

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION OF THE)
APPLICATION OF THE FUEL)
ADJUSTMENT CLAUSE OF CLARK)
ENERGY COOPERATIVE, INC. FROM) CASE NO. 2006-00513
NOVEMBER 1, 2004 TO OCTOBER 31,)
2006)

O R D E R

Pursuant to Administrative Regulation 807 KAR 5:056, the Commission, on December 18, 2006, established this case to review and evaluate the operation of the fuel adjustment clause ("FAC") of Clark Energy Cooperative, Inc. ("Clark") for the 2-year period ended October 31, 2006.

As part of this review, the Commission ordered Clark to submit certain information and an affidavit attesting to its compliance with Administrative Regulation 807 KAR 5:056. Clark 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.

In its April 1, 2007 Order in Case No. 2006-00472,¹ the Commission authorized a \$19.0 million interim rate increase for East Kentucky Power Cooperative, Inc. ("East Kentucky"), Clark's power supplier. On April 11, 2007, Clark filed its revised tariffs reflecting the interim rate increase authorized by the Commission's April 1, 2007 Order

¹ Case No. 2006-00472, General Adjustment of Electric Rates of East Kentucky Power Cooperative, Inc.

in Case No. 2006-00476.² In its June 13, 2007 data request, Commission Staff requested that Clark provide revised tariffs which reflect the effect of its proposed FAC roll-in upon the interim rates filed on April 11, 2007. Clark has complied with that request.

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

1. Clark has complied in all material respects with the provisions of Administrative Regulation 807 KAR 5:056.

2. East Kentucky, the wholesale supplier of Clark, has been authorized to transfer (roll-in) a 6.13 mills per kWh increase in the base fuel cost to its base rates.³

3. Clark should be authorized to transfer (roll-in) a 6.43 mills per kWh increase in its base fuel costs to its base rates to reflect, as adjusted for line loss, the transfer of a 6.13 mills per kWh increase in East Kentucky's current 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 rate.

IT IS THEREFORE ORDERED that:

1. The charges and credits applied by Clark through the FAC for the period November 1, 2004 to October 31, 2006 are approved.

² Case No. 2006-00476, Application of Clark Energy Cooperative, Inc. to Pass-Through An Increase of Its Wholesale Power Supplier Pursuant to KRS 278.455(2).

³ Case No. 2006-00508, An Examination of the Application of the Fuel Adjustment Clause of East Kentucky Power Cooperative, Inc. from November 1, 2004 to October 31, 2006.

2. Clark is authorized to transfer to base rates those fuel costs (as adjusted for line-loss) rolled in by East Kentucky from its FAC to its base rates.

3. The rates in Appendix A are approved for service rendered by Clark on and after August 1, 2007, the effective date of East Kentucky's change in rates.

4. Within 20 days of the date of this Order, Clark shall file with the Commission revised tariff sheets setting out the rates approved herein.

Done at Frankfort, Kentucky, this 25th day of July, 2007.

By the Commission

ATTEST:

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke at the end, positioned above the text 'Executive Director'.

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2006-00513 DATED JULY 25, 2007

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

SCHEDULE R
RESIDENTIAL

Energy Charge per kWh \$.07588

SCHEDULE R-TOD
RESIDENTIAL T-O-D

On-Peak Energy Charge per kWh \$.07822
Off-Peak Energy Charge per kWh \$.04802

SCHEDULE D
TIME-OF-USE MARKETING SERVICE

Energy Charge per kWh \$.04553

SCHEDULE T
OUTDOOR LIGHTING FACILITIES

Annual Rate:

200 Watt \$ 72.84
300 Watt \$ 94.90
400 Watt \$ 143.13

SCHEDULE S
OUTDOOR LIGHTING FACILITIES

Monthly Rate:

175 Watt Mercury Vapor \$ 6.57

SCHEDULE E
PUBLIC FACILITIES

Energy Charge per kWh \$.08344

SCHEDULE A & B
GENERAL POWER SERVICE

Rate Class A 10 kW Demand or Less
Energy Charge per kWh \$.09646

Rate Class B 10 kW Demand and Over
Energy Charge per kWh \$.07720

SCHEDULE L
GENERAL POWER SERVICE

Energy Charge per kWh for All Energy \$.05891

SCHEDULE P
GENERAL POWER SERVICE

Energy Charge per kWh for All Energy \$.05058

SCHEDULE H
GENERAL POWER SERVICE

Energy Charge per kWh for All Energy \$.05153

SCHEDULE G
GENERAL POWER SERVICE

Energy Charge per kWh for All Energy \$.05457

SCHEDULE M
GENERAL POWER SERVICE

Energy Charge per kWh for All Energy \$.05457

SCHEDULE J
GENERAL POWER SERVICE

Energy Charge per kWh for All Energy \$.04327