

**KENTUCKY MUNICIPAL ENERGY AGENCY
ALL REQUIREMENTS PROJECT -- WHOLESALE POWER RATE SCHEDULE**

1. Availability

This rate schedule for wholesale power is available to Members purchasing power and energy and related services from the Agency under the All Requirements Power Sales Contract ("Contract").

2. Applicability

This rate schedule is applicable to Members taking service from the Agency under the Contract ("AR Members").

3. Character of Service

Wholesale power furnished under this rate schedule at one or more Points of Delivery as set forth in Schedule A shall be sixty-hertz, three-phase, alternating current.

4. Monthly Rates and Charges

The Member's monthly bill will include the following charges:

AR Project Charges

| | |
|-------------------------------------|--|
| Demand Charge | \$14.044 per kW times Monthly Billing Demand |
| Energy Charge | \$0.024702 per kWh times Monthly Energy Requirement |
| Energy Cost Adjustment (ECA) Charge | A charge determined monthly per Sections 6 and 7 of this Rate Schedule |

Transmission Charges

| | |
|-------------------------------|---|
| a. LGE/KU Transmission Charge | \$2.89967 per kW times Monthly Coincident (12-CP) Transmission Billing Demand |
|-------------------------------|---|

Applicable to AR Members receiving service over the LGE/KU transmission system. The LGE/KU Transmission Charge is updated annually effective June 1 and includes LGE/KU's Open Access Transmission Tariff (OATT) charges under:

- Schedule 10, Network Integration Transmission Service
- Schedule 1, Scheduling, System Control and Dispatch
- Schedule 2, Reactive Supply and Voltage Control from Generation Sources Service
- Schedule 3, Regulation and Frequency Response Service
- Schedule 5, Operating Reserve - Spinning Reserve Service
- Schedule 6, Operating Reserve - Supplemental Reserve Service
- Associated credits relevant to the above schedules and any new transmission tariffs

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The LGE/KU charge is applied, by Member, based on the individual Member's monthly coincident peak (12-CP) with the LKE transmission system, and shall not exceed \$2.89967 per kW.

- b. PJM-EKPC Transmission Charge \$3.31784 per kW times Annual Coincident
(1-CP) Transmission Billing Demand

Applicable to AR Members receiving service over the PJM-EKPC transmission system. The PJM-EKPC Transmission Charge is updated annually effective January 1 and includes PJM Open Access Transmission Tariff (OATT) charges under:

- Schedule 1100, Network Integration Transmission Service
- Schedule 1108, Transmission Enhancement
- Schedule 1115, Transmission Enhancement Settlement (EL05-121-009)
- Schedule(s) 1301-1311, PJM Scheduling Charges, System Control, and Dispatch Service
- Schedule(s) 1313-1319, PJM Settlement, Market Monitoring, FERC Recovery, and PJM States Funding
- Schedule 1320, Transmission Owner Scheduling, System Control and Dispatch Service
- Schedule 1330, Reactive Supply and Voltage Control from Generation and Other Sources Service
- Schedule(s) 1340-1380, Regulation, Frequency Response, Reserve, and Black Start Services
- Associated credits relevant to the above schedules and any new transmission tariffs

The PJM-EKPC charge is applied, by Member, based on the individual Member's annual coincident peak (1-CP) with the EKPC transmission system and shall not exceed \$3.31784 per kW. The annual 1-CP update is based on PJM's defined time period of November 1 - October 31 from the previous year.

- c. MISO Transmission Charge \$1.535 per kW times Monthly Billing Demand

Applicable to all AR Members. The Agency will review and update the MISO Transmission Charge annually, and more frequently if needed, to reflect changes in MISO transmission costs.

- d. LGE/KU Wholesale Distribution Service Charge per Section 8 of this Rate Schedule

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5. Billing Determinants

Monthly Billing Demand is the Member's Monthly Non-Coincident Billing Demand, except that for the months of December, January, February, and March, it is lesser of (a) the Member's Monthly Non-Coincident Billing Demand or (b) the average of the Member's maximum Monthly Non-Coincident Billing Demand occurring in each of the preceding three summer seasons (June, July, and August).

Monthly Non-Coincident Billing Demand is the highest average kW demand during a 60-minute period ending on a clock hour of the Member's total load during the monthly billing period. For Members with multiple delivery points, the Member's total load is the aggregated load of all delivery points each hour.

Monthly Transmission Billing Demand is the Member's average kW demand during LGE/KU's transmission system peak hour during the monthly billing period. This is commonly referred to as the Member's demand coincident with the LGE/KU monthly transmission system peak demand.

Annual Transmission Billing Demand is the Member's average kW demand during PJM-EKPC's transmission system peak hour during the annual billing period. This is commonly referred to as the Member's demand coincident with the PJM-EKPC annual transmission system peak demand.

Monthly Energy Requirement is the total amount of energy supplied to the Member during the monthly billing period, as determined in accordance with the Contract.

Monthly Billing Demand, Monthly Transmission Billing Demand, Annual Transmission Billing Demand, and Monthly Energy Requirement shall be based on load metered at, or appropriately compensated for losses to the high-voltage side of delivery substations connecting the Member's system to the applicable transmission system.

Monthly Billing Demand, Monthly Transmission Billing Demand, Annual Transmission Billing Demand, and Monthly Energy Requirement shall be determined, including any load or usage on the Member's system directly served from a Member-Owned Resource, if any, as provided in the Contract.

6. Energy Cost Adjustment (ECA)

The Energy Cost Adjustment (ECA) shall be an amount equal to the product of the Energy Cost Adjustment Charge Factor (ECAAF) times the Member's Monthly Energy Requirement for the current billing month. The ECA shall be included on the subsequent monthly invoice.

Collection of the ECA shall be applied as follows:

If the computed average Days Cash on Hand for any three consecutive months < the average computed Minimum Target Days Cash on Hand for those same three consecutive months as set forth in Table 6.1, then the ECA shall be computed and collected.

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Credit of the ECA shall be applied as follows:

If the current month's Days Cash on Hand > the Maximum Days Cash on Hand for the same month, then the ECA shall be computed and credited.

Where:

The ECAF shall be \$0.003/kWh.

The Minimum Monthly Target Days Cash on Hand (DCOH) and Maximum DCOH shall be as defined in Table 6.1 below.

Table 6.1

| Month-Year | Minimum Target DCOH | Maximum DCOH |
|------------|---------------------|--------------|
| Jul 2021 | 65 | 89 |
| Aug 2021 | 71 | 89 |
| Sep 2021 | 76 | 89 |
| Oct 2021 | 80 | 89 |
| Nov 2021 | 77 | 89 |
| Dec 2021 | 73 | 89 |
| Jan 2022 | 73 | 89 |
| Feb 2022 | 75 | 89 |
| Mar 2022 | 76 | 89 |
| Apr 2022 | 74 | 89 |
| May 2022 | 71 | 89 |
| Jun 2022 | 71 | 89 |

The Days Cash on Hand shall be computed as:

Days Cash on Hand = Cash Available / Adjusted Operating Expense per Day

Where:

Cash Available = Cash and Investments

Source: KYMEA Statement of Net Position

Where:

Adjusted Operating Expense per Day = Monthly Purchase Power and Operating Expenses, less Monthly Depreciation, plus Previous Months' Adjusted Operating Expense Balance, divided by Cumulative Days of the fiscal year.

At the beginning of each fiscal year, the Previous Month's Adjusted Operating Expense

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Balance shall be reset as zero.

Source: KYMEA Consolidated Statements of Revenue, Expenses, and Changes in
Net Position

7. COVID-19 Rate Relief Plan (RRP)

In response to the COVID-19 pandemic, the Agency extended the KYMEA COVID-19 Rate Relief Plan ("RRP"). The RRP is aimed at alleviating the economic impact on the KYMEA Members. KYMEA and its membership stand together to provide much-needed relief to our customers. For the fiscal year 2022, the RRP lowers the DCOH minimum target from 71 days to 40 days.

Table 7.1 below shall be applicable for the collection of the ECA for the fiscal year 2022, supersedes Table 6.1, substituting the Minimum Target DCOH with the COVID-19 Rate Relief Plan Minimum Target DCOH.

Table 7.1

| Month-Year | Minimum Target DCOH | COVID-19 Rate Relief Plan Minimum Target DCOH | Maximum DCOH |
|-------------------|----------------------------|--|---------------------|
| Jul 2021 | 65 | 40 | 89 |
| Aug 2021 | 71 | 40 | 89 |
| Sep 2021 | 76 | 40 | 89 |
| Oct 2021 | 80 | 40 | 89 |
| Nov 2021 | 77 | 40 | 89 |
| Dec 2021 | 73 | 40 | 89 |
| Jan 2022 | 73 | 40 | 89 |
| Feb 2022 | 75 | 40 | 89 |
| Mar 2022 | 76 | 40 | 89 |
| Apr 2022 | 74 | 40 | 89 |
| May 2022 | 71 | 40 | 89 |
| Jun 2022 | 71 | 40 | 89 |

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8. Direct Assigned Facilities Charges

The monthly fixed charges shown in the table below are the current LGE/KU Direct Assigned Facilities Charges stated in the KYMEA-LGE/KU Wholesale Distribution Service Agreement dated 03/01/2019 and amended effective 12/15/2020. These charges are based on investment in distribution facilities owned and operated by LGE/KU and include charges for substations, switchgear, and tap lines.

LGE/KU Direct Assigned Facilities Charges

| AR Member | Monthly Fixed Charge |
|------------------|-----------------------------|
| Barbourville | n/a |
| Bardwell | \$378.25 |
| Corbin | n/a |
| Falmouth | \$7,189.75 |
| Frankfort | n/a |
| Madisonville | n/a |
| Paris | n/a |
| Providence | \$1,290.64 |

The LGE/KU Direct Assigned Facilities Charges will be updated from time to time as needed to reflect changes in LGE/KU's charges under the Wholesale Distribution Service Agreement.

9. Power Factor Charge

Each AR Member is encouraged to take and use power in such a manner that the power factor, at the time of its monthly non-coincident peak demand, will not be less than ninety percent (90%).

If the AR Member's measured power factor, at the time of its monthly non-coincident peak demand, is less than ninety percent (90%), the Member will be assessed a Power Factor Charge as follows:

| | |
|---------------------|---|
| Power Factor Charge | \$2.80 per kVAR applied to the amount of reactive demand in kVAR by which the metered reactive demand exceeds the reactive demand at a 90% power factor |
|---------------------|---|

The Agency will not assess and apply power factor charges to the Members unless the Agency is assessed similar charges from the Balancing Authority (BA) or Regional Transmission Organization (RTO), at which time the Agency will assess these charges to the Members.

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10. Late Payment Charge

The Agency may impose a late payment charge equal to five percent (5%) of the unpaid balance on any power bill amounts not paid by the due date specified in the Contract.

11. COVID-19 Late Payment Protection Plan (LPPP)

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.

Schedule A to AR Rate Schedule

**KENTUCKY MUNICIPAL ENERGY AGENCY
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**SCHEDULE A
POINTS OF DELIVERY**

| No. | Delivery Point Name | Voltage Level |
|------------|-----------------------------|--------------------------|
| 1 | Barbourville City | 69kV |
| 2 | Bardwell City | 69kV |
| 3 | Corbin 1 North | 69kV |
| 4 | Corbin 2 South | 69kV |
| 5 | Falmouth 4kV | 69kV |
| 6 | Frankfort Myrick 1 | 69kV |
| 7 | Frankfort Myrick 2 | 69kV |
| 8 | Frankfort Myrick 3 | 69kV |
| 9 | Madisonville GE | 69kV |
| 10 | Madisonville West | 69kV |
| 11 | Madisonville East | 69kV |
| 12 | Madisonville Hospital | 69kV |
| 13 | Madisonville North | 69kV |
| 14 | Madisonville McCoy Road | 69kV |
| 15 | Paris City 1 (Scott Street) | 69kV |
| 16 | Paris City 2 (Claysville) | 69kV |
| 17 | Paris City 3 (Vine St) | 69kV |
| 18 | Paris City 4 (Weaver Rd) | 69kV |
| 19 | Providence 4kV | 69kV |
| 20 | Providence East | 69kV |

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