

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATIONS OF GREEN RIVER ELECTRIC)	
CORPORATION, HENDERSON UNION ELECTRIC)	
COOPERATIVE CORPORATION, JACKSON)	
PURCHASE ELECTRIC COOPERATIVE)	
CORPORATION, AND MEADE COUNTY RURAL)	CASE NO. 95-208
ELECTRIC COOPERATIVE CORPORATION FOR)	
APPROVAL OF MECHANISMS TO FLOW THROUGH)	
ENVIRONMENTAL SURCHARGES TO BE CHARGED)	
BY THEIR WHOLESALE POWER SUPPLIER,)	
BIG RIVERS ELECTRIC CORPORATION)	

O R D E R

Green River Electric Corporation ("Green River"), Henderson Union Electric Cooperative Corporation ("Henderson Union"), Jackson Purchase Electric Cooperative Corporation ("Jackson Purchase"), and Meade County Rural Electric Cooperative Corporation ("Meade County") (collectively the "Cooperatives") have applied for rehearing of the Commission's Order of October 4, 1995. They request modification of the filing requirements for ES Form 1.1 and of the format of ES Form 1.0. We grant the application in part and deny in part.

On October 4, 1995, the Commission approved the Cooperatives' proposed rate surcharge mechanisms which permit the automatic pass-through to the Cooperatives' retail ratepayers of Big Rivers Electric Corporation's ("Big Rivers") environmental surcharge. The Cooperatives were ordered to file monthly surcharge reports at least 10 days prior to the effective date of the surcharge.

The Cooperatives request that they be permitted to submit ES Form 1.1¹ after issuing bills containing the surcharge to customers served through dedicated delivery points. They argue that, since dedicated delivery point customers are billed at the same time the Cooperatives are billed by Big Rivers, advance filing of ES Form 1.1 is not possible. If not modified, they argue, the Cooperatives will incur a one-month delay in passing Big Rivers' environmental surcharge on to their dedicated delivery point customers which has the effect of imposing an economic penalty on the Cooperatives.

The Commission finds that this filing requirement should be modified to permit the Cooperatives to file their monthly ES Form 1.0 and ES Form 1.1 after their dedicated delivery point customers have been billed, but before applying the calculated retail surcharge factor to non-dedicated delivery point customers' bills.² These modifications will not affect the Commission's ability to monitor the Cooperatives' pass-through of Big Rivers' environmental surcharge or to verify the Cooperatives' calculation of the retail surcharge factor applied to non-dedicated delivery point customers' bills.³

¹ ES Form 1.1 requires a listing of all customers served from dedicated delivery points and the surcharge amounts they are individually billed.

² This change affects only Henderson Union and Green River Electric. All Meade County and Jackson Purchase customers are billed after the Cooperative's receipt of its wholesale power bill.

³ The Cooperatives perform no independent calculation for dedicated delivery point customers since their surcharge is a direct pass-through of the Big Rivers surcharge.


The Commission finds no need to modify ES Form 1.0 to provide for over- and under-recoveries. The periodic reviews of each Cooperative's surcharge pass-through mechanism will provide adequate opportunity to reconcile any over- or under-recoveries which the Cooperative experiences. The Commission further finds that each Cooperative should maintain its records in a manner that will permit it to determine any over- and under-recoveries. During the periodic review proceedings, the Commission will request such information and then order any adjustments necessary to reconcile the over- or under-recoveries.


IT IS THEREFORE ORDERED that:

1. The Cooperatives' Application for Rehearing is granted in part and denied in part.
2. Each Cooperative shall file its monthly ES Form 1.0 and ES Form 1.1 no later than 10 days prior to effective date of the surcharge for its non-dedicated delivery point customers.
3. Each Cooperative shall maintain a record of its over- and under-recoveries for examination at the time of its periodic surcharge review proceedings.

Done at Frankfort, Kentucky, this 26th day of October, 1995.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director