

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

MOTION, NOTICE, AND APPLICATION OF JACKSON)
PURCHASE ELECTRIC COOPERATIVE CORPORATION)
FOR PERMISSION TO FLOW THROUGH A WHOLESALE) CASE NO.
RATE INCREASE FILED BEFORE THE FEDERAL) 8617
ENERGY REGULATORY COMMISSION BY KENTUCKY)
UTILITIES COMPANY, DOCKET NO. ER-82-673)

O R D E R

On August 13, 1982, Jackson Purchase Electric Cooperative Corporation ("Jackson Purchase") filed its application to flow through any increase in rates granted to its wholesale power supplier Kentucky Utilities Company ("KU") by the Federal Energy Regulatory Commission ("FERC"). Jackson Purchase requested a phase I power cost adjustment in the amount of \$1,989,334 and a phase II power cost adjustment in the amount of \$2,318,660. The adjustments to the total revenue in phase I would be an increase of 11.24 percent and in phase II, an increase of 13.11 percent. KU had asked FERC to allow it to place phase II into effect on September 23, 1982, or as an alternative to suspend phase II for 5 months and allow phase I to become effective September 23, 1982.

A hearing was held in the Commission's offices in Frankfort, Kentucky, on September 21, 1982. No protests were entered. At the hearing Mr. Jack D. Gaines, witness for

Jackson Purchase, testified that FERC did permit phase I of KU's application to become effective September 23, 1982, subject to refund pending a final decision by FERC. Therefore in the Commission's Order dated September 30, 1982, phase I of Jackson Purchase's application was approved to coincide with KU's effective date of September 23, 1982.

In its Order dated December 1, 1982, FERC changed the effective date for phase I from September 23, 1982, to February 22, 1983, and ordered KU to refund to Jackson Purchase within 30 days of the date of the Order the amounts collected in excess of the billable amount. KU filed a request for a rehearing, which was denied by FERC Order dated February 4, 1983. Consequently, the refunds were to be made by March 6, 1983. Upon request by KU, FERC did permit the refund date to be extended until April 6, 1983, while settlement negotiations were being pursued. Jackson Purchase and KU have agreed on the settlement rates and the settlement rates are now awaiting the final decisions of FERC.

KU has elected to put the settlement rates into effect with the June, 1983, billings, even though FERC has not issued its Order approving the settlement rate. Therefore on the basis of the reduced rates and charges by KU to Jackson Purchase, the consumers of Jackson Purchase should be entitled to a similar reduction in rates and charges.

The Commission, after review of the evidence of record and being advised, is of the opinion and finds that:

1. The current rates and charges of Jackson Purchase should be reduced to agree with the settlement rates and charges KU has put into effect.

2. The customers of Jackson Purchase are due a refund for the period September 23, 1982, to February 22, 1983, as a result of KU's refund to Jackson Purchase of April 6, 1983, in the amount of \$497,812.

3. The customers of Jackson Purchase are due a refund for the period of February 22, 1983, through the effective date of this Order, as a result of the settlement agreement now before the FERC.

4. The revised rates and charges in Appendix A are designed to reflect only the power cost reflected in the proposed settlement rate by KU .

IT IS THEREFORE ORDERED that:

1. The rates and charges in Appendix A be and they are hereby approved for billings on and after July 1, 1983.

2. The rates and charges in Appendix A shall be placed into effect subject to refund pending the final decision of FERC in KU's application for wholesale power increase.

3. Jackson Purchase shall maintain its records in such a manner that should an additional refund be required in the final decision by FERC the refund to the customers of Jackson Purchase could be determined.

4. Jackson Purchase shall provide a copy of the final FERC Order in the KU wholesale rate case to the Commission within 30 days of receipt.

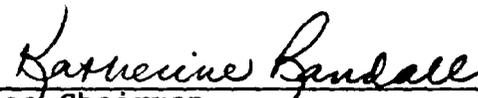
5. Jackson Purchase shall file within 20 days from the date of the Order its revised tariff sheets setting out the rates and charges approved herein.

6. Jackson Purchase shall file by September 1, 1983, its plan to refund the amounts referred to in findings 2 and 3.

Done at Frankfort, Kentucky, this 1st day of July, 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. 8617 DATED JULY 1, 1983.

The following rates and charges are prescribed for the customers in the area served by Jackson Purchase 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.

Rates: Monthly

Schedule R - Residential

Service Charge: Minimum per month \$ 6.05

Energy Charge:

First 400 KWH	Per KWH per month 7.177¢
Next 600 KWH	Per KWH per month 5.441¢
Over 1000 KWH	Per KWH per month 5.093¢

Schedule CSL - Community & Public Authority Street Lighting

Each 175 Watt Mercury Vapor Lamp	Per month per lamp \$ 7.48
Each 400 Watt Mercury Vapor Lamp	Per month per lamp 11.79

Schedule C - Small Commercial

Service Charge: Minimum per month \$ 6.05

Energy Charge:

First 500 KWH	Per KWH per month 7.190¢
Next 500 KWH	Per KWH per month 6.441¢
Next 5,000 KWH	Per KWH per month 5.979¢
Over 6,000 KWH	Per KWH per month 5.106¢

Schedule D - Commercial and Industrial Service & Three Phase Service

Service Charge: Minimum per month \$15.00

Energy Charge:

First 200 KWH	Per KWH per month 3.995¢
Over 200 KWH	Per KWH per month 3.764¢

Demand Charge:

Over 25 KW of billing demand per month, per KW per month \$4.45

Schedule SP - Seasonal Power Service

Rate Per Year:

First 1,500 KWH	Per KWH per year	11.705¢
Next 500 KWH/H.P.	Per KWH per year	8.695¢
All Additional KWH	Per KWH per year	5.569¢

MINIMUM ANNUAL CHARGE:

The minimum annual charge under the above rate shall be:

- A. First 25 connected horsepower or less (minimum) \$305.00
Balance of connected horsepower Per H.P. per year 9.85

SCHEDULE I - Industrial Service

Rates Monthly:

Demand Charge:

First 3,000 KW of billing demand	Minimum per month	\$22,143
All additional KW	Per KW per month	\$ 7.381

Energy Charge:

All KWH Per KWH per month \$ 2.623¢

SCHEDULE SL - Mercury Vapor Security Lighting

175 Watt mercury vapor lamp	Per month per lamp	\$ 7.48
400 Watt mercury vapor lamp	Per month per lamp	11.79

SCHEDULE ND - Commercial & Industrial & All Other Three Phase Service (under 25 KVA)

Service Charge: Minimum per month \$ 6.90

Energy Charge:

First 500	Per KWH per month	7.190¢
Next 500	Per KWH per month	6.441¢
Next 5,000	Per KWH per month	5.979¢
All Over 6,000	Per KWH per month	5.106¢