

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION OF THE	)	
APPLICATION OF THE FUEL	)	
ADJUSTMENT CLAUSE OF	)	CASE NO. 98-570
CUMBERLAND ELECTRIC, INC. FROM	)	
NOVEMBER 1, 1996 TO OCTOBER 31,	)	
1998	)	

O R D E R

Pursuant to Commission Regulation 807 KAR 5:056, the Commission on December 4, 1998 established this case to review and evaluate the operation of the fuel adjustment clause ( FAC ) of Cumberland Electric, Inc. ( Cumberland ) for the two years ended October 31, 1998.

As part of this review, the Commission ordered Cumberland to submit certain information and an affidavit attesting to its compliance with Commission Regulation 807 KAR 5:056. Cumberland 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 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, has been authorized to transfer (roll-in) a 0.81 mills per KWH increase in its base fuel cost to its base rates.<sup>1</sup>

3. Cumberland should be authorized to transfer (roll-in) a 0.85 mills per KWH increase in its base fuel costs to its base rates to reflect, as adjusted for line loss, the transfer of a 0.81 mills per KWH increase in EKPC s base rates. This transfer 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 Cumberland through the FAC for the period November 1, 1996 to October 31, 1998 are approved.

2. Cumberland 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 on and after May 1, 1999.

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

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<sup>1</sup> Case No. 98-563, An Examination by the Public Service Commission of the Application of the Fuel Adjustment Clause of East Kentucky Power Cooperative, Inc. from November 1, 1996 to October 31, 1998.

Done at Frankfort, Kentucky, this 22<sup>nd</sup> day of March, 1999.

By the Commission

ATTEST:

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Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 98-570 DATED MARCH 22, 1999

The following rates and charges are prescribed for the customers in the area served by Cumberland Electric, Inc. 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	\$.05102 Per KWH
Marketing Rate	.03061 Per KWH

SCHEDULE II  
SMALL COMMERCIAL

Rates:

<u>Energy Charge</u>	<u>Single Phase</u>	<u>Three Phase</u>
First 3,000 KWH	\$.06550 Per KWH	\$.06550 Per KWH
Over 3,000 KWH	.05993 Per KWH	.05993 Per KWH

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

Rates:

All KWH	\$.05153 Per KWH
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SCHEDULE IV  
LARGE POWER RATE - INDUSTRIAL

Rates:

<u>Energy Charge</u> All KWH	\$.02665 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	\$.03553 Per KWH

SCHEDULE V  
LARGE POWER 1,000 KW TO 2,500 KW

Rates:

<u>Energy Charge</u>	
All KWH	\$.03172 Per KWH

SCHEDULE V-A  
LARGE POWER INDUSTRIAL

Rates:

<u>Energy Charge</u>	
All KWH	\$.02536 Per KWH

SCHEDULE VI  
OUTDOOR LIGHTING SECURITY LIGHTS

Rates:

Mercury Vapor Lamps

175 Watt	\$ 5.43 Per Lamp Per Month
400 Watt	7.26 Per Lamp Per Month

Sodium Lamps

100 Watt Open Bottom	\$ 5.43 Per Lamp Per Month
100 Watt Colonial Post	6.27 Per Lamp Per Month
100 Watt Directional Flood	6.83 Per Lamp Per Month
400 Watt Directional Flood	10.38 Per Lamp Per Month
400 Watt Cobra Head	10.38 Per Lamp Per Month