

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)	

MOTION FOR CLARIFICATION

Comes now Farmers Rural Electric Cooperative Corporation (“Farmers”), by counsel, pursuant to 807 KAR 5:001, and other applicable law, and respectfully moves the Commission to clarify its January 29, 2026 Order regarding refunds. In support of this request, Farmers states as follows:

1. Farmers filed an application for a general adjustment of rates on May 5, 2025. In the Application, Farmers requested to increase the residential customer charge from \$18.12 to \$27.79 and reduce the energy charge from \$0.100666 to \$0.099057.¹ After discovery and a formal hearing, the Commission entered an order approving new retail electric rates.² The Commission’s Order increased the residential customer charge to \$23.00 and increased the energy charge to \$0.103125.³ Ordering Paragraph 6 and Ordering Paragraph 7 of the January 29, 2026 Order require

¹ Application, Exhibit 4.

² January 29, 2026 Order (Ky. PSC January 29, 2026).

³ January 29, 2026 Order, Appendix A.

Farmers to refund excess money collected to members due to placing rates into effect and make a report to the Commission on how the refunds were issued.⁴

2. During the pendency of the proceedings, Farmers placed rates into effect subject to refund.⁵ The rates placed into effect were the rates in the Application. Since the Order was issued, Farmers has been reviewing member accounts to determine the amount of refunds.

3. While calculating refunds, Farmers discovered that a large portion of its members would actually be subject to a collection from Farmers. The reason for the collection is the winter months are high usage. This is consistent with Farmers' argument that a higher customer charge creates less volatile rates for the members. This is especially true for low-income members who can least afford an increase and typically use more energy, presumably due to poorly insulated homes; so, placing the increase on the fixed charge would have created an overall lower increase than if the increase was focused on the energy charge.

4. Farmers implemented proposed rates for service rendered on or after January 1, 2026. Therefore, since the Order was issued on January 29, 2026, the period for determining the over/under collection is January 1 - 28, 2026. While Farmers has six billing cycles, Farmers performed an analysis on the two cycles with the most dates under the rates placed into effect. Cycle 605 is a post-pay cycle that included 24 days on the proposed rates. Cycle 609 is all residential accounts on pay-as-you-go, which would have included 31 days on the proposed rates.

5. For Cycle 609, the net collection is estimated to be **\$407** on 1678 accounts. Farmers would be entitled to collect an estimated \$2,601, or an average of \$3.09 per member, while Farmers would be subject to refunds of \$2,194, or an average of \$2.62 per member. For Cycle 605,

⁴ January 29, 2026 Order, Ordering Paragraph 6 and Ordering Paragraph 7.

⁵ Notice Placing Rates Into Effect (filed December 10, 2025).

residential, the net collection is estimated to be **\$8,895** on 6345 accounts. Farmers would be entitled to collect \$15,805, or an average of \$4.37 per member, while Farmers would be subject to refunds of \$6,910 or an average of \$2.53 per member. For Cycle 605, small commercial, the net collection is estimated to be **\$771** on 285 accounts. Farmers would be entitled to collect \$1,274, or an average of \$11.18 per member, while Farmers would be subject to refunds of \$503 or an average of \$2.92 per member. Please see Attachment A for these calculations.

6. Farmers does not wish to collect from members. Given the high usage in the month of January, Farmers understands it would be a hardship for these members to be required to pay the additional money owed. Since Farmers does not wish to collect the money from the members that were undercharged, Farmers does not believe it would be fair to refund the money to members that were overcharged. Given the small amount of refunds and collections, Farmers believes it would be simpler to neither collect or refund any amount.

WHEREFORE, on the basis of the foregoing, Farmers respectfully requests that the Commission clarify if Farmers should collect money from members that underpaid while rates were in effect subject to refund.

This the 18th day of February, 2026.

Respectfully submitted,

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CERTIFICATE OF SERVICE

This is to certify that the electronic filing was transmitted to the Commission on February 18, 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 Cooperative, Inc.

ATTACHMENT A

Farmers RECC
Case No 2025-00107

RESIDENTIAL	# of members	# of days	Proposed Revenue	Ordered Revenue	Net Collection	Stats	
						(Refund)	(Refund)
Cycle 609 - prepaid	1678	31	\$ 434,405	\$ 434,812	\$ 407	Total	\$ 2,601 \$ (2,194)
						Average	\$ 3.09 \$ (2.62)
						Max	\$ 18.63 \$ (5.77)

RESIDENTIAL	# of members	# of days	Proposed Revenue	Ordered Revenue	Net Collection	Stats	
						(Refund)	(Refund)
Cycle 605	6345	25	\$ 1,000,918	\$ 1,009,814	\$ 8,895	Total	\$ 15,805 \$ (6,910)
						Average	\$ 4.37 \$ (2.53)
						Max	\$ 30.80 \$ (3.89)

SMALL COMM	# of members	# of days	Proposed Revenue	Ordered Revenue	Net Collection	Stats	
						(Refund)	(Refund)
Cycle 605	285	25	\$ 43,260	\$ 44,031	\$ 771	Total	\$ 1,274 \$ (503)
						Average	\$ 11.18 \$ (2.92)
						Max	\$ 47.17 \$ (3.89)