

**CANCELLED**

May 1, 2026

Grayson Rural Electric Cooperative Corporation

**KENTUCKY PUBLIC  
SERVICE COMMISSION**

FOR All Counties Served

PSC KY NO. 7

Original Sheet No. 1

Rate EM – Earnings Mechanism – Member Tariff

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**Applicability**

In the service territory of Grayson Rural Electric Cooperative Corporation (“Grayson RECC”).

**Availability**

Available to retail members pursuant to Paragraph 6 of the Joint Stipulation, Settlement Agreement and Recommendation approved in East Kentucky Power Cooperative, Inc.’s (“EKPC”) base rate case, Case No. 2021-00103 and EKPC’s EM Tariff filing, Case No. 2021-00429.

**Purpose**

EKPC has committed to return any excess margins to its Owner-Member Cooperatives for contemporaneous pass-through to End-Use Retail Members (“retail members”) in the form of a bill credit in the event that EKPC achieves per-book margins in excess of a target TIER in any calendar year. Any excess margins to be returned will be allocated based upon the percentage of each EKPC rate class’s total revenue for the most recent calendar year. EKPC will make an annual filing with the Commission setting forth its calculations of margins and any required bill credit for the most recent calendar year on or before April 30<sup>th</sup> of the following year.

**Methodology**

Allocation of Excess Margins from EKPC. EKPC will determine the allocation of the excess margin for the most recent calendar year and will prepare and provide to Grayson RECC a schedule showing the allocation of the excess margin for the most recent calendar year by EKPC rate class. Grayson RECC will then calculate the bill credit applicable to its retail members and will file that calculation with the Commission in the same manner that EKPC files its calculation with the Commission each year.

Calculation of Bill Credit. Grayson RECC will calculate the bill credit applicable to its retail members in the following manner:

- a. Grayson RECC will determine which of its retail rate schedules correspond with the EKPC wholesale rate classes. Using the same calendar year as EKPC, Grayson RECC will determine the total revenues for the set of its rate schedules that correspond with each EKPC rate class.
- b. Grayson RECC will determine the percentage of the total revenues for each of its rate schedules that correspond with the applicable EKPC rate class.

DATE OF ISSUE October 2, 2023  
MONTH / DATE / YEAR

DATE EFFECTIVE September 12, 2023  
MONTH / DATE / YEAR

ISSUED BY Bradley Cherry  
SIGNATURE OF OFFICER

TITLE President & CEO

**KENTUCKY  
PUBLIC SERVICE COMMISSION**  
**Linda C. Bridwell**  
Executive Director

*Linda C. Bridwell*

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PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

- c. Grayson RECC will allocate the excess margin by EKPC rate class to its corresponding rate schedules by multiplying the allocated excess margin by EKPC rate class by the percentages determined in part b.
- d. Grayson RECC will calculate a "Bill Credit Percentage" for each of its retail rate schedules. The Bill Credit Percentage will be calculated by dividing the excess margin allocated to the retail rate schedule by the total revenues for that retail rate schedule used in part a. If there is only one retail member served by a Grayson RECC retail rate schedule, the excess margin allocated to the retail rate schedule will be the amount of the bill credit for that retail member.
- e. Utilizing its customer account information, Grayson RECC will apply the Bill Credit Percentage to residential retail members by customer count. Grayson RECC will apply the Bill Credit Percentage to retail members on all other rate schedules by revenue provided by each retail member in the calendar year used by EKPC when determining the excess margins to calculate the bill credit for each retail rate schedule to the total revenues provided by each retail member in the calendar year used by EKPC when determining the excess margins to calculate the bill credit for each retail member. Grayson RECC will return the excess margins only to current retail members at the time the bill credit is given.
- f. Grayson RECC may elect to return the bill credit as a one-time credit on the retail member's current bill or spread the bill credit over several billings. However, Grayson RECC will amortize the bill credit over the same time period EKPC uses to return the excess margins to Grayson RECC.

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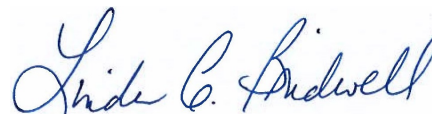
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