

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

FLEMING-MASON RURAL ELECTRIC)	
COOPERATIVE CORPORATION'S)	
PROPOSED TARIFF FILING RATE)	CASE NO. 10068
SCHEDULES LIS 1 AND LIS 2,)	
LARGE INDUSTRIAL SERVICE)	

O R D E R

On October 27, 1987, Fleming-Mason Rural Electric Cooperative Corporation ("Fleming-Mason") applied for additional large industrial rate schedules for potential customers having loads between 1,000 and 9,999 KVA with less than a 60 percent load factor. Fleming-Mason currently has no customers that would be affected or reclassified as a result of these additions, but has a potential customer that would require one of these schedules in the near future.

In Case No. 9772, The Notice of Fleming-Mason Rural Electric Cooperative Corporation's Revision to Its Electric Power Tariff, the Commission allowed revisions to the existing tariffs Large General Service ("LGS") and Special Contracted Service - Dravo Lime Company. Fleming-Mason was also granted permission to add Large Industrial Rate Schedules LIS 3 through LIS 6 to its existing tariffs but was denied permission to add LIS 1 and LIS 2.

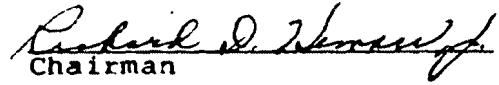
The purpose of the proposed new rate schedules is to provide equitable rates for prospective future industrial customers in Fleming-Mason's service area. LIS 1 will allow for the billing of consumers with loads between 1,000 and 4,999 KW with less than a 60 percent load factor. This schedule tracks the demand and energy charges in East Kentucky Power ("EKP") wholesale rate A with a 7.92 mill adder. This rate would allow Fleming-Mason to realize the same margin on loads of this size whether they are less than 60 percent load factor and come under LIS 2 or are over 60 percent and qualify for the existing LIS 4. LIS 2 will apply to customers with loads requiring between 5,000 and 9,999 KVA transfer capacity and load factors below 60 percent. This schedule tracks EKP schedule A plus a 4.92 mill energy adder while the approved LIS 5 covers loads in the same category except for the 60 percent load factor.


The Commission, having considered the evidence of record and being advised, is of the opinion and finds that Schedules LIS 1 and LIS 2 to be reasonable and just and are accepted.

IT IS THEREFORE ORDERED that Fleming-Mason's Rate Schedules LIS 1 and LIS 2 have been found to be reasonable and just and are accepted. Fleming-Mason shall file with the Commission a signed copy of Schedules LIS 1 and LIS 2 within 20 days of the date of this Order.

Done at Frankfort, Kentucky, this 14th day of January, 1988.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director