

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION OF THE	)	
APPLICATION OF THE FUEL	)	
ADJUSTMENT CLAUSE OF FARMERS	)	
RURAL ELECTRIC COOPERATIVE	)	CASE NO. 2002-00440
CORPORATION FROM NOVEMBER 1,	)	
2000 TO OCTOBER 31, 2002	)	

O R D E R

Pursuant to Administrative Regulation 807 KAR 5:056, the Commission on December 11, 2002 established this case to review and evaluate the operation of the fuel adjustment clause ( FAC ) of Farmers Rural Electric Cooperative Corporation ( Farmers ) for the 2 years ended October 31, 2002.

As part of this review, the Commission ordered Farmers to submit certain information and an affidavit attesting to its compliance with Administrative Regulation 807 KAR 5:056. Farmers 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. Farmers has complied in all material respects with the provisions of Administrative Regulation 807 KAR 5:056.

2. East Kentucky Power Cooperative, Inc. ( EKPC ), the wholesale supplier of Farmers, has been authorized to transfer (roll-in) a 2.31 mills per KWH increase in the base fuel cost to its base rates.<sup>1</sup>

3. Farmers should be authorized to transfer (roll-in) a 2.43 mills per KWH increase in its base fuel costs to its base to reflect, as adjusted for line loss, the transfer of a 2.31 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 Farmers through the FAC for the period November 1, 2000 to October 31, 2002 are approved.

2. Farmers 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 Farmers on and after May 1, 2003, the effective date of EKPC s change in rates.

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

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<sup>1</sup> Case No. 2002-00432, An Examination by the Public Service Commission of the Application of the Fuel Adjustment Clause of East Kentucky Power Cooperative, Inc. from November 1, 2000 to October 31, 2002.

Done at Frankfort, Kentucky, this 23<sup>rd</sup> day of April, 2003.

By the Commission

ATTEST:

  
Executive Director

## APPENDIX A

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2002-00440 DATED April 23, 2003

The following rates and charges are prescribed for the customers in the area served by Farmers 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.

#### CLASS 1 RESIDENTIAL

Schedule R:	
First 50 kWh (per kWh)	\$ .13438
Remaining kWh (per kWh)	\$ .05629
Schedule RM (ETS):	
All kWh (per kWh)	\$ .03377

#### CLASS 4 SMALL COMMERCIAL AND INDUSTRIAL (BELOW 50 KW)

Schedule C-Section 1:	
First 50kWh (per kWh)	\$ .13438
Remaining kWh (per kWh)	\$ .05946
Schedule CM (ETS):	
All kWh (per kWh)	\$ .03665

#### CLASS 5 LARGE COMMERCIAL AND INDUSTRIAL (50 KW & ABOVE)

Schedule C-Section 2:	
All kWh (per kWh)	\$ .04411
Schedule D (TOD):	
All kWh (per kWh)	\$ .04411
Schedule E:	
All kWh (per kWh)	\$ .03026

CLASS 6  
STREET LIGHTING

Schedule SL:		
All kWh (per kWh)	\$	.03368

ALL CLASSES  
OUTDOOR LIGHTING

Schedule OL:		
Mercury Vapor 175 Watt	\$	6.01
Mercury Vapor 250 Watt	\$	6.64
Mercury Vapor 400 Watt	\$	9.99
Mercury Vapor 1,000 Watt	\$	16.28
Sodium vapor 100 Watt	\$	6.64
Sodium Vapor 150 Watt	\$	7.54
Sodium Vapor 250 Watt	\$	10.00
Sodium Vapor 400 Watt	\$	12.50
Sodium Vapor 1,000 Watt	\$	26.71