

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

ELECTRONIC INVESTIGATION OF THE FUEL)	
ADJUSTMENT CLAUSE REGULATION)	Case No. 2022-00190
807 KAR 5:056, PURCHASED POWER)	
COSTS, AND RELATED COST)	
RECOVERY MECHANISMS)	

ATTORNEY GENERAL'S COMMENTS

The Attorney General provides these Comments in response to the Kentucky Public Service Commission’s (“Commission”) investigation of the Fuel Adjustment Clause (“Fuel Adjustment Clause” or “FAC”) and its Orders of March 10, 2026, March 12, 2026, and March 24, 2026.

In the 2022 Regular Legislative Session, the Kentucky State Senate adopted Senate Resolution 316, which “urge[d] the Kentucky Public Service Commission to open one or more administrative cases to examine the issues of volatility of electric and natural gas fuel prices, the procurement practices of regulated utilities under its jurisdiction, and the use of securitization of utility costs as a strategy for easing the burden of utility costs on ratepayers.”¹ The Commission opened this docket, “[g]iven the request of the Senate and based on its own concerns[.]”²

In response to a solicitation from the Commission for comments on a number of FAC-related issues, the Attorney General filed Initial Comments in this docket on

¹ 2022 KY S.R. 316, 2022 Regular Session.

² Order of November 2, 2022 at 1.

November 22, 2022. Many others filed comments around that time as well. On March 10, 2026, after considering those comments, the Commission issued an Order seeking data from utilities and proposing various changes to 807 KAR 5:056, the administrative regulation governing the FAC. The Commission is right to consider the proposed changes if the data provided by the utilities demonstrates that those changes reduce FAC volatility without increasing rates. Further, in his Comment of November 22, 2022, the Attorney General provided a list of information that he believes would be helpful in the Commission's review of FAC filings and a discussion of how that information should be presented.³ The Attorney General's position on those matters remains unchanged. Utilities must be required to submit the detailed information necessary to ensure that they are only recovering costs they are entitled to recover by law.

The Commission should consider these requests when making its final decision regarding the regulatory changes at issue here.

³ See Comment of November 22, 2022 at 19-21.

Respectfully submitted,

RUSSELL COLEMAN
ATTORNEY GENERAL



J. MICHAEL WEST
LAWRENCE W. COOK
ANGELA M. GOAD
TOLAND LACY
JOHN G. HORNE II
ASSISTANT ATTORNEYS GENERAL
1024 CAPITAL CENTER DRIVE, SUITE 200
FRANKFORT, KY 40601
PHONE: (502) 696-5433
FAX: (502) 564-2698
Michael.West@ky.gov
Larry.Cook@ky.gov
Angela.Goad@ky.gov
Thomas.Lacy@ky.gov
John.Horne@ky.gov

Certificate of Service and Filing

Pursuant to the Commission's Orders and in accord with all other applicable law, Counsel certifies that, on May 11, 2026, a copy of the forgoing was served by electronic means on those listed in the service list for this docket.

This 11th day of May, 2026

A handwritten signature in blue ink, appearing to read "J. Michael O'Neil". The signature is written in a cursive style with a long horizontal stroke at the end.

Assistant Attorney General