

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION OF THE)
APPLICATION OF THE FUEL)
ADJUSTMENT CLAUSE OF OWEN)
ELECTRIC COOPERATIVE, INC. FROM) CASE NO. 2004-00479
NOVEMBER 1, 2002 TO OCTOBER 31,)
2004)

O R D E R

Pursuant to Administrative Regulation 807 KAR 5:056, the Commission on December 13, 2004 established this case to review and evaluate the operation of the fuel adjustment clause ("FAC") of Owen Electric Cooperative, Inc. ("Owen") for the 2 years ended October 31, 2004.

As part of this review, the Commission ordered Owen to submit certain information and an affidavit attesting to its compliance with Administrative Regulation 807 KAR 5:056. Owen has complied with this Order. The Commission further ordered that a public hearing be held in this case on March 17, 2005. Gallatin Steel, which was permitted to intervene in this case, expressed interest in attending the hearing, but provided no questions for cross-examination of Owen.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that:

1. Owen 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 Owen, has been authorized to transfer (roll-in) a 4.65 mills per kWh increase in the base fuel cost to its base rates.¹

3. Owen should be authorized to transfer (roll-in) a 4.82 mills per kWh increase in its base fuel costs to its base rates to reflect, as adjusted for line loss, the transfer of a 4.65 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 are fair, just, and reasonable, and reflect the transfer of fuel costs from the FAC to the base rates.

IT IS THEREFORE ORDERED that:

1. The charges and credits applied by Owen through the FAC for the period November 1, 2002 to October 31, 2004 are approved.

2. Owen 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 Owen on and after June 1, 2005, the effective date of EKPC's change in rates.

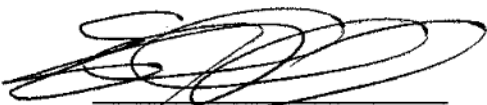
4. Within 30 days of the date of this Order, Owen shall file with the Commission revised tariff sheets setting out the approved rates.

¹ Case No. 2004-00464, An Examination of the Application of the Fuel Adjustment Clause of East Kentucky Power Cooperative, Inc. from November 1, 2002 to October 31, 2004.

Done at Frankfort, Kentucky, this 24th day of May, 2005.

By the Commission

ATTEST:

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke at the end, positioned above a solid horizontal line.

Executive Director

Case No. 2004-00479

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2004-00479 DATED MAY 24, 2005

The following rates and charges are prescribed for the customers in the area served by Owen Electric Cooperative, Inc. All other rates and charges not specifically mentioned in this Order shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

SCHEDULE I
FARM AND HOME

All kWh per kWh \$.06725

SCHEDULE I
FARM AND HOME OFF-PEAK MARKETING RATE

All kWh per kWh \$.04035

SCHEDULE I
FARM AND HOME – TIME OF DAY

On-Peak Rate per kWh \$.06725
Off-Peak Rate per kWh \$.04035

SCHEDULE I
SMALL COMMERCIAL

Energy Charge per kWh \$.06725

SCHEDULE I - OLS
OUTDOOR LIGHTING SERVICE

Monthly Rates:
100 Watt High Pressure Sodium \$ 8.38
Cobrahead Lighting
 100 Watt High Pressure Sodium \$ 11.00
 250 Watt High Pressure Sodium \$ 14.66

400 Watt High Pressure Sodium	\$ 17.75
Directional Lighting	
100 Watt High Pressure Sodium	\$ 10.28
250 Watt High Pressure Sodium	\$ 12.30
400 Watt High Pressure Sodium	\$ 15.16

SCHEDULE II - SOLS
SPECIAL OUTDOOR LIGHTING SERVICE

Traditional Light with Fiberglass Pole	\$ 8.85
Halophane Light with Fiberglass Pole	\$ 10.58

SCHEDULE III - SOLS
SPECIAL OUTDOOR LIGHTING SERVICE

Energy Rate for each type of light per kWh	\$.044596
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SCHEDULE II
LARGE POWER

Energy Charge per kWh	\$.04769
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SCHEDULE III
SECURITY LIGHTS

Flat rate per light per month as follows:

On Existing Pole Where 120 Volts is available	\$ 5.12
One Pole Added	\$ 6.76
Two Poles Added	\$ 8.40
Three Poles Added	\$ 10.04
Four Poles Added	\$ 11.68

SCHEDULE VIII
LARGE INDUSTRIAL RATE – LPC1

Energy Charge per kWh	\$.03499
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SCHEDULE IX
LARGE INDUSTRIAL RATE – LPC2

Energy Charge per kWh	\$.02999
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SCHEDULE X
LARGE INDUSTRIAL RATE – LPC1-A

Energy Charge per kWh	\$.03299
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SCHEDULE XI
LARGE INDUSTRIAL RATE – LPB1

Energy Charge per kWh	\$.03499
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SCHEDULE XII
LARGE INDUSTRIAL RATE – LPB1-A

Energy Charge per kWh	\$.03299
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SCHEDULE XIII
LARGE INDUSTRIAL RATE – LPB2

Energy Charge per kWh	\$.02999
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SCHEDULE XIV
LARGE INDUSTRIAL RATE – LPB

Energy Charge per kWh	\$.03699
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SCHEDULE 1B
FARM AND HOME – TIME OF DAY

On-Peak Energy Charge per kWh	\$.077532
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Off-Peak Energy Charge per kWh	\$.041797
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SCHEDULE 1C
SMALL COMMERCIAL– TIME OF DAY

On-Peak Energy Charge per kWh	\$.074565
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Off-Peak Energy Charge per kWh	\$.041797
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SCHEDULE 2A
LARGE POWER – TIME OF DAY

On-Peak Energy Charge per kWh	\$.078097
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Off-Peak Energy Charge per kWh	\$.045990
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