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MEMORANDUM

TO: Gerald E. Wuetcher, Executive Advisor/Attorney
 Public Service Commission

FROM: Donna Little
 Regulations Compiler

RE: Acknowledgement of Proposed Administrative Regulations and/or Amendment –
 807 KAR 5:009, 807 KAR 5:011, 807 KAR 5:067, 807 KAR 5:068, and 807 KAR
 5:075

DATE: July 12, 2013

A copy of each administrative regulations listed above is enclosed for your files. These administrative regulations are tentatively scheduled for review by the Administrative Regulation Review Subcommittee at its **September 2013** meeting. We will notify you of the date and time of this meeting when it has been scheduled.

Pursuant to KRS 13A.280, **if** a public hearing is held or you receive written comments during the public comment period, the Statement of Consideration for these administrative regulations is due **by noon on September 13, 2013**. Please reference KRS 13A.270 and 13A.280 for other requirements relating to public hearings and the Statement of Consideration.

If you have any questions, please do not hesitate to contact me at (502) 564-8100.

Enclosures

1 ENERGY AND ENVIRONMENT CABINET

2 Public Service Commission

3 (Amendment)

4 807 KAR 5:011. Tariffs.

5 RELATES TO: KRS 278.010, 278.030, 278.160, 278.170, 278.180, 278.185, 278.190,
6 [~~369.102(8)~~]

7 STATUTORY AUTHORITY: KRS 278.160(1)

8 NECESSITY, FUNCTION, AND CONFORMITY: KRS 278.160(1) requires the
9 commission to promulgate an administrative regulation to establish requirements for
10 each utility to file schedules showing all rates and conditions established by it and
11 collected or enforced. This administrative regulation establishes requirements for utility
12 tariffs.

13 Section 1. Definitions.

14 (1) "Commission" is defined by KRS 278.010(15).

15 (2) "Date of issue" means the date the tariff sheet is signed by the representative
16 of the utility authorized to issue tariffs.

17 (3) "Electronic signature" is defined by KRS 369.102(8).

18 (4) "Nonrecurring charge" means a charge or fee assessed to customers to
19 recover the specific cost of an activity, which:

20 (a) Is due to a specific request for a [~~certain type of~~] service activity for which,
21 once the activity is completed, additional charges are not incurred; and

1 (b) Is limited to recovery of [~~only recover~~] the [~~specific~~] cost of the specific
2 service.

3 (5) [~~(4)~~] "Person" is defined by KRS 278.010(2).

4 (6) [~~(5)~~] "Rate" is defined by KRS 278.010(12).

5 (7) [~~(6)~~] "Sewage utility" means a utility that meets the requirements of KRS
6 278.010(3)(f).

7 (8) [~~(7)~~] "Signature" means any manual, facsimile, or conformed or [~~an original~~
8 ~~signature or an~~] electronic signatures [~~"electronic signature" as defined by KRS~~
9 ~~369.102(8)~~].

10 (9) [~~(8)~~] "Statutory notice" means notice made in accordance with KRS 278.180.

11 (10) [~~(9)~~] "Tariff" means the schedules of a utility's [~~schedule of each of its~~] rates,
12 charges, regulations, rules, tolls, [~~maps,~~] terms, and conditions of service over which the
13 commission has jurisdiction.

14 (11) "Tariff filing" means the revised or new tariff sheets and all supporting
15 documents that a utility submits to revise its rate schedules.

16 (12) [~~(10)~~] "Utility" is defined by KRS 278.010(3).

17 (13) [~~(11)~~] "Utility's office or place of business" means a location at which the
18 utility regularly employs and stations one (1) or more employees and is open to the
19 public for customer service.

20 (14) "Water district" means a special district formed pursuant to KRS 65.810 and
21 KRS Chapter 74.

22 (15) "Web site" means an identifiable site on the internet, including social media,
23 which is accessible by the public.

1 Section 2. General. (1) [~~Beginning January 1, 2013,~~] Each tariff sheet and
2 supporting document filed with the commission shall be electronically submitted to the
3 commission using the commission's electronic Tariff Filing System located at
4 https://psc.ky.gov/psc_portal/.

5 (2) Each utility shall maintain a complete tariff with the commission.

6 (3) A utility furnishing more than one (1) type of service (water and electricity for
7 example) shall file a separate tariff for each type of service.

8 (4) A utility shall make available a paper or electronic copy of the utility's current
9 tariff for public inspection in the utility's office or place of business.

10 (5) A utility that maintains [~~operates~~] a [~~public~~] Web site for its utility operations
11 shall:

12 (a) Make available on that Web site for public viewing and downloading a copy of
13 the utility's current tariff for each type of service that it provides; or

14 (b) Place on that [~~its~~] Web site a hyperlink to the location on the commission's
15 Web site where the tariff has been posted.

16 Section 3. Format. (1) A new tariff or revised sheet of an existing tariff filed with
17 the commission shall be:

18 (a) Printed or typewritten;

19 (b) Eight and one-half (8 1/2) by eleven (11) inches in size; and

20 (c) In type no smaller than nine (9) point font, except headers and footers, which
21 shall be in type no smaller than eight (8) point font.

22 (2) Tariff Form-1. The first sheet of a tariff shall be on Tariff Form-1 or reasonable
23 facsimile, shall be used as the tariff's cover page, and shall contain:

1 (a) The utility's name, mailing address, street address of the utility's principal
2 office if different from the mailing address, and Web site if applicable;

3 (b) In the upper right-hand corner, the commission tariff number and, if
4 applicable, the cancelled commission tariff number; (Example: PSC Tariff No. 2,
5 Cancelling PSC Tariff No. 1);

6 (c) A statement of the [~~each~~] type of service offered;

7 (d) A statement of the area served;

8 (e) The date of issue and date on which the tariff is to become effective;

9 (f) The signature of the representative of the utility authorized to issue tariffs; and

10 (g) The signatory's title or position.

11 (3) Tariff Form-2. With the exception of the first sheet of the tariff which shall be
12 on Tariff Form-1, all other tariff sheets shall be on Tariff Form-2 or reasonable facsimile
13 and shall contain:

14 (a) The utility's name and territory served;

15 (b) In the upper right-hand corner, the commission tariff number and, if
16 applicable, the cancelled commission tariff number; (Example: PSC Tariff No. 2,
17 Cancelling PSC Tariff No. 1);

18 (c) In the upper right-hand corner, the tariff sheet number and, if applicable, the
19 cancelled tariff sheet number; (Example: First Revised Sheet No. 1, Cancelling Original
20 Sheet No. 1);

21 (d) The date of issue and date on which the tariff is to become effective;

22 (e) The signature of the utility representative authorized to issue tariffs;

23 (f) The signatory's title or position; and

1 (g) If applicable, a statement that the tariff is "Issued by authority of an Order of
2 the Public Service Commission in Case No. _____ Dated _____, 20____".

3 (4) Each tariff sheet shall contain a blank space at its bottom right corner that
4 measures at least three and one-half (3.5) inches from the right of the tariff sheet by two
5 and one-half (2.5) inches from the bottom of the tariff sheet to allow space for the
6 commission to affix the commission's stamp.

7 Section 4. Contents of Schedules. (1) In addition to a clear statement of all rates,
8 each rate schedule shall state the city, town, village, or district in which rates are
9 applicable.

10 (a) If a schedule is applicable in a large number of communities, the schedule
11 shall be accompanied by an accurate index so that each community in which the rates
12 are applicable may be readily ascertained.

13 (b) If a utility indicates the applicability of a schedule by reference to the index
14 sheet, the utility shall use language indicating "Applicable within the corporate limits of
15 the City of _____," or "see Tariff Sheet No. ____ for applicability."

16 (2) The following information shall be shown in each rate schedule, if applicable,
17 under the following captions in the order listed:

18 (a) Applicable: show the territory covered;

19 (b) Availability of service: show the classification [~~classes~~] of customers affected
20 [~~, including residential, commercial, and other groups of customers~~];

21 (c) Rates: list all rates offered;

22 (d) Minimum charge: state the amount of the minimum charge, the quantity
23 allowed (if volumetrically based), and if it is subject to a late payment charge;

1 (e) Late payment charge: state the amount or reference the tariff section
2 containing the amount;

3 (f) Term: if a tariff provision or a contract will be effective for a limited period,
4 state the term; [~~contracts are made for certain periods, give the length of the term;~~] and

5 (g) Special rules: list special rules or requirements [~~, if applicable,~~] that are in
6 effect covering this tariff.

7 (3) Each rate schedule shall state the type or classification [~~class~~] of service
8 available pursuant to the stated rates, by using language similar to "available for
9 residential lighting" or "available for all purposes."

10 (4) For a tariff in which a number of rate schedules are shown available for
11 various uses, each rate schedule shall be identified either by:

12 (a) A number in the format "Schedule No. ____"; or

13 (b) A group of letters, with a [~~the~~] designation indicating [~~indicative of~~] the type or
14 classification [~~class~~] of service for which the rate schedule is available. (Example: Tariff
15 R.S. for residential service rates) [~~The format for use of a group of letters shall be in the~~
16 ~~format "Tariff R.S." indicating that the rate schedule states residential service rates.~~]

17 (5) A tariff may be further divided into sections.

18 Section 5. Filing Requirements. (1) Each tariff filing shall include a cover letter
19 and conform to the requirements established in this subsection.

20 (a) With the exception of supporting documents, which may be submitted in an
21 Excel spreadsheet in .xls format, each [~~Each~~] document shall be submitted in portable
22 document format ("PDF") [~~and be~~] capable of being viewed [~~viewing~~] with Adobe
23 Acrobat Reader.

1 (b) Each document shall be search-capable and optimized for viewing over the
2 internet.

3 (c) Each scanned document shall be scanned at a resolution of 300 dots per inch
4 (dpi).

5 (d) A document may be bookmarked to distinguish different sections of the filing.

6 (2) A document shall be considered filed with the commission if it has:

7 (a) Been successfully transmitted using the commission's electronic tariff filing
8 system; and

9 (b) Met all other requirements specified in this administrative regulation.

10 Section 6. Tariff Addition, Revision, or Withdrawal. (1) A tariff, tariff sheet, or tariff
11 provision shall not be changed, cancelled, or withdrawn except as provided by this
12 section and Section 9 of this administrative regulation.

13 (2) A new tariff or revised sheet of an existing tariff shall be issued and placed
14 into effect:

15 (a) By order of the commission; or

16 (b) By issuing and filing with the commission a new tariff or revised sheet of an
17 existing tariff and providing notice to the public in accordance with Section 8 of this
18 administrative regulation and statutory notice to the commission.

19 (3) The following symbols shall be placed in the margin to indicate a change:

20 [~~Each revised tariff sheet shall contain one (1) of the following symbols in the margin~~
21 ~~indicating the change made:]~~

22 (a) "(D)" to signify deletion;

23 (b) "(I)" to signify increase;

1 (c) "(N)" to signify a new rate or requirement;

2 (d) "(R)" to signify reduction; or

3 (e) "(T)" to signify a change in text.

4 Section 7. Tariff Filings Pursuant to Orders. If the commission has ordered a
5 change in the rates or rules of a utility, the utility shall file a new tariff or revised sheet of
6 an existing tariff establishing:

7 (1) The revised rate, classification, charge, or rule;

8 (2) The applicable case number;

9 (3) The date of the commission order; and

10 (4) The margin symbols required by Section 6(3) of this administrative regulation.

11 Section 8. Notice [~~Notices~~]. A utility shall provide [~~give~~] notice [~~to the public as~~
12 ~~required by this section~~] if a charge, [or] fee [~~is changed, revised, or initiated or a~~
13 ~~condition of service,~~ or [a] rule regarding the provision of service is changed, revised, or
14 initiated and the change will affect the amount that a customer pays for service or the
15 quality, delivery, or rendering of a customer's service.

16 (1) Public postings.

17 (a) A utility shall post at its place of business a copy of the [~~required~~] notice no
18 later than the date the tariff filing is submitted to [~~made with~~] the commission. [~~The~~
19 ~~notice shall not be removed until the filing has become effective.~~]

20 (b) A utility that maintains a [~~public~~] Web site shall, within five (5) [~~two (2)~~]
21 business days of the date the tariff filing is submitted to the commission [~~filing~~], post on
22 its Web sites: [~~a copy of the public notice as well as a hyperlink to its filing on the~~
23 ~~commission's Web site.~~]

- 1 1. A copy of the public notice; and
2 2. A hyperlink to the location on the commission's Web site where the tariff filing
3 is available.

4 (c) The information required in subsection 1(a) and 1(b) of this section ~~[notice]~~
5 shall not be removed until the tariff filing has become effective or the commission issues
6 a final decision on the tariff filing.

7 (2) Customer Notice ~~[Manner of notification]~~.

8 (a) If a ~~[the]~~ utility has twenty (20) or fewer customers or is a sewage utility, it
9 shall mail a written notice ~~[in accordance with subsection (3) of this section]~~ to each
10 customer no later than the date ~~[on which]~~ the tariff filing is submitted to the
11 commission.

12 (b) If a ~~[the]~~ utility has more than twenty (20) customers and is not a sewage
13 utility, it shall provide notice by:

14 1. Including ~~[include]~~ notice with customer bills mailed no later than ~~[by]~~ the date
15 the tariff filing is submitted to the commission;

16 2. Mailing a written notice to each customer no later than the date the tariff filing
17 is submitted to the commission; ~~[Publish notice in a trade publication or newsletter going~~
18 ~~to all customers by the date the filing is submitted; or]~~

19 3. Publishing ~~[Publish]~~ notice once a week for three (3) consecutive weeks in a
20 prominent manner in a newspaper of general circulation in the utility's service area, the
21 first publication to be made no later than ~~[by]~~ the date the tariff filing is submitted to the
22 commission; or [-]

1 4. Publishing notice in a trade publication or newsletter delivered to all customers
2 no later than the date the tariff filing is submitted to the commission.

3 (c) A utility that provides service in more than one (1) county and is not a sewage
4 utility may use a combination of the notice methods listed in paragraph (b) of this
5 subsection.

6 (3) Proof of Notice. A utility shall file with the commission no later than forty-five
7 (45) days from the date the tariff filing was initially submitted to the commission:

8 (a) If notice is mailed to its customers, an affidavit from an authorized
9 representative of the utility verifying the contents of the notice, that notice was mailed to
10 all customers, and the date of the mailing;

11 (b) If notice is published in a newspaper of general circulation in a utility's service
12 area, an affidavit from the publisher verifying the contents of the notice, that the notice
13 was published, and the dates of the notice's publication; or

14 (c) If notice is published in a trade publication or newsletter delivered to all
15 customers, an affidavit from an authorized representative of the utility verifying the
16 contents of the notice, the mailing of the trade publication or newsletter, that notice was
17 included in the publication or newsletter, and the date of mailing.

18 (4) [~~3~~] Notice Content [~~requirements~~]. Each notice issued in accordance with
19 this section shall contain [~~the following information~~]:

20 (a) The proposed effective date and the date the proposed rates are expected to
21 be filed with the commission;

22 (b) The present rates and proposed rates for each customer classification [~~class~~
23 to which the proposed rates will apply;

1 (c) ~~[(b)]~~ The amount of the change requested in both dollar amounts and
2 percentage change for each customer classification to which the proposed rates [rate
3 change] will apply;

4 (d) ~~[(e)]~~ The amount of the average usage and the effect upon the average bill for
5 each customer classification [class] to which the proposed rates [rate change] will apply;

6 ~~[(d) A statement that the rates contained in this notice are the rates proposed by
7 (name of utility) but that the Public Service Commission may order rates to be charged
8 that differ from the proposed rates contained in this notice;~~

9 ~~(e) A statement that a person may within thirty (30) days after the initial
10 publication or mailing of notice of the proposed rate changes submit a written request to
11 intervene to the Public Service Commission, 211 Sower Boulevard, P.O. Box 615,
12 Frankfort, Kentucky 40602 that establishes the grounds for the request including the
13 status and interest of the party;]~~

14 (e) ~~[(f)]~~ A statement that a person may examine this tariff filing and any related
15 ~~[other]~~ documents the utility has filed with the Public Service Commission at the offices
16 of (utility name ~~[the name of the utility]~~) located at (utility ~~[the utility's]~~ address) ~~[and on
17 the utility's Web site at (the utility's Web site address), if the utility maintains a public
18 Web site];~~

19 (f) ~~[(g)]~~ A statement that a person may examine this tariff filing and any related
20 documents at the commission's offices located at 211 Sower Boulevard, Frankfort,
21 Kentucky, Monday through Friday, 8:00 a.m. to 4:30 p.m., or through the commission's
22 ~~[are available on the Public Service Commission's] Web site at <http://psc.ky.gov>; [and]~~

1 (g) [(h)] A statement that [written] comments regarding this tariff filing [the
2 proposed rate] may be submitted to the Public Service Commission through its Web site
3 or by mail to: Public Service Commission, Post Office Box 615, Frankfort, Kentucky
4 40602; [by mail or through the Public Service Commission's Web site.]

5 (h) A statement that the rates contained in this notice are the rates proposed by
6 (utility name) but that the Public Service Commission may order rates to be charged
7 that differ from the proposed rates contained in this notice;

8 (i) A statement that a person may submit a timely written request for intervention
9 to the Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602,
10 establishing the grounds for the request including the status and interest of the party;
11 and

12 (j) A statement that if the commission does not receive a written request for
13 intervention within thirty (30) days of the initial publication or mailing of the notice, the
14 commission may take final action on the tariff filing.

15 ~~[(4) Proof of notice. A utility shall file with the commission no later than forty-five~~
16 ~~(45) days from the date of the initial filing:~~

17 ~~(a) If its notice is published in a newspaper of general circulation in the utility's~~
18 ~~service area, an affidavit from the publisher verifying the notice was published, including~~
19 ~~the dates of the publication with an attached copy of the published notice;~~

20 ~~(b) If the utility's notice is published in a trade publication or newsletter going to~~
21 ~~all customers, an affidavit from an authorized representative of the utility verifying the~~
22 ~~trade publication or newsletter was mailed; or~~

1 ~~(c) If the notice is mailed, an affidavit from an authorized representative of the~~
2 ~~utility verifying the notice was mailed.]~~

3 (5) Compliance by electric utilities with rate schedule information required by 807
4 KAR 5:051. Notice given pursuant to subsection ~~[(2)]~~(a) or (b) of this section shall
5 substitute for the notice required by 807 KAR 5:051, Section 2, if the notice contained a
6 clear and concise explanation of the proposed change in the rate schedule applicable to
7 each customer.

8 (6) Periodic recalculation of a formulaic rate that does not involve a revision of
9 the rate and that is performed in accordance with provisions of an effective rate
10 schedule, special contract, or administrative regulation does not require notice in
11 accordance with this section.

12 Section 9. Statutory Notice to the Commission. (1) The proposed rates on a [A]
13 new tariff or revised sheet of an existing tariff shall become effective on the date stated
14 on the tariff sheet if:

15 (a) Proper notice was provided ~~[given]~~ to the public in accordance with Section 8
16 of this administrative regulation;~~[and the commission; and]~~

17 (b) Statutory notice was provided; and

18 (c) The commission does not suspend the proposed rates ~~[(b) The tariff is not~~
19 ~~suspended by an order of the commission]~~ pursuant to KRS 278.190.

20 (2) All information and notices required by this administrative regulation shall be
21 furnished to the commission at the time of the filing of the proposed rate ~~[revision]~~. If
22 ~~[there is]~~ a substantial omission occurs, which is prejudicial to full consideration by the
23 commission or to the public ~~[an intervenor]~~, the statutory notice period to the

1 commission shall not commence [~~to run and shall not be computed~~] until the omitted
2 information and notice is filed.

3 Section 10. Nonrecurring Charges. Notwithstanding 807 KAR 5:001, a utility may
4 revise a nonrecurring charge pursuant to this section and Sections 6 and 9 of this
5 administrative regulation.

6 (1) Each request to revise a current [~~requested~~] nonrecurring charge or to
7 implement a new nonrecurring charge [~~rate revision~~] shall be accompanied by:

8 (a) A specific cost justification for the proposed nonrecurring charge, including all
9 supporting documentation necessary to determine the reasonableness of the proposed
10 non-recurring charge [~~rates~~];

11 (b) A copy of the public notice of each requested nonrecurring charge [~~rate~~
12 ~~revision~~] and verification that it has been made pursuant to Section 8 of this
13 administrative regulation;

14 (c) A detailed statement explaining why the proposed revisions [~~changes~~] were
15 not included in the utility's most recent general rate case and why current conditions
16 prevent deferring the proposed revisions [~~changes~~] until the next general rate case;

17 (d) A statement identifying each classification [~~the group~~] of potential or existing
18 customers affected by the rate revision; and

19 (e) A copy of the utility's income statement and balance sheet for a recent twelve
20 (12) month period or an affidavit from an authorized representative of the utility attesting
21 that the utility's income statement and balance sheet are on file with the commission.

22 (f) If the applicant is a water district, a statement from an authorized utility official
23 indicating the date the proposed rate adjustment was reported to the governing body of

1 the county in which the largest number of its customers resides and the date it presented
2 testimony, or is scheduled to present testimony, to that governing body.

3 (2) The proposed rate shall relate directly to the service performed or action
4 taken and shall yield only enough revenue to pay the expenses incurred in rendering
5 the service.

6 (3)(a) If the ~~[additional]~~ revenue to be generated from the proposed rate revision
7 exceeds by five (5) percent the total revenues provided by all nonrecurring charges for a
8 recent period of twelve (12) consecutive calendar months ending within ninety (90) days
9 of submitting the tariff filing, ~~[month period,~~ the utility shall, in addition to the information
10 established in subsection ~~[(1)]~~ of this section, file an absorption test.

11 (b) The absorption test shall show that the additional net income generated by
12 the tariff filing shall not result in an increase in the rate of return (or other applicable
13 valuation method) to a level greater than that allowed in the most recent general rate
14 case.

15 (c) As part of the absorption test, a general rate increase received during the
16 twelve (12) month period shall be annualized.

17 (4) Upon a utility ~~[utility's]~~ submitting the tariff filing to the commission, the utility
18 shall transmit by electronic mail a ~~[an—electronic]~~ copy in PDF to
19 rateintervention@ag.ky.gov or mail a paper copy to the Attorney General's Office of
20 Rate Intervention, 1024 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601-
21 8204.

22 Section 11. Adoption Notice. (1) A utility shall file an adoption notice on Tariff
23 Form-3 if:

- 1 (a) A change of ownership or control of a utility occurs;
- 2 (b) A utility or a part of its business is transferred from the operating control of
- 3 one (1) company to that of another;
- 4 (c) A utility's name is changed; or
- 5 (d) A receiver or trustee assumes possession and operation of a utility.

6 (2) Unless otherwise authorized by the commission, the person operating the

7 utility business going forward shall adopt, ratify, and make as its own the predecessor's

8 ~~[former operating utility's]~~ rates, classifications, and requirements on file with the

9 commission and effective at the time of the change of ownership or control.

10 (3) An adoption notice may be filed and made effective without previous notice.

11 (4) An adoption notice filed with the commission shall be in consecutive

12 numerical order, beginning with Public Service Commission adoption notice No. 1.

13 (5) Within ten (10) days after the filing of an adoption notice by a utility that had

14 no tariff on file with the commission, the utility shall issue and file in its own name the

15 tariff of the predecessor utility then in effect and adopted by it, or a tariff it proposes to

16 place put into effect in lieu thereof, in the form established in Sections 2 through 4 of

17 this administrative regulation with proper identifying designation.

18 (6) Within ten (10) days after the filing of an adoption notice by a utility that had

19 other tariffs on file with the commission, the utility shall issue and file one (1) of the

20 following:

21 (a) A complete reissue of its existing tariff that establishes the rates and

22 requirements:

23 1. Of the predecessor utility then in effect and adopted by the successor utility; or

1 2. The utility proposes to place into effect for the customers served by the
2 predecessor utility; or

3 (b) New or revised tariff sheets [~~additional pages or revised current pages of its~~
4 ~~existing tariffs~~] that establish the rates and requirements:

5 1. Of the predecessor utility then in effect and adopted by the successor utility; or

6 2. The utility proposes to place into effect for the customers served by the
7 predecessor utility.

8 (7)(a) If a new tariff or a revised sheet of an existing tariff sheet states the rates
9 and requirements of the predecessor utility without change, the successor utility is not
10 required to provide notice of the filing. [~~the tariff or revised sheet of an existing tariff may~~
11 ~~be filed without notice.~~]

12 (b) If a new tariff or a revised tariff sheet [~~or revised sheet~~] of an existing tariff
13 changes or amends the [~~states a change in the effect of the~~] rates or requirements of
14 the predecessor utility, the successor utility shall provide notice pursuant to KRS
15 278.180 and Section 8 [~~the new tariff or revised sheet of an existing tariff shall be~~
16 ~~subject to Sections 9 and 10~~] of this administrative regulation.

17 Section 12. Posting Tariffs, Administrative Regulations, and Statutes. (1) Each
18 utility shall display a suitable placard, in large type, that states that the utility's tariff and
19 the applicable administrative regulations and statutes are available for public inspection.

20 (2) Each utility shall provide a suitable table or desk in its office or place of
21 business on which it shall make available for public viewing:

1 (a) A copy of all effective tariffs and supplements establishing its rates,
2 classifications, charges, rules, and requirements, together with forms of contracts and
3 applications applicable to the territory served from that office or place of business;

4 (b) A copy of all proposed tariff revisions that the utility has filed and are pending
5 before the commission and all documents filed in a commission proceeding initiated to
6 review the proposed tariff revisions;

7 (c) A copy of KRS Chapter 278; and

8 (d) A copy of 807 KAR Chapter 5.

9 (3) The information required in subsection [(2)] of this section shall be made
10 available in an electronic or nonelectronic format.

11 Section 13. Special Contracts. Each utility shall file a copy of each ~~[all]~~ special
12 contract ~~[contracts entered into governing utility service]~~ that establishes ~~[establish]~~
13 rates, charges, or conditions of service not contained ~~[included]~~ in its ~~[general]~~ tariff.

14 Section 14. Confidential Materials. A utility may request confidential treatment for
15 materials filed pursuant to this administrative regulation. Requests for confidential
16 treatment ~~[material]~~ shall be made and reviewed ~~[treated]~~ in accordance with ~~[the~~
17 ~~procedures established in]~~ 807 KAR 5:001, Section 13(3).

18 Section 15. Deviations from Rules. In special cases, for good cause shown ~~[and~~
19 ~~upon application to and approval by the commission]~~, the commission shall permit
20 deviations from ~~[the rules in]~~ this administrative regulation ~~[may be permitted]~~.

21 Section 16. Incorporation by Reference. (1) The following material is incorporated
22 by reference:

23 (a) "Tariff Form-1", July 2013 ~~[2012]~~;

1 (b) "Tariff Form-2", July 2013 [~~2012~~]; and

2 (c) "Tariff Form-3", Adoption Notice, [;] July 2013 [~~2012~~].

3 (2) This material may be inspected, copied, or obtained, subject to applicable
4 copyright law, at the commission's offices located at 211 Sower Boulevard, Frankfort,
5 Kentucky 40601, Monday through Friday, 8:00 a.m. to 4:30 p.m., or through the
6 commission's Web site at <http://psc.ky.gov>.

David L. Armstrong, Chairman
Public Service Commission

DATE: _____

PUBLIC HEARING: A public hearing on this administrative regulation shall be held on August 21, 2013, at 9:00 a.m., Eastern Daylight Time, at the Public Service Commission's office, 211 Sower Boulevard, Frankfort, Kentucky. Individuals interested in attending this hearing shall notify this agency in writing by August 14, 2013, five working days prior to the hearing, of their intent to attend. If no notification of intent to attend the hearing is received by that date, the hearing may be cancelled.

This hearing is open to the public. Any person who attends will be given an opportunity to comment on the proposed administrative regulation. A transcript of the public hearing will not be made unless a written request for a transcript is made.

If you do not wish to attend the public hearing, you may submit written comments on the proposed administrative regulation. Written comments shall be accepted until September 3, 2013. Send written notification of intent to attend the public hearing or written comments on the proposed administrative regulation to:

Gerald E. Wuetcher
Executive Advisor/Attorney
Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602
Tel: (502) 564-3940
Fax: (502) 564-3460

REGULATORY IMPACT ANALYSIS

Administrative Regulation #: 807 KAR 5:011

Contact Person: Gerald E. Wuetcher, Executive Advisor

(1) Provide a brief summary of:

(a) What this administrative regulation does: This administrative regulation provides the rules and guidelines for a utility to file its tariff or to file revisions to its existing tariff.

(b) The necessity of this administrative regulation: This regulation provides the structural framework for using electronic filing procedures that should reduce filing expenses for a utility as well as allow a utility to submit and receive documents in a timelier manner.

(c) How this administrative regulation conforms to the content of the authorizing statutes: KRS 278.160 provides that the commission shall prescribe rules under which a utility shall file schedules showing all rates and conditions of service it has established and that it collects or enforces.

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: It provides a more cost effective and timely means for a utility to submit required documents to the Public Service Commission.

(2) If this is an amendment to an existing administrative regulation, provide a brief summary of:

(a) How the amendment will change this existing administrative regulation: The amendment makes technical changes to revisions made in 2012.

(b) The necessity of the amendment to this administrative regulation: This amendment is necessary to correct issues that were discovered after the regulation was revised in 2012.

(c) How the amendment conforms to the content of the authorizing statutes: KRS 278.160 requires all utilities to file their rate schedules with the Public Service Commission and to charge only rates that are filed with the Public Service Commission. The proposed amendment clarifies the procedures used to file a tariff.

(d) How the amendment will assist in the effective administration of the statutes: The amendment will benefit both utilities and the Public Service Commission by clarifying the procedures for filing tariffs with the commission.

(3) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation: The proposed amendment will affect all jurisdictional utilities that are required to file tariffs with the Public Service Commission.

(4) Provide an analysis of how the entities identified in question (3) will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:

(a) List the actions that each of the regulated entities identified in question (3) will have to take to comply with this administrative regulation or amendment: This amendment will not require additional actions by the utilities.

(b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (3): There are no costs to comply.

(c) As a result of compliance, what benefits will accrue to the entities identified in question (3): The proposed amendment will provide clarity regarding tariff filings made with the commission.

(5) Provide an estimate of how much it will cost to the administrative body to implement this administrative regulation:

(a) Initially: Implementation of the proposed amendment will not involve additional costs.

(b) On a continuing basis: No additional costs are expected.

(6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation: No additional funding is required.

(7) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change if it is an amendment: No increase in fees or funding is necessary or will be required.

(8) State whether or not this administrative regulation establishes any fees or directly or indirectly increases any fees: No.

(9) TIERING: Is tiering applied? No.

FISCAL NOTE ON STATE OR LOCAL GOVERNMENT

Regulation No.: 807 KAR 5:011

Contact Person: Gerald Wuetcher
(502) 564-3940
gerald.wuetcher@ky.gov

1. What units, parts or divisions of state or local government (including cities, counties, fire departments, or school districts) will be impacted by this administrative regulation? Public Service Commission; Office of Attorney General (Utility Rate and Intervention Division); water districts; sewer districts; municipalities.

2. Identify each state or federal statute or federal regulation that requires or authorizes the action taken by the administrative regulation.

KRS 278.160(1) provides that the commission shall prescribe rules under which each utility shall file schedules showing all rates and conditions established by it and collected or enforced.

3. Estimate the effect of this administrative regulation on the expenditures and revenues of a state or local government agency (including cities, counties, fire departments, or school districts) for the first full year the administrative regulation is to be in effect.

(a) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for the first year? No direct increase in revenue will result from the adoption of the proposed amendment for any governmental agency. The proposed amendment does not provide for the Public Service Commission to assess any fee or charge.

(b) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for subsequent years? No direct increase in revenue will result from the adoption of the proposed amendment for any governmental agency. The proposed amendment does not provide for the Public Service Commission to assess any fee or charge.

(c) How much will it cost to administer this program for the first year? No increase in the Public Service Commission's cost of reviewing new tariffs or revisions to existing tariffs is expected to result from the adoption of the proposed amendment. The Public Service Commission will be performing the same level of review and require the same number of employees to conduct its review.

(d) How much will it cost to administer this program for subsequent years? No increase in the Public Service Commission's cost of reviewing new tariffs or revisions to existing tariffs is expected to result from the adoption of the proposed amendment. The

Public Service Commission will be performing the same level of review and require the same number of employees to conduct its review.

Note: If specific dollar estimates cannot be determined, provide a brief narrative to explain the fiscal impact of the administrative regulation.

Revenues (+/-):

Expenditures (+/-):

Other Explanation:

SUMMARY OF INCORPORATED MATERIAL

(1) Tariff Form-1 – “Tariff Cover Sheet” is a one page form that a utility must file as the first page of its filed tariff. (A tariff is the compendium of the utility’s rate schedules, charges, tolls, maps, regulations, terms and conditions of service.) When properly completed, it provides basic information about the utility, including the utility’s name, address, type of service provided, and area served, and is used to properly file a utility’s effective rate schedules. It aids the Public Service Commission in organizing, reviewing and displaying for public inspection a utility’s rates, charges, rules and regulations, and conditions of service. KRS 278.160(1) provides that “each utility shall file with the commission, within such time and in such form at the commission designates, schedules showing all rates and conditions of service established by it and collected or enforced.”

(2) Tariff Form-2 is a one page form on which a utility will place its rates, charges, tolls, maps, rules and regulations, and conditions of service. It ensures a uniform method of filing such information with the Public Service Commission. KRS 278.160(1) provides that “each utility shall file with the commission, within such time and in such form at the commission designates, schedules showing all rates and conditions of service established by it and collected or enforced.”

(3) Tariff Form-3 – “Adoption Notice” is a one page form on which a person who acquires the ownership or control of a utility will acknowledge upon obtaining ownership or control of that utility that it is adopting the rules, regulations and charges of its predecessor. A person acquiring ownership or control of a utility will file a Tariff Form-3 within 10 days of such acquisition. The form ensures that the acquiring party has legal authority to continuing assessing rates for utility service. KRS 278.160(1) provides that “each utility shall file with the commission, within such time and in such form at the commission designates, schedules showing all rates and conditions of service established by it and collected or enforced.” KRS 278.160(2) further provides that “[n]o utility shall charge, demand, collect, or receive from any person a greater or less compensation for any service rendered or to be rendered than that prescribed in its filed schedules, and no person shall receive any service from any utility for a compensation greater or less than that prescribed in such schedules.” Unless the Adoption Notice is filed, the acquiring party will lack legal authority to assess rates for service until the filing of its own rate schedules.

SUMMARY OF CHANGES TO MATERIAL INCORPORATED BY REFERENCE

- (1) Tariff Form-1 is being revised to remove the border from the form.
- (2) Tariff Form-2 is being revised to remove the border from the form and to include the information required by Section 3(3)(g) in the footer of the form. This language was inadvertently left out of the last revision to this regulation.
- (3) Tariff Form-3 is being revised to remove the border from the form.

PSC KY. NO. _____

CANCELLING PSC KY. NO. _____

(UTILITY NAME)

OF

(ADDRESS)

(CITY – STATE – ZIP)

RATES – CHARGES – RULES - REGULATIONS

FOR FURNISHING

(TYPE OF SERVICE)

AT

(AREA SERVED)

FILED WITH THE

PUBLIC SERVICE COMMISSION

OF

KENTUCKY

DATE OF ISSUE _____
Month / Date / Year

DATE EFFECTIVE _____
Month / Date / Year

ISSUED BY _____
(Signature of Officer)

TITLE _____

AREA _____

PSC KY. NO. _____

_____ SHEET NO. _____

CANCELLING PSC KY. NO. _____

_____ SHEET NO. _____

(NAME OF UTILITY)

DATE OF ISSUE _____
Month / Date / Year

DATE EFFECTIVE _____
Month / Date / Year

ISSUED BY _____
(Signature of Officer)

TITLE _____

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED _____

P.S.C. Ky. Adoption Notice No. _____

ADOPTION NOTICE

(Name)

hereby adopts, ratifies, and makes its own, in every respect, as if the same had been originally filed and posted by it, all tariffs and supplements containing rates, rules and regulations for furnishing _____ service in _____
(Nature of Service) (Location)

in the Commonwealth of Kentucky, filed with the Public Service Commission of Kentucky by _____ of _____
(Name of Predecessor) (Location)

and in effect on the _____ day of _____, 20____, the date on which the public service business of _____
(Name of Predecessor)

was taken over by it.

This notice is issued on the _____ day of _____, 20____, in conformity with 807 KAR 5:011, Section 11, of the Regulations for the filing of Tariffs of Public Utilities with the Public Service Commission of Kentucky.

By _____

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED _____