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Kentucky Municipals Defend FERC Orders Rejecting Rate Re-Pancaking

February 13, 2025 | Jeffrey M. Bayne, Jeffrey A. Schwarz, Thomas C. Trauger, Lauren L. Springett

On January 21, 2025, firm partner Jeff Bayne, on behalf of the Kentucky Municipal Energy Agency and other transmission-dependent municipal utilities (collectively, Kentucky Municipals), argued in the D.C. Circuit (recording) against the re-pancaking of Kentucky Municipals' transmission rates across the seam between the transmission grids of Midcontinent Independent System Operator (MISO) and Louisville Gas and Electric Company and Kentucky Utilities Company (together, Louisville Utilities). Rate "pancaking" is the generally disfavored practice of charging customers multiple, "pancaked" transmission charges for electricity deliveries crossing multiple transmission systems, which increases costs to consumers by millions of dollars. Kentucky Municipals prevailed in an earlier appeal challenging Federal Energy Regulatory Commission (FERC) orders that initially approved re-pancaking. On remand, FERC changed course and rejected it.

Defending FERC's newer order against challenge by the utilities, Kentucky Municipals rebutted the claim by petitioner Louisville Utilities that re-pancaking would put all customers on a level playing field. As we explained to the court, the proposed re?pancaking would be imposed in a selective manner, increasing rates for Kentucky Municipals while maintaining de-pancaked rates for other customers.

With Mr. Bayne on the briefs were firm partner Jeff Schwarz, senior counsel Tom Trauger, and associate Lauren Springett.

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Rejecting Rate Re-Pancaking

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