

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

AN EXAMINATION BY THE PUBLIC SERVICE)
COMMISSION OF THE APPLICATION OF THE)
FUEL ADJUSTMENT CLAUSE OF SHELBY RURAL) CASE NO. 8080
ELECTRIC COOPERATIVE CORPORATION)
PURSUANT TO 807 KAR 5:056E, SECTIONS)
1(11) AND (12))

O R D E R

Pursuant to 807 KAR 5:056E, Sections 1(11) and (12), and following proper notice, a hearing was held on January 29, 1981, to review the operation of the standard fuel adjustment clause to determine the amount of fuel cost that should be transferred to the base rates of the utility and to re-establish the fuel adjustment charge.

The Commission in Case No. 8055 has approved a request by the Applicant's wholesale supplier, East Kentucky Power Cooperative, Inc. (EKP), to transfer (roll-in), to the base rates charged the Applicant, fuel cost in the amount of .105¢ per KWH. Granting EKP's request requires that the Applicant be authorized to transfer these fuel costs to its base rates.

As a part of this review the Commission has analyzed monthly filings made by the Applicant in conjunction with the schedule of over- or under-recoveries of fuel cost filed in this proceeding. The Commission's review indicates the monthly report should be revised in order to obtain a more accurate measure of under- or over-recovery of fuel cost shown in that report.

The Commission after review FINDS:

(1) That the Company's wholesale supplier, EKP, has been authorized to transfer to its base rates in Case No. 8055 fuel cost of .105¢ per KWH.

(2) That an amount of .115¢ per KWH should be added to the rates charged customers in order to transfer, to Applicant's base rates, fuel cost transferred by EKP from the fuel adjustment clause rate to the base rates pursuant to Commission Order in Case No. 8055.

(3) That the revised rates and charges set out in Appendix "A" of this Order are designed only to reflect the transfer to base rates of fuel cost which is currently being recovered in the fuel adjustment clause rate.

(4) That the transfer of fuel costs to the Applicant's base rates will not result in any additional net margin to the Applicant.

(5) That this transfer of fuel cost is most reasonably and practically accomplished by an energy adder to each KWH sold.

(6) That revisions should be made in the monthly report currently being filed by the Applicant.

IT IS THEREFORE ORDERED, that Shelby Rural Electric Cooperative Corporation is hereby authorized to transfer to base rates fuel cost transferred by its wholesale supplier, EKP, in Case No. 8055.

IT IS FURTHER ORDERED, that the rates set out in Appendix "A" shall be placed into effect for service rendered on and after April 1, 1981, which is the same effective date approved for EKP.

IT IS FURTHER ORDERED, that the Applicant shall file within twenty (20) days from the date of this Order its revised tariff sheets setting out the rates and charges approved herein.

IT IS FURTHER ORDERED, that the revised monthly report, Appendix "B" to this Order, be used by the Applicant for all filings made after the date of this Order under 807 KAR 5:056E to recover or refund fuel charges or credits billed or refunded by its wholesale supplier.

Done at Frankfort, Kentucky, this 13th day of March, 1981.

PUBLIC SERVICE COMMISSION

Marlin M. Vohs
Chairman

Katherine Kendall
Vice Chairman

Don L. Carver
Commissioner

ATTEST:

Secretary

APPENDIX "A"

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC
SERVICE COMMISSION IN CASE NO. 8080 DATED MARCH 13, 1981.

The following rates and charges are prescribed for the customers in the area served by Shelby 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.

RATE 1
GENERAL SERVICE*

Rates:

Consumer Facility Charge		\$6.72 (Minimum)
First	400 KWH Per Month	.06352 Per KWH
Next	600 KWH Per Month	.04962 Per KWH
Next	2,000 KWH Per Month	.04382 Per KWH
All Over	3,000 KWH Per Month	.05062 Per KWH

RATE 2
GENERAL SERVICE DEMAND*

Rates:

Demand Charge

First 20 KW of Billing Demand Per Month, No Demand Charge
Excess above 20 KW of Billing Demand Per Month \$3.14 Per KW

Energy Charge

Consumer Facility Charge		\$6.72 Per Month
First	400 KWH Per Month	.06352 Per KWH
Next	600 KWH Per Month	.04962 Per KWH
Next	2,000 KWH Per Month	.04382 Per KWH
All Over	3,000 KWH Per Month	.05062 Per KWH

RATE 3
LARGE POWER SERVICE

Rates:

Demand Charge

\$3.14 Per Month Per KW of Billing Demand

Energy Charge

First	100 KWH Per KW Demand	\$.04393 Per KWH
Next	100 KWH Per KW Demand	.03873 Per KWH
All Over	200 KWH Per KW Demand	.03353 Per KWH

RATE 4
OUTDOOR AND STREET LIGHTING SERVICE*

Rates:

<u>Type of Fixture</u>	<u>Lamp Size</u>	<u>Monthly Charges</u>
Mercury Vapor	Up to 200 Watts	\$5.74
Mercury Vapor	200 to 400 Watts	\$8.07

RATE 5
STANDBY POWER RATE*

Rates:

Demand Charge

The identical demand rate billed by East Kentucky Power Corporation from the wholesale power invoice for that particular month.

Energy Charge

First	100 KWH Per KW Demand	\$.04393 Per KWH
Next	100 KWH Per KW Demand	.03873 Per KWH
All Over	200 KWH Per KW Demand	.03353 Per KWH

*Fuel Adjustment Clause:

This rate may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve-month moving average of such losses. This Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056E.

Purchased Power - Month of: _____

Disposition of Energy (KWH) -Month of: _____

1. Fuel Adjustment Charge (Credit):
a. Billed by Supplier \$ _____

9. Total Purchases for the Month

b. (Over) Under Recovery on L20 _____

10. Sales (Ultimate Consumer)

c. Unrecoverable - Schedule 1 _____

11. Company Use

d. Recoverable Fuel Cost (L1a
+ L1b minus 1c) _____

12. Total Sales (L9 + L10)

2. Number of KWH Purchased _____

13. Line Loss and Unaccounted For
(L9 Less L12)

3. Supplier's FAC:

Under or (Over) Recovery

a. \$ Per KWH (L1a + L2) _____

14. Last Distributor FAC Rate Billed
to All Cycles

b. ¢ Per KWH (L3a x 100) _____

15. Gross KWH Billed at the Rate on L14

4. Sales as a Percent of Purchases
(100% less percentage on L6) _____

16. Adjustments to Customer Bills (KWH)

5. Calculation of Distributor's FAC:

17. Net KWH Billed at the Rate on L14
(L15 Less L16)

a. Recovery Rate \$ Per KWH
(L1d + L2) _____

18. FAC Revenue (Refund) Resulting
From the Rate on L14

b. FAC \$ Per KWH (L5a + L4) _____

19. Fuel Charge (Credit) Used to
Compute the Rate on L14

c. ¢ Per KWH (L5b x 100) _____

20. Total (Over) Under Recovery
(L18 Less L19)

Line Loss _____

6. Twelve Months Average (%) _____

7. Last Month Used to Compute L6 _____

8. Line Loss for Month on L7 (%) _____

Line 5c above reflects a Fuel Adjustment Charge (Credit) of _____ ¢/KWH to be applied to bills rendered on and after _____, 19____. Date of Issue _____, 19____. Issued by _____

Title _____

Address _____

Telephone Number _____

CALCULATION OF UNRECOVERABLE FUEL COST
DUE TO EXCESSIVE LINE LOSS
FOR THE MONTH ENDED

1.	Purchases For the Month (KWH)	
2.	Less Line Loss (10% X L1)	
3.	Sales (L1 less L2)	
4.	Unrecoverable Fuel Charge Per KWH:	
a.	FAC Rate based on Actual Line Loss (Current Month's Report L3a ÷ (100% Less L6))	\$
b.	FAC Rate based on 10% Line Loss (Current Month's Report L3a ÷ 90%)	_____
c.	Increment unrecoverable	\$ _____
5.	Unrecoverable Fuel Cost -L4c X L3 carry to Line 1b of current month's report)	\$ _____

Note: This schedule is to be filed for each month that the 12 month average Line Loss exceeds 10% and the amount billed by the supplier is a charge. This schedule is not to be filed if the amount billed by the supplier is a credit.