

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. 2008-00534  
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 Owen Electric Cooperative, Inc. ("Owen") for the two-year period ended October 31, 2008.

As part of this review, the Commission ordered Owen to submit certain information and an affidavit attesting to its adherence to 807 KAR 5:056. Owen 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"), Owen's power supplier. On April 6, 2009, Owen 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. 2008-00421.<sup>2</sup> On June 25, 2009, the Commission approved a rate increase for Owen in its general rate case, Case No. 2008-00154.<sup>3</sup> In response to a Commission Staff data request in this case, Owen provided rates which reflect 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. Owen has complied in all material respects with the provisions of 807 KAR 5:056.
2. East Kentucky, the wholesale supplier of Owen, has been authorized to transfer (roll-in) a 10.15 mills per kWh increase in the base fuel cost to its base rates.<sup>4</sup>
3. Owen should be authorized to transfer (roll-in) a 10.628 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.

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<sup>2</sup> Case No. 2008-00421, Application of Owen Electric Cooperative, Inc. 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. 2008-00154, Application of Owen Electric Cooperative, Inc. for Adjustment of Rates (Ky. PSC June 25, 2009). An order was also issued on June 25, 2009 in Case No. 2008-00421 in which the pass-through of the wholesale power increase from East Kentucky was approved on a cost-of-service study basis. The rates approved in Case No. 2008-00154 reflected the pass-through on a cost-of-service study basis.

<sup>4</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).

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:

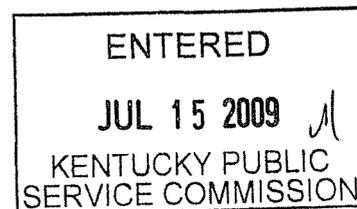
1. The charges and credits applied by Owen through the FAC for the period from November 1, 2006 to October 31, 2008 are approved.

2. Owen 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 Owen 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, Owen 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. 2008-00534 DATED JUL 15 2009

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 herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

SCHEDULE I  
FARM AND HOME

All kWh per kWh \$ .09126

SCHEDULE I-A  
FARM AND HOME – OFF-PEAK MARKETING RATE

All kWh per kWh \$ .05476

SCHEDULE I  
SMALL COMMERCIAL

Energy Charge per kWh \$ .09118

SCHEDULE I – OLS  
OUTDOOR LIGHTING SERVICE

Monthly Rates:

100 Watt High Pressure Sodium	\$ 10.12
Cobrahead Lighting	
100 Watt High Pressure Sodium	\$ 13.05
250 Watt High Pressure Sodium	\$ 17.90
400 Watt High Pressure Sodium	\$ 22.63
Directional Lighting	
100 Watt High Pressure Sodium	\$ 12.24
250 Watt High Pressure Sodium	\$ 15.25
400 Watt High Pressure Sodium	\$ 19.73

SCHEDULE II – SOLS  
SPECIAL OUTDOOR LIGHTING SERVICE

Traditional Light with Fiberglass Pole	\$ 12.90
Holophane Light with Fiberglass Pole	\$ 15.27

SCHEDULE III – SOLS  
SPECIAL OUTDOOR LIGHTING SERVICE

Energy Rate for each type of light per kWh	\$ .063902
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SCHEDULE II  
LARGE POWER

Energy Charge per kWh	\$ .06894
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SCHEDULE III  
SECURITY LIGHTS

Flat rate per light per month as follows:

On Existing Pole Where 120 Volts is available	\$ 8.46
One Pole Added	\$ 10.20
Two Poles Added	\$ 11.94
Three Poles Added	\$ 13.68
Four Poles Added	\$ 15.43

SCHEDULE VIII  
LARGE INDUSTRIAL RATE – LPC1

Energy Charge per kWh	
For all kWh equal to 425 per kW of billing demand	\$ .05446
For all kWh in excess of 425 per kW of billing demand	\$ .05038

SCHEDULE IX  
LARGE INDUSTRIAL RATE – LPC2

Energy Charge per kWh	
For all kWh equal to 425 per kW of billing demand	\$ .04971
For all kWh in excess of 425 per kW of billing demand	\$ .04813

SCHEDULE X  
LARGE INDUSTRIAL RATE – LPC1-A

Energy Charge per kWh	
For all kWh equal to 425 per kW of billing demand	\$ .05209
For all kWh in excess of 425 per kW of billing demand	\$ .04935

SCHEDULE XI  
LARGE INDUSTRIAL RATE – LPB1

Energy Charge per kWh	
For all kWh equal to 425 per kW of billing demand	\$ .05446
For all kWh in excess of 425 per kW of billing demand	\$ .05038

SCHEDULE XII  
LARGE INDUSTRIAL RATE – LPB1-A

Energy Charge per kWh	
For all kWh equal to 425 per kW of billing demand	\$ .05209
For all kWh in excess of 425 per kW of billing demand	\$ .04935

SCHEDULE XIII  
LARGE INDUSTRIAL RATE – LPB2

Energy Charge per kWh	
For all kWh equal to 425 per kW of billing demand	\$ .04971
For all kWh in excess of 425 per kW of billing demand	\$ .04813

SCHEDULE XIV  
LARGE INDUSTRIAL RATE – LPB

Energy Charge per kWh	\$ .05600
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SCHEDULE 1B  
FARM AND HOME – TIME OF DAY

On-Peak Energy Charge per kWh	\$ .105578
Off-Peak Energy Charge per kWh	\$ .059872

SCHEDULE 1C  
SMALL COMMERCIAL – TIME OF DAY

On-Peak Energy Charge per kWh	\$ .102078
Off-Peak Energy Charge per kWh	\$ .059872

SCHEDULE 2A  
LARGE POWER – TIME OF DAY

On-Peak Energy Charge per kWh	\$ .105948
Off-Peak Energy Charge per kWh	\$ .064171

Mark Stallons  
President/CEO  
Owen Electric Cooperative, Inc.  
8205 Highway 127 North  
P. O. Box 400  
Owenton, KY 40359