

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF JACKSON COUNTY)
R.E.C.C. OF McKEE, KENTUCKY, FOR)
AN ORDER AUTHORIZING THE APPROVAL) CASE NO. 90-038
OF A RETAIL MARKETING RATE FOR)
SPECIAL RETAIL APPLICATIONS)

O R D E R

On February 13, 1990, Jackson County Rural Electric Cooperative Corporation ("Jackson County") filed a revision to its retail electric tariffs. The revision provides for an off-peak retail marketing rate for special retail applications ("retail marketing rate"), and will be available to customers receiving service under Schedule 10 - Residential, Farm and Non-Farm Service. In a letter dated March 9, 1990, the Commission notified Jackson County that its filing was deficient in certain filing requirements. On March 21, 1990, Jackson County filed an amended tariff in which the deficiencies had been corrected.

The retail marketing rate filed by Jackson County provides a 40 percent energy rate discount to Schedule 10 customers for all power used under specific marketing programs. These rates are offered in conjunction with the Marketing Rate of East Kentucky Power Cooperative's ("EKPC") Wholesale Power Rate Schedule A ("wholesale marketing rate") approved by the Commission in Case

No. 10281.¹ EKPC's wholesale marketing rate provides a 20 percent wholesale energy rate discount to Jackson County and EKPC's other member distribution cooperatives for all off-peak power used under designated marketing programs.

The initial application of Jackson County's retail marketing rate will be for the use of Electric Thermal Storage ("ETS") devices. ETS is a technology that allows heat to be stored in one time period and used in another. Specifically, the ETS device, which is installed in the residential customer's home, is controlled by the utility to store heat at night during off-peak hours and to discharge heat as needed, with no contribution to peak load.

The Commission has previously allowed electric utilities to charge special rates for power used by ETS devices. In December 1986, the Commission authorized South Kentucky Rural Electric Cooperative Corporation and EKPC to conduct a 3-year pilot program involving ETS units. The load research data produced by that program indicates that ETS is a favorable off-peak load-building technique which improves load factor.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that Jackson County's retail marketing rate should be approved.

¹ Case No. 10281, The Notice of East Kentucky Power Cooperative, Inc. of a Revision to Its Wholesale Electric Power Tariff to Implement a Wholesale Power Marketing Rate for Special Retail Applications.

IT IS THEREFORE ORDERED that:

1. Jackson County's Schedule 11 - Residential, Farm and Non-Farm Service - Off-Peak Retail Marketing Rate, as amended and filed with the Commission on March 21, 1990, be and hereby is approved.

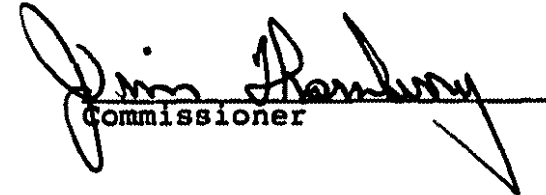
2. Within 20 days of the date of this Order, Jackson County shall file with this Commission tariffs complying with the findings of this Order.

Done at Frankfort, Kentucky, this 3rd day of April, 1990.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director