

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE APPLICATION OF BLUE GRASS)
RURAL ELECTRIC COOPERATIVE CORPORATION)
FOR AN ORDER AUTHORIZING A PASS-) CASE NO. 8698
THROUGH OF EAST KENTUCKY POWER WHOLE-)
SALE POWER RATE INCREASE IN)
CASE NO. 8648)

O R D E R

Blue Grass Rural Electric Cooperative Corporation ("Applicant") filed its application to flow through any increase in rates granted its wholesale power supplier, East Kentucky Power Cooperative, Inc., ("East Kentucky") in Case No. 8648. Applicant is one of 18 member distribution cooperatives of East Kentucky. In Case No. 8648, East Kentucky requested an increase in revenue of approximately \$31,176,207. Of this total increase, Applicant would experience an increase in power costs of approximately \$1,418,449, which represents 4.55 percent of the proposed East Kentucky increase and would result in an overall increase to Applicant's consumers of approximately 15.6 percent.

On November 12, 1982, the 18 distribution cooperatives of East Kentucky filed a motion requesting that they be permitted to deviate from the Commission's rules regarding tariffs and to flow through the increase by use of a proposed procedure for pass-through of the wholesale rate increase ("proposed

procedure"). In its Order of November 19, 1982, the Commission authorized Applicant to deviate from the rules on tariffs and approved the utilization of the proposed procedure.

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

(1) The actual increase allowed East Kentucky in Case No. 8648 is \$18,849,182 which will result in an increase in power costs to Applicant of \$857,605.

(2) Applicant's financial condition would be materially impaired if it were not allowed to recover the increased wholesale power costs allowed in Case No. 8648.

(3) The revised rates and charges in Appendix A are designed to reflect only the increased power costs from East Kentucky allowed in the final Order in Case No. 8648.

(4) The flow-through of the wholesale power costs will not result in any additional net margin to Applicant.

IT IS THEREFORE ORDERED that Blue Grass Rural Electric Cooperative Corporation be and it hereby is authorized to flow through the increased power costs resulting from the rate increase granted its wholesale power supplier, East Kentucky Power Cooperative, Inc., in Case No. 8648.

IT IS FURTHER ORDERED that the rates in Appendix A shall be placed into effect on the effective date of the East Kentucky wholesale power increase.

IT IS FURTHER ORDERED that Blue Grass Rural Electric Cooperative Corporation shall, within 20 days from the date of this Order, file its revised tariff sheets setting out the rates and charges approved herein.

Done at Frankfort, Kentucky, this 1st day of April, 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. 8698 DATED APRIL 1, 1983

The following rates and charges are prescribed for the customers in the area served by Blue Grass 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 to the date of this Order.

GS - 1 (GENERAL SERVICE)

Rate:

Customer Charge (No Usage)	\$5.30 Per Meter, Per Month
First 600 KWH Per Month	.06744 Per KWH
All Over 600 KWH Per Month	.05707 Per KWH

C 1-COMMERCIAL AND INDUSTRIAL LIGHTING & POWER SERVICE

Rate:

Demand Charge

First 10 KW of Billing Demand	No Charge
Over 10 KW of Billing Demand	\$6.23

Energy Charge (Under 50 KW)

First 3,000 KWH	\$.06926
All Over 3,000 KWH	.05465

Customer Charge

\$6.95

LP - #1 - LARGE POWER

Rate:

Maximum Demand Charge

\$6.23 Per Month Per KW of Billing Demand

Energy Charge (51-500 KW)

First	10,000 KWH	\$.04978 Per KWH
Next	15,000 KWH	\$.04308 Per KWH
Next	50,000 KWH	\$.03748 Per KWH
Next	75,000 KWH	\$.03518 Per KWH
All Over	150,000 KWH	\$.03348 Per KWH

Customer Charge

\$24.00 Per Month

LP - #2 LARGE POWER

Rate:

Maximum Demand Charge

\$6.23 per month per KW of Billing Demand

Energy Charge (Over 500 KW)

First	3,500 KWH	\$.05061 Per KWH
Next	6,500 KWH	.04234 Per KWH
Next	140,000 KWH	.03721 Per KWH
Next	200,000 KWH	.03566 Per KWH
Next	400,000 KWH	.03474 Per KWH
Next	550,000 KWH	.03382 Per KWH
All Over	1,300,000 KWH	.02855 Per KWH

Customer Charge

\$24.00 Per Month

SECURITY LIGHTS

Rate Per Light Per Month:

8,500 Lumen Mercury Vapor	Per Lamp Per Mo.	\$5.17
20,000 Lumen Mercury Vapor	Per Lamp Per Mo.	7.82
5,800 Lumen High Pressure Sodium	Per Lamp Per Mo.	5.17
9,500 Lumen High Pressure Sodium	Per Lamp Per Mo.	6.75

STREET LIGHTING

Rate Per Light Per Month:

4,000 Lumen Incadescent	Per Lamp Per Mo.	\$5.21
6,000 Lumen Incadescent	Per Lamp Per Mo.	6.75
8,500 Lumen Mercury Vapor	Per Lamp Per Mo.	5.17
20,000 Lumen Mercury Vapor	Per Lamp Per Mo.	7.82
5,800 Lumen High Pressure Sodium	Per Lamp Per Mo.	5.21
9,500 Lumen High Pressure Sodium	Per Lamp Per Mo.	6.75

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.