

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| | | |
|-------------------------------|---|---------------------|
| AN EXAMINATION OF THE |) | |
| APPLICATION OF THE FUEL |) | |
| ADJUSTMENT CLAUSE OF FLEMING- |) | |
| MASON ENERGY COOPERATIVE |) | CASE NO. 2002-00441 |
| FROM NOVEMBER 1, 2000 TO |) | |
| OCTOBER 31, 2002 |) | |

O R D E R

Pursuant to Administrative Regulation 807 KAR 5:056, the Commission on December 11, 2002 established this case to review and evaluate the operation of the fuel adjustment clause (FAC) of Fleming-Mason Energy Cooperative (Fleming-Mason) for the 2 years ended October 31, 2002.

As part of this review, the Commission ordered Fleming-Mason to submit certain information and an affidavit attesting to its compliance with Administrative Regulation 807 KAR 5:056. Fleming-Mason 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. Fleming-Mason has complied in all material respects with the provisions of Administrative Regulation 807 KAR 5:056.

2. East Kentucky Power Cooperative, Inc. (EKPC), the wholesale supplier of Fleming-Mason, has been authorized to transfer (roll-in) a 2.31 mills per KWH increase in the base fuel cost to its base rates.¹

3. Fleming-Mason should be authorized to transfer (roll-in) a 2.41 mills per KWH increase in its base fuel costs to its base to reflect, as adjusted for line loss, the transfer of a 2.31 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 Fleming-Mason through the FAC for the period November 1, 2000 to October 31, 2002 are approved.

2. Fleming-Mason 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 Fleming-Mason on and after May 1, 2003, the effective date of EKPC s change in rates.

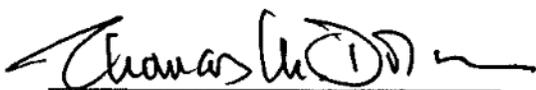
4. Within 30 days of the date of this Order, Fleming-Mason shall file with the Commission revised tariff sheets setting out the rates approved herein.

¹ Case No. 2002-00432, An Examination by the Public Service Commission of the Application of the Fuel Adjustment Clause of East Kentucky Power Cooperative, Inc. from November 1, 2000 to October 31, 2002.

Done at Frankfort, Kentucky, this 23rd day of April, 2003.

By the Commission

ATTEST:

A handwritten signature in black ink, appearing to read "Thomas H. (T) [unclear]", written over a horizontal line.

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2002-00441 DATED April 23, 2003

The following rates and charges are prescribed for the customers in the area served by Fleming-Mason Energy Cooperative. 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.

RESIDENTIAL AND SMALL POWER

| | |
|-----------------------------|-----------|
| Energy Charge per kWh | \$.05612 |
| Energy Charge per kWh (ETS) | \$.03367 |

SMALL GENERAL SERVICE

| | |
|-----------------------|-----------|
| Energy Charge per kWh | \$.03031 |
|-----------------------|-----------|

LARGE GENERAL SERVICE

| | |
|-----------------------|-----------|
| Energy Charge per kWh | \$.03042 |
|-----------------------|-----------|

OUTDOOR LIGHTING SERVICE

Monthly Rate:

| | |
|--|----------|
| Mercury Vapor: 7,000 Lumen-Standard | \$ 5.99 |
| Mercury Vapor: 7,000 Lumen-Ornamental | \$ 14.64 |
| Mercury Vapor: 20,000 Lumen-Standard | \$ 11.30 |
| Mercury Vapor: 20,000 Lumen-Ornamental | \$ 18.81 |
| High Pressure Sodium: 9,500 Lumen-Standard | \$ 6.17 |
| High Pressure Sodium: 9,500 Lumen-Ornamental | \$ 13.65 |
| High Pressure Sodium: 9,500 Lumen-Directional | \$ 6.25 |
| High Pressure Sodium: 22,000 Lumen-Standard | \$ 8.46 |
| High Pressure Sodium: 22,000 Lumen-Ornamental | \$ 15.96 |
| High Pressure Sodium: 22,000 Lumen-Directional | \$ 8.28 |
| High Pressure Sodium: 50,000 Lumen-Standard | \$ 12.27 |
| High Pressure Sodium: 50,000 Lumen-Ornamental | \$ 19.37 |
| High Pressure Sodium: 50,000 Lumen-Directional | \$ 11.97 |

ALL ELECTRIC SCHOOL

Energy Charge per kWh \$.05208

SPECIAL CONTRACTED SERVICE - INLAND

Energy Charge per kWh \$.02291

LARGE INDUSTRIAL SERVICE # 1

Energy Charge per kWh \$.03145

LARGE INDUSTRIAL SERVICE # 2

Energy Charge per kWh \$.02820

LARGE INDUSTRIAL SERVICE # 3

Energy Charge per kWh \$.02714

LARGE INDUSTRIAL SERVICE # 4

Energy Charge per kWh \$.03328

LARGE INDUSTRIAL SERVICE # 5

Energy Charge per kWh \$.03003

LARGE INDUSTRIAL SERVICE # 6

Energy Charge per kWh \$.02601

LARGE INDUSTRIAL SERVICE # 4B

Energy Charge per kWh \$.03328

LARGE INDUSTRIAL SERVICE # 5B

Energy Charge per kWh \$.03003

LARGE INDUSTRIAL SERVICE # 6B

Energy Charge per kWh \$.02601