COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

TARIFF FILING OF NOLIN RURAL)
ELECTRIC COOPERATIVE CORPORATION) CASE NO. 8301
REVISING BUDGET BILLING PLAN)

ORDER

On July 15, 1981, Nolin Rural Electric Cooperative Corporation ("Nolin") made a tariff filing with the Commission. In the tariff filing, Nolin proposed to change its budget billing plan from a fixed payment to a variable payment format. A public hearing was held November 19, 1981, with no intervening parties. The matter is now submitted for final determination.

Nolin has had a fixed budget payment plan in effect since 1968. Under this plan a customer's budget payment is a fixed amount, calculated on the absolute average of a past 12-month period. Nolin proposed to discontinue this plan in favor of a variable budget payment plan. Under the variable plan a customer's budget payment would change from month to month, based on a moving average of the past 12-month period.

The Commission is of the opinion and finds that:

(1) The proposed variable budget payment plan offers no persuasive advantage over the fixed budget payment plan, either in elimination of customer debit-credit balances or in ease of

administration. Furthermore, administrative innovations proposed under the variable payment option are equally applicable to the fixed payment option.

- (2) Insofar as budget payments under the variable payment option change from month to month, the benefit of budget billing to Nolin's customers is lessened.
- (3) The proposed variable budget payment plan is not in the public interest and should not be approved.

IT IS THEREFORE ORDERED that Nolin's proposal to implement a variable budget payment plan be and hereby is denied.

Done at Frankfort, Kentucky, this 30th day of December, 1981.

PUBLIC SERVICE COMMISSION

Marlin Mory

Katherine Bondall Vice Chairman

Commissioner

ATTEST: