

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION OF THE)	
APPLICATION OF THE FUEL)	
ADJUSTMENT CLAUSE OF INTER-)	
COUNTY RURAL ELECTRIC)	CASE NO. 98-575
COOPERATIVE CORPORATION FROM)	
NOVEMBER 1, 1996 TO OCTOBER 31,)	
1998)	

O R D E R

Pursuant to Commission Regulation 807 KAR 5:056, the Commission on December 4, 1998 established this case to review and evaluate the operation of the fuel adjustment clause (FAC) of Inter-County Rural Electric Cooperative Corporation (Inter-County) for the two years ended October 31, 1998.

As part of this review, the Commission ordered Inter-County to submit certain information 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 otherwise sufficiently advised, 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 0.81 mills per KWH increase 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 increase in its base fuel costs to its base rates to reflect, as adjusted for line loss, the transfer of a 0.81 mills per KWH increase in EKPC s base rates. This transfer can best be accomplished by an energy adder to each KWH sold.

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

IT IS THEREFORE ORDERED that:

1. The charges and credits applied by Inter-County through the FAC for the period November 1, 1996 to October 31, 1998 are approved.

2. Inter-County is authorized to transfer to base rates those fuel costs (as adjusted for line-loss) rolled-in by EKPC from its FAC to its base rates.

3. The rates in Appendix A are approved for service rendered by Inter-County on and after May 1, 1999.

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

¹ Case No. 98-563, An Examination by the Public Service Commission of the Application of the Fuel Adjustment Clause of East Kentucky Power Cooperative, Inc. from November 1, 1996 to October 31, 1998.

Done at Frankfort, Kentucky, this 22nd day of March, 1999.

By the Commission

ATTEST:

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 98-575 DATED MARCH 22, 1999

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	\$.06167 Per KWH
All over 500 KWH Per Month	.05633 Per KWH

SCHEDULE 1-A
FARM AND HOME MARKETING RATE

Rate:

All KWH Per Month	\$.03380 Per KWH
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SCHEDULE 2
SMALL COMMERCIAL AND SMALL POWER

Rate:

<u>Energy Charge</u>	
First 1,000 KWH Per Month	\$.07092 Per KWH
All over 1,000 KWH Per Month	.05843 Per KWH

SCHEDULE 4
LARGE POWER RATE (LPR)

Rate:

All KWH Per Month	\$.04922 Per KWH
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SCHEDULE C 2
INDUSTRIAL RATE

Rate:

Energy Charge

\$.02332 Per KWH

SCHEDULE C 3
INDUSTRIAL RATE

Rate:

Energy Charge

\$.02232 Per KWH