

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 SHELBY) CASE NO. 9196
RURAL ELECTRIC COOPERATIVE)
CORPORATION FROM NOVEMBER 1,)
1982, TO OCTOBER 31, 1984)

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 20, 1984, scheduling a hearing to review the operation of the fuel adjustment clause of Shelby Rural Electric Cooperative Corporation ("Shelby") 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.

Shelby filed all requested information, including its monthly fuel charges for the 2-year period under review. Following proper notice, a hearing was held on April 4, 1984.

The Commission approved a transfer (roll-in) of (2.47) mills per KWH to the base rates of Shelby's wholesale supplier, East Kentucky Power Cooperative, Inc., ("East Kentucky") in Case No. 9171. Approval of East Kentucky's proposal requires that Shelby also be authorized to roll in those same fuel costs to its base rates.

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

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

2. Shelby's wholesale supplier has been authorized to transfer (roll in) to its base rates fuel costs of (2.47) mills per KWH in Case No. 9171.

3. Shelby should be authorized to decrease the rates charged its customers by 2.62 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. 9171 and applicable line loss, and this can best be accomplished by a uniform reduction in all energy rates.

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.

IT IS THEREFORE ORDERED that the charges collected by Shelby through the fuel adjustment clause for the period November 1, 1982, through October 31, 1984, be and they hereby are approved.


IT IS FURTHER ORDERED that Shelby be and it hereby is authorized to transfer to its base rates fuel costs transferred by its wholesale supplier pursuant to Case No. 9171.


IT IS FURTHER ORDERED that the rates in Appendix A be and they hereby are approved for service rendered by Shelby on and after June 1, 1985, 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 Shelby shall file with the Commission its revised tariff sheets setting out the rates approved herein.

Done at Frankfort, Kentucky, this 7th day of May, 1985.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Acting Secretary _____

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 9196 DATED 5/7/85

The following rates and charges are prescribed for the customers in the area served by Shelby Rural Electric Cooperative Corporation. The rates and charges included in this appendix incorporated the rates of Case No. 8613. 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.

RATE 1
GENERAL SERVICE*

Rates:

Demand Charge:

First 20 KW of billing demand per month, no demand charge.
Excess of 20 KW of billing demand per month @ 4.50 per KW.

Energy Charge:

	Consumer Facility Charge	\$ 7.18 (Minimum)
First	600 KWH per month	@ .07601 per KWH
Next	1400 KWH per month	@ .06110 per KWH
All Over	2000 KWH per month	@ .05978 per KWH

MINIMUM MONTHLY CHARGE:

The minimum monthly charge under the above rate shall be \$7.18. Where it is necessary to extend or reinforce existing distribution facilities, the minimum monthly charge may be increased to assure adequate compensation for the added facilities. Where the minimum charge is increased in accordance with the terms of this section, additional energy and demand shall be included in accordance with the foregoing rate schedule.

The minimum monthly charge for three-phase service shall be \$1.00 per KVA of installed transformer capacity or the minimum monthly charge stated in the contract for service.

SPECIAL PROVISIONS:

Contract:

An "Agreement for Electric Service" shall be executed by the consumer for service under this rate schedule if the service is to be three-phase or if required by the Seller.

SPECIAL RULES:

Motors having a rated capacity in excess of ten horsepower (10 HP) must be three-phase. Motors in excess of five horsepower (5 HP) shall be provided with compensating starting equipment acceptable to the Seller.

RATE 2
LARGE POWER SERVICE

Rates:

Demand Charge

\$4.50 Per Month Per KW of Billing Demand

Energy Charge

First	100 KWH Per KW Demand	\$.05451 Per KWH
Next	100 KWH Per KW Demand	.04894 Per KWH
All Over	200 KWH Per KW Demand	.04338 Per KWH

AVAILABILITY:

Available to all consumers whose KW demand shall be greater than 50 KW, including residential and farm consumers who do not qualify under availability of service under Rate 1, located on or near Seller's line for all types of usage, subject to the established Rules and Regulations of Seller.

RATE 3
OUTDOOR AND STREET LIGHTING SERVICE*

Rates:

<u>Type of Fixture</u>	<u>Lumen Output</u>	<u>Monthly Charge</u>
Mercury Vapor or HPS	7,000 - 10,000	\$ 6.84
Mercury Vapor or HPS	20,000 - 30,000	\$ 9.82

RATE 4
STANDBY POWER RATE*

Rates:

Demand Charge

The identical demand rate billed by East Kentucky Power Corporation from the wholesale power invoice for that particular month.

Energy Charge

First	100 KWH per KW Demand	\$.05219 Per KWH
Next	100 KWH per KW Demand	.04629 Per KWH
All Over	200 KWH per KW Demand	.04042 Per KWH

*Fuel Adjustment Clause:

This rate 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 percent and is based on a 12-month moving average of such losses. This Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

RATE 6
GENERAL SERVICE T-O-D*

Rates

On-Peak Rate

Service Charge	\$7.18
Under 600 KWH/Month	.07601/KWH
Service Charge	16.13
601 to 2000 KWH/Month	.06110/KWH
Service Charge	18.76
Over 2000 KWH/Month	.05978/KWH

Off-Peak Rate

Under 600 KWH/Month	.04456/KWH
601 to 2000 KWH/Month	.03561/KWH
Over 2000 KWH/Month	.03482/KWH