

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 HENDERSON-UNION RURAL) CASE NO. 9747
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 Henderson-Union Rural Electric Cooperative Corporation ("Henderson-Union") 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. Henderson-Union 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.

Henderson-Union 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 Henderson-Union to appear at the hearing scheduled for February 10, 1987.

The Commission approved a transfer (roll-in) of (1.65) mills per KWH to the base rates of Henderson-Union's wholesale supplier, Big Rivers Electric Corporation ("Big Rivers") in Case No. 9730. Approval of Big Rivers' proposal requires that Henderson-Union 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. Henderson-Union has complied in all material respects with the provisions of 807 KAR 5:056.

2. Henderson-Union's wholesale supplier has been authorized to transfer (roll-in) to its base rates fuel costs of (1.65) mills per KWH in Case No. 9730.

3. Henderson-Union should be authorized to decrease the rates charged its customers by 1.81 mills per KWH in order to transfer fuel costs rolled-in by Big Rivers from the fuel adjustment clause to the base rates pursuant to the Commission's Order in Case No. 9730 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 Henderson-Union through the fuel adjustment clause for the period November 1, 1984, through October 31, 1986, be and they hereby are approved.

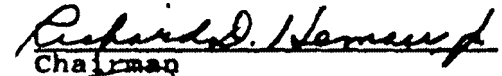
(2) Henderson-Union be and it hereby is authorized to transfer to its base rates fuel costs transferred (rolled-in) by its wholesale supplier pursuant to Case No. 9730.

(3) The rates in Appendix A be and they hereby are approved for service rendered by Henderson-Union on and after June 1, 1987, which is also the effective date for Big Rivers' rates.

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

Done at Frankfort, Kentucky, this 11th day of May, 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. 9747 DATED 5/11/87

The following rates and charges are prescribed for the customers in the area served by Henderson-Union 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.

Monthly Rates:

SCHEDULE A - RESIDENTIAL

Customer Charge per Delivery Point	\$6.45
Energy Charge per KWH	.046968

SCHEDULE B - FARM, GOVERNMENT OR COMMERCIAL
(50 KVA OR LESS)*

Customer Charge per Delivery Point	\$11.50
Energy Charge per KWH	.051068

SCHEDULE B-1 - FARM OR COMMERCIAL
(51 TO 501 KVA)*

Customer Charge per Delivery Point	\$11.50
Demand Charge per KW	3.50
Energy Charge per KWH	.045170

SCHEDULE LP-3 - LARGE POWER
(501 TO 2000) KVA*

Customer Charge per Delivery Point	\$17.20
Demand Charge per KW	6.25
Energy Charge per KWH	
First 100,000 KWH	.030133
All Over 100,000 KWH	.024539

**SCHEDULE LP-4 - LARGE POWER
(OVER 2000 KVA)***

Customer Charge per Delivery Point	\$17.20
Demand Charge per KW	6.25
Energy Charge per KWH	
First 100,000 KWH	.027944
All Over 100,000 KWH	.023978

SCHEDULE D - SECURITY LAMP*

Monthly Rate	
Sodium or Mercury Vapor Lamp	
8,000 Lumen	\$6.61
20,000 Lumen	9.62

SCHEDULE SL - STREET LIGHTS*

Monthly Rate	
8,000 Lumen	\$4.12
20,000 Lumen	7.85

INDUSTRIAL CONSUMERS SERVED UNDER SPECIAL CONTRACTS*

Peabody Coal Company

The monthly delivery point rate shall be:

- (a) A demand charge of \$6.25 per kilowatt of billing demand.
- (b) Plus an energy charge of 20.6938 mills per KWH consumed.

The Anaconda Company

The monthly delivery point rate shall be:

- (a) A demand charge of \$6.25 per kilowatt of billing demand.
- (b) Plus an energy charge of 17.2990 mills per KWH consumed.

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