

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 ADJUSTMENT CLAUSE OF BIG SANDY) CASE NO. 10443
RURAL ELECTRIC COOPERATIVE)
CORPORATION FROM NOVEMBER 1, 1986)
TO OCTOBER 31, 1988)

O R D E R

Pursuant to Commission Regulation 807 KAR 5:056, the Commission on December 6, 1988 established this case to review and evaluate the operation of the fuel adjustment clause of Big Sandy Rural Electric Cooperative Corporation ("Big Sandy") from November 1, 1986 to October 31, 1988.

As a part of this review, the Commission ordered Big Sandy to submit certain information including, inter alia, its monthly fuel charges for the period under review and an affidavit attesting to its compliance with Commission Regulation 807 KAR 5:056. Big Sandy has complied with this Order. The Commission further ordered that a public hearing be held in this case, but cancelled it when, after publication of notice, no interested party advised the Commission of its intention to attend.

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

1. Big Sandy has complied in all material respects with the provisions of Commission Regulation 807 KAR 5:056.

2. East Kentucky Power Cooperative, Inc. ("EKPC"), the wholesale supplier of Big Sandy, has been authorized to transfer (roll-in) a 0.80 mills per KWH decrease in its base fuel cost to its base rates.¹

3. Big Sandy should be authorized to transfer (roll-in) a 0.86 mills per KWH decrease in its base fuel costs to its base rates to reflect, as adjusted for line loss, the transfer of a 0.80 mills per KWH decrease in EKPC's base rates and this can best be accomplished by an energy adder to each KWH sold.

4. The rates and charges in Appendix A, attached and incorporated hereto, are fair, just, and reasonable and reflect the transfer of fuel costs from the fuel adjustment clause to the base rate.

IT IS THEREFORE ORDERED that:

1. The charges and credits applied by Big Sandy through its fuel adjustment clause for the period November 1, 1986 to October 31, 1988 be and they hereby are approved.

2. Big Sandy be and it hereby is authorized to transfer to base rates those fuel costs (as adjusted for line-loss) rolled-in by EKPC from its fuel adjustment clause to its base rates.

¹ Case No. 10437, An Examination by the Public Service Commission of the Application of the Fuel Adjustment Clause of East Kentucky Power Cooperative Corporation, Inc.

3. The rates in Appendix A are approved for service rendered by Big Sandy on and after May 1, 1989.

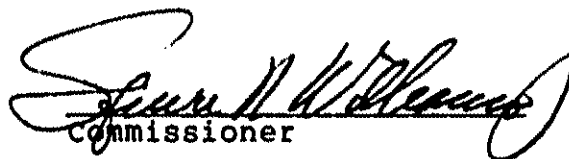
4. Within 30 days of the date of this Order, Big Sandy shall file with the Commission revised tariff sheets setting out the rates approved herein.

Done at Frankfort, Kentucky, this 31st day of March, 1989.

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. 10443 DATED 3/31/89

The following rates and charges are prescribed for the customers in the area served by Big Sandy 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 A-1
FARM AND HOME*

Rates:

Energy Charge	.05649	Per KWH
Off-Peak Energy Charge	.03389	Per KWH

SCHEDULE A-2
COMMERCIAL AND SMALL POWER*

Rates:

Energy Charge	.04264	Per KWH
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SCHEDULE LP
LARGE POWER SERVICE*

Rates:

<u>Energy Charge:</u>	.04150	Per KWH
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SCHEDULE LPR
LARGE POWER RATE*

Rates:

Maximum Demand Charge:

<u>Energy Charge:</u>	.03914	Per KWH
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SCHEDULE YL-1
YARD SECURITY LIGHT SERVICE*

Rates:

Flat rate per light per month as follows:

175 Watt	\$ 4.97	Per Month
400 Watt	7.43	Per Month
500 Watt	9.05	Per Month
1,500 Watt	18.93	Per Month

SCHEDULE IND 1

Energy Charge .03136 Per KWH

SCHEDULE IND 2

Energy Charge .02636 Per KWH

*Fuel Adjustment Clause

All rates are applicable to the Fuel Adjustment Clause and 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.