

COMMONWEALTH OF KENTUCKY
BEFORE THE ENERGY REGULATORY COMMISSION

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In the Matter of

THE APPLICATION OF HENDERSON-UNION RURAL)
ELECTRIC COOPERATIVE CORPORATION FOR)
AN ORDER AUTHORIZING A PASS-THROUGH) CASE NO. 7945
OF BIG RIVERS ELECTRIC CORPORATION)
WHOLESALE POWER RATE INCREASE IN)
CASE NO. 7917)

O R D E R

On August 28, 1980, Henderson-Union Rural Electric Cooperative Corporation (Applicant) filed its Application to flow-through any increase in rates granted its wholesale power supplier, Big Rivers Electric Corporation (Big Rivers) in Case No. 7917.

Applicant is one of four member distribution cooperatives of Big Rivers. In Case No. 7917, Big Rivers requested an increase in revenue of approximately \$29,411,387. Of this total increase, Applicant would experience an increase in power costs of approximately \$11,664,815. This increase represents 39.7% of the proposed Big Rivers increase and would result in an overall increase to Applicant's consumers of 19.4%. Big Rivers also proposed to revise its fuel adjustment clause base and delete its purchased power adjustment clause.

The matter was scheduled for hearing on November 20, 1980, at the Commission's offices in Frankfort, Kentucky. The hearing was conducted as scheduled and the Consumer Protection Division of the Attorney General's offices and the Anaconda Company intervened.

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 Big Rivers in Case No. 7917 is \$24,109,533 which will result in an increase in power costs to Applicant of \$9,566,610.

(2) That Big Rivers fuel adjustment clause was revised and purchased power adjustment clause deleted resulting in a net roll-in of \$4,909,541 into the wholesale base rate power costs to Applicant. The overall change reflected in the base rates to Applicant is \$14,476,151.

(3) That Applicant is entitled to recover the increased wholesale power costs granted in Case No. 7917 and its financial condition would be materially impaired if it were not allowed to recover this additional cost.

(4) That the revised rates and charges set out in the attached Appendix "A" are designed to reflect only the increased power costs from Big Rivers, granted in the final order in Case No. 7917.

(5) That the flow-through of the wholesale power costs will not result in any additional net margin to Applicant.

IT IS THEREFORE ORDERED, that Henderson-Union Rural Electric Cooperative Corporation is hereby authorized to flow-through the increase power costs resulting from the rate increase granted its wholesale power supplier in Case No. 7917.

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

IT IS FURTHER ORDERED, that Henderson-Union 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 the 21st day of January, 1981.

ENERGY REGULATORY COMMISSION

Chairman

Vice Chairman

Commissioner

ATTEST:

Secretary

APPENDIX "A"

APPENDIX TO AN ORDER OF THE ENERGY REGULATORY
COMMISSION IN CASE NO. 7945 Dated January 21, 1981

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

Monthly Rates:

Schedule A - Farm, Residential and Public Buildings*

Customer Charge per delivery point	\$ 5.85
Energy Charge per KWH	.041065

Schedule B - Farm, Government or Commercial (50 KW or less)*

Customer Charge per delivery point	\$10.50
Energy Charge per KWH	.044781

Schedule B-1 - Farm or Commercial (51 KW to 350 KW)*

Customer Charge per delivery point	\$10.50
Demand Charge per KW	3.36
Energy Charge per KWH	.038840

Schedule LP-3 - Large Power (351 KW to 2000 KW)*

Customer Charge per delivery point	\$15.50
Demand Charge per KW	6.25
Energy Charge per KWH:	
First 100,000 KWH	.026590
All Over 100,000 KWH	.021071

Schedule LP-4 - Large Power (Over 2000 KW)*

Customer Charge per delivery point	\$15.50
Demand Charge per KW	6.25
Demand Charge per KWH:	
First 100,000 KWH	.024480
All Over 100,000 KWH	.020514

Schedule D - Security Lamp*

175 Watt Mercury Vapor Lamp	\$ 6.25
400 Watt Mercury Vapor Lamp	8.64

Schedule SL - Street Lights*

175 Watt Mercury Vapor Lamp	\$ 3.84
400 Watt Mercury Vapor Lamp	7.08

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

Industrial Consumers Served Under Special Contracts*

Peabody Coal Company

The monthly delivery point rate shall be:

- (a) A demand charge of \$6.25 per kilowatt of billing demand.
- (b) Plus an energy charge of: 17.541 mills per KWH consumed

The Anaconda Company

The monthly delivery point rate shall be:

- (a) A demand charge of \$6.25 per kilowatt of billing demand.
- (b) Plus an energy charge of: 15.621

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