

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INVESTIGATION OF MEADE COUNTY RURAL)
ELECTRIC COOPERATIVE CORPORATION'S) CASE NO. 9976
RATES FOR DISTRIBUTION ELECTRIC SERVICE)

O R D E R

The Commission, on its own Motion, initiated Case No. 9885, An Investigation of Big Rivers Electric Corporation's Rates for Wholesale Electric Service, to review the current wholesale rates authorized for Big Rivers Electric Corporation ("Big Rivers") and also initiated this case on its own Motion to investigate the flow-through rates of Meade County Rural Electric Cooperative Corporation ("Meade County"). Meade County had previously filed information in Case No. 9617¹ to support its flow-through rates to Big Rivers Rate Case No. 9613.² However, no rate increase was granted Big Rivers at that time. The background information filed by Meade County in Case No. 9617 is still applicable to the present case.

1 Application of Meade County Rural Electric Cooperative Corporation for an Increase in Rates to Flow Through Wholesale Power Cost Increase.

2 Big Rivers Electric Corporation's Notice of Changes in Rates and Tariffs for Wholesale Electric Service and of a Financial Workout Plan.

Meade County is one of four member distribution cooperatives of Big Rivers. In Case No. 9885, Big Rivers requested an increase in revenue, excluding aluminum smelter delivery points, of approximately \$15,219,001. Of this total increase, Meade County would experience an increase in power costs of approximately \$2,191,515.11, which represents 14 percent of the proposed Big Rivers increase and would result in an overall increase to Meade County's consumers of approximately 20.35 percent.

The Commission, after review of the evidence of record and being advised, is of the opinion and finds that:

1. The Commission, by reference, incorporates Case No. 9617 as a part of the record in this case.

2. The actual increase allowed Big Rivers, excluding aluminum smelter delivery points, in Case No. 9885, is \$13,321,181, which will result in an increase in power costs to Meade County of \$1,954,038.53.

3. Meade County's financial condition would be materially impaired if it were not allowed to recover the increased wholesale power costs allowed in Case No. 9885.

4. The revised rates and charges in Appendix A are designed to reflect only the increased power costs from Big Rivers allowed in the Final Order in Case No. 9885.

5. The flow-through of the wholesale power costs will not result in any additional net margin to Meade County.

IT IS THEREFORE ORDERED that:

1. Meade County be and it hereby is authorized to flow-through the increased power costs resulting from the rate in-

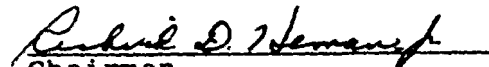
crease granted its wholesale power supplier, Big Rivers, in Case No. 9885.

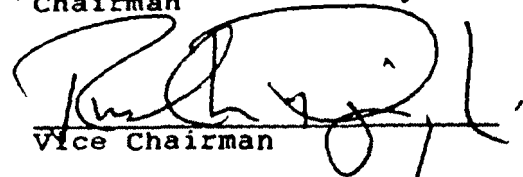
2. The rates in Appendix A shall be placed into effect on the effective date of the Big Rivers' wholesale power increase.

3. Meade County 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 31st day of August, 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. 9976 DATED AUGUST 31, 1987.

The following rates and charges are prescribed for the customers in the area served by Meade County 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 - RESIDENTIAL, FARM, NON-FARM,
SCHOOLS AND CHURCHES

Rates:

Customer Charge - No KWH Usage	\$4.33 Per Month
First 300 KWH	.06464 Per KWH
Next 700 KWH	.05140 Per KWH
Over 1,000 KWH	.04763 Per KWH

SCHEDULE II - COMMERCIAL RATE

Customer Charge - No KWH Usage	\$4.33 Per Month
First 500 KWH	.06937 Per KWH
Next 500 KWH	.06360 Per KWH
Over 1,000 KWH	.05622 Per KWH

SCHEDULE III - GENERAL SERVICE 0-49 KVA

Energy Charge

Customer Charge - No KWH Usage	\$4.33 Per Month
First 500 KWH	.06703 Per KWH
Next 500 KWH	.06197 Per KWH
Over 1,000 KWH	.05445 Per KWH

Demand Charge

First 10 KW of Billing Demand	No Charge
Excess Above 10 KW of Billing Demand	\$2.79 Per KW

SCHEDULE IV - LARGE POWER SERVICE
50 KVA - 999 KVA

Demand Charge

Per KW of Billing Demand	\$2.79
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Energy Charge

First 100 KWH Used Per KW of Billing Demand	\$.05679
Next 100 KWH Used Per KW of Billing Demand	\$.05112
Next 100 KWH Used Per KW of Billing Demand	\$.04877
All Remaining KWH Used	\$.04733

SCHEDULE V - OUTDOOR LIGHTING SERVICE
INDIVIDUAL CONSUMERS

175 Watt Unmetered	\$6.45
175 Watt Metered	3.65
400 Watt Unmetered	8.96
400 Watt Metered	3.65

SCHEDULE VI - STREET LIGHTING - COMMUNITY
MUNICIPALITIES, TOWNS

175 Watt	\$5.63
400 Watt	8.21