

1 ENERGY AND ENVIRONMENT CABINET

2 Public Service Commission

3 (Amended After Comments)

4 807 KAR 5:011. Tariffs.

5 RELATES TO: KRS [~~Chapter~~] 278.010, 278.030, 278.160, 278.170, 278.180, 278.185,  
6 278.190.

7 STATUTORY AUTHORITY: KRS 278.160(1)

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

13 Section 1. Definitions. (1) "Commission" is defined by KRS 278.010(15).

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

16 (3) "Nonrecurring charge" means a charge or fee assessed to customers to recover  
17 the specific cost of an activity, which:

18 (a) Is due to a specific request for a certain type of service activity for which, once the  
19 activity is completed, additional charges shall not be incurred; and

20 (b) Is limited to only recover the specific cost of the specific service.

21 (4) "Person" is defined by KRS 278.010(2).

1 (5) "Rate" is defined by KRS 278.010(12).

2 (6) "Sewage utility" means a utility that meets the requirements of KRS 278.010(3)(f).

3 (7) "Signature" means an original signature or an electronic signature as defined by  
4 KRS 369.102(8).

5 (8) "Statutory notice" means notice made in accordance with KRS 278.180.

6 (9) "Tariff" means a utility's schedule of each of its rates, charges, tolls, maps, terms,  
7 and conditions of service over which the commission has jurisdiction.

8 (10) "Utility" is defined by KRS 278.010(3).

9 (11) "Utility's office or place of business" means a location at which the utility regularly  
10 employs and stations one (1) or more employees and is open to the public for customer  
11 service.

12 Section 2. General. (1) Beginning January 1, 2013, each tariff sheet and supporting  
13 document filed with the commission shall be electronically submitted to the commission  
14 using the commission's electronic Tariff Filing System located at  
15 [https://psc.ky.gov/psc\\_portal/](https://psc.ky.gov/psc_portal/).

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

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

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

21 (5) A utility that operates a public Web site for its utility operations shall:

22 (a) Make available on that Web site for public viewing and downloading a copy of its  
23 current tariff for each type of service that it provides; or

1 (b) Place on its Web site a hyperlink to the commission's Web site where the tariff  
2 has been posted.

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

5 (a) Printed or typewritten;

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

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

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

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

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

16 (c) A statement of each type of service offered;

17 (d) A statement of the area served;

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

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

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

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

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

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

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

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

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

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

11 (g) If applicable, a statement that the tariff is "Issued by authority of an Order of the  
12 Public Service Commission in Case No. \_\_\_\_\_ Dated \_\_\_\_\_, 20 \_\_\_\_".

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

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

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

1 (b) A utility may indicate the applicability of a schedule by reference to the index  
2 sheet with language indicating "Applicable within the corporate limits of the City of  
3 \_\_\_\_\_," or "see Tariff Sheet No. \_\_\_\_\_ for applicability."

4 (2) The following information shall be shown in each rate schedule under the  
5 following captions in the order listed:

6 (a) Applicable: show the territory covered;

7 (b) Availability of service: show the classes of customers affected, including  
8 residential, commercial, and other groups of customers;

9 (c) Rates: list all rates offered;

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

12 (e) Late payment charge: state the amount **or reference the tariff section**  
13 **containing the amount;**

14 (f) Term: if contracts are made for certain periods, give the length of the term; and

15 (g) Special rules: list any special rules or requirements that are in effect covering this  
16 tariff.

17 (3) Each rate schedule shall state the type or class of service available under the  
18 stated rates, by using language similar to "available for residential lighting" or "available  
19 for all purposes."

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

22 (a) A number in the format "Schedule No. \_\_\_\_\_"; or

1 (b) A group of letters, with the designation indicative of the type or class of service for  
2 which the rate schedule is available. The format for use of a group of letters shall be in  
3 the format "Tariff R.S." indicating that the rate schedule states residential service rates.

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

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

7 (a) Each document shall be submitted in portable document format ("PDF") and be  
8 capable of viewing with Adobe Acrobat Reader.

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

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

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

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

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

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

18 Section 6. Tariff Addition, Revision, or Withdrawal. (1) No tariff, tariff sheet, or tariff  
19 provision may be changed, cancelled or withdrawn except as provided by Sections 6  
20 and 9 of this administrative regulation.

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

23 (a) By order of the commission; or

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

4 (3) Each revised tariff sheet shall contain one (1) of the following symbols in the  
5 margin indicating the change made:

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

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

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

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

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

11 Section 7. Tariff Filings Pursuant to Orders. If the commission has ordered a change  
12 in the rates or rules of a utility, the utility shall file a new tariff or revised sheet of an  
13 existing tariff setting out:

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

15 (2) The applicable case number;

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

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

18 Section 8. Notices. A utility shall give notice to the public as required by this section if  
19 **a charge or fee is changed, revised, or initiated or a condition of service or a rule**  
20 **regarding the provision of service is changed, revised, or initiated and the change**  
21 **will affect the amount that a customer pays for service or the quality, delivery, or**  
22 **rendering of a customer's service. (1) Public postings.**

1 (a) A utility shall post at its place of business a copy of the required notice no later  
2 than the date the filing is made with the commission. The notice shall not be removed  
3 until the filing has become effective; and

4 (b) A utility that maintains a public Web site shall, within two (2) business days of  
5 filing, post a copy of the public notice as well as a hyperlink to its filing on the  
6 commission's Web site. The notice shall not be removed until the filing has become  
7 effective or the commission issues a final decision on the filing.

8 (2) Manner of notification.

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

12 (b) If the utility has more than twenty (20) customers and is not a sewage utility, it  
13 shall:

14 1. Include notice with customer bills mailed by the date the filing is submitted;

15 2. Publish notice in a trade publication or newsletter going to all customers by the  
16 date the filing is submitted; or

17 3. Publish notice once a week for three (3) consecutive weeks in a prominent manner  
18 in a newspaper of general circulation in the utility's service area, the first publication to  
19 be made by the date the filing is submitted.

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

23 (3) Notice requirements. Each notice shall contain the following information:



- 1     (a) The present rates and proposed rates for each customer class to which the  
2 proposed rates will apply;
- 3     (b) The amount of the change requested in both dollar amounts and percentage  
4 change for each customer classification to which the proposed rate change will apply;
- 5     (c) The amount of the average usage and the effect upon the average bill for each  
6 customer class to which the proposed rate change will apply;
- 7     (d) A statement that the rates contained in this notice are the rates proposed by  
8 (name of utility) but that the Public Service Commission may order rates to be charged  
9 that differ from the proposed rates contained in this notice;
- 10    (e) A statement that any [~~corporation, association, or~~ person may within thirty (30)  
11 days after the initial publication or mailing of notice of the proposed rate changes submit  
12 a written request to intervene to the Public Service Commission, 211 Sower Boulevard,  
13 P.O. Box 615, Frankfort, Kentucky 40602 that sets forth the grounds for the request  
14 including the status and interest of the party;
- 15    (f) A statement that any person may examine this filing and any other documents the  
16 utility has filed with the Public Service Commission at the offices of (the name of the  
17 utility) located at (the utility's address) and on the utility's Web site at (the utility's Web  
18 site address), if the utility maintains a public Web site; [, and]
- 19    (g) A statement that this filing and related documents are available on the Public  
20 Service Commission's Web site at <http://psc.ky.gov/>; and
- 21    (h) A statement that written comments regarding the proposed rate may be  
22 submitted to the Public Service Commission by mail or through the Public  
23 Service Commission's Web site.

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

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

6 (b) If its notice is published in a trade publication or newsletter going to all customers,  
7 an affidavit from an authorized representative of the utility verifying the trade publication  
8 or newsletter was mailed; or

9 (c) If the notice is mailed, an affidavit from an authorized representative of the utility  
10 verifying the notice was mailed.

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

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

20 Section 9. Statutory Notice to the Commission. (1) A new tariff or revised sheet of an  
21 existing tariff shall become effective on the date stated on the tariff sheet if:

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

1 (b) The tariff is not suspended by an order of the commission pursuant to KRS  
2 278.190.

3 (2) All information and notices required by this administrative regulation shall be  
4 furnished to the commission at the time of the filing of the proposed rate revision. If the  
5 commission determines that there was a substantial omission, which was prejudicial to  
6 full consideration by the commission or to an intervenor, the statutory notice to the  
7 commission shall not commence to run and shall not be computed until the omitted  
8 information and notice is filed.

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

12 (1) Each requested rate revision shall be accompanied by:

13 (a) A specific cost justification for the proposed rates;

14 (b) A copy of the public notice of each requested rate revision and verification that it  
15 has been made pursuant to Section 8 of this administrative regulation;

16 (c) A detailed statement explaining why the proposed changes were not included in  
17 the most recent general rate case, and why current conditions prevent deferring the  
18 proposed changes until the next general rate case;

19 (d) A statement identifying the group of potential or existing customers affected by the  
20 rate revision; and

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

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

4 (3)(a) If the additional revenue to be generated from the proposed rate revision  
5 exceeds by five (5) percent the total revenues provided by all nonrecurring charges for a  
6 recent twelve (12) month period, the utility shall, in addition to the information set out in  
7 subsection (1) of this section, file an absorption test.

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

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

14 (4) When the utility submits its filing to the commission, it shall transmit by electronic  
15 mail an electronic copy in PDF to rateintervention@ag.ky.gov or mail a paper copy to  
16 the Attorney General's Office of Rate Intervention, 1024 Capital Center Drive, Suite 200,  
17 Frankfort, Kentucky 40601-8204.

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

20 (a) A change of ownership or control of a utility occurs;

21 (b) A utility or a part of its business is transferred from the operating control of one (1)  
22 company to that of another;

23 (c) A utility's name is changed; or

1 (d) A receiver or trustee assumes possession and operation of a utility.

2 (2) Unless otherwise authorized by the commission, the person operating the utility  
3 business going forward shall adopt, ratify, and make its own the former operating  
4 utility's rates, classifications and requirements on file with the commission and effective  
5 at the time of the change of ownership or control.

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

7 (4) An adoption notice filed with the commission shall be in consecutive numerical  
8 order, beginning with Public Service Commission adoption notice No. 1.

9 (5) Within ten (10) days after the filing of an adoption notice by a utility that had no  
10 tariff on file with the commission, the utility shall issue and file in its own name the tariff  
11 of the predecessor utility then in effect and adopted by it, or a tariff it proposes to put  
12 into effect in lieu thereof, in the form prescribed in Sections 2 through 4 of this  
13 administrative regulation with proper identifying designation.

14 (6) Within ten (10) days after the filing of an adoption notice by a utility that had other  
15 tariffs on file with the commission, the utility shall issue and file one (1) of the following:

16 (a) A complete reissue of its existing tariff that:

17 1. Sets out the rates and requirements of the predecessor utility then in effect and  
18 adopted by it; or

19 2. Sets out the rates and requirements it proposes to place into effect for the  
20 predecessor utility;

21 (b) New additional pages or revised current pages of its existing tariffs that:

22 1. Set out the rates and requirements of the predecessor utility then in effect and  
23 adopted by it; or

1 2. Set out the rates and requirements it proposes to place into effect for the  
2 predecessor utility.

3 (7)(a) If a new tariff or revised sheet of an existing tariff states the rates and  
4 requirements of the predecessor utility without change, the tariff or revised sheet of an  
5 existing tariff may be filed without notice.

6 (b) If a new tariff or revised sheet of an existing tariff states any change in the effect  
7 of the rates or requirements of the predecessor utility, the new tariff or revised sheet of  
8 an existing tariff shall be subject to Sections 9 and 10 of this administrative regulation.

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

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

14 (a) A copy of all effective tariffs and supplements setting out its rates, classifications,  
15 charges, rules and requirements, together with forms of contracts and applications  
16 applicable to the territory served from that office or place of business;

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

20 **(c) [(b)] A copy of the Kentucky Revised Statutes applicable to the utility; and**

21 **(d) [(e)] A copy of the administrative regulations governing the utility.**

22 (3) The information required in subsection (2) of this section shall be made available  
23 in an electronic or non-electronic format.

1 Section 13. Special Contracts. Each utility shall file a copy of all special contracts  
2 entered into governing utility service which set out rates, charges or conditions of  
3 service not included in its general tariff.

4 Section 14. Confidential Materials. A utility may request confidential treatment for  
5 materials filed pursuant to this administrative regulation in accordance with the  
6 procedures established in 807 KAR 5:001, Section 13(3).

7 Section 15. Deviations from Rules. In special cases, for good cause shown and upon  
8 application to and approval by the commission, deviations from the rules in this  
9 administrative regulation may be permitted.

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

12 (a) "Tariff Form-1", July 2012;

13 (b) "Tariff Form-2", July 2012; and

14 (c) "Tariff Form-3"; July 2012.

15 (2) This material may be inspected, copied, or obtained, subject to applicable  
16 copyright law, at the commission's offices located at 211 Sower Boulevard, Frankfort,  
17 Kentucky, 40601, Monday through Friday, 8:00 a.m. to 4:30 p.m., or through the  
18 commission's Web site at <http://psc.ky.gov/>. [~~Section 1. Definitions. For purpose of this~~  
19 administrative regulation: "Commission" means the Public Service Commission.

20 ~~Section 2. General. All utilities under the jurisdiction of the commission shall file with~~  
21 ~~the secretary two (2) cover letters and four (4) complete copies of a tariff containing~~  
22 ~~schedules of all its rates, charges, tolls and maps or plats of the area in which it offers~~  
23 ~~service and all its rules and administrative regulations and shall keep a copy of said tariff~~

1 open to public inspection in its offices and places of business, as required by KRS  
2 278.160, in substantially the form and manner hereinafter set out. If a utility furnishes  
3 more than one (1) kind of service (water and electricity for example), a separate tariff  
4 must be filed for each kind of service. For the purpose of the commission's rules and  
5 administrative regulations, the utility's office or place of business shall be deemed a  
6 location at which the utility regularly employs and stations one (1) or more employees and  
7 is open to the public.

8 Section 3. Form and Size of Tariffs. (1) All tariffs must be printed from type not smaller  
9 than six (6) point or typewritten, mimeographed or produced by similar process, on hard  
10 calendared paper of good quality.

11 (2) The pages of a tariff shall be eight and one half (8 1/2) by eleven (11) inches in  
12 size.

13 (3) Utilities shall publish tariffs in loose leaf form using one (1) side of the paper only,  
14 with not more than one (1) schedule to the page.

15 (4) The front cover page of a tariff shall contain the following:

16 (a) Name of the utility and location of principal office.

17 (b) Statement of kind of service offered.

18 (c) General statement of territory served.

19 (d) Date of issue and date tariff is to become effective.

20 (e) Signature of the officer of the utility authorized to issue tariffs.

21 (f) Identifying designation in the upper right hand corner as required by Section 5 of this  
22 administrative regulation.

23 (5) The second and succeeding pages shall contain:



- 1 ~~(a) All the rules and administrative regulations of the utility.~~
- 2 ~~(b) Rate schedules showing all rates and charges for the several classes of service.~~
- 3 ~~(c) Signature of the officer of the utility authorized to issue tariffs.~~
- 4 ~~(d) Date of issue and date tariff is to become effective.~~
- 5 ~~(e) Identifying designation in upper right hand corner as required by Section 5 of this~~
- 6 ~~administrative regulation.~~

7 ~~(6) In that portion of the tariff dealing with rates, the desired information shall be shown~~  
8 ~~under the following captions in the order listed:~~

- 9 ~~(a) Applicable: show territory covered by tariff.~~
- 10 ~~(b) Availability of service: show classes of customers affected, such as domestic,~~
- 11 ~~commercial, etc.~~
- 12 ~~(c) Rates: list all rates covered by tariff.~~
- 13 ~~(d) Minimum charge: state amount of charge and quantity allowed.~~
- 14 ~~(e) Delayed payment charge: state if penalty or discount.~~
- 15 ~~(f) Term: if contracts are made for certain periods, give length of term.~~
- 16 ~~(g) Special rules: if any special rules and administrative regulations are in effect~~
- 17 ~~covering this tariff, list same hereunder.~~

18 ~~(7) The secretary of the commission will furnish standard forms of tariffs on request.~~

19 ~~Section 4. Contents of Schedules. (1) Each rate schedule in addition to a clear~~  
20 ~~statement of all rates thereunder must state the city, town, village or district in which rates~~  
21 ~~are applicable; provided, however, that schedules applicable in a large number of~~  
22 ~~communities must be accompanied by an accurate index by which each community in~~  
23 ~~which the rates are applicable may be readily ascertained, in which case the applicability~~

1 of a schedule may be indicated by reference to the index sheet. (Example: Applicable  
2 within the corporate limits of the City of \_\_\_\_\_, or see Tariff Sheet No. 2B for  
3 applicability.)

4 (2) Each rate schedule must state that class of service available under the rates stated  
5 therein. (Example: Available for domestic lighting, or available for all purposes, etc.)

6 (3) For a tariff in which a number of schedules are shown available for various uses,  
7 each schedule shall be identified by a number or by a group of letters, and if by a group of  
8 letters, the designation shall be indicative of the class of service for which the schedule is  
9 available. (Example: Schedule No. 1 or Tariff D.U.R. indicating that the schedule states  
10 domestic utility rates.)

11 (4)(a) Each page of the tariff shall bear the Commission Number of the tariff, the date  
12 issued and effective, the signature of the issuing officer, and in the upper right-hand  
13 corner, a further designation, such as "Original Sheet No. 1," "Original Sheet No. 2," etc.

14 (b) In the case of a change in the text of any page as hereinafter provided the further  
15 designation shall be "First Revised Sheet No. 1, cancelling Original Sheet No. 1," etc.

16 (c) Tariffs may be further divided into sections, and so designated if required by their  
17 size and contents.

18 (5) All schedules shall state whether a minimum charge is made, and if so, they shall  
19 set out all such charges, and further state whether such minimum charge is subject to  
20 prompt payment discount or delayed payment penalty.

21 Section 5. Designation of Tariffs. All tariffs must bear in the upper right-hand corner of  
22 the front cover page the commission number thereof. Subsequent tariffs filed as provided  
23 by Sections 6 and 9 of this administrative regulation, must continue such designation in

1 consecutive numerical order. Any subsequent tariff must also show the commission  
2 number of the tariff cancelled, changed or modified by it.

3 ~~Section 6. Change or Withdrawal of Rate Schedules Administrative Regulations. (1) No~~  
4 ~~tariff, or any provision thereof, may be changed, cancelled or withdrawn except upon~~  
5 ~~such terms and conditions as the commission may impose and in compliance with KRS~~  
6 ~~278.180 and Sections 6 and 9 of this administrative regulation.~~

7 ~~(2)(a) All revisions in tariff sheets shall contain a symbol in the margin indicating the~~  
8 ~~change made. These symbols are as follows:~~

9 ~~(C) To signify changed administrative regulation.~~

10 ~~(D) To signify discontinued rate, administrative regulation or test.~~

11 ~~(I) To signify increase.~~

12 ~~(N) To signify new rate and/or new test.~~

13 ~~(R) To signify reduction.~~

14 ~~(T) To signify a change in text.~~

15 ~~(b) In the case of a change in the text of any tariff sheet where the rate remains the~~  
16 ~~same, the effective date shall remain the same as that on the amended sheet. The issued~~  
17 ~~date of the change shall be the date the filing is made with the commission.~~

18 ~~(c) All tariff filings which involve the furnishing of equipment or services to the customer~~  
19 ~~by the utility shall be accompanied by a description of the equipment or service involved~~  
20 ~~in the filing and a cost of service study justifying the proposed charges.~~

21 ~~(3) New tariffs stating changes in any provision of any effective tariff may be issued~~  
22 ~~and put into effect by either of the two (2) following methods:~~

1       ~~(a) By order of the commission upon formal application by the utility, and after hearing,~~  
2 ~~as provided by Section 7 of this administrative regulation.~~

3       ~~(b) By issuing and filing on at least twenty (20) days' notice to the commission and the~~  
4 ~~public a complete new tariff (or revised sheet of an existing tariff) stating all the provisions~~  
5 ~~and schedules proposed to become effective as provided by Sections 7 and 9 of this~~  
6 ~~administrative regulation.~~

7       ~~(4) The provisions or rates stated on any sheet or page of a tariff may be modified or~~  
8 ~~changed by the filing of a revision of such sheet or page in accordance with the provisions~~  
9 ~~of this administrative regulation. Such revisions must be identified as required herein.~~

10       ~~Section 7. Adjustment of Rates on Application. Upon the granting of authority for a~~  
11 ~~change in rates, the utility shall file a tariff setting out the rate, classification, charge, or~~  
12 ~~rule and administrative regulation authorized by the commission to become effective the~~  
13 ~~order may direct, and each page of the tariff so filed shall state that it is "Issued by~~  
14 ~~authority of an order of the Public Service Commission in Case No. \_\_\_\_\_ dated~~  
15 ~~\_\_\_\_\_, 19\_\_\_\_."~~

16       ~~Section 8. Notices. Notices shall be given by the utility in the following manner:~~

17       ~~(1) Advance notice, abbreviated newspaper notice. Utilities with gross revenues~~  
18 ~~greater than \$1,000,000 shall notify the commission in writing of Intent to File Rate~~  
19 ~~Application at least four (4) weeks prior to filing. At or about this time application may be~~  
20 ~~made to the commission for permission to use an abbreviated form of newspaper notice~~  
21 ~~of proposed rate increases provided the notice includes a coupon which may be used to~~  
22 ~~obtain a copy from applicant of the full schedule of increases or rate changes.~~

1       ~~(2) Notice to customers of proposed rate changes. If the applicant has twenty (20) or~~  
2 ~~fewer customers, typewritten notice of the proposed rate changes and the estimated~~  
3 ~~amount of increase per customer class shall be placed in the mail to each customer no~~  
4 ~~later than the date on which the application is filed with the commission and, in addition, a~~  
5 ~~sheet shall be posted at its place of business containing such information. Except for~~  
6 ~~sewer utilities which must give a notice by mail to all of their customers pursuant to KRS~~  
7 ~~278.185, all applicants with more than twenty (20) customers shall post a sheet stating~~  
8 ~~the proposed rates and the estimated amount of increase per customer class at their~~  
9 ~~place of business and, in addition, notice thereof:~~

10       ~~(a) Shall be included with customer billings made on or before the application is filed~~  
11 ~~with the commission; or~~

12       ~~(b) Shall be published by such date in a trade publication or newsletter going to all~~  
13 ~~customers; or~~

14       ~~(c) Shall be published once a week for three (3) consecutive weeks in a prominent~~  
15 ~~manner in a newspaper of general circulation in their service area, the first publication to~~  
16 ~~be made prior to the filing of the application with the commission. Each such notice shall~~  
17 ~~contain the following language:~~

18       ~~The rates contained in this notice are the rates proposed by (name of utility). However,~~  
19 ~~the Public Service Commission may order rates to be charged that differ from these~~  
20 ~~proposed rates. Such action may result in rates for consumers other than the rates in this~~  
21 ~~notice.~~

22       ~~(3) Notice as to intervention. The notice made in compliance with subsection (2) of this~~  
23 ~~section shall include a statement to the effect:~~

1       ~~(a) That any corporation, association, body politic or person may by motion within thirty~~  
2 ~~(30) days after publication or mailing of notice of the proposed rate changes request leave~~  
3 ~~to intervene;~~

4       ~~(b) That the motion shall be submitted to the Public Service Commission, 211 Sower~~  
5 ~~Boulevard, P.O. Box 615, Frankfort, Kentucky 40602, and shall set forth the grounds for~~  
6 ~~the request including the status and interest of the party; and~~

7       ~~(c) That intervenors may obtain copies of the application and testimony by contacting~~  
8 ~~the applicant at a name and address to be stated in the notice. A copy of the application~~  
9 ~~and testimony shall be available for public inspection at the utility's offices.~~

10       ~~(4) Compliance by electric utilities with rate schedule information required by 807 KAR~~  
11 ~~5:051. If notice is given by subsection (2)(a) or (b) of this section and if the notice contains~~  
12 ~~a clear and concise explanation of the proposed change in the rate schedule applicable to~~  
13 ~~each customer, no notice under Section 2 of 807 KAR 5:051 shall be required. Otherwise,~~  
14 ~~such notice shall be given.~~

15       ~~(5) Notice of hearing. Where notice pursuant to KRS 424.300 is published by the~~  
16 ~~applicant in a newspaper, it shall be published in a newspaper of general circulation in the~~  
17 ~~areas that will be affected one (1) time not less than seven (7) nor more than twenty-one~~  
18 ~~(21) days prior to the hearing giving the purpose, time, place and date of hearing.~~

19       ~~(6) Extensions of time. Applications for extensions of time shall be made to the~~  
20 ~~commission in writing and will be granted only upon a showing of compelling reason.~~

21       ~~Section 9. Statutory Notice to the Commission. (1) When a new tariff has been so~~  
22 ~~issued and notice thereof given to the commission and the public in all respects as~~  
23 ~~hereinbefore provided, such tariff will become effective on the date stated therein unless~~

1 the operation thereof be suspended and the rates and administrative regulations therein  
2 be deferred by an order of the commission pending a hearing concerning the propriety of  
3 the proposed rates and administrative regulations under KRS 278.190.

4 (2) All information and notice required by these rules shall be furnished to the  
5 commission at the time of the filing of any proposed revisions in rates or administrative  
6 regulations, and the twenty (20) days' statutory notice to the commission will not  
7 commence to run and will not be computed until such information and notice is filed if the  
8 commission determines that there was a substantial omission, which was prejudicial to  
9 full consideration by the commission or to an intervenor.

10 Section 10. Nonrecurring Charges. Nonrecurring charges are charges to customers  
11 due to a specific request for certain types of service activity for which, when the activity is  
12 completed, no additional charges may be incurred. Such charges are intended to be  
13 limited in nature and to recover the specific cost of the activity. Nonrecurring charges  
14 include reconnection charges, late payment fees, service order changes and hook-on or  
15 tap fees. This section allows a utility to seek a rate revision for a nonrecurring charge  
16 outside a general rate proceeding. In addition to the specific information required  
17 pursuant to the above sections, the following information must be submitted to the  
18 commission when a utility makes a filing to increase miscellaneous or nonrecurring  
19 service charges outside a general rate case:

20 (1) Each requested rate revision must be accompanied by:

21 (a) A specific cost justification for the proposed rates and a full description of the  
22 equipment or service provided under tariff (807 KAR 5:001, Section 6(2)(c)). The  
23 proposed rates should at least cover incremental costs, and a reasonable contribution to

1 overhead. Incremental costs are defined as those costs which would be specifically  
2 incurred in the provision of this service.

3 (b) A copy of the public notice of each requested rate revision and verification that it  
4 has been made pursuant to Section 8 of this administrative regulation. In addition to the  
5 notice requirements contained in Section 8 of this administrative regulation, the utility  
6 shall also mail a copy of its filing to the Attorney General's Consumer Protection Division.  
7 The Attorney General will then have ten (10) days to notify the commission in writing if it  
8 requests a hearing in a particular case.

9 (c) A detailed statement explaining why the proposed changes could not have been  
10 included in the most previous general rate case, and why current conditions prevent  
11 deferring the proposed changes until the next general rate request.

12 (d) An impact statement identifying the group of customers affected by the proposed  
13 tariff. The impact statement shall identify potential as well as existing customers.

14 (e) A copy of the utility's income statement and balance sheet for a recent twelve (12)  
15 month period.

16 (2) If the additional revenue to be generated from the proposed tariff revisions exceeds  
17 by five (5) percent the total revenues provided by all miscellaneous and nonrecurring  
18 charges for a recent twelve (12) month period, the utility must file, in addition to the  
19 information set out in subsection (1)(a) of this section, the following: An absorption test  
20 showing that the additional net income generated by the tariff filing will not result in an  
21 increase in the rate of return (or other applicable valuation methods) to a level greater  
22 than that which was allowed in the most recent rate case. Any general rate increases



1 received during the twelve (12) month period must be annualized. Any significant cost  
2 changes may be included but must be documented as part of the filing.

3 (3) No more than two (2) such tariff filings under this procedure shall be made between  
4 general rate cases. Additional tariff filings for nonrecurring charges will be processed  
5 according to general rate case procedures.

6 When these requirements are met, such a filing may be made by letter with supporting  
7 documentation and will not require the information normally required pursuant to the  
8 commission's general rate case administrative regulation, 807 KAR 5:001, Section 9.

9 Section 11. Change of Ownership; Adoption notice. (1) In case of change of ownership  
10 or control of a utility, or when a utility or a part of its business is transferred from the  
11 operating control of one company to that of another, or when its name is changed, the  
12 company which will thereafter operate the utility business must use the rates,  
13 classifications and administrative regulations of the former operating company (unless  
14 authorized to change by the commission), and shall issue, file and post an adoption  
15 notice, on a form furnished by the commission, adopting, ratifying and making its own all  
16 rates, rules, classifications and administrative regulations of the former operating utility,  
17 on file with the commission and effective at the time of such change of ownership or  
18 control.

19 (2) Adoption notices must likewise be filed by receivers and trustees assuming  
20 possession and operation of utilities. Adoption notices may be filed and made effective  
21 without previous notice.

22 (3) Adoption notices filed with the commission by each utility shall be in consecutive  
23 numerical order, beginning with Public Service Commission Adoption notice No. 1.

1       ~~(4) Within ten (10) days after the filing of an adoption notice as aforesaid by a public~~  
2 ~~utility which then had no tariffs on file with the commission, said utility shall issue and file~~  
3 ~~in its own name the tariff of the predecessor utility then in effect and adopted by it, or such~~  
4 ~~other tariff as it proposes to put into effect in lieu thereof, in the form prescribed in~~  
5 ~~Sections 2 through 5 of this administrative regulation with proper identifying designation.~~  
6 ~~(Example: Public Service Commission No. 1 cancels Public Service Commission~~  
7 ~~Adoption notice No. 1.)~~

8       ~~(5) Within ten (10) days after the filing of an adoption notice, as required by subsection~~  
9 ~~(2) of this section, by a public utility which then had other tariffs on file with the~~  
10 ~~commission said utility shall issue and file in its own name rate schedules and~~  
11 ~~administrative regulations (on additional or revised sheets to its existing tariff, or by a~~  
12 ~~complete reissue of its existing tariff, or otherwise), which shall set out the rates and~~  
13 ~~administrative regulations of the predecessor utility then in effect and adopted by it, or~~  
14 ~~such other rates and administrative regulations as it proposes to put into effect in lieu~~  
15 ~~thereof, in accordance with the provisions of these rules with proper identifying~~  
16 ~~designation. (Example: First Revision of Original Sheet No. 2A, Public Service~~  
17 ~~Commission, No. 11, cancels Original Sheet No. 2A, also cancels Public Service~~  
18 ~~Commission Adoption notice No. 6; or Public Service Commission No. 12 cancels Public~~  
19 ~~Service Commission No. 11, also cancels Public Service Commission Adoption notice~~  
20 ~~No. 6.)~~

21       ~~(6) When a tariff or revision is issued by a utility in compliance with these rules which~~  
22 ~~states the rates, rules and administrative regulations of the predecessor utility without~~  
23 ~~change in any of the provisions thereof, the same may be filed without notice; but when~~

1 such tariff or revision states any change in the effect of the rates, rules and administrative  
2 regulations of the predecessor utility, such tariff or revision shall be subject to Sections 9  
3 and 10 of this administrative regulation.

4 ~~Section 12. Posting Tariffs, Administrative Regulations and Statutes. Every utility shall~~  
5 ~~provide a suitable table or desk in its office and place of business, on which shall be~~  
6 ~~available to the public at all times the following:~~

7 (1) ~~A copy of all effective tariffs and supplements setting out its rates, classifications,~~  
8 ~~charges, rules and administrative regulations, together with forms of contracts and~~  
9 ~~applications applicable to the territory served from that office or place of business.~~

10 (2) ~~Copies of the Kentucky Revised Statutes applicable to the utility.~~

11 (3) ~~A copy of the administrative regulations governing such utility adopted by the~~  
12 ~~commission.~~

13 (4) ~~A suitable placard, in large type, giving information to the public that said tariffs,~~  
14 ~~rules and administrative regulations and statutes are kept there for public inspection.~~

15 ~~Section 13. Special Contracts. Every utility shall file true copies of all special contracts~~  
16 ~~entered into governing utility service which set out rates, charges or conditions of service~~  
17 ~~not included in its general tariff. The provisions of this administrative regulation applicable~~  
18 ~~to tariffs containing rates, rules and administrative regulations, and general agreements,~~  
19 ~~shall also apply to the rates and schedules set out in said special contracts, so far as~~  
20 ~~practicable.~~

21 ~~Section 14. Deviations from Rules. In special cases, for good cause shown upon~~  
22 ~~application to and approval by, the commission may permit deviations from these rules.~~

1 Section 15. ~~Forms. In submitting to the commission information required by these rules~~  
2 ~~the following forms shall be followed where applicable:~~

3 ~~(1) Form of cover sheet for tariffs.~~

4 ~~(2) Form for filing rules and administrative regulations.~~

5 ~~(3) Form for filing rate schedules.~~

6 ~~(4) Form of certificate of notice to the public of change in tariff where no increase of~~  
7 ~~charges results.~~

8 ~~(5) Form of certificate of notice to the public of change in tariff which results in~~  
9 ~~increased charges.~~

10 ~~(6) Form of adoption notice.~~

11

12 ~~FORM OF COVER SHEET FOR TARIFFS~~

13 ~~P.S.C. NO. \_\_\_\_\_~~

14 ~~CANCELS P.S.C. NO. \_\_\_\_\_~~

15 ~~(NAME OF COMPANY)~~

16 ~~(LOCATION OF COMPANY)~~

17 ~~Rates, Rules and Administrative Regulations for Furnishing~~

18 ~~(SERVICE RENDERED)~~

19 ~~at~~

20 ~~(LOCATION SERVED)~~

21 ~~FILED WITH PUBLIC SERVICE COMMISSION~~

22 ~~OF KENTUCKY~~

23 ~~Issued \_\_\_\_\_, 19\_\_ Effective \_\_\_\_\_, 19\_\_~~

1 Issued by: (Name of Utility)

2 By:

3

4

~~FORM FOR FILING RULES &  
ADMINISTRATIVE REGULATIONS~~

5

6

~~(Page 2 of Tariff)~~

7 Name of Utility:

8

~~RULES & ADMINISTRATIVE REGULATIONS~~

9

~~Date of Issue:~~

10

~~Effective Date:~~

11

~~Issued by:~~

12

~~Name:~~

13

~~Title:~~

14

15

~~FORM FOR FILING RATE SCHEDULES~~

16

~~(Page 3 of Tariff)~~

17

~~For: (Community, Town or City)~~

18

~~P.S.C. NO.:~~

19

~~\_\_\_\_(Original) Sheet No.\_\_\_\_~~

20

~~\_\_\_\_(Revised)~~

21

~~Name of Issuing Corporation:~~

22

~~Cancelling P.S.C. No.:~~

23

~~\_\_\_\_(Original) Sheet No.\_\_\_\_~~

1 ~~\_\_\_\_(Revised)~~

2

3

~~CLASSIFICATION OF SERVICE~~

4 ~~APPLICABLE: \_\_\_\_\_ (Show territory covered by tariff.)~~

5 ~~AVAILABILITY OF \_\_\_\_\_ (Show classes of customers affected,~~

6 ~~SERVICE: \_\_\_\_\_ such as domestic, commercial, etc.)~~

7 ~~RATES: \_\_\_\_\_ (List all rates covered by tariff.)~~

8 ~~MINIMUM CHARGE: \_\_\_\_\_ (State if penalty or discount.)~~

9

10 ~~DATE OF ISSUE: (Month, Day, Year)~~

11 ~~DATE EFFECTIVE: (Month, Day, Year)~~

12 ~~ISSUED BY: (Name of Officer, Title, Address)~~

13 ~~ISSUED BY AUTHORITY OF P.S.C. ORDER NO.:~~

14

15 ~~FORM OF CERTIFICATE OF NOTICE TO THE~~

16 ~~PUBLIC OF CHANGE IN TARIFF WHERE NO~~

17 ~~INCREASE OF CHARGES RESULTS~~

18 ~~(2 Copies Required)~~

19

20 ~~To the Public Service Commission, Frankfort, Ky.~~

21

22 ~~Pursuant to the Rules Governing Tariffs (effective \_\_\_\_\_), I hereby certify that I~~

23 ~~am (Title of Officer) \_\_\_\_\_ of the (Name of Utility) \_\_\_\_\_ a utility~~

1 furnishing (Kind of Service) \_\_\_\_\_ service within the Commonwealth of  
2 Kentucky, which on the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, issued \*Tariff P.S.C. No.  
3 \_\_\_\_\_, cancelling Tariff P.S.C. No. \_\_\_\_\_, to become effective \_\_\_\_\_, 19\_\_\_\_, and  
4 that notice to the public of the issuing of the same is being given in all respects as  
5 required by Section 8 of said administrative regulation, as follows:

6  
7 On the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, the same was exhibited for public  
8 inspection at the offices and places of business of the Company in the territory affected  
9 thereby, to wit, at the following places: (Give location of offices where rates are posted.)  
10 \_\_\_\_\_ and that the same will be kept open to public inspection at said  
11 offices and places of business in conformity with the requirements of Section 8 of said  
12 administrative regulation.

13 I further certify that the proposed changes in tariff of said utility will not result in an  
14 increase in the rates or charges to any customer.

15  
16 Given under my hand this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

17 Address:

18 \*If a revised sheet, or additional sheet of a loose leaf tariff is used to state changes  
19 in rates or administrative regulations, the filing should be described as \_\_\_\_\_ Revision of  
20 Original Sheet No. \_\_\_\_\_ P.S.C. No. \_\_\_\_\_, cancelling \_\_\_\_\_ P.S.C. Adoption notice No. \_\_\_\_\_.

21  
22 FORM OF CERTIFICATE OF NOTICE TO THE  
23 PUBLIC OF CHANGE IN TARIFF WHICH

1 RESULTS IN INCREASED RATES

2 (2 Copies Required)

3  
4 To the Public Service Commission, Frankfort, Ky.

5  
6 Pursuant to the Rules Governing Tariffs (effective \_\_\_\_\_), I hereby certify that I  
7 am (Title of Officer) \_\_\_\_\_ of the (Name of Utility) \_\_\_\_\_ a utility  
8 furnishing \_\_\_\_\_ service within the Commonwealth of Kentucky, which on the  
9 \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, issued its \*Tariff P.S.C. No. \_\_\_\_\_, cancelling  
10 Tariff P.S.C. No. \_\_\_\_\_ to become effective \_\_\_\_\_, 19\_\_\_\_, and that notice to  
11 the public of the issuing of the same is being given in all respects as required by Section  
12 8 of said administrative regulation, as follows:

13  
14 \*On the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, the same was exhibited for public  
15 inspection at the offices and places of business of the Company in the territory affected  
16 thereby, to wit, at the following places: (Give location of offices where rates are posted.)  
17 \_\_\_\_\_ and that the same will be kept open to public inspection  
18 at said offices and places of business in conformity with the requirements of Section 8 of  
19 said administrative regulation.

20  
21 \*\*On the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, typewritten or printed notice of the  
22 proposed rates or administrative regulations was mailed to each of the



1 ~~\_\_\_\_\_ customers of the company whose rates or charges will be~~  
2 ~~increased thereby, a copy of said notice being attached thereto.~~

3

4 Given under my hand this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

5 Address:

6

7 ~~\*If a revised sheet or additional sheet of a loose-leaf tariff is used to state changes~~  
8 ~~in rates or administrative regulations, the filing should be described as Revision of~~  
9 ~~Original Sheet No. \_\_\_\_\_ P.S.C. No. \_\_\_\_\_, or Original Sheet No. \_\_\_\_\_~~  
10 ~~P.S.C. No. \_\_\_\_\_ cancelling \_\_\_\_\_ P.S.C. Adoption notice No. \_\_\_\_\_.~~

11 ~~\*\*If Notice is given by publication as provided in Section 8, use the following:~~

12 ~~That more than 20 customers will be affected by said change by way of an~~  
13 ~~increase in their rates or charges, and on the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, there~~  
14 ~~was delivered to the \_\_\_\_\_, a newspaper of general circulation in the~~  
15 ~~community in which the customers affected reside, for publication therein once a week for~~  
16 ~~three consecutive weeks prior to the effective date of said change, a notice of the~~  
17 ~~proposed rates or administrative regulations, a copy of said notice being attached hereto.~~  
18 ~~A certificate of the publication of said notice will be furnished the Public Service~~  
19 ~~Commission upon the completion of the same in accordance with Section 9(2), of said~~  
20 ~~administrative regulation.~~

21

22 FORM OF ADOPTION NOTICE

23 P.S.C. Adoption notice No.

ADOPTION NOTICE

1  
2  
3  
4  
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16

The undersigned (Name of Utility) \_\_\_\_\_ of \_\_\_\_\_ 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 administrative regulations for furnishing (Nature of Service) \_\_\_\_\_ service at \_\_\_\_\_ in the Commonwealth of Kentucky, filed with the Public Service Commission by (Name of Predecessor) \_\_\_\_\_ of \_\_\_\_\_, and in effect on the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, the date on which the public service business of the said (Name of Predecessor) \_\_\_\_\_ was taken over by it.

This notice is issued on the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, in conformity with Section 10 of P.S.C. Tariff administrative regulations adopted by the Public Service Commission.

By:]

---

David L. Armstrong, Chairman  
Public Service Commission

DATE: \_\_\_\_\_

## REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

**Contact Person:** Gerald E. Wuetcher

### **(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 amendments make modest revisions to the original version of the proposed regulation. It clarifies when a utility must provide notice of a proposed tariff change and the efforts that a utility must make to inform its customers and the public as to the effect of its proposed tariff revisions. It further revises the contents of the required notice to inform the public that comments regarding the proposed tariff revisions can be submitted to the Commission.

**(b) The necessity of the amendment to this administrative regulation:** Proposed amendments reduce the need for unnecessary public notice of minor tariff revisions that will not materially affect utility customers and ensures that utilities do not incur costs that produce no meaningful benefit for its customers. It further refines the efforts that a utility must make to ensure its customers have access to documents related to the utility's proposed tariff revisions.

**(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. KRS 278.180 specifies the process for initial review by the Public Service Commission

and allows the Public Service Commission to establish rules for notice of proposed revisions in utility rates.

**(d) How the amendment will assist in the effective administration of the statutes:** By ensuring effective public notice, the proposed amendments will ensure greater public involvement in Public Service Commission proceedings and enable the Public Service Commission to ascertain and address the concerns of the public. It will also ensure a more informed public and reduce misunderstanding that could delay Public Service Commission review or require the initiation of unnecessary proceedings.

**(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 require a utility to have access to a computer, scanner and internet connection. Nearly every utility meets this requirement and those that do not may request a deviation from this regulation to allow it to submit filings in a paper medium.

**(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. The utilities without means to file tariffs electronically may continue to use the current filing procedures by requesting a deviation from this regulation to allow it to submit filings in a paper medium resulting in costs no greater than what is currently required.

**(c) As a result of compliance, what benefits will accrue to the entities identified in question (3):** For a utility that electronically files its tariffs this amendment will reduce the number of documents that must be filed and allows for the use of electronic transmission of documents in lieu of service of paper documents which should result in reduced costs for filing tariffs. The amendment will also provide for a timelier manner for a utility to submit a tariff filing to the Public Service Commission. The proposed amendment generally reflects ad hoc practices with which the Public Service Commission has employed over several years and which it found improved the filing process resulting in a favorable response from utilities.

**(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

**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. If the proposed amendment is adopted a utility may experience lower expenses when filing tariffs due to the reduced number of required documents. The exact amount of any savings is too difficult to quantify.

**(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. If the proposed amendment is adopted a utility may experience lower expenses when filing tariffs due to the reduced number of required documents. The exact amount of any savings is too difficult to quantify.

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:

STATEMENT OF CONSIDERATION  
RELATING TO 807 KAR 5:011

Energy and Environment Cabinet  
Public Service Commission

(Amended After Comments)

1. A public hearing was held on the above regulation on Monday, August 27, 2012 at 9:00 a.m. Eastern Time, in Hearing Room 1, Public Service Commission Building, 211 Sower Boulevard, Frankfort, Kentucky.

2. The following persons attended this public hearing or submitted written or verbal comments:

<u>Name</u>	<u>Affiliation</u>
Pam Jagers	AT&T
Mary Keyer	AT&T
Mark Martin	Atmos Energy
Roger Hickman	Big Rivers Electric Corporation
Chris Brewer	Blue Grass Energy Cooperative
Donald Smothers	Blue Grass Energy Cooperative
Judy Cooper	Columbia Gas of Kentucky
Brooke Leslie	Columbia Gas of Kentucky
Brack Marquette	Columbia Gas of Kentucky
Herb Miller	Columbia Gas of Kentucky
Richard S. Taylor	Columbia Gas of Kentucky
Monica Braun	Delta Natural Gas
Matt Wesolosky	Delta Natural Gas
Rocco D'Ascenzo	Duke Energy
Isaac Scott	East Kentucky Power Cooperative
Chris Perry	Fleming-Mason Energy Cooperative
Jim Bruce	Hardin County Water District No. 1
Scott Schmuck	Hardin County Water District No. 1
Jim Jacobus	Inter-County Energy
Mark Keene	Jackson Energy Cooperative
Don Schaefer	Jackson Energy Cooperative
Carol Wright	Jackson Energy Cooperative



G. Kelly Nuckols	Jackson Purchase Energy Corporation
Bill Corum	Kentucky Association of Electric Cooperatives
Tip Depp	Kentucky Association of Electric Cooperatives
Lila Munsey	Kentucky Power Company
Mark Overstreet	Kentucky Power Company
Judy Roquist	Kentucky Power Company
Tom Fitzgerald	Kentucky Resources Council
Damon Talley	Kentucky Rural Water Association
Forest Skaggs	Kentucky Telecom Association
Lonnie Bellar	Louisville Gas & Electric Company/Kentucky Utilities Company
Rick Lovekamp	Louisville Gas & Electric Company/Kentucky Utilities Company
Kendrick Riggs	Louisville Gas & Electric Company/Kentucky Utilities Company
Allyson Sturgeon	Louisville Gas & Electric Company/Kentucky Utilities Company
Linda Hunt	Lightyear Network Solutions & SE Acquisitions
Michael Miller	Nolin RECC
Mark Stallons	Owen Electric Cooperative
Rebecca Witt	Owen Electric Cooperative
Jennifer Hans	Office of the Attorney General
Debra J. Martin	Shelby Energy Cooperative
Jeff Greer	South Kentucky RECC
Dennis Holt	South Kentucky RECC
Doug Brent	Sprint, tw telecom of Kentucky, & Verizon Business

3. The following persons from the promulgating administrative body attended this public hearing or responded to written comments:

<u>Name &amp; Title</u>	<u>Title</u>
Gerald Wuetcher	Executive Advisor/Attorney
Brent Kirtley	Manager, Tariff Branch
Daniel Hinton	Public Utility Rate Analyst IV, Tariff Branch

4. Summary of Comments and Responses:

(1) Filing Requirements

(a) Commenter: Roger Hickman (Big Rivers Electric Corporation)

Comment: The proposed regulation should clearly note that all existing tariff sheets will not be required to meet the requirements set forth in proposed revisions and that only tariffs or revised tariff sheets submitted to the Public Service Commission after the effective date of proposed revisions must comply with the proposed revisions.

(b) Response: No action taken. The proposed revisions are prospective in nature, apply only to new or revised tariff sheets, and do not require revision or

modifications to existing tariff sheets. Only revised or new tariff sheets submitted after the effective date of proposed revisions must comply.

(2) Utility's Office or Place of Business

(a) Commenter: Tom Fitzgerald (Kentucky Resources Council)

Comment: Section 2(4) should be amended to require a utility's office or place of business be within the utility's service area and that the utility maintain at such office an updated copy of the tariff.

(b) Response: No action taken. Proposed revised regulation presently requires a utility to maintain a "current" tariff at its office or place of business. 807 KAR 5:006, Section 13, (Section 14 in the Public Service Commission's proposed revision of 807 KAR 5:006) requires non-telecommunication utilities to maintain a presence and office hours in their service areas.

(3) Minimum Charge

(a) Commenter: Tom Fitzgerald (Kentucky Resources Council)

Comment: Commentator supports inclusion of language in Section 4(2)(d) qualifying the minimum charge as reading "quantity allowed" when volumetrically based.

(b) Response: No action is necessary.

(4) Late Payment Charge

(a) Commenter: Mary Keyer (AT&T), Carol Wright (Jackson Energy Cooperative Corporation), and Michael Miller (Nolin RECC)

Comment: Section 4(2)(e) should be amended to delete requirement that the amount of the late payment charge be stated in each rate schedule or to permit reference to the tariff section containing the late payment charge.

(b) Response: Section 4(2)(e) has been revised to permit reference to the tariff section containing the late payment charge.

(5) Scanned Document Resolution

(a) Commenter: Tom Fitzgerald (Kentucky Resources Council)

Comment: Section 5(1)(c) should be revised to read "...at a resolution of 300 dots per inch (dpi) or greater" to permit higher quality resolution.

(b) Response: No action taken. The standard resolution for a scanned document is 300 dpi. Documents scanned at a higher resolution result in additional electronic storage costs for the agency and provide limited benefit to the viewer.

(6) Notice Requirements – Minor Tariff Changes

(a) Commenter: Donald Smothers (Bluegrass Energy), Judy Cooper (Columbia Gas of Kentucky), Brooke Leslie (Columbia Gas of Kentucky), Isaac Scott (East Kentucky Power Cooperative), Chris Perry (Fleming-Mason Energy Cooperative), Jim Jacobus (Inter-County Energy), Carol Wright (Jackson Energy Cooperative Corporation), Kelly Nuckols (Jackson Purchase Energy Corporation), Kendrick Riggs (Louisville Gas and Electric Company/Kentucky Utilities Company), Michael Miller (Nolin RECC), Mark Stallons (Owen Electric), and Debra Martin (Shelby Energy)

Comment: As currently written, Section 6(2)(b), Section 8, and Section 9(1)(a) requires a utility to publish notice to the public when making minor revisions to its tariff sheets that do not affect the utility's rates or conditions of service. These sections should be revised to eliminate any requirement for public notice for such minor tariff sheet revisions.

(b) Response: Section 6(2)(b), Section 8, and Section 9(1)(a) have been revised.

(7) Notice Requirements – Formula Rates

(a) Commenter: Mark Overstreet (Kentucky Power Company)

Comment: Section 8 should expressly provide that public notice is not required for rate changes resulting from computations under a formulaic rate.

(b) Response: If a rate is a formula, periodic recalculation in accordance with the terms of a utility's filed rate schedule or in accordance with a regulation of the Public Service Commission does not constitute a change in rates. As the formula is the rate and the formula is unchanged, no change in rates that triggers the requirement for public notice. To allay concerns and to clarify this position, Section 8(6) has been added.

(8) Notice Requirements – Customer Assistance Agencies

(a) Commenter: Tom Fitzgerald (Kentucky Resources Council)

Comment: Section 8 should be amended to require a utility to maintain a list of individuals or organizations who request to receive electronic or paper notice of proposed filings to permit those who assist customers or classes of customers in rate cases but who may not reside within the service area of the utility to receive routine notice of all filings.

(b) Response: No action taken. No significant need for such requirement presently exists. Public agencies can currently monitor utility tariff filings with little effort. A utility is required to publish notice of proposed rate revisions and to place notice of such proposed revisions on its public website. The Public Service Commission, moreover, immediately posts all tariff filings on its website in a manner that allows for easy and thorough searches.

(9) Notice Requirements – Public Access to Filings

(a) Commenter: Tom Fitzgerald (Kentucky Resources Council)

Comment: Section 8 should be amended to require a utility to maintain a public access copy of all cases, including all filings by parties, through a reading room that has a table and computer access in order to allow public access to the filings.

(b) Response: No action taken to amend Section 8. Section 12(2), however, has been amended to require a utility to maintain a copy of all pending tariff filings and all documents filed in any current Public Service Commission proceeding initiated to review a tariff filing of the utility. A utility does not have an obligation to continue to make available such documents once the Public Service Commission has rendered a final decision on the proposed tariff revision.

(10) Notice Requirements – Intervention Language

(a) Commenter: Tom Fitzgerald (Kentucky Resources Council)

Comment: Section 8(3)(e) be amended to read: “A statement that any person with a special interest in the matter or whose participation as a party would present issues or develop facts that would assist the commission in fully considering the matter without unduly complicating or disrupting the proceedings may submit a written request to intervene to the Public Service Commission, 211 Sower Boulevard, P.O. Box 615, Frankfort, KY 40602; setting out the grounds for the request including the special interest of the party or the facts and issues that the party wishes to present. The statement shall also provide that a person not wishing to intervene may submit written comments and provide oral comments at the hearing on the case, which shall be made part of the record of the proceeding.”

(b) Response: The words “corporation, association” have been deleted. An additional subsection to Section 8(3) has been added, which requires the notice to contain “A statement that written comments regarding the proposed rate may be submitted to the Public Service Commission by mail or through the Public Service Commission’s website.” No additional changes have been made. The additional proposed language states the legal standard currently employed for permissive intervention and will increase the likelihood of confusion and misunderstanding by lay persons.

(11) Tariffs and Supplements Available to Public

(a) Commenter: Tom Fitzgerald (Kentucky Resources Council)

Comment: Section 12(3)(c) should be amended to require a utility to update its tariffs and supplements as any changes are proposed during or after Commission review.

(b) Response: No action taken. As Section 12(2)(a) requires a utility to maintain a “copy of all effective tariffs,” a utility is already under a requirement to update its tariff and supplements when revisions are approved or allowed to become effective.

(12) Telecom Exemptions

(a) Commenter: Doug Brent (Sprint/tw telecom of ky/Verizon Business)

Comment: Section 13 should be amended to include the phrase “with the exception of agreements subject to KRS 278.544(4).”

(b) Response: No action taken. KRS 278.544(4) establishes such exemptions. This administrative regulation cannot add to or modify or limit statutory provisions. The proposed language would be superfluous.

5. Summary of the Statement of Consideration and Action Taken By Promulgating Administrative Body

The Public Service Commission has responded to the comments from the public hearing and public comment period regarding the proposed amendments to 807 KAR 5:011. The Public Service Commission proposes the following amendments after comments:

Page 5  
Section 4(2)(e)  
Line 15

After “amount”, insert the following:  
or reference the tariff section containing the amount

Page 7  
Section 6(2)(b)  
Line 3

After “public”, insert the following:  
in accordance with Section 8 of this administrative regulation

Page 7  
Section 8  
Line 19

After “section”, insert the following:  
if a charge or fee is changed, revised, or initiated or a condition of service or a rule regarding the provision of service is changed, revised, or initiated and the change will affect the amount that a customer pays for service or the quality, delivery, or rendering of a customer’s service

Page 9  
Section 8(3)(e)  
Line 8

After “statement that any”, delete “corporation, association, or”.

Page 9  
Section 8(3)(f)  
Line 16

After “public Web site”, insert “.”  
Delete “, and”.

Page 9  
Section 8(3)(g)  
Line 18

After “http://psc.ky.gov/”, insert the following:

; and

(h) A statement that written comments regarding the proposed rate may be submitted to the Public Service Commission by mail or through the Public Service Commission’s Web site

Page 10  
Section 8(5)  
Line 10

After “customer.”, insert the following:

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

Page 10  
Section 9(1)(a)  
Line 13

After “given to the”, insert the following:

public in accordance with Section 8 of this administrative regulation and the

After “commission”, delete “and the public”.

Page 14  
Section 12(2)(a) and (b)  
Lines 12 and 13

After “business;”, insert the following:

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

(c)

Delete “(b)”.

Page 14  
Section 12(2)(b) and (c)  
Lines 13 and 14

After “utility; and”, insert “(d)”.

Delete “(c)”.