

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION BY THE PUBLIC)
SERVICE COMMISSION OF THE)
APPLICATION OF THE FUEL ADJUST-)
MENT CLAUSE OF OWEN COUNTY RURAL) CASE NO. 9754
ELECTRIC COOPERATIVE CORPORATION)
FROM NOVEMBER 1, 1984, TO)
OCTOBER 31, 1986)

O R D E R

Pursuant to 807 KAR 5:056, Sections 1 (11) and 1 (12), the Public Service Commission ("Commission") issued its Order on November 14, 1986, scheduling a hearing to review the operation of the fuel adjustment clause of Owen County Rural Electric Cooperative Corporation ("Owen County") for the past 2 years and to determine the amount of fuel cost that should be transferred (rolled in) to the base rates in order to reestablish the fuel adjustment charge. Owen County was not required to appear at the scheduled hearing unless an appearance was requested by the Attorney General's Utility and Rate Intervention Division or other interested parties or by the Commission on its own motion.

Owen County filed all requested information, including its monthly fuel charges for the 2-year period under review and its affidavit of compliance with the provisions of the fuel adjustment clause as prescribed in 807 KAR 5:056. Following proper notice, no party of record requested Owen County to appear at the hearing scheduled for February 10, 1987.

The Commission approved a transfer (roll-in) of (1.46) mills per KWH to the base rates of Owen County's wholesale supplier, East Kentucky Power Cooperative, Inc., ("East Kentucky") in Case No. 9731. Approval of East Kentucky's proposal requires that Owen County also be authorized to roll-in those same fuel costs to its base rates.

The Commission, having considered the evidence of record and being advised, finds that:

1. Owen County has complied in all material respects with the provisions of 807 KAR 5:056.

2. Owen County's wholesale supplier has been authorized to transfer (roll-in) to its base rates fuel costs of (1.46) mills per KWH in Case No. 9731.

3. Owen County should be authorized to decrease the rates charged its customers by 1.56 mills per KWH in order to transfer fuel costs rolled-in by East Kentucky from the fuel adjustment clause to the base rates pursuant to the Commission's Order in Case No. 9731 and applicable line loss, and this can best be accomplished by a uniform reduction in all energy rates.

4. The revised rates and charges in Appendix A are designed to reflect the transfer of fuel costs from the fuel adjustment clause rate to the base rates.

IT IS THEREFORE ORDERED that:

(1) The charges and credits applied by Owen County through the fuel adjustment clause for the period November 1, 1984, through October 31, 1986, be and they hereby are approved.

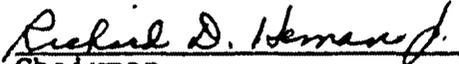
(2) Owen County be and it hereby is authorized to transfer to its base rates fuel costs transferred (rolled-in) by its wholesale supplier pursuant to Case No. 9731.

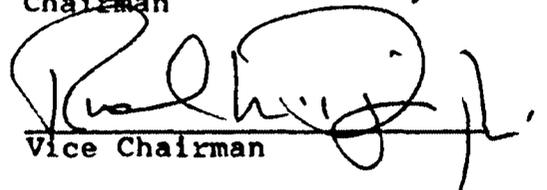
(3) The rates in Appendix A be and they hereby are approved for service rendered by Owen County on and after May 1, 1987, which is also the effective date for East Kentucky's rates.

(4) Within 30 days from the date of this Order Owen County shall file with the Commission its revised tariff sheets setting out the rates approved herein.

Done at Frankfort, Kentucky, this 28th day of April, 1987.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 9754 DATED 4/28/87

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

SCHEDULE I
FARM AND HOME*

Rates:

Customer Charge	\$5.50	Per Month
All KWH	.06692	Per KWH

SCHEDULE 1
FARM AND HOME T-O-D

Rates:

All Consumers	Customer Charge	\$5.50	Per Month
On-Peak Rate	All KWH/Month	.06692	Per KWH
Off-Peak Rate	All KWH/Month	.03846	Per KWH

SCHEDULE I
SMALL COMMERCIAL*

Rates:

Customer Charge	\$5.50	Per Month
All KWH	.06692	Per KWH

SCHEDULE II
LARGE POWER*

Rates:

All KW Demand	\$5.12	Per KW of Billing Demand
Customer Charge	\$20.00	Per Month
All KWH	.04736	Per KWH

SCHEDULE III
SECURITY LIGHTS*

Rates:

Installed on existing pole where 120 volts are available	\$5.17
One Pole Added	6.81
Two Poles Added	8.45
Three Poles Added	10.09
Four Poles Added	11.73

Where a transformer is required, there is an additional charge of \$0.50 per month.

SCHEDULE VIII
LARGE INDUSTRIAL RATE LPC 1

RATES:

Customer Charge	\$535.00	Per Month
Demand Charge	5.39	Per KW of Billing Demand
Energy Charge	.03212	Per KWH

SCHEDULE IX
LARGE INDUSTRIAL RATE LPC 2

Customer Charge	\$1,069.00	Per Month
Demand Charge	5.39	Per KW of Billing Demand
Energy Charge	.02712	Per KWH

*The monthly kilowatt hour usage shall be subject to plus or minus an adjustment per KWH determined in accordance with the "Fuel Adjustment Clause."