

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN ELECTRONIC EXAMINATION OF THE	)	
APPLICATION OF THE FUEL ADJUSTMENT	)	CASE NO.
CLAUSE OF BIG RIVERS ELECTRIC	)	2023-00013
CORPORATION FROM NOVEMBER 1, 2020	)	
THROUGH OCTOBER 31, 2022	)	

ORDER

Pursuant to 807 KAR 5:056, the Commission, on September 6, 2023, established this case to review and evaluate the application of the Fuel Adjustment Clause (FAC) of Big Rivers Electric Corporation (BREC) for the two-year period from November 1, 2020, through October 31, 2022, and to determine the amount of fuel costs that should be included in its base rates.

In establishing this review, the Commission ordered BREC to submit certain information concerning its fuel procurement, fuel usage, and the operation of its FAC. BREC submitted this information on September 22, 2023, and filed responses to Commission Staff's Second Request for Information on October 20, 2023, and filed responses to Commission Staff's Third Request for Information on November 16, 2023. A public hearing was held on January 4, 2024. BREC filed responses to Commission Staff's post-hearing data request on January 25, 2024. There are no intervenors in this proceeding.

During the two-year period from November 1, 2020, through October 31, 2022, BREC filed corrections to its FAC form A rate sheet filings.<sup>1</sup> The Commission notes that BREC should complete a proper review of its monthly FAC form filings to ensure that they are correct and legible before presenting them to the Commission. Failure to do so may result in administrative burden and may hinder the Commission's ability to conduct sufficient review of the monthly reports.

Having considered the evidence of record and being otherwise sufficiently advised, the Commission finds during the period under review, BREC has complied in all material respects with the provisions of 807 KAR 5:056. The Commission further finds no evidence of improper calculation or application of BREC's FAC charges or improper fuel procurement practices for the last six months of the period under review, from May 1, 2022, to October 31, 2022.

#### Base Fuel Cost

BREC proposed that the current base fuel cost remain unchanged at the cost of \$0.020932 per kilowatt-hour (kWh), retaining the current base month of October 2010.<sup>2</sup> BREC experienced a somewhat stable negative FAC billed factor during the first half of the review period. BREC acknowledged that its billed FAC rate became a significant charge on ratepayer bills. However, BREC claims that it experienced a decrease in

---

<sup>1</sup> BREC's Response to Commission Staff's Second Request for Information (filed Oct. 20, 2023), Item 27.

<sup>2</sup> BREC last made a change to the fuel cost included in base rates in Case No. 2010-00495, *An Examination of the Application of the Fuel Adjustment Clause of Big Rivers Electric Corporation from July 17, 2009 through October 31, 2010* (Ky. PSC May 31, 2011).

natural gas and market pricing during 2023 so a change to the base FAC rate is not needed.<sup>3</sup>

The Commission must determine whether the proposed base period cost per kWh is representative of the level of fuel cost currently being experienced by BREC when establishing the appropriate level of base fuel cost to be included in BREC's rates. The average total fuel cost for the 24-month period under review was \$0.029386 per kWh, but there was significant fluctuations in the fuel costs. BREC's total fuel cost ranged from a low of \$0.014047 per kWh in February 2021 to a high of \$0.055592 per kWh in August 2022.<sup>4</sup> Based upon its review, the Commission finds BREC's proposal to maintain its base period fuel cost at \$0.020932 per kWh should be approved, and therefore, no change in BREC's rates are necessary at this time.

The Commission finds that BREC should perform a thorough and comprehensive analysis into its forecasted fuel expenses in its next two-year FAC review proceeding. BREC should also be prepared to submit testimony on the matter, and propose a change in its base FAC rate should the analysis support such a change to the base FAC rate.

IT IS THEREFORE ORDERED that:

1. The charges and credits applied by BREC through the FAC for the period from November 1, 2020, through October 31, 2022, are approved.
2. BREC's continued use of the existing base fuel cost of \$0.020932 per kWh is approved.

---

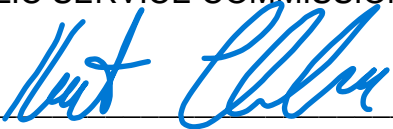
<sup>3</sup> BREC's Response to Commission Staff's First Request for Information (filed Sept. 22, 2023), Item 23.

<sup>4</sup> BREC's Generator FAC form A filings are located on the Kentucky Public Service Commission's website at <https://psc.ky.gov/Home/Library?type=FAC>

3. This case is closed and removed from the Commission's docket.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

PUBLIC SERVICE COMMISSION

  
\_\_\_\_\_

Chairman

  
\_\_\_\_\_

Vice Chairman

  
\_\_\_\_\_

Commissioner



ATTEST:

  
\_\_\_\_\_  
Executive Director

\*Big Rivers Electric Corporation  
710 West 2nd Street  
P. O. Box 20015  
Owensboro, KY 42304

\*Big Rivers Electric Corporation  
Big Rivers Electric Corporation  
710 West 2nd Street  
P. O. Box 20015  
Owensboro, KY 42304