

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION OF THE)
APPLICATION OF THE FUEL)
ADJUSTMENT CLAUSE OF FLEMING-)
MASON ENERGY COOPERATIVE, INC.) CASE NO. 2008-00528
FROM NOVEMBER 1, 2006 THROUGH)
OCTOBER 31, 2008)

O R D E R

Pursuant to 807 KAR 5:056, the Commission, on January 23, 2009, established this case to review and evaluate the operation of the Fuel Adjustment Clause ("FAC") of Fleming-Mason Energy Cooperative, Inc. ("Fleming-Mason") for the two-year period ended October 31, 2008.

As part of this review, the Commission ordered Fleming-Mason to submit certain information and an affidavit attesting to its adherence to 807 KAR 5:056. Fleming-Mason 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 person advised the Commission of his or her intention to attend.

In Case No. 2008-00409,¹ the Commission authorized a \$59.5 million rate increase for East Kentucky Power Cooperative, Inc. ("East Kentucky"), Fleming-Mason's power supplier. On April 13, 2009, Fleming-Mason filed its revised tariffs

¹ Case No. 2008-00409, General Adjustment of Electric Rates of East Kentucky Power Cooperative, Inc. (Ky. PSC Mar. 31, 2009).

reflecting the rate increase authorized by the Commission's March 31, 2009 Order in Case No. 2008-00415.² Fleming-Mason subsequently filed a revised tariff, at Commission Staff's request, which reflected the effect of the proposed FAC roll-in upon its approved base rates.

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

1. Fleming-Mason has complied in all material respects with the provisions of 807 KAR 5:056.

2. East Kentucky, the wholesale supplier of Fleming-Mason, has been authorized to transfer (roll-in) a 10.15 mills per kWh increase in the base fuel cost to its base rates.³

3. Fleming-Mason should be authorized to transfer (roll-in) a 10.58 mills per kWh increase in its base fuel costs to its base rates to reflect, as adjusted for line loss, the transfer of a 10.15 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 the Appendix to this Order are fair, just, and reasonable, and reflect the transfer of fuel costs from the FAC to the base rate.

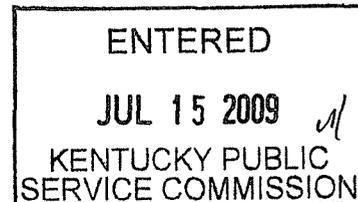
² Case No. 2008-00415, Application of Fleming-Mason Energy Cooperative, Inc. to Pass-Through An Increase of Its Wholesale Power Supplier Pursuant to KRS 278.455(2) (Ky. PSC Mar. 31, 2009).

³ Case No. 2008-00519, An Examination of the Application of the Fuel Adjustment Clause of East Kentucky Power Cooperative, Inc. from November 1, 2006 to October 31, 2008 (Ky PSC July 15, 2009).

IT IS THEREFORE ORDERED that:

1. The charges and credits applied by Fleming-Mason through the FAC for the period from November 1, 2006 to October 31, 2008 are approved.
2. Fleming-Mason 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 current base rates.
3. The rates in the Appendix to this Order are approved for service rendered by Fleming-Mason on and after August 1, 2009, the effective date of East Kentucky's change in rates.
4. Within 20 days of the date of this Order, Fleming-Mason shall file with the Commission revised tariff sheets setting out the rates approved herein.

By the Commission



ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2008-00528 DATED JUL 15 2009

The following rates and charges are prescribed for the customers in the area served by Fleming-Mason 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.

RESIDENTIAL AND SMALL POWER

Energy Charge per kWh	\$.09125
Energy Charge per kWh (ETS)	\$.05475

SMALL GENERAL SERVICE

Energy Charge per kWh	\$.06900
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LARGE GENERAL SERVICE

Energy Charge per kWh	\$.05810
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OUTDOOR LIGHTING SERVICE

Monthly Rate:

Mercury Vapor: 7,000 Lumen-Standard	\$	9.02
Mercury Vapor: 7,000 Lumen-Ornamental	\$	19.66
Mercury Vapor: 20,000 Lumen-Standard	\$	17.53
Mercury Vapor: 20,000 Lumen-Ornamental	\$	26.76
High Pressure Sodium: 9,500 Lumen-Standard	\$	8.53
High Pressure Sodium: 9,500 Lumen-Ornamental	\$	17.73
High Pressure Sodium: 9,500 Lumen-Directional	\$	8.62
High Pressure Sodium: 22,000 Lumen-Standard	\$	12.36
High Pressure Sodium: 22,000 Lumen-Ornamental	\$	21.58
High Pressure Sodium: 22,000 Lumen-Directional	\$	12.14
High Pressure Sodium: 50,000 Lumen-Standard	\$	18.98
High Pressure Sodium: 50,000 Lumen-Ornamental	\$	27.71
High Pressure Sodium: 50,000 Lumen-Directional	\$	18.63

ALL ELECTRIC SCHOOL

Energy Charge per kWh	\$.08601
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SPECIAL CONTRACTED SERVICE - INLAND

Energy Charge per kWh	\$.04684
<u>LARGE INDUSTRIAL SERVICE # 1</u>	
Energy Charge per kWh	\$.05724
<u>LARGE INDUSTRIAL SERVICE # 2</u>	
Energy Charge per kWh	\$.05367
<u>LARGE INDUSTRIAL SERVICE # 3</u>	
Energy Charge per kWh	\$.05251
<u>LARGE INDUSTRIAL SERVICE # 4</u>	
Energy Charge per kWh	\$.05925
<u>LARGE INDUSTRIAL SERVICE # 5</u>	
Energy Charge per kWh	\$.05568
<u>LARGE INDUSTRIAL SERVICE # 6</u>	
Energy Charge per kWh	\$.05127
<u>LARGE INDUSTRIAL SERVICE # 4B</u>	
Energy Charge per kWh	\$.05925
<u>LARGE INDUSTRIAL SERVICE # 5B</u>	
Energy Charge per kWh	\$.05568
<u>LARGE INDUSTRIAL SERVICE # 6B</u>	
Energy Charge per kWh	\$.05127
<u>LARGE INDUSTRIAL SERVICE # 7</u>	
Energy Charge per kWh	\$.05127

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