

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| | | |
|------------------------------|---|---------------------|
| APPLICATION OF MEADE COUNTY |) | |
| RURAL ELECTRIC COOPERATIVE |) | |
| CORPORATION FOR PASS-THROUGH |) | CASE NO. 2011-00038 |
| OF BIG RIVERS ELECTRIC |) | |
| CORPORATION WHOLESAL RATE |) | |
| ADJUSTMENT |) | |

ORDER

On November 17, 2011, the Commission issued an Order in this proceeding authorizing Meade County Rural Electric Cooperative Corporation (“Meade”) to pass on to its members a wholesale rate adjustment granted to Meade’s wholesale supplier, Big Rivers Electric Corporation (“Big Rivers”), in Case No. 2011-00036.¹ Using the test-year information contained in Meade’s application, the Commission granted an increase in its wholesale power cost of \$1,612,033 annually. Pursuant to KRS 278.455(2) and 807 KAR 5:007, Sections 1(3) and 2(2), Meade was authorized to pass-through the wholesale increase to each customer class and within each tariff on a proportional basis which resulted in no change in rate design.

On December 6, 2011, Big Rivers filed a Petition for Rehearing in Case No. 2011-00036 which was granted on December 8, 2011. On December 22, 2011, the Commission issued an Order in this case which granted the petition of Meade to reconsider the November 17, 2011 Order and its request that any relief granted in the

¹ Case No. 2011-00036, Application of Big Rivers Electric Corporation for a General Adjustment in Rates (Ky. PSC Nov. 17, 2011).

Big Rivers case flow through to Meade. The record is complete and the matter now stands submitted for a decision.

On September 12, 2012, a rehearing in Big Rivers' Case No. 2011-00036 was conducted at the Commission's offices in Frankfort, Kentucky. The Commission issued an Order today in that case authorizing an additional \$1,042,535 annual increase in Big Rivers' wholesale rates effective for service rendered on and after September 1, 2011. As a result, using the test-year information contained in its application, Meade will receive an additional increase of \$208,839 in its wholesale power cost for a total of \$1,820,872 annually.

Revenue Recovery Mechanism

In today's Order in Case No. 2011-00036, the Commission accepted Big Rivers' recommendation for recovering the difference between what it has collected since September 1, 2011 and what it would have collected had the rates approved today been in effect since September 1, 2011 ("Revenue Difference"). Big Rivers recommended that the Revenue Difference be divided by the number of months remaining between the date of the Commission's Rehearing Order and August 1, 2013, and that its members be billed this monthly amount on a revenue proportionate basis through July of 2013. The Commission accepted the recommendation ordering that the Revenue Difference be billed over the five-month period from March 2013 through July 2013.

In conjunction with the Commission's acceptance of Big Rivers' recommendation, Big Rivers was ordered to submit certain information to the Commission no later than February 8, 2013. Likewise, Meade should submit the following information to the Commission no later than February 8, 2013:

1. The Revenue Difference allocated to Meade by Big Rivers for each month of the five-month period, from March 2013 through July 2013, for each customer class;
2. The methodology Meade proposes using to bill the Revenue Difference to its retail customers for each month of the five-month period from March 2013 through July 2013; and
3. The kWh sales, by month, to each customer class from September 1, 2011 through the date of this Order.

After it verifies Meade's calculations, the Commission will issue a final order in this case which will authorize both the amounts Meade is to collect from its customers and the length of time over which it will collect these amounts.

IT IS THEREFORE ORDERED that:

1. Meade is granted an increase in annual revenues of \$208,839 over and above the increase previously granted in our November 17, 2011 Order.
2. The rates set forth in the Appendix attached hereto are approved for service rendered on and after September 1, 2011.
3. Within 20 days of the date of this Order, Meade shall file with this Commission, using the Commission's electronic Tariff Filing System, its revised tariff sheets setting out the rates approved herein and stating that they were approved pursuant to this Order.
4. Not later than February 8, 2013, Meade shall file with this Commission the information described in the Revenue Recovery Mechanism section of this Order.

By the Commission

ENTERED ^{AM}
JAN 29 2013
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST



Executive Director

Case No. 2011-00038

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2011-00038 DATED **JAN 29 2013**

The following rates and charges are prescribed for the customers in the area served by Meade County Rural Electric Cooperative Corporation. 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 1
RESIDENTIAL, FARM, NON-FARM, SCHOOLS, AND CHURCHES

| | |
|---------------------------|------------|
| Customer Charge per Month | \$ 11.77 |
| Customer Charge per Day | \$.39 |
| Energy Charge per kWh | \$.075482 |

SCHEDULE 2
COMMERCIAL RATE

| | |
|---------------------------|-----------|
| Customer Charge per Month | \$ 17.52 |
| Customer Charge per Day | \$.58 |
| Energy Charge per kWh | \$.08052 |

SCHEDULE 3
THREE PHASE POWER SERVICE, 0 KVA AND GREATER

| | |
|--|-----------|
| Customer Charge per Month, 0 - 100 KVA | \$ 41.87 |
| Customer Charge per Day, 0 - 100 KVA | \$ 1.38 |
| Customer Charge per Month, 101 - 1,000 KVA | \$ 73.28 |
| Customer Charge per Day, 101 - 1,000 KVA | \$ 2.41 |
| Customer Charge per Month, Over 1,000 KVA | \$ 104.68 |
| Customer Charge per Day, Over 1,000 KVA | \$ 3.44 |
| Energy Charge per kWh | \$.05085 |
| Demand Charge per kW | \$ 8.50 |

SCHEDULE 3A
THREE PHASE POWER SERVICE, 0 KVA - 999 KVA
OPTIONAL TIME-OF-DAY RATE

| | |
|---------------------------|-----------|
| Customer Charge per Month | \$ 60.40 |
| Customer Charge per Day | \$ 1.99 |
| Energy Charge per kWh | \$.05085 |
| Demand Charge per kW | \$ 8.50 |

SCHEDULE 4
LARGE POWER SERVICE, 1,000 KVA AND LARGER (TOD)

| | |
|--|-----------|
| Customer Charge per Month (If Equipment Provided by Meade) | \$ 622.88 |
| Customer Charge per Month (If Equipment Provided by Customer) | \$ 109.92 |
| Energy Charge per kWh: | |
| First 300 kWh per kW | \$.04680 |
| All Remaining kWh | \$.04029 |
| Demand Charge per kW | \$ 8.12 |

SCHEDULE 5
OUTDOOR LIGHTING SERVICE

| | |
|--------------------|----------|
| Monthly Rates: | |
| 175 Watt Unmetered | \$ 8.05 |
| 175 Watt Metered | \$ 3.51 |
| 400 Watt Unmetered | \$ 12.08 |
| 400 Watt Metered | \$ 3.51 |
| Pole Rental | \$.42 |

SCHEDULE 6
STREET LIGHTING SERVICE – COMMUNITIES, MUNICIPALITIES, TOWNS

| | |
|----------------|----------|
| Monthly Rates: | |
| 175 Watt | \$ 7.17 |
| 400 Watt | \$ 11.29 |

SCHEDULE 10
SMALL POWER PRODUCTION OR COGENERATION (OVER 100 kW)
CUSTOMER BUYS POWER FROM MEADE COUNTY

The Charges for On-peak Maintenance Service shall be the greater of:

| | | |
|---|----|---------|
| (1) Per kW of Scheduled Maintenance Demand per Week | \$ | 2.238 |
| Plus per kWh of Maintenance Energy | \$ | .029736 |

OR

| | |
|-----------------------------|------|
| (2) Percent of Market Price | 110% |
|-----------------------------|------|

The Charges for Off-peak Maintenance Service shall be:

| | | |
|---|----|-------|
| Per kW of Scheduled Maintenance Demand per Week | \$ | 2.238 |
|---|----|-------|

Excess Demand:

| | |
|---|------|
| To Import from a Third Party: Percent of Actual Cost | 110% |
|---|------|

Not Imported, the greater of:

| | | |
|---|----|-------|
| (1) Charge per kW times the highest Excess Demand | \$ | 9.697 |
|---|----|-------|

OR

| | |
|---|------|
| (2) Percent of Highest Price received during an Off-System Sales Transaction times the sum of Excess Demands | 110% |
|---|------|

Honorable Thomas C Brite
Attorney At Law
Brite & Hopkins, PLLC
83 Ballpark Road
P.O. Box 309
Hardinsburg, KENTUCKY 40143

Burns E Mercer
Manager
Meade County R.E.C.C.
P. O. Box 489
Brandenburg, KY 40108-0489