

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 OWEN COUNTY ) CASE NO. 8611  
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 October 12, 1982, scheduling a hearing to review the operation of the fuel adjustment clause of Owen County Rural Electric Cooperative Corporation ("Owen 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.

Owen 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.

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

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

2. Owen 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.

3. Owen County should be authorized to increase the rates charged its customers by 3.46 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 Owen County should be revised.

IT IS THEREFORE ORDERED that the charges collected by Owen 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 Owen 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.

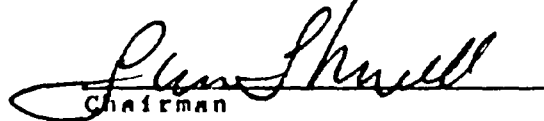
IT IS FURTHER ORDERED that the rates in Appendix A be and they hereby are approved for service rendered by Owen County on and after June 1, 1983, which is also the effective date for East Kentucky's rates.

IT IS FURTHER ORDERED that within 30 days from the date of this Order Owen 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 Owen 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.

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. 8611 DATED JUNE 3, 1983.

The following rates and charges are prescribed for the customers in the area served by Owen 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 I  
FARM AND HOME\*

Rates:

|                 |         |           |
|-----------------|---------|-----------|
| Customer Charge | \$ 5.50 | Per Month |
| All KWH         | .07114  | Per KWH   |

SCHEDULE I  
SMALL COMMERCIAL\*

Rates:

|                 |         |           |
|-----------------|---------|-----------|
| Customer Charge | \$ 5.50 | Per Month |
| All KWH         | .07114  | Per KWH   |

SCHEDULE II  
LARGE POWER\*

Rates:

|                 |         |                |
|-----------------|---------|----------------|
| All KW Demand   | \$ 5.12 | Per KW of      |
| Customer Charge | 20.00   | Billing Demand |
| All KWH         | .05158  | Per Month      |
|                 |         | Per KWH        |

SCHEDULE III  
SECURITY LIGHTS\*

Rates:

|   |         |
|---|---------|
| Installed on existing pole<br>where 120 volts are available | \$ 5.50 |
| One Pole Added  | 7.14    |
| Two Poles Added   | 8.78    |
| Three Poles Added   | 10.42   |
| Four Poles Added  | 12.06   |

Where a transformer is required, there is an additional charge of \$0.50 per month.

\*The monthly kilowatt hour usage shall be subject to plus or minus an adjustment per KWH determined in accordance with the "Fuel Adjustment Clause."

MONTHLY FUEL ADJUSTMENT CLAUSE (FAC) Report

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 &amp; 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 (%) (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> |
|--|--|

Line 22 reflects a Fuel Adjustment Charge (Credit) of \_\_\_\_\_ ¢ per KWH to be applied to bills rendered on and after \_\_\_\_\_, 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<br>(Current Month's Report L15 ÷ (100% Less L16) \$  |          |
| b. FAC Rate based on 10% Line Loss<br>(Current Month's Report L15 ÷ 90%)                   | _____    |
| c. Increment unrecoverable   | \$ _____ |
| 5. Unrecoverable Fuel Cost - (L4c x L3 enter on Line<br>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.