

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION BY THE PUBLIC SERVICE)	
COMMISSION OF THE ENVIRONMENTAL)	
SURCHARGE MECHANISM OF EAST KENTUCKY)	CASE NO.
POWER COOPERATIVE, INC. FOR THE SIX-)	2014-00051
MONTH BILLING PERIOD ENDING DECEMBER)	
31, 2013 AND THE PASS THROUGH MECHANISM)	
FOR ITS SIXTEEN MEMBER DISTRIBUTION)	
COOPERATIVES)	

ORDER

In its August 19, 2014 Order, the Commission set this matter for hearing. The Commission ordered East Kentucky Power Cooperative (“EKPC”) and its member cooperatives to give notice of the hearing in accordance with 807 KAR 5:001, Section 9, which requires notice via individual mail or newspaper publication.

Thereafter, in the course of a September 4, 2014 informal conference, EKPC requested clarification regarding the available methods of providing notice of the hearing.¹ It specifically questioned whether notice through a trade publication, as is done in a general rate proceeding, was permissible. Upon discussion, the parties agreed that EKPC would file a motion requesting modification of the Commission’s Order setting the hearing to allow notice via trade publication. The parties further agreed upon procedural dates for a supplemental request for information from Commission Staff, as well as for the filing of testimony by those member cooperatives

¹ Letter from Jeff Derouen, Executive Director, Kentucky Public Service Commission (Sept. 11, 2014).

proposing to go back to prior review periods in calculating their current and prospective environmental surcharge factors.²

On September 11, 2014, East Kentucky Power Cooperative (“EKPC”) and its member cooperatives submitted their motion to modify the August 19, 2014 Order to permit notice pursuant to the methods set forth in 807 KAR 5:001, Section 17, to include a trade magazine. At the outset, EKPC states that it should not be required to publish notice of the hearing because its members are all parties to this action and they have actual notice of the hearing. Additionally, it argues that if additional notice is required, it can mail notice to the 16 members. In regard to the member cooperatives, the parties state that newspaper publication carries a significant cost. Instead, they propose to publish notice in the *Kentucky Living Magazine* trade publication, which is delivered to each customer on a monthly basis. They note that the ratepayers would receive notice of the hearing in the December issue of *Kentucky Living Magazine* in accordance with the 7- to 21-day window previously required. However, additional lead time is required to submit their notice for publication, and EKPC and its members therefore request an Order authorizing the modification be issued on or before September 30, 2014.

The Commission finds that in consideration of the member cooperatives’ inclusion as parties in this matter, EKPC has demonstrated good cause to deviate and to be excused from the notice requirement of 807 KAR 5:001, Section 9. Due to the cost differential between newspaper versus trade magazine publication, the member cooperatives have likewise demonstrated good cause to modify the Commission’s August 19, 2014 Order and deviate from the notice requirements set forth in 807 KAR

² *Id.*

5:001, Section 9, to authorize the use of a trade publication to provide notice of the hearing.

The Commission further finds that upon the agreement of the parties at the September 4, 2014 informal conference, the procedural schedule should be modified to permit an additional round of requests for information. Finally, the Commission finds that EKPC and the member cooperatives should have an opportunity to file testimony pertaining to the ability and purported necessity of adopting a historical review of the environmental surcharge revenues and expenses dating to prior review periods.

IT IS THEREFORE ORDERED as follows:

1. EKPC's motion to modify the Commission's August 19, 2014 Order is granted.
2. Notice from EKPC to its member cooperatives of the December 16, 2014 hearing shall not be required.
3. The 16 member cooperatives may provide notice of the December 16, 2014 hearing through newspaper publication, trade publication or individual mailing. Notice timing and content shall comply with 807 KAR 5:001, Section 9.
4. The procedural schedule set forth in the Appendix to this Order, which is attached hereto and incorporated herein, shall be followed.
5. All other provisions of the August 19, 2014 Order not in conflict with this Order shall remain in full force and effect.

By the Commission

ENTERED
SEP 22 2014
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2014-00051 DATED ~~SEP 22 2014~~

EKPC and its member cooperatives shall file additional testimony, if any, no later than	09/30/2014
Commission Staff shall issue its Fourth Request for Information no later than	10/14/2014
EKPC and its member cooperatives shall file responses to Commission Staff's Fourth Request for Information no later than	10/30/2014
A Public Hearing is to be held in Hearing Room 1 of the Commission's offices at 211 Sower Boulevard, Frankfort, Kentucky, at 10:00 a.m. for the purpose of cross-examination of witnesses of EKPC and its member cooperatives ..	12/16/2014

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