

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 )

ORDER

On September 13, 1983, Berea College Electric Utility ("Berea Electric") filed its application to flow through an increase in rates granted to its wholesale power supplier Kentucky Utilities Company by the Federal Energy Regulatory Commission. Berea Electric included in this application new language under the special rules section of all of its tariffs to show a separate charge to the customer's bill for a proportionate part of any fee imposed upon Berea Electric.

Berea Electric's reasoning for this new language is that in Case No. 8791, Issuance of a Certificate of Public Convenience and Necessity to Bid on Electric Franchise in the Territorial Limits of Berea, Madison County, Kentucky, Berea Electric was authorized to bid on a franchise to serve in the municipal boundaries of the City of Berea ("City"). The City Commission is requiring 3 percent of the franchisee's gross service revenues from sales generated within the City. Berea Electric has contested this action. However, the Madison Circuit Court has instructed Berea Electric to collect the 3

percent since July 15, 1983, with the funds to be held in an escrow account until the litigation is concluded. The effect that this addition will have on Berea Electric's annual revenue is approximately \$104,269.

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

1. Berea Electric is under court order to collect the City's 3 percent franchise fee; therefore, it should be collected, subject to refund, by means of a separate line item on the bills of city customers.

2. The proposed new language under the special rules section of all the tariffs is in the public interest and should be approved.

IT IS THEREFORE ORDERED that the new language proposed by Berea Electric, contained in Appendix A, be and it hereby is approved.

IT IS FURTHER ORDERED that Berea Electric shall maintain its records in such manner as will enable a determination of the amount of refunds and to whom due in the event that the City's franchise fee is reduced or eliminated.

IT IS FURTHER ORDERED that Berea Electric shall provide to the Commission a copy of the Madison Circuit Court decision in this litigation 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 language approved herein.

Done at Frankfort, Kentucky, this 20th day of January,  
1984.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

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Secretary

APPENDIX A

APPENDIX TO AN ORDER OF THE PUBLIC SERVICE  
COMMISSION IN CASE NO. 8887 DATED  
JANUARY 20, 1984

The following language is 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.

RESIDENCE SERVICE - CLASS 1\*

COMMERCIAL LIGHTING AND POWER SERVICE - CLASS 2\*

INDUSTRIAL USERS AND LARGE COMMERCIAL USERS - CLASS 3\*

RURAL - RESIDENCE SERVICE - CLASS 4\*

FARM - RESIDENCE SERVICE - CLASS 5\*

INDUSTRIAL USERS AND LARGE COMMERCIAL USERS - CLASS 6\*

AREA LIGHTING SERVICE - CLASS 7\*

AREA LIGHTING SERVICE - CLASS 8\*

\* Special Rules

There shall be added to the customer's bill as a separate item an amount equal to the proportionate part of any license, occupation, franchise or other similar fee or tax now or hereafter imposed upon Berea College Electric Utility by local taxing authorities, whether imposed by ordinance, franchise or otherwise, and which fee or tax is based upon the percentage of the gross receipts, net receipts or revenues from the sale of services rendered by Berea College Electric Utility to the Customer.