

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 SALT RIVER) CASE NO. 8079
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 .111¢ 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 Salt River 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. Voth
Chairman

Katherine Randall
Vice Chairman

Don Casugue
Commissioner

ATTEST:

Secretary

APPENDIX "A"

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC
SERVICE COMMISSION IN CASE NO. 8079 DATED MARCH 13, 1981.

The following rates and charges are prescribed for the customers in the area served by Salt River 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-5
FARM AND HOME SERVICE*

Type of Service:

Single phase, 60 cycles, at available secondary voltage.

Rates:

First	40 KWH Per Month (minimum bill)	\$5.69 Per Month
Next	60 KWH Per Month	.06176 Per KWH
Next	100 KWH Per Month	.04896 Per KWH
Next	800 KWH Per Month	.04616 Per KWH
Next	1,000 KWH Per Month	.04316 Per KWH
Over	2,000 KWH Per Month	.03916 Per KWH

Minimum Charge:

The minimum monthly charge under the above rate shall be \$5.69 where 25 KVA or less transformer capacity is required. For members requiring more than 25 KVA transformer capacity, the minimum monthly charge shall be increased at the rate of .75 of each additional KVA or 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 B-2
COMMERCIAL AND SMALL POWER SERVICE*

Rates:

First	40 KWH Per Month (minimum bill)	\$5.96 Per Month
Next	60 KWH Per Month	.09786 Per KWH
Next	200 KWH Per Month	.07456 Per KWH
Next	700 KWH Per Month	.05736 Per KWH
Over	1,000 KWH Per Month	.04936 Per KWH

Minimum Charge:

The minimum monthly charge under the above rate shall be \$5.96 where 37.5 KVA or less of transformer capacity is required. For consumers requiring more than 37.5 KVA of transformer capacity the minimum monthly charge shall be increased at the rate of .75 for additional KVA or fraction thereof required. When the minimum charge is increased in accordance with the terms of this section, additional energy shall be included in accordance with the foregoing rate.

SCHEDULE LLP-1
LARGE POWER SERVICE (Over 37.5 - Under 500 KW)*

Rates:

\$4.17 per month per KW of Billing Demand plus Energy Charges of:
.04746 per KWH for the first 50 KWH used per month per KW of billing demand.
.03946 per KWH for the next 50 KWH used per month per KW of billing demand.
.03726 per KWH for all remaining KWH used per month.

SCHEDULE LLP-2
LARGE POWER 500 KW UNDER 3,000 KW*
(Secondary Voltage)

Rates:

Demand Charge

\$4.17 Per Month per KW of Billing Demand

Energy Charge

First	20,000 KWH Per Month	\$.04946 Per KWH
Next	20,000 KWH Per Month	.03666 Per KWH
Over	40,000 KWH Per Month	.03236 Per KWH

SCHEDULE OL
OUTDOOR LIGHTING SERVICE*

Rate Per Fixture:

Mercury	100	to	200 Watts	\$ 5.14 Per Month
Mercury	200	to	450 Watts	7.98 Per Month
Mercury	450	to	1200 Watts	12.46 Per Month

SCHEDULE OL-1
STREET LIGHTING SERVICE*

Rates:

First	40 KWH Per Month (minimum bill)	\$ 6.35 Per Month
Next	60 KWH Per Month	.07976 Per KWH
Next	100 KWH Per Month	.05836 Per KWH
Next	300 KWH Per Month	.04406 Per KWH
Over	500 KWH Per Month	.03246 Per KWH

SCHEDULE LLP-3
LARGE POWER 500 KW - 3,000 KW*
(Primary Voltage)

Rates:

Demand Charge

\$4.17 Per Month per KW of Billing Demand

Energy Charge

First	20,000 KWH Per Month	\$.05349 Per KWH
Next	20,000 KWH Per Month	.03979 Per KWH
Over	40,000 KWH Per Month	.03549 Per KWH

SCHEDULE LPR-1
LARGE POWER 3,000 KW AND OVER*

Rates:

Demand Charge

\$4.17 Per Month per KW of Billing Demand

Energy Charge

First	100,000 KWH Per Month	\$.04725 Per KWH
Next	900,000 KWH Per Month	.03225 Per KWH
Over	1,000,000 KWH Per Month	.02745 Per KWH

*Fuel Adjustment Clause

The above rate 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.

COMPANY _____

Purchased Power - Month of: _____

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

b. (Over) Under Recovery on L20 _____

c. Unrecoverable - Schedule 1 _____

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

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) _____

Line Loss _____

6. Twelve Months Average (%) _____

7. Last Month Used to Compute L6 _____

8. Line Loss for Month on L7 (%) _____

POWER SUPPLIER _____

Disposition of Energy (KWH)-Month of: _____

9. Total Purchases for the Month _____

10. Sales (Ultimate Consumer) _____

11. Company Use _____

12. Total Sales (L9 + L10) _____

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

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) _____

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) _____

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

Title _____

Address _____

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.