



SALT RIVER ELECTRIC

111 West Brashear Avenue • Bardstown, Kentucky 40004
(502) 348-3931 • (502) 955-9732 • Fax (502) 348-1993

April 10, 2012

RECEIVED

APR 12 2012

PUBLIC SERVICE
COMMISSION

Mr. Jeff Derouen
Executive Director
KY Public Service Commission
211 Sower Boulevard
Frankfort KY 40601

Re: Application for Approval of Prepay Metering Program

Dear Mr. Derouen:

Please find enclosed an original and ten copies of Salt River Electric's application to receive approval of a pilot program for prepay metering. Should you need anything further regarding this matter, please let me know.

THANKS!

Nicky Rapier
Vice President of Economic and Community Development

Enclosures

cc: Kentucky Attorney General's Office of Rate Intervention

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In The Matter Of:

**APPLICATION OF SALT RIVER ELECTRIC
COOPERATIVE CORPORATION FOR APPROVAL
OF A PREPAY METERING PILOT PROGRAM TARIFF**

APPLICATION


Salt River Electric Cooperative Corporation, hereinafter called "APPLICANT", respectfully advises the Commission that:

1. APPLICANT is engaged in the sale of electric power over its 4,025 miles of line at retail rates to its approximately 47,398 meters in Bullitt, Nelson, Spencer, Washington, Anderson, Jefferson, LaRue, Marion, Mercer and Shelby Counties, Kentucky.
2. The address of APPLICANT is 111 West Brashear Avenue, Bardstown, Kentucky 40004, and its Articles of Incorporation, as amended, are on file with the Commission.
3. This application is for the purpose of requesting approval of a prepay metering pilot program in accordance with the terms set forth in the proposed tariff filed herewith as "Exhibit A".
4. The APPLICANT further requests a deviation from 807 KAR 5:006, Section 14, which requires a written notice of service termination for nonpayment, insofar as such notice would apply to this prepay metering pilot program. It is the understanding of the APPLICANT that such a deviation has previously been approved in PSC Case No. 2010-00210 involving the tariff filing of Jackson Energy Cooperative and in PSC Case No. 2010-00141 involving the tariff filing of Nolin RECC to establish prepaid electric service.

WHEREFORE, the APPLICANT now moves the Public Service Commission of the Commonwealth of Kentucky to grant approval to this prepay metering pilot program as outlined in the tariff attached hereto as "Exhibit A".

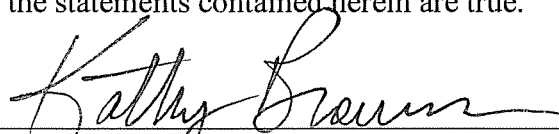
WITNESS the hand of the duly authorized Vice President of Community and Economic Development this 10th day of April, 2012.

SALT RIVER ELECTRIC COOPERATIVE CORPORATION

BY: 
Nicky Rapiere
Vice President of Community and Economic Development

STATE OF KENTUCKY
COUNTY OF NELSON

I, the undersigned, a Notary Public, do hereby certify that on this 10th day of April, 2012, personally appeared before me NICKY RAPIER, who being by me first duly sworn, subscribed to and acknowledged that he is the Vice President of Community and Economic Development of Salt River Electric Cooperative Corporation, a Kentucky Corporation, and that he signed the foregoing document as such, and that the statements contained herein are true.


NOTARY PUBLIC, Kentucky State at Large

My Commission expires December 16, 2014

STANDARD RIDER

This Voluntary Prepay Electric Service is a rider to Rate Schedule A-5 (Farm and Home Service).

APPLICABLE

In all territory served.

AVAILABILITY

Available to members of the Cooperative for all Farm and Home uses subject to the established rules and regulations of the Seller excluding accounts on Levelized Budget Billing, ETS or Net Metering.

TYPE OF SERVICE

Prepaid Electric Service

RATES

In addition to the Customer Charge and kWh charge for Rate Schedule A-5 (Farm and Home Service), there will be a 17 cents per day program fee.

TERMS AND CONDITIONS

This program is a voluntary program available to members of the Cooperative. Consumers receiving service under this tariff are required to enter into a contract for a minimum of one (1) year and the prepay agreement will follow the plan. However, if after a few months the member discovers the prepay option is not convenient for their lifestyle; the member may revert to a tariff without the rider. At this point the member will be subject to conditions of the tariff without the rider, such as making a deposit with the cooperative.

Members must have internet access to participate in this voluntary prepay program.

Each Member choosing the prepay option will be subject to all other application rules and regulations which apply to members using a tariff without the prepay rider.

The member will be required to pay the membership fee and be entitled to all member benefits as other members.

CHARGES AND ASSESSMENTS

- (A) Non-energy charges such as the customer charges will be pro-rated daily. Each day at a time specific, that amount will be deducted from the total balance of the account.
- (B) The fuel adjustment and the environmental surcharge will be credited or debited to the account based upon the purchase. The dollar amount will be the allocation for the month of the purchase.

- (C) At the time the account is activated with the prepay option, the initial purchase is recommended to be a minimum of \$75.00. Purchases beyond the point of activation may be in any increment of the members choosing and could be \$20.00 or less.
- (D) When a member converts from post pay to prepay and that member has a deposit on file with the Cooperative, the deposit will not be refunded but converted into a credit on the account going forward. This is of course if the deposit is not needed to meet the original purpose of the deposit.
- (E) After a Salt River Electric member has been disconnected for non-pay and chooses the prepay option for reconnect, they will be subject to a plan whereas future purchases will be split 70/30 until the old debt is retired. 70% will be applied to new purchases while the 30% will be applied towards retirement of the previous balance.

MEMBER BENEFITS

No deposit or late fees. The fact that the member prepays for electric power means that there is not a requirement for the member to pay a deposit to Salt River Electric. Also, there will be no disconnect/reconnect charges.

OTHER

- (A) Refunds and credits: When a member decides to leave the program and they have a credit to their accounts, they will have two options. 1) Make some type of agreement with the new owner/tenant as to the balance or 2) request a refund from Salt River Electric and have the power disconnected.
- (B) A prepay account will be disconnected if the balance of the account becomes negative.
- (C) This prepay pilot program is in effect for three years. At the end of the three years, if the program is not continued, all prepay accounts will revert to post-pay accounts.