

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION OF THE)	
APPLICATION OF THE FUEL)	
ADJUSTMENT CLAUSE OF SOUTH)	
KENTUCKY RURAL ELECTRIC)	CASE NO. 98-582
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 South Kentucky Rural Electric Cooperative Corporation (South Kentucky) for the two years ended October 31, 1998.

As part of this review, the Commission ordered South Kentucky to submit certain information and an affidavit attesting to its compliance with Commission Regulation 807 KAR 5:056. South Kentucky 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. South Kentucky 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 South Kentucky, 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. South Kentucky 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 South Kentucky through the FAC for the period November 1, 1996 to October 31, 1998 are approved.

2. South Kentucky 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 South Kentucky on and after May 1, 1999.

4. Within 30 days from the date of this Order, South Kentucky 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. 98-582 DATED MARCH 22, 1999

The following rates and charges are prescribed for the customers in the area served by South Kentucky 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
RESIDENTIAL, FARM AND NON-FARM SERVICE

Rate:

All KWH Per Month \$.05375 Per KWH

MARKETING RATE - ETS

Rate:

All KWH Per Month \$.03225 Per KWH

SCHEDULE B
SMALL COMMERCIAL RATE

Rate:

All KWH Per Month \$.05922 Per KWH

MARKETING RATE ETS

Rate:

All KWH Per Month \$.03553 Per KWH

SCHEDULE LP
LARGE POWER RATE

Rate:

All KWH Per Month \$.03420 Per KWH

SCHEDULE LP (CONTRACT 11)

Energy Charge

First	3,500	KWH Per Month	\$.03767 Per KWH
Next	6,500	KWH Per Month	.03661 Per KWH
Next	140,000	KWH Per Month	.03553 Per KWH
Next	150,000	KWH Per Month	.03500 Per KWH
Over	300,000	KWH Per Month	.03446 Per KWH

SCHEDULE LP (CONTRACT 14)

Energy Charge

First	3,500	KWH Per Month	\$.03837 Per KWH
Next	6,500	KWH Per Month	.03667 Per KWH
Next	140,000	KWH Per Month	.03340 Per KWH
Next	150,000	KWH Per Month	.03327 Per KWH
Over	300,000	KWH Per Month	.03317 Per KWH

SCHEDULE LP 1
LARGE POWER RATE
(500 KW TO 4,999 KW)

Rate:

Energy Charge \$.02977 Per KWH

SCHEDULE LP 2
LARGE POWER RATE
(5,000 KW TO 9,999 KW)

Rate:

Energy Charge

Per KWH for the first 400 KWH Per KW of Billing Demand		\$.02977 Per KWH
Per KWH for all remaining KWH		.02376 Per KWH

SCHEDULE LP 3
LARGE POWER RATE (1,000 KW TO 2,999 KW)

Rate:

Energy Charge	\$.02496 Per KWH
---------------	------------------

SCHEDULE OPS
OPTIONAL POWER SERVICE

Rate:

Energy Charge All KWH Per Month	\$.06579 Per KWH
------------------------------------	------------------

SCHEDULE STL
STREET LIGHTING SERVICE

Rate Per Light Per Month:

Mercury Vapor or Sodium 7,000 10,000 Lumens	\$ 3.69
Mercury Vapor or Sodium 15,000 28,000 Lumens	5.70

SCHEDULE DSTL
DECORATIVE STREET LIGHTING

Rate Per Light Per Month:

High Pressure Sodium Lamp

Cobra Head Light Installed on Existing Pole 7,000 10,000 Lumens (Unmetered)	\$ 8.73
7,000 10,000 Lumens (Metered)	7.68
15,000 28,000 Lumens (Unmetered)	10.97
15,000 18,000 Lumens (Metered)	8.28

Cobra Head Light Installed on 30 Aluminum Pole & Arm 7,000 10,000 Lumens (Unmetered)	14.36
7,000 10,000 Lumens (Metered)	13.31
15,000 28,000 Lumens (Unmetered)	16.00
15,000 28,000 Lumens (Metered)	13.31

Lexington Light Installed on 16 Aluminum Pole

Sodium 7,000 10,000 Lumens (Unmetered)	9.28
Sodium 7,000 10,000 Lumens (Metered)	8.23

Acorn Light Installed on 16 Fluted Pole		
Sodium 7,000 10,000 Lumens (Unmetered)		19.51
Sodium 7,000 10,000 Lumens (Metered)		18.46

SCHEDULE OL
OUTDOOR LIGHTING SERVICE
SECURITY LIGHTS

Rate Per Light Per Month:

Mercury Vapor or Sodium			
7,000 10,000 Lumens (Metered)		\$	4.63
7,000 10,000 Lumens (Unmetered)			5.48
Directional Flood Light (Metered)			5.88
Directional Flood Light (Unmetered)			8.61

SCHEDULE TVB
UNMETERED COMMERCIAL SERVICE

Class and Rates Per Month:

Cable TV Amplifiers (75 KWH Per Month)		\$	7.07
---	--	----	------