

COMMONWEALTH OF KENTUCKY
BEFORE THE ENERGY REGULATORY COMMISSION

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In the Matter of:

THE APPLICATION OF BLUE GRASS)
RURAL ELECTRIC COOPERATIVE)
CORPORATION FOR AN ORDER AUTHO-)
RIZING A PASS-THROUGH OF EAST) Case No. 7727
KENTUCKY POWER COOPERATIVE, INC.'S)
WHOLESALE POWER RATE INCREASE IN)
CASE NO. 7702)

ORDER

On January 31, 1980, Blue Grass 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 \$341,093. This increase represents 3.98% of the proposed East Kentucky increase and would result in an overall increase to Applicant's consumers of 6.69%.

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. At the hearing in this matter on March 18, 1980, the Commission sustained motions to intervene by the Consumer Protection Division of the Attorney General's office and the City of Berea, Kentucky.

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 \$292,466.

(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 Blue Grass 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 Blue Grass 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


Commissioner

ATTEST:

Secretary

APPENDIX "A"

APPENDIX TO AN ORDER OF THE ENERGY REGULATORY
COMMISSION IN CASE NO. 7727 DATED July 1, 1980

The following rates and charges are prescribed for the customers in the area served by Blue Grass 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 date of this Order.

Monthly Rates:

Rate Schedule GS-1*

First	30 KWH (Minimum Bill)	\$ 4.58
Next	50 KWH	.09103 per KWH
Next	20 KWH	.05818 per KWH
Next	100 KWH	.04252 per KWH
Next	600 KWH	.03855 per KWH
Next	1,200 KWH	.03598 per KWH
All Over	2,000 KWH	.03210 per KWH

Rate Schedule C-1 (under 50 KW)*

Demand Charge:

First 10 kilowatts of billing demand per month No Charge
Excess above 10 kilowatts of billing demand per month \$ 3.64 per KW

Energy Charge:

First	30 KWH (Minimum Bill)	\$ 4.63
Next	50 KWH	.08251 per KWH
Next	920 KWH	.04887 per KWH
Next	2,000 KWH	.04383 per KWH
All Over	3,000 KWH	.03516 per KWH

Rate Schedule LP-1 (51-500 KW)*

Demand Charge:

\$ 3.64 per month per KW of billing demand

Energy Charge:

First	10,000 KWH	\$.03711per KWH
Next	15,000 KWH	.03041per KWH
Next	50,000 KWH	.02481per KWH
Next	75,000 KWH	.02252per KWH
All Over	150,000 KWH	.02081per KWH

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

Rate Schedule LP-2 (over 500 KW)*

Demand Charge:

\$3.64 per month per KW of billing demand

Energy Charge:

First	3,500 KWH	\$.03748 per KWH
Next	6,500 KWH	.02848 per KWH
Next	140,000 KWH	.02288 per KWH
Next	200,000 KWH	.02118 per KWH
Next	400,000 KWH	.02018 per KWH
Next	550,000 KWH	.01918 per KWH
All Over	1,300,000 KWH	.01768 per KWH

Rate Schedule - Security Lights*

Lamp Size

175 Watt	\$4.24 per Light
400 Watt	6.36 per Light

Rate Schedule - Street Lighting*

Lamp Size

4,000 Lumen Incandescent (Ornamental)	\$4.24 per Lamp
6,000 Lumen Incandescent (Ornamental)	5.48 per Lamp
175 Watt Mercury Vapor (Standard)	4.24 per Lamp
400 Watt Mercury Vapor (Standard)	6.36 per Lamp
150 Watt High Pressure Sodium Standard)	4.24 per Lamp

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