

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. 2002-00450  
COOPERATIVE 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 South Kentucky Rural Electric Cooperative Corporation ( South Kentucky ) for the 2 years ended October 31, 2002.

As part of this review, the Commission ordered South Kentucky to submit certain information and an affidavit attesting to its compliance with Administrative 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 Administrative 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 2.31 mills per KWH increase in the base fuel cost to its base rates.<sup>1</sup>

3. South Kentucky should be authorized to transfer (roll-in) a 2.44 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 South Kentucky through the FAC for the period November 1, 2000 to October 31, 2002 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, 2003, the effective date of EKPC s change in rates.

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

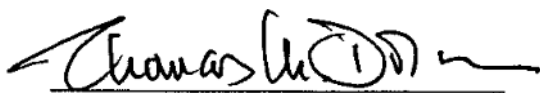
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<sup>1</sup> Case No. 2002-00432, An Examination by the Public Service Commission of the Application of the Fuel Adjustment Clause of East Kentucky Power Cooperative, Inc. from November 1, 2000 to October 31, 2002.

Done at Frankfort, Kentucky, this 23<sup>rd</sup> day of April, 2003.

By the Commission

ATTEST:

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

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2002-00450 DATED April 23, 2003

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

All kWh per kWh \$ .05619

SCHEDULE A (ETS)  
RESIDENTIAL, FARM AND NON-FARM SERVICE  
MARKETING RATE

All kWh per kWh \$ .03371

SCHEDULE B  
SMALL COMMERCIAL RATE

All kWh per kWh \$ .06166

SCHEDULE B (ETS)  
SMALL COMMERCIAL  
MARKETING RATE

All kWh per kWh \$ .03700

SCHEDULE LP  
LARGE POWER RATE

Energy Charge per kWh \$ .03664

SCHEDULE LP  
LARGE POWER (Contract 11)

Energy Charge:	
First 3,500 kWh	\$ .04011
Next 6,500 kWh	\$ .03905
Next 140,000 kWh	\$ .03797
Next 150,000 kWh	\$ .03744
Over 300,000 kWh	\$ .03690

SCHEDULE LP  
LARGE POWER (Contract 14)

Energy Charge:	
First 3,500 kWh	\$ .04081
Next 6,500 kWh	\$ .03911
Next 140,000 kWh	\$ .03584
Next 150,000 kWh	\$ .03571
Over 300,000 kWh	\$ .03561

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

Energy Charge per Kw	\$ .03221
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SCHEDULE LP-2  
LARGE POWER RATE 2 (5,000 KW TO 9,999 KW)

Energy Charge:	
First 400 kWh per Kw of Billing Demand, Ltd. to First 5,000 kW	\$ .03221
Per kWh for all remaining kWh	\$ .02620

SCHEDULE LP-3  
LARGE POWER RATE 2 (500 KW TO 2,999 KW)

Energy Charge per kWh	\$ .02740
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SCHEDULE OPS  
OPTIONAL POWER SERVICE

Energy Charge per kWh	\$ .06823
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SCHEDULE STL  
STREET LIGHTING SERVICE

Rate per Light per Month As Follows:

Mercury Vapor or Sodium 7,000-10,000 Lumens	\$ 3.86
Mercury Vapor or Sodium 15,000-28,000 Lumens	\$ 5.90

SCHEDULE DTSL  
DECORATIVE STREET LIGHTING

Rate per Light per Month As Follows:

High Pressure Sodium Lamp	
Cobra Head Light Installed On Existing Pole	
7,000-10,000 Lumens (Unmetered)	\$ 8.83
7,000-10,000 Lumens (Metered)	\$ 7.68
15,000-28,000 Lumens (Unmetered)	\$ 11.21
15,000-28,000 Lumens (Metered)	\$ 8.28
Cobra Head Light Installed On 30 Aluminum Pole and Arm	
7,000-10,000 Lumens (Unmetered)	\$ 14.46
7,000-10,000 Lumens (Metered)	\$ 13.31
15,000-28,000 Lumens (Unmetered)	\$ 16.24
15,000-28,000 Lumens (Metered)	\$ 13.31
Lexington Light Installed On 16 Aluminum Pole	
Sodium 7,000-10,000 Lumens (Unmetered)	\$ 9.38
Sodium 7,000-10,000 Lumens (Metered)	\$ 8.23
Acorn Light Installed On 16 Fluted Pole	
Sodium 7,000-10,000 Lumens (Unmetered)	\$ 19.61
Sodium 7,000-10,000 Lumens (Metered)	\$ 18.46

SCHEDULE OL  
OUTDOOR LIGHTING SERVICE-SECURITY LIGHTS

Rate per Light per Month As Follows:

Mercury Vapor or Sodium 7,000-10,000 Lumens (Unmetered)	\$ 5.63
Mercury Vapor or Sodium 7,000-10,000 Lumens (Metered)	\$ 4.63
Directional Flood Light (Unmetered)	\$ 8.87
Directional Flood Light (Metered)	\$ 5.88

SCHEDULE TVB  
UNMETERED COMMERCIAL SERVICE

Cable TV Amplifiers

\$ 7.25