

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

ADJUSTMENT OF RATES OF BEREA)
COLLEGE ELECTRIC UTILITY, A) CASE NO. 8887
DEPARTMENT OF BEREA COLLEGE)

O R D E R

On September 13, 1983, Berea College Electric Utility ("Berea Electric") filed its application to flow through any increase in rates granted to its wholesale power supplier Kentucky Utilities Company ("Kentucky Utilities") by the Federal Energy Regulatory Commission ("FERC"). The Kentucky Utilities wholesale rate increase was requested from FERC in two phases, labeled Phase I and Phase II. Berea Electric would experience an increase in power cost of approximately \$250,326 under Phase I and \$307,143 under Phase II. The Phase I increase will result in an overall increase to the customers of Berea Electric of approximately 6.6 percent.

FERC has permitted the Kentucky Utilities Phase I wholesale rate increase to become effective on October 2, 1983, with Phase II rates suspended for 5 months. Berea Electric has proposed to allocate this increase in wholesale cost to its customers with an energy adder charge.

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

1. The increase that FERC has permitted Kentucky Utilities to put into effect on October 2, 1983, subject to refund, will result in an increase of power cost to Berea Electric of \$250,326.

2. Berea Electric is entitled to recover the increased wholesale power cost, and the financial condition of Berea Electric would be materially impaired if it were not allowed to recover this additional cost.

3. The energy adder charge is an equitable method to use in allocating the increased power cost to Berea Electric's customers.

4. The rates and charges in Appendix A are designed to reflect only the increased wholesale power cost approved by FERC for Kentucky Utilities and are subject to refund.

5. The flow-through of the wholesale power cost increase will not result in any additional net margin to Berea Electric.

6. Berea Electric requested that rates and charges reflecting Kentucky Utilities' wholesale rate increase be approved for bills rendered on and after October 20, 1983. Phase I of this increase was approved by FERC for services rendered on and after October 2, 1983. The Commission is therefore of the opinion that Berea Electric's rates and charges should reflect the same time period as the rates approved by FERC.

IT IS THEREFORE ORDERED that Berea Electric be and it hereby is authorized to flow through the increased power costs resulting from the increase granted its wholesale power supplier, Kentucky Utilities.

IT IS FURTHER ORDERED that the rates and charges proposed by Berea Electric in Appendix A be and they hereby are approved for service rendered by Berea Electric on and after October 2, 1983, subject to refund.

IT IS FURTHER ORDERED that Berea Electric shall maintain its records in such a manner that, should a refund be required by FERC, the refund to the customers of Berea Electric could be quickly determined.

IT IS FURTHER ORDERED that Berea Electric shall provide to the Commission a copy of the FERC decision in the Kentucky Utilities wholesale rate case when available.

IT IS FURTHER ORDERED that Berea Electric shall file within 30 days from the date of this Order its revised tariff sheets setting out the rates and charges approved herein.

Done at Frankfort, Kentucky, this 14th day of October, 1983.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary

APPENDIX A
 APPENDIX TO AN ORDER OF THE PUBLIC SERVICE
 COMMISSION IN CASE NO. 8887 DATED OCTOBER 14, 1983

The following rates and charges are prescribed for the customers in the area served by Berea College Electric Utility. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the date of this Order.

<u>RESIDENCE SERVICE - CLASS 1</u>		<u>RATE PER UNIT</u>
<u>Rates:</u>	First 200 KWH per month	5.398¢/KWH
	Next 300 KWH per month	5.198¢/KWH
	All Over 500 KWH per month	4.408¢/KWH

Service Charge: \$2.50 per meter per month

<u>COMMERCIAL LIGHTING AND POWER SERVICE - CLASS 2</u>		<u>RATE PER UNIT</u>
<u>Demand Rates:</u>	For service of each KW demand	\$1.50/KW
<u>Energy Rates:</u>	First 500 KWH per month	5.878¢/KWH
	Next 3,500 KWH per month	5.318¢/KWH
	All Over 4,000 KWH per month	4.818¢/KWH

Service Charge: \$5.00 per meter per month

<u>INDUSTRIAL USERS AND LARGE COMMERCIAL USERS-CLASS 3</u>		<u>RATE PER UNIT</u>
<u>Demand Rates:</u>	For service for each KW of demand per month	\$5.00/KW
<u>Energy Rates:</u>	All KWH	3.775¢/KWH

Minimum Charge: Per Month \$943.75

<u>RURAL - RESIDENCE SERVICE - CLASS 4</u>		<u>RATE PER UNIT</u>
<u>Rates:</u>	First 200 KWH per month	5.398¢/KWH
	Next 300 KWH per month	5.198¢/KWH
	All Over 500 KWH per month	4.408¢/KWH

Service Charge: \$2.50 per meter per month

FARM - RESIDENCE SERVICE - CLASS 5

RATE
PER UNIT

<u>Rates:</u>	First	200 KWH per month	5.398¢/KWH
	Next	300 KWH per month	5.198¢/KWH
	All Over	500 KWH per month	4.408¢/KWH

Service Charge: \$2.50 per meter per month

INDUSTRIAL USERS AND LARGE COMMERCIAL USERS-CLASS 6

RATE
PER UNIT

<u>Demand Rates:</u>	For service for each KW demand	\$4.75
<u>Energy Rates:</u>	For 25,000 KWH and over	3.599¢/KWH
<u>Minimum Charge:</u>	Per Month	\$899.75

AREA LIGHTING SERVICE - CLASS 7

RATE
PER UNIT

Type of Service: One hundred seventy-five (175)
Watt Mercury Vapor Lunimairs

<u>Rates:</u>	Per light, per month	\$6.55
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AREA LIGHTING SERVICE - CLASS 8

RATE
PER UNIT

Rates Per Month:

Street Lighting 400 Watt M.V.	\$9.25
Street Lighting 175 Watt M.V. (This rate applies where lights are installed on existing poles)	\$5.55
Street Lighting 175 Watt M.V. (This rate applies when the installation of the light requires setting a new pole)	\$6.55

(The initials M.V. stand for Mercury Vapor light)