

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF BIG SANDY RURAL ELECTRIC )  
COOPERATIVE CORPORATION TO PASS- ) CASE NO.  
THROUGH AN INCREASE OF ITS WHOLESALE ) 2008-00410  
POWER SUPPLIER PURSUANT TO KRS 278.455(2) )

ORDER

On October 31, 2008, Big Sandy Rural Electric Cooperative Corporation ("Big Sandy") submitted an application to pass-through any wholesale rate adjustment granted to East Kentucky Power Cooperative, Inc. ("EKPC") in Case No. 2008-00409.<sup>1</sup> Big Sandy submitted its application pursuant to the authority of KRS 278.455(2) and 807 KAR 5:007, Section 2.

In its application, Big Sandy described how its proposed pass-through rates were developed:

In accordance with the provisions of KRS 278.455(2), Big Sandy RECC hereby states that the effects of the increase in rates from its wholesale supplier, EKPC, are being passed through to its retail tariffs on a proportional basis and that the rate design structure proposed for each retail rate schedule does not change the rate design currently in effect.<sup>2</sup>

KRS 278.455(2) provides that a distribution cooperative may change its rates to reflect a change in the rate of its wholesale supplier if the effects of an increase or decrease are allocated to each class and within each tariff on a proportional basis that

---

<sup>1</sup> Case No. 2008-00409, General Adjustment of Electric Rates of East Kentucky Power Cooperative, Inc. (Ky. PSC March 31, 2009)

<sup>2</sup> Application, Page 1.

will result in no change in the rate design currently in effect. Further, 807 KAR 5:007, Section 2(2), provides that the distribution cooperative shall file an analysis demonstrating that the rate change does not alter the rate design currently in effect and that the revenue change has been allocated to each class and within each tariff on a proportional basis.

The Commission has reviewed the approach proposed by Big Sandy to pass-through any increases in the wholesale rates of EKPC and to allocate such increases to its retail rates. Based upon this review, the Commission finds that Big Sandy's approach complies with the provisions of KRS 278.455(2) and 807 KAR 5:007, Section 2(2), and, therefore, should be accepted.

The Commission issued an Order in Case No. 2008-00409 on March 31, 2009 authorizing a \$59.5 million annualized increase in EKPC's wholesale rates effective for service rendered on and after April 1, 2009. According to Big Sandy, this will increase its wholesale power cost by \$1,461,639 annually.<sup>3</sup>

IT IS THEREFORE ORDERED that:

1. The proposed rates submitted with Big Sandy's application are rejected.
2. The approach proposed by Big Sandy to allocate its portion of the increase in the wholesale rates authorized in Case No. 2008-00409 is accepted.
3. The rates set forth in the tariff sheets in the Appendix hereto are approved for service rendered on and after April 1, 2009.

---

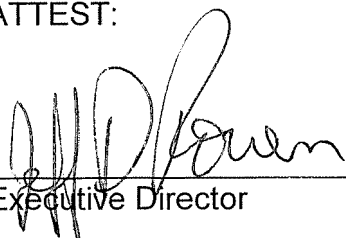
<sup>3</sup> Response to Commission Staff's Supplemental Data Request issued on March 17, 2009.

4. Within 20 days from the date of this Order, Big Sandy shall file with the Commission its revised tariffs, setting out the rates approved herein and stating that they were approved pursuant to this Order.

By the Commission

ENTERED  
MAR 31 2009  
KENTUCKY PUBLIC  
SERVICE COMMISSION

ATTEST:

  
Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2008-00410 DATED **MAR 31 2009**

**FORM FOR FILING RATE SCHEDULES**

FOR ALL TERRITORIES SERVED

**BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION**

PSC NO. 2008-00410

ORIGINAL SHEET NO. 1

CANCELLING PSC NO. 2006-00511

ORIGINAL SHEET NO. 1

---

**CLASSIFICATION OF SERVICE**

---

**SCHEDULE A-1 FARM & HOME**

**RATE PER UNIT**

---

**APPLICABLE:**

Entire territory served.

**AVAILABILITY OF SERVICE:**

Available to members of this Cooperative for Farm and Home use having a required transformer capacity not to exceed 50 KVA, subject to all rules and regulations established by the Cooperative.

**TYPE OF SERVICE:**

- A. Single-Phase, 120/240 volts, or
- B. Three-Phase, 240/480 volts, or
- C. Three-Phase, 120/208 wye volts

**RATES:**

Customer charge per delivery point	\$7.70 per month
Energy charge	\$0.07481 per kWh
Off peak energy charge	\$0.04488 per kWh

Applicable only to programs which are expressly approved by the Commission to be offered under the Marketing Rate of East Kentucky Power Cooperative's Wholesale Power Rate Schedule A during the following off-peak hours. Energy furnished under this rate shall be separately metered for each point of delivery.

Months	Off-Peak Hours (EST)
October through April	12:00 noon to 5:00 PM 10:00 PM to 7:00 PM
May through September	10:00 PM to 10:00 AM

DATE OF ISSUE: MARCH 26, 2009  
ISSUED BY: \_\_\_\_\_

DATE EFFECTIVE: APRIL 1, 2009  
TITLE: PRESIDENT/GENERAL MANAGER

**FORM FOR FILING RATE SCHEDULES**

FOR ALL TERRITORIES SERVED

PSC NO. 2008-00410

ORIGINAL SHEET NO. 2

**BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION**

CANCELLING PSC NO. 2006-00511

ORIGINAL SHEET NO. 2

---

**CLASSIFICATION OF SERVICE**

---

**SCHEDULE A-1 FARM & HOME**

**RATE PER UNIT**

---

**MINIMUM CHARGES:**

The minimum monthly charge under the above rate is \$7.70. For members requiring more than 15 KVA of transformer capacity, the minimum monthly charge shall be increased at the rate of 75 cents for each additional KVA or fraction thereof required.

**TERMS OF PAYMENT:**

All of the above rates are net, the gross rates being seven percent (7%) higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.

**SPECIAL RULES:**

- A. The rated capacity of a single-phase motor shall not be in excess of ten horsepower (10 hp).
- B. Motors having a rated capacity in excess of ten horsepower (10 hp) must be three phase.
- C. Service under this schedule is limited to customers whose load requirements can be met by transformers having a capacity not to exceed 50 KVA. Customers requiring more than 50 KVA shall be serviced under an appropriate schedule for larger power service.

**BUDGET BILLING:**

Members having an opportunity to sign agreements with the Cooperative for spreading billing evenly over a twelve (12) month period. The billing is based on estimated consumption made by a Cooperative representative. In May, the end of the twelve-month

DATE OF ISSUE: MARCH 26, 2009

DATE EFFECTIVE: APRIL 1, 2009

ISSUED BY: \_\_\_\_\_

TITLE: PRESIDENT/GENERAL MANAGER

**FORM FOR FILING RATE SCHEDULES**

FOR ALL TERRITORIES SERVED

**BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION**

PSC NO. 2008-00410

ORIGINAL SHEET NO. 4

CANCELLING PSC NO. 2006-00511

ORIGINAL SHEET NO. 4

---

**CLASSIFICATION OF SERVICE**

---

**SCHEDULE A-2 COMMERCIAL AND SMALL POWER**

**RATE PER UNIT**

---

**APPLICABLE:**

Entire territory served.

**AVAILABILITY OF SERVICE:**

Available to commercial loads having a required transformer capacity not to exceed 25 KVA

**TYPE OF SERVICE:**

Single-phase and Three-phase at a standard voltage

**RATES:**

Customer charge per delivery point	\$16.51	per month
Energy charge	\$0.06762	per kWh
Demand charge	\$4.40	per kW

**MINIMUM MONTHLY CHARGE:**

The minimum monthly charge under the above rate shall be \$16.51 where 15 KVA or less of transformer capacity is required. For consumers requiring more than 15 KVA of transformer capacity, the minimum monthly charge shall be increased at the rate of 75 cents for each additional KVA or fraction thereof required.

**MINIMUM ANNUAL CHARGE FOR SEASONAL SERVICE:**

Customers requiring service during, but not to exceed nine months per year may guarantee a minimum annual payment of twelve (12) times the minimum monthly charge determined in accordance with the foregoing section, in which case there shall be no minimum monthly charge.

DATE OF ISSUE: MARCH 26, 2009  
ISSUED BY: \_\_\_\_\_

DATE EFFECTIVE: APRIL 1, 2009  
TITLE: PRESIDENT/GENERAL MANAGER

FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

PSC NO. 2008-00410

ORIGINAL SHEET NO. 7

CANCELLING PSC NO. 2006-00511

ORIGINAL SHEET NO. 7

---

CLASSIFICATION OF SERVICE

---

SCHEDULE LP LARGE POWER SERVICE

RATE PER UNIT

---

APPLICABLE:

Entire territory served.

AVAILABILITY OF SERVICE:

Available to customers located on or near Seller's three-phase lines having a required transformer capacity not to exceed 750 KVA, subject of the established rules and regulations of seller.

RATES:

Demand Charge	\$5.61	per kW of billing
Secondary Meter Energy Charge	\$0.05374	per kWh
Primary Meter Energy Charge	\$0.05298	per KWH
Customer Charge Per Delivery Point	\$55.02	per Month

DETERMINATION OF BILLING DEMAND:

The billing demand shall be the maximum kilowatt demand established by the customer for any period of fifteen (15) consecutive minutes during the month for which the bill is rendered, as indicated or recorded by demand meter and adjusted for power factor as follows:

POWER FACTOR ADJUSTMENT:

The customer agrees to maintain unity power factor as nearly as practicable. Should the demand meter indicate that the average power factor is less than ninety percent (90%), the demand for billing purposes shall be the demand as indicated or recorded by the demand meter multiplied by ninety percent (90%) and divided by the percentage power factor.

DATE OF ISSUE: MARCH 26, 2009  
ISSUED BY: \_\_\_\_\_

DATE EFFECTIVE: APRIL 1, 2009  
TITLE: PRESIDENT/GENERAL MANAGER



**FORM FOR FILING RATE SCHEDULES**

FOR ALL TERRITORIES SERVED

**BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION**

PSC NO. 2008-00410

ORIGINAL SHEET NO. 8

CANCELLING PSC NO. 2006-00473

ORIGINAL SHEET NO. 8

---

**CLASSIFICATION OF SERVICE**

---

**SCHEDULE LP LARGE POWER SERVICE**

**RATE PER UNIT**

---

**FUEL ADJUSTMENT CLAUSE:**

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per kWh as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a 12-month moving average of such losses. This Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

**MINIMUM MONTHLY CHARGE:**

The minimum monthly charge shall be the highest one of the following charges as determined for the customer in question.

- (1) The minimum monthly charge specified in the contract for service.
- (2) A charge of seventy-five cents (\$.75) per KVA of installed transformer capacity.
- (3) A charge of Fifty One Dollars and twenty-nine cents \$55.02.

**MINIMUM ANNUAL CHARGE FOR SEASONAL SERVICE:**

Customers requiring service only during certain seasons not exceeding nine (9) months per year may guarantee a minimum annual payment of twelve (12) times the minimum monthly charge determined in accordance with the foregoing section in which case there shall be no minimum monthly charge.

**TYPE OF SERVICE:**

Three-phase, 60 hertz, at Seller's standard voltage.

DATE OF ISSUE: MARCH 26, 2009  
ISSUED BY: \_\_\_\_\_

DATE EFFECTIVE: APRIL 1, 2009  
TITLE: PRESIDENT/GENERAL MANAGER

**FORM FOR FILING RATE SCHEDULES**

**FOR ALL TERRITORIES SERVED**

**BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION**

PSC NO. 2008-00410

ORIGINAL SHEET NO. 10

CANCELLING PSC NO. 2006-00511

ORIGINAL SHEET NO. 10

---

**CLASSIFICATION OF SERVICE**

---

**SCHEDULE LPR LARGE POWER SERVICE**

**RATE PER UNIT**

---

**APPLICABLE:**

In all territory served.

**AVAILABILITY OF SERVICE:**

Available to all commercial and industrial customers whose power requirements shall exceed 750 KVA of transformer capacity.

**CONDITIONS:**

An "Agreement for Purchase of Power" shall be executed by the customer for service under this schedule.

**CHARACTER OF SERVICE:**

The electric service furnished under this schedule will be 60 hertz, alternating current and at available nominal voltage.

**RATE:**

Maximum Demand Charge:	\$ 5.61	per kW of billing demand
Secondary Meter Energy Charge:	\$0.05123	per kWh
Primary Meter Energy Charge:	\$0.05050	per kWh
Customer Charge Per Delivery Point:	\$82.54	per month

**DETERMINATION OF BILLING DEMAND:**

The billing demand shall be the maximum kilowatt demand established by the customer for any period of fifteen (15) consecutive minutes during the month for which the bill is

**DATE OF ISSUE: MARCH 26, 2009**  
**ISSUED BY: \_\_\_\_\_**

**DATE EFFECTIVE: APRIL 1, 2009**  
**TITLE: PRESIDENT/GENERAL MANAGER**

**FORM FOR FILING RATE SCHEDULES**

FOR ALL TERRITORIES SERVED

**BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION**

PSC NO. 2008-00410

ORIGINAL SHEET NO. 13

CANCELLING PSC NO. 2006-00511

ORIGINAL SHEET NO. 13

---

**CLASSIFICATION OF SERVICE**

---

**SCHEDULE YL-1**

**RATE PER UNIT**

---

**APPLICABLE:**

Entire territory served.

**AVAILABILITY OF SERVICE:**

Available to all members of the Cooperative subject to its established rules and regulations.

**TYPE OF SERVICE:**

Single-Phase, 120 volts, mercury vapor type or equivalent lighting unit.

**RATES:**

Flat rate per light per month as follows:

175	Watt	@	\$ 7.72 per month
400	Watt	@	\$11.41 per month
500	Watt	@	\$13.33 per month
1,500	Watt	@	\$30.45 per month
400 Watt Flood		@	\$15.64 per month

**TERMS OF PAYMENT:**

All of the above rates are net, the gross rates being seven percent (7%) higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.

**FUEL ADJUSTMENT CLAUSE:**

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not exceed 10%

DATE OF ISSUE: MARCH 26, 2009  
ISSUED BY: \_\_\_\_\_

DATE EFFECTIVE: APRIL 1, 2009  
TITLE: PRESIDENT/GENERAL MANAGER

FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

PSC NO. 2008-00410

ORIGINAL SHEET NO. 15

CANCELLING PSC NO. 2006-00511

ORIGINAL SHEET NO. 15

---

CLASSIFICATION OF SERVICE

---

SCHEDULE IND 1

RATE PER UNIT

---

APPLICABLE:

Applicable to contracts with contract demands of 1000 KW or greater with a monthly energy usage equal to or greater than 425 hours per KW of Billing Demand. These contracts will be a "two party" contract between the Cooperative and the ultimate consumer.

AVAILABILITY:

Available to all members.

MONTHLY RATE:

Demand Charge:	\$ 5.93	per KW of Billing Demand
Secondary Meter Energy Charge	\$0 .04620	per KWH
Primary Meter Energy Charge:	\$0 .04557	per KWH
Customer Charge:	\$165.06	

BILLING DEMAND:

The Kilowatt Demand shall be the greater of (A) or (B) listed below:

- A. The Contract Demand.
- B. The ultimate consumer's highest demand during the current month or preceding eleven months coincident with the load center's peak demand. The load center's peak demand is the highest average rate at which energy is used during any fifteen minute interval in the below listed hours for each month and adjusted for power factor as provided herein:

Months:

October through April	7:00 AM to 12:00 Noon 5:00 PM to 10:00 PM
May through September	10:00 AM to 10:00 PM

DATE OF ISSUE: MARCH 26, 2009  
ISSUED BY: \_\_\_\_\_

DATE EFFECTIVE: APRIL 1, 2009  
TITLE: PRESIDENT/GENERAL MANAGER

**FORM FOR FILING RATE SCHEDULES**

**FOR ALL TERRITORIES SERVED**

**BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION**

**PSC NO. 2008-00410**

**ORIGINAL SHEET NO. 19**

**CANCELLING PSC NO. 2006-00511**

**ORIGINAL SHEET NO. 19**

---

**CLASSIFICATION OF SERVICE**

---

**SCHEDULE IND 2**

**RATE PER UNIT**

---

**APPLICABLE:**

Applicable to contracts with contract demands of 5000 KW or greater with a monthly energy usage equal to or greater than 425 hours per KW of Billing Demand. These contracts will be a "two party" contract between the Cooperative and the ultimate consumer.

**AVAILABILITY:**

Available to all members.

**MONTHLY RATE:**

Demand Charge:	\$ 5.93	per KW of Billing Demand
Secondary Meter Energy Charge	\$0 .04070	per KWH
Primary Meter Energy Charge	\$0 .04021	per KWH
Customer Charge	\$1,176.33	

**BILLING DEMAND:**

The Kilowatt Demand shall be the greater of (A) or (B) listed below:

- A. The Contract Demand.
- B. The ultimate consumer's highest demand during the current month or preceding eleven months coincident with the load center's peak demand. The load center's peak demand is the highest average rate at which energy is used during any fifteen minute interval in the below listed hours for each month and adjusted for power factor as provided herein.

**DATE OF ISSUE: MARCH 26, 2009**  
**ISSUED BY: \_\_\_\_\_**

**DATE EFFECTIVE: APRIL 1, 2009**  
**TITLE: PRESIDENT/GENERAL MANAGER**

Honorable Albert A Burchett  
Attorney at Law  
P. O. Box 0346  
Prestonsburg, KY 41653

Bobby D Sexton  
President/General Manager  
Big Sandy R.E.C.C.  
504 11th Street  
Paintsville, KY 41240-1422