

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF JACKSON)	
PURCHASE ENERGY CORPORATION FOR A)	CASE NO.
GENERAL ADJUSTMENT OF RATES AND)	2024-00085
OTHER GENERAL RELIEF)	

ORDER

This matter arises from Jackson Purchase Energy Corporation’s (Jackson Purchase Energy) application for a general rate adjust adjustment based on a historical test period. Jackson Purchase Energy’s application was deemed filed on May 1, 2024, and on May 14, 2024, the Commission entered an Order suspending Jackson Purchase Energy’s proposed rates for five months up to and including November 1, 2024, and establishing a procedural schedule.¹ The Attorney General by and through the Office of Rate Intervention is the only intervenor in the matter and was granted intervention on May 21, 2024.²

On November 6, 2024, Jackson Purchase Energy filed a notice stating that it intended to place rates proposed into effect for bills rendered on, or after January 1, 2025, if a final order has not been entered by the Commission and requested permission to implement a corrected rate.³ Jackson Purchase Energy states that the motion to

¹ Order (Ky. PSC May 14, 2024).

² Order (Ky. PSC May 21, 2024).

³ Jackson Purchase Energy’s Notice of Intent to Place Rates into Effect Pursuant to KRS 278.190(2) and Motion to Implement Corrected Rate (filed Nov. 6, 2024).

implement a corrected rate is due to an error in Jackson Purchase Energy's original revenue requirement.⁴ Jackson Purchase Energy stated that the adjustment for the test-year expense of Donations, Promotional Advertisements, and Dues should have been decreased by \$455,666; however, Jackson Purchase Energy mistakenly increased this adjustment by that amount, and the result was an inclusion of \$911,331 in the revenue requirement.⁵ Jackson Purchase Energy stated that the error changes the requested revenue increase from \$5,586,197 to \$4,674,866, and Jackson Purchase Energy seeks to implement a rate that reflects the removal of \$455,666.⁶

KRS 278.190(2) allows the Commission to suspend a utility's proposed rates pending a hearing and decision on the rates for up to five months if a historical test period is used. "If the proceeding has not been concluded and an order made at the expiration of five (5) months . . . , the utility may place the proposed change of rate, charge, classification, or service in effect at the end of that period after notifying the commission, in writing, of its intention so to do."⁷ The Commission may require a utility that provides such notice to maintain records that will allow the utility, the Commission, or any customer to determine the amounts to be refunded, and to whom, in the event a refund is ordered upon final resolution of the case.⁸ Further, upon final resolution, the Commission may

⁴ Jackson Purchase Energy's Notice of Intent to Place Rates into Effect Pursuant to KRS 278.190(2) and Motion to Implement Corrected Rate (filed Nov. 6, 2024) at 2.

⁵ Jackson Purchase Energy's Notice of Intent to Place Rates into Effect Pursuant to KRS 278.190(2) and Motion to Implement Corrected Rate (filed Nov. 6, 2024) at 2.

⁶ Jackson Purchase Energy's Notice of Intent to Place Rates into Effect Pursuant to KRS 278.190(2) and Motion to Implement Corrected Rate (filed Nov. 6, 2024) at 2–3.

⁷ KRS 278.190(2).

⁸ KRS 278.190(2).

order a refund to the extent the rates approved in the final Order are lower than rates proposed by the utility and placed into effect pursuant to KRS 278.190(2).⁹

Jackson Purchase Energy provided notice that it would place its proposed rates into effect pursuant to KRS 278.190(2) on January 1, 2025, while also requesting to place the most correct rates into effect to alleviate shock to customers during the winter heating season and to mitigate any refunds that may be necessary at the conclusion of these proceedings.¹⁰

While the Commission understands why Jackson Purchase Energy would seek to place into effect rates reflecting the mistake discovered, pending a final decision and subject to refund, doing so is inconsistent with KRS 278.190(2). KRS 278.190(2) contemplates a utility proposing a schedule adjusting rates; the Commission suspending the proposed rates, if necessary, for a period pending a final decision; and the utility placing the proposed rates into effect, subject to refund, at the end of the suspension period. Further, KRS 278.190(2) only permits a utility to place rates that have been proposed and suspended into effect pending a final decision after providing the Commission written notice of its intention to do so. Therefore, the corrected rates are not the rates proposed by Jackson Purchase Energy in its application pursuant to KRS Chapter 278 and suspended pursuant to KRS 278.190(2). However, the Commission finds that Jackson Purchase Energy provided proper notice that it would place its proposed rates, suspended by the Commission on May 14, 2024, into effect pursuant to KRS 278.190(2).

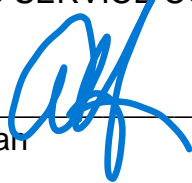
⁹ KRS 278.190(2).

¹⁰ Jackson Purchase Energy's Notice of Intent to Place Rates into Effect Pursuant to KRS 278.190(2) and Motion to Implement Corrected Rate (filed Nov. 6, 2024) at 2.

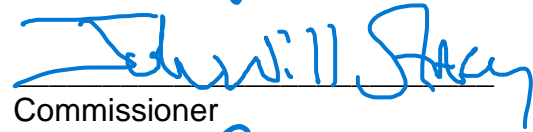
IT IS THEREFORE ORDERED that:

1. Jackson Purchase Energy's motion to implement the corrected rate is denied.
2. Jackson Purchase Energy provided notice that it would place its proposed rates, suspended by the Commission on May 14, 2024, into effect pursuant to KRS 278.190(2) on January 1, 2025, with its bills rendered on or after that date.
3. Pursuant to KRS 278.190(2), Jackson Purchase Energy shall maintain its records in such manner as will allow it, the Commission, or any customer to determine the amounts to be refunded, and to whom, in the event a refund is ordered upon final resolution of this matter.

PUBLIC SERVICE COMMISSION



Chairman



Commissioner



Commissioner

ATTEST:



Executive Director

ENTERED
NOV 27 2024 AH
KENTUCKY PUBLIC
SERVICE COMMISSION

*L. Allyson Honaker
Honaker Law Office, PLLC
1795 Alysheba Way
Suite 1203
Lexington, KENTUCKY 40509

*Jackson Purchase Energy Corporation
6525 US Highway 60 W
Paducah, KY 42001

*Angela M Goad
Assistant Attorney General
Office of the Attorney General Office of Rate
700 Capitol Avenue
Suite 20
Frankfort, KENTUCKY 40601-8204

*Meredith Kendall
Jackson Purchase Energy Corporation
6525 US Highway 60 W
Paducah, KY 42001

*Brittany H. Koenig
Honaker Law Office, PLLC
1795 Alysheba Way
Suite 1203
Lexington, KENTUCKY 40509

*Michael West
Office of the Attorney General Office of Rate
700 Capitol Avenue
Suite 20
Frankfort, KENTUCKY 40601-8204

*Greg Grissom
Jackson Purchase Energy Corporation
6525 US Highway 60 W
Paducah, KY 42001

*Heather Temple
Honaker Law Office, PLLC
1795 Alysheba Way
Suite 1203
Lexington, KENTUCKY 40509

*John Horne
Office of the Attorney General Office of Rate
700 Capitol Avenue
Suite 20
Frankfort, KENTUCKY 40601-8204

*Larry Cook
Assistant Attorney General
Office of the Attorney General Office of Rate
700 Capitol Avenue
Suite 20
Frankfort, KENTUCKY 40601-8204