

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION OF THE	)	
APPLICATION OF THE FUEL	)	
ADJUSTMENT CLAUSE OF TAYLOR	)	
COUNTY RURAL ELECTRIC	)	CASE NO. 2002-00451
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 Taylor County Rural Electric Cooperative Corporation ( Taylor County ) for the 2 years ended October 31, 2002.

As part of this review, the Commission ordered Taylor County to submit certain information and an affidavit attesting to its compliance with Administrative Regulation 807 KAR 5:056. Taylor County 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. Taylor County 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 Taylor County, 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. Taylor County should be authorized to transfer (roll-in) a 2.45 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 Taylor County through the FAC for the period November 1, 2000 to October 31, 2002 are approved.

2. Taylor County 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 Taylor County 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, Taylor County shall file with the Commission revised tariff sheets setting out the rates approved herein.

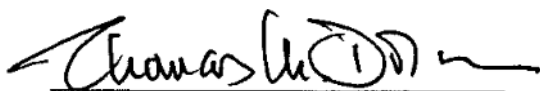
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<sup>1</sup> Case No. 2002-00432, An Examination by the Public Service Commission of the Application of the Fuel Adjustment Clause of East Kentucky Power Cooperative, Inc. from November 1, 2000 to October 31, 2002.

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. 2002-00451 DATED April 23, 2003

The following rates and charges are prescribed for the customers in the area served by Taylor County 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

All kWh per kWh \$ .05646

SCHEDULE R-1  
RESIDENTIAL MARKETING RATE

All kWh per kWh \$ .03388

SCHEDULE GP1  
SMALL COMMERCIAL

All kWh per kWh \$ .05657

SCHEDULE GP2  
LARGE POWER

All kWh per kWh \$ .03875

SCHEDULE B1  
LARGE INDUSTRIAL RATE

All kWh per kWh \$ .03107

SCHEDULE B2  
LARGE INDUSTRIAL RATE

All kWh per kWh \$ .02607

SCHEDULE B3  
LARGE INDUSTRIAL RATE

All kWh per kWh \$ .02507

SCHEDULE C1  
LARGE INDUSTRIAL RATE

All kWh per kWh \$ .03107

SCHEDULE C2  
LARGE INDUSTRIAL RATE

All kWh per kWh \$ .02607

SCHEDULE C3  
LARGE INDUSTRIAL RATE

All kWh per kWh \$ .02507