

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION BY THE PUBLIC)
SERVICE COMMISSION OF THE)
APPLICATION OF THE FUEL ADJUST-)
MENT CLAUSE OF CUMBERLAND VALLEY) CASE NO. 9740
RURAL ELECTRIC COOPERATIVE)
CORPORATION FROM NOVEMBER 1, 1984,)
TO OCTOBER 31, 1986)

O R D E R

Pursuant to 807 KAR 5:056, Sections 1 (11) and 1 (12), the Public Service Commission ("Commission") issued its Order on November 14, 1986, scheduling a hearing to review the operation of the fuel adjustment clause of Cumberland Valley Rural Electric Cooperative Corporation ("Cumberland Valley") 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. Cumberland Valley was not required to appear at the scheduled hearing unless an appearance was requested by the Attorney General's Utility and Rate Intervention Division or other interested parties or by the Commission on its own motion.

Cumberland Valley filed all requested information, including its monthly fuel charges for the 2-year period under review and its affidavit of compliance with the provisions of the fuel adjustment clause as prescribed in 807 KAR 5:056. Following proper notice, no party of record requested Cumberland Valley to appear at the hearing scheduled for February 10, 1987.

The Commission approved a transfer (roll-in) of <1.46> mills per KWH to the base rates of Cumberland Valley's wholesale supplier, East Kentucky Power Cooperative, Inc., ("East Kentucky") in Case No. 9731. Approval of East Kentucky's proposal requires that Cumberland Valley also be authorized to roll-in those same fuel costs to its base rates.

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

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

2. Cumberland Valley's wholesale supplier has been authorized to transfer (roll-in) to its base rates fuel costs of <1.46> mills per KWH in Case No. 9731.

3. Cumberland Valley should be authorized to decrease the rates charged its customers by 1.55 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. 9731 and applicable line loss, and this can best be accomplished by a uniform reduction in all energy rates.

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.

IT IS THEREFORE ORDERED that:

(1) The charges and credits applied by Cumberland Valley through the fuel adjustment clause for the period November 1, 1984, through October 31, 1986, be and they hereby are approved.

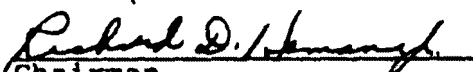
(2) Cumberland Valley be and it hereby is authorized to transfer to its base rates fuel costs transferred (rolled-in) by its wholesale supplier pursuant to Case No. 9731.


(3) The rates in Appendix A be and they hereby are approved for service rendered by Cumberland Valley on and after May 1, 1987, which is also the effective date for East Kentucky's rates.

(4) Within 30 days from the date of this Order Cumberland Valley shall file with the Commission its revised tariff sheets setting out the rates approved herein.

Done at Frankfort, Kentucky, this 28th day of April, 1987.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 9740 DATED 4/28/87

The following rates and charges are prescribed for the customers in the area served by Cumberland Valley 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 I
FARM, HOME, SCHOOLS AND CHURCHES*

Rates:

Customer Charge	\$5.00 Per Month Per Customer
First 500 KWH	.06480 Per KWH
Over 500 KWH	.05481 Per KWH

SCHEDULE 1 T-O-D
FARM, HOME, SCHOOLS AND CHURCHES T-O-D

Rates:

On-Peak Rate:	
Service Charge	\$ 5.00 Per Month
Under 500 KWH/Mo.	.06480 /KWH
Service Charge	10.00 Per Month
Over 500 KWH/Mo.	.05481 /KWH
Off-Peak Rate:	
Under 500 KWH/Mo.	.03721 /KWH
Over 500 KWH/Mo.	.03121 /KWH

SCHEDULE II
SMALL COMMERCIAL AND SMALL POWER*

Rates:

Demand Charge: Per KW of Billing Demand \$3.68

Energy Charge:

Customer Charge	\$5.00 Per Month Per Customer
First 3,000 KWH	.07991 Per KWH
Over 3,000 KWH	.06113 Per KWH

SCHEDULE III
ALL ELECTRIC SCHOOL (A.E.S.)*

Rates:

All KWH \$.05951 Per KWH

SCHEDULE IV
LARGE POWER RATE - INDUSTRIAL*

Rates:

Demand Charge: Per KW of Billing Demand \$5.71

Energy Charge:

All KWH \$.03463 Per KWH

SCHEDULE IV-A
LARGE POWER RATE - 50 KW to 2,500 KW*

Rates:

Demand Charge: Per KW of Billing Demand \$3.68

Energy Charge:

All KWH \$.04351 Per KWH

SCHEDULE VI
OUTDOOR LIGHTING - SECURITY LIGHTS*

Rates:

Mercury Vapor Lamps

- | | |
|-------------|---------------------------|
| 1) 175 Watt | \$5.99 Per Lamp Per Month |
| 2) 400 Watt | 8.44 Per Lamp Per Month |

*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.

The monthly kilowatt hour usage shall be subject to plus or minus an adjustment per KWH determined in accordance with the "Fuel Adjustment Clause."