

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION OF THE )  
APPLICATION OF THE FUEL )  
ADJUSTMENT CLAUSE OF BLUE )  
GRASS ENERGY COOPERATIVE ) CASE NO. 2004-00469  
CORPORATION FROM NOVEMBER 1, )  
2002 TO OCTOBER 31, 2004 )

O R D E R

Pursuant to Administrative Regulation 807 KAR 5:056, the Commission on December 13, 2004 established this case to review and evaluate the operation of the fuel adjustment clause ("FAC") of Blue Grass Energy Cooperative Corporation ("Blue Grass") for the 2 years ended October 31, 2004.

As part of this review, the Commission ordered Blue Grass to submit certain information and an affidavit attesting to its compliance with Administrative Regulation 807 KAR 5:056. Blue Grass 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. Blue Grass 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 Blue Grass, has been authorized to transfer (roll-in) a 4.65 mills per kWh increase in the base fuel cost to its base rates.<sup>1</sup>

3. Blue Grass should be authorized to transfer (roll-in) a 4.91 mills per kWh increase in its base fuel costs to its base rates to reflect, as adjusted for line loss, the transfer of a 2.65 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 are fair, just, and reasonable, and reflect the transfer of fuel costs from the FAC to the base rates.

IT IS THEREFORE ORDERED that:

1. The charges and credits applied by Blue Grass through the FAC for the period November 1, 2002 to October 31, 2004 are approved.

2. Blue Grass 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 Blue Grass on and after June 1, 2005, the effective date of EKPC's change in rates.

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

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<sup>1</sup> Case No. 2004-00464, An Examination of the Application of the Fuel Adjustment Clause of East Kentucky Power Cooperative, Inc. from November 1, 2002 to October 31, 2004.

Done at Frankfort, Kentucky, this 24<sup>th</sup> day of May, 2005.

By the Commission

ATTEST:



Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2004-00469 DATED MAY 24, 2005

The following rates and charges are prescribed for the customers in the area served by Blue Grass Energy Cooperative Corporation. All other rates and charges not specifically mentioned in this Order shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

SCHEDULE GS-1  
RESIDENTIAL, FARM AND NON-FARM

Energy Charge per kWh \$0.06028

SCHEDULE GS-2  
OFF-PEAK RETAIL MARKETING RATE (ETS)

Energy Charge per kWh \$0.03617

SCHEDULE GS-3  
RESIDENTIAL FARM AND NON-FARM TIME OF DAY

Energy Charge  
On-Peak Energy per kWh \$0.07543  
Off-Peak Energy per kWh \$0.03793

SCHEDULE C-1  
COMMERCIAL AND INDUSTRIAL LIGHTING & POWER

Energy Charge per kWh  
First 3,000 kWh \$0.06453  
All Over 3,000 kWh \$0.05973

SCHEDULE LP-1  
LARGE POWER

Energy Charge per kWh  
First 10,000 kWh \$0.04945  
Next 15,000 kWh \$0.04275  
Next 50,000 kWh \$0.03715  
Next 75,000 kWh \$0.03485  
All Over 150,000 kWh \$0.03315

SCHEDULE LP-2  
LARGE POWER

Energy Charge per kWh	
First 3,500 kWh	\$.05028
Next 6,500 kWh	\$.04201
Next 140,000 kWh	\$.03688
Next 200,000 kWh	\$.03533
Next 400,000 kWh	\$.03441
Next 550,000 kWh	\$.03349
All Over 1,300,000 kWh	\$.02822

SECURITY LIGHTS

Rates Per Light Per Month:

175 Watt	\$ 5.06
400 Watt	\$ 7.69
100 Watt High Pressure Sodium	\$ 5.13
250 Watt High Pressure Sodium	\$ 7.51
400 Watt Metal Halide Directional Flood	\$ 11.41
400 Watt High Pressure Sodium Directional Flood	\$ 12.44
100 Watt High Pressure Sodium-Shoebox Fixture	\$ 16.14
100 Watt High Pressure Sodium-Acorn Fixture (Fiberglass Pole)	\$ 15.62
100 Watt High Pressure Sodium-Colonial Fixture	\$ 13.16

STREET LIGHTING

Rates Per Light Per Month:

70 Watt High Pressure Sodium (Ornamental)	\$ 5.21
100 Watt High Pressure Sodium (Ornamental)	\$ 6.74
250 Watt High Pressure Sodium (Ornamental)	\$ 9.25
70 Watt High Pressure Sodium (Colonial)	\$ 7.99
200 Watt High Pressure Sodium Cobra Head (Aluminum Pole)	\$ 11.37
100 Watt High Pressure Sodium Cobra Head (Aluminum Pole)	\$ 8.47
100 Watt High Pressure Sodium-Shoe Box Fixture	\$ 16.14
100 Watt High Pressure Sodium-Acorn Fixture (Fiberglass Pole)	\$ 15.62
100 Watt High Pressure Sodium-Colonial Fixture	\$ 13.16

SCHEDULE C-1  
LARGE INDUSTRIAL RATE

Energy Charge per kWh	\$ .03556
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SCHEDULE C-2  
LARGE INDUSTRIAL RATE

Energy Charge per kWh \$ .03056

SCHEDULE C-3  
LARGE INDUSTRIAL RATE

Energy Charge per kWh \$ .02956

SCHEDULE B-1  
LARGE INDUSTRIAL RATE

Energy Charge per kWh \$ .03577

SCHEDULE B-2  
LARGE INDUSTRIAL RATE

Energy Charge per kWh \$ .03077

**FOX CREEK DISTRICT**

SCHEDULE R  
RESIDENTIAL

Energy Charge per kWh \$ .06467

SCHEDULE C  
COMMERCIAL AND SMALL POWER

All Over 30 kWh per Month \$ .06899

SCHEDULE L  
LARGE POWER SERVICE (50 To 200 kw)

First 50kW of Billing Demand \$ .07200

Next 100 kW of Billing Demand \$ .06800

Over 150 kWh of Billing Demand \$ .05810

SCHEDULE R2  
RESIDENTIAL MARKETING RATE

All kWh per kWh \$ .03880

SCHEDULE C1  
LARGE INDUSTRIAL RATE (1,000 To 4,999 kw)

Energy Charge per kWh \$ .03537

SCHEDULE C2  
LARGE INDUSTRIAL RATE (5,000 To 9,999 kw)

Energy Charge per kWh \$ .03037

SCHEDULE C3  
LARGE INDUSTRIAL RATE (Over 10,000 kw)

Energy Charge per kWh \$ .02937

SCHEDULE M  
COMMERCIAL AND INDUSTRIAL POWER SERVICE

Energy Charge:

First 425 kW of Billing Demand \$ .04676

All Over 425 kWh per kW of Billing Demand \$ .03887

SCHEDULE N  
INDUSTRIAL AND LARGE COMMERCIAL (Over 500 kW)

Energy Charge:

First 425 kW of Billing Demand \$ .04276

All Over 425 kWh per kW of Billing Demand \$ .03487

SCHEDULE B1  
LARGE INDUSTRIAL

Energy Charge per kWh \$ .03537

SECURITY LIGHTS

Rate per Light per Month

175 Watt Mercury Vapor \$ 5.06

400 Watt Mercury Vapor \$ 7.69

100 Watt High Pressure Sodium \$ 5.13

250 Watt High Pressure Sodium \$ 7.51

400 Watt Metal Halide Directional Flood \$ 11.41

400 Watt High Pressure Sodium Directional Flood \$ 12.44

100 Watt High Pressure Sodium-Shoe Box Fixture \$ 16.14

100 Watt High Pressure Sodium-Acorn Fixture (Fiberglass Pole) \$ 15.62

100 Watt High Pressure Sodium-Colonial Fixture	\$	13.16
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STREET LIGHTING

Rate per Light per Month

70 Watt High Pressure Sodium (Ornamental)	\$	5.21
100 Watt High Pressure Sodium (Ornamental)	\$	6.74
250 Watt High Pressure Sodium (Ornamental)	\$	9.25
70 Watt High Pressure Sodium (Colonial-15 ft. mounting height)	\$	7.99
200 Watt High Pressure Sodium Cobra Head (Aluminum Pole)	\$	11.37
100 Watt High Pressure Sodium Cobra Head (Aluminum Pole)	\$	8.47
100 Watt High Pressure Sodium-Shoe Box Fixture	\$	16.14
100 Watt High Pressure Sodium-Acorn Fixture (Fiberglass Pole)	\$	15.62
100 Watt High Pressure Sodium-Colonial Fixture	\$	13.16



**HARRISON DISTRICT**

**SCHEDULE A (RATE 1)**  
**FARM AND HOME SERVICE**

All kWh Used per kWh \$ .06628

**SCHEDULE A (RATE 1 ETS)**  
**FARM AND HOME SERVICE OFF PEAK RETAIL MARKETING RATE**

All kWh Used per kWh \$ .03977

**RATE 2**  
**COMMERCIAL AND SMALL POWER SERVICE (0 TO 50 kWh)**

All kWh Used per kWh \$ .06789

**RATE 8**  
**LARGE POWER SERVICE (50 TO 500 kWh)**

All kWh Used per kWh \$ .04329

**RATE 8**  
**LARGE POWER SERVICE OVER 500 kW DEMAND (LPR1)**

All kWh Used per kWh \$ .04077

**RATE 8**  
**LARGE POWER SERVICE 1000 TO 4,999 kW DEMAND (LPR 2)**

All kWh Used per kWh \$ .03992

**RATE 8**  
**LARGE POWER SERVICE 5,000 TO 9,999 Kw DEMAND (LPR 2)**

Energy Charge:

For the first 425 kWh per kW of Billing Demand \$ .03735

All remaining kWh \$ .02983

**OUTDOOR LIGHTING SERVICE (SECURITY LIGHTS)**

175 Watt \$ 8.81

400 Watt \$ 14.02

200 Watt High Pressure Sodium Cobra Head (Aluminum Pole)	\$	11.37
100 Watt High Pressure Sodium Cobra Head (Aluminum Pole)	\$	8.47
100 Watt High Pressure Sodium-Shoebox Fixture	\$	16.14
100 Watt High Pressure Sodium-Acorn Fixture (Fiberglass Pole)	\$	15.62
100 Watt High Pressure Sodium-Colonial Fixture	\$	13.16