



KENTUCKY MUNICIPAL ENERGY AGENCY

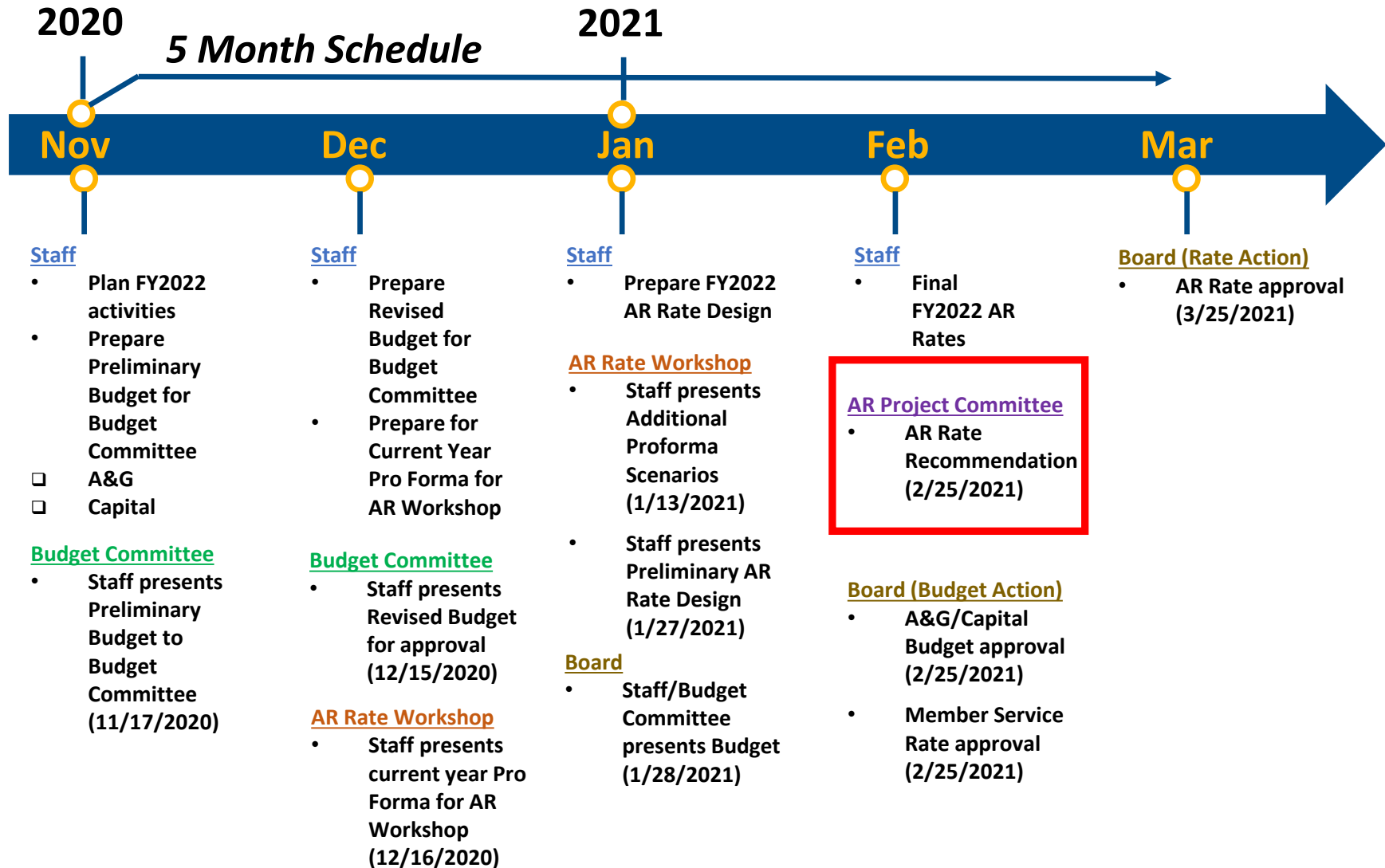


FY 2022 AR Project Rates

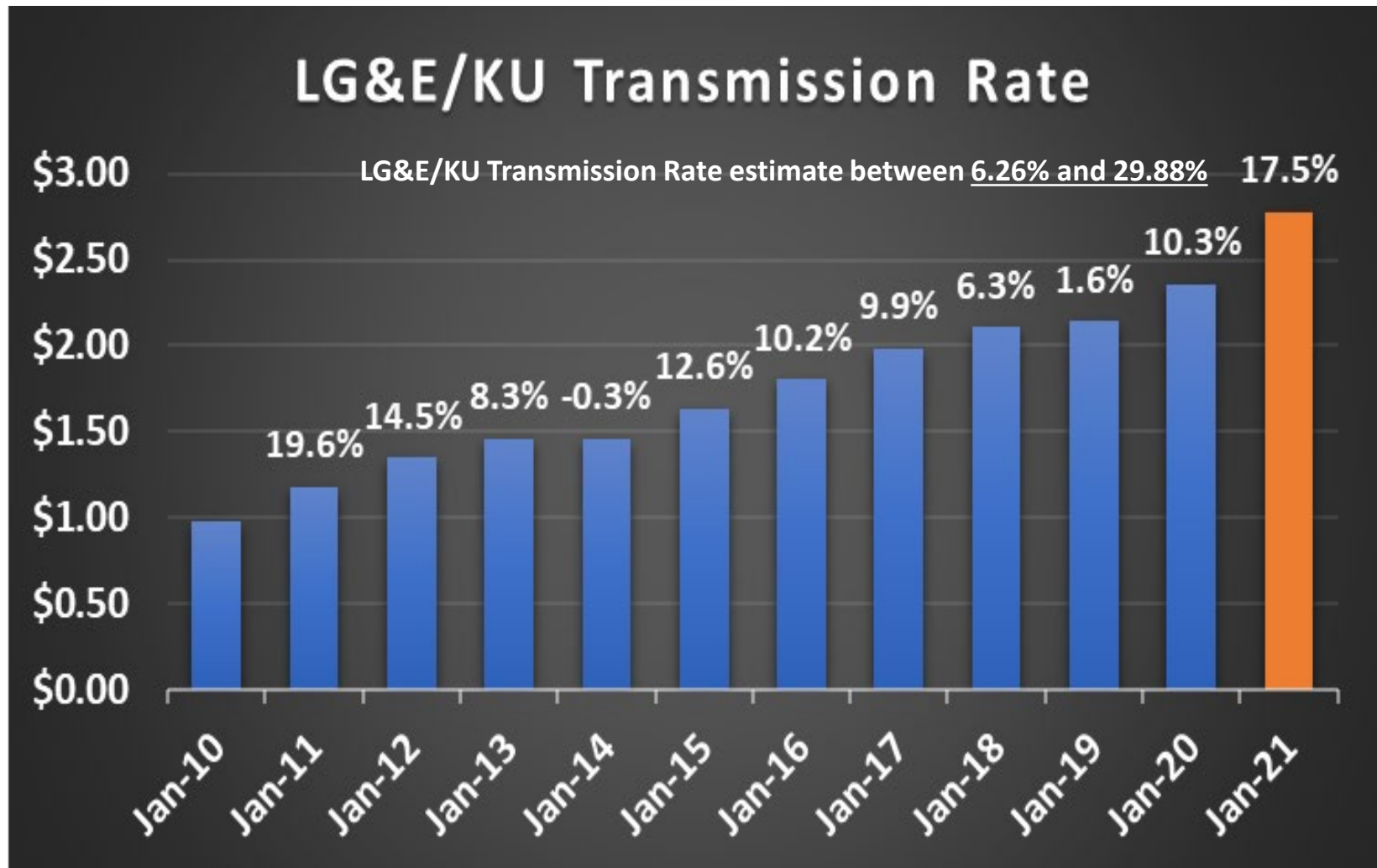
February 25, 2021

Heather Overby

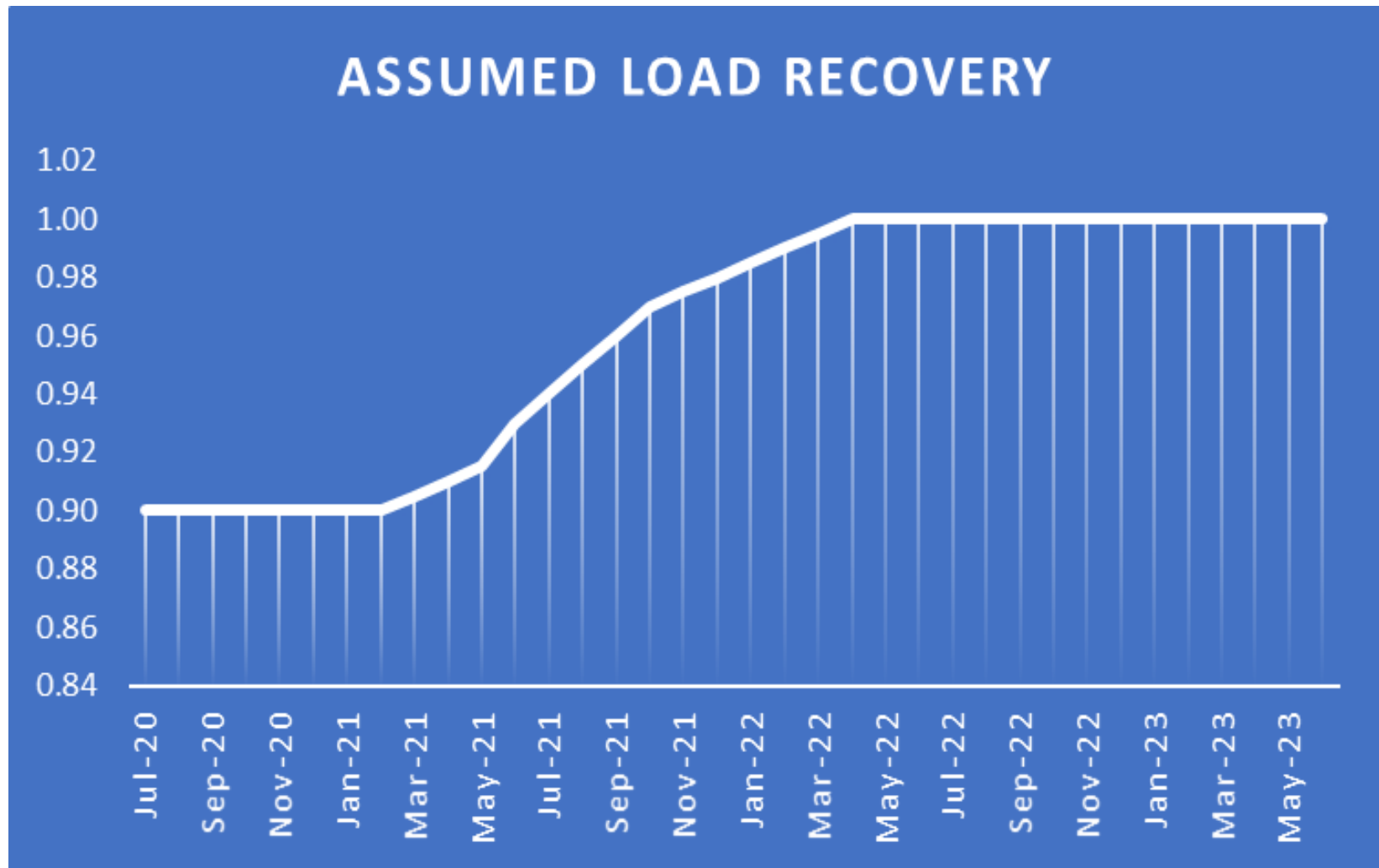
FY2022 Budget and Rates Schedule



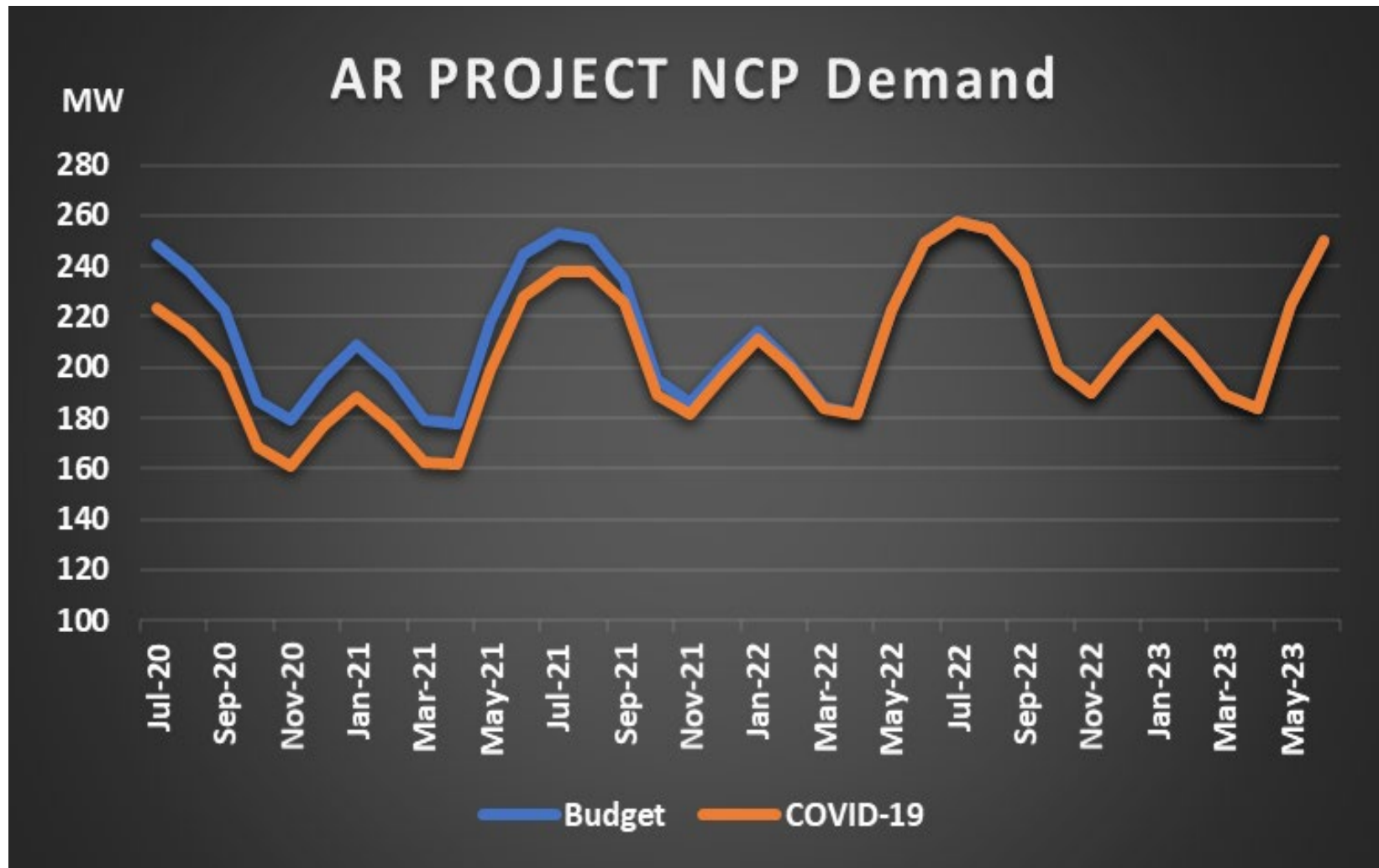
LG&E/KU Projected FY2022 Transmission



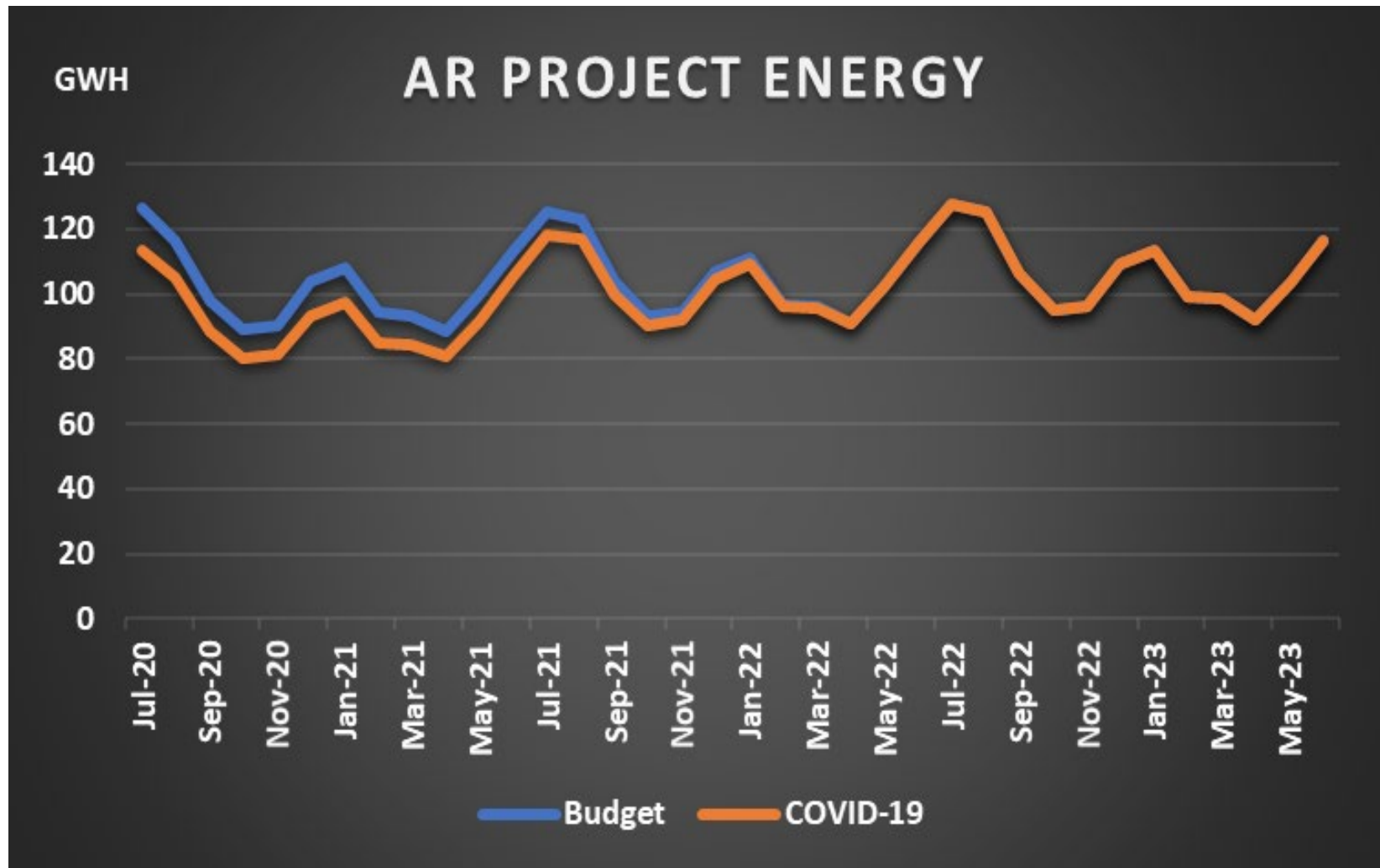
AR Project Demand and Energy



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AR Project Demand and Energy



KYMEA COVID-19 Rate Relief Plan

- ❑ Due to the effect of COVID-19 on KYMEA's Members and their ratepayers, KYMEA is extending its COVID-19 Rate Relief Plan ("Plan") in FY2022. This Plan will utilize Rate Stabilization funds to aid in alleviating the economic impact of the pandemic on the KYMEA Members. KYMEA and its membership stand together to provide much needed relief to our customers.

KYMEA COVID-19 Rate Relief Plan

	FY2021 7 Month Actual/5 Month Projected			FY2022 - Budget			FY2023 - Budget		
	<u>\$/kW-mo</u>	<u>kW</u>	<u>\$</u>	<u>\$/kW-mo</u>	<u>kW</u>	<u>\$</u>	<u>\$/kW-mo</u>	<u>kW</u>	<u>\$</u>
Billing Demand	\$14.044000	2,379,028	\$33,411,065	\$14.044000	2,517,254	\$35,352,311	\$11.390355	2,620,032	\$29,843,092
Energy	<u>\$/kWh</u>	<u>kWh</u>	<u>\$</u>	<u>\$/kWh</u>	<u>kWh</u>	<u>\$</u>	<u>\$/kWh</u>	<u>kWh</u>	<u>\$</u>
	\$0.024702	1,180,696,643	\$29,165,568	\$0.024702	1,230,346,330	\$30,392,015	\$0.028523	1,281,572,982	\$36,554,050
ECA	\$0.000000	1,180,753,168	\$0	\$0.000000	1,220,277,469	\$0	\$0.000000	1,281,077,718	\$0
Transmission	<u>\$/kW-mo</u>	<u>kW</u>	<u>\$</u>	<u>\$/kW-mo</u>	<u>kW</u>	<u>\$</u>	<u>\$/kW-mo</u>	<u>kW</u>	<u>\$</u>
KU Transmission 12-CP	\$2.686601	2,290,028	\$6,152,392	\$2.899670	2,427,060	\$7,037,672	\$3.617833	2,512,367	\$9,089,326
MISO Transmission NCP	\$1.535000	2,382,198	\$3,656,674	\$1.535000	2,517,774	\$3,864,784	\$2.329988	2,621,229	\$6,107,431
PJM Transmission 1-CP	\$2.823869	35,400	\$99,965	\$3.180260	34,200	\$108,765	\$3.854164	37,200	\$143,375
KU Direct Assigned Facilities			<u>\$</u>			<u>\$</u>			<u>\$</u>
Fixed Facility Charges			\$155,157			\$106,304			\$106,304
SEPA Member Resource Credit	<u>\$/kW-mo</u>	<u>kW</u>	<u>\$</u>	<u>\$/kW-mo</u>	<u>kW</u>	<u>\$</u>	<u>\$/kW-mo</u>	<u>kW</u>	<u>\$</u>
Capacity Payment	(\$4.427500)	383,388	-\$1,697,450	(\$4.427500)	383,388	-\$1,697,450	(\$4.427500)	383,388	-\$1,697,450
AR Project Member Invoice			\$70,943,371			\$75,164,400			\$80,146,126
			6.009 ¢			6.109 ¢			6.254
Change from Previous Fiscal Year			-5.33%			1.67%			2.37%
AR Project Member Power Supply (Without NITS)			\$64,691,014			\$68,017,963			\$70,913,426
			5.479 ¢			5.528 ¢			5.533
Change from Previous Fiscal Year (Without NITS)			-7.18%			0.90%			0.09%
Net Income			\$3,170,000			-\$2,760,123			\$2,576,562
Days Cash On Hand (June)			71.08			42.88			54.84
Min DCOH to Trigger ECA			50.00			40.00			40.00
Coverage of Full Fixed Obligations (June)			1.07			0.95			1.06
Preferred Leverage (June)			6.86			7.71			6.66

KYMEA COVID-19 Rate Relief Plan

	FY2022 - Budget			FY2023 - Budget			FY2024 - Budget		
	<u>\$/kW-mo</u>	<u>kW</u>	<u>\$</u>	<u>\$/kW-mo</u>	<u>kW</u>	<u>\$</u>	<u>\$/kW-mo</u>	<u>kW</u>	<u>\$</u>
Billing Demand	\$14.044000	2,517,254	\$35,352,311	\$11.390355	2,620,032	\$29,843,092	\$11.675114	2,628,622	\$30,689,464
Energy	<u>\$/kWh</u>	<u>kWh</u>	<u>\$</u>	<u>\$/kWh</u>	<u>kWh</u>	<u>\$</u>	<u>\$/kWh</u>	<u>kWh</u>	<u>\$</u>
	\$0.024702	1,230,346,330	\$30,392,015	\$0.028523	1,281,572,982	\$36,554,050	\$0.029236	1,290,179,132	\$37,719,509
ECA	\$0.000000	1,220,277,469	\$0	\$0.000000	1,281,077,718	\$0	\$0.000000	1,289,622,523	\$0
Transmission	<u>\$/kW-mo</u>	<u>kW</u>	<u>\$</u>	<u>\$/kW-mo</u>	<u>kW</u>	<u>\$</u>	<u>\$/kW-mo</u>	<u>kW</u>	<u>\$</u>
KU Transmission 12-CP	\$2.899670	2,427,060	\$7,037,672	\$3.617833	2,512,367	\$9,089,326	\$4.197698	2,535,948	\$10,645,145
MISO Transmission NCP	\$1.535000	2,517,774	\$3,864,784	\$2.329988	2,621,229	\$6,107,431	\$2.388237	2,631,418	\$6,284,451
PJM Transmission 1-CP	\$3.180260	34,200	\$108,765	\$3.854164	37,200	\$143,375	\$4.528642	37,200	\$168,465
KU Direct Assigned Facilities			<u>\$</u>			<u>\$</u>			<u>\$</u>
Fixed Facility Charges			\$106,304			\$106,304			\$106,304
SEPA Member Resource Credit	<u>\$/kW-mo</u>	<u>kW</u>	<u>\$</u>	<u>\$/kW-mo</u>	<u>kW</u>	<u>\$</u>	<u>\$/kW-mo</u>	<u>kW</u>	<u>\$</u>
Capacity Payment	(\$4.427500)	383,388	-\$1,697,450	(\$4.427500)	383,388	-\$1,697,450	(\$4.427500)	383,388	-\$1,697,450
AR Project Member Invoice			\$75,164,400			\$80,146,126			\$83,915,888
			6.109 ¢			6.254 ¢			6.504
Change from Previous Fiscal Year			1.67%			2.37%			4.01%
AR Project Member Power Supply (Without NITS)			\$68,017,963			\$70,913,426			\$73,102,278
			5.528 ¢			5.533 ¢			5.666
Change from Previous Fiscal Year (Without NITS)			0.90%			0.09%			2.40%
Net Income			-\$2,760,123			\$2,576,562			\$3,095,236
Days Cash On Hand (June)			42.88			54.84			68.92
Min DCOH to Trigger ECA			40.00			40.00			50.00
Coverage of Full Fixed Obligations (June)			0.95			1.06			1.08
Preferred Leverage (June)			7.71			6.66			6.47

KYMEA COVID-19 Rate Relief Plan

Key Elements of the FY2022 KYMEA COVID-19 Rate Relief Plan

- Billing Demand Rate: \$14.044 per kW-MO **UNCHANGED**
- Energy Rate: \$0.024702 per kWh **UNCHANGED**
- MISO Transmission Rate: \$1.535 per kW-MO **UNCHANGED**
- KU (PJM) Transmission Rate: \$2.89967 (\$3.180260) per kW-MO **Pass through increase capped at 10%. If increase is lower, KYMEA passes on lower rate.**
- DCOH Minimum to trigger ECA: 40 Days **Decreased from 50 days**

Key Elements of the FY2023 **PROJECTION** (for illustrative purposes only)

- Billing Demand Rate: \$11.390355 per kW-MO
- Energy Rate: \$0.028523 per kWh
- **Demand and Energy rates reallocated to align with change in power cost characteristics. No change in total energy rate per kWh.**
- MISO Transmission Rate: \$2.329988 per kW-MO **Changed to reflect MISO rate increase and additional 15MW PTP.**
- KU (PJM) Transmission Rate: \$3.617833 (\$3.854164) per kW-MO **Pass through actual KU (PJM) rate.**

In response to the COVID-19 pandemic, the Agency extended the KYMEA COVID-19 Late Payment Protection Plan (“LPPP”). The LPPP is aimed at alleviating AR member revenue collection deficiencies driven by the customer disconnect suspensions in the wake of the coronavirus.

- The LPPP allows the Agency to work with AR Members who may only be able to pay a portion of their KYMEA power bill. The Agency may waive late fees and negotiate with the AR member to develop a payment schedule. The AR Member will be responsible for their power bill in its entirety by the end of the FY2022 fiscal year, at which time late payment charges may be imposed.

Motion for KYMEA All-Requirements Project Committee to recommend to the full KYMEA Board of Directors approval of the following:

- FY 2022 All-Requirements Project Rate Schedule
- FY 2022 COVID-19 Rate Relief Plan
- FY 2022 COVID-19 Late Payment Protection Plan

Upcoming Board Action

March 25, 2021 – Board vote on approval of:

- FY 2022 All-Requirements Project Rate Schedule
- FY 2022 COVID-19 Rate Relief Plan
- FY 2022 COVID-19 Late Payment Protection Plan