

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 CUMBERLAND) CASE NO. 10446
VALLEY 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 Cumberland Valley Rural Electric Cooperative Corporation ("Cumberland Valley") from November 1, 1986 to October 31, 1988.

As a part of this review, the Commission ordered Cumberland Valley 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. Cumberland Valley 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. Cumberland Valley 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 Cumberland Valley, 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. Cumberland Valley 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 Cumberland Valley through its fuel adjustment clause for the period November 1, 1986 to October 31, 1988 be and they hereby are approved.

2. Cumberland Valley 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 Cumberland Valley on and after May 1, 1989.

4. Within 30 days of the date of this Order, Cumberland Valley 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. 10446 DATED 3/31/89

The following rates and charges are prescribed for the customers in the area served by Cumberland Valley 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 I
FARM, HOME, SCHOOLS AND CHURCHES*

Rates:

First 500 KWH	.06396 Per KWH
Over 500 KWH	.05397 Per KWH
Marketing Rate	.03238 Per KWH

SCHEDULE 1 T-O-D
FARM, HOME, SCHOOLS AND CHURCHES T-O-D

Rates:

On-Peak Rate:	
Under 500 KWH/Mo.	.06396 /KWH
Over 500 KWH/Mo.	.05397 /KWH
Off-Peak Rate:	
Under 500 KWH/Mo.	.03637 /KWH
Over 500 KWH/Mo.	.03037 /KWH

SCHEDULE II
SMALL COMMERCIAL AND SMALL POWER*

Rates:

Energy Charge:

First 3,000 KWH	.07907 Per KWH
Over 3,000 KWH	.06029 Per KWH

SCHEDULE III
ALL ELECTRIC SCHOOL (A.E.S.)*

Rates:

All KWH \$.05867 Per KWH

SCHEDULE IV
LARGE POWER RATE - INDUSTRIAL*

Rates:

Energy Charge:

All KWH \$.03379 Per KWH

SCHEDULE IV-A
LARGE POWER RATE - 50 KW to 2,500 KW*

Rates:

Energy Charge:

All KWH \$.04267 Per KWH

SCHEDULE VI
OUTDOOR LIGHTING - SECURITY LIGHTS*

Rates:

Mercury Vapor Lamps

1) 175 Watt	\$5.93 Per Lamp Per Month
2) 400 Watt	8.32 Per Lamp Per Month

*Fuel Clause Adjustment

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.

The monthly kilowatt hour usage shall be subject to plus or minus an adjustment per KWH determined in accordance with the Fuel Adjustment Clause.