

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 HENDERSON-) CASE NO. 8071
UNION 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. 8054 has approved a request by the Applicant's wholesale supplier, Big Rivers Electric Cooperative Corporation (BRECC), to transfer (roll-in) to the base rates charged the Applicant, fuel cost in the amount of .260¢ per KWH. The granting of BRECC'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, BRECC, has been authorized to transfer to its base rates in Case No. 8054 fuel cost of .260¢ per KWH.

(2) That an amount of .288¢ per KWH should be added to the base rates for service to the rural system consumers, in order to transfer to Applicant's base rates the fuel cost transferred by BRECC from the fuel adjustment clause rate to the base rates pursuant to Commission Order in Case No. 8054; and, further, that an amount of .260¢ per KWH should be added to the rates charged

the large industrial customers under special contract in order to accomplish this transfer to the base rates charged these customers.

(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 through 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 Henderson-Union Rural Electric Cooperative Corporation is hereby authorized to transfer to base rates fuel cost transferred by its wholesale supplier, BRECC, in Case No. 8054.

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 BRECC.

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, shall 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. Vohy
Chairman

Katherine Randall
Vice Chairman

Don Carney
Commissioner

ATTEST:

Secretary

APPENDIX "A"

APPENDIX TO AN ORDER OF THE PUBLIC SERVICE
COMMISSION IN CASE NO. 8071 DATED MARCH 13, 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	.043945

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

Customer Charge per delivery point	\$10.50
Energy Charge per KWH	.047661

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	.041720

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	.029470
All Over 100,000 KWH	.023951

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	.027360
All Over 100,000 KWH	.023394

Schedule D - Security Lamp*

175 Watt Mercury Vapor Lamp	\$ 6.47
400 Watt Mercury Vapor Lamp	9.17

*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 SL - Street Lights*

175 Watt Mercury Vapor Lamp	\$ 4.06
400 Watt Mercury Vapor Lamp	7.61

Industrial Consumers Served Under Special Contract*

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: 20.141 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: 18.221

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

COMPANY _____

POWER SUPPLIER _____

Purchased Power - Month of: _____

Disposition of Energy (KWH)-Month of: _____

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

9. Total Purchases for the Month: _____

b. (Over) Under Recovery on L20 _____

10. Sales (Ultimate Consumer) _____

c. Unrecoverable - Schedule 1 _____

11. Company Use _____

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

12. Total Sales (L9 + L10) _____

2. Number of KWH Purchased _____

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

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

Under or (Over) Recovery

b. ¢ Per KWH (L3a x 100) _____

14. Last Distributor FAC Rate Billed to All Cycles _____

4. Sales as a Percent of Purchases (100% less percentage on L6) _____

15. Gross KWH Billed at the Rate on L14 _____

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

16. Adjustments to Customer Bills (KWH) _____

b. FAC \$ Per KWH (L5a + L4) _____

17. Net KWH Billed at the Rate on L14 (L15 Less L16) _____

c. ¢ Per KWH (L5b x 100) _____

18. FAC Revenue (Refund) Resulting From the Rate on L14 _____

Line Loss _____

19. Fuel Charge (Credit) Used to Compute the Rate on L14 _____

6. Twelve Months Average (\$) _____

20. Total (Over) Under Recovery (L18 Less L19) _____

7. Last Month Used to Compute L6 _____

8. Line Loss for Month on L7 (\$) _____

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 months 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.