

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN ELECTRONIC EXAMINATION OF THE	)	
APPLICATION OF THE FUEL ADJUSTMENT	)	
CLAUSE OF EAST KENTUCKY POWER	)	CASE NO.
COOPERATIVE, INC. COOPERATIVES FROM	)	2023-00014
NOVEMBER 1, 2020 THROUGH OCTOBER 31,	)	
2022	)	

ORDER

Pursuant to 807 KAR 5:056, the Commission, on September 6, 2023, established this case to review and evaluate the application of the Fuel Adjustment Clause (FAC) of: Big Sandy Rural Electric Cooperative Corporation; Blue Grass Energy Cooperative Corporation; Clark Energy Cooperative, Inc.; Cumberland Valley Electric, Inc.; Farmers Rural Electric Cooperative Corporation; Fleming-Mason Energy Cooperative, Inc.; Grayson Rural Electric Cooperative Corporation; Inter-County Energy Cooperative Corporation; Jackson Energy Cooperative Corporation; Licking Valley Rural Electric Cooperative Corporation; Nolin Rural Electric Cooperative Corporation; Owen Electric Cooperative, Inc.; Salt River Electric Cooperative Corporation; Shelby Energy Cooperative, Inc.; South Kentucky Rural Electric Cooperative Corporation; and Taylor County Rural Electric Cooperative Corporation (collectively, Cooperatives or individually, Cooperative) for the two-year period from November 1, 2020, through October 31, 2022.

In establishing this review, the Commission ordered each Cooperative to individually submit certain information and an affidavit attesting to its adherence to 807 KAR 5:056. On November 20, 2023, a hearing was scheduled for January 4, 2024. In

that Order,<sup>1</sup> the Cooperatives were required to publish public notice no less than seven days or more than 21 days prior to the public hearing and file with the Commission an Affidavit of Publication of Hearing Notice with the Commission no later than January 3, 2024. If no interested party files written notice of its intent to attend the hearing with the Commission by December 27, 2023, the public hearing would be canceled, and the matter would be considered submitted for decision based on the evidence in the record. Having received no written notice of intent to attend the hearing from interest parties, the Commission canceled the January 4, 2024 evidentiary hearing.

On May 6, 2024, the Commission issued an Order<sup>2</sup> approving certain rates, charges, and credits through the FAC for the Cooperatives for the period under review. Subsequently, on May 28, 2024, the Cooperatives filed a motion for rehearing and/or clarification pursuant to KRS 278.400,<sup>3</sup> a motion for extension of time,<sup>4</sup> and a motion to schedule informal conference<sup>5</sup> in regard to the FAC rates approved in the Commission's May 6, 2024 Order. On May 31, 2024, the Commission issued an Order<sup>6</sup> granting the relief requested in the three May 28, 2024 motions filed by the Cooperatives. An informal conference (IC) between Commission Staff and representatives of the Cooperatives was held on June 3, 2024, to discuss the Order issued on May 6, 2024. Thereafter, on June 4, 2024, Commission Staff issued the First Rehearing Request for Information, and the

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<sup>1</sup> Order (Ky. PSC Nov. 20, 2023), ordering paragraph 4.

<sup>2</sup> Order (Ky. PSC May 6, 2024).

<sup>3</sup> Cooperatives' Motion for Rehearing and/or Clarification (filed May 28, 2024).

<sup>4</sup> Cooperatives' Motion for Extension of Time (filed May 28, 2024).

<sup>5</sup> Cooperatives' Motion to Schedule Informal Conference (filed May 28, 2024).

<sup>6</sup> Order (Ky. PSC May 31, 2024).

Cooperatives filed their individual responses. There are no intervenors in these proceedings.

Having considered the evidence of record and being otherwise sufficiently advised, the Commission finds that the rates listed herein should be approved. The Commission notes that each Cooperative filed updated line loss percentages and reconciled any discrepancies between Commission Staff's First Request for Information<sup>7</sup> in this case and the Cooperatives' FAC Form A monthly filings which, in several instances, contained different line loss percentages for the same periods. Therefore, rates for each Cooperative changed due to the correct methodology<sup>8</sup> being utilized and updated, reconciled line loss percentages being used.

IT IS THEREFORE ORDERED that:

1. The charges and credits applied by each individual Cooperative through the FAC for the period from November 1, 2020, through October 31, 2022, are approved.
2. For service rendered on or after September 1, 2024, each individual Cooperative shall increase to its base energy rates, adjusted for line loss, to reflect the increase of \$0.01125 per kWh by East Kentucky Power Cooperative, Inc. (EKPC) in Case No. 2023-00009.<sup>9</sup>

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<sup>7</sup> Order (Ky. PSC Sept. 6, 2023), Appendix B, Commission Staff's First Request for Information.

<sup>8</sup> The correct methodology is as follows: 1) propose a new base rate; 2) determine the 12-month average line loss for the 2-year period; 3) take 1 minus the line loss; and 4) take the new proposed base rate and divide it by the 1 minus line loss percentage equals the new amount to roll into base rates. The original final Order methodology did not include the appropriate step 3 and step 4.

<sup>9</sup> Case No. 2023-00009, *An Electronic Examination of the Application of the Fuel Adjustment Clause of East Kentucky Power Cooperative, Inc. from November 1, 2020 Through October 31, 2022* (Ky. PSC May 6, 2024), final Order.

3. Big Sandy Rural Electric Cooperative Corporation shall increase its base energy rates by \$0.01187 per kWh to reflect the reestablishment of fuel base costs for EKPC as approved in Case No. 2023-00009, adjusted for line loss. The increase in base energy rates shall be in effect service rendered on or after September 1, 2024.

4. Blue Grass Energy Cooperative Corporation shall increase its base energy rates by \$0.01181 per kWh to reflect the reestablishment of fuel base costs for EKPC as approved in Case No. 2023-00009, adjusted for line loss. The increase in base energy rates shall be in effect service rendered on or after September 1, 2024.

5. Clark Energy Cooperative, Inc. shall increase its base energy rates by \$0.01178 per kWh to reflect the reestablishment of fuel base costs for EKPC as approved in Case No. 2023-00009, adjusted for line loss. The increase in base energy rates shall be in effect service rendered on or after September 1, 2024.

6. Cumberland Valley Electric, Inc. shall increase its base energy rates by \$0.01179 per kWh to reflect the reestablishment of fuel base costs for EKPC as approved in Case No. 2023-00009, adjusted for line loss. The increase in base energy rates shall be in effect service rendered on or after September 1, 2024.

7. Farmers Rural Electric Cooperative Corporation shall increase its base energy rates by \$0.01185 per kWh to reflect the reestablishment of fuel base costs for EKPC as approved in Case No. 2023-00009, adjusted for line loss. The increase in base energy rates shall be in effect service rendered on or after September 1, 2024.

8. Fleming-Mason Energy Cooperative, Inc. shall increase its base energy rates by \$0.01169 per kWh to reflect the reestablishment of fuel base costs for EKPC as

approved in Case No. 2023-00009, adjusted for line loss. The increase in base energy rates shall be in effect service rendered on or after September 1, 2024.

9. Grayson Rural Electric Cooperative Corporation shall increase its base energy rates by \$0.01179 per kWh to reflect the reestablishment of fuel base costs for EKPC as approved in Case No. 2023-00009, adjusted for line loss. The increase in base energy rates shall be in effect service rendered on or after September 1, 2024.

10. Inter-County Energy Cooperative Corporation shall increase its base energy rates by \$0.01163 per kWh to reflect the reestablishment of fuel base costs for EKPC as approved in Case No. 2023-00009, adjusted for line loss. The increase in base energy rates shall be in effect service rendered on or after September 1, 2024.

11. Jackson Energy Cooperative Corporation shall increase its base energy rates by \$0.01182 per kWh to reflect the reestablishment of fuel base costs for EKPC as approved in Case No. 2023-00009, adjusted for line loss. The increase in base energy rates shall be in effect service rendered on or after September 1, 2024.

12. Licking Valley Rural Electric Cooperative Corporation shall increase its base energy rates by \$0.01201 per kWh to reflect the reestablishment of fuel base costs for EKPC as approved in Case No. 2023-00009, adjusted for line loss. The increase in base energy rates shall be in effect service rendered on or after September 1, 2024.

13. Nolin Rural Electric Cooperative Corporation shall increase its base energy rates by \$0.01180 per kWh to reflect the reestablishment of fuel base costs for EKPC as approved in Case No. 2023-00009, adjusted for line loss. The increase in base energy rates shall be in effect service rendered on or after September 1, 2024.

14. Owen Electric Cooperative, Inc. shall increase its base energy rates by \$0.01165 per kWh to reflect the reestablishment of fuel base costs for EKPC as approved in Case No. 2023-00009, adjusted for line loss. The increase in base energy rates shall be in effect service rendered on or after September 1, 2024.

15. Salt River Electric Cooperative Corporation shall increase its base energy rates by \$0.01170 per kWh to reflect the reestablishment of fuel base costs for EKPC as approved in Case No. 2023-00009, adjusted for line loss. The increase in base energy rates shall be in effect service rendered on or after September 1, 2024.

16. Shelby Energy Cooperative, Inc. shall increase its base energy rates by \$0.01160 per kWh to reflect the reestablishment of fuel base costs for EKPC as approved in Case No. 2023-00009, adjusted for line loss. The increase in base energy rates shall be in effect service rendered on or after September 1, 2024.

17. South Kentucky Rural Electric Cooperative Corporation shall increase its base energy rates by \$0.01181 per kWh to reflect the reestablishment of fuel base costs for EKPC as approved in Case No. 2023-00009, adjusted for line loss. The increase in base energy rates shall be in effect service rendered on or after September 1, 2024.

18. Taylor County Rural Electric Cooperative Corporation shall increase its base energy rates by 0.01194 per kWh to reflect the reestablishment of fuel base costs for EKPC as approved in Case No. 2023-00009, adjusted for line loss. The increase in base energy rates shall be in effect service rendered on or after September 1, 2024.


19. Within 20 days of the date of entry of this Order, each individual Cooperative shall file, using the Commission's electronic Tariff Filing System, its revised tariff sheets

with the Commission setting out the increase in its base energy rates discussed herein and reflecting that they were approved pursuant to this Order.

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

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PUBLIC SERVICE COMMISSION

  
\_\_\_\_\_  
Chairman

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

  
\_\_\_\_\_  
Commissioner



ATTEST:

  
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Executive Director



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