

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION OF THE)	
APPLICATION OF THE FUEL)	
ADJUSTMENT CLAUSE OF SHELBY)	CASE NO. 98-581
ENERGY COOPERATIVE, 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 Shelby Energy Cooperative, Inc. (Shelby) for the two years ended October 31, 1998.

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 0.81 mills per KWH increase in its base fuel cost to its base rates.¹

3. Shelby 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 Shelby through the FAC for the period November 1, 1996 to October 31, 1998 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 May 1, 1999.

4. Within 30 days from the date of this Order, Shelby 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. 98-581 DATED MARCH 22, 1999

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

RATE 1
GENERAL SERVICE

Rates:

Energy Charge:

First	600	KWH Per Month	\$.06034 Per KWH
Next	1400	KWH Per Month	.05859 Per KWH
All Over	2000	KWH Per Month	.05727 Per KWH

RATE 10
OPTIONAL RESIDENTIAL, CHURCH AND SCHOOL SERVICE

Rates:

All KWH			\$.04894 Per KWH
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RATE 2
LARGE POWER SERVICE

Rates:

Energy Charge:

First	100	KWH Per KW Demand	\$.04660 Per KWH
Next	100	KWH Per KW Demand	.04103 Per KWH
All Over	200	KWH Per KW Demand	.03547 Per KWH

RATE 22
OPTIONAL T-O-D DEMAND

Rates:

Energy Charge:

First	100	KWH Per Month	\$.04660 Per KWH
Next	100	KWH Per Month	.04103 Per KWH
All Over	200	KWH Per Month	.03547 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	\$ 6.23
HPS	20,000 30,000 Lumen	8.63
HPS	4,000 Lumen Decorative	8.66
HPS	50,000 Lumen Directional	11.24

RATE 4
STANDBY POWER RATE

Rates:

Energy Charge:

First	100	KWH Per KW Demand	\$.04428 Per KWH
Next	100	KWH Per KW Demand	.03838 Per KWH
All Over	200	KWH Per KW Demand	.03251 Per KWH

RATE 5
INTERRUPTIBLE SERVICE

Rates:

Energy Charge:

First	100	KWH Per KW	\$.04660 Per KWH
Next	100	KWH Per KW	.04103 Per KWH
All Over	200	KWH Per KW	.03547 Per KWH

OFF-PEAK RETAIL MARKETING - ETS

Rates:

All KWH \$.03436 Per KWH

LARGE INDUSTRIAL RATE SCHEDULE B-1

Rates:

All KWH \$.02843 Per KWH

LARGE INDUSTRIAL RATE SCHEDULE B-2

Rates:

All KWH \$.02343 Per KWH

LARGE INDUSTRIAL RATE SCHEDULE B-3

Rates:

All KWH \$.02243 Per KWH

LARGE INDUSTRIAL RATE SCHEDULE C-1

Rates:

Energy Charge \$.02843 Per KWH

LARGE INDUSTRIAL RATE SCHEDULE C-2

Rates:

Energy Charge \$.02343 Per KWH

LARGE INDUSTRIAL RATE SCHEDULE C-3

Rates:

Energy Charge \$.02243 Per KWH