



Steven L. Beshear
Governor

Leonard K. Peters
Secretary
Energy and Environment Cabinet

Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460
psc.ky.gov

David L. Armstrong
Chairman

James W. Gardner
Vice Chairman

Charles R. Borders
Commissioner

June 20, 2011

Allen Anderson
Manager
South Kentucky RECC
925-929 N. Main Street
P. O. Box 910
Somerset, KY 42502-0910

Stephen Johnson
Vice President of Finance
South Kentucky RECC
925-929 N. Main Street
P. O. Box 910
Somerset, KY 42502-0910

Honorable Darrell L Saunders, P.S.C.
Attorney at Law
700 Master Street
P.O. Box 1324
Corbin, KY 40702

RE: Case No 2011-00096
South Kentucky RECC
Filing Deficiencies

The Commission Staff has reviewed South Kentucky RECC's application in the above case. This filing is rejected for the reasons set forth below.

Filing deficiencies pursuant to:

(1) 807 KAR 5:001, Section 10(3)(b) - The present and proposed rates for each customer class to which the proposed rates would apply. The customer notice, as set forth in the Application, Exhibit D, contains the following errors:

Schedule LP – The rates listed under present and proposed Demand Charge are actually the present and proposed Energy Charges.

Schedule A Residential Marketing Rate - ETS – present rates are shown for years 1, 2, and 3 for customers with no contract, but the current tariff does not show any present rates for customers without a contract.

Schedule LP-2 – The present and proposed Metering Charges and present and proposed Substation Charges do not accurately reflect the rates set forth in the current and proposed tariffs. The proposed Demand Charge does not reflect the rate set forth in the proposed tariff.

Schedule LP-3 – The present Excess Demand Charge does not reflect the rate set forth in the current tariff. The notice omits the present and proposed Substation Charge for 1,000 – 2,999 kW.

(2) 807 KAR 5:011, Section 6(2)(a) – Revised tariff sheets to contain a symbol in the margin indicating the change made. In the proposed tariff, as set forth in the Application, Exhibit B, the rates on schedules LP-1, LP-2, OL, and DSTL show the symbol “(I),” which indicates that the rates are being increased; however, it appears from the omission of those schedules from Exhibit C, which contains the present and proposed rates in comparative form, that South Kentucky is not proposing to change the rates in schedules LP-1, LP-2, OL, and DSTL .

Other Issues:

While not a specific deficiency, in the customer notice, Application, Exhibit D, Schedule LP-1 omits two Substation Charges and Schedule LP-2 omits one Substation Charge. It is misleading to include in the customer notice rate schedules that are not changing and to include some but not all of the rates on those schedules. South Kentucky should omit from the customer notice any present rate schedule that is not proposed to be changed. Alternatively, if South Kentucky prefers to include rate schedules in its customer notice that are not changing, all rate schedules and all rates within those schedules should be included so as not to give the impression that the omitted present rate is being eliminated.

And finally, on May 31, 2011 in Case No. 2010-00510¹, the Commission approved new energy rates for South Kentucky. South Kentucky is advised that the rates shown as the present energy rates in its customer notice must reflect the currently approved energy rates, not those in effect prior to June 1, 2011.

The statutory time period in which the Commission must process this case will not commence until the above-mentioned information is filed with the Commission. You are requested to file an original and 10 copies of this information within 15 days of date of this letter.

In all future correspondence or filings connected with this case, please reference the above case number. If you need further assistance, please contact my staff at 502-564-3940.

Sincerely,



Linda Faulkner
Filings Division Director

¹ Case No. 2010-00510, An Examination of the Application of the Fuel Adjustment Clause of South Kentucky Rural Electric Cooperative Corporation from November 1, 2008 through October 31, 2010 (Ky. PSC May 31, 2011).