COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF SALT RIVER ELECTRIC) COOPERATIVE CORPORATION (1) FOR AN ORDER) PURSUANT TO KRS 278.300 AND 807 KAR 5:001,) SECTION 11 AND RELATED SECTIONS, AUTHORIZING) THE CORPORATION TO BORROW AN AMOUNT NOT TO) EXCEED \$2,257,000.00 FROM THE NATIONAL BANK) FOR COOPERATIVES AND (2) FOR A CERTIFICATE) OF CONVENIENCE AND NECESSITY PURSUANT TO KRS) 278.020(1) AND 807 KAR 5:001, SECTION 9 AND) RELATED SECTIONS, AUTHORIZING CERTAIN) PROPOSED CONSTRUCTION AND ASSOCIATED CAPITAL) OUTLAY

CASE NO. 94-359

ORDER

IT IS ORDERED that Salt River Electric Cooperative Corporation ("Salt River") shall file the original and ten copies of the following information with the Commission no later than 30 days from the date of this Order.

 Refer to the 1994-1995 Work Plan Voltage Drop studies, pages entitled "With Corrections."

a. The voltage drop results contained on these pages reflect some changes which are not being proposed in this proceeding. Provide a similar voltage drop study, using the same assumptions used in developing the "With Corrections" print outs, but showing voltage drop results incorporating only those changes which are being proposed in this case. Include all proposed " construction which will have an impact on voltage drops, such as the Series 607 Conductor Replacements. b. From the results obtained above, provide a list of corrections, for feeders which contain an accumulated voltage drop exceeding 8 volts, with cost estimates, that would reduce the drop below 8 volts.

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c. Explain why this two-year work plan does not include correction of the voltage drops listed above.

2. Refer to the 1994-1995 Work Plan, page 2, which states in part:

Milsoft Distribution Analysis was used to analyze the distribution circuits during the winter peak of 1992-1993. This peak occurred in February of 1993.

a. State, in terms of MW, the February 1993 winter peak.

b. Was this peak used in developing the distribution analysis, or was customer growth combined with the February 1993 peak to obtain the 155.8 MW identified on page 20 of the work plan?

c. Has a new peak been established since February 1993? If so, what was the new peak demand and when did it occur?

3. Refer to the 1994-1995 Work Plan, page 31. The information on this page indicates that the replacement of 14,321,291 feet of 6a and 8a conductors will occur over twenty years. Provide more detailed information on Salt River's plans to replace its 6a and 8a conductors.

4. Provide a copy of Salt River's most recent sectionalizing study. If a list of the criteria used by Salt River to determine the locations of protective devices is not included in the study, provide it.

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5. Do the internally generated funds of \$588,591 included on REA Form 740c represent funds approved for, but not used for, a previous work plan? If yes, provide the work plan, the number of the case in which it was approved, and an itemized schedule of construction projects brought forward. Include an explanation of why this construction was not done under that work plan. If no, explain why Salt River began construction prior to the issuance of a certificate by the Commission.

Done at Frankfort, Kentucky, this 10th day of January, 1995.

PUBLIC SERVICE COMMISSION

For the Commission

ATTEST:

Executive