

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

In the Matter of:

THE ELECTRONIC APPLICATION OF	)	
FARMERS RURAL ELECTRIC	)	CASE NO.
COOPERATIVE CORPORATION	)	2025-00107
FOR A GENERAL ADJUSTMENT OF RATES	)	

---

**FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION’S  
MOTION FOR REHEARING**

---

Comes now Farmers Rural Electric Cooperative Corporation. (“Farmers”), by counsel, pursuant to KRS 278.400 and respectfully requests the Kentucky Public Service Commission (“Commission”) grant rehearing on its January 29, 2026 Order (“Final Order” or “the Order”) in the above styled case. In support of this motion, Farmers respectfully states as follows:

**BACKGROUND**

On May 5, 2025, Farmers filed an application requesting a general adjustment of retail electric rates.<sup>1</sup> The Attorney General was granted intervention.<sup>2</sup> On May 15, 2025, the Commission issued a procedural schedule for the processing of the case.<sup>3</sup> Farmers responded to multiple rounds of discovery issued by Commission Staff and by the Attorney General.<sup>4</sup> On

---

<sup>1</sup> Application (filed May 5, 2025).

<sup>2</sup> May 5, 2025 Order (Ky. PSC May 5, 2025).

<sup>3</sup> May 15, 2025 Order (Ky. PSC May 15, 2025).

<sup>4</sup> Responses to Commission Staff’s First Request for Information (filed May 19, 2025); Responses to Commission Staff’s Second Request for Information (filed June 12, 2025); Responses to the Attorney General’s First Request (filed June 12, 2025); Responses to PSC DR 3 (filed July 16, 2025); Responses to the AG DR2 (filed July 16, 2025); and, Responses to Staff’s Post-Hearing Request (filed October 1, 2025).

September 18, 2025, the Commission conducted a Formal Hearing.<sup>5</sup> On January 29, 2026, the Commission entered an order approving new rates for retail electric service.<sup>6</sup>

In the January 29, 2026 Order, the Commission adjusted several of Farmers' nonrecurring charges.<sup>7</sup> The Commission ordered that Farmers should not charge the \$30.00 Reconnection Fee for meters that are capable of remote reconnection.<sup>8</sup> The Commission also ordered that Farmers should not charge members a \$30.00 Disconnect and Trip Fee because all meters on its system are capable of remote disconnection; but, if a customer opts out of an AMI meter, the \$30.00 charge is appropriate.<sup>9</sup> Finally, the Commission adjusted Farmers' Return Check Fee from \$25.00 to \$5.69.<sup>10</sup>

### **APPLICABLE LAW AND STANDARD OF REVIEW**

KRS 278.400 governs motions for rehearing which provides the Commission with the ability to correct findings based on material errors or omissions or to correct findings that are unreasonable or unlawful.<sup>11</sup> The statute states in its entirety:

After a determination has been made by the commission in any hearing, any party to the proceedings may, within twenty (20) days after the service of the order, apply for a hearing with respect to any of the matters determined. Service of a commission order is complete three (3) days after the date the order is mailed. The

---

<sup>5</sup> Hearing Video Testimony ("HVT") of the September 18, 2025.

<sup>6</sup> See generally January 29, 2026 Order.

<sup>7</sup> January 29, 2026 Order at 29-32.

<sup>8</sup> January 29, 2026 Order at 29-30.

<sup>9</sup> January 29, 2026 Order at 31.

<sup>10</sup> January 29, 2026 Order at 31-32.

<sup>11</sup> *Electronic Application of Kenergy Corp. for a Certificate of Public Convenience and Necessity for the Construction of a High-Speed Fiber Network and for Approval of the Leasing of the Network's Excess Capacity to an Affiliate to be Engaged in the Provision of Broadband Service to unserved and Underserved Households and Businesses of the Commonwealth*, Case No. 2021-00365, Order (Ky. PSC May 19, 2022) at 1–2.

application shall specify the matters on which a rehearing is sought. The commission shall either grant or deny the application for rehearing within twenty (20) days after it is filed, and failure of the commission to act upon the application within that period shall be deemed a denial of the application. Notice of the hearing shall be given in the same manner as notice of an original hearing. Upon the rehearing any party may offer additional evidence that could not with reasonable diligence have been offered on the former hearing. Upon the rehearing, the commission may change, modify, vacate or affirm its former orders, and make and enter such order as it deems necessary.

A Commission Order is unreasonable when “the evidence presented leaves no room for difference of opinion among reasonable minds.”<sup>12</sup> An Order of the Commission is unlawful when it is deemed to be in violation of a state or federal statute, or a constitutional provision.<sup>13</sup> The Commission’s decision to reduce nonrecurring charges without Farmers proposing any changes itself or knowing there was the potential for change is unreasonable. Additionally, reducing the nonrecurring charges without accounting for the lost revenue is unreasonable. The Commission should grant rehearing because it is necessary and appropriate.

### **ARGUMENT**

#### ***Reducing Nonrecurring Charges Without Adjusting Revenue is Unreasonable and Contrary to Commission Precedent.***

Farmers’ Application for an adjustment of rates did not include a request to modify, update, or otherwise change its nonrecurring charges.<sup>14</sup> Farmers did not perform an analysis in the preparation of its rate case of the nonrecurring charges, nor did it complete an updated cost

---

<sup>12</sup> *Energy Regulatory Comm’n v. Kentucky Power Co.*, 605 S.W.2d 46, 50 (Ky. App. 1980).

<sup>13</sup> *Public Service Comm’n v. Conway*, 324 S.W.3d 373, 377 (Ky. 2010); *Public Service Comm’n v. Jackson County Rural Elec. Coop. Corp.*, 50 S.W.3d 764, 766 (Ky. App. 2000); *National Southwire Aluminum Co. v. Big Rivers Elec. Corp.*, 785 S.W.2d 503, 509 (Ky. App. 1990).

<sup>14</sup> Application, Exhibit 3 and Exhibit 4.

justification for the charges. Commission Staff propounded multiple questions regarding the nonrecurring charges in later requests for information.<sup>15</sup>

In the Final Order, the Commission found the \$30.00 Reconnection Fee should not apply to customers that are capable of remote reconnection because the cost to reconnect a customer with remote reconnection is *de minimis*.<sup>16</sup> The Commission stated Farmers indicated all meters are capable of remote disconnection and because of this no customers should be subjected to a \$30.00 reconnection fee unless a customer opted out of the advanced metering infrastructure (“AMI”).<sup>17</sup> Finally, the Commission determined Farmers returned check charge should be \$5.69 instead of \$25.00.<sup>18</sup> The Commission’s reasoning was labor charges in the \$25.00 fee should be removed because the labor occurs during normal business hours and is captured in the salaries and wages expense.<sup>19</sup>

Even though Farmers did not request to change the nonrecurring charges, it provided justification for the charges. In Commission Staff’s Second Request for Information (“Staff’s Second Request”), Farmers justified its \$30.00 Reconnect Charge for remote reconnect meters because the annual depreciation, software maintenance, and internet connection needed for the meters.<sup>20</sup> Farmers stated it is charged \$160 for a meter testing charge, but charges customers \$40

---

<sup>15</sup> Commission Staff’s Second Request for Information (filed May 28, 2025) and Commission Staff’s Third Request for Information (filed July 1, 2025).

<sup>16</sup> January 29, 2026 Order at 29-30.

<sup>17</sup> January 29, 2026 Order at 31.

<sup>18</sup> January 29, 2026 Order at 31-32.

<sup>19</sup> January 29, 2026 Order at 31.

<sup>20</sup> Farmers Response to Commission Staff’s Second Request for Information (“Staff’s Second Request”), Item 7 (filed June 12, 2025).

to offset these costs.<sup>21</sup> Farmers explained it has \$30 disconnect charge for remote disconnect meters because the annual depreciation, software maintenance, and internet connection needed for the meters.<sup>22</sup> Farmers has a \$30 trip charge because of costs of the vehicle for the trip and the technicians time.<sup>23</sup> Farmers explained the \$70 after-hours trip charge is because two employees are needed for safety and the use of two trucks.<sup>24</sup> Farmers justified the \$25 returned check fee based on employee time and costs of mailings.<sup>25</sup>

Most importantly, Farmers did not state that all meters are capable of remote reconnection.<sup>26</sup> Farmers explained, “Farmers has only purchased remote disconnect meters since 2013. Therefore, all meters being installed on the system now are remote disconnect.”<sup>27</sup> This response is in direct contradiction to the Commission’s finding that all meters are capable of remote connection and disconnection. This means meters that are *currently* being installed on Farmers’ system are capable of remote disconnect, not that all meters on Farmers’ system are capable of remote disconnect. All meters on Farmers’ system are not capable of remote disconnect. Farmers also clarified there are two types of AMI meters.<sup>28</sup> The first type of meters are classified as “disconnect,” which are capable of remote disconnection. The second type are

---

<sup>21</sup> Farmers Response to Staff’s Second Request, Item 6.

<sup>22</sup> Farmers Response to Staff’s Second Request, Item 7.

<sup>23</sup> Farmers Response to Staff’s Second Request, Item 8.

<sup>24</sup> Farmers Response to Staff’s Second Request, Item 9.

<sup>25</sup> Farmers Response to Staff’s Second Request Item 10.

<sup>26</sup> January 29, 2026 Order at 30; *also see* Farmers Responses to Staff’s Second Request, Item 7.

<sup>27</sup> Farmers Responses to Staff’s Second Request, Item 7.

<sup>28</sup> Farmers’ Reponses to Commission Staff’s Post-Hearing Request for Information (“Staff’s Post Hearing Request”), Item 4.

classified as “non-disconnect” meters. Non-disconnect meters cannot be remotely disconnected and Field Service Representative must go to the location and manually disconnect the meter.<sup>29</sup> Farmers stated that as of July 1, 2025, approximately 76% of its AMI meters are still “non-disconnect.”<sup>30</sup> This means that approximately 76% of Farmers meters are not capable of being remotely disconnected or reconnected.

In making these changes to Farmers nonrecurring charges, the Commission excluded the revenue Farmers collects through these charges. In developing this rate case, Farmers included those amounts in its revenue requirement. For Farmers to be made whole from the loss of the nonrecurring charge revenue this amount should be used to increase the revenue requirement. There is Commission precedent for making this adjustment.<sup>31</sup> Most recently in December 2025, the Commission adjusted South Kentucky Rural Electric Cooperative Corporation’s (“South Kentucky RECC”) revenue requirement by \$143,928 to account for revenue lost from adjustments to its nonrecurring charges.<sup>32</sup>

Farmers has used data from 2024-2025 and determined without the \$30.00 reconnect and disconnect charges Farmers will lose between \$80,000-\$85,000 in revenue from the meter charges and \$7,000 in revenue from the returned check fee. There is nothing in the record of either proceeding to differentiate why South Kentucky RECC received the upward adjustment to its

---

<sup>29</sup> Farmers’ Responses to Commission Staff’s Post-Hearing Request for Information (“Staff’s Post Hearing Request”), Item 4.

<sup>30</sup> Farmers’ Responses to Commission Staff’s Post-Hearing Request for Information (“Staff’s Post Hearing Request”), Item 4.

<sup>31</sup> Case No. 2021-00358, *Electronic Application of Jackson Purchase for a General Adjustment of Rates and Other General Relief*, April 8, 2022 Order at 26 (Ky. PSC April 8, 2022); and, Case No. 2021-00407, *Electronic Application of South Kentucky Rural Electric Cooperative Corporation for a General Adjustment of Rates, Approval of a Depreciation Study, and Other General Relief*, June 30, 2022 Order at 7 and 27 (Ky. PSC June 30, 2022).

<sup>32</sup> Case No. 2024-00402, *Electronic Application of South Kentucky Rural Electric Cooperative Corporation for a General Adjustment of Rates and other General Relief*, December 2, 2025 Order at 20, 21, and 24 (Ky. PSC. December 2, 2025).

revenue requirement and Farmers did not. Not making the adjustment in revenue for Farmers is unreasonable and cannot be supported by the evidence in this proceeding or Commission precedent.

**CONCLUSION**

WHEREFORE, on the basis of the foregoing, Farmers respectfully requests the Commission grant rehearing.

This the 12<sup>th</sup> day of February, 2026.

Respectfully submitted,

*Heather S. Temple*

---

L. Allyson Honaker

Heather S. Temple

Meredith Cave

**HONAKER LAW OFFICE PLLC**

1795 Alysheba Way, Suite 1203

Lexington, Kentucky 40509

(859) 368-8803

allyson@hloky.com

heather@hloky.com

meredith@hloky.com

*Counsel for Farmers Rural Electric Cooperative  
Corporation*

**CERTIFICATE OF SERVICE**

This is to certify that the electronic filing was transmitted to the Commission on February 12, 2026, and that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding. Pursuant to the Commission's July 22, 2021 Order in Case No. 2020-00085 no paper copies of this filing will be made.

*Heather S. Temple*

---

*Counsel for Farmers Rural Electric Cooperative  
Corporation*