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 COOPERATIVE, INC. FROM NOVEMBER 1, 2022 THROUGH OCTOBER 31, 2024	)))))	CASE NO. 2025-00339

ORDER

Pursuant to 807 KAR 5:056, the Commission, on December 19, 2025, established this case to review and evaluate the operation of the Fuel Adjustment Clause (FAC) of East Kentucky Power Cooperative, Inc. (EKPC) for the period of November 1, 2022, through October 31, 2024, and to determine the amount of fuel costs that should be included in its base rates.[1]

In establishing this review, the Commission ordered EKPC to submit certain information concerning its fuel procurement, fuel usage, and the operation of its FAC. EKPC filed responses to three requests from Commission Staff[2] and submitted a motion to submit the case for a decision based upon the existing record.[3] There are no intervenors in this proceeding.

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[1] Opening Order (Ky. PSC Dec. 29, 2025).

[2] EKPC's response to Commission Staff's First Request for Information (Staff's First Request) (filed Jan. 23, 2026); EKPC's response to Commission Staff's Second Request for Information (Staff's Second Request) (filed Feb. 20, 2026); and EKPC's response to Commission Staff's Third Request for Information (Staff's Third Request) (filed Mar. 11, 2026).

[3] EKPC's Motion to Submit on the Record (filed May 26, 2026).

LEGAL STANDARD

The FAC is a regulatory mechanism that permits jurisdictional utilities to regularly adjust the per unit price of electricity to reflect fluctuations in the cost of fuel, or purchased power, used to supply that electricity as established in 807 KAR 5:056. The statutory foundations for the regulation are KRS 278.480, which gives the Commission exclusive jurisdiction over the regulation of rates and services of utilities, and KRS 278.030(1), which grants the PSC the authority to set rates that are fair, just and reasonable. The Commission's right to conduct six-month and two-year reviews of a utility's FAC is established in 807 KAR 5:056, Section 3. Every two years the Commission shall conduct a formal review and evaluate past operations of the clause, disallow improper expenses and, to the extent appropriate, re-establish the baseline fuel clause charge.

DISCUSSION AND FINDINGS

Included in the two-year FAC review cases, the Commission conducts a six-month review of the last six months of the period under review, to examine the calculation or application of EKPC's FAC charges and fuel procurement practices. Having considered the evidence of record and being otherwise sufficiently advised, the Commission finds that during the period under review, EKPC has complied with the provisions of 807 KAR 5:056. The Commission further finds no evidence of improper calculation or application of EKPC's FAC charges or improper fuel procurement practices for the last six months of the period under review from May 1, 2024, to October 31, 2024.

Base Fuel Cost

EKPC proposed that the current base fuel cost remains unchanged at the fuel cost of $0.03749 per kWh,[4] retaining the current base month of October 2021.[5] EKPC explained that it expects to experience an increased power supply risk due to increasing loads within PJM Interconnection LLC (PJM) and in its own load and a lack-of-power-supply resources to serve that load. EKPC's peak energy needs are growing 1.3 percent annually, driven primarily by three consecutive winter peak periods: Winter Storms Elliott in December 2022, Gerri in January 2024 and Enzo in January 2025.[6] Over the next two years, any excess PJM capacity is expected to be taken by data center load growth. To offset the risk of any excess capacity and energy that EKCP may procure at discounted prices, it is building new generation assets in order to offset PJM's increasing market pricing volatility.[7] Due to the expectation that the fuel market will not soften over the next two years, EKPC proposed that its FAC base expense month should be maintained at its current level, which is below the average total fuel cost for the 24-month period under review.[8]

When establishing the appropriate level of base fuel cost to be included in EKPC's rates, the Commission must determine whether the proposed base period cost per kWh is representative of the level of fuel cost currently being experienced by EKPC. An

[4] EKPC's Response to Staff's First Request for Information (Staff's First Request) Item 26.

[5] 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) Order at 2.

[6] Direct Testimony of Christopher E. Adams (Adams Direct Testimony) at 3.

[7] Adams Direct Testimony at 3.

[8] EKPC's Response to Staff's First Request, Item 23, page 1 of 2.

analysis of EKPC's monthly FAC filings shows that the total fuel cost for the two-year review period ranged from a low of $0.02874 per kWh in March 2024[9] to a high of $0.04879 per kWh in December 2022.[10] The two-year average fuel rate was $0.03553 per kWh and is $0.00196 per kWh less than the current base fuel rate. The current base fuel amount of $0.03749 per kWh falls between the lowest and highest monthly fuel costs for the period under review. Based upon its review, the Commission finds that EKPC's proposal to maintain its current base fuel cost of $0.03749 per kWh should be approved.

Motion for Confidential Treatment

On January 23, 2026, EKPC filed a motion seeking confidential treatment for four attachments and a portion of its response to Commission Staff's First Request for Information (Staff's First Request), Item 46.[11]

In response to Staff's First Request, Item 4, EKPC provided two attachments, Response 4a- Coal Solicitations and Response 4b- Solicitation Bid Tabs that contain bid tabulation sheets from the solicitations of coal during the time at issue.[12] Additionally, EKPC requested confidential treatment to its Fuel & Emissions Department Procurement Manual that it provided in response to Staff's First Request, Item 11(b).[13] Lastly, EKPC requested confidential treatment to a portion of its response to Staff's First Request,

[9] EKPC's FAC Form A, expense month March 2024 (filed. Apr. 19, 2024). EKPC's Generator FAC form A filings are located on the Kentucky Public Service Commission's website at https://psc.ky.gov/Home/Library?type=FAC.

[10] EKPC's FAC Form A, expense month December 2022 (filed. Jan. 20, 2023). EKPC's Generator FAC form A filings are located on the Kentucky Public Service Commission's website at https://psc.ky.gov/Home/Library?type=FAC.

[11] EKPC's Motion for Confidential Treatment (Motion for Confidential Treatment) (filed Jan. 23, 2026) at 1.

[12] Motion for Confidential Treatment at 1.

[13] Motion for Confidential Treatment at 1.

Item 46 and the corresponding attachment, PSC DR1 Response 46- EKPC Gen Units Bid Status, which contain information regarding its generating units bid status and pricing into PJMs day ahead market.[14]

EKPC argued the documents should be exempt from public disclosure pursuant to KRS 61.878(1)(c)(1) because they contain extensive information regarding the business planning assumptions and procurement strategies.[15] Further, EKPC stated that disclosure of any of the information provided as part of its confidential request would lead to an unfair commercial advantage of its competitors and potential vendors.[16] EKPC requested that the above requested material receive confidential treatment for an indefinite period.[17]

Having considered the motion and the material at issue, the Commission finds that EKPC's motion for confidential treatment should be granted. The information reflects pricing and procurement strategies that, if disclosed, would unfairly disadvantage EKPC in the marketplace. The information provided is generally recognized as confidential or proprietary; it therefore meets the criteria for confidential treatment and should be exempted from public disclosure pursuant to 807 KAR 5:001, Section 13, and KRS 61.878(1)(c)(1) and will remain confidential for an indefinite period.

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[14] Motion for Confidential Treatment at 1.

[15] Motion for Confidential Treatment at 1.

[16] Motion for Confidential Treatment at 2.

[17] Motion for Confidential Treatment at 3.

IT IS THEREFORE ORDERED that:

1. The charges and credits applied by EKPC through the FAC for the period from November 1, 2022, through October 31, 2024, are approved.

2. EKPC's continued use of the existing base fuel cost of $0.03749 per kWh is approved.

3. EKPC's January 23, 2026 Motion for Confidential Treatment is granted.

4. Attachments PSC DR1 Response 4a, PSC DR 1 Response 4b, PSC DR 1 Response 11(b), and PSC DR 1 Response 46 and identified portions of DR 1 Response 46 are granted confidential treatment by this Order and shall not be placed in the public record or made available for public inspection for an indefinite period or until further order of this Commission.

5. Use of the designated material granted confidential treatment by this Order in any Commission proceeding shall comply with 807 KAR 5:001, Section 13(9).

6. If the designated material granted confidential treatment by this Order becomes publicly available or no longer qualifies for confidential treatment, EKPC shall inform the Commission and file with the Commission an unredacted copy of the designated material.

7. If a nonparty to this proceeding requests to inspect the material granted confidential treatment by this Order and the period during which the material has been granted confidential treatment has not expired, EKPC shall have 20 days from receipt of written notice of the request to demonstrate that the material still falls within the exclusions from disclosure requirements established in KRS 61.878. If EKPC is unable to make

such demonstration, the requested material shall be made available for inspection. Otherwise, the Commission shall deny the request for inspection.

8. The Commission shall not make the requested material available for inspection for 30 days from the date of service of an Order finding that the material no longer qualifies for confidential treatment in order to allow EKPC to seek a remedy afforded by law.

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

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Entered on this 18th day of August, 2026.

PUBLIC SERVICE COMMISSION

Angie Hatton
Chair

Mary Pat Regan
Vice Chair

Andrew W. Wood
Commissioner

Barry L. Mayfield
Commissioner

ATTEST:

Justin McNeil RP

Justin McNeil
Executive Director

Service List for Case 2025-00339

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* Denotes served by Email