

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION BY THE PUBLIC)	
SERVICE COMMISSION OF THE APPLICA-)	
TION OF THE FUEL ADJUSTMENT CLAUSE)	CASE NO. 90-377
OF HENDERSON-UNION RURAL ELECTRIC)	
COOPERATIVE CORPORATION FROM)	
NOVEMBER 1, 1988 TO OCTOBER 31, 1990)	

O R D E R

Pursuant to Commission Regulation 807 KAR 5:056, the Commission on November 30, 1990 established this case to review and evaluate the operation of the fuel adjustment clause ("FAC") of Henderson-Union Rural Electric Cooperative Corporation ("Henderson-Union") from November 1, 1988 to October 31, 1990.

As a part of this review, the Commission ordered Henderson-Union 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. Henderson-Union 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 otherwise sufficiently advised, finds that:

1. Henderson-Union has complied in all material respects with the provisions of Commission Regulation 807 KAR 5:056.

2. Big Rivers Electric Corporation ("Big Rivers"), the wholesale supplier of Henderson-Union, has been authorized to transfer (roll-in) a 0.35 mills per Kwh increase in its base fuel cost to its base rates.¹

3. Henderson-Union should be authorized to transfer (roll-in) a 0.3806 mills per Kwh increase in its base fuel costs to its base rates to reflect, as adjusted for line loss, the transfer of a 0.35 mills per Kwh increase in Big Rivers' 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 hereto and incorporated herein, are fair, just, and reasonable, and reflect the transfer of fuel costs from the FAC to the base rate.

IT IS THEREFORE ORDERED that:

1. The charges and credits applied by Henderson-Union through the FAC for the period from November 1, 1988 to October 31, 1990 be and they hereby are approved.

2. Henderson-Union be and it hereby is authorized to transfer to base rates those fuel costs (as adjusted for line-loss) rolled-in by Big Rivers from its FAC to its base rates.

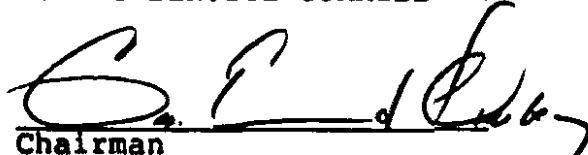
3. The rates in Appendix A are approved for service rendered by Henderson-Union on and after May 1, 1991.

¹ Case No. 90-360, An Examination by the Public Service Commission of the Application of the Fuel Adjustment Clause of Big Rivers Electric Corporation, From November 1, 1988 to October 31, 1990.

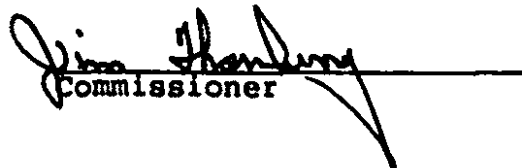
4. Within 30 days of the date of this Order, Henderson-Union shall file with the Commission revised tariff sheets setting out the rates approved herein.

Done at Frankfort, Kentucky, this 3rd day of April, 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. 90-377 DATED 4/03/91

The following rates and charges are prescribed for the customers in the area served by Henderson-Union 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

Monthly Rate:

Energy Charge per KWH \$.0630946

SCHEDULE B - FARM, GOVERNMENT OR COMMERCIAL

Monthly Rate:

Energy Charge per KWH \$.0687376

SCHEDULE B-1 - FARM OR COMMERCIAL

Monthly Rate:

Energy Charge per KWH \$.0626266

SCHEDULE LP-3 - LARGE POWER
(501 to 2000) KVA
DEDICATED DELIVERY POINT

Energy Charge per KWH:

First 100,000 KWH \$.0314346
All Over 100,000 KWH .0258406

SCHEDULE LP-3 - LARGE POWER
(501 to 2000) KVA
NON-DEDICATED DELIVERY POINT

Energy Charge per KWH:
First 100,000 KWH \$.0314652
All Over 100,000 KWH .0258712

SCHEDULE LP-4 - LARGE POWER
(OVER 2000 KVA)

Energy Charge per KWH
First 100,000 KWH \$.0292456
All Over 100,000 KWH .0252796

SCHEDULE D - SECURITY LAMP

Monthly Rate
Sodium or Mercury Vapor Lamp
8,000 Lumen \$8.02
20,000 Lumen 11.61

SCHEDULE SL - STREET LIGHTS

Monthly Rate
Sodium or Mercury Vapor Lamp
8,000 Lumen \$5.01
20,000 Lumen 9.48

INDUSTRIAL CONSUMERS SERVED UNDER SPECIAL CONTRACTS

Peabody Coal Company

The monthly delivery point rate shall be:

An energy charge of 21.996 mills per KWH consumed.