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PSC Issues Order in East Kentucky Power Cooperative Rate Case

FRANKFORT, Ky. (Sept. 30, 2021)—The Kentucky Public Service Commission (PSC/Commission) issued an Order today in the rate case proceeding of East Kentucky Power Cooperative Inc. (EKPC). Today's Order, among other provisions, authorizes a revenue increase of \$36.35 million, which is less than the revenue increase in EKPC's application and less than the amount contained in a Stipulation.

In its April 1, 2021, application, EKPC sought an adjustment in rates to achieve an increase in annual revenues of \$43 million, which would equate to a 5.2% increase in wholesale base rates. On July 29, 2021, EKPC and intervening parties filed a Stipulation in which the parties agreed on all issues, including an adjusted revenue requirement \$38.3 million. Intervenors are the Attorney General, Nucor Steel Gallatin, LLC, and AppHarvest Morehead Farm, LLC.

The Commission conducted information sessions and public meetings to take public comments on July 27 and 28, 2021. Due to COVID-19, the information sessions/public meetings were conducted virtually. The Commission conducted a formal evidentiary hearing for the purposes of cross-examination and for consideration of the stipulation on August 3 and 4, 2021.

EKPC generates and transmits power to its 16 owner-member distribution cooperatives, which serve more than 540,000 residential, commercial, and industrial customers in 87 Kentucky counties. Each of the 16 distribution cooperatives filed applications for pass-through of EKPC's wholesale rate adjustment. The approved \$36.35 million annual revenue increase results in a 4.4% increase in wholesale base rate increase. For residential customers, the average monthly bill increase will range from about \$3.32 to about \$4.40, depending on the distribution cooperative.

Utilities' rates are based on the costs of serving their customers, and for non-profit utilities such as EKPC, rates that are adequate to meet lender requirements and maintain financial stability. EKPC's last rate adjustment was in 2011 (Case No. 2010-00167).

In addition to approval of miscellaneous tariff changes and authorization to amortize certain regulatory assets, other provisions of today's Order include the following:

- The Commission grants EKPC relief from several reporting requirements that the Commission agrees are no longer necessary. EKPC is to continue reporting on its membership in PJM and matters related to Bluegrass Station. In its annual reports on PJM membership, the Commission directs EKPC to include a description of how the

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benefits and costs of PJM membership compare to if EKPC were not a member to ensure EKPC and its owner-members are receiving net benefits.

- EKPC is to continue evaluating appropriate demand side management (DSM) programs that will minimize the need for more expensive supply side resources. EKPC's current DSM programs include weatherization assistance, energy efficiency incentives, and rebates for certain energy-efficient products and equipment. The cost recovery for these programs is through base rates.

Today's Order (Case No.2021-00103), the EKPC application, the pass-through rate applications and the Orders (Case Nos. 2021-00104 through 2021-00119) for the distribution cooperatives, and related documents are available on the PSC website, psc.ky.gov. A list of cooperatives and estimated rate impacts is attached.

The PSC is an independent agency attached for administrative purposes to the Energy and Environment Cabinet. It regulates more than 1,100 gas, water, sewer, electric and telecommunication utilities operating in Kentucky.

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**EKPC MEMBER COOPERATIVES WITH CASE NUMBERS
AND ESTIMATED IMPACTS ON MONTHLY RESIDENTIAL BILLS**

Cooperative	Estimated Increase In Average Monthly Residential Bill	Case Number
Big Sandy RECC	\$ 3.88	2021-00104
Blue Grass Energy Coop Corp.	\$ 4.28	2021-00105
Clark Energy Coop.	\$ 3.88	2021-00106
Cumberland Valley Electric	\$ 3.95	2021-00107
Farmers RECC	\$ 3.78	2021-00108
Fleming-Mason Energy	\$ 3.85	2021-00109
Grayson RECC	\$ 3.97	2021-00110
Inter-County Energy Coop.	\$ 4.21	2021-00111
Jackson Energy Coop.	\$ 3.88	2021-00112
Licking Valley RECC	\$ 3.32	2021-00113
Nolin RECC	\$ 4.30	2021-00114
Owen Electric Coop.	\$ 3.78	2021-00115
Salt River Electric	\$ 4.24	2021-00116
Shelby Energy Coop.	\$ 4.40	2021-00117
South Kentucky RECC	\$ 3.57	2021-00118
Taylor County RECC	\$ 3.82	2021-00119