

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 JACKSON ) CASE NO. 8074  
PURCHASE ELECTRIC COOPERATIVE COR- )  
PORATION 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 Applicant currently purchases its power from Kentucky Utilities Company (KU). The wholesale power rates and the Fuel Adjustment Clause applicable to sales by KU to the Applicant are subject to the Federal Energy Regulatory Commission (FERC).

Data supplied by the Applicant indicates, among other things, that for the two- year period under review (October, 1978 through October, 1980) the Applicant had unrecovered fuel cost of approximately \$67,618. At the hearing, Applicant's witness Stiles requested that the Applicant be permitted to recover fuel cost unrecovered through the fuel clause. Applicant did not request any transfer (roll-in) of fuel cost into the 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 the under or over recovery of fuel cost shown in that report.

The Commission, after review of the evidence of record and being advised, FINDS:

(1) That the Applicant proposes no transfer of fuel cost into the base rates.

(2) That Applicant's alleged under-recovery of fuel cost results from computing the fuel adjustment clause rate on sales during one period and applying the rate to sales of a different period and that Applicant's request to recover these fuel costs should be denied subject to review upon transfer of fuel costs to the base rates.

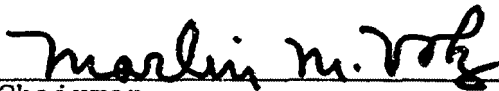
(3) That revisions should be made in the monthly report currently being filed by the Applicant.

IT IS THEREFORE ORDERED, that base rates included in the Applicant's tariffs currently on file with the Commission shall remain unchanged as a result of the Commission's Order in this case.


IT IS FURTHER ORDERED, that the revised monthly report, Appendix "A" 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

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

\_\_\_\_\_  
Secretary

COMPANY \_\_\_\_\_

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

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

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

1. Fuel Adjustment Charge (Credit):		
a. Billed by Supplier	\$ _____	
b. (Over) Under Recovery on L20	_____	9. Total Purchases for the Month
c. Unrecoverable - Schedule 1	_____	_____
d. Recoverable Fuel Cost (L1a + L1b minus 1c)	_____	10. Sales (Ultimate Consumer)
	_____	_____
2. Number of KWH Purchased	_____	11. Company Use
	_____	_____
3. Supplier's FAC:		12. Total Sales (L9 + L10)
a. \$ Per KWH (L1a ÷ L2)	_____	_____
b. ¢ Per KWH (L3a x 100)	_____	13. Line Loss and Unaccounted For (L9 Less L12)
	_____	_____
4. Sales as a Percent of Purchases (100% Less Percentage on L6)	_____	Under or (Over) Recovery
	_____	14. Last Distributor FAC Rate Billed to All Cycles
5. Calculation of Distributor's FAC:		_____
a. Recovery Rate \$ Per KWH (L1d ÷ L2)	_____	15. Gross KWH Billed at the Rate on L14
	_____	_____
b. FAC \$ Per KWH (L5a ÷ L4)	_____	16. Adjustments to Customer Bills (KWH)
	_____	_____
c. ¢ Per KWH (L5b x 100)	_____	17. Net KWH Billed at the Rate on L14 (L15 Less L16)
	_____	_____
Line Loss		18. FAC Revenue (Refund) Resulting From the Rate on L14
6. Twelve Months Average (%)	_____	_____
	_____	19. Fuel Charge (Credit) Used to Compute the Rate on L14
7. Last Month Used to Compute L6	_____	_____
	_____	20. Total (Over) Under Recovery (L18 Less L19)
8. Line Loss for Month on L7 (%)	_____	_____

Line 5c above reflects a Fuel Adjustment Charge (Credit) of 7.0000 ¢/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.