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COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION BY THE PUBLIC)	
SERVICE COMMISSION OF THE)	
APPLICATION OF THE FUEL ADJUST-)	
MENT CLAUSE OF FLEMING-MASON RURAL)	CASE NO. 9742
ELECTRIC COOPERATIVE CORPORATION)	
FROM NOVEMBER 1, 1984, TO)	
OCTOBER 31, 1986)	

O R D E R

Pursuant to 807 KAR 5:056, Sections 1 (11) and 1 (12), the Public Service Commission ("Commission") issued its Order on November 14, 1986, scheduling a hearing to review the operation of the fuel adjustment clause of Fleming-Mason Rural Electric Cooperative Corporation ("Fleming-Mason") 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. Fleming-Mason was not required to appear at the scheduled hearing unless an appearance was requested by the Attorney General's Utility and Rate Intervention Division or other interested parties or by the Commission on its own motion.

Fleming-Mason filed all requested information, including its monthly fuel charges for the 2-year period under review and its affidavit of compliance with the provisions of the fuel adjustment clause as prescribed in 807 KAR 5:056. Following proper notice, no party of record requested Fleming-Mason to appear at the hearing scheduled for February 10, 1987.

The Commission approved a transfer (roll-in) of (1.46) mills per KWH to the base rates of Fleming-Mason's wholesale supplier, East Kentucky Power Cooperative, Inc., ("East Kentucky") in Case No. 9731. Approval of East Kentucky's proposal requires that Fleming-Mason 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, finds that:

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

2. Fleming-Mason's wholesale supplier has been authorized to transfer (roll-in) to its base rates fuel costs of (1.46) mills per KWH in Case No. 9731.

3. Fleming-Mason should be authorized to decrease the rates charged its customers by 1.54 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. 9731 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:

(1) The charges and credits applied by Fleming-Mason through the fuel adjustment clause for the period November 1, 1984, through October 31, 1986, be and they hereby are approved.

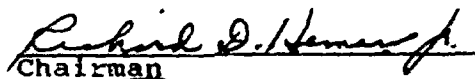
(2) Fleming-Mason be and it hereby is authorized to transfer to its base rates fuel costs transferred (rolled-in) by its wholesale supplier pursuant to Case No. 9731.

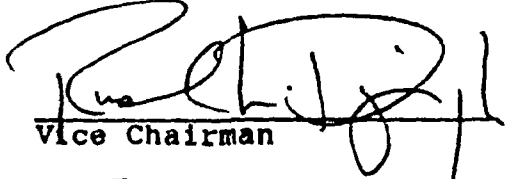
(3) The rates in Appendix A be and they hereby are approved for service rendered by Fleming-Mason on and after May 1, 1987, which is also the effective date for East Kentucky's rates.

(4) Within 30 days from the date of this Order Fleming-Mason shall file with the Commission its revised tariff sheets setting out the rates approved herein.

Done at Frankfort, Kentucky, this 28th day of April, 1987.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 9742 DATED 4/28/87

The following rates and charges are prescribed for the customers in the area served by Fleming-Mason 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 RSP
RESIDENTIAL AND SMALL POWER*

Rates:

Customer charge	\$ 5.30	Per Meter
Energy Charge (for all KWH)	.05532	Per KWH

SCHEDULE RSP - T-O-D
RESIDENTIAL AND SMALL POWER T-O-D*

Rates:

On-Peak Rate:		
Customer Charge	\$5.30	Per Meter
All KWH/Month	.05532	Per KWH

Off-Peak Rate:		
All KWH/Month	.03153	Per KWH

SCHEDULE SGS
SMALL GENERAL SERVICE*

Rates:

Customer Charge	\$39.67	Per Meter
Demand Charge per billing KW	6.49	Per KW
Energy Charge (for all KWH)	.03100	Per KWH

SCHEDULE LGS
LARGE GENERAL SERVICE*

Rates:

Customer Charge	\$52.90	Per Meter
Demand Charge per Billing KW	6.06	Per KW
Energy Charge (for all KWH)	.03117	Per KWH

SCHEDULE OLS
OUTDOOR LIGHTING SERVICE*

Rates:

175 Watt Mercury Vapor (approximately 7,000 lumens)	\$5.40	Per Month
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Minimum Charge:

First year, or any portion thereof, \$64.80 per unit payable in advance. Thereafter, \$5.40 per month per unit.

Additional Charges:

(a) For non Governmental members -

The above charge and term applies to lights mounted on existing cooperative poles with 120 volts available, or on cooperative poles, to be set, within 150 feet of an existing 120 volt source. If additional secondary service poles, or conductor, is required the terms of the agreement shall be extended in proportion to the number of additional poles needed in excess of one at the rate of \$64.80 per year for each additional pole, all paid in advance at the time of commencement of service. In the event a transformer must be installed, the member will be required to pay the installation cost of the transformer. Where extensions of primary line are required the total cost of such construction shall be paid by the member.

SCHEDULE AES
ALL ELECTRIC SCHOOL*

Rates:

Customer Charge	\$52.90	Per Meter
Energy Charge (for all KWH)	.05158	Per KWH

TEXAS EASTERN TRANSMISSION CORPORATION
SPECIAL CONTRACTED SERVICE*

Rates:

Customer Charge	\$584.77	Per Meter
Demand Charge per Billing KW	9.24	Per KW
Energy Charge (for all KWH)	.03007	Per KWH

SCHEDULE LIS 3
LARGE INDUSTRIAL SERVICE

Rates:

Customer Charge	\$798.33	Per Month
Demand Charge per Billing KW	6.39	Per KW
Energy Charge (for all KWH)	.02970	Per KWH

SCHEDULE LIS 4
LARGE INDUSTRIAL SERVICE

Rates:

Customer Charge	\$535.00	Per Month
Demand Charge per Billing KW	5.39	Per KW
Energy Charge (for all KWH)	.03214	Per KWH

SCHEDULE LIS 5
LARGE INDUSTRIAL SERVICE

Rates:

Customer Charge	\$1,069.00	Per Month
Demand Charge per Billing KW	5.39	Per KW
Energy Charge (for all KWH)	.02914	Per KWH

SCHEDULE LIS 6
LARGE INDUSTRIAL SERVICE

Rates:

Customer Charge	\$1,069.00	Per Month
Demand Charge per Billing KW	5.39	Per KW
Energy Charge (for all KWH)	.02739	Per KWH

***Fuel Adjustment Clause:**

The above 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 applicable provisions as set out in 807 KAR 5:056.