

The Kentucky Public Service Commission: Regulatory Overview

Presentation to the Georgian National Energy
and Water Supply Regulatory Commission

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Legal Framework

Kentucky statutes – three chapters

- 74 – Water Districts
- 278 – Public Service Commission
- 279 – Rural Electric and Rural Telephone Cooperatives

Legal Framework

Public Service Commission regulations

- Set forth implementation of statutes
- Rules of procedure
- Promulgated by the PSC
- Subject to legislative review
- Kentucky Administrative Regulations 807:5

Funding

- PSC operations are funded by an assessment on regulated utilities
- Funds flow through General Fund – must be allocated by legislature
- Current budget – about \$10 million

Divisional Responsibilities

Ensuring Just & Reasonable Rates

Financial Analysis Division

- Reviews rate requests for adequacy and reasonableness
- Reviews all rate-related filings
- Provides rate case assistance to smaller utilities
- Conducts cost-of-service studies

Utility Oversight

Financial Analysis Division

- Conducts financial audits
- Supervises management audits by independent consultants
- Participates in reviews of utility resources plans, applications for construction certificates, etc

Ensuring Safety & Reliability

Engineering Division

- Monitors & facilitates restoration during major outages
- Safety and service inspections of electric, gas, water and sewer utilities
- Accident investigations

Utility Oversight

Engineering Division

- Primary review of applications for construction certificates
- Review of electric utility resource plans
- Meter testing/certification

Ensuring Accountability

Office of General Counsel

- Provides for regulatory and statutory compliance in all PSC matters
- Conducts arbitration (telecommunications)
- Facilitates settlements
- Hearing officer

Ensuring Accountability

Office of General Counsel

- Represents PSC in state and federal courts
- Represents PSC before federal agencies
- Develops regulations
- Administers open records act compliance
- Confidentiality determinations
- Advisory legal opinions

Assisting Consumers

Consumers Services Division

- Receives complaints, inquiries via phone, e-mail, mail, fax and in person
- Provides informal complaint resolution by acting as intermediary with utilities
- Assists consumers in filing formal complaints

Assisting Consumers

Consumers Services Division

- Addresses constituent inquiries from Governor's office, legislators
- Toll-free number
- Provides public speakers for civic groups
- Develops informational brochures

Managing Information

Filings Division

Maintains all PSC records

- Tariffs
- Annual reports
- Case records
- Official custodian of other records – inspection reports, accident investigations, etc.

Managing Information

Filings Division

- Maintains all PSC records
- Electronic filing capability – reports, tariffs, case materials
- Maintains PSC Web site: psc.ky.gov
- Geographic Information Systems

Case Statistics

- Cases opened in 2009 – 550
- Cases filed in 2010 (as of April 28) – 184
- Average about 20 orders per week

Informing Stakeholders

Information Technology

Develops and maintains PSC's highly specialized Internet capabilities

- Electronic filing
- On-line archives – case records, tariffs, utility information
- Utility forms & applications

Informing Stakeholders

Information Technology

- Develops and maintains PSC's highly specialized Internet capabilities
 - Consumer information
 - Consumer inquiry/complaint forms
 - Webcasts of PSC proceedings
 - General information
- Approximately 150,000 Web site visits annually

Informing Stakeholders

Public Outreach

- Speakers bureau – through Consumer Services Division
- Public Information Office – media relations; public awareness campaigns on specific issues
- Commissioners – speeches, etc.
- Water utility training programs

Facilitating Energy Development

Power Plant Siting Board

- Created by General Assembly in 2002 – Kentucky State Board on Electric Generation and Transmission Siting
- 7 members – PSC & 4 others
- PSC provides staff and other support
- Authority over siting of non-regulated (merchant) facilities
- Has handled 6 applications to date

Participation in PSC proceedings

Those with a direct interest in the policies and decisions of the Kentucky Public Service Commission have an opportunity to participate in the PSC's decision-making process - this includes customers of regulated utilities

Intervention process

Participation in the PSC's legal process

- Represented by counsel
- File testimony
- Participate in discovery
- Cross-examine witnesses
- Can challenge PSC decisions in court

Intervention process

Who can intervene?

- Attorney General – by statute as representative of customers in general
- PSC may allow others if they meet legal criteria
 - - Industrial associations
 - - Groups representing low-income customers
 - - Major commercial customers
 - - Local government entities
 - - Environmental groups
- Individual residential customers are rarely granted intervention

Other participation

- Written public comments
- Hearings
 - Formal hearings in Frankfort
 - Field hearings/meetings