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PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

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

COMMENTS OF KENTUCKY SOLAR ENERGY SOCIETY *

The Kentucky Solar Energy Society (KySES) promotes efficiency, conservation, and renewable energy. Its members have sold and marketed solar energy systems in the Fleming-Mason service area. KySES respectfully comments regarding:

- 1) Fleming Mason Energy Cooperative, Inc.'s request to change its default residential tariff and;
- 2) its offering of new residential tariff options.

PROPOSED DEFAULT RESIDENTIAL TARIFF

On its proposed default residential tariff, Fleming-Mason wants to raise its flat monthly service charge from \$10.38 to \$15.00 and lower its kWh price from \$0.08832 / kWh to \$0.08431 / kWh. Such a proposal exactly contradicts proper and rational public policy on efficiency and

*TRUE & ACCURATE COPY OF ^{WRITTEN} COMMENTS SUBMITTED AT HEARING,
 ≈ 10:15 a.m., APRIL 24, 2013.

sets unsound precedent.

Fleming Mason's proposed rate structure punishes – one might even say “robs” - customers who have advanced the good societal goal of investing in efficiency improvements. These customers and other ratepayers deserve security in their efficiency and renewable energy investments. Fleming-Mason seeks injustice by lessening these customers' returns. Rational, just policy rewards members of society who act toward good societal goals – it does not punish them as Fleming-Mason's proposed default rate structure does.

As is always the case when utilities want to increase their monthly service charges and keep their energy price low, Fleming Mason's proposal also:

- unreasonably discourages future private investments in efficiency;
- unjustly reward wasteful users of energy;
- unfairly impacts most those who use energy sparingly (i.e. – the poor, the elderly, and the efficiency-minded) and
- slows the deployment of renewables and distributed generation.

Utility rates should be structured to encourage private investment in efficiency, as such structures effectively promote efficiency at least cost

to ratepayers.

NEW OPTIONAL RESIDENTIAL TARIFFS

Fleming-Mason has also offered time of day and inclining block rate pricing structures. KySES appreciates more options but again opposes the flat rate increases contained within these structures. KySES also questions how many customers will use the alternative options. The penalties for using a peak kWh or a higher block rate are a bit higher than the benefits from using a non-peak kWh or a lower block rate. Saving money under these options will require focused and consistent diligence on the part of a ratepayer. The structures are likely a fair bit of trouble for little if any gain.

With respect to the on-peak / off-peak rate option, Fleming-Mason set no rate in its proposed tariff for Saturday and Sunday in either summer or winter season. It also seems improper to have a \$20 / month service charge.

With respect to the inclining block rate structure, penalty rate peaks in the winter and summer will offset lower rate savings in the spring and fall months, assuming customers are using air conditioning and electric heat. KySES nonetheless believes that the inclining block rate structure

is probably a more attractive and effective option than the on-peak / off-peak structure.

KySES hopes to learn how many customers will choose the new optional rates and requests that the Commission have Fleming-Mason track, record, and report how many customers do so. Such information may help craft good policy in subsequent rate cases.

Respectfully submitted this 23rd day of April, 2013

Kentucky Solar Energy Society

By 

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