

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC TARIFF FILING OF EAST	)	
KENTUCKY POWER COOPERATIVE, INC. AND	)	
ITS MEMBER DISTRIBUTION COOPERATIVES	)	CASE NO.
FOR APPROVAL OF PROPOSED CHANGES TO	)	2023-00153
THEIR QUALIFIED COGENERATION AND	)	
SMALL POWER PRODUCTION FACILITIES	)	
TARIFFS	)	

ORDER

On March 31, 2023, East Kentucky Power Cooperative, Inc. (EKPC) filed with the Commission revised tariff sheets setting forth proposed adjustments to its existing tariff for Qualified Cogeneration and Small Power Production Facilities (QF Tariff). EKPC proposed an effective date of June 1, 2023. EKPC provided notice of the changes to the following Qualifying Facilities on EKPC's system: Cox Waste-To-Energy, Inc.; Mac Farms, Inc.; Kentucky Army National Guard (KYARNG), Swope Enterprises, LLC; and Swope Hyundai, LLC.

EKPC is a generation and transmission cooperative that provides wholesale electric service to 16 member distribution cooperatives who, in turn, provide retail electric service to end-use customers. All 16 distribution cooperatives have filed proposed QF tariffs mirroring EKPC's proposed revisions. The 16 distribution cooperatives and their corresponding tariff filing numbers are as follows:

Big Sandy R.E.C.C.	(TFS2023-00147)
Blue Grass Energy Cooperative Corp.	(TFS2023-00179)
Clark Energy Cooperative, Inc.	(TFS2023-00185)
Cumberland Valley Electric, Inc.	(TFS2023-00184)

Farmers R.E.C.C.	(TFS2023-00191)
Fleming-Mason Energy Cooperative, Inc.	(TFS2023-00175)
Grayson R.E.C.C.	(TFS2023-00165)
Inter-County Energy Cooperative Corporation	(TFS2023-00183)
Jackson Energy Cooperative Corporation	(TFS2023-00173)
Licking Valley R.E.C.C.	(TFS2023-00187)
Nolin R.E.C.C.	(TFS2023-00189)
Owen Electric Cooperative, Inc.	(TFS2023-00188)
Salt River Electric Cooperative Corp.	(TFS2023-00177)
Shelby Energy Cooperative, Inc.	(TFS2023-00193)
South Kentucky R.E.C.C.	(TFS2023-00178)
Taylor County R.E.C.C.	(TFS2023-00176)

The revisions to the QF Tariffs include updating the capacity credit amount for resources with dispatchable generation sources and reducing the market administration fee.

In Case No. 2021-00198, the Commission directed EKPC to develop a robust record upon which avoided costs can be calculated in future updates to the QF Tariffs. The Commission specifically directed EKPC to provide the most recent Base Residual Auction results and the actual cost for a unit of physical capacity, both if the capacity was purchased or built. The Commission also directed EKPC to include robust information on the use of Effective Load Carrying Capability (ELCC) or like-kind calculations to determine the capacity contribution of non-dispatchable resources.<sup>1</sup> The Commission later clarified that EKPC could use public, transparent, widely used data sources, such as the National Renewable Energy Laboratories' (NREL) Annual Technology Baseline as a source for determining actual costs for a physical proxy unit in calculating avoided capacity costs.<sup>2</sup>

---

<sup>1</sup> Case No. 2021-00198, *Electronic Tariff Filing of East Kentucky Power Cooperative, Inc. and its Member Distribution Cooperatives for Approval of Proposed Changes to Their Qualified Cogeneration and Small Power Production Tariffs* (Ky. PSC Oct. 26, 2021) at 9–10.

<sup>2</sup> Case No. 2021-00198, *Electronic Tariff Filing of East Kentucky Power Cooperative, Inc. and its Member Distribution Cooperatives for Approval of Proposed Changes to Their Qualified Cogeneration and Small Power Production Tariffs* (Ky. PSC Nov. 30, 2021) at 5.

None of the information above was included in the current QF tariff filings. Instead EKPC provided arguments for why the capacity credit amounts should be \$0.00 per kW per year.

KRS 278.030 provides that a utility may collect fair, just and reasonable rates and that the service it provides must be adequate, efficient and reasonable. Having reviewed the proposed tariff and being otherwise sufficiently advised, the Commission finds that an investigation is necessary to determine the reasonableness of the proposed tariffs because EKPC did not include the information the Commission directed to be included in any new QF tariff filing, and that such investigation cannot be completed by June 1, 2023. Pursuant to KRS 278.190(2), the Commission will, therefore, suspend the effective date of the proposed tariff for five months, up to and including October 31, 2023.

The Commission directs EKPC and its distribution cooperatives to the Commission's July 22, 2021 Order in Case No. 2020-00085<sup>3</sup> in which the Commission mandated the use of electronic filing procedures listed in 807 KAR 5:001E, Section 8. The Commission finds that electronic filing procedures shall be used consistent with the filing procedures set forth in Case No. 2020-00085.

The Commission further finds that a procedural schedule should be established to review the reasonableness of the proposed tariff. The procedural schedule is attached as an Appendix to this Order.

Additionally, any hearing scheduled in this matter shall be held on the designated day or days and continued until called from the bench by the presiding officer. Pursuant

---

<sup>3</sup> Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

to 807 KAR 5:001E, Section 2, if the hearing is not concluded on the designated day, the hearing may be continued upon verbal announcement by the presiding officer. A verbal announcement made by the presiding officer shall be proper notice of the continued hearing. Hearings are held in the Richard Raff Hearing Room at the offices of the Public Service Commission at 211 Sower Boulevard, Frankfort, Kentucky. Witnesses who sponsor schedules, testimony, or responses to requests for information are expected to participate in person at a hearing.

IT IS THEREFORE ORDERED that:

1. This proceeding is established to investigate the reasonableness of EKPC and its 16 distribution cooperatives' proposed revisions to their proposed QF Tariffs.
2. EKPC and its 16 distribution cooperatives' proposed tariffs are suspended for five months from June 1, 2023, up to and including October 31, 2023.
3. EKPC shall, by counsel, enter an appearance in this proceeding within seven days of the date of service of this Order. The entry of appearance shall include the name, address, telephone number, fax number, and electronic mail address of counsel.
4. Any distribution cooperative that chooses to actively participate in this proceeding shall, by counsel, enter an appearance in this proceeding within seven days of the date of service of this Order. The entry of appearance shall include the name, address, telephone number, fax number, and electronic mail address of counsel.
5. Unless otherwise ordered by the Commission, the procedures set forth in 807 KAR 5:001E, Section 8, related to service and electronic filing of papers shall be followed in this proceeding.

6. Pursuant to 807 KAR 5:001E, Section 8(9), within seven days of the date of service of this Order, EKPC shall file by electronic means a written statement that it waives any right to service of Commission Orders by United States mail and that it or its authorized agent possess the facilities to receive electronic submissions.

7. Unless a party granted leave to intervene states its objection to the use of electronic filing procedures in a motion for intervention, the party shall:

a. Be deemed to have consented to the use of electronic filing procedures and the service of all papers, including Orders of the Commission, by electronic means; and

b. Within seven days of the date of service of an order of the Commission granting intervention, file with the Commission a written statement that:

(1) It or its authorized agent possesses the facilities to receive electronic transmissions; and

(2) Sets forth the electronic mail address to which all electronic notices and messages related to this proceeding shall be served.

8. If a party objects to the use of electronic filing procedures and the Commission determines that good cause exists to excuse that party from the use of electronic filing procedures, service of documents on that party and by that party shall be made in accordance with 807 KAR 5:001E, Section 4(8).

9. The procedural schedule set forth in the Appendix to this Order shall be followed.

10. EKPC shall respond to all requests for information propounded by Commission Staff, whether identified on the procedural schedule or otherwise, as provided in those requests.

11. As set forth in 807 KAR 5:001E, Section 4(11)(a), a person requesting permissive intervention in a Commission proceeding is required to demonstrate either (1) a special interest in the proceeding, which is not adequately represented in the case, or (2) that the person requesting permissive intervention is likely to present issues or develop facts that will assist the Commission in fully considering the matter without unduly complicating or disrupting the proceedings. Therefore, any person requesting to intervene in a Commission proceeding must state with specificity the person's special interest that is not otherwise adequately represented, or the issues and facts the person will present that will assist the Commission in fully considering the matter. A mere recitation of the quantity of utility service consumed by the movant or a general statement regarding the potential impact of possible modification of rates will not be deemed sufficient to establish a special interest.

12. Any motion to intervene after the date established in the procedural schedule shall also show good cause for being untimely. If the untimely motion is granted, the movant shall accept and abide by the existing procedural schedule.

13. EKPC shall give notice of the hearing in accordance with the provisions set forth in 807 KAR 5:001E, Section 9(2). In addition, the notice of the hearing shall include the following statements: "This hearing will be streamed live and may be viewed on the PSC website, [psc.ky.gov](http://psc.ky.gov)" and "Public comments may be made at the beginning of the hearing. Those wishing to make oral public comments may do so by following the

instructions listed on the PSC website, psc.ky.gov.” At the time publication is requested, EKPC shall forward a duplicate of the notice and request to the Commission.

14. At any public hearing in this matter, neither opening statements nor summarization of direct testimonies shall be permitted.

15. Any hearing scheduled in this matter shall be held on the designated day or days and continued until called from the bench by the presiding officer. Pursuant to 807 KAR 5:001E, Section 2, if the hearing is not concluded on the designated day, the hearing shall be continued upon verbal announcement by the presiding officer. A verbal announcement made by the presiding officer shall be proper notice of the continued hearing.

16. Witnesses who sponsor schedules, testimony, or responses to requests for information shall participate in person at any hearing scheduled in this matter.

17. Pursuant to KRS 278.360 and 807 KAR 5:001E, Section 9(9), a digital video recording shall be made of the hearing.

18. The Commission does not look favorably upon motions for continuance. Accordingly, motions for extensions of times with respect to the schedule herein shall be made in writing and will be granted only upon a showing of good cause.

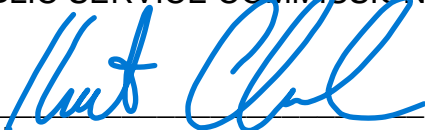
19. The Commission does not look favorably upon motions to excuse witnesses from testifying at Commission hearings. Accordingly, motions to excuse a witness from testifying at a Commission hearing or from testifying in person at a Commission hearing shall be made in writing and will be granted only upon a showing of good cause.

20. The Executive Director shall serve of copy of this Order on Cox Waste-To-Energy, Inc., Mac Farms, Inc., KYARNG, Swope Enterprises, LLC, and Swope Hyundai, LLC.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]



PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ENTERED  
MAY 25 2023  
rcs  
KENTUCKY PUBLIC  
SERVICE COMMISSION

ATTEST:

  
Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2023-00153 DATED MAY 25 2023

- Requests for intervention shall be filed no later than ..... 06/05/2023
- Initial requests for information to EKPC  
shall be filed no later than ..... 06/12/2023
- EKPC shall file responses to  
initial requests for information no later than.....06/26/2023
- All supplemental requests for information to EKPC  
shall be filed no later than ..... 07/10/2023
- EKPC shall file responses to supplemental requests  
for information no later than ..... 07/21/2023
- Intervenor testimony, if any, in verified prepared  
form shall be filed no later than.... 07/28/2023
- All requests for information to Intervenors shall  
be filed no later than..... 08/11/2023
- Intervenors shall file responses to requests for  
information no later than..... 08/21/2023
- EKPC shall file, in verified form, its rebuttal  
testimony no later than.....08/28/2023
- EKPC or any Intervenor shall request either a  
hearing or that the case be submitted for decision  
based on the record no later than.....09/05/2023

\*Aaron Baldwin  
South Kentucky R.E.C.C.  
200 Electric Avenue  
Somerset, KY 42501

\*J H Dean  
Legal Counsel  
Inter-County Energy Cooperative Corporation  
1009 Hustonville Road  
P. O. Box 87  
Danville, KY 40423-0087

\*South Kentucky R.E.C.C.  
South Kentucky R.E.C.C.  
200 Electric Avenue  
Somerset, KY 42501

\*April Renner  
Jackson Energy Cooperative Corporation  
115 Jackson Energy Lane  
McKee, KY 40447

\*Farmers R.E.C.C.  
Farmers R.E.C.C.  
504 South Broadway  
P. O. Box 1298  
Glasgow, KY 42141-1298

\*Blue Grass Energy Cooperative Corp.  
Blue Grass Energy Cooperative Corp.  
1201 Lexington Road  
P. O. Box 990  
Nicholasville, KY 40340-0990

\*Big Sandy R.E.C.C.  
Big Sandy R.E.C.C.  
504 11th Street  
Paintsville, KY 41240

\*Jennifer L McRoberts  
Fleming-Mason Energy Cooperative, Inc.  
1449 Elizaville Road  
P. O. Box 328  
Flemingsburg, KY 41041

\*Clark Energy Cooperative, Inc.  
Clark Energy Cooperative, Inc.  
2640 Ironworks Road  
P. O. Box 748  
Winchester, KY 40392-0748

\*Billy Frasure  
Clark Energy Cooperative, Inc.  
2640 Ironworks Road  
P. O. Box 748  
Winchester, KY 40392-0748

\*Jennie G Phelps  
Farmers R.E.C.C.  
504 South Broadway  
P. O. Box 1298  
Glasgow, KY 42141-1298

\*Cumberland Valley Electric, Inc.  
Cumberland Valley Electric, Inc.  
Highway 25E  
P. O. Box 440  
Gray, KY 40734

\*Bradley Cherry  
Grayson R.E.C.C.  
109 Bagby Park  
Grayson, KY 41143

\*Taylor County R.E.C.C.  
Taylor County R.E.C.C.  
625 West Main Street  
P. O. Box 100  
Campbellsville, KY 42719

\*East Kentucky Power Cooperative, Inc.  
4775 Lexington Road  
P. O. Box 707  
Winchester, KY 40392-0707

\*Chris Adams  
East Kentucky Power Cooperative, Inc.  
P. O. Box 707  
Winchester, KY 40392-0707

\*Fleming-Mason Energy Cooperative, In  
Fleming-Mason Energy Cooperative, Inc.  
1449 Elizaville Road  
P. O. Box 328  
Flemingsburg, KY 41041

\*East Kentucky Power Cooperative, Inc  
East Kentucky Power Cooperative, Inc.  
4775 Lexington Road  
P. O. Box 707  
Winchester, KY 40392-0707

\*Chuck Williamson  
Blue Grass Energy Cooperative Corp.  
1201 Lexington Road  
P. O. Box 990  
Nicholasville, KY 40340-0990

\*Nolin R.E.C.C.  
Nolin R.E.C.C.  
411 Ring Road  
Elizabethtown, KY 42701-6767

\*Inter-County Energy Cooperative Corp  
Inter-County Energy Cooperative Corporation  
1009 Hustonville Road  
P. O. Box 87  
Danville, KY 40423-0087

\*Jackson Energy Cooperative Corporati  
Jackson Energy Cooperative Corporation  
115 Jackson Energy Lane  
McKee, KY 40447

\*Robert Tolliver  
Officer Manager  
Cumberland Valley Electric, Inc.  
Highway 25E  
P. O. Box 440  
Gray, KY 40734

\*Licking Valley R.E.C.C.  
Licking Valley R.E.C.C.  
P. O. Box 605  
271 Main Street  
West Liberty, KY 41472

\*Robin Slone  
Big Sandy R.E.C.C.  
504 11th Street  
Paintsville, KY 41240

\*Michael L Cobb  
Manager - Corporate Accounting  
Owen Electric Cooperative, Inc.  
P. O. Box 400  
Owenton, KY 40359

\*Owen Electric Cooperative, Inc.  
Owen Electric Cooperative, Inc.  
8205 Highway 127 North  
P. O. Box 400  
Owenton, KY 40359

\*Shelby Energy Cooperative, Inc.  
Shelby Energy Cooperative, Inc.  
620 Old Finchville Road  
Shelbyville, KY 40065

\*Salt River Electric Cooperative Corp  
Salt River Electric Cooperative Corp.  
111 West Brashear Avenue  
P. O. Box 609  
Bardstown, KY 40004

\*Grayson R.E.C.C.  
Grayson R.E.C.C.  
109 Bagby Park  
Grayson, KY 41143