

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF TAYLOR)	
COUNTY RURAL ELECTRIC COOPERATIVE)	CASE NO.
CORPORATION FOR PASS-THROUGH OF EAST)	2025-00209
KENTUCKY POWER COOPERATIVE, INC.'S)	
WHOLESALE RATE ADJUSTMENT)	

ORDER

On August 1, 2025, Taylor County Rural Electric Cooperative Corporation (Taylor RECC) filed an application to pass-through any wholesale rate adjustment granted to its wholesale supplier, East Kentucky Power Cooperative, Inc. (EKPC), in Case No. 2025-00208¹ pursuant to KRS 278.455(2) and 807 KAR 5:007. On December 5, 2025, Taylor RECC filed a revised schedule of proposed rates² to reflect developments in Case No. 2025-00208, including the filing of a Joint Stipulation and Settlement Agreement (Joint Settlement) in that proceeding.³

There are no intervenors in this proceeding. By Order entered August 15, 2025,⁴ Taylor RECC's proposed rates were suspended up to and including January 31, 2026.

¹ Case No. 2025-00208, *Electronic Application of East Kentucky Power Cooperative, Inc. for a General Adjustment of Rates, Approval of Depreciation Study, Amortization of Certain Regulatory Assets, and Other General Relief* (filed Aug. 1, 2025).

² Taylor RECC's Updated Response to Staff's First Request for Information (Updated Response to Staff's First Request) (filed Dec. 5, 2025).

³ Case No. 2025-00208, (filed Nov. 24, 2025), Joint Stipulation and Settlement Agreement and Testimony to Support.

⁴ Order (Ky. PSC, Aug. 15, 2025).

Taylor RECC responded to one request for information from Commission Staff.⁵ Taylor RECC filed a motion to submit this matter based upon the existing record on December 10, 2025.⁶ This matter now stands submitted for a decision.

LEGAL STANDARD

The review of Taylor RECC's application is governed by KRS 278.455, which provides that authorized increases and decreases to generation and transmission (G&T) cooperative's rates may be flowed through to the customers of a distribution cooperative. Specifically, KRS 278.455(2) states, in relevant part, that an authorized increase or decrease in a G&T cooperative's rates:

may, at the distribution cooperative's discretion, be allocated to each class and within each tariff on a proportional basis that will result in no change in the rate design currently in effect. In the event of an increase in the wholesale rates and tariffs of the wholesale supplier by the Public Service Commission, the rates and tariffs of the distribution cooperative that have been revised on a proportional basis to result in no change in the rate design shall be authorized and shall become effective on the same date as those of the wholesale supplier.

The review of Taylor RECC's application is also governed by Commission regulation 807 KAR 5:007, which establishes the filing and notice requirements for a distribution cooperative when rates change to reflect a change in the rates of its wholesale supplier. Specifically, pursuant to 807 KAR 5:007, Section 1(3) and Section 2(2), Taylor RECC is one of the 16 Owner-Members of EKPC, and in accordance with KRS 278.455, Taylor RECC seeks to pass-through the increase in EKPC's wholesale rates. In accordance with 807 KAR 5:007, Sections 1(4), 2(1), and 2(2), Taylor RECC included

⁵ Taylor RECC's Response to Staff's First Request for Information (Response to Staff's First Request) (filed Sept. 10, 2025).

⁶ Taylor RECC's Motion to Submit Pass-Through (filed Dec. 5, 2025).

with its application proposed tariffs, a comparison of current and proposed rates, and a billing analysis to demonstrate that the rate change does not alter the rate design currently in effect and the revenue change has been allocated to each class and within each tariff on a proportional basis.

BACKGROUND

Taylor RECC is a not-for-profit, member-owned, rural electric distribution cooperative organized under KRS Chapter 279.⁷ Taylor RECC is engaged in the business of distribution retail electric power to 27,700 members in Adair, Casey, Cumberland, Green, Hart, Marion, Metcalfe, Russell, and Taylor counties, Kentucky.⁸ Taylor RECC does not own any electric generating facilities and is one of the 16-member cooperatives that own and receive wholesale power from EKPC. Taylor RECC's last general rate adjustment was effective April 5, 2024, in Case No. 2023-00147.⁹

PROPOSED PASS-THROUGH RATE ADJUSTMENT

Taylor RECC proposed to pass-through EKPC's wholesale rate adjustment using the 2023 billing information for each rate class in Taylor RECC's Commission-approved tariffs.¹⁰ The 2023 period was selected because it corresponds to EKPC's test period in Case No. 2025-00208, aligning wholesale and retail billing determinants.¹¹ Taylor RECC's filing included proposed tariffs, a comparison of current and proposed rates, and

⁷ Taylor RECC's Application (Application) (filed Aug. 1, 2025) at 1.

⁸ Application at 1 and *Annual Report of Taylor RECC to the Public Service Commission of the Commonwealth of Kentucky for the Calendar Year Ended December 31, 2024* at 52.

⁹ Case No. 2023-00147, *Electronic Application of Taylor County Rural Electric Cooperative Corporation for a General Adjustment of Rates* (Ky. PSC Apr. 5, 2024), final Order.

¹⁰ Application, Exhibit 7, Direct Testimony of John Wolfram (Wolfram Testimony) at 3.

¹¹ Wolfram Testimony at 3.

a billing analysis demonstrating that the change does not alter the current rate design and that revenue changes were allocated on a proportional basis to each class and within each tariff.¹²

After limited normalizing adjustments, principally to reflect the September 1, 2023 Fuel Adjustment Clause roll-in and to account for other Commission rate proceedings as applicable, Taylor RECC allocated EKPC's wholesale revenue increase proportionately "to and within" the retail classes. According to the application, this preserved each rate class's share of total revenues and each billing component's share within the class, thereby maintaining the existing rate design consistent with KRS 278.455(2).¹³

Consistent with KRS 278.455(3) and Commission precedent, retail members served under special electric contracts are analyzed based on specific EKPC data for those contracts; proposed increases for these customers were calculated separately from the standard class allocations.¹⁴

Based on the application's billing analysis, the proportional allocation of EKPC's proposed increase produced an overall increase to base-rate revenues of approximately \$2.78 million (about 5.07 percent), and an increase in total revenues of about

¹² Application, Exhibits 2,3, and 4.

¹³ See also Wolfram Testimony at 4. The EKPC wholesale rate revenue increases were allocated proportionately, first to the relevant rate classes and then to the individual base rate billing components of each class such that the two component shares did not change. In other words, Mr. Wolfram allocated the increase first to the rate classes and then to the billing components on a proportionate basis "to and within the rate classes" so as not to change the rate design currently in effect.

¹⁴ Wolfram Testimony at 7, citing Case No. 2010-00167, *Application of East Kentucky Power Cooperative, Inc. for General Adjustment of Electric Rates*, (Ky. PSC Jan. 14, 2011) Order.

\$2.78 million, or 4.55 percent.¹⁵ For a typical residential member, the proposed rates would increase the monthly bill by about \$6.59, or 4.94 percent.¹⁶

DISCUSSION

The Commission's final Order in Case No. 2025-00208 ,which resolved that proceeding following consideration of a Joint Settlement, but denied EKPC's proposed rates, authorized an annualized increase in EKPC's wholesale rates effective for service rendered on and after the first day of the calendar month following the issuance of the final Order in Case No. 2025-00208.¹⁷ Based upon the record in this proceeding and the Commission's final Order in Case No. 2025-00208, the Commission finds that Taylor RECC's request to pass-through EKPC's proposed rates should be denied, but that Taylor RECC should be approved to pass-through its portion of the authorized wholesale rate adjustment pursuant to KRS 278.455(2).¹⁸

The Commission further finds that Taylor RECC has met its burden of proof under KRS 278.455(2) by demonstrating that the wholesale rate increase has been allocated to each retail class and within each tariff on a proportional basis, resulting in no change to the existing rate design. This finding is supported by Taylor RECC's billing analysis, in which the Commission also finds to be reasonable, and testimony and is based upon the Commission's review of the proposed pass-through of EKPC's wholesale rate increase and its allocation to retail rates.

¹⁵ Application, Exhibit 4, Billing Analysis.

¹⁶ Application, Exhibit 6, Customer Notice.

¹⁷ Case No. 2025-00208, Apr. 23, 2026 final Order.

¹⁸ Case No. 2025-00208, Apr. 23, 2026 final Order.

The Commission authorized EKPC an overall revenue requirement increase of \$63.7 million, of which \$34.9 million was allocated to EKPC's Rate E.¹⁹ As reflected in Appendix A, which is inclusive of EKPC's interruptible credit, Taylor RECC is allocated to recover 4.64 percent of EKPC's Rate E and 3.02 percent of Rate B's revenue increase. Taylor RECC's share of revenue from EKPC's Rate E and Rate B is further distributed proportionally to each of Taylor RECC's rate classes as shown in Appendix C. The impact of the revenue increase results in a bill increase of \$4.01 or 3.01 percent for an average residential user using 980 kWh a month.

IT IS THEREFORE ORDERED that:


1. The rates and charges proposed by Taylor RECC are denied as filed.
2. The approach proposed by Taylor RECC to allocate its portion of the increase in wholesale rates authorized in Case No. 2025-00208 is accepted.
3. The rates and charges set forth in Appendix B, attached hereto, are fair, just and reasonable for Taylor RECC to charge for service rendered on and after the first day of the calendar month following the issuance of the final Order in Case No. 2025-00208.²⁰
4. Within 20 days of the date of this Order, Taylor RECC shall file with the Commission, using the Commission's electronic Tariff Filing System, its revised tariffs as set forth in this Order reflecting that they were approved pursuant to this Order.
5. This case is closed and removed from this Commission's docket.

¹⁹ Case No. 2025-00208, Apr. 23, 2026 final Order at 73.

²⁰ Case No. 2025-00208, Apr. 23, 2026 final Order.

Entered on this 28th day of April, 2026.


PUBLIC SERVICE COMMISSION



Angie Hatton
Chair



Mary Pat Regan
Commissioner



Andrew W. Wood
Commissioner

ATTEST:



Linda C. Bridwell, PE
Executive Director

Case No. 2025-00209

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2025-00209 DATED APR 28 2026

Rate B

EKPC Owner-Member	Proposed	Settled	Approved
Big Sandy	\$41,223	\$43,254	\$32,146
Blue Grass	\$1,127,685	\$1,223,350	\$909,197
Clark	\$35,149	\$63,112	\$46,905
Cumberland Valley	\$0	\$0	\$0
Farmers	\$0	\$0	\$0
Fleming-Mason	\$249,048	\$205,257	\$152,547
Grayson	\$185,565	\$194,897	\$144,848
Inter-County	\$369,290	\$387,973	\$288,342
Jackson	\$439,217	\$458,788	\$340,972
Licking Valley	\$0	\$0	\$0
Nolin	\$80,425	\$83,164	\$61,808
Owen	\$1,822,917	\$1,425,723	\$1,059,601
Salt River	\$900,223	\$940,293	\$698,828
Shelby	\$909,875	\$894,490	\$664,787
South Kentucky	\$528,745	\$558,850	\$415,339
Taylor	\$120,272	\$201,783	\$149,966
Total	\$6,898,140	\$6,680,934	\$4,965,286

Rate C

EKPC Owner-Member	Proposed	Settled	Approved
Big Sandy	\$0	\$0	\$0
Blue Grass	\$0	\$0	\$0
Clark	\$0	\$0	\$0
Cumberland Valley	\$341,239	\$196,993	\$141,805
Farmers	\$155,057	\$244,688	\$176,138
Fleming-Mason	\$643,990	\$689,790	\$496,545
Grayson	\$0	\$216,777	\$156,047
Inter-County	\$0	\$0	\$0
Jackson	\$559,101	\$447,256	\$321,957
Licking Valley	\$0	\$0	\$0
Nolin	\$0	\$0	\$0
Owen	\$0	\$0	\$0
Salt River	\$0	\$0	\$0
Shelby	\$0	\$0	\$0
South Kentucky	\$567,624	\$607,995	\$437,665

EKPC Owner-Member	Proposed	Settled	Approved
Taylor	\$0	\$0	\$0
Total	\$2,723,402	\$2,403,499	\$1,730,157

Rate E

EKPC Owner-Member	Proposed	Settled	Approved
Big Sandy	\$1,189,503	\$846,049	\$745,116
Blue Grass	\$6,432,155	\$4,563,140	\$4,018,758
Clark	\$2,545,159	\$1,796,908	\$1,582,537
Cumberland Valley	\$2,458,609	\$1,748,730	\$1,540,107
Farmers	\$2,676,785	\$1,851,772	\$1,630,856
Fleming-Mason	\$2,510,226	\$1,785,514	\$1,572,503
Grayson	\$1,639,058	\$893,486	\$786,897
Inter-County	\$2,505,537	\$1,776,272	\$1,564,363
Jackson	\$4,845,085	\$3,445,998	\$3,034,891
Licking Valley	\$1,401,874	\$997,226	\$878,257
Nolin	\$3,527,671	\$2,509,049	\$2,209,720
Owen	\$6,716,214	\$4,908,079	\$4,322,546
Salt River	\$6,516,117	\$4,634,824	\$4,081,891
Shelby	\$1,965,715	\$1,398,178	\$1,231,376
South Kentucky	\$6,624,234	\$4,711,199	\$4,149,154
Taylor	\$2,660,867	\$1,843,059	\$1,623,182
Total	\$56,671,743	\$39,709,483	\$34,972,155

Rate G

EKPC Owner-Member	Proposed	Settled	Approved
Big Sandy	\$0	\$0	\$0
Blue Grass	\$640,575	\$373,617	\$437,278
Clark	\$0	\$0	\$0
Cumberland Valley	\$528,852	\$199,524	\$229,071
Farmers	\$0	\$0	\$0
Fleming-Mason	\$1,672,976	\$1,465,763	\$1,742,157
Grayson	\$0	\$0	\$0
Inter-County	\$1,233,869	\$1,081,190	\$1,282,711
Jackson	\$0	\$0	\$0
Licking Valley	\$192,874	\$78,580	\$132,574
Nolin	\$757,859	\$438,982	\$522,908
Owen	\$0	\$0	\$0
Salt River	\$0	\$0	\$0
Shelby	\$0	\$0	\$0
South Kentucky	\$0	\$0	\$0

EKPC Owner-Member	Proposed	Settled	Approved
Taylor	\$0	\$0	\$0
Total	\$5,027,007	\$3,637,656	\$4,346,698

Steam Service

EKPC Owner-Member	Proposed	Settled	Approved
Big Sandy	\$0	\$0	\$0
Blue Grass	\$0	\$0	\$0
Clark	\$0	\$0	\$0
Cumberland Valley	\$0	\$0	\$0
Farmers	\$0	\$0	\$0
Fleming-Mason	\$348,497	\$1,344,423	\$348,497
Grayson	\$0	\$0	\$0
Inter-County	\$0	\$0	\$0
Jackson	\$0	\$0	\$0
Licking Valley	\$0	\$0	\$0
Nolin	\$0	\$0	\$0
Owen	\$0	\$0	\$0
Salt River	\$0	\$0	\$0
Shelby	\$0	\$0	\$0
South Kentucky	\$0	\$0	\$0
Taylor	\$0	\$0	\$0
Total	\$348,497	\$1,344,423	\$348,497

Large Special Contract

EKPC Owner-Member	Proposed	Settled	Approved
Big Sandy	\$0	\$0	\$0
Blue Grass	\$0	\$0	\$0
Clark	\$0	\$0	\$0
Cumberland Valley	\$0	\$0	\$0
Farmers	\$0	\$0	\$0
Fleming-Mason	\$0	\$0	\$0
Grayson	\$0	\$0	\$0
Inter-County	\$0	\$0	\$0
Jackson	\$0	\$0	\$0
Licking Valley	\$0	\$0	\$0
Nolin	\$0	\$0	\$0
Owen	\$9,063,284	\$1,856,040	\$9,228,015
Salt River	\$0	\$0	\$0
Shelby	\$0	\$0	\$0
South Kentucky	\$0	\$0	\$0

EKPC Owner-Member	Proposed	Settled	Approved
Taylor	\$0	\$0	\$0
Total	\$9,063,284	\$1,856,040	\$9,228,015

Total

EKPC Owner-Member	Proposed	Settled	Approved
Big Sandy	\$1,230,726	\$889,303	\$777,262
Blue Grass	\$8,200,415	\$6,160,107	\$5,365,233
Clark	\$2,580,308	\$1,860,020	\$1,629,442
Cumberland Valley	\$3,328,700	\$2,145,247	\$1,910,983
Farmers	\$2,831,842	\$2,096,460	\$1,806,994
Fleming-Mason	\$5,424,736	\$5,490,747	\$4,312,249
Grayson	\$1,824,623	\$1,305,160	\$1,087,791
Inter-County	\$4,108,696	\$3,245,435	\$3,135,416
Jackson	\$5,843,403	\$4,352,042	\$3,697,820
Licking Valley	\$1,594,860	\$1,075,806	\$1,010,831
Nolin	\$4,365,954	\$3,031,195	\$2,794,435
Owen	\$17,602,469	\$8,189,842	\$14,610,162
Salt River	\$7,416,340	\$5,575,117	\$4,780,719
Shelby	\$2,875,589	\$2,292,668	\$1,896,163
South Kentucky	\$7,720,604	\$5,878,044	\$5,002,157
Taylor	\$2,781,139	\$2,044,842	\$1,773,148
Total	\$79,731,915	\$55,632,035	\$55,590,808

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2025-00209 DATED APR 28 2026

The following rates and charges are prescribed for the customers in the area served by Taylor County Rural Electric Cooperative Corporation. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under the authority of this Commission prior to the effective date of this Order.

SCHEDULE A - RESIDENTIAL FARM AND HOME

Customer Charge	\$17.58
Energy Charge per kWh	\$0.10828

RESIDENTIAL MARKETING RATE - SCHEDULE R-1

Customer Charge	\$17.58
Energy Charge per kWh	\$0.06497

SCHEDULE GP - GENERAL PURPOSE SERVICE 1

Customer Charge	\$25.84
Energy Charge per kWh	\$0.09647

SCHEDULE GP - GENERAL PURPOSE SERVICE 2

Customer Charge	\$53.53
Demand Charge per kW	\$5.73
Energy Charge per kWh	\$0.07447

LARGE INDUSTRIAL RATE SCHEDULE B1

Customer Charge	\$1,362.55
Demand Charge Contract per kW	\$6.87
Demand Charge Excess per kW	\$9.96
Energy Charge per kWh	\$0.06719

SCHEDULE SL - STREET LIGHTING SERVICE

175 Watt Mercury Vapor	\$3.05
250 Watt Mercury Vapor	\$3.67
400 Watt Mercury Vapor	\$4.86
100 Watt High Pressure Sodium	\$3.49
250 Watt High Pressure Sodium	\$5.37
175 Watt Mercury Metered	\$3.05
400 Watt Mercury Metered	\$4.86
250 Watt HPS Con Metered	\$5.37
LED Security Light	\$10.17
LED Cobra Head Light	\$13.42
LED Directional Light	\$18.15

100 Watt Hight Pressure Sodium Metered \$3.49

LARGE INDUSTRIAL RATE - SHCEDULE C1

Customer Charge \$1,376.36
Demand Charge per kW \$6.94
Energy Charge per kWh \$0.06787

LARGE INDUSTRIAL RATE - SHCEDULE C2

Consumer Charge \$3,205.45
Demand Charge per kW \$6.94
Energy Charge per kWh \$0.06128

LARGE INDUSTRIAL RATE - SCHEDULE C3

Customer Charge \$3,823.95
Demand Charge per kW \$6.94
Energy Charge per kWh \$0.060004

LARGE INDUSTRIAL RATE - SCHEDULE B2

Customer Charge \$3,228.61
Demand Charge -Contract per kW \$6.87
Demand Charge -Excess per kW \$9.96
Energy Charge per kWh \$0.06172

LARGE INDUSTRIAL RATE - SCHEDULE B3

Customer Charge \$3,851.58
Demand Charge -Contract per kW \$6.87
Demand Charge -Excess per kW \$9.96
Energy Charge per kWh \$0.060437

INTERRUPTIBLE SERVICE

Demand Credit per kW - 200 Hours (\$6.20)
Demand Credit per kW - 300 Hours (\$6.90)
Demand Credit per kW - 400 Hours (\$7.60)

APPENDIX C

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2025-00209 DATED APR 28 2026

TAYLOR COUNTY RECC
Billing Analysis for Pass-Through Rate Increase

Total Revenue Increase Allocated by East Kentucky Power Cooperative:	\$1,773,148
Rate B Revenue Increase Allocated by East Kentucky Power Cooperative:	\$149,966
Remaining Revenue Increase Allocated by East Kentucky Power Cooperative:	\$1,623,182

#	Item	Code	Present Revenue	Present Share	Allocation Revenue	Allocation Share	Allocated Increase	Proposed Revenue	Proposed Share	Base Rate Increase	Base %	Total %
1	<u>Base Rates</u>											
2	Residential Farm and Home	A	\$ 35,224,647	66.84%	\$ 35,224,647	72.80%	\$ 1,181,612	\$ 36,405,078	67.01%	\$ 1,180,431	3.35%	3.01%
3	Residential ETS	ETS	\$ 17,922	0.03%	\$ 17,922	0.04%	\$ 601	\$ 18,523	0.03%	\$ 601	3.36%	2.85%
4	Small Commercial Part 1 < 50 KVA	GP1	\$ 4,418,537	8.38%	\$ 4,418,537	9.13%	\$ 148,220	\$ 4,566,764	8.41%	\$ 148,227	3.35%	2.99%
5	Small Commercial Part 2 > 50 KVA	GP2	\$ 8,085,268	15.34%	\$ 8,085,268	16.71%	\$ 271,221	\$ 8,358,156	15.39%	\$ 272,888	3.38%	2.99%
6	Tennessee Gas / Kinder Morgan	Special	\$ 4,312,672	8.18%	\$ -	0.00%	\$ -	\$ 4,312,672	7.94%	\$ -	0.00%	0.00%
7	Lighting	SL	\$ 641,767	1.22%	\$ 641,767	1.33%	\$ 21,528	\$ 663,282	1.22%	\$ 21,515	3.35%	3.35%
8	SubTotal Base Rates		\$ 52,700,813	100.00%	\$ 48,388,141	100.00%	\$ 1,623,182	\$ 54,324,476	100.00%	\$ 1,623,662	3.08%	
9												
10	Large Industrial	B1	\$ 2,187,165	100.00%	\$ 2,187,165	100.00%	\$ 149,966	\$ 2,337,052	100.00%	\$ 149,887	6.85%	6.08%
11												
12	TOTAL Base Rates		\$ 54,887,978		\$ 50,575,306		\$ 1,773,148	\$ 56,661,528		\$ 1,773,550	3.08%	
13												
14	<u>Riders</u>											
15	FAC		\$ 236,196				\$ 236,196					
16	ES		\$ 6,025,037				\$ 6,025,037					
17	Misc Adj		\$ -				\$ -					
18	Other		\$ -				\$ -					
19	Total Riders		\$ 6,261,233				\$ 6,261,233					
20												
21	Total Revenue		\$ 61,149,211				\$ 62,922,761			\$ 1,773,550	2.90%	
22	Target Revenue									\$ 1,773,148		
23	Rate Rounding Variance									\$ 402		
24	Rate Rounding Variance									0.02%		

Service List for 2025-00209

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