

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 ADJUST-)
MENT CLAUSE OF FARMERS) CASE NO. 8598
RURAL ELECTRIC COOPERATIVE)
CORPORATION FROM NOVEMBER 1,)
1980, TO OCTOBER 31, 1982)

O R D E R

Pursuant to 807 KAR 5:056, Sections 1(11) and (12), the Public Service Commission ("Commission") issued its Order on September 7, 1982, scheduling a hearing to review the operation of the fuel adjustment clause of Farmers Rural Electric Cooperative Corporation ("Farmers") for the past 2 years and to determine the amount of fuel cost that should be transferred (rolled in) to the base rates in order to reestablish the fuel adjustment charge.

Farmers filed all requested information, including its monthly fuel charges for the 2-year period under review. Following proper notice, a hearing was held on January 25, 1983.

The Commission approved a transfer (roll-in) of 3.11 mills per KWH to the base rates of Farmers' wholesale supplier, East Kentucky Power Cooperative, Inc., ("East Kentucky") in Case No. 8588. Approval of East Kentucky's proposal requires that Farmers also be authorized to roll in those same fuel costs to its base rates.

The Commission has reviewed the monthly fuel adjustment clause filing made by Farmers in conjunction with the schedule of over- or under-recovered fuel costs filed in this proceeding. This review indicates that the Commission should revise the monthly fuel adjustment clause filing form to minimize errors.

The Commission, having considered the evidence of record and being advised, is of the opinion and finds that:

1. Farmers has complied in all material respects with the provisions of 807 KAR 5:056.

2. Farmers' wholesale supplier has been authorized to transfer (roll in) to its base rates fuel costs of 3.11 mills per KWH in Case No. 8588.

3. Farmers should be authorized to increase the rates charged its customers by 3.37 mills per KWH in order to transfer fuel costs rolled in by East Kentucky from the fuel adjustment clause to the base rates pursuant to the Commission's Order in Case No. 8588 and applicable line loss, and this can best be accomplished by an energy adder to each KWH sold.

4. The revised rates and charges in Appendix A are designed to reflect the transfer of fuel costs from the fuel adjustment clause rate to the base rates.

5. The monthly fuel adjustment clause filing form currently being filed by Farmers should be revised.

IT IS THEREFORE ORDERED that the charges collected by Farmers through the fuel adjustment clause for the period November 1, 1980, through October 31, 1982, be and they hereby are approved.

IT IS FURTHER ORDERED that Farmers be and it hereby is authorized to transfer to its base rates fuel costs transferred by its wholesale supplier pursuant to Case No. 8588.

IT IS FURTHER ORDERED that the rates in Appendix A be and they hereby are approved for service rendered by Farmers on and after June 1, 1983, which is also the effective date for East Kentucky's rates.

IT IS FURTHER ORDERED that within 30 days from the date of this Order Farmers shall file with the Commission its revised tariff sheets setting out the rates approved herein.

IT IS FURTHER ORDERED that the revised monthly fuel clause form in Appendix B shall be used by Farmers for all filings made after the date of this Order pursuant to 807 KAR 5:056 to recover or refund fuel charges or credits billed or refunded by its wholesale supplier.

Done at Frankfort, Kentucky, this 3rd day of June, 1983.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 8598 DATED June 3, 1983.

The following rates and charges are prescribed for the customers in the area served by Farmers 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 R
RESIDENTIAL SERVICE*

Rates:

First	50 KWH	(Minimum Charge)	\$6.96 Per Month
Next	150 KWH		8.472¢ Per KWH
Remaining	KWH		5.994¢ Per KWH

Minimum Charges:

The minimum monthly charge to consumers billed under the above rate shall be \$6.96 for single-phase service. Payment of the minimum charge shall entitle the consumer to the use of the number of KWH corresponding to the minimum charge in accordance with the foregoing rate. The minimum monthly charge for three-phase service shall be \$.75 per KVA of installed transformer capacity.

SCHEDULE C
COMMERCIAL AND INDUSTRIAL SERVICE*

Rates Per Month:

For all consumers whose kilowatt demand is less than 50 KW:

Kilowatt Demand Charge: None

First	50 KWH	(Minimum Charge)	\$6.96 Per Month
Next	150 KWH		8.685¢ Per KWH
Remaining	KWH		6.477¢ Per KWH

For all consumers whose kilowatt demand is 50 KW or above:

Kilowatt Demand Charge: Per KW \$4.80

Energy Charge:

First	10,000 KWH	5.339¢	Per KWH
Next	20,000 KWH	5.174¢	Per KWH
Remaining	KWH	5.032¢	Per KWH

Minimum Monthly Charge:

The minimum monthly charge under the above rates shall be \$ 6.96 for single-phase service. Payment of the minimum charge shall entitle the consumer to the use of the number of kilowatt hours corresponding to the minimum charge in accordance with the foregoing rate.

The minimum monthly charge for three-phase service shall be 75¢ per KVA of installed transformer capacity or the minimum monthly charge stated in the service contract. Where it is necessary to extend or re-enforce existing distribution facilities, the minimum monthly charge may be increased to assure adequate compensation for the added facilities. Where 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.

SCHEDULE OL
OUTDOOR LIGHTING SERVICE*

Rate Per Fixture:

<u>Type of Lamp</u>	<u>Watts</u>	<u>Monthly KWH Usage</u>	<u>Monthly Charge Per Lamp</u>
Mercury Vapor	175	70	\$ 6.44
Mercury Vapor	250	98	7.27
Mercury Vapor	400	156	11.04
Mercury Vapor	1000	378	18.98
Sodium Vapor	100	42	6.81
Sodium Vapor	150	63	7.88
Sodium Vapor	250	105	10.62
Sodium Vapor	400	165	13.52
Sodium Vapor	1000	385	29.21

*Fuel Clause Adjustment

All rates are applicable to the Fuel Adjustment Clause and 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. This Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

COMPANY: _____ POWER SUPPLIER: _____

Disposition of Energy (KWH) - Month of: _____ Purchased Power - _____ Month of: _____

<p>1. Total Purchases _____</p> <p>2. Sales (Ultimate Consumer) _____</p> <p>3. Company Use _____</p> <p>4. Total Sales (L2 + L3) _____</p> <p>5. Line Loss & Unaccounted for (L1 Less L4) _____</p> <p>(Over) or Under Recovery - Month of: _____</p> <p>6. Last FAC Rate Billed Consumers _____</p> <p>7. Gross KWH Billed at the Rate on L6 _____</p> <p>8. Adjustments to Billing (KWH) _____</p> <p>9. Net KWH Billed at the Rate on L6 (L7 + L8) _____</p> <p>10. Fuel Charge (Credit) Used to Compute L6 _____</p> <p>11. FAC Revenue (Refund) Resulting from L6 (net of billing adj.) _____</p> <p>12. Total (Over) or Under Recovery (L10 Less L11) _____</p>	<p>13. Fuel Adjustment Charge (Credit):</p> <p>A. Billed by supplier _____</p> <p>B. (Over) Under Recovery (L12) _____</p> <p>C. Unrecoverable - Schedule 2 _____</p> <p>D. Recoverable Fuel Cost (L13 A+B-C) _____</p> <p>14. Number of KWH Purchased _____</p> <p>15. Supplier's FAC: \$ per KWH (L13A + L4) _____</p> <p>Line Loss _____</p> <p>16. Last 12 Months Actual (%) - _____</p> <p>17. Last Month Used to Compute L16 _____</p> <p>18. Line Loss for Month on L17 (%) (L5 + L1) _____</p> <p>Calculation of FAC Billed Consumers</p> <p>19. Sales as a Percent of Purchases (100% Less percentage on L16) _____</p> <p>20. Recovery Rate \$ per KWH (L13D + L14) _____</p> <p>21. FAC \$ per KWH (L20 + L19) _____</p> <p>22. FAC ¢ per KWH (L21 x 100) _____</p>
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Line 22 reflects a Fuel Adjustment Charge (Credit) of _____ ¢ per KWH to be applied to bills rendered on and after _____, 19____.

Issued by: _____ Title: _____

Address: _____ Telephone: _____

SCHEDULE 1
TWELVE MONTH ACTUAL LINE LOSS
FOR FUEL ADJUSTMENT CHARGE COMPUTATION
FOR _____, 198__

	(a)	(b)	(c)	(d)
	<u>KWH PURCHASED</u>	<u>KWH SOLD</u>	<u>OFFICE USE</u>	<u>KWH LOSSES</u>
Previous twelve months total -				
Less: Prior year-current month total -				
Plus: Current year-current month total -				
Most Recent Twelve Month Total -	=====	=====	=====	=====

(d) _____ ÷ (a) _____ = _____ Enter on line 16 of the current month's
(FAC) Report

SCHEDULE 2
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 L15 ÷ (100% Less L16) \$ | |
| b. FAC Rate based on 10% Line Loss
(Current Month's Report L15 ÷ 90%) | _____ |
| c. Increment unrecoverable | \$ _____ |
| 5. Unrecoverable Fuel Cost - (L4c x L3 enter on Line
13c of current month's FAC report) | \$ _____ |

Note: This schedule is to be filed for each month that the 12 month actual 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.