

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF FLEMING-MASON ENERGY)	
COOPERATIVE, INC. FOR AN ORDER)	
AUTHORIZING A CHANGE IN RATE DESIGN FOR)	CASE NO.
ITS RESIDENTIAL RATE CLASSES, AND THE)	2012-00369
OFFERING OF SEVERAL OPTIONAL RATE)	
DESIGNS FOR THE RESIDENTIAL RATE CLASSES))	

ORDER

On October 5, 2012, Fleming-Mason Energy Cooperative, Inc. ("Fleming-Mason") tendered an application for filing requesting authorization to change its rate design for its residential rate classes based upon a historical test period, and to offer several new optional rate designs for the residential rate classes. In its application, Fleming-Mason also requested a waiver from certain filing requirements as follows: (1) 807 KAR 5:001, Section 10(6)(h), for the filing of a summary of the utility's determination of its revenue requirements due to the fact that it is not seeking an increase in revenue requirements for any rate class; (2) 807 KAR 5:001, Section 10 (6)(i), for the reconciliation of the rate base and capital used to determine its revenue requirements due to the fact that rate base and capital were not used to determine the revenue requirements in this application; and (3) 807 KAR 5:001, Section 10 (6)(j), from the requirement to file a chart of accounts since it is not seeking an increase in revenue requirements for any rate class.

By letter dated October 17, 2012, Commission staff notified Fleming-Mason that its rate application was rejected as deficient. Fleming-Mason partially cured the

deficiencies on October 23, 2012. On October 29, 2012, the Commission staff notified Fleming-Mason that its rate application remained deficient. On November 2, 2012, Fleming-Mason submitted information that corrected its filing deficiencies except its request for waivers. In its November 2, 2012 submission, Fleming-Mason proposed that the new rates become effective on December 3, 2012. KRS 278.180(1) requires Fleming-Mason to provide the Commission with 30 days' notice of any change in rates. Since KRS 278.180(1) requires Fleming-Mason to provide the Commission with 30 days' notice of any change in rates, the earliest its proposed rates can become effective is December 21, 2012.

Based on a review of Fleming-Mason's rate application, the Commission finds that:

1. As Fleming-Mason is not seeking an increase in revenue requirements for any rate class, and as Fleming-Mason's rate base and capital were not used to determine the revenue requirements in this application, Fleming-Mason has shown good cause to permit it to deviate from the filing requirements of 807 KAR 5:001, Section 10(6)(h); 807 KAR 5:001, Section 10 (6)(i); and 807 KAR 5:001, Section 10 (6)(j), and its request for a waiver from those filing requirements should be granted.

2. Fleming-Mason has cured all the filing deficiencies, except for those that it has requested to be waived. Based on the waiver granted herein of the remaining filing requirements, Fleming-Mason's application should be accepted for filing as of the date of this Order.

3. KRS 278.180(1) requires Fleming-Mason to provide the Commission with 30 days' notice of any change in rates. Since KRS 278.180(1) requires Fleming-Mason

to provide the Commission with 30 days' notice of any change in rates, the earliest its proposed rates can become effective is December 21, 2012. Based on Fleming-Mason's application being accepted for filing as of November 21, 2012, the earliest that its new rates and tariffs can be effective is December 21, 2012.

4. An investigation will be necessary to determine the reasonableness of the proposed rates and that the investigation cannot be concluded by December 21, 2012. Therefore, pursuant to KRS 278.190(2), the Commission will suspend the effective date of the proposed rates for five months, from December 21, 2012 up to and including May 20, 2013.

5. The procedural schedule attached in the Appendix to this Order should be followed.

IT IS THEREFORE ORDERED that:

1. Fleming-Mason's request for a waiver from the filing requirements of 807 KAR 5:001, Section 10(6)(h); 807 KAR 5:001, Section 10 (6)(i); and 807 KAR 5:001, Section 10 (6)(j) is granted.

2. Fleming-Mason's application is accepted for filing as of the date of this Order.

3. Fleming-Mason's rates are suspended for five months from the December 21, 2012 effective date, up to and including May 20, 2013.

4. The procedural schedule set forth in the Appendix, which is attached hereto and incorporated herein, shall be followed.

5. a. Responses to requests for information shall be appropriately bound, tabbed and indexed and shall include the name of the witness responsible for

responding to the questions related to the information provided, with copies to all parties of record and ten copies to the Commission. Any request for information by letter from the Commission Staff shall be responded to as if set forth in a Commission Order.

b. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or an association or a governmental agency, be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

c. A party shall make timely amendment to any prior responses if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect.

d. For any requests to which a party fails or refuses to furnish all or part of the requested information, that party shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

6. Any party filing testimony shall file the original and ten copies with the Commission, with copies to all parties of record.

7. Fleming-Mason shall give notice of the hearing in accordance with the provisions set out in 807 KAR 5:011, Section 8(5). At the time publication is requested, Fleming-Mason shall forward a duplicate of the notice and request to the Commission.

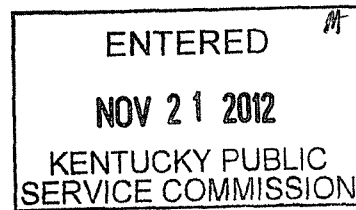
8. At any public hearing in this matter, neither opening statements nor summarization of direct testimonies shall be permitted.

9. Any objections or motions relating to discovery or procedural dates shall be filed upon four business days' notice or the filing party shall explain, in writing, why such notice was not possible.

10. Motions for extensions of time with respect to the schedule herein shall be made in writing and will be granted only upon a showing of good cause.

11. Nothing contained herein shall prevent the Commission from entering further Orders in this matter.

By the Commission



ATTEST:

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke at the end. The signature is written over a horizontal line.

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2012-00369 DATED NOV 21 2012

All initial requests for information to Fleming-Mason
shall be filed no later than..... 12/05/2012

Fleming-Mason shall file responses to initial requests
for information no later than..... 12/19/2012

All supplemental requests for information to
Fleming-Mason shall be filed no later than 01/07/2013

Fleming-Mason shall file responses to supplemental
requests for information no later than 01/18/2013

Intervenor testimony, if any, in verified prepared form,
shall be filed no later than..... 02/01/2013

All requests for information to Intervenors shall be
filed no later than 02/15/2013

Intervenors shall file responses to requests for
information no later than 03/01/2013

Last day for Fleming-Mason to publish notice of hearing to be scheduled

Public hearing to be held in Hearing Room 1 of the
Commission's offices at 211 Sower Boulevard, Frankfort,
Kentucky, for the purpose of cross-examination of
witnesses of Fleming-Mason and Intervenors to be scheduled

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