

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION OF THE)	
APPLICATION OF THE FUEL)	
ADJUSTMENT CLAUSE OF SALT)	
RIVER ELECTRIC COOPERATIVE)	CASE NO. 2002-00448
CORPORATION FROM NOVEMBER 1,)	
2000 TO OCTOBER 31, 2002)	

O R D E R

Pursuant to Administrative Regulation 807 KAR 5:056, the Commission on December 11, 2002 established this case to review and evaluate the operation of the fuel adjustment clause (FAC) of Salt River Electric Cooperative Corporation (Salt River) for the 2 years ended October 31, 2002.

As part of this review, the Commission ordered Salt River to submit certain information and an affidavit attesting to its compliance with Administrative Regulation 807 KAR 5:056. Salt River has complied with this Order. The Commission further ordered that a public hearing be held in this case but cancelled it when, after publication of notice, no interested party advised the Commission of its intention to attend.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that:

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

2. East Kentucky Power Cooperative, Inc. (EKPC), the wholesale supplier of Salt River, has been authorized to transfer (roll-in) a 2.31 mills per KWH increase in the base fuel cost to its base rates.¹

3. Salt River should be authorized to transfer (roll-in) a 2.44 mills per KWH increase in its base fuel costs to its base to reflect, as adjusted for line loss, the transfer of a 2.31 mills per KWH increase in EKPC s base rates. This transfer can best be accomplished by an energy adder to each KWH sold.

4. The rates and charges in Appendix A, attached hereto and incorporated herein, are fair, just, and reasonable, and reflect the transfer of fuel costs from the FAC to the base rate.

IT IS THEREFORE ORDERED that:

1. The charges and credits applied by Salt River through the FAC for the period November 1, 2000 to October 31, 2002 are approved.

2. Salt River is authorized to transfer to base rates those fuel costs (as adjusted for line-loss) rolled in by EKPC from its FAC to its base rates.

3. The rates in Appendix A are approved for service rendered by Salt River on and after May 1, 2003, the effective date of EKPC s change in rates.

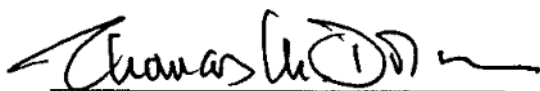
4. Within 30 days of the date of this Order, Salt River shall file with the Commission revised tariff sheets setting out the rates approved herein.

¹ Case No. 2002-00432, An Examination by the Public Service Commission of the Application of the Fuel Adjustment Clause of East Kentucky Power Cooperative, Inc. from November 1, 2000 to October 31, 2002.

Done at Frankfort, Kentucky, this 23rd day of April, 2003.

By the Commission

ATTEST:

A handwritten signature in black ink, appearing to read "Thomas H. (D)", written over a horizontal line.

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2002-00448 DATED April 23, 2003

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

SCHEDULE A-5
FARM AND HOME

Energy Charge per kWh \$.054261

SCHEDULE A-5T
FARM AND HOME SERVICE TAXABLE

Energy Charge per kWh \$.054261

SCHEDULE A-5 -TOD
FARM AND HOME SERVICE-TIME OF DAY

On Peak Energy Charge per kWh \$.073100
Off-Peak Energy Charge per kWh \$.034060
Summer Season \$.054261

SCHEDULE A-5T -TOD
FARM AND HOME SERVICE TAXABLE-TIME OF DAY

On Peak Energy Charge per kWh \$.073100
Off-Peak Energy Charge per kWh \$.034060
Summer Season \$.054261

SCHEDULE R-1
RESIDENTIAL MARKETING RATE

Energy Charge per kWh \$.032557

SCHEDULE B-2
COMMERCIAL AND SMALL POWER SERVICE

Energy Charge per kWh \$.060001

SCHEDULE LLP-1
LARGE POWER SERVICE

Energy Charge per kWh \$.041971

SCHEDULE LLP-2
LARGE POWER 500 KW UNDER 3,000 KW (Secondary Voltage)

Energy Charge per kWh \$.038661

SCHEDULE OL
OUTDOOR LIGHTING

Flat rate per light per month as follows:

Mercury Vapor 175 Watt	\$ 7.69
Sodium Vapor 100 Watt	\$ 7.78
Sodium Vapor 250 Watt	\$ 9.59
Sodium Vapor 400 Watt	\$ 12.30
Decorative Underground (HPS) 100 Watt	\$ 8.73
Underground MV w/o pole 175 Watt	\$ 14.16
Underground MV w/pole 175 Watt	\$ 17.86
Overhead Durastar MV 175Watt	\$ 8.31

SCHEDULE OL-1
STREET LIGHTING SERVICE

Energy Charge per kWh \$.058301

SCHEDULE LLP-3-B1
LARGE POWER 500 KW 999 KW

Energy Charge per kWh \$.032367

SCHEDULE LLP-3-C1
LARGE POWER 500 KW 999 KW

Energy Charge per kWh \$.032367

SCHEDULE LLP-3
LARGE POWER 500 KW 3,000 KW

Energy Charge per kWh \$.038591

SCHEDULE LLP-4-B1
LARGE POWER 1,000 KW 2,999 KW

Energy Charge per kWh \$.029447

SCHEDULE LLP-4-C1
LARGE POWER 1,000 KW 2,999 KW

Energy Charge per kWh \$.029447

SCHEDULE LPR-1
LARGE POWER 3,000 KW AND OVER

Energy Charge per kWh \$.027091

SCHEDULE LPR-2
LARGE POWER 3,000 KW AND OVER

Energy Charge per kWh \$.027091

SCHEDULE LPR-3
LARGE POWER 3,000 KW AND OVER

Energy Charge per kWh \$.027091

SCHEDULE LPR-1-B1
LARGE POWER 3,000 KW 4,999 KW

Energy Charge per kWh \$.024481

SCHEDULE LPR-1-C1
LARGE POWER 3,000 KW 4,999 KW

Energy Charge per kWh \$.024481

SCHEDULE LPR-1-B2
LARGE POWER 5,000 KW 9,999 KW

Energy Charge per kWh \$.024297

SCHEDULE LPR-1-C2
LARGE POWER 5,000 KW 9,999 KW

Energy Charge per kWh \$.024297

SCHEDULE LPR-1-B3
LARGE POWER 10,000 KW AND OVER

Energy Charge per kWh \$.023997

SCHEDULE LPR-1-C3
LARGE POWER 10,000 KW AND OVER

Energy Charge per kWh \$.023997