

COMMONWEALTH OF KENTUCKY
BARREN CIRCUIT COURT
CIVIL ACTION NO. 20-CI-_____

D.T. FROEDGE

PLAINTIFF

v. **VERIFIED COMPLAINT FOR DECLARATORY JUDGMENT**

GLASGOW ELECTRIC PLANT BOARD
SERVE: John M. "Tag" Taylor, III
108 Central Avenue
Glasgow KY 42141

AND

JOHN M. "TAG" TAYLOR, III, in his capacity as a Member of the
Board of the Glasgow Electric Plant Board
SERVE: 108 Central Avenue
Glasgow KY 42141

AND

MARLIN G. WITCHER, in his capacity as a Member of the
Board of the Glasgow Electric Plant Board
SERVE: 206 Cleveland Avenue
Glasgow KY 42141

AND

WILLIAM G. PRITCHARD, in his capacity as a Member of the
Board of the Glasgow Electric Plant Board
SERVE: 104 Cambridge Circle
Glasgow KY 42141

AND

ELIZABETH "LIBBY" SHORT, in her capacity as a Member of the
Board of the Glasgow Electric Plant Board
SERVE: 211 Castleridge Drive
Glasgow KY 42141

DEFENDANTS

Comes the Plaintiff, D.T. Froedge, by counsel, pursuant to KRS §418.040, *et seq.* and
Kentucky Civil Rule 57, and for his Complaint for Declaratory Judgment against the Defendants
states as follows:

PARTIES & JURISDICTION

1. That the Plaintiff, D.T. Froedge, is a Kentucky citizen residing at 601 South Green Street, Glasgow, Kentucky 42141.

2. That the Defendant, Glasgow Electric Plant Board ("GEPB"), is a Kentucky utility company operating pursuant to Chapter 96 of the Kentucky Revised Statutes, having a principal place of business at 100 Mallory Dr., Glasgow, Kentucky 42141, and is therefore subject to the jurisdiction of this court.

3. That the Defendants, John M. "Tag" Taylor, III, Marlin G. Witcher, William G. Pritchard, and Elizabeth "Libby" Short are, or purport to be, members of the GEPB.

4. That this Complaint for Declaratory Judgment seeks a declaratory judgment pursuant to KRS §418.040, *et seq.* and Kentucky Civil Rule 57. An actual controversy exists between the parties. The Barren Circuit Court has original jurisdiction and venue is proper in that the actions and inactions from which this request for a declaration of rights arose occurred within the jurisdictional boundaries of this Court.

FACTUAL BACKGROUND

5. In late 2017, D.T. Froedge was appointed by Dick Doty, the former Mayor of the City of Glasgow, Kentucky, to serve on the GEPB.

6. On January 8, 2018, the Glasgow City Council approved that appointment.

7. On or about May 29, 2019, Froedge tendered his resignation from the GEPB to Harold Armstrong, the current Mayor of the City of Glasgow, Kentucky. (*Resignation Letter*, attached as **Exhibit A**). The resignation was to be effective "[o]n acceptance by Mayor Armstrong."

8. Mayor Armstrong “refused to accept his resignation and asked him to reconsider and continue to serve as a Director.” (*Affidavit of Harold E. Armstrong*, attached as **Exhibit B**, ¶ 3; *Memorandum from Mayor Harold Armstrong*, attached as **Exhibit C**).

9. Subsequently, Froedge asked Mayor Armstrong to withdraw his resignation, to which Mayor Armstrong agreed. (*Affidavit of Harold E. Armstrong*, Ex. B, ¶ 4).

10. Froedge continued to attend GEPB meetings. GEPB meeting minutes continued to reflect that Froedge remained a member of the GEPB and that he was active during such meetings, engaging in discussion, making and seconding motions, and voting. (*Board Minutes*, attached as a collective **Exhibit D**).

11. On May 4, 2020, Froedge, Pritchard, and Witcher, consistent with KRS § 96.770, called a special meeting of the GEPB that was to be conducted on May 5, 2020. (*Special Called Meeting Emails*, attached as **Exhibit E**).

12. Tag Taylor improperly attempted to cancel that meeting by claiming, erroneously, that “Mr. Froedge does not have standing as a board member.” (*Id.*)

13. Upon information and belief, Taylor, acting personally or through others, locked the members of the GEPB out of the building.

14. As a result, the members met outside, where the GEPB undertook several items of business, including electing Froedge as the Chairman of the GEPB.

15. On or about May 6, 2020, Taylor sent a memorandum to GEPB employees claiming that the Board’s actions were “illegitimate” and informing them that he “instructed [GEPB Superintendent Billy] Ray to remove Mr. Froedge from all forms of communication with the EPB.” (*Taylor Memorandum*, attached as **Exhibit F**).

16. Froedge remains a member of the GEPB and is properly its current Chairman.

17. The improper actions of the Defendants have interfered and continue to interfere with Froedge's ability to perform the job for which he was duly appointed and approved.

18. The resignation of a public officer does not become effective until accepted by the proper authority.

19. The property authority for a member of a city utility, including the EPB, is the mayor.

20. Since Mayor Armstrong refused to accept Froedge's resignation, Froedge remains a member of the GEPB.

RELIEF REQUESTED

WHEREFORE, the Plaintiff demands judgment as follows:

21. That, pursuant to KRS § 418.050, this action be docketed for early hearing as in the case of a motion;

22. The entry of a declaratory judgment that D.T. Froedge has remained and is currently a member of the Glasgow Electric Plant Board since his approval on January 8, 2018;

23. For a trial by jury;

24. For his costs and expenses herein incurred; and

25. For any and all other relief to which the Plaintiff appears entitled.

This 13th day of May, 2020.

/s/ Paul T. Lawless

PAUL T. LAWLESS

SETH T. CHURCH

BELL, ORR, AYERS & MOORE, P.S.C.

1010 COLLEGE STREET, P.O. BOX 738

BOWLING GREEN, KY 42102-0738

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EMAIL: church@boamlaw.com

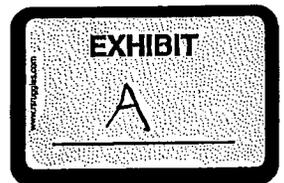
Counsel for Plaintiff

May 29, 2019

On acceptance by Mayor Armstrong, I hereby resign as a member of the Glasgow Electric Plant Board.

5/29/2019

DT Froedge



AFFIDAVIT

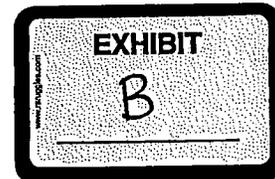
Comes now the Affiant, **HAROLD E. ARMSTRONG**, after first being duly sworn, and for his Affidavit states:

1. My name is Harold E. Armstrong and I have served as Mayor of Glasgow, Kentucky, since January of 2019 until the present.
2. D. T. Froedge was duly serving as a Director of the Glasgow Electric Plant Board when I assumed office. He was appointed to a four (4) year term by my predecessor, Mayor Dick Doty.
3. Early in my tenure Mr. Froedge tendered his resignation as a Director of GEPB to me. Due to his extensive experience, business knowledge, and education, I felt he was a good Director and an asset to the GEPB. I refused to accept his resignation and asked him to reconsider and continue to serve as a Director. He said he would and he continued to serve.
4. At some later time, he asked if he could withdraw his resignation and I agreed and returned it to him.
5. D. T. Froedge has been a Director of the Glasgow Electric Plant Board continuously during my term as Mayor of Glasgow and continues to be a duly appointed and approved Director of the Glasgow Electric Plant Board at this time on May 5, 2020.

This May 5, 2020.



HAROLD E. ARMSTRONG
Mayor, City of Glasgow, Kentucky



COMMONWEALTH OF KENTUCKY

COUNTY OF BARREN

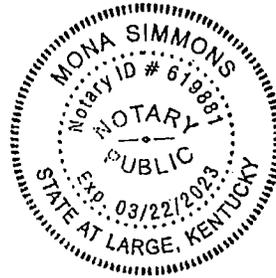
ACKNOWLEDGED, SUBSCRIBED AND SWORN to before me by HAROLD E. ARMSTRONG, Mayor of the City of Glasgow, Kentucky, personally appearing before me and personally known to me or satisfactorily identified by me, to be his free act and deed, this the 5th day of May, 2020.

Mona Simmons

NOTARY PUBLIC-KY-STATE AT LARGE

My Commission Expires: 03/22/2023

Notary ID No.: 619881



Presiding Judge: HON. JOHN T. ALEXANDER (643358)

COM : 000008 of 000052



Harold Armstrong
Mayor

Danny Baid
City Attorney

City of Glasgow

126 East Public Square, Suite 100
P.O. Box 278
Glasgow, KY 42142-0278
Phone 270-651-5131
Fax 270-651-2511

Mena Simmons
City Clerk

Stephanie Garrett
City Treasurer

We at the Mayor's office have had some inquiries about the status of the Board of Directors of the Glasgow Electric Plant Board. As it is an important matter to all Glasgow Citizens, it is appropriate that I give an update on that.

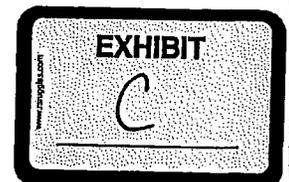
As you are aware Mr. D.T. Froedge, a Board Member, did submit his resignation from the Board, as Mayor I did not immediately accept his resignation and asked him to reconsider. Even though I did not appoint Mr. Froedge to the Board, I have great respect for his knowledge and experience. Mr. Froedge is CEO of his own multi-state business which continues to be highly successful. He is highly educated, a well published and widely renowned physicist. He is independent and has no financial interest that is affected by his service on the Board. In other words, he brings a lot to the table and we are lucky to have people of his caliber to serve on our local Boards of any kind. Mr. Froedge advised that he has some travel planned and may be away for sometime. I asked him to remain on the Board and at this time he remains a Board Member.

If this status changes, I will make an announcement and seek a replacement.

Respectfully,


Harold Armstrong
Mayor, City of Glasgow

Kentucky
UNBOWLED SPIRIT



The regular meeting of the Glasgow Electric Plant Board was held at 6:00 P.M., August 27, 2019, at 100 Mallory Drive, Glasgow, Kentucky.

The meeting was called to order by Chairperson Tag Taylor, and recorded by Secretary Libby Short, with the assistance of EPB Administrative Manager Amy Hall.

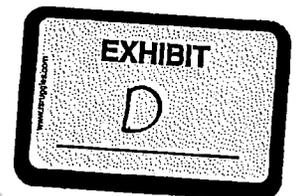
Present were Jeff Harned, Tag Taylor, Libby Short, and Marlin Witcher, said persons being all members of the Board except D.T. Froedge. Also present were Superintendent William J. Ray, Attorney Ron Hampton, several EPB Staff members, and members of the media.

At the call of the Chairperson for the first item of business, an agenda for this August 27, 2019, meeting was proposed as follows:

1. Approval of agenda and any additions
2. Consider enactment of GEPB rules of order
3. Review and approve minutes of July 23, 2019 meeting
4. Consider ratification of adjustments to material bid
5. Consider preliminary review of electric rate performance
6. Consider TVA long term proposal
7. Superintendent's Report
 - a. July metrics and financial metrics review
 - b. September FCA
 - c. CPD ledger
 - d. Glenview Health Care bankruptcy
 - e. Windstream bankruptcy
8. Adjourn

The Chairperson asked if any member had additions for the agenda. After hearing none, the Chairperson called for a vote on approval of the agenda. Approval of this agenda as presented was unanimously voted in the affirmative.

The Chairperson stated the next item of business would be consideration of



enactment of GEPB Rules of Order. A motion was made by Witcher to approve the Rules of Order document. The motion was seconded by Short and unanimously voted in the affirmative. A copy of the approved Rules of Order document is attached hereto and made part hereof as if copied in full here.

At the call of the Chairperson for the next item of business, consideration was given to minutes of the July 23, 2019, meeting. A motion was made by Harned to approve the minutes as presented. The motion was seconded by Witcher and unanimously voted in the affirmative.

The Chairperson stated the next item of business would be consideration of ratification of adjustments to the recent materials bid for the Transmission Pole Replacement project. Due to vendors not honoring pricing in their original bids, the total for this materials bid would need to be ratified to reflect changes, as some purchases had to be awarded to the second lowest proposal from vendors. A motion was made by Harned to accept the updated bid total of \$241,534.39 and ratify the Superintendent's purchases in that amount. The motion was seconded by Short and unanimously voted in the affirmative.

At the call of the Chairperson for the next item of business, a preliminary review was given for the annual review of EPB electric rates. Ray reiterated the desire of past EPB boards to continue moving toward a 100% non-volumetric electric rate. Ray stated that TVA would not implement a rate increase on October 1st, but that TVA had presented a proposed long-term power contract which would need to be considered by the Board. Ray stated that, in 2015, the EPB collected 70% of its fixed costs for

Residential RS customers through a fixed customer charge, with other tariffs varying some from that amount. At that time, the EPB's goal was to collect 100% of fixed costs for all customers through the customer charge, but rate changes and concessions in 2016 put that goal further out of reach. Ray stated currently, the EPB is collecting 61% of those fixed costs through the RS customer charge. Ray stated his recommendation would be to raise the customer charge for RS customers to \$31.97 on January 1, 2020, which would bring the EPB to a 70% collection rate for fixed charges for RS customers. In 2016, the Residential TRS rate schedule collected 58% of fixed costs through the customer charge. As with RS, the goal for the TRS rate schedule was to collect 100% of fixed costs through the customer charge by 2023. Currently, the EPB is collecting only 50% of those fixed costs through the TRS customer charge. Ray stated his recommendation would be to raise the customer charge for TRS to \$31.97 on January 1, 2020. Ray also stated that, after a study of billings for the past year, 57% of customers on the TRS rate would have saved money if they had remained on the RS rate and used energy in the same way. With the suggested changes, and 70% of fixed costs being collected through the customer charge, 30% of fixed costs would be collected volumetrically. Discussion ensued among the Board and eventually Ray was directed to re-calculate his recommended changes and show how a more gradual set of changes to the Customer Charges, targeted at equal steps toward 100% non-volumetric for 2023, would impact customers, and report on same at the next meeting.

Ray next presented information on a long-term proposal from TVA. The long-term partnership proposal offers EPB a 3.1% credit on TVA power bills in exchange for a 20-

year contract term, as opposed to the current 5-year term. Ray stated that EPB's current contract with TVA is an "all requirements contract," meaning that EPB is required to purchase all power from TVA, and not make any of its own power. The long-term proposal offers a possible 5% flexibility to generate, meaning the EPB could possibly generate 5% of its own power. Ray stated the potential credit represents nearly \$500,000 per year for the Glasgow EPB. Ray also discussed potential ways EPB could be held in default of this long-term contract, and possible penalties. Hampton questioned whether EPB could negotiate a better deal with TVA. Ray stated that, in his opinion, TVA would not negotiate terms with individual utilities, that each utility had received the same long-term proposal. Ray stated the 3.1% savings, given the structure of EPB's variable pricing rates, would likely flow straight to customers, with the exception of customers on TRS and TGSA rates, if that is the will of the Board. After much discussion, Taylor requested that Hampton review the long-term proposal contract, and present a list of any potential problem areas at the next Board meeting.

At the call of the Chairperson for the next item of business, the Superintendent presented reports on the September FCA, July metrics, CPD ledger, the Windstream bankruptcy matter, and the Glenview Health Care bankruptcy matter. These reports were accepted as information and no formal action was taken.

There being no further business to come before the meeting, a motion was made by Witcher that this August meeting adjourn to meet again in due course. The motion was seconded by Short and unanimously voted in the affirmative.

Tag Taylor, Chairperson

Libby Short, Secretary

The regular meeting of the Glasgow Electric Plant Board was held at 6:00 P.M., September 24, 2019, at 100 Mallory Drive, Glasgow, Kentucky.

The meeting was called to order by Chairperson Tag Taylor, and recorded by Secretary Libby Short, with the assistance of EPB Administrative Manager Amy Hall.

Present were Jeff Harned, Tag Taylor, Libby Short, and Marlin Witcher, said persons being all members of the Board except D.T. Froedge. Also present were Superintendent William J. Ray, Attorney Ron Hampton, Ernie Peterson representing TVA, several EPB Staff members, and members of the media and public.

At the call of the Chairperson for the first item of business, an agenda for this September 24, 2019, meeting was presented as follows:

1. Approval of agenda and any additions
2. Consider minutes of August 27, 2019 meeting
3. Consider review of electric rate performance and possible approval of rate changes
4. Consider TVA long term proposal
5. Consider Programming Committee recommendation
6. Superintendent's Report
 - a. August metrics and financial metrics review
 - b. October FCA
 - c. CPD ledger
 - d. Windstream bankruptcy
7. Adjourn

The Chairperson asked if any member had additions for the agenda. A motion was made by Witcher to amend the agenda as presented to allow for public comment. The motion was seconded by Short and unanimously voted in the affirmative.

Several members of the public expressed concern over both the proposed long term agreement with TVA, and EPB rate design. No formal action was taken regarding

the public's suggestions.

At the call of the Chairperson for the next item of business, consideration was given to the agenda as amended. A motion was made by Witcher to accept the modified agenda. The motion was seconded by Short and unanimously voted in the affirmative.

At the call of the Chairperson for the next item of business, consideration was given to minutes of the August 27, 2019, meeting. A motion was made by Harned to approve the minutes as presented. The motion was seconded by Short and unanimously voted in the affirmative.

The Chairperson stated the next item of business would be a presentation and review of electric rate performance along with consideration of approval of rate changes. Ray presented an analysis of RS, TRS, GSA, TGSA, GSA2, and GSA3 rate classes. Information was presented on the customer charge for each rate class, and the percent increases necessary per year for each customer charge to arrive at 100% non-volumetric rates within four years, as directed by previous EPB Boards. Information was also presented on potential billing impacts to EPB customers with average usage, both with the acceptance of the proposed Long-Term Agreement with TVA, and examples of average bills without the acceptance of the agreement. An update was given on the Coincident Peak Demand (CPD) Ledger, and the Superintendent recommended that no change be made for the coming year to the amount collected from customers for CPD misses. A motion was made by Harned to approve the rate structures as presented, and to present the proposed rate structures

to TVA for their consideration and possible approval. The motion was seconded by Short and unanimously voted in the affirmative.

At the call of the Chairperson for the next item of business, Attorney Hampton was asked to present his findings regarding the TVA long term proposal. Hampton read from emails sent by TVPPA and TVA representatives to all TVA distributors. The Chairperson also asked for comments from TVA KY District General Manager, Ernie Peterson. Harned asked Peterson for his opinion on why TVA wants to keep Glasgow EPB as a customer. Peterson spoke about the investment TVA has made in infrastructure for Glasgow, pointing out a transmission line and two delivery points. Peterson spoke to the long-term contract proposal by saying that every day, TVA makes decisions that will affect customers 20 years down the road, but they are making those decisions for customers who only have 5-year power contracts. Peterson also spoke about the potential ability of distributors to produce their own power as part of the proposal, as well as protection for distributors and customers in a scenario where the Federal Government would sell TVA. Ray spoke about the portfolio of TVA, and TVA's ability to provide reliable power regardless of the status of coal, natural gas, hydro, or any other source. Ray also stated that TVA has a 99.999% reliability factor, and suggested that the decision on the Long-Term Agreement should include factors other than price.

A motion was made by Harned to authorize Ray to accept the TVA long term proposal. The motion died for lack of a second.

At the call of the Chairperson for the next item of business, Ray presented

information on the Programming Committee's recommendation for a new weather system for EPB Channel 9. Ray stated the Programming Committee recommended the WeatherPlay option 1, with upfront costs of \$9900, and a monthly fee of \$3 15. A motion was made by Harned to accept the Programming Committee's recommendation. The motion was seconded by Short and unanimously voted in the affirmative.

There being no further business to come before the meeting, a motion was made by Short that this September meeting adjourn to meet again in due course. The motion was seconded by Witcher and unanimously voted in the affirmative.

Tag Taylor, Chairperson

Libby Short, Secretary

The regular meeting of the Glasgow Electric Plant Board was held at 6:00 P.M., October 22, 2019, at 100 Mallory Drive, Glasgow, Kentucky.

The meeting was called to order by Chairperson Tag Taylor, and recorded by Secretary Libby Short, with the assistance of EPB Administrative Manager Amy Hall.

Present were Jeff Harned, Tag Taylor, Libby Short, Marlin Witcher, and D.T. Froedje, said persons being all members of the Board. Also present were Superintendent William J. Ray, Attorney Ron Hampton, Lanny White from Carr, Riggs, & Ingram, several EPB Staff members, and members of the media and public.

At the call of the Chairperson for the first item of business, an agenda for this October 22, 2019, meeting was presented as follows:

1. Approval of agenda and any additions
2. Consider minutes of September 24, 2019 meeting
3. Receive audit report from Carr, Riggs, & Ingram
4. Mayor Armstrong remarks
5. Consider bids for 69kV system refurbish labor
6. Consider TVA long term proposal
7. Consider Programming Committee recommendation
8. Superintendent's Report
 - a. September metrics and financial metrics review
 - b. November FCA
 - c. CPD ledger
 - d. Windstream bankruptcy
9. Adjourn

The Chairperson asked if any member had additions for the agenda. After hearing none, the Chairperson called for a vote on approval of the agenda. A motion was made by Short to accept the agenda for this October 22, 2019, meeting as presented. The motion was seconded by Witcher and unanimously voted in the affirmative.

At the call of the Chairperson for the next item of business, consideration was given to minutes of the September 24, 2019, meeting. A motion was made by Harned to approve the minutes as presented. The motion was seconded by Short and unanimously voted in the affirmative.

The Chairperson stated the next item of business would be a presentation on the Audit Report for fiscal year 2019 from Lanny White with Carr, Riggs, & Ingram. White went over the lengthy report in great detail, and pointed out the audit resulted in the following opinion: In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Glasgow Electric Plant Board as of June 30, 2019 and 2018, and the changes in financial position, and its cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America. Taylor questioned the issue with segregation of duties as noted in the audit report. White stated this issue had been alleviated due to the EPB Finance Manager giving up check signing duties, but noted that segregation of duties was often more difficult in smaller organizations such as the EPB. Ray reminded the Board of the need for a Board-approved fraud policy, as was also noted in the audit report. Ray stated this policy had been presented to the Board for consideration in the past, but action on the policy had always been tabled. A motion was made by Harned to accept the audit report as presented. The motion was seconded by Witcher and unanimously voted in the affirmative. Recognition was given to Chief Financial Officer Melanie Reed and her staff for their outstanding work throughout the year.

At the call of the Chairperson for the next item of business, the floor was given

to Mayor Armstrong for remarks. Armstrong stated he asked to be placed on the agenda so that he could encourage the Board to employ a consultant to "expose the EPB to any alternative the company needs to go toward." He also suggested a consultant could guide the EPB in its current position. He stated information gained from a consultant could help the EPB exist and thrive in the future. Both Armstrong and Taylor had reached out to potential qualified energy consultants, and presented two proposals to the Board for review. These proposals included a scope of work and estimated costs. Taylor asked if any Board members would be willing to serve on a committee and evaluate the consultant proposals. Both Froedge and Short volunteered to serve on this committee. Taylor asked that the committee complete their task and report to the Board at the November meeting. Short questioned who would pay for a consulting firm. Taylor stated as such a study would benefit the city as a whole, he would be reaching out to the City and asking them to cover part of the cost. Short stated it would only be fair for the City to cover part of the cost, and not put the entire burden of cost on EPB ratepayers. Ray questioned the Board as to whether he should take a proactive stance in commenting on the consulting proposals. Board members stated that he should, and they would appreciate his insights.

At the call of the Chairperson for the next item of business, labor bids were presented for the 69kV transmission line refurbishment project. The EPB received four

bids as follows:

William E. Groves -	\$970,416.00
Pike -	\$2,189,566.00
Davis H Elliot -	\$690,360.00
Service Electric -	\$465,967.83

Ray explained the work to be done as part of this project, and the risks of not doing the work. A motion was made by Froedge to accept the bid of Service Electric. The motion was seconded by Short and unanimously voted in the affirmative.

At the call of the Chairperson for the next item of business, discussion ensued relative to the TVA long term proposal. Though lively discussion was held relative to the proposal, no formal action was taken on this matter.

The Chairperson stated the next item of business would be consideration of the Programming Committee's recommendation regarding the Fox Networks of FX, FXX, FXM, NatGeo, and NatGeo Wild. The Committee's recommendation was to accept the rate increases as follows, and keep these channels on the EPB cable lineup:

Essential Tier	Current Rate	2020	2021
FX	\$1.2100	\$1.3100	\$1.4100
Nat. Geo.	\$0.3700	\$0.3900	\$0.4000
FXX	\$0.2950	\$0.3100	\$0.3250

\$0.135 Monthly cost increase to Essential Tier for 2020

\$0.125 Monthly cost increase to Essential Tier for 2021

Premier Tier	Current Rate	2020	2021
FX Movies	\$0.290	\$0.300	\$0.310
Nat. Geo Wild	\$0.270	\$0.286	\$0.299

\$0.026 Monthly cost increase to Premier Tier for 2020

\$0.023 Monthly cost increase to Premier Tier for 2021

A motion was made by Harned to accept the recommendation of the Programming Committee. The motion was seconded by Short and unanimously voted in the affirmative.

At the call of the Chairperson for the next item of business, the Superintendent presented reports on the November FCA, September metrics, CPD ledger, and the Windstream bankruptcy matter. These reports were accepted as information and no formal action was taken.

There being no further business to come before the meeting, a motion was made by Witcher that this October meeting adjourn to meet again in due course. The motion was seconded by Harned and unanimously voted in the affirmative.

Tag Taylor, Chairperson

Libby Short, Secretary

Presiding Judge: HON. JOHN T. ALEXANDER (643358)

COM : 000023 of 000052

The regular meeting of the Glasgow Electric Plant Board was held at 6:00 P.M., November 26, 2019, at 100 Mallory Drive, Glasgow, Kentucky.

The meeting was called to order by Chairperson Tag Taylor, and recorded by Secretary Libby Short, with the assistance of EPB Administrative Manager Amy Hall.

Present were Jeff Harned, Tag Taylor, Libby Short, Marlin Witcher, and D.T. Froedje, said persons being all members of the Board. Also present were Superintendent William J. Ray, Attorney Ron Hampton, Ernie Peterson representing TVA, Ron Bunch representing the Bowling Green Area Chamber of Commerce and Barren County Economic Development, several EPB Staff members, and members of the media and public.

At the call of the Chairperson for the first item of business, an agenda for this November 26, 2019, meeting was presented as follows:

9. Approval of agenda and any additions
10. Consider entering executive session per KRS 61.810 (1) (g)
11. Consider entering executive session per KRS 61.810 (1) (c)
12. Minutes of October 22, 2019 meeting
13. Report on in lieu of tax payments for 2019
14. Consider formal tariffs for retail rates approved by TVA
15. Discuss consultant proposals
16. Consider TVA long term proposal
17. Set December meeting date
18. Superintendent's report
 - a. October metrics and financial metrics review
 - b. December FCA
 - c. CPD ledger
 - d. Windstream bankruptcy
 - e. RBG Foundation
 - f. Channel 9 replacement
19. Adjourn

Froedje moved to amend the agenda to remove item #8 until such time as the Board could work with a consultant to advise on how to proceed with the TVA long term proposal. The motion was seconded by Witcher. After no discussion, the motion was called to question by Taylor. Witcher and Froedje voted in favor of amending the agenda. Nay votes were cast by Taylor, Harned, and Short. The motion to amend the agenda failed. A motion was made by Harned to accept the agenda as originally presented. The motion was seconded by Short. Yea votes were cast by Taylor, Harned, and Short. Nay votes were cast by Witcher and Froedje. The motion passed.

The Chairperson stated the next item of business would be consideration of entering executive session per KRS 61.810 (1) (g). A motion was made by Short to enter into executive session per KRS 61.810 (1) (g) regarding potential business and proprietary information regarding that business. The motion was seconded by Harned and unanimously voted in the affirmative. The Chairperson also presented for consideration entering into a second executive session per KRS 61.810 (1) (c) regarding potential litigation due to libel and slander. A motion was made by Short to enter into a second executive session per KRS 61.810 (1) (c) regarding potential litigation due to libel and slander. The motion was seconded by Harned and unanimously voted in the affirmative. The Board entered into executive session.

Upon exiting from executive session, a motion was made by Witcher to come out of executive session. The motion was seconded by Harned and unanimously voted in the affirmative.

The Chairperson stated the next item of business would be action regarding

agenda item #3. A motion was made by Short that a competent, qualified Counsel be consulted regarding potential litigation due to libel, slander, and defamation. The motion was seconded by Harned. Yea votes were cast by Harned, Short, Taylor, and Witcher. One nay vote was cast by Froedge.

At the call of the Chairperson for the next item of business, consideration was given to minutes of the October 22, 2019 meeting. A motion was made by Witcher to accept the minutes as presented. The motion was seconded by Harned and unanimously voted in the affirmative.

The Chairperson stated the next item of business would be a report on in lieu of tax payments for 2019. Ray presented the following information regarding EPB payments to all local taxing districts for 2019, required because the EPB operates as a municipal utility under the Little TVA Act:

- State of Kentucky	\$ 46,266
- Extension Services	\$ 4,573
- Ambulance Service	\$ 5,811
- Fiscal Court	\$ 36,904
- Library	\$ 6,215
- City of Glasgow	\$ 40,416
- Glasgow Ind. Schools	\$233,285
- Barren County Schools	\$ 39,058
- TOTAL	\$412,518

No formal action was taken, and the report was accepted as information.

At the call of the Chairperson for the next item of business, consideration was given to formal tariffs for retail rates already approved by TVA, to become effective January 1, 2020. The proposed changes will result in a net decrease to revenue collected by EPB. A motion was made by Taylor to accept the January 1, 2020, rate

tariffs as presented, and as attached to these minutes, and to authorize Ray to sign the corresponding rate Agreement, to effectuate same. The motion was seconded by Harned and unanimously voted in the affirmative.

The Chairperson stated the next item of business would be discussion regarding consultant proposals. A motion was made by Taylor to table this agenda item due to what was, in his opinion, improper action taken by the City Council at their November 25, 2019 meeting. The motion was seconded by Harned and discussion ensued. Short stated that even though she and Froedge were unable to meet face to face regarding the consultant proposals, they did communicate regarding said proposals. Froedge stated his belief that tabling this agenda item would be "throwing it out and not looking at it at all." At Taylor's call for the question on the motion to table agenda item #7, Harned, Taylor, and Short voted in the affirmative, and nay votes were cast by Witcher and Froedge. The motion passed.

At the call of the Chairperson for the next item of business, consideration was given to the TVA long term proposal. A motion was made by Harned to accept the TVA 20-year contract as presented, and authorize the Superintendent to execute it on behalf of the EPB. The motion was seconded by Short and discussion ensued. Froedge stated concern over making a decision that would affect people and Boards 20 years into the future. Froedge also stated the 3% savings was not a big deal and was a trivial amount of money. Harned expressed concern over businesses and industries in the service area knowing they were paying 3.1% more for power than they could be, if the TVA proposal was not accepted. Taylor expressed that, from an economic development

perspective, businesses are looking for markets affiliated with TVA, due to potential incentives and TVA economic development programs. Taylor stated that Glasgow and Barren County have lost 500 manufacturing jobs over the last ten years, but Bowling Green has gained 3,000 new jobs for the same time period, and that a message needs to be sent that Glasgow is open for business. Ray stated the EPB had 20-year agreements with TVA from 1963 through 1999. Short stated the job of a Board member is to vote based on information that is currently in front of them and to understand how that information is relevant to the city.

Taylor addressed Ernie Peterson, and apologized for the disparaging remarks that were made against TVA at the November 25, 2019 City Council meeting. Taylor stated the majority of citizens in this community do not feel that way about TVA, and see TVA as a good partner and positive influence on the Glasgow community. Taylor then called the question on the motion to accept the TVA 20-year contract as presented. Short, Harned, and Taylor voted in the affirmative, and nay votes were cast by Witcher and Froedge. The motion passed.

The Chairperson stated the next item of business would be to set a date for the December 2019 regular Board meeting. Witcher made a motion that the regular December Board meeting of the EPB be held on December 17, 2019. The motion was seconded by Short and unanimously voted in the affirmative.

At the call of the Chairperson for the next item of business, the Superintendent presented reports on the December FCA, October metrics, CPD ledger, the Windstream bankruptcy matter, an update on RBG Foundation giving, and the channel

9 replacement. Froedge exited the meeting during the Superintendent's report and did not return to the meeting. Short commended EPB employees for their donations as part of RBG Foundation giving. These reports were accepted as information and no formal action was taken.

There being no further business to come before the meeting, a motion was made by Short that this November meeting adjourn to meet again in due course. The motion was seconded by Witcher and unanimously voted in the affirmative.

Tag Taylor, Chairperson

Libby Short, Secretary

GLASGOW ELECTRIC PLANT BOARD

RESIDENTIAL RATE--SCHEDULE RS

(January 2020)

Availability

This rate shall apply only to electric service to a single-family dwelling (including its appurtenances if served through the same meter), where the major use of electricity is for domestic purposes such as lighting, household appliances, and the personal comfort and convenience of those residing therein.

Character of Service

Alternating current, single-phase, 60 hertz. Power shall be delivered at a service voltage available in the vicinity or agreed to by Distributor. Multiphase service shall be supplied in accordance with Distributor's standard policy.

Base Charges

Delivery Charges:

Customer Charge	\$33.67 per month
Per kWh	\$0.01589 per kWh for all kWh
Per kW	\$0.00 per maximum billing demand

Energy Charges:

Summer Period	\$0.06035 per kWh per month for all onpeak kWh \$0.03589 per kWh per month for all offpeak kWh
Winter Period	\$0.04915 per kWh per month for all onpeak kWh \$0.03808 per kWh per month for all offpeak kWh
Transition Period	\$0.03890 per kWh per month for all onpeak kWh \$0.03890 per kWh per month for all offpeak kWh

Demand Charge:

Summer Period	\$11.89 per kW per month of the customer's coincident peak demand
Winter Period	\$10.90 per kW per month of the customer's coincident peak demand
Transition Period	\$10.90 per kW per month of the customer's coincident peak demand

Schedule RS
January 2020
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Presiding Judge: HON. JOHN T. ALEXANDER (643358)

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Adjustment

The base customer charges, demand charges, and energy charges shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months.

Determination of Onpeak and Offpeak Hours

Except for Saturdays and Sundays and the weekdays that are observed as Federal holidays for New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, Onpeak hours for each day shall for purposes of this rate schedule be from 1 p.m. to 7 p.m. during the months of April, May, June, July, August, September and October and from 4 a.m. to 10 a.m. during the months of January, February, March, November, and December. For all other hours of each day and all hours of such excepted days shall be offpeak hours. Such times shall be Central Standard Time or Central Daylight Time, whichever is then in effect. Said onpeak and offpeak hours are subject to change by TVA. In the event TVA determines that such changed onpeak and offpeak hours are appropriate, it shall so notify Distributor at least 12 months prior to the effective date of such changed hours.

Determination of Coincident Peak Demand, Maximum Metered Demand, and Energy Amounts

The onpeak and offpeak kWh for any month shall be the energy amounts taken during the respective hours of the month designated under this rate schedule as onpeak and offpeak hours.

Distributor shall meter the coincident peak and maximum demands in kW of all customers. The coincident peak and maximum billing demands for any month shall be determined separately in accordance with this section.

The coincident peak demand for any month shall be calculated by summing the meter readings from the four consecutive 15 minute periods, measured in kWh, which fall within the clock hour determined by Distributor to be the Effective Peak Hour for each calendar month, and such amount shall be used as the coincident peak demand in kW.

The Distributor may predict up to four potential peak hour days each month, and each of those peak hour days shall contain a maximum of six hours from which the monthly Effective Peak Hour shall be chosen by Distributor. The Effective Peak Hour shall be determined as that hour, among those potential peak hours, in which the total system demand was the highest.

The Distributor shall use all readily available methods at its disposal to notify customers of the potential peak day hour predictions and shall strive to make said notifications available at least 24 hours in advance of any predicted peak hour.

The maximum billing demand for any month shall be the highest average during any 30-consecutive-minute period of the month of the load metered in kW.

Minimum Monthly Bill

The base customer charge, as adjusted, constitutes the minimum monthly bill for all customers served under this rate schedule except those customers for which a higher minimum monthly bill is required under Distributor's standard policy because of special circumstances affecting Distributor's cost of rendering service.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of the bill that is unpaid after the due date specified on bill may be subject to additional charges under Distributor's standard policy.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage.

Service is subject to Rules and Regulations of Distributor

DRAFT

GLASGOW ELECTRIC PLANT BOARD

**TIME-OF-USE RESIDENTIAL RATE--SCHEDULE TRS
(January 2020)**

Availability

This rate shall be made available only to electric service to a single-family dwelling (including its appurtenances if served through the same meter), where the major use of electricity is for domestic purposes such as lighting, household appliances, and the personal comfort and convenience of those residing therein. Service under this rate schedule is for a term of not less than one year.

Character of Service

Alternating current, single-phase, 60 hertz. Power shall be delivered at a service voltage available in the vicinity or agreed to by Distributor. Multiphase service shall be supplied in accordance with Distributor's standard policy.

Base Charges

Customer Charge:	\$30.14 per month
Energy Charge:	
Summer Period	9.372¢ per kWh per month for all onpeak kWh 9.372¢ per kWh per month for all offpeak kWh
Winter Period	8.891¢ per kWh per month for all onpeak kWh 8.891¢ per kWh per month for all offpeak kWh
Transition Period	8.364¢ per kWh per month for all onpeak kWh 8.364¢ per kWh per month for all offpeak kWh
Demand Charge:	
Summer Period	\$0.00 per kW per month of the customer's coincident peak demand
Winter Period	\$0.00 per kW per month of the customer's coincident peak demand
Transition Period	\$0.00 per kW per month of the customer's coincident peak demand

Adjustment

The base customer charges and energy charges shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months.

Determination of Onpeak and Offpeak Hours

Except for Saturdays and Sundays and the weekdays that are observed as Federal holidays for New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, onpeak hours for each day shall for purposes of this rate schedule be from 1 p.m. to 7 p.m. during the months of April, May, June, July, August, September and October and from 4 a.m. to 10 a.m. during the months of January, February, March, November, and December. All other hours of each day shall be offpeak hours. Such times shall be Central Standard Time or Central Daylight Time, whichever is then in effect. Said onpeak and offpeak hours are subject to change. In the event of such change, Distributor shall promptly notify customer.

Determination of Coincident Peak Demand, Maximum Metered Demand, and Energy Amounts

The onpeak and offpeak kWh for any month shall be the energy amounts taken during the respective hours of the month designated under this rate schedule as onpeak and offpeak hours.

Distributor shall meter the coincident peak and maximum demands in kW of all customers. The coincident peak and maximum billing demands for any month shall be determined separately in accordance with this section.

The coincident peak demand for any month shall be calculated by summing the meter readings from the four consecutive 15 minute periods, measured in kWh, which fall within the clock hour determined by Distributor to be the hour when Distributor's system demanded the maximum electric energy for any calendar month, and such amount shall be used as the coincident peak demand.

The maximum billing demand for any month shall be the highest average during any 30-consecutive-minute period of the month of the load metered in kW.

Minimum Monthly Bill

The base customer charge, as adjusted, constitutes the minimum monthly bill for all customers served under this rate schedule except those customers for which a higher minimum monthly bill is required under Distributor's standard policy because of special circumstances affecting Distributor's cost of rendering service.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of the bill that is unpaid after the due date specified on bill may be subject to additional charges under Distributor's standard policy.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage.

Service is subject to Rules and Regulations of Distributor.

**GLASGOW ELECTRIC PLANT BOARD
GENERAL POWER RATE--SCHEDULE GSA
(January 2020)**

Availability

This rate shall apply to the firm power requirements (where a customer's contract demand is 5,000 kW or less) for electric service to commercial, industrial, and governmental customers, and to institutional customers including, without limitation, churches, clubs, fraternal organizations, orphanages, nursing homes, rooming or boarding houses, and like customers. This rate shall also apply to customers to whom service is not available under any other resale rate schedule.

Character of Service

Alternating current, single- or three-phase, 60 hertz. Power shall be delivered at a service voltage available in the vicinity or agreed to by Distributor.

Base Charges

1. If (a) the higher of (i) the customer's currently effective contract demand, if any, or (ii) its highest billing demand during the latest 12-month period is not more than 50 kW and (b) the customer's monthly energy takings for any month during such period do not exceed 15,000 kWh:

Delivery Charges:

Customer Charge: \$56.81 per delivery point per month
 Per kWh : \$0.00868 per kWh for all kWh
 Per kW : \$0.00 per maximum billing demand

Energy Charges:

Summer Period \$0.05965 per kWh per month for all onpeak kWh
 \$0.03658 per kWh per month for all offpeak kWh
 Winter Period \$0.04859 per kWh per month for all onpeak kWh
 \$0.03764 per kWh per month for all offpeak kWh
 Transition Period \$0.03845 per kWh per month for all onpeak kWh
 \$0.03845 per kWh per month for all offpeak kWh

Demand Charges:

Summer Period \$11.74 per kW per month of the customer's coincident peak demand
 Winter Period \$10.78 per kW per month of the customer's coincident peak demand
 Transition Period \$10.78 per kW per month of the customer's coincident peak demand

- 2. If (a) the higher of (i) the customer's currently effective contract demand or (ii) its highest billing demand during the latest 12-month period is greater than 50 kW but not more than 1,000 kW or (b) the customer's billing demand is less than 50 kW and its energy takings for any month during such period exceed 15,000 kWh:

Delivery Charges:

Customer Charge: \$422.16 per delivery point per month

Per kWh : \$0.0000 per kWh for all kWh

Per kW : \$1.92 per maximum billing demand

Energy Charges:

Summer Period \$0.05985 per kWh per month for all onpeak kWh
\$0.03658 per kWh per month for all offpeak kWh

Winter Period \$0.04859 per kWh per month for all onpeak kWh
\$0.03764 per kWh per month for all offpeak kWh

Transition Period \$0.03845 per kWh per month for all onpeak kWh
\$0.03845 per kWh per month for all offpeak kWh

Demand Charges:

Summer Period \$11.74 per kW per month of the customer's coincident peak demand

Winter Period \$10.78 per kW per month of the customer's coincident peak demand

Transition Period \$10.78 per kW per month of the customer's coincident peak demand

- 3. If the higher of (a) the customer's currently effective contract demand or (b) its highest billing demand during the latest 12-month period is greater than 1,000 kW:

Delivery Charges:

Customer Charge: \$1,784.13

Per kWh \$0.0000 per kWh for all kWh

Per kW \$1.59 per maximum billing demand

Energy Charges:

Summer Period \$0.05887 per kWh per month for all onpeak kWh
\$0.03511 per kWh per month for all offpeak kWh

Winter Period \$0.04793 per kWh per month for all onpeak kWh
\$0.03713 per kWh per month for all offpeak kWh

Transition Period \$0.03794 per kWh per month for all onpeak kWh
\$0.03794 per kWh per month for all offpeak kWh

Demand Charges:

Summer Period	\$11.59 per kW per month of the customer's coincident peak demand
Winter Period	\$10.65 per kW per month of the customer's coincident peak demand
Transition Period	\$10.65 per kW per month of the customer's coincident peak demand

Adjustment

The demand and energy charges shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. In addition, such charges shall be increased or decreased to correspond to increases or decreases determined by TVA under Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months.

Determination of Onpeak and Offpeak Hours

Except for Saturdays and Sundays and the weekdays that are observed as Federal holidays for New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, Onpeak hours for each day shall for purposes of this rate schedule be from 1 p.m. to 7 p.m. during the months of April, May, June, July, August, September and October and from 4 a.m. to 10 a.m. during the months of January, February, March, November, and December. For all other hours of each day and all hours of such excepted days shall be offpeak hours. Such times shall be Central Standard Time or Central Daylight Time whichever is then in effect. Said onpeak and offpeak hours are subject to change by TVA. In the event TVA determines that such changed onpeak and offpeak hours are appropriate, it shall so notify Distributor at least 12 months prior to the effective date of such changed hours.

**Determination of Coincident Peak Demand,
Maximum Metered Demand, and Energy Amounts**

The onpeak and offpeak kWh for any month shall be the energy amounts taken during the respective hours of the month designated under this rate schedule as onpeak and offpeak hours.

Distributor shall meter the maximum demand in kW of all customers. The coincident and maximum billing demand for any month shall be determined separately in accordance with this section.

The coincident peak demand for any month shall be calculated by summing the meter readings from the four consecutive 15 minute periods, measured in kWh, which fall within the clock hour determined by Distributor to be the Effective Peak Hour for each calendar month, and such amount shall be used as the coincident peak demand in kW.

The Distributor may predict up to four potential peak hour days each month, and each of those peak hour days shall contain a maximum of six hours from which the monthly Effective Peak Hour shall be chosen by Distributor. The Effective Peak Hour shall be determined as that hour, among those potential peak hours, in which the total system demand was the highest.

The Distributor shall use all readily available methods at its disposal to notify customers of the potential peak day hour predictions and shall strive to make said notifications available at least 24 hours in advance of any predicted peak hour.

The maximum demand for any month shall be the highest average during any 30-consecutive-minute period of the month of the load metered in kW. The measured demand for any month shall be the higher of the highest average during any 30-consecutive-minute period of the month of (a) the load metered in kW or (b) 85 percent of the load in kVA plus an additional 10 percent for that part of the load over 5,000 kVA, and except as provided below in this section, such measured demand shall be used as the maximum billing demand.

The maximum billing demand for customers under Part 1 for any month shall be the maximum demand in the month of the load metered in kW.

The maximum billing demand for customers under Part 2 for any month shall in no case be less than 30 percent of the higher of the currently effective contract demand or the highest maximum billing demand established during the preceding 12 months.

The maximum billing demand for customers under Part 3 for any month shall in no case be less than 30 percent of the higher of the currently effective contract demand or the highest maximum billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule shall not be less than the sum of (a) the base customer charge, (b) the portion of the base demand charge, as adjusted, applicable to coincident billing demand applied to the customer's coincident demand, (c) the portion of the base demand charge, as adjusted, applicable to maximum billing demand applied to the customer's maximum billing demand, and (d) the base energy charges, as adjusted, applied to the customer's energy taking.

Distributor may require minimum bills higher than those stated above.

Contract Requirement

Distributor may require contracts for service provided under this rate schedule. Customers whose maximum demand requirements exceed 50 kW shall be required to execute contracts and such contracts shall be for an initial term of at least 1 year. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and Distributor shall not be obligated to supply power in greater amount at any time than the customer's currently effective contract demand. If the customer uses any power other than that supplied by Distributor under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as provided under the power contract between Distributor and TVA.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering point and at each different voltage shall be separately metered and billed.

Service is subject to Rules and Regulations of Distributor.

DRAFT

GLASGOW ELECTRIC PLANT BOARD
TIME-OF-USE GENERAL POWER RATE--SCHEDULE TGSA
 (January 2020)

Availability

This rate shall be available for the firm power requirements (where a customer's contract demand is 50 kW or less) for electric service to commercial, industrial, and governmental customers, and to institutional customers including, without limitation, churches, clubs, fraternities, orphanages, nursing homes, rooming or boarding houses, and like customers. Service under this rate schedule is for a term of not less than one year.

Character of Service

Alternating current, single- or three-phase, 60 hertz. Power shall be delivered at a service voltage available in the vicinity or agreed to by Distributor.

Base Charges

If (a) the higher of (i) the customer's currently effective contract demand, if any, or (ii) its highest billing demand during the latest 12-month period is not more than 50 kW and (b) the customer's monthly energy takings for any month during such period do not exceed 15,000 kWh:

Customer Charge:	\$50.59 per month
Energy Charge:	
Summer Period	10.270¢ per kWh per month for all onpeak kWh 10.270¢ per kWh per month for all offpeak kWh
Winter Period	9.738¢ per kWh per month for all onpeak kWh 9.738¢ per kWh per month for all offpeak kWh
Transition Period	9.569¢ per kWh per month for all onpeak kWh 9.569¢ per kWh per month for all offpeak kWh
Demand Charge:	
Summer Period	\$0.00 per kW per month of the customer's coincident peak demand
Winter Period	\$0.00 per kW per month of the customer's coincident peak demand
Transition Period	\$0.00 per kW per month of the customer's coincident peak demand

Adjustment

The base demand and energy charges shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months.

Determination of Onpeak and Offpeak Hours

Except for Saturdays and Sundays and the weekdays that are observed as Federal holidays for New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, onpeak hours for each day shall for purposes of this rate schedule be from 1 p.m. to 7 p.m. during the months of April, May, June, July, August, September and October and from 4 a.m. to 10 a.m. during the months of January, February, March, November, and December. All other hours of each day shall be offpeak hours. Such times shall be Central Standard Time or Central Daylight Time, whichever is then in effect. Said onpeak and offpeak hours are subject to change. In the event of such change, Distributor shall promptly notify customer.

Determination of Coincident Peak Demand, Maximum Metered Demand, and Energy Amounts

The onpeak and offpeak kWh for any month shall be the energy amounts taken during the respective hours of the month designated under this rate schedule as onpeak and offpeak hours.

Distributor shall meter the coincident peak and maximum demands in kW of all customers. The coincident peak and maximum billing demands for any month shall be determined separately in accordance with this section.

The coincident peak demand for any month shall be calculated by summing the meter readings from the four consecutive 15 minute periods, measured in kWh, which fall within the clock hour determined by Distributor to be the hour when Distributor's system demanded the maximum electric energy for any calendar month, and such amount shall be used as the coincident peak demand.

The maximum billing demand for any month shall be the highest average during any 30-consecutive minute period of the month of the load metered in kW.

Minimum Bill

The monthly bill under this rate schedule shall not be less than the sum of (a) the base customer charge, (b) the base demand charge, as adjusted, applied to the customer's billing demand, (c) the base onpeak energy charge, as adjusted, applied to the customer's onpeak energy takings, and (d) the base offpeak energy charge, as adjusted, applied to the customer's offpeak energy takings.

Distributor may require minimum bills higher than those stated above.

Seasonal Service

Customers who contract for service on a seasonal basis shall pay the above charges, as adjusted, plus an additional seasonal use charge equal to 1.33¢ per kWh per month. Consistent with Distributor's standard policy, the customer may arrange for seasonal testing of equipment during offpeak hours.

For such customers, the minimum bill provided for above shall not apply. Distributor may require additional charges to provide recovery of costs for customer-specific distribution facilities.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of the bill that is unpaid after the due date specified on bill may be subject to additional charges under Distributor's standard policy.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering point and at each different voltage shall be separately metered and billed.

Service is subject to Rules and Regulations of Distributor.

DRAFT

The regular meeting of the Glasgow Electric Plant Board was held at 6:00 P.M., December 17, 2019, at 100 Mallory Drive, Glasgow, Kentucky.

The meeting was called to order by Chairperson Tag Taylor, and recorded by Secretary Libby Short, with the assistance of EPB Administrative Manager Amy Hall.

Present were Jeff Harned, Tag Taylor, Libby Short, Marlin Witcher, and D.T. Froedge, said persons being all members of the Board. Also present were Superintendent William J. Ray, Attorney Ron Hampton, several EPB Staff members, and members of the media and public.

At the call of the Chairperson for the first item of business, an agenda for this December 17, 2019, meeting was presented as follows:

1. Approval of agenda and any additions
2. Consider minutes of November 26, 2019 meeting
3. Consider bi-annual write-offs
4. Discuss TVA Home Uplift Program
5. Discuss Board's wishes for rate design to distribute TVA 3.1% credit
6. Closed session under KRS 61.810(1)C to discuss defamation litigation
7. Consider 2020 EPB pay plan
8. Conduct performance evaluation of Superintendent
9. Superintendent's report
 - a. November metrics and financial metrics review
 - b. January FCA
 - c. CPD ledger
 - d. Windstream bankruptcy
 - e. EPB internet speed upgrade
 - f. Programming Committee issues
10. Adjourn

A motion was made by Harned to accept the agenda as presented. The motion was seconded by Short and unanimously voted in the affirmative.

The Chairperson stated the next item of business would be consideration of

minutes from the November 26, 2019 meeting. A motion was made by Short to accept the minutes as presented. The motion was seconded by Harned and unanimously voted in the affirmative.

At the call of the Chairperson for the next item of business, information was presented relating to the bi-annual consideration of accounts to be written off. The Superintendent reviewed the accounts with the board and discussion ensued. A motion was made by Harned to write off the accounts but direct the Superintendent to continue to pursue payment of the written off amounts using all available and prudent means to do so. This motion was seconded by Taylor and unanimously voted in the affirmative.

The Chairperson stated the next item of business would be consideration of the TVA Home Uplift Program. Ray stated this new program falls under the TVA Energy Right Program. Program funds are to be used for weatherization improvements on customers' homes, with the ultimate goals of improving air quality and reducing utility bills for customers. Ray explained funding for the program would come from the EPB, with matching funds up to a certain amount to come from TVA. After much discussion, board members stated that more information was needed before making a decision on participation in the program, and that this issue should be brought up again for consideration at the January 2020 board meeting. The information was accepted as a report only and no formal action was taken.

At the call of the Chairperson for the next item of business, consideration was given to the Board's wishes regarding rate design to distribute the TVA 3.1% credit. Witcher questioned why the entire 3.1% would not be given directly to customers. Taylor

spoke about the possibility of donating at least part of the 3.1% to local charitable organizations that could in turn use the money to help customers they deem to be in need pay electric bills. Short stated she would like to see \$5,000 of the 3.1% be donated to Community Relief on a monthly basis and be designated for payment of electric bills only. Froedge moved that the entire 3.1% be put into escrow until "such time that other things could be considered." Witcher seconded the motion and discussion ensued. Harned questioned if Froedge was doing this with the intent of saving money to buy out the TVA contract. Froedge stated that was his intent. Harned questioned what the difference would be between that approach and using the money to accelerate debt payments. Froedge stated that "with the help of a favorable Board, I will do everything in my power to get out of this 20-year contract, and if so, I would need the money to reimburse TVA." In response, Taylor stated he would do everything he could to stay in the 20-year contract, as he feels it is beneficial to citizens and the community as a whole. Froedge stated he did not agree with giving money to charity that was binding the EPB to a 20-year contract. Taylor stated he would rather see the money spent on something positive as opposed to using the credit as a "private slush fund" for Froedge. At Taylor's call to question on Froedge's motion to put the entire 3.1% credit into escrow, yea votes were cast by Witcher and Froedge. Nays were cast by Taylor, Harned, and Short. The motion failed.

Discussion continued regarding options for distributing the 3.1% credit from TVA. A motion was made by Short to direct Ray to seek permission from TVA to donate \$5,000 per month from the TVA credit to Community Relief with the designation that it be

used to help with electric bills only. The motion was seconded by Taylor and discussion continued. Yea votes were cast by Short, Harned, and Taylor. Nay votes were cast by Witcher and Froedge. The motion passed.

The Chairperson stated the next item of business would be consideration of a closed session under KRS 61.810(1)C to discuss defamation litigation. A motion was made by Taylor to enter into closed session under KRS 61.810(1)C to discuss potential defamation litigation. The motion was seconded by Short and discussion ensued. Taylor stated that Froedge had provided a copy of a legal memorandum from Dinsmore & Shohl, clearly marked as Confidential, regarding potential litigation, to a member of the media, and asked Froedge if that was a correct statement. Froedge stated that he did provide the memo as part of a Freedom of Information Act request. Taylor questioned if this was an accident on Froedge's part. Froedge stated that it was not. Taylor asked Froedge if he had attended the Open Meetings and Open Records training sponsored by the EPB earlier in 2019. Froedge stated that he did not attend. Taylor expressed that if Froedge had attended the training, he would have learned the difference between items that are subject to open records requests, and items that are to remain confidential. Froedge stated that he believed Dinsmore & Shohl was his attorney, and he had the right to decide whether or not the memo was kept confidential. Froedge stated he was the client, to which Taylor stated that he disagreed, that the Glasgow Electric Plant Board was the client in this situation. Taylor stated he believed Froedge had committed malfeasance in turning over this attorney client privileged document to the media. Taylor called for a vote on the motion to enter into closed session under KRS 61.810(1)C. One

yea vote was cast by Witcher. Four nay votes were cast by Taylor, Harned, Froedge, and Short. The motion to enter into closed session failed.

At the call of the Chairperson for the next item of business, consideration was given to the 2020 EPB pay plan. Superintendent Ray reported on the annual review of the proposed pay plan for calendar year 2020. The Superintendent provided results of the annual study of wages paid for Journeyman Linemen among the other power distributors which the EPB has used as a comparative peer group for the last several years. As a result of this study, the Superintendent asked for an additional \$97,141 during calendar year 2020 for increases over the end of 2019 base rates, relative to maintaining the Lineman Apprentice Program, giving some merit increases to deserving employees, and giving a 2.9% increase to all hourly craft employees. The Superintendent stated that these increases are necessary to maintain the EPB workforce needed to meet the EPB mission, and that the increase would actually result in a net 0.4% reduction in total payroll compared to that authorized for 2019. The Superintendent also presented exhibits depicting adjustments to the approved pay grade scale and merit pay ranges for the Board's consideration. After discussion of the pay plan recommendation, pay grade scale recommendation and merit pay range changes, a motion was made by Taylor that the Superintendent's recommendations be accepted, and that his proposed increased expenditure of net \$97,141 for pay adjustments and the continuation of the apprentice class be approved. The motion was seconded by Short and unanimously voted in the affirmative.

At the call of the Chairperson for the next item of business, the board asked the Superintendent to leave the room so they could discuss and evaluate his performance over the last year. Discussion ensued and eventually the Superintendent returned to the room, whereupon the board informed him of their overall satisfaction with his performance. Harned encouraged Ray to be very proactive with economic development efforts. A motion was made by Taylor to increase the Superintendent's salary by the same percentage as the change in pay grade scale (2.9%), effective January 1, 2020. The motion was seconded by Harned. Yea votes were cast by Taylor, Harned, Witcher, and Short. One nay vote was cast by Froedge. The motion passed.

At the call of the Chairperson for the next item of business, the Superintendent presented reports on the January FCA, November metrics, CPD ledger, the Windstream bankruptcy matter, the recent internet speed upgrade, current issues with cable programming, and terms of Programming Committee members. These reports were accepted as information and no formal action was taken.

There being no further business to come before the meeting, a motion was made by Harned that this December meeting adjourn to meet again in due course. The motion was seconded by Short and unanimously voted in the affirmative.

Tag Taylor, Chairperson

Libby Short, Secretary

DT Froedgel

From: Tag Taylor <ttaylor@glasgow-ky.com>
Sent: Monday, May 04, 2020 3:35 PM
To: DT Froedgel; epbboard@glasgow-ky.com
Cc: ahall@glasgow-ky.com
Subject: Re: [epbboard] Special Called Meeting of the Glasgow Electric Plant Board

Directors, Glasgow Electric Plant Board,

I have had an opportunity to review the request by DT Froedgel regarding the request for a special called meeting on May 5, 2020. Unfortunately, I am unable to sanction his request due to the fact that Mr. Froedgel does not have standing as a board member. Since Mr. Froedgel tendered his resignation to the board in June 2019, he does not have standing under KRS 96.770 as a member of the governing board to request such a meeting. I feel I have erred in allowing him to participate in board activities since that time due to the fact that we were unclear as to his continuing role as a board member. Since we have not received any guidance from the Attorney General's office regarding his standing and without such a ruling, it would be irresponsible to allow his continued involvement in board activities. If we receive an order from authority requiring such consideration, we will comply. Furthermore, if Mr. Witcher or Mr. Pritchard would like to call the meeting, we will proceed with the request. Until that request is made from a member in good standing, we will not continue with the special called meeting on May 5, 2020.

Sincerely,

Tag Taylor
 Chairman, Glasgow Electric Plant Board

From: DT Froedgel
Sent: Monday, May 04, 2020 12:33 PM
To: epbboard@glasgow-ky.com
Cc: ahall@glasgow-ky.com
Subject: [epbboard] Special Called Meeting of the Glasgow Electric Plant Board

All GEPB Board Members

From DT Froedgel. May 4, 2020 12:30PM

Re: Special Called Meeting of the Glasgow Electric Plant Board May 5, 2020. 6:00 PM CST

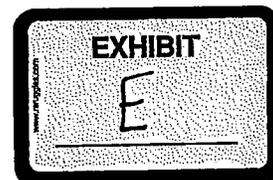
ALL:

Would the officers and staff of the GEPB please distribute this to the appropriate individuals.

DT Froedgel

Special Called Meeting of the Glasgow Electric Plant Board

By Members



DT Froedge
Glenn Pritchard
Marlin Witcher

Special Called Meeting May. 5, 2020 6:00PM CDT

The meeting of Board of Directors will be held via Zoom videoconferencing on Tuesday, May, at 6pm.

Notice to the public will include notifying the registered media, a written notice at the GEPB office, and a link and a television channel which the public can use to observe the meeting, in compliance with Open Meetings Law

In the Event that the board cannot be connected, or maintain connection, by video, the meeting will take place, or resume, in person at 7:00 CST in the GEPB Board room. Social distancing rules will apply.

Per:

CHAPTER 96.770.
UTILITIES IN CITIES
Quorum of board --Officers -- Meetings.

Any special meeting may be called by the chairman or by two (2) members of the board, but, if such special meeting is called, written notice shall be sent to all members of the board by the chairman or secretary-treasurer.

Agenda Item 1

Election of Officers

Agenda Item 2

Authorize chairman to engage an attorney group to investigate and if appropriate seek nullification of the 20 year rolling contract with TVA.

Agenda Item 3

Create escrow account into which the amount of monies rebated by TVA as a result of the 20 year contract is placed.

Agenda Item 4

Authorize Chairman to engage power consultant to investigate the advisability of the 20 year TVA contract, and determine the options and costs available from other suppliers, should that contract be voided. (A \$50,000 contribution was appropriated by city for this purpose)

Agenda Item 5

Authorize the Chairman to engage a personnel search firm to find and provide to GEPB qualified candidates for the position for an interim Superintendent for the GEPB.

Agenda Item 6

Suspend Billy Ray's position as Superintendent effective May 6, 2020 for among other reasons, failure to investigate other options available to the GEPB before signing the 20 year rolling contract. The suspension will be with pay, until a termination hearing that must be requested by him, and set within 30 days of today's date. Failure to request the hearing before that date will result in termination.

Agenda Item 7

Authorize current CFO to assume administrative duties and function as acting Superintendent at 8:00AM CST May 6, until an interim or permanent Superintendent is appointed by the Board.

Agenda Item 8

The rules of order for the GEPB are changed to require that the Chairman of Board to compose Board agenda.

To unsubscribe, e-mail: epbboard-unsubscribe@glasgow-ky.com
For additional commands, e-mail: epbboard-help@glasgow-ky.com

Memorandum

TO: Employees-Glasgow Electric Plant Board
FROM: Tag Taylor, Chairman, Glasgow Electric Plant Board
CC: Board of Directors, Glasgow Electric Plant Board
DATE: May 6, 2020
SUBJECT: Board members and meeting on May 5, 2020

As many of you know, there was an attempt to convene a special-called meeting of the Glasgow Electric Plant Board on May 5, 2020. My position was, and continues to be that the proper format for requesting a special-called meeting under KRS 96.770 was not followed. In particular, Mr. Froedge lacks the ability to call a meeting due to the fact that his legitimacy as a board member is in question. If you recall, Mr. Froedge resigned in May 2019. Mayor Armstrong did not "accept" his resignation. Due to the Mayor's actions, I requested the city council to provide me with guidance through their contacts with the Kentucky League of Cities or the Attorney General's office. I have yet to receive guidance. Furthermore, KRS 96.770 requires that notification of a special-called meeting must be provided by the Chairman or Secretary/Treasurer. As you know, I am the chairman of the Electric Plant Board and Libby Short is Secretary/Treasurer. Neither of us provided notification of the special-called meeting to the other board members and, as such, no such official meeting occurred. Any and all actions taken at the meeting on May 5, 2020 should be ignored as illegitimate. Mr. Ray continues to be your superintendent without restriction and TVA continues to be our supplier without interruption. I continue to be your chairman and Libby continues as Secretary/Treasurer.

I have also instructed Mr. Ray to remove Mr. Froedge from all forms of communication with the EPB. Furthermore, I had instructed Mr. Hampton to cease any and all communication or dialogue with Mr. Froedge until we have determined, through a higher authority, if Mr. Froedge is indeed a legitimate board member. Apparently, those requests were ignored along with the language in KRS 96.770 that prohibited such action without proper notification. As such, I have lost confidence in our board attorney to provide accurate and reliable legal advice. We will be addressing those concerns at a later date.

Please continue to operate as if the illegitimate meeting on May 5, 2020 had never occurred. Rest assured, we are fighting to maintain the Glasgow Electric Plant Board's role as an exceptional partner to the citizens of Glasgow and the residential, commercial and industrial customers to whom we provide service.

As always, we appreciate your hard work and commitment to providing electric, internet and cable services to our community. We recognize your commitment and as such, are fully committed to stand behind your efforts as we work through this. Just in case you haven't heard it in a while, you are an amazing team working for an amazing organization. We appreciate you!

