

COMMONWEALTH OF KENTUCKY

BEFORE THE ENERGY REGULATORY COMMISSION

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In the Matter of:

THE APPLICATION OF FARMERS)
RURAL ELECTRIC COOPERATIVE)
CORPORATION FOR AN ORDER AUTHO-)
RIZING A PASS-THROUGH OF EAST) Case No. 7705
KENTUCKY POWER COOPERATIVE, INC.'S)
WHOLESALE POWER RATE INCREASE IN)
CASE NO. 7702)

ORDER

On January 18, 1980, Farmers Rural Electric Cooperative Corporation (Applicant) filed its Application to flow-through any increase in rates granted its wholesale power supplier, East Kentucky Power Cooperative, Inc., (East Kentucky) in Case No. 7702. Applicant is one of eighteen member distribution cooperatives of East Kentucky. In Case No. 7702, East Kentucky requested an increase in revenue of approximately \$8,576,789. Of this total increase, Applicant would experience an increase in power costs of approximately \$476,745. This increase represents 5.56% of the proposed East Kentucky increase and would result in an overall increase to Applicant's consumers of 6.62%.

The matter was scheduled for hearing on March 18, 1980, at the Commission's offices in Frankfort, Kentucky. A further hearing was scheduled for May 9, 1980. The hearings were conducted as scheduled and the Consumer Protection Division of the Attorney General's office was the only intervenor present.

The Commission after review of the evidence of record and being advised is of the opinion and so finds:

(1) That the actual increase granted East Kentucky Power in Case No. 7702 is \$7,345,000 which will result in an increase in power costs to Applicant of \$408,767.

(2) That Applicant is entitled to recover the increased wholesale power costs granted in Case No. 7702 and its financial condition would be materially impaired if it were not allowed to recover this additional cost.

(3) That the revised rates and charges set out in the attached Appendix "A" are designed to reflect only the increased power costs from East Kentucky Power Cooperative, Inc., granted in the final order in Case No. 7702 and will not result in any additional net margin to Applicant.

IT IS THEREFORE ORDERED that Farmers Rural Electric Cooperative Corporation is hereby authorized to flow-through the increased power costs resulting from the rate increase granted its wholesale power supplier in Case No. 7702.

IT IS FURTHER ORDERED that the rates set out in Appendix "A" shall be placed into effect simultaneously with the effective date of the East Kentucky wholesale power increase.

IT IS FURTHER ORDERED that Farmers Rural Electric Cooperative Corporation shall file within twenty (20) days from the date of this Order its revised tariff sheets setting out the rates and charges approved herein.

Done at Frankfort, Kentucky, this 1st day of July, 1980.

ENERGY REGULATORY COMMISSION



Chairman



Vice Chairman



Vice Chairman

ATTEST:

Secretary

APPENDIX "A"

APPENDIX TO AN ORDER OF THE ENERGY REGULATORY
COMMISSION IN CASE NO. 7705 DATED JULY 1, 1980

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

Monthly Rates:

Schedule R*

First	50 KWH	\$5.65	per KWH
Next	150 KWH	.05833	per KWH
Over	200 KWH	.03422	per KWH

Minimum Charges:

The minimum monthly charge to consumers billed under the above rate shall be \$5.65 for single phase service. Payment of the minimum charges shall entitle the consumer to the use of the number of KWH corresponding to the minimum charge in accordance with the foregoing rate.

Schedule C*

I (less than 50 KW Demand)

Demand Charge: No Charge

Energy Charge:

First	50 KWH	\$5.65	per KWH
Next	150 KWH	.06038	per KWH
Over	200 KWH	.03890	per KWH

II (over 50 KW Demand)

Demand Charge: \$ 2.94 per KW billing demand

Energy Charge:

First	10,000 KWH	\$.03454	per KWH
Next	20,000 KWH	.03294	per KWH
Over	30,000 KWH	.03156	per KWH

Minimum Charges:

The minimum monthly charge to consumers billed under the above rates shall be \$ 5.65 for single phase service. Payment of the minimum charge shall entitle the consumer to the use of the number of KWH corresponding to the minimum charge in accordance with the foregoing rate.

*The monthly kilowatt hour usage shall be subject to plus or minus an adjustment per KWH determined in accordance with the "Fuel Adjustment Clause."

Schedule OL:*

Rate Per Fixture:

<u>Type of Lamp</u>	<u>Watts</u>	<u>Monthly KWH Usage</u>	<u>Monthly Charge Per Lamp</u>
Mercury Vapor	175	70	\$ 5.22
Mercury Vapor	250	98	5.76
Mercury Vapor	400	156	8.69
Mercury Vapor	1,000	378	14.13
Sodium Vapor	100	42	5.76
Sodium Vapor	150	63	6.56
Sodium Vapor	250	105	8.69
Sodium Vapor	400	165	10.82
Sodium Vapor	1,000	385	23.19

*The monthly kilowatt hour usage shall be subject to plus or minus an adjustment per KWII determined in accordance with the "Fuel Adjustment Clause."