

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF SHELBY)	
ENERGY COOPERATIVE, INC. FOR A GENERAL)	CASE NO.
ADJUSTMENT OF RATES PURSUANT TO)	2023-00213
STREAMLINED PROCEDURE PILOT PROGRAM)	
ESTABLISHED IN CASE NO. 2018-00407)	

ORDER

This matter arises from Shelby Energy Cooperative Inc.'s (Shelby Energy) application for a general adjustment of rates pursuant to the amended "streamlined procedure" pilot program established in Case No. 2018-00407.¹ Shelby Energy's application was deemed filed as of August 17, 2023, in an Order that also established a procedural schedule.² Pursuant to the "streamlined procedure," the Attorney General of the Commonwealth of Kentucky, through the Office of Rate Intervention (Attorney General) was made a party to the case and is the only intervenor in the case.

On October 17, 2023, a final Order was entered in this case, setting rates approved for services rendered by Shelby Energy pursuant to the amended "streamlined procedure" pilot program with an effective date on or after the service date of the Order.³ The Order also directed Shelby Energy to file with the Commission, using the Commission's electronic Tariff Filing System, new tariff sheets setting forth the rates and

¹ Case No. 2018-00407, *A Review of the Rate Case Procedure for Electric Distribution Cooperatives* (Ky. PSC Dec. 20, 2019).

² Order (Ky. PSC Aug. 17, 2023).

³ Order (Ky. PSC Oct. 17, 2023).

charges approved in the Order within 20 days of the service date of the Order. Shelby Energy subsequently filed two motions on November 6, 2023; a motion for rehearing and a motion for extension of time to file its revised tariff sheets.⁴ In its motion for extension of time, Shelby Energy specifically stated that:

Shelby Energy does not plan to put new rates into effect until an Order is issued on its Motion for Rehearing. Shelby Energy believes that putting the approved rates from Appendix B into effect now, and possibly having its Motion for Rehearing granted, which will again raise the approved rates, will cause confusion for its members and may look as if Shelby Energy received two rate increases in a very short period of time.⁵

On November 20, 2023, the Commission entered an Order granting Shelby Energy's request for an extension of time to file its revised tariff sheets and stated in that Order that "based on Shelby Energy's statements in its motion, no new rates will be put into effect until an Order is issued on Shelby Energy's motion for rehearing."⁶ On November 22, 2023, an Order was entered granting, in part, Shelby Energy's request for rehearing.⁷

On February 16, 2024, Shelby Energy submitted a notice to put rates into effect pursuant to KRS 278.190(2) subject to refund because it stated that there has not been a final Order in this matter to date, and the delay in implementing a rate increase has

⁴ Shelby Energy's Motion for Rehearing (filed Nov. 6, 2023). Shelby Energy's Motion for Extension (filed Nov. 6, 2023).

⁵ Shelby Energy's Motion for Extension (filed Nov. 6, 2023).

⁶ Order (Ky. PSC Nov. 20, 2023).

⁷ Order (Ky. PSC Nov 22, 2023).

caused further financial strain due the fact that Shelby Energy has already missed the majority of increased heating season rates waiting on a decision in this matter.⁸

KRS 278.190(2) governs only new schedules of rates filed prior to the entry of a final order, which can be put into effect at the end of the suspension period subject to refund. Accordingly, that statute is not applicable to Shelby Energy because a Final Order was entered in this case on October 17, 2023. Furthermore, a matter taken up on rehearing pursuant to KRS 278.400 does not suspend the rates set by the Commission in the final Order. The rates in the October 17, 2023 final Order have been found by the Commission to be fair, just and reasonable. The sole reason the final Order rates have not been implemented is Shelby Energy's motion for extension of time filed on November 6, 2023, requesting that the Commission take up its request not to implement Commission approved rates until a rehearing order is entered. Shelby Energy's motion states that the time it has waited for a rehearing final order has caused financial strain. However, given that the Commission met the 75-day timeline from the date of the application until a Final Order was entered pursuant to the "streamlined procedure" pilot program, and that the parties in the case have submitted recommendations to submit the rehearing matter based on the record within the last two months, the entire process has moved at an extremely expedited pace. Future consideration should be strongly given as to whether the amended "streamlined procedure" is appropriate if the financial situation of the utility is in such dire condition.

The Commission finds that the notice provided by Shelby Energy is deficient as to KRS 278.190(2) given that a final Order has been issued in this case. However, the

⁸ Shelby Energy's Notice to Put Rates into Effect (filed Feb. 16, 2024).

Commission will treat this notice as a request by Shelby Energy to put the rates approved by the Commission in the October 17, 2023 final Order into effect. The October 17, 2023 final Order rates are not subject to refund because they have been approved by the Commission and found to be fair, just and reasonable. Additionally, because those rates are not subject to refund, implementation of those rates will require that Shelby Energy file revised tariff sheets within 20 days of this Order.

IT IS THEREFORE ORDERED that:

1. Shelby Energy's notice to put rates into effect pursuant to KRS 278.190(2) is deficient.

2. Shelby Energy's notice to put rates into effect will be interpreted as a request to put the fair, just and reasonable rates set forth in the Commission's October 17, 2023 final Order into effect on March 16, 2024.

3. Shelby Energy's request to put the rates set forth by the Commission's October 17, 2023 final Order into effect on March 16, 2024, is hereby granted.

4. Within 20 days of the date of service of this Order, Shelby Energy shall file with the Commission, using the Commission's electronic Tariff Filing System, new tariff sheets setting forth the rates and charges approved in the October 17, 2023 final Order and reflecting its effective date and that it was authorized by that Order.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner



ATTEST:


Executive Director

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