

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

A TARIFF FILING OF BLUE GRASS RURAL)
ELECTRIC COOPERATIVE CORPORATION)
THAT REVISES STREET LIGHTING,)
SECURITY LIGHTS, AND BUDGET BILLING)

CASE NO. 90-304

O R D E R

On September 6, 1990, Blue Grass Rural Electric Cooperative Corporation ("Blue Grass") filed its notice with the Commission proposing to revise its street and security lighting tariffs effective October 6, 1990. The proposed revision would cancel the 100 watt high pressure sodium (ornamental) security light and the 175 watt mercury vapor, 400 watt mercury vapor and 100 watt high pressure sodium street lights which currently have no customers. Blue Grass additionally proposed replacement of security lights as follows: 175 watt mercury vapor replaced by 100 watt high pressure sodium and 400 watt mercury vapor replaced by 250 watt high pressure sodium. Both of these replacements would provide the same or more lighting effect at the rates now being charged. Since the proposed tariff totally eliminates certain security and street lights as noted above, it appears that Blue Grass intends to immediately replace its existing stock of these lights. However, if Blue Grass actually intends to replace these lights over time, its tariff should be revised to provide that those lights existing on the date of this Order will continue in service

until replaced. The Commission finds that the street and security lighting changes proposed by Blue Grass are revenue neutral and should be approved.

The second part of Blue Grass's tariff filing is a proposal to implement a levelized budget billing system in lieu of its present budget billing tariff. The budget amount would be recomputed each month based on a 12-month history of the account. This would eliminate over-billing and under-billing during the year and no catch-up month would be required. Commission Regulation 807 KAR 5:006 requires utilities to offer a budget payment plan in their tariff "whereby a customer may elect to pay a fixed amount each month on a yearly basis in lieu of monthly billings based on actual usage." Blue Grass's proposed budget billing does not comply with this regulation in that the customer would not be paying a fixed amount each month. While the regulation provides for changes in the billed amount for significant reasons, the customer should not be subject to monthly billing changes as proposed.

IT IS THEREFORE ORDERED that:

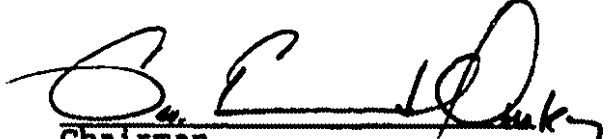
1. The revision to street and security lighting tariffs as set out in Appendix A, attached hereto and incorporated herein, be and it hereby is authorized effective on and after the date of this Order.


2. The proposal to implement a levelized budget billing tariff be and it hereby is denied.

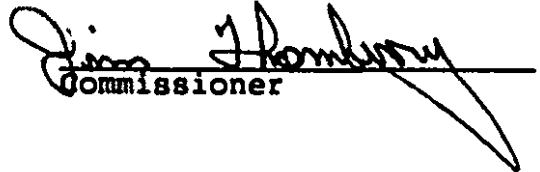
3. Within 30 days of the date of this Order, Blue Grass shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 24th day of January, 1991.

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. 90-304 DATED 1/24/91

The following rates and charges are prescribed for 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.

Security Lights

Rate Per Light Per Month:

100 Watt High Pressure Sodium Per Lamp Per Month	\$4.89
250 Watt High Pressure Sodium Per Lamp Per Month	7.32

Street Lighting

Rate Per Light Per Month

70 Watt High Pressure Sodium Per Lamp Per Month (Ornamental)	\$5.17
100 Watt High Pressure Sodium Per Lamp Per Month (Ornamental)	\$6.66
250 Watt High Pressure Sodium Per Lamp Per Month (Ornamental)	\$9.01