

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 GRAYSON) CASE NO. 8601
RURAL ELECTRIC COOPERATIVE)
CORPORATION FROM NOVEMBER 1,)
1980, TO OCTOBER 31, 1982)

O R D E R

Pursuant to 807 KAR 5:056, Sections 1(11) and (12), the Public Service Commission ("Commission") issued its Order on September 23, 1982, scheduling a hearing to review the operation of the fuel adjustment clause of Grayson Rural Electric Cooperative Corporation ("Grayson") 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.

Grayson filed all requested information, including its monthly fuel charges for the 2-year period under review. Following proper notice, a hearing was held on January 25, 1983.

The Commission approved a transfer (roll-in) of 3.11 mills per KWH to the base rates of Grayson's wholesale supplier, East Kentucky Power Cooperative, Inc., ("East Kentucky") in Case No. 8588. Approval of East Kentucky's proposal requires that Grayson

also be authorized to roll in those same fuel costs to its base rates.

The Commission has reviewed the monthly fuel adjustment clause filing made by Grayson in conjunction with the schedule of over- or under-recovered fuel costs filed in this proceeding. This review indicates that the Commission should revise the monthly fuel adjustment clause filing form to minimize errors.

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

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

2. Grayson's wholesale supplier has been authorized to transfer (roll in) to its base rates fuel costs of 3.11 mills per KWH in Case No. 8588.

3. Grayson should be authorized to increase the rates charged its customers by 3.41 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. 8588 and applicable line loss, and this can best be accomplished by an energy adder to each KWH sold.

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.

5. The monthly fuel adjustment clause filing form currently being filed by Grayson should be revised.

IT IS THEREFORE ORDERED that the charges collected by Grayson through the fuel adjustment clause for the period November

1, 1980, through October 31, 1982, be and they hereby are approved.

IT IS FURTHER ORDERED that Grayson be and it hereby is authorized to transfer to its base rates fuel costs transferred by its wholesale supplier pursuant to Case No. 8588.

IT IS FURTHER ORDERED that the rates in Appendix A be and they hereby are approved for service rendered by Grayson on and after June 1, 1983, which is also the effective date for East Kentucky's rates.

IT IS FURTHER ORDERED that within 30 days from the date of this Order Grayson shall file with the Commission its revised tariff sheets setting out the rates approved herein.

IT IS FURTHER ORDERED that the revised monthly fuel clause form in Appendix B shall be used by Grayson for all filings made after the date of this Order pursuant to 807 KAR 5:056 to recover or refund fuel charges or credits billed or refunded by its wholesale supplier.

Done at Frankfort, Kentucky, this 3rd day of June, 1983.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 8601 DATED JUNE 3, 1983.

The following rates and charges are prescribed for the customers in the area served by Grayson 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 1*
DOMESTIC-FARM & HOME SERVICE, PUBLIC BUILDINGS,
SCHOOLS, CHURCHES, ETC.
COMMERCIAL & SMALL POWER 0 - 49 KVA

Rates:

Customer Charge Per Month	\$6.89
Energy Charge	.0614 per KWH

SCHEDULE 4
LARGE POWER SERVICE 50 - 600 KW*

Rates:

Demand Charge

\$5.39 per Month per KW of Billing Demand

Customer Charge per Month	\$52.83
---------------------------	---------

Energy Charge	.04843 per KWH
---------------	----------------

SCHEDULE 5
STREET LIGHTING SERVICE*

Base Rate per light per Year:

For dusk to dawn lighting with lights mounted on existing wooden poles with bracket attachments and connected to existing overhead secondary circuits. The Cooperative shall furnish and install wooden pole and secondary extension if required for street lights, within 200 feet of the existing secondary circuits.

For the following monthly charges the Cooperative will furnish, install and maintain the lighting fixtures and accessories including pole, hardware, control, lamps, overhead wiring, etc.; and the energy required.

<u>Lamp Size</u>	<u>Mercury Vapor Lamps</u>	<u>Annual Charge Per Lamp</u>
175 Watt	\$5.89	\$70.68

SCHEDULE 6
OUTDOOR LIGHTING SERVICE - SECURITY LIGHTS*

Rate Per Light Per Month:

175 Watt Mercury Vapor Lamp	\$5.89
250 Watt Mercury Vapor Lamp	7.85

SCHEDULE 7
ALL ELECTRIC SCHOOLS (A.E.S.)*

Rates:

All KWH	\$.06669
---------	----------

SCHEDULE 8
SEASONAL SERVICES - SERVICES ACTIVE LESS THAN NINE (9)
MONTHS OUT OF A YEAR

Rates:

Customer Charge Per Month	\$8.45
Energy Charge	.07855 per KWH

*Fuel Clause 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 5:056.

COMPANY: _____

POWER SUPPLIER: _____

Disposition of Energy (KWH) - Month of: _____

Purchased Power -

Month of: _____

1. Total Purchases	_____	13. Fuel Adjustment Charge (Credit):	_____
2. Sales (Ultimate Consumer)	_____	A. Billed by supplier	_____
3. Company Use	_____	B. (Over) Under Recovery (L12)	_____
4. Total Sales (L2 + L3)	_____	C. Unrecoverable - Schedule 2	_____
5. Line loss & Unaccounted for	_____	D. Recoverable Fuel Cost	_____
(L1 less L4)	_____	(L13 A+B-C)	_____
	_____	14. Number of KWH Purchased	_____
	_____	15. Supplier's FAC:	_____
	_____	\$ per KWH (L13A + 14)	_____
(Over) or Under Recovery - Month of: _____		Line Loss	_____
6. Last FAC Rate Billed Consumers	_____	16. Last 12 Months Actual (%) -	_____
7. Gross KWH Billed at the Rate	_____	17. Last Month Used to Compute L16	_____
on L6	_____	18. Line Loss for Month on L17 (%)	_____
8. Adjustments to Billing (KWH)	_____	(L5 + L1)	_____
9. Net KWH Billed at the Rate on	_____	19. Calculation of FAC Billed Consumers	_____
L6 (L7 + L8)	_____	Sales as a Percent of Purchases	_____
10. Fuel Charge (Credit) Used to	_____	(100% Less percentage on L16)	_____
Compute L6	_____	20. Recovery Rate \$ per KWH	_____
11. FAC Revenue (Refund) Resulting	_____	(L13D + L14)	_____
from L6 (net of billing adj.)	_____	21. FAC \$ per KWH (L20 + L19)	_____
12. Total (Over) or Under	_____	22. FAC ¢ per KWH (L21 x 100)	_____
Recovery (L10 less L11)	_____		_____

Line 22 reflects a Fuel Adjustment Charge (Credit) of _____ ¢ per KWH to be applied to bills rendered on and after _____, 19____.

Issued on: _____, 19____.

Issued by: _____ Title: _____

Address: _____ Telephone: _____

SCHEDULE 1
TWELVE MONTH ACTUAL LINE LOSS
FOR FUEL ADJUSTMENT CHARGE COMPUTATION
FOR _____, 198__

	(a)	(b)	(c)	(d)
	<u>KWH PURCHASED</u>	<u>KWH SOLD</u>	<u>OFFICE USE</u>	<u>KWH LOSSES</u>
Previous twelve months total -				
Less: Prior year-current month total -				
Plus: Current year-current month total -				
Most Recent Twelve Month Total -	_____	_____	_____	_____

(d) _____ ÷ (a) _____ = _____ Enter on line 16 of the current month's (FAC) Report

SCHEDULE 2
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 L15 ÷ (100% Less L16) \$ _____
 - b. FAC Rate based on 10% Line Loss
(Current Month's Report L15 ÷ 90%) _____
 - c. Increment unrecoverable \$ _____
5. Unrecoverable Fuel Cost - (L4c x L3 enter on Line
13c of current month's FAC report) \$ _____

Note: This schedule is to be filed for each month that the 12 month actual 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.