

**NOTICE OF PROPOSED ADJUSTMENT TO
RETAIL ELECTRIC RATES**

PLEASE TAKE NOTICE that, in accordance with the requirements of the Kentucky Public Service Commission (“Commission”), as set forth in 807 KAR 5:001 Section 17(2)(b) and 807 KAR 5:001 Section 17(4) of the Commission’s Rules and Regulations, notice is hereby given to the member consumers of South Kentucky Rural Electric Cooperative Corporation (“South Kentucky RECC”) of a proposed general rate adjustment. South Kentucky RECC intends to file an application styled, The Electronic Application of South Kentucky Rural Electric Cooperative Corporation for General Adjustment of Rates, and Other General Relief, to the Commission, on or after December 1, 2021.

The rate adjustment, with a requested effective date of January 13, 2022, is intended to be implemented in phases over a period of two consecutive years, and will ultimately result in an increase in retail power costs to its member consumers described below, and in an increase in revenue of \$ 8,685,396 or 7.71% for South Kentucky RECC.

The present and proposed monthly rates by rate class for each phase of rate implementation are listed below:

Rate	Item	Present	Step 1 Proposed 1/13/2022	Step 2 Proposed 1/13/2023
A	<u>Residential, Farm and Non-Farm Service</u>			
	Consumer Charge	\$ 13.29	\$ 24.00	\$ 24.00
	Energy Charge per kWh	\$ 0.084330	\$ 0.078470	\$ 0.083130
A-ETS	<u>Residential, Farm and Non-Farm Service (ETS)</u>			
	Energy Charge per kWh	\$ 0.061120	\$ 0.061610	\$ 0.062110
B	<u>Small Commercial Rate</u>			
	Consumer Charge	\$ 24.66	\$ 40.00	\$ 40.00
	Energy Charge per kWh	\$ 0.096520	\$ 0.086680	\$ 0.088930
B-ETS	<u>Small Commercial Rate (ETS)</u>			
	Energy Charge per kWh	\$ 0.068380	\$ 0.068380	\$ 0.068380
LP	<u>Large Power Rate (Excess of 50 kVA)</u>			
	Consumer Charge	\$ 51.83	\$ 70.00	\$ 70.00
	Demand Charge per kW	\$ 7.26	\$ 7.61	\$ 8.12
	Energy Charge per kWh	\$ 0.05804	\$ 0.05804	\$ 0.05804
LP-1	<u>Large Power Rate (500 KW to 4,999 KW)</u>			
	Consumer Charge	\$ 148.09	\$ 225.00	\$ 225.00
	Substation Charge 500-999 kW	\$ 373.20	\$ 373.20	\$ 373.20
	Substation Charge 1000-2999 kW	\$ 1,118.42	\$ 1,118.42	\$ 1,118.42
	Substation Charge 3000-7499 kW	\$ 2,811.45	\$ 2,811.45	\$ 2,811.45
	Demand Charge per kW	\$ 6.39	\$ 6.49	\$ 6.63
	Energy Charge per kWh	\$ 0.05196	\$ 0.05196	\$ 0.05196
LP_2	<u>Large Power Rate (5,000 KW to 9,999 KW)</u>			
	Consumer Charge	\$ 148.09	\$ 160.00	\$ 160.00
	Substation Charge 3000-7499 kW	\$ 2,811.45	\$ 2,811.45	\$ 2,811.45
	Substation Charge 7500-14799 kW	\$ 3,382.50	\$ 3,382.50	\$ 3,382.50
	Demand Charge per kW	\$ 6.39	\$ 6.54	\$ 6.69
	Energy Charge-First 400 - per kWh	\$ 0.05196	\$ 0.05196	\$ 0.05196
	Energy Charge-All Remaining - per kWh	\$ 0.04484	\$ 0.04484	\$ 0.04484
LP-3	<u>Large Power Rate (500 KW to 2,999 KW)</u>			

	Consumer Charge	\$ 151.21	\$ 151.21	\$ 151.21
	Substation Charge 500-999 kW	\$ 381.08	\$ 381.08	\$ 381.08
	Substation Charge 1000-2999 kW	\$ 1,142.01	\$ 1,142.01	\$ 1,142.01
	Demand Charge per kW - Contract	\$ 6.52	\$ 7.26	\$ 8.04
	Demand Charge per kW - Excess	\$ 9.46	\$ 9.98	\$ 9.98
	Energy Charge per kWh	\$ 0.04919	\$ 0.04919	\$ 0.04919
OPS	<u>Optional Power Service</u>			
	Consumer Charge	\$ 51.83	\$ 51.83	\$ 51.83
	Energy Charge per kWh	\$ 0.103900	\$ 0.106080	\$ 0.108260
AES	<u>All Electric Schools</u>			
	Consumer Charge	\$ 86.07	\$ 86.07	\$ 86.07
	Energy Charge per kWh	\$ 0.078310	\$ 0.082800	\$ 0.087370
STL	<u>Street Lighting</u>			
	Mercury Vapor or Sodium 0-20000 Lumens	\$ 8.67	\$ 8.84	\$ 9.01
	Mercury Vapor or Sodium Over 20000 Lumens	\$ 14.02	\$ 14.30	\$ 14.58
	LED 10,500 Lumens	\$ 16.67	\$ 17.01	\$ 17.34
DSTL	<u>Decorative Street Lighting</u>			
	Metal Halide Acorn 100-Watt Metered	\$ 8.10	\$ 8.26	\$ 8.42
	Sodium Cobra on Existing Pole	\$ 16.05	\$ 16.37	\$ 16.69
	LED Cobra on Existing Pole	\$ 16.67	\$ 17.01	\$ 17.34
	LED Cobra on Existing Pole Metered	\$ 13.70	\$ 13.98	\$ 14.25
	Sodium Cobra on 30' Aluminum Pole	\$ 22.60	\$ 23.06	\$ 23.51
	14' Smooth Black Pole	\$ 12.05	\$ 12.29	\$ 12.53
	14' Fluted Pole	\$ 15.59	\$ 15.91	\$ 16.22
	LED 173 Watt Area	\$ 25.70	\$ 26.22	\$ 26.73
	30' Square Steel Pole	\$ 17.87	\$ 18.23	\$ 18.58
	Metal Halide Galleria 1000-Watt	\$ 36.93	\$ 37.67	\$ 38.40
	Mercury Vapor on 8' Arm 400-Watt	\$ 18.59	\$ 18.96	\$ 19.33
	Mercury Vapor on 12' Arm 400-Watt	\$ 21.82	\$ 22.26	\$ 22.69
	Mercury Vapor on 16' Arm 400-Watt	\$ 22.84	\$ 23.30	\$ 23.75
	Metal Halide Galleria 400-Watt	\$ 22.19	\$ 22.63	\$ 23.07
	Metal Halide Lexington 100-Watt	\$ 8.46	\$ 8.63	\$ 8.80
	Metal Halide Lexington 100-Watt Metered	\$ 5.91	\$ 6.03	\$ 6.15
	Metal Halide Acorn 100-Watt	\$ 10.71	\$ 10.93	\$ 11.14
	Metal Halide Galleria 400-Watt Metered	\$ 12.74	\$ 13.00	\$ 13.25
	Sodium Cobra on Existing Pole 15000 Lumens	\$ 10.53	\$ 10.75	\$ 10.96
	Sodium Cobra on 30' Aluminum Pole 7000 L Unmet	\$ 19.42	\$ 19.81	\$ 20.19
	Sodium Cobra on 30' Aluminum Pole 15000 L Metd	\$ 16.92	\$ 17.26	\$ 17.59
	Sodium Cobra on 30' Aluminum Pole 7000 L Metd	\$ 16.92	\$ 17.26	\$ 17.59
	LED 173W Area Metered	\$ 21.19	\$ 21.62	\$ 22.04
	1000 Watt Galleria Metered	\$ 14.90	\$ 15.20	\$ 15.49
	250W Cobra HPS w/30' Aluminum Pole	\$ 24.95	\$ 25.46	\$ 25.95
	400 W Cobra MV 8' Arm Metered	\$ 9.24	\$ 9.42	\$ 9.60
	400 W Cobra MV 12' Arm Metered	\$ 12.40	\$ 12.65	\$ 12.89
	400 W Cobra MV 16' Arm Metered	\$ 13.37	\$ 13.64	\$ 13.90
	30' Aluminum Pole	\$ 27.23	\$ 27.78	\$ 28.32
OLS	<u>Outdoor Lighting/Security Lights</u>			

	M/Vapor Sec L	\$ 10.70	\$ 10.92	\$ 11.13
	M/Vapor Sec L - Metered	\$ 7.79	\$ 7.94	\$ 8.09
	Sodium Sec L	\$ 10.70	\$ 10.92	\$ 11.13
	Sodium Sec L - Metered	\$ 7.79	\$ 7.94	\$ 8.09
	LED Sec L	\$ 13.73	\$ 14.00	\$ 14.27
	LED Sec L - Metered	\$ 11.97	\$ 12.22	\$ 12.46
	LED Dir Flood 200 Watt	\$ 23.77	\$ 24.25	\$ 24.72
	LED Dir Flood 200 Watt- Metered	\$ 18.28	\$ 18.65	\$ 19.01
	LED Dir Flood 391 Watt	\$ 36.38	\$ 37.11	\$ 37.83
	LED Dir Flood 391 Watt - Metered	\$ 26.21	\$ 26.74	\$ 27.26
	Sodium Dir 250-Watt	\$ 17.08	\$ 17.43	\$ 17.77
	Sodium Dir 250-Watt - Metered	\$ 9.88	\$ 10.08	\$ 10.28
	Metal Halide Dir 250-Watt	\$ 18.54	\$ 18.91	\$ 19.28
	Metal Halide Dir 250-Watt - Metered	\$ 11.00	\$ 11.22	\$ 11.44
	Metal Halide Dir 400-Watt	\$ 22.99	\$ 23.46	\$ 23.91
	Metal Halide Dir 400-Watt - Metered	\$ 11.00	\$ 11.22	\$ 11.44
	Metal Halide Dir 1000-Watt	\$ 40.38	\$ 41.20	\$ 42.00
	Metal Halide Dir 1000-Watt - Metered	\$ 12.28	\$ 12.53	\$ 12.77

The dollar amount and percent of increase by rate class for each phase of rate implementation are listed below:

Rate Class		Proposed 1/13/2022		Proposed 1/13/2023	
		Increase Year One		Increase Year Two	
		Dollars	Percent	Dollars	Percent
A	Residential, Farm and Non-Farm Service	\$3,582,215	4.91%	\$3,586,451	4.68%
A-ETS	Residential, Farm and Non-Farm Service (ETS)	\$ 2,580	0.84%	\$ 2,632	0.85%
B	Small Commercial Rate	\$ 154,959	1.99%	\$ 155,033	1.95%
B-ETS	Small Commercial Rate (ETS)	\$ -	0.00%	\$ -	0.00%
LP	Large Power Rate (Excess of 50 kVA)	\$ 313,981	2.04%	\$ 319,991	2.03%
LP-1	Large Power Rate (500 KW to 4,999 KW)	\$ 3,858	0.49%	\$ 4,109	0.52%
LP-2	Large Power Rate (5,000 KW to 9,999 KW)	\$ 25,879	0.50%	\$ 25,593	0.50%
LP-3	Large Power Rate (500 KW to 2,999 KW)	\$ 99,574	2.43%	\$ 100,222	2.39%
OPS	Optional Power Service	\$ 29,760	2.01%	\$ 29,760	1.97%
AES	All Electric Schools	\$ 48,401	5.84%	\$ 49,263	5.62%
STL-DSTL-OLS	Lighting	\$ 75,769	2.00%	\$ 75,366	1.95%
Total		\$4,336,975	3.85%	\$4,348,421	3.72%

The effect of the proposed rates on the average monthly bill by rate class along with average usage are listed below:

				Proposed 1/13/2022			Proposed 1/13/2023		
				Increase Year One			Increase Year Two		
Rate Class		Average Usage (kWh)	Current Dollar Amount of Average Usage	Dollar Amount of Average Usage	Increase in Dollars	Percent Increase	Dollar Amount of Average Usage	Increase in Dollars	Percent Increase
A	Residential, Farm and Non-Farm Service	1,019	\$ 96.60	\$ 101.34	\$ 4.74	4.91%	\$ 106.09	\$ 4.75	4.68%
A-ETS	Residential, Farm and Non-Farm Service (ETS)	759	\$ 44.14	\$ 44.52	\$ 0.37	0.84%	\$ 44.90	\$ 0.38	0.85%
B	Small Commercial Rate	1,269	\$ 143.26	\$ 146.11	\$ 2.85	1.99%	\$ 148.97	\$ 2.86	1.95%
B-ETS	Small Commercial Rate (ETS)	602	\$ 38.91	\$ 38.91	\$ -	0.00%	\$ 38.91	\$ -	0.00%
LP	Large Power Rate (Excess of 50 kVA)	37,084	\$ 2,967.63	\$ 3,028.08	\$ 60.45	2.04%	\$ 3,089.69	\$ 61.61	2.03%
LP-1	Large Power Rate (500 KW to 4,999 KW)	988,103	\$ 65,176.07	\$ 65,497.57	\$ 321.50	0.49%	\$ 65,839.99	\$ 342.43	0.52%
LP-2	Large Power Rate (5,000 KW to 9,999 KW)	3,587,578	\$ 207,025.83	\$ 208,104.11	\$ 1,078.28	0.52%	\$ 209,170.49	\$ 1,066.37	0.51%
LP-3	Large Power Rate (500 KW to 2,999 KW)	701,327	\$ 42,695.63	\$ 43,732.86	\$ 1,037.23	2.43%	\$ 44,776.84	\$ 1,043.98	2.39%
OPS	Optional Power Service	6,848	\$ 742.45	\$ 757.38	\$ 14.93	2.01%	\$ 772.30	\$ 14.93	1.97%
AES	All Electric Schools	54,998	\$ 4,226.47	\$ 4,473.41	\$ 246.94	5.84%	\$ 4,724.75	\$ 251.34	5.62%
STL-DSTL-OLS	Lighting	53	\$ 12.59	\$ 12.84	\$ 0.25	2.00%	\$ 13.10	\$ 0.25	1.95%

South Kentucky RECC is also proposing to make changes to certain sections of the Rules and Regulations and Schedules contained in its published tariff. The specific changes being proposed can be found in South Kentucky RECC's application filed with the Kentucky Public Service Commission. A listing of the sections (by section number and title) containing proposed changes and a brief summary of those changes follows:

Section 2.70 Return Check Charge- The requested change substitutes the wording reference of "check" with "payment" as it appears in the section and when referenced in other locations within the tariffs and schedules.

Section 5.41 Exception to Required Deposits- The requested changes alter the requirements as to what criteria may be used in determining a waiver for a required deposit. A change to the first condition reduces the threshold in the number of cut-off notices allowed when considering consumer history; A change to the second condition reduces the acceptable letter of credit criteria regarding the date of issue from 18 months to 12 months; A third condition to allow for a waiver has been added which allows for a soft credit check to be utilized with consumer permission. It also expands the terminology for an acceptable deposit collateral for an industrial or large power account to include the utilization of a bank letter of credit.

Section 5.42 Interest on Deposits- The requested change alters the month that interest on deposits will be credited and paid.

Section 5.43 Evidence, Duration and Recalculation of Deposit- The requested change alters relevant payment history criteria for when a refund of deposit may occur. There is also a correction for a typographical error.

Section 5.50 Unpaid Checks from Consumers- The requested change is to substitute the wording reference of “check(s)” with “payment(s)” as it appears in the section.

Prepay Metering Program Tariff T-38- T-41- This change modifies the term and condition statement on sheet T-41, to add paragraph 22, to allow for disconnection by the utility after there has been no consumer energy usage for a period of 90 days or more. This change would also be inserted in the Agreement For Participation In Prepay Program on page 3 of 3.

Multiple Schedules-A text change to replace the words “Security Lighting” with “Outdoor Lighting”.

Any person may examine the rate application and related documents which South Kentucky RECC has filed with the Commission at the utility’s principal office located at:

South Kentucky Rural Electric Cooperative Corporation
200 Electric Avenue
Somerset, Kentucky 42501

Any person may also examine the rate application and related documents which South Kentucky RECC has filed with the Commission on the Commission’s website at <https://psc.ky.gov/Case/ViewCaseFilings/2021-00407>, or Monday through Friday, 8:00 a.m. to 4:30 p.m., at its office located at:

Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602

Comments regarding the application may be submitted to the Commission by mail to: Kentucky Public Service Commission, P.O. Box 615, Frankfort, Kentucky 40602, or by electronic mail to: psc.info@ky.gov.

The rates contained in this notice are the rates proposed by South Kentucky RECC. However, the Commission may order rates to be charged that differ from the proposed rates contained in this notice.

Any person may submit a timely written request for intervention to the Kentucky Public Service Commission, P.O. Box 615, Frankfort, Kentucky 40602, establishing the grounds for the request, including the status and interest of the party. If the Commission does not receive a written request for intervention within thirty (30) days of initial publication or mailing of this notice, the Commission may take final action on the application.

South Kentucky RECC
200 Electric Avenue
Somerset, Kentucky 42501
Tel. (606) 678-4121
<https://www.skrecc.com>

Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602
Tel. (502) 564-3940
<https://psc.ky.gov>