EDR contract EKPC has entered into since the adoption of the EDR tariff. While the special contract is effective November 16, 2020, the EDR does not become effective until July 1, 2022. As the EDR for Diageo was not in effect during 2020, it is not reflected in the enclosed report.

The undersigned hereby certifies that the electronic filing is a true and accurate copy of the documents being filed in paper medium; the electronic filing was transmitted to the Commission on March 31, 2021; there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; paper copies of this information will be hand-delivered to the Commission within thirty (30) days of the lifting of the present State of Emergency relating to the COVID-19 pandemic.

Please let me know if you have any questions.

Very truly yours,



David S. Samford

*Counsel for East Kentucky Power
Cooperative, Inc.*

Enc.

ECONOMIC DEVELOPMENT RIDER

2020 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	\$36,427
Energy Charge Revenues Billed	<u>\$110,696</u>
Total Revenues	<u>\$147,123</u>

Marginal Costs

Demand:		
Billed demand (kW)	6,207	
Marginal Demand Cost (See attached spreadsheet for calculations)		\$16,272
Energy:		
Billed Energy (kWh)	3,424,244	
Marginal Energy Cost (See attached spreadsheet for calculations)		<u>\$67,152</u>
Total Marginal Costs		<u>\$ 83,424</u>

ECONOMIC DEVELOPMENT RIDER

2020 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	\$36,353
Energy Charge Revenues Billed	<u>\$ 81,957</u>
Total Revenues	<u>\$118,310</u>

Marginal Costs

Demand:		
Billed demand (kW)	6,100	
Marginal Demand Cost (See attached spreadsheet for calculations)		\$16,086
Energy:		
Billed Energy (kWh)	2,615,531	
Marginal Energy Cost (See attached spreadsheet for calculations)		<u>\$51,367</u>
Total Marginal Costs		<u>\$ 67,453</u>

ECONOMIC DEVELOPMENT RIDER

2020 Report of Revenues Received and Marginal Costs Associated with Serving the Customer

Member Distribution Cooperative: Owen Electric Cooperative, Inc.
EDR Customer: Safran Landings
EKPC Rate Schedule: Rate B with Interruptible Service

Revenues

Demand Charge Revenues Billed	\$511,972
Energy Charge Revenues Billed	<u>\$1,969,467</u>
Total Revenues	<u>\$2,481,439</u>

Marginal Costs

Demand:		
Billed demand (kW)	93,964	
Marginal Demand Cost (See attached spreadsheet for calculations)		\$251,050
Energy:		
Billed Energy (kWh)	61,929,090	
Marginal Energy Cost (See attached spreadsheet for calculations)		<u>\$1,172,888</u>
Total Marginal Costs		<u>\$1,423,938</u>

Report reflects 11 months of operations under the new EDR contract.

ECONOMIC DEVELOPMENT RIDER

2020 Report of Revenues Received and Marginal Costs Associated with Serving the Customer

Member Distribution Cooperative: Fleming-Mason Energy Cooperative
EDR Customer: AppHarvest Morehead Farm, LLC
EKPC Rate Schedule: Rate B with Interruptible Service

Revenues

Demand Charge Revenues Billed	\$81,479
Energy Charge Revenues Billed	<u>\$287,022</u>
Total Revenues	<u>\$368,501</u>

Marginal Costs

Demand:		
Billed demand (kW)	27,499	
Marginal Demand Cost (See attached spreadsheet for calculations)		\$64,073
Energy:		
Billed Energy (kWh)	10,147,170	
Marginal Energy Cost (See attached spreadsheet for calculations)		<u>\$227,798</u>
Total Marginal Costs		<u>\$291,871</u>

Report reflects three months of operations under the EDR contract.

ECONOMIC DEVELOPMENT RATE CONTRACT REPORT

UTILITY: East Kentucky Power Cooperative, Inc.

YEAR: 2020

		Current Reporting <u>Period</u>	<u>Cumulative</u>
1)	Number of EDR Contracts –		
	Total:	2	4
	Existing Customers:	1	1
	New Customers:	1	3
2)	Number of Jobs Created –		
	Total:	365	865
	Existing Customers:	80	80
	New Customers:	285	785
3)	Amount of Capital Investment –		
	Total:	\$177.0M	\$215.7M
	Existing Customers:	\$100.0M	\$100.0M
	New Customers:	\$77.0M	\$115.7M
4)	Consumption –		
		Current Reporting <u>Period</u>	<u>Cumulative</u>
(A)	DEMAND		
	Total:	133,770 kW	188,794 kW
	Existing Customers:	93,964 kW	93,964 kW
	New Customers:	39,806 kW	94,830 kW
(B)	ENERGY/CONSUMPTION		
	Total:	78,116,035 kWh	105,971,029 kWh
	Existing Customers:	61,929,090 kWh	61,929,090 kWh
	New Customers:	16,186,945 kWh	44,041,939 kWh

1 EDR Analysis CY 2020.xlsx
 2 Analysis of EDR Customers' Billings for Calendar Year 2020
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5 **Cooperative:** South Kentucky RECC
 6 **Customer:** Kroger Limited Partnership
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Month	Billed Units		Billed Revenues			Marginal Cost - Demand			Marginal Cost - Energy		
	Demand (kW)	Energy (kWh)	Demand	Energy	FAC	\$/ kW-month	Monthly Cost	Difference	Purchase Cost	Monthly Cost	Difference
12 January 2020	500	250,186	\$2,868	\$10,133	(\$1,278)	\$3.05	\$1,525	\$1,343	\$0.021328	\$5,336	\$3,519
13 February	500	234,128	\$2,868	\$9,127	(\$1,531)	\$3.05	\$1,525	\$1,343	\$0.018733	\$4,386	\$3,210
14 March	500	267,411	\$2,868	\$10,424	(\$2,088)	\$3.05	\$1,525	\$1,343	\$0.017073	\$4,566	\$3,770
15 April	500	256,043	\$2,868	\$9,981	(\$2,348)	\$3.05	\$1,525	\$1,343	\$0.016461	\$4,215	\$3,418
16 May	513	297,089	\$2,972	\$11,581	(\$3,027)	\$3.05	\$1,565	\$1,407	\$0.016061	\$4,772	\$3,782
17 June	571	328,816	\$3,435	\$12,818	(\$2,509)	\$2.33	\$1,330	\$2,105	\$0.018087	\$5,947	\$4,362
18 July	564	366,936	\$3,379	\$14,304	(\$2,315)	\$2.33	\$1,314	\$2,065	\$0.020662	\$7,582	\$4,407
19 August	539	354,323	\$3,179	\$13,812	(\$1,701)	\$2.33	\$1,256	\$1,923	\$0.022081	\$7,824	\$4,287
20 September	520	312,618	\$3,028	\$12,186	(\$1,866)	\$2.33	\$1,212	\$1,816	\$0.018879	\$5,902	\$4,418
21 October	500	273,207	\$2,868	\$10,650	(\$2,030)	\$2.33	\$1,165	\$1,703	\$0.020510	\$5,603	\$3,017
22 November	500	243,703	\$2,868	\$9,500	(\$1,282)	\$2.33	\$1,165	\$1,703	\$0.020968	\$5,110	\$3,108
23 December 2020	500	239,784	\$3,226	\$9,347	(\$1,192)	\$2.33	\$1,165	\$2,061	\$0.024645	\$5,909	\$2,246
24											
25 Totals	6,207	3,424,244	\$36,427	\$133,863	(\$23,167)		\$16,272	\$20,155		\$67,152	\$43,544

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 27 Net Billed Revenues - Energy \$110,696

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 29 Notes: Billed demand in May through September was greater than contract demand; excess demand billed at \$9.98 per kW times 20% discount.
 30 Contract started in December 2016; from December 2016 to November 2017 a 50% discount factor; from December 2017 to November 2018 a 40% discount factor; from December 2018 to November 2019
 31 a 30% discount factor; December 2019 to November 2020 a 20% discount factor; December 2020 a 10% discount factor.
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34 **Cooperative:** Owen Electric
 35 **Customer:** Wayfair LLC
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Month	Billed Units		Billed Revenues			Marginal Cost - Demand			Marginal Cost - Energy		
	Demand (kW)	Energy (kWh)	Demand	Energy	FAC	\$/ kW-month	Monthly Cost	Difference	Purchase Cost	Monthly Cost	Difference
41 January 2020	550	220,000	\$2,761	\$8,108	(\$977)	\$3.05	\$1,678	\$1,083	\$0.021328	\$4,692	\$2,439
42 February	550	220,000	\$2,761	\$7,844	(\$1,256)	\$3.05	\$1,678	\$1,083	\$0.018733	\$4,121	\$2,467
43 March	500	201,404	\$2,868	\$7,851	(\$1,573)	\$3.05	\$1,525	\$1,343	\$0.017073	\$3,439	\$2,839
44 April	500	200,000	\$2,868	\$7,466	(\$1,719)	\$3.05	\$1,525	\$1,343	\$0.016461	\$3,292	\$2,455
45 May	500	211,267	\$2,868	\$8,236	(\$2,153)	\$3.05	\$1,525	\$1,343	\$0.016061	\$3,393	\$2,690
46 June	500	244,360	\$2,868	\$9,526	(\$1,864)	\$2.33	\$1,165	\$1,703	\$0.018087	\$4,420	\$3,242
47 July	500	255,879	\$2,868	\$9,975	(\$1,615)	\$2.33	\$1,165	\$1,703	\$0.020662	\$5,287	\$3,073
48 August	500	237,510	\$2,868	\$9,259	(\$1,140)	\$2.33	\$1,165	\$1,703	\$0.022081	\$5,244	\$2,875
49 September	500	222,471	\$2,868	\$8,672	(\$1,328)	\$2.33	\$1,165	\$1,703	\$0.018879	\$4,200	\$3,144
50 October	500	202,640	\$3,585	\$7,899	(\$1,506)	\$2.33	\$1,165	\$2,420	\$0.020510	\$4,156	\$2,237
51 November	500	200,000	\$3,585	\$7,028	(\$896)	\$2.33	\$1,165	\$2,420	\$0.020968	\$4,194	\$1,938
52 December 2020	500	200,000	\$3,585	\$6,955	(\$835)	\$2.33	\$1,165	\$2,420	\$0.024645	\$4,929	\$1,191
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54 Totals	6,100	2,615,531	\$36,353	\$98,819	(\$16,862)		\$16,086	\$20,267		\$51,367	\$30,590

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 56 Net Billed Revenues - Energy \$81,957

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 58 Notes: Contract demand revised in February 2020 in anticipation of load factor concerns; billed demand was never greater than contract demand.
 59 During the last 48 months of the discount period, Wayfair is permitted to miss the 60% load factor requirement 8 times and still receive the EDR discount. Wayfair missed the 60% load factor for the
 60 8th time with the May 2020 billing; Wayfair missed the 60% load factor requirement in October, November, and December 2020 and no EDR discount was applied.
 61 Contract started in March 2017; from March 2017 to February 2018 a 50% discount factor; from March 2018 to February 2019 a 40% discount factor; from March 2019 to February 2020 a 30% discount factor;
 62 from March 2020 to December 2020 a 20% discount factor.

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 64 **Cooperative:** Owen Electric
 65 **Customer:** Safran Landings
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Month	Billed Units		Billed Revenues			Marginal Cost - Demand			Marginal Cost - Energy		
	Demand (kW)	Energy (kWh)	Demand	Energy	FAC	\$/ kW-month	Monthly Cost	Difference	Purchase Cost	Monthly Cost	Difference
71 January 2020	0	0	\$0	\$0	\$0	\$3.05	\$0	\$0	\$0.021328	\$0	\$0
72 February	12,270	8,743,390	\$50,768	\$340,835	(\$57,182)	\$3.05	\$37,424	\$13,344	\$0.018733	\$163,790	\$119,863
73 March	13,392	9,340,209	\$51,649	\$364,100	(\$72,947)	\$3.05	\$40,846	\$10,803	\$0.017073	\$159,465	\$131,688
74 April	9,297	7,102,209	\$48,196	\$276,858	(\$65,127)	\$3.05	\$28,356	\$19,840	\$0.016461	\$116,909	\$94,822
75 May	9,645	6,497,607	\$48,708	\$253,290	(\$66,211)	\$3.05	\$29,417	\$19,291	\$0.016061	\$104,358	\$82,721
76 June	9,653	4,272,388	\$48,713	\$166,546	(\$32,598)	\$2.33	\$22,491	\$26,222	\$0.018087	\$77,275	\$56,673
77 July	6,000	3,178,369	\$43,020	\$123,899	(\$20,056)	\$2.33	\$13,980	\$29,040	\$0.020662	\$65,671	\$38,172
78 August	6,756	3,261,255	\$44,207	\$127,130	(\$15,654)	\$2.33	\$15,741	\$28,466	\$0.022081	\$72,012	\$39,464
79 September	8,298	5,620,761	\$46,626	\$219,109	(\$33,556)	\$2.33	\$19,334	\$27,292	\$0.018879	\$106,114	\$79,439
80 October	6,000	4,390,234	\$43,020	\$171,140	(\$32,619)	\$2.33	\$13,980	\$29,040	\$0.020510	\$90,044	\$48,477
81 November	6,653	4,741,892	\$44,045	\$184,848	(\$24,942)	\$2.33	\$15,501	\$28,544	\$0.020968	\$99,428	\$60,478
82 December 2020	6,000	4,780,776	\$43,020	\$186,364	(\$23,760)	\$2.33	\$13,980	\$29,040	\$0.024645	\$117,822	\$44,782
83											
84 Totals	93,964	61,929,090	\$511,972	\$2,414,119	(\$444,652)		\$251,050	\$260,922		\$1,172,888	\$796,579
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Net Billed Revenues - Energy \$1,969,467

Notes: Safran Landings is an existing customer who expanded operations and the EDR is applicable only to monthly demand in excess of 9,600 kW; if demand is lower than 9,600 kW, no EDR credit for the month.
 EDR credits were not provided for April and July through December 2020.
 Safran Landings is also an interruptible service customer; the EDR discount is applied to demand charges after the interruptible demand credit has been applied to the bill.
 Billing analysis is for total company operations and reflects any applicable interruptible demand credits; the expanded operations are not separately metered.
 New contract started in February 2020; from February 2020 to December 2020 a 50% discount factor.

95 **Cooperative:** Fleming-Mason Energy
 96 **Customer:** AppHarvest Morehead Farm
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Month	Billed Units		Billed Revenues			Marginal Cost - Demand			Marginal Cost - Energy		
	Demand (kW)	Energy (kWh)	Demand	Energy	FAC	\$/ kW-month	Monthly Cost	Difference	Purchase Cost	Monthly Cost	Difference
102 January 2020	0	0	\$0	\$0	\$0	\$3.05	\$0	\$0	\$0.021328	\$0	\$0
103 February	0	0	\$0	\$0	\$0	\$3.05	\$0	\$0	\$0.018733	\$0	\$0
104 March	0	0	\$0	\$0	\$0	\$3.05	\$0	\$0	\$0.017073	\$0	\$0
105 April	0	0	\$0	\$0	\$0	\$3.05	\$0	\$0	\$0.016461	\$0	\$0
106 May	0	0	\$0	\$0	\$0	\$3.05	\$0	\$0	\$0.016061	\$0	\$0
107 June	0	0	\$0	\$0	\$0	\$2.33	\$0	\$0	\$0.018087	\$0	\$0
108 July	0	0	\$0	\$0	\$0	\$2.33	\$0	\$0	\$0.020662	\$0	\$0
109 August	0	0	\$0	\$0	\$0	\$2.33	\$0	\$0	\$0.022081	\$0	\$0
110 September	0	0	\$0	\$0	\$0	\$2.33	\$0	\$0	\$0.018879	\$0	\$0
111 October	7,130	2,852,000	\$25,561	\$42,403	(\$1,717)	\$2.33	\$16,613	\$8,948	\$0.020510	\$58,495	(\$17,809)
112 November	7,130	2,852,000	\$25,561	\$109,975	(\$14,760)	\$2.33	\$16,613	\$8,948	\$0.020968	\$59,801	\$35,414
113 December 2020	13,239	4,443,170	\$30,357	\$173,204	(\$22,083)	\$2.33	\$30,847	(\$490)	\$0.024645	\$109,502	\$41,619
114											
115 Totals	27,499	10,147,170	\$81,479	\$325,582	(\$38,560)		\$64,073	\$17,406		\$227,798	\$59,224
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Net Billed Revenues - Energy \$287,022

Notes: AppHarvest is a new customer who started operations in October 2020. During the first 12 months of the EDR discount period, the 60% load factor requirement is waived.
 AppHarvest is also an interruptible service customer; the EDR discount is applied to demand charges after the interruptible demand credit has been applied to the bill.
 Billing analysis is for total company operations and reflects any applicable interruptible demand credits; October reflects a minimum energy billing because operations began late in the month.
 Contract started in October 2020; from October 2020 to December 2020 a 50% discount factor.

125 **Recap:**

126	Total Billed Demand, all EDR customers	133,770	kW
127	2019 Reported Cumulative Demand, all EDR customers	<u>55,024</u>	kW
128	Total Cumulative Demand for 2020, all EDR customers	<u><u>188,794</u></u>	kW
129			
130	Total Billed Energy, all EDR customers	78,116,035	kWh
131	2019 Reported Cumulative Energy, all EDR customers	<u>27,854,994</u>	kWh
132	Total Cumulative Energy for 2020, all EDR customers	<u><u>105,971,029</u></u>	

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134 **Margin Cost:**

135 Demand -

136 PJM BRA Results 2019-2020 Delivery Year - Conversion to \$ / kW-month:
 137 \$100.00 / MW-day x 366 days ÷ 1,000 ÷ 12 = \$3.05 / kW-month

138 PJM BRA Results 2020-2021 Delivery Year - Conversion to \$ / kW-month:
 139 \$76.53 / MW-day x 365 days ÷ 1,000 ÷ 12 = \$2.33 / kW-month

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141 Energy - Purchase Cost is the Cost of Market Purchases taken from the applicable EKPC FAC monthly reports. The Difference compares the billed Energy and FAC revenues with the monthly marginal energy cost.

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143	Month	Purchases \$	Purchases kWh	Purchase Cost
144				
145	January 2020	\$13,879,119	650,757,549	\$0.021328
146	February	\$8,548,381	456,337,312	\$0.018733
147	March	\$9,428,822	552,275,299	\$0.017073
148	April	\$7,831,863	475,786,499	\$0.016461
149	May	\$6,119,475	381,002,981	\$0.016061
150	June	\$3,327,956	184,001,910	\$0.018087
151	July	\$1,823,908	88,271,789	\$0.020662
152	August	\$3,346,386	151,551,974	\$0.022081
153	September	\$4,202,314	222,596,905	\$0.018879
154	October	\$9,628,010	469,421,422	\$0.020510
155	November	\$9,738,956	464,477,553	\$0.020968
156	December 2020	\$8,945,881	362,984,560	\$0.024645
157				
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