

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN ELECTRONIC EXAMINATION OF THE)	
APPLICATION OF THE FUEL ADJUSTMENT)	CASE NO.
CLAUSE OF BIG RIVERS ELECTRIC)	2021-00058
CORPORATION FROM NOVEMBER 1, 2018)	
THROUGH OCTOBER 31, 2020)	

ORDER

Pursuant to 807 KAR 5:056, the Commission, on March 4, 2021, established this case to review and evaluate the operation of the Fuel Adjustment Clause (FAC) of Big Rivers Electric Corporation (BREC) for the period from November 1, 2018, through October 31, 2020, and to determine the amount of fuel costs that should be included in its base rates.

In establishing this review, the Commission ordered BREC to submit certain information concerning its fuel procurement, fuel usage, and the operation of its FAC. BREC submitted this information on March 5, 2021, and filed responses to Commission Staff's Second Request for Information on April 16, 2021. A public hearing was held on May 18, 2021. There are no intervenors in this proceeding.

Having considered the evidence of record and being otherwise sufficiently advised, the Commission finds that during the period under review, BREC has complied with the provisions of 807 KAR 5:056. The Commission further finds no evidence of improper calculation or improper fuel procurement practices for the last six months of the period under review, from May 1, 2020, to October 31, 2020.

Base Fuel Cost

BREC proposes that the current base fuel cost remains unchanged at the cost of \$0.020932¹ per kilowatt-hour (kWh), retaining the current base month of October 2010.² BREC states that the history of its monthly FAC factor during the period under review and its projections of its monthly FAC factor for 2021 and 2022 support no change to the base fuel cost.³ The current base fuel amount of \$0.020932 falls between the lowest and highest monthly fuel costs for the period under review. BREC also asserts that its member cooperatives do not favor a change in the base fuel rate.⁴

When establishing the appropriate level of base fuel cost to be included in BREC's rates, the Commission must determine whether the proposed base period cost per kWh is representative of the level of fuel cost currently being experienced by BREC. An analysis of BREC's monthly fuel clause filings shows that the fuel cost billed for the two-year review period range from a low of \$0.017802⁵ per kWh in April 2020 to a high of \$0.023611⁶ per kWh in October 2019 with an average cost billed for the period of \$0.020922 per kWh.⁷ Based upon its review, the Commission finds that BREC's proposed base period fuel cost of \$0.020932 per kWh should be approved.

¹ BREC's Response to Commission Staff's Initial Request for Information (Staff's First Request), (filed Mar. 22, 2021), Item 22.

² BREC last made a change to the fuel cost included in base rates in Case No. 2010-00495, *An Examination of the Application of the Fuel Adjustment Clause of Big Rivers Electric Corporation from July 17, 2009 through October 31, 2010* (Ky. PSC May 31, 2011).

³ BREC's Response to Staff's First Request, (filed Mar. 22, 2021), Item 22.

⁴ *Id.* at 4.

⁵ *Id.*, Item 22 Attachment 1.

⁶ *Id.*

⁷ *Id.*

IT IS THEREFORE ORDERED that:

1. The charges and credits applied by BREC through the FAC for the period from November 1, 2018, through October 31, 2020, are approved.
2. BREC's continued use of the existing base fuel cost of \$0.020932 per kWh is approved.
3. This case is closed and removed from the Commission's docket.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

By the Commission



ATTEST:


Executive Director

*Big Rivers Electric Corporation
201 Third Street
P. O. Box 24
Henderson, KY 42420

*Big Rivers Electric Corporation
Big Rivers Electric Corporation
201 Third Street
P. O. Box 24
Henderson, KY 42420

*Tyson Kamuf
Corporate Attorney
Big Rivers Electric Corporation
201 Third Street
P. O. Box 24
Henderson, KY 42420