

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 CUMBERLAND) CASE NO. 96-529
VALLEY RURAL ELECTRIC COOPERATIVE)
CORPORATION FROM NOVEMBER 1, 1994)
TO OCTOBER 31, 1996)

O R D E R

Pursuant to Commission Regulation 807 KAR 5:056, the Commission on November 14, 1996 established this case to review and evaluate the operation of the fuel adjustment clause ("FAC") of Cumberland Valley Rural Electric Cooperative Corporation ("Cumberland Valley") for the two years ended October 31, 1996.

As part of this review, the Commission ordered Cumberland Valley to submit certain information and an affidavit attesting to its compliance with Commission Regulation 807 KAR 5:056. Cumberland 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 otherwise sufficiently advised, finds that:

1. Cumberland 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 Cumberland Valley, has been authorized to transfer (roll-in) a 0.23 mills per Kwh decrease in its base fuel cost to its base rates.¹

3. Cumberland Valley should be authorized to transfer (roll-in) a 0.24 mills per Kwh decrease in its base fuel costs to its base rates to reflect, as adjusted for line loss, the transfer of a 0.23 mills per Kwh decrease in EKPC's base rates. This transfer can best be accomplished by a negative 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 Cumberland Valley through the FAC for the period November 1, 1994 to October 31, 1996 are approved.

2. Cumberland Valley is authorized to transfer to base rates those fuel costs (as adjusted for line-loss) rolled-in by EKPC from its FAC to its base rates.

3. The rates in Appendix A are approved for service rendered by Cumberland Valley on and after September 1, 1997.

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

¹ Case No. 96-522, An Examination by the Public Service Commission of the Application of the Fuel Adjustment Clause of East Kentucky Power Cooperative, Inc. from November 1, 1994 to October 31, 1996.

Done at Frankfort, Kentucky, this 20th day of August, 1997.

PUBLIC SERVICE COMMISSION

Linda K. Breathitt
Chairman

E. J. Helton
Vice Chairman

B. J. Helton
Commissioner

ATTEST:

Don Mills
Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 96-529 DATED AUGUST 20, 1997

The following rates and charges are prescribed for the customers in the area served by Cumberland 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 effective date of this Order.

SCHEDULE I FARM, HOME, SCHOOLS AND CHURCHES

Rates:

All KWH	\$.05017 Per KWH
Marketing Rate	.03010 Per KWH

SCHEDULE II SMALL COMMERCIAL

Rates:

<u>Energy Charge</u>	<u>Single Phase</u>	<u>Three Phase</u>
First 3,000 KWH	\$.06459 Per KWH	\$.06465 Per KWH
Over 3,000 KWH	.05908	.05908 Per KWH

SCHEDULE III ALL ELECTRIC SCHOOL (A.E.S.)

Rates:

All KWH	\$.05068 Per KWH
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SCHEDULE IV LARGE POWER RATE - INDUSTRIAL

Rates:

<u>Energy Charge</u> All KWH	\$.02580 Per KWH
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SCHEDULE IV-A
LARGE POWER RATE - 50 KW TO 2,500 KW

Rates:

<u>Energy Charge</u> All KWH	\$.03468 Per KWH
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SCHEDULE V
LARGE POWER 1,000 KW TO 2,500 KW

Rates:

<u>Energy Charge</u> All KWH	\$.03087 Per KWH
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SCHEDULE V-A
LARGE POWER INDUSTRIAL

Rates:

<u>Energy Charge</u> All Kwh	\$.02451 Per KWH
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SCHEDULE VI
OUTDOOR LIGHTING - SECURITY LIGHTS

Rates:

Mercury Vapor Lamps

175 Watt	\$ 5.37 Per Lamp Per Month
400 Watt	7.20 Per Lamp Per Month

Sodium Lamps

100 Watt Open Bottom	5.37 Per Lamp Per Month
100 Watt Colonial Post	6.21 Per Lamp Per Month
100 Watt Directional Flood	6.77 Per Lamp Per Month
400 Watt Directional Floor	10.26 Per Lamp Per Month
400 Watt Cobra Head	10.26 Per Lamp Per Month