

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 LICKING) CASE NO. 10457
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 Licking Valley Rural Electric Cooperative Corporation ("Licking Valley") from November 1, 1986 to October 31, 1988.

As a part of this review, the Commission ordered Licking 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. Licking 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. Licking 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 Licking 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. Licking Valley should be authorized to transfer (roll-in) a 0.87 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 Licking Valley through its fuel adjustment clause for the period November 1, 1986 to October 31, 1988 be and they hereby are approved.

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

4. Within 30 days of the date of this Order, Licking 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. 10457 DATED 3/31/89

The following rates and charges are prescribed for the customers in the area served by Licking 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 A*
RESIDENTIAL, FARM, SMALL COMMUNITY HALLS AND
CHURCH SERVICE

AVAILABILITY OF SERVICE:

Available to members of the Cooperative for all residential and farm use, subject to its established rules and regulations. Available to members of the Cooperative for all community halls and churches with a transformer size of 25 kVA or less.

Monthly Rate:

Energy charge per KWH .06109 Per KWH

DELAYED PAYMENT CHARGE:

The above rates are net, the gross being 5 percent higher. In the event the current monthly bill is not paid by the ninth (9th) of the following month from the date of the bill, the gross rates shall apply.

SCHEDULE B*
COMMERCIAL AND SMALL POWER SERVICE

AVAILABILITY OF SERVICE:

Available to commercial consumers, small schools, small industrial consumers and three-phase farm consumers for all uses including lighting, appliances, cooking, heating and motors of 25 kVA or less, all subject to the established rules and regulations of the Cooperative covering this service.

Monthly Rate:

Energy charge per KWH .04579 Per KWH

SCHEDULE LP*
LARGE POWER SERVICE

AVAILABILITY OF SERVICE:

Available to consumers located on or near the Cooperative's three-phase lines for all types of usage including churches and community halls in excess of 25 kVA, subject to the established rules and regulations of seller.

Monthly Rate:

Energy charge per KWH .04587 Per KWH

SCHEDULE FOR LARGE POWER RATE (LPR)*

Monthly Rate:

Energy charge per KWH .04106 Per KWH

SCHEDULE SL*
(SECURITY LIGHTS AND/OR RURAL LIGHTING)

Monthly Rate:

Service for the unit will be unmetered and will be a 175 Watt Mercury Vapor type at \$6.33 each, per month.

*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.