

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 ADJUSTMENT CLAUSE OF INTER-)	CASE NO. 10454
COUNTY RURAL ELECTRIC COOPERATIVE)	
CORPORATION FROM NOVEMBER 1, 1986)	
TO OCTOBER 31, 1988)	

O R D E R

Pursuant to Commission Regulation 807 KAR 5:056, the Commission on December 6, 1988 established this case to review and evaluate the operation of the fuel adjustment clause of Inter-County Rural Electric Cooperative Corporation ("Inter-County") from November 1, 1986 to October 31, 1988.

As a part of this review, the Commission ordered Inter-County to submit certain information including, inter alia, its monthly fuel charges for the period under review and an affidavit attesting to its compliance with Commission Regulation 807 KAR 5:056. Inter-County has complied with this Order. The Commission further ordered that a public hearing be held in this case, but cancelled it when, after publication of notice, no interested party advised the Commission of its intention to attend.

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

1. Inter-County has complied in all material respects with the provisions of Commission Regulation 807 KAR 5:056.

2. East Kentucky Power Cooperative, Inc. ("EKPC"), the wholesale supplier of Inter-County, has been authorized to transfer (roll-in) a 0.80 mills per KWH decrease in its base fuel cost to its base rates.¹

3. Inter-County should be authorized to transfer (roll-in) a 0.87 mills per KWH decrease in its base fuel costs to its base rates to reflect, as adjusted for line loss, the transfer of a 0.80 mills per KWH decrease in EKPC's base rates and this can best be accomplished by an energy adder to each KWH sold.

4. The rates and charges in Appendix A, attached and incorporated hereto, are fair, just, and reasonable and reflect the transfer of fuel costs from the fuel adjustment clause to the base rate.

IT IS THEREFORE ORDERED that:

1. The charges and credits applied by Inter-County through its fuel adjustment clause for the period November 1, 1986 to October 31, 1988 be and they hereby are approved.

2. Inter-County be and it hereby is authorized to transfer to base rates those fuel costs (as adjusted for line-loss) rolled-in by EKPC from its fuel adjustment clause to its base rates.

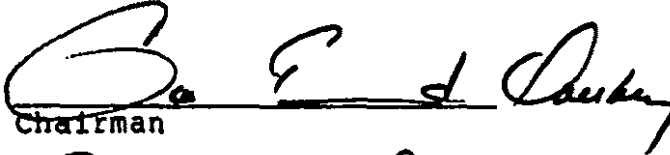
¹ Case No. 10437, An Examination by the Public Service Commission of the Application of the Fuel Adjustment Clause of East Kentucky Power Cooperative Corporation, Inc.

3. The rates in Appendix A are approved for service rendered by Inter-County on and after May 1, 1989.

4. Within 30 days of the date of this Order, Inter-County shall file with the Commission revised tariff sheets setting out the rates approved herein.

Done at Frankfort, Kentucky, this 31st day of March, 1989.

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. 10454 DATED 3/31/89

The following rates and charges are prescribed for the customers in the area served by Inter-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 effective date of this Order.

SCHEDULE 1 FARM AND HOME SERVICE*

Rate

First 500 KWH Per Month	\$.07399	Per KWH
All over 500 KWH Per Month	\$.05661	Per KWH

SCHEDULE 2 SMALL COMMERCIAL AND SMALL POWER*

Rate

Energy Charge

First 1,000 KWH Per Month	\$.08548	Per KWH
All over 1,000 KWH Per Month	\$.05858	Per KWH

SCHEDULE 4 LARGE POWER RATE (LPR)*

Rate

Energy Charge

First 10,000 KWH Per Month	\$.05899	Per KWH
All over 10,000 KWH Per Month	\$.05198	Per KWH

SCHEDULE 5
ALL ELECTRIC SCHOOL (AES)*

Rate

All Kilowatt Hours Per Month \$.05650 Per Month

SCHEDULE 6
OUTDOOR LIGHTING SERVICE-SECURITY LIGHT*

Rate Per Light Per Month

Mercury Vapor Lamp 175 Watt	\$6.50 Per Lamp Per Month
Mercury Vapor Lamp 200 Watt	\$7.93 Per Lamp Per Month

SCHEDULE IND 1
INDUSTRIAL RATE

Rate:

Energy Charge \$.03135 Per KWH

SCHEDULE IND 2
INDUSTRIAL RATE

Rate:

Energy Charge \$.02635 Per KWH

SCHEDULE IND 3
INDUSTRIAL RATE

Rate:

Energy Charge \$.02535 Per KWH

*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 percent and is based on a 12-month moving average of such losses. This Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.