

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION OF THE)	
APPLICATION OF THE FUEL)	
ADJUSTMENT CLAUSE OF GRAYSON)	
RURAL ELECTRIC COOPERATIVE)	CASE NO. 2002-00442
CORPORATION 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 Grayson Rural Electric Cooperative Corporation (Grayson) for the 2 years ended October 31, 2002.

As part of this review, the Commission ordered Grayson to submit certain information and an affidavit attesting to its compliance with Administrative Regulation 807 KAR 5:056. Grayson 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. Grayson 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 Grayson, 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. Grayson should be authorized to transfer (roll-in) a 2.43 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 Grayson through the FAC for the period November 1, 2000 to October 31, 2002 are approved.

2. Grayson 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 Grayson 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, Grayson 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:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2002-00442 DATED April 23, 2003

The following rates and charges are prescribed for the customers in the area served by Grayson 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 1
FARM AND HOME

Energy Charge per kWh \$.06569

SCHEDULE 2
COMMERCIAL AND SMALL POWER (LESS THAN 50 KVA)

Energy Charge per kWh \$.06569

SCHEDULE 3
OFF-PEAK MARKETING RATE

On-Peak Rate per kWh \$.06569
Off-Peak Rate per kWh \$.03942

SCHEDULE 4
LARGE POWER SERVICE (50-999 KVA)

Energy Charge per kWh \$.04077

SCHEDULE 5
STREET LIGHTING SERVICE

Base Rate per Light per Month:
175 Watt Mercury Vapor Lamp \$ 6.89
Base Rate per Light per Year:
175 Watt Mercury Vapor Lamp \$ 82.68

SCHEDULE 6
OUTDOOR LIGHTING SERVICE SECURITY LIGHTS

Base Rate per Light per Month:	
7,000 Lumens Mercury Vapor Lamp	\$ 6.80
10,000 Lumens Mercury Vapor Lamp	\$ 8.64

SCHEDULE 7
ALL ELECTRIC SCHOOLS

Energy Charge per kWh	\$.04140
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SCHEDULE 12 (a)
LARGE INDUSTRIAL SERVICE-LLF (1,000 TO 4,999 KVA)

Energy Charge per kWh	\$.03095
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SCHEDULE 12 (b)
LARGE INDUSTRIAL SERVICE-LLF (5,000 TO 9,999 KVA)

Energy Charge per kWh	\$.02595
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SCHEDULE 12 (c)
LARGE INDUSTRIAL SERVICE-LLF (10,000 KVA AND OVER)

Energy Charge per kWh	\$.02495
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SCHEDULE 13 (a)
LARGE INDUSTRIAL SERVICE-HLF (1,000 TO 4,999 KVA)

Energy Charge per kWh	\$.03095
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SCHEDULE 13 (b)
LARGE INDUSTRIAL SERVICE-HLF (5,000 TO 9,999 KVA)

Energy Charge per kWh	\$.02595
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SCHEDULE 13 (c)
LARGE INDUSTRIAL SERVICE-HLF (10,000 KVA AND OVER)

Energy Charge per kWh	\$.02495
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SCHEDULE 14 (a)
LARGE INDUSTRIAL SERVICE-MLF (1,000 TO 4,999 KVA)

Energy Charge per kWh \$.03095

SCHEDULE 14 (b)
LARGE INDUSTRIAL SERVICE-MLF (5,000 TO 9,999 KVA)

Energy Charge per kWh \$.02595

SCHEDULE 14 (c)
LARGE INDUSTRIAL SERVICE-MLF (10,000 KVA AND OVER)

Energy Charge per kWh \$.02495