

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION OF THE)	
APPLICATION OF THE FUEL)	
ADJUSTMENT CLAUSE OF HARRISON)	CASE NO. 98-574
RURAL ELECTRIC COOPERATIVE)	
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 Harrison Rural Electric Cooperative Corporation (Harrison) for the two years ended October 31, 1998.

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

3. Harrison 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 Harrison through the FAC for the period November 1, 1996 to October 31, 1998 are approved.

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

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

¹ 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 22nd day of March, 1999.

By the Commission

ATTEST:

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 98-574 DATED MARCH 22, 1999

The following rates and charges are prescribed for the customers in the area served by Harrison 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 A RATE 1 FARM & HOME SERVICE

Rates:

All KWH Used \$.06031 Per KWH

RATE 1 - ETS FARM AND HOME SERVICE OFF-PEAK RETAIL MARKETING RATE

Rates:

All KWH Used \$.03619 Per KWH

RATE 2 COMMERCIAL AND SMALL POWER SERVICE (0 - 50 KW DEMAND)

Rates:

All KWH Used \$.06053 Per KWH

RATE 8 LARGE POWER SERVICE (50 TO 500 KW DEMAND)

Rates:

All KWH Used \$.03593 Per KWH

