

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 BLUE GRASS) CASE NO. 10444
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 Blue Grass Rural Electric Cooperative Corporation ("Blue Grass") from November 1, 1986 to October 31, 1988.

As a part of this review, the Commission ordered Blue Grass 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. Blue Grass 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. Blue Grass 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 Blue Grass, 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. Blue Grass should be authorized to transfer (roll-in) a 0.84 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 Blue Grass through its fuel adjustment clause for the period November 1, 1986 to October 31, 1988 be and they hereby are approved.

2. Blue Grass 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 Blue Grass on and after May 1, 1989.

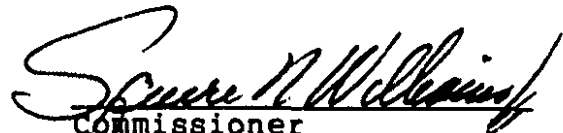
4. Within 30 days of the date of this Order, Blue Grass shall file with the Commission revised tariff sheets setting out the rates approved herein.

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. 10444 DATED 3/31/89

The following rates and charges are prescribed for the customers in the area served by Blue Grass 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.

GS - 1 (RESIDENTIAL, FARM AND NON-FARM)

Rate:

First	600 KWH Per Month	.06573 Per KWH
All Over	600 KWH Per Month	.05536 Per KWH

C-1 - COMMERCIAL AND INDUSTRIAL LIGHTING & POWER SERVICE

Energy Charge (Under 50 KW)

First	3,000 KWH	\$.06755 Per KWH
All Over	3,000 KWH	.05294 Per KWH

LP - #1 - LARGE POWER

Rates:

Energy Charge (51-500 KW)

First	10,000 KWH	.04807 Per KWH
Next	15,000 KWH	.04137 Per KWH
Next	50,000 KWH	.03577 Per KWH
Next	75,000 KWH	.03347 Per KWH
All Over	150,000 KWH	.03177 Per KWH

LP - #2 LARGE POWER

Rate:

Energy Charge (Over 500 KW)

First	3,500 KWH	.04890 Per KWH
Next	6,500 KWH	.04063 Per KWH
Next	140,000 KWH	.03550 Per KWH
Next	200,000 KWH	.03395 Per KWH
Next	400,000 KWH	.03303 Per KWH
Next	550,000 KWH	.03211 Per KWH
All Over	1,300,000 KWH	.02684 Per KWH

SECURITY LIGHTS

Rate Per Light Per Month:

175 Watt Mercury Vapor	Per Lamp Per Mo.	\$4.97
400 Watt Mercury Vapor	Per Lamp Per Mo.	7.48
100 Watt High Pressure Sodium (Ornamental)	Per Lamp Per Mo.	6.69
100 Watt High Pressure Sodium		5.08

STREET LIGHTING

Rate Per Light Per Month:

175 Watt Mercury Vapor	Per Lamp Per Mo.	4.97
400 Watt Mercury Vapor	Per Lamp Per Mo.	7.48
70 Watt High Pressure Sodium (ornamental)	Per Lamp Per Mo.	5.19
100 Watt High Pressure Sodium (ornamental)	Per Lamp Per Mo.	6.69
250 Watt High Pressure Sodium (ornamental)	Per Lamp Per Mo.	9.10
100 Watt High Pressure Sodium	Per Lamp Per Mo.	5.08

GS-2 OFF-PEAK RETAIL MARKETING RATE
(ETS)

Rate:

All KWH Per Month	.03322
-------------------	--------

LARGE INDUSTRIAL RATE
SCHEDULE C-1

Monthly Rate:

Energy Charge .03138

LARGE INDUSTRIAL RATE
SCHEDULE C-2

Monthly Rate:

Energy Charge .02638

LARGE INDUSTRIAL RATE
SCHEDULE C-3

Monthly Rate:

Energy Charge .02538