

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 ADJUSTMENT CLAUSE OF BIG SANDY) CASE NO. 96-526
RURAL ELECTRIC COOPERATIVE CORPORATION)
FROM NOVEMBER 1, 1994 TO OCTOBER 31, 1996)

O R D E R

Pursuant to Commission Regulation 807 KAR 5:056, the Commission on November 14, 1996 established this case to review and evaluate the operation of the fuel adjustment clause ("FAC") of Big Sandy Rural Electric Cooperative Corporation ("Big Sandy") for the two years ended October 31, 1996.

As part of this review, the Commission ordered Big Sandy to submit certain information and an affidavit attesting to its compliance with Commission Regulation 807 KAR 5:056. Big Sandy has complied with this Order. The Commission further ordered that a public hearing be held in this case but cancelled it when, after publication of notice, no interested party advised the Commission of its intention to attend.

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

1. Big Sandy has complied in all material respects with the provisions of Commission Regulation 807 KAR 5:056.

2. East Kentucky Power Cooperative, Inc. ("EKPC"), the wholesale supplier of Big Sandy, has been authorized to transfer (roll-in) a 0.23 mills per Kwh decrease in its base fuel cost to its base rates.¹

3. Big Sandy should be authorized to transfer (roll-in) a 0.24 mills per Kwh decrease in its base fuel costs to its base rates to reflect, as adjusted for line loss, the transfer of a 0.23 mills per Kwh decrease in EKPC's base rates. This transfer can best be accomplished by a negative energy adder to each Kwh sold.

4. The rates and charges in Appendix A, attached hereto and incorporated herein, are fair, just, and reasonable, and reflect the transfer of fuel costs from the FAC to the base rate.

IT IS THEREFORE ORDERED that:

1. The charges and credits applied by Big Sandy through the FAC for the period November 1, 1994 to October 31, 1996 are approved.

2. Big Sandy is authorized to transfer to base rates those fuel costs (as adjusted for line-loss) rolled-in by EKPC from its FAC to its base rates.

3. The rates in Appendix A are approved for service rendered by Big Sandy on and after September 1, 1997.

4. Within 30 days of the date of this Order, Big Sandy shall file with the Commission revised tariff sheets setting out the rates approved herein.

¹ Case No. 96-522, An Examination by the Public Service Commission of the Application of the Fuel Adjustment Clause of East Kentucky Power Cooperative, Inc. from November 1, 1994 to October 31, 1996.

Done at Frankfort, Kentucky, this 20th day of August, 1997.

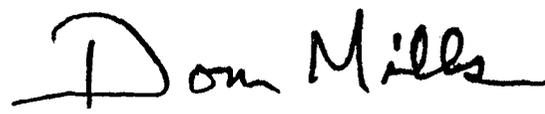
PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 96-526 DATED AUGUST, 20, 1997

The following rates and charges are prescribed for the customers in the area served by Big Sandy 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 effective date of this Order.

SCHEDULE A
FARM AND HOME

Rate:

Energy Charge	\$.04923 Per KWH
Off-Peak Energy Charge	.02944 Per KWH

SCHEDULE A-2
COMMERCIAL AND SMALL POWER

Rate:

Energy Charge	\$.04364 Per KWH
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SCHEDULE LP
LARGE POWER SERVICE

Rate:

Energy Charge	\$.03426 Per KWH
Primary Meter	.03357 Per KWH

SCHEDULE LPR
LARGE POWER RATE

Rate:

Energy Charge	\$.03198 Per KWH
Primary Meter	.03132 Per KWH

SCHEDULE YL-1
YARD SECURITY LIGHT SERVICE

Rate:

Flat rate per light per month as follows:

175 Watt	\$ 5.43 Per Month
400 Watt	7.31 Per Month
500 Watt	8.17 Per Month
1,500 Watt	16.62 Per Month

SCHEDULE IND 1

Energy Charge	\$.02741 Per KWH
Primary Meter	.02684 Per KWH

SCHEDULE IND 2

Energy Charge	\$.02241 Per KWH
Primary Meter	.02196 Per KWH