

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 ADJUST-)
MENT CLAUSE OF TAYLOR COUNTY) CASE NO. 8615
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 November 4, 1982, scheduling a hearing to review the operation of the fuel adjustment clause of Taylor County Rural Electric Cooperative Corporation ("Taylor 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.

Taylor 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 Taylor County's wholesale supplier, East Kentucky Power Cooperative, Inc., ("East Kentucky") in Case No. 8588. Approval of East Kentucky's proposal requires that

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

2. Taylor 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. Taylor County should be authorized to increase the rates charged its customers by 3.36 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 Taylor County should be revised.

IT IS THEREFORE ORDERED that the charges collected by Taylor 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 Taylor 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 Taylor 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 Taylor 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 Taylor 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. 8615 DATED JUNE 3, 1983

The following rates and charges are prescribed for the customers in the area served by Taylor 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 A
FARM AND HOME SERVICE*

Rates:

Customer Charge	\$4.15	Per Meter Per Month
All KWH Per Month	.05765	Per KWH

SCHEDULE GP-1
GENERAL PURPOSE SERVICE (LESS THAN 25 KW)*

Rates:

Demand Charge: None

Energy:

Customer Charge	\$5.15	Per Meter Per Month
All KWH Per Month	.06538	Per KWH

SCHEDULE GP-2
GENERAL PURPOSE SERVICE (GREATER THAN 25 KVA)*

Rates:

Demand Charge:

\$3.95 Per KW of Billing Demand

Energy Charge:

All KWH Per Month	\$.04123	Per KWH
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SCHEDULE SL
STREET LIGHTING SERVICE

Rates:

<u>Incandescent</u>	<u>Charge/Fixture</u>	
75 Watts	\$2.26 plus	30 KWH/Light/Month @ GP-1 Rate
150 Watts	2.90 plus	60 KWH/Light/Month @ CP-1 Rate
200 Watts	2.97 plus	80 KWH/Light/Month @ GP-1 Rate
300 Watts	3.65 plus	120 KWH/Light/Month @ GP-1 Rate

<u>Mercury Vapor</u>	<u>Charge/Fixture</u>	
175 Watts	\$2.94 plus	70 KWH/Light/Month @ GP-1 Rate
250 Watts	3.59 plus	100 KWH/Light/Month @ CP-1 Rate
400 Watts	4.84 plus	160 KWH/Light/Month @ CP-1 Rate

*Fuel Adjustment Clause

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.

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 & 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 + 14) _____</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>19. Calculation of FAC Billed Consumers 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: _____ Title: _____ Issued on: _____, 19____.

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.