

Tariffs: The Kentucky PSC Approach

Presentation to the Georgian National Energy
and Water Supply Regulatory Commission

Kutaisi, Georgia
September 2010

Jeff Cline
Tariff Branch
Kentucky Public Service Commission



TARIFFS

■ REGULATIONS

- Rates & Charges
- Rules & Policies
- Conditions of Service

TARIFFS

■ REGULATIONS

- KRS - 278.160 (1)

A utility shall file a tariff with the PSC listing rates & charges, rules & policies, and conditions of service and maintain a copy available at the utility office for public inspection.

TARIFFS

■ REGULATIONS

- KRS - 278.160 (2)

A utility shall not assess or collect an amount for any service that is different than the amount listed in the utility's tariff.

TARIFFS

■ REGULATIONS

- KAR - 807 KAR 5:011 Section 5 (1)

A utility shall not have any special rules for service that have not been approved by the PSC and listed in the utility's tariff.

TARIFFS

■ REGULATIONS

- KAR - 807 KAR 5:011 Section 5 (2)

A utility shall not deny service to anyone that has followed all of the utility's rules which have been approved by the PSC and included in the utility's tariff.

TARIFFS

■ REGULATIONS

- 807 KAR 5:011 Section 12

A utility shall provide a viewing area at the utility office that includes the utility's tariff and applicable statutes and regulations for the public to review.

TARIFFS

■ REQUIREMENTS

- General Rate Increases
- Rate Adjustment by Wholesale Supplier
- Increased Non-Recurring Charges
- Any change in the Utility's rates, rules, or conditions of service

TARIFFS

■ REQUIREMENTS

- By Order of the Commission approving revised rates, rules, or conditions of service.
- By filing on at least a 30-day notice to the public and the Commission.

TARIFFS

■ REQUIREMENTS

- A utility is required to file a copy of the billing form in the tariff.
 - Meter Readings and Date Read
 - Amount of Consumption
 - Total Amount Due and Due Date

TARIFFS

■ REQUIREMENTS

- A utility can choose to require a deposit
- Flat Deposits and Calculated Deposits
- Rule of 2/12ths
- Deposit Policy must be listed in the Tariff

TARIFFS

■ REQUIREMENTS

- A utility is required to pay interest on deposits collected from the customers.
- Interest is required to be refunded to the customer or credited to the customer's bill on an annual basis.

TARIFFS

■ REQUIREMENTS

- A utility is required to develop a procedural policy for monitoring customer usage at least annually and include the policy in the tariff.
- The monitoring policy shall make the utility aware of any unusual usage deviations in a customer's meter readings.

TARIFFS

■ REQUIREMENTS

- A utility is required to give at least a 5-day written advance notice to a customer before disconnecting service for not paying their bill.
- Disconnection cannot occur before 20-days after the mailing of the original bill.

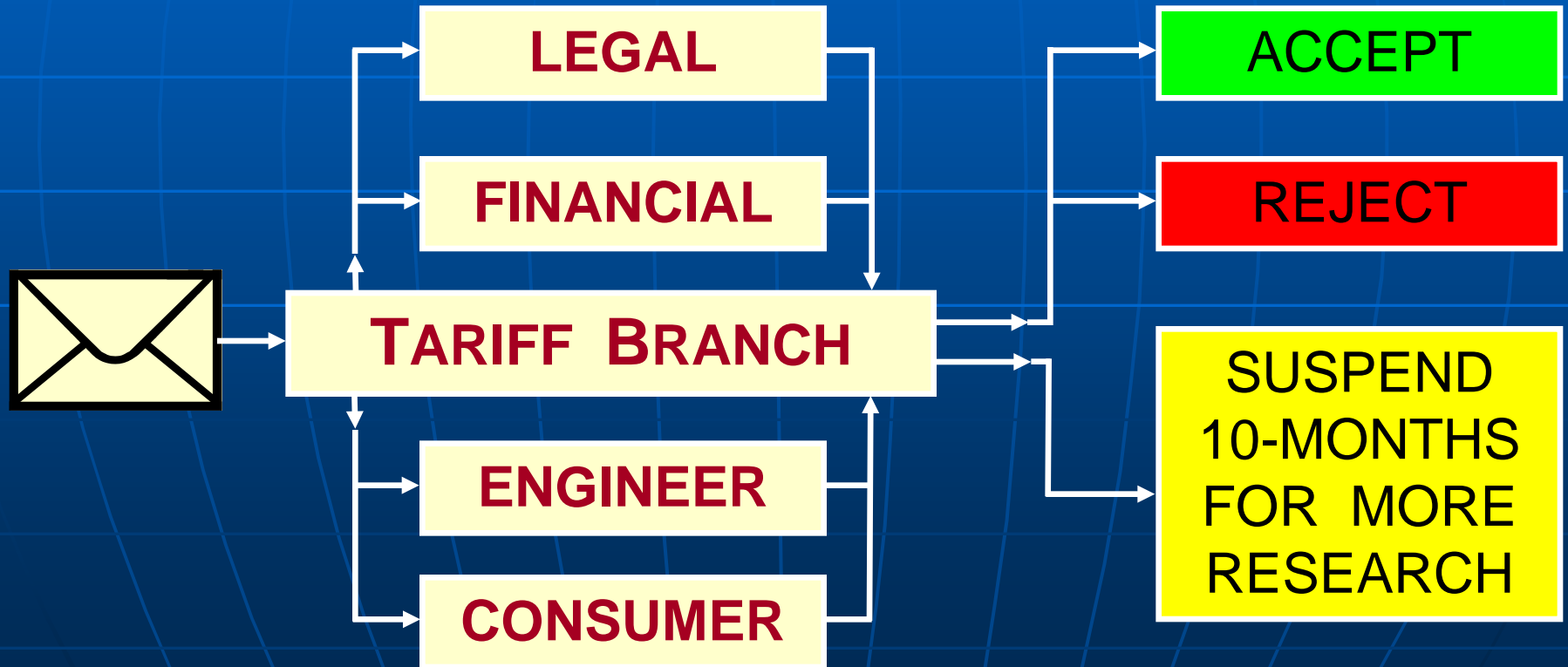
TARIFFS

■ REQUIREMENTS

- All Special Charges are required to be listed in the tariff.
- Special Charges are assessed for customer's request for certain types of service activity for which, when the activity is complete, no additional charges may be incurred.

TARIFFS

REVIEW PROCESS



TARIFFS

■ COMPLIANCE

- Engineering and/or Audit Branch review a utility's tariff as part of it's inspection and reports areas of concern.
- Consumer Services Division receives complaint calls from customers and reviews a utility's tariff for compliance.

TARIFFS

■ COMPLIANCE

- When non-compliance is found:

FORMAL – PSC show causes a utility which could result in fines on the utility and/or refunds to customers.

INFORMAL – PSC Staff assists utility by recommending changes that will bring them into compliance.

TARIFFS - ELECTRIC EXAMPLE

SECTION 1 – STANDARD RATE SCHEDULES

- Residential Service
- Industrial Service
- Commercial Service
- Time of Day Service

TARIFFS - ELECTRIC EXAMPLE

SECTION 2 – RIDERS TO STANDARD RATE SCHEDULES

- Curtailable Service Rider
- Load Reduction Incentive Rider
- Small Capacity Cogeneration Facilities
- Net Metering Service
- Green Energy Riders

TARIFFS - ELECTRIC EXAMPLE

SECTION 3 – PILOT PROGRAMS & ADJUSTMENT CLAUSES

- Responsive Pricing Service
- Real Time Pricing
- Fuel Adjustment Clause
- Demand-Side Management Cost Recovery
- Franchise Fee / School Tax
- Home Energy Assistance Program

TARIFFS - ELECTRIC EXAMPLE

SECTION 4 – TERMS AND CONDITIONS

- Customer Bill of Rights
- Billing & Bill Format
- Deposits
- Budget Payment Plan
- Discontinuance of Service
- Line Extensions

CUSTOMER RIGHTS

- The right to receive utility service
- The right to review the utility's tariff
- The right to be present for any utility inspection
- The right to a separate disconnect notice
- The right to dispute a disconnection
- The right to negotiate a partial payment plan

CUSTOMER RIGHTS

- The right to a equal payment budget plan
- The right to a medical exception for disconnect
- The right to prompt reconnection of service
- The right to a winter exception for disconnect
- The right to contact the Commission regarding any unresolved dispute

Annual Reporting Requirements For Utilities In Kentucky

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Annual Report Branch
Kentucky Public Service Commission



UTILITY ASSESSMENTS ANNUAL REPORTING

■ REGULATIONS

- KRS - 278.130

In order to fund the Commission, utilities will be annually assessed in proportion to their earnings derived from operations in the state.

UTILITY ASSESSMENTS ANNUAL REPORTING

■ REGULATIONS

- KRS - 278.990 (3)

Any Utility that fails to pay the assessment may be required to pay a penalty of \$1000 plus \$25 for each additional day it fails to pay.

UTILITY ASSESSMENTS ANNUAL REPORTING

■ REGULATIONS

- KRS - 278.150

By June 1 the Commission shall certify the gross operating revenues for each utility and by June 10 the assessment rate will be set with the utility payment due by July 31.

■ **REGULATIONS**

- KRS - 278.140

In order to determine utility assessments, each utility must file by March 31 each year a Gross Operating Revenue Report derived from the preceding calendar year.

* No extensions

■ **Gross Operating Revenue Reports
Filed Annually:**

25 – Electric Utilities

29 – Natural Gas

75 – Wastewater

148 – Water

557 – Telecommunication

■ **REGULATIONS**

- 807 KAR 5:006 (3)

Each utility must file a Financial and Statistical Report by March 31 each year. The Uniform System of Accounts provides numbers and titles for utility accounts and provides details to properly classify items in the Financial and Statistical Report.

* Extensions possible

Electric Example - Annual Financial & Statistical Report

- Counties Served
- Total Kilowatt-Hours Sold
- Customer Totals
- Monthly Peak Information
- Construction Work

Electric Example - Annual Financial & Statistical Report

- Revenue Figures
- Balance Sheets
- Utility Contact Information
- Descriptions of System Changes
- Oath Page

- **Total Annual Financial & Statistical Reports Filed:**
 - 25 – Electric Utilities
 - 29 – Natural Gas
 - 16 – Local Exchange Telecom
 - 75 – Wastewater
 - 148 – Water

WEBSITE

<http://psc.ky.gov>

KENTUCKY PUBLIC SERVICE
COMMISSION

Questions?