

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF CLARK ENERGY	)	
COOPERATIVE, INC. TO PASS-THROUGH AN	)	CASE NO.
INCREASE OF ITS WHOLESALE POWER	)	2008-00412
SUPPLIER PURSUANT TO KRS 278.455(2)	)	

ORDER

On October 31, 2008, Clark Energy Cooperative, Inc. ("Clark Energy") 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> Clark Energy submitted its application pursuant to the authority of KRS 278.455(2) and 807 KAR 5:007, Section 2.

In its application, Clark Energy described how its proposed pass-through rates were developed:

In accordance with the provisions of KRS 278.455(2), Clark Energy Cooperative, Inc. 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

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<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 Clark Energy 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 Clark Energy'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 Clark Energy, this will increase its wholesale power cost by \$2,454,964 annually.<sup>3</sup>

IT IS THEREFORE ORDERED that:

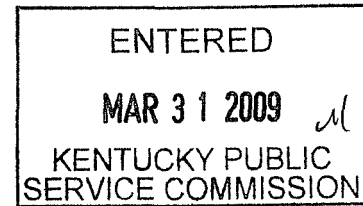
1. The proposed rates submitted with Clark Energy's application are rejected.
2. The approach proposed by Clark Energy to allocate its portion of the increase in the wholesale rates authorized in Case No. 2008-00409 is accepted.
3. The rates set forth in the tariff sheets in the Appendix hereto are approved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

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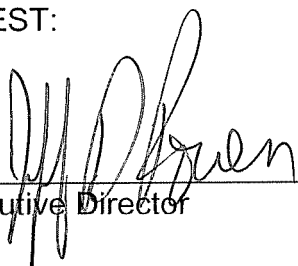
<sup>3</sup> Response to Commission Staff's Supplemental Data Request issued on March 18, 2009.

4. Within 20 days from the date of this Order, Clark Energy 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



ATTEST:

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

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2008-00412 DATED MAR 31 2009

For All Areas Served  
Community, Town or City  
P.S.C. No. 2  
1<sup>st</sup> Revision SHEET NO. 43  
CANCELLING P.S.C. NO. 2  
Original SHEET NO. 43

Clark Energy Cooperative Inc.  
Name of Issuing Corporation

CLASSIFICATION OF SERVICE

Schedule R: Residential

AVAILABILITY

Available to all residential consumers subject to established rules and regulations of the Distributor.

CHARACTER OF SERVICE

Single phase, 60 Hertz, at available secondary voltages.

DELIVERY POINT

The delivery point at which the secondary or utilization voltage is provided shall be specified by the Distributor.

RATES

\$5.84 Customer Charge  
\$0.08089 per kWh for all energy

MINIMUM MONTHLY CHARGE

The minimum monthly charge shall be \$5.84.

FUEL ADJUSTMENT CHARGE

The above rate 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 twelve month moving average of such losses.

DATE OF ISSUE March 26, 2009 DATE EFFECTIVE April 1, 2009  
ISSUED BY \_\_\_\_\_ TITLE PRESIDENT & C.E.O.  
Name of Officer

For All Areas Served  
Community, Town or City

P.S.C. No. 2

1<sup>st</sup> Revision SHEET NO. 45

CANCELLING P.S.C. NO. 2

Original SHEET NO. 45

Clark Energy Cooperative Inc.  
Name of Issuing Corporation

**CLASSIFICATION OF SERVICE**

Schedule D: Time of-Use Marketing Service

AVAILABILITY

Available to all Rate "R" consumers for separately metered off peak requirements subject to the established time of use restrictions. Applicable to programs approved by the Kentucky PSC as a part of EKPC wholesale marketing rates.

CHARACTER OF SERVICE

Single phase, 60 Hertz, at available secondary voltages.

DELIVERY POINT

The delivery point at which the secondary or utilization voltage is provided shall be specified by the Distributor.

TIME OF DAY RESTRICTIONS

<u>MONTH</u>	<u>OFF PEAK HOURS</u>
October thru April	10:00 P.M. To 7:00 A.M., EST
	12:00 Noon to 5:00 P.M., EST
May thru September	10:00 P.M. thru 10:00 A.M., EST

RATES

\$0.04853 per kWh for all energy

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1<sup>st</sup> Revision SHEET NO. 47

Clark Energy Cooperative Inc.  
Name of Issuing Corporation

CANCELLING P.S.C. NO. 2

Original SHEET NO. 47

**CLASSIFICATION OF SERVICE**

Schedule T: Outdoor lighting Facilities

AVAILABILITY

Available for general outdoor lighting facilities.

RATES

Lamp Rating	Annual Rate Per Lamp	Average Annual Energy Use Per Lamp	Average Monthly Energy Use Per Lamp
200 Watt	\$ 77.64 per yr	800 kWh	67 kWh
300 Watt	\$101.16 per yr	1,200 kWh	100 kWh
400 Watt	\$152.52 per yr	1,848 kWh	154 kWh

CONDITIONS OF SERVICE

Rates applicable only to lamps and associated appurtenances. Other facilities required may be provided subject to the Distributor's established contract policies and practices.

TERMS OF PAYMENT

The above charges are net and payable within ten days from the date of the bill.

FUEL ADJUSTMENT CHARGES

The above rate 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

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1<sup>st</sup> Revision SHEET NO. 49

CANCELLING P.S.C. NO. 2

Original SHEET NO. 49

Clark Energy Cooperative Inc.  
Name of Issuing Corporation

**CLASSIFICATION OF SERVICE**

Schedule S: Outdoor Lighting Facilities

AVAILABILITY

Available for general outdoor lighting facilities.

RATES

<u>Lamp Rating</u>	<u>Monthly Rate Per Lamp</u>	<u>Average Annual Energy Use Per Lamp</u>	<u>Average Monthly Energy Use Per Lamp</u>
175 Watt	\$7.00 per mo	840 kWh	70 kWh

CONDITIONS OF SERVICE

1. Rate applicable only to lamps and associated appurtenances. Other facilities required may be provided subject to the Distributor's established policies and practices.
2. The Consumer shall execute an agreement for service under this schedule for a period of not less than one year.

FUEL ADJUSTMENT CHARGE

The above rates may be increased or decreased by an amount per kWh equal of 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 twelve month moving average of such losses.

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P.S.C. No. 2

1<sup>st</sup> Revision SHEET NO. 51

CANCELLING P.S.C. NO. 2

Original SHEET NO. 51

Clark Energy Cooperative Inc.  
Name of Issuing Corporation

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CLASSIFICATION OF SERVICE

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Schedule E: Public Facilities

AVAILABILITY

Available to public facilities with Kilowatt (kW) demands less than 50 kW subject to established rules and regulations of the Distributor. Not applicable to outdoor lighting system requirements.

CHARACTER OF SERVICE

Single phase, 60 Hertz, at available secondary voltages.

DELIVERY POINT

The delivery point at which the secondary or utilization voltage is provided shall be specified by the Distributor.

RATES

\$ 5.89	Customer Charge
\$ 0.08894	All kWh

MINIMUM MONTHLY CHARGE

The minimum monthly charge shall be \$ 5.89.

FUEL ADJUSTMENT CHARGE

The above rate 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

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1<sup>st</sup> Revision SHEET NO. 53

CANCELLING P.S.C. NO. 2

Original SHEET NO. 53

Clark Energy Cooperative Inc.  
Name of Issuing Corporation

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CLASSIFICATION OF SERVICE

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Schedule A & B: General Power Service

AVAILABILITY

Available for all non-residential general power requirements with Kilowatt (kW) demands less than 50 kW subject to established rules and regulations of the Distributor.

CHARACTER OF SERVICE

Single or three phase, 60 Hertz, at available secondary voltages.

DELIVERY POINT

The delivery point at which the secondary or utilization voltage is provided shall be specified by the Distributor.

RATES

Demand Charge: No charge for the first 10 kW of billing demand  
\$5.89 per kW for all remaining billing demand

Energy Charges:

<u>Schedule A</u>	<u>Schedule B</u>	
\$ 5.76	\$5.28	Customer Charge
\$ 0.10282	\$0.08229	per kWh for all Energy

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1<sup>st</sup> Revision SHEET NO. 54

CANCELLING P.S.C. NO. 2

Original SHEET NO. 54

Clark Energy Cooperative Inc.  
Name of Issuing Corporation

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CLASSIFICATION OF SERVICE

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DETERMINATION OF BILLING DEMAND

The billing demand shall be the maximum Kilowatt (kW) demand established by the consumer for any period of fifteen (15) minute interval.

MINIMUM MONTHLY CHARGE

The minimum monthly charge shall be \$5.76 single phase and \$30.97 for three phase service.

MINIMUM ANNUAL CHARGE FOR SEASONAL SERVICE

Consumers requiring service only during certain seasons of the year shall be billed under the above schedule plus 25 percent and the minimum monthly charge shall not apply. There shall be a minimum annual charge sufficient to assure adequate compensation for the facilities installed to serve the consumer, but in no case less than \$69.12 per year for a single phase service and \$371.59 per year for three phase service nor less than \$70.68 per Kilowatt of maximum demand established during the year.

FUEL ADJUSTMENT CHARGE

The above rate 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 twelve month moving average of such losses.

TEMPORARY SERVICE

Temporary service shall be supplied in accordance with the foregoing rate except that the consumer shall pay in addition to the foregoing charges the total cost of connecting disconnecting service less the value of materials returned to stock. A deposit, in

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1<sup>st</sup> Revision SHEET NO. 56

CANCELLING P.S.C. NO. 2

Original SHEET NO. 56

Clark Energy Cooperative Inc.  
Name of Issuing Corporation

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CLASSIFICATION OF SERVICE

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Schedule L: General Power Service

AVAILABILITY

Available to all commercial and industrial consumers for general power requirements with Kilowatt (kW) demands of 50 kW or greater but less than 2,500 kW.

CONDITIONS OF SERVICE

A power contract shall be executed by the consumer for service under this rate schedule. The power contract shall specify a contract demand for minimum billing purposes of 50 kW or greater but less than 2,500 kW.

CHARACTER OF SERVICE

Single or three phase, 60 Hertz, at a delivery voltage specified within the power contract.

DELIVERY POINT

The delivery point shall be specified within the power contract.

RATES

Demand Charge: \$5.89 per kW of billing demand

Energy Charge: \$0.06280 per kWh for all energy

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P.S.C. No. 2

1<sup>st</sup> Revision SHEET NO. 59

CANCELLING P.S.C. NO. 2

Original SHEET NO. 59

Clark Energy Cooperative Inc.  
Name of Issuing Corporation

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CLASSIFICATION OF SERVICE

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Schedule P: General Power Service

AVAILABILITY

Available to all commercial and industrial consumers for general power requirements with Kilowatt (kW) demands of 500 kW or greater but less than 2,500 kW.

CONDITIONS OF SERVICE

A power contract shall be executed by the consumer for service under this rate schedule. The power contract shall specify a contract demand for minimum billing purposes of 500 kW or greater but less than 2,500 kW.

CHARACTER OF SERVICES

Three phase, 60 Hertz, at a delivery voltage specified within the power contract.

DELIVERY POINT

The delivery point shall be specified within the power contract.

RATES

Demand Charge: \$5.89 per kW of billing demand  
Energy Charge: \$0.05392 per kWh for all energy

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1<sup>st</sup> Revision SHEET NO. 62

CANCELLING P.S.C. NO. 2

Original SHEET NO. 62

Clark Energy Cooperative Inc.  
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CLASSIFICATION OF SERVICE

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Schedule M: General Power Service

AVAILABILITY

Available to all commercial and industrial consumers for general power requirements with Kilowatt (kW) demands of 1,000 kW or greater but less than 5,000 kW.

CONDITIONS OF SERVICE

A power contract shall be executed by the consumer for service under this rate schedule. The power contract shall specify a contract demand for minimum billing purposes of 1,000 or greater but less than 5,000 kW.

CHARACTER OF SERVICE

Three phase, 60 Hertz, at a delivery voltage specified within the power contract.

DELIVERY POINT

The delivery point shall be specified within the power contract.

RATES

Demand Charge: \$8.99 per kW of billing demand

Energy Charge: \$0.05817 per kWh for all energy

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TITLE PRESIDENT & C.E.O.

Paul G Embs  
President & CEO  
Clark Energy Cooperative, Inc.  
P. O. Box 748  
2640 Ironworks Road  
Winchester, KY 40392-0748

Honorable Robert L Rose  
Attorney at Law  
Grant, Rose & Pumphrey  
51 South Main Street  
Winchester, KY 40391