

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF SOUTH KENTUCKY RURAL)	
ELECTRIC COOPERATIVE CORPORATION)	CASE NO.
FOR AN ADJUSTMENT OF RATES)	2011-00096

O R D E R

On September 9, 2011 South Kentucky Rural Electric Cooperative Corporation ("South Kentucky") filed its Response to the Commission Staff's Second Information Request. In response to Item 2 thereof, South Kentucky indicated that it had published notice of its proposed rate increase in newspapers in Clinton, Pulaski, McCreary, Russell, and Wayne counties. South Kentucky's service territory includes the counties of Adair, Casey, Clinton, Cumberland, Laurel, Lincoln, McCreary, Pulaski, Rockcastle, Russell, and Wayne. In situations where notice of a proposed rate adjustment has been published, 807 KAR 5:001, Section 10(4)(d) requires the utility to file an affidavit from the publisher verifying the notice was published, including the dates of the publication with an attached copy of the published notice no later than forty-five (45) days of the filed date of the application. The Commission accepted South Kentucky's application for filing on July 28, 2011.

When public notice of a proposed rate change is given by newspaper publication, KRS 424.120 requires that notice to be published in the entire publication area of the utility. If a publication area extends into more than one county, KRS 424.120(3) states that:

[T]he part of the district in each county shall be considered to be a separate publication area for the purposes of this section, and an advertisement for each separate publication area shall be published in a newspaper qualified under this section to publish advertisements for the area.¹

The issue of an electric utility's publication of notice consistent with the requirements of KRS 424.120 has been addressed recently by the Commission in a fuel adjustment clause proceeding concerning Duke Energy Kentucky, Inc. ("Duke").² The electric service territory of Duke covers Boone, Campbell, Grant, Kenton, and Pendleton counties. Duke had published notice of the public hearing in the *Kentucky Enquirer* ("*Enquirer*"). In rejecting Duke's argument that publication in the *Enquirer* met the requirements of KRS 424.120 for publication in each of Duke's service territories and directing it to publish notice in a newspaper of general circulation in each county where it provided service, the Commission stated that it "is in agreement with Duke that publication in the *Enquirer* would be cost effective to provide notice to its customers; however, the Commission is obligated to follow the requirements of KRS 424.120. Under those specific requirements, the *Enquirer* does not qualify for any county other than Kenton."³

Based on the evidence in the record, the Commission finds that:

¹ KRS 424.120(3).

² Case No. 2010-00494, An Examination of the Application of the Fuel Adjustment Clause of Duke Energy Kentucky, Inc. from November 1, 2008 Through October 31, 2010, Order issued April 29, 2011.

³ *Id.* at p. 6.

1. South Kentucky has not filed affidavits of publication verifying the notices that were published, including the dates of the publication with an attached copy of the published notice, as required by 807 KAR 5:001, Section 10(4)(d), for its notices published in Clinton, McCreary, Pulaski, Russell, and Wayne counties.

2. South Kentucky has not published notice of its proposed rate increase in its service territories of Adair, Casey, Cumberland, Laurel, Lincoln, and Rockcastle counties as required by 807 KAR 5:001, Section 4(c).

3. A hearing on South Kentucky's rate application should be scheduled.

IT IS THEREFORE ORDERED that:

1. Within 10 days of entry of this Order, South Kentucky shall file affidavits of publication verifying the notices that were published in Clinton, McCreary, Pulaski, Russell, and Wayne counties, as discussed in finding paragraph 1 above.

2. South Kentucky shall provide notice of its proposed rate increase to its customers in Adair, Casey, Cumberland, Laurel, Lincoln, and Rockcastle counties as required by 807 KAR 5:001, Section 10(4)(c) by either publishing notice in newspapers of general circulation in newspapers that qualify under KRS 424.120 or by direct mail notice, and affidavits of publishing or verifications of mailings shall be filed as required by 807 KAR 5:001, Section 10(d) and (e).

3. A hearing on South Kentucky's rate application shall be held on December 6, 2011 at 10:00 a.m., Eastern Standard Time, in Hearing Room 1 of the Commission's offices at 211 Sower Boulevard, Frankfort, Kentucky.

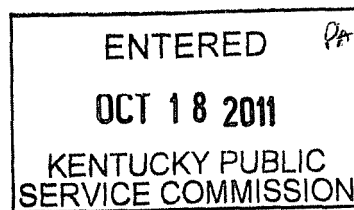
4. South Kentucky shall publish notice of this hearing no later than November 29, 2011 in compliance with 807 KAR 5:011, Section 8(5).

5. No later than December 2, 2011, South Kentucky shall file with the Commission proof of publication for its notice of the hearing.

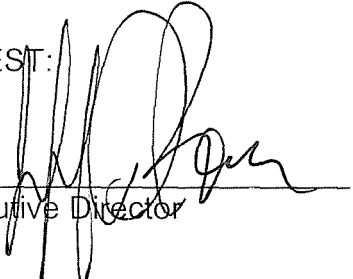
6. The official record of these proceedings shall be by video only.

7. Any request to cancel or postpone this hearing shall be made by motion filed with the Commission at least one week before the hearing is scheduled to commence.

By the Commission



ATTEST:


Executive Director

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

Stephen Johnson
Vice President of Finance
South Kentucky R.E.C.C.
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, KENTUCKY 40702