

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION OF THE	)	
APPLICATION OF THE FUEL	)	
ADJUSTMENT CLAUSE OF GRAYSON	)	
RURAL ELECTRIC COOPERATIVE	)	CASE NO. 98-573
CORPORATION 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 Grayson Rural Electric Cooperative Corporation ( Grayson ) for the two years ended October 31, 1998.

As part of this review, the Commission ordered Grayson to submit certain information and an affidavit attesting to its compliance with Commission Regulation 807 KAR 5:056. Grayson 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. Grayson 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 Grayson, 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. Grayson should be authorized to transfer (roll-in) a 0.87 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 Grayson through the FAC for the period November 1, 1996 to October 31, 1998 are approved.

2. Grayson 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 Grayson on and after May 1, 1999.

4. Within 30 days from the date of this Order, Grayson 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. 98-573 DATED MARCH 22, 1999

The following rates and charges are prescribed for the customers in the area served by Grayson 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 1  
DOMESTIC FARM & HOME SERVICE

Rate:

Energy Charge	\$ .05745 Per KWH
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SCHEDULE 2  
COMMERCIAL AND SMALL POWER 50 KVA OR LESS,  
INCLUDING PUBLIC BUILDINGS, SCHOOLS, CHURCHES, ETC.

Rate:

Energy Charge	\$ .05745 Per KWH
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SCHEDULE 3  
OFF-PEAK MARKETING RATE  
THREE-PHASE FARM SERVICE

Rate:

On-Peak Rate All KWH/Month	\$ .05745 per KWH
Off-Peak Rate All KWH/Month	.03447 Per KWH

SCHEDULE 4  
LARGE POWER SERVICE SINGLE AND THREE-  
PHASE 50-500 KVA(T)

Rate:

Energy Charge	\$ .03834 Per KWH
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SCHEDULE 5  
STREET LIGHTING SERVICE

Base Rate Per Light Per Year:

For the following monthly charges, the Cooperative will furnish, install and maintain the lighting fixtures and accessories, including hardware, control, lamps, overhead wiring, etc., and the energy required.

<u>Lamp Size</u>	<u>Mercury Vapor Lamps</u>
7,000 Lumens	\$ 5.96

SCHEDULE 6  
OUTDOOR LIGHTING SERVICE SECURITY LIGHTS

Rate Per Light Per Month:

7,000 Lumens Mercury Vapor Lamp	\$ 5.76
10,000 Lumens Mercury Vapor Lamp	7.60

SCHEDULE 7  
ALL ELECTRIC SCHOOLS (A.E.S.)

Rate:

Energy Charge	\$ .03897 Per KWH
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SCHEDULE 8  
SEASONAL SERVICES SERVICES ACTIVE LESS THAN  
NINE (9) MONTHS OUT OF A YEAR

Rate:

Energy Charge	\$ .07595 Per KWH
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SCHEDULE 12(A)  
LARGE INDUSTRIAL LLF  
1,000 4,999 KVA

Rate:

Energy Charge \$ .02852 Per KWH

SCHEDULE 12(B)  
LARGE INDUSTRIAL LLF  
5,000 9,999 KVA

Rate:

Energy Charge \$ .02352 Per KWH

SCHEDULE 12(C)  
LARGE INDUSTRIAL LLF  
10,000 KVA AND OVER

Rate:

Energy Charge \$ .02252 Per KWH

SCHEDULE 13(A)  
LARGE INDUSTRIAL HLF  
1,000 4,999 KVA

Rate:

Energy Charge \$ .02852 Per KWH

SCHEDULE 13(B)  
LARGE INDUSTRIAL HLF  
5,000 9,999 KVA

Rate:

Energy Charge \$ .02352 Per KWH

SCHEDULE 13(C)  
LARGE INDUSTRIAL HLF  
10,000 KVA AND OVER

Rate:

Energy Charge \$ .02252 Per KWH

SCHEDULE 14(A)  
LARGE INDUSTRIAL MLF  
1,000 4,999 KVA

Rate:

Energy Charge \$ .02852 Per KWH

SCHEDULE 14(B)  
LARGE INDUSTRIAL MLF  
5,000 9,999 KVA

Rate:

Energy Charge \$ .02352 Per KWH

SCHEDULE 14(C)  
LARGE INDUSTRIAL MLF  
10,000 KVA AND OVER

Rate:

Energy Charge \$ .02252 Per KWH