

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION OF THE)
APPLICATION OF THE FUEL)
ADJUSTMENT CLAUSE OF NOLIN)
RURAL ELECTRIC COOPERATIVE) CASE NO. 2004-00478
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 Nolin Rural Electric Cooperative Corporation ("Nolin") for the 2 years ended October 31, 2004.

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

3. Nolin should be authorized to transfer (roll-in) a 5.069 mills per kWh increase in its base fuel costs to its base rates to reflect, as adjusted for line loss, the transfer of a 4.65 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 Nolin through the FAC for the period November 1, 2002 to October 31, 2004 are approved.

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

¹ 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 24th 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. 2004-00478 DATED MAY 24, 2005

The following rates and charges are prescribed for the customers in the area served by Nolin Rural Electric 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 1
RESIDENTIAL, FARM, NON-FARM TRAILERS AND MOBILE HOMES

All kWh per kWh \$.06271

SCHEDULE 2
COMMERCIAL, SMALL POWER, SINGLE PHASE AND THREE PHASE

All kWh per kWh \$.06985

SCHEDULE 3
LARGE POWER

First 2,500 kWh per kWh \$.05875
Next 12,500 kWh per kWh \$.05430
All Over 15,000kWh per kWh \$.05296

SCHEDULE 4
INDUSTRIAL

First 3,500 kWh per kWh \$.06228
Next 6,500 kWh per kWh \$.04949
All Over 10,000 kWh \$.04617

SCHEDULE 5
SECURITY LIGHTS

Monthly Charge:

| | |
|---------------------------------|----------|
| 175 Watt Mercury Vapor | \$ 6.87 |
| 100 Watt High Pressure Sodium | \$ 6.87 |
| 100 Watt Directional Floodlight | \$ 6.02 |
| 250 Watt Directional Floodlight | \$ 10.13 |
| 400 Watt Directional Floodlight | \$ 13.55 |
| 100 Watt Lantern Type | \$ 9.44 |
| 400 Watt Contemporary Type | \$ 14.67 |

SCHEDULE 6
MERCURY VAPOR OR HIGH PRESSURE SODIUM
SERIES OR MULTIPLE

Standard Overhead-Wood Poles:

| | |
|------------------------------|----------|
| 8,500 M.V. Initial Lumens | \$ 3.26 |
| 23,000 M.V. Initial Lumens | \$ 9.81 |
| 9,500 H.P.S. Initial Lumens | \$ 5.58 |
| 27,500 H.P.S. Initial Lumens | \$ 8.20 |
| 50,000 H.P.S. Initial Lumens | \$ 10.64 |

Ornamental Service Overhead (Aluminum Poles):

| | |
|------------------------------|----------|
| 8,500 M.V. Initial Lumens | \$ 4.34 |
| 23,000 M.V. Initial Lumens | \$ 10.95 |
| 9,500 H.P.S. Initial Lumens | \$ 13.24 |
| 27,500 H.P.S. Initial Lumens | \$ 15.31 |
| 50,000 H.P.S. Initial Lumens | \$ 17.26 |

Ornamental Service Underground (Fiberglass Poles):

| | |
|------------------------------|----------|
| 50,000 H.P.S. Initial Lumens | \$ 20.30 |
|------------------------------|----------|

SCHEDULE 7
LARGE INDUSTRIAL

| | |
|-----------------------|-----------|
| Energy Charge per kWh | \$.04159 |
|-----------------------|-----------|

SCHEDULE 8
LARGE INDUSTRIAL-Seasonal Time of Day

| | |
|-----------------------|-----------|
| Energy Charge per kWh | \$.04159 |
|-----------------------|-----------|

SCHEDULE 9
INDUSTRIAL – 1,000 TO 4,999 KW

Energy Charge per kWh \$.03977

SCHEDULE 10
INDUSTRIAL – 5,000 TO 9,999 KW

Energy Charge per kWh \$.03477

SCHEDULE 11
INDUSTRIAL – Over 10,000 KW

Energy Charge per kWh \$.03377

SCHEDULE 12
INDUSTRIAL C – 1,000 To 4,999 KW

Energy Charge per kWh \$.03977

SCHEDULE 13
INDUSTRIAL C – 5,000 To 9,999 KW

Energy Charge per kWh \$.03477

SCHEDULE 14
INDUSTRIAL C – Over 10,000 KW

Energy Charge per kWh \$.03377