

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF FOX CREEK RURAL)
ELECTRIC COOPERATIVE CORPORATION,)
INC. FOR AN ADJUSTMENT TO ITS RETAIL) CASE NO. 94-382
ELECTRIC POWER TARIFFS)

O R D E R

IT IS ORDERED that Fox Creek Rural Electric Cooperative Corporation, Inc. ("Fox Creek") shall file an original and 10 copies of the following information with this Commission, with a copy to all parties of record. Each copy of the information should be placed in a separate volume with each item numbered to correspond to the request included herein. When a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Include with each response the name of the person who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to ensure that it is legible. The information is due no later than February 21, 1995.

1. Refer to Exhibits C and D of the application. Exhibit C references the application of East Kentucky Power Cooperative, Inc. ("East Kentucky"),¹ for the derivation of the amount of decrease

¹ Case No. 94-336, The Application of East Kentucky Power Cooperative, Inc. for an Adjustment to its Wholesale Power Tariffs.

in Fox Creek's wholesale power cost while Exhibit D shows the derivation of Fox Creek's adjustment to its retail rates.

a. Explain why Fox Creek's Exhibit D shows no increase in load center rates for either Section B or Section E consumers while East Kentucky's Exhibits O and N show load center charges to Fox Creek increasing by \$74,616, from \$64,140 to \$138,756.

b. Provide the number of customers currently served on Section B rates and the number of load centers, by size, from which this service is taken.

2. Refer to Exhibit D of the application.

a. What is the basis for the decrease in security light charges in the amount of \$8,458?

b. Provide the derivation of this amount and explain why adding a decrease of \$506,049 (Section E rates decrease) to a decrease of \$8,458 (security light charges decrease) produces a total decrease of only \$497,591.

c. Provide the derivation of the 1,025,200 kwh identified as Light Sales and explain why it is subtracted from total kwh sales in arriving at sales to Section E consumers.

d. Explain why adjusted Section B sales of 10,265,400 kwh are used to calculate the Section B rate decrease but actual Section B kwh sales of 10,209,600 are subtracted from total kwh sales in arriving at sales to Section E consumers.

3. Refer to Exhibit E of the application. The monthly lighting rate is being decreased from \$5.29 to \$4.96. Provide workpapers that show how the decrease in Section E energy rates

(per Exhibit D) translates to this change in lighting rates.

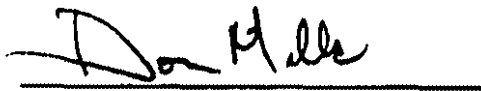
4. In the event Fox Creek's wholesale power cost is ultimately reduced by an amount greater than the decrease that went into effect January 1, 1995, should the additional reduction be reflected in retail rates by using the same allocation methodology proposed by Fox Creek? If no, explain fully.

Done at Frankfort, Kentucky, this 7th day of February, 1995.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:


Executive Director