

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

AN EXAMINATION BY THE PUBLIC SERVICE )  
COMMISSION OF THE APPLICATION OF THE )  
FUEL ADJUSTMENT CLAUSE OF BIG SANDY ) CASE NO. 8061  
RURAL ELECTRIC COOPERATIVE CORPORATION )  
PURSUANT TO 807 KAR 5:056E, SECTIONS )  
1(11) AND (12) )

O R D E R

Pursuant to 807 KAR 5:056E, Sections 1(11) and (12), and following proper notice, a hearing was held on January 29, 1981, to review the operation of the standard fuel adjustment clause to determine the amount of fuel cost that should be transferred to the base rates of the utility and to re-establish the fuel adjustment charge.

The Commission in Case No. 8055 has approved a request by the Applicant's wholesale supplier, East Kentucky Power Cooperative, Inc. (EKP), to transfer (roll-in), to the base rates charged the Applicant, fuel cost in the amount of .105¢ per KWH. Granting EKP's request requires that the Applicant be authorized to transfer these fuel costs to its base rates.

As a part of this review the Commission has analyzed monthly filings made by the Applicant in conjunction with the schedule of over- or under-recoveries of fuel cost filed in this proceeding. The Commission's review indicates the monthly report should be revised in order to obtain a more accurate measure of under- or over-recovery of fuel cost shown in that report.

The Commission after review FINDS:

(1) That the Company's wholesale supplier, EKP, has been authorized to transfer to its base rates in Case No. 8055 fuel cost of .105¢ per KWH.

(2) That an amount of .115¢ per KWH should be added to the rates charged customers in order to transfer, to Applicant's base rates, fuel cost transferred by EKP from the fuel adjustment clause rate to the base rates pursuant to Commission Order in Case No. 8055.

(3) That the revised rates and charges set out in Appendix "A" of this Order are designed only to reflect the transfer to base rates of fuel cost which is currently being recovered in the fuel adjustment clause rate.

(4) That the transfer of fuel costs to the Applicant's base rates will not result in any additional net margin to the Applicant.

(5) That this transfer of fuel cost is most reasonably and practically accomplished by an energy adder to each KWH sold.

(6) That revisions should be made in the monthly report currently being filed by the Applicant.

IT IS THEREFORE ORDERED, that Big Sandy Rural Electric Cooperative Corporation is hereby authorized to transfer to base rates fuel cost transferred by its wholesale supplier, EKP, in Case No. 8055.

IT IS FURTHER ORDERED, that the rates set out in Appendix "A" shall be placed into effect for service rendered on and after April 1, 1981, which is the same effective date approved for EKP.

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

IT IS FURTHER ORDERED, that the revised monthly report, Appendix "B" to this Order, be used by the Applicant for all filings made after the date of this Order under 807 KAR 5:056E to recover or refund fuel charges or credits billed or refunded by its wholesale supplier.

Done at Frankfort, Kentucky, this 13th day of March, 1981.

PUBLIC SERVICE COMMISSION

Marlin M. Voh  
Chairman

Katherine Randall  
Vice Chairman

Donn Harvill  
Commissioner

ATTEST:

\_\_\_\_\_  
Secretary

APPENDIX "A"

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC  
SERVICE COMMISSION IN CASE NO. 8061 DATED MARCH 13, 1981

The following rates and charges are prescribed for the customers in the area served by Big Sandy 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.

SCHEDULE A-1  
FARM AND HOME\*

Rates:

First	15 KWH or less (minimum bill)	\$3.13
Next	35 KWH	.11953 Per KWH
Next	50 KWH	.07423 Per KWH
Next	100 KWH	.04543 Per KWH
Next	800 KWH	.04413 Per KWH
Over	1,000 KWH	.04033 Per KWH

Minimum Charges:

The minimum monthly charge under the above rate shall be \$3.13. For members requiring more than 5 KVA of transformer capacity, the minimum monthly charge shall be increased at the rate of 75 cents for each additional KVA fraction thereof required. Payment of the minimum charge shall entitle the member in all cases to the use of the number of kilowatt hours corresponding to the minimum charge in accordance with the foregoing rate.

SCHEDULE A-2  
COMMERCIAL AND SMALL POWER\*

Rates:

First	15 KWH or less (minimum bill)	\$3.13
Next	35 KWH	.11953 Per KWH
Next	50 KWH	.08253 Per KWH
Over	100 KWH	.05953 Per KWH

Minimum Charges:

The minimum monthly charge under the above rate shall be \$3.13 where 5 KVA or less of transformer capacity is required. For consumers requiring more than 5 KVA of transformer capacity the minimum monthly charge shall be increased at the rate of 75 cents for each additional KVA or fraction thereof required.

SCHEDULE LP  
LARGE POWER SERVICE\*

Rates:

Demand Charge: \$2.94 per KW of Billing Demand

Energy Charge:

First 50 KWH used Per KW of Billing Demand	\$0.05103 Per KWH
Next 100 KWH used Per KW of Billing Demand	.04013 Per KWH
Excess KWH	.03793 Per KWH

SCHEDULE LPR  
LARGE POWER RATE\*

Rates:

Maximum Demand Charge:

\$2.94 per KW of Billing Demand

Energy Charge:

First 150,000 KWH	\$ .03423 Per KWH
Over 150,000 KWH	.03183 Per KWH

SCHEDULE YL-1  
YARD SECURITY LIGHT SERVICE\*

Rates:

Flat rate per light per month as follows:

175 Watt	\$ 4.27 Per Month
400 Watt	6.46 Per Month
500 Watt	7.92 Per Month
1,500 Watt	16.79 Per Month

\*Fuel Adjustment Clause

All rates are applicable to the Fuel Adjustment Clause and 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. This Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056E.

COMPANY \_\_\_\_\_

POWER SUPPLIER \_\_\_\_\_

Purchased Power - Month of: \_\_\_\_\_

Disposition of Energy (KWH) - Month of: \_\_\_\_\_

Fuel Adjustment Charge (Credit):  
a. Billed by Supplier \$ \_\_\_\_\_

9. Total Purchases for the Month: \_\_\_\_\_  
10. Sales (Ultimate Consumer) \_\_\_\_\_  
11. Company Use \_\_\_\_\_

b. (Over) Under Recovery on L20 \_\_\_\_\_

12. Total Sales (L9 + L10) \_\_\_\_\_

c. Unrecoverable - Schedule 1 \_\_\_\_\_

13. Line Loss and Unaccounted For (L9 Less L12) \_\_\_\_\_

d. Recoverable Fuel Cost (L1a + L1b minus 1c) \_\_\_\_\_

Under or (Over) Recovery  
14. Last Distributor FAC Rate Billed to All Cycles \_\_\_\_\_  
15. Gross KWH Billed at the Rate on L14 \_\_\_\_\_  
16. Adjustments to Customer Bills (KWH) \_\_\_\_\_

2. Number of KWH Purchased \_\_\_\_\_

3. Supplier's FAC:  
a. \$ Per KWH (L1a ÷ L2) \_\_\_\_\_

b. ¢ Per KWH (L3a x 100) \_\_\_\_\_

4. Sales as a Percent of Purchases (100% Less percentage on L6) \_\_\_\_\_

5. Calculation of Distributor's FAC:  
a. Recovery Rate \$ Per KWH (L1d ÷ L2) \_\_\_\_\_

b. FAC \$ Per KWH (L5a ÷ L4) \_\_\_\_\_

c. ¢ Per KWH (L5b x 100) \_\_\_\_\_

17. Net KWH Billed at the Rate on L14 (L15 Less L16) \_\_\_\_\_  
18. FAC Revenue (Refund) Resulting From the Rate on L14 \_\_\_\_\_  
19. Fuel Charge (Credit) Used to Compute the Rate on L14 \_\_\_\_\_  
20. Total (Over) Under Recovery (L18 Less L19) \_\_\_\_\_

6. Twelve Months Average (%) \_\_\_\_\_

7. Last Month Used to Compute L6 \_\_\_\_\_

8. Line Loss for Month on L7 (%) \_\_\_\_\_

Line 5c above reflects a Fuel Adjustment Charge (Credit) of \_\_\_\_\_ ¢/KWH to be applied to bills rendered on and after \_\_\_\_\_, 19\_\_\_\_. Date of Issue \_\_\_\_\_, 19\_\_\_\_. Issued by \_\_\_\_\_

Title \_\_\_\_\_ Address \_\_\_\_\_ Telephone Number \_\_\_\_\_

CALCULATION OF UNRECOVERABLE FUEL COST  
DUE TO EXCESSIVE LINE LOSS  
FOR THE MONTH ENDED

1.	Purchases For the Month (KWH)		
2.	Less Line Loss (10% X L1)		_____
3.	Sales (L1 less L2)		
4.	Unrecoverable Fuel Charge Per KWH:		
a.	FAC Rate based on Actual Line Loss (Current Month's Report L3a ÷ (100% Less L6)	\$	
b.	FAC Rate based on 10% Line Loss (Current Month's Report L3a ÷ 90%)		_____
c.	Increment unrecoverable	\$	_____
5.	Unrecoverable Fuel Cost -L4c X L3 carry to Line 1b of current month's report)	\$	=====

Note: This schedule is to be filed for each month that the 12 month average Line Loss exceeds 10% and the amount billed by the supplier is a charge. This schedule is not to be filed if the amount billed by the supplier is a credit.