

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF EAST KENTUCKY)	
POWER COOPERATIVE, INC. OF A)	CASE NO.
REVISION TO ITS WHOLESALE)	9582
ELECTRIC POWER TARIFF)	

O R D E R

IT IS ORDERED that East Kentucky Power Cooperative, Inc., ("EKPC") shall file an original and eight copies of the following information with the Commission by July 14, 1986. All copies shall be placed in a bound volume and appropriately indexed.

In order for the Commission to give full consideration to the optional Wholesale Power Rate Schedule B and Schedule C, additional information is needed. Some of the following requests deal with the possible impact the optional schedules will have on the member distribution cooperatives and the ultimate consumers. For purposes of this request, the Commission has assumed that EKPC will solicit, coordinate and provide the information from the 18 member distribution cooperatives. If EKPC disagrees with this assumption or if additional time is required, appropriate motions should be filed with the Commission.

1. Under Wholesale Power Rate Schedule B a member cooperative has the option of accepting a ratcheted billing demand but pay a lower demand charge for load centers where the monthly contract demand is equal to or greater than 10,000 KW. Obviously,

this option will only be selected if it is cheaper than under schedule A.

a. Provide an explanation of how each member cooperative intends to deal with any savings that occur from selecting Schedule B for any existing load center that qualifies and for any new or existing load center that would qualify in the future. That is, would all of the savings be retained by the cooperative; passed on to the customers served at the load center; shared by all customers; or is some other variation under consideration?

b. Are the explanations above the same for any savings realized under Schedule C? If not, please explain.

c. If the savings are passed on to the customers served at the load center, is it anticipated that the member cooperative will still receive the same contribution from these customers?

2. Exhibit A, page 1 of 5, states that "EKPC has a cooperative goal of achieving an annual load factor of 60% in the early 1990's." In Wholesale Power Rate Schedule C an approximate 60 percent load factor is included in the minimum monthly charge.

a. Why is a similar minimum monthly charge provision not included in the Wholesale Power Rate Schedule B?

b. Exhibit C, page 1 of 2, identifies 11 load centers for evaluating the potential revenue impact of Schedule B. Are these the only load centers with contract demands of 10,000 KW or greater?

c. What are the monthly and annual load factors for the 12 months December 1984 to November 1985 for the previously identified 11 load centers?

3. Wholesale Power Rate Schedule C in the section entitled Applicable refers to two "two party" contracts. Please provide sample contracts that are anticipated to be used.

4. Wholesale Power Rate Schedule A in the section entitled Billing Demand the last sentence states "(D)emands outside the above hours will be disregarded for billing purposes." Why was this language deleted from Schedule B and Schedule C?

5. Is there any reason why Wholesale Power Rate Schedule B and Schedule C could not be combined into one schedule?

6. Exhibit E indicates that there is a potential \$1 million loss in annual revenue for EKPC. This is a significant loss in annual revenue and could eventually result in a general increase in EKPC's rates. Exhibit A, page 1 of 5, in the last paragraph states that EKPC intends to make up this loss of revenue by attracting several new large power users to its system.

a. Does EKPC have any estimate of how much additional load must be attracted to offset the \$1 million loss of annual revenue plus the additional cost to serve the new load? If so, please provide.

b. Provide an estimate of how long it might take to attract the necessary additional load.

c. Provide any plans EKPC has to attract the necessary additional load.

Done at Frankfort, Kentucky, this 27th day of June, 1986.

PUBLIC SERVICE COMMISSION

Richard D. Hemmick
For the Commission

ATTEST:

Secretary