

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 ENERGY COOPERATIVE)	CASE NO. 2002-00443
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 Inter-County Energy Cooperative Corporation (Inter-County) for the 2 years ended October 31, 2002.

As part of this review, the Commission ordered Inter-County to submit certain information and an affidavit attesting to its compliance with Administrative 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 Administrative 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 2.31 mills per KWH increase in the base fuel cost to its base rates.¹

3. Inter-County should be authorized to transfer (roll-in) a 2.47 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 Inter-County through the FAC for the period November 1, 2000 to October 31, 2002 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, 2003, the effective date of EKPC s change in rates.

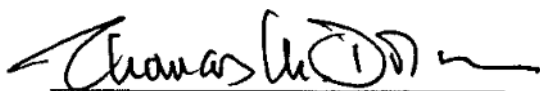
4. Within 30 days of the date of this Order, Inter-County shall file with the Commission revised tariff sheets setting out the rates approved herein.

¹ 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 23rd day of April, 2003.

By the Commission

ATTEST:

A handwritten signature in black ink, appearing to read "Thomas H. Dixon", written over a horizontal line.

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2002-00443 DATED April 23, 2003

The following rates and charges are prescribed for the customers in the area served by Inter-County Energy 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

First 500 kWh per kWh	\$.06414
All Over 500 kWh per kWh	\$.05880

SCHEDULE 1-A FARM AND HOME MARKETING RATE (ETS)

All kWh per kWh	\$.03528
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SCHEDULE 2 SMALL COMMERCIAL AND SMALL POWER

First 1,000 kWh per kWh	\$.07339
All Over 1,000 kWh per kWh	\$.06090

SCHEDULE 4 LARGE POWER SERVICE

All kWh per kWh	\$.05169
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SCHEDULE 5 ALL ELECTRIC SCHOOL

All kWh per kWh	\$.05398
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SCHEDULE 6
OUTDOOR LIGHTING SERVICE-SECURITY LIGHT

Flat rate per light per month as follows:

7,000 Lumen Lamp	\$ 6.29
4,000 Lumen Dec. Col.	\$ 8.36
27,500 Lumen Dir. Fl.	\$ 8.50
50,000 Lumen Dir. Fl.	\$ 11.71
27,500 Lumen Cobra	\$ 7.89
107,800 Lumen Dir. Fl.	\$ 21.20

SCHEDULE IND B1
LARGE INDUSTRIAL RATE

Energy Charge per kWh	\$.03046
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SCHEDULE IND B2
LARGE INDUSTRIAL RATE

Energy Charge per kWh	\$.02546
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SCHEDULE IND B3
LARGE INDUSTRIAL RATE

Energy Charge per kWh	\$.02446
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SCHEDULE IND C1
LARGE INDUSTRIAL RATE

Energy Charge per kWh	\$.03079
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SCHEDULE IND C2
LARGE INDUSTRIAL RATE

Energy Charge per kWh	\$.02579
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SCHEDULE IND C3
LARGE INDUSTRIAL RATE

Energy Charge per kWh	\$.02479
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