

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 JACKSON) CASE NO. 8606
COUNTY 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 28, 1982, scheduling a hearing to review the operation of the fuel adjustment clause of Jackson County Rural Electric Cooperative Corporation ("Jackson 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.

Jackson County 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.

Jackson County filed a petition on December 3, 1982, requesting to recover \$33,381.70 to correct various filing errors resulting in the understatement of the fuel adjustment charge. After reviewing Jackson County's monthly fuel adjustment clause filings together with evidence in this case, the Commission has determined that these filing errors resulted in an understatement of Jackson County's recoverable fuel costs of \$34,572.02.

Therefore, the Commission is of the opinion that Jackson County should adjust its next monthly fuel adjustment clause filing by \$34,572.02.

The Commission approved a transfer (roll-in) of 3.11 mills per KWH to the base rates of Jackson County's wholesale supplier, East Kentucky Power Cooperative, Inc. ("East Kentucky"), in Case No. 8588. Approval of East Kentucky's proposal requires that Jackson County 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 Jackson County 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. With the exception of the filing errors discussed herein, Jackson County has complied in all material respects with the provisions of 807 KAR 5:056.

2. Jackson County should adjust its next monthly fuel adjustment clause filing by \$34,572.02 to correct previous filing errors.

3. Jackson County'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.

4. Jackson County should be authorized to increase the rates charged its customers by 3.43 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.

5. 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.

6. The monthly fuel adjustment clause filing form currently being filed by Jackson County should be revised.

IT IS THEREFORE ORDERED that the charges collected by Jackson County 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 Jackson County 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 Jackson County on and after June 1, 1983, which is also the effective date for East Kentucky.

IT IS FURTHER ORDERED that within 30 days from the date of this Order Jackson County 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 Jackson County 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, East Kentucky.

IT IS FURTHER ORDERED that Jackson County shall adjust its next monthly FAC filing by \$34,572.02 using a separate line item as shown in Appendix C.

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. 8606 DATED June 3, 1983.

The following rates and charges are prescribed for the customers in the area served by Jackson 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 10
RESIDENTIAL, FARM AND NON-FARM SERVICE*

Rate

Customer Charge Per Month	\$4.85	
First 650 KWH Per Month	.06855	per KWH
All Over 650 KWH Per Month	.05916	per KWH

SCHEDULE 20
COMMERCIAL, SMALL POWER, AND THREE-PHASE FARM SERVICE*

Rate

Customer Charge Per Month	\$5.35	per KWH
First 1,000 KWH Per Month	.07042	per KWH
Next 1,000 KWH Per Month	.06881	per KWH
All Over 2,000 KWH Per Month	.06595	per KWH

SCHEDULE 30
LARGE POWER SERVICE LESS THAN 50 KW*

Rate

Customer Charge Per Month	\$6.40	
Demand Charge Per Month	\$4.87	per KW
<u>Energy Charge Per KWH</u>		
First 1,000 KWH Per Month	.06252	per KWH
All Over 1,000 KWH Per Month	.05930	per KWH

SCHEDULE 33
WATER PUMPING SERVICE*

Rate

Customer Charge Per Month		\$10.70	
First 10,000 KWH Per Month		.06225	per KWH
Next 40,000 KWH Per Month		.05981	per KWH
All Over 50,000 KWH Per Month		.05607	per KWH

SCHEDULE 40
LARGE POWER MORE THAN 50 KW BUT LESS THAN 275 KW*

Rate

Customer Charge Per Month		\$16.20	
Demand Charge Per Month		4.87	per KW
<u>Energy Charge</u>			
First 10,000 KWH Per Month		.05582	per KWH
Next 40,000 KWH Per Month		.05441	per KWH
All Over 50,000 KWH Per Month		.05240	per KWH

SCHEDULE 43
LARGE POWER RATE - OVER 275 KW*

Rate

Customer Charge Per Month		\$32.00	
Demand Charge Per Month		4.87	per KW
<u>Energy Charge</u>			
First 150,000 KWH Per Month		.05140	per KWH
All Over 150,000 KWH Per Month		.04968	per KWH

SCHEDULE 50 AND 60
SCHOOLS, CHURCHES AND COMMUNITY HALLS*

Rate

Customer Charge Per Month		\$5.35	
First 800 KWH Per Month		.06230	per KWH
All Over 800 KWH Per Month		.05974	per KWH

SCHEDULE SL
OUTDOOR LIGHTING SERVICE - SECURITY LIGHTS*

<u>Rate Per Light Per Month</u>				
Mercury Vapor Lamp	175 Watt	90 KWH	\$5.96	per Month

SCHEDULE 52
ALL ELECTRIC SCHOOLS

Rate

Customer Charge Per Month - Includes No KWH Usage \$10,70
All KWH ,05823Per KWH

*Fuel Cost Adjustment Charge

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: _____

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

Issued by: _____, 19____. Issued on: _____, 19____. Title: _____

Address: _____ Telephone: _____

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

	(a) <u>KWH PURCHASED</u>	(b) <u>KWH SOLD</u>	(c) <u>OFFICE USE</u>	(d) <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.

MONTHLY FUEL ADJUSTMENT CLAUSE (FAC) Report

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	_____	A-1. FAC Adjustment*	\$34,572.02
4. Total Sales (L2 + L3)	_____	B. (Over) Under Recovery (L12)	_____
5. Line Loss & Unaccounted for	_____	C. Unrecoverable - Schedule 2	_____
(L1 less L4)	_____	D. Recoverable Fuel Cost	_____
	_____	(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	_____	Calculation of FAC Billed Consumers	_____
L6 (L7 + L8)	_____	19. 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)	_____		_____

*Per Commission's Order in Case No. 8606

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: _____