

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION OF THE )  
APPLICATION OF THE FUEL )  
ADJUSTMENT CLAUSE OF NOLIN )  
RURAL ELECTRIC COOPERATIVE ) CASE NO. 2008-00533  
CORPORATION FROM NOVEMBER 1, )  
2006 THROUGH OCTOBER 31, 2008 )

O R D E R

Pursuant to 807 KAR 5:056, the Commission, on January 23, 2009, established this case to review and evaluate the operation of the Fuel Adjustment Clause ("FAC") of Nolin Rural Electric Cooperative Corporation ("Nolin") for the two-year period ended October 31, 2008.

As part of this review, the Commission ordered Nolin to submit certain information and an affidavit attesting to its adherence to 807 KAR 5:056. Nolin 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 person advised the Commission of his or her intention to attend.

In Case No. 2008-00409,<sup>1</sup> the Commission authorized a \$59.5 million rate increase for East Kentucky Power Cooperative, Inc. ("East Kentucky"), Nolin's power supplier. On April 10, 2009, Nolin filed its revised tariffs reflecting the rate increase

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

authorized by the Commission's March 31, 2009 Order in Case No. 2008-00420.<sup>2</sup> Nolin subsequently filed a revised tariff, at Commission Staff's request, which reflected the effect of the proposed FAC roll-in upon its approved base rates.

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

1. Nolin has complied in all material respects with the provisions of 807 KAR 5:056.

2. East Kentucky, the wholesale supplier of Nolin, has been authorized to transfer (roll-in) a 10.15 mills per kWh increase in the base fuel cost to its base rates.<sup>3</sup>

3. Nolin should be authorized to transfer (roll-in) a 10.613 mills per kWh increase in its base fuel costs to its base rates to reflect, as adjusted for line loss, the transfer of a 10.15 mills per kWh increase in East Kentucky's current base rates. This transfer can best be accomplished by an energy adder to each kWh sold.

4. The rates and charges in the Appendix to this Order 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 Nolin through the FAC for the period from November 1, 2006 to October 31, 2008 are approved.

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<sup>2</sup> Case No. 2008-00420, Application of Nolin Rural Electric Cooperative Corporation to Pass-Through An Increase of Its Wholesale Power Supplier Pursuant to KRS 278.455(2) (Ky. PSC Mar. 31, 2009).

<sup>3</sup> Case No. 2008-00519, An Examination of the Application of the Fuel Adjustment Clause of East Kentucky Power Cooperative, Inc. from November 1, 2006 to October 31, 2008 (Ky PSC July 15, 2009).

2. Nolin is authorized to transfer to base rates those fuel costs (as adjusted for line-loss) rolled in by East Kentucky from its FAC to its current base rates.

3. The rates in the Appendix to this Order are approved for service rendered by Nolin on and after August 1, 2009, the effective date of East Kentucky's change in rates.

4. Within 20 days of the date of this Order, Nolin shall file with the Commission revised tariff sheets setting out the rates approved herein.

By the Commission

ENTERED  
JUL 15 2009 *ML*  
KENTUCKY PUBLIC  
SERVICE COMMISSION

ATTEST:

  
\_\_\_\_\_  
Executive Director

## APPENDIX

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2008-00533 DATED JUL 15 2009

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

#### SCHEDULE 1 RESIDENTIAL, FARM, NON-FARM TRAILERS AND MOBILE HOMES

All kWh per kWh	\$	.08912
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#### SCHEDULE 2 COMMERCIAL, SMALL POWER, SINGLE PHASE AND THREE PHASE

All kWh per kWh	\$	.09562
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#### SCHEDULE 3 LARGE POWER

First	2,500 kWh per kWh	\$	.08188
Next	12,500 kWh per kWh	\$	.07699
All Over	15,000 kWh per kWh	\$	.07552

#### SCHEDULE 4 INDUSTRIAL

First	3,500 kWh per kWh	\$	.08575
Next	6,500 kWh per kWh	\$	.07172
All Over	10,000 kWh	\$	.06807

SCHEDULE 5  
SECURITY LIGHTS

Monthly Charge:

175 Watt Mercury Vapor	\$	10.16
100 Watt High Pressure Sodium	\$	10.16
100 Watt Directional Floodlight	\$	8.76
250 Watt Directional Floodlight	\$	15.13
400 Watt Directional Floodlight	\$	20.76
100 Watt Lantern Type	\$	12.85
400 Watt Contemporary Type	\$	22.18

SCHEDULE 6  
MERCURY VAPOR OR HIGH PRESSURE SODIUM  
SERIES OR MULTIPLE

Standard Overhead-Wood Poles:

8,500 M.V. Initial Lumens	\$	6.54
23,000 M.V. Initial Lumens	\$	18.53
9,500 H.P.S. Initial Lumens	\$	9.61
27,500 H.P.S. Initial Lumens	\$	14.75
50,000 H.P.S. Initial Lumens	\$	19.30

Ornamental Service Overhead (Aluminum Poles):

8,500 M.V. Initial Lumens	\$	8.20
23,000 M.V. Initial Lumens	\$	20.28
9,500 H.P.S. Initial Lumens	\$	21.39
27,500 H.P.S. Initial Lumens	\$	25.69
50,000 H.P.S. Initial Lumens	\$	29.48

Ornamental Service Underground (Fiberglass Poles):

50,000 H.P.S. Initial Lumens	\$	34.17
15,500 H.P.S. Initial Lumens	\$	32.73

SCHEDULE 7  
LARGE INDUSTRIAL

Energy Charge per kWh	\$	.06304
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SCHEDULE 8  
LARGE INDUSTRIAL - SEASONAL TIME OF DAY

Energy Charge per kWh \$ .06304

SCHEDULE 9  
INDUSTRIAL – 1,000 TO 4,999 kW

Energy Charge per kWh \$ .06104

SCHEDULE 10  
INDUSTRIAL – 5,000 TO 9,999 kW

Energy Charge per kWh \$ .05556

SCHEDULE 11  
INDUSTRIAL – OVER 10,000 kW

Energy Charge per kWh \$ .05447

SCHEDULE 12  
INDUSTRIAL C – 1,000 TO 4,999 kW

Energy Charge per kWh \$ .06104

SCHEDULE 13  
INDUSTRIAL C – 5,000 TO 9,999 kW

Energy Charge per kWh \$ .05556

SCHEDULE 14  
INDUSTRIAL C – OVER 10,000 kW

Energy Charge per kWh \$ .05447

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