

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC TARIFF FILING OF EAST	)	
KENTUCKY POWER COOPERATIVE, INC. TO	)	CASE NO.
UPDATE ITS ENVIRONMENTAL SURCHARGE	)	2024-00048
TARIFF	)	

ORDER

On January 30, 2024, the East Kentucky Power Cooperative, Inc. (EKPC) filed with the Commission to revise its Environmental Surcharge tariff to reflect an updated Base Environmental Surcharge Factor (BESF) effective March 1, 2024.<sup>1</sup> On February 29, 2024, the Commission suspended the proposed tariff revision, for one day, up to and including March 2, 2024.<sup>2</sup>

LEGAL STANDARD

The Commission has exclusive jurisdiction over the regulation of rates and service of utilities in Kentucky.<sup>3</sup> Kentucky law provides that a utility may demand, collect and receive fair, just and reasonable rates<sup>4</sup> and that the service it provides must be adequate, efficient and reasonable.<sup>5</sup> KRS 278.190 permits the Commission to investigate any schedule of new rates to determine its reasonableness.

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<sup>1</sup> EKPC Tariff Filing (filed Feb. 29, 2024).

<sup>2</sup> Order (Ky. PSC Feb. 29, 2024).

<sup>3</sup> KRS 278.040(2).

<sup>4</sup> KRS 278.030(1).

<sup>5</sup> KRS 278.030(2).

## BACKGROUND

The proposed updated BESF is the result of summing the sources for the BESF in Case No. 2022-00141<sup>6</sup> and the BESF proposed in Case No. 2023-00177.<sup>7</sup> A final Order was issued in Case No. 2023-00177 on January 11, 2024.<sup>8</sup> A final Order on rehearing was issued in Case No. 2022-00141 on August 9, 2024.<sup>9</sup> EKPC filed notice pursuant to KRS 278.190(2) that it will place the revised Environmental Surcharge tariff into effect beginning with service rendered in March for bills rendered on or after April 1, 2024, and maintain its records in a way that will allow it to calculate the credit should the Commission revised the BESF rate.<sup>10</sup>

## DISCUSSION

EKPC's proposed BESF amendments could not be properly addressed by the Commission until the rate of return (ROR) had been approved in the aforementioned Orders in Case Nos. 2023-00177 and 2022-00141.

Based on the evidence of record, the Commission concludes that the proposed adjustment by EKPC to calculate its BESF rate in order to credit EKPC's members for

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<sup>6</sup> Case No. 2022-00141, *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 February 28, 2020, August 31, 2020, February 28, 2021, August 31, 2021, and February 28, 2022, the Two-Year Expense Period Ending August 31, 2021, and the Pass-Through Mechanism of Its Sixteen Member Distribution Cooperatives* (Ky. PSC Aug. 9, 2024).

<sup>7</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).

<sup>8</sup> Case No. 2023-00177, Jan. 11, 2024 final Order.

<sup>9</sup> Case No. 2022-00141, Aug. 9, 2024 Order.

<sup>10</sup> Notice to Put Tariff Into Effect (filed Mar. 4, 2024). EKPC stated that implementing the tariff on a day other than the first day of the month creates issues for its customer accounting and therefore gave notice that the revised Environmental Surcharge tariff would be implemented the following month.

items already recovered through base rates and to avoid double recovery are acceptable. For this reason, the Commission finds that the revised tariff proposed by EKPC to update its BESF to 0.34 percent is reasonable and should be approved.

IT IS THEREFORE ORDERED that:

1. EKPC's proposed BESF of 0.34 percent is approved.
2. EKPC shall use a BESF of 0.34 percent in all monthly environmental surcharge filings subsequent to the date of this Order.
3. Within 20 days of the date of service of this Order, EKPC shall file with the Commission, using the Commission's electronic Tariff Filing System, new tariff sheets setting forth the rate and charge approved by this Order and its effective date, and also stating that the rate and charge were authorized by this Order.
4. This case is closed and removed from the Commission's docket.

PUBLIC SERVICE COMMISSION

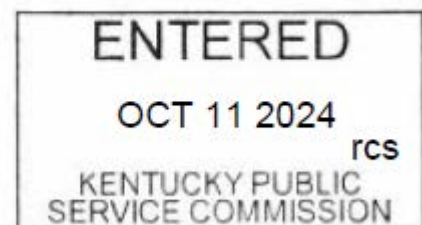
  
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Chairman

  
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Commissioner

  
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Commissioner

ATTEST:

  
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Executive Director



Case No. 2024-00048

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