

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. 2008-00537
COOPERATIVE 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 South Kentucky Rural Electric Cooperative Corporation ("South Kentucky") for the two-year period ended October 31, 2008.

As part of this review, the Commission ordered South Kentucky to submit certain information and an affidavit attesting to its adherence to 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 person advised the Commission of his or her intention to attend.

In Case No. 2008-00409,¹ the Commission authorized a \$59.5 million rate increase for East Kentucky Power Cooperative, Inc. ("East Kentucky"), South Kentucky's power supplier. On April 8, 2009, South Kentucky filed its revised tariffs

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

reflecting the rate increase authorized by the Commission's March 31, 2009 Order in Case No. 2008-00424.² South Kentucky 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. South Kentucky has complied in all material respects with the provisions of 807 KAR 5:056.

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

3. South Kentucky should be authorized to transfer (roll-in) a 10.75 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.

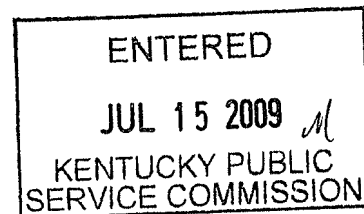
² Case No. 2008-00424, Application of South Kentucky Rural Electric Cooperative Corporation to Pass-Through An Increase of Its Wholesale Power Supplier Pursuant to KRS 278.455(2) (Ky. PSC Mar. 31, 2009).

³ 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).


IT IS THEREFORE ORDERED that:

1. The charges and credits applied by South Kentucky through the FAC for the period from November 1, 2006 to October 31, 2008 are approved.
2. South Kentucky 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 South Kentucky 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, South Kentucky shall file with the Commission revised tariff sheets setting out the rates approved herein.

By the Commission



ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2008-00537 DATED JUL 15 2009

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 the Commission prior to the effective date of this Order.

SCHEDULE A
RESIDENTIAL, FARM AND NON-FARM SERVICE

All kWh per kWh \$.08836

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

All kWh per kWh \$.05302

SCHEDULE B
SMALL COMMERCIAL RATE

All kWh per kWh \$.09963

SCHEDULE B (ETS)
SMALL COMMERCIAL
MARKETING RATE

All kWh per kWh \$.05978

SCHEDULE LP
LARGE POWER RATE

Energy Charge per kWh \$.06326

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

Energy Charge per kW	\$.05841
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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, limited to First 5,000 kW	\$.05841
Per kWh for all remaining kWh	\$.05182

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

Energy Charge per kWh	\$.05555
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SCHEDULE AES
ALL ELECTRIC SCHOOL SCHEDULE

Energy Charge per kWh	\$.07960
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SCHEDULE OPS
OPTIONAL POWER SERVICE

Energy Charge per kWh	\$.10189
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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	\$	8.13
Mercury Vapor or Sodium 15,000-28,000 Lumens	\$	13.54

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)	\$	11.56
7,000-10,000 Lumens (Metered)	\$	9.03
15,000-28,000 Lumens (Unmetered)	\$	15.88
15,000-28,000 Lumens (Metered)	\$	9.74

Cobra Head Light Installed On 30' Aluminum Pole and Arm		
7,000-10,000 Lumens (Unmetered)	\$	18.36
7,000-10,000 Lumens (Metered)	\$	15.65
15,000-28,000 Lumens (Unmetered)	\$	21.94
15,000-28,000 Lumens (Metered)	\$	15.65
Lexington Light Installed On 16' Aluminum Pole		
Sodium 7,000-10,000 Lumens (Unmetered)	\$	12.22
Sodium 7,000-10,000 Lumens (Metered)	\$	9.68
Acorn Light Installed On 16' Fluted Pole		
Sodium 7,000-10,000 Lumens (Unmetered)	\$	24.54
Sodium 7,000-10,000 Lumens (Metered)	\$	21.71
Metal Halide Lamp		
100 Watt – Acorn (Unmetered)	\$	10.37
100 Watt – Acorn (Metered)	\$	7.49
100 Watt – Lexington (Unmetered)	\$	8.29
100 Watt – Lexington (Metered)	\$	5.47
400 Watt – Galleria (Unmetered)	\$	22.26
400 Watt – Galleria (Metered)	\$	11.79
1,000 Watt – Galleria (Unmetered)	\$	38.24
1,000 Watt – Galleria (Metered)	\$	13.78
250 Watt Cobra Head with 30' Aluminum Pole	\$	24.18
400 Watt Cobra Head Mercury Vapor with:		
8' Arm (Unmetered)	\$	18.93
8' Arm (Metered)	\$	8.54
12' Arm (Unmetered)	\$	21.92
12' Arm (Metered)	\$	11.47
16' Arm (Unmetered)	\$	22.86
16' Arm (Metered)	\$	12.37

SCHEDULE OL
OUTDOOR LIGHTING SERVICE-SECURITY LIGHTS

Rate per Light per Month As Follows:

Mercury Vapor or Sodium 7,000-10,000 Lumens (Unmetered)	\$	10.14
Mercury Vapor or Sodium 7,000-10,000 Lumens (Metered)	\$	6.93

Directional Flood Light:

250 Watt Sodium (Unmetered)	\$	16.29
250 Watt Sodium (Metered)	\$	8.80
250 Watt Metal Halide (Unmetered)	\$	17.59
250 Watt Metal Halide (Metered)	\$	9.80
400 Watt Metal Halide (Unmetered)	\$	22.19

400 Watt Metal Halide (Metered)	\$	9.80
1,000 Watt Metal Halide (Unmetered)	\$	39.99
1,000 Watt Metal Halide (Metered)	\$	10.94

SCHEDULE TVB
UNMETERED COMMERCIAL SERVICE

Cable TV Amplifiers	\$	9.68
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