

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE TARIFF FILING OF SOUTH	)	
KENTUCKY RURAL ELECTRIC	)	
COOPERATIVE CORPORATION	)	CASE NO. 2000-549
TO ADD AN ALL ELECTRIC	)	
SCHOOL SCHEDULE	)	

O R D E R

On December 1, 2000, South Kentucky Rural Electric Cooperative Corporation ("South Kentucky") filed a proposed tariff which offered an all-electric school schedule ("Schedule AES"). South Kentucky proposed that the tariff become effective on and after January 1, 2001. By Order dated December 27, 2000, the Commission suspended the proposed tariff for five months from January 1, 2001, up to and including May 31, 2001, and also directed South Kentucky to provide additional information concerning the tariff. South Kentucky responded to the request for information on January 16, 2001.

South Kentucky has received inquiries concerning the availability of an all-electric school tariff from potential customers, each of whom prefer a rate schedule based upon energy consumption without a demand charge. South Kentucky seeks approval of Schedule AES in order to address the needs of those potential customers.

Schedule AES is an optional tariff, offered as an alternative to South Kentucky's Schedule LP-Large Power Rate. Schedule LP is for customers whose demands are in excess of 300 kW, which would include most all-electric schools. The costs used to derive Schedule LP's rates were also used to determine the proposed rates for Schedule AES.

Unlike Schedule LP, Schedule AES does not include a demand charge, but its

energy charge is substantially higher. Costs associated with connecting a customer to the distribution system determine the customer charge under Schedule AES. Recovery of both demand and energy costs associated with providing service are directly correlated to energy consumption under Schedule AES since the energy charge becomes the dominant portion of the rate. All costs other than those recovered through the customer charge are used to determine the energy rate.

IT IS THEREFORE ORDERED that:

1. Schedule AES, as shown on original sheet no. T-14.1 of South Kentucky's application of December 1, 2000 is approved for service on and after the date of this Order.
2. The Schedule AES consumer charge of \$69.38 and energy charge of \$0.04910 per kWh proposed by South Kentucky are approved.
3. South Kentucky shall file, within 20 days of the date of this Order, its Schedule AES tariff showing the date of issue and that it was issued by authority of this Order.

Done at Frankfort, Kentucky, this 4<sup>th</sup> day of April, 2001.

By the Commission

ATTEST:

  
Executive Director