

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 SHELBY RURAL) CASE NO. 96-545
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 Shelby Rural Electric Cooperative Corporation ("Shelby") for the two years ended October 31, 1996.

As part of this review, the Commission ordered Shelby to submit certain information and an affidavit attesting to its compliance with Commission Regulation 807 KAR 5:056. Shelby 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. Shelby 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 Shelby, 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. Shelby should be authorized to transfer (roll-in) a 0.242 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 Shelby through the FAC for the period November 1, 1994 to October 31, 1996 are approved.

2. Shelby 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.

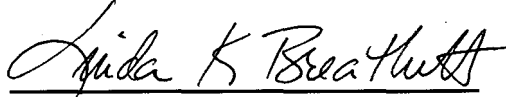
3. The rates in Appendix A are approved for service rendered by Shelby on and after September 1, 1997.

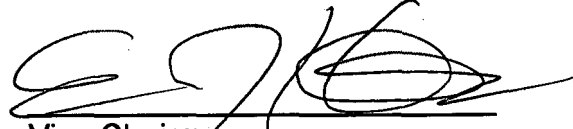
4. Within 30 days of the date of this Order, Shelby shall file with the Commission revised tariff sheets setting out the rates approved herein.

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


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 96-545 DATED AUGUST 20, 1997

The following rates and charges are prescribed for the customers in the area served by Shelby 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.

RATE 1 GENERAL SERVICE

Rates:

Energy Charge:

First	600 KWH per month	\$0.05949 per KWH
Next	1400 KWH per month	0.05774 per KWH
All Over	2000 KWH per month	0.05642 per KWH

RATE 10 OPTIONAL RESIDENTIAL, CHURCH AND SCHOOL SERVICE

Rates:

All KWH	\$0.04809 per KWH
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RATE 2 LARGE POWER SERVICE

Rates:

Energy Charge:

First	100 KWH per KW Demand	\$0.04575 per KWH
Next	100 KWH per KW Demand	0.04018 per KWH
All Over	200 KWH per KW Demand	0.03462 per KWH

RATE 22
OPTIONAL T-O-D DEMAND

Rates:

Energy Charge:

First	100 KWH per Month	\$0.04575 per KWH
Next	100 KWH per Month	0.04018 per KWH
All Over	200 KWH per Month	0.03462 per KWH

RATE 3
OUTDOOR AND STREET LIGHTING SERVICE

Rates:

<u>Type of Fixture</u>	<u>Lumen Output</u>	<u>Monthly Charge</u>
HPS	7,000 - 10,000 Lumen	\$ 6.20
HPS	20,000 - 30,000 Lumen	8.56
HPS	4,000 Lumen Decorative	8.64
HPS	50,000 Lumen Directional	11.10

RATE 4
STANDBY POWER RATE

Rates:

Energy Charge:

First	100 KWH per KW Demand	\$0.04343 per KWH
Next	100 KWH per KW Demand	0.03753 per KWH
All Over	200 KWH per KW Demand	0.03166 per KWH

OFF-PEAK RETAIL MARKETING - ETS

Rates:

All KWH	\$0.03385 per KWH
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LARGE INDUSTRIAL RATE SCHEDULE - B-1

Rates:

All KWH \$0.02758 per KWH

LARGE INDUSTRIAL RATE SCHEDULE - B-2

Rates:

All KWH \$0.02258 per KWH

LARGE INDUSTRIAL RATE SCHEDULE - B-3

Rates:

All KWH \$0.02158 per KWH

LARGE INDUSTRIAL RATE SCHEDULE - C-1

Rates:

Energy Charge \$0.02758 per KWH

LARGE INDUSTRIAL RATE SCHEDULE - C-2

Rates:

Energy Charge \$0.02258 per KWH

LARGE INDUSTRIAL RATE SCHEDULE - C-3

Rates:

Energy Charge \$0.02158 per KWH