

RESOLUTION ESTABLISHING RATE SCHEDULES

WHEREAS, the Kentucky Municipal Energy Agency (“KYMEA”) has entered into All Requirements Power Sales Contracts (the “AR Contracts”) with certain of its Members (the “AR Members”) for the purpose of setting forth the terms and conditions relating to the proposed sale of electric power and energy requirements by KYMEA to the AR Members; and

WHEREAS pursuant to the AR Contracts, the All Requirements Project Committee (the “AR Project Committee”) consisting of all AR Members is tasked with the responsibility of developing and designing the rates in accordance with generally accepted ratemaking principles and procedures to provide revenues to meet the anticipated revenue requirements of KYMEA (the “Revenue Requirements”) to furnish electric power and energy to the AR Members; and

WHEREAS, pursuant to the AR Contracts, the KYMEA Board of Directors shall establish and maintain rates under the AR Contracts that will provide revenues which are sufficient, but only sufficient, to meet the anticipated Revenue Requirements of KYMEA in providing electric power and energy to its AR Members; and

WHEREAS, the KYMEA Board of Directors shall not unreasonably withhold its approval and establishment of all requirements rates developed by the AR Project Committee; and

WHEREAS, additionally, the KYMEA Board of Directors shall establish rates and charges for all products and services KYMEA provides to its Members which shall be consistent with prudent utility practice;

NOW THEREFORE BE IT RESOLVED:

Section 1. AR Project Committee Rate Schedule. The AR Project Committee has designed and developed a rate schedule, budget proposal and the methodology for recovery of the costs and expenses associated with the provision of electric power and energy requirements under the AR Contracts and has submitted said Rate Schedule to the KYMEA Board of Directors for approval.

Section 2. Approval of AR Rate Schedule. After review of the All Requirements Project – Wholesale Power Rate Schedule attached hereto as Exhibit A (the “AR Rate Schedule”), the KYMEA Board of Directors hereby (i) determines that the AR Rate Schedule has been developed in accordance with generally accepted ratemaking principles and procedures and is consistent with prudent utility practice and will provide revenues which are sufficient to meet the anticipated Revenue Requirements of KYMEA in providing electric power and energy to its AR Members and (ii) approves the AR Rate Schedule and the implementation of the rates set forth therein.

Section 3. Approval of Rates for Other Member Services and Benefits. The KYMEA Board of Directors has reviewed and approved a proposed budget for Fiscal Year ending June 30, 2021 and hereby adopts and approves a rate schedule which is attached hereto as Exhibit B (the “Member Rate Schedule”) for services and benefits for those Members who are not AR Members.

Section 4. Effective Dates. The AR Rate Schedule and the Member Rate Schedule shall be effective July 1, 2020 and shall remain in effect until amended and revised.

Adopted and approved on April 23, 2020