

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

* * * * *

In the Matter of:

AN EXAMINATION BY THE PUBLIC)
SERVICE COMMISSION OF THE)
APPLICATION OF THE FUEL ADJUST-)
MENT CLAUSE OF GREEN RIVER) CASE NO. 8602
ELECTRIC CORPORATION FROM)
NOVEMBER 1, 1980, TO)
OCTOBER 31, 1982)

O R D E R

Pursuant to 807 KAR 5:056, Sections 1(11) and (12), the Public Service Commission ("Commission") issued its Order on September 23, 1982, scheduling a hearing to review the operation of the fuel adjustment clause of Green River Electric Corporation ("Green River") for the past 2 years and to determine the amount of fuel cost that should be transferred (rolled in) to the base rates in order to reestablish the fuel adjustment charge.

Green River filed all requested information, including its monthly fuel charges for the 2-year period under review. Following proper notice, a hearing was held on January 25, 1983.

The Commission approved a transfer (roll-in) of 1.99 mills per KWH to the base rates of Green River's wholesale supplier, Big Rivers Electric Corporation ("Big Rivers") in Case No. 8587. Approval of Big Rivers' proposal requires that Green River also be authorized to roll in those same fuel costs to its base rates.

The Commission has reviewed the monthly fuel adjustment clause filing made by Green River in conjunction with the schedule of over- or under-recovered fuel costs filed in this proceeding. This review indicates that the Commission should revise the monthly fuel adjustment clause filing form to minimize errors.

The Commission, having considered the evidence of record and being advised, is of the opinion and finds that:

1. Green River has complied in all material respects with the provisions of 807 KAR 5:056.

2. Green River's wholesale supplier has been authorized to transfer (roll in) to its base rates fuel costs of 1.99 mills per KWH in Case No. 8587.

3. Green River should be authorized to increase the rates charged its customers by 2.10 mills per KWH in order to transfer fuel costs rolled in by Big Rivers from the fuel adjustment clause to the base rates pursuant to the Commission's Order in Case No. 8587 and applicable line loss, and this can best be accomplished by an energy adder to each KWH sold.

4. The revised rates and charges in Appendix A are designed to reflect the transfer of fuel costs from the fuel adjustment clause rate to the base rates.

5. The monthly fuel adjustment clause filing form currently being filed by Green River should be revised.

IT IS THEREFORE ORDERED that the charges collected by Green River through the fuel adjustment clause for the period November 1, 1980, through October 31, 1982, be and they hereby are approved.

IT IS FURTHER ORDERED that Green River be and it hereby is authorized to transfer to its base rates fuel costs transferred by its wholesale supplier pursuant to Case No. 8587.

IT IS FURTHER ORDERED that the rates in Appendix A be and they hereby are approved for service rendered by Green River on and after July 1, 1983, which is also the effective date for Big Rivers' rates.

IT IS FURTHER ORDERED that within 30 days from the date of this Order Green River shall file with the Commission its revised tariff sheets setting out the rates approved herein.

IT IS FURTHER ORDERED that the revised monthly fuel clause form in Appendix B shall be used by Green River for all filings made after the date of this Order pursuant to 807 KAR 5:056 to recover or refund fuel charges or credits billed or refunded by its wholesale supplier.

Done at Frankfort, Kentucky, this 7th day of July, 1983.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary

APPENDIX A

APPENDIX TO AN ORDER THE PUBLIC SERVICE
COMMISSION IN CASE NO. 8602 DATED
JULY 7, 1983

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

Monthly Rates:

Residential Service (Single Phase & Three Phase) and All Other Single Phase Service*

| | |
|----------------------------|---------|
| Facilities Charge | \$ 5.64 |
| First 600 KWH per KWH | 5.470¢ |
| Next 400 KWH per KWH | 4.625¢ |
| All Over 1,000 KWH per KWH | 4.093¢ |

Commercial, Large Power and Public Buildings - Three-Phase Demand*

| | |
|--|---------|
| Facilities Charge | \$16.90 |
| Plus Demand Charge of: Per KW of Billing Demand | \$ 4.00 |
| Plus Energy Charge of: Per KWH Consumed | 4.098¢ |

Street and Individual Consumer Lighting*

| | |
|------------------------------|---------|
| 175 Watt Mercury Vapor Lamps | \$ 6.90 |
| 250 Watt Mercury Vapor Lamps | \$ 7.92 |
| 400 Watt Mercury Vapor Lamps | \$ 9.45 |

Rates to Large Industrial Consumers Served Under Special Contracts*

Base Monthly Delivery Point Rate

National-Southwire Aluminum, Co.

| | |
|---|--------------|
| Demand charge per KW of billing demand of | \$ 6.25 |
| Plus an energy charge per KWH consumed of | 20.321 mills |

Martin Marietta Aluminum Inc., and Western Kraft Paper Group, a Division of Willamette Industries, Inc.

| | |
|---|--------------|
| Demand charge per KW of billing demand of | \$ 6.25 |
| Plus an energy charge per KWH consumed of | 20.541 mills |

*The monthly kilowatt hour usage shall be subject to plus or minus an adjustment per KWH determined in accordance with the "Fuel Adjustment Clause."

COMPANY: _____ POWER SUPPLIER: _____

Disposition of Energy (KWH) - Month of: _____ Purchased Power - _____ Month of: _____

- 1. Total Purchases _____
- 2. Sales (Ultimate Consumer) _____
- 3. Company Use _____
- 4. Total Sales (L2 + L3) _____
- 5. Line Loss & Unaccounted for _____
(L1 less L4) _____
- 6. Last FAC Rate Billed Consumers _____
- 7. Gross KWH Billed at the Rate _____
on L6 _____
- 8. Adjustments to Billing (KWH) _____
- 9. Net KWH Billed at the Rate on _____
L6 (L7 + L8) _____
- 10. Fuel Charge (Credit) Used to _____
Compute L6 _____
- 11. FAC Revenue (Refund) Resulting _____
from L6 (net of billing adj.) _____
- 12. Total (Over) or Under _____
Recovery (L10 less L11) _____
- 13. Fuel Adjustment Charge (Credit): _____
A. Billed by supplier _____
B. (Over) Under Recovery (L12) _____
C. Unrecoverable - Schedule 2 _____
D. Recoverable Fuel Cost _____
(L13 A+B-C) _____
- 14. Number of KWH Purchased _____
- 15. Supplier's FAC: _____
\$ per KWH (L13A + L4) _____
- Line Loss _____
- 16. Last 12 Months Actual (%) - _____
- 17. Last Month Used to Compute L16 _____
- 18. Line Loss for Month on L17 (%) _____
(L5 + L1) _____
- 19. Calculation of FAC Billed Consumers _____
Sales as a Percent of Purchases _____
(100% Less Percentage on L16) _____
- 20. Recovery Rate \$ per KWH _____
(L13D + L14) _____
- 21. FAC \$ per KWH (L20 + L19) _____
- 22. FAC ¢ per KWH (L21 x 100) _____

Line 22 reflects a Fuel Adjustment Charge (Credit) of _____ ¢ per KWH to be applied to bills rendered on and after _____, 19____.

Issued by: _____ Title: _____

Address: _____ Telephone: _____

SCHEDULE 1
TWELVE MONTH ACTUAL LINE LOSS
FOR FUEL ADJUSTMENT CHARGE COMPUTATION
FOR _____, 198__

| | (a) | (b) | (c) | (d) |
|--|----------------------|-----------------|-------------------|-------------------|
| | <u>KWH PURCHASED</u> | <u>KWH SOLD</u> | <u>OFFICE USE</u> | <u>KWH LOSSES</u> |
| Previous twelve months total - | | | | |
| Less: Prior year-current month total - | | | | |
| Plus: Current year-current month total - | | | | |
| Most Recent Twelve Month Total - | _____ | _____ | _____ | _____ |

(d) _____ ÷ (a) _____ = _____ Enter on line 16 of the current month's
(FAC) Report

SCHEDULE 2
CALCULATION OF UNRECOVERABLE FUEL COST
DUE TO EXCESSIVE LINE LOSS
FOR THE MONTH ENDED

- | | |
|--|----------|
| 1. Purchases For the Month (KWH) | _____ |
| 2. Less Line Loss (10% x L1) | _____ |
| 3. Sales (L1 less L2) | _____ |
| 4. Unrecoverable Fuel Charge Per KWH: | |
| a. FAC Rate based on Actual Line Loss (Current Month's Report L15 ÷ (100% Less L16) \$ | |
| b. FAC Rate based on 10% Line Loss (Current Month's Report L15 ÷ 90%) | _____ |
| c. Increment unrecoverable | \$ _____ |
| 5. Unrecoverable Fuel Cost - (L4c x L3 enter on Line 13c of current month's FAC report) | \$ _____ |

Note: This schedule is to be filed for each month that the 12 month actual Line Loss exceeds 10% and the amount billed by the supplier is a charge. This schedule is not to be filed if the amount billed by the supplier is a credit.