

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

BEREA COLLEGE ELECTRIC
UTILITY DEPARTMENT

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)

CASE NO. 10196

O R D E R

On February 9, 1988, Berea College Electric Utility Department ("Berea College") filed notice of a wholesale electric rate reduction and plan of refund. Therein, Berea College requested approval of a refund plan designed to pass through to its customers the savings realized as a result of a rate reduction from Berea College's wholesale power supplier, Kentucky Utilities Company ("KU").¹ The KU reduction, effective for service rendered on and after July 1, 1987, would be passed through to Berea College's customers by means of a refund until it could be reflected in Berea College's permanent rates by Order of the Commission in Case No. 10066, An Adjustment of Rates of Berea College Electric Utility Department.

By Interim Order, the Commission approved the proposed refund plan on March 16, 1988, and instructed Berea College as to how the Commission would monitor the refund until its completion. For any over- or under-refunds realized at the end of the refund period, Berea College will reconcile by applying a refund factor to the

¹ See Case No. 10196 Interim Order, issued March 16, 1988.

first month's bills which reflect the wholesale power cost reduction in Berea College's base rates.

On April 29, 1988, the Commission issued its Order in Case No. 10066 wherein it granted Berea College a retail rate increase and also reflected the wholesale rate reduction in Berea College's cost of service. The rates approved therein will be effective for service rendered on and after May 1, 1988. Bills rendered to collect these rates should not reflect any additional refunds except to the extent it is necessary to reconcile any outstanding over- or under-refunds.

FINDINGS AND ORDERS

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

(1) Prospectively, the KU rate reduction is reflected in Berea College's base rates as established in Case No. 10066.

(2) The currently approved refund plan should remain in effect until the full wholesale power cost reduction realized by Berea College for service rendered by KU from July 1, 1987, through April 30, 1988, is passed through to Berea College's customers.

(3) Until the refunding is completed, Berea College should continue its monthly filings as required by the Commission's Interim Order in this proceeding.

IT IS THEREFORE ORDERED that Berea College shall comply with Findings No. 2 and 3 herein.

Done at Frankfort, Kentucky, this 29th day of April, 1988.

PUBLIC SERVICE COMMISSION

Richard D. Hennings Jr.
Chairman

Robert M. Davis
Vice Chairman

James W. Williams
Commissioner

ATTEST:

Executive Director