

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN ELECTRONIC EXAMINATION BY THE	)	
PUBLIC SERVICE COMMISSION OF THE	)	
ENVIRONMENTAL SURCHARGE MECHANISM	)	
OF EAST KENTUCKY POWER COOPERATIVE,	)	
INC. FOR THE SIXTH-MONTH EXPENSE	)	
PERIODS ENDING NOVEMBER 30, 2019, MAY	)	CASE NO.
31, 2020, NOVEMBER 30, 2020, AND	)	2022-00141
NOVEMBER 30, 2021, THE TWO-YEAR	)	
EXPENSE PERIOD ENDING MAY 31, 2021, AND	)	
THE PASS-THROUGH MECHANISM OF ITS	)	
SIXTEEN MEMBER DISTRIBUTION	)	
COOPERATIVES	)	

ORDER

On April 18, 2024, East Kentucky Power Cooperative, Inc. (EKPC) filed a motion for rehearing or clarification on the final Order<sup>1</sup> in this matter. As part of that filing, EKPC included additional documentation in Excel format related to the rate of return for each review period. On May 7, 2024, the Commission issued an Order granting rehearing on the appropriate rate of return for each period and resolved all other issues in that Order.

Having reviewed the record, the Commission finds that the rate of returns as proposed by EKPC in the rehearing motion, incorporated in this Order as an Appendix should be accepted. The proposed rates most accurately reflect the interest rates at the

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<sup>1</sup> Order (Ky. PSC Mar. 29, 2024).

time, and the effect on the rate of return, in light of a related Order<sup>2</sup> issued by the Commission prior to the March 29, 2024 final Order issued in this matter. The Commission finds that the rates of return in the Appendix result in fair, just and reasonable rates. EKPC stated that, should the Commission accept the proposed rates on rehearing, it would result in an under-recovery of \$10,471,705.<sup>3</sup>

As to the three-month period from November 2023 to January 2024, the Commission finds that EKPC can apply the rate of return set forth in the Appendix until January 10, 2024. The final Order in Case No. 2023-00177 was issued on January 11, 2024, establishing the current rate of return.<sup>4</sup> Recognizing that the differences in the rate of return may impact the total under-recovery estimated by EKPC, the Commission finds that EKPC should file notice of the actual under-recovery based on the Order within 20 days of service of this Order, including a monthly recovery amount. The Commission also finds that the proposed amortization of the under-recovery over 12 months in equal increments is appropriate and should be accepted.

IT IS THEREFORE ORDERED that:

1. The rates of return proposed by EKPC should be accepted; however, the last period of review 's rate of return shall end January 10, 2024.
2. The rates of return in the Appendix should be accepted and reflect the shortened period.

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<sup>2</sup> Case No. 2023-00177, *Electronic Application of East Kentucky Power Cooperative, Inc. for Approval to Amend Its Environmental Compliance Plan and Recover Costs Pursuant to Its Environmental Surcharge, and for Issuance of Certificates of Public Convenience and Necessity and Other Relief* (Ky. PSC Jan. 11, 2024) Order.

<sup>3</sup> EKPC's Motion for Rehearing or Clarification (filed Apr. 18, 2024) at unnumbered PDF page 6.

<sup>4</sup> Case No. 2023-00177, Jan. 11, 2024 Order at 38, Rate of Return 6.487%.

3. The under-recovery should be amortized over a 12-month period and recovered in equal increments over that period.

4. Within 20 days of service of this Order, EKPC shall file notice of the actual under-recovery based on the rates in the Appendix as well as the monthly incremental amount in post case correspondence referencing this case number.

5. EKPC does not need to make a tariff filing to reflect the rates in the Appendix.


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

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PUBLIC SERVICE COMMISSION

  
\_\_\_\_\_  
Chairman

\_\_\_\_\_  
Vice Chairman

  
\_\_\_\_\_  
Commissioner

*by AH  
with permission*

ENTERED  
AUG 09 2024  
rCS  
KENTUCKY PUBLIC  
SERVICE COMMISSION

ATTEST:

  
\_\_\_\_\_  
Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2022-00141 DATED AUG 09 2024

Proposed Rate of Return by Period

6-months ending May 31, 2022  Rate as of 11/30/21	6-months ending November 30, 2022  Rate as of 5/31/22	6-months ending May 31, 2023  Rate as of 11/30/22	6-months ending November 30, 2023  Rate as of 5/31/23	The period December 1, 2023 through Jan. 10, 2024
4.894%	4.918%	6.164%	6.747%	6.481%

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