

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 SOUTH) CASE NO. 8081
KENTUCKY RURAL 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 .114¢ 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 South Kentucky 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

Martin M. Vohz
Chairman

Katherine Randall
Vice Chairman

Don Carson
Commissioner

ATTEST:

Secretary

APPENDIX "A"

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC
SERVICE COMMISSION IN CASE NO. 8081 DATED MARCH 13, 1981.

The following rates and charges are prescribed for the customers in the area served by South Kentucky 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 A
RESIDENTIAL, FARM AND NON-FARM SERVICE*

Rates:

First	30 KWH Per Month or Less (Minimum Bill)	\$4.96	
Next	70 KWH Per Month	.06486	Per KWH
Next	900 KWH Per Month	.04746	Per KWH
Over	1,000 KWH Per Month	.04066	Per KWH

SCHEDULE B
SMALL COMMERCIAL RATE*

Rates:

Demand Charge

First	10 KW of Billing Demand Per Month	No Charge
Excess above	10 KW of Billing Demand Per Month	\$3.16 Per KWH

Plus Energy Charge

First	30 KWH Per Month or Less (Minimum Bill)	\$4.96
Next	70 KWH Per Month	.06396 Per KWH
Next	900 KWH Per Month	.05276 Per KWH
Over	1,000 KWH Per Month	.04936 Per KWH

SCHEDULE LP
LARGE POWER RATE*

Rates:

Demand Charge

\$3.16 Per Month Per KW of Billing Demand

Plus Energy Charge

First	3,500 KWH Per Month	\$0.04336 Per KWH
Next	6,500 KWH Per Month	.03856 Per KWH
Next	140,000 KWH Per Month	.03556 Per KWH
Next	150,000 KWH Per Month	.03546 Per KWH
Next	700,000 KWH Per Month	.03536 Per KWH
Over	1,000,000 KWH Per Month	.03526 Per KWH

SCHEDULE OPS
OPTIONAL POWER SERVICE*

Rates:

First 1,000 KWH Per Month	\$0.07396 Per KWH
Over 1,000 KWH Per Month	.05056 Per KWH

SCHEDULE STL
STREET LIGHTING SERVICE*

Rate:;

Mercury Vapor Bulbs

Up to and including 175 watts (74 KWH/Light) \$3.29

Excess of 175 Watts up to and including
400 Watts (162 KWH/Light) \$5.56

Sodium Bulbs

Up to and including 150 Watts (63 KWH/Light) \$4.39

Excess of 150 Watts up to and including
360 Watts (135 KWH/Light) \$6.40

SCHEDULE OL
OUTDOOR LIGHTING SERVICE - SECURITY LIGHTS*

Rates:

175 Watt Mercury Vapor - Metered \$3.27

175 Watt Mercury Vapor - Unmetered
(74 KWH/Light) \$4.82

*Fuel Adjustment

All rates are applicable to the Fuel Adjustment Clause and 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.

COMPANY _____

POWER SUPPLIER _____

Purchased Power - Month of: _____

Disposition of Energy (KWH) - Month of: _____

1. Fuel Adjustment Charge (Credit):			
a. Billed by Supplier	\$ _____		
b. (Over) Under Recovery on L20	_____		
c. Unrecoverable - Schedule 1	_____		
d. Recoverable Fuel Cost (L1a + L1b minus 1c)	_____		
2. Number of KWH Purchased	_____		
3. Supplier's FAC:			
a. \$ Per KWH (L1a ÷ L2)	_____		
b. ¢ Per KWH (L3a x 100)	_____		
4. Sales as a Percent of Purchases (100% less percentage on L6)	_____		
5. Calculation of Distributor's FAC:			
a. Recovery Rate \$ Per KWH (L1d ÷ L2)	_____		
b. FAC \$ Per KWH (L5a ÷ L4)	_____		
c. ¢ Per KWH (L5b x 100)	_____		
Line Loss			
6. Twelve Months Average (%)	_____		
7. Last Month Used to Compute L6	_____		
8. Line Loss for Month on L7 (%)	_____		
9. Total Purchases for the Month	_____		
10. Sales (Ultimate Consumer)	_____		
11. Company Use	_____		
12. Total Sales (L9 + L10)	_____		
13. Line Loss and Unaccounted For (L9 Less L12)	_____		
Under or (Over) Recovery			
14. Last Distributor FAC Rate Billed to All Cycles	_____		
15. Gross KWH Billed at the Rate on L14	_____		
16. Adjustments to Customer Bills (KWH)	_____		
17. Net KWH Billed at the Rate on L14 (L15 Less L16)	_____		
18. FAC Revenue (Refund) Resulting From the Rate on L14	_____		
19. Fuel Charge (Credit) Used to Compute the Rate on L14	_____		
20. Total (Over) Under Recovery (L18 Less L19)	_____		

Line 5c above reflects a Fuel Adjustment Charge (Credit) of (.000) ¢/KWH to be applied to bills rendered 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 months 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.