

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter Of:

THE APPLICATION OF JACKSON PURCHASE)
ELECTRIC COOPERATIVE CORPORATION FOR)
RATE INCREASE TO FLOW-THROUGH THE)
WHOLESALE POWER COST INCREASE OF)
KENTUCKY UTILITIES COMPANY'S APPLI-) CASE NO. 8223
CATION WITH THE FEDERAL ENERGY)
REGULATORY COMMISSION FOR A WHOLESALE)
POWER RATE INCREASE)

O R D E R

On April 21, 1981, Jackson Purchase Electric Cooperative Corporation ("Jackson Purchase") filed its Application to flow-through any increase in rates granted to its wholesale power supplier, Kentucky Utilities Company ("Kentucky Utilities") by the Federal Energy Regulatory Commission (FERC). Jackson Purchase will experience an increase in power cost of approximately \$4,433,139. This increase would result in an overall increase to the customers of Jackson Purchase of approximately 17 percent.

Jackson Purchase has proposed the allocation of the increase in wholesale cost to its customers with an energy charge increase. Additionally, they have proposed a surcharge, derived from the Kentucky Utilities "Rules, Regulations, Terms and Conditions" which is stated as follows:

METERING

The electricity used will be measured by a meter or meters to be furnished and installed by company at its expense and all bills will be calculated upon the registration of said meters.

Company, at its option, shall have the right to meter service on the low voltage side of customer-owned substation, where delivery by company is at the transmission voltage, and adjust the meter readings to reflect transformer losses. Customer shall provide suitable space for company's metering equipment in substation owned by customer.

This section is stated verbatim as in the previous contract between Jackson Purchase and Kentucky Utilities.

A hearing was held in the Commission's offices in Frankfort, Kentucky, on November 10, 1981. At the hearing, Mr. Jack Gaines and Mr. James Campbell testified that they had no assurance that Kentucky Utilities would exercise its option to adjust meter readings to reflect transformer losses.

FERC has permitted the Kentucky Utilities wholesale power rate increase to become effective on November 21, 1981, subject to refund, pending a final decision by FERC at a later date.

The Commission after review of the evidence of record and being advised is of the opinion and finds that:

1. The increase that FERC permitted Kentucky Utilities to put into effect on November 21, 1981, subject to refund, will result in an increase of power cost to Jackson Purchase of \$4,433,139.
2. Jackson Purchase is entitled to recover the increased wholesale power cost granted to its wholesale suppliers and its financial condition would be materially impaired if it were not allowed to recover this additional cost.
3. The revised rates and charges in Appendix A are designed to reflect only the increased power cost from Kentucky

Utilities allowed by FERC subject to refund pending a final decision.

4. The flow-through of the wholesale power cost increase will not result in any additional net margin to Jackson Purchase.

5. The revised rates and charges in Appendix A are subject to refund pending the final decision by FERC in Kentucky Utilities' application for increase of wholesale power rates.

6. The surcharge proposed by Jackson Purchase in this case, should be denied as there is no assurance that Kentucky Utilities will exercise its option to adjust meter readings to reflect transformer losses.

IT IS THEREFORE ORDERED that:

1. Jackson Purchase is hereby authorized to flow-through the increased power cost resulting from the rate increase granted its wholesale power supplier, Kentucky Utilities.

2. The rates and charges in Appendix A shall be placed into effect simultaneously with the effective date of the Kentucky Utilities wholesale power increase.

3. The rates and charges in Appendix A shall be placed into effect subject to refund pending the final decision of FERC in Kentucky Utilities' application for wholesale power increase.

4. The proposed surcharge by Jackson Purchase is hereby denied.

5. Jackson Purchase shall maintain its records in such a manner, that should a refund be required in the final decision by FERC, the refund to the customers of Jackson Purchase could be quickly determined.

6. Jackson Purchase shall file within 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 20th day of November, 1981.

PUBLIC SERVICE COMMISSION

Marlin M. Vohy
Chairman

Katherine Randall
Vice Chairman

Jim Carrigan
Commissioner

ATTEST:

Secretary

APPENDIX A

APPENDIX TO AN ORDER OF THE PUBLIC
SERVICE COMMISSION IN CASE NO. 8223
DATED NOVEMBER 20, 1981

The following rates and charges are prescribed for the customers in the area served by Jackson Purchase 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.

RATES: Monthly

Schedule R - Residential

<u>Service Charge:</u>	Minimum per month	\$ 5.90
<u>Energy Charge:</u>		
First 400 KWH	Per KWH per month	6.685¢
Next 600 KWH	Per KWH per month	4.960¢
Over 1,000 KWH	Per KWH per month	4.615¢

Schedule C - Small Commercial

<u>Service Charge:</u>	Minimum per month	\$ 5.90
<u>Energy Charge:</u>		
First 500 KWH	Per KWH per month	6.685¢
Next 500 KWH	Per KWH per month	5.963¢
Next 5,000 KWH	Per KWH per month	5.503¢
All Over 6,000 KWH	Per KWH per month	4.614¢

Schedule SL - Mercury Vapor Security Lighting

175 Watt mercury vapor lamp	Per month per lamp	\$ 7.05
400 Watt mercury vapor lamp	Per month per lamp	10.95

Schedule CSL - Community & Public Authority Street Lighting

Each 175 Watt mercury vapor lamp	Per month per lamp	\$ 7.05
Each 400 Watt mercury vapor lamp	Per month per lamp	10.95

Schedule D - Commercial and Industrial Single and Three Phase Service (over 25 KVA)

<u>Service Charge:</u>	Minimum per month	\$14.75
<u>Demand Charge:</u>	Per KW per month	\$ 4.30
<u>Energy Charge:</u>		
First 200 KWH per KW	Per KWH per month	3.595¢
Over 200 KWH per KW	Per KWH per month	3.365¢

Schedule SP - Seasonal Power Service

Rate Per Year:

First 1,500 KWH	Per KWH per year	11.086¢
Next 500 KWH/H.P.	Per KWH per year	8.093¢
All Additional KWH	Per KWH per year	4.988¢

MINIMUM ANNUAL CHARGE:

The minimum annual charge under the above rate shall be:

- A. First 25 connected horsepower or less (minimum) \$290.00
Balance of connected horsepower Per H.P. per year 9.35

Schedule I - Industrial Service

Rates Monthly:

Demand Charge:

First 5,000 KW of billing demand	Minimum per month	\$37,700.00
All Additional KW	Per KW per month	7.54

Energy Charge:

All Energy	Per KWH per month	2.273¢
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Schedule ND - Commercial & Industrial & All Other Three Phase Service (under 25 KVA)

Service Charge:	Minimum per month	\$ 6.75
<u>Energy Charge:</u>		
First 500	Per KWH per month	6.685¢
Next 500	Per KWH per month	5.963¢
Next 5,000	Per KWH per month	5.503¢
All Over 6,000	Per KWH per month	4.614¢