

Starting in 2009, Kentucky Utilities (KU), with Federal Energy Regulatory Commission (FERC) approval, instituted an annual formulated rate mechanism. This allows KU to change the wholesale electric rate charged to the Frankfort Plant Board (FPB) based on KU's actual charges incurred. FPB is notified of the new rate every May with an effective date of July, 1 of that same year. This year KU has notified the municipal customers of an estimated 7.08% wholesale rate increase including projected ash pond cleanup costs, effective for energy used from July 1, 2017.

Due to these annual rate changes from KU and in keeping with good utility practice, FPB conducts periodic cost and cost allocation reviews by means of a cost-of-service (COS) study. These reviews insure that FPB's retail rates generate adequate revenue based on consideration of wholesale power cost, operating expenses as well as adequate working capital and reserves. Based on the most recent electric cost of service study, which was approved by the Board in May 2013, this 7.08% KU increase will translate differently for FPB's various customer classes but will generally result in a **5.6% to 5.9% retail rate increase**.

A public hearing will be conducted at a special called meeting of the Frankfort Plant Board on 6th June 2017 at 5:00 p.m. at the Frankfort Plant Board Administration Building, 151 Flynn Ave, Frankfort, Kentucky 40601.

The current and proposed rates for electric services are:

Rate Classification	Existing Rate	Proposed Rate
Residential (Rate 10)		
Energy Charge (all kWh)	\$0.08899	\$0.09400
Power Cost Adjustment (variable)	variable	variable
Customer Charge	\$10.75	\$11.45
General Service (Rate 15 & 18)		
Energy Charge (all kWh)	\$0.09300	\$0.09665
Power Cost Adjustment (variable)	Variable	Variable
Customer Charge	\$16.00	\$18.50
Large Power Customer (Rate 20)		
Energy Charge (all kWh)	\$0.05770	\$0.05875
Demand Charge	\$10.80	\$12.12
Power Cost Adjustment (variable)	Variable	Variable
Customer Charge	\$70.00	\$75.00
Large Power – High Load Factor (Rate 21)		
Energy Charge (all kWh)	\$0.05185	\$0.05310
Demand Charge	\$10.45	\$11.83
Power Cost Adjustment (variable)	Variable	Variable
Customer Charge	\$175.00	\$225.00
Municipal (Rates 2 & 19)		
Energy Charge (all kWh)	\$0.08500	\$0.08950
Power Cost Adjustment (variable)	Variable	Variable
Customer Charge	\$16.00	\$18.50
Company Use (Rates 3 & 17)		
Energy Charge (all kWh)	\$0.08500	\$0.08950

Power Cost Adjustment (variable)	Variable	Variable
Outdoor Lighting (Rate 1)		
Security Lights		
129 Watt LED	\$12.36	\$13.06
175 Watt Light (HPS)	\$10.67	\$11.28
400 Watt Light (HPS)	\$13.76	\$14.54
250 Watt Light (HPS)	\$12.36	\$13.06
100 Watt Light (HPS)	\$8.89	\$9.40
91 Watt Light (LED)	\$12.36	\$13.06
Street/Signal Lights		
Energy Charge (all kWh)	\$0.08859	\$0.09364
Power Cost Adjustment (variable)	Variable	Variable
Customer Charge	\$16.00	\$18.50
Area Lighting		
1000 Watt Directional Fixture	\$27.58	\$29.15
1000 Watt MH with 35' Metal Pole	\$32.36	\$34.20
1000 Watt MH with 35' Wood Pole	\$29.69	\$31.38
1000 Watt MH with 45' Metal Pole	\$36.70	\$38.79
250 Watt Directional Fixture	\$9.54	\$10.08
250 Watt MH with 35' Metal Pole	\$14.33	\$15.15
250 Watt MH with 35' Wood Pole	\$11.63	\$12.29
320 Watt Directional Fixture	\$13.44	\$14.21
320 Watt MH with 35' Metal Pole	\$18.23	\$19.27
320 Watt MH with 35' Wood Pole	\$15.54	\$16.43
400 Watt Directional Fixture HPS	\$13.44	\$14.21
400 Watt Directional Fixture MH	\$13.44	\$14.21
400 Watt HPS with 35' Metal Pole	\$18.23	\$19.27
400 Watt HPS with 35' Wood Pole	\$15.54	\$16.43
400 Watt MH with 35' Metal Pole	\$18.23	\$19.27
400 Watt MH with 35' Wood Pole	\$15.54	\$16.43

The above rates are proposed to be effective July 1, 2017.