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 FOR REVISIONS TO THE RESIDENTIAL ELECTRIC VEHICLE OFF-PEAK CHARGING PROGRAM	))))))	CASE NO. 2026-00163

O R D E R

On May 29, 2026, East Kentucky Power Cooperative, Inc. (EKPC) and 15 of its Owner-Members filed revisions to its Residential Electric Vehicle Off-Peak Charging Program tariff and proposed to shift the program from a demand-side management program to a line-item promotional incentive.[1] EKPC proposed an effective date of June 29, 2026.[2] By Order entered June 26, 2026, the proposed tariff was suspended for five months, up to and including November 28, 2026.[3] There were no intervenors in this

[1] TFS2026-00251, Blue Grass Energy Cooperative Corp. (filed May 29, 2026); TFS2026-00238, Clark Energy Cooperative, Inc. (filed May 28, 2026); TFS2026-00241, Cumberland Valley Electric, Inc. (filed May 29, 2026); TFS2026-00249, East Kentucky Power Cooperative, Inc. (filed May 29, 2026); TFS2026-00253, Farmers Rural Electric Cooperative Corporation (filed May 29, 2026); TFS2026-00237, Fleming-Mason Energy Cooperative, Inc. (filed May 27, 2026); TFS2026-00258, Grayson Rural Electric Cooperative Corporation (filed May 29, 2026); TFS2026-00260, Inter-County Energy Cooperative Corporation (filed June 1, 2026); TFS2026-00245, Jackson Energy Cooperative Corporation (filed May 29, 2026); TFS2026-00250, Licking Valley Rural Electric Cooperative Corporation (filed May 29, 2026); TFS2026-00256, Nolin Rural Electric Cooperative Corporation (filed May 29, 2026); TFS2026-00259, Owen Electric Cooperative, Inc. (filed May 29, 2026); TFS2026-00243, Salt River Electric Cooperative Corp. (filed May 29, 2026); TFS2026-00239, Shelby Energy Cooperative, Inc. (filed May 28, 2026); TFS2026-00255, South Kentucky Rural Electric Cooperative Corporation (filed May 29, 2026); TFS2026-00242, Taylor County Rural Electric Cooperative Corporation (filed May 29, 2026). Big Sandy Rural Electric Cooperative Corporation did not file proposed revisions.

[2] TFS2026-00249, East Kentucky Power Cooperative, Inc. (filed May 29, 2026).

[3] Order (Ky. PSC June 29, 2026).

proceeding. EKPC responded to two requests for information from Commission Staff.[4] On October 14, 2026, EKPC filed a motion to submit the case on the written record.[5] This case is now submitted for decision.

LEGAL STANDARD

Under KRS 278.030(1), "[e]very utility may demand, collect and receive fair, just and reasonable rates for the services rendered or to be rendered by it to any person." Furthermore, under KRS 278.170(1),

> No utility shall, as to rates or service, give any unreasonable preference or advantage to any person or subject any person to any unreasonable prejudice or disadvantage, or establish or maintain any unreasonable difference between localities or between classes of service for doing a like and contemporaneous service under the same or substantially the same conditions.

Therefore, differing rates between classes must be reasonable.

BACKGROUND

In Case No. 2022-00439, the Commission approved EKPC's Residential Electric Vehicle Off-Peak Charging Program on a pilot basis.[6] In its Order, the Commission expressed approval for the program as it "not only provides EKPC the ability to shift load and manage capacity needs but affords participating Owner-Members an increased ability to control a portion of their energy bill by receiving an incentive."[7] However, the

[4] EKPC's Response to Commission Staff's First Request for Information (Staff's First Request) (filed July 30, 2026). EKPC's Response to Commission Staff's Second Request for Information (Staff's Second Request) (filed Aug. 24, 2026).

[5] Motion to Submit on the Record (filed Oct. 14, 2026).

[6] Case No. 2022-00439, *Electronic Tariff Filing Of East Kentucky Power Cooperative, Inc. To Implement A Residential Electric Vehicle Off-Peak Charging Pilot Program* (Ky. PSC July 12, 2023), Order at 6.

[7] Case No. 2022-00439, (Ky. PSC July 12, 2023), Order at 5.

Commission encouraged EKPC to continuously evaluate the effectiveness of the approved $0.02 per kWh incentive for the Demand-Side Management (DSM) program.[8]

In Case No. 2022-00439, EKPC stated that the incentive was determined based on a 20 percent discount on the average volumetric energy rate of $0.10 per kWh.[9] There was no other mathematical basis behind the incentive.

In the present case, EKPC proposed to implement the existing Residential Electric Vehicle Off-Peak Charging Program as an optional line-item incentive and no longer offer it as a formal DSM program.[10] EKPC explained that as part of the pilot phase of the program, EKPC completed a Measurement and Verification (M&V) study.[11] The study concluded that although the pilot was effective at shifting electric vehicle (EV) charging to off-peak times, the overall program was not cost-effective.[12] EKPC stated that the M&V study showed that the total resource cost (TRC) score dropped to a 0.28,[13] far below the potential TRC score of 2.47 highlighted in Case No. 2022-00439.[14]

EKPC proposed to name the new tariff Rate REV – Residential Electric Vehicle Off-Peak Charging Program (Rate REV).[15] EKPC proposed to continue the $0.02 per

[8] Case No. 2022-00439, (Ky. PSC July 12, 2023), Order at 5

[9] Case No. 2022-00439,(filed Mar. 1, 2023), EKPC's Response to Commission Staff's First Request for Information, Item 5d.

[10] EKPC's Cover Letter (filed June 11, 2026) at unnumbered PDF page 1.

[11] EKPC's Cover Letter at unnumbered PDF page 1.

[12] EKPC's Cover Letter at unnumbered PDF page 1.

[13] EKPC's Cover Letter at unnumbered PDF page 1. A TRC score of 1.0 or higher is considered cost-effective.

[14] Case No. 2022-00439, (filed Jan. 18, 2023), EKPC Residential Electric Vehicle Off-Peak Charging Program Tariff Filing, Summary Sheet.

[15] EKPC's Cover Letter on unnumbered PDF page 1.

kWh incentive credit;[16] however, EKPC would be responsible for providing the incentive credit unlike the prior split between the applicable Owner-Member in the DSM program.[17]

DISCUSSION AND FINDINGS

EKPC stated that the Residential Electric Vehicle Off-Peak Charging DSM program is no longer cost-effective,[18] and as thus, the program cannot continue as a DSM program.[19] However, the record indicates that this program provides benefit by shifting EV charging load to off-peak hours.[20] A program that evaluates EV charging habits, especially as the EV market continuously evolves, could be highly beneficial to a utility's ability to reduce peak demand and therefore capacity planning. The Commission finds that EKPC's Residential Electric Vehicle Off-Peak Charging program is fair, just and reasonable and should be offered and implemented as the optional incentive program, Rate REV.

However, the Commission finds that the $0.02 per kWh incentive credit is not reasonable, as there is no mathematical basis behind it. Although the evidence in the record indicates that current participants responded favorably to the existing credit amount, an incentive credit should be calculated using avoided demand and energy costs associated with the off-peak charging characteristics of the program.

[16] EKPC's Cover Letter on unnumbered PDF page 1.

[17] EKPC's proposed P.S.C. No. 35, Third Revised Tariff Sheet No. 55, Rate REV, Program Incentives section. See also EKPC's Response to Staff's First Request, Item 2.

[18] A TRC score less than 1.0 indicates that the costs of running the program outweigh the benefits.

[19] EKPC's Cover Letter on unnumbered PDF page 1.

[20] EKPC's Cover Letter on unnumbered PDF page 1. EKPC's Response to Staff's Second Request, Item 3, Excel attachments.

EKPC calculated its avoided energy value of moving EV kWh consumption from on-peak hours to off-peak hours using the on-peak and off-peak energy rates of the EKPC Rate E Option 2 (E2) wholesale rate as a proxy.[21] The on-peak E2 energy rate is $0.064644 per kWh while the off-peak E2 energy rate is $0.055641 per kWh.[22] Thus, the avoided energy value is $0.009003 per kWh (on-peak minus off-peak).[23]

EKPC calculated its avoided demand value using the current year PJM Interconnection LLC (PJM) Base Residual Auction (BRA) value.[24] The current year BRA is $329.17/MW-day.[25] EKPC's M&V study determined that the average demand shift from the PJM peak hour to off-peak is 0.231kW.[26] That translates into a $27.75 avoided demand value per EV per year.[27] Expressing that value in a per kWh value based on the annual average of 3,427kWh off-peak charging per EV, the avoided demand value is $0.008098 per kWh.[28]

When combined, the $0.009003 per kWh avoided energy rate and the $0.008098 per kWh avoided demand rate would produce an avoided demand and energy incentive credit of $0.017101 per kWh.[29] The $0.017101 per kWh incentive credit yields a similar

[21] EKPC's Response to Staff's Second Request, Item 2b.

[22] EKPC's Response to Staff's Second Request, Item 2b.

[23] EKPC's Response to Staff's Second Request, Item 2b.

[24] EKPC's Response to Staff's Second Request, Item 2b.

[25] EKPC's Response to Staff's Second Request, Item 2b.

[26] EKPC's Response to Staff's Second Request, Item 2b.

[27] EKPC's Response to Staff's Second Request, Item 2b.

[28] EKPC's Response to Staff's Second Request, Item 2b.

[29] EKPC's Response to Staff's Second Request, Item 2b.

bill impact as the $0.02 per kWh incentive. For a participant using approximately 1,450 kWh in a given month, the normal energy-only cost would be $145 using the average energy charge of $0.10 per kWh.[30] With the original incentive amount of $0.02 per kWh, the participant would receive a discount of approximately $29 per month on their energy costs;[31] however, with the incentive amount of $0.017101 per kWh, the discount would be approximately $25.[32] The Commission finds the $0.017101 per kWh incentive credit reasonable as it takes into consideration the avoided demand and avoided energy costs related to the program, and thus, should be reflected in tariff Rate REV as the credit for the program.

EKPC proposed fully funding the costs of the incentive credit instead of splitting it evenly between EKPC and the applicable Owner-Member.[33] EKPC stated that it is paying the annual cost of the third-party software platform that integrates all types of EVs to measure hourly charging. Additionally, EKPC stated that it agreed to support its Owner-Members by providing the full cost since the program would no longer be a DSM program.[34] Furthermore, EKPC has centralized the operation of the EV program and gathers all the data directly from the vendor.[35] Having considered the record and

[30] 1,450 kWh x $0.10 per kWh = $145.

[31] 1,450 kWh x ($0.10 per kWh - $0.02 per kWh) = $116. $145-$116 = $29.

[32] 1,450 kWh x ($0.10 per kWh - $0.017101 per kWh) = $120.20. $145-120.20 = $24.80.

[33] EKPC's proposed P.S.C. No. 35, Third Revised Tariff Sheet No. 55, Rate REV, Program Incentives section. See also EKPC's Response to Staff's First Request, Item 2.

[34] EKPC's Response to Staff's First Request, Item 2.

[35] EKPC's Response to Staff's First Request, Item 2.

otherwise being sufficiently advised, the Commission finds that the proposal for EKPC to fully fund the incentive credit to be reasonable and should be reflected in tariff Rate REV.

IT IS THEREFORE ORDERED that:

1. EKPC's proposal to discontinue its Residential Electric Vehicle Off-Peak Charging DSM program is approved.

2. EKPC's proposal to implement Rate REV – Residential Electric Vehicle Off-Peak Charging program is approved.

3. EKPC's proposed incentive credit of $0.02 per kWh is denied.

4. The incentive credit of $0.017101 per kWh is approved for service rendered on and after November 28, 2026.

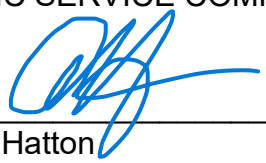
5. EKPC's proposal to fully fund the costs of Rate REV on behalf of its Owner-Members is approved.

6. Within 20 days of the date of service of this Order, EKPC and the applicable Owner-Members shall file with the Commission, using the Commission's electronic Tariff Filing System, revised tariffs as set forth in this Order reflecting that they were approved pursuant to this Order.

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

Entered on this 24th day of November, 2026.

PUBLIC SERVICE COMMISSION



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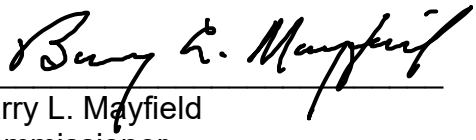

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