

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION OF THE )  
APPLICATION OF THE FUEL )  
ADJUSTMENT CLAUSE OF OWEN )  
ELECTRIC COOPERATIVE, INC. FROM ) CASE NO. 2002-00447  
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 Owen Electric Cooperative, Inc. ( Owen ) for the 2 years ended October 31, 2002.

As part of this review, the Commission ordered Owen to submit certain information and an affidavit attesting to its compliance with Administrative Regulation 807 KAR 5:056. Owen has complied with this Order. The Commission further ordered that a public hearing be held in this case on February 18, 2003. Gallatin Steel, which was permitted to intervene in this case, expressed interest in attending the hearing, but provided no questions for cross-examination of Owen.

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

1. Owen 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 Owen, 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. Owen should be authorized to transfer (roll-in) a 2.42 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 Owen through the FAC for the period November 1, 2000 to October 31, 2002 are approved.

2. Owen 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 Owen 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, Owen shall file with the Commission revised tariff sheets setting out the rates approved herein.

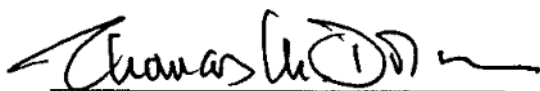
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<sup>1</sup> Case No. 2000-00496, An Examination by the Public Service Commission of the Application of the Fuel Adjustment Clause of East Kentucky Power Cooperative, Inc. from November 1, 2000 to October 31, 2002.

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

By the Commission

ATTEST:

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

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2002-00447 DATED April 23, 2003

The following rates and charges are prescribed for the customers in the area served by Owen Electric Cooperative, Inc. 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 I  
FARM AND HOME

All kWh per kWh \$ .06243

SCHEDULE I  
FARM AND HOME OFF-PEAK MARKETING RATE

All kWh per kWh \$ .03746

SCHEDULE I  
FARM AND HOME TIME OF DAY

On-Peak Rate per kWh \$ .06243

Off-Peak Rate per kWh \$ .03746

SCHEDULE I  
SMALL COMMERCIAL

Energy Charge per kWh \$ .06243

SCHEDULE II  
LARGE POWER

Energy Charge per kWh \$ .04287

SCHEDULE III  
SECURITY LIGHTS

Flat rate per light per month as follows:

On Existing Pole Where 120 Volts is available	\$ 4.85
One Pole Added	\$ 6.49
Two Poles Added	\$ 8.13
Three Poles Added	\$ 9.77
Four Poles Added	\$ 11.41

SCHEDULE VIII  
LARGE INDUSTRIAL RATE LPC1

Energy Charge per kWh	\$ .03017
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SCHEDULE IX  
LARGE INDUSTRIAL RATE LPC2

Energy Charge per kWh	\$ .02517
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SCHEDULE X  
LARGE INDUSTRIAL RATE LPC1-A

Energy Charge per kWh	\$ .02817
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SCHEDULE XI  
LARGE INDUSTRIAL RATE LPB1

Energy Charge per kWh	\$ .03017
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SCHEDULE XII  
LARGE INDUSTRIAL RATE LPB1-A

Energy Charge per kWh	\$ .02817
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SCHEDULE XIII  
LARGE INDUSTRIAL RATE LPB2

Energy Charge per kWh	\$ .02517
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SCHEDULE 1B  
FARM AND HOME TIME OF DAY

On-Peak Energy Charge per kWh	\$ .072712
Off-Peak Energy Charge per kWh	\$ .036977

SCHEDULE 1C  
SMALL COMMERCIAL TIME OF DAY

On-Peak Energy Charge per kWh	\$ .069745
Off-Peak Energy Charge per kWh	\$ .036977

SCHEDULE 2A  
LARGE POWER TIME OF DAY

On-Peak Energy Charge per kWh	\$ .073277
Off-Peak Energy Charge per kWh	\$ .041170